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PROCEEDINGS AND DEBATES OF THE 85th CONGRESS, SECOND SESSION

SENATE

WEDNESDAY, APRIL 23, 1958

Rabbi Philip S. Bernstein, Temple B'rith Kodesh, Rochester, N. Y., offered the following prayer:

O Thou, watching over Israel, we lift our hearts to Thee, as our fathers did before us, in gratitude and hope. We thank Thee for the heritage of faith that has sustained men and nations, for the light Thou didst shed on their way by Thy revelations of truth, for the ideals that have moved Thy children at their best and to their best.

Standing before Thee at this historic hour in this historic place, our thoughts turn to the ancient people who early found their way to Thee, clinging to Thee with unflagging devotion, bearing witness through the generations to Thy living presence. It was Thy love that sustained them, Thy promise which preserved them through every trial and tribulation, and brought them, creative and faithful, to this momentous hour.

Be with them now as, risen from the ashes of persecution and slaughter, they stand erect, strong and free in their ancestral homeland. They that sowed in tears have come home with joy, bearing their sheaves. Guide Thou their way, that out of Zion shall come forth the law, Thy law of justice for all mankind, and Thy word of light, healing, and hope for all Thy troubled children, from Jerusalem. Help them and their neighbors, who are bound together by their common humanity and need of Thee, to turn their swords into plowshares, their spears into pruning hooks, and to learn war no more.

As we pray for the peace of Jerusalem, we thank Thee for this sweet land of liberty which is our home. We thank Thee for its opulent bounties, Thy gift, for its manifold beauties bursting from the earth these lovely spring days, for its inheritance of freedom and its promise of brotherhood. We are grateful for the kinship of spirit which has linked this bastion of democracy in the New World to that beachhead of freedom in the Old World. We are grateful for the aid and understanding here generously given, and for the commitment to the free world there solemnly pledged. Help us to build and strengthen these bridges of mutual aid and shared knowledge, over which all men may walk toward a brighter day.

Above all, O Father of us all, we pray for peace; for as Thou art one, Thy children are one. No nation is an island unto itself. None can or need profit at the hurt of another. With Thy bounty and their ingenuity, there is enough for all. Help us, then, to seek out our brethren of every creed, color, and clime, to join with them in lifting the burdens, the chains, from men everywhere, and to make Thy gift of life, liberty, and happiness the heritage of all. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, April 22, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H. R. 912) to amend the Navy ration status so as to provide for the serving of oleomargarine or margarine, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 5984. An act to authorize the exchange of certain lands at Black Canyon of the Gunnison National Monument, Colorado, and for other purposes;

H. R. 8437. An act to amend the act of August 3, 1956, to authorize certain personnel of the uniformed services to accept and wear decorations conferred by the Philippine Government; and

H. R. 9240. An act to revise certain provisions of law relating to the advertisements of mail routes, and for other purposes.

HOUSE BILL REFERRED

The bill (H. R. 912) to amend the Navy ration statute so as to provide for the serving of oleomargarine or margarine was read twice by its title and referred to the Committee on Armed Services.

LEAVE OF ABSENCE

Mr. CASE of New Jersey. Mr. President, I have been honored by being invited to make an address in Berlin on Saturday, April 26, 1958, on the occasion of the turning over of the Congress Hall to the city of Berlin. I ask unanimous consent that I may be absent from the Senate beginning tomorrow through Sunday, April 27, in order to fulfill that engagement.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Fiscal Affairs Subcommittee of the Committee on the District of Columbia be permitted to sit during today's session of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements made in that connection be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

TENTH ANNIVERSARY OF ISRAEL

Mr. JOHNSON of Texas. Mr. President, on behalf of myself and the distinguished minority leader [Mr. KNOWLAND], I submit a resolution for which I request immediate consideration. In order to permit other Members to become cosponsors of the resolution, I ask unanimous consent that it be held at the desk until 5 o'clock this afternoon.

The VICE PRESIDENT. Is there objection to the request of the Senator from Texas? Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, the resolution speaks for itself. It expresses the feelings of the American

people who have watched the steady growth of Israel for a decade.

Americans have been deeply impressed by the courage, the tenacity, and the determination with which the Israelis have built their country. It is a heart-warming demonstration of what can be done by determined men and women against great—and sometimes overwhelming—odds.

We wish Israel well. We hope it continues to flourish and prosper in dedication to the ideals of freedom and international cooperation, and that it will serve as a force to contribute to peace in the Middle East and in the world.

Mr. President, I send the resolution to the desk, and ask that it be read.

The VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 294), introduced by Mr. JOHNSON of Texas, on behalf of himself, Mr. KNOWLAND, Mr. SALTONSTALL, Mr. FLANDERS, Mr. IVES, Mr. JAVITS, Mr. BEALL, Mr. PROXMIRE, Mr. DOUGLAS, Mr. SMITH of New Jersey, and Mr. NEUBERGER, was read as follows:

Whereas the establishment of Israel as an independent state on May 14, 1948, represented a triumph not only for the Jewish people but also for all men who believe in human freedom, justice, and dignity; and

Whereas during the 10 years of its existence as a sovereign nation, Israel has successfully defended its independence, developed its economy; and

Whereas during such period, Israel has admitted approximately 900,000 Jewish immigrants from displaced persons camps in Germany, Austria, and Italy; from countries in North Africa and the Middle East; and from other countries throughout the world; and

Whereas by its achievements during the period of its existence as an independent state, Israel has developed democratic institutions in the Near East, and has played a constructive role in the family of nations; and

Whereas the 24th day of April is the 10th anniversary, according to the Hebrew calendar, of the establishment of Israel as an independent state: Now, therefore, be it

Resolved, That the greetings of the Senate of the United States are hereby cordially extended to the State of Israel upon the occasion of the 10th anniversary of its establishment as an independent nation; and be it further

Resolved, That the Secretary of the Senate is directed to transmit a copy of these resolutions, through the Department of State, to the President of Israel.

Mr. KNOWLAND. Mr. President, I desire to join the distinguished majority leader in urging the adoption of the resolution. Israel has played an important part in the family of nations. Israel is an independent nation which has made contributions at the United Nations and elsewhere. I am glad to endorse the resolution and to urge that it be adopted by the Senate.

Mr. JAVITS. Mr. President, I, too, would like to join my colleagues in the sponsorship of the resolution and in urging its adoption.

I have spoken many times on this subject on the floor of the Senate.

I desire to make one brief point today, which I believe is vital and important to all of us: In the minds of the harassed and persecuted people who repaired to Israel, there have been hours of great agony and doubt as to the survival and endurance of their state. Now that 10 years have gone by, and now that the State of Israel is more secure, viable, and independent than ever, I think it fair to say that Israel is now established permanently in the firmament of nations.

The session of the Senate today was opened by prayer by the distinguished rabbi who heads the American Zionist Committee for Public Affairs, which is concerned with the work of those who are interested in Israel. He has spoken with many of us on many other occasions. Echoing his prayer, let me say that I believe we have the right to hope and expect that even those whose hearts are torn with adverse feelings with respect to the establishment of this state, must now recognize that it is fixed in the firmament of nations, to make its contribution as its destiny may allow, and that it should be permitted to do so in peace, for these people, who occupy this small amount of land, have suffered and endured unbelievably for centuries upon centuries. Their sufferings were summed up in the torment of the holocaust which Hitler let loose upon Europe, with the death of six million of their coreligionists in that holocaust.

The world is too prone to forget so deep a tragedy. The very least that men can do—and this includes men of good will who are in the Arab states, which have a tremendous tradition of humanitarianism—is to let Israel at long last enjoy this little bit of peace and security in their own land.

Let me point out that in these 10 years the fears that there would be an overexpansion in Israel, because of the pressure of immigration, have come to naught. There has been no such pressure on the borders of the state. On the contrary, there has been shown a tremendous capability for living within those borders and for absorbing everyone who wished to come to Israel. That capability exists in great enough measure to assure that in the decades ahead there will be no pressure to move out from Israel's borders.

Also, there has been a viability in the Government of Israel. The Arab minority have enjoyed the privilege of first-class citizenship. A standard of living has been established in Israel that is a model and a showcase for the free countries in that area of the world. Israel has been a true ally of every institution of the Free World in that part of the globe. Everything that was said by those of us who pleaded for aid for Israel in the mutual security program in 1951, 1952, and 1953, has come true. Israel has been worth more than her weight in gold in terms of reliability, and of value to the interests of the free nations in a strife-torn part of the world.

I think the Senate has a right to adopt the resolution with a deep confidence that we shall be doing one of the greatest humanitarian acts which mankind has ever known, and also doing an affirmative act in the interest of the free world, and in aiding the national security of our own country.

Mr. IVES. Mr. President, the 10th anniversary of the State of Israel is an occasion of rejoicing and rededication. We hail Israel's first decade of progress, her triumphs over adversity, her glowing future prospects. And we join in pledging anew our support, our good will, and our prayers for Israel in the years that lie ahead.

The United States and Israel share an overriding concern for the preservation of peace in the Middle East. They have a mutual aim of defeating the sinister designs of communism in Africa and Asia. More than any other nation, the United States was responsible for the creation of Israel. I feel that I have been privileged to play a part, however small, in the creation and strengthening of the vibrant democracy that is Israel.

Mutual interests link the United States and Israel. Ideals, principles, and a common faith in the dignity of man bind these nations together. Let this 10th anniversary be a moment of rededication to the humanitarian principles which are making Israel great—even as they made the United States a beacon of hope in the world.

Mr. DOUGLAS. Mr. President, I also wish to join my colleagues in expressing congratulations to the State of Israel for the splendid record which it has made in the 10 years of its history, and also to express my hope that the years ahead may be years not only of material prosperity, but of peace and cultural development.

The VICE PRESIDENT. The question is on agreeing to the resolution of the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, unless Senators wish to speak on the pending resolution, I should like to have action on it, if I may, because I must leave the Chamber.

Mr. PROXMIRE. Mr. President, I should like to say a word on the resolution.

The VICE PRESIDENT. The Senator from Wisconsin.

Mr. PROXMIRE. I am happy to join with my colleagues in honoring Israel on the occasion of the 10th anniversary of its independence. This country's first decade has been one of unparalleled achievement in human as well as material terms. Dedicated to freedom and democracy in a region of the world that for centuries has known only dictatorship and repression, Israel has shown graphically what a free people can accomplish in the face of enormous natural obstacles and hostile neighbors.

Gathered from all parts of the world, the people of Israel are pioneers in the true sense of the word. Like the early settlers of the West, they are full of courage and determination. They are frontier people, and if the theory of the celebrated University of Wisconsin historian, Frederick Jackson Turner, that our American frontiers have had a major influence on our lives, is correct, then unquestionably the frontiers of Israel have been a major influence in shaping the development of that people.

Israel has rendered a great humanitarian service in providing more than 900,000 homeless men, women, and children from the concentration camps of Europe, and from the ghettos of Africa and Asia, with a chance to regain their

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self-respect and to live normal productive lives. They have done this at great cost to their national economy and at considerable personal sacrifice, but at the same time they have defended their liberty and strengthened the institutions of democracy.

America can be proud of the financial help it has given Israel during its first decade. America can be proud that it has helped to strengthen this young nation, and it is no exaggeration to say that the friendship of the American people continues to be one of the most important pillars of Israel's strength. The cause of democracy and the free world has gained immeasurably because there is a strong, independent Israel in the Near East today. In the world conflict between East and West, which is now making the Middle East its battleground, we are fortunate to be able to point to a country where democracy and freedom are proving so successful.

The people of Israel have also demonstrated their ability to defend themselves when their security has been threatened. At the same time they have repeatedly extended the hand of peace to all their neighbors, with a sincerity that cannot be doubted. Israel wants peace. Only this week her Prime Minister, David Ben-Gurion, in a television interview, offered to disarm his country if his neighbors would do likewise. In its desire for peace and economic development, in its love of freedom and devotion to democracy, in its tradition of humanitarian service and in its provision of homes for the homeless, Israel reflects also the interests of the United States. For our part, we can aid in the achievement of peace in the Middle East by making it clear that we will not tolerate any aggression against Israel. Only when Israel's neighbors understand that it is in their own best interests to cooperate with each other and with Israel for the development of the entire region, will peace come. All our efforts should be devoted toward that goal.

Mr. SALTONSTALL. Mr. President, today marks the 10th anniversary of the establishment of the free State of Israel. Just 10 years ago the community of free peoples was strengthened by the creation of a democratic nation.

In one short decade we have witnessed the remarkable progress of the Israeli state. Its heritage, its culture, its dedication to human freedom and human dignity have enabled it to become a stalwart ally among the free nations of the world.

We in America seek peace and freedom for all men. For this reason the preservation of the free and independent State of Israel has been, and will remain, a fundamental tenet of American foreign policy.

On this 10th anniversary of Israel's restoration, I join the millions of friends of Israel all over the world in paying tribute to the heroic people of this nation—to the progress which they have made in furthering their democratic institutions—and to the ambition which they share with us to achieve dignity and brotherhood for all men.

Mr. SMITH of New Jersey. Mr. President, I desire to identify myself fully with the resolution offered by the majority leader, concurred in by the minority leader and other Senators, with respect to the 10th anniversary of the founding of the State of Israel.

Mr. President, tomorrow, April 24, will be the 10th anniversary of the independence of Israel. We, in America, are happy to salute this gallant land on the occasion of the celebration of its first decade as a member of the nations of the world.

Israel's career has been stormy and difficult, but it enters upon its second decade with a vigorous, democratic society, and a developing economy which is expanding both agriculturally and industrially at a healthy rate. The eastern shore of the Mediterranean is beginning to bloom again in a manner not seen for centuries.

It has seemed to me in the second decade of the life of this courageous little country that it can well dedicate itself to the challenge of peace in the area in which it thrives. It can show to the other nations of the area and the free world that the eternal spiritual truths on which its whole history has been founded are the possession not only of Israel alone, but also the possession of the entire world.

Israel and the Middle East area is the birthplace of many of the world's great religions. Leadership in the establishment of these spiritual values could well be the proud objective of these courageous people.

Israel has demonstrated how a sound democracy can thrive in the midst of adversity. We, in America, welcome this opportunity to congratulate it on its 10th birthday. We also take this occasion to renew our determination that we and other nations will continue to search for means of alleviating the tensions and difficulties which confront Israel and the states adjacent to it, to the end that peace and prosperity will be the blessing of every country in the Middle East.

Mr. BEALL. Mr. President, today the Senate of the United States is honoring the State of Israel which will celebrate its 10th anniversary tomorrow.

Ten years ago a new nation was formed, the State of Israel, founded on principles similar to those on which our own country was founded.

In 10 short years this vigorous young nation has withstood aggression, turned the desert into fertile farmland, begun an ambitious industrial program, and gained the respect of the world.

Israel has shown the world how a people with ideals based on the principles of freedom, sacrificing mutually, and pulling together, can form a great and free nation.

In these days of man-made satellites circling the earth, of atomic power, of intercontinental missiles, and of talk about interplanetary travel, we are liable to lose sight of the one thing that makes us a strong nation: The determination in our hearts to remain free. It follows, then, that we are a nation where the people govern through free elections. This idea of freedom has become a part of the lives of our people, and for this we are known throughout the world. Thus, our country has been a shelter for the persecuted of the world, a sanctuary where liberty, justice, and equality are the accepted rule. It is significant that these very ideals are those on which the State of Israel was founded. And Israel has grown in stature to a great and respected nation.

As a representative of the people of Maryland, I extend to the people of the State of Israel our sincere congratulations on the 10th anniversary of the founding of their nation.

Mr. CASE of New Jersey. Mr. President, 10 years ago the new State of Israel was proclaimed. Minutes after the declaration of a new independent nation, the United States announced formal recognition of its government, the lone democracy in the ancient lands of the Middle East.

The years since then have brought development at a pace unmatched by any other nation in modern times. Certainly, few have confronted greater difficulties in their initial years. A barren land which would require enormous effort to make productive, the normal sources of food supply largely cut off, a steady influx of immigrants and refugees, most of them with little or no agricultural experience, little industry, hostile neighbors on virtually every side—little wonder that some thought Israel would not long survive. But Israel had one priceless asset—a people firmly determined to build a strong and enduring nation, in which each could make a useful life.

Indeed, the very precariousness of those early years, the hardships and dangers that were a part of daily life, stimulated efforts that were truly prodigious.

In 10 years Israel has come a very long way. Primary emphasis has, of course, been put on the development of agriculture. This has meant investment in irrigation, agricultural equipment, fertilizers, and training programs. Israel is not yet self-sufficient in all foods, but the days of strict rationing, of barely skirting the threat of starvation, are behind, forever behind, we hope. Even though wisdom and necessity dictated giving agricultural development first place, industrial growth has also proceeded at a rapid rate. Over an 8-year period, Israel has managed to achieve a fivefold increase in exports and to meet her financial obligations at home and abroad. Overall imports still exceed exports, but the young economy has demonstrated a vitality and capacity for growth that is from any objective point of view, very remarkable.

In all of this, Israel has been greatly helped by the assistance—technical, financial, and economic—extended by other nations and by millions of individuals, not only in the United States, but all over the world, to whom the establishment of Israel was the triumphant vindication of basic principles of humanity and justice. To see the good use to which outside help has been put, the many-fold return it has so quickly brought, provides a rare satisfaction.

Important though outside assistance has been, and will continue to be for some time, the indispensable ingredient in Israel's progress remains her people. Only a people with a high degree of

social responsibility, with the ability to organize themselves effectively and make the most of meager resources, could achieve a standard of living which already contrasts so favorably with that of many of her neighbors, including those endowed with great natural resources.

Much of the hardest part is behind them. But new and no less challenging problems lie ahead. Domestically most important is that of helping many of the new immigrants coming from traditional, almost feudal backgrounds of Middle Eastern countries, to take their places in a modern dynamic society shaped by and dedicated to western ideals. I have no fear of the outcome.

A people who have demonstrated the courage and skill which has brought Israel through this first decade cannot fail to meet the new challenges which lie ahead.

Mr. HUMPHREY. Mr. President, tomorrow, April 24, will mark a memorable occasion—the 10th anniversary of the founding of the State of Israel. At this time, it would be appropriate to reaffirm our confidence in Israel's future and pleasure in her magnificent achievements. I ask unanimous consent to have a copy of the letter which I sent to Prime Minister David Ben-Gurion printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

His Excellency DAVID BEN-GURION,
Prime Minister of Israel,
Tel Aviv, Israel.

DEAR MR. PRIME MINISTER: On the occasion of the 10th anniversary of the State of Israel, I wanted to send you my personal congratulations and warmest good wishes. This is an occasion for rejoicing among friends of Israel all over the world. Probably no nation in history has accomplished so much in so short a time.

This splendid record of achievement and progress is a tribute to the dedication, the sacrifice, and the faith of the people of Israel. Your great leadership during these trying days of Israel's freedom and independence has been a source of inspiration, not only to your own people, but to free men everywhere.

I will long remember our visit about a year ago. I shall be ever grateful to you and your countrymen for the hospitality and friendly welcome that was extended to me and my associates during our visit to Israel. I am sure you know that we were very favorably impressed with the many accomplishments that were so evident everywhere.

Before many months go by, I hope that we may meet again and this time in the United States.

I have deemed it an honor and a privilege to participate in some of the programs and efforts which have been undertaken here in the United States, designed to be of assistance to the people of Israel. Permit me to join my fellow Americans in saluting you and the State of Israel on the occasion of the 10th anniversary. We wish you and your country the blessings of freedom, peace, and continued progress. All of these you richly deserve.

With admiration and best wishes, I remain,
Respectfully yours,

HUBERT H. HUMPHREY.

Mr. NEUBERGER. Mr. President, several years ago my wife and I rode along a wilderness path high above the rushing Lochsa Fork of the Clearwater River in Idaho. We were following the westbound trail of the first Americans to cross the continent, Meriwether Lewis and William Clark. We were only 150 years behind them. Our vast country was crossed for the first time but a century and a half ago. America is that new.

New nations still rise, new national histories still have their beginnings, as the 2½ billion of us who share the earth seek for workable institutions in which to govern ourselves and live according to our diverse cultures and in peace with our neighbors. This century will be marked, in the long sweep of human history, as one in which the drive for nationhood reached its climax, and in which more peoples assumed that status than at any other time.

Today we herald a nation whose modern history commenced only a decade ago—the Republic of Israel. To the youngsters in Israel—and to young men and women studying history in schools in Indonesia, Ghana, Sudan, Tunisia, and all the other new nations—the United States today must appear as one of the oldest, most permanent of States in the world—powerful, almost lavishly rich, and correspondingly conservative; a bit tired and, alas, leary of new ideas. For these nations stand today where we stood 150 years ago, on the threshold of national history, impatiently contemplating such vast established empires as those of Great Britain and France.

Yet Israel's case is different, and it is unique. Located in the very cradle of western history, it represents to its people, not the opening of a virgin continent but the renaissance of a national community whose origins antedate European history, even those of Greece and Rome.

The pioneers and settlers of the modern Israel did not vanquish physical elements—the heat and cold, the floods and the drought, the wilderness of an unexplored continent. In a century when man has long mastered his physical environment, their struggle was against human obstacles—against prejudice and poverty, against ignorance and intolerance, against hate and organized, inhuman cruelty unmatched in modern history.

Mr. President, in the history of this small, new nation that won its independence and sovereignty just 10 years ago, in the lives of the few hundred thousand men and women of our generation who now seek to maintain a community of freedom and democracy in a narrow strip on the eastern shore of the Mediterranean, there is sharply focused much of the record of our century. That record—with its unprecedented extremes of triumphs and tragedies, of heights of civilization and depths of barbarism, of enlightenment and fanaticism, of nationalism and internationalism, of generosity and destruction—is uniquely reflected in the record of the people of Israel, as in a many-faceted mirror. It is good to have this occasion, on Israel's 10th anniversary, to contemplate that record, for it holds many lessons to remind us of the times in which we have lived and now live today.

Israel today stands as testimony to the tragic failures of modern civilization, and to its unending struggle for ultimate triumph over those failures.

As an independent, national refuge for hundreds of thousands of men and women from all over Europe, Israel testifies to the failure of the 19th-century gospel of inevitable human progress, to the tragic reversal of its hopes for a cosmopolitan community in which men of any race, religion, or origin could live as individuals, in freedom and equality. It testifies to the defeat of rationalism by conscious irrationalism; to the deliberate, senseless brutality of Russian pogroms; and to the racist fanaticism of Nazi extermination camps.

Many thousands have recently fled to Israel from homes in Africa and the Near East that they had occupied for generations.

But if Israel was born from the failure of men of different religions to live together in peaceful and free communities, it also represents great triumphs of leadership, of dedication, of self-sacrifice for the ideal that there might be established—on the site of its most ancient roots—a new community in which such life could flourish in peace and in freedom.

Israel today reflects the faith in nationalism and in national self-determination that found its most idealistic apostle in Woodrow Wilson. Israel also reflects the new internationalism, the faith in organized international search for solutions to hard problems, that is represented in the United Nations. It is nationalism—the conflicting national interests and aspirations of Israel and its neighbors in the Near East—that gives these countries their dynamic drives today; and it is also nationalism that creates and maintains the crises that retard and threaten forever to destroy the opportunities for peaceful progress in that region. Internationally, probably no other area in the world has been so directly and consistently a challenge to the peacemaking abilities and effectiveness of the United Nations—from the first postwar crisis in Iran to the invasion of Suez.

After 10 years, Israel still represents an outstanding test to the United Nations, to the United States, to the other western democracies from which it draws its ideals of justice and liberty, and to itself.

Fundamental is the problem of Israel's situation among hostile neighbors, whose governments face almost insoluble difficulties of their own, and which include the critical human issue of the former Arab inhabitants of Palestine. This situation was summarized with his customary eloquence by former Prime Minister Winston Churchill, himself one of the chief actors in the drama of this century, in his article which was published in Look magazine of April 29. He wrote:

The ineffective violence of the birth of the State of Israel has sharpened the difficulties of the Middle East ever since. I look with admiration on the work done there in building up a nation, reclaiming the desert and receiving so many unfortunates from Jewish communities all over the world. But the outlook is somber. The position of the hundreds of thousands of Arabs driven from their homes and existing precariously in the no-man's land created around Israel's fron-

tiers is cruel and dangerous. The frontiers of Israel flicker with murder and armed raids. The more farsighted Arab leaders cannot voice counsels of moderation without being howled down and threatened with assassination. It is a bleak and threatening scene of violence and folly.

But Mr. Churchill then continued, with vigor and with high hopes:

One thing is clear. Both honor and wisdom demand that the State of Israel should be preserved, and that this brave, dynamic, and complex race should be allowed to live in peace with its neighbors. They can bring to the area an invaluable contribution of scientific knowledge, industriousness, and productivity. They must be given an opportunity of doing so in the interest of the whole Middle East.

To this opportunity, Mr. President, the West can contribute much. The United States, in particular, has a long tradition of friendship and generosity toward newly independent nations, in which we take much pride—just as the young United States a century and a half ago relied upon and enjoyed the friendship of leaders in the Old World who admired our embarking on an independent venture in liberty and democracy. Private generosity of friends of Israel in the United States has already contributed largely to Israel's struggle with its difficult economic and social problems during its 10-year history. Let us hope that, with the help of wise policies by ourselves and the rest of the free world, Israel's greater problems of national existence will also move toward a solution that will permit the next decade of Israel's history to be remembered as a period of peace and progress, in accommodation with its neighbors, toward a better way of life for its people and those with whom it shares the lands and rivers of the Near East.

Mr. President, on April 17, 1958, it was my privilege to appear on the program of the annual banquet of the America-Israel Society where I presented to the youth of Israel a complete set of Landmark books for children—books which emphasize the great historic achievements and landmarks of the United States.

As a part of that program, a most moving and able address was delivered by Ezra Taft Benson, Secretary of Agriculture. He described his own extensive journey to the Republic of Israel, last year. Mr. Benson's speech made a profound impact on the large audience in attendance at the banquet of the America-Israel Society—a banquet presided over by Governor Theodore R. McKeldin, of the State of Maryland. I believe, and request unanimous consent for that purpose, that the text of the address by the Secretary of Agriculture should be included in the CONGRESSIONAL RECORD at the conclusion of these brief remarks of my own, heralding the 10th anniversary of Israel as a nation.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SECRETARY OF AGRICULTURE EZRA TAFT BENSON BEFORE THE AMERICA-ISRAEL SOCIETY, WASHINGTON, D. C., APRIL 17, 1958

It is a signal honor and a distinct pleasure to be with you at this fifth national dinner of the America-Israel Society, observing the 10th anniversary of the establishment of Israel as an independent nation.

The society is rendering distinguished service in bringing together true fellowship through the exchange of ideas and through actions of mutual interest to the United States and Israel. This makes possible improved understanding and good will between these two countries. I like the aims, ideals, and purposes of this society—the increased cultural understanding between these two Republics. Both nations are fortunate that there is such an organization functioning—and with such a vital interest. I am pleased to participate with you in this undertaking.

I have long had a deep and sincere interest in the lands of the Near East of which the new nation of Israel is a part. But not until recently did I have the opportunity of observing at first hand something of Israel, its people and particularly its agriculture. I count myself fortunate to have had such an opportunity.

My particular interest in Israel goes back a long way—back, in fact to the days of my youth. We know that the Scriptures contain a number of predictions by the holy prophets that in time there would be a gathering together of the scattered remnants of Judah. I have long known of God's covenant with Abraham, Isaac, and Jacob that their lands would be for them and their seed an everlasting inheritance. These things have been among my basic religious beliefs.

As early as 1841 one of the leaders of the church of which I am a member—Elder Orson Hyde—traveled to Palestine for the express purpose of dedicating and consecrating that land for the gathering together of the Jewish people. In that year, before there were any transcontinental railroads, before there was electric light, or the gasoline engine, the lands of which the new nation of Israel is a part were solemnly dedicated for that which has been and is coming to pass. On the Mount of Olives and on the top of Mount Zion in Jerusalem where now stands the tomb of King David and other monuments dear to the memory of Jews, Moslems, and Christians alike, Elder Hyde offered dedicatory prayers and then erected crude stone monuments as symbolic of the dedication. And so—the development of the new nation of Israel more than a 100 years later was of no real surprise to me—rather, it has been and continues to be, in my view, the fulfillment of prophecy.

Last fall during a trip abroad in the interest of American agricultural trade I had, with members of my staff, a brief but very rewarding visit to Israel. I observed many great changes in that area of the world. It is abundantly evident that Israel is making outstanding progress in developing the country and lifting the living standards of its people through vigorous and imaginative development of its agricultural and industrial potentials through the democratic processes. In truth, Israel is engaged in lifting itself by what one might call "Operation Bootstrap." The desert is blossoming as the rose.

During my relatively short visit I met hundreds of people, government officials, farmers, business and trade people, and leaders in the professions.

We found in talking with them that Israel aspires to become a major factor in industry and commerce in that part of the world. But her leaders and people are not overlooking the importance of agriculture. In an economy where great advancements are being made, I believe the greatest advancement of all is in the field of agriculture. They are looking to agriculture as a source not only of economic strength but also of spiritual strength.

Israeli farmers with the wise help of their Government are accomplishing great things with modern methods and techniques in that Old World setting.

With government leaders as hosts we saw much of the country. We drove by automobile into rural and urban areas, and I was taken in a small plane for a low-level aerial inspection of much of the country, including all of the principal agricultural areas.

I was greatly impressed by the work being done in reforesting hills denuded and eroded over the centuries by removal of trees and overgrazing and then left open to the winds and the elements. It was a joy to see olive trees and citrus groves on the lower hillsides and in the valleys.

We were privileged to visit one of Israel's 230 rural cooperative villages near Jerusalem. This cooperative, or communal village, we were told, was typical of the others in Israel. This particular settlement of about 50 families appeared to be thriving, with neat homes, modern conveniences, and healthy looking residents. The village maintained a fairly large dairy operation, a substantial poultry enterprise, a fruit orchard, and other projects in what appeared to be a well-balanced, modern farm operation.

Lack of plentiful water resources is a great obstacle to both agriculture and industrial development in Israel just as it is in many sections of our own country. But it poses a much greater problem in that smaller area.

It has been pointed out to me that there is in operation the informational media guaranty program under which America and Israel are establishing closer ties in the cultural field as the result of the Katzen mission. Under this program are several agricultural projects including a program of scientific research and development in the desalting of water. This project could help produce very valuable results, not only to Israel, but to many other countries where water for agricultural purposes is scarce.

In the short time that Israel has existed as a state there has been a tremendous development in changing her agricultural productivity from dryland farming to irrigated farming. Today, Israel has about a million acres under cultivation, of which about one-fourth is irrigated.

I recall the promise of Isaiah that "in the wilderness shall waters break out, and streams in the desert. And the parched ground shall become a pool and the thirsty land springs of water."

In recent years Israel has made substantial gains in crop yields and total agricultural output. Yet the country still produces only about two-thirds of its food needs on a value basis, and only about one-half of its needs on a nutritional basis. It is deficient in the production of such products as wheat, feed grains, sugar, edible oils, meat, and dairy products. The United States has surpluses of most of these items and they have been made available to Israel in fairly large volumes under authority of the Agricultural Trade and Development Act, commonly known as the Public Law 480 program. Under this act we can sell surplus agricultural commodities to other countries and be paid in their local currencies. The act also permits donations to needy peoples.

Since the beginning of that program in 1955, the United States has sold to Israel, for Israeli pounds, agricultural commodities with an export market value of over $87 million, including more than 300,000 tons of wheat and flour, more than 400,000 tons of feed grains, almost 20,000 bales of cotton, 60 million pounds of dairy products, more than 30 million pounds of fats and oils, and a number of other products.

In addition are our exports of agricultural products to Israel for dollars. During the past 2 years the sales for dollars amounted to about $28 million.

In addition, since 1953 the people of the United States have donated a total of 52.5 million pounds of food valued at $24.4 million to voluntary agencies for distribution to the needy of Israel.

We are happy that we are able to share our bountiful supply of food commodities with our friends throughout the world. Never in history has a nation been more generous in making its food supply available to the needy than has the United States during the last 5 years. It is heart warming to see the constructive use of the foods furnished, as I did on my trip to Asia and Europe last fall.

Through determination and unrelenting labor, and under some great difficulties, the people of Israel are accomplishing big things. I was told that Israel has many forward-looking plans for further developing and supplementing her water resources and that remarkable progress in this already has been made.

There have been many pains and problems in developing that rapidly growing nation. But the evidence is clear that the leaders are sincerely earnest and purposeful in their efforts to better the lot of their people.

Seeing the advances that have taken place in recent years was impressive. A visit to that modern and bustling city of Tel Aviv on the Mediterranean gave me a feeling of being in one of the progressive and prosperous cities of this country. One feels the confidence and unbounded energy that are in the Israeli people. There is a strong determination to carry on, to succeed in the face of great obstacles. The fact that this new Republic in the Middle East is celebrating its 10th anniversary is testimony to that confidence and of the energy, the intelligence, and resourcefulness of its citizens and friends.

The problems, experiences, and the heritage of the founders of this new nation of Israel bring to my mind the great efforts, the sacrifices, and the success of the pioneers of our own great land who, more than 100 years ago, settled the intermountain West which I call home. Those pioneers were strong, courageous, and religious people. Strengthened by their faith in the Almighty they sought and found cherished freedom. Through faith, frugality, honest toil, and inspired leadership they succeeded in their goal. History records that even the climate in that land was tempered for their sakes and the humble, untiring efforts made the "desert to blossom as the rose."

That was one outstanding page of history; the development of the modern nation of Israel is another. Man can learn much from the costly yet priceless lessons of the past, and those who cannot learn from the past are poor stewards of the future.

The history of the western pioneers contains many accounts of trying hardships. But always there was a spirit of independence, optimism, encouragement, and gratitude for the blessings they received.

The experiences of people who go through great hardships to establish new homes, new surroundings, and new lives provide many lessons of courage, self-reliance, faith, endurance, and independence even to the people who follow them. All generations and all people have equal need of these virtues. All too often in my capacity as Secretary of Agriculture have I observed philosophies and forces which tend to indicate the desire for shackling of man's liberties and the restriction of his freedom. Too frequently there are pressures for government benefits to replace the fruits of individual or group initiative and resourcefulness. Had the Founding Fathers of this Nation, or of other nations such as Israel, lived by such a philosophy those nations would not have grown and progressed as they have.

Yes, these lessons of history stand as illustrations and as guideposts to help us safely chart our course for the future. Our great President, Dwight D. Eisenhower, has said: "Our resources are too many, our principles too dynamic, our purposes too worthy, and the issues too immense for us to entertain doubt or fear." This might well be considered to apply more than to the United States.

There are other examples that have been so vividly given to us, in the lives and efforts of those who have done so much to establish and maintain responsible nations. We should observe such wise counsel as this:

Every right implies a responsibility, every opportunity an obligation, every possession a duty; that government is the servant of the people, not their master; that one cannot build character and courage by taking away man's initiative and independence.

A lesson that should be learned by all is that you cannot help men permanently by doing for them what they could do and should do for themselves.

These are standards that are true today and have been true always, because truth never changes.

All over the Free World people are concerned with standards—and goals. Chief among these are the goals of peace and an improved standard of living. Friendship and cooperation are vital to both of these highly desirable goals. Agriculture is contributing greatly to an improved standard of living for many people. By that it is contributing to more peaceful attitudes and conditions.

I firmly believe that friendship and cooperation between nations will prevail if there is understanding and perseverance. For progress comes to those who persevere, with a deep faith in the ability of mankind under God to create a better future. Let this be our goal.

The VICE PRESIDENT. The question is on agreeing to the resolution offered by the Senator from Texas [Mr. JOHNSON].

The resolution (S. Res. 294) was agreed to.

The VICE PRESIDENT. Morning business is now in order.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letters, which were referred as indicated:

AMENDMENTS TO BUDGET FOR FISCAL YEAR 1959, LEGISLATIVE BRANCH, AND DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE (S. Doc. No. 92)

A communication from the President of the United States, transmitting amendments to the budget for the fiscal year 1959, involving increases in the amount of $663,150 for the legislative branch, and $1,700,000 for the Department of Health, Education, and Welfare (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

PROPOSED CONCESSION CONTRACT, GRAND TETON NATIONAL PARK, WYO.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed concession contract in Grand Teton National Park, Wyo. (with accompanying papers); to the Committee on Interior and Insular Affairs.

AMENDMENT OF BANKRUPTCY ACT

A letter from the Acting Director, Administrative Office of the United States Courts, Washington, D. C., transmitting a draft of proposed legislation to amend subsection b of section 60—Preferred Creditors; subsection e of section 67—Liens and Fraudulent Transfers, and subsection e of section 70—Title to Property, of the Bankruptcy Act (11 U. S. C., 96b, 107e, and 110e) (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Henry J. Lim from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on January 15, 1957; to the Committee on the Judiciary.

ADMISSION OF DISPLACED PERSONS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Chun I. Chang from a report transmitted to the Senate on January 15, 1958, pursuant to section 6 of the Refugee Relief Act of 1953, with a view to the adjustment of his immigration status; to the Committee on the Judiciary.

AMENDMENT OF ACT OF AUGUST 5, 1954 (68 STAT. 674)

A letter from the Acting Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the act of August 5, 1954 (68 Stat. 674), and for other purposes (with an accompanying paper); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Agriculture and Forestry:

"Resolutions memorializing the Congress of the United States to make available surplus farm products to correctional institutions

"Whereas His Excellency the Governor, in his annual message to the general court on January 1, 1958, stated: 'The utilization of surplus food should be expanded to include benefits to correctional and other State institutions. If a portion of the available food surplus were so utilized, it would result in very substantial savings to the Commonwealth'; and

"Whereas the extension of surplus food to include correctional institutions will help to make effective use of the foods that are presently in warehouses and storage bins: Therefore, be it

"*Resolved*, That the General Court of Massachusetts memorializes the Congress of the United States to enact legislation amending section 416 of the Agricultural Act of 1949 so that surplus food may be distributed to correctional institutions; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the Presiding Officer of each branch of Congress and to the Members thereof from this Commonwealth.

"House of representatives, adopted March 31, 1958.

"LAWRENCE R. GROVE,
"Clerk.

"Senate, adopted in concurrence April 7, 1958.

"IRVING N. HAYDEN,
"Clerk.

"A true copy. Attest:

"EDWARD J. CRONIN,
"Secretary of the Commonwealth."

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"Resolutions memorializing Congress to repeal the Federal excise taxes on transportation of persons and property

"Whereas the Federal transportation tax on the movement of passengers and freight was adopted as a wartime tax to discourage

movement of civilian passengers and freight in 1942; and

"Whereas hostilities having ceased, this tax, rather than being of a benefit to Massachusetts welfare, is now working as a detriment to Massachusetts economy; and

"Whereas the transportation tax, being inapplicable to certain carriers for hire, is working a hardship on those carriers for hire to whom said tax applies and which are essential to the national defense and welfare; and

"Whereas the transportation tax, because of its nature or application tends to become discriminatory as to communities and individuals, and tends to restrict trade areas, thereby interfering with the free flow of commerce: Now, therefore, be it

"Resolved, That the General Court of Massachusetts respectfully urges the Congress of the United States to repeal the 3 percent Federal transportation tax on commodities shipped by carriers for hire, and to repeal the 10 percent transportation tax on passenger fares; and be it further

"Resolved, That a copy of these resolutions be forwarded by the Secretary of the Commonwealth to the Presiding Officer of each branch of Congress and Members thereof from this Commonwealth.

"House of representatives, adopted April 2, 1958.

"LAWRENCE R. GROVE,
"Clerk.

"Senate, adopted in concurrence April 7, 1958.

"IRVING N. HAYDEN,
"Clerk.

"A true copy. Attest:

"EDWARD J. CRONIN,
"Secretary of the Commonwealth."

A joint resolution of the Legislature of the State of California; to the Committee on Interior and Insular Affairs:

"Assembly Joint Resolution 11

"Relative to construction of a salt water conversion demonstration plant

"Whereas the United States Department of the Interior has been conducting research and studies in the field of conversion of sea water; and

"Whereas the Department of Water Resources of the State of California and the University of California are pursuing programs of investigation and study of sea water conversion; and

"Whereas it is recognized that the development of a practical process for conversion of sea water would result in large savings to Federal, State and local agencies and have a beneficial effect on the economy of the Nation and the State; and

"Whereas several bills have been introduced in Congress including H. R. 10606, H. R. 11405, and House Joint Resolution 541 authorizing the Secretary of the Interior to enter into an agreement with the State of California providing for the construction and operation of a full-scale salt water conversion plant in California on a cooperative basis; and

"Whereas the construction and operation of a demonstration plant is essential to the development of reliable design criteria and cost data; and

"Whereas construction and operation of a demonstration plant in California would be beneficial to this State; and

"Whereas committees of the Congress are holding hearings on bills authorizing construction and operation of such demonstration plants: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (joint), That it is the intent of the Legislature of California to cooperate financially and otherwise with the Federal Government in developing processes for saline water conversion including the construction and operation of demonstration plants, and to coordinate the programs of the State in the field of sea water conversion with the programs of agencies of the Federal Government; and be it further

"Resolved, That Mr. Harvey O. Banks, director of water resources, shall appear before appropriate committees of Congress to present the views of the State of California as expressed herein; and be it further

"Resolved, That the Legislature of the State of California respectfully memorializes the Congress of the United States to authorize the Secretary of the Interior to construct a full-scale salt water conversion demonstration plant in California in cooperation with the State of California; and be it further

"Resolved, That the chief clerk of the assembly be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A resolution of the Assembly of the State of California; to the Joint Committee on Atomic Energy:

"House Resolution 58

"Resolution relative to memorializing the Federal Government to undertake and enforce special safety precautions in the disposal of radioactive waste

"Whereas the State of California is concerned about the ocean disposal of wastes in the Pacific Ocean off California; and

"Whereas ocean fishing in this State is an important industry supplying needed protein food to the people of the Nation; and

"Whereas ocean fishing in this State employs many thousands of people and is worth many millions of dollars annually; and

"Whereas disposal of toxic radioactive or other deleterious materials in the ocean presents potential hazard to marine animals; and

"Whereas the State of California is charged with the conservation of its marine resources and must raise issue with disposal practices that offer potential hazard to either the resources or their markets: Now, therefore, be it

"Resolved by the Assembly of the State of California, That the Assembly of the State of California hereby petitions the Federal Government and the Armed Forces of the United States that any ocean disposal of any toxic, radioactive or deleterious material be carried out in not less than 2,000 fathoms and not less than 60 miles from any sea mount; and be it further

"Resolved, That any toxic materials be disposed in sealed containers of sufficient strength to withstand the pressures of 2,000 fathoms, and that all radioactive materials be packaged in accordance with the minimum standards set forth in the National Bureau of Standards Handbook 58, and the minimum standards prescribed by the President's National Committee on Radiation Protection and the regulations of the Atomic Energy Commission; and be it further

"Resolved, That the Assembly of the State of California is opposed to the philosophy of bulk disposal of radioactive wastes in ocean waters except in such concentrations and at such places mutually arrived at between the State of California and the Federal Government; and be it further

"Resolved, That the State of California will take such action from time to time as may be required to meet changing conditions and make such recommendations as may be deemed appropriate; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit suitably prepared copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives and to each Member of Congress of the United States representing the State of California."

A petition signed by sundry members of the Intermediate Department of the First Baptist Church, of Bloomingdale, Ga., praying for the enactment of legislation to prohibit the advertising of alcoholic beverages in interstate commerce; to the Committee on Interstate and Foreign Commerce.

CONDITIONS IN NONFERROUS METALS INDUSTRY—PETITION

Mr. BIBLE. Mr. President, each day brings mounting evidence of the depths to which this Nation's mining industry has plunged. In the State of Nevada, for example, I have learned of another substantial reduction in force by the Nevada mines division of the Kennecott Copper Corp., and I understand the situation is similar in regard to the company's operations in Utah, Arizona, and New Mexico as well.

The Nation is now in the throes of a full-blown recession; the claims load of unemployment insurance is at an all-time high. These are conditions of fairly recent origin in contrast to the doleful state of mining which has been going on for several years under an administration policy that substitutes indifference for interest and apathy for action.

I have received a petition signed by 147 residents of White Pine County, Nev., representing men and women whose very existence depends upon a healthy mining industry. On behalf of my colleague, the senior Senator from Nevada [Mr. MALONE], and myself, I ask unanimous consent that this petition be printed in the RECORD, and appropriately referred.

There being no objection, the petition was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

PETITION TO NEVADA SENATORS AND CONGRESSMEN

The undersigned residents and voters of Nevada call upon our representatives in Congress to do everything possible to prevent impending disaster to a vital and basic American industry—the nonferrous metals industry—and to the thousands of workingmen, their families and hundreds of communities whose economy is dependent upon the health of this industry. We urge your active support and endorsement of the following proposals:

1. An embargo against all nonferrous metals shipments into United States from any country where the wages and living standards of employees engaged in the mining and processing of such metals are less than 50 percent of the average wages and living standards of American workers employed in this industry. Such embargo to remain in effect during any period or periods when sufficient and ample supplies of any nonferrous metal is available from American and Canadian production.

2. Adoption of the necessary tariffs on the importation of nonferrous metals to assure an adequate price level and protect the jobs and living standards of American employees engaged in the processing of such metals.

3. When imports of any nonferrous metals are required because of a shortage of supply of such metals in United States and Canada such imports shall be made on the basis of quotas which gives priority to those countries having the highest wages and living standards comparable to American employees in the nonferrous metals industry.

4. The United States Government establish under the United States Bureau of Mines sufficient funds to provide assistance to small mine owners for prospecting development and production of nonferrous metals in the United States and an adequate fund for research into new and expanded use for the production of American nonferrous metals.

5. The United States Government require American mining corporations who operate foreign mining properties, to establish in a public hearing conducted by our Government, the necessity and justification of, and prior to, any proposed curtailment of production or manpower in its United States operations without similar and equal curtailment in its foreign operations.

RESOLUTION OF ALL-UNIVERSITY CONGRESS, UNIVERSITY OF MINNESOTA

Mr. HUMPHREY. Mr. President, I recently received a resolution unanimously adopted by the All-University Congress, University of Minnesota. As the sponsor of Senate bill 868, I was particularly pleased to see action by the University of Minnesota on behalf of a tax relief for legitimate costs of higher education.

My bill, S. 868, would provide a 30-percent credit against the Federal individual income tax for amounts paid as tuition or fees to certain public and private institutions of higher education.

I ask unanimous consent that Senate bill 868, as well as the resolution adopted by the All-University Congress, be printed in the RECORD, and that the resolution be appropriately referred.

The VICE PRESIDENT. The resolution will be received and appropriately referred; and, without objection, the resolution and Senate bill 868 will be printed in the RECORD.

The resolution was referred to the Committee on Finance, as follows:

STUDENT TAX RELIEF RESOLUTION

The All-University Congress, representing the students of the University of Minnesota, expresses its support of the proposal to amend the Internal Revenue Code so as to allow students and parents of students to deduct legitimate costs of higher education from their taxable income. We feel that this proposal is of considerable importance to students at our university, and to students at colleges and universities throughout the country.

At the present time, the United States is faced with a critical expanding need for scientific and intellectual leadership in all fields. At the same time that this need is especially critical, students are faced with rapidly increasing costs of education, which has the effect of increasing the financial barrier which already prevents many qualified students from pursuing their education beyond the high school. It is imperative that steps be taken to lessen the degree to which our Nation is being prevented from fully utilizing its scientific and intellectual potential.

In order to accomplish this, a program of Federal scholarships is of primary importance. However, even with an adequate Federal scholarship program, the number of students who would receive benefit would necessarily be limited, and many students who should attend college would still not be able to do so.

The enactment of an amendment to the Internal Revenue Code allowing deductions for legitimate costs of education would provide substantial assistance to all students who are attending or who desire to attend college. Its effect would be to decrease, by a small but significant amount, the cost of higher education, thus making it possible for some students to pursue their education beyond the point where they must now halt their educational progress. It would also make it possible for many students now in college who are working part or full time, to devote more of their energy to their educational pursuits.

The All-University Congress is aware that at least one bill (H. R. 9414, introduced by Mr. SCHWENGEL) is before Congress. We request the Senators and Congressmen from the State of Minnesota to carry out appropriate action to see that this bill, and other bills incorporating this proposal, are activated and acted upon in the Ways and Means Committee of the House and the Finance Committee of the Senate. We urge the Senators and Congressmen of the State of Minnesota to give their support to this proposal.

Finally, the All-University Congress urges the students of the University of Minnesota to express their personal support of this proposal by writing to their Representatives and Senators about it.

Senate bill 868 is as follows:

Be it enacted, etc., That this act may be cited as the "Educational Tax Credit Act of 1957."

SEC. 2. (a) Part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is hereby amended by adding at the end thereof the following new section:

"SEC. 39. Tuition and fees paid by individuals to institutions of higher education.

"(a) General rule: There shall be allowed to an individual, a credit against the tax imposed by this subtitle for the taxable year, an amount equal to 30 percent of the aggregate amount paid during the taxable year by such individual to institutions of higher education as tuition or fees for the education of such individual or of any other individual at a level above the 12th grade.

"(b) Limitations:

"(1) Individual receiving education must be full-time student: Amounts paid for the education of any individual which (but for this paragraph) would be taken into account under subsection (a) shall be taken into account only if such individual is a student (as defined in section 151 (e) (4)) for the calendar year in which the taxable year of the taxpayer begins.

"(2) Adjustment for scholarships and certain allowances: In the case of any individual who for any period receives—

"(A) any scholarship or fellowship grant (within the meaning of section 117 (a) (1)) which, under section 117, is not includible in gross income, or

"(B) any education and training allowance under part IV of title II of the Veterans' Readjustment Assistance Act of 1952,

any amount paid for tuition or fees for such period which (but for this paragraph) would be taken into account under subsection (a) shall be taken into account only to the extent that the aggregate of such tuition and fees charged such individual for such period exceeds the sum of (i) an amount equal to all the scholarships and fellowship grants described in subparagraph (A) received by such individual for such period, plus (ii) an amount equal to 30 percent of all the allowances described in subparagraph (B) received by such individual for such period.

"(3) Maximum yearly credit with respect to education of any individual not to exceed $450: In the case of any taxpayer, the credit allowed by this section for any taxable year, with respect to the education of any individual, shall not exceed $450.

"(4) Credit not to cause refund of tax: The credit allowed by this section shall not exceed the amount of the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under sections 33 (relating to foreign tax credit), 34 (relating to credit for dividends received by individuals), 35 (relating to partially tax-exempt interest), and 37 (relating to retirement income).

"(c) Institution of higher education defined: For purposes of this section, the term 'institution of higher education' means only an educational institution—

"(1) which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on;

"(2) which regularly offers education at a level above the 12th grade; and

"(3) contributions to or for the use of which are deductible under section 170."

(b) The table of sections for such part IV is hereby amended by adding at the end thereof the following:

"SEC. 39. Tuition and fees paid by individuals to institutions of higher education."

SEC. 3. The amendments made by this act shall apply only with respect to taxable years beginning after December 31, 1957.

RECESSION IN NONFERROUS METALS INDUSTRY—PETITION

Mr. BENNETT. Mr. President, the International Union of Mine, Mill, and Smelter Workers has recently held mass meetings in Utah and Nevada as a result of the depressed conditions prevailing in the nonferrous metals industry. I have received a petition signed by 353 Utah participants at the meetings setting forth a 5-point program which they feel would materially aid their industry, and at their request I ask unanimous consent that the petition be printed in the RECORD.

There being no objection, the petition was ordered to be printed in the RECORD, as follows:

PETITION TO UTAH SENATORS AND CONGRESSMEN

The undersigned residents and voters of Utah call upon our representatives in Congress to do everything possible to prevent impending disaster to a vital and basic American industry—the nonferrous metals industry—and to the thousands of workingmen, their families and hundreds of communities whose economy is dependent upon the health of this industry. We urge your active support and endorsement of the following proposals:

1. An embargo against all nonferrous metals shipments into United States from any country where the wages and living standards of employees engaged in the mining and processing of such metals are less than 50 percent of the average wages and living standards of American workers employed in this industry. Such embargo to remain in effect during any period or periods when sufficient and ample supplies of any nonferrous metal is available from American and Canadian production.

2. Adoption of the necessary tariffs on the importation of nonferrous metals to assure an adequate price level and protect the jobs and living standards of American employees engaged in the processing of such metals.

3. When imports of any nonferrous metals are required because of the shortage of supply of such metals in United States and

Canada such imports shall be made on the basis of quotas which gives priority to those countries having the highest wages and living standards comparable to American employees in the nonferrous metals industry.

4. The United States Government establish under the United States Bureau of Mines sufficient funds to provide assistance to small mine owners for prospecting development and production of nonferrous metals in the United States and an adequate fund for research into new and expanded use for the production of American nonferrous metals.

5. The United States Government require American mining corporations who operate foreign mining properties, to establish in a public hearing conducted by our Government, the necessity and justification of, and prior to, any proposed curtailment of production or manpower in its United States operations without similar and equal curtailment in its foreign operations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HENNINGS, from the Committee on Rules and Administration, without amendment:

H. J. Res. 451. Joint resolution authorizing the One Hundred and First Airborne Division Association to erect a memorial in the District of Columbia;

S. Con. Res. 80. Concurrent resolution accepting the statue of Charles Marion Russell, presented by the State of Montana, to be placed in Statuary Hall (Rept. No. 1466);

S. Con. Res. 81. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of Charles Marion Russell, and to hold ceremonies on said occasion (Rept. No. 1467);

S. Con. Res. 82. Concurrent resolution to print the proceedings in connection with the acceptance of the statue of Charles Marion Russell, late of Montana; and

S. Res. 292. Resolution authorizing the printing as a Senate document of a staff study of the Committee on Government Operations entitled "Science and Technology Act of 1958" (S. 3126).

By Mr. HENNINGS, from the Committee on Rules and Administration, with an amendment:

S. Res. 285. Resolution to print for the use of the Committee on the Judiciary additional copies of Senate Report No. 1387 entitled "Administered Prices—Steel."

By Mr. HENNINGS, from the Committee on Rules and Administration, with an additional amendment:

S. Res. 287. Resolution authorizing a study of the textile industry of the United States (Rept. No. 1468).

By Mr. HILL, from the Committee on Labor and Public Welfare, with amendments:

H. R. 6908. An act to authorize modification and extension of the program of grants-in-aid to the Republic of the Philippines for the hospitalization of certain veterans, to restore eligibility for hospital and medical care to certain veterans of the Armed Forces of the United States residing in the Philippines, and for other purposes (Rept. No. 1469).

PRINTING AS A SENATE DOCUMENT REVISED EDITION OF SENATE DOCUMENT 116, OF 84TH CONGRESS

Mr. HENNINGS, from the Committee on Rules and Administration, reported an original resolution (S. Res. 296) authorizing the printing of a revised edition of the Election Law Guidebook, which was placed on the calendar, as follows:

Resolved, That a revised edition of Senate Document No. 116 of the 84th Congress, entitled "Election Law Guidebook," be printed as a Senate document.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GOLDWATER:

S. 3671. A bill for the relief of Morris Ribyat, to the Committee on Finance.

By Mr. COTTON (for himself and Mr. BRIDGES):

S. 3672. A bill for the relief of the Newington School District, New Hampshire; to the Committee on the Judiciary.

By Mr. GREEN:

S. 3673. A bill for the relief of Turitiya (Dorothea) Kozmadis; to the Committee on the Judiciary.

By Mr. DOUGLAS:

S. 3674. A bill for the relief of Solomon S. Levadi; to the Committee on Armed Services.

By Mr. SALTONSTALL:

S. 3675. A bill for the relief of the Massachusetts College of Pharmacy; to the Committee on the Judiciary.

By Mr. SALTONSTALL (by request):

S. 3676. A bill for the relief of Maria Michela Leo Di Gioia; to the Committee on the Judiciary.

By Mr. SALTONSTALL (for himself and Mr. SCHOEPPEL):

S. 3677. A bill to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments; to the Committee on Government Operations.

(See the remarks of Mr. SALTONSTALL when he introduced the above bill, which appear under a separate heading.)

By Mr. GORE:

S. 3678. A bill for the relief of Lucian Roach, doing business as the Riverside Lumber Co.; to the Committee on the Judiciary.

By Mr. MAGNUSON (for himself and Mr. JACKSON):

S. 3679. A bill to permit articles imported from foreign countries for the purpose of exhibition at the World Science-Pan Pacific Exposition to be held in Seattle, Wash., in 1961, to be admitted without payment of tariff, and for other purposes; to the Committee on Finance.

S. 3680. A bill to provide for participation of the United States in the World Science-Pan Pacific Exposition to be held at Seattle, Wash., in 1961, and for other purposes; to the Committee on Foreign Relations.

By Mr. CAPEHART:

S. 3681. A bill for the relief of Dr. Choh-Yi Ang; to the Committee on the Judiciary.

By Mr. HAYDEN:

S. 3682. A bill to authorize the sale or exchange of certain lands of the United States situated in Pima County, Ariz., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DOUGLAS (for himself, Mr. PAYNE, Mr. SPARKMAN, Mr. BEALL, Mr. MONRONEY, Mr. CASE of New Jersey, Mr. CLARK, Mr. IVES, Mr. PROXMIRE, Mr. POTTER, Mr. MURRAY, Mr. CHAVEZ, Mr. ALLOTT, Mr. GREEN, Mr. COOPER, Mr. ANDERSON, Mr. JAVITS, Mr. KEFAUVER, Mr. HOBLITZELL, Mr. HENNINGS, Mr. JACKSON, Mr. KENNEDY, Mr. MANSFIELD, Mr. SYMINGTON, Mr. MCNAMARA, Mr. NEUBERGER, Mr. CARROLL, Mr. CHURCH, and Mr. MORSE):

S. 3683. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

(See the remarks of Mr. DOUGLAS when he introduced the above bill, which appear under a separate heading.)

RESOLUTIONS

Mr. JOHNSON of Texas (for himself and other Senators) submitted a resolution (S. Res. 294) extending the greetings of the Senate to the State of Israel on its 10th anniversary, which was considered and agreed to.

(See the above resolution, printed in full, when submitted by Mr. JOHNSON of Texas, which appears under a separate heading.)

INCREASED EXPENDITURES BY SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

Mr. MCCLELLAN submitted the following resolution (S. Res. 295), which was referred to the Committee on Rules and Administration:

Resolved, That the amount authorized in Senate Resolution 74, agreed to January 30, 1957; Senate Resolution 186, agreed to August 26, 1957; and Senate Resolution 222, agreed to January 29, 1958, 85th Congress (authorizing and directing the committee to conduct an investigation and study of the extent to which criminal or other improper practices or activities are, or have been, engaged in in the field of labor-management relations or in groups or organizations of employees or employers to the detriment of the interests of public, employers or employees, and to determine whether any changes are required in the laws of the United States in order to protect such interests against the occurrence of such practices or activities), is hereby increased by the additional amount of $16,000.

Mr. HENNINGS, from the Committee on Rules and Administration, reported an original resolution (S. Res. 296) authorizing the printing of a revised edition of the Election Law Guidebook, which was placed on the calendar, as follows:

Resolved, That a revised edition of Senate Document No. 116 of the 84th Congress, entitled "Election Law Guidebook," be printed as a Senate document.

EXTENSION OF PERIOD DURING WHICH PAYMENTS IN LIEU OF TAXES MAY BE MADE IN CERTAIN CASES

Mr. SALTONSTALL. Mr. President, on behalf of myself, and the Senator from Kansas [Mr. SCHOEPPEL], I introduce, for appropriate reference, a bill to extend Public Law 388 of the 84th Congress, which by its terms expires December 31, 1958. The bill is very brief and I ask unanimous consent that it be printed in the RECORD immediately following my remarks together with Public Law 388 of the 84th Congress which is also brief. Public Law 388 was an act to amend the Federal Property and Administrative Services Act of 1949 to make temporary provision for making payments in lieu of taxes with respect to

certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments. It was contemplated at the time of enactment of Public Law 388, which was approved by the President on August 12, 1955, that before its expiration at the end of this year, Congress would enact a more comprehensive system of payments in lieu of taxes. Almost 3 years have passed since then and much diligent effort has been invested in the task of trying to produce such a comprehensive system. However, this effort has not as yet borne fruit.

Furthermore the difficult question of what sort of comprehensive system for payments in lieu of taxes should be adopted to strike an equitable balance between the budgetary burdens of the Federal Government and those of the communities in which are located properties owned by the various agencies of the Federal Government has been complicated by three decisions handed down by the Supreme Court on March 3, 1958.

My purpose in introducing this bill to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments is to carry out the policy adopted by Congress in 1955 that the communities in which the property in question is located should not be burdened by loss of tax revenues on such property pending the adoption by Congress of a comprehensive system of payments in lieu of taxes.

Congress declared this intention in Public Law 388 as follows:

> The Congress recognizes that the transfer of real property having a taxable status from the Reconstruction Finance Corporation or any of its subsidiaries to another Government department has often operated to remove such property from the tax rolls of States and local taxing authorities, thereby creating an undue and unexpected burden upon such States and local taxing authorities, and causing disruption of their operations. It is the purpose of this title to furnish temporary measures of relief for such States and local taxing authorities by providing that payments in lieu of taxes shall be made with respect to real property so transferred on or after January 1, 1946.

In 1955, when Public Law 388 was adopted by the 84th Congress, it was recognized, as reported by the House and Senate Committees on Government Operations, House Report No. 1453 and Senate Report No. 1253, that—

> 1. * * * (there is) * * * need for payments in lieu of taxes to alleviate the hardship to the communities in which are located the commercial or industrial type of facilities formerly owned by the Reconstruction Finance Corporation.
>
> 2. The enactment of Public Law 388 will alleviate these hardship situations. It will also provide actual experience which should be of great value in subsequently evolving a more comprehensive policy for payments in lieu of taxes by the Federal Government.
>
> 3. The executive agencies have equivocated in their position on this type of legislation.

The present positions of executive agencies with respect to extension of Public Law 388 have not been stated. However, with the possible exception of these positions, which are not known, the facts which led Congress to enact Public Law 388 have not changed. If anything, it can be said that these facts support even more firmly an extension of Public Law 388 today than they did its original enactment in 1955. Costs of municipal government have increased substantially in the past 3 years and the municipalities which would suffer from the expiration of Public Law 388 would be injured even more today by loss of the payments in lieu of taxes provided by this law than they would have been in 1955. Furthermore, in my judgment, the need for a comprehensive system of payments in lieu of taxes has increased together with the increasing burden which untaxed Federal property represents for municipalities throughout the country where such property is located.

In Massachusetts alone there are four defense plants to which the Department of Defense paid $263,812 in 1957 under Public Law 388. The individual plant payments represent very substantial sums to the communities in which these plants are located. It would not be equitable for these communities and the seventy-odd other cities and towns throughout the country which have been receiving payments in lieu of taxes under Public Law 388 to be penalized by a cessation of these payments simply because the Federal Government has not been able to evolve a comprehensive system for making such payments.

The bill which I am introducing would extend for 2 more years the payments provided under Public Law 388. In these 2 years it can be hoped that Congress and the Executive will, in the light of the Supreme Court decisions to which I referred earlier, evolve such a comprehensive system.

For those of my colleagues who are interested in the detailed legal considerations involved in the broad question of payments in lieu of taxes, I should like to add the following brief comments by way of explanation of my judgment that the development of a comprehensive Federal policy for payments in lieu of taxes has been complicated by these court decisions. It has been a long-standing rule of decision in interpreting the Constitution that taxes may not be charged to the United States on account of real or personal property owned by it or any Federal agency. Furthermore, the constitutions and statutes of many of the States forbid the imposition of such taxes.

The immunity from State and local taxation under the Federal Constitution of property owned or held by the United States stems from *McCulloch* v. *Maryland* (4 Wheat. 316 (1819)), and *VanBrocklin* v. *Anderson* (117 U. S. 151 (1885)). It had generally been thought that property owned by the United States but held under lease, use or possession of another was similarly immune. However, this relief has been disturbed by the Supreme Court's decisions in *United States* v. *Detroit*, and *United States* v. *Muskegon* (U. S. Supreme Court, March 3, 1958 (Nos. 26, 37, 38)) and *Detroit* v. *The Murray Corporation* (U. S. Supreme Court, March 3, 1958 (Nos. 18, 36)). The first two cases held that a State is not barred from levying a tax on the lessee or user of an industrial plant owned by the United States, even though such tax is measured by the value of the property. The third case upheld the power of a State to impose a tax on a subcontractor in possession of personal property, even though under the prime contract between two other private companies and the United States, title to all parts, materials and work in process acquired by the subcontractor was vested in the United States. The effect of these decisions may be indirectly to subject the Federal Government to State and local tax liability under their existing tax laws. The decisions may also lead to the enactment by States and municipalities of tax laws of the character enforced against the Federal Government in these decisions. Both of these possibilities in my judgment serve to complicate the task of the Federal Government in evolving a comprehensive system of payments in lieu of taxes.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and Public Law 388, of the 84th Congress, will be printed in the RECORD.

The bill (S. 3677) to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments, introduced by Mr. SALTONSTALL (for himself and Mr. SCHOEPPEL), was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) section 703 of the Federal Property and Administrative Services Act of 1949 (69 Stat. 722) is amended by striking out the figures "1959", and inserting in lieu thereof the figures "1961."

(b) Section 704 of such act (69 Stat. 723) is amended by striking out the figures "1958", and inserting in lieu thereof the figures "1960."

Public Law 388, 84th Congress, is as follows:

H. R. 6182

An act to amend the Federal Property and Administrative Services Act of 1949 to make temporary provision for making payments in lieu of taxes with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments

Be it enacted, etc., That the table of contents contained in the first section of the Federal Property and Administrative Services Act of 1949 is hereby amended by inserting immediately below "Sec. 605. Effective date", the following:

"TITLE VII—PROPERTY TRANSFERRED FROM THE RECONSTRUCTION FINANCE CORPORATION

"SEC. 701. Declaration of policy.

"SEC. 702. Definitions.

"SEC. 703. Property transferred by the Reconstruction Finance Corporation.

"SEC. 704. Limitations.

"SEC. 705. Effective date."

SEC. 2. Section 3 of such act is hereby amended by inserting immediately after "As used in" the following: "titles I through VI of."

SEC. 3. Such act is hereby further amended by adding at the end thereof the following:

"TITLE VII—PROPERTY TRANSFERRED FROM THE RECONSTRUCTION FINANCE CORPORATION

"Declaration of policy

"SEC. 701. The Congress recognizes that the transfer of real property having a taxable status from the Reconstruction Finance Corporation or any of its subsidiaries to another Government department has often operated to remove such property from the tax rolls of States and local taxing authorities, thereby creating an undue and unexpected burden upon such States and local taxing authorities, and causing disruption of their operations. It is the purpose of this title to furnish temporary measures of relief for such States and local taxing authorities by providing that payments in lieu of taxes shall be made with respect to real property so transferred on or after January 1, 1946.

"Definitions

"SEC. 702. As used in this title—

"(a) The term 'State' means each of the several States of the United States and the Territories of Alaska and Hawaii.

"(b) The term 'real property' means (1) any interest in land, and (2) any improvement made thereon prior to any transfer thereof occurring on or after January 1, 1946, from the Reconstruction Finance Corporation to any other Government department, if for the purpose of taxation such interest or improvement is characterized as real property under the applicable law of the State in which such land is located.

"(c) The term 'local taxing authority' means any county or municipality, and any subdivision of any State, county, or municipality, which is authorized by law to levy and collect taxes upon real property.

"(d) The terms 'real property tax' and 'real property taxes' do not include any special assessment levied upon real property after the date of a transfer of such real property occurring on or after January 1, 1946, from the Reconstruction Finance Corporation to any other Government department.

"(e) The term 'Government department' means any department, agency, or instrumentality of the United States, except the Reconstruction Finance Corporation.

"(f) The term 'transfer' means—

"(1) a transfer of custody and control of, or accountability for the care and handling of, any real property, or

"(2) a transfer of legal title to any real property.

"(g) The term 'Reconstruction Finance Corporation' includes all subsidiaries of the Reconstruction Finance Corporation.

"Property transferred by the Reconstruction Finance Corporation

"SEC. 703. Where real property has been transferred on or after January 1, 1946, from the Reconstruction Finance Corporation to any Government department, and the title to such real property has been held by the United States continuously since such transfer, then on each date occurring on or after January 1, 1955, and prior to January 1, 1959, on which real property taxes levied by any State or local taxing authority with respect to any period become due, the Government department which has custody and control of such real property shall pay to the appropriate State and local taxing authorities an amount equal to the amount of the real property tax which would be payable to each such State or local taxing authority on such date if legal title to such real property had been held by a private citizen on such date and during all periods to which such date relates.

"Limitations

"SEC. 704. (a) The failure of any Government department to make, or to make timely payment of, any payment authorized by section 703 shall not subject—

"(1) any Government department, or any person who is a subsequent purchaser of any real property from any Government department, to the payment of any penalty or penalty interest, or to any payment in lieu of any penalty or penalty interest; or

"(2) any real estate or other property or property right to any lien, attachment, foreclosure, garnishment, or other legal proceeding.

"(b) No payment shall be made under section 703 with respect to any real property of any of the following categories:

"(1) Real property taxable by any State or local taxing authority under any provision of law, or with respect to which any payment in lieu of taxes is payable under any other provision of law.

"(2) Real property used or held primarily for any purpose for which real property owned by any private citizen would be exempt from real property tax under the constitution or laws of the State in which the property is situated.

"(3) Real property used or held primarily for the rendition of service to or on behalf of the local public, including (but not limited to) the following categories of real property: courthouses; post offices and other property used for purposes incidental to postal operations; and federally owned airports maintained and operated by the Civil Aeronautics Administration.

"(4) Office buildings and facilities which are an integral part of, or are used for purposes incidental to the use made of, any properties described in paragraph (1), (2), or (3) of this subsection.

"(c) Nothing contained in this title shall establish any liability of any Government department for the payment of any payment in lieu of taxes with respect to any real property for any period before January 1, 1955, or after December 31, 1958.

"Effective date

"SEC. 705. This title shall take effect as of January 1, 1955."

Approved August 12, 1955.

REGISTRATION, REPORTING, AND DISCLOSURE OF EMPLOYEE WELFARE AND PENSION BENEFIT PLANS—AMENDMENTS

Mr. GOLDWATER submitted amendments, intended to be proposed by him, to the bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans, which were ordered to lie on the table, and to be printed.

Mr. CURTIS submitted amendments, intended to be proposed by him, to Senate bill 2888, supra, which were ordered to lie on the table, and to be printed.

AMENDMENT OF MUTUAL SECURITY ACT OF 1954—AMENDMENT

Mr. PAYNE submitted an amendment, intended to be proposed by him, to the bill (S. 3318) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, which was referred to the Committee on Foreign Relations, and ordered to be printed.

IMPROVEMENT OF SMALL BUSINESS—ADDITIONAL COSPONSOR OF BILLS

Mr. LANGER. Mr. President, I ask unanimous consent that my name be listed as a cosponsor of Senate bills 3194, 3651, and 3643, all dealing with the improvement of small business in this country.

The VICE PRESIDENT. Without objection, it is so ordered.

REORGANIZATION OF DEPARTMENT OF DEFENSE—ADDITIONAL COSPONSOR OF BILL

Mr. SMITH of New Jersey. Mr. President, I ask unanimous consent that my name be listed as a cosponsor of Senate bill 3649, which was introduced by the senior Senator from Massachusetts on Monday to implement President Eisenhower's plan for the reorganization of the Defense Department.

The VICE PRESIDENT. Without objection, it is so ordered.

REDUCTION OF EXCISE TAX ON AUTOMOBILES

Mr. DOUGLAS. Mr. President, yesterday, at a meeting of the Democratic Women of the United States, I proposed as a part of my remarks that the excise tax on automobiles be reduced by an even greater amount than that which I proposed in February and in March. Yesterday I advocated a total reduction of at least 7½ percent in the present 10-percent tax, but said that the extra reduction of 2½ percent above the 5 percent which I had previously proposed be conditioned on a decrease by approximately 6 percent in the net price for their cars which automobile manufacturers would charge to distributors.

If such an excise and price-reduction proposal were carried into effect, it would mean, first, that the price of a car which was sold by a manufacturer to a distributor for $1,600 would be reduced by the 7½-percent tax cut, or by $120, and, in addition, there would be a further reduction of $100 in the manufacturer's net price, making a total reduction of approximately $220 on a popular-priced car. This would be a cut of 13½ percent. Such a reduction in price should increase the number of cars demanded very effectively and, hence, increase the volume of employment.

As a part of this arrangement, it seems to me, the United Automobile Workers, following out suggestions which Mr. Reuther made earlier in the year, might well be willing to consider some of the demands which they might make in the new contract which is now up for negotiation, so that the joint cooperation of the Government, the automobile manufacturers, and the union might result in a reduction in the prices of automobiles and, hence, in an increase in demand and a reduction in unemployment.

I find that a similar suggestion was made on last Friday by the well-known and justly respected Washington correspondent, Mr. Richard L. Strout, in the Christian Science Monitor of April 18, 1958, and I ask unanimous consent that his article, which advocates such a program, be included in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AUTO PLAN PROPOSED TO FIGHT SLUMP—JOINT ACTION FOR PRICE CUT

(By Richard L. Strout)

WASHINGTON.—There is increasing tendency on the part of many students of the national economy to look upon the automobile industry as a key to the United States present economic difficulties.

The automobile industry is the largest in the country and many feel it is a center from which the present recession radiates.

With consumer demand too low, dealers stocks too high, and 1 worker in 6 in Detroit jobless, the automobile industry faces an admittedly dismal prospect and now is operating at less than 60 percent of capacity. This tends to depress related steel, rubber, plate glass, copper and aluminum, and affiliated concentric circles of American industry.

Is there anything that industrial statesmanship could do to reverse the dangerous automobile slump and thereby combat the 1958 recession?

Mr. Eisenhower has repeatedly said that this is the time for management and unions to exercise statesmanship.

Walter P. Reuther, head of the United Auto Workers, and Louis G. Seaton, vice president of General Motors, are now negotiating a new 3-year contract to replace the one that expires May 29.

THREE-WAY PLAN

With other amateur economists volunteering remedies all over the lot, this reporter wishes to record his own views as based on many months of observation here in Washington. He raises the question whether the following might not be of help.

A three-way plan, involving proposed concessions by the Government, by management, and by organized labor.

Its object would be to maintain public confidence and to stimulate the buying which Mr. Eisenhower at his April 9 press conference declared essential for recovery.

The proposal would make use of three circumstances:

Government: On June 30 the present 10-percent Federal excise tax on autos reverts to its pre-Korean 7 percent unless continued by Congress.

Automobile management: More than 2 months' cars now are unsold in dealers' hands with the grim choice between even harsher production cutbacks or price cuts (direct or indirect).

UAW: Mr. Reuther is already on record as saying that his union would modify wage demands in present contract discussions if management would cut prices: he proposed a cut of $100 a car.

CRITICAL TIME

It is suggested that out of this threefold situation there are the ingredients for a bold strike for business recovery at a critical time.

It is a situation in which each of the three parties could make great ultimate benefits by first offering initially smaller concessions.

In brief, here is how the save Detroit program could be applied:

The United States Government, taking the initiative, would offer to allow the present 10 percent excise tax on cars to return to 7 percent for 6 months, in exchange for equivalent concessions by management and labor.

Management, under the plan, would be required (1) to pass on the full 3 percent tax cut to the public, and (2) make a contributing 3 percent cut on factory prices, so that the public would get a combined 6 percent price reduction as an inducement to buy.

The UAW, on its part, would be required to make good Mr. Reuther's pledge of wage concessons. Among other things, he would drop new fringe benefit demands and limit his present negotiations to a continuation of the present contract with its built-in annual wage increase of 6 cents on hour (which General Motors has already offered).

ATTRACTIVE PRICES

There is room for bargaining within the outline of these concessions—the one objective of which would be to start the public buying cars again with the bait of bargain prices.

It should be noted that Canada has already cut its excise tax on cars from 10 percent to 7½ percent as an antirecession measure.

A package tax and price cut of 6 percent would be greater than Mr. Reuther's proposal of $100 a car. For an average $2,500 automobile it would be $150.

Since the proposed offer would last only 6 months there would be an immediate incentive for the public to buy while the bargain lasted.

Economists believe that once buying starts the effect will snowball into other industries.

They warn that the great danger is that the slump will begin to feed on itself.

Statistics of bank and similar accounts indicate the consumer has plenty of money; he is not buying largely because of recession jitters.

Would the proposal cost the Treasury money? Yes.

COST TO TREASURY

For the present fiscal year ending June 30 the Treasury estimates the 10 percent tax will yield about $1.5 billion ($1.29 billion on passenger cars; $234 million on trucks, buses, and trailers).

Cutting the tax to 6 percent would theoretically cost the Treasury around $457 million.

But at the rate at which car sales are falling off now next year's revenue will be much reduced anyway, while if the "save Detroit" plan were successful the Treasury would save vastly more than the cut from reviving prosperity.

Manufacturers will object, with some reason, that car prices are their own business. Yet even within the industry there are voices which declare last year's boost in prices of new models was a mistake.

The Bureau of Labor Statistics estimates that dealers were charging for the lowest priced Chevrolets, Fords, and Plymouths 4.2 percent more in November 1957, than after the last model change in November 1956. This works out to a price increase average of about $100.

Higher car prices plus an apparent change in public taste helped precipitate the present dismal market.

The benefits to organized workers of restored full-time work and reopened factories hardly needs stressing. Failure to make the equivalent sacrifice to that of management would present the UAW to the Nation in an intolerable light.

Finally, nobody could initiate such a plan save the Government and nobody could adequately mobilize public pressure behind it save the President.

DR. BURNS URGES TAX CUT

Mr. DOUGLAS. Mr. President, on March 22, a month ago, Dr. Arthur F. Burns, formerly President Eisenhower's chief economic consultant, called for a speedy tax cut. He called for a broadly based permanent $5 billion cut.

At that time—a month ago—he stated that "my only hope is that we will not take too long in seeking the perfection which we shall not find," and stated that if "we delay more than a very few weeks, in the hope that economic recovery will come on its own by midyear, we shall be taking the risk of having to resort later to drastic medicine."

Mr. President, while I do not agree with the detailed provisions of the tax cut which Dr. Burns advocated, I do agree with him that, first, we need a tax cut; second, that it cannot be delayed much longer unless we are to face the very real danger of having to take very drastic action later; and, third, that a massive public works program—enough to turn the economy upward—would probably take too long to go into effect to be effective.

Mr. President, we are now at the end of April. The objective record provides no factual evidence—as opposed to hopes and wishes—that the economy has bottomed out or has stopped the decline. The time to act is now, and a tax cut is the quickest and most immediate way of acting. If we fail, we may later need a tax cut in the magnitude of $10 billion to stop the recession and turn it around.

I may say, in connection with this statement, that last week I put into the RECORD a letter which was published in the New York Times, advocating a tax cut, which was signed by Arthur R. Burns. I was under the impression that the Arthur R. Burns was the former economic consultant to the President. I now find there are two Arthur Burns on the faculty of Columbia University, and that Mr. Arthur R. Burns, and not Mr. Arthur F. Burns, was the one who signed the letter. Therefore, my statement of last week that Mr. Arthur F. Burns was one of the signers of the letter should be corrected and withdrawn.

I now ask unanimous consent that an article from the New York Times of Sunday, March 23, entitled "Wide Tax Cut Now Is Urged by Burns," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WIDE TAX CUT NOW IS URGED BY BURNS—FORMER CHIEF OF PRESIDENT'S ECONOMIC ADVISERS CALLS FOR 5-BILLION SLASH

(By Austin C. Wehrwein)

CHICAGO, March 22.—Dr. Arthur F. Burns said today that the end of the recession was not yet in sight and called for an immediate, broadly based, permanent $5 billion tax cut.

Dr. Burns also urged improvement in the unemployment insurance system, more flexibility in the highway construction program and the enactment by law of a national anti-inflation policy.

Dr. Burns is professor of economics at Columbia University and president of the National Bureau of Economic Research, Inc. From 1953 to 1955 he was Chairman of the President's Council of Economic Advisers. He spoke at the annual University of Chicago management conference in the Conrad Hilton Hotel.

Dr. Burns told an audience of 1,000 Chicago businessmen and economists that "my only hope is that we will not take too long in seeking the perfection which we shall not find."

URGES PROMPT ACTION

Prompt action, he said, would create an excellent prospect of reversing the economic tide. He continued:

"If, on the other hand, we delay more than a very few weeks, in the hope that economic recovery will come on its own by midyear, we shall be taking the risk of having to resort later to drastic medicine."

Before his talk, Dr. Burns told a reporter he wanted to stress the need for action now that would not only combat the recession but also avoid inflationary effects later.

In his speech Dr. Burns laid great stress on a proposed amendment to the 1946 Employment Act, which laid down as a national policy that the Government has an obligation to nurture maximum employment and production.

"It would, therefore, be wise," he asserted, "to accompany any early tax reduction by a national declaration of purpose with regard to the general level of prices that could have a moral force such as the Employment Act already exercises with regard to our levels of production and employment."

INFLATION FEAR A FACTOR

The fear that governmental economic stimulus might cause inflation is a frequent theme among business leaders.

Asked whether he had discussed his points with anyone in the administration, Dr. Burns said he preferred not to answer lest he "cause embarrassment."

Vice President RICHARD M. NIXON told a press conference here Thursday: "I think, as far as the tax cut is concerned, it is not timely to make it now."

Dr. Burns said that, although the recession was in its eighth month, business and consumer confidence had not yet been seriously impaired and that was precisely the "element of strength" to preserve.

He also warned that should the recession deepen it would provide propaganda for the Soviet Union.

He ruled out as "unrealistic" any "significant economic effects in the immediate future" from even a massive public-works program because it would take too long. The effect might be felt, Dr. Burns argued, just when the economy was under inflationary pressure again.

"A tax reduction is clearly a sounder method of dealing with a mild recession," he argued.

WOULD INCLUDE BUSINESS

He said it should apply to high as well as low incomes and to businesses as well as individuals so it would stimulate investment as well as consumption and be free of time restrictions limiting it to months or years.

Dr. Burns said that lower tax rates would soon be offset "in considerable part" by increased collections and he also argued that it would put a damper on later increases in Federal spending and thus generate less inflationary pressures in the future than a public-works program of the same size.

TAX-CUTTING TIME

Mr. DOUGLAS. Mr. President, I ask unanimous consent that an editorial entitled "Tax-Cutting Time," from the New Republic of April 21, 1958, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TAX-CUTTING TIME

It is all in the way one reads the figures. Before the March statistics on employment and production were known even Harry Truman was inclined to "wait and see" before supporting a tax cut with its inflationary risks. But after going over the economic indicators with former aides in Washington last week the "retired Missouri farmer" decided that it was time for a $5 billion tax cut (for low and middle income groups) and a big increase in Government spending right now.

Reporting on the same March returns, a famous Washington newsletter to businessmen writes this week:

"Despite the optimism of the Eisenhower administration and regardless of its feeling that emergency action is not yet needed, the cold fact is that the betterment expected by officials at this time has not occurred, and there are no signs of it at any time soon.

"There are no signs that bottom has been reached, or that it's imminent * * *. The recession now seems definitely to be adding to itself, like a snowball that gathers layers as it rolls down hill."

Arthur Burns, Mr. Eisenhower's chief economic adviser from 1953 until late 1956, also reads the figures to mean that, "There is no good evidence of the likelihood on an early economic upturn," and he, like Truman, recommends a $5 billion tax cut now, before business and consumer confidence is seriously impaired.

The present Council of Economic Advisers, too, is now privately recommending that the President call for tax cuts before the recession builds up dangerous momentum.

But President Eisenhower, looking at the same figures, told his April 9 press conference that they showed "a pickup in jobs in March and a levelling off of unemployment * * * a slowing up of the recession." And so, "I see no need for emergency action now," including a tax reduction. "I think there is real grounds to hope that we will, one of these days * * * [be] on the upgrade."

Why does the President cling to his optimism? Certainly it can be no more pleasant for him than for the rest of us to think of the 5.2 million families now suffering from unemployment. (Two million are not covered by unemployment insurance at all; another 1.5 million have exhausted all the benefits the law provides—300,000 did so in March alone.)

In the first place, as a fiscal conservative, Mr. Eisenhower instinctively prefers the daily advice he receives from his trusted, strong-minded advisers, Secretary of the Treasury Anderson and Budget Director Stans. He sincerely believes, with them, that the added spending he has ordered on defense and the new highway and housing programs will improve things significantly. He hopes that, with encouragement, consumers will end their buyer's strike—and is confident that businessmen, on their own, will so alter their prices or products as to make buying more attractive.

The need for such faith and confidence is borne in on the President and Secretary Anderson and Mr. Stans every time they look at what is happening to the national budget. To men who believe that deficit financing is almost sinful per se, the sight is horrifying. Mr. Stans partly described it in an emotional speech to an insurance group at Houston last week: The 1958 deficit is going to be $1.4 billion—or $2 billion—not $400 million as estimated 3 months ago—and will go to five to seven billion dollars in 1959, even without a tax cut. A six to seven billion dollar tax cut on top of this would produce a thirteen to fourteen billion dollar deficit in 1959 instead of the balanced budget Eisenhower estimated last January.

In the Eisenhower-Anderson-Stans view, inflation is far more to be feared, in the long run, than the present recession; and according to their economic theory an annual deficit of thirteen to fourteen billion dollars would be highly inflationary. Short of an astronomical rise in the May or June unemployment index, therefore, the President cannot be expected to agree to a cut in taxes. Stans made it clear at Houston: "Frantic preoccupation with temporary conditions," he insisted, "must not be allowed to stampede us into hasty, ill-considered action [cutting taxes] which will add unnecessarily to our future burdens [deficit budgets and inflation]."

We do not question the sincerity of this view, or the damage that inflation can do. But we are not persuaded that Mr. Stans knows any more about what the effects of deficit financing are likely to be than many respected economists who disagree with him entirely. Many experts believe that a $13 billion deficit, spent in fighting recession, would cause no serious inflation. We prefer the risk of inflation they admit we run by cutting taxes to the risk of drifting into a major depression by delaying tax cuts too long.

As for the President's confidence (or is it only hope?) that buyers and/or sellers are about to rush to the economy's rescue from the opposite direction, we join the man who is from Missouri. Consumers with money are holding onto it, waiting for prices to drop. The annual Michigan consumer finance survey indicates shaky buyer confidence. Asked to give their estimate of the general economic situation, 60 percent of those questioned early in 1957 thought times were good; only 33 percent thought so early this year, by far the lowest number of optimists ever recorded by the survey. It may take more than "buy" from the President to change their minds.

Similarly, on the seller's side. A cliche of this recession is that the law of supply and demand has been repealed. Sales go down, or remain the same, but prices go steadily up. It is now so accepted that basic industries "administer" prices to maintain a given level of profit, regardless of the market, that little notice has been given to the announcement of three major steel companies that they will raise prices, perhaps $8 a ton, by August, although the industry is operating at only 48 percent of capacity. The president of the American Paper and Pulp Association, on February 20, explained in a sentence why it is doubtful that industry can be counted on to act sensibly in its own and the country's interest. "The Nation's paper makers," he says, "will be forced to raise prices if operations continue to lag."

Price inflation, it appears, will continue even if taxes are not cut. It may be more serious if they are. We do not minimize the damage inflation can do. But it is incontestable that inflation in a full-employment economy makes better sense and causes less hardship than inflation in an economy with substantial and increasing unemployment.

The way back to full employment is through increased spending. "Buy," advises the President. The promptest way to make that possible for many more people is to cut taxes of low- and middle-income families.

ECCLES CALLS FOR TAX CUT

Mr. DOUGLAS. Mr. President, on April 16, Mr. Marriner S. Eccles, formerly the Chairman of the Federal Reserve Board, testified before the Senate Finance Committee. It was almost exactly 25 years ago when he previously testified before the Finance Committee and at that time he advocated measures which the financial pundits then largely derided but which subsequently formed the basis of our economic policies in the depression years of the 1930's. Seldom has a man been vindicated so quickly.

Mr. Eccles appeared before the Finance Committee again this month. There was a great deal of merit in what he had to say. I was particularly interested in his call for a tax cut as the best method by which we could help to stop the recession. I therefore ask unanimous consent that certain portions of his testimony, primarily those dealing with his general economic views, a tax cut, and the public debt, be printed in the body of the RECORD. Members of the Senate and the public should read with great interest what this distinguished banker and economist had to say.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM THE TESTIMONY OF HON. MARRINER S. ECCLES BEFORE THE SENATE FINANCE COMMITTEE ON APRIL 16, 1956

Throughout a continuous period of service with the Government, commencing February 1, 1934, the recurrent and general theme of my economic philosophy has been this: That in time of recession or depression, the Government must spend more than it collects so as to stimulate consumer demand and purchasing power, to increase production and employment. On the other hand, in times of boom conditions, except in cases of war, it must at least balance its cash budget or create a budgetary surplus, depending on the degree of existing inflationary pressures. In this conception, the Government is the compensatory agent for an economy based on principles of free enterprise and private property. It does not compete with private business, but it consciously uses its system of taxation and expenditures, supplemented by monetary and credit policy, with the objective of maintaining maximum production and employment, so far as that is possible within the framework of a stable currency.

* * * * *

We all recognize that a recession has been developing for more than 6 months. It is becoming increasingly severe, with small likelihood of an improvement this year without prompt and appropriate action on the part of the Government. If the recession is permitted to become cumulative, it will be increasingly costly to bring about recovery. We should accept the present price, wage, and debt structure. We cannot liquidate them without a severe depression. The present large private debt can be validated only by a rapid and substantial expansion of the public debt. The longer the recession is allowed to run, the more it will cost the economy as a whole—in idle men, in idle facilities.

The American purchaser is curtailing his purchases because he has never been better supplied with goods of all kinds; he is already heavily in debt and worried about the unemployment picture. There will be little increase in home building because of the overbuilding in the past, the huge mortgage debt now being carried, and the excessive cost of land and construction. Likewise, there is already a large excess capacity of new plant and equipment, and the downturn in capital expenditures in this category is estimated to reach more than $5 billion for 1958; more in 1959.

* * * * *

It is generally recognized that Government action is necessary to halt the recession and reestablish employment and production. The great debate on the question is whether this can best be accomplished by a large public works program or a substantial tax reduction. Either program will increase the Federal deficit. I strongly favor the tax program over the public works because that action can be taken promptly and the effect would be more immediate. If we delay, we are taking a risk of having to employ more drastic measures. In that case the deficit would be greatly increased because of the loss of revenue through a prolonged recession.

The Government is, and always will be, carrying on or supporting a vast public works program, but such a program does not have sufficient flexibility to be used as the principal stabilizing force in our economy. To try to speed up and enlarge such a program makes for waste and inefficiency. It would, in any case, be too slow to produce the desired results this year. Furthermore, it could create new inflationary pressures a year or two hence. While both a tax reduction and a public works program will add to the Federal deficit, the tax reduction has the advantage of letting the people spend their own money instead of the Government's doing it for them. It will also assure a quicker and a much wider distribution of the funds. In the one case the spending starts quickly from the grass roots, whereas in the other, the money has to slowly trickle down.

Another objection to a rapidly developing public works program is that it would inevitably foster a further enlargement of Government bureaucracy.

It seems difficult, if not impossible, to bring Government expenses down once they have risen, even when the need for the increase no longer exists. Furthermore, I do not think that the recession should be used as a reason for extravagant expenditures which otherwise would not be made. I believe tax reduction would be less likely to increase inflationary pressures in the future because it would exercise restraint on future increases in Government spending.

Any consideration of tax reductions, Government deficits, or the public debt, must be related to a realization that (using our manpower and full productive facilities) this is a $450 billion economy, measured by our gross national product.

If recovery can be hastened by a tax reduction, and I believe it can, it is reasonable to expect that even lower tax rates will soon be offset by the growth in the national income. Therefore, a balanced budget could be achieved through such recovery, whereas with higher tax rates and a depressed economy, the Government revenue would be diminished and a balanced budget impossible. I believe the Government deficit over the next 2 years, and hence the public debt, will be less if an adequate tax reduction program is promptly adopted than would be the case if the country had to wait for the stimulating effect of increased Government spending.

A tax reduction, in order to accomplish its purpose, should be from $6 to $7 billion. The character of the tax reduction should largely benefit the lower income group. I do not feel that I have sufficient information to be able to present a detailed tax reduction program; however, I would recommend that the following excise taxes on what should be considered essentials, be repealed: Communication, transportation, freight and consumer durable goods, together with a tax exemption on the first $2,000 of the cost of automobiles. I believe that the reduction of these excise taxes would be immediately reflected in prices to the benefit of all.

The corporation tax of 52 percent, I understand, is higher than that of any other country in the world. It should be reduced to no more than 50 percent with a limit of 25 percent on the first $25,000 in order to help small business. I am sure that prices are influenced by the high corporation taxes. A reduction would encourage business and would be passed on to the consumer in lower prices.

Any other tax reduction, to have the most beneficial effect on the economy, should apply to the first $2,000 of individual taxable income. I feel very strongly that a 50-percent extension is essential in the number of weeks unemployed workers can draw benefits. This is not only an urgent and necessary human action, but is desirable from an economic standpoint. It would be most effective in helping to sustain consumer buying power and thereby reducing deflationary pressures.

There is a popular feeling that Government deficits and the growth in the public debt are always bad because they are inflationary. Such is not the case. Government deficits and the growth in the public debt are necessary when production and employment are declining, in order to reverse the trend. In a period of inflationary pressure the reverse is true. There must be a growth in the total debt, public or private or both, in order to sustain a growth of employment and production. A recession is the result of debt contraction.

The public debt is large or small in relationship to the gross national product. I am not concerned about its present size. It has grown very little in the last 10 years. The growth has been approximately 7 percent, whereas the growth in the national product has increased 87 percent.

With the reduction of taxes and the temporary loss of income as a result of the recession, there could be a deficit of $12 billion to $15 billion in the next fiscal year which would be about 3 percent of the national product and approximately one-sixth of the total budget. Such an amount would be a cheap price to pay for a quick economic recovery.

We should bear in mind that if the recession is allowed to continue, it could seriously affect our leadership throughout the Western World, greatly impairing our moral and political influence and further building up the prestige of the Communists.

FISHERMEN'S FIESTA A CASUALTY OF FEDERAL INACTION

Mr. KUCHEL. Mr. President, on several prior occasions I have pictured the plight of the American tuna fishing industry which for several years has been suffering from still-mounting competition from abroad. The decline of this industry threatens the livelihood of several thousand Americans employed at sea and ashore in the catching, processing, and packing of this important food item.

While imports continue to increase in volume and displace the American product on more and more dining tables, American-owned tuna clippers have been laid up in ever-growing numbers. The impact of this foreign competition is very painful and very real to the men and women who engage in the industry and to their families who have been struggling well before our present recession to keep going at their occupations and to maintain an economic and national defense asset of considerable importance to America's welfare.

An unexpected casualty in the war for survival of the tuna industry has just been reported. It is one which brings much disappointment and regret to large numbers of Americans not directly associated with catching and packing fish. It removes, for this year at least, from the calendar of spectacular events a truly colorful and meaningful celebration which perpetuates long traditions.

The annual fishermen's fiesta at Los Angeles Harbor has been canceled this year because the fleet which operates out of San Pedro and Terminal Island is virtually out of business. The romantic ceremony of invoking God's blessing on the boats and the picturesque parade of gaily decorated clippers this fall will not be a spectacle for hundreds of thousands of spectators. This is a deplorable tragedy. The fiesta had become widely known, and carried deep significance, inasmuch as it was a veritable day of thanksgiving. It marked the close of the tuna fishing season and was an occasion for rejoicing. Apparently, only action by Congress to protect and rejuvenate the tuna industry can provide a climate for revival of this event.

Mr. President, I ask unanimous consent to have printed at this point in my remarks an editorial from the Los Angeles Examiner under date of March 22, 1958, and a newspaper article from the San Pedro News-Pilot of March 22, 1958.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

TUNA CRISIS

Bringing sharply to mind the consequences of foreign competition upon some American industries, the picturesque Fisherman's Fiesta at Los Angeles Harbor has been canceled this year.

Importation of cheap Japanese tuna is driving many commercial fishermen out of business. The fleet operating from San Pedro has been reduced one-half in the past 5 years. The remainder estimates its expectancy of life at little more than 6 months.

One remedy lies in legislation now before the House Ways and Means Committee. Introduced by Representative CECIL KING, the Tuna Import Act would adjust tariffs so that local tuna would not be priced out of its home market.

But this protective measure has waited more than 3 months for a hearing. Every day of waiting for action sees boats of what was once the world's greatest tuna fleet tying up permanently.

To lose the Fisherman's Fiesta for lack of a reason to celebrate is of course to be regretted.

But it is far worse and strongly to be opposed, to lose a valuable economic asset to the southland for lack of Congressional dispatch to give an American industry at least an even break with foreign competitors.

Quick and favorable action on this matter is the least our fishermen are entitled to expect.

FIESTA CANCELING BLAMED ON IMPORTS

Cancellation of San Pedro's picturesque Fishermen's Fiesta, which each fall attracts nearly a half million spectators, yesterday was attributed to critical conditions in the fishing industry resulting from virtually uncontrolled importation of Japanese tuna.

Mason Case, executive director of the Fishermen's Cooperative Association, who was chairman of last year's waterfront pageant, stated that low tariffs have practically put the fleet out of business. The Fishermen's Co-op represents 95 percent of the boat owners in the harbor's commercial fleet.

Case put the responsibility for a solution to the fishing crisis squarely on the House Ways and Means Committee.

"San Pedro fishermen have been trying for more than 3 months to get a hearing on the Tuna Import Act of 1958 which was introduced by Representative CECIL KING in an effort to correct the completely unrealistic tariff situation which exists today," he said. "The situation has become so serious that the fleet is down 50 percent from 5 years ago and a majority of the balance will be wiped out in 6 months if nothing is done.

"If the fishing industry doesn't get this hearing in the next 2 or 3 weeks, there is little possibility of the bill passing Congress this year, in order to bring relief to our hard-pressed southern California industry."

Case said that the Tuna Import Act would equalize the duty on tuna in brine with tuna in oil and would impose a tariff of about 3 cents a pound on frozen tuna.

Case explained that cancellation of the Fishermen's Fiesta is an unavoidable result of this situation because of the uncertainties facing the industry.

He pointed out the principal feature of the fiesta is the blessing of the boats and fishermen followed by a parade of gaily decorated fishing boats through Los Angeles Harbor.

"If there is no fleet to bless and no boats to parade, there's no reason for a fiesta," he said. "Rather than plan ahead for an important event of this kind which might have to be canceled later on, we have decided to postpone the pageant until next year."

The fiesta, which traditionally is held in a full-moon period betwen the close of tuna season and the start of sardine season, around October 1, was started in 1946. The event has become known throughout the world as a parade of beautiful floats on water rivaling the Tournament of Roses.

For the past few years, Japanese tuna imports have so seriously affected the revenues of the fishermen that there has been frequent previous discussion of abandoning the fiesta.

"After all, it was started as a celebration," Case said, "and southern California fishermen haven't had much to celebrate for a long, long time."

Case added hopefully that through Congressional action the picture could take a turn for the better. He said that in this case it probably would be possible to reestablish the fiesta in 1959.

COMMUNISM AT WORK IN CHINA

Mr. SMITH of New Jersey. Mr. President, one of the Nation's foremost authorities on Communist China is the distinguished educator and retired diplomat, former Ambassador to the Netherlands, Stanley K. Hornbeck. As a director of the State Department's Office of Far Eastern Affairs and longtime Chief of the Division of Far Eastern Affairs, he has long been recognized for his special knowledge of this field.

With this background, Mr. Hornbeck deserves a wide audience for his article on Communism at Work in China in the current issue of World Affairs. As he states, there is still a great deal of misunderstanding about what has happened and what is happening today in Communist China, even though it has long since been shown to be a great deal more than agrarian reform.

Mr. Hornbeck's article clearly shows the wisdom and realism of the Eisenhower administration's China policy. Our position is simply one of commonsense, he concludes:

Surely we should not give militant communism aid and comfort. Surely we should refrain from any action implying that we assent to its purposes and efforts to consolidate and extend its gains. Surely we should not accommodate it at the expense of any of our allies. Surely we should make difficulties for it. Surely we must be prepared to counter with effective force if, when, and wherever it resorts to use of force against any free people. And we must make clear to it and to all concerned that we can be relied upon.

Because his informed analysis will contribute to increased understanding of this important subject, I ask unanimous consent that Mr. Hornbeck's article be printed in the body of the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COMMUNISM AT WORK IN CHINA

(By Stanley K. Hornbeck, United States Ambassador, Retired)

Too many people believe and many too many are told that what has happened to and in China since V–J Day has been and is acceptable to the Chinese people because it is in keeping with their history and their traditions.

As a matter of simple fact, the Chinese are a people who, when communism descended upon them, had no history, no tradition, and no living experience of anything comparable to or resembling the totalitarian system which in and since that year the Communist Party in China and the government which that party created have imposed upon them.

The Communist Party in China had grown from seeds imported from Moscow in 1920. It had attempted in 1927 to seize control of the Nationalist movement. Thwarted in that effort, it thereafter had operated for 20 years as an armed and militant opposition. Finally, after V–J Day, with Soviet moral and physical support, it defeated the National Government in battle after battle, and, in 1949, it set up, in Peking (Peiping), a new government, the Central People's Government of the People's Republic of China.

China was at that moment a land that had been ravaged by warfare during most of more than 20 years. Its economy was in ruins. Its Government was overburdened and weary. Most of its people and most of its foreign residents and their affiliates were ready to welcome anything in the guise or the form of a new deal. And that was what the Communists—blaming for the ills that prevailed, first the Nationalists, second the Japanese, and finally all of the foreign powers except the Soviet Union and its satellites—promised: a new deal, a great new deal, a Utopia.

What then was Communism? Well, whatever may have been the concepts and intentions of the founders, communism had become by 1949 a device for despotism, a system powered by and radiating an ideology, an instrument employed and adapted, in each of many countries, by a few leaders and a small percentage of the local population—for acquisition and exercise of political control. Incidentally, Yalta had contributed to its having become that.

The first conspicuous and unmistakable result of the Communist victory in China was the retreat of the National Government to the island province, Taiwan (Formosa), and the beginning of the new phase in which, although China, the country, remains China, there are in China two governments each exercising authority over a part of the country and each claiming to be the government of the whole.

The government on the mainland, i. e., the Communist regime, has since 1949 made effective its jurisdiction over all parts—except only Outer Mongolia and Formosa—of what had been in the days of the Manchus the Chinese empire; and it has given this domain the first truly totalitarian organization and administration that the peoples within its boundaries ever have known.

In the course of 8 years plus, it has made of its domain a land wherein the central authorities make decisions which, implemented by a huge bureaucracy, directly affect almost every aspect of the life and livelihood of the people—men, women, and children, individually and collectively. With an elaborate system of physical and psychological controls, the party and the government exalt the state, preach communism, tolerate no opposition or dissent, and prepare the nation for what they call a socialist order.

At the outset—while establishing order, the new rulers for some time showed respect for principles and procedures of justice. But once they were well in control they caused all agencies, including the courts, to function as instruments of state policy.

To cause the nation to accept an authoritarian and totalitarian regime, the party and the government set out to impose their own version of the Soviet version of communism.

So they have made war—hot and cold—upon the old culture and its manifestations. In that process, they have done their utmost to extirpate all religions and all creeds—except the creed which they themselves preach. They have persecuted priests and teachers. They have expelled or imprisoned missionaries and foreign businessmen. They have forced the closing of foreign diplomatic and related establishments. They have burned and censored books. They have liquidated millions of their own people. They have enslaved many other millions. And, right and left and up and down, they have confiscated the properties of their victims.

Early and conspicuous was their carrying out of agrarian reform. First, landlords were denounced. Next they were turned over to the populace for trial and execution. Then their lands were divided among the peasants. Next, the peasants were taxed, and they soon found the taxes more of a burden than had been the rentals which they had paid before—whereas from the paying of the taxes there was and is no way of escape. In that context, and in others, the regime has demonstrated strikingly that power to tax can indeed be power to destroy.

While destroying, the new rulers have also created. One of their first constructive achievements was that of establishing a stable currency. Early, too, was their enactment of a new marriage law—which greatly improved the legal status of women but was very damaging, as it was intended to be, to the old social order.

They have emphasized education—Communist education. Schools, faculties, students, textbooks and their authors and their publishers—all—they have brought under government control. They have made Russian a second language. They employ Russians—some—as instructors in many of the universities. They feature, as do the Russians, technical studies.

In place of the old books, they have published and distributed more newly printed matter—officially approved, of course—than had ever before been circulated in China. Toward teaching, informing, and propagandizing all, and for the illiterate in particular, official agencies turn out radio material, place loudspeakers on the streets, and distribute vast quantities of pictorial material—extending those services even to the villages. They have studied—as had their predecessors—various plans and proposals for either simplifying the Chinese language or romanizing it or both; but they have not thus far put into effect any of these.

Of art, Chairman Mao Tse-tung has declared: "There is no such thing as art for art's sake"; all work should serve the interests of the workers, peasants, and soldiers. So—art, in all its forms, is made to conform to official concepts and to serve the purposes of the state. In that framework, authors and artists glorify the laboring man, feature the Communist struggle for peace, and with one accord anathematize the United States.

In all the fields they have endeavored to eliminate western influence, except that of the Soviet Union. They have made the experience, the practices, the theories, and the products of the Soviet Union their patterns and guides. They have emphasized conformity. They have engineered "anti" campaigns and remodeling movements, with processes of mob trial, of self-criticism and of confession. They have used everywhere the procedures of spying, informing, accusing, condemning, and penalizing. They have compelled the people—especially the intellectuals—to abase themselves and to denounce one another. And these things they continue to do.

They staged in 1957 a rectification campaign, directed toward liquidation or suppression of critics of the regime. Mao Tse-tung had in February expressed himself in terms of a classic: "Let the hundred flowers bloom." The government had later invited criticism. There had ensued a month in which many intellectuals and many student groups indulged fervently in freedom of speech. And then the regime clamped down, in terms of weeding the garden or suppression of rightists. Sad has been the fate, the brainwashing and orthodoxing, of many of the men—and some women—who in this context had expressed themselves in words disagreeable to the regime.

The very latest manifestation of the regime's will to dictate is being afforded in the so-called relocation movement. Announcement was made last November that several hundred thousand students and likewise large numbers of government employees, urban workers, professional men and intellectuals were volunteering to go forth, settle in rural areas, and serve the cause of agriculture. Volunteering was, of course, a euphonious rendering of being sent—just as it had been in relation to the soldiers sent by Peking into Korea in and after 1950.

Thus has communism, authoritarian totalitarianism, dealt with the people in mainland China. A few Communist leaders and some millions of Communist Party members, a people's government, dispose as they see fit of the lives and property of 500,000,000 people, their subjects.

Among their purposes, the Communist leaders have of course had that of making China prosperous and powerful.

In the economic field, on the constructive side, they have proceeded with a program modeled upon that devised and already far advanced in the Soviet Union. The objectives and methods have been: agricultural reorganization and improvement; industrial rehabilitation and expansion; enlargement and improvement of communications; exploitation of mineral resources; and collectivization.

Toward implementing its program the regime launched in 1953 a 5-year plan. That plan is understood to have been prepared by Soviet experts. It called among other things for doubling the gross industrial output. Its techniques have been Soviet in concept and in form. The means for proceeding with it—including financing, equipment and instruction—have come largely from the Soviet Union. Remainders from it are now being carried forward in a second 5-year plan.

In what it has done with the programs thus far, the regime has greatly improved the physical face of the country. It has emphasized the interests of the state rather than the betterment of the lot of its people. Incidentally, yet pertinently, it has employed on projects directed toward agricultural improvement millions of men, women and children recruited in large part from the peasantry, and more millions from the slave labor concentrations. In the realms of industrial expansion, of improvement of communications, and of exploitation of mineral wealth, it has added substantially to the state's capabilities.

The most venturesome of the politico-economic undertakings has been and is that of the agricultural collectivization. This has called for organizing of cooperatives within the Chinese farming pattern and for creation of large mechanized farms in areas where that is practicable. It has been implemented widely and at a fast pace. It gives rise to, and it still leaves open a question: whether the regime can deal successfully with the human factor, can cause several hundred million peasants to cooperate in an undertaking which calls for abandonment of their traditional aspiration to land ownership and of their accustomed manner of tilling each his little plot of ground. To reconcile the peasants to this it will have to be shown them as individuals that they profit by it. Otherwise, each can offer resistance—at least in its passive form.

There has been from the outset some forceful resistance, in some places, to some of the regime's efforts. There is disagreement as to its character and extent. The Communists themselves have reported from time to time on liquidation of subversive armed forces, in terms invariably of not less than tens of thousands. Those reports signify only that there is some overt resistance and that where it occurs it is stamped out. That there can be much—in the absence of leaders, of organization and of weapons—is not likely. Mass suffering and popular resentment do not of themselves produce formidable revolt.

There could develop a conflict within the party. There could come disaffection within the armed forces. There might occur the long-planned assault from Formosa. In the event of any one or more of such conceivable developments there might ensue a widespread popular rebellion. There is, however, no indication that any of these is imminently likely.

Probably greatest among Communist China's internal problems is that of food for its already huge and fast-increasing population. China has more land than is now under cultivation but it also has too many people in and clinging to the most favorable areas, and the trend of population movement recently has been from the land to the cities rather than the reverse. The regime is working on that problem. It is, with engineering, selection of crops, etc., bringing hitherto uncultivated or long-neglected areas into production. It has destroyed many grave sites and cemeteries. The population, though, is increasing at a rate which outruns that of the processes of reclamation. The answer would be: slow down the birth rate and speed up the agriculture. Birth control, though, while much talked about, is not sweeping the country.

In the realm of mineral resources, China is in terms of absolute amounts reasonably well endowed, but in terms of relative amounts and of advantageous juxtapositions is less well off than are several other countries. What she is known to have is enough to support an extensive but not a "super" industrialization.

In the realm of foreign trade, there has been and is in some quarters much wishful thinking about the possibilities of China as a market. If one looks at figures of world trade, historical and actual, one finds that the China market never has amounted to really much. Nor is it likely to in the near future. China has not much to export, and, therefore, not much with which to pay for imports. There may come a time when she will have the wherewithal—but that time is probably a long way off. Currently, what the Communist regime most wants from abroad is strategic goods; what it gives most of in return is raw materials and foodstuffs; and most of what trading it does is with the Soviet Union and other Communist countries.

Communist China's armed forces—ground and air—are the foundation and guarantors of the regime's authority. They add up to a large establishment. Organized on the Soviet model and with Soviet assistance, they draw heavily upon Russian sources for equipment.

Outstanding is the abiding fact that the Communist regime in the Soviet Union has supplied the inspiration, the pattern, the guidance, and much of the equipment and funds that have made possible: first, the existence; second, the victory; and third, the thus far successful post victory functioning of (a) the Communist Party in China and, (b) the regime which now is implementing that party's purposes and plans.

Whether Communist China now is a satellite or is a partner of the Soviet Union is a question of no very great importance. The two are allies. Communist China is in many respects dependent on the Soviet Union; the

Soviet Union has in turn need of and uses for Communist China's assets; and the leaders in the two countries have in common several portentous objectives. For the present, those leaders cause the bear and the dragon to lie down together, lie abroad together, stand together, forage together, and profit together, in a climate of—for them—convenient and advantageous coexistence. They could—some day—quarrel and go apart; but not now.

Together, they are encouraging the Peking Government to essay a role in world affairs utterly unfamiliar in modern times to the Chinese state, that of an affirmative heavyweight contender. In this, some features of the foreign policy, the strategy, and the tactics of China's Communist leaders are obvious. Among these are: acceptance of Soviet leadership; support of positions taken internationally by the Soviet Government; effort to make secure the newly reestablished Chinese imperial domain; effort to achieve for that domain a great power status, with universal diplomatic recognition of its government and occupation by that government of China's seats in the United Nations; and, in general, effort to enlarge the influence of the Communist bloc.

What plans the Peking authorities may have, if any, for forceful external adventuring they alone know. They are emphasizing preparedness. They are expressing opinions and giving advice abroad—in support of Soviet opinions, advice, or action. They presumably will be guided by their and Moscow's reading of developments and opportunities in the cold war. Meanwhile, they propagate at home and abroad the thought that China is again a great power, that it must liberate Formosa, and that it must and will defy the United States.

However, it seems reasonable to believe that for the present the regime is fully preoccupied with its program and its problems at home.

It is not true that all is well along the Yangtze. It is not true that in mainland China's cities there no longer are flies. It is not true that the people have enough to eat and enough to wear and are happy. Qualified observers note with one accord that the programers and implementers are now encountering grim realities in terms of shortages. One such who, having known the old China, has traveled extensively in the new, remarks nostalgically that in the new—he hears no laughter and he seldom glimpses a smile. Reports currently (in February 1958) being made in Peking by officials of the regime show clearly that there has been and is widespread discontent.

The regime is certainly in no position now to continue the pace at which it thus far has exploited the people and the land in the interests of the party, the Government and the state. Nor are the mood of the people, the capabilities of the land, and the relations between those who govern and those who are governed such as would warrant pursuit by Communist China of a foreign policy involving a risk of war with a power capable of bombing its industrial and military concentrations and blockading its ports. The regime can, however, and does make trouble for and among its neighbors and in the forum of world affairs.

The victory of the Communist Party in China in 1949 and the jurisdictional dichotomy which ensued gave rise to many problems in the relations of other countries with China. All other Communist states and several not-Communist states promptly transferred their diplomatic recognition from the National Government to the newly created Communist Government in Peking. As of today, the United States and with it a majority of other countries still abide by the recognition accorded over the years since 1928 to the National Government.

On several occasions, once very recently (in January 1958), this country's Secretary of State, Mr. Dulles, has declared that it is the policy of the United States in this context: To continue our recognition and support of the National Government; to continue our withholding of diplomatic recognition of the Communist people's government; and to continue our opposing of admission of the latter to the United Nations. (Mr. Dulles also has explained why, has shown that we do not ignore Communist China, and has added to the effect that "no" does not necessarily mean "never.")

That policy takes appropriate account of the record and the attitude of the National Government and it shows respect for our obligation and our commitment to that government. It takes account likewise of the record and the attitude of the Communist regime on the mainland. It is in line with the overall purposes and efforts of American foreign policy in defense and promotion of freedom, peace, security, and justice.

The Communist government in Peiping follows the lead of the Soviet Government in Moscow in the war which the Communist world is making upon the free world. They two work hand in hand toward victory for communism throughout the world. They make use of a great variety of weapons and, with many methods, press their attack on many fronts. They demand concessions but they make no concessions. They talk of peaceful coexistence—but those words do not mean to them what they mean to us. Nor does communism mean communism; it is simply a name, the name of a system devised and employed toward enslavement and exploitation of the many by a few.

The United States is the world's most powerful and most committed champion of freedom. In defense of freedom—our own and that of other peoples—it is simple commonsense that we be prepared and be determined to use many weapons and many methods, both positive and negative. Surely we should not give militant communism aid and comfort. Surely we should refrain from any action implying that we assent to its purposes and efforts to consolidate and extend its gains. Surely we should not accommodate it at the expense of any of our allies. Surely we should make difficulties for it. Surely we must be prepared to counter with effective force if, when, and wherever it resorts to use of force against any free people. And we must make clear to it and to all concerned that we can be relied upon.

AID FOR DEPRESSED AREAS

Mr. CLARK. Mr. President, the Senate Committee on Banking and Currency has recently reported to the Senate a bill which would give aid to depressed areas throughout the country—areas which have been chronically depressed for a long time. It is a bill to which I hope all Members of the Senate will give close attention. Such legislation will be of the greatest possible assistance in my State.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks an editorial entitled "The Governor Makes Out a Good Case for Our State," which appeared in the Harrisburg Patriot of April 16, 1958.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AID FOR DEPRESSED AREAS—THE GOVERNOR MAKES OUT A GOOD CASE FOR OUR STATE

"The people who live in these labor surplus areas don't care whether it is a Democratic bill or a Republican bill. They want a program that will put people back to work."

That was Gov. George M. Leader speaking. His audience was the House Banking and Currency Committee, holding a hearing yesterday at Washington on area redevelopment legislation. You probably know this legislation better as the depressed areas bills.

Pennsylvania has more of these pockets of unemployment, good times or bad, than any other State. That's because our Commonwealth is a coal-mining State and a center of heavy industry.

All of this, the Governor spelled out yesterday for the Congressmen. It's a familiar story by now to Pennsylvanians.

It all should be a familiar story by now, too, to the Congressmen. They've debated for a long time Federal programs to help hard-hit communities help themselves. A program of Federal aid to bring in new industry and new jobs is a promise in both major parties' platforms. President Eisenhower advocated such a program last year and urges it again at this session.

Governor Leader made out a telling case for Pennsylvania in his testimony before the House committee.

Our Commonwealth, he pointed out, is not asking the Federal Government to do something it is unwilling to do itself. Pennsylvania has established its own industrial development authority to give second-mortgage loans, a model program that many other States are studying and copying. The communities themselves were active with similar local organizations before the State stepped up 19 months ago to give them a helping hand.

On another major front, the Governor also could point out proudly that Pennsylvania is the only State in the Union that is helping its municipalities with urban redevelopment programs to make the communities far more attractive places in which to live and to work.

The Governor argued convincingly that any Federal program should not bypass or work to the disadvantage of the working community-State partnership which Pennsylvania already has.

The Governor could point proudly, too, to the stepped-up public works program instituted as an antirecession measure in Pennsylvania while Congress and other States still were just talking about doing something.

The Governor argued at his best in appealing for a moratorium on politics on these very important proposals. He paid tribute by name to the Pennsylvania Senators and Representatives, Republicans and Democrats, who are striving to secure Congressional action.

There are an array of bills up for consideration. Some are of Democratic authorship; some are of Republican origin. But the people who live in the hard-pressed areas and their fellow Americans who pay so heavily in relief grants and unemployment compensation don't give a tinker's hoot who gets credit, as the Governor pointed out. What they want is constructive action.

For all of the campaign politics right now, Pennsylvania's Republican and Democratic congressmen and its Democratic Governor are showing the way to bipartisan accomplishment.

Is it too much to hope that the rest of the Congress will join them?

Mr. CLARK. Mr. President, a similar editorial entitled "Aid For Depressed Areas," appeared in the Pittsburgh Post-Gazette of April 16, 1958. I ask unanimous consent that the editorial be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AID FOR DEPRESSED AREAS

Governor Leader went before a Congressional committee yesterday and made a strong and timely pitch in support of Federal aid to economically depressed areas, of which Pennsylvania has far more than its share.

The Governor wasn't looking for charity or expecting the remainder of the Nation to bail Pennsylvania out of a situation for which it is uniquely to blame.

He was simply appealing to Congress to enact bipartisan legislation, supported by the Eisenhower Administration, to provide Federal aid in one form or another (principally grants and loans) to help create a diversity of new industry and provide jobs in those areas of the nation characterized by chronic unemployment.

Pennsylvania has five major areas—Altoona, Erie, Johnstown, Scranton, and Wilkes-Barre-Hazleton—and seven smaller areas which have been continually classified as surplus labor areas for 2 years or longer. Six others, five of them major metropolitan areas, have more recently been so classified. Three of the six are Pittsburgh, Butler, and Sharon-Farrell.

In all, then, some 18 depressed areas of Pennsylvania might benefit from Federal legislation, depending upon the final definitions to be written into the bill. Since several proposals with varying details are before Congress, Governor Leader did not attempt to narrow his requests to any particular piece of legislation.

He did make the point, however, that the current national economic recession has greatly aggravated the serious, long-term unemployment problems in this heavily industrial State.

It was also explained in much detail that local communities and the State itself have made and are making strenuous efforts to attract new industry on their own initiative and through the use of their limited resources. As evidence of this, the Governor cited the accomplishments of the many local industrial development agencies and of the State's industrial development authority.

But, he said, "We cannot, of course, cure our recession unemployment problem with our own efforts, for it has its roots in a national situation. And we cannot, without Federal assistance, achieve prosperity and economic stability in these economically troubled areas."

Governor Leader told the House Banking and Currency Committee that people living in the surplus labor areas don't care whether the legislation approved is a Democratic bill or a Republican bill—"They want a program that will put people back to work."

Congress has been studying such a program since 1955, when the Joint Economic Committee first called for Federal action to assist the depressed areas. Now the situation is far more acute. The time has come for bipartisan action to assist new industries to get started and to expand in areas of long-time heavy unemployment. Governor Leader's statement to Congress is a commendable contribution to a better understanding of the problem and how to meet it.

Mr. CLARK. Mr. President, typical of the many local agencies throughout the State of Pennsylvania which support the bill is the Jenkins Township, Yatesville Borough School District, located in Wyoming Valley, in the heart of the anthracite coalfields, where for many a long year we have had chronic unemployment.

I ask unanimous consent, Mr. President, that the resolution adopted by this school district, commending the Governor of the State of Pennsylvania for his activities in this regard and urging Congress to take appropriate action, be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the Jenkins Township, Yatesville Borough School District is located in Wyoming Valley and is in the heart of the anthracite coal fields; and

Whereas the taxes derived from the assessment of anthracite coal has been the main source of revenue for the aforementioned school district; and

Whereas the depletion of anthracite coal deposits have materially reduced the income of said school district; and

Whereas many of its residents have been forced by unemployment to leave said district to seek employment elsewhere; and

Whereas the conditions aforementioned have caused said school district to be placed among those classified as distressed; and

Whereas said school district and its residents are in need of State and Federal aid; and

Whereas the Honorable Daniel J. Flood, Senator Joseph Clark, and Governor Leader have introduced, or are in process of introducing, legislation designed to aid distressed areas; be it

Resolved, by the Jenkins Township, Yatesville Borough School District, and it is hereby resolved by the authority of the same as follows: That Hon. George Leader, Governor of Pennsylvania; Hon. Daniel Flood, Congressman from Luzerne County; and Hon. Joseph Clark, United States Senator be immediately contacted and their aid solicited to support the bills introduced in the Congress of the United States and in the House of Representatives and Senate of the Commonwealth of Pennsylvania, designed to aid distressed areas, particularly those located in the anthracite coal fields and to do everything in their power, whether by legislation or otherwise, to bring relief to these areas as soon as possible.

SARA COYNE JORDAN,
President.
WALTER BECHTALEL,
Secretary.

OMNIBUS RIVERS, HARBORS, AND FLOOD CONTROL AUTHORIZATION BILL

Mr. CLARK. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the City Council of Philadelphia memorializing the Congress of the United States to vote to override the veto by the President of the omnibus rivers, harbors, and flood control authorization bill.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

"Resolution memorializing the Congress of the United States to vote to override the veto by the President of the United States of the omnibus rivers, harbors, and flood control authorization bill, which provides for the improvement of anchorages between Philadelphia and the sea

"Whereas the omnibus rivers, harbors, and flood control authorization bill, providing some $24 million for the improvement of four badly needed anchorages which had been approved by the Army engineers, was vetoed by the President of the United States after its enactment by Congress; and

"Whereas the cargo handled through the Delaware River ports contributes more than $800 million a year in direct income, and generates several times that amount in secondary income, throughout the Delaware Valley area; and

"Whereas the continued development and maintenance of shipping facilities in the Delaware channel is essential to the growth of commerce at the river ports; and

"Whereas this commerce is not only of economic benefit to the people and industries of the Delaware Valley area, but also to communities in all parts of Pennsylvania, southern New Jersey, and Delaware, for which the Delaware River is the great and only gateway to the sea; and

"Whereas the trend in recent years to increasingly larger cargo and bulk carriers serving these ports makes their swift and safe operation dependent upon the availability of fully adequate anchorages at key points in the river; and

"Whereas failure to construct these anchorages will continue the risk of collisions and groundings in the lower Delaware River and will be detrimental to the growth of commerce so important to the economy of the entire area: Therefore

"Resolved by the Council of the City of Philadelphia, That we hereby petition the Members of the Congress of the United States to override the President's veto of the omnibus rivers, harbors, and flood control authorization bill;

"Resolved, That certified copies of this resolution be forwarded to the President pro tempore of the United States Senate, the Speaker of the House of Representatives, the United States Senators from Pennsylvania, and the Members of Congress representing the Delaware Valley area."

Certification: This is a true and correct copy of the original resolution passed by the Council of the City of Philadelphia on the 17th day of April 1958.

JAMES H. J. TATE,
President of City Council.

Attest:

NATHAN WOLFMAN,
Chief Clerk of the Council.

A TIME TO ACT

Mr. PROXMIRE. Mr. President, when the history of this economic recession is written, the administration can never blame its inactivity on a lack of urging by competent and responsible people. Again and again, Members of this body have warned that the time to act is now. We have been joined by a chorus of economists, businessmen, labor and farm leaders, editorialists, and commentators—people from all walks of the Nation's life—who agree that failure to do something in time will require much larger and more costly exertions later, with less felicitous results.

An editorial in this morning's issue of the good, gray, careful, conservative New York Times draws a contrast between the vigorous attack of the administration on the 1953–54 recession in its early stages with the wait-and-see attitude of today, when economic paralysis has gone much further. The editorial expresses the hope that the report of the Rockefeller Brothers Fund, which I placed in the RECORD on April 21, will stimulate the administration to act now.

Mr. President, I ask unanimous consent that the editorial entitled "To Get Off Dead Center," which appears in the New York Times for April 23, be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TO GET OFF DEAD CENTER

It is to be hoped that this week's memorable report of the Rockefeller Brothers

Fund—which proposed a tax cut of $5 billion as part of a program for reversing the present downward trend of the economy—will help to get the antirecession policies of the administration and Congress off dead center. For that is the one position in which antirecession policies should never be permitted to get.

It is really extraordinary that the administration should have forgotten so soon the experience of 1953–54 when its antirecession policies brought to a halt within a few months what many feared would be a deep and prolonged recession and set the stage for a recovery that carried economic activity to the highest levels in the Nation's history. Yet this conclusion is inescapable to anyone who compares its reaction to these two challenges, separated by only four years.

In 1953, it became evident by midyear that the economic clouds that had been gathering since spring were not going to blow over—that they foreshadowed a general decline in economic activity. The Federal Reserve had shifted to an easy-money policy as early as May to head off the storm and followed this in June and July with even bolder action—a reduction in member bank reserve requirements.

By September, less than 3 months after the first conclusive evidence that we were in for a general recession, the Secretary of the Treasury declared unequivocally that the excess profits tax and the personal income tax enacted at the time of the Korean rearmament emergency would be dropped at the end of that year. When this announcement of a very substantial tax cut came, it is worth noting, the reported rate of unemployment was less than 2½ percent. Though the recession had been underway only 6 months the President's Council of Economic Advisers told him that, "Prudence as well as zeal for economic improvement requires that the public policy contribute both to the immediate strength of the economy and to its long-term growth."

Acting on this advice, the President immediately recommended a broad program of legislation, high on the list of which were tax proposals, which, besides correcting many personal inequities, would serve to stimulate business enterprise. Between them, the tax reductions of 1953 and 1954 came to a total of $7.4 billion and to a net figure—after allowing for an increase of $1.3 billion in social security contributions—of $6.1 billion.

Dr. Arthur F. Burns, who as Chairman of the President's Council of Economic Advisers during that period, was perhaps the chief architect of the recovery program, has since set down what he describes as some of the major principles suggested by experience that can usefully guide governmental efforts to check a recession. It is highly pertinent to note the principle that he has put at the top of his list: "The first principle is that when the economy shows signs of faltering, prompt countermoves are required. Even mild measures on the part of the Government can be effective in the early stage of the economic decline. On the other hand, if action is withheld until a recession has gathered momentum, even costly measures may prove insufficient."

With this principle in mind, let us compare the Government's approach to the recession problem of 1957–58 with that of 4 years earlier.

Like 1955, the point at which the downturn became general has been identified as midyear. The recession had been under way, therefore, for 4½ months even before the Federal Reserve acted, on November 15, to reverse its monetary policy of credit restrictions. The administration is still adhering to a wait-and-see attitude on tax reduction, 10 months after the nature of the economic decline had become clearly visible.

Last week brought the tidings from the Federal Reserve Board that the decline in industrial production had reached 11.7 percent, the deepest decline of the postwar period. (The figure did not exceed 10.5 percent in the recessions of 1949 and 1953.) Even more striking are the figures on unemployment. The rate of unemployment, seasonally adjusted, reached its most recent low in March 1957, at 3.9 percent. The official figure for March 1958, shows that this percentage has almost doubled, increasing to 7 percent. That this does not represent the full measure of the import of the recession on the labor force is clear from the fact that the weekly workweek in manufacturing has declined from 40.2 in February 1957, to 38.5.

The PRESIDING OFFICER (Mr. CLARK in the chair). Is there further morning business? If not, morning business is concluded.

FAILURE OF PRESENT FARM PROGRAM

Mr. TALMADGE. Mr. President, the time has come when Congress must face up to the fact that our present farm program has been a miserable failure.

It has depressed farm prices below the subsistence level.

It has forced farmers to abandon their farms.

It has stimulated artificially high prices for consumer goods.

It has generated unmanageable surpluses of farm commodities.

It has robbed the United States of its world market.

It has resulted in a farm depression which has mushroomed into a general recession.

Our experience has proved conclusively that reduced acreage, reduced prices, and rising costs lead only to reducing farm income to a disaster level. It has shown beyond contradiction that it is impossible to reduce production by reducing prices, to control production by reducing acreage or to bring supply into line with demand through research which has the effect of increasing supplies.

Mr. President, we have reached the point where the future of the American economy is directly dependent upon the formulation of a bold, realistic, new farm program which will get away from the compounded failures and stereotyped concepts of the past.

To be successful such a program must be one which will, first, let the farmer farm; second, guarantee the farmer his proportionate share of the national income; and, third, place American agricultural commodities back on the world market at competitive prices.

These objectives can never be achieved until the Federal Government is removed from the business of buying, storing, and selling agricultural commodities, and the responsibility for marketing farm produce is returned to the farmer and private enterprise, where it belongs.

These objectives can be achieved only by freeing the farmer to plant and sell his crops as he sees fit with the Federal Government paying him the difference between the prices he receives for commodities sold for domestic consumption and parity.

Mr. President, I am enough of a Jeffersonian Democrat to believe that we would all be better off if our entire economy were freed and allowed to seek its own level. But, by the same token, Mr. President, I am enough of a realist to know that with virtually every other segment of the Nation's economy protected by law, the farmer cannot be left as the only person without a legislative guaranty of his proportionate share of the national income.

If the farmer is to share in the general prosperity of the rest of the country—if he is to own an automobile, send his children to school and enjoy a reasonable standard of living—it is essential that a new farm program be devised which will give him that assurance.

The farmer has the right to expect from the Federal Government protection equivalent to that received by labor through the minimum wage and industry through the tariff and subsidies.

As a farmer myself, Mr. President, I have given long and serious thought to this problem. While I do not profess to have the answer, I do believe that a program of compensatory payments offers the best hope of achieving the objectives which must be a part of any workable farm program.

With respect to the wool industry, compensatory payments have been recommended by the Secretary of Agriculture and the President of the United States. The Committee on Agriculture and Forestry has reported a bill providing for such payments, and the bill is pending on the calendar at this time. If it is fair for the woolgrowers of the country to receive compensatory payments, it seems to me it would be equally fair for the producers of other basic farm commodities to receive such payments.

The best thing which Congress could do for the American farmer—and for the entire United States—Mr. President, would be to completely abolish the patchwork of discredited programs with which the national economy is now burdened and begin again on the simple basis of free-enterprise farming bolstered by a system of compensatory payments.

This could be easily done through a five-point program which would, first, eliminate all acreage controls and Government loans; second, assign each farmer growing basic commodities a domestic production quota to be expressed in terms of unit measurements—pounds, bushels, bales—which would be the same percentage of the national consumption of basic commodities that the farmer's historic acreage base bears to the total national acreage base; third, guarantee and pay to each farmer a sales price support of the difference between the price he receives for his domestic production quota and 100 percent of parity; fourth, require each farmer to submit a bill of sale with his application for sales price support payments; and, fifth, impose a maximum of $25,000 on the amount of sales price support payments which any individual farmer could receive.

Mr. President, I asked the Legislative Reference Service of the Library of Congress to prepare for me a table showing the estimated cost of such a program on the basis of 90 percent of parity. This table shows the cost, exclusive of corn, to be only $1,282,000,000 to $1,644,000,000.

Projected to 100 percent of parity, the cost would be only $1,410,200,000 to $1,808,400,000.

I ask unanimous consent, Mr. President, that this table be printed herewith in the RECORD as a portion of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Estimated annual payments required to make up difference between 90 percent of parity and market prices on domestic production quotas of the basic commodities (except corn) [1]

Commodity	Approximate domestic utilization	90 percent of parity price Dec. 15, 1957	Estimated payment requirements per unit	Total payments (million)
Cotton	9,000,000 bales	33.7 cents per pound	$40 to $55 per bale	$360- $495
Wheat (food use)	500,000,000 bushels	$2.25 per bushel	$1 to $1.25 per bushel	500- 625
Rice	17,000,000 hundredweight	$5.25 per hundredweight	$1.75 to $2 per hundredweight.	30- 34
Tobacco	1,700,000,000 pounds	Differs for different types.	20 to 25 cents per pound.	340- 425
Peanuts	1,300,000,000 pounds	12 cents per pound	4 to 5 cents per pound	52- 65
Corn	3,100,000,000 bushels	$1.63 per bushel	50 to 70 cents per bushel.	(?)
Total				1,282-1,644

[1] Assuming no acreage controls and Government loans. Since only a small amount of corn is sold off the farms where it is produced, it did not seem feasible to include corn.

Mr. TALMADGE. Mr. President, that cost figure compares with the figure of $3,250,000,000 given by the Secretary of Agriculture as the cost of our present farm programs of which less than $1,200,000,000 goes to farmers in the form of price supports.

Therefore, Mr. President, it is obvious that such a program of compensatory payments not only would cost almost $1,500,000,000 less but also would put $500 million more each year in the pockets of the American farmers.

The Legislative Reference Service estimates the savings at between 2 and 3 billion dollars. That is a bargain any way one chooses to look at it.

But more important than the money involved, it offers even greater intangible benefits.

It is extremely simple, and would take the redtape out of the farm program.

It would eliminate the regimentation and dictation imposed by acreage controls.

It would let the farmer plant what he wants and sell it as he pleases.

It would take the Federal Government out of the business of buying, storing, and selling farm commodities and place the responsibility for marketing with the farmer and private enterprise where it belongs.

It would guarantee the farmer his proportionate share of the national income and restore agriculture to a free enterprise, competitive base.

It would end the accumulation of the national farm surplus which has glutted the Nation's markets and stagnated its economy.

It would make the national farm program an estimable budget item which would remain relatively stable over the years.

It would mean lower prices to both the consumer and industry and would put American agricultural products, both raw and processed, back on the world market at competitive prices.

It would give the farmer protection equivalent to labor's minimum wage and industry's tariff.

And it would mark a new and fresh start which would get away from the stereotyped concepts and failures of the past.

Mr. President, the most unfortunate aspect of the present agricultural dilemma is that, to put it bluntly, it is the product of partisan politics.

The welfare of our farmers and the protection and preservation of our national economy demand that we cease playing politics with the farm problem and act in unison to restore to the farmer his freedom and his rightful place in the Nation's economic picture.

My remarks today, Mr. President, are not in the nature of a proposal, but rather as a form of thinking aloud in the hope of generating interest in and thought toward a solution of the problems of our farmers.

Mr. STENNIS. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. CLARK in the chair). The Senate will be in order. Senators who desire to confer will please retire to the cloakroom. The Senate will be in order, so that the Senator from Georgia may be heard.

Mr. TALMADGE. Mr. President, I feel with all my being that this 2d session of the 85th Congress will be shirking its sworn duty if it concludes its work without enacting a bold and realistic new farm program.

Toward that end, Mr. President, I pledge my full cooperation with all those in this body who feel as I do that the solution to our national economic difficulties must begin with a solution to our national farm problems.

Mr. PROXMIRE and Mr. STENNIS addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield; and, if so, to whom does he yield?

Mr. TALMADGE. I yield first to the Senator from Wisconsin; then I shall yield to the Senator from Mississippi.

Mr. PROXMIRE. Mr. President, first I should like to commend the distinguished Senator from Georgia on an excellent presentation. His analysis of the farm problem is 100 percent sound with regard to the farmer, with regard to the taxpayer, and with regard to the consumer.

The farm program has been a most unfortunate failure. I agree with the Senator from Georgia wholeheartedly in his objective. I particularly wish to commend him for his sense of urgency. Congress does owe the American people and the American farmer the establishment of a farm program which really works, and a farm program that provides an adequate income for the farmer without excessive cost to the taxpayers.

I am very happy that I have had the opportunity to be on the floor of the Senate during the delivery of the speech by the distinguished junior Senator from Georgia. His suggestion of a compensatory payment program is very constructive, and I believe it is one of the best answers to the farm problem I have ever heard advanced.

I should like to have an opportunity to study the Senator's suggestion in some detail. However, I am very happy, as a new member of the Committee on Agriculture and Forestry, that I shall have an opportunity, I hope, to attend hearings on the Senator's bill. The distinguished junior Senator from Georgia deserves a world of commendation for his proposal.

Mr. TALMADGE. Mr. President, I am deeply grateful to the distinguished junior Senator from Wisconsin for his remarks. I know of his intense interest in all agricultural matters. As one of the junior Members of the Senate, he recently faced the electorate of his State, to a very great extent on the question of agricultural policies, and the result of that election speaks for itself. We are delighted to have the Senator from Wisconsin as the newest member of the Committee on Agriculture and Forestry. I know that with his knowledge of farm matters, and his demonstrated interest, zeal, and desire to aid the farmers of the country, he will render outstanding service on that committee.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. TALMADGE. I am delighted to yield to the distinguished Senator from Mississippi.

Mr. STENNIS. I, to, wish to compliment and congratulate the Senator from Georgia on what he has said with reference to the need for a farm program, and also to approve what he has said about the equalization-payment system, or the two-allotment system, which would provide an allotment for domestic purposes, with a price support, and for unlimited production, so to speak—for those who might wish to engage in it—for the foreign market, as it may apply to cotton. I believe the Senator from Georgia has proposed one of the soundest and best plans I have ever heard suggested.

I believe that a modification of this plan is something we will have to adopt sooner or later. Of course, it will require further study, which will take some time. It cannot be put into operation over night. But after being a Member of the Senate for 10 years, and seeing farm programs come and go, and having seen the programs applied to the man who lives on the land—the little fellow, the middle size farmer, and the larger operators—and considering all of them, I certainly believe that the Senator's plan is a sound plan, and that we should proceed toward full consideration of such a program.

I commend him for his work on the Committee on Agriculture and Forestry. I know, too, that he has a bill on the Calendar now which pertains to the imme-

diate situation concerning cotton acreage. It relates to those who make their living by producing that fiber for the people of America, and who are faced with an additional 21 percent reduction, in their acreage in 1959. Those people already have taken greater reductions than they can stand. It is absolutely unthinkable that Congress will adjourn without passing some remedial legislation along this line, because cotton is the lifeblood of those farmers.

I commend the Senator from Georgia for what he has done in this great field. His bill, which is now on the Calendar, would meet that situation. I am greatly encouraged by his work and activity, and I fully approve the substance of what he has said.

Whatever long-range program is enacted this year, I hope it will apply, as to acreage and price supports, to all producers alike, across the board, rather than create special categories, and privileges among farms.

I commend the Senator again for his excellent work.

Mr. TALMADGE. Mr. President, I sincerely appreciate the remarks of the distinguished junior Senator from Mississippi. There is no other Member of the Senate who has a keener insight into, or a more complete understanding of, the farm problems of the Nation. Neither is there anyone who has shown a more sincere desire to help to solve those problems than has the junior Senator from Mississippi. We in the Senate who are interested in farm problems must realize that all farmers stand or fall together. It is with great dismay that I have noted that some Senators are perfectly willing to look after the interests of their own constituents with respect to a particular commodity, but run away when the time comes for them to help all the farmers of the Nation. Either we will stand together on matters of farm legislation and help one another to solve our mutual problems, or else, as one of our patriots said in earlier days, we will hang separately.

I am ready to stand with other Senators in seeking to solve the farm problems not only of my State, but also of those of all the other States of the Union. If all Senators will take a similar attitude, I feel that the farm problem can be solved.

In my opinion, the recession we are now experiencing will not be ended until we make certain that those who till the soil for their living receive a fair share of the national income.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield to the distinguished Senator from South Carolina.

Mr. JOHNSTON of South Carolina. First, I should like to say that I am very proud indeed that the Senator from Wisconsin [Mr. PROXMIRE] has been named to be a member of the Committee on Agriculture and Forestry. I think he will join with the other members of the committee who wish to do something for the benefit of the farmers of the Nation. Something should be done, not only for the cotton farmers, the tobacco farmers, the corn farmers, and the wheat farmers, but also for the farmers who produce other commodities which are in distress.

If we but look at the farm picture for a few moments, we will see that in each year for the last 4 years the net income of the farmers—and the net income is what counts—has dropped at the rate of $1 billion a year. When we realize that farm income at its peak was around $15 billion or $16 billion a year, and has been dropping so rapidly, we will understand that the farmers of the Nation are in destitute circumstances. The farmer will not continue to remain on the farm under those conditions.

To bear out my statement, it will be found that the farmers of the Nation have been leaving the farms at the rate of approximately 1 million each year for the last few years, and that last year 1,800,000 farmers left the farms. That is an indication of the condition of the farmers.

I join in what the Senator from Georgia has said today. He has been pleading for action in the committee. He also is a member of the Committee on Agriculture and Forestry, and I thank God that he is. I hope that all Senators who are members of the Committee on Agriculture and Forestry will join in doing something to help the farmers of the Nation. If we do not do so, we will continue to have unemployment.

There is another matter which should be noted. When we look at the picture again, we will see that the number of farmers who have left the farms to go to the cities, towns, and villages approximately equals the number of unemployed in the Nation today. Many of those farmers could not find jobs in the cities. But if they found work, what happened? They displaced persons who had employment. That is why unemployment is rampant in the United States today.

We must do something for the farmers. If we do not, the Nation will be wrecked.

I thank the Senator from Georgia for giving me the opportunity to say these few words on a matter concerning which something needs to be done, and in a field in which we need to work so urgently.

Mr. TALMADGE. I am humbly grateful for the kind remarks made by the distinguished senior Senator from South Carolina. For approximately 15 months I have been a member of the Committee on Agriculture and Forestry. The senior Senator from South Carolina is the ranking Democrat on that very important committee. I know of his interest in the farm problems of the Nation, and that he has never failed to assist in the passage of any farm bill which would benefit any group of farmers, whether they lived in South Carolina, Oregon, Wisconsin, Pennsylvania, or any other State. His interest in farm problems is a national interest. He always considers farm problems in that light, with the realization that what affects the farmers in one section of the Nation is bound to affect them in all sections. He realizes that whatever affects farmers will ultimately affect the people who live in the urban areas.

The Senator from South Carolina commented upon declining farm income. The latest figures were most discouraging. A few years ago farmers and their families constituted approximately 13 percent of the population of the United States. I understand it has now fallen to between 6 and 7 percent, and that the farmers' share of the gross national product is only approximately 3 percent. In other words, the farmers of America today earn less than 50 percent of the per capita income of urban residents.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. TALMADGE. I am happy to yield to the distinguished Senator from Pennsylvania.

Mr. CLARK. I thank my friend from Georgia. I have been very much interested in his remarks. If he will permit me to do so, I wish to give a little background and then to ask him a few questions.

Mr. TALMADGE. I shall be delighted to answer them.

Mr. CLARK. My State, although it is predominantly an urban State, has a very substantial farm population, mostly in the form of small-family farmers who are eking out a not too prosperous existence, and who in many instances are forced to seek partial employment elsewhere.

We have, however, also in the Commonwealth of Pennsylvania a very prosperous agricultural interest, quite prosperous tobacco farmers, and a fruits and vegetables industry; in fact, Pennsylvania encompasses the whole spectrum of farming, except that there is not too much farming in the basic crops. Pennsylvania does not raise peanuts, to speak of; we grow a relatively small amount of corn.

Mr. TALMADGE. Tobacco, I believe, is the basic crop of the Senator's State.

Mr. CLARK. Tobacco is as close as we come to the basic crops.

Pennsylvania is prominent in the poultry business and the dairy business, both of them businesses with which I know my good friend from Georgia is very familiar.

Mr. TALMADGE. I happen to be a poultry and dairy farmer myself.

Mr. CLARK. I know the Senator is. Our problem concerning the present farm policy has to do with the increasing cost of feed to our farmers, but without any particular compensation to them from other subsidies. That has resulted in considerable disinterest on the part of the farmers of Pennsylvania in the present system of subsidies, and, indeed, in the whole farm program as administered, frankly, not only by the present administration, but also by its predecessor.

Do I correctly understand the proposition of the Senator from Georgia to be that the present system in effect with respect to wool should be extended to a number of the other major crops?

Mr. TALMADGE. The Senator from Pennsylvania is correct.

Mr. CLARK. That would mean, would it not, that the grain which the farmers in Pennsylvania need, if they are to remain in business, to feed to their cows, chickens, and other livestock, would be available to Pennsylvania farmers at the market price; in other words, the price of the grain would seek its own level?

Mr. TALMADGE. That is correct. All farm commodities would seek their own price level and the Government would pay the difference between that price and 100 percent of parity.

Mr. CLARK. Would not that be a very favorable thing for the farmers of Pennsylvania?

Mr. TALMADGE. Let me say that I have looked into this matter as thoroughly as possible in the absence of hearings on it. It seems to me that, first, it would save the taxpayers money; second, it would place more income in the pockets of the farmers; and, third, it would assure consumers cheaper farm products, or at least farm products would seek their own price level, and the price would then be determined by the law of supply and demand.

Mr. CLARK. I am interested in what the Senator from Georgia has said about consumers. Pennsylvania is to a large extent an urban State. The cost of living is of grave concern to all housewives. Am I not correct in saying that one reason why the cost of living—from the point of view of the housewife—has stayed up, despite the recession, has been the rather substantial improvement in farm-commodity prices, perhaps due to natural disasters, but also perhaps due to the support prices which, as I understand, would be withdrawn, in favor of a subsidy program, if the proposal of the Senator from Georgia were to be enacted into law?

Mr. TALMADGE. Mr. President, it is a fallacy to say that the price of farm commodities is responsible for the high cost of living. At the present time the farmer receives only approximately 39 cents of each food dollar the housewife spends. For instance, the shirt the Senator from Pennsylvania is wearing is made of cotton. Probably it cost the Senator from Pennsylvania approximately $5.

Mr. CLARK. It did. It is not a very expensive shirt, either.

Mr. TALMADGE. The cotton in that shirt brought the farmer less than 30 cents. So the Senator from Pennsylvania can see that the price of cotton has very little relationship to the cost of the shirt he wears.

Mr. CLARK. The costs which determine the final price to the consumer are largely distribution costs, are they not?

Mr. TALMADGE. Exactly. I may say, further, that the share the farmer receives of each dollar the housewife spends for food has been decreasing during the last few years, and it continues to go down.

To respond further to the Senator from Pennsylvania, let me say that, at the present time, a loaf of bread costs between 15 cents and 20 cents. But the farmer who grows the wheat which is used to make that loaf of bread receives, as his share of the 15 or 20 cents for which the bread is sold, approximately 1 or 2 cents. So the ultimate price the housewife pays for the food she buys has, in many instances, very little or no relationship to what the farmer receives for that particular commodity in its raw state.

Mr. CLARK. Then does the Senator from Georgia believe that his bill would not be of much help to the urban consumers?

Mr. TALMADGE. It would be of some help. We should permit the prices of the basic agricultural commodities to seek their own level in accordance with the law of supply and demand. When the farmer's income drops below 100 percent of parity, then—and only then—would the Government make compensatory payments for this particular share of the domestic market.

Mr. CLARK. I thank my friend, the Senator from Georgia, for his lucid explanation.

Let me summarize the matter in this way—in view of what my friend has just said: that although the results of his plan might not drastically decrease the price of farm products to the urban housewife, nevertheless his bill certainly would not increase those prices; and whatever effect the bill would have, would be favorable.

Mr. TALMADGE. It would not increase them, unless the supply of that particular commodity became so scarce that the law of supply and demand would bring about an increase in the price.

Mr. CLARK. I understand. But as compared with the present system, the proposal of the Senator from Georgia would seem to me at first blush to be in the interests of the consumers, as well as the interests of the farmers.

Mr. TALMADGE. It would be in the interest of everyone—the taxpayers, the consumers, and the farmers; and it would permit the farmers to produce, unfettered, not only for domestic consumption but also for world consumption.

Mr. CLARK. I thank the Senator from Georgia for his explanation. As is apparent, I am not a farmer. But I am interested in the situation in Pennsylvania, and in the relationship of the proposed program to the urban consumer.

I should like to give the proposal more study. However, as I now understand it, it proposes the kind of program to which Members of this body who represent States which have large urban populations and family farms should give careful consideration, as possibly a happy way out of our present farm dilemma.

I thank the Senator from Georgia.

Mr. TALMADGE. I thank the Senator from Pennsylvania. Let me say that I have found him to be a keen student of all national problems, including those of the farmer.

Let me also say that, as I have traveled through the State of Pennsylvania, I have seen there some of the most beautiful and most fertile farms to be found anywhere in the Nation. I wish to commend the Senator from Pennsylvania and the people of his great State on the great ability of the farmers of Pennsylvania and the diversity of the crops they produce so bountifully.

Mr. CLARK. I thank the Senator from Georgia, and I return the compliment.

Mr. YARBOROUGH. Mr. President, will the Senator from Georgia yield to me?

Mr. TALMADGE. I yield.

Mr. YARBOROUGH. Mr. President, I wish to pay tribute to the distinguished Senator from Georgia [Mr. TALMADGE] for the fine contribution he has made today. In his service on the Committee on Agriculture and Forestry he has shown a keen awareness of the problems of agriculture in the United States. He has gained that knowledge from his executive experience as Governor of his State, from his experience as United States Senator, and from being a dirt farmer himself.

I wish to associate myself with the position he has taken and with the remarks he has made—if I may have his permission to do so; and Mr. President, as one who comes from a State in which more acres of land are farmed than in any other State in America, I wish to commend the Senator from Georgia, and to join him in his expressions of sympathy for the plight of American agriculture.

Today, only 4 million American families live on farms and ranches—the smallest number of families to live on farms and ranches in this country in 100 years. Although some of the shift to the cities is due to mechanization, that is only one of the causes. Governmental policies have driven millions of Americans from the farms and from the way of life which gave birth to the Declaration of Independence and the Constitution of the United States of America.

I believe we should encourage and pursue governmental policies which will encourage Americans to live on the family-type farms. However, under the integrated type of farm operations now being sponsored by the Department of Agriculture, it has become more and more difficult for farmers who operate family-type farms to earn a living, whereas it is becoming easier and easier for the large farm corporations and companies to own the retail outlets, wholesale houses, processing plants and the feed lots. In fact, many of the large companies now own everything from the soil where the crops are cultivated, on through the packing houses to the retail outlets. Such a situation of vertical integration in the production and processing of food makes for monopoly in this country.

The Committee on Economic Development, in its December 1957 report, stated that of the 4 million farm families in the United States, 1,225,000 had a gross income of less than $2,500, and that Committee recommended that, because of their low incomes, those 1,225,000 families be driven off the farms.

They recommended that the 1,225,000 farm families be driven off the farms because of their low income—at a time when the leaders of this country say what we need are toughness and hardness and a spirit of free enterprise and independent initiative. Those people on the small farms are willing to work long hours, as our forefathers did in order to enjoy the freedom of farm life. But we have a Department of Agriculture that says, "Drive them off the farms, if they make such a low income," when these

1,225,000 families are willing to work for that same low income if they can maintain the freedoms which have made this country great.

I want to compliment the junior Senator from Georgia for the concise statements I have heard him make over and over again that agriculture cannot live unsubsidized, in a world in which both industry and labor are subsidized. If everything was free, agriculture could survive better than any other branch of our economy; but with practically every other branch of our national economy being subsidized, it is idle to expect agriculture to survive unsubsidized.

I want to thank the Senator from Georgia for his clear reasoning, and for the fight he is making and has been making for the family-type farm in America.

Mr. TALMADGE. I thank the junior Senator from Texas. I have the honor to sit by him in this body. We have spent many hours discussing the farm problems of this country. I know of no Member of this body who has a more intense interest in solving our farm problems and in seeing that those who till the soil receive a fair share of the national income.

Mr. President, if any Senator desires the floor, I am prepared to yield it.

APPOINTMENT OF SENATOR PROXMIRE TO THE COMMITTEE ON AGRICULTURE AND FORESTRY

Mr. YARBOROUGH. Mr. President, will the Senator from Georgia yield again to me?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Georgia yield to the Senator from Texas?

Mr. TALMADGE. I yield.

Mr. YARBOROUGH. Mr. President, I am very happy that the present occupant of the Chair, the distinguished junior Senator from Wisconsin [Mr. PROXMIRE], has been appointed to the Committee on Agriculture and Forestry. I think his membership on the committee will be a great asset to it.

In his first 8 or 9 months of service in the Senate, I have been impressed with his diligence and ability. I have never known any Member to be more diligent in behalf of agriculture than the junior Senator from Wisconsin.

PENALTIES FOR INTERFERENCE WITH UTILITY LINES, PANAMA CANAL ZONE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (H. R. 3604) to amend section 831 of title V of the Canal Zone Code, to make it a felony to injure or destroy works, property, or material of communications, power, lighting, control, or signal lines, stations, or systems, and for other purposes.

NATIONAL SUPPORT FOR BEHAVIORAL SCIENCE

Mr. HUMPHREY. Mr. President, some of the Members of the Senate will undoubtedly recall the report of 15 scientists, released last February, urging Federal and private support in the basic research of human behavior. This report was a salutary one. It emphasized that the United States research in the behavior sciences now has a clear lead over Soviet research, which is dominated by Communist dogma.

The report warned, however, of "the probability of a breakthrough in the control of the attitudes and beliefs of human beings" that could be "a weapon of great power in Communist hands" unless the West produces "effective countermeasures."

This report, Mr. President, asked the formation of an advisory board of behavioral scientists to work closely with Dr. James R. Killian, Jr., special assistant to the President for science and technology. It also asked more research funds, more fellowships, institutes to conduct research in crucial areas, and support centers devoted to foreign area studies.

These are suggestions which I have discussed in the past, and which continually need reemphasis.

I can think of no better way to reemphasize these issues than to promote the widest circulation of the report which I have just referred to. It is entitled "National Support for Behavioral Science," and I ask unanimous consent that the text of the report be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

NATIONAL SUPPORT FOR BEHAVIORAL SCIENCE

SUMMARY

The present situation facing our country calls for an evaluation of the role and potential contribution of behavioral science. This is the combined endeavor of many fields investigating all aspects of behavior, leading to understanding of human beings as individuals and in social relations. Behavioral science therefore includes many studies in the fields of anthropology, biochemistry, ecology, economics, genetics, geography, history, linguistics, mathematical statistics, neurology, pharmacology, physiology, political science, psychiatry, psychology, sociology, and zoology. Applications ramify into advertising, business administration, education, government, human engineering, labor relations, law, medicine, military science, operations research, personnel selection, public relations, and many other aspects of human endeavor. Some of these sciences are still in early stages of development, but American research in them at the moment has a clear lead over Russian, which is constricted by Communist dogma.

Behavioral science has demonstrated its usefulness to human welfare and national security. Its further development could increase its contribution in areas of international relations, military defense, and national vigor.

To accomplish these goals, the following recommendations are offered:

I. Formation of an advisory panel of behavioral scientists to work closely with the Special Assistant to the President for Science and Technology. There is need for more understanding, backing, and use of behavioral science throughout the Government and by the people of the United States, and for encouraging the scientists themselves in their research tasks.

II. Provision of increased funds for behavioral science research, training, and facilities in the National Science Foundation, the Department of Defense, the National Institutes of Health, the Atomic Energy Commission, and other appropriate governmental and private agencies, in order to:

(a) Establish additional university programs or institutes to conduct research in designated crucial areas.

(b) Finance more fellowships, both predoctoral and postdoctoral, especially in all the social sciences.

(c) Increase financial support for basic research in behavioral science.

(d) Make available special facilities for behavioral science, including buildings and equipment.

(e) Support centers devoted to foreign area studies.

I. NATURE OF BEHAVIORAL SCIENCE

The United States finds itself today in a world situation which demands assessment of every resource of physical, intellectual, and moral power. In this memorandum a group of citizens examines the present state of behavioral science and how it can improve international relations and foster national intellectual and moral power. We identify areas in behavioral science where acceleration of understanding is feasible, and where application of such knowledge to our problems is crucial. Coming from divergent fields with necessarily different points of view, we nevertheless share unanimous conviction concerning the significance of these areas for human betterment and the urgency of expanding their support.

Behavioral science applies the methods of science—examination, measuring, testing—to man himself. As medicine draws from many sciences whatever knowledge concerns the health of people, so behavioral science draws from many fields what each can contribute to the central problem of understanding the behavior of man. It studies the actions of men, their relations to each other, and to nature.

Behavioral science, striving toward, but not yet attaining, unified theory, seeking precise quantification and accurate prediction of man's behavior, is young, and its subject matter is complex. We know more about heart disease than we do about mental illness. We know more about the laws governing the orbits of planets than the laws governing action and reaction of human groups. Many methods of behavioral science are still crude, yet much is known which, experience has shown, can be put to good use. Much behavior can be described systematically, and changes produced by altering features of the physical and social environments can be predicted. Sometimes a scientific approach pays off well, but to most practical problems the new sciences candidly admit they cannot give immediate solutions. Yet they may suggest the right questions to ask or indicate in what directions the answers lie.

Russia at present lags behind the West—particularly the United States—in the biological, psychological, and social sectors of behavioral science. The biological and medical sciences in general have not been prosecuted in Russia with the zeal of some of the other natural sciences. Marxist doctrine has held back the social sciences, and an adherence to Pavlovian doctrines has retarded much of Russian neurophysiology and psychology. Political considerations have also limited objective investigation of human genetics.

In some behavioral areas basic Soviet science has been adequate, and in other areas research has been successfully applied, as in

pedagogy. In general, however, undue stress upon immediate application has sharply restricted fundamental behavioral research.

The Soviet Government has interdicted the use of psychological testing methods and attitude surveys, methods most useful to democracies in probing the opinions of the people in order to aid government and planning activities. Also, ironically, behavioral science has been used least in the Soviet Union for precisely those purposes for which Americans popularly think totalitarian states would use them most: political propaganda and the control of human behavior for political purposes.

Though the West leads in accomplishments in behavioral science at present, and has more and better trained scientists, the fact that this field is at an early stage of development, here and in all other nations, means that we could be surpassed by a country which concentrated serious effort to that purpose, if we do not intensify our own efforts.

We must assume the probability of a breakthrough in the control of the attitudes and beliefs of human beings through exceptionally effective educational techniques, drugs, subliminal stimulation, manipulation of motives, or some as yet unrecognized medium. This could be a weapon of great power in Communist hands, unless comparable advances in the West produce effective countermeasures.

The democratic conviction of the dignity of man and his role in society is a point of view that stimulates development of behavioral science. Concern for the individual has traditionally set problems for philosophers, statesmen, and spiritual leaders. Human behavior represents a complex intermingling of moral and physical considerations, and there is an important region of overlap between behavioral science and the humanities, particularly history, languages, literature, philosophy, and religion. The sciences of man often build on and clarify the wisdom of the humanities, and attempt to formulate the test precise laws.

Before World War I it would have been difficult to point to many applications of basic research in behavioral science that were better than the commonsense judgments of competent individuals. Now there are instances in which basic research has led to important advances that have already had impact on society. These include: intelligence and aptitude testing; techniques to speed learning and increase the effectiveness of education; use of drugs in alleviating or curing certain mental illnesses; sample survey methods using mathematical statistics for measuring and predicting social trends; development of increasingly reliable economic indicators fundamental to planning in government and industry; use of group dynamics to improve the efficiency of face-to-face working groups; and many others. Such achievements made for widespread general acceptance—sometimes too enthusiastic and uncritical—of behavioral science.

Throughout the ages when man has gained more knowledge, he has gained more freedom. His understanding of physical laws increasingly has enabled him to control the natural environment, protect himself from heat and cold, and travel speedily and comfortably. Expanding biological science has freed him from pestilences, most of the terrors of childbirth, the feebleness of malnutrition, many forms of pain and physical misery. His life span has been prolonged and made more healthy.

Similarly behavioral science, directly probing man's central nature, gives promise of increasing his degrees of freedom, and expanding his effectiveness and creativity. He can be released from the construction of life by neurosis and feeblemindedness and the tragedy of psychosis; the limitation of opportunity from inadequate education, associated prejudice and bias; the diminishing of contentment and effectiveness from marital strife, industrial unrest, crime, and delinquency; and perhaps most of all, the fear of international conflict which constrains the free expression of the world's peoples. To these central problems of human existence the sciences of man ultimately address themselves.

We are coming to accept as likely in the future a sort of physical existence which would have been unimaginable a few years ago. But the potential benefits which can flow from basic study of our behavior are not so clearly seen. A chief purpose of this report is to present and urge these bright prospects.

II. ILLUSTRATIVE FIELDS OF BEHAVIORAL RESEARCH

A few examples of the many areas of basic research which can be applied to bettering human life are:

(a) Drug effects on behavior: Beginning with the sedatives and anesthetic drugs, and dramatized at present by new tranquilizing and antidepressant compounds, the field of psychopharmacology is developing with vast potential importance for understanding behavior. Chemicals are involved in brain activity and hormones affect behavior; compounds exist which can produce temporary psychotic states or lower resistance to communication of confidential information. Certain drugs, when injected into animals or man, can modify sexual behavior or subjective emotions. The fundamental significance of all this is that clues are rapidly unfolding which give us entirely new insights into the biological determinants of actions, feelings, and reasoning processes. The wide range of possible industrial and medical uses is apparent.

(b) Creativity: Among the highest traits is the ability to produce new intellectual discoveries and artistic products. Such novelty invests life with richness. Methods are being developed for investigating the creative processes of geniuses and others of unusual ability, as well as the effects on them of early experiences and other influences. Quantitative techniques are being worked on for measuring and analyzing inventive processes of discovery. The conditions under which creative activity flourishes and the role of emotions in aiding or blocking it also are being investigated. All this work can lead to expansion of horizons of satisfaction for the artist and creator as well as for those who profit from their endeavors.

(c) Human performance capabilities and limitations under stress: While the capabilities and limitations of human beings under normal conditions of work have been extensively studied, little is known about them under extreme work conditions or stress. Nor is much known of techniques of training, motivation, environmental aid, or pharmacological support for individuals who must be required to undergo extreme conditions while maintaining high proficiency on the job. Examples of such extreme conditions are: long stretches of continuous confinement in atomic submarines or space vehicles; absolute or relative isolation of individuals or small groups; pressures of responsibility in high governmental office; extremes of tropical heat or arctic cold; enemy-applied insults to body and mind; and information input overload. Basic research effort is needed to explore not only the limits of human capability under stress, but also the techniques that may be used to improve performance under such influences.

(d) Personnel utilization: Much research in behavioral science has been and can be done on the problem of putting the right man in the right job in the Armed Forces, industry, civil service, or elsewhere. Such investigations define the human tasks to be performed, the jobs, and organizations of men required for the accomplishment of those tasks, the kinds and numbers of men that must be recruited, the types and amounts of training they must be given, the standards of performance that must be met, the differentiation of careers that must be offered, and the criteria for the promotions, separations, and reassignments of men that must be effected. Psychiatry and psychology have made major contributions by providing instruments for the selection and classification of men in terms of aptitude, by defining effective techniques of training, by producing improved measures of job performance, and by providing systematic procedures for the anticipation of human skill requirements in new and untried situations. Social psychology and sociology have made contributions to the solution of problems of human relations, morale, leadership, and the management of human organizations. Nevertheless, the full potential of these sciences for improvement of the effectiveness and economy of management and administration in all fields has not been realized.

The demands that will be placed on military and civilian personnel management systems of the future cannot be fulfilled without full application of behavioral science. The industrial or military organization of the future will require highly selected, thoroughly trained, and technically skilled men who most often must operate as members of closely knit teams in conjunction with extraordinarily complex machines. In the most crucial of their activities, they must perform their functions with precision and wisdom of decision. Further, in military situations they may have to act under the stresses of isolation, vigilance, and unusual environmental conditions, operating in dispersed locations and in small groups in which problems of military organization and management, as well as leadership, will come in novel forms.

(e) Decision process: The role of man in the last half of this century will increasingly be that of an information processor and decision maker. Heavy demands will be placed on human beings at various levels—not only top administrators—for correct, closely integrated, vital decisions. The theory and empirical analysis of human decision processes have been vigorously pursued during the last 10 years, with promising progress. However, gross deficiencies exist in basic understanding of the process, the conditions for its efficient operation in different contexts of information scarcity and information overload, and the conditions of efficient selection or training of individuals for decision making.

(f) Group functioning: Recent advances in behavioral science have made important contributions to our knowledge of man as a social being. Modern techniques of cooperation in industry, science, and warfare emphasize a greater reliance upon small groups of men functioning semi-autonomously and integrated into larger operations only through complex and sometimes vulnerable communication systems.

For a small group to be efficient, each member must contribute the particular technical and social skills expected of him. Basic research on group functioning will almost certainly yield important general principles for group assembly, training, and management, because a number of the technical tools and concepts needed for this effort are now available.

(g) Measurement of economic process: Much of the strength of any society derives from its monetary policy and the effectiveness of its labor and management, its production, distribution, and consumption. Theory in this field has become more sophisticated with the years, and theories have

been confirmed or destroyed by new measurement techniques based on masses of statistics, painstakingly collected. Recently new methods of econometric analysis of broad economic systems and economic decision making have been developed. Much that can profit national and international trade can be done to make this field more empirical and even experimental. Measuring the effects of psychodynamic factors on consumer preferences, of political boundaries on the flow of trade, of morale factors on fluctuations in stock values, and of numerous other related elements can eventually put our understanding of economic matters on a basis of more precise science, and so aid in the effective mobilization of resources.

(h) Cultural differences and change: The varied customs and different ways of life of the peoples of the world pose complex intellectual and practical problems. The extent to which these ways of life or cultures constitute systems as opposed to mere aggregates of customs is undetermined. If, as most anthropologists agree, cultures are systems, perhaps the principles of their growth and decay can be scientifically formulated. Theory construction has begun and provisional generalizations are in sight.

The facts of cultural differences and rapid social change present difficulties to American programs of foreign aid and diplomatic or other communication with peoples abroad. Consequently, it is urgent that we develop a scientific understanding of our own and other ways of life. The use of surveys and other procedures of behavioral science can vastly improve our international intelligence activities. Many of the needed facts are already available in the human relations area files and other sources, but techniques for formulating sound theory and applying it in policy are still to be developed.

(i) Man-machine system design: During the past 10 years behavioral science has been employed with increasing effectiveness in the design of man-machine systems. It has influenced choices of components like dials and signals, levers and controls, and formulation of procedures to coordinate man and machine in accomplishing an integrated purpose. The advances in technology of mechanical components, such as electronic computers, however, have led to rapid increases in system complexity so that the available knowledge about the capacities and limitations of man in man-machine systems has become more and more inadequate. This is true for automatic manufacturing equipment, large-scale traffic control techniques, manned space vehicles, systems for the surveillance of combat areas, and those which automatically collect and process information. In part, this deficiency results from the fact that only primitive methods are available for comparing the effectiveness of systems in which human beings and equipment must be coordinated. In part, the deficiency is attributable to inadequate scientific information about man's perception, memory, reasoning, and decision-making capabilities.

The joint participation of systems engineers and behavioral scientists in basic research on man-machine system design and use, and the provision of adequate system simulation facilities for such purposes, are necessary for advance in this field beyond present rule-of-thumb methods.

III. PERSONNEL AND FINANCIAL SUPPORT FOR BEHAVIORAL SCIENCE

Behavioral science has grown principally in the universities rather than in applied or professional settings. Well established graduate training programs are found in 40 to 50 American universities, and at least 20 of these may be judged clearly superior.

The number of talented persons who enter and complete graduate training in behavioral science is now limited by the shortage of fellowships and assistantships. A recent report of a National Science Foundation 1954 survey presents the following analysis of all forms of support (teaching assistantships, research assistantships, and fellowships from educational institutions, the Federal Government, and other sources):

Field	Percent of resident students with stipends	Median stipend
Physical sciences	58	$1,360
Biological (life) sciences	62	1,395
Psychology	31	1,185
Social sciences	24	1,065

The Federal Government, by its present programs of fellowships and research grants, is contributing to this imbalance:

Field	Number receiving Federal support	Percent of resident students
Physical sciences	3,399	18
Biological (life) sciences	1,696	13
Psychology and social sciences	512	2

While it is desirable to augment the Federal support of graduate training in all the sciences, it is clear that the greatest deficiency is in the social sciences. The 1954 survey disclosed that there were, in the social sciences, excluding psychology, only 15 students with Federal fellowships, and only 95 assistantships on federally financed research projects. There has been no substantial change in these figures in the subsequent years.

Financial support for university research in behavioral science comes from university funds primarily, and from private foundations and government. The 1954 study conducted by the National Science Foundation reports total support of social science and psychology as $19 million, and of biology as $34 million. Of this total Federal Government funds constitute 42 percent in social science and psychology and 53 percent in biology, as compared with 84 percent in physical science.

The number of college graduates who are professionally employed in the psychological and social sectors of behavioral science is estimated at 55,000, and in the biological sector, slightly more. Of these, one-third have received graduate education to the Ph. D. degree. Together these constitute two-fifths of the Nation's scientists.

More than half of the behavioral scientists are engaged primarily in college teaching. The remainder are employed in government, business, industry, schools, and so forth. The proportion active in research, except in biology, is less than in physical science.

Basic research, as distinguished from applied research and development, is essential for the maintenance and continued growth of any scientific field. The requirements for basic research, and the desirable conditions for fostering and supporting it, were presented in the National Science Foundation 1957 report on basic research. Its recommendations for minimum restrictions on the freedom of the scientist, for long-term program-type grants instead of specific project grants, and for integration of outside supported research with the training of graduate students, are equally appropriate for behavioral as for all science.

The support of behavioral science by universities and foundations is predominantly for basic research. This is not true of Federal support, which is greater for applied research, especially in social science. The following table shows Federal expenditures for 1957, in millions of dollars:

Field	Total basic and applied research	Basic research	Percent basis
Physical sciences	647	143	22
Biological (life) sciences	281	70	25
Social sciences	35	4	13

Although Federal support for basic social science research comes from several departments and agencies (especially the Department of Defense and the National Institute of Mental Health), the National Science Foundation, which is specifically charged with support of basic research, reports grants totaling $382,000 in 1957 and about $600,000 in 1958.

IV. EXAMPLES OF PROGRAM NEEDS FOR BEHAVIORAL SCIENCE

Most of the research in behavioral science is conducted by individuals working alone or associated with a few colleagues or students. It is desirable to maintain the freedom and diversity which characterize such work. At the same time it is desirable to support the mixed strategy of establishing a number of programs or institutes, organized primarily in universities, which carry out broad and continuing researches focused on a defined target area.

In areas where the capabilities or interests of individual scientists do not result in sufficient research to meet the recognized need, it is desirable to foster more organized efforts. Further study needs to be directed to identifying such crucial research problems and supporting institutes or reserach centers to work on them. A few examples are given:

(a) An institute for the formulation of general behavior theory: A carefully selected group of behavioral scientists from different specialties would work together intensively for an extended period to hammer out a provisional theory of behavior, interrelating the hypotheses and findings from different fields.

People who imagine that they operate without any theory about motivations and behavior are as naive as Molière's character who spoke prose without realizing it. Even the most practical people have their individual theories of human nature and constantly act upon them. The trouble is—and this includes most of the behavioral scientists most of the time—that these theories are incomplete (do not embrace what is scientifically established or highly probable and relevant) and are not explicitly stated or subjected to critical scrutiny.

In recent years groups of behavioral scientists have made useful efforts to pool their tested knowledge and construct an economical, unified theory. These undertakings have been impeded by the press of day-to-day teaching, administrative, and research responsibilities. It will be a great value to detach—on a high priority basis—the best possible people (perhaps 20) completely from such routine duties, put them in a somewhat isolated location, and give them all necessary secretarial, library, and research assistant facilities.

(b) Additional foreign area study centers beyond those that at present exist in American universities. Such centers serve to extend the resources for training in the language and culture of foreign countries, and to provide good recruiting grounds for personnel who would eventually be drawn into Government service. These centers also conduct active programs of research in the history and current status of political, economic, and social developments in the area, and in the problems of technological and social change, and may maintain close contact, through conferences, advisory panels

and other procedures, with the problems and needs of the governmental agencies concerned with foreign programs, intelligence collection, and policy formation.

(c) A program for the study of processes such as concept formation, logical problem solving, thinking, and decision making, including the use of electronic computers to simulate the theoretical models of such functions.

(d) A program on the use of social statistics in the development of theories of social change and the prediction of future trends. In the field of economics the work of the National Bureau of Economic Research and of the Brookings Institution has yielded concepts and methods which have become important in Federal economic policy. Although there is not now any systematic effort to conduct comparable research in the social field, the need is acknowledged. The Federal Government now collects some of the needed data and could collect more if there were a solid basis for knowing what would be useful.

(e) An institute for the study of the identification, motivation, and education of talented students for useful careers in our society. The most effective use of the Nation's brainpower would be supported by research on occupational aptitudes, conditions for fostering creativity, evaluation of special educational programs for the gifted, and so on.

V. TOOLS AND TECHNIQUES FOR BEHAVIORAL SCIENCE

There has been great advance in the tools and techniques used in behavioral science. These include: Microelectrodes that are so small they can penetrate and make electrical recordings of a single cell in the brain and still not disturb its functioning. Computers which can simulate some aspects of behavior, and computers which can speedily analyze social data of a complexity heretofore unapproachable. Radioactive tracers to study function of the nervous system. Game theory—a mathematics of decision making, maximizing profit while minimizing loss. Survey centers with nationwide field staffs. Electrically controlled apparatus enabling animals to choose how much drug or current they will apply to a particular brain center penetrated by a microinstrument. Quantitative means for measuring the content of information in flows of conversation. Electronic filters for separating the frequencies of speech which convey feelings from those which convey ideas. Many of these techniques are costly compared with the methods used in the study of man by the solitary investigators of a few decades ago.

With such tools behavioral scientists can investigate crucial areas, vital concerns of individuals and society in our Nation and the world. In so doing they will attack some problems novel even to those acquainted with the classic status of these fields only a few years ago.

Because the needs of behavioral science for research facilities are different from the more traditional laboratories of the physical sciences and the libraries of the humanistic studies, they have not been so easily recognized and met. But the current developments of experimental and quantitative methods, and the requirement to study social behavior in real-life situations where it occurs, make clear the need for major research installations whose cost is beyond the means of most universities.

While a systematic analysis has not been made of facility requirements, a few examples may be given:

(a) Electronic data storage and retrieval mechanism for the human relations area files, a compendium of categorized information on several hundred societies of the world. The data collection and classification have been continuous over the past 15 to 20 years, and much of this work has been supported by grants from the military departments. The use of new data-processing methods for the hundreds of thousands of items seems worthy of exploration.

(b) Electric computer centers, needed for behavioral science research, just as for other areas.

(c) Laboratory for research on primate behavior, with facilities for breeding and care of large numbers of animals. The study of monkeys and apes has shown promise for many aspects of behavior (such as thought processes, genetics of behavior, and controlled infant environments) for which other animals are not so suitable.

(d) Survey research facilities are essential for many kinds of research. The maintenance of a well-trained national field staff, however, is too expensive for any university to support.

VI. CONTRIBUTIONS OF BEHAVIORAL SCIENCE TO FOSTERING THE PEACE

President Eisenhower has asked for a science for peace. The issues which can be attacked by behavioral science are the human ones whose solution can guide world affairs along the course from cold war to ultimate peace. These are the most crucial of the many applied problems to which the sciences of man address themselves.

Prof. I. I. Rabi recently stated this need clearly and forcibly:

"We have to solve the problem of living together on this planet or we won't live. By we, I mean the major part of the globe, the United States, Russia, and other nations. The end of our national existence is in sight unless we solve the problem."

There has been almost no systematic research in behavioral science concerning international relations and diplomacy, negotiation, the prevention of war, or the operation of arms control systems. Yet our most striking diplomatic successes have been mixtures of technology and politics. Such was our open-skies proposal and our atoms-for-peace plan. Human technologies can also be employed. Behavioral scientists could make a specific contribution in this.

Immediate efforts toward national defense should be paralleled by research to discover methods for achieving more permanent and satisfactory means of international agreement. Such discoveries would provide greater security for peoples generally than the invention of any new weapons system.

This is a mission which demands all the wisdom and imagination that behavioral scientists can bring to bear. It is aimed at operating upon the causes rather than the means of war. This can involve efforts to alter the attitudes which create tensions among nations. It also can include objective studies of what other peoples really think of us; clarification of our own self-image and aspirations; scientific devising of our information programs; development of assistance programs to suit the culture of receiving countries; and reduction of the stress on underdeveloped nations we aid, which results from technological change. All these very practical issues in relieving international tensions are vital and researchable, but they are receiving little attention.

VII. THE PLACE OF BEHAVIORAL SCIENCE IN NATIONAL DEFENSE

Though not the application of greatest human hopefulness, certainly the military uses of behavioral science lead all the others so far in the amount of Federal money expended. For example, during World War II, there were many accomplishments. Standardized tests of ability markedly improved the efficient selection of officer candidates. In the Air Corps training failures were reduced from 61 to 36 percent. The Army's research division developed techniques for screening potential psychiatric casualties among military recruits. Naval psychiatrists were able to improve the rate at which such casualties were returned to duty. At the beginning of the war, only 5 to 10 percent of psychiatric casualties could be returned to duty, but with the use of new methods, psychiatrists could salvage 60 percent for frontline duties in 2 to 5 days and an additional 30 percent for service in rear areas. Some problems were even demonstrated to be nonexistent. For example, there was much talk about the causes of absenteeism among workers in war industries. A survey established the fact that there was little or no absenteeism not attributable to such normal causes as sickness, women having to stay home to take care of children, and so forth. More effective methods of convincing Americans to buy war bonds were inaugurated. Certain testing devices used in selecting American troops were later found to correlate positively with aspects of their combat performance. Engineering psychologists aided in the design of weapons and equipment. Anthropologists successfully predicted the morale of the Japanese population. The list could be extended at length.

Each of the areas of basic investigation mentioned earlier in this report has military implications, and as the methods of war grow more efficient the need increases for more precision in understanding behavior of men in military systems. Selection of the right personnel; training; management and leadership; and the maintenance of cooperation and morale—all these are everyday problems which become more acute in military life. Brainwashing; psychological warfare and countermeasures; obtaining, processing and evaluating of intelligence—these are problems of special importance to the Armed Forces. The functioning of man, with his limitations, in planes moving faster than sound or in electronic detection systems supplying information at great speeds; effects on him of low oxygen, extreme cold, high gravity, weightlessness, cosmic radiation; the emotional stability of men on long missions in isolation, or under great stress of decision responsibility—all these are problems for behavioral research. They can arise in other walks of life but are particularly pressing in the military situation of new weapons, new strategies, and new possible battlefields in space.

As weapons develop from jetplanes to spaceships, from atomic cannon to ICBM's, from independent fighters to intercontinental electronic warning systems, the demands on man will usually increase. Gross variability in human performance once was acceptable in war, because so many other factors fluctuated. But in modern weapon systems the greatest source of error is man, and consequently a precise science of his acts is urgently required. The newness of our defense problems requires imaginative reexamination of old assumptions and nontraditional research on the human factors in war.

VIII. CONTRIBUTIONS OF BEHAVIORAL SCIENCE TO THE NATIONAL STRENGTH AND SPIRIT

The strength of a nation depends on its technical and material assets, and on the scientific research which constantly expands these physical resources. But national strength is equally dependent upon human factors which determine how effectively physical resources are used: the health, morale, and motivation of the population, as well as the formal and informal organization of the society. The well-being and happiness of its citizens are goals of a democratic society, rather than mere means for the attainment of greater material strength. And the productivity of society is dependent upon all these human factors, which are the subject of study of behavioral science.

Americans are still only dimly aware of the central role our educational system plays in our present way of life and in our future development. Fortunately President Eisen-

hower's "safety through strength" program stresses education as one of its main points. His recommendations on education include the selection and guidance of the gifted and the evaluation of methods by which they are trained. These tasks demand the collaborative efforts of behavioral scientists and educators.

The population of the United States will increase and automatized technology will expand so that in a few years there will be enough manpower, but not enough highly trained manpower. This situation can be expected to continue for the next 10 to 20 years. The qualitative shortage will come from failure to provide scientific and technical education in our public schools rather than from scarcity of pupils with capacity for such education.

Future developments may force Americans to undergo significant changes in attitudes toward: expenditures for national defense; alertness to the possibility of major emergencies; resistance to enemy psychological warfare; and acceptance of the necessity of a professional military force. These will be achieved only through modification of long-established traditional attitudes, a process calling for careful study in behavioral science. Again, in the event of war, one of the gravest dangers is loss of morale, despair or actual panic. These might be brought about by sudden crisis, or by a slower deterioration of military position coming, nevertheless, too rapidly for the people to adjust.

There might be loss of faith in our own strength or capacity to resist attack or alarm over radiation from fallout or astonishment at an unforeseen collapse of the economy. Additional research in behavioral science is needed to enable us better to forecast such reactions and to mitigate their consequences.

Another rapidly developing field is that of human relations in labor and industry, which can increase the general productivity of the country. It is important to support needed basic research in this area, which probably cannot or will not be directly supported by industry or labor.

In many ways the primary internal social and medical problem of America is mental disease, broadly defined. We have 750,000 people shut away from productive existence. There is a much larger number unable to make their expected contributions to society or even to live happily with themselves. Nor can they live happily with others; witness such problems as divorce and juvenile delinquency, racial and ethnic strife.

There is a special role, also, that behavioral science can play in all research. In science education, selection of scientists, organization of research groups and encouragement of research creativity, the problem is fundamentally one of behavioral science rather than natural science, even though it may concern the development of engineers, mathematicians and physicists.

We have cataloged in the preceding paragraphs a few areas in which a democracy has a natural interest in behavioral science. Fear of the Russians, and measures we must take to meet the Soviet challenge, are not the only motives for supporting such research. Preservation of our advantages and sharing them with the world are other motives even more compelling than fear of a strong enemy. Whatever the motive, the conclusion is the same: the United States must be strong physically and morally, and therefore needs to pursue such investigations in behavioral science as will contribute to this strength.

NIKITA KHRUSHCHEV

Mr. HUMPHREY. Mr. President, it would be well for every American to study very carefully the biography, the habits, talents, character, attitude, statements, and policies of Nikita Khrushchev, the Soviet Premier and head of the Soviet Communist Party. I am afraid there is a tendency in American circles to discount the ability of this man—his cleverness, his adroitness, his unique native ability as a propagandist, and as an effective political leader.

There recently appeared in the New York Times a profile sketch of Nikita Khrushchev by Mr. William J. Jorden. It is important reading for every American, and surely for every Member of Congress and the executive branch of our Government.

I might add that this profile sketch commented on the vodka habits of the Soviet leader, but warned Americans that the picture of the glass in hand is not always one that would indicate that the head is empty.

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AN APPRAISAL OF FICTION THAT VODKA DULLS KHRUSHCHEV'S ABILITY AS LEADER

(By William J. Jorden)

Moscow, February 10.—Many people in the West have a distorted picture of Nikita S. Khrushchev, the Soviet Union's leader.

The myth has been started by cartoons and by articles, written largely by uninformed persons with an eye more to color than to fact, that the Communist Party chief is a drunkard. This version, which pictures him reeling from one cocktail party to another, is not only wrong, it is also dangerously misleading.

Virtually all members of the diplomatic corps in Moscow and most foreign correspondents here, who see more of Mr. Khrushchev than do any other foreigners, believe that this fantasy concerning the Soviet party first secretary should be discarded once and for all.

A WILY POLITICIAN

The fact is, they say, that Mr. Khrushchev is clearly one of the most capable and wily politicians of modern times.

The very fact that Mr. Khrushchev not only has survived but also has risen to leadership in one of the most competitive and demanding political systems in world history should be proof enough of his ability. Men do not rise to the top in the Soviet hierarchy and stay there even for a short time by being incompetent, stupid or unwary.

To think otherwise, most competent observers here believe, means selling short, with possibly disastrous results, the most powerful adversary of the non-Communist world's way of life.

It is easy to make light of Mr. Khrushchev. Physically, he is not very prepossessing. He is short, about 5 feet 5 inches, and any physician would probably advise him to lose 30 or 40 pounds. His roundish bald head and far from handsome features make him an ideal subject for cartoonists and caricaturists.

But nothing about him has been more exaggerated in drawings and in articles than his drinking.

This does not mean that Mr. Khrushchev does not drink. He does. Moreover, he can drink a large quantity of liquor without noticeable effect. The fact is, however, that if he drank even a small part of what he is said to consume, he would not have reached the heights he has. Nor would he be the dangerous opponent he is for the makers of Western policy.

The myth of Mr. Khrushchev's drinking seems to have begun with his visit to Yugoslavia May 26 to June 3, 1955, with Soviet Premier Nikolai A. Bulganin. They were seeking to heal the Soviet Union's rift with President Tito.

One evening, at a party, Mr. Khrushchev and virtually everyone else attending had a great deal to drink. He met and talked with a group of Western reporters and invited some of them to the Soviet Union. Witnesses reported he was intoxicated.

From that incident, the picture of Mr. Khrushchev as a heavy drinker emerged. It has survived and been embellished, most often by persons who have never seen the man or perhaps have watched him from afar once or twice.

A MOSCOW CUSTOM

The system of diplomatic and Kremlin receptions that prevails in Moscow has helped foster this idea. It is customary at such parties for the host to offer a toast and for the guest of honor to respond. Because he is almost invariably either the host or the leading figure among the guests, Mr. Khrushchev has been pictured countless times with glass raised on high.

Readers seeing the picture—often with the encouragement of a misleading caption—are likely to say: "There's Khrushchev with a drink again." And they conclude that everything he may have said at the party was delivered through an alcoholic haze.

More often than not his glass contains mild wine or even fruit juice. Mr. Khrushchev drinks far more wine at parties than he does vodka.

Unwary rewrite men and caption writers help carry on the fiction. The Moscow reporters' phrase "diplomatic reception" has been known to appear in print as "cocktail party" even though there may not have been a cocktail within miles. The representatives of some countries here refrain from serving alcohol for religious reasons, yet their parties, too, are sometimes described as "cocktail parties."

That happened recently when the Indian Ambassador held a reception to celebrate his country's independence. Nothing stronger than fruit juice or mineral water was on the tables, yet pictures of Mr. Khrushchev drinking juice described him as being "at a cocktail party."

It is not clear why this misleading version of the Soviet leader should have become so widespread or why some writers in the West persist in repeating it.

Those who have seen Mr. Khrushchev in action over a long period can testify the party leader, even after a few drinks, knows precisely what he is doing and saying.

PRINTING AS A SENATE DOCUMENT A STUDY ENTITLED "SCIENCE AND TECHNOLOGY ACT OF 1958"

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 292, which resolution I understand has been cleared with the acting minority leader.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The resolution (S. Res. 292) was read, as follows:

Resolved, That the staff study entitled "Science and Technology Act of 1958" (S. 3126), prepared for the Committee on Government Operations, be printed as a Senate document, and that 5,000 additional copies be printed for the use of that committee.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota for the immediate consideration of Senate Resolution 292?

There being no objection, the resolution was considered and agreed to.

Mr. HUMPHREY. Mr. President, so that there may be no misunderstanding at all, the resolution just agreed to provides for the printing of a staff report. It is clearly understood that the staff reports are background information for Members of Congress, as well as for the general public. There are portions of the report which may be highly controversial. No Senator has affixed his signature to the report, even though it has been prepared by a most competent staff. Surely on that basis it merits the most serious consideration.

Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

HEARINGS ON SCIENCE LEGISLATION BEFORE THE SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Mr. HUMPHREY. Mr. President, I desire to inform the Senate, and others who may be interested, that hearings have been scheduled by the Subcommittee on Reorganization of the Senate Committee on Government Operations, of which I am chairman, on certain provisions of S. 3126, the Science and Technology Act of 1958, beginning on Friday, May 2, and continuing on May 6 and 7, 1958.

These hearings will be the first phase of the committee's study of necessary reorganization of science activities in the Federal Government. The hearings scheduled to begin on May 2 will be limited to consideration of a program for coordination of scientific and technical information. The committee has received various proposals dealing with this problem from Western Reserve University, Stanford Research Institute, Documentation, Inc., Associated Technical Writers, Inc., Pergamon Institute, and other groups interested in improving the assembling, translating, abstracting, collating, retrieval and dissemination of technical information from both private and governmental sources.

The committee has also received comments from various other private groups interested in this subject, such as the Chemical Abstracts Service, Biological Abstracts, and Associated Technical Services, Inc. Representatives from all of these groups will be invited to testify at the hearings in order to give the committee the benefit of their views and recommendations. Also, representatives of a number of Federal agencies engaged in gathering and disseminating scientific information, such as the Office of Technical Services, National Science Foundation, the National Academy of Sciences, the Central Intelligence Agency, Atomic Energy Commission, and others, will be requested to present their views and recommendations for appropriate legislative action at a later date, probably early in June.

While the first objective of these hearings will be to develop information as to the need for further legislation to enable the Federal Government to establish a program to insure the adequate dissemination of scientific and technical information, the immediate need is to provide the Committees on Appropriations with the necessary data as to the fiscal requirements of the Federal Government to properly coordinate its activities, and to effect a cooperative program with private activities in this field.

A summation of the problems and issues involved in connection with this phase of the proposed reorganization of scientific activities of the Federal Government is contained in a committee print released by the Committee on Government Operations on March 26, consisting of an analysis and summary of the bill, S. 3126, prepared by the staff of the committee. This committee print has been revised and will be printed as a Senate document now that the Senate has approved a resolution (S. Res. 292) authorizing its publication. The document, as revised, contains additional data relating to the subject of the hearings scheduled for May 2.

The bill, S. 3126, contains a number of other vital provisions dealing with science activities but, in view of the fact that most of these relate to matters which are under consideration by the Committee on Astronautics and Space, which I understand will request its reference to that committee, and by the Senate Committee on Labor and Public Welfare, hearings on these aspects of the bill will be deferred until a coordinated program can be worked out between these committees and the Committee on Government Operations relative to the various titles and provisions of S. 3126, as outlined in the Senate document.

I might add, Mr. President, that I have cleared this matter with the majority leader, so there can be no conflict of jurisdiction relating to the rights and privileges of the Special Committee on Space and Astronautics and the Subcommittee on Reorganization. This is a cooperative endeavor which has the interest and assent, insofar as the hearings are concerned, of the majority leader.

Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

FOREIGN POLICY IN INDIA

Mr. HUMPHREY. Mr. President, the American people are very concerned over the direction of our foreign policy in India. There appeared in the Minneapolis Tribune of April 10 an editorial entitled "India Often on Our Side." It answers many questions.

I ask unanimous consent to have the editorial printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INDIA OFTEN ON OUR SIDE

Like many other Americans, we often criticise the Indian Government and Prime Minister Nehru for appearing to be "neutral in favor of the Soviet Union" in disputes between the Free World and the U. S. S. R.

Just Wednesday, Prime Minister Nehru of India said that acceptance of both President Eisenhower's atoms-for-peace proposal and Russia's plan for banning nuclear tests would help ease world tensions. Once again India is taking a middle road between the United States and U. S. S. R., a position that does not satisfy many Americans.

Yet Ambassador Lodge, the United States representative to the United Nations, recently pointed out that in the past 5 years India and the United States have voted the same way on 45 major rollcalls in the U. N. General Assembly.

"They have included," Ambassador Lodge said, "resolutions on the all-embracing question of disarmament; on the treatment of people of Indian origin in South Africa; on the atoms-for-peace program, in which India played a distinguished part; on the effects of atomic radiation; on Morocco, Tunisia, and Algeria; and, finally, on the Middle East crisis. In that crisis, in which peace hung in the balance, India and the United States voted together on eight separate resolutions and worked together all the way."

As Ambassador Lodge pointed out, disagreements make headlines, while agreements—such as those reached by the United States and India in the United Nations—seldom get as much attention. This stems, in part, from the nature of news. It is more exciting and more interesting when it reflects conflict than when it reflects agreement. News about conflicts also tends to be remembered longer, even though, of course, news stemming from agreements may be as important as—yes; even more important, on some occasions, than news arising from disagreements.

India, of course, is a democracy. It believes in the dignity of the individual, the principles of freedom, the fact that material progress can take place without sacrifice of civil rights, and the view that government exists to serve the people and not the reverse. In other words, both in basic beliefs and on many specific issues, India is on the side of the democracies, and all of us ought to remember that important fact more often.

MR. TRUMAN'S VISION

Mr. HUMPHREY. Mr. President, there has been considerable discussion of some of the recent statements of former President Harry S. Truman. There always is discussion as to Mr. Truman's statements.

Recently the Washington Post contained an excellent editorial entitled "Mr. Truman's Vision." I believe the editorial places those statements in proper perspective, and does justice and honor to the former President of the United States.

Mr. President, I ask unanimous consent that the editorial may be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MR. TRUMAN'S VISION

It is next to impossible for former President Harry S. Truman to make a nonpolitical statement—and just as impossible for Republicans, it seems, to give him a chance to try it. This circumstance tends to dilute the usefulness of testimony by Mr. Truman on a politically explosive issue like the recession. But for those willing to leave aside the Truman references to "do nothingism" and the carping reminders, from the other side, of Mr. Truman's failure to prevent a 50-percent increase in the cost of living during his White House tenure, there is much wisdom to be found in the former President's testimony yesterday before the House Banking and Currency Committee.

Particularly to the point were Mr. Truman's enjoinders to the Congress to act and plan for an expanding economy. He advocated large increases in both defense and civil

spending, not because this would cure the recession tomorrow, but because there are urgent national needs to be met and because a long-term program to meet them is the indispensable basis for sustained economic growth. Not really forgetting, it would seem, his own reluctance to see taxes cut in 1948, Mr. Truman contented himself with proposing a fairly modest $5 billion tax cut which he insisted ought to be linked with the plugging of various loopholes that, in his view, would nearly compensate for the reductions granted to low- and middle-income taxpayers. Whatever the practical chances of enactment, such a package would have considerable appeal—and it would not invite the inflationary perils of a much larger straight tax cut.

Mr. Truman's call for a bigger budget was perhaps the most significant part of his testimony. It would be unfortunate if his suggestion of modest tax reduction and reform were permitted to obscure this more important aspect of his advice. He would have Congress provide $3 billion more for defense starting next year and $5 billion more annually by 1964—not as much as the Gaither report recommended, but enough to support a badly needed expansion of conventional and tactical nuclear forces and to accelerate military research. His proposal for an immediate 50-percent increase in foreign economic aid and an eventual outlay of $2.5 billion annually for this purpose is equally important, and, like defense spending, has its justification in something far more fundamental than the present business recession.

Similarly, the higher outlays he urges for education, public health, and public assistance programs are part and parcel of any realistic concept of an expanding economy and a growing population, and a refreshing emphasis after the years of near obsession in the Republican administration with cutting off needed future growth in these basic Federal services. Mr. Truman's economics may be as fallible as the next former President's; but his large view of the Nation's destiny, its needs, its capabilities is, just now, exactly what the country needs to hear.

FARM PRICE SUPPORT FREEZE RESOLUTION

Mr. HUMPHREY. Mr. President, Minnesota farmers and Minnesota editors are deeply concerned over the President's recent veto of the so-called farm price support freeze resolution.

One of the most thoughtful editorials on this subject was written by Mr. Marty McGowan, editor and publisher of the Appleton Press.

It is worthy of the attention of every Member of Congress. It is a factual, objective analysis of the President's action and what the Congress ought to do on the farm resolution.

It is a resolution which should be brought to the attention of the Senate Committee on Agriculture and Forestry, which committee will be holding hearings as to the President's veto, at the suggestion of the majority leader.

Mr. President, I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THOUGHTS ON FARMER THAW VERSUS FREEZE

According to the veto message from the White House, farmers need a thaw, not a freeze.

With these headline-catching words, worthy of some Madison Avenue ad writer, President Eisenhower turned back to the Senate without his signature the bill to put a floor at 1957 levels under most 1958 price supports and 1958–59 acreage allotments.

Why? Because, he said, if accepted the bill would (1) pile up more farm surpluses, (2) prevent market growth, (3) postpone the deliverance of farmers from straitjacket controls, (4) bypass the small farmer with little to sell, (5) delay the transition (mostly downward) to modern parity, and (6) break faith with the wheatgrowers who had already signed 1958 acreage reserve contracts.

The President also justified his action because of a temporary price improvement, due mostly to weather factors. But even with the supply cuts, livestock remained below full parity, and corn was bringing only 57 percent of parity while other feed grains scarcely averaged 65 percent.

Both farmers and Farm Belt Congressmen had plenty of answers for the President's arguments; some were uttered with heated emphasis in the Capitol Chambers within minutes after the veto message was received. They were not charmed with the idea that farmers should be "melted down" any further.

But there was a kind of weariness, too, in the responses of the lawmakers. There they saw again the same tired, old Benson reasoning that had been so shamelessly used in the veto message of 1956.

And what did the President think would be better? First, do what was requested in January. Give Secretary Benson the authority to (1) set prices as low as 60 percent of parity, (2) ditch corn allotments entirely and support everybody's production, (3) boost other acreage allotments by as much as 50 percent, (4) refuse to raise price supports when supplies go down, (5) move more surplus stocks abroad, and (6) gear cotton price supports down to the average of the actual crop.

On his own, pending Congressional concurrence on such farm bill revision, the President promised to see that for the rest of 1958 the Government's dairy stocks would mostly be kept out of commercial channels, or at any rate, not sold back at less than 90 percent of parity.

In addition, he said, the administration would revise its export assistant program for cotton, corn, and other feed grains to conform to that which has been followed with wheat for some months past. That is, to fill their foreign contracts, exporters would obtain supplies from the open market henceforth instead of drawing from Commodity Credit stocks.

If the foreign sale involved a loss, USDA's Commodity Credit Corporation would reimburse this difference in the form of commodity from its storage supplies. In this way, it is argued, export business could contribute more effectively to strengthening the open market. On the other hand, of course, it would slow down the reduction of the Government's supplies.

On corn, Benson surprised the Chicago Board of Trade by cutting 4 cents per bushel off the 1958 corn support instead of 10 cents as previously rumored. This level, at 77 percent of parity, is the same as last year. The actual dollars and cents figure—$1.36 national average—is lower, however, because the transition to modernized parity has not been resumed this year.

The Secretary refuses to answer flatly one question of interest to commercial area producers still wondering whether to comply with the practically unchanged corn acreage allotments: Will there again be a noncompliance loan as in 1956 and 1957? The critics of this type of loan say it had a lot to do with the low compliance rate last year.

FARM ABUNDANCE

Mr. HUMPHREY. Mr. President, for nearly 5 years I have been carrying on a virtual crusade to awaken public interest—and Government interest—in the tremendous opportunities that exist for constructive use of our farm abundance toward strengthening the forces of peace and freedom in the world.

Much of my time as a member of the Senate Committee on Agriculture and Forestry has been devoted to that objective. Time after time, I have outlined my convictions on this floor, in support of expanded efforts in this desirable direction.

I am pleased that we are making progress, slowly but surely.

A most encouraging recent development was a constructive editorial in the mass-circulation Saturday Evening Post, entitled "Our Farm Surplus Could Be an Asset in the Cold War." It is high time more of our major national periodicals recognized this fact, and devoted more attention to what could be done with our abundance—instead of criticizing farmers for producing it.

Mr. President, I am very pleased with the editorial. I wish to commend the editorial staff and the editor of the Saturday Evening Post. I ask unanimous consent to have the editorial from the April 19 issue of the Saturday Evening Post printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OUR FARM SURPLUS COULD BE AN ASSET IN THE COLD WAR

Since 1950 almost $10 billion of taxpayers' money has been spent in fruitless efforts to prop up farm prices and to shrink the size of our increasingly productive agriculture—all this at a time when much of the world has been hungry and ill clothed.

The simple truth, of course, is that the best answer to the farm problem lies in finding more customers for the fine products that the American farmer grows with such efficiency. We can't help wondering what would have happened to the "burdensome surpluses" we hear so much about if the $10 billion had been applied in a bold way to the building of bigger and better markets around the world.

There's more to it than just selling our products at bargain prices. These great stocks of wheat, cotton, vegetable oils, dairy products and the like represent useful, much-needed capital, if put in the right place. They can be used as powerful weapons in the cold war. They can be used as investments to stimulate the progress of backward nations.

We can, if we will, make full use of this obvious truth that one man's surplus is another man's capital. We can do it by "lending" our surpluses to needy countries. And we can, in the long run, expect good returns from such loans.

The mechanism for such a program is in existence. It is the Agricultural Trade Development Act of 1954, Public Law 480, under which the United States Department of Agriculture can sell surpluses to foreign nations for their own currency. The receipts of such sales then can be lent back to the countries in question to finance development projects. The Public Law 480 program has been a highly successful one. To date, it has lent more than $1,650 million worth of surpluses to 35 nations. That is just a drop in the bucket.

The program needs to be expanded on a bold front, particularly but not exclusively in areas where Soviet Russia is offering to underwrite development work. It might not be a bad idea to divert some of the billions

now being spent in negative efforts at production control into this positive plan for building more and better customers.

Mr. HUMPHREY. Mr. President, as the outgrowth of a full year's study and extensive hearings into operations of Public Law 480, I submitted a comprehensive report to the Senate Committee on Agriculture and Forestry last February. It became the basis of revisions in the law which were enacted by the Senate, in great part, in extending the Public Law 480 authority. Originally available only as a confidential committee print, the report has now been printed and is available for distribution in the hope of encouraging greater interest in and understanding of this effective program.

I intend providing my colleagues with copies, which I am sure they will find useful in understanding what has already been done under Public Law 480, as well as some of the future potential it offers. Additional copies will be available from the Senate Committee on Agriculture and Forestry for those interested. The report is entitled "Food and Fiber as a Force for Freedom."

It is my hope release of the report will also encourage early action on extension of Public Law 480 in the House of Representatives.

Mr. President, I am also pleased to read in trade publications reports that the State Department has had a change of heart on the Public Law 480 program, and is now at long last beginning to accept with less reluctance the importance of food as a weapon in economic warfare.

Now, Mr. President, I desire to address myself to a different subject.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

REGISTRATION, REPORTING, AND DISCLOSURE OF EMPLOYEE WELFARE AND PENSION BENEFIT PLANS

Mr. HUMPHREY. Mr. President, I take this opportunity to commend the favorable reporting from the Committee on Labor and Public Welfare of S. 2888, a bill to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans.

There is no question that legislation in this field is needed, and there is no question in my mind but what S. 2888 is a constructive and effective proposal.

Members of the Senate know that I have long been associated with legislation in this field. In previous Congresses I have introduced bills on the subject, the latest of such proposals being S. 1717 in the 84th Congress. On February 1, 1957, I released a statement with regard to the so-called labor racketeering investigation than getting under way.

I ask unanimous consent that the text of that statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUBERT HUMPHREY WITH REGARD TO INVESTIGATION OF LABOR RACKETEERING, FEBRUARY 1, 1957

As a friend of organized labor I wish to see the American labor movement clean, strong, and responsible. The few who abuse their power or are guilty of corruption, misuse of funds, or any other form of unethical conduct serve only to bring discredit upon the good name and reputation of organized labor. Free unions are a part of the American political, social, and economic structure. It has taken courage, steadfastness of purpose, sacrifice, and great leadership to build the American labor movement. There is no room within its organization for those who would violate their trust.

It is to the everlasting credit and honor of organized labor in America that it has, at all times, been a vigorous opponent of all forms of totalitarianism at home and abroad. It has made significant contributions to the welfare of the American people and to the strength and progress of our political and economic institutions. This honorable history and tradition must not be forgotten when charges and allegations of racketeering and corruption hit the headlines and attract public notice.

During the 82d Congress, as chairman of the Subcommittee on Labor and Labor-Management Relations, I served as chairman of subcommittee hearings aimed at exposing and eliminating Communist influence or domination in labor unions. In that inquiry I had the wholehearted cooperation of organized labor and its leadership. That the same kind of cooperation will be forthcoming in the prospective investigation of racketeering is clear from the position just adopted by the AFL–CIO executive council.

In recent years I too have had a deep concern about the protection and care of union welfare funds. Literally millions of dollars of the funds belonging to employees and union members have been entrusted to union officials for safekeeping and proper investment. Fortunately most of these funds, indeed the vast majority, have been guarded with zeal, honor, and integrity. There have been charges, however, of some abuse and misuse of such funds. Therefore, I introduced legislation in 1954 aimed at trying to eliminate abuses and misuse of such funds and have been pressing for Congressional action on this important area of labor-management relations.

Racketeering, corruption, abuse of power, or subversion are wrong wherever they are found, be it in labor, business, government, or any other institution of our society. I am pleased to see the friendly response of the responsible national leaders of organized labor concerning the plans of the Senate to make a thorough investigation of the charges of racketeering and corruption. It is our joint responsibility to keep this inquiry objective and not to permit it to become an antilabor sounding board. The inquiry should be centered upon the real abuse and those few who may be guilty of violating their trust.

Mr. HUMPHREY. Mr. President, I commend the Committee on Labor and Public Welfare for reporting a bill which is as sane, balanced, and constructive as S. 2888. The committee has given this measure the most thorough consideration. As far as I am concerned, I would deeply regret any weakening or frustration of the purposes of this bill through extraneous amendments or any other such devices. I hope S. 2888 may be speedily passed without any twisting or distortion or any amendments which may in any way violate or injure its purposes.

THE NEED FOR A TAX CUT

Mr. YARBOROUGH. Mr. President, an excellent analysis of the recently issued Rockefeller report on the American economy, its potentials and its problems, was written by the very able Richard L. Strout and appeared on the front page of the Christian Science Monitor of Monday, April 21, 1958.

A little over one month ago an attempt to raise the personal income tax exemption from $600 to $800 was defeated in the Senate. This amendment, sponsored by the Senator from Oregon [Mr. MORSE], the junior Senator from Wisconsin [Mr. PROXMIRE], and the junior Senator from Texas, was opposed by those who cried "politics."

I think it very interesting to note the introductory paragraph to Mr. Strout's informative and keenly analytical article:

One more big nonpartisan, nongovernment organization has come down on the side of a tax cut to meet the current recession: this one the Rockefeller Brothers Funds.

Mr. President, I ask unanimous consent to have inserted at this point in the RECORD the article entitled "Rockefeller Panel Joins in—Tax-Cut Chorus Augmented," by Richard L. Strout, which appeared in the Christian Science Monitor of Monday, April 21, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ROCKEFELLER PANEL JOINS IN—TAX-CUT CHORUS AUGMENTED

(By Richard L. Strout)

WASHINGTON.—One more big nonpartisan, nongovernment organization has come down on the side of a tax cut to meet the current recession: this one the Rockefeller Brothers Fund.

Ironically, the fund's report is forced to deal with the recession in a report the great body of which is devoted to emphasizing the crucial importance of maximum growth in the next 10 years to America's safety and well-being.

The report did not specify the amount of the proposed tax cut, but in a TV interview Nelson Rockefeller said something "in the order of five to seven billion dollars" was intended.

Simultaneously, Secretary of Commerce Sinclair Weeks said he believed the recession had touched bottom.

GROWTH TREND CITED

New York's Gov. Averell Harriman testified here on the contrary that the recession threatens America's foreign policy unless quickly remedied.

The heart of the 104-page Rockefeller report is the thesis that there are few problems the United States cannot solve in the next decade if it can increase its national rate of growth expressed in terms of gross national product (combined output of goods and services) to a rate of 5 percent a year.

From 1870 to 1930 the growth trend averaged 3 percent a year.

In the past decade the rate has followed a 4 percent upward trend.

Now, says the report, composed of a distinguished panel of 17 economists, bankers, businessmen, and industrial relations experts, "a growth of 5 percent is possible if we realize fully our impressive opportunities for economic expression."

The object of the impressive report, which is part of the "America at Mid-Century Series" financed by the Rockefeller Brothers Fund, Inc., is to spur the Nation on to maximum productivity by showing in practical and inspiring terms the fruits of such expression at a period only 10 years hence.

PROSPECTS GRAPHED

For example, the 1957 base rate of a $434 billion GNP (gross national product) will have increased to $538 billion in 1967 at a 3-percent expansion; $642 billion at a 4-percent rate; and $707 billion at the possible 5-percent rate. This is an estimated difference of $124 billion a year between the 3-percent and 5-percent rates.

With a productivity of 5 percent, the report says, there could be tax reduction; the chance of inflation would be reduced by the flow of goods; and all the mighty panoply of national needs—from greater defense security to better schools and homes—would be more easily fulfilled.

Like the head of a family telling the household of the benefits to be derived by all pitching in and working hard in the next 10 years, the Rockefeller panel lists the startling national possibilities.

Unfortunately it first had to dispose of the current recession which instead of accelerating national productivity is dangerously diminishing it.

While the panel is issuing its report, estimates from the President's Council of Economic Advisers showed current output of goods and services is down to an annual rate of $424 billion—$16 billion less than the boom peak of the third quarter of last year and $8.6 billion less than the final quarter.

The panel recommended an immediate tax cut which the Eisenhower administration has heretofore hesitated to take.

Government's part in meeting the recession, according to the panel, should be (a) a general tax reduction in personal and corporate income taxes; (b) a faster rate of depreciation for business to stimulate capital improvements; and (c) accelerated public works.

The panel also urged the Federal Reserve Board to relax its credit policies still further.

DISCOUNT RATE CUT

As though anticipating the report, the Reserve Board April 18 lowered the discount rate to 1¾ percent, the fourth reduction in less than 6 months. As recently as November, the rate stood at 3½ percent. The Board's action seemed to imply that it, too, now agreed with critics that its previous cuts had been inadequate and that the real danger to the country is recession, not inflation.

The following groups have now urged the administration to cut taxes: The Rockefeller panel, the Chamber of Commerce of the United States, the National Association of Manufacturers, the Committee for Economic Development, the Association of State Chambers of Commerce, the National Planning Association, and union organizations.

BURNS HAND SEEN

Against this, voices such as that of Bernard Baruch have warned against inflationary dangers of an unbalanced budget. Mr. Baruch asked that taxes be increased.

The report shows the influence of panel member Arthur F. Burns, president of the National Bureau of Economic Research and formerly Chairman of Mr. Eisenhower's Council of Economic Advisers.

On the panel were Devereux C. Josephs, chairman, New York Life Insurance Co.; William F. Butler, vice president of the Chase Manhattan Bank; J. Cameron Thomson, chairman of the Northwest Bancorporation; Frazer B. Wilde; Thomas B. McCabe, president of the Scott Paper Co., and former Chairman of the Board of Governors of the Federal Reserve System, and others.

Mr. HUMPHREY. Mr. President, will the Senator yield to me for an observation, and permit me to ask unanimous consent to have certain articles and an editorial printed in the RECORD at this point?

Mr. YARBOROUGH. I am delighted to yield for that purpose.

Mr. HUMPHREY. Mr. President, in the Washington Post of April 23 there appears an excellent article by J. A. Livingston on the recently issued report by the Rockefeller Brothers Fund.

The real significance of this report, Mr. Livingston writes, is not in its suggestions as to how we can cure the current recession, but rather in its acceptance of the idea that Government programs are a necessary and positive force in the economic growth of our country. Mr. Livingston states:

Government can't take a back seat. That, the report accepts. That's its mark. The panel is not afraid of big government, if it's good government.

I ask unanimous consent that this excellent article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of April 23, 1958]

ROCKEFELLER REPORT IS ECONOMIC MILESTONE

(By J. A. Livingston)

Five, ten, or twenty years from now, if the report of the Rockefeller panel on the American economy is remembered at all, it won't be for its treatment of, its remedy for, the current recession. That is but a minor aspect of the document, an aspect about which there can be dispute.

The newspapers almost invariably accented the panel's reserved, even weasel-worded, reference to a tax cut, as if it were the only way to create employment and foster recovery. What the report actually said was this:

"Of the antirecession measures available to the Federal Government, tax reduction can be effective in the shortest time. Properly designed, it can have an immediate impact on both consumption and investment.

"The panel believes that a tax cut would help overcome the current recession and expand employment. The precise amount should be determined by the administration and Congress * * * when the tax cut is made."

Nelson A. Rockefeller, who is chairman of the overall project, which embraces studies on defense, economic development, social welfare, said he was for an immediate cut on a Meet-the-Press panel. But Thomas B. McCabe, chairman of the panel, and 1 or 2 other members, including me, counseled temporizing on the theory that if this were actually the bottom of the recession, a tax cut might only generate another inflationary upswing, prevent price adjustments, and encourage high-wage settlements in pending labor-management negotiations.

When this recession ends—as it will—what social scientists and historians will see in this report is not its recession mindedness, but its looking forwardness. If this report had been published in 1928, it would have been called visionary, socialistic. That it could be issued today under a Rockefeller aegis and be sponsored by business and financial executives as well as publishers, editors, economists, university presidents, and college professors gives it milestone significance.

Norman Thomas, who, in 1928, first ran as the Socialist candidate for President, would extol many of its doctrines. If he reads this report, Mr. Thomas could say, "In six tries, I never won an election, but I've won the war."

The Rockefeller panel discards the notion that the least government is the best government, saying: "In general, our national objective would be best served by maximizing the area of individual choice. Yet it is important to consider carefully the relative advantages of increased Government programs * * * Certain Government programs may contribute more to the general well-being than the private expenditures that have to be foregone."

The report projects a rise in Federal, State, and local outlays from the present level of $114 billion annually to between $171 and $203 billion by 1967. American citizens—you and I in collective ventures—will spend through Government from $60 to $70 billion in 1967 on national security, as compared with $46 billion now. Our outlays on education, including school construction, could easily double. Outlays on welfare, including health, will more than double.

But only if industry expands, develops, strives—only if business produces more goods and services, will you and I be able to attain the social and economic objectives the panel considers desirable and necessary. We can't tax what people don't produce.

If we are to cope with complex problems, such as migration of Negroes and Puerto Ricans into large cities, the correction of blight in urban areas, the development of highways and throughways, the expansion of medical, educational, and recreational facilities, the assurance of a continuing supply of raw materials to a rising population, and solve the mysteries of science in an atomic age—if we are to do all that and carry on an untiring quest for peace and freedom throughout the world and raise the standard of living everywhere—then the Federal Government will have to use its monetary, fiscal, and economic power to foster industrial enterprise and national growth.

Government can't take a back seat. That, the report accepts. That's its mark. The panel is not afraid of big government if it's good government.

Mr. HUMPHREY. Mr. President, I also call attention to an editorial from the Washington Post of April 23, 1958, which points out that there are two sides to the question of cutting taxes to fight the recession. While admitting that there is a risk involved in cutting taxes in view of the anticipated deficit in 1959, the Post points out that there is also another risk, namely, that the deficit might well turn out to be vastly greater—without a tax cut—if the recession should continue in its downward spiral.

I ask unanimous consent that this editorial be inserted at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of April 23, 1958]

MINUS $10 BILLION?

It is not surprising to find William McChesney Martin, Jr., the Chairman of the Federal Reserve Board, on the side of those within the administration who oppose an antirecession tax cut at this time. For it is the Federal Reserve System which must bear the main burden of fighting any renewed inflationary pressures which the large deficits now in prospect for this year and next could generate. Mr. Martin places the probable fiscal 1959 deficit at $10 billion, without a tax cut. He says that he is unwilling to "run the risk of a greater deficit" by reducing taxes until present uncertain trends clear up.

But there is, of course, another risk. That is that the 1959 deficit could be vastly greater—without a tax cut—if the recession should degenerate into a downward spiral of consumer income and spending. A tax cut might not induce economic recovery, but if it did, next year's Treasury receipts

could be considerably greater than now expected even with temporarily lower rates. Thus the question is not one of simple plus-and-minus arithmetic, as Mr. Martin of course knows. We share his view that what is needed is a recovery that will last. We also believe that this country cannot, in the present state of world affairs, tolerate a recession that lasts.

Mr. HUMPHREY. I also ask unanimous consent that 3 articles from the April 22 Wall Street Journal be printed in the RECORD. These articles report that business failures in the latest week rose to 346, compared to 342 in the preceding week and 302 a year ago, and that steel production this week is expected to show a further decline to only 46.8 percent of capacity—the lowest output figure for a nonstrike period since the week of July 5, 1949.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal of April 22, 1958]

BUSINESS FAILURES CONTINUED RISE OVER 1957 IN LATEST WEEK

NEW YORK.—Commercial and industrial failures rose to 346 in the week ended April 17 from 342 in the preceding week, Dun & Bradstreet, Inc., reported.

Business casualties ran above the level for the previous years for the 13th consecutive week, exceeding the 302 for the like week in 1957 and the 252 in the like week of 1956. Failures were 9 percent higher than the prewar week's total of 316 in 1939.

Retailing accounted for all of the week-to-week increase, with casualties in this group climbing to 190 from 159. On the other hand, according to Dun & Bradstreet, failures of manufacturers declined from 59 to 50, of wholesalers from 36 to 33, of construction contractors from 55 to 52, and of service concerns from 33 to 21.

STEEL OUTPUT EXPECTED TO DECLINE THIS WEEK FOR SIXTH STRAIGHT PERIOD—PRODUCTION OF 1,265,000 TONS WOULD BE LOWEST FOR NONSTRIKE PERIOD SINCE JULY 5, 1949

NEW YORK.—Steel production once again last week was slightly above the industry's forecast for the period, but is scheduled this week to recede further to another new 8¾-year low for a nonstrike period.

The American Iron and Steel Institute estimated that steel mills in the week started yesterday will turn out 1,265,000 tons. The institute does not report an operating rate in connection with the forecast, but the prediction figures out to 46.8 percent of rated 1958 capacity. Such output would be the lowest for a nonstrike period since the week ended July 5, 1949, when an estimated 1,128,200 tons were produced. It also would mark the sixth straight week of decline.

Last week, the industry produced 1,285,000 tons of steel, equal to 47.6 percent of capacity, which is figured at 140,742,570 tons annually. Output had been forecast for last week at 1,283,000 tons, indicating a 47.5 percent rate.

The institute estimates steel production for the week started April 21 as follows:

	Net tons product	Index of 1947–49
This week	1,265,000	78.7
Actual last week	1,285,000	80.0
Actual month ago	1,366,000	85.0
Actual year ago	2,269,000	141.2

The index of production is based on the average weekly production for 1947–49. The average annual production for the 3 years was 83,837,572 tons. The average weekly output was 1,606,377 tons.

U. S. STEEL UNITS TO SHUT DOWN

SAN FRANCISCO.—U. S. Steel Corp.'s Columbia-Geneva steel division announced it will shut down its Torrance, Calif., rolling mill in late June for a 2-week vacation. At the same time open hearth furnaces in Torrance will be closed for 3 weeks.

The two rolling mill departments, which employ some 700 workers and turn out small structural items, reinforcing bars and angles, will be closed beginning June 27 and June 28 to July 13 and resume operations July 14. The open hearth department, employing 90, will be closed from midnight, June 28, to midnight, July 20. The company announced that all employees with the exception of minimum crews in maintenance, shipping and industrial relations will take their annual vacations during this period.

The division is currently operating only 2 of its 4 open hearth furnaces at Torrance. The rolling mill is producing at about 50 percent of rated capacity. Columbia-Geneva also operates facilities at Pittsburg, Calif., and Geneva and Ironton, Utah.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CHURCH in the chair). Without objection, it is so ordered.

REDEDICATION TO RESPONSIBILITIES OF FREE CITIZENSHIP

Mr. O'MAHONEY. Mr. President, Calendar 1485, Senate Joint Resolution 159, is a noncontroversial measure unanimously reported by the Senate Judiciary Committee. It would authorize and request the President of the United States to proclaim July 4, 1958, as a day of rededication to the responsibilities of free citizenship.

I have consulted the leadership on both sides, and there is no objection to the joint resolution. I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (S. J. Res. 159) to authorize and request the President to proclaim July 4, 1958, a day of rededication to the responsibilities of free citizenship.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the President of the United States be and hereby is authorized and requested to issue a proclamation, calling upon the people of the United States to make the observance of Independence Day, July 4, 1958, a day of rededication to the responsibilities of free citizenship, with appropriate nationwide ceremonies.

UNIVERSITY OF WISCONSIN PREPARES BLUEPRINT FOR MEETING EXPANDING NEEDS IN LIBERAL ARTS EDUCATION AT STATE LEVEL

Mr. WILEY. Mr. President, the attention of our entire Nation is now focused on our educational system. We in Congress have heard the President's request for an accelerated program of training for scientists. Many other plans have been advanced which are designed to bolster our stockpile of scientific brainpower. We all recognize the need for putting more emphasis on scientific training. However, we must bear in mind that this can be done consistently along with a strong continuing program of training in other educational fields. I refer specifically to the program of liberal arts, which includes courses in civics, music, art, languages, literature, the humanities, and other subjects which are of vital importance in assisting our young people in discovering the finest things about their culture and civilization.

In view of the great amount of discussion on what action the Federal Government should take to improve the American system of education with regard to science, I think it is appropriate that I point out the outstanding work which has been done at the State level in Wisconsin with regard to developing a realistic program of training not only in science, but in liberal arts as well.

I have frequently commented on the fine, forward-thinking action by many of Wisconsin's educational institutions. Two excellent examples of this type of action appear in the April issue of Wisconsin Alumnus, the publication of the University of Wisconsin Alumni Association.

This magazine contains two highly significant statements. One, from the State of Wisconsin's coordinating committee for higher education, lists broad principles to guide development of the State's educational resources.

The other, by Wilbur Renk, president of the university's board of regents, examines some specific questions of policy facing the University of Wisconsin. The coordinating committee on higher education and the university's board of regents are outstanding examples of the interest taken by private citizens and public officials in the State in their university. Together with Mr. Renk, the other members of the university governing board have an outstanding record of helping the University of Wisconsin maintain its position of national leadership. I take this opportunity to pay tribute to the other members of this board. They include: Clarke Smith, Ellis E. Jensen, Mrs. Melvin R. Laird, Charles D. Gelatt, Harold Konnak, George E. Watson, A. Matt Werner, Carl Steiger, Oscar Rennebohm, and John D. Jones, Jr.

Although the two articles to which I have referred deal specifically with the University of Wisconsin, the problems they discuss are to be found in almost every institution of higher education in our Nation.

These two worthwhile articles deal with educational problems, not only at the present time, but they take into consideration the problems which will be confronting our university in the years to come. The statements deal with long-range plans and suggestions which are designed to strengthen higher education at the State level, which after all, is where our educational problems should be resolved as far as is humanly possible.

The pressure of world events lends urgency to the mission of American higher education. We must remember that the basic idea of our educational system is diversification. We must not allow ourselves to be pushed or panicked into narrowing the broad background of education which has made our system the greatest in the world.

I believe that the articles will add to the storehouse of important and valuable information upon which our responsibility not only as Senators but as citizens must be based.

In this time, as I have said before, when the world has been shrunk by man's ingenuity, so that it is now possible to travel around it in a few hours, it is well that we stop, look, and listen. We must not let ourselves be panicked into losing our head, so to speak. It is time for us to stop, look, and listen, and think our problems through, particularly the problem of the so-called recession, with its 63 million employed and 5½-million unemployed. It is time for us to think the problem through and make sure that in what we do we do not damage the 63 million who are employed.

I ask unanimous consent that the two statements be included with my remarks in the body of the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

A BLUEPRINT FOR EDUCATIONAL PLANNING IN WISCONSIN—ADOPTED BY WISCONSIN'S COORDINATING COMMITTEE FOR HIGHER EDUCATION, THESE PRINCIPLES WILL HELP GUIDE DEVELOPMENT OF HIGHER EDUCATION IN THE STATE

If it is to be satisfactory and successful, any coordinated plan for public supported higher education in Wisconsin must be consistent with basic American ideals, and related social, economic and political institutions. It must also meet the challenge of changing conditions.

Education at all levels in America has developed as a part of the American desire for a land of opportunity, of freedom and of justice. The value of education has been generally respected and it has been generously supported. The founders of our Nation clearly recognized that government based on the majority judgments of all the people could not be successful, nor, indeed, long survive without universal education. As the problems facing Government, business and industry have become more complex, the amount of time spent in formal education has increased steadily.

Within the American concept of a State which serves the people, the characteristics of the educational institutions which have arisen are properly quite different from those which have been developed in States founded on the philosophy that people are to serve the State. This belief of the American people in the value of education to the individual and to society has found expression in the founding and support of a wide variety of both publicly and privately controlled colleges and universities throughout our Nation. The increasing percentage of young people going to college indicates that the American people believe in the value to the young people of more post-high-school education.

Within this broad background it is now necessary to plan for the needs of the people of Wisconsin in the field of higher education as they have been affected by two relatively recent changes of tremendous importance.

The first of these changes has been called a technological revolution. Starting slowly many decades ago and proceeding very rapidly during the last 20 years tremendous technological changes have occurred which have profoundly changed many aspects of our lives, and the future promises still greater changes. Among these changes is an insistent need for more and highly specialized types of education. Larger and larger proportions of college-age youth are asking for additional educational training beyond the high school. And more of the college graduates are asking for graduate or professional training. The end is not yet in sight. In addition, there has been a great increase in the demand for adult education, and for a great expansion of research work.

The machine age calls for more highly trained specialists, but even more insistently it calls for the education of the complete man, in order to develop social, economic, and political measures which will enable our civilization to survive and enable mankind to enjoy the benefits of technology in peace.

The second great change occurring in the last two decades has been the almost explosive growth in population occurring as a result of a much higher birth rate and a somewhat lower death rate. The demands for post-high-school education are certain to grow very rapidly because of the great increase in numbers of college-age youth.

If we are to offer high quality educational opportunities to the much larger numbers of young people needing and wanting post-high-school education, careful planning will be required; planning for the characteristics of the educational programs needed; planning for the best matching of individual abilities and desires with the appropriate educational programs; and planning for the most efficient and economical operation of the educational program.

Such planning is difficult but necessary. It will require study, thought, and consideration by all of our citizens.

Although the prime concern of this committee is with post-high-school education, the committee clearly recognizes that the planning for post-high-school education is only one part of the planning of the total educational program of the State. Many changes in organization and improvements in the programs of our elementary and secondary schools have occurred in recent years. Many other changes are in the planning stage. Plans for post-high-school education must be based upon and correlated with the plans for the elementary and secondary schools. The characteristics and the quality of post-high-school education are profoundly influenced by the characteristics and quality of the elementary and secondary schools.

In the face of rapidly changing conditions, planning must be flexible and continuous, with changes being made promptly as conditions demand. Also, any detailed plan must be based upon and be consistent with general principles which are accepted by the majority of our citizens.

Since its organization in 1955, the Coordinating Committee for Higher Education has recognized the importance of its responsibilities in educational planning for publicly supported higher education.

Much time and thought has been devoted to the formulation of the general principles which should guide it in the development of a plan for the overall educational programs to be offered in the several units of the university and State colleges and in the development of recommendations for legislative action resulting from its studies of the needs of the people of Wisconsin for State-supported higher education (as the statutes put it).

Relatively early in its deliberation, the coordinating committee adopted a report of an ad hoc committee on educational policies. The following quotations from this report are pertinent to this discussion:

"The historical functions of the University of Wisconsin at Madison and of the Wisconsin State colleges shall be maintained.

"Existing liberal arts programs shall be maintained and strengthened at institutions where these programs are now offered.

"Modification of the liberal arts programs if found advisable shall be the responsibility of the existing boards.

"In the liberal arts and teacher-training programs, the educational opportunities shall be extended throughout the State as equally as possible, with recognition that there are special fields of teacher education which must be restricted to a few institutions."

The committee recognized very early in its deliberations that it could not adequately study the needs of the people of Wisconsin for State-supported higher education without the aid and cooperation of many other individuals, groups, and institutions. To secure such aid and cooperation, the committee:

1. Requested the cooperation of the private colleges and universities, vocational and adult education schools, and county teachers colleges. This cooperation has been freely given.

2. Requested President Edwin B. Fred of the university, and Eugene McPhee, secretary of the State college system, to appoint appropriate joint staff committees for the purpose of studying and reporting on certain problems.

3. Appointed a joint staff to gather and present the necessary factual information upon which wise decisions could be based.

A number of reports from the joint staff committee and the joint staff have been presented to the coordination committee. Those needing action have been acted upon. The background and research studies have been carefully considered and together with others now in preparation will form the basis for the development of a coordinated plan for State-supported higher education.

To aid it in the more detailed formulation of plans, the coordinating committee has agreed upon the following statements of general principles and believes that these will have the support of most Wisconsin citizens.

The increasing need for higher education: The evergrowing complexity of civilization, the rapid developments in science and technology, and the enlarging role of the United States in world affairs combine to require better and more education for all citizens. Increasing numbers of Wisconsin's youth will wish and need to continue their education beyond high school graduation in order to achieve their maximum personal development. The future of Wisconsin and the Nation of which it is a part can best be insured by the continuation and extension of its traditional policy of providing diversified types of educational opportunities for the able and ambitious high school graduates who wish to continue their education.

The need for diversity in post-high-school educational opportunities: The need for an informed and wise citizenry in all walks of life and for trained people in a broad range of occupations, coupled with the important

differences in aptitudes, interests, and needs of young people require that there be diversity in types of post-high-school education; diversity in educational objectives; diversity in administrative organization; diversity in the length and content of the programs. Whatever the differences among the several types of educational programs, the students who attend them must be assured an educational opportunity of the highest possible quality.

The need for adequate counseling services: Differences in the aptitudes and interests of young people and the wide range of occupational needs in the State make it important that each young person has wise counsel in the choice of a life vocation and in the selection of an educational course which will prepare for it. A strengthening of the guidance services at all levels of education is needed.

The need for private institutions of higher education: Wisconsin's private institutions of higher education have given distinguished service. These colleges and universities will continue to make valuable contributions to the education of the young people of Wisconsin and elsewhere. Wisconsin needs strong and vigorous institutions of this type. Because of differences in emphasis and program, the presence of these schools extends and enriches the educational opportunities available to Wisconsin youth. The adequate support by the citizens of the State and Nation of the private colleges and universities is vital to the perpetuation of a strong, diversified program of higher education.

The need for appropriate geographic distribution of higher educational opportunities: The American ideal of equal educational opportunities for all has been important to the growth and strength of our country. Adequate training of each young person in accord with his aptitude and desires will provide the basis for a successful and happy life and make it possible for each to make his maximum contribution to the political, social, and economic development of the community, State and Nation. The general welfare of the State will be best served by making it possible for any deserving and qualified youth to continue his education to the level of his ability and ambition. Since the major cost of education to the student occurs when the training must be secured away from his home, the welfare of the student and the State will be best promoted by providing post-high-school educational opportunities as widely over the State as is consistent with sound educational and financial considerations.

The need to keep educational opportunities open for all youth: Public institutions of higher education were established and are maintained because of the traditional American belief in the necessity of an educated citizenry, if the American political, social and economic ideals are to be realized. Fees and tuition have purposely been kept low and should continue to supply only a minor portion of the cost. Students should be expected to pay something toward the cost of their higher education and there is justification in charging somewhat higher fees for the more expensive programs. Fees should not be used as an instrument for controlling the size and character of enrollment in public institutions; rather fees should be kept low enough to maintain an open pathway for all.

Even relatively low fees do not place appropriate higher educational programs within the financial reach of all. Other associated costs are high. As a result many gifted and ambitious young people do not secure the education best suited to them. In order to conserve this talent additional funds are needed for scholarships, loan funds, and work programs.

The need for adult education: With the rapidly changing social, technological, and political conditions of the world, it is desirable and sometimes even necessary that our citizens continue their education throughout their adult life. The public interest is served by public support of appropriate programs of adult education. The rapidly changing conditions in the world today demand that such programs, and the methods used, be studied and modified to insure that the programs and methods best meet the needs of the times.

Public responsibility for adult education has been financially shared by the university and the vocational schools, each serving a different function. In addition several other State departments have less extensive adult education programs. There should be close coordination by all of the groups to insure that the needs of the people are met economically and efficiently. Although the State colleges have no legal responsibility for adult education, the university and the colleges should cooperate in programs of adult education to the extent that they do not weaken the resident instruction programs of the State colleges.

Many desirable adult educational programs can and should be largely if not entirely self-supporting. A strong, vigorous, and timely program of adult education deserves public support, but the individuals served should be expected to defray a considerable part of the total cost.

The need for research: The value of research programs to the public welfare has been demonstrated dramatically during the past two decades. Since the immediate value of research is derived almost entirely from applied research, there is a growing tendency to place more of both Government and private research funds into applied projects in the natural sciences. Unless fundamental or basic research is sharply accelerated, there is danger that applied research will exhaust the storehouse of fundamental information. Equally important is the necessity of more adequate research and scholarly activities in the humanities and social studies. The rapid technological changes of the last few years in the instruments of both war and peace, have placed great strains on the economic, political, social, and cultural systems which have evolved over the centuries. An expansion of research and scholarly activities in the humanities and social studies is needed in order to determine the effects on the individual and society of the rapid technological changes, and to provide an adequate fulfillment background upon which can be developed better ways of living with ourselves and with others.

Fundamental research and scholarly activities have long been an important activity of colleges and universities both because the individual with a scholarly mind has been attracted to collegiate teaching, and because the successful collegiate teacher finds it necessary to keep mentally alert and active. The university has long been recognized as the research arm of the State, and organized research programs should continue to be concentrated in the university. However, research and scholarly activities in all fields of human endeavor should be encouraged in all the faculty members of both the university and the State colleges.

The expenditure of public funds for research and scholarly activities in all fields is in the public interest and should be expanded. However, every effort should be made to encourage the receipt of private gifts and grants for such usage.

What Faces the University of Wisconsin Tomorrow?

(By Wilbur N. Renk, president, University of Wisconsin Board of Regents)

The experience of yesterday, the research of today, and our hopes for tomorrow demand that we continually examine our university to keep it in the forefront of educational leadership.

As president of the board of regents, I have felt the need to communicate to you who are devoted to the university some of the decisions that face the people responsible for the course our institution will take.

What size should the University of Wisconsin at Madison be?

Today the Madison campus has an enrollment of 16,000. Can it go up to 30,000 students? There are champions of a big enrollment, with the sky the limit. Others believe the enrollment should be curtailed. In my opinion, we can run a distinguished university with an enrollment of 25,000 students. I'm afraid that if the enrollment gets larger than this, the quality will deteriorate.

How can we develop flexibility within the university?

We need more flexibility in programs, in ideas, in buildings. If we have this flexibility, then we can roll with the punches of both inflation and deflation.

How can we improve our academic standing?

Wisconsin now has a very fine rating, but we all want to improve. Some departments may be stronger than others. We must continually try to strengthen a weak department by acquiring outside professors to breathe new ideas into a department. We, as regents, are obliged to show the understanding and the courage to make changes when changes are necessary?

How can we maintain balance in the university?

A public university is established for three reasons: to teach, to conduct research, and to contribute public service. The correct balance should be maintained, remembering that our first purpose is the teaching of young people so that they can be assets to their community and their State.

How can we improve teaching methods?

We must continue to improve our teaching, either through new techniques or new means. An example is TV. The methods of teaching today are about the same as they were in my time. We teach automation for industry and agriculture, but we don't have it in education. Can automation be applied beneficially to education? Perhaps it can.

How can we get the most out of our blue ribbon professors?

It is important that our world-famous professors do some teaching of undergrads, especially freshmen and sophomores. They provide the inspiration for these youngsters to become researchers and teachers, and contact with these youngsters continually brings the professors a fresh point of view. There is a natural tendency for the good teachers to gravitate to the graduate school, but they should not lose contact completely with younger minds.

What about restrictions on out-of-State students?

Today there are 55,744 students attending colleges and universities (both private and public) in Wisconsin. There are 10,967 Wisconsin residents attending schools in other States while only 8,469 out-of-State students attend Wisconsin colleges and universities. As you can see, in this respect we are a debtor State. More college students are going out-of-State than are coming into Wisconsin. A great deal has been said about barring out-of-State students. These students pay $550 tuition contrasted with $200 by State students.

A person is educated in two ways—by studying books and by association with other minds. The wider the association, the broader the education. I hope that we will exhaust every other possibility before we bar out-of-State students.

Should fees go up? Or down?

Historically, the resident Wisconsin student has paid about 20 percent of his educational cost in fees. Some want it higher, some lower. I believe the present percentage is about right.

What about our building program?

The location and size of the buildings will have to be predicated on the answer to the first question: How big should the university be?

Should we provide more low-cost dormitories?

This means dormitories which will not amortize themselves, so they need a subsidy. Remember, dormitories bring the university to the boy of Durand or the girl of Lancaster. Modest rental dormitories bring within reach an education for many whose means are limited. All the rich are not born smart, nor all the poor born dumb.

How can we best serve an expanding Wisconsin industry?

The future of the State of Wisconsin is tied up with the expansion of industry. Therefore, our engineering college should get major attention to develop its research and public arms so that it has as close a working relationship with industry as the college of agriculture has with the farmer.

How should we keep agricultural research up-to-date?

Applied agricultural research has been largely directed toward increasing production. The value of our applied agricultural research today for agriculture and the country can best be made in the direction of research for consumption, new uses, new methods, and new ways of consuming our surpluses.

These are some of the policy questions the regents, with the university administration, will have to answer sooner or later. The decisions will affect higher education in all its facets. You can rest assured that the decisions will be made after due deliberation and with these two questions in mind—what is best for the student and what is best for the university and the State of Wisconsin?

Mr. AIKEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KEFAUVER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE LANGUAGE SPECIALIST: KEY LINK IN PROMOTING UNITED STATES POLICY

Mr. KEFAUVER. Mr. President, like many Members of the Congress, I have had the honor of representing the United States abroad as a delegate to international conferences. In Washington, I have frequently met with foreign officials visiting this nation as guests of our Government. On all these occasions, accurate, and meaningful communication between representatives of this and other countries has been of crucial importance.

I have never failed to be impressed with the work of a handful of highly skilled professionals, without whose valuable services such meetings and discussions would bog down in confusion.

I refer to the interpreters and translators who have the responsibility for communicating American policies, positions, and attitudes to other governments and peoples through the complex barriers of language. Theirs is a delicate assignment of sometimes awesome responsibility which demands a high degree of professional skill and complete dedication to the best interests of the United States and its citizens.

Truly, language specialists are playing an increasingly important role in the cultural, economic, and international affairs of the Nation. But in a land of highly-paid workers protected by liberal social benefits, they are largely unrecognized.

Except for a comparative few who work full-time for large international corporations or the Federal Government, language specialists lead a precarious existence, subject to seasonal employment, the whims of employers, and cut-rate competition from the unqualified.

One reason is that theirs is a comparatively new profession in the United States. Another is the fact that the very nature of their work isolates them from one another. A third, paradoxically, is the fact that there are so few thoroughly qualified language specialists. The law of supply and demand has not always operated to their benefit, because the unknowing employer sometimes attempts to meet his needs for scarce language talent by taking on individuals at low rates whose proficiency he is usually not competent to verify—to his later sorrow and the detriment of the language profession.

In the final analysis, however, the principal reason for lack of recognition has simply been the absence of an organization to fight for the welfare of all language specialists.

I am pleased to inform the Senate that many competent persons have now joined to obtain greater recognition for all language specialists, and to work for the improvement of a highly-skilled profession. Their organization is called The Interpreters' Guild, and they have been granted a charter by the AFL–CIO, with authority to represent language specialists in this country and Canada.

The Interpreters' Guild is unique in many ways. To qualify, members must possess, in addition to language skills, a broad educational and cultural background which will permit them to work intelligently and effectively with individuals representing a variety of nationalities and points of view. They deal, on a day-to-day basis, with complicated and exacting subjects ranging from cold-war diplomacy through medicine, international law, labor relations, industrial production, nuclear energy, and contemporary music, to archeology and semantics.

The guild's membership includes former journalists and diplomats, lawyers, teachers, political scientists, retired military officers, editors, and even an atomic scientist. Many of its members who are not native-born citizens have amply demonstrated their faith in America by becoming citizens the hard way, through the long process of naturalization.

Since many members of the new guild work on a contractual basis with the International Cooperation Administration, it is appropriate that the guild's first official act was to present the terms of a proposed new contract to ICA.

The guild's proposals embody demands voiced frequently by a majority of interpreters handling ICA assignments and are aimed at correcting conditions which have long been unsatisfactory to the interpreters. They cover rates of pay, a fair system of assignment, and general working arrangements.

The guild believes that its proposals are fair, and are justified by past experiences of individual interpreters. Guild spokesmen say they have every reason to believe that their proposals are being favorably considered by ICA.

The progress of these discussions will be followed with great interest in Congress, whose many Members share an alert concern for the operation of the tax-supported ICA program at maximum efficiency.

In view of the pending discussions with an agency of the United States Government, I call attention to a statement of policy by the Interpreters' Guild which sets forth the attitude of its membership toward Government employment. It strikes me as a singularly mature expression of responsibility and devotion to duty on the part of a group of people who are dedicated to the best interests of the United States.

The statement is entitled "The Language Specialist: Key Link in Promoting United States Policy," and is published in the first issue of the new organization's monthly newsletter, the Guild Interpreter. I ask unanimous consent that the statement be printed in the body of the RECORD, following these remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE LANGUAGE SPECIALISTS KEY LINK IN PROMOTING UNITED STATES POLICY

In the free world's struggle for survival against a resourceful and implacable Communist enemy, full communication—whether between foreign offices or people-to-people—has become a vital arm of United States' foreign and defense policy.

Yet the accurate and meaningful communication of American thought and intent from one idiom into another rests in the hands of an exceedingly small number of language specialists. The translator or interpretor who works with the United States Government, therefore, occupies a unique position of extreme sensitivity and highly demanding responsibility.

The guild firmly believes that the United States Government cannot afford to be served by language specialists who do not meet the highest possible professional, ethical and personal standards.

This belief is based on far more than professional pride. We feel—

That language specialists working with the United States Government have a duty to ensure that American policies, positions and attitudes are communicated to other governments and peoples with maximum accuracy and in the most favorable light.

That language specialists paid out of United States tax funds must be concerned lest any part of the vast sums being spent on programs associated with United States foreign and defense policy be wasted, or that the success of these programs be jeopardized, by faulty or inadequate communication.

Many guildsmen work regularly or on a contract basis with the Government. Other members, present and future, may be considered for similar work. The guild desires to place on record the standards which job candidates are expected to meet before the guild can recommend them for Government employment. (Particularly the Department

of State, the International Cooperation Administration and the United States Information Agency). Applicants must demonstrate that—

They have professional language competence which will meet requirements equal to those established by the Language Division, Department of State.

They possess educational, cultural and professional backgrounds which will qualify them to work constructively and intelligently with representatives of this and other countries while on assignment.

They have no political affiliations which are inimical to the best interests of the United States and/or the guild.

Their personal conduct and associations are not such as to reflect discredit upon the United States and/or the guild.

These guild standards, of course, parallel normal United States Government requirements. In addition, however, the guild believes that language specialists, particularly those assigned as interpreters to ICA teams of foreign participants visiting this country for the first time, should—

Have sufficient knowledge or the United States, its political, economic and cultural institutions, to explain and interpret them adequately to foreign visitors.

Be so familiar with the attitudes, aims and aspirations of the American people that they can communicate them accurately to foreign visitors.

The interpreter is usually the sole means of communication between ICA team participants and the Government and private agencies they deal with daily as official guests of this country. Although it is not always recognized officially, it is no secret that the success or failure of an ICA team depends to a very large degree upon the capabilities and resourcefulness of the interpreter.

Language competence and personal integrity obviously are not sufficient to qualify an individual as an ICA team interpreter. ICA team participants are not well served by an interpreter whose familiarity with this country, its people and institutions, is no more knowledgeable than their own, and who may, instinctively, share many of their own erroneous preconceptions and prejudices. Clearly, the best interests of the United States are not well served if that vital link between this country and its foreign visitors—the interpreter—is inadequate or uninformed.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CHURCH in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNEMPLOYMENT COMPENSATION

Mr. ALLOTT. Mr. President, the unrealistic unemployment compensation bill reported in the House will delay, perhaps indefinitely, assistance to the half-million workers whose unemployment insurance has expired.

The President sent his emergency bill to the Congress on March 25. On March 31, the Labor Department reported that 481,712 workers had used up their benefits. Undoubtedly more benefits have expired since that time.

After a month's delay, however, House Democrats now have rammed through a political plan which would disrupt the unemployment-insurance program and would involve a basic philosophical change in this established program.

Most of us could agree speedily on a temporary extension of an existing program to meet a temporary situation. As the President said on April 13, in again urging action, this is not a matter of cold statistics. It involves human beings who need assistance of their Government and need it right now.

Many Members of the Congress, however, will have serious questions about any hastily prepared general bill which would push an established program into entirely new fields.

This should not be a matter of politics. It is a matter of Americans who need help today. Let us avoid time-consuming controversy and enact as speedily as possible the President's plan to use the existing program to provide emergency aid.

Once this is provided, the Congress then can consider whether it wants to make drastic revisions in the established program. But, I fear that unless level-headedness prevails, the $1.5 billion Democrat bill might just prove to be political pie in the sky which will never reach those who need help.

The President's program, carefully worked out with State governors, involves no new "gimmicks." It could be enacted without delay.

The leadership has said on many occasions that the recession would be handled on a bipartisan basis so that human misfortune is not made a pawn of political jockeying.

The matter of expired unemployment insurance gives the leadership a good chance to demonstrate bipartisanship and to prove that the frequently heard phrase "sense of urgency" is not just a political slogan.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORSE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX CUTS AND WORKS, TOO

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Tax Cuts and Works, Too," published in the April 17, 1958, issue of the Oregon Democrat, in which the editor, Mr. John R. Churchill, one of the outstanding Democrats in the State of Oregon, says, in part:

Large increases in public works are also needed, but it takes time to spend additional appropriations efficiently. Reduction and elimination of many excise taxes, including the 3-percent Federal freight tax which discriminates against Oregon and the West, should also be a part of the tax-reduction program.

A program of immediate tax reduction strictly limited in its duration to the unemployment emergency combined with a considerable increase in public works is not irresponsible. We join with Arthur Burns, former chief economic adviser to President Eisenhower; Leon Keyserling, former economic adviser to President Truman; the conservative National Planning Association; and the Committee for Economic Development in advocating immediate tax cuts and public works, too.

I ask unanimous consent that the entire editorial be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TAX CUTS AND WORKS, TOO

Don't be fooled by recent rosy interpretations of changes in unemployment figures. The facts are that while March employment showed a slight improvement over February, the increase was in no way comparable with last year.

During 10 of the last 11 years unemployment decreased an average of 170,000 between February and March. In 1958 unemployment went up 25,000. Of great importance and concern to many families is the fact that the number unemployed for over 15 weeks increased by 26 percent in the February-March period to hit a new postwar high.

This means only one thing—that the normal spring increase in job opportunities has had only a slight impact on the steadily deteriorating recession.

Action is needed. We favor an immediate cut of income taxes which will increase the buying power of American consumers. This is the only action that can have immediate effect. In previous periods of economic distress the administration and Congress have acted too little and too late. Action now can prevent further declines in income and employment and stop a depression. When things get really bad it is necessary to spend large sums and drastically cut taxes to effectuate a recovery.

Large increases in public works are also needed, but it takes time to spend additional appropriations efficiently. Reduction and elimination of many excise taxes including the 3 percent Federal freight tax which discriminates against Oregon and the West should also be a part of the tax reduction program.

A program of immediate tax reduction strictly limited in its duration to the unemployment emergency combined with a considerable increase in public works is not irresponsible. We join with Arthur Burns, former chief economic adviser to President Eisenhower; Leon Keyserling, former economic adviser to President Truman; the conservative National Planning Association, and the Committee for Economic Development in advocating immediate tax cuts and public works, too.

Mr. MORSE. Mr. President, I place the editorial in the RECORD, because it shows that there are those in my State who share the point of view which I have been urging on the floor of the Senate for some weeks past, namely, a tax cut along the lines of the Douglas amendment; a tax cut which would give a tax benefit to all taxpayers; a tax cut which would eliminate many of the excise taxes, and substantially reduce the others; and a tax cut along the lines of the Yarborough-Proxmire-Morse proposal, which would raise the personal income tax exemption from $600 to $800.

I am delighted to note in the RECORD that since our action on the Yarborough-Proxmire-Morse amendment, on which we were defeated some days ago, before the Easter vacation, the Senator from Montana [Mr. MANSFIELD] has introduced a bill which, if I correctly under-

stand it, has the same tax reduction objective.

As the Oregon Democrat, a Democratic newspaper in our State, has pointed out, I have also stood for a public works program. As I have said so many times in my State and here, I happen to be one Senator who is not afraid of deficit spending. On the contrary, when there are millions of people unemployed in our country, I am for deficit spending, and I am for several billion dollars worth of it, because I happen to believe that it is the solemn obligation of government to do whatever is necessary to put those people back to work, in keeping with the spirit and purpose of the Full Employment Act of 1946, of which I was a cosponsor, and which is the law of the land—but under this administration, a dead-letter law. It is a law, however, which ought to be implemented.

I am for high taxes in times of prosperity, in such amounts as will not only balance the budget, but also make a substantial payment on the national debt. In times of economic crisis, such as this, I am for deficit spending.

The kind of deficit spending which I favor, so far as the tax cut is concerned, would provide the purchasing power so sorely needed to empty the inventories, stimulate new orders, and, through the new orders, put people back to work.

It has been asked by some who have been charging those of us who have been standing for a tax cut with fiscal irresponsibility, "What good would a tax cut do for the unemployed? They are not paying taxes now anyway."

What it would do for the unemployed would be to provide purchasing power for those who could buy the inventories which now are crowding the shelves of America. This is a production recession. It is not the kind of recession which we had in 1949 and 1954, which could be described as an inventory recession. In the case of the inventory recessions, when we get rid of the inventories in the retail and wholesale establishments, those businesses are revived.

This recession is linked to heavy industry, whose capacity is down. What is needed, of course, is new orders, which will increase the capacity. If my recollection is correct, I believe that, as of the first part of this week, the steel industry was operating at 48.7 percent of capacity. Our only remedy for that kind of recession is to develop some purchasing power, so that orders will come in for steel.

That is why I am for a tax cut, and for a public works program at the same time, because a public works program would lead to great purchases of steel in a very short time, whether in connection with roads, or in connection with great multipurpose dams, or any other forms of public works programs.

I have spoken several times on this subject, and probably shall speak many more times, until something is done by the Government and Congress which will give us an effective antirecession program.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks some very excellent testimony given by Howard Morgan, Public Utility Commissioner of the State of Oregon, before the Surface Transportation Subcommittee of the Senate Committee on Interstate and Foreign Commerce in March 1958. This is one of the finest statements on the subject I have ever read. I wish to commend our Public Utility Commissioner for the contribution he made in his testimony. I believe it is material which ought to be in the CONGRESSIONAL RECORD as a reservoir of information for Senators in carrying out their public duty.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HOWARD MORGAN, PUBLIC UTILITY COMMISSIONER OF THE STATE OF OREGON, BEFORE THE SURFACE TRANSPORTATION COMMITTEE OF THE UNITED STATES SENATE, MARCH 1958

My name is Howard Morgan. My address is 200 Public Service Building, Salem, Oreg. I am the Public Utility Commissioner of the State of Oregon. My education and experience in the field of transport regulation extends over a period of approximately 20 years. I hold a degree in and am the author of a thesis concerning that specific field of transport regulation. I have served as a staff member of the Board of Investigation and Research under the Transportation Act of 1940 which, on behalf of the Congress, studied many of the matters now before this committee, and during the early months of World War II, I was privileged to serve on the staff of the late Joseph B. Eastman, who was Chairman of the Interstate Commerce Commission and Chief of the Office of Defense Transportation. I have also been a member of the Oregon Legislature and have served in the capacity of transport consultant to the Oregon State Grange.

Let us be clear at the outset that although my statement will contain some criticism of the proposals made before you in recent weeks by spokesmen for the railroad industry, my comments will not be motivated by unfriendliness to the rail carriers or any lack of appreciation of the crucial role they play in our national economy. The importance of the railroad industry to the peacetime economy as well as to the defense of our Nation cannot be exaggerated, and the continued healthful and prosperous operation of these carriers is a matter of no less concern to me than to the members of this committee.

The occasion for this hearing has, of course, been furnished by the coordinated series of statements issued by the leaders of the railroad industry of the Nation under the general heading of "The Deteriorating Railroad Situation." I have carefully examined the statement on this topic made by Mr. Daniel P. Loomis, president of the Association of American Railroads, as well as the statements filed with this committee by the presidents of the various railroads which operate in the Pacific Northwest region. In addition to the several solutions to the problem offered by those gentlemen, I have read the proposals made available to the Congress by various editors, including the editor of Life magazine, who, under the modest title, "How To Save the Railroads," has provided this committee with a formula which I am sure is as welcome to the railroad industry as it is frightening to most of the other industries in the country.

It will be my purpose to criticize some of the proposals and testimony which you have already heard, not from the point of view of any particular industry, but from the point of view of the broad public interest. I am aware that some of my remarks have already been made by others, and I shall therefore try to be very brief.

As every scholar in the field of transportation economics and regulation will recognize, and as at least one witness has already stated before this committee, the lurid description of the Deteriorating Railroad Situation which you have heard has a very familiar sound. Predictions of disaster have come easily to the lips of railroad presidents at all times during the past 100 years except during major wars when the railroads have been physically unable to accommodate any additional traffic. It is even a fact that predictions of disaster have been uttered by railroad spokesmen in the midst of every economic boom experienced by this country during the past 100 years. And let it be noted that until the comparatively recent past this statement was and is true of a very long period in which the railroads had no sizable competitor for the task of carrying the Nation's commerce.

This is not to say that we are justified in ignoring the statements made before this committee many of which are factual, merely because the railroad industry has cried wolf so often. It is true that there is distress in certain individual rail situations, that there is widespread distress among railroads generally in certain geographic areas, and it is also true that certain of the proposals made by the railroad executives before this committee for the remedy of that distress are proposals with which a fair-minded student of transport regulation can and should agree in the public interest.

But I should like to sound a note of caution and warning to this committee that certain other proposals made by the railroads are drastic, reckless, and dangerous to the general welfare. It is toward these proposals that I wish to direct the main body of my testimony, reserving a more brief comment for those items with which I am able to agree and concerning which you have already heard considerable corroborative testimony.

The history of transport regulation in this country extends back over almost exactly 100 years to the establishment of the first State regulatory commission, and at the Federal or Congressional level the period of development is about 75 years. The regulatory experience which has been gained during those years has been achieved at great cost and has absorbed the efforts of some of the finest and most devoted men this country has produced. This experience has played a valuable role in developing our present stable, well-balanced, and efficient transport system. It may be granted that the present circumstances are somewhat different from those in which our past experience has been gained, and yet it is still true that much of this experience is valid and valuable in our present circumstances. I am firmly of the belief that the proposals which you have heard from the railroad executives constitute an invitation to the Congress of the United States to throw the baby out with the bath water.

Specifically, the most dangerous of the railroad proposals hinges upon the suggested revision—or more properly the outright repeal—of the national transportation policy. The present national transportation policy, originally sponsored and supported for many years by the railroad industry, provides that the Federal Government shall foster, protect, and maintain the inherent advantages of each form of transportation. The adoption of this policy by Congress is the result of the evolution, during many years of experience, of a philosophy which mingles the constructive benefits of controlled competition with the constructive benefits of moderate regulation. Congress recognized many years ago that the alternative to controlled and healthful competition must of necessity be regulation so rigid and complete that for all practical purposes it would not be distinguishable from Government ownership and operation of our transport system. Congress

has been proceeding, therefore, on a basis with which I, as a student and practitioner of transport regulation most heartily agree; namely, that an ounce of healthy and constructive competition is worth at least a hundred pounds of regulation.

It is this formula, which mingles the best aspects of competition and regulation, that the railroads are now asking Congress to abandon. It is my opinion that if Congress does abandon the formula expressed in the present national transportation policy it will have taken a giant stride toward eventual Government ownership and operation of our transport system.

The railroads argue to the contrary, holding that because the original regulatory acts were enacted during a time when there was a very real threat of railroad monopoly in the field of transport, and because there are now other forms of transportation in widespread use, that it is now proper and safe to repeal the laws which have fostered and protected the various forms of transportation in their steady competitive development.

A moment's consideration should convince any thoughtful person that this is precisely like suggesting that because the hometown fire department has confined all fires to minor damage for many years, and because the town has never completely burned down during all that time, it is now safe to abandon the local fire department. The railroad presidents argue that in some manner not specified by them, human nature has either been drastically amended or repealed outright since the 1870's and 1880's and that, if the railroads are now accorded the freedom to use their economic power (which our forefathers wisely surrounded with safeguards), they would not now do the things which they once did. It may have occurred to some of the members of the committee, as it most certainly has occurred to me, to ask why the railroads seek the liberty of action which they are asking you to provide them if they do not intend to make full use of it for their own narrow purposes.

The fact that they do intend to use that liberty for their own limited purposes is clearly apparent in the statements of their executives and in the advertisements which they have published before the American people during the course of these hearings. The statement of Mr. Loomis, president of the AAR, is typical both of the various railroad statements made before this committee and resembles the advertisements which are currently appearing.

Mr. Loomis begins by painting an exceedingly gloomy picture of the financial situation of all of the railroads. And may I add at this point that it is hard for me to recognize the picture Mr. Loomis paints because in my section of the United States we have some extremely strong, efficient, and prosperous railroads. Mr. Loomis goes on to describe the perilous position of all railroads with a statement in which he discussed the railroads' declining share of the Nation's tonnage in such a way as to create the impression that the tonnage carried by the railroads is decreasing. This, of course, is simply not true. Then he dwells on the need of the railroads to make what he calls competitive rates to retrieve traffic which has been diverted to other forms of transportation. Now, if Mr. Loomis wants the members of the committee to believe that the railroads can make, or intend to make, more net profit by hauling tonnage at lower rates on a permanent basis, he is asking them to believe something that as businessmen and practical men of affairs they will find it difficult to believe. Is he also asking them to believe that the action of the railroads of the United States in increasing their rates approximately 125 percent during the last 10 years has been the wrong approach to their revenue problems?

What Mr. Loomis is proposing is that the Congress should repeal the obligation of the Interstate Commerce Commission to protect other forms of transportation from cutthroat competition so that orderly competition may be maintained. More explicitly he is proposing that Congress repeal the laws authorizing the Interstate Commerce Commission to control minimum as well as maximum rates.

Now the control of minimum rates is a subject not too clearly understood by the layman. But men whose obligation it is to protect the public learned long ago that there is hardly a more important aspect of transport regulation than the control of minimum rates. The power to control minimum as well as maximum rates was among the first additional powers requested of the Congress by the Interstate Commerce Commission immediately after its establishment in 1887. The Commissioners discovered as soon as they began the task of building a stable and adequate transportation system that drastic rate reductions for the explicit purpose of destroying competition is one of the most potent weapons leading toward the establishment of outright monopoly.

A number of years went by before Congress recognized the wisdom of providing the Commission with such power. It is well to bear in mind that it was the railroad industry itself which begged the Congress to place this power in the hands of the Interstate Commerce Commission in order to restrain reckless and damaging cutthroat rate wars among the railroads themselves. This is a lesson in the history of transport regulation which the railroads in their current zeal to suppress modern competition from other forms of transportation, seem to have forgotten.

The railroads, of course, in all their statements including that of Mr. Loomis, claim that the purpose of their proposals is not to destroy competition and that they could not do so even if they wanted to establish a monopoly through their proposals.

And yet in all of the advertisements and in all of the statements, indeed in Mr. Loomis' own statement, the proposal to allow unrestricted cutthroat competitive rates is immediately followed by the proposal that Congress, should allow the railroads to diversify their operation in the field of transportation. There are other phrases which are in current use. One of the advertisements suggests that the railroads should become general practitioners in the field of transportation. Lest the purpose of these suggestions be lost upon the public, the railroads spell out their intentions in specific language. They wish the unrestricted privilege of using their economic power (which in spite of their statements is enormous) first to weaken their competitors in the fields of motor freight, buses, inland and coastal waterways and airlines by means of drastic rate slashing and, having done so, to move into ownership of those competing forms of transportation by purchase (either voluntary or otherwise) or by merger.

Up to this point the railroad executives have provided us with millions of words both written and spoken, and some of those words are candid in the extreme. But beyond this point the railroadmen do not go. We are left to speculate upon what will happen after the railroads have become the predominant and prevailing economic force in the field of transportation. Practical men will have questions to ask at this point and the reticence of the hitherto talkative railroadmen does not serve as an adequate excuse for failure to insist upon answers.

What will happen to the rate structure when the railroad industry has succeeded in moving into the position for which it is asking? Are we to believe that these men will be content, once their competition has been eliminated or made subject to their control, to keep the rates at the low level which produced those results? If that seems like asking too much of our credibility then are we to assume that the Interstate Commerce Commission is prepared to take on the monumental task of policing thousands upon thousands of maximum rates which were formerly controlled almost entirely by the force of competition? What assurances are there that in the type of transportation system envisioned by the railroad executives the railroads will not operate their highway, waterway, and airway subsidiaries in such a way as to throttle and stifle those subsidiaries? What could be more tempting in such a situation than the deliberate diversion of freight from those forms of transportation for the purpose of forcing it back to the railroads regardless of relative efficiency or the absence thereof?

What other interpretation, indeed, can be placed upon Mr. Loomis' comment that diversification "would make it possible to do away with much unnecessary duplication of facilities?"

It has been stated by numerous spokesmen for the railroad industry that the only alternative to their proposals is Federal ownership and operation of the railroads. I am well aware that Federal ownership and operation has never enjoyed popular support in the United States. It may therefore be considered as a measure of the concern with which I view the railroad proposals in this situation when I say that I believe this committee should examine very carefully the proposition that Federal ownership and control of the railroads is actually preferable to a situation in which the risks outlined above would be omnipresent on a permanent basis. This does not mean that I am advocating Federal ownership and control of the railroads. It does mean, however, that there are some proposals which I would view with deeper distrust than Federal ownership and control of the railroads. It is my judgment that the railroad spokesmen who have appeared before this committee have made such proposals to you.

There are several other aspects of the proposals made before this committee by the railroads which are deserving of comment and criticism, most particularly the general allegations made by the railroad spokesmen concerning subsidies in certain competing forms of transportation and the alleged need for more user charges. It is assumed that the spokesmen for those industries have testified concerning those matters. I have deliberately confined my criticism to what I consider to be both the core of the railroad proposals and the most dangerous portion of those proposals so far as the public interest is concerned. Having made these criticisms I now wish to state that I agree with the rail spokesmen that there is a fairly serious situation in at least some portions of the railroad industry and that some actions by the Congress are necessary to remedy that situation.

First, I should like to concur most heartily in everything Mr. Loomis and the other railroad spokesmen have said concerning the necessity for repeal of the excise taxes on all surface transportation fares and charges. There can be no question that these wartime emergency excise taxes are now operating as a serious drag upon the free exchange of goods within our entire economy and, as Mr. Loomis and other spokesmen for regulated carriers have pointed out, they also serve as a serious disadvantage to the regulated commercial carriers of all types in the competition which has now become serious between those commercial carriers and the unregulated private carriers which are not subject to the excise taxes. Every element of this complex situation constitutes a most urgent and cogent argument for the prompt repeal of the excise taxes affecting all forms of surface transportation.

Likewise, it is not only possible, but desirable, for this committee to agree almost entirely with the statements made by Mr. Loomis with respect to the need for redefining private carriage in such a way as to eliminate the various subterfuges which have allowed an enormous growth in the competition by various unregulated carriers with the regulated common carrier industry upon which the public must depend. Most of this unregulated carriage is in the field of motor freight and the general outline of the evils existing in that field has been known for a considerable number of years. But with the tremendous increase in freight rates since the end of World War II these evils have undergone an almost explosive growth. During the past few years the use of the so-called buy and sell subterfuge and the operations of so-called truck leasing brokerages have reached a sufficient size that they now constitute a serious threat to the stability and solvency of the entire common carrier field. I am persuaded that if these abuses are allowed to grow during the next 5 years at the same rate they have grown in the last 5 years we shall see a seriously endangered transport system in both the railroad and motor freight branches.

Another aspect of this same problem exists in the agricultural exemption from regulatory control. I cannot agree entirely with Mr. Loomis' position on this matter for I am still of the opinion that an exemption is necessary for the prime producers in agriculture and possibly for cooperatives operated by producers. But with that one exception I am in agreement with the remainder of Mr. Loomis' position on this subject. I believe that with this same exception Mr. Loomis is in complete agreement with the position taken by Mr. Rutland, president of the American Trucking Association, in testimony before this committee.

Another proposal in which there seems to be some small disagreement between the position taken by Mr. Loomis and that of Mr. Rutland is in the matter of the suggested repeal of the "free or reduced rates to Government" clause in section 22 of the Interstate Commerce Act. I can conceive of no valid reason why the United States Government or any State government should be extended the benefit of freight rates which do not cover the full cost of rendering the service, particularly during periods in which the largest and most important carriers are undergoing a measure of distress in meeting their expenses. It seems to me that the Congress can provide substantial relief to the rail carriers by terminating this custom which has, in my opinion, outlived its historical necessity and propriety.

The remainder of the railroads' proposals, which I shall not treat in detail, seem to me to be acceptable or at least not seriously objectionable. One item, however, which was not included in the railroad suggestions, possibly because it was not felt to be properly a matter for action by this committee or by the Congress, is the matter of the labor practices within the rail industry best described as "make work" rules or "featherbedding." The existence of such practices, perennially the subject of loud complaints from railroad management on almost all occasions, casts some doubt upon such statements as this one from Mr. Loomis' testimony:

"Certainly the basic difficulties do not lie within the area where the railroads are, under present law, free to exercise self-help."

And again:

"Thus the present difficulties of the railroads may not to any appreciable extent be laid at the doorstep of management nor are they the result of anything inherently wrong with the rail method of transportation."

It is encouraging to observe that such complacency is no longer entirely fashionable and that the railroad industry is beginning to compare its standards of labor productivity and labor costs with those existing in some of the newer modes of transport. There are now some evidences of a serious program of railroad self-examination and self-criticism for the purpose of insuring that its own services are rendered upon a basis of equal efficiency. This new approach is reflected, for example, in recent editorial policies of a number of the railroad industry publications. It is earnestly to be hoped that such complacent statements as those quoted above from Mr. Loomis' testimony will be replaced in the near future by a more realistic program of self-appraisal by the railroads.

I should like to conclude this statement by warning the committee once again that whereas there are available remedies which are not only acceptable but desirable which the Congress can adopt to assist the railroad industry, there are also proposals before you disguised as remedies which in my opinion are gravely dangerous to the public welfare. In the long run they are equally dangerous to the continuance of private enterprise in the railroad field.

It has long been recognized by experts in the field of transport economics that there are distinct differences in the internal cost structures of the different methods of transportation. It is impossible to go into these matters in a brief statement. Suffice it to say that to adopt the railroads' proposal that all restraint be thrown off and all carriers be placed upon a common footing of unlimited competition would mean that certain carriers, because of these internal cost differences, would become vulnerable to destruction by the larger carriers having greater reserves of cash and noncompetitive traffic. Thus the stable, adequate, and well-balanced competitive transportation system which we now have could be destroyed in a relatively short time by unlimited competition. Inevitably our present system would be replaced by a system wholly dominated by the most powerful carriers, namely, the railroads.

It is my firm opinion that if such a situation is permitted by the Congress it will produce at once a climate of public opinion which in a very short time will result in the Federal ownership and operation of the railroad system.

It may be considered a paradox that the proposals of hard-headed railroad men would or could lead to the appropriation of their property by the public. But there is no field of economic activity closer or more vital to the everyday lives of the people, as well as to the economic health and military defense of this Nation, than that of transportation. I am firmly convinced that the people of this Nation will not, and indeed should not, surrender control of anything so important to them as the entire transportation system of this country to a relatively small group of men at the top of any single industry. That would be the effect of the main railroad proposals which have been laid before you and I repeat again that if those proposals are placed in effect it will lead, and in a surprisingly short time, to public ownership.

Mr. MORSE. I now wish to turn to another subject.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

HOW MANY FOREIGN POLICY MISTAKES CAN WE AFFORD?

Mr. MORSE. Mr. President, I wish to say a few words this afternoon about American foreign policy, as we proceed, in the Foreign Relations Committee of the Senate, to consider the legislative course of action which we shall recommend to the Senate by way of a foreign aid bill in the weeks immediately ahead.

We must never cease our reexamination and reevaluation of American foreign policy, both in general and in detail.

Since foreign policy in its general nature is so important to all of us, I would like to make a comment on one of the issues of the moment that will continue to grow in importance and that is the question of a summit conference. There is no doubt in my mind that there will be one. The date and the exact agenda remain to be determined, but there will be one.

The United States has put itself in a bad light with world opinion by flatly rejecting the idea at the start, until the bargain was struck at the Paris NATO conference that whether the continental nations would permit missile bases on their soil would depend upon whether we meet the Soviet Union at the summit.

Even after the tacit agreement to that effect was reached at Paris, the President and the Secretary of State have found objection after objection to throw in the way of such a meeting. More recently, we have taken a position which indicates more conclusively and convincingly that our interest lies in holding a worthwhile conference and that our objection is not to the conference itself.

The American attitude on a summit conference is clearly the result of the administration's own overselling of the Geneva conference. It oversold Geneva to itself, and to the American people. Had it not done so, our position in terms of the Soviet Union and before the world now might not be so inflexible.

I think we all will easily recall the fanfare of the Geneva conference, and especially the results and achievements that were claimed for it.

When the President and the Secretary of State returned from Geneva, the television lights blazed, and the Eisenhower smile beamed into all our living rooms and the Madison Avenue experts made a great majority of Americans feel that President Eisenhower had simply charmed away all our international problems.

At his first news conference after his return, Mr. Dulles began his prepared text with the flat statement:

The Geneva summit conference produced good results.

He went on to summarize what he regarded as its chief accomplishments and said that the most important was a transformation in the relations between the Soviet Union and the United States in which, he said, "they became less brittle." According to Mr. Dulles in July 1955, this meant that our differences could more easily be resolved with less fear that war would result.

It was not very popular in the following weeks and months to question just what Geneva had accomplished, and whether it could be called a success just because of all the genial smiles on both sides.

On a radio broadcast in the fall of 1955 in my home State of Oregon, I had as my guest the Senator from Montana [Mr. MANSFIELD]. In that November of 1955, just 4 months after Geneva, we talked about the conference. I mentioned that I personally felt its results were mixed, and that it may even have

added new problems to the East-West difficulties.

We discussed the fact that the Foreign Ministers' meetings which were supposed to follow up the Big Four meeting were getting nowhere which Russian policy in the Middle East was rapidly gaining influence for communism. I said then that Soviet Russia was trying to impress the world with a new look, while the concessions they claimed to have made were either meaningless or even dangerous.

I remember the Senator from Montana replying that the smiles of the Soviet leaders had paid off and it was they who were reaping the dividends.

That this was exactly the result of the Geneva Conference was admitted just a few weeks ago by Secretary Dulles himself.

After rigidly resisting another meeting at the summit in the face of a growing world demand, Mr. Dulles on March 6 answered a Soviet note by pointing out that Geneva had accomplished little. I quote:

> We do believe that if there is to be a meeting of heads of government, it should deal, more effectively than did the last such meeting, with essential issues, without excluding subsequently dealing with the others.

Although he had bragged up the accomplishments of Geneva in July 1955, Mr. Dulles went on to say in his note of March 6 that another meeting like it would not be warranted.

I suspect that we were the ones who were really charmed at Geneva. We, the American people, were charmed by Khrushchev and Bulganin on one side and by Eisenhower on the other, because we had fallen into the fallacy of thinking that all problems will fall before a pleasant disposition, whether or not their causes and roots are actually treated.

Mr. Dulles, once burned, has been exceedingly reluctant for the President to meet again with Khrushchev at all.

Had the American leadership been practical and realistic in 1955 about what really happened at Geneva, instead of being realistic about it in 1958, we might not now be in the position of heel-dragging on the summit meeting that world opinion craves.

As a matter of fact, after years of thundering abuse of the late Franklin Delano Roosevelt for the Yalta Conference, Mr. Dulles finds himself in somewhat the same position. Everyone here will remember how widely castigated President Roosevelt was for the Yalta agreements when the Russians subsequently did not live up to them.

Yet with that hard lesson of Yalta so recently learned, Eisenhower and Dulles came back from Geneva with a list of agreements they said had only to be carried into reality by the foreign ministers' meetings to follow.

Our Secretary of State accused the Soviet Union of failing to carry out the agreement he claims was reached at Geneva on reunification of Germany though the records of Geneva show that no firm agreement of any kind on reunification was in fact reached.

Mr. Dulles' preoccupation with this aspect of Geneva is rather amazing in view of the lesson that he should have learned from Yalta. The Geneva statement on the German question read:

> The heads of government, recognizing their common responsibility for the settlement of the German question and the reunification of Germany, have agreed that the settlement of the German question and the reunification of Germany by means of free elections shall be carried out in conformity with the national interests of the German people and the interest of European security.

That is the so-called agreement on Germany.

Now Mr. Dulles is shocked that this loose agreement should not have been implemented.

Yet Secretary Dulles was adviser to Democratic Secretaries of State in 1945, in 1947, and 1949. He was consultant to the Secretary of State in 1950. I am surprised that in that time he did not familiarize himself with what was so well known and so oft repeated in those days by his fellow Republicans, including the present Vice President of the United States.

That is the agreement reached at Yalta that the Government of Poland should be chosen by free election by the Polish people, and the complete abrogation of that agreement by the Soviet Union.

Just recently, two letters from President Roosevelt to Stalin subsequent to Yalta have been released in the Soviet Union. Not in the United States, of course. Here they are still secret, still classified. But thanks to the Soviet Union, the American people have finally learned that just a few days before his death, Franklin Roosevelt vigorously protested to Stalin the failure of Russia to go ahead with the Polish election.

I quote his letter to Stalin written on April 1, 1945, just 11 days before his death, and published in part on February 12, 1958, by the New York Times:

> I cannot conceal from you the concern with which I view the developments of events of mutual interest since our fruitful meeting at Yalta. The decisions we reached there were good ones * * * so far there has been a discouraging lack of progress made in carrying (out) * * * political decisions * * * particularly those relating to the Polish question. * * *
>
> You are aware of course that the commission which we set up has made no progress * * * your Government appears to take the position that the new Polish provisional government of national unity * * * should be little more than a continuation of the present Warsaw government. * * *
>
> I must make it quite plain to you that any such solution which would result in a thinly disguised continuance of the present Warsaw regime would be unacceptable and would cause the people of the United States to regard the Yalta agreement as having failed.

What further action President Roosevelt might have taken regarding the failure of Russia to follow through on the Polish elections can only be a matter for speculation.

The national experience at that time was one reason why a few of us, and particularly those of us who were in Congress in 1945, wondered about Geneva. I, for one, wondered whether the glowing words of the President and the Secretary of State in 1955 about Geneva had any more chance of fulfillment than had President Roosevelt's agreement on the future of Poland.

Some of us learn by experience. Some of us are even able to learn by other people's experience. Apparently Mr. Dulles is not. Apparently he has to learn by his own personal experience, because he flew off to Geneva to learn the same thing that President Roosevelt had found out for us at Yalta. Now Mr. Dulles is reluctant to engage in any summit meeting at all.

But at Geneva the language was similar to the language with regard to Poland; in fact, even less specific language than that with regard to Poland in the Yalta agreement was included in the platitudinous collection of words in the Geneva Conference. One would think that on the basis of the Yalta experience, Mr. Dulles ought to have known that unless he tied the issue down more specifically than is contained in the vague, general wording of the so-called agreement on Germany, we could expect results somewhat similar to those which occurred in the case of Poland.

I do not want to overdraw the parallel of Yalta and Geneva, because there are many differences, but I do think that Geneva need not have been touted as it was, in the light of our experience of only 10 years before. Second, both conferences should teach our administrations and the American people to judge such conferences for their solid, definite achievements and the machinery for carrying them out, rather than for their statements of objectives.

I have made these statements on foreign policy as really introductory statements to a series of foreign policy speeches which I shall make in the weeks immediately ahead as, in the Committee on Foreign Relations, we come to grips with some of the foreign policy programs which will have to be recommended to Congress for solution in the foreign aid bill which will come before the Senate. But what I am urging at the present time in the Committee on Foreign Relations is that we recognize the need for following new roads of approach to the ultimate goal of peace, instead of the roads which we have followed in the past, because the old roads, as I have alluded to them in my speech today, have not brought us closer to peace.

It happens to be one of my convictions that we stand closer to war today than we have stood at any time in the last several years. I am afraid that the kind of program which may be presented to Congress, if we adopt the motif of the Eisenhower administration as thus far recommended, will be a program which overemphasizes military aid and deemphasizes economic aid. It will be a program that might very well be characterized and described as one which proposes to export bullets rather than bread to the underdeveloped areas of the world.

That is why I think that now is the time for us to start reorienting ourselves in regard to the foreign policy problems of the Nation, to see if we cannot, this time, adopt a foreign-aid program which

will stress and emphasize the development of the economic productive powers of the peoples of the world who have to be won over to the cause of freedom, and not make the mistake I think we have made too often in the past, namely, of overemphasizing military aid, thinking that we can win the peace through armaments. My fear is that the road of armaments is the road toward war.

The road of developing the economic productive power of the people in the underdeveloped areas of the world is the road which will lead us to peace. On that road we can demonstrate to the people of the world the superiority of our system of economic freedom over the economic, police-state methods of Soviet Russia.

AREA REDEVELOPMENT

Mr. DOUGLAS. Mr. President, on behalf of the Senator from Maine [Mr. PAYNE] and a bipartisan group consisting, at the moment, of at least 28 Senators, namely, Senators SPARKMAN, BEALL, MONRONEY, CASE of New Jersey, CLARK, IVES, PROXMIRE, POTTER, MURRAY, CHAVEZ, ALLOTT, GREEN, COOPER, ANDERSON, JAVITS, KEFAUVER, HOBLITZELL, HENNINGS, JACKSON, KENNEDY, MANSFIELD, SYMINGTON, MCNAMARA, NEUBERGER, CARROLL, CHURCH, MORSE, and myself, I introduce for appropriate reference a bill which I may perhaps characterize at this point as the Douglas-Payne area redevelopment bill.

The bill is designed to establish an effective program to alleviate conditions of persistent and excessive unemployment and underemployment in certain economically depressed areas of our country. Five separate bills have been introduced on this subject and have been the object of Senate Production and Stabilization Subcommittee study and extensive hearings during the 85th Congress. The bill I am presently introducing was developed through the joint efforts, in the main, of Senator PAYNE and myself and represents a modified bill encompassing the best portions of all the bills introduced at this point. I want to extend my deep respect and wholehearted appreciation to Senator PAYNE for his tireless and excellent help in the preparation of this badly needed legislation. The bill is not to be considered as a major cure for the present economic recession, but rather as a well-considered program to provide seed money to these areas on a self-help basis by long-term loans for the economic revitalization of these pockets of long-term economic ills.

Mr. President, even at the so-called height of prosperity of last year, many communities and labor market areas of the country had suffered high and persistent unemployment for a long period of time. They included the textile communities of Maine, New Hampshire, sections of Vermont, Massachusetts, Rhode Island, and Connecticut; and towns in upstate New York and in Pennsylvania; they included coal-mining communities both in the anthracite regions of Pennsylvania and the bituminous regions of Pennsylvania, West Virginia, Ohio, Illinois, Kentucky, Colorado, and other States. They included areas of the country where natural resources have been exhausted, such as the cutover lands of Michigan, Wisconsin, Minnesota, and other regions, where the timber had been cut off and the communities left; where metals had been drawn out of the ground such as is true of certain communities in Colorado and other States, as well. It included many of the Indian tribal areas in such States as the Dakotas, Montana, New Mexico, Arizona, and Oklahoma.

In general, throughout the country, there were many areas where, despite the general prosperity, production had ebbed away and people were left unemployed. The decline in industry in those areas naturally led many people, and properly so, to go to other industries in other localities.

In many cases that involves the breaking up of homes and the traveling of long distances. Even when the workers remain at their homes, some travel 60 or 70 miles to find work in other towns. It involves the breaking of ties, and it also involves leaving behind ghost town communities almost decimated of population by the loss of the virile working people and their families.

Sometimes people do not realize the social capital that is involved in a community which is rendered idle by the movement of labor, and which has to be duplicated in other localities, when people move there. If a home in a coal-mining community, or a textile-manufacturing town, or some other mining community, is left vacant because the worker and his family move to an industrial center, a new capital investment must be made there, in order to make it possible for the workers and their families to be housed. In addition, community facilities must be duplicated, while the community facilities in the community which has been left remain idle and unused. I refer to facilities such as streets, sewers, water systems, electric light and telephone systems, school buildings, churches, lodges, and so forth. All these are part of the social capital of a community which is left idle by the migration of population.

Let me make clear the purpose of the framers of the bill: We do not propose that migration be stopped. We do not wish to freeze the population in the exact geographical locations now occupied. We recognize that changes and migration are necessary, and that life demands change as new industries come into the market, and so forth. But we say that great and unnecessary losses are connected with this process, when men move out of communities, in order to go to new industries. We should make some effort to bring industries into the decaying and depressed communities, so that work may be provided, so that a minimum of damage may be done to family life, and so that the assets of the communities and of the families may be properly utilized. That is the fundamental purpose of the bill I am now introducing.

The bill provides for the granting of $100 million in long-term loans for the establishment of industries in urban and semiurban depressed areas, and for similar loans of $100 million to private industries in the farming regions of the country where incomes are markedly low and where there is a great deal of unemployment and underemployment. In other words, the purpose of the bill is to enable the Government, through the making of loans to private industry, under the private-enterprise system, to rejuvenate many of these communities and to enable men to earn a living and to support their families without the necessity of breaking family ties.

Mr. CARROLL. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. Mr. President, I am very happy to yield to the Senator from Colorado, who has this matter on his heart and mind, and who has made invaluable contributions on this subject.

Mr. CARROLL. About 1 year ago an earlier version of this important bill was under consideration in a subcommittee of the Committee on Banking and Currency. The distinguished Senator from Illinois [Mr. DOUGLAS] was chairman of the subcommittee. I testified there in regard to the bill. Long before the current recession, or depression, I thought the bill was one of the most important pieces of economic legislation to come before this body.

Nothing more aptly and accurately meets the conditions which exist today in southern and northwestern Colorado. In this area we have economic conditions that have caused families to split up; citizens must travel 50 or 60 miles from their homes to their jobs in other cities; coal-mining communities, at one time highly prosperous, now are lucky to have 50 employed miners.

What is needed to restore economic health to these economically depressed areas in Colorado? If a small, new corporation were able to commence operations in such a community, on the basis of a modest investment, it could in all likelihood restore the economic health of that community.

Especially do I wish to commend the distinguished Senator from Illinois for his vision and foresight in connection with this most important measure. Nothing has been done for a year in this very important field. So I should like to ask him what the prospect is for consideration by the Senate of this extremely important bill.

Mr. DOUGLAS. I think the prospect is good. The bill was reported by the Banking and Currency Committee. It is true it was not reported by an overwhelming majority of the committee, but it was reported by an adequate majority. Although the majority leader will have to state when he wishes to have the measure considered by the Senate, I feel quite confident that the prospect for Senate consideration is good.

Mr. CARROLL. If the Senator will yield further, not only considering Colorado, but as a result of reading some of the testimony concerning other areas of the country, I believe the proposal will do much good for economically depressed communities including rural areas. Eventually, it could be a great revenue-producing measure for depressed areas.

Since I gave my testimony on this bill a year ago, I sent a member of my staff

to New York to see the head of the International Ladies' Garment Workers' Union, Mr. Dubinsky, to determine if contracts could not be developed for garment production in a small town in southern Colorado which has been having severe employment problems. Sewing machines from WPA days of 25 years ago were available in the community. The women were expert seamstresses. I thought perhaps, with a little capital investment, the capabilities of those people could be utilized, because they have a reputation for fine handiwork in garments. A payroll would be established in that town by the use of a little ingenuity and a little cash. If such a venture could have been established it would revive the entire community.

I read today of the President's proposal for establishment of a Federal fund of $700 million for loans to railroads. However highly desirable such a fund might be for the railroads, capital is needed more urgently for small businesses.

I again commend the Senator from Illinois for his tremendous work on this proposed legislation.

Mr. DOUGLAS. I thank the Senator from Colorado. I may say the testimony he gave before the committee was some of the best evidence we had about the need for this measure. He testified about conditions in southern Colorado and in other portions of Colorado, and his testimony clearly indicated the need for additional industry in those localities, and he had some other commonsense suggestions as to how it would be a paying proposition. We owe a great debt to him for his aid.

Mr. CARROLL. Will the Senator yield further?

Mr. DOUGLAS. Yes.

Mr. CARROLL. As the economy of this country becomes more and more based on military spending, comprising perhaps $42 billion of our budget, the need for this type legislation takes on a new significance. Even though the information is supposed to be classified, I have read in the New York Times that there is some thought being given to establishment of a guided-missile base in Colorado. More and more, the concentration of military establishments seems to be in and about major cities. Small communities which are located hundreds of miles from major cities will not prosper under such a program. The big military establishments which could economically benefit rural depressed areas are located elsewhere. So there is great need for this type of legislation to help those small communities.

Mr. DOUGLAS. I thank the Senator from Colorado. As I was saying, this bill, though designed to aid industrial mining, and the development of natural resources of these areas of the country, is also designed to help those farming areas which have low income and a great deal of underemployment. So it is broadly based, geographically, and will aid counties in the South where farm income is low, and will aid counties in the Southwest where farm income is low, and will aid certain agricultural counties in other sections of the country where farm income is low, as well as the coal, textile, and natural resource areas of the North and the West.

Mr. CARROLL. Mr. President, will the Senator yield further?

Mr. DOUGLAS. I yield.

Mr. CARROLL. The Senator's statement is quite true. Between the Canadian border and the Gulf of Mexico are 10 States which comprise a great drought area. Hundreds of counties are involved. I think the Senator has clearly described what happens to small communities from a social standpoint and from a capital investment standpoint, and what happens to newspapers, banks, and small businesses in those economically depressed communities. Healthy small communities could reinforce and protect the surrounding agricultural areas.

Mr. DOUGLAS. There is one other feature of the bill which I think I should touch on, and that is the provision that the Federal Government will lend to localities and communities $100 million for the provision of public facilities to aid them in attracting industry. That will be in the field, most notably, of helping them provide industrial water through provision of dams and reservoirs, and industrial parks, where a number of industries can move into an area and share in the use of access roads, sewer, water, and lighting systems, and, in some cases, general factory buildings, which can be divided into sections for a series of small factories.

For similar purposes, there is provided an outright grant of $75 million to aid localities which are flat on their backs, so to speak, and do not have the resources even to borrow from the Government at a moderate rate of interest.

Mr. CARROLL. Mr. President, will the Senator yield further?

Mr. DOUGLAS. I yield.

Mr. CARROLL. What part of the program would be grants and what part loans?

Mr. DOUGLAS. The loan program would involve $300 million. The grant program would involve $75 million. The grant program would be confined to the provision of public facilities, which would aid in the attraction of industry—what Alfred Marshall would call industrial economics—industrial waters, parks, roads, and so forth.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from Oregon.

Mr. MORSE. I do not know whether the Senator's assistants have had an opportunity to advise him as yet, but once again I would consider it an honor to be associated in a peace and general welfare program that is typical of the statesmanship of the Senator from Illinois.

Mr. DOUGLAS. When I heard the good news, I wrote on the cover of the bill, "Senator MORSE, of Oregon." So I am glad to have him join in the sponsorship of the bill.

Mr. President, I ask unanimous consent that a statement by the Senator from Maine [Mr. PAYNE] be printed at this point in my remarks. I wish to add that no one could have been more cooperative and concerned with this matter than the Senator from Maine. In fact, both Senators from Maine have taken a great deal of interest in the bill, and have worked diligently on the matter. I am very happy that the bill comes before the Senate as a bipartisan bill.

I ask that the bill lie on the desk for 2 days for the purpose of adding additional sponsors.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). The Senator from Illinois has made two unanimous-consent requests. The first is that the address of the Senator from Maine [Mr. PAYNE] be made a part of his remarks at this point. Is that correct?

Mr. DOUGLAS. It might be well to have that done at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR FREDERICK G. PAYNE ON INTRODUCING THE AREA REDEVELOPMENT ACT WITH SENATOR DOUGLAS

Today I am joining with my good friend, Senator PAUL H. DOUGLAS, of Illinois, in introducing the Area Redevelopment Act of 1958 to aid economically distressed areas. This legislation has already received the approval of the Senate Banking and Currency Committee after more than 15 months of study and review. Practically all provisions of this bill were drafted under the close supervision of Senator DOUGLAS and myself. In doing so, we have endeavored to create the soundest possible program for Federal assistance to those areas of persistently high unemployment.

This legislation is designed to meet the deep-rooted economic problems of such areas by augmenting the efforts of the States and local communities. While these efforts have often been outstanding when measured in terms of the resources available, in many cases they have been inadequate to cope with the problems involved. Under this bill Federal assistance will be provided to localities in order that they may proceed with development of new sources of employment.

Specifically this assistance would be in the form of loans, grants and technical advice to those industrial as well as rural areas which have suffered continuing economic adversities. Two loan funds of $100 million each are created for rural and industrial development loans respectively. These loans would go principally to local redevelopment agencies for improvement of old industrial buildings and construction of new. An additional $100 million in loans as well as $75 million in grants is available for construction of public facilities necessary for industrial development. Technical assistance to local redevelopment groups in the form of evaluating the needs and growth potential of the areas is also included in the bill. Redevelopment areas would receive special priorities for urban renewal projects and vocational training assistance. The program embodied in this bill would bring all the resources of the Federal Government to bear upon the national problem of chronic unemployment in scattered areas across the Nation.

Similar legislation was approved 2 years ago by the Senate, but failed in the House of Representatives. That legislation had my support and since that time I have persisted both in the Senate Banking and Currency Committee and elsewhere in my efforts to secure adoption of an area development program.

Areas such as Saco-Biddeford-Sanford in Maine, which has had more than 6 percent unemployment since March 1954, are greatly in need of this program. It is my hope that

the Senate will undertake speedy consideration of this bill so that it may be enacted into law during the present Congress. The welfare of the citizens in each of the distressed areas across the Nation is dependent upon approval of this legislation.

The PRESIDING OFFICER. What is the second request?

Mr. DOUGLAS. That the bill lie on the clerk's desk for 2 days so that those who wish to serve as sponsors may add their names to the list of Senators already on the bill.

The PRESIDING OFFICER. For what period of time?

Mr. DOUGLAS. Two days.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOUGLAS. Mr. President, the Senator from Massachusetts [Mr. KENNEDY] has just consulted with me. I may point out that he has taken a very active interest in this bill.

Mr. KENNEDY. It is a continuing interest.

Mr. DOUGLAS. I am glad to see he is a sponsor of the bill.

Mr. President, I ask unanimous consent that there may be printed at this point in the RECORD a comparative table of the provisions of this final bill and the proposed bills which preceded it, so that one may see the details and the evaluation of the bill, in a sense.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparison of area redevelopment bills

Provision	Douglas bill (S. 964)	Administration bill (S. 1433)	Payne bill (S. 3447)	Douglas-Payne bill
1. Title	Area Redevelopment Act	Area Assistance Act of 1957	Area Economic Redevelopment Act.	Area Economic Redevelopment Act.
2. Organization	Independent Area Redevelopment Administration, with confirmed Administrator.	Commerce Department, with Administrator equivalent to Assistant Secretary.	Same as S. 1433	A constituent agency within HHFA, with confirmed Commissioner.
3. Advisory board	1. Cabinet-level advisory committee. 2. 12-man National Public Advisory Committee from all walks of life.	1. Cabinet-level advisory board.	1. Cabinet-level advisory board. 2. 25-man National Public Advisory Committee from all walks of life.	1. Cabinet-level advisory board. 2. 25-man National Public Advisory Committee from all walks of life.
4. Division of redevelopment areas.	1. Industrial areas with substantial and persistent unemployment over an extended period. Specific levels: (a) 12 percent for 1 year preceding. (b) 8 percent for 15 of 18 months preceding. (c) 6 percent for 8 months of each of 2 years preceding.	Limited to areas where unemployment level (a) is 8 percent seasonally adjusted and has been 8 percent for major portion of 2 preceding years.	1. Industrial areas with substantial and persistent unemployment over an extended period. Specific levels: (a) 15 percent for 6 months preceding. (b) 12 percent of 1 year preceding. (c) 9 percent for 15 of 18 months preceding. (d) 6 percent for 18 of 24 months preceding.	1. Industrial areas with substantial and persistent unemployment over an extended period. Specific levels: (a) 12 percent for 1 year preceding. (b) 9 percent for 15 of 18 months preceding. (c) 6 percent for 18 of 24 months preceding. (d) 15 percent for 6 months preceding (at Commissioner's discretion).
	2. Rural areas with largest number and percentage of low-income farm families and substantial and persistent unemployment or underemployment.		2. Rural areas with largest number and percentage of low-income farm families and substantial and persistent unemployment or underemployment, not to exceed 300 counties.	2. Rural areas with largest number and percentage of low-income farm families and substantial and persistent unemployment, not to exceed 300 counties.
5. Local groups	Local and regional committees appointed by Administrator.	Public or private agency approved by State or its instrumentality.	Public or private agency approved by State or its instrumentality.	Public or private agency approved by State or its instrumentality except where there is no provision for such approval. Then Commissioner may appoint a local committee.
6. Loans for private projects:				
(a) Revolving fund or funds total.	$100,000,000 for industrial areas $100,000,000 for rural areas	$50,000,000 for industrial areas	$150,000,000 for industrial and rural areas.	$100,000,000 for industrial areas. $100,000,000 for rural areas.
(b) Maximum Federal participation.	75 percent (prior claim)	35 percent (prior claim)	50 percent (prior claim)	65 percent (subordinate to other loans).
(c) Minimum State or local participation.	10 percent; maximum 25 percent (subordinate to Federal claim).	15 percent (subordinate to Federal claim).	10 percent (subordinate to Federal claim).	10 percent.
(d) Minimum private participation.	5 percent	None	5 percent	5 percent.
(e) Maximum period of loans.	40 years	25 years	35 years	40 years.
(f) Industrial or commercial projects.	Including machinery and equipment.	Not including machinery or equipment.	Not including machinery or equipment.	Including machinery and equipment.
(g) Interest rate	Rate paid Treasury plus ¼ of 1 percent.	Not specified	Rate paid Treasury plus ¼ of 1 percent.	Rate paid Treasury plus ¼ of 1 percent.
(h) Application approved by	Local committee	State, and found by State to be consistent with area economic development program approved by Secretary.	State, and found by State to be consistent with area economic development program approved by Secretary.	State or local development agency (or local committee in absence of State or local development agency), and found by State to be consistent with area economic development program approved by Commissioner.
7. Loans for public facilities:				
(a) Revolving fund	$75,000,000	None	$100,000,000	$100,000,000.
(b) Maximum Federal participation.	75 percent (prior claim)	do	50 percent (prior claim)	65 percent subordinate to other loans.
(c) Minimum State or local participation.	10 percent; maximum 25 percent (subordinate to Federal claim).	do	10 percent (subordinate to Federal claim).	10 percent.
(d) Maximum period of loan.	40 years	do	35 years	40 years.
(e) Interest rate	Rate paid Treasury plus ½ of 1 percent.	do	Rate paid Treasury plus ½ of 1 percent.	Rate paid Treasury plus ¼ of 1 percent.
8. Funds for loans:				
(a) Amount	$275,000,000	Authorization for $50,000,000	$250,000,000	$300,000,000.
(b) Source	Borrowed from Treasury	Appropriation	Borrowed from Treasury	Borrowed from Treasury.
(c) Interest rate paid Treasury.	Current average rate on outstanding marketable United States obligations at end of preceding month.	Annual payments based on current average market yields of outstanding marketable United States obligations of comparable maturities.	Current average rate on outstanding marketable United States obligations at end of preceding month.	Not greater than current average yields on outstanding marketable United States obligations of comparable maturities at end of preceding month.
9. Grants for public facilities	Authorization of appropriation of $50,000,000.	None	Authorization for appropriation of $50,000,000 a year.	Authorization for appropriation of $75,000,000 a year.
10. Information	Information furnished to redevelopment areas.	Information furnished to all areas.	Information furnished to redevelopment areas.	Information furnished to redevelopment areas.
11. Technical assistance	Technical assistance to redevelopment areas; $4,500,000 appropriation authorization.	Grants for technical assistance for redevelopment areas; authorization for $1,500,000 a year appropriation.	Technical assistance authorized for redevelopment areas; authorization for appropriation of $3,500,000 a year.	Technical assistance authorized for redevelopment areas; authorization for appropriation of $4,500,000 a year.
12. Authority granted	Usual corporate powers	Usual corporate powers	Usual corporate powers	Usual corporate powers.
13. Termination of eligibility	Provision for termination of designation as redevelopment area.	No specific provision	Provision for termination of designation as redevelopment area.	Provision for termination of designation as redevelopment area.

Comparison of area redevelopment bills—Continued

Provision	Douglas bill (S. 964)	Administration bill (S. 1433)	Payne bill (S. 3447)	Douglas-Payne bill
14. Federal procurement	Federal procurement channeled to redevelopment areas through negotiations, set-asides and matching bids.	No provision	Federal procurement chaneled to redevelopment areas through negotiations, set-asides and matching bids.	No provision.
15. Urban renewal	1. On request by Administrator, HHFA may give financial assistance to projects in municipalities without regard to predominantly residential requirement. 2. Not more than 10 percent of sec. 102 loan funds and sec. 103 grant funds available for this purpose.	1. On request by Secretary, HHFA may give financial assistance to projects in municipalities without regard to predominantly residential requirement. 2. No provision	1. On request by Secretary, HHFA may give financial assistance to projects in municipalities without regard to predominantly residential requirement. 2. Not more than 10 percent of sec. 102 loan funds and sec. 103 grant funds available for this purpose.	1. On request by Commissioner, HHFA may give financial assistance to projects in municipalities without regard to predominantly residential requirement. 2. Grants must be within 10 percent limit provided by par. 110 (c) for projects under par. 110.
16. Community facilities loans	No provision	First priority in processing applications to projects in redevelopment areas.	No provision	No provision.
17. Planning grants	Planning grants authorized for smaller municipalities redevelopment areas.	Same as S. 964	Same as S. 964	Same as S. 964.
18. Vocational training	Labor and HEW ascertain need for vocational training and provide financial assistance to State agency in supplying such facilities and services.	Labor and HEW may provide advice and technical and financial assistance to supply vocational training facilities.	do	Do.
19. Retraining subsistence payments.	Labor makes payments to States for 13 weeks retraining subsistence payments to unemployed not getting unemployment compensation and getting training for new job.	None	do	Do.
20. Other provisions:				
(a) Penalties for fraud, etc.	Yes	Yes	Yes	Yes.
(b) Restrictions on expediters and employment of agency ex-employees.	do	do	do	Do.
(c) Annual report	do	do	do	Do.
(d) Appropriations	do	do	do	Do.
(e) Use of other facilities	do	do	do	Do.
(f) Davis-Bacon Act	No	No	No	Do.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3683), to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas, introduced by Mr. DOUGLAS (for himself and other Senators), was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act be cited as the "Area Redevelopment Act."

DECLARATION OF PURPOSE

SEC. 2. The Congress declares that the maintenance of the national economy at a high level is vital to the best interests of the United States, but that some of our communities are suffering substantial and persistent unemployment and underemployment; that such unemployment and underemployment cause hardship to many individuals and their families and detract from the national welfare by wasting vital human resources; that to overcome this problem the Federal Government, in cooperation with the States, should help areas of substantial and persistent unemployment and underemployment to take effective steps in planning and financing their economic redevelopment; that Federal assistance to communities, industries, enterprises, and individuals in areas needing redevelopment should enable such areas to achieve lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies; and that under the provisions of this act new employment opportunities should be created by developing and expanding new and existing facilities and resources without substantially reducing employment in other areas of the United States.

AREA REDEVELOPMENT ADMINISTRATION

SEC. 3. To assist areas in the United States designated hereinafter as redevelopment areas, there is hereby created, as a constituent agency of the Housing and Home Finance Agency, an agency to be known as the "Area Redevelopment Administration" (hereinafter referred to as the "Administration"). The Administration shall be headed by an Area Redevelopment Commissioner (hereinafter referred to as the "Commissioner") who shall be appointed by the President, by and with the consent of the Senate, and who shall receive compensation at a rate equal to that received by the heads of other constituent agencies of the Housing and Home Finance Agency.

ADVISORY BOARD

SEC. 4. (a) To advise the Commissioner in the performance of functions authorized by this act, there is authorized to be created an Area Redevelopment Advisory Board (hereinafter referred to as the "Board"), which shall consist of the following members, all ex officio: The Commissioner as Chairman; the Secretaries of Agriculture, Commerce, Defense, Health, Education, and Welfare, Interior, Labor, and Treasury; the Administrators of the General Services Administration, Housing and Home Finance Agency, and Small Business Administration; and the Director of the Office of Defense Mobilization.

The Chairman may from time to time invite the participation of officials of other agencies of the executive branch interested in the functions herein authorized. Each member of the Board may designate an officer of his agency to act for him as a member of the Board with respect to any matter there considered.

(b) The Commissioner shall appoint a National Public Advisory Committee on Area Redevelopment which shall consist of 25 members and which shall be composed of representatives of labor, management, agriculture, and the public in general. From the members appointed to such Committee the Commissioner shall designate a chairman. Such Committee, or any duly established subcommittee thereof, shall from time to time make recommendations to the Commissioner relative to the carrying out of his duties under this act. Such Committee shall hold not less than two meetings during each calendar year.

(c) The Commissioner is authorized from time to time to call together and confer with representatives of the various parties in interest from any industry in which employment has dropped substantially over an extended period of years and which in consequence has been a primary source of high levels of unemployment in several areas designated by the Commissioner as redevelopment areas. The Commissioner may also call upon representatives of interested governmental departments and agencies, together with representatives of transportation and other industries, to participate in any conference convened under authority of this subsection whenever he determines that such participation would contribute to a solution of the problems creating such unemployment. The representatives at any such conference shall consider with and may recommend to the Commissioner plans and programs to further the objectives of this act with special reference to the industry with respect to which the conference was convened.

REDEVELOPMENT AREAS

SEC. 5. (a) The Commissioner shall designate as "industrial redevelopment areas" those industrial areas within the United States in which he determines that there has existed substantial and persistent unemployment for an extended period of time. There shall be included among the areas so designated any industrial area in which there has existed unemployment of not less than (1) 12 percent of the labor force during the 12-month period immediately preceding the date on which an application for assistance is made under this act, (2) 9 percent of the labor force during at least 15 months of the 18-month period immediately preceding such date, or (3) 6 percent of the labor force during at least 18 months of the 24-month period immediately preceding such date. Any industrial area in which there has existed unemployment of not less than 15 percent of the labor force during

the 6-month period immediately preceding the date on which application for assistance is made under this act may be designated as an industrial redevelopment area if the Commissioner determines that the principal causes of such unemployment are not temporary in nature.

(b) The Commissioner shall also designate as "rural redevelopment areas" those rural areas within the United States (not exceeding at any time 300 counties in the United States) in which he determines that there exist the largest number and percentage of low-income families, and a condition of substantial and persistent unemployment or underemployment. In making the designations under this subsection, the Commissioner shall consider, among other relevant factors, the number of low-income farm families in the various rural areas of the United States, the proportion that such low-income families are to the total farm families of each of such areas, the relationship of the income levels of the families in each such area to the general levels of income in the United States, the current and prospective employment opportunities in each such area, and the availability of manpower in each such area for supplemental employment.

(c) In making the determinations provided for in this section, the Commissioner shall be guided, but not conclusively governed, by pertinent studies made, and information and data collected or compiled, by (1) departments, agencies, and instrumentalities of the Federal Government, (2) State and local governments, (3) universities and land-grant colleges, and (4) private organizations.

(d) Upon the request of the Commissioner, the Secretary of Labor, the Secretary of Agriculture, and the Director of the Bureau of the Census are respectively authorized to conduct such special studies, obtain such information, and compile and furnish to the Commissioner such data as the Secretary may deem necessary or proper to enable him to make the determinations provided for in this section. The Commissioner shall reimburse, out of any funds appropriated to carry out the purposes of this act, the foregoing officers for any expenditures incurred by them under this section.

(e) As used in this act, the term "redevelopment area" refers to any area within the United States which has been designated by the Commissioner as an industrial redevelopment area or a rural redevelopment area, and may include one or more counties, or one or more municipalities, or a part of a county, or municipality.

LOANS AND PARTICIPATIONS

SEC. 6. (a) The Commissioner is authorized to purchase evidences of indebtedness and to make loans (including immediate participation therein) to aid in financing any project within a redevelopment area for the purchase or development of land and facilities (including machinery and equipment) for industrial usage, for the construction of new factory buildings, for rehabilitation of abandoned or unoccupied factory buildings, or for the alteration, conversion, or enlargement of any existing buildings for industrial use. Such financial assistance shall not be extended for working capital, or to assist establishments relocating from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

(b) Financial assistance under this section shall be on such terms and conditions as the Commissioner determines, subject, however, to the following restrictions, and limitations:

(1) The total amount of loans and loan participations (including purchased evidences of indebtedness) outstanding at any one time under this section (A) with respect to projects in industrial redevelopment areas shall not exceed $100 million, and (B) with respect to projects in rural redevelopment areas shall not exceed $100 million;

(2) Except as provided in subsection (c), such assistance shall be extended only to applicants, both private, and public (including Indian tribes), which have been approved for such assistance by an agency or instrumentality of the State or political subdivision thereof in which the project to be financed is located, and which agency or instrumentality is directly concerned with problems of economic development in such State or subdivision;

(3) No such assistance shall be extended hereunder unless the financial assistance applied for is not otherwise available from private lenders or other Federal agencies on reasonable terms;

(4) No loan shall be made unless it is determined that an immediate participation is not available;

(5) No evidences of indebtedness shall be purchased and no loans shall be made unless it is determined that there is a reasonable assurance of repayment;

(6) Subject to section 12 (5) of this act, no loan, including renewals or extension thereof, may be made hereunder for a period exceeding 40 years and no evidences of indebtedness maturing more than 40 years from date of purchase may be purchased hereunder: *Provided*, That the foregoing restrictions on maturities shall not apply to securities or obligations received by the Commissioner as a claimant in bankruptcy or equitable reorganization or as a creditor in other proceedings attendant upon insolvency of the obligor, or if extension or renewal for additional periods, not to exceed, however, a total of 10 years, will aid in the orderly liquidation of such loan or of such evidence of indebtedness;

(7) Such loans shall bear interest at a rate equal to the rate of interest paid by the Commissioner on funds obtained from the Secretary of the Treasury as provided in section 9 of this act, plus one-quarter of 1 percent per annum;

(8) Such assistance shall not exceed 65 percent of the aggregate cost to the applicant (excluding all other Federal aid in connection with the undertaking) of acquiring or developing land and facilities (including machinery and equipment), and of constructing, altering, converting, rehabilitating, or enlarging the building or buildings of the particular project and shall, among others, be on the following conditions:

(A) That other funds are available in an amount which, together with the assistance provided hereunder, shall be sufficient to pay such aggregate cost;

(B) That not less than 10 percent of such aggregate cost be supplied by the State or any agency, instrumentality, or political subdivision thereof, or by a community or area organization, as equity capital or as a loan.

(C) That in extending financial assistance under this section with respect to an industrial redevelopment area, the Commissioner shall require that not less than 5 percent of the aggregate cost of the project for which such loan is made shall be supplied by nongovernmental sources.

(D) That any Federal financial assistance extended under this section in connection with a particular project shall be repayable only after other loans made in connection with such project and in accordance with this section have been repaid in full. If any Federal financial assistance extended under this section is secured, its security shall be subordinate and inferior to the lien or liens securing other loans made in connection with the same project.

(9) No such assistance shall be extended unless there shall be submitted to and approved by the Commissioner an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof, that the project for which financial assistance is sought is consistent with such program: *Provided*, That nothing in this act shall authorize financial assistance for any project prohibited by laws of the State or local political subdivision in which the project would be located.

(c) If there is no agency or instrumentality in any State, or political subdivision thereof, qualified to approve applicants for assistance under this section as provided in paragraph (2) of subsection (b), the Commissioner shall, upon determining that any area in such State is a redevelopment area, appoint a local redevelopment committee (hereinafter referred to as a "local committee") to be composed of not less than seven residents of such area who, as nearly as possible, are representative of labor, commercial, industrial, and agricultural groups, and of the residents generally of such area. In appointing any such local committee, the Commissioner may include therein members of any existing local redevelopment committees. Financial assistance under this section in connection with projects located in a redevelopment area, for which a local committee has been appointed under this section, shall be extended only to applicants, both private and public (including Indian tribes), which have been approved by such local committee.

(d) Of the funds authorized to be raised under section 9 of this act, not more than $100 million shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section with respect to projects in industrial redevelopment areas, and not more than $100 million shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section with respect to projects in rural redevelopment areas.

LOANS FOR PUBLIC FACILITIES

SEC. 7. (a) Upon the application of any State, or political subdivision thereof, Indian tribe, or private or public organization or association representing any redevelopment area or part thereof, the Commissioner is authorized to make loans to assist in financing the purchase or development of land for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within any redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will provide more than a temporary alleviation of unemployment or underemployment in the redevelopment area wherein such project is, or will be, located, and will tend to improve the opportunities in such area for the successful establishment or expansion of industrial or commercial plants or facilities;

(2) the funds requested for such project are not otherwise available on reasonable terms;

(3) the amount of the loan plus the amount of other available funds for such projects are adequate to insure the completion thereof; and

(4) there is a reasonable expectation of repayment.

(b) No loan under this section shall be for an amount in excess of 65 percent of the aggregate cost of the project for which such loan is made. Subject to section 12 (5), the maturity date of any such loan shall be not later than 40 years after the date such loan is made. Any such loan shall bear interest at a rate equal to the rate of interest paid by the Commissioner on funds obtained from the Secretary of the Treasury as provided in section 9 of this act, plus one-quarter of 1 percent per annum.

(c) In making any loan under this section, the Commissioner shall require that not less than 10 percent of the aggregate cost of the project for which such loan is made shall be

supplied by the State (including any political subdivision thereof) within which such project is to be located as equity capital, or as a loan. In determining the amount of participation required under this subsection with respect to any particular project, the Commissioner shall give consideration to the financial condition of the State or local government, and to the per capita income of the residents of the redevelopment area, within which such project is to be located.

(d) Any loan made under this section in connection with a particular project shall be repayable only after other loans made in connection with such project and in accordance with this section have been repaid in full. If any loan made under this section is secured, its security shall be subordinate and inferior to the lien or liens securing other loans made in connection with the same project.

(e) Of the funds authorized to be raised under section 9 of this act, not more than $100 million shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section.

GRANTS FOR PUBLIC FACILITIES

SEC. 8. (a) The Commissioner may conduct studies of needs in the various redevelopment areas throughout the United States for, and the probable cost of, land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of useful public facilities within such areas, and may receive proposals from any State, or political subdivision thereof, Indian tribe, or private or public organization or association representing any redevelopment area, or part thereof, relating to land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within any such area. Any such proposal shall contain plans showing the project proposed to be undertaken, the cost thereof, and the contributions proposed to be made to such cost by the entity making the proposal. The Commissioner, in consultation with such entity, is authorized to modify all or any part of such proposal.

(b) The Commissioner, pursuant to a proposal received by him under this section, may make grants to any State, or political subdivision thereof, Indian tribe, or private or public organization or association representing any redevelopment area, or part thereof, for land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within a redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will provide more than a temporary alleviation of unemployment or underemployment in the redevelopment area wherein such project is, or will be, located, and will tend to improve the opportunities in such area for the successful establishment or expansion of industrial or commercial plants or facilities;

(2) the entity requesting the grant proposes to contribute to the cost of the project for which such grant is requested in proportion to its ability so to contribute; and

(3) the project for which a grant is requested will fulfill a pressing need of the area, or part thereof, in which it is, or will be, located, and there is little probability that such project can be undertaken without the assistance of a grant under this section. The amount of any grant under this section for any such project shall not exceed the difference between the funds which can be practicably obtained from other sources (including a loan under sec. 7 of this act) for such project, and the amount which is necessary to insure the completion thereof.

(c) The Commissioner shall by regulations provide for the supervision of carrying out of projects with respect to which grants are made under this section so as to insure that Federal funds are not wasted or dissipated.

(d) There is hereby authorized to be appropriated not to exceed $75 million annually for the purpose of making grants under this section.

FUNDS FOR LOANS

SEC. 9. To obtain funds for loans under this act, the Commissioner may, with the approval of the President, issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed $300 million. Such notes or other obligations shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury, and shall bear interest at a rate determined by the Secretary of the Treasury, but such rate shall not be greater than the current average yields on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued under this section and for such purposes is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated in every respect as public debt transactions of the United States.

INFORMATION

SEC. 10. The Commissioner shall aid redevelopment areas by furnishing to interested individuals, communities, industries, and enterprises within such areas any assistance, technical information, market research, or other forms of assistance, information, or advice which are obtainable from the various departments, agencies, and instrumentalities of the Federal Government and which would be useful in alleviating conditions of excessive unemployment or underemployment within such areas. The Commissioner shall furnish the procurement divisions of the various departments, agencies, and other instrumentalities of the Federal Government with a list containing the names and addresses of business firms which are located in redevelopment areas and which are desirous of obtaining Government contracts for the furnishing of supplies or services, and designating the supplies and services such firms are engaged in providing.

TECHNICAL ASSISTANCE

SEC. 11. In carrying out his duties under this act, the Commissioner is authorized to provide technical assistance to areas which he has designated as redevelopment areas under this act. Such assistance shall include studies evaluating the needs of, and developing potentialities for, economic growth of such areas. Such assistance may be provided by the Commissioner through members of his staff or through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purpose. Appropriations are hereby authorized for the purposes of this section in an amount not to exceed $4,500,000 annually.

POWERS OF COMMISSIONER

SEC. 12. In performing his duties under this act, the Commissioner is authorized to—

(1) adopt, alter, and use a seal, which shall be judicially noticed; and subject to the civil service and classification laws, select, employ, appoint, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary to carry out the provisions of this act, and define their authority and duties, provide bonds for them in such amounts as the Commissioner shall determine, and pay the costs of qualification of certain of them as notaries public;

(2) hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

(3) request directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this act; and each department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Commissioner;

(4) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of loans made under this act, and collect or compromise all obligations assigned to or held by him in connection with the payment of such loans until such time as such obligations may be referred to the Attorney General for suit or collection;

(5) further extend the maturity of or renew any loan made under this act, beyond the periods stated in such loan or in this act, for additional periods not to exceed 10 years, if such extension or renewal will aid in the orderly liquidation of such loan;

(6) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to, or otherwise acquired by, him in connection with the payment of loans made under this act;

(7) pursue to final collection, by way of compromise or other administrative action, prior to reference to the Attorney General, all claims against third parties assigned to him in connection with loans made under this act. This shall include authority to obtain deficiency judgments or otherwise in the case of mortgages assigned to the Commissioner. Section 3709 of the Revised Statutes, as amended (41 U. S. C. 5), shall not apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Commissioner as a result of loans made under this act if the premium therefor or the amount thereof does not exceed $1,000. The power to convey and to execute, in the name of the Commissioner, deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein acquired by the Commissioner pursuant to the provisions of this act may be exercised by the Commissioner or by any officer or agent appointed by him for that purpose without the execution of any express delegation of power or power of attorney;

(8) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized in sections 6 and 7 of this act;

(9) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions, including the procurement of the services of attorneys by contract, determined by him to be necessary or desirable in making, servicing, com-

promising, modifying, liquidating, or otherwise administratively dealing with or realizing on loans made under this act;

(10) to such an extent as he finds necessary to carry out the provisions of this act, procure the temporary (not in excess of 6 months) service of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U. S. C. 5); any individual so employed may be compensated at a rate not in excess of $75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed $15 per diem in lieu of subsistence and other expenses; and

(11) establish such rules, regulations, and procedures as he may deem appropriate in carrying out the provisions of this act.

TERMINATION OF ELIGIBILITY FOR FURTHER ASSISTANCE

SEC. 13. Whenever the Commissioner shall determine that employment conditions within any area previously designated by him as a redevelopment area have changed to such an extent that such area is no longer eligible for such designation under section 5 of this act, no further assistance shall be granted under this act with respect to such area and, for the purposes of this act, such area shall not be considered a redevelopment area: *Provided,* That nothing contained herein shall (1) prevent any such area from again being designated a redevelopment area under section 5 of this act if the Commissioner determines it to be eligible under such section, or (2) affect the validity of any contracts or undertakings with respect to such area which were entered into pursuant to this act prior to a determination by the Commissioner that such area no longer qualifies as a redevelopment area. The Commissioner shall keep the departments and agencies of the Federal Government, and interested State or local agencies, advised at all times of any changes made hereunder with respect to the designation of any area.

URBAN RENEWAL

SEC. 14. (a) Title I of the Housing Act of 1949, as amended, is amended by adding at the end thereof the following new section:

"INDUSTRIAL REDEVELOPMENT AREAS UNDER THE AREA REDEVELOPMENT ACT

"SEC. 112. (a) When the Area Redevelopment Commissioner certifies to the Administrator (1) that any county, city, or other municipality (in this section referred to as a municipality) is situated in an area designated under section 5 (a) of the Area Redevelopment Act as an industrial redevelopment area, and (2) that there is a reasonable probability that with assistance provided under such act and other undertakings the area will be able to achieve more than temporary improvement in its economic development, the Administrator is authorized to provide financial assistance to a local public agency in any such municipality under this title and the provisions of this section.

"(b) The Administrator may provide such financial assistance under this section without regard to the requirements or limitations of section 110 (c) that the project area be clearly predominantly residential in character or that it be redeveloped for predominantly residential uses; but no such assistance shall be provided in any area if such Administrator determines that it will assist in relocating business operations from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

"(c) Financial assistance under this section may be provided for any project involving a project area including primarily industrial or commercial structures suitable for rehabilitation under the urban renewal plan for the area.

"(d) Notwithstanding any other provision of this title, a contract for financial assistance under this section may include provisions permitting the disposition of any land in the project area designated under the urban renewal plan for industrial or commercial uses to any public agency or nonprofit corporation for subsequent disposition as promptly as practicable by such public agency or corporation for the redevelopment of the land in accordance with the urban renewal plan: *Provided,* That any disposition of such land under this section shall be made at not less than its fair value for uses in accordance with the urban renewal plan: *And provided further,* That the purchasers from or lessees of such public agency or corporation, and their assignees, shall be required to assume the obligations imposed under section 105 (b).

"(e) Following the execution of any contract for financial assistance under this section with respect to any project, the Administrator may exercise the authority vested in him under this section for the completion of such project, notwithstanding any determination made after the execution of such contract that the area in which the project is located may no longer be an industrial redevelopment area under the Area Redevelopment Act."

(b) The next to the last paragraph of section 110 (c) of such act is amended by inserting after "such projects" the following: "(including projects assisted under section 112 of this title)."

URBAN PLANNING GRANTS

SEC. 15. The second sentence of section 701 of the Housing Act of 1954 is amended by adding the following in clause (2) after the words "decennial census which": "(i) are situated in areas designated by the Area Redevelopment Commissioner under section 5 (a) of the Area Redevelopment Act as industrial redevelopment areas, or (ii)."

VOCATIONAL TRAINING

SEC. 16. (a) The Secretary of Labor shall determine the vocational training or retraining needs of unemployed individuals residing in redevelopment areas and shall cooperate with the Secretary of Health, Education, and Welfare and with existing State and local agencies and officials in charge of existing programs relating to vocational training and retraining for the purpose of assuring that the facilities and services of such agencies are made fully available to such individuals.

(b) Whenever the Secretary of Labor finds that additional facilities or services are needed in the area to meet the vocational training or retraining needs of such individuals, he shall so advise the Secretary of Health, Education, and Welfare. The Secretary of Health, Education, and Welfare, through the Commissioner of Education, shall provide assistance, including financial assistance when necessary, to the appropriate State vocational educational agency in the provision of such additional facilities or services. If the Secretary of Health, Education, and Welfare finds that the State vocational educational agency is unable to provide the facilities and services needed, he may, after consultation with such agency, provide for the same by agreement or contract with public or private educational institutions: *Provided,* That the Secretary of Labor shall arrange to provide any necessary technical assistance for setting up apprenticeship, journeyman, and other job training needed in the locality.

RETRAINING SUBSISTENCE PAYMENTS

SEC. 17. The Secretary of Labor shall, on behalf of the United States, enter into agreements with States in which redevelopment areas are located under which the Secretary of Labor shall make payments to such States for the purpose of enabling such States, as agents of the United States, to make weekly retraining payments to unemployed individuals residing within such redevelopment areas who are not entitled to unemployment compensation (either because their unemployment compensation benefits have been exhausted or because they were not insured for such compensation) and who have been certified by the Secretary of Labor to be undergoing training for a new job. Such payments shall be made for a period not exceeding 13 weeks, and the amounts of such payments shall be equal to the amount of the average weekly unemployment compensation payment payable in the State making such payments.

PENALTIES

SEC. 18. (a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any loan, or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the Commissioner, or for the purpose of obtaining money, property, or anything of value, under this act, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than 5 years, or both.

(b) Whoever, being connected in any capacity with the Commissioner (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to him or pledged or otherwise entrusted to him, or (2) with intent to defraud the Commissioner or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Commissioner makes any false entry in any book, report, or statement of or to the Commissioner, or without being duly authorized, draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates, shares, receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, commission, contract, or any other act of the Commissioner, or (4) gives any unauthorized information concerning any future action or plan of the Commissioner which might affect the value of securities, or having such knowledge, invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans or other assistance from the Commissioner shall be punished by a fine of not more than $10,000 or by imprisonment for not more than 5 years, or both.

EMPLOYMENT OF EXPEDITERS AND ADMINISTRATIVE EMPLOYEES

SEC. 19. No loan shall be made by the Commissioner under this act to any business enterprise unless the owners, partners, or officers of such business enterprise (1) certify to the Commissioner the names of any attorneys, agents, or other persons engaged by or on behalf of such business enterprise for the purpose of expediting applications made to the Commissioner for assistance of any sort, and the fees paid or to be paid to any such person; and (2) execute an agreement binding any such business enterprise for a period of 2 years after any assistance is rendered by the Commissioner to such business enterprise, to refrain from employing, tendering any office or employment to, or retaining for professional services, any person who, on the date such assistance or any part thereof

was rendered, or within 1 year prior thereto, shall have served as an officer, attorney, agent, or employee of the Commissioner occupying a position or engaging in activities which the Commissioner shall have determined involve discretion with respect to the granting of assistance under this act.

PREVAILING RATE OF WAGE AND 40-HOUR WEEK

SEC. 20. The Commissioner shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on projects undertaken by public applicants assisted under this act (1) shall be paid wages at rates no less than those prevailing on the same type of work on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the act of August 30, 1935 (Davis-Bacon Act), and (2) shall be employed not more than 40 hours in any one week unless the employee receives wages for his employment in excess of the hours specified above at a rate not less than one and one-half times the regular rate at which he is employed.

ANNUAL REPORT

SEC. 21. The Commissioner shall make a comprehensive and detailed annual report to the Congress of his operations under this act for each fiscal year beginning with the fiscal year ending June 30, 1959. Such report shall be printed, and shall be transmitted to the Congress not later than January 3 of the year following the fiscal year with respect to which such report is made. Such report shall show, among other things, (1) the number and size of Government contracts for the furnishing of supplies and services placed with business firms located in redevelopment areas, and (2) the amount and duration of employment resulting from such contracts. Upon the request of the Commissioner, the various departments and agencies of the Government engaged in the procurement of supplies and services shall furnish to the Commissioner such information as may be necessary for the purpose of this section.

APPROPRIATION

SEC. 22. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

USE OF OTHER FACILITIES

SEC. 23. (a) To avoid duplication of activities and minimize expense in carrying out the provisions of this act, the Commissioner shall, to the extent practicable and with their consent, use the available services and facilities of other agencies and instrumentalities of the Federal Government on a reimbursable basis.

(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this act. This act shall be supplemental to any existing authority, and nothing herein shall be deemed to be restrictive of any existing powers, duties, and functions of any other department or agency of the Federal Government.

EMPLOYEE WELFARE AND PENSION BENEFIT PLANS

During the delivery of Mr. DOUGLAS' speech—

Mr. JOHNSON of Texas. Mr. President, will the Senator from Illinois yield briefly to me?

Mr. DOUGLAS. I yield.

Mr. JOHNSON of Texas. I ask unanimous consent that the Senate proceed to the consideration of Calendar 1465, Senate bill 2888.

The PRESIDING OFFICER. The bill will be read by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. KNOWLAND. Mr. President, reserving the right to object—although, of course, I shall not object—at this time I should like to suggest the absence of a quorum. In view of the fact that this measure not only deals with the important subject of health and welfare funds, but also will open up the whole field of labor legislation and the question of whether a workers' bill of rights is to be enacted at this session of Congress, I believe it important that all Senators be placed on notice. A series of amendments will be offered.

Therefore, as soon as the Senator from Illinois has concluded his remarks, I intend to suggest the absence of a quorum, so that all Senators may be on notice.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to the consideration of the bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans, which had been reported from the Committee on Labor and Public Welfare with amendments.

ORDER FOR ADJOURNMENT UNTIL 10:30 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I do not wish to insist on making a lengthy statement during the time of the Senator from Illinois. But if he will indulge me a little longer, I should like to make a further request in connection with this matter.

It is hoped that preliminary statements on the employee welfare and pension benefit plans bill will be made today. Senators are already on notice that a number of amendments will be offered to the bill, and some of them have already been filed. Therefore, Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it stand in adjournment until 10:30 a. m. tomorrow.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to announce that it is our present plan to have the session on tomorrow continue late into the evening, in order to have the Senate consider the amendments to the employee welfare and pension benefit plans bill. It is also our intention to have the session on Friday convene at an early hour, if that is agreeable. I have discussed the matter generally with the minority leader. I assume he would have no objection to the entering of an order that the Senate convene at an early hour on Friday—so that all Members may be given notice to that effect.

Mr. KNOWLAND. Mr. President, not only would I have no objection to having the Senate convene at an early hour on Friday, but I should like to state that in connection with the question of agreeing to each of these amendments, I intend to request the yeas and nays. I make that statement now, so that all Senators will be on notice that we intend to request the yeas and nays, and to have the yeas and nays taken, if a sufficient second can be obtained.

Mr. JOHNSON of Texas. It will certainly be possible to have the yeas and nays taken; I assure the Senator from California that there is no disposition not to have the yeas and nays taken on the question of agreeing to the amendments. Of course, preceding the taking of votes on the amendments, there will be complete debate on them.

Mr. President, I should like to request, also, that when the Senate convenes on Friday, it convene at 10 a. m.

Mr. KNOWLAND. Mr. President, I would rather wait until tomorrow, before agreeing to the entering of such an order. I believe it best to have such orders entered from day to day, rather than several days in advance.

Mr. JOHNSON of Texas. Not only do I wish to give notice of my intention to have the Senate meet at 10 a. m. on Friday, but I should also like to have an order to that effect entered. After all, at the beginning of each session, an order is entered for the convening of the Senate at noon on each day.

Mr. KNOWLAND. Mr. President, I realize that; and the Senator from Texas has now given the notice. However, I prefer to have such orders entered daily, except for the general order for the Senate to convene at noon.

Mr. JOHNSON of Texas. Mr. President, I desire to announce, further, that if the Senate does not conclude its action on the bill on tomorrow and on Friday, I hope the Senate will meet on Saturday, and will continue in session then until the bill is finally disposed of, so that final action will be taken on the bill by the weekend. I should like to have all Senators on notice to that effect.

ADDRESS BY SECRETARY OF STATE

Mr. SMITH of New Jersey. Mr. President, on Tuesday, April 22—yesterday—the Honorable John Foster Dulles, our distinguished Secretary of State, made an address at the annual memorial dinner of the Military Chaplains' Association of the United States of America at the Hotel Astor in New York City. This address, which I read with the deepest interest and enthusiasm, is inspiring and challenging in its clear-cut emphasis of the need of the strengthening of our spiritual foundations if our civilization is to survive.

In the words of Woodrow Wilson, whom Secretary Dulles quotes:

> The sum of the whole matter is this: That our civilization cannot survive materially unless it be redeemed spiritually. * * * Here is the final challenge to our churches, to our political organizations, and to our capitalists—to everyone who fears God or loves his country.

In the course of his address, Secretary Dulles makes some challenging statements:

We must not accept an armaments race, as if to be the greatest military power were a worthy or even acceptable goal.

We must not seek that scientific education and scientific applications monopolize the minds of our youth, as though other values did not matter.

We must not accept the quantity of consumers' goods—automobiles, washing machines, refrigerators, radios, and the like—to be the decisive measure of our society, as though its spiritual content were unimportant.

Sometimes it is indispensable for a nation, as for an individual, to say "No." And those are some of the no's which our Nation should emphatically and, indeed, proudly utter.

It is my sincere hope that we will all find the time to read Secretary Dulles' speech in full in order to grasp the significance of the real emphasis he places on the basic values of life.

I ask unanimous consent that the entire speech be printed in the body of the RECORD at the conclusion of my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS BY THE HONORABLE JOHN FOSTER DULLES, SECRETARY OF STATE, AT THE ANNUAL MEMORIAL DINNER OF THE MILITARY CHAPLAINS ASSOCIATION OF THE UNITED STATES OF AMERICA, HOTEL ASTOR, NEW YORK CITY, TUESDAY, APRIL 22, 1958

Captain Goldberg and members and friends of the Military Chaplains Association, I am here first of all to express my deep respect for the military chaplains of the United States.

You sustain the faith of those upon whom patriotism and duty place the heaviest demands. They must, in time of war, sacrifice their lives. And in time of peace they accept discipline and danger in order to maintain the forces needed to deter aggression and to preserve the peace.

You yourselves, the chaplains, sacrifice much and often risk much to perform your high mission.

Your dedication is a noble one. You serve the spiritual life of the individual. Also, you cultivate the spiritual values which collectively are the distinctive characteristic of our Nation and of the civilization of which we form part.

II

Jesus pointed out that, in His time, the nations of the world were giving priority to material things. He called upon men to seek first the Kingdom of God. Material things would then be added unto them. But such things would be a byproduct, not a primary goal.

It is of the greatest importance to bear that distinction in mind as we face the challenge of an atheistic society which avowedly puts first the search for material things.

The American people are naturally competitive and that is a good thing. During recent decades we have scored so many firsts in so many fields of endeavor that we fell chagrined if, in any field, we are outdone. We react even more strongly when we are outdone by those who are hostile to us, who challenge us and who gloat when they outdo us. There is little doubt, for example, that Sputnik I made it apparent that we had become too complacent. We need at times to be jolted into realization of the fact that our leadership in any field is not automatic. It requires effort and sacrifice. We have need today for greater endeavor and greater sacrifice. But also there is need to be careful lest, in a purely comeptitive spirit, we be swept away from our basic spiritual moorings. We must not put first such material successes as are avowedly the goals of Soviet communism.

III

I should like to interpolate here a comment about the word "Communist." In relation to the Soviet rulers and their practices, we are using the title that the ruling party within the Soviet Union applies itself. However, communism is not actually practiced within the Soviet Union and the challenge we face does not come from those who follow the lofty maxim "from each according to his abilities, to each according to his needs." When the Soviet Constitution was last amended, there was a discussion on whether to introduce that maxim into the Constitution. That proposal was rejected on the ground that Soviet society was not yet ready for that high standard, and I fear indeed that it is not.

The humanitarian concepts of mercy and of need and of justice have little place in the Soviet system. Material productivity, work, is the official goal. There is of course a small privileged class. But the people generally are provided for only to the extent needed to make them competent physical workers for the State. They are bound under severe penalties to labor, as directed by their rulers, in order to achieve the material levels set for them not by their needs, but by the state.

IV

One of the goals of Soviet communism, probably its primary goal, is to achieve the world's greatest military establishment and then be able to frighten others into a mood of subservience. The Soviet Union devotes more than 15 percent of its gross national product to military purposes. Soviet propaganda seeks for the most part, to divert attention from the magnitude of that military effort. It talks about peace and about disarmament. But it also makes crude military threats whenever th- seems likely to serve its ambitions.

The Soviet Government has not made one single serious proposal to limit modern armament. It has rejected or evaded many such proposals made to it. The Soviet Government now boasts that it has the world's greatest capacity for long-range massive destruction. We question the accuracy of that boast. But we do not question that the Soviet Union has in its power to create and indeed has already created a very great military potential indeed.

A second Soviet goal is to excel in the field of science and scientific applications. Here again they boast that they are already supreme in terms of numbers of their scientists and in terms of spectacular scientific accomplishments, such as the first man-made earth satellite. Some aspects of their claims are questionable. But we cannot question that when a despotism makes mass education a matter of science and directs its most qualified youth into that channel, it can obtain very great scientific results indeed.

Throughout the ages despots have achieved the spectacular. The Pharaohs had their pyramids, the Roman emperors had their colosseums for their gladiator battles, the kings of France had their palaces. No doubt the rulers of Russia can produce the equivalent, in modern terms.

I turn now to a third Soviet goal. Their rulers say that the Soviet Union will become the world's greatest producer of consumers' goods. Stalin said that the Soviet Union should be a country fully saturated with consumers goods. Khrushchev repeats the same theme and boasts that the Soviet Union in this field too will outdo the United States. He admits that to achieve that goal will take time. But who can say that a purely materialistic society may not, perhaps, produce greatly, perhaps most greatly, in purely material things?

V

Faced by such materialistic challenges, the essential is that our society should not accept the premises of these challenger. We should not compete under the rules that that challenger lays down. We should not make ourselves over into the image of the very thing we hate. We find the atheistic, militaristic and materialistic creed of Soviet communism to be repugnant to us. Let us be sure that we do not copy it.

We must not accept an armaments race, as if to be the greatest military power were a worthy or even acceptable goal.

We must not seek that scientific education and scientific applications monopolize the minds of our youth, as though other values did not matter.

We must not accept the quantity of consumer's goods—automobiles, washing machines, refrigerators, radios, and the like—to be the decisive measure of our society, as though its spiritual content were unimportant.

Sometimes it is indispensable for a nation, as for an individual, to say "No." And those are some of the no's which our Nation should emphatically and, indeed, proudly utter.

We say "No" to making it our goal to be the world's greatest military power and to be able militarily to dominate the world. Twice within this century war effort has made us incomparably the greatest military power. And, each time, when peace came we quickly abandoned that role. We do not seek it now. Today, our Military Establishment, in terms of deterrents, is probably supreme. We hope so. But our military goal is, as put by George Washington, and repeatedly reaffirmed by Dwight D. Eisenhower, to have a respectable military posture—that is, a military establishment that others will treat with respect.

Too often we have not had that, with tragic results. Militaristic despots have treated us with contempt, as a military cipher that they did not need to take into account in their calculations. As a result, there have been wars that might, perhaps, have been avoided.

Today we have, and I trust will continue to have, a military posture that others do respect. It safeguards the peace not merely for ourselves but for others who join with us to establish collective security against aggression. In this sense, our strength is a sacred trust for the benefit of free men who band together to create a shield behind which they can carry on their peaceful pursuits.

If, today, we wanted to dominate the world militarily we have it within our power. We need only take, for military purposes, the same percentage of our natioanl production that is taken by the Soviet Union of its national production. We need only impose on our people some small fraction of the austerity that is imposed on the Soviet peoples. I do not doubt that the American people would readily accept greater sacrifice if future developments made that needed to enable our Nation to maintain a respectable military posture. But God forbid that the day should ever come when the American people became a militaristic people, seeking military might as an end in itself.

We can rejoice that we reject, for ourselves, the military goals that the Soviet rulers set for themselves

VI

Let us turn to the matter of education.

We say "No" to education being nationalized with a view to producing the greatest possible number of scientists. We do not look upon education as a process whereby the minds of our youth are manipulated by government so that they can better serve to glorify the state. Our primary goal, in the field of education, is to train minds so that the individual can more surely and more fully achieve his God-given potentialities.

No doubt our educational system has deficiencies. These ought to be remedied. Also, no doubt we need more scientists and we shall have them. This is an era of scientific breakthroughs. It challenges the imagination and effort of men. We would be far gone in decadence if our youth were not stimulated by what today opens up for exploration. But we do not forget that our educational system should also produce those who are well-versed in the humanities. I certainly do not need to remind this gathering that our Nation needs more and better theological seminaries and more and better students in them. For religion is the foundation of our society.

The Soviet Union, obsessed by its materialistic dogma and seeking exhibits to glorify its despotisms, is creating a society of educational unbalance. Probably, in that way, it will achieve some spectacular results, designed to promote its expansionist ambitions. But such unbalance is unnatural and fraught with unpredictable consequences.

For our part, it can, I think, be said with confidence that our educational system will continue to be a balanced one; that it will not concentrate wholly on the sciences, and that it will not be operated by the Federal Government in order to enable that Government to produce mere servants to aid it in scientific and military exploits.

We can rejoice that we reject, for ourselves, the goal that the Soviet rulers have set themselves, that is, to make all education primarily a matter of scientific specialization in the interest of State glorification and militarization.

VII

Let us turn now to the matter of producing consumers' goods. It is tempting for us to accept the Soviet challenge to make the material productivity of our respective systems the test by which we shall be judged. Today we produce many times as much consumers' goods as does the Soviet Union and we expect that it will continue to be that way. But I know of no inherent reason why a materialistic despotism might not produce as much as does a spiritual society of freedom.

Our own rate of production could, perhaps, be increased if it were not that labor is free and authorized, and indeed encouraged, to organize and bargain for hours and conditions of labor. We have long since abolished slave labor and have ceased to treat labor as a commodity.

We believe that free labor, using the constantly perfected machinery that free enterprise supplies, will always achieve unrivalled productivity. But that, if it happens, is a byproduct. We do not want labor to be free merely because thereby it is more productive. We want labor to be free because freedom is its right.

We can rejoice that we do not give material productivity the priority given it by Soviet despotism. We have demonstrated that free men, working at tasks of their choice, under conditions largely of their making, have achieved the greatest measure of productivity yet known. All the world can see that adequate, indeed ample productivity, can be achieved without enslavement and without the surrender of freedom. It is possible to have both productivity and freedom.

VIII

It is, of course, not enough to be negative and to refuse to accept the militaristic and materialistic goals of Communist imperialism. We also have a positive challenge of our own.

The American people have always had qualities of the spirit that could be, and were, projected far and wide.

Our Nation was founded as an experiment in human liberty. Its institutions reflected the belief of our founders that men had their origin and destiny in God; that they were endowed by Him with certain inalienable rights and had duties prescribed by moral law; and that human institutions ought primarily to help men develop their God-given possibilities. We believed that if we built on that spiritual foundation we would be showing men everywhere the way to a better and more abundant life.

We realized that vision. There developed here an area of spiritual, intellectual, and economic vigor, the like of which the world had never seen. It was no exclusive preserve; indeed world mission was a central theme. Millions were welcomed from other lands, to share equally the opportunities of the founders and their heirs. Through missionary activities, the establishment of schools and colleges, and through travel, American ideals were carried throughout the world. We gave aid and comfort to those elsewhere who sought to follow in our way and to develop societies of greater freedom.

Material things were added unto us. Our political institutions worked. That was because they rested upon what George Washington said were the indispensable supports of representative government, that is morality and religion. And, he added, it could not be assumed that morality would long prevail without religion.

Our people enjoyed an extraordinary degree of personal liberty. That was because the individuals making up our society generally accepted, voluntarily, the moral law and the self-discipline, self-restraint and duty to fellow man that the moral law enjoins.

I recall a debate that I had with Mr. Vischinsky in the United Nations in 1946. He said "it is indispensable to bring a limitation to the will and to the action of men." Therefore, he argued, some men must have power to rule others. If one denies the existence of moral law, as do the Communists, then dictatorship is the only logical form of society. But a society that accepts moral law need not be ruled by men. It can make government its servant, not its master; it can make government the means of doing collectively what needs to be done, and what cannot will be done individually. That is what the American people have done and that is their great challenge to the world of despots.

I hear it asserted today that the qualities that made America honored and judged great throughout the world no longer have an adequate appeal and that we must invent something new in order to compete with Soviet dictatorship and its materialism.

My first reaction is that faith is not something put on, taken off, or changed merely to please others.

My second reaction is to challenge the correctness of the assertion. It may be that, partly through our own faults and partly through Communist publicizing of our faults, the image of America has become distorted in much of the world. Our individual freedom is made to appear as individual license and a casting aside of those restraints that moral law enjoins and that every society needs.

Sales talk based on the number of automobiles, radios, and telephones owned by our people fails to win converts, for that is the language of the materialists.

Our capitalistic form of society is made to appear as one devoid of social responsibility.

I do not believe that human nature throughout the world has greatly changed from what it was when "the great American experiment" in freedom caught the imagination of men everywhere. I am afraid that the fault, if any, may be here at home in that we ourselves have lost track of the close connection between our faith and our works and that we attempt to justify our society and to make it appealing without regard to the spiritual concepts which underlie it and make it work. So many material things have been added unto us that what originally were secondary byproducts now seem to rank as primary. And if material things are to be made primary, then it is logical to have a materialistic creed that justifies this primacy.

Woodrow Wilson, shortly before he died, wrote of the challenge of the doctrines and practices of communism. He concluded:

"The sum of the whole matter is this: That our civilization cannot survive materially unless it be redeemed spiritually. * * * Here is the final challenge to our churches, to our political organizations, and to our capitalists—to everyone who fears God or loves his country."

The response of our free and spiritual society to this challenge of a materialistic despotism must, above all, come from individuals rather than from government. That must be so because what is being tested is the merit of a free spiritual society as against a materialistic despotism. There is, of course, a role for government. But the present test can never be won by freedom if, to win it, freedom has, more and more, to abdicate and to speak and act only through government. Only individuals, by their conduct and example, can make freedom a dynamic, persuasive, and wanted thing. And individuals will do that only if they are under the influence of moral principles and great religious concepts such as those represented by the faith of you, the military chaplains of the United States, and to you we pay all honor.

LIMITATION OF APPELLATE JURISDICTION OF THE SUPREME COURT

Mr. JENNER. Mr. President, the controversy over my bill, S. 2646, continues to bring forth misstatements about the bill, about the purposes back of it, and about the nature of the support for it.

Because I have taken the floor several times to correct errors of interpretation and downright misstatements about this bill, I find that most of the bill's attackers in the public press are now simply repeating points which have already been answered fully, and perpetuating misconceptions or misconstructions which already have been corrected on the record. However, occasionally some new charge crops up, and when some new misstatement is called to my attention which seems particularly flagrant, it will be my purpose to lay the facts before the Senate.

In the New York Times of March 16, 1958, appeared a 2-column article under the byline of Anthony Lewis, which in addition to repeating some of the charges I have already answered, contained this statement:

> No lawyer of substantial reputation in the profession has come forward to support the Jenner bill.

This statement, Mr. President, not only is wholly false, but is indefensible as an honest error; because the hearings of the Internal Security Subcommittee on my bill were completed and in print on March 10, and had been available to Mr. Lewis for almost a week before his story of March 16 appeared in the Times.

So that the record may be clear on this point, Mr. President, I want to quote from the record of the hearings, to show some of the lawyers of substantial reputation in the profession who did come forward to support the Jenner bill.

One of these witnesses was Mr. J. Benjamin Simmons, member of the Bar of the District of Columbia, member of the Bar of the State of Maryland, and member of the Bar of the State of Virginia. Mr. Simmons has been admitted to practice before the Supreme Court of the United States, is a member of the District of Columbia Bar Association and of the American Bar Association, and has been in the private practice of law in the Nation's Capital for the past 19 years.

Mr. Simmons said, at page 282 of the hearings:

I share the view that this is a good bill. That the provisions of this bill should be enacted into law.

At page 283 of the hearings, the record shows that Mr. Simmons said:

And I say that the Supreme Court has hamstrung the Congress which was never under the Constitution intended.

Another witness who testified in support of the Jenner bill was Clarence Manion of South Bend, Ind., who for more than 25 years was professor of constitutional law at the University of Notre Dame, and for 11 years was dean of the University of Notre Dame Law School. Mr. Manion is at present a practicing attorney with offices in the St. Joseph Bank Building, South Bend, Ind. Surely not even Mr. Anthony Lewis, much as he may disagree with Dean Manion's testimony on the Jenner bill, and perhaps with Dean Manion's whole philosophy, would be willing to assert that Dean Manion is not a lawyer of substantial reputation.

Dean Manion's testimony on the Jenner bill was exceedingly cogent. The record shows—at page 582—that he said:

I believe that the appellate jurisdiction of the Supreme Court should be limited in the cases described and set forth in this bill.

On the same page of the record will be found this statement by Dean Manion:

The proposed legislation will restore constitutional powers to the Congress and to the State which the Supreme Court has usurped, destroyed and/or impaired by certain of its recent decisions and particularly by the 15 decisions cited in the report by a committee of the American Bar Association, called the committee on Communist tactics, strategy, and objectives.

Referring to recent Supreme Court decisions, Dean Manion said—at page 583 of the hearings:

But when a long train of judicial abuses and usurpations pursuing the same object threatens to reduce the constitutional powers of the legislative arm to impotence in the face of threatened Communist despotism, it is the duty of the Congress to throw off the misused mechanism of judicial usurpation and provide new guards for the security of its constitutional powers and for the protection of the country.

A little farther down on the same page of the record will be found this statement by Dean Manion:

The record of the Supreme Court during the past 2 years in all cases affecting Communists and communism is a history of usurpations and invasions of the constitutional powers of Congress and the reserved rights and responsibilities of the States of the Union.

On pages 588 and 589 of the hearing record, Senators will find this statement by Dean Manion:

Passage of S. 2646 will stop the Communists' boast that as a result of the recent Court decisions they don't have to tell Federal or State investigators anything but that the FBI has to tell the Communists everything. Passage will serve notice to both sides of the Iron Curtain that America's internal security is adequate to meet all Soviet subversion.

The constitutional provision for the enactment of this bill is crystal clear. Much has been said about the separation-of-powers principle. I want to emphasize that no express provision of the Constitution provides for the separation of powers or for the independence of the judiciary principles which are now advanced as arguments against S. 2646. On the contrary, Congress is expressly authorized to do what this bill proposes to accomplish. No such provision of the Constitution can be regarded as surplusage. No such provision has ever been so regarded by Congress or the courts.

Nevertheless, in my judgment, the fact that this bill is well supported by historical and legal precedent is secondary to the realities of our war against communism. The Rockefellers, the Gaithers, and others are reporting to us that the United States is threatened with annihilation by the Communists. The President confirms this and so does the Defense Department. Senate bill 2646 presents us with a condition rather than a theory. Strong as we are and strong as we may become in our anti-Communist military bastions here and around the world, the fact remains that the immunities which these Supreme Court decisions extend to our enemies here, behind our own lines, will still obtain when and if our cold war with communism and Communists suddenly gets hot. Can Congress provide for the common defense in spite of the interdictions of the Supreme Court? The Constitution says that Congress can and your bill, Mr. Chairman, proposes that it do so.

Another witness who testified in support of the Jenner bill was Mr. Irving G. McCann, of Washington, D. C. Remember, Mr. President, Mr. Anthony Lewis wrote in the New York Times that "no lawyer of substantial reputation in the profession has come forward to support the Jenner bill." Mr. Irving G. McCann has academic degrees from four colleges and universities, and is a member of the bar of the United States District Court and of the Court of Appeals for the District of Columbia, the United States Supreme Court, and several other Federal and State courts. He has practiced law for 40 years and at present is an associate of and trial lawyer for the firm of Brookhart, Becker & Dorsey, of Washington, D. C.

Mr. McCann has served as special assistant to the Attorney General of the United States, as counsel for three select committees of the House of Representatives, and as General Counsel of the Standing Committee on Education and Labor of the House of Representatives in the 80th Congress. He is author of the book Why the Taft-Hartley Law?

This is what Mr. McCann said. I am quoting from page 137 of the hearings on S. 2646:

I appear before your committee to urge that legislation be enacted not only to limit the authority of the United States Supreme Court to prevent it from encroaching upon the constitutional rights granted to the Congress and executive branch, but also to stop the Supreme Court from meddling with the rights reserved in the Constitution to the States and to the people.

Another witness in the group of lawyers who came forward to support the Jenner bill—a group which Mr. Lewis has charged contained no lawyer of substantial reputation in the profession—was the Honorable William Old, circuit judge of Chesterfield County, Va. Judge Old was born and raised in Virginia; educated at Custer Springs Academy and Washington and Lee University; and has been described as the father of the so-called interposition doctrine which recently arose in Virginia and other States. This is what Judge Old said, at page 168 of the hearing record:

It is indeed regrettable that it has become necessary for the Congress to consider the expedient of withdrawing from the Supreme Court appellate jurisdiction in the fields specified in the bill under consideration. However, it is now clearly apparent, from a long list of revolutionary decisions by the Supreme Court, headed by Chief Justice Warren, that the Court is determined to destroy our dual system of government under the Constitution, and create, by usurpation and encroachment, a judicial oligarchy of unparalleled proportions.

And at page 171 of the record, Senators will find that Judge Old said:

I hope this bill will unquestionably be passed.

Mr. President, one of the most eminent and competent trial lawyers in Tennessee is Mr. W. E. Michael, of Sweetwater, Tenn. He has been engaged in the general practice of law in the State and Federal courts since 1925. Mr. Michael is another member of the group of lawyers who testified in support of the Jenner bill. He said, at page 246 of the hearing record:

This legislation has been made necessary by a trend of opinions by the Supreme Court within recent years by which the judicial department of government has repeatedly encroached upon the prerogatives of the legislative and executive branches of government. This usurpation of power, without constitutional authority, not only relegates to subordinate positions the legislative and executive branches, but has the effect of destroying the sovereignty of the individual States, their constitutions and courts, by creating a highly centralized Federal Government headed by a supercourt.

The sad thing is that a great newspaper such as the New York Times had all this testimony available a week before running the story. What goes on among the "free press"?

At page 250 of the hearing record appears this statement by Mr. Michael:

I would like to say in the beginning that I am very reluctant to appear in the capacity of being critical of the courts, and it is only a deep sense of responsibility to my country and my profession that impels me to appear here in support of Senate bill 2646 to limit the jurisdiction of the Supreme Court in the respects specified in the bill.

On the next page of the record, Senators will find this statement by Mr. Michael:

The enactment of this bill will be a step in the right direction, but it should be considered only as a step and not a complete cure.

And on page 256, the record shows Mr. Michael declared:

I appreciate the opportunity to appear here on behalf of this bill, and I hope that it will be reported favorably, and passed.

Another witness who came forward to support the Jenner bill, Mr. President, was Andrew Wilson Green of Harrisburg, Pa.

Mr. Andrew Wilson Green is a graduate of Dickinson School of Law. He is a member of the bar of Pennsylvania, a member of the bar of the District of Columbia, and a member of the bar of the Supreme Court of the United States. He is a veteran of World War II. He is a member of the American Legion, having served as commander of Camp Hill Post No. 43, in Pennsylvania. He served as chairman of the countersubversive activities committee of the 19th district of Pennsylvania of the American Legion, and was a member of the national countersubversive activities committee of the American Legion. He is secretary of the Harris Ferry Chapter, Sons of the American Revolution. He is a member of the board of management of the Pennsylvania Society, Sons of the American Revolution. He is a former chairman of the Dauphin County Pennsylvania Young Republicans.

Mr. Green told us:

It is apparent that the Supreme Court of the United States has gone hog wild on a few of the most vital conceptions of our form of constitutional government. Unless the ravages of their destruction are stopped, we shall be faced with but an empty shell of a Constitution, and we shall be left defenseless before the most insidious and diabolical enemy which this country, or any other, or civilization has ever faced—I mean the enemy communism.

That statement by Mr. Green appears on page 305 of the hearing record. At page 328, this statement by Mr. Green will be found:

In conclusion, let me say, this bill must pass; the future security and existence of our country depends upon it. If after the provocation which the Congress has suffered from our present Supreme Court, this bill were to fail of adoption, it seems to me that an early extinction of our Republic is almost certain.

The hearing record contains a letter from Mr. A. S. McSwain, Jr., professor of law at the Baylor University School of Law, Waco, Tex. Certainly, Mr. President, it cannot be rightly said that Professor McSwain has "no substantial reputation in the profession." Here is what Professor McSwain said, as reported at page 451 of the hearings:

The Congress has its own duty to interpret the Constitution. So do State legislatures, State and Federal courts, school boards, and the executive branch of the United States. When a court shows itself to be bent on arrogating legislative powers to itself, I can see no objection to the act of the legislative body in limiting the powers of the court.

It is interesting, Mr. President, to note that this statement by Professor McSwain was contained in a letter to the Senator from Missouri [Mr. HENNINGS] and was offered for the RECORD by the Senator from Missouri.

Another witness who came before us was the Honorable John Lee Smith, former Lieutenant Governor of Texas. Mr. Smith has practiced law in Texas for more than 40 years, and is one of the best known lawyers in that State. By no stretch of the imagination can it be said that his reputation is not "substantial." Mr. Smith told us, at page 509 of the hearing record:

I can think of no more brazen usurpation of power by one branch of the Government from another than this seizure of power definitely vested in the Congress. In other words, the Supreme Court by judicial fiat vests a power within itself which the Constitution has vested in the Congress.

At page 511 of the record appears this statement by Mr. Smith:

Every constitutional right of the people in their Congress and in their States, is menaced by a Court that itself treats the Constitution with contemptuous disregard; that usurps to itself powers that belong to the Congress and to the States; and that seems to take delight in shattering the security of this country, security built up through legislation designed to curb disloyalty, treason, and sedition. This is the task Congress must face up to and must accom- 'ish before it is too late. For these reasons, I commend to your serious consideration S. 2646.

Mr. Eugene S. Bibb, of Baltimore, Md., is a graduate of the University of Minnesota. He did graduate work at Columbia University and at Oxford University in England. He is a veteran of the Mexican Punitive Expedition, of World War I, and of World War II, and saw combat in all of those wars. He has been a member of the bar of the United States Supreme Court and the bars of Minnesota and New York for more than 35 years. Since 1950 he has been a writer, lecturer, and radio commentator. Mr. Bibb told us, at page 526 of the hearing record:

My sole criticism of this well-thought-through bill is that it does not go far enough.

Another statement by Mr. Bibb, appearing on pages 526 and 527 of the hearing record, was this:

At the outset I must make it clear that no man reveres our judicial system more than I do * * * but when the Supreme Court sets itself up above the law of the land and sits arrogantly in prideful menace to the Republic, then I vigorously contend that it is time for Congressional discipline of the offending members of that Court and a stern curbing of the limitless power for evil usurped by this Court.

At page 530 of the record, Senators will find this statement by Mr. Bibb:

What the Jenner bill seeks is to shove the Supreme Court back into its own backyard and to prevent it from further arrogation of authority, from further attempts to rewrite the law to conform to its own socialistic sophistries, and from further judicial encroachments into the legislative field which is the exclusive function of the Congress.

Farther down on the same page, Senators will find this statement by Mr. Bibb:

If this sound bill serves to chasten the arrogant Supreme Court majority, to discipline it into a realization that it is not a law unto itself, to bring back a reasoning, logical interpretation of the Constitution without destruction of the letter and spirit thereof, then, indeed, will the legislation well serve the best interests of the Republic.

Mr. Thomas Wynn Holloman, of Alexandria, La., is one of the deans of the Louisiana bar, having practiced law in the State and Federal courts of Louisiana for 50 years. Here is what he said:

Apparently growing power-hungry, the Supreme Court in late years and on nearly every decision day erases some other constitutional rights or power of the States and even undertakes to police the Congress itself. It decrees the "law of the land" in the face of the Constitution and the powers of Congress in that instrument.

On the same page of the record, page 547, Mr. Holloman concluded:

Hence this bill by Senator JENNER. Woe betide if it does not pass.

Mr. President, Mr. Harry H. Marshall, of Alton, Ill., is a graduate of Northwestern University and of St. Louis University Law School, and has been engaged in the practice of law since 1951. He is one of the better known young lawyers in downstate Illinois. He is a partner of J. Fred Schlafly, Jr., who has long been one of the leaders of the American Bar Association. At page 609 of the hearing record, Senators will find this statement by Mr. Marshall:

Passage of S. 2646 will restore the balance of powers provided in the Constitution by demonstrating that section 2 of article III, which gives Congress a check on the Supreme Court, is not a dead letter, but, as in the past, has life and meaning.

A little further on—the quotation appears on page 610 of the hearing record—Mr. Marshall said:

Passage of S. 2646 will stop the Communists' boast that as a result of the recent Supreme Court decisions they don't have to tell Federal or State investigators anything but the FBI has to tell the Communists everything.

Further down the same page, Senators will find this statement by Mr. Marshall:

Passage of S. 2646 will end the Supreme Court treatment of agents of the 33 million member Red conspiracy, which controls one-third of the world, as little Red Riding Hoods who must be protected from the big bad wolf of a public investigation. Passage will serve notice to both sides of the Iron Curtain that America's internal security is adequate to meet all Soviet subversion.

The dean of Baylor University School of Law at Waco, Tex., is the Honorable Abner V. McCall. He is one of the most highly regarded—almost revered—teachers of law in the whole Southwest. In a letter to the Senator from Missouri [Mr. HENNINGS], which the Senator from Missouria offered for our hearing record, and which appears at page 450 of the printed hearings, Dean McCall declared:

While national uniformity and consistency of law in some matters are to be desired, in others regional variations might well produce better results. This bill seems to be an excellent compromise between the demand for 48 separate solutions by the States and the demand for one national solution.

Another law-school dean who favors the Jenner bill is Dean Kenneth F. Simpson of the State University of South Dakota School of Law at Vermillion, S. Dak. The Senators from South Dakota will

testify, I am sure, that Dean Simpson is a lawyer of substantial reputation in the profession. His statement is particularly interesting, Mr. President, because it implicitly attributes to the Supreme Court an inclination to declare unconstitutional what the dean describes as "a perfectly constitutional exercise of the power expressly given the Congress in article III, section 2, of the Constitution."

Dean Simpson declared—at page 450 of the hearing record:

I would view this bill as a perfectly constitutional exercise of the power expressly given the Congress in article III, section 2, of the Constitution. I would predict, however, that if enacted it would nevertheless be declared unconstitutional by the presently constituted Court at its first opportunity. I think it should still be enacted, that it would serve as a strong protest, and would therefore be worth while.

Mr. President, even an associate professor of law at Notre Dame Law School, Notre Dame, Ind., can hardly be said to lack substantial reputation in the profession. Mr. W. J. Wagner, who is associate professor of law at Notre Dame Law School—and Senators will find this statement at page 447 of the hearing record—declared:

I see some merit in the proposed legislation. As abhorrent as the idea of limiting the jurisdiction of the supreme judicial body of the United States is, maybe it would permit the Nation to be governed by measures required by the circumstances, not by legal dogmas, real or imaginary, which prove unworkable in some situations presented.

At page 484 of the hearing record, Mr. President, appears a letter to me from the Honorable Leon M. Bazile, judge of the 15th judicial circuit, Ashland, Va. Certainly Judge Bazile is a lawyer of substantial reputation in the profession, Mr. Anthony Lewis in the New York Times to the contrary notwithstanding. Here is what Judge Bazile wrote:

DEAR SENATOR JENNER: It is gratifying to those who respect the Constitution of the United States to know that you are trying to curb the Supreme Court which has no respect for that great instrument.

Mr. J. Nicholas Shriver, Jr., of Baltimore, Md., a member of the firm of Cross & Shriver, attended our hearings as a representative of the Maryland Action Guild and the Maryland Forum. The Senators from Maryland will, I am sure, attest that Mr. Shriver is a lawyer of substantial reputation in the profession. Mr. Shriver said, at page 540 of the hearing record:

We urge the Congress to pass the Jenner bill in order to try, by this law, to reestablish our defenses against communism at home. We urge the Congress to recognize the proposition that the expenditure of billions and more billions for military defense against armed attack is a foolish waste of our substance if we are going to let our enemies at home have a free hand. Unless Congress reasserts its authority, the Supreme Court will have succeeded in destroying America without requiring Soviet Russia to fire a single missile.

Mr. George B. Stallings, Jr., of Jacksonville, Fla., is a practicing lawyer in Jacksonville, Fla. He is a member of the Jacksonville Bar Association, the Florida Bar Association, and the American Bar Association. He appeared on behalf of the Duval County Federation for Constitutional Government, which is affiliated with the Florida Federation for Constitutional Government. At page 329 of the hearing record, Senators will find this statement by Mr. Stallings:

We desire the passage of this bill because we are deeply concerned about the internal security of the Nation. Our primary foundation for desiring the passage of such legislation is the fact that we believe that the Congress, who represents the people, should protect the people from any and all abuses dealt to the people by the Supreme Court, which Court is not elected by the people nor directly accountable to the people. The Congress is the one body to which we look for preservation of our American way of life as epitomized in the United States Constitution.

Mr. President, I think Mr. Anthony Lewis and the New York Times owe apologies to all the lawyers from whose testimony I have quoted. To declare that a lawyer has no substantial reputation in the profession is a serious charge. It should not be made lightly. Above all, it should never be made for the purpose of discrediting the testimony of a witness, unless there is the fullest justification for making it.

I venture to say that neither Mr. Anthony Lewis nor the New York Times made any effort to check on the professional standing of any of the fine lawyers who have come forward in support of my bill. The Times story which Mr. Lewis wrote simply lumped them all together with a slurring reference. This is not the way, Mr. President, to get at the truth. It is a device unbecoming any newspaper, even when used editorially. In this instance, the New York Times and Mr. Lewis were not speaking editorially. The statement that "no lawyer of substantial reputation in the profession has come forward to support the Jenner bill" was made as a statement of fact, unqualified in any way. I think I have demonstrated that this statement was wholly false. I hope the Times will take note of the great injustice—to say the least—which it has done to the outstanding lawyers whose testimony I have quoted today from the official records of the Senate, which record was available 1 week before the slurring article of misstatements and downright lies appeared in the New York Times.

If no correction and apology is forthcoming from the Times, Mr. President, I am afraid we shall have to assume that anyone, even a Member of this body, who supports the Jenner bill runs the risk of being slurred and demeaned by this newspaper. I earnestly hope that none of my colleagues will be swayed by this contemptible form of pressure.

I yield the floor.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Barrett	Bible
Allott	Beall	Bricker
Anderson	Bennett	Bridges
Bush	Hill	Mundt
Byrd	Hoblitzell	Murray
Capehart	Holland	Neuberger
Carlson	Hruska	O'Mahoney
Carroll	Ives	Pastore
Case, N. J.	Jackson	Payne
Case, S. Dak.	Javits	Potter
Chavez	Jenner	Proxmire
Church	Johnson, Tex.	Purtell
Clark	Johnston, S. C.	Robertson
Cooper	Kefauver	Russell
Cotton	Kennedy	Saltonstall
Curtis	Kerr	Schoeppel
Dirksen	Knowland	Smathers
Douglas	Kuchel	Smith, Maine
Dworshak	Langer	Smith, N. J.
Eastland	Long	Sparkman
Ellender	Magnuson	Stennis
Ervin	Malone	Symington
Flanders	Mansfield	Talmadge
Frear	Martin, Iowa	Thurmond
Fulbright	Martin, Pa.	Watkins
Goldwater	McClellan	Wiley
Gore	McNamara	Williams
Green	Monroney	Yarborough
Hayden	Morse	Young
Hickenlooper	Morton	

Mr. MANSFIELD. I announce that the Senator from Missouri [Mr. HENNINGS] and the Senator from Minnesota [Mr. HUMPHREY] are absent on official business.

The Senator from Ohio [Mr. LAUSCHE] is absent because of a death in the family.

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BUTLER] is necessarily absent.

The Senator from West Virginia [Mr. REVERCOMB] and the Senator from Minnesota [Mr. THYE] are absent on official business.

The PRESIDING OFFICER. A quorum is present.

EMPLOYEE WELFARE AND PENSION BENEFIT PLANS

The Senate resumed the consideration of the bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans.

Mr. KENNEDY obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator yield to me for some insertions in the RECORD?

Mr. KENNEDY. I am glad to yield, provided I do not lose the floor.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there may be printed in the body of the RECORD at this point a series of amendments which I am proposing to offer to the pending bill at the appropriate time, together with an explanation of each amendment.

There being no objection, the amendments and explanations were ordered to be printed in the RECORD, as follows:

At the end of the bill add the following new section:

"SEC. 19. Section 9 (g) of the National Labor Relations Act, as amended, is amended by adding at the end thereof the following: 'The Secretary of Labor shall make available to the public, in accordance with such regulations as he may deem appropriate, the information filed by labor organizations pursuant to this subsection and subsection (f). The Secretary shall inspect such of the information so filed as he may deem necessary for the purpose of determining its accuracy, and if he is of the opinion that false information has been filed in any case he shall bring the facts with respect thereto to the attention of the Attorney General.'"

EXPLANATION

Sections 9 (F) and 9 (G) of the Labor-Management Relations Act of 1947 require the filing with the Secretary of Labor, information concerning the constitution, bylaws and financial activities of labor organizations who seek to use the processes of the National Labor Relations Board. Although there is nothing in the legislative history of the Taft-Hartley Act, or in the act itself, directing that this information is classified information, the Secretary has taken the position that this data can only be viewed by a member in good standing of the union requesting it. However, during recent months, both the Secretary of Labor and representatives of national labor organizations have stated there was no valid reason for this information to be kept secret. Inasmuch as there is no disagreement on this change in the law, and since the Secretary and labor representatives have in fact requested this change, I hope the Members will speedily approve this amendment.

On page 1, between lines 2 and 3, insert the following:

"TITLE I—WELFARE AND PENSION PLANS"

On page 1, line 3, strike out "That this act," and insert in lieu thereof:

"SECTION 1. This title."

On page 1, line 6, strike out "SEC. 2" and insert in lieu thereof "SEC. 102."

On page 3, line 6, strike out "act" and insert in lieu thereof "title."

On page 3, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 103."

On page 3, line 18, strike out "act" and insert in lieu thereof "title."

On page 6, line 5, strike out "act" and insert in lieu thereof "title."

On page 6, line 10, strike out "SEC. 4" and insert in lieu therof "SEC. 104."

One page 6, line 11, strike out "act" and insert in lieu thereof "title."

On page 7, line 7, strike out "act" and insert in lieu thereof "title."

On page 7, line 23, strike out "SEC. 5" and insert in lieu thereof "SEC. 105."

On page 8, line 3, strike out "8" and insert in lieu thereof "108."

On page 8, line 4, strike out "act" and insert in lieu thereof "title."

On page 8, line 7, strike out "act" and insert in lieu thereof "title."

On page 9, line 4, strike out "act" and insert in lieu thereof "title."

On page 9, line 8, strike out "6" and insert in lieu thereof "106."

On page 9, line 12, strike out "SEC. 6" and insert in lieu there of "SEC. 106."

On page 9, line 22, strike out "8" and insert in lieu thereof "108."

On page 9, line 23, strike out "5" and insert in lieu thereof "105."

On page 10, line 6, strike out "act" and insert in lieu thereof "title."

On page 11, line 18, strike out "act" and insert in lieu thereof "title."

On page 13, line 16, strike out "act" and insert in lieu thereof "title."

On page 16, line 23, strike out "act" and insert in lieu thereof "title."

On page 17, line 2, strike out "SEC. 7" and insert in lieu thereof "SEC. 107."

On page 17, line 4, strike out "act" and insert in lieu thereof "title."

On page 17, line 17, strike out "act" and insert in lieu thereof "title."

On page 17, line 20, strike out "SEC. 8" and insert in lieu thereof "SEC. 108."

On page 17, line 20, strike out "6" and insert in lieu thereof "106."

On page 17, line 24, strike out "act" and insert in lieu thereof "title."

On page 18, line 2, strike out "5" and insert in lieu thereof "105."

On page 18, line 2, strike out "6" and insert in lieu thereof "106."

On page 18, line 14, strike out "5" and insert in lieu thereof "105."

On page 18, line 15, strike out "6" and insert in lieu thereof "106."

On page 18, line 16, strike out "7" and insert in lieu thereof "107."

On page 18, line 22, strike out "6" and insert in lieu thereof "106."

On page 19, line 2, strike out "act" and insert in lieu thereof "title."

On page 19, line 4, strike out "SEC. 9" and insert in lieu thereof "SEC. 109."

On page 19, line 16, strike out "act" and insert in lieu thereof "title."

On page 20, line 9, strike out "SEC. 10" and insert in lieu thereof "SEC. 110."

On page 20, line 11, strike out "act" and insert in lieu thereof "title."

On page 20, line 13, strike out "act" and insert in lieu thereof "title."

On page 20, line 20, strike out "act" and insert in lieu thereof "title."

On page 21, line 1, strike out "act" and insert in lieu thereof "title."

On page 21, line 11, strike out "act" and insert in lieu thereof "title."

On page 21, line 14, strike out "SEC. 11" and insert in lieu thereof "SEC. 111."

On page 22, line 12, strike out "SEC. 12" and insert in lieu thereof "SEC. 112."

On page 22, line 15, strike out "act" and insert in lieu thereof "title."

On page 22, line 24, strike out "act" and insert in lieu thereof "title."

On page 23, line 1, strike out "act" and insert in lieu thereof "title."

On page 23, line 11, strike out "act" and insert in lieu thereof "title."

On page 24, line 3, strike out "act" and insert in lieu thereof "title."

On page 24, line 7, strike out "SEC. 13" and insert in lieu thereof "SEC. 113."

On page 24, line 8, strike out "act" and insert in lieu thereof "title."

On page 24, line 15, strike out "act" and insert in lieu thereof "title."

On page 26, line 17, strike out "SEC. 14" and insert in lieu thereof "SEC. 114."

On page 26, line 17, strike out "act" and insert in lieu thereof "title."

On page 26, line 21, strike out "act" and insert in lieu thereof "title."

On page 26, line 24, strike out "act" and insert in lieu thereof "title."

On page 27, line 2, strike out "SEC. 15" and insert in lieu thereof "SEC. 115."

On page 27, line 6, strike out "act" and insert in lieu thereof "title."

On page 27, line 8, strike out "act" and insert in lieu thereof "title."

On page 27, line 14, strike out "act" and insert in lieu thereof "title."

On page 27, line 23, strike out "act" and insert in lieu thereof "title."

On page 28, line 11, strike out "act" and insert in lieu thereof "title."

On page 28, line 14, strike out "SEC. 16" and insert in lieu thereof "SEC. 116."

On page 28, line 22, strike out "act" and insert in lieu thereof "title."

On page 29, line 3, strike out "act" and insert in lieu thereof "tiitle."

On page 29, line 8, strike out "act" and insert in lieu thereof "title."

On page 29, line 18, strike out "act" and insert in lieu thereof "title."

On page 30, line 5, strike out "SEC. 17" and insert in lieu thereof "SEC. 117."

On page 30, line 5, strike out "act" and insert in lieu thereof "title."

On page 30, line 5, strike out "12" and insert in lieu thereof "112."

On page 30, line 6, strike out "16" and insert in lieu thereof "116."

On page 30, line 15, strike out "SEC. 18" and insert in lieu thereof "SEC. 118."

On page 30, line 15, strike out "act" and insert in lieu thereof "title."

On page 30, line 17, strike out "act" and insert in lieu thereof "title."

At the end of the bill add the following new title:

"TITLE II—DEMOCRATIC CONTROL OF LABOR ORGANIZATIONS BY THE MEMBERS THEREOF

"SEC. 201. Title IV of the Labor-Management Relations Act, 1947, is amended to read as follows:

"'TITLE IV—REGULATION OF LABOR ORGANIZATIONS FOR PURPOSE OF INSURING DEMOCRATIC CONTROL BY MEMBERSHIP

"'*Definitions*

"'SEC. 401. (a) As used in this title—

"'(1) The term "labor organization" means any labor organization which (A) is the representative for or has as one of its purposes or exists for the purpose of representing employees in collective bargaining in any industry affecting commerce or is seeking to become such a representative or (B) has an affiliate or constituent unit in a State other than the State in which it has its principal place of business or in any foreign country.

"'(2) The term "officer" includes a member of any board, council, committee, or other body established by the constitution or charter of a labor organization which is empowered by such constitution or charter to exercise governing or executive functions with respect to such labor organization.

"'ELECTION OF OFFICERS

"'(b) (1) After the expiration of 1 year following the enactment of this section, no person shall be eligible to serve as an officer of a labor organization unless he shall have been elected as such officer by popular vote of the membership at an election held within the preceding 4 years in which all members of such organization shall have been entitled to vote, and at which the votes of the members voting shall have been cast by secret ballot.

"'(2) Upon the filing with the National Labor Relations Board (hereinafter referred to as "the Board") of a petition alleging that an individual is serving as an officer of a labor organization, who is not eligible under paragraph (1) to serve as such officer, the Board shall proceed in accordance with subsection (c) to consider the matter and if it determines such allegation to be true it shall enter an order directing the labor organization to remove such individual from such office.

"'PROCEDURE

"'(c) A petition under subsection (b) (2) may be filed by any member or group of members of a labor organization, or by any individual or organization acting in behalf of such member or members, except that no such petition may be filed by any employer of such employees or by any organization with which any such employer is affiliated. Upon the filing of such a petition, the Board shall conduct an investigation and if it finds evidence to support the allegations in the petition it shall proceed in the same manner as in the case of an unfair labor practice charge and the appropriate provisions of subsections (b) to (1), inclusive, of section 10 of the National Labor Relations Act shall apply to such proceeding.

"'SANCTIONS AND PENALTIES

"'(d) (1) Whenever the Board shall determine that an individual is serving as an officer of a labor organization who is not eligible under subsection (b) (1) to serve as such officer or who has been convicted of an offense under paragraph (3) of this subsection, during any period for which any such individual continues so to act such labor organization shall not (A) be considered to be the representative of employees for the purposes of the National Labor Relations Act, (B) be exempt from Federal in-

come tax under section 501 (a) of the Internal Revenue Code of 1954, or (C) be considered to be a labor organization for the purposes of sections 6 and 20 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended (15 U. S. C. 17; 29 U. S. C. 52) or the act of March 23, 1932 (29 U. S. C. 101 and the following).

"'(2) Any individual who knowingly serves as an officer of a labor organization while ineligible to serve as such officer under subsection (b) (1) shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not exceeding $1,000 or by imprisonment for not exceeding 1 year, or both.

"'(3) Any individual, group, or organization which willfully interferes with, restrains, or coerces any employee or member of a labor organization seeking to initiate or participate in the procedures set forth in subsection (c) of this section shall be guilty of a felony and upon conviction thereof shall be punished by a fine not to exceed $10,000 or by imprisonment for not exceeding 5 years, or both.

"'AMENDMENT TO NATIONAL LABOR RELATIONS ACT

"'(e) Section 9 (c) of the National Labor Relations Act, as amended, is amended by inserting before the period at the end of the first sentence of paragraph (3) thereof a comma and the following: "except that an election may be ordered at any time when the Board has determined under title IV of the Labor Management Relations Act that a labor organization which has been the representative of the employees is no longer eligible to represent such employees".'"

EXPLANATION

The legislation now before the Senate, S. 2888, provides for the registration, reporting and disclosure of employee welfare and pension-benefit plans, and the language of the bill sets forth its various provisions in the form of an act of the Congress. In order that the definitions in the present amendment and the subsequent amendments to be considered will not conflict with the definitions and provisions in S. 2888, it is necessary to add a new title to the pending legislation. Accordingly, the amendment I am now proposing, relating to the election of officers, first of all amends S. 2888 to provide a new title II. My amendment, from page 1 through the bottom of page 7, merely makes the necessary technical changes in the pending legislation and makes no change in the substantive material in the committee's bill.

The substantive part of this amendment relates to the subject of election of union officers. As Members of the Senate know, there is no provision in any of the Federal legislation now on the statute books that requires compliance with any democratic process in the election of union officers. Throughout the lengthy hearings of the Senate's Select Committee on Management-Labor Affairs, the evidence of violations of the responsibilities of certain union leaders to their members points up the necessity for the Federal Government to insure the periodic elections of union officials. The amendment I propose provides the following:

1. To be eligible to serve as the officer of a labor organization, that officer must have been elected by popular vote of the union membership at an election held within the preceding 4-year period, and further that the voting at such elections shall be done through the medium of a secret ballot.

2. The National Labor Relations Board will have the authority to receive petitions filed by any member or groups of members of the labor organization in question, or any nonemployer representative of such union members, alleging violations of the election provision, and the Board upon sufficient supporting evidence shall proceed in the matter as in the case of an unfair labor practice charge.

3. If the Board discovers that under the petition the individual in question is serving illegally as an officer of the labor organization, the union in question, as long as it shall continue to maintain such an illegally elected individual as an officer, will be deprived of the privileges and benefits granted to it under existing law. Specifically, this will result in the loss of its certification under the National Labor Relations Act as the representative of such members, the exemption from Federal income-tax laws under section 501 (a) of the Internal Revenue Code, and the exemption under the antitrust and injunction protections of various Federal statutes. The amendment also provides that the individual who knowingly serves as a union officer while ineligible to serve shall be subject to prosecution and, upon conviction, punishment and a fine, for the commission of a misdemeanor. There is also a provision to protect the right of individual union members to file a petition under this proposed law.

4. The final provision in the pending amendment authorizes that wherever a union is deprived of its representation protections under existing law for being in violation of the election provisions of this amendment, another election for union representation of the employees may be held despite the prohibition in existing law which limits to one the number of such elections that can be conducted during a 12-month period.

At the end of the bill add the following:

"PAYMENTS TO LABOR ORGANIZATIONS BY PERSONS ENGAGED BY EMPLOYERS

"SEC. . (a) Subsection (a) of section 302 of the Labor-Management Relations Act, 1947, is amended by inserting after the word 'employer' a comma and the following: 'or any person engaged or retained by such employer as a labor relations expert or consultant or for the purpose of dealing with his employees or their representative,'.

"(b) Subsection (b) of such section is amended by inserting after the words 'employer of such employees' a comma and the following: 'or any person engaged or retained by such employer as a labor relations expert or consultant or for the purpose of dealing with his employees or their representatives,'."

EXPLANATION

The National Labor Relations Act of 1947 makes it illegal for employers to pay, or promise to pay, money or something of value to a labor representative who represents his employees. The act also makes it illegal for union representatives to receive or accept any such gifts from the employer of the employees they represent. The efforts to evade this prohibition in existing law have brought about "sweetheart contract" situations, which received considerable publicity during the hearings of the Senate Select Committee on Management-Labor Matters. Certain members of management, with the willing cooperation of the union representatives involved, have engaged in a collusive arrangement whereby a representative of the employer would act as the go-between in transmitting either money or merchandise of value, which would result in working relationships beneficial to the employer and the union officials but detrimental to the members of the union involved.

The present amendment will strengthen the purpose of Congress in originally approving section 302 (A) and section 302 (B) of the National Labor Relations Act by making it illegal for any representative of the employer to act as such a go-between. I believe there is no objection from either management or labor to filling the existing loophole in the present law, and I hope the Senate will readily voice its approval of this amendment.

At the end of the bill add the following:

"RECALL OF OFFICERS

"SEC . (a) (1) Upon the filing with the Board of a petition therefor signed by at least 15 percent of the members of a labor organization, the Board shall conduct an election at which the members of such labor organization shall be entitled to vote by secret ballot on the question of recalling any elected officer or officers of such labor organization named in such petition. If a majority of the members voting in such election vote to recall any officer named in the petition the Board shall declare the office held by such officer to be vacant. Not more than one election for the recall of the holder of any one office shall be held under this section in any 12-month period.

"(2) Upon the filing with the Board of a petition alleging that an individual who has been recalled under paragraph (1) as an officer of a labor organization is serving as such officer (other than pursuant to a subsequent election to such office), the Board shall proceed in accordance with paragraph (b) (1) to consider the matter and if it determines such allegation to be true it shall enter an order directing the labor organization to remove such individual from such office.

"PROCEDURE

"(b) (1) A petition under subsection (a) (2) may be filed by any member or group of members of a labor organization, or by any individual or organization acting in behalf of such member or members, except that no such petition may be filed by any employer of such employees or by any organization with which any such employer is affiliated. Upon the filing of such a petition, the Board shall conduct an investigation and if it finds evidence to support the allegations in the petition it shall proceed in the same manner as in the case of an unfair labor practice charge and the appropriate provisions of subsections (b) to (l), inclusive, of section 10 of the National Labor Relations Act shall apply to such proceeding.

"(2) Elections provided for in subsection (a) shall be conducted by the Board, except that the Board may delegate, generally or in specific cases, authority to conduct such elections to any public or private agency or organization which, in the opinion of the Board, is qualified to conduct such elections.

"PROTECTION OF MEMBERS

"(c) (1) Upon the filing with the Board by any member of a labor organization of a petition alleging that such member has been disciplined by his labor organization so as to deprive him, in violation of the provisions of the constitution, charter, bylaws, or other governing rules or regulations of the labor organization, of his right to vote in any election conducted by such labor organization or in any election conducted under this section, the Board shall conduct an investigation, and if it finds prima facie evidence of the truth of such allegations it shall proceed in the same manner as in the case of an unfair labor practice charge and the provisions of subsections (b) to (l), inclusive, of section 10 of the National Labor Relations Act shall apply to such proceeding. If, after hearing, the Board finds that the voting rights of such member have been denied in violation of the provisions of such constitution, charter, bylaws, rules, or regulations it

shall order the labor organization to cease and desist from such wrongful action, and, if the election was conducted by the labor organization and the wrongful action could affect the results of the election, shall invalidate such election or, in the case of an election conducted by the Board under this title, shall set aside such election if the result thereof was unfavorable to the petitioners.

"(2) Nothing contained in this subsection shall be construed to supersede or modify in any way the provisions of any law of any State or Territory, or to prevent any person from exercising any right which he may have under any such law.

"SANCTIONS AND PENALTIES

"(d) (1) Whenever the Board shall determine that an individual is serving as an officer of a labor organization who has been recalled from service as such officer under subsection (a), or who has been convicted of an offense under paragraph (3) of this subsection, during any period for which any such individual continues so to act, such labor organization shall not (A) be considered to be the representative of employees for the purposes of the National Labor Relations Act, (B) be exempt from Federal income tax under section 501 (a) of the Internal Revenue Code of 1954, or (C) be considered to be a labor organization for the purposes of sections 6 and 20 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914, as amended (15 U. S. C. 17; 29 U. S. C. 52) or the act of March 23, 1932 (29 U. S. C. 101 and the following).

"(2) Any individual who knowingly serves as an officer of a labor organization after having been recalled from service as such officer or member under subsection (a) (other than an individual who subsequent to such recall is duly reelected to the office from which he was recalled) shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not exceeding $1,000 or by imprisonment for not exceeding 1 year, or both.

"(3) Any individual, group, or organization which willfully interferes with, restrains, or coerces any employee or member or a labor organization seeking to initiate or participate in the procedure set forth in subsection (b) or subsection (c) of this section shall be guilty of a felony and upon conviction thereof shall be punished by a fine not to exceed $10,000 or by imprisonment for not to exceed 5 years, or both."

EXPLANATION

The pending amendment has as its purpose the establishment of a recall procedure to grant members of labor organizations the ability to remove elected union officials who are found to be wanting in the discharge of their responsibility. Many union constitutions now provide for the removal of officials found untrustworthy, dishonest or derelict in their duties. But even in these unions, the difficulties encountered by members in bringing this question before entire memberships for action are too hazardous to assure success of the procedures. In addition, many union constitutions do not provide any method for the discharge of and removal of such union officers. Since labor unions are organizations formed by the voluntary action of the working men and women of the Nation, and are organizations established for the purpose of being of direct benefit to the members, in my judgment the members are entitled to control the activities of their elected officials and if dissatisfied with their conduct of office, to remove them for just cause. The only method by which this control can be assured to the members of organized labor is through the recall procedure.

The recall procedure provided by this amendment is as follows:

1. Upon a petition filed by 15 percent of the members of the labor organization, the National Labor Relations Board shall conduct an election by secret ballot of the membership of the union on the recall of official or officials named in the petition. The election shall be decided by a majority vote of the membership voting and if the official or officials voted upon are recalled, the Board shall declare such office vacant.

2. Not more than 1 election for the recall of any 1 officeholder can be held during any 12-month period.

3. If a recalled union official continues to hold his office, the Board, on the petition of any union member, shall proceed, after investigation, against the union as in the case of an unfair labor practice.

4. The Board is granted permission to delegate to public or private agencies its authority to conduct recall elections under this amendment.

5. Where a union member is disciplined by his union organization so as to deprive him of his right to vote under the constitution and bylaws of his union or under the recall procedures set forth in this amendment, the Board can proceed on prima facie evidence against the union and if the results of the election were affected by the vote or votes suppressed, it shall set aside such election.

6. Any individual who after being recalled continues to serve as a union officer is subject to prosecution, punishment and fine for the commission of a misdemeanor.

7. Any individual, group or organization who willfully coerces an individual from initiating or participating in the recall procedures established by this amendment is subject to prosecution, punishment, and fine for the commission of a felony.

8. Whenever a union permits a recalled union official, or an official convicted of a felony under No. 7, to continue his office, the union upon determination of that fact by the Board shall be deprived of its protections of representation, income-tax exemption, and antitrust and injunction exemptions under existing laws.

"TRUSTEESHIPS OVER LOCAL UNION AFFAIRS

"SEC. . (a) (1) No national, international, or other labor organization having more than one local or constituent unit shall remove the officers of any local union for the purpose of establishing a trusteeship over such union and administering its affairs, unless—

"(A) such action is authorized by, and is taken in accordance with the provisions of, the constitution, charter, bylaws, or other governing rules and regulations of such labor organization; and

"(B) the funds, assets, resources, and property of the local union (other than amounts normally required to be paid to such labor organization by its local or constituent units in the absence of a trusteeship) are used exclusively in connection with the affairs of the local union and for the benefit thereof, and are not diverted to or utilized for any other purpose during the period of the trusteeship.

"(2) No such trusteeship shall continue after the expiration of 1 year from the date it is established, and no such trusteeship shall be established with respect to any local union until at least 6 months have elapsed following the termination of any preceding trusteeship established with respect to such local union.

"(3) In any case in which the officers of a local union have been removed and such a trusteeship has been established, the trustees are authorized, during the term of the trusteeship, to conduct elections for new local union officers at which all members of such local union shall be entitled to vote.

"(4) Nothing contained in this subsection shall be construed to modify any existing legal rights or remedies with respect to the funds, assets, property or obligations of the local union upon the dissolution of such local union, or its expulsion or withdrawal from the national, international, or other union with which it was affiliated.

"(5) Any member of a local union over which a trusteeship is established or continued in violation of paragraph (1) or (2) may bring an action in behalf of such local union in any district court of the United States for equitable relief to compel compliance with the provisions of such paragraphs, and for restitution of funds, assets, or property of the local union and for damages to such union. Any amounts awarded in any such proceeding shall be payable to the local union, except that costs, including counsel fees, of such proceeding may be assessed in favor of the person bringing the action.

"PENALTIES

"(b) Any individual who willfully removes or participates in the removal of the officers of any local union for the purpose of establishing a trusteeship over such union otherwise than in accordance with subsection (a) (1), or continues or participates in the continuation of any trusteeship in violation of subsection (a) (2) shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not exceeding $1,000 or by imprisonment for not exceeding 1 year, or both."

EXPLANATION

This amendment is designed to protect members of local unions and their officers against the establishment by national or international labor organizations of trustees for long periods of time. The Senate Select Committee on Management-Labor Matters has investigated the use of trusteeships or supervisorships to control the activities and funds of local unions and has recommended legislation to prevent the existing abuses of this practice.

The present amendment provides the following:

1. No trusteeship can be established unless it is authorized by the constitution, charter or bylaws of the labor organization in question. And further that the funds and assets of the local union must be used exclusively for the benefit of the local union.

2. No trusteeship can continue for a longer period than 1 year from the date of its establishment.

3. Where a trusteeship has been established after officers of a local union have been removed the trustees are authorized to conduct elections for new local union officers.

4. Upon violation of provisions of this amendment members of the local union are authorized to bring court action in the Federal court of the United States for equitable relief to compel compliance and to enforce restitution of the funds and assets of the local union.

5. Where officers of local unions are removed for the purpose of establishing trusteeships in violation of these provisions or where a trusteeship continues in violation of these provisions the individual who willfully participates in such action is subject to prosecution, punishment, and fine for the commission of a misdemeanor.

"SEC. . Subsection (a) of section 9 of the National Labor Relations Act, as amended, is amended by adding the following new sentences at the end thereof: 'No labor organization which does not admit to membership all of the employees it seeks to represent in a unit appropriate for that purpose, on the same terms and conditions generally and uniformly applicable to and with the same rights and privileges generally and uniformly accorded to all the members thereof, shall be a representative of any employees in such unit for the purpose of collective bargaining within the meaning of this section. Nothing

in the foregoing sentence shall be construed to prevent a labor organization from denying membership to any person on the ground that such person is a member of the Communist Party or that he believes in, or is a member of an organization that believes in or teaches, the overthrow of the United States Government by force or by any illegal or unconstitutional methods.'"

EXPLANATION

Under section 9 (a) of the Labor-Management Relations Act of 1947, the labor representative selected by the majority of the employees for the purposes of collective bargaining, is designated as the exclusive bargaining representative of all the employees in the bargaining unit. The present amendment provides that where a union organization is selected to be the exclusive bargaining representative in the plant or firm involved, this privilege will be conditioned on the union's opening up its membership to all of the employees in the bargaining unit if they should choose to join, and on the same terms and conditions which apply to the present members of the labor organization. This amendment is designed to eliminate an existing situation in certain unions where either employees are barred from taking membership in the union representing them, or where the union has in effect set up a class system of membership under which only a certain class of union members are permitted to vote and participate in its activities, but all of its members must pay the initiation fees and dues.

In order that this amendment might not be used by subversive elements, a provision is included that nothing in the pending amendment shall be construed to prevent any labor organization from denying membership to members of the Communist Party or members of organizations who advocate the overthrow of the United States Government by unconstitutional methods.

This amendment would prohibit any existing discrimination against employees on the grounds of age, sex, religion, nationality, or race. If unions are as interested in eliminating discrimination practices in the United States, they should be favorably disposed to the pending amendment.

At the end of the bill add the following:

"COLLECTIVE BARGAINING AGREEMENTS FOR EXCESSIVE TERM OR PROVISIONS WAIVING RIGHT TO STRIKE

"SEC. . (a) No collective bargaining agreement entered into by any labor organization shall be effective or binding upon the parties thereto for a period in excess of 2 years unless such contract shall have been approved by a majority of the members of the labor organization in the unit covered by the contract voting by secret ballot in a referendum held for such purpose by the labor organization.

"(b) No provision or provisions in a collective bargaining agreement waiving or canceling the union members' right to strike shall be legal or effective unless such provision or provisions shall have been approved by a majority of the members of the labor organization in the unit covered by the contract, voting by secret ballot in a referendum held for such purpose by the labor organization."

EXPLANATION

This amendment has as its purpose increasing the control of union members on questions of long-term bargaining agreements and collective bargaining agreements which waive or cancel the members' right to strike.

Mr. President, two of the important conditions in employee relations that have the most influence on the working men and women of the country are (1) the conditions and terms of employment, and (2) the legally recognized right to strike or refrain from employment if the terms of employment are not satisfactory to the worker. In order to assure a democratic measure of union member control over these conditions, the present amendment provides that no collective bargaining agreement for a period in excess of 2 years shall be effective beyond that period unless it has been approved by a majority of the members of the labor organization involved voting by secret ballot and, further, that no provision of a collective bargaining agreement which waives the members' right to strike shall be legal unless it also shall have been approved by a majority of the membership in a secret ballot election.

This amendment is necessary to protect the interest of the employees from unscrupulous representatives of management or labor or both, who engage in a collusive agreement to sacrifice the workingman's labor for their own purposes.

At the end of the bill add the following:

"PROTECTION OF UNION MEMBERS"

"SEC. . (a) (1) Upon the filing with the Board by any member of a labor organization of a petition alleging that such member has been disciplined by his labor organization so as to deprive him, in violation of the provisions of the constitution, charter, bylaws, or other governing rules or regulations of the labor organization, of his right to vote in any election conducted by such labor organization, the Board shall conduct an investigation and if it finds prima facie evidence of the truth of such allegations it shall proceed in the same manner as in the case of an unfair labor practice charge and the provisions of subsections (b) to (l), inclusive, of section 10 of the National Labor Relations Act shall apply to such proceeding. If after hearing the Board finds that the voting rights of such member have been denied in violation of the provisions of such constitution, charter, bylaws, rules, or regulations it shall order the labor organization to cease and desist from such wrongful action, and, if the election was conducted by the labor organization and the wrongful action could affect the results of the election, shall invalidate such election.

"(2) Nothing contained in this subsection shall be construed to supersede or modify in any way the provisions of any law of any State or Territory, or to prevent any person from exercising any right which he may have under any such law.

"PENALTIES

"(b) Any individual, group, or organization which willfully interferes with, restrains, or coerces any employee or member of a labor organization seeking to initiate or participate in the procedure set forth in the provisions of subsection (a) shall be guilty of a felony and upon conviction thereof shall be punished by a fine not to exceed $10,000 or by imprisonment for not to exceed 5 years, or both."

EXPLANATION

This amendment is designed to protect union members of their right to vote as authorized by their union's constitution in elections conducted by a labor organization. Many of the members of organized labor have been subject to coercive pressure on the part of union officials so as to deprive him of his union constitutional rights to participate in election proceedings of his union. The present amendment provides the following:

1. Any member of a labor organization may file a petition with the Labor-Management Relations Board that he has been deprived, through actions of his labor organization, of his right to vote.

2. The Board, upon the finding of prima facie evidence of the truth of such allegations shall proceed against the union as in the case of an unfair labor practice.

3. Upon a finding by the Board that the voting rights of such members have been denied in violation of the constitutional bylaws of the union it shall issue a cease-and-desist order against such action and shall invalidate the election if the results thereof could have been affected by the labor union's wrongful action.

4. Any individual or group who willfully interferes with the right of a union member to petition the National Labor Relations Board under these provisions is subject to prosecution, punishment, and fine for the commission of a felony.

"STRIKE BALLOTS

"SEC. . (a) (1) No strike shall be called or sanctioned by a labor organization unless at least 30 days prior to the commencement of such strike such labor organization shall have given notice thereof in writing to the Board and the employer, and either individually in writing, or by announcement at a meeting of the membership of the organization, to the members of such organization in the unit or units involved in the strike.

"(2) Upon the filing with the Board, upon or at any time after receipt by the Board of a notice given under paragraph (1), of a petition therefor signed by at least 15 percent of the employees in the unit or units involved in the strike, the Board shall conduct a referendum on the question whether such strike should be called or continued. If a majority of those voting in the referendum vote against the strike, no strike shall be called or sanctioned by the labor organization until at least 90 days have elapsed following the referendum and notice has been given in accordance with paragraph (1). If a majority of those voting in the referendum vote in favor of the strike, no subsequent petition may be filed under this paragraph until at least 90 days have elapsed following such referendum, and unless such subsequent petition has been signed by at least 30 percent of the employees in the unit or units involved in the strike.

"(3) Any individual who participates in a strike which has been called without notice as required by paragraph (1), or which has been called or continued after a majority of the employees in the unit or units involved in the strike voting in the most recent referendum conducted with respect to such strike under this subsection shall have voted against such strike, shall not during the existence of the strike or thereafter, unless reemployed or reinstated by the employer, be considered to be an employee of such employer for the purposes of the National Labor Relations Act.

"(4) Nothing contained in this subsection shall be construed to supersede or modify in any way the requirements of section 8 (d) of the National Labor Relations Act.

"PROCEDURE

"(b) Referendums provided for in subsection (a) shall be conducted by the Board, except that the Board may delegate, generally or in specific cases, authority to conduct such referendums to any public or private agency or organization which, in the opinion of the Board, is qualified to conduct such referendums.

"PROTECTION OF MEMBERS

"(c) (1) Upon the filing with the Board by any member of a labor organization of a petition alleging that such member has been disciplined by his labor organization so as to deprive him, in violation of the provisions of the constitution, charter, bylaws, or other governing rules or regulations of the labor organization, of his right to vote in any election conducted by such labor organization or in any referendum conducted under this section, the Board shall conduct an investigation and if it finds prima facie evidence of the truth of such allegations, it shall proceed in the same manner as in the

case of an unfair labor practice charge and the provisions of subsections (b) to (l), inclusive, of section 10 of the National Labor Relations Act shall apply to such proceeding. If after hearing the Board finds that the voting rights of such member have been denied in violation of the provisions of such constitution, charter, bylaws, rules, or regulations, it shall order the labor organization to cease and desist from such wrongful action, and, if the election was conducted by the labor organization and the wrongful action could affect the results of the election, shall invalidate such election or, in the case of a referendum conducted by the Board under this section, shall set aside such referendum if the result thereof was unfavorable to the petitioners.

"(2) Nothing contained in this subsection shall be construed to supersede or modify in any way the provisions of any law of any State or Territory, or to prevent any person from exercising any right which he may have under any such law.

"SANCTIONS AND PENALTIES

"(d) (1) Whenever the Board shall determine that a labor organization has called, sanctioned, or is participating in a strike which has been called without notice as required by subsection (a) (1) or within 90 days after it has been disapproved by a majority of those voting in a referendum conducted under subsection (a) (2), during any period for which any such activity so determined by the Board continues to exist such labor organization shall not (A) be considered to be the representative of employees for the purposes of the National Labor Relations Act, (B) be exempt from Federal income tax under section 501 (a) of the Internal Revenue Code of 1954, or (C) be considered to be a labor organization for the purposes of sections 6 and 20 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended (15 U. S. C. 17; 29 U. S. C. 52) or the act of March 23, 1932 (29 U. S. C. 101 and the following).

"(2) Any individual who, being an officer of a labor organization, willfully calls or sanctions, or orders, requests, or encourages any members of the labor organization to participate in a strike which has been called without notice as required by subsection (a) (1) or within 90 days after it has been disapproved by a majority of those voting in a referendum conducted under subsection (a) (2) shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not exceeding $1,000 or by imprisonment for not exceeding 1 year, or both.

"(3) Any individual, group, or organization which willfully interferes with, restrains, or coerces any employee or member of a labor organization seeking to initiate or participate in the procedure set forth in subsection (c) of this section shall be guilty of a felony and upon conviction thereof shall be punished by a fine not to exceed $10,000 or by imprisonment for not to exceed 5 years, or both."

EXPLANATION

This amendment would require the notification, by specified means, of the membership, the employer and the Board, of a labor organization's intention to strike at least 30 days prior to the commencement of such strike.

Protection against strikes not approved of by the membership is also provided for in this amendment. Upon the submission to the Board of a petition, signed by 15 percent of the membership of the union in opposition to the strike, a referendum would be held. A majority of the membership voting against the strike in such referendum would require its postponement for at least 90 days.

A vote in support of the strike would, on the other hand, prevent the filing of a new petition for a second referendum for an additional 90 days, any such subsequent petition would also require the endorsement of at least 30 percent of the striking employees.

Participation by any individual in an illegally called strike under this amendment would result in the loss by that individual of his employee status under the National Labor Relations Act.

Violation by a union of an employee's right to vote in any duly called election or referendum under this section would, on a petition to the Board, be investigated and, if a determination was made that such rights had been violated, the provisions of section 10 of the National Labor Relations Act would apply as in the case of an unfair labor practice charge. If the findings of the Board supported the allegations of the member that his voting rights had been denied, the union would be ordered to desist from its action and, where the deprivation of the voting right had affected the results of an election, that election would be set aside.

Any violations by a labor organization of the provisions of the amendment would result in the union's loss of its existing privileges as the representative of its membership under the National Labor Relations Act, its special position under the antitrust and injunction laws, and its income tax exemption.

Further, special criminal penalties are provided against individual labor union officials who violate the provisions of this amendment.

At the end of the bill add the following:

"INITIATIVE AND REFERENDUM ON INTERNAL AFFAIRS

"SEC. . (a) (1) Upon the filing with the Board of a petition therefor signed by at least 15 percent of the members of a labor organization, the Board shall conduct a referendum at which the members of such labor organization shall be entitled to vote on the question whether they favor any proposal specified in such petition—

"(A) to amend, modify, revise, or repeal any provision of the constitution, bylaws, or other governing rules or regulations of the labor organization;

"(B) to amend, modify, revise, or veto any decision of the officers or governing body of the labor organization with respect to—

"(i) dues, initiation fees, assessments, salaries of officers and employees of the labor organization, gifts, grants, loans, donations, or investments made by the labor organization, expenditure of funds of the labor organization or projects involving the use of such funds or the resources or assets of the labor organization or involving the use of paid manpower, or other matters relating to the financial affairs of the labor organization;

"(ii) attendance at union meetings, picket line duty, performance of services on behalf of the labor organization, contributions, welfare activities, distribution of literature, support of political or ideological causes, issues, parties, platforms, or candidates, lobbying or legislative activities, or other matters relating to the conduct or activities of members of the labor organization; or

"(iii) fines, suspensions, expulsions, loss of status or union benefits, or other matters relating to the disciplining of members.

"(2) Upon the filing with the Board of a petition alleging that a labor organization or its officers have failed to carry out any proposal favored by a majority of the members voting in a referendum conducted under this section, or are carrying out any proposal disapproved by a majority of the members voting in such referendum, or are otherwise disregarding, or failing to comply with or give effect to, the wishes of such majority as disclosed by the results of the vote in such referendum, the Board shall proceed in accordance with subsection (b) to consider the matter and if it determines such allegations to be true it shall enter an appropriate order directing the labor organization and its officers to carry out any proposal favored by such majority, to refrain from carrying out any proposal disapproved by such majority, or otherwise to comply with or give effect to the wishes of such majority as disclosed by the results of the vote. The order of the Board may include provisions directing the labor organization or its officers to make such restitution of rights or property as may be necessary to effectuate the objectives of any proposal favored by such majority.

"(3) (A) No referendum shall be conducted under paragraph (1) to amend, modify, revise, or veto—

"(i) any decision made by any officer or representative of a labor organization in the course of collective bargaining negotiations with respect to wages, rates of pay, hours of work, or any other terms or conditions of employment which directly affect or involve the duration of the work period or a concrete, material benefit or loss to the employees which is measurable in terms of money; or

"(ii) any decision the precise content of which is specifically required by the constitution, bylaws, or other governing rules or regulations of the labor organization; or

"(iii) any decision with respect to any matter which is specifically required or prohibited by law.

"(B) No referendum shall be conducted under paragraph (1) among the membership of a local union alone in connection with any matter which is governed by the constitution, charter, bylaws, or other governing rules or regulations of the national, international, or other multilocal labor organization of which such labor organization is a constituent unit or with which it is affiliated.

"(C) Not more than one referendum shall be conducted under paragraph (1) (A) during any 18-month period. Not more than one referendum shall be conducted under paragraph (1) (B) with respect to any particular decision.

"PROCEDURE

"(b) (1) A petition under subsection (a) (1) may be filed by any member or group of members of a labor organization, or by any individual or organization acting in behalf of such member or members, except that no such petition may be filed by any employer of such employees or by any organization with which any such employer is affiliated. Upon the filing of such a petition, the Board shall conduct an investigation and if it finds evidence to support the allegations in the petition it shall proceed in the same manner as in the case of an unfair labor practice charge and the appropriate provisions of subsections (b) to (l), inclusive, of section 10 of the National Labor Relations Act shall apply to such proceeding.

"(2) Referendums provided for in subsection (a) shall be conducted by the Board, except that the Board may delegate, generally or in specific cases, authority to conduct such referendums to any public or private agency or organization which, in the opinion of the Board, is qualified to conduct such referendums.

"PROTECTION OF MEMBERS

"(c) (1) Upon the filing with the Board by any member of a labor oragnization of a petition alleging that such member has been disciplined by his labor organization so as to deprive him, in violation of the provisions of the constitution, charter, bylaws, or other governing rules or regulations of the labor organization, of his right to vote in any election conducted by such labor organization or in any referendum conducted under this section the Board shall conduct an in-

vestigation and if it finds prima facie evidence of the truth of such allegations it shall proceed in the same manner as in the case of an unfair labor practice charge and the provisions of subsections (b) to (l), inclusive, of section 10 of the National Labor Relations Act shall apply to such proceeding. If after hearing the Board finds that the voting rights of such member have been denied in violation of the provisions of such constitution, charter, bylaws, rules, or regulations it shall order the labor organization to cease and desist from such wrongful action, and, if the election was conducted by the labor organization and the wrongful action could affect the results of the election, shall invalidate such election or, in the case of a referendum conducted by the Board under this section, shall set aside such referendum if the result thereof was unfavorable to the petitioners.

"(2) Nothing contained in this subsection shall be construed to supersede or modify in any way the provisions of any law of any State or Territory, or to prevent any person from exercising any right which he may have under any such law.

"SANCTIONS AND PENALTIES

"(d) (1) Whenever the Board shall determine that a labor organization or its officers are failing to carry out a proposal favored by a majority of those voting in a referendum conducted under subsection (a), are carrying out a proposal disapproved by a majority of those voting in such a referendum, or are otherwise disregarding or failing to comply with or give effect to the wishes of such majority as disclosed by the vote in such referendum, during any period for which any such activity or failure to act so determined by the Board continues to exist such labor organization shall not (A) be considered to be the representative of employees for the purposes of the National Labor Relations Act, (B) be exempt from Federal income tax under section 501 (a) of the Internal Revenue Code of 1954, or (C) be considered to be a labor organization for the purposes of sections 6 and 20 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, as amended (15 U. S. C. 17; 29 U. S. C. 52) or the act of March 23, 1932 (29 U. S. C. 101 and the following).

"(2) Any individual who, being an officer of a labor organization and having responsibility with respect to any proposal voted on at a referendum conducted under subsection (a), willfully fails to carry out or to participate in carrying out a proposal favored by a majority of those voting in such referendum, willfully carries out or participates in carrying out a proposal disapproved by a majority of those voting in such referendum, or otherwise willfully disregards or fails to comply with or give effect to the wishes of such majority as disclosed by the vote in such referendum shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not exceeding $1,000 or by imprisonment for not exceeding 1 year, or both.

"(3) Any individual, group, or organization which willfully interferes with, restrains, or coerces any employee or member of a labor organization seeking to initiate or participate in the procedure set forth in subsection (b) or subsection (c) of this section shall be guilty of a felony and upon conviction thereof shall be punished by a fine not to exceed $10,000 or by imprisonment for not to exceed 5 years, or both."

EXPLANATION

The purpose of this amendment is to provide a method whereby 15 percent of the membership of a union may initiate a referendum at which they may democratically vote to determine the will of the entire membership on questions of major importance to the union. Matters on which such a referendum may be held involve changes in the governing rules of the union as well as decisions of the officers of the union which affect the financial affairs of the organization, certain activities of the union, and matters relating to the disciplining of the membership.

A referendum would not be authorized, however, to change or modify decisions made by a union representative during collective-bargaining negotiations, or those which are authorized by the governing rules of the organization or by law. Additionally, no referendum would be allowed among the membership of a local union on any matter governed by the constitution, rules, or regulations of a national or international union to which it is affiliated.

This amendment further provides, in section (b) (1), a mechanism to insure the enforcement of the will of the union as expressed in such referendum, whereby any violation of the referendum would be investigated as an unfair-labor charge as defined in section 10 of the National Labor Relations Act. Any member of the union or his representative may file a petition with the board alleging noncompliance.

Protection against the deprivation of any member of the union of his right to vote in violation of the governing rules or regulations of the labor organization is also provided for in section (c) (1) of the amendment. The board would again proceed, as in the case of an unfair-labor-practice charge, to remedy the wrong to the employee and any results which may have flowed therefrom.

Failure of a labor organization to comply with the results of a referendum would, under the amendment, result in the union's loss of existing privileges as the representative of its membership under the National Labor Relations Act, its special position under the antitrust and injunction laws, and its income-tax exemption.

Further, special criminal penalties are provided against individual officers of the union who fail to follow the results of a referendum or who coerce union members seeking to initiate board action against such conduct.

This amendment in no way affects the laws of any State.

Mr. KENNEDY. Mr. President, it has only been in the past 10 or 15 years that employee welfare and pension plans have grown from relatively small significance into a private social security system upon which scores of millions rely for future economic security in their old age or in the event of misfortune. Tens of billions of dollars are being spent or set aside to provide such benefits. As has been said, these plans grew up like Topsy. Under the prevailing conditions of an unprecedented period of prosperity, high taxes, a scarce labor market, favorable tax treatment, and collective bargaining, these plans took such forms as best suited their particular circumstances without uniform standards or rules governing their operations. It is not at all surprising that the sensational growth of this complex free enterprise private social security system should not only bring about great good but should create new problems, outdistance existing laws, provide great opportunities for abuse, and leave hosts of employees without adequate safeguards to protect their equities. It is for this reason that S. 2888, a bill to require the registration, reporting, and disclosure of employee welfare and pension plans, has been drafted and is proposed for legislation.

The bill which is before us is the product of a great deal of work done over a period of years. My distinguished friends, the Senator from Illinois, [Mr. DOUGLAS] and the Senator from New York, [Mr. IVES], both headed predecessor subcommittees in the 84th and 83d Congresses, respectively. In 1954, as a result of unfavorable publicity about the maladministration of employee benefit plans, and a special Presidential message suggesting a Congressional inquiry into this field, the Senator from New York began an intensive investigation of welfare and benefit plan administration. That subcommittee made studies of the overall characteristics and problems of private employee benefit plans, initiated a survey of insurance company practices, and made extensive field investigations of collectively bargained and jointly administered welfare plans. As a result of its investigations, the committee found that there was a need for corrective legislation to insure more adequate protection of employee beneficiary rights and interests and recommended that consideration be given to a Federal disclosure act embracing all types of plans.

In the 84th Congress, the activity of the subcommittee was continued under the direction of the Senator from Illinois [Mr. DOUGLAS]. Extensive hearings were held in the spring of 1955 during which the studies made to date were closely examined and a plan for continuing investigation was laid out. Further, a number of specific plans were publicly reviewed that revealed flagrant abuses, including embezzlement, outlandish and improper insurance commissions and service fees, and collusion between management, union and insurance representatives. Subsequently, the scope of the inquiry was broadened to cover pension plans, unilaterally administered welfare plans, industrywide plans, insurance company practices, and so forth. Testimony was received from the Federal agencies as to the extent of their interest in programs of this type under existing laws, surveys were made of State laws in the area, and extensive testimony was taken from private persons knowledgeable and interested in the field of pension and welfare plans.

It should be emphasized that the investigations and hearings conducted by the subcommittee on pension and welfare plans during the 83d and 84th Congresses disclosed serious abuses and weaknesses in many employee benefit plans, and clearly demonstrated the need for comprehensive disclosure legislation which would permit employee beneficiaries to examine the financial management of the plans on which they depended for a substantial portion of the benefits upon which they would have to rely if misfortune or illness overtook them.

During the 85th Congress, a legislative subcommittee on pension and welfare plans was established, and I had the privilege of chairing that subcommittee. We heard testimony from a wide variety of witnesses, including representatives of the executive branch, who fully supported a disclosure bill encompassing all types of pension and welfare plans. In addition, many private persons not connected with either labor or management but fully conversant with the intricate problems in this specialized field

also supported a comprehensive disclosure bill.

There are certain basic characteristics of employee benefit plans, regardless of the form they take, which should be borne in mind in considering legislation:

First. Employers' costs of such plans or the benefits which employers provide are a form of compensation.

Second. These plans are commonly used by employers as a competitive inducement to attract and retain good employees.

Third. The plans involve the control and management of enormous sums of money by a comparatively few for the future benefit and economic security of millions.

Fourth. Billions of dollars of employees' direct contribution go into these plans each year.

Fifth. It is the exception rather than the rule that any accounting of the financial operations or the reserves in such plans is given to the employees for whom the plans are operated.

Sixth. The employees covered by these group plans have no specific rights until they meet the conditions of the particular plans. For example, in the case of a pension plan this might involve 30 years' service and the attainment of age 65; in a welfare plan the employee's right could mature in the event of accident, sickness, death, and so forth. So unless the employee is given information as to the operation and status of his plan he has no means of knowing whether the benefits he is relying on will be forthcoming.

Seventh. Although these plans envisaged a continuing operation to provide benefits for all employees covered—in plans which are not collectively bargained, which constitute the majority of all plans and which are predominantly administered by employers, there is actually no assurance that the benefits will be forthcoming in view of a universally employed clause in such plans to the effect that the employer can terminate the plan at his discretion. Even in collectively bargained plans the employer's agreement to provide for part or all the costs of the benefits is a short-term contract of 1 to 5 years. Accordingly, the best gage as to the continued operation and stability of a plan is the manner in which it is being managed and the collateral which is back of the promises it holds out.

Eighth. Only six States have passed specific laws providing for disclosure or regulation of employee-benefit plans, and these are all substantially different as to scope or in their detailed requirements.

The inadequacy of standards and safeguards to protect the diffused interests and equities of some 80 million employee-beneficiaries of these plans logically calls for legislation which will bring the facts with respect to their financing and reserves out in the open and that will permit self-policing and self-appraisal of these plans by the participants and give them a central point to report abuses and violations.

The objective of the bill is to provide more adequate protection for the employee-beneficiaries of these plans through a uniform Federal disclosure act which will, in one operation make the facts available not only to the participants and the Federal Government but to the States, in order that any desired State regulation can be more effectively accomplished. It will permit self-policing and self-appraisal of these plans by the participants and give them a central point in Washington to report abuses and violations. The enforcement provision and penalties provided by the bill should act as a strong deterrent of abuses. The uniform reporting requirements should immeasurably improve the management of the plans.

The bill would be administered by the Secretary of Labor. It covers all types of private employee welfare and pension plans, however sponsored, financed, underwritten, or administered, that provide one or more of the following benefits for employees or their dependents: medical, surgical, or hospital care, or benefits in the event of sickness, disability, death, unemployment, or retirement. Coverage is based upon the power to regulate commerce and the taxing authority. It would exclude plans administered by the Federal or State Governments or the political subdivisions thereof, plans established in compliance with State workmen's compensation laws, plans of eleemosynary institutions and those administered as a corollary to the membership in fraternal benefit organizations.

During the first 2 years of operation, the bill would exempt plans covering fewer than 100 employees from its reporting requirements. Further, the Secretary might exempt all, or categories, of these small plans from the bill's registration and reporting requirements for such periods as he deems desirable if he finds compliance would be burdensome to the plans or to the Government. During such period, the exempted plans would not be required to comply with reporting requirements, although they would be required to make information specified in the bill available for inspection by employees, beneficiaries, or other interested parties. However, the plans exempted from registration and reporting would be subject to the other provisions of the bill.

The plans are required to give specified and identifying data with respect to size, type, management, source of financing, and so forth, in the registration statement; and a detailed accounting of income and expenditures, based upon an independent audit in the annual report. Only a summary by class of securities of holdings in reserves or investment portfolio are required unless the plan holds securities or property of the sponsor, or some other party in interest, or in the case where more than 5 percent of the funds is invested in any 1 property, or 10 percent of any 1 issuer is held, in which situations detailed disclosure of such investments is required.

The detailed reports of the plans may be examined in the public documents room of the administering agency, or by a participant or beneficiary at the headquarters office of the plan, and a summary of the annual report as prescribed by the agency, will be supplied any participant or beneficiary, upon request. The reports and other documents are also available to State agencies, upon request.

In addition to the necessary authority granted the administering agency to enforce the administration of the legislation, severe criminal sanctions are provided for willful false statements, embezzlement, the destruction of records, kickbacks, and other self-dealing. A 13-man Advisory Council, consisting of representatives of management, labor, and other interested parties and the public, is provided to assist the Administrator in the administration of the act.

The bill provides that there be cooperation between Federal agencies in the supplying of information necessary to the effective and economic administration of this and other acts—particularly in the area of avoiding multiplicity of forms. It also provides for close cooperation with the States and the furnishing to State agencies of copies of annual reports and other pertinent documents; however, with respect to multi-State plans, the bill preempts States other than the State of the home office of the plan from imposing different reporting requirements, in order to prevent multiple disclosure requirements.

The bill has a 4-year terminal date to encourage reappraisal of the legislation and to consider the advisability of curtailing or expanding its provisions.

As has been indicated, there are numerous different types of employee benefit plans. There are welfare plans which provide death benefits, disability benefits, hospital, surgical and other medical benefits, unemployment benefits, and so forth. There are retirement plans which include pension plans and profit-sharing plans providing retirement benefits. These plans may be financed by employees, by employees and employers jointly, or by employers alone.

These plans may be administered either by employers, by employers and unions jointly, by unions alone, or by members of employee benefit associations. They are underwritten through insurance, by creating a trust fund from which the benefits will be paid, or on a pay-as-you-go basis. The plans may be collectively bargained or they may not be. Last estimates indicated that a slight majority of all employees covered by such plans were in plans which were not collectively bargained.

Approximately 90 percent of all plans are administered by employers. The other 10 percent are jointly administered by the employers and unions, by employee benefit associations, and by unions. Generally speaking, about one-third of the cost of the plans are borne by direct contributions from employees and two-thirds of the cost by employers. As the employers' costs of such plans are deductible from gross income for tax purposes, the tax policy encouraged the formation of these plans.

However, regardless of the type of plan or how it is administered or financed, all employee benefit plans—whether welfare plans or pension plans, whether short term or long term, whether

large or small—have the same general objective; namely, to provide for the future economic security of employees and their dependents or beneficiaries. And it also follows that it is the millions of employees and their beneficiaries who have the real stake in these plans, regardless of who administers them or how they are financed.

Much has been made of a distinction between employer administered so-called level-of-benefit plans and fixed cost plans. These terms actually came into use during the consideration of this legislation and—to go a step further—could have been created as a device to confuse the issues and exclude the great bulk of employer-administered plans from the provisions of the bill. The facts do not support the distinction which has been drawn between level-of-benefit plans and fixed cost plans.

Generally, the form which a plan takes depends upon the circumstances under which it is established. Plans financed by employees alone or multiemployer plans, of necessity, must be financed by fixed contributions, in that a number of different individuals are contributing to the financing. In a single-employer plan, where the employer administers it, it is possible for the employer to undertake to provide specific benefits or agree for the period of a collective-bargaining agreement to provide such benefits without relation to the cost thereof. In many plans the employees make proportionate direct contributions and the employer undertakes to pay the balance. Perhaps for the lack of a better term where an employer undertakes to provide the benefits or the cost of the benefits over and above employee contributions, it is referred to as a fixed benefit plan. In actual practice, however, a specific set of benefits is not predetermined regardless of the cost no matter who bears those costs. In a typical welfare plan, or even a pension plan, an insurance company will quote the premium costs to provide alternative sets of benefits. In a funded pension plan, an actuary will supply the computations as to current costs and past service liabilities for a particular group in order to fund the plan for a specified retirement benefit. It is only after a determination of the costs of the plan and the money available that the specific benefits can be prescribed. In the case of an employer assuming part or all of the costs, this determination, of necessity, only is made after recognition that whatever money the employer may contribute to the program is limited to money that he might otherwise spend for wages or other employee benefits.

Fixed contribution plans and fixed benefit plans are little more than loose terms of reference, as any plan the descriptive literature of which may describe the benefits it provides in specific terms could be called a fixed benefit plan regardless of whether it had been established on the basis of fixed contributions by employees, by employees and employer, or whether the employer had paid the full cost, and regardless of how the plan was administered.

The term "level of benefit," as applied to types of plans is probably more inappropriate than fixed benefits, because the term "level of benefit" is sometimes interpreted to mean that the employer guarantees the benefits and this is not so with respect to plans which are not collectively bargained, and only true in a limited way of collectively bargained plans. As indicated, in plans which are not collectively bargained, while the employer may undertake to supply benefits over and above employee contributions, he may terminate the plan at will. In collectively bargained plans, at best he contracts to provide the benefits or a share of the costs of these benefits for a relatively short contract period.

The test is whether employer fixed benefit or so-called level-of-benefit plans provide any greater assurances than do fixed contribution plans that the benefits will be paid to the employee beneficiaries. The answer, for all practical purposes, is that they do not.

In employer-administered fixed benefit or so-called level-of-benefit plans that are not collectively bargained, and the majority of all plans are in this category, the employers can terminate the arrangement at will, so there is certainly no assurance that the benefits specified and anticipated will be paid. A clause permitting termination at the discretion of the employer is uniformly used in such plans and numerous examples can be cited. Accordingly, the only assurance the employees have that the specific benefits of these plans will be forthcoming is the good intentions or moral obligation of the employer.

In collectively bargained plans, whether fixed contribution or level-of-benefit, there is a contract on the one hand to provide fixed contributions for a particular period and, on the other hand, specific benefits or the premiums or other costs of providing such benefits for such a period. However, regardless of the type of the plan, the contracts are for a very limited time—usually 1 to 5 years—and only tie the parties down for this period, although the plans themselves, whether fixed contribution or fixed benefit, contemplate a continuing or long-range arrangement. So even in collectively bargained plans the assurance that an employee will obtain these benefits which the plan holds out is limited to whether or not he becomes eligible for benefits during the particular period of the short-term contract. He has no real assurances beyond that. As a practical matter, as the fixed contribution plans are geared to provide the benefits which must be paid during that period, there is substantially as great a likelihood of his receiving benefits, if he becomes eligible during the period, under a fixed contribution plan as there is under a fixed benefit plan.

By contracting to provide for specific benefits for the collective bargaining period, the employer may be able to save money if the plan costs a little less than anticipated during the contract period, or it could happen that he would have to pay a little more if the experience was not so good. However, there would be but relatively small variations in the costs over such a short period, which on the average would more than balance out. It can hardly be said then that this is such a distinction as would warrant exemption of fixed benefit plans from the provisions of the bill and the inclusion of fixed contribution plans.

Furthermore, to restrict the provisions of a disclosure law to fixed contribution plans is not only to leave 90 percent of the covered employees without the benefit of the protection of such an act, but to place a discriminatory burden on a minor segment of the plans merely because they must translate the cost of the plan into fixed contributions due to their physical makeup; for example, in multiple-employer plans, area plans, plans financed solely by employees, that is the only way the plan can be financed.

The point is made that the great incidence of abuse has been disclosed in fixed contribution plans. Yet incidents have come to our attention in employer administered fixed benefit or so-called level-of-benefit plans where first, the employer collected several hundred thousand dollars in employee direct contributions over and above the cost of the plan for a particular period—Meany testimony, hearing record, page 195; second, the employer failed to forward both the employees' direct contributions and his own agreed balance of the costs of welfare and pension plans to the insurance company, with the result that the policies lapsed and numerous welfare-plan claims and pensions were unpaid—Reid Glass Co., Inc., pages 195 and 196; and, third, the officials of a company had their pension plans qualified by Internal Revenue as a package yet placed all the good investments in the executives' plan and left the employees' plan practically bare—*H. S. D. Co.* v. *Kavanaugh* (*Internal Revenue Collector*) (in 88 Fed. Supp., pp. 64 and 191 Fed. 2d, p. 831).

There are other examples to which I know the Senator from Illinois will refer in his speech.

We have also had testimony from certain insurance companies that group policyholders are not treated alike, and we know that, as there are practical limitations on what can be spent on these plans, if there are unduly high insurance company commissions, fees, or retentions, the employee beneficiaries will be adversely affected regardless of whether the plans are fixed contribution or fixed benefit in form.

One of the major objectives of the proposed legislation is to deter abuses. We hope to deter any unscrupulous union officials from dominating and mismanaging plans which involve numerous employer contributors with limited authority. However, with all the limitations of liability contained in so-called level-of-benefit plans, we cannot ignore this major portion of all plans where the employer has the complete authority over the finances and destiny of the employees' future economic security. Even the purchaser of a few shares of stock is entitled to a report of the company's operations. The employee beneficiaries of these plans certainly have far more at stake than the ordinary stockholder. Why should not the employees have an accounting of the financial operations of these plans upon which they rely, into

which they may be making direct contributions, and which have been held out to them as a part of the compensation of their employment? According to current Internal Revenue Service statistics, retirement plans are being terminated every day or so because of financial difficulties. We know that even in plans which are qualified by the Internal Revenue Service there is nothing to prevent the employer from appointing himself or a friend as trustee of a pension plan fund; he can invest in his own property and securities. The only penalties or prohibited transactions relate to the subject of tax exemption or deduction. Can it seriously be contended that the managers of such plans should not be required to give an accounting of their stewardship to the employee beneficiaries?

A high incidence of serious abuse may not have occurred in these so-called level-of-benefit plans during the prosperous cycle we have been going through, but can it be said that if a recession sets in, with the strains and temptations hard times may bring, that this will continue to be the case? Should we take action now or wait until something serious happens—when it may be too late?

It may be only natural that banks which act as corporate trustees, insurance companies, and certain employers, presently handling the vast sums of money which these plans involve, object to a Federal disclosure law, particularly as they may feel that they are doing their particular job conscientiously and effectively. They have a vested position, and it may be logical that they should oppose any impingement on the latitude of operation which they presently enjoy in the management of these plans and funds. Such a viewpoint, however, would not necessarily represent the interests of the employee beneficiaries of these plans.

The inadequacy of standards and safeguards to protect the diffused interests and equities of some 80 million employee beneficiaries of these plans logically calls for legislation that will bring the facts with respect to their financing and reserves out in the open. A one-operation, self-policing Federal disclosure, coordinated with the States' interests, as proposed by S. 2888, would appear to be the simplest and most economical method of accomplishing this. To do less could be to encourage an economic Frankenstein.

I shall not attempt to rebut on any point-by-point basis the supplemental views which were filed by the Senator from Colorado [Mr. ALLOTT], who has given devoted service to the committee.

I believe it will be sufficient to deal with the five points appearing at the beginning of his views which really summarize the text of the statement.

It is stated that the bill, in its present form, is unsatisfactory because (a) it is contrary to the weight of the evidence presented:

It is difficult to understand this statement for, first, the evidence is uncontroverted that in excess of 85 million employees and beneficiaries rely on these private employee pension plans; that the overwhelming majority of these employees are given no accounting of the management or status of these plans on which they rely for economic security in the event of sickness, accident, and the contingencies of old age. This, in spite of the fact that they contribute billions of dollars directly to financing these plans and the balance, which is contributed by employers, is solely on their behalf, as part of their compensation, and theoretically might otherwise be paid them in the form of take-home pay; second, there is no contradiction to the evidence that these plans have mushroomed to a tremendous size without any adequate controls or standards of management; that the plans which are not collectively bargained can be abandoned at will; and that the funds which have been set aside for the exclusive use of the employees can be diverted to other objectives without any Federal penalties except tax penalties which would work to the hardship of the employee beneficiaries; and, third, there is no question that the States are doing only a piecemeal, inadequate job. Only six States have passed laws relating to welfare and pension plans. Only one State, Massachusetts, covers all types of plans. Two States, New York and Washington, which have laws of limited scope, but which have the longest experience in the field, have now recommended that their laws be extended to all types of plans. There are only a few States which have legislative sessions this year.

(b) The argument is made that the all-inclusive provisions of S. 2888 would make it difficult for the administering agency to detect the evils which disclosure is intended to reveal.

This statement appears to reflect a basic misconception of the objectives of S. 2888. No administering agency could attempt to X-ray reports on the plans which would be filed with it and thereby detect mismanagement or abuses in the operation of the plans. The bill is designed to give disclosure of the operations to the employees and other participants of such plans, so that if anything is wrong they can report it to the administering agency which would then look into it. The Federal agency will need a compact enforcement and investigation unit, not a vast bureaucracy. According to best estimates, there are between forty and fifty thousand plans covering more than 100 employees, but which include all but about 6 percent of the employees covered by such plans. These are the plans with which the Federal agency will be primarily concerned.

(c) The argument is made that S. 2888 will create a vast Federal bureaucracy at an expense estimated as high as $100 million.

There is really no basis at all for this statement. Again, it appears to reflect a misconception of the objective of the bill. In addition, such a figure as cited does not appear to be responsible. The Securities and Exchange Commission, which has had long experience in the administration of disclosure statutes, estimated, after careful study, that the annual cost for administering the bill would be approximately $1½ million. The estimate of the Department of Labor was $1,659,000 for the first year and $1,288,000 for the second year. To pick out of the air some figure vastly greater than these amounts is to disregard the factual anlyses of the agency which will administer the bill and an agency which has had long experience in this type of administration. Further, the cost of administering a one-operated Federal disclosure act, which would also supply information to the States, would be negligible to the infinitely greater cost to the taxpayers and the plans themselves which would be occasioned by 48 different States imposing diverse and repetitious requirements.

(d) It is argued that S. 2888 will deprive unions and management of the right to contract with respect to placing upon one party or the other the full responsibility and the burden of expense for the management of the fund.

Of course, S. 2888 does nothing of the kind. It interferes in no way with the right of contract or the form the plan will take. It merely provides that whoever manages the plan will make a report of the financial operations and reserves in the plan. It perhaps could be stated that the bill would prevent labor representatives from contracting with management for secret reasons, but such a contract would be against public policy, so it really deprives no one of any legitimate rights.

(e) It is argued that the bill will require employers to surrender to labor unions economic and bargaining power which should be negotiated through the normal channels of collective bargaining.

Is it contended by this statement that employers have some inherent right of secrecy in dealing with their employees on future economic benefits which are held out to the employees on a competitive basis, and that an employee must rely upon some bargaining agent in order to obtain his rights? The issue of employee pension plan costs should be no different than wages in negotiating at the bargaining table. The information with respect to the costs of such plans should be equally helpful to both parties at the bargaining table, and these costs could better be used by employers to turn down unreasonable demands of labor instead of as a cloak of secrecy.

The supplemental views of the Senator from Colorado [Mr. ALLOTT] go on to point out the confusion of the issues in the majority report, and cite illustrations of confused conclusions by the majority, the evils of creating a new Federal bureaucracy, the tendency which disclosure will have to encourage financial unsoundness of plans and create investment problems, and to explain that disclosure of confidential data is undesirable. However, how much weight can be placed on these arguments when, in support of the contention that the majority failed to distinguish between contractual and fiduciary relationships, it states "the Supreme Court has stated clearly the distinction between contractual and fiduciary relationships," but cites as its authority a 1932 circuit court of appeals decision which deals with wholly unrelated matters, *Railway Express Co. v. United States* (56 F. 2 (d) 687).

In summary, I recommend the favorable consideration of the proposed legislation. I do not think it places an unfair burden on any employer. I think it must be recognized that pension and welfare plans have had a tremendous development since World War II. Pension plan reserves alone now amount to more than $35 billion, and are increasing each year by an estimated $5 billion to $7 billion. These plans are under no adequate control today, and are not subject to disclosure either to the Federal Government, or State governments or in most cases the beneficiaries who have a direct concern.

There is no doubt that this is an area in which the States are going to begin to move. As I have said, five States already have done so in a limited way, and Massachusetts has enacted a comprehensive statute.

I believe we shall be doing a service to all employees and employers and to the States by passing a bill that will cover this matter on a nationwide basis, so the various companies will not be burdened by different laws in different States—and certainly such laws will be enacted during the next 5 or 6 years. I believe there should be one nationwide disclosure law. In my opinion, this proposal will not burden either employers or employees. From $50 billion to $70 billion will be involved in these plans during the next 10 years; and the manner in which they are operated is of tremendous importance not only to the beneficiaries but to the entire economy.

So I believe it is most important that the Federal Reserve Board and the Treasury have information regarding how the employer groups and joint groups are handling these assets. The way they are being invested, as I have said, can affect the entire economy.

All we are requesting the employees and employers and managers of joint funds to do is to disclose details of the financial management of pension and welfare plans.

I believe this area needs action, and that action regarding it is long overdue.

So I hope the Senate will pass the bill.

Mr. MONRONEY. Mr. President, will the Senator from Massachusetts yield to me?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Massachusetts yield to the Senator from Oklahoma?

Mr. KENNEDY. I yield.

Mr. MONRONEY. I should like to compliment the distinguished junior Senator from Massachusetts on his excellent speech and on the purposes of the bill. I am delighted that he favors including provisions for both the employer funds and the employee funds, because to make fish of one and fowl of the other would result in suspicion that only the employees groups were regarded as capable of being corrupt or were regarded as needing the advantages which the bill will provide.

Mr. KENNEDY. The fact is that 90 percent of the plans are employer plans. So we would be doing very little good if we were to provide for the inclusion of only the employee funds or plans.

Mr. MONRONEY. Yes Furthermore, we provide for the auditing of bank funds of every description, including those of State banks, and even they have the advantage of the Federal Deposit Insurance Corporation procedures

Mr. KENNEDY. That is correct.

Mr. MONRONEY. Do we not even go so far as to provide for inspection and auditing of the funds of the credit unions? Today they are registered under these measures.

Mr. KENNEDY. Yes.

Mr. MONRONEY. And also the building and loan associations that are members of the Federal Home Loan Bank Board.

Mr. KENNEDY. That is correct.

Mr. MONRONEY. So it seems to me that in view of the vast sums of money—amounting to billions of dollars—in the plans the distinguished junior Senator from Massachusetts has mentioned, it is long past time that uniformity of treatment be provided for and that a Federal law provide an orderly way by which to guarantee the safeguarding of the retirement income a man has earned—something that is almost priceless to him.

Mr. KENNEDY. Of course, when a man is looking forward to reaching the retirement age of 65, he certainly is entitled to have information, at least, about the plan covering him and about how the funds are being invested. That is all we are seeking, by means of the requested disclosure.

To say that a worker should be denied this information is not, I believe, to give proper recognition to the actual ownership of the money on a long-range basis.

So I am glad to have the support of the Senator from Oklahoma.

Mr. MONRONEY. I think this measure will prove to be milestone legislation in the protection of the workingmen of America and the rights to which they are entitled after long service. When the bill is enacted into law—if it is not destroyed by mutilating amendments—I believe it will provide such a milestone in our history.

Mr. KENNEDY. I thank the Senator from Oklahoma.

Mr. DOUGLAS. Mr. President, will the Senator from Massachusetts yield to me?

Mr. KENNEDY. Yes; certainly. The Senator from Illinois conducted hearings which served as a basis for this bill. He has long been much interested in the subject matter. I am glad to be associated with him in this effort.

Mr. DOUGLAS. Mr. President, I rise to congratulate the Senator from Massachusetts for the energy and intelligence he has displayed in connection with the hearings and in the framing of the final draft of the bill.

The bill is of tremendous importance. It has not attracted the public attention it deserves. However, it deals with a subject upon which I believe it is necessary for the Congress to legislate.

The principle the Senator from Massachusetts has advanced, and which lies at the basis of this effort, is that sunlight is a great disinfectant; that if there is proper publicity regarding the affairs of a welfare or pension fund and its management, then the temptation for trustees to abuse their office will be greatly diminished.

Let me ask the Senator from Massachusetts a question: If these affairs are being honestly conducted, why should anyone fear disclosure?

Mr. KENNEDY. I never obtained a satisfactory answer to that question, except it was stated that if a company revealed the details of its portfolio, such disclosure might prevent it from making a profit by means of an investment which otherwise it might make.

But as the Senator from Illinois knows, we ask for only a most general type of information. After all, we do not expect employer groups to play fast and loose with these funds and to use them in investments which are not solidly based. I believe that their interests and the interests of their employees could not possibly be harmed by asking for the details of their portfolios, to the extent that we propose.

Mr. DOUGLAS. I understand that the investments are to be listed by classes, or types, and not by individual companies.

Mr. KENNEDY. That is correct.

I must say that it seems to me that such a provision provides sufficient protection to prevent employers from being compelled to release information which might be of benefit to their competitors. By providing for that general classification, as I have said, it seems to me sufficient protection is afforded.

Mr. DOUGLAS. I have been mystified for many years as to why so many employers and employers' associations and insurance companies—although not all insurance companies, thank the Lord—have opposed a measure such as this one, because it seems to me that if these programs are being honestly conducted, nothing whatsoever is to be feared from a disclosure of the facts of investment and the expenses of administration.

In fact, I would think the ethical insurance companies—which I believe outnumber the unethical insurance companies—would welcome a program such as this one, because it will restrain competitors who are less scrupulous; and where the administrative costs are too high, or where rebates or kickbacks are being paid, they will be eliminated; and therefore the ethical companies will be freed from the unfair competition by companies which engage in such practices.

Mr. KENNEDY. I should like to make a comment on the reference the Senator from Illinois has made to why he believes the level of benefit plans should be included. It was frequently stated that the investigation the Senator from Illinois conducted concerned itself mostly with joint plans—employer-employee plans—set up under the provisions of the Taft-Hartley Act; that in the level of benefit plans there is a self-regulatory feature; that, after all, in the final analysis, the employer would not rob himself; and, therefore, that there is no need of protection in these plans.

I should like to have the Senator from Illinois comment on those points.

Mr. DOUGLAS. Mr. President, let me say that the investigation the Senator

from New York began in 1954 was confined almost exclusively to plans which either were administered by unions or were jointly administered; and I inherited those cases when I became chairman of the subcommittee in 1955. I continued the investigations.

It was not until the late summer of 1955 that we had a chance to go into employer-managed plans, which are generally fixed-benefit plans. We went into some of the details of two very important plans. In one of them we discovered what I certainly regarded as a highly questionable practice, which is fully described in the hearings. It was brought out in the testimony, on cross examination, that reserves accumulated for the benefit of all employees were, upon the institution of a collectively bargained plan, transferred to the salaried workers, who were not under collective bargaining. That raised a question as to where the rebates or refunds would go. The record on that point is perfectly clear. What the company did was undoubtedly legal. But in the opinion of a majority of the investigating committee, the propriety of the action was extremely dubious.

It also became clear that there were many abuses in the insurance industry itself—instances of kickbacks and refunds, determined not so much on the basis of the experience the companies had actually had in regard to such funds, as upon the bargaining pressure of the trustees. One insurance company witness said that was a common practice in the industry, and that therefore he was compelled to do the same. He did not draw any distinction as to whether or not the funds in question were employer managed or employee managed.

The Senator has mentioned that there are sound, logical reasons why the proposed law should be all-inclusive. The Senator from Illinois agrees. In the first place, in those plans which are contributory—that is, where the workers contribute—even though the benefits are fixed, the employees are paying a part of the cost, and the question arises, Should not they have the right to know how their contributions are expended?

Secondly, even in those cases where the employees do not contribute—that is, where there are both fixed benefits and exclusive employer contributions—as the Senator from Massachusetts has pointed out, the employer's costs under those plans are really a part of the wages. They are offered as inducements to get labor to enter the employment or stay in the particular company. They affect the wage scales. They are fringe benefits which have an effect on general wage scales. Hence, in a sense, even though employees do not contribute directly, they contribute in an indirect way, as they forego direct wage increases that might otherwise take the place of these benefits. So they have a right to know.

In addition, companies may want to protect themselves in many cases from arrangements which the insurance companies may have with some of the employer officials. It is not true that the only rebates which are offered are rebates from the companies to union officials. How are insurance agents chosen in private industry? Are they chosen by a process of competitive bidding, or does relationship or friendship also constitute a factor? Are there under-the-table dealings?

On just plain a priori reasoning, it seems to me wrong to conclude that all the possibilities of evil reside in union managed plans or in jointly-managed plans, and that none of the possibilities of evil are in employer-managed plans.

It seems to me employers who are opposing the bill put themselves in a very untenable position when, on the one hand, they say, "Let there be publicity for all jointly- and union-managed plans, but for ourselves, no publicity." I do not see how anyone can defend that position.

Let me say that my friend from Colorado [Mr. ALLOTT], with whom I have worked on the commitee, and who is a man of integrity, conducted his part of the investigation in perfect decorum and with complete fairness. So I hope the Senator from Colorado will not think I am casting any reflection on him when I express my amazement that certain people hold such views.

Mr. KENNEDY. I want to associate myself with the statement of the Senator from Illinois. No one has given more valuable service than the Senator from Colorado has to the subject. He is the sole survivor, certainly on his side, of investigations extending over a period of 4 years. While we disagree with him, I recognize his service, as I know the Senator from Illinois does.

Mr. HILL. Mr. President, will the Senator yield?

Mr. KENNEDY. Yes; I yield to the chairman of the committee.

Mr. HILL. First, I want to commend the Senator for his able and clear presentation in the Senate this afternoon. I know the distinguished Senator from Massachusetts has done a very considerable amount of work on the bill in this session of Congress, as well as in the last session of Congress. He is also a diligent member of the McClellan investigating committee. He has also held some hearings on general labor legislation. In fact, I know he has even undertaken the rather arduous work of preparing a bill so that there might be full hearings on general labor legislation.

I should like to ask the Senator a question. Is it not a fact that the bill which the Senator has reported, and which is now before the Senate, is in line with recommendations of the Secretary of Labor, Mr. Mitchell?

Mr. KENNEDY. That is correct. I wish to thank the chairman of the Committee on Labor and Public Welfare for his kind words and constant support. It is a fact that the bill covers 1 of the 5 recommendations of the McClellan committee. The McClellan committee did not go into detail, so I am not suggesting the members of the committee endorse the provisions of the bill in toto, but they endorsed the concept of disclosure of welfare and pension funds. Therefore, I am particularly glad the bill has come to the floor. It has received the wholehearted support and devoted efforts of the Senator from New York [Mr. IVES], who is a cosponsor of the bill.

I thank the Senator from Alabama for his contribution.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KENNEDY. Yes, I yield.

Mr. GORE. I have listened to the able address of the distinguished Senator of Massachusetts. I congratulate him on the great effort he has made in this important field. As I understand the bill, it seeks to correct such evils as may exist principally through the requirement of disclosure. Is that correct?

Mr. KENNEDY. That is correct.

Mr. GORE. But I notice, in addition, specific penalties for the failure to comply, for false entry, for alteration of records. Does not the distinguished Senator think that these requirements go beyond the requirement of reporting?

Mr. KENNEDY. There is no doubt they do. We are attempting, first, to make sure that a report, in the first place, is an honest report; that there is no changing of records in making a report. In addition, of course, it is provided, on page 25, that, subsection (d):

> Any person who embezzles, steals, or unlawfully and willfully abstracts or converts to his own use or to the use of another, any of the moneys, funds, securities, premiums, credits, property, or other assets of any employee welfare or pension benefit plan, or of any fund connected therewith, shall be fined.

That prohibition is very clear so far as concerns embezzling, stealing, abstracting, or converting.

Subsection (e), on the same page, also refers to a prohibition.

Mr. GORE. On what page is that provision?

Mr. KENNEDY. On page 25.

Mr. GORE. Would the provision encompass practices which have in a few instances been revealed, of taking welfare and pension funds under a certain general record entry, only to be used later for personal gain, pleasure, or expenditure?

Mr. KENNEDY. That is correct. Such violators would be subject to the penalties described in section 13 (a).

Mr. GORE. The Senator is of the opinion, then, that the bill not only requires accurate reporting and disclosure, but provides reasonably stiff penalties for violations thereunder?

Mr. KENNEDY. That is correct. I am glad the Senator brought the point up, because it is important and we may have passed over it.

In addition to the disclosure, there are set down penalties for falsifying records.

On page 25, section (d) relates to any person who embezzles, steals, or unlawfully and willfully abstracts or converts to his own use or to the use of another any of the moneys, funds, securities, and so forth involved in the welfare or pension benefit plan.

Section (e) relates to any responsible officer of such a plan, if he receives or agrees to receive any fee, kickback, commission, gift or thing of value with intent to have his decision or action on any question or matter concerning the procurement of property or insurance or

other services for or in connection with such plan influenced thereby.

In addition to the disclosure feature we are attempting to prevent the kickbacks and so on which have interfered with the judicious management of these plans.

Mr. GORE. I thank the Senator.

Mr. KENNEDY. I thank the Senator from Tennessee for his questions.

Mr. MONRONEY. Mr. President, will the Senator yield briefly?

Mr. KENNEDY. I yield.

Mr. MONRONEY. I have been impressed more and more with the discussion of the bill and with the colloquy just had between the distinguished junior Senator from Tennessee and the distinguished junior Senator from Massachusetts.

Going back to the item of the disclosure with relation to employer-managed funds, is it not a fact that the payments by the employer into an approved pension or retirement fund are tax-exempt?

Mr. KENNEDY. That is correct. It is a tax deductible item.

Mr. MONRONEY. So for a corporation which is in the 50 percent tax bracket 50 percent of the money really would have been paid to the Federal Government, if it were not used for this purpose?

Mr. KENNEDY. The Senator is correct.

Mr. MONRONEY. Is it not also a fact that the record will show that in the history of the establishment of these funds great progress was made during the war years, when the tax rate on excess profits brought corporations to payments as high as 90 percent?

Mr. KENNEDY. That is correct. Therefore, rather sizable sums contributed to many of these plans became tax exempt.

Mr. MONRONEY. It went out of the public use into the pension fund.

Mr. KENNEDY. And the rest is the property of the employees, on a deferred basis.

Mr. MONRONEY. Indeed. So there is every justification in the creation of these funds for the right of the employee to have a certain definite fund, for which he can depend upon proper administration, at the end of his working years. Also, in the creation of the funds there was a degree of sacrifice or loss of revenue from the Federal Treasury, and perhaps even from the State treasuries, since in the war years the excess-profit taxes were very high and many corporations paid as much as 90 percent. Therefore, the contribution of money which otherwise would have gone into the public use went into the establishment of such funds. Consequently, it is proper both from a humanitarian standpoint and from a fiscal standpoint to have a disclosure, as the bill described by the distinguished junior Senator from Massachusetts provides.

Mr. KENNEDY. The Senator is perfectly correct. To further comment upon what the Senator from Tennessee mentioned, the Senator from Illinois [Mr. DOUGLAS] knows of cases where people who had mishandled money of this type in welfare and pension plans, with great kickbacks, and so on, were brought before the investigating committee. There was no action anyone could take. There was nothing illegal involved, so far as the Federal Government was concerned, and those people went completely scot free. Either the statute of limitations had run out in the State or the State did not take action.

Therefore, I do not think, on the basis of the penalty described in the bill, it would have prevented the situation the Senator from Illinois described.

Mr. DOUGLAS. The Senator from Massachusetts is correct.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. GORE. Of course, the act of defrauding would be a violation of State law. As I understand the bill under consideration, as the able Senator has explained it, such an act with respect to a pension or retirement fund would hereby become a Federal crime.

Mr. KENNEDY. The Senator is correct. I would say also to the Senator that on page 25 there is language relating to fees, kickbacks, gifts, or things of value. It might be possible those are not covered by the State law. We could have a widespread abuse of the type the Senator from Illinois uncovered, and still there would be no effective penalty by the State or by the Federal Government, and a person involved in such a transaction could go scot free.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. DOUGLAS. One of the notorious cases which developed was in connection with the Distillery and Wine Workers Union, which seemed to have strong gangster influences connected with it. Here there was a real abuse and apparent misappropriation of funds by the managers of the welfare fund. We were about to summon that group before our committee for testimony when District Attorney Hogan in New York asserted jurisdiction and secured indictments, which brought those persons to trial. However, the case was thrown out of court in New York by a decision of the judge, in which the judge said that those acts were not illegal in the State of New York.

The acts were not criminal offenses and were not violations of the law in the opinion of the court, and the judge said those persons could not be reached in the State of New York. I think there is sound reason for believing that, from a legal point of view, the decision of the judge was probably correct. That big loophole is more than adequately plugged in the proposed legislation.

Mr. KENNEDY. I thank the Senator.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me before he yields the floor?

Mr. KENNEDY. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, I want to commend my friend from Massachusetts for his valiant efforts in this field, and for the long time he has spent on the legislation. The Senator from Illinois worked a great deal last year in the hearings, and I know the Senator from Massachusetts cooperated with him.

I understand the Senator has spent a great deal of time this year in order to bring the bill to the Senate for consideration. I think it is good legislation. I expressed the hope several weeks ago that we could vote on the measure in the Senate without any crippling amendments. I hope we may do that this week; and, if not, certainly sometime next week. I hope, when we shall have concluded with consideration of the legislation, since the Senator is chairman of the Subcommittee on Labor of the Committee on Labor and Public Welfare, that the Senator will continue the hearings into the general subject of labor legislation, with the thought that perhaps we shall have other labor legislation before this body before we adjourn.

Mr. KENNEDY. That is my intention. I thank the Senator very much.

Mr. ALLOTT obtained the floor.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. ALLOTT. Mr. President, I yield to the Senator from Nebraska for an insertion.

Mr. CURTIS. Mr. President, I offer an amendment to the bill, S. 2888, and send it to the desk for appropriate action.

The PRESIDING OFFICER. Does the Senator desire to have the amendment printed?

Mr. CURTIS. I desire to have the amendment printed and placed with the other amendments.

Mr. KNOWLAND. Mr. President, will the Senator from Colorado yield to me so that I may suggest the absence of a quorum?

The PRESIDING OFFICER. If the minority leader will indulge the Chair a moment, does the Senator from Nebraska intend to call up his amendment at this point?

Mr. CURTIS. Not at this point.

The PRESIDING OFFICER. The Senator desires merely to send the amendment to the desk and have it printed?

Mr. CURTIS. I desire to have the amendment printed and held at the desk with the other amendments, to be called up later.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLOTT. Mr. President, I ask unanimous consent that I may yield to the Senator from California [Mr. KNOWLAND] for the purpose of suggesting the absence of a quorum, with the understanding that at the conclusion of the quorum call I shall retain my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLOTT. Mr. President, we are about to embark upon the consideration of a piece of proposed legislation which has been the subject of hearings for more than 5 years. After those years of investigation, hearings, and deliberation, the majority of the Committee on Labor and Public Welfare have concluded that there is an urgent need for a Federal disclosure statute which would cover all types of private employment benefit plans, whether pension or welfare, unilateral, bilateral, self-managed, or insured, contributory or noncontributory, bargained or not bargained, funded or not funded, level-of-benefits or fixed-cost plans, trustee plans, or insured plans—I could go on almost ad infinitum.

I appreciate the remarks of the chairman of the subcommittee [Mr. KENNEDY], as well as those of the Senator from Illinois [Mr. DOUGLAS]. I should like to preface my own remarks with a statement about my own interest in this subject.

First of all, I disclaim any personal interest in the outcome of this effort, inasmuch as I, as a lawyer, have never considered myself in the general class of an employer, except with respect to the stenographic help in my own office.

It seems to me that the first thing we must avoid in the consideration of this legislation is the temptation to be sloganed out of the United States Senate. We have already heard the beginning of the sloganing—"If they have nothing to hide, why do they not want to report?" Or, to use another of the good slogans, "You cannot say that one class of people is honest and another dishonest." With that I agree. But, when that is said often enough, the temptation is to believe that the person against whom it is being directed is saying that a certain class of people is dishonest. Far from it.

I have said many times in our committee in the discussion of this subject—and I repeat it here—that thieves and looters are where we find them. I hope we can stick to that principle.

I anticipate that in the course of the discussion of the pending bill there will be many efforts to make it appear that the view which I have taken is a view favoring management, as against labor. This is not the truth and I categorically deny it. In fact, I think I shall be able to show, before I have completed my remarks, that what I propose would bring more justice and greater benefits to labor than would the proposal of the majority of the committee.

Here again I must say, by way of background—and I see on the floor the distinguished Senator from Illinois [Mr. DOUGLAS] and the distinguished Senator from Massachusetts [Mr. KENNEDY], who, I am sure, will agree with this statement—that, so far as I can recall now, in the 3 years or so that I have served on the committee, I believe there were not more than 2 or 3 of the sessions of the committee which I missed.

At the outset I want to summarize the reasons why I believe S. 2888 should not be approved in its present form. The overall or shotgun approach is contrary to the weight of the evidence presented, and will make it difficult for the administering agency to detect the evils which disclosure is intended to reveal; will create an unnecessary, vast new Federal bureaucracy; will deprive management, unions, and labor of the right to contract with respect to placing upon one party or the other the full responsibility and the burden of expense for the management of the fund; and will require employers to surrender to labor unions economic and bargaining powers which should be negotiated through the normal channels of collective bargaining, and will do it all by law, instead.

The kinds and types of these plans are almost numberless. To gain a proper understanding of the question we are discussing and will be discussing for the next 2 or 3 days, it is necessary to fix in one's mind certain fundamental and elemental definitions.

As used in S. 2888, and as used by the committee at my suggestion, ever since the first bill was written, there are three terms which are employed constantly. I find that many people, in discussing this subject, almost invariably confuse these terms and tend to use them interrelatedly, and therefore get lost and confused in the subject matter. These terms are "registration," "reporting," and "disclosure."

Registration is that act by which the manager or operator of a fund registers his fund with a designated agency. At various times all sorts of suggestions have been made as to which agency shall handle the matter. S. 2888 provides that the Department of Labor will do it. S. 3443, introduced by myself, provides that the Securities and Exchange Commission will do it. A former bill, introduced by the Senator from Illinois [Mr. DOUGLAS], provided, I believe, that the Securities and Exchange Commission would do it. However, the registration is the mere act of filing, with a given agency, of the plan, its fundamental nature, and general data about it, whether it is contributory or noncontributory, whether unilateral or bilateral, whether it is a single employer or multiemployer, and so on down the list, until there is covered the vast field of the kinds and types of the plans.

These plans may be variously classified. It is not possible to talk about a plan and assume that in doing so all plans are discussed. There are so many combinations of plans that it would require a vast tome merely to show the combinations of plans which are in effect in the United States.

The second term which is used is "reporting." As used in the proposed legislation, "reporting" means filing detailed information upon an annual basis with the agency, in this case the Secretary of Labor. The information is to be held available by the Secretary of Labor there for anyone to examine at his convenience.

The third term which is used is "disclosure." I am afraid that the use of this word has become slightly altered in the course of the discussions and talks, and since the general use of the word was adopted by the committee.

As originally adopted, it meant not only furnishing detailed information by the managers or operators of a fund to the employees, but it also meant, in addition, disclosure between one or more of the parties who are privy to the operation of the fund.

Another element which is necessary for anyone who intends to study this subject to know is that there may be, and sometimes are, as many as five parties who could be called privy to the management of a fund, and they are as follows:

First, the employer. Second, the employee. Third, the union as such. Fourth, the trustees who manage or operate the fund. Fifth, insurance companies.

If the complexity of the subject were not multiplied already by the numerous kinds of funds which I have indicated, those complexities are increased almost in arithmetical progression by the fact that these funds vary also as to who operates them and the parties necessary to the operation of the fund.

For example, one fund may merely be a fund in which an employer, the union, and the employee are concerned. The next fund may concern only the union itself. For example, the Distillery Workers Union owns its own fund and operates its own fund, and uses no insurance company and uses no trustees. I shall discuss that particular fund at greater length later in my discussion.

There are other funds which, for example, have a trustee, an employer, a union, and an employee. There are some which eliminate the trustee and use an insurance company. There are some in almost every conceivable combination of those parties to a fund.

I believe the discussions and the hearings which the Senator from Illinois [Mr. DOUGLAS] conducted shed most of the light that has been shed or will be shed on this subject. I say that because, unfortunately, in the last session most of the discussion was limited to a rather stylized and formalized presentation of views, rather than a presentation of the problem itself as it appeared to the committee.

Mr. President, before the Senate takes a step in haste which may prove irrevocable, we should pause to consider the objectives of this legislation. The committee has heard, during the past 4 years, the views of labor, of management, of Government department and agencies, of fiduciaries, of insurance companies, of economists, and of State authorities.

I must say, with all due deference to the Senators who were discussing the subject some time ago, that the conclusions which they have drawn from the hearings are not the conclusions which any logical person can draw from them. Hundreds of witnesses, representing scores of organizations, have appeared before the committee. We have unearthed abuses that cry for correction and which all agree must be corrected. But the committee majority has confused means with objectives. It has lost sight of the real goals—the curbing of abuses and the protection of the great body of labor from the predatory acts of a few of its leadership and from those

who penetrate to positions of power and influence in the management of welfare-benefit funds. In the Taft-Hartley field of jointly administered funds, this includes representatives of both management and labor.

The committee majority has given its approval to a bill that is completely misleading. What the bill presumes to do, it cannot do; what it should do it does with a cumbersome set of Government mechanisms which complicate further a problem that is not simple in nature, but which can be corrected with some fairly simple legislation. The cure calls for vastly less complex registration and administrative procedures than the bill provides.

The majority seeks to halt the risk of exposure of labor welfare funds to looting, larceny, and misuse, and I am in complete agreement with that objective. But the bill we now have before us establishes a reporting and disclosure system that will make it even more difficult to detect the abuses it seeks to cure. It will superimpose further costs and complexities upon the management of the funds that will result in a dilution of benefits intended to be paid to labor, not to an army of administrative workers.

No one in the Senate believes more than do I in an adherence to the principle that the moneys collected for these funds should be administered, managed, and operated with the highest type of efficiency, and that only the highest type of honesty and integrity can be tolerated. More than that, no one in the Senate believes more firmly than I that every cent which goes into the funds should buy the most possible protection for the beneficiaries, who are the working men and women. For that reason, the standards of honesty and integrity, of which I have just spoken, are a necessity.

However, S. 2888 would discourage employers in their efforts to create, manage, and administer welfare benefit plans. It will drive them further into the use of the very types of plans where abuses are most easily committed and least easily ferreted out.

Now perhaps is as good a time as any to discuss in a general way, although I shall do so later in more detail, the difference between the so-called fixed-cost plan and the level-of-benefit plan. The chairman of the subcommittee, the Senator from Massachusetts [Mr. KENNEDY], in his remarks on the floor a few minutes ago, used different terms from those which the committee has used and, I believe, as to which it has agreed upon the meaning. It is my hope that upon the floor of the Senate, when discussing the matter, we will not start using different terms, because such terms, in considering a question so complex, can only lead to further confusion.

The term "fixed-cost plan" refers to the plan under which a certain amount of money is placed in a fund. It may be contributed by the employee, or it may be contributed by the employer, or by both. But the effect of a fixed-cost plan is to take a certain number of cents an hour of wages, or a certain percentage of the payroll, or a certain unit of production, and with this money to create a pool out of which the benefits are to be provided. Almost all of these plans were developed under the Taft-Hartley Act, and are known as Taft-Hartley funds, because under section 402 (c) the payment of moneys otherwise than through one of these funds, and under a written trust agreement, is forbidden by the Taft-Hartley Act in this situation.

The effect is that immediately there is created a pool of money, which frequently represented a glob of honey attracting the crooks and looters, of which we have ample testimony.

Our subcommittee, under the chairmanship of the Senator from Illinois [Mr. DOUGLAS], if it had gone on and investigated this field, could have, I may say without contradiction, continued for a period of 2 or 3 years and still not exhausted the operations warranting investigation.

I propose later to discuss the specific abuses and how they arise. I shall show how the bill which is before the Senate totally fails in its stated purpose.

The other type of plan is the level-of-benefits plan. Regardless of any other interpretation which may be put upon it or whatever may be said about it, it is a fact that when the committee began to investigate the funds there was no directive to the committee or to the staff to investigate only one type of fund.

The illusion has been created that somehow there was a directive from somewhere to investigate only one type of fund, and that that is why they did not find anything wrong with the level-of-benefit fund. This is not so. Let us lay this contention to rest, once and for all.

In a level-of-benefit fund, as defined in the exemption which I shall offer, the employer guarantees to the employee a certain level of benefits. That level of benefits could apply to welfare benefits including sickness, accident, health benefits—many funds use the Blue Cross and Blue Shield in doing this—or it could apply to pension and retirement benefits; it could apply to life insurance. Whatever the level of benefit is, it is the result of an agreement, express or implied, between the employer and the employee. The test is the existence of an obligation to provide a fixed benefit. That is the test of my exemption. My exemption would not operate unless this test were met. This implies an additional test which is that the employer assumes the responsibility for the cost of those benefits, whether the cost goes up or down.

A typical example of how this type of plan might work was demonstrated last year for the employers who had level-of-benefit funds which contained sickness benefits. Many of the beneficiaries of such funds were hard hit by the Asiatic flue. Under such circumstances, the cost to the employer, not that year, but the next year, went up. The employer had to assume those costs. The point which the majority simply fails and refuses to recognize is that if the employer buys more expensive insurance than he need buy, or if he operates his fund in a poor way, or if he should put his hand into the till and take out $5 and stick it into his pocket, all he is doing is increasing his own cost, and not in any way decreasing the benefits guaranteed to the employees. No one is deprived of benefits—as is true in the case of the fixed-cost type of plan. Instead, what the employer has neglected to do, or what he has not done, he pays for out of his other pocket. So in the level-of-benefit plan there are self-policing characteristics which are completely absent from the funds developed under the Taft-Hartley Act.

In the heat and confusion that have been involved in the drafting of this bill, the majority has with good intentions fallen into error. It has confused pension plans with welfare plans; it has confused fixed-cost plans, where the abuses have almost invariably occurred, with level-of-benefit plans, which the testimony has repeatedly shown are free from corruption; it has confused reporting with regulation; it has confused necessary Federal intervention with sweeping and unjustifiable incursion into an increasingly important and overwhelmingly honest and well-managed area of our economic and social life.

Mr. President, I want to dispel these misunderstandings. Until and unless the distinguished Members of the Senate have placed before them an adequate clarification of the real problem, exact knowledge of the where and how of union welfare fund looting, kick-backs, and embezzlements; and an understanding of the direct and appropirate method of correcting them, the Senate will be voting in confusion on an issue which reaches into the lives of perhaps as many as 85 million people.

Mr. President, in order that I may give a general picture of the funds involved in this area, let me say that as nearly as we know, close to $30 billion is locked up in these funds in the United States. The annual contributions to the funds amount to approximately $7 billion to $8 billion a year. In the area where we found abuses to exist—in the fixed-cost type plans—we believe approximately 8 percent to 10 percent of the total funds are to be found. We found all of the abuses there. We found none in the other funds. We found the abuses in the fixed-cost type funds.

So the abuses exist in a rather small area. It should be regulated not because of the persons involved, but because there have been created these huge funds from which persons can steal. As I have said in that area there are about 10 percent of all the funds.

Certainly the question will be asked, "Why is this so significant."

It is significant, Mr. President, because 10 percent of $7 billion, as anyone knows, is approximately $700 million or $800 million a year, which goes into the fixed-cost plans. So we have $700 million to $800 million a year going into the fixed-cost plans, into the plans in the area where we found all the abuses that man can conceive of, and some he had never conceived of before, I am sure.

In using the figures I have just stated, I wish to make sure that the other Members of the Senate understand that I am only using the best figures which are

available to me. The truth of the matter is that today no Member of the Senate and no other person in the United States has any accurate, full information on this entire field of welfare and pension-fund-plan legislation. For example, in the hearings this year will be found estimates by persons who are supposed to know, those who are supposed to be skilled in this field; and the estimates range, I believe, anywhere from 70,000 plans up to 500,000 plans in the United States. The number which was stated by the Secretary of Labor—and which I believe is as good to use, as a guess, as any other—was 250,000.

This brings up one of the main reasons why I am opposed to the pending bill. In my opinion it is not based upon knowledge. We do not have—and neither does anyone else in the United States—any idea, within several billion dollars, of the total amount in these funds. There are no accurate figures as to the total number of funds. We do not know how many fixed-cost plans there are, as against how many level-of-benefit plans. We do not know how many of these plans are funded. We know generally that most welfare plans are not funded. But beyond that, we have almost no good comprehension of how many of these plans are funded. We do not know how many multi-employer funds there are in the country. We do not know what the average amounts of fundings are. We do not have any idea whatever as to what good funding is. One can search almost all the pages of the hearings held by the committee, before he will come to one word which even purports to say what good funding is.

So in that sense I say the bill is misleading. I say it will not do what its proponents say it will do when they indicate it will take care of inadequately financed plans.

On this score, Mr. President, I must make my own position clear: I do not believe, either, that the amendment which I shall propose—an amendment to exempt the level-of-benefit plans—is a complete answer to legislation in this field. But it is the only way to make the bill less objectionable than it is now.

One of the objections also may well turn out to be the lack of constitutionality of the bill.

Mr. President, I propose to speak tomorrow at some length on this matter, and to go, first of all, into the history of these plans in the United States and the legal aspects of the funds which are required to be reported. Then I intend to go into detail regarding some of the abuses which our committee found to exist, so the Senate may judge for itself—on the basis of the abuses which exist—whether the bill is anything but a little lollipop to make someone believe we are doing something we are not doing.

I could not support the bill and, after supporting it, tell the workers and the other people of my State that I had supported the bill in the belief that it would cure their troubles in this field. I could not make such a statement to the people of my State, because I could not honestly entertain such a belief.

There are many simple answers. One of the simple answers—one which seems so simple that everyone else has decided just to leave it alone—is to introduce a bill which would require that in the case of all funds which come within the purview of the Taft-Hartley Act, the managers or trustees of the funds be required to file with the Secretary of Labor a bond, in such amount as he would fix.

It is my certain conviction that we would find the rats who loot these funds scurrying for cover and getting out of them faster than they leave the proverbial sinking ship. But apparently this is too simple an idea. It does not create a new Government agency. It is not big enough to impress people that we are doing something. So this plan was never seriously considered by the committee, and I doubt if it will be seriously considered upon the Senate floor.

Mr. President, I repeat, it is these misunderstandings that I want to dispel.

Mr. President, I believe and hope that these prefatory remarks which I have made this evening will open the gates to a consideration of what the real problems in this case are.

Let me emphasize again that the attempt to use combinations of words other than those used in our own bill and in the amendments will only confuse the issue. We need, I believe, a great deal of light on this subject.

After I have discussed tomorrow the specific abuses and the techniques by which certain persons looted the funds—which makes some of the gentlemen, by the way, who appeared before what is commonly known as the rackets committee look like prattling babes in a perambulator—I am sure the Senate will regard the bill which is before it as about the most ineffective attempt to deal with the question that we could probably provide.

Therefore, since the hour is late, Mr. President, and I intend to discuss this subject at greater length tomorrow, I yield the floor.

Mr. WILLIAMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOUGLAS. Mr. President, S. 2888, the welfare and pension plans disclosure bill now before the Senate, is the result of 4 years of legislative investigation and analysis in which I am proud to have had some part. It deals with a problem of major importance to our people and our economy. I hope it may be approved by the Senate without crippling or limiting amendments.

I. WHAT IS AT STAKE

The subject matter of S. 2888 is the great and growing number of employee welfare and pension plans which are a source of protection and future security to millions of men, women, and children in our country.

The broad scope and significance of the measure is at once apparent as we recall the outreach, variety and status of these plans.

Eighty-four million persons, including dependents, are estimated to be covered by one form or another of welfare or pension plans.

The protections afforded by these plans include group life insurance, double indemnity in the event of accidental death, disability benefits, sickness, hospitalization, surgical, and other medical benefits, supplemental unemployment benefits, and retirement pensions.

The annual contributions to these plans exceed $8.5 billion.

Since the employer contributions, estimated at $5.7 billion in 1956, are allowable deductions from taxable income, the heavy impact of these plans upon Federal revenues is clear. If they were not tax exempt, Federal receipts would be $2.8 billion more than they are.

Since the employers' contributions are a form of compensation, and such plans are commonly an inducement to attract employees, these funds together with those contributed by the employees themselves take on a special status, very like a trust, for the benefit of the 84 million persons who look to them for protection.

The reserve funds for pension plans alone total over $30 billion.

Obviously the investment of these increasingly mammoth reserves affects not only the security of the beneficiaries, but also the stability of the economy.

As collective bargaining has come to deal with these protections, the initiation and operation of welfare and pension plans vitally affect stable and responsible employer-employee relations.

With recently revealed instances of mismanagement, misappropriation and violation of trust obligations fresh in mind, the public will retain confidence in these plans only if remedial action is taken.

And after these 4 years of Congressional study, the validity and integrity of our investigating and legislative processes are also at stake in our decisions on this measure. We can only justify these laborious investigations if we take the remedial action suggested by our findings. Otherwise they become an exercise in futility and a disappointment to those who look to Congress to follow the facts it discovers to their logical, legislative conclusion.

II. THE BASIC QUESTIONS

The basic questions the Senate then has before it are:

First. Shall we take a moderate, reasonable step now—involving merely reporting and disclosure—to afford added protections to these farflung interests? Or shall we delay until a bigger blow-up produces demands for stringent Federal regulation and Government control?

I believe the Senate will answer that we should act now in the reasonable manner proposed.

Second. Shall we limit these mild, new protections to disclosure simply to

those 10 percent of the beneficiaries who are covered by plans that happen to have been set up on a fixed-cost basis and exclude the 90 percent who are in level-of-benefit plans—perhaps we might say fixed-benefit plans—mostly employer-administered?

I hope the Senate's answer to this will be to extend the protections to all and to reject the amendments which would rob this measure of virtually all of its vitality.

I am glad that the administration is warmly supporting both of these positions—and it should be clear that it is—and I hope that a large majority of Senators on both sides of the aisle will come to the same opinion, that S. 2888 without crippling amendments is in the public interest.

III. BACKGROUND OF THE LEGISLATION

A brief statement of the legislative work that led up to S. 2888 will serve to show that this is no hastily conceived measure. It is rather the result of extensive and careful study by your committees.

The investigation of employee welfare and pension plans was launched in 1954 under Senate Resolution 225 by a subcommittee of which the Senator from New York [Mr. IVES] was chairman. Its first report, revealing various abuses, was filed January 10, 1955.

The chairmanship of the subcommittee passed to me in 1955, and Senate Resolution 40 continued the investigation. The subcommittee and its staff pursued the study in lengthy public hearings, covered 1,619 pages of testimony, in executive sessions, and in extensive field studies and staff inquiries. Existing Federal and State laws were carefully reviewed to determine the adequacy of their protections.

A second interim report was filed July 20, 1955, outlawing some of the worst cases uncovered. And on April 16, 1956, we filed our final report, Senate Report 1734, 84th Congress, covering 356 pages, in which the findings and recommendations of the majority for Federal reporting and disclosure legislation were clearly spelled out. The Senator from Colorado [Mr. ALLOTT] dissented on the question of coverage, foreshadowing the amendment he has proposed to S. 2888.

Mr. President, I ask unanimous consent to have printed at this point in my remarks the conclusions and recommendations from the final report of our subcommittee.

There being no objection, the recommendations were ordered to be printed in the RECORD, as follows:

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

The subcommittee, on the basis of its studies and investigations, makes the following findings and conclusions:

1. Private employee welfare and pension programs have grown to such proportions in this country and involve the use of such large tax-exempt funds as to place upon the Government a grave responsibility for their sound operation and to protect the equities of the beneficiaries and the public interest.

(a) Over 75 million persons, employees and dependents, or about one-half of the population of the Nation, are covered in some measure by employee welfare and pension programs. This tremendous development has come about principally in the past 10 years.

(b) Over $6.8 billion yearly are being contributed to such programs. Employers contribute approximately $4.5 billion and employees $2.3 billion. Between $20 and $25 billion have been amassed as reserves to meet the future contingencies of these programs, particularly future pension payments.

(c) The Government permits employers to deduct from taxable income their cost and contributions to these programs. The income from investment of reserves is also exempt from taxes.

(d) Since Congress has stated and the courts have held that employer contributions toward welfare and pension benefits are in the nature of compensation to employees, it must be concluded that whether the funds for such programs are contributed by the employers, the employees, or both, the employees have a right to know the financial details of such plans as well as to have their interest in such plans protected.

2. The lack of standards and the inadequacies of State and Federal laws have permitted employee welfare and pension programs to operate in such manner as to give rise to many abuses, problems, weaknesses and unsound practices which could jeopardize the operation of this system and give insufficient protection to the rights and equities of the employee-beneficiaries.

(a) While the great majority of welfare and pension programs are being responsibly and honestly administered, the rights and equities of the beneficiaries in many instances are being dangerously ignored. In other cases, the funds of the programs are being dissipated and at times become the hunting ground of the unscrupulous.

(b) There is no adequate legislation at either the Federal or State level to fully safeguard these welfare and pension funds or the rights of the employee beneficiaries.

(c) Despite belief to the contrary, qualification by the Internal Revenue Service as to tax exemption for welfare and pension programs provides no real control over the operation of the plans and only minimum assurance of their actuarial soundness.

(d) A great many of these plans are sorely lacking in adequate accounting procedures. Auditing requirements in too many cases are nonexistent. It is the exception when welfare and pension programs provide for an accounting to or an audit on behalf of the beneficiaries.

(e) A serious problem at times in employer administered plans, particularly where the plan has been established or bargained on a level-of-benefits basis, is that the employer takes the position that he is delivering or guaranteeing an end product, i. e., the benefits under the program, and that the casts of these benefits are private business costs, have no relation to employee compensation, and are therefore of no concern to the employees or others. If the employer's costs for these programs are a part of employees' compensation which he is permitted to deduct as such from his taxable income, then he is not delivering a product from his own costs and his employees are entitled to information on the financial operation of the plan.

(f) Many of the worst abuses found in welfare plan operations involve certain insurance practices. These abuses include high commissions, excessive administrative fees, high insurance company retentions, unequal treatment of the policyholders, activities of unscrupulous brokers and agents, including embezzlement of premiums, sometimes in collusion with union officials or management—mostly the result of inadequate control and nondisclosure to the interested parties.

(1) The insurance industry is entirely regulated by State law. Many State insurance authorities have been lax in cleaning up insurance practices. This is attributable in part to the fact that the problem of group insurance is interstate or national in scope and, perhaps in part, to the fact that some State regulatory agencies are too susceptible to the viewpoint of the industry;

(2) The insurance industry, which has long prided itself on maintaining high standards on a voluntary basis, has not yet set up a code of ethics to deter wrongdoing among its membership;

(3) Group insurance is a highly complex business, and serious impairment of beneficiaries' equities has at times occurred as a result of lack of knowledge of insurance practices on the part of those responsible for purchasing insurance;

(4) In many cases, group insurance is bought and not sold. The commissions paid by some insurance companies on group policies, frequently as high as 20 percent of the first-year premium, give many a broker or agent an unearned commission. Such commission practices affect plans administered solely by a union or by an employer as well as those jointly administered;

(5) The beneficiaries of self-insured welfare and pension plans do not presently have adequate protection under State laws.

(g) Some of the worst instances of individual abuses were encountered in the jointly managed multiemployer and union administered welfare programs. The unilateral nature of employer and union administered plans affords less opportunity for disclosure of information as to abuses or maladministration.

(h) Lack of know-how, mismanagement, waste, extravagance, bad bookkeeping and indifference have caused a serious dissipation of the funds involved in these programs generally.

(i) Actuarial and investment soundness are the keystones to successful operation of pension programs. In many cases too little attention has been devoted to these factors.

(1) Corporate or bank trustees, while discharging their stewardships capably, cannot be held responsible for the financial and actuarial soundness of the plan. Often under the trust instrument they cannot control investments which impair the equities of the beneficiaries;

(2) A number of pension plans invest in substantial percentages of the securities and properties of the employing companies.

3. The subcommittee believes that the enactment of a Federal disclosure act would bring a great measure of order to the operation of private employee welfare and pension plans. The primary objective, the subcommittee has concluded, is one of assuring the immediate and long-range stability of private welfare and pension programs without impairing their voluntary or free-bargaining character. As shocking as the cases of dishonesty and fund looting have been and as great as the need is to bring this matter under control, the most important objective is to assure the maximum usefulness and safety of these programs in order that they may better meet the contingencies against which they were established.

(a) It cannot be assumed that the States will act uniformly or speedily, or that the problem can be met on a piecemeal basis. It is unrealistic to suppose that the 48 States will devise uniform procedures within a reasonable time to protect the interests and equities of the beneficiaries of these programs, lacking stimulus from the Federal level; nor can it be anticipated that any 1 State is so influential in this area as to bring this about.

(b) Disclosure of the workings of welfare and pension plans to a Federal agency is a mild remedy, reserving to the States a wide area for additional control. There is much

room, in fact, at the State level for enactment of legislation designed to more clearly fix the responsibilities of trustees and to strengthen insurance regulations.

RECOMMENDATIONS

1. The subcommittee recommends the enactment of a Federal registration, reporting, and disclosure act which would be effective for a 3-year period and which should require—

(a) Registration of all types of employee welfare and pension benefit plans which cover 25 or more employees. This registration should include identifying information respecting the plan as prescribed by the act and the regulations of the agency. It should be made within 90 days of the effective date of the act or the establishment of plans subsequent thereto.

(b) An annual report, as prescribed by the act and regulations thereunder, by all employee welfare and pension benefit plans which (1) include 100 or more employees and which (2) include less than 100 employees but are in fact operated or administered on some common basis with other plans (namely, common officers or administrators, union bargaining representatives, or employers, etc.) and, together, include in the aggregate 100 or more employees. The report should be attested to by the principal officer or officers thereof, and contain a detailed financial statement of the operations based upon an audit in accordance with accepted standards of auditing addressed to the beneficiaries and certified by an independent public accountant.

(1) The administrative agency should have discretion to require reporting and disclosure by a particular plan or plans covering between 25 and 100 employees on an annual basis, or less frequently, and to require compliance with other provisions of the act when, in the opinion of the agency, such action is deemed necessary to accomplish the objectives of the act.

(c) Disclosure of information contained in the annual report should be made to the beneficiaries of the plan and other interested parties by making copies available for examination at the principal offices of the plan and in the public documents room of the administrative agency and by providing the beneficiaries with information from the report in prescribed summary form by personal delivery or mail.

(1) The Federal agency should have authority to cause further distribution of annual reports to any other Federal or State agency.

(d) Criminal penalties should be imposed for willful violation or failure to comply with the act or willful false statements or misrepresentations or omission of a material fact, or for unlawful or willful conversion of the funds of any plan or program.

(e) Constitutional authority for such an act should rest upon jurisdiction over taxation, interstate commerce, and the general welfare.

(f) The agency should be given the usual administrative powers to carry out the functions of the act, compel the production of records, conduct investigations, and take any other measures necessary to administration and enforcement.

(g) Based upon its studies, and after 2 years' experience with the act, the administrative agency should make a comprehensive report to the Congress and include therein its recommendations as to the continuance, simplification, or modification of legislation. This report should be furnished in time to permit Congress to take appropriate action before the expiration of the act.

2. The subcommittee has no strong view as to which Federal agency should administer such an act. It is possible to use any one of several existing agencies—namely, the Department of Labor, the Department of Health, Education, and Welfare, the Internal Revenue Service, or the Securities and Exchange Commission—since the functions of each of these agencies have some relation to this field. It might also be feasible to create a new independent agency for this purpose. For the present, the subcommittee is inclined to favor the Securities and Exchange Commission because of its organizational setup and its established success in the administration of disclosure-type statutes.

3. The subcommittee also recommends the establishment of an advisory council to assist the Federal agency in the administration of such a disclosure act. The council should consist of 13 members, including 3 employee representatives, 2 representatives of management, a representative of the insurance industry, a representative of the banking industry, and 3 representatives of the general public, with the Secretaries of Labor and of Health, Education, and Welfare and the Commissioner of Internal Revenue ex officio members.

For a complete discussion of the subcommittee's recommendations on disclosure, see section IV: Need for Federal legislation.

Mr. DOUGLAS. The findings and proposals are the firm base upon which S. 2888 is constructed. While we found the great majority of the plans to be honestly and responsibly operated, the gross abuses discovered in some cases and the clear opportunity for abuse in others in our opinion called for remedial action.

We uncovered the embezzlement of almost a million dollars from the Laundry Workers welfare plan, along with exorbitant commissions, undue promotional fees, wasteful switching of policies, and collusion between union, management, and insurance officials.

Kickbacks of over half a million dollars to gangsters, excessive commissions and service fees, overliberal salaries and expense accounts, and nepotism were revealed in connection with the Distillery Workers' fund.

Misuse of funds, control of the insurer by the union official in charge, and other loose practices were exposed in the case of a local of the Allied Industrial Workers, then known as the UAW–AFL.

The subcommittee reached employer-administered funds only near the conclusion of its study, but in 1 of the 2 cases reviewed—the General Motors case—it uncovered a highly questionable decision on allocating certain reserves to salaried employees alone.

I may say, in connection with the statement made by the Senator from Colorado, that the investigations conducted by the Senator from New York concentrated attention upon jointly administered plans under the Taft-Hartley law; and when the work was turned over to me as chairman of the subcommittee, there were a large number of such cases, upon which general statements had been made, but no public hearings held.

Some of these cases related to unions in my own city of Chicago. I felt that in all honor I could not sweep those cases under the table, and that therefore I had to proceed with the backlog of work which had been given me as a result of the very efficient labors of the Senator from New York. I therefore concentrated my attention upon cleaning up those cases, and it required a good many months for us to develop the facts.

Some of the cases resulted in convictions in criminal courts. Some of them also resulted in remedial action by the AFL and CIO. So I think the work of our committee did clean up a number of very bad messes, and laid the basis for constructive reform.

The point I wish to make is that this took up so much time that there was not much time left in which to go into the field of employer-managed plans. In the time left, however, a great deal was uncovered in the way of irregular insurance practices, which adversely affected all types of plans, and in respect to the many weaknesses in employer-administered plans, with their one-party control.

The instances of abusive insurance practices were just as shocking as anything uncovered in the actual mismanagement of numerous individual plans. Grossly excessive commissions, as well as irregular service charges and bonuses, were found to have been paid by Continental Assurance Co. to its agent, C. J. Simons Corp., and the agent embezzled $164,000 in premiums. Employer policyholders, as well as unions, were subject to the losses of these contingency bonuses.

MORE EMPLOYER-ADMINISTERED PLANS INVOLVED

High commissions, contingent bonuses, and improper service fees, as well as policy switching were revealed in the dealings of the Washington National Life Insurance Co. with the brokers Dash & Love. Employer-administered as well as jointly administered plans were among those damaged by these practices. Similarly, high commissions and bogus administration fees were paid in connection with the insurance program of the novelty workers. In 4 of the 9 cases of that insurance program, the policyholders were employers.

Eastern Casualty, Mutual Benefit, Health & Accident, and Companion Life all had cases of excessive commissions and service charges.

Discriminatory treatment of policyholders, withholding of dividends, and excessive retentions were also revealed. The last-named abuse was shown in individual company studies, and in staff analyses of 70 insurance companies on the basis of questionnaires. Among the 43 insurance companies with the largest volume, almost 35 percent had retentions of over 15 percent of billed premiums.

Questionable levels of investment of pension funds in the securities or obligations of the employer of the covered workers were also discovered in staff analyses of bank-trustee information. While only a small percentage of the total—less than 2 percent—nevertheless 65 plans had investments in the employer's assets in excess of 10 percent of the fund. Thirty-one plans had over 25 percent of their funds in such investments.

As a general rule, it is unwise for a worker to have all his eggs in one basket, and to have the company with which his fortunes as an employee are bound up be the same company in whose securities investments have been made for him to take care of his old age. Sup-

pose the company fails and he is thrown out of work? He not only loses his job, but he may lose the assets in the pension fund upon which he depended for his old age and for protection during retirement.

Of the profit-sharing plans with pension features, which are on a somewhat different basis, 112 plans—over 7 percent—had over 10 percent of their funds in the employer's assets. In 40 plans the figure was over 50 percent.

I have mentioned only the highlights of the disclosures of abuses and weaknesses of present operations simply to recall that the subcommittee dealt with a wide variety and broad scope of questionable practices. These abuses and weaknesses touched all classes of plans, including employer-administered plans. I repeat, these were exceptional and not the general rule. But in view of the inadequacy of Federal and State laws to prevent their occurrence, the subcommittee concluded that disclosure legislation is essential, and that it is essential for all types of plans, whether employer-managed, union-managed, or jointly managed.

There is a good deal of evidence on this point from the insurance industry itself. When President George Meany testified before the Kennedy subcommittee, on pages 189 and 190 of the record, he gave statements taken from a speech delivered by the chairman of the Second National Bank of Saginaw, Mich., an editorial from the Insurance News of Boston, and a quotation from the hearings which I myself conducted.

First, let me quote from the speech delivered by the chairman of the Second National Bank of Saginaw, Mich., before the convention of the Michigan Association of Insurance Agents, in Detroit, on February 21, 1957. The full text is in the CONGRESSIONAL RECORD for February 26. I read:

> And the American insurance man, too, has an interesting job—I found that out over 50 years ago when I was in the business. In those days, competition, especially in the accident and health lines, was of the cut-throat variety. You would go to bed at night wrinkled and withered and worn by your overexertions of the day, and just as you were drifting off into the alluring arms of Morpheus, one of your men would telephone you excitedly that your business was being twisted by the Golden Rule Casualty Co. (which you thought was a friendly competitor). Twisting and rebating were everyday affairs. And quite similar conditions applied in life insurance, too.

If I may interject here, a rebate is a polite name for a kickback.

Mr. Meany went on in his testimony to state—

> We also have reliable authority for the view that time has not withered nor custom staled these practices. An editorial in the Insurance News of Boston, Mass., dated July 1, 1954, and entitled "Rebating—A Pernicious Disease" tells us that:
>
> "Rebating—

Again let me say that a rebate is the $64 word, with deodorants applied, for a kickback—

> "is still widespread practice. It is a disease which has become pernicious. It drives many young men out of the insurance business. We have in mind the case of a young man who recently entered the life insurance business and on his first case was told by his client that his previous agent always returned 30 percent of the premium. Our young man had the character to refuse and thus lost the case.
>
> "We need an awakening by the insurance men and the public so that we will recognize rebating to be what it really is—a criminal and immoral method of doing business—and this applies just as much to the agent or broker paying the rebate as to the buyer of the insurance who accepts the rebate.
>
> "The Insurance News feels that in discussing this subject we are performing a service to the public as well as the industry since it follows that any insurance agent who will do a dishonest act in the form of rebating will also be dishonest in his other transactions both with his companies and with his insureds."

Mr. President, when I was conducting the hearings of the Subcommittee on Welfare and Pension Funds, there appeared before us Mr. Ralph Knoblock, who was second vice president of the Washington National Insurance Co., and who was in general charge of their industrial insurance business. I read from the testimony at page 1256, as follows:

> Senator DOUGLAS. Did you have the impression that there are a good many policies which are controlled not by the insured but by the brokers?
>
> Mr. KNOBLOCK. I would say that the majority of them are controlled by the agent or broker. I am speaking now of groups of any size.
>
> Senator DOUGLAS. Is that true of employer plans or primarily true of union plans?
>
> Mr. KNOBLOCK. I would say it is also true of employer plans.

We are gratified that the labor movement utilized the information uncovered by the committees to proceed vigorously against the offending unions. A number of unions have been suspended from the AFL–CIO because of the investigations started by our subcommittee.

The AFL–CIO has constantly taken the position that it wanted full details of their welfare and pension funds disclosed to the members and to the public; that everyone should have the right to look at the record and see what was happening and how the funds had been spent, what the retentions were, what the salaries and commissions were, and what the investments were in general outline. They have been in the forefront of the fight for full disclosure.

Some criminal prosecutions also resulted.

A number of insurance carriers have also taken action to remedy the evils disclosed, although I must admit that I am deeply pained by the opposition of most of the insurance companies to the pending bill and the opposition of many employers, as registered through the United States Chamber of Commerce and the National Association of Manufacturers.

DISCLOSURE IS STRONG DETERRENT TO ABUSE

I am not indulging in slogans, as my friend from Colorado [Mr. ALLOTT] implied, when I say that sunlight is a great disinfectant. A great deal of evil occurs in the world because people believe they can sin in private and that their sins will never become public. If they know that their acts will be subject to public view, it serves as a restraint upon them and acts as a powerful force to keep their affairs conducted in an honorable way.

Personally, I still am puzzled as to why men should be afraid of disclosure of the financial details of these health and welfare and pension funds. In every equitable sense, the funds belong to the employees. The employers who serve as administrators are trustees; they do not own the funds. The banks do not own the funds. The insurance companies have special obligations in relation to these funds. The unions do not own the funds. The funds belong to those who are to be benefited from them. Those who manage them are merely in the position of trustees, and should administer them as trustees. Any trustee should be willing to have his accounts examined and stand before his beneficiaries and give an account of his actions.

As I say, I am puzzled and pained by the action of the great majority of insurance companies and official representatives of the employers. They put themselves in a very false position before the American public. I do not charge that there are abuses which are being concealed. I merely say that the man in the street will inevitably believe that there are abuses because of their unwillingness to disclose.

I submit that a good remedy for this is a willingness to disclose. As I understand it, there is no complete unanimity in the insurance field, but at least one big company would like to disclose the details, and, at the very least, is neutral in the struggle which is going on on the Senate floor and before the public.

When the subcommittee finished its investigation in 1956, however, the recommended bill could not go through the legislative mill in the time remaining in the 84th Congress. It was therefore reintroduced in the 85th Congress on February 7, 1957, and extensive legislative hearings were held on it by a subcommittee under the chairmanship of the Senator from Massachusetts [Mr. KENNEDY]. Over 700 pages of testimony and exhibits were taken and a number of changes were suggested in the bill by Senator KENNEDY's subcommittee.

With the strengthened enforcement provisions and other modifications recommended by this subcommittee, a clean bill, S. 2888, was introduced last August. And with perfecting amendments, S. 2888 was ordered favorably reported by the Labor and Public Welfare Committee a few weeks ago.

I believe it is thus clear that the bill before us has had long and careful study and that the facts which demonstrate the need for the measure before us have been thoroughly weighed and considered.

IV. THE OBJECTIVES AND PROVISIONS OF S. 2888

The essence of S. 2888 is the requirement of registration and reporting to the Federal Government of all essential financial data by employee welfare and pension plans and the disclosure of such information to interested parties and the public.

It is not held out as a cure-all. Nor is it a regulatory bill. It is not a regulatory bill, Mr. President. That power is left to the States.

Therefore those who advocate State control and regulation of insurance need not object to the bill. It is merely an attempt to provide for disclosure of plans which frequently cut across State lines.

But it does aim to encourage—by the exposure of the financial facts to public view—honest and more efficient management, sounder investments, more responsible trusteeship, more active employer and employee interest, an end to conflict of interest, favoritism and looting, and self-policing by the various groups involved.

Just as sunlight often acts as a disinfectant, we believe disclosure will tend to deter many of the kinds of abuses our investigation revealed.

COVERAGE

The coverage of S. 2888 is broad, reaching all employee welfare and pension benefit plans except those administered by a governmental instrumentality. Any proposal to exempt employer-administered plans, or so-called level-of-benefits plans or fixed-benefit plans, would limit the bill's protection to only about 10 percent of the beneficiaries involved.

Let us make it clear that the proposal to exempt level-of-benefits or fixed-benefit plans is virtually the same as a proposal to exempt employer-managed plans. That is what the proposal is.

But in the interest of greater administrative simplicity, plans covering fewer than 100 workers are accorded a 2-year moratorium on reporting. And the Secretary of Labor is given authority to exempt from the registration as well as the reporting requirements any categories of plans covering less than 100 employees where compliance would be unduly burdensome to the plans or to the Department.

Insurance company data cited in the Labor Committee's report suggest that if fully exercised, this exemption authority might relieve nearly 64 percent of the plans of some of the act's requirements, but leave plans covering 94 percent of the beneficiaries still subject to the act's protections. In other words, it would get rid of two-thirds of the paperwork, but exempt from protection only 6 percent of the employees.

REGISTRATION

The registration requirements are relatively simple, providing the information needed to identify and classify the plan generally and those responsible for its management.

REPORTING

The reporting requirements are full and specific. They aim to provide in respect to each type of plan all the essential financial data about that plan—size, managers, trustees, contributions, benefits, premiums, claims, commissions, fees, summary investment information—not detailed investment information—that is, investments classified by types of investment, rather than by specific companies; detailed data relating to heavy investments in one company or to securities of any size in or loans to the employer or other parties in interest, actuarial information, and so forth. Let me repeat again: S. 2888 does not regulate these important matters, but by subjecting them to reporting and disclosure, it moves a long way to keep them honest and above reproach.

DISCLOSURE

Now a word about disclosure. The Secretary of Labor is directed to make the registrations and reports available for examination in the public documents room of his Department. Managers of the plan shall do likewise at their principal office for any participant or beneficiary and shall provide summary information to each participant or beneficiary requesting it.

In this connection, I think the press can do much to aid enforcement, so as to make this provision worth while. The press is Argus-eyed.

Some reporters have rendered valiant service in unearthing abuses of pension funds. I should like to mention Mr. Clark Mollenhoff of the Cowles newspapers, including the Des Moines Register-Tribune, who has taken the lead in exposing some of the abuses which have occurred, and whose articles paved the way for some of the investigations.

Registrations and reports would be available for examination by the press. This would be a mighty deterrent to improper action.

I personally would prefer that this provision be broadened, not merely to require that summary information be given to each beneficiary or participant who requests it, but to require such summary disclosure to all beneficiaries, so that those most interested in protecting their stake against mismanagement would not run the risk of economic reprisals or intimidation by the mere act of requesting data.

That was the provision which was in the original bill that I drafted, but it was eliminated by the committee. I wish that it might be restored, because there are certain cases in which a person will be afraid to ask for information, lest it expose him to reprisals by the managers of the fund.

The very heart of this measure is in its reporting and disclosure requirements. As I have said before, these do not set up regulatory standards. They do not specify allowable levels of commissions, or premiums, or retentions. They do not regulate investment policies. As I said at the hearings, the bill seeks just the facts. Making these available to beneficiaries and the public—including the press—however, is calculated to cause the managers of all these plans, the insurance companies, the bank trustees, the brokers, and all others who touch these funds, to be more careful and honest. It will hurt only those who have something to hide.

ADVISORY COUNCIL

An advisory council drawn from the various interested groups and from the public is established to assist the Secretary. The value of this aid in such new legislation is obvious.

STUDIES OF STANDARDS

The Secretary is authorized to make studies and send recommendations to Congress concerning the establishment of standards of conduct in matters relating to welfare and pension plans and the advisability of power in the Secretary to file suits for misconduct.

ENFORCEMENT

The Secretary is also given definite power to investigate possible violations of the act and to bring suit to enjoin such violations.

Furthermore, the bill provides criminal penalties for violations of the act's provisions, for false entries or statements, and for embezzlement from employee welfare or pension benefit plans. It would also penalize kickbacks and other methods of bribery, including both recipient and giver.

In view of the court's decision in the Distillery and Wine Workers case in New York, to which reference was made earlier today, it is clear that many of these improper acts are not now reached by State statutes, and that a Federal statute is needed to give adequate protection.

The bill thus includes enforcement provisions with some teeth in them, for securing compliance with its moderate and reasonable basic requirements.

The 4-year terminal date set in the bill is a frank recognition that the proposed legislation is new and may prove to be either too little or too much. Congress will thus be required to determine the future of reporting and disclosure after reviewing the experience with the act for a period of 4 years.

COOPERATION WITH STATES

The bill also requires cooperation by the Secretary with State and other Federal agencies to avoid multiplicity and unnecessary duplication of reporting. An important benefit to multistate plans is the provision in effect preempting the disclosure laws of States other than those of the home offices of the plans, by permitting copies of the Federal registrations and reports to be filed instead where the State-required information is included in the Federal documents.

Now that six States have already passed laws with varying requirements for welfare and pension plan reports, the value of this provision is rapidly becoming apparent.

ADMINISTRATION

While our 1956 report originally recommended administration by the Securities and Exchange Commission, the recommendation of the Senate Labor Committee and of the executive departments that it be lodged in the Department of Labor seems entirely practicable. That Department has other closely related responsibilities, and the SEC has informed the committee that they felt these duties would not be so well allocated to them.

From this brief review, it is clear that the proposed legislation is moderate in its objectives, but comprehensive in its coverage and effective in its procedures to dig out the facts and expose them to public view.

V. OBJECTIONS CONSIDERED

What about the objections? The most serious objection which is urged against S. 2888 is that its coverage is too broad. The Senator from Colorado [Mr.

ALLOTT], whose services on the committee on which I served were most valuable, has recommended instead that so-called level of benefits, or fixed-benefit plans be exempted from this measure. This, as I have said, is equivalent to providing that employer-administered plans be exempted from the measure.

While the available data do not accurately reveal just what proportion of the plans should be thus defined, it is generally considered that most employer administered plans are of this type. Senator ALLOTT and the committee have apparently concluded that this exemption would exclude from the bill's requirements the great majority of the existing plans, ones which cover about 90 percent of all the beneficiaries. Employers, whose unilaterally-administered plans would thus be largely exempted, have generally joined in enthusiastically to support this limitation.

Whether the percentage figure is slightly higher or lower than 90 percent, it is admitted that the proposed exemption would narrow the bill's protections to a small fraction of all the beneficiaries.

In support of this crippling amendment, it is argued that no abuses were disclosed in cases of level-of-benefits plans, only in union or jointly administered fixed-cost plans; that abuses will not occur in level-of-benefits plans because the employer would have no incentive to steal or waste the moneys; that even if losses do occur in such plans, the beneficiaries suffer no injury; and that the costs of administering a comprehensive disclosure bill will be prohibitive, the figure of $100 million being mentioned.

I believe none of these objections to broad coverage is sound.

1. ABUSES AND DANGERS WERE EXPOSED IN RELATION TO EMPLOYER-ADMINISTERED, LEVEL-OF-BENEFITS PLANS

It is true, as I have said, that our 1954–56 investigation was primarily centered on jointly-administered funds under the Taft-Hartley law, which were fixed-cost plans. Only near the conclusion did we examine two level-of-benefits or fixed-benefits plans closely. But in 1 of the 2, as I have said earlier, we uncovered a very questionable management decision to allocate reserve funds built up out of the contributions of both hourly and salaried workers to the newly divided insurance plan for the salaried workers alone. In that case, I may say, the subsequent dividends went to the employer in question, even though the contributed funds had been jointly paid.

Furthermore, in connection with several of the cases of gross abuses—excessive commissions, kickbacks, bogus service fees, and bonuses—revealed on the part of insurance companies and their agents, employer-administered, level-of-benefits plans were involved to our certain knowledge, as our report states.

Again, in connection with the summary data on excessive retentions and questionable investment policies, while the data was not broken down or classified on this basis, it is almost certain that level-of-benefits plans or fixed-benefit plans which form the vast majority were involved.

President Meany cited additional instances of abuses in level-of-benefits plans in his testimony before the committee last year. The employes were charged exorbitant rates in one case, and an estimated $600,000 above the cost of the insurance was collected from them by the employer. That is shown on page 195 of the hearings.

In another case, he reported, the employer withheld sums collected from employees, and failed to transmit some $64,500 to the insurance company. The employer went into bankruptcy, and his defaults thus deprived 15 employees who had reached retirement age of the benefits they would otherwise have been entitled to and many welfare plan beneficiaries did not receive the benefits they were rightly entitled to if the funds had been paid to the insurance company and the policy had not lapsed.

In this connection I may say that the Treasury Department has stated to the Finance Committee—of which I am now a member—that approximately $300 million of contributions and moneys that should be turned over by employers to the social security fund have not been transmitted by the employers to the Government. Mr. President, can you imagine what the newspapers would have done if the unions had withheld $300 million which should have gone to the Treasury?

I wish to pay tribute to the Senator from Delaware [Mr. WILLIAMS], who has joined me in the effort to obtain better enforcement of this provision. But the facts are that the last report shows that approximately $300 million has been withheld by employers, much of it from deductions made by employers from the workers' pay, and has not been transmitted by the employers to the Treasury, for inclusion in the social-security fund.

My attention has been called to another case—*H. S. D. Co.* v. *Kavanaugh* (88 Fed. Supp. 64, 191 F. (2d), 831)—where the officials of a company had their pension plans qualified by the Internal Revenue Bureau as a package, yet placed all the good investments in the executives' plan, and left the employees' plan practically bare.

The record, therefore, does not support the claim that no abuses have been shown in the case of management-administered, level-of-benefits plans, and that such abuses could not possibly arise in these plans.

2. ALLEGED EMPLOYER "INCENTIVE NOT TO MISUSE" IS NO GUARANTY AGAINST LOSSES

The structure of most level-of-benefits plans or fixed-benefit plans may make it easier to conceal abuses, since only one party administers the plan; and this is another reason why more abuses have not come to light.

But the structure of these plans does not, as the Senator from Colorado [Mr. ALLOTT] argues, make abuse impossible because the employer has a money incentive to use the money honestly and economically, for otherwise it would be the same as stealing or wasting his own money. This argument grows out of the practice, under these plans, for the employer to pay whatever amount above the employee contributions that proves to be necessary in order to maintain the agreed or proffered level of benefits.

In the cases cited by President Meany, however, it was obviously considered to the employer's advantage to overcharge the employees, in one case; and, in the other case, to withhold sums collected from employees, and not send them to the insurance company.

So many different situations can, and do, arise, where moneys are accumulated for future purposes, that we cannot simply assume, as the Senator from Colorado does, that it will never be to the employer's advantage to misuse these funds or to abuse his trust. Investment in the employer's own securities of the moneys collected for pension purposes is another obvious case where the needs of the business may overshadow considerations of prudence in the handling of pension funds.

Even in situations where it is not to the employer's advantage to misuse the funds, however, it may be to the advantage of some individual who deals with the funds, or with the insurance company or its broker, or with the bank trustee, on behalf of the employer.

The incentive of the employer not to cheat himself, no more binds all of his officials and agents than the incentive of the union not to shortchange its members binds every union official or agent.

Nothing in the record of business supports the naive assumption that, because something is for the best interests of an employer company, every financial officer will do it. I believe in the innate honesty of most corporate officials and union leaders. But I cannot accept the bland assumption that all employer officials are above temptation, and never will stoop to personal enrichment or dishonest misappropriation. On the contrary, what general evidence we have suggests that these persons are subject to human frailties quite as much as others are.

In the November 1957 issue of Fortune, there appeared an article entitled "Embezzlers, the Trusted Thieves." Its subtitle stated, "Respected employees who steal from the boss net more each year than all the Nation's professional criminals. Yet management hates to admit it can happen here, finds it hard to spot these men of secrecy and ingenuity."

The article states:

> Last year alone, at least $500 million in money and property was stolen by dishonest employees. A few experts claim this figure is much too low, and that $1 billion is a better guess at the annual embezzlement loss. And one expert suggests that $3 billion is the real total.

A New York Times editorial last fall—on November 3, 1957—stated:

> It has been estimated that as much as $5 billion was involved last year in white-collar kickbacks, payoffs, gratuities and bribes.

Mr. President, I still believe that most corporate and union officials are honest. I wish to make that clear. I believe that most level-of-benefits plans or fixed-benefit plans are honestly run. But I

find no justification for Congress to legislate on the basis that the laws of human nature have been repealed in the case of every level-of-benefits plan. And since the companies and the individuals who run these plans are not supermen, but are subject to the same temptations that assail others, we have no reason to exclude the former from this law.

As I said earlier, the proposed disclosure law will not be a sure cure for all these ills; but it will be a powerful deterrent, as useful in connection with level-of-benefits plans as it will be in connection with others.

3. BENEFICIARIES MAY BE HURT, AND OTHERS ALSO

But, in his argument, the Senator from Colorado retreats to the position that even if such abuses or diversions of funds should occur, there would be no loss to the beneficiaries.

The case of the bankrupt company, cited by Mr. Meany, is a direct refutation of that argument. Fifteen persons, who otherwise would have been entitled to retirement pensions, were deprived of them by the withholding of their funds from the insurance company. Beneficiaries of the welfare features were also hurt.

It is also obvious that if wasteful or dishonest or even just imprudent practices by the company, its trustee, or its insurer, add substantially to the company's costs, the chances are that future employee contributions will be increased or benefits will be reduced. In either case, there will be a loss to the beneficiaries.

Even if the beneficiaries are scrupulously guarded against loss from abuses or diversions of funds or improper insurance practices in connection with level-of-benefits plans, the company's stockholders or owners are hurt.

The Government sustains a tax loss if inflated, larger costs are claimed as a deduction from taxable income.

And a dishonest pattern of conduct in collusion with an insurance carrier or broker may tend to infect that carrier's or broker's handling of other, covered welfare and pension plans.

Embezzlement or other unjust enrichment of individuals, favoritism in handling contracts, exorbitant commissions, kickbacks, high retentions, and so forth, are not justifiable simply because an employer in some rare cases may be sufficiently well fixed so as not to reduce the benefits agreed upon.

Congress, in my opinion, should not ignore the dangers either to beneficiaries or to the other interests I have listed.

It seems to be the argument of the Senator from Colorado that it is enough for the beneficiaries' security that they have the contractual obligation of the employer to pay a certain level of benefits. But all noncollectively bargained plans are terminable at the employer's option, and in collectively bargained plans the contractual obligation in almost all cases is an explicitly limited one, frequently just an obligation to keep up premium payments to the insurer for a short period of time.

This point is dealt with on pages 12 to 15 of the committee report.

It is a poor consolation to tell the beneficiary, as the Senator from Colorado does, that he can sue the employer for damages if things go wrong.

The very purpose of disclosure legislation is to prevent, as much as possible, such abuses and defaults. And the beneficiaries in level of benefits, or, as I prefer to call them, fixed-benefit plans, who make up 90 percent of all the beneficiaries, are as much entitled to the protections of reporting and disclosure concerning the uses of those funds as are the beneficiaries under fixed-cost plans. There is no reason why the sometimes fluctuating and uncertain employer obligations under level-of-benefit plans should give such companies a right to concealment.

Under a great many of these level-of-benefit plans, as under others, the employees make contributions. Congress, in my opinion, should give these directly contributed employee funds, and the funds added by the employer under whatever type of plan—which are a form of compensation to the employees—the protection which will more definitely assure that they are honestly and efficiently devoted to the worthy purposes for which they are set aside.

4. PROBABLE ADMINISTRATIVE COSTS ARE REASONABLE

On the question of probable costs of administering the provisions of S. 2888, the estimates of the Senator from Colorado seem to me quite unrealistic and speculative. He seems to assume that this is a regulatory measure which it is not.

The estimates of the Secretary of Labor, who is a member of the same party as the Senator from Colorado, running from $1,660,000 for the first year, down to $1,280,000 annually thereafter, are more carefully worked out and seem to me entitled to much greater weight. In my opinion, these sums, or even double their amounts, would be moneys well spent to protect the interests at stake in this measure.

The cost of administration would, of course, be reduced if the bill were amended to limit its coverage, as the Senator from Colorado proposes. The only trouble with this argument is that the effectiveness of the bill would also be reduced—practically to nothing.

CONCLUSION

For all the foregoing reasons, the attempt to cut 90 percent of the beneficiaries out of the protections of S. 2888 seems to me without merit, and I hope it will be defeated.

The measure as reported by the Labor Committee offers a moderate, reasonable approach, by means of reporting and disclosure, to the grave abuses uncovered in our investigation. I am glad the administration is supporting it, I hope the supporters of the administration will support it, and I hope that the Senate will pass this measure and send it on to the House for the careful consideration of that body.

It would be unfortunate if this carefully prepared measure should be either crippled by exemptions or encumbered with numerous labor measures which have not had the careful consideration given this welfare and pension plan disclosure bill.

Let us let the light of day shine in on the operations of this great private security system of welfare and pension plans and erect the protections for the personal interests of 84 million beneficiaries and for the public interests which are here at stake.

I yield the floor.

Mr. KNOWLAND. Mr. President, first of all, I ask unanimous consent to have printed in the body of the RECORD the message of the President which came to the Congress on January 23, relative to the administration's recommendations with reference to certain proposed labor legislation. I think it is appropriate as a reminder to the Senate that some 3 months ago the administration had recommended broader legislation, including, however, the subject matter of the limited bill reported by the Committee on Labor and Public Welfare.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

To the Congress of the United States:

There are submitted herewith for the consideration of the Congress, recommendations for amendments to the Taft-Hartley Act and for additional legislation to provide greater protections for the rights of individual workers, the public, and management and unions, in labor-management relations.

I

No labor-management relations legislative program today can ignore the disclosures of corruption, racketeering and abuse of trust and power in the labor-management field. Many of these disclosures have been made in Congressional hearings and in investigations by grand juries and local law enforcement agencies. In the various States vigilant attention by law enforcement officials, and public interest in the effective enforcement of existing laws against criminal activity, are doing much to eliminate many of the evils and abuses which have occurred. Union officials—most of whom are decent, honest Americans—are also doing much to eliminate the few in the ranks of organized labor who are corrupt. However, the importance to American workers and to the public of preventing the impairment of the individual rights of employees and the fact that voluntary action is inadequate in this respect have become increasingly evident. In order to protect the basic rights of the individual worker and to maintain the integrity of trade unionism itself, action on the part of the Government is needed.

The American public is in need of reassurance:

1. That the funds which are set aside for the benefit of working men and women in health, welfare and pension plans are accounted for.

2. That the moneys which are contributed by workers to union treasuries are being used solely to advance their welfare.

3. That organizations in which working people associate together voluntarily to improve their status through collective action will be administered in such fashion as to reflect their will.

4. That working people are more fully protected from dealings between representatives of labor and management which have the effect of preventing the full exercise of their rights to organize and bargain collectively.

5. That the public is protected against unfair labor and management practices

within the collective bargaining relationship which give rise to the exercise of coercive power by one as against the other tending to impede the peaceful development of that relationship, or which infringe the legitimate rights of innocent third parties.

The Secretary of Labor has recommended to me a comprehensive program of legislation which, if enacted, will, I believe, give that reassurance to the American public. His recommendations constitute the program of this administration in the labor-management field, and the administration urges the Congress to enact legislation:

1. To require the registration and detailed annual reporting to the Department of Labor, with appropriate disclosure, of all plans which provide health, welfare, or pension benefits to working men and women, whether administered by employers, by unions, or jointly by both. The administration made specific legislative recommendations in this respect in 1956 and 1957.

2. To require:

(a) That all labor organizations, having members employed in industries affecting commerce or which receive benefits of tax exemption under the Internal Revenue Code, including regional and local conferences and councils, shall:

(1) File with the Department of Labor detailed annual financial reports, which shall be available for public examination.

(2) Maintain proper financial books and records open to the scrutiny of all of their members.

(b) That officers of such labor organizations who handle union funds be held to the highest degree of responsibility for the funds committed to their care by union members; and that the members of such organizations be given an unequivocal right to sue in Federal or State courts to enforce these responsibilities. This would not supersede existing State statutes or judicial remedies.

3. To require that all labor organizations:

(a) File annually with the Department of Labor detailed information as to their constitutions, bylaws, and organizational structure and procedures.

(b) Show by appropriate reporting that their members have the right and opportunity to elect and have elected at intervals of not more than 4 years, their local officers directly by secret ballot, and their national officers either directly by secret ballot, or through delegate bodies elected directly by the membership by secret ballot, with due notice of any election being given to the members. The Department of Labor would be authorized to make full public disclosure of these reports.

4. To require:

(a) That all employers report to the Department of Labor all financial dealings with labor organizations or their representatives either directly or through a third party, but exempting those employer payments specifically authorized by law or reported under other requirements of law; to require that all labor organizations and representatives of labor organizations report to the Department of Labor all such financial dealings with employers either directly or through a third party; and to authorize the Department of Labor to make full public disclosure of these reports.

(b) To prohibit by the application of appropriate civil and criminal laws financial dealings between employers and labor unions which operate to impair the rights of working people to organize, to select their bargaining representative or effectively to bargain collectively; specifically to amend the Taft-Hartley Act to prohibit payments made to employee representatives by employer agents or representatives, as well as those made directly by employers, except as authorized by law; to cover employer payments to an employee representative other than a representative of his employees; to prohibit payments over and above payments for regular job duties made by an employer, his agent or representative to an employee or group or committee of employees to influence other employees in the exercise of their right of self-organization or the selection of a bargaining representative; and to make it clear that employer payments to trust funds for apprenticeship and training purposes are not prohibited.

5. For effective administration of this program of reporting and disclosure of general union funds, conflicts of interest, union organization and structure and also the program for reporting and disclosure of welfare and pension plans, the administration recommends that there be created in the Department of Labor a Commissioner of Labor Reports who would be responsible to the Secretary for the performance of duties under the new legislation. The Commissioner should be appointed by the President with the advice and consent of the Senate. In the administration of these reporting requirements, the Commissioner of Labor Reports would be empowered through authority derived from the Secretary of Labor to:

(a) Make full public disclosure of all information contained in the reports;

(b) Seek injunctions against violations;

(c) Investigate reports of violations of the reporting requirements, including the accuracy of reports filed, and charges that union election or procedural practices are not in accordance with the reporting requirements; and

(d) Issue subpenas for the production of all appropriate books and records and compel testimony by witnesses.

6. In order to insure the effective enforcement of this program, the administration recommends that the following criminal and administrative sanctions be enacted into law.

(a) Criminal:

(1) The embezzlement of general union funds, false statements or entries, or willful destruction of books should be made punishable as a felony.

(2) The Criminal Code provisions relating to filing of false information should be made specifically applicable to these reports.

(3) The failure of an employer or a union to file required reports should be made a misdemeanor.

(4) A new bribery section should be added to the Criminal Code making it a felony for an employer, or his agent or representative, or any union official or representative, to make or receive any payments to influence improperly the actions of the other in labor-management matters. To facilitate prosecutions of violations of this section there should be included a provision for immunity to witnesses.

(b) Administrative:

At the present time any labor organization covered by the National Labor Relations Act is denied access to its processes if it fails to file financial and organizational reports. This should be continued. In addition, subject to the requirements of the Administrative Procedures Act, including judicial review, for the willful failure to file true and proper reports the administration recommends that —

(1) All labor organizations and employers be denied all rights or privileges available to them under Federal labor-management relations laws:

(2) All labor organizations be liable to revocation of any outstanding certification as bargaining representative under any law of the United States;

(3) All labor organizations be liable to the forfeiture for an appropriate period of tax exemptions available to them under the Internal Revenue Code.

7. Certain provisions of the National Labor Relations Act afford opportunity for labor or management to coerce the other, often with detrimental effect on individual employees, innocent third parties and the general public. The administration recommends that the ambiguities and inequities that exist in these provisions be removed by amending them as follows:

(a) Amend the secondary boycott provisions of the act to make it clear that they prevent:

Direct coercion of an employer to cease doing business with another;

Coercion of employers by inducement or encouragement of individual employees to refuse to perform services;

Coercion of secondary employers who do not come within the act's definition of "employer"; and

Coercion of employers to enter into or to enforce agreements to cease using the products of, or to cease doing business with, another person.

To further amend the secondary boycott provisions to make it clear that they do not prevent:

Activity against a secondary employer who is performing "farmed out" work in behalf of a struck employer; or

Activity against secondary employers engaged in work on a construction project with the primary employer.

(b) Amend the act to make it an unfair labor practice for a union, by picketing, to coerce an employer to recognize it as the bargaining representative of his employees or his employees to accept or designate it as their representative where:

The employer has recognized in accordance with law another labor organization:

The employees, within the last preceding 12 months, have rejected the union in a representative election; or

It is otherwise clear that the employees do not desire the union as their bargaining representative.

(c) Amend the act to eliminate the statutory prohibition which bars economic strikers who are not entitled to reinstatement from voting in representation elections.

II

In addition to the above the administration recommends that several other changes be made in the Labor-Management Relations Act of 1947. Some of these changes have been proposed before, some are new, but all are intended to strengthen and improve the act where experience has shown that correction is needed. These proposals are as follows:

1. Amend the act to eliminate the jurisdictional gap referred to in recent Supreme Court decisions by authorizing the States to act with respect to matters over which the National Labor Relations Board declines to assert jurisdiction.

2. Amend the act to authorize the Board, under appropriate circumstances, to certify as bargaining representatives, without a prior election, unions acting in behalf of employees primarily engaged in the building and construction industry.

3. In view of the enactment of the Communist Control Act of 1954, amend the act to eliminate the provision requiring the filing of non-Communist affidavits by officers of unions seeking to use the act's processes.

4. Amend the act so that parties to a valid collective-bargaining agreement may not be required to negotiate during the life of the agreement unless it provides for reopening or the parties mutually agree to its being reopened.

5. Amend the act to make it clear that when the office of the General Counsel becomes vacant the President may designate some other officer or employee to serve as acting general counsel during the vacancy.

These legislative recommendations are designed to benefit and protect the welfare of American workers and the general public, to curb abuses, and to provide greater harmony and stability in labor-management relations.

They take into consideration the fundamental principle that an effective right to organize and bargain collectively is an essential part of this Nation's free and democratic society.

I urge that the Congress give speedy consideration to these proposals.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *January 23, 1958.*

Mr. KNOWLAND. Mr. President, in carrying out the proposal of the administration bill, the distinguished senior Senator from New Jersey [Mr. SMITH] introduced a measure, known as Senate bill 3097, dealing with this subject matter, which has been pending before the Committee on Labor and Public Welfare for several months.

Mr. President, on January 23, I also introduced certain proposed legislation dealing with some of the broader aspects of protecting the rights and protecting the interests of rank and file members of organized labor, and at that time I made a brief stsatement in the Senate relative to that proposed legislation. I ask unanimous consent that it be printed in the body of the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT MADE BY SENATOR WILLIAM F. KNOWLAND IN THE SENATE, JANUARY 23, 1958

I submit for reference to the Senate Committee on Labor and Public Welfare legislation to correct widespread abuses that have developed in the operation and management of union affairs. If approved by the Congress, this new legislation will represent a bill of rights for our working men and women who at present are or who may become members of the Nation's unions.

In the last 20 years, membership in the Nation's unions has increased from 3 million to over 17 million members. Not counting the vast sums of money already available to officials of these unions, it is conservatively estimated that annual sums of dues, fees, and assessments paid by our union members amount to over $600 million each year.

In my judgment, the Nation's working people who contribute part of their monthly salaries to support the activities of their unions are entitled to effectively control the management of its affairs.

The American way of life, with its foundations fixed on maintaining and protecting human dignity and the aspirations of free men in a free society, has always demanded that with power must rest responsibility.

During the past year, the extensive series of hearings in the Congress have forcefully demonstrated that the powers of a considerable number of union officers are being misused.

Thousands of letters from union members have poured into the offices of Senators and into the Senate committees alleging abuses, misfeasance, and acts of violence on the part of certain local, regional or national union officers.

This does not and should not constitute an indictment against all labor officials. Many of these officials, past and present, have labored unceasingly in the best interests of their fellow working men.

In the past four months, I have traveled the breadth and length of California many times and have discussed these problems personally with many members of various unions.

If I can summarize their comments in a phrase, they requested that Congress give them assistance in obtaining democratic control over the management and operation of local, regional and national unions or the rank and file of the membership.

The legislation I have just introduced is submitted for that purpose.

Every specific provision in this legislation has been drafted to provide the members of our unions adequate representation in the conduct of their own union affairs.

Any public official who attempts to work constructively in this field faces the hostility of certain union officials who do not want their vested positions of power disturbed. I have already had my views on the need for this bill of rights for union members substantially distorted.

However, I am willing to assume this risk.

I want to state for the public record my firm judgment that unions have played in the past and will play in the future an important role in the strengthening of our national economy. I am hopeful that unions will continue to grow in membership and importance, but further that they also grow in responsibility as well.

I believe that this legislation to provide a bill of rights for workers will receive, now or in the not too distant future, the favorable consideration of the Congress. I would sincerely request that all interested persons read carefully the provisions of this bill.

Mr. KNOWLAND. Mr. President, along with the statement, as I pointed out, I introduced proposed legislation, and I ask unanimous consent at this time to have printed a summary of the bill which was introduced at that time. The bill was Senate bill 3068.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF LEGISLATION PROPOSING A BILL OF RIGHTS FOR UNION MEMBERS (AMENDMENTS TO THE LABOR-MANAGEMENT RELATIONS ACT OF 1947) INTRODUCED IN SENATE BY SENATOR WILLIAM F. KNOWLAND ON THURSDAY, JANUARY 23, 1958

Section 401, definitions: Labor organization, union official, employee-welfare plan.

Section 402: Provides for election of union officials within 4-year periods by popular vote of the membership through secret ballot; confers jurisdiction on National Labor Relations Board to consider individual petitions that union officials have been illegally elected.

Section 403: Confers jurisdiction on National Labor Relations Board to conduct elections by secret ballot on the question of recalling union officials previously elected; petitions directing the Board to act must be signed by a minimum of 15 percent of the union members; limits number of such elections which can be conducted during a single-year period.

Section 404: Provides for National Labor Relations Board to conduct secret election upon request of a petition signed by minimum of 15 percent of labor-union members on following subjects:

(1) Amendment, modification or repealing provisions of union constitution or union rules or regulations.

(2) Amendment, modification or vetoing decisions of union officials on questions of dues, initiation fees, assessments, union salaries, fines, suspensions, expulsions, union benefits, support of nonunion activities, etc.

(3) Prohibits National Labor Relations Board elections under this section on matters involved in collective bargaining negotiations or on subjects permitted by union constitution, by-laws, or other union governing rules or regulations.

(4) Limits number of elections permitted to be conducted under this section.

Section 405: Provides for referendum by National Labor Relations Board where petitioned by minimum of 15 percent of employees in the labor unit involved on question of calling or continuing of strikes; also requires that notification of strike be filed with 30-day notice to National Labor Relations Board, employer and union members; provides limit to number of referendums that can be requested; removes protection of NLRB from employee who participates in strike after majority vote against strike under this section.

Section 406: Provides that petition under sections 402–3–4 may only be filed by union members or an individual organization specifically acting on their behalf; prohibits employers of such employees or organization affiliated with such employers from filing petitions under these sections; permits the NLRB to delegate supervision of elections provided in sections 403–4–5 to qualified public or private agencies or organizations.

Section 407: Specifies restrictions on establishment of trusteeship over local union affairs by national or international unions; establishes 1-year limitation for continuation of trusteeship and provides that union funds under trusteeships must be utilized exclusively for the benefit of the local union and its membership; authorizes trustees to conduct elections, where applicable, for new union officials; permits union member to institute legal action on behalf of local union to compel compliance with provisions of this section.

Section 408: Establishes NLRB protection for union members who, through disciplinary action of union officials, have been deprived of their right to vote in union elections.

Section 409: Prohibits division or allocation of territory for representation purposes by two or more unions. Section protects right of union member to participate in union organization of his own choosing.

Section 410: Prohibits collective bargaining agreements for a period in excess of 2 years unless approved by majority vote of union membership; prohibits provisions in collective bargaining agreements waiving union members' rights to strike unless provisions have been approved by secret ballot vote.

Section 411: Provides new system of registration of employee welfare plans with the Securities and Exchange Commission; requires employee welfare plans under management and union jurisdiction to be registered; authorizes certification of the accuracy of information on welfare plans submitted; provides Federal court jurisdiction to require compliance with this section.

Section 412: Sanctions and penalties for noncompliance with provisions of the law; provides both civil and criminal penalties.

AMENDMENTS TO EXISTING PROVISIONS OF NATIONAL LABOR RELATIONS ACT

Section 2: Establishes additional unfair labor practice where provisions of section 405 relating to notification of strike or referendum on strike are violated; directs that representation elections may be held during period covered by collective bargaining agreement but provides that terms and conditions of collective bargaining agreement continue without regard to results of such elections; permits representation elections where labor organization is determined under section 412 (a) that it is no longer eligible to represent employees; provides that Secretary of Labor shall make information, required to be filed by labor organizations to obtain certification, available to the public.

Section 3: Makes it illegal for employer representatives to transmit any money or thing of value to representatives of his employee; makes it illegal for representatives of employees to receive from employer representatives any money or thing of value.

Mr. KNOWLAND. On February 25, 1958, I addressed a communication to Hon. LISTER HILL, chairman of the Committee on Labor and Public Welfare, pointing out that I had introduced Sen-

ate bill 3068, and asking for an early hearing on the bill which I had proposed, dealing with the subject matter under discussion today.

I might add, parenthetically, that to date I have not had a hearing on the proposed legislation.

I ask unanimous consent to have my letter printed in the body of the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 25, 1958.

Hon. LISTER HILL,
Chairman, Committee on Labor and Public Welfare, United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: On January 23, 1958, I introduced S. 3068 which is now pending before your committee. This legislation recommends a number of amendments to the Labor Management Relations Act of 1947, as amended, and has as its objective the strengthening of the democratic processes in the activities of our Nation's unions. I am enclosing a copy and a summary of the legislation and the text of the remarks I made when the bill was introduced.

I believe the Senate is anxious to have an opportunity to consider this and other similar legislation now pending in your committee. I would appreciate your advising me as to the possibility of early hearings on the bill.

With best regards I remain

Sincerely yours,

WILLIAM F. KNOWLAND.

Mr. KNOWLAND. Mr. President, I also ask unanimous consent to have printed at this time as a part of my remarks a statement relative to certain public minded citizens and organizations whose support of organized labor is publicly recognized, who have recently expressed themselves on the subject of democratic reform in union organizations. They include the American Civil Liberties Union; Mr. Clark Kerr, who is at the present time a member of the United Auto Workers Review Board; Mr. Clyde Summers, a labor expert and a professor of law at Yale University; and Mr. J. B. S. Hardman, former editor of Labor and Nation, as well as the CIO Advance; showing that persons who are recognized as friendly to the cause of labor realize there is a need for broader legislation in the field of protecting the rights of labor members.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Public-minded citizens and organizations, whose support for organized labor is publicly recognized, have recently expressed themselves on the subject of democratic reform in union organizations.

The American Civil Liberties Union, which states it has been urging the organized labor movement for 15 years to adopt improved internal practice of civil liberties, last month recommended a labor union bill of rights. The areas covered by their proposal are in substantial agreement to those covered in the legislation I have just outlined. You certainly do not consider the American Civil Liberties Union as antiunion.

Clark Kerr has recently authored a report for the Fund for the Republic on unions and union leaders of their own choosing. Mr. Kerr comments:

"The title of this paper suggests that national policy might move from the 'unions of their own choosing' of the 1930's to 'union leaders of their own choosing' and even, to a degree, to 'union rules of their own choosing.' But how is this to be accomplished? Action by the unions themselves would be most desirable and there has been a surprising amount of it during the past year. Experience here and abroad, however, suggests it will not be sufficient, that behind the good intentions of most union leaders will need to stand the power of the law, as in the case of corporations in the past.

"This is a troublesome issue. The pluralist will defend the private association from the control of the State. The individual, however, also needs defense against being controlled by the private government of the trade union, and ultimately this defense can be guaranteed only by the State."

Does anyone accuse Mr. Kerr, who is a member of the United Auto Workers review board, of being unfriendly to labor?

Mr. Clyde Summers, a labor expert and professor of law at Yale University, recently submitted an article for the New Leader magazine, a liberal weekly published by the American Labor Conference on International Affairs. Mr. Summers recommends a bill of rights affirmatively guaranteeing the rights of membership. He also recommends removal from union constitutions of those provisions which stifle the democratic processes. Is Mr. Summers antiunion or working against the interests of union organizations?

Mr. J. B. S. Hardman, former editor of Labor and Nation as well as the CIO Advance, has recently written:

"Unionism as a whole my well find it of advantage to itself, in the long run, to have the members' rights and leaders' responsibility bolstered by adequate legislation, carefully devised and properly administered under foolproof institutional setups."

Mr. Hardman concludes his remarks with the following:

"There still lingers in the recesses of union consciousness that ancient fear of government, of law, of the courts. That no longer fits the new state and status of the 20-million-member union movement in the democratic United States."

Mr. DOUGLAS. Mr. President, I would merely add to the comments of the Senator from California a brief further chronology on the so-called Smith bill. The Senator from California was careful not to accuse the Senate Committee on Labor and Public Welfare of dilatory tactics, but there may well be other Senators less scrupulous than he who may raise that issue tomorrow.

I think the RECORD should show that the Senate Committee on Labor and Public Welfare held hearings from the 21st of January to the 13th of March on the general question of education, and those hearings were conducted by the committee as a whole. So I hope no supporter of the Senator from California will rise tomorrow and accuse the Committee on Labor and Public Welfare of not proceeding with the Smith bill.

The truth of the matter is that the Committee on Labor and Public Welfare was working very hard on education matters, and it should not be accused even by implication of negligence or refusal to consider this issue.

Mr. KNOWLAND. I was merely citing for the RECORD the chronological facts as they exist.

Mr. DOUGLAS. Yes. I think the chronology also should be completed. The Senator from California certainly did not tell any untruth, but there are further truths which need to be added in order to get a correct impression of the whole.

Mr. KNOWLAND. Could the distinguished Senator from Illinois, who I realize is no longer a member of the Committee on Labor and Public Welfare, since I believe he has transferred to the important Committee on Finance, inasmuch as he is an author of the bill presently before us, give any indication of his own knowledge as to when the Labor and Public Welfare Committee is apt to report either the Smith bill, the Knowland bill, or any other bill dealing with the broader aspects of labor legislation?

Mr. DOUGLAS. I can only say, knowing the chairman of the committee, the other Members of the majority, and certain Members of the minority, as I do, I am certain they will give all of these measures very careful consideration and will proceed, not with deliberate speed, but with due speed and expedition.

Mr. KNOWLAND. I should appreciate it if the Senator were able to throw a little more light on the subject, but I realize he is not able to do so in his present capacity.

Mr. DOUGLAS. I merely want to have it recorded that the committee as a whole was tied up with its hearings on education matters from the 21st of January to the 13th of March, and therefore had no leeway in which to consider the bills to which the Senator from California refers. I hope those who read the RECORD tomorrow morning will not quote the statement of the Senator from California without reading the further explanation of all the true facts in the case.

The Senator from California never misstates the issue—never, never, never—but sometimes a little bit additional is needed to put matters in perspective.

ADJOURNMENT TO 10:30 A. M.

Mr. JOHNSON of Texas. Mr. President, pursuant to the order previously entered, I move that the Senate adjourn until 10:30 a. m. tomorrow morning.

The motion was agreed to; and (at 7 o'clock and 22 minutes) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Thursday, April 24, 1958, at 10:30 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate April 23, 1958:

CIRCUIT COURTS, TERRITORY OF HAWAII

Frank Aloysius McKinley, of Hawaii, to be fourth judge of the first circuit, circuit courts, Territory of Hawaii, for the term of 6 years. He is now serving in this office under an appointment which expires April 28, 1958.

PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

I. FOR PERMANENT PROMOTION

To be medical directors

Claude D. Head, Jr.	Robert L. Griffith
Hugh L. C. Wilkerson	James A. Smith
Leon S. Saler	Kenneth M. Endicott

Samuel S. Spicer
Jesse D. Harris
Malcolm J. Ford
Donald W. McNaughton
Arnold B. Kurlander
Stanley E. Krumbiegel
Clarence B. Mayes
William J. McAnnally, Jr.
Clarence Kooiker
W. Clark Cooper
Harold J. Magnuson
Jack C. Haldeman
Roderick Murray
Arthur S. Osborne
Thomas L. Shinnick
Ray H. Vanderhook
David E. Price
Charles L. Williams, Jr.
Charles C. Shepard
Wayne W. Carpenter
Linden E. Johnson
James M. Hundley
Russell I. Pierce
Samuel C. Ingraham II
Donald J. Birmingham
Morris Schaeffer
Daniel MacKillop
Paul V. Joliet
George A. Shipman
John C. Cutler
George W. Comstock
Carruth J. Wagner
William C. Jenkins, Jr.

To be senior surgeons

Willie G. Simpson
William L. Bunch, Jr.
Gert L. Laqueur
Robert L. Bowman
Kirkland C. Brace
Vaso L. Purlia
Alvin L. Cain
Fred W. Love
Raymond W. Herrmann
Charles M. Gillikin
Edward B. Lehmann
Wilfred D. David
Ruth E. Dunham
Holman R. Wherritt
Ralph S. Paffenbarger
John P. Utz
Robert L. Price
John M. Vogel
Milo O. Blade
Gerald R. Cooper
Robert E. Greenfield, Jr.

To be surgeons

Floyd B. Bralliar, III
Cleve B. Vaughan, Jr.
Clifford E. Nelson
Donald A. Carlyle
Stanley F. Yolles
Paul T. Condit
Sherman N. Kieffer
David M. Fried
Nicholas C. Leone
Albert L. Steplock
Donald W. Tharp
Alfred S. Ketcham
Francis T. Flood
Karl F. Urbach
James L. Deadwyler
Robert Delashmutt
Nicholas J. Galluzzi
Albert Sjoerdsma
Richard A. Prindle
Eugene J. Van Scott
Chester J. Semel
Leon Rosen
Robert S. Gordon, Jr.
Randolph A. Frank
Burton S. Eggertsen, Jr.
Martin D. Hicklin
John H. Ackerman
Carl S. Shultz
Robert A. Marks, Jr.
John E. Edgcomb

To be senior assistant surgeons

Theodore A. Labow
Lowell H. Hansen
Alex Rosen
James A. Richardson, Jr.
Donald C. Reifel
William B. Furgerson, Jr.
Gilbert G. Tobler
Robert R. Fletcher
Waldo S. Cook
Paul A. Asper
Robert B. McGandy
Donald E. Poage
George E. Miller, Jr.
L. Bruce Bachman
Robert C. Geiger
Richard J. Eliason
John F. Kelly, Jr.
Edward J. Hinman
George G. Meyer
Philip H. Geisler
Ferdinand R. Hassler
Robert W. Kirtley
John R. S. Remsberg
William K. Engel
Hugh S. Pershing
Donald J. Murray
Gabriel M. Mulcahy
John S. Murray, Jr.

To be dental directors

Francis J. Walters
Vernon J. Forney
Toyo Shimizu
Edward J. Driscoll
George A. Nevitt

To be dental surgeon

Harold R. Stanley, Jr.

To be senior assistant dental surgeons

Hugh L. Henley
Jerry D. Niswander
S. Henry Holton, Jr.
Robert N. Phillips
Keith G. Winkler
James R. Hull
Harvey L. Weiner
Jackie W. Gamble
Thomas B. Haller
Clair L. Gardner
Robert G. Hansen
James W. Miller
Charles P. Wolischlager
George A. Galiber
Russell O. Glauser
Clarence R. Miedema
Kenneth O. King

To be sanitary engineer directors

Edmund C. Garthe
Chris A. Hansen
Frank Tetzlaff
Albert H. Stevenson
Ralph C. Palange
Richard S. Green
Richard S. Mark
Richard F. Poston
Hershel Engler
Leonard M. Board

To be sanitary engineers

James B. Coulter
George W. Burke, Jr.
Dade W. Moeller
Richard D. Coleman
Roy O. McCaldin
Charles V. Wright, Jr.
Joseph W. Fitzpatrick
James A. Anderegg
Gordon E. Stone
Zadok D. Harrison

To be senior assistant sanitary engineer

Herbert R. Pahren

To be assistant sanitary engineers

John C. McMahon
Norman J. Petersen
George I. Johnston
Jack L. Witherow

To be senior pharmacist

Robert L. Capehart

To be pharmacists

Edwin W. Bohrer
Jacob Levy

To be senior assistant pharmacists

Gene C. Knapp
Paul J. LeSage
Wesley R. Gladhart, Jr.

To be scientist directors

Harry D. Pratt
John A. Rowe
Don E. Eyles
George A. Hottle
William J. Bowen
Falconer Smith
Samuel B. Salvin
William C. Frohne
Dale R. Lindsay
Marion M. Brooke

To be senior scientist

Bernard D. Brookman

To be scientists

Kelsey C. Milner
Edward M. Scott
Richard Q. Bell
John H. Weisburger
Elizabeth K. Weisburger

To be senior assistant scientist

George P. Kubica

To be senior sanitarians

Richard F. Clapp
Mary C. Gillis
Leslie D. Beadle
Noah N. Norman
Joseph F. O'Brien
Darold W. Taylor

To be sanitarian

James G. Murphy.

To be senior assistant sanitarian

Paul Blank

To be veterinary director

James H. Steele

To be veterinarians

Preston Holden
William Kaplan

To be senior assistant veterinarians

Gordon D. Wallace
Douglas M. Hawkins
Marlin D. Kleckner

To be nurse directors

Zella Bryant
L. Margaret McLaughlin
Margaret F. Knapp
Ruth L. Johnson

To be senior nurse officers

Grace I. Larsen
M. Estelle Hunt

To be nurse officers

Alma M. Miller
Rose G. Ernsberger
Ina L. Ridlehover
Elizabeth C. Laczko
Virginia D. Hines
Katherine L. Tucker
Helen Gertz
Lucille G. Buderer
Harriett Hicok
Edna L. Easterday
Mary S. Romer
Mary Y. Salmon
Mary E. McGovern
Patricia B. Geiser
M. Elizabeth L. Darden
Dorothy Y. Holder
Ruth E. Shvedoff
Phyllis B. Hullum
Victoria F. Malinoski
Catherine M. Thompson
Verna B. Grimm
Esther C. Gilbertson
Katherine W. Kendall
Margaret M. Sweeney
Evelyn A. Eckberg
Ruth E. Simonson
Catherine Wegner
Jay C. Wertman
Nina A. Ramacciotti

To be senior assistant nurse officers

Arthur R. Barth
Frances R. Donoghue
Alice M. Haggerty
Evelyn H. Krueger

To be dietitians

E. Grace Gibson
Marjorie A. Emidy

To be senior therapist

Corinne Q. Way

To be senior assistant therapist

Lennes A. Talbot

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 23, 1958

The House met at 12 o'clock noon.

Rabbi Israel Goldstein, of Congregation B'nai Jeshurun, New York, chairman, American Committee for the Celebration of Israel's 10th Anniversary, offered the following prayer:

Lord, Creator, Shepherd, Father, if a thousand years are but as yesterday in Thy sight, 10 years are but as a moment. Yet there are great moments in the human drama which attest to the divine spark in man and to Thy finger in history. Such was the fashioning of these United States of America into a new society of human freedom and dignity. Such too has been the restoration and rededication of an ancient people to nationhood upon its ancient soil thrice hallowed by religious inspiration.

It was meet that our beloved America, reared in the spiritual heritage of ancient Israel's timeless book, helped the modern State of Israel come into being, and strengthened it during its infant years. And little Israel has given as well as received. It has given an example of how to reclaim the soil and how to redeem human beings, of how to provide homes for the homeless, and boons of freedom and dignity for the underprivileged. It has shown how to overcome fear with faith at a time when the world is filled with apprehensions. And its hand of fellowship and peace is extended. "Shalom, shalom la'rachok v'lakarov," peace, peace to those that are far and to those that are near.

Grant, O God, that the bonds which make us feel a sense of spiritual kinship with Israel may grow with the years.

In the words of Israel's ancient prayer we pray today and every day: Spread Thy tabernacle of peace over the habitation of men everywhere, so that in peace and in comity men and nations may build a world worthy of Thy blessing, O Lord, Creator, Shepherd, and Father. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 5984. An act to authorize the exchange of certain lands at Black Canyon of the Gunnison National Monument, Colorado, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 7785. An act to provide for the appointment of an additional judge for the Juvenile Court of the District of Columbia;

H. R. 7930. An act to correct certain inequities with respect to automatic step-increase anniversary dates and longevity step-increases of postal field service employees; and

H. R. 11019. An act to permit articles imported from foreign countries for the purpose of exhibition at the Kentucky State Fair, to be held in Louisville, Ky., to be admitted without payment of tariff, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 488. An act for the relief of Eva S. Winder;

S. 1879. An act for the relief of Casey Jimines;

S. 2033. An act to provide for the Board of Trustees of the Postal Savings System to consist of the Postmaster General and the Secretary of the Treasury;

S. 2127. An act to amend section 3 (d) of the Federal Employees' Group Life Insurance Act of 1954, relating to the reduction in amounts of insurance of persons over the age of 65; and

S. 3093. An act to extend for an additional period of 2 years the authority to regulate exports contained in the Export Control Act of 1949.

The message further announced that the Senator from Wisconsin [Mr. PROXMIRE], is relieved from further service on the conference committee on S. 72, an act to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes, and that the Senator from Oregon [Mr. NEUBERGER], is assigned to the conference committee in his place.

TENTH ANNIVERSARY OF ESTABLISHMENT OF THE STATE OF ISRAEL

Mr. McCORMACK. Mr. Speaker, I offer a resolution (H. Res. 546) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

Whereas the people of the United States, speaking through the President and the Congress, favored the restoration of an independent Jewish nation in Palestine; and

Whereas resolutions expressing support of this objective were adopted by the 67th and 69th Congresses; and

Whereas the dreams of centuries and generations were realized 5th of Iyar, 5708, according to the Hebrew calendar, with the establishment of the State of Israel, a state which the United States was among the first nations to recognize, representing a triumph not only to the Jewish people, but also for all men and women who believe in human freedom, justice, and individual dignity and the government of laws; and

Whereas 10 years have passed during which the institutions of free and democratic government have been firmly imprinted, and have flourished, in Israel, and the new state has become a responsible and respected state of the family of nations, thus advancing the cause of freedom and democracy; and

Whereas in the face of great economic and political difficulties the State of Israel has grown steadily in strength and stability; and

Whereas the American people, feeling a sense of satisfaction in the achievements of any people under the banner of democracy and freedom, are especially gratified by the magnificent progress registered by the people of Israel, to whom the American people feel bound by so many ties: Therefore be it

Resolved, That the House of Representatives of the United States extends to the people of Israel the congratulations and good wishes of the House of Representatives on the occasion of this 10th anniversary of the establishment of the State of Israel, and the best wishes of the House of Representatives for continued progress and success.

SEC. 2. The Clerk of the House of Representatives is directed to transmit a copy of this resolution, through the Department of State, to the President of Israel.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on this resolution at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, this year Israel celebrates a decade of existence as an independent state. The United States believed in the creation of Israel. At the United Nations we helped in its establishment. Subsequently, we have played an important part in its economic well-being. I am happy to say that the Israelis have vindicated our faith in them.

Israel's achievements in 10 short years in the face of extreme adversity could not but stir our esteem. We watched Israel welcome almost a million refugees of varying tongues and cultures, many of whom were broken in health and spirit. We watched the Israelis house and feed and guide back to health the new residents. We saw the Israelis accelerate their pace of economic development to provide work for their newcomers; factories mushroomed, the desert was made to yield sustenance, sleepy fishing villages were turned into port cities humming with millions of dollars worth of commerce. In all this feverish development, perhaps the greatest miracle of all was the renascent self-respect that took hold of a formerly tormented people. Israel justified our expectations that it would offer a haven to the persecuted.

The magnitude of the feat performed by Israel in the last decade becomes even more notable when we recall the tragic circumstances in which the rescue and reconstruction go forward. The surrounding Arab countries, steeped in feudalism and plagued by corrupt dictators, constantly harassed the young state. As the Arabs themselves frequently declared, it is their intention to wipe Israel off the map. Israelis, instead of being free to devote full time and resources to constructive purposes, have to keep one hand on the gun.

The United States can never be indifferent to Israel's plight. We feel a deep ideological bond with Israel. We are both nations of pioneers who sought spiritual freedom, heedless of any physical hardships encountered. To America came the oppressed of Europe; to Israel streamed the oppressed Jews of Europe, Asia, and Africa. Both nations, by assimilating a variety of races and cultures, became melting pots. The consequence, in both cases, has been a devout faith in democracy and a firm determination to defend our free institutions.

The continuing Arab-Israeli conflict is of grave concern to the United States as well as to Israel. By no stretch of the imagination could we abandon Israel to a lawless invasion as promised by irresponsible Arab leaders. Moreover, I consider Israel to be the truest ally of the United States in the Middle East.

A prolongation of the Arab-Israeli conflict also poses a serious menace to world peace. We have seen the Kremlin exploit disturbed conditions in the region for its own evil purposes. It may be assumed that the Communists will continue to take advantage of dissension in the region to threaten the legitimate interests of the West there.

As for the Arab States themselves, their real independence will come only with an end to hostilities. Peace would mean a removal of temptation for Communist maneuvers followed by Western defensive counter-moves. The present state of affairs leaves the region wide open to the very interference from outside sources so dreaded by Arab nationalists.

Benefits of peace to the region would be much more than an end to machinations. With peace, men could channel their energies to an attack on the common enemies of mankind—disease, hunger, illiteracy. With peace, the Johnston plan for the development of the Jordan valley could get under way, with all the hope it holds out for the resettlement of Arab refugees and for the rebirth of the area. Arabs, side by side with the Jews of Israel, could strive together for the progress and prosperity of the Middle East, the glowing possibilities of which Israel has so remarkably demonstrated.

It is my fervent belief that Israel-United States friendship will continue to steer a steady course through the stormy upheavals of the Middle East, and that we shall eventually be rewarded with the peace we all so ardently desire.

Mr. MARTIN. Mr. Speaker, I am happy to extend my greetings to the people of the Republic of Israel as they celebrate the 10th anniversary of the founding of their sovereign state.

I congratulate them on the wonderful progress they have made as a nation during their brief existence.

The establishment of Israel as an independent country represents a victory not only for the Jewish people but for all who believe in self-determination, human freedom, and human dignity.

During its brief lifetime as a nation, Israel has opened its doors to approximately 900,000 Jewish immigrants from displaced persons camps in Germany, Austria, Italy, countries in North Africa and the Middle East as well as other parts of the world. This fact in itself reflects the enormity of its task and its burdens. That Israel has made such progress in the face of this gigantic undertaking is justification of the faith of

those who shared in the work of establishing the country, and is proof of the magnificent spirit and the dedication of the people of Israel to its just cause.

Israel today is playing a constructive role in the family of free nations and will continue to do so. It merits the continued moral encouragement of all who share its great love for liberty and independence.

Mr. ROONEY. Mr. Speaker, I am delighted to vote for the pending resolution and extend my greetings and good wishes on the occasion of the 10th anniversary of Israel's independence. People of all faiths in our country are extending their good wishes to the State of Israel and it is fitting that tribute be paid to the extraordinary contribution which Israel has made to the cause of freedom.

In the decade which has just passed, Israel has conquered seemingly insurmountable obstacles. This young nation, in struggling for its security was forced to live in a hotbed of alien and antagonistic neighbors and philosophies and had to face the problem of survival with poor and undeveloped resources. Finally, Israel was obliged to fight for its very existence against an extermination policy reminiscent of what their European brothers had fled from only a few short years ago.

In this country we have a special and sentimental affection for Israel which no doubt stems from our historic identification with the struggle for our own independence. We hold in common the same democratic ideals and principles and possess a mutuality of purpose and affinity of interest. This young and vigorous nation is democracy's undaunted outpost in the Middle East. It is comforting to know that we have a steadfast friend in the strategic area of the Middle East.

I was in Israel in October 1955 and was profoundly impressed with the enthusiasm and spirit of the people and their industrious habits which have been instrumental in the rapid development of their nation. They have built cities and villages and have attained their maturity as a nation in a short span of time. This is all the more remarkable when it is realized that a people dispersed and landless for 20 centuries had come home to reclaim their land.

I am confident that Israel's devotion to freedom, justice, and morality will survive any future challenge to her independence. Whatever inroads communism may make into the Middle East under such tyrants as Messrs. Khrushchev and Nasser, we may be assured that Israel will continue to remain our loyal friend and communism's bitter and dedicated enemy.

Israel's success in obtaining for her people economic security and stability in the years ahead will be the foundation upon which a lasting peace can and will be brought to the people in the Middle East and should counteract Communist designs on Africa and Asia.

I feel proud to rejoice with the people of Israel on the occasion of the 10th anniversary of national independence. It is my fervent hope that this gallant nation will always enjoy peace, prosperity, and happiness. I believe that the unqualified support of our country for this great nation is an absolute must.

Mr. ZALENKO. Mr. Speaker, the Free World rejoices with the great State of Israel on the occasion of the 10th anniversary of its rebirth. We in America are especially grateful for the existence of this vibrant young democracy, located in a portion of the world which is and has been in a constant state of turbulence stirred up by Communist provocateurs and by fanatic Arab nationals. Israel is a strong outpost of democracy. Ten years ago, confronted with almost insurmountable obstacles, lacking food, arms to protect itself, inadequate housing facilities and beset on all sides by misguided enemies, it nevertheless survived the pangs and suffering of its rebirth and now has become a vital part of the democratic ideal of a Free World united by brotherhood and the belief in God.

When the time comes that its neighbors realize that Israel is, and must remain, an important voice in the progress of the world, then real peace will be achieved in the Near East. I have no doubt that most of the Arab peoples know this. Some of the leaders of some of the Arab States either by reason of lust for power or instigation by Moscow seek to continue a baseless and futile effort to disrupt the peaceful existence of the millions in the Near East and throughout the rest of the world.

Last year it was my privilege to visit Israel. Throughout the length and breadth of that tiny nation there was evidence in the fields, on the hills, and in the cities of the desire of the Israelis for freedom and peace.

In the schools, the homes, the shops and on the farms these God-fearing people who are my fellow coreligionists engendered in me a source of pride. Despite the tension on the borders of Israel, the Arab minority living in Israel was thriving economically, permitted to worship in their own way, to have their children educated together with those of the Israelis, and to enjoy equal freedoms. This is true democracy.

The ties of the United States with Israel, which sprung into being under the guidance of our great ex-President, Harry S. Truman, should not only be maintained but should be strengthened for the benefit of all the people of the world.

My warmest congratulations to the Government and to the people of Israel. Shalom.

Mr. PELLY. Mr. Speaker, I desire to join with my colleagues of the House in extending cordial greetings and best wishes to the citizens of the Republic of Israel and in particular to join with her friends in Congress in offering warmest congratulations on the occasion of Israel's 10th birthday.

In marking an important national anniversary of this kind, it must be noted, of course, that the most eloquent tribute of all to the people of Israel and to their triumph over toil and turbulence will be history itself. Indeed, never in any similar period of time, nor in the face of such obstacles both natural and unnatural, have such achievements of a people been recorded. There is no such other example of individual and collective sacrifice and determination for community and state in all history. And it is safe to predict also that in centuries to come this glorious episode of Israel's 10 years of progress will never be equaled and forever remain a proud symbol of the freedom of man.

Meanwhile, owing to our close ties of culture and technology as also to our common political aspirations we Americans in some measure can share in the rightful pride of Israel in her continuing progress. But more important is the United States interest in Israel's spiritual and economic victory in the years ahead.

I know, Mr. Speaker, that I echo the sentiments of the people of the First Congressional District of the State of Washington in saying God speed the day when swords and spears are turned into ploughshares so that in an era of amity the fruits of Israel's industry, production, progress and plenty may be extended to her neighbors and the other peoples throughout the Middle East.

Meanwhile, and until that looked-for day of peace, in friendship and mutual esteem I express the hope and conviction that Israel may stand firm and strong as she has, thank God, during the past decade against totalitarianism and tyranny.

Mr. SHELLEY. Mr. Speaker, today miracles are out of fashion. But the rebirth and the re-creation of the new State of Israel after the destruction and demolition of the old kingdom of Israel almost 2,000 years ago is a true miracle. Two decades ago who really believed there would ever be a sovereign and independent State of Israel in old Palestine? In the past everything seemed to point to its improbability and impossibility.

Palestine was practically denuded of its Jewish population and the chances for the return of the Jews seemed almost nil. The land was taken over by others and settled by peoples who seemed to be dead set against any change in their status. And many Jews in dispersion seemed, at least on the surface, to display little enthusiasm for the idea of a national homeland. All these arguments seemed formidable and almost unanswerable. Yet today we all know that the impossible had become possible, the miracle has taken place. The State of Israel, with all its youth and zest for life, vigor and vitality, hope and idealism, stands as the living symbol of the old and venerated kingdom of ancient Israel.

Let no one think that this miracle came about simply by patient longing. Let no one be under the misapprehension that it was created effortlessly and with ease. It was planned, forged, and erected and set to work. They performed their task so well that, even to the amazement of their friends, in the course of one generation, a substantial portion of Palestine became a Jewish state. And on May 14, 1948, the birth of the State of Israel was proclaimed. Today the State of Israel stands firmly as the hope and the ideal of Jews not only in Israel, but also of those millions in dispersion. Today on the 10th anniversary of Israel's independence day millions of Jews proudly celebrate it as

their sacred national holiday. Today the friends of Israel wish the toiling citizens of that State peace and prosperity in the land of their forefathers.

Mr. HOLLAND. Mr. Speaker, the Jewish people have traveled long, labored hard, and suffered much for their freedom and independence. Theirs has been an almost endless struggle in adversity for many centuries, for almost 2,000 years. During all that time they were dispersed from their historic land to various parts of the world. They lived in dispersion longer perhaps than any other people, and in dispersion they suffered in all climes and at the hands of autocrats and dictators. It is true that at times and in certain places they were treated fairly; they prospered in businesses open to them, and in a few places some of them amassed great wealth and attained eminence. Still, in many places, particularly in eastern European countries and in Russia, they lived under discriminatory laws and regulations. There they were ill-treated and were even subjected to pogroms or large-scale massacres. Life had become almost unbearably difficult for them in those countries. And under these difficult conditions they wanted to return to Palestine and hoped to find their national salvation there.

This natural thought, this idea of returning someday to Palestine, has always been a vital part of Jewish thought. And Jewish leaders, through their educational and religious endeavors, saw to it that the mass of Jews firmly clung to the idea, for they all hoped that, when the opportunity to return had arrived, then the Jews would be ready to do just that. Finally, their efforts saw success when, at the end of the First World War, Britain was entrusted with the mandate of Palestine, and she had pledged to encourage the establishment of a Jewish home in Palestine.

This was the occasion for which the Jews in dispersion had been looking for during their suffering. So, under the British mandate they worked ceaselessly toward the building of Palestine. Their work was quite successful, and by the time the British were ready to relinquish the mandate, the Jewish population of the country had multiplied by almost tenfold, rising from about 80,000 to more than 700,000. Thus, on the eve of the birth of Israel, on May 14, 1948, a firm foundation was laid for the new state; its most essential sinews were there.

Since that day, in a single decade Israel's Jewish population has increased to more than 1,600,000. She has prospered and progressed beyond recognition, and she has become an industrial state in a heretofore rural region. In addition, Israel has taken her distinct place in the family of nations, has become a real force for democratic West in the Middle East, and has emerged as a decisive factor in Middle Eastern affairs. In all these tremendous achievements Israeli citizens have distinguished themselves. On the 10th anniversary celebration of Israel's independence day, I wish them success and prosperity in their newly born country.

Mr. O'BRIEN of New York. Mr. Speaker, today is the 10th anniversary of the independence of the youngest state in the Middle East. This state is at the same time the living image of one of the oldest states in all history. The State of Israel whose birth was proclaimed 10 years ago is the true embodiment of the spirit of the ancient kingdom of Israel which existed before the Christian era. It is the spiritual descendant in direct line of that kingdom. The old kingdom was conquered by the Romans, and in the first century of our era its Israelite inhabitants were dispersed from their sacred homeland.

Thus had begun the exodus of Jews from Palestine some nineteen hundred years ago. During those centuries of the Diaspora, faithful Jews carried with them the spirit of Israel wherever they went, in whatever climes they settled and under whatever foreign government they lived. And no matter how much hardship they suffered, they clung firmly and steadfastly to one supreme and sacred idea, the idea of returning to their ancestral home and of reestablishing their ancient state. For more than nineteen hundred years this idea, this living dream, this vision, was constantly revived. Generation after generation it provided spiritual nourishment to Jewish communities in dispersion. And at the end of the First World War, when there appeared the prospect of attaining the long-dreamed and distant goal, the dreamers and visionaries were regarded as men with deep foresight leading a purposeful life.

The 10-year-old State of Israel, with all its unbounded zest for life, for progress and advancement, for its undying faith in the infinite betterment of human lot in a free and democratic society, and its firm determination to cling to its independence and defend it against all foes, stands as the living embodiment of the indomitable Jewish desire to live a free and independent life in their historic land. As the youngest of the new states in the Middle East, and as the most vigorous, powerful, and progressive of them, Israel has already become a real force in the whole region. On the observance of the 10th anniversary of its birth let us hope that she will remain a powerful force for peace in that troubled area, and in peace prosper.

Mr. FASCELL. Mr. Speaker, Israel's history has been one of struggle—a continual fight for birth, survival and progress. On this day commemorating the 10th anniversary of her birth, tremendous achievements will have been recorded for history.

Israel's 10 years of progress are a remarkable story of one of the world's youngest nations which has taken its position, head held high, among the free nations of the world.

Unbelievable problems have been resolutely met and solved: the almost unparalleled population growth and absorption of immigrants; the establishment of an excellent universal educational system; agricultural growth approaching self-sufficiency in a land with little water; the creation of an industrialized economy when no industry existed; and the building of all the other factors necessary for national life.

Sheer survival is an individual and daily struggle in this vast area where hostility of neighbors has been deliberately encouraged by the Soviet bloc.

Survival and progress are the keystones of Israel's hopes and ambitions. Help came from many places: the United States, the United Nations, and private contributions. Without this assistance, there is no doubt that achievement would have been difficult if not impossible. However, the real tribute must go today, Mr. Speaker, to the indomitable spirit of the people of Israel. The story of their desire, their courage, and their faith is the one which is written forever on this day. The struggle for survival and progress in Israel goes on. And in this test of freedom and democracy, the people of Israel, with faith and courage, are each day writing a glorious chapter. To them this salute is dedicated.

Mr. ASHLEY. Mr. Speaker, May 6 marks the 10th anniversary of Israel's independence—a day that symbolizes achievement to all freedom loving people the world over.

Only last October I had the gratifying assignment of visiting Israel to observe first-hand and report on the effectiveness of our Export-Import Bank loan program in developing and stabilizing the economy of this relatively infant country and I came away imbued with a renewed inspiration and pride in what our loans are doing to help this industrious and progressive nation achieve its humanitarian goals.

Israel came into existence 10 years ago by the will of the civilized world. It established a democracy—gave equal rights to its citizens and set about transforming the land from a barren desert to a veritable showpiece of man's ability to bend nature to his will. Every day, in fact, the desert is being pushed back in a grim race to keep Israel's economy abreast of the needs of a population that increases 10,000 monthly from immigration alone.

Our help to this deserving nation does not only cost the United States nothing, it actually earns us solid returns in two ways: First, by paying interest to our Government for loans made by the Export-Import Bank—and here it is important to note that Israel has never been delinquent in paying off her debt—and second by providing a market for American machinery, agricultural equipment and capital goods, since only American products can be purchased with the money loaned.

But the real pay-off is in terms of the intangibles. The immense satisfaction and rich reward that comes from the knowledge that we are sharing in this dramatic race to meet the challenge of providing a place for every displaced, exiled and persecuted Jew who wants to make a new life and of helping these immigrants transform wasteland into rich orchards and farms, and backward villages into modern cities.

Like America, Israel is a nation of pioneers, of diverse origin held together by a common faith and beliefs. She has struggled against great odds and has proved that she not only can survive

but can thrive in spite of insurmountable obstacles. I want to take this occasion to salute Israel on her spectacular, if not miraculous political, social and economic achievement in the short span of 10 years and to express the hope that she will continue to stand as a beacon of democracy and a refuge for the oppressed for centuries to come.

Mr. McDONOUGH. Mr. Speaker, today marks the 10th anniversary of the establishment of the State of Israel, and the people of Israel are to be congratulated on this day for the tremendous progress which they have made in building up a new nation in the wilderness.

During the past 10 years in a country the size of the State of New Jersey, the people of Israel have taken in more than 915,000 Jewish people from abroad, and have increased the population of Israel to 1,990,000. They have more than tripled production, and have planted new communities in the desert. They have multiplied their exports by five.

Israel in 10 short years has firmly established its place in the Free World as a member of the community of democratic nations. The people of Israel have faced what appeared to be insurmountable obstacles, but with courage and steadfast faith in the fulfillment of their dream of a homeland for the Jewish people, they have met every challenge, and the spectacular growth and development of the State of Israel marks the record of their progress.

The future for Israel presents many problems. But Israel's leaders are looking ahead to the next decade with confidence and optimism that Israel will in that period of time achieve economic independence and national security.

The people of the United States extend their sincere congratulations to the people of Israel on this April 23, the 10th anniversary of the founding of the State of Israel.

Mr. GREEN of Pennsylvania. Mr. Speaker, in this age of no real miracles, the world, particularly the Free World, has witnessed a near miracle in the birth and phenomenal growth of the State of Israel. That state came into being only 10 years ago under what then seemed rather inauspicious circumstances; clouds of contention and strife were gathering, darkening the political skies. Since then, in the course of one decade, the new state went through several soul-testing trials. In two wars she was able to give an excellent account of herself, and was victorious. Today, Israel stands there as the culmination of centuries-old aspirations of the Jews. It is a real, living monument for their undying love for freedom and independence, and for their readiness to sacrifice their all in the attainment of the national goal, independence. Today the youthful, vigorous, dynamic state is a powerful force in the Middle East, and on the 10th anniversary of her independence day, I hope she will become even more powerful and remain a decisive force for peace and prosperity.

Mr. BARRETT. Mr. Speaker, the Jews of Israel as well as the world Jewry have been looking forward to the celebration of this great historic event, the 10th anniversary of Israel's independence day.

Ten years ago when the Jews in Palestine proclaimed to the world the birth of the new State of Israel in their ancient homeland, they took a big step forward in laying the foundation of a new home for refugee Jews. The history of the last 10 years has proved the inevitability and wisdom of that step. And the Israelis have amply demonstrated to the world their capability of making the new state a new factor, a powerful factor, in the Middle East. Through their courageous, bold, and unrelenting efforts, and great sacrifices, they have made Israel a strong democratic bastion of the West in the Middle East. I congratulate them for their startling successes and wish them happier days in peace and prosperity.

Mr. ANFUSO. Mr. Speaker, the people of America are very proud to extend their warmest greetings to the people of Israel on this day when they celebrate the 10th anniversary of the establishment of Israel as a free, independent and sovereign state. This is indeed an occasion for the whole Free World to celebrate. Peace-loving people everywhere rejoice today at the fulfillment of the 2,000-year-old dream of the Jewish people for the restoration of this ancient nation on its ancestral soil.

In the first decade of its existence Israel has emerged as a strong and dynamic little state, despite 10 years of toil and trouble, heartaches and hardships. Its people must surely feel a great sense of pride as they look back upon these 10 years, the many achievements recorded, the progress noted in every field of endeavor, the development of its resources, the increase in its population, the growth of its agriculture and industry, its very active cultural life, and so forth. All of these accomplishments are being reviewed today, all of these achievements are being admired today.

Ten years is not a very long period in the life of a nation, and certainly not in Jewish history which dates back about 3 or 4 millenniums. Yet, in this instance it is a noteworthy achievement because of the difficulties involved in gathering many of its people from the far corners of the earth, and also because of the constant hostility to Israel by its Arab neighbors. During this 10-year period Israel experienced two wars and it was the victim of many incidents along its borders which have needlessly cost hundreds of lives.

Israel still does not know the true meaning of genuine peace on its borders and peaceful relations with its neighbors. The Arab countries are now talking of a "third round" against Israel at some future time. They either fail to realize or prefer to ignore the fact that such irresponsible talk only helps to promote turmoil in the Middle East, to keep the area in constant suspense, to invite further Communist penetration, and to undermine all hopes for the peoples of the Middle East to attain real freedom and a higher standard of living.

I regret to note that the United States has lost considerable ground in the Middle East during the past year, primarily because we continued to pursue an aimless course in that area. We are still clinging to the false hope of achieving peace and stability through the appeasement of Nasser, despite the fact that this policy has over the recent years proven to be sterile and elusive.

In recent months we have witnessed the emergence of the United Arab Republic headed by Nasser, whose expansionist aims in the Middle East are quite clear to all by this time. New intrigues and new crises are now in the making. We know who is behind these intrigues; we also know against whom they are being plotted. We know that the Kremlin leaders in Moscow are behind Nasser and are prodding him on, first against Israel, subsequently against the West.

Must we continue to coddle Nasser and to disregard his alliance with Soviet Russia? Is it not high time for us to realize that dictators cannot be appeased? We could not do it with Hitler. We could not do it with Stalin. It will be no better with Nasser. Continuation of such a policy will only mean further losses for the United States in the Middle East. Unless we show much more firmness and determination, instead of weakness and vacillation, I fear that Soviet Russia will continue to gain in this area to the detriment of the whole Free World, and most especially the peoples of the Middle East.

Israel remains a little island of western democracy in this area, with western ideas of civilization, culture, education, and ways of life. Its people are the tillers of the soil, the miners, the factory workers, the scientists and engineers, the teachers and students, the clerks and shopkeepers—but, above all, the citizen-soldiers of the new state. They know no other homeland, except for Israel. They cling to it with a fierce pride. They are ready to defend it to the last drop of blood. Israel is here to stay and they intend to stay with it.

It is a great pity that all the energy being expended both in Israel and in the Arab countries in animosity and in warlike acts is not utilized for more constructive purposes. If only they could cast this hatred aside and sit down together to resolve their differences in an amiable manner, how much they could all stand to benefit and with them the other peace-loving nations of the world. Unfortunately, hatred and fear have blinded the leaders of these nations. They do not realize that they are rapidly going down the road of destruction and dragging their nations with them to catastrophe. I trust they will awaken to this danger before it is too late. Surely, the United States and all right-thinking people everywhere should exert every effort to bring peace and stability to the Middle East.

As Israel rounds out its first decade of independence, I wish to extend my best wishes and congratulations to the people of Israel and its very able and devoted leaders on this glorious occasion. With it go my sincerest wishes for continued peace for them and for all mankind. My greetings go forth also to all Americans of the Jewish faith, whose moral and financial support have helped to sustain Israel in its darkest days during the past 10 years. May we all live to see Israel enjoy the fruits of its labors, its freedom and independence, for many years to come.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I am happy to have this opportunity to congratulate the people of Israel on the 10th anniversary of their independence. Out of the barren wasteland and the dismal swamps they have created a new nation, strong in its love of liberty and devoted in its service to humanity.

In its first decade Israel has repeatedly proved the wisdom of the United States in supporting its independence and integrity. Israel's existence has proved to be a major stumbling block to the Communist penetration which threatens the position of the Free World. It has made a decisive contribution to stability in the Middle East and has helped to prevent Lebanon and Jordan from being subverted or overrun by pro-Communist satellite states.

Israel has also done much to block or retard Communist influence among the new states of Africa. It offered a helping and a sympathetic hand to these young states and in numerous ways provided a living demonstration that democracy was the path for these new nations to take. Because Israel is itself a young, small nation, the African states have confidence in its solutions for the problems involved in organizing its government and its economy. The example of Israel's democracy is helping to keep these states out of the Communist orbit and immunized against the blandishments of Egypt.

Israel has remained calm in the face of the provocative Soviet rearming of Syria and Egypt and Moscow's support of President Nasser. It has gone ahead in its efforts to develop its own industry and economy and to extend its trade to Asia as well as Africa. It has made great strides forward in its commerce with other nations, in spite of the Arab blockade and boycott. There is need for more effective measures by our Government to combat the blockade. We have treated the Arab war against Israel with too much forbearance, with the result that our motives have been misunderstood and our attitude misinterpreted. We should make our aims in the Near East so clear that everyone will understand that an Arab-Israel peace based on free and direct negotiations is a paramount objective of American policy.

It is in our own interest that we make the firmest kind of guaranty to Israel now. Such a commitment would spell out the strong bonds of friendship and community of purpose that unite America and Israel.

Mr. FRIEDEL. Mr. Speaker, April 24 will mark the day of the anniversary of a nation that is our true friend. This nation is linked to our own United States by very strong and unbreakable ties formed by a common dedication to the highest spiritual values by service to God and man. I refer to the State of Israel, which is celebrating its 10th year as an independent country resulting from United Nations action.

It is proper and right that we, as loyal Americans, should pause a few minutes from the deliberations of this busy Congress to take cognizance of this occasion and wish this small land continued peace and prosperity. By doing this, we give notice to the world at large that we, as freedom-loving Americans, believing in genuine democracy, give encouragement to a sister and God-fearing republic in its brave stand against the evil forces of communism and dictatorship.

I am proud to say that the United States played a prominent role in the reestablishment of the Jewish homeland. We have continued to concern ourselves with the welfare and rights of Israel.

All of us owe Israel much. Our religion, our Bible, and much of our law came from the Holy Land.

We of the United States salute the brave State of Israel on its 10th anniversary and extend our most heartfelt best wishes for a bright and happy future in the years ahead.

When we stop to consider that at the declaration of Israeli independence the Jewish population was 650,000, and that today the population totals 1,700,000 Jewish inhabitants, we realize that truly the prophecy of old has been fulfilled:

> He shall * * * gather together the dispersed of Judah from the four corners of the earth.

Mrs. GREEN of Oregon. Mr. Speaker, I am most pleased to have the privilege of joining with my colleagues in the House today to pay tribute to the State of Israel on the occasion of the 10th anniversary of its establishment.

Ten years is a relatively short time in the history of a nation—especially a nation born into a world of strife and turmoil.

Ten years is a short time to test the mettle of a nation.

In proclaiming its independence on May 14, 1948, Israel stated that its government would be based on "freedom, justice, and peace". These are the ideals of our own democracy and the precepts by which we strive to govern our own conduct. It is gratifying to note that, in the 10 years which have passed since the State of Israel set forth these goals, it has striven valiantly and against great odds to strive for the attainment of those goals and to conduct its affairs in accordance with these ideals.

As citizens of the United States, the tiny democracy of Israel holds a special place in our hearts.

As the first nation in the world to accord diplomatic recognition to this infant state, following President Truman's forthright action within moments after the declaration of independence, the United States should naturally be concerned with the continued growth of the State of Israel.

If, more recently, the official policy of the United States has seemed at times to falter in its support of this bastion of democracy at the crossroads of the world, such faltering has not, I am certain, reflected the true feelings of the people of the United States.

Those feelings steadfastly support the State of Israel in its endeavors to establish conditions of economic and social stability within its borders and to live at peace with its neighbors.

As the State of Israel enters upon the second decade of its existence, we, as citizens of the United States, can wish it continued growth and prosperity in the years ahead not only because we share its ideals of "freedom, justice, and peace," but also because, as an outpost of freedom and democracy, the State of Israel serves as a first line of defense for our own freedom and for the peace of the world.

Mr. MORGAN. Mr. Speaker, the Republic of Israel this year celebrates her 10th anniversary as a free and independent democracy. I am happy that history will record that the United States was the first to establish active diplomatic relations with Israel and that we also took the lead in sponsoring her for membership in the United Nations.

Israel fulfills the aspirations of a world-scattered people. From the very day of her establishment as a nation, Israel opened her gates to Jews from all parts of the globe. Immigrants have come from over 70 countries and from all 5 continents. Among them have been the greater part of the survivors of the Hitler persecutions, many from the eastern European countries and some 400,000 from the Middle East, Africa, and Asia.

The energy and dedication of her people have given Israel a fully functioning democratic form of government. Israel can point to a population of some 2 million, with the highest per annum per capita income in the Middle East—$700. During the short span of 10 years, Israel's exports have quadrupled, her agricultural production has vastly increased, and her industrial output has grown 6 times greater.

The people of the United States have a traditional friendship for the people of Israel whose well-being and security is of direct concern to us. Israel has made progress through the severe stresses and strains of her first decade. It is our hope that the future will bring further gains in peace and amity with her neighbors and that her already significant achievements will increase in the years to come.

Mr. DAWSON of Utah. Mr. Speaker, the 10th anniversary of Israel's independence on April 24 will mark a day of reassurance for all of us who may from time to time worry that modern man has gone soft.

In their brief decade as citizens of an independent nation, the people of Israel have met and overcome many hardships reminiscent of what my forefathers encountered when they set out to carve a home from the desert that was Utah. The people of Israel have demonstrated conclusively that when the chips are down this same tough pioneer spirit which settled our own West still lives today.

These have been a remarkable 10 years of accomplishment. Hundreds of thousands of penniless immigrants have been admitted, cared for, and set on their feet. Israel's population has mushroomed from 800,000 in 1949 to 2 million today. An army has been raised and trained to fight off constant threats from without. A stable government, and one on the side of freedom, has been set up and maintained. Agriculture and industry have been developed to show a steady progress toward economic stability.

Last year, Israel's exports amounted to $135 million, a fivefold increase in 8 years. Where 75,000 acres were under irrigation in 1948, 275,000 acres were under irrigation in 1957.

May Israel continue its steady progress, and hold steadfast to its principles of freedom, justice, and peace.

Mr. BENTLEY. Mr. Speaker, it is my pleasure to join many of my colleagues in the House today in extending congratulations to the Republic of Israel on its 10th anniversary. The example of bravery and the burning desire for independence which has characterized the citizens of Israel over the past 10 years fully give all friends of freedom ample reason to join them in extending congratulations and best wishes for the future at this time.

I think it is important to emphasize that the Republic of Israel is not regarded by the average American citizen of Jewish faith as a place where he or she would necessarily like to live. Rather, it is thought of as a home for Jewish refugees and persecutees from all over the world, and is supported by American Jews for this reason. It would indeed be a hard-hearted person who would say that the Jewish people, because of their sufferings and persecutions in many so-called civilized countries, have not fully merited the right to a national home of their own.

Although the actions of Israel in the field of foreign policy have not always fully concurred with the objectives of our own Government, there nevertheless exists close and friendly feeling between our two countries at this time and the administration is on record regarding the right of Israel to an independent status as a nation. The sooner that our Arab friends recognize and accept this fact, the sooner can progress be made toward a lasting and peaceful solution of the current problems which plague the Middle East.

It is certainly a pleasant opportunity for me to extend in the well of the House today congratulations to Israel on her 10th anniversary of freedom, to commend her people and her government for their outstanding accomplishments during the first 10 years of their modern national existence and to extend very best wishes for the continued economic growth and industrial and social progress of this remarkable little country.

Mr. LANE. Mr. Speaker, the young Republic of Israel is a shining example of the courage and initiative that thrive in an atmosphere of freedom.

Not too many years ago, it was an ancient, barren, and discouraged land. It had been that way for centuries.

But when the Jewish people proclaimed their independence, a miracle took place. Under the inspiration of opportunity, they tackled problems that seemed insurmountable. By the strength of their bodies, and with a song in their hearts, they went to work on the desert, and brought it to life.

Envious neighbors, determined that they should not succeed, attacked them from all sides. Again, the tremendous spirit released by freedom rose to the occasion and defeated the aggressors.

Ten years have passed since the birth of the new nation, and within that space of time the Israelis have made progress that would be hard to match in all of recorded history.

Americans have great admiration for their self-reliance, which evokes memories of our own struggles to be free, and to pioneer in self-development. If more nations, young and old, would follow the example of Israel and work as hard to better themselves, the contrasting failures of communism would be laughed right out of this world.

We are proud of, and thankful to Israel, for showing the Middle East how democracy works for the good of all. Israel is here to stay.

We hope that neighboring peoples will be heartened by her progress, and will be inspired to accomplish as much for themselves, so that the whole area may advance in peace toward the abundant life in which all will share.

On its 10th anniversary, we congratulate the Republic of Israel. Not only for its material development, but for something infinitely greater. Because Israel, the newest of truly independent nations, is proving to the world the creative spirit that is forever identified with freedom.

Mr. ADDONIZIO. Mr. Speaker, centuries before our Christian era the Kingdom of Israel existed in Palestine. There the children of Israel built their social, political, and religious institutions. They created a distinctive civilization, one of the oldest and finest in the annals of world history. About 2,000 years ago the Kingdom of Israel lost its independence. The Jewish people lost their national political independence and were evicted from their ancient homeland and dispersed in all parts of the world.

Since those tragic days nearly all Jews have lived in what has become known as the "Diaspora," the dispersion. During that long period of exile they suffered much; they endured persecution, discriminations, and inequities in many lands. But they faced their almost endless vicissitudes with remarkable fortitude. During all that time their spiritual and cultural heritage sustained their spirit of freedom and independence. Through the centuries that unique heritage was carefully nurtured and kept alive. Finally, after long years of waiting, they were afforded the opportunity of returning to their ancient birthplace in Palestine. Having thus returned there, since the end of the First World War, in May of 1948, they proclaimed their independence, and announced to the world the creation of the State of Israel. Once more they had an independent political existence.

That was only 10 years ago, but the youthful state has already taken its honored place in the family of nations. The creation of modern Israel was not easily or effortlessly attained. The birth of Israel was the culmination of strenuous and persistent efforts toward the accomplishment of a noble, a sacred task, undertaken under hazardous conditions. On May 14, 1948, when the leaders of the Jewish people proclaimed Israel's independence, herculean work had been done, and the groundwork was completed, for the creation of the new state. For instance, in the course of a single generation—1922 to 1948—the Jewish population of Palestine had been increased almost tenfold. On the eve of Israel's independence there were some 650,000 Jews in the country, and a good start for the new state. This was especially significant because the newly arriving immigrants were dedicated to the single cause of making Israel a new center of spiritual and cultural life and a haven for persecuted Jews throughout the world. Today there are more than 1,600,000 Jews in the new state.

The 10th anniversary of the birth of Israel is certainly a great event in the lives of Jews around the world and also in the short but significant life of the new state. That state is a living, growing reality in the Middle East today. It is a lively and dynamic state. It is a democratic and progressive state with representative governmental institutions. It is a small but vigorous state and must be reckoned with at all levels of Middle Eastern affairs. In many respects it is a model state in that part of the world. Israeli citizens have built their country and are guarding their newly won freedom with extraordinary vigilance and bravery. With enthusiasm and energy they are doing their utmost to turn the desert of the Negev into a fertile land, and the hills of Galilee into blossoming orchards. By the skillful use of science and the technical abilities of their people, by installing water pipelines and oil pipelines, and by the use of chemical fertilizers, the Israelis have turned arid and inhospitable hills and desert plains into cultivable, productive farmlands and industrial centers.

Ten years after its birth the State of Israel stands as a new and encouraging beacon in the Middle East. It is fast becoming an industrialized urban community in the midst of underdeveloped rural lands. Economically and financially Israel is dependent upon trade. Unfortunately her Arab neighbors refuse to trade with her. But many other countries do. The United States is one of Israel's best customers. The response of Jewish people in the United States and throughout the world to the financial needs of Israel has always been encouraging and admirable. Moreover, the United States Government has extended large credit to Israel for the purchase of critical imports.

Politically the young state has had to face a series of grave problems, but she has faced them with courage. It is true that full-scale warfare has come to an end, but the problem of Arab-Israeli relations has not been solved. Israel is still spurned by her neighbors. No Arab state has as yet diplomatically recognized Israel's existence, and that has created an unpleasant dilemma for Israel. It is a source of gratification that Israel is persistent in its efforts to reach an understanding with the Arab countries and has not been discouraged by the rebuffs which have met its repeated persistent peace overtures.

Despite all these difficulties and dilemmas, economic and financial hardships and handicaps, and political uncertainties, on this 10th anniversary of

Israel's birth, citizens of that new state face the future with confidence. They continue in their dedicated task with undiminished zeal. On the occasion of the 10th birthday of their independence, I wish them peace, prosperity, and happiness, and express the hope that success will reward their efforts in the creation of a strong and stable state in the turbulent Middle East.

Mr. RODINO. Mr. Speaker, the past 10 years have been a difficult and struggling period for the people of Israel. Most of its 1,600,000 people in a country about the size and shape of New Jersey came as refugees from the wreckage of Europe, torn asunder by the Second World War. They came with the hope that the ancient vision of the Jewish homeland regained, where they could build for the future without the fear of pogroms and repression by dictatorial governments, would be realized. In these 10 years they have worked hard with one hand on the plow and the other hand gripping a rifle to protect their new land. Hardly any place in Israel is out of range of Arab gunfire from across the borders. Yet these people have not panicked or grown scared in the face of the ever-present danger from the vengeful neighbors. They have gone ahead to plant the rocky hills of Galilee with citrus orchards, to irrigate the desert of the Negev, to drain the marshy plains of the north. While agriculture is still the basis of Israel's economy, as it was in the time of the Old Testament prophets, the Government has instituted a vigorous industrialization plan.

The State of Israel was established on the principle that it would be opened to the Jews throughout the world. The Government has followed a program to encourage and to assist the "ingathering of the exiles" who have spread to the four corners of the world since the sack of Jerusalem by the Romans in 70 A. D. Each year roughly 80,000 Jewish immigrants arrive in Israel. The coreligionists must be fed and supported for an initial period. But more pressing, land and a place in the national economy must be found for them. It is the hope of the nation that the deserts of the south can be made to bloom and that the industrial development will keep pace with the immigration.

The people of Israel will celebrate the 10th anniversary of the founding of the young republic which is dedicated to liberty and a democratic form of government. Since the United States played a prominent role in the establishment of the State of Israel and has concerned itself with the advancement and protection of Israel throughout these years, it is appropriate, therefore, that we unite with the people of Israel in this jubilant celebration on April 24. The city in which I live, Newark, N. J., will rejoice with the freedom-loving Israelis on this momentous day. I am proud to say that I will be serving on the committee which is sponsoring and organizing Newark's salute to Israel on this occasion of triumph and thanksgiving.

Mr. FINO. Mr. Speaker, this is the 10th anniversary of Israel's independence day. Ten years of independence and sovereignty is a very short period in the history of any nation; and it is particularly short in the very long and turbulent history of the Jews. Yet we all know today that this brief period is perhaps most significant in their entire history.

Ten years ago on May 14, Israel's independence was proclaimed under precarious international circumstances. Soon the new state was engulfed in a life-and-death war with all her Arab neighbors. Fighting bravely and furiously, and after suffering great losses, Israel came out of that baptismal fire with dignity and honor. Since then she has become a strong democracy, and has successfully managed to make striking advances on the social, economic, and cultural fronts. On the 10th anniversary of her birth, on her independence day, we wish her citizens safety, prosperity, and happiness.

Mrs. SULLIVAN. Mr. Speaker, one of the most impressive of my experiences as a Member of Congress, and one of the great thrills of my life, was to visit Israel several years ago and to traverse practically every mile of highway in that small country, visiting all parts of Israel, and seeing and talking to high officials and ordinary citizens alike.

One could not help but be impressed. The people of Israel were accepting into their midst the persecuted and the homeless from many lands, squeezing them into a tiny area, trying to provide housing and jobs for the newcomers, while at the same time trying to defend themselves against attack from their neighboring countries.

It was truly a nation in a state of siege, yet one which demonstrated in every action of every citizen a spirit of adventure and a confidence in the ultimate victory of their cause.

Even while I was there, sporadic fighting was occurring across the frontiers, and it was easy to understand the need which was so evident on every side for constant vigilance on the part of all the people.

In many ways, the task which faced these people recalled the experiences of our own pioneers in trying to make the land fruitful while living under constant danger of attack and annihilation.

Mr. Speaker, on this occasion of the 10th anniversary of the independence of Israel, I am delighted to join in these ceremonies in the House of Representatives extending our greetings to the people of Israel. I am grateful for the opportunity which I had to see at first hand the work and effort and determination and dedication being put to the task by the people of Israel in making their new nation a land of liberty and a nation which believes in democracy.

True, there are many, many problems in Israel which are far from solved. Establishing a nation does not automatically assure its future. In our own case, we find—even after all of the generations in which the United States has lived and prospered—that we, too, have serious unresolved problems which must constantly be worked at and worked out if our democracy is to survive.

America has a right to be proud of the part which our country played in the establishment of a free Israel 10 years ago and the many Americans who have done so much individually to help Israel to meet its crushing financial burdens are indeed entitled to a sense of pride and a sense of accomplishment in what they helped to achieve.

As a Member of the Congress of the United States, I am therefore proud to serve as a spokesman for the people of my own Congressional District in extending greetings today to the State of Israel and to her leaders and to the dedicated, courageous men, women, and children carving a free land out of adversity, and making a barren land bloom and flourish.

Congratulations to the people of Israel are certainly in order on the anniversary which is to be celebrated tomorrow.

Mr. MULTER. Mr. Speaker, 10 years ago, on May 14, 1948, by our calendar and the 5th day of Iyar 5708 by the Hebrew calendar, the Jewish people reestablished a nation in their ancient homeland. Liberty loving persons throughout the world are united with Israel in the celebration of its independence day. As further evidence of our good will, we of the United States extend our best wishes to Israel on this occasion together with our congratulations for the remarkable advancement which that nation has achieved in so short a time despite her many internal problems and the constant external threats. The United States derives much pleasure from the fact that the State of Israel has become a new force of enlightenment and freedom in the Middle East. In these times when it appears that many of the Middle East countries are attracted by the propaganda of international communism, Israel has remained ideologically and politically united with the free nations of the West.

Surveying the first 10 years of Israel's history, any objective observer must admire the creative imagination and courage combined with resourcefulness and dynamic energy, which the Israeli people have exhibited in the development of their regained homeland. Deserts have been made to bloom again, Solomon's mines have been reopened, new communities have been settled, old villages have been rejuvenated, and orchards once again cover the rocky hills of Judea. Even a modern language had to be created out of the classical Hebrew of the Old Testament prophets.

All this has been going on while the country had to absorb large Jewish immigration. In 5 years the Jewish population of Israel increased from 650,000 to almost 1,500,000 people. It continues to increase. These people must be assimilated into the varied cultural patterns of the new country. Work and food have to be found for them. During these 10 years the Israelis and the Arabs have been in a constant state of hostility which has prohibited the mutual development of the region. Animosities have continued to hold back the progress of both the Arabs and the Israelis.

Israel is still compelled to import more than she exports in order to maintain the high standard of living to which her people have a right to aspire. It is encouraging to observe the energy with which Israel is entering into its recent economic development to correct this

imbalance of trade. Throughout the country there is a determination to modernize the state and make it self-sustaining where possible. Heavy effort has been exerted to increase the export trade. The rate of export has increased progressively over these 10 years due to the industrialization. It is interesting to note that the new industries contribute 68 percent to all of the exports. Today, Israel exports her products to 80 countries throughout the world. I am proud to say that Israel exports more to the United States than any other nation, over 22 percent of its total export trade. It is evident, therefore, that Israel has an expanding economy.

Most encouraging is the fact that with all of these materialistic endeavors flows a high degree of idealistic and spiritual leadership.

The people of the United States join with me in the wish for the continued peace and prosperity of the Israel nation and all the world.

Mr. HEALEY. Mr. Speaker, I would like to join my colleagues in the House of Representatives today in commemoration of Israel's 10th independence day. I salute the people of this little democratic country for their remarkable spirit and progress. Against tremendous odds, they have gone forth in 10 years to achieve great and admirable objectives. Israel's open doors have provided a place of refuge and freedom for many homeless thousands—survivors of concentration camps, the displaced of Europe, immigrants from North Africa, Asia, Jewish refugees from Arab countries, from Hungary, and other Iron Curtain countries. Israel has continued to receive destitute immigrants. Her economic problems have been further complicated by the refusal of her Arab neighbors to establish peaceful relations.

In spite of these tremendous problems, and with a population which has almost tripled in 10 years, Israel's achievements have been prodigious in industry, commerce, agriculture, education, health, medicine, science, and culture.

I am sure that our American friendship has been a vital source of strength to the people of Israel during this first decade. We will continue to admire the courage of the Israeli people as they go forth into a second decade, still faced with hardship and hazards. We salute them and wish them well as they continue to work and strive unceasingly for a life of dignity and freedom, for survival and ultimate peace.

Mr. PRICE. Mr. Speaker, as we approach the 10th anniversary of the State of Israel, created by the faith and bravery of her own people under approval of the United Nations General Assembly, many of us have been impressed again with her remarkable achievements.

Surely no small nation was ever established under more dramatic circumstances, none has ever persevered against more stringent difficulties. She was threatened before her birth, and the threat of extirpation by active belligerence against her has never ceased. She has dwelt in menace, she is menaced today. Yet she has endured and grown stronger. She has beaten back all blows, she has steadily improved her grasp upon that to which she has a right—and on nothing else.

She has drained the swamps, she has reclaimed the soil. Her people have established themselves on the frontier, where they have labored to irrigate and improve the acres that for centuries were left untended by the husbandman. She has concentrated on the arts of peace while maintaining a citizens' self-defense marked by extraordinary morale and willingness to sacrifice for the common welfare.

Israel was born, let us remember, in the aftermath of the war to destroy Adolf Hitler. She sprang from the victims of the concentration camp, the minority of the Jewish people in central Europe who escaped the gas chambers, the Jews of the western democracies who for more than a generation after the First World War kept alive the dream of a democratic national homeland for their people in Palestine.

Though she sought peace under the General Assembly declarations, she found no peace. She was invaded the day after her existence was proclaimed. She was victimized by economic boycott. She has existed these 10 years under continued boycott, with the Suez Canal closed to ships bound in all innocent passage for her ports. For years even the Gulf of Aqaba was closed by threatening guns to ships seeking peaceful and innocent passage to the port of Elath. She has dwelt under the shadow of a struggle of the great powers in the Middle East and under the menace of vast manipulations by her neighbors.

Through all this, her accomplishments are remarkable. Never once has she neglected her purpose and never once has she wavered in her efforts to obtain her objectives—a secure homeland, a place of refuge for the Jews of all lands who may wish to migrate, the development of the land for the common good of all who dwell there, Christian and Moslem, gentile and Jew.

Let us look at the record. Her population of 650,000 almost tripled by 1956, to 1,900,000. Her cultivated acreage doubled; her index of production almost tripled. Her industry grew from nothing to an output that by 1956 reached a value of $700 million. Her production of electricity more than tripled. The tonnage in her merchant marine increased by ninefold.

Man does not live by bread alone. Attendance in the schools grew from 113,000 in 1948 to 507,000 in 1957. The children of Arab families attending school almost tripled. The number of teachers doubled to more than 11,000. The number of hospitals doubled and the number of hospital beds tripled.

How does a small nation, surrounded by belligerent rulers in adjacent nations, manage to survive? The requirements of Israeli self-defense may prove illuminating to other lands. Conscription into the armed forces is compulsory for both men and women, and after active service of two and a half years both men and women serve in a ready reserve for many years. Men have the obligation for service until the age of 49, women until the age of 34—and each year each citizen within these ages goes on active duty for approximately 1 month. This is how Israel maintains her strength, her capacity to defend herself with only a small standing army but with the potential of an effective and well-trained citizen field army on short notice.

The burden obviously is great. Energies and money are spent that could more usefully be employed in the further development of the land, the construction of public works, the damming of water courses, the drilling of wells, the building of factories, the production of goods.

The choice to divert energies from the works of peace to the necessities of defense has been unavoidable. It is an essential which in the passage of time should no longer be required. But the price of security and even existence is high for this small land; let us say that to their honor her people have not shrunk from paying what is demanded of them.

On our part we have the duty to recognize heroism when we meet it, diligence and honor when they manifest themselves, the place of Israel in the Middle East and in the family of nations. Our people wish her well and join in celebration of a brilliant and fruitful first decade of national life.

Mr. KEAN. Mr. Speaker, today marks the 10th anniversary of the founding of the nation of Israel.

On this, the 10th birthday of that gallant nation, we, all Americans, should take a good long look at what the people of Israel have accomplished in their first decade of existence as a nation.

Their achievements are many and significant. They show what can be done by a determined and progressive democracy even though plagued—militarily, diplomatically, and economically—by their neighbors.

As we all know, Israel's first decade has not been an easy one. In its young life, Israel has faced many grave problems. There was the threat of internationalization, the threat of partitioning, and the threat of invasion.

A less brave people might have retreated or succumbed in the face of such overwhelming odds. Yet, Israel has moved steadily forward. Through the blood of its valiant sons, it has maintained its borders against its enemies. Through the industry and determination of its citizens, it has prospered. A bastion of democracy has been established in the troubled Middle East.

All of the accomplishments of Israel's first decade cannot be detailed in the time allotted me, but I would like to point out what I consider some of the highlights.

Israel has trebled its population, thus firmly establishing itself as a haven for those fleeing from persecution. By the end of 1957, Israel had a population of 1,976,471.

Israel has established diplomatic relations with 50 countries, 11 of them in Asia and Africa, which has gained it a firm place in the world family of nations.

Israel has steadily expanded its position as a nation of commerce. She has formulated 17 trade agreements. Her exports have increased from $30 million in 1949 to nearly $135 million last year

with its goods reaching the markets of 80 nations. Her imports have increased from $250 million to $403 million in the same period.

Israel operates its own airline to the United States, Europe, Africa and Asia. She has built railways and highways. She has a merchant marine fleet of 35 vessels and this will be increased to 47 this year.

Israel's industrial economy now represents an investment of more than $700 million. Seventy percent of the capital has come from outside the country, which indicates a firm belief by others in the future of Israel.

Agricultural and mining settlements have sprung up in wastes that had been desolate and uninhabited for centuries. About 500 new agricultural settlements have been established. Cultivated areas have been increased from 195,000 acres to 950,000 acres, while irrigated areas have risen from 63,000 to 275,000 acres.

Israel's system of schools has grown steadily. In 1949, there were 180,844 pupils in elementary schools. Today, the number of pupils is 404,900. There also has been considerable expansion in secondary, vocational, and agricultural education. At the same time, Israel has shown rapid progress in the field of higher education through its universities and scientific institutions.

For its achievement, the gallant nation of Israel deserves a resounding salute from the free world. It has proved that a free people can progress even under most overwhelming odds.

But in 10 short years Israel has not yet reached the goals it seeks and wants. The road ahead still is full of pitfalls and dangers, but its people have the determination needed to reach the goal just as our forefathers did in 1776.

As Israel faces its second decade, the determination of the people of the gallant nation probably is best expressed by Premier Ben-Gurion in a New York Times article of last Sunday in which he said:

> Israel is determined to strengthen her military preparedness and persevere in her work of rebuilding and redemption; to bring in Jews from the lands of oppression and misery; to conquer the desert and make it flourish by the power of science and pioneering spirit, and to transform the country into a bastion of democracy, liberty, and universal cultural values based on the teaching of Israel's prophets and the achievements of modern science.

A strong and ever-progressive Israel will do much to strengthen the free world and at the same time provide a safe haven for many who believe in liberty.

Mr. ENGLE. Mr. Speaker, I am delighted to join my colleagues in a salute to Israel on its 10th year of independence. The achievement of independence is always a moving occasion but in the case of Israel it had a special poignancy. It was the year 1948. Memories of the Nazi tortures were still fresh and when Israel's birth of freedom was proclaimed the Jews of the world were heavy hearted and sad in their exhilaration.

Ten years have gone by, and by truly prodigious labors in the face of attacks and constant threat of destruction the people of Israel are building a modern, progressive nation. But above all, the 10 years have proved that the State of Israel is truly a homeland. Within its tiny boundaries have gathered great numbers of exiles and there the hopeless, the helpless, and the homeless have found sanctuary and a new way of life.

I am proud that America and Americans have had some part in the achievements of this amazing country, and I hope that in the recurring threats to their independence we will not fail the people of Israel.

Mr. CELLER. Mr. Speaker, it is altogether fitting that the House of Representatives send its congratulations to the people of Israel on the occasion of the 10th anniversary of Israel's independence. The United States can take pride that it played so humanitarian a role, and so actively abetted the concept of international morality when it sponsored the resolution in the United Nations which fathered Israel and Israel's independence. It is a historical note of major significance that the United States was first to recognize the State of Israel.

I remember well that day 10 years ago. It is etched so sharply in my memory that I can recall it in fullest detail. I can recall the prayer, the tension, the hush of the people crowded into the Israeli Embassy—then not yet an embassy—as the flag of Israel was raised over it. I can recall the tremulous singing that followed, and the circles of people in front of the embassy, dancing the hora. And when the hearts of the people there seemed so full that they could not hold more, there came the electrifying announcement that the United States Government had granted de facto recognition to the State of Israel. And then, as our dime novelists were wont to express it, "Pandemonium reigned." Two thousand years of history went into the making of that day.

I remember the behind-the-scenes activities at the United Nations: the feverish expectations as the moment for voting grew close; the corner and lunchroom debates; the off-the-record arguments. I was there and saw it all.

It is well, therefore, that this democracy hold out its hand and heart to another of the democracies. Small as it is, it is a vital link to the growth of democracy everywhere.

Mr. REUSS. Mr. Speaker, the State of Israel has achieved what many thought impossible, and even the optimistic thought but a slim possibility, on the day 10 years ago when Israel proclaimed its independence.

Despite the continuing hostility of its Arab neighbors, despite the changing political climate of the Middle East, despite increasing pressure by the Soviet Union in that troubled area, the people of Israel have built a democratic state dedicated to freedom, justice, and peace; a state that has earned full membership in the free family of nations; a state that is strong and growing stronger; a state that will survive and prosper.

The people of Israel have constructed a modern, progressive state from an ancient, arid, impoverished land. With boundless effort, extreme courage and great sacrifice, they have turned arid hills, barren gullies, scrubby sand dunes, and forbidding deserts into new settlements, irrigated farmlands, productive mineral fields. The population has tripled, to nearly 2 million. The standard of living increases as the economy expands.

As we in the Congress join in saluting Israel on its 10th anniversary, we can take pride in the important part played by the United States and our own citizens—not only our Jewish people, but our people of all faiths—in establishing, encouraging, and assisting in the development of this gallant young nation.

We are proud that the United States was the first nation to recognize Israel's sovereignty; that we took the lead in sponsoring Israel's membership in the United Nations; that the United States Government has been willing and able to extend something like $500 million, principally in economic aid and technical assistance, to help make Israel strong and prosperous and free.

And we are proud of the American people who, as individuals, have supported Israel morally and spiritually, and have contributed financially to the enduring future of the Jewish state through donations, gifts, and bond purchases. I am told that in my own State of Wisconsin, nearly $5 million has been invested in the economic upbuilding of Israel through the purchase of Israel bonds by individual citizens.

Relations between Israel and the United States will grow ever closer and stronger. The American people see in Israel an image of our own country's history—a determined, democratic nation struggling for survival against heavy odds, pioneering in much the same manner as our forefathers, willing to fight for its own rights and the universal rights of man, but striving always for peace and justice.

Of course Israel has not solved all of its problems. But what nation has, young or old? In 10 short years, unbelievable progress has been made. And from Israel's ardent advocacy of democracy and freedom, her people's indomitable spirit, and her partnership with the United States in the family of free nations, will come genuine security, growing prosperity, and lasting peace.

Mr. DONOHUE. Mr. Speaker, in the midst of tensions probably greater than any it has experienced since the grim days of 1948 when it came into being as a free and independent nation, brave Israel is now celebrating the 10th anniversary of its existence.

Back in the dark atmosphere of 1948, the fortitude and confidence of the Jewish people and their leaders in proclaiming and projecting a separate state appeared to be a dangerous and dubious venture. During the 10 years that have followed that original expression it has become factually obvious that their fortitude and foresight were eminently justified. In a short decade, Israel has progressed from a humble and struggling beginning to a powerful political and cultural position in the Middle East.

With a desert and surrounding atmosphere of other obstacles appearing insurmountable, the people of Israel, with traditional courage and steadfast faith

are perseveringly succeeding in turning their country into a thriving modern nation where formerly there had been little but poverty, disease, and frustration.

In addition to the agricultural and industrial miracles which have gained the admiration of the world, Israel has become an oasis of democracy and valued ally in the turbulent and Communist-threatened Middle East.

As a renewed gesture of encouraging friendship and a further affirmation of faith that Israel will endure despite every hardship and anguish, we are happy to join with freedom-loving persons everywhere in saluting the Republic of Israel and its pioneering people on this 10th anniversary of courageous nationhood.

Mr. YATES. Mr. Speaker, this year marks the 10th anniversary of the birth of the State of Israel. Centuries ago the Jewish people were banished from Palestine, their homeland. As they wandered from land to land, exposed to tyranny and persecution almost everywhere they went, they clung courageously and tenaciously to their cultural and spiritual heritage; a heritage of political freedom, intellectual endeavor and religious faith. Ever in their minds, too, was the thought of returning to their ancestral home. Ten years ago that dream became a political reality when the State of Israel was established.

The accomplishments of the people of the new state during the first decade of its existence have been magnificent. In an area of weak and vacillating governments, Israel has established a stable regime. Beset by warlike neighbors on all sides, thwarted by hostility and economic boycott from the Arab nations, she has nevertheless continued about her business of living and surviving and thriving, and has set an example to her neighbors of what may be accomplished by a people who recognize the inherent dignity of the people. A parliamentary democracy, Israel's Republic is fashioned after our own in its devotion to the provisions of liberty, justice and peace. In the Middle East she furnishes a beacon light to the peoples of the surrounding nations, in causing the desert to bloom and also, in giving inspiration to its people in reaching new pinnacles.

Israel is truly building a new world in the old world. From the rocky shrub-covered hills of Galilee along the Lebanese and Syrian frontiers, through the Jordan Valley, down the plain of Sharon and southward into the Negev, robust new communities are mushrooming. The barrenness of the land is being replaced with fertility. Sand dunes are becoming dotted with fruit trees. Swamps are becoming farming communities. Industrialization is taking place at a whirlwind pace. Yet, ever mindful that Israel is the Land of the Book, the people have built great institutions of learning where scientific and humanistic discoveries have been made which have benefited all mankind.

In the field of foreign policy, Israel has quickly gained recognition as a peace loving member of the United Nations. Over the 10 year period, nations have learned that the primary objective of Israel's foreign policy is to establish commercial and cultural relationships with other members of the family of nations and to pursue a policy of peace and cooperation in the Middle East.

We honor Israel for its great accomplishments during its first 10 years. We join with her in her prayer that the threat of war may be eradicated in the Middle East, and that peace may be established—a peace which will permit Israel and the other nations of the Middle East to live together in harmony, mutual respect and dignity. I am proud to join with the Majority Leader and my other colleagues in the House in voting approval of this resolution.

Mrs. KELLY of New York. Mr. Speaker, this is an unprecedented and almost unparalleled day of joy for the Jews in their long and turbulent history. Ten years ago the proclamation of Israel's independence marked a new age for the Jews; it ushered in a new era in their lives, an era of freedom and liberty. Today, a decade later, the founding, the growth and strengthening of the new State of Israel is a fact of marvelous success.

In the course of her rather brief and somewhat stormy existence, Israel has made remarkable advances on political, economic, social, cultural, and scientific fronts. It has traversed this path of advancement in the shortest possible time and under severe difficulties, but Israelis have proved more than equal to all the difficulties facing them, and have, I am happy to say, surmounted all obstacles. As the result of their unmatched efforts, undiminished zeal, and their willingness to make great sacrifices for the common good, they have made the new state a refuge for the Jews. Israel has become a new, powerful, and perhaps a decisive factor in the turbulent Middle East. She has also become a respected member of the family of nations. I am indeed glad to join the Israeli citizens and the world Jewry in the celebration of the 10th anniversary of Israel's Independence Day, wishing them prosperity and peace in their newly built country.

Mrs. GRANAHAN. Mr. Speaker, I am indeed pleased today to have this opportunity to join the official greeting by the House of Representatives of the Congress of the United States to the people of Israel on the occasion of the 10th anniversary tomorrow of Israeli independence.

Many residents of my Congressional District in west Philadelphia contributed years of effort and a great deal of their money—often at great personal sacrifice—toward the achievement of that goal 10 years ago of a free homeland for the Jewish people from many lands where their freedom had been abridged or completely denied.

But all Philadelphians, regardless of religious background, were united 10 years ago in a sense of prayerful thanksgiving that the people of Israel had achieved their freedom. This, of course, stems from our own traditions in Philadelphia, built around the great role our city and our State played for generations in the cause of freedom everywhere.

On behalf of the Philadelphians of Jewish faith in my Congressional District, I want to place on the record of the proceedings of the House of Representatives their joy as coreligionists in the success of the embattled people of Israel in not only achieving independence but in maintaining it despite tremendous odds and pressures.

But I participate in this happy occasion in the House not only as a Member who is proud to have among my constituents many persons of the Jewish faith. Regardless of our own personal religious backgrounds, I feel that all of us here in the Congress rejoice as Americans in the demonstration made by the people of Israel of the strength of the democratic ideals which we share with this little bastion of democracy in the Near East.

Through the many, many years in which the Jewish people of the world worked and prayed for a free Israel for those Jews who wished to settle in the Biblical land which for centuries was the promised land of Israel, there were so many cruel obstacles in the way that the dream seemed impossible of realization.

Ten years ago it was finally realized. Many Americans, both Jewish and non-Jewish, played prominent roles in the achievement of this dream. Tomorrow, it is my hope to be able to participate in a special anniversary affair in Philadelphia at which former President Harry S. Truman will be honored guest. His part in the achievement of Israeli freedom, and his action as the first head of a major nation to recognize the freedom of Israel, rank in the forefront of his many outstanding achievements as a President of the United States.

Mr. Speaker, in congratulating the people of Israel on their 10th anniversary as a free, independent nation, I am mindful of the work and effort which my husband, the late Congressman William T. Granahan, devoted to this cause, and I am proud, as Bill's widow, of that work. Now that I am serving as his successor in the Congress, I look back with gratitude upon the heritage I received from him in this righteous cause and in so many others in which he was engaged.

In conclusion, I wish peace, happiness, and success in the future to the pioneering people of Israel. They have earned their place in history's good causes.

Mr. KEATING. Mr. Speaker, I enthusiastically support this resolution extending our heartfelt congratulations to the new State of Israel. It puts in words what I am convinced are the sentiments of the great majority of the American people.

Once again, I am proud and pleased to join with my colleagues in paying tribute to this noble nation on the occasion of another anniversary of freedom. Israel's 10th birthday holds special significance, because it culminates a decade packed with trouble, toil, adventure, and achievement beyond that of any nation in the history of the world for a comparable period.

First and foremost, Israel's achievement is that it exists at all today. Buf-

feted on all sides by hostile neighbors, pressured by outside forces playing the deadly game of international intrigue and aggrandizement, this state has nonetheless not only managed to keep on its feet, but has made remarkable strides forward.

It has taken in a flood of refugees from three totalitarian tyrannies—Nazi and Communist and Arab—and has found them all places to live and jobs to perform. It has welded these courageous people from widely scattered lands into a unified and stable nation.

By means of heavy investments of capital and plain hard work, the people of Israel have made an arid land produce far more than it ever had before. An embryonic industry is blooming and expanding. A larger population is being supported than has lived on the land for centuries. On all sides there is progress and improvement.

Much of this success is attributable, of course, to the indomitable courage and determination of the gritty citizens of Israel. Their dedication to the cause of freedom and independence and their willingness to work and sacrifice for their new state are perhaps unequaled in the recorded history of man.

There has, in addition, been substantial help from outside. Sympathizers throughout the world have contributed gifts and investments to Israel's growth. The important and successful State of Israel bond drives each year have provided over one-third of the land's total development budget.

There seems to be no question that Israel is here to stay, a vibrant, dynamic, firm and strong bastion of democracy in the Middle East. Though its enemies have tried to destroy it, Israel has survived simply because its people refused to be bowed.

Undoubtedly new ordeals and new challenges lie ahead for noble Israel. Its enemies continue hostile and anxious. But America will continue, also, to stand by. Our Nation, which did so much to help give Israel its start, has indicated clearly we will oppose any attack on that land.

At the same time, Israel has repeatedly demonstrated its good faith and its desire to participate in the peaceful development of the Near East. As Foreign Minister Golda Meir has said, Israel's citizens are not intruders in the Middle East, but rather are an ancient people returned there. As she said, Israel has "no other ambition but to rebuild its national life and freedom and security." Its existence "constitutes no threat to the security and independence of its neighbors," for Israel realizes the best hope for all peoples is a peaceful working out of the knotty problems now besetting the troubled Middle East.

Our debt to this brave new land is deep and lasting. Our ties with Israel are strong and permanent. From the prophets of these people we derive our law and our religion. From these people we have learned much of the wisdom and philosophy which comes only from deep contemplation and strong moral convictions.

Mr. Speaker, Abba Eban, Israel's eloquent and able Ambassador to this country, has sagely gaged Israel's achievements thus far as a "prelude, not a climax." We in the United States must do all in our power to make that prediction come true.

We rejoice that the Star of David has risen with such brilliance and permanence over this ancient and beloved land. May we be equal to the obligation and debt we owe, to see that it continues to shine in the face of all adversity.

We salute Israel on its 10th anniversary of freedom. We congratulate it for remarkable achievements. We express confidence that its centuries-old destiny of peaceful leadership will be attained. We pledge our undying support and friendship. We in America wish it Godspeed.

Mr. ZABLOCKI. Mr. Speaker, I want to join my distinguished colleagues in commemorating the 10th anniversary of the State of Israel.

The rebirth of the State of Israel 10 years ago marked the beginning of a new stage in the history of the Middle East, the cradle of the spiritual heritage of our western civilization. It was the prayerful aspiration of Jewish people all over the world, and of men of good will everywhere, that the new state would stand as a beacon of democracy, peace, and progress in one of the world's most critical regions.

During the past decade, the dynamic State of Israel has achieved considerable progress toward this end. With tremendous will and energy, aided by resources from distant lands, it has built, provided homes for countless refugees, and turned large stretches of the desert into productive fields and gardens. It stands today as a symbol of man's capacity for constructive, creative progress and freedom.

I am glad to join the people of Israel, and their friends in Milwaukee, in the celebration of this 10th anniversary. It constitutes an important milestone. And, looking to the future, I want to express my sincere wish that the people of Israel will persevere in our common search for lasting and just peace in the Middle East, and in the rest of the world.

Mrs. GRIFFITHS. Mr. Speaker, we in the United States have a special reason for rejoicing with Israel in the celebration of her 10th anniversary as an independent nation.

Ours was the first government to recognize Israel after she proclaimed her independence in May 1948. The United States also took the lead in sponsoring her admission to the United Nations.

We have not only witnessed but have been privileged, as well, to assist in the momentous task of development and reconstruction which has enabled Israel to surmount seemingly impassable obstacles. The progress made by Israel's economy is probably best indicated by the fact, that, despite the need to feed, clothe, and house 3 times as many people as lived there in the early days of Jewish statehood, and despite the rise in the standard of living of the old settlers, the adverse foreign trade gap increased by only 20 percent, rising from $224 million in 1949 to $273 million last year. Moreover, while exports paid for a mere 11 percent of the imports in 1949, they paid for more than one-third last year.

We have been richly rewarded in the help we have extended to this small nation. We have watched Israel welcome about a million refugees of varying tongues and cultures. During its brief lifetime as a nation, Israel has opened its doors to approximately 900,000 Jewish immigrants from displaced persons camps in Germany, Austria, Italy, countries in north Africa, and the Middle East, as well as other parts of the world. Starting with 600,000 Jews in British mandated Palestine 10 years ago, they have increased the number of the Jewish population there to 1,800,000 by today.

That Israel has made such progress is justification of the faith of those who shared in the work of establishing the country, and is proof of the great spirit and the dedication of the people of Israel to its just cause.

In 10 short years Israel has developed into the most advanced nation in the Middle East—an oasis of democracy in an area that still clings to feudal concepts.

Israel has faced many threats to her survival from the moment of her birth. Israel has and is continuing to play a constructive role in the family of free nations.

Israel stands on the threshold of a challenging decade. She merits the continued moral encouragement of all who share her great love for liberty and independence.

Mr. CURTIS of Massachusetts. Mr. Speaker, the first 10 years of Israel's independence have evidenced the most remarkable growth and development of a new country ever seen in the history of the world. Americans join wholeheartedly in congratulating Israel on this achievement and wishing this new country future health, strength, and peace.

The people of Israel overcame hostile attack at the start of Israel's existence, and subsequent blockade. In the face of enormous difficulties they have developed and transformed the land, raised up industries, trebled the population, given hospitable refuge to oppressed people, nurtured and assimilated them, revived an ancient culture, and established stable, democratic government.

These achievements in the face of such difficulties could not have been possible except by a people imbued with religious faith and fervor, and they truly partake of the miraculous.

America's friendship with Israel has been demonstrated ever since America was the first nation to recognize the new state minutes after its independence was proclaimed on May 14, 1948. This friendship is based on a similar experience in pioneer development, and a common dedication to the principles of freedom and democracy. The preservation of the independence of Israel has frequently been proclaimed to be a tenet of American foreign policy.

The presence of a free, stable democracy, with a forward-looking Western type of civilization amidst the ancient countries of the Middle East, is of benefit to the Western world, and is an example of economic development in the ways of freedom.

What is most needed in that area is peace. Instead there is a tenuous truce.

The attainment of peace would bring in its wake a resurgence of trade and intercourse, of land and water development, and would raise the living standards of the whole area. It is said that peace in the immediate future may be unattainable. The next best thing is security, and with it the gradual growth of mutual understanding and an atmosphere that will finally lead to peace. The Free World will support these objectives.

Mr. BOLAND. Mr. Speaker, today marks the 10th anniversary of the independence of the State of Israel. On this happy occasion I wish to extend my sincere congratulations to both the leaders and people of Israel for the magnificent progress they have made during the last decade and to express the hope, echoed by all America, that the future may prove even more successful and prosperous.

Great changes have been wrought since that momentous day in 1948 when Israel first proclaimed her independence—changes which can only serve as a living memorial to the courage and fortitude of the Jewish people. In the space of 10 short years Israel has risen from the status of a new and struggling nation to that of a stable and mature state whose voice is listened to with respect in the councils of the world. In the troubled sea of the Middle East, Israel stands as an island of democracy and progress.

Nor has her domestic progress been any less startling. In spite of the fact that she has been offering blessed sanctuary to countless thousands of the unfortunate victims of World War II, Israel has, nevertheless, managed to provide a sound economic base for the future through intelligent agricultural and industrial planning. Vast building programs have provided both homes and schools for her growing population. Desert areas like the Negev have been made to bloom again through the application of modern methods of technology and irrigation to the cultivation of the soil. Governmental institutions have matured and have nurtured and protected the liberties of the individual through extremely trying times.

These tremendous achievements have not been accomplished without suffering and sacrifice, for Israel has had to contend with both active military hostility and economic boycott imposed by her neighbors. It is not surprising, however, that the same faith and courage which kept the precious idea of a national homeland alive for more than 2,000 years has been able to surmount all obstacles. Today Israel stands as a symbol to men striving for their independence all over the world—a symbol of what man can accomplish when sustained by a deep and abiding faith and dedicated to the principles of freedom and democracy.

Mr. BUCKLEY. Mr. Speaker, I am happy to join with my colleagues in honoring Israel on the occasion of the 10th anniversary of its independence.

As an American I am proud of the fact that the United States was the first Nation to recognize the State of Israel immediately after it came into being, on May 14, 1948.

It is my firm conviction that the State of Israel is entitled to all the economic and moral aid and assistance which the United States can give to her. I sincerely believe that if we help the State of Israel in its development of democratic principles of government, we are not only helping the people of Israel, but we are making an everlasting friend and ally for the United States.

It was our country which did most to establish the young State of Israel. To me, Israel is a foothold of democracy in the Middle East. A strong Israel is important to the security and welfare of the United States. Israel is an important member in the group of free countries which must fight against the threat of totalitarianism. Just as we have aided other countries by the foreign assistance program, which the United States inaugurated, so must we aid Israel develop its natural resources, expand its agricultural and industrial economy, and increase its productive capacity and facilities. Of all the countries in the Middle East, the young State of Israel stands out clearly as the most dependable exponent of democracy. The people of Israel are ready to defend democracy. Israel has always supported the principles of the United Nations in every respect.

Israel is a little guy, fighting nature, fighting enemies and trying to do a great job. This little guy needs friends. He needs friends as America needed friends during the American Revolution. This little guy saw 6 million of his brothers and sisters wiped out by Hitler and the Nazis. I tell you, my fellow Americans, it would be a poor kind of America who would not admire that little guy and who would not be cheering him on in his fight against such odds.

We must continue our American policy of friendship for the young State of Israel which the United States helped to create.

We must not permit the members of the Arab League, which hates Israel, to block the road of progress of the young, democratic State of Israel. There must be peace between Israel and the Arab States in the Middle East. A strong Israel is important to the security and welfare of the United States. Israel is a bulwark against communism in the Middle East.

I hope and pray that the dynamic State of Israel will grow and prosper and that Israel will become and always be an economic, industrial, and military pillar for the Free World in the Middle East.

Mr. OSTERTAG. Mr. Speaker, I am pleased to support the resolution of congratulations and best wishes from the House of Representatives to the people of Israel on the 10th anniversary of the establishment of the State of Israel.

These have been 10 years such as few nations have known. Created as a new homeland for the Jews on the territory of their ancient kingdom, Israel was forced to fight for its existence almost from birth. But despite the threats of annihilation from its neighbors, Israel preserved its independence, established its society, and developed its nation.

As in the early years of our country, much of Israel's energies in this decade have been devoted to opening up the land. In Israel, however, the job has been made far more difficult by the scarcity of water and the necessity of irrigation. But just as they successfully defended themselves, the Israelis also are successfully opening up the land and making the arid hills and plains bloom again as they did 2,000 years ago.

Though agriculture is the mainstay of its economy just as in the ancient days, Israel is not neglecting industry and trade in building a strong, modern economy. Ancient skills and modern technology are being combined to create a healthy, well-balanced economy.

Israel also has established and maintained a stable, representative government in its first decade. It is closely allied with the West and remains a friend of the West.

Though all of these triumphs over adversity have been almost miraculous, Israel's most admirable achievement has been its success in providing a home for almost a million refugees who have flocked to the little nation from all over the world. Almost half of the nation's population are refugees who have come in the first decade. These refugees are being successfully assimilated into the community and in turn are making their contributions to the nation.

But Israel has no desire to rest on the accomplishments of its first decade. It still faces many problems—financial, political, economic—but its people have demonstrated the determination, ruggedness, resourcefulness, patience and wisdom to meet these problems. Its leaders have declared that this is not now the climax, only the prelude. We wish for Israel future decades as outstanding as its first one.

Mr. FALLON. Mr. Speaker, 10 years have elapsed since the State of Israel was proclaimed. It was born as the embodiment of the hopes and prayers of countless thousands who did not live to see their dream realized. The toil and sweat of other thousands are making of this small, poor, and in some ways unpromising land an example to all the world.

It would be hard indeed to discover anywhere a more formidable challenge than that faced by this energetic and courageous people. About half of their country is arid desert. Much of the rest is wasteland. And since the proclamation of independence a decade ago a human flood of immigration has swelled the population.

Here we find a heart-warming saga of modern times. The newcomers—most of them penniless with their few small belongings in packages and bundles carried by their side—come from over 60 countries. They come from different social strata and different civilizations. They speak different languages. But all of them have the same objective—to live and work and die in the land of their fathers, the land of Israel. They have found in this land an open door and a welcome and a willingness to share what little there is to share. The people and the Government of Israel are united in affirming that that door will remain open.

The people of this new state are meeting their difficulties with imagination

and phenomenal industry. Through major irrigation and drainage projects they have greatly increased the land under cultivation. Agricultural and industrial output have risen by fantastic percentages. A pioneering spirit animates both city and farmland and miracles of production are accomplished with scanty equipment and meager supplies.

While the people plow and build and create their industries they must be ever watchful. Although they are not at war with the Arabs, the armistice which prevails is an uneasy one. Hostilities could break out again at any time, and indeed breaches of peace along the borders are frequent and sometimes serious. Despite their numerical inferiority, however, the Israeli are confident that they could repulse any attacks launched against them. Their army is well trained and well equipped and in the border regions the people are taught to fight as well as work, with a true pioneer versatility.

The difficulties amidst which Israel has grown have not been confined to questions of internal economics and the ever-present threat of inimical neighbors. Its Government has had to steer a cautious course in world politics. Several million Jews are at present in the Soviet Union and in Eastern European countries. Any move which might arouse the enmity of these states would prejudice the fate of many peoples. Yet a fundamental identity of interests with the Western World has led the Government to stand ever more openly on the side of the West.

The inspiring story of Israel offers new proof of the power of the creative spirit of a people who are in every sense free. All who are familiar with the history of the past decade cannot but believe that it presages a future of ever-growing achievements.

Mr. MADDEN. Mr. Speaker, the following editorial by H. B. Snyder, of the Gary (Ind.) Post-Tribune, reviews Israel's 10-year progress.

We all hope that this bastion of democracy in the Middle East will continue to expand and progress and enjoy self-government and peace.

The editorial follows:

ISRAEL IS 10 YEARS OLD

The Jewish community in Gary, along with some 300 others in the United States and many in other countries throughout the world, are celebrating the 10th birthday of the State of Israel (Medinat Yisrael)—"God strives," or rules.

The timing of the celebration in Israel may seem somewhat confusing. The Jewish state in Palestine was proclaimed on May 14, 1948. That was the 5th day in the month of Iyar in the Jewish calendar. The corresponding date in the Christian calendar this year was April 24. Thus the observance now.

The new state actually came into being at midnight on May 14, the moment the British mandate over Palestine ended. Two minutes later Awni Khalidy, of Iraq, paused in a United Nations Assembly debate in New York over an American trusteeship plan for Jerusalem, to declare, "The game is up." Another 9 minutes later in Washington, President Harry S. Truman issued an unexpected United States de facto recognition of the new state, acting on an appeal from Dr. Chaim Weizmann, the late Zionist leader who was to be declared the first President of Israel.

The American gesture threw the special U. N. meeting into a turmoil and caused some bad feelings between the United States and Britain. But de jure recognition was held off until the following January 31 after the first elected Israeli Government took over.

As British troops left the new Israeli nation, five Arab countries joined in an attack. The Israelis won that war, amazingly in view of the odds against them. They have more than held their own in the intermittent fighting that has followed.

Tragically, there has been much such fighting and there still is only an uneasy truce in the Holy Land. The world cannot be happy over that phase of the last decade in Palestine, nor can the blame for it be assessed entirely against either side. The problem of establishing peace is a thorny one that must still be worked out.

Aside from that, however, there is reason for great satisfaction in Israel, and in the world's Jewish communities, for what has been accomplished in the new nation. Jews and non-Jews can join in applauding a tremendous development.

Israel had a population of only 650,000 when it was established in May 1948. In the decade it has tripled in numbers. An insurge of Jews from all over the world, in addition to normal growth, brings the total today to just under 2 million, plus 214,000 Arab residents.

Most of the new immigrants to Israel have gone to work in the fields. They have literally made the desert bloom again. In 1948 some 412,000 acres were under cultivation; the latest figure is 956,250, with production tripled. Settlements have been built up in wastes that had been desolate for centuries.

New industries have been established, electric output has more than tripled. The Government has built more than 180,000 apartments and established 430 new communities.

All this has required an outlay of about $3 billion. From the United States has come $469 million in official funds. In addition Americans have been heavy buyers of Israel state bonds and contributors to voluntary aid funds that together with other aid have given the new state more than $1 billion in funds.

As it starts its second decade, Israel's great internal problems are absorption of the remaining Arab population, irrigation, the readjustments to a socialist, welfare state. The many immigrants must be integrated into the population, and further immigration must be absorbed. One of the first major tasks will be completion of the Jordan River project, so its waters will flow to the south and the Negev to provide new agricultural land.

But all of Israel's internal problems are both conditioned and dwarfed by the huge external problem of Arab enmity. There can be achievements in the second decade of the Jewish nation far surpassing those of the last 10 years if a solution to this problem can be found. The whole Western World, not only the nations of the Middle East, have an important stake in what is done about it.

Mr. DENT. Mr. Speaker, on this occasion of the 10th anniversary of the founding of the State of Israel I have the great privilege to pay my deep respects to the men and women who have struggled courageously to recreate a Jewish homeland. Today Israel is the 10-year-old fulfillment of an 1,800-year-old dream of the Jewish people. Since the destruction of the second temple in A. D. 70 by the conquering armies of the Roman Emperor Titus, the Jews have wandered over the earth. The wish to return to their land to reestablish a Jewish commonwealth has ever been present in the hearts of many of the Jewish people. I personally derive a great feeling of satisfaction from the fact that the United States supported the cause of the Jewish people for a homeland after the Second World War. The United States has also continued to promote peace and stability in the Middle East as the only solution for the future welfare of the peoples of the Arab countries as well as of Israel.

The greatest achievement of this first decade has been the immigration of 1 million Jews to Israel and their assimilation into the new country. The first Israeli Parliament, elected in January 1949, enacted the Law of Return which opened the country to all Jews who desire to settle. An unwritten law had been in effect since the beginning of independence and embodies the vision that the new Israeli State would be a haven where any Jewish person might live in freedom and build for the future. Jews arrived from all of the Eastern European countries, from Kurdistan, Morocco, Iraq, England, Yemen, and as far away as Shanghai and Bombay during the first decade. In 1948 there were 650,000 Jewish inhabitants. By 1958, the population had grown to 2,000,000 including about 1,800,000 Jews and 214,000 Arabs. No other country has grown so rapidly in an equal span of time. And the immigration has not ceased. Between 1957 and 1962 the Zionist leaders have planned to bring 600,000 immigrants to the Jewish homeland.

The increase in the agricultural and industrial production has been an achievement second only to the population expansion. The Biblical landscape, where the "plants are an orchard of pomegranates, with pleasant fruits; spikenard and saffron; calamus and cinnamon; with all trees of frankincense, myrrh and aloes" had long ago disappeared. The countryside, which had reverted to desert land through the centuries, was barren and rocky. Except for the narrow strip along the seacoast, the land could not sustain many people.

Although Israel was under the constant surveillance of the rifles of hostile neighbors, the Israeli Government instituted a vigorous development program to provide land and a place in the national economy for the unending stream of immigrants. Modern agricultural methods, equipment and education have been put to work to increase cultivated areas by nearly 300 percent. A national irrigation program, which will be completed by 1961, has already put 400 percent more land under cultivation. The agricultural effort has been highly successful in increasing the productivity of the land. The yield from the land has been raised threefold and now supplies about 70 percent of the country's food requirement. It is self-sufficient in vegetables, eggs and poultry. Although foodstuffs are the main export commodity, chiefly citrus fruits, which comprise 42 percent of Israel's total exports, industrial production has risen 500 percent to augment the export trade. Among the new industries which have been opened are steel, fertilizers, tires and other rubber

goods, paper products, piping, diesel engines, electrical appliances, and the assembly of motorcars and refrigerators. Textiles, plastics, all essential household items and many products are made locally.

It is invigorating to observe how ardently the Israeli Government has attacked the problem of a trade imbalance. There is a noticeable determination on the part of the entire people to make the country self-sustaining where possible. Progress has been made; the formidable trade ratio of 9 to 1 has been reduced to 4 to 1. This means that Israel is now producing more and buying less, and is on the way to putting its national economy on a firmer foundation. The purchase of defense equipment in foreign markets continues to bite deep into the trade balance. Today Israel exports its products to 80 countries throughout the world. I can say with pride that Israel exports more to the United States than to any other nation, over 22 percent of its total trade. It is evident, therefore, that Israel has an expanding economy, although it will be dependent on foreign assistance for the next decade.

The Government's program for the second decade is bolder and more daring than that of the first decade. It plans to open up and to colonize the southern desert area of the Negev and to establish agricultural and industrial settlements in central and upper Galilee. Exploration and investment in the Negev will open up a rich storehouse of natural resources. The legendary mines of King Solomon with all their wealth have been rediscovered in this area. The Dead Sea contains abundant deposits of potash and other raw materials for a large chemical industry. Already a growing chemical industry contributes 7 percent to the total industrial output. Deposits of phosphates, manganese, copper, iron, feldspar, and mica have been unearthed. Oil strikes have proved that the Negev has reserves of high-grade petroleum—a necessary item in a national economy which has to spend roughly $34 million annually on imported fuel. A domestic source of fuel is important since the Arab nations have levied an embargo on oil to Israel.

Water and labor are necessary, however, to make the country again flow with milk and honey as of old. The Jewish settlers have clearly shown by the results of the last 10 years that they can work and work hard. The country does have enough land to support a larger population, but there is a critical lack of water, as there is through the entire Middle East. More exactly, there is a sufficient amount of water, but it is just not in the right places. The most pressing need at the present time, therefore, is an irrigation program to make the Negev bloom and to generate more electrical power to supply the infant industries.

The future advancement of the country is based on the execution of a national irrigation project. A large part of the nation's irrigation project has already been realized. The real solution to the problem is to pipe water down from the north, where it is available. In 1955 a pipeline was opened from the Yarkon River to the Negev. The project of saving the storm waters of the big Huleh Swamps for all-year agricultural production is more than 50 percent completed. By 1961 it is anticipated that the nationwide irrigation program will have fully exploited all available indigenous sources of water. The project envisions the channeling of the River Jordan and its tributaries, which can supply one-quarter of Israel's annual requirement. But the Jordan River irrigation project is inseparably tied in with the complex question of Arab-Israeli relations and a resolution of this stalemate might open the way for further discussion of regional development and the Arab refugee question.

The completion of the irrigation project is predicated upon an agreement with the neighboring Arab State of Jordan for the harnessing of the Jordan River waters. There is not sufficient water in the Jordan to satisfy the demands of both Israel and the Hashemite kingdom of Jordan. To prevent open conflict it is necessary to draw up a regional approach to the mutual problem of land reclamation. The Johnston Jordan Valley plan of 1953 offered the most equitable distribution to enable Israel and Jordan to derive the maximum benefit from the river water. The plan was accepted by Israel and Jordan but later Syria and Egypt pressured Jordan into withdrawing.

What can the United States do at this time to bring political and economic stability and to stimulate a spirit of mutual cooperation in this area? The administration's policy of vacillation to support first Israel, then the oil-rich Arab countries, has contributed immeasurably to the political turbulence of the area. A firm policy always pays off. Our failure to come to grips with the basic realities of the Middle East has opened the door to Soviet penetration.

First. The prerequisite for an enduring solution to the Israeli-Arab animosity is the Arab acceptance of the fact that the State of Israel is a sovereign nation and has become a major factor in the future of the Middle East. The United States has weakly affirmed this fact, but we could stress this basic belief of our Middle East foreign policy by increasing the amount of economic aid to Israel. We could indicate that the United States guarantees the security of Israel by consulting more frequently with the Israeli Government on affairs pertaining to the Middle East.

Second. In view of the disruption of friendly relations between Jordan and the United Arab Republic (Egypt and Syria), the United States might encourage Jordan to cooperate on the Jordan River project.

Third. Peace and stability will never be established in the Middle East until the question of the Palestinian refugee is resolved. The cankerous sore of the refugee camps infects the entire region with hatred and distrust. The receptivity of the refugees to the propaganda of Radios Cairo, Damascus and Baghdad causes a dangerously inflammatory situation. The United States has, from the beginning, contributed a major share of the funds to maintain the refugee camps and has provided proposals for eliminating the refugee problem. The Johnston Jordan River Valley plan, which recognized rightly that an irrigation project and the refugee problem were indivisible, expected and included in its calculations a resettlement of the refugees in the Arab land made fertile by the Jordan River. The United States should use its influence to end the suffering of the Palestinian refugees by repatriation to Israel or resettlement in Jordan with the choice of alternative being given to the individual refugees.

The Israeli experiment has clearly demonstrated that the Arabs and Jews can live together in mutual cooperation. The Israel Government has pursued an enlightened policy toward the indigenous population of 214,000 Arabs. The Arabs in Israel enjoy the same high social, economic, health, and education standards as the Jews. The Israeli Government has never differentiated between Jew and Arab in its policies except in matters of national defense. When Israel was founded, the Arab population numbered about 120,000; since that time about 30,000 Arabs who were living in the neighboring countries have been permitted to rejoin relatives in Israel. An Arab child receives free elementary education from the state. There are Arab students in the Hebrew University of Jerusalem. The Arab farmer is not in bondage to an absentee landowner or a moneylender. The Arabs are represented in the Israel Parliament, the Knesset, and are permitted to speak Arabic in deliberations of the Government.

The State of Israel has become a new force of enlightenment and advancement in the Middle East, and herein lies the danger of Israel to the feudal society of the Arab countries. The democratic State of Israel springing from the respect of the Hebraic prophets for the inherent dignity of man, has been revolutionary for the Middle East in building a new society with the aid of modern science and technology. The Arab leaders know that if ever the social revolution spread beyond the borders of Israel into the Arab world, the old order of a few landlords standing on the masses of people will come tumbling down. If the Arabs and the Israelis would enter into discussion about mutual problems demanding a regional approach, there is a strong possibility that Israel, possessing a surplus of technicians and scientists, could render valuable assistance for developing the natural potentialities of the Middle East and Africa as it is now doing for the new African nation of Ghana.

I would like to see a more imaginative and more consistent American foreign policy adopted to advance the cause of peace and stability in the Middle East.

Mr. BECKER. Mr. Speaker, 10 years ago the State of Israel was created and from virtually nothing the people have developed a country that has been marked with extreme sacrifice and hard work rarely seen in the last century. As a visitor to Israel 3 years ago I was able to experience firsthand the undaunted courage of the people and those charged with administering the governmental affairs.

I join with all others in wishing continued peace and progress to the State of Israel.

Mr. DEROUNIAN. Mr. Speaker, I am happy to offer my congratulations to the State of Israel in this, the 10th anniversary of its founding.

It has been 10 remarkable years of disappointment and encouragement, strife and peace, struggle and accomplishment, and as we look back, the pattern we see is definitely one of growth.

Immigration has more than doubled the population in these 10 years and Israel is today made up of people from the Middle Eastern countries, from Yemen, Iraq, North Africa, Turkey, in addition to the many countries of Europe and of the Western Hemisphere. The resulting social and economic challenges are being met and Israel's own, distinctive culture is emerging.

We have watched the State of Israel progress in science and the arts, in agriculture and industry, and we all hope for it the attainment of its goals in the years ahead.

THE STORY OF FREE ENTERPRISE

Mr. ALGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, in 1900 only horse-drawn carriages might have threatened us as we made our way to the Capitol. In those days they could have hardly conceived of the automobiles, planes, TV's, and even sputniks, which we have come to regard as commonplace.

But since that day have we grown in wisdom? Rudyard Kipling, in his The Gods of the Copybook Headings, observed the economic and governmental foolishness of every generation preceding his own and that willingness to abandon these Gods of the Copybook Headings, the fundamental truths, and, obviously, doubted that succeeding generations might avoid the same false gods. Our current activities governmentally abuse these fundamental truths as we attempt federally to spend ourselves rich.

Lack of time and space prevents my quoting his entire observations. Nevertheless, we in the 1958 Congress would do well to consider a few random stanzas:

When the Cambrian measures were forming,
they promised perpetual peace.
They swore, if we gave them our weapons,
that the wars of the tribes would cease.
And when we disarmed, they sold us and
delivered us bound to our foe,
And the Gods of the Copybook Headings
said: "Stick to the Devil you know."

In the carboniferous epoch we were promised abundance for all,
By robbing selected Peter to pay for collective Paul;
But, though we had plenty of money, there
was nothing our money could buy,
And the Gods of the Copybook Headings
said: "If you don't work, you die."

And that, after this is accomplished, and the
brave new world begins,
When all men are paid for existing and no
man must pay for his sins,
As surely as water will wet us, as surely as
fire will burn,
The Gods of the Copybook Headings with
terror and slaughter return.

ACREAGE ALLOTMENTS AND MARKETING QUOTAS

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HEMPHILL. Mr. Speaker, on yesterday I introduced H. R. 12074, a bill to authorize the sale and transfer of acreage allotments and marketing quotas, and for other purposes. This bill is identical with that introduced by the gentleman from Mississippi, Congressman JAMIE WHITTEN, with whom I conferred prior to introducing my bill.

This bill would allow any farmer, cotton, corn, grain, or otherwise, to sell to any other farmer, on such terms as the parties agreed upon, his acreage allotment and marketing quota.

Some time ago, along with Congressman WHITTEN and other Members, I introduced a similar bill to allow the Department of Agriculture to transfer acreage, but the Department opposed on the basis that too much bookkeeping was involved. H. R. 12074 eliminates any bookkeeping except that of the agricultural stabilization and conservation committee of the county, which already has that responsibility. Transfers are only allowed within the county.

The purpose of this legislation is threefold: to preserve the acreage allotment and marketing quota in each county at its present level; to rectify in part the devastating shock of the Soil Bank on small-farm production; and to encourage the use of the acreage now idle because of the Soil Bank.

Our relief rolls are filled with farmers literally put out of business by the Soil Bank. This is particularly true of the colored farm population of the Southeast who know no other trade.

In addition, ginners, merchants, fertilizer, and other related businesses have been sorely hit.

Enactment of this legislation would do much to relieve unemployment, and, in turn, help the general economy of the Nation.

PERMISSION TO SUBCOMMITTEE NO. 5 OF THE JUDICIARY COMMITTEE TO SIT DURING SESSIONS OF HOUSE

Mr. CELLER. Mr. Speaker, I ask unanimous consent that Subcommittee No. 5 of the Committee on the Judiciary may be privileged to sit tomorrow during general debate.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMITTEE ON ARMED SERVICES

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ACTION NEEDED ON POSTAL PAY BILL

Mr. MACK of Washington. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MACK of Washington. Mr. Speaker, the powerful Hearst newspapers, published in many large American cities from coast to coast, recently all carried a strong and convincing editorial as to why postal workers should receive a pay increase.

The opening paragraph of the Hearst newspaper editorial said:

It is no secret that the Nation's postal employees have long been one of the most neglected groups in the entire Federal employment structure.

I agree 100 percent with that statement. A pay raise for these faithful, hard-working, and conscientious public servants is long overdue. I hope the Congressional leadership will stop dilly-dallying on this legislation, get a conference report to the floor of the House and the Senate, so that these bodies can take prompt action on the pending pay-raise bill.

The postal pay-raise bill, as passed by the Senate, provides for a pay raise that runs from 7½ to 12½ cents an hour. The House-passed bill provides raises of 10 to 14 percent. It ought not to be too difficult to settle the differences in the two bills and get a postal pay-raise bill to a final vote.

Almost everyone in our economy has received a pay raise since the last one voted postal employees. Failure to increase postal pay is discrimination against postal workers.

Favorable action on the pay-raise bills that have been before Congress now for almost 16 months is long overdue. Sixteen months is too long to take for urgently needed legislation of this kind.

THE FARM INCOME SITUATION

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, the United States Department of Agriculture, under date of April 22, 1958, in the Daily Summary, issued the following release:

THE FARM INCOME SITUATION

In first quarter of 1958, annual rate of farm operators' realized net income rose

sharply to about $13 billion, compared with rate of $11.7 billion in same quarter of 1957. This reflected substantially higher prices received by farmers for beef cattle, hogs, eggs, potatoes and other vegetables, for which supplies were reduced from a year ago. In addition, marketings of other products such as cotton, feedgrains and soybeans were augmented this year from last year's delayed harvest. Rate of production expenses also increased about 3 percent, with prices paid by farmers reaching new high. Prices of farm products are running well above last year and are expected to average higher for year than in 1957. As new harvest approaches, with prospects that supplies of some farm products will increase notably vegetables, hogs, fed cattle and eggs, current levels of prices and incomes may move toward the levels of 1957. Even so, farm operators' realized net income in 1958 is expected to be from 5 to 10 percent above $11.5 billion realized in 1957. Cash receipts from farm marketings in first quarter of 1958 totaled approximately $6.9 billion, up 7 percent from first 3 months of 1957. Preliminary estimate of farmers' cash receipts in March is $2.1 billion, 11 percent higher than March year ago.

SUBCOMMITTEE ON TRANSPORTATION

Mr. ROGERS of Texas. Mr. Speaker, I ask unanimous consent that the Subcommittee on Transportation of the House Committee on Interstate and Foreign Commerce be allowed to sit this afternoon and tomorrow afternoon while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SUBCOMMITTEE ON TRAFFIC AND SAFETY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Rogers Subcommittee on Traffic and Safety of the Committee on Interstate and Foreign Commerce may be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FINANCIAL ASSISTANCE TO SCHOOLS

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 531 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11378) to amend Public Laws 815 and 874, 81st Congress, to make permanent the programs providing financial assistance in the construction and operation of schools in areas affected by Federal activities, insofar as such programs relate to children of persons who reside and work on Federal property, to extend such programs until June 30, 1961, insofar as such programs relate to other children, and to make certain other changes in such laws. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN] and pending that I yield myself such time as I may require.

Mr. Speaker, House Resolution 531 makes in order the consideration of H. R. 11378, providing Federal assistance to schools in federally impacted areas. The resolution provides for an open rule and 2 hours of general debate on the bill.

The bill contains two titles. Title I amends Public Law 815 of the 81st Congress which deals with school construction in areas affected by Federal activities. Title II amends Public Law 874 of the 81st Congress. This act deals with Federal assistance in the maintenance and operation of schools in areas affected by Federal activities.

In the case of children of persons who reside and work on Federal property, so-called category A pupils, the programs are established on a permanent basis. In the case of category B pupils, that is children of persons who either reside or work on Federal property, but not both, and category C pupils, those children whose parents work for private industry having defense contracts, the bill extends the programs until June 30, 1961.

The rate paid for category B children is approximately 50 percent of the established rate paid for category A children. At the present time some school districts having only a few category A pupils count them in other categories to establish eligibility, and then receive payment for them as category B children. Under this bill eligible school districts will receive full payment for any A category pupils under both the construction and operation programs.

Changes are made by this bill in Public Law 874 insofar as it involves larger school districts. The bill provides that school districts having 35,000 or more children in attendance on June 30, 1957, rather than the date now used, June 30, 1939, will be eligible. This would bring 18 additional school districts under the bill. Under existing law school districts are not paid for up to 3 percent of the total enrollment, but this bill eliminates this 3 percent absorption provision, and provides that larger school districts must show that 6 percent of the total enrollment are federally connected pupils, but when this eligibility is established, payment will be made for all federally connected pupils in the district. School districts having an enrollment of less than 35,000 must show that 3 percent of their pupils are federally connected children to be eligible.

Further, the bill provides a new formula for computing minimum rates of payment under Public Law 874 to eliminate the escalator effect of the present formula. The minimum rate of payment per pupil will be determined to be one-half of the national average cost per pupil for the whole Nation rather than basing the payment on the national average local contribution rate of applicant districts.

Changes are made in the bill which will enable school districts educating Indian children to accept payments under Public Law 874 without forfeiting the right to obtain payments under the Johnson-O'Malley Act for special services and for meeting educational problems under extraordinary or exceptional circumstances.

An extension is made to existing provisions which provides that a school district may be eligible for payments under Public Law 874 by reason of having in attendance children of persons employed by any facility engaged in the modification of aircraft or aircraft engines under contractual arrangements with the Department of the Air Force at an airport which is owned by a State, or by a political subdivision of a State.

In addition, several technical amendments are made to both Public Law 815 and Public Law 874 which, I am sure, will be fully explained by members of the Education and Labor Committee during the debate on the bill.

It is estimated that $204,700,000 will be necessary to carry out the provisions of these two acts as amended by H. R. 11378.

Mr. Speaker, this legislation is most necessary. It is just as essential as any other part of the defense program of which indeed it is an integral part.

Mr. Speaker, I have supported all similar legislation in the past. Indeed, I was one of the original sponsors of this type of legislation more than 10 years ago. The resolution and the bill should be adopted.

Moreover, I am sure that it is not necessary to sound the warning that no crippling amendments should be adopted.

For, it is obvious that a certain amendment, if adopted, would result in the death of the bill.

In fact, I have assurances from the real friends of the bill that this will not be done.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, as the gentleman from Mississippi has explained, House Resolution 531 makes in order the consideration of H. R. 11378 under an open rule providing for 2 hours of general debate. H. R. 11378 would extend, until June 30, 1961, with certain changes, the present public laws, known as Public Law 815 and Public Law 874, which deal with the construction and operation of public schools in federally impacted areas. "Federally impacted areas," as far as this legislation is concerned, means where the Federal Government has moved into local school districts and has taken up a great deal of land and other taxable property, while at the same time has brought into these local school districts a great many children who must be educated. In some instances many of these children live on the Government reserva-

tions. In other instances the children of these Government employees actually live off Government property, but within the school districts affected.

This legislation, which first passed originally a number of years ago, and has been extended several times by the Congress, simply provides that the Federal Government contribute to these local school districts, some 3,000 of them over the Nation, certain funds in lieu of taxes. Let me point out that, if a private industry were to move into a school district, as the Federal Government has moved its installations into many school districts throughout the Nation, that such private industry would be compelled to pay local taxes to support the local educational system, and the public schools in the area.

Certainly it is only fair, it is only right, it is only proper, as the Congress has determined so often in the past, that the Federal Government make such contributions in lieu of taxes, not only for the construction of the school buildings needed in these impacted areas, but also for the operation of the schools therein, as well.

I am very strong in my support of this legislation because I believe it meets a responsibility of the Federal Government. It provides only that the Federal Government shall do that which private enterprise is expected to do in like circumstances.

I understand there may be some amendments offered to this bill, as far as the formula is concerned for figuring the amount of Federal funds to be made available for these various impacted school districts. But I am hoping that this general legislation will be enacted and approved overwhelmingly, as it has been each time by recent Congresses. Public Laws 815 and 874 are good, fair, and needed laws. They should be extended.

Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, I want to be recorded as favoring this legislation. During the past 8 years I have had an opportunity to see it at first hand at Chanute Field where we have had an impact situation. Without the help given by this type of legislation I do not think we would have been able to educate the children at Chanute Field. This is a situation where many hundreds of children have been literally dumped upon the community. Under this legislation they have been able to build schools, they have been provided funds to secure teachers to take care of this load. Chanute Field, as an example, is almost a city within itself. There are some 18,000 military personnel and civilians. The community of Rantoul, Ill., where Chanute is located was originally a town of some 2,000 and is now a town of roughly 10,000. So, actually the field is larger than the community itself.

I think this legislation has been badly needed. It is the only way in which this type of situation can be taken care of in impacted military areas all over the United States.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time.

Mr. METCALF. Mr. Speaker, the Committee on Education and Labor is holding hearings on various bills for Federal assistance for school construction and payment of teachers' salaries.

Testimony has been presented showing that the shortage of teachers is increasing and that we are neither filling the present classroom shortage nor meeting the increasing needs of our growing population.

Dr. Walter W. Heller, economist at the University of Minnesota, presented persuasive reasons why we should immediately take steps to relieve the classroom shortage and increase teachers' salaries. A part of Dr. Heller's testimony related to the antirecession impact of Federal aid for school construction and teachers' salaries.

Dr. Heller is eminently qualified to analyze the antirecession results of Federal aid. He is serving as tax adviser to the Governor of Minnesota and is a consultant to the Committee for Economic Development. In addition to acting as chairman of the department of economics of the University of Minnesota, he is a member of the board of directors of the National Bureau of Economic Research. Dr. Heller was tax consultant to Gen. Lucius B. Clay in Germany in 1947–48 and subsequently served on the tax advisory staff of the United States Treasury.

That portion of Dr. Heller's statement relating to the antirecession impact of Federal assistance to build schools and pay teachers an adequate salary follows:

ANTIRECESSION IMPACT

The long-run case for Federal participation in the financing of public education for our children, powerful and persuasive as it may be, is strongly reinforced by short-run considerations. The present deterioration, if not outright crisis, in State-local finance has already been reviewed. I refer now to the timely and appropriate role than an immediate program of Federal school support, especially for school construction, could play in the Federal Government's antirecession policy. At no time since World War II has the business and economic situation been more favorable for a decisive attack on the persistent shortage of elementary and secondary classrooms.

To be sure, we agree wholeheartedly with the basic philosophy expressed by Secretary Marion Folsom last year (in the paper prepared for the Congressional Joint Economic Committee's compendium, Federal Expenditure Policy for Economic Growth and Stability, Nov. 5, 1957, p. 881):

"School construction * * * should be accelerated in spite of the fact that privately financed construction and employment in the building trades are at record levels for peacetime. The child who is ready to enter school should start now—he cannot be put on a shelf until a depression comes and supplies the impetus of an economic emergency to the building of more new schools."

Today we have a golden opportunity to eliminate our classroom shortage—a responsibility that we as a nation have been neglecting for over two decades—and with the added benefits of putting idle men, materials, and equipment back to work. A school-construction program is exceptionally well adapted to reabsorb into productive employment precisely the types of unemployed labor and unutilized industrial capacity that characterize the present recession.

Let us examine some criteria that should be applied to Government expenditure programs to determine whether a program deserves a priority position as an antirecession measure.

1. Does the program meet an established need and thereby represent an efficient use of the country's productive resources?

2. Can its stimulative effects take hold quickly and exert their main force before the economy again reaches boom levels?

3. Does it have a high direct and indirect job-creating impact per unit of expenditure?

4. Are its stimulative effects directed at those areas of the economy most acutely suffering from slack demand in the private sector?

5. Does it abate, rather than intensify, the longrun threat of inflation?

Analyses and surveys made by the National Education Association demonstrate decisively that a program of Federal grants for school construction merit a high rating on all five counts.

1. NEED

The need for additional classrooms has already been so unequivocally established and is of such magnitude that further discussion is unnecessary.

2. TIMING

With appropriate Federal grants, the need for schools could be translated into early and effective economic activity that would not otherwise take place. This conclusion is confirmed by the results of an NEA survey of State superintendents of education 3 weeks ago. The survey found that if Federal funds were made available on a grant basis by July 1, 1958, an estimated minimum of 2,759 classrooms could be put under construction within 1 month, 16,325 within 3 months, 43,979 within 6 months, and 68,113 within 12 months (figures are cumulative). These figures do not include estimates from such populous States as New York and Illinois. These classrooms represent needed construction that will not otherwise be undertaken in 1958–59. Details of this survey are presented in exhibit D–1.

The estimated cost of ready-to-go construction reported by these 30 States would amount to a total of approximately $650 million in 3 months and $1.8 billion in 6 months.[1]

Past experience indicates that construction of classroom additions to existing school plants can be completed in 4 to 10 months. Construction of new elementary schools can be completed in 12 to 18 months, and construction of new high schools in 12 to 24 months. These figures cover only the construction period, not the time required for voter approval of bond issues, planning, and site acquisition.

The speed with which additions to existing facilities can be completed is particularly impressive. For example, a four-classroom addition to an elementary school in the Roseville School District of Minnesota was given voter approval on March 25, bids were opened April 24, construction will start about May 15, and the project will be completed by the opening of school on September 1.

Such additions to existing facilities constitute a large part of total classroom construction. The State education agencies

[1] These figures were obtained by applying the national average of approximately $40,000 per classroom, as reported by the United States Office of Education, to the total number of classrooms the States estimated they could build. This figure covers the total cost of school plant including the cost of auxiliary facilities, purchase, and preparation of site, furniture, equipment, and all other costs.

have reported to the United States Office of Education that in the fiscal years 1951 through 1956, 62 percent of classroom construction represented additions to existing facilities and the remaining 38 percent, new facilities. In projecting their needs for instructional rooms for the period 1956 through 1960, the States reported 43 percent as additions to existing school plants, and 57 percent as part of completely new school plants. In other words, in a sizable proportion of school construction projects, no lengthy preliminary steps of planning, site acquisition, and the like are necessary. Such projects could be quickly activated by Federal grants, and the construction period would be far shorter in most cases than it would be for entirely new school plants.

Available economic data strongly suggest that recovery from the present recession will be a slow, fairly prolonged process. As a member of the staff of the Congressional Joint Economic Committee put it in a speech on April 14:

"In view of the prospect that the severe capital goods decline may continue into 1959 and that consumer spending on goods, services, and houses will depend on employment and income changes generated by business and Government spending, it would be dangerous to assume that total demand will rise significantly any earlier than the fourth quarter, or perhaps in the first half of 1959. Certainly, it would be very risky to base policy decisions on the assumption of an early strong recovery to full employment of labor and capital.[2]

When we add to this warning the evidence brought forward by Prof. Sumner H. Slichter from past business fluctuations that the period from the bottom of recession to the peak of the boom is at least 2 years,[3] we can safely conclude that a large supplementary school construction program could not only be launched swiftly but also be carried through to substantial completion before the economy is again in a boom phase.

3. JOB-CREATING EFFECTS

Each additional $100 million spent for school construction will create approximately 15,000 man-years of work. This work would be distributed as follows: 6,000 man-years of direct on-the-site labor; 6,000 man-years of indirect labor in building-material industries such as basic metals, lumber, glass, and plumbing manufacture; 1,500 man-years of labor in the architectural, drafting, engineering, and earth-moving occupations and professions; and 1,500 man-years of labor in the school furniture and equipment industry.

Although these figures are conservative, they compare quite favorably with the estimate of approximately 11,000 man-years of labor created by $100 million of highway construction reported to another Congressional committee.

The 15,000 man-years of labor were computed on the basis of the experience of the Community Facilities Administration and upon an analysis by the CFA of 1,083 school-construction projects financed under Public Law 815.

4. DIRECTION OF IMPACT

Not only in its overall effect, but also in the closeness of its fit to the present patterns of unemployment and excess capacity, an accelerated school-building program ranks high on any list of antirecession projects. This can readily be seen by comparing the types of demands created by the construction program with the types of labor, services, and basic materials now in oversupply. Apart from obvious demands for labor and services in the construction industry, school construction involves large demands for steel, cement, lumber, bricks, copper, glass, aluminum, and the like. Underemployment and overcapacity are concentrated in precisely these areas.

Industrial production by March 1958 had dropped 13 percent from its recent highs as against 10 percent in the 1948–49 and 1953–54 recessions. New housing starts in March 1958 were at their lowest point in 8 years. Industrial production as a whole was at its lowest level since late 1954. Steel output was lower than at any time (except for strikes) since mid-1949. Manufacturers' new orders in February sank to a level $4.3 billion below a year earlier, and their unfilled orders dropped $16 million during the same period. Yet, in all these areas, capacity to produce has risen so sharply that the ratios of output to capacity, especially in heavy goods, have dropped to new postwar lows.

Staff studies by the Federal Reserve Board show that for the 17 major materials covered by its indexes of capacity and output, March 1958 output was running at only 68 percent of capacity.[4] The combined Federal Reserve index for pig iron, steel ingots, primary aluminum, and refined copper showed March output at only 56 percent of capacity.

Unemployment figures are equally striking. From March 1957 to March 1958, the seasonally adjusted rate of unemployment rose from 3.9 percent to 7 percent. Manufacturing jobs were down 1.5 million from a year ago, with more than 1.2 million of this drop concentrated in the durable goods industries. Employment in contract construction had dropped 250,000 from a year ago. The workweek in manufacturing dropped from 40.1 hours in March 1957 to 38.5 hours in March of this year, with weekly earnings dropping $1.35 during this period.

Turning specifically to the construction industry, we find that although new construction activity in March 1958 (seasonally adjusted) was down only 1.3 percent from its peak in October 1957, construction employment (unadjusted) in March 1958 was down 16.6 percent from its August 1957 peak, and 9.1 percent from its March 1957 level. New contract construction awards (as tabulated by F. W. Dodge Co.) were down roughly 10 percent in the first 2 months of 1958 as compared with a similar period a year ago. A figure of related significance is expenditure for private investment in plant and equipment, which dropped 13 percent from $39.96 billion in 1957 to an estimated $32.07 billion in 1958. In brief, the recession has already hit construction activity, and the contract award figures make it clear that without added government stimulus, the construction industry will be in a depressed condition for some time to come.

Although comprehensive and current data on the distribution of the school construction dollar among various types of basic materials are not available, exhibits D–2 and D–3 provide some important clues. Exhibit D–2 shows the estimated consumption of selected construction materials per $1 million of educational construction compared with various other types of construction as of 1947. Although prices have risen substantially, and construction techniques have changed considerably in the past 10 years, the price rises and construction patterns since 1947 have probably affected different types of buildings more or less similarly. If this is true, the 1947 data strongly suggest that a school construction program provides a considerably better fit, in terms of materials consumed, to the pattern of slackening private construction demand than do such alternative public construction programs as highways and military and naval projects.

Further confirming evidence of the highly appropriate focus on school construction demand in terms of resources idled by the 1958 recession is provided by exhibit D–3. It presents a detailed breakdown of school expenditures among 71 labor and materials categories for a current elementary-school construction project in the Roseville School District of Minnesota. The figures under the electrical, plumbing and heating, and general contracts for this new school show that, roughly, 35 percent of the total cost of $478,000 will be for onsite labor and 65 percent for materials.[5] Although the building standards of the school in question no doubt differ in some respects from the national average, it is illuminating to convert the figures on an illustrative basis to the demands that would be created by $100 million of similar school construction. This is shown in exhibit D–4. Using this computation, we find that $100 million invested in school construction contract costs would create $6.1 million of demand for electrical material; $12.7 million for plumbing and heating materials; $6 million for structural steel, steel joists, and steel roof decking; $2.6 million for brick and tile; $5.1 million for concrete and concrete block; $3.9 million for millwork; $3.5 million for sheet metal, roofing, and roof insulation; $3.2 million for metal windows, glass, and glazing; $3.9 million for kitchen equipment; and $1 million for composition floor covering.

The foregoing facts make two conclusions inescapable: (a) It will take considerable time and very sharp increases in demand to bring construction and basic materials industries back up to par, let alone put them back on the path of economic growth; (b) the types of demand created by the school-construction program are particularly well suited to aid in this process of restoration.

Effect of teacher salary increases: Although the preceding analysis of Federal financial support for schools in relation to the recession has emphasized the construction aspect, increases in teachers' salaries should not be overlooked as a stimulus to a depressed economy and an incentive for sustained economic growth.

One of our pressing needs in this period of recession is for increased purchasing power for durable goods. The production of consumer durable goods has suffered an especially sharp drop in the current recession. Production dropped from a seasonally adjusted index of 132 in March 1957 to 105 in March 1958. If the Congress were to provide the substantial increases in teachers' salaries, such increases would have the double-barreled effect of providing more purchasing

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[2] Statement by James W. Knowles, economist, Joint Economic Committee, U. S. Congress, in a speech, The Economic Outlook and Its Implications, before the American Pharmaceutical Manufacturers Association, April 14, 1958.

[3] In an interview published in U. S. News & World Report, April 4, 1958, p. 441.

[4] The 17 materials are pig iron, steel ingots, primary aluminum, refined copper, cotton yarn, synthetic fibers and yarns, cement, woodpulp, paper, paperboard, petroleum products, coke, and 5 industrial chemicals.

[5] The cost of materials and equipment used in this particular school building are somewhat higher in proportion to the total labor involved in building the school since the heating plant, electrical equipment, and related materials are of sufficient size to accommodate the future addition of classrooms. This practice is common in communities with rapidly expanding school populations.

power in every American community and of lifting the economic status of the American school teacher to a competitive position for competent manpower.

At the present time there is a backlog of needed durable goods among members of the teaching profession. Although gains in teachers' salaries in recent years have kept pace with general wage increases for all employed persons, the gains in teachers' salaries have not been sufficient to offset the lack of gains in the 1940's. The level of teachers' salaries is still substantially below 1939 levels in comparison with the average earnings of all persons working for wages and salaries. In 1939, teachers' salaries were 12 percent higher than the earnings of the average wage or salary worker. But in 1957, teachers' salaries were only 6 percent above the average for all workers. As a result of this lag, teachers have been spending a disproportionate amount of their income for food, clothing, and shelter, and less of it for the purchase of durable goods such as automobiles and washing machines. It is only reasonable to expect that with a substantial salary increase, teachers would purchase many of the items that they have not been able to purchase in the past. In addition, a raise in salary for teachers would also increase other types of consumer expenditures. A teachers' salary increase at this time, therefore, would offer a particularly beneficial stimulus to the economy, and at the same time, would help to upgrade the quality of the teaching profession.

5. LONG-RUN INFLATION PRESSURES

Our best hope of maintaining a relatively stable price level in the longer run is to generate rapid growth in productivity. If we can increase the rate of output per unit of input rapidly enough, we can satisfy the rising income claims of the participants in the productive process by sharing an expanding product rather than by pushing up prices and eroding the value of the dollar.

Here, education stands head and shoulders above most competing programs. As we have shown earlier in this statement, education as an investment in human beings pays rich dividends in greater productive capacity. It develops not only the skills and understanding needed on the production line, but also the brainpower needed to break through technological barriers and reach new heights of human accomplishment. Given the creativity of educated minds, the returns on our educational investments are more than worthwhile—they may be infinite. We can erect no better advance defense against creeping or grinding inflation than the expansion of the productive and creative power of our children through education.

An important comment about the antirecession impact

Although large-scale school construction would create many jobs, the construction of classrooms should not be considered a make-work project. The construction of classrooms for our children is not make-work, it is catchup work. We must not ignore it any longer, regardless of economic downturns or upturns. The same is true for substantial increases in teachers' salaries.

In light of the decisive advantages of a school construction program as an antirecession measure, combined with the compelling case for Federal support in the longer run, one may well ask why it has not been at the forefront of our planning and action to overcome the recession. It is, in a sense, an accident of legislative history that preferment is given to highway, post offices, and housing. Without meaning to depreciate these programs either intrinsically or as antirecession measures, one may note that had a Federal school support program been enacted in 1957 or 1956 or earlier, more and better schools for our children would very likely be at the head of the Federal Government's list of antirecession projects today. But caught in the coils—mistakenly and unnecessarily, in my opinion—of misunderstanding and shortsighted reasoning, Federal support for schools has been forced to give way to programs which cannot match either its long-run or its short-run contributions to national welfare and economic stability.

EXHIBIT D–1. TELEGRAPHIC SURVEY OF CHIEF STATE SCHOOL OFFICERS REGARDING CLASSROOM CONSTRUCTION AND LEGAL INDEBTEDNESS LIMITS

On April 5, 1958, the National Education Association sent the following telegram to each of the chief State school officers in the 48 States:

"Urgent, need estimated answers to two questions by noon Tuesday. Wire reply collect.

"1. If your State were to receive nonmatching Federal funds for public-school construction on July 1, 1958, how many classrooms could your school districts have under construction within 1 month, 3 months, 6 months, 12 months? The four answers should be cumulative. Question refers to classrooms that otherwise would not be constructed next year.

"2. What percent of your districts have for all practical purposes reached legal indebtedness or millage limits?

"J. L. MCCASKILL,
"Director, Legislation and Federal Relations."

Replies were received from 46 States. A total of 30 States reported that if nonmatching Federal funds were available as stated in the first question of the telegram, they could have an estimated 68,113 classrooms under construction within 12 months. These are classrooms that would not otherwise have been constructed in 1958–59.

The time schedule for beginning this construction in the 30 States follows:

	Classrooms
1 month	2,759
3 months	16,325
6 months	43,979
12 months	68,113

Ten States were unable to make an estimate because data were not available. Six States reported that Federal funds were not required this year.

The following is a tabular summary of the replies to the first question of the telegram:

Estimated number of classrooms which could be under construction with Federal funds after July 1, 1958

State	Within 1 month	Within 3 months	Within 6 months	Within 12 months
(1)	(2)	(3)	(4)	(5)
Alabama	500	5,000	10,000	11,200
Arizona	0	178	357	715
Arkansas	0	400	600	850
California	(1)	(1)	(1)	(1)
Colorado	(2)	(2)	(2)	(2)
Connecticut	(1)	(1)	(1)	(1)
Delaware	(1)	(1)	(1)	(1)
Florida	300	900	1,500	5,222
Georgia	0	150	600	1,500
Idaho	(2)	(2)	(2)	(2)
Illinois	(2)	(2)	(2)	(2)
Iowa	0	25	100	200
Indiana	(2)	(2)	(2)	(2)
Kansas	(2)	(2)	(2)	(2)
Kentucky	200	800	1,600	5,000
Louisiana	0	150	400	600
Maine	(2)	(2)	(2)	(2)
Maryland	(2)	(2)	(2)	(2)
Massachusetts	(1)	(1)	(1)	(1)
Michigan	0	1,000	8,000	10,000
Minnesota	400	800	1,100	1,400
Mississippi	100	300	600	1,200
Missouri	194	1,206	2,744	3,524
Montana	(2)	(2)	(2)	(2)
Nebraska	(1)	(1)	(1)	(1)
Nevada	27	103	223	271
New Hampshire	5	25	75	175
New Jersey	0	100	500	2,000
New Mexico	0	0	250	557
New York	(2)	(2)	(2)	(2)
North Carolina	75	225	700	1,800
North Dakota	0	25	75	250
Ohio	0	150	1,500	4,000
Oklahoma	0	200	450	900
Oregon	(2)	(2)	(2)	(2)
Pennsylvania	0	1,600	6,500	8,000
Rhode Island	0	0	107	200
South Carolina	(2)	(2)	(2)	(2)
South Dakota	0	0	200	400
Tennessee	254	950	1,615	2,178
Texas	0	100	700	1,000
Utah	192	268	602	714
Vermont	12	30	81	223
Virginia	(2)	(2)	(2)	(2)
Washington	500	1,150	2,000	2,500
West Virginia	0	350	700	1,165
Wisconsin	(2)	(2)	(2)	(2)
Wyoming	0	50	100	300
Total	2,759	16,325	43,979	68,113

[1] Federal funds not required this year.
[2] No data available.
[3] No reply.

EXHIBIT D–2.—*Estimated consumption of selected construction materials per $1,000,000 of each type of construction in 1947*

Construction [1]	Material consumed					
	Lumber (thousand board-feet)	Cement (thousands of barrels)	Clay sewer pipe (tons)	Bricks (thousands)	Concrete blocks (thousands)	Steel (tons)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Private residential	1,948	6	62	579	129	174
Private, nonresidential: [2]						
Industrial	402	11	30	404	51	1,241
Commercial:						
Warehouse, office buildings	519	10	8	315	43	1,573
Stores, restaurants, and garages	589	8	16	489	85	801
Other nonresidential buildings	484	7	15	422	56	776
Public:						
Educational	440	5	12	435	34	589
Military and naval	930	27	53	297	51	160
Highway	223	23	26	23	----------	303
Educational	440	5	12	435	34	589
Average private industrial and commercial	499	9	17	408	59	1,089

[1] Adapted from: Margolis, Julius, Public Works and Economic Stability, Journal of Political Economy 57: 299; August 1949.
[2] Excluding farm and public utility construction.

Source: For all but residential construction, worksheets of the Construction Statistics Division, Department of Commerce. Residential derived from Department of Commerce, Construction and Construction Materials, January 1948, pp. 8–15.

EXHIBIT D–3. ROSEVILLE SCHOOLS, INDEPENDENT SCHOOL DISTRICT NO. 623, STATE OF MINNESOTA

LABOR-MATERIAL BREAKDOWN,[1] BRIMHALL ELEMENTARY SCHOOL

Facilities

Sixteen classrooms, 28 by 32 feet each.

Combination lunchroom-gymnasium, including storage rooms, stage, 52 by 94 feet.

Kitchen and auxiliary rooms, 30 by 52 feet.

Office suite, 30 by 32 feet.

Lavatories, 30 by 32 feet.

Auxiliary rooms for library, and so forth, 16 by 104 feet.

Boiler room, 30 by 42 feet.

Corridors, 12 by 604 feet.

Total, 38,696 square feet.

(NOTE.—Office suite, gymnasium, kitchen, boiler room, and auxiliary spaces planned for eventual sized school of 30 classrooms plus 3 kindergartens and primary playroom. It should be noted that the costs detailed in this exhibit do not include such items as site acquisition, furniture, and architects' fees. On the other hand, bond and preliminary expense and site improvement (the latter involving 5 percent of the total cost) are included.)

	Labor	Material
ELECTRICAL CONTRACT		
1. General and special conditions (legal, insurance, etc.)		$500
2. Conduit and fillings	$4,226	3,680
3. Outlet boxes and fillings	1,039	507
4. Power and lighting panel	340	2,519
5. Wire and cable	1,766	1,240
6. Motor and equipment connections	179	229
ELECTRICAL CONTRACT—Con.		
7. Electric service	$526	$3,863
8. Wiring devices	319	465
9. Lightin fixtures	2,094	9,563
10. Lamps	317	752
11. Clock and program system	233	1,870
12. Fire alarm system	234	1,504
13. Sound system	125	1,678
Total	11,400	29,270
PLUMBING AND HEATING CONTRACT		
1. Exterior utility service	1,584	1,703
2. Sanitary drain system	4,950	3,000
3. Rainwater drain system	2,000	1,828
4. Water supply	2,350	4,300
5. Water heater	320	1,240
6. Hot water circulating pumps	240	200
7. Gas piping	160	280
8. Thermal insulation	1,718	2,186
9. Plumbing fixtures	2,776	3,600
10. Boiler and breeching	1,695	3,864
11. Oil burner	1,650	6,850
12. Vacuum pump	200	1,200
13. Radiation	2,500	3,600
14. Unit heaters	400	1,000
15. Valves, traps, and strainers	200	1,500
16. Piping	400	5,259
17. Insulation (piping)	1,350	900
18. Temperature controls	5,100	9,900
19. Refrigeration	425	1,345
20. Sheet metal work	4,100	1,300
21. Registers, grills, and diffusers	80	218
22. Fan units	375	4,900
23. Painting	695	385
Total	35,268	60,558
GENERAL CONTRACT		
1. Bond and preliminary expense	1,628	4,229
2. Excavations and ground and site work	11,400	12,900
3. Forms in place	6,228	7,907
4. Reinforcing of steel and mesh	1,262	8,271
5. Concrete	4,521	19,019
6. Structural steel	3,126	11,980
7. Steel joists	2,168	8,858
8. Steel roof deck	2,397	8,000
9. Acoustical desk	3,366	6,251
GENERAL CONTRACT—Con.		
10. Dampproofing and waterproofing	$783	$783
11. Face, common, and glazed brick	6,238	4,451
12. Standard concrete block	9,230	5,358
13. Glazed tile	10,380	8,228
14. Miscellaneous metal	2,412	4,484
15. Ornamental metals	1,238	4,213
16. Aluminum vent house	1,059	1,241
17. Hollow metal frames and doors	912	4,955
18. Metal windows	4,530	9,592
19. Sheet metal, roofing, and roof insulation	5,638	16,909
20. Carpentry	4,112	1,290
21. Millwork	18,840	18,851
22. Caulking and weather stripping	628	942
23. Lathing and plastering	2,180	2,702
24. Ceramic tile and marble	1,150	1,102
25. Composition floor covering	2,098	4,894
26. Glass, glazing	1,859	5,567
27. Acoustical treatment	3,010	6,197
28. Finish hardware	2,160	5,894
29. Miscellaneous equipment	368	1,333
30. Folding door	$40	$165
31. Folding stage and stairs	310	1,789
32. Basketball backstops	92	602
33. Insulated storage room	268	751
34. Kitchen equipment	2,078	18,602
35. Painting and decorating	4,164	1,302
Total	121,933	219,702
Grand total	168,601	309,530

[1] Supplied through the courtesy of Emmet D. Williams, superintendent of Roseville Schools.

NOTE.—Since the heating system and lead-in wiring for electrical service for the initial 16-classroom Brimhall Elementary School Building are sized for an eventual 33-room school, the heating and electrical work costs are somewhat higher than normal. Superintendent Williams states: "Additional construction to this building would run about $1 a square foot less than the initial construction due to the fact that the heating and electrical work would be a smaller proportion of the total. The general construction cost per square foot would be very comparable to the cost of the original building and the cost percentages for the material used would be similar" (letter to the National Education Association, dated Apr. 15, 1958).

EXHIBIT D–4.— *Conversion of labor-material cost breakdown, Brimhall Elementary School (Minnesota) into an illustrative expenditure breakdown per $100,000,000 of school construction* [1]

Item	Labor		Materials		Total	
	Amount	Percent	Amount	Percent	Amount	Percent
1	2	3	4	5	6	7
Electrical contract:						
1. General and special conditions			$104,574	0.16	$104,574	0.11
2. Conduit and fillings	$883,558	2.50	769,663	1.19	1,653,221	1.65
3. Outlet boxes and fillings	217,305	.62	106,038	.16	323,343	.32
4. Power and lighting panel	71,110	.20	526,843	.81	597,953	.60
5. Wire and cable	369,773	1.05	447,576	.69	817,349	.82
6. Motor and equipment connections	37,437	.11	47,895	.08	85,332	.09
7. Electric service	110,012	.31	807,938	1.25	917,950	.92
8. Wiring devices	66,718	.19	97,254	.15	163,972	.16
9. Lighting fixtures	437,955	1.24	2,000,079	3.09	2,438,034	2.44
10. Lamps	66,300	.19	157,279	.24	223,579	.22
11. Clock and program system	48,731	.14	391,106	.61	439,837	.44
12. Fire alarm system	48,941	.14	314,558	.49	363,499	.36
13. Sound system	26,144	.07	350,950	.54	377,094	.38
Total	2,384,284	6.76	6,121,753	9.46	8,506,037	8.51
Plumbing and heating contract:						
1. Exterior utility service	331,290	.94	356,178	.55	687,468	.69
2. Sanitary drain system	1,035,281	2.94	627,443	.97	1,662,724	1.66
3. Rainwater drain system	418,295	1.19	382,322	.59	800,617	.80
4. Water supply	491,497	1.39	899,335	1.39	1,390,832	1.39
5. Water heater	66,927	.19	259,343	.40	326,270	.33
6. Hot water circulating pumps	50,195	.14	41,829	.07	92,024	.09
7. Gas piping	33,464	.09	58,561	.09	92,025	.09
8. Thermal insulation	359,316	1.02	457,197	.71	816,513	.82
9. Plumbing fixtures	580,594	1.65	752,932	1.16	1,333,526	1.33
10. Boiler and breeching	354,505	1.01	808,147	1.25	1,162,652	1.16
11. Oil burner	345,094	.98	1,432,662	2.21	1,777,756	1.78
12. Vacuum pump	41,830	.12	250,977	.39	292,807	.29
13. Radiation	522,869	1.48	752,932	1.16	1,275,801	1.28
14. Unit heaters	83,659	.24	209,148	.32	292,807	.29
15. Valves, traps, and strainers	41,830	.12	313,722	.49	355,552	.36
16. Piping	83,659	.24	1,099,908	1.70	1,183,567	1.18
17. Insulation (piping)	282,349	.80	188,233	.29	470,582	.47
18. Temperature controls	1,066,653	3.02	2,070,562	3.20	3,137,215	3.14
19. Refrigeration	88,888	.25	281,304	.43	370,192	.37
20. Sheet metal work	857,506	2.43	271,892	.42	1,129,398	1.13
21. Registers, grills, diffusers	16,732	.05	45,594	.07	62,326	.06
22. Fan units	78,430	.22	1,024,824	1.58	1,103,254	1.10
23. Painting	145,358	.41	80,522	.12	225,880	.23
Total	7,376,221	20.92	12,665,567	19.56	20,041,788	20.04

[1] It should be noted that the costs detailed in this exhibit do not include such items as site acquisition furniture, and architects' fees. On the other hand, bond and preliminary expense and site improvement (the latter involving 5 percent of the total cost) are included.

EXHIBIT D-4.—*Conversion of labor-material cost breakdown, Brimhall Elementary School (Minnesota) into an illustrative expenditure breakdown per $100,000,000 of school construction*—Continued

Item	Labor		Materials		Total	
	Amount	Percent	Amount	Percent	Amount	Percent
1	2	3	4	5	6	7
General contract:						
1. Bond and preliminary expense	$340,492	.97	$884,486	1.37	$1,224,978	1.23
2. Excavations and ground and site work	2,396,833	6.80	2,716,829	4.20	5,113,662	5.11
3. Forms in place	1,302,572	3.69	1,653,731	2.56	2,956,303	2.96
4. Reinforcing of steel and mesh	263,944	.75	1,729,861	2.67	1,993,805	1.99
5. Concrete	945,557	2.68	3,977,780	6.14	4,923,337	4.92
6. Structural steel	653,796	1.85	2,505,589	3.87	3,159,385	3.16
7. Steel joists	453,432	1.29	1,852,630	2.86	2,306,062	2.31
8. Steel roof deck	501,327	1.42	1,673,182	2.59	2,174,509	2.17
9. Acoustical desk	703,991	2.00	1,307,382	2.02	2,011,373	2.01
10. Dampproofing and waterproofing	163,763	.46	163,763	.25	327,526	.33
11. Face, common, and glazed brick	1,304,663	3.70	930,917	1.44	2,235,580	2.24
12. Standard concrete block	1,930,433	5.48	1,120,613	1.73	3,051,046	3.05
13. Glazed tile	2,170,953	6.16	1,720,867	2.66	3,891,820	3.89
14. Miscellaneous metal	504,464	1.43	937,818	1.45	1,442,282	1.44
15. Ornamental metals	258,925	.73	881,139	1.36	1,140,064	1.14
16. Aluminum vent house	221,487	.63	259,552	.40	481,039	.48
17. Hollow metal frames and doors	190,743	.54	1,036,327	1.60	1,227,070	1.23
18. Metal windows	947,439	2.69	2,006,145	3.10	2,953,584	2.95
19. Sheet metal, roofing, and roof insulation	1,179,175	3.34	3,536,478	5.46	4,715,653	4.72
20. Carpentry	860,015	2.44	269,801	.42	1,129,816	1.13
21. Millwork	3,940,343	11.17	3,942,643	6.09	7,882,986	7.88
22. Caulking and weather stripping	131,345	.37	197,017	.30	328,362	.33
23. Lathing and plastering	455,942	1.29	565,117	.87	1,021,059	1.02
24. Ceramic tile and marble	240,520	.68	230,481	.36	471,001	.47
25. Composition floor covering	438,792	1.25	1,023,569	1.58	1,462,361	1.46
26. Glass, glazing	388,805	1.10	1,164,325	1.80	1,553,130	1.55
27. Accoustical treatment	629,535	1.79	1,295,252	2.00	1,924,787	1.92
28. Finish hardware	451,759	1.28	1,233,344	1.91	1,685,103	1.69
29. Miscellaneous equipment	76,966	.22	279,003	.43	355,969	.36
30. Folding door	8,306	.02	34,569	.05	42,875	.04
31. Folding stage and stairs	64,836	.18	374,165	.58	439,001	.44
32. Basketball backstops	19,242	.06	125,907	.19	145,149	.15
33. Insulated storage room	56,052	.16	157,070	.24	213,122	.21
34. Kitchen equipment	434,609	1.23	3,890,566	6.01	4,325,175	4.33
35. Painting and decorating	870,591	2.47	272,310	.42	1,143,201	1.14
Total	25,502,007	72.32	45,950,168	70.98	71,452,175	71.45
Grand total	35,262,112	100.00	64,737,488	100.00	100,000,000	100.00

NOTE.—Since the heating system and lead-in wiring for electrical service for the initial 16-classroom Brimhall Elementary School building are sized for an eventual 33-room school, the heating and electrical work costs are somewhat higher than normal. Superintendent Williams states: "Additional construction to this building would run about $1 square foot less than the initial construction due to the fact that the heating and electrical work would be a smaller proportion of the total. The general construction cost per square foot would be very comparable to the cost of the original building, and the cost percentages for the material used would be similar." (letter to NEA, dated Apr. 15, 1958).

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

IN LOCAL DISTRICTS MANY PEOPLE PAY TAXES ON WHAT THEY OWE RATHER THAN WHAT THEY OWN

Mr. PATMAN. Mr. Speaker, this bill provides that the Federal Government shall carry forward its Federal responsibility in assisting local school districts which are considered to be impacted areas. It would certainly be wrong to cause the local districts to assume this burden. I desire to invite your attention to the fact that the most burdensome tax that we have in the United States of America is the local property tax or the ad valorem tax which is normally used to pay local expenses, particularly the expenses of school districts. The people who pay taxes in a local school district, many of them, pay taxes not on what they own, but they pay taxes on what they owe. Consider, for instance, many people who buy their homes on long terms. They pay a small down payment and they owe for the balance. This property is assessed for the purposes of taxation as though they owned it when, as a matter of fact, they only own a small part of it. The fact of the matter is that they owe for the property, and when they pay a tax on it, they pay taxes on what they owe rather than on what they own. Therefore, we should certainly, when we have a Federal responsibility to a local school district, we should certainly assist that district rather than expect the local district to pay the most burdensome taxes on earth in order to carry out a Federal responsibility.

MONOPOLY A CONTRIBUTING FACTOR TO JUVENILE DELINQUENCY

In connection with local school districts and local operations, I have a feeling, and the question came up in the Committee on Banking and Currency this morning, that there is a direct relationship between juvenile delinquency and our present monopoly problems. Young people do not have the opportunities that they have had in the past. This Congress, I believe, should consider adopting a firm policy of encouraging and preserving and protecting businesses that can be operated by local people. In every community there are people who are able, and anxious and willing to carry on certain local-type businesses. We should encourage them in every way possible and certainly we should make it just as difficult as possible for a large concern to go into the local community and squeeze out these local people. Parents owning a local business can give their children more encouragement than parents denied that opportunity. I believe monopoly is directly related to the juvenile-delinquency problem. Young people looking into the future, as they do, if they are not clear as to what they can do, and if they are not clear as to those opportunities that are being made available to them, as they have existed in the past, and if they are being denied opportunities and being restricted and deterred in their ambitions, it will possibly lead to confusion and bewilderment and in some instances to actual desperation. These conditions may thereby contribute to juvenile delinquency. Seriously, I refer to that as one factor that relates to and probably encourages juvenile delinquency. I desire to endorse this bill, and I desire to commend the gentleman from West Virginia for putting forth the time and effort necessary in order to get this bill on the floor of the House and urging its final adoption here in the House of Representatives.

Mr. Speaker, it is fitting and appropriate that the distinguished gentleman from Mississippi [Mr. COLMER], present this rule to the House of Representatives for the consideration of these bills. Mr. COLMER's work in behalf of this proposal has been recognized by all the Members of the House for many years. In fact, he was one of the original sponsors and supporters of this type aid to the local school districts. We are all indebted to Congressman COLMER for his very fine and effective work in connection with Public Law 815 and Public Law 874 of the 81st Congress and for the enactment of the various amendments to these laws including the ones before us today.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. SHELLEY], and I ask unanimous consent that he may speak out of order.

The SPEAKER pro tempore (Mr. THOMPSON of Texas). Without objection, it is so ordered.

There was no objection.

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHELLEY. Mr. Speaker, I take the floor at this time to speak out of order about a matter that has developed in the city of San Francisco concerning the Immigration and Naturalization Service, about which the papers of the country, particularly in our area, have been full, headlines and everything else.

The subject of my remarks concerns a gentleman named William Heikkila, born in Finland, and brought to this country by his parents who were residents of this country when he was 2½ months old. Mr. Heikkila's parents at the time of his birth were visiting their native Finland. Heikkila is now 52 years of age, still not a citizen of the United States.

Mr. Heikkila, by his own admission, was a member of the Communist Party from 1929 to 1939, and by the records of the Un-American Activities Committee, the FBI and other agencies of government has a record of communistic activities ever since that time.

I want to say here and now I make no defense of Mr. Heikkila's background. I have no sympathy for his background and his admitted former connections. However, I have no sympathy for the way in which the Immigration Department handled this situation. For 10 years they have been trying to deport this man, and the case has been pending before the Federal Court. On last Friday afternoon, as he left his place of employment, he was picked up by two officers of the Immigration Service, pushed into an automobile, taken nobody knows where, denied the right to talk to an attorney or talk to his wife. He was put into an Immigration Service airplane that night, which had been brought up from Southern California, and was secretly flown to Canada. He was held in custody by our Immigration people and the Canadian authorities Friday night and Saturday in Canada. U. S. Immigration agents were with him and therefore, he was in the custody of the arresting officers. On Saturday sometime he was put on a plane and sent to Amsterdam, and transshipped from Amsterdam to Helsinki, Finland. His wife could not get an explanation of where he was, nor could his attorney.

This I think smacks of the system that we opposed in Germany, Italy, and Japan in World War II, and to which we are opposed in Russia and the Iron Curtain countries today.

The district immigration director for the San Francisco area is a personal friend of mine, Mr. Bruce Barber. He is an able man. I cannot conceive of his instituting such a flagrant plan, which appears to be a flaunting of law and the rights of persons to due process under the law to simply "get" a man against whom the immigration authorities figure they have a pending order outstanding.

The reports I have are that Mr. Barber was advised or directed to take these steps by "some" superiors of his in the immigration service. It should be ascertained if this is so or not. General Swing, rather Commissioner Swing, of the immigration service since has changed his mind evidently and for this action I commend him. Yesterday afternoon he ordered the man brought back from Finland and produced in the Federal Court in San Francisco on Friday morning. On Tuesday, Judge Edward Murphy, of the Federal Court, castigated the Immigration Service and ordered the man produced in court.

Mr. Speaker, I think that this is a type of thing which Congress cannot tolerate and should not tolerate. It gives no prestige to our free America. It gives those who are trying to break down America a chance to shoot at us, to snipe at us. By this type of police action we give those individuals and people throughout the world who dislike America and disclaim our freedom a chance to not only criticize us but ridicule us.

Mr. Speaker, if this can happen to a man, no matter how bad his background may have been, but a man who is in this country and who has a case pending before our United States courts, it can happen to you or to me or any one of us.

Mr. Speaker, none of us want to see in this country the establishment of any system which will allow authorities to knock on our door in the middle of the night or, as in this instance, accost us on the street and spirit us away without an opportunity to consult a lawyer or advise our family of our circumstances. In the name of all that freedom means this must be stopped and stopped now. I think that the proper committee of this House, the Subcommittee on Immigration of the Committee on the Judiciary, should go into this and should find out just who gave the orders in this instance; I feel the Congress should, on the record, go into all the details; also how much it has cost and will cost the people of the United States for this stupid move, and whether this is standard deportation procedure with the Immigration Service.

This is not the first time this has happened. Two years ago the United States Attorney instructed the immigration people of San Francisco to send squads up through Chinatown and pick up any Chinese who could not produce out of their pockets some documentation that they were legally here. I trailed one of those squads for 3 hours and saw the Gestapo methods that they used, pushing people against the wall, and if they did not have the proper papers in their pocket, they threw them into the car. I took that matter up with the gentleman from Pennsylvania [Mr. WALTER] and in 2 days it was stopped. But here we have another occurrence of excessive police practice, which I think certainly should be looked into by the House, and whoever is responsible should be told that this is not the American way of enforcing law, and this the people and the Congress will not stand for.

Mr. Speaker, I notice the gentleman from New York [Mr. CELLER], chairman of the House Committee on Judiciary, and the gentleman from Pennsylvania [Mr. WALTER], chairman of the Judiciary Subcommittee on Immigration and Naturalization, on the floor. They are both able gentlemen and fair men with a regard for American freedom. I herewith formally request the chairman of the Judiciary Committee and the Subcommittee on Immigration and Naturalization to make an immediate and full investigation of this situation. Let us determine for the record who it was that issued this order for a kidnaping. Let us determine if this is standard operating procedure of the Immigration Service. I am sure that the Congress of the United States will want to know these things and that the people of the country will want such practices terminated now.

I include for the RECORD and the use of the Judiciary Committee the following news accounts and editorials:

[From the San Francisco Call Bulletin of April 21, 1958]

WIFE APPEALS TO ENVOY IN DEPORTATION—IMMIGRATION AIDS REFUSE TO DISCLOSE MAN'S WHEREABOUTS

SAN FRANCISCO, April 20.—Phyllis Heikkila, 38, wife of a Finnish-born 52-year-old draftsman, decided today to appeal to the Finnish Ambassador in Washington to ascertain the whereabout of her husband.

William Heikkila was seized by United States Immigration authorities when he finished work Friday afternoon. He has not been seen since by his family and Immigration authorities here said he had been deported to Finland because he was a Communist in Minnesota during the depression.

Heikkila was born in Finland, while his naturalized American parents were there on a business trip, but was brought to the United States when he was 2½ months old. He has resided here since, but never has become naturalized.

MAY BE IN CANADA

There was a possibility he had been rushed to the Canadian border and put aboard a Helsinki-bound plane in Canada. United States airlines representatives here said they had no such person aboard any of their European-bound planes since Friday.

Heikkila's attorney obtained an order from a Federal judge restraining Immigration authorities from deporting him. But the order is worthless if he has already been deported.

Mrs. Heikkila said Immigration Service agents called at her home yesterday and told her she could pack a 40-pound bag, which would indicate tourist passage has been booked for her husband.

She said he had no money and that she was trying to get $50 to him in some manner. She said she was told she could send the money to Finnishair, a cable address, but that Western Union had refused to accept the money transfer because Finnishair is a foreign cable address.

COURT ORDER ASKED

Meanwhile Lloyd McMurray, Heikkila's attorney, asked a Washington, D. C., attorney to obtain a court order there requiring the United States Attorney General to return Heikkila to San Francisco.

Bruce Barber, San Francisco district Immigration director, has not disclosed, if he

knows, the whereabouts of the draftsman. He has said merely that Heikkila is "not with us."

Under United States immigration laws he does not have to go beyond that point if he chooses, unless he is in violation of the Federal court order to release Heikkila if he is in custody of United States Immigration authorities.

[From the San Francisco Chronicle of April 21, 1958]

UNITED STATES JUDGE ORDERS INQUIRY ON SNEAK ALIEN DEPORTATION

Federal Judge Edward P. Murphy today ordered Bruce Barber, Immigration Service Director here, to appear to explain why a San Francisco man was seized on the street Friday and forced aboard a plane bound for Finland. William Heikkila, 52, a draftsman, of 2341 Chestnut Street, was due to arrive in Helsinki late tonight.

Heikkila, an admitted former member of the Communist Party, is an alien, brought to this country from Finland when he was 2 months old.

He never applied for citizenship, immigration officials said.

Barber today refused to comment on Heikkila's treatment Friday.

But he noted that "this was not the first time such a speedy method had been used," citing the deportation of Mobster Lucky Luciano and New York Communist Emma Goldman as examples.

Barber said he conferred with United States Attorney Lloyd H. Burke and his assistant, Elmer Collett, before ordering the deportation action.

"I was satisfied after discussing the case with them that the action was proper."

Heikkila's wife, Phyllis, 38, today talked to two Congressmen, JOHN F. SHELLEY and JOHN E. MOSS, both of California, and the White House.

She said she talked to a secretary in the office of Sherman Adams, Presidential Assistant.

"I was kissed off very smoothly," she said. "I was thanked for all the details, but he said it was not a matter for the White House."

Heikkila's attorney, Lloyd McMurray, conceded that he and Mrs. Heikkila were fighting a tough time schedule in their efforts to get Heikkila back into this country.

Once in Finland, it will be difficult for United States courts or the State Department to order the draftsman's return, McMurray indicated.

He described the Immigration Service's handling of the case "as just like Nazi Germany."

Washington insisted, however, Heikkila was legally deported, on grounds of membership in the Young Workers Communist League in 1926, in the Workers Communist Party in 1928, and the Communist Party itself later.

Heikkila has admitted being a member of the party from 1928 to 1939, but maintained he did so only to fight for antidepression measures of higher wages and farm mortgage insurance.

Justice Department officials said after Heikkila was picked up, he was placed aboard a special Immigration Service plane and flown nonstop to Vancouver, British Columbia.

At 1 p. m. yesterday, Canadian officials hustled him aboard a Canadian Pacific plane for Amsterdam, where he transferred to a Finnish plane for Helsinki.

McMurray pointed out that Heikkila had a motion pending in Federal court here in his 11-year battle against deportation. It was to be heard May 2.

"But apparently the Government didn't want to give him his day in court," McMurray said.

Merrill R. Toole of San Pedro, acting regional immigration commissioner, admitted about as much.

"This case has been pending for 11 years and we have been anxious to deport him," Toole said.

"We didn't want any further delaying tactics or administrative proceedings."

A deportation order was issued in December 1947. A hearing was held in June 1949, and a second in 1951.

Heikkila was ruled deportable on July 16, 1951, and the Board of Immigration endorsed the finding on January 11, 1952. On April 27, 1953, the Supreme Court dismissed his appeal, but he married an American citizen that December and asked for a rehearing.

It was denied on March 2, 1956, and last week Judge Murphy rejected an appeal.

But since Heikkila's deportation was first ordered, the Supreme Court has outlined new procedures in such cases.

In a case decided last December, the high tribunal, McMurray said, ruled that admission of former Communist association isn't meaningful and isn't sufficient to boot him from the country.

It was on just such an admission that the Justice Department is basing its deportation order, McMurray declared.

"There is not a shred of evidence he ever engaged in anything harmful to the United States.

"But the Immigration Service insisted that he failed to meet the burden of proof."

McMurray said Heikkila was asked at one hearing if he actually had defected from communism.

"What do you mean by communism?" he asked.

"We have to have your answer to that," was the reply.

"All I can say," Heikkila said, "is that the Communist Party meant fighting for adequate relief, fighting for people kicked out of their homes, fighting for a better life for everybody."

"I haven't given up those ideals," he maintained.

Heretofore, Heikkila has been sheltered against deportation by restraining orders from Federal court.

[From the San Francisco Call Bulletin of April 21, 1958]

JUDGE CALLS UNITED STATES AIDS GESTAPO

Federal Judge Edward P. Murphy, in court here today, accused District Director of Immigration Bruce Barber of Gestapo tactics in the deportation of William Heikkila to his native Finland.

He also told Heikkila's attorney, Lloyd E. McMurray, "If there's any way possible to get Mr. Heikkila back I want to do it, but I need your assistance."

The judge ordered Barber to return to court at 9:30 a. m. Friday to show cause why he should not be held in contempt for the deportation.

EX-COMMUNIST

Heikkila, 52, a San Francisco draftsman, is a former Communist who has lived in the United States since he was 2½ months old.

He has never been naturalized.

Judge Murphy told McMurray:

"I have no sympathy for your client or for anything he represents or for any alleged Communist but by the same token this man is entitled to his day in court.

"I think the procedure smacks of the Gestapo, the rack, the thumbs, and the screw. I don't approve of it.

"This is a government of laws, not of men. Let's try to keep it that way."

ISSUES ORDER

Judge Murphy's denunciation of Barber's tactics were voiced about an hour after he had ordered Barber and Assistant United States Attorney Charles Elmer Collett to appear before him within the hour to disclose everything that had happened to Heikkila.

Earlier in the day Heikkila's wife, Phyllis, 38, sought White House and Congressional intervention.

She said that Chairman JOHN E. MOSS JR., of the Congressional Subcommittee on Government Information, promised her husband's case would be taken up at a meeting of that committee later in the day.

Heikkila was seized outside his office here Friday and flown in an Immigration Service plane to Vancouver, where he was placed aboard a commercial airliner for Amsterdam, Holland.

When Barber appeared before Judge Murphy he told McMurray that Heikkila was on Finn air flight No. 852 which left Amsterdam at 8:15 a. m. today, Pacific standard time.

Heikkila had only the clothes on his back, 30 cents in his pockets and was given no chance to phone his wife or his lawyer when he was seized, his wife said.

Meanwhile, pending before Judge Murphy was McMurray's motion to modify the findings and conclusions of Murphy's deportation order of Heikkila returned April 3.

JUDGE ASKS

Judge Murphy had set May 2 for arguments on McMurray's motion.

When Judge Murphy asked Barber if there was any reason for this summary action in deporting Heikkila, Collett interjected.

"It is customary in these types of cases to obtain a stay of deportation, I believe that when there's no order and we are no longer restrained we are under obligation to go ahead."

But McMurray contends he had an understanding with the Immigration Service and the United States attorney's office that Heikkila would not be deported at least until after the May 2 hearing.

"What jurisdiction have we over him now?" Judge Murphy asked.

McMurray replied, "None," but pointed out that if reciprocal agreements the Immigration Service has with Canada, and less formally with Holland, can send him to Finland, possibly he can be brought home by the same arrangements.

TEXAS CASES

Heikkila's attorney said there were some cases in Texas which will bear out his contention that Barber was in contempt of court.

He said he will cite the authorities in the memorandums he will file prior to Friday's contempt order hearing.

"Can you get these (citations) for me," Judge Murphy urged McMurray. "I need this assistance."

The judge concluded the hearing by saying, "I'm going to do some work on this of my own."

At Washington, a Justice Department spokesman said, "It is the Government's position there was no legal impediment to the deportation."

DEFENSE VIEW

But in the first of today's hearings here, McMurray argued that although the judge has decided the case against Heikkila "and may decide my appeal adversely, I have the right to have the status quo maintained until a decision by the court."

"There's no question about it," Judge Murphy agreed. "From a strictly legal point of view, I think this man is entitled to his appeal. I don't care who he is or what his case is."

McMurray told Judge Murphy that Heikkila's Communist activities while he was a member of the party during the depression were confined mostly to trying to ease unemployment, avert home mortgage foreclosures, and improving the lot of the people.

"I recall that evidence very vividly," Judge Murphy retorted. "I also recall something

else. At no time did Heikkila ever repudiate or give evidence he had repudiated the ideology the Communist Party espouses."

When Collett told the judge he had been at a "Scout Camporee since Friday afternoon" and didn't know much about the case because the first he had seen of it was in the papers yesterday afternoon, Murphy snapped:

"You'd better find out."

From her home at 2341 Chestnut Street Mrs. Heikkila phoned the White House this morning in hope of reaching some aide who would carry her appeal to the President.

She said she finally was turned over to a man named Raab, who she believes, is secretary to Sherman Adams.

[From the San Francisco Chronicle of April 21, 1958]

DEPORTATION CASE—HOW UNITED STATES SPIRITED ALIEN OUT OF SAN FRANCISCO—SPECIAL PLANE WAS USED

(By William Keller)

An Immigration Service airplane was used in the cloak-and-dagger deportation of William Heikkila shortly after he was picked up Friday night, the Chronicle learned yesterday.

Meanwhile, attorneys for the 52-year-old "undesirable alien" said they were prepared to ask the Federal district court here to hold the local immigration chief in contempt.

The first sketchy details of what happened to the confessed ex-Communist came more than 48 hours after agents met him outside his office and drove away with him in a black limousine.

SAN PEDRO WORD

Local immigration authorities continued to keep closemouthed in the case other than to say "he's en route to Finland."

But Merrill R. Toole, of San Pedro, acting regional immigration commissioner, was able, after 7 hours of phone calls, to shed a little light.

He said Heikkila was put aboard an Immigration Service airplane shortly after he was taken into custody and was "moved directly to Canada."

SOURCE OF PLANE

He explained the Service has "a small fleet" of C-46's and C-47's—twin-engine transport planes—based at El Centro and at Brownsville, Tex., primarily for flying illegal Mexican "wetback" laborers to border points.

One of these planes, manned by an Immigration Service pilot, came to San Francisco for Heikkila, Toole said.

Toole reported Heikkila was turned over to Canadian officials immediately on arrival at "a city in eastern Canada" under a reciprocal immigration agreement.

HELSINKI BOUND

Toole said the draftsman was placed aboard a commercial aircraft by Canadian authorities "sometime Sunday" and will arrive in Helsinki at noon today.

He could not say why the immigration director here, Bruce Barber, had been unwilling to give these facts to Heikkila's wife or attorney.

Heikkila's attorney, Lloyd McMurray, said he would ask the district court this morning to subpena Barber to appear and tell the facts in the case "under oath."

"We can't tell where Heikkila is or if he is in Barber's custody," he said. "We can't tell what the facts are. That's what we want to find out."

CONTEMPT MOTION

Also, he said, he would ask the court to find Barber in contempt for taking Heikkila out of the court's jurisdiction while the case was pending.

Deporting of Heikkila climaxed a 10-year effort to put him out of the country.

He was born in Finland while his naturalized American parents were there on a business trip. They brought him back with them when he was 2½ months old, but he was never naturalized.

At his first deportation hearing in 1948, Heikkila acknowledged having been a member of the Communist Party in Minnesota during the depression years. But he insisted he only worked for unemployment compensation and against foreclosing of farm mortgages.

STATUS OF CASE

The case was in and out of the courts and what the Immigration Service considered a final appeal was refused on April 3. A new motion was to be heard May 2, but Barber said "no restraining order was outstanding."

That is the point under which McMurray will ask that contempt charges be levied.

Within a day after Heikkila was hustled away from in front of his business office, McMurray had armed himself with a new court order, signed by District Judge George B. Harris, for his client's release.

But immigration authorities indicated he was by then already out of their jurisdiction.

LAWYER'S VIEW

McMurray said, however, that the Canadian authorities would be included among "all persons acting in concert" with Barber, as the order is worded, and the deportation restraint would still be effective.

Judge Harris said "That would be a legal point which would perplex the Supreme Court of the United States."

As the hours turned into days with no word from her husband Phyllis Heikkila, 38, grew more distraught.

"If only they'd tell me where he is now," she pleaded, "or let him telephone me."

KIDNAP CHARGED

She charged the Government had kidnaped her husband. "It's a shocking, frightful thing. Something like this is inconceivable in this country. It's savage and cruel."

Others, too, critized the immigration authorities for their way of handling the case.

BESIG'S COMMENT

"It's almost indecent," said Ernest Besig, executive director of the American Civil Liberties Union. "This is typical of Communist procedure—in acting that the end justifies the means. Public servants should behave with dignity, decency, and fair play. The immigration department has neglected all those."

Mrs. Heikkila, waiting at the family home at 2341 Chestnut Street, learned yesterday that money she wired to her husband has not been delivered.

Barber told her she could send money to her husband at Finn Air, a cable address in Helsinki, but Western Union refused to accept the risk of the money transfer, she said.

"I guess I'll try that anyway," she said. "He didn't have over a quarter with him when he left the house on Friday."

[From the Washington Daily News of April 22, 1958]

CONGRESSMAN AND JUDGE CHARGE GESTAPO METHODS—DEPORTATION RAPPED

Representative JOHN F. SHELLEY, Democrat, of California, today protested to the United States Immigration Service about methods it used in deporting William Heikkila, Finnish-born resident of San Francisco, an alleged Communist.

Representative SHELLEY made clear here that he has no use for Heikkila, or anything he stands for. But he informed Gen. J. M. Swing, Commissioner United States Immigration and Naturalization Service, that he does not intend to tolerate use of gestapo methods, and denial of basic civil rights in deportation cases.

Representative SHELLEY has also discussed the case with Chairman FRANCIS WALTER of the House Judiciary Subcommittee on Immigration. Representative WALTER has asked the Immigration Service for a full explanation of the case, and he told Representative SHELLEY that if the facts are as reported to him, he too believes there is something wrong in immigration service methods.

JUDGE IS CRITICAL

Federal Judge Edward P. Murphy of San Francisco also rapped the deportation, saying the deportation of the draftsman smacked of gestapo, rack and thumb screw.

But Immigration officials said their action in speedily deporting Heikkila, 52, was proper.

The White House apparently had no intention of intervening. Heikkila's wife, Phyllis telephoned the White House yesterday. She was told by Maxwell M. Rabb, secretary to the Cabinet, it was a matter for the Immigration Service.

Mr. Heikkila, now 52, who had lived in this country since he was 2½, was accused of having been a Communist between 1929 and 1930. He was given Immigration Service hearings in 1949 and 1950.

The Board of Immigration Appeals upheld his deportation in 1952. He appealed through the courts. In 1953 the Supreme Court turned him down, on grounds that his suit was filed through the wrong procedure.

That year he married an American woman. He said he had to support her, and under a special provision by Congress for such situations, he applied for suspension of the deportation order. He lost after more hearings.

He then filed suit in San Francisco Federal Court arguing that it had not been shown he had been more than a nominal party member.

Last week the court ruled against him, issuing finding of fact. His lawyers filed a motion to have the court issue more specific findings, on the basis of which they intended to appeal.

It was while this motion was pending that Immigration officials arrested him as he finished work Friday, flew him in their own plane to Canada, and from there sent him off by commercial airline to Holland and Finland.

[From the Washington Post and Times Herald of April 22, 1958]

JUDGE RAPS GESTAPOLIKE DEPORTATION

(By Warren Unna)

A Federal district court judge in San Francisco yesterday said the Immigration Service's handling of William Heikkila "smacks of the Gestapo, the thumbscrews, and the rack," and started legal proceedings to determine if the deported west coast draftsman could be returned from Finland.

Judge Edward P. Murphy said he held no particular sympathy for Heikkila, or any alleged Communists. He told Bruce Barber, director of the Immigration Service's San Francisco office, "This is a government of law, not of men, and we are going to try to keep it that way."

Barber had been given 90 minutes to get to court after Heikkila's wife sought the judge's help in finding out what had happened to her husband after two men bundled him from the office door into a waiting black sedan at the close of work Friday.

Barber said that Heikkila was already at his deportation point, Helsinki. A Justice Department spokesman here later confirmed this by declaring that Heikkila had been put down in his native land at 11 a. m. yesterday, Washington time.

Accounts of the court proceedings stated that Barber acknowledged he was aware of a May 2 court date regarding a procedural aspect of Heikkila's case when he had him flown out of the country Friday. And he acknowledged that he was aware that Heikkila

was still in Vancouver, British Columbia, 1,000 miles north of San Francisco, when he received a Federal judge's restraining order regarding the deportation Saturday afternoon.

The immigration official declared that he proceeded in both instances after first checking with Lloyd H. Burke, United States attorney in San Francisco.

It was then that Judge Murphy lectured Barber and told him that Heikkila was entitled to his day in court. He instructed Heikkila's attorney, Lloyd McMurray, to come back Wednesday with citations of authority for having Heikkila brought back to the United States, and set Friday for a hearing. He also promised to hear McMurray's motion that Barber be held in contempt of court.

Here is a chronology of Heikkila's case, as gathered from his attorney, justice, and immigration officials and Congressional immigration authorities:

Heikkila was born in Finland 52 years ago to parents who were Finnish by birth, American by emigration, and shortly after the family's return to the United States, to become American citizens by naturalization.

Heikkila, according to his attorney, assumed that he too had become naturalized as a baby, but learned otherwise. He had his second papers ready for court approval when he became embroiled in a street scuffle—his attorney says quite by accident—and ended up in jail. Heikkila again applied for citizenship in 1946, but was stopped by a warrant for his deportation which Immigration issued the following year.

Heikkila admits being a member of the Workers Party, which became the Communist Party, from 1929 to 1939. His lawyer says it was a depression-time membership during which Heikkila fought for better social-welfare benefits in Minnesota.

The House Immigration Subcommittee also reports that Heikkila was a member of the Young Communist League, the International Workers Organization, and the American Committee for the Protection of the Foreign Born, all on the Attorney General's list of pro-Soviet groups.

Heikkila was given one hearing in 1949 and another in 1951 and declared deportable as a member of the Communist Party subsequent to his entry into this country. The Board of Immigration Appeals sustained this and the Supreme Court dismissed Heikkila's appeal in 1953.

In December 1953, Heikkila married a native-born American and then asked that his deportation be suspended because of his being espoused to a citizen. The Board of Immigration Appeals and the Federal District Court refused to reverse Heikkila's deportation on this ground.

Last week, however, Judge Murphy set May 2 to hear McMurray's objections to findings of fact which the judge had ordered Immigration to submit after he had already dismissed Heikkila's appeal.

Barber, meanwhile, had obtained a passport from the Finnish Embassy indicating Finland's willingness to accept its native-born. He had Heikkila flown by special Immigration plane to Vancouver, held in the Canadian city's jail until Sunday and then flown by commercial plane to Helsinki via Amsterdam.

Barber says that Heikkila's last appeal had been dismissed and, in the absence of a court restraining order, he was compelled to execute Heikkila's long-delayed deportation.

Heikkila's attorney says that the period of appeal was still current when Barber had Heikkila whisked out of the country. He plans to cite the 1927 case of *Richard (Negro) v. Van Meter* in which a Washington Federal judge held a slaveowner in contempt for spiriting the slave away after learning that he had filed a motion with the court for his freedom.

In pressing her husband's case yesterday, Mrs. Heikkila put in long-distance telephone calls to both Maxwell M. Rabb, Secretary to the President's Cabinet, and Chairman JOHN E. MOSS, Democrat, California, of the House Government Information Subcommittee.

Rabb told Mrs. Heikkila the case was a matter for Immigration authorities. Moss made a check with Immigration and said officials there agreed Mrs. Heikkila should not have been kept waiting until yesterday to learn the details of her husband's deportation route.

[From the Washington Post and Times Herald of April 22, 1958]

GESTAPO TACTICS

Short of opening up a concentration camp complete with gas chamber and crematorium, the Immigration Service could hardly have contrived anything more damaging to the United States than its sudden seizure and deportation of William Heikkila from San Francisco to his native Finland. The story has every earmark of totalitarianism gone beserk.

Because Heikkila, a child of naturalized American citizens who came to this country when he was 2½ months old, allegedly joined the Communist Party during the depression, he was ordered deported in 1947. For 11 years hearings and appeals have delayed enforcement of the order. On Friday afternoon, however, Immigration Service authorities arrested him as he was leaving his job, bundled him off across the Canadian border to Vancouver—without giving him a chance to set his affairs in order, pick up any belongings or even say goodby to his wife—and put him on a plane for Helsinki where he arrived on Monday.

Assuming that the Immigration Service acted within its legal powers—assuming even, what seems to us extremely doubtful, that it makes sense to deport a law-abiding person for political heterodoxy 20 years ago—it is hard to find any justification whatever for the sadistic method in which Heikkila was handled. American justice is not so devoid of humanity that it must be executed in a manner which cannot fail to repel and horrify civilized people all over the world.

No doubt this nonsense, so far from reflecting the policy of the Department of Justice, stemmed from misguided zeal on the part of a particular Immigration official. If so, the Attorney General would do well to say so and rectify the blunder as expeditiously as possible. No useful purpose can be served by having this country emulate its enemies.

[From the San Francisco Chronicle of April 22, 1958]

THE 11-YEAR STRUGGLE—THEN KIDNAP

Here is the step-by-step history of Immigration Service attempts to deport William Heikkila, a native of Finland, brought here by his parents when he was 2½ months old:

1947

December: He was arrested with Nat Yanish, advertising manager of the People's World, and four others as undesirable aliens.

1948

February: Deportation hearings opened before a panel of Immigration Service inspectors.

December: Federal Judge George B. Harris refused to grant an injunction to call off the hearings, but they were postponed.

1949

June: The proceedings reopened before Chief Immigration Inspector Gilbert Gower. Heikkila testified he had been a Communist Party member from 1928 to 1939 when he quit to devote full time to the International Workers Order—described by the Attorney General as communistic.

His attorney, George Anderson, objected to the proceedings on grounds that Gower was prejudiced and could not act as a judicial officer under the Administrative Procedure Act of 1940. Gower overruled him.

1950

February: The hearings were suspended when the United States Supreme Court ruled the Immigration Service's hearing procedures were illegal because hearing officers acted as both investigators and prosecutors.

June: The case was reopened under Examiner Robert S. DeMoulin, but was immediately postponed when Heikkila's attorney objected on grounds that DeMoulin was prejudiced.

September: The Internal Security Act (McCarran Act) was passed over President Truman's veto. It provided for registration of Communists and prohibited entry into the United States (or deportation if already here) of anyone who had been a member of a totalitarian organization.

October: Heikkila, who had been at liberty under $4,000 bail, surrendered under terms of the McCarran Act. He was held 2 days and then released under $5,000 bail.

November: The deportation case opened before Milton T. Simmons, Immigration Service hearing officer and then was continued until January 2.

1951

January: Hearings concluded and Heikkila was ordered deported. Federal Court's restraining orders blocked his deportation while an appeal was made with the Commissioner of Immigration in Washington.

1952

January: Appeals were denied by the Immigration Service and Heikkila was notified that he had 6 months to leave the country. Heikkila carried the appeal to the United States Supreme Court.

1953

March: The Supreme Court ruled, five to two, that an alien can flight deportation by habeas corpus (the right to trial), but not by injunction proceedings, as Heikkila's attorney argued. Deportation was blocked by Court order.

1955

May: Heikkila surrendered in compliance with the Supreme Court decision of 1953. He was freed a few hours later when Federal Judge O. D. Hamlin ordered the Immigration Service to show cause why a writ of habeas corpus should not be issued.

June: Immigration Service offered its reasons for deporting Heikkila. A request for suspension on grounds he was married to a citizen was denied.

1956

February: Heikkila's appeal to the United States Immigration Service was denied and the deportation order was affirmed. He appealed again.

1958

April 3: Federal Judge Edward P. Murphy granted a Government motion to dismiss Heikkila's appeal Heikkila's attorney offered a motion to amend the findings of fact in the case. Hearing on that motion was set for May 2.

April 18, 5:35 p. m.: Heikkila was met outside his office by two immigration agents, taken directly to the airport and flown from there on an Immigration Service plane at 6 p. m. He arrived at Vancouver at 11:30 p. m.

April 20, 1:50 p. m.: He departed Vancouver by nonstop Canadian Pacific airliner to Amsterdam, arriving there at midnight (PST).

April 21: He was due to leave Amsterdam for the last flight in his hurried journey—to Helsinki.

[From the San Francisco News of April 22, 1958]

UNITED STATES BOWS—TO RETURN KIDNAPED SAN FRANCISCO MAN—ADMITS ERROR IN JUDGMENT

The Immigration Service announced in Washington today that William Heikkila, 52-year-old San Francisco ex-Communist, would be permitted to return to the United States forthwith.

Heikkila, bitter about his abrupt arrest as he left work here Friday, vowed in his native Finland:

"I will fight with all the power I have to go home to America."

The Immigration Service deported Heikkila to Finland last week, defending its action as proper.

But today, Immigration Commissioner Joseph Swing said "an error in judgment was made."

"I am directing," Swing said, "that Mr. Heikkila be permitted to return to the United States forthwith to await further action by the (U. S. district) court."

Heikkila, a draftsman, was bitter about his arrest as he arrived in Finland.

"What am I to do now?" he asked News reporter Don Canter, who interviewed him by trans-Atlantic telephone last night, and his attorney, Lloyd McMurray, who called him in Helsinki shortly before noon.

Heikkila told McMurray it was cold and snowing in the Finnish capital and that he was without an overcoat—or even a toothbrush, in fact.

The 40 pounds of luggage his wife packed for him when immigration agents told her he already was on his way to his native country was booted from a plane in Vancouver.

"I was told the suitcase was put off the plane to make room for some flowers," Heikkila said.

But he is confident he'll soon be back in the United States, McMurray declared.

"He was even more so when I told him of the hubbub in the press and the courts and in Washington," the attorney said.

"He assured me he plans to keep on fighting."

Heikkila told McMurray his reception at the airport was tremendous, and that he was immediately invited to be a guest in one of Helsinki's biggest hotels—the Metro.

"They told me not to worry about my room or food until I'm able to pay," Heikkila, who has only $1.50 in his pocket "and the clothes on my back," said.

He informed McMurray he was seized unexpectedly as he left work Friday and was unable to make even a phone call to his wife, Phyllis, 38, before being hustled aboard a waiting plane.

McMurray and Heikkila's wife both said they were more hopeful than ever that the long-time San Franciscan will soon be on his way back to his home.

But in fighting for a return ticket for Heikkila in Federal court Friday, Murray said he will also ask for a contempt citation against Bruce Barber, chief immigration official here.

McMurray insisted that Heikkila should have been returned directly to San Francisco from Vancouver, where he was held Saturday and Sunday waiting for his plane to Europe.

During that time he was still under United States Immigration Service jurisdiction and never fell under Canadian authority, John McDonald, Canadian immigration chief in Vancouver confirmed.

United States agents could have hustled back aboard the plane for a return trip at any time, McDonald indicated.

McMurray pointed out that he secured a restraining order Saturday afternoon to prevent Heikkila's deportation to Finland.

But failure to halt the draftsman's deportation in Canada, "Demonstrates that Barber is in contempt of court," McMurray asserted.

Barber said, "It will be up to a court to decide" whether his agents in Canada were acting illegally when they gave Heikkila a one-way ride to Europe.

McMurray said he has received a number of calls advising him of similar cases and of court rulings against the Immigration Service.

"In my opinion," McMurray said, "we'll get him back here."

Heikkila was brought to the United States when he was 2½ months old, but was never naturalized. He claims he applied for citizenship, but immigration agents say he didn't.

In the telephone interview with the News, he freely admitted, "I was once a Communist."

But he pleaded, "please people of San Francisco, believe me when I say that I have * * * been faithful to your city and country."

A last-minute plea by Heikkila to remain in Amsterdam, where he waited overnight for his plane to Helsinki, was turned down by the Dutch Government.

But on this side of the Atlantic, California Congressmen joined the barrage laid down yesterday by a Federal judge against the Immigration Service and its "gestapo" deportation of the one-armed draftsman.

Federal Judge Edward P. Murphy, blasting the Immigration Service for tactics that "smack of the gestapo, the rack and the thumbscrew," vowed to do everything possible to arrange the draftsman's return.

In Washington, the agency was lambasted by Representatives JOHN F. SHELLEY, Democrat, of San Francisco, and JOHN E. MOSS, Democrat, of Sacramento.

"I intend to see that his basic civil rights are not denied him," SHELLEY pledged.

MOSS said the cloak-and-dagger arrest of Heikkila as he left work Friday evening involved "shocking withholding" of information.

Both demanded immediate investigations, and this morning top Immigration Service officials were to appear before a House judiciary subcommittee.

But despite the crossfire, immigration officials steadfastly maintained that their methods were "proper and legal."

"It is not in good taste to discuss a controversial case. And it is not proper for me to interpret publicly the actions of the service as being proper or improper, but I believe we are operating squarely under the law," said immigration chief Barber.

And his superiors in Washington said they had "no regrets." They said the agents who arrested Heikkila and whisked him aboard a waiting plane were merely "carrying out the obligations which the law—as we understand it—places on us."

Barber was summoned before Judge Murphy yesterday to explain why Heikkila was deported when he has a motion pending in Federal court.

A hearing was set for May 2, and Judge Murphy insisted, "He's entitled to his day in court."

"If there is any way I can get Mr. Heikkila back, I am going to do it," he pledged.

But even with pressure from Federal court and in Congress, immigration officials insisted they "will resort to anything the law allows."

In court yesterday, Barber declared, "when the order of deportation is no longer stayed, I believe, under the law, that we must proceed."

After court, Barber explained that Heikkila was flown secretly from the country to avoid demonstrations by left-wing sympathizers. He accused Mrs. Heikkila of "milking" the situation for publicity.

Barber said he was pleased by the number of "complimentary" phone calls he's received.

He said when the case first came to light he received "a considerable number of abuse calls. But now most are friendly to the Government."

Barber's immediate dismissal was asked today by Warehouse Union Local 6 of the ILWU.

Heikkila's arrest was branded "outrageous" in a telegram sent by union president Charles Duare to Senator KUCHEL (Republican, California), WAYNE MORSE (Democrat, Oregon), and other Congressmen.

"The arrest," Duarte declared, "has made it clear that all aliens in this district are in immediate jeopardy so long as Bruce Barber remains director of immigration in this district."

[From the San Francisco Call-Bulletin of April 22, 1958]

DEPORTEE RETURN APPROVED

Immigration Commissioner Joseph M. Swing today authorized the return to this country of William Heikkila, who was deported to Finland last week, the Associated Press reported from Washington.

Swing said he was taking that action after reviewing the circumstances surrounding the deportation and after examining a restraining order in the case signed by Federal Judge George Harris here.

Heikkila arrived in his native Finland today.

William Heikkila, deported San Francisco draftsman, was unceremoniously dumped off a plane in his native Finland today.

He told the Call-Bulletin in a long-distance conversation from Helsinki that he arrived with just a $1.50 in his pocket and 17 Dutch guilders.

He said he had no overcoat, although it was bitterly cold and snowing.

NO SUITCASE

His suitcase had not caught up with him, he said.

"Sure, I was a Communist from 1928 to 1939 in Minnesota," the hatless, summer-suit clad deportee told newsmen in Helsinki as he stepped off the plane.

"But from the time I left there for San Francisco I have had nothing to do with politics. I have not had the time. I have just been working. I am a Democrat.

"There is no country for me, but I will fight to get back to the United States. I regard it as my home country. For many years I have applied for American citizenship but it has not been granted."

The one-armed Heikkila, who talks fairly good Finnish, has some distant relatives in Finland but no one he really knows.

Mr. and Mrs. Fred Koski, of 33 Sanchez Street, however, yesterday cabled some friends in Helsinki, the Matt Holm family:

"Please try to arrange meet Bill arriving FinAir Monday or Tuesday."

Mrs. Koski hoped that their friends would be able to provide some financial assistance for Heikkila.

SUDDEN FLIGHT

He was taken earlier from Amsterdam to Copenhagen and placed aboard a plane there for the last leg of the sudden "kidnap" deportation flight.

Heikkila, 52, who has lived in the United States since he was 2½ months old, arrived at Amsterdam yesterday on a Canadian airliner from Vancouver.

He had been flown to Vancouver in an Immigration Service plane from San Francisco after two Immigration Service agents seized him outside his office here late Friday.

Heikkila's wife, Phyllis, 38, said he had only 30 cents in his pocket, and no passport, when seized. But the AP quoted police at Amsterdam's Schirphol Airport as saying he had money and a valid Finnish passport when he arrived, and that he spent the night in an Amsterdam hotel.

OFFICIALS CALLED

Meanwhile, Heikkila's attorney here, Lloyd E. McMurray, said this morning that he had been told by Congressman JOHN F. SHELLEY that Representative FRANCIS WALTER, of Pennsylvania, had called in Chief of Immigration Joseph M. Swing, and other policy-makers of the Service for a meeting on the Heikkila case today.

McMurray said he had been advised that General Swing had been ordered to make a full report today on the case at a meeting of the Joint Congressional Committee on Immigration Policy of which Representative WALTER is chairman.

But the Government Information Subcommittee headed by Congressman JOHN E. MOSS, Jr., of Sacramento, has dropped the Heikkila inquiry after staff investigators conferred with immigration officials and decided there was no suppression of news in the case.

BLACKOUT

McMurray, however, charged there was a complete blackout of news from official sources on the deportation from the time Heikkila was seized until District Director of Immigration Bruce Barber appeared under court order before Federal Judge Edward P. Murphy yesterday.

As to a report that Heikkila had been registered under the name of William Hudson in the jail at Vancouver, Barber said he does not know.

Nor, Barber added, does he know whether it would be customary to do that.

Meanwhile, Heikkila's stop at Vancouver and his attitude at that time was reported by AP. He was fuming mad and hostile to guards. He was held there 39 hours over the weekend then flown to Europe by a Canadian Pacific Airlines transpolar plane.

HIS STORY

Escorted by two United States immigration agents, Heikkila told a Finnish-speaking man while he waited at the airport:

"I was picked up at work Friday. I was told I was being sent back to Finland. I wanted to phone my wife but they wouldn't let me.

"They didn't allow me to phone a lawyer, or even to go home to pick up my clothes."

AND JAILED

He said he was taken to the airport where a plane was waiting, put aboard with a 2-man escort and 3 crewmen and flown to Vancouver.

"I was taken to jail and kept there until Sunday," he said.

He was placed aboard the CPA plane shortly before noon Sunday. Andrew Kola, on his way to visit in Poland, sat next to him, and it was to him Heikkila complained of his abduction as the two talked in Finnish. When the takeoff was delayed, passengers were asked to return to the waiting room, but Heikkila was told to remain aboard.

Judge Murphy, who ordered Barber to show cause Friday why he should not be held in contempt for the deportation, told McMurray he has no sympathy for Heikkila, a former Communist, but by the same token this man is entitled to his day in court.

"I think the procedure smacks of the Gestapo, the rack, and the thumbscrew," Judge Murphy declared.

Heikkila never has been naturalized.

[From the San Francisco Chronicle of April 22, 1958]

FLIGHT TO FINLAND—UNITED STATES JUDGE CALLS DEPORTING CRUEL, WANTS ALIEN BACK

(By William Keller)

A Federal judge lambasted the Immigration Service here yesterday for using "Gestapo tactics" in its rapid-fire deportation of William Heikkila, Finnish-born, 52-year-old former Communist.

Judge Edward P. Murphy said he would do "everything possible" to bring the self-taught draftsman back to San Francisco from Helsinki, Finland, for "his day in court."

Immigration agents picked up Heikkila on Friday and flew him to Europe by way of Canada.

In Washington, San Francisco's two Congressmen, Republican WILLIAM S. MAILLIARD and Democrat JOHN F. SHELLEY, condemned the deportation and said they would demand an explanation of the affair from Chief of Immigration Joseph M. Swing, a retired general.

Shelley said General Swing would be ordered to give a "full report" at a Congressional hearing this morning.

With Judge Murphy's reprimand still ringing in their ears, local immigration officials insisted they "will resort to everything the law allows" before giving in.

Judge Murphy had told Lloyd McMurray, Heikkila's attorney, that "I have no sympathy for your client or anything he represents or for any alleged Communist.

"But I think this proceeding smacks of the Gestapo and the rack and thumbscrew," he said.

"If there is any possible way I can get Mr. Heikkila back, I certainly will."

PRECEDENT?

Judge Murphy said, that if legal precedent permits him, he will direct the Immigration Service to open the country's borders for Heikkila's return. The case will be before him again on Friday.

As a former Communist, Heikkila normally would not be allowed to enter the United States.

There was still no word whether Heikkila—apparently unaware of the stir caused by his case—had arrived at Helsinki. The last contact with him by American authorities was when he was put aboard a commercial airliner in Vancouver, British Columbia, at 1:50 p. m. Sunday.

The newspaper, Vancouver Province, reported that Heikkila talked to a fellow Finn, who was on his way to Europe, at the airport before the airliner took off.

The Finn, Andrew Kola, quoted Heikkila as saying: "I was picked up at work Friday. I was told I was being sent back to Finland. I wanted to phone my wife, but they wouldn't let me.

"They didn't allow me to phone a lawyer, or even to go home and pick up my clothes."

But his wife, Phyllis, 38, said yesterday she was "much more hopeful that maybe we can get him back. This was a wonderful day."

CALL FOR BARBER

It started for her at 9:30 o'clock in the morning when she accompanied McMurray to Judge Murphy's court.

The attorney wanted Bruce Barber, the local immigration chief and focal point of the controversy, called to explain "all the facts" in the case.

McMurray recounted how Heikkila, now 52, was brought to this country from Finland at the age of 2½ months, but was never naturalized although his parents later were.

"But what I want now," he told the court, "is the status quo so I can pursue a new line in trying to clear my client." And "the status quo," he said, would include the presence of Heikkila in court.

Judge Murphy agreed there might be reason for another appeal, and ordered Barber to appear at 11 a. m.

Barber appeared promptly.

He said the blond, bespectacled, one-armed draftsman was put aboard an Immigration Service airplane within 25 minutes after he was picked up. He was in Vancouver by 11:30 p. m. Friday.

He testified he did not know until Sunday morning that a restraining order meant to block the deportation and issued by Federal Judge George Harris had been issued on Saturday.

"And by then it was too late. He was no longer with us," Barber said.

CONSULTATION

Barber said his move came only after consultations on Friday with Lloyd H. Burke, the United States attorney here.

"When no court order is in effect restraining us, we are obliged to go ahead," Barber replied. Heikkila's case has been before the immigration authorities and in the courts for 11 years. A deportation order was in effect when he was picked up.

McMurray said a motion for a new court hearing, previously set for May 2, was by precedent the same as an automatic restraining order.

In Washington, the executive assistant to General Swing, James Hennessy, said department policy does not dictate how an alien should be deported.

"Mr. Barber was acting under his own authority," he said, "guided by the regional commissioner."

In San Pedro, Merrill R. Toole, acting regional immigration chief said Barber planned the rapid-fire deportation with his approval.

He described the Heikkila case as "not normal (deportation) policy. But in all (cases) involving Communists and fellow travelers, we have to act fast. They're experts at delaying things."

[From the San Francisco News of April 22, 1958]

FINN'S OWN KIDNAP STORY

(By William Heikkila, as told to Donald Canter).

AMSTERDAM, April 22.—My God, I'm in Holland.

For the first time in 3 days people have been good and friendly to me.

Nobody here put me in jail. No immigration agents were on hand as I arrived.

I'm here in the Victoria Hotel, in a comfortable room. The Dutch pay for it. I would have loved to do it myself. But all I've got in my pocket is $1.50. That's all plus the clothes on my back.

In 3 hours I have to be at the terminal to catch the bus for the airport. From there I'll have to take a KLM Royal Dutch Airlines plane to Helsinki. There's nothing else I can do. All I've got is a ticket to Finland.

What I'm going to do there, only heaven knows. There are no friends in Finland, no relatives. And I haven't got money. What must I do?

It's incredible to believe this all happened to me in these few days. Where did it start? Sansome Street. It was 5:30 p. m. and I left work on my way home.

Suddenly I was surrounded by five people. Don't know where they came from. One of them said: "Immigration officers, follow us." There was a car standing in front of my office. "Get in," they told me.

What else can you do? I asked them where they were taking me. But they said they couldn't tell. I would see.

So we drove up to Bayshore. Somewhere along the way the car broke down. They tried to get it started but it wouldn't move.

So we got out. The officers flagged down a private auto and ordered the driver to take all of us to the airport.

The driver obeyed. The officers directed the driver through a special entrance to the platform.

There a border patrol plane stood ready. They ordered me to enter that plane, then boarded themselves.

The moment we entered the plane, the propellers started turning. A few minutes later we were airborne. Again I asked where they were taking me, but again there was no answer. I looked at my watch. The time was exactly 6:30 p. m.

Then I asked them to tell my wife and allow me to get some clothes or at least a toothbrush. They answered, "No."

At midnight the plane touched down at Vancouver Airport. We were met by two United States Immigration agents. One of them was a Stanley Olsen. They drove me to the city jail and locked me up.

They wouldn't allow me to write or phone. They wouldn't let me call the Finnish consul.

What a night it was. At 11 in the morning Olsen and the other agents drove me back to the airport. They put me aboard a Canadian Pacific Air Transport plane bound for Europe. They gave me a one-way ticket to Helsinki.

Finally I was on my own, without immigration officers. It was good to be a free man again. The only thing was, I couldn't go back. I had no papers to return to the United States. And above all, I had no money.

Yesterday morning I found myself in Greenland. I wanted to call my wife. But how can you do that without money. So I sent her a post card. That's all I could do.

Then the plane went on to Amsterdam. I love the people here. Please tell them that. But I'll have to leave them again in a few hours. And then I'll be back in Finland where I was born.

My God, why? I do not want to live there. It's not my home. That's in San Francisco. It's true I once was a member of the Communist Party. But I broke with them in 1939.

Please, people of San Francisco, believe me when I say that I have at all times been faithful to their city and country. At all times. In 1945 I applied for American citizenship. That petition is still pending. Check with the blood bank. I've given 2 gallons of blood during the war for our soldiers.

It's only now that I hear from the San Francisco News that the newspapers are full of my story. I'm grateful.

I'm also grateful to Judge Murphy for saying he'll get me back to the United States if he can give me my day in court. There's nothing in the world I would like better.

I want to come back to the United States, to its people, my friends, my wife. Phyllis, my wife. I miss you very much. I am very sorry for all the trouble I have caused you. Let's hope we meet again, soon.

How, heaven knows, because at the time this message reaches you, I will be on my way to Finland.

What happens then only time will tell.

[From the Washington Daily News of April 23, 1958]

SNAFU AT IMMIGRATION DEPARTMENT—OUT AGAIN, IN AGAIN, FINN AGAIN

HELSINKI, FINLAND, April 23—William Heikkila, a one-armed Finnish ex-Communist who was deported from San Francisco last week, waited jubilantly here today for his return ticket to the United States.

Mr. Heikkila was overjoyed when he was told the United States authorities have decided they were wrong to deport him so swiftly because of his past Communist associations.

"This is the most wonderful thing that ever happened to me in my life," he said.

The deported Finn arrived here by air last night, hatless, coatless, and without baggage in freezing subarctic weather. He checked in at a hotel while he pondered his future in a strange country whose language he does not speak.

WIFE ELATED

In San Francisco his wife Phyllis, 38, said she was elated at news her husband would be returned.

Mr. Heikkila talked to her by telephone yesterday from Helsinki, the first time he had a chance to speak to her since he was seized by Immigration authorities and rushed out of the country.

Mr. Heikkila's attorney, Lloyd E. McMurray, said in San Francisco he would push his efforts to have Immigration officials held in contempt of court for deporting Mr. Heikkila. He said the action was taken while his case was still pending.

ADMISSION

He said the decision of Immigration Commissioner Joseph M. Swing to return Mr. Heikkila was in effect an admission of guilt and an attempt to evade the consequences.

Senator THOMAS C. HENNINGS, Jr. (Democrat, Missouri), said in Washington yesterday he is drafting a bill to prevent the type of abduction used in deporting Mr. Heikkila.

Senator HENNINGS said such "insensitive and less than human practices" serve to "discredit traditional American concepts of fair play." He said no matter what the reasons for deporting Mr. Heikkila "this was a highly uncivilized way for the American Government to behave."

United States authorities, in announcing the Government would return him, also said the United States would pay his fare.

[From the San Francisco News of April 23, 1958]

LAWMAKERS RAP "GESTAPO"—SHELLEY, MOSS, JUDGE ASSAIL UNITED STATES TACTICS—DEFEND DEPORTED MAN'S CIVIL RIGHTS

California Congressmen today took up the barrage laid down yesterday by a Federal judge here against the United States Immigration Service and its "gestapo" deportation of a San Francisco draftsman.

William Heikkila, 52, an admitted former Communist, baffled and angry at his abrupt arrest Friday, is due in his native Finland late this morning. He was brought to the United States when he was 2½ months old, but never took out naturalization papers.

"It's true I once was a member of the Communist Party. But I broke with them in 1939."

[From the San Francisco Chronicle of April 22, 1958]

UNCLE SAM GOES IN FOR ABDUCTION

The United States Immigration Service, which frequently behaves like a terror agency of a police state, has outdone itself in the case of William Heikkila, ex-Communist, and has given a performance that outrages simple decency, the law, and the people whose servant it ought to be.

The manner and methods whereby this great Government agency spirited this obscure draftsman away from his wife, his home, and the country he has inhabited since infancy, are inexcusable. Here was a deliberate policy decision to hustle him outside the local jurisdiction and deprive him of his day in court. "This proceeding smells of the gestapo and the rack and the thumbscrew," said Federal Judge Edward P. Murphy yesterday.

Such odors have long characterized the Immigration Service. From time to time its procedures have been declared illegal by the courts, its centers of incommunicado detention have produced shocking news, its utter disregard for humane considerations have revolted the public. What the Heikkila case has accomplished is to hold up to view a combination of these unwholesome practices, and top it with an arrogant disregard for the courts of law. "We didn't want any further delaying tactics or administrative proceedings," said the acting immigration commissioner for this region, "so we moved without consulting his wife or attorney."

The move occurred despite the fact that litigation is still pending and despite the fact that Heikkila, having petitioned for a restraining order that would prevent just such a highhanded move, was assured by the Federal court that such an order would be superfluous because the Immigration Service would not deport him while his case was pending.

Judge Murphy said yesterday that Heikkila is clearly entitled to an appeal and that he will do everything in his power to get him back in this jurisdiction. Whether he succeeds or not, the Immigration Service now stands clearly forth as an agency in need of drastic reformation.

Congress is showing an inclination to investigate the Service and some of its more repugnant acts, including the Heikkila abduction, which Representative Moss calls "a cruel and unjustifiable abuse of authority." President Eisenhower, we feel, should acquire a thorough knowledge of the Service and its workings toward the end of revising its questionable and brutal policies and of summarily dismissing the men who make and tolerate them.

[From the San Francisco News of April 22, 1958]

UNDER THE GUISE OF LAW

We keep asking ourselves: "Is this America?"

And we turn again to the fifth article in the Bill of Rights of the United States Constitution, wondering if we misread it. It says: "No person shall be deprived of life, liberty, or property without due process of law."

Apparently the United States Immigration Service hasn't read it, or doesn't believe it means what it says, because its agents whisked a man off a San Francisco street and without ceremony shipped him out of the country.

He is William Heikkila, a citizen of Finland, whom the Immigration Service charges is an undesirable alien.

To us this is the knock on the door in the night and the train to Siberia. This is a leaf from a Gestapo manual, a lesson taught in an NKVD classroom.

When immigration agents hustled Heikkila into a limousine Friday as he left his office, the shadow of the police state fell across Sansome Street.

We are not here to defend William Heikkila. We come in behalf of Joe Smith and Mary Jones and every individual in the United States to whom the Bill of Rights is at once a shield and a sword against the arbitrary bureaucratic whim.

We do not judge the merits of Heikkila's basic case against deportation. We do not have to, because that is not the issue here.

The issue dwells on the question: Had Heikkila come to the end of the judicial trial or was there another legal remedy left to him? And since this question had not been answered beyond a doubt, no Government agency had the right to take the matter in its own hands and administer the judgment.

It is a fact that the processes of law sometimes seem interminable, but the Immigration Service cannot allow itself the luxury of cutting them short.

Federal Judge Edward P. Murphy stated with commendable judicial ire that the mechanics of the deportation "smacked of the rack and thumbscrew."

Such policies of the Immigration Service call for a Congressional investigation. Heikkila is not the first thus to be literally kidnaped into deportation. Others have been

taken along the same path and while in the case of most—if not all—it was good riddance, even the most obnoxious is entitled to the last bitter ounce of justice.

The great stone of the law can be worn away as well by the small drops of occasional infraction as by the catastrophic upheaval of a revolution.

The United States deported Heikkila and having done so surely has the authority to bring him back to complete the proper consideration of his case.

Communists abroad will not have to use this incident as propaganda among our allies and neutrals abroad; it will exploit itself.

Justice may be blind, and sometimes seemingly overdeliberate, but when she is shaken, free men tremble.

[From the San Francisco Chronicle of April 22, 1958]

THE BUM'S RUSH BY IMMIGRATION

(By Royce Brier)

William Heikkila, 52, ex-Communist, an alien who has lived most of his life in this country, was taken into custody Friday in downtown San Francisco by United States Immigration officers.

He was not permitted to get clothing, papers, any funds he may have had, or to see his family or friends, but was taken to an airport.

There an Immigration plane flew him to a rendezvous in Canada. Presumably sometime in the next 24 hours he was flown to his native Finland.

During the weekend Immigration officials here, Bruce Barber, director, would not reveal to Heikkila's wife, or to anyone else, his whereabouts.

Heikkila's case has been pending for 11 years. On April 3 an appeal from an order of deportation was denied by the United States District Court, Immigration officers, quietly preparing to seize Heikkila, deemed this ruling final, though a motion in the case was pending in the court. Federal Judge Harris signed an order Saturday for Heikkila's appearance, but Immigration said he was by that time out of the United States.

In an effort to learn what had happened, reporters came across Merrill R. Toole, of San Pedro, acting regional commissioner.

Toole said: "We didn't want any further delaying tactics or administrative proceedings, so we moved without consulting his wife or attorney."

This pronouncement, not unprecedented, is a superb epitome of the whole Immigration mentality.

The body of our law, constitutional and statutory, is that there shall be delays and administrative proceedings involving anyone accused, from parking tickets to murder, under article V, in amendment, which reads: "No person shall be * * * deprived of life, liberty, or property, without due process of law * * *."

Note this says "person," not "citizen." It is true enough, and natural, that aliens lack certain rights of citizens, and it is this which gives Immigration an arbitrary power not given to many domestic agencies, an arbitrary power Immigration has exercised for years, and frequently abuses.

But this power does not deprive an alien of certain rights, including rights enumerated to life, liberty, and property.

The necessity for delays and administrative proceedings in cases involving the basic rights of any person domiciled in the United States is not too complex for the understanding of a dull-normal schoolboy.

Delays and administrative proceedings are a barrier to the infliction of injustice and downright tyranny. Where there have been tyrants there have been precious few delays and administrative proceedings involving an accused—the Caesars, Henry VIII, and Adolf Hitler did not delay when they struck, and any administrative proceedings they instituted against an accused were suborned.

So when Federal Judge Murphy said yesterday this case smacks of the Gestapo, he was dealing with what he saw in the record. It does. It smacks of everything Washington's ragged men died to banish from this land, and it matters not a damn whether Heikkila was a Communist or a Hottentot. He is a human being who was residing in the United States, and the United States Immigration officers didn't treat him as one.

Mr. COLMER. Mr. Speaker, I yield such time as he may desire to the gentleman from Florida [Mr. HERLONG].

Mr. HERLONG. Mr. Speaker, I want to urge as strongly as I can that this rule and this legislation be enacted.

I realize that there are more Members of Congress from districts whose schools are not affected by the impact of Federal installations than are affected. I realize, too, that it is awfully easy to be against something that your own people will not get something out of, directly. I hope you will look at this problem, however, from the broader standpoint.

It is absolutely necessary that the Federal Government continue to assist the schools in certain impacted areas of our country. How the President can say with any degree of accuracy that the problem, as far as impact is concerned, no longer exists, is beyond my imagination. It makes you wonder if he has ever heard of Cape Canaveral, Fla.—the place from which our satellites have been launched, and which is the proving ground for guided missiles for all of the services.

There have been complaints that we haven't moved as rapidly in the area of developing guided missiles as we should have. A number of things have complicated the problems surrounding such an installation. Not the least of these is the fact that it takes a lot of people to do the work at such an establishment. These people have to have places to live. Most of them have children, and these children must attend schools. The turnover of personnel at Canaveral and Patrick Air Force Base has been tremendous. The contracting companies who are doing the work have found it difficult to retain trained personnel, principally because they find themselves living in an area where the school situation is, to say the least, not good. The local authorities, with what they have had to work with, have done a magnificent job. The tax assessor has almost trebled the assessments of the local property owners. They are doing everything humanly possible to meet the problem. The Federal Government has been helping. Even with all of this, the area and the installations continue to grow, and the problems—especially the school problems—seem to grow in geometric proportion. Churches and community organizations have made their buildings available for classrooms; schools have been on double sessions; but in spite of the herculean efforts of the local authorities, the problem still exists. The base and the guided missile installation, the Defense Department says, have not yet reached their maximum population. These people who have moved in are, for the most part, not taxpayers. They are there because of the Federal installations. Their children must be educated. The Federal Government must continue its support of their education until such time as the local authorities are able to absorb this tremendous growth.

To show you how much this area has grown, Brevard County, in which Cape Canaveral is located, had 23,000 people in 1950. There are over 90,000 people there now.

When Patrick Air Force Base was established in 1950, Brevard County had a small school system with about 3,700 pupils. Today, there are approximately 15,000 children attending the schools. As of the last report, of the 15,000 pupils, 48 percent had parents working at the guided missile test center.

Let me call your attention to these figures. For the 1957–58 school year, Brevard County's contribution to its school system was $1,395,801, that of the State of Florida, $2,953,991, and that of the Federal Government, $431,332. In other words, the Federal Government contributed approximately 9 percent of the budget for current operating expenses, yet 48 percent of the children have parents working at the missile center, but living on private property.

Now listen to this: During this school year, the Brevard County school system has increased at the rate of 15 pupils every school day with most of them being brought in by the Federal activity. This means that every other school day we need to build a new classroom and hire a new teacher, if the county is to keep its classloads in accordance with State standards.

This tremendous growth is not confined just to this one county; all of the surrounding counties have experienced a similar and almost as meteoric a gain in population. The local communities were able to absorb a great number of these people when the installation first opened, but once a community is crowded, every additional person who comes into the area multiplies the problem. A half-full bus can take on quite a few passengers, but once it is full, there comes a time when you just can't possibly crowd another passenger in. That's the way the classrooms have become in Brevard and the adjacent counties. We are going to have to build more classrooms, and as the classrooms are needed because of the Federal installation, it is the responsibility of the Federal Government to help build them.

All of us are interested in seeing our missile program progress as rapidly as possible. While your people may not be directly affected, if they insist that you vote against this program, they are, possibly unwittingly and unknowingly, contributing toward delaying the ultimate time when the necessary guided missiles for our survival will be operational and in production. Any American who was accused of slowing up a program as vital as this would protest to the high heavens, yet the delay that is caused by the terrific turnover of personnel, caused again, in part, by inadequate school facilities, could be fatal.

Your vote for this bill today can be marked down as a vote for the defense of our country. I feel sure this Congress

will measure up to its full responsibility in this respect.

Mr. COLMER. Mr. Speaker, I yield 1 minute to the gentleman from South Dakota [Mr. McGOVERN], a member of the Committee on Education and Labor.

Mr. McGOVERN. Mr. Speaker, it is my sincere opinion that H. R. 11378 is very worthy of speedy Congressional approval. To the hundreds of communities this legislation affects, its passage is vitally important. Many are faced with critically mounting problems, due to the great strain which has been put upon their educational facilities by the population influx.

If any changes are to be made in this measure, they should only be to strengthen, not to weaken, the bill.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from West Virginia [Mr. BAILEY] to conclude the debate.

Mr. BAILEY. Mr. Speaker, 8 years ago it was my pleasure to be presiding over the subcommittee of the Committee on Education and Labor that drafted the original legislation, the extension of which is before the House today. May I say that over the past 8 years it has proved to be wholesome legislation that has met with general approval not only of the people of the country but also of the Members of Congress.

It becomes necessary occasionally to renew this legislation and extend its provisions, and it was a pleasure for me again to serve as chairman of the subcommittee that considered the redrafting and extension of this legislation at the present time.

May I say to my colleagues in the House that the subcommittee rewrote Public Law 815 and made some 6 or 7, what might be considered major, changes in Public Law 874. It is not my purpose to go into the details of what the subcommittee did and what was approved unanimously by the whole committee and by the Rules Committee. Members of my subcommittee who assisted me in the drafting of this legislation will, in general debate, take up the provisions that have been changed and clarify what has been done on this legislation.

There are 1 or 2 points that have arisen since the approval by the committee some 30 days ago. These two points will be cleared up by an amendment which will be offered by the distinguished gentleman from Montana [Mr. METCALF].

Mr. Speaker, may I commend to my colleagues of the House this legislation as being wholesome legislation, good legislation, necessary legislation to meet the situation that has developed in these areas of defense where the Federal Government has created the impact.

I see no reason why there should be extended argument over the granting of the rule, and I sincerely hope the rule will be approved promptly.

Mr. COLMER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to and a motion to reconsider was laid on the table.

Mr. BARDEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11378) to amend Public Laws 815 and 874, 81st Congress, to make permanent the programs providing financial assistance in the construction and operation of schools in areas affected by Federal activities, insofar as such programs relate to children of persons who reside and work on Federal property, to extend such programs until June 30, 1961, insofar as such programs relate to other children, and to make certain other changes in such laws.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 11378, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. BARDEN. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this is a piece of legislation the House is quite familiar with. It is, in my opinion, the best available substitute for the type of legislation the House must eventually pass; that is, a piece of legislation which would by formula, arrangement, and schedule of evaluations for Federal property in the various States of the Union require the Federal Government to pay a sum in lieu of taxes commensurate with its proper share of taxes, just as any other citizen or private industry must do when they move into a State, town, city or school district.

I am definitely of the opinion that this situation which we are attempting to take care of will grow and grow and become so complex that it will tax the mind of anyone to try to work out a just, workable, and fair formula.

The Federal Government for the past several years has been extracting from the States increasing amounts of money which has increased the pressure on the States to take care of their own traditional functions and expenses of operation, including their educational costs. I believe the best solution to it would be for this House to adopt a piece of legislation that will reflect a fair payment by the Federal Government for the properties in the various States. It would not necessarily have to be based upon value, but we could work out a formula that would meet the situation better than this bill, although I say to you this is the best possible available way to handle the situation at the present moment.

This is about the same piece of legislation that has been in effect for some 8 years, I believe. There are not many changes involved in this bill. The best change has been to make permanent the so-called category A students, which are children of employees of the Federal Government living on Federal property. That problem we have always had to face. We have had to face it in every bill we have had before the Congress and each time it has been renewed. So, seeing no way to avoid that responsibility, it did seem rather absurd to the committee that we should year after year keep renewing something that must of necessity be renewed.

We have 1 or 2 other changes in the bill, some of which I go along with all right, but some of which I am not so warm toward. I have felt that the cost of this bill should be held within reason. I thought that every attempt should be made to keep from increasing it and letting it eventually get out of bounds to the extent that it covered more than the policy of this Government at this time would justify. Of course, as the gentleman from Ohio said, the policy of the Government at this time is to provide payments in lieu of taxes for the actual costs incurred by the Federal Government when these impacts are placed on the various school districts which in many instances, I must say, are simply unable to take care of the expenses involved.

Now, there was an amendment adopted in the committee that I think I should call to the attention of the House. From the beginning of this law we did have a provision requiring the absorption of 3 percent of the Federal impact in cities having more than 35,000 average daily attendance. Well, there was considerable justification for changing the date of that measurement from 1939 to, I believe it was, 1957. And, the committee did a pretty good job in working that out and in trying to take care of the problems involved with fair play and just treatment. I think the committee did a good job. I thought their action in changing the date was justified. I could not approve and I do not now approve, and I hope the House will not eventually approve, of an amendment which was put in by the gentleman from California in the full committee, which knocks out the 3-percent absorption requirement. I think that is a very serious blow to the bill and will uncork some situations which I think the House may not like very much eventually.

And there was one other situation. There is a change in the rate of payment which will decrease the per pupil payment by $7 each in many school districts, and unfortunately it just happens to hit about 14 Southern States. But, I am not going to fuss too much about that. I do think it would have been better policy and a little bit more considerate of the school districts involved if the committee had just provided that the school districts affected would not for this year receive any less than they did last year.

Mr. METCALF. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Montana.

Mr. METCALF. I want to say to my chairman that I am going to offer an amendment providing that no one shall suffer from this change and that no school district should be paid less for the next year than they have been paid for the last fiscal year.

Mr. BARDEN. I think the gentleman is quite fair in that. Being one of those who has been a little tight on this money situation, frankly I will say to the gentleman, I was not in much of a position to ask that that be done, but at the same

time in the interest of fair play I think it should be done.

Mr. METCALF. I would have offered an amendment in the full committee, but he knows we got into a parliamentary situation where I did not have an opportunity, so I will offer it on the floor.

Mr. BARDEN. I understand that.

I want to call the attention of the House to one other situation. When you are dealing with all of the 48 States and with the thousands of school districts, it is not a very simple problem to work out formulas to take care of even the patently bad situations. But there is one situation in Greenville, S. C., that I wish to speak of that came about in this way. It has been the policy of this committee in the writing of this legislation to do everything we could to encourage consolidation of school districts. Everybody knows that I do not come from Greenville, and I do not even come from South Carolina. But let me say this: Greenville went all the way to do exactly what we have encouraged them to do and what they thought was the right thing to do. They consolidated 82 school districts, and when they woke up and fitted the formula to their actions they found that they had just consolidated themselves out of the whole picture. So there is an amendment that would take care of that. I think every single member of the committee will approve that amendment because, to be frank, it was a little bit embarrassing when we found out what would happen to Greenville.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I wish to take this opportunity to compliment the distinguished chairman of the Committee on Education and Labor, the gentleman from North Carolina [Mr. BARDEN], for his most active support of this legislation since it was adopted in 1950. I happened to be a member of the subcommittee at the time the legislation was enacted in the 81st Congress and have observed the improvement in the school systems in the impacted areas since the enactment of the law.

In the legislation before us today, we recognize the continuing and permanent responsibility of the Federal Government to provide financial assistance in the construction and operation of schools in areas affected by Federal activities, just like we have recognized this obligation since the original law was enacted in 1950. In the case of the so-called category A pupils—children of persons who reside and work on Federal property—the programs are established on a permanent basis. Insofar as the programs relate to children in other categories, the present legislation extends such programs until June 30, 1961, a 3-year period for Public Law 874 and a 2-year period for Public Law 815. Personally, I feel that this is an improvement since there is no necessity to continue to extend legislation where we know definitely that a Government obligation exists in the future.

From the standpoint of providing Federal assistance for the maintenance and operation of the school plant in the impacted areas and providing funds for school construction in such areas, the legislation has been a credit to the Congress. I just wish the Committee on Education and Labor would go a little further in discharging what I think is a duty to the schools of the country in making further improvements.

I am hopeful that we will not pass this bill and let the concern about our schools vanish. In my judgment, the greatest contribution the Congress could make for the general welfare of this country would be to enact a general school construction program.

Mr. Chairman, again I wish to compliment the distinguished chairman of our committee, Mr. BARDEN, for his wholehearted support of this important legislation and for his invaluable assistance in the past in supporting this legislation.

Mr. BARDEN. Mr. Chairman, I wish to thank the gentleman, but this is a problem that is rather unique in that it deals with the impacts created by the Federal Government in all school districts and areas involved that have no way of protecting themselves. The reason that I made the comment that I did about being reluctant to abandon the 3 percent absorption provision was because in these big cities there are tremendously valuable properties; they belong to private corporations and they are taxpaying properties and in some instances tremendous benefits come from the activities; and when the committee took into consideration all those things way back yonder years ago we thought the 3 percent absorption requirement was a perfectly fair and workable proposition. It was adopted and it has stood. Frankly, I think it should stand if we expect to have any semblance of safeguards in the expenditures that may follow.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. DIXON. I wish to compliment our honored chairman of the committee on bringing up this legislation to assist those areas which are impacted by the Federal Government and to assist them in lieu of taxes. It would have been really a calamity not to have extended this legislation. I compliment the gentlemen of the committee on this fine bill, and I hope that it will receive the approval of the House.

Mr. BARDEN. I thank the gentleman.

Let me say to the House that the subcommittee headed by the gentleman from West Virginia [Mr. BAILEY] did a splendid job in the hearings. The matter was considered thoroughly and the committee took ample time to discuss and work out this matter. I do not know of any serious fights on this bill, and there will not be any if the membership sticks to those things that are good for the legislation and keep their eyes on the objectives that we seek by the passage of this legislation. Now, if someone wants to go far afield and disregard the intent of this piece of legislation and disregard the welfare of the people involved and bring in some side issues, why then that is a matter that will have to be settled by their own judgment. I sincerely hope the House will do as it has done in the past several years and reenact this legislation. I think the legislation is justified and it has justified itself. I think the membership are friendly to the legislation. I think they are satisfied with the good that it has done and the good that it will do. Let us pass the bill and continue the good work that it has done. I tell you frankly I would vote for the bill, as it now is, but I think it can be improved. But, if the House exercising its will decides that it does not want to make any changes, it is still a good bill so far as that is concerned.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. RHODES of Arizona. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. FRELINGHUYSEN].

Mr. FRELINGHUYSEN. Mr. Chairman, in view of the brief discussion just held, perhaps I should yield to the author of the bill, the gentleman from New Jersey [Mr. THOMPSON]. But, I imagine in the course of his discussion, he will have a full opportunity to discuss this bill, describe its main features and to join in the general approval which I think we can expect on legislation of this kind.

Before I begin, I should like to compliment the chairman of our full committee, the gentleman from North Carolina, for his consistent support of this legislation and for his excellent description of what we are trying to do in the bill which is presently before us. I should also like to mention the chairman of the subcommittee, the gentleman from West Virginia, who has also played a crucial role in the discussions which led to this particular bill.

I think the Members of the House are well acquainted with the broad outlines of the legislation which is presently being considered. I would like to comment on the background and the scope of these two programs—construction assistance and operation and maintenance assistance. To begin with, under Public Law 815—since the program was established in the fall of 1950, about $720 million has been spent on approximately 3,500 individual projects, which have benefited approximately 1,500 different local school districts.

In that construction effort, which has been made possible in large measure by Federal funds, over a million pupils have received direct benefit, and about 35,000 schoolrooms have been built. In addition to this $725 million of Federal money, about $300 million of local or State money was added to it. It is easy to see, therefore, that there has been a very substantial attack in correcting overcrowded conditions in schools affected by Federal activities.

At the present time applications under Public Law 815 are decreasing in amount, but the same thing is not true for Public Law 874. Since that program was instituted, roughly half a billion dollars

has been spent for operation and maintenance of school districts. In the last year alone over $113 million was appropriated, as compared to $90 million in the 1956 fiscal year. In the last fiscal year, 1957, a total of 3,331 school districts was assisted as compared to, roughly, 2,800 the previous year. This is attributable to a number of factors. In the first place there are new or expanded Federal activities. Second, there has been growth in the number of federally affected children.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I will be glad to yield to the gentleman.

Mr. BAILEY. With reference to the expanded activities, may I call attention to the fact that the legislation and the appropriation authorized by this present session of Congress has been better than half a billion dollars in the defense effort, guided missiles field, and what have you, which will create 46 points of contact that may result in a Federal impact, either through new installations or the revival of existing installations. So that you can see that the problem is an expanding one. I wanted to bring out that point, that that is one of the reasons why the committee decided to make the legislation permanent.

Mr. FRELINGHUYSEN. I thank the gentleman. It is undeniable that the increased activities of the Federal Government will result in a continuing need for assistance of this kind.

The pupils who have been benefited from the operation and maintenance assistance program total approximately 7½ million pupils, or almost one-fourth of all those attending school. In other words this Federal money has been useful, it has recognized the considerable responsibility on the part of the Federal Government.

Almost universally there is acceptance of the necessity for this kind of assistance. The responsibility of the Federal Government is undeniable and very real and continuing. As the chairman of the committee has pointed out, the difficulty is to determine specifically what kind of formulas we should develop. Are there changes in the law which should be made? Should there be contraction of the program or should there be liberalization? In any event, in legislation of this kind there will be inevitably some inequities to the individual school districts which fail to qualify for reasons which they think are insufficient.

We have made an effort to improve, to make certain changes in the existing language of the law, and to correct some of those inequities. In that effort we perhaps have gone too far. As the gentleman from North Carolina [Mr. BARDEN] has indicated, certain amendments may well be considered to improve the legislation. But the basic intent I think is clear. It is to recognize on a permanent basis the Federal responsibility for these children whose parents live and work on Federal property. It also recognizes in a continuing way, though not a permanent basis, our responsibility to those children whose parents either work or live on Federal property, or so-called category A children.

I think the program is a good one. The main danger, as I see it, is whether we may eventually go too far, because we recognize there are needs for which perhaps the Federal Government has some responsibility. I would like to call attention to an example of what I consider perhaps as going too far in this legislation. I call attention to page 33 of the bill, line 16. This language will add a new category of children who will be considered federally connected. I will read:

> Any facility engaged with the modification of aircraft or aircraft engines under contractual arrangements for the Department of the Air Force at an airport which is owned by a State or by a political subdivision of a State.

That language will allow children of personnel employed at a facility engaged in the modification of aircraft engines to be counted as federally affected. In my opinion that is an undesirable addition to the present law. I hope that the amendment, which I assume will be offered, will be favorably considered.

This is a relatively small point, but I think it demonstrates the type of danger that faces us. If we could extend it to those who work for aircraft plants or on aircraft engines, why should we not do the same for Army or Navy contracts? Why should we not consider them federally affected children even though they are not living on the property or are not directly working for the Federal Government?

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I shall be glad to.

Mr. ELLIOTT. The amendment to which the gentleman refers, I am sure he knows would have the effect of making children of parents who work for Hayes Aircraft Corp. in Birmingham, Ala., eligible to be counted for benefits to the school which they attend.

The situation, Mr. Chairman, if the gentleman will yield further in this connection, is that these children were covered up until 1 year ago at which time the airport where the Hayes Aircraft Co. is modifying military aircraft for the Department of the Air Force reverted to municipal control.

The situation is that the children were eligible up until the time the airport reverted to municipal control, but in the control agreement the United States Government, acting through the Air Force, has the power to take over the facility again at any time within a period of 10 years. It seems to me, I would like to say to the gentleman, inequitable and unjust under such a state of facts to deprive the local school district which, by the way, is not in my Congressional District, to deprive the local school district of the benefit it was receiving for these same children up to 1 year ago.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. BARDEN. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. ELLIOTT].

Mr. ELLIOTT. Mr. Chairman, I yield to the gentleman from New Jersey [Mr. FRELINGHUYSEN] to further discuss the matter if he cares to.

Mr. FRELINGHUYSEN. Mr. Chairman, I thank the gentleman for yielding to me.

I think the gentleman has demonstrated one of the reasons for my hesitation about the advisability of this provision. If we accept language to benefit one particular school district because of a particular set of circumstances, there will be other moves which almost inevitably will lead to a major broadening of the scope of this legislation. By following the same reasoning, we will surely make many other districts eligible which now cannot qualify.

If we allow the modification of aircraft engines on municipally owned land to result in a determination that the children of the employees of that activity are federally affected, we can use that same argument for vastly expanding the eligibility of children who are presently excluded. The fact that the children in Birmingham previously have been included does result in a hardship, I admit, and the gentleman's argument was very persuasive in committee. Nonetheless, I am hopeful that the House weigh seriously the advisability of a modest extension to correct a specific inequity in one school district if as a result we establish a precedent which will vastly increase the number of districts which can get Federal aid.

Mr. ELLIOTT. I have been most interested in this legislation from the beginning. I actively supported it when the bighearted and determined gentleman from West Virginia [Mr. BAILEY] first sponsored it in 1950. I have supported it ever since. I have supported all or nearly all the amendments that have been recommended by the committee to the House through the years.

This is good legislation. Nationwide it has stimulated and contributed heavily to the building of a better school system for America.

Last year our Government expended $107 million for maintenance and operation of schools in districts that received a sufficient Federal impact to qualify under the law. In addition, during the past 2 school years, our Government spent $87 million for construction in school districts that could qualify.

I think the legislation before us today, as the gentleman from Montana [Mr. METCALF] proposes to amend it, will give us the best bill we have ever had in this field. The gentleman from Montana [Mr. METCALF] all along has taken a special interest in this legislation. He has worked hard on it and has done a fine job. For his splendid work, he is entitled to the thanks of the entire House and of the country.

Under Public Laws 815 and 874, our Government has already expended a total of more than $1,200,000,000. The construction done under this law has benefited more than a million children. The Federal Government has spent some $727 million for construction, and local communities have added sufficient funds to bring the total for construction to more than a billion dollars.

Last year, Alabama received $2,872,321 for maintenance and operation of its schools under this program. Schools benefiting are located in Huntsville, Montgomery, Selma, Sylacauga, Talladega, Ozark, Anniston, Tuskegee, Enterprise, Bay Minette, Troy, Decatur, Tuscumbia, Mobile, Ashville, Dothan, Sheffield, Russellville, Florence, Jacksonville, Piedmont, Florala, Columbiana, Guntersville, Heflin, Phenix City, Athens, Ashland, Elba, Wetumpka, Scottsboro, Centre, Oneonta, Tarrant City, Gadsden, Andalusia, Prattville, Rockford, Atmore, Clanton, Cullman, Moulton, Attalla, Geneva, Opelika, Wedowee, and surrounding areas.

Mr. RHODES of Arizona. Mr. Chairman, I yield 5 minutes to the gentleman from Delaware [Mr. HASKELL].

Mr. HASKELL. Mr. Chairman, I rise in support of H. R. 11378. This legislation should be passed if we are to recognize the responsibility of the Federal Government to provide financial assistance in the construction and operation of schools in areas affected by Federal activities. A major change in this legislation is the recognition that in the case of category A pupils—children of persons who reside on and work on Federal property—the Government has a continuing responsibility.

For the first time, this legislation recognizes that responsibility on a permanent basis and provides for assistance. And there is full justification for Federal help in this area. Those persons who live on and work on Federal property will, in many cases, be sending their children to public schools, but the local community receives no compensation from those parents in the form of taxes on real estate since the families reside on tax-exempt, federally owned property. It, therefore, becomes the responsibility of the Federal Government to lend assistance. And such assistance should be made a matter of permanent Congressional policy.

Regarding all other children, this bill provides for extending Public Law 874 for 3 years and Public Law 815 for 2. In my own State of Delaware, we have a huge military installation at Dover, which employs people who live in many of the surrounding towns. Delaware's total net entitlement under Public Law 874 in fiscal 1957 was $131,887. This money was used to help the local communities bear the burden of increased school costs brought on by the Federal activity in the area. These funds were essential.

There has been from time to time a great deal of criticism about Federal interference in State matters. In some areas, I would agree with those critics, but in this particular area, in this piece of legislation, I feel the Federal Government is fulfilling an obligation to the various school districts and should be required to do so.

There are certain sections that I would like to see changed in this bill, but in terms of the total impact of the bill, they are relatively inconsequential to the bill and I urge its passage.

I yield back the balance of my time.

Mr. BARDEN. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. THOMPSON].

Mr. THOMPSON of New Jersey. Mr. Chairman, I am particularly glad that the distinguished chairman of the full committee said some of the things which he did about this legislation, and that my colleagues on the other side of the aisle, particularly the gentleman from New Jersey [Mr. FRELINGHUYSEN], stated the same sort of things.

Those of us who believe in Federal aid to education in other areas can at least get some solace from this measure, which does, in fact, recognize a previously unanimously approved Federal responsibility for the education of the children of those who work for the Federal Government, who are in a sense foisted upon the 3,300 school districts in the country which receive money under Public Laws 815 and 874. I think it is safe to say that without Public Laws 815 and 874 the educational systems in these school districts would be in a state of complete chaos, because, as is said so many times, the Federal Government is, in most cases, an uninvited tenant of the community; the Federal Government comes in and takes taxable property off the local rolls and brings hundreds and thousands of people and their children to the communities. And those children must be educated.

This particular legislation, which, through the courtesy of the members of my committee—and I am extremely grateful to them for it—bears my name, evolved out of a peculiar set of circumstances this year. In an obvious attempt to balance the budget, the administration proposed that, in fact, Public Laws 815 and 874 be scaled down yearly and go out of existence in 1963.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Chairman, I hesitate to interrupt the gentleman in his discussion, but it seems to me an unfair description regarding the administration's position to say that the proposed contraction of the program was in an obvious attempt to balance the budget. The dollar amount involved is very small. As I understand, the basic reasoning of the administration's proposal that there should be some curtailment of this program was——

Mr. THOMPSON of New Jersey. Well, there was to be curtailment, I will say. And, I am not here to make a political speech, and I am sorry if I have offended you. I am here, however, to state the facts.

The dollar amount is emphatically not small. Two hundred million dollars a year is no small amount. The administration proposed that this amount be cut 20 percent per year until 1963, when the law was to expire. It was an ill-considered and unsubtle economy move.

Mr. FRELINGHUYSEN. There was to be an elimination of part of the program.

Mr. THOMPSON of New Jersey. If my learned colleague from New Jersey will allow me, in my colloquy with Mr. Richardson, the Under Secretary, I asked whether this involved a new definition of "impacted," and he said, "Oh, yes." I asked him whether he had statistics to prove his case, and he said unfortunately he did not. I asked further where this concept originated that he came to our committee with, namely, that after the children were in the community for a certain period of time the impact dissolved because of the contribution by their parents in spending and for other purposes in the community. This was the essence of the administration argument. It was not valid.

Mr. FRELINGHUYSEN. How would the gentleman feel about an employee of the Federal Government who owns taxable property? Is he a burden on the community while a non-Federal employee would not be?

Mr. THOMPSON of New Jersey. In my opinion, he is not, unless he works on Federal property which has been taken off the tax roll. Now, if I may finish my statement, I will yield later.

Mr. FRELINGHUYSEN. It is not because there is land taken off the tax roll which creates an obligation; not that a property owner is working for the Federal Government. In many cases land is taken off the tax rolls in a district other than the school district where the children are going to school. And yet the school where the employee resides gets the benefit.

Mr. THOMPSON of New Jersey. I hesitate to offend my friend, but I decline to yield further at this point.

This legislation for the first time acknowledges the Federal Government's permanent responsibility for the category A students. Those are students of persons who both live on and work on Federal property. About this there was complete unanimity, and I am delighted that it has come to the point where it is recognized. This concept which the committee has adopted for the first time this year is carried through the legislation. It is an historic step in legislative history.

It is evident in the fact that in another liberalizing amendment, category A students shall be counted and paid for as A students wherever they are for the first time. Heretofore, for some unexplainable reason—in order to qualify school districts with a preponderance of B pupils, with some A's, could count the A's in order to qualify, and then they would pay for the A students at the B rate. That will no longer be the case and those Members who have impacted school districts in their Congressional Districts will be glad to be able to report to their school authorities that they will now be paid for A's at the A rate all the way through.

This, as my colleague from New Jersey [Mr. FRELINGHUYSEN] said earlier, is relatively old hat in the form of legislation. It is in its eighth year.

The section-by-section analysis is difficult. Those who have spoken previously have explained the major amendments. I am in agreement, however unfortunate the situation in Montgomery,

Ala., is, that unless each and every district so impacted could be taken care of—and this would involve considerable research and expense—that this amendment should be eliminated.

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Alabama.

Mr. ELLIOTT. Is the gentleman's reference to the amendment having to do with Birmingham, Ala.?

Mr. THOMPSON of New Jersey. I meant Birmingham.

Mr. ELLIOTT. Is it the gentleman's purpose, and did I understand the gentleman to say that he would offer an amendment to strike out the language that would benefit the children of parents who work for Hayes Aircraft Co. in Birmingham?

Mr. THOMPSON of New Jersey. No, the gentleman did not say that and he will not, but he would support such an amendment. The gentleman from New Jersey has an identical situation in his Congressional District and would like to see this if only yours and mine could be taken care of. But unfortunately it would involve tremendous expense in Western States and elsewhere.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the dean of our New Jersey delegation.

Mr. WOLVERTON. Mr. Chairman, I wish to commend the gentleman, my colleague from New Jersey, for the interest he has taken in this very important matter. He has, during his term in the House, given it much consideration. The present bill, which is based on that which he has introduced, takes into consideration the changing conditions and, in my opinion, is sound and well considered.

The subject of education is too important to permit any phase of it to go unnoticed and the necessity to help municipalities which have had a great influx of workers due to Federal activities has been apparent for several years. In some instances this has created conditions that have made it difficult for local governments to meet the increased cost without a burden of taxation that is prohibitive. The purpose of this bill is to financially assist such areas. The bill is entitled to have the full support of this House.

Mr. Chairman, I congratulate him upon the success he has had in having this bill voted out, and also commend the committee and its chairman for the fact that they have given consideration to this well-intentioned, well-thought-out bill introduced by my friend from New Jersey.

Mr. THOMPSON of New Jersey. I thank my friend, the dean of our New Jersey delegation.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, first I wish to compliment the distinguished gentleman from New Jersey; but I wonder if I understood the gentleman correctly when he stated that he would support a certain amendment. That amendment to which he referred I take it concerns the so-called flight training schools. I want to say to the gentleman that it is my information there are only 12 or 13 of those schools in the United States where the airports are owned by the municipalities. I feel it would be a grave injustice to discriminate against them.

Mr. THOMPSON of New Jersey. The gentleman was not talking about the flight training schools. The gentleman was talking about the peculiar circumstances in which aircraft modifications are undertaken on municipally owned property for the Federal Government.

Mr. LANKFORD. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield.

Mr. LANKFORD. First, Mr. Chairman, I want to congratulate our colleague, the gentleman from New Jersey, on this legislation which I wholeheartedly support. I would like to refer to the colloquy the gentleman just had with his colleague from New Jersey [Mr. FRELINGHUYSEN] and ask if this is not his understanding, and if this is not correct, that in many instances the installations of the Federal Government take the place of what would normally be tax-producing commercial and industrial plants. That is where the impact comes, and whether the federally connected worker owns his own home or not, we all know full well that the taxes that are paid by private homeowners on their homes do not pay for the school facilities for the children. The taxes paid by industrial plants and industry generally constitute by far the major source of such tax revenue as is necessary for school construction.

Mr. THOMPSON of New Jersey. The gentleman from Maryland is quite right. That is the theory and the fact. This is simply compensation for the impact created by the Federal Government. Further, in this legislation there are other amendments and one of which I am particularly happy to see in the bill makes a significant change in the treatment of Indian children. This was a matter of considerable interest to a number of Members. The distinguished gentleman from Montana [Mr. METCALF] caused its introduction into this legislation.

The legislation itself has been codified and rewritten and except for minor matters referred to by the chairman of the full committee, I think it is much improved legislation. It, among other things, makes the terminal date for both Public Law 815 and Public Law 874 the same so that it will enable us to have a periodic examination of the need for the Federal Government to continue its support for the category B and C children.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. RHODES of Arizona. Mr. Chairman, I yield such time as he consumes to the gentleman from Maryland [Mr. HYDE].

Mr. HYDE. Mr. Chairman, I strongly urge the passage of the bill H. R. 11378 which continues the programs providing financial assistance for the construction and operation of schools in federally impacted school districts. This program means a great deal to the State of Maryland since we have so many Federal activities. Fourteen out of the 24 school districts are qualified for assistance, under the law. Our school population has literally exploded since the law was first enacted in 1950 and in spite of increases in our school taxes on the local level, we cannot keep up with the classroom demands.

This legislation will provide some relief to the local governments who, of course, provide the needed facilities and who do not receive any reimbursement from the Federal Government for installations located within the area in the way of taxes. The Federal Government evades its responsibility as an employer in a community when it refuses to pay its fair share of the cost of local government. As an employer in a community it gets the benefit of all local government services. If it can evade this responsibility by arguing that it provides good salaries for the people who work in the community, a private employer should be relieved of taxes on the same basis.

Under the school construction and maintenance laws the three qualifying counties in my Congressional District—Frederick, Montgomery, and Washington Counties—received in the neighborhood of $3,800,000 last year. These counties have been unable to catch up with the tremendous building program caused by the sudden influx of children of Government families since World War II. It seems to me unthinkable that this program should be curtailed or ended at this time. We must give it overwhelming support.

Mr. PORTER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Chairman, the people of my District, the Fourth Congressional of Oregon, favor legislation granting relief to school districts which have been impacted by the activities of the Federal Government.

They are familiar with Public Laws 815 and 874 which provide construction and maintenance and operation assistance. Schools in Oregon, for example, had an entitlement of $959,503 in combined categories A and B during fiscal year 1957 under Public Law 874.

But more interesting to me is the separating of the A and B categories. The A category totals $106,402; the B total is $853,101. And 110 school districts participated.

In my District, under Public Law 874, 31 school districts qualified. Their A category total was $5,817. The B total was $351,207.

I believe this legislation which proposes to make permanent the A category pupil, whose parents live on and work on Federal property, is desirable. The sample figures I have quoted indicate that category promises only a small portion of the total.

I certainly believe that legislation extending B and C category children until

1961 should be approved. A principal objection to the elimination of the B category, the children whose parents live on or work on Federal property, is that such situations will increase in all likelihood. Let me state for the RECORD, Mr. Speaker, that I discovered a considerable amount of ill feeling toward the administration's thinking that these two laws could be curtailed when I was visiting in the district.

Throughout the district, educators and parents seek the extension. In many school districts 50 percent or more of the students have parents engaged in Government activity.

The county of Jackson last year received $36,000 from the two laws. Nearly half of the county land is owned by the Government. Statistics show that 46.4 percent of the county is owned by the Bureau of Land Management or the United States Forest Service.

Jackson County School Superintendent Alf B. Mekvold tells me forest receipts last year were $2.74 per pupil while the education cost per pupil, excluding building outlay, was $474.18. Without A and B category relief, the county obviously would lose assistance it needs to help meet obstacles it did not establish.

Throughout my district, the story is similar. Tiller District in Douglas County is made up primarily of Government land. The parents of 50 percent of the students attending Tiller School work on forest lands and live on private land with little tax valuation.

Mapleton public schools in Lane County are in a district that is 66 percent Forest Service land. The Oakridge School District in the same county has a greater student load because of a nearby public works project.

Mr. Chairman, I see H. R. 11378 as the first step of a Federal program of aid to education this year. School construction and maintenance under H. R. 11378, I believe, advances positive means by which we can, one, bolster economy; two, relieve classroom crowding; three, stimulate better education through improved surroundings.

Mr. RHODES of Arizona. Mr. Chairman, I yield such time as he may consume to the gentleman from Kansas [Mr AVERY].

Mr. AVERY. Mr. Chairman, I arise in support of H. R. 11378 now under consideration by the Committee. This bill would extend benefits provided under Public Law 874 to certain school districts offering educational facilities to dependents of persons who are in the employ of the Federal Government or are members of the Armed Forces.

My position on the issue of Federal aid to education is clear to Members of the House. I have voted against, or was paired against, that type of Federal aid to schools on each occasion that it has been before the House. Fundamentally, I believe that education is a local responsibility and that the cost of education and philosophy of education should be reserved for the States and more particularly to the local communities and school districts.

The impact of Federal institutions and facilities on a school district was not recognized for many years as being a responsibility of the Federal Government. Because of the rapid increase of such facilities during World War II and the concentration of these facilities, especially defense installations in a restricted area, the resulting educational problem immediately became an undue burden for the local interests and was then recognized to be a matter of Federal responsibility the same as any other burden that is placed on a local community by the Federal Government. It was anticipated when the original statute was passed that this educational burden would dissipate or would be assumed by the local district. Had our defense installations continued to be dismantled as they were following World War II possibly the original premise, that this burden could be locally assumed, would have been feasible. We all know now, of course, that the outbreak of the Korean war brought a renewed effort by all such Federal installations and therefore the burden of providing educational facilities continued to be unreasonable to the local areas providing such educational facilities.

If these defense or other Federal installations assumed their fair share of the local tax assessed valuation, then of course there would be no justification for legislation of this type. Since these installations do not carry a tax responsibility the provisions of Public Law 874 actually state that the Federal Government recognizes their responsibility and will provide such assistance as is reasonable to these impacted areas by virtue of this legislation rather than the conventional responsibility of ad valorem tax.

Yes, of course, my District participates in the benefits authorized under Public Law 874; since the First District of Kansas does contain a considerable number of Federal installations, the benefits are quite important. More precisely it is estimated that the First Congressional District will receive, in lieu of taxes for this year, the amount of $848,039.48. Quite naturally Shawnee County, containing several Air Force installations as well as the usual Federal offices located in the State capitol, receives a substantial portion of this allotment. Also participating from benefits under this public law is Leavenworth, Riley, Jefferson, Pottawatomie, and Clay Counties. These amounts range from slightly in excess of $6,000 for Jefferson County up to $356,000 for the above mentioned county of Shawnee.

When we go back into the House Mr. Chairman, I am going to ask permission to insert quotations from interested persons in my District urging prompt and favorable consideration of this important legislation. I sincerely hope the committee will act favorably at the conclusion of this debate this afternoon.

I include the following letters:

BOARD OF EDUCATION,
Topeka, Kans., January 21, 1958.

The Honorable WILLIAM H. AVERY,
House of Representatives,
Washington, D. C.

DEAR MR. AVERY: Very soon, if they are not already engaged in it, I understand the House Education Subcommittee will begin public hearings on the matters of extension and modification of Public Laws 874 and 815.

Although our Topeka School District No. 23 has never qualified for any assistance under Public Law 815, we have seen nearby smaller school districts in the last 4 or 5 years receive major assistance from that source. Without that assistance those districts would still be struggling with an almost insurmountable financial problem to provide housing for the heavy impact of school enrollment that has taken place in their districts. So, although we in Topeka are not directly affected, we would urge that Public Law 815 be extended and that the benefits now provided by the law not be diminished.

As for Public Law 874, our Topeka schools for the 1956–57 school year qualified for an entitlement of $127,000. Our major source of support for public schools in Kansas, as you are aware, is the ad valorem property tax. The assessed valuation per pupil in our school district, because of greater numbers of schoolchildren, has been decreasing steadily year after year for the past several years. This has been offset to a great extent by increasing the rate of levy. Failure to extend Public Law 874 or action on the part of Congress to cause any major decrease in the benefits from that source will only increase the burden on the ad valorem taxpayer and will further intensify the problem of the schools to finance reasonable budgets for operation. I strongly urge the extension of Public Law 874 and without reduction of present benefits.

Of the proposed changes in extending Public Law 874 I refer you to the one to "reduce the 6 percent qualifying requirement for large schools to 3 percent the same as for smaller schools." It seems to me such percentage should be the same for all schools.

Very truly yours,

T. A. KERR,
Business Manager.

MANHATTAN, KANS.

Representative WILLIAM AVERY,
House Office Building,
Washington, D. C.

DEAR REPRESENTATIVE AVERY: I understand that the program of Federal aid for schools in federally affected areas is up for renewal this year. Is it correct that an administration proposal would restrict this aid only to instances where the Federal personnel both live and work on Federal property?

Does this mean that the Manhattan schools would receive no aid for children of Tuttle Creek workers or for the children of Army personnel from Fort Riley who live in Manhattan?

If so, this seems unfair to a school district like Manhattan which experiences a considerable increase in enrollment because of Tuttle Creek and Fort Riley.

I would appreciate some more information on this matter.

Sincerely,

LEONA VELEN.

LEAVENWORTH, KANS., *January 25, 1958.*

Hon. WILLIAM H. AVERY,
United States Representative.
House of Representatives Building,
Washington, D. C.

DEAR REPRESENTATIVE AVERY: It has been called to our attention that with the expiration of Public Law 874 as of June 30, 1958, there is a possibility some drastic changes might be made in the law affecting federally affected areas pertaining to school aid.

Our board of education, city of Leavenworth, urges you to use every effort to see that the school aid as given under Public Law 874 continues in its present or similar form inasmuch as the school district of the city of Leavenworth, without the aid from

Public Law 874, would find itself in a position where drastic cuts would be necessary in order for the schools in the district to operate.

Here are some of the facts as to how it would affect the city of Leavenworth if aid was cut to school districts residing in or near federally affected areas:

At the present time we have enrolled in the city of Leavenworth public schools 126 children who would classify as 3 (a) children under Public Law 874 who reside on Federal property and parents work for Federal agencies. We have enrolled 1,606 3 (b) pupils, whose parents are employed on Federal property but reside in the city of Leavenworth. This makes a total of 1,732 pupils whose parents are employed on Federal property out of a total of 3,800 children or about 46 percent of the school population come from families who are federally affected or employed on Federal Government property. Under Public Law 874 the amount of entitlement is based on average daily attendance of pupils. The total average daily attendance is 5 to 10 percent lower than the total students enrolled during the year.

Last year, that is, for the year 1956–57, there was a total of 1,758 children out of a total of 4,031 who were federally affected enrolled in Leavenworth public schools. Percentagewise, approximately 44 percent.

The estimated cost per pupil in the Leavenworth system is approximately $312.65. The local contribution rate through which the funds for Public Law 874 are distributed at the rate of $185.25 for those who reside on Federal property and also work on it, and $92.62 for those students whose parents live in Leavenworth and are employed on Federal property. As you can see this does not begin to pay for the cost of students, but we do get some State aid to make up part of the balance. We estimate that the high per pupil cost in Leavenworth is partly due to the rapid turnover of federally affected children. Some are here for only 4½ months, some for 1 year, some for 3 years or longer, depending upon the length of the course the parent is taking at Fort Leavenworth or the movement of employees at Wadsworth or the Federal penitentiary.

Our enrollment in Leavenworth during the last 10 years has increased one-third from 2,688 on September 1947, to 3,800 in September 1957, a total increase of 1,112 students. From the information we have received, the Federal activity will increase at Fort Leavenworth, which will increase our enrollment and our school problems. It seems, at this point, that activity at both Wadsworth Veterans' Administration and the Federal penitentiary will not decrease.

The budget for the school district this year is approximately $1,136,000, of which we have estimated we will get approximately $110,000 from Federal funds under Public Law 874. As you can see, about one-tenth of our budget is derived from Federal funds under Public Law 874. Our total expenditures have doubled during the past 8 years from $554,802 in 1950–51 to approximately $1,136,000 in 1957–58.

The mill levy for the school district, including the total in the general and building funds and special high school fund, bond, and interest, teacher annuity and special education and special building fund, amounts to 34.34 mills and add to that the county high school levy of 6.43 makes a total school ad valorem levy against tangible property of 40.77 mills. As you can see we have just about hit the limit as to the amount of money we can raise from local taxation. During the past 10 years the board of education has issued bonds to build 6 school buildings amounting to $2,700,000 and an additional approximately $300,000 was spent for equipment, making a total of approximately $3 million in bonds being issued by the board of education of the city of Leavenworth, Kans., in the past 10 years to provide housing for children in our schools. Of that amount the Federal Government supplied $17,914 to aid in building a high school ROTC building and we have been unable to qualify for any other Federal aid under Public Law 815 due to a technicality in the law, since the law was designed to help federally affected areas having rapid growth due to war activities after 1939. As you know, Leavenworth has lived with this thing for over 100 years. Therefore, we could not show a large enough percentage gain to qualify for any of the building that we desperately needed. In spite of that, the board of education went ahead on its own and taxed the local taxpayers the full amount allowed by law for building purposes, hoping that the Government might help some in the instructional end which they have done up to this point. The board of education still has $950,000 in bonds to sell from the last bond issue, the levy of which has yet to appear on the tax roll mentioned above. This is about all the local taxpayers can take.

At the present time we are building a $1¾ million high school and at the same time some of our grade schools are so crowded that we have to have classrooms in the auditoriums, activity rooms and in hallways, and it is impossible for the board of education to issue bonds since they have reached the limit provided for in the law.

If the Federal Government did withdraw the aid to federally affected areas it would mean that there would have to be reduction in personnel or in salaries paid to teachers. It appears, although it is not final, that for the first time since salaries started to increase back in the late thirties that the board of education will be unable to increase teachers' salaries this year which comes at a time when people are taking a new look at the schools and are demanding better performances by the teachers and better qualified teachers. This will put the school district in a position where we may lose some of our better teachers to other schools who are increasing salaries and discourage other teachers from remaining in the teaching profession.

We hope that you will use every effort that you can to see that no reduction is made in the amount of money available to schools that qualify under Public Law 874.

If we can furnish you any correct information as to how this will affect our schools we would be very glad to help you. All you need to do is to drop us a note.

Yours truly,

E. PAUL LESSIG,
Business Manager-Clerk, Leavenworth Board of Education.

Mr. RHODES of Arizona. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Chairman, I take this time to ask a question, if I may, of our distinguished chairman of the committee, the gentleman from North Carolina. I ask this question of the chairman for the purposes of clarification. I see in the report, on pages 12 through 31, a discussion of the Davis-Bacon Act and the predetermination of wage rates and other wage matters. I simply want to ask the gentleman, not finding the answer to this in the bill itself, has the Davis-Bacon law been changed in any way in this bill from its past use?

Mr. BARDEN. Not at all. It is the same thing. The Davis-Bacon Act has been changed only by the administration of it and then it has been changed in the wrong direction. But, the same law applies under this bill as applied in the original law.

Mr. ALGER. If I understand the gentleman then, the Davis-Bacon Act still does not permit any court review or judicial review of the Secretary of Labor's final decision of wage rates when it comes to that; is that correct?

Mr. BARDEN. Regretfully, that is true.

Mr. ALGER. Is this a further violation, would the gentleman say, of our States rights to set their own local wages and local bargaining?

Mr. BARDEN. Let me say to the gentleman that this is one provision I accepted in the law which I did not particularly care for—as a matter of fact, I did not like it a bit, to be frank about it. But, I will say this to the gentleman, that the Davis-Bacon Act certainly needs some overhauling. There is no question about it. The administrator has gone so far afield that it completely ignores the States or anybody related to the school system as to any existing actual facts about labor rates, and they completely ignore local labor rates and go, perhaps, 100 miles away to find rates that somebody recommends to them.

Now that is the situation, and I regret it. But the Davis-Bacon Act is a part of this law and is administered by the Secretary of Labor as he administers it in connection with other laws.

Mr. ALGER. I thank the gentleman. I share his concern about the use of Davis-Bacon in these communities. After studying this I am disappointed by the broad coverage and loss of local and State jurisdiction.

Mr. BARDEN. We did not amend the Davis-Bacon Act in this act. We simply include the Davis-Bacon Act in this act. The Davis-Bacon Act is the same as it has been all the time.

Mr. ALGER. I understand, and therefore all the same faults are included in this bill, in violation of our present States rights.

Mr. BARDEN. I am bound to agree with the gentleman.

The CHAIRMAN. The time of the gentleman from Texas [Mr. ALGER] has expired.

Mr. RHODES of Arizona. Mr. Chairman, I yield such time as he may desire to the gentleman from Utah [Mr. DIXON].

Mr. DIXON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. DIXON. Mr. Chairman, I rise in support of this legislation.

The bill makes permanent Federal aid for buildings and school operations to districts for children who live on and whose parents work on Federal property—category 1.

It extends until 1961 aid for buildings and school operation for children who live on or parents who work on Federal property as well as for children whose parents work in defense plants.

The measure recognizes the continuing and permanent responsibility of the Federal Government to provide financial assistance in construction and operation

of the district's children in category 1. This takes some uncertainty out of budgeting.

It liberalizes the laws that are expiring by eliminating redtape and the routing of applications through at least four departments of the Government by inviting districts to accept payments for Indian education without forfeiting payments under the Johnson-O'Malley act and by interpreting Federal property more liberally.

It tightens restrictions on the other hand by removing the escalator effect of the law that is expiring in increasing the amount of money per pupil. Under the new law this amount for 1958–59 was $144.37. Under the old law it was $151.40.

The threat to eliminate categories 2 and 3, on the assumption that the need for Federal aid for impacted school areas was rapidly declining, was extremely upsetting to Utah school districts. For example: San Juan County had 17 percent of its school population eligible in 1951 but 49 percent in 1956. Tooele County 56 percent in 1951 and 53 percent in 1956; Davis County 37 percent in 1951 but 41 percent in 1956.

Furthermore, entirely new military plants are being established in northern Utah, the impact of which has hardly been felt. The Utah State Society of Superintendents were so concerned about the proposed changes in aid for federally impacted districts that they sent two of their representatives, Superintendents Sam Morgan of Davis County School District and Sterling Harris of Tooele County School District, to testify before the subcommittee when H. R. 11378 was being formulated. They showed, for example, that under Public Law 815 Weber County had received $3,072,558 since 1950 and $2,349,875 from Public Law 874. For the same period, Ogden City had received $1,526,104 under Public Law 815 and $1,067,565 under Public Law 874.

Four of the small county school districts had received for buildings alone, $1,095,276 and for school operation, $2,075,766. There is little wonder that these superintendents and boards of education expressed great anxiety at the threat to delete categories 2 and 3, because under category 1 alone, these districts would have received very insignificant amounts.

Inasmuch as some of these districts were already taxed to the maximum limit of the law and depending upon an expansion of the expiring acts, they naturally will be thrown into great confusion if H. R. 11378 is not approved.

I commend the committee for its careful work in drawing up this measure and express the hope that the House will approve the committee bill.

Mr. RHODES of Arizona. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, I rise in support of H. R. 11378. I would like to congratulate the chairman of the subcommittee, the gentleman from West Virginia [Mr. BAILEY] and the members of his subcommittee for the deep interest they have taken in this subject, and the consciousness they have demonstrated in bringing this bill before us at this time.

There are many school districts in this country that are waiting anxiously for us to take action upon this legislation so that they may be able to prepare their budgets for the next year accurately and properly, knowing exactly what funds they may be entitled to from Federal sources, which this bill will provide.

I do not think there is any question but that the Federal Government does have a clear responsibility to the school districts in these impacted areas. In the district I represent the Travis Air Force Base is located, and it affects two local school districts and a number of surrounding districts. One of those districts, Crystal Union school district, has 1,360 school youngsters, of which 1,188 are youngsters whose parents work at the Travis Air Force Base. That means that 87 percent of the youngsters attending that school are from federally impacted families. It would be impossible to conceive of a situation where the burden of educating those 87 percent of youngsters would be forced upon the remaining 13 percent of families who live in the surrounding area on private property. It would be impossible for 13 percent of the families to pay for the cost of educating all of the children in those schools.

There is another small school district on the other side of the same base, Center School District, which has only about 30 farm families in it, and at the present time there are 500 Capehart housing units being built at the base, of which about 400 will be in this small school district. Once again it would be impossible to conceive of forcing the burden of educating the children of 400 additional families upon 30 farm families who live in that district.

I join with others who have stated that there is a clear responsibility on the part of the Federal Government in these areas. When a family has its wage earner working on a Federal installation, in my opinion there is a definite reduction in the potential tax base in such a community. There is no diversity. There is no well-rounded tax base in such a community as there is in a community where there may be various industries and businesses that may be paying taxes.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield.

Mr. HOSMER. I represent a district which is impacted by federal activities and from the experience of this district I would like to second everything the gentleman and other Members have said on behalf of this bill today. I hope it will be passed, and passed without crippling amendments.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from California.

Mr. TEAGUE of California. I, too, of course, am very much interested in the passage of this legislation and I want to join the others in commending the members of the very fine subcommittee which brought out this bill for our consideration today.

I have 10 major military installations in my district. Actually I am very much concerned about the effect, the vitality, the essentiality of this legislation. I have every confidence it will be adopted by the House.

Mr. BALDWIN. I thank the gentleman.

Mr. Chairman, I am particularly pleased to see that the Committee has now established this legislation as permanent legislation for category A children and has made an extension for at least 3 years for category B children. I think this is a step in the right direction, for the many school districts involved will now have a greater sense of security in making their plans for future years.

Mr. RHODES of Arizona. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. Mr. Chairman, the bill now under consideration provides funds for schools in areas where the pupils of a school are of parents who live on Federal lands which are exempt from taxes or whose parents work in military establishments.

Without the aid provided by this bill, many school districts would suffer financially and be unable to maintain the high type of curriculum desired and needed.

I supported, by my vote and my voice, the first bill of this kind when it was considered and passed 8 years ago. I have supported, each year, the renewal of this legislation. I am satisfied from my talks with educators throughout my district that this is good legislation and that it has worked well and effectively to strengthen the school system of my Congressional District. I, therefore, intend to vote for this bill today. I, also, will vote against all crippling amendments that might endanger the passage of this bill.

Mr. RHODES of Arizona. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Chairman, I rise in support of the bill H. R. 11378 which proposes continued financial assistance in the construction and operation of schools in areas affected by Federal activity.

I am directly opposed to the plan which would reduce Federal funds for the programs of Public Laws 815 and 874. Federal assistance to these impacted areas is merely a formula by which the Government meets only a portion of its moral obligations to the communities in which it is operating. Most emphatically this is a problem and a responsibility which the Federal Government must continue to recognize.

As I stated during the hearings on this matter, a decrease in Federal aid to school districts affected by Government activities at this time is not reasonable. Education is widely recognized as a vital factor to the Nation's readiness for the crucial times ahead—certainly this is no time for the Federal Government to withdraw from a field where it is directly

responsible for creating tremendous burdens.

The Federal Government for several years has recognized its responsibility to help build and to help finance the operation of schools where its own programs have swelled enrollments. This responsibility is a continuing one. It is a responsibility especially necessary where large Government agencies are being relocated. Such a relocation is the move of the Central Intelligence Agency to Virginia. This move, for instance, will bring thousands of families with children to my district, and will create a tremendous burden for the school system in Fairfax County, particularly.

In that one county alone, the school population each year now increases by 5,000 pupils. The Fairfax County school board, which recently reported to the Committee on Education and Labor, is justly proud of the manner in which the county has provided classrooms needed by the swelling school population, and has made substantial gains also in teachers' salaries. The operating outlay per pupil has risen from $159 per pupil, 1950, to $275 per pupil today. Similarly, the teacher who joined the staff at $2,500 in 1951 is now drawing $5,000, or twice as much. For school construction alone in Fairfax County $55 million has been spent on new school plants since 1950. Of this amount, the State of Virginia has provided less than $2 million and the Federal grants under Public Law 815 have provided $9 million, but the people's own current taxes and borrowing have provided more than $40 million. The county school board is therefore able to report that for every dollar the county has drawn from Public Law 815 funds, Fairfax has provided almost an additional $5, even though about one-half the youngsters are federally connected. And, because the county must provide for 4,500 to 5,000 additional youngsters every year, the Fairfax County school board has said: "If we let up, if we fail to build 2 classrooms every 3 working days of every year, we are lost."

I think this county has a splendid record, and I agree with the county board members when they say:

> It has been said, often and well, that education is primarily a State and local responsibility. Fairfax County certainly is carrying the primary responsibility for its schools. Yet, where the Federal Government itself is imposing major new costs on a community, while at the same time removing land from the local tax base, then it seems only fair that the Federal Government accept responsibility for at least a part of the new costs it is creating for the locality.

A similar situation exists in Falls Church where the efforts to meet the need for public schools have been considerable also. Figures cited by the superintendent of the Falls Church public schools show that the assistance to the schools under Public Laws 815 and 874 is essential to the maintenance and improvement of the educational program required to meet present-day demands. Some measure of the Falls Church efforts can be understood from the fact that for every dollar received from Public Law 815 more than $4 have come from State and local sources. For the current fiscal year, it is reported that 73 percent of the money raised by taxation in the city goes to schools. In spite of this, the funds urgently needed for facilities are reportedly nowhere in sight at the moment. Obviously, any reduction in Federal assistance for current operation will be followed by a proportionate drop in the quality and scope of educational opportunity, as predicted by the city school superintendent because the community cannot make up the difference if Federal funds are reduced or withdrawn entirely.

We know that no community could survive economically if it exempted all of its industries—the places where its population works—from payment of local taxes. This is, in effect, what happens to these communities in which the Federal Government is operating, and to which the Federal Government does not pay taxes on the land on which it is operating.

In Arlington County, the problem of school finance is complicated because of the extensive Federal holdings in property which are not income producing. Since Federal property is tax exempt, and the property tax is the principal source of local revenue, Federal ownership of property involves significant reductions in the local tax base and the local revenue potential. The superintendent of schools of Arlington County, T. Edward Rutter, stated their particular problem well when he said:

> Statistics show, in accordance with Public Law 874, that 56.7 percent of the 23,009 children in Arlington schools have parents working for the Federal Government. Very few of these parents live on Federal property. Whether these parents live on or off of Federal property, Arlington County is still responsible for the education of their children, as responsibility brought about by the influx of Federal workers desiring to live in Arlington. The school population has increased from 7,979 in 1940 to 23,009 at present.
>
> If the revenue which has been received under Public Laws 815 and 874 for the past 7 years is permitted to taper off it will place an undue burden on the tax structure of Arlington County.
>
> The main source of income is from taxes on real and personal property from homeowners and not from industry.
>
> A decrease in revenue from the Federal Government could do only one or two things; either reduce the standard of education or increase the tax burden unduly on the homeowners.

There is yet another city in the 10th District of Virginia which has had to deal with the problems of a federally affected school district. I refer now to the city of Alexandria. As you know, Alexandria is primarily a residential area serving the Nation's Capital. The schools of this city, according to a statement by the city government, have been greatly expanded both in school construction and operation in accordance with the provisions of Public Laws 815 and 874. There are millions of dollars of tax free Government properties located in this city, and such tax free property represents a loss to the city of money which might be used for education.

Taking the northern Virginia community as a whole, there is a total school population of 82,000. Approximately 55 percent of this total population are children of parents who work on Federal property. The total annual cost of operating and maintaining these schools is approximately $30 million a year. During the fiscal year 1957 the Federal Government, under Public Law 874, contributed only $3,500,000 as its share of operating expenses for educating approximately 45,000 federally connected children.

It is easy for anyone to see that these communities do not make a profit as the result of the Federal Government's operating in our area tax free.

Insofar as school construction costs are concerned, since 1950 when Public Law 815 was put into effect, our northern Virginia communities have received a total of $17 million from the Federal Government under this law. However, these communities, since 1950, have spent over $150 million in school construction and have bonded themselves into debt in the amount of $100 million.

Again I say that, since 55 percent of the school population in my District are the children of Federal workers, $17 million is a very small portion for the Federal Government to pay for their share.

Our communities are willing to go into debt and to make whatever sacrifices that are possible to be made in order to build and maintain an adequate school system. But it would be grossly unfair for the Federal Government not to pay a portion of this cost in turn for the privilege of operating in our communities.

If the Federal Government would pay to the communities some form of payment in lieu of taxes on the property which it owns, then I would have no objection to this law expiring. But until such a law is placed upon the statute books, I am committed to the support of continued Federal assistance to schools in federally affected areas.

Surely as we attempt to provide training in specialized areas of study for millions, and as we attempt to help our young people develop better understanding and more extensive knowledge for their later tasks as leaders and responsible citizens, this is not the time for communities to have to lower their educational opportunities because our national Government has failed to do its part.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I just want to ask a brief question. I am sure that the members of the committee, at least, are well aware of the problems which the gentleman faces, and the citizens of Virginia face, with respect to Federal employees living in the greater Washington area. My question is this: If you have one school district with a large Federal installation and adjoining that you have a residential area, if you let the residents of that residential area who are Federal employees qualify for Federal assistance,

the area benefited is the area where they live, not where the installation is. If it is right that an obligation exists because there is a Federal installation, should not those payments be made to the adjoining school district and not to the residential district?

Mr. BROYHILL. The gentleman makes a very good point. In many States where that situation exists there are reciprocity agreements, because the main cost, after all, is the operation of the school. I grant you, the place where the employee has to work and the community in which that property is located receives the benefit.

In a metropolitan area like this you do have the problem of overlapping of boundaries where it works vice versa. There are people living in adjacent communities who do not work in the community where the schools are. It generally balances off, however.

Mr. FRELINGHUYSEN. The gentleman will agree that the Federal impact applies where the installation is and not where the people live, as a practical matter?

Mr. BROYHILL. As a practical matter, yes.

As I pointed out a moment ago, if we were permitted to assess Federal property in Arlington County, Arlington County would receive $12 to $13 million, around eight times as much as it receives as the result of this law. But, in the case of Alexandria, the chances are that they would not receive quite as much.

Mr. FRELINGHUYSEN. I thank the gentleman very much.

Mr. RHODES of Arizona. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Chairman, I rise in support of the extension of Public Laws 815 and 874 as modified and reported by the committee. I have always supported this legislation.

Basically the reasons are that today we have large installations, that is, Federal installations, and the Congress has had the foresight to look after the comfort and the betterment of the services by providing housing on these installations. And, they have set up commissaries on the installations, which take away the buying power of the people as far as the community is concerned. However, the children of the Armed Forces, principally, are in need of the necessary facilities in order to secure an education. Therefore, it has brought hardship upon the communities where the installations are located, and in my opinion I believe that this is one way to take away some of the responsibility that would have been placed upon industry and upon the homeowners of these respective communities to provide these necessary additional educational facilities.

Now, I note here on page 2 of the report—and I should like to address my remarks to a member of the committee—this language:

> In the case of the so-called category A pupils—children of persons who reside and work on Federal property.

Now, Federal property, of course, in many cases is owned outright by the United States.

In a great many cases the States have leased the property to the Federal Government without fee. This is also true as far as municipalities are concerned. It would seem to me that if you are going to have this provision work in the best interest of the students who are housed on the Federal installation, it should read federally operated installations instead of Federal property. I do know that in many cases in my District we have Federal installations located on State property and on property that has been leased by the municipality.

Mr. METCALF. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield to the gentleman.

Mr. METCALF. The gentleman, of course, is bringing up a subject of controversy that arose around the jet-engine modification and flight-training schools where the property is not Federal property but is only federally operated property. Some of those have been selected for special treatment. Perhaps the gentleman has pointed out a way in which the bill should be modified so that there would be equality of treatment. But that is a controversy that is going to come up on a proposed amendment to eliminate modification of jet-engine and flight-training schools.

Mr. KNOX. Mr. Chairman, also I might state that we do have property which the Federal Government constructed during World War II in the form of buildings for the production of certain equipment. Since that time this property has been leased to private industry, but it is still Federal property. I am wondering whether or not the committee has taken that into consideration so that we would not become involved with the cost of education of children whose parents worked on that property.

Mr. METCALF. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield to the gentleman.

Mr. METCALF. Section 15 of the bill covers that under "Definition" and it is found in the report at page 81:

> The term "Federal property" means real property which is owned by the United States or is leased by the United States, and which is not subject to taxation by any State or any political subdivision of a State or by the District of Columbia.

Mr. KNOX. Then your committee has taken care of the points I have raised on Federal property.

Mr. METCALF. Yes, sir.

Mr. KNOX. Mr. Chairman, I wholeheartedly endorse H. R. 11378 and recommend its passage.

Mr. BARDEN. Mr. Chairman, I yield 7 minutes to the gentleman from Arizona [Mr. UDALL].

Mr. DOYLE. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from California.

Mr. DOYLE. Mr. Chairman, I take these few moments to state that I am strongly in support of this legislation. It is timely, it is commonsense and it is fair. I take the time to make this statement because the Committee on Armed Services is meeting at 2 o'clock and I must attend that meeting.

I have received several wires and letters from school superintendents in my district saying that they need this legislation and are opposed to the Powell amendment. That will be my position. If the Powell amendment is offered, I shall vote against it as I have heretofore.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Alabama.

Mr. ROBERTS. Mr. Chairman, I rise in support of this legislation. I should like to compliment the distinguished chairman of the committee and the members of the committee for bringing this legislation to the floor.

Mr. UDALL. Mr. Chairman, this marks an interesting departure in the history of this legislation. We have previously come to the floor when we have presented this legislation, it seems to me, on two crutches. One of them was the word "emergency" and another the words "temporary program." I am delighted to report that, in my opinion, we have discarded one of those crutches. I think, perhaps, later on we should discard the other. A portion of this program is now a permanent program without any cutoff date.

I think, as the gentleman from Virginia [Mr. BROYHILL] said so concisely a while ago, that these programs have great merit. To me, also, they are proof positive that you can have a program of Federal aid, if you will indulge me the point, without Federal "controls" that are harmful.

Under these programs during the past 8 years, we have built 35,000 classrooms to house over 1 million children. I think this is a record to be proud of. We have spent over $769 million under the school construction program, and under Public Law 874 we have appropriated and spent $608 million.

There was considerable alarm in the Congress when the President presented his budget message in January, and later when testimony was presented by the Department of Health, Education and Welfare concerning the proposed changes in this legislation by the administration. This has been referred to obliquely in our discussion. I want to discuss these proposals briefly so that the Members will understand what the committee did with them. The first proposal was that the category (a) be continued unchanged for a period of 5 years. The committee improved on that recommendation by making aid under category (a) permanent. The second administration recommendation was that category (b) aid be terminated and tapered off 20 percent a year over a period of 5 years. Obviously we did not follow that recommendation. If that proposal had been followed, it would have resulted in a decrease in appropriations for this program in the neighborhood of $82 million, a very substantial sum.

But although the department took the view that the impacts were decreasing

and stated that the school districts over the country were absorbing these impacts, yet at the same time the assertion was made that the costs of the program were increasing. I think the members of the committee—on both sides, I might say—ultimately rejected this argument on the ground that the Federal defense activities are not being reduced. With our new programs in the field of missiles, for example, it is fairly obvious school districts may suffer increasing dislocations in some areas.

I think we have an excellent piece of legislation. Some of the amendments which will be proposed today will, in my opinion, improve the bill but I think the committee and the Congress can very well take pride in this legislation.

Mr. ROBERTS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ROBERTS. Mr. Chairman, in the Fourth Congressional District of Alabama, which I am privileged to serve, more than half of the counties qualify as federally impacted areas as defined in Public Laws 815 and 874. For this reason, I am particularly interested in the program administered under the provisions of these laws.

I have seen at close hand what these laws mean and I can truthfully state that without the aid these laws provide it would have been impossible for the public schools in these counties to operate with the burdens which have been placed upon them by the addition of the federally connected students.

Mr. Chairman, I am strongly in favor of H. R. 11378, a bill which would make permanent these programs and extend them until June 30, 1961.

In the Fourth Alabama District is located Anniston, home of Fort McClellan, an important Army installation which is the center of the Chemical Corps Training School and is the permanent home of the Women's Auxiliary Corps. Additionally, many National Guard units train there each year.

Near Anniston is located the Anniston Ordnance Depot, at Bynum, which employs some 4,000 civilians engaged in defense works, and which recently has undergone a great expansion.

At Childersburg, also in my district, the huge Alabama Ordnance Works has undergone a $40-million rehabilitation program and is in a standby status. In Selma, in the southern part of the district, is located Craig Air Force Base, which is an important jet-training center.

These four Federal installations and the schoolchildren associated with them affect the school systems in the cities of Anniston, Childersburg, Selma, Talladega, Piedmont, Jacksonville, and others; and in the counties of St. Clair, Dallas, Calhoun, Elmore, and Talladega.

To these city and county school systems, Public Law 874 right now means nearly a half million dollars in annual Federal assistance. Over the State of Alabama, this program accounts for some two and a quarter million dollars annually, with about half of all the school systems in the State being affected.

In reference to Public Law 815, this law a year ago meant more than $240,000 annually to the Fourth District, and at the present time even more systems have qualified to participate. Since the law's inception in 1950, more than $1 million has gone to Calhoun County, the largest of the district counties, alone.

I think it is obvious that these schools could not operate as efficiently as they do now, if funds from these two laws were curtailed. To withdraw the aid to these impacted areas—and others like them throughout the country—would place a burden on many communities entirely beyond their means. Tax rates would have to be raised unreasonably to sustain adequate schools and school programs, and the result well could be a lowering of standards of education in these areas. This would be an unthinkable fallacy at a time when education is being stressed in greater terms than ever before.

Mr. Chairman, it has been argued that areas with Federal installations can afford to support the associated children because the mere location of the installation is of meaningfull benefit to everyone in the area. While I would not disparage the conception that these installations tend to profit the areas in which they are situated, I would suggest another consideration. These installations unavoidably pose burdens for the government units under whose jurisdictions they may fall, as they do upon the school districts wherein they are situated. Added to the normal functions of the local government units are the additional water, sewerage, police, fire protection, and certain other responsibilities to the installation. We would not, of course, attempt to exact from the installations full payment for these services. But it is fitting and proper that the way of the installation should be paid insofar as education is concerned.

In conclusion, Mr. Chairman, may I firmly urge that this bill be so enacted that these public laws will continue to be maintained as they now are, with no Federal strings attached. I particularly refer to any amendment which would forbid use of these funds in schools where the races are segregated. Such amendments should be promptly rejected because they would mean certain defeat of the entire bill and thousands of school children and educators in all parts of the country would suffer resultingly.

Mr. UDALL. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. BOLAND. Mr. Chairman, I rise in support of the bill before us, H. R. 11378, which will extend Public Laws 815 and 874 until June 30, 1961. Under Public Law 815, school districts in Federal impacted areas can apply for Federal assistance for new school construction while under Public Law 874 the same school districts can apply for Federal assistance to operate the schools. I am pleased to know that the Committee on Education and Labor has recommended in this legislation that the programs be established on a permanent basis in the case of the so-called category A pupils—children of persons who reside and work on Federal property and are educated in facilities operated by the school district.

I know how much the extension of these laws will mean to several communities in my Congressional District. The great Strategic Air Force 8th Air Force headquarters is located at Westover Air Force Base in Chicopee, Mass., while the famous Springfield Armory is located in my home city of Springfield, Mass. We have always looked upon these Federal installations as our good neighbors down through the years. The children of Federal workers attend schools in Chicopee, Springfield, West Springfield, South Hadley, Ludlow, and Granby. Both of these public laws have materially assisted these cities and towns to meet their burgeoning school budgets. When Congressman Bailey's subcommittee was conducting hearings on these laws in January, two distinguished constituents of mine, Chicopee School Superintendent John L. Fitzpatrick speaking for the Massachusetts School Superintendents, and Springfield School Committeeman John T. McDonough, representing the Massachusetts Association of School Committees, testified on the importance of extending this Federal assistance to these impacted school districts.

Mr. Chairman, I certainly hope that this body will take prompt action today to extend these laws.

Mr. ENGLE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ENGLE. Mr. Chairman, I compliment the House Committee on Education and Labor for bringing this legislation to the floor, continuing Federal aid to schools in federally impacted areas.

I am especially glad that the committee has seen fit to adopt the amendment which I suggested, deleting the 3 percent absorption on federally impacted schools. There is no reason why schools having an average daily attendance of more than 35,000 should be required to pay part of the operating costs. The adoption of this amendment was especially helpful to the cities of San Diego and Long Island in my State, and results in additional payments to San Francisco and Oakland.

A person cannot move around in California without bumping into an air or naval base, a missile or aircraft plant, a reclamation or flood control project. People have converged on the State of California to help carry out the Federal Government's defense and public works programs. The impact on the local school tax base of trying to take care of the educational needs of this continuing tide of people is simply beyond the

capacity of the local districts. More than 225,000 children in California's federally impacted areas receive Federal help in the operation and maintenance of the schools.

The sound principles in this legislation should be made permanent and the formula for Federal aid to impacted areas under varying conditions should be carefully tailored to reflect the Federal responsibility. I am vigorously supporting this bill today on the floor, as I did before the committee at the hearings.

Mr. RHODES of Arizona. Mr. Chairman, I yield such time as he may consume to the gentleman from South Dakota [Mr. BERRY].

Mr. BERRY. Mr. Chairman, in my judgment, this is one of the very important pieces of legislation that will come before this Congress.

I am proud to say that South Dakota is presently making more effort to support public education than any other State. We rank first in the Nation, spending 4.09 percent of our personal income payments from State and local sources for current expenditures for public education. However, we do have a number of school districts whose pupil load is greatly increased because of Federal installations, and I feel the Federal Government has a definite responsibility to financially assist these districts. A dual burden is placed on these districts through a reduction in revenue available as a result of acquisition of real property by the United States, and the substantial increase in school attendance through the additional families brought into the community as a result of the Federal activity.

Public Laws 815 and 874 were enacted to meet this need, and I believe it is imperative that these laws be extended as provided in H. R. 11378. The aid provided in the past has become an important part of the financial structure of the schools affected. If these laws are not extended in basically their present form, the problem of raising additional revenue in these communities would be impossible.

South Dakota presently has almost every type of Federal activity and Federal property within the State, including VA hospitals, the Black Hills Ordnance Depot, Ellsworth Air Force Base, projects in connection with the construction of the Missouri River dams, Indian reservations, fish hatcheries, national forests and monuments, and large areas of federally owned grazing lands.

In the 1957 fiscal year, 41 South Dakota school districts received assistance for maintenance and operation under Public Law 874, with three applications still pending. The total net entitlement for South Dakota under this program for fiscal 1957 was $1,025,824.

Under the Federal assistance for construction program, Public Law 815, seven South Dakota school districts were approved during the 2-year period 1956–58. A total of 806 pupils were housed, with $546,798 allocated for this purpose. There are nine applications pending at the present time.

In summary, until such time as there is some law providing for payment in lieu of taxes to these local school districts for federally owned property within their boundaries, I firmly believe the Federal Government, as a property owner, has a moral obligation to contribute financial support to provide the educational facilities required. I strongly urge, therefore, that the House pass H. R. 11378 and assure the continuance of Public Laws 815 and 874.

Mr. RHODES of Arizona. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. WILSON].

Mr. WILSON of California. Mr. Chairman, thank you for giving me the opportunity to indicate my interest in this extension of Public Laws 815 and 874. I represent the city of San Diego and most of San Diego County. It is my understanding that our county has been one which records show has had the most federally connected children of any county in the United States. It is the center of much of our defense effort, including the current expanded effort on the Atlas intercontinental ballistic missile. In addition, it is one of the major naval bases of the country, with over a dozen naval installations and commands, including headquarters for elements of the Pacific Fleet.

The defense effort has created a burden on the local economy far beyond our own ability to solve. Construction and production workers, in various defense plants and naval installations, have literally swamped our school system and other normal community services.

The communities in the area have valiantly attempted to provide adequate schools for the exploding population attracted to San Diego County by the defense activity there. Communities have built schools to the limit of their taxing and bonding capabilities, and have still been unable to provide even a minimum of educational plant and services without help from the Federal Government. We have been able to cope with the overcrowded schools only because of the assistance of Public Laws 815 and 874 as they are now written.

Changing the basic formula for determining entitlement to assistance funds would be a devastating blow to the orderly growth of the school system. Without such help, we would be immediately forced into half-time sessions, oversize classes, and other practices harmful to orderly educational growth.

Specifically, the proposed changes which would exempt from entitlement children of parents either working or living on Government-owned property would eliminate practically all entitlements. We have no public housing, and yet many of our Navy and defense-worker families live in so-called bedroom areas, where the tax base is too inadequate to provide sufficient schools. Some of our defense workers are employed in Government-owned facilities which pay no taxes into the local school system.

I hope you on the committee will help to avert the tragedy that would result from adoption of recommended changes in the basic law. As long as our communities are expanded at an unnatural rate, we must look to the Federal Government for the vital assistance needed.

I urge you to vote for H. R. 11378 without substantial change.

Mr. RHODES of Arizona. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. PELLY]

Mr. PELLY. Mr. Chairman, my district, the First Congressional District of Washington, is one that is vitally concerned with this measure. I will support it as I have supported similar legislation in the past. I appreciate very much the work of the committee in bringing it to the floor today.

Mr. RHODES of Arizona. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, I supported this legislation in the past. In the last session of the Congress, the 84th Congress, I supported it not only in the Congress but before the committee as well. In this session, I testified in favor of the bill before the committee. The bill as actually reported out, as I have found in my discussion of it with members of the staff and members of the committee, excluded rather ironically the two school districts, in the area of one of the Members of the House, myself, who has strongly been a supporter of this legislation. I understand so far as the Hillsborough and Pinellas Counties are concerned, one of the amendments to be offered by the gentleman from Montana will take care of not only this situation but also the situation of some three other areas that have been excluded previously under the bill, as reported, that have been in the program under the legislation previously enacted. I ask if that is the intention and the purpose of the amendment to be introduced by the gentleman from Montana. Will the gentleman from Montana indicate whether his amendment has this purpose and will accomplish that objective?

Mr. METCALF. I will say to the gentleman that I am going to discuss that briefly when I can get a little time. It will take care of your district and other districts that have been cut off as a result of this change in the formula for absorption of schools over 35,000.

Mr. CRAMER. I thank the gentleman.

It is my position in supporting the amendment of the gentleman from Montana [Mr. METCALF] which is the amendment that I assisted in drafting in consultation with the committee, its staff, and the other Members of Congress who were also excluded, and which is an amendment that I had intended to offer but I am happy to join in sponsoring under the proposed motion by the gentleman from Montana, that it is wholly inequitable to extend the act, make it applicable to additional districts in the future while at the same time excluding some five districts that have qualified under existing law.

I think it unfortunate that the effect of the amendment of the bill as reported by the committee to the House under Public Law 874, section 3 (c) 3 which changed the test date for 35,000 population for large communities from 1939 to

1957 and thus required 6 percent impact in all such communities in order to qualify that have acquired 35,000 ADA since 1939 is to eliminate some five school districts that have qualified before under existing law but who have only between 3 percent and 6 percent impact. The amendment which I had intended to offer but which is being offered by the gentleman from Montana would provide simply that those districts that have previously qualified under the existing law by virtue of having less than 35,000 population as of 1939 shall continue to qualify notwithstanding any contrary provision of H. R. 11378.

In my District 2 of the 5 counties that would otherwise be excluded under the pending bill but which will be included under the amendment are Pinellas and Hillsboro Counties. Pinellas County was certified in 1958 under the present Public Law 874 for the first time, with an impact of 3.7 percent and is entitled to $138,395. Hillsboro County has been certified as qualified since 1952 and in 1958 is entitled to $183,785. I can see no justification for discriminating against any district that is presently covered while including new districts under the extension of the act.

I am sure that this Committee will recognize the inequity of excluding only some 5 school districts out of some 3,300 previously included and still included under the terms of this bill. I wish to congratulate the gentleman from Montana for agreeing that our case is an equitable one, and I trust the Committee will agree.

This is a substantial impact on the two communities involved and this impact is increasing due to the location of defense establishments in the areas as well as defense industries and increases in the size of other Federal facilities. The original concept of the act was that the Federal Government should reimburse local communities for the cost of educating students resulting from Federal activities as a payment in lieu of taxes for those facilities by virtue of being Federal installations and which were otherwise exempt from local school taxes. Payments in lieu of taxes are made in many other instances by the Federal Government, as in the case of Public Housing and certain AEC activities, and is equally justified in the case of federally impacted schools. The money is made available to the local school districts without any Federal control strings attached and without any Federal criteria involving fundamental school policy and under these circumstances I have supported this payment in lieu of taxes principal resulting from Federal impact.

I ask the Committee to support this amendment when offered.

Mr. BARDEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Maryland [Mr. LANKFORD].

Mr. LANKFORD. Mr. Chairman, I rise in wholehearted support of this legislation without any amendments which might jeopardize its chances of passage.

I wish to emphasize that the basic philosophy underlying these laws is that the Federal Government, as a property owner, has an equitable obligation to participate in the financial support of local governmental services. Under the intergovernmental tax-immunities doctrine, all Federal property is immune to ad valorem taxation by States and local governments. This Federal immunity has been a source of widespread complaints by local governments which generally rely on the property tax as their chief source of revenue. It seems quite clear to me that the cost of national functions and programs should not impose an undue burden on local taxpayers through Federal tax exemptions. The property tax has traditionally been the chief source of revenue for most local governments in the United States. In recent years we have witnessed a concerted effort in State legislatures and local governing bodies to free local governments of exclusive dependence upon this single source of revenue. Substantial increases in State aid to local governments have also contributed to relieve the property tax from carrying the entire burden of supporting local governments. Nevertheless, it remains the mainstay of most local revenue systems.

I think it is important at this point to quote from the original enacting legislation:

> In recognition of the responsibility of the United States for the impact which certain Federal activities have on the local educational agencies in the areas where such activities are carried on, the Congress hereby declares it to be the policy of the United States to provide financial assistance (as set forth in the following sections of this act) for those local educational agencies upon which the United States has placed financial burdens by reason of the fact that—
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> 1. The revenues available to such agencies from local sources have been reduced as a result of the acquisition of real property by the United States; or
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> 2. Such agencies provide education for children residing on Federal properties; or
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> 3. Such agencies provide education for children whose parents are employed on Federal properties; or
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> 4. There has been a sudden and substantial increase in school attendance as a result of Federal activities.

I think that I can best summarize this by stating that the United States has, in the prosecution of essential defense and domestic activities, become an industrialist, a landlord, or a businessman in many communities of the Nation, and this is particularly true in the Fifth District of Maryland.

In conclusion, Mr. Chairman, let me express my thanks and appreciation and the appreciation of the people of the Fifth District of Maryland for the conscientious attention which the subcommittee and the full committee has given to this most pressing problem. They have labored long and well, and by doing so have assured the future of our country through adequate education for our children. I urge that this bill, H. R. 11378, be passed without any amendments which might have the possible effect of bringing about its defeat.

Mr. RHODES of Arizona. Mr. Chairman, I yield such time as he may desire to the gentleman from Tennessee [Mr. BAKER].

Mr. BAKER. Mr. Chairman, I strongly favor the enactment of this proposed legislation which means so much to the school children of the United States. I am opposed to any amendments which would defeat the worthwhile purposes of this legislation.

Mr. RHODES of Arizona. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is another revision and extension of two public laws which have proved not only to be very beneficial but also very popular.

The program under Public Laws 815 and 874 has met a need which our schools have experienced because of Federal action in the school districts. As has been aptly stated by previous speakers, those laws attempt to compensate the school districts for the fact that there is Federal activity in the districts; to compensate those schools for the fact that property is taken off of the tax rolls because of Federal activity. This was the original purpose of those laws. I hope it will always be the purpose of those laws.

However, I take the floor at this time, Mr. Chairman, to voice what I think should be a warning to the Members of the House who are interested in this legislation. I have noticed a tendency in the last few years to bring more and more programs under the tent which is Public Laws 815 and 874. Many of those programs are meritorious. Many of them should be adopted. However, I can only warn that any tent, when stretched to the breaking point, is bound to rip. I hope that this will not be the fate of Public Laws 815 and 874.

Mr. Chairman, there will be an amendment offered, which I intend to support, to strike out one section of this bill which deals with children of workers who are employed in factories making airplane engines or remodeling airplanes for the Air Force, which factory is located on municipal property. The particular section was not well considered in subcommittee or in the committee. The full implication of it is set out in the minority views which are attached to the committee report.

We do not know how far this section might go. We feel that if it were to be made just, it would have to apply to factories which are under contract to the Navy and to the Army as well as to the Air Force; and we do not know how much such an expanded program might cost.

Furthermore, we feel the situation is under the control of the State in which the property is located. That State could certainly make some provision if a burden exists, for a payment in lieu of taxes to be made to school districts even though there be a Federal activity on a given property as long as the title to the property itself is not in the Federal Government. It is certainly in the purview and the concept of the powers of the States that the authorities of a State should make sure that no school district, no city, no county, is injured by the tax-exempt status of such property.

I hope that the amendment, when it is presented, will be adopted. After that

I hope we will proceed to the enactment of this legislation.

I wish to add my words of congratulations for the work of the subcommittee and the work of the full committee on this bill, particularly I want to commend the gentleman from West Virginia [Mr. BAILEY], who has been so active through so many years in this and many other programs for the benefit of the schools of the country.

Mr. BARDEN. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Oregon [Mrs. GREEN].

Mrs. GREEN of Oregon. Mr. Speaker, I rise in support of H. R. 11378 which would extend and amend the programs of financial assistance in the construction and operation of schools in areas affected by Federal activities.

The President's budget message of February 13, 1958, recommending drastic cutbacks in this program came as a shock to many of us here. While certain organizations had been advocating the curtailment or the elimination of this program, few of us would have believed that the President would have followed such siren voices at a time when all evidence pointed to the fact that more—not less—assistance was needed by the American educational system.

There seems little room to quibble as to the Federal responsibility in this particular area. In this program, Federal aid follows Federal impact in a direct cause and effect relationship. Simple justice and equity requires that the Federal Government assume the burden of assisting those localities where the Federal Government's own actions have created the problem.

To my own State of Oregon, the existing programs have been of great assistance. From 1953, through 1957, there have been 251 eligible applicants under Public Law 874 receiving a total of $2,340,252.28. During the same period under Public Law 815, there were a total of 24 applicants receiving a total of $1,288,527.

These are not insignificant sums in the total outlay of funds for education in Oregon. For the Federal Government to cause such an additional outlay of State and local funds without reimbursement would be grossly unfair.

I am pleased, therefore, that the House Committee on Education and Labor, of which I am a member, has reported this bill, H. R. 11378, to extend and amend the Federally impacted areas laws. I hope that the House will speedily pass this bill.

Because American education stands today at the crossroads, America itself stands at the crossroads. The very security of our Nation in the future depends on how fully each level of government—Federal, State and local—carries out the definite responsibilities it bears to assist in the highest intellectual attainment of our youth.

If we are weighed and found wanting in fulfilling these responsibilities, then America is in grave peril.

The bill before us is but one small—although important—area where such responsibilities must be carried out. Its enactment will authorize the continuation of programs most vital to American education.

Mr. BARDEN. Mr. Chairman, I yield 5 minutes to the gentleman from Montana [Mr. METCALF].

Mr. METCALF. Mr. Chairman, there has been some discussion about some of the Southern States losing a few dollars per capita as a result of an amendment put in this bill by the subcommittee. This, as has been said, is a complex piece of legislation. Various amendments have been made to Public Laws 874 and 815. Since they were enacted 6 years ago they have been amended 7 or 8 times.

Public Law 874 contained a proviso that the Federal Government would come in and take the place of the local taxing authority so that the Federal Government paid on what would be the local tax valuation. Then we realized what the effect was on States that had a State school equalization fund. In many States, for example, the State government paid as much as 80 percent of the cost of education, only 20 percent of the cost coming from local districts. In other States the situation was reversed, 80 percent being paid by the local districts and only 20 percent from the general funds of the State. So, to correct these inequalities we put in a proviso that the local district could take half of the State contribution plus the local Federal Government contribution to the total cost of education.

Then we found that some of the States did not receive as much as others; for example, the State of Alabama got $67 under the 1955–56 law; the State of South Carolina only $79.72 per pupil as against $167 per pupil for the State of California, for instance. Therefore we put in another provision to the effect that if the State and local contribution was less than the national average local contribution rate for applicant districts, then we would pay the half of that national average. That is the so-called floor that we put under the bill.

The State of Alabama then came up from $67 to $136 per pupil. The State of Arkansas came up from $97 to $145.67.

But in saying that the national average local contribution rate of applicant districts should be the yardstick we put in a built-in spiral. I helped the staff draw that amendment. I submitted it to the subcommittee and to the full committee and supported it when it was being adopted, but I did not realize that we were putting in this escalator effect. Let me read to you what Mr. William H. Moore, supervisor of the Little Rock, Ark., Department of Education, said. He was one of the strongest proponents of this floor. He said:

> I did not realize, and I am sure those school people who worked with me did not realize, that there was a spiral effect in the floor as recommended which would result in a greater percentage increase than the percentage increase cost of education as a whole in the country.
>
> We now feel, and we have never wanted to be unfair with you men, and I think you understand that, that a more definite basis for determining a reasonable floor, one which will still advance but only advance at the same rate at which the cost of education in local communities advances, would be to use the national average contribution rate and not the national average contribution rate paid under these bills.

In other words, the national average of all 50,000 school districts, instead of the national average of the 3,300 districts that are participating in this act. That is what we have done. It will mean a slightly less payment per pupil for the first year—$137.50 would be half of the national average as against the present formula of $145.20. But I do not believe it is the desire of the committee to reduce the amount to which any participating school district has previously been entitled, and for that reason I am going to submit an amendment that will provide that no district will get less in the next fiscal year than it received in this fiscal year. Therefore, the cost of education will rise as the cost of education rises in all the districts of the United States, in all 50,000 of them, instead of having this built-in escalator effect of having the Federal payment increase the cost in the participating districts. So much for that.

We have changed another formula. That is the formula for the larger school districts. When this bill was originally passed, we said that the school districts that had a 35,000 pupil average daily attendance in 1939 would have to have a 6-percent impact in order to qualify and then would have to absorb 3 percent of that impact.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. BARDEN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield.

Mr. ROGERS of Colorado. I want to congratulate the committee for bringing forth the change in Public Law 874 that has been referred to by the gentleman now addressing the House. It so happens that in my particular situation we have been compelled to absorb under Public Law 874 a greater percentage of the Federal impacted pupils in that area as the result of that law. However, as I understand it, it was intended to eliminate the larger districts in the first instance anyhow. Nevertheless, under the law at that time we did qualify. I want to congratulate the committee for taking away the absorption features of Public Law 874 and I will support the bill in its entirety.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I want to join my colleague from Colorado in congratulating the committee. I certainly intend to support the bill and the amendment the gentleman says he will offer to see that no district is cut back through the operation of this new bill. May I ask the gentleman, What is the additional provision with regard to Indian lands that has been added in this legislation?

Mr. METCALF. That will be very plain to the gentleman from Oklahoma

because we have worked out the system that has worked so well in Oklahoma. The law as it presently exists says that the governor of a State can choose whether to come under the provisions of the Johnson-O'Malley Act or Public Law 874 for aid to education in that State. There are some districts that would like to come under 874, others under the Johnson-O'Malley Act. It is a very difficult decision for a governor to make. So, we have said that every Indian child is treated as an impacted class A child and will receive education under Public Law 874 just the same as any other impacted child, and then the State superintendent of education or the school officer may contract under the Johnson-O'Malley Act for additional benefits.

Mr. EDMONDSON. I thank the gentleman. I think that is a fine addition to the act.

Mr. BARDEN. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read the bill, as follows:

Be it enacted, etc.,

TITLE I—AMENDMENT OF PUBLIC LAW 815, 81ST CONGRESS

SEC. 101. The act of September 23, 1950 (Public Law 815, 81st Cong.), as amended, is amended to read as follows:

"Purpose and appropriation

"SECTION 1. The purpose of this act is to provide assistance for the construction of urgently needed minimum school facilities in school districts which have had substantial increases in school membership as a result of new or increased Federal activities. There are hereby authorized to be appropriated for the fiscal year ending June 30, 1959, and each fiscal year thereafter, such sums as the Congress may determine to be necessary for such purpose. Sums so appropriated, other than sums appropriated for administration, shall remain available until expended.

"Portion of appropriations available for payments

"SEC. 2. For each fiscal year the Commissioner shall determine the portion of the funds appropriated pursuant to section 1 which shall be available for carrying out the provisions of sections 9 and 10. The remainder of such funds shall be available for paying to local educational agencies the Federal share of the cost of projects for the construction of school facilities for which applications have been approved under section 6.

"Establishment of priorities

"SEC. 3. The Commissioner shall from time to time set dates by which applications for payments under this act with respect to construction projects must be filed, except that the last such date with respect to applications for payments on account of children referred to in paragraphs (2) or (3) of section 5 (a) shall be not later than June 30, 1961. The Commissioner shall by regulation prescribe an order of priority, based on relative urgency of need, to be followed in approving applications in the event the funds appropriated under this act and remaining available on any such date for payment to local educational agencies are less than the Federal share of the cost of the projects with respect to which applications have been filed prior to such date (and for which funds under this act have not already been obligated). Only applications meeting the conditions for approval under this act (other than section 6 (b) (2) (C)) shall be considered applications for purposes of the preceding sentence.

"Federal share for any project

"SEC. 4. Subject to section 5 (which imposes limitations on the total of the payments which may be made to any local educational agency), the Federal share of the cost of a project under this act shall be equal to such cost, but in no case to exceed the cost, in the school district of the applicant, of constructing minimum school facilities, and in no case to exceed the cost in such district of constructing minimum school facilities for the estimated number of children who will be in the membership of the schools of such agency at the close of the increase period and who will otherwise be without such facilities at such time. For the purposes of the preceding sentence, the number of such children who will otherwise be without such facilities at such time shall be determined by reference to those facilities which (1) are built or under contract as of the date on which the Commissioner set, under section 3, the earliest date on or before which the application for such project was filed, or (2) as of the date the application for such project is approved, are included in a project the application for which has been approved under this act.

"Limitation on total payments to any local educational agency

"SEC. 5. (a) Subject to the limitations in subsections (c) and (d), the total of the payments to a local educational agency under this act may not exceed the sum of the following:

"(1) the estimated increase, since the base year, in the number of children residing on Federal property with a parent employed on Federal property (situated in whole or in part in the same State as the school district of such agency or within reasonable commuting distance from such school district), multiplied by 95 percent of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated; and

"(2) the estimated increase, since the base year, in the number of children residing on Federal property, or residing with a parent employed on Federal property (situated in whole or in part in the same State as the school district of such agency or within reasonable commuting distance from such school district), multiplied by 50 percent of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated. A child of a parent who commenced residing in or near the school district of such an agency while assigned to employment, as a member of the Armed Forces on active duty, on Federal property (situated in whole or in part in the same State as the school district of such agency or within reasonable commuting distance from such school district) and who was subsequently assigned elsewhere on active duty as a member of the Armed Forces, shall continue to be considered as residing with a parent employed on such Federal property, for purposes of this paragraph and paragraph (1) of this subsection, for so long as the parent is so assigned; and

"(3) the estimated increase, since the base year, in the number of children whose membership results directly from activities of the United States (carried on either directly or through a contractor), multiplied by 45 percent of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated. For purposes of this paragraph, the Commissioner shall not consider as activities of the United States those activities which are carried on in connection with real property excluded from the definition of Federal property by the last sentence of paragraph (1) of section 15, but shall (if the local educational agency so elects pursuant to subsection (b)) consider as children whose membership results directly from activities of the United States children residing on Federal property or residing with a parent employed on Federal property.

In computing for any local educational agency the number of children in an increase under paragraph (1), (2), or (3), the estimated number of children described in such paragraph who will be in the membership of the schools of such agency at the close of the increase period shall be compared with the estimated number of such children in the average daily membership of the schools of such agency during the base year.

"(b) If two or more of the paragraphs of subsection (a) apply to a child, the local educational agency shall elect which of such paragraphs shall apply to such child, except that, notwithstanding the election of a local educational agency to have paragraph (2) apply to a child instead of paragraph (1), the determination of the maximum amount for such agency under subsection (a) shall be made without regard to such election.

"(c) A local educational agency shall not be eligible to have any amount included in its maximum by reason of paragraph (1), (2), or (3) of subsection (a) unless the increase in children referred to in such paragraph, prior to the application of the limitation in subsection (d), is at least 20 and is equal to at least 5 percent in the case of paragraph (1) or (2), and 10 percent in the case of paragraph (3), of the number of all children who were in the average daily membership of the schools of such agency during the base year, and unless, in the case of paragraph (3), the construction of additional minimum school facilities for the number of children in such increase will, in the judgment of the Commissioner, impose an undue financial burden on the taxing and borrowing authority of such agency: *Provided*, That children residing on any housing property which, prior to sale or transfer by the United States, was considered to be Federal property for the purposes of this act, shall not be considered as having been federally connected in determining the eligibility of the local educational agency under this subsection.

"(d) If (1) the estimated number of nonfederally connected children who will be in the membership of the schools of a local educational agency at the close of the increase period is less than (2) 107 percent of the number of such children who were in the average daily membership of such agency during the base year, the total number of children counted for purposes of subsection (a) with respect to such agency shall be reduced by the difference between (1) and (2) hereof. For purposes of this subsection, all children in the membership of a local educational agency shall be counted as nonfederally connected children except children whose membership in the base year and increase period was compared in computing an increase which meets the requirements of subsection (c).

"(e) Notwithstanding the provisions of subsections (c) and (d) of this section, whenever and to the extent that, in his judgment, exceptional circumstances exist which make such action necessary to avoid inequity and avoid defeating the purposes of this act, the Commissioner may do any one or more of the following: (1) he may waive or reduce any percentage requirement or requirements in subsection (c); (2) he may waive the requirement contained in the first sentence of subsection (d) or reduce the percentage specified in clause (2) of such sentence.

"(f) If—

"(1) the first year of the increase period for an application made by a local educational agency constitutes the second year of

the increase period for a previous application made by such agency under this act, or under this act as in effect January 1, 1958, and

"(2) any payment has been or may be made to such agency on the basis of such previous application,

then, in determining under this section the total of the payments which may be made to such agency on the basis of the later application, the total number of children counted for purposes of paragraph (1), (2), or (3), as the case may be, of subsection (a) may not exceed—

"(3) the number of children whose membership at the close of the increase period for the later application is compared with membership in the base year for purposes of such paragraph, minus

"(4) the number of such children whose membership at the close of the increase period for the previous application was compared with membership in the base year for purposes of such paragraph.

"Applications

"SEC. 6. (a) No payment may be made to any local educational agency under this act except upon application therefor which is submitted through the appropriate State educational agency and is filed with the Commissioner in accordance with regulations prescribed by him.

"(b) (1) Each application by a local educational agency shall set forth the project for the construction of school facilities for such agency with respect to which it is filed, and shall contain or be supported by—

"(A) a description of the project and the site therefor, preliminary drawings of the school facilities to be constructed thereon, and such other information relating to the project as may reasonably be required by the Commissioner;

"(B) assurance that such agency has or will have title to the site, or the right to construct upon such site school facilities as specified in the application and to maintain such school facilities on such site for a period of not less than 20 years after the completion of the construction;

"(C) assurance that such agency has legal authority to undertake the construction of the project and to finance any non-Federal share of the cost thereof as proposed, and assurance that adequate funds to defray any such non-Federal share will be available when needed;

"(D) assurance that such agency will cause work on the project to be commenced within a reasonable time and prosecuted to completion with reasonable diligence;

"(E) assurance that the rates of pay for laborers and mechanics engaged in the construction will be not less than the prevailing local wage rates for similar work as determined in accordance with Public Law 403 of the 74th Congress, approved August 30, 1935, as amended;

"(F) assurance that the school facilities of such agency will be available to the children for whose education contributions are provided in this act on the same terms, in accordance with the laws of the State in which the school district of such agency is situated, as they are available to other children in such school district; and

"(G) assurance that such agency will from time to time prior to the completion of the project submit such reports relating to the project as the Commissioner may reasonably require.

"(2) The Commissioner shall approve any application if he finds (A) that the requirements of paragraph (1) have been met and that approval of the project would not result in payments in excess of those permitted by sections 4 and 5, (B) after consultation with the State and local educational agencies, that the project is not inconsistent with overall State plans for the construction of school facilities, and (C) that there are sufficient Federal funds available to pay the Federal share of the cost of such project and of all other projects for which Federal funds have not already been obligated and applications for which, under section 3, have a higher priority: *Provided*, That the Commissioner may approve any application for payments under this act at any time after it is filed and before any priority is established with respect thereto under section 3 if he determines that—

"(i) on the basis of information in his possession, it is likely that the urgency of the need of the local educational agency is such that it would have a priority under section 3 which would qualify it for payments under this act when such priorities are established, and

"(ii) the number of children in the increase under section 5 (a) is in large measure attributable to children who reside or will reside in housing newly constructed on Federal property.

"(c) No application under this act shall be disapproved in whole or in part until the Commissioner of Education has afforded the local educational agency reasonable notice and opportunity for hearing.

"Payments

"SEC. 7. (a) Upon approving the application of any local educational agency under section 6, the Commissioner of Education shall pay to such agency an amount equal to 10 percent of the Federal share of the cost of the project. After final drawings and specifications have been approved by the Commissioner of Education and the construction contract has been entered into, the Commissioner shall, in accordance with regulations prescribed by him and at such times and in such installments as may be reasonable, pay to such agency the remainder of the Federal share of the cost of the project.

"(b) Any funds paid to a local educational agency under this act and not expended for the purposes for which paid shall be repaid to the Treasury of the United States.

"Additional payments

"SEC. 8. Not to exceed 10 percent of the sums appropriated pursuant to this act for any fiscal year (exclusive of any sums appropriated for administration) may be used by the Commissioner, under regulations prescribed by him, to make grants to local educational agencies where (1) the application of such agencies would be approved under this act but for the agencies' inability, unless aided by such grants, to finance the non-Federal share of the cost of the projects set forth in their applications, or (2) although the applications of such agencies have been approved, the projects covered by such applications could not, without such grants, be completed, because of flood, fire, or similar emergency affecting either the work on the projects or the agencies' ability to finance the non-Federal share of the cost of the projects. Such grants shall be in addition to the payments otherwise provided under this act, shall be made to those local educational agencies whose need for additional aid is the most urgent and acute, and insofar as practicable shall be made in the same manner and upon the same terms and conditions as such other payments.

"Where effect of Federal activities will be temporary

"SEC. 9. Notwithstanding the preceding provisions of this act, whenever the Commissioner determines that the membership of some or all of the children, who may be included in computing under section 5 the maximum on the total of the payments for any local educational agency, will be of temporary duration only, such membership shall not be included in computing such maximum. Instead, the Commissioner may make available to such agency such temporary school facilities as may be necessary to take care of such membership; or he may, where the local educational agency gives assurance that at least minimum school facilities will be provided for such children, pay (on such terms and conditions as he deems appropriate to carry out the purposes of this act) to such agency for use in constructing school facilities an amount equal to the amount which he estimates would be necessary to make available such temporary facilities. In no case, however, may the amount so paid exceed the cost, in the school district of such agency, of constructing minimum school facilities for such children. The Commissioner may transfer to such agency or its successor all the right, title, and interest of the United States in and to any temporary facilities made available to such agency under this section (or section 309 of this act as in effect January 1, 1958); any such transfer shall be without charge, but may be made on such other terms and conditions, and at such time as the Commissioner deems appropriate to carry out the purposes of this act.

"Children for whom local agencies are unable to provide education

"SEC. 10. In the case of children who it is estimated by the Commissioner in any fiscal year will reside on Federal property at the end of the next fiscal year—

"(1) if no tax revenues of the State or any political subdivision thereof may be expended for the free public education of such children; or

"(2) if it is the judgment of the Commissioner, after he has consulted with the appropriate State educational agency, that no local educational agency is able to provide suitable free public education for such children,

the Commissioner shall make arrangements for constructing or otherwise providing the minimum school facilities necessary for the education of such children. To the maximum extent practicable school facilities provided under this section shall be comparable to minimum school facilities provided for children in comparable communities in the State. This section shall not apply (A) to children who reside on Federal property under the control of the Atomic Energy Commission, and (B) to Indian children attending federally operated Indian schools. Whenever it is necessary for the Commissioner to provide school facilities for children residing on Federal property under this section, the membership of such children may not be included in computing under section 5 the maximum on the total of the payments for any local educational agency.

"Withholding of payments

"SEC. 11. (a) Whenever the Commissioner of Education, after reasonable notice and opportunity for hearing to a local educational agency, finds (1) that there is a substantial failure to comply with the drawings and specifications for the project, (2) that any funds paid to a local educational agency under this act have been diverted from the purposes for which paid, or (3) that any assurance given in an application is not being or cannot be carried out, the Commissioner may forthwith notify such agency that no further payment will be made under this act with respect to such agency until there is no longer any failure to comply or the diversion or default has been corrected or, if compliance or correction is impossible, until such agency repays or arranges for the repayment of Federal moneys which have been diverted or improperly expended.

"(b) The final refusal of the Commissioner to approve part or all of any application under this act, and the Commissioner's final action under subsection (a) of this section, shall be subject to judicial review on

the record, in the United States court of appeals for the circuit in which the local educational agency is located, in accordance with the provisions of the Administrative Procedure Act.

"Administration

"SEC. 12. (a) In the administration of this act, no department, agency, officer, or employee of the United States shall exercise any direction, supervision, or control over the personnel, curriculum, or program of instruction of any school or school system of any local or State educational agency.

"(b) The Commissioner of Education shall administer this act, and he may make such regulations and perform such other functions as he finds necessary to carry out the provisions of this act.

"(c) The Commissioner shall include in his annual report to the Congress a full report of the administration of his functions under this act, including a detailed statement of receipts and disbursements.

"(d) With respect to compliance with and enforcement of the prevailing wage provisions of section 6 (b) (1) (E), the Secretary of Labor shall prescribe appropriate standards, regulations, and procedures, which shall be observed by the agencies administering such provisions, and shall cause to be made by the Department of Labor such investigations as he deems desirable.

"Use of other Federal agencies; transfer and availability of appropriations

"SEC. 13. (a) The Commissioner may delegate to any officer or employee of the Office of Education any of his functions under this act, except the making of regulations. In carrying out his functions under this act, the Commissioner of Education may also utilize the facilities and services of any other Federal department or agency and may delegate the performance of any of his functions, except the making of regulations, to any officer or employee of any other Federal department or agency. The Commissioner of Education shall exercise the authority contained in the preceding sentence whenever such exercise will avoid the creation within the Office of Education of a staff and facilities which duplicate existing available staffs and facilities. Any such utilization or delegation shall be pursuant to proper agreement with the Federal department or agency concerned; and payment to cover the cost thereof shall be made either in advance or by way of reimbursement, as may be provided in such agreement. Any delegation of functions or authority authorized under this section will not relieve the Commissioner of the responsibility placed on him by this act.

"(b) All Federal departments or agencies administering Federal property on which children reside, and all such departments or agencies principally responsible for Federal activities which may give rise to a need for the construction of school facilities, shall to the maximum extent practicable, comply with requests of the Commissioner for information he may require in carrying out the purposes of this act.

"(c) No appropriation to any department or agency of the United States, other than an appropriation to carry out this act, shall be available for the same purpose as this act; except that nothing in this subsection shall affect the availability of appropriations authorized, prior to September 23, 1950, for the construction of school facilities to be attended by Indian children or appropriations (1) for the construction of school facilities on Federal property under the control of the Atomic Energy Commission, (2) for the construction of school facilities which are to be federally operated for Indian children, or (3) for the construction of school facilities under the Alaska Public Works Act, approved August 24, 1949.

"School construction assistance in other federally affected areas

"SEC. 14. (a) If the Commissioner determines with respect to any local educational agency that—

"(1) such agency is providing or, upon completion of the school facilities for which provision is made herein, will provide free public education for children who reside on Federal property, and whose membership in the schools of such agency has not formed and will not form the basis for payments under other provisions of this act, and that the total number of such children represents a substantial percentage of the total number of children for whom such agency provides free public education or that the total number of such children who reside on Indian lands located outside the school district of such agency equals or exceeds 100;

"(2) the immunity of such Federal property to taxation by such agency has created a substantial and continuing impairment of its ability to finance needed school facilities;

"(3) such agency is making a reasonable tax effort and is exercising due diligence in availing itself of State and other financial assistance available for the purpose; and

"(4) such agency does not have sufficient funds available to it from other Federal, State, and local sources to provide the minimum school facilities required for free public education in its school district,

he may provide the additional assistance necessary to enable such agency to provide such facilities, upon such terms and in such amounts (subject to the provisions of this section) as the Commissioner may consider to be in the public interest; but such additional assistance may not exceed the portion of the cost of such facilities which the Commissioner estimates is attributable to children who reside on Federal property, and which has not been, and is not to be, recovered by the local educational agency from other sources, including payments by the United States under any other provisions of this act or any other law. Notwithstanding the provisions of this subsection, the Commissioner may waive the percentage requirement in paragraph (1) in the case of any application for additional assistance on account of children who reside on Indian lands whenever, in his judgment, exceptional circumstances exist which make such action necessary to avoid inequity and avoid defeating the purposes of this section. Assistance may be furnished under this subsection without regard to paragraph (2) (but subject to the other provisions of this subsection and subsection (c)) to any local educational agency which provides free public education for children who reside on Indian lands located outside its school district. For purposes of this subsection 'Indian lands' means Indian reservations or other real property referred to in the third sentence of section 15 (1).

"(b) There are hereby authorized to be appropriated for each fiscal year ending prior to July 1, 1961, such sums, not to exceed $40 million in the aggregate, as may be necessary to carry out the provisions of this section. There are also authorized to be appropriated such sums as may be necessary for administration of such provisions. Amounts so appropriated, other than amounts appropriated for administration, shall remain available until expended, except that after June 30, 1961, no agreement may be made to extend assistance under this section.

"(c) No payment may be made to any local educational agency under subsection (a) except upon application therefor which is submitted through the appropriate State educational agency and is filed with the Commissioner in accordance with regulations prescribed by him, and which meets the requirements of section 6 (b) (1). In determining the order in which such applications shall be approved, the Commissioner shall consider the relative educational and financial needs of the local educational agencies which have submitted approvable applications and the nature and extent of the Federal responsibility. No payment may be made under subsection (a) unless the Commissioner finds, after consultation with the State and local educational agencies, that the project or projects with respect to which it is made are not inconsistent with overall State plans for the construction of school facilities. All determinations made by the Commissioner under this section shall be made only after consultation with the appropriate State educational agency and the local educational agency.

"(d) Amounts paid by the Commissioner to local educational agencies under subsection (a) may be paid in advance of, or by way of reimbursement for, work performed or purchases made pursuant to the agreement with the Commissioner under this section, and may be paid in such installments as the Commissioner may determine. Any funds paid to a local educational agency and not expended or otherwise used for the purposes for which paid shall be repaid to the Treasury of the United States.

"(e) None of the provisions of sections 1 to 10, both inclusive, other than section 6 (b) (1), shall apply with respect to determinations made under this section.

"Definitions

"SEC. 15. For the purposes of this act—

"(1) The term 'Federal property' means real property which is owned by the United States or is leased by the United States, and which is not subject to taxation by any State or any political subdivision of a State or by the District of Columbia. Such term includes real property which is owned by the United States and leased therefrom and the improvements thereon, even though the lessee's interest, or any improvement on such property, is subject to taxation by a State or a political subdivision of a State or by the District of Columbia. Except for the purposes of section 10, such term also includes (A) real property held in trust by the United States for individual Indians or Indian tribes, and real property held by individual Indians or Indian tribes which is subject to restrictions on alienation imposed by the United States, and (B) any school which is providing flight training to members of the Air Force under contractual arrangements with the Department of the Air Force at an airport which is owned by a State or a political subdivision of a State. Notwithstanding the foregoing provisions of this paragraph, such term does not include (A) any real property used by the United States primarily for the provision of services or benefits to the local area in which such property is situated, (B) any real property used for a labor supply center, labor home, or labor camp for migratory farm workers, (C) any real property under the jurisdiction of the Post Office Department and used primarily for the provision of postal services, or (D) any low-rent housing project held under title II of the National Industrial Recovery Act, the Emergency Relief Appropriation Act of 1935, the United States Housing Act of 1937, the act of June 28, 1940 (Public Law 671, Seventy-sixth Congress), or any law amendatory of or supplementary to any of such acts.

"(2) The term 'child' means any child who is within the age limits for which the applicable State provides free public education.

"(3) The term 'parent' includes a legal guardian or other person standing in loco parentis.

"(4) The term 'free public education' means education which is provided at public expense, under public supervision and di-

rection, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State.

"(5) The membership of schools shall be determined in accordance with State law or, in the absence of State law governing such a determination, in accordance with regulations of the Commissioner; except that, notwithstanding any other provision of this act, where the local educational agency of the school district in which any child resides makes or contracts to make a tuition payment for the free public education of such child in a school situated in another school district, for purposes of this act the membership of such child, shall be held and considered—

"(A) if the two local educational agencies concerned so agree, and if such agreement is approved by the Commissioner, as membership of a school of the local educational agency receiving such tuition payment;

"(B) in the absence of any such approved agreement, as membership of a school of the local educational agency so making or contracting to make such tuition payment.

In any determination of membership of schools, children who are not provided free public education (as defined in paragraph (4)) shall not be counted.

"(6) The average per pupil cost of constructing minimum school facilities in the State in which the school district of a local educational agency is situated shall be determined by the Commissioner of Education on the basis of the contract cost per square foot under contracts for the construction of school facilities (exclusive of costs of site improvements, equipment, and architectural, engineering, and legal fees) entered into in the State for the base year designated in the application, increased by a percentage estimated by the Commissioner to represent additional costs for site improvements, equipment, and architectural, engineering, and legal fees, and multiplied by a factor estimated by the Commissioner to represent the area needed per pupil in minimum school facilities. If the Commissioner finds that the information available for the State concerned for such preceding fiscal year is inadequate or not sufficiently representative, he shall determine such cost on the basis of such information as he has available and after consultation with the State educational agency. The cost of constructing minimum school facilities in the school district of a local educational agency shall be determined by the Commissioner, after consultation with the State and local educational agencies, on the basis of such information as may be contained in the application of such local educational agency and such other information as he may obtain.

"(7) Estimates of membership, and all other determinations with respect to eligibility and maximum amount of payment, shall be made as of the time of the approval of the application for which made, and shall be made on the basis of the best information available at the time of such approval.

"(8) The terms 'construct,' 'constructing,' and 'construction' include the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities.

"(9) The term 'school facilities' includes classrooms and related facilities; and initial equipment, machinery, and utilities necessary or appropriate for school purposes. Such term does not include athletic stadiums, or structures or facilities intended primarily for athletic exhibitions, contests, or games or other events for which admission is to be charged to the general public. Except as used in sections 9 and 10, such term does not include interests in land and off-site improvements.

"(10) Whether or not school facilities are minimum school facilities shall be determined by the Commissioner, after consultation with the State and local educational agencies, in accordance with regulations prescribed by him.

"(11) The term 'local educational agency' means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a county, township, independent, or other school district located within a State. Such term includes any State agency which directly operates and maintains facilities for providing free public education or which has responsibility for the provision of such facilities.

"(12) The term 'State educational agency' means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools.

"(13) The term 'State' means a State, Alaska, Hawaii, Puerto Rico, Guam, the Virgin Islands, or Wake Island.

"(14) The terms 'Commissioner of Education' and 'Commissioner' mean the United States Commissioner of Education.

"(15) The term 'base year' means the regular school year preceding the fiscal year in which an application was filed under this act or the regular school year preceding such school year, as may be designated in the application, except that in the case of an application based on children referred to in paragraph (2) or (3) of section 5 (a), the base year shall in no event be later than the regular school year 1958–59; and

"(16) The term 'increase period' means the period of two consecutive regular school years immediately following such base year."

SEC. 102. The amendment made by section 101 shall be effective for the period beginning July 1, 1958, except that such amendment shall not apply in the determination of payments on applications based on the increase period ending with the regular school year 1958–59, or any prior regular school year.

TITLE II—AMENDMENTS TO PUBLIC LAW 874, EIGHTY-FIRST CONGRESS

SEC. 201. (a) Section 2 (a) of the act of September 30, 1950 (Public Law 874, 81st Cong.), as amended, is amended by striking out "the fiscal year beginning July 1, 1950, or for any of the 7 succeeding fiscal years" and inserting in lieu thereof the following: "any fiscal year ending prior to July 1, 1961."

(b) Paragraph (1) of section 2 (b) of such act is amended by inserting before the period at the end thereof the following: ", but shall not include payments pursuant to contract or other arrangement under section 1 of the act of April 16, 1934, commonly referred to as the Johnson-O'Malley Act (25 U. S. C., sec. 452)."

SEC. 202. (a) Section 3 (a) of such act is amended by striking out "ending prior to July 1, 1958."

(b) Section 3 (b) of such act is amended—

(1) by striking out "For such purpose" and inserting in lieu thereof the following: "For the purpose of computing the amount to which a local educational agency is entitled under this section for any fiscal year ending prior to July 1, 1961";

(2) by inserting after "the number of children" the following: "(other than children to whom subsection (a) applies)"; and

(3) by striking out the last sentence thereof.

(c) Section 3 (c) of such act is amended—

(1) by striking out "ending prior to July 1, 1958," where it appears in paragraph (1);

(2) by adding after the end of clause (B) of paragraph (2) thereof the following: "For the purposes of this paragraph and paragraph (3), a local educational agency may count as children determined under subsection (b) any number of children determined under subsection (a)";

(3) by striking out "June 30, 1939" where it appears in paragraph (3) and inserting in lieu thereof "June 30, 1957";

(4) by striking out all of paragraph (3) which appears after "exceeded 35,000" and inserting in lieu thereof the following: ", such agency's percentage requirement for eligibility (as set forth in paragraph (2) of this subsection) shall be 6 percent instead of 3 percent (and those provisions of such paragraph (2) which relate to the lowering of the percentage requirement shall not apply)";

(5) by striking out "ending prior to July 1, 1958" where it appears in clause (A) of paragraph (4); and

(6) by striking out "effective for the fiscal year beginning July 1, 1955, and the 2 succeeding fiscal years" where it appears in clause (D) of paragraph (4).

(d) Section 3 (d) of such act is amended—

(1) by striking out "most nearly" in clause (1) and inserting in lieu thereof "generally," and

(2) by striking out the fourth and fifth sentences and inserting in lieu thereof the following: "In no event shall the local contribution rate for any local educational agency in any State in the continental United States for any fiscal year be less than (i) 50 percent of the average per pupil expenditure in such State or (ii) 50 percent of the average per pupil expenditure in the continental United States, but not to exceed the average per pupil expenditure in the State. For the purposes of the preceding sentence the 'average per pupil expenditure' in a State, or in the continental United States, shall be the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which the computation is made, of all local educational agencies in the State, or in the continental United States, as the case may be (without regard to the sources of funds from which such expenditures are made), divided by the aggregate number of children in average daily attendance to whom such agencies provided free public education during such preceding fiscal year."

SEC. 203. Section 4 (a) of such act is amended by striking out "1958" both times it appears therein and inserting in lieu thereof "1961."

SEC. 204. Subsection (d) of section 8 of such act is amended—

(1) by striking out "during the period beginning July 1, 1953, and ending June 30, 1958"; and

(2) by inserting before the period at the end thereof the following: "or the availability of appropriations under the act of April 16, 1934, commonly referred to as the Johnson-O'Malley Act (25 U. S. C., sec. 452)."

SEC. 205. (a) The third sentence of paragraph (1) of section 9 of such act is amended—

(1) by inserting after "(A)" the following: "except for purposes of section 6";

(2) by striking out "and (C)" and inserting in lieu thereof the following: "(C) any facility engaged in the modification of aircraft or aircraft engines under contractual arrangements with the Department of the Air Force at an airport which is owned by a State or by a political subdivision of a State, and (D)."

(b) The last sentence of paragraph (1) of section 9 of such act is amended—

(1) by inserting "or benefits" after "provision of services"; and

(2) by striking out "or (C)" and inserting in lieu thereof the following: "(C) any real property under the jurisdiction of the Post Office Department and used primarily for the provision of postal services, or (D)".

(c) Paragraph (2) of section 9 of such act is amended by striking out the last sentence thereof.

SEC. 206. Section 10 of such act is repealed.

SEC. 207. The amendments made by this title shall be effective for the period beginning July 1, 1958.

Mr. WAINWRIGHT (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WAINWRIGHT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WAINWRIGHT: On page 9, between lines 19 and 20, insert:

"SEC. 6. (a) A local educational agency shall be entitled to a payment under this section if, during a period designated as provided in subsection ( ), the number of children who reside on Federal property or with a parent employed on Federal property increased by an amount equal to 5 percent of the number of all children who were in the average daily membership of the schools of such agency during the regular school year immediately preceding the designated period: *Provided*, That children residing on any housing property which, prior to sale or transfer by the United States, was considered to be Federal property for the purposes of this act, shall not be considered as having been federally connected in determining the eligibility of the local educational agency under this section. Payments made under this section shall be in addition to payments made under other sections of this act.

"(b) Subject to the limitations in subsections (c) and (d), the total of the payments to a local educational agency under this section may not exceed the sum of the following:

"(1) The estimated increase, during the period designated as provided in subsection (e), in the number of children residing on Federal property with a parent employed on Federal property (situated in whole or in part in the same State as the school district of such agency or within reasonable commuting distance from such school district), multiplied by 95 percent of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated, and

"(2) The estimated increase, during the period designated as provided in subsection ( ), in the number of children residing on Federal property, or residing with a parent employed on Federal property (situated in whole or in part in the same State as the school district of such agency or within reasonable commuting distance from such school district).

In computing for any local educational agency the number of children in an increase under paragraph (1) or (2), the estimated number of children described in such paragraph who will be in the membership of the schools of such agency at the close of the period designated as provided in subsection (e) shall be compared with the estimated number of children who will be in the average daily membership of the schools of such agency during the regular school year immediately preceding the beginning of such period.

"(c) If (1) the estimated number of nonfederally connected children who will be in the membership of the schools of a local educational agency at the close of the period designated as provided in subsection (e) is less than (2) a percentage of the number of such children who were in the average daily membership of such agency during the regular school year immediately preceding the beginning of the period designated as provided in subsection (e) computed by multiplying such number by a percentage arrived at by adding to 100 percent, 3.5 percent for each regular school year in such designated period, then the total number of children counted for purposes of subsection (b) with respect to such agency shall be reduced by the difference between (1) and (2) hereof. For purposes of this subsection, all children in the membership of a local educational agency shall be counted as nonfederally connected children except children whose membership in the regular school year immediately preceding the beginning of such designated period and during such period was compared in computing an increase which meets the requirements of subsection (a).

"(d) The total number of children counted by a local educational agency under subsection (b), after any reduction required by subsection (c) shall be reduced by the number of any such children with respect to whom payments have already been made under section 5. A child shall not be considered as not having been counted because the application of subsection (d) of section 5 resulted in a reduction of the number of children counted for purposes of subsection (a) of such section.

"(e) Each local educational agency which applies for payments under this section shall designate, as the period with respect to which the payment is to be made, a period consisting of specified, consecutive, regular school years. The period as designated may not include (1) any regular school year earlier than the 1951–52 school year, (2) any regular school year later than the regular school year immediately following the school year during which the application is filed, or (3) any regular school year designated in any prior application filed under this section on the basis of which payments have been made.

"(f) No payment may be made to any local educational agency under subsection (b) except upon application therefor which is submitted through the appropriate State educational agency and is filed with the Commissioner in accordance with regulations prescribed by him, and which meets the requirements of section 7 (b) (1). In determining the order in which such applications shall be approved, the Commissioner shall consider the relative educational and financial needs of the local educational agencies which have submitted approvable applications. No payment may be made under subsection (b) unless the Commissioner finds, after consultation with the State and local educational agencies, that the project or projects with respect to which it is made are not inconsistent with overall State plans for the construction of school facilities. All determinations made by the Commissioner under this section shall be made only after consultation with the appropriate State educational agency and the local educational agency.

"(g) Amounts paid by the Commissioner to local educational agencies under subsection (b) may be paid in advance or by way of reimbursement for work performed or purchases made as provided in the application, and may be paid in such installments as the Commissioner may determine. Any funds paid to a local educational agency and not expended or otherwise used for the purposes for which paid shall be repaid to the Treasury of the United States.

"(h) There are hereby authorized to be appropriated such amounts as may be necessary to carry out this section, and the amounts so appropriated shall remain available until expended.

"(i) None of the provisions of sections 1 to 11, both inclusive, other than this section and section 7 (b) (1), shall apply with respect to determinations made under this section."

Renumber the sections which follow and references to them accordingly.

Mr. WAINWRIGHT (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent to dispense with further reading of the amendment and that it be printed in full in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. CANFIELD. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk completed the reading of the amendment.

Mr. WAINWRIGHT. Mr. Chairman, I will not need the 5 minutes to explain the amendment. I apologize to the membership for its length and wish that I could have spared them the time that it has taken to read.

Mr. Chairman, what this amendment would do is to allow those school districts that have a small but steady growth to qualify under title I, Public Law 815. In other words, those school districts that reach a 5 percent eligibility during a stated period would qualify under this act. That is the sole purpose of this amendment.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. WAINWRIGHT. I yield.

Mr. THOMPSON of New Jersey. My recollection might be faulty, but I do not recall that this was discussed in either the subcommittee or the full committee. Is my recollection correct?

Mr. WAINWRIGHT. The recollection of the gentleman from New Jersey is correct. I might say, however, that this was only called to my attention a short while ago or I would have presented it to the full committee.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. WAINWRIGHT. I yield.

Mr. FRELINGHUYSEN. Whether or not the subcommittee or the full committee considered the particular language of this amendment, I do not think is entirely relevant. There was certainly testimony before the committee and a discussion in executive session with respect to impacts which are gradual but which do continue over a period of years. Some effort was made to recognize that there was a Federal responsibility to help out in those situations. I understand the gentleman's amendment seeks to correct a particular inequity, where there has been a continuing impact, but not a sufficiently large one in a given period of time to qualify under present legislation; is that correct?

Mr. WAINWRIGHT. That is correct.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield further?

Mr. WAINWRIGHT. I yield.

Mr. THOMPSON of New Jersey. I stated that as the gentleman's amendment was read, one of the situations, which Mr. FRELINGHUYSEN alluded to, existed in New Jersey in Long Branch. We made, I think, nothing short of a heroic effort to work it out, but the complications are so great and the ramifications so many that we had to abandon it for want of something good.

Mr. WAINWRIGHT. The gentleman from New Jersey [Mr. THOMPSON] is

quite right. This was considered and brought up by the gentleman from New Jersey [Mr. FRELINGHUYSEN] and supported by the gentleman in committee, and it would do just that.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BARDEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not know where this amendment came from. I do not know what it includes. I do not know how far-reaching it would be. I do not know how much it would cost. I know one thing. It has not been discussed in committee. I do not believe there are a half dozen men in the House who could explain it or understand it without reading it, and I have not seen a copy of it.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. WAINWRIGHT. I do not think there are a half dozen men in the House who understand the bill.

Mr. BARDEN. I think the gentleman is underestimating the intelligence of the House a little bit, but I just say this, Mr. Chairman. I have a lot of faith in the intelligence of this House, and for that reason I do not think they need one bit of argument against that amendment and I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. WAINWRIGHT].

The amendment was rejected.

Mr. METCALF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. METCALF: On page 32, line 14, after the word "State", insert "*Provided*, That if for the fiscal year ending June 30, 1959, the application of clause (ii) of this sentence results in a lower local contribution rate than resulted from the application of such clause during the fiscal year ending June 30, 1958, as such clause was then in effect, then such clause, as in effect during the fiscal year ending June 30, 1958, shall be in effect during the fiscal year ending June 30, 1959."

Mr. METCALF. Mr. Chairman, this is the amendment about which I spoke earlier. This amendment will provide that even though we have changed the formula for a national floor from one-half of the national average of participating districts to half the national average of all districts, no school district will get less in the next fiscal year than it received in the last fiscal year. So that currently no one will be damaged as a result of the change, but we will cut out the spiral accelerating effect that will be so costly in a few years.

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. JONES of Alabama. Mr. Chairman, I rise in support of the amendment offered by the distinguished gentleman from Montana and in support of the bill.

It would be a catastrophe if Congress and other branches of the Government continued policies which send multitudes of defense workers and their families into every section of the country, leaving the local school districts to cope alone with the problem of educating the in-migrant children by local taxation.

The legislation under consideration today would make permanent the programs providing financial assistance in the construction and operation of schools in federally impacted areas. This would have a steadying effect in many areas, especially those with comparatively small public revenue.

There has been a period of concern and disquiet among many of our public school educators about the continuance of this program which is due to expire on June 30, 1958. Some proposals of the administration, made through officers of the Department of Health, Education, and Welfare before Congress this January, were interpreted as placing the program of payments to these impacted areas in grave jeopardy. Traditionally, schoolteachers are evaluated on their teaching performances and new contracts are offered in the spring for the coming fall terms. School budgets are usually made up at the same time and uncertainties about these Federal contributions have added greatly to the problems of our already burdened teachers and administrators.

The State of Alabama received $2,872,000 for maintenance and operation during fiscal 1957–58. Under the HEW formula, this figure would have been slashed to $243,000, according to an estimate by the Department itself.

During fiscal 1957–58, the schools in the Eighth District of Alabama have received for maintenance and operation the following: Madison County Board of Education, $90,000; Decatur City Board of Education, $19,000; Tuscumbia Public Schools, $19,000; Sheffield City Board of Education, $38,000; Florence City Board of Education, $53,000; Lauderdale County Board of Education, $42,000; Colbert County Board of Education, $23,000; Morgan County Board of Education, $30,000; Athens City Board of Education, $21,000; Scottsboro City Board of Education, $6,000; Jackson County Board of Education, $18,000; Limestone County Board of Education, $30,000; Lawrence County Board of Education, $10,000.

To some metropolitan areas of the country, these sums might appear picayune, but to our area they made the difference between high and low standards of instruction for thousands of American students.

The Eighth Alabama District contains the Redstone Arsenal, the germinal station for much of our achievements in outer space. While this Federal installation has been a most welcome addition to the north Alabama industrial complex and the influx of children has impacted our local schools, it has had another good effect. Its presence and its highly educated staff have made new demands for scientific and technical education on our local schools. The demand there is immediate, but the same general effect is being felt in all our schools since the Russian scientific advances.

I urge the House to approve the legislation under consideration. In doing so, we will be making substantial progress in meeting our obligations not only to the schools of today, but to those of the future.

Mr. FRELINGHUYSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask the gentleman from Montana [Mr. METCALF], whether my understanding is correct, that no school district will get less, under his proposal, than it had been receiving under the old formula?

Mr. METCALF. That is correct.

Mr. FRELINGHUYSEN. For 1 more year?

Mr. METCALF. For 1 more year.

Mr. FRELINGHUYSEN. If the new formula is better than the old one, why do we not accept it immediately?

Mr. METCALF. Because there are some schools that have already budgeted that will lose from $5 to $7 per pupil. The accelerating effect does not go into operation until later years anyway. When we originally wrote the amendment for the national floor, we only wrote it for 2 years, and did not anticipate this accelerating effect. I see no reason why we should not continue payments at the same rate as we had last year. In changing over we adopted a new formula that goes up a little more slowly. The national average is about 5 percent, but I do not think it was the intention of any member of the committee to penalize a school district or a pupil that was getting payments under the old law.

Mr. FRELINGHUYSEN. The basic reason is that there would be an inequity created by the proposed change in this legislation, and this is the way of correcting that inequity.

Mr. METCALF. I doubt if a half a dozen school districts in as many States have to look to this amendment, because the increasing cost of education on the national level will probably raise the per capita payment up to and above the $145.20 that it was last year in all participating districts.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield.

Mr. CHELF. May I ask the gentleman from Montana [Mr. METCALF], whether this applies to all sections or all localities equally, no matter what the size of the county or the size of the school? Are they all going to be treated the same?

Mr. METCALF. They are all going to be treated the same, as far as this amendment is concerned. Of course the gentleman from Kentucky understands there are other provisions in the law that prescribe different treatment.

Mr. CHELF. But as far as your amendment is concerned.

Mr. METCALF. As far as this amendment is concerned they are all going to be treated the same. No school district, big or little, will get less next year than it received last year.

Mr. CHELF. I want to take this opportunity to compliment not only the full committee but the members of the subcommittee who have devoted so much time to this very, very complicated problem. I say that on behalf of my people,

because truly we do need this down home. There will be an extra star in your crown for the kids of America, because you are taking care of them. You take care of America when you take care of our kids.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield.

Mr. BAILEY. When I was discussing this legislation under the rule, this is the the amendment that I said would be offered by the distinguished gentleman from Montana to clarify a particular point.

Mr. METCALF. That is correct.

Mr. BAILEY. I think it is a good amendment. I see no objection to it. It will certainly remove any discrimination about it.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield.

Mr. HIESTAND. I would like to know from the author of the amendment if it provides distinctly that when and if a district no longer needs this help we keep on paying them anyway?

Mr. FRELINGHUYSEN. Mr. Chairman, I yield to the gentleman from Montana to answer the question directed to him.

Mr. METCALF. As the gentleman knows, where the district needs help for the category A children in the district there is the Federal responsibility to take care of them, likewise with class B children there is a Federal responsibility to aid those federally impacted districts if they are entitled to it. Under this bill they get aid whether there is need or not. My amendment does not change those provisions of the bill.

Mr. HIESTAND. Does not change eligibility?

Mr. METCALF. It changes no eligibility whatever; we just change the formula which says half of all the 50,000 districts instead of half of 3,300 districts. But my amendment says that no one will suffer as a result of that change.

Mr. RHODES of Arizona. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. RHODES of Arizona. Mr. Chairman, I shall not take the 5 minutes; I just want to ask the gentleman from Montana another question.

Lest any school district feel that this might be an annual occurrence, we are extending the provisions of this particular section of the act for another year only. I think the gentleman from Montana will agree, that the reason for his amendment is to take care of situations in which school districts would otherwise be cut out of participation in this law but in which for the next fiscal year the school districts have been led to depend on the availability of money which would come in under the old formula. Many district's have actually budgeted that money. In my mind, as one member of the committee and as far as I am concerned there would be no question of further extension of the old formula, and from now on the new formula will apply.

Mr. METCALF. I thank the gentleman from Arizona. The cost of education on a national average increases about 5 percent per year. If we have a normal increase the difference between the new formula and the old formula will naturally increase. So, even if my amendment is adopted it will affect these districts for only 1 year, and thereafter they will get more money under the new formula than they are at present receiving under the old.

Mr. RHODES of Arizona. And the gentleman will agree with me, will he not, that we have no intention of expanding operations under the old formula beyond this particular fiscal year?

Mr. METCALF. That is right; we want to end that old formula and cut out the built-in spiral effect permanently.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield.

Mr. THOMPSON of New Jersey. The gentleman from New Jersey [Mr. FRELINGHUYSEN], I believe, asked whether this continues whether the district needs it or not; and I might suggest that if the gentleman has districts which are impacted but which do not need the money they do not need to apply, especially the category B class, and they will not be paid; and, eventually, if all the children are housed there will be no assistance. So the gentleman need have no fear of the money being wasted in his district.

Mr. RHODES of Arizona. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana.

The amendment was agreed to.

Mr. ROOSEVELT. Mr. Chairman, I have two identical amendments to titles 1 and 2 at the desk, and I ask unanimous consent that they may be considered en bloc.

Mr. BARDEN. Mr. Chairman, reserving the right to object, what are these amendments?

Mr. ROOSEVELT. This is the amendment I presented in committee. The gentleman will remember it was voted down. It is my amendment instead of being Mr. POWELL's amendment, and it comes on page 22 and on the last page of the bill.

Mr. BARDEN. The gentleman means he is now buying over the partnership?

Mr. ROOSEVELT. I might add there is no partnership.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. ROOSEVELT: Page 24, line 3, after the word "section" insert a new section:

"CONFORMITY WITH SUPREME COURT DECISIONS

"SEC. 14. Notwithstanding any provisions of this act, no payment shall be made to any local educational agency under this act unless such agency gives assurance to the Commissioner in writing that its school facilities are open to all children without regard to race, in conformity with the requirements of the decision of the Supreme Court of the United States relating to racial segregation in public schools, or that it is proceeding with a plan for integration which plan has not been held by any Federal court to be contrary to the provisions of such decisions, and the Commissioner makes a finding that such assurances as provided above conform to the existing facts."

Page 34, line 5, after the word "thereof" insert the following new section:

"SEC. 206. Such act is amended by inserting immediately after section 8 thereof the following new section:

" 'CONFORMITY WITH SUPREME COURT DECISIONS

" 'SEC. 8a. Notwithstanding any provision of this act, no payment shall be made to any local educational agency under this act unless such agency gives assurance to the Commissioner in writing that its school facilities are open to all children without regard to race, in conformity with the requirements of the decision of the Supreme Court of the United States relating to racial segregation in public schools, or that it is proceeding with a plan for integration which plan has not been held by any Federal court to be contrary to the provisions of such decisions, and the Commissioner makes a finding that such assurances as provided above conform to the existing facts."

Mr. ROOSEVELT. Mr. Chairman, over the years, the desirability of antisegregation amendments has troubled those of us who believe in much-needed and overdue school-aid legislation. Because I have always believed in the fundamental principle behind these amendments, I have supported them in the main. However, many of my colleagues who are just as opposed to the use of Federal funds for segregated schools as I am, and for whose judgment and sincerity I have the greatest respect, have opposed the amendment because they felt that reactionary forces were cynically using it merely as a device to defeat the basic legislation itself.

In the last session I decided as did many others, including my colleague from Michigan [Mr. DIGGS], that we should not once again cloud the fundamental issue of aid to school construction by another civil rights debate. I hoped that we could get additional schools and desegregated schools in two parallel steps. But once again, after voting to support the anti-segregation amendment offered by Representative WAINWRIGHT, the Republicans turned around and then cynically voted to kill the school-aid bill itself. I cannot believe they would do so again.

This maneuver might seem to indicate that those of us who favor school aid should oppose the antisegregation amendment. However, one important event has taken place since the vote in the Congress last year, which I think makes it imperative for those of us who are opposed to the use of Federal funds for segregated facilities to support the amendment which I have offered. On February 25, 1958, Secretary Folsom in a letter to Roy Wilkins, executive director of the NAACP, stated:

(1) That under the Supreme Court decision, it is the Federal judiciary and not the executive branch of the Federal Government which is to determine how compliance with the Supreme Court mandate is to be brought about and what constitutes compliance in good faith; (2) that judicial implementation of the Supreme Court decision, in the manner charted by the Court in its decree, and the meeting of the urgent overall educational needs of our country can go forward at the same time; (3) that we will not assume that it is essential in order that progress may be made in the

former to reserve or withhold funds necessary to progress in the latter.

Frankly, I am shocked by this negative do-nothing attitude of the administration. The job of securing the constitutional guaranties of our citizens is a job not only for the judiciary, but for the executive branch of the Government and the Congress as well. If the Administration has seen fit to abdicate its responsibility, it becomes even more urgent that we in the Congress do our job. For that reason I have offered an amendment to this bill which would require the Federal Government to take what I regard as minimum steps to help bring about compliance with the Supreme Court decision. For the same reason, I feel that the Congress must at this time take the necessary measures to see that the funds which will be made available under this legislation are not used to build segregated schools.

I had hoped that the administration would recognize its obligation not to use Federal funds for segregated schools. If, however, the Federal Government refuses to acknowledge and carry out its obligation in that respect, then it becomes mandatory for the Members of this body to support legislation which will bar Federal payments to segregated school systems.

The pending legislation recognizes that it is the continuing and permanent responsibility of the Federal Government to provide Federal financial assistance to the construction and operation of schools in areas affected by Federal activities. There is an equal responsibility, in my view, for the Federal Government to see that this financial assistance is not used to thwart the law of the land.

There is also a significant distinction, I feel, between the general school-aid construction bill and the pending legislation. It has been a consistent Federal policy to bar discrimination in Federal activities. For example, while there is no Federal law outlawing discrimination in employment, nevertheless contractors who do business with the Government are required by Executive order not to discriminate in hiring or firing. Similarly, the Federal Government has a responsibility to see that school facilities made necessary because of Federal activities should be open to all children of Federal military and civilian personnel without discrimination.

Finally, I say to my colleagues who have always supported the principle of nondiscrimination but have opposed the antisegregation amendment out of a well-founded fear that the amendment was being exploited to defeat the basic legislation, that a different political situation obtains with respect to this bill. This legislation has since it was first enacted in the 81st Congress always enjoyed greater support than the general school-aid bill. I feel that it is possible, in this instance at least, to get both needed school-aid legislation and desegregated schools at the same time. And it is for this reason that I am supporting this amendment and I hope my colleagues will do likewise.

Mr. METCALF. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Montana.

Mr. METCALF. I want to point out that the boys and girls whose parents both live and work on Federal property are largely on military bases and throughout every area of the country where there are segregated schools being operated off the base, then the military operates integrated schools upon the base. I know of no instance—and I hope if you know of one you will tell me about it—where Public Law 874 money is going to support a segregated school for class A children.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. BARDEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment was offered in the committee. The committee, in my opinion, did a good job in writing this legislation. I think every Member of this House knows the objective of this piece of legislation. We are certainly acquainted with the tremendous amount of good it has done. I do not believe there is anyone in this Chamber who believes that this amendment will make any contribution to the successful operation of the program or be helpful in the operation of the schools or will make any contribution to this very fine piece of legislation.

There were members on the committee who, if the issue was presented in the proper place, at the proper time, for proper legislation, would have approved it, and yet on that committee, with its members dedicated to trying to work out the best piece of legislation and the most workable piece possible, realizing that this was no place for this type of issue, there were only four of those present who supported it.

Now, what does that mean? That means that the overwhelming majority of the members thought too much of the legislation to let a side issue complicate or jeopardize the legislation. Now, I am not going to go off into a lot of harangue about this. I say this, and I think you will understand what I mean, any action that is taken in accord with the so-called leadership of the gentleman from California will not expedite the passage or the final consideration of this bill.

Let us forget the amendment and go on with the good piece of work that we have been doing up to now in this House on this legislation.

Mr. Chairman, I am opposed to the amendment.

Mr. DIGGS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, first of all I think I should bring to the attention of the House the fact that the gentleman from California [Mr. ROOSEVELT], the author of this particular amendment, came from a sickbed in a hospital to reaffirm and reiterate the philosophy that it represents. It is a tribute to the courage of his convictions that he came here under those circumstances, and, whether we agree with the amendment or not, his action certainly should raise him another notch in the esteem of all the Members of this body.

I do not think there are any Members of the House who do not understand the meaning of this amendment and, therefore, I do not propose to consume a lot of time editorializing about it. I think the gentleman from California explained it explicitly and I hope those who listened to him were able to see the distinction between this amendment and amendments which have been offered on this subject in the past as applied to school construction.

This particular amendment is only aimed at those States that have by law or by statements of their sovereign leadership absolutely defied compliance with the Supreme Court decision. This amendment is aimed at those States who, among other things, have made it a criminal offense to attend an integrated school. This does not involve the entire South. This, therefore, cannot be classified as an anti-Southern measure. It actually applies only to 3 or 4 States.

In answer to the distinguished gentleman from Montana [Mr. METCALF], who questions whether these funds would affect schools outside of military installations that come under the jurisdiction of this act, I wish to point out that a school district needs only 5 percent of the school population to be from an impacted area to receive funds under this particular measure. Therefore, there are school districts outside of military installations throughout these affected areas where the practice of segregation is denying the type of educational facilities and procedures that are necessary if all citizens are to receive equal opportunity.

The total money allotted to the recalcitrant States has amounted to over $192 million since the operation of Public Laws 815 and 874, which means that the Federal Government has already spent a huge sum in support of segregated facilities.

The question this afternoon, therefore, is whether or not we can trust the officials of these defiant States to handle this Federal assistance for the education of all of our citizens without regard to segregated patterns. According to our experience and observation, the answer is emphatically negative. In view of the current intensified interest in elevating the educational standards of our country and its relationship to our defense effort, it is unthinkable that we not support this amendment and eliminate the acknowledged general inferiority of segregated training.

The CHAIRMAN. The time of the gentleman has expired.

Mr. METCALF. Mr. Chairman, I move to strike out the last word, and rise in opposition to the amendment.

Mr. Chairman, the gentleman from California said that one of the reasons for the adoption of his amendment was that we were making permanent legislation of category A children, that is, children who both live and work on Federal property and, therefore, because it was permanent legislation, we should put in his amendment. But, of course, those children, and those were the children I

referred to when I interrogated the gentleman from California, are largely living on military bases. I know of no instance where a category A child whose parents both live and work on Federal property is being discriminated against or where the district in which that child lives is getting payments under Public Law 874.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield.

Mr. ROOSEVELT. I think it is only fair to point out that considering the city of Los Angeles, for example, we have a relatively small number of category A children but a tremendous number of category B children and it is the category B children who in the main may be the largest number affected and not the children of parents who live and work on military or other Federal property.

Mr. METCALF. Yes; I was coming to that. With reference to the category B children, and I will accept the figures that the gentleman just gave to us of $198 million that have been paid to the States where segregated schools are operated—again, it seems to me the way to do is to follow the Supreme Court decision calling for deliberate speed to work this thing out as tolerantly and as kindly as we can. All the category (b) children are going to come up for renewal in 3 years in 1961. It seems to me there is no place for this amendment in this legislation, which has been so important for white and colored both, not only in the South but all over the United States. As I say, there is no place in this legislation for the kind of amendment the gentleman from California has submitted. Perhaps, 3 years from now, if the thing has not gone forward as the Supreme Court anticipates and as some of us hope it will go forward, there may be a need for the amendment. But, I have insisted all along that there is plenty of law to take care of such a situation without this amendment. The events at Little Rock surprised even me. The administration has plenty of authority to do just exactly what the gentleman from California wants to do without this amendment going into this specific law. The only thing the adoption of this amendment will do will be to overrule the Supreme Court on this matter of deliberate speed. The only thing it will do will be to say to the administration, "You are not going fast enough," and to make a situation that is already troubled even worse. The Members of the House know that if this amendment is adopted today on this bill, it will kill one of the most beneficial pieces of legislation that has ever been adopted for the education of our children throughout the United States.

The CHAIRMAN. The question is on the amendment of the gentleman from California [Mr. ROOSEVELT].

The question was taken; and on a division (demanded by Mr. DIGGS), there were—ayes 25, noes 132.

So the amendments were rejected.

Mr. METCALF. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. METCALF: On page 31, line 22, strike out the period and insert in lieu thereof the following: "*Provided*, That this paragraph shall not apply to any agency or consolidated agency which has qualified for payments under this act before the date of enactment of this proviso by virtue of having less than 35,000 average daily attendance during the fiscal year ending June 30, 1939."

Mr. METCALF. Mr. Chairman, when this law was originally passed it provided there should be a 3 percent absorption of all Federal impacts so that any school district that had a Federal impact would have to absorb 3 percent of that before any payment was made. It also provided that in order to be eligible for participation in this program, school districts with average daily attendance of 35,000 in 1939 had to have a 6-percent impact.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield.

Mr. NICHOLSON. What does that 35,000 mean?

Mr. METCALF. That was apparently an arbitrary figure that was just picked out of the air back there years ago—in 1939. It was an arbitrary change. Some figure had to be picked out, and they picked out 35,000 as a figure, separating the big school districts from the little ones. They picked out 1939 as the effective date.

Mr. NICHOLSON. If the gentleman will yield further, all towns in my State have——

Mr. METCALF. Not population of the towns. It is the average daily attendance of the school district.

Mr. NICHOLSON. Well, we do not have any school districts. We have one school in each town, supported by each town, with a very few exceptions. How would this affect us?

Mr. METCALF. I have not seen any of the Massachusetts districts that are affected by the old law or the present amendment. So the amendment I am going to propose would not affect you in any way whatsoever, and I do not believe you are affected because you have to have a very large school district in order to have an average daily attendance of 35,000.

But we said, in order to qualify for aid you have to have this 6 percent impact. Then, in 1955, we removed the 3 percent for all districts except the large districts. So the law in effect at the time the hearings were held this year provided that school districts that had an average daily attendance of 35,000 in 1939 had to have a 6 percent impact and had to absorb 3 percent of that impact. There were seven such districts: Los Angeles, San Francisco, Denver, Hawaii, Columbus, San Antonio, and Seattle districts. In order to qualify those districts had to have a 6 percent impact and then had to absorb 3 percent.

Several times previously when this bill was on the floor the gentleman from Colorado [Mr. ROGERS] has said that that 3 percent absorption feature was unfair, and I have stood up and voted with him on that proposition.

But this year we said that a school district that has achieved 35,000 daily attendance after 1939 shall be treated the same as a school district that had achieved that daily average attendance before 1939. So the subcommittee moved the effective date from 1939 to 1957. That brought in 18 more school districts that would have to have this 6 percent impact in order to qualify and then absorb the first 3 percent. One example of such district is the Fairfax, Va., School District, in the district of the gentleman from Virginia [Mr. BROYHILL] which has a total average daily attendance of 36,000 and gets $1,719,000 payment under Public Law 874.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman.

Mr. BROYHILL. Yet the county has a more serious school problem for the future by far than it has now.

Mr. METCALF. I agree with the gentleman. So the committee said this 3 percent absorption proposition was unfair. The gentleman from California [Mr. ENGLE], the gentleman from California [Mr. WILSON], and the gentleman from Colorado [Mr. ROGERS] all have vehemently contended before the committee that it was unfair. They had to show a greater impact in order to qualify and then when they showed the greater impact they had to absorb part of it. So the full committee said they would remove the 3 percent entirely.

In removing the 3 percent entirely we found that four districts in the United States have been unfairly treated: The Hillsborough District in Tampa, Fla.; the Baltimore District in Maryland; the Omaha city schools in Nebraska, and the Greenville District in Greenville, S. C. Greenville, S. C., for example, has had a good strong consolidation program under which it consolidated many smaller districts and now it has achieved a school district in excess of 35,000. This consolidated district has about a 4 percent impact. Prior to this time most of the districts were receiving payment under Public Law 874.

The CHAIRMAN. The time of the gentleman from Montana has expired.

(By unanimous consent Mr. METCALF was allowed to proceed for 5 additional minutes.)

Mr. METCALF. The committee and I believe everyone else in education wants to encourage consolidation if it is in the interest of economy or efficiency in teaching, yet such a proposition as this would discourage it if the school district rendered itself ineligible for payment under this act or was required to absorb 3 percent of the payment.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield.

Mr. BARDEN. I just wanted to comment on the consolidation. I believe that the number was 82 school districts that were consolidated.

Mr. METCALF. Eighty-two small districts were consolidated and made 1 district with an average daily attendance of over 35,000, certainly good administrative procedure.

Mr. ASHMORE. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from South Carolina.

Mr. ASHMORE. I appreciate the gentleman's statement of clarification of the amendment he has offered, and I am glad to say that it is in behalf of my home town and county, Greenville, S. C. I happen to know that the gentleman's statement as to the effect of the bill is absolutely correct, because many years ago 82 small districts in my county were consolidated into 1 school district. We were trying to follow the recommendation of the educational authorities of the country who said that we should consolidate to provide a modern, up-to-date school system. In doing that we thought we were doing right, and still think we were, and thereby received funds from the impacted area legislation. Due to the fact that the Donaldson Air Base is located there, we received $100,000 annually. Suddenly we found we were left out entirely. In talking with the gentleman from Montana and other members of the committee I was informed that there was no intent to leave out Greenville County, S. C., and these three other areas, but that it was just an unintentional inequity due to the new formula. I hope and trust that this amendment will be adopted so we will not be penalized for consolidating and trying to establish and maintain a modern school system in the district.

Mr. METCALF. I thank the gentleman. That is the general purpose of this amendment, to update Federal aid from 1939 to 1957. If this amendment is adopted no district that is getting payment under the present law will suffer from the updating.

It would provide that a district which has consolidated would continue to get the payments it received before. That does not mean the district will not continue to have the 3-percent or the 5-percent impact in order to qualify, but after the 3-percent or 5-percent impact has been achieved, even though they are over 35,000 average daily attendance, they would not have to have an additional 3 percent to qualify for aid under Public Law 874.

This is an amendment similar to the last one I offered in order to maintain the status quo for several districts that are penalized as a result of that change in the law.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield.

Mr. RHODES of Arizona. I want to ask the gentleman the same question I asked him on the previous amendment, would he agree with me this will be the last time this provision will be in a bill of this nature? In other words, after this we intend to adopt a new formula, and any school district which might budget funds based on the old formula, hoping we would, from year to year, extend certain parts of the old formula would be ill-advised?

Mr. METCALF. Any district in the future has to come in under the provisions of the law as amended. I agree with the gentleman.

Mr. McINTIRE. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Maine.

Mr. McINTIRE. Mr. Chairman, I favor this legislation, for it will work toward satisfying a need of the many communities in Maine that are, in a large sense, integrated with military installations related to our national defense.

The establishment of numerous defense installations in Maine has effected a dynamic impact on Maine communities, requiring equally dynamic adjustments.

This legislation has merit inasmuch as it is designed to assist those communities that are struggling to expand their educational programs in an effort to accommodate federally impacted children.

I submit for insertion in the RECORD pertinent lists relating to the aid received by Third District, Maine, communities since the original enactment of Public Law 815 and Public Law 874:

Public Law 874

District	Aggregate assistance 1950–51/1956–57	1956–57 year only				
		Assistance	Number of pupils		Assistance attributable to—	
			3a	3b	3a	3b
Bangor	$249,304	$83,112	240	417	$44,474	$38,638
Brewer	4,060	4,060	----	47	----	4,060
Caribou	105,955	18,342	----	229	----	18,342
Castle Hill-Chapman-Mapleton Community School District	21,787	5,654	----	64	----	5,654
Dover-Foxcroft	2,945	2,945	----	36	----	2,945
Fort Fairfield	67,252	9,993	----	124	----	9,993
Grand Isle	2,524	726	----	10	----	726
Hamlin Plantation	1,639	871	----	12	----	871
Hampden	4,356	4,356	----	60	----	4,356
Hermon	3,412	3,412	----	47	----	3,412
Limestone	749,561	239,632	1,011	238	213,322	26,310
Mars Hill	9,663	5,529	----	67	----	5,529
Presque Isle	154,340	40,698	116	231	20,393	20,305
Southwest Harbor	9,304	2,187	----	29	----	2,187
Van Buren	53,732	16,335	----	225	----	16,335
Washburn	20,159	4,546	----	56	----	4,546
Winter Harbor	7,987	3,230	----	35	----	3,230
Total	1,467,980	445,628	1,367	1,927	278,189	167,439

Public Law 815

Under title II, sec. 202: Limestone (high school equipment)	$11,173
Under title III, sec. 305:	
Limestone (high school)	183,000
Limestone (addition to high school)	38,880
Caribou (junior high school)	66,000
Bangor (Garland Street Junior High School addition)	49,820
Under title II, sec. 204: Limestone (Loring Air Force Base, Damon School)	916,944
Under title III, sec. 310: Limestone (Loring Air Force Base, Harrison School)	481,790

NOTE.—Other applications are pending.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Florida.

Mr. CRAMER. I want to congratulate the gentleman for the introduction of this amendment and for his courtesy in consulting with my office and others that are affected by this proposed bill which updates the date for qualification from 1939 to 1957 and thus disqualifies my district in the future although it has qualified in the past. There are actually 5 school districts, I believe, that will be affected, 2 of them in my district, Hillsborough and Pinellas. Pinellas did qualify this year, 1958, and will also continue to qualify under the gentleman's amendment. I want to call that to the attention of the Committee and I thank the gentleman for offering the amendment which I previously discussed at length during general debate. It is a very equitable proposition.

Mr. METCALF. The gentleman from Florida has always been a strong supporter of this legislation. He made a fine statement before the Committee and it would be ironic if his two main districts were exempted from the bill as a result of an improvement in the law.

Mr. CUNNINGHAM of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield.

Mr. CUNNINGHAM of Nebraska. I, too, want to support the amendment offered by the gentleman from Montana. I represent the Omaha District where we have the headquarters for the Strategic Air Command. This matter of impacting of the district is growing and growing and this is going to mean a great deal to us and to the children of the people who are residing there.

Mr. METCALF. I thank the gentleman. His District is one of the examples.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. METCALF].

The amendment was agreed to.

Mr. UDALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. UDALL: On page 33, strike out lines 12 through 20 and insert the following: "Section 9 of such act is amended by inserting after '(A)' the following 'except for purposes of section 6.'"

Mr. UDALL. Mr. Chairman, this is the amendment mentioned by several of my colleagues and concerns the changing of the definition of Federal property

to arbitrarily provide that we treat airports and other places owned by municipalities as Federal property under specified conditions.

This provision was proposed by my colleague from Alabama [Mr. ELLIOTT] to cover a specific situation at Birmingham, Ala. However, his proviso, which you will find on page 33 of the bill, was not tailored to meet that specific situation. It was tailored in general language and says:

> Any facility engaged in the modification of aircraft or aircraft engines under contractual arrangements with the Department of the Air Force at an airport which is owned by a State or by a political subdivision of a State.

I propose to strike out this language, and I do so with reluctance. I have an installation in my Congressional District which would entitle my school districts to additional aid. My reluctance also relates to the fact that I have the highest regard for my colleague from Alabama who very sincerely proposed this change. Let me be very concise in stating my case. The subcommittee, of which I am a member, did not consider this proposal. No one knows how many school districts will be affected. None of us can say what the cost of this amendment will be, and we have tried to be very conscientious in past years in determining the reach of any new amendments.

The other reason I propose it is that if we are going to open this new door to Air Force installations, we should be consistent and open it to similar installations of the other services. However, at the moment we have no way of knowing how many installations have similar Navy or Army contracts.

Therefore, these are the two reasons why I propose this amendment and why I feel it has merit.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I would just like to congratulate the gentleman for offering the amendment. I think he gave very good reasons for his supporting it, and I simply strongly urge that we adopt his amendment.

Mr. UDALL. I thank the gentleman.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. I thank my colleague for offering this amendment. I shall support it. I would also like to call attention to the fact that both of us support this amendment even though it appears that two plants in our own districts might be affected.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Kentucky.

Mr. PERKINS. In redefining the definition of Federal property, is it the intent of your amendment to keep in the bill the so-called flying school or to exclude them?

Mr. UDALL. This does not affect them. This is very specific and only covers contract facilities with the Air Force.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from North Carolina.

Mr. BARDEN. In order that the record may be clear, this does not in any way affect the flying schools?

Mr. UDALL. No, it does not.

Mr. THOMPSON of New Jersey. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in the course of our earlier discussion of this particular amendment it was pointed out that although there are elements of uniqueness to the Alabama situation, the fact is that there are other school districts in a similar condition if they were to apply. I refer in particular to one in my district where, on a county-owned airport, the same type of activity is being undertaken on the conversion of aircraft and the engines for those aircraft. There are similar situations in California, Ohio, and elsewhere. Although it is unfortunate that we must oppose our distinguished colleague and friend from Alabama in this way, I think that common sense and good administration of this particular act require that this amendment be eliminated.

Mr. ELLIOTT. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Arizona [Mr. UDALL].

Mr. Chairman, the situation with respect to this matter is as follows: In Birmingham, Ala., which is not in the Congressional District which I am privileged to represent, there is an airport, a part of which was originally built by the Federal Government and then returned to the municipality of Birmingham subject to a recapture clause. The airport was taken over again by the United States Government, by the Air Force, during the Korean war, for this purpose: for the purpose of leasing it to a concern known as Hayes Aircraft Corp., which used it to modify aircraft engines for the Air Force. As the result of that, the nearby school district known as Tarrant City, Ala., was paid for about 150 children whose parents worked at this facility modifying aircraft for the Air Force. These payments continued through the fiscal year 1957. A question has been raised as to what the cost is. In the fiscal year 1957 the cost to the United States Government was $3,480. That is what it cost. But on January 1, 1957, the Air Force gave this section of the airport where these engines are being modified back to the city of Birmingham, but the Hayes Aircraft Corp. continued to modify engines at that very spot under contracts exactly like or perhaps the same ones they had during the period prior to January 1, 1957, and these 150 children continued to go to Tarrant City schools just as they had done in years before.

I submit, Mr. Chairman, that there is no equity, simply because the Air Force returned that part of the airport which was being used for this purpose to the city of Birmingham, in depriving this little school district of assistance for the education of these children which it had enjoyed during the previous year.

Mr. Chairman, also I should like to point out to the members of the Committee that the Federal Government has a recapture clause in connection with this particular section of the Birmingham Municipal Airport. At any time within a period of 10 years the Air Force or the Department of Defense may recapture or take over this very section of the airport again.

Let me say to the Chairman of the Committee of the Whole House that as I see it, if we are going to do equity and justice in behalf of these same schoolchildren as we did through the fiscal year 1957, we must allow this language to stay in the bill, which the full committee adopted when it was before the committee some 2 or 3 weeks ago.

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from the Ninth Congressional District of Alabama where the Hayes Aircraft Corp. is located, and where Tarrant City is located.

Mr. HUDDLESTON. Mr. Chairman, I want to commend the gentleman from the Seventh Congressional District of Alabama for the very fair and forthright explanation he has made of the provisions contained in this particular section of the bill. I would like to call the attention of the Committee to the fact that the deed which the gentleman made reference to was a deed from the Department of the Air Force to the city of Birmingham. The 150 children to whom the gentleman referred are students enrolled in the city schools of the city of Tarrant, Ala., which was in no way involved in the deed of transfer between the Air Force and the city of Birmingham. The operation which has been taking place at the Hayes Aircraft Corp. is the same which they are now doing, under the same contracts under which they were operating and which they will continue to operate. This entire amount of $3,400 which the gentleman from Alabama [Mr. ELLIOTT] has mentioned would all go to, as it has been going to, the city of Tarrant.

Mr. ELLIOTT. Mr. Chairman, I would like to say to the gentleman at that point that I have been able to find no other school district in America that has exactly the same situation as the one to which this amendment refers, not a single one. And yet those who offer the amendment would give the impression that if it were to pass, it might lead to great additional costs on the Federal Government.

I should like to say to the members of the Committee that in my judgment this is the only school district in America that will be affected if the language is allowed to stay in the bill.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. Mr. Chairman, I would like my distinguished friend to understand that I have no intention of putting forward a false concept. Under existing conditions I

believe the gentleman's statement is correct. But if this were allowed to become law and were carried to its logical conclusion a great number of others could come in under it.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. ELLIOTT] has expired.

Mr. BAILEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am sure I shall not consume 5 minutes of the time of my colleagues, but this proposal to which this amendment is directed is not included in the report of the subcommittee of 7 members that went to the full committee of 30 members. It was offered during the deliberations of the full committee in considering the report of the subcommittee. I have noted, Mr. Chairman, that the gentlemen who have spoken in favor of the proposed amendment are members of the subcommittee who opposed it in the full committee. As chairman of the subcommittee, I am in favor of carrying out the instructions of the overall committee which wrote this amendment in and, therefore, I propose to vote against the amendment. I sincerely hope that it will be the pleasure of my colleagues to vote against the amendment.

Mr. RHODES of Arizona. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to call the attention of the Committee to the minority views beginning on page 93 of the committee report. On page 94, there is a list of 8 plants, all of which are engaged in manufacturing aircraft or aircraft parts on contract with the Air Force. Under the terms of the bill, which the amendment of the gentleman from Arizona would strike, the Department of Health, Education, and Welfare feels that children of workers in those plants would definitely meet the test of Federal impaction, which would cause their school districts to receive benefits under this law. We do not know how many employees there are. We do not know how many children are involved. We are not even sure that this is a complete list. In fact, Mr. Chairman, I am satisfied from my own knowledge that it is not a complete list. Furthermore, if this amendment were to be made just, it would have to apply to every plant in this great land of ours that is situated on municipal property and which makes any materiel for the Army, Navy, or Air Force. There is no logical reason why such a provision as this should be applied only to plants making airplanes or airplane engines for the Air Force.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield.

Mr. UDALL. I wonder if the gentleman would agree with my point of view on this. If this amendment, as was the case with the nine flying schools that we previously considered, that are not affected by this—if this concerned this one situation which, as described by our colleague, the gentleman from Alabama, is an inequitable situation, we might very well be taking that one situation and considering it on its merits, have passed an amendment to cover it. But, this opens up such a wide door that none of us can say how broad it would be. That is the real factor which causes us to oppose the amendment and not the equity or the inequity of the particular situation.

Mr. RHODES of Arizona. My colleague from Arizona is absolutely correct. We do not know how broad the door is. We do now know how many dollars are going to go through that door before we find out how broad it is. Mr. Chairman, the gentleman from Arizona is also right in that this committee has been very zealous in trying to correct inequities as they appear. When it becomes obvious to us that there are inequities and we are able to get the facts to show what the ultimate effect of a suggested solution would be, we have tried to correct any given inequity. This is so broad we have no idea how far it will go.

I ask that the committee vote "aye" on the amendment.

Mr. HUDDLESTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a great deal has been said, in the course of the debate on the amendment to strike out this particular part of section 205 of the pending legislation, about the fact that it is so broad in scope. There seems to be a great deal of question as to how far it would go and what the entire scope of it would be. I think that may result from a misunderstanding of the language of the provision contained in the bill. The bill provides that the definition of Federal property shall be expanded to include any facility engaged in the modification of aircraft or aircraft engines under contractual arrangements with the Department of the Air Force at an airport which is owned by a State or political subdivision of a State.

There is no similar type of operation anywhere else in the country, which will be involved. The best information I have is that Hayes Aircraft Corp. is the only one of its kind in the Nation, and it alone is covered by this section.

The situation with regard to Jefferson County, Ala., which I am privileged to represent in the House, is that during World War II the Federal Government constructed an aircraft modification, maintenance and overhaul plant on ground adjacent to the Birmingham Municipal Airport. At that time title to the property, the building and real estate, was vested in the Federal Government. Immediately following World War II this property was deeded to the city of Birmingham. At the beginning of the Korean conflict the property was again recaptured by the Department of the Air Force under a provision in the deed, and was utilized under contract with the Hayes Aircraft Corp. to modify and maintain and overhaul aircraft parts and engines. On January 1, 1957, the Department of the Air Force deeded this property back to the city of Birmingham but kept a 10-year recapture clause in the deed, so that any time within the next 10 years the Federal Government could recapture the property in the event of a national emergency.

Mind you, that was a deed from the Department of the Air Force to the city of Birmingham, Ala. Surrounding Birmingham are many other small municipalities. One of these is the city of Tarrant, Ala., a separate municipality which has its own school program. One hundred and fifty children of parents who are employed in the Hayes Aircraft Corp. live in the town of Tarrant and attend the Tarrant public schools. The city of Tarrant will be saddled with the cost of schooling for these additional 150 children. No one will deny that Tarrant is an impacted situation. It would seem to me that this provision should be kept in the bill so that these people will receive the benefits along with the rest of the school districts in impacted areas.

There is ample precedent for including this provision in the bill. You will recall that the last time this legislation was under consideration for extension, the House very generously voted to include certain flight training schools under the impacted area program. This situation is very similar to the people attending the flight training schools. In that particular case, the schools were operated under a contract between the Air Force or the Army and a private individual, and were, in large part, conducted on the sites of municipal airports. This situation is the same. A private contractor conducts an operation on property formerly owned by the Federal Government but which has been deeded back to a municipal airport. The situation is similar to that we had confronting us at the time we put in the amendment regarding the flight training schools.

I sincerely hope the amendment offered by the gentleman from Arizona will be voted down.

Mr. BARDEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I take this time only for the purpose of stating my views and the reason why I supported the amendment that incorporated this provision in the bill. It was simply this: I understood that we were providing legislation to help where an impact came on school districts, and I construed an impact to be that when an operation was sponsored and carried on in connection with the Federal Government on non-tax-producing property there certainly was no way to avoid an impact on that school district; that was my reason. I do not argue with anybody who has another view on this problem.

I understand on this particular piece of property the Federal Government has a 10-year recapture clause. It does not make any difference whether the property is owned by the city, the State, or by the Federal Government, it does not pay 1 penny of tax to educate the schoolchildren who have been dumped on that school district—that was my reason. I felt that if the Federal Government should step back in and recapture the airport, as it has a right to do, it will not change the tax status of that land one particle. It does not pay any taxes now, it did not pay any taxes when the Federal Government had it, and it will never pay any taxes until it gets back into the hands of private individuals.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. WAINWRIGHT. I certainly understand the gentleman's reasoning. However, if the Udall amendment is not adopted and the gentleman's reasoning is correct would not any concern doing work for the Federal Government become eligible under the law?

Mr. BARDEN. No, I do not agree with that interpretation, because the bill provides that "any facility engaged in the modification of aircraft, or aircraft engines, under contractual arrangements with the Department of the Air Force at an airport which is owned by a State or by a political subdivision of the State."

Now, the school district and the children in the school district do not get a penny in taxes when the Federal Government owns the property or when the State government owns it, or when the county government owns it.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman.

Mr. RHODES of Arizona. I share the gentleman's concern that unless the language of the bill is narrowed to take care of that situation, and that situation only, it will go too far. I ask the gentleman if he does not believe it is much too broad.

Mr. BARDEN. Let me say this, and I have said much more than I intended to say; when it was discussed back yonder when we were considering the bill, nobody showed up. Whether the Federal Government owns the land, or the municipal government, or the State government owns the land and the Federal Government carries on the operation, it is just as much an impact on that school district.

Mr. RHODES of Arizona. Is it not just as much impact whether the property is municipally owned or federally owned?

Mr. BARDEN. Certainly, but there is no justification in the case.

Mr. RHODES of Arizona. Does the gentleman not feel in all justice that if we are going to take care of airplanes for the Air Force, we ought to take care of tanks for the Army?

Mr. BARDEN. We will cross those bridges when we get to them. We are not dealing with those things in this bill.

I just wanted to say what I have said because I have been sitting here and had not said "yea" or "nay" about it, and it was a matter that impressed my mind as being the fair thing to do.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. PERKINS. The impact is exactly the same whether the State government, county government or the Federal Government owns the airport.

Mr. BARDEN. Exactly the same.

Mr. PERKINS. The equity is exactly the same. The only question involved here is whether we are going to exclude an operation of this type where the municipality owns the airport. It is contrary to the concept of this legislation.

Mr. BARDEN. Let me say that I do not have any of these operations in my district. This operation is in Alabama. I have not any interest in the world in it except just plain fair play. It struck me that a fair interpretation of the situation which we were trying to solve would definitely make this operation eligible because the land is owned by the city. It is an airport and the operation is carried on in connection with the Air Force.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona [Mr. UDALL].

The question was taken; and on a division (demanded by Mr. UDALL) there were—ayes 68, noes 58.

So the amendment was agreed to.

Mr. SISK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SISK: On page 24, between lines 3 and 4, insert a new section:

"AREAS AFFECTED BY ACQUISITION OF FEDERAL PROPERTY

"SEC. 15. When the United States, after June 30, 1956, acquires real property which constituted a part of the tax resources for the payment of bonded indebtedness incurred for the construction of school facilities, the Commissioner, upon application containing such information as he may require, shall pay in a lump sum to each political subdivision affected an amount which bears the same ratio to the bonded indebtedness incurred for the construction of school facilities as the value of the real property so acquired bears to the value of all real property in the political subdivision which constituted a tax resource for the payment of such bonded indebtedness."

Renumber section 15 as section 16.

Mr. SISK. Mr. Chairman, the amendment of Public Law 815 proposed is of comparatively limited application but is of great importance and is urgently needed by school districts adversely affected by Federal Government land acquisitions. It is intended to correct a resulting inequity in Federal assistance for construction of schools required to house federally impacted children.

Public Law 815 was enacted in 1950. At the same time, the Federal Government embarked on the Wherry housing program in connection with military bases. About 85 percent of this housing is located on federally owned land. Only 15 percent is built on private land. Under Public Law 815, when children were housed on Federal property, school districts received about twice the Federal contribution for school construction they would have received if the children were housed on privately owned land. This was logical, because the privately owned land paid taxes to build the schools and the Federal land was tax-exempt. The total Federal contribution was determined during the 2-year period following construction of the school, and under the current law may not be increased thereafter.

During the past 2 years the Federal Government has been buying up Wherry housing from private owners. Where the land is privately owned this is taking the land and improvements off the local tax rolls and depriving the school districts of the tax revenue required to pay off bonds which were issued to build the schools serving these children. The present law contains no provisions designed to correct this inequity and put the district in the position of school construction indebtedness it would have been in had the Federal Government owned the Wherry housing land when the school was built.

For example, on February 28 of this year the Air Force took over a tract in the district I represent. It was assessed at $1,200,000 out of a total school district assessed valuation of $10 million. Thus, the remaining 88 percent of the property will have to bear higher taxes to pay off bonds which were issued to build schools for about 500 children living in this Wherry housing. This is bad faith and an unjust burden on this struggling school district. Simply stated, the proposed amendment would require that, under such circumstances, the Federal Government assume a just and proper proportion of the outstanding bonded debt. It would permit the Federal Government to adjust the inequities resulting from the Federal acquisition of the land. I sincerely believe this is a good faith amendment, urgently needed to soften the harsh impact on local school districts of sometimes ruthless and arbitrary defense department operations. I urge unanimous approval.

Mr. WAINWRIGHT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the chairman of the House Labor Committee several hours ago objected to an amendment I offered on the ground that it had not been presented to our committee; that we did not know what was in it; that we did not know how much it would cost; that we had never had any chance to debate it in committee, either in the subcommittee or before the full committee. Consequently, on a technical and complicated piece of legislation such as this, this amendment should be defeated, and I believe we on the right side of the aisle feel that way.

Mr. BAILEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I dislike very much to take a position in opposition to the gentleman from California [Mr. SISK]. I know his school district has been injured materially. But, I would like to call the attention of my colleagues to the fact that we are setting a pretty serious precedent here. The amendment offered by the gentleman from California only applies to the acquisition of property by the Federal Government subsequent to 1956. If it had included the program for the life of this legislation, it would have been quite serious.

His District was injured because the Federal Government came in and took over Wherry housing that had been listed as privately owned property and paying taxes. When the Federal Government took over the housing, they took away 12.5 percent of the valuation of the school district. That represented several thousand dollars in money lost to that district. But, if we open it up to take care of the situation the gentleman has, I am fearful we will open it up to any other district which has bond issues outstanding, where a similar situ-

ation occurred in some other school district. So I just want to call the attention of my colleagues to the fact that we might be setting a precedent here that might cost the Government more money than we realize. Outside of that I am in complete sympathy with trying to reimburse the district, if we can do it without setting a precedent that we do not know where it is going to lead us.

Mr. GWINN. Mr. Chairman, I rise in opposition to the amendment. We have no survey from any department of the Government that indicates where this legislation would lead us. We have no legal advice on the complications involved in the Federal Government's paying off bond issues already issued or part of a bond issue to be issued hereafter. It is certainly a good example of what not to do in amending legislation on the floor of the House. I think the amendment should be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. SISK].

The amendment was rejected.

Mr. WAINWRIGHT. Mr. Chairman, I move to strike out the last word.

I had every intention of introducing an amendment on page 33 between lines 2 and 3. The contemplated amendment is herewith submitted.

I have discussed this amendment with two distinguished gentlemen, Mr. Fred Shore from East Meadow, N. Y., and Mr. Leonard Main of Portsmouth, R. I. These gentlemen felt that the committee was causing a greater injustice on those school districts that have been receiving funds under Public Law 874, but which have now dropped below the 3-percent eligibility requirement. It would appear that this does not apply to the big cities as does the Metcalf amendment passed earlier today.

My suggested amendment would ease the burden on those school districts which drop below the 3-percent requirement. It would continue funds to those schools at a rate of 75 percent for the first year, 50 percent for the second year and 25 percent for the third year. This would allow a graduated phasing out to these school districts, rather than the abrupt cutoff.

My prior amendment was defeated on the grounds that it had not been presented to the committee. This amendment would be subject to the same criticism. However, I feel it should be in the RECORD, and that it should be presented when the bill is next considered.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 11378) to amend Public Laws 815 and 874, 81st Congress, to make permanent the programs providing financial assistance in the construction and operation of schools in areas affected by Federal activities, insofar as such programs relate to children of persons who reside and work on Federal property, to extend such programs until June 30, 1961, insofar as such programs relate to other children, and to make certain other changes in such laws pursuant to House Resolution 531, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. GWINN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GWINN. I am, sir.

The Clerk read as follows:

Mr. GWINN, of New York, moves that the bill, H. R. 11378, be recommitted to the Committee on Education and Labor.

The SPEAKER. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on passage of the bill.

Mr. METCALF. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The bill was passed.

A motion to reconsider was laid on the table.

GREATER WENATCHEE PROJECT, WASHINGTON

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1031) to authorize the Secretary of the Interior to construct, operate, and maintain four units of the Greater Wenatchee project, Washington, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MARTIN. Mr. Speaker, reserving the right to object, will the gentleman from Colorado kindly explain the bill?

Mr. ASPINALL. Yes, Mr. Speaker, I shall be glad to explain the bill if the gentleman from Massachusetts will yield to me for that purpose.

Mr. MARTIN. I gladly yield to the gentleman.

Mr. ASPINALL. Mr. Speaker, this legislation would authorize the construction of the Wenatchee project on the upper Columbia River. This is a good reclamation project with a 5 to 1 benefit cost ratio and it conforms to the reclamation law.

Mr. MARTIN. It passed the gentleman's committee unanimously?

Mr. ASPINALL. It came out of our committee wtihout any opposition.

Mr. MARTIN. And there is a rule under which this bill could be taken up; is that not correct?

Mr. ASPINALL. The gentleman is correct. We are following this course in the interest of time.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. BROWN of Ohio. My understanding is that at the time the committee came before the Committee on Rules the actual net cost to the Federal Government was $95,000?

Mr. ASPINALL. The gentleman is correct.

Mr. MARTIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That for the purpose of furnishing water for the irrigation of approximately 8,700 acres of land in Chelan and Douglas Counties, Wash., the Secretary of the Interior is authorized to construct, operate, and maintain the East, Moses Coulee, Brays Landing, and Howard Flat units of the Greater Wenatchee division, Chief Joseph Dam project, in accordance with the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto).

SEC. 2. Prior to initiating construction of any of the works authorized by section 1 of this act, there shall have been organized under the laws of the State of Washington an irrigation or reclamation district, satisfactory in form and powers to the Secretary, which embraces all of the lands within the East, Moses Coulee, Brays Landing, and Howard Flat units to which it is then proposed to furnish water, and the authority to construct works contained in section 1 shall not be exercised save with respect to lands which are then in, or thereafter come into, such district: *Provided*, That for a period of 10 years from the date of enactment of this act, no water from the project shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301 (b) (10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 3. The provisions of section 2 of the act of July 27, 1954 (68 Stat. 568, 569), shall be applicable to the Greater Wenatchee division of the Chief Joseph Dam project. The term "construction costs" used therein shall include any irrigation, operation, and maintenance costs during the development period which the Secretary finds it proper to fund because they are beyond the ability of the water users to pay during that period.

SEC. 4. There are hereby authorized to be appropriated such sums as may be required to carry out the purposes of this act.

With the following committee amendment:

Page 3, after line 7, strike out all of section 4 and insert:

SEC. 4. There is hereby authorized to be appropriated for construction of the works provided for in section 1 of this act the sum of $10,280,000, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the type of construction involved herein. There are also authorized to be appropriated such sums as are necessary for operation and maintenance of said works.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "An act to authorize the Secretary of the Interior to construct, operate, and maintain four units of the Greater Wenatchee division, Chief Joseph project, Washington, and for other purposes."

A motion to reconsider was laid on the table.

House Resolution 530 was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that I may extend my remarks and that all Members may extend their remarks at this point on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ASPINALL. Mr. Speaker, the Greater Wenatchee division of the Chief Joseph project is located in the Columbia River Valley in the State of Washington. The division comprises 7 units which are completely separate land bodies scattered along 80 miles of the river downstream from the Chief Joseph Dam. Each unit requires an independent irrigation system. Four of these units would be authorized by the legislation before us today. These four units—the Howard Flat, Brays Landing, East and Moses Coulee—would provide for the irrigation of about 8,660 acres of land in Chelan and Douglas Counties, Wash., of which 7,220 acres would be new land and 1,440 acres are presently irrigated.

The plan of development for the greater Wenatchee division was submitted to the Congress on July 15, 1957. In submitting that report to the Congress, the Secretary of the Interior recommended authorization and construction of the four units included in this legislation. In reporting on the bill, the Secretary of the Interior reaffirmed his recommendation of these four units.

The plan of development was submitted to the State of Washington and to the Corps of Engineers for their review in accordance with the 1944 Flood Control Act. The State of Washington approved the four units and recommended their immediate authorization and construction. The Corps of Engineers commented favorably on the development and raised no objection to its authorization and construction. The plan of development was also reviewed by the other Federal agencies represented on the Interagency Committee on Water Resources and the comments of these agencies were favorable or offered no objection.

During the committee's consideration of the legislation, statements favoring enactment were received from Governor Rosellini of the State of Washington, from the Washington State Columbia Basin Commission, and others from the local area affected by the project. The project has unanimous support throughout the State of Washington and the committee received no testimony in opposition to it.

The studies and report on the Greater Wenatchee Division were prepared pursuant to the act of July 17, 1952. This act provides authority for the Secretary of the Interior to study and report to the Congress on reclamation projects in the vicinity of the Chief Joseph power project and to recommend financial assistance in the reclamation of arid lands from Chief Joseph power revenues. This is the second project proposed pursuant to this legislation, the Foster Creek unit having been authorized and constructed several years ago.

These four units of the Greater Wenatchee Division are particularly needed at this time to replace some 2,000 acres of lands that will be lost through construction, in this stretch of the Columbia River, of the Rocky Reach Dam and the Wells Dam. Construction of these units would play the important role of replacing the lands being flooded out as well as valuable farmlands being lost to highway construction and suburban development in the area. Also, this proposed development would assist in stabilizing the economy of the project area.

Practically all of the lands in the four units are considered well suited for orchards and particularly apple production, and it is anticipated that with project development they will be used primarily for this purpose.

Under the proposed plan of development each of the four units would be irrigated by pumping from the Columbia River. Power for project pumping would be obtained from the Chief Joseph project through the interconnected Federal Columbia River power system. Because much of the land will go into orchards, a 10-year development period is recommended. The units are described briefly as follows:

The Howard Flat unit would provide for the development of 866 irrigable acres, none of which now receives water. A pumping plant on the Columbia River would raise water from the river to a regulating reservoir located some 660 feet above the river level. From the reservoir, water would be distributed to the irrigable lands through a system of open canals and low-pressure pipe for irrigation by the usual row or furrow methods of application.

The Brays Landing unit would develop 1,255 irrigable acres, of which 47 acres are presently irrigated by a privately owned pumping plant. Water would be lifted about 748 feet from the Columbia River to an equalizing reservoir and distributed through a system designed to deliver water at pressure sufficient for sprinkler operation. One relift pumping plant would be required to lift water an additional 100 feet to serve about 450 acres lying at the higher elevation.

The east unit would provide water for 4,490 acres of irrigable land, of which 980 acres are presently irrigated by works of the United Water Co. Under the proposed plan of development the United Water Co. system, which is in need of major rehabilitation, would be abandoned and service to these lands would be through new facilities contemplated in the potential development. Water would be pumped about 677 feet from the Columbia River to an equalizing reservoir and distributed to the irrigable lands through a system of buried steel pipelines at pressures adequate for sprinkler application. Two relift pumping plants would be needed to reach lands lying above the main distribution system. The smaller relift plant would raise the water about 100 feet to serve approximately 300 irrigable acres, while the larger plant would lift water 80 feet to serve about 1,460 irrigable acres.

The Moses Coulee unit would develop an irrigable area of 2,050 acres, of which 413 acres are presently irrigated by an independently owned gravity system. Under the presently proposed plan, water would be lifted about 400 feet from the Columbia River and distributed to the lands through a system of open canals and low-pressure pipelines for irrigation by the usual rill or furrow methods of application. Two relift pumping plants would be required to reach higher lying lands. Reregulation reservoirs would also be provided in connection with the main pumping plant and the larger relift pumping plant. Although all of the units are relatively free of adverse drainage characteristics, the Moses Coulee works include facilities to remove drainage water which may accumulate in two small areas.

The total estimated cost of the four units is $10,280,000, including about $545,000 for operating costs during the development period before the orchards mature. Of this amount, $10,185,000, or all but $95,000, is allocated to irrigation and is reimbursable. The $95,000 is for fish screens at the four pump intakes and is allocated to fish and wildlife and is nonreimbursable under existing law. Repayment studies indicate that the water users can pay operation, maintenance and power costs and, in addition, can repay in a 50-year period about $5,980,000 or about 59 percent of the reimbursable capital cost. The remaining reimbursable cost amounting to $4,205,000, considered to be beyond the repayment ability of the water users, would be financed from surplus power revenues of the Chief Joseph Dam powerplant. Net power revenues from the Chief Joseph project could repay this $4,205,000 in nine months after the Chief Joseph project has been repaid with interest.

Economic studies of the project indicate that the four units are all excellent developments from an economic standpoint. Estimated benefits from the four units exceed the estimated costs by better than 5 to 1 if indirect benefits are included, and by about 1.7 to 1 if direct benefits only are included.

The committee amended the bill by limiting the amount authorized to be appropriated to $10,280,000, plus or minus any amounts justified by changes in price levels. This amendment is in accordance with the committee's usual practice of placing a ceiling on expenditures in order to prevent major changes in plan and scope without further Congressional review.

In closing, let me say that the committee found these four units to be physically and economically feasible and a worthwhile addition to the presently authorized and constructed Federal irrigation projects in the Pacific Northwest, and the committee recommends that this legislation be enacted.

Mr. MAGNUSON. Mr. Speaker, the Greater Wenatchee project, authorized by S. 1031, is essential to the continued economic development of the great Inland Empire in Washington State. The area which would be served by this project is in the heart of our apple-producing belt. The apple industry, as many of you know, is Washington's leading export business and one of the leading industries in the State. This project is justified at this time not only because it would aid one of my State's most important industries, but the economic benefits which will accrue from it are far reaching.

WHAT IT WILL DO

Let us take a look, briefly, at what this project will do. The four irrigation units provided for in this bill will supply water for about 8,660 acres of land along the Columbia River. This additional land is needed by farmers who will be flooded out of their highly productive orchard land by the Rocky Reach and Azwell Dams.

The orchard which would be created by this project would be located about 400 to 750 feet above the level of the Columbia River. The Columbia would be a source of water ideal for irrigation use. The water would be pumped over the banks of the Columbia into the orchards. Power for these pumps would be obtained from the Federal power system at Chief Joseph Dam.

COMPLETION NEAR

The first stage of construction of the Rocky Reach hydroelectric project by the Chelan County Public Utility District is more than 90 percent complete. When finished, this power dam will flood out some 2,500 acres of valuable orchard land adjacent to the four Greater Wenatchee units authorized by this legislation.

The first power from Rocky Reach is scheduled to be generated in July of 1961. The fruit growers who will be required to find new locations in the Greater Wenatchee area must make decision on purchasing land in the project area in the very near future.

ECONOMICALLY SOUND

But aside from providing these farmers with a means of earning a livelihood this project would be a sound contribution to the economic development of the entire Inland Empire and the country as a whole. The four units provided for under this bill would cost $10,280,000. Ninety-nine percent of this is reimbursable. The remaining portion is the cost of fish protection equipment.

Repayment studies indicate that water users can pay operation, maintenance and power costs and in addition repay about 59 percent of the reimbursable capital cost within 50 years. The remainder would be financed from surplus power revenues of the Chief Joseph powerplant.

COST RATIO FAVORABLE

Economic studies made by the Bureau of Reclamation show that the benefits to cost ratio of this project is a very sound 1.7 to 1. If you take indirect benefits into consideration, the ratio is 5 to 1. Now, there are not many investments around these days that would be as sound as that.

WIDESPREAD SUPPORT

Because this project has so much in its favor, it has received strong backing from many areas. The Department of the Interior, following a thorough study of this project, recommended legislation authorizing it. The project has been reviewed by the States of the Columbia River Basin, the Washington State Department of Conservation, the Columbia Basin Commission, the Wenatchee Chamber of Commerce, the Grange and other local community organizations. All endorse it as sound legislation which would enhance the development of this area.

I therefore urge immediate passage of this bill in order to help these growers get settled on new land as soon as possible.

Mr. HORAN. Mr. Speaker, S. 1031 is similar to companion measures introduced in the House by my colleague, the Honorable DON MAGNUSON and myself.

This bill provides for the so-called Greater Wenatchee division of the Chief Joseph Dam project. It is a good bill. It is based upon Public Law 577, passed July 17, 1952. At that time it was decided to authorize the Secretary of the Interior to develop by units some 75,000 acres of irrigable land in the vicinity of Chief Joseph Dam.

The first of these units was the Foster Creek Unit, surrounding Chief Joseph Dam. This is virtually completed at this time. Greater Wenatchee division will be the second division and the third is expected to be the so-called Upper Okanogan Division.

Greater Wenatchee division totals some 8,661 acres of which 1,440 acres are presently irrigated. The benefit-cost ratios are quite interesting: based on July, 1955 price levels, and using a 50-year period of analysis, the benefit-cost ratios are 5.39 to 1 for total irrigation benefits and 1.76 to 1 for direct irrigation benefits only. On the basis of a 100-year period of analysis, the benefit-cost ratio is 6.59 to 1, using the total irrigation benefits and 2.15 to 1 using direct benefits only.

Of course, increases in construction costs since July, 1955 might modify these raitos but they would still be favorable. This bill provides help in the repayment of the cost to the Federal Government from the sale of power to Chief Joseph Dam. Under the formula, those who settle on this land will pay some 59 percent of the total cost; the sale of power from Chief Joseph Dam will take care of the remainder. It is estimated that of the portion charged to power sales $4,205,000 could be repaid in 9 months of Chief Joseph power operations after the Chief Joseph project has been repaid with interest.

It should be noted that this reclamation project will be dedicated almost exclusively to the production of fruits and other perishables. This project will not add to our presently cumbersome surplus commodities.

I wish at this time to thank the Honorable WAYNE ASPINALL, Democrat, Colorado, and his Subcommittee on Reclamation for their handling of this measure. I also want to thank the chairman of the Interior and Insular Affairs Committee, the Honorable CLAIR ENGLE, Democrat, California, and the ranking Republican member of that committee, the Honorable A. L. MILLER, Republican, Nebraska, together with other members of the entire committee for their consideration in getting this measure passed by the House.

LONG-TERM AID FOR SMALL BUSINESS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. EVINS] may extend his remarks at this point and to include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. EVINS. Mr. Speaker, one of the great problems facing our Nation is that of preserving the competitive position of small business and thereby preserving our traditional pattern of free interprise and equality of business opportunity. That the Congress is aware of the importance of this problem and the need for taking action is clearly demonstrated by the great number of bills that have been introduced by members from both sides of the aisle to deal with various aspects of the problem. There is wide agreement that the most effective immediate assistance that can be given to small business is through the modification of the tax structure to equalize the tax burden and the ability of small business to expand. It is my hope that in this session we shall be able to legislate along this line and thus to lay a foundation for improving the climate of opportunity in the future.

Tax modification will help but another aid is also needed. The great need of small business is for long term credit and equity capital to finance the expansion of small business and to enable it to compete on more equal terms with big business which has much more effective access to sources of credit and capital. The House Select Committee on Small Business has been giving deep study to this problem for some time. Starting last October it has held a series of hearings in this area and during these hearings it has heard testimony from the Secretary of the Treasury, the Small Business Administration, prominent financial authorities and experts and most recently from the governors of the Federal Reserve Board. These last hearings have been in executive session and are not yet completed, but I can report that without exception those who have testified, and that includes the governors of the Federal Reserve Board, have agreed on the need for some agency to provide long term financial assistance to small business, although, as might be expected, there were differences as to details. The report of these hearings by the House Small Business Committee will be made available as soon as they are completed but as an example of the attitude of responsible financial experts I call attention to the brief review of the testimony

of Chairman William McChesney Martin, of the Federal Reserve Board, before another committee reported in yesterday's Washington Post, and I quote:

LONG-TERM AID URGED FOR SMALL BUSINESS

Chairman William McChesney Martin, Jr., of the Federal Reserve Board called on the Government yesterday to help set up new private lending facilities to meet the long-term credit needs of small business.

He said special tax treatment also might be needed to step up the flow of capital to small business.

Martin said his proposed lending program would be a "new frontier" for Federal aid. But he added that financing needs of some small businesses with a promising growth potential were not being met.

He told a Senate banking subcommittee there was room for a Government program to help fill the gap.

Martin generally approved a proposed bill which would permit the Government to contribute by loans or capital stock purchase up to $250 million to newly created small business investment companies. A Small Business Investment Administration would administer the program.

MRS. GLADYS MONTGOMERY

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include certain material.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, Mrs. Gladys Montgomery, president of the Women's National Press Club, Washington, D. C., addressed the DAR international convention a few days ago. We in Massachusetts are extremely proud of Mrs. Montgomery as a newspaper woman. We of the DAR are very proud of her as a fellow member.

We are extremely proud and interested that Mrs. Montgomery has specialized in science and new horizons. Her contribution is extremely valuable in the education of our youth and in the education of the entire country.

I include as a part of my remarks the following introduction of Mrs. Montgomery by Mrs. Thomas Burchett, and also the address of Mrs. Montgomery before the 67th Continental Congress, National Society DAR, as follows:

INTRODUCTION OF MRS. GLADYS MONTGOMERY

(By Mrs. Thomas Burchett)

Now and then there comes to us such a happy combination of circumstances that we perceive more than ordinary good fortune at work. This is such an occasion. I have long had the dream of introducing from this stage a very distinguished woman journalist and today I have that happy privilege. Mrs. Montgomery, such a journalist, is one of our own members. She is a member of Judge Lynn Chapter in Washington, D. C., and the president of the Women's National Press Club, which includes in its membership the Nation's most distinguished newspaperwomen.

As president of the Women's National Press Club, Mrs. Montgomery was one of the two hostesses at the press reception for Queen Elizabeth and Prince Philip when they visited the United States last October.

She was the first woman correspondent in Washington for an electronics magazine and is an experienced writer in the field of science.

Mrs. Montgomery comes from a DAR family. Her mother and her two sisters are also members of the Daughters of the American Revolution and her young niece is president of the Thaddeaus Burr Chapter, Children of the American Revolution.

Therefore, we welcome our speaker this morning both as a member of the Daughters of the American Revolution from Wellesley, Mass., and as a distinguished newspaperwoman. It is my pleasure to present Mrs. Montgomery.

SCIENCE AND NEW HORIZONS

(Address by Gladys T. Montgomery, president Women's National Press Club, Washington, D. C., at 67th Continental Congress, National Society DAR)

Madam President General, distinguished guests, officers, and fellow members of the National Society of the Daughters of the American Revolution, I am honored to have this invitation to speak at the 67th Continental Congress of the Daughters of the American Revolution. I understand that your very able chairman of press, Mrs. Burchett, has wanted for some time to include a press representative on the program, emphasizing a desire for a closer link between the DAR and the fourth estate. I hope that many of my press colleagues in the years ahead may have the same opportunity which I am enjoying today.

My writing is largely in the field of science and technology, which may seem strange for a woman. I have been asked to confess how I happened—of all things—to start reporting news developments in electronics. The answer is simple—no one in my office wanted the assignment, and so, as the only woman reporter there, it became mine. This was more than 15 years ago, before World War II, when such scientific stories were certainly not making front-page headlines. When, in due time, my name appeared on the masthead of McGraw-Hill Electronics magazine as its Washington correspondent, I, proudly, could hardly wait to send a copy of it to my mother. This was her comment: "With all the wartime jobs available in Washington, it seems to me that you could have found something better to do." I feel certain her comment would be quite different today. The story serves to indicate the change in public interest in this highly technical news. Now, electronics is on the front page. It has countless commercial applications and it is vital to our weapons systems.

Within this short span of years, atomic energy developments, the hydrogen bomb, ballistic weapons, and now the satellites all have had their part in ushering in a new age and the beginning of a new way of life for all of us.

Today, scientists are reaching beyond the physical limitations of this earth, and heaven knows where they may go. Certainly, research in outer space is giving man a strange new power which can be used for utter destruction or for the benefit of mankind.

Who knows whether we'll get a rocket to the moon this year? When one of our people takes the 240,000-mile trip there, will he find a Russian or two already at home in the new location, as Dr. Edward Teller, father of our hydrogen bomb, warns can happen? Who knows whether those who claim there will be colonization of the moon within a decade or two are correct. I notice that a Boston architect already has designed the first moon apartment structure to cope with the lack of oxygen there. There is a theory that space travel can retard the aging process of humans—and that surely would not be hard to take. Perhaps more imminent, we do not know how soon satellites may be equipped with electronic and optical eyes, capable of watching in some detail, earth's military installations, shipbuilding, and industrial plants. Or how soon, if ever, weather can be controlled to the advantage or disadvantage of a country. Recently, Senator STYLE BRIDGES, of New Hampshire, member of the Senate committee on space problems, pointed out that the nation which first discovers the way to influence weather will have within its hands a powerful weapon for war, or for peace. Now, 63 countries are researching the upper atmosphere for basic information of value to mankind.

But, says Dr. Killian, special assistant to President Eisenhower for science and technology, if space is to be used for military purposes, we must watch out that it does not endanger our national security and we must be prepared to use space to defend ourselves. This talk about outer space is far from a daydream. The President, as you know, is requesting from Congress a $206 million budget for a new National Astronautics and Space Agency for fiscal year 1959, the amount to be increased to $406 million by 1962. Both the Senate and the House have space committees at work. Ballistic weapons, each one more devastating and more costly than its predecessor, are in research and development stages here and in Russia, as well.

Leaving this to the military and to the scientists, we all can have a part in helping to increase our strength within our country. It is the very foundation plank of the DAR to keep America strong. Our great patriotic organization always will play a part in national defense. I am sure that this 67th Congress is adopting resolutions and planning programs aimed at the urgency of the times.

As for reporters, we are assigned to report, not to plan. But, I believe that we can and we should cooperate even more closely with organizations, such as this one, in placing the key programs before the public in the most constructive light, be it for newspapers, magazines, radio, or television. When an organization takes a definite position of leadership, details of a program, as well as, sometimes, the program itself, may come up for what may be regarded as unfair criticism. That is the price an organization pays for taking a positive leadership in a country where we have freedom of the press. However, it is the overall objective that counts. In this case, keeping America strong is the aim of both the press and the DAR.

Recently I sat next to a consultant for the Defense Department on a certain research project. When I mentioned that I was speaking to this group, he said he thought of the organization as symbolic of a great oak tree with strong roots, going deep into the earth and nourishing its branches. I like that concept because I believe the DAR, dedicated to preserving the freedoms for which our forefathers fought so courageously, has an even greater work ahead and a greater responsibility in helping to hold on to our freedom.

I take pleasure in recalling the emphasis the DAR has placed and is placing, on improving our public schools, and in supporting two DAR schools and 11 approved schools. One of the resolutions adopted at the 66th Continental Congress recognized the scarcity of trained scientists, engineers, and skilled technical assistants in many fields. As you remember, you urged education in the Nation's schools and colleges be strengthened by the State and local committees, and that emphasis be placed on history, English, mathematics, science, and languages.

It is generally agreed that we must do some overhauling and revitalizing of our educational system. The sputnik, which came as the result of an intensive Soviet educational campaign emphasizing science,

served to sharpen everyone's awareness of the vital importance of education to our national defense.

We have been taking note of the Soviet educational system which made such a scientific achievement possible. It was surprising to learn that the Soviets are graduating each year more than twice as many scientists and engineers as we are. These thoroughly trained scientific and technical men are directed by the state to whatever military projects are regarded as most important. They have come through years of intensive training. Scientific courses began in the elementary grades.

The Soviet Union is making the teaching profession one of the most desirable, both in salary and in status. For example, a professor receives about three times the salary that he gets in this country. In addition, he receives extra compensation for work outside his regular university duties, such as serving on government or industry committees, which can more than double his basic salary. He has free medical care for himself and his family, and various other incentives.

I am not for a minute going to advocate or to analyze the Russian system of education. We have entirely different standards. But, I do say that the higher salaries paid to professors and the high esteem in which they are held, indicate the great importance that is being placed on education in the Soviet Union. The first Parliament of Science held recently in Washington had this to say, "We must compensate teachers at levels which reflect the degree to which the destiny of the Nation depends on teaching of the highest quality."

Too many young people are avoiding the teaching profession and too many professors and teachers leave the profession because of poor pay. I am reminded of a classmate of mine who made a name for herself in one of our great atomic energy Government laboratories, but had always wanted to return to teaching. When she was asked to head the physics department of her college, she accepted. After 2 years, looking toward the future, she realized she could not afford to continue on college salary, so she returned to the laboratory, and the college lost a top scientist-professor.

There has been much talk about crash programs to produce more scientists quickly for military research projects. While scientists seem to believe that science should be supported on an expanded scale, they do not want other important subjects neglected in the overall planning. They say that the real test of scientific achievements in this country and in the Soviet Union will come later. How we meet it will be determined in large part by our youth today. More scientists, they point out, will come from emphasis on the best courses, teachers and incentives, starting in the elementary grades. "Remember," says Dr. Teller, "now is the time to hurry."

In maintaining a strong America, we are cognizant of the rapid spread of Communism throughout the world, which is now said to control nations totalling nearly a billion people. In J. Edgar Hoover's remarkable book entitled "Masters of Deceit," he states that Communists are confident that our grandchildren will be living under their form of government in this country. Gen. Nathan Twining, Chairman of the Joint Chiefs of Staff, and others in authority see no indication that international communism has modified its goal of world domination. One cannot deny that the Soviet Union is forging ahead too fast for our peace of mind.

The new horizons which science is revealing, thrilling as they may be, are fraught with great dangers. We realize, more than ever, the need not only to guard our individual Liberties and American Freedoms, but especially the great spiritual values on which our country was founded and on which it has prospered. I'll leave this little story with you which Donavan Richards, chief editorial writer of the Christian Science Monitor tells of the child of six who concluded her bedtime prayer this way "God, please take care of Mummy and Daddy and my little brother. And be sure, God, to take care of yourself because if you don't, we're all sunk."

THE ARAB STUDENTS: PROPAGANDISTS OR SCHOLARS?

Mr. KEATING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, an important means by which the nations of the world are promoting greater international understanding and cooperation is through the various student exchange programs. Particularly since the end of the war, many foreign students have come to this country to study, to learn our way of life, and to impart to us something of their ideas and thinking.

These scholars have been admitted to the United States for the sole and simple purpose of studying here. Unfortunately, there is telling evidence that this privilege is being abused by students from the Arab nations. Rather than following the spirit of the law, they have engaged in barefaced, hostile propaganda activities, financed by their governments. It is incumbent upon the Justice Department to make a determination of the status of these students based on a number of disturbing facts concerning their activities in this country which have come to my attention. If, as the evidence indicates to me, these people are propagandists, they should be clearly labeled as such.

Now, everyone in the United States has a right to express his views, be they on politics, religion, or the comparative merits of the Dodgers or Yankees. This freedom of expression extends 100 percent to visitors as well as citizens. But when there is an organized attempt to influence public opinion in this country, directed and financed by governments of other nations, it becomes an entirely different matter. Such people become, in fact, as well as in spirit, agents of a foreign power.

On the basis of the facts which have been laid before me, there are unmistakable indications that many of the Arab students currently in this country fall into this category. They are—and should be registered—as foreign agents under our laws.

The laws of the United States outline clearly the requirements for registration as foreign agents and propagandists. Generally speaking, there must be established some kind of an agency relationship. This would include evidence of direct financial support from a foreign government. There is clear evidence of such subsidies from the Arab League to their students in this country.

However, our laws provide for exemptions if the person involved is engaged in cultural or academic work. While the Arab students here do fall into this category, that virtue is wiped out by the fact that they are engaged in direct political activities. This employment of political propaganda negates their exemption from the foreign propagandists registration section of our laws.

The Arab League works through two main channels in organizing student activities in this country. The first is the Arab Information Center in New York City. The evidence indicates this is a straight propaganda mill for the Arab League, engaged in inculcating students in the Cairo line and supplying them with loaded material.

The second conduit for the Arab League is the Organization of Arab Students, which has chapters on some 30 college and university campuses. Although this group does engage in some proper educational and cultural work, a great deal of its time and effort is devoted to dissemination of unvarnished political propaganda. It has thus become a propaganda tool of the Arab bloc.

The result of the combined efforts of the information center and the Organization of Arab Students is that the Arab nations have established a coast-to-coast propaganda network in this country. It provides Nasser and his cohorts with a subtle, yet widespread forum in which to wage political combat against the United States and its allies.

Many instances have come to light which illustrate the many student activities in the Arab cause. The OAS Newsletter—main mouthpiece of the organization—in November 1956 reported a number of steps urged at an emergency conference held following the outbreak of hostilities in Egypt. Led by a number of leading Arab diplomats, the students passed resolutions denouncing our allies and urging the withdrawal of Iraq from the Baghdad Pact.

At the same time, Arab students engaged in a vigorous campaign of picketing in front of the British and French embassies and later the United Nations itself.

Throughout the country these students have engaged in coordinated and concerted efforts to mobilize opinion behind the Arab cause. There has also been a constant drumfire of anti-Jewish propaganda. Petitions have been circulated. Newspaper advertisements have been purchased. Student information centers have been opened and political pamphlets circulated. The tenor of all activities has been strongly pro-Arab and anti-Israel, and often anti-American.

The dangerous thing about these actions, however, is the fact that they are not simply the natural outpourings of enthusiastic youth defending their nation's cause in the free forum of democracy. No one doubts their right—even duty—to do this. The opportunity for them to present their side of the story is a vital part of the student exchange program.

Naturally, when these students speak at service clubs or public forums, it is

to be expected they will plead their country's cause. Our own students do the same when abroad. In the case of the Arab students, however, their work is being directly financed by the Arab governments, and their mission is largely that of parroting the line of the Arab League.

The director of the Arab Information Center in New York City is alleged to have sent letters to Arab students around the country urging them to propagandize the Arab cause and gather information on Zionist activities for Arab use. His own words testify to the financial strings tying the Arab League to the OAS.

The director is quoted as having said in addressing the fourth annual OAS convention in 1955:

> I have reported to the Arab League your activities, and the services you can render to your nation, and recommended a special appropriation in our budget to be allocated to your organization. I am glad to announce that my request was accorded.

And the president of the OAS reported to the same convention as follows:

> During the year we were able to put our finances in order. The establishment of the Arab States delegation and the generous help of (the director of the Arab information center) was of great benefit to us. The Arab League cultural department studied the different projects of the OAS with a view to advancing further help to us.
>
> The Arab embassies continued their support. I wish to express our gratitude to the Governments of Saudi Arabia, Iraq, Jordan, and Egypt. I hope that our governments will continue to support our enterprise and to commit themselves in advance to the amount and time they are going to give their donation in order to make it possible for us to plan beforehand our different activities.

Mr. Speaker, these and other facts lead to the inevitable conclusion that the OAS is financed in large part by the Arab States and is engaged in professional political activities. Distribution of official Arab propaganda, picketing, and circulation of petitions in an effort to put across the Arab story may be in itself somewhat suspect. But if these and other activities are in reality directed and financially supported by foreign governments, it would seem to be a clear violation of the student exchange program. The evidence points clearly to this conclusion.

I understand the Justice Department has this problem now under consideration. It is my opinion that the facts unmistakably indicate they should require the OAS be registered as an organ of a foreign government, and that its members be labeled as foreign propagandists. Such a label need not attach any stigma to most people, although the severity of some of the anti-Jewish and anti-American attacks by the Arab students might inescapably result in some measure of opprobrium sticking to them. But the step should be taken, in fairness to all concerned.

I want to reiterate my firm conviction that the presence of students from abroad in this country is a sound and important thing. Over the years we have gained many, many friends through these exchange programs. Nor am I suggesting these students be prevented from expressing their own convictions. To do so would be to defeat a major purpose of the student exchanges—that of getting to know these young men and women and through them, their countries. Placing student expression in some sort of a governmental straitjacket is the furthest thing from my mind.

Stimulation of ideas comes through an exchange of views. We must encourage that. To make official or approved thought a prerequisite for public speech by anyone is totalitarian and alien to our way of life.

Mr. Speaker, we Americans believe deeply in free speech. We believe in the right to say what we believe as often as we like wherever we like. It is only when such utterances endanger the public welfare or are the product of an organized pressure group that questions arise. We require disclosure when political statements are made by our own people. Advertisements in the press or on radio or television must be identified with their sponsor.

It should be the same way with the Arab students in our midst. We are asking no more than that they acknowledge their sponsor, director, and financial supporters, when we require public notice of foreign direction and foreign financing of their activities.

The Justice Department should require the Arab students to register as foreign agents. The fact that they get their political line and directives from the Arab League seems plain. The fact they are financially subsidized by the Arab nations has been demonstrated. And further, their abuse of our hospitality by vicious attacks on our foreign policy and our friends merits the foreign agent appellation.

It is time the Arab students put up or shut up. Either they should cease and desist from their hostile propaganda activities and break off their financial ties with the Arab League, or else they should openly and speedily acknowledge themselves as agents of foreign powers. The taxpayers of America should no longer be forced to shell out for sub rosa agents of foreign governments who enter this country under the guise of academic endeavors. We welcome them as ambassadors and students. But if they come as propagandists, they should be so labeled.

I hope a speedy determination of their status will be made by the Justice Department. The whole student exchange movement will be the stronger for it.

ESTABLISHMENT OF AN INTERNATIONAL COURT OF HABEAS CORPUS

Mr. BEAMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BEAMER. Mr. Speaker, I have today introduced in the House a concurrent resolution under which the United States Government would assume the leadership in establishing an International Court of Habeas Corpus to extend legal protection under due processes of law to the life and liberty of individual persons everywhere.

My resolution proposes that our Government cooperate in the work of the Commission on International Habeas Corpus, a not-for-profit organization established under Illinois law by the Honorable Luis Kutner, author of the concept of world habeas corpus and who is a practicing attorney in Chicago.

My resolution does not impair the sovereignty of the United States or of any other nation in the world. Rather, it proposes that we and all nations proceed through respective civilized and recognized constitutional processes in an effective manner which would extend the principles of due process of law to all individuals everywhere. I suggest that all nations proceed to hold a world convention to draft a world treaty-statute which would establish an international court of habeas corpus with competent authority to issue its international writ of habeas corpus to any nation sufficiently determined to be detaining an individual in violation of specific principles of due process of law.

This international writ of habeas corpus would become effective when ratified by two-thirds of the convention nations in convention attendance.

I believe that our proceeding toward establishing this international court of habeas corpus would provide hope and confidence as to the securities of individual liberty throughout the world. World habeas corpus would, in the long run, enlist more hundreds of millions of persons in support of the principles of individual freedom than any amount of financial aid that might ever be granted to them by our Nation.

I believe that the concurrent resolution gives additional force to the President's proclamation designating May 1 as Law Day.

As a Member of Congress for many years, I believe that world habeas corpus will strengthen the forces of peace and guarantee individuals throughout the world with the personal peace of personal liberty. It will erect a worldwide barrier against the knock on the door at 3 a. m.

I believe that it is an effective repudiation to the mutilated and misleading Communist propaganda. It will test Communist sincerity in their protestations of a desire to coexist. I believe that the resolution will strengthen the position of our own officials at any summit or near-summit conferences that may be held.

The resolution would implement and strengthen the solemn pledges of the Charter of the United Nations, and the principles of the Universal Declaration of Human Rights. Those nations which are reluctant to accept the principle of world habeas corpus would, perforce, declare their own lawlessness before the world.

This principle is not a new one. Many precedents exist for extending international law to the protection of individual rights. Six years ago, when the Associated Press reporter William N.

Oatis was imprisoned illegally by Czechoslovakia, Mr. Kutner cooperated with me in my fight to free Oatis and filed a petition for a U. N. writ of habeas corpus before the Human Rights Commission. It was a debatable legal question whether the petition could be entertained by that body. Tremendous pressures arose for its consideration, but before action was taken Mr. Oatis made coerced admissions and was released. I believe that the Kutner petition was greatly instrumental in assisting me in speeding Oatis' release.

It seems to me that world habeas corpus is a logical next step for the United States to take in asking the nations of the world to join in considering a world treaty-statute to make realistic and effective those international pledges of individual rights under international law which would strengthen the forces of peace and security.

World habeas corpus is dedicated to the proposition that it is a matter of world concern—to insure the peace, the security, and the integrity of every human being—that no person shall be deprived of his liberty without due process of law. It is maintained that a competent world legal order can be achieved by a world treaty statute without the impairment of state political sovereignty. With patience, vision, fortitude, and faith in the manifest destiny of individuals, it is but a short step to bridge the moat from political and military tyranny to the tribunal where all individuals are equally and fairly treated, where equal justice under law will effectively prevent the substitution of power for principle, where vanquished and victor, ruler and subject, shall be required to acknowledge and respect the impartial legal standards of due process forms of justice.

World habeas corpus rests on the premise and the United Nations Charter obligations have been solemnly constitutionally ratified and voluntarily assumed by every signatory as being permanently wise and universally acceptable. These nations, have by common consent, agreed that the Charter is not a collection of loosely given political promises subject to broad interpretations, or a list of pleasing platitudes to be set lightly aside when expediency requires it. The Charter is the formal foundation of the international system of law and justice.

World habeas corpus can be the sword and shield of freedom and liberty that implies freedom of thought, freedom from orthodox dogma, "the right of others to think differently from one's self, safeguarding a free mind that is open to new ideas and giving attentive consideration to the liberty of the individual to think his own thoughts and live his own life as he desires to think and live"—Profiles of Courage, JOHN F. KENNEDY, quoting Robert A. Taft, page 190, Harper & Bros.

ISRAEL—YESTERDAY, TODAY, AND TOMORROW

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. CELLER] is recognized for 60 minutes.

GENERAL LEAVE TO EXTEND

Mr. CELLER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the subject matter of my discourse.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CELLER. Mr. Speaker, as the first child of international accord, Israel on this 10th anniversary of her independence has won for herself the recognition we give her this day. There are those who said there would never be a State of Israel, and they were wrong. There are those who said that Israel, living in the sea of hostility with no natural resources, with arid land and an impoverished people, could not exist. And they were wrong. There are those who say today that the State of Israel—and for the same reasons—cannot continue to exist. And they are wrong. For these are people of small faith and little vision.

We, the people of the largest democracy in the world, have every reason to rejoice in the existence and in the growth of this nation, the smallest of democracies. The extension of democracy into an area once removed from the swelling streams of Western ideology, is indeed matter for rejoicing. We know that no fence can ever be built around an idea. That idea, seeded by Israel in the Middle East, the idea of the dignity of man, the preciousness of life, the worth of the individual, the idea of government by law, summed up in what we call democracy, will bring ultimately a rebirth of that whole region where the true enemies of the Arab people—disease, poverty, and illiteracy—will be recognized as such, and where hatred will yield to constructive cooperation. Small, sorely beset nations like Burma, Ghana, and Liberia, are already looking to Israel as a model for their own internal development. Israel, with her face turned toward Western Civilization, is an irritant to the Soviet Union. The reason is an important one. Not only, as the Kremlin has conceived it, can the hostility for Israel of the Arab nations be used as a blow against the West, but beyond that, the intriguing and truly remarkable achievements of a free, democratic country as is Israel are a blow against Soviet Union propaganda, the kind of propaganda that insists that free men cannot thrive and prosper.

That so small a nation as Israel can give the lie to Communist propaganda is a fact not to be overlooked by the Western democracies.

In the 10 years of Israel's existence the dead soil has sprung to life; agriculture and industry have grown at an unprecedented rate; and 1½ million people from some 79 different and differing countries have been absorbed, people in the main who came without goods, without learning, without skills. Cities have sprung up; schools, libraries, concert halls, museums have been encouraged. Experimentation goes forward at amazing speed. It will not be long before Israel, deprived of fuel, will get her energy both from nuclear mechanism and from the sun. Intricate systems of irrigation have been installed and water scientifically directed.

Israel's fever, born out of achievement, is contagious to all those who step upon that little land. There you can see the process of diverse cultures meeting and being molded into one.

The people of Israel wrestle not only with the soil, not only with the dearth of natural resources, not only with the complexities of mass immigration, but must, at the same time, struggle against the open hostilities of surrounding Arab countries who have vowed her destruction. Energies which could be turned to the benefit of all peoples of the Middle East must be turned to the overriding problem of defense. We ourselves have an understanding of what that means in our own country, strong as ours is.

We must ever be mindful of the dangers that beset Israel. Caught between two Arab federations—Egypt, Syria, and Yemen on one hand and Iraq and Jordan on the other—she is like a nut in a nutcracker. Economic resources which should be utilized for internal development must be diverted to a defense which strains every inch of Israel's capacity around the clock. The Kremlin has sent submarines and jet planes to Egypt, which understandably heightens the tensions and fears of Israel.

I came upon a most enlightening article in one of the leading French newspapers, Le Figaro, on March 5, 1958, by the distinguished diplomatic correspondent, Remy Roure, under the title "Heil, Nasser" I have taken the liberty of having it translated:

HEIL NASSER

(By Remy Roure)

The United Nations has in its files a dossier which places Colonel Nasser, the Egyptian dictator, in a very diabolical position with regard to that organization. Let us reassure you though, there will be nothing like that. The eyes of the United Nations Assembly are trained elsewhere, i. e., rather, upon France against which, with some rare exceptions, the accusations of the "conscience of the world" have been directed.

Nobody is, however, unaware of the fact that the president of the United Arab Republic has for a long time been surrounding himself with a large number of German Nazis, who have taken over, especially, the National Security Service directed by Col. A. Nacher, former SS Chief Leopold Gleim, head of the sinister Hitler SD ("Sicherheitsdienst"—Security Service) in Poland. In addition, this former Nazi dignitary is on very good terms with the East-German Association for German-Arab Brotherhood which recently gave a dinner for him at Cairo's Victoria Hall.

Both totalitarianisms, Nazi and Communist, are thus working together in protecting Egypt "against the hostile elements of the Zionist and imperialist camps." Colonel Gleim himself stated, furthermore, the security policy which the SSC (State Security Service) intended to pursue.

The SSC, installed on Liberty Square in Cairo, is in the hands of 6,249 "Arabicized" Nazis who are now in Egypt. Its first achievement was the publication of an abridged and illustrated translation (with pictures of Hitler, from corporal to Fuehrer) of Mein Kampf of which Egyptian edition, entitled "Kifahi," about 1 million copies

were sold. The complete text of the Hitler bible was translated in 1951, after which the SSC, fittingly, took up the Jewish question and even used the Hitler phrase: "First phase, final solution."

The French, British, and stateless Jews had been deported by Nasser within a period of from 9 to 72 hours, and their property was confiscated. But the Egyptian Jews—there were 27,000 left—were not permitted to leave the country, almost certainly falling prey to the whims of the SSC, and, specifically, of the secret police directed by Lt. Col. Hamid Sulleiman, formerly known as Heinrich Sellmann, SA officer and former Gestapo leader for the Ulm (Germany) district. An economics department—for nothing is left out—takes care of Jewish property, as in the days of Hitler in Germany, France, Poland, and elsewhere. The Nazi-led Egyptian secret police take care of the Jews. The previous identification cards have been seized and replaced by "yellow" cards. Curfew is imposed and certain hours have been fixed for making purchases. Arrests are made without warrants and jailing conditions are frightful. Most of the interrogations take place in the "floating hell," an old 12,000-ton freighter converted into an 80-cell prison. Two brutes, Serge Klinikin of Odessa, and Alexis Morganoff of Moscow, are in charge of this inferno. Jewish professors and Jewish members of the free professions in Alexandria have no right to exercise their respective professions. In Cairo, only 11 out of 22,000 Jews have the right to exercise their professions, and all Jewish schools are closed.

Thus this new Hitler stands condemned as a brute and despot.

This article indicates how the Nazis have gone into Egypt and taken possession of most of the departments of Egypt and have nazified, as it were, Mr. Nasser and his cohorts.

The significance of this article should not be permitted to escape anyone's attention. The administration, the United Nations must take heed. It emphasizes the danger Israel faces in Egypt.

The hand of friendship of the people of the United States is held out to the people of Israel. The first decade of Israel's independence has, as I have tried to point out, more than just commemorative meaning for us. In a sense, Israel is an extension of the spirit of good will, friendship, peace, and struggle that must, in the end, prevail the world over, lest we mark "finis" to civilization.

Let me emphasize again that that which is central to the United States is central to Israel as well. The shared abhorrence of totalitarianism in all its forms is a strong and sacred bond between our country and Israel. There is no comparing the two in area, in wealth, in resources; but there is a parallel made up of connecting lines—the pioneering spirit; the struggle for independence; the amalgam of diverse nationalities; the values of Western Civilization; the government of law, not of men.

We in the United States must know that the viable democracy of Israel in the Middle East serves both as a bulwark and a symbol against Communist expansion in this gateway to three countries. The Free World needs must rejoice that its values and its concepts have taken root in an area once far removed from our consciousness. We have not sufficiently emphasized the importance to the Free World of the growth in democracy in that part of the world. The example of Israel's democracy, the advantages which it has given to her people, have been, I believe, insufficiently emphasized vis-a-vis Communist boasting. What Israel has accomplished in 10 years in a free society can be most effectively used in counteracting the hollowness of Communist propaganda.

Surely, in supporting the democratic State of Israel, the Free World will find one of the most effective avenues for peace and against aggressive communism.

Mr. Speaker, I yield to the distinguished gentleman from New York [Mr. DOLLINGER] such time as he may care to use.

Mr. DOLLINGER. Mr. Speaker, I want to associate myself with the fine remarks of the gentleman from New York [Mr. CELLER].

Mr. Speaker, I am happy to salute Israel on its 10th anniversary, and to send greetings and all good wishes to her brave, self-sacrificing citizens. The fact that Israel has reached this milestone is in itself a miracle, for the people of Israel have not had the joy of even one happy moment of freedom. Israel has been beset by her enemies and threatened with extinction from the first day of her statehood.

Despite the fact that Israel's resources had to be dissipated to permit her to maintain full military strength because of war clouds forever on her horizon, her achievements have been tremendous.

The new State of Israel performed the herculean task of receiving, rehabilitating and resettling more than 900,000 immigrants. Her determination to irrigate barren and eroded soils and reclaim desert lands is paying dividends, for she now produces about 70 percent of her own food. She has transformed an essentially agrarian community into the most intensively industrialized economy in the Middle East. She is rapidly developing new industries, her oil resources; housing construction is a major program, her road system is ever expanding and transportation needs are being met by modernization of her railroads and increased facilities. Health conditions in Israel are excellent; hospital facilities have almost doubled in the last 10 years, and the general welfare of the people is of primary concern.

Israel has achieved international recognition in the world of science; and research projects being conducted there, benefit all people. Her cultural life is of great importance and talents of the people in the fields of literature, the theater, music, are nurtured and encouraged. It is almost inconceivable that the people of Israel could accomplish so much in so short a time; apparently all the obstacles placed in her path only spurred her to greater effort, and her people were blessed with increased strength and courage.

Israel's economic problems have been complicated by the adamant refusal of her neighbors to agree to peace, and necessary military expenditures are a continuing threat to her economy. While the United States has given Israel economic aid, we have refused her military assistance such as we have extended to her neighbors who are her enemies. Until her enemies are ready to admit that Israel is here to stay, and her territorial integrity is insured, there can be no peace and Israel's economic problems will continue to be acute.

The friendship of the American people has been of major importance and assistance to Israel. It behooves us to continue to help Israel—the only bulwark of democracy in the Middle East. Our interest in maintaining peace in the Middle East is as vital as that of Israel, for this is our only hope of counteracting and preventing further Communist gains in Africa and Asia.

The people of Israel have our sympathy, admiration, affection, and high regard. We must not desert Israel in these perilous days. We must continue to give her the cooperation and help she needs for survival, for it is not unlikely that her downfall could mean the beginning of our own.

We must work and pray for the day when the people of Israel can truly enjoy their new nation, free from overwhelming threats of death and destruction.

Mr. COUDERT. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. COUDERT. Mr. Speaker, this year is Israel's 10th anniversary. I am happy to have this opportunity to congratulate this young nation and to wish it well for the future.

Because of the important role played by the United States in the establishment of Israel, I am sure that most Americans will look with pride upon its many accomplishments during the past decade, and with sympathy and hope for that dynamic young nation's future.

Since its establishment in 1948 Israel has proven that in many ways it resembles our own Nation—in its outlook on the world scene, in its ability to cope with complicated, economic and social problems, and in its aspirations for world peace as well as for the betterment of the lives of its own citizens.

I look forward to the day when Israel will become an accepted and integrated member of the Middle East family of nations and hope that from the great political turmoil in which the area is now immersed, there may emerge a society in which the many potential contributions which Israel has to offer will be freely accepted.

Again, I say that it is our solemn duty to America and to the peace of the world to support leaders in all Middle East countries who are dedicated to the cause of peace and stability and who seek to ease the tensions which have been created by events during the past decade.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Speaker, I join with my colleague in paying tribute to the hardy tribe of people of indomitable courage and wish to state that this day of celebration is a joyous thing in the democracy of Israel.

Mr. Speaker, freedom-loving people all over the world are today rejoicing, together with the people of Israel and their

kinsmen in America, over the completion of Israel's first decade as a free and independent nation.

Ten stormy years ago a new nation was born. It came into being amidst turmoil and strife, but as a beachhead of democracy in an area of the world where democracy is little understood and even less practiced. The Middle East has for many centuries been an area of feudalism and autocracy.

During the past decade the people of Israel have hardly had a breathing spell for reverent and exultant meditation over the miracle of the rebirth of their state. Pressure followed upon pressure. Invasion and war were followed by continued tension along its borders, by economic boycotts and blockades, and by the implacable hatred of its Arab neighbors.

Yet, despite all these seemingly insurmountable difficulties, Israel has prospered during the past decade beyond the wildest dreams of its people. Her population has increased from 650,000 to 2 million. Her industry, commerce, and agriculture have grown mightily. Her relations with the free nations of the world have become most friendly and cordial. Her culture and education have been broadened and deepened. Her security as a nation and her future existence have been strengthened.

As one surveys the achievements of the young State of Israel over the past 10 harried years of its existence, one cannot help but marvel at the superhuman exertions of its people. Yet, as Israel celebrates today, its people and their friends everywhere are realistically aware of the great task ahead. In the second decade Israel must concentrate on the achievement of genuine peace with her neighbors, on securing her borders, on continuing its growth and development, on improving its standard of living, and on making her unique contribution to the well-being of all mankind.

Today Israel is recognized as a harbinger of peace and progress in the Middle East. This young democracy has been created in the image and in the concept of our own beloved America as a land of freedom and democracy. As such, Israel is determined to proceed along the path of true social justice and economic development to benefit not only its own people, but those of the neighboring countries as well.

We can contribute immeasurably toward the achievement of Israel's goals in its second decade of existence by offering our moral aid, our friendship, our economic assistance, our technical guidance, and our political support whenever and wherever necessary.

On the occasion of its 10th anniversary as an independent and sovereign state, I join with my colleagues in extending my heartfelt greetings and sincere felicitations to a valiant people. May the people of Israel enter the second decade of their independence in peace, in greater glory, and in the fulfillment of all their hopes and dreams. I send my greetings also to the Jews of America who have stood steadfastly by the side of Israel throughout this fateful decade and have aided and encouraged their kinsmen and coreligionists in every possible way. May they live to see Israel as a prosperous and a happy State, at peace with its neighbors, and a blessing to all mankind.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Speaker, at dusk on today the ancient ram's horn will blow announcing the beginning of an all night celebration of the first decade in the history of modern Israel. Probably no other state of the contemporary world has a break in its history compared to that of the State of Israel. After 1,800 years of wandering and exile, the Jewish people returned to Palestine and in the midst of fierce battling proclaimed the reestablishment of Israel on May 14, 1948. I tried to visit the area in 1947 but was not allowed to do so because of the struggle.

We in this country join with the people of Israel on this momentous occasion, which marks a new chapter in the history of the Jewish people worthy of the men of the Old Testament. I personally wish to convey my feeling of exaltation which I have when I remember the trials Israel has undergone to reach this stage of development. I was a member of this body's unofficial Palestine homeland committee and I am proud of the fact some of my good friends have planted trees in my name within the confines of this bastion of democracy.

Of all the great achievements of the first eventful decade the most important has been the "ingathering of the exiles," who had spread over the wide earth during the course of the great dispersion. The State of Israel was founded to regain the old Jewish homeland where the Jewish people could build for the future and nurture the Hebraic traditions. The proclamation of independence declared that "the State of Israel will be open to the immigration of Jews from countries of the dispersion."

This declaration brought to Israel about a million immigrants from 79 countries during the first decade. During this period the population of Israel has multiplied 3 times. By 1957, Israel had a population of 2 million inhabitants, including about 1,800,000 Jews and 214,000 Arabs. No other country has grown so rapidly in an equal span of time. It was this vision that sustained the fighters on the borders during the intense combat of 1948.

New immigrants continue to arrive at the rate of 80,000 a year. The Israeli Government must support, for a short period, the new immigrants, few of whom can even speak Hebrew, the language of the country. But more pressing, the Government must assimilate the exiles into the steadily expanding Israeli economy. The question remains, is the economy developing quickly enough to meet the demands of the rapidly growing state? The country has never been self-sufficient and has to rely heavily upon imports.

The advancements of the first decade have been great. Plans for the next 10 years are even more ambitious. Israel is now employing modern techniques in industry and agriculture which bid fair to make it the progressive leader in the otherwise feudal Middle East.

In a recent statement the distinguished Israeli Ambassador, Abba Eban, said: "The American relationship remains a central cornerstone of Israel's international relations. Whenever the saga of Israel's rebirth is told, there will be praise for the great nation whose voice was first uplifted in recognition of our sovereignty; and whose hand has been extended, ever since, to help us up the steep climb toward our destination of security and peace."

Mr. Speaker, we praise Israel's achievements of the past 10 years, and we extend our confidence and encouragement for the future which holds possibilities for even greater progress.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, I desire to compliment the gentleman from New York on his statement. I join him in saluting the State of Israel upon the 10th anniversary of its existence as a republic. The birth of an independent Israel was one of the significant events of this generation. Israel is an outpost of democracy; her continued growth is of major importance to the security of liberty throughout the world.

Mr. CELLER. Mr. Speaker, I yield to the gentlewoman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. Mr. Speaker, I rise to offer my congratulations to the State of Israel on this day on which the Members of the Congress of the United States join in the celebration of the 10th anniversary of that new and courageous government.

The official celebration in Israel and among her friends throughout the world takes place tomorrow, April 24, 1958.

Seldom has so great a dream received such substantial realization in so short a time—a time, moreover, when economic and social problems within combined with danger from without to such extent that lesser hearts might have faltered. Statistics are available to attest the growth in population, resettlement, agriculture, industry, and social institutions:

ISRAEL'S FIRST DECADE OF PROGRESS

Population: 1948, 650,000; 1957, 2 million (approximately).

Land in cultivation: 1948, 412,500 acres; 1957, 957,000 acres.

Agricultural production: 1948 index, 100; 1956 index, 289.

Industrial production: 1948, negligible; 1956, $700 million (45 percent increase since 1954).

Imports: 1949, $253,120,000; 1957, $403 million.

Shipping: 1948, 10 vessels, 14,000 tons; 1957, 35 vessels, 250,000 tons.

Hospital facilities: 1949, 63 hospitals, 4,626 beds; 1956, 102 hospitals, 12,250 beds.

School attendance: 1948, 113,035; 1957, 426,241.

National income: 1954, $803,600,000; 1956, $1,171,520,000.

Land irrigated: 1948, 75,000 acres; 1957, 350,000 acres.

Consumption of electric power: 1949, 329 million kilowatt-hour; 1957, 1,142 million kilowatt-hour.

Exports: 1949, $29,680,000; 1957, $134,200,000.

Communications: 1948, 18,400 telephones; 1956, 72,000 telephones.

Teaching staff: 1948, 5,954; 1957, 26,797.

Figures alone, however, impressive though they be, give no indication of the inner strength of this new state. Its people, starting with bare hands but high dedication, have provided within 10 short years a haven of refuge for their people and have demonstrated to the world what free men and women, working with modern methods and deep religious faith and consecration, can do to help themselves.

It has personally been my high privilege to visit Israel twice—in 1955 and 1957. Without the evidence of my own eyes, I would never have believed that so much could be accomplished in the 24 fleeting months between the visits. Standing today in recognition of their dream and in tribute to the courage and efficency with which it is being realized, I combine my congratulations with the fervent hope that the years ahead will bring further industrial and agricultural achievement; an expanded area of activity in all lines; deeper social development; and to each within its borders that gift which is the highest which man can devise or Providence bestow—the right to live together with their neighbors in the spirit of human dignity, true brotherhood, and peace.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. DELLAY].

Mr. DELLAY. Mr. Speaker, it is a great privilege to join my distinguished and highly respected colleague in saluting Israel on its 10th anniversary and I can think of no better way to do this than to call attention to an editorial which appeared in the Hudson Dispatch on April 17, 1958:

Observance of the 10th anniversary of the founding of the State of Israel will begin in the United States, Israel, and 36 countries 1 week from today. Opening ceremonies of the American celebration appropriately have been set for historic Independence Hall in Philadelphia, on April 24.

The actual birth of the Israeli Republic was May 14, 1948, with the British formally ending their mandate and withdrawing their occupation forces from Palestine at midnight, and the Provisional State Council in Tel-Aviv proclaiming the establishment of the Jewish state called Medinat Yisrael (The State of Israel). The same day President Harry S Truman on behalf of the Government of the United States gave de facto recognition to the newly born state, becoming the first nation to do so. It wasn't until May 18, 1948, that the Soviet Union granted de jure recognition to Israel.

Establishment of the State of Israel came about after a bitter struggle in the United Nations and in Palestine where the Jewish population was subjected to attacks by Arab soldiers. On November 29, 1947, United Nations General Assembly voted for the partition of Palestine and establishment of a Jewish state, an Arab state, and an international zone of Jerusalem, joined by an economic union. That day Arab delegates informed the U. N. of their opposition.

The following April, the United Nations Palestine Commission reported to the U. N. that it was unable to implement the 1947 resolution because: Powerful interests both in and outside Palestine are defying the resolution of the General Assembly and are engaged in a deliberate effort to alter by force the settlement envisaged therein. Armed Arab bands from neighboring Arab states, together with local Arab forces, are defeating the purposes of the resolution by acts of violence.

Israel's proclamation of independence on May 14, 1948, pledged:

1. "The State of Israel will be open to the immigration of Jews from all the countries of their dispersion, will promote the development of the country for the benefit of all its inhabitants, will be based on the principles of liberty, justice, and peace, as conceived by the prophets of Israel, will uphold the full social and political equality of all its citizens, without distinction of religion, race or sex; will guarantee freedom of religion, conscience, education, and culture; will safeguard the holy places of all religions, and will loyally uphold the principles of the United Nations Charter."

2. The proclamation calls "upon the Arab inhabitants of the State of Israel to preserve the ways of peace and play their part in the development of the state on the basis of full and equal citizenship and due representation in all its bodies and institutions—provisional and permanent."

3. The proclamation extends its "hand in peace and neighborliness to all the neighboring states and their peoples" and invites them "to cooperate with the independent Jewish nation for the common good of all."

Israel was attended at birth by war, boycott and the struggle of the great powers of the world for dominance in the Middle East. The day after the declaration of independence the regular armies of Egypt, Iraq, Jordan, Lebanon, and Syria launched an organized attack upon Israel, after first proclaiming their intention to do so to the U. N. Security Council.

Simultaneously, the Arab League initiated a blockade against Israel, including a ban on all trade with the infant state, as well as denying to it the right to use the Suez Canal. That day Israel opened its doors to the survivors of Hitlerism in displaced persons' camps and elsewhere and began the fulfillment of its pledge of free immigration to all Jews seeking the same.

On May 24, Israel agreed to a cease-fire order from the U. N. Security Council but on May 26 the Arab States rejected the order. That day the Israel defense army was established under an ordinance issued by the provisional council of state. Following the success of the Israeli defense forces in pushing back the armies of the Arab States and in lifting the siege of Jerusalem, a truce was established by the United Nations for a 30-day period.

New Arab attacks began on October 15, 1948, with the capture of the Negev as the target point. A week later the fighting ended with the isolation of the Egyptian troops, the liberation of Beersheba by Israel, and the opening of free land communications to the Negev settlements. On November 15, Israel renewed its offer of peace negotiations with the Arabs. Hostilities in southern Israel ended on January 7, 1949, with the defeat of the Egyptian invaders.

An Egyptian-Israeli armistice agreement was signed on February 24, 1949, followed by an Israel-Lebanon armistice agreement on March 23 and an Israel-Jordan armistice agreement on April 23. Three days before its first anniversary, Israel was admitted to the United Nations as a member.

Despite the seemingly never-ending series of crises through which the young Jewish nation struggled, a tremendous advancement has been achieved in Israel's first decade of existence. Its three major objectives have been adhered to consistently, and in spite of the war with Egypt in 1956—a defensive move brought about by offensive maneuverings on the part of its Arab neighbors—it continues to emphasize its desire for peaceful relations with adjacent Arab states, as with the rest of the world.

It would require much more space than we have available for this essay to set down all that Israel has accomplished in its first 10 years in improving its social and economic strength. But we cannot close out this tribute to a dedicated people who have refused under the most trying conditions imaginable to compromise in the slightest degree with their passionate determination first to achieve statehood and second to advance their new nation to one new height after the other, without citing some internal achievements.

Israel's population in 10 years has grown to 1,872,000, almost tripling the 1948 figure. Of this number, 864,000 entered the country after establishment of the state. Half of these came from Moslem countries in the Middle East and North Africa. The Arab population of Israel, all citizens of the state and enjoying equal rights, totals 204,000.

Agricultural production has increased to the point where 60 to 65 percent of local food consumption is obtained within Israel's borders. A total of 470 new agricultural villages has been established. Land under cultivation has increased from 412,500 acres in 1948 to 930,000 acres in 1956. In the Negev, there are 75 new settlements where none existed before. Today, there are 250,000 irrigated acres, an increase of 300 percent.

In 1948, there was little organized industry. Now, Israel's industries include steel, copper, pipes, tires and rubber goods, electrical appliances, paper products, refrigerators, radios, diesel engines, automobile assembly, fertilizers, and light tools. Vocational training engages 15.3 percent of the population in agriculture and 42 percent in industry, mining, and transportation. Its chemical industry includes exploitation of the mineral resources of the Dead Sea and Negev. Israel's water supply for industry and agriculture has been quadrupled.

Mr. DELLAY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from Delaware [Mr. HASKELL].

Mr. HASKELL. Mr. Speaker, I too, would like to join in congratulations to the State of Israel. It was my privilege last year to be in that country for a period of time and to see these hard-working people; people with leadership and a quality of wisdom that I think exists rarely in other countries of the world. These people, I think, deserve an unusual recognition for their determination and their courage and their extreme sensibility toward the needs of their fellow man. This little country, as we all know, has absorbed as many people into their small population of around 2 million as the United States does almost on a yearly basis. It is with a real sense of warmth that I commend this country and these people in their effort to survive under the most difficult conditions possibly existing anywhere else in the world.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from New York [Mr. FARBSTEIN].

Mr. FARBSTEIN. Mr. Speaker, I am pleased to join in these remarks com-

memorating the 10th anniversary of the independence of Israel. I also wish to say that the gentleman from Connecticut [Mr. MORANO] joins me. He is unable to be present at the moment, because of a meeting of the Committee on Foreign Affairs.

Mr. Speaker, I am happy for this opportunity to express my heartfelt congratulations to the State of Israel on the 10th anniversary of its independence. In this decade Israel has made swift strides in reclaiming a barren land and in overcoming the obstacles of nature and hostile neighbors in order to build a modern state.

When I visited Israel last fall, I was impressed by the tremendous energy of its citizens in building new cities where only a year before there had been nothing but sand and desert. Everywhere there was evidence of swift development, in agriculture and in industry as well as in the arts and sciences.

In 10 years Israel has provided homes and an opportunity for productive existence to more than 900,000 homeless people driven out of Europe, North Africa, and Asia. American technical assistance contributed vitally to Israel's effort in reclaiming these human lives. And everywhere I went I saw evidences of the American program. Modern scientific techniques introduced under our program and engineering skills which we provided to a large extent made possible Israel's remarkable achievements in overcoming natural difficulties of climate and land. The people of Israel unquestionably made full use of American technical assistance and are looking ahead toward the conquest of the Negev, that vast stretch of barren terrain on which have been placed their hopes for future development.

Continued immigration to Israel, most of it last year from behind the Iron Curtain, has raised fears that Israel would have to expand at the expense of her neighbors. There is no justification for such fears. Within Israel's 8,000 square miles I saw much open territory and no evidence whatever of overpopulation. Israel's largest city is Tel Aviv, with a population of less than one-half million people. No objective observer who has traveled the length of Israel from the northern border to Elath, the new port city on the Gulf of Aqaba, could fail to see the vast stretches of land waiting for people and development.

Israel's great humanitarian effort in absorbing hundreds of thousands of homeless people has not been accomplished without considerable sacrifice on the part of the people of Israel as well as severe strain on the economy of the country. Israel is operating under an unfavorable balance of trade and will continue to need economic help. The trade deficit this year is around $300 million, and inflationary pressures are growing. The cost of living is rising, despite government subsidies and other efforts to keep essentials within the reach of the average man in the street. Nevertheless, in spite of the difficulties created by the numbers of immigrants as well as by the hostility of Israel's neighbors, the people of Israel maintained and strengthened their democracy. Nowhere in the Middle East can one find the high degree of liberty, democracy, and stability that the people of Israel have demonstrated.

The effort of the Soviet Union to extend its influence in the Middle East must contend with this convincing demonstration of the fact that democracy works. The example of freedom in Israel has helped that country to serve as the advance guard of democracy among the new nations of Africa, in many of which Israeli missions have been able to establish working relations far ahead of the enterprising agents of communism. Although Israel's capacity to help these countries is limited, it is of enormous value to the Free World and should be supported by us wherever possible.

I would hope that in the next decade our Government will pursue more vigorous measures in making possible peace in the Near East. The people of Israel want peace with their neighbors and they feel that they can contribute greatly to the raising of living and health standards and generally to the regional development of the area. They have much to offer to their Arab neighbors. In the face of the Communist thrust, the siege by Arab blockade and boycott, and surrounded by rival Arab federations, Israel has maintained a constant alert but has remained calm and kept her powder dry. How long Israel will be content to watch the Soviet bloc pour ships, guns, and planes into Arab hands no one can say. Only when the Arabs are convinced that our country will regard any aggression against Israel as an aggression against the United States—only then will there be some hope for peace. We have been soft on the Arab boycott; we have not called upon American businessmen to ignore offensive Arab questionnaires. Nor have we protested Arab discrimination against American citizens of the Jewish faith. We have indeed weakly surrendered to the Saudi Arabian refusal to admit American soldiers of the Jewish faith to our base at Dhahran.

In spite of the tremendous gains of Soviet imperialism in the Middle East, we can still reverse the trend by making it unmistakably plain that we will stand behind our friends and that we will not aid those who support the Soviet Union. We should strengthen Israel by making it crystal clear that we will regard aggression against Israel as an attack upon ourselves. We should leave no doubt in any nation's mind that we will countenance any weakening of Israel or any attempt at appeasement at her expense.

Israel is by far the most advanced nation in the Near East. It is the only democracy in that region. Its people regard American prestige with at least as much concern as they do their own. They look to us for friendship and help because, like us, they too are fighting the battle of democracy against totalitarianism.

Mr. CELLER. Mr. Speaker, I yield to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like to express my deep appreciation to the gentleman from New York [Mr. CELLER] for taking this time to speak of Israel, his beloved spiritual homeland. I know of no one who did more to bring about the passage of the resolution passed by the Congress expressing the sense of the Congress that Israel should be a commonwealth and a free nation. The gentleman from New York [Mr. CELLER] has been tireless ever since in his efforts to support Israel and to strengthen Israel in every way. It was my great pleasure, as a member of the Committee on Foreign Affairs and ranking Republican member of that committee, to do all I could to bring about the passage of the resolution out of the committee and to secure the passage of that resolution on the floor of the Congress just before Christmas. Certainly, Israel deserves the warmest and most heartfelt appreciation for what she has done during the 10 years of her life. I do not believe any other country has ever done so much as Israel has done under terrible and difficult circumstances. I visited Israel years ago, before she became a free nation, with my late husband. I know the physical handicaps that they had to overcome. I know the handicaps of hostile surroundings that they had to overcome. I know the tremendous battle they have had to develop an arid land into a great and beautiful agricultural community.

I know the gentleman from New York knows of my great interest in having Israel protected at the present time in every way. I would like very much to have had this Government go ahead with the Aswan Dam and then let Israel keep the Gaza Strip and to have Israel protected in every way. In that way, perhaps, everybody would have been satisfied and the danger of fighting, in my mind, would be over. It is vitally important. I know so well the Jewish people in my own District, in my own State, and in my country. I know their traits and I know how they take care of their own. They never let their people suffer, if they have a penny with which to help them. They are always working for the civic benefit of their communities. They are a tremendous asset to our country just as the gentleman from New York [Mr. CELLER] is a tremendous asset to our country. They have gone into every walk of life and every industry. Everywhere they go they leave their mark for honesty and integrity. We are truly grateful to you, and we congratulate little Israel again and again and again. May she live to increase and prosper.

With the psalmist I say: "Peace be within thy walls, oh Jerusalem, and prosperity within thy palaces."

Mr. CELLER. I wish to state to the lady from Massachusetts [Mrs. ROGERS] that she is entitled to unstinted praise for her very remarkable and constructive statement that we have just heard. I can bear witness to the fact that during the many years we have served here together she has always been a true humanitarian, and that during the period I have known her she has been a true friend of Israel and her people, and we are grateful to her because thereof.

I now yield to the distinguished and very dear and affectionate friend from New York [Mr. MULTER].

Mr. MULTER. Mr. Speaker, I ask unanimous consent that the distinguished gentleman from New York, who now presides as Speaker pro tempore, may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. KEOGH. Mr. Speaker, permit me to pay my deep and abiding respects to my distinguished colleague from New York for the persistent and tremendous efforts in strengthening Israel-American relations. I am happy to extend my sincere congratulations to the people of Israel on this 10th anniversary of their statehood. Time has shown the wisdom of the United States in fostering and supporting their independence. Israel has proved to be a stronghold of democracy in the Near East, where its high standards of living and rapid progress have demonstrated what can be done by an industrious people with American help and guidance. In building a land of free people, Israel has immeasurably reinforced our efforts to counteract Communist penetration into that part of the world. No one familiar with the dramatic events of the last 3 years can doubt the vital role played by Israel.

Nor can we forget that Israel has provided new opportunities for productive and useful lives to almost a million people, devastated and impoverished by war and prejudice. It is continuing its great humanitarian service at economic sacrifice to itself, but without the slightest diminution of its freedom or democracy. Israel is a nation that desires peace and is willing to work hard toward that end, but it has also demonstrated a military posture which oriental potentates and would-be dictators have learned to their chagrin to respect. It is vitally important for our country, in its own interest, to make unmistakably clear to the world our determination to continue to strengthen Israel and to guarantee its integrity and independence. May it continue to grow and prosper for countless coming decades.

Mr. MULTER. Mr. Speaker, I am pleased to join with all of our colleagues in their comments today. I have already expounded at length upon the subject in connection with the resolution that was presented to this House by the distinguished majority leader, the gentleman from Massachusetts [Mr. MCCORMACK], and which received the resounding support of this House today.

It is indeed heart warming that so many of our colleagues have remained until this late hour to participate in this special order. They have done so, regardless of political affiliations, again pointing up the fact that the goal of peace is indeed God inspired and that the struggle for liberty and justice and freedom is not partisan. It is not bipartisan. It is indeed nonpartisan. All of those who have joined with the gentleman from New York [Mr. CELLER] in offering their congratulations to the State of Israel are to be commended for again indicating to the world at large, by their action and conduct here, that the United States and its people are indeed in the forefront and ever will be in helping all of those who seek to attain world peace.

On that note may I borrow from the traditional Hebrew and say "Shalom," peace; peace to Israel. Peace to her neighbors. Peace to all the world.

Mr. CELLER. I want to offer my congratulations to the gentleman from New York for that very fine tribute.

I now yield to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, I take a great deal of pleasure in associating myself with the remarks of my distinguished and very dear friend, the gentleman from New York [Mr. CELLER]. It is with a great deal of pleasure that I join with him and other colleagues in the House in rejoicing at the 10th anniversary of Israel's independence. I think that we all, as lovers of freedom, realize how priceless this gift is. We can look not only with admiration but with a great deal of pleasure at the accomplishments of Israel during its 10 years of existence as a free state. It is interesting to note that during this time Israel has waged a constant semiwar with all her enemies, and repelled attacks of countries, yet during this time she has been able to gather into her borders tremendous numbers of people who have been afflicted with persecution or who wanted to have the advantage of this new land and contribute to the economy of this wonderful new land. It is interesting to note that Israel defeated Egypt in the last few years in what was known as the 100 hours' war. She drove an army well-equipped with Soviet instruments of war clear through the Sinai peninsula down across the Suez Canal and back into Egypt at a time when Egypt was preparing one of the largest concentrations of troops in the Middle East.

During this time she continued to plant, and build homes for her people, and develop a rich culture and added to her economic wealth by the development of minerals in the Negev. She has gone from a small, undeveloped army to a strong army; and she is now able to welcome her new citizens into solid, substantial, decent homes. She has built cities, she has opened 275,000 acres of irrigated land, and this at a time when she was constantly having to fight on all her borders.

I would like to read just a few paragraphs from the proclamation of independence of this wonderful new state. The second paragraph is particularly interesting. It reads as follows:

> The State of Israel will be open for Jewish immigration and for the ingathering of the exiles; it will foster the development of the country for the benefit of all inhabitants; it will be based on freedom, justice and peace as envisaged by the prophets of Israel.
>
> Israel has at all times extended her hand in friendship to her neighbors on all sides, but that hand has often been rudely rejected by her neighbors.

The next paragraph is also extremely interesting and I think shows the real feeling of these wonderful people:

> We extend our hand to all neighboring states and their peoples in an offer of peace and good neighborliness, and appeal to them to establish bonds of cooperation and mutual help with the sovereign Jewish people settled in its own land.
>
> Placing our trust in the Almighty, we affix our signatures to this proclamation at this session of the Provisional Council of State, on the soil of the homeland, in the city of Tel-Aviv, on this Sabbath Eve, the 5th day of Iyar, 5708 (14 May, 1948).

Mr. Speaker, 10 years ago, on May 14, 1948, an age-old dream was realized, a new state was born in the turbulent Middle East. On that day Jewish leaders in Palestine bravely took the destiny of their people into their hands and proclaimed the new State of Israel as a sovereign, independent entity. And President Truman promptly gave expression of the genuine feelings of the people of this country by recognizing the provisional government there as the de facto authority of Israel. No other step on the part of the Government of this country could have served the Israeli cause better. By that act we lent our moral support to Israel and, as events have proved, became its constant champion.

The citizens of this country have anxiously watched the birth and growth of Israel. Our financial and moral support to Israel has been and continues to be of decisive importance. At no time have we lost sight of the security needs and of the welfare of Israel. It might even be said that the Middle Eastern policy of our Government is geared to the stability and security of Israel as a sovereign state and the inviolability of her existing frontiers.

In the restless decade since her birth, Israel has taken her place in the family of nations. She has become a powerful force in the Middle East, one to be reckoned with. With her democratic form of government and with her highly skilled and trained industrial workers, she is becoming the industrial center of the Middle East. Keenly conscious of the dangers threatening her independence and her very existence, she has built a very efficient and mobile defense force which is regarded as the strongest fighting force in the whole region. In a short decade Israel has become a dynamic, vigorous, and growing state.

On the occasion of the celebration of her 10th independence day we wish the Israeli citizens peace and prosperity and happiness. And let us hope Israel will remain a real force for peace in the Middle East, a force for democracy and for freedom.

I would like to close my own remarks by stating, Mr. Speaker, that the Members of this House recognize this wonderful people and, speaking for myself, I intend to do all that is within my power to see to it that Israel is not only able to grow economically but also in richness, and that the national integrity of this wonderful people may be preserved.

Mr. CELLER. We are grateful to the gentleman for those fine remarks. It is just what I would expect from the dy-

namic, forthright gentleman from Michigan.

I now yield to, shall I say, the elder statesman—the gentleman from Illinois, Mr. BARRATT O'HARA.

Mr. O'HARA of Illinois. Mr. Speaker, I should like to be an elder statesman if with the stature of an elder statesman I could make a larger contribution to Israel:

The Free World is looking into the tomorrow, but there will be no tomorrow for the Free World if Israel should fall. Israel represents not only a faith in her destiny that has survived the centuries, but Israel also represents the democratic qualities of all free people.

Today the Committee on Foreign Affairs has been in session marking up the mutual security bill. I have left that session in order that I might join with my colleagues in happy acclaim of the brave state of Israel on this birthday occasion. As a Member of this body, as a member of its committees having jurisdiction in the field of foreign policy, as an American firm in my faith in the destiny of my country, I believe with equal faith in the destiny of Israel. The God above us has given to every individual and to every state a mission to perform. This I believe. This is the manner of the working out of infinite purpose. There is nothing haphazard in the pattern of an intelligence higher than human intelligence.

When I was in Israel only a few months ago I saw on every face the look of dedication. There was no fear, even though on every side there were dangers, even though the population of Israel is but as a handful in comparison with the millions of their neighbors who for a time are hostile. It is the sense of destiny that gives such dedication and gives birth to confident fearlessness.

As I walked the streets of Tel Aviv, and talked with men and women and children, all dedicated and all without fear, I thought of the men and women and children who with equal dedication and equal fearlessness were facing the future, confident of what was ahead, when our own United States of America was 10 years old. Those were the days when Americans were not ashamed to speak of destiny because upon them was the beckoning faith of great events that were to come.

The destiny of the United States as an instrumentality of a divine purpose was to bring mankind to a higher plateau of contentment in dignified living than ever before had been known. The true destiny of men and of nations is to serve unselfishly, and then reach the full stature of their greatness as they give benefit and blessing to all men. The destiny of Israel is to bring to a troubled area, once rich and fertile, but permitted to fall into desert, desolation, and poverty, the blessing of a physical reshaping as well as of a spiritual revival.

Israel is the friend of all the Arab States, and the time is not far off when in Arab minds will be recognition of that and in Arab hearts will be love and not hatred. The rich farming acres of central Illinois would not be what they are today unless there had been the industrial growth represented by cities like Chicago that furnished the buying power for the products of the farms and for the machinery to minimize farm labor. So it will be in the Arab agricultural countries surrounding the State of Israel. Both Jews in Israel and Arabs in surrounding countries are in fact partners in a common enterprise to eradicate poverty, to revitalize arid acres and spread to all people in the area the blessings of a world rich enough to care for the needs of all.

In 10 brief years the people of Israel have shown how the desert can be made to bloom and what man can do in reshaping the possibilities of terrain when he has faith, and dedication, and industry. Israel does not covet a single foot of her neighbor's lands. All that she wants is that her neighbors can be as happy and as well provided for and as peaceful and contented as her own people in Israel. Egypt has so very, very much to gain from the friendship of Israel, and that I am confident more and more the leaders and the people of Egypt will come to realize. Egypt has 96 percent desert and health conditions are so deplorable that the average life expectancy is 30 years. If by her example, if by her showing what can be done in the little plot of ground that is hers, Israel can show the way to the Egyptian Government and people for the solving of their problems, then surely it will not be long until Egypt, with the other Arab States, have embraced Israel and have called her blessed.

Mr. Speaker, on this happy anniversary I join with my colleagues in giving reassurance to the State of Israel from the House of Representatives of the Congress of the United States that as a brother stands by his brother and a father embraces his son, so shall we continue to stand steadfastly with Israel, two nations embraced in a common destiny to lift all mankind to ever higher plateaus of contentment, brotherhood, and richer measure of human existence.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, I want to join with the gentleman from New York in his remarks today on the 10th anniversary of Israel and to say, like all of my colleagues in the House, I am proud of Israel. I shall not take up the time of the House because of the fact that already I have stated earlier in the day my impressions of the accomplishments of Israel.

I congratulate the gentleman from New York for again bringing this matter to the attention of the Congress because it is a matter of importance to the Nation.

Mr. FLOOD. Mr. Speaker, on this 24th of April the people of the United States join with the people of Israel in celebrating the 10th anniversary of the founding of the State of Israel. This state, which proclaimed its independence in May of 1948, is one of the youngest republics of the world but with a heritage going back 3,500 years. Out of the sorrow and suffering of World War II the Jewish people regained their homeland and in the early years they fought hard to hold it. Internal and external pressures menaced the existence of the state, threatening to wipe out Israel in the first years after its establishment. The people have continued to maintain a strong defense system along the borders and to battle the natural problems of a brown and barren land. Success has thus far been their just reward.

The Jewish civilization of the Old Testament had its roots in the land. Society in the days of the ancient Jews was principally agrarian. Jewish civilization—its calendar and holy days, its ethics of master and man and of property and communal rights, its earthy parables and flowery poetry—took its form and content from contact with the land. It was inevitable and necessary, therefore, that the return to the land should have constituted the soul of modern Zionism. The real labor for the impressive results of the last 10 years was done in the 70 years of Jewish colonization in Palestine, first under Turkish rule and then under the British mandate. It was during these years that the people cleared the land by digging stones out of the hills by hand and rooted out from the desert the prickly pear plants with primitive tools.

Visitors to the communal farming settlements in the Galilee hills have been amazed to see how quickly the new immigrants to Israel—students, merchants, and former inhabitants of Eastern European ghettos—have transformed themselves into farmers, working and guarding their own land. Confronted with the problem of competing with cheap Arab labor and the unproductivity of individual farm holdings in the marshy plains and the stony hill regions, these new settlers organized after much experimentation communities of friends who tilled the land in common, shared their knowledge and what machinery they had, and divided the fruits of their labor. The Jewish immigrants from Europe were acquainted with an agricultural pattern differing fundamentally from that of the American tradition. Instead of large individual farms separated miles apart from one another which are familiar to Americans, a village system predominates in Europe. Farmers live in village communities and go out to till the land lying outside of the village walls. Farm machinery and experience are widely shared. This pattern formed the background for Israeli agriculture. Group settlement characteristic of Israel, however, is still unique, ranging from the most rigid collectivism to looser forms of mutual help between individual farmers. Probably the one community which has attracted the most attention from foreign observers has been the kibbutzim. The kibbutz is a communal collective settlement in which all property is collectively owned and work is organized on a collective basis. The members give their labor and are supplied in return with housing, food, clothing, education, cultural and social services. There is a central dining room and kitchen, communal schools, communal social and cultural centers and central stores. A kibbutz is governed by a general assembly of all

its members, similar to the New England town meeting.

The agricultural effort has been highly successful in increasing the productivity of the land. The yield from the land has been raised threefold and now supplies about 70 percent of the country's food requirement. It is self-sufficient in vegetables, eggs and poultry. Foodstuffs are the main export commodity, chiefly citrus fruits, which comprise 42 percent of Israel's total exports.

The pastoral hills and plains of Judea have been changed into a vast verdant garden. The grazing sheep and goats have largely disappeared from the rocky hills. Irrigation has made the carefully tended fields of the north green for almost three-quarters of the year. It has made possible, also, the introduction of cotton into almost every section of the country. Already cotton has been started in the Negev, which is the frontier pushing into the southern desert area. It is expected that cotton will become one of the important export commodities of the future which are so vital to the development and expansion of Israel. The people have extensively cultivated the ancient olive and date palm groves which are mentioned in many Biblical passages. The shiny, waxy leaves of the orange, lemon, and grapefruit trees cover the plains for miles. Large-scale afforestation projects carried out by the Government have covered the hills with pine and cypress. Tamarisk trees have been set out to help control the drifting sand. The air is fragrant in many places with the sweet balm of the eucalyptus.

The people of Israel deserve our praise and congratulations for the great advancement during the last 10 years and our encouragement for the future which holds out possibilities for even greater progress. Truly the prophecy of old is being realized: "And the desert shall rejoice, and blossom as the rose."

Mr. HOLTZMAN. Mr. Speaker, today we have an opportunity to pay tribute to the State of Israel on her 10th anniversary as an independent and free nation.

A decade ago this nation was created, and for 10 crucial years has been a bastion of democracy in the Middle East. The United States was the first nation to give de facto recognition to this new country, and our friendship with Israel and her people has grown stronger and deeper with the passing years.

Despite tremendous odds, Israel has prospered and has made great strides forward in developing her natural resources, in furthering a healthy growth in her economy, and in bringing about a definite improvement in her social and cultural life.

Of utmost importance, too, is the fact that Israel has contributed much to the advancement of the cause of liberty and freedom throughout the entire world. She is a splendid example of democracy in action, and has set an enviable record—a record which stands for all the world to see.

The problems confronting the State of Israel and her people are not primarily Jewish problems any more than integration in the South is solely a Negro problem. As a young nation, she has experienced, even as our own country did years ago, the struggle for survival and growth, and she faces the future with confidence in her ability to achieve her objectives.

On my recent visit to Israel, I had ample opportunity to see the dedication of her people to the principles of liberty and justice. We here in the United States offer her our congratulations on this anniversary, and assure her of our continued warm friendship and cooperation in our efforts to bring security and peace to all nations.

Mr. RHODES of Pennsylvania. Mr. Speaker, I join in this recognition of the 10th anniversary of the founding of the independent State of Israel.

Israel's first decade of independence, like that of the United States, has been marked by peril from hostile enemies, by struggle for economic stability, for trade, and prosperity. It has been marked by successful efforts to build and produce out of a vast wilderness and the achievement of needed defense security measures.

The people of Israel have made a remarkable record of progress in these 10 short years. Today this nation stands as an outpost of freedom in this strategically important area of the Middle East, courageously resisting all efforts to deprive its people of their long-sought freedom. The United States, as the first Nation of the world to grant formal diplomatic recognition to the new State of Israel, is pledged to the preservation of its political security and independence against aggression.

On this important anniversary the people of the United States extend their warm greetings to Israel and its citizens.

Mr. CRETELLA. Mr. Speaker, on this day, April 23, 1958, I should like to add my remarks to those of people throughout the entire world and other Members of this body in congratulations to the hardy and brave State of Israel on the occasion of its 10th anniversary.

This country has, since its birth, displayed a strong friendship with our country and her hopes for peace set a shinning example for all the other free nations of the world. The people of Israel on this day should indeed hold their accomplishments in proud proclamation. They have been herded through the lands of Asia and Europe for 20 centuries before building, almost with their bare hands, a homeland instilled with complete political, cultural, and religious freedom.

They have built a society which is free from the horrors they have experienced for thousands of years. Today, the United States as always stands firm for the unconditional preservation of the State of Israel, which is one of the few democratic nations of the Middle East and one which is attempting at great odds to survive against her militant and unfriendly neighbors.

I am proud to have voiced my opinion in the past, along with some of my other colleagues in this body, to President Eisenhower and the Secretary of State regarding our policy toward Israel. At that crucial point when Nasser was receiving and utilizing armaments from Communist countries for the expressed purpose of destroying Israel, it was my unwavering belief that it was our obligation to provide defensive arms to Israel as an expression of deep United States concern for the safety of this tiny country.

Many of us likewise questioned the justice of imposing United Nations sanctions on Israel, while no such action was taken against Russia, for example, which has a long and violent record of invasion and subjugation of once free nations.

In my opinion the Eisenhower doctrine on the Middle East which pledges our support of any nation in that area endangered by the Communist menace has served as one of the most forceful deterrents to Communist domination there. It has helped to solidify our relationship with Israel, a continual target for Russian infiltration. America has a high moral, spiritual, and political stake in the freedom of the peoples of Israel and the Mideast, and the doctrine put forth by this administration supports this attitude.

Despite some questions to the contrary, Israel will sustain herself and remain a separate entity in the form of a nation which she has striven with such burning ardor to build.

One of her greatest assets is the human resources she possesses such as Ben-Gurion, Moshe Sharett, Eban, and others, who guide her through these dangerous and perilous years. I am very pleased to have the opportunity on this occasion to offer my heartiest congratulations to Israel and the wish for her everlasting existence and peace in the future.

Mr. TELLER. Mr. Speaker, I rise to salute the State of Israel on the occasion of its 10th anniversary. We in this country have a special interest in the State of Israel. The United States was the first nation to recognize Israel's sovereign statehood when it announced its independence in 1948. And the United States has pursued a policy of friendship and assistance to Israel which has sustained it in its many hours of need and peril.

But our kinship with Israel goes far beyond all this. Israel, like the United States, was born as a haven for the harassed, the oppressed, and the persecuted. Both countries have traditions of love for liberty and respect for individualism and free institutions. And in Israel, as in the United States, the people are committed to striving for an ever-increasing standard of living.

Gratitude to the United States has been the theme of Israel's expressions in celebration of its 10th anniversary—gratitude and dedication of devotion and fidelity to the people of our great country. We shall undoubtedly have occasion to reciprocate these sentiments in the coming years, for Israel is a friend of the West in an area confused by siren songs which conceal dictatorship and oppression. Israel is a place of stability surrounded by unstable countries which have not yet fully compre-

hended the advantages of peaceful living together for prosperity and freedom.

In saluting Israel on its 10th anniversary of sovereign independence we give new and forceful expression to our common ideals which, as they have made our Nation great, will serve as examples for Israel's continued success and well-being.

Mr. BLATNIK. Mr. Speaker, on the evening of April 23 when an Israeli official lights a torch on Mount Herzl in the Jewish sector of Jerusalem commemorating the 10th birthday of the new state, the light of that torch will serve as the beacon for many millions who may never actually see the Holy City. Actually only a small group of people will witness that solemn act, but millions will join the citizens of Israel in the celebration of their 10th anniversary.

This celebration demonstrates the truth of the old adage "Where there is a will, there is a way." The Jewish people in dispersion for almost 2,000 years kept the beacon of hope for a national homeland alive. They worked for its attainment willingly and ceaselessly, and so it seems only fair that they be rewarded for their tenacity, devotion, and above all for the supreme sacrifices they made and the suffering they endured. Happily at the end of their long pilgrimage they won their coveted homeland.

Today, only 10 years after the birth of Israel, brave and industrious Jews have made the new state a prosperous and progressive country, a solid democratic state in the Middle East. On the 10th anniversary of their independence day, I wish them peace, prosperity, and security.

Mr. SAUND. Mr. Speaker, April 24, 1958, marks the 10th anniversary of the birth of one of the world's youngest democracies. But it was 3,500 years between the dream of a homeland and its materialization that makes this a significant milestone for the peoples of Israel. After the centuries of waiting, striving, praying, and faced at times by almost insurmountable obstacles the State of Israel achieved existence only to be immediately oppressed by nations who wished to snuff her flame of life. Undaunted by severe tensions on her borders, and diplomatic smears by envious and dictatorial nations, Israel blossomed forth as the freest and most democratic nation in the Middle East. Supported by the other democracies of the free world, and especially by the United States, Israel created 275,000 acres of cultivated and irrigated land in a wasted desert, opened her gates to hundreds of thousands of immigrants, for whom she amply provided, and meanwhile built the foundations for a viable economy.

Israel is to be congratulated on accomplishing in 10 years of existence what might have crushed other states in 50, and accomplishing it under constant threats to her own sovereignty by other powers. It is our hope that peace will fill the rest of Israel's future and that the homeland of the Jewish people will achieve even greater milestones in her cultural, scientific, economic, and spiritual endeavors.

Mr. SADLAK. Mr. Speaker, on April 23, the people of Israel celebrate their 10th anniversary of the establishment of the Israel state.

In 10 short years, Israel has succeeded in establishing the same basic democratic concepts that have made the United States the great Nation it is. They have fought for and succeeded in obtaining freedom of speech, and freedom of assembly, of political, social and economic democracy. They have realized that without these ideals, a truly great nation could never flourish. Their struggle and success is a victory for democracy. Israel has exhibited the pioneering spirit, the struggle for independence, the same traits that have made us so proud of our American forefathers.

I wish to extend my sincerest and heartiest congratulations to Israel on their 10th anniversary. They most assuredly deserve it. Israel's accomplishments serve as an effective weapon against Communist propaganda. They serve as a symbol to the Free World of what a state can accomplish if their people are truly endowed with democratic ideals.

Mrs. DWYER. Mr. Speaker, the 10th anniversary of the formation of the State of Israel offers us an opportunity to consider one of the most remarkable achievements in recent world history—the creation of a free and independent nation out of little more than two ingredients: a relatively small amount of semi-arid land and a great deal of creative determination to build a homeland for the Jews of the world.

The story of this achievement is evidence on a grand scale of man's ability to triumph over his environment. It is a demonstration in historic terms of the creative power of ideals. And it is a glorious manifestation of the validity of the Jewish messianic dream that stayed alive through nearly 2,000 years of their dispersal.

Nowhere has this story of perseverance, hard work, and imagination been better told, or told with greater authority, than in last Sunday's New York Times magazine. There, in brief compass, David Ben-Gurion—for 8 of her 10 years Israel's Premier—has related the struggles, the challenges, the great achievements of a courageous people.

He has looked ahead, too, and told of the plans and hopes, the obstacles and the advantages facing the future of Israel. This is history told with spirit by a man who lives for his people. It bodes well for Israel and the Middle East, for the Jews and their neighbors the Arabs, and for the peace and security of the whole world.

We wish them well.

The text of the article follows:

ISRAEL'S FIRST DECADE AND THE FUTURE

(By David Ben-Gurion)

JERUSALEM.—No small number of new countries have arisen in Asia and Africa during the past decade, but Israel differs from them all, both in the origins of her rise to independence and in her history during the first decade of her existence.

In the case of all the other countries concerned, their peoples were never expelled from their own soil but were conquered by foreigners and emerged into self-government either with the agreement of their masters or as the result of a revolt against them. The Jewish people, on the other hand, had been uprooted from the soil for nearly 2,000 years and scattered throughout the world, and the source of the renewal of their state was the messianic vision that lived in their hearts during their dispersion.

At the beginning of the 20th century every sober and practical person regarded the establishment of a Jewish state in Palestine as an absurd and impossible dream. Even at the end of the First World War there were fewer than 60,000 Jews in the country. But it was not only the immigration of a few hundred thousand Jews between then and 1948 that gave birth to the State of Israel. The extent of Jewish immigration into Palestine during the 70 years that preceded the establishment of the state was much smaller than that of Jewish immigration into the United States of America and other countries, but the aims of those who came to Palestine were different from those of the Jews who migrated to any other country.

Beginning in 1878 the Jewish settlers in the land of Israel set about building an independent economy, creating a revived Jewish culture and establishing a defensive force of their own. The aim that guided them was the building of a Jewish state. Only a hundred years ago there was not a single Jew in the world whose mother tongue was Hebrew; today it is the spoken language of hundreds of thousands. Even before the rise of the state, Jews in Palestine tilled the soil, made roads, built houses, hewed stone, and manned ships to a greater extent than any Jewish community in any other part of the world.

The circumstances in which Israel's independence was proclaimed were also different from those which applied to the other young states. All the other new countries were established with the agreement—willing or enforced—of their foreign rulers. The midwife of Israel, however, was the U. N. General Assembly. Over two-thirds of the members of the U. N., headed by the United States and the Soviet Union, decided on November 29, 1947, on the partition of Palestine and the establishment of a Jewish state in one part of the country and an Arab state in the other. Then, in defiance of this U. N. decision, Israel had war declared on her even before she was established.

On November 30, 1947, Arab gangs opened the attack on the Jewish community in Palestine, while the mandatory government at times stood by, at times helped the Arabs and occasionally assisted the Jews. In most of these attacks the Jewish Haganah (the underground defense organization of the Jews in Palestine which had existed in various forms ever since the period of Ottoman rule) had the upper hand.

On May 14, 1948, I announced Israel's independence in Tel Aviv. (According to the Hebrew calendar, the 10th anniversary of that date is April 25; since that is a Sabbath, the anniversary will be observed on April 24.) Eight hours later, at midnight, the British authorities left the country and the armies of five Arab States—Egypt, Jordan, Syria, Lebanon, and Iraq—invaded Israel with the aim of wiping the revived Jewish state off the face of the earth.

At that time the state had 650,000 Jewish inhabitants, while the invading countries had a combined population of over 30 million. The Arab armies were equipped with every type of modern land, sea, and air armament, while Israel had no army, only an underground defense organization equipped with light arms: rifles, machineguns and a few hundred mortars.

The U. N., which was to some extent responsible for the rise of Israel, did not lift a finger in defense of the young state. This invasion by the Arab armies, however, nullified the decisions of the U. N. Assembly—not

in the manner that the Arab rulers would have liked to see, but in the opposite sense. The Arab armies were defeated and expelled, the area of Israel was increased, and the new Jerusalem again became the capital of Israel, as in the days of King David.

But Israel's most distinctive feature is the fact that during the first decade it has trebled its population. At the end of 1957 Israel had a population of 1,976,471, including 1,762,471 Jews and 214,000 Arabs. (If I am not mistaken the United States did not treble its population until 35 years had passed since its war of independence.)

As soon as it came into being, the new State of Israel opened its gates wide to any Jew wishing to make his home in it. The proclamation of independence declared that "the State of Israel will be open to the immigration of Jews from all countries of their dispersion." On the basis of this declaration, about a million immigrants from 79 different countries came to Israel during its first decade.

Of the three great achievements of these 10 years—the renewal of the Jewish state after more than 1,800 years of exile and wandering, the amazing victory of the Israel defense forces over the Arab armies in the war of independence and the immigration of a million Jews in the course of the decade—there is no doubt that the last was the most important and difficult. For its sake the state was founded; it was the vision that fired the hearts of the fighters for freedom, and it was the goal toward which the efforts of the state and the assistance of the Jews of the world were directed during the first 10 years.

The immigrants who reached this country before the Second World War came mainly from Europe, endowed with capital, education, and vocational skills. The great majority of immigrants who have arrived since the establishment of the state, however, came from impoverished and backward countries, without capital, vocational training, or education.

The young state, subjected to military siege and economic boycott by its Arab neighbors, was compelled to find housing for the immigrants, to teach them trades, to give them work, to settle them on the soil, to help them to acquire a new language, and to educate them to live as free and equal citizens of a democratic and freedom-loving state. It is doubtful whether this could have been achieved without the devoted assistance of the Jews of the world and especially of American Jewry. Valuable aid was also received from the Government of the United States.

More than a half million rooms have been built in the course of the last 9 years; the state invested over $721,500,000 in building alone during the period. About a quarter of a million immigrants settled on the soil and became diligent farmers, although only a few among them had tilled the land befor their arrival in Israel. About 500 new agricultural settlements were established, and the cultivated area was increased from 195,000 acres to 950,000 acres, while the irrigated area rose from 63,000 acres to 275,000 acres.

The greater part of these villages were established by immigrants from Asia and Africa who had had no agricultural training of any kind before their arrival, and yet within a few years they became transformed in Israel into a constructive and creative force, providing the town population with most of its food and, together with the Israel defense forces, maintaining the security of the country's borders. Most of the immigrants were absorbed in industry, communications and shipping—mainly in vocations in which they had never engaged before settling in Israel.

And just as there was a far-reaching transformation among the million immigrants in the cultural, economic, and social spheres so there was also a profound change in the appearance of the country.

Agricultural and mining settlements sprang up in wastes that had been desolate and uninhabited for centuries; bare and lonely mountains and hills were covered with forests and orchards. Millions of trees were planted on the sand dunes on the hills and by the roadsides up and down the country. The extensive and pestilential Hula swamps in the north were drained, and thousands of acres of good and fertile land were reclaimed for new settlement.

There have also been cultural achievements on a large scale in the course of this decade. In September 1949, a law was enacted providing for compulsory and free education between the ages of 6 and 14. In 1949 there were 180,844 pupils (including 6,780 Arabs) in the elementary schools; in 1958 the number had risen to 404,900 (including 27,500 Arabs). There was a considerable expansion in secondary, vocational, and agricultural education.

The Hebrew University in Jerusalem and the Technion (Israel Institute of Technology) in Haifa became fertile sources of scientists and technologists of a high standard; the Weizmann Institute in Rehovot has become one of the finest scientific institutions in the world. About 1,200 new Hebrew books are published in Israel every year, which is no small number in proportion to the size of the population and bears witness to the spiritual energies of the young State of Israel.

There has also been important progress in the field of health during the first decade. The infant death rate, which was 52 per 1,000 in 1949, had fallen to 36 per 1,000 by 1957. In 1949 the average expectation of life was 65 for males and 68 for females; in 1957 it had risen to 68 and 72, respectively.

The main feature of the last 3 years of the decade was the more intensive development of the south and the Negev. A railway was built to Beersheba, and a road was laid from Beersheba to Elath, thus joining our country's two seas—the Red Sea and the Mediterranean—by a network of roads. After the Sinai campaign an oil pipeline was laid from Elath to Ashdad on the Mediterranean coast. These three undertakings opened up the Negev for settlement and development, which will be one of our central tasks in the second decade.

During the first 10 years there has been a considerable improvement in the lives of Israel's Arabs—in the economic, social, educational, and health spheres. In all these respects their position is better than that of the Arabs in the Arab countries of the Middle East.

At the end of 1948 the non-Jewish population of Israel was about 120,000. Since then about 30,000 Arabs who were living in the neighboring countries on the day the state was established have been permitted to settle in Israel with a view to the reunion of families. At the end of 1957 the number of non-Jews in the country was 214,000. Modern water installations for irrigation and drinking have been set up in the Arab villages. The improved methods in use in the Jewish villages are spreading among the Arab farmers.

There has been a great change in the education of Arab youth. Every Arab child, like every Jewish child, receives elementary education at the expense of the state. There are Arab students in the Hebrew University in Jerusalem and the Technion in Haifa. The general incidence of disease and the infant death rate among the Israel Arabs is smaller than that in any of the Arab countries.

The Arab farmer is not in bondage to large landholders as in the neighboring lands. A network of cooperatives is spreading in the Arab villages, in growing contact with the Jewish cooperative movement. The Arabs are represented in the Knesset, Israel's Parliament, both as members of Jewish parties and as the representatives of Arab parties. They are entitled to speak Arabic in the Knesset, though some of them prefer to speak Hebrew.

In our second decade we must complete a number of tasks which we began in the first decade, and carry out several tasks which have yet to be begun.

The main goal of our settlement work in the next 10 years is to populate the south and Negev and establish agricultural and industrial settlements in central and upper Galilee. The first thing that is required for this purpose is the completion of the Jordan project, so that the waters of the River Jordan may flow to the south and Negev and enable us to double the number of our agricultural settlements in those areas.

From now onward, however, the concept of settlement must not be limited to agriculture. Israel's shipping, to the expansion of which there is hardly any limit, must occupy an important place in our constructive work, and the same applies to the development of mining and industry. During the next decade we shall develop and exploit solar and atomic energy and we may succeed in desalting sea water by a cheap and economic process.

The population of the Negev will be based on pasture, plantations, field crops, mining, industry and crafts, transportation, tourism and shipping in the Red Sea. I can foresee three great and growing population centers in the Negev during the next decade, Elath, Mitspeh Ramon and Beersheba: Elath as an international port town, Mitspeh Ramon as a great center of mining and associated industries, and Beersheba as the gateway to the Negev.

The center of the state will continue to be Jerusalem, but there will be an important shift of population southward. During this decade we may expect to see a firm link between the Red Sea and the Mediterranean. The Beersheba railway will be continued as far as Elath; the oil pipeline will be enlarged; the Dead Sea works will achieve their maximum output, and scores of industrial towns will be built in the area stretching from Elath to the Lachish region and the settlements on the Gaza strip border.

During the next 10 years we shall raise the standards of elementary, secondary and higher education, foster scientific research, and do all we can to attract men of intellect and science from all countries to Israel and to establish Jerusalem as a world center of science and culture.

In the second decade we must complete the absorption and integration of all the immigrants who arrived during the first decade, as well as taking in and absorbing several hundred thousand additional immigrants from the centers of distress in Europe, Asia and Africa and tens of thousands of pioneering youth from the prosperous countries of Europe, America and South Africa. From the western countries we shall receive, in the main, a select and pioneering immigration. The driving force behind this latter immigration will not be distress—for it is to be hoped that the Jews of the western countries will not suffer from economic or political disabilities—but Israel's power of attraction.

During the next 10 years we must enhance our scientific and technical skills, and our capacity and efficiency in work. Increased stability, strength, security and survival itself are possible only if we raise our high standards of quality in all spheres; the quality of our work in field and factory; the quality of our military service; the quality of our science and technology; the quality of the internal social relations among our people. Without constantly growing participation by the best of the younger generation

in the western countries—in Europe and America—we shall find these things very difficult to carry out. On the other hand, the more our pioneering undertakings in the conquest of the desert and the raising of our cultural standards grow, the greater will be the attractive force of Israel; young Jewish intellectuals and scientists from the free and highly developed countries will find in Israel a broad field of action for their creative initiative. For I have no doubt whatsoever that among the Jewish youth in these countries there is also a latent desire for creative and pioneering work.

There will also be immigrants of a different type from these countries, and from the point of view of quantity they may be in the majority—immigrants whose energy and talents will be expressed mainly in the economic field; in agriculture, industry, shipping and transportation. There is an excellent example of an undertaking of tremendous economic and defense value which has been set up by a small number of young experts from America in the last few years: the Bedek repair and maintenance workshops for planes at Lydda. In a country whose construction is only beginning there is room for much creative and useful enterprise of this type.

To our regret there has been no interruption in the threats of the neighboring Arab rulers to destroy Israel—but we look forward to the second decade confident in our strength, our creative capacity, and our good will; our hands are held out in peace to all people, near and far.

If the Arab States understood the benefits to be obtained from peace and cooperation between neighbors, Israel would be ready to cooperate with them in the political, economic, and cultural fields on a basis of equality and mutual assistance. I am convinced that not only would this be an important contribution to world peace, but it would be of advantage to the Arab peoples.

What these peoples need above all is development, education, health, and the enhancement of the dignity and value of man. In these fields Israel has shown her capacity during the past 10 years, and she would gladly give her neighbors the benefit of her experience. Nor would she limit cooperation only to the economic and cultural sphere. She would also be ready for political cooperation on the condition that it should be aimed at fostering peace in the Middle East and in the world.

In the meantime, Israel is determined to strengthen her military preparedness and to persevere in her work of rebuilding and redemption; to bring in Jews from the lands of oppression and misery; to conquer the desert and make it flourish by the power of science and the pioneering spirit; and to transform the country into a bastion of democracy, liberty, and universal cultural values based on the teaching of Israel's prophets and the achievements of modern science.

Mr. CELLER. Mr. Speaker, I yield back the balance of my time.

ISRAEL'S INDEPENDENCE DAY

The SPEAKER pro tempore (Mr. KEOGH). Under previous order of the House, the gentleman from Illinois [Mr. BOYLE] is recognized for 60 minutes.

Mr. BOYLE. Mr. Speaker, as has been noted on the pages of the CONGRESSIONAL RECORD earlier today, the gentleman from California, Mr. JAMES ROOSEVELT, left his hospital bed to come to the floor of the House and introduce an amendment to the federally impacted school bill. Immediately after his efforts, in keeping with the advice of his doctor, he has left the Chamber and returned to the hospital.

For the last 4 years the gentleman from California has joined with me and other Congressmen on both sides of the aisle in saluting the 7th, the 8th, the 9th, and now the 10th glorious birthday of the State of Israel.

The attainment of a national goal, the realization of a long-cherished dream in the form of national independence, is justly and properly regarded as the culmination of a nation's deepest aspirations. Among peoples brought up and schooled in the western way of life, no ideals have been more influential over the hearts and minds of men than justice, liberty, and independence. Western-oriented peoples, individually and collectively, have placed upon these political ideals the highest premium. And today one's love of freedom and independence, and one's recognition of these ideas as man's sacred birthrights, is considered throughout the Free World as the hallmark of civilized men.

The new State of Israel, whose 10th independence day is being celebrated today, stands in its historic place as the culmination of the 2,000-year-old dream of the Jewish people. Nay, one may even go further, beyond the beginning of our Christian era, and state that since the time of the slavery of the Jews in Egypt—perhaps 3,500 years ago—since the days of their captivity in Babylon—2,500 years ago—and of course, since their expulsion from their historic homeland by the Romans in the year 70 of our era, and their subsequent dispersion to all corners of the world, they have dreamed, cherished and yearned for their return and settlement in their original home as free and independent people. The new State of Israel stands for a number of noble ideas and ideals. It is hardly possible to exaggerate its political, economic, and cultural importance. More than anything else, however, it stands as a symbol of genuine freedom and national independence in an area where the reality of true freedom is almost unknown.

After suffering for centuries at the hands of their fellow men, after enduring vicissitudes and hardships in many lands under both autocratic and totalitarian regimes, and subjected to unfair and iniquitous laws because of their religion, the Jewish people never forsook their great goal to return to the Holy Land and there establish a homeland where they could live in peace and security. The zeal, the perseverance, and vision, the industry, and the willingness of the Jews to sacrifice their worldly possessions has been eloquently demonstrated by the way they conceived, planned, and worked for the creation of modern Israel. Today that state stands as a living monument of their selfless devotion to the ideas and ideals of their illustrious forefathers.

Of course we all know that the new state in which so many Jews live and work today was not created easily. Nor was it brought about without superhuman efforts and great sacrifices. It is perhaps true that Israel as it is constituted today is not in position to become the haven for all Jews wishing to go there, but fortunately it has been able, through ceaseless and energetic efforts, to rescue the most needy and destitute Jewish refugees and provide them with the means of livelihood in safety. This is not only to the credit of Israeli leaders; it is also a salute to the refugees when one realizes that they have already become Israel's most valuable assets. They are the workers and defenders of the country.

For almost 2,000 years the Jews in dispersion led a migratory and sometimes tragic existence. In some places they were welcomed. In some places they prospered; some of their numbers amassed great wealth, always contributing greatly to the culture, and even attained eminence in many walks of life. In other lands they were simply unwanted, or at best tolerated. While their contributions to the material well-being and cultural progress to those countries were appreciated, and mostly because of this they were accepted, yet their presence in those countries was generally considered as a necessary evil. In such countries they lived under discriminatory and degrading laws. They did not enjoy full religious freedom; they were not free to bring up their children in ways dear to them; their public life was restricted; they were regarded in a class by themselves, thus doomed to a lowly status. In a number of East European countries and Czarist Russia they were severely persecuted for what they were and for the beliefs they held. Occasional outbursts against them and even pogroms or organized massacres were carried out with or without the connivance of governing authorities. Throughout the course of centuries the harassed and humiliated Jews submitted to all these iniquities and indignities, suffered the attendant miseries and misfortunes with patience and forbearance.

During all that time whether the Jews lived in comfort and in luxury, or in abject misery and in utter distress, free or oppressed, their supreme national goal was to return some day to their historic homeland, to regain their independence and thus establish spiritual communion with their forebears there. Through the teaching of Jewish leaders the majority of the people clung steadfastly to this national goal. And finally, after the lapse of some 1,900 years, when they saw the opportunity of realizing their long-cherished dream and attaining their national goal during the First World War, they began to work for its implementation with a whole heart.

The British mandate over Palestine had envisaged the creation of a Jewish national home. Naturally, the Jews wanted to make the most of the materialization of their dream, and as the result of their persistent efforts, by the time of the termination of the mandate in 1948 Palestine's Jewish population rose to more than 700,000. This total constituted a preponderant majority in the new state. That was about 10 years ago. Since then dramatic and startling events have changed many things in the Middle East. Some of these changes have affected not only the shape and

destiny of the State of Israel, but have also influenced the course of events in the entire Middle East.

On the very day of Israel's birth the new state found herself at war with all her Arab neighbors. On that day the forces of five Arab states—Egypt, Iraq, Jordan, Lebanon, and Syria—began to attack Israel. She was not only besieged on all her land frontiers, but Syrian and Egyptian naval units blockaded her seashores. At first the fighting was desultory, though in places it was fierce and bloody. Intermittently, it dragged on until early 1949. On nearly all fronts Israeli forces gave a splendid account of themselves. Then by a series of armistices, arranged and signed under the mediation of the United Nations, the Arab-Israeli war came to an end in July 1949.

That was a costly war for the new State of Israel; it was her real baptism in warfare, but her natural gains in terms of territory were rewarding. That war also taught the Israeli citizens a most valuable lesson—unless they united all their efforts, banded closely together, and guarded their new state and their newly won independence at all times and at all costs against all comers their very existence would be in jeopardy. Having quickly mastered this lesson the hard way, the new and old citizens of Israel, under able leadership, braced themselves for the terribly difficult task of rebuilding their newly won country, of making it a secure haven for refugee Jews fleeing from other lands, and by guaranteeing the security of the country against all foes.

It is difficult to say which of these three arduous tasks—the building of the country, the ingathering and settling of refugees in Israel, or the defense of the new State—had priority over the other two, but the people of Israel did not have to make the choice because they had no choice to make. To them their tasks were cut out by the vicissitudes of history—all three were equally important, and they went to work with the confidence that they were capable of coping with all three of them simultaneously.

Today we know that in the course of a single decade the people of Israel performed all three of their exacting tasks with great success. In the rebuilding of the country and restoring its natural economy they worked wonders. By introducing scientific methods and by the use of chemical fertilizers, and also by planning and constructing canals and dams for irrigation, they have turned 275,000 acres of arid plains and craggy mountainsides into cultivable, productive lands. By building highways, and connecting small rural communities with large urban centers, they have established excellent communications systems. By establishing large industrial plants in the country, they have made Israel one of the most industrialized, modern and progressive communities in the whole Middle East. Also the development of a viable economy has been expedited by a fivefold increase in foreign exports in the last 8 years.

In the next phase, that of receiving and assimilating refugee Jews, they were no less successful. Hundreds of thousands of refugees from far and near, from Europe, Asia and Africa were financed by the new state.

In the exertion of such superhuman efforts the citizens of Israel have had the constant and unfailing support of world Jewry, and also of all other liberty loving people of the Free World. When one bears in mind that on the average the Israeli Government spent somewhat more than $12,000 to settle each immigrant family in Israel, and that during their first year there the government expenditure for each individual immigrant was more than $1,000, then it is clearly understood that outside aid was indispensable. Fortunately in this humanitarian task non-Jews sympathetic to their cause helped the Israelis. Financial contributions from this country alone, during the decade, must have exceeded the billion dollar mark, excluding some $300 million raised here through the sale of Israeli Government bonds.

Let me also add that in addition to individual and private contributions on an unprecedented scale by the citizens of this country, the financial and material assistance, and the moral support given by the Government of this country to the State of Israel has been immense. Since the birth of Israel, the United States financial assistance, in grants, technical assistance, credits and loans, totals more than $400 million. During the decade, the flow of financial and material assistance from this country to Israel has never ceased except for the short interval during the Suez Canal crisis in late 1956 and early 1957. Only a few weeks ago, the Export-Import Bank concluded an agreement with Israeli authorities by which Israel is to receive a loan for $24,200,000.

Having thus rebuilt the State of Israel, having also rescued most of the needy Jewish refugees, and having successfully settled them on their allotted patch of land in Israel, the citizens of the new state have been on the alert about the safety and security of their country. For self-defense, and for that alone, they have spent considerable sums on defense. They have armed themselves with the best defense equipment available to them, and today their armed forces are considered the best organized, best led, and, man for man, the best fighters in the Middle East. Of course these funds appropriated for defense measures could be diverted into peaceful use. However, the security and well-being of Israel are constantly threatened by envious and dictatorial powers.

There you have the new State of Israel, or if you will, the revived and regenerated old Kingdom of Israel, the fulfillment of a dream which has been dearly cherished by Jews in dispersion for almost 2,000 years. Today the youthful, vigorous, prosperous and progressive State of Israel is a dynamic and growing democracy. It is the latest and perhaps the most powerful force in the Middle East—one that has to be reckoned with in any phase of Middle Eastern problems. On the 10th anniversary of its independence day we wish the State of Israel and her citizens peace and prosperity. And may Israel, the greatest democracy in the Middle East, be recognized as a bridge and not a wedge between her Arab neighbors.

Mr. MULTER. Mr. Speaker, will the gentleman yield?

Mr. BOYLE. I yield to the gentleman from New York.

Mr. MULTER. Mr. Speaker, it is a great privilege to be permitted to join with our very distinguished colleague, the gentleman from Illnois [Mr. BOYLE], in his tribute to the small, but nevertheless important, free and democratic State of Israel.

I commend our able colleague for his action today. But we in the House have come to expect that of him. Diligent, capable, and hard working, he is always in the forefront of every worthwhile cause, fighting hard but always fairly.

As an additional part of this celebration of the 10th anniversary of the State of Israel, I make a part of my remarks an invitation from His Excellency, the President of the State of Israel, as follows:

TENTH ANNIVERSARY INVITATION

The year April 1958 to May 1959, Iyar 5718 to Iyar 5719 in the Jewish calendar, will be a year of national celebration in Israel, marking the completion of the first decade of Israel's restored independence, on her historical soil.

This historic event signalled a victory for liberty and for the equality of nations, large and small. It represented some recompense by the world for the injustice suffered by the Jewish people throughout the centuries. And it climaxed the efforts of Jewry to fulfil the vision of their true prophets and realize the noblest aspirations of countless human beings in every age.

For us this will be a memorable year, a year of dedication to the lofty ideals which inspire us and to the urgent practical tasks that lie ahead. It is our hope that these labours will promote peace in Zion and peace between nations.

I send you the greetings of Israel and our heartfelt wishes for the peace and brotherhood of all peoples. I invite all to participate in our historic festival of freedom celebrations.

I know that our achievements in the last 10 years are a source of pride to all who have shared our faith, our aspirations and our efforts. We recall with deep satisfaction the impressive part played by Jewish communities the world over in the revival of our nation and the restoration of our ancient land. Our festival of freedom will make manifest the great contribution of these congregations and communities to the fulfilment of our historic mission.

I invite all our friends to visit us in Israel during our 10th year of independence. I would suggest that each community and congregation should send at least a minyan of its members to join us here in Israel in our thanksgiving celebrations.

Let all witness, with their eyes, the reality envisioned by the psalmist, "This is the Lord's doing: It is marvelous in our eyes."

ISHAK BEN ZVI,
President of the State of Israel.

(A translation from the original in Hebrew.)

Mr. BOYLE. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] may

extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, the 10th anniversary of the founding of the State of Israel calls for the praise and jubilation of all freedom-loving people of the world. It gives me great pleasure today to honor the progress that the people of modern Israel have made under the most severe conditions. The very existence of the newly created State, whose independence its noble leader David Ben-Gurion proclaimed on May 14, 1948, in the midst of battle, has been continually threatened since then from both external and internal pressures.

I am moved by a deep feeling of pride and humility when I review the recent history of Israel. The deeds of his courageous people equal the tales of prowess and fortitude of the Jewish nation of Old Testament times. Truly the modern Jewish state embodies the spirit of King David and the ancient Hebrew prophets. It gives me great satisfaction to remember that the United States played a major role in the creation of the State of Israel and has continually rendered assistance and guidance to the infant state during its first fateful decade.

Many foreign observers have compared Israel to the West of America. Not only the same conditions in miniature, one may say, are present but the same vision which drew the American settlers over the Appalachian Mountains westward to California has moved the Jewish people to come to this narrow strip of land between the Jordan River and the sea from all over the earth in the hope of creating a new land. The civilization of Europe no longer offered an expanding society for these young people. It appeared to many of them that the old life of Europe and Asia was so bound to the past that there was little room for innovation. Many of the immigrants gave up comfortable positions in Western Europe because they believed that the ancient homeland offered an opportunity to make productive and fruitful its desert and rocky hills.

The farmers in Galilee along the Jordan, the Syrian and Lebanese borders are on the frontier of a new world. It is a world in which knowledge and science are battling the feudal tradition of the Middle East. These farmers, who not so long ago were students, merchants, inhabitants of the century-old ghettos of Eastern Europe, drive their tractors with one hand on the steering wheel and the other hand on a rifle in case of an attack. The American pioneers cleared their land with rifle stacks ready at hand to defend themselves against marauding Indians. Though these people live within the rifle range of vengeful neighbors, they have not panicked or became frightened. They have made the deserts bloom and the city hum with the sound of rising industries.

The people of Israel have changed the face of the old landscape familiar to all of us from the stories of the Bible. Gone are the sheep and goats grazing lazily on the barren, rocky slopes of Ephraim. Modern agricultural methods, equipment, and education have been employed to increase cultivated areas by nearly 300 percent. A national irrigation program, which will be completed by 1961, has already increased the amount of irrigated land by 400 percent. Among the new industries which have been established are steel, fertilizers, tires and other rubber goods, paper products, piping, diesel engines, electrical appliances, and the assembly of motorcars and refrigerators. Textiles, plastics, all essential household items and many other products are produced locally. Although citrus fruits still contribute 42 percent of the total export, the industrial expansion has helped Israel's export trade, which has risen 500 percent during the first decade. While Israel is still not self-sufficient, progress is being made to correct the imbalance of trade which now exists.

The frontier areas of this small nation are wide. The second decade holds out as many challenges as the first. The main goal during the next 10 years will be the settlement and development of the Negev, a desert area in the south comprising more than one-half of the nation's land. Also agricultural and industrial settlements will be established in central and upper Galilee. Both of these programs require only hard work and water to make them successful. The people of Israel have proved that they can work hard. The future of Israel, therefore, may depend on water. The most pressing problem of the moment is to reach an equitable agreement with the Arab neighbors for the development of the Jordan River and its tributaries so that the waters can flow to the south to irrigate the parched, though rich, soil of the Negev.

Out of the melting pot of the Jewish people from 79 countries is appearing a new man, "new physically, mentally, and even spiritually," to quote the Prime Minister, David Ben-Gurion. The sense of persecution or fear which led to insecurity among many older Jews is absent in the new Israeli generation. They stand erect with their face to the future, proud of what they have already achieved, but never losing sight of the vision which brought them to the Jewish homeland.

FIRST NATIONAL CONVENTION OF THE AMPUTEE VETERANS ASSOCIATION OF AMERICA, INC.

The SPEAKER pro tempore. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 20 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like to read part of the program of the first national convention of the Amputee Veterans Association of America, Inc.:

WE WALK SO THAT OTHERS MAY LEARN

In the closing days of World War II the Army and Navy set up hospital amputation centers throughout the country to better care for those men who, as a result of military service, suffered amputation. These cases required a long and intensive period of physical therapy along with every phase of physical and mental rehabilitation.

The climax of all this was reached when they walked out on their own, wearing an artificial leg, an artificial arm, and in some cases both.

During their long hospital stay these men shared experiences and formed friendships which have lasted over the years. At this point the Army and Navy stepped aside, and the Veterans' Administration took over the job of helping these war veterans in their transition to a normal civilian life. Today, as they hold their first national convention, they look to the future. A future wherein they visualize a definite role that they can fill in the field of prosthetic research and medical rehabilitation.

It is their hope that a workable and sincere program be set up to help those people who are sometimes forgotten in the fast pace of life as we live it today. And who are these people? People from all walks of life, people from all sections of the country. They are the ones who, as a result of motor-vehicle accidents, industrial accidents, or disease suffer amputation. They comprise men, women, and children. If they can do this, if they can be instrumental in making life a little bit more pleasant for all physically handicapped, it might well be their way of saying "Thanks" to their country and the American people.

DEAR FELLOW AMPUTEE: We are delighted to welcome you to the first national convention of the Amputee Veterans Association of America, Inc.

The city of Boston, the Commonwealth of Massachusetts, and your convention committee have worked diligently and unselfishly to organize this convention and provide for your complete comfort and enjoyment. We are indeed grateful to them for their tremendous effort.

It is our sincere hope that you will not only enjoy the varied program that has been arranged for you, but also that you will take an active and serious part in all of the convention's business sessions and deliberations. We have a great deal of work to accomplish during this period together and we hope that you will help us to make this, our first national convention, a marked success.

Our every good wish for an enjoyable and productive convention.

LAWRENCE FAHEY, *Commander.*
CHARLES MACGILLIVARY, C. M. H.,
Convention Chairman.

THE WHITE HOUSE,
Washington, March 17, 1958.

CHARLES MACGILLIVARY, C. M. H.,
Chairman, Amputee Veterans Association, Inc., Boston, Mass.:

As the Amputee Veterans Association of America meets for its annual convention, I am happy to salute your valiant membership and to extend cordial greetings.

No one knows better than you the extreme wartime sacrifices that free Americans have made through the years in the defense of our liberties. No one more deserves recognition from his fellow citizens.

Best wishes for a most successful convention.

DWIGHT D. EISENHOWER.

TIMES UNION,
Albany, N. Y., April 20, 1958.

Mrs. EDITH NOURSE ROGERS,
Member of Congress,
House Office Building,
Washington, D. C.

DEAR MRS. ROGERS: It was very kind of you to suggest placing my speech in the CONGRESSIONAL RECORD and I am enclosing a copy of it for that purpose. I am also enclosing a copy of the telegram sent by Bill Hearst. I thought that you might also want to put it in the CONGRESSIONAL RECORD.

As always it was a great pleasure to visit with you and I want to congratulate you on the well-deserved tribute paid to you by the Amputee Veterans Association of America.

Sincerely,

DONALD R. WILSON.

CHARLES A. MACGILLIVARY,
Amputee Veterans Association of America, Boston, Mass.:

I am using this telegram as a big, black pencil to underscore every word that Don Wilson has addressed to the Amputee Veterans Association tonight as the spokesman for the Hearst newspapers.

You do our newspapers great honor and you do me great honor and only my absence in Europe keeps me from being there with you tonight.

Your scroll will hang prominently in our headquarters offices, a daily reminder of our strong and warm interest in the affairs of America's veterans engendered many years ago by my father.

Will you please assure the members of your own association that this interest will continue, just as warmly and just as strongly, but most particularly in the affairs and in the rights of those like you who have paid a higher price than the rest of us for renewed guaranties of our American freedoms and principles?

WILLIAM RANDOLPH HEARST, Jr.

ADDRESS BY DONALD R. WILSON, ASSISTANT PUBLISHER, ALBANY TIMES-UNION, BEFORE NATIONAL CONVENTION OF THE AMPUTEE VETERANS' ASSOCIATION, BOSTON, MASS., APRIL 19, 1958

It is humbling to me to be placed in the position of representing Bill Hearst and the Hearst newspapers at this first national convention of the Amputee Veterans' Association.

The entire Hearst organization is proud of the fact you have elected to honor it by the presentation of this scroll attesting our efforts to be of service and help to those whose scars evidence their sacrifices in preserving the principles of justice, freedom, and democracy.

The Hearst newspapers are the direct beneficiaries of this Nation's freedoms. To those who have preserved those freedoms, we acknowledge our obligations and our duties. We are honored to know that you believe that, in part at least, we have been true to the remembrance of the sacrifices made for us and for all America. We shall always hope that, as you judge us, you will find us constantly true.

But I know that you share the view, suggested in Bill Hearst's telegram, that there is imposed upon all of us an even higher duty than that of remembering and serving those who have borne the battle. That is the duty of preserving and protecting our divine national heritage against all enemies, both within and beyond our shores, who would defile and destroy it.

It is appropriate that you and we should acknowledge this duty tonight, here in Boston, on Patriot's Day. This is the anniversary of a warning given to Americans in time. On that date, let us pledge again our determination to preserve them.

Since that date 183 years ago, America has grown great and has prospered. Her armies in numerous wars have marched to victory. She has more machines, more gadgets, a higher standard of living, more leisure, more luxury, more schools, more highways, more productivity than any other nation in the world. In less than two centuries, she has risen from the status of a few disorganized colonies to the first rank among all nations and peoples.

It might pay us to pause here for a moment and reach back into the Holy Bible for a penetrating question: "What shall it profiteth a man if he gain the whole world and lose his own soul?"

This is a question, asked since biblical times. It is meant as a warning to all, that mere material success and greatness cannot protect a man from the emptiness and defeat that inevitably follows the loss of his principles, his ideals and his essential belief in himself as a being of God's creation.

Americans need to examine themselves tonight in the light of this biblical injunction. Are we, as a people, beginning to lose our souls? Perhaps the ideological light upon which this Nation was founded has begun to grow dim. Do we honor and revere our political heritage as we should, or are we growing too worldly and too sophisticated to appreciate its distinctive greatness? Perhaps national ideals are becoming unfashionable and outmoded. Maybe we are losing and becoming unmindful of the brilliance of the torch of legal equality, political freedom and economic independence which we once so proudly exhibited for all the world to see and admire.

All of us have great confidence in the collective wisdom of the American people. (As an aside, I might mention that the Hearst newspapers were built on that belief and are motivated and sustained today by that belief.)

But it is never untimely for all of us to reexamine the fundamentals of our beliefs and our conduct in the light of those fundamentals.

America has no greatness other than in the fundamentals which inspired her creation. All else is dependent upon the fervency of our belief in this alone and upon our devotion to it, our sacrifice for it, and our pride in it.

What are fundamentals?

There is first a belief in the divinity of our origins. We first acknowledge God. We worship Him and pray for His guidance in our private and public undertakings. We seek to be the servants of His will.

Today, in addition to increasing church attendance and membership, there is need to eliminate the too numerous instances of private and public immorality. There is a need to bind the family together in the church, to reduce the rate of juvenile delinquency, to turn away from the weakening influence of corrupting fads and return to the hard and strengthening beliefs of divine creation.

Secondly, we believe that the Creator who created us equal gave to us and to all men certain inalienable rights, privileges, and opportunities. We are not beholden to any governmental authority for the possession of these rights. They are not within the power of any government either to grant or to take away. Government itself is a creature of a free people exercising their inherent rights. Nonetheless, we have been proud of the form of government which we have fashioned to act as our servant and not our master. We have been proud of the power we have given it and proud of our ability to contain it within clearly identifiable bounds.

These are the essence of our personal, political, social, and economic beings. Never before in the history of mankind was so much spiritual and moral depth injected into man's justification of himself and of the agencies he created to help him govern himself.

The magnificence of this belief stirred the imagination of all Americans. It excited and inspired them. It reached into their hearts and aroused confidence and patriotism. These qualities were reflected in all that Americans did. It was reflected in their educational processes, in their commerce and industry, in their inventive genius, in their wars, in their peaceful dealings with other nations, in the whole collection of their laws and institutions. America and Americans were dynamic, driven and inspired by the fervency of their beliefs and of the limitless opportunities in all things that stretched out before them.

Tonight, I raise the question of whether these qualities are less sparkling and vivid in us than in our forebears? Do we have the same divine inspiration? Do we have the same proud, exuberant patriotism? Do we breed our fundamental convictions into all our institutions and enterprises, foreign or domestic? Or have we become timid, apologetic, uncertain, and reluctant both to proclaim our greatness and our ability under God, to respond with victory over every threat and challenge? Are we living in the shadow of our past greatness? Are we hiding from our responsibilities and avoiding challenge by self-deception?

Specifically, in the great economic, social, political, and military challenge which has been flung at us by the Soviet Communists, do we match their fervency of belief with equal fervency?

Do we accept or avoid the gage of battle? Do we still believe in the inviolability of the truths of our greatness? Or do we try to hide from the threat to our existence by proclaiming the weakness of our enemy rather than relying on our own inherent, God-given strengths?

The evidence is that we have been trying to hide. We have been trying to explain our enemy away. We have tried lying to ourselves and pretending that our enemy is other than it appears to be.

My friends, there is no place to hide. Our enemy is not a dream; he is real. We cannot explain him away; we must face him. We must acknowledge his strengths and meet them with our own superior strengths. We must analyze his weaknesses and exploit them.

Last fall, Bill Hearst together with Frank Conniff and Bob Considine penetrated the Iron Curtain. Upon their return, Bill Hearst drafted a report to the American people which all of you either read or should have read.

In the first installment, Bill Hearst dealt with his own great concern over the manner in which we were apparently blinding or deceiving ourselves and apparently wilfully refusing to face facts. He kindly described them as illusions and gravely warned of the perils we must face if we continued to so indulge ourselves. He illustrated the point and the peril by referring to three specific illusions:

1. That sputnik and other Soviet scientific successes were achieved only because Soviet leadership concentrated all resources on them and deliberately ignored the needs of the Russian people for food, clothing, and housing;

2. That Russian peace propaganda was designed only for external consumption and bore no relationship to the Russian people, and

3. That the Soviet leadership was not accurately informed of affairs in America and elsewhere.

He carefully described why these assumptions which we have so readily made are simply not true, and he struck an urgent note of warning against the tendency of ours constantly to underestimate our enemy. Although acknowledging our continuing need for the greatest of military strength, he found the greatest danger to us to be not

in the possibility of war but in our failure to recognize the other equally important areas in which the Soviets are engaging us in a test of strength such as in the areas of education, ideology, and economics.

Oddly enough, these are areas in which our entire background of experience should make us invincible. But these are areas in which we have denied the dynamism of our own distinctive heritage.

For example, why is it that we who owe much of our greatness to the importance we always attached to the role of education turned away too readily from academic discipline, the authority of the teacher, the importance of examinations, the competition for marks, the necessity of compulsory courses, and the respect for and aid to demonstrated ability? While we replaced all this with a vague wandering in the field of educational experimentation without goal or direction, the Soviets were building an educational system on the very foundations we renounced.

Why is it that we who are possessed of the most revolutionary and exalting ideology in the history of the world have been reluctant to teach it in our schools, live it proudly in our everyday comings and goings, preach it to the whole world? Why has pride in country and openly proclaimed patriotism too frequently been viewed as something to be embarrassed over, if exhibited? All this while Russia has been teaching and preaching pride, patriotism, and invincibility. Why have we permitted Russia's fervent devotion to the most evil, enslaving, and contemptible theory of life and government ever designed to outmatch the fervency of our belief in our divinely inspired philosophy? We apologize instead of proclaiming. From a world in desperate need of hope we shamefacedly hide our greatest possession—freedom of the person to realize his dreams.

Why do we, the world's greatest manufacturers, producers, and traders, timidly and fearfully contemplate the Soviet's economic challenge instead of joyously leaping at the opportunity to meet and defeat the Soviets in an area of our own greatest strength where all we need for victory is courage?

These are paradoxes of our own creation. We hold the answers to them in our own minds and hearts. All that is needed is for us to break the shackles of timidity, self-deception, fear, and lack of realism which bind and oppress us.

Soviet Russia is a real, vicious, and dangerous opponent. We cannot wish her away. She is a constant, competitive threat to us in every field of human thought and conduct in every area of the world. Our principal realistic resolution must be to meet this competition and to be victorious over the Soviet menace.

I use the word "victorious" intentionally. It is a word which has too long been omitted from our political and ideological vocabulary. The Soviets have not been at all reluctant to proclaim that their goal is victory. By being positive, they have unquestionably won adherents. We do ourselves a disservice by being hesitant in announcing that our goal is victory and that we are confident of achieving it. When we announce that is our goal, the people of the world will have something to follow. As long as we are indeterminate as to our goal, we make it difficult for people to rally to our cause, for they are confused by our failure to provide a readily understandable objective which will inspire them to follow us.

But it is not enough for us merely to shout "Victory." We must promptly begin to take those practical steps which will guide us and our friends in that direction.

In the final installment of the series of articles which Bill Hearst wrote when he returned from Moscow, he suggested, among other things, that there be organized a "peace cabinet," which would have the functions of, first, recapturing the grandeur of the word "peace" from the distortions of the Soviet propagandists; secondly, placing us again in the vanguard of scientific and technological achievement; and thirdly, guaranteeing that no area of competition with the Soviets is neglected. He claimed no infallibility for himself or the other members of the Hearst task force, but invited all of us to come forward with our ideas.

This is a challenge all America must respond to. It is particularly appropriate for it to be reiterated here before the Amputee Veterans Association, composed, as it is, of men who dedicate themselves to service to their fellows and who gallantly bear the scars of their devotion to America and to the preservation of its ideals.

You, above all others, bear your patriotism proudly. You know the value and urgency of victory.

I do not presume to counsel you as to the organizational resolutions you may reject or pass. But I do say that as individual members of this great society of ours who have paid an incalculable price for its preservation, you may surely issue a call for America to rededicate itself to the principles and ideals of its youthful beginnings. You may call for a return to morality and Godliness. You may call for the relighting of the star of freedom for all the world to see. You may call for America to resolve to win in the competitive struggle in which she is engaged. You may call for us to recapture the integrity of our educational enterprises, our ideological superiority, our productive economic genius. You may call for pride in our country and belief in its destiny.

No man can stand before you and deny you an enthusiastic response. No man can fail to follow your leadership.

In your worthy endeavors concerning both your role of service to those who need the special help which only your experience can give and in your individual role of rallying all Americans to believe in the virtues of the America you preserved, the Hearst newspapers will stand by your side and promote to the limit of their abilities, both you and our country.

With yours there will be no stronger nor more constant voice than the Hearst newspapers in issuing to all America its call to greatness.

Mrs. ROGERS of Massachusetts. Massachusetts was very proud that gallant Lawrence Fahey was commander of the first national convention of the Amputee Veterans' Association of America, Inc., and that Charles McGillivary, a Congressional Medal of Honor man, was chairman of the convention which was such a huge success. The amputees many times have sent their thanks to the Congress for passing the legislation that rehabilitated them and for the legislation giving them their automobiles.

I think it is very touching and extremely fine that they are dedicating their lives today to help others who without them might not have any help. I think they did not realize fully until I told them at their convention that as a result of the $1-million-a-year research bill the Congress passed, little children born without feet or legs or arms, and older people, have been fitted at Walter Reed Hospital and elsewhere with prosthetic appliances. If you could have seen those children as I saw them last year walking about, dancing almost, I know you would have rejoiced with the amputee veterans.

Mr. Speaker, I have also included in my remarks a letter from Mr. Wilson, former national commander of the American Legion, in which he encloses a copy of the cablegram sent by Mr. William Randolph Hearst, Jr., to the Amputee Veterans Association thanking them for giving him a citation for the work that the Hearst papers have always done for the disabled veterans and particularly in this case for the amputee veterans.

And a copy of Commander Wilson's very fine speech.

Mr. AVERY. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman.

Mr. AVERY. Mr. Speaker, I should like to compliment the gentlewoman on the fine statement she is making, as she always does. But I should like to make a further observation. I know of no one in private life or in public life who is any more understanding, any more compassionate and any more dedicated to the service of those persons who are underprivileged, who are handicapped, than is the gentlewoman from Massachusetts [Mrs. ROGERS]. Certainly we in public life feel a general sense of responsibility to these unfortunate people, but it is too easy to put it off, to do something that is a little more expedient possibly, or something with a little more pressure back of it than for these underprivileged and unfortunate persons. But the gentlewoman from Massachusetts always puts them in top priority and as a Member of the House I want to express my appreciation to her of her dedication to duty and of her interest in these unfortunate humans. Certainly I am sure other Members would like to share with me this tribute that I pay to the distinguished lady from Massachusetts.

Mrs. ROGERS of Massachusetts. I thank the gentleman very much. I know of his splendid work at the present time in behalf of all of these people he has mentioned and of his work on the Committee on Veterans' Affairs, when he was a member of that committee, which was extremely valuable. I should like to say to the gentleman that anything that I may have been able to accomplish was due entirely to these wounded men. I have seen these wounded men. I know what they have suffered. They have given me all sorts of ideas and suggestions. They have been perfectly invaluable. It is not anything that I have done. If I have been able to accomplish anything, it is just because of them and the inspiration that they have been. It was wonderful to see these men and their lovely wives again. Many of the senior members would remember them when they came from the hospital.

Mr. AVERY. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. AVERY. I believe the gentlewoman is underestimating her own personal contribution in these matters. I appreciate the approach she is taking, and I realize that some of the proposals the gentlewoman has made may not have been original with her, but may have been presented to her, but nevertheless she does take her time from her

busy day to bring to the floor of the House or to the Committee on Veterans' Affairs, or any committee that may have to do with the particular problem in which the gentlewoman has such great interest. And it is from the overall standpoint that I particularly want to congratulate the gentlewoman, and not with reference only to this particular subject. I congratulate the gentlewoman for her dedicated interest in all veterans' affairs.

Mrs. ROGERS of Massachusetts. I thank the gentleman tremendously. I think it is nice for the House to know how very much all veterans appreciate what has been done for them. The veterans paid so dear a price for our freedom. They paid in pain and sacrifice that we might be free. They still dedicate their lives to others.

Mr. MULTER. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. MULTER. Mr. Speaker, I want to take this moment to commend the gentlewoman from Massachusetts, Mrs. EDITH NOURSE ROGERS, for again taking the lead in this very important work in behalf of those who are less fortunate and cannot do these things themselves. She has always been in the forefront of this work. May I note also for the record, quite by coincidence our distinguished colleague, the gentleman from New York [Mr. KEOGH], who is now presiding as Speaker pro tempore is taking the lead in seeking to get additional tax consideration for those very persons for whom the gentlewoman from Massachusetts, Mrs. EDITH NOURSE ROGERS, has spoken so eloquently. I trust that all of her endeavors will continue to meet with success.

Mrs. ROGERS of Massachusetts. I am perfectly delighted about the tax reduction bill of the gentleman from New York [Mr. KEOGH]. These amputees certainly deserve the very best there is. There was not one word spoken for themselves, that I heard, at that great dinner that they held. They spoke only of what they could do for other people and they spoke in appreciation of what had been done for them. I thank the gentleman very much. He is always most kind and helpful.

TREASURY GIVEAWAYS TO BOND SPECULATORS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I called attention from time to time to Treasury giveaways to the big buyers and the speculators in United States Government bonds that were repeatedly made under the previous Secretary of the Treasury.

The same pattern of giveaways—issuing bonds at excessive interest rates—has been consistently followed by the Treasury under the present Secretary. These giveaways are an almost inevitable result of the method which the Treasury follows in selling its new bond issues.

SETTING INTEREST RATES TOO HIGH

Week before last the Treasury sold $3½ billion in new bonds. The Treasury set a maturity date of 4 years and 10 months on these bonds, and it set an interest rate of 2⅝ percent. The result of this combination of short maturity and high-interest rate was that the bonds were oversubscribed 4 to 1. This meant that would-be buyers offered to buy $14 billion worth of these bonds at the interest rate which the Treasury put on them. In other words, the demand for these bonds could not be satisfied, and the Treasury had to turn down some of the buyers' offers. In fact the Treasury ended up allocating these bonds—at least among the buyers who had bid for more than $10,000 worth, so that each of these buyers was allowed to have only about one-fourth the amount he offered to buy.

In short, the Treasury missed its bet again. In guessing how high the interest rate would have to be fixed in order to sell the bonds, it guessed too high. These bonds were issued on Friday, April 11, and by the next Monday they were being traded in the open market at a premium. In a few moments, I will call attention to some illustrations which have been given by Miss Sylvia Porter of the arithmetic by which big-money speculators have made a killing in these bonds.

PREMIUMS ON PREVIOUS ISSUES

Such has been the history of every security issue by the Treasury this year—that is, every issue which has been sold with an arbitrary fixed-interest rate, instead of an interest rate determined by competitive bidding. Every one of these issues has involved a giveaway. Let me list them:

On February 3 of this year, the Treasury issued three new securities. These were not sold to all comers, but were offered only to holders of older securities which were then maturing. Although the issue date was not until February 14, the purchase rights to these securities were selling at a premium, even before the issue date.

One of these February 14 issues was a 1-year certificate bearing a fixed rate of 2½ percent. Last Monday, buyers were bidding $101 for this certificate in the New York market.

Another of the February 14 issues was a 3 percent bond maturing in February 1964. On Monday, buyers were offering $103.16 for this bond.

The third security issued on February 14 was a 3½ percent bond to mature in February 1990. On Monday, buyers were offering $106.26 for this bond.

Let me make it doubly clear what these prices mean. The Treasury received $100 for the 3½ percent bond. That bond is now selling for $106.26, which means that people who bought these bonds at par—which they could do on a small margin—have enjoyed a windfall of $6.26 for every $100 worth of bonds bought.

On February 28, the Treasury sold additional bonds. On this occasion it arbitrarily decided that the bonds would bear 3 percent interest. These bonds, dated August 1966, were selling yesterday at $103.20.

Certainly, this record suggests that—despite all the help and advice which it receives beforehand from the big dealers and banks who are going to buy its securities—the Treasury has not done a very good job of guessing the market in deciding what interest rates it will have to fix to sell its securities.

THE TREASURY ONLY LOSES BY GUESSING THE MARKET

But the important question is, why should the Treasury guess at all? Why should it ever set interest rates arbitrarily? This method of determining interest yields on its securities means that the Treasury will only sometimes guess precisely right, and many times will guess wrong. And on the times when it guesses wrong, it can only lose. If it guesses too high, it pays an unnecessarily high interest rate and gives the bond buyers a windfall. When it guesses too low, then the buyers do not buy, and the Treasury has to guess again. When it guesses precisely right, it sells the amount of securities it has to offer at the minimum rate at which the market will absorb them. And this could be accomplished by selling the securities on competitive bids in all cases.

COMPETITIVE BIDDING WOULD ELIMINATE GIVEAWAYS

Actually, the Treasury does sell some of its securities on competitive bidding. These are the 91-day Treasury bills. The Treasury issues these at par, but without a specified interest rate. It offers these bills on competitive bids and sells them to the buyers who offer to buy them at the lowest discounts. Actually, the Treasury accepts the bids, then looks to see what the amounts are that it can sell at the various prices offered. It then decides what the lowest price is it will accept, and lets the various bidders have the amounts that each has bid for, and at the price he has bid, where, of course, the bids are above the minimum price which the Treasury has decided it will accept. It is not committed to accept any bid at a price which it considers too low.

Competitive bidding is, of course, the method by which most private corporations sell their securities. It is, furthermore, the method by which the States sell their bonds. On April 15, when Governor Leader, the distinguished Governor of Pennsylvania, was testifying before the House Committee on Banking and Currency, I asked him about this matter and he assured me that the State of Pennsylvania would not think of selling its bonds except on the basis of competitive bids.

The Treasury of the United States should, in my opinion, sell all of its securities on the basis of competitive bidding and in no other way. When this method is followed, there is no guessing as to what the market is, and no shoveling out of windfall profits, or bonuses, to the banks and Government bond dealers and speculators, and no overloading the taxpayers with an unnecessary interest burden.

SMART-MONEY SPECULATORS NOW IN UNITED STATES SECURITIES

According to Miss Sylvia Porter's article, which appeared in the Washington Evening Star yesterday, you do not find the smart-money speculators in the stock and commodity markets these days. You find them in the market for new United States Government securities. These are where the fortunes are being made. They are being made by the banks and the bond dealers who have big money and can take advantage of the giveaways which the Treasury is handing out. I invite the Members' serious reading of Miss Porter's article. It is as follows:

YOUR MONEY'S WORTH

(By Sylvia Porter)

SMART-MONEY SPECULATORS

You'll not find a lot of smart-money speculators in their usual haunts these days—such as the markets for stocks, commodities, land, real estate.

You'll also find them in an area least likely to attract the in-and-outers looking for a fast buck. You'll find them in:

The market for new United States Government securities.

Nimble operators have made fortunes in this market since last fall. They are now back speculating in "free riding" Government securities on a scale not seen since the great war loan drives of World War II.

Here's the background:

Savings bonds don't trade in any market—but savings bonds are only a small part of the massive United States debt.

By far, the biggest portion of the national debt is in marketable securities carrying various coupons and due at various dates. These are traded in the open market just as other securities are traded. They go up in price when the trend of interest rates is down and vice versa.

Fortunes made

Since last November, when the Federal Reserve System abandoned its tight-money policy and interest rates began to slide, Treasury securities have been in the fastest, most spectacular price upsurge of all history. Major financial institutions, big investors, and securities dealers in this market literally have made fortunes on the sensational rise.

Also, since last November, the Treasury has had to sell billions of dollars of new issues to raise cash. As is customary, it has offered each new issue at a price of par—100; it has asked a modest downpayment on subscriptions from other than banks; it has filled all small orders—very small being $10,000—in full. As each new issue has been sold, it has risen sharply.

Now let's trace the operations of a speculator we'll call Joe during the Treasury's offering 2 weeks ago of new 2⅝-percent notes maturing in 1963 to raise $3.5 billion of cash.

On Monday, April 7, the one day the Treasury was accepting orders to the new issue, Joe placed 10 subscriptions, each for $10,000 of notes, through 10 different banks or brokers. For each subscription, Joe paid the required downpayment of 10 percent of $1,000. His total investment, therefore, was $10,000.

On Friday, April 11, the Treasury announced it had been swamped with orders for the new notes and it could fill only a fraction of each order—but it also announced that it would allot all subscriptions of up to $25,000 in full. Thus, because he had spread his orders, Joe received $100,000 of new 2⅝s in 10 blocks for his downpayment of $10,000.

Speedy profit

At this writing, the new notes are quoted at above 100¾. In 2 weeks, Joe has made a profit of over $750 or 7½ percent on his money.

And this deal is only a fair one. Last fall, the Treasury sold an issue of 4 percent bonds at 100; the bonds now are quoted at over 110. Assuming Joe followed the same procedure I've just outlined and he still owns the $100,000 of 4s against his deposit of $10,000, he has more than doubled his money in about 6 months. All other United States issues sold since last October have been almost as sensational successes.

Speculation in the Government market has now reached such proportions that the Treasury is deeply worried. "Free riders" can badly mess up the market if the price trend shifts.

So officials are considering ways to control the operators in the future—by, for instance, requiring stiffer downpayments on new issues and by demanding a 100 percent downpayment from all who subscribe for such minimum amounts as $10,000.

Meanwhile, though, the smart-money men with know-how, nerve, and contacts really have cleaned up.

MORE ABOUT STATEHOOD FOR ALASKA

The SPEAKER pro tempore (Mr. KEOGH). Under previous order of the House, the gentleman from Washington [Mr. PELLY] is recognized for 30 minutes.

Mr. PELLY. Mr. Speaker, I qualify as one who was referred to on Tuesday, April 22, 1958, by my friend, the distinguished Delegate from Alaska [Mr. BARTLETT], when under special order to address the House he said:

A small minority of people in Washington State have expressed concern that statehood for Alaska might allow a comparatively few individuals in Alaska to rule the Alaska fishery.

Quoting from the remarks of my good friend, he said further:

The small group which has expressed this concern warns of its opposition to Alaska statehood unless the Secretary of the Interior gives assurances that the State of Alaska will promote the cause of fishery conservation and will afford protection and equal participation for nonresident fishermen.

The Delegate from Alaska then goes on to say that this alarm is wholly inappropriate and he cites it as proceeding from what he terms six false assumptions.

In brief, this is a list of his six assumptions. I quote his own words:

First. It proceeds from the false assumption that Alaskans would permit the management of their State government to be unresponsive to the will of the people, and that the State government would be the servant of a small group of individuals.

Second. It proceeds from the false assumption that Alaskans are not conservation conscious.

Third. It proceeds from the false assumption that statehood will be detrimental to the economy of the Northwest.

Fourth. It proceeds from the false assumption that Alaskans would wish to discriminate against nonresidents, that is, would impose—without reason or justification—restrictions upon nonresidents because they are not Alaskans.

Fifth. It proceeds from the false assumption that the bill defeated in the Alaska Legislature which would have taxed catches of salmon whose value exceeded $20,000 was discriminatory against nonresidents.

Sixth. Finally, the alarm of the small Washington group proceeds from the false assumption that a State can lawfully discriminate against nonresidents in a manner forbidden to a Territory.

Since I, maybe more than anyone else, Mr. Speaker, lately have been vocal in my concern as to conservation and equal participation for nonresidents of Alaska, let me document the basis of such apprehension. This record shows if any of the above assumptions are false, and anyone reading this can be the judge.

On the Pacific coast and especially in Seattle and Puget Sound, there are thousands of residents whose livelihood historically has been derived from our fishery in Alaska. I am determined that the rights of these people shall not be bartered away in fine print or otherwise while people's minds are diverted with fine phrases having to do with bestowing rights under statehood.

Unfortunately, some of the most active backers of the statehood movement in Alaska have been a small selfish group identified with the local commercial fishing interests of the Territory. For years this group has tried by one means or another to eliminate the nonresidents from participation on an equal basis in Alaska fisheries resources. This effort consisted for the most part in promoting tax discrimination in the Territorial legislature. Nonresident interests have been continually fighting for their very existence as is evidenced by the listed discriminatory measures which follow.

DISCRIMINATION BY ALASKANS

The discrimination practiced and sought to be practiced by the Alaska Legislature—and by the various Delegates from Alaska acting at the instance of the Alaska Legislature—is very real and not in any sense imaginary.

I have here a memorandum dealing with the discrimination attempted and accomplished between 1921 and 1955.

Nineteen hundred and fifty-five was not the end. Right now a new program of discrimination is being launched. I have seen a clipping dated March 19, 1958, from the Daily Alaska Empire published at the capital city of Juneau. The Territorial tax commissioner is quoted as advocating a further increase in the already discriminatory license fee exacted from nonresident fishermen. In this same article erroneous statements are made respecting the license fees required by Alaskans in my own State which I shall refute later on.

You can see why we are apprehensive. Listen to this:

DISCRIMINATORY LICENSE TAXES IMPOSED ON RESIDENTS OF CONTINENTAL UNITED STATES BY ALASKA TERRITORIAL LEGISLATURE

Between 1921 and 1953 the Alaska Territorial Legislature enacted five laws designed to impose a discriminatory tax on the thousands of fishermen residing in continental United States who annually fish in Alaska waters. These acts are known as the nonresident tax laws. They have been the subject of constant litigation and the Supreme Court of the

United States in 1952 held that the Territorial legislature could not validly impose a discriminatory tax on citizens of the United States who fished in Alaska merely because they lived in continental United States. The Supreme Court ruling has not been accepted by the Territorial legislature. At the 1953 session the legislature with full knowledge of the Supreme Court ruling, imposed another discriminatory tax on nonresidents. To date the validity of this last act has not been challenged.

The five nonresident tax laws above mentioned are as follows:

First. Chapter 31, Session Laws of Alaska for 1921, imposed a $5 license tax on nonresident fishermen and no tax on resident fishermen.

Second. Chapter 96 of the Session Laws of Alaska for 1929 imposed a license tax of $250 on nonresident hook-and-line fishermen and $1 on all classes of resident fishermen. The tax on nonresident seine fishermen was $25. The act was held invalid by the Circuit Court of Appeals for the Ninth Circuit in *Freeman* v. *Smith* (5 Alaska Fed. 576, 5 Alaska Fed. 680).

Third. Chapter 30 of the Session Laws of Alaska for 1933 levied a license tax of $25 on nonresident fishermen and $1 on resident fishermen. The validity of the act was sustained by the Ninth Circuit Court of Appeals in *Anderson* v. *Smith* (5 Alaska Fed. 733).

Fourth. Chapter 66, Session Laws of 1949, levied a tax of $50 on nonresident fishermen and $5 on resident fishermen. The act was held invalid by the Ninth Circuit Court of Appeals and on an appeal the holding of invalidity was affirmed by the Supreme Court of the United States in *Mullaney* v. *Anderson* (72 Sup. Ct. 428, 13 Alaska 574, decided on March 3, 1952).

Fifth. By chapter 67 of the Session Laws of Alaska for 1953, which was enacted after the decision of the Supreme Court above mentioned, the legislature levied a license tax of $10 on nonresident fishermen and $5 on resident fishermen. The validity of this act as I said earlier has not been challenged to date.

DISCRIMINATORY LEGISLATION INTRODUCED IN THE CONGRESS OF THE UNITED STATES BY DELEGATES FROM ALASKA PROHIBITING OR RESTRICTING RESIDENTS OF CONTINENTAL UNITED STATES FROM WORKING AND FISHING IN ALASKA ON AN EQUAL BASIS WITH RESIDENTS OF THE TERRITORY

During the 20-year period from 1935 to 1955 at least 10 bills have been introduced in Congress by the Delegates from Alaska, discriminating against residents of the continental United States and restricting or denying their right to fish and work in the fisheries of Alaska. None of these bills have passed. Their introduction casts no reflection on Delegates Dimond and BARTLETT. They were merely expressing the wishes of their constituents that residents of continental United States should be excluded from participation in the Alaska fishery. The views reflected in these proposed measures would, of course, be enacted into law if the control of the fisheries passed to the Territory. These 10 bills are summarized as follows:

First. The earliest and most forthright was H. R. 8213 of the 74th Congress, 1st session, introduced by Delegate Dimond on May 24, 1935. The bill would not only prohibit the use of fish traps in Alaska waters but also restrict the right to fish by purse seines to residents of Alaska. All others would be excluded.

Second. In the 3d session of the 76th Congress, Delegate Dimond introduced H. R. 7988 and H. R. 8115 on January 17 and 24, 1940. The first of these bills sought to limit both the right to fish and the right to obtain employment in the fisheries to residents of the Territory. The second prohibited any but residents from fishing in Bristol Bay during the season of 1940.

Delegate BARTLETT offered H. R. 3661 in the 79th Congress, 1st session, on July 3, 1945. This bill would have limited the right to fish by set nets and by purse seines in specific areas of Alaska to persons who had resided within 74 miles of these areas for a continuous period of 5 years.

Third. Between 1940 and 1947 Delegates Dimond and BARTLETT offered four bills requiring the Secretary of Interior to insure priority of employment of both workers and fishermen to residents of Alaska. Delegate Dimond introduced H. R. 7987 in the 3d session of the 76th Congress on January 17, 1940, and H. R. 346 in the 1st session of the 78th Congress on January 6, 1943. BARTLETT introduced H. R. 303 in the 1st session of the 79th Congress on January 3, 1945, and H. R. 182 in the 1st session of the 80th Congress on January 3, 1947. The four bills are substantially identical. They require the Secretary to force a discrimination against fishermen and fishery workers residing in continental United States.

Fourth. Delegate Dimond and Delegate BARTLETT each offered a bill to relax the enforcement provisions of the fishery laws and regulations as to residents but not as to nonresidents. Delegate Dimond's bill was H. R. 7542 of the 2d session of the 76th Congress introduced September 24, 1939; Delegate BARTLETT's bill was H. R. 192 of the 1st session of the 80th Congress introduced on January 3, 1947. The bills would have exempted the boats and gear of residents from seizure in case of apprehension for illegal fishing. Local enforcement officials could continue to seize the boats and gear of residents of continental United States.

Other bills of a similar nature were probably offered during this period but they have not been found. These are not false assumptions.

MEMORANDUM REFUTING DISCRIMINATION BY THE STATE OF WASHINGTON

My own State of Washington does not discriminate against residents of Alaska who desire to engage in the type of fisheries in the State of Washington which they are accustomed to pursue on their own fishing grounds.

I looked into this matter a year ago when I received a letter from a lady in Juneau, Alaska, complaining about the discrimination she mistakenly believed to exist. I include here my answer:

HOUSE OF REPRESENTATIVES,
Washington, D. C., May 24, 1957.

Mrs. MERNICE MURPHY,
Juneau, Alaska.

DEAR MRS. MURPHY: Please accept my thanks for your letter of April 11, commenting on the fishery problems of Alaska and the State of Washington with specific reference to resident and nonresident burdens imposed by each jurisdiction.

Please be assured that I do not favor the enactment of discriminatory laws by my own State any more than I do by the Territory of Alaska. But in my view, H. R. 315, enacted by the Washington Legislature, constitutes an effort to conserve the fishery resources of the State of Washington without discriminating against anyone. Any law which limits the taking of fish works a hardship on the commercial fisherman, whether he is a resident or nonresident. It is often impossible to distribute the burden of conservation equally.

It does seem to me that the residents of Alaska fared exceedingly well under H. R. 315. The area licensing provisions of the law have no practical application to seine fishermen because the Puget Sound licensing district embraces all of the waters of the State where seining is permitted. There is no other area for seines to transfer to. This is the type of fishing followed in Washington by Alaska residents. They are not hurt by the act.

The impact of the law is felt only by those who fish with gill nets. Since residents of Alaska do not fish in the State of Washington with gill nets, they are not affected by the law. I am informed that the records of the State department of fisheries show that 57 nonresidents purchased nonresident gill net licenses in 1956 and that none of these were Alaskans. It is fair to assume that our legislature had this situation in mind because it has enacted many laws giving special consideration to our Alaskan neighbors. I hope your practice will continue. That will be difficult, however, if the Alaska Legislature should enact the measures considered at the last session at Juneau. I refer to the bill imposing a 6-percent gross tax on fish caught and the $1,000 license tax on gill net boats fished by company fishermen.

I am hopeful that these proposals will not impel our legislature to take retaliatory action. Two wrongs do not make a right.

Thank you for your refreshing interest in a problem of great magnitude but of vital concern to many.

Sincerely,

THOMAS M. PELLY,
Representative in Congress.

The license fee for some of these types of gear is higher for nonresidents than for residents. It is obvious that since residents of the Territory do not operate these types of fishing gear in Alaska they are not likely to own them or have occasion to operate them in the State of Washington.

There is nothing discriminatory as to Alaskans about the area licensing provision of the Washington law. Alaskans fish with purse seines, and purse seines can be used only in the Puget Sound licensing district. They cannot transfer elsewhere because they are not permitted elsewhere. Since they cannot transfer they are not subject to the transfer fee. This rule applies equally to residents and nonresidents.

Let me just quote from remarks on this subject which I addressed to the House in April 1957:

Another important aspect of the statehood issue is the very obvious program of a certain group of Alaskans to eliminate nonresidents from employment in the fishing industry by discriminatory taxation. Such a tax which would levy a graduated tax on salmon after passing in the House died in the Alaska Territorial Senate on March 27, 1957, on an 8-to-8 vote. This proposal would have imposed a tax on the value of catches of salmon exceeding $20,000. Local independent fishermen would thereby have been exempt from the tax while employee type of operations such as employing Washington, Oregon, and other State residents would be eliminated by such a confiscatory tax.

Notwithstanding the long and sorry history of political persecution, and, in turn, thanks to the fairness of other Alaskans, and finally thanks also to the wisdom of the Federal court in deciding against Territorial tax discrimination, the fishing industry has survived. Local Alaska selfish interests have heretofore not succeeded in destroying their competition and invalidating rights long established. But by a new scheme victory could be in sight.

Where frontal attack failed, a neat plan has evolved under the provisions of senate bill 30 which was passed by the Territorial legislature in 1957. This has opened the back door and the stage is set whereby under statehood the coup de grace will be delivered to all nonresidents in the fishing industry.

In a nutshell what senate bill 30 did was blanket into power the Alaska Fish and Game Commission which by this law is under the permanent and mandatory control of Alaska commercial fishing interests. So with the advent of statehood the management and regulation hitherto under the impartial jurisdiction of Federal Government and career conservationists would neatly be transferred to this commission with its majority membership limited to representatives of local commercial fishing interests. You can be sure the way is finally open so that by regulation and various devices at long last nonresident fishermen will be excluded from Alaska.

I have urged that provision be made so that the O'Brien bill can be amended. As I see it, any transfer of the management of Alaska's fisheries to the Alaska Fish and Game Commission should be subjected to certification by the Secretary of the Interior that he finds the new State management will be so constituted as to assure conservation, and likewise so as to assure protection and equal participation in the use of fisheries regardless of the users' place of residence.

I have suggested, and am prepared, if recognized when the statehood bill comes to the floor, to offer an amendment something along the lines of the following amendment, which I am sure would be welcomed by all individuals and organizations who have the interests of conservation as well as fairness at heart:

SUGGESTED AMENDMENT

Provided, That the administration and management of the fish and wildlife resources of Alaska shall be retained by the Federal Government under existing law until the end of the calendar year following affirmative approval by Congress of a certification to Congress by the Secretary of the Interior that the Alaska State Legislature has made adequate provision for the administration, management, and perpetuation of said resources and that the same can be safely transferred to the State in the broad national interests.

As to the fish and game commission established by senate bill 30, it consists of seven members heavily weighted in favor of commercial fishing interests. It provides for including four commercial fisheries members, and further that four members of the commission shall constitute a quorum. It permits the four, by unanimous vote, to carry all motions, regulations, resolutions, and policy decisions. On the other hand, the recreational interests and conservation are given no protection.

Finally, let me quote from the statement of C. R. Gutermuth, vice president, Wildlife Management Institute, who represented conservation groups, before the Subcommittee on Territorial and Insular Affairs of the House Committee on Interior and Insular Affairs, in March of 1957, in testifying on this bill:

Mr. Chairman, the provisions in that new law will serve only one purpose—they will freeze the present commercial fisherman in office for several years, and assure the carryover of current administrative policies and philosophies. Yes; to overcome any possibility, however remote, that any less commercially dedicated commissioners might get in office. Commercial fisheries is the industry of Alaska, and this law certainly sets the stage for looking after everything but the public's interest.

Mr. Speaker, I leave it to any fair-minded person as to whether or not my concern for conservation and fair treatment of nonresidents is based on false presumptions.

VETERANS HIT BY RECESSION

Mr. PRICE. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, many of us are receiving mail that talks about the recession and the problems it creates. And some of the letters are of the kind that inevitably touch the feelings of every Member—the personal letters, the individual, heartfelt messages that express the troubles experienced by a single American citizen who cannot understand exactly while he is victimized by a situation and writes as to a friend seeking advice and presenting a problem.

Never mind the optimism now being expressed in high places by those who have a vested interest in claiming that the March unemployment figures suggest that the best of all possible worlds is about to return. Many of us know that, so far as our districts, our people, are concerned, this simply is not so.

Let me tell you about a letter from one young man who describes himself as among the many thousands who were recently discharged from the armed services and must come home to face the recession.

He is 21 years old and he is married. He has just completed more than 2 years of service in the Army. He went into the service as an enlisted man almost immediately after completing high school.

He thus had no job to return to. Serving as an enlisted man, and being married, he could not accumulate significant savings. He is not old Army and thus entitled to mustering-out pay that might tide him and his family over the readjustment period. During his joblessness he draws no unemployment compensation—he is not eligible, because when he was in service he had no job in private industry for which an employer paid taxes. And in the first month and a half after his discharge he could find no job.

He is not optimistic about the March 15 employment figures, as those are who are too well insulated by their own secure positions and cushioned by a temperament that does not quickly sympathize with the needs of those less well guarded and rewarded. He wrote his letter long after the March 15 figures were gathered on which the Alice-in-Wonderland optimistic statements were based. But he had no job.

Let me quote a minute from his letter. He writes:

In the Army, I feel that I have done a job that is important and essential to our great Nation's defense. I do not complain, for I was more than honored and proud to do my share.

Is that the letter of a whiner, of a man who feels sorry for himself, who wants merely to sit back and let a paternalistic state support him? You know that it is not.

He reads in the papers, he goes on:

They talk about extending the unemployment benefits. But what is to happen to those of us who have not the benefits to begin with? Are we not entitled to some type of consideration?

He does not begrudge his neighbors their jobless insurance that they have "worked for," although some younger than he have not yet fulfilled their military obligation. But "I, too, have worked, but am left to forage for myself with no benefits whatsoever."

Mr. Speaker, this is our problem, too. It has been more than 20 years since the Congress induced the States, by a tax nudge and by the threat of a Federal system if the States would not act, to establish unemployment compensation. Are we to pretend that we have done our job, when we know that the system is incomplete, that in many areas it is inadequate, that it does not do what it was supposed to do and thus does not function as it was supposed to function, as a humane protection to individuals and an economic cushion against the shocks of change and stress?

Are we to pretend that we have no concern with this man's joblessness, with

the fact that he is discharged from service at a time when jobs are hard to get? Are we to say that is just his hard luck and it is too bad he has to suffer, but that is the way the ball bounces in this great free-enterprise system and in our democracy, and probably after all the man and his wife will not starve to death or get too sick of malnutrition?

I say no, Mr. Speaker, and I beg this House to rise to its responsibilities. We all want to act wisely, but to say that we must act wisely and judiciously does not mean that we are excused from the obligation to move.

ISRAEL'S INDEPENDENCE DAY

Mr. MULTER. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may extend his remarks at this point and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DINGELL. Mr. Speaker, 10 years ago, on May 14, 1948, an age-old dream was realized, a new state was born in the turbulent Middle East. On that day Jewish leaders in Palestine bravely took the destiny of their people into their hands and proclaimed the new State of Israel as a sovereign, independent entity. And President Truman promptly gave expression of the genuine feelings of the people of this country by recognizing the provisional government there as the de facto authority of Israel. No other step on the part of the Government of this country could have served the Israeli cause better. By that act we lent our moral support to Israel and, as events have proved, became its constant champion.

The citizens of this country have anxiously watched the birth and growth of Israel. Our financial and moral support to Israel has been and continues to be of decisive importance. At no time have we lost sight of the security needs and of the welfare of Israel. It might even be said that the Middle Eastern policy of our Government is geared to the stability and security of Israel as a sovereign state and the inviolability of her existing frontiers.

In the restless decade since her birth, Israel has taken her place in the family of nations. She has become a powerful force in the Middle East, one to be reckoned with. With her democratic form of government and with her highly skilled and trained industrial workers, she is becoming the industrial center of the Middle East. Keenly conscious of the dangers threatening her independence and her very existence, she had built a very efficient and mobile defense force which is regarded as the strongest fighting force in the whole region. In a short decade Israel has become a dynamic, vigorous, and growing state.

On the occasion of the celebration of her 10th independence day we wish the Israeli citizens peace and prosperity and happiness. And let us hope Israel will remain a real force for peace in the Middle East, a force for democracy and for freedom.

TENTH ANNIVERSARY OF ISRAEL'S INDEPENDENCE

Mr. MULTER. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ASHLEY] may extend his remarks at this point and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ASHLEY. Mr. Speaker, May 6 marks the 10th anniversary of Israel's independence—a day that symbolizes achievement to all freedom loving people the world over.

Only last October I had the gratifying assignment of visiting Israel to observe firsthand and report on the effectiveness of the Export-Import Bank loan program in developing and stabilizing the economy of this relatively infant country and I came away imbued with a renewed inspiration and pride in what our loans are doing to help this industrious and progressive nation achieve its humanitarian goals.

Israel came into existence 10 years ago by the will of the civilized world. It established a democracy—gave equal rights to its citizens and set about transforming the land from a barren desert to a veritable showpiece of man's ability to bend nature to his will. Every day, in fact, the desert is being pushed back in a grim race to keep Israel's economy abreast of the needs of a population that increases 10,000 monthly from immigration alone.

Our help to this deserving nation not only costs the United States nothing, it actually earns us solid returns in two ways: First, by paying interest to our Government for loans made by the Export-Import Bank—and here it is important to note that Israel has never been delinquent in paying off her debt; and second, by providing a market for American machinery, agricultural equipment and capital goods, since only American products can be purchased with the money loaned.

But the real payoff is in terms of the intangibles. The immense satisfaction and rich reward that comes from the knowledge that we are sharing in this dramatic race to meet the challenge of providing a place for every displaced, exiled and persecuted Jew who wants to make a new life and of helping these immigrants transform wasteland into rich orchards and farms and backward villages into modern cities.

Like America, Israel is a nation of pioneers, of diverse origin held together by a common faith and beliefs. She has struggled against great odds and has proved that she not only can survive but can thrive in spite of insurmountable obstacles. I want to take this occasion to salute Israel on her spectacular, if not miraculous political, social and economic achievement in the short span of 10 years and to express the hope that she will continue to stand as a beacon of democracy and a refuge for the oppressed for centuries to come.

CONGRESS MUST ACT TO GIVE SMALL BUSINESS ACCESS TO CAPITAL

Mr. MULTER. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] may tend his remarks at this point and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, the experiences I have had in investigating and studying the problems of small business, as a member of the Select Committee on Small Business, have long since demonstrated to me this simple truth: If we are to hope that small business will continue to be a feature and a part of the American business system, we must take some new step to see that small firms have access to capital.

This capitalistic system of ours is one of which we are very proud. We know that if the Government plays its proper role in making the necessary adjustments which only the Government can make, and in taking the pioneering steps which only Government can take, this system will continue to produce better and serve our national needs better than any other system. But just as the name of the system implies, it takes capital to do business in this system. Small firms do not now, and cannot now, obtain the capital they need. As the private capital market is presently organized, it offers little or no practical opportunity for small firms to obtain capital. There is nowhere that small firms can go to obtain either equity capital or long-term debt capital such as the big corporations obtain from the central stock and bond markets.

Surely this is a place where Government should lead the way. In view of the vital function which small business performs in our scheme of things, certainly the Government should do some pioneering to help private capital find its way into small firms.

As the Members know, this is a problem with which I have long been most earnestly concerned. Together with several other members of the Select Committee on Small Business, I have sought to find and to suggest a workable solution to this problem. As a result, I was highly gratified several months ago to be able to introduce a bill, along with several of my colleagues, which has seemed to me to offer the solution which we had been seeking. This is a bill which would create a System of Small Business Capital Banks.

It is a source of further gratification to me that on Monday the distinguished majority leader of the Senate, along with several other distinguished Members of the Senate, introduced a bill for the same purpose. This new bill, furthermore, has, as I understand it, the blessings and the endorsement of the Honorable William McChesney Martin, Jr., Chairman of the Federal Reserve Board, who testified before one of the Senate committees on this matter on Monday. Chairman Martin has recently transmitted to Congress an exhaustive

survey and study of this very problem, and it is encouraging to note that he has reached the same conclusion as to the need for some new agency, and as to the need for the Government's help in establishing this agency, which had already been reached by me and several of my colleagues on the Small Business Committee. I might add that substantially all of the members of the staff of the Federal Reserve System and the distinguished economists whom the Federal Reserve System invited to participate in its study, likewise expressed the view that inadequate access to capital is a major handicap which is crippling small business.

I have today introduced a bill, which is a companion bill to the bill introduced in the Senate by the distinguished majority leader, Senator JOHNSON. This I have done, not because I think this new bill is superior to the bill I previously introduced, but because it is a good bill which the House should consider, and because I am willing to accept any good bill which will get the job done that needs to be done. My principal concern is that we should pass a bill that we can all agree to promptly. The problem is most pressing; and the need to get some small business financing machinery in operation quickly is of the utmost urgency. The values which are at stake here are plainly too great to be put behind pride of authorship.

There can be no doubt as to the need for the legislation embodied in this bill, and it would be inexcusable if we should fail to enact legislation to carry out the purpose of this bill in the present Congress. I know that a great many Members of the House share my concern in this matter and are as anxious as I am that we should do what needs to be done. I hope that we all will have a chance to act on this matter very shortly.

LEAVES OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MILLER of California, for 4 days, on account of official business—Board of Visitors, United States Air Force Academy.

To Mr. CHENOWETH, for the balance of the week, to attend the meeting of the Board of Visitors to the Air Force Academy in Colorado Springs and Denver.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PELLY, for 30 minutes, today, and to revise and extend his remarks and include extraneous matter.

Mr. HOLIFIELD, for 45 minutes, on Thursday next.

Mr. DINGELL (at the request of Mr. MULTER), for 2 hours, on Monday, May 5.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. KEATING in two instances and to include extraneous matter.

Mr. RADWAN.

Mr. VAN ZANDT (at the request of Mr. AVERY).

Mr. ENGLE.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 488. An act for the relief of Eva S. Winder; to the Committee on the Judiciary.

S. 1879. An act for the relief of Casey Jiminez; to the Committee on the Judiciary.

S. 2033. An act to provide for the Board of Trustees of the Postal Savings System to consist of the Postmaster General and the Secretary of the Treasury; to the Committee on Post Office and Civil Service.

S. 2127. An act to amend section 3 (d) of the Federal Employees' Group Life Insurance Acts of 1954, relating to the reduction in amounts of insurance of persons over the age of 65; to the Committee on Post Office and Civil Service.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 5984. An act to authorize the exchange of certain lands at Black Canyon of the Gunnison National Monument, Colo., and for other purposes;

H. R. 8437. An act to amend the act of August 3, 1956, to authorize certain personnel of the uniformed services to accept and wear decorations conferred by the Philippine Government; and

H. R. 9240. An act to revise certain provisions of law relating to the advertisements of mail routes, and for other purposes.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 588. Joint resolution making advance procurement appropriations for the fiscal year 1958, and for other purposes.

ADJOURNMENT

Mr. MULTER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p. m.), the House adjourned until tomorrow, Thursday, April 24, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1847. A letter from the Assistant Secretary of the Interior, transmitting a proposed concession contract with Eugene E. Gillette which will authorize him to operate an automobile service station in Grand Teton National Park, Wyo., for a period of 10 years from January 1, 1958, pursuant to the act of July 14, 1956 (70 Stat. 543); to the Committee on Interior and Insular Affairs.

1848. A letter from the Acting Director, Administrative Office of the United States Courts, transmitting a draft of proposed legislation entitled "A bill to amend subsection (b) of section 60, preferred creditors; subsection (e) of section 67, liens and fraudulent transfers; and subsection (e) of section 70, title to property, of the Bankruptcy Act (11 U. S. C. 96b, 107e, and 110e); to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLS: Committee on Ways and Means. H. R. 12065. A bill to authorize temporary unemployment benefits for individuals who exhaust their benefit rights under existing unemployment compensation laws, and for individuals who were employed in noncovered employment; without amendment (Rept. No. 1656). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H. R. 2677. A bill for the relief of S. Sgt. Edward R. Stouffer; without amendment (Rept. No. 1630). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 2934. A bill for the relief of Tomás Clemente González; with amendment (Rept. No. 1631). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H. R. 4056. A bill for the relief of the estate of Katherine Flower Runyon, deceased; without amendment (Rept. No. 1632). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4985. A bill for the relief of Cesar Garcia; without amendment (Rept. No. 1633). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5584. A bill for the relief of Mrs. Maude L. Smith; with amendment (Rept. No. 1634). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5922. A bill for the relief of William Lavallo; with amendment (Rept. No. 1635). Referred to the Committee of the Whole House.

Mr. MONTOYA: Committee on the Judiciary. H. R. 6405. A bill for the relief of Arnie W. Lohman; with amendment (Rept. No. 1636). Referred to the Committee of the Whole House.

Mr. DONOHUE: Committee on the Judiciary. H. R. 7058. A bill for the relief of Frank L. and Evelyn M. Bussmann; with amendment (Rept. No. 1637). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 7752. A bill for the relief of Wintford Jesse Thompson; without amendment (Rept. No. 1638). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8046. A bill for the relief of Joaquin

A. Bazan; with amendment (Rept. No. 1639). Referred to the Committee of the Whole House.

Mr. CRETELLA: Committee on the Judiciary. H. R. 8231. A bill for the relief of certain employees of the Department of the Navy at the United States Naval Gun Factory, Washington, D. C.; with amendment (Rept. No. 1640). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8831. A bill for the relief of Joseph R. Burger; without amendment (Rept. No. 1641). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8833. A bill for the relief of S. A. Romine; without amendment (Rept. No. 1642). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8875. A bill for the relief of Mr. and Mrs. George Holden; without amendment (Rept. No. 1643). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 9181. A bill for the relief of Herbert H. Howell; with amendment (Rept. No. 1644). Referred to the Committee of the Whole House.

Mr. CRETELLA: Committee on the Judiciary. H. R. 9608. A bill for the relief of Dorman William Whittom; without amendment (Rept. No. 1645). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 9881. A bill for the relief of Mitsuo Arita; without amendment (Rept. No. 1646). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 4044. A bill for the relief of Mirko J. Pitner; with amendment (Rept. No. 1647). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 5084. A bill for the relief of Maria Alma Dizon; with amendment (Rept. No. 1648. Referred to the Committee of the Whole House.

Mr. HILLINGS: Committee on the Judiciary. H. R. 7729. A bill for the relief of August Widmer; without amendment (Rept. No. 1649). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 7987. A bill for the relief of Maria Giannalia; without amendment (Rept. No. 1650). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 10035. A bill for the relief of Federico Luss; without amendment (Rept. No. 1651). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1578. An act for the relief of Hovhannes H. Haidostian; without amendment (Rept. No. 1652). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1943. An act for the relief of Norma Josephine Hodges Dowd; without amendment (Rept. No. 1653). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1979. An act for the relief of Barbara Hollinger; without amendment (Rept. No. 1654). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 67. Concurrent resolution favoring the suspension of deportation in the cases of certain aliens; without amendment (Rept. No. 1655). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALBERT:

H. R. 12112. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to establish a domestic parity plan for wheat; to the Committee on Agriculture.

By Mr. BAILEY:

H. R. 12113. A bill to amend the Tariff Act of 1930 to reduce the duty imposed upon the importation of certain optical gas testing devices; to the Committee on Ways and Means.

By Mr. BYRNES of Wisconsin:

H. R. 12114. A bill to provide, where a State or local retirement system has been divided into two parts under section 218 (d) (6) of the Social Security Act so as to obtain coverage for only those employees who desire it, for the transfer of certain additional employees to the part consisting of those desiring such coverage; to the Committee on Ways and Means.

By Mr. CELLER:

H. R. 12115. A bill to amend chapter VIII, wage earners' plans, of the Bankruptcy Act; to the Committee on the Judiciary.

H. R. 12116. A bill to amend title 18 of the United States Code so as to prohibit certain acts involving the importation, transportation, possession, or use of explosives, and for other purposes; to the Committee on the Judiciary.

By Mr. DAWSON of Utah:

H. R. 12117. A bill to amend sections 2275 and 2276 of the Revised Statutes with respect to certain lands granted to States and Territories for public purposes, and to amend the act of March 4, 1915, as amended (48 U. S. C. sec. 353); to the Committee on Interior and Insular Affairs.

By Mr. DELLAY:

H. R. 12118. A bill to amend the Merchant Marine Act of 1936, to provide for utilization of commercial marine terminal facilities by the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. DEROUNIAN:

H. R. 12119. A bill to amend section 408 of the Housing Amendments of 1955 with respect to State and local taxation of Wherry Act housing projects; to the Committee on Banking and Currency.

By Mr. FULTON:

H. R. 12120. A bill to amend the Internal Revenue Code of 1954 to increase the depletion allowance for coal and lignite; to the Committee on Ways and Means.

By Mr. GRAY:

H. R. 12121. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

By Mr. GRIFFIN:

H. R. 12122. A bill to amend section 701 of the Housing Act of 1954 to provide that urban planning grants thereunder may be made directly to cities and other municipalities, instead of through a State planning agency, in any State where no such agency exists; to the Committee on Banking and Currency.

By Mr. HAGEN:

H. R. 12123. A bill to provide more effective price, production adjustment, and marketing programs for cotton and feed grains; to the Committee on Agriculture.

By Mr. HUDDLESTON:

H. R. 12124. A bill to provide for the erection of a Woodrow Wilson memorial in the District of Columbia; to the Committee on House Administration.

By Mr. MAILLIARD:

H. R. 12125. A bill to amend the Intercoastal Shipping Act, 1933 (47 Stat. 1425), as amended, to authorize incorporation of contract terms by reference in short-form documents; to the Committee on Merchant Marine and Fisheries.

By Mr. MATTHEWS:

H. R. 12126. A bill to provide further protection against the introduction and dissemination of livestock diseases, and for other purposes; to the Committee on Agriculture.

H. R. 12127. A bill to provide for a program of Federal grants-in-aid to assist the States to establish and maintain science and technological centers providing adequate facilities for advanced education and research in certain fields of science and engineering; to the Committee on Education and Labor.

By Mr. MILLER of California:

H. R. 12128. A bill to amend the Intercoastal Shipping Act, 1933 (47 Stat. 1425), as amended, to authorize incorporation of contract terms by reference in short-form documents; to the Committee on Merchant Marine and Fisheries.

By Mr. O'BRIEN of New York:

H. R. 12129. A bill to authorize the Secretary of the Navy to acquire certain land on the Island of Guam; to the Committee on Armed Services.

By Mr. QUIE:

H. R. 12130. A bill to provide financial assistance to small-business concerns through private (local) or State development credit corporations; to establish small-business investment associations; to make equity-type capital available through funds provided by the Small Business Administration; and for other purposes; to the Committee on Banking and Currency.

By Mr. REES of Kansas:

H. R. 12131. A bill to amend the national defense amendment, and for other purposes; to the Committee on Ways and Means.

By Mr. ROOSEVELT:

H. R. 12132. A bill to make equity capital and long-term credit more readily available for small-business concerns, and for other purposes; to the Committee on Banking and Currency.

By Mr. THOMSON of Wyoming:

H. R. 12133. A bill to amend the act of August 5, 1954 (68 Stat. 674), and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WESTLAND:

H. R. 12134. A bill to amend the act of August 5, 1954 (68 Stat. 674), and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CHAMBERLAIN:

H. R. 12135. A bill to provide financial assistance to small-business concerns through private (local) or State development credit corporations; to establish small-business investment associations; to make equity-type capital available through funds provided by the Small Business Administration; and for other purposes; to the Committee on Banking and Currency.

By Mr. FISHER:

H. R. 12136. A bill to amend the Career Compensation Act of 1949 relating to the transportation of house trailers upon permanent change of station of members of the armed services; to the Committee on Armed Services.

By Mr. MOSS:

H. R. 12137. A bill authorizing the construction of Bullards Bar multiple-purpose reservoir on the North Fork of the Yuba River, Sacramento-San Joaquin River Basin, Calif., and for other purposes; to the Committee on Public Works.

By Mr. SCHWENGEL:

H. R. 12138. A bill to provide an additional limited deduction for investment by small business in depreciable property; to the Committee on Ways and Means.

H. R. 12139. A bill to amend the Internal Revenue Code of 1954 to increase from $25,000 to $100,000 the amount exempted from the

surtax on corporate taxable income; to the Committee on Ways and Means.

By Mr. CELLER:

H. R. 12140. A bill to amend the act of December 2, 1942, and the act of August 16, 1941, relating to injury, disability, and death resulting from war-risk hazards and from employment suffered by employees of contractors of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. BEAMER:

H. Con. Res. 318. Concurrent resolution to establish an International Court of Habeas Corpus; to the Committee on Foreign Affairs.

By Mr. CHRISTOPHER:

H. J. Res. 591. Joint resolution to reaffirm national policy to aid and encourage the establishment, operation, and growth of farmer cooperatives as an effective and proven means of helping farmers help themselves to achieve a free, expanding, and prosperous agriculture; to the Committee on Agriculture.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to make available surplus farm products to correctional institutions; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to repeal the Federal excise taxes on transportation of persons and property; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California (by request):

H. R. 12141. A bill for the relief of Anthony C. Traina and Julius Traina; to the Committee on the Judiciary.

By Mr. ANFUSO:

H. R. 12142. A bill for the relief of Rosario Buscemi; to the Committee on the Judiciary.

By Mr. CRAMER (by request):

H. R. 12143. A bill for the relief of Capt. Edward Nelson Dingley, Jr.; to the Committee on the Judiciary.

By Mr. DEROUNIAN:

H. R. 12144. A bill for the relief of Paul E. Nolan; to the Committee on the Judiciary.

By Mr. FULTON:

H. R. 12145. A bill for the relief of Ida Colaizzi Di Benedetto; to the Committee on the Judiciary.

H. R. 12146. A bill for the relief of Athina Miranda Limberiou; to the Committee on the Judiciary.

By Mr. GAVIN:

H. R. 12147. A bill for the relief of Juana Domenech; to the Committee on the Judiciary.

By Mr. JACKSON:

H. R. 12148. A bill for the relief of Shih-Kung Kao; to the Committee on the Judiciary.

By Mr. McINTIRE:

H. R. 12149. A bill for the relief of Wilfred L. Saucier; to the Committee on the Judiciary.

By Mr. MORANO:

H. R. 12150. A bill for the relief of Grace Yung-Chen Yuan Shu, Maurice Shu, May Shu, Marjorie Shu, and Lily Shu; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H. R. 12151. A bill for the relief of George W. Roberts; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H. R. 12152. A bill for the relief of Carmela Adele Falanga-Graziano; to the Committee on the Judiciary.

By Mr. SCUDDER:

H. R. 12153. A bill for the relief of Sachiko Yamanaka; to the Committee on the Judiciary.

By Mr. SIKES:

H. R. 12154. A bill for the relief of Ernest T. Stephens; to the Committee on the Judiciary.

H. R. 12155. A bill for the relief of Yoko Kawamura; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

590. Mr. BUSH presented a petition of members of American Legion Post 273, Bloomsburg, Pa., urging favorable action on legislation to grant pensions for all veterans of World War I; to the Committee on Veterans' Affairs.

EXTENSIONS OF REMARKS

H. R. 968 Permits Homeowners to Deduct for Income Tax Purposes Expenses of Home Repairs Up to $500 Annually

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 23, 1958

Mr. VAN ZANDT. Mr. Speaker, if the leaders of Government are looking for a method of tax relief to bolster the Nation's economy and at the same time make a contribution toward the betterment of community, State, and Nation, they would do well to consider seriously the merits of my bill, H. R. 968, which I introduced January 3, 1957.

H. R. 968 is a bill to permit a homeowner to deduct for income-tax purposes up to the amount of $500 for money spent on ordinary and necessary repairs to his home. All that would be necessary would be for the homeowner to submit with his income-tax return an itemized account of home repairs, which would include painting, papering, repairing porches, roofs, spouting, and so forth. As you know, the owner of a rented dwelling under existing law is entitled to deduct such expenses, and my bill merely extends the privilege to the homeowner's dwelling used as his own residence.

Mr. Speaker, for a moment stop and think of the effect this type of legislation will have on the economy of the Nation, because it will promote employment and at the same time increase the sale of paint, hardware, lumber, wallpaper, and numerous other items of building material used to make home improvements.

Mr. Speaker, I originally introduced this bill in the 84th Congress, and at that time the Treasury Department submitted an adverse report to the House Committee on Ways and Means. However the economic conditions of the country have changed considerably since the adverse report was rendered in 1955.

President Eisenhower has proposed that people start buying the things they need, and in this connection I can think of no better stimulant to our free enterprise system than to encourage the homeowners of America to fix up and paint up their homes.

Tenth Anniversary of State of Israel

EXTENSION OF REMARKS
OF
HON. EDMUND P. RADWAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 23, 1958

Mr. RADWAN. Mr. Speaker, this is a great day for the people of Israel and for Jewish people everywhere. All men who cherish freedom can join the citizens of the new State of Israel on the 10th anniversary celebration of her independence day. We have always been keenly conscious and fully sympathetic to the sufferings of the Jews. We have been amazed by their exemplary fortitude in adversity. We have profound admiration for their firm determination to pursue their national goal. Today we are deeply moved by their accomplishments and advancements in their newly-created state which is already firmly established as a democratic and progressive country. I join the citizens of Israel on the observance of this solemn occasion and wish them joy and happiness in their ancient homeland.

Rumanian Independence Day

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 23, 1958

Mr. KEATING. Mr. Speaker, May 10 is celebrated by freedom-lovers all over the world as Rumanian Independence Day. This day has even deeper significance than ever this year, since the brave people of Rumania today suffer under the yoke of a foreign tyranny.

For the Rumanian people, enslaved first by the Nazis and then by the Communists, the sunlight of freedom shone all too briefly. But the will to be free, the desire for liberty, cannot forever be curbed.

Rumania today is a restive land. More and more its Communist overlords become anxious and fearful as they watch the backlash of their years of brutality and suppression take form. Perhaps even the men in the Kremlin are slowly coming to the realization that tyranny cannot survive man's urge for freedom.

I am happy today to join with all freedom-loving Rumanians in honoring their former independence. We in this country can well take this occasion to again pledge our efforts to help the courageous people behind the Iron Curtain in their determined efforts to regain their independence.

We in the United States must not, and will not, forget our friends in Rumania. We hope and pray for the day when America and Rumania will again meet on the common and hallowed ground of liberty.

National Guard Should Be Kept Strong

EXTENSION OF REMARKS

OF

HON. CLAIR ENGLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1958

Mr. ENGLE. Mr. Speaker, this week a number of the adjutant generals of the Army National Guard are in Washington to protest the Department of Army's announced plan for the National Guard and the Army Reserve.

In broad terms, the Army's plan calls for the elimination of 6 National Guard divisions and more than a thousand nondivisional units—one-third of the present Army Guard; for the elimination of 4 Army Reserve divisions; and for the reduction in the aggregate national strength of the Army National Guard from 404,000 to 360,000. In the State of California alone this will mean a loss of approximately 80 company size units and the elimination of over 2,000 officers and enlisted men.

The Army's plan represents a serious threat to the vigor and stability of our first line of defense.

Maj. Gen. William H. Harrison, president of the National Guard Association, has declared that:

> It is ridiculous to pretend that we are modernizing our Reserve forces by cutting them by one-third; that it is sheer pretense to maintain that utter and complete elimination of strong, well-officered, well-manned, well-trained, and well-equipped National Guard units is a progressive step.

In February of this year full hearings on this matter were held before Representative OVERTON BROOKS' Armed Services Subcommittee. Both sides were given a conscientious hearing. And when the hearings were concluded the full committee unanimously adopted resolutions supporting an Army Guard strength of 400,000 and an Army Reserve strength of 300,000. Furthermore, the resolutions called for sufficient funds for an input of 55,000 nonprior servicemen into 6 months' training, and directed that the revised troop basis for the Army National Guard be developed with the approval of the States and Territories.

Yet the Department of the Army is obstinately sticking to its plan.

The National Guard has been accused of bucking modernization of our defense forces. The facts tell a different story. The record plainly shows that the National Guard is eager to keep pace with the fast-moving world of modern warfare. The National Guard has been accused of being motivated by sentiment and tradition in opposing the Army's plan. The guard, it is true, abounds in tradition. But in deploring the Army's proposals it is motivated by the very sound and realistic conviction that it makes no sense to cripple our first line of defense while our potential enemy continues to build its military strength.

The House Appropriations Committee is now considering the Department of the Army's recommended budget cuts for the National Guard and the Army Reserve. It is my earnest hope that the committee will think twice before supporting these budget cuts. It is my hope that in considering a disarmament move on our part the committee will not fail to keep in mind that no announced plans for disarmament have been heard from our potential enemy.

Let's Bring Our Wiretap Laws Up to Date

EXTENSION OF REMARKS

OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1958

Mr. KEATING. Mr. Speaker, I have today introduced two wiretapping bills designed to augment the Justice Department's organized crime drive and generally to bring our communications laws up to date. These bills have been drafted to meet new conditions and thus expand and make more explicit portions of a wiretapping bill I have sponsored for a number of years in Congress.

One bill would reverse a recent Supreme Court decision by giving Congressional approval to wiretapping by State officials when authorized by State law. Such evidence would be admissible in both State and Federal courts.

The second bill would permit agents of the FBI, Bureau of Narcotics, Internal Revenue Service, and Secret Service to tap wires in felony cases where authorized by the heads of their departments. It would also allow the introduction in evidence of information thus obtained if a Federal court order authorizing the tap had been secured in advance. Under the bill, all unauthorized interceptions, not just interception and divulgence, would be proscribed.

These two bills are designed to clarify and extend a wiretapping bill I have sponsored for a number of years, in the light of a recent court decision and the coordinated drive by the Federal Government against organized crime. The portion of my original bill, which would allow wiretapping by Federal officials in national security cases, is still sound and necessary and should be enacted. But recent developments have highlighted the need for broader and pinpointed legislation dealing with certain parts of my original bill.

Congress never intended to prohibit State officials from tapping wire when authorized by State law. My first bill would set this straight and at the same time correct the Supreme Court's Benanti decision. This bill spells out explicitly that evidence obtained by authorized State wiretapping would be admissible in Federal and State court. Enactment of this measure would give State officers the weapons with which to complement and coordinate effectively with the Federal Government's efforts to curb big-time crime in this country.

The State-authorized wiretapping approval by Congress would be especially helpful in New York State, which for some time has made careful and effective use of its wiretapping laws. Since many of the kingpins of organized crime in America operate in and out of this State, and the drive will be initially concentrated there, use of wiretapping by State officials can be of inestimable help. I would estimate conservatively that over half of the 100 top hoodlums sought by the Justice Department have their roots in the Empire State. Proper wiretapping can help wipe out the power of invisible government which has infected portions of the State.

The second bill would, under proper safeguards, allow the Federal agents most directly concerned in the anti-crime drive to tap wires in important cases. It expands the tapping right beyond the FBI, as provided in my original bill, to all agencies working to curb organized crime in the new campaign. This is in keeping with the need for coordinating the work of all these agencies which is the keystone of the drive.

By requiring executive approval for taps and, in addition, judicial approval for court use, the bill assures that innocent individuals involved would be amply protected. Thus, it in no sense provides a carte blanche to law enforcement agencies, but simply makes our laws more realistic and more attuned to the modus operandi of the modern criminal.

In addition, it would strike hard at all snooping by outlawing all interceptions by unauthorized persons. This would tighten the present statute, which requires interception and divulgence before the law is broken. Thus, private eyes and other telephonic snoopers could be stopped in their tracks. The law would not have to wait until the damage had been done before stepping in to prosecute.

Radio, telegraph, and telephone lines are now efficient and dangerous channels through which criminal conspiracies can operate with impunity. Our present laws make the wires a sanctuary for criminal elements while blocking their use to those who are trying to protect the public.

Giving Federal and State agents the power to tap wires, under trustworthy surveillance, would shut off this legalistic no-man's land for criminality. It would allow tried and true Federal agencies to act swiftly where great need was demonstrated. It is one of the most effective means by which Congress can implement the Justice Department's full-scale war on bigtime crime.

Congress has dallied long enough in modernizing our communications laws. Now, while the iron is hot and the Government is about to make an all-out drive on the big-shot crooks, is the time to give them the tools to do it. I hope Congress will respond with the action so sorely needed.

Texts of the two bills follow:

A bill to amend chapter 223 of title 18 of the United States Code to permit the introduction into evidence of certain communications intercepted by State law-enforcement officers, and for other purposes

Be it enacted, etc., That chapter 223 of title 18 of the United States Code is amended by adding at the end thereof the following:

"§ 3501. Evidence of intercepted communications.

"(a) There may be introduced in any court of the United States evidence relating to the existence, contents, substance, purport, effect, or meaning of any communication by wire or radio which has been intercepted by any law-enforcement officer or agency of any State or political subdivision thereof, where the interception of such communication was authorized by the laws of such State and was carried out in conformity with such laws.

"(b) No law of the United States shall be held to prohibit the interception of any communication by any law-enforcement officer or agency of any State or political subdivision thereof, or the introduction in any State court of evidence relating to such communication, where the interception of such communication is authorized by the laws of such State and is carried out in conformity with such laws.

"SEC. 2. The analysis of chapter 223 of title 18 of the United States Code is amended by inserting immediately below

"3500. Demands for production of statements and reports of witnesses."

the following:

"3501. Evidence of intercepted communications."

A bill to authorize the interception of communications by certain investigatorial agencies of the Government, to establish a procedure for the admission into evidence of information so obtained, and for other purposes

Be it enacted, etc., That no person shall intercept or attempt to intercept any communication by wire or radio, not being authorized in advance by the sender or recipient thereof, except (1) authorized agents of the Federal Bureau of Investigation of the Department of Justice upon the express written approval of the Attorney General of the United States, and (2) authorized agents of the Internal Revenue Service, the Bureau of Narcotics, and the United States Secret Service of the Department of the Treasury upon the express written approval of the Secretary of the Treasury of the United States, in the course of any investigation to detect or prevent any felony as defined in the United States Code, as amended, and conspiracies to commit any such felony.

SEC. 2. Information lawfully obtained after the effective date of this act through the interception of any communication by wire or radio in accordance with the provisions of Section 1 of this act shall, notwithstanding the provisions of section 605 of the Communications Act of 1934 (48 Stat. 1103), be deemed admissible, if not otherwise inadmissible, in evidence in any criminal proceedings in any court established by Act of Congress in criminal cases covered by Section 1 of this act: *Provided,* That prior to intercepting the communications from which the information is obtained, an authorized agent of any one of said investigatorial agencies shall have been issued an ex parte order by a judge of any United States Court of Appeals or a United States district court, authorizing the agent to intercept such communications. Upon application by any authorized agent of any one of said investigatorial agencies to intercept communications in the conduct of investigations pursuant to this section, a judge of any United States Court of Appeals or a United States district court may issue an ex parte order, signed by the judge with his title of office, authorizing the applicant to intercept such communications, if the judge is satisfied that there is reasonable cause to believe that such crime or crimes have been or are about to be committed and that the communications may contain information which would assist in the conduct of such investigations.

SEC. 3. No person shall divulge, publish, or use the existence, contents, substance, purport, or meaning of any information contained in any aforesaid ex parte order or obtained pursuant to the provisions of this act otherwise than for the purpose hereinbefore enumerated.

SEC. 4. Any person who willfully and knowingly violates any provisions of this act shall be fined not more than $5,000 or imprisoned not more than 1 year and a day, or both.

SEC. 5. All carriers subject to the Communications Act of 1934 (48 Stat. 1103) are authorized to permit such interception and disclosure of any such communications by wire or radio.

SEC. 6. If any provision of this section or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of this section and the applicability of such provision to other circumstances shall not be affected thereby.

SENATE

THURSDAY, APRIL 24, 1958

The Senate met at 10:30 o'clock a. m.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our God and Father, from whom all holy desires, all good counsels do proceed, rise mercifully with the morning upon our darkened hearts. We are conscious of our woeful inadequacy to sit in the seats of judgment, to balance the scales of justice, and to respond with equity to the myriad calls of human need. Wilt Thou crown the deliberations of Thy servants here with Thy wisdom and with spacious thinking. Redeem our failures, we beseech Thee; pardon our transgressions, transform every task into a throne of service, and crown this day of labor with the benediction of Thy "well done" and of Thy peace. We ask it in the dear Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., April 24, 1958.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. MIKE MANSFIELD, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. MANSFIELD thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, April 23, 1958, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 11378) to amend Public Laws 815 and 874, 81st Congress, to make permanent the programs providing financial assistance in the construction and operation of schools in areas affected by Federal activities, insofar as such programs relate to children of persons who reside and work on Federal property, to extend such programs until June 30, 1961, insofar as such programs relate to other children, and to make certain other changes in such laws, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 11378) to amend Public Laws 815 and 874, 81st Congress, to make permanent the programs providing financial assistance in the construction and operation of schools in areas affected by Federal activities, insofar as such programs related to children of persons who reside and work on Federal property, to extend such programs until June 30, 1961, insofar as such programs relate to other children, and to make certain other changes in such

laws, was read twice by its title and referred to the Committee on Labor and Public Welfare.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on Armed Services and the Subcommittee on Small Business of the Committee on Banking and Currency were authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements made in that connection be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GREEN, from the Committee on Foreign Relations, with amendments:

S. Con. Res. 62. Concurrent resolution to request the President to use his best efforts to bring about a meeting of representative citizens from all the North Atlantic Treaty Organization nations to examine ways to promote greater cooperation among those nations (Rept. No. 1470).

By Mr. BRIDGES, from the Committee on Armed Services, with amendments:

S. 1225. A bill to authorize the award posthumously of Congressional Medals of Honor to Chaplain George L. Fox, Chaplain Alexander D. Goode, Chaplain Clark V. Poling, and Chaplain John P. Washington (Rept. No. 1471).

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. BARRETT. Mr. President, as in executive session, from the Committee on Armed Services I report favorably the nomination of Lt. Gen. Lemuel Mathewson to be placed on the retired list in the grade of lieutenant general and the nomination of Maj. Gen. Thomas L. Harrold for special assignment as Commandant of the National War College in the rank of lieutenant general.

There are two nominations involving General Van Fleet, who has been on the temporary disability retired list since March of 1953. In March of this year, he was reexamined and determined to be physically fit for active duty. Although General Van Fleet is beyond the statutory retirement age, a legal opinion by the Judge Advocate General holds that an officer who has been on the temporary disability retired list and who is found physically fit to perform active duty may not be voluntarily retired without first being recalled to active duty and reappointed to the active list of the Regular Army. General Van Fleet has been recalled to active duty with his consent and one of the nominations reappoints him as a major general on the active list. Since it is contemplated that he will be immediately retired, the other nomination authorizes his advancement on the retired list to the grade of general.

The ACTING PRESIDENT pro tempore. The nominations will be placed on the Executive Calendar, as requested by the Senator from Wyoming.

The nominations placed on the Executive Calendar are as follows:

James Alward Van Fleet, for reappointment to the active list of the Regular Army of the United States, in the grade of major general; and

James Alward Van Fleet, for advancement on the retired list, in the grade of general;

Lieut. Gen. Lemuel Mathewson, Army of the United States (major general, United States Army), to be placed on the retired list, in the grade of lieutenant general; and

Maj. Gen. Thomas Leonard Harrold, United States Army, to be assigned to a position of importance and responsibility designated by the President, in the rank of lieutenant general.

Mr. BARRETT. Mr. President, in addition, from the Committee on Armed Services, I report favorably a total of 3,037 nominations in the Army, Navy, and Marine Corps, in the grade of colonel and below. All of these names have already appeared in the CONGRESSIONAL RECORD so to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Vice President's desk for the information of any Senator.

The ACTING PRESIDENT pro tempore. Without objection, the nominations will lie on the desk, as requested by the Senator from Wyoming.

The nominations ordered to lie on the desk are as follows:

Frank O. Alexander, and sundry other officers, for promotion in the Regular Army of the United States; and

Byron R. Adams, and sundry other members of the Naval Reserve Officers Training Corps, and sundry other persons, for appointment in the Navy.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. IVES:

S. 3684. A bill for the relief of Lt. Col. John A. Ryan, Jr.; to the Committee on the Judiciary.

By Mr. YARBOROUGH:

S. 3685. A bill to provide for increased Federal financial participation in the State programs of public assistance established pursuant to titles I, IV, X, and XIV of the Social Security Act; to the Committee on Finance.

(See the remarks of Mr. YARBOROUGH when he introduced the above bill, which appear under a separate heading.)

By Mr. KNOWLAND (for himself, Mr. KUCHEL, Mr. HRUSKA, Mr. IVES, Mr. ALLOTT, Mr. BEALL, Mr. BENNETT, Mr. BRICKER, Mr. BUSH, Mr. BUTLER, Mr. CAPEHART, Mr. CARLSON, Mr. CURTIS, Mr. HICKENLOOPER, Mr. HOBLITZELL, Mr. JENNER, Mr. LANGER, Mr. MARTIN of Iowa, Mr. MARTIN of Pennsylvania, Mr. PAYNE, Mr. POTTER, Mr. PURTELL, Mr. REVERCOMB, Mr. SALTONSTALL, Mr. SCHOEPPEL, Mrs. SMITH of Maine, Mr. WATKINS, and Mr. WILEY):

S. 3686. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

(See the remarks of Mr. KNOWLAND when he introduced the above bill, which appear under a separate heading.)

By Mr. PROXMIRE:

S. 3687. A bill to provide financial assistance to the States for educational purposes by returning to the States a portion of the Federal income taxes collected therein; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. PROXMIRE when he introduced the above bill, which appear under a separate heading.)

By Mr. LANGER:

S. 3383. A bill for the relief of Christos H. Christodoulou; to the Committee on the Judiciary.

S. 3689. A bill directing the Secretary of the Interior to convey certain property in the State of North Dakota to John Cavanaugh; to the Committee on Interior and Insular Affairs.

By Mr. ANDERSON (for himself and Mr. LANGER):

S. 3690. A bill to amend the Public Health Service Act, as amended, so as to authorize the making of grants to assist public and private agencies to carry out programs for the detection and control of diabetes; to the Committee on Labor and Public Welfare.

By Mr. MALONE:

S. 3691. A bill to provide relief for producers of certain critical minerals, metals, and materials indispensable in the construction of jet engines; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MALONE when he introduced the above bill, which appear under a separate heading.)

By Mr. HOLLAND (for himself and Mr. ROBERTSON):

S. 3692. A bill to amend the National Labor Relations Act so as to provide that nothing therein shall invalidate the provisions of State laws prohibiting strikes in public utilities; to the Committee on Labor and Public Welfare.

By Mr. MANSFIELD (for Mr. CHAVEZ):

S. 3693. A bill to provide for the disposition of Fort Stanton reservation, in Lincoln County, N. Mex.; to the Committee on Interior and Insular Affairs.

By Mr. WATKINS (for himself, Mr. NEUBERGER, Mr. BARRETT, Mr. ANDERSON, Mr. MALONE, Mr. BIBLE, Mr. GOLDWATER, and Mr. MURRAY):

S. 3694. A bill to amend the act of August 5, 1954 (68 Stat. 674), and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. NEUBERGER:

S. J. Res. 165. Joint resolution proposing an amendment to the Constitution of the United States relating to recall of Senators and Representatives in Congress; to the Committee on the Judiciary.

(See the remarks of Mr. NEUBERGER when he introduced the above joint resolution, which appear under a separate heading.)

INCREASED FEDERAL FINANCIAL PARTICIPATION IN STATE PROGRAMS OF PUBLIC ASSISTANCE

Mr. YARBOROUGH. Mr. President, I introduce, for appropriate reference, a bill to provide for increased Federal financial participation in the State programs of public assistance established pursuant to titles I, IV, X, and XIV of the Social Security Act. I ask unanimous consent that the bill be printed in the Record.

The ACTING PRESIDENT pro tempore. The bill will be received and ap-

propriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3685) to provide for increased Federal financial participation in the State programs of public assistance established pursuant to titles I, IV, X, and XIV of the Social Security Act, introduced by Mr. YARBOROUGH, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 3 (a) of the Social Security Act is amended to read as follows:

"SEC. 3. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance, for each quarter, beginning with the quarter commencing October 1, 1958, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as old-age assistance in the form of money payments under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $65—

"(A) Six-sevenths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $35 multiplied by the total number of such individuals who received old-age assistance in the form of money payments for such month; plus

"(B) One-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A); and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as old-age assistance, equal to one-half of the total of the sums expended during such quarter as old-age assistance in the form of money payments under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30, and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to applicants for and recipients of old-age assistance to help them attain self-care, and (4) in the case of any State, an amount equal to two-thirds of the total of the sums expended during such quarter as old-age assistance under the State plan in the form of medical or any other type of remedial care (including expenditures for insurance premiums for such care or the cost thereof), not counting so much of such expenditure for any month as exceeds the product of $8 multiplied by the total number of individuals who received old-age assistance under the State plan for such month."

SEC. 2. Section 403 (a) of the Social Security Act is amended to read as follows:

"SEC. 403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to dependent children, for each quarter, beginning with the quarter commencing October 1, 1958, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as aid to dependent children in the form of money payments under the State plan, not counting so much of such expenditure with respect to any dependent child for any month as exceeds $36, or if there is more than one dependent child in the same home, as exceeds $36 with respect to one such dependent child and $27 with respect to each of the other dependent children, and not counting so much of such expenditure for any month with respect to a relative with whom any dependent child is living as exceeds $36—

"(A) Six-sevenths of such expenditures, not counting so much of the expenditure with respect to any month as exceeds the product of $21 multiplied by the total number of dependent children and other individuals with respect to whom aid to dependent children in the form of money payments is paid for such month; plus

"(B) One-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A); and (2) in the case of Puerto Rico and the Virgin Islands, an amount equal to one-half of the total of the sums expended during such quarter as aid to dependent children in the form of money payments under the State plan, not counting so much of such expenditure with respect to any dependent child for any month as exceeds $18, or if there is more than one dependent child in the same home, as exceeds $18 with respect to one such dependent child and $12 with respect to each of the other dependent children, and not counting so much of such expenditure for any month with respect to a relative with whom any dependent child is living as exceeds $18; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to relatives with whom such children (applying for or receiving such aid) are living, in order to help such relatives attain self-support or self-care, or which are provided to maintain and strengthen family life for such children; and (4) in the case of any State, an amount equal to two-thirds of the total of the sums expended during such quarter as aid to dependent children under the State plan in the form of medical or any other type of remedial care (including expenditures for insurance premiums for such care or the cost thereof), not counting so much of such expenditure for any month as exceeds (A) the product of $4 multiplied by the total number of dependent children who received aid to dependent children under the State plan for such month plus (B) the product of $3 multiplied by the total number of other individuals who received aid to dependent children under the State plan for such month."

SEC. 3. Section 1003 (a) of the Social Security Act is amended to read as follows:

"SEC. 1003. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the blind for each quarter, beginning with the quarter commencing October 1, 1958, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the blind in the form of money payments under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $65—

"(A) Six-sevenths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $35 multiplied by the total number of such individuals who received aid to the blind in the form of money payments for such month; plus.

"(B) One-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A); and (2) in the case of Puerto Rico and the Virgin Islands, an amount equal to one-half of the total of the sums expended during such quarter as aid to the blind in the form of money payments under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to applicants for and recipients of aid to the blind to help them attain self-support or self-care; and (4) in the case of any State, an amount equal to two-thirds of the total of the sums expended during such quarter as aid to the blind under the State plan in the form of medical or any other type of remedial care (including expenditures for insurance premiums for such care or the cost thereof), not counting so much of such expenditure for any month as exceeds the product of $8 multiplied by the total number of individuals who received aid to the blind under the State plan for such month."

SEC. 4. Section 1403 (a) of the Social Security Act is amended to read as follows:

"SEC. 1403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the permanently and totally disabled, for each quarter, beginning with the quarter commencing October 1, 1958, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the permanently and totally disabled in the form of money payments under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $65—

"(A) Six-sevenths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $35 multiplied by the total number of such individuals who received aid to the permanently and totally disabled in the form of money payments for such month; plus

"(B) One-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A); and (2) in the case of Puerto Rico and the Virgin Islands, an amount equal to one-half of the total of the sums expended during such quarter as aid to the permanently and totally disabled in the form of money payments under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to applicants for and recipients of such aid to help them attain self-support or self-care; and (4) in the case of any State, an amount equal to two-thirds of the total of the sums expended during such quarter as aid to the permanently and totally disabled under the State plan in the form of medical or any other type of remedial care

(including expenditures for insurance premiums for such care or the cost thereof), not counting so much of such expenditure for any month as exceeds the product of $8 multiplied by the total number of individuals who received aid to the permanently and totally disabled under the State plan for such month."

SEC. 5. The amendments made by the preceding provisions of this act shall be effective for the period beginning October 1, 1958, and ending with the close of June 30, 1961, and after such amendments cease to be in effect any provision of law amended thereby shall be in full force and effect as though this act had not been enacted.

Mr. YARBOROUGH. Mr. President, relief to the old people of America is long overdue. The amounts paid to them monthly are, in many States, so low as to constitute starvation payments, not subsistence payments. States have a duty in this regard, as well as the Federal Government. The average for the Nation is about $60, and in some States the old age payments are as low as $30 a month, which amounts to $1 a day for food and clothing and shelter and medicine. We talk about people starving to death in foreign countries. People are starving to death in America, and their death certificates show that they died from malnutrition. They are among the 2½ million old-age pensioners who are starving on these miserly allowances.

The bill which I am introducing today would add an additional $5 of Federal money per month for each elderly person receiving assistance grants, by providing that the Federal Government pay six-sevenths of the first $35 on the payment, or $30 out of every $35, with equal matching by the Federal and State Governments of the next $30, up to a total of $65 per person per month.

That would raise the level of old age assistance on which the Federal Government participates from $60 to $65, and would allow $5 per month more to each person on the old age assistance rolls. The same increase would be granted to the blind and to the totally and permanently disabled.

The cost of living has gone up and up in the present spiral of inflation, but the old people, whose earning years have gone forever, have been trapped by the inflationary spiral, and the meager number of dollars paid them every month has shrunk and shrunk in buying power.

It has become harder and harder for them to buy the needed medicines. The amount of food that they can buy with their checks can be carried home in a smaller basket month by month.

The bill I am introducing would raise the old age assistance of every senior citizen of America, and will cause the fires of hope to burn again in the eyes of the aged, where hope is almost gone. The bill is a bill out of the humanitarian heart of America for the older people who tilled the soil in their youth, but who have been shunted aside by the mechanization of our lives. The $5 a month increase is too little to be turned down.

AID TO EDUCATION THROUGH RETURN OF INCOME TAXES

Mr. PROXMIRE. Mr. President, on April 3, I delivered my first major speech on the floor of the Senate in support of Senate bill 3606, which provides for aid to education by returning to each State a portion of the Federal income taxes collected within the State. The portion each State would be permitted to keep from the income taxes paid by its residents would be 1½ percent for fiscal 1958, 3 percent for fiscal 1959, and 5 percent for fiscal 1960 and each year thereafter. No Federal interference with State and local control of education would be involved. The only requirement is that the money be spent exclusively for educational purposes.

That day I had the benefit of the generous and helpful comments of the senior Senator from Illinois [Mr. DOUGLAS], and the junior Senator from Idaho [Mr. CHURCH], who pointed out the importance of coupling a provision for equalization of educational benefits with my proposal that the source of the benefits be the income taxes paid by the individuals and businesses within the States. I agreed with them. I said that day I would introduce a bill after the Easter recess to provide for equalization of the tax-sharing benefits of my bill.

Today, Mr. President, I introduce for appropriate reference a bill which retains the figures of 1½ percent, 3 percent, and 5 percent found in S. 3606. But each State will have returned an amount which bears the same ratio to the percent of the income taxes collected in all the States as the school-age population of such State bears to the school-age population of all the States.

This is another way of saying each State will get the same amount per school-age child as every other State. A child in Wisconsin will get the same assistance in education as a child in Mississippi or New York. This is accomplished, plainly speaking, by allowing a State with relatively low Federal income-tax collections to spend for education a higher percentage of those collections than a State can keep which has relatively high income-tax collections.

Mr. President, the question might be asked why I employ the principle of returning income taxes rather than that of a direct grant-in-aid. The answer is the income tax is dynamic. It expands as the economy expands. It inflates if the economy inflates. Thus it avoids the rigidity of a grant-in-aid of a specified amount. It also—and this is most important—avoids the rigidity and regressiveness of the property tax, which has been the traditional source of local support of education.

There is a second reason, one I regard as profoundly important, for employing the principle of returning income taxes. It is that no Federal control can possibly be involved. Each State simply gets a part of the income taxes paid by its own residents to use as it sees fit in its own educational program. This means that we can get on with the job of aiding education—of building schoolhouses and recruiting and paying good teachers—without having first to settle all the philosophical problems that beset any plan which involves a hint of Federal supervision.

We do not have to wait for integration to be accomplished. We do not have to agree on the goals of education, nor how they will be reached. These are important questions, and I am not suggesting that they should be avoided. What I am saying is that they need not be solved before we build schoolhouses and recruit teachers. And what I am saying is that the best place to solve them is at the local level, where most Americans would agree that control of our schools should be retained.

We Americans like diversity in our lives. We probably would not want single solutions to any of these problems. By eliminating any possibility of Federal interference, we allow people, close to home, to work out various solutions that suit them.

While these problems are being worked out, Mr. President, real sums of money will be available to the States for getting ahead with the jobs we agree need to be done—building schools, manning classrooms with competent teachers, sending children and young people to schools and colleges.

Mr. President, the amounts each State would get if 5 percent of the Federal income taxes collected in fiscal 1957 were returned to the States, employing the principle of allocation provided by my bill, are set forth in a table prepared for me by the Education and Public Welfare Division of the Legislative Reference Service, Library of Congress.

I ask unanimous consent that the table be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Allocation of 5 percent of Federal income-tax collections to States according to school-age population

State	Allocation to each State	School-age population (5 to 17) July 1956	State percentage of total allocation
	Millions	*Thousands*	
Alabama	$64.52	850	2.19
Arizona	21.21	279	.72
Arkansas	35.35	468	1.20
California	219.48	2,894	7.45
Colorado	28.58	379	.97
Connecticut	35.66	471	1.21
Delaware	6.78	91	.23
District of Columbia	10.31	135	.35
Florida	63.63	838	2.16
Georgia	74.83	986	2.54
Idaho	12.37	165	.42
Illinois	154.08	2,031	5.23
Indiana	78.36	1,032	2.66
Iowa	48.02	635	1.63
Kansas	35.94	474	1.22
Kentucky	59.80	787	2.03
Louisiana	60.39	795	2.05
Maine	16.50	218	.56
Maryland	49.49	651	1.68
Massachusetts	76.30	1,007	2.59
Michigan	135.22	1,784	4.59
Minnesota	58.63	774	1.99
Mississippi	45.66	603	1.55
Missouri	68.64	907	2.33
Montana	12.08	161	.41
Nebraska	24.45	320	.83
Nevada	4.12	56	.14
New Hampshire	9.13	125	.31
New Jersey	87.50	1,153	2.97
New Mexico	17.38	230	.59
New York	247.76	3,267	8.41
North Carolina	88.97	1,172	3.02
North Dakota	12.37	164	.42
Ohio	155.25	2,049	5.27

Allocation of 5 percent of Federal income-tax collections to States according to school-age population—Continued

State	Allocation to each State	School-age population (5 to 17) July 1956	State percentage of total allocation
	Millions	*Thousands*	
Oklahoma	$40.93	541	1.39
Oregon	30.34	400	1.03
Pennsylvania	180.88	2,384	6.14
Rhode Island	13.26	174	.45
South Carolina	50.67	667	1.72
South Dakota	12.96	169	.44
Tennessee	65.99	869	2.24
Texas	168.22	2,218	5.71
Utah	17.09	224	.58
Vermont	6.78	89	.23
Virginia	68.35	900	2.32
Washington	46.55	615	1.58
West Virginia	39.77	525	1.35
Wisconsin	66.58	879	2.26
Wyoming	5.89	77	.20
Alaska	1.77	[1] 23	.06
Hawaii	11.19	143	.38
Total	2,946.00	38,848	99.86

[1] 1950 data, latest available.

Mr. PROXMIRE. In introducing this bill, Mr. President, I am offering my colleagues one more chance to vote for a bill to aid education. I repeat what I said on April 3: I will stand with any man in support of any reasonable Federal-aid-to-education bill which does not carry with it Federal interference with the local control of education. I think the bill I introduced on April 3 is a good bill. I think the bill I introduce today is a better bill. But I do not insist on my bills, either of them. I insist that we pass some bill.

Mr. President, the life of a child waits for no man. An opportunity missed today—an opportunity to help him to grow, to learn, to achieve moral stature—is an opportunity lost forever. We must not let the lives of our children run, like quicksilver, through our fingers. Let us conduct ourselves today so that we shall have no cause to reproach ourselves tomorrow.

I ask unanimous consent that the bill lie on the table until Tuesday next so that any Senator who wishes to cosponsor it may do so.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Wisconsin.

The bill (S. 3687) to provide financial assistance to the States for educational purposes by returning to the States a portion of the Federal income taxes collected therein, introduced by Mr. PROXMIRE, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

AMENDMENT OF CONSTITUTION, RELATING TO RECALL OF SENATORS AND REPRESENTATIVES

Mr. NEUBERGER. Mr. President, a proposal is now before the Senate to require that officials of labor unions be by Federal law subject to recall from such offices by their membership.

A provision for recall of union officers in a union constitution seems quite reasonable. Should not men and women in positions of trust be removable by those who originally elected them?

Yet, we of the Congress might appear guilty of hyprocrisy if we required labor unions to practice a higher degree of democracy than that which prevails in the Government of the United States of America itself.

Therefore, I am introducing today a joint resolution proposing an amendment to the Constitution of the United States, authorizing each of the 48 States to provide appropriate legislation for the recall of United States Senators and Represenatatives. I ask that the joint resolution be printed in the RECORD at this point, and appropriately referred.

The ACTING PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD.

The joint resolution (S. J. Res. 165) proposing an amendment to the Constitution of the United States relating to recall of Senators and Representatives in Congress, introduced by Mr. NEUBERGER, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"Article —

"SECTION 1. The legislature of any State may prescribe rules for the recall of Senators and Representatives in Congress from that State.

"SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 7 years from the date of its submission."

Mr. NEUBERGER. Mr. President, in many of the States of the Union, governors and other public officials are subject to recall from office. My own State of Oregon was first to adopt such a measure. Yet no such provision applies to Members of either branch of Congress.

I believe very strongly that an officeholder should be susceptible to recall by substantially the same process which put him or her into office. We of the Senate, furthermore, could be in a highly inconsistent position if we proclaimed, as a matter of public policy and Federal law, that a business agent of a garment workers union, for example, ought to be subject to recall from office, but a United States Senator ought not to be subject to such a process.

A Member of the Senate, after all, can vote this whole Nation into war, he can draft Americans from their homes for military service, he can enact taxes which tap the incomes of citizens and corporations, he can enact sweeping regulations over business, industry, agriculture, and private individuals. This power is greater than that possessed by any labor official.

Because I believe in more, rather than less, democracy in our national life, I think we of the Senate can set a useful example. We can subject ourselves to recall from office. I am sure such a precedent would set a national standard that would encourage similar practices in the operation of trade unions, business corporations, chambers of commerce, trade associations, and other bodies and organizations where officers wield authority.

I hope that, in taking up legislative proposals which have been made by some Senators for having the Federal Government control the election procedures and other democratic processes of private organizations such as trade unions, the Senate will keep in mind the danger of preaching more than we practice—lest we demand of others greater adherence to ideals of democratic responsibility than we are willing to abide by ourselves. I think this is a good principle to guide our deliberations on labor legislation; and I also believe my proposed constitutional amendment has true merit, which I hope will have the attention of the Committee on the Judiciary.

REGISTRATION, REPORTING, AND DISCLOSURE OF EMPLOYEE WELFARE AND PENSION BENEFIT PLANS—AMENDMENTS

Mr. GOLDWATER submitted amendments, intended to be proposed by him, to the bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans, which were ordered to lie on the table, and to be printed.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION BILL—AMENDMENT

Mr. ANDERSON (for himself and Mr. LANGER) submitted an amendment, intended to be proposed by them, jointly, to the bill (H. R. 11645) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1959, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed.

TECHNICAL CHANGES IN FEDERAL EXCISE TAX LAWS—ADDITIONAL COSPONSOR OF AMENDMENT

Mr. MALONE. Mr. President, I ask unanimous consent that my name may be added as a cosponsor of the amendment submitted by the Senator from Washington [Mr. MAGNUSON], for himself and other Senators, on February 24, 1958, to the bill (H. R. 7125) to make technical changes in the Federal excise tax laws, and for other purposes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

POSTAL RATE AND PAY BILL

Mr. MONRONEY. Mr. President, I was amazed and astounded to read the following in this morning's Washington Post:

> Postmaster General Arthur E. Summerfield issued a statement complaining the rejection of the 5-cent stamp would scuttle President Eisenhower's proposed $2 billion postal modernization program that would provide jobs for thousands of workers.
>
> He said the action was a temporary victory for the large business users of the mails who have benefited from low postal rates. However, he said, the fight to stop this unconscionable raid on the Treasury will continue.

I call attention to the fact that, for the first time since 1932, the Congress has moved to increase postal rates all along the line. With the exception of some very small charitable items, there is not an item that has not been increased, generally by 33⅓ percent or more.

Mr. Summerfield, who terms this an "unconscionable raid on the Treasury," either deliberately misrepresented the facts, or he does not know the difference between income and outgo.

The bill will provide over $500 million in additional revenue to the Treasury of the United States. Those provisions of the bill already agreed to under the great leadership of the chairman of the Senate Committee on Post Office and Civil Service, the distinguished Senator from South Carolina [Mr. JOHNSTON], is the very best compromise that could be worked out. We have sought to protect the revenue of the Post Office Department, and to increase it by nearly $500 million; and yet we hear, from a member of the Cabinet, a man who is given the responsibility of operating the great postal establishment, that this represents an unconscionable raid on the Treasury.

If he knows his figures, if he knows the realities connected with the operation of the Post Office Department, if he has analyzed the bill as it passed the Senate and as it has been agreed to thus far in conference, he will realize that the bill will come within about $50 million, net, of the revenue which would have been produced by the Senate bill with a 5-cent postage stamp. With the 4-cent postage stamp, with the increases in other rates which will be retained, such as airmail rates, and the conference decision to reduce by $63 million a year the pay cost of the bill as it passed the Senate, we come within about $50 million of the Senate bill.

I resent the slurs and implications with respect to the conferees, who have been sitting together for many, many days to try to hammer out a bill.

Furthermore, I resent the implication that, unless President Eisenhower can get exactly what he wants, page, chapter, and verse, he will scuttle the opportunity for jobs in connection with rehabilitating our post-office buildings and the postal plant generally throughout the country.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MONRONEY. I shall be happy to yield, if I may have additional time.

Mr. JOHNSON of Texas. Mr. President, I ask that the Senator from Oklahoma may have an additional 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KNOWLAND. The ranking member of the Committee on Post Office and Civil Service, the Senator from Kansas [Mr. CARLSON], is not present. He is one of the conferees. In view of the fact that the Senate Committee on Post Office and Civil Service had recommended a 5-cent rate, and the Senate itself sustained that recommendation, I ask if the distinguished Senator from Oklahoma will indicate how long the Senate conferees held out in the effort to sustain the 5-cent postage rate.

Mr. MONRONEY. The bill has been before the conferees since late in February. The conferees went into session about a week ago. We have had four meetings. We have discussed the 5-cent rate and the 4-cent rate at almost every meeting, although the question was never brought to a vote until yesterday.

There have been repeated announcements by the Speaker of the House and the leaders in the House to the effect that they will never agree to a 5-cent postage stamp. Such statements have been repeatedly relayed to the conferees by members of the conference committee from the House. Before we voted yesterday we received an announcement by a leading member of the conference that he would insist on the 4-cent stamp. The Senate conferees then moved to recede from our 5-cent position.

Furthermore, we announced at that time—and we discussed the question at some length—that we would insist on the position of the Senate with respect to the 8-cent airmail stamp, and on other increases which the Senate made in the House version so as to bring the revenue up, as nearly as possible, to that which would have been provided by the 5-cent stamp. With the reduction in pay increases, we expect to arrive at a difference of about $50 million between the cost of the bill as it passed the Senate, with the 5-cent rate, and the cost of the bill as it now stands.

Mr. KNOWLAND. I thank the Senator. He was in the conference and I was not. My information may not be accurate, but in view of the position taken by the Senate Committee on Post Office and Civil Service, and in view of the vote by the Senate itself, I had received indications that the Senate conferees, in a period of less than 10 minutes, had receded from the Senate position. Even though individual conferees may disagree with the position of the Senate, it has been customary for the Senate conferees to uphold the position of the Senate. Many times I myself have been in the position of a conferee in connection with matters with respect to which I personally disagreed with the position of the Senate. Nevertheless, as a member of the conference, I have fought—sometimes for a rather prolonged period of time—to uphold the position of the Senate, as indicated by the Senate votes. I was somewhat disturbed by the fact—if it were a fact—that the Senate conferees had receded in less than 10 minutes from the position of one of the standing committees of the Senate, and also the Senate itself.

Mr. MONRONEY. This subject has been discussed at each meeting. It was discussed for many weeks, all over the Capitol, among members of the Post Office Committees, and among the conferees. Further, it was discussed daily when we went into session.

There is no mystery involved. We know what a 5-cent stamp is. We know what a 4-cent stamp is. We are fully advised. We might have been sitting for 3 more weeks on the pay proposal. We yielded from the $240 cost-of-living bonus for the lower grades, and we did so in less time, when the question came to a vote yesterday, than we did with respect to the 4-cent stamp.

However, the Senate yielded to the House on that point, to establish a lower figure. I am sure the man who calls this an unconscionable raid on the Treasury, the Postmaster General, approves of the action of the conferees on the pay provisions of the bill to a much greater degree than he does their action in losing his prized 5-cent nonlocal postage stamp, for which he fought so hard, even against his own testimony of a year ago.

RIVERS, HARBORS, AND FLOOD-CONTROL PROJECTS

Mr. KNOWLAND. Mr. President, on April 15, the President returned to the Senate, without his approval, S. 497, the omnibus bill to provide $1,500 million in authorizations for rivers, harbors, and flood-control projects. The bill proposed the future construction of 150 separate projects for improvements in navigation, beach erosion, flood control, and power throughout the Nation.

At the request of the majority leader, the President's veto message was referred to the Committee on Public Works for study and action. In his message, the President pointed out that the measure contained 28 projects costing about $350 million which he could not approve without destroying some of the most important governmental policies in the field of water resources development.

In addition, the President took exception to other items on the basis that some would constitute a waste of public funds, some were proposed against advice based on careful study and considered judgments of the professional services and other executive agencies concerned; and others were not acceptable for alternative reasons which he felt were equally valid.

At the same time, the President made the firm declaration that many of the proposed projects were sound projects which will make important contributions to our national wealth, and pledged himself to approve those favorably reported by the Chief of Engineers and by the executive agencies involved. He suggested that the bill be reconsidered by Congress, and he specifically recommended that Congress act quickly to provide increased monetary authorization for the river basins where 1958

and 1959 fund requirements for projects now under construction will exceed present statutory limits.

I said at the time of the veto of the bill that Congress should immediately take action leading to the passage of a new bill eliminating the features not in accord with the standards set by Congress itself.

In accord with that announcement, I am today, together with my colleague, the distinguished junior Senator from California [Mr. KUCHEL], the Senator from Nebraska [Mr. HRUSKA], the Senator from New York [Mr. IVES], the Senator from Colorado [Mr. ALLOTT], the Senator from Maryland [Mr. BEALL], the Senator from Utah [Mr. BENNETT], the Senator from Ohio [Mr. BRICKER], the Senator from Connecticut [Mr. BUSH], the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from Nebraska [Mr. CURTIS], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from West Virginia [Mr. HOBLITZELL], the Senator from Indiana [Mr. JENNER], the Senator from North Dakota [Mr. LANGER], the Senator from Iowa [Mr. MARTIN], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Maine [Mr. PAYNE], the Senator from Michigan [Mr. POTTER], the Senator from Connecticut [Mr. PURTELL], the Senator from West Virginia [Mr. REVERCOMB], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Maine [Mrs. SMITH], the Senator from Utah [Mr. WATKINS], and the Senator from Wisconsin [Mr. WILEY], introducing an omnibus bill from which have been deleted all such projects. These include such projects which are in my own State of California. We invite all other Senators, Republicans and Democrats, to join in the sponsorship of the bill. For that purpose, I ask unanimous consent that the bill may lie at the desk until 8 o'clock tonight for sponsorship by any Senator who desires to cosponsor the bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I believe it is to the interest of all Senators to support the new measure, which is designed for prompt passage. The projects contained in the bill are needed in the States throughout the Nation.

The committee has held extensive hearings on the matter. Senators are generally informed concerning the proposed legislation. I believe that this proposal will afford an opportunity to pass a sound rivers and harbors bill at this session of Congress and to have it approved. This should be the objective of all Senators, Republicans and Democrats.

We who have projects in the bill which was vetoed, projects which we may feel are meritorious, will still have the opportunity, where the necessary standards or criteria have not been reached, to seek to have the additional standards met, and to argue the projects on their merits, without jeopardizing the many excellent projects which are in the rivers and harbors bill and are not subject to controversy.

Mr. President, I now introduce for appropriate reference a bill for the authorization, construction, repair, and preservation of certain public works on rivers and harbors, for navigation, flood control, and for other purposes, which is a so-called clean bill, the bill as reported by the committee and passed by the two Houses, minus those items which did not meet the criteria previously mentioned.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3686) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, introduced by Mr. KNOWLAND (for himself, Mr. KUCHEL, Mr. HRUSKA, Mr. IVES, Mr. ALLOTT, Mr. BEALL, Mr. BENNETT, Mr. BRICKER, Mr. BUSH, Mr. BUTLER, Mr. CAPEHART, Mr. CARLSON, Mr. CURTIS, Mr. HICKENLOOPER, Mr. HOBLITZELL, Mr. JENNER, Mr. LANGER, Mr. MARTIN of Iowa, Mr. MARTIN of Pennsylvania, Mr. PAYNE, Mr. POTTER, Mr. PURTELL, Mr. REVERCOMB, Mr. SALTONSTALL, Mr. SCHOEPPEL, Mrs. SMITH of Maine, Mr. WATKINS, and Mr. WILEY), was received, read twice by its title, and referred to the Committee on Public Works.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. I have followed with great interest the Senator's statement. Is this the bill on which the Senator said he would keep an open mind until the Committee on Public Works could scan, study and analyze the President's veto message, and make recommendations to the Senate?

Mr. KNOWLAND. I have given additional consideration to the matter, after hearing that the Committee on Public Works intended to delay until mid-May before even holding hearings on the vetoed bill.

It seemed to me that if we were interested in a constructive accomplishment rather than in delaying the matter, and raising, perhaps, a great deal of controversy, and ending with no rivers and harbors bill at all, this proposal furnished a way to get prompt action on the bill and to get started a substantial and overwhelming majority of the projects on which Senators on both sides of the aisle agree. Then we can carry into the field of controversy and debate the additional items which are not included in the bill I am introducing today.

Mr. JOHNSON of Texas. The procedure followed in connection with the President's veto message—incidentally, the second veto of proposed legislation of this type—was a procedure I discussed with the distinguished minority leader. I thought he was agreeable to the procedure.

The committee acted promptly after the bill was referred to it and sent notices to all persons interested, both in the administration and throughout the States of the Union, asking them to be prepared to attend the hearing and present their viewpoints on the merits of the veto. I am informed that the committee intends to hold hearings and to act as promptly as it can to take testimony.

I thought the distinguished minority leader had indicated he would withhold judgment on the wisdom of the veto, and whether it should be overridden, until the committee could take such action. I deeply regret that he has retreated from his position as I understood it.

I think the country and the Senate should know that it is very unlikely that the Committee on Public Works and the Senate, joined by the appropriate committee in the House and by the House itself, will allow a political Budget Director to tell Congress what project is meritorious and what project is not. We have had that experience before. I do not know of many legislators who are so optimistic as to think that we will buckle under to some Budget Director and yield to him the authority and the judgment Congress has in matters of this kind. I still favor having Congress act on its own initiative. I hope the minority leader and the other Members of the Senate and House feel the same way.

So far as the majority leader is concerned, he does not intend to let the Budget Director pick out, pick out, and pick out, and finally tell us, "If you will knuckle under and get down on your knees and agree to take exactly what I tell you, I will let you have a bill. If you do not, I will send you a veto."

That is what happened to us once; that is what happened to us twice. I do not care how many times it happens. The United States Senate, so long as I have anything to do with it and I am a Member of it, will make the determination on these projects.

When I have passed my judgment on a bill and have voted for it, the simple fact that someone in the Bureau of the Budget objects to it will not change my conviction and make me turn tail and abandon the position I took when I voted for the bill originally.

I thought the bill which was vetoed was a good one when the roll was called and I put my name on it. I still think it is a good bill. The Budget Director has not changed my view.

If the testimony at the forthcoming hearing indicates that we have made some mistake, then I am willing to compromise and to adjust my position. But until then I shall not abandon my position for political reasons.

Mr. MONRONEY. Mr. President, will the Senator from Texas yield that I may ask the Senator from California a question?

Mr. JOHNSON of Texas. I yield.

Mr. MONRONEY. Did not the distinguished minority leader vote for the bill which the President vetoed?

Mr. KNOWLAND. I voted on the conference report to send the bill to the White House.

Mr. MONRONEY. Let me also ask the majority leader whether there is any representation of the State of Texas or the State of California or the State of Oklahoma or the State of Alabama in the Bureau of the Budget?

Mr. JOHNSON of Texas. Not that I am aware of.

Mr. MONRONEY. Have these programs not been studied by the Corps of Army Engineers? Have they not been investigated for many years? The roadblock is within the Bureau of the Budget.

No citizen in any of the 48 States can be represented before the Bureau of the Budget. If we accept and pass a Bureau of the Budget rivers and harbors bill, we shall be denying to the 180 million people of America an opportunity to have a single thing to say about the public-works program so desperately needed now to relieve unemployment.

Mr. JOHNSON of Texas. I hope we shall never reach the point, I say to my colleague from Oklahoma, when we hold extensive hearings and take lengthy testimony, and arrive at conclusions and form judgment, and vote and approve proposed legislation, and then, because some budget clerk in the executive agency downtown says, "I do not approve of this project which the Congress has approved," abandon our position and run for cover. The Senator from Texas is not going to do it.

Mr. KUCHEL. Mr. President, I am unable to overestimate the urgent and growing necessity for the passage of a bill which will become law in the field of rivers, harbors, and flood control. I need not indicate to the Senate the tremendous need in various parts of the country for a continuation of the historic part the Government has played in protecting homes and businesses and, indeed, human life itself, from the ravages of floods.

As a member of the Public Works Committee, I tried to contribute my part to the drafting, a year ago, of a sound bill in this field. I voted for it. It went to the House of Representatives. The House saw fit to change it. It was returned to the Senate in the conference report. I supported the conference report. The bill went to the President. I regret that the President vetoed it, but that was his prerogative. The unhappy fact is that the Congress is controlled by the Democratic Party, and the executive branch of the Government is controlled by the Republican Party.

I wish to say in all frankness that if I had the responsibility of drafting a public-works bill, omnibus in character, it would be considerably different from the one for which I voted on the floor. But I do not have that responsibility. I am one of 96 Senators; and the legislative decision depends, in the last analysis, on what a majority of the Members of this body and a majority of the Members of the House of Representatives choose to do.

The bill before us is not, in my judgment, legislative perfection. But I am inclined to think that if I were to withhold my approval until my own personal concept of legislative perfection were reached, I probably would never, or at least rarely, cast my vote in the affirmative for very much or any proposed legislation in this field.

Let me say—I have said it before, and I repeat it now—that I am prepared to vote a third time for the bill which I regret was vetoed. But I need not apologize, and my colleague from California [Mr. KNOWLAND] need not apologize, for joining in the introduction at this time of a bill which could be considered in the alternative; and I do not apologize for putting my name upon a bill, which now will be referred to the Senate Public Works Committee, in an attempt to give to the Congress such an alternative.

Mr. President, it is not my responsibility to schedule in the Senate the taking of action on whether the President's veto shall be overridden. That is the responsibility of the majority party and the majority leader. If it is scheduled for action here, then, I repeat, I will vote for the bill a third time.

But suppose the Senate refuses to override the President's veto. Then what will happen? Are we then to sit idly by and do nothing? Are we then to say to the country, "We will not make an additional attempt to legislate in this critically and crucially important field"? I do not think so. At any rate, I know that we should not. The bill introduced today constitutes an alternative, and one which I am proud to sponsor, along with my colleague from California [Mr. KNOWLAND].

Mr. President, I am a Republican. I have tried to help the Eisenhower administration make a success of its administration of the welfare of 170 million people. When statistics are prepared, I believe the name of the junior Senator from California will be high on the list of those who have cast their votes for legislation recommended by the Eisenhower administration.

But the people of California do not want a rubber stamp in the Senate of the United States. Neither does our great Republican President want a rubber stamp in this body.

So I state on my own responsibility that I will vote to override the President's veto, if I am given an opportunity to do so.

But if the Senate fails to put its stamp of approval, by a two-thirds vote, on this vetoed legislation, then it will be a shameful thing for the Senate and the House of Representatives to walk away from a problem that is of such desperate importance to the people of the country.

Mr. JOHNSON of Texas. Mr. President, will the Senator from California yield to me?

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Does the Senator from California yield to the Senator from Texas?

Mr. KUCHEL. I yield.

Mr. JOHNSON of Texas. First I wish to commend the Senator from California for the statement he has just made. I have great respect for his judgment, and I have great admiration for his courage. I am delighted that he feels so strongly about his position on this measure that he is ready to reiterate it. I wish to assure him that, so far as the majority leader is concerned, the majority leader will give him an opportunity at the earliest possible date to vote to override the President's veto.

Second, let me say that I know of no one who would ask the Senator from California to apologize for anything I have ever seen him do. Not only is he within his rights in introducing or joining in the introduction of proposed legislation, but certainly he is carrying out his duty to the great, sovereign State he represents.

Mr. KUCHEL. I thank the Senator from Texas.

Mr. JOHNSON of Texas. So I commend the Senator from California for carrying out his duty in that respect, as has his colleague, the distinguished minority leader [Mr. KNOWLAND].

But I think the Senator from California is a realist, and I believe he has during this session, spent as much time in this field as has perhaps any other Member.

The Senator from California saw what happened to the bill before, when it was vetoed, and when the Congress did not override the veto. I do not wish to mislead the people or be a party to misleading them. I believe that as thorough hearings as possible should be held, in order to obtain the views of the people in regard to the bill and the veto message, and to give the citizens of the country an opportunity to state their position. Then the Senate should take action.

As I recall, the Senate agreed to the conference report by a vote of almost 5 to 1. I have reviewed the veto message, and I know of nothing that the Director of the Bureau of the Budget has pointed out that would keep me from supporting the position the Senate took by a vote of almost 5 to 1. If we can now obtain a vote of only 2 to 1, that will be sufficient to override the veto.

Of course, if the veto is not overridden, then, as the Senator from California has said, we shall have to explore other means.

Mr. KUCHEL. The Senator from Texas is correct.

Mr. JOHNSON of Texas. But I do not want to hold out the hope that we are going to abandon projects in various States just because the Director of the Bureau of the Budget does not approve them and just because he says they have not received proper study, when the Senate and the House say they have. I do not intend to vote to have the bill tailored solely to meet the judgment of the Director of the Bureau of the Budget. I am enough of a realist to believe that that would be holding out false hopes to the people concerned.

Although I believe the matter must be fully explored, I do not want to be a party to a plan which will, in effect, cause the people to be told, "If the President's veto is sustained, we will pass another bill, and will get it signed."

If this bill does not become law, in my judgment every project provided for in it will be endangered. So far as I am concerned, I will not have the blood on my hands.

Mr. KUCHEL. Mr. President——

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The Senator from California has the floor.

Mr. KUCHEL. Mr. President, I hope my friend, the able majority leader, is wrong when he suggests that each project provided for in the omnibus bill will be in danger if the veto is not overridden.

I have made clear my position regarding what my vote will be if the question of sustaining or overriding the President's veto is scheduled by the leadership for consideration and vote here.

But, Mr. President, if the pending bill does not become law, the Congress will have the responsibility of doing whatever is necessary to be done in order during the 1958 session of Congress, after a lapse of 4 years, when our action in this field has thus far been zero, to formulate and pass proposed legislation, which will become law, which will permit the Government to continue highly indispensable public labors in the field of protecting the American people.

The sad fact is that Congress last year appropriated money for flood-control projects in my State. It appropriated money for the construction of dams in my State contingent, however, on authorizing legislation being enacted. The money cannot be spent and those dams cannot be built because we do not have any authorizing legislation.

I can only say that I hope we come to grips with this problem as soon as possible and, depending upon the results of the vote in this Chamber on the vetoed bill, then take such alternative action as will be in the interest of all the people.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. JOHNSON of Texas. I join the Senator and heartily concur in the last statement he made. I hope we will override the veto. If we cannot, we shall want to take such alternative action as possible. I do want to sound a warning, however. In my opinion, the record of the Congress on both sides of the aisle is such, in the light of the action we took on the last veto and in the light of the projects involved in the bill, that I do not think Members are going to sit idly by and pass bills for other work when their own projects are not included. I think the time has come when we are going to stop appropriating for projects that are not authorized.

I think the Senator's course is a wise course. I am going to join with him, unless the testimony changes my mind. I think hearings should be concluded and action taken on the veto. I am an optimist. I hope enough Members on both sides will stand up for a 2-to-1 vote, instead of the 5-to-1 vote we had on the conference report.

Mr. KUCHEL. I thank the Senator. I do hope that with reasonable speed the United States Senate will come to grips with this problem.

Mr. PROXMIRE subsequently said: Mr. President, I am happy I was on the floor when the colloquy took place between the majority leader, the minority leader, and other Senators. I should like to say I was elected by the people of Wisconsin. So far as I know, the Budget Bureau Director was not elected by anyone. The people of Wisconsin will suffer from this flood control veto just as they will from the farm veto. I think the position taken by the senior Senator from Texas and the junior Senator from California is 100 percent correct. I stand ready right now to vote to override both the flood control and the farm vetoes.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. HUMPHREY:

Letter received by him from the Citizens Committee for the Hoover Report, and text of address entitled "The Citizen's Responsibility for Good Government."

THE NATIONAL GUARD

Mr. HRUSKA. Mr. President, again this year, we find the National Guard on the defensive. It has been proposed that the strength of the guard be reduced from 400,000 men to 360,000 men.

On a nationwide scale, this proposed cut would be about 10 percent; that is, from 400,000 to 360,000. It would be even more severe when we consider the fact that as of a year ago, April 1957, the guard numbered 434,000 officers and men.

It is estimated by the National Guard Association of the United States that this cut, together with the proposed new troop basis, would eliminate at least five or six divisions and approximately 1,200 supporting units.

I cannot buy the concept that when the Regular Army forces are reduced, the National Guard, traditionally the first line of reserve strength, should be reduced also. It costs the taxpayer less than one-seventh as much to support a soldier in the guard as in the Regular Establishment, which in these days is a considerable factor.

Nor can I subscribe to deactivating six guard divisions. These divisions are well trained, going organizations, housed and equipped, with facilities for maintenance of equipment and with the additional advantage of State support.

At the same time, Mr. President, the Department of the Army has directed that all National Guard units be engaged in unit training by next fall. I have been informed that the proposed cut in strength would make it impossible for many guard units to effectively meet this requirement. And it will further hamper young men in fulfilling their military obligation to the Nation by enlisting in military reserve activities.

The quotas imposed on young men enlisting for 6 months' training and subsequent service in the guard would make it impossible for the guard to reach the minimum of 48,000 new enlistees required to keep its enrolled strength at 400,000 officers and men.

Mr. President, these threats are repugnant to the current readiness of the guard and to its illustrious military history.

The most recent inspection of guard units by officers of the Active Army show that 75 percent of the 5,454 Army Guard units were rated "very satisfactory" or better and that almost one-third of the units received "excellent" ratings. The guard's officer candidate program is flourishing and a total of almost 42,000 guardsmen are enrolled in Army service school extension courses.

For the first time in history, Mr. President, military reservists are fulfilling an active defense mission. The guard is maintaining, on an around-the-clock basis, strategic antiaircraft installations guarding our major centers of population. And, as fast as they are being trained, these units are manning the Nike-Ajax batteries assuming the burden of our municipal antiaircraft defenses.

Each of the 27 divisions of the National Guard—21 infantry divisions and 6 armored divisions—has been an effective, functioning unit since the reorganization at the end of World War II. As recently as 1952, in Korea, only guard divisions functioned as divisions in our active forces. Guardsmen, from the top brass down to the newest recruit, are eager for reorganization into the Pentomic division—the streamlined troop structure designed by the Pentagon to meet the requirements of modern, atomic warfare.

After extensive hearings on this subject, Mr. President, Subcommittee No. 1 of the House Armed Services Committee adopted a resolution on March 4, 1958, deploring the proposed reduction in National Guard manpower. The subcommittee urged that the strength of the guard for fiscal year 1959 be maintained at 400,000 with assurance that enough enlistees be permitted to take the 6 months' training program during that year to supply the 48,000 trainees to maintain that level of manpower.

Mr. President, I commend the subcommittee for this action. It reflects, in my opinion, the overwhelming sentiment of the citizens of those communities in Nebraska which have been so enthusiastic in support of the guard units in their towns. The States alone, and with Federal assistance, have spent millions of dollars constructing guard armories in their communities.

Guardsmen are good citizens. They are good citizens of their local communities because they recognize that one requirement for good citizenship, for all those who are able, is service in the defense of their country.

It is my hope, Mr. President, and it is my belief, that the Congress will not permit any additional reduction in the level of forces assigned to the National Guard. Our citizen-soldiers have proven themselves time and again as our first line of defense. We cannot gamble with depleting their forces when the need for the services again may become one of extreme emergency.

Mr. President, I ask unanimous consent that there be printed in the CONGRESSIONAL RECORD at this point Brief Notes on National Guard, which are pertinent in this general connection.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BRIEF NOTES ON NATIONAL GUARD

The National Guard is a very important and necessary part of our national defense. It constitutes a first line of defense and a

force for stability and order in its home States. It stands ready for quick effective use in times of national emergency or disaster.

Its standing is achieved by a direct and active citizen and local community participation. It enjoys enthusiastic and loyal support of the citizenry of the localities in which its units are based.

It provides an effective, trained, and equipped organization of men at a high level of readiness at a relatively low cost to our Government.

CURRENT ROLE OF NATIONAL GUARD

Hampered as it is by criticism from some of our military planners, continued cutbacks in funds for armory construction, reductions in manpower, and by regulations which hamper recruitment, the National Guard remains a vigorous, vital part of this Nation's Military Establishment.

Its mission, as stated in the Armed Forces Reserve Act of 1952, remains unchanged:

"The Congress further declares, in accordance with our traditional military policy as expressed in the National Defense Act of 1916, as amended, that it is essential that the strength and organization of the National Guard, and the Air National Guard, as an integral part of the first line defense of the Nation be, at all times, maintained and assured."

This is the role of the National Guard in our modern life. It is a role and a mission which has developed by trial and error over more than 300 years as a self-governing people attempted to find the best way possible to protect themselves in emergency without a militaristic, professional standing army so repugnant to the early ideals of our Nation.

NATIONAL GUARD IS NOT OBSOLETE

There has been a great deal of talk to the effect that the National Guard is obsolete—that the foot soldier has had his day. Because both the Free World and its potential enemies now possess fantastic weapons of war, it is said that any future war will be fought in a matter of hours with push buttons.

Such arguments are attractive, but they are not true.

Soviet Russia does not recognize these claims. She maintains a standing army numbering some 175 divisions and these divisions are completely equipped with the latest in modern infantry weapons, including atomic cannon, rockets, and vehicles to assure fast mobility.

Thus, Soviet Russia is equipped to fight any kind of war which it may decide to launch—full-scale atomic warfare or small, isolated actions in which conventional forces and arms would provide the margin of victory.

Opposed to this massive array, our ground forces at the ready number 15 Regular Army divisions, 27 National Guard divisions, and 10 Army Reserve divisions. And some of these units, Mr. President, are understaffed and are supplied with weapons obsolete for the requirements of modern warfare.

SOME NATIONAL GUARD HISTORY

The National Guard has the longest continuous history of any military organization in the United States. Rooted in the English militia system, the first militia regiment was organized in Massachusetts in 1636.

Men who joined these colonial regiments fought the War of Independence. Their leader, George Washington, later formulated the philosophy of America's Defense Establishment in a Treatise on Military Policy written in 1783. He envisioned a peacetime Military Establishment consisting of a standing army charged with certain specific missions strongly supported by a State militia with similar organization, maneuvers, and arms.

Although the name National Guard gradually became common beginning in 1824 in New York, it remained for the National Defense Act of 1916 to establish the guard as an integral part of the Nation's military defenses.

In World War I, guardsmen made up two-fifths of the divisions of the American Expeditionary Forces in Europe and received the strong commendation of Gen. John J. Pershing.

More than 300,000 guardsmen fought in World War II. Guard units took part in 34 separate campaigns and 7 assault landings. They were awarded 148 Presidential citations for valor and heroism.

When the guard was ordered out of Federal service in 1946, it accomplished one of the most striking reorganizations in military history. Because of expired enlistments, only skeleton forces of officers were officially returned to the States.

In July 1946, the States were authorized to proceed with reorganization and by early 1950, the guard had returned to a strength of federally recognized units that was approximately 100 percent of the strength authorized by Congress.

NATIONAL GUARD HISTORY IN NEBRASKA

The State militia and the National Guard have played vital roles in the history of Nebraska.

The need for military protection from Indian raids prompted a resolution by Territorial Governor Cumming in December 1854, "urging the citizens of the Territory of Nebraska to organize in their respective neighborhoods into volunteer companies, constituting in all 2 regiments, 1 north and 1 south of the Platte River."

This organization was officially recognized on January 23, 1856, when the Territorial Legislature passed an act to organize the Nebraska Volunteer Militia.

When the Civil War broke out, the Territory had a population of but 30,000 people, yet it contributed 3,307 officers and men to the Union Armies despite the continued threat of Indian raids.

For the Spanish-American War, 4,016 officers and men were mobilized into 3 infantry regiments. In command of the Third Nebraska Volunteer Infantry Regiment was Col. William Jennings Bryan.

By 1898, annual summer encampments had brought these regiments to a state of excellent training. Serving as an instructor at these encampments from 1891 to 1895 was 1st Lt. John J. Pershing, who was commandant of the cadet battalion at the University of Nebraska.

When the Second Infantry Regiment was mustered out of United States service in 1899, it was reorganized into the Nebraska National Guard. In 1908, the first encampment was held at Ashland and a permanent camp was organized.

After the disastrous Omaha tornado of 1913, guardsmen performed heroic rescue and relief work.

During World War I, Nebraska guardsmen participated in almost every phase of military service. Distinct Nebraska units were the 355th Infantry called the Fighting Farmers, the 314th Ammunition Train, and Nebraska Field Hospital No. 1, part of the 42d "Rainbow" Division. In all, more than 57,000 Nebraskans saw service during World War I.

Nebraska's National Guard regiment—the 134th Infantry—went on active duty with the Army 2 days before Christmas in 1940. After participation in the Louisiana maneuvers, the 134th was ordered to the west coast 7 days after Pearl Harbor.

In 1944, the 134th was among the guard units which hit Omaha Beach and wrote a glorious story of victory from Normandy to Saint Lo and "Bloody Sunday," in the race across France to the Saar River and Christmas in Metz, and in the crossing of the Roer River, the push to the Rhine and finally to the Elbe.

In 1952, guardsmen again performed valiantly in time of disaster. When parts of Omaha and most of Council Bluffs, Iowa, were evacuated in the face of the greatest Missouri River flood in history, guardsmen stood sentinel in deserted streets or toiled on dikes to beat back the river.

Today there are 42 Army National Guard units in Nebraska forming part of the 34th "Red Bull" Division with their brother guardsmen in Iowa. The rolls number 412 officers and some 3,900 enlisted personnel.

CITIZENSHIP CLEARING HOUSE AND CAREERS IN AMERICAN GOVERNMENT

Mr. NEUBERGER. Mr. President, for many years, I have been very concerned about the need for encouraging young people to take a more active interest in politics. As both an Oregon State and a United States Senator, I have considered the opportunity to awaken an active political interest in young people, one of the more coveted privileges of my positions.

Consequently, I have been more than willing to sacrifice patronage in order to appoint additional Senate pages. The unforgettable experience which they gain from their unique vantage point cannot be duplicated. Since coming to the Senate I have also tried to further interest in government among young people through a student intern program in my office. My intern for the 1958–59 Congressional year, Mr. Charles Mitchelmore, of the University of Oregon, has just been chosen by a selection committee who interviewed more than a dozen candidates for the position on my staff.

Yet my concern, and that of others, with the need for more capable young people to enter into the arena of practical politics would be much less effective if it were not for the leadership given us by the Citizenship Clearing House of New York City, a national organization which was founded for this exact task. Their capable associate director is Dr. John M. Swarthout, who, until this year when his duties demanded that he be in New York City, served as chairman of my Intern Selection Committee.

I can personally attest to the effectiveness of the Citizenship Clearing House. On many college campuses I have addressed their chapters, and both my wife and I have been favorably impressed with the quality and caliber of students who have thus been motivated to take a genuine interest in government at State, municipal, county, and Federal levels.

Mr. President, this year my intern is Tom Murdock, a 1957 graduate of Willamette University whose home is in Klamath Falls, Oreg., and who will begin his formal graduate work in September of this year at Northwestern University. From my observation of Mr. Murdock, I feel confident that his experience in my office has given root to a real interest and understanding of national politics—one which will not only serve the academic world, but also the far too thin ranks of qualified citizens who are willing to participate in political life. I an-

ticipate for Tom Murdock a brilliant career in government or teaching.

Mr. President, an excellent summary of my intern's life was written by Mr. Tom Murdock for the Citizenship Clearing House Bulletin, volume VI, No. 2, which is being reprinted in the National Municipal Review, and I ask unanimous consent that it be printed in the body of the RECORD following my remarks. It will demonstrate to my colleagues the high quality of the applicants selected under my student intern program.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LEARNING POLITICS ON THE JOB: A SENATOR'S INTERNSHIP PROGRAM

(By Thomas Murdock, research assistant to United States Senator NEUBERGER)

Each spring a graduate of an Oregon college wins the privilege of spending a year in the Nation's Capital working for a man who says he is a politician "and proud of it." This year the privilege is mine.

Like many other Members of Congress, Senator RICHARD L. NEUBERGER, the politician for whom I work, does not think of politics as the underhanded business which almost half of the people in a recent national poll indicated they thought it was. Neither does he agree with the 69 percent who said they preferred that their children not enter political life. Like Elihu Root, he insists that "Politics is the practical exercise of self-government, and somebody must attend to it if we are to have self-government."

When Senator NEUBERGER was elected to the Senate in 1954, he set out on a program to try to improve public understanding of politics as a career. The staff job I hold this year, as the fourth intern in the post, is part of that program designed to interest and train young people in the necessary business of politics.

Toward the end of the 1st session of the 85th Congress, I arrived in Washington to begin my on-the-job training. Washington was in the midst of its August heat wave, and the civil-rights debate was boiling. At once I learned that heat or no heat, the United States Senate does not believe in the 40-hour week. From 8:30 a. m. to 8 p. m. daily I was initiated into the inner workings of a Senate office.

Just as a Senator's work is varied, so are the tasks of the intern. Officially I work under the title of Research Assistant, and much of my time goes to finding hard-to-get facts. Vivid in my memory is a search for a 1939 letter from Albert Einstein to Franklin Roosevelt. The Senator needed it almost at once, but not until midafternoon did I find it, set aside for the cornerstone of the new AEC building. Through a prompt Capitol messenger, a copy of the nearly entombed letter was handed the Senator minutes before he left to give the speech for which it was required.

Attending properly to constituents' mail is one of the larger jobs a Congressman faces, requiring many of his staff's working hours. It surprised me to discover that all mail is answered, not just important letters. The people who write cover a huge variety of subjects, requiring a Senator and his staff to be informed on virtually all contemporary topics—and on where to look for information on all others. In my 5 months on the staff I have sought for constituents information varying from data on the pathology of penguins to detailed maps of the Oregon Territory.

But factfinding and letterwriting do not keep the intern bound to his desk, for his work is geared so that he may observe the legislative process. Every other week I attend the Oregon delegation breakfast, where I sit side by side with two Senators and three Representatives in a closed-door discussion of legislative questions. It is hard to believe that a year ago I was a college student 3,000 miles away, reading of these same questions and these same people.

No study of Congress would be complete without including the third house—the lobby. Representing a Senator at a luncheon hosted by a leading road building firm or by a humane society cannot be duplicated as a public relations seminar.

My internship is less than half over, but already it has brought to life my 4 years of formal study in political science at Willamette University. I've been in politics. Yet I do not feel "dirty" or as though I've given up ideals. Instead, I have witnessed the complicated process which goes into a Senator's decisions. He must be realistic, yet to live with himself he must not lose sight of the basic philosophy he believes makes good government. I have been convinced that very many of our dedicated politicians succeed in this task.

Some new knowledge I never could have found in the classroom. The part a Congressman plays in the making of administrative decisions which affect his State was a revelation to me. I have also seen, I believe, a real need for a nonpartisan administrative officer from the State government to coordinate a Congressional delegation's efforts on behalf of the State. New observations have given me a genuine reason to begin formal graduate work.

The reactions of my predecessors have all been equally enthusiastic. Dick Judd, former Lewis and Clark College student and the first intern, is now on the staff of Senator WAYNE MORSE. Eric Voorsanger, a Reed College graduate, now works for Oregon's Bureau of Municipal Research. Larry Hobart, from the University of Oregon, is a graduate student at the University of Michigan. "The program has succeded in counteracting, in a small way, the assumption that politics is a dirty business, fit only for hacks," wrote Hobart after his year here.

Although the intern becomes an integral part of Senator NEUBERGER'S staff, he is not selected by the Senator. He is chosen by a committee consisting of Miss May Darling, member of the Oregon State Board of Education; J. W. Forrester, editor of the Pendleton East-Oregonian and a member of the Oregon State Board of Higher Education; Father David H. Fossleman, of the University of Portland faculty; and Dr. John M. Swarthout, head of the political science department of Oregon State College (and this year's CCH associate director). The committee has consulted Senator NEUBERGER only once, in regard to the eligibility of an Oregon nonresident who was attending an Oregon college. (The Senator's decision was that anyone who had the interest to go to college in Oregon certainly is eligible to work in his office.) Graduates in any field are eligible if they have informed interest in problems of government and public policy. Political affiliation is not a factor. Last year's intern, Larry Hobart, is a Republican.

Senator NEUBERGER augments his intern's finances by allowing him to live in the Neuberger apartment during the Congressional recess, while the Senator is in Oregon. Yet I find it ridiculous to speak of augmenting the salary for a position which, in itself, repays its holder many times over.

FUTURE SCIENTISTS

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed at this point in the RECORD Senate bill 3642, introduced by me on Monday, April 21, 1958, without a statement. I also ask unanimous consent to have a statement on the bill printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Is there objection?

There being no objection, the bill and statement were ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That, for the purposes of providing for the accelerated development of secondary school education in the natural sciences in the several States and Territories, there is hereby authorized to be appropriated beginning July 1, 1958, and annually thereafter, the sum of $75 million, such sum to be made available to the several State education agencies or legally constituted State boards of education, prorated on a basis of secondary school age population: *Provided*, That the several States and Territories shall be required to match by State or local funds, or both, 100 per centum of the appropriations authorized under the provisions of this act.

SEC. 2. The United States Commissioner of Education (hereinafter referred to as "the Commissioner"), in the Department of Health, Education, and Welfare, shall be responsible for such prorated distribution and for all other administrative obligations specified hereinunder.

SEC. 3. In pursuance of the purposes of this act the Commissioner shall work with and assist the several State boards or education agencies in the establishment of State plans applicable to the peculiarities of the individual States. Details of such State plans may be permitted to vary one from another and their final rejection or approval shall be left to the technical discretion of the Commissioner with the following exceptions: Each plan must—

(1) provide, in the estimate of the Commissioner, a comprehensive program for the stimulation of thought and basic instruction in one or all of these fields of scientific learning: mathematics, chemistry, biology, astronomy, meteorology, physics, geology;

(2) provide that moneys going to any individual school may be expended for instructional costs or laboratory and library equipment or both;

(3) provide that recipient schools shall not expend any funds authorized under this act for salaries where the instructor holds less than a master's degree from an accredited college or university in at least one of the following fields: mathematics, chemistry, biology, astronomy, meteorology, physics, geology;

(4) provide that recipient schools under any approved plan must be on the secondary level of junior or senior high schools.

SEC. 4. Appropriations made under authority of this act may be expended in beneficent or industrial type training programs: *Provided*, That (1) the industry or private association involved is contributing a minimum of 50 percent of the total costs of such program, and (2) in the judgment of the Commissioner, the program shall be in the interests of bona fide scientific training and not a device to utilize the services of scientific trainees for private profit.

SEC. 5. Funds authorized for appropriation under the terms of this act may, in addition to other specified purposes, be expended for scientifically orientated organizational activity. The Future Farmers of America clubs, operating partially through funds appropriated for the vocational agriculture program, may be used by the Commissioner as a criterion for the possible establishment of "Future Scientists of America" clubs. Such organizational activity will in all cases be under the sponsorship of the duly delegated instructor of science.

SEC. 6. In administering this act the Commissioner shall seek the technical assistance of the National Science Foundation and shall

closely coordinate his activities with that agency's already operative four-point program aimed at full development of the Nation's actual and potential scientific talent.

SEC. 7. Public Law 597 (84th Cong.) is amended to authorize the additional appropriation of $1 million for the specific purpose of adding scientific journals, books, and other papers to rural libraries where, in the judgment of the Commissioner, adequate factual sources are not now available to high school science students.

SEC. 8. The Secretary of the Treasury, through the Fiscal Service of the Treasury Department, shall, upon the certification of the United States Commissioner of Education, pay, in equal semiannual payments, on the 1st day of July and January each year, to the appropriately designated State education agency or State board the moneys to which each participating State or Territory is entitled under the provisions of this act.

SEC. 9. For the purpose of administering the provisions of this act there is hereby authorized to be appropriated to the Office of Education, Department of Health, Education, and Welfare, for scientific education, for the fiscal year beginning July 1, 1958, and annually thereafter, the sum of $350,000.

SEC. 10. Nothing contained in this act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direct supervision or control over the curriculum or program of instruction of any educational institution or over its administration or personnel.

STATEMENT BY SENATOR YARBOROUGH

I have not seen a program more productive of results than the FFA organization. There seems to me absolutely no reason why this same type of activity couldn't do for science education what it has done for agriculture education.

Our problem in America is clear cut. In short, it is the need for additional emphasis on science and technology without abandoning our traditional concepts of freedom of choice, individual initiative, due regard for the humanities, and educational opportunities for all youth.

Most of us who have had the advantage of coming from the rural communities have seen the FFA at work and have seen the boys working in inspired competition to raise livestock and other farm products. We have seen the boys and girls proudly exhibit their handiwork at fairs and special shows. Can't you visualize what a wonderful program could be built where youngsters interested in science could make their own studies and display their work and findings in a similar fair or science show? Nothing would stimulate the interest in science more.

The bill calls for appropriation of $75 million to be spent on a matching basis with States and schools for purchasing training equipment, employing teachers, and financing a future scientists of America organization.

Among those also appearing before the House committee to testify in support of the bill was Dr. John Mayor, executive secretary of the American Association for the Advancement of Science.

Mr. YARBOROUGH. Mr. President, the bill creates a Future Scientists of America program, somewhat similar to the Future Farmers of America program. It is patterned on the bill introduced by Representative WRIGHT, of Texas, in the House of Representatives.

Hearings have already been held by the House committee. Among those who appeared to sponsor the bill was Dr. John Mayor, executive secretary of the American Association for the Advancement of Science.

The bill provides for the purchasing of training equipment, employing teachers, and financing the Future Scientists of America organization.

The bill does not conflict with any scholarship or fellowship measure, because the organization will function wholly among the junior and senior high schools of the United States.

REORGANIZATION OF THE DEFENSE DEPARTMENT

Mr. SYMINGTON. Mr. President, a week ago, President Eisenhower sent his defense reorganization bill to the Congress.

One of the principal points he made in his covering message at that time was that the bill was essential because, as he said:

> The unprecedented costs of maintaining in peacetime a massive defense establishment demand the utmost economy and efficiency in all of its operations. Our goal must be maximum strength at minimum cost.

Today, however, the press reports that Secretary McElroy testified before the House Armed Services Committee as follows:

> Mr. McElroy abandoned the administration argument that an important reason for the program was to effect economies in the Pentagon. This was not a principal cause, he said.
>
> In fact, he said he was not sure whether any major economies would insue, except possibly through the creation of a director of research and engineering to oversee the military's various new-weapons programs.

I most certainly do not agree with Mr. McElroy's position, and do agree with that of the President.

If any bill is to be passed, it would seem advisable that the President and Mr. McElroy get their ducks in a row.

If the Secretary of Defense, either directly or indirectly, leaves any impression that a reorganization of the present obsolete structure of the Pentagon will not save the American taxpayer a great deal of money, he is wrong.

In addition, he is reducing the chances of passage of any significant reorganization bill, and that could not be more unfortunate—because reorganization is essential, not only to our prosperity, but also to our security.

SCHOOL CONSTRUCTION

Mr. PROXMIRE. Mr. President, one of the best articles on the crisis in school construction to appear in recent times was written by Mr. Roy E. Larsen, president of Time, Inc., for publication in the May 1955 issue of State Government. Mr. Larsen was chairman of the National Citizens Commission for the Public Schools.

In his article Mr. Larsen makes it plain that the property tax, the traditional mainstay of local school districts, is no longer adequate to meet the enormous needs for schools and teachers.

Mr. President, I ask unanimous consent that Mr. Larsen's article, entitled "What Is Being Done About the School Building Crisis?" be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT IS BEING DONE ABOUT THE SCHOOL BUILDING CRISIS?

(By Roy E. Larsen)

(Roy E. Larsen, chairman of the National Citizens Commission for the Public Schools and president of Time, Inc., deals in this article with one of America's most compelling problems—the state of our schools, particularly our school buildings, and the financial task of bringing them up to adequate standards. He recognizes the complexity of the problem and emphasizes its magnitude, but he is optimistic about its solution. The national economy, Mr. Larsen is certain, easily can afford the schools we need. He finds current grounds for encouragement in actions which numerous States and localities are taking to facilitate school construction. But our sights for education must be set high, he underlines, if our schools are to match the crucial requirements of the decade ahead.)

The proposals for aid to school construction pending before the 84th Congress are but the latest in a series of measures proposed as remedies for the classroom crisis.

The problem's complexity is indicated by the number and range of these proposals and the variety of opinion concerning them. Opinions differ not only on solutions to the problem, but indeed on the scope of the problem itself. That an accurate appraisal is difficult is shown by the March 29 testimony of Secretary Hobby and Commissioner Brownell (before the House Committee on Education and Labor), in which they concluded that new data from the States give a different picture of the needs from what was anticipated in earlier estimates.

Recommended approaches to the financing of needed school construction also embrace a wide range of possibilities and are supported by sharply differing bodies of opinion. On the one hand, advocates of direct Federal aid agree with the Senate report on S. 2601, 83d Congress, "that Federal aid of an emergency nature is essential to assist the States and localities to meet the emergency need for construction of school facilities."

At the opposite pole is a report by a subcommittee of the Commission on Intergovernmental Relations which stated, according to the New York Times (February 25): "We have been unable to find a State * * * which is economically unable to support an adequate school system."

Obviously, an accurate appraisal of the problem is the necessary preliminary to sound solutions. With this end in view, the school facilities survey was authorized by the 81st Congress and participated in by most of the States. Since no overall study had been made, such a step was essential. However, the various estimates of classroom needs that followed the survey have been subject to differing interpretations. This is true partly because the basic data could be variously interpreted within the different States: there are no absolute, universally accepted standards for judging school building needs.

Another difficulty lies in the definition of obsolescence. The age of today's schools figures largely in estimates of construction needs—almost a fourth are over 50 years old—but it is not easy to draw a sharp line between renovation and replacement.

All these considerations point to the need for more facts. A beginning has been made, not only by the Office of Education school facilities survey, but also by many of the States individually, in studies conducted by laymen and educators at the request of legislatures, governors, State education departments and other agencies. These developments and the high pitch of interest in the problem all around the country are

extremely encouraging. But many more facts must be uncovered and fitted together before the problem will be capable of sharp definition and sound long-range remedy. No aggregate figures can give a true indication of the need in a particular State or district.

Everyone agrees, however, that there will be not letup in the need for larger scale construction in many areas in the coming decade: enrollments have already reached the highest point in the Nation's history; over a million children will be added to the rolls every fall between now and 1960.

For all these reasons, the National Citizens Commission for the Public Schools has published a series of "working guide" booklets to help citizens assess and attack school problems in their own districts and States, and is working closely with the Committee for the White House Conference on Education. Called by President Eisenhower for November 28–December 1, this Conference is to be preceded by others in the States and Territories; a movement to give the national and State conferences a firm grassroots base through "town meeting" conferences in every community has gained momentum recently.

Subcommittees of the White House Conference Committee will consider six major areas, including educational goals, organization of school systems, school building and teacher needs, school finance, and continuing public interest in education.

It is expected that the recommendations and comments of these Subcommittees will help to guide the National Conference, which will report to the President after December 1. The Committee on Building Needs is headed by former Gov. William Preston Lane, Jr., of Maryland, with Prof. W. D. McClurkin, of George Peabody College for Teachers, and the National Council on Schoolhouse Construction, serving as consultant.

Also especially significant to the question of getting enough school buildings will be the reports of the Subcommittee on School System Organization, headed by State Commissioner H. Grant Vest, of Colorado, and Finance, chaired by Frank C. Moore, former Lieutenant Governor of New York, now president of the Government Affairs Foundation. Consultant for Mr. Moore's subcommittee is Dr. Edgar L. Morphet, of the University of California.

Within 6 months, then, some new answers to the questions involved in keeping pace with our classroom needs will undoubtedly begin to take shape from this pooling of expert and firsthand knowledge in the communities and States and in Washington. There is very reason to hope that sound long-range recommendations will emerge as a result. And through these conferences, as well as the increased interest in school problems developing on many fronts, the greatest obstacle to school improvement—public apathy—is being steadily overcome.

This augurs well for the future. Some time must elapse, presumably, before long-range plans can be set in motion. But recent reports give encouraging evidence of the progress already being made in many places. The deficit of school facilities, accumulated through nearly 20 years of depression and war, and aggravated by soaring enrollments, is being dented. Aware that a continuing deficit of classrooms could render all other educational questions hypothetical, the districts and States have stepped up their building programs and are finding new dollars to support them.

Overall capital outlay for schools in the United States has shown a steady rise from less than half a billion dollars in 1947–48 to $2 billion in 1954. According to Commissioner Brownell's latest estimates, classrooms are being built at the rate of 60,000 a year—enough to keep up with new needs created by newly enrolled pupils, but not enough to meet all the backlog needs caused by obsolescence.

Experts in school finance point out, however, that the tax structure and the uneven distribution of wealth in the United States pose major problems for State and local governments, presenting obstacles in some cases to much-needed school construction programs. They point out, too, that our methods of paying the educational bill have not kept pace with our demands on the schools, or with rising costs.

The property tax, for example, has in the past been our main source of all school revenue. It is still the basis for bond issues which pay the cost of most school construction. The experts point out, however, that two inherent weaknesses in this method are making it increasingly difficult for communities to get the money for needed school construction. Not only may taxes based on unrealistic assessments create many inequities, but legal limitations on bonded indebtedness tie the hands of some districts even when the people are willing to pay higher taxes for schools.

Moreover, the experts say, the logic of relying on property taxes to pay school costs has all but disappeared. In the last 50 years, the economy has changed from one largely based on the value of property to one which measures its wealth in terms of income created by manufacturing.

Taking 1939 values as 100, for instance, Cyril Sargent of the Harvard School of Education points out that the tax base of real property rose only to 110 by 1953, but that the nationwide value of new construction of all kinds had risen by 1949 to 385, personal income by 1953 to 380, and corporation income after taxes in one State (New York to 450.

To look at it another way, since 1929 our localities have increased their tax take, primarily from real estate, 65 percent—1.6 times the local taxes of 1929. Meanwhile, the States have increased their taxes 511 percent—6 times States taxes of 1929, and Federal taxes have increased 1,581 percent—16.8 times. Real estate is the last area to reflect a dynamic period of expansion.

On the other hand, public resistance to taxation at all levels is stiffening. This is not surprising in view of the way costs for governmental services of all kinds have skyrocketed. During the first half of the 20th century, annual municipal expenditures in the United States rose from $830 million to $12.4 billion, State costs went from $179 million to $11.8 billion, and services through Federal agencies jumped from $470 million to $73.9 billion.

Many government officials and other citizens believe we should not only draw the line at further taxes, but find ways to lower them all along the line. School taxes, where voters usually exercise direct control, are a special target.

A typical dilemma facing school boards and legislatures was encountered recently by a newly elected board member in Colorado. He was approached by a solid citizen who said, "Now, Joe, there are two things I want you to do, in this order. First, I think you should see that our teachers get more money—and then, I want you to lower taxes."

Yet school costs are certain to rise. Not only will there be more children in school during the next decade than ever before, but they will represent a steadily rising proportion of the population. (Present birth figures and Bureau of the Census projections indicate that most likely the number of school-age children in 1965 will exceed 48 million—25 percent of the expected total population of 190 million.)

Looking at all these factors, some people have begun to believe that we can't afford to pay the bill. But leading economists say that, despite all seeming evidence to the contrary, this is far from the case. Our wealth is growing even faster than the population. Disposable income and discretionary spending power, in constant dollars, are far greater for the average American than they have ever been before. There is, in fact, a tremendous margin of luxury in our Nation today.

A recent report of the National Citizens Commission for the Public Schools (Financing Public Education in the Decade Ahead, December 1954) concludes that the question is not one of means but of policy and method—of determining how to channel a small part of our increasing resources into education.

As against the current annual budget of some $10 billion for all school systems, the commission's study finds that the projected cost for the same standard of education in 1965 would be some $14 billion. But assuming that present standards, including teachers' salaries, were to be raised across the Nation in the next 10 years, at least to the present level of our best State school systems, the annual cost would be closer to $20 billion, or double today's cost.

According to our leading economists' projections of the national economy, the gross national product may be expected to go well over $500 billion by 1965. The commission's report assumes a minimum figure of $525 billion, as against $365 billion in 1953. An additional school bill of $5 billion to $10 billion would be but 3 to 6 percent of this increase in our national wealth. The highest in the projected range of probable school costs—$20 billion for 1965—would require but 3.6 percent of the gross national product as against 2.4 percent in 1954.

These estimates provide a yardstick for measuring our ability to pay increased educational costs. We do, in short, have the money to pay for more facilities and services, but under existing methods not enough of it is available to school boards. The commission's report on the decade ahead suggests that there is need for forthright reexamination of our traditional policies of financing public education.

Moreover, the recommendations of the Commission on Intergovernmental Relations, scheduled to be submitted to President Eisenhower on June 30, may be expected to suggest some departures from traditional ways of finding school dollars.

Programs already under way in some States illustrate the kinds of questions that must be considered in attempting to channel new money toward school construction.

At least 25 States give some form of financial help for school construction to local districts. (The average percentage breakdown of the total school dollar last year was: 2 percent from the Federal Government, 61 percent local, and 37 percent from the States. Individual State support ranged from 5 percent or less in 2 States to 89 percent in 1.) Some State aid programs for school construction have long been in operation. Some have been devised recently to find new and relatively painless dollars. Several offer interesting possibilities for adaptation by other States.

Florida is one example. In 1953 the State decided to channel money from motor vehicle licenses to new school buildings. (Grants-in-aid are distributed to the counties on a population basis.) Since the tax was not a new one and the license fee did not go up, the plan brought none of the pain usually associated with finding new sources of revenue.

Four States are using school building authorities. Pennsylvania uses the proceeds from authority bonds to build schools for local districts on lease-purchase agreements. With the help of appropriations from the State's general fund, districts pay rent to repay the cost in full within a period not to exceed 40 years. The districts also assume the costs of operation, maintenance and insurance.

Georgia's authority uses sales tax proceeds to finance schools approved by the State department of education on land deeded to the authority by the local system. The authority then pays each local board enough money to pay the rent. (The local district takes title to the school at the end of 20 years.)

Indiana and Maine also have State school building authorities. South Carolina has a slightly different plan: A 3 percent State sales tax is earmarked for school construction, with the State contributing 75 percent of the cost and the local community the rest.

Proponents of the authority idea point out that the establishment of an authority in each State would enable thousands of schools to be built as needed, where otherwise they might not be constructed for many years. They say that by being able to develop far better credit ratings than most local districts, authorities could obtain favorable interest rates, and that they could allow the reduction of total budget charges by extending amortization over the useful life of school buildings.

Opponents raise various objections. They say that authorities are an undesirable device to circumvent legal debt limitations—that they may encourage irresponsible and, in some cases, expensive borrowing. Some opponents point out that independent authorities may cause jurisdictional difficulties; some say that, as noneducational agencies, they may have too much control over educational facilities. Others suggest that poorer districts would have to depend on State aid to pay rent to the authorities.

Some opponents of State authorities suggest the greater use of consolidated school bond issues. They point, for example, to the Florida plan, which in effect guarantees that part of the amortization of school district bonds will be available from State funds. (Consolidated issues are also opposed by some, on the ground that they use up a part of the State's debt-incurring ability.)

The Massachusetts School Building Commission uses money from the State's general-tax fund to help local boards pay off their bonded indebtedness. The amount paid to each district varies according to the general income in that area and ranges from 30 to 60 percent of the total amortization and interest costs.

Maryland enables its counties to cut construction costs by taking advantage of the State's better credit rating. The State lends money from single-appropriation bond issue revenue to each county at the bargain interest rate of 1½ percent.

(More and more, economy-minded people are pointing out the savings that can accrue to any State or district which takes the time and trouble to assure a favorable interest rate on its school bond issues. Boards of education in political subdivisions with unknown credit ratings need technical assistance in publicizing their economic assets when they put a bond issue up for bids. To this end, the State Taxpayers Association of Wyoming is enlisting the aid of investment firms in the preparation of a brochure to help school boards provide adequate information to bond houses.)

Very recent legislation in several States is making more dollars available for the schools. In Wyoming, for example, following the recommendations of a legislative interim committee which enlisted citizen help in a 2-year study, the 1955 legislature enacted a new system of State aid which will guarantee $5,500 to every classroom unit. The legislature also made available a large portion of government royalties which formerly went into the permanent school funds, and made it possible for school districts to exceed statutory millage limits by approval of the taxpayers. A constitutional amendment, increasing local bond debt limits from 6 to 10 percent, was approved by the people of Wyoming last November and becomes effective this month.

In Idaho, too, the last legislature provided for the increase of reorganized school districts' bonding capacity.

Montana school districts currently have a substantial reservoir of unused bonding capacity. However, in anticipation of future needs, the 1955 legislature authorized an extensive program for the reclassification and reappraisal of all taxable real property and improvements in the State. This program, designed to secure uniformity in assessments, must be completed by the county commissioners not more than 5 years after the effective date of the act.

In Colorado, an interim committee of the legislative council is scheduled to complete a study of Colorado's public education financing problem for review by the general assembly in 1956.

All these developments at the State and local level indicate that we can, when it is necessary, find new and better ways to pay for our schools.

However, State leaders point to the fact that other major services provided by State governments, in the fields of health, hospitals, highways, and welfare, are in the same financial position as the schools. (Within the past 8 years the States have practically doubled their expenditures, to an estimated $15 billion in 1954, and still have not caught up with the needs.) They urge the thoughtful reexamination of current practices in raising and distributing money for all State services.

Governor Stevenson once suggested that if we had committed fewer States' wrongs we'd have less occasion to talk about the problem of States' rights. Certainly there can be no State or local right without responsibility. The reminder came recently from Herbert Emmerich, director of Public Administration Clearing House, that the basis to any solution of the problems of the schools is public confidence in the schools and the school systems. He urged the encouragement of a new attitude to remove the separatism and antagonism that sometimes exist between schools and other municipal services, and recommended the evolvement of orderly long-term plans for school support.

It is tremendously encouraging that so many States are moving in this direction. The many fresh approaches to matters too long determined by old policies indicate that we can now hope to catch up with the deficit imposed by neglect and unprecedented expansion. This is the first step that must be taken if we are ultimately to meet the higher standards the times so urgently require.

Thomas Jefferson's words, "If a nation expects to be ignorant and free in a state of civilization, it expects what never was and never will be," were never more true than they are in the totally new age of thermonuclear weapons.

The times require what Walter Lippmann calls a breakthrough to an entirely new level of educational support. We have to make a breakthrough to a radically higher and broader conception of what is needed, if our schools are to be adequate for the crucial decade ahead. But with the kind of wider, more daring leadership and citizen responsibility now making itself felt at all levels of government, there is every reason to hope and believe the job can be done.

ERNEST NORRIS

Mr. HILL. Mr. President, the Nation lost one of its foremost industrial statesmen yesterday in the death of Ernest E. Norris, who for many years was president of the Southern Railway. Mr. Norris was not only a great railroad executive, but he was a master builder. He contributed mightily to the remarkable industrial development of the South we have witnessed in recent years, and he served the entire Nation with fine courage, vision, and patriotism. He was truly a great American.

I ask unanimous consent to have printed at this point in the RECORD an article concerning Mr. Norris which appeared in the Washington Post and Times Herald of this morning.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ERNEST NORRIS, INDUSTRIALIST

(By Andrew D. Kopkind)

Ernest Eden Norris, 76, a self-made American industrial giant who once headed the Southern Railway, was found dead yesterday in his apartment at the Metropolitan Club, 17th and H Streets NW.

Death was apparently caused by a heart attack. Mr. Norris' body was found in his bed by a club valet.

Acknowledged to be one of the foremost industrialists in the Nation, Mr. Norris worked his way up to the presidency of the Southern Railway in 1937, nearly 40 years after his first job as railroad telegrapher.

Born in Hoopeston, Ill., Mr. Norris used to watch the "iron horse" steaming through his town. He quickly mastered the Morse code, joined the telegraph agency, and then went to Chicago as a dispatcher. He joined Southern in 1904 as trainmaster at Norfolk, Va., and served in several operative and executive positions in the system. He retired in 1951.

WARTIME RAIL CZAR

Mr. Norris, under an Army colonel's commission during World War II, commanded the railroads in Mid-Atlantic States after President Roosevelt seized all carriers to aid the war effort.

Again in 1948 and 1950 he assumed military control of the railroads following Federal seizures in labor disputes.

As Southern's president, Mr. Norris became increasingly involved in national policy-making. President Roosevelt appointed him to a six-man committee in 1938 to frame legislative recommendations for the transportation system, at a time when railroads were buckling under economic pressures.

When war production sent railroad receipts soaring, Mr. Norris still maintained his renowned conservative business sense by building up Southern stock. He determined to accumulate a backlog of funds to carry us through the next depression, as he said in 1942. At the time, Southern had not declared a dividend in 12 years.

NO. 1 SALESMAN

Known as the South's number one salesman, he was honored by two southern universities with honorary degrees: Davidson College, in North Carolina, and the University of Tennessee. In 1947 he was selected one of the "Fifty Foremost Business Leaders" in the United States in a business magazine poll.

In the great tradition, Mr. Norris was, alternately, a hardboiled and sentimental tycoon. He often toured Southern's 8,000 miles of track in his private car, stopping along the line to chat with road workers. Although he spent most of his time office-bound, he once said he'd rather be out on the road, meeting people.

In December 1940, Mr. Norris was injured severely in a train wreck on his own railway, near Atlanta. He was trapped underneath an overturned car, but rejected efforts to rescue him, saying: "Get the passengers out, I'm not hurt badly."

PRAISED BY GROSVENOR

Mr. Norris was a life trustee of the National Geographic Society, whose president and edi-

tor, Melville Bell Grosvenor, yesterday called his death "a personal sorrow to me and to the other officers and trustees."

He was also a director of Southern, a director of the Metropolitan Life Insurance Co., and an honorary director of the Riggs National Bank of Washington.

He is survived by his wife, Kathryn C. Norris, of 2204 Wyoming Avenue NW.; 2 sons, Frank C. Norris of Verbank, N. Y., and Ernest E. Norris Jr., of New York City; 2 sisters, Mrs. Walter Rodman, of Hoopeston, and Mrs. Herbert Lakin, of Chicago; and 4 grandchildren.

Funeral services will be held at 2:30 p. m. today at Gawler's funeral home, 1756 Pennsylvania Avenue NW., with interment Saturday in Hoopeston. The family requests that, in lieu of flowers, contributions be sent to the Boys Club of Greater Washington, 3265 S Street NW.

OREGON WITHDRAWS LEGAL ACTION FOR FOREST HIGHWAY FUNDS

Mr. NEUBERGER. Mr. President, when the Department of Commerce late last year announced a new formula for the allocation of forest highway funds to be expended in the different States—a formula based 75 percent on area and 25 percent on value of Federal forest lands in the State instead of the 50–50 basis of these factors which had prevailed uninterruptedly throughout the 35-year history of the forest highway program—the State of Oregon initiated a legal action in the United States district court here in Washington to preserve its interests under the old formula. Because of the great increase in the value of the national forests that has taken place in modern times, and which was reported to the Secretary of Commerce by the Secretary of Agriculture, Oregon stood to have a greater share of Federal forest highway construction under the historic 50–50 formula than under the Department's new substitute formula, which reduced the weight given to forest values to one-third of the weight given to area. Oregon is, of course, the State with the most valuable commercial timber production in our country.

Oregon's legal claim was presented by the State's able and experienced attorney general, Mr. Robert Y. Thornton, with the assistance of local counsel. The Representative of Oregon's Fourth Congressional District—the citadel of our great lumber industry—Representative CHARLES O. PORTER, who is himself an experienced lawyer, also took an active and continuing interest in preserving Oregon's take in the preexisting formula.

Oregon's claim was based on the long-standing Congressional acquiescence in and reaffirmance of the original 50–50 formula of area and value, in expending funds for Federal forest highways, and also on the failure of the Department of Commerce to afford the State and other interested parties any notice or opportunity for submitting views before changing that formula.

While Oregon was preparing this claim, of course, it was known that the Congress was working on highway legislation which would also include provisions on forest highways. That legislation passed the Congress on April 3. It was signed into law by President Eisenhower on April 16.

I have been informed that yesterday, April 23, Oregon and the defending Federal agencies have stipulated the dismissal of the legal action, without prejudice or costs. The new Federal-Aid Highway Act of 1958—on which I was privileged to work as a member of the Subcommittee on Roads—provides substantial increases in overall forest highway authorizations as well as for the very important timber access roads. I participated in those increases. It also determines the formula for forest highway allocation during the coming fiscal years, while a study is to be made to arrive at a new, up-to-date formula based on current conditions. Assuming that appropriations are made in accordance with the authorizations, Oregon's forest highway needs will be fairly provided for.

The function of the legal action, to preserve Oregon's legal interests during the pendency of this legislation, has been served. I believe the State's representatives are justified in the belief that they have now faithfully discharged their obligation to protect those legal interests and that the suit could and should now be withdrawn without prejudice. We trust that the appropriations corresponding to the great new authorizations will also be fully voted by Congress in due course.

In conclusion, Mr. President, I ask unanimous consent to have printed in the RECORD at this point the section of the conference report on the Federal-Aid Highway Act of 1958 that deals with the new forest highway authorizations.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

FEDERAL-AID HIGHWAY BILL OF 1958

SECTION 3. FOREST HIGHWAYS AND FOREST DEVELOPMENT ROADS AND TRAILS

(a) *Authorizations of appropriations*

Subsection (a) of section 3 of the Senate amendment authorizes appropriations for forest highways and for forest development roads and trails. It differs from the House bill in that it provides for the fiscal year ending June 30, 1959, an additional $10 million for forest highways. The House bill does not provide such an authorization. The proposed conference substitute would authorize an additional $5 million for forest highways for the fiscal year ending June 30, 1959. The Senate amendment provides $36 million for such highways for each of the fiscal years ending June 30, 1960, and June 30, 1961. The equivalent provision in the House bill is an authorization of $30 million for such highways for such fiscal years. The proposed conference substitute authorizes $33 million for such highways for such fiscal years. The Senate amendment provides for the fiscal year ending June 30, 1959, an additional authorization of $13 million for forest development roads and trails. The House bill does not provide such an authorization. The proposed conference substitute would authorize an additional $5 million for the fiscal year ending June 30, 1959, for forest development roads and trails. The Senate amendment authorized $34 million for such roads and trails for each of the fiscal years ending June 30, 1960, and June 30, 1961. In connection with the Senate amendment for forest development roads and trails, the Forest Service is requested to give due cognizance to the need to provide all-weather roads to recreational areas under Federal jurisdiction. The House bill provides $28,500,000 for such roads and trails for such fiscal years. The proposed conference substitute provides $30 million. The Senate amendment provides that with respect to any proposed construction or reconstruction of a timber-access road advisory public hearings "may" be held. The House bill with respect to such proposed timber-access roads provides that advisory hearings "shall" be held. The proposed conference substitute adopts the language of the Senate amendment.

Section 3 of the Senate amendment also provides that in apportioning the funds for forest highways authorized under this section for fiscal years ending June 30, 1959, 1960, and 1961, the same percentage shall be apportioned to each State, Alaska, and Puerto Rico as was apportioned from the funds authorized for forest highways for the fiscal year ending June 30, 1958. The House bill provides that the apportionment for forest highways for fiscal years ending June 3, 1960, and June 30, 1961, shall be in accordance with the provisions of section 3 of the Federal-Aid Highway Act of 1950.

The proposed conference substitute, except for technical changes, is the same as the Senate amendment.

* * * * *

(b) *Forest highways*

Subsection (b) of section 3 of the Senate amendment requires the Secretary of Commerce to make a study in cooperation with the appropriate officers of each State containing a national forest, the Commonwealth of Puerto Rico, and the Territory of Alaska, to determine forest roads of primary importance, including those within, adjoining, or adjacent to national forests, which have not been designated as forest highways, together with the amounts necessary for survey, construction, reconstruction, and maintenance for 10 fiscal years beginning with the fiscal year commencing July 1, 1961, and the method by which such amounts should be apportioned for expenditure and requires a report to be made to the President and Congress on or before January 1, 1960. The House bill contains no comparable provision.

The conference substitute is the same as the Senate amendment, except for certain technical amendments, the principal one being to include the Secretary of Agriculture in the group to cooperate with the Secretary of Commerce in making the study, recommendations, and report.

FEDERAL-STATE COOPERATION IN PROTECTING WELFARE AND PENSION FUNDS

Mr. WILEY. Mr. President, as we further consider the proposed legislation before us, I express my strong support of its meritorious objectives of protecting the welfare and pension funds of our Nation's workers.

Our workers, and the country, I believe, will benefit from the enactment of more effective laws in this field.

The proposed legislation itself, of course, needs to be carefully analyzed—as we are now doing—to see how and where it may be modified to make it more effective and to eliminate any unsatisfactory provisions.

In our discussions, analysis, and possible amendment of the bill, however, I hope that we will not go too far afield from the basic objectives of the measure. In other words, we must not become entangled in considerations which would jeopardize the ultimate approval of the bill.

Mr. President, I am pleased to point out that my own State of Wisconsin has already made a splendid pioneering effort to protect workers' funds through the enactment of "watchdog" laws. These statutes—now being put into action—have received strong support both from employers and the labor unions.

I am happy to report that the Wisconsin unions have, by and large, a fine, clean record. I do not want them, or any other honest labor group, tarnished with a smear brush. But neither do I want any dishonest minority, however small, to escape the spotlight.

The Wisconsin AFL–CIO is to be applauded for its support of the State legislation which would protect against any chance situation that might develop, which, of course, would be quickly and appropriately dealt with.

Under our State law, employer or employee groups who have 25 or more employees residing in the State of Wisconsin, or who contribute a minimum of $2,000 per year to a fund, must register with the Wisconsin Insurance Department. The number of funds registered under this act already exceeds 2,200. The Wisconsin law, similar to the basic proposed legislation we are considering today, requires an annual report of the funds. The purpose, of course, is to maintain surveillance of the handling of the funds so as to protect against embezzlement or other misuse.

As we consider the bill, and possible amendments, before us I believe that we should be extremely careful not to preempt the rights of States to carry on essential regulatory functions. By Federal-State cooperation, rather than Federal interference or the superseding of State laws, we will provide the best possible protection.

As an illustration of the comprehensiveness of the Wisconsin statute in its reporting procedures, I submit a sample of an annual report which will be required of each welfare and pension plan.

I ask unanimous consent that the text of the report be printed at this point in the RECORD.

There being no objection, the text of the report was ordered to be printed in the RECORD, as follows:

EMPLOYEE WELFARE FUNDS—ANNUAL REPORT OF THE

Name of fund

Address: Number Street Zone City State

Filed with the commissioner of insurance pursuant to S. 211.10 of the laws of Wisconsin.

For fiscal year ended ----------, 1957.
month day

ASSETS

1. Cash	$	------
2. Investments		------
3. Contributions due from employers and employee-members		------
4. Other assets:		
5. ----------		------
6. ----------		------
7. Total		------

LIABILITIES AND UNASSIGNED FUNDS

8. Reserves for benefits	$	------
9. Other amounts set aside for payment of benefits		------
10. Participants' equity		------
11. Other liabilities:		
12. ----------	$	------
13. ----------		------
14. Unassigned funds		------
15. Total		------

SUMMARY OF OPERATIONS

Increases in assets:	
1. Contributions from employers and employee-members	------
2. Dividends, interest, and real estate net income	------
3. Profit on disposal of investments	------
4. Other increases	------
5. Total	------
Decreases in assets:	
6. Premiums and annuity considerations for insured benefits	------
7. Benefits directly provided to members	------
8. General expenses	------
9. Loss on disposal of investments	------
10. Other decreases	------
11. Total	------
12. Net increase or decrease (line 5 less line 11 above)	------
13. Add book value of assets at beginning of year	------
14. Book value of assets at end of year (per line 7 of page 1)	------

UNASSIGNED FUNDS ACCOUNT

15. Unassigned funds at beginning of year	------
16. Net increase or decrease (per line 12 above)	------
17. Net increase or decrease in reserves	------
18. Other charges or credits to unassigned funds:	
19. ----------	------
20. Unassigned funds at end of year (per line 14 of page 1)	------

State of ----------
County of ---------- } ss
State of ----------
County of ---------- } ss

----------and----------

Trustees of the fund, being duly sworn, each for himself deposes and says that this annual report is true to the best of his information, knowledge and belief.

Administrative trustee.

Subscribed and sworn to before me this ---------- day of ----------, 1958.

Notary Public.

Fiscal trustee.

Subscribed and sworn to before me this ---------- day of ----------, 1958.

Notary Public.

WISCONSIN EMPLOYEE WELFARE FUNDS

Instructions for completing annual report for calendar year 1957 or fiscal year ending in 1957. (NOTE.—Fiscal year is recommended for convenience in reconciling with the annual statement, which is required to be on that basis.)

GENERAL

Form: This is designed to provide spaces for the uninsured, the insured, the partially insured, and the self-insured funds. Spaces for which no figures are available must be marked "O," "none," or "not applicable."

Filing: An annual report must be filed by every fund which was required to register. Two copies of the report are to be executed; one to be returned to Commissioner of Insurance, Capitol, Madison 2, Wis., and one to be retained by the trustee. The latest filing date permitted by section 211.10 of the law is March 1, 1958.

Legibility: The form may be completed by hand in ink or by typewriter.

Signatures: The law requires a report verified by the oath of its trustee or at least 2 of them if there is more than 1 trustee. The definition of "trustee" is "who or which has overall management" of the fund. Where such overall management is vested in one individual, his signature as both administrative trustee and fiscal trustee will be acceptable. Where there is division of operational functions (even though the fiscal trustee merely acts as a custodian), the report must be signed by both the administrative trustee and the fiscal trustee.

ASSETS

Book values of assets may be used in the report if determined in accordance with recognized accounting principles. It is contemplated that the reported assets will reflect sound values. Assets should be reported net of encumbrances, reserves for depreciation, or special contingency reserves applicable to specific items.

Cash: This includes cash in office and on deposit, as shown on the books of the fund, less any uncollectible amounts due to shortages, deposits in closed banks, uncollectible checks included in the book account, or other comparable items.

Investments: This item is intended to include all assets such as real estate, mortgage loans, bonds, and stocks. A schedule giving a breakdown by general classifications may be attached, if desired.

Contributions due from employers and employee members: This figure should include only such items as have been determined in amount and are reasonably certain to be collected.

Other assets: Items entered under this heading should be listed separately and may include such accounts as premiums paid in advance to insurance companies, dividends or experience rating credits due from insurance companies, interest due and accrued, and personal property such as automobiles, office equipment, etc. A fund which maintains an asset account for the equity developed by payment of premiums to an insurance company may include the amount of this account under this heading. Where no such account is maintained for this equity, the amount recoverable from the insurance company on termination of the insurance contract as of the statement date may be entered.

LIABILITIES AND UNASSIGNED FUNDS

Reserves for benefits: Any mathematically calculated (actuarial) valuation of the cost of future death or retirement benefits should be entered under this heading. If not fully funded, only the funded amount is required to be shown. Self-insured funds will necessarily enter a figure here if a valuation is made. A fund which insures its liability for future benefits may elect to enter the calculated value of such benefits at this point and carry an offsetting item under "Other assets." A fund which insures only a part of the liability for benefits may follow the foregoing procedure as to the insured benefits and also have an entry under one or both of the two headings next following.

Other amounts set aside for payment of benefits: This heading provides for entry of a common pool from which benefits are payable, and in which there has been no assignment of specific amounts to the credit of the individual employee-members.

Participants' equity: This heading provides for situations wherein the entire amount is held for the individual accounts of the respective employee-members.

SUMMARY OF OPERATIONS

Contributions from employers and employee-members: If the accrual basis is used in completing this report, the amount of

contributions should be determined as follows:

Contributions actually received during the year	$-----
Add contributions due and unpaid as of end of current year (as reported at line 3, p. 1)	------
Less contributions due and unpaid as of end of previous year	------
Add contributions received in advance as of end of previous year	------
Less contributions received in advance as of end of current year (as reported at line 12 or 13, p. 1)	------
Net amount to be entered at line 1, page 2	------

Interest, dividends, and real estate net income: The amount paid for accrued interest on securities acquired during the year should be offset against the amount of interest otherwise reportable.

Profit or loss on disposal of investments: Enter gains and losses separately without offsetting one against the other except where they apply to the same bond issue, stock, property, etc. The profit or loss is the difference between the book value at date of sale and the consideration received.

Premiums and annuity considerations for insured benefits: If the accrual basis is used in completing this report, the amount of the payments should be determined as follows:

Amount actually paid during the year	$-----
Less amount paid in advance as of end of current year (as reported at line 5 or 6, p. 1)	------
Add amount paid in advance as of end of previous year	------
Add amount due and unpaid as of end of current year (as reported at line 12 or 13, p. 1)	------
Less amount due and unpaid as of end of previous year	------
Net amount entered at line 6, page 2	------

UNASSIGNED FUNDS ACCOUNT

Many uninsured employee welfare funds will not show any figures in this account as their surplus, if any, will be absorbed in the account "other amounts set aside for payment of benefits," or the account "participants' equity." An employee welfare fund which has a mathematical calculation of the cost of future benefits will normally develop a difference between total assets and total liabilities and therefore be expected to reflect the changes in the unassigned funds in this account.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

EMPLOYEE WELFARE AND PENSION BENEFIT PLANS

Mr. MALONE obtained the floor.

Mr. JOHNSON of Texas and Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Does the Senator yield; and, if so, to whom?

Mr. MALONE. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate resume the consideration of the pending business.

There being no objection, the Senate resumed the consideration of the bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans.

Mr. ALLOTT and Mr. KENNEDY addressed the Chair.

Mr. MALONE. I promised to yield to the distinguished Senator from Colorado.

The PRESIDING OFFICER. Does the Senator from Nevada yield; and, if so, to whom?

Mr. MALONE. I yield to the Senator from Colorado.

Mr. ALLOTT. The Senator from Nevada was going to yield to me for the purpose of taking action on certain committee amendments. I ask the Senator from Nevada if he will show the distinguished chairman of the subcommittee the same courtesy as to the disposing of the amendments. I think we can do that in a moment.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. MALONE. I yield to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Nevada yields to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I ask unanimous consent, without the Senator from Nevada losing his right to the floor, that the committee amendments be agreed to en bloc.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts?

Mr. KNOWLAND. Mr. President, reserving the right to object—and I shall not object—may the unanimous consent be obtained under the customary order that the committee bill will then be considered a clean bill and can be treated de novo, so that we will not run into the problem of amendments in the second and third degrees.

Mr. KENNEDY. Mr. President, I ask unanimous consent that that be done.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts? The Chair hears none, and it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 15, after line 3, to insert:

"The trustee of such trust shall certify to the person or persons charged with or having responsibility for the overall management of the plan, within 90 days after the end of each calendar year (or, if the records of the plan are kept on a fiscal year basis, within 90 days after the end of each such fiscal year), the information necessary to enable such person or persons to comply with the requirements of this paragraph, and a copy of such certificate shall accompany such report. Except where such trustee is a bank or other institution the books or records of which are subject to examination by any agency of the Federal Government or the government of any State, such information shall also be certified to by an independent certified or licensed public accountant, based upon a comprehensive audit made on behalf of the participants and conducted in accordance with accepted standards of auditing."

On page 16, after line 17, to insert:

"(f) If the Secretary determines that any of the information required by this section to be included in reports filed hereunder, or in the registration statements required by the previous section, is uninformative or duplicative and could be eliminated without interfering with the carrying out of the objectives of this act, he may by regulation authorize the omission of such information from such reports or registration statements thereunder filed."

And, on page 30, at the beginning of line 6, to strike out "(d)" and insert "(b)."

DEPRESSED AREAS IN NEVADA

MINERALS, TITANIUM, BEEF, WOOL

Mr. MALONE. Mr. President, during the Easter recess the senior Senator from Nevada visited most of the depressed areas in his State.

These areas included Hawthorne, which is a munitions storage base for the Navy; Winnemucca in Humboldt County, where the mining has been closed down through imports of tungsten and manganese from cheap labor nations; Ely in White Pine County, one of the large copper-producing areas in the United States; Henderson, 10 miles south of Las Vegas, where about half of the titanium output for this Nation has been produced in recent years, the other half being produced in New Jersey by the Du Pont Co.; the Pioche and Caliente area, in Lincoln County, which was a large producer of lead, zinc, tungsten, and manganese, but now almost completely shut down on account of imports from cheap labor nations.

DEPRESSED AREAS OF OUR OWN MAKING

These areas, Mr. President, are depressed. Some of the industries are entirely closed down. Others, like Ely, Nev., have about 1,200 to 1,400 unemployed out of the 3,500 normal employment.

A recent further 20-percent cut has further aggravated the unemployment problem.

In Winnemucca, about 800 to 1,000 men are unemployed due to the closing of the tungsten mines generally, and as a result we are now importing tungsten from foreign nations, paying more per unit than the Malone-Aspinall Act of 1953, extended in 1956, paid the miners for the tungsten per unit mined in the United States.

HUNDREDS OF DEPRESSED AREAS

Mr. President, hundreds of areas in the United States are depressed at the present time due to the imports of cheap labor goods including textiles, crockery, machine tools, minerals, wool, beef, and hundreds of other products.

LET THE COPPER ACT AND THE TRADE AGREEMENTS ACT EXPIRE

Mr. President, we have been living under a free trade copper act, which expires on June 30, along with the 1934 Trade Agreements Act as extended to June 30, 1958. If these acts are not extended, then upon 6 months' notice to the nations with which bilateral trade agreements were negotiated by the State Department and upon 2 months' notice to the nations with which the multilateral trade agreements were negotiated by the 36 competitive foreign nations at Geneva, these trade agreements would expire. Then the American workingmen and investors are back in business. The American workingmen will then regain their jobs and the investors' property will regain its value.

MAJOR CAUSE OF PRESENT ECONOMIC DISTRESS IGNORED BY ADMINISTRATION AND CONGRESS

In this connection, Mr. President, the chief factor of unemployment and the

destruction of the value of investments in the United States has not been discussed either by the administration or by the Congress.

As a matter of fact, the Chief Executive has recommended a 5-year extension of the 1934 Trade Agreements Act with permission for the further reduction of duties or tariffs by 25 percent. The act has already been extended 10 times since 1934. The act was first passed for 3 years as an emergency measure. Mr. President, since 1933 we have lived on emergencies; two wars, and the preparations for war. We have never let the water settle. We have never let the Congress of the United States regain its constitutional responsibility to regulate foreign trade and the national economy as set down in the Constitution of the United States.

PRESENT POLICIES SUBJECT UNITED STATES TO ECONOMIC COLONIALISM

Mr. President, the United States is a greater economic colonial nation under the capitals of Europe today than it was before the Declaration of Independence in 1776, when we were actually in fact a colonial possession of Great Britain.

We were the first to break away from the system, Mr. President. There was a certain responsibility of those nations for their colonials, which was a system of controlling the trade of the subject provinces. However, we are now a volunteer economic colonial of the nations of old Europe—and they have no responsibility for our welfare at all.

FOR 145 YEARS CONGRESS USED POWERS TO GIVE AMERICANS WORLD'S HIGHEST LIVING STANDARD

Starting in 1789 with the first Tariff Act, and from that time forward until 1934, the Congress of the United States utilized article I, section 8 of the Constitution, under which it is specifically charged with the regulation of foreign trade through the adjustment of the duties, imposts, and excises which we now call tariffs.

Powers under this article and section were used for almost a century and a half to equalize the wages, taxes, and costs of doing business in this Nation and such costs in the chief competing nation on each product. Through that method we built the highest standard of living the world has ever known. Congress abdicated its constitutional powers over trade and tariffs in 1934 when it passed the Trade Agreements Act.

STUDY OF RECENT TRADE ACT HEARINGS URGED

The proposal to extend the act is now before the Ways and Means Committee of the House. That committee has closed its hearings. I appeared before the committee. The record of the hearings will be published in due time and will be available to Members of the Senate. I hope they will have an opportunity to study it. I hope that the proposed extension of the act will be killed in the House; and I think there is every likelihood that it may be. If it does come to the Senate, I urge Senators to study the effect of it, because all the legislation we may pass providing for special projects and artificial work will be of little avail if we continue that policy established by Congress under extreme emergency conditions in 1934.

MANY LAID-OFF NEVADA MINERS "GOING HUNGRY" WARNS UNION OFFICIAL

I have received a telegram from Thomas E. Jones, recording secretary of Local No. 233 of the International United Mine, Mill, and Smelter Workers, at Ely, Nev. The telegram is dated April 18th, and reads as follows:

ELY, NEV., *April 19, 1958.*

Senator GEORGE MALONE,
Washington, D. C.:

Kennecott Copper announced here yesterday that they are going to cut production 20 percent, thereby laying off 200 men in this locality alone. This is the fifth cut in manpower here in the past 5 months. More than 1,200 men here alone. This creates a serious problem of unemployment here. There is good possibility that Kennecott may close its operations here and elsewhere, thereby increasing the hardships that already exist. The purpose of this letter is to urge you to use all of the power at your command to get the Tariff Commission to get a higher tariff and import quotas on copper, lead, and zinc. Many people are going hungry while the Tariff Commission sits and argues what kind of a report to make.

Most sincerely yours,

THOMAS E. JONES,
Local 233, Recording Secretary, I. U. M. M. & S. W.

DRASTIC CUTBACKS IN WESTERN MINING INDUSTRY REPORTED

I have also received a telegram from President Mike Mariluch, of local 124, at Ruth, Nev. The mines are located near Ruth, Nev., and the smelter at McGill, Nev., about 10 miles distant; Ely being the business district between the two. Mr. Mariluch, in the telegram dated April 18, says:

ELY, NEV., *April 18, 1958.*

Senator GEORGE MALONE,
Senate Office Building,
Washington, D. C.:

For the 14th time in five months Kennecott is putting into effect a drastic curtailment in their western United States properties. At the same time their Chile operations have had no curtailments. We urge you to intensify your efforts to correct the situation.

President MIKE MARILUCH,
Local 124, Ruth, Nev.

UTAH LABOR OFFICIAL PROTESTS MASS LAY-OFFS

The following telegram was sent to the Senator from Montana [Mr. MURRAY], the Senator from Virginia [Mr. BYRD], the Senator from Texas [Mr. JOHNSON], and Representatives WILBUR MILLS, and SAM RAYBURN, by Verne Curtis, regional director of the Mine-Mill Workers Union, at Magna, Utah:

MAGNA, UTAH,
April 18, 1958.

Senator JAMES E. MURRAY.
Senator HARRY F. BYRD.
Senator LYNDON JOHNSON.
Congressman WILBUR MILLS.
Congressman SAM RAYBURN.

Kennecott Copper Corp. announced this morning another 20 percent reduction in production and manpower. This makes 4th major layoff in past 5 months affecting over 5,000 employees in company's western mining division. Kennecott continues full production in Chile without layoffs while laying off American workers.

The Utah unity council composed of mine-mill and 15 other AFL–CIO bargaining units representing 7,000 employees of Kennecott, Anaconda, and A. S. & R. mining companies unitedly urge and request you to intensify your efforts to pass legislation that will alleviate the nonferrous crisis.

VERNE CURTIS,
Regional Director, Mine-Mill.

The company's western mining division, to which reference is made, includes Utah and other areas where the Kennecott Co. is operating.

If the Senate will only sit still and not extend the 1934 Trade Agreements Act, it will expire on June 30; and then, with 2 months' notice to nations that are parties to multilateral trade agreements entered into at Geneva, and 6 months' notice to nations parties to bilateral trade agreements negotiated by our own State Department, regulation of flexible duties or tariffs will revert to the Tariff Commission, an agent of Congress, under statutory rates to be continually adjusted on the basis of fair and reasonable competition—and the American workingmen and investors are back in business competing for the American market.

The Tariff Act of 1930, in section 336, specifically provides that—

> The Commission is authorized to adopt such reasonable procedure and rules and regulations as it deems necessary to execute its functions under this section. The Commission shall report to the President the results of the investigation and its findings with respect to such differences in costs of production. If the Commission finds it shown by the investigation that the duties expressly fixed by statute do not equalize the differences in the costs of production of the domestic article and the like or similar foreign article when produced in the principal competing country, the Commission shall specify in its report such increases or decreases in rates of duty expressly fixed by statute (including any necessary change in classification) as it finds shown by the investigation to be necessary to equalize such differences.

The only limit on such equalization is that "in no case shall the total increase or decrease of such rates of duty exceed 50 percent of the rates expressly fixed by statute."

It is possible that because of interim inflation that such adjustment might not afford sufficient latitude. Chairman Martin of the Federal Reserve Board testified that the 1947 dollar is worth 47 cents. The 1934 dollar is probably worth about 35 cents. Because of inflation, the effective tariff rate might be lower.

If, for example, duty on a product were 5 cents a pound when the cost of production was 20 cents a pound the duty or tariff would be 25 percent—but if, through inflation, the price rose to 40 cents a pound, the duty, in terms of percentage, would be reduced by half, or 12½ percent.

In that event a simple amendment to the 1930 Tariff Act would provide the necessary latitude.

Mr. President, I ask unanimous consent to insert in the RECORD at this point two letters from the Tariff Commission Chairman dated January 29 and March 4, respectively, setting out exactly how the adjustment of the flexible duties or tariffs would revert to the Tariff Com-

mission, an agent of Congress, in the event the 1934 Trade Agreements Act was not renewed by this Congress.

There being no objection, the letters were ordered to be printed in the RECORD at this point:

UNITED STATES TARIFF COMMISSION.

The Honorable GEORGE W. MALONE,
United States Senate.

DEAR SENATOR MALONE: Reference is made to your telephone request to Mr. McCauley, of our legal staff, on January 28, 1958, for a statement of the provisions of the several trade agreements to which the United States is a contracting party governing termination of such agreements. You are particularly interested in the procedures available for terminating our outstanding trade-agreement concessions on petroleum and petroleum products so as to accomplish the reinstatement of the statutory rates of duty on such articles.

Subsection (b) of section 2 of the Trade Agreement Act of 1934, as amended, provides:

"Every foreign trade agreement concluded pursuant to this act shall be subject to termination, upon due notice to the foreign government concerned, at the end of not more than 3 years from the date on which the agreement comes into force, and, if not then terminated, shall be subject to termination thereafter upon not more than 6 months' notice."

All existing bilateral trade agreements to which the United States is a contracting party are now subject, in accordance with the terms thereof, to termination upon the expiration of 6 months after either the United States or the respective foreign country gives notice to the other party of its intention to terminate the agreement.

Any contracting party to the General Agreement on Tariffs and Trade (GATT) (including the United States), in accordance with the terms of the protocol of provisional application of the General Agreement on Tariffs and Trade, is free to withdraw from the agreement upon the expiration of 60 days after notice of such withdrawal is received by the Secretary-General of the United Nations.

The United States could, under the abovementioned procedures, eliminate all trade-agreement obligations. In these circumstances, the statutory rates of duty (or in certain instances, the rates established pursuant to section 336 of the Tariff Act of 1930) for the articles currently covered by trade-agreement concessions would become effective. With respect to those articles covered in the GATT and not previously or presently covered in a bilateral agreement, the reinstatement of the effectiveness of the statutory rates of duty thereon could be accomplished solely by withdrawal from the GATT. With respect to those articles covered in the GATT, which are also covered in a bilateral agreement between the United States and a foreign country that is now a contracting party to the GATT, and the bilateral agreement has not been terminated, termination of the bilateral agreement in question, in addition to withdrawal from GATT, would be necessary to bring about the effectiveness of the statutory rates. Finally, with respect to those articles covered only in a currently effective bilateral agreement, termination of the said agreement would be necessary for the reinstatement of the statutory rates of duty.

Petroleum, crude, fuel or refined, and all distillates obtained from petroleum, including kerosene, benzine, naphtha, gasoline, paraffin, and paraffin oil, not specially provided for, are free of duty under paragraph 1733 of the Tariff Act of 1930. However, under the Internal Revenue Code of 1932, as amended, the following import taxes (duties) were provided for: Crude petroleum, one-half cent per gallon; fuel oil derived from petroleum, gas oil derived from petroleum, and all liquid derivatives of crude petroleum, except lubricating oil and gasoline and other motor fuel, one-half cent per gallon; gasoline or other motor fuel 2½ cents per gallon; lubricating oil, 4 cents per gallon; paraffin and other petroleum wax products, 1 cent per pound. These taxes were continued in the Internal Revenue Code of 1939.

In 1939, pursuant to concessions granted by the United States in the bilateral trade agreement with Venezuela, the rate of tax on crude petroleum and fuel oil derived from petroleum was reduced to one-quarter cent per gallon, applicable to imports of such products which were not in excess of 5 percent of the total quantity of crude petroleum processed in continental United States refineries during the preceding calendar year. All imports in excess of this amount remained subject to the one-half cent per gallon tax.

In 1943, in a bilateral trade agreement with Mexico, the 5-percent-tariff-rate quota was superseded by a concession tax rate of one-fourth cent per gallon on an unlimited quantity of imports of such articles. In addition, the tax on kerosene and liquid petroleum asphaltum, including cutbacks, and road oil was reduced to one-fourth cent per gallon pursuant to the Mexican agreement.

In the GATT (Geneva 1957), a concession was made as follows:

"Topped crude petroleum, fuel oil derived from petroleum including fuel oil known as gas oil, and all-liquid derivatives of crude petroleum (except lubricating oil and such derivatives specified hereinafter in any item 3422 [of the Internal Revenue Code]) * * * one-fourth cent per gallon."

This GATT concession contains a proviso to the effect that in no event shall the import tax applicable to topped crude petroleum be less than the rate of tax applicable to crude petroleum.

The following rates of duty are also provided for in GATT: Mineral oil of medicinal grade, derived from petroleum, one-half cent per gallon, gasoline and other motor fuel, 1¼ cents per gallon; lubricating oil, 2 cents per gallon; and paraffin and other petroleum wax products, one-half cent per pound.

Effective January 1, 1951, the bilateral trade agreement with Mexico was terminated. This resulted in (a) the reinstatement of the concessions granted in the bilateral trade agreement with Venezuela, with particular emphasis on the reestablishment of the 5 percent of domestic refinery output tariff-rate quota, supra, and (b) the tariff-rate quota becoming applicable to topped crude petroleum, in accordance with the proviso to the GATT concession, supra. This joint Venezuela-GATT arrangement remained in effect until late 1952.

In 1952, the President entered into a trade agreement supplementary to the 1939 agreement with Venezuela. Pursuant to this agreement (effective October 1952), the tariff-rate quota on crude petroleum, fuel oil, gas oil, and topped crude petroleum was removed. In addition, the tax on these products testing under 25 degrees (American Petroleum Institute) was further reduced to one-eighth cent per gallon. Also, the following GATT rates were granted to Venezuela: Gasoline or other motor fuel, 1¼ cents per gallon; lubricating oil, 2 cents per gallon; and paraffin and other petroleum wax products, one-half cent per pound.

The Internal Revenue Code of 1954 reenacted the taxes originally established by the 1932 code, as amended, and continued in the 1939 code, but such reenactment specifically preserved existing trade agreement rates.

In order to accomplish the reinstatement of the statutory rates of duty on these petroleum products by the termination process (as distinguished from elimination of the particular concession by such negotiating procedures as may be available), it would be necessary for the United States to withdraw from the GATT and to terminate the bilateral agreement with Venezuela. It should be noted that the termination of trade agreements would not, in all instances, result in higher duties. The higher-than-statutory rates of duty which have been established pursuant to the trade agreements legislation (including those established under the escape-clause procedure), would be superseded by the lower statutory rates.

Sincerely yours,

EDGAR B. BROSSARD,
Chairman.

UNITED STATES TARIFF COMMISSION,
Washington, D. C., March 4, 1958.

The Honorable GEORGE W. MALONE,
United States Senate.

DEAR SENATOR MALONE: This is in response to your request this morning for an explanation of how the protocol of provisional application of the General Agreement on Tariffs and Trade permits the United States to withdraw from that agreement upon 60 days' notice.

The basic general agreement was signed at Geneva on October 30, 1947. Article XXXI of the general agreement provided that any contracting party may withdraw from the agreement on or after January 1, 1951, upon 6 months' notice. Article XXVI of the agreement provides for the definitive entry into force thereof under specified conditions. The agreement, however, has never entered definitely into force. However, it has been applied by the United States since January 1, 1948, pursuant to the protocol of provisional application of the General Agreement on Tariffs and Trade signed at Geneva, Switzerland, on October 30, 1947, the same date on which the general agreement itself was signed.

Paragraph 5 of the protocol of provisional application provides that "Any government applying this protocol shall be free to withdraw such application, and such withdrawal shall take effect upon expiration of 60 days from the day on which written notice of such withdrawal is received by the Secretary-General of the United Nations." Since the United States is one of the governments applying the protocol of provisional application, and since the general agreement is being applied by the United States in pursuance of the protocol, it follows that the United States, under paragraph 5 of the protocol, may withdraw the provisional application of the agreement upon the expiration of 60 days from the day on which written notice of such withdrawal is received by the Secretary-General of the United Nations. If the United States should withdraw the provisional application of the agreement pursuant to the protocol, it would automatically cease to apply the provisions of the general agreement because the agreement will not have entered into force pursuant to article XXXI of the general agreement.

Sincerely yours,

EDGAR B. BROSSARD,
Chairman.

SO-CALLED PERIL POINT OPERATION A FARCE

Mr. MALONE. Mr. President, in the Special Free Trade Copper Act the peril point was established at 24 cents. If the price went below 24 cents on the market the remaining tariff would apply. However, the 4-cent excise tax on tariff which had been established on copper in 1934, was cut through a negotiated bilateral trade agreement by our State Department to 2 cents. Then in 1955 they allowed the 5 percent per year cut. Now the tariff would be about 1.8 cents if the

price dropped below 24 cents per pound, which would have no effect whatever. Of course with the inflation the 4 cents would have no effect.

The matter of establishing the peril point on any product and allowing the tariff to go on and off in accordance with such peril point is a farce to start with, as the senior Senator from Nevada has stated on the floor many times over a period of 10 years. A competitive nation nullifies the so-called peril point by manipulating the price of its money in terms of the dollar, and the peril point disappears. Inflation takes care of it within a very short time in any case.

"PERIL POINT" A HOAX TO FOOL THE VICTIMS OF FREE IMPORTS

Everyone talks about inflation but there is really no intention of doing anything about it. A return to the gold standard is the only cure for inflation. The so-called peril point and escape clause are simply a method of deceiving the workingmen and investors affected by the free-trade method of importing unemployment.

Congress has played the string out fooling the people. There have been great increases in radio and television audiences and the people are more and more keeping their eyes on Congress. For a long time they could not believe that Congress would through its own action, undermine the economy of the Nation.

UNITED STATES CONSTITUTION HAD NO TRICK CLAUSES

Mr. President, let us return to the Constitution of the United States. There are no trick peril points or escape clauses in that document. Article I, section 8, provides that Congress shall regulate foreign trade through the adjustment of duties, imposts and excises that we call tariffs. The Tariff Commission was set up as an agent of Congress in the Tariff Act of 1930 from which I have just read the important excerpt showing the method of adjusting the flexible tariff to which we would revert.

TARIFF COMMISSION STRIPPED OF AUTHORITY BY 1934 TRADE ACT

The Tariff Commission now is just about as important as a second wheel on a wheelbarrow, since they have nothing whatever to do with the regulation of tariffs as an agent of Congress, since the passage of the 1934 Trade Agreements Act.

Mr. Dulles, in his testimony before the Senate Committee on Finance in 1955, when the act was extended for 3 years, said that the law is clear, and that under the 1934 Trade Agreements Act, as extended, the President of the United States has full authority to trade a part or all of any industry in the United States to foreign nations to further his foreign policy.

SINCE CREATION OF GATT UNITED STATES ONLY FREE IMPORT NATION

In 1948 the President set up GATT, the General Agreement on Tariffs and Trade, and in that founding document it is specified that as long as a foreign nation can show a shortage of dollar balance payments it need not live up to its part of any such trade agreement. Not one nation has lived up to the multilateral trade agreements with the United States. We are the only free trade nation on earth, and the only country needing duties or tariffs to protect our standard of living.

FREE IMPORT POLICY WRECKING NATION'S INDUSTRIES WHILE BILLIONS SPENT TO BUILD UP FOREIGN COMPETITORS

Copper was the chief subject of discussion because it is the latest industry to suffer in my State of Nevada and in Utah, Arizona, and Montana, the chief western copper States of the Nation. I shall insert in the RECORD a list of copper-producing States. However, this issue does not apply only to copper. It applies also to every mineral, every textile, every piece of crockery, every machine tool, and several hundred other products produced in the United States of America.

As a matter of fact, it is impossible to manufacture even monkey wrenches in the United States in competition with American capital, low-wage labor, our machinery and our know-how in foreign countries. More than $50 billion has been spent in foreign nations by American corporations and individuals for these competitive plants since World War II. Yet we hear a great deal of talk about our being able to compete with any foreign nation because of our know-how and our machinery. The foreign nations have our know-how and our machinery. Besides the $50 billion of private capital the taxpayers of America have advanced $70 billion since World War II to those nations and to those people to build the best plants in the world, to compete with our own labor and our own American investors.

LET TRADE ACT DIE JUNE 30 AND GATT, STATE DEPARTMENT POWERLESS TO DESTROY INDUSTRIES, JOBS

Therefore I say again that if the 1934 Trade Agreements Act and the Free Trade Copper Act be not renewed by Americans, workingmen and investors are back in business.

On the expiration of the present act, the Secretary of State will no longer be able to negotiate with a foreign nation for bilateral trade agreements and the 36 foreign competitive nations at Geneva will no longer be able to enter into any further multilateral trade agreements. Then when the formal 6 months' and 2 months' notice respectively has been served on those nations that are a party to such agreements the regulation of the tariff on those products will be adjusted by the Tariff Commission on the basis of fair and reasonable competition; the tariff representing the difference in cost between this Nation and the chief competitive nation on each product.

WORKINGMEN, INVESTORS BACK IN BUSINESS WHEN TRADE ACT ENDS

The whole subject will revert to the Tariff Commission, an agent of Congress, and the American workingmen and investors will be back in business and the chief factor in the so-called recession will have disappeared.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a record of imports, domestic production, exports, and net imports of copper from 1953 to 1957.

COPPER IMPORTS AND EXPORTS 1953–57

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Copper—Imports, domestic production, exports and net imports, 1953–57

[1,000 tons, metal content]

	Crude imports (1)	Blister imports (2)	Refined imports (3)	Total imports (4)	Domestic mine production (5)	Domestic secondary production (6)	Exports refined (7)	Net imports (4 minus 7) (8)
1953	120.9	273.6	274.8	669.3	926.4	212.7	109.5	559.8
1954	118.6	251.9	215.0	585.5	835.5	206.0	215.9	369.6
1955	125.7	253.7	201.6	581.0	998.6	240.6	199.8	381.2
1956	122.1	276.1	191.7	589.9	1,106.2	262.7	223.1	366.8
1957	124.8	301.2	161.9	587.9	1,076.9	237.2	346.0	241.9

NOTE.—Imports include ores, concentrates, matte, blister and refined copper.
Source: U. S. Bureau of Mines.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table showing United States copper mine production.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

United States copper mine production—Total imports and net imports (1,000 tons copper content) 1953–57

	Domestic mine production	Total imports	Net imports (imports minus refined exports)	Total imports as a percent of domestic mine production	Net imports as a percent of domestic mine production
1953	926.4	669.3	559.8	72.2	60.4
1954	835.5	585.5	369.6	70.1	44.2
1955	998.6	581.0	381.2	58.2	38.2
1956	1,106.2	589.9	366.8	53.3	33.2
1957	1,076.9	587.9	241.9	54.6	22.5
January	93.2	58.3	28.2	62.6	30.3
February	90.3	42.8	13.0	47.4	14.4
March	95.2	55.1	13.7	57.9	14.4
April	94.4	57.9	25.6	61.3	27.1
May	93.4	48.0	19.5	51.4	20.9

United States copper mine production—Total imports and net imports (1,000 tons copper content) 1953–57—Continued

	Domestic mine production	Total imports	Net imports (imports minus refined exports)	Total imports as a percent of domestic mine production	Net imports as a percent of domestic mine production
1957—Continued					
June	90.3	40.1	8.1	44.4	9.0
July	84.8	52.1	37.7	61.4	44.4
August	87.0	47.2	22.8	54.3	26.2
September	85.6	41.5	14.4	48.5	16.8
October	87.8	53.4	33.3	60.8	37.9
November	88.0	45.6	14.7	51.8	16.7
December	88.1	46.2	20.1	52.4	22.8

STATE AND REGIONAL BREAKDOWN OF UNITED STATES COPPER PRODUCTION

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a table showing the total mine production of recoverable copper in the United States in 1957 and in January 1958, by regions and States, in short tons.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 3.—*Mine production of recoverable copper in 1957 and in January 1958, by regions and States, in short tons*

Region and State	January–December 1957 [1]	January 1958
States east of the Mississippi:		
Michigan	58,750	5,600
Pennsylvania and North Carolina	7,291	814
Tennessee	9,940	876
Vermont	3,388	325
Total	79,369	7,615
Missouri	1,800	164
Western States:		
Arizona	512,600	46,100
California	830	60
Colorado	5,200	360
Idaho	7,555	650
Montana	90,896	7,530
Nevada	77,700	6,000
New Mexico	65,500	4,300
Oregon	8	
Utah	233,800	18,000
Washington	1,660	3
Wyoming	4	
	995,753	83,003
Alaska [2]		
Total, United States	1,076,922	90,782
Daily average [3]	2,950	2,928

[1] Compiled from monthly copper mine production reports.
[2] Alaska monthly totals based on smelter receipts.
[3] Based on number of days in the month without adjustment for Sundays or holidays.

THE VANISHING COPPER TARIFF; THE RECORD SINCE 1932

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a statement showing the tariff on copper from 1932 to the present time.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TARIFF ON COPPER

1932: 4 cents imposed originally.
1932–40: 4 cents.
1940–47: Suspended.
April 1947-March 1949: Suspended by Congress.
March 16, 1949: Reduced to 2 cents under GATT.
April 1949–June 30, 1950: Suspended.
July 1950–July 1951: 2 cents, suspended.
April 1, 1951: Peril point of 24 cents imposed for first time.
April 1, 1951–February 15, 1953: Suspended.
June 1956: Sliding scale, a total of 15 percent—5 percent per year—under GATT reduced but not used since did not drop to 24 cents. 1958, 1.8 cents would be imposed when below 24 cents for 30 days.

On May 30, 1942, the President suspended the duty on copper by Executive Order 9177. (The duty at that time was 4 cents per pound.)

On April 29, 1947, Public Law 42 of the 80th Congress suspended the duty on copper to March 31, 1949.

But, GATT, meeting at Geneva reduced the statutory tariff on copper from 4 cents to 2 cents under the agreement which became effective January 1, 1948, in effect only reducing the tariff suspended first by Presidential Executive Order and second by the Congress.

Further GATT reductions have reduced the rate to 1.8 at present and the rate under GATT decree will drop to 1.7 June 30, 1958, if the Trade Agreements Act is extended.

IMPORTS OF COPPER FROM EACH FOREIGN COUNTRY LISTED

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table showing the countries from which copper imported into the United States originates.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Countries in which copper imported into the United States originates

[Figures include copper content of ore, matte, regulus, blister copper, refined cathodes and shapes, for 1956 and 1957—From data compiled by American Bureau of Metal Statistics]

[In tons]

	1956	1957
From—		
Canada	119,293	116,613
Mexico	52,390	47,644
Cuba	15,394	16,849
Bolivia	4,500	4,463
Chile	236,515	236,019
Peru	42,841	41,628
Cyprus	6,945	8,937
Philippines	10,911	13,065
Union of South Africa	21,291	18,823
Australia	18,459	15,075
Belgian Congo	12,764	10,221
Rhodesia	27,318	44,782
Turkey	5,586	3,495
West Germany	2,738	2,545
Norway	5,969	
United Kingdom	3,348	2,413
All other countries	6,308	6,388
Total imports	590,004	587,863

Following is a list of the countries from which the United States imports copper in various forms. They are given in order of quantities and include all countries from which the United States gets over 10,000 tons annually:

1. Chile.
2. Canada.
3. Mexico.
4. Rhodesia.
5. Peru.
6. Union of South Africa.
7. Cuba.
8. Australia.
9. Philippines.
10. Belgian Congo.

Following is a list of the countries to which the United States exports processed and refined copper. They are given in order of quantities taken and include all countries to which the United States sends over 10,000 tons annually:

1. United Kingdom.
2. France.
3. Germany.
4. Japan.
5. Italy.
6. Switzerland.

Note that there are no countries that are on both the import and export list.

The data on pages 34a, 34b, and 35a show clearly that the bulk of the imports of copper sent to the United States for smelting and refining does not go back primarily as exports to the same country.

The excess of crude and refined copper imports into the United States over copper exports from the United States amounted to an annual average of 381,000 tons over the last 7 years (1951–57).

AFRICAN COPPER PRODUCERS

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a memorandum showing information on African copper producers.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

Memorandum—Information on African Copper Producers—July 12, 1957

	Reserves (short tons)	Grade, percent Cu	Total cost (cents)
N'Changa	150,603,000	4.72	18.0
Mulfulira	133,102,200	3.35	20.0
Rhokana	122,853,200	3.14	22.0
Roan Antelope	89,287,000	3.14	21.0
Chibuluma (new mine)	7,300,000	5.23	20.0
Tsumeb (proven only) (also large producers of cobalt)	1,988,000	5.31	
O'Okiep (also large producers of lead and zinc	19,070,000	2.46	

The costs given are total costs for 1958. It is not possible to segregate labor only.
All mineral production in the Belgian Congo is controlled by Union Miniere du Haut Katanga. No information on reserves or grade of ores is available.
Metal Statistics 1957 gives 259,158 short tons copper production for 1955. This would be the company production and not from a single mine. The company is also the world's largest cobalt producer.
Metal Statistics gives 18,886,808 pounds for 1955. In addition the company produces a wide range of metals including silver, zinc, cadmium, uranium, and manganese.

COPPER PRICE FLUCTUATION SINCE 1949

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table showing the price range on copper from 1949 to 1958.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Copper—price range

	Cents
June 1949	16.34
March 1956	46.72
December 1957	26.32
April 1958	24.87

TARIFF

1930: Rate-free.

January 1, 1945: Free, plus 4-cent Internal Revenue Code tax.

1948: Duty reduced to 2.0 cents.

January 1, 1958: 1.8 cents (now suspended).

If Trade Agreement Act is extended in June 1958, the rate would be 1.7 cents.

WORLD COPPER RESERVES AND AMERICAN OWNERSHIP GIVEN

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks tables showing the ownership of world reserves, American ownership abroad, and other pertinent information.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

UNITED STATES CORPORATE INTERESTS IN THE WORLD INDUSTRY

An approximation of the extent of control of the world copper industry of United States interests may be drawn from the following partial tabulation of world reserve ownership:

TABLE VI–21.—*Ownership of world reserves* [1]

[In percent]

Location of reserves	World reserves
Controlled by American interest only:	
United States	26.37
Mexico	.27
Bolivia	.01
Peru	1.81
Chile	21.33
Total	49.79
Controlled by British and American interests:	
Canada	6.98
Africa	19.12
Total	26.10
Grand total	75.89

[1] Source: Federal Trade Commission, Report on the Copper Industry: 1947, p. 37.

The copper reserves of South America and Mexico are almost entirely under United States corporate direction.

The most important Canadian producers, the International Nickel Company of Canada, Ltd.; Noranda Mines, Ltd.; Hudson Bay Mining & Smelting Co., Ltd.; and Granby Consolidated Mining, Smelting & Power Co., have interlocking directorates with firms in the United States. Granby and Noranda have common directorships with Phelps Dodge Corp., and Hudson Bay has interconnecting relationships with the Newmont Mining Corp., and International Nickel with a number of United States firms, including United States Steel Corp., the Chase National Bank, and the American Metal Co., Ltd.

Newmont Mining Corp. and American Metal Co., Ltd., are the connecting link between the United States industry and the Rhodesian producers. Newmont, through Rhodesian Anglo-American, Ltd., and American Metals, through Mufulira Copper Mines, Ltd., Rhodesian Selection Trust, Ltd., Roan Antelope Copper Mines, Ltd., and Rhokana Corp., Ltd., are closely related to the entire Rhodesian group.

TABLE VI–22.—*American ownership abroad*

Country	Company	Control
		Percent
American Metal Co., Ltd.:		
Mexico	American Metal Company of Mexico, S. A.	100
	Compania Minera de Penoles, S. A.	98.32
	Compania Metalurgia de Torreon, S. A.	98.05
	Compania Metalurgica de Penoles	75
Northern Rhodesia	Rhodesian Selection Trust, Ltd	50.61
	Mufulira Copper Mines, Ltd	32.43
	Roan Antelope Copper Mines, Ltd	32.65
Union of South Africa	O'Okiep Copper Co., Ltd	19.72
Southwest Africa	Tsumeb Corp., Ltd	28.50
	(Plus indirect O'Okiep)	1.87
American Smelt. & Ref. Co.:		
Newfoundland	Buchans Mining Co., Ltd	97
Mexico	Cia Metalurgica Mexicana; Santa Barbara Mine; Charcas Unit; Parral Mines; San Luis, Potosi Smelter.	60
Peru	Northern Peru Mining & Smelting Co.	100
Bolivia	Cia American Smelting Boliviana, Ltd., S. A. (Corocoro mines).	100
Anaconda Copper Mining Co.:		
Mexico	Greene Cananea Copper Co	98.5
Chile	Chile Copper Co. (Chuquicamata mine).	99.2
	Andes Copper Co. (Potrerillos mine)	98
Kennecott Copper Corp.:		
Chile	Braden Copper Co	100
Phelps Dodge Corp.: Mexico	Moctezuma Copper Co. of Mexico, S. A.	100
Cerro de Pasco Corp.: Peru	Mines, mills, smelters, and refineries	
Newmont Mining Corp.:		
Cyprus	Cyprus Mines Corp	13.7
		Shares common stock
Canada	Hudson Bay Mining & Smelting Co., Ltd.	100,246
Northern Rhodesia	Rhodesian Anglo-American, Ltd	136,501
Union of South Africa	O'Okiep Copper Co., Ltd	575,103
		Percent
Southwest Africa	Tsumeb Corp., Ltd	28.5
Howe Sound Co.:		
Canada	Britannia Mining & Smelting Co., Ltd.	100
Mexico	Compania Industrial "El Potosi", S. A.	100
	Minerales de Chihuahua	95.33

Not all of the copper produced abroad under American direction is assured to the United States supply. Profit considerations, government policies in the producing countries, contract relationships between producers and foreign buyers, taxes, and duties combine to limit the share available to the United States.

Some of the more important copper property holdings of United States corporations are indicated below. Whereas this list is by no means complete, it does afford some indication of the scope of American ownership abroad.

COPPER CARTELS

The international character of the trade in copper has encouraged the adoption of many control plans under which production and distribution have been organized on an international scale. The primary purpose of such control schemes has been to stabilize prices, and to stabilize markets and employment against the violent fluctuations likely to occur under free-market conditions. The common methods used to accomplish these results have been restriction and proration of primary production, and research to discover new market outlets.

There have been numerous organized efforts at price control in the copper industry since the 1880's, most of them unsuccessful. An early and spectacular attempt known as the Secretan corner was organized and financed in Europe in the autumn of 1887 and temporarily succeeded in boosting the price of copper more than 100 percent. However, the syndicate in charge was unable to maintain this level in the face of bitter consumer resistance and in competition with the flood of new and scrap copper that poured into the market, and in the spring of 1889 the enterprise came to a disastrous end.

Ten years later, the Amalgamated Pool—organized by American mining and financial interests and supported by most foreign producers—for a time was able to raise the price of copper and hold it well above its former level. But again, a high price resulted in decreased consumption, increased offerings of scrap, and an unexpected increase in output from the independents. There was a severe price decline in 1901, but this time a crash was avoided by the intervention of financial aid from London. By 1906, the Amalgamated group again felt in a position to force up the price of copper. Once more, however, the success was short-lived, coming to an end during the financial panic of 1907.

One concerted effort at copper-price control has been generally judged a success. This was the Copper Export Association, a combination including practically all United States producers. It was organized in December 1918 under the authority of the Webb-Pomerene Act, with three large companies acting as the leaders to deal with the problems which confronted the industry after World War I. Large stocks of new metal had piled up, and millions of tons of recoverable scrap littered the battlefields of Europe. An additional deterrent to profitable operations was the existence of surplus production capacity developed during the war in an effort to meet total requirements; after the war the surplus capacity threatened to become an important factor in price cutting. Suspension of Government price control and Government buying shifted attention from the problem of production to one of markets.

Under the control of the newly organized association, production was curtailed, particularly during the depression of 1921, the war surplus of new and scrap metal was liquidated and—in line with the provisions of the Webb-Pomerene Act—foreign orders were prorated among the members of the organization. But when it had accomplished the purpose for which it had been organized, the association was unable to extend its harmonious existence. Companies that were purely domestic in character and those with important foreign holdings were unable to agree regarding the future policy of the organization. Accordingly, the association was disbanded in 1923, following the withdrawal of the Guggenheim interests and their affiliates which represented at that time 45 percent of the United States output.

Organizations of the Copper Exporters, Inc., in October, 1926, marked the beginning of another unsuccessful attempt at price con-

trol. This group, under the leadership of the big American companies, accounted for 95 percent of world production. At this time, the copper industry was in a very favorable position and United States interests were by far the most important factors in the industry. Stocks were at reasonably low levels, and demand was rising sharply. However, producers charged that there was harmful speculation that caused wide fluctuations in price. Therefore, when the cartel was formed it announced that it planned to bypass these brokers and to sell directly to consumers at prices to be fixed from day to day in accordance with general business conditions.

For a year and a half the cartel operated to the apparent satisfaction of consumers, and with an actual small decline in price. Thereafter, it launched upon a different policy—one that eventually lost to American producers the practical control over the industry they had previously enjoyed.

In late 1928 and early 1929, European consumers, principally copper fabricators, were rationed on almost a day-to-day basis. In their efforts to obtain the metal required to meet their own commitments, these buyers bid up the price—a cent a day in March, 1929—until, at 24 cents a pound, a buyers' strike began. The detailed story of subsequent events is a long one, involving the antagonism of European consumers, the efforts made to protect the fabricators' interests, the struggle to withstand the inevitable price decline, the expansion of competitive capacity in Northern Rhodesia, Belgian Congo, and Canada, the substitution of aluminum for copper in substantial amounts, the usual increase in offerings of scrap, and eventually drastic reductions in domestic output in 1931 and 1932. Finally, after the United States raised a tariff wall against copper imports in June 1932, four of the most important foreign producers withdrew from the cartel.

In 1935 a new cartel was formed, its membership representing about 50 percent of the copper then being mined in countries outside the United States, Canada, Russia, and Japan. Producers in the United States entered into a gentlemen's agreement with the cartel, under which they were to limit their own exports of domestic copper to a certain maximum tonnage per month. The principal Canadian companies also unofficially arranged to cooperate.

During its relatively short life, this cartel alternately tightened and relaxed its restriction on the industry. During the first year, for example, the output of the group was cut to roughly 70 percent of theoretical capacity. Expanding consumption in 1935 brought a corresponding increase in quotas, and some expansion in output. In 1937, restrictions were again tightened. Thereafter, production pressed hard against the limits imposed by the cartel, until the outbreak of the war in September 1939 brought to an end the whole cooperative arrangement. Subsequent to World War II, there has been no concentrated effort on the part of producers to control the copper market.

Although most of the copper comes from relatively few producers and is concentrated in relatively few areas, there does not seem to be sufficient concentration either in a geographic, political, or financial way to ensure the success of an organized effort at market control. Domestic companies are prohibited by law from cooperating in international cartels insofar as the output from domestic mines is concerned. Price increases engineered by producer associations have always met effective consumer resistance. This was accomplished largely by the increased production of new copper by the independents, and by large offerings of scrap and the competition of substitute materials.

The most important foreign property which is being developed by American capital is Tocapala, Peru. This is jointly owned by American Smelting & Refining Co., which owns approximately 50 percent, the remainder being held in approximately equal amounts by Cerro de Pasco, Newmont and Phelps Dodge. The total investment is on the order of $200 million, half of which was supplied by one of the United States Government agencies.

TEXT OF MALONE COPPER BILL

Mr. MALONE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the full text of the bill on copper that I am introducing.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3691) to provide relief for producers of copper was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc.—

DECLARATION OF POLICY

SECTION 1. It is declared to be the policy of the Congress—

(a) to facilitate and encourage trade with foreign nations on the basis of fair and reasonable competition;

(b) to maintain an investment climate through the principle applying equally to the whole country;

(c) to provide necessary flexibility of the import duty on copper, thereby making possible appropriate adjustments in response to changing economic conditions;

(d) to assure the accomplishment of these objectives by returning to the provisions of the Constitution (art. 1, sec. 8) in the control over American import duties on copper.

RESTATEMENT OF EXISTING IMPORT DUTIES

SEC. 2. Title I, paragraphs 1 to 1559, inclusive, of the Tariff Act of 1930 are hereby amended by repealing the classifications and rates therein contained on copper and substituting therefor the classifications and rates obtaining and in effect on the expiration of 90 days after the date of enactment of this act, by reason of proclamations of the President under section 350 of the Tariff Act of 1930 or otherwise; and all other acts and parts of acts inconsistent with any of the provisions of this act are hereby repealed.

ADMINISTRATION OF TRADE AGREEMENTS

SEC. 3. Title III, part II, of the Tariff Act of 1930 is amended by adding after section 331 the following new section:

"SEC. 331A. Administration of trade agreements.

"(a) All powers vested in, delegated to, or otherwise properly exercisable by the President or any other officer or agency of the United States in respect to the foreign-trade agreements on critical minerals, metals, and materials, entered into pursuant to section 350 of this act, are hereby transferred to and shall be exercisable by the Commission, including, but not limited to, the right to invoke the various escape clauses, reservations, and options therein contained, and to exercise on behalf of the United States any rights or privileges therein provided for the protection of the interests of the United States.

"(b) The Commission is hereby authorized and directed—

"(1) to terminate as of the next earliest date therein provided, and in accordance with the terms thereof, all the foreign-trade agreements on critical minerals entered into by the United States pursuant to section 350 of this act;

"(2) to prescribe, upon termination of any foreign-trade agreement, that the import duties established therein shall remain the same as existed prior to such termination, and such import duties shall not thereafter be increased or reduced except in accordance with this act."

PERIODIC ADJUSTMENT OF IMPORT DUTIES

SEC. 4. Title III, part II, section 336, of the Tariff Act of 1930 is hereby amended to read as follows:

"SEC. 336. Periodic adjustment of import duties.

"(a) The Commission is authorized and directed from time to time, and subject to the limitations hereinafter provided, to prescribe and establish import duties on critical minerals, metals, and materials, which will, within equitable limits, provide for fair and reasonable competition between domestic articles and like or similar foreign articles in the principal market or markets of the United States. A foreign article shall be considered as providing fair and reasonable competition to United States producers of a like or similar article if the Commission finds as a fact that the landed duty-paid price of the foreign article in the principal market or markets in the United States is a fair price, including a reasonable profit to the importers, and is not substantially below the price, including a reasonable profit for the domestic producers, at which the like or similar domestic articles can be offered to consumers of the same class by the domestic industry in the principal market or markets in the United States.

"(b) In determining whether the landed duty-paid price of a foreign article, including a fair profit for the importers, is, and may continue to be, a fair price under subdivision (a) of this section, the Commission shall take into consideration, insofar as it finds it practicable—

"(1) the lowest, highest, average, and median landed duty-paid price of the article from foreign countries offering substantial competition;

"(2) any change that may occur or may reasonably be expected in the exchange rates of foreign countries either by reason of devaluation or because of a serious unbalance of international payments;

"(3) the policy of foreign countries designed substantially to increase exports to the United States by selling at unreasonably low and uneconomic prices to secure additional dollar credits.

"(4) increases or decreases of domestic production and of imports on the basis of both unit volume of articles produced and articles imported, and the respective percentages of each;

"(5) the actual and potential future ratio of volume and value of imports to volume and value of production, respectively;

"(6) the probable extent and duration of changes in production costs and practices;

"(7) the degree to which normal cost relationships may be affected by grants subsidies (effected through multiple rates of export exchange, or otherwise), excises, export taxes, or other taxes, or otherwise, in the country of origin; and any other factors either in the United States or in other countries which appear likely to affect production costs and competitive relationships.

"(c) Decreases or increases in import duties on critical minerals, metals, and materials, designed to provide for fair and reasonable competition between foreign and domestic articles may be made by the Commission either upon its own motion or upon application of any person or group showing adequate and proper interest in the import duties in question: *Provided, however*, That no change in any import duty shall be ordered by the Commission until after it

shall have first conducted a full investigation and presented tentative proposals followed by a public hearing at which interested parties have an opportunity to be heard.

"(d) The Commission, in setting import duties so as to establish fair and reasonable competition as herein provided, may, in order to effectuate the purposes of this act, prescribe specific duties or ad valorem rates of duty upon the foreign value or export value as defined in sections 402 (c) and 402 (d) of this act or upon the United States value as defined in section 402 (e) of this act.

"(e) In order to carry out the purposes of this act, the Commission is authorized to transfer any article from the dutiable list to the free list, or from the free list to the dutiable list.

"(f) Any increase or decrease in import duties ordered by the Commission shall become effective 90 days after such order is announced: *Provided*, That any such order is first submitted to Congress by the Commission and is not disapproved, in whole or in part, by concurrent resolution of Congress within 60 days thereafter.

"(g) No order shall be announced by the Commission under this section which increases existing import duties on foreign articles if the Commission finds as a fact that the domestic industry operates, or the domestic article is produced, in a wasteful, inefficient, or extravagant manner.

"(h) The Commission, in the manner provided for in subdivisions (c) and (f) in this section, may impose quantitative limits on the importation of critical minerals, metals, and materials, in such amounts, and for such periods, as it finds necessary in order to effectuate the purposes of this act: *Provided, however*, That no such quantitative limit shall be imposed contrary to the provisions of any foreign trade agreement in effect pursuant to section 350 of this act.

"(i) For the purpose of this section—

"(1) the term 'domestic article' means an article wholly or in part the growth or product of the United States; and the term 'foreign article' means an article wholly or in part the growth or product of a foreign country;

"(2) the term 'United States' includes the several States and Territories and the District of Columbia;

"(3) the term 'foreign country' means any empire, country, dominion, colony, or protectorate, or any subdivision or subdivisions thereof (other than the United States and its possessions);

"(4) the term 'landed duty paid price' means the price of any foreign critical mineral, metal, and material, after payment of the applicable customs or import duties and other necessary charges, as represented by the acquisition cost to an importing consumer, dealer, retailer, or manufacturer, or the offering price to a consumer, dealer, retailer, or manufacturer, if imported by an agent.

"(j) The Commission is authorized to make all needful rules and regulations for carrying out its functions under the provisions of this section.

"(k) The Secretary of the Treasury is authorized to make such rules and regulations as he may deem necessary for the entry and declaration of foreign articles with respect to which a change in basis of value has been made under the provisions of subdivision (d) of this section, and for the form of invoice required at time of entry."

AMENDMENT OF SECTION 337

SEC. 5. Title III, part II, section 337, of the Tariff Act of 1930 is hereby amended as follows:

(a) Subdivision (a) thereof by striking out the word "President" and substituting therefor the words "Tariff Commission."

(b) Subdivision (b) thereof is hereby repealed.

(c) Subdivision (d) thereof is hereby repealed.

(d) Subdivision (e) thereof is hereby amended to read as follows:

"(e) Exclusion of articles from entry: Whenever the existence of any such unfair method or act shall be established to the satisfaction of the Commission, it shall direct that the articles concerned in such unfair methods or acts, imported by any person violating the provisions of this act, shall be excluded from entry into the United States, and upon information of such action by the Commission, the Secretary of the Treasury shall, through the proper officers, refuse such entry."

(e) Subdivision (f) thereof is hereby amended to read as follows:

"(f) Entry under bond: Whenever the Commission has reason to believe that any strategic and critical mineral, metal and material is offered or sought to be offered for entry into the United States in violation of this section, but has no information sufficient to satisfy it thereof, the Secretary of the Treasury shall, upon its request in writing, forbid entry thereof until such investigation as the Commission may deem necessary shall be completed; except that such articles shall be entitled to entry under bond prescribed by the Secretary of the Treasury."

(f) Subdivision (g) thereof is hereby amended to read as follows:

"(g) Continuance of exclusion: Any refusal of entry under this section shall continue in effect until the Commission shall find and advise the Secretary of the Treasury that the conditions which led to such refusal of entry no longer exist."

STATISTICAL ENUMERATION

SEC. 6. Title IV, part III, section 484 (e), of the Tariff Act of 1930 is hereby amended to read as follows:

"(e) Statistical enumeration: The Chairman of the Tariff Commission is authorized and directed to establish from time to time, after consultation with the Secretary of the Treasury and the Secretary of Commerce, a statistical enumeration of imported articles in such detail as he may consider necessary and desirable to effectuate the purposes of this act. As a part of each entry there shall be attached thereto or included therein an accurate statement giving details required for such statistical enumeration. The Secretary of Commerce is hereby authorized and directed to make such reasonable and proper digests from, and compilations of, such statistical data as the Chairman requests. In the event of a disagreement between the Chairman and the Secretary of Commerce as to the reasonable and proper nature of any request the matter shall be referred to the President whose decision shall be final."

REVISED TEXT OF TARIFF ACT

SEC. 7. The Tariff Commission, as soon as practicable, shall prepare and cause to be printed as a public document available for public distribution a complete revised text of the Tariff Act of 1930, as amended: *Provided*, That all acts or parts of acts conflicting herewith are hereby repealed.

EFFECTIVE DATE

SEC. 8. This act shall take effect upon the expiration of 90 days after the date of its enactment, but no foreign trade agreement shall be entered into under section 350 of the Tariff Act of 1930, as amended, after the date of enactment of this act.

FLEXIBLE TARIFF PRINCIPLE EMBODIED IN NEW BILL

Mr. MALONE. Mr. President, the effect of the peril point or escape clause or some other trick, technical phrase which may be concocted is simply a method of continuing in effect the free trade on copper. Copper is indispensible in peace or war. The record of United States consumption is from 900,000 to 1 million tons of copper annually. Copper consumption now is down about 30 percent, to 600,000 or 700,000 tons annually.

With the advent of a flexible duty or tariff, adjusted to equal the difference between the cost of production in this Nation and in the chief competing nation the domestic needs will be met. A duty or tariff equalling this difference is not a subsidy.

MALONE BILL WOULD PERMIT TARIFF ADJUSTMENTS TO MEET SHIFTS IN ECONOMY

The tariff on copper, under this legislation could be readjusted on the Tariff Commission's own motion, at the request of any committee of Congress or of Congress itself, or at the request of any producer or consumer. It can be adjusted daily, if necessary, or every 6 months, every year, or every 5 years—whenever it may be necessary—so that the American workingmen and investors will be competing for their own United States market, and any necessary imports will not be retarded but will come in when needed on the basis of our standard of living cost.

UNITED STATES COPPER RESOURCES AMPLE TO SUPPLY NATION'S ENTIRE NEEDS

With copper consumption at the rate of 900,000 tons annually, that amount could easily be produced in the United States—and certainly 600,000 or 700,000 tons could be produced in the United States—without depriving the American workingmen of their jobs, or the stockholders in those companies of the income on their investments.

To show how intolerable and unimportant a peril-point is, when Congress passed this act the peril-point price of copper was fixed at 24 cents. It was provided that if the price went below that point, the existing tariff would be imposed. That tariff would have been an ineffective 1.8 cents per pound.

However the price of copper the following year went to 56 cents per pound in the world market, and 46 cents per pound in the United States.

There was much to do about how much 2 cents per pound tariff meant on a ton of copper. The difference between 24 and 46 cents per pound—22 cents per pound on a ton of copper would be $440.

A simple duty or tariff as provided in the 1930 Tariff Act would be a reasonable price to pay to stabilize the employment and investments in that important industry.

Further inflation and manipulation of the copper market would be very difficult if we simply reverted to the method set down in the Constitution.

METAL PRICES FOR LAST 60 YEARS SHOWN

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the first 4 columns of a table entitled "E. & M. J. Annual Average Metal Prices, 1897 to 1956." The columns are entitled "Copper," "Electrolytic Refinery," "Export or Foreign Refinery," "Lead, Common, New York," "Zinc, Prime, Western (b), East St. Louis."

There being no objection, the columns were ordered to be printed in the RECORD, as follows:

E. and M. J. Annual Average Metal Prices—1897 to 1956

Year	Copper		Lead, Common, New York	Zinc, Prime Western,[3] East St. Louis
	Electrolytic refinery[1]	Export or foreign refinery		
1897	11.29		3.580	4.120
1898	12.03		3.780	4.570
1899	16.67		4.470	5.750
1900	16.19		4.370	4.390
1901	16.11		4.330	4.070
1902	11.026		4.069	4.840
1903	13.235		4.237	5.191
1904	12.823		4.309	4.931
1905	15.590		4.707	5.730
1906	19.278		5.657	6.048
1907	20.004		5.325	5.812
1908	13.208		4.200	4.578
1909	12.982		4.273	5.352
1910	12.738		4.446	5.370
1911	12.376		4.420	5.608
1912	16.341		4.471	6.799
1913	15.269		4.370	5.504
1914	13.602		3.862	5.061
1915	17.275		4.673	13.054
1916	27.202		6.858	12.634
1917	27.180		8.787	8.813
1918	24.628		7.413	7.890
1919	18.691		5.759	6.988
1920	17.456		7.957	7.671
1921	12.502		4.545	4.655
1922	13.382		5.734	5.716
1923	14.421		7.267	6.607
1924	13.024		8.097	6.344
1925	14.042		9.020	7.622
1926	13.795		8.417	7.337
1927	12.920		6.755	6.242
1928	14.570		6.305	6.027
1929	18.107		6.833	6.512
1930	12.982		5.517	4.556
1931	8.116		4.243	3.640
1932	5.555		3.180	2.876
1933	7.025	6.713	3.869	4.029
1934	8.428	7.271	3.860	4.158
1935	8.649	7.538	4.065	4.328
1936	9.474	9.230	4.710	4.901
1937	13.167	13.018	6.009	6.519
1938	10.000	9.695	4.739	4.610
1939	10.965	10.727	5.053	5.110
1940	11.296	10.770	5.179	6.335
1941	11.797	10.901	5.793	7.474
1942	11.775	11.684	6.481	8.250
1943	11.775	11.700	6.500	8.250
1944	11.775	11.700	6.500	8.250
1945	11.775	11.700	6.500	8.250
1946	13.820	14.791	8.109	8.726
1947	20.958	21.624	14.673	10.500
1948	22.038	22.348	18.043	13.589
1949	19.202	19.421	15.364	12.144
1950	21.235	21.549	13.296	13.866
1951	24.200	26.258	17.500	18.000
1952	24.200	31.746	16.467	16.215
1953	28.798	30.845	13.489	10.855
1954	29.694	29.889	14.054	10.681
1955	37.491	39.115	15.138	12.229
1956[3]	41.818	40.434	16.013	13.494
1957	25.000			
1958	24.800			

[1] Lake copper 1897–98; domestic market since 1932.
[2] New York delivery 1898–1902.
[3] 56 cents per pound abroad; 46 cents per pound here.

COPPER TARIFF MANIPULATION

Mr. MALONE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement I have prepared on the manipulation of the excise tax on copper.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY MR. MALONE

In 1955 suspension of the 2-cent excise tax on copper was extended to June 30, 1958, and in 1956 suspension of the 2-cent excise tax on the recoverable copper content of imported scrap was extended 1 year to June 30, 1957. At the June (1956) meetings in Geneva on General Agreements on Tariffs and Trade (GATT), the United States agreed to lower the duties 15 percent on copper and other metals and minerals in exchange for reductions of tariffs by other countries on United States exports. Excises will drop 15 percent on copper metal, ores, and concentrates—5 percent for each of 3 years—provided the tariff is reimposed. (In the case of copper, the suspension is effective until June 30, 1958, unless the average price for a calendar month drops below 24 cents.) Accordingly, the excises for fiscal 1957, 1958, and 1959 will be 1.9, 1.8, and 1.7 cents, respectively, and shall assume the specified rate of that year when reimposed.

In 1948 the duty on copper was reduced from 4 cents to 2 cents.

Mr. MALONE. Mr. President, both the special copper legislation and the 1934 Trade Agreements Act must be allowed to expire on June 30, 1958, if the American workingmen and investors are to be allowed to compete on an equal basis for the American market.

EMPLOYEE WELFARE AND PENSION BENEFIT PLANS

The Senate resumed the consideration of the bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans.

Mr. IVES obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator from New York yield, that I may suggest the absence of a quorum, with the understanding that he will not lose the floor?

Mr. IVES. I yield for that purpose.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE DANGERS OF NUCLEAR FALLOUT

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a very interesting and worthwhile article on the dangers of fallout, and also a letter, which I have received from Mr. Stewart W. Hurlbut, of Butte, Mont.

There being no objection, the letter and article were ordered to be printed in the RECORD, as follows:

BUTTE, MONT., *April 1958.*

DEAR SIR: My first small effort to help prevent our civilization from being destroyed was sent to 190 statesmen, editors, scientists, and prominent civilians all over the world. The tangible results were a handful of letters, mostly from those who already perceive the danger and are fighting in their respective capacities for the same goal—positive action. There were some brief notes from editors to the effect that the matter of continued existence of the human race did not fit their editorial policy.

My approach is too unconventional, perhaps, but it has to be. It is the only way open for a private citizen of small means to speak up in the interest of continued human life on earth. I want a world for my children to grow up in. I want the spiral of human progress to continue upward. I want to play my small part in that spiral, and, above all, do not want to see it sent smashing to the ground. I am not a bemused being on Mars observing the suicidal antics of his neighbors on earth, and I will not sit by, chin in hand, watching my fellow human beings race toward disaster. I am and will continue to be in that race, trying with the meager few to stop the headlong course toward oblivion.

A small man trying to affect destiny is like Don Quixote tilting at windmills, perhaps, but this attempt may be symptomatic of exactly what the situation now calls for. Unless the small people of the world awaken to the danger and react to it with the intention to fight it, to do something about it, the authority and power that reside in the united voices of all humanity can never be brought to bear upon the problem, and by now it may be that is the only authority and power that can be of any avail.

I appeal to you—statesmen, editors, journalists, writers—for man's sake, act now. The very existence of the human race is in jeopardy. Who knows how much time we have when a spark, an accident, can set off the conflagration?

Sincerely yours,

STEWART W. HURLBUT.

THE WORLD OF ILLUSION

In this nuclear age, what are the basic facts that all people should know? Fact No. 1 is that both Russia and the United States possess nuclear weapons in sufficient quantity and deadliness, used in total nuclear war, to destroy both countries as industrial and political entities along with a majority of their populations. Other countries of the Northern Hemisphere would be involved in the war and destruction. The vast quantities of radioactive particles sent into the stratosphere would constitute a lethal hazard to all life. Thus, the human race possesses the means to destroy itself.

Fact No. 2 is that this threat of extinction hangs over our heads now and will continue to do so in the future with an increasing degree of peril, since the means and accuracy of warhead delivery will be constantly improved. The arms race preserves a superficial appearance of peace for the time being. But are we to continue arming into eternity? Ironically, that may be just what we are doing, for the arms race logically can end only in war. Who can conceive of another end if we pursue this reckless, headlong course?

There are leaders who say that we will have "clean" bombs which will enable us to conduct limited nuclear wars. Who will enforce the use of "clean" bombs by our opponents? And the idea that limited nuclear wars can be fought without spreading into a general conflict and the destruction of civilization is almost criminally foolish. Is this a case of "Whom the gods would destroy, they first make mad"?

Given the situation of the world's people divided into groups with national interests, given nuclear weapons in the hands of growing numbers of these groups, given the ability to deliver warheads even faster and more accurately, given the ever-increasing chance of a minor conflagration turning into total nuclear war, given the possibility of an erroneous decision by a field commander, given the chance that a megalomaniac with his power threatened will release the nuclear holocaust on humanity, given the ingredient of time and all these chances against survival—then sooner or later humanity will be propelled into war and extinction. Unless the human race becomes conscious of its collective peril and comes unanimously to the decision to not let it happen. But that is impossible unless the people know exactly what kind of danger

they are facing. What is the danger? Death. It may be instant death in the blinding, searing, tearing inferno of a nuclear blast. Or it may be death in agony and pain during the ensuing 60 days after a short but widespread nuclear war. Or it may be slow poisoning by radioactive particles falling out of the stratosphere in a lethal, unseen rain.

Why is it that the truth about this great crisis in the affairs of man has not been given to the people in a convincing form? Is it because of the fear that hysteria would result throughout the world? Let us have our hysteria, then, and get it over with. Then we can face reality and determine what to do about it. How can the world react intelligently to this crisis when the majority of the people have no true understanding of what it means?

One great difficulty is involved in informing the people—the danger is not tangible. It cannot be seen, it cannot be touched, it cannot be heard. It requires knowledge of the basic facts and then an effort of imagination to perceive the vast, threatening terror that hangs over the heads of humanity. Not all people are capable of perceiving that for themselves. They have to be helped to recognize their danger. This burden falls squarely on the great men of the world, particularly the statesmen, the scientists, editors, journalists, and writers. If they speak out, the people will believe them, will realize that a matter of life and death on unprecedented scale is involved.

The possibility of nuclear death exists for the over 2½ billion humans on earth. That possibility must be described for the inhabitants of the world on our newspapers, magazines, and over radio and television. It must be described in simple, compelling terms. The danger is so great that it is difficult to conceive in its terrible immensity. But see it they must. Business as usual can't continue on the planet if we are to survive. The responsibility for showing the people their danger and then leading them out of it rests in the hands of those who, if they speak, will be heard.

All over the earth the majority of the people are going about their daily affairs as if there were no terror unleashed in the world. They are doing business at the same old stall in the same old way—in a world of illusion. That world doesn't exist. It ceased to exist with the first atomic bomb exploded in anger at Hiroshima.

Now, speaking of the human race as a whole, what single aspect of existence is of the greatest importance? It is life itself. Without life all the other concerns of humanity cannot exist. What of our ideas of justice, of freedom, of the dignity of man, of truth, of honor, of honesty? If we commit racial suicide, those ideas will die with us as far as the planet earth is concerned.

With life threatened, then, isn't it common sense to devote all of our thinking and effort toward removing this terrible threat from the human scene? We must recognize that the threat is there. We must remove it, or this Frankenstein that we have created with our own hands will remove us.

So it is vital that we human beings should devote all of our powers to the great problem. What can we do here in the United States? First things first. Here we must face the reality squarely ourselves, and then turn our attention toward informing the rest of the world about every detail concerned in this terrible crisis in human affairs. And there is no time to lose. Every minute we draw closer to the brink, for always the possibility exists that some unforeseen incident will trigger the horrors of total nuclear war.

When the people of the world understand their great danger, it is inconceivable that they will not be able to rise above myopic self-interest. It is inconceivable that the collective intelligence that brought us to the brink of disaster will not be able to find a way back to safety.

Only an informed and understanding world public opinion can prevent human self-destruction now. And the time is short.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Ratchford, one of his secretaries, and he announced that on April 23, 1958, the President had approved and signed the following acts:

S. 1708. An act to amend the act entitled "An act relating to children born out of wedlock," approved January 11, 1951;

S. 1843. An act to amend the act entitled "An act to create a Recreation Board for the District of Columbia, to define its duties, and for other purposes," approved April 29, 1942;

S. 2230. An act to authorize the Secretary of the Interior to convey certain lands to the Charlotte Rudland Dansie Association;

S. 2725. An act to exempt from taxation certain property of the National Council of Negro Women, Inc., in the District of Columbia; and

S. 3243. An act to permit certain foreign students to attend the District of Columbia Teachers College on the same basis as a resident of the District of Columbia.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. MORTON in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

REPORT OF OFFICE OF ALIEN PROPERTY—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on the Judiciary:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the annual report of the Office of Alien Property, Department of Justice, for the fiscal year ended June 30, 1957.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 24, 1958.*

REPORT OF OPERATIONS UNDER INTERNATIONAL CULTURAL EXCHANGE AND TRADE FAIR PARTICIPATION ACT OF 1956—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States which, with the accompanying report, was referred to the Committee on Foreign Relations:

To the Congress of the United States:

In accordance with the provisions of section 9 of Public Law 860 of the 84th Congress, I transmit herewith for the information of the Congress the third semiannual report of operations under the International Cultural Exchange and Trade Fair Participation Act of 1956.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 24, 1958.*

REPORT ON ACTIVITIES UNDER FEDERAL DISASTER ACT—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 376)

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States which, with the accompanying report, was referred to the Committee on Public Works:

To the Congress of the United States:

I have the honor to transmit herewith a report of activity under authority of Public Law 875, 81st Congress, as amended, and required by section 8 of such law.

Funds which have been appropriated to accomplish the Federal assistance determined eligible under this authority are specifically appropriated to the President for purposes of disaster relief.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 24, 1958.*

APPELLATE JURISDICTION OF THE SUPREME COURT

Mr. JENNER. Mr. President, on April 9, 1958, the Washington Post carried in its editorial columns another attack on the Senate Internal Security Subcommittee. Coupled with this was an attack on S. 2646, the so-called Jenner bill, designed to withdraw appellate jurisdiction from the United States Supreme Court in certain areas where decisions of the Court have adversely affected this Nation's fight against communism.

In this editorial, the Washington Post takes the Internal Security Subcommittee to task for putting into its hearing record a statement entitled "The Supreme Court as an Instrument of Global Conquest." The fact is, of course, as the Washington Post well knows, that all testimony and all statements offered, both for and against the bill, were put into the hearing record. But the Post says this is a flimsy excuse for what the Post calls the circulation of an outrageous smear.

The Post's position appears to be that the committee has no right to include in its hearing record any statement expressing an opinion which differs from the views of the Post. The constitutional right of petition would have little validity if the committees of Congress were to adopt any such standard.

In its editorial, the Post singles out for special attack a particular passage in the statement in question. This passage the Post quotes as follows:

> In the paralytic effect of its pro-Communist decisions, on State and Federal agencies of internal security, the United States Supreme Court is the most powerful, and potentially determinative instrument of the Communist global conquest by paralysis.

The Post asserts that this charge that the Supreme Court is an ignorant tool of Communist conspiracy is unique, and the Post declares:

Such nonsense would go into the wastebasket without notice except for the fact that it carries the imprimatur of the Committee on the Judiciary of the United States Senate.

The word "imprimatur" is defined by Webster as:

A license to print or publish a book, paper, etc.; also, where censorship of the press exists, approval of that which is published. Hence, sanction, approval.

The Washington Post must know, or should know, that in printing the transcript of an open public hearing, a committee of the Congress does not give sanction or approval to anything contained therein. A hearing record usually reflects many points of view, and this is especially true of the record of hearings on S. 2646, which contains many statements on both sides of the issues raised by the bill.

As for the quoted statement being unique, the fact that the Post made this statement would appear to indicate that the Post has a very small acquaintance indeed with the hearing record on S. 2646. So that the record may show the facts, I shall quote some of the things along the same line which found their way into the hearing record in other testimony or statements. I shall quote these chronologically as they appear in the hearing record, giving the page number of the printed record in each case, so that anyone who cares to do so may readily check the accuracy with which I quote.

On page 84, from the testimony of Homer Brett, Jr., of Chevy Chase, Md.:

The investigative activities of Congress are in my opinion being attacked today by the Supreme Court because of the latter's inability to recognize the fact that the opposition to Congressional investigations is mainly concerned with the determination of pro-Soviet elements, as well as others, to protect the liberty of operation of their coreligionaires.

On page 86, from the testimony of Harold Malin, of Cumberland, Md.:

First of all, I would like to say that I, among a lot of people, I know, am worried, extremely upset about what we feel to be the danger to our American way of life posed by the Communist Party. We feel that the Supreme Court in recent decisions has been very, very lenient to communism. We feel that, if that continues, it will accelerate the progress of Communist subversion and the collapse of our American way of life.

Page 98, from the testimony of Ira H. Latimer, of Chicago, Ill.:

Our Constitution does not repose trust and power in any man, but the modern pagans, today used as catspaws by the Communist conspirators, are turning our courts over to passionately sincere liberals who are believers in the social gospel or social morality or social welfare state wherein mere men, supposedly good men will promise to eliminate the evils of the world if they are given the power.

On page 99, from the further testimony of Mr. Latimer:

The philosophical theory behind these Supreme Court decisions, in my opinion, is that communism and socialism should have the freedom to overthrow the evils of the status quo and create a manmade utopia. This is the tacit assumption that what is, is wrong, and that may or might be, is right, or at least better.

Farther down on page 99, still from the testimony of Mr. Latimer:

The majority of Justices in each case appear to be believers in men—believers in inevitability of progress following the teaching of John Dewey—believers in exactly what Chief Justice Warren said—the inevitable logic of which is to believe in the Marxist doctrine that socialism is the next and higher stage of economic development of mankind.

On page 132, from the testimony of Francis J. McNamara, who appeared representing the Veterans of Foreign Wars:

Under the present Supreme Court, however, United States law is not serving the ends and desires of the American people. They have shown what their desires are, as far as communism is concerned, by the support they have given the Smith Act since it was passed 18 years ago. They have shown their desires by the support they have given the Communist Control Act, the Internal Security Act of 1950, by the support they have given 42 State sedition laws and numerous other measures adopted on all levels of government to curb communism.

Page 152, from the statement of Mrs. Madalen D. Leech, representing the American Coalition of Patriotic Societies:

In short, these decision (sic)—and others—are the subject of much displeasure and discomforture to all patriotic Americans who are shocked that the Court has seen fit to so apparently serve the Communist conspiracy and criminal element in this country at the expense of loyal citizens.

Page 174, from the statement of Edgar C. Bundy, representing the Abraham Lincoln National Republican Club:

I and countless numbers of my fellow Americans continue to view with great alarm the recent series of decisions of the United States Supreme Court which have dealt with cases involving subversives and subversive activities within the borders of the United States.

We believe that the decisions of the Supreme Court in regard to these matters have weakened the internal security of the United States immeasurably and have given aid and comfort to the enemies of the American Republic; namely, the agents of the Kremlin apparatus who are working in our midst.

Many of us never believed that we would see the day when one of the three major branches of the United States Government would give aid and comfort and protection to individuals who seek to destroy one of the grandest and noblest forms of human government ever devised in the history of this world.

Page 177, also from the statement of Edgar C. Bundy:

When the Communist Party of the United States of America, which is not a political party at all but an arm of the worldwide Kremlin conspiracy to destroy the last vestige of free nations, can cite the Supreme Court of the United States against the executive and Congressional branches of the Government, then it is time for the Congress of the United States to rise up and assert the power given to it in the Constitution of the United States to restrict the Supreme Court in this particular appellate field.

Page 180, also from the statement of Mr. Bundy:

Following some of the recent Supreme Court decisions, Communist Party functionaries came out into the open and proclaimed themselves to be respectable citizens under the authority of the Supreme Court of the United States. They called brazen press conferences and quoted the Supreme Court decisions to prove that the Communists were law-abiding and respectable citizens, while the investigative committees of the Congress were nothing but Fascist-reactionary forces which are in business to take away the civil liberties and civil rights of American citizens.

Page 192, from the statement of the Reverend Robert G. Forbes:

These decisions have been greeted enthusiastically by the Communist Party, U. S. A. and by the mother party in the Kremlin. If I remember the now dormant Daily Worker correctly, several Communist Party bigwigs have publicly praised these decisions as a great victory for the Communists.

Page 196, also from the statement of the Reverend Robert G. Forbes:

I believe that the recent decisions of the Supreme Court, * * * and other decisions are aiding and abetting the Communist Party, USA, and, consequently, the Communist Party of the Soviet Union.

Page 203, from the statement of Miss Kitty L. Reynolds of Arlington, Va.:

Most of us are not well versed in Communist tactics, but this is not true of the Supreme Court. Yet in decision after decision, our security laws have been weakened or made inoperative, and the investigating committees of both the Senate and House have been hampered. Why is the Supreme Court overzealous in protecting the Communists' so-called rights under the Constitution?

Page 230, from the statement of George J. Thomas, representing the Congress of Freedom, Inc.:

The record of the decisions that have been handed down during the past 4 years having to do with communism and Communists by the majority of our United States Supreme Court reads like what one might expect to read in a tale of the Fall of an Empire. That record of something that has occurred in this land of freedom is unbelievable.

Page 231, also from the statement of Mr. Thomas:

Already the Supreme Court has dealt a succession of blows at key points of the legislative structure erected by Congress for the protection of our internal security against this Communist conspiracy. Time after time Congress has moved to restore legislative bulwarks, and time after time the Supreme Court has knocked out the props from under these laws.

Page 233, also from the statement of Mr. Thomas:

The Supreme Court of today, bypassing judicial precedent, has undertaken a campaign to level every existing barrier against Communist penetration into our Government.

Page 235, also from the statement of Mr. Thomas:

As one reads the record of the decisions of our Supreme Court, he is astounded at their evident determination, not only to arouse and instigate confusion and ill will among our people, but to erase every barrier against the destruction of our Nation in favor of the

Communists and their fellow travelers. This Court should be circumscribed in every way possible, if it cannot be impeached. Even should that happen, the Nation would undoubtedly be faced again with a court of similarly minded men. The interests that have secured the appointment of this Court could force the selection of another.

Page 261, from the statement of Thomas F. Cadwalader of Baltimore, Md.:

But more recently the Court has been, I think, more of an active agent in trying to remold our institutions in a totalitarian sense, and incidentally protecting all individual agents and devotees of totalitarian dogma, whether in public employ or as schoolteachers or members of the bar, so as to foster the infiltration of those enemies of our entire system of government and culture.

Page 290, from an editorial published in the Albuquerque, N. Mex., Tribune:

Fundamental to the point of view which produced these Supreme Court decisions is the refusal—or legal inability—of the Court to consider communism a criminal conspiracy to advance the interests of an unfriendly foreign power—a clear and present threat to national security.

Page 290, from an editorial published by the New York Daily News:

In decision after decision, the Warren Supreme Court has befriended the Communists and their Kremlin masters, and has weakened the defenses of the American people against this enemy.

Page 291, from a column written by Mr. George Sokolsky:

When, in a court, the United States is consistently the loser, the subject requires very profound consideration. Maybe the United States needs an American Supreme Court.

Page 291, from an editorial published in the New York Mirror:

The law is so loosely interpreted that decisions are handed down by the nine old men of the Supreme Court which give to Communists every opportunity to work for the destruction of the United States as they have destroyed the government of some 15 nations and deprived the peoples of those countries of their liberties and human rights.

All the Communist decisions of the Supreme Court need to be read together to appreciate their enormity.

Page 291, from an editorial published in the New York Daily News:

If Congress and the White House continue to take this stuff lying down, they will roll out the red carpet for dictatorship by the Supreme Court, which, judging from its present policies, will then open the country to Communist conquest, from within or from without.

Page 292, from the statement by Kent H. Courtney, publisher of the Independent American, New Orleans, La.:

What are we to think concerning the recent action by members of the High Court? Are they ignorant of the ultimate aims of the international Communist conspiracy to destroy this Republic? Have they no knowledge of what communism is? Or—? Well, I prefer to give the august members of the Supreme Court the benefit of the doubt, and believe that their recent decisions are based on their terrifying ignorance of world communism, and also on their ignorance of the United States Constitution, its stated words, and the spirit in which it was written by our forefathers who pledged their "lives, liberty, and sacred honor" in another fight against tyranny.

Page 292, also from the statement of Mr. Courtney:

Both political parties are in favor of billions of dollars for defense against communism. Why, then, I ask—should we spend billions of the taxpayers dollars to defend America from communism abroad—and, at the same time, befriend Communists at home via Supreme Court decisions?

Page 293, also from the statement of Mr. Courtney:

The Communist Party members and their fellow travelers are not worried about the fact that this committee may rewrite the law as to the appellate jurisdiction of the Supreme Court. These Communists are counting on their friends in high places. (The Communist-befriending decisions of the Supreme Court in the past years are tragically ample proof of this.) But, I sincerely believe that both the Communists and the Supreme Court, in their mutual arrogance, have overlooked the ultimate controlling factor.

Page 305, from the statement of Andrew Wilson Green of Harrisburg, Pa.:

It is apparent that the Supreme Court of the United States has gone hog wild on a few of the most vital conceptions of our form of constitutional government. Unless the ravages of their destruction are stopped, we shall be faced with but an empty shell of a Constitution, and we shall be left defenseless before the most insidious and diabolical enemy which this country, or any other, or civilization has ever face (sic)—I mean the enemy communism.

Page 310, also from the statement of Mr. Green:

Our Supreme Court liberals do not believe in liberty: The truth of the matter is that the so-called defenders of our liberty, the so-called liberals, do not believe in liberty. What they believe in is license, the absence of discipline, and the governance of the laws of chance. They are uncertain in their own mind that liberty is better than tyranny. They want someone else, preferably some impersonal social or historical process, to decide for them whether the future should be free or not. They are not quite certain whether communism is, or is not, the wave of the future. They are fearful or apprehensive lest they should commit a sin against history by using their own preferences to frustrate its processes.

Page 312, also from the statement of Mr. Green:

It would seem that in this field the Supreme Court could not have been following the strategy laid down by Communist planners any better than if they had been on the general staff of the Red Army, or on the planning committee of the Soviet Foreign Ministry.

Page 312, also from the statement of Mr. Green:

Loyalty of several Supreme Court Justices suspected: Can the logical and orderly sequence of these cases be but an accident? There are not a few—and I want to add for the record I think it is perhaps not discreet that I should commit myself as to whether or not I am one of those few at this time—who suspect one member of the United States Supreme Court as being under Communist discipline, and another as being subject to their blackmail, and another as knowingly following their desires out of political ambition, and another as being sympathetic with communism because of his association with so many of them as personal friends, and including members of his family, and a fifth being motivated by a resentment of a religious nature.

Page 329, from the statement of George B. Stallings, Jr., of Jacksonville, Fla.:

The events of our day certainly alarm us. The encroachments upon our constitutional guaranties and upon the Constitution itself, cause us grave concern. But, when we see the Supreme Court of the United States in a veritable parade of decisions handed down over the past 5 years in particular, pave the way for foreign ideologies that militate against us, then we cannot hold back our protest.

Page 378, from a letter submitted by Mr. Julius Applebaum, an attorney of Miami, Fla.:

It is my belief that many of the judges have not an adequate understanding of the menance (sic) of communism, its tactics, and its resultant problems.

Page 458, from the statement of Frank B. Ober, of Baltimore, Md., one of the leading constitutional lawyers of this country:

Underlying these decisions of the new majority of the Court, there is, I submit, a lack of recognition on the part of some of the Justices of the facts so eloquently explained by the Vinson court, that the Communist Party is not merely another political party, but is an internal conspiratorial movement directed by Russia in which she has been notably successful in subverting other governments.

Page 522, from the statement of George S. Montgomery, Jr., an attorney, of New York City:

Now, if a majority of the Supreme Court of the United States were not aware of the Communist conspiracy, at least you would expect that an American might win once out of twice or once out of 6 times or once out of 20 times. At least sometime he might be expected to win.

Page 527, from the statement of Eugene S. Bibb, of Baltimore, Md.:

When the Court deliberately provides safe and secure havens of refuge in the United States for all traitorous Communist conspirators in our midst and bars their lawful conviction and punishment under the law, and when the Court, in its revolutionary frenzy, shows utter contempt for ancient legal doctrine of stare decisis, and wantonly strikes down our precedents, traditions, and institutions, built on reason and logic, then I proclaim that that Court is guilty of malfeasance in office, if not high treason.

Page 528, also from the statement of Mr. Bibb:

To say that the Court majority, voting against all internal defenses against the onrushing Communist conspiracy seeking to engulf us, is pro-Communist would be the understatement of the year.

Page 531, from the statement of Mrs. Enid Griswold, representing the Montclair, N. J., Women's Patriotic Conference:

But the long series of decisions of our present Supreme Court has freed these traitors to continue their dastardly work of destruction, and how appalling it is to compare these findings with the stated objectives, the program of the Communists, and to realize how perfectly they fit into the current Communist line.

Page 532, also from the statement of Mrs. Griswold:

It does not require a profound understanding of constitutional law to ask why America's young men must be drafted into

the armed services and sent to many parts of the globe to help others shore up the defenses against Communist aggression while within our own country we have permitted to be torn down the walls which had been so painstakingly erected.

Page 540, from the statement of J. Nicholas Shriver, Jr., of Baltimore, Md.:

Unless Congress reasserts its authority, the Supreme Court will have succeeded in destroying America without requiring Soviet Russia to fire a single missile.

Page 543, from the statement of Loren D. Stark, of Houston, Tex.:

As I meet with practical business and professional people, respected citizens of this community, I observe that they are appalled and deeply disturbed over the socialistic pronouncements of the United States Supreme Court as evidenced by its decisions in recent years.

Page 557, from the statement of Edward J. Anderson, Golden, Colo.:

Nothing is so painful for a loyal American to witness as a Supreme Court befriending the enemies of his country. Every pronouncement of the Warren court dealing with Communist issues must fill the sinister hearts of the men in the Kremlin with the deepest satisfaction.

We have a Supreme Court which is wholly uninterested in those of my rights as a citizen that are gravely menaced by international communism, but which is enormously interested in the rights of traitors.

Page 585, from the statement of Clarence Manion, of South Bend, Ind., former dean of the Law School of Notre Dame University:

The proponents of the Communist conspiracy are seldom, if ever, wrong when they appeal to the Supreme Court asking protection for Communist agents and punishment for the enemies of communism. When these enemies of the Communist conspiracy appeal to the Supreme Court for protection, a different construction of civil liberties is in order.

Page 585, also from Dean Manion's statement:

The best summation of the broad Communist coverage afforded by some of the listed decisions came in a touching tribute to the Supreme Court from the Communist Daily Worker. Said this official organ of the Communist Party:

"The Court delivered a triple-barrelled attack on (1) the Department of Justice and its Smith Act; (2) the free-wheeling Congressional inquisitions; and (3) the hateful loyalty-security program of the Executive. Monday, June 17, is already a historic landmark * * * the curtain is closing on one of our worst periods (editorial, Daily Worker, June 19, 1957)."

Page 587, also from Dean Manion's statement:

In none of the enumerated 15 cases involving communism do the majority members of the Court give any indication that they are informed on the subject of communism, or that they have in any way studied either the writings of the Communist leaders, the numerous exposures of the Communist conspiracy from the inside which began with Ben Gitlow's I Confess, or the authoritative reports on Communist espionage and subversion written by congressional committees and by the head of the FBI, and including the reports of this committee, the subcommittee before whom we are this morning.

Page 589, also from Dean Manion's statement:

We know that every country that has been captured by communism since the end of World War II has been taken by its fifth column. They took China with Chinese. They took Czechoslovakia with Czechs. They took Hungary with Hungarians. And they propose to take America with Americans. These decisions in cumulative effect gives them the right to do that without interference.

Page 589, farther down the page, and still from the statement by Dean Manion:

The Supreme Court, in my judgment, makes the same mistake that so many commentators and editorial writers make on the subject of communism. They recognize there is a Communist menace in the Middle East, and that there is something about East Germany which is wrong. They fail to recognize that the Communist who operates in Washington operates under the same directives that the Communist operates under in Moscow, and that there is no difference between the line of authority between Khrushchev and his Moscow minions who carry out his will over there.

Page 629, from the statement of John K. Crippen, of Park Ridge, Ill.:

We are being taxed—almost beyond our ability to pay—to fight or contain communism, both here and abroad. What an irony, what a mockery if we continue to spend up to the very moon if we do not take the simple and elementary step of protecting ourselves against the decisions of our own Supreme Court—decisions which have, under "One-World Warren"—been more helpful to the Communist Party than any other single series of acts within our generation.

Page 640, from the statement of L. Brent Bozell, of Chevy Chase, Md.:

The Supreme Court has immobilized our national defenses against the international Communist conspiracy. The result is a national crisis. The necessary rebuilding of these defenses cannot go forward under the current line of Court decisions.

Page 644, also from the statement of Mr. Bozell:

Chief Justice Warren's opinion in the Nelson case is, in my judgment, an open-go-shut indictment of the Supreme Court. And I maintain that the case is characteristic of the Court; it reflects the Court's practice in this field of deciding in advance, on political grounds, how it would like the case to turn out, then looking around for precedents and arguments—however spurious or distorted or irrelevant—to support its preconceived conclusion. It is a classic example, but there are others.

Page 657, also from the statement of Mr. Bozell:

Why these strained and perverse interpretations of the Constitution and the laws every time a Communist case is placed on the Supreme Court docket? I say it is because the Supreme Court is living in a dream world of its own; because it sees, or thinks it sees, a different kind of society from the one the rest of us actually live in and want to live in; because its values are different from those the rest of us embrace. The only other explanation is that the Supreme Court Justices are partisans of communism, and I do not believe that.

Page 658, also from the statement of Mr. Bozell:

I submit that 99 percent of the people of the United States know that the Communist Party is a subversive organization—know it with the same certainty with which they know the sun will rise in the east tomorrow. But the judicial system of the United States does not know it. It cannot take cognizance of it. And I say this judicial system is not going to be long, or any other kind of influence in our society, if it pursues that kind of activity and makes that kind of performance.

Page 663, from an article by Forrest Davis, published in the National Review of July 6, 1957:

It has been said that the Warren Court could not more faithfully be advancing the Communist desire to conquer the United States from within if each week the Justices met to con and effectuate the latest instructions from the American branch of Agitprop in Moscow. The intimation is insupportable and shameful, but the Court has laid itself open to it.

Page 663, also from Mr. Davis' article in the National Review:

I doubt that the opportunistic Warren and Black and the faintly absurd, mountain-climbing Douglas would deliberately deliver their society and culture to the wolves of Moscow. I think it very likely that they would do so inadvertently, striving to make time with, for example, the intellectuals of the Washington Post, which, from condemning McCarthyism at the top of its lungs, went on to pillory something it called committee-ism.

Page 940, from the letter of H. L. Rouse, Colorado Springs, Colo.:

I don't know who the Supreme Court is serving completely, but, feel it is not the Republic of the United States nor its people.

Page 944, from the letter of C. V. Stinchecum of Duncan, Okla.:

As to the Smith Act and FBI decisions, the Court has played directly into the hands of the Communists, and the ability of our country to defend itself has been practically destroyed.

Page 946, from the letter of Dr. A. F. Blazey, Washington, Ind.:

I would like to have the time and money to request a hearing before your committee to testify to the long list of un-American decisions that have made our Supreme Court a tool for socialist subversives, and the great need for measures to curb its usurpation of power.

Page 951, from the letter of Mary Lavinia Silvia, of Holbrook, Mass.:

We have also requested, before, and again insist on the impeachment of the six members of the Supreme Court who have proven by their actions that they are subversives.

Page 953, from the letter of J. Helen Viely, of Pontiac, Ill.:

The Jenner bill provides a way to wrest unwarranted power from a supreme court which, in decision after decision, has shown its contempt for our Constitution, has shown its determination to aid and abet communism in this Nation.

Page 954, also from the letter of this Pontiac lady:

If you fail to protect us from this anti-American pro-Communist court, you will have betrayed your trust as Members of the United States Congress.

Page 961, from the letter of Albert A. Beres, VFW, South Norwalk, Conn.:

The United States Supreme Court has a great tendency to have an open back door policy for all cases involving Communists or subversive cases. How they manage to let

so many no-good un-Americans get away with so much is beyond a good American's sense of justice.

Page 963, from the letter of Mrs. Marjorie McHale, American Legion Auxiliary, DeWitt, N. Y.:

Recent decisions of the Supreme Court have shown that it does not believe in the rights or authority of sovereign States, does not think communism is bad or a threat to America, and has rendered ineffective State sedition laws.

Page 965, from the letter of Larry Hamilton, Denton, Tex.:

It is the general public belief that Justices like Douglas and Earl Warren either have a personality disorder or they are genuinely influenced by leftist and Communist-front movements in the United States, which at a time like this is pure treason.

Page 967, from the letter of Florence L. Hoover, Pittsburgh, Pa.:

It is my firm conviction that the Supreme Court has been deliberately rendering decisions inimical to our best interest, greatly favoring and encouraging sworn enemies of the United States, and that the Supreme Court, if not curbed by Congressional legal means, will continue usurping power that does not belong to them.

To the Washington Post, and to any who may share its views, I say there is nothing unique in the view that a whole line of recent decisions by the Supreme Court of the United States, affecting the field of subversive activities and this Nation's fight against such activities, have served the purposes of the world Communist conspiracy. In the face of this fact, the most charitable view that can be expressed is that the Court is ignorant and, therefore, incompetent in this field. This is why the Jenner bill proposes to withdraw the appellate jurisdiction of the Supreme Court in certain important segments of this field, and why I propose to continue the fight to secure enactment of this bill.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 1031) to authorize the Secretary of the Interior to construct, operate, and maintain four units of the Greater Wenatchee project, Washington, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House insisted upon its amendments to the joint resolution (S. J. Res. 12) to provide for transfer of right-of-way for Yellowtail Dam and Reservoir, Hardin Unit, Missouri River Basin project and payment to Crow Indian Tribe in connection therewith, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HALEY, Mr. ASPINALL, Mr. ENGLE, Mr. RHODES of Arizona, and Mr. COLLIER were appointed managers on the part of the House at the conference.

COMMEMORATION OF THE 10TH ANNIVERSARY OF ISRAEL

Mr. IVES obtained the floor.

Mr. ALLOTT. Mr. President, will the Senator from New York yield to me, in order that I may make a brief statement.

Mr. IVES. I am glad to yield to the distinguished Senator from Colorado.

Mr. ALLOTT. Mr. President, I should like to join the Senators who on yesterday expressed, here on the floor, their admiration for the astounding progress exemplified on this 10th anniversary of Israel. It is, to my way of thinking, an example of the same pioneer spirit and determination which marked the settlement of our American frontier.

In the field of agriculture alone, the people of this striving young nation have reached the point where 60 to 65 percent of local food consumption is produced within Israeli borders. This has been done despite the fact that only one out of every five settlers coming to the new land could be considered a farmer or someone versed in even the basic rudiments of agriculture.

Moreover, under the stimulus of a vigorous governmental program, 470 agricultural villages have been established. Indeed, in the Negev area, 75 new settlements were created where none existed before. Visitors returning to this most ancient area of the world are astounded by a desert which has virtually bloomed under the determined hands of these people. If statistics are any sign of progress, I point to these: The cultivated area has been doubled in 10 years; production is nearly tripled; irrigated lands, a paramount factor in this arid land, have nearly quadrupled; and water usage for agriculture has likewise quadrupled.

At the time of Israel's establishment, organized industry was practically nonexistent there. Today, their industrial output includes steel, copper, electrical appliances, diesel engines, and light tools, among others. Thirty-five merchant vessels, with 12 more to be added by the end of this year, have helped exports bound upward threefold. At the same time, imports have nearly doubled, making Israel a steady market for world trade.

Much like our own, Israel's population is a polyglot of many nationalities fused into a tight band of determination.

I am pleased to salute the Israeli nation on this, their 10th anniversary; and I wish them every new success as they proceed on a course which is an astounding parallel to that which brought this Nation into being, a course based upon individual initiative and national integrity.

Mr. President, I wish to thank the distinguished senior Senator from New York for having been so kind as to yield to me, in order that I might submit this matter.

Mr. IVES. I have been very glad to yield to the Senator from Colorado. I am in full sympathy with the statement he has made.

EMPLOYEE WELFARE AND PENSION BENEFIT PLANS

The Senate resumed the consideration of the bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans.

Mr. IVES. Mr. President, first of all, I wish to pay tribute to the Senators who, in one way or another, have aided in the formulation and development of the pending bill. I pay particular tribute to the members of the subcommittee—which previously was a special committee; they are the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MURRAY], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from Connecticut [Mr. PURTELL], and the Senator from Colorado [Mr. ALLOTT], in addition to myself.

Mr. President, this is the fifth year we have been considering this matter. It is high time that we got busy and did something about it. If this were not the fifth year—for example, if it were only the second year—then I think we might have time to fool around a bit. But now time is pressing, and we must take action.

While I pay this tribute to the members of the subcommittee, I also wish to pay my tribute to others who have helped in connection with this matter. I do not have time to mention all of them by name, inasmuch as I desire to make my remarks rather brief. However, I certainly wish to pay tribute not only to the chairman of the subcommittee, the junior Senator from Massachusetts [Mr. KENNEDY], but also, and especially, to the Senator from Colorado [Mr. ALLOTT]. He has been diligent, loyal, and true to his convictions. I regret sincerely that I cannot agree with him. However, I believe I am just as sincere in my convictions as he is in his. I take this opportunity to congratulate him on the diligence with which he has labored in this field.

Mr. President, I am delighted that the United States Senate finally is able to consider Senate bill 2888. The pending bill is vitally needed to protect the billions of dollars invested in pension and welfare plans for the benefit of approximately 84 million Americans. Action by the Senate at this time—without amendments, other than committee amendments—should give to the House of Representatives ample time before adjournment of the 85th Congress to act on the bill. This, in turn, would enable the administration to carry out its provisions without further delay.

This matter has been under consideration, as I have stated, for almost 4 years. Three successive subcommittees of the Senate Committee on Labor and Public Welfare have gone into this subject. They began their deliberations in the 83d Congress, in July of 1954, pursuant to a recommendation by President Eisenhower in his State of the Union Message of that year. The first

subcommittee, of which I had the honor to be chairman, was created in May of that year, and got underway in May. These subcommittees have investigated and studied extensively the need for Federal legislation in this field. The purpose is to protect more adequately the equities of the millions of persons who rely ever-increasingly on the benefits derived from pension and welfare plans for their future economic security.

As I have said, it has been my honor to have served on all three of these subcommittees. I have been proud of the nonpartisan attitude which has existed throughout the extensive work carried on by the members and staffs of the subcommittees.

Mr. JOHNSON of Texas. Mr. President, will the Senator from New York yield to me?

Mr. IVES. I certainly do, on this point.

Mr. JOHNSON of Texas. I would assume that the Senator from New York does not necessarily agree with the statement reported by the United Press to have been issued by the minority leader; namely, that there is a coalition of Democrats and AFL–CIO leaders who are attempting to have this proposed legislation passed. I assume that the Senator from New York feels as do a great many other Members on both sides; namely, that this is a nonpartisan matter.

Mr. KNOWLAND. Mr. President, will the Senator from New York yield to me?

Mr. IVES. I certainly do; I should like to have the Senator from California comment on that point.

Mr. KNOWLAND. Mr. President, the minority leader made no such statement as has been attributed to him. It so happens that the minority leader is supporting the position of the committee and the position of the Senator from New York in regard to the health and welfare fund phase of this problem.

Mr. JOHNSON of Texas. Mr. President, did the Senator from California hear the statement the Senator from New York made just a moment ago?

Mr. KNOWLAND. I did.

Mr. JOHNSON of Texas. The Senator from New York said he was in favor of the bill without amendments, other than committee amendments.

Mr. KNOWLAND. The Senator was talking about the Allot amendment to the bill.

Mr. IVES. No, Mr. President. I have the floor, and I was talking about the bill as it stands.

Mr. JOHNSON of Texas. Certainly. The minority leader did not hear that statement by the Senator from New York.

Mr. KNOWLAND. But I have stated that I am supporting the committee on the bill, with the committee amendments. In addition, I am supporting some amendments in the interest of the giving the members of these unions control over their union affairs. I think those amendments also should be added to the bill.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. JOHNSON of Texas. I thought I understood the Senator from New York to say he favored the passage of this proposed legislation without any crippling amendments.

Mr. IVES. Without any amendments whatever. The committee amendments have already been adopted. I object to any further amendments of any kind.

Mr. JOHNSON of Texas. I just wanted the RECORD to show that the forthright minority leader had included in that position, I assume, every member of his party, and that the record did not support that fact in the light of the statement of the Senator from New York.

Mr. IVES. I want to speak on that myself. There are differences among Republicans, exactly as I have noticed that there are sometimes differences among our good friends the Democrats.

Mr. JOHNSON of Texas. We admit that, and that is all I want to point out—that there are differences. When the minority leader referred to a coalition of Democrats and A. F. of L.–CIO leaders, it would have been more accurate, and it would have been more appropriate, to have said Members from both sides of the aisle do not agree with the minority leader. As a matter of fact, when I urged the Committee on Labor and Public Welfare to bring the bill to the floor, to expedite action on it, and asked the chairman of the subcommittee to get it before the Senate, it was my understanding that the distinguished Secretary of Labor, Mr. Mitchell, had recommended generally what the bill embodied.

Mr. IVES. His recommendation is in the bill.

Mr. JOHNSON of Texas. Furthermore, it is my understanding the President of the United States had said the Secretary of Labor spoke for him in labor matters. I was never as shocked and amazed as I was, when I sought to have the bill considered by the Senate, to find that the Republican leader of the Senate was going to attempt to legislate in the broad field of labor relations by having his amendments considered by the Senate, and to harass and bring about a roadblock of the bill recommended by his own administration.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. KNOWLAND. I am a little amused by the remarks of my friend from Texas, because, as I put into the RECORD yesterday, the administration, on January 23, had recommended some 7 or 8 points on labor legislation. This is one of them——

Mr. JOHNSON of Texas. That was 90 days ago.

Mr. KNOWLAND. A little while ago the distinguished Senator from Texas, in discussing the rivers and harbors bill, talked about the independence of the legislative arm of the Government in proceeding with legislation. As a legislator, I happen to believe my proposal is desirable for the protection of the rank and file. I do not consider it, as apparently the Senator from Texas does, to be antilabor legislation to give rank and file members the right of election of their officers by secret ballot, an opportunity to recall their officers by secret ballot, or to have protection of their funds, other than health and welfare funds. There is nothing in my amendments which in the slightest improves the position of employers as against employees. They are limited solely to giving rank and file members control over their organizations and freedom from the coercion and corruption which have been disclosed by the McClellan committee hearings.

Mr. JOHNSON of Texas. I do not desire to take the time of the Senator from New York further. I am not prepared to discuss the merits of the Senator's amendments. I do not intend to do so now. I express the hope that the independence which the Senator has expressed on labor legislation will be exercised on public-works legislation when it comes before the Senate.

I wish to point out, as the Senator from New York has indicated, there are members of the minority who feel that this legislation is desirable. The Secretary of Labor feels it is desirable. The President feels it is desirable. At least the Senator from New York, if not a number of other Senators on the other side of the aisle, feel it is the better part of procedure at least to pass the bill without crippling amendments, and have the committee consider all proposals in this field before the Senate acts on them.

Mr. IVES. I should like to comment on that statement, and then get back on the subject matter. I think we ought to bear in mind that the bill before the Senate is a bill on pension and welfare funds, S. 2888. We have gone far afield in this discussion.

I wish to say, in defense of my friends on the other side of the aisle, that I know of no coalition existing on this matter between the Democrats and the labor people.

Mr. President, as a matter of fact, as has already been pointed out in this particular discussion, and before that, the idea came originally from the President of the United States. Congress has merely followed out the idea he has expressed in the creation of several subcommittees. This is not a partisan matter. This is not a labor matter in any way, shape, or manner. Labor may have its ideas regarding it. Labor has every right to have ideas regarding it. But this is not a labor matter. This is a matter regarding the welfare of the people of the United States, and particularly the laboring people whose funds are concerned.

Mr. HILL. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. HILL. The Senator from New York was the author of the original resolution which was agreed to by the Senate which set up the subcommittee to study the matter, to study the President's recommendations, and to bring before the Senate recommended legislation. The Senator from New York has been a most diligent, devoted, and faithful member of that subcommittee and in the work which has been done by the committee. Certainly no man has contributed more to the work of the committee or has been more devoted in his

efforts to bring forth the bill now before the Senate than has the Senator from New York.

Mr. IVES. I appreciate the remarks of the Senator from Alabama. I do not deserve them. He is very kind. So far as this particular bill is concerned, perhaps I have contributed as much as anyone except the chairman of the subcommittee. However, so far as the overall procedure is concerned, there are two members on the subcommittee who have done more than I have. One is the distinguished Senator from Colorado [Mr. ALLOTT]. I have already paid tribute to the vast work he has done in this connection. The other is the distinguished Senator from Illinois [Mr. DOUGLAS]. I pay tribute to him at this time. I do not claim to be the one who has done the most work on the bill, but I have been intensely interested, and I have done all I could.

Mr. President, I was talking about the nonpartisan approach to the bill when I was interrupted. The provisions contained in S. 2888 reflect this nonpartisan approach by the members of these subcommittees. The Senator from Illinois [Mr. DOUGLAS], the chairman of the subcommittee during the 84th Congress, introduced the bill. That is the bill before the Senate. The Senator from Massachusetts [Mr. KENNEDY], the present chairman, is a cosponsor. I myself, who served as chairman during the 83d Congress, am also a cosponsor. There are many other cosponsors. Furthermore, the provisions of S. 2888 have been endorsed by the present Secretary of Labor.

There have been honest differences of opinion on the part of some members of the Senate Committee on Labor and Public Welfare with respect to the extent of coverage under S. 2888. My able colleague, the senior Senator from Colorado, is expected to offer an amendment or amendments. These amendments would exempt from coverage pension and welfare plans which have been termed "level of benefit" plans. Such plans differ from those supported by fixed contributions on the part of the employees and employers, either jointly or unilaterally. For many reasons, including those contained in the majority report, I regret that I cannot support such proposed amendments. I have already stated that in my preliminary remarks. I strongly urge my fellow Senators to reject them—every last one of them.

It is true that the investigations by the successive Subcommittees on Pension and Welfare Plans have dealt primarily with plans jointly administered by employers and labor organizations, subject to the provisions of the Taft-Hartley Act. But some evidence of improper practices and mismanagement has also been found to exist in plans administered solely by employers.

If the proposed amendment is adopted, approximately 90 percent of the existing pension and welfare plans would be exempt from coverage. The mere fact that the various investigations did not encompass such plans to any great extent does not automatically imply that no mismanagement or abuses occur in their administration. Just because most of the meaningful cases of abuse and diversion of funds to the detriment of beneficiaries were found in jointly administered plans, one cannot say that all so-called level-of-benefit plans are therefore properly managed. I am confident that the vast majority of level-of-benefit plans are honestly and intelligently administered. I am sure the same is true of what others term "fixed cost" plans.

However, legislation such as this is drawn for the benefit and protection of the small minority of beneficiaries under pension and welfare plans which are mismanaged and abused. Accordingly, to exclude the beneficiaries of any particular type of plan from the provisions of this legislation seems to me to defeat the purpose of S. 2888. In fact, I would call it rank discrimination.

It is contended that the disclosure of an employer's cost under a level of benefit plan, either contributory or noncontributory, is a violation of the employer's collective bargaining rights. It is held in this connection that the representatives of the beneficiaries bargain for an end product, namely, the particular benefits to be furnished by the employer. With respect to this argument, it is interesting to note that the National Labor Relations Board and the courts have held that labor organizations have a right to examine the books of a corporation for the purposes of collective bargaining. Therefore, such information is already obtainable on an individual basis. The coverage under this act would merely make such information more accessible.

It has further been stated that benefits derived from pension and welfare funds are not deferred wages or supplemental payments in lieu of wages, but are merely conditions of employment. But the Wage Stabilization Board, during the Korean conflict, and the courts since then, have held that the employer's share of the cost of such plans or the benefits the employer provides are a form of compensation, regardless of what form the plans take. As stated in the report, whatever an employer contributes or whatever his costs may be in financing a pension and welfare plan, such costs or contributions are solely for the benefit of the employees and bear a direct relation to the wages paid to them. So I strongly believe that whether a plan is contributory or noncontributory, or whether a plan is labeled a "level of benefit" plan or a so-called fixed-cost plan, the beneficiaries are entitled to an accounting.

I know that some of my colleagues are most concerned about the additional costs and paperwork which will result from the provisions of S. 2888. I certainly subscribe to the view that small companies are already heavily burdened with a multitude of reports and forms that are required by Federal and State Governments. For this reason, I strongly support a provision which would exempt from the reporting requirements of the act those plans which cover fewer than 100 employees, until the expiration of 2 years following the date of enactment of the act. Such a provision is in the bill and by its terms the administering agency would be granted discretion to exempt plans of small concerns from either registration or reporting, or both, if it is determined that compliance would be unduly burdensome to either the plans or the agency. It has been estimated that, with such plans exempt, between 40,000 and 50,000 plans would be required to comply with the provisions of S. 2888. Although I do not believe that anyone can determine the actual cost to the Federal Government, estimates presented to the committee by the Department of Labor and the Securities and Exchange Commission have ranged from $1,700,000 to $2,600,000 per annum. That is far from what has been estimated on the floor in debate, which is that anything of the kind would cost about $50 million. Nobody really knows, as I have stated, what the cost would be.

The fortunate thing about all of this is that the effective term of the bill is only 4 years. At the end of 2 years we could reexamine the matter, to ascertain what the costs are. If we found it essential to revise, we could do so at that time. Nobody is going to be wrecked in the interim. Certainly the Federal Government will be able to stand the expense during that time. I think the idea of being disturbed about the cost of the operation of the plan, or any plan which may be adopted, is grossly exaggerated. There is no occasion for such disturbance whatever.

I personally suspect that the cost will be somewhat higher during the first few years, but such an expenditure is more than warranted if millions of dollars can be saved for the beneficiaries of mismanaged pension and welfare plans.

Particular attention should be paid to the contention that insurance companies, because they are already regulated by the laws of the several States, should not be subject to the provisions of S. 2888. Despite such existing State laws, some of the most outrageous abuses were indulged in by certain insurance brokers and officials of a few insurance companies. In fact, the first case investigated by the original subcommittee during the 83d Congress involved a misappropriation or outright larceny of hundreds of thousands of dollars by a notorious former insurance broker and a corrupt former official of an insurance company in my own State. I believe that case was pointed out by name on the floor yesterday by the distinguished Senator from Illinois [Mr. DOUGLAS]. It happened to occur somewhere near where I live, and I know something about it.

At that time the existing State laws apparently did not govern the excessive fees acquired by the broker in question. Subsequently the plan involved was transferred to a different insurance company in another State, but the improper practices still continued. When one considers the thirty or more billions of dollars vested in pension and welfare plans and the important part played by insurance companies in this field, it is difficult to understand how one can feel that Federal disclosure is unnecessary.

Six States already have enacted legislation on the general subject of pen-

sion and welfare plans. Other States are considering such legislation.

In that connection I point out that my own State of New York has legislation in this field, and I think it is contemplating enacting something further along the line. I believe Massachusetts has gone further, so far, than any other State.

One final argument which I wish to touch upon holds that it might be wise, in view of these State-level developments, to leave this entire subject to the several States. But it is my understanding that the information required in the six States varies greatly under the legislation already enacted. Large corporations doing business in several States are therefore required to file separate reports in each State having such a law. Such duplication can easily be eliminated. S. 2888 provides in part that corporations doing business in more than one State shall be required to file only with the Federal Government and the State in which its home office is located, in the event that such State has enacted legislation in this field.

I think this is something we can well consider in connection with this matter. Much has been said—and I have mentioned it myself with a great deal of emphasis—about small businesses and how they should be protected. They should not be bedeviled on matters of this kind. The bill does take care of them. But let us not forget there are some big businesses in this country which are perfectly legitimate businesses, and it might cause them a great deal of trouble if they had to file in every State in the Union, practically, where they were doing business.

Although it is true that a uniform insurance code has been adopted by the States, this took many years to accomplish. Assuming that all 48 States adopted legislation in the field of welfare and pension funds, the duplication of filing requirements might stagger the imagination.

For all of the foregoing reasons, I strongly urge the passage of S. 2888, as reported to the Senate by a large majority of the Senate Committee on Labor and Public Welfare.

I yield the floor, Mr. President.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. COOPER. As the Senator knows, while I am a member of the Senate Committee on Labor and Public Welfare, I did not serve on the subcommittee which considered the bill. However, in the general discussion of the bill in full committee, the suggestion was made that section 12 of the bill, dealing with investigation by the Secretary and injunctions, and section 10, dealing with further powers of the Secretary, might be used, in connection with the so-called level-of-benefit plans administered by the employers, to make sweeping investigations of employers' businesses to determine profits, with a view to obtaining information for use in collective bargaining. I know that the Senator dealt with that subject briefly in his statement, but I am sure that he will agree that that is not the purpose of those sections.

Mr. IVES. It is not the purpose.

Mr. COOPER. If they were used for that purpose, it would be against the purpose and spirit of the sections and the bill itself—which are to assure the protection of welfare funds for the benefit of employees.

Mr. IVES. I think that is very far from the purpose of those sections, and far from the purpose of the bill itself. As I stated in my prepared statement, at the present time, under collective bargaining agreements, unions can obtain full information regarding the financial standing and financial condition of the companies with which they are negotiating.

Mr. COOPER. I know that. However, the Senator is aware that such an objection has been registered.

Mr. IVES. I do not believe that the objection is in any way justified.

Mr. COOPER. I agree with the Senator.

Mr. IVES. If anyone is determined to do such a thing, he will do it through the collective bargaining approach.

Mr. COOPER. I have appreciated very much the statement of the Senator. This subject has been under consideration for several years. The proposal was initiated by the President of the United States. It has been supported by the Secretary of Labor. It is supported by public opinion in the country. It has been delayed about 3 years. I intend to vote for it. I believe that the level-of-benefit plans ought to be included. The purpose of the bill relates to the protection of the employees. I cannot see how any distinction can be made as between the various types of plans, whether union, employer, or jointly managed funds, when we consider the ultimate purpose of the bill is to protect beneficiaries, employees when managers of funds of all types have the responsibility of fiduciary character.

Mr. IVES. I thank the distinguished Senator from Kentucky for his contribution.

Mr. ALLOTT obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator from Colorado yield in order that I may suggest the absence of a quorum, with the understanding that he will not lose the floor?

Mr. ALLOTT. I yield with that understanding.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLOTT. Mr. President, I call up for consideration at this time my amendment, identified as "4–22–58–C."

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 7, line 15, it is proposed to strike out "or."

On page 7, line 21, strike out the period, and insert in lieu thereof "; or."

On page 7, between lines 21 and 22, insert the following:

(4) such plan is an employee welfare benefit plan established by an employer or by an employee organization, or both, on a "level of benefits" basis. A plan shall be deemed to be established on a "level of benefits" basis if (A) it provides for a specified predetermined level or levels of benefits for its participants or beneficiaries, (B) the rate of employees' contributions, if any, toward the cost of the benefits is predetermined, and (C) the employer or employee organization, or both, are obligated to make contributions over and above such employee contributions, if any, to provide the agreed benefits: *Provided,* That no employee welfare or pension benefit plan shall be deemed to be established on a "level of benefits" basis, if the employer or employee organization contributions are specified in the plan in terms other than the amount of such benefits such as, but not limited to, number of participants, number of hours worked, units of production or percentage of compensation.

Mr. ALLOTT. Mr. President, yesterday afternoon I discussed at some length some of the phases of the proposed legislation pending before us, and I discussed them in somewhat general terms. At the conclusion of my discussion yesterday, I told the Senate it would be my purpose today to proceed with a discussion in more detail of certain other phases of the proposed legislation.

First of all, I should like to clear up one of at least a thousand misconceptions which seem to exist. The effect of the amendment now pending before the Senate would be to make S. 2888 the same bill as S. 3443, the bill I introduced, with two exceptions.

The first exception is that the bill under consideration, S. 2888, provides that the agency designated shall be the Department of Labor, and S. 3443 provides that it shall be the Securities and Exchange Commission. The second difference is that S. 3443 rewrites certain portions and certain paragraphs of S. 2888, to make it clearer and better and a more workable piece of legislation, for whatever it is worth, and in my opinion it is worth very little.

It is my intention to examine the factual history of pension and welfare development in this country, which has brought us to the consideration of S. 2888 and the several amendments which have been offered to it.

I may say here, because I did not have an opportunity to do so before, that I appreciate the very generous, I am sure, and kind words which the Senator from New York [Mr. IVES] said about the senior Senator from Colorado with respect to his work on the committee. I regret very much that there would be any attempt to make a partisan issue out of this matter, because as a member of the committee I can say that until the last few months, until it was in its very terminal stages, I felt that partisanship was completely and wholly absent. I think it developed then, not in the conclusions which were drawn, but perhaps in finalizing the legislation. So in a real sense it can be said that the bill was primarily drawn upon the basis of nonpartisanship.

First, I shall review the history of the development of pension and welfare benefit plans, including the Federal legislative history; second, I shall summarize the abuses turned up by the investigations of the governmental groups other than the Senate committees; third, the legislative recommendations of those groups; fourth, a description of some of the situations turned up by the Senate committees of the 83d and 84th Congresses, those being the committees led, respectively, by the Senator from Illinois [Mr. DOUGLAS] and the Senator from New York [Mr. IVES]; fifth, the recommendations of those committees; and last, an analysis of the legislative proposal now before the Senate.

HISTORY OF PENSION AND WELFARE DEVELOPMENT

Private benefit plans to meet the economic hazards arising out of death, old age, and sickness are more extensive in the United States than in any other country in the world. Originally, the protection was purchased by individuals, but within recent years there has been an extensive development of group protection. Employer and union plans were part of the development of group protection, and collectively bargained plans were but a further evolution of the growing emphasis on such plans. Approximately two-thirds of the sickness and accident and 80 percent of the voluntary health insurance coverage is obtained through group enrollment, and most of the group enrollment is connected with employment of the individual.

No exact information is available concerning the total employee coverage under benefit plans which are collectively bargained.

I think I pointed out adequately yesterday afternoon that even though this subject has been purportedly under investigation for 5 years, still there is no adequate statistical information upon which the Senate can intelligently legislate at this session of Congress.

Most of the collectively bargained plans are financed by the employers who completely underwrite more than 62 percent of the welfare plans and almost 85 percent of the pension plans.

There is evidence that some collectively bargained benefit plans existed prior to 1930. In 1923, for instance, the Amalgamated Clothing Workers and the Men's Clothing Manufacturers of Chicago negotiated an unemployment insurance plan. In 1926, the Amalgamated Association of Street and Electric Railroad Employees, A. F. of L., negotiated welfare plans with the Chicago Rapid Transit Co., and the Newburgh, N. Y., Public Service Corp.

It was 1942 and the years that followed, however, which saw the most rapid growth in the establishment of collectively bargained employee benefit plans. The occasion for this growth cannot be attributed solely to any one factor but rather to a combination of circumstances. Among the more important was the provision of the Revenue Act of 1942 which liberalized the conditions under which employers could deduct from gross income certain contributions to qualified employee benefit plans.

Some point has been made upon the floor to the effect that employers are entitled, under the law, to treat these payments as expenses and to deduct them as business expenses. It should be pointed out also, as a corollary, if we desire to keep a true perspective, that during World War II the decisions were uniformly that the payments were not wages and could not be treated as wages. The reason why they were utilized was that they were not wages. The benefits could be increased, but wages could not be increased.

At the same time, the high excess profits taxes of the war economy, together with wartime restrictions on wage increases, provided an added impetus to the establishment of benefit plans. Shortly after the war, the Krug-Lewis agreement in 1946, while the mines were under Government control, provided for the establishment of a welfare and pension plan for workers in the bituminous coal industry. This was followed in 1949 with the case of *Inland Steel* v. *NLRB* (176 F. 2d 247) and the case of *W. W. Cross & Company, Inc.*, v. *NLRB* (174 F. 2d 875), in which the courts upheld the decision of the National Labor Relations Board that it was an unfair labor practice for an employer to refuse to bargain with a union on welfare or pension benefits for employees. Finally, the report of the steel industry board in 1949, recommending the incorporation of welfare and pension benefits within collective bargaining agreements in the steel industry, was a further important factor in stimulating collective bargaining in this field.

Following the outbreak of the Korean conflict in June 1950 certain price and wage controls were instituted. This meant that from that date forward any new or increased employer contributions to welfare or pension plans could be made only under certain standards to be set by the Wage Stabilization Board. Some idea of the size of the employee benefit program at that time is suggested by the fact that the Wage Stabilization Board acted upon approximately 40,000 petitions covering about 11 million workers during the period that it functioned in this area from 1950 to 1953.

The evolution of employee benefit plans has resulted in a wide range of benefits and just as wide a range of financing, underwriting, and administrative practices, as I pointed out yesterday. While some of the larger industrywide and collectively bargained plans follow a certain pattern, a study of a number of plans, both large and small, indicates that no standard pattern is necessarily followed.

TYPES OF BENEFITS

Recent studies indicated that 14 different types of benefits were provided under the usual employee welfare and pension plan.

I emphasize the word "usual" because, as I explained yesterday, the kind and nature of these plans is such that an almost infinitesimal number of types of plans and combinations of plans can be used.

These benefits included, in the order of preference, life insurance, profit sharing, and subsidized saving plans, as well as catastrophic medical care coverage. The study indicated that this was true of plans where employers paid all or most of the cost of such benefits. There are plans, however, under which the employee pays all or most of the costs and in such cases it was found that the major emphasis in terms of coverage was given to such items as hospitalization insurance, surgical benefits, life insurance, pensions, and other medical benefits.

The Labor Management Relations Act of 1947, title 29, United States Code, section 141, is the principal statutory source of Federal regulation of private employee-welfare trust funds.

Section 302 of the act makes it unlawful for an employer to pay or agree to pay money to any representative of any of his employees, or for any representative to accept or agree to accept such payment. Section 302 (c) (5) exempts employer payments to a trust fund established by such representative, if certain conditions are met as follows:

First. Payments from the trust fund must be for—

(a) The benefit of employees, their families and dependents;

(b) Medical and hospital care;

(c) Pensions on retirement or death;

(d) Compensation for occupational injuries or illness;

(e) Insurance to provide any of the foregoing benefits;

(f) Unemployment benefits;

(g) Life insurance;

(h) Disability and sickness insurance;

(i) Accident insurance.

Second. There must be a written agreement between the employer and the employee representative providing—

(a) The detailed basis on which such payments are to be made;

(b) Equal representation of employers and employees in the administration of the fund, with provision for the selection of an impartial trustee to act in the event of a deadlock;

(c) An annual audit of the trust fund, the results of which shall be available for inspection by any interested person at the principal office of the trust fund;

(d) A separate trust fund for pensions or annuities from which no payments, except for such pensions or annuities, may be made.

Mr. President, I shall summarize briefly the effect of section 302 with respect to the entire area: It is simply that the employer is forbidden to agree to pay, or to pay, money to any representative of his employees—and the section makes it illegal for the representative to accept it—unless these conditions are met: That the payments be made to a trust fund for the purposes I have enumerated, and, second, that the trust agreement be drawn in the form provided by the statute, as I have just read from it.

Section 302 (d) provides that any person who willfully violates any of the provisions of the section shall be subject to a fine of $10,000, or imprisonment for 1 year, or both.

LEGISLATIVE HISTORY

The legislative history of the Labor-Management Relations Act of 1947 clearly indicates that it was the intent of the Congress to prevent the making of payments by an employer to the union representing his employees for such welfare benefits as the union might see fit to provide. And the making of such payments is made illegal, where the payments are to be made for such benefits as the union might decide to provide.

The Hartley bill, H. R. 3020, as reported by the House Education and Labor Committee, made it an unfair labor practice for an employer to make payments—

of any kind to any fund or trust—established by a labor organization, or to any fund or trust in respect to the management of which, or the disbursements from which such organization can, either alone or in conjunction with any other person, exercise any control directly or indirectly (sec. 8 (a) (2) (C) (ii) of H. R. 3020, 80th Cong., 1st sess.)

The language of the report accompanying H. R. 3020 is illustrative of the intent of the committee at that time. I may say that when we hear the arguments which are made on the floor of the Senate, it is very difficult to understand what has become of the intent of the Congress, as set forth in that legislation.

I read now from the report to which I have just referred:

By clause (C) (ii) of the same section (i. e., sec. 8) the bill forbids employers to pay to or for unions, or to any funds or trusts established, maintained, or controlled by them, in whole or in part, directly or indirectly, royalties, taxes, and other exactions, instead of paying the money directly to workers in the form of wages. * * * Certainly it is not in the national interest for union leaders to control these great, unregulated, untaxed funds derived from exactions upon employers (H. Rept. No. 245, 80th Cong., 1st sess., p. 29).

During the ensuing floor debate on House bill 3020, an attempt to amend the bill, so as to permit employer contributions to be made to certain types of trust funds, was made. I refer here to the debate on the Landis amendment in the CONGRESSIONAL RECORD, volume 93, part 3, page 3562 and following. The amendment was defeated; and the bill, as passed by the House of Representatives, contained the language originally reported by the committee, and as just read by me.

Senate bill 1126, as reported by the Committee on Labor and Public Welfare—Report No. 105, 80th Congress, 1st session—contained no provision for the regulation of private employee welfare funds, other than a directive to the Joint Committee on Labor-Management Relations to undertake a study and investigation of the desirability of welfare funds for the benefit of employees and their relation to the Social Security System, title IV, section 402, S. 1126, as reported.

However, in the supplemental views on Senate bill 1126 filed by Senators Taft, Ball, Donnell, and Jenner, an amendment adding the present section 302, entitled "Restrictions on Payments to Employee Representatives," was proposed; and the subsequent debate on this amendment further substantiates the theory that Congress intended to prevent the unrestricted use of employer-financed employee welfare funds by unions. The following appears in the aforesaid supplemental views:

The amendment proceeds on the theory that union leaders should not be permitted, without reference to the employees, to divert funds paid by the company, in consideration of the services of employees, to the union treasury or the union officers, except under the process of strict accountability.

And, further:

The necessity for the amendment was made clear by the demand, made last year on the part of the United Mine Workers, that a tax of 10 cents a ton on coal be paid to the mine workers union for indiscriminate use for so-called welfare purposes (S. Rept. No. 105, on S. 1126, Supplemental Views, p. 52).

Subsequently, the House conferees agreed to the language of the Senate amendment, and receded from the position that all contributions by an employer to an employee welfare fund should be barred. Nevertheless, it is clear that the Congress, in approving the language of the present section 302, felt it necessary to legislate against unilateral union control and management of employee welfare and pension funds.

PRACTICAL EFFECTIVENESS OF SECTION 302

The question of how well section 302 has worked in practice is one to which the subcommittee has given attention. In fact, I may say that it is to this question that the subcommittee has given most of its attention. During the 7 years that have elapsed since the passage of the Labor-Management Relations Act, there has been a phenomenal growth in the number and size of employee welfare and pension funds. Investments and reserves have mounted into billions of dollars. Many millions of workers and their families have been covered by plans of one type or another, and the number of persons eligible for coverage is increasing daily. In terms of the public interest, it is now clear that the problem of proper administration and control of these huge funds is one of sufficient importance to demand a careful evaluation of the effectiveness of the controls written by the Congress into the act.

The subcommittee's investigation reveals that the intent of Congress to provide joint control and administration through a board of trustees composed equally of representatives of the employer and the union is, in many cases, being circumvented. There seems to be a widespread feeling on the part of employer trustees—and I say that this is an unfortunate feeling—that the trust fund is a union fund; that the employer's responsibility ends with the termination of collective bargaining over welfare benefits; that the function of a trustee representing the employer in the fund's administration is a nominal one only. In a number of cases there was evidence of complete failure by employer trustees to exercise even the most elementary duties and responsibilities of a trustee. I feel compelled to point out that those funds are fixed cost funds where we found a great number of abuses which I shall discuss at some length later.

In one case, for example, the union and the employer association agreed to set up an insured welfare fund providing life-insurance benefits to employees. The union was granted the exclusive right to select the insurance carrier. The resulting trust agreement met all the formal requirements of section 302 of the Labor-Management Relations Act, 1947. The fund was to be jointly administered by a board of trustees composed of 2 representing the union and 2 representing the employer. One of the union trustees was to serve as chairman and one of the employer trustees was to be treasurer of the board. The chairman was given full and exclusive power to appoint all committees and to hire and discharge all fund personnel. The treasurer was authorized to approve all disbursements and to keep accurate and complete records and accounts.

The union appointed its president and its secretary-treasurer to serve as the union trustees; the employer named its counsel and an official of the association to serve as employer trustees. Subsequently, the union trustee who had been secretary-treasurer of the local union died, and the employer trustee who had been counsel to the association resigned. They were never replaced.

Thus, administration of the fund was left entirely in the hands of the two remaining trustees, (a) the president of the union, who also served as chairman of the board of trustees, and (b) an official of the employers association, who also served as treasurer of the board of trustees.

It is noteworthy that the formal requirements of section 302 were fully met in this case. Yet, in actual practice, the intent of Congress that these funds be the subject of joint employer-union control was clearly frustrated, as will be seen from the following description of a staff interview with the employer-trustee and treasurer of the board of the fund.

He frankly admitted that, in his opinion, his sole function as a trustee was to approve disbursements. He acknowledged that he had never seen a copy of the trust agreement, that he had attended only one meeting of the trustees—which occurred in 1951, at the inception of the new welfare program—and that, to the best of his information and belief, there had been no meetings of the trustees since that time. When questioned about the financial condition of the trust fund—and I ask Senators to recall he was the treasurer—he stated he had never seen a financial statement of the fund's operations, nor was he aware that there had never been an independent audit of the fund. He said he had no knowledge of whether or not the trust had complied with the tax requirements of the Internal Revenue Service. Apparently, this trustee was not too concerned about either his responsibilities as a trustee or as treasurer of the fund. When asked about monthly salary payments to a certain employee of the fund, the trustee admitted that he did not

know the employee and had made no effort to determine what services, if any, this employee was being compensated for because the amount of salary being paid was only nominal and of no great consequence. He said: "I guess I've been a bad trustee." Keep in mind again we are talking about fixed costs or Taft-Hartley plans.

The other employer trustee, who had been counsel to the employer association, and who had resigned as a member of the board of trustees was also interviewed concerning his experience with the fund. He stated that inasmuch as the collective-bargaining agreement and the trust indenture, which gave the union and the union trustee almost complete control over the operation of the welfare fund, had been forced upon the employers, many members of the employer association felt that, in fact, this was a union fund and that the employers should not be held responsible for irregularities. He added that some employers believed that the union might eventually be discredited if permitted to exercise full control. Nevertheless, he said that, in his opinion, the interests of the employers would be protected by reason of the authority of the employer trustee-treasurer to approve disbursements.

To sum up, here is a Taft-Hartley case which demonstrates the need to stop abuses. Here is a case that demonstrates the underlying fallacy of the theory that compliance with the formal requirements of the regulatory statute will insure adequate financing. It will not, nor will it insure efficiency.

It points up the fact that a trusteed plan can be made the instrument of one of the parties in interest if there is a failure on the part of the trustees representing the other party to understand and exercise their duties and responsibilities as fiduciaries. Nonfeasance, as demonstrated here, could be as damaging to the rights and interests of the beneficiaries as malfeasance.

Some unions and employers have gone to considerable trouble in seeking to avoid compliance with the provisions of section 302. For example—and I am still talking about fixed-cost funds—one of the investigations by the subcommittee concerned the operation of a pension fund. This investigation revealed an interesting, but rather complicated, method of circumventing the act.

I might say that if the hearings have demonstrated anything, they have demonstrated the ingenuity of the American people to get around the laws of the United States. If some of those persons had exercised one one-hundredth of the initiative and dexterity in private business that they exercised to get around the law and loot these funds, they would certainly have been among the business geniuses of America.

Negotiations in 1951 between the local union and the employer association resulted in a pension plan to become effective in April of that year. The plan is still in full force and effect. It is administered by union officials exclusively; employers have no representation or voice in the administration of the program. It is financed by employer contributions in the guise of a "wage increase" of $2.50 a week for each employee member of the union, as provided by the collective-bargaining agreement. Keep in mind that this is a case which comes strictly under the provisions of the Taft-Hartley law, and is a fixed-cost type of plan. That agreement requires the employer to draw 2 checks to the order of each of his employees; 1 for $2.50 and the other for the balance of the employees' weekly earnings. The employers further agreed to forward and pay over the $2.50 check in accordance with a written assignment from each employee-payee. It is noteworthy that this procedure was agreed to by the employer association against the advice of counsel who questioned the legality of the assignment under both the Labor Management Relations Act, 1947, and the applicable State law.

The local union then obtained from its members written assignments designated "pension fund assignment cards" which were presented to the employers who were thereby directed to forward and pay over the $2.50 wage increase to the trustees of the pension fund. The final step in the procedure was the obtaining from each member of a power of attorney authorizing the trustee-assignees to endorse the name of the member on the check and to deposit it to the account of the pension fund.

That is unquestionably illegal, unquestionably unlawful, unquestionably in contravention of the Taft-Hartley Act, but nevertheless it is done.

This case demonstrates the lengths to which some employers and unions will go to avoid compliance with the letter and spirit of the Federal law. The modus operandi utilized indicates how the clear intent of the Congress to prevent unilateral union control of these funds may be frustrated, and in this case was frustrated.

THE PROBLEM OF ENFORCEMENT

Section 302 of the Labor Management Relations Act of 1947—29th United States Code, page 186, 1952 edition—is the only Federal statute directly applicable to the establishment and operation of collectively bargained private employee welfare trust funds. The pertinent provisions of the statute read as follows:

(a) It shall be unlawful for any employer to pay or * * * agree to pay * * * any money or other thing of value to any representative of any of his employees * * *

(b) It shall be unlawful for any representative of any employees * * * to receive or accept, or to agree to receive or accept, from the employer of such employees any money or other thing of value.

(c) The provisions of this section shall not be applicable * * *

(5) With respect to money or other thing of value paid to a trust fund established by such representative.

Subsection (c) (5) also prescribes the purposes for which the trust fund may be used and contains other detailed requirements relating to the administration and operation of the fund.

I have already talked about section 302 (d), which provides criminal penalties for willful violations. Is it not significant that at this point under what is commonly called the Taft-Hartley Act, passed in 1947, which has within its own terms criminal provisions for violations of the act, yet the violations in regard to Taft-Hartley funds, or the fixed-cost type of funds, have been going on for at least 8 years of which we in the committee have actual knowledge and perhaps longer than that? These violations are not numbered simply in the tens, or even numbered in the hundreds, but I believe the reports of the committee and the studies of the committee show they are numbered in the thousands, all in the face of an express Federal criminal statute to the contrary. Despite this fact, there is talk about regulating or controlling and cleaning up union funds with the "lollipop" legislation which is before the Senate.

Subsections (a) and (b) are the only proscriptions of the statute.

Experience has shown that the statute is an ineffective instrument for the regulation and control of welfare and pension trusts arising out of collective-bargaining contracts. To date there have been no successful prosecutions under this statute for failure to comply with the prescriptions of section 302 (c) (5). The difficulty of enforcement arises, in part, from the fact that a bona fide trust is not a representative as that term is used in the statute. Consequently, payments by an employer to a trust may be made without regard to the restrictive provisions of subsection (c) (5). Thus, the United States Court of Appeals for the Third Circuit has held that an oral agreement by an employer to make a payment to six trustees of the International Longshoremen's welfare fund was not within the purview of section 302 because the trustees were not "representatives"—*Marine Division, I. L. A.* v. *Essex Trans. Co.* (35 LRRM 2049). A similar conclusion was reached by a Federal district court in the case of *Rice-Stix Dry Goods Company* v. *St. Louis Labor Health Institute* (22 LRRM 2528; U. S. Dist. Ct., E. D. Mo. 1948). In this case it was held that payments by an employer to a health and welfare plan set up as a charitable corporation, where the officers of the corporation were also officers of the union which had organized the corporation, was not a violation of section 302 inasmuch as the charitable corporation was not a "representative" of any employees of the employer.

While the result of these decisions is that virtually all pension and welfare trust funds are free from Federal control, if they are collectively bargained, the conclusions reached are unquestionably based upon sound legal principles and do no injustice to the wording of the statute.

Yet we have gone along with these thousands of abuses which are flagrant abuses—flaunting crime, looting and thievery, in the faces of Americans all over this country for 10 years, and Congress has taken not the first step to correct the language of the Taft-Hartley Act, which would stop the abuses.

For other cases in which the courts have emphasized the legally independent nature of welfare and pension trusts see *Application of Townsend* (130 N. Y. S.

2d 327); *Upholsterers International Union of North America* v. *Leathercraft Furniture Company et al.* (82 F. Supp. 570); and *Van Horn* v. *Lewis et al.* (79 F. Supp. 541).

While the defects of the statutory language render effective enforcement difficult if not impossible, serious problems also are created by other provisions of the law. For example, subsections (a) and (b) make the guilt of the employer the sine qua non for the guilt of the representative. In other words, if one violates the statute, so must the other. Consequently, it is difficult to obtain evidence necessary for conviction. Prosecutors are constantly met with the problem of obtaining proof.

It is perfectly obvious at this time that we must have a separation of this proof of guilt.

Furthermore, it is doubtful that the language is sufficiently clear and unambiguous so as to enable those affected by it to know their duties thereunder. If the language of a penal statute is so uncertain and vague as to make it impossible to ascertain the legislative intent, then it is ineffective to prescribe a crime because a criminal offense cannot be created by inference or implication. The present language of section 302 does permit the raising of this constitutional question. Even if the section is constitutional, the courts are bound to construe a penal statute most favorably to those charged with having violated its provisions—*Application of Feller* (82 N. Y. S. 2d 852).

In view of the foregoing the subcommittee suggests that if the Congress desires strict enforcement of the provisions of section 302, then it must clarify and redefine the meaning of the present statutory language.

I use the words "the subcommittee suggests." It is probably the suggestion of the Senator from Colorado, and partly the suggestion of the committee, although the committee has not suggested this in its report. It is high time that it did.

It is our view that, in its present form, the provisions of section 302 cannot be adequately enforced.

I say to Members of the Senate again that we have stood by and seen thousands of flagrant violations of the law in this field, and for almost 10 years we have sat here and failed or refused to amend the Taft-Hartley Act to stop the looting and thievery in connection with the Taft-Hartley fixed-cost type of plans.

THE PROBLEM OF DISCLOSURE

It seems clear that the draftsmen of section 302 (c) (5) of the Labor Management Relations Act of 1947 believed that through the application of the principle of full disclosure the beneficiaries of employee welfare and pension trust funds would be afforded adequate protection against the arbitrary and capricious acts of those administering these funds and, at the same time, would provide them with the information they would have to have in order to protect their rights in the courts. See Senate debate on Ball amendment, CONGRESSIONAL RECORD, volume 93, part 4, page 4677 and subsequently. The act provides, therefore, that the specific purposes of the fund and the benefits to which employees are to be entitled must be set forth in a written agreement; that the trust fund must be audited at least once each year and the results made available to interested persons at the principal office of the trust fund.

It will be noted, however, that there is no requirement in the law that the audit report be made available to the employees or contributing employers at any place other than the principal office of the trust fund. Obviously, this is of little value to the beneficiaries or the employers who are located at places remote from fund headquarters, as is quite often the case.

I believe at one point in the hearings the Senator from Illinois [Mr. DOUGLAS] pointed out that the mere fact that an employee had to request such information in such manner placed him in a position which was absolutely untenable, with respect to the other members of his union and the managers and operators of the fund.

It is true that some plans go to considerable trouble and expense to make the results of the audit available to both the employees and employers. This has been done in some cases through publication in the local newspapers; some plans mail out copies of the audit report directly to the beneficiaries and employers; others post the report on the bulletin board at union headquarters. These practices are to be commended, but the law itself merely requires that a copy of the report be available at the fund headquarters. The subcommittee's experience to date indicates that this is the usual practice, and that it is absolutely ineffective.

Even in those cases where efforts have been made to keep the interested parties completely advised, it was found that the audit reports consisted of little more than a statement of income and disbursements. The statement as to disbursements, in the usual case, sets out the expenses of the fund in terms of salaries, travel expense, expense for professional services, and other expenses of a fund of this type. I am reminded of the traveling expenses of one gentleman whom I shall discuss later at some length. He managed to spend an average of $500 a day for 10 days on a trip to Cuba.

It is worth noting, however, that there is no definitive breakdown of such expense sufficient to provide interested persons with detailed information concerning the actual operation of the trust fund. I do not quarrel with the fact that these are standard accounting procedures, but do wish to point out that information of this type is of little, if any, value to the beneficiary or employer for whom such information is intended.

As an indication of the complete inadequacy of the statutory requirement of an audit, reference is made to one case which was brought to the subcommittee's attention, in which the auditor admitted that he had not checked employer contributions to the fund against amounts reported to have been received and deposited to the credit of the fund. By what process of accounting legerdemain the auditor was able accurately to assess the fund's financial condition under these circumstances remains a mystery. I cannot help recalling with very painful awareness the so-called audit that was made of the International Laundry Workers Union. The auditor came out and spent a day in company with union representatives, auditing the books. He could not find a single error or discrepancy. In the course of less than an hour and a half the staff of the subcommittee was able to uncover more than 50 discrepancies in the operation of the fund. Notwithstanding the efforts of the committee, to this day no member of the committee, including the distinguished Senator from Illinois, and no one else, so far as I know, except those operating the fund, is aware how these discrepancies were covered up when the auditor went out to examine the books.

Thus, in the course of its studies of a number of welfare and pension funds, the subcommittee has found that the statutory audit requirement is inadequate for two principal reasons: (a) The usual report fails to disclose, in sufficient detail, the purpose for which disbursements are made; (b) the report is not given such distribution as to completely inform all interested persons.

PENSION AND WELFARE ABUSES INVESTIGATED BY HOUSE LABOR COMMITTEE AND NEW YORK STATE INSURANCE DEPARTMENT INVESTIGATIONS, SECTION 302

The Taft-Hartley Act intended to prevent payments from employers to union agents and to make it illegal for both parties to give or accept money or gifts.

With the tremendous increase in group insurance brought about through favorable tax laws, wage stabilization, and collective bargaining, many union officials engaged in collective bargaining saw the advantage of placing insurance business with certain agents. In some cases the insurance agent turned out to be the union leader's own wife or son, and many close relatives of union leaders turned up in the insurance business.

While I am on this subject, lest I forget it later in my discourse, I point out that after the abuses and looting of the Distillery Workers' Union were disclosed, and the fund was turned into a completely union-operated fund, the relatives of the previously deposed union leaders went in to operate the fund, and they immediately raised salaries to 2 or 3 times their original level.

In 1953 and 1954 the New York State Insurance Department conducted investigations of the pension and welfare area. During the 83d Congress a special subcommittee of the House Labor Committee also looked into this matter. At this point I should like to illustrate some of the abuses those groups uncovered.

Mr. Allen Dorfman, son of the waste material handlers' union president, became an agent for the Union Casualty & Life Insurance Co., of Mt. Vernon, N. Y., headed by Leo Perlman. Mr. Dorfman had had no previous experience in the insurance field. In a 4-year period of time, Mr. Dorfman received $1,442,000 in commissions and expenses on three principal accounts. The three

main accounts on which the Dorfman agency received commissions from the Union Casualty Co. were the Central States, southeast, and the southwest areas health and welfare fund, covering more than 60,000 AFL teamsters in 22 States, the Michigan Conference of Teamsters welfare fund, covering more than 30,000 union members, and the 15,000-member welfare plan of local 1031 of the AFL electrical workers, headed by Frank Darling of Chicago. The records show that Mr. Dorfman received $250,000 in commissions on premiums of $2½ million in a 4-year period in one case. In relation to the Central States fund, the Union Casualty Co. bid, though not the lowest, was accepted by union and management trustees. One management trustee vigorously protested the awarding of the policy and asked that it be shifted to another carrier. The employer trustee did not know a brcker would be designated to receive commission on the insurance sale. The insurance company's retention rate of 17½ percent of the premium was the highest proposed by any bidder.

The Michigan teamster's welfare fund, through Dorfman, paid $2½ million annual premium at 17½ percent retention rate for the insurance company. This teamsters welfare fund made an investment of $250,000 in preferred stock of the Union Casualty Co., the very company with which it was placing this insurance. The investment paid no dividends of interest for a number of years. The trustees were unsuccessful in trying to sell the stock back to the insurance company. When one of the employers' trustees of the Central States fund sought an investigation of the Union Casualty's financial fitness, they were resisted by Mr. James Hoffa, the teamster's official.

Employers paid a premium of $5.60 per month for each employee insured through the Union Casualty Co., with Mr. Dorfman as the agent, in the case of local 1031's fund. Annual premiums were $2½ million and commissions to Dorfman were $250,000 in a 4-year period. The insurance company—Union Casualty Co.—was selected on recommendation of Mr. Darling, IBEW local president, during collective bargaining negotiations with affected employers. Local 1031 became the policy holder. The Union Casualty Co. paid local 1031 2½ percent of the premiums for services and administration. When the New York State Insurance Commissioner stopped this service payment, the local union received a retroactive rate credit of 1 percent of the premium. According to the House committee report, this money was part of that paid by the employers.

Mr. Dorfman paid $42,000, on behalf of the Union Casualty Illinois agency for advertising on uniforms of baseball teams sponsored by Mr. Darling.

Insurance executives of the Union Casualty Co. wined and dined union officials and even went into a number of joint business ventures with them that proved profitable.

In Minneapolis, Eugene Williams, a business agent for Local 544 of the Teamsters Union, was made administrator of two transfer and warehouse employees pension funds and received 7 percent of the money to cover their administration. Mr. Williams, as administrator, pays administrative costs and his own salary from this 7 percent. No amount was fixed for his salary or other costs, and was accountable to no one for his use of this money.

There was considerable testimony on the subject of what should be reasonable administration costs. There is no question, from the reports and the testimony, that 2 to 3 percent is the maximum necessary under any except the most extreme circumstances. He used the fund as a springboard for launching his private business enterprise—Williams' Bar and Cafe, in Minneapolis. He also borrowed $1,800 in cash from the union office safe to help finance his bar. Williams says he repaid these sums to the union. He says this. There is also evidence that the Great Western Life Assurance Co. paid the union for some work and administering the welfare program. One such payment check for about $2,500 was cashed.

Another similar operation developed in a New York case where an insurance agency was involved in a double-dealing arrangement by which the agency was paid by both the insurers and the welfare funds for substantially the same services. I call attention again to the fact that I am still talking about the Taft-Hartley funds and the fixed-cost funds, where we found abuses to exist. Neither group knew that the other was paying for the services. Under one contract with the Mutual Benefit Health and Accident Association of Omaha, the agent received service fees of $33,476 for an 18-month period.

Under another contract with the same company, he received another sum of $43,070 for a period of 16 months. The services included so-called investigation, adjudication, and payment of claims. At the same time the agent had agreements with welfare funds for comparable services. These agreements provided that the agents would receive fees of 15 percent of premiums, for the same services for which the company was paying. Union officials received gifts or were lent money by the agency. According to a New York State report on one occasion, an official of local 32 E borrowed $4,000 from the insurance agency and also borrowed $15,000 from the mother of the insurance company agent and $10,000 from the agent himself. Gifts given by the agency to union officials included a $480 television set and $642 worth of carpeting. According to the New York State report, there was evidence that led to the "irresistible conclusion that checks from the agency made out to cash represent payments made to union welfare funds officials who favored the Alcor Agency or its successors with their insurance business." Union officials denied receiving proceeds of the check. The amounts of the monthly checks ranged from $45 to $1,319. The accounts charged for these checks were entertainment, postage, or publicity.

In August 1953, Thomas E. Lewis, president of local 32 E, Building Service Employees' Union, was murdered. Investigation showed that the welfare funds of the union were being mishandled. Lewis, his relatives and friends had received more than $400,000 of the $1,479,000 contributed by employees to the health and welfare insurance in a 5-year period. This is so disgraceful and shocking that I shall repeat the statement. In a 5-year period, of the $1,479,000 which the employees had paid in, the agents had received more than $400,000. The insurance was handled through the Alcar Agency, in which Lewis' wife and friends were officials. Salaries were drawn for functions never performed. The agency, as middleman, paid the insurance company and the fund took pay from both ends. It took a fee from the funds for handling its interest while it was pocketing a commission for placing the funds' business with it. The union officials and friends milked the welfare fund of $275,000 in excessive fees and commissions. The employer trustee of the welfare fund said he had not paid much attention to overseeing the fund and took the view that it was the union men's money.

In New York, the Cardinal Agency in 3 years was grossing $295,000 in commissions from 20 small union accounts. The agency was organized in 1950 by a 25-year-old man who had no previous experience in insurance. The agent was unable to remember how he spent the paltry sum of $107,000, 60 percent of the agency's receipts in 1952, for travel, entertainment, and promotion.

In one case the Seafarers' International Union welfare fund was used to underwrite regular union expenses when dues began to fall as employment declined. This was done with the consent of the industry trustees, but since it was a technical violation of Taft-Hartley, it was done by a bookkeeping disguise, namely, by charging the welfare fund large rent for space in the union hall, putting officers on the fund's payroll, and so forth.

In the Greater St. Louis area one teamsters' local placed its contract for life and accident insurance for city cabdrivers with a tiny local firm whose president was later fined for selling worthless insurance. The firm's agent who signed up the union's insurance was the son of the top teamster official. The contract was eventually canceled when a local newspaper reporter began to raise questions.

Also, the Teamsters' Labor Health Institute in St. Louis, long held out as a model for other union health clinics, has attracted the attention of a Federal grand jury. Its president, Harold J. Gibbons, reluctantly agreed to produce the books for examination, after being jailed for an earlier refusal. Although receiving nearly a million dollars a year from employers, the first audit by a national accounting firm took place in 1954. Even so, it will cover that fiscal year only. The institute was set up in 1945.

At the end of an investigation a St. Louis Federal grand jury in a report said that the size of welfare funds makes them a fertile field for possible mismanagement. The example given was the

Greater St. Louis Construction Laborers' Welfare Fund, which contained over $240,000. The chairman of the union's local was questioned by the grand jury after the murder of two men. Prior to this one of the brothers had been in the linoleum business and had not been a member of the local for 12 years, and then for only a year or two. The grand jury report said that he is a man of no apparent education; and when the grand jury asked him whether he had finished the eighth grade or knew anything about bookkeeping, finance, or administering, he refused to answer on the ground that he might incriminate himself.

Nevertheless, this man is presently attempting to become administrator of this $240,000 fund, and has, he says, the backing of the union trustees.

Of course, whether Mr. Sarkis is qualified or not, or is a proper person to administer such a fund, or whether he is the tool of others, is beyond the province of the grand jury to inquire.

This is also true in the case of Thomas F. Callanan, welfare director of the Pipefitters Local No. 562 welfare fund. Mr. Callanan, who is the brother of Lawrence Callanan, business manager, of local No. 562, received a salary of $175 per week, plus expenses as welfare director, although, according to his testimony, he had no previous experience, and his duties are negligible.

In Kansas City, Mr. Orville Ring, president and business agent of a 5,000-member teamsters local, picked out a local doctor, without consulting his executive committee, to provide medical benefits for his union members. Not long afterward, expensive gifts were made to Mr. Ring by the doctor, whose fees began to total $4,000 a month from the union's business.

Joseph DiBucci, president and business agent of Hotel and Restaurant Employees Union, local 178, AFL, testified that he had taken $10,300 out of his union's welfare fund to buy himself a home in Yonkers. The money was put back by the insurance brokers who handled the fund's account.

Harry Davidoff, president of the Doll and Toy Workers Union, local 130, AFL, got weekly compensation of $300, plus a $4,600 Cadillac, from the fund covering his union's 800 members. The fund's total income was $58,340 a year. After he had been called to testify, Mr. Davidoff decided to give up his expense account of $75 a week and get along on his weekly salary of $225.

The welfare fund of local 759 of the International Hod Carriers and Common Laborers Union, AFL, put $204,000 into a holding corporation which built and operated a bar for use by the union members. The project lost $29,000 between 1951 and 1953, and the bar was shut down by litigation. The bartender lost his job for asking why the union president, Joseph Gentile, kept drawing checks on the welfare fund and using them for ordinary union business.

The welfare fund maintained by the Atlantic and gulf district of the Seafarers International Union, AFL, spent $4,583 in 1953 to buy membership in four golf and luncheon clubs for its administrator. Testimony disclosed that the union had bought land adjacent to its Brooklyn headquarters for $125,416 and sold it to the welfare fund at a profit of $59,584. The property is to serve as the site of a hotel for seamen on the beach.

Let us consider that for a moment. Here were men who were supposed to be operating a fund for the benefit of the working people. Here was a union, or I should say rather the officials of a union, because I do not want to pin this activity on the union as such, who bought property for the union and then deliberately depleted the welfare fund which provides help to the members in times of illness and accident. The officials sold the property to the fund itself at a profit of $59,000, and took out a profit of $59,000 for the union, which the officials of the union used themselves.

The welfare fund paid a union-owned corporation $3,000 a week to underwrite losses in the union restaurant, and $1,500 a week to maintain a television, card, and poolroom next door to the union hiring hall.

If any public official in the United States intermixed his funds in the way these funds were intermixed, he would be summoned before a grand jury within 24 hours.

The welfare fund of local 923, United Culinary, Bar, and Grill Employees, paid out 34.8 percent of its income—$166,242 out of $477,404—for administrative expenses during the period May 1, 1950, to February 28, 1954. Just think of that: 34.8 percent of the moneys coming into that fund were paid out for administrative expenses instead of for health and welfare benefit payments to the employees.

The administrator of the welfare fund, who is also president of the local, received $79,235 from the welfare fund during that 4-year period. His assistant received $30,031, making a total of $109,266 paid the two administrators. The fund spent $126,000 for insurance coverage for fund beneficiaries during that time. The local has 1,200 members employed in luncheonettes and hamburger stands. Three-hundred and fifty employers contribute to the fund, which has collected $750,000 since it was set up in 1945.

The fund of local 394, United Auto Parts and Accessory Workers, bought an annuity policy for the local president and secretary-treasurer in 1947, its first year of operation, and bought $9,617 of insurance for the local's 400 members. A union official is reported to have estimated that the fund spent $36,000 for annuity protection for the two officials.

The same two officials of local 394 were elected comanagers of the welfare fund of a newly chartered local, United Service Employees, local 377, and shared in $22,090 of annuities bought by that fund for themselves and local 377's president, Ernest J. Dumas.

The fund of local 1115, Restaurant, Luncheonette and Soft Drink Employees, has spent $221,314 or more than one-third of its income, on administrative expenses in the last 3 years. It provided the local president, Michael Werner, and the secretary-treasurer, Michael Sackman, with two Cadillacs, a Packard, and gasoline credit cards to visit Florida and the Catskills, and paid them $315 a week apiece. The two officials were entrenched in their welfare-fund jobs, under a resolution, passed by their local executive board, which gave them 10-year tenure with automatic renewal every 10 years thereafter, unless two-thirds of the union members signed notarized petitions giving a good and sufficient reason why they should not be reappointed.

In another case the impartial chairman of the board of trustees administering the fund of the Retail Wine and Liquor Clerks' Union, Local No. 122, AFL, admitted it was his custom to draw $100 every week or 10 days to buy luncheons, cigars, and liquor for himself and his two fellow trustees. The fund also paid the full $7,200 a year rent on the offices occupied by the chairman, even though the trustees had voted to impose a rent ceiling of $4,200.

Mr. COOPER. Mr. President, will the Senator from Colorado yield to me?

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair). Does the Senator from Colorado yield to the Senator from Kentucky?

Mr. ALLOTT. I am very happy to yield to the distinguished Senator from Kentucky.

Mr. COOPER. Mr. President, the Senator from Colorado has been stating examples of the illegal, unlawful and, I may say, reprehensible misuse by certain union officials of employee-welfare funds. Let me ask him whether there is any record of the total number of such funds which have been administered; and can the Senator from Colorado also state the percentage of the funds which, according to the testimony taken, has been misused in the ways he has indicated?

Mr. ALLOTT. I shall try to answer the questions the Senator from Kentucky has asked.

Mr. COOPER. Let me say that I do not mean to imply that even if the percentage is small, we condone the misuse of any funds. But I think it proper to present the example of misuse in the full context of all funds administered.

Mr. ALLOTT. In the first place, nearly all, or perhaps all, of the abuses which the two Senate committees found to exist, occurred in the area of the fixed-cost plans. That is why I have shaped my amendment in such a way as to try to cure the ills where they do exist, namely, in the area of the fixed-cost plans. As nearly as we can determine, they comprise approximately 6, 8, or 10 percent of the total number of plans or funds. But I cannot answer my colleague's question accurately; and that is one of my chief objections to consideration of the proposed legislation at this time by the Senate, because no one in the United States has any detailed, accurate information either as to the number of funds or as to those which are funded or as to those which are not funded, or as to those which are welfare funds, or about anything else in regard to the funds. The best that we

have been able to obtain are estimates. So I shall have to answer the Senator's question on the basis of the estimates which have been made.

Let me say that I believe that even in the case of the fixed-cost funds, the large majority of them are well, diligently, and honestly managed. However, when we realize that $700 million or $800 million go into these funds annually it is easy to see that only a few bad apples in the barrel can spoil the remainder—which in this case amounts to a very considerable sum of money.

Mr. COOPER. Without condoning the misuse of any funds at all, for the purpose of the bill which I support is to prevent, to the maximum extent possible, the misuse of any welfare funds, my question is whether there is available information as to the percentage of the funds regarding which such misuse has been shown to have occurred.

Mr. ALLOTT. No; I do not believe such figures are available. I can only repeat what I said yesterday during the course of my preliminary remarks, namely, that there are so many bad apples in this barrel that our subcommittee, which investigated the welfare and pension funds, could have continued its investigation for 2 or 3 years without interruption, without running out of material to investigate.

Mr. COOPER. Regarding the cases the Senator from Colorado has cited as examples, was there any evidence adduced that any of the union members—beneficiaries of the welfare fund—were aware, or had any opportunity to be aware, of the defalcations or misuse of the funds of which they were the beneficiaries?

Mr. ALLOTT. In most instances, they were not given an opportunity to get such knowledge. If an audit was made, it was kept in the office of the fund; and any request by a member of the union or any request by a workman even to see those records was not looked upon with favor.

Mr. COOPER. Mr. President——

Mr. GOLDWATER. Mr. President, at this point will the Senator from Colorado yield to me? I believe I can supply some information in connection with the questions the Senator from Kentucky has asked.

Mr. COOPER. First, I should like to complete my questioning of the Senator from Colorado.

Mr. GOLDWATER. Very well.

Mr. COOPER. Mr. President, there is great public interest in this matter of protection of welfare funds which has been manifested by corrective legislation and has been urged by the President, the Secretary of Labor, Members of Congress, and by responsible labor officials. Let me inquire whether in the course of the hearings, any evidence of interest in this field was indicated by rank and file members of the unions who are the beneficiaries of these funds.

Mr. ALLOTT. I shall have to answer the question as follows: If there was any interest by the rank and file generally, it was brought to the attention of the committee staff, not to the attention of those of us who are the members of the committee. So far as I know, no interest was shown by them generally.

Mr. COOPER. The Senator from Colorado has shown, by his statement, the comprehensive study he has made of this subject.

Mr. ALLOTT. I thank the Senator from Kentucky.

Mr. GOLDWATER. Mr. President, at this point will the Senator from Colorado yield to me?

Mr. ALLOTT. I yield to the Senator from Arizona.

Mr. GOLDWATER. I should like to make an effort to partially answer the question of the distinguished Senator from Kentucky, if the Senator from Colorado will allow me to interrupt him.

Mr. ALLOTT. I am very happy to do so.

Mr. GOLDWATER. I can supply a partial answer to the Senator from a letter I received February 12 from the Treasury Department. I shall read one paragraph of that letter:

> Available records in this office indicate that from October 21, 1942, date of the Revenue Act of 1942, up to December 31, 1957, the Internal Revenue Service issued ruling letters on 43,706 pension, profit-sharing, stock bonus and annuity plans as to qualification under section 165 (a) of the 1939 code and section 401 (a) of the 1954 code. During the same period the Service was advised of 2,724 plans which have been terminated. This leaves a net of 40,982 rulings outstanding.

That is just a portion of the paragraph.

I may explain these are level-of-benefit plans which have already been reported to the Revenue Service over the years. There has never been a single instance, to my knowledge, of any wrongdoing in the operation of those funds. In fact, having one in my own business, I can tell the Senator I think it is impossible to embezzle or cheat on these funds.

That is only a partial answer to the question. As the Senator from Colorado has indicated to the Senator from Kentucky, when we get into the figures, the number of plans we are talking about, we have heard figures all the way from 50,000 to 350,000.

Mr. ALLOTT. I believe the top estimate made by a person who thought himself qualified was 500,000.

Mr. GOLDWATER. I believe I heard that figure. If the Senator will yield for that purpose, I should like to ask him a question, as long as this subject has been brought up.

Mr. ALLOTT. I am glad to yield for that purpose.

Mr. GOLDWATER. On page 2 of the majority report, referring to the activities of the committee which investigated welfare and pension funds, under the chairmanship of the Senator from New York [Mr. IVES], the following statement is made:

> Although it made studies of the overall characteristics and problems in private employee benefit plans this subcommittee confined its field investigations to collectively bargained, jointly administered welfare funds, and uncovered abuses, mismanagement, and waste in the administration of a number of plans of this type.

My first question is, Were any field investigations made by the subcommittee under the chairmanship of the Senator from Illinois [Mr. DOUGLAS], with respect to any other type of benefit plans, particularly true level-of-benefit plans?

Mr. ALLOTT. I believe there were. At least, it was reported to us by the staff that there were.

In the consideration of this subject, there has been an effort constantly, especially since my type of level-of-benefit amendment was offered, to make it appear that we investigated, and that the committee was directed only to investigate, these particular Taft-Hartley plans, or fixed cost plans, and union plans. That is not so. I believe I sat in all but a couple of sessions of the committee during the entire 4 years, and, to my knowledge, no directive was ever given to anyone to draw the line and to investigate just one type of fund. We investigated many more kinds, because we found pay dirt, and did not confine ourselves especially to level-of-benefit funds. That is the reason why we spent time on the fixed-cost funds.

Mr. GOLDWATER. I was going to ask the Senator one more question. Were there any complaints of any type of abuse or mismanagement or waste which had occurred under plans which qualified under section 401 of the Internal Revenue Code?

Mr. ALLOTT. Let us consider the definition of that section first. That is the section which provides means by which an employer may, by submitting certain information to the Bureau of Internal Revenue, secure a deduction for moneys paid out in behalf of a union welfare benefit or pension fund. Is that correct?

Mr. GOLDWATER. That is correct.

Mr. ALLOTT. We did not find any troubles in the administration of those funds. It happens that those particular funds are level-of-benefit funds, and are unilaterally managed.

Mr. GOLDWATER. I thank the Senator. I apologize for injecting that question at the present time, but I felt it would be proper inasmuch as I had attempted to answer partially the question posed by the Senator from Kentucky. I apologize for interrupting. Later I shall have some other questions to ask the Senator from Colorado.

Before I take my seat, I want to commend the senior Senator from Colorado for the excellent presentation he is making this afternoon. I am afraid not enough Senators are aware of the seriousness of the proposed legislation. I think too many Senators feel that it will satisfy labor leaders and satisfy the American people, who are clamoring for legislation to control the evils that have been disclosed. I compliment the senior Senator from Colorado for his strict attention to the details of the bill during its forming in committee and for his very fine presentation today.

I am hopeful absent Senators will avail themselves of the opportunity of reading the RECORD, because the effort is being made to obtain by legislation what it has never been possible to obtain at negotiations around the table—

secret, detailed costs of doing business, to which unions have no right. I prophesy that if this proposed legislation shall be enacted it will do more harm to the union movement than any legislative proposal which has come before this body.

Mr. ALLOTT. I thank the Senator for his kind remarks. I am sure I do not deserve them.

I should like to point out at this time, and I intend to discuss it later, that the real impact of such legislation, if it is enacted as the sponsors want it enacted, is that in the long run it is going to defeat the purposes of the individual worker, and the effect is going to be to convert funds of the level-of-benefit types which so many of them have bargained so hard to get. The effect will be to force all of the funds into the area of the fixed cost or Taft-Hartley type of fund.

I am not sure whether the Senator from Arizona heard the somewhat considerable discussion I had in the forepart of my remarks about the relationship of the Taft-Hartley Act to the matter, and the effect of it.

Mr. President, I shall continue with the long list of specific abuses which have been discovered, because I believe it is necessary to have them in mind to obtain any kind of an understanding as to how we have to attack the problem.

A vice president of the CIO Store Union and manager of the United Shoe Service Employees Local, No. 563, disclosed that he had a son and daughter on the union payroll and a second son serving as counsel for the local and its welfare fund. The welfare fund paid the union $300 a week to help meet the salaries of the president's children and 3 other union employees. The union executive and other members of the local's executive board admitted they had received $12,808 in medical benefits from the fund, usually without submitting the bills required of the 500 shoemakers for whom the fund was set up. The union executive received $6,068 in benefit payments from the fund in a 6-year period.

The benefit payments, of course, were what the 500 shoemakers wished to have when they were injured or got sick. The executive said he had used part of the money to "take a rest" in California while under treatment for heart trouble.

The business agent of the local received $1,417 for medical claims in 2 years. Of the 2 physicians he claimed treated him, 1 testified that he had charged $9 for 3 visits and the other said he did not recall ever having attended him.

An engineer for the IBM Corp. told how he had collected $36,276 in commissions on welfare insurance in 5 years without ever meeting the officials of the union he was representing or performing any services for them. He got an insurance agent's license at the suggestion of his brother, who was a union official. The brother was given several union contracts.

A paper salesman received $25,000 in 2½ years by splitting fees on fund business referred to him by his brother-in-law, a union official.

A $4,200-a-year subway signal man, his brother-in-law an A. F. of L. local union president, admitted that he made $38,000 in fees from the welfare fund of his relative's union without investing a dime. In one case $19,785 was handed to him as his share of commission for helping get welfare fund business.

The welfare fund of Teamsters Local 805, with an annual income of $250,000, was unable to pay premiums on insurance for union members for 6 months. The fund laid out $85,000 for a resort that had a maximum market value of $25,000. In addition, it spent $76,000 on improvements. The property was purchased from a cousin of the employee trustee who had paid $11,000 for the property in 1944. So from 1944 the cost went up to $85,000. The union official, as administrator of the fund, set his annual salary at 10 percent of employer's contributions, plus an additional 2 percent for expenses. Contributions run at the rate of about $250,000 a year. The administrator often charged his long-distance calls to the fund emanating from all parts of the country. In addition, the fund had paid $2,479 to cover an extended stay at a resort hotel.

I must say it is surprising to learn, in the examination of the various funds, how much welfare and pension business is transacted by these people at outstanding and expensive resort hotels, not only in this country, but all over the world.

In hearings conducted in Los Angeles by the House Committee on Labor and Education, witnesses stated that their welfare fund books were not audited by any public authority. They also said there would be no check if the trustees decided to raise benefits above the income or raise salaries.

Other witnesses said that, although employers contribute $690,000 a year to operate the sheet-metal workers' welfare fund, the union trustees dominated the joint labor-management board controling it. This only points up the statements I have made heretofore about the Taft-Hartley funds, which are for the most part the fixed-cost funds, which need regulation in this country.

Management trustees on the welfare fund board face strike threats if they fail to vote in accordance with union demands. One witness said, "There is absolutely no necessity to require management, under constant threat, to act as a trustee." Congressional investigators stated that the records of a sheet metal workers union local were so incomplete that it was impossible to make the proper examination. One check for over $8,000 was drawn in January 1953, and did not reach the Los Angeles welfare fund until 15 months later.

In a Washington hearing an insurance broker stated that he received $45,773 in commissions during a 5-year period, almost matching the total benefits paid to policyholders under two group health policies sold to unions in Atlantic City.

It is almost inconceivable in the United States of America—a country based upon law and order; a place where we pride ourselves on the ability, soundness, honesty, and integrity of our legal system—to imagine a situation where a man who is running a fund can take for himself, for his own personal services, $45,000 in commissions during a 5-year period, almost as much as he paid to all of the employees for their health, accident, and welfare benefits, for which the fund was started. The policyholders received $52,000 unclaimed. In addition to 17½ percent paid on all premiums, the broker received $17,267 by splitting with the insuring company money which normally is returned to policyholders in the form of dividends.

I may say at this point—although I shall discuss the subject later—that it is primarily this factor which determines what is called retention by the insurance companies.

GOVERNMENTAL RECOMMENDATIONS SUBSEQUENT TO HOUSE AND NEW YORK STATE RECOMMENDATIONS

The hearings by the House committee and the revelations in New York State caused an intensified investigation into the operation of union welfare funds.

I repeat that we are talking about Taft-Hartley fixed-cost funds. None of these abuses occurred in connection with the level-of-benefit type funds.

In January of 1954, the President recommended that the Congress initiate a study of welfare and pension funds covered by collective bargaining agreements with a view of enacting "such legislation as will protect these funds for the millions of working men and women who are the beneficiaries."

I cannot state the purpose of the effort which I am making upon the floor today, and the effort which I have made throughout the past 2 years, and particularly in the past 3 months, in any clearer or better words than the President's own words, when he said that such legislation, if it is good, will protect these funds for the millions of working men who are the beneficiaries. I, for one, will not be a party to giving them a lollipop when they are entitled to a law.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. BUSH. I spent about 2½ hours last night studying the report which the Senator has ornamented with his own supplemental views, which I read with especial care. His argument convinced me of the necessity of his amendment, which I shall support.

Mr. ALLOTT. I appreciate the Senator's statement.

Mr. BUSH. In order to clarify my thinking a little further, I wish the Senator would point out just why it is that the fixed-cost plan seems to invite this type of malfeasance, theft, or whatever we may wish to call it, whereas the level-of-benefit plan, over the years, seems to have been virtually immune from tampering. Why does the one plan invite it, while the other seems to be immune from it?

Mr. ALLOTT. I shall be glad to answer the very intelligent question of the Senator from Connecticut. There are really many reasons—perhaps as many as 20 or 30 contributing reasons. The reason lies in the fundamental difference in the nature of the funds.

Under a fixed-cost fund, the parties—the employers and the employees, or perhaps only the employees—contribute a certain number of cents an hour, or a certain percentage of their salaries, or perhaps, as in the case of the coal miners' union, a certain amount per unit of production. Upon one of those three bases, they contribute a certain amount of money to a fund. When the employer and employee both contribute, and particularly when the employer contributes, it is necessary that the fund be administered in accordance with the provisions of the Taft-Hartley Act.

Mr. BUSH. That is, when both contribute?

Mr. ALLOTT. That is when the employer contributes, but not necessarily when only the employee contributes.

Mr. BUSH. Am I to understand that they both must contribute in order to bring the fund under the jurisdiction of the Taft-Hartley Act?

Mr. ALLOTT. No; when the employer contributes.

Mr. BUSH. Either the employer alone, or the employer and employee?

Mr. ALLOTT. Yes. However, it is rather rare—in fact, I know of no such case—when only the employee contributes to a union fund, that the employer has anything to do with the management of the fund.

I pointed out earlier this afternoon, before the Senator entered the Chamber, that the Taft-Hartley Act itself is so drawn that it is impossible to obtain convictions under the criminal provisions of the act. Therefore, when each year there is a total of $700 million or $800 million coming into these pools of money, as is true with respect to the fixed-cost funds, that fund attracts, as honey attracts flies, all those who are looking for what is called in the street a fast, easy buck. They are the people who are drawn to the $700 million or $800 million a year, and they find various ways of circumventing the law.

I suppose some people will interpret what I am saying this afternoon as an attempt to run down certain classes of people. Far from it. But I think we should go through not only 5, 10, 15, or 20 cases, but perhaps 100 cases—and I do not intend to go through 100 cases—in order to demonstrate where the abuses exist, why they exist, and how they can be accomplished, in order to understand how they may be corrected.

What we are being asked to do by the majority of the committee is to enact legislation which is supposed to cure this situation. We cannot cure it unless we understand what caused it; and the only way we can understand what caused it is to know how these malefactors operate. That is the reason why I have devoted so much attention to this particular subject this afternoon.

In reply to the second part of the Senator's question, the reason such abuses have not existed in connection with the level-of-benefit plans is that under the level-of-benefit plan a fixed amount of benefits to the workers is set. Perhaps I should read a portion of the minority and supplemental views, from the report.

Mr. BUSH. From what page?

Mr. ALLOTT. Page 34.

A major distinction must be drawn between level-of-benefits and fixed-cost plans. A fixed-cost plan, in contrast to a level-of-benefits plan, means any plan that has a limited cost to the employer. The predetermined fixed nature of the cost distinguishes such plans from the level-of-benefits plans where costs to the employer may vary. A fixed-cost plan sets a fixed amount of contribution by the employer whether it is adequate to provide the anticipated benefits or not. If for any reason the contributions are inadequate, benefits to the workers are reduced. A level-of-benefits plan sets a fixed amount of benefits to the workers. If the employer's anticipated contribution is inadequate, the employer pays out more money—his costs vary—and the benefits to the workers remain fixed; they are not reduced. If these conditions are not present, then regardless of what the plan is called, it is not a true level-of-benefits plan and would not be exempted by the amendment that the undersigned propose.

The chairman of the subcommittee fell into error in his preliminary statement yesterday, because he referred to certain level-of-benefit plans which are not level-of-benefit plans. Regardless of what the plan is called, it is not a true level-of-benefit plan, and would not be exempted by the amendment I have proposed, unless the employer himself bore the burden of any additional expenses incurred by the plan.

Why does not the level-of-benefit plan result in the abuses incident to the fixed-cost plan? First of all, there is no pool of money for people to get at.

Secondly, if the employer steals from the fund with one hand, he must put the money back with the other hand. Therefore, he has no incentive to steal. The fund contains a built-in self-policing provision. It is to his own interest to see that every last dollar of benefit is squeezed out of it for the benefit of the worker, for whom it was established.

Mr. BUSH. The Senator has made an excellent exposition of that point. May I ask him just one more question?

Mr. ALLOTT. I yield.

Mr. BUSH. Are level-of-benefits plans frequently contributory with respect to both employer and employee? They can be, can they not?

Mr. ALLOTT. Sometimes; yes.

Mr. BUSH. But the Senator's argument really applies, whether they are or not. Is that correct?

Mr. ALLOTT. Yes. However, if they are contributed to by both parties, it is the result of an agreement. Usually it is also the agreement of the parties that the employer shall administer the fund. The parties have a right to designate who shall administer it.

Mr. BUSH. I thank the Senator.

Mr. ALLOTT. I believe that in the case of United States Steel workers, who appeared before our committee, and gave a very fine statement, and who have a unilateral employer-managed level-of-benefit plan, we were told—I cannot just at the moment quote the statement exactly, but the sum and substance of the testimony was "We like our plan; leave us alone." That is about as high a tribute to the amendment which I have offered that I have ever heard. I thank the Senator for his questions.

A special subcommittee of the House of Representatives held extensive hearings in the fall of 1954.

The investigation in New York by the Insurance Department was concluded in the fall of 1954. One hundred and sixty-two welfare funds were examined.

The investigators uniformly reached the conclusion that there existed considerable abuse in the administration and operation of some health and welfare plans.

The interim report of the House special subcommittee seems to sum up the situation very well. It stated that—

Information obtained by the subcommittee indicates a wide range of questionable practices by union officials, employers, insurance companies, brokers, administrators, and trustees connected with health and welfare funds. Having devoted our major effort to date to the study of health and welfare funds, we found that the record points clearly to these notable abuses:

1. Employer lack of interest and fear to assert prerogatives evidenced by failure to actively assume the duties of trusteeship and in some instances abdicating responsibilities entirely;

2. Some contributions negotiated by threats and violence; union domination of trustees action by reprisals or threats of reprisals against individual employer trustees;

I might interpose here to say that a very prime example of the latter which came to the attention of our committee was the case of the tuck pointers in Chicago.

3. Irregular practices by some insurance companies including high operating or retention charges, high commission payments, loose and careless handling of funds to suit the whims of certain brokers and union officials who control the placement of insurance, collusive advance opening of bids to secure improper competitive advantage, and a tendency to charge whatever premium price it is possible to collect;

I might interpose again to say what one insurance representative said to us before our committee. It was to the effect that in the insurance business, as anywhere else, the squeaking wheel gets the grease.

4. Irregular conduct by insurance brokers and consultants, including collusive arrangements with insurance companies and union officials to obtain business; the charging of excessive fees and the payment of so-called commissions to union officials in connection with the placement of insurance;

5. Trustee conduct ranging from laxity to breach of faith, including a refusal to accept responsibility and a failure to disclose personal dealings for profit in matters directly relating to the trust fund;

6. Squandering of assets by administrators of so-called self-administered, or non-insured, funds, including payments to persons not eligible for benefits and "influence" payments to union officials.

7. Discrimination against nonunion employees through the requirement that eligibility for benefits is invariably conditioned on being a union member in good standing.

That concludes the recommendations and findings of the House. I say to my fellow Members of the Senate, if anyone can tell me how this lollypop, milksop legislation we have before us is going to

stop these insidious, violent evils which the House sets forth here, and which I have been discussing for the last 2 hours or so, I should like to have him come forth now and say how it will be done.

As is evident, this indictment represents abuse not only in the handling of money and the breach of relationships of trust, but also the abusive exercise of power on the part of some union officials.

There is no evidence to show that the type of abuse disclosed in the jointly administered Taft-Hartley or fixed-cost plans is present in those administered solely by employers, and which generally coincide in this field with the level-of-benefits plans. Of course, that is not to say employers are endowed with superior moral fiber. In fact, employers have been a party, willingly or unwillingly, knowingly or unknowingly, to some of the disclosed abuses in the jointly-administered plans.

I might add to what I said to the Senator from Connecticut [Mr. BUSH], who inquired on this point a few moments ago, because a thought has just occurred to me with relation to the question which he asked. I should say that there are also union plans, solely union plans, which are level-of-benefit plans. Therefore in this area, if someone seeks to say that we are attacking just one group or another, it is not so. This would apply to some union plans and not to others. For example, with relation to another area, as, for example, the United States Steel Corp., if any amendment were adopted the United States Steel Corp. would report on some of its plans and would not report on some of its plans. Therefore there is no attempt to discriminate for or against any particular group of people. Some union-administered plans would be exempted.

Mr. BUSH. Mr. President, will the Senator yield for one more question?

Mr. ALLOTT. I yield.

Mr. BUSH. Would the Senator clarify the point about the Taft-Hartley plan? Do I understand that the level-of-benefit plans are not contemplated in the Taft-Hartley law, but only fixed-cost plans? I do not quite get the reason why the Senator should use the Taft-Hartley law tag in connection only with the fixed-cost plans. I should, perhaps, know the answer, but I do not know it, and I would appreciate it if the Senator could tell me the distinction.

Mr. ALLOTT. The answer, I believe, is that they do coincide almost identically as they are set up. Section 302 of the Taft-Hartley law, with which we are dealing, forbids payments to unions or representatives of unions other than under certain circumstances, which the act defines in section 302 (c). Those circumstances are that——

Mr. BUSH. I do not wish to inconvenience the Senator, if he would rather defer the answer. It would be quite satisfactory to me.

Mr. ALLOTT. No; I have the reference right here; I simply turned two pages at once and missed it.

Those circumstances are, first, if one starts with the supposition of payments, that it is unlawful for an employer to pay or agree to pay money to any representative of any of his employees, or for any representative of the employees to accept or agree to accept such a payment, except under section 302 (c) (5), which exempts them from the criminal provisions relating to such payments, if those payments are made to a trust fund established by a written agreement and are (a) for the benefit of employees, their families, and dependents; (b) for medical and hospital care; (c) pensions on retirement or death; (d) compensation for occupational injuries or illness; (e) insurance to provide any of the foregoing benefits, such as unemployment benefits; (f) life insurance; (g) disability and sickness insurance; or (h) accident insurance.

In addition—and I know the Senator from Connecticut would like to have this information—the trust agreement must provide certain things. It must (a) contain the detailed basis on which such payments are to be made; (b) provide for equal representation of employers and employees in the administration of the fund; (c) provide for the selection of an impartial trustee to act in the event of a deadlock; (d) provide for an annual audit of the trust fund, the results of which shall be available for inspection by any interested person at the principal office of the trust fund; (e) provide for a separate trust fund for pensions or annuities, from which no payments, except for such pensions or annuities, may be made.

I believe that answers the Senator's question and puts the matter in its perspective, namely, that payments to representatives of the employees are forbidden, except under the specific circumstances provided for by the Taft-Hartley Act.

As thus far developed under the Taft-Hartley Act, the plans have developed under the fixed-cost type of situation, where the employer contributes a certain number of cents an hour, a certain percentage of the salary, or a certain amount of money based upon units of production.

Mr. BUSH. I thank the Senator from Colorado for this information. Although I have read the report quite carefully—I spent 2½ hours on it last night—there were some things about it that I did not fully understand.

Since I have been a Member of the Senate, I do not think I have come in contact with any more complicated issue than the one we are now debating. I do not think there is any wide degree of public understanding of the issue at all, in spite of the publicity in the newspapers about welfare funds and pension funds.

I congratulate the distinguished senior Senator from Colorado for having acquired a very broad, complete grasp of the situation. I think he is doing much today to alert and to educate the Senate on the issue. I, for one, am very grateful to him.

Mr. ALLOTT. I appreciate the very kind remarks of the Senator from Connecticut. He has hit the nail on the head. This is a most complicated question. I do not think it is possible to sit down and explain the subject to a person who is a lawyer or who has had wide experience in the business field in less than a 2- or 3-hour session. For that reason I, too, have been concerned lest Senators glance at the bill and say, "Well, we can take it under recommendations of the majority of the committee and pass it."

No one can study the bill diligently without becoming convinced, as he goes further and further into the question, that the complications and ramifications multiply themselves a thousandfold, until the opportunities for providing good legislation become more remote.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. CURTIS. In my opinion, the Senator from Colorado has made an excellent statement. It indicates that he has a grasp of the many problems involved, and also that his approach to the matter is in the interest of the employees, the general public, the employers, and the Government of the United States. I commend the Senator from Colorado for his efforts concerning the measure.

Mr. ALLOTT. I thank the Senator from Nebraska.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. GOLDWATER. The distinguished Senator from Connecticut [Mr. BUSH] has raised in my mind a very important question. I know the Senator from Colorado has already answered it, but I think the question needs to be repeated time and again, because I am afraid that the thoughts of our colleagues might be to the effect that the bill is intended to be an overall correction of the evils being disclosed. I asked the Senator from Colorado if the bill is the result of the investigations now being held by the so-called McClellan committee.

Mr. ALLOTT. No; it is not.

Mr. GOLDWATER. The bill would in no way correct any of the evils disclosed by the McClellan committee; would it?

Mr. ALLOTT. I cannot answer that question. I know that the McClellan committee, to call it by its common name, has gone somewhat into the area of abuse in the welfare and pension field. But, as I understand, the McClellan committee has devoted its attention more particularly to abuses in other areas of the union field, rather than to this particular field. At least, the bill before the Senate is not based upon the findings of the McClellan committee, but rather upon the findings of the Committee on Labor and Public Welfare, although the bill does a very poor job of interpreting those findings.

Mr. GOLDWATER. As a member of the McClellan committee, I may add, so that the Senator from Connecticut might understand the situation, that the bill in no way will correct any of the evils the McClellan committee has disclosed. Parts of the bill might be construed as dealing with some of the abuses we found; but overall, it does not do so.

I say this because, if the bill shall be passed—and I hope it will not be passed, at least in the form in which it is—we

will find that a person who administers a plan and who has been stealing in the past will merely lie in his reports.

I am sure the Senator from Colorado will discuss the fact that the United States Government will be faced with an almost impossible situation in policing the funds. If we simply consider the 41,000 funds which are registered with the Internal Revenue Service, it is simply impossible for me to understand how the majority members of the committee can suggest that for $1,500,000 a year it will be possible to police 41,000 retirement, pension, and welfare funds in the United States. I am sure the Senator from Colorado will touch on this question, if he has not already done so. I myself expect that the supervision of the funds will cost the taxpayers more than $100 million.

Mr. ALLOTT. I think the Senator from Arizona is exactly correct. I do not happen to have come to that particular point; I intend to come to it and discuss it quite fully later. But the Senator from Arizona is absolutely correct. This is one of the big weaknesses of the bill.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. BUSH. Suppose the bill were amended in accordance with the amendment to be offered by the Senator from Colorado—which I believe is now the pending amendment—that would eliminate the level-of-benefits group from the bill, as I understand the amendment.

Mr. ALLOTT. That is correct.

Mr. BUSH. And it would require the reporting of the fixed-cost plans in accordance with regulations established in the bill.

Does the Senator from Colorado think the bill in that form would have sufficient corrective influence of a desirable nature to make it possible for the evils to which the Senator from Colorado has referred in the course of his remarks, and which to some extent are covered by the report, to be dealt with on an adequate basis? How far would the bill go toward meeting the necessities shown by the revelations which have been made before the committee and otherwise?

Mr. ALLOTT. I shall be very happy to answer the question: In my opinion the bill will go only a very, very little way.

Mr. MARTIN of Pennsylvania. Mr. President——

Mr. ALLOTT. Mr. President, I should like to finish my answer to the question the Senator from Connecticut has asked me.

Mr. MARTIN of Pennsylvania. Certainly; I did not mean to interrupt.

Mr. ALLOTT. Mr. President, it has been stated—and this is why I have been trying to point out the specific types of abuses we have encountered—that if the bill in its present form, without amendment, is enacted into law, the Congress will have placed a burden of at least $100 million a year—provided the job is done properly in the Department of Labor—upon the plans and funds, whereas that money should be devoted to the purchase of welfare and pension benefits for the workers concerned. This is one reason why I resent to the very core of my being this bill in its present form. Under it, all these persons will be required to register, report, and disclose. As a result, a great proportion—perhaps 90 percent—of the funds would, by this measure, be penalized to the extent of the requirement to report, disclose, and register, whereas all the testimony taken by the committee has shown that among the group which constitutes the 90 percent, no trouble at all has been found.

Mr. BUSH. Mr. President, will the Senator from Colorado yield again to me?

The PRESIDING OFFICER (Mr. CURTIS in the chair). Does the Senator from Colorado yield again to the Senator from Connecticut?

Mr. ALLOTT. I am happy to yield.

Mr. BUSH. Again, I should like to commend the Senator from Colorado very much for bringing out that point so forcibly.

I desire to point out that during the last 25 years these pension funds have been increasing and growing. Prior thereto, one heard little about them. But in recent years they have been growing, and have become an important factor in the lives of the working men and working women of the country. Theft, whether direct or indirect, from a pension fund or any other abuse of such a fund—and all such abuses amount to theft, in the long run, as indicated in the cases to which the Senator from Colorado has referred—is as bad as stealing the widow's mite.

Mr. ALLOTT. Exactly.

Mr. BUSH. Such theft is one of the cruelist types of theft I can think of. But I am afraid it is not recognized in that light by either the people of the country or the Members of Congress generally.

That is why I believe the bill is so important; and it is also why I hope the committee—inasmuch as the distinguished Senator from Colorado has gone into the matter this far, and has made these findings and the report, and has proposed this legislation—will go farther, and will do whatever is necessary or appropriate, let us say, to be done at the Federal legislative level, in order to prevent abuses of the type which the proposed law would require to be disclosed. I think that is essential. In other words, as the report of the Senator from Colorado states, this bill is a disclosure bill. We want such information produced, because we wish to know what is going on.

However, I believe something more is needed. Whether it should be done at the State level or at the Federal level, I do not know, inasmuch as I have not been a member of the Senator's committee. But I believe we need some sort of legislation which will tighten up the criminal laws and will apply them to this kind of highway robbery.

Mr. ALLOTT. Mr. President, the Senator from Connecticut is entirely correct. Even the most avid proponents of this bill will not contend, not even for a moment, that it attempts to regulate and to stop the ills and evils I have been mentioning.

One of the premises on which the bill is drawn—and it is a false premise—is that neither the workingmen nor the unions ever have any information about the level-of-benefit funds. However, I hold in my hand such a report from the United States Steel Corp.; and I have in my office files, I believe, several similar reports from other large industrial concerns.

The one I now hold in my hand is distributed to every stockholder of that company in the United States and, I suppose, to every insurance company and bank and financial firm and investment firm. So it cannot correctly be said to be a secret, by any means. The statement sets forth the details of the pension funds, on a comparative basis, in parallel columns, for the years 1955 and 1956. This information is shown on various pages of the report, which comprises a total of 42 pages.

On page 18 we find the following items, among others, all of them being under the heading "The 3-Year Labor Agreement":

Production and maintenance employees of steel-producing operations.

These items are shown in parallel columns for the years 1956 through 1959:

Wage increases.
Job classes.
Supplemental unemployment benefits.
Jury pay.
Sunday pay.
Improved insurance program.
Holiday pay.
Increased pension benefits.
Increased vacation pay.
Increased shift premiums.

On page 21, we find the following—and again the detailed figures are shown in parallel columns for the years 1955 and 1956:

Pension costs.
Noncontributory part of pension plan.
Funding of current service cost (including interest on past service cost).
Funding of portion of past service cost.
Contributory part of pension plan—current service cost.

There follows the "Total for pensions." Then we find:

Social security taxes.
Insurance costs.
Payments to industry welfare and retirement funds.
Other employee-benefit costs.
Total cost of employee benefits.

On this page the total for pensions for the year 1956 is shown as being $125,206,683; and the total cost of employee benefits is shown as being, for 1956, $225,352,981.

The gross is shown by the listing of the total cost of employee benefits, for 1956, as $225,352,981, whereas the total for 1955 was $199,874,025.

So this report gives a fairly good idea of how the pension plan was operating; and the employees who read the report have no trouble obtaining information as to how their pension trusts are progressing.

On page 39, 18 pages farther along in the report—I admit one must turn over all those pages, in order to reach it—we find a detailed, 2-page statement under the heading "United States Steel and Carnegie Pension Fund, Trustee—Combined Pension Trusts." In addition,

at the foot of page 39 there is a signed certificate by the public accounting firm which examined the combined statements of the pension trusts administered as trustee by the United States Steel and Carnegie pension fund; and, preceding the signature, we find the following:

In our opinion, the above statements, together with a summary of investments shown on page 40, present fairly the combined assets of these pension trusts at December 31, 1956, and the changes therein during the year.

That certificate is dated February 26, 1957.

I shall not read into the RECORD all the items appearing on these pages; I do not believe a useful purpose would be served by doing so. But this report is here, and is available for inspection by any Member of the Senate; and I have similar reports in my office files.

In the report which I hold in my hand, we find the following items, among others—all with detailed figures:

Statement of assets.
Investment at cost.
Cash.
Accrued interest and other receivables.
Contributions receivable from employing companies in subsequent period.
Payables.
Assets.
Reserves for investments.
Assets, less reserves.

Then there follow, under the heading "Statement of Changes During the Year," these items—and, for each one, as in the case of the ones to which I have just referred, the detailed figures are listed for both the year 1956 and the year 1955:

Balance at beginning of year.
Additions.
Receipts from employing companies.
Receipts from participating employees.
Income from investments.
Gain on disposition of investments.
Deductions.
Pension payments.
Refunds to withdrawing employees (including interest).
Administration expenses.
Transfers to reserves for investments.
Balance at end of year.

On the following page—and one has only to turn the page, in order to see it—we find the following headings; and, again, each one is accompanied by the detailed figures:

Summary of investments at December 31, 1956—
Securities of United States Steel Corp. and subsidiaries:
United States Steel Corp. serial debentures.
Elgin, Joliet & Eastern Railway Co. first mortgage series A.
Pittsburgh, Bessemer & Lake Erie Railroad Co., first mortgage series A.
Union Railroad Co. first and refunding mortgage series A.
Other bonds, notes, and debentures: United States Government; other.
Preferred stocks.
Common stocks (including bank and insurance-company stocks).
Mortgages.
Oil and gas payments and royalties.
Properties owned and leased.
Total investments at cost.

The last are shown to be $895,705,738.

Mr. BUSH. I thank the Senator for that information. I think that is one of the biggest and best known funds. It only emphasizes what I said a little while ago, that the number of people depending on the solvency of the funds is measured by the thousands.

The final question I should like to ask the Senator—and I am grateful for his patience with us this afternoon—if this disclosure bill does not, as the Senator has said, come to grips with the real trouble, will the committee or the Senator himself introduce additional proposed legislation this year which might prevent the abuses which exist?

Mr. ALLOTT. I do not have in mind the introduction of such proposed legislation this year, for the reason that the entire attention of the committee has been held toward the consideration of legislation along the lines of or similar to this particular bill. Amendment of the Taft-Hartley Act, for example, a tightening of the provisions of it, particularly with respect to the criminal provisions, the changing of the word "representative," particularly as used in section 302 (c) (5), would help a lot; but those matters have not at any time been considered by the committee. So I will have to say I think for the present, based upon the action of the committee, we shall have to pass upon the situation of whether the Senate will vote for or against the bill now before it, either amended or not amended. In my opinion, it does not come to grips with the problem which I have been discussing; and only by the remotest possibility could it do so. It could do so, possibly and conceivably, if it were converted into a regulatory type of legislation, which it is not, but that is the only way it could.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. KENNEDY. By the terms of the bargaining agreement, is it compulsory that there be a report of the details of the United States Steel pension fund to employees?

Mr. ALLOTT. The stockholders' report, which the Senator has in his hand, and to which I referred, has figures in the latter portion of it.

Mr. KENNEDY. Is it a part of the collective bargaining agreement with the steelworkers that United States Steel shall give to its employees each year a detailed report of the management, administration, and general condition of the retirement fund, or the way the moneys are invested? Is that a part of the contract?

Mr. ALLOTT. I cannot answer that question. The chairman of the subcommittee undoubtedly has that contract in his files. I will say that each one of them gets it.

Mr. KENNEDY. Each one of the employees gets such a report?

Mr. ALLOTT. Yes.

Mr. KENNEDY. Each employee gets the same report a stockholder gets?

Mr. ALLOTT. No; the employees get a report upon their pension and welfare funds.

Mr. KENNEDY. The point I am making is, in the first place, I do not think the Senator is suggesting that by the terms of the bargaining agreement, it is compulsory that United States Steel shall make such reports. It may be compulsory in some cases, but it is not in every case compulsory that companies make a detailed report to their employees of the investment portfolio of their pension fund. In the second place, that being so, I personally feel the employees are entitled to that information. An additional argument is that if United States Steel does make the information available, what possible objection could it have to making the report available to the United States Government?

Mr. ALLOTT. Because it would expose detailed management of its funds and its portfolio to persons who have no interest in it.

Mr. KENNEDY. The Senator and I disagree as to a company's obligation to reveal the details of the funds to all employees who might be depending on those funds either for pension or welfare. The Senator from Colorado does not think employees should be so informed. I think they should be so informed, and I do not consider the report to which the Senator has referred adequate.

Mr. ALLOTT. I am not particularly concerned with whether the Senator considers this particular report adequate, but his own statement yesterday raised a question and led to the implication that the workers were going along in a completely uninformed fashion. That is not true. This particular report happens to be one that was in my files. I think in my office I have others from other companies. It is not true that employees have no idea as to how the funds are managed.

Let me point out to my good friend a question he has never considered. In this whole area the very persons who are screaming to get their hands and their fingers upon information about the funds are those who have more information about what is paid out of those funds, and what they are paid for, and have as much information as the companies themselves as to costs.

Before the Senator from Massachusetts was chairman of the subcommittee, the union people who testified, and who, I might say, at first were very cool about our proposals and investigation, admitted that they had the information available to them. They admitted in the hearings that they have very comprehensive, capable staffs. They know, within a very small fraction, what the various funds and plans cost them.

I say this with all respect to the chairman of my subcommittee. If we were to assume, and if it were a fact, that we were speaking of laboring men or unions as they were 30 years ago, I think the supposition of the chairman would be exactly right. I think employees would be dealing in and from an unfair position with the one who was controlling or managing the funds. But that is not so. As the chairman knows, persons who represented the various unions and who testified before the committee were as well equipped with long, comprehensive items of research, and long, documentary exhibits as were the representatives from

management who came into the committee.

Mr. KENNEDY. To get the issue clearly before the Senate, I feel that the report to which the Senator referred, which is put out at the discretion and judgment of the United States Steel Co., and which does not reveal any more than the company chooses to reveal, is not an adequate report on the pension fund. Secondly, if the Senator feels the information is being given to employees satisfactorily, what possible objection could there be to having the information registered with the United States Government?

Mr. ALLOTT. I am not going to have the Senator put in my mouth words that are different from the language I used, and different from words I want to have put in my mouth.

Mr. KENNEDY. I do not want to do that.

Mr. ALLOTT. I did not say all were getting this information, but I do say a great portion of them are. The implication raised upon the floor of the Senate yesterday that the employees are not getting the information simply does not jibe with the facts as the committee found them. Many of these companies do give reports of a similar nature.

Let me say that this is more complete than the report one picks up from a bank, such as the bank with which the Senator from Massachusetts probably does business.

I will say further that I believe there is an area in this country in which people have a right to bargain and contract for themselves. The United States Steel workers said that very plainly to our committee when they said, "We have bargained for a level-of-benefits unilaterally administered plan, and we would be just as pleased if you left us alone."

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. KENNEDY. Any time I do not like the way the bank is handling my money, or any time I do not think the information is full and complete, I can transfer my account. However, when a worker, who works in a factory and who is dependent for his retirement on the soundness of the retirement program, is placed in such a position, it is a denial to him of the necessary information, though he cannot shift his employment from one company to another at will.

I think, in view of that very unusual nature of the pension dependency upon the part of these workers, the information should be filed year by year, of a type which is comparable to what the United States Steel Corporation files, but in more detail. If United States Steel is ready to give out to its employees such information—and the Senator defends that—I do not see what objction the Senator has to the United States Government having the information, also, and making the submittal of the information compulsory rather than discretionary.

Mr. ALLOTT. I do not see any reason why some employee should not have the right to go to another company, exactly as the Senator has a right to go to another bank.

Here is an example of $762,251 paid out as refunds to withdrawing employees.

Mr. KENNEDY. But the Senator knows that the pension plans very rarely deal adequately with an employee who may have worked for 25 or 30 years. Usually, if he is 59 or 60 years of age, he has to wait until age 65, and he cannot move his employment at will, as I could move my bank deposit.

Mr. ALLOTT. That is another fallacy drawn from the hearings. It simply is not the fact. These people are protected in almost every case.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. ALLOTT. I shall be happy to yield to the Senator from Arizona in just a moment.

I have had my attention directed to the law, a copy of which I have obtained. If the agreement is collectively bargained, along with other information and under the other items of collective bargaining they can require an annual audit of the trust fund, a statement of the results of which shall be available for inspection by interested persons at the principal office of the trust fund and at such other places as may be designated in such agreement.

I might say, if the Senator will bear with me just a moment, with all respect and deference to the chairman of the subcommittee, that I believe if we are to say in the United States Senate what type of plans these people can or cannot have, we are usurping a prerogative and a function with which we have no right to deal. That is one of the main objections I have. People still have a right to bargain for themselves.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. ALLOTT. And in bargaining for themselves, the people have a right to say who shall manage the fund and who shall contribute to it.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. KENNEDY. I completely agree with the Senator. The only point as to which I disagree with the Senator is that I think they should disclose the details of the plans, whether collectively bargained or not, to the Federal Government. The plans should be registered. We would not prohibit the employers from entering into any kind of relationship with the employees on a collective bargaining basis. All we ask is that the information be registered with the Federal Government, and disclosed.

Mr. ALLOTT. Also, in bargaining, the people have a right to write into the agreement what methods of disclosure shall be used.

Mr. KENNEDY. I will say to the Senator the point is this: Does the Senator feel this matter is to be kept a secret? If the pension plans are a subject of collective bargaining, does the Senator feel that the union should be unable, because of the bargaining strength of the employer, to have the information disclosed to the employees, as suggested under the bill? Is it not in the national interest that the information should at least be put down for the Federal Government, so that all employees can see it?

Mr. ALLOTT. The answer to that, I will say to my friend, lies in this statement: If I should ask the chairman of the subcommittee how much money he made last year, he would tell me—I believe properly—that it was none of my business.

Mr. KENNEDY. The Senator is correct.

Mr. ALLOTT. That is exactly true. By the same token, we have not yet reached the place in this country where the management and operation of private companies, which are owned by stockholders, have become the property of everyone in the United States—and I hope to God that we never see the day.

Mr. KENNEDY. The Senator is talking about apples and bananas. We are not talking about what my personal compensation may be.

Mr. ALLOTT. It is the same principle, exactly.

Mr. KENNEDY. No. If I had some employees and I promised them pensions at the age of 65, in return for which they gave their services, so that the pension was one form of the compensation, as a definite benefit, it seems to me the employees would have every right to know what funds I had in the pension plan, and what were my capabilities, so far as meeting any obligation was concerned, when they reached 65 years of age. I am not talking about personal income; I am talking about pensions.

Mr. ALLOTT. Let us not get off the track. If 10 people own a corporation, or if 100 people own a corporation, and I am not one of those owners, I have no more right to information about that corporation than I have a right to information about the income of the Senator from Massachusetts or the Senator has to information about my income. That is the principle which is involved, and it involves a very, very deep principle that enactment of the bill into law would violate. The violating of that principle would turn the whole course of business in this country.

Mr. KENNEDY. May I ask the Senator to state what the principle is?

Mr. ALLOTT. The principle is that it violates the right to contract.

Mr. KENNEDY. What violates the right to contract? Is it the disclosure?

Mr. ALLOTT. No, it is the particular bill under consideration.

Mr. KENNEDY. Is it the necessity for disclosing the details of a pension or a welfare plan to which the Senator refers?

Mr. ALLOTT. The bill calls for the violation of the right to contract, not only as to how the fund will be managed, but as to what disclosure, if any, shall be made.

Mr. KENNEDY. No. We do not, by the provisions of the bill, interfere with the right to bargain.

Mr. ALLOTT. As a matter of fact, let me point out to the Senator that the trouble with disclosure, as our committee found, does not lie in the fact

that employees have not been able to find out how the business was run.

This is a thing which was promoted by the staff. It is fallacious in the extreme. There simply is not anything in the hearings to justify it, except the bald statements of the people who want primarily to accomplish another purpose with disclosure.

The real purpose of disclosure as it was started out in the discussions in the subcommittee under the direction of the Senator from Illinois [Mr. DOUGLAS], before the present chairman was a member of the particular subcommittee, was that disclosure was meant to be generally among the employer, the union, the employees, the insurance company, and the trustees. In that context the situation which occurred, for example, with reference to the distillery workers, and the situation which occurred with reference to the laundry workers, could not have occurred.

That is how the term "disclosure" arose in the committee, and that is how it was used for many, many months—in fact, for all of the time hearings were conducted by the Senator from Illinois [Mr. DOUGLAS] for whom I have the highest respect, even though I disagree with him, exactly as I have the highest respect for the Senator from Massachusetts. That is how the term was used. It was only in the latter part of the hearings held by the Senator from Illinois [Mr. DOUGLAS]—in fact, after the conclusion of those hearings—that disclosure went to the point of taking on a meaning of simply telling the employees what should happen. Before that time disclosure meant that all the five possible parties would tell each other what was going on, and in such context the things I am going to talk about later with respect to the laundry workers could not have happened.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. ALLOTT. I am happy to yield.

Mr. GOLDWATER. I should like to invite the attention of the Senator from Massachusetts, the chairman of the subcommittee, to my few remarks relative to his.

First of all, Mr. President, we are losing sight of the fact that the bill under consideration, as it is now written, will include in its coverage about 90 percent of the pension plans now in effect, which are now adequately—in fact, more than adequately—reported to the Internal Revenue Service.

I may say to the distinguished chairman of our subcommittee that to qualify for one of these tax exempt funds requires about three years of work to satisfy the Internal Revenue Service that the fund is properly organized, and that there is a determination to see that it will be conducted according to law.

Once such a letter of authority has been issued to the company or the corporation, the company or corporation is required annually to fill out very extensive forms. One is called 990–P, and another is 990–T. They divulge the entire operation of the business. As a business man, I feel that they are just as holy as an income tax return. Already reports are filed with the Federal Government with respect to 90 percent of the plans in operation.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. GOLDWATER. I shall be glad to yield in just a moment. If the Senator will read the regulations relating to employee pension, annuity, profit sharing, and stock bonus plans, he will find that a disclosure to the employee is called for. These funds must be reported to the employee. The Senator will find, if he reads the regulations, that the committees which operate these funds in the corporations are employee-dominated. In my particular firm there are five members on the committee, three from the employees and two from management. No investment can be made without the approval of the committee. No withdrawal can be made without the approval of the committee. No person can be denied his or her share in the fund unless it be done by the committee.

After having had experience with one of these funds for almost 14 years, I feel that there is nothing so well protected by the Government as the funds which come under the employee pension, annuity, profit sharing, and stock bonus plan regulations of the Internal Revenue Service.

Before I take my seat, I ask the Senator from Colorado if he would object to my inserting in the RECORD at the conclusion of his remarks the regulations of the Treasury relating to employee pension, annuity, profit sharing, and stock bonus plans.

Mr. ALLOTT. I shall be happy to have the Senator do so. The Senator's remarks have been most helpful.

Mr. GOLDWATER. Mr. President, I ask unanimous consent to have the document which I have described printed in the RECORD at the conclusion of the remarks of the Senator from Colorado.

The PRESIDING OFFICER. Without objection, the document may be printed in the RECORD, as requested.

(See exhibit No. 1.)

Mr. KENNEDY. Mr. President, will the Senator yield to me?

Mr. ALLOTT. I yield.

Mr. KENNEDY. The Senator from Arizona directed his remarks to me on the question as to whether or not the fact that the Internal Revenue Service permitted a tax deduction for such a plan was a sufficient guaranty and protection of the plan. As the Senator knows, this subject was quite fully discussed in a letter which is found on page 494 of the hearings. The Internal Revenue Service made it very clear that its responsibility did not extend to providng sufficient protection to the beneficiary. I read from page 494, near the bottom of the page:

> While this undoubtedly has a salutary effect on the operation of plans, it does not, however, afford complete protection to the beneficiaries.

Mr. GOLDWATER. If the Senator can draft a law which some lawyer or crooked individual cannot circumvent, I will take my hat off to him.

Mr. KENNEDY. As the Senator knows, information given to the Internal Revenue Service is confidential. Therefore, the Internal Revenue Service is not equipped to disclose to beneficiaries the details of the plans. Therefore, there would be no disclosure at all. It would be quite the reverse.

Mr. GOLDWATER. The Senator is missing one of the points of our objection. These funds are all required to be reported to an agency of the Federal Government. Those who operate these plans and those who are anticipating inaugurating plans do not want anything more to do with the Federal Government. That is just one more place to file a report. Not a single instance of mishandling of such funds has ever come to my attention. There are 40,000 or 41,000 such plans in existence.

I shall discuss this subject at greater length when I obtain the floor in due time. There is no loophole that I know of through which one could crawl to take advantage of these funds. Contrary to what the Internal Revenue Service may say to the effect that present laws and regulations may not completely protect, they do protect.

Mr. KENNEDY. I invite the attention of the Senator to the following language on page 495 of the hearings:

> Moreover, the Service obtains no information from these forms which would reveal excessive premiums, commissions, or fees paid to insurance companies, brokers, agents, or trustees, or which would reveal improper transactions between the trustees and officials of the employer or of a union or persons associated with them or the trustees.

I think it is very clear, if anyone will read the letter from the Internal Revenue Service, that it does not feel competent to exercise powers which would give sufficient protection to the beneficiaries.

Mr. GOLDWATER. Mr. President, the Senator misses another point. The States also regulate these funds. The trust companies which handle such funds are State-regulated bodies. The trust company is responsible to the State regulation, and it reports to the State.

Mr. BUSH. Mr. President, will the Senator yield to me at that point?

Mr. ALLOTT. I yield.

Mr. BUSH. That is exactly the question that has been going through my mind. I hope that during the course of the debate on the bill and the amendments, that question will be clarified.

We have State examiners for insurance companies, which maintain large accumulations of funds which are held in a fiduciary capacity by the insurance company for the benefit of the policyholders.

We have State supervision of savings banks and of commercial banks, all along the line. At the Federal level, in the case of Federal savings and loan associations, we have supervision by the Home Loan Bank Board and its agents.

Virtually every important accumulation of capital which is contributed to by individuals, or for the benefit of individuals—such as savings, whether they be in the form of insurance savings, bank savings, or any other type—enjoys the protection of some governmental inspection.

On the whole, I believe that the results of those systems in the various States have been very satisfactory. We do not often hear of insurance companies being mulcted. Very seldom do we read of such an instance. The same is true of savings banks. Occasionally a dishonest employee shows up, but he is fired and goes to jail, and the bond covers the loss to the institution. So those whose funds are in accounts in insurance companies and in savings banks are protected almost all the way along the line by the State government.

I hope the result of this debate will be some expression by the Senate, or at least by the committee, as to what we ought to do about real supervision of these pension and welfare funds, because I cannot see any difference between the purposes of a pension fund and the purposes of insurance such as a group life insurance plan.

Mr. ALLOTT. Mr. President, the Senator has brought up a point on which he is exactly correct. He has stated one of the reasons why I am opposed to the bill. It does not regulate. I am not sure that we have the power—certainly we do not have the information—to regulate these funds, other than at the State level. And yet the proponents imply that the abuses will be eliminated.

Mr. BUSH. As I say, I am not too familiar with the issue. But does not the Senator agree with me that, with respect to pension funds above a certain size, and which involve the savings of many thousands of people who are working for a living, some form of protection to the beneficiaries should be offered by the Government at one level or another, just as it is offered to the holders of life-insurance policies and the holders of savings certificates and savings bank accounts.

Mr. ALLOTT. I agree with the Senator on the growth of two things. One of them is that six States have passed laws in this area. The other is that the State insurance departments of every State in the Nation have shown a greatly increased interest in policing all of the insurance funds and in the adoption of an insurance code. All of these things make me believe that we are well on the way, perhaps, toward solving these problems. We have not solved them yet. One thing is certain, and that is, that the mamby-pamby piece of proposed legislation which we have before us, on which everyone is going to spend a great deal of money, which will either come out of the employer's pockets, in the case of the level-of-benefit funds, or out of the workers' pockets, in the other funds, which will involve probably $100 million a year, and perhaps more, and where merely a report will be filed, and which involves the sort of thing that I have been talking about for 3 hours, will not cure the situation; and anyone who believes it will is naive, indeed.

How anyone can possibly expect, when we are dealing with people like Saperstein or Nadeo or James, and the rest of them, that the mere filing of a report with the Secretary of Labor is going to stop that bunch of thieves and plunderers, I do not know. I do not believe it will.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. BUSH. Did I understand the Senator to say that six States have already passed legislation which will require pension funds within those States to come under the supervision of the State insurance examiners?

Mr. ALLOTT. They regulate not only pension funds, but also welfare and benefit funds.

Mr. BUSH. They do?

Mr. ALLOTT. They do.

Mr. BUSH. In six States?

Mr. ALLOTT. That is correct.

Mr. BUSH. Are the names of those six States in the RECORD?

Mr. ALLOTT. I will put them in the RECORD later. New York is one of them.

Mr. BUSH. I presume they are in the record of the hearings.

Mr. ALLOTT. They are in the record of the hearings; yes. I cannot give them offhand.

Mr. BUSH. Of course not.

Mr. ALLOTT. I should like to say that I am a little shocked, as I have been for several months, to find a complete and total lack among some of my colleagues of what I believe to be a respect for the right of privacy. I do not believe that anyone, merely because he is working for someone else, has a right to go into all of that person's personal accounts and all of his personal affairs. I believe that the right of privacy, if it is invaded by the type of legislation we are considering today, will be one of the greatest blows against private enterprise that we have ever seen in this country.

The right of meeting the costs of these level-of-benefit pension and welfare plans carries with it a heavy burden and it carries privileges, among them, the privilege of deciding how to meet those costs without unnecessary interference. When we start breaking that right down, we are breaking down one of the fundamental backbones of America. One of the fallacies into which everyone seems to fall in talking about this subject is the assumption that we are talking merely about 6 companies in the United States, or perhaps 7: General Motors, Chrysler, General Electric, United States Steel, and all the other big steel companies; and that that is the end. It is not. Thousands of small businesses with 25, 250, 500 employees, are involved, and they will be hit harder than the big companies. The big companies will be able to get along all right. It is the small companies that will be hurt. Most of all, in driving everyone to the cost-fixed method, as the pending bill will do, if enacted, we will perpetrate upon the workers of America a heavy burden and one of the worst impositions that we can put on them.

Mr. GOLDWATER. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. The Senators who wish to confer will please retire to the cloakroom.

Mr. ALLOTT. Mr. President, turning now to specific recommendations, the House subcommittee recommended further investigation prior to defining corrective action. The Senate subcommittee recommended further investigation and that consideration be given to "full disclosure" of all employee welfare and pension plans. I particularly wish to call attention again to the fact that the meaning of the word "disclosure" has been changed considerably in the last year. This could be done, they stated, by requiring registration and filing or reports on all plans, available to interested persons, with a Federal agency.

The AFL–CIO recommended that there be "full disclosure" of all plans to the Department of Labor.

The fact is that all investigations to date have involved plans or funds set up in one particular way. They have all involved plans or funds which had been collectively bargained on a cents-per-hour or other fixed-cost basis. A survey of the investigations disclosed no plan in which bargaining had been on a "level of benefits" basis. That means that in those plans where abuse was found, employers had agreed to pay a fixed sum per hour or so much per unit to finance a plan or fund. In no case where abuse had been found was there indication that the employer had agreed to provide a specific benefit. This fact may be the key to the problem of abuse in the employee welfare fund area.

I may say that the proponents of the bill find themselves on the horns of a very difficult dilemma, because, on the one hand, they are trying to contend that the committee did not go into the level of benefits plans.

ORDER FOR ADJOURNMENT TO 10:30 A. M. TOMORROW, AND LIKELIHOOD OF A SATURDAY SESSION

Mr. JOHNSON of Texas. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. ALLOTT. I yield.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand adjourned until 10:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I should like to announce for the benefit of all Senators that we hope to continue the consideration of the pending bill until late in the evening today and tomorrow, and to have a Saturday session if we have not concluded action on the amendments. I make that announcement so that Senators may make their plans accordingly.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. HOLLAND. Did I understand the Senator to say that there would not be a Saturday session?

Mr. JOHNSON of Texas. I repeated the announcement I made yesterday,

that we would have a Saturday session unless we shall have concluded action on the pending bill.

Mr. HOLLAND. Was that announcement repeated in the last statement, which I could not hear?

Mr. JOHNSON of Texas. The Senator is correct.

Mr. HOLLAND. I thank the Senator.

EMPLOYEE WELFARE AND PENSION BENEFIT PLANS

The Senate resumed the consideration of the bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans.

Mr. ALLOTT. Mr. President, I should like to insert in the RECORD at this point the names of the States which have passed legislation in the field covered by the pending bill. They are Massachusetts, Connecticut, New York, California, Washington, and Wisconsin. I should like particularly to call attention to the fact that every one of those States, except Massachusetts, exempts level of benefit plans.

As I started to say before, my friends who propose the pending bill find themselves on the horns of a very difficult dilemma. I do not know how they are going to get off without getting pricked by one or the other of the horns of the dilemma. On the one hand they contend—I do not believe it is true, but they contend it—that the committee never investigated any so-called level-of-benefits plans. I suppose we must take the word of the majority of the committee that they did not. At least that is what the majority report says.

However, what they are asking us to do on the floor of the Senate, and with reference to the proposed legislation, is that we pass legislation which affects 90 percent of the plans in this country with roughly a contribution of $6 billion each year, and with a total accumulated investment in the funds of at least $25 billion. They are asking the Senate to pass a bill which will primarily affect the funds which they say they have not investigated. If they have not investigated them, let us get down to facts and talk about the things we want to talk about. Let us talk about the funds which we have investigated.

I ask my colleagues—and I ask specifically the members of my committee—what is wrong with approaching the question upon the basis which has been suggested by my exemption? If we find that the area which they say they are going to cure in the fixed-cost plans is benefited, and abuses are stopped, and if we find in the course of 2 years from the advisory council that regulation of the level-of-benefit plans is needed, I say let us pass another law; and we can.

But every Senator within the sound of my voice knows that if we pass the bill, it will never be retracted at all. It will never be cut back. The burden of administration will fall heavier and heavier upon the Government of the United States, upon private employers, and, worst of all, upon the workers for whose benefit the funds are established.

PENSION WELFARE FUND ABUSES UNCOVERED BY SENATE COMMITTEE

My next point concerns the pension and welfare fund abuses uncovered by the Senate committee. In speaking of the committees, I refer to the Ives committee of the 83d Congress, the Douglas committee of the 84th Congress, and the Kennedy committee of the 85th Congress.

As a result of the situation already outlined and the Presidential message suggesting further Congressional inquiry, a Senate subcommittee in May 1954, pursuant to Senate Resolution 225, as amended, 83d Congress, 2d session, undertook studies and investigations under the chairmanship of the Senator from New York [Mr. IVES]. Although it made studies of the overall characteristics and problems in private employee benefit plans this subcommittee confined its field investigations to collectively bargained, jointly administered welfare funds, and uncovered abuses, mismanagement, and waste in the administration of a number of plans of this type. Its first report was submitted on January 10, 1955. This was prior to the time I became a member of the committee. The committee found that there was a need for corrective legislation to insure more adequate protection of employee beneficiary rights and interests and recommended that consideration be given to a Federal disclosure act embracing all types of plans. The committee also recommended a continuation and extension of the investigation.

By Senate Resolution 40, adopted February 5, 1955, the study and investigation begun in May 1954 was continued under the chairmanship of the Senator from Illinois [Mr. DOUGLAS]. In hearings held in March and April 1955, representatives of labor, management, insurance, and banking participated in roundtable discussions, reviewed the studies to that date, and outlined the problems involved and the areas yet to be covered.

I must pay my tribute to the Senator from New York [Mr. IVES] for what I believe was a very great contribution in this field.

Hearings were held with respect to gross abuses and mismanagement found in two plans—the Laundry Workers' International Union and the Painters, Cleaners, and Caulkers' Union, Local No. 52, Chicago, Ill.

A second interim report was issued July 20, 1955. It concerned itself primarily with reporting on the LWIU welfare fund case, characterized by embezzlement, exorbitant commissions, improper service fees, and other irregular insurance practices and collusion and complicity among insurance, union, and employer representatives; and the painters, cleaners, and caulkers fund case characterized by large diversions and an almost complete absence—in fact, I think, a complete absence—of financial accounting.

To give the clearest possible indication of the kind of stench we are talking about, I shall discuss in some detail one plan investigated by our committee, that of the Laundry Workers International Union, and what we discovered about it, because it best illustrates the varying kinds of wrongdoing we found in union welfare and pension funds.

The International Laundry Workers Union fund was organized in 1949. Mr. Samuel Byers was the president of the LWIU and president of the fund, and Mr. Matthew J. Dooley, trustee for the employers, was appointed secretary-treasurer. Mr. Dooley testified that 78 insurance companies were solicited for bids covering the welfare plan. However, our committee found and our report shows that there was no bidding and that prior to February of 1950, just after the formation of the fund, for some unaccountable and as yet unexplained reason, the trustees gave this business to Louis B. Saperstein, operating under the name of Harlew agencies, the "Har" coming from Harry, one of the partners, and the "lew" coming from Louis of Louis B. Saperstein.

Why this business was given to him and what forces he could exert to get the business, has never been satisfactorily explained.

The fact is that following the hearings before our committee, he was shot five times, but managed to live. It is a reasonably consistent supposition and belief of my own, from the facts which were adduced at the hearing, that the whole operation of the fund was closely connected with organized gangsterism and hoodlumism at the highest level.

Numerous indictments have stemmed from his activities in this and in a similar fund within the Distillery Workers of America.

Nevertheless, without ascertaining from other companies what insurance could be purchased and at what cost, Saperstein was made the agent of the LWIU fund, and according to the officials of Security Mutual, an insurance company, he "controlled the business." This is confirmed by the minutes of the welfare fund board itself.

Saperstein then took the business to the Security Mutual and made a deal with them whereby he received a 10-percent commission and a service fee of approximately one-half of 1 percent, which was a recurring commission; that is to say, he received it every year.

As a result, from April 1950 to September 1953, Security Mutual paid Saperstein $262,507.59 on premiums, or roughly $2½ million in premiums.

It is my sincere hope that in discussing the matter I shall not do harm to anyone. I must say, as I shall show, that these occurrences were in the early days of the development of group insurance. It was before the time when we had grown generally to accept the proposition of the decremental scale of commissions.

Whereas an insurance broker might receive in his ordinary business a commission of 20 to 25 percent on casualty insurance, the decremental scale on this type of business cuts the commission down to a very low amount. I shall discuss that at a later time. Nevertheless, the decremental commissions, which were reduced in subsequent years, were

not considered when this business was given to Mr. Saperstein.

When the policy was later transferred to California Life, he received premiums of $91,022.88 up to the time when California Life canceled his commission, which contract was on a basis of 8½ percent, plus 5 percent to the welfare fund.

Mr. President, no great stretch of the imagination is required in order to see that when a company is paying roughly $1 million a year in premiums, a commission of 10 percent, plus an override, would net a man a fairly reasonable living salary.

In addition to this, the social-security department of the LWIU deducted 5 percent from the premiums, before they were forwarded to Saperstein for welfare deputies appointed by the officers of the fund. Of course the officers of the fund were the officers of the union.

The welfare deputies were, in fact, union officials or agents who received this kickback for alleged services to the union members. A very extended examination of Mr. Naddeo, of local No. 10, disclosed that he had no idea, nor did anyone else, how much time was devoted to these services. The only reasonable conclusion that can be drawn from the testimony is that it was additional compensation paid to union agents, for purposes primarily other than any services to the fund. Despite a long attempt to obtain from Mr. Naddeo information about what services the payments were for, the committee was unable to obtain such information.

For example, the agreement of these welfare deputies provides that the money will be paid to them, and that they will perform services, such as helping union members make out claims. That was supposed to amount to 5 percent of the total costs. But the joker was that the agreement provided that any of the money left over would belong to the welfare deputy himself.

Now, let us take a look to see how some of the welfare deputies fared under this plan.

Walter East received $4,653.18 between July 1, 1951 and September 30, 1954. That was in addition to his salary as a union organizer.

Charles Naddeo, to whom I have just referred, and who apparently did not know where he had been during the last 2 years, and did not know where he was going, during the period from November 10, 1952 to September 30, 1954—a period less than 2 years—received $17,486.49. That was in addition to his salary as a union official.

Sidney Brennan, of St. Paul, whose connections are not with the LWIU but are with the Teamsters Union, received $11,831.47. The committee never did find out what services he was supposed to have performed.

The same man, Brennan, in a hearing before a committee of the House of Representatives, refused to answer any questions on these checks and sums received by him. His refusal was based upon the constitutional ground of self-incrimination.

Eugene C. James, of whom I have just spoken of local No. 46, Chicago received between October 1, 1950 and October 1, 1954, $73,556.66; and that does not include the other amounts he received, to which I shall refer later on.

These are just a few of the misuses, by these particular welfare deputies, of these trust funds. But even these misuses amount to 5 percent of the total premiums.

Saperstein, the agent, received as commissions from the distillers, in the 5-year period from 1949 to 1954, $782,024, and also $272,000 from the Laundry Workers' Union.

In discussing this matter, it is perhaps well to remember that the ordinary method of computing initial premiums in such matters as this one is based on the so-called standard decremental scale. The scale for first-year premiums is as follows:

	Percent
First $1,000	20
Next $4,000	20
Next $15,000	15
Next $10,000	12½
Next $10,000	10
Next $20,000	5
Next $50,000	2½
Next $50,000	1
Next $50,000	½
Next $500,000	¼
Above $1 million	1/10

When we compare the figures for the standard decremental scale with the level commission of 10 percent, plus one-half of 1 percent, that Saperstein was receiving on a $1 million item, we see that he was receiving a fairly good commission.

The figures for renewals, of course, are much less, for it was understood that the initial selling would demand and receive the highest rate of commission. In fact, the standard decremental scale provides commissions much lower than the ones I have just stated.

For comparative purposes, the actual commission paid to Saperstein on $1 million worth of business was $150,200. On the decremental scale, the commission would have been $9,750. On $2 million, the actual commissions were $210,400. On the decremental scale, they would have been $10,750. These were on the first year's business, not on a renewal. Note the difference, Mr. President, between $10,750 and $210,400.

However, this is just the beginning of the story.

On July 17, 1951, Eugene C. James, secretary-treasurer of the LWIU, wrote to the Security Mutual that the union would have to be reimbursed for all its time and travel, and for this purpose asked 10 percent of the premiums.

The peculiar thing about the letter was that, although Eugene C. James claimed to have no tieups with any other persons, the wording of the letter is absolutely identical with the wording of a letter which the insurance company received from the distillery workers at about the same time.

On October 10, 1951, the Security Mutual Insurance Co. started paying the international union $2,500 a month until October 1, 1954, when the California Life Insurance Co. entered the picture.

During this period, Security Mutual sent $85,000 to Eugene C. James for LWIU. One of these checks was endorsed by, and went to, the Illinois Harness Horsemen's Association; and perhaps it is sufficient to say that Eugene C. James has refused to answer any and all questions relative to this account.

In all that fantastic operation, upon which we can hit only the highest spots, during the time available, there were innumerable cases of breaches of trust and looting.

For example, Mr. Saperstein received from the trustees, for the purchase of insurance, $3,268,000. He transmitted to the insurance company $2,356,172.14; which means that he retained for himself, in commissions and for other purposes—in a period of approximately 2½ years, and as a result of thievery in connection with the fund—$912,390.95; and that does not include the $85,000 the insurance company paid back to Eugene James. Neither does it include the 5 percent which the trustees of the fund took out, to pay to their welfare deputies.

Mr. President, we should keep in mind that this fund—the laundry workers' fund—was for the purpose of protecting those who labor in one of the lowest paid fields of work in the United States. We have scarcely come to the beginning of this story. Keep in mind, Senators, that the laundry workers' fund was to protect one of the lowest paid group of workers in the United States. This is not even the beginning of the subject.

Anyone can see that even the excessive commissions allotted to him would not produce any such sum as $912,000, and it is interesting to note how this was accomplished, because in his methods lie the real significance of the necessity for regulation in this field, and also lie the real significance of how completely ineffectual the pending bill is.

There were 3 methods employed by him for looting these funds—that is, 3 methods in addition to the excessive commissions which he charged and received. I am not talking about what other persons did, but only about what he did.

The first was not reporting a local to the insurance company. For example, local No. 10 of Philadelphia entered the plan and started paying on December 24, 1952. As was the case with all the locals, their checks were paid by the employers to Saperstein. The trustees paid them to Saperstein. Saperstein paid them to the insurance company.

The first check received by Security Mutual from Mr. Saperstein was on July 9, 1953, or 6 to 7 months after local No. 10 entered the fund and had been paying on it. In other words, what Mr. Saperstein did during the first 6 months, and before the employees really had a need to file claims for benefits, was simply appropriate, not just his commissions, but the whole premiums which were forwarded to him. He had a similar operation with respect to the distilleries.

The second method was in reducing the number of employees reporting. His secretary testified that she was told to deduct 20 percent as an unemployment insurance fund, which I shall refer to later, but actually the reduction of em-

ployees was about one-third. For example:

On October 28, 1953, a check was sent on local No. 10 covering 4,820 employees, and Saperstein remitted to the insurance company for only 3,020 employees. In other words, he reduced the number of employees for which he had been paid by approximately 1,800 members.

A third method was retention of all late payments. It was only natural that some employers should from time to time be delinquent in their accounts. Therefore, a payment might come in March, April, or May which covered the month of January. As these were transmitted from the trustees of the fund to Saperstein, he simply omitted to forward them to the insurance company.

The amounts that he deducted by these methods are included in the $912,390 unaccounted for by Saperstein.

The testimony of Saperstein's secretary showed that they sent 20 percent of the premiums to Eugene C. James for the union.

That was the third little tap of the funds that Eugene C. James got, but the records of LWIU do not disclose that the union ever received this money.

There are numerous other practices open to serious question as far as good business practice is concerned. For example:

In one instance, the New Linen Supply Co. of San Diego was financed to the tune of $32,000 out of welfare funds. That was in competition with regular businessmen who were operating there and who had employees who were members of the union.

In another instance, a loan of $26,000 was made to one local union, Local No. 52 of Los Angeles. Charles Goldstein, one of the trustees, is quoted in the minutes as saying that the funds should be invested in "risk capital."

It was disclosed that his son, Ira Goldstein, an agent for California Life, was using an office rented by California Life from local No. 52 in Los Angeles at $175 per month.

It also appears that the same son, Ira Goldstein, was the agent of Harlew Agency, which was the trade name under which Saperstein operated. Thus, it turns out, in effect, that Saperstein also had an agent at Los Angeles who received his rent free from a local to whom the trustees made a loan of $26,000.

Another phase which should be commented on is that, despite the committee's efforts, it was never able, and has not yet been able, to get the president of the fund, Samuel J. Byers, before it for testimony. Nor was it ever able to get Mr. Haines B. Wickes before it for testimony.

I feel I must discuss, even though the man is deceased, the activities of Mr. Haines B. Wickes, because they are illustrative of the perfidy, the disloyalty, the dishonesty, and the lack of integrity which have characterized the operation of so many of the fixed-cost funds. Mr. Wickes was the vice president of Security Mutual Insurance Co., in charge of group insurance. It was he who made the original deal with Saperstein for excessive commissions. Perhaps something might be said for some of the excessive commissions, if that were the only instance of this kind of dealing, because at that stage in the growth of health and welfare funds, no one was too certain exactly what a fair commission was. I believe anyone would determine that 10 percent, plus 0.5 of 1 percent recurring, was a little excessive.

In May 1954, while he was still vice president of Mutual Security, he met in Chicago with the trustees of the welfare fund, and they there decided to move the insurance of the Laundry Workers from Security Mutual to the California Life. They also decided to acquire the ownership of California Life. California Life was a very small company with anything but a distinguished earning record. How small can be indicated by the fact that its president received $6,000 a year salary.

Individual union members, such as Charles Maddeo, among others, put up the money for its purchase and through various transactions the stock finally landed in the hands of the welfare fund and was owned by the fund.

Mr. Wickes, therefore, was in the position of being employed by Security Mutual while he met with a group of people to take business away from his firm and place it with another, so that the welfare fund ended up by purchasing, in effect, an insignificant name of an insurance company, owning an insurance company, and reinsuring all its fund with the company which it owned.

As a result, keeping in mind that Mr. Wickes met with the trustees while he was still vice president and an employee of Security Mutual, and made a deal to put the fund over into California Life, 3 months later, in the latter part of the summer, offering an entirely different excuse, Mr. Wickes resigned from Security Mutual and then proceeded to go with California Life with whom he now is an official and actuary.

Most of the ills which beset the LWIU would have been impossible if the various groups had received disclosure from the other groups; i. e., employer to trustee, to insurance company, to employees. It is hard to imagine, for example, how Saperstein could have escaped with his embezzlement if disclosure had been required between the insurance company and the employers or the employees. The juggling which occurred in the three cases as suggested would not have been possible if adequate information had been disclosed to the interested parties.

This suggests, and the committee found this to be true, that in too many places, the employer representatives had, for the most part, abandoned their responsibilities under the law.

This, in brief, is the story of the LWIU, and although I have greatly condensed it, it serves as a very outstanding case of nearly all the ills which may afflict a fund.

I ask again: How is this watered-down version of legislation going to stop the people like Saperstein, James, Wickes, and Byers?

I cannot help adding a postscript to this. About a year ago, when the laundry workers met in their annual convention, because of pressure, and I say commendable pressure, from the AFL–CIO, Mr. Byers was being forced out as president of the union and president of the welfare fund. I am sorry that I cannot tell the Members of the Senate what the final outcome of the action taken at that convention was, but I shall tell them about the result. After all of the things which I have described for the last half hour occurred in respect to the laundry workers' fund, Mr. Byers was elected president emeritus of the Laundry Workers International Union at an annual salary of $18,000. Whether that stuck or not, I am not in a position to tell, but I know that the man who was primarily responsible, as president of the union and president of the welfare fund, permitted all these things to happen. He connived to take business away from Security Mutual. His reward was being honorary president of his union for his life at an annual salary of $18,000.

Another very enlightening case investigated by the special Senate committee involved AFL Auto Workers, Local 286, in Chicago, and the president of the 3,500-member local, Angelo Inciso.

Inciso had been subpenaed to testify early in the hearings, but refused to come unless he was provided with bodyguards. The subcommittee cited him for contempt, or attempted to do so. When Inciso did come in later in the week, he was accompanied by two bodyguards secured from a private detective agency.

I might say that the city of Chicago had afforded him the same privilege, at public expense, for several years.

Witnesses before the subcommittee testified that Mr. Inciso's local union received $9.50 a month for each employee under contract, $3 for union dues, and $6.50 for insurance. Insurance benefits had been negotiated but were given to the employees in the form of a wage increase. However, the employer deducted this amount from the employees' pay and sent it to the union for the payment of insurance premiums. One employer observed that this was a method used by Inciso to circumvent the Taft-Hartley Act.

I underscore this particularly in view of the long discussion I had earlier in the afternoon with respect to the weaknesses of the Taft-Hartley Act and the funds which come under that act.

Mr. Inciso had persuaded employers to make out monthly premium checks to the union instead of to the insurance company, as had been the practice for a number of years. This change took place some time after associates of Inciso bought a small insurance company for $40,000 and made Inciso chairman of the board. The union then sought to withdraw the entire business of insurance from the control of the employer.

Senators should keep in mind that this was supposed to be a jointly administered fund under the Taft-Hartley Act.

One employer, when advised by his counsel that it might be illegal for him to send insurance checks to the union instead of the insurance company, said he continued to send the money to the union to maintain labor peace.

Of the $6.50 supposedly for insurance, the union retained $1 plus 4 percent of the $5.50 for administrative costs of the

insurance program. Committee investigators testified that in 1954 the union received $203,842 from employers for insurance and paid out $169,057 in insurance premiums. Added to the $33,885 difference was a dividend of $6,991 from the insurance company. Even with this nearly $40,000 from insurance, the local was $9,000 in debt in 1954. While it was not the function of the subcommittee to look into how unions spent their money, it did so in the case of local 286 because union funds were commingled with insurance funds. The subcommittee secured information on how money was spent from vouchers found in the local union's records and had them corroborated by witnesses.

I might say before I proceed further that Mr. Inciso was the man who had the very expensive traveling accounts and who was able to spend $5,000 in a period of 10 days on a little trip down to Cuba and Puerto Rico.

Another example of the extent to which a "Taft-Hartley fund" could be abused was the operation by Local 52 of the AFL Painters, Cleaners and Caulkers Union, investigated by the Senate committee.

This particular union was headed by a man named Gallagher. Mr. Gallagher, the president of a Chicago bricklayers union, told the committee he could not account for at least $55,000 in cash he drew out of the union's health and welfare fund between May 1952, and July 1953.

"It could have gone for anything." Those are his express words. "It could have gone for anything," Edward Gallagher, president of Local 53, Painters, Cleaners and Caulkers Union, said.

But Mr. Gallagher asserted that, wherever the money went, "it was used for the benefit of the members of our organization and not for myself." Pressed on this point by the subcommittee chairman, the Senator from Illinois [Mr. DOUGLAS], Mr. Gallagher said "none whatsoever" of the money went to him personally.

Testimony developed that the union bought and ordered a 1955 Cadillac—bought in 1955—for Mr. Gallagher and that he makes "no accounting" to the union for expenses on the car. The bookkeeping agent for the welfare fund and two business agents of the local also have cars on similar arrangements, Mr. Gallagher said, including a Chrysler, a Buick and another Cadillac.

The salary of all these men was $125 a week, plus expenses. Mr. Gallagher said he could not estimate "within $1,000" what his expenses were in 1954.

The local union president identified his signature for the subcommittee on checks drawn on a fund in which welfare money and other union money were "commingled." One of these checks, for $400, was paid to a Miami Beach motel, and the other went to a Chicago clothing and fur shop. "I didn't buy anyone any coat that I know of," Mr. Gallagher testified. He added "I haven't anybody to buy a fur for right now."

According to subcommittee staff investigations, local 52 had 2 main accounts, 1 a "nickel" account supported by payments of 5 cents an hour from its 900 members, and the other a welfare fund getting 7½ cents an hour from members. The members do special brickwork and average approximately $3.60 an hour.

A great variety of checks were written on the "nickel" fund, testimony showed, including payments for union banquets, payments to other unions and also actual welfare checks, totaling about $85,000, usually in amounts of $50 or $100. But the staff investigation showed that no welfare checks at all were drawn between October 1950 and November 1954 on the welfare fund, which during that time received $203,000 in deposits.

Mr. President, what happened with respect to Mr. Gallagher's fund and Mr. Inciso's funds with the teamsters' union was that they commingled their funds, and simply did not account for them.

With respect to the tuck pointers, I believe a couple of additional points should be made. In that instance the funds were commingled, and in a period of less than 3 years Mr. Gallagher spent $300,000, in checks of $1,000, $2,000, $3,000, $5,000, and $10,000.

I note the presence in the Chamber of the distinguished chairman of our subcommittee [Mr. DOUGLAS]. I am sure he will agree with me that it was impossible, even by a lengthy examination, to find out where any of the money went.

One of the most tragic situations which occurred was that in which a Mr. Thomas Ryan was treasurer of the fund. I do not seek to point the finger at people who have not had the same educational advantages I have had. Mr. Ryan had a 4th grade education, and yet, with that 4th grade education, he was the treasurer of his union, and treasurer of the fund and had been so for 16 years.

Upon examination and cross-examination he had to admit that there had not been an election in many years, although the bylaws provided that there should be one every 4 years. Although the signatures of two persons were required on the checks, Mr. Ryan would write his name on the checks, and he never saw them afterward. He never saw them when the amounts were filled in. He never saw them when the names of the persons to whom they were drawn were filled in. He did not know whether they went to cash or not. He did not know where they went.

What is more significant, as treasurer he never saw the checks after they were returned to the office. It was his testimony that he had never seen one of them. Furthermore, he could not testify as to a single fact contained in the so-called books of the welfare fund.

A Miss Sielski operated as private secretary to Mr. Gallagher, president of the union, and president of the fund. She apparently made out the checks to whomever he indicated, and in such amounts as he indicated. Nevertheless, Mr. Gallagher had to admit that there was almost $300,000, in the course of a 2-year period, for which there was not as much as the stroke of a pen in his office to account for checks or anything else. That was a pathetic situation.

One of the most pathetic features about it was that the testimony clearly showed that these funds, to which the employers were contributing for the benefit of the tuck pointers of Chicago, involved no written agreement. There was no trust agreement, as provided for by the Taft-Hartley Act. Neither in the office of the union nor of the welfare fund was there a single word in writing—and bear in mind that this fund was wholly administered by Mr. Gallagher—to show when an employee was eligible to receive benefits. So far as I know, the only picture which I or any other member of the committee could draw in our minds was that of a man who faced the possibility of big hospital and medical bills, having to come in and beg for welfare benefits which were rightly his.

It is such abuses as these that I hope will be cured by legislation passed by Congress.

I believe that Senate bill 2888, which has been reported from the committee, is completely unsatisfactory in its present form. I believe that the approach would subject all types of private employee benefit plans to disclosure. It is completely contrary to the weight of the evidence presented to our committee. It would be difficult for the administering agency to detect the evils which disclosure is intended to reveal. It would result in the creation of an unnecessary vast new Federal bureaucracy, the expense of which has been estimated as high as $100 million.

For the sake of the RECORD, let me document how that figure is arrived at.

There are between 100,000 and 500,000 funds in the United States. Secretary Mitchell testified he thought there were 250,000 funds which would come under the law.

I do not believe that anyone who would manage the smallest fund in the United States could possibly comply with the law without spending at least $100 to do so. In the case of a fixed-cost plan, this will come out of the benefits which the employee should get. In the case of a level-of-benefits plan, the employer will pay it. In addition to that, New York State has found that it requires about 1 employee for every 22 plans. I believe the estimates of the Securities and Exchange Commission, which, incidentally, does not wish to administer this law; the estimates of the Revenue Service, which does not want to administer these plans; and the estimates of the Labor Department, which does want to administer it, are far off from what is going to be required as the cost of administering this plan.

I believe that the estimates of the Secretary of Labor ran, perhaps, as high as $2 million. If it will require 1 employee for every 22 plans, and I do not see how the act could do any good unless there were at least that many employees, so that he could go out in the field and get the figures he needs on every phase of these plans. Then, the cost of administering the 250,000 plans is going to run close to $45 million.

The cost alone is not a criterion of what we need, and I would be the first to admit it. However, it does seem completely unreasonable to force employers into these costs and take away benefits from employees, and force the

United States Government into heavy expenses in the support of legislation which clearly will not do the job.

It is clear, I believe, from the discussion which I have had this afternoon, and the abuses of the Gallaghers and Ryans and Jameses, and the others, that we are not going to stop people of that type without legislation which is a little more specific and tougher than what is proposed here.

The bill would deprive management, unions, and labor of the right to contract with respect to placing upon one party or the other the full responsibility and the burden of expense for the management of the fund.

If we should face the situation where this unfortunate bill should become law, the net result will be, over the years, that the employers who are now assuming the responsibility and the expense of maintaining the level-of-benefit plans, will eventually say to their employees: "There is no reason why we should break our backs and put all this effort into the fund in trying to manage and operate it. As long as you want to know the details of our business, and all about it, you take it over. We will set up a fixed-cost plan, and we will pay in so much a year, and you can worry about whether there are adequate funds to meet the benefit costs."

The net result of the legislation, unfortunately, is going to be, over a period of years—not just now, and not just in the next 2 years, but in the next 10 years—to force many of these plans into the fixed-cost-type operation, and that will be irony indeed.

The bill, if enacted into law, will require employers to surrender to labor unions economic and bargaining power which should be negotiated through the normal channels of collective bargaining. I believe in unions. I believe in the right to bargain. I believe in the right to strike. However, we must get away from the attitude, which many people had in the 1930's, that the union man is bargaining from a position of inferiority at the bargaining table. Contrary to that, I say he is today bargaining from a superior position.

Moreover, the disclosure approach of S. 2888 will not, as the majority implies, in any way insure the adequacy of reserves for future pension benefits or change the rules governing employee entitlement to benefits of private welfare and pension plans. Disclosure is not regulation and should not be sold as such, particularly when, in another section of the report, the majority properly disclaims any "desire to get the Federal Government involved in the regulation of these plans."

This happens to be not only a two-horn dilemma. It puts the majority upon a three-horn dilemma.

There is a need to clarify the exact meaning of the language commonly used to describe the different types of plans. The majority report fails to recognize the basic differences between pension and welfare plans. Pension plans involve long-term commitments and almost always the accumulation of substantial sums of money for the purpose. Welfare plans—providing sickness and accident, hospital, surgical, and medical benefits, etc.—do not involve the accumulation of large reserves but merely the current collection and disbursement of moneys.

A major distinction must be drawn between level-of-benefits and fixed-cost plans. A fixed-cost plan, in contrast to a level-of-benefits plan, means any plan that has a limited cost to the employer. As long as we have fixed-cost plans and have a limited cost to the employer, we are going to have a pool of funds available for the depredations of those to whom honesty is no asset. The predetermined fixed nature of the cost distinguishes such plans from the level-of-benefits plans where costs to the employer may vary. A fixed-cost plan sets a fixed amount of contribution by the employer whether it is adequate to provide the anticipated benefits or not. If for any reason the contributions are inadequate, benefits to the workers are reduced. A level-of-benefits plan sets a fixed amount of benefits to the workers. If the employer's anticipated contribution is inadequate, the employer pays out more money—his costs vary—and the benefits to workers remain fixed: they are not reduced. If these conditions are not present, then regardless of what the plan is called, it is not a true level-of-benefits plan and would not be exempted by the amendment that I propose.

The essential difference when undue expenses occur is that in a fixed-cost plan such unanticipated expenses, lawful or otherwise, are met by reduction in worker benefits; in a level-of-benefits plan, they are met out of the employer's pocket. Thus, in a level-of-benefits plan the employer has a monetary incentive to use the moneys honestly and economically, for otherwise it would be the same as stealing or wasting his own money.

First. In the investigation made by the special subcommittee to consider welfare and pension plan legislation, and its predecessors, flagrant abuses were uncovered in the administration of a relatively few union-managed pension and welfare plans.

I might say that the areas which we investigated with respect to union-managed funds are very small indeed; in fact, they were so small that I hardly feel Congress should legislate upon the basis of that investigation. Many abuses were found in those plans set up pursuant to the Taft-Hartley Act for the purpose of paying death, sickness, accident, hospital-medical, and retirement benefits. These are of the fixed-cost type. They are characterized by (a) contributions from employers to a separate trust fund on a basis not directly related to benefits—rather, they required payment of a certain number of cents per hour worked, or as a function of production, or as a percentage of payroll—and (b) administration by a board of trustees composed of union and management representatives under section 302 (c) of the Taft-Hartley law.

Second. An examination of the abuses which were disclosed indicates that there are specific characteristics which make some plans vulnerable and some comparatively invulnerable to embezzlement and unfair dealing while other plans are inherently invulnerable to these same abuses. However, only 10 percent of all the private employee benefit plans in the United States have that combination of features which to a degree facilitate embezzlement and other abuses. The one characteristic common to all plans where abuses have been found was a fixed cost contribution by the employer to a fund from which benefits are paid. Thus the diversion of these funds in an improper manner, or for excessive administrative expenses or otherwise, reduces the benefits to employees.

The contention has been made that the failure to discover abuses in other areas of the pension and welfare field was due merely to the fact that the subcommittees which studied this question did not investigate in these areas. It is my view that the abuses discovered after 3 years of extensive investigations and hearings, were peculiar to the areas explored and could not possibly arise in these other areas. If the majority has any grounds for feeling that abuses are occurring or potentially could occur in other areas, they should recommit the bill to the full committee for further study of the situation.

An extensive investigation made by the State of New York on the same subject carefully pointed out the distinction between level-of-benefits plans and fixed-cost plans, and found that no abuses existed in connection with level-of-benefits plans and therefore excluded them from the recommended State law.

Where there have been dishonest administrators and those who engage in sharp practices, employee beneficiaries have suffered. There probably is sufficient law on our books to prosecute the dishonest. However, disclosure requirements applicable to these types of funds—fixed-cost plans—may help smoke out the dishonest and those who engage in unfair dealings. The scope of this remedial legislation should, therefore, be narrowed to the types of plans which lend themselves to abuses by their nature.

The reasoning followed by the proponents of S. 2888 in reaching their recommendation to include plans and funds of all types in the scope of the law is based upon several fundamental misconceptions and confusion of issues. Four of the most important areas of confusion are the following:

First. What is the basic purpose of the proposed legislation? The issue that gave rise to the hearings was the evidence of abuse and diversion of moneys to the detriment of beneficiaries. I feel that the basic purpose of the proposed legislation should be to help correct these abuses. This objective should not be confused with other objectives, mentioned hereafter, which have been considered and have apparently influenced the majority thinking.

The two other objectives which the proponents endeavor to include in the bill are, first, some method of assuring that the funds accumulated for future payment of pensions are adequate for the purpose, and, second, to give employees and their representatives the

knowledge of the financial operations of these funds that they would like to have for the purpose of collective bargaining.

The adequacy of funds accumulated under pension plans is a very important matter, but one which cannot be solved by mere disclosure. Whether there should be standards as to funding such plans is an entirely different question from that of whether there have been abuses in the handling of such funds. If there should be such standards, it would require investigation and consideration of that subject by the committee. In any event, mere disclosure of the amounts set aside does nothing to guarantee adequacy of reserves for future pension benefits. Accordingly, I feel that in the first place the objective of assuring fund adequacy has not been studied by the committee and is not a proper one for this particular bill. In the second place, even if it were, the proposal for disclosure will not contribute materially to accomplishing the objective.

Where the employer, either on his own initiative or as a result of collective bargaining, agrees to provide a level-of-benefits plan, the question of whether employees or their representatives should have further information is one to be bargained between them. How the employer intends to meet this financial obligation, or how the financial operation of the fund is set up to pay the benefits, is a matter to be settled by the parties concerned—not granted by operation of law. It does not seem proper or practical to require an employer by law to disclose financial information where his only commitment to employees is to provide benefits—no more than a requirement that the employer disclose his ability to continue the payment of his employees' wages.

Second. The majority report on S. 2888 fails to recognize the important distinctions between welfare and pension plans. The distinction between these two quite different types of plans has already been discussed. Portions of the bill that might be applicable to welfare plans are not applicable to pension plans, and vice versa.

Third. The report completely confuses the difference between level-of-benefits plans and fixed-cost plans. As has already been indicated, these two types are fundamentally different. Under a level-of-benefits plan, where an employer or employee organization agrees to provide sufficient money to pay for a certain level of benefits, with or without a fixed employee contribution, it is common for the employer or employee organization to cover its obligation of guaranteed benefits with an insurance contract or to turn over adequate amounts to a corporate trustee. Plans of this nature have operated successfully for many years without any of the abuses which have given rise to this committee's investigation.

Under the fixed-cost plan, where multiemployers are involved, one or more employers contribute a certain fixed amount of money, determined in cents per hour, percentage of payroll, or some such similar manner, to an intermediary fund, which in turn provides the welfare or pension benefits through an insurance company, corporate trustee, or otherwise. It is these fixed-cost plans that the subcommittee hearings have shown to be especially susceptible to embezzlement, looting, and other abuses. The former type is completely safeguarded, not only because of the normal incentive of the employer or employee organization to keep its costs to a minimum, but because there is no intermediate third party between the employer or employee organization and the insurance company, service organization, or corporate trustee, all of the latter being already adequately supervised by State or Federal authorities.

The report confuses the clear distinction between these two types of plans by stating that even under a level-of-benefits plan, cost is an important consideration. There is no doubt about this, but the majority uses "cost" here to mean an estimated cost used in the planning stage to set a reasonable level of benefits and not the actual ultimate cost of benefits. The essential difference concerns ultimate costs. Under the fixed cost type the commitment is to pay only a certain amount and no more so that if there is any abuse or diversion of funds or any increase in costs, there is less money available to pay benefits to the employees. On the other hand, under a level-of-benefits plan, once the level of benefits has been determined—even if cost was an important consideration in the initial decision as to the level of benefits—then any increase in the cost of the benefits due to abuse or diversion of funds, even if they should occur, increases the ultimate cost of the plan to the employer. The benefits to the employees are not reduced. Hence the employer has every incentive to avoid any such abuse or diversion, and, even if he fails to do so, there is no direct loss to the employee beneficiaries.

Fourth. The fourth major confusion on the part of the report is that it fails to distinguish between a contractual relationship and a fiduciary relationship. Where an employer agrees with a labor organization to create a trust and makes contributions thereto on behalf of his employees for welfare or pension benefits, the trustees of such fund are fiduciaries.

The Supreme Court has stated clearly the distinction between contractual and fiduciary relationships:

> A fiduciary relationship connotes a relation of trust as the basis of obligation of the one and of security for the protection of the right of the other, rather than a basis of contractual provisions. It requires an element of confidence reposed by one in another without that limitation upon authority or accountability that contract terms impose, or without those exact limitations that are applicable in determining the rights and responsibilities of a creditor and debtor. Fiduciary relationship cannot exist in those instances * * * where the contract is resorted to in order that the exact rights and responsibilities may be definitely defined. (*Railway & Express Co.* v. *United States* (56 F. 2d 687).)

Thus, by its very nature, the fiduciary relationship, namely, that of good faith as well as of legal obligation, is not properly applicable to the contractual relationship. How one party to a contract decides to finance the commitments he has undertaken under the contract is not subject to accounting to the other party or parties to the contract in the same way as is customary in fiduciary relationships.

Where an employer agrees to provide certain fixed level of benefits for his employees and, for example, purchases an insurance policy for this purpose, there is created a contractual relationship rather than a fiduciary one. Under such a contract if there is a failure to perform, the remedy lies in an action in the courts for breach of contract and the measure of the injury is money damages.

A few of the many examples to illustrate these confusions in the majority report, together with misstatements of fact and incorrect conclusions from actual facts, follow.

The majority report states that investigations and studies have found abuses and weaknesses in some level-of-benefits plans but cites only one case which involved a bankrupt company. Employees are harmed by the insolvency of their employer in many ways, but S. 2888 provides no protection against that and was not designed to do so in spite of the tendency of the majority's report to create a contrary impression. The majority report then goes on to conclude on this scant evidence that the weight of the evidence points to an urgent need for Federal disclosure statutes covering all types of plans. All meaningful cases of abuse and diversion of funds to the detriment of beneficiaries were found in the fixed-cost type of plan, not in the level-of-benefits type of plan.

The report, without a shred of supporting evidence, states that "the most serious single weakness" in providing employee benefit plans "is not in the abuses and failings" such as diversion of funds to the detriment of beneficiaries, but "Overshadowing these is the too frequent practice of withholding from * * * the employee beneficiaries, information * * *." This makes a fetish of disclosure for disclosure's sake and seems to mean that the majority believes it is a more serious weakness for an honestly run plan to fail to disclose facts to prove its honesty, than it is for a dishonestly run plan to divert funds from its intended beneficiaries. I cannot believe that the majority accepts such a point of view.

A final example of misleading presentation in the majority report is the table of termination of pension trusts during a 3 months' period of 1957. Even a cursory analysis of the majority's own table would indicate that in most cases these trusts were terminated merely to be replaced by other trusts with no loss to beneficiaries. Even in those cases where there might have been loss to beneficiaries, the majority fails to indicate how disclosure of the financial operation of the plans would have avoided the termination of the trust when a company went out of business. As a matter of fact, the majority report seems to imply that the provisions of S. 2888, had they been the law, would have prevented these terminations.

ARGUMENTS AGAINST SWEEPING DISCLOSURE

Leaving the area of the incorrect reasoning on the part of the report, and attacking the problem on its merits, the main fault I find in the majority's proposals is in their insistence that the provisions of the proposed bill be applied uniformly to all kinds of plans, programs, and funds regardless of the inherently different characteristics of the various types of plans. I feel that more can be accomplished in this field by using a rifle instead of a double-barreled shotgun. Accordingly, it is recommended that the legislation be confined to those areas where abuse is inherently possible and where investigation has shown that the abuses have in fact existed.

While the reasons already given show conclusively that there is no need to extend the scope of the proposed legislation to level-of-benefits plans because no abuses have been shown, the question has been asked as to what harm there is in including these plans in the scope of the bill. The answer is that a great deal of harm would result. A few of the reasons follow:

First. New Federal bureaucracy: It has been estimated that level-of-benefits plans cover more than 90 percent of all employees covered by all forms of benefit programs, so that application of the proposed legislation to such plans would inordinately increase the paperwork involved, and the additional burden on the Government agency would be tremendous without corresponding public benefit. Although costs should not be the controlling factor in determining the need for legislation, there is no point in spending 10 times the amount necessary to accomplish a given end. At a time when economy is even more important than usual in Government operations, why set up an agency many times larger than is really required to accomplish the objective of preventing abuses?

It has been stated before the Senate Subcommittee on Welfare and Pension Fund Legislation that there are possibly 500,000 programs of all types in existence. Secretary of Labor Mitchell gave before the subcommittee what he termed a conservative estimate of a total of 250,000 plans which would be required to register if no exemption for smaller plans was made. Using this as a base he estimated that 414 persons would have to be employed the first year and 285 in the succeeding years to handle the registration and analysis of the plans. Put in other words 1 person would be employed during the first year of operation for every 600 plans, and in succeeding years 1 person for every 850 plans.

By contrast, New York State during the first year of operation of its disclosure act has found it necessary to employ 1 person for every 22 plans. Applying this ratio to the number of plans envisaged as being required to register under S. 2888—S. 2888 would exempt plans covering fewer than 100 employees only from annual reports and not from registration, and then only for a 2-year period—the required number of Federal employees would jump in the first year to 11,364. Using an average annual salary of $4,000 per employee, derived from Secretary Mitchell's estimates, the annual cost of the first year would be close to $45 million, an amount many times Secretary Mitchell's estimate of $1.7 million, and also several times the SEC's first year cost estimate, based on 250,000 plans—with critical analysis and examination by financial analysts, accountants, and attorneys limited to a sample of not more than 1 in 10 or 20—of $2.6 million.

Even assuming that the much larger number of plans which would be filed under the Federal law would enable large economies of scale to occur, there is still likely to be a huge discrepancy between estimates and practice. Moreover, these figures cover only personnel costs and do not include the cost of providing space to house the employees and the cost of equipment and supplies needed to administer the law.

Even if the number of plans required to report were reduced to 40,000 by excluding cases under some minimum size, the administrative agency would be required to review the reports from the 90 percent whose financial structure is such as to make reporting unnecessary in order to search out the relatively few cases in the remaining 10 percent where abuses might exist. Such a dilution of the agency's work, entirely aside from the extra expenses involved, could seriously impair its ability to find and investigate cases of actual abuse. In order to keep within practical limits the number of employee welfare and pension programs subject to reporting, the soundest method is to exclude level-of-benefit plans where the beneficiaries' rights do not need whatever protection this type of legislation may afford.

Second. Increased administrative costs: The application of unnecessary reporting and disclosure requirements to level-of-benefits plans would result in an increase in the cost of operating such plans which is unwarranted by any benefit accruing to the employee beneficiaries.

John L. Lewis, for example, testified before the committee that the United Mine Workers unions located in New York spent more than $16,000 to comply initially with the New York State disclosure law. He further pointed out that "the burden of spending so much money for the preparation of these increasing paper reports in New York gives us grave concern as to whether we can maintain some of those local welfare funds because of the expense."

Third. Collective bargaining: Group insurance plans and employer pension plans have grown to their present important stature as a financial bulwark to millions of employees in time of need, primarily on the level-of-benefits approach. The concept of paying a certain number of cents per hour into an intermediary fund, to be administered by persons spending other people's money is relatively new, and is quite common in plans embracing the employees of a large number of employers bargaining together with one union. These are the Taft-Hartley plans where the abuses have occurred.

If disclosure legislation were to shift the bargaining emphasis away from the benefits to be provided for employees to the cost to the employer, it would seriously interfere with the bargaining relationships where a plan involves the employees of only one employer—as the vast majority of plans do.

In the first place, most employees are more interested, and properly so, in the benefits they are entitled to and what they must pay to get them than they are in what the employer pays. If the emphasis is switched from employee benefits to employer costs, the whole direction of the future development of employee benefits will undergo a radical change.

Consider, for example, the complications faced by both the employer and the unions in a case where all parties desire a uniform level-of-benefits program for all employees of the employer, but the cost for one group of the employer's employees turns out to be 5 cents per hour, while the identical program of benefits for another group of employees of the same employer costs 7 cents. This could arise because the second group had a higher average age, or was located in an area where hospital and medical costs were higher, or for many other reasons.

If the uniform plan were adopted, and the employer's cost were disclosed, would there not be understandable pressure on behalf of the first group of employees to have the employer provide them with benefits costing the same 7 cents as the employer is paying for the other group? And, if the employer did so, would not the second group of employees want the higher benefits thus provided for the first group, despite the fact that such benefits will cost more than 7 cents for the second group?

As another example, consider the problems involved where a pattern of benefits has been set in an industry or area, and an employer and union try to fit the same pattern of benefits into the the same number of cents per hour as is paid by the pattern setter.

Finally, it is important to remember that millions of employees are covered under plans that are not subject to collective bargaining, and in such cases the cents-per-hour type of fund is hardly likely to be appropriate.

Having in mind these and similar problems, is it not probable that, if the emphasis is changed from employee benefits to employer costs, it will undermine the very foundation of the successful operation of these employee-welfare plans, which is the principle of averaging costs over a large number of employees so as to provide uniform benefits? It would be unfortunate if efforts to eliminate abuses in one type of plan resulted in transferring the risks of higher costs due to unfavorable claim experience or high administrative expenses from employers to employees, and a slowing up of the rapid progress that has been made and is currently going on in this important field of employee benefits.

ENCOURAGES FINANCIAL UNSOUNDNESS

If an employer were to be required to disclose his costs of a level-of-benefits pension plan, he would be discouraged from financing it on a conservative basis. Large reserves are automatically

built up under a soundly financed pension plan, and there could be tremendous pressures to increase the benefits at no increase in current costs, merely by dipping into reserves for future benefits—especially the "accrued liability" portion. Yielding to such pressures could well undermine the future solvency of the plan and result in reduced benefits and serious disappointment and hardship to retired employees.

CREATES INVESTMENT PROBLEMS

If disclosure is to be made of the volume and distribution of investments of level-of-benefits pension plans, tremendous pressures would be inevitable for parties other than those responsible for providing the benefits to have a voice in the types of investments to be made, the rate of funding, and so forth. Those responsible for the investing of funds should have as their only objective the security of the funds and the maximum yield consistent with such security, in the interest of maximum protection to the employee beneficiaries. If the funds were to be invested in so-called socially desirable forms of investment, it would be axiomatic that, first, either costs would increase, or second, the protection of the beneficiaries would be impaired. If this were not the case, those presently responsible for investing the funds would be only too glad to invest in the so-called socially desirable forms of investment. In this regard, consider statements, for example, by David Dubinsky, of the International Ladies' Garment Workers' Union, to the effect that union welfare funds should be invested in socially desirable projects such as low-cost housing. In other words, such a proposal endeavors to use the funds set aside for the future protection of employees for contradictory purposes. Even if it should be considered desirable to place such additional power in the hands of parties not directly responsible for fulfilling the benefits promised, this should be done as a result of conscious legislative policy, after full debate on its merits, and not as an accidental result of disclosure legislation primarily designed for the entirely different purpose of preventing abuse or diversion of "funds" to the detriment of beneficiaries.

STATE LEGISLATION

Six States have already passed laws on this general subject of employee welfare and pension funds, and other States are actively considering legislation. Most of these States have restricted the scope of their laws to the areas of abuse.

The President has established a Cabinet Committee to work with a committee of governors in returning to the States those areas of government activity that are traditionally and properly the concern of the States. Regulation of banking and insurance certainly falls within the category of traditional State responsibility. I am, therefore, hesitant to further complicate the work of the President's Committee unnecessarily.

DISCLOSURE OF CONFIDENTIAL DATA UNDESIRABLE

Each insurance company makes reports covering the operations of the company to its own State insurance department. Unless there is a compelling reason to require disclosure on individual policies—as there may well be in the case of policies issued where there are intermediary funds established under fixed-cents-per-hour plans—there seems to be no good reason for requiring insurance companies to disclose the competitive details of their business. No other industries are asked to disclose their selling and distribution costs, reserves for depreciation, surplus, and so forth, on each individual sale to all their customers and competitors. This is not to be taken to mean that these costs should not be regulated—they should be, at the State level.

RECOMMENDATIONS

Accordingly, it seems to be incontrovertible that more harm than good would result from applying all the provisions of the proposed legislation indiscriminately to all types of plans. In order to exclude from the scope of the act the fixed level-of-benefit plans which should be excluded, I recommend adding a new subparagraph (4) to section 4 (b) of S. 2888 reading as follows:

(4) Such plan is an employee welfare or pension benefit plan established by an employer or by an employee organization or both on a "level of benefits" basis. A plan shall be deemed to be established on a "level of benefits" basis if (i) it provides for a specified predetermined level or levels of benefits for its participants or beneficiaries, (ii) the rate of employees' contributions, if any, toward the cost of the benefits is predetermined, and (iii) the employer or employee organization or both are obligated to make contributions over and above such employee contributions, if any, to provide the agreed benefits, provided, however, that no employee welfare or pension benefit plan shall be deemed to be established on a "level of benefits" basis, if the employer or employee organization contributions are specified in the plan in terms other than the amount of such benefits such as, but not limited to, number of participants, number of hours worked, units of production or percentage of compensation.

Mr. President, that concludes my remarks for this afternoon upon this matter. I can only say, in concluding, and with the deepest sincerity and conviction, that if we expect to stop the abuses in the area where the abuses exist, the pending bill will not do it.

While I do not pretend that my plan or my exemption is a cure-all, I do say that it will save millions of dollars—perhaps as much as $100 million—which belongs to the employers and which should go to the employees in benefits.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. BARRETT. At the outset, I commend the Senator from Colorado for his very fine, splendid exposition. I have read his minority views in the committee report. I think he is on very sound ground. I believe the Senator has made abundantly clear the situation confronting the people of the country in this regard. I know that it is a matter of deep concern to millions of people. I intend to support the Senator's amendment.

Mr. ALLOTT. I appreciate the statement made by my very close friend, the distinguished Senator from Wyoming.

EXHIBIT 1

REGULATIONS RELATING TO EMPLOYEE PENSION, ANNUITY, PROFIT-SHARING, AND STOCK BONUS PLANS, TREASURY DECISION NO. 6203, PART 1 OF TITLE 26 (1954), CODE OF FEDERAL REGULATIONS

DEFERRED COMPENSATION, ETC.—PENSION, PROFIT-SHARING, STOCK BONUS PLANS, ETC.

Section 1.401, statutory provisions; qualified pension, profit-sharing, and stock bonus plans:

"SEC. 401. Qualified pension, profit-sharing, and stock bonus plans.

"(a) Requirements for qualification: A trust created or organized in the United States and forming part of a stock bonus, pension, or profit-sharing plan of an employer for the exclusive benefit of his employees or their beneficiaries shall constitute a qualified trust under this section—

"(1) If contributions are made to the trust by such employer, or employees, or both, or by another employer who is entitled to deduct his contributions under section 404 (a) (3) (B) (relating to deduction for contributions to profit-sharing and stock bonus plans), for the purpose of distributing to such employees or their beneficiaries the corpus and income of the fund accumulated by the trust in accordance with such plan;

"(2) If under the trust instrument it is impossible, at any time prior to the satisfaction of all liabilities with respect to employees and their beneficiaries under the trust, for any part of the corpus or income to be (within the taxable year or thereafter) used for, or diverted to, purposes other than for the exclusive benefit of his employees or their beneficiaries;

"(3) If the trust, or two or more trusts, or the trust or trusts and annuity plan or plans are designated by the employer as constituting parts of a plan intended to qualify under this subsection which benefits either—

"(A) 70 percent or more of all the employees, or 80 percent or more of all the employees who are eligible to benefit under the plan if 70 percent or more of all the employees are eligible to benefit under the plan, excluding in each case employees who have been employed not more than a minimum period prescribed by the plan, not exceeding 5 years, employees whose customary employment is for not more than 20 hours in any one week, and employees whose customary employment is for not more than 5 months in any calendar year, or

"(B) Such employees as qualify under a classification set up by the employer and found by the Secretary or his delegate not to be discriminatory in favor of employees who are officers, shareholders, persons whose principal duties consist in supervising the work of other employees, or highly compensated employees;

and

"(4) If the contributions or benefits provided under the plan do not discriminate in favor of employees who are officers, shareholders, persons whose principal duties consist in supervising the work of other employees, or highly compensated employees.

"(5) A classification shall not be considered discriminatory within the meaning of paragraph (3) (B) or (4) merely because it excludes employees the whole of whose remuneration constitutes 'wages' under section 3121 (a) (1) (relating to the Federal Insurance Contributions Act) or merely because it is limited to salaried or clerical employees. Neither shall a plan be considered discriminatory within the meaning of such provisions merely because the contributions or benefits of or on behalf of the employees under the plan bear a uniform relationship to the total compensation, or the basic or regular rate of compensation, of such employees, or merely because the contributions or benefits based on that part of an employee's remuneration which is excluded from

'wages' by section 3121 (a) (1) differ from the contributions or benefits based on employee's remuneration not so excluded, or differ because of any retirement benefits created under State or Federal law.

"(6) A plan shall be considered as meeting the requirements of paragraph (3) during the whole of any taxable year of the plan if on one day in each quarter it satisfied such requirements.

"(b) Certain retroactive changes in plan: A stock bonus, pension, profit-sharing, or annuity plan shall be considered as satisfying the requirements of paragraphs (3), (4), (5), and (6) of subsection (a) for the period beginning with the date on which it was put into effect and ending with the 15th day of the 3d month following the close of the taxable year of the employer in which the plan was put in effect, if all provisions of the plan which are necessary to satisfy such requirements are in effect by the end of such period and have been made effective for all purposes with respect to the whole of such period.

"(c) Cross reference: For exemption from tax of a trust qualified under this section, see section 501 (a)."

SEC. 1.401–1. Qualified pension, profit-sharing and stock bonus plans: (a) Introduction: (1) Sections 401 through 404 relate to pension, profit-sharing, stock bonus, and annuity plans, and compensation paid under a deferred-payment plan. Section 401 (a) prescribes the requirements which must be met for qualification of a trust forming part of a pension, profit-sharing, or stock bonus plan.

(2) A qualified pension, profit-sharing, or stock bonus plan is a definite written program and arrangement which is communicated to the employees and which is established and maintained by an employer—

(i) In the case of a pension plan, to provide for the livelihood of the employees or their beneficiaries after the retirement of such employees through the payment of benefits determined without regard to profits (see sec. 1.401–1 (b) (1) (i));

(ii) In the case of a profit-sharing plan, to enable employees or their beneficiaries to participate in the profits of the employer's trade or business, or in the profits of an affiliated employer who is entitled to deduct his contributions to the plan under section 404 (a) (3) (B), pursuant to a definite formula for allocating the contributions and for distributing the funds accumulated under the plan (see sec. 1.401 (b) (1) (ii)); and

(iii) In the case of a stock bonus plan, to provide employees or their beneficiaries benefits similar to those of profit-sharing plans, except that such benefits are distributable in stock of the employer, and that the contributions by the employer are not necessarily dependent upon profits. If the employer's contributions are dependent upon profits, the plan may enable employees or their beneficiaries to participate not only in the profits of the employer, but also in the profits of an affiliated employer who is entitled to deduct his contributions to the plan under section 404 (a) (3) (B) (see sec. 1.401–1 (b) (1) (iii)).

(3) In order for a trust forming part of a pension, profit-sharing, or stock bonus plan to constitute a qualified trust under section 401 (a), the following tests must be met:

(i) It must be created or organized in the United States, as defined in section 7701 (a) (9), and it must be maintained at all times as a domestic trust in the United States;

(ii) It must be part of a pension, profit-sharing, or stock bonus plan established by an employer for the exclusive benefit of his employees or their beneficiaries (see sec. 1.401–1 (b) (2) through (5));

(iii) It must be formed or availed of for the purpose of distributing to the employees or their beneficiaries the corpus and income of the fund accumulated by the trust in accordance with the plan;

(iv) It must be impossible under the trust instrument at any time before the satisfaction of all liabilities with respect to employees and their beneficiaries under the trust, for any part of the corpus or income to be used for, or diverted to, purposes other than for the exclusive benefit of the employees or their beneficiaries (see sec. 1.401–2);

(v) It must be part of a plan which benefits prescribed percentages of the employees, or which benefits such employees as qualify under a classification set up by the employer and found by the Commissioner not to be discriminatory in favor of certain specified classes of employees (see sec. 1.401–3); and

(vi) It must be part of a plan under which contributions or benefits do not discriminate in favor of certain specified classes of employees (see sec. 1.401–4).

(b) General rules: (1) (i) A pension plan within the meaning of section 401 (a) is a plan established and maintained by an employer primarily to provide systematically for the payment of definitely determinable benefits to his employees over a period of years, usually for life, after retirement. Retirement benefits generally are measured by, and based on, such factors as years of service and compensation received by the employees. The determination of the amount of retirement benefits and the contributions to provide such benefits are not dependent upon profits. Benefits are not definitely determinable if funds arising from forfeitures on termination of service, or other reason, may be used to provide increased benefits for the remaining participants instead of being used to reduce the amount of contributions by the employer. A plan designed to provide benefits for employees or their beneficiaries to be paid upon retirement or over a period of years after retirement will, for the purposes of section 401 (a), be considered a pension plan if the employer contributions under the plan can be determined actuarially on the basis of definitely determinable benefits, or, as in the case of money purchase pension plans, such contributions are fixed without being geared to profits. A pension plan may provide for the payment of a pension due to disability and may also provide for the payment of incidental death benefits through insurance or otherwise. However, a plan is not a pension plan if it provides for the payment of benefits not customarily included in a pension plan such as layoff benefits or benefits for sickness, accident, hospitalization, or medical expenses.

(ii) A profit-sharing plan is a plan established and maintained by an employer to provide for the participation in his profits by his employees or their beneficiaries. The plan must provide a definite predetermined formula for allocating the contributions made to the plan among the participants and for distributing the funds accumulated under the plan after a fixed number of years, the attainment of a stated age, or upon the prior occurrence of some event such as layoff, illness, disability, retirement, death, or severance of employment. A formula for allocating the contributions among the participants is definite if, for example, it provides for an allocation in proportion to the basic compensation of each participant. A plan (whether or not it contains a definite predetermined formula for determining the profits to be shared with the employees) does not qualify under section 401 (a) if the contributions to the plan are made at such times or in such amounts that the plan in operation discriminates in favor of officers, shareholders, persons whose principal duties consist in supervising the work of other employees, or highly compensated employees. For the rules with respect to discrimination, see sections 1.401–3 and 1.401–4. A profit-sharing plan within the meaning of section 401 is primarily a plan of deferred compensation, but the amounts allocated to the account of a participant may be used to provide for him or his family incidental life or accident or health insurance.

(iii) A stock bonus plan is a plan established and maintained by an employer to provide benefits similar to those of a profit-sharing plan, except that the contributions by the employer are not necessarily dependent upon profits and the benefits are distributable in stock of the employer company. For the purpose of allocating and distributing the stock of the employer which is to be shared among his employees or their beneficiaries, such a plan is subject to the same requirements as a profit-sharing plan.

(iv) As to inclusion of full-time life-insurance salesmen within the class of persons considered to be employees, see section 7701 (a) (20).

(2) The term "plan" implies a permanent as distinguished from a temporary program. Thus, although the employer may reserve the right to change or terminate the plan, and to discontinue contributions thereunder, the abandonment of the plan for any reason other than business necessity within a few years after it has taken effect will be evidence that the plan from its inception was not a bona fide program for the exclusive benefit of employees in general. Especially will this be true, if, for example, a pension plan is abandoned soon after pensions have been fully funded for persons in favor of whom discrimination is prohibited under section 401 (a). The permanency of the plan will be indicated by all of the surrounding facts and circumstances, including the likelihood of the employer's ability to continue contributions as provided under the plan. In the event a plan is abandoned, the employer should promptly notify the district director, stating the circumstances which led to the discontinuance of the plan. In the case of a profit-sharing plan, it is not necessary that the employer contribute every year or that he contribute the same amount or contribute in accordance with the same ratio every year. However, merely making a single or occasional contribution out of profits for employees does not establish a plan of profit-sharing. To be a profit-sharing plan, there must be recurring and substantial contributions out of profits for the employees.

(3) If the plan is so designed as to amount to a subterfuge for the distribution of profits to shareholders, it will not qualify as a plan for the exclusive benefit of employees even though other employees who are not shareholders are also included under the plan. The plan must benefit the employees in general, although it need not provide benefits for all of the employees. Among the employees to be benefited may be persons who are officers and shareholders. However, a plan is not for the exclusive benefit of employees in general if, by any device whatever, it discriminates either in eligibility requirements, contributions, or benefits in favor of employees who are officers, shareholders, persons whose principal duties consist in supervising the work of other employees, or the highly compensated employees. See section 401 (a) (3), (4), and (5). Similarly, a stock bonus or profit-sharing plan is not a plan for the exclusive benefit of employees in general if the funds therein may be used to relieve the employer from contributing to a pension plan operating concurrently and covering the same employees. All of the surrounding and attendant circumstances and the details of the plan will be indicative of whether it is a bona fide stock bonus, pension, or profit-sharing plan for the exclusive benefit of employees in general. The law is concerned not only with the form of a plan but also with

its effects in operation. For example, section 401 (a) (5) specifies certain provisions which of themselves are not discriminatory. However, this does not mean that a plan containing these provisions may not be discriminatory in actual operation.

(4) A plan is for the exclusive benefit of employees or their beneficiaries even though it may cover former employees as well as present employees and employees who are temporarily on leave, as for example, in the Armed Forces of the United States. A plan covering only former employees may qualify under section 401 (a) if it complies with the provisions of section 401 (a) (3) (B), with respect to coverage, and section 401 (a) (4) with respect to contributions and benefits, as applied to all of the former employees. The term "beneficiaries" of an employee within the meaning of section 401 includes the estate of the employee, dependents of the employee, persons who are the natural objects of the employee's bounty, and any persons designated by the employee to share in the benefits of the plan after the death of the employee.

(5) (i) No specific limitations are provided in section 401 (a) with respect to investments which may be made by the trustees of a trust qualifying under section 401 (a). Generally, the contributions may be used by the trustees to purchase any investments permitted by the trust agreement to the extent allowed by local law. However, such a trust will be subject to tax under section 511 with respect to any "unrelated business taxable income" (as defined in section 512) realized by it from its investments. Furthermore, the tax-exempt status of the trust will be forfeited if the investments made by the trustees constitute "prohibited transactions" within the meaning of section 503. See also the regulations under such sections.

(ii) Where the trust funds are invested in stock or securities of, or loaned to, the employer or other person described in section 503 (c), full disclosure must be made of the reasons for such arrangement and the conditions under which such investments are made in order that a determination may be made whether the trust serves any purpose other than constituting part of a plan for the exclusive benefit of employees. The trustee shall report any of such investments on the return which under section 6033 it is required to file and shall with respect to any such investment furnish the information required by such return. See section 1.6033–1.

(c) Portions of years: A qualified status must be maintained throughout the entire taxable year of the trust in order for the trust to obtain any exemption for such year. But see section 401 (a) (6) and section 1.401–3.

(d) Plan of several employers: A trust forming part of a plan of several employers for their employees will be qualified if all the requirements are otherwise satisfied.

(e) Returns: A trust which qualifies under section 401 (a) and which is exempt under section 501 (a) must file a return in accordance with section 6033 and the regulations thereunder. See section 1.6033–1. In case such a trust realizes any unrelated business taxable income, as defined in section 512, such trust is also required to file a return with respect to such income. See section 1.6012–2.

Section 1.401–2, impossibility of diversion under the trust instrument: (a) In general. (1) Under section 401 (a) (2) a trust is not qualified unless under the trust instrument it is impossible (in the taxable year and at any time thereafter before the satisfaction of all liabilities to employees or their beneficiaries covered by the trust) for any part of the trust corpus or income to be used for, or diverted to, purposes other than for the exclusive benefit of such employees or their beneficiaries.

(2) As used in section 401 (a) (2), the phrase "if under the trust instrument it is impossible" means that the trust instrument must definitely and affirmatively make it impossible for the nonexempt diversion or use to occur, whether by operation or natural termination of the trust, by power of revocation or amendment, by the happening of a contingency, by collateral arrangement, or by any other means. Although it is not essential that the employer relinquish all power to modify or terminate the rights of certain employees covered by the trust, it must be impossible for the trust funds to be used or diverted for purposes other than for the exclusive benefit of his employees or their beneficiaries.

(3) As used in section 401 (a) (2), the phrase "purposes other than for the exclusive benefit of his employees or their beneficiaries" includes all objects or aims not solely designed for the proper satisfaction of all liabilities to employees or their beneficiaries covered by the trust.

(b) Meaning of "liabilities": (1) The intent and purpose in section 401 (a) (2) of the phrase "prior to the satisfaction of all liabilities with respect to employees and their beneficiaries under the trust" is to permit the employer to reserve the right to recover at the termination of the trust, and only at such termination, any balance remaining in the trust which is due to erroneous actuarial computations during the previous life of the trust. A balance due to an "erroneous actuarial computation" is the surplus arising because actual requirements differ from the expected requirements even though the latter were based upon previous actuarial valuations of liabilities or determinations of costs of providing pension benefits under the plan and were made by a person competent to make such determinations in accordance with reasonable assumptions as to mortality, interest, etc., and correct procedures relating to the method of funding. For example, a trust has accumulated assets of $1 million at the time of liquidation, determined by acceptable actuarial procedures using reasonable assumptions as to interest, mortality, etc., as being necessary to provide the benefits in accordance with the provisions of the plan. Upon such liquidation it is found that $950,000 will satisfy all of the liabilities under the plan. The surplus of $50,000 arises, therefore, because of the difference between the amounts actuarially determined and the amounts actually required to satisfy the liabilities. This $50,000, therefore, is the amount which may be returned to the employer as the result of an erroneous actuarial computation. If, however, the surplus of $50,000 had been accumulated as a result of a change in the benefit provisions or in the eligibility requirements of the plan, the $50,000 could not revert to the employer because such surplus would not be the result of an erroneous actuarial computation.

(2) The term liabilities as used in section 401 (a) (2) includes both fixed and contingent obligations to employees. For example, if 1,000 employees are covered by a trust forming part of a pension plan, 300 of whom have satisfied all the requirements for a monthly pension, while the remaining 700 employees have not yet completed the required period of service, contingent obligations to such 700 employees have nevertheless arisen which constitute liabilities within the meaning of that term. It must be impossible for the employer (or other nonemployee) to recover any amounts other than such amounts as remain in the trust because of erroneous actuarial computations after the satisfaction of all fixed and contingent obligations. Furthermore, the trust instrument must contain a definite affirmative provision, to this effect, irrespective of whether the obligations to employees have their source in the trust instrument itself, in the plan of which the trust forms a part, or in some collateral instrument or arrangement forming a part of such plan, and regardless of whether such obligations are, technically speaking, liabilities of the employer, of the trust, or of some other person forming a part of the plan or connected with it.

Section 1. 401–3, requirements as to coverage: (a) (1) In order to insure that stock bonus, pension, and profit-sharing plans are utilized for the welfare of employees in general, and to prevent the trust device from being used for the principal benefit of shareholders, officers, persons whose principal duties consist in supervising the work of other employees, or highly paid employees, or as a means of tax avoidance, a trust will not be qualified unless it is part of a plan which satisfies the coverage requirements of section 401 (a) (3). The percentage requirements in section 401 (a) (3) (A) refer to a percentage of all the active employees, including employees temporarily on leave, such as those in the Armed Forces of the United States, if such employees are eligible under the plan.

(2) The application of section 401 (a) (3) (A) may be illustrated by the following example:

Example: An employer adopts a plan at a time when he has 1,000 employees. The plan provides that all full-time employees who have been employed by him for a period of 2 years and have reached the age of 30 shall be eligible to participate. The plan also requires participating employees to contribute 3 percent of their monthly pay. At the time the plan is made effective 100 of the 1,000 employees had not been employed for a period of 2 years. Fifty of the employees were seasonal employees whose customary employment did not exceed 5 months in any calendar year. Twenty-five of the employees were part-time employees whose customary employment did not exceed 20 hours in any one week. One hundred and fifty of the full-time employees who had been employed for 2 years or more had not yet reached age 30. The requirements of section 401 (a) (3) (A) will be met if 540 employees are covered by the plan, as shown by the following computation:

(i) Total employees with respect to whom the percentage requirements are applicable (1,000 minus 175 (100 plus 50 plus 25))	825
(ii) Employees not eligible to participate because of age requirements	150
(iii) Total employees eligible to participate	675
(iv) Percentage of employees in item (i) eligible to participate	81+%
(v) Minimum number of participating employees to qualify the plan (80 percent of 675)	540

If only 70 percent, or 578, of the 725 employees satisfied the age and service requirements, then 462 (80 percent of 578) participating employees would satisfy the percentage requirements.

(b) If a plan fails to qualify under the percentage requirements of section 401 (a) (3) (A), it may still qualify under section 401 (a) (3) (B) provided always that (as required by section 401 (a) (3) and (4)) the plan's eligibility conditions, benefits, and contributions do not discriminate in favor of employees who are officers, shareholders, persons whose principal duties consist in supervising the work of other employees, or the highly compensated employees.

(c) Since, for the purpose of section 401, a profit-sharing plan is a plan which provides for distributing the funds accumulated under the plan after a fixed number of years, the attainment of a stated age, or upon the prior occurrence of some event such as illness, disability, retirement, death, layoff, or severance of employment, employees who receive the amounts allocated to their accounts before the expiration of such a period

of time or the occurrence of such a contingency shall not be considered covered by a profit-sharing plan in determining whether the plan meets the coverage requirements of section 401 (a) (3) (A) and (B). Thus, in case a plan permits employees to receive immediately the amounts allocated to their accounts, or to have such amounts paid to a profit-sharing plan for them, the employees who receive the shares immediately shall not, for the purpose of section 401, be considered covered by a profit-sharing plan.

(d) Section 401 (a) (5) sets out certain classifications that will not in themselves be considered discriminatory. However, those so designated are not intended to be exclusive. Thus, plans may qualify under section 401 (a) (3) (B) even though coverage thereunder is limited to employees who have either reached a designated age or have been employed for a designated number of years, or who are employed in certain designated departments or are in other classifications, provided the effect of covering only such employees does not discriminate in favor of officers, shareholders, employees whose principal duties consist in supervising the work of other employees, or highly compensated employees. For example, if there are 1,000 employees, and the plan is written for only salaried employees, and consequently only 500 employees are covered, that fact alone will not justify the conclusion that the plan does not meet the coverage requirements of section 401 (a) (3) (B). Conversely, if a contributory plan is offered to all of the employees but the contributions required of the employee participants are so burdensome as to make the plan acceptable only to the highly paid employees, the classification will be considered discriminatory in favor of such highly paid employees.

(e) (1) Section 401 (a) (5) contains a provision to the effect that a classification shall not be considered discriminatory within the meaning of section 401 (a) (3) (B) merely because all employees whose entire annual remuneration constitutes wages under section 3121 (a) (1) (for purposes of the Federal Insurance Contributions Act) are excluded from the plan. A reference to section 3121 (a) (1) for years after 1954 shall be deemed a reference to section 1426 (a) (1) for years before 1955. This provision, in conjunction with section 401 (a) (3) (B), is intended to permit the qualification of plans which supplement the old-age and survivor insurance benefits under the Social Security Act. Thus, a classification which excludes all employees whose entire remuneration constitutes wages under section 3121 (a) (1), will not be considered discriminatory merely because of such exclusion. Similarly, a plan which includes all employees will not be considered discriminatory solely because the contributions or benefits based on that part of their remuneration which is excluded from wages under section 3121 (a) (1) differ from the contributions or benefits based on that part of their remuneration which is not so excluded. However, in making his determination with respect to discrimination in classification under section 401 (a) (3) (B), the Commissioner will consider whether the total benefits resulting to each employee under the plan and under the Social Security Act, or under the Social Security Act only, establish an integrated and correlated retirement system satisfying the tests of section 401 (a). If, therefore, a classification of employees under a plan results in relatively or proportionately greater benefits for employees earning above any specified salary amount or rate than for those below any such salary amount or rate, it may be found to be discriminatory within the meaning of section 401 (a) (3) (B). If, however, the relative or proportionate differences in benefits which result from such classification are approximately offset by the old-age and survivor insurance benefits which are provided by the Social Security Act and which are not attributable to employee contributions under the Federal Insurance Contributions Act, the plan will be considered to be properly integrated with the Social Security Act and will, therefore, not be considered discriminatory.

(2) In determining whether a plan is properly integrated with the Social Security Act, the total old-age and survivor insurance benefits with respect to an employee are considered to be 150 percent of the employee's old-age insurance benefits under such act, and the proportion of such total benefits which is attributable to employee contributions is considered to be approximately 20 percent of such total benefits. These assumptions take into consideration the changes made by the Social Security Amendments of 1954 and the Social Security Amendments of 1956. Thus, for example, a classification of employees under a noncontributory pension or annuity plan established in 1956 which is limited to employees earning in excess of $4,200 a year will not be considered discriminatory within the meaning of section 401 (a) (3) (B), if:

(i) Normal annual retirement benefits for any employee cannot exceed 37½ percent of his average annual compensation in excess of $4,200, where average annual compensation is defined to mean the average annual compensation over the highest 5 consecutive years.

(ii) There are no benefits payable in case of death before retirement.

(iii) The normal form of retirement benefit is a straight life annuity, and if there are optional forms, the benefit payments are adjusted so that the total value of the optional form is the same as the value of the normal form of retirement benefits.

(iv) Normal retirement benefits for employees who reach normal retirement age before completion of 15 years of service with the employer cannot exceed 2½ percent of average annual compensation in excess of $4,200, for each year of service.

(v) Normal retirement age is not lower than age 65 for men and not lower than age 60 for women.

(vi) Benefits payable in case of retirement or severance of employment before normal retirement age cannot exceed the actuarial equivalent of that proportion of the maximum normal retirement benefits, which might be provided in accordance with (i) through (v) of this subparagraph, earned to the date of actual retirement or severance, where such proportion is determined by the ratio that the actual number of years of service of the employee at retirement or severance bears to the total number of years of service he would have had if he had remained in service until normal retirement age. In the case of a plan limited to employees earning over $4,200 a year but providing different benefits, or providing benefits related to years of service, or providing benefits purchasable by stated employer contributions, or under which the employees contribute, or providing a combination of the foregoing variations, the plan will be considered to be properly integrated only if, as determined by the Commissioner, the benefits provided thereunder by employer contributions cannot exceed in value the benefits described in the example. Similar principles will govern in determining whether a plan is properly integrated if it is limited to employees whose compensation exceeds a stated level other than $4,200 a year, or if it bases benefits on contributions or compensation in excess of such a level, or if it provides for an offset of benefits otherwise payable under the plan on account of old-age and survivor insurance benefits. In the case of a profitsharing or stock bonus plan which is limited to employees whose compensation is in excess of a stated level, or which bases contributions on compensation in excess of a stated level, similar principles will govern in determining whether the plan is discriminatory, provided that the employer does not also have in existence a pension or annuity plan which is integrated with old-age and survivor insurance benefits and which provide for employer contributions or benefits based upon all or part of the same compensation considered under the profitsharing or stock bonus plan. In the case of a plan which is properly integrated with old-age and survivor insurance benefits as in effect before the Social Security Amendments of 1954, and which is limited to employees earning in excess of a stated level, no adjustment is required merely because of the changes made by such amendments.

(3) A plan supplementing the Social Security Act and excluding all employees whose entire annual remuneration constitutes "wages" under section 3121 (a) (1) will not, however, be deemed discriminatory merely because, for administrative convenience, it provides a reasonable minimum benefit not to exceed $20 a month.

(4) Similar considerations, to the extent applicable in any case, will govern classifications under a plan supplementing the benefits provided by other Federal or State laws. See section 401 (a) (5).

(f) An employer may designate several trusts or a trust or trusts and an annuity plan or plans as constituting one plan which is intended to qualify under section 401 (a) (3), in which case all of such trusts and plans taken as a whole may meet the requirements of such section. The fact that such combination of trusts and plans fails to qualify as one plan does not prevent such of the trusts and plans as qualify from meeting the requirements of section 401 (a).

(g) It is provided in section 401 (a) (6) that a plan will satisfy the requirements of section 401 (a) (3), if on at least one day in each quarter of the taxable year of the plan it satisfies such requirements. This makes it possible for a new plan requiring contributions from employees to qualify if by the end of the quarter-year in which the plan is adopted it secures sufficient contributing participants to meet the requirements of section 401 (a) (3). It also affords a period of time in which new participants may be secured to replace former participants, so as to meet the requirements of either subparagraph (A) or (B) of section 401 (a) (3).

Section 1.401–4, discrimination as to contributions or benefits. (a) (1) (i) In order to qualify under section 401 (a), a trust must not only meet the coverage requirements of section 401 (a) (3), but, as provided in section 401 (a) (4), it must also be part of a plan under which there is no discrimination in contributions or benefits in favor of officers, shareholders, employees whose principal duties consist in supervising the work of other employees, or highly compensated employees as against other employees whether within or without the plan.

(ii) Since, for the purpose of section 401, a profit-sharing plan is a plan which provides for distributing the funds accumulated under the plan after a fixed number of years, the attainment of a stated age, or upon the prior occurrence of some event such as illness, disability, retirement, death, layoff, or severance of employment, any amount allocated to an employee which is withdrawn before the expiration of such a period of time or the occurrence of such a contingency shall not be considered in determining whether the contributions under the plan discriminate in favor of officers, shareholders, employees whose principal duties consist in supervising the work of other employees, or highly compensated employees. Thus, in case a plan permits employees to receive immediately the whole or any part of the amounts allocated to their accounts, or to

have the whole or any part of such amounts paid to a profit-sharing plan for them, any amounts which are received immediately shall not, for the purpose of section 401, be considered contributed to a profit-sharing plan.

(iii) Funds in a stock-bonus or profit-sharing plan arising from forfeitures on termination of service, or other reason, must not be allocated to the remaining participants in such a manner as will effect the prohibited discrimination. With respect to forfeitures in a pension plan, see section 1.401–1 (b) (1) (i).

(2) (i) Section 401 (a) (5) sets out certain provisions which will not in and of themselves be discriminatory within the meaning of section 401 (a) (3) or (4). See section 1.401–3. Thus, a plan will not be considered discriminatory merely because the contributions or benefits bear a uniform relationship to total compensation or to the basic or regular rate of compensation, or merely because the contributions or benefits based on that part of the annual compensation of employees which is subject to the Federal Insurance Contributions Act differ from the contributions or benefits based on any excess of such annual compensation over such part.

(ii) The exceptions specified in section 401 (a) (5) are not an exclusive enumeration, but are merely recital of provisions frequently encountered which will not of themselves constitute forbidden discrimination in contributions or benefits.

(iii) Variations in contributions or benefits may be provided so long as the plan, viewed as a whole for the benefit of employees in general, with all its attendant circumstances, does not discriminate in favor of employees within the enumerations with respect to which discrimination is prohibited. Thus, benefits in a stock or bonus or profit-sharing plan which vary by reason of an allocation formula which takes into consideration years of service, or other factors, are not prohibited unless they discriminate in favor of such employees.

(b) A plan which excludes all employees whose entire remuneration constitutes wages under section 3121 (a) (1) (relating to the Federal Insurance Contributions Act), or a plan under which the contributions or benefits based on that part of an employee's remuneration which is excluded from "wages" under such act differs from the contributions or benefits based on that part of the employee's remuneration which is not so excluded, or a plan under which the contributions or benefits differ because of any retirement benefit created under State or Federal law, will not be discriminatory because of such exclusion or difference, provided the total benefits resulting under the plan and under such law establish an integrated and correlated retirement system satisfying the tests of section 401 (a).

(c) Although a plan may provide for termination at will by the employer, this will not of itself prevent a trust from being a qualified trust. However, in certain cases that fact may necessitate some provision in the plan which will preclude such termination from effecting the prohibited discrimination. This may occur where, for example, certain officers or highly compensated employees are at the inception of the plan within a few years of retirement age and the operation of the plan will fund and vest their benefits in a short period, thus resulting in such discrimination in favor of such officers or highly compensated employees.

Section 1.401–5, period for which requirements of section 401 (a) (3), (4), (5), and (6) are applicable: A pension, profit sharing, stock bonus, or annuity plan shall be considered as satisfying the requirements of section 401 (a) (3), (4), (5), and (6) for the period beginning with the date on which it was put into effect and ending with the 15th day of the 3d month following the close of the taxable year of the employer in which the plan was put into effect, if all the provisions of the plan which are necessary to satisfy such requirements are in effect by the end of such period and have been made effective for all purposes with respect to the whole of such period. Thus, if an employer in 1954 adopts such a plan as of January 1, 1954, and makes a return on the basis of the calendar year, he will have until March 15, 1955, to amend his plan so as to make it satisfy the requirements of section 401 (a) (3), (4), (5), and (6) for the calendar year 1954 provided that by March 15, 1955, all provisions of such plan necessary to satisfy such requirements are in effect and have been made retroactive for all purposes to January 1, 1954, the effective date of the plan. If an employer is on a fiscal year basis, for example, April 1 to March 31, and in 1954 adopts such a plan effective as of April 1, 1954, he will have until June 15, 1955, to amend his plan so as to make it satisfy the requirements of section 401 (a) (3), (4), (5), and (6) for the fiscal year beginning April 1, 1954, provided that by June 15, 1955, all provisions of such plan necessary to satisfy such requirements are in effect and have been made retroactive for all purposes to April 1, 1954, the effective date of the plan. It should be noted that under section 401 (b) the period in which a plan may be amended to qualify under section 401 (a) ends before the date on which taxpayers other than corporations are required to file income tax returns. See section 6072.

Section 1.402 (a) Statutory provisions; Taxability of beneficiary of employees' trust; exempt trust:

"SEC. 402. Taxability of beneficiary of employees' trust.

"(a) Taxability of beneficiary of exempt trust—

"(1) General rule: Except as provided in paragraph (2), the amount actually distributed or made available to any distributee by any employees' trust described in section 401 (a) which is exempt from tax under section 501 (a) shall be taxable to him, in the year in which so distributed or made available, under section 72 (relating to annuities) except that section 72 (e) (3) shall not apply. The amount actually distributed or made available to any distributee shall not include net unrealized appreciation in securities of the employer corporation attributable to the amount contributed by the employee. Such net unrealized appreciation and the resulting adjustments to basis of such securities shall be determined in accordance with regulations prescribed by the Secretary or his delegate.

"(2) Capital gains treatment for certain distributions: In the case of an employees' trust described in section 401 (a), which is exempt from tax under section 501 (a), if the total distributions payable with respect to any employee are paid to the distributee within 1 taxable year of the distributee on account of the employee's death or other separation from the service, or on account of the death of the employee after his separation from the service, the amount of such distribution, to the extent exceeding the amounts contributed by the employee (determined by applying section 72 (f), which employee contributions shall be reduced by any amounts theretofore distributed to him which were not includible in gross income, shall be considered a gain from the sale or exchange of a capital asset held for more than 6 months. Where such total distributions include securities of the employer corporation, there shall be excluded from such excess the net unrealized appreciation attributable to that part of the total distributions which consists of the securities of the employer corporation so distributed. The amount of such net unrealized appreciation and the resulting adjustments to basis of the securities of the employer corporation so distributed shall be determined in accordance with regulations prescribed by the Secretary or his delegate.

"(3) Definitions: For purposes of this subsection—

"(A) The term "securities" means only shares of stock and bonds or debentures issued by a corporation with interest coupons or in registered form.

"(B) The term "securities of the employer corporation" includes securities of a parent or subsidiary corporation (as defined in sec. 421 (d) (2) and (3)) of the employer corporation.

"(C) The term "total distributions payable" means the balance to the credit of an employee which becomes payable to a distributee on account of the employee's death or other separation from the service, or on account of his death after separation from the service."

Section 1.402 (a)–1, taxability of beneficiary under a trust which meets the requirements of section 401 (a): (a) In general: (1) (i) Section 402 relates to the taxation of the beneficiary of an employees' trust. If an employer makes a contribution for the benefit of an employee to a trust described in section 401 (a) for the taxable year of the employer which ends within or with a taxable year of the trust for which the trust is exempt under section 501 (a), the employee is not required to include such contribution in his income except for the year or years in which such contribution is distributed or made available to him. It is immaterial in the case of contributions to an exempt trust whether the employee's rights in the contributions to the trust are forfeitable or nonforfeitable either at the time the contribution is made to the trust or thereafter.

(ii) The provisions of section 402 (a) relate only to a distribution by a trust described in section 401 (a) which is exempt under section 501 (a) for the taxable year of the trust in which the distribution is made. The distribution from such an exempt trust when received or made available is taxable to the distributee to the extent provided in section 72 (relating to annuities), except that section 72 (e) (3) (relating to the treatment of certain lump sums) shall not apply, and except that certain total distributions described in section 402 (a) (2) are taxable as long-term capital gains. For the treatment of such total distributions, see subparagraph (6) of this paragraph. Under certain circumstances, an amount representing the unrealized appreciation in the value of the securities of the employer is excludable from gross income for the year of distribution. For the rules relating to such exclusion, see paragraph (b) of this section. Furthermore, the exclusion provided by section 105 (d) is applicable to a distribution from a trust described in section 401 (a) and exempt under section 501 (a) if such distribution constitutes wages or payments in lieu of wages for a period during which an employee is absent from work on account of a personal injury or sickness (see sec. 105 and the regulations thereunder).

(iii) Except as provided in paragraph (b) of this section, a distribution of property by a trust described in section 401 (a) and exempt under section 501 (a) shall be taken into account by the distributee at its fair market value. For example, where a United States savings bond which was purchased by a trustee in its own name later is distributed by such trust, it shall be taken into account at its redemption value at the time of distribution and such redemption value shall be the distributee's basis for the bond for the purpose of determining the extent to which income is realized upon its ultimate redemption.

(iv) If a trust is exempt for the taxable year in which the distribution occurs, but

was not so exempt for one or more prior taxable years under section 501 (a) (or under section 165 (a) of the Internal Revenue Code of 1939 for years to which such section was applicable), the contributions of the employer which were includible in the gross income of the employee for the taxable year when made shall, in accordance with section 72 (f), also be treated as part of the consideration paid by the employee.

(v) If the trust is not exempt at the time the distribution is received by or made available to the employee, see section 402 (b) and section 1.402 (b)–1 (b).

(2) If a trust described in section 401 (a) and exempt under section 501 (a) purchases an annuity contract for an employee and distributes it to the employee in a year for which the trust is exempt, the contract containing a cash surrender value which may be available to an employee by surrendering the contract, such cash surrender value will not be considered income to the employee unless and until the contract is surrendered. If, however, the contract distributed by such an exempt trust is a retirement income, endowment, or other life insurance contract and is distributed after October 26, 1956, the entire cash value of such contract at the time of distribution must be included in the distributee's income in accordance with the provisions of section 402 (a), except to the extent that, within 60 days after the distribution of such contract, all or any portion of such value is irrevocably converted into a contract under which no part of any proceeds payable on death at any time would be excludable under section 101 (a) (relating to life insurance proceeds).

(3) (i) If a trust described in section 401 (a) and exempt under section 501 (a) purchases under the plan retirement income, endowment, or other contracts providing life insurance protection, payable upon the death of the employee participants, and either—

(a) The proceeds of such life insurance are payable to a beneficiary of the employee participant, other than the trust, or

(b) In case such proceeds are payable to the trust, by the terms of the plan the trustee is required to pay over all of such proceeds to a beneficiary of the employee participant,

then, the portion of the premiums paid for the life insurance protection provided under such contracts from either the contributions of the employer or earnings of the trust will constitute income to the employee for the year or years in which the contributions or earnings are applied toward the purchase of such life insurance. If the amount payable upon death at any time during the year exceeds the cash value of the insurance policy at the end of the year, the entire amount of such excess will be considered current life insurance protection. The cost of such insurance will be considered to be a reasonable net premium cost, as determined by the Commissioner, for such amount for the appropriate period. The amount thus to be included in the gross income of the employee under this subdivision shall be considered as premiums or other consideration paid or contributed by the employee only with respect to any benefits attributable to the contract providing the life insurance protection.

(ii) The determination of the cost of life insurance protection may be illustrated by the following example:

Example: A policy purchased under a qualified plan for an employee provides an annuity of $100 per month upon retirement at age 65, with a minimum death benefit of $10,000. The insurance payable if death occurred in the first year would be $10,000. The cash value at the end of the first year is 0. The net insurance is therefore $10,000 minus 0, for $10,000. Assuming that the Commissioner has determined that a reasonable net premium for the employee's age is $5.85 per $1,000, the premium for $10,000 of life insurance is therefore $58.50, and this is the amount to be reported as income by the employee for the year. The balance of the premium is the amount contributed for the annuity, which is not taxable to the employee under a plan meeting the requirements of section 401 (a), except as provided under section 402 (a). Assuming that the cash value at the end of the second year is $500, the net insurance would then be $9,500 for the second year. With a net 1-year term rate of $6.30 for the employee's age in the second year, the amount to be reported as income to the employee would be $59.85.

(iii) This subparagraph shall not apply if the trust has a right under any circumstances to retain any part of the proceeds of the life insurance contract. But see subparagraph (4) (iv) relating to the taxability of the distribution of such proceeds to a beneficiary.

(4) (i) In case a trust described in section 401 (a) and exempt under section 501 (a) either—

(a) Has purchased a retirement income, endowment, or other life insurance contract, and the employee either paid the cost of the insurance or was taxable on the cost of the insurance under subparagraph (3) of this paragraph, or

(b) Has purchased an annuity contract, the amounts payable under any such contract by reason of the death of the employee are taxable under the rules of subdivision (ii) of this subparagraph except in the case of a joint and survivor annuity.

(ii) (a) In the case of an annuity contract, the death benefit is the accumulation of the premiums (plus earnings thereon) which is intended to fund pension or other deferred benefits under a pension or profit-sharing plan. Such death benefits are not in the nature of life insurance and are not excludable from gross income under section 101 (a).

(b) In the case of a retirement income, endowment, or other life insurance contract under which there is a reserve accumulation which is intended to fund pension or other deferred benefits under a pension or profit-sharing plan, such reserve accumulation constitutes the source of the cash value of the contract and approximates the amount of such cash value. The portion of the proceeds paid upon the death of the insured employee which is equal to the cash value immediately before death is not excludable from gross income under section 101 (a). The remaining portion, if any, of the proceeds paid to the beneficiary by reason of the death of the insured employee—that is, the amount in excess of the cash value—constitutes current insurance protection and is excludable under section 101 (a).

(c) The death benefit under an annuity contract, or the portion of the death proceeds under a retirement income, endowment, or other life insurance contract which is equal to the cash value of the contract immediately before death, constitutes a distribution from the trust consisting in whole or in part of deferred compensation and is taxable to the beneficiary in accordance with section 402 (a) and the provisions of this paragraph, except to the extent that the limited exclusion from income provided in section 101 (b) is applicable.

(d) In the case of a retirement income, endowment, or other life insurance contract under which the benefits are paid at a date or dates later than the death of the employee, section 101 (d) is applicable only to the portion of the benefits which is attributable to the amount excludable under section 101 (a). The portion of such benefits which is attributable to the cash value of the contract immediately before death is taxable under section 72 (relating to annuities), and in such case, any amount excludable under section 101 (b) is treated as additional consideration paid by the employee in accordance with section 101 (b) (2) (D).

(iii) The application of the rules under subdivision (ii) with respect to the taxability of proceeds of a retirement income, endowment, or other life insurance contract paid by reason of the death of an insured employee who has paid no contributions under the plan is illustrated by the following examples:

Example (1):

Total face amount of the contract payable in a lump-sum at time of death	$25,000
Cash value of the contract immediately before death	11,000
Excess over cash value, excludable under section 101 (a)	14,000
Cash value subject to limited exclusion under section 101 (b)	11,000
Excludable under section 101 (b) (assuming that there is no other death benefit paid by or on behalf of any employer with respect to the employee)	5,000
Balance taxable in accordance with section 402 (a) (2) (assuming a total distribution in 1 taxable year of the distributee)	6,000
Portion of premiums taxed to employee under the provisions of subparagraph (3) of this paragraph and considered as contributions of the employee	940
Balance taxable as long-term capital gain	$5,060

Example (2): The facts are the same as in example (1), except that the contract provides that the beneficiary may elect within 60 days after the death of the employee either to take the $25,000 or to receive 10 annual installments of $3,000 each, and the beneficiary elects to receive the 10 installments. In addition, the employee's rights to the cash value immediately before his death were forfeitable at least to the extent of $5,000. Section 101 (d) is applicable to the amount excludable under section 101 (a), that is, $14,000. The portion of each annual installment of $3,000 which is attributable to this $14,000 is determined by allocating each installment in accordance with the ratio which this $14,000 bears to the total amount which was payable at death ($25,000). Accordingly, the portion of each annual installment which is subject to section 101 (d) is $1,680 (14/25 of $3,000), of which, $1,400 (1/10 of $14,000) is excludable under section 101 (a), and the remaining $280 is includible in the gross income of the beneficiary. However, if the beneficiary is a surviving spouse as defined in section 101 (d) (3), the exclusion provided by section 101 (d) (1) (B) is applicable to such $280. The remaining portion of each annual $3,000 installment, $1,320, is attributable to the cash value of the contract and is treated under section 72, as follows:

Amount actually contributed by the employee	00
Amount considered contributed by employee by reason of section 101 (b)	$5,000
Portion of premiums taxed to employee under the provisions of subparagraph (3) of this paragraph and considered as contributions of the employee	940
Investment in the contract	5,940
Expected return, 10×$1,320	13,200
Exclusion ratio, $5,940÷$13,200	.45
Annual exclusion, .45×$1,320	$594

Accordingly, $594 of the $1,320 portion of each annual installment is excludable each year under section 72, and the remaining $726 is includible. Thus, if the beneficiary is not a surviving spouse, a total of $1,006 ($280 plus $726) of each annual $3,000 installment is includible in income each year. If the beneficiary is a surviving spouse, and can exclude all of the $280 under section 101 (d) (1) (B), the amount includible in gross income each year is $726 of each annual $3,000 installment.

(iv) If an employee neither paid the total cost of the life insurance protection provided under a retirement income, endowment, or other life-insurance contract, nor was taxable under subparagraph (3) of this paragraph with respect thereto, no part of the proceeds of such a contract which are paid to the beneficiaries of the employee as a death benefit is excludable under section 101 (a). The entire distribution is taxable to the beneficiaries under section 402 (a) except to the extent that a limited exclusion may be allowable under section 101 (b).

(5) If pension or annuity payments or other benefits are paid or made available to the beneficiary of a deceased employee or a deceased retired employee by a trust described in section 401 (a) which is exempt under section 501 (a), such amounts are taxable in accordance with the rules of section 402 (a) and this section. In case such amounts are taxable under section 72, the "investment in the contract" shall be determined by reference to the amount contributed by the employee and by applying the rules of sections 72 (c), 72 (f), 101 (b) (2) (D), and subparagraph (3) of this paragraph. In case the amounts paid to, or includible in the gross income of, the beneficiaries of the deceased employee or deceased retired employee constitute a distribution to which subparagraph (6) of this paragraph is applicable, the extent to which the distribution is taxable is determined by reference to the contributions of the employee, by reference to any prior distributions which were excludable from gross income as a return of employee contributions, and by applying the rules of sections 72 (f), 101 (b), and subparagraph (3) of this paragraph.

(6) (i) If the total distributions payable with respect to any employee under a trust described in section 401 (a) which in the year of distribution is exempt under section 501 (a) are paid to, or includible in the gross income of, the distributee within 1 taxable year of the distributee on account of the employee's death or other separation from the service, or death after such separation from service, the amount of such distribution, to the extent it exceeds the net amount contributed by the employee, shall be considered a gain from the sale or exchange of a capital asset held for more than 6 months. The total distributions payable are includible in the gross income of the distributee within 1 taxable year if they are made available to such distributee and the distributee fails to make a timely election under section 72 (h) to receive an annuity in lieu of such total distributions. For rules relating to the treatment of such total distributions in the case of a nonresident alien individual, see sections 871 and 1441 and the regulations thereunder. The "net amount contributed by the employee" is the amount actually contributed by the employee plus any amounts considered to be contributed by the employee under the rules of sections 72 (f), 101 (b), and subparagraph (3) of this paragraph, reduced by any amounts theretofore distributed to him which were excludable from gross income as a return of employee contributions. See, however, paragraph (b) of this section for rules relating to the exclusion of amounts representing net unrealized appreciation in the value of securities of the employer corporation.

(ii) The term "total distributions payable" means the balance to the credit of an employee which becomes payable to a distributee on account of the employee's death or other separation from the service or on account of his death after separation from the service. Thus, distributions made before a total distribution (for example, annuity payments received by the employee after retirement) will not defeat application of the capital gains treatment with respect to the total distributions received by a beneficiary upon the death of the employee after retirement. However, a distribution on separation from service will not receive capital gains treatment unless it constitutes the total amount in the employee's account at the time of his separation from service. If the total amount in the employee's account at the time of his death or other separation from the service or death after separation from the service is paid or includible in the gross income of the distributee within 1 taxable year of the distributee, such amount is entitled to the capital gains treatment notwithstanding that in a later taxable year an additional amount, attributable to the last year of service, is credited to the account of the employee and distributed.

(iii) If an employee retires and commences to receive an annuity but subsequently, in some succeeding taxable year, is paid a lump sum in settlement of all future annuity payments, the capital gains treatment does not apply to such lump sum settlement paid during the lifetime of the employee since it is not a payment on account of separation from the service, or death after separation, but is on account of the settlement of future annuity payments.

(iv) If the "total distributions payable" are paid or includible in the gross income of several distributees within one taxable year on account of the employee's death or other separation from the service or on account of his death after separation from the service, the capital gains treatment is applicable. The total distributions payable are paid within 1 taxable year of the distributees when, for example, a portion of such total is distributed in cash to one distributee and the balance is used to purchase an annuity contract which is distributed to the other distributee. However, if the share of any distributee is not paid or includible in his gross income within the same taxable year in which the shares of the other distributees are paid or includible in their gross income, none of the distributees is entitled to the capital gains treatment, since the total distributions payable are not paid or includible in the distributees' gross income within 1 taxable year. For example, if the total distributions payable are made available to each of two distributees and one elects to receive his share in cash while the other makes a timely election under section 72 (h) to receive his share in installment payments from the trust, the capital gains treatment does not apply to either distributee.

(v) For regulations as to certain plan terminations, see § 1.402 (e)-1.

(b) Distributions including securities of the employer corporation—(1) In general: (i) If a trust described in section 401 (a) which is exempt under section 501 (a) makes a distribution to a distributee, and such distribution includes securities of the employer corporation, the amount of any net unrealized appreciation in such securities shall be excluded from the distributee's income in the year of such distribution to the following extent:

(a) If the distribution constitutes a total distribution to which the rules of paragraph (a) (6) of this section are applicable, the amount to be excluded is the entire net unrealized appreciation attributable to that part of the total distribution which consists of securities of the employer corporation; and

(b) If the distribution is other than a total distribution to which paragraph (a) (6) of this section is applicable, the amount to be excluded is that portion of the net unrealized appreciation in the securities of the employer corporation which is attributable to the amount considered to be contributed by the employee to the purchase of such securities.

The amount of net unrealized appreciation which is excludable under the rules of (a) and (b) of this subdivision shall not be included in the basis of the securities in the hands of the distributee at the time of distribution for purposes of determining gain or loss on their subsequent disposition. In the case of a total distribution the amount of net unrealized appreciation which is not included in the basis of the securities in the hands of the distributee at the time of distribution shall be considered as a gain from the sale or exchange of a capital asset held for more than 6 months to the extent that such appreciation is realized in a subsequent taxable transaction. However if the net gain realized by the distributee in a subsequent taxable transaction exceeds the amount of the net unrealized appreciation at the time of distribution, such excess shall constitute a long-term or short-term capital gain depending upon the holding period of the securities in the hands of the distributee.

(ii) For purposes of section 402 (a) and of this section, the term "securities" means only shares of stock and bonds or debentures issued by a corporation with interest coupons or in registered form, and the term "securities of the employer corporation" includes securities of a parent or subsidiary corporation (as defined in section 421 (d) (2) and (3), relating to employee stock options) of the employer corporation.

(2) Determination of net unrealized appreciation. (i) The amount of net unrealized appreciation in securities of the employer corporation which are distributed by the trust is the excess of the market value of such securities at the time of distribution over the cost or other basis of such securities to the trust. Thus, if a distribution consists in part of securities which have appreciated in value and in part of securities which have depreciated in value, the net unrealized appreciation shall be considered to consist of the net increase in value of all of the securities included in the distribution. For this purpose, two or more distributions made by a trust, to a distributee in a single taxable year of the distributee shall be treated as a single distribution.

(ii) For the purpose of determining the net unrealized appreciation on a distributed security of the employer corporation, the cost or other basis of such security to the trust shall be computed in accordance with whichever of the following rules is applicable:

(a) If a security was earmarked for the account of a particular employee at the time it was purchased by or contributed to the trust so that the cost or other basis of such security to the trust is reflected in the account of such employee, such cost or other basis shall be used.

(b) If as of the close of each taxable year of the trust (or other specified period of time not in excess of 12 consecutive calendar months) the trust allocates among the accounts of participating employees all securities acquired by the trust during the period (exclusive of securities unallocated under a plan providing for allocation in whole shares only), the cost or other basis to the trust of any securities allocated as of the close of a particular allocation period shall be the average cost or other basis to the trust of all securities of the same type

which were purchased or otherwise acquired by the trust during such allocation period. For purposes of determining the average cost to the trust of securities included in a subsequent allocation, the actual cost to the trust of the securities unallocated as of the close of a prior allocation period shall be deemed to be the average cost or other basis to the trust of securities of the same type allocated as of the close of such prior allocation period.

(c) In a case where neither (a) nor (b) is applicable, if the trust fund, or a specified portion thereof, is invested exclusively in one particular type of security of the employer corporation, and if during the period the distributee participated in the plan none of such securities has been sold except for the purpose of paying benefits under the trust or for the purpose of enabling the trustee to obtain funds with which to exercise rights which have accrued to the trust, the cost or other basis to the trust of all securities distributed to such distributee shall be the total amount credited to the account of such distributee (or such portion thereof as was available for investment in such securities) reduced by the amount available for investment but uninvested on the date of distribution. If at the time of distribution to a particular distributee a portion of the amount credited to his account is forfeited, appropriate adjustment shall be made with respect thereto in determining the cost or other basis to the trust of the securities distributed.

(d) (1) In all other cases, there shall be used the average cost (or other basis) to the trust of all securities of employer corporation of the type distributed to the distributee which the trust has on hand at the time of the distribution, or which the trust had on hand on a specified inventory date which date does not precede the date of distribution by more than 12 calendar months. If a distribution includes securities of the employer corporation of more than one type, the average cost (or other basis) to the trust of each type of security distributed shall be determined. The average cost to the trust of securities of the employer corporation on hand on a specified inventory date (or on hand at the time of distribution) shall be computed on the basis of their actual cost, considering the securities most recently purchased to be those on hand, or by means of a moving average calculated by subtracting the total cost of securities on hand immediately preceding a particular sale or distribution an amount computed by multiplying the number of securities sold or distributed by the average cost of all securities on hand preceding such sale or distribution.

(2) These methods of computing average cost may be illustrated by the following examples:

Example (1): A, a distributee who makes his income-tax returns on the basis of a calendar year, receives on August 1, 1954, in a total distribution, to which paragraph (a) (6) of this section is applicable, 10 shares of class D stock of the employer corporation. On July 1, 1954 (the specified inventory date of the trust) the trust had on hand 80 shares of class D stock. The average cost of the 10 shares distributed, on the basis of the actual method, is $100, computed as follows:

Purchase date	Shares	Cost per share	Total cost
June 24, 1954	20	$101	$2,020
Jan. 10, 1953	40	102	4,080
Oct. 20, 1952	20	95	1,900
Total	80		8,000

Example (2). B, a distributee who makes his income tax returns on the basis of a calendar year, receives on October 31, 1954, in a total distribution, to which paragraph (a) (6) of this section is applicable, 20 shares of class E stock of the employer corporation. The specified inventory date of the trust is the last day of each calendar year. The trust had on hand on December 31, 1952, 1,000 shares of class E stock of the employer corporation. During the calendar year 1953 the trust distributed to four distributees a total of 100 shares of such stock and acquired, through a number of purchases, a total of 120 shares. The average cost of the 20 shares distributed to B, on the basis of the moving average method, is $52 computed as follows:

	Shares	Total cost	Average cost
On hand Dec. 31, 1952	1,000	$50,000	$50
Distributed during 1953 at average cost of $50	100	5,000	
Total	900	45,000	
Purchased during 1953	120	8,040	
On hand Dec. 31, 1953	1,020	53,040	52

(3) Unrealized appreciation attributable to employee contributions.—In any case in which it is necessary to determine the amount of net unrealized appreciation in securities of the employer corporation which is attributable to contributions made by an employee:

(i) The cost or other basis of the securities to the trust and the amount of net unrealized appreciation shall first be determined in accordance with the rules in paragraph (b) (2) of this section;

(ii) The amount contributed by the employee to the purchase of the securities shall be solely the portion of his actual contributions to the trust properly allocable to such securities, and shall not include any part of the increment in the trust fund expended in the purchase of the securities;

(iii) The amount of net unrealized appreciation in the securities distributed which is attributable to the contributions of the employee shall be that proportion of the net unrealized appreciation determined under the rules of paragraph (b) (2) of this section which the contributions of the employee properly allocable to such securities bear to the cost or other basis to the trust of the securities;

(iv) If a distribution consists solely of securities of the employer corporation, the contributions of the employee expended in the purchase of such securities shall be allocated to the securities distributed in a manner consistent with the principles set forth in paragraph (b) (2) (ii) (a), (b), (c), or (d) of this section, whichever is applicable. Thus, the amount of the employee's contribution which can be identified as having been expended in the purchase of a particular security shall be allocated to such security, and the amount of such contribution which cannot be so identified shall be allocated ratably among the securities distributed. If a distribution consists in part of securities of the employer corporation and in part of cash or other property, appropriate allocation of a portion of the employee's contribution to such case or other property shall be made unless such allocation is inconsistent with the terms of the plan or trust.

(v) The application of this subparagraph may be illustrated by the following example:

Example: A trust distributes 10 shares of stock issued by the employer corporation each of which has an average cost to the trust of $100, consisting of employee contributions in the amount of $60 and employer contributions in the amount of $40, and on the date of distribution has a fair market value of $180. The portion of the net unrealized appreciation attributable to the contributions of the employee with respect to each of the shares of stock is $48 computed as follows:

(1) Value of one share of stock on distribution date	$180
(2) Employee contributions	60
(3) Employer contributions	40
(4) Total contributions	100
(5) Net unrealized appreciation	80
(6) Portion of net unrealized appreciation attributable to employee contributions, 60/100 (amount of employee contributions (item 2) over total contributions (item 4) of $80 (item 5))	48

(vi) For the purpose of determining gain or loss to the distributee in the year or years in which any share of stock referred to in the example in subdivision (v) of this subparagraph is sold or otherwise disposed of in a taxable transaction, the basis of each such share in the hands of the distributee at the time of the distribution by the trust will be $132 computed as follows:

(a) Employee contributions	$60
(b) Employer contributions (taxable as ordinary income in the year the securities were distributed)	40
(c) Portion of net unrealized appreciation attributable to employer contributions (item (5) minus item (6)) (taxable as ordinary income in the year the securities were distributed)	32
(d) Basis of stock	132

(4) Change in exempt status of trust. For principles applicable in making appropriate adjustments if the trust was not exempt for one or more years before the year of distribution, see paragraph (a) of this section.

Section 1.402(b), statutory provisions; taxability of beneficiency of employees' trust; nonexempt trust.

"SEC. 402. Taxability of beneficiary of employees' trust. * * *

"(b) Taxability of beneficiary of nonexempt trust: Contributions to an employees' trust made by an employer during a taxable year of the employer which ends within or with a taxable year of the trust for which the trust is not exempt from tax under section 501(a) shall be included in the gross income of an employee for the taxable year in which the contribution is made to the trust in the case of an employee whose beneficial interest in such contribution is nonforfeitable at the time the contribution is made. The amount actually distributed or made available to any distributee by any such trust shall be taxable to him, in the year in which so distributed or made available, under section 72 (relating to annuities) except that section 72(e) (3) shall not apply."

Section 1.402 (b)-1, treatment of beneficiary of a trust not exempt under section 501 (a): (a) Taxation by reason of employer contributions: (1) Except as provided in section 402 (d), any contribution made by an employer on behalf of an employee to a trust during a taxable year of the employer which ends within or with a taxable year of the trust for which the trust is not exempt under section 501 (a), shall be included in income of the employee for his taxable year during which the contribution is made if the employee's beneficial interest in the contribution is nonforfeitable at the time the contribution is made. If the employee's beneficial interest in the contribution is forfeitable at the time the contribution is made even though his interest becomes nonforfeitable later, the amount of such contribution is not required to be included in the

income of the employee at the time his interest become nonforfeitable.

(2) (i) An employee's beneficial interest in the contribution is nonforfeitable within the meaning of sections 402 (b), 403 (b), and 404 (a) (5) at the time the contribution is made if there is no contingency under the plan which may cause the employee to lose his rights in the contribution. For example, if under the terms of a pension plan, an employee upon termination of his services before the retirement date, whether voluntarily or involuntarily, is entitled to a deferred annuity contract to be purchased with the employer's contributions made on his behalf, or is entitled to annuity payments which the trustee is obligated to make under the terms of the trust instrument based on the contributions made by the employer on his behalf, the employee's beneficial interest in such contributions is nonforfeitable.

(ii) On the other hand, if, under the terms of a pension plan, an employee will lose the right to any annuity purchased from, or to be provided by, contributions made by the employer if his services should be terminated before retirement, his beneficial interest in such contributions is forfeitable.

(iii) The mere fact that an employee may not live to the retirement date, or may live only a short period after the retirement date, and may not be able to enjoy the receipt of annuity or pension payments, does not make his beneficial interest in the contributions made by the employer on his behalf forfeitable. If the employer's contributions have been irrevocably applied to purchase an annuity contract for the employee, or if the trustee is obligated to use the employer's contributions to provide an annuity for the employee provided only that the employee is alive on the dates the annuity payments are due, the employee's rights in the employer's contributions are nonforfeitable.

(b) Taxation of distributions from trust not exempt under section 501 (a): Any amount actually distributed or made available to any distributee by an employees' trust which is not exempt under section 501 (a) for the taxable year of the trust in which the distribution is made shall be taxable in the year in which so distributed or made available, under section 72 (relating to annuities), except that section 72 (e) (3) shall not apply. If, for example, the distribution from such a trust consists of an annuity contract, the amount of the distribution shall be considered to be the entire value of the contract at the time of distribution, and such value is includible in the gross income of the distributee at the time of the distribution to the extent that such value exceeds the investment in the contract determined by applying sections 72 and 101 (b). The distributions by such an employees' trust shall be taxed as provided in section 72, whether or not the employee's rights to the contributions were nonforfeitable when the contributions were made or at any time thereafter. For rules relating to the treatment of employer contributions to a nonexempt trust as part of the consideration paid by the employee, see section 72 (f). For rules relating to the treatment of the limited exclusion allowable under section 101 (b) (2) (D) as additional consideration paid by the employee, see the regulations under that section.

Section 1.402 (c), statutory provisions; taxability of beneficiary of employees' trust; certain foreign situs trusts.

"SEC. 402. Taxability of beneficiary of employees' trust. * * *

"(c) Taxability of beneficiary of certain foreign situs trusts.—For purposes of subsections (a) and (b), a stock bonus, pension, or profit-sharing trust which would qualify for exemption from tax under section 501 (a) except for the fact that it is a trust created or organized outside the United States shall be treated as if it were a trust exempt from tax under section 501 (a)."

Section 1.402 (c)-1, taxability of beneficiary of certain foreign situs trusts: Section 402 (a) has the effect of treating, for purposes of section 402, the distributions from a trust which at the time of the distribution is located outside the United States in the same manner as distributions from a trust which is located in the United States. If the trust would qualify for exemption from tax under section 501 (a) except for the fact that it fails to comply with the provisions of section 1.401-1 (a) (3) (i), which restricts qualification to trusts created or organized in the United States and maintained here, section 402 (a) and section 1.402 (a)-1 are applicable to the distributions from such a trust. Thus, for example, a total distribution from such a trust is entitled to the long-term capital gains treatment of section 402 (a) (2), except in the case of a nonresident alien individual (see sections 871 and 1441 and the regulations thereunder). However, if the plan fails to meet any requirement of section 401 and the regulations thereunder in addition to section 1.401 (a) (3) (i), section 402 (b) and section 1.402 (b)-1 are applicable to the distributions from such a trust.

Section 1.402 (d), statutory provisions; taxability of beneficiary of employees' trust; annuities under agreements entered into prior to October 21, 1942.

"SEC. 402. Taxability of beneficiary of employees' trust. * * *

"(d) Certain employees' annuities: Notwithstanding subsection (b) or any other provision of this subtitle, a contribution to a trust by an employer shall not be included in the gross income of the employee in the year in which the contribution is made if—

"(1) Such contribution is to be applied by the trustee for the purchase of annuity contracts for the benefit of such employee;

"(2) Such contribution is made to the trustee pursuant to a written agreement into prior to October 21, 1942, between the employer and the trustee, or between the employer and the employee; and

"(3) Under the terms of the trust agreement the employee is not entitled during his lifetime, except with the consent of the trustee, to any payments under annuity contracts purchased by the trustee other than annuity payments.

The employee shall include in his gross income the amounts received under such contracts for the year received as provided in section 72 (relating to annuities) except that section 72 (e) (3) shall not apply. This subsection shall have no application with respect to amounts contributed to a trust after June 1, 1949, if the trust on such date was exempt under section 165 (a) of the Internal Revenue Code of 1939. For purposes of this subsection, amounts paid by an employer for the purchase of annuity contracts which are transferred to the trustee shall be deemed to be contributions made to a trust or trustee and contributions applied by the trustee for the purchase of annuity contracts; the term 'annuity contracts purchased by the trustee' shall include annuity contracts so purchased by the employer and transferred to the trustee; and the term 'employee' shall include only a person who was in the employ of the employer, and was covered by the agreement referred to in paragraph (2), prior to October 21, 1942."

Section 1.402 (d)-1, effect of section 402 (d): (a) If the requirements of section 402 (d) are met, a contribution made by an employer on behalf of an employee to a trust which is not exempt under section 501 (a) shall not be included in the income of the employee in the year in which the contribution is made. Such contribution will be taxable to the employee, when received in later years, as provided in section 72 (relating to annuities), except that section 72 (e) (3) shall not apply. See section 1.403 (b)-1 (b). The intent and purpose of section 402 (d) is to give those employees, covered under certain nonexempt trusts to which such section applies, essentially the same tax treatment as those covered by trusts described in section 401 (a) and exempt under section 501 (a), except that the capital gains treatment referred to in section 402 (a) (2) does not apply.

(b) Every person claiming the benefit of section 402 (d) must be able to demonstrate to the satisfaction of the commissioner that all of the provisions of such section are met. The taxpayer must produce sufficient evidence to prove:

(1) That, before October 21, 1942, he was employed by the particular employer making the contribution in question and was at such time definitely covered by a written agreement, entered into before October 21, 1942, between himself and the employer, or between the employer and the trustee of a trust established by the employer before October 21, 1942, and that the contribution by the employer was made pursuant to such agreement. The fact that an employee may have been potentially covered is not sufficient. Evidence that the employment was entered into, or the agreement executed, as of a date before October 21, 1942, or that the agreement or trust instrument which did not theretofore meet the requirements of section 402 (d) was modified or amended after October 20, 1942, so as to come within the provisions of such section, will not satisfy the requirements of section 402 (d).

(2) That such contribution, pursuant to the terms of such agreement, was to be applied for the purchase of an annuity contract for the taxpayer. In the case of a contribution by the employer of an annuity contract purchased by such employer and transferred by him to the trustee of the trust, evidence should be presented to prove that such contract was purchased for the taxpayer by the employer pursuant to the terms of a written agreement between the employer and the employee or between the employer and the trustee, entered into before October 21, 1942.

(3) That under the written terms of the trust agreement the taxpayer is not entitled during his lifetime, except with the consent of the trustee, to any payments other than annuity payments under the annuity contract or contracts purchased by the trustee or by the employer and transferred to the trustee, and that the trustee may grant or withhold such consent free from control by the taxpayer, the employer, or any other person. However, such control will not be presumed from the fact that the trustee is himself an officer or employee of the employer. As used in section 402 (d) the phrase "if * * * under the terms of the trust agreement the employee is not entitled" means that the trust instrument must make it impossible for the prohibited distribution to occur, whether by operation or natural termination of the trust, whether by power of revocation or amendment, other than with the consent of the trustee, whether by the happening of a contingency, by collateral arrangement, or any other means. It is not essential that the employer relinquish all power to modify or terminate the trust but it must be impossible, except with the consent of the trustee, for any payments under annuity contracts purchased by the trustee, or by the employer and transferred to the trustee, to be received by the taxpayer, directly or indirectly, other than as annuity payments.

(4) The nature and amount of such contribution and the extent to which income taxes have been paid thereon before January 1, 1949, and not credited or refunded.

(5) If it is claimed that section 402 (d) applies to amounts contributed to a trust after June 1, 1949, the taxpayer must prove

to the satisfaction of the Commissioner that the trust did not, on June 1, 1949, qualify for exemption under section 165 (a) of the Internal Revenue Code of 1939. Where an employer buys an annuity contract which is transferred to the trustee, the date of the purchase of the annuity contract and not the date of the transfer to the trustee is the controlling date in determining whether or not the contribution was made to the trust after June 1, 1949.

Section 1.402 (e), statutory provisions: taxability of beneficiary of employees' trust; certain plan terminations.

"SEC. 402. Taxability of beneficiary of employees trust. * * *

"(e) Certain plan terminations: For purposes of subsection (a) (2), distributions made after December 31, 1953, and before January 1, 1955, as a result of the complete termination of a stock bonus, pension, or profit-sharing plan of an employer which is a corporation, if the termination of the plan is incident to the complete liquidation, occurring before the date of enactment of this title, of the corporation, whether or not such liquidation is incident to a reorganization as defined in section 368 (a), shall be considered to be distributions on account of separation from service."

Section 1.402 (e)-1, certain plan terminations: Distributions made after December 31, 1953, and before January 1, 1955, as a result of the complete termination of an employees' trust described in section 401 (a) which is exempt under section 501 (a) shall be considered distributions on account of separation from service for purposes of section 402 (a) (2) if the employer who established the trust is a corporation, and the termination of the plan is incident to the complete liquidation of the corporation before August 16, 1954, regardless of whether such liquidation is incident to a reorganization as defined in section 368.

Section 1.403 (a), statutory provisions; taxation of employee annuities; qualified annuity plan.

"SEC. 403. Taxation of employee annuities.

"(a) Taxability of beneficiary under a qualified annuity plan.

"(1) General rule: Except as provided in paragraph (2), if an annuity contract is purchased by an employer for an employee under a plan with respect to which the employer's contribution is deductible under section 404 (a) (2), or if an annuity contract is purchased for an employee by an employer described in section 501 (c) (3) which is exempt from tax under section 501 (a), the employee shall include in his gross income the amounts received under such contract for the year received as provided in section 72 (relating to annuities) except that section 72 (e) (3) shall not apply.

"(2) Capital gains treatment for certain distributions:

"(A) General rule: If—

"(i) An annuity contract is purchased by an employer for an employee under a plan which meets the requirements of section 401 (a) (3), (4), (5), and (6);

"(ii) Such plan requires that refunds of contributions with respect to annuity contracts purchased under such plan be used to reduce subsequent premiums on the contracts under the plan; and

"(iii) The total amounts payable by reason of an employee's death or other separation from the service, or by reason of the death of an employee after the employee's separation from the service, are paid to the payee within 1 taxable year of the payee, then the amount of such payments, to the extent exceeding the amount contributed by the employee (determined by applying sec. 72 (f)), which employee contributions shall be reduced by any amounts theretofore paid to him which were not includible in gross income, shall be considered a gain from the sale or exchange of a capital asset held for more than 6 months.

"(B) Definition: For purposes of subparagraph (A), the term 'total amounts' means the balance to the credit of an employee which becomes payable to the payee by reason of the employee's death or other separation from the service, or by reason of his death after separation from the service."

Section 1.403 (a)-1, taxability of beneficiary under a qualified annuity plan: (a) An employee or retired or former employee for whom an annuity contract is purchased by his employer is not required to include in his gross income the amount paid for the contract at the time such amount is paid, whether or not his rights to the contract are forfeitable, if—

(1) The annuity contract is purchased under a plan with respect to which the amounts paid by the employer are deductible under section 404 (a) (2), or

(2) The annuity contract is purchased under a plan which meets the requirements of section 404 (a) (2) although the employer does not deduct the amounts paid for the contract under such section, or

(3) The annuity contract is purchased by an employer which is an organization described in section 501 (c) (3) and exempt under section 501 (a) provided the purchase of the annuity is merely a supplement to past or current compensation. For the purpose of this subparagraph, whether the purchase of an annuity contract is merely a supplement to past or current compensation is to be determined by all the surrounding facts and circumstances. One of the pertinent facts to be taken into consideration is the ratio of the consideration paid by the employer for an employee's contract to the amount of his past or current compensation. For example, if the annual premium paid for an employee's contract is $1,000 and his annual salary is $10,000, the ratio indicates that the premium paid for the contract is merely a supplement to the employee's current compensation. If, however, an employee receives no current compensation, or the annual premiums paid for his annuity contract approximate his annual salary, the amount paid for his contract will be considered to be current compensation and taxable to the employee in the year in which it is paid by the employer. Other pertinent considerations are whether the annuity contract is purchased as a result of an agreement for a reduction of the employee's annual salary, or whether it is purchased at his request in lieu of an increase in current compensation to which he otherwise might be entitled. In such cases, the amount paid for the contract shall also be considered to be current compensation.

(b) The amounts received by or made available to any employee referred to in paragraph (a) of this section under such annuity contract shall be included in gross income of the employee for the taxable year in which received or made available, as provided in section 72 (relating to annuities) except that section 72 (e) (3) shall not apply, and except that certain total distributions described in section 403 (a) (2) are taxable as long-term capital gains. For the treatment of such total distributions, see § 1.403 (a)-2.

(c) If upon the death of an employee or of a retired employee, the widow or other beneficiary of such employee is paid, in accordance with the terms of the annuity contract relating to the deceased employee, an annuity or other death benefit, the extent to which the amounts received by or made available to the beneficiary must be included in the beneficiary's income under section 403 (a) shall be determined in accordance with rules presented in § 1.402 (a)-1 (a) (5).

(d) If under a qualified annuity plan a group contract providing group permanent life insurance protection is purchased for the employees, the same rules which are applicable when contracts providing life insurance protection are purchased by a trust described in section 401 (a) and exempt under section 501 (a), shall be applicable in the case of such a contract. For such rules, see § 1.402 (a)-1 (a) (2), (3), and (4). Section 403 (a) is not applicable to premiums paid after October 26, 1956, for individual contracts providing life insurance protection for employees.

(e) As to inclusion of full-time life insurance salesmen within the class of persons considered to be employees, see section 7701 (a) (20).

Section 1.403 (a)-2. Capital gains treatment or certain distributions: (a) If the total amounts payable with respect to any employee for whom an annuity contract has been purchased by an employer under a plan which—

(1) Meets the requirements of section 401 (a) (3), (4), (5), and (6), and

(2) Requires that refunds of contributions with respect to annuity contracts purchased under such plan be used to reduce subsequent premiums on the contracts under the plan,

are paid to, or includible in gross income of, the payee within one taxable year of the payee by reason of the employee's death or other separation from the service, or death after such separation from the service, such total payments, to the extent they exceed the next amount contributed by the employee, shall be considered a gain from the sale or exchange of a capital asset held for more than 6 months. The "net amount contributed by the employee" is the amount actually contributed by the employee plus any amounts considered to be contributed by the employee under the rules of section 72 (f), 101 (b), and section 1.403 (a)-1 (d), reduced by any amounts theretofore distributed to him which were excludable from his gross income as a return of employee contributions. For example, if under an annuity contract purchased under a plan described in this section, the total distributions payable to the employee's widow are paid to her in the year in which the employee dies, in the amount of $8,000, and if $5,000 thereof is excludable under section 101 (b), and if the employee made contributions of $600 and had received no payments, the remaining amount of $2,400 will be considered a gain from the sale or exchange of a capital asset held for more than six months.

(b) (1) The term "total amounts" means the balance to the credit of an employee with respect to all annuities under the annuity plan which becomes payable to the payee by reason of the employee's death or other separation from the service, or by reason of his death after separation from the service. If an employee commences to receive annuity payments on retirement and then a lump sum payment is made to his widow upon his death, the capital gains treatment applies to the lump sum payment, but it does not apply to amounts received before the time the "total amounts" become payable. However, if the total amount to the credit of the employee at the time of his death or other separation from the service or death after separation from the service is paid or includible in the gross income of the payee within one taxable year of the payee, such amount is entitled to the capital gains treatment notwithstanding that in a later taxable year an additional amount is credited to the employee and paid to the payee.

(2) If more than one annuity contract is received under the plan, the capital gains treatment does not apply to any amount received on the surrender thereof unless all contracts under the plan with respect to a particular employee are surrendered either

at the time of the employee's death or other separation from the service or death after separation from the service. Thus, if an employee receives two contracts on separation from the service and surrenders one of them in the year of separation and receives payments under the other until his death, the capital gains treatment is applicable to the balance paid to his beneficiary on his death if paid within 1 taxable year of the beneficiary. The amount received by the employee on surrender of the contract in the year of his separation from the service, however, would not receive capital gains treatment since the balance to the credit of the employee with respect to all amounts under the plan did not become payable at that time.

(3) If an employee retires and commences to receive an annuity but subsequently in some succeeding taxable year he is paid a lump sum in settlement of all future annuity payments, the capital gains treatment does not apply to such lump-sum settlement paid during the lifetime of the employee since it is not a payment on account of separation from the service, or death after separation, but is on account of the settlement of future annuity payments.

(4) If the "total amounts" payable under all annuity contracts under the plan with respect to a particular employee are paid or includible in the gross income of several payees within one taxable year on account of the employee's death or other separation from the service or on account of his death after separation from the service, the capital gains treatment is applicable. Thus, if the balance to the credit of a deceased employee under all annuity contracts provided under an annuity plan becomes payable to two payees, the capital gains treatment is applicable provided the "total amounts" payable are received by or includible in the gross income of both payees within the same taxable year. However, if the "total amounts" payable are made available to each payee and one elects to receive his share in cash while the other makes a timely election under section 72 (h) to receive his share as an annuity, the capital gains treatment does not apply to either payee.

Section 1.403 (b), statutory provisions: Taxation of employee annuities; nonqualified annuity:

"SEC. 403. Taxation of employee annuities: * * * (b) Taxability of beneficiary under a nonqualified annuity: If an annuity contract purchased by an employer for an employee is not subject to subsection (a) and the employee's rights under the contract are nonforfeitable, except for failure to pay future premiums, the amount contributed by the employer for such annuity contract on or after such rights become nonforfeitable shall be included in the gross income of the employee in the year in which the amount is contributed. The employee shall include in his gross income the amounts received under such contract for the year received as provided in section 72 (relating to annuities) except that section 72 (e) (3) shall not apply."

Section 1.403 (b)-1, taxability of beneficiary under a nonqualified annuity: (a) Except as provided in section 402 (d), if an employer purchase an annuity contract and if the amounts paid for the contract are not subject to section 1.403 (a)-1 (a), the amount of such contribution shall be included in the income of the employee for the taxable year during which such contribution is made if, at the time the contribution is made, the employee's rights under the annuity contract are nonforfeitable, except for failure to pay future premiums. If the employee's rights under the annuity contract in such a case were forfeitable at the time the employer's contribution was made for the annuity contract, even though they become nonforfeitable later, the amount of such contribution is not required to be included in the income of the employee at the time his rights under the contract become nonforfeitable. As to what constitutes nonforfeitable rights of an employee, see section 1.402 (b)-1. The amounts received by or made available to the employee under the annuity contract shall be included in the gross income of the employee for the taxable year in which received or made available, as provided in section 72 (relating to annuities) except that section 72 (e) (3) shall not apply. For rules relating to the treatment of employer contributions as part of the consideration paid by the employee, see section 72 (f). See also section 101 (b) (2) (D) for rules relating to the treatment of the limited exclusion provided thereunder as part of the consideration paid by the employee.

(b) If an employer has purchased annuity contracts and transferred the same to a trust or if an employer has made contributions to a trust for the purpose of providing annuity contracts for his employees as provided in section 402 (d) (see sec. 1.402 (d)-1(a)), the amount so paid or contributed is not required to be included in the income of the employee, but any amount received by or made available to the employee under the annuity contract shall be includible in the gross income of the employee for the taxable year in which received or made available, as provided in section 72 (relating to annuities), except that section 72 (e) (3) shall not apply. In such case the amount paid or contributed by the employer shall not constitute consideration paid by the employee for such annuity contract in determining the amount of annuity payments required to be included in his gross income under section 72 unless the employee has paid income tax for any taxable year beginning before January 1, 1949, with respect to such payment or contribution by the employer for such year and such tax is not credited or refunded to the employee. In the event such tax has been paid and not credited or refunded the amount paid or contributed by the employer for such year shall constitute consideration paid by the employee for the annuity contract in determining the amount of the annuity required to be included in the income of the employee under section 72.

Section 1.404 (a), statutory provisions; deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred-payment plan; general rule:

"SEC. 404. Deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred-payment plan:

"(a) General rule: If contributions are paid by an employer to or under a stock bonus, pension, profit-sharing, or annuity plan, or if compensation is paid or accrued on account of any employee under a plan deferring the receipt of such compensation, such contributions or compensation shall not be deductible under section 162 (relating to trade or business expenses) or section 212 (relating to expenses for the production of income) but if they satisfy the conditions of either of such sections, they shall be deductible under this section, subject, however, to the following limitations as to the amounts deductible in any year:

"(1) Pension trusts: In the taxable year when paid, if the contributions are paid into a pension trust, and if such taxable year ends within or with a taxable year of the trust for which the trust is exempt under section 501 (a), in an amount determined as follows:

"(A) An amount not in excess of 5 percent of the compensation otherwise paid or accrued during the taxable year to all the employees under the trust, but such amount may be reduced for future years if found by the Secretary or his delegate upon periodical examinations at not less than 5-year intervals to be more than the amount reasonably necessary to provide the remaining unfunded cost of past and current service credits of all employees under the plan, plus

"(B) Any excess over the amount allowable under subparagraph (A) necessary to provide with respect to all of the employees under the trust the remaining unfunded cost of their past and current service credits distributed as a level amount, or a level percentage of compensation, over the remaining future service of each such employee, as determined under regulations prescribed by the Secretary or his delegate, but if such remaining unfunded cost with respect to any 3 individuals is more than 50 percent of such remaining unfunded cost, the amount of such unfunded cost attributable to such individuals shall be distributed over a period of at least 5 taxable years, or

"(C) In lieu of the amounts allowable under subparagraphs (A) and (B) above, an amount equal to the normal cost of the plan, as determined under regulations prescribed by the Secretary or his delegate, plus, if past service or other supplementary pension or annuity credits are provided by the plan, an amount not in excess of 10 percent of the cost which would be required to completely fund or purchase such pension or annuity credits as of the date when they are included in the plan, as determined under regulations prescribed by the Secretary or his delegate, except that in no case shall a deduction be allowed for any amount (other than the normal cost) paid in after such pension or annuity credits are completely funded or purchased.

"(D) Any amount paid in a taxable year in excess of the amount deductible in such year under the foregoing limitations shall be deductible in the succeeding taxable years in order of time to the extent of the difference between the amount paid and deductible in each such succeeding year and the maximum amount deductible for such year in accordance with the foregoing limitations.

"(2) Employees' annuities: In the taxable year when paid, in an amount determined in accordance with paragraph (1), if the contributions are paid toward the purchase of retirement annuities and such purchase is a part of a plan which meets the requirements of section 401 (a) (3), (4), (5), and (6), and if refunds of premiums, if any, are applied within the current taxable year or next succeeding taxable year toward the purchase of such retirement annuities.

"(3) Stock bonus and profit-sharing trusts:

"(A) Limits on deductible contributions: In the taxable year when paid, if the contributions are paid into a stock bonus or profit-sharing trust, and if such taxable year ends within or with a taxable year of the trust with respect to which the trust is exempt under section 501 (a), in an amount not in excess of 15 percent of the compensation otherwise paid or accrued during the taxable year to all employees under the stock bonus or profit-sharing plan. If in any taxable year there is paid into the trust, or a similar trust then in effect, amounts less than the amounts deductible under the preceding sentence, the excess, or if no amount is paid, the amounts deductible, shall be carried forward and be deductible when paid in the succeeding taxable years in order of time, but the amount so deductible under this sentence in any such succeeding taxable year shall not exceed 15 percent of the compensation otherwise paid or accrued during such succeeding taxable year to the beneficiaries under the plan. In addition, any amount paid into the trust in any taxable year in excess of the amount allowable with respect to such year under the preceding provisions of this subparagraph shall be deductible in the succeeding taxable years in

order of time, but the amount so deductible under this sentence is any one such succeeding taxable year together with the amount allowable under the first sentence of this subparagraph shall not exceed 15 percent of the compensation otherwise paid or accrued during such taxable year to the beneficiaries under the plan. The term "stock bonus or profit-sharing trust," as used in this subparagraph, shall not include any trust designed to provide benefits upon retirement and covering a period of years, if under the plan the amounts to be contributed by the employer can be determined actuarily as provided in paragraph (1). If the contributions are made to two or more stock bonus or profit-sharing trusts, such trusts shall be considered a single trust for purposes of applying the limitations in this subparagraph.

"(B) Profit-sharing plan of affiliated group: In the case of a profit-sharing plan, or a stock bonus plan in which contributions are determined with reference to profits, of a group of corporations which is an affiliated group within the meaning of section 1504, if any member of such affiliated group is prevented from making a contribution which it would otherwise have made under the plan, by reason of having no current or accumulated earnings of profits or because such earnings or profits are less than the contributions which it would otherwise have made, then so much of the contribution which such member was so prevented from making may be made, for the benefit of the employees of such member, by the other members of the group, to the extent of current or accumulated earnings or profits, except that such contribution by each such other member shall be limited, where the group does not file a consolidated return to that proportion of its total current and accumulated earnings or profits remaining after adjustment for its contribution deductible without regard to this subparagraph which the total prevented contribution bears to the total current and accumulated earnings or profits of all the members of the group remaining after adjustment for all contributions deductible without regard to this subparagraph. Contributions made under the preceding sentence shall be deductible under subparagraph (A) of this paragraph by the employer making such contribution, and, for the purpose of determining amounts which may be carried forward and deducted under the second sentence of subparagraph (A) of this paragraph in succeeding taxable years, shall be deemed to have been made by the employer on behalf of whose employees such contributions were made.

"(4) Trusts created or organized outside the United States: If a stock bonus pension, or profit-making trust would qualify for exemption under section 501 (a) except for the fact that it is a trust created or organized outside the United States, contributions to such a trust by an employer which is a resident, or corporation, or other entity of the United States, shall be deductible under the preceding paragraphs.

"(5) Other plans: In the taxable year when paid, if the plan is not one included in paragraph (1), (2), or (3), if the employees' rights to or derived from such employer's contribution or such compensation are nonforfeitable at the time the contribution or compensation is paid.

"(6) Taxpayers on accrual basis: For purposes of paragraphs (1), (2), and (3), a taxpayer on the accrual basis shall be deemed to have made a payment on the last day of the year of accrual if the payment is on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof).

"(7) Limit of deduction: If amounts are deductible under paragraphs (1) and (3), or (2) and (3), or (1), (2), and (3), in connection with 2 or more trusts, or 1 or more trusts and an annuity plan, the total amount deductible in a taxable year under such trusts and plans shall not exceed 25 percent of the compensation otherwise paid or accrued during the taxable year to the persons who are the beneficiaries of the trusts or plans. In addition, any amount paid into such trust or under such annuity plans in any taxable year in excess of the amount allowable with respect to such year under the preceding provisions of this paragraph shall be deductible in the succeeding taxable years in order of time, but the amount so deductible under this sentence in any one such succeeding taxable year together with the amount allowable under the first sentence of this paragraph shall not exceed 30 percent of the compensation otherwise paid or accrued during such taxable years to the beneficiaries under the trusts or plans. This paragraph shall not have the effect of reducing the amount otherwise deductible under paragraphs (1), (2), and (3), if no employee is a beneficiary under more than one trust, or a trust and an annuity plan."

Section 1.404 (a)–1, contributions of an employer to an employees' trust or annuity plan and compensation under a deferred payment plan; general rule: (a) (1) section 404 (a) prescribes limitations upon deductions for amounts contributed by an employer under a pension, annuity, stock bonus, or profit-sharing plan, or under any plan of deferred compensation. It is immaterial whether the plan covers present employees only, or present and former employees, or only former employees. Section 404 (a) also governs the deductibility of unfunded pensions and death benefits paid directly to former employees or their beneficiaries (see sec. 1.404 (a)–12).

(2) Section 404 (a) does not apply to a plan which does not defer the receipt of compensation. Furthermore, section 404 (a) does not apply to deductions for contributions under a plan which is solely a dismissal wage or unemployment benefit plan, or a sickness, accident, hospitalization, medical expense, recreation, welfare, or similar benefit plan, or a combination thereof. For example, if under a plan an employer contributes 5 percent of each employee's compensation per month to a fund out of which employees who are laid off will be paid benefits for temporary periods, but employees who are not laid off have no rights to the funds, such a plan is an unemployment benefit plan, and the deductibility of the contributions to it is determined under section 162. As to the deductibility of such contributions, see section 1.162–9.

(3) If, however, the contributions to a pension, profit-sharing, stock bonus, or other plan of deferred compensation can be used to provide any of the benefits referred to in subparagraph (2) of this paragraph, then, except as provided in section 404 (c), section 404 (a) applies to the entire contribution to the plan. Thus, if in the example described in subparagraph (2) of this paragraph, the employer's contribution on behalf of each employee is set up as a separate account, and if any amount which remains in an employee's account at the time of retirement is paid to him at such time, the deductibility of the contributions to the plan is determined under section 404 (a). For the rules for determining whether the benefits referred to in subparagraph (2) of this paragraph can be included in a qualified pension or profit-sharing plan, see section 1.401–1 (b).

(4) As to inclusion of full-time life insurance salesmen within the class of persons considered to be employees, see section 7701 (a) (20).

(b) In order to be deductible under section 404 (a), contributions must be expenses which would be deductible under section 162 (relating to trade or business expenses) or 212 (relating to expenses for production of income) if it were not for the provision in section 404 (a) that they are deductible, if at all, only under section 404 (a). Contributions may therefore be deducted under section 404 (a) only to the extent that they are ordinary and necessary expenses during the taxable year in carrying on the trade or business or for the production of income and are compensation for personal services actually rendered. In no case is a deduction allowable under section 404 (a) for the amount of any contribution for the benefit of an employee in excess of the amount which, together with other deductions allowed for compensation for such employee's services, constitutes a reasonable allowance for compensation for the services actually rendered. What constitutes a reasonable allowance depends upon the facts in the particular case. Among the elements to be considered in determining this are the personal services actually rendered in prior years as well as the current year and all compensation and contributions paid to or for such employee in prior years as well as in the current year. Thus, a contribution which is in the nature of additional compensation for services performed in prior years may be deductible, even if the total of such contributions and other compensation for the current year would be in excess of reasonable compensation for services performed in the current year, provided that such total plus all compensation and contributions paid to or for such employee in piror years represents a reasonable allowance for all services rendered by the employee by the end of the current year. A contribution under a plan which is primarily for the benefit of shareholders of the employer is not deductible. Such a contribution may constitute a dividend within the meaning of section 316. See also sections 1.162–6 and 1.162–8. In addition to the limitations referred to above, deductions under section 404 (a) are also subject to further conditions and limitations particularly provided therein.

(c) Deductions under section 404 (a) are generally allowable only for the year in which the contribution or compensation is paid, regardless of the fact that the taxpayer may make his returns on the accrual method of accounting. Exceptions are made in the case of overpayments as provided in paragraphs (1), (3), and (7) of section 404 (a), and, as provided by section 404 (a) (6), in the case of payments made by a taxpayer on the accrual method of accounting not later than the time prescribed by law for filing the return for the taxable year of accrual (including extensions thereof). This latter provision is intended to permit a taxpayer on the accrual method to deduct such accrued contribution or compensation in the year of accrual, provided payment is actually made not later than the time prescribed by law for filing the return for the taxable year of accrual (including extensions thereof), but this provision is not applicable unless, during the taxable year on account of which the contribution is made, the taxpayer incurs a liability to make the contribution, the amount of which is accruable under section 461 for such taxable year. See section 461 and the regulations thereunder. There is another exception in the case of certain taxpayers who are required to make additional contributions as a result of Public Law 74 (84th Cong.) approved June 15, 1955, and the regulations thereunder.

Section 1.404 (a)–2, information to be furnished by employer claiming deductions. (a) For the first taxable year for which a deduction from gross income is claimed under section 404 (a) (1), (2), (3), or (7), the employer must file the following information (unless such information has been previously

filed in accordance with the regulations under section 28 (p) of the Internal Revenue Code of 1939) for each plan involved to establish that it meets the requirements of section 401 (a) or 404 (a) (2), and that deductions claimed do not exceed the amount allowable under paragraphs (1), (2), (3), and (7) of section 404 (a), as the case may be:

(1) Verified copies of all the instruments constituting or evidencing the plan, including trust indentures, group annuity contracts, specimen copy of each type of individual contract, and specimen copy of formal announcement and comprehensive detailed description to employees, with all amendments to any such instruments.

(2) A statement describing the plan which identifies it and which sets forth the name or names of the employers, the effective date of the plan and of any amendments thereto, and the method of distribution or of disbursing benefits (whether by trustee, insurance company, or otherwise), the dates when the instruments or amendments were executed, the date of formal announcement and the dates when comprehensive detailed description of the plan and of each amendment thereto were made available to employees generally, the dates when the plan and when the trust or the contract evidencing the plan and of any amendments thereto were put into effect so that contributions thereunder were irrevocable and a summary of the provisions and rules relating to—

(i) Employee eligibility requirements for participation in the plan.

(ii) Employee contributions.

(iii) Employer contributions.

(iv) The basis or formula for determining the amount of each type of benefit and the requirements for obtaining such benefits and the vesting conditions.

(v) The medium of funding (e. g., self-insured, unit purchase group annuity contract, individual level annual premium retirement endowment insurance contracts, etc.) and, if not wholly insured, the medium of contributions and the kind of investments.

(vi) The discontinuance or modification of the plan and distributions or benefit payments upon liquidation or termination.

(3) A tabulation in columnar form showing the information specified below with respect to each of the 25 highest paid employees covered by the plan in the taxable year, listed in order of their nondeferred compensation (where there are several plans of deferred compensation, the information for each of the plans may be shown on a single tabulation without repetition of the information common to the several plans):

(i) Name.

(ii) Whether an officer.

(iii) Percentage of each class of stock owned directly or indirectly by the employee or members of his family.

(iv) Whether the principal duties consist in supervising the work of other employees.

(v) Year of birth.

(vi) Length of service for employer to the close of the year.

(vii) Total nondeferred compensation paid or accrued during the taxable year with a breakdown of such compensation into the following components:

(a) Basic compensation and overtime pay.

(b) Other direct payments, such as bonuses and commissions.

(c) Compensation paid other than in cash, such as goods, services, insurance not directly related to the benefits or provided from funds under the plan, etc.

(viii) Amount allocated during the year for the benefit of the employee or his beneficiary (including any insurance provided thereby or directly related thereto), less the employee's contributions during the year, under each other plan of deferred compensation.

(ix) Amount allocated during the year for the benefit of the employee or his beneficiary (including any insurance provided thereby or directly related thereto), less the employee's contributions during the year, under the plan. If a profit-sharing or stock bonus plan, also a breakdown of such amounts into the following components:

(a) Amounts originally allocated in the year, and

(b) Amounts reallocated in the year.

(x) Amounts of employee contributions during the year under the plan,

(xi) If a pension or annuity plan—

(a) The retirement age and date and the form of the retirement benefit,

(b) The annual rate or amount of the retirement benefit, and

(c) The aggregate of all of the employee's contributions under the plan,

all based, in the case of an employee who is not on retirement benefit under the plan, upon the assumption of his continued employment at his current rate of compensation until his normal retirement age (or the end of the current year if later) and retirement on such date with the normal form of retirement benefit under the plan.

(4) The following totals:

(i) Total nondeferred compensation paid or accrued during the taxable year for all employees covered under the plan and also for all employees of the employer.

(ii) Total amount allocated during the year for the benefit of employees, former or retired employees, or their beneficiaries (including any insurance provided thereby or directly related thereto), less employee contributions during the year under the plan and, if a profit-sharing or stock bonus plan, also a breakdown of such total into the following components:

(a) Amount originally allocated in the year, and

(b) Amount reallocated in the year.

(5) A schedule showing the total number of employees as of the close of the year for each of the following groups, based on reasonable estimates:

(i) All employees ineligible for coverage under the plan because of requirements as to employment classification, specifying the reasons applicable to the group (as, for example, temporary, seasonal, part-time, hourly pay basis, etc.).

(ii) All employees ineligible for coverage under the plan because of requirements as to length of service and not included in subdivision (i) of this subparagraph.

(iii) All employees ineligible for coverage under the plan because of requirements as to minimum age and not included in subdivision (i) or (ii) of this subparagraph.

(iv) All employees ineligible for coverage under the plan solely because of requirements as to minimum rate of compensation.

(v) All employees ineligible for coverage under the plan other than those employees included in subdivision (i), (ii), (iii), or (iv) of this subparagraph, specifying the reason applicable to the group.

(vi) All employees ineligible for coverage under the plan for any reasons, which should be the sum of subdivision (i) to (v) inclusive, of this subparagraph.

(vii) All employees eligible for coverage but not covered under the plan.

(viii) All employees covered under the plan.

(ix) All employees of the employer, which should be the sum of subdivisions (vi), (vii), and (viii) of this subparagraph.

If it is claimed that the requirements of section 401 (a) (3) (A) are satisfied, also the data and computations necessary to show that such requirements are satisfied.

(6) In the case of a trust, a detailed balance sheet and a detailed statement of receipts and disbursements during the year; in the case of a nontrusteed annuity plan, a detailed statement of the names of the insurers, the contributions paid by the employer and by the employees, and a statement as to the amounts and kinds of premium refunds or similar credits made available and the disposition of such credits in the year.

(7) If a pension or annuity plan, a detailed description of all the methods, factors, and assumptions used in determining costs and in adjusting the costs for actual experience under the plan (including any loadings, contingency reserves, or special factors and the basis of any insured costs or liabilities involved therein) explaining their source and application in sufficient detail to permit ready analysis and verification thereof, and, in the case of a trust, a detailed description of the basis used in valuing the investments held. Also a summary of the resulting costs or liabilities and adjustments for the year under the pension or annuity plan in sufficient detail to permit ready verification of the reasonableness thereof.

(8) A statement of the applicable limitations under section 404 (a) (1), (2), (3), or (7) and an explanation of the method of determining such limitations and a summary of the data and computations necessary to determine the allowable deductions for the taxable year.

(9) A statement of the contributions paid in the taxable year, showing the date and amount of each payment. Also a summary of the deductions claimed for the taxable year for the plan with a breakdown of the deductions claimed into the following components:

(i) For contributions paid in the taxable year before giving effect to the provisions of paragraph (7) of section 404 (a).

(ii) For contributions paid in prior taxable years beginning after December 31, 1941, in accordance with the carryover provisions of paragraphs (1) and (3) of section 404 (a), before giving effect to the provisions of paragraph (7) thereof, and in accordance with the carryover provisions of section 404 (d).

(iii) Any reductions or increases in the deductions in accordance with the provisions of paragraph (7) of section 404 (a).

(b) For taxable years subsequent to the year for which all of the applicable information under paragraph (a) of this section (or corresponding provisions of prior regulations) has been filed, information is to be filed only to the following extent:

(1) If there is any change in the plan, instruments, methods, factors, or assumptions upon which the data and information specified in subparagraph (1), (2), or (7) of paragraph (a) of this section are based, a detailed statement explaining the change and its effect is to be filed only for the taxable year in which the change is put into effect. However, if there is no such change, unless otherwise requested by the district director, merely a statement that there is no such change is to be filed.

(2) The information specified in subparagraph (3) of paragraph (a) of this section which has been filed for a taxable year, unless otherwise requested by the district director and so long as the plan and the method and basis of allocations are not changed, is to be filed for subsequent years only to the extent of showing in the tabulation such information with respect to employees who, at any time in the taxable year, own, directly or indirectly, more than 5 percent of the voting stock, considering stock so owned by an individual's spouse or minor lineal descendant as owned by the individual for this purpose.

(3) The information specified in subparagraphs (4), (5), (6), (8), and (9) of paragraph (a) of this section.

(c) If a deduction is claimed under section 404 (a) (5) for the taxable year, the taxpayer shall furnish such information as is necessary to show that the deduction is not allowable under the other paragraphs of

section 404 (a), that the amount paid is an ordinary and necessary expense or an expense for the production of income, and that the employees' rights to, or derived from, such employer's contribution or such compensation were nonforfeitable at the time the contribution or compensation was paid.

(d) For the purpose of the information required by this section, contributions paid in a taxable year should include those deemed to be so paid in accordance with the provisions of section 404 (a) (6) and should exclude those deemed to be paid in the prior taxable year in accordance with such provisions. As used in this section, "taxable year" refers to the taxable year of the employer and, unless otherwise requested by the district director, a "year" which is not specified as a "taxable year" may be taken as the taxable year of the employer or as the plan, trust, valuation, or group contract year with respect to which deductions are being claimed provided the same rule is followed consistently so that there is no gap or overlap in the information furnished for each item. In any case the date or period to which each item of information furnished relates should be clearly shown. All the information required by this section should be filed with the tax return for the taxable year in which the deduction is claimed except that, unless sooner requested by the district director, such information, other than that specified in subparagraphs (4) (i) and (9) of paragraph (a) of this section, may be filed within 12 months after the close of the taxable year provided there is filed with the tax return a statement that the information cannot reasonably be filed therewith, setting forth the reasons therefor.

(e) In any case all the information and data required by this section must be filed in the office of the district director in which the employer files his tax returns and identified for association with the appropriate returns and must be filed independently of any information and data otherwise submitted in connection with a determination of the qualification of the trust or plan under section 401 (a). The district director may, in addition, require any further information that he considers necessary to determine allowable deductions under section 404 or qualifications under section 401 and may waive the filing of such information required herein which he finds unnecessary in a particular case.

(f) Records substantiating all data and information required by this section to be filed must be kept at all times available for inspection by internal revenue officers at the main office or place of business of the employer.

Section 1.404 (a)-3. Contributions of an employer to or under an employees' pension trust or annuity plan that meets the requirements of section 401 (a); application of section 404 (a) (1): (a) If contributions are paid by an employer to or under a pension trust or annuity plan for employees and the general conditions and limitations applicable to deductions for such contributions are satisfied (see sec. 1.404 (a)-1), the contributions are deductible under section 404 (a) (1) or (2) if the further conditions provided therein are also satisfied. As used here, a "pension trust" means a trust forming part of a pension plan and an "annuity plan" means a pension plan under which retirement benefits are provided under annuity or insurance contracts without a trust. This section is also applicable to contributions to a foreign situs pension trust which could qualify for exemptions under section 501 (a) except that it is not created or organized and maintained in the United States. For the meaning of "pension plan" as used here, see section 1.401-1 (b) (1) (i). Where disability pensions, insurance, or survivorship benefits incidental and directly related to the retirement benefits under a pension or annuity plan are provided for the employees or their beneficiaries by contributions under the plan, deductions on account of such incidental benefits are also covered under section 404 (a) (1) or (2). See section 1.402 (a)-1 (a) (3) as to taxability to employees of cost of incidental insurance protection. In order to be deductible under section 404 (a) (1), contributions to a pension trust must be paid in a taxable year of the employer which ends with or within a year of the trust for which it is exempt under section 501 (a). In order that contributions carried over may be deducted in a succeeding taxable year of the employer in accordance with section 404 (a) (1) (D), the succeeding year also must end with or within a taxable year of the trust for which it is exempt under section 501 (a). See section 1.404 (a)-8 as to conditions for deductions under section 404 (a) (2) in the case of an annuity plan. In either case, the deductions are also subject to further limitations provided in section 404 (a) (1). The limitations provided in section 404 (a) (1) are, with an exception provided for certain years under subparagraph (A) thereof (see section 1.404 (a)-4), based on the actuarial costs of the plan.

(b) In determining costs for the purpose of limitations under section 404 (a) (1), the effects of expected mortality and interest must be discounted and the effects of expected withdrawals, change in compensation, retirements at various ages, and other pertinent factors may be discounted or otherwise reasonably recognized. A properly weighted retirement age based on adequate analyses of representative experience may be used as an assumed retirement age. Different basic assumptions or rates may be used for different classes of risks or different groups where justified by conditions or required by contract. In no event shall costs for the purpose of section 404 (a) (1) exceed costs based on assumptions and methods which are reasonable in view of the provisions and coverage of the plan, the funding medium, reasonable expectations as to the effects of mortality and interest, reasonable and adequate regard for other factors such as withdrawal and deferred retirement (whether or not discounted) which can be expected to reduce costs materially, reasonable expenses of operation, and all other relevant conditions and circumstances. In any case, in determining the costs and limitations, an adjustment shall be made on account of any experience more favorable than that assumed in the basis of limitations for prior years. Unless such adjustments are consistently made every year by reducing the limitations otherwise determined by any decrease in liability or cost arising from experience in the next preceding taxable year which was more favorable than the assumptions on which the costs and limitations were based, the adjustment shall be made by some other method approved by the Commissioner.

(c) The amount of a contribution to a pension or annuity plan that is deductible under section 404 (a) (1) or (2) depends upon the methods, factors, and assumptions which are used to compute the costs of the plan and the limitation of section 404 (a) (1) which is applied. Since the amount that is deductible for 1 taxable year may affect the amount that is deductible for other taxable years, the methods, factors, and assumptions used in determining costs and the method of determining the limitation which have been used for determining the deduction for a taxable year for which the return has been filed shall not be changed for such taxable year, except when the Commissioner determines that the methods, factors, assumptions, or limitations were not proper, or except when a change is necessitated by reason of the use of different methods, factors, assumptions, or limitations for another taxable year. However, different methods, factors, and assumptions, or a different method of determining the limitation, if they are proper, may be used in determining the deduction for a subsequent taxable year. In any case, see subparagraphs (7) and (8) of paragraph (a) and subparagraphs (1) and (3) of paragraph (b) of section 1.404 (a)-2 for the information which must be submitted regarding the methods, factors, assumptions, and limitations.

(d) Any expenses incurred by the employer in connection with the plan, such as trustee's and actuary's fees, which are not provided for by contributions under the plan are deductible by the employer under section 162 (relating to trade or business expenses), or 212 (relating to expenses for production of income) to the extent that they are ordinary and necessary.

(e) In case deductions are allowable under section 404 (a) (3) as well as under section 404 (a) (1) or (2), the limitations under section 404 (a) (1) and (3) are determined and applied without giving effect to the provisions of section 404 (a) (7) but the amounts allowable as deductions are subject to the further limitations provided in section 404 (a) (7). See section 1.404 (a)-13.

Section 1.404 (a)-4, pension and annuity plans; limitations under section 404 (a) (1) (A): (a) Subject to the applicable general conditions and limitations (see sec. 1.404 (a)-3) the initial limitation under section 404 (a) (1) (A) is 5 percent of the compensation otherwise paid or accrued during the taxable year to all employees under the pension or annuity plan. This initial 5-percent limitation applies to the first taxable year for which a deduction is allowed for contribution to or under such a plan and also applies to any subsequent year for which the 5-percent figure is not reduced as provided in this section. For years to which the initial 5-percent limitation applies, no adjustment on account of prior experience is required. If the contributions do not exceed the initial 5-percent limitation in the first taxable year to which this limitation applies, the taxpayer need not submit actuarial data for such year.

(b) For the first taxable year following the first year to which the initial 5-percent limitation applies, and for every fifth year thereafter, or more frequently where preferable to the taxpayer, the taxpayer shall submit with his return an actuarial certification of the amount reasonably necessary to provide the remaining unfunded cost of past and current service credits of all employees under the plan with a statement explaining all the methods, factors, and assumptions used in determining such amount. This amount may be determined as the sum of (1) the unfunded past service cost as of the beginning of the year, and (2) the normal cost for the year. Such costs shall be determined by methods, factors, and assumptions appropriate as a basis of limitations under section 404 (a) (1) (C). Whenever requested by the district director, a similar certification and statement shall be submitted for the year or years specified in such request. The district director will make periodical examinations of such data at not less than 5-year intervals. Based upon such examinations the Commissioner will reduce the limitation under section 404 (a) (1) (A) below the 5-percent limitation for the years with respect to which he finds that the 5-percent limitation exceeds the amount reasonably necessary to provide the remaining unfunded cost of past and current service credits of all employees under the plan. Where the limitation is so reduced, the reduced limitation shall apply until the Commissioner finds that a subsequent actuarial

valuation shows a change to be necessary. Such subsequent valuation may be made by the taxpayer at any time and submitted to the district director with a request for a change in the limitation.

(c) For the purpose of limitations under section 404 (a) (1) (A), "compensation otherwise paid or accrued" means all of the compensation paid or accrued except that for which a deduction is allowable under a plan that qualifies under section 401 (a), including a plan that qualifies under section 404 (a) (2). Where two or more pension or annuity plans cover the same employee, under section 404 (a) (1) (A) the deductions with respect to each such plan are subject to the limitations applicable to the particular plan and the total deductions for all such plans are also subject to the limitations which would be applicable thereto if they constituted a single plan. Where, because of the particular provisions applicable to a large class of employees under a plan, the costs with respect to such employees are nominal in comparison with their compensation, after the first year to which the initial 5-percent limitation applies, deductions under section 404 (a) (1) (A) are subject to limitations determined by considering the plan applicable to such class as if it were a separate plan. Deductions are allowable to the extent of the applicable limitations under section 404 (a) (1) (A) even where these are greater than the applicable limitations under section 404 (a) (1) (B) or section 404 (a) (1) (C).

Section 1.404 (a)-5, pension and annuity plans; limitations under section 404 (a) (1) (B): (a) Subject to the applicable general conditions and limitations (see sec. 1.404 (a)-3), under section 404 (a) (1) (B), deductions may be allowed to the extent of limitations based on costs determined by distributing the remaining unfunded cost of the past and current service credits with respect to all employees covered under the trust or plan as a level amount or level percentage of compensation over the remaining service of each such employee except that, as to any three individuals with respect to whom more than 50 percent of such remaining unfunded cost is attributable, the remaining unfunded cost attributable to such individuals shall be distributed evenly over a period of at least 5 taxable years.

(b) The statutory limitation for any taxable year under section 404 (a) (1) (B) is any excess of the amount of the costs described in paragraph (a) of this section for the year over the amount allowable as a deduction under section 404 (a) (1) (A).

(c) For this purpose, such excess, adjusted for prior experience, may be computed for each year as follows, all determinations being made as of the beginning of the year:

(1) Determine the value of all benefits expected to be paid after the beginning of the year for all employees, any former employees, and any other beneficiaries, then covered under the plan.

(2) If employees contribute under the plan, determine the value of all contributions expected to be made after the beginning of the year by employees then covered under the plan.

(3) Determine the value of all funds of the plan as of the beginning of the year.

(4) Determine the amount remaining to be distributed as a level amount or as a level percentage of compensation over the remaining future service of each employee by subtracting from subparagraph (1) of this paragraph the sum of subparagraphs (2) and (3) of this paragraph.

(5) Determine the value of all compensation expected to be paid after the beginning of the year to all employees then covered under the plan.

(6) Determine an accrual rate for each employee by dividing subparagraph (5) of this paragraph into subparagraph (4) of this paragraph.

(7) Compute the excess under section 404 (a) (1) (B) for the year by multiplying the compensation paid to all employees covered under the plan during the year by any excess of subparagraph (6) of this paragraph over 5 percent. In general, where this method is used, the limitation under section 404 (a) (1) (B) will be equal to the excess so computed without further adjustment on account of prior favorable experience, provided all the factors and assumptions used are reasonable in view of all applicable considerations (see sec. 1.404 (a)-3) and provided subparagraph (5) of this paragraph is not less than 5 times the annual rate of compensation in effect at the beginning of the year.

(d) Instead of determining the excess deductible under section 404 (a) (1) (B) by the method shown in paragraph (c) such excess may be based upon costs determined by some other method which is reasonable and appropriate under the circumstances. Thus, such excess may be based on the amounts necessary with respect to each individual covered employee to provide the remaining unfunded cost of all his benefits under the plan distributed as a level amount over the period remaining until the normal commencement of his retirement benefits, in accordance with other generally accepted actuarial methods which are reasonable and appropriate in view of the provisions of the plan, the funding medium, and other applicable considerations.

Section 1.404 (a)-6, pension and annuity plans; limitations under section 404 (a) (1) (C): (a) Subject to the applicable general conditions and limitations (see sec. 1.404 (a)-3), in lieu of amounts deductible under the limitations of section 404 (a) (1) (A) and section 404 (a) (1) (B), deductions may be allowed under section 404 (a) (1) (C) to the extent of limitations based on normal and past service or supplementary costs of providing benefits under the plan. Normal cost for any year is the amount actuarially determined which would be required as a contribution by the employer in such year to maintain the plan if the plan had been in effect from the beginning of service of each then included employee and if such costs for prior years had been paid and all assumptions as to interest, mortality, time of payment, etc., had been fulfilled. Past service or supplementary cost at any time is the amount actuarially determined which would be required at such time to meet all the future benefits provided under the plan which would not be met by future normal costs and employee contributions with respect to the employees covered under the plan at such time.

(b) The limitation under section 404 (a) (1) (C) for any taxable year is the sum of normal cost for the year plus an amount not in excess of one-tenth of the past service or supplementary cost as of the date the past service or supplementary credits are provided under the plan. For this purpose the normal costs may be determined by any generally accepted actuarial method and may be expressed either as (1) the aggregate of level amounts with respect to each employee covered under the plan, (2) a level percentage of payroll with respect to each employee covered under the plan, or (3) the aggregate of the single premium or unit costs for the unit credits accruing during the year with respect to each employee covered under the plan, provided, in any case, that the method is reasonable in view of the provisions and coverage of the plan, the funding medium, and other applicable considerations. The limitation may include one-tenth of the past service or supplementary cost as of the date the provisions resulting in such cost were put into effect, but it is subject to adjustments for prior favorable experience. See section 1.404 (a)-3. In any case, past service or supplementary costs shall not be included in the limitation for any year in which the amount required to fund fully or to purchase such past service or supplementary credits has been deducted, since no deduction is allowable for any amount (other than the normal cost) which is paid in after such credits are fully funded or purchased.

Section 1.404 (a)-7, pension and annuity plans; contributions in excess of limitations under section 404 (a) (1); application of section 404 (a) (1) (D): Where contributions paid by an employer in a taxable year to or under a pension or annuity plan exceed the limitations applicable under section 404 (a) (1) but otherwise satisfy the conditions for deduction under section 404 (a) (1) or (2), then in accordance with section 404 (a) (1) (D), the excess contributions are carried over and are deductible in succeeding taxable years in order of time to the extent of the difference between the amount paid and deductible in each such succeeding year and the limitation applicable to such year under section 404 (a) (1) (A), (B), or (C). The provisions of section 404 (a) (1) (D) are to be applied before giving effect to the provisions of section 404 (a) (7) for any year. The carryover provisions of section 404 (a) (1) (D), before effect has been given to section 404 (a) (7), may be illustrated by the following example for a plan put into effect in a taxable year ending December 31, 1954:

Taxable year ending Dec. 31, 1954:	
Amount of contributions paid in year	$100,000
Limitation applicable to year	60,000
Amount deductible for year	60,000
Excess carried over to succeeding years	40,000
Taxable year ending Dec. 31, 1955:	
Amount of contributions paid in year	25,000
Carried over from previous years	40,000
Total deductible subject to limitation	65,000
Limitation applicable to year	50,000
Amount deductible for year	50,000
Excess carried over to succeeding years	15,000
Taxable year ending Dec. 31, 1956:	
Amount of contributions paid in year	10,000
Carried over from previous years	15,000
Total deductible subject to limitation	25,000
Limitation applicable to year	45,000
Amount deductible for year	25,000
Excess carried over to succeeding years	None

Section 1.404 (a)-8, contributions of an employer under an employees' annuity plan which meets the requirements of section 401 (a); application of section 404 (a) (2): If contributions are paid by an employer under an annuity plan for employees and the general conditions and limitations applicable to deductions for such contributions are satisfied (see sec. 1.404 (a)-1), the contributions are deductible under section 404 (a) (2) if the further conditions provided therein are satisfied. For the meaning of "annuity plan" as used here, see section 1.404 (a)-3. In order that contributions by the employer may be deducted under section 404 (a) (2), all of the following conditions must be satisfied:

(1) The contributions must be paid toward the purchase of retirement annuities (or for disability, severance, insurance, or survivorship benefits incidental and directly related to such annuities) under an annuity

plan for the exclusive benefit of the employer's employees or their beneficiaries. See section 1.401–1 (a).

(2) The contributions must be paid in a taxable year of the employer which ends with or within a year of the plan for which it meets the applicable requirements with respect to discrimination set out in section 401 (a) (3), (4), (5), and (6). In order that contributions carried over may be deducted in a succeeding taxable year of the employer in accordance with section 404 (a) (1) (D), the succeeding year also must end with or within a taxable year of the plan for which it meets such requirements. See sections 1.401–3 and 1.401–4. These requirements are considered to be satisfied for the period beginning with the date on which an annuity plan was put into effect and ending with the 15th day of the 3d month following the close of the taxable year of the employer in which the plan was put into effect, if all provisions of the plan which are necessary to satisfy such requirements are in effect by the end of such period and have been made effective for all purposes with respect to the whole of such period. See section 401 (b) and section 1.401–5. It should be noted that the period in which a plan may be amended to qualify under section 401 (b) ends before the date taxpayers, other than corporations, are required to file income tax returns.

(3) There must be a definite written arrangement between the employer and the insurer that refunds of premiums, if any, shall be applied within the taxable year of the employer in which received or within the next succeeding taxable year toward the purchase of retirement annuities (or for disability, serverance, insurance, or survivorship benefit incidental and directly related to such annuities) under the plan. For the purpose of this condition, "refunds of premiums" means payments by the insurer on account of credits such as dividends, experience rating credits, or surrender or cancellation credits. The arrangement may be in the form of contract provisions or written directions of the employer or partly in one form and partly in another. This condition will be considered satisfied where—

(i) All credits are applied regularly, as they are determined, toward the premiums next due under the contracts before any further employer contributions are so applied, and

(ii) Under the arrangement,

(a) No refund of premiums may be made during continuance of the plan unless applied as aforesaid, and

(b) If refunds of premiums may be made after discontinuance of the plan on account of surrenders or cancellations before all retirement annuities provided under the plan with respect to service before its discontinuance have been purchased, such refunds will be applied in the taxable year of the employer in which received, or in the next succeeding taxable year, to purchase retirement annuities for employees by a procedure which does not contravene the conditions of section 401 (a) (4).

(b) Where the above conditions are satisfied, the amounts of deductions under section 404 (a) (2) are governed by the limitations provided in section 404 (a) (1). See sections 1.404 (a)–3 to 1.404 (a)–7, inclusive.

Section 1.404 (a)–9, contributions of an employer to an employees' profit-sharing or stock bonus trust that meets the requirements of section 401 (a); application of section 404 (a) (3) (A): (a) If contributions are paid by an employer to a profit-sharing or stock bonus trust for employees and the general conditions and limitations applicable to deductions for such contributions are satisfied (see section 1.404 (a)–1), the contributions are deductible under section 404 (a) (3) (A) if the further conditions provided therein are also satisfied. In order to be deductible under section 404 (a) (3) (A) the contributions must be paid in a taxable year of the employer which ends with or within a taxable year of the trust for which it is exempt under section 501 (a) and the trust must not be designed to provide retirement benefits for which the contributions can be determined actuarially. In order that contributions carried over may be deducted in a succeeding taxable year of the employer in accordance with the third sentence of section 404 (a) (3) (A), the succeeding year also must end with or within a taxable year of the trust for which it is exempt under section 501 (a). This section is also applicable to contributions to a foreign situs profit-sharing or stock bonus trust which could qualify for exemption under section 501 (a) except that it is not created or organized and maintained in the United States.

(b) The amount of deductions under section 404 (a) (3) (A) for any taxable year is subject to limitations based on the compensation otherwise paid or accrued during such taxable year to the employees who, in such year, are beneficiaries of the trust funds accumulated under the plan. For this purpose "compensation otherwise paid or accrued" means all of the compensation paid or accrued except that for which a deduction is allowable under a plan that qualifies under section 401 (a), including a plan that qualifies under section 404 (a) (2). The limitations under section 404 (a) (3) (A) apply to the total amount deductible for contributions to the trust regardless of the manner in which the funds of the trust are invested, applied, or distributed, and no other deduction is allowable on account of any benefits provided by contributions to the trust or by the funds thereof. Where contributions are paid to two or more profit-sharing or stock bonus trusts satisfying the conditions for deduction under section 404 (a) (3) (A), such trusts are considered as a single trust in applying these limitations.

(c) The primary limitation on deductions for a taxable year is 15 percent of the compensation otherwise paid or accrued during such taxable year to the employees who, in such year, are beneficiaries of the trust funds accumulated under the plan. So long as the contributions do not in any year exceed the primary limitation, this is the only limitation under section 404 (a) (3) (A) which has any effect.

(d) In order that the deductions may average 15 percent of compensation otherwise paid or accrued over a period of years, where contributions in some taxable year are less than the primary limitation but contributions in some succeeding taxable year exceed the primary limitation, deductions in each succeeding year are subject to a secondary limitation instead of to the primary limitation. The secondary limitation for any year is equal to the lesser of (1) twice the primary limitation for the year, or (2) any excess of (i) the aggregate of the primary limitations for the year and for all prior years over (ii) the aggregate of the deductions allowed or allowable under the limitations provided in section 404 (a) (3) (A) for all prior years.

(e) In any case where the contributions in a taxable year exceed the amount allowable as a deduction for the year under section 404 (a) (3) (A), the excess is deductible in succeeding taxable years, in order of time, in which the contributions are less than the primary limitations. However, the total deduction for any such succeeding year cannot exceed the lesser of (1) the primary limitation for such year, or (2) the sum of the contributions in such year and the excess contributions not deducted under the limitations of section 404 (a) (3) (A) for prior years.

(f) In case deductions are allowable under section 404 (a) (1) or (2), as well as under section 404 (a) (3) (A), the limitations under section 404 (a) (1) and (3) (A) are determined and applied without giving effect to the provisions of section 404 (a) (7), but the amounts allowable as deductions are subject to the further limitations provided in section 404 (a) (7). See section 1.404 (a)–13.

(g) The provisions of section 404 (a) (3) (A) before giving effect to section 404 (a) (7), may be illustrated as follows:

Illustration of provisions of sec. 404 (a) (3) (A) for a plan put into effect in the taxable (calendar) year 1954, before giving effect to sec. 404 (a) (7)

[In thousands]

	Taxable (calendar) years						
	1954	1955	1956	1957	1958	1959	1960
1. Amount of contributions:							
(i) In taxable year	$65	$10	$15	$100	$70	$40	$30
(ii) Carried over from prior taxable years	0	8	0	0	4	5	3
2. Primary limitation applicable to year: 15 percent of covered compensation in year [1]	57	54	51	48	45	42	39
3. Secondary limitation applicable to year:							
(i) Twice primary limitation	------	------	------	96	90	84	------
(ii) (a) Aggregate primary limitations (see item 2)	------	------	------	210	255	297	------
(b) Aggregate prior deductions (see item 4 (iii))	------	------	------	90	186	255	------
(c) Excess of (a) over (b)	------	------	------	120	69	42	------
(iii) Lesser of (i) or (ii)	------	------	------	96	69	42	------
4. Amount deductible for year on account of:							
(i) Contributions in year	57	10	15	96	69	40	30
(ii) Contributions carried over	0	8	0	0	0	2	3
(iii) Total	57	18	15	96	69	42	33
5. Excess contributions carried over to succeeding years	8	0	0	4	5	3	0

[1] Compensation otherwise paid or accrued during the year to the employees who are beneficiaries of trust funds accumulated under the plan in the year.

Section 1.404 (a)–10, profit-sharing plan of an affiliated group; application of section 404 (a) (3) (B). (a) Section 404 (a) (3) (B) allows a corporation a deduction to the extent provided in paragraphs (b) and (c) of this section for a contribution which it makes for another corporation to a profit-sharing plan or a stock bonus plan under which contributions are determined by reference to profits, provided the following tests are met:

(1) The corporation for which the contribution is made and the contributing corporation are members of an affiliated group of corporations as defined in section 1504, relating to the filing of consolidated returns, and both such corporations participate in the plan. However, it is immaterial whether

all the members of such group participate in the plan.

(2) The corporation for which the contribution is made is required under the plan to make the contribution, but such corporation is prevented from making such contribution because it has neither current nor accumulated earnings or profits, or because its current and accumulated earnings or profits are insufficient to make the required contribution. To the extent that such a corporation has any current or accumulated earnings or profits, it is not considered to be prevented from making its required contribution to the plan.

(3) The contribution is made out of the current or accumulated earnings or profits of the contributing corporation.

(b) The amount that is deductible under section 404 (a) (3) (B) is determined by applying the rules of section 404 (a) (3) (A) and section 1.404 (a)–9 as if the contribution were made by the corporation for which it is made. For example, the primary limitation described in section 1.404 (a)–9 (c) is determined by reference to the compensation otherwise paid or accrued to the employees of the corporation for which the contribution is made, and the secondary limitation described in section 1.404 (a)–9 (d) and the contribution carryover described in section 1.404 (a)–9 (e) are determined by reference to the prior contributions and deductions of such corporation. The contributing corporation may deduct the amount so determined subject to the limitations contained in paragraph (c) of this section. The contributing corporation shall not treat such amount as a contribution made by it in applying the rules of section 404 (a) (3) (A) and section 1.404 (a)–9 either for the taxable year for which the contribution is made or for succeeding taxable years. The corporation for which the contribution is made shall treat the contribution as having been made by it in applying the rules of section 404 (a) (3) (A) and section 1.404 (a)–9 for succeeding taxable years.

(c) The allowance of the deduction under section 404 (a) (3) (B) does not depend upon whether the affiliated group does or does not file a consolidated return. If a consolidated return is filed, it is immaterial which of the participating corporations makes the contribution and takes the deduction or how the contribution or the deduction is allocated among them. However, if a consolidated return is not filed, the contribution which is deductible under section 404 (a) (3) (B) by each contributing corporation shall be limited to that portion of its total current and accumulated earnings or profits (adjusted for its contribution deductible without regard to section 404 (a) (3) (B)) which the prevented contribution bears to the total current and accumulated earnings or profits of all the participating members of the group having such earnings or profits (adjusted for all contributions deductible without regard to section 404 (a) (3) (B)). For the purpose of this section, current earnings or profits shall be computed as of the close of the taxable year without diminution by reason of any dividends during the taxable year, and accumulated earnings or profits shall be computed as of the beginning of the taxable year.

(d) The application of section 404 (a) (3) (B) may be illustrated by the following example in which the affiliated group does not file a consolidated return:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
A	($10,000)	($140,000)	($150,000)	$200,000	1/5	$6,000	0			
B	(5,000)	105,000	100,000	300,000	3/10	9,000	$0,000	$91,000	6/326 × 91,000	$1,674.85
C	75,000	175,000	250,000	500,000	1/2	15,000	15,000	235,000	6/326 × 235,000	4,325.15
Total	60,000	140,000	200,000	1,000,000		30,000	24,000	326,000		6,000.00

Column: (1) Member
(2) Earnings and profits of the taxable year
(3) Accumulated earnings and profits at beginning of taxable year
(4) Total current and accumulated earnings and profits (col. 2 plus col. 3)
(5) Compensation of participating employees
(6) Contribution formula: 50 percent of consolidated earnings and profits, allocated among participating members in proportion of covered payroll of each to covered payroll of consolidated group
(7) Individual contribution had it not been prevented
(8) Individual contribution made by each employer for its own employees
(9) Balance of accumulated earnings and profits (col. 4 minus col. 8)
(10) Proportion of makeup contribution
(11) Makeup contribution

Section 1.404 (a)–11, trusts created or organized outside the United States; application of section 404 (a) (4). In order that a trust may constitute a qualified trust under section 401 (a) and be exempt under section 501 (a), it must be created or organized in the United States and maintained at all times as a domestic trust. See section 1.404–1 (a). Paragraph (4) of section 404 (a) provides, however, that an employer which is a resident, a corporation, or other entity of the United States, making contributions to a foreign stock bonus, pension, or profit-sharing trust, shall be allowed deductions for such contributions, under the applicable conditions and within the prescribed limits of section 404 (a), if such foreign trust would qualify for exemption under section 501 (a) except for the fact that it is a trust created, organized, or maintained outside the United States. Moreover, if a nonresident alien individual, foreign corporation, or other entity is engaged in trade or business within the United States and makes contributions to a foreign stock bonus, pension, or profit-sharing trust, which would qualify under section 401 (a) and be exempt under section 501 (a) except that it is created, organized, or maintained outside the United States, such contributions are deductible subject to the conditions and limitations of section 404 (a) and to the extent allowed by section 873 or 882 (c).

Section 1.404 (a)–12, contributions of an employer under a plan that does not meet the requirements of section 401 (a); application of section 404 (a) (5); Section 404 (a) (5) covers all cases for which deductions are allowable under section 404 (a) but not allowable under paragraph (1), (2), (3), (4), or (7) of such section. No deduction is allowable under section 404 (a) (5) for any contribution paid or accrued by an employer under a stock bonus, pension, profit-sharing, or annuity plan, or for any compensation paid or accrued on account of any employee under a plan deferring the receipt of such compensation, except in the year when paid, and then only to the extent allowable under section 404 (a). See section 1.404 (a)–1. If payments are made under such a plan and the amounts are not deductible under the other paragraphs of section 404 (a), they are deductible under paragraph (5) of such subsection to the extent that the rights of individual employees to, or derived from, such employer's contribution or such compensation are nonforfeitable at the time the contribution or compensation is paid. If unfunded pensions are paid directly to former employees, their rights to such payments are nonforfeitable, and accordingly, such amounts are deductible under section 404 (a) (5) when paid. Similarly, if amounts are paid as a death benefit to the beneficiaries of an employee (for example, by continuing his salary for a reasonable period), and if such amounts meet the requirements of section 162 or 212, such amounts are deductible under section 404 (a) (5) in any case when they are not deductible under the other paragraphs of section 404 (a). As to what constitutes nonforfeitable rights of an employee in other cases, see section 1.402 (b)–1. If an amount is accrued but not paid during the taxable year, no deduction is allowable for such amount for such year. If an amount is paid during the taxable year to a trust or under a plan and the employee's rights to such amounts are forfeitable at the time the amount is paid, no deduction is allowable for such amount for any taxable year.

Section 1.404 (a)–13, contributions of an employer where deductions are allowable under section 404 (a) (1) or (2) and also under section 404 (a) (3); application of section 404 (a) (7): (a) Where deductions are allowable under section 404 (a) (1) or (2) on account of contributions under a pension or annuity plan and deductions are also allowable under section 404 (a) (3) for the same taxable year, on account of contributions to a profit-sharing or stock bonus trust, the total deductions under these sections are subject to the provisions of section 404 (a) (7) unless no employee who is a beneficiary under the trusts or plans for which deductions are allowable under section 404 (a) (1) or (2) is also a beneficiary under the trusts for which deductions are allowable under section 404 (a) (3). The provisions of section 404 (a) (7) apply only to deductions for overlapping trusts or plans, i. e., for all trusts or plans for which deductions are allowable under section 404 (a) (1), (2), or (3) except (1) any trust or plan for which deductions are allowable under section 404 (a) (1) or (2) and which does not cover any employee who is also covered under a trust for which deductions are allowable under section 404 (a) (3), and (2) any trust for which deductions are allowable under section 404 (a) (3) and which does not cover any employee who is also covered under a trust or plan for which deductions are allowable under section 404 (a) (1) or (2). The limitations under section 404 (a) (7) for any taxable year are based on the compensation otherwise paid or accrued during the year to all the employees who are beneficiaries under the overlapping trusts or plans in the year. For this purpose "compensation, otherwise paid or accrued" means all of the compensation paid or accrued except that for which a deduction is allowable under a plan that qualifies under section 401 (a), including a plan that qualifies under section 404 (a) (2). The employees who are beneficiaries under overlapping trusts or plans in a year include all the employees who, in the year, are beneficiaries of the funds accumulated under one or more of the overlapping trusts or plans.

(b) Under section 404 (a) (7), any excess of the total amount otherwise deductible for the taxable year under section 404 (a) (1), (2), or (3) as contributions to overlapping trusts or plans over 25 percent of the compensation otherwise paid or accrued during the year to all the employees who are beneficiaries under such trusts or plans, is not deductible for such year but is deductible for succeeding taxable years, in order of time, so that the total deduction for contributions to such trusts or plans for a

succeeding taxable year is equal to the lesser of—

(1) 30 percent of the compensation otherwise paid or accrued during the taxable year to all the employees who are beneficiaries under such trusts or plans in the year, or

(2) The sum of (i) the smaller of (a) 25 percent of the compensation otherwise paid or accrued during the taxable year to all the employees who are beneficiaries under such trusts or plans in the year, or (b) the total of the amounts otherwise deductible under section 404 (a) (1), (2), or (3) for the year for such trusts or plans and (ii) any carryover to the year from prior years under section 404 (a) (7), i. e., any excess otherwise deductible under section 404 (a) (1), (2), or (3), but not deducted for a prior taxable year because of the limitations under section 404 (a) (7).

(c) The limitations under section 404 (a) (7) are determined and applied after all the limitations, deductions otherwise allowable, and carryovers under section 404 (a) (1), (2), and (3) have been determined and applied, and, in particular, after effect has been given to the carryover provision in section 404 (a) (1) (D) and in the second and third sentences of section 404 (a) (3) (A). Where the limitations under section 404 (a) (7) reduce the total amount deductible, the excess deductible in succeeding years is treated as a carryover which is distinct from, and additional to, any excess contributions carried over and deductible in succeeding years under the provisions in section 404 (a) (1) (D) or in the third sentence of section 404 (a) (3) (A). The application of the provisions of section 404 (a) (7) and the treatment of carryovers for a case where the taxable years are calendar years and the overlapping trusts or plans consist of a pension trust and a profit-sharing trust put into effect in 1954 and covering the same employees may be illustrated as follows:

Illustration of application of provisions of sec. 404 (a) (7) and of treatment of carryovers for overlapping pension and profit-sharing trusts put into effect in 1954 and covering the same employees

[In thousands]

	Taxable (calendar) years			
	1954	1955	1956	1957
BEFORE GIVING EFFECT TO SEC. 404 (A) (7)				
Pension trust contributions and limitations, deductions, and carryovers under sec. 404 (a) (1):				
1. Contributions paid in year	$215	$85	$140	$60
2. Contributions carried over from prior years	0	5	0	20
3. Total deductible for year subject to limitation	215	90	140	80
4. Limitation applicable to year	210	175	120	85
5. Amount deductible for year	210	90	120	80
6. Contributions carried over to succeeding years	5	0	20	0
Profit-sharing trust contributions and limitations, deductions, and carryovers under sec. 404 (a) (3):				
7. Contributions paid in year	200	125	105	65
8. Contributions carried over from prior years	0	35	10	0
9. Total deductible for year subject to limitation	200	160	115	65
10. Limitation applicable to year	165	150	135	[1] 110
11. Amount deductible for year	165	150	115	65
12. Contributions carried over to succeeding years	35	10	0	0
APPLICATION OF SEC. 404 (A) (7)				
Totals for pension and profit-sharing trust:				
13. Amount deductible for year under sec. 404 (a) (7):				
(1) 30 percent of compensation covered in year [2]	([3])	300	270	180
(2) (i) (a) 25 percent of compensation covered in year [2]	275	250	225	150
(b) Total amount otherwise deductible for year: Item 5 plus item 11	375	240	235	145
(c) Smaller of (a) or (b)	275	240	225	145
(ii) Carryover from prior years under sec. 404 (a) (7)	0	100	40	10
(iii) Sum of (i) (c) and (ii)	275	340	265	155
(3) Amount deductible: Lesser of (1) or (2) (iii)	275	300	265	155
14. Carryover to succeeding years under sec. 404 (a) (7); Item 13 (2) (ii) plus item 13 (2) (i) (b) minus item 13 (3)	100	40	10	0

[1] Includes carryover of 20 from 1956.
[2] Compensation otherwise paid or accrued during the year to the employees who are beneficiaries under the trusts in the year.
[3] 30 percent limitation not applicable to first year of plan.

Section 1.404 (b) statutory provisions; deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred-payment plan; method of contributions, etc., having the effect of a plan:

"SEC. 404. Deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred-payment plan. * * *

"(b) Method of contributions, etc., having the effect of a plan.—If there is no plan but a method of employer contributions or compensation has the effect of a stock bonus, pension, profit-sharing, or annuity plan, or similar plan deferring the receipt of compensation, subsection (a) shall apply as if there were such a plan."

Section 1.404 (b)–1, method of contribution, etc., having the effect of a plan; effect of section 404 (b): Section 404 (a) is not confined to formal stock bonus, pension, profit-sharing and annuity plans, or deferred compensation plans, but it includes any method of contributions or compensation having the effect of a stock bonus, pension, profit-sharing, or annuity plan, or similar plan deferring the receipt of compensation. Thus, where a corporation pays pensions to a retired employee or employees or to their beneficiaries in such amounts as may be determined from time to time by the board of directors or responsible officers of the company, or where a corporation is under an obligation, whether funded or unfunded, to pay a pension or other deferred compensation to an employee or his beneficiaries, there is a method having the effect of a plan deferring the receipt of compensation for which deductions are governed by section 404 (a). If an employer on the accrual basis defers paying any compensation to an employee until a later year or years under an arrangement having the effect of a stock bonus, pension, profit-sharing, or annuity plan, or similar plan deferring the receipt of compensation, he shall not be allowed a deduction until the year in which the compensation is paid. This provision is not intended to cover the case where an employer on the accrual basis defers payment of compensation after the year of accrual merely because of inability to pay such compensation in the year of accrual, as, for example, where the funds of the company are not sufficient to enable payment of the compensation without jeopardizing the solvency of the company, or where the liability accrues in the earlier year, but the amount payable cannot be exactly determined until the later year.

Section 1.404 (c), statutory provisions; deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred-payment plan; certain negotiated plans:

"SEC. 404. Deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred-payment plan. * * *

"(c) Certain negotiated plans: If contributions are paid by an employer—

"(1) Under a plan under which such contributions are held in trust for the purpose of paying (either from principal or income or both) for the benefit of employees and their families and dependents at least medical or hospital care, and pensions on retirement or death of employees; and

"(2) Such plan was established prior to January 1, 1954, as a result of an agreement between employee representatives and the Government of the United States during a period of Government operation, under seizure powers, of a major part of the productive facilities of the industry in which such employer is engaged,

such contributions shall not be deductible under this section nor be made nondeductible by this section, but the deductibility thereof shall be governed solely by section 162 (relating to trade or business expenses). This subsection shall have no application with respect to amounts contributed to a trust on or after any date on which such trust is qualified for exemption from tax under section 501 (a)."

Section 1.404 (c)–1, certain negotiated plans; effect of section 404 (c): (a) Section 404 (a) does not apply to deductions for contributions paid by an employer under a negotiated plan which meets the following conditions:

(1) The contributions under the plan are held in trust for the purposes of paying, either from principal or income or both, for the benefit of employees and their families, at least medical or hospital care, and pensions on retirement or death of employees; and

(2) Such plan was established before January 1, 1954, a result of an agreement between employee representatives and the Government of the United States during a period of Government operation, under seizure powers, of a major part of the productive facilities of the industry in which such employer is engaged.

If these conditions are met, such contributions shall be deductible under section 162, to the extent that they constitute ordinary and necessary business expenses.

(b) The term "as a result of an agreement" is intended primarily to cover a trust established under the terms of an agreement referred to in paragraph (a) (2). It will

also include a trust established under a plan of an employer, or group of employers, who are in competition with the employers whose facilities were seized by reason of producing the same commodity, and who would therefore be expected to establish such a trust as a reasonable measure to maintain a sound position in the labor market producing the commodity. Thus, for example, if a trust was established under such an agreement in the bituminous coal industry, a similar trust established about the same time in the anthracite coal industry would be covered by this provision.

(c) If any such trust becomes qualified for exemption under section 501 (a), the deductibility of contributions by an employer to such trust on or after the date of such qualification would no longer be governed by section 404 (c), even though the trust may later lost its exemption under section 501 (a).

Section 1.404 (d) statutory provisions: Deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred-payment plan; carryover of unused deductions:

"SEC. 404. Deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred-payment plan. * * *

"(d) Carryover of unused deductions: The amount of any unused deductions or contributions in excess of the deductible amounts for taxable years to which this part does not apply which under section 23 (p) of the Internal Revenue Code of 1939 would be allowable as deductions in later years had such section 23 (p) remained in effect, shall be allowable as deductions in taxable years to which this part applies as if such section 23 (p) were continued in effect for such years. However, the deduction under the preceding sentence shall not exceed an amount which, when added to the deduction allowable under subsection (a) for contributions made in taxable years to which this part applies, is not greater than the amount which would be deductible under subsection (a) if the contributions which give rise to the deduction under subsection (a) if the contributions wihch give rise to the deduction under the preceding sentence were made in a taxable year to which this part applies."

Section 1.404 (d)-1, carryover of unused deductions; effect of section 404 (d): Contributions for taxable years which began before January 1, 1954 (or ended before August 17, 1954, regardless of when they began), in excess of the deductible limits of section 23 (p) of the Internal Revenue Code of 1939 which would have been available as carryovers and deductible in succeeding taxable years, in order of time, had such section 23 (p) remained in effect, are allowable as deductions for taxable years beginning after December 31, 1953, and ending after August 16, 1954, to the same extent that such deductions would have been allowable had such section 23 (p) remained in effect. This provision, however, does not increase a deduction for a taxable year beyond the applicable limits of section 404 (a) had the carryover constituted part of the contribution for such year. Thus, for example, if a pension plan had been put into effect as of January 1, 1953, when the past service liability was $1 million, and the employer contributed $500,000 in 1953, only $100,000 would be deductible in 1953 under section 23 (p) (1) (A) (iii) of the 1939 code, and $400,000 was available as a carryover to 1954 under section 23 (p) (1) (A) (iv). If the employer made a contribution of the remaining $500,000 in 1954, it would not result in allowable deductions of $200,000 for past service funding in that year (i. e., $100,000 under section 404 (a) and another $100,000 under section 404 (d)). The total allowable deduction for such funding would be only $100,000 for 1954 (10 percent of the initial past service liability of $1 million), and the carryover to 1955 would be $800,000. Also, unused deduction carryovers which arose under the second sentence of section 23 (p) (1) (C) of the 1939 code are continued for years beginning after December 31, 1953, as though arising under the second sentence of section 404 (a) (3) (A).

Section 1.6033 (a), statutory provisions; returns by exempt organizations; general:

"SEC. 6033. Returns by exempt organizations:

"(a) General: Every organization, except as hereinafter provided, exempt from taxation under section 501 (a) shall file an annual return, stating specifically the items of gross income, receipts, and disbursements, and such other information for the purpose of carrying out the provisions of subtitle A as the Secretary or his delegate may by forms or regulations prescribe, and shall keep such records, render under oath such statements, make such other returns, and comply with such rules and regulations, as the Secretary or his delegate may from time to time prescribe, except that, in the discretion of the Secretary or his delegate, an organization described in section 401 (a) may be relieved from stating in its return any information which is reported in returns filed by the employer which establish such organization. No such annual return need be filed under this subsection by any organization exempt from taxation under the provisions of section 501 (a)."

* * * * *

Section 1.6033-1, return by exempt organizations: (a) General. * * *

(3) Every employees' trust described in section 401 (a) which is exempt from taxation under section 501 (a) shall file an annual return on Form 990-P. The return shall include the information required by section 1.401-1 (b) (5) (ii). The trust must also file the information required by section 1.404 (a)-2, unless the employer has notified the trustee that he has or will timely file such information. If the trustee has received such notification from the employer, then the trust must file a copy thereof with its return and the other information required by the return.

JUSTIN F. WINKLE,
Acting Commissioner.

Approved September 13, 1956.

DAN THROOP SMITH,
Special Assistant to the Secretary in Charge of Tax Policy.

(Filed by the Division of the Federal Register September 24, 1956, 8:45 a. m.)

CONSTRUCTION OF FOUR UNITS OF GREATER WENATCHEE PROJECT, WASHINGTON

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 1031) to authorize the Secretary of the Interior to construct, operate, and maintain four units of the Greater Wenatchee project, Washington, and for other purposes, which were, on page 3, strike out lines 7 through 9 inclusive, and insert:

SEC. 4. There is hereby authorized to be appropriated for construction of the works provided for in section 1 of this act the sum of $10,280,000, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the type of construction involved herein. There are also authorized to be appropriated such sums as are necessary for operation and maintenance of said works.

And to amend the title so as to read "An act to authorize the Secretary of the Interior to construct, operate, and maintain four units of the Greater Wenatchee division, Chief Joseph project, Washington, and for other purposes."

Mr. JACKSON. Mr. President, I move that the Senate concur in the amendments of the House of Representatives to S. 1031, to authorize the Secretary of the Interior to construct, operate, and maintain four units of the Greater Wenatchee project, Washington, and for other purposes, including an amendment to the title to read "to authorize the Secretary of the Interior to construct, operate, and maintain four units of the Greater Wenatchee division, Chief Joseph project, Washington, and for other purposes."

The principal amendment authorizes "to be appropriated for construction of the works provided for in section 1 of this act the sum of $10,280,000, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the type of construction involved herein. There are also authorized to be appropriated such sums as are necessary for operation and maintenance of said works."

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. JAVITS. Have these provisions been cleared with the minority?

Mr. JACKSON. Yes. They have been cleared all the way around.

Mr. JAVITS. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

The motion was agreed to.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gore	McNamara
Allott	Green	Monroney
Anderson	Hayden	Morse
Barrett	Hennings	Morton
Beall	Hickenlooper	Mundt
Bennett	Hill	Murray
Bible	Hoblitzell	Neuberger
Bricker	Holland	O'Mahoney
Bridges	Hruska	Pastore
Bush	Humphrey	Payne
Byrd	Ives	Potter
Capehart	Jackson	Proxmire
Carlson	Javits	Purtell
Carroll	Jenner	Robertson
Case, N. J.	Johnson, Tex.	Russell
Case, S. Dak.	Johnston, S. C.	Saltonstall
Church	Kefauver	Schoeppel
Clark	Kennedy	Smathers
Cooper	Kerr	Smith, Maine
Cotton	Knowland	Sparkman
Curtis	Kuchel	Stennis
Dirksen	Langer	Symington
Douglas	Long	Talmadge
Dworshak	Magnuson	Thurmond
Eastland	Malone	Watkins
Ellender	Mansfield	Wiley
Ervin	Martin, Iowa	Williams
Frear	Martin, Pa.	Yarborough
Goldwater	McClellan	Young

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Arkansas [Mr. FULBRIGHT], are absent on official business. The Senator from Ohio [Mr.

LAUSCHE] is absent because of a death in his family.

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BUTLER] is necessarily absent.

The Senator from Vermont [Mr. FLANDERS] and the Senator from Minnesota [Mr. THYE] are absent on official business.

The Senator from New Jersey [Mr. SMITH] and the Senator from West Virginia [Mr. REVERCOMB] also are absent on official business.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). A quorum is present.

ECONOMIC CONDITIONS AND THE COMMUNITY FACILITIES BILL

Mr. SPARKMAN. Mr. President, despite optimistic forecasts to the contrary, I have seen no real evidence that the end of this recession is in sight. The list of unemployed grows longer while the cost of living grows higher.

Each day's mail brings, in increasing numbers, stories of human tragedy, of fear, despair, and anxiety. And this, of course, is but a sample of the same repeated a thousandfold across the land.

Fortunately, Mr. President, the Senate has not been unmindful of our economic needs. It has responded promptly to those antirecession measures which have been proposed. Already the streamlined housing bill which I had the privilege to sponsor is having its effect; and soon the highway programs, expanded through the able leadership of the distinguished Senator from Tennessee [Mr. GORE], will bring increasing employment to all sections of the Nation. Were it not for the unfortunate veto of the President, I might also add the farmer and the farm economy to this list.

However, let us not recriminate, but be grateful. With the President's veto of the farm bill and the rivers and harbors bill, we can only be thankful that the housing and highway programs escaped unscathed.

The Congress will not sit still, Mr. President, as long as the line of the jobless grows longer.

I am hopeful, Mr. President, that the proposed community facilities bill, S. 3497, will soon become law. Immediately after the introduction of this bill by my good friend, the distinguished Senator from Arkansas [Mr. FULBRIGHT]—in which I was pleased to join with him—I wrote every municipality in Alabama to determine the need for community facility financing. In short order I received a tremendous response, the tenor of which I think every Member of the Senate will be interested in.

Accordingly, Mr. President, I have made a brief résumé of some of the responses I have received showing typical projects that would be built throughout the country, giving employment to tens of thousands of workers not now employed.

Mr. President, I ask unanimous consent that this résumé be printed in the RECORD immediately after my remarks.

There being no objection, the résumé was ordered to be printed in the RECORD, as follows:

ABBEVILLE	
Paving street and sidewalks	$75,000
Recreation	75,000
Sewer extensions and disposal	100,000
Rehabilitation and health	125,000
Airport	35,000
ALABASTER	
Sewer facilities	80,000
ALBERTVILLE	
Sewage treatment	150,000
School construction	1,000,000
ALTOONA	
Water system	75,000
Recreation building	25,000
ANDALUSIA	
Sewer lines	300,000
Sidewalk	50,000
Street paving	300,000
Storm sewers	50,000
Recreational facilities	60,000
ASHFORD	
Water system improvements	100,000
Sewage facilities	----------
ATHENS	
Sewage treatment	360,000
School construction	500,000
ATMORE	
Sewerage	----------
Gas and water extensions	----------
Disposal plant	----------
Street and sidewalks	----------
BESSEMER	
Paving and resurfacing	1,000,000
Sewerage	2,500,000
Schools	3,000,000
Hospital	2,000,000
Airport	1,000,000
Parks, swimming pool	1,500,000
BOAZ	
Extension to waterworks and sewage facilities	----------
BLOUNTSVILLE	
Expand water and sewage facilities	130,000
New townhall	40,000
CORDOVA	
Sewer project	125,000
Post office, city hall, and recreation facilities	250,000
CITRONELLE	
Water-facilities extension	170,000
Sewage-facilities extension	210,000
CLANTON	
Addition to city hall	50,000
Curb and gutter	35,000
Sidewalks	35,000
New street paving	25,000
Street resurfacing or resealing	10,000
Sewer-line extensions and improvements	20,000
Garbage disposal	10,000
Park and recreation	40,000
COLLINSVILLE	
Sewage system	140,000
COURTLAND	
Curb, gutter, and storm sewer projects	----------
DADEVILLE	
Hospital	----------
Sewerage treatment plant	----------
Expansion of present sewerage system	----------
Additional water treatment facilities	----------
Additional water mains and fire plugs	----------
City hall	----------
EAST BREWTON	
Expansion of sewage facilities	$250,000
Expansion of water system	75,000
Street paving	45,000
Recreational area, 40 acres	50,000
FAIRHOPE	
City pier	250,000
School recreational facilities	100,000
FOLEY	
Sewage treatment	125,000
Municipal buildings	250,000
GARDEN CITY	
Municipal building	40,000
Streets	20,000
TOWN OF GLENCOE	
Construction of a city hall	75,000
Extension of water works and sewer system	200,000
Street improvements	100,000
Construction of storm sewers	75,000
Dredging out Cove Creek to the Coosa River	30,000
Recreational facilities	50,000
School buildings	300,000
Sanitation facilities	30,000
Fire equipment	5,000
CITY OF HALEYVILLE	
Sewerage extension and construction	350,000
Improvement school facilities	150,000
City auditorium	50,000
Recreation	50,000
Health center	75,000
TOWN OF HANCEVILLE	
Water facilities and streets	100,000
CITY OF HUNTSVILLE	
Street and road construction	2,400,000
Bridge construction	360,000
Drainage structures	1,200,000
Sanitary sewer outfall mains	1,250,000
CITY OF IRONDALE	
Expansion of water system	----------
Streets	----------
CITY OF JASPER	
Repair work on existing facilities	80,000
Bridges	120,000
Expansion of sewage system	500,000
Public refuse and garbage facilities	50,000
City hall	500,000
Public schools	250,000
Sidewalk program	65,000
CITY OF LINDEN	
School buildings	400,000
Sewer extensions and disposal plant	300,000
Water extensions and well	40,000
Public hospital	375,000
TOWN OF MADISON	
Water system	----------
Curbs and gutters	----------
Playgrounds	----------
Sewage disposal	----------
TOWN OF OAKMAN	
Sewage facilities	170,000
TOWN OF ODENVILLE	
Water system	71,000
CITY OF ONEONTA	
Water and sewage facilities	1,180,000
Public recreation facilities	125,000
Garbage disposal facilities	25,000
Public streets	80,000
Fire protection facilities	35,000
TOWN OF ORRVILLE	
Water system	92,000
CITY OF OZARK	
School	----------
Recreational facilities	----------
Street improvement	----------

TOWN OF PARRISH	
School gymnasium and auditorium	$70,000
Water system	125,000
Sewage disposal	100,000
CITY OF PELL CITY	
Water system	45,000
Sanitary sewer system	355,000
CITY OF PIEDMONT	
Sewage treatment	
Street improvement	401,355
CITY OF RED BAY	
Streets	
School recreational facilities	
Library	
Sewage facilities	
TOWN OF REFORM	
New city hall	100,000
CITY OF RUSSELLVILLE	
New high school	600,000
Street improvements	100,000
Additional sewer system	75,000
Addition to city hall	100,000
Additions to water plant	100,000
CITY OF SAMSON	
Schools	
Streets	
Sewage system	
CITY OF SHEFFIELD	
A new fire station	35,000
Resurfacing of city streets, 14 miles	125,000
Northeast sewer district, pumping station and force mains	75,000
Sewage treatment plant	500,000
Storm sewer facilities	200,000
Proposed bridge across Georgia Avenue on 20th Avenue	25,000
School plants: (a) 1 junior high and 2 elementary schools	1,200,000
Paving of cemetery roads	15,000
Department of Recreation and Parks	50,000
CITY OF SYLACAUGA	
Sewage system	500,000
CITY OF THOMASVILLE	
Sewerage	225,000
Paving	125,000
Extension water system	80,000
TOWN OF TOWN CREEK	
Water system, capacity, 100,000 gallons	100,000
Sewage system, complete	75,000
TOWN OF TRAFFORD	
Street grading and drainage	40,000
Water plant extension	10,000
City hall	20,000
CITY OF TRUSSVILLE	
City hall (plans finished)	150,000
Fieldhouse	150,000
We are in the process of city planning; we are in need of sidewalks along the highway immediately	100,000
Garbage disposal facilities	100,000
We have talked of constructing a library	25,000
TOWN OF VALLEY HEAD	
Street paving and repair	
Expansion of water system	
Sidewalks	
Recreational facilities	
Sewage facilities	
TOWN OF WARRIOR	
Town hall	60,000
Swimming pool	30,000
Health clinic	50,000
THE TOWN OF WILTON	
Municipal building	60,000
Street and sidewalks	40,000
Filter plant	50,000
CITY OF WINFIELD	
Streets	$35,000
Sidewalks	10,000
Parking lot	15,000
Public refuse and garbage disposal facilities including sewage treatment plant	175,000
New fire equipment	10,000
Additional water supply	250,000
TOWN OF RAINBOW CITY	
Recreation building and swimming pool	100,000
Water tank	150,000
CITY OF SELMA	
Paving program	1,050,000

PETITION FROM OTTAWA, KANS., FAVORING S. 582, TO PROHIBIT THE TRANSPORTATION IN INTERSTATE COMMERCE OF ADVERTISING OF ALCOHOLIC BEVERAGES

Mr. CARLSON. Mr. President, I present a petition sent to me by Mrs. Mary C. Black, 736 South Sycamore, Ottawa, Kans., signed by 926 persons living in the vicinity of that city, favoring the enactment of the bill (S. 582) to prohibit the transportation in interstate commerce of advertising of alcoholic beverages. I ask unanimous consent that the petition may be printed in the RECORD.

There being no objection, the petition, without the signatures, was ordered to be printed in the RECORD, as follows:

Our homes, in common with millions of others in America, are being constantly invaded by liquor advertising. We urge you, for the sake of the younger generation, to use your power and influence to obtain passage of S. 582, to prohibit in interstate commerce and over the air the transportation of alcoholic-beverage advertising.

EMPLOYEE WELFARE AND PENSION BENEFIT PLANS

The Senate resumed the consideration of the bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans.

Mr. KENNEDY. Mr. President, the Senate is now considering an amendment offered by the Senator from Colorado [Mr. ALLOTT] which, in my opinion, would gut this bill. If accepted, it would really make the bill useless. It would have the effect of exempting plans covering at least 90 percent of the employees, which is the whole object of the bill.

If Members of the Senate desire to defeat the bill, they should do so, but they should not be under any illusions. If they accept the amendment of the Senator from Colorado, this bill is, for all practical purposes, dead. Therefore, any Member of the Senate who believes in disclosure, who believes a beneficiary of the program is entitled to this information, who believes that the pension program is a form of deferred wages, who believes it is a form of benefit to be added to an employee's working career or a benefit which he may receive while ill or unemployed, he should vote against the amendment. If any Member of the Senate thinks an employee is not entitled to such information, then he should vote for the amendment of the Senator from Colorado.

But if Senators believe in this bill, which the administration has strongly supported and which has had the bipartisan support of Senators, including the support of the Senator from New York [Mr. IVES], and if Senators believe in disclosure and believe in the employees having a right to the information in question, they should definitely vote against the amendment of the Senator from Colorado.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. KENNEDY. I yield.

Mr. LONG. Can the Senator explain briefly why the amendment would kill the bill?

Mr. KENNEDY. It would kill the bill because it would exempt all of the so-called level-of-benefit plans, which are about 90 percent of the plans.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the Allott amendment.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, I am very hopeful the bill will be passed. The bill represents a major step forward, and in the long run it will be in the interest of the employees, the employers, and the Government. I hope the Senate will adopt the bill as it stands and will reject the amendment of the Senator from Colorado.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. GOLDWATER. I should like to ask the chairman of the subcommittee how many wrong acts were discovered with reference to the 90 percent which the amendment would exempt?

Mr. KENNEDY. The Senator from Illinois [Mr. DOUGLAS] discussed that question in his address of last night. The Senator indicated that the major part of the investigation was conducted with respect to the Taft-Hartley type of joint plans, but when the subcommittee began to move into the field at the end there was found some evidence of mishandling of these funds.

I would say to the Senator from Arizona that even if the subcommittee headed by the Senator from Illinois [Mr. DOUGLAS] and the Senator from New York [Mr. IVES] did not turn up many examples of misuse of these funds, it was chiefly because they did not investigate these funds; they were investigating primarily the joint plans.

I think we can consider that the bill is essential on the merits of the issue, whether abuse is unveiled or not. I think it is not adverse to the interests of any employer to report exactly what he has in the bank in order to meet his obligation under a pension or welfare plan. That is what the bill finally comes down to.

Does the Senator believe it would be mistreating the employer or making an excessive demand upon him to ask him to file a report with the Secretary of Labor giving the details of his program?

Mr. GOLDWATER. Mr. President, will the Senator further yield?

Mr. KENNEDY. I yield.

Mr. GOLDWATER. Frankly, I am a little surprised to hear my colleague, the Senator from Massachusetts, say that we should consider the merits of the bill, when there has not even been an adequate investigation of the field, by the Senator's own admission. The record itself, I think, discloses one or two cases of investigation in the level-of-benefit field. I think the Senate is acting very unwisely in even considering a bill which has not had a full investigation.

Mr. KENNEDY. The Senator from Arizona knows that we have had voluminous reports on the matters covered in the bill. We have permitted representatives of the employers, the union organizations, the employees, the actuaries, the insurance companies, and the banks, all to come in and testify.

In my opinion, the real point is that most employers have nothing to hide. Therefore, all we are asking from them is a general report which will give some information to the beneficiaries of these plans which is not being given today. It seems to me that if any employer is doing the right thing by his employees, he should be very glad to report it to the Government and to disclose what he is doing. I should think the employer would be happy to have that done, instead of feeling that he can operate completely in the dark and do exactly what he wants to do with his funds, which is the case today.

Mr. GOLDWATER. Mr. President, that is not the exact case.

The PRESIDING OFFICER. The Senate will be in order, please.

Mr. GOLDWATER. Ninety percent of these funds are already reporting to the United States Government, and in most cases they are reporting not only to 1 agency, but are reporting to 2 agencies, and they are also reporting to State agencies. I do not know of a more thorough reporting than these funds we are now discussing are involved in.

Mr. KENNEDY. The Senator from Arizona and I have engaged in the argument about whether the reports which all businesses must make to the Internal Revenue Service are the same type of report, and we have also discussed the fact that the Internal Revenue Service accepts these plans on a different basis. The question is, Does that give sufficient protection to the beneficiaries? Does that give sufficient publicity to them, so that the beneficiaries are informed as to the details of the pension plans?

As the Senator knows, the Internal Revenue Service made it quite clear in its letter, which is printed beginning at page 493 of the report I have in my hand, that the Service did not think its responsibility in this field was wide enough to encompass the purposes for which the legislation was brought forward.

Mr. GOLDWATER and Mr. IVES addressed the Chair.

Mr. KENNEDY. I shall yield further to the Senator from Arizona, and then I shall yield to the Senator from New York [Mr. IVES].

Mr. GOLDWATER. Mr. President, I merely wish to point out that if a proper investigation had been made as to the 90 percent of the funds which we are discussing, the committee would have discovered that the State agencies give adequate protection in this area, and the State is the proper regulatory body as to disclosure with regard to such funds.

The State of the Senator from Massachusetts is 1 of 6 States which regulate such funds. The State of the Senator from Massachusetts is the only State which does not exclude the level-of-benefit fund.

Mr. KENNEDY. That is one of the reasons for consideration of the legislation. As the Senator knows, there are six States which give some protection as to disclosure with respect to some plans. Massachusetts is the only State which includes all plans.

I am convinced that this is an entirely new field, and the States are going to move into the field exactly as Massachusetts and five other States have done. It seems to me we shall make it far easier for the companies if we provide one uniform disclosure act. Otherwise the large companies, which do business in many States, will be at the mercy of all the States, which will write different laws requiring different disclosures.

Mr. GOLDWATER. Mr. President, I wish to conclude this colloquy with the Senator from Massachusetts, because I know the Senator desires to yield to the Senator from New York [Mr. IVES].

However, I am frankly amazed that the United States Senate would consider a measure which is so important and so far reaching as is this measure, which would give to the unions information they have not been able to obtain at the bargaining table, when the bill has not been thoroughly investigated by a Senate committee in regard to 90 percent of the funds and when we admit that there has been no disclosure of wrongdoing as to those funds. I am amazed that we should want to cut off our arm to cure a little sore finger.

Mr. KENNEDY. I yield now to the Senator from New York [Mr. IVES].

Mr. GOLDWATER. I have not heard an answer from the chairman of the subcommittee as to why he wants to press legislation of such importance without adequate hearings on the subject.

Mr. KENNEDY. The Senator is completely mistaken as to the facts.

Mr. GOLDWATER. No; the Senator is not.

Mr. KENNEDY. We have had voluminous hearings on the subject. I have before me a copy of the hearings on this legislation held last year. This whole book is a record of the hearings.

Mr. IVES. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. IVES. In the first place, I should like to ask the distinguished Senator from Massachusetts a question. Is it not a fact that all of the information which is possessed by the Internal Revenue Service is confidential and not open to public inspection?

Mr. KENNEDY. The Senator is correct.

Mr. IVES. How could such information be inspected?

Mr. KENNEDY. It could not be.

Mr. IVES. It could not be inspected unless we should enact a law providing for the inspection of such information. If we did that, would it be in the proper form? I doubt it very much.

We explored that question very thoroughly in the committee hearings, and we came to the conclusion that such was not the proper approach.

Mr. KENNEDY. I think we came to that conclusion with the support of the Internal Revenue Service, which clearly said the Service was not competent to deal with this program.

Mr. IVES. They do not want it.

Mr. KENNEDY. They do not want it.

Mr. IVES. They told us so. I asked all of the witnesses whether the Internal Revenue Service wanted the program, and they said the Service was not qualified to handle it and that they had more work than they could handle now, in substance. The Senator will remember that.

In the next place, although we have learned about only 1 or 2 or perhaps 3 funds which have gone wrong in this field, that does not mean that others have not gone wrong or cannot go wrong. Might there not be theft or larceny of one kind or another in connection with such funds? I know of no reason why there cannot be.

I wish to say to my good friend, the Senator from Arizona, that I do not think it is necessary to investigate fully and completely all these questions. We know that the distinguished Senator from Colorado is proposing that 90 percent of the plans not be included, yet is it fair to all to have any funds exempt in this entire field? The position of the Secretary of Labor, which I think is utterly sound, is that none should be exempt. The Secretary does not even approve of the 100-man exemption which is in S. 2888. We made that concession so that the bill would be workable. We must have something which is workable. I point out that such an exemption would greatly reduce the cost of administration of the program.

I cannot follow the reasoning of the Senator at all. I do not think it is a sound approach.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. IVES. The Senator does not have to have a hearing to know what is obvious.

Mr. GOLDWATER. Mr. President, I never thought I would hear the distinguished Senator from New York say that we could legislate without a proper hearing.

Mr. IVES. I did not say that. We have had complete hearings and a proper investigation.

Mr. GOLDWATER. We have learned of 2 cases out of 42,000 in which the fund went wrong.

Mr. IVES. There is one exception. We have talked about the insurance companies not being subject to the provisions of the legislation, but we have

one exception in the State of New York, which was uncovered. The Senator from Colorado will remember that item. The Security Mutual case was uncovered in the State of New York. I think the Senator from Illinois brought up that subject yesterday in his remarks.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. IVES. I do not have the floor. The Senator from Massachusetts has the floor.

Mr. KENNEDY. I shall be glad to yield if the Senator from New York has concluded.

Mr. IVES. No; I have not. I wish to point out what happened.

Mr. KENNEDY. I shall be glad to yield for the purpose of permitting the Senator from New York to inform the Senator from Colorado, provided I do not lose the floor.

Mr. IVES. Was the Senator from Colorado present when the Senator from Illinois cited a certain case yesterday afternoon?

Mr. ALLOTT. Which one was that?

Mr. IVES. The case involving the Mutual Security Life Insurance Co., of Binghamton, N. Y. In that case the executive vice president skipped to California. That case was governed by the insurance laws of the State of New York; and the insurance laws of the State of New York are pretty sound laws. I do not say that they are the best in the country, but they are pretty good. They are recognized as such.

Mr. ALLOTT. Let me say to the Senator from New York that the committee cannot take credit for uncovering that case. The insurance commission of New York was really the agency which uncovered that case in the first place.

Mr. IVES. They did nothing about it.

Mr. ALLOTT. Oh, yes, they did. Prior to the time the Senator's committee was functioning, the Insurance Commission of New York did something about it. They were the ones who had already gotten on top of Mr. Wicks, and stopped the excessive commissions going to Mr. Saperstein from the insurance company.

Mr. IVES. After it had been going on for a long time.

Mr. ALLOTT. Actually it had not.

The Senator's own committee did not start to function until 1953, if I recall correctly.

Mr. IVES. Nineteen hundred and fifty-four.

Mr. ALLOTT. The fund itself operated from 1951 to 1953, so it had operated for only 2 or 2½ years before the Senator's committee started to function. The State insurance agency, or commission, in New York focused attention upon that situation.

Mr. IVES. I understand all that. However, the fact still remains that the culprits got away with a great deal under the administration of the State of New York during that period of time.

Mr. ALLOTT. That was the formative stage in this entire area. Hardly anyone knew very much about the subject.

The Senator cannot claim on the one hand that he did not investigate the level-of-benefit type of plan, and then ask the legislature, on the other hand, to place restrictive and expensive legislation on 90 percent of all funds, when it has not been shown that any need exists. I still say that no need has been shown to ask for registration or reporting of the level of benefit plans. If there is any such need, and if it is shown by the hearings, I should like to have it pointed out to me.

Mr. KENNEDY. Mr. President, has the Senator from New York concluded?

Mr. IVES. No; I wish to answer the Senator from Colorado.

I think there is a need. I think there is no question that there is a need. I think the Senator from Massachusetts has covered that need. I think the Senator from Illinois covered it pretty thoroughly yesterday, and I tried to do so today.

Mr. ALLOTT. I have before me a copy of the hearings——

Mr. IVES. What I am talking about has nothing to do with the hearings. It is a matter of principle.

Mr. ALLOTT. I am talking about principle too.

Mr. IVES. I am talking primarily about principle. If anyone is to report, everyone should report who can report and still leave the plan workable.

Mr. ALLOTT. That is what the Senator believes.

Mr. IVES. That is what I believe.

Mr. ALLOTT. There is no need shown in the hearings. One can peruse the hearings from one end to the other, and not find it.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. COOPER. As a member of the full committee, I had to make up my mind on this question, as did other members.

Let me say, particularly to my lawyer friends in the Chamber, that I think there is a principle involved which I have not heard discussed in the debate.

What is the basis for placing these funds under the supervision of the Secretary of Labor? Is it upon the basis that in a certain class there have been more abuses than in another class? I should say not. The basis is that the people who operate these funds, whether they are employers or whether they are union officials, or whether the funds are jointly managed, are fiduciaries. They are in the legal position—at least we would place them in such a position by this legislation—of trustees or fiduciaries.

I should certainly say that on any basis of law, when fiduciaries are required to report, we do not make any exceptions as to classes. All are required to report. I do not think we can decide this question upon the basis that in a certain class there have been more abuses than in some other class. Thus far the abuses which have been developed have been by union officials. However, the principle of responsibility on the part of a fiduciary applies to all of them.

I do not see how we can get around that legal principle. I should like to hear some comment on that subject from my friends who are learned in the law.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. KNOWLAND rose.

Mr. KENNEDY. Is the Senator from California seeking recognition?

Mr. KNOWLAND. I should like to be recognized for half a minute.

Mr. KENNEDY. I am glad to yield, provided I do not lose the floor.

Mr. KNOWLAND. Of course.

Mr. President, for the information of the Senate, the following release was issued this afternoon from the Department of Labor, by James P. Mitchell, Secretary of Labor:

Secretary of Labor James P. Mitchell today made the following statement:

"In January the President submitted to Congress a comprehensive legislative program to protect the rights of individual workers, the public, and management, and unions in labor-management relations. The Senate is now debating one piece of the administation's total package, a bill (S. 2888) to safeguard the health, welfare and pension funds of American workers.

"While this bill is generally acceptable to the administration, it is by no means enough to give adequate protection to American workers against the corruption and abuses of trust and power which have been disclosed in the labor-management field.

"At present a number of amendments to S. 2888, going far beyond the regulation of health, welfare, and pension funds, will be debated in the Senate. Thus, in effect, the Senate is considering the subject matter of the total administration program. In view of this fact and the President's earnest desire for the passage of his total legislative program in this area, the administration urges the Senate to adopt these proposals which have been made by Senator SMITH of New Jersey."

The Senator from New Jersey intends to offer a series of amendments. They are incorporated in individual bills which he has previously introduced. I refer to Senate bills 3097, 3098, and 3099.

I thank the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I am astonished at the suggestion of the Secretary of Labor. He was given an opportunity, before the Easter recess, to come before the committee and testify with respect to his legislative proposals. The head of the AFL–CIO was also given an opportunity to be heard. The hearings began 1 day after the Senator from Arkansas [Mr. MCCLELLAN] submitted the report from his committee dealing with the first year's work.

The Senator from Arkansas [Mr. MCCLELLAN] did not introduce his bill, based upon the first year's work of his committee, until last week. The Secretary of Labor wishes to have his measures considered without affording an opportunity to the business community to come in and discuss them.

The proposals are far reaching. They not only deal with the recommendations of the McClellan committee, but they propose substantial changes in the Taft-Hartley Act itself.

Are these proposals to be considered on the floor before the subcommittee of the Committee on Labor and Public Welfare concludes its hearings?

I think it is an extraordinary action on the part of the Secretary of Labor to deny to others a privilege which he claims for himself. The Secretary testified before our committee. There was one other witness, Mr. Meany.

The Senate then took its Easter recess. It was made clear that we desired to continue the hearings. The committee has not even had an opportunity to consider other proposals, including the one of the Senator from Arkansas [Mr. McCLELLAN]. I think the Secretary of Labor has taken an extraordinary attitude.

Mr. IVES. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. IVES. I should like to ask a question which I think will tend to clarify the situation.

I think there is some reticence on the part of some Members of the Senate on this side of the aisle to vote against any of the proposed amendments, aside from the one proposed by the Senator from Colorado, which deals strictly with the bill, or any others which deal strictly with the bill, unless Senators are assured that the hearings to which the Senator from Massachusetts refers are to be held, and unless they know that our committee is going to report out legislation dealing with these subjects. I believe they should receive such assurance. I should like to have the Senator from Massachusetts give that assurance, so that there will be no question about it. I am sure that if they had the assurance that within a reasonable time there would be before the Senate bills on which the committee agrees—and all of us have programs in mind—we would have a different situation. As I say, all of us have programs in mind. The Senator from Massachusetts has one, and I have one.

I should also say that if one of my own bills were before us in the form of an amendment to the pending bill, I would vote against it. I would vote against it because it has no place here. I cannot answer for anyone else, but I want to make sure that hearings will be held and that there will be reported to the Senate proposed legislation which will receive floor action, so that we may have an opportunity to vote on some bills.

Mr. KENNEDY. It is clear that the committee headed by the distinguished Senator from Arkansas [Mr. McCLELLAN] made its report on Monday, March 24, and that our subcommittee began to hold hearings very shortly thereafter, on Wednesday, March 26, and that we could not have acted any more promptly. The Senator from Arkansas, who has done such great work with his committee, did not introduce his bill, dealing with the first year's survey of the McCLELLAN committee, until last week.

I can assure the Senate that we are going ahead with the hearings and that we shall continue those hearings a week from Monday. I expect that they will take perhaps no more than 3 weeks. In my opinion, proposed legislation will come from the committee on these subjects, and will be reported to the floor of the Senate. That is my complete intention, and I believe it is also the intention of most of the members of the committee. Of course there may be some question as to what particular form the proposed legislation should take, but there is no disagreement—and I know that the Senator from Alabama [Mr. HILL] agrees—that we will give the subject a thorough hearing and that we will report proposed legislation to the Senate.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. KNOWLAND. I should like to say to the distinguished Senator from Massachusetts that, of course, I am glad to hear the Senator say that the subcommittee will go ahead with the hearings. I understand that, so far, since the administration bill was introduced and since other bills dealing with the same subject were introduced, there have been only 2 days of hearings, 1 on March 26 and 1 on March 27. It seems to me that the Senate should have an assurance beyond the mere statement that hearings will be held on some unnamed date and that a bill will be reported to the Senate.

I call attention to the fact, also, that both major political parties, in national conventions, made a solemn covenant with the people of this country and pledged their support to statehood for Alaska and for Hawaii, and that bills on those subjects have been reported by the appropriate legislative committee, namely, the Committee on Interior and Insular Affairs. The Alaska statehood bill, which is S. 49, has been on the calendar since August 29, 1957, and the Hawaii statehood bill, S. 50, has been on the calendar since the same day, August 29, 1957. Both bills have rusticated on the calendar since that time, and no action whatever has been taken on them.

Therefore, I should like to know whether the Senator from Massachusetts can give us any assurance as to when the bills he has reference to, if reported, will be called up in the Senate, so that we have an opportunity, at least, to give the 96 representatives of the 48 States of the Union an opportunity to vote on this very important policy question.

Mr. KENNEDY. In spite of my high regard for the distinguished Senator from California, I will not accept the charge that the subcommittee which I head has been tardy in any way. In fact, the Senator from Massachusetts has come in for some criticism for holding hearings so quickly after the McClellan report was filed.

The Senate took its Easter recess, and by the following Tuesday or Wednesday many Members had left town. Some had already left the previous Friday. The McClellan committee held an important hearing in Philadelphia, and four members of the committee participated in that hearing.

It is my intention to the utmost—and I pledge myself to it—to continue hearings beginning a week from Monday. It is my judgment that the hearings will not take more than 3 weeks.

It is my hope that we in the committee will be able to reach agreement on the proposed legislation that should be reported. The bill before us covers only 1 of the 5 areas of the recommendations made by the chairman of the committee, the Senator from Arkansas [Mr. McCLELLAN], namely, the disclosure of pension and welfare plans.

This proposed legislation, in a sense, antedates the McClellan committee, but that committee gave new emphasis and new stimulus to it. We are moving on 1 of the 5 areas set out by the McClellan committee.

I intend to look into all the other areas, and intend to report to the Senate such legislation as is needed. That does not mean that everyone will agree on what type of legislation will be needed, but at least some proposed legislation will be reported to the Senate.

Mr. HILL. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. HILL. The Senator from Massachusetts previously stated to me exactly what he has now stated to the Senate, and that is that he and his subcommittee will proceed expeditiously to hold hearings on the labor bills, and then expeditiously to report a bill to the full committee. I wish to say to the Senate, as chairman of the full committee—as I have said to the distinguished Senator from Massachusetts, the chairman of the subcommittee—that as soon as his subcommittee is ready to report a bill, we will have a meeting of the full committee, and the full committee will act expeditiously to bring that bill to the floor of the Senate.

Our distinguished majority leader had an urgent call to attend to off the floor of the Senate. When he returns I am sure he will speak for himself, but I know that the majority leader has assured the distinguished Senator from Massachusetts, the chairman of the subcommittee, and has assured the senior Senator from Alabama, the chairman of the full committee, that when such proposed legislation is reported to the Senate, the majority leader will see to it that that proposed legislation receives the expeditious consideration of the Senate.

Mr. KENNEDY. I thank the Senator.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield to the Senator from Oregon.

Mr. MORSE. As a member of the subcommittee, I should like to say that the chairman of the subcommittee completely expresses my views in regard to the duty of the subcommittee to proceed with hearings, as the chairman of the subcommittee has been proceeding with hearings. I believe he has been proceeding with hearings in all haste. I believe he should receive the commendation of the Senate for the course of action he has followed, instead of implied criticism, because he does not have bills before the Senate at the present time.

I wish to say one word further. I believe we are demonstrating again tonight the inadvisability of passing legislation on the floor of the Senate as a Committee of the Whole. I believe all Senators know my point of view on that subject.

I do not intend to reopen it at any length at this time.

Committee procedures, in my judgment, are vital to sound legislative processes in the Senate. This proposed legislation should be handled by the committee.

I should like to state this hypothetically, because I do not believe that it is a reality which will come to pass. However, I wish to say that if the Committee on Labor and Public Welfare does not proceed to report a bill to the Senate or does not report to the Senate adversely bills that have been submitted to it, by not later than June 10 of this year, I myself, as a member of the committee, will move to discharge the committee from further consideration of such bills. I say that because I shall never support, as a member of a committee, a bottling-up process. If some Senators are worried about a bottling-up process, they have an opportunity, so far as the Senator from Oregon is concerned, to vote at least on the procedural motion to discharge the committee.

I am satisfied that what we now have before the Senate as a result of the strategy that is being used on the floor of the Senate is the question as to whether we wish to place confidence in the Committee on Labor and Public Welfare. If we do not place such confidence in the committee, let us get another committee. As a member of that committee, I say that Senators have no justification for not placing confidence in that committee and in the able leadership of the chairman of the committee, the Senator from Alabama [Mr. HILL], and in the able leadership of the chairman of the subcommittee, the Senator from Massachusetts [Mr. KENNEDY]. What we would be doing, if we were to use the proposed procedure, would be undermining and undercutting the Committee on Labor and Public Welfare, and, in my judgment, doing an injustice to it.

All I can say is what I have said already as to my position, and what that position as a member of the committee is. I am satisfied that under the leadership of the Senator from Alabama and the Senator from Massachusetts we will get a bill to the floor of the Senate.

If we do not get it by June 10, I shall make a motion to discharge the committee.

Mr. KENNEDY. That is a very fair statement.

Mr. IVES. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. IVES. Speaking for myself, I wish to say that I did not submit my program as a joke. I intend to support it. I do not know whether the committee will see fit to report any of my bills, but I assume that the committee will reach the conclusion that the committee thinks is the best conclusion. If I am not satisfied with that conclusion, I shall offer one or the other or all of my bills as a substitute for what is reported by the committee.

I assume—in fact, I know—the same thing can be done by every Senator. This applies also to the program of the minority leader, the distinguished Senator from California [Mr. KNOWLAND].

I am sure that with the assurances of the Senator from Massachusetts and the distinguished chairman of the committee [Mr. HILL], all of us can afford to go along and handle this question in the regular fashion.

As I said earlier in my remarks, if one of my bills were to be taken up in this way as an amendment to the bill under consideration, I would oppose it and vote against it.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. GOLDWATER. I am glad to hear the utterances which have been made; but I believe firmly that "What is past is prologue." In 1952, both major parties favored, as a part of their platforms, amendments to the Taft-Hartley Act. In 1956, the same promise was made in varying degrees by both parties.

Unless the distinguished chairman of the subcommittee wishes to call the two hearings held prior to the recess hearings on the Taft-Hartley amendments, there have not been, to my recollection, any hearings on the Taft-Hartley Act since 1953.

I have introduced three bills: One to remove the non-Communist oath; one with respect to economic strikers, to allow them to vote; and one on States rights. These bills have been introduced since the opening day of the 85th Congress. There has not been one hearing on them.

My opinion is that this is the only opportunity the Senate will have to vote on proposed legislation this year. We have another question to consider, and this, again, comes from the majority party in the House. I understand that the House Committee on Education and Labor has voted not to consider any amendment to the Taft-Hartley Act this year.

So again, with all due respect to the Senator from Alabama and the Senator from Massachusetts, I think this is the only opportunity the Senate will have to vote on proposed legislation in which the people of America are vitally interested. If we do not vote on it, I think we shall be rightly condemned by the people, who are becoming fed up with what they have been hearing about some of the union leaders of the Nation.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. CASE of South Dakota. If anything has been learned, or should have been learned, from the history of labor legislation in Congress in recent years, it is that legislation dealing with labor organizations should be evenhanded. Legislation dealing with employee-management relationships should be evenhanded.

A few Senators may recall that in 1946 the junior Senator from South Dakota was much interested in labor legislation and sponsored a bill which was passed by Congress but was vetoed by the President. The bill sought to establish evenhanded treatment, so far as the Wagner Act was concerned. Students of labor legislation will recall that the Wagner Act originally contained a bill of particulars concerning unfair labor practices on the part of management; but many Members of Congress felt that, to be evenhanded, there should also be a table or a catalog of unfair labor practices on the part of labor, if such practices existed. The basis for the so-called labor bill in 1946 was to seek to make labor legislation evenhanded.

If we intend to deal with possible unfair practices on the part of labor or management, we should also deal with such practices on the other side. I say this because something has been said about principle in labor legislation. It is my conviction, based upon my experience in 1946, and based also upon my observations of the operations of the Taft-Hartley Act, after the earlier bill had been vetoed, that to be effective and to command confidence, labor legislation must treat all parties alike.

Therefore, on that basis and principle, I should oppose the pending amendment, because it seems to me that the reports of welfare funds should be subjected to the same treatment.

I myself think that the so-called non-Communist affidavit in the Taft-Hartley Act would have worked better, and the act as a whole would have received, generally, better public acceptance, if the same oath had been required of management as was required of labor organizations or leaders of labor organizations.

Therefore, in this instance, I think the same rule should apply to all types of welfare funds which grow out of the employer-employee relationship.

Mr. KENNEDY. I thank the Senator from South Dakota.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield to the Senator from Nebraska.

Mr. CURTIS. I thank the Senator from Massachusetts. I feel very strongly that this will be our only opportunity to enact much needed legislation in the field of labor and management. I have a proposal dealing with secondary boycotts. It was introduced prior to the formation of the McClellan committee. As a matter of fact, I introduced the bill in the previous Congress. I have urged that hearings be held on my proposal. I have spoken about it on the floor and have done everything else I could to have it considered. I am thoroughly convinced that the only opportunity to have it considered is as an amendment to S. 2888.

My bill deals with a situation which is very serious. It concerns abuses which are unfair to working people. It deals with abuses which have put a number of small businesses completely out of business. It deals with abuses which are most unfair to consumers.

I would be unfair to the people I represent and to the people involved in these transactions if I took any attitude other than that appropriate amendments in the field of labor and management should be considered now, because past experience has proved that this will be our only opportunity to get any legislation concerning these much needed situations.

I thank the Senator from Massachusetts.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. KNOWLAND. I commend the committee for having reported a bill which goes this far. It so happens that I am supporting the position of the committee concerning this particular phase of the problem.

But the fact remains that the President of the United States has made a number of recommendations in the field of labor relations. Many bills on this subject have been introduced by Senators on both sides of the aisle. I know of the interest of the distinguished Senator from Massachusetts in this subject. But in spite of the interim recommendations of the McClellan committee, which Senators have read and which, I am sure, the people of the country as a whole have read with great interest, the only piece of proposed legislation which has been reported by the committee to date happens to be one—and it may be sheer coincidence—which the labor organizations have been seeking to have enacted.

I do not blame the labor organizations for this. I think there is justification for legislation in that field, and I shall support it. But I call attention to the fact that in the hearings before the Subcommittee on Labor on March 27, page 146, the distinguished president of the American Federation of Labor-Congress of Industrial Organizations, Mr. George Meany, was present. I have high regard for Mr. Meany. I think he is a labor statesman. I think that in the field of foreign policy he has been very sound—far more sound, in many respects, than many persons now in Government or who have previously been in Government have been. Mr. Meany rendered distinguished service to his country as a member of the United States delegation to the United Nations. But, after Mr. Meany's testimony, the distinguished Senator from Massachusetts, speaking to Mr. Meany, said:

> Looking through your suggestions, you have opposed, it seems to me, every legislative proposal that has been put forward before the subcommittee—

Except, of course, the one bill which labor itself favors. I have no complaint about that, except that it seems to me that, since the bill is before the Senate, having been reported by the Committee on Labor and Public Welfare, and since we have the background and experience of the difficulty of getting anything of this nature to the floor, some of us who feel very deeply on the subject would be remiss in fulfilling our obligations if we did not attempt to secure the protection which we feel is needed for the rank and file of the union membership who are experiencing some of the abuses which have been clearly demonstrated before the McClellan committee and at other places.

So we believe we are amply justified in submitting these questions to the Senate and in having the Senate vote on them.

I regret to say that I believe this is the best opportunity the Senate will have at this session to pass, and have enacted, any proposed legislation on this subject.

Mr. YOUNG. Mr. President, will the Senator from Massachusetts yield to me?

Mr. KENNEDY. I yield.

Mr. YOUNG. Mr. President, I appreciate the courtesy of the distinguished Senator from Massachusetts in yielding to me.

Let me say that I voted for the Taft-Hartley Act, and I believe my vote on it was a good one. If I had that opportunity again, I would vote as I did then.

But I believe the Taft-Hartley Act needs amendment.

On the other hand, more than 25 amendments have been submitted to the pending bill, and those amendments involve very intricate technical problems with which not many Members of the Senate are particularly well acquainted.

I do not feel qualified to vote on amendments of such far-reaching consequences as the ones which have been before the Senate for only two or three days. I may vote for some of the amendments, and I should like to vote for a great many more, and I probably would if they came before the Senate in the form of a regular bill.

But in the present situation, I feel compelled to vote against most, if not all, of these amendments.

Mr. MANSFIELD. Mr. President, will the Senator from Massachusetts yield to me?

Mr. KENNEDY. I yield.

Mr. MANSFIELD. Mr. President, the Senator from Massachusetts has already given his word, has he not, that he intends to have his committee hold hearings on many of these measures, and that he intends to report them to the Senate, on the basis of the committee's recommendations, in the form of legislation, within a reasonable time.

Mr. KENNEDY. Yes.

Mr. MANSFIELD. Furthermore, as I recall the colloquy between the Senator from Massachusetts, the chairman of the subcommittee, and another member of the Committee on Labor and Public Welfare, that was the Senator's position at that time.

So it is not the intent of the Senator from Massachusetts, is it, to sidetrack this subject? Instead, I understand that it is his intention to have the Senate pass on these questions—including the ones before the committee—on the basis of their merits.

Mr. KENNEDY. Yes. I repeat that we did not receive the recommendations of the McClellan committee until March 23 or March 24. We began the hearing one day later, and we announced that we would hold hearings beginning a week from Monday.

In addition, the Senator from Oregon has stated very specifically that if a bill on this subject is not brought to the floor—and let me say that such a bill might, of course, be unsatisfactory to many Senators, but at least it was stated that a bill dealing with one subject involved in the hearings will come to the floor—he will move to have the committee discharged from the further consideration of this matter.

So it seems to me that if on the 10th of June, or before then, we report the bill to the Senate, the Senator will have an opportunity to offer his amendments, and then to have the Senate act on them.

On the other hand, in view of the questions involved, and inasmuch as many of them relate to amendment of the Taft-Hartley Act, I believe it would be a great mistake for the Senate to act on these amendments at this time, before the committee has considered them.

Therefore, I hope the bill will be passed without the adoption of these crippling amendments or the amendments referred to by the Secretary of Labor.

Mr. President, at this time I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gore	McNamara
Allott	Green	Monroney
Anderson	Hayden	Morse
Barrett	Hennings	Morton
Beall	Hickenlooper	Mundt
Bennett	Hill	Murray
Bible	Hoblitzell	Neuberger
Bricker	Holland	O'Mahoney
Bridges	Hruska	Pastore
Bush	Humphrey	Payne
Byrd	Ives	Potter
Capehart	Jackson	Proxmire
Carlson	Javits	Purtell
Carroll	Jenner	Robertson
Case, N. J.	Johnson, Tex.	Russell
Case, S. Dak.	Johnston, S. C.	Saltonstall
Church	Kefauver	Schoeppel
Clark	Kennedy	Smathers
Cooper	Kerr	Smith, Maine
Cotton	Knowland	Sparkman
Curtis	Kuchel	Stennis
Dirksen	Langer	Symington
Douglas	Long	Talmadge
Dworshak	Magnuson	Thurmond
Eastland	Malone	Watkins
Ellender	Mansfield	Wiley
Ervin	Martin, Iowa	Williams
Frear	Martin, Pa.	Yarborough
Goldwater	McClellan	Young

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment of the Senator from Colorado [Mr. ALLOTT]. On this question, the yeas and nays have been ordered.

Mr. ALLOTT. Mr. President, at this time I should like to address the Senate for only a few moments in regard to the pending question.

As I stated when the debate on this question began, I believed there would be a general tendency to proceed, by means of slogans, to have the bill in its present form passed.

Mr. President, it is not without a great deal of hesitancy that, after working with such leaders as the Senator from New York and the Senator from Illinois over a period of years, in connection with the consideration of such a bill, I reach a conclusion different from the one they have reached.

At this point in the consideration of the bill and the pending amendment, now that the Senate is about to vote on the amendment, I wish to state to the Senate that I firmly believe the pending bill provides only a slapdash approach to this problem.

The pending bill will not cure the irregularities which have occurred under the Taft-Hartley Act. Of course, this afternoon I have discussed many of those irregularities. I have stated to the Senate why not one person in the United

States has been convicted, under the provisions of the Taft-Hartley Act, for wrongdoing in connection with the matters to which we have referred. Certainly the pending bill will not cure those difficulties. Furthermore, certainly no measure which would amend the Taft-Hartley Act in such respects has been acted on favorably by the Senate. So we cannot avoid that problem.

In my participation in the debate this afternoon—and I proceeded for approximately 4 hours—my purpose was to lay before the Senate the individual problems which have arisen in connection with the administration of these funds.

I say in all sincerity that the pending bill would not stop those evils. Inasmuch as it would not stop them, I cannot vote for the bill in its present form, for, if I were to vote for the bill in its present form, I would not be able to say to my constituents in Colorado—to the workers of Colorado—or to the workers of the rest of the United States, that I had voted for a measure which would be of assistance and value to them.

The bill as it now stands would not do for the workers of the United States what it should do. It would not do so, any more than the present Taft-Hartley Act does, nor any more than the reports made by the unions, under the present provisions of the Taft-Hartley Act, to the Department of Labor have stopped the abuses the McClellan committee found.

I wish to say to my friend, the Senator from Kentucky, who made the inquiry—and it deserves to be answered—that, as regards the Supreme Court case—and, Mr. President, although the chairman of the subcommittee has stated that that case does not affect this issue, yet it does affect it; and I make this statement for the information of Senators who wonder about the question of fiduciary relationships—that that question was not raised until the last few monthhs, when an effort was made by some to ascertain a way to prevent taking the more logical approach which I have taken.

It was raised then because it was the one thing upon which they could pin their hopes.

The Supreme Court has very well said:

> A fiduciary relationship connotes a relation of trust as the basis of obligation of the one and of security for the protection of the right of the other, rather than a basis of contractual provisions. It requires an element of confidence reposed by one in another without that limitation upon authority or accountability that contract terms impose, or without those exact limitations that are applicable in determining the rights and responsibilities of a creditor and debtor. Fiduciary relationship cannot exist in those instances * * * where the contract is resorted to in order that the exact rights and responsibilities may be definitely defined.

In conclusion, I say to Members of the Senate that the parties, under a level-of-benefits plan, have a right to contract. That right to contract will be denied them unless the Senate adopts my amendment or one similar to it. The right to contract in a level-of-benefits plan includes not merely the right to contract for benefits that will be received, but also includes the right to contract for how much they will be, what reports will be made, what disclosure will be made; and it even includes the right to contract as to how the fund shall be operated and how it shall be funded.

I say it is not the province of Congress to interfere with that right. If we do our duty, we will not interfere with that right, and will adopt the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado [Mr. ALLOTT].

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. CURTIS. Mr. President, I shall support the Allott amendment. I think it is logical and practical. I think without the Allott amendment we would set in motion a program of filing such great sums of reports that we would add to the ineffectiveness of whatever good might come of the bill.

I wish at this time to point out the ineffectiveness of S. 2888 as it was reported by the Committee on Labor and Public Welfare. This bill would not protect the pension and welfare funds of the working men and women of the country. In my opinion, it totally fails in this regard. To state to the workers that the passage of this measure in its present form would guarantee an honest custody and administration of pension and welfare funds is, in my opinion, to mislead them.

The bill is based upon the assumption that by filing reports on pension and welfare funds with the Secretary of Labor, mismanagement, embezzlement, and other abuses will end. This simply is not so. This statement can be made unequivocally by reason of the experience that the Nation has had under the existing terms of the Taft-Hartley law.

Under the Taft-Hartley law, unions which come under its benefits are required to file annual reports concerning their dues money. This system of reporting has not prevented theft, waste, and other misuses of dues money. I challenge any Member of this body to produce any evidence showing that the filing of such reports has caused any Secretary of Labor to initiate any civil or criminal action arising from the misuse of dues money. I challenge Senators to show any instance in which any Secretary of Labor has, on the basis of such reports, referred any instances of the misuse of dues money to any prosecutor or to any court or to the Department of Justice. I challenge anyone to show wherein any Secretary of Labor has, on the basis of the reports filed under the Taft-Hartley law, for the last 11 years, cited any misuse of dues money to any Congressional committee dealing with the subject matter.

If the filing of reports with the Secretary of Labor has not prevented the misuse of dues money by dishonest labor leaders—and the files of the McClellan committee are replete with evidence of such misuses—how can we expect that another system of filing reports with the Secretary of Labor will bring any protection of pension and welfare funds?

I wish to read a short paragraph from the interim report of the McClellan committee. This is what it states:

> As an overall finding from the testimony produced at our hearings, the committee has uncovered the shocking fact that union funds in excess of $10 million were either stolen, embezzled, or misused by union officials over a period of 15 years, for their own financial gain or the gain of their friends and associates.

All during that time unions have been required to file financial reports with the Secretary of Labor. How can we embark on any program of filing reports with the Secretary and contend to the workers of the country that we are protecting their pension and welfare funds?

To enact legislation such as the bill before the Senate as it comes from the committee, without amendment, is to offer a false hope and a snare to the working men and women of this country. To contend to the workers of America that we are protecting their pension and welfare funds by such a method is, in my opinion, but to deceive them. If we are to legislate effectively in this field, we must adopt additional amendments that will be presented in connection with this measure.

Mr. JAVITS. Mr. President——

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. I have heard the debate with great interest. As it involves a material legal question, I wish to take a few moments of the Senate's time to point out what I consider to be the determinative legal point which induces me to vote against the amendment of my dear friend and colleague from Colorado, for whom I have high regard and deep respect. I would rather be with him than on the other side.

The plans which are sought to be excluded are set up for the beneficiaries. The workers are the beneficiaries. It is an elementary principle of law that a third party beneficiary has the right to accountability. He is seized of an interest in the fund when the fund is created for his benefit. In view of the fact that the scheme adopted in the bill is a practical way of recognizing such accountability, it seems to me that we face that privity of contract and law which entitles us to include these funds under the pending bill.

I have had considerable experience with labor. I have been supported by labor in my campaigns for statewide office, for attorney general, and for the Senate. I know a great many representatives of labor. Some of us like to think that the rank and file do not believe in many of the things which labor leaders advocate. That may be a proper argument for another day. I shall make my points on the generalized amendments to the bill tomorrow. One thing I am sure of: When it comes to the protection of welfare and pension funds, the rank and file is with all other decent elements of labor in wanting those funds protected, in the most effective way we can devise, with the most condign penalties provided for those who violate their responsibilities to the working people.

For those reasons, Mr. President, I feel that I must vote against the amendment.

Mr. AIKEN. Mr. President, murder laws have not prevented murders. Laws against stealing have not prevented stealing. Laws as to arson have not prevented fire. Laws as to speeding have not prevented speeding. Game laws have not prevented fishermen from keeping short trout.

I think it is a poor argument to say we should not enact legislation for the proper control of welfare funds because such legislation would not be fully effective. I expect to vote for such legislation and against the amendment offered by the Senator from Colorado [Mr. ALLOTT].

Mr. ALLOTT. Mr. President, I cannot let the remarks of my very good friend from New York [Mr. JAVITS] pass without answering them, because they carry an implication. Although I know the Senator did not mean so, the remarks carry an implication that anyone who supports my amendment is against labor.

Let me say unequivocally that no Member of the Senate and no citizen of the United States wants to see these funds cleaned up more than I do. I have not devoted all this time to the subject on my own behalf merely for the pleasure of making a speech this afternoon.

I say to the Senator from New York that if what he says is true, we would not only have the United States regulating national banks but we would also have the United States regulating State banks. We would not only have the United States regulating Federal savings and loan associations, but we would also have the United States regulating all savings and loan associations. We would have the Federal Government regulating State industrial banks, in addition, because all of those banks take money and they all dispose of it.

There is an answer to the problem. Under the terms of the bill it is proposed to take away from the people who bargain for these rights the right to say what the benefits shall be, the right to say how the fund shall be administered, the right to say to whom there will be a report, the right to say how the plan is to be funded, and the right to say how disclosure shall be made. These are rights which belong to the people. If the employer and the employee feel that those rights belong implicitly to them, they have a right to so bargain and to so contract.

No one stated the proposition better than did the employees of the United States Steel Corp. union who testified before our committee.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ALLOTT. I am happy to yield to the Senator from New York.

Mr. JAVITS. I am deeply grieved to hear the Senator say he thinks there was any implication in what I said——

Mr. ALLOTT. I am sure the Senator did not mean it.

Mr. JAVITS. Let me make this clear, because I think it is due the Senator from Colorado.

With respect to the Senator's position on the meeting of the welfare fund situation, I feel that the Senator is as deeply sincere as I or any other Member of this Chamber. I thought I had very clearly separated my remarks as between the legal point on the amendment and my general views upon the bill. I wish to make that crystal clear.

The Senator from Colorado is to my knowledge one of the most devoted men in terms not only of honesty but of the most scrupulous ethics involved in this field. I know he is pursuing the subject with diligence and learning, which is typical of him, in a deep determination to do exactly what I am trying to do, except that the Senator has his own way of doing it.

Mr. ALLOTT. I appreciate the remarks of the Senator from New York, for whom I have the greatest affection. I was sure the Senator had nothing in his own mind as to some of the implications I felt might be imagined when the written word was read.

Mr. President, I yield the floor.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. ALLOTT]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Arkansas [Mr. FULBRIGHT] are absent on official business. The Senator from Ohio [Mr. LAUSCHE] is absent because of a death in his family.

I further announce that on this vote the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from New Mexico would vote "nay" and the Senator from Maryland would vote "yea."

The Senator from Arkansas [Mr. FULBRIGHT] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Arkansas would vote "nay" and the Senator from Vermont would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BUTLER] is necessarily absent.

The Senator from Vermont [Mr. FLANDERS] and the Senator from Minnesota [Mr. THYE] are absent on official business.

The Senator from New Jersey [Mr. SMITH] and the Senator from West Virginia [Mr. REVERCOMB] also are absent on official business.

If present and voting, the Senator from New Jersey [Mr. SMITH] would vote "yea."

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Maryland would vote "yea" and the Senator from New Mexico would vote "nay."

The Senator from Vermont [Mr. FLANDERS] is paired with the Senator from Arkansas [Mr. FULBRIGHT]. If present and voting, the Senator from Vermont would vote "yea," and the Senator from Arkansas would vote "nay."

The result was anounced—yeas 28, nays 59, as follows:

YEAS—28

Allott	Curtis	Morton
Barrett	Dirksen	Purtell
Bennett	Dworshak	Robertson
Bricker	Goldwater	Saltonstall
Bridges	Hickenlooper	Schoeppel
Bush	Hoblitzell	Watkins
Byrd	Hruska	Wiley
Capehart	Jenner	Williams
Carlson	Martin, Iowa	
Cotton	Martin, Pa.	

NAYS—59

Aiken	Holland	Morse
Anderson	Humphrey	Mundt
Beall	Ives	Murray
Bible	Jackson	Neuberger
Carroll	Javits	O'Mahoney
Case, N. J.	Johnson, Tex.	Pastore
Case, S. Dak.	Johnston, S. C.	Payne
Church	Kefauver	Potter
Clark	Kennedy	Proxmire
Cooper	Kerr	Russell
Douglas	Knowland	Smathers
Eastland	Kuchel	Smith, Maine
Ellender	Langer	Sparkman
Ervin	Long	Stennis
Frear	Magnuson	Symington
Gore	Malone	Talmadge
Green	Mansfield	Thurmond
Hayden	McClellan	Yarborough
Hennings	McNamara	Young
Hill	Monroney	

NOT VOTING—8

Butler	Fulbright	Smith, N. J.
Chavez	Lausche	Thye
Flanders	Revercomb	

So Mr. ALLOTT's amendment was rejected.

Mr. MANSFIELD. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion to lay on the table was agreed to.

Mr. ALLOTT. Mr. President, I have another amendment at the desk which I desire to call up at this time.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 6, line 10, it is proposed to strike out "subsection (b)," and insert in lieu thereof "subsections (b) and (c)".

On page 7, between lines 21 and 22, insert the following:

(c) The provisions of sections 6 and 7 of this act shall not apply with respect to an employee welfare or pension benefit plan if such plan is an employee welfare benefit plan established by an employer or by an employee organization, or both, on a "level of benefits" basis. A plan shall be deemed to be established on a "level of benefits" basis if (1) it provides for a specified predetermined evel or levels of benefits for its participants or beneficiaries, (2) the rate of employees' contributions, if any, toward the cost of the benefits is predetermined, and (3) the employer or employee organization, or both, are obligated to make contributions over and above such employee contributions, if any, to provide the agreed benefits: *Provided*, That no employee welfare or pension benefit plan shall be deemed to be established on a "level of benefits" basis, if the employer or employee organization contributions are specified in the plan in terms other than the amount of such benefits such as, but not limited to, number of participants, number of hours worked, units of production or percentage of compensation.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. ALLOTT. I yield the floor at this time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. ALLOTT].

APPEARANCE OF THE ATTORNEY GENERAL OF PENNSYLVANIA BEFORE THE SELECT COMMITTEE TO INVESTIGATE IMPROPER ACTIVITIES IN THE LABOR AND MANAGEMENT FIELD

Mr. CLARK. Mr. President, a few days ago the attorney general of Pennsylvania, the Honorable Thomas D. McBride, appeared before the McClellan committee investigating labor racketeering in order to state his position with respect to his representation of Teamsters Local Union 107.

Some criticism had been leveled at Mr. McBride in the press as the result of that local representation on his part. I believe his explanation to the committee was entirely satisfactory. Indeed, the distinguished Senator from Massachusetts [Mr. KENNEDY] undertook to state publicly before the committee that Mr. McBride had done nothing improper. Subsequently, Mr. McBride furnished an affidavit to the committee, which is presently contained in the record of the committee, giving in further detail the reason why, under the practice in Pennsylvania, it is entirely appropriate for an attorney general to represent private clients as long as there is no conflict of interest, and pointing to a long history in which every attorney general of Pennsylvania for many years has done that.

I ask unanimous consent that the affidavit may appear in the RECORD at this point in my remarks.

Mr. KENNEDY and Mr. KEFAUVER addressed the Chair.

Mr. MUNDT. Mr. President, I reserve the right to object. Of course, I shall not object, and I make this reservation so that I may interpolate a statement of my own in this connection, because I would not want my silence on the floor to indicate complete agreement with what has been indicated by the distinguished Senator from Pennsylvania, as I understood him, that all members of the committee were pleased and completely satisfied with the explanation of Mr. McBride.

Mr. CLARK. That is not what I said.

Mr. MUNDT. I thought the Senator from Pennsylvania said that the committee members felt it was perfectly all right.

Mr. CLARK. I said that the Senator from Massachusetts so expressed himself.

Mr. MUNDT. I thought the Senator also stated that the committee felt that way. At any rate, as one member of the committee I wish it to be clear in the RECORD that I have some reservation about this matter, and I have a reservation about Mr. McBride's former law partner also, who I believe is Mr. Carroll.

While I have no desire to make an issue of this question, I did not want my silence on the floor, as a member of the committee, to be encompassed in the statement of the Senator from Pennsylvania, as I understood it, that all members of the committee felt that Mr. McBride had at all times acted properly. In my opinion there is some doubt about it.

Mr. CLARK. If I said that all members of the committee had agreed that Mr. McBride had done nothing improper, I assure the Senator from South Dakota that it was quite inadvertent on my part, and that it was not my intention to say that. I was calling attention to the fact that my good friend, the Senator from Massachusetts [Mr. KENNEDY] had made the comment that he personally was in complete accord with what I had said.

Mr. MUNDT. I have no objection to that, I merely wish to have the RECORD show my position.

Mr. KENNEDY. I should like to say to the Senator from Pennsylvania that I am glad he has put this material in the RECORD. I believe it is an unwise provision of law in Pennsylvania which permits the attorney general to appear for private clients. However, I understand that that has been the custom in the past, and therefore I did not feel that Mr. McBride had done anything improper. After the Bar Association of Philadelphia had ruled on the question, Mr. McBride sent back last month's check, the check for March. That shows that he was sensitive about it. It was for that reason that I said I thought he had acted properly. I am glad that the Senator from Pennsylvania is getting the record completely straight.

Mr. CLARK. Mr. President, in view of what has been said by the Senator from South Dakota, I think I should say further that the affidavit which I have asked to have placed in the RECORD indicates that Mr. McBride is the first attorney general in the history of the Commonwealth who has determined not to conduct any private law practice while he is the attorney general. The incidents which were referred to in the affidavit all took place during the first 2 or 3 months when Mr. McBride was in office. He concluded shortly thereafter that he should not accept any further private practice. He is the first attorney general in his State who has taken that position.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania?

There being no objection, the affidavit was ordered to be printed in the RECORD, as follows:

COMMONWEALTH OF PENNSYLVANIA,
County of Dauphin, ss:

I, Thomas D. McBride, being duly sworn according to law, make the following statement for the purpose of having it incorporated in the record of the Select Committee To Investigate Improper Activities in Labor-management Relations, in accordance with rule 12.

The attorney general of Pennsylvania is appointed by the Governor and is subject to confirmation by the senate. There is no rule, custom, statute, decision, or tradition that the attorney general may not represent litigants in private cases contemporaneous with his representation of the Commonwealth. Of course, his ability to handle private litigation is necessarily circumscribed by two factors:

1. He must not represent any interest adverse to the Commonwealth.

2. He must not permit his private practice to become so extensive as to prevent him from the efficient conduct of his public duties.

I am advised, believe, and therefore state that none of my distinguished predecessors for at least the last 50 years ever gave up the private practice of law or failed to practice law privately during his tenure of office. This fact is important because since it is so I would have been entitled to have continued to represent local 107, or any other private client, at all times while I have been attorney general.

Prior to my assumption of office, however, on December 14, 1956, I solicited the opinion of the committee on professional guidance of the Philadelphia Bar Association as to my further remaining a member of a law firm which practiced not only in the State but in the Federal courts. The gist of the opinion filed by that committee on January 18, 1957, is that so long as I remained a member of the firm neither I nor my partners should participate in any criminal case, State or Federal, nor in quasi criminal proceedings, nor in any case where an actual conflict of interest would exist. It did not say that I could not practice law privately where no conflict existed. The committee defined a conflict of interest in accordance with Canon 6 of the Canons of Professional Ethics of the American Bar Association, as follows:

"A lawyer represents conflicting interests when, in behalf of one client, it is his duty to contend for that which duty to another client requires him to oppose."

After the opinion of the committee on professional guidance was received by me and to free my partners of restrictions placed upon them if I were to continue as a partner, but more particularly because of the pressure of my public duties, I decided to withdraw from the firm and to refuse all private cases. I did this as a purely voluntary act and have steadfastly continued it up to and including the present time. I have not accepted any new retainers since January 1957, and concluded only one case in equity, of which I spoke in my testimony.

In the light of these facts, therefore, the situation of my having accepted a Christmas gift 3 days after my assumption of office, from a private client not doing any business whatever with the Commonwealth and having no connection whatever with the performance of my official duties, was entirely appropriate in the same way as if I had received it from a long-time individual client or a corporation. This applies also to the fees received in January and February 1957.

I want to emphasize therefore that there is nothing that makes the holder of the office of attorney general ineligible to practice law on behalf of private litigants.

THOMAS D. MCBRIDE.

Sworn to and subscribed before me this 21st day of April, A. D. 1958.

MINA J. WELD,
Notary Public.

TENTH ANNIVERSARY OF INDEPENDENCE OF ISRAEL

Mr. KEFAUVER. Mr. President, 10 years ago the United States played an important role in the establishment of one of the newest members of the community of nations, the State of Israel. Its birth was fraught with hardship, its infancy beset with enemies who would

have destroyed this promising offspring before it had an opportunity to reach its full maturity. We can be very gratified to review the growth of Israel since 1948 and note the really remarkable progress that has occurred and the current prospects for further development.

In many ways the history of the Israeli people parallels the experience of early settlers of North America. Persecuted for centuries, suffering from unspeakable torture and privation in lands that they had come to think of as their homes, and desperate for opportunity to utilize their own talents and imagination to improve their lot, Jews all over the world looked upon Israel as a haven from their oppressors and a place to start life anew. They gathered to the shores of Israel by the hundreds of thousands asking nothing more than the privilege of working under conditions of freedom and respect for their individuality.

On the 10th anniversary of the establishment of Israel, we might ask whether their dreams were realized. And the only possible answer to the question is in the affirmative. Israel is firmly established in the traditions of the Western democracies, with the adoption of parliamentary institutions, protection against arbitrary use of governmental authority, and respect for the deepest private convictions of the individual. The creation of a democratic state in that area of the world is noteworthy in itself when one considers the arbitrary and despotic rule of some of its neighbors, who now want to stamp out this thriving country.

Along with the creation of democratic political institutions, the Israeli people have labored against seemingly insurmountable obstacles to develop a viable economy. Here again the progress has been outstanding. Notwithstanding large yearly additions to the population there has been a steady rise in the standard of living. From 1950 to 1956 the national income rose 87 percent with an average annual rise of 11 percent. The per capita national income was 30 percent higher in 1956 than in 1950. While necessarily directing much of their available capital into enterprises leading to economic expansion, Israel has dedicated itself to providing a standard of living which will allow the enjoyment of such civilized pursuits as education, leisure time activity, and cultural development.

There are other indications of economic progress. Agricultural acreage has been more than doubled, and agricultural production nearly trebled. Minerals, particularly oil, are being exploited and these have contributed heavily to progress in other areas of the economy. New industries have been founded including steel, rubber products, electrical appliances and automobile assembly. During the years 1953 to 1956 industrial output experienced an annual growth rate of better than 10 percent, a truly remarkable rate of expansion.

Still the threat of hostility between Israel and its neighbors lingers on. The struggle between East and West further endangers her existence. For this reason Israel finds it necessary to maintain herself in a high degree of armed readiness. It is my sincere hope that suitable means can be found to resolve these international problems. Not only will the Israeli people benefit, but the entire world will be blessed as both Israel and the Arabs contribute energies to the betterment of man, instead of a perpetual state of armed readiness.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Israel Survives Years of Travail," written by Drew Pearson, and published in the Washington Post and Times Herald of April 24, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ISRAEL SURVIVES YEARS OF TRAVAIL

(By Drew Pearson)

This week marks the 10th anniversary of a little country founded in tears and built in travail—Israel. Twenty-four hours after it declared its independence seven Arab nations attacked on three sides. King Farouk of Egypt was so sure of marching into its biggest city that he had a stamp printed featuring his picture. Underneath was the word "Tel Aviv."

Farouk and the Egyptian army never got to Tel Aviv. The Israeli army 8 years later would have got to Cairo had Mr. Eisenhower and Secretary Dulles not intervened.

The fiery determination that stopped seven Arab countries in 1948 and which routed the Russian-armed, vastly superior Egyptian army in 1956 is the secret of Israel. It's a nation built on the suffering of the exiled tribes of Israel, built in the dream, nurtured during 20 centuries, that someday the Jews would come back, to a home of their own, built as a living memorial to the 6 million Jews burned in the gas chambers of Hitler.

All this behind the dedication, the determination, the pioneering spirit that has made Israel.

You have to go there to understand it. You have to see the bulldozers pushing rocks, rocks eroded since the days of Abraham, millions of rocks pushed aside so that crops can be raised in little patches of clean soil underneath. Or boys and men and women painfully picking up the rocks and putting them on stone fences to line the little patches of soil being cultivated to feed the sons of Abraham.

THIS IS ISRAEL

And you have to see the trees—millions of trees—imported from similar climates in Australia, contributed by Jews from all over the world, carefully planted along the roadsides and the highways.

You have to see the irrigation works, the Yarkon project, no bigger at its headwaters than Rock Creek which ambles through Washington; one-fourth the size of the Schuylkill which runs through Philadelphia; one thousandth the volume of the Hudson as it flows past Manhattan. Yet the headwaters of the Yarkon, every drop of water cherished like gold, spreads out over the plain of Sharon and makes the Negev Desert bloom 50 miles away.

Or you have to see the farm settlements: Refugees from Hitler living next to refugees from Nasser, along with refugees from Poland or from Algeria or Yemen. At first they have only one bond in common, their religion. They speak no common language, have been separated by the centuries. But they learn Hebrew and their children learn to know each other and to marry each other, and soon out of a melting pot of diverse nationalities has grown a close-knit, cooperating, thriving community. This is how Israel has grown.

Or you have to see the children—buoyant, beautiful children, as radiant and healthy as any in the United States; or the old people as they go down to bathe in the warm Mediterranean; the Moslems at their prayers; the Christians as they worship in the cathedrals of Jerusalem and Nazareth; the schools, the universities, the camels and the caravan, and the new railroad cars contributed by West Germany as a token of penitence for the soap factories of Hitler.

Or you have to see the hospitals, where men like Dr. Haim Sheba pioneer new Near East medicine; where Arabs are given the same treatment as Jews; and where Egyptian wounded taken in Sinai, were nursed back to life. You have to know that doctors from Israel, though overworked, have been loaned to the new African Republic of Ghana and to the new Republic of Burma; and that the scientific discoveries for eradicating flies, mosquitoes, Near Eastern diseases have been made available to the Arab States.

DANGER OF WAR

On one side of Israel lap the blue waters of the Mediterranean, warm and friendly. On the other three sides are deserts and mountain ranges from which peer Arab guards, ever on watch, ever posing the possibility of border raids. Beyond them several million more Arabs vow vengeance, await the day when they can do what King Farouk and Colonel Nasser failed to do—conquer Israel.

So Israel on her 10th anniversary faces a greater crisis than ever—not immediate, but eventual.

From the Near East last September I reported the Kremlin timetable. It was: Unite Egypt and Syria; subvert Saudi Arabia and Jordan; overrun Lebanon; bring all the Arab States with their 70 percent of the world's oil reserves under Moscow and Nasser. That timetable is running on schedule. Egypt and Syria are joined. A new ruler has virtually taken over Saudi Arabia, pro-Nasser riots are disrupting Lebanon.

All the problems of the Near and Middle East are tied up together. They cannot be solved separately.

This is the most complicated problem facing the free world. It's a problem which carries the greatest potentiality for war. Yet there are some solutions, as this column will endeavor to point out in the near future.

DEATH OF ERNEST NORRIS

Mr. KEFAUVER. Mr. President, the passing of Ernest Norris removes from the scene one of the ablest and most notable southern business statesmen. For 40 years, culminating in his long presidency, he was connected with the Southern Railway system. He had much to do with building the Southern into one of America's strongest and most progressive railway systems.

Mr. Norris knew that to build the Southern it was also necessary to build the industry of the South. There can be no question but that the aggressive spirit of Mr. Norris and the Southern contributed very largely indeed to the present industrial development of the Southern States, including my own State of Tennessee.

Tennessee comes close to being the heart of the Southern Railway. The interests of Tennessee and those of the Southern have always been closely entwined. I am glad that during his lifetime the University of Tennessee recognized the achievements of Mr. Norris on behalf of the State and honored him with a doctorate of law.

I know that I speak for all Tennesseans when I express sorrow at the passing of Ernest Norris.

BILL OF RIGHTS FOR LABOR

Mr. MUNDT. Mr. President, while the Senate has before it the very important subject of labor and whatever else may be considered by the Senate to be appropriate corrective steps in the field of labor relations, I call attention to an editorial entitled "Bill of Rights for Labor Urgent," published in the Bloomington, Ill., Pantagraph of February 13, 1958.

I am gratified by the contents of the editorial, and I am gratified that it was published in a very important American newspaper, no less important, certainly, because it is owned and published, in part, at least, as I understand, by the family of the distinguished Democratic candidate for President in 1956 and 1952.

While I do not know who writes the editorials of the newspaper, I am happy that proposed legislation which I have introduced has been approved by such distinguished auspices.

I ask unanimous consent that the editorial be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BILL OF RIGHTS FOR LABOR URGENT

The 5-point bill of rights for labor advocated by Senator KARL E. MUNDT at the Association of Commerce annual meeting Tuesday night should be must legislation at the present session of Congress. The proposals in principle are reasonable. They would:

1. Protect union funds against misuse by dishonest union officials.

2. Provide for secret ballot vote by union members on elections, strikes, and other major issues affecting the members.

3. Ban those with crime records from holding union office.

4. Prohibit picket lines unless one-third of the workers in the picketed plant request them.

5. Prevent unions from collecting money from members for political purposes against the will of the donor.

These proposals grew out of the hearings held by the Senate Labor Rackets Committee, of which Senator MUNDT is a member. They are nonpartisan. It was this committee which exposed Dave Beck and the teamsters union and several others.

The proposals are not antilabor. The point relative to picketing is extremely liberal. It would seem reasonable to require that at least 51 percent of the employees favor picketing before a picket line could be set up. Senator MUNDT suggests that only a third of the employees be required.

The Senator's last point relative to involuntary giving by union members for political purposes will be the most difficult to frame into legal terms and still not discriminate against unions as compared with other organizations which try to influence elections.

Yet it is most essential because union membership is compulsory in many cases while membership in other organizations sponsoring political action is not. Such legislation should not prohibit the union member from contributing toward political funds if he so desires as any other citizen can do.

The AFL-CIO by its actions in ousting unions exposed by the committee demonstrated its determination to have clean, well-operated unions. In doing so it saved all organized labor from undue loss of face.

Honest, capable, and dedicated union officials as well as union members will serve labor and the Nation best by working for laws which carry out the purposes set down by Senator MUNDT.

REORGANIZATION PLAN NO. 1 OF 1958, RELATING TO FEDERAL DEFENSE MOBILIZATION AND CIVIL DEFENSE FUNCTIONS — MESSAGE FROM THE PRESIDENT (H. DOC. NO. 375)

Mr. JOHNSON of Texas. Mr. President, the President of the United States has transmitted to the Congress today identical messages, accompanied in each instance by Reorganization Plan No. 1 of 1958, relating to Federal defense mobilization and civil defense functions.

I am informed that the message has been read and referred in the House, and, in the interest of time, I ask unanimous consent that the reading of the message may be waived in the Senate, and that it be printed in the RECORD in full and appropriately referred, and also that it be printed.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Is there objection to the request of the Senator from Texas?

There being no objection, the message from the President was referred to the Committee on Government Operations, as follows:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 1 of 1958, prepared in accordance with the Reorganization Act of 1949, as amended. The reorganization plan provides new arrangements for the conduct of Federal defense mobilization and civil defense functions.

In formulating Reorganization Plan No. 1 I have had the benefit of several studies made by the executive branch as well as those conducted by the Congress. The reorganization plan will overcome the major difficulties revealed by those studies and mentioned in my 1959 budget message where I made the following statement:

The structure of Federal organization for the planning, coordination, and conduct of our nonmilitary defense programs has been reviewed, and I have concluded that the existing statutes assigning responsibilities for the central coordination and direction of these programs are out of date. The rapid technical advances of military science have led to a serious overlap among agencies carrying on these leadership and planning functions. Because the situation will continue to change and because these functions transcend the responsibility of any single department or agency, I have concluded that they should be vested in no one short of the President. I will make recommendations to the Congress on this subject.

The principal effects of the reorganization plan are:

First, it transfers to the President the functions vested by law in the Federal Civil Defense Administration and those so vested in the Office of Defense Mobilization. The result is to establish a single pattern with respect to the vesting of defense mobilization and civil defense functions. At the present time disparity exists in that civil defense functions are vested in the President only to a limited degree while a major part of the functions administered by the Office of Defense Mobilization are vested by law in the President and delegated by him to that Office. Under the plan, the broad program responsibilities for coordinating and conducting the interrelated defense mobilization and civil defense functions will be vested in the President for appropriate delegation as the rapidly changing character of the nonmilitary preparedness program warrants.

Second, the reorganization plan consolidates the Office of Defense Mobilization and the Federal Civil Defense Administration to form a new Office of Defense and Civilian Mobilization in the Executive Office of the President. I have concluded that, in many instances, the interests and activities of the Office of Defense Mobilization and the Federal Civil Defense Administration overlap to such a degree that it is not possible to work out a satisfactory division of those activities and interests between the two agencies. I have also concluded that a single civilian mobilization agency of appropriate stature and authority is needed and that such an agency will ensue from the consolidation and from the granting of suitable authority to that agency for directing and coordinating the preparedness activities of the Federal departments and agencies and for providing unified guidance and assistance to the State and local governments.

Third, the reorganization plan transfers the membership of the Director of the Office of Defense Mobilization on the National Security Council to the Director of the Office of Defense and Civilian Mobilization and also transfers the Civil Defense Advisory Council to the Office of Defense and Civilian Mobilization.

Initially, the Office of Defense and Civilian Mobilization will perform the civil-defense and defense-mobilization functions now performed by the Office of Defense Mobilization and the Federal Civil Defense Administration. One of its first tasks will be to advise me with respect to the actions to be taken to clarify and expand the roles of the Federal departments and agencies in carrying out nonmilitary defense preparedness functions. After such actions are taken, the direction and coordination of the civil-defense and defense-mobilization activities assigned to the departments and agencies will comprise a principal remaining responsibility of the Office of Defense and Civilian Mobilization.

After investigation, I have found and hereby declare that each reorganization included in Reorganization Plan No. 1 of 1958 is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949, as amended.

I have also found and hereby declare that it is necessary to include in the accompanying reorganization plan, by reason of reorganizations made thereby, provisions for the appointment and compensation of new officers specified in sections 2 and 3 of the plan. The rates of

compensation fixed for these officers are, respectively, those which I have found to prevail in respect of comparable officers in the executive branch of the Government.

The taking effect of the reorganizations included in Reorganization Plan No. 1 of 1958 will immediately reduce the number of Federal agencies by one and, by providing sounder organizational arrangements for the administration of the affected functions, should promote the increased economy and effectiveness of the Federal expenditures concerned. It is, however, impracticable to itemize at this time the reduction of expenditures which it is probable will be brought about by such taking effect.

I urge that the Congress allow the reorganization plan to become effective.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 24, 1958.*

TAX REDUCTIONS RECOMMENDED BY ARTHUR F. BURNS AND ARTHUR R. BURNS

Mr. MORSE. Mr. President, on April 15, 1958, I placed in the CONGRESSIONAL RECORD a letter published in the New York Times and signed by a group of professors in the economics department of Columbia University. Among the signers of the letter was Arthur Robert Burns. I assumed that that was the Arthur Burns who formerly was the economic adviser to the President of the United States. I said on April 15:

He is the former economic adviser to the President of the United States.

On April 21, 1958, I placed in the RECORD a letter which I had sent to the editor of the Oregon Statesman, Salem, Oreg., answering his criticisms of me for my position in support of a tax cut. In the course of my letter to the editor of the Oregon Statesman I referred to the letter signed by the group of economics professors at Columbia University, and I said in my letter to Mr. Sprague:

I share the view of the economics faculty of Columbia University, including Arthur Burns, who was until recently the President's chief economic adviser.

I discovered that there are two persons named Arthur Burns on the faculty of the economics department of Columbia University. The group, including the Arthur Burns who signed the letter, favor a 10-percent tax cut. The Arthur Burns who was the former economic adviser to the President did not sign the letter because he favors only a 5-percent tax cut, which, incidentally, was the amount of the tax cut, in essence, which the Senator from Illinois [Mr. DOUGLAS], in effect, suggested in his original proposal to the Senate.

I feel that I am in good company in making this mistake, because the Senator from Illinois [Mr. DOUGLAS] made the same mistake of identity that I did, as is shown by the statement that he made in the RECORD on April 23, 1958. He caught the error more quickly than I did, however, because the Senator from Illinois said:

I may say, in connection with this statement, that last week I put into the RECORD a letter which was published in the New York Times, advocating a tax cut, which was signed by Arthur R. Burns. I was under the impression that the Arthur R. Burns was the former economic consultant to the President. I now find there are two Arthur Burns on the faculty of Columbia University, and that Mr. Arthur R. Burns, and not Mr. Arthur F. Burns, was the one who signed the letter.

I join with the Senator from Illinois in making this correction of the RECORD, because both of us try always to be exceedingly accurate; and when we are not accurate, we try to correct our mistakes and to be fair.

The fact is, however, that the Dr. Burns who was the economic adviser to the President does favor a tax cut, and a tax cut of $5 billion; whereas his colleagues on the Columbia University faculty who signed the letter favor just twice that amount—$10 billion.

The Senator from Illinois and I, so the RECORD will show, were supporting a tax cut in the neighborhood of the one the President's former chief economic adviser was recommending—a tax cut somewhere in the neighborhood of $5 billion.

I make this statement tonight so that no one will be able to charge that I have been unfair to Dr. Burns, who was the chief economic adviser to the President.

ARIZONA MUSHROOMS IN WESTWARD BOOM

Mr. GOLDWATER. Mr. President, daily in these halls we hear our colleagues from various of the States of the Union discuss the dire economic situation which exists in their States. For those States and their problems, I have great sympathy.

On the other hand, Mr. President, the situation is not dark all the way across the country. The other day I obtained unanimous consent to have printed in the RECORD an article published by one of the country's outstanding newspapers, the Phoenix Gazette. The article showed that the first quarter of 1958 was one of the best quarters our State of Arizona has had.

At this time, I ask unanimous consent to have printed in the RECORD an article entitled "Arizona Mushrooms in Westward Boom." The article was published in the Christian Science Monitor of February 18.

The subheading of the article is "Manufacturing Spurts." Then in the article we find the following:

What can happen to a State and its economy when more and more people, trekking across it on their way westward, decide to drop off and stay? This story of Arizona is told by John C. Waugh, staff correspondent of the Christian Science Monitor, in a series of five articles, of which this is the first.

Mr. President, from time to time, I intend to ask unanimous consent to have all the articles printed in the CONGRESSIONAL RECORD, so that from day to day there will be a little bit of economic sunlight in these halls.

At this time I ask unanimous consent that the first of the articles, as published on February 18 in the Christian Science Monitor, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARIZONA MUSHROOMS IN WESTWARD BOOM—MANUFACTURING SPURTS

(By John C. Waugh)

(What can happen to a State and its economy when more and more people, trekking across it on their way westward, decide to drop off and stay? This story of Arizona is told by John C. Waugh, staff correspondent of the Christian Science Monitor, in a series of five articles, of which this is the first.)

PHOENIX, ARIZ.—Arizona and the Red Sea have things in common.

Both of them have seen an amazing number of persons troop across their dry ground in search of a promised land. Furthermore, in Arizona, many of them are finding it.

In this State, long noted for climate and quiet, there now is throbbing growth. Where there were 616,000 persons in 1946, there now are nearly twice as many. Where copper, cattle, and cotton were once king, there is rising a new economic monarch—manufacturing.

Arizona suddenly finds itself out in front of the Nation in the business of growing. It ranks first nationally in growth of bank capital, manufacturing employment, farm income, and bank deposits. It struggles each year with Nevada for first place nationally in rate of population growth.

ARIZONA BOBS IN WAKE

This State has been caught up in the same population explosion and growth phenomenon that turned the Los Angeles city limits into an international growth joke. Arizona is merely bobbing in the backwash of the same boom.

George V. Christie, vice president of the First National Bank of Arizona, explains it this way:

"Six million people—the greatest mass migration in the history of the world—have trooped across this State since World War II, all bound for California. Not since the passage of the Jews through the Red Sea or the peasant migration of czarist Russia has there been anything like it.

"Arizona is the beneficiary. People headed for California, saw things they liked, and decided to stay. This thing sneaked up on us."

Whatever it was and however it came—leaders point to many factors that persuaded people to stay—it is transforming Arizona.

As far as the future stretches, State leaders see uninterrupted growth, punctuated by an estimated population in 1970 of nearly 2 million.

Arizona's future looks as shiny as its sun. Yet it is not an unclouded future. The thunderheads that roll in with any boom loom here. There is the problem of an economy in violent state of change. There is the challenge not only to plan big, but to plan well. There is the task of growing and still maintaining the traditional way of life.

These are real problems. They mean that the critical period of Arizona's growth is still ahead.

It is growth that must be put into proper perspective. Numerically, both as to population and industry, it cannot begin to compare with the stampede that has rolled into California. Arizona expects to absorb half a million more people by 1970. Los Angeles alone in the same period fully expects to grow by 3.3 million.

But, relatively speaking, the boom here has been quite fantastic. "After all," one Arizona leader points out, "we began from a standing start."

ECONOMIC PUZZLE

What are all these people doing now that they are here? Tucson residents like to joke that they are "taking in one another's wash." Clarence E. Hockings, a vice president of the Tucson Gas, Electric Light & Power Co., says it is a "tough economy to put your finger on." He says that plain old consumerism has employed a sizable chunk of people. The State is a haven for the retired.

Most leaders here agree that industrial employment has been the key support to Arizona's growth. Swamped in the great western migration, Arizona soon saw that its traditional agricultural and mining economy, which was exhaustible, couldn't possibly support such inexhaustible growth.

So Arizona found its solution in light industry—electronics in particular. The banks, the chambers of commerce, the utility companies began plugging to bring industry into Arizona. They have succeeded rather spectacularly. Now many State leaders are thinking in terms of applying the brakes and beginning to plan more carefully.

"By 1955," says Lewis Haas, of the Phoenix Chamber of Commerce, "industry had actually become a top dog in the Arizona economy. If you had said 3 years earlier that such would be the case, you would have been laughed off the street."

TAX LAWS EASED

When all the money is counted for 1957, manufacturing is expected to be the leading single source of income in this State, topping everything, even mining. Manufacturing income in 1956 was $400 million. It will be more than that for 1957.

Sunny climate has been paramount in explaining why Arizona grows. Air conditioning has made even the summer heat bearable. Then there is the western way of life that Arizona offers in heaping proportions.

The State legislature has thrown out several stiff, unhappy tax laws, making the State more attractive to industry. Light industries such as electronics have found it almost embarrassingly easy to recruit highly skilled personnel eager to live under the Arizona sun. Industry has also found a good, highly skilled labor force already here, for the same reason.

Then there is land aplenty and lots of speculation to go along with it. And transportation in all directions is getting better and busier every day.

These are but some of the factors which have worked together to turn Arizona into a promised land, modern-day American style.

AGRICULTURE'S ALTERNATIVES

Mr. CARLSON. Mr. President, on August 8 of last year, I addressed this distinguished body on the desirability of using a commodity-by-commodity approach in working out a solution to our persistent farm problems.

Much has happened since then. We have acquired more experience and more information. Commodity groups have made substantial progress in reconciling their differences. But we have made far too little progress in the solution of the persistent problems.

On the favorable side I am happy to report that wheat exports in the 1956–57 crop marketing year reached an all-time high of 549 million bushels. One-third of this was exported without the aid of special Government programs. The wheat carryover dropped 124 million bushels last year and may drop another 30 million, to 879 million bushels, by July 1, 1958.

We have made even greater progress in reducing cotton stocks. The carryover of cotton on August 1, 1958, is expected to be about 8.7 million bales—a whopping 5.8 million bales lower than it was just 2 years ago.

Domestic demand for food continues high. The number of consumers has steadily increased. In addition, civilian consumption of food per person is slightly higher than in the immediate postwar period. It is a full 12 percent higher than in the late 1930's.

On the less favorable side, feed supplies are continuing the buildup they started 5 years ago. Record carryover stocks of feed grains of 49 million tons, as of October 1, 1957, are expected to increase another 10 million to 12 million tons by October 1, 1958. While realized net farm income did not increase in 1957 as expected, it held about steady. Because of the great movement of people from farms to towns and cities and because there was an increase in nonfarm income last year, the per capita income of farm people reached a new high in 1957.

Although there has been progress and improvement in some parts of agriculture I am far from satisfied with either the current income position of farmers or the current progress of legislation for improvement in price-support programs.

EFFECT OF CURRENT FARM PRICE SUPPORTS ON FARM INCOME

In the farm price support field, I sense a confusion about the economic consequences of the various alternatives which are open to the farm people at this time. The confusion is especially great with respect to the economic effects of the current price-support programs.

As my colleagues know, I voted for Senate Joint Resolution 162, which would have prevented a drop in price supports from 1957 levels. I voted for this resolution because I believed it was unwise by Government action to allow farm income to drop another $500 million at this time, when the total economy is contracting. My vote was not one to continue existing price-support programs indefinitely. It was to continue existing price supports at 1957 levels until we can agree on better programs to maintain farm prices and farm income.

I regret that we do not have the domestic parity plan for wheat authorized in S. 774, and also that we do not have a self-help plan for dairy products in operation now. When we get these plans in operation, it will be possible to stabilize incomes of wheat producers and dairymen, with little or no direct cash costs to the United States Treasury.

But to get back to the main point, few people realize the extent to which farm commodity price-supports, marketing controls, and supplementary distribution programs have bolstered farm income in recent years. My agricultural economist friends advise me that the Department of Agriculture does not publish sufficient details about its price supporting operations at the present time to permit wholly satisfactory appraisal. We do know, however, that the Commodity Credit Corporation has been acquiring about $3 billion worth of farm products each year in its loan and purchase operations. Sales at world price levels in dollar markets abroad, sales for foreign currency, and donations for relief distribution at home and abroad have been used to dispose of Commodity Credit Corporation stocks. By these operations, Commodity Credit Corporation holdings have been reduced from $8.9 billion in February 1956, to $7.2 billion in December 1957. But many of these disposals have been outside commercial markets; they have been in the form of donations to public institutions, the school lunch program and public relief programs in this country, and donations to relief agencies and sales for foreign currencies abroad.

The net removal of farm products from commercial markets by Government price-supporting operations has varied from $3.2 to $1.8 billion in the past 4 years. Economists are not fully agreed on how much lower farm incomes would have been but for the removal of these large quantities of farm products from commercial markets. As a conservative estimate it appears that farm income would have been at least $2 to $5 billion lower during each of the last few years, except for the Government's price-supporting activities.

Total realized net income from farming has varied from $13.9 to $11.5 billion during the last 5 years. Except for the price-supporting activities of the Government, including production controls on a number of crops, and extensive supplementary distribution programs, realized net farm income almost surely would have been 25 to 30 percent or more lower.

PRICE SUPPORTS HAVE STIMULATED TECHNICAL PROGRESS

There also is confusion with respect to the longer run effects of price-support programs on the cost of food.

The public, as well as farmers, have reaped benefits from past price-support programs. While price supports increased farm income in years of overabundant supplies, stocks carried forward and released in the war years and in 1950–51 increased consumer food supplies in those years.

The increased stability and higher level of prices, because of Government price-support activities in many of the last 25 years, also have speeded up technological progress in agriculture. Consider these facts for example: In the 19 years preceding the adoption of farm price-support and adjustment programs, farm output increased 6 percent. In the 20 years of farm price-support programs—excluding the war years 1941–45—farm output increased 40 percent.

I cite these figures, not as a justification for a continuation of existing price-support programs; I cite them as evidence that, in the long run, price-supports have increased farm output, and have tended to lower food costs to consumers, in the same manner that our research and educational programs have done.

FARM OUTPUT CONTINUES TO INCREASE

When it comes to a judgment regarding the success of our emergency measures of the past few years, one of the important considerations is what has

been happening to production trends. The evidence is not reassuring.

In spite of a Soil Bank program costing about $700 million last year, and marketing quotas on all basic crops subject to marketing quota controls, farm output equaled the record level achieved in 1956, 8 percent higher than in 1951–52, and 13 percent higher than in 1947–49. One would not be surprised at this performance if farmers were enjoying relatively high prices and incomes. But we must remember that net farm income in 1957 was 19 percent lower than in 1952.

A 12 percent decline in the number of farmworkers in the past 5 years has been fully offset by increased use of machinery, fertilizers, and pesticides. Total inputs used in agricultural production in 1957 were slightly higher than in 1952 in spite of lower farm income, marketing quotas, and the Soil Bank.

Throughout the entire postwar period, including these more recent years of declining income, farm output has been increasing a little faster than our total population increased. On the basis of these facts and others which are commonly known, I believe we must formulate future agricultural policies with the expectation that in the next 10 years or so farm output will continue to increase as fast as or faster than population increases. We must anticipate that farm output probably will continue to be excessive in relation to market outlets, even though prices drop further.

MARKET EXPANSION POSSIBILITIES

This brings me to another subject about which there is much misunderstanding at the present time. I refer to market expansion as a means of solving our farm problem.

Mr. President, I want to remind this distinguished body that I have been one of the strong supporters of legislation to increase the research and development work on industrial uses of farm products. I always have supported the use of Public Law 480 funds for market development work abroad. Likewise, I have been a strong supporter of domestic market development projects.

However, market expansion is a long-run, not a short-run solution to the farm problem. Let me share with Senators a few relevant facts in this field.

In 1957, American consumers, with 13 percent higher per capita incomes than in 1952, bought 11 percent more food from farmers, including more high-cost animal products. Yet in 1957 farmers were paid only $19.5 billion for this food—$600 million less than they were paid for the smaller quantity, containing fewer livestock products, in 1952. Consumers appear to have fared better than farmers in this 5-year experiment in learning to "live with abundance."

Let me summarize this experience in another way. Farmers' production expenses were $416 million higher in 1957 than in 1952. Consumers' disposable income had increased $63.2 billion in the 5-year period. The advertising and promotional efforts of both producers and the food trade were much greater in 1957 than they were 5 years earlier. Grocers' shelves displayed many new food products. Yet, because of the lack of bargaining power on the part of farmers, their best customers, the domestic consumers, through the commercial marketing system, paid fewer dollars for a larger quantity of food containing more livestock products in 1957 than in 1952.

Mr. President, in view of this record, we cannot put much reliance on market expansion as a short-run solution to the current problem of excessive supplies in relation to market outlets.

INCOME LOSSES NOT OFFSET BY FEWER FARMERS

In the past few months I have heard a great deal about solving the farm problem by moving people out of agriculture. In my great State of Kansas we have made impressive strides in industrialization. We now have about three workers in nonfarm jobs for each farm worker. But we must face the facts. All States are not so fortunate. It will be a long time before there are sufficient nonfarm-job opportunities in many States to meet the needs.

As in the case of market expansion, the movement of farm people into nonfarm jobs is a long-run, not a short-run, solution of the current farm problem. Many people get over-enthusiastic about this solution and advocate Government programs to speed the process of people leaving agriculture.

Obviously such programs have no merit at a time when there is serious unemployment. And even though the current recession reverses itself in the next few months, it is doubtful that people will find it possible to find nonfarm jobs at a faster rate than in recent years.

Over the past 5 to 10 years people have been leaving farms at an annual rate of 1 to 2 percent. Many of these people have been leaving low-income, noncommercial farms which produce very few farm products for sale.

The year to year decline in number of farms, largely as a result of farm consolidation, has about equaled the annual decline in farm population. When I attempt to evaluate how farm consolidation and the movement of people to nonfarm jobs will affect the farm picture in the next 5 to 10 years, I find no basis for expecting any substantial change in recent trends. On the one hand, as I expect to show later, a drop of 25 to 40 percent in net farm income must be expected if all farm production is channeled through commercial markets. On the other hand, farm consolidation and the movement of people to nonfarm jobs will only reduce the number of farm families and farm people sharing in this income, at best, by 2 percent a year.

I shall continue to use my best efforts to speed industrial development in rural areas and to facilitate the movement of rural people to desirable long-term nonfarm jobs, but, Mr. President, this is no short-run solution for the current farm income problem.

THE MEANING OF RISING LAND VALUES

Let me turn now to another area where a faulty diagnosis has been made. Some people have pointed to rising land values as an indication that the agricultural industry is fundamentally sound and has a bright economic future. It is true that land values have increased sharply since 1947–49. Perhaps land values were too low at that time.

Without attempting to indicate what level of farmland prices should prevail at this time, let me call attention to these facts: Since 1952, although farm real-estate values on a per acre basis have increased 11 percent, the realized return per hour to all farm labor and management has declined 16 percent. Furthermore, while the returns to farm labor were declining 16 percent, hourly earnings of workers in manufacturing increased 24 percent. Farmworkers, including the farm operators, received a return of 69 cents an hour for their labor and management in 1957, in contrast to $2.07 an hour received by workers in manufacturing.

No doubt these facts will suggest different things to different people. I am reminded that about two-thirds of all farmland purchases are made by farmers. I look upon these facts as evidence of intense economic pressure for farm consolidation. Farmers, in order to fully utilize modern equipment and meet the challenge of lower prices, have been bidding up the price of land.

Quite frankly I do not believe farm people would be so foolish as to bid up the price of land to a point where they receive little for their labor if they had satisfactory nonfarm job opportunities open to them. The recent increases in farmland values are the result of many factors. One of the important ones in my opinion is the intense competition for land for farm enlargement by families who cannot find satisfactory nonfarm jobs. In this sense rising land values are an indication of the difficulties encountered in reorganizing agriculture to utilize modern technology. The associated low returns to labor are certainly to be deplored. In only a very limited sense can we look upon recent increases in land values as an indication of increasing prosperity on the part of farm families.

AGRICULTURE'S ALTERNATIVES

Mr. President, it is against this background of recent trends and developments that we must look at agriculture's alternatives in the next 5 to 10 years. As I view the situation, if agriculture is to achieve bargaining power comparable to other economic groups it has a choice between three widely different courses of action or some combination of them. However, each course of action is relatively unattractive. Each has many undesirable features. Because of this, it will be difficult to choose among them. And, as I will point out later, we will be forced to accept some combination of them.

In the absence of effective production controls, if farm income is to be maintained at current levels, existing supplementary distribution programs must be continued without slackening for the next 5 to 10 years. These programs, distributing $1 to $2 billion of farm products each year for the last 3 years, have made little progress in reducing total stocks. Reductions in dairy products, cotton, and wheat have been largely offset by increased stocks of feed grains.

One course of action, which at best would merely maintain farm income at current levels, would be to develop a long run policy of distributing $1 to $2 billion of farm products outside of commercial markets each year. These products would continue to be distributed through Public Law 480, school lunch and similar programs.

A second course of action would be to bring farm production into balance with market outlets at current price levels, through an integrated system of production controls. Many people doubt the feasibility of developing effective aggregate production controls. If this course of action is chosen, however, it will be necessary to hold production 4 to 6 percent below what it otherwise would be year after year for at least 5 or 10 years.

Again, in the absence of large supplementary distribution programs, production restrictions of this magnitude are required just to maintain farm income at current levels.

The third course of action, and the one that is being advocated by many who have been disappointed in existing programs, is to free producers from production restrictions, lower price supports to long term normal levels and allow all production to move through commercial channels. Those who advocate this course of action place a high value on the greater freedom permitted farmers and they mistakenly assume that farm income will be maintained or increase.

Mr. President, in my earlier paragraphs I have tried to lay the groundwork for what to expect in terms of farm prices and income if this third course of action is chosen. We must remember that it takes 65 percent of the income farmers receive just to pay their production expenses. A 10.5 percent drop in farm prices results in a 30 percent drop in net farm income.

With 4 to 6 percent more farm products coming to market year after year than there are market outlets available at stable prices, a sharp fall in farm prices and incomes is inevitable. If this third course of action is chosen I see no alternative to accepting a 25 to 40 percent reduction in net farm income—a reduction to a net income level no higher than 50 or 60 percent of the income levels farmers enjoyed in 1952.

Mr. President, as I said before, all three of these courses of action have many undesirable features. But to my mind this latter course will be totally unacceptable to the farm people of the United States. I do not believe they will willingly accept a 25 to 40 percent reduction in net income below current levels.

ADVANTAGES OF DOMESTIC PARITY PLANS

Agriculture, of course, does not have to select one course of action and completely exclude the other two. A combination of production restrictions and supplementary distribution programs could be continued. Or a combination of production restrictions for the domestic market and increased freedom in producing for foreign markets might be adopted.

When I first introduced S. 3183 in the 84th Congress to authorize a domestic parity plan for wheat I did not have available all the facts and figures that I have reviewed for the Senate today. When I consider these various alternatives today, however, I find the domestic parity plans for wheat, rice, and cotton appear even more desirable than when we first developed them.

Congress must decide whether it wants to go the free-market route in agricultural policy or whether it wants to modernize existing price-support programs and maintain and improve the income of farm families. When the economic facts are fully understood as I have presented them today, there is no doubt in my mind what course of action the electorate will demand and Congress will take. I am confident we will modernize existing price-support programs and maintain the income of farm families.

Domestic parity programs for our major export crops—cotton, wheat, and rice—have the great advantage that they assure producers stable prices and incomes on their production for domestic markets. At the same time, either immediately or in the near future they will allow farmers to grow as much of these crops as they desire for export at unsubsidized world prices.

Domestic parity programs have a number of advantages as compared with existing farm price supports.

First. They increase the freedom of producers.

Second. They reduce Government costs.

Third. They maintain income at current levels.

Fourth. They get the Government out of business and permit the commodities to move in commercial trade channels.

BROAD SELF-HELP AUTHORITY NEEDED

As I mentioned earlier, if we now had in operation a domestic parity plan for wheat and a self-help plan for dairy products we could maintain the incomes of producers of these products at 1957 levels with little cost to the United States Treasury.

After all, the self-help dairy program authorized in S. 3125 is simply a plan for utilizing both supplementary distribution plans and price incentives to discourage milk production in excess of available outlets. Under such a self-help plan dairymen will be able to balance market supplies with market outlets and achieve a bargaining power position more nearly equal to that of the processors and distributors of dairy products.

I am greatly in favor of reducing Government's role in the production and marketing of farm products. What I believe is needed is not only authorization for a self-help plan for dairy producers but a broad authority allowing other commodity groups to increase their bargaining power by means of self-help plans for balancing market supplies with market outlets.

In many respects our existing marketing agreement authority meets this need. But the use of marketing agreements is sharply limited by existing legislation. Perhaps we can best provide the authority for flexible self-help plans by broadening marketing agreement legislation. If this is not feasible I believe we should consider a suitable amendment to our basic price support legislation.

COMPREHENSIVE FEED GRAIN PROGRAM NEEDED

In closing I want to say just a few words about the urgent need for adopting a feed grains program similar to the one being developed by the House Committee on Agriculture. Feed grain and livestock products, while enjoying satisfactory incomes at the present time, will probably suffer greater income losses in the next few years than any other major agricultural group.

Feed grain stocks have been accumulating for 5 years under the existing price support programs, which indirectly have supported livestock prices and livestock incomes. These feed grain stocks cannot be diverted to foreign countries to the same extent that it is possible to divert wheat and cotton stocks. In addition, substantial increases in the output of livestock-products per unit of feed are probable, especially in hog production.

In many ways, feed grains and livestock are the safety valve for the entire farm production plant. Land diverted from the production of other farm products either because prices are unattractive or because of acreage allotments usually finds its way into feed grain and forage production. Wheat that cannot be sold for human food also is used for livestock feeding.

Yet we have no regular export market for a large volume of animal products. It is because of these conditions that I believe a workable feed grains program is urgently needed. In addition to the feed grains program now in the process of development, I believe we should be developing plans to stabilize hog prices in 1959 and 1960 when burdensome market supplies again are expected.

Mr. President, this has been a rather long statement, but the agricultural problem today is a complex and badly misunderstood problem. We and the public have been confused by the substitution of cheerful and hopeful statements for vital economic facts. This is my only explanation for the failure of farm groups to agree on satisfactory and workable domestic parity and self-help plans to modernize existing price supports. I hope that this statement will help to clear away the existing confusion and speed up progress on badly needed, realistic farm price support legislation.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Does the Senator from Kansas yield to the Senator from South Dakota?

Mr. CARLSON. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I wish to express my appreciation for the excellent address which the Senator from Kansas has made on the subject of farm legislation and farm price problems.

It was my privilege to join with the Senator from Kansas in sponsoring the domestic parity amendment for wheat to the farm bill some years ago when that subject was considered in the 84th Congress. I regret that we were not given an opportunity to have that question tried out.

The Senator from Kansas has been consistent in his support for the program and also in his exposition of support for self-help programs. I feel what the Senator has said with regard to a self-help program for the dairy interests is also worthy of the consideration of the Committee on Agriculture and Forestry and of the Senate.

In that connection, Mr. President, I am hopeful that the self-help program which the beef cattle producers have been testifying for in recent days will receive favorable consideration. It seems to me not defensible that the industries which are willing to work out programs to help themselves should not be given every possible legislative encouragement.

The Senator from Kansas has made a most helpful and constructive statement. I want to thank him for having made it.

Mr. CARLSON. Mr. President, it has been a privilege to be associated with and to work with the distinguished junior Senator from South Dakota on agricultural problems. We both come from an area where these are very real problems. They are vital not only to the people who live in those sections but to the prosperity and economic welfare of the Nation. I feel that the present recession has many of its roots out in the agricultural areas of the great midsection of the United States.

I say to the distinguished junior Senator from South Dakota that it will be a pleasure to continue to work with him in the future, as we have worked together in the past, on behalf of agriculture.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCREASED PROGRAM OF RESEARCH ON FORESTRY AND FOREST PRODUCTS

Mr. HUMPHREY. Mr. President, on March 21 Representative HAROLD COOLEY wrote me asking me to consider the introduction of a companion bill to his House bill 11495. Subsequent to that time, I have had a good many letters from schools of forestry from various parts of the country, including the University of Minnesota, urging me to introduce that proposed legislation.

I ask unanimous consent that Representative COOLEY's letter and two letters from Prof. F. H. Kaufert, director of the School of Forestry at the University of Minnesota, be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 21, 1958.

Hon. HUBERT H. HUMPHREY,
United States Senator, Senate Office Building, Washington, D. C.

DEAR HUBERT: There are enclosed herewith two copies of H. R. 11495 which I introduced on March 18.

If, after consideration of the contents, you should desire to introduce a companion bill in the Senate, I shall be most honored to have you do so. As you may know, Congress HILL, the ranking minority member of my committee also introduced a bill, and I am certain that we will be able to get a Republican Senator to introduce a similar measure.

With kind personal regards, I am,
Sincerely yours,

HAROLD D. COOLEY.

UNIVERSITY OF MINNESOTA,
INSTITUTE OF AGRICULTURE,
SCHOOL OF FORESTRY,
St. Paul, Minn., March 24, 1958.

The Honorable Senator HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: Thank you very much for your letters of March 7 and 17 relative to legislation being prepared by Congressman HAROLD D. COOLEY to provide funds for the stimulation of graduate study and research in United States forestry schools.

I am in receipt of a letter from Dean R. J. Preston, of North Carolina State and a typed copy of a bill to accomplish this objective which Representative COOLEY has prepared and plans to introduce in the House. This bill has been reviewed by representatives of the United States Forest Service and is satisfactory to them.

I do not know whether Representative COOLEY has as yet introduced the proposed bill in the House and whether copies are now available. However, I know from our discussions with him that Representative COOLEY would be very interested in having a companion bill introduced in the Senate. All of the forestry school representatives who have reviewed the proposed bill to achieve these desirable objectives of stimulating and developing forestry training and research in the United States forestry schools in cooperation with the United States Department of Agriculture are very enthusiastic regarding its possibilities. We hope that it may be possible to obtain its adoption during the present session of Congress.

I know that all foresters and others interested in forestry research and graduate training join me in expressing to you their appreciation for the interest you have shown in this proposal. We hope that you will contact Representative COOLEY regarding this legislation and discuss with him the introduction in the Senate of companion legislation.

Your interest in this legislation is deeply appreciated.

Very truly yours,

F. H. KAUFERT,
Director.

UNIVERSITY OF MINNESOTA,
INSTITUTE OF AGRICULTURE,
SCHOOL OF FORESTRY,
St. Paul, Minn., March 25, 1958.

The Honorable HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: Yesterday I wrote you relative to legislation being developed by Representative COOLEY to stimulate the development of forestry research and training in the United States forestry schools.

In today's mail there was a very fine letter from Representative COOLEY and several copies of H. R. 11495, which he developed to cover this need. In my opinion, this bill covers in excellent fashion the proposal for Federal stimulating funds which has been discussed with the United States Forest Service and industry representatives and on which I wrote you yesterday.

We are glad to see this proposal develop. Its adoption should go a long way toward giving forestry research and the underlying basic graduate training the type of boost needed. If you have questions relative to H. R. 11495 or there is anything I can do to help in moving this measure forward, I hope you will call on me.

Very truly yours,

F. H. KAUFERT,
Director.

Mr. HUMPHREY. Mr. President, on April 12, I wrote to Professor Kaufert notifying him of my intention to introduce a Senate bill. I ask unanimous consent that my letter of April 12 be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 12, 1958.

Prof. F. H. KAUFERT,
Director, School of Forestry, Institute of Agriculture, University of Minnesota, St. Paul, Minn.

DEAR PROFESSOR KAUFERT: This is just a note to tell you that I intend to introduce the Senate companion bill to H. R. 11495. As soon as it is introduced I will send copies to you.

Best wishes.

Sincerely yours,

HUBERT H. HUMPHREY.

Mr. HUMPHREY. Mr. President, I am convinced, after studying the matter in the intervening weeks, that this legislation is highly desirable, and consequently I introduce a companion bill to H. R. 11495, and ask that it be appropriately referred. I hope the Senate Committee on Agriculture will take prompt and favorable action.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3695) to authorize an increased program of research on forestry and forest products and for other purposes, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

TENTH ANNIVERSARY OF THE ESTABLISHMENT OF ISRAEL

Mr. WILEY. Mr. President, the other day, when the Senate had before it the resolution honoring Israel on its 10th anniversary, I was prepared to say a few words. However, I had a conflicting engagement, which prevented my being recognized at that time.

Probably it was a good thing that I was not, because today I read in the New York Times what I consider to be one of the finest editorials in relation to that lighthouse on the shore of the Mediterranean. I wish to read a few sentences from the editorial, because it speaks with dramatic certainty and with

a purity of English which I think is quite remarkable.

Conceived in idealism and born in fire, Israel has already accomplished the impossible.

Yes, it has accomplished the impossible. It has made the desert bloom like a rose. It has taken the sand heaps of that section of the world and has transformed them into areas of fine trees and fine crops. But, more than that, there has been implanted in that place the force of character and courage in arms and the determination to survive on the part of a people which, through the centuries, has demonstrated determination, courage, and, what is more important, great spiritual values.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. WILEY. I have not finished.

Mr. GOLDWATER. I was afraid the Senator might be finished. I suggest that he read more of the article, so that we may all enjoy it.

Mr. WILEY. Some of what I was saying was my own language. I thank the Senator, however, for the implied compliment.

The article I have been referring to speaks in wonderful terms of the people of Israel and their determination to live as a nation. Among other things, the editorial states:

They could not perform the miracles they have performed without help, nor without paying a fearful price. The help has come mainly from the United States, and it will be needed for a long time to come.

In surmounting difficulties, weathering storms, and seeking to exist, Israel has built itself into a great nation having sterling character.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the editorial entitled "Israel's Tenth," published in the New York Times of April 24, 1958.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ISRAEL'S 10TH

From the hills of Galilee to the sands of Aqaba, from the waters of the Dead Sea to the shores of the Mediterranean, a myriad of blue-and-white flags will be flying proudly today in celebration of the 10th anniversary of the independence of the State of Israel.

Conceived in idealism and born in fire, Israel has already accomplished the impossible. It has established itself as a free democracy on an ancient, rocky soil that had not known freedom for centuries. It has grown in strength and security though surrounded by hostile neighbors. It has created a new kind of civilization at this traditional crossroads of old civilizations. It has done so through the unconquerable strength of a pioneer spirit welling up from 2,000 years of tragic history.

The force of character, the courage in arms, the determination to survive, the will to create, that have marked the first decade of this extraordinary state combine to give assurance of its future. Militarily undefensible, economically unviable, politically impossible, it has yet managed to defend itself, to develop its economy, to establish its institutions. It has thrown open its doors to Jewish victims of oppression throughout the world, giving a new sense of dignity to those denied this basic human right in the countries from which they came.

The men and women who have built the State of Israel in these first 10 crucial years have plowed the soil, have planted forests, have created industries, have brought water to the desert, have constructed homes and towns and cities, have deepened ports, have opened mines; and in doing all this and more they have not failed to give attention to the most important factor of all in their national development: the education of their youth and the fusion of many kinds of people with diverse backgrounds into a vigorous and, eventually, a common culture.

They could not perform the miracles they have performed without help, nor without paying a fearful price. The help has come mainly from the United States, and it will be needed for a long time to come. The price has been the unwavering enmity of the Arab world, which failed in its attempt to throttle Israel at the start and which has not yet become openly reconciled to the fact that Israel is here to stay. The Arabs' reiterated hostility and refusal for 10 years to make peace gives Israel good reason for her constant posture of military readiness; but Israel herself has sometimes in the past seemed too quick on the trigger in an explosive situation that could engulf the globe.

The continuing state of tension between Israel and the Arab countries is obviously one of the most dangerous elements in the world today; and, by any objective appraisal of this situation, it makes no sense. If the Arab States would recognize the realities and negotiate peace, and if in turn Israel would be willing to make concessions toward that end, the moral, political, and economic benefits to all the peoples of the area would be beyond calculation. David Ben-Gurion, Israel's messianic Prime Minister, has told Parliament in his latest message that "we must make untiring and incessant efforts to find a way to the hearts of the peoples who are still hostile to us and bring about peace between the Jewish people and their Arab neighbors." The achievement of this goal must be the deepest hope of all of Israel's friends throughout the Free World who are congratulating her in this, her 10th anniversary.

THE FEDERATION OF THE WEST INDIES

Mr. WILEY. Mr. President, when a new child appears in a family, it is a great event. When a new nation appears among the nations of this planet—an event such as occurred in the days of the American Revolution—it is a great event.

Now another birth has taken place, to which we have not paid much attention, but which is of considerable significance. I read from an editorial entitled "Birth of a Nation," published in the New York Times of today, April 24. It reads, in part—

The West Indies, the newly formed federation of former British colonies in the Caribbean, have now embarked on their separate national existence.

A new nation has come into existence. It is our neighbor. It is a new nation. Its significance only the future can tell. The editorial further states:

Acting on behalf of Queen Elizabeth, Princess Margaret has inaugurated the federation's first parliament.

It is significant when a nation is created and free men gather in a parliament, in a congress, in an assembly, where they make the laws, where they learn to listen, where they exchange ideas in relation to government, and live in the process of giving and taking.

That also is a new birth. The new nation is another tribute to the political alliance of the British people. The new nation will be a commonwealth, but in 5 years it will be absolutely free, although within the commonwealth of British nations. I read further from the editorial:

For that reason, the federation will remain dependent upon British financial help for some time to come, and the United States has already concluded technical cooperation agreements with five islands. But Prime Minister Adams declares that "we set our steps on the new road in sober confidence, with high hopes," and there is good reason to assume that his confidence and his hopes will be justified.

There is good reason to assume that the confidence of the Prime Minister of this new nation will be justified and that it will merit the confidence and fulfill the hopes of all of us. The new nation is just off our own shore. We greet her with the saluation: "Godspeed and good luck, sister neighbor."

Mr. President, I ask unanimous consent that the entire editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BIRTH OF A NATION

With the best wishes of the British Crown and Nation, in which the American people will surely join, the West Indies, the newly born federation of former British colonies in the Caribbean, have now embarked on their separate national existence. They have achieved complete self-government that is to lead to complete independence within the British Commonwealth in about 5 years. Acting on behalf of Queen Elizabeth, Princess Margaret has inaugurated the federation's first Parliament in its capital at Port of Spain in Trinidad and given full effect to its federal constitution.

The new nation is another tribute to the political genius of Britain, and again a telling refutation of the charge of colonialism hurled at the West by Soviet Russia, which keeps both its own separate nationalities and its satellites under its iron heel.

Under the new constitution, matters of defense, foreign relations, and financial stability may be regulated by the British Crown until the day of final independence. But in all other respects the federation will govern itself either through the federal parliament or the legislatures of its 10 autonomous territorial units. This will be no easy task, since all these units suffer from overpopulation, underemployment, and too much dependence on agriculture, mainly sugar. For that reason the federation will remain dependent on British financial help for some time to come, and the United States has already concluded technical cooperation agreements with 5 islands. But Prime Minister Adams declares that "we set our steps on the new road in sober confidence, with high hopes," and there is good reason to assume that his confidence and his hopes will be justified.

COMMAND OF A GLOBAL WAR

Mr. GOLDWATER. Mr. President, on numerous occasions recently the President of the United States has discussed the reorganization of the Department of Defense. Tonight I shall address my few remarks to a subject which is closely related to that question. I

hope that during my discussion some of my colleagues may benefit from my analysis of the needs for a command of a global war.

My colleagues might wonder where I obtained the temerity to discuss such a subject. I have spent the last 28 years in and out of the military service, so I am merely reciting what I feel I have learned during that time.

Within the past year, Russia successfully launched a missile into outer space, carrying the earth's first man-made satellite. It is to be sincerely hoped that along with this missile did not go man's ability to reason calmly and to reflect upon the lessons of history in his endeavors to solve the problems of tomorrow.

It would be easy to say, at this point in our history, that the phenomena of newness has never happened before, therefore, we must look to some unthought-of means of counteracting what appear to be a Russian superiority in certain military fields.

Coincidentally, throughout history, this has been the first reaction to all new developments in warfare. When the rock was replaced by the spear many people living must have felt that the ultimate weapon had been developed and that there was no protection from it. When the bow and arrow followed the spear the same conclusions were probably quickly reached. And, with the coming of gunpowder mankind probably looked in awe at what they felt was the instrument to destroy peace and civilization.

In my lifetime, I can remember the development of the machinegun and the tank and the effect they had upon the military thinking and planning of earlier wars. We have but recently seen the development of the airplane and can remember in the early stages of World War II, with Germany's then superiority in that field, the world being awestruck with the ultimate power that rested in this arm.

At this moment, though, we are faced with the problem of missile warfare and what to do about it. Missiles with hydrogen or atomic heads that supposedly, when fully developed, can strike any place on the earth from any other place on the earth without adequate warning.

With the swiftness of this new vehicle and the power of its warhead, it is small wonder that today many people are suggesting rather unusual approaches to the solving of our offensive problems. So it is with a hope that we can apply some of the thinking and philosophy of history to this present problem and can develop a solution to what is one of our military problems today that I approach this subject tonight.

The basic principle of war, whether it be actual warfare as we commonly understand it or warfare through psychological or economic efforts, is to impose the will of one nation upon another. Gen. Carl Von Clausewitz states it in another way in his book, Principles of War:

> The most important thing in war will always be the art of defeating our opponent in combat.

If we recognize this basic principle of warfare, and then apply the new dimensions of modern war as expressed by Gen. Thomas D. White in Air Force magazine of January 1958, in his statement, "The rapid application of force in hours or days, not weeks, months, or years," as a part of our national policy, then I think we can begin to plan for the war of the future.

Progress, in our history, regardless of whether it has been in the military, political, social, or economic fields, has been based upon the application of known successes in the past. Whenever we have deviated from that, and have tried to embark upon some new and untried program, we invariably have come back to the tried basis, on which to erect a substantial and properly operating facility.

It is, however, very tempting, at this time, to discard the lessons of history, and to embark on a new path. But I believe that the present time calls for a calm regard of what has transpired in warfare in history and what has transpired in the application of national policies, and to try to remember from the lessons of tradition and history the constructive things in them, and then to apply them to the problem which confronts us today.

We have learned through history that the balance of power in the world has always rested with the countries that have mastered the mode of transportation in use at the particular times when they found themselves ascending to leadership. We have developed, time and again, the history of this thesis, as it began in the valleys of Asia, as the small, hand-hewn craft of the natives moved up and down the rivers. At that time the power was held by the tribes that gained mastery of that type of transportation.

Following the subsequent developments in Egypt, the Mediterranean, Portugal, and then in England, England became master of the seas for nearly 200 years; and with that mastery she possessed the ability to maintain a semblance of peace for that period. We have witnessed the railroad development of Germany, the railroad development in the internal part of the United States, and a corresponding transfer of power to those areas, if only for a brief time.

At the end of World War I, we began to realize that superiority in the air would mean the centralization of power in the country that mastered that particular means of transportation. Following World War II, superiority in this area gave to the United States its position of world leadership.

With the increased development of missiles, it is proper to ask, What is the difference between air power and space power? Are they separate? If we think of the missile as only a means of transporting a weapon of destruction from one point to another, possibly we can discern some difference between air power and space power, as we try to relate the latter to the world leadership which we must maintain.

If, however, we can see in the missile an ultimate means of transporting people, and items of trade, then space power becomes a higher level of air power and the same are together.

The conclusions of air power experts, such as Mr. Rickenbacker, that this will be so brings the concept that the missile will become a part of overall air power, so that the axiom that has often been stated of centralizing national strategy in the strongest force will mean that we will continue to concentrate our concept of strategy in the air, whether it be in the form of a missile propelled miles above the earth at fantastic speeds, or whether it be in the aircraft that, at the same time, will be a part of the overall air program.

Referring, briefly now, to the title of this paper, which is "Command For A Global War," it could be stated very quickly if I merely used the word, "reorganization." I know, however, that is an overused word at the present time, so I want to go on and discuss the complete reorganization that I have in mind, realizing, as I do so, that there are many students who will disagree with parts or the whole of my approach. Nevertheless, I am reminded constantly as I confront these problems of the Air War College, of a remark once made to me by the professor of military science and tactics when I was a student in a military school as we were working at sand table problems. He told us not to be afraid to make suggestions, or make decisions based upon our own thinking, because there was only one place that strategy or tactics could be proven right or wrong, and that was on the battlefield. The best that he could do, he always said, was to advise us as to the practicability of our approach from the lessons that had been taught by history. So, with the admonition of that man, who later became Gen. Alexander Patch, I wish now to embark on the program that I would suggest for a global command in the world today.

First, I refer to the part of the national policy stated by the Chief of Staff of the Air Force that one of the basic principles which guides planning for local conflicts, so as to invoke the least risk of general war, are these: The rapid application of force in hours or days, not weeks, months, or years. It is safe to assume that this same basic principle would be applied to any general world conflict that would be started by our enemies, which it would be obvious from the outset could not be contained in a local war. Such a problem is the one that faces us today. Small or local wars, as they are referred to, will be controlled by our enemy. If a loss seems probable, they will do one of two things—start a new small war someplace else, or enlarge on the existing small war. So, if we have a belief in our ability to defeat our enemy, then I think we must recognize that we will have to defeat him in a large global war, no matter what it starts as, either a small war or a large war, for the enemy cannot lose without trying to engage us in other conflicts in which he might have an opportunity of ultimate victory.

In suggesting my reorganization, therefore, I will go into some areas which I did not originally contemplate going into, but, which, nevertheless, I

feel is needed for the overall accomplishment of the mission assigned to the military of the United States.

In the Congress, today, before the Committee on Preparedness, we are hearing a lot about the need for a more unified military. Many suggestions have been made, so far, relative to the streamlining of the staff, the juggling of roles, and missions, and others, which are only in the formulative stage now.

My suggestion for an effective military in this country could well be called a unified military plan, but, for the lack of a better description, I will call it a "One Military Plan." This plan would mean the abolishment of the four different uniforms that are worn today and the replacement thereof by one uniform denoting the Military Establishment of the United States.

Now, how do we approach this situation, so as to achieve it in a manner that will produce the maximum results for our country?

Today, our military command, like many of the other controlling units in our economy and our Government, is a series of compromises that have resulted in a hodgepodge built upon mistakes, and new mistakes are compounded to correct old ones, instead of, at some time in our history, our facing the overall problem and doing something about it in a complete manner.

For example, wars have never been, and never will be, a simple operation. They are among the most complex engagements in which a man can find himself; and even when a war is confined, or when a war is, as we call it today, a small war, we find difficulty upon difficulty heaped on the command and staff of the organization.

Peculiarly, as man has increased his individual firepower capabilities, therefore decreasing the need for manpower, he has, at the same time, built a greater and greater complexity into the area of command. When Genghis Khan led his gigantic horde, he made up his mind, probably after consultation with a very few of his leaders. The same command methods were used by Alexander the Great, as he developed his phalanxes. In short, when military organizations were larger, the command level was smaller.

In World War II we saw the theater of operations concept used as it had never been used before in warfare, and we also saw it become a complex, and, in some instances, an almost unmanageable weapon of war. Today, as our manpower needs in the Air Force decrease, as our manpower needs in the Navy and the ground forces decrease, and we actually, in all segments of the military, are planning manpower decreases, we find no corresponding decrease at the level of command. This is one of the major reasons why I have come to the conclusion that we must revert to a single military that will have a minimum staff and command to run and control it—coupled with adequate civilian safeguards to continue our belief in subservience of the military to the civilian.

This "one military" cannot be reached overnight. There must be planning to accomplish it, so I will go back farther than is probably necessary to gain this objective, in order to develop my full concept of what the one military should embrace.

General Clausewitz, in his book, On War, observes that the uncivilized people never produced any really great generals, and that it was seldom that they produced anyone who could be called a military genius. He further observes that the civilized people, or those people who have a greater degree of education, have been the ones that have produced the great military leaders of history. It is easy to gather from his statements, which have been borne out in history since his time, the importance that intellectual powers have in a superior military leader. The selection of future officer material, and the education of those individuals, therefore, become the first order of business in any approach that we use to the establishment of a one military system.

Today we have three Academies that are turning out brilliantly educated scholars who become officers in their separate branches of the service. They go through their military careers, becoming more and more imbued with the importance of their own particular segment of the military, until they reach the stage where they become general officers. There they are often placed in positions where they must decide on the size of forces, on the type and quality and quantity of weapons, and must defend these outlays before the Congress of the United States. Instead of having a feeling for the success of the overall military, these men are, naturally, and I say this without any indicating of blaming them, inclined toward the service in which they have served all of their military lives.

While it is difficult to say this, because I know that I myself have been guilty of this feeling in relation to the Air Force, this old school-tie attitude has done as much to slow down military progress in the United States as has any one thing.

I would suggest, then, that the United States establish one military school that would be an institution of higher education and, at the same time, embody the principles of the three academies that are devoted to the instillation of patriotism, honor, and fidelity.

The prospective officer would attend this school for his 4 years of college, and then would spend necessary time completing his studies in each of the three military schools that we now have. He would wind up an officer schooled in the Navy, the Army, and the Air Force. According to his qualifications, and to some extent his desires, he would then be assigned to a segment of the one military for which he would be best suited. That might be the air part of it, it might be the ground branch, or it might be the sea part. He would not be singled out by uniform or by loyalty to any one of these as a separate branch, such as we know them today, but his loyalty and his efforts would be assigned to the military.

It is highly possible and desirable that during his career he serves in all components. When this officer, after having traveled through the various grades, reached that point in his career where he was made a general officer, he would become a general officer of the military, not an admiral of the Navy, nor a general of the Air Force, nor a general of the Marines, nor a general of the Army.

WEAPONS PROCUREMENT-DEVELOPMENT

To achieve the full effectiveness of a one military approach, we must discover all of the problems that exist under the present system, explore them, and make suggestions for their solution.

Having had the unusual opportunity for the past 5 years of watching and studying the development and procurement policies of the armed services, I am in agreement with many men in civilian life that weapons procurement and weapons development would be better handled if both of these were removed from the prime responsibility of the military.

Dr. J. Sterling Livingston, professor of business administration at the Harvard Business School, in a recent paper, clearly stated the reasons for this change when he remarked that the notion of planning years ahead for weapons is "contrary to the military's traditional and, indeed, appropriate mission of maximum immediate readiness."

A good example of this can be illustrated by the development of the jet engine. As early as 1941, the Whittle engine was discussed in detail with the General Electric Co., and the then Chief of the Air Force, General Arnold, persuaded this company to take on the manufacture of this new and advanced engine. Almost a year later, two of the newly developed engines were mounted in the first jet plane the Air Force had, the Bell P–59, and the craft was successfully flown. General Electric continued work on this engine and within a very short time had one which could produce 2,000 pounds of thrust. The engine was not put into production, even though it had high thrust and gave complete indication that the company would be capable of developing larger engines rapidly, because, at the time, the Air Force's plans called for still more powerful engines, which at the moment could be found only in reciprocal ones.

Had the Air Force allowed General Electric to continue with this development and, at the same time, used the available reciprocal engine, there is not much doubt but what the United States Air Corps would have had a jet figher in the air of sufficient power to guarantee air superiority even if the Germans had gone ahead with the development of their ME–263, which would have prevented a catastrophe had the Luftwaffe been able to put quantities of jets in the air against our propeller-driven aircraft.

There was a case of the military thinking in terms of weapons at hand instead of allowing a private enterprise organization to proceed with the development of a weapon of the future. The military should not be responsible for the development of radically new weapons systems. It should certainly have a hand in that work but only insofar as continuing research for each of the three phases of the military would be

concerned with the introduction of new ideas to a civilian organization based upon the development of strategy around these ideas.

Another example of how weapons development has been retarded by the military having complete control over that operation can be illustrated by the Air Force's decision in 1947 to cancel a long-range ballistic missile study that was being conducted at that time by Consolidated Vultee. The Air Force decided to give up the long-range missile for a concentration on shorter-range air-breathing ones for the stated reason that they could become operationally ready at an earlier date.

Had this matter been under the control of a civilian agency, such as has been suggested, there is no question but what study and development would have proceeded on the longer range missile, and, at the same time, the same procedure would have been followed in relation to the shorter range missile, giving the military services today a superior position to the one which they occupy.

The wartime Office of Scientific Research and Development would be the type of agency which could best handle the development of modern weapons, and this organization, working closely with private enterprise and also at the same time closely with the military, could, in this writer's opinion, provide the United States with constantly improving weapons at a much more satisfactory relationship between the dollar and the item.

STRUCTURE OF COMMAND

Earlier in this paper, I pointed out the manner in which the command structure has become more complex as the forces in being have become more compact and fewer in number.

It is well, at this point, to review briefly some of the contributing factors to that rather unsual situation. Earlier in papers that I have prepared I have attempted to point out that the national strategy should be woven around the dominant weapon and in this regard it has been repeatedly pointed out that such a procedure follows the lessons of history. Before the advent of seapower, landpower was the dominant weapon, and national strategy throughout the world was woven around this service. The armies of Genghis Khan did not have to contend with competing services, so they were able to keep command at the basic level of the commander himself with such delegation of authority as was needed to maintain contact among such a vast number of men. As seapower began to come into prominence we added one more factor to both warfare and the problems of command, in that seapower would be a contributing factor in any war. Even though seapower was the dominant power in the world for nearly 200 years, the wars which were fought during that period were based upon ground strategy. At the same time, strategists had to recognize the importance of the sea arm, so the navy was included in command planning, strategy, and execution.

As airpower developed at the end of World War I, we added still another factor to the problems of command in that it, too, could contribute, along with the seapower, to the success on the ground. So, the airman was recognized as a newcomer to the family of command, and the complex situation grew even more so.

In spite of the early obvious fact that airpower would be the dominant power of World War II, the war in its early phases, and even in some instances its later phases, was built around the strategy of the ground. The truth of the matter is that we can say that all wars in the past have been based upon the strategic concepts of land forces and, as a result, they have been fought pretty much on the ground. It was, of course, to be hoped that we would have learned our lesson in World War II, that the strategy would be built in the future around the dominant weapon, and that we would have used that weapon as the basic weapon in Korea. But such was not the case, as we reverted again to the ground concept of strategy. Defenders of ground strategy will argue that the terrain in Korea prevented any other strategy from being used, but the truth of the matter is that the Air Force was never given a green light in that conflict and we cannot say that Korea was a test of air power even though air superiority did exist.

Now we are faced with the problem of constructing a command for the future—a command for a global war which, in my opinion, would also be a command for local wars.

It is time we recognize that the three services today are concerning themselves chiefly with one weapon and that the one weapon is air power, whether we speak of it as the airplane or the missile. The ground forces are busily engaged in developing a tactical air support for future ground operations, and much of the new pentomic division strength is built upon the support of this air weapon. The ground forces are in the air defense business and deeply in the missiles program.

The sea forces, while developing, in my opinion, one of the greatest additions to our weapon systems in the atomic submarine, still cling to the concept that the aircraft carrier can be a source of great strategic strength in future wars. Even with the development of the atomic submarine they are now developing as one of its chief weapons an air missile that can be launched either from the surface or from under the surface, so, in effect, the sea forces are tying their future weapons capabilities pretty much to the air. They, too, are in the missile business. It can be gathered from this, therefore, that there is much general agreement among the existing forces that the air is going to provide the dominant weapons of the present and the future and it is, therefore, with this assumption that I again press for a recognition of the air as our central power around which should be built our national strategy.

Land strategy as used in the fighting of our wars utilized the other services, such as the sea and the air, as auxiliary weapons instead of primary weapons. Decisions to use these weapons were based upon the judgment of the commanding officers of the theaters in World War II and in Korea upon the commanding general of the entire area.

In recognizing the air as our focal point of strategy, we must, at the same time, recognize that any weapon used in attaining and maintaining air or space superiority entails correspondingly quick decisions on the part of command.

Time has always been of the essence in military strategy, but never before has it become of such urgency that we must consider the abandonment of nearly 200 years of command concept to approach a structure that will be more realistic in the age of aircraft and missiles.

Now to maintain democratic institutions, where military strength is called for, means that we must have the most efficient system of command and the most efficient military that man can devise and, in this, it is my opinion that the Joint Chiefs of Staff concept has failed.

Another point that has been made, namely the protection of the integrity of the military profession, the recent investigation before the United States Senate Preparedness Subcommittee is demonstrating that this concept of command has not produced this to the extent that is needed to maintain the military.

To maintain the integrity of the military profession means maintaining, to a large degree, the dignity of that profession and under a system that has grown to include not only an overburdened staff of military personnel, but also an overburdened staff of civilian personnel, it is very difficult for the professional military man to make his feeling felt where they will do good. I might add at this point in this discussion, even though it does not have any direct bearing upon my remarks, that the integrity and dignity of the military profession would be greatly enhanced if it were possible to have enacted some of the provisions of the Cordiner report which would provide incentive pay in the military that would correspond with the incentive pay of the free enterprise system.

Because the war of the future will be one demanding quick decisions that will result in quick victory, I can envision a situation that would not involve the use of the theater concept as used during World War II where we had the European theater of operations, China-Burma-India theater of operations, the South Pacific theater of operations, the Central Pacific theater of operations, and so forth.

There will be no telegraphing of punches in any global war, even if that war is one created by our enemies in their efforts to change the balance of victory in any small wars we might become engaged in with them. The decision will be reached at their point of central command and the first we will know about it, assuming no change in

detection devices, will be the landing of missiles upon their targets, whether they be our strategic air bases overseas or actual targets within the continental limits of the United States.

If swiftness of decision is to be one of the weapons of the enemy, swiftness of decision must be one of the weapons of the United States. Swiftness of decision cannot occur under our present command structure with its cumbersome top-heaviness.

Added to this, however, is the advantage of the better procurement of men and materiel during times of peace. Much of the difficulty that we now find ourselves in we can assume to stem from authority not going with responsibility, and responsibility not going with authority, in the hodgepodge that is the command situation in the services today. When the Joint Chiefs of Staff concept was initiated, and when the President had ordered the reorganization of the Defense Department, there were two points stressed. One was the maintenance of democratic institutions and the other the protection of the integrity of the military profession.

It will be possible, for instance, to have a situation such as was characterized by the command in the South Pacific Theater of Operations, under General MacArthur, and command in the Central Pacific Theater, under Admiral Nimitz, with the operations of the 20th Air Force being retained under the Joint Chiefs of Staff. No overall commander was available for this important part of the world, and with weapons being what they are today an overall commander is needed, not just for an area of the world, but, in my estimation, for any global conflict in which we became engaged.

The war of the future will be fought, in my estimation, by task forces launched, if they are needed, after the first series of retaliatory blows are delivered against the homeland of the enemy. In the event that these task forces are needed, they can be more quickly dispatched by a central command than by any combination of commanders including sea, air, and ground, civilian and theater. They, of course, would be dispatched by air.

This leads me now into an explanation of my actual organization chart for this command of a global war. I should like to point out here that in my estimation any command of a global war must assume operations that will proceed before war during times of peace and I base this whole concept upon the assumption that our military forces in the future will be a permanent establishment, not augmented by Reserve or National Guard coming in and out of the picture during peacetime but being used only in wartime after thorough and adequate training during peacetime.

A glance at my suggested chart shows that the concept of command is one of a General Staff with a Chief of Staff. This is not a new suggestion in military organization in this country. In fact, it has been debated ever since this country has been in existence and the entire subject has been a matter of concern for students of military back through the ages.

There is a sharp reaction in this country to the suggestion of a General Staff guided by a Chief of Staff. It creates a strong feeling among those who see in it the only solution to the complex and unwieldy command structure we have today and, at the same time, creates fear among those who see in the Chief of Staff a potential danger to the freedom of our country. I believe we must recognize the arguments on both sides and attempt to come up with a workable protection for the civilian side and, at the same time, a workable protection for the military side. It is to be remembered that in history the Chief of Staff has at various times been made a member of the Cabinet of the Government and, at times, this has worked and at times it has not.

Clausewitz notes that the Emperor of Austria did that in 1809 and that the allied sovereigns did it in 1813, 1814 and 1815 and, to quote Clausewitz, "Their arrangement proved perfectly satisfactory." However, he notes in the very next sentence in his treatise "On War" the failure of this strategy when it was used in France in 1793 to 1795.

My organization scheme does not envision making the Chief of Staff a member of the Cabinet. It does, however, provide for the Secretary of Defense to be a member of the Cabinet and that he would exercise control over the operations of the General Staff and the Chief of Staff.

This is such an important part of this whole presentation that I feel it necessary to dwell briefly upon the background of the attitude of the American people against the military occupying any position of authority that is not completely controlled by a civilian.

One of England's legacies to America was contained in the British Bill of Rights in 1689, which provided:

> The raising or keeping of a standing army within the kingdom in time of peace unless it be with the consent of Parliament is against the law.

Thus our feeling is a historic one and stems from sources originating before our Government. The colonial pronouncements of the First Continental Congress, the Virginia Bill of Rights, the Declaration of Independence, and the Massachusetts Bill of Rights all contain similar provisions against a standing army. George Washington, in 1777, expressed himself on this subject in a dispatch to Henry Laurence, then President of the Continental Congress, to this effect: "I have been well aware of the prevalent jealousy of military power and that this has been considered as an evil, much to be apprehended, even by the best and most sensible among us."

When the Constitution was framed, the military inheritance from Britain remained as a source of fear among those wise men who framed that document. While giving the Government almost unlimited authority to raise military forces, certain provisions were granted to Congress to control the military. Congress retained the right to declare war, and while the President was to nominate and appoint officers, the Constitution provided that such appointments must be confirmed by the Senate. The President was made Commander in Chief of the Armed Forces, but he was to command only those forces which Congress saw fit to put at his disposal.

A further protection is found in the provision that the President is subject to impeachment for a betrayal of this trust. The necessity of a standing army was recognized only in the need for a defense against hostile Indians and the repelling of any possible invasion from abroad.

Even though this was recognized, four checks were granted to keep a standing army from ever becoming a source of denial of freedom to the American people: First, the policy of keeping military forces at a minimum; second, reliance upon the militia, primarily a standing army was to be called upon only when it was deemed necessary; third, keeping the States' militia independent and thus available to counteract any possible uprising on the part of the standing army; fourth, insurance that the professional forces remain under the control of politically responsible persons. This wide distrust of the military was in all probability responsible for the preparation and adoption of the second and third amendments, which read as follows: The second:

> A well regulated militia being necessary to the security of a free state, the right of the people to keep and bear arms, shall not be infringed.

The third:

> No soldier shall, in time of peace be quartered in any house, without the consent of the owner, nor in time of war, but in a manner to be prescribed by law.

In spite of the recognition of the need of a standing army, it was not until after 1812 that a regularly organized standing army came into being. President Andrew Jackson, a soldier, reflected in his first inaugural address in 1829 the continuing development of suspicion of the people of the country in relation to the military. While he did not advocate doing away with the regular army, he certainly was determined not to see it grow.

On through history we see a continuance of this attitude on the American people's part, and as we reach that point in history, 1860–61, the United States could only boast a standing army of about 16,000 men.

Objective students of history were beginning to recognize, however, that some compromise must be started with the general abhorrence of the military on the part of the people and the needs of a growing nation. Students of military history had never believed that the Nation should be, in effect, an armed camp in peacetime, but students were beginning to see where a relaxing of interest in the maintenance of adequate forces could prove a very dangerous policy. For instance, Gen. Emery Upton, in his analysis of America's military policy from the Revolution through the first 2 years of the Civil War, stated:

> Twenty thousand regular troops at Bull Run would have routed the insurgents, settled the question of military resistance, and relieved us from the pain and suspense of 4 years of war.

We continued then to pay little heed to the need for a strong military force during peacetime up until the time of World War I. After World War I, America seemed to have learned her lesson, for we then saw the organization of the Reserve Officers' Training Corps, citizen military training camps, and the more ready acceptance of military personnel by the civilian.

That the ROTC and CMTC were wise approaches was demonstrated in World War II, when many of our officers came from the ranks of the men who trained at colleges and trained in the summertime to prepare themselves for military duty.

Great attempts were made by pacifists during the period between World War I and World War II to destroy the concept of teaching the young man in high school and in college the art of warfare, and it is regrettable that they succeeded to the extent to which they did.

In the Second World War more Americans than ever before became engaged in the defense of their country and of the ideals upon which it has been built. As a result, the end of the war found the American people with a greater disposition than at any time in our history to place trust in professional military people and their opinions.

Professional military people began to be accepted into responsible positions of Government, as witnessed by the ascendancy to the Office of Secretary of State by former General Marshall. The ascendancy of Gen. Dwight D. Eisenhower to the Presidency is probably the best indication that the American people now realize more completely than at any other time in our history that they must rely not only upon the economic strength of this country but also upon the potential military strength to preserve peace in our way of life.

It is a peculiar commentary, however, on the historic antimilitary attitude of our people to see us turning to military leaders in time of trouble: witness Washington, Jackson, and Teddy Roosevelt, in addition to Eisenhower. The majority of people who voted for President Eisenhower in both of his terms, and for the other military men who have been President, did so, I feel certain, because of a reliance on their military knowledge and the need for that during a time of world tension.

There is no doubt in my mind that the American people today accept the need for a permanent standing military.

They have evidenced this by their consent to continued high taxes to sustain the military strength of the Nation. They have indicated to a rather surprising extent a trust of military people instead of a distrust.

Congress sees fit more and more every day to consult with the military leaders of the Nation to help them in formulating legislation.

It is suggested now that the American people consider going one step further and accept a Chief of Staff working under and controlled by the Secretary of Defense, the President's Cabinet, the President, and Congress. There are two major reasons for my reaching this decision. The first one is that it is in consonance with my concept of the military as being a one military; the second is, the proven need for quick, decisive decisions both in peace and wartime.

RESERVES AND NATIONAL GUARD

I have placed the reserves directly under the Chief of Staff because in the military force that I envision for the future the reserves and the National Guard will become as thoroughly trained in the three units of the military as are the regularly assigned personnel and, in the event of war, the Chief of Staff could more quickly assign the Reserve and National Guard units to where he felt they would be best fitted.

In this connection it is to be noted that I have put Civilian Defense under the Chief of Staff but have connected that organization with the ground forces because of the feeling that in the event of any global war the primary targets would be in this order: First, the strategic air bases of the continental United States, and, second, the major industrial cities.

The first operations, then, where sizable forces would be needed would be in the policing, hospitalizing, and cleaning up of damaged population centers. Unquestionably, Reserve and National Guard forces would augment ground forces in this operation and would continue in this area as long as they were needed. In the writer's opinion, Civilian Defense will become one of the most important assignments of any future war, and we will probably see more military personnel actually engaged in that activity in the early phases of any war than we will find actually engaged on the field of combat.

As the military situation develops and the enemy shows a continuing force not subdued by our first retaliatory efforts, the Chief of Staff will have at his disposal such elements of air, sea, and ground, or combinations of them, as he sees fit to use to dispatch to the areas of the world where they are needed. For transportation by air, air superiority is needed, but we must assume that any operation that is undertaken will be undertaken only after air superiority has been gained. With air superiority and the maintenance of it, the Chief of Staff should be able to transport quickly to any part of the world task forces which, working in conjunction with our allies, would take care of situations as they developed.

In dispatching these forces, the command of the force would rest with the force commander.

With the responsibility of this command would go the authority necessary to insure the full utilization of all weapons assigned to the force regardless of its composition.

This responsibility would include the decision to use weapons of any magnitude and to use them when in the commander's opinion the use was needed.

Under this concept, we would undoubtedly find situations where the air alone could be employed, the sea alone could be employed, or the ground alone could be employed. And the same command responsibility which would go with the combined task force would be assigned to the commanders of the separate units if and when the occasion arose for their use.

In this organization chart I have eliminated such details as logistic supply, materiel operations, personnel, intelligence, and the like, because I feel the chart would be too cumbersome and that these details would be included in the natural organization of any military for either peacetime or war uses.

CONCLUSION

The requirements that I have outlined for the command of a global war, in my opinion, would also take care of a global peace. Smaller forces in being, with a more streamlined command with responsibility and authority assigned to every level of command up to and including the Chief of Staff, will assure a unified military, a quicker operating military, and a military which will grow in stature in the eyes of the American people and, therefore, attract more and more and retain more and more of the type of man that the military needs.

This type of command, in my opinion, would suffice not only for a war of a few days' duration, but for a year or two or as many years as the war might drag on. I might say, in closing, and in respect to my prior remark, that in my estimation the wars of the future will continue to be wars of some duration and that the economic strength of the Nation must be employed to win them. Therefore, I feel that a strong military is not enough, nor is a strong economy enough, but that there must be a fine balance between the two, maintained to the end that this country can reach and attain a position of leadership in the world and through that leadership exercise those forces which are necessary for the maintenance of peace.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. GOLDWATER. I am very happy to yield to my friend the Senator from Colorado.

Mr. ALLOTT. I wish to comment briefly on the remarks of the Senator from Arizona and to compliment him on what he has said. I know of no other Member of the Senate who has devoted himself to the armed services more assiduously than has the junior Senator from Arizona. I recall one instance in particular which has reminded me, and kept me reminded, of this fact. That is that long before most Senators were even aware that the Cordiner Committee was operating, the junior Senator from Arizona rose in the Senate, at which time I was pleased to be present, and made a statement favoring, in general terms, the report of the Cordiner Committee. I am sure the Senator remembers that at this time.

I was pleased to comment on it at that time, because I am satisfied that, in that particular respect, it is the only answer and the only way out for the armed services.

Many Members of the Senate have served in the armed services; among them are the junior Senator from Arizona and myself. But I know of no Member of the Senate, not even a member of the Armed Services Committee, who has

devoted himself in such complete fashion to consideration of the questions which will vitally determine the future of the country.

I know that the people of Colorado and the people of the other States I have visited are vitally concerned because the Department of Defense is not organized in such a way as to produce the maximum number of weapons so as to achieve the quickest possible military decisions in any emergency which may face the country.

In that respect, I wish to compliment the Senator from Arizona. I believe he has made a real contribution. Of course that is not unusual; it is what I would have expected of him in any event, because I would expect him to be a little ahead of most of the other people of the United States in thinking on this subject.

Mr. GOLDWATER. Mr. President, I thank the distinguished senior Senator from Colorado for his very generous and kind remarks.

He has touched on a question on which I hope the Senate will have an opportunity to act within a very few days. I believe I saw in the press tonight—although I am not certain of it—a statement to the effect that the military pay bill, as it is now called, was acted on favorably by the subcommittee. The passage of that particular bill—although, in its present form, the bill does not contain all the suggestions or provisions of the Cordiner report—will, in my estimation, do more toward solving the problems of the military at the moment than anything else we could accomplish would do.

Today, the armed services face a staggering loss of manpower. In the last fiscal year, approximately 80,000 men dropped out of the Air Force, alone. Some of them probably would have left the service, regardless of incentive pay. However, that loss of manpower cost the American people approximately $1,250 million, as a result of the loss of the services of those trained men.

At airbase after airbase, I have seen master sergeants—who can take care of airplanes, and who spend from 12 years to 18 years in learning how to maintain them—spend their time teaching draftees or new enlistees who, in turn, leave the service after one or two terms, and thus the benefit of their training is lost.

So I believe those proposals, if acted on, will be of great benefit to the American people.

There is another area in which I was pleased to assist, namely, in joining the Senator from Colorado [Mr. ALLOTT] in supporting the President's proposals for reorganization of the armed services. Frankly, I do not think those proposals go far enough. However, I think they are a much-needed step in the right direction; and I hope we can bury some of our ancient concepts and ideas, and recognize that what we did in 1947, in creating the Joint Chiefs of Staff, which at that time we thought was a step in the right direction, has not—despite the finest military men we could put in those positions—worked with the speed and precision required of the military command today.

Mr. ALLOTT. Mr. President, I really did not mean to divert the Senator from Arizona by referring to the Cordiner report, the principles of which I support, as he knows, just as strongly as he does. I wished to refer to it as an example of the foresightedness the Senator from Arizona has shown regarding the military affairs of our country.

As I have said, long before most Members of the Senate were aware that the Cordiner committe was meeting, the Senator from Arizona [Mr. GOLDWATER] made a speech on the floor of the Senate in which he espoused and supported in general terms the principles which later were incorporated in the Cordiner report. I agree with him wholeheartedly. This is one of the peculiar areas in which people all over the United States are far ahead of those in Washington, particularly the group which surrounds Capitol Hill.

I am sure that the people of Arizona, as well as the people of Colorado, are completely in support of the President's idea and ideal that the United States has now reached a point in world affairs where, in the interest of the defense of our country, we must adopt a new concept of the world and a new concept of defense. We shall no longer have an adequate defense if we send out a few vessels manned by our sailors or a few of our fighting planes or bombing planes, as the case may be, or even if we send out a few marines or a few members of the Army.

On the contray, in future warfare our country will have to make an immediate, all-out effort which will depend upon a command which can act immediately, not through a number of departments or agencies of the Department of Defense—for instance, the Quartermasters, the Engineers, the Air Force, the Navy, the Marines, or the Army, but through a coordinated effort by all those branches of the armed services.

It seems to me that the President has expressed this problem more forcibly than anyone else has done.

So I am extremely pleased to see the Senator from Arizona [Mr. GOLDWATER] who has given so much thought to this subject, and who in his thinking has been so far in advance of the thinking of almost everyone else in the country, devote this important hour to the discussion of this most important matter.

Mr. GOLDWATER. Mr. President, I thank the Senator from Colorado.

EMPLOYEE WELFARE AND PENSION BENEFIT PLANS

The Senate resumed the consideration of the bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans.

During the delivery of Mr. GOLDWATER'S remarks,

Mr. SMITH of New Jersey. Mr. President, will the Senator from Arizona yield to me, so that I may send to the desk some amendments to Senate bill 2888?

Mr. GOLDWATER. I am very happy to yield for that purpose to my friend, the Senator from New Jersey.

Mr. SMITH of New Jersey. Mr. President, I thank the Senator from Arizona for yielding to me.

Mr. President, last January, on behalf of the administration, I introduced three bills, which are known as Senate bill 3097, Senate bill 3098, and Senate bill 3099. Those three bills cover the President's labor program as set forth in the labor message he sent to Congress.

At the time when I introduced the three bills, I made a brief explanation of them.

In view of the developments in connection with Senate bill 2888, it seems to me to be wise to have the substance of those bills added, as amendments, to Senate bill 2888, which now is pending, but which covers only one of the problems dealt with in the President's labor program.

Mr. President, very soon a number of amendments to Senate bill 2888—amendments which go far beyond regulation of health, welfare, and pension funds—will be debated in the Senate. Thus, in effect, the Senate is considering the subject matter of the total administration program.

In view of this fact and in view of the President's earnest desire for the passage of his total legislative program in this area, the administration urges the Senate to adopt these proposals, which were made by me early in January.

Instead of discussing those proposals—the bills I introduced in January—further at this time, I have had them prepared in the form of 11 amendments to Senate bill 2888. I send the amendments to the desk and ask that they be ordered to lie on the table and to be printed, to be offered as amendments to the pending bill at such time as I may see fit, later, to offer them.

Mr. GOLDWATER. Mr. President, will the Senator from New Jersey read, or have read, the titles of the amendments, so we may know what amendments he is sending to the desk?

Mr. SMITH of New Jersey. All of them are in the form of amendments to the pending bill, and I think they indicate clearly the parts of the bill to which they relate.

Mr. LAUSCHE. Mr. President, will the Senator from Arizona yield to me, to permit me to ask a question of the Senator from New Jersey?

Mr. GOLDWATER. I yield.

Mr. LAUSCHE. Do the amendments conform to the recommendations of the President?

Mr. SMITH of New Jersey. They were prepared at the recommendation of the President when he submitted his message. At that time we had the bills prepared, and I introduced them—in January.

I am now sending those proposals to the desk, in the form of amendments to the pending bill, so the Senate will have the entire labor picture before it at this session. Otherwise, we fear that if we were to wait for the committee to consider all these bills, no legislation in connection with them would be enacted at this session; and we do not believe that Senate bill 2888 is adequate to cover the

fields which should be covered in the area of labor legislation.

Mr. LAUSCHE. I thank the Senator from New Jersey.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the amendments be read at this time by title.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, the amendments will be read by title.

The legislative clerk read the amendments by title, as follows:

General Counsel, National Labor Relations Board.

Repeal of non-Communist affidavit requirement.

Secondary boycotts.

Amendment of section 8 (d), National Labor Relations Act.

Representation picketing.

Voting in representation elections by employees on strike.

State jurisdiction over certain labor disputes.

Payments to employee representatives.

An amendment to add, at the end of the bill, a new clause (C) following clause (B) of subsection (c) (1) of section 9 of the National Labor Relations Act, as amended.

An amendment to add, at the end of the bill, a new section amending subsection (c) of section 302 of the Labor-Management Relations Act, 1947, as amended.

Welfare and pension plans.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table.

Mr. LANGER. Mr. President, will the Senator from Arizona yield to me, in order that I may ask a question of the Senator from New Jersey?

Mr. GOLDWATER. I am happy to yield.

Mr. LANGER. Does the distinguished Senator from New Jersey expect to call up all of these amendments?

Mr. SMITH of New Jersey. I expect to call up all the amendments—but not tonight—I assure the distinguished Senator from North Dakota.

Mr. LANGER. I mean during the further consideration of this bill.

Mr. SMITH of New Jersey. I have asked that the amendments be printed and lie on the table; and during the further consideration of the bill, I expect to call up all of them and have them acted on by the Senate.

Mr. LANGER. I thank the Senator from New Jersey.

Mr. SMITH of New Jersey. They embody the position or program of the administration on labor legislation.

Mr. GOLDWATER. Mr. President, I recall with great pleasure serving on the Committee on Labor and Public Welfare when the senior Senator from New Jersey [Mr. SMITH] was chairman of the committee.

Mr. SMITH of New Jersey. I remember that very well, and I appreciate that association with the Senator from Arizona.

Mr. GOLDWATER. I think the Senator from New Jersey will remember that the last attempt to amend the Taft-Hartley Act was under Republican leadership. Is that correct?

Mr. SMITH of New Jersey. Yes.

Mr. GOLDWATER. Am I also correct in recalling that the platforms of both parties in 1952 and also in 1956 promised that amendments would be made to the Taft-Hartley Act?

Mr. SMITH of New Jersey. That is true.

Mr. GOLDWATER. But in all the time since then, the only national political party that has fulfilled its promise to organized labor and to the public has been the Republican Party.

Mr. SMITH of New Jersey. That is true. The bill we reported—to amend the Taft-Hartley Act—was debated in the Senate briefly, but the Senate voted to return the bill to the committee. So the Senate never took final action on the bill. That was because the Democratic majority in the Senate did not wish to have the Senate pass that proposed legislation.

Mr. GOLDWATER. Let me suggest to my friend that tonight the Democratic Party finds itself in pretty much the same position it found itself in then, namely, that if it fails to support the amendments which have been proposed to the pending bill, it will, in effect, have failed once again to carry out the promises it made to organized labor, to the public, and to management.

Mr. SMITH of New Jersey. We are trying to solve the problem now, by means of the pending bill and the amendments to it. If no measure is enacted—and it is perfectly true that if the Democratic Party wishes to defeat these measures, it will be able to do so—that will be the result.

Mr. GOLDWATER. I point out that for 6 years I have had pending an amendment to the Taft-Hartley Act, an amendment to eliminate the non-Communist oath, and also an amendment to extend voting privileges to noneconomic strikers. But no hearings have been held on those measures.

Two of them are measures which organized labor has repeatedly insisted on having debated on the floor of the Senate and on the floor of the House of Representatives, namely, measures for elimination of the non-Communist oath and for extension of voting privileges to noneconomic strikers.

I remind the Senator of that situation, so that somewhere, sometime, when responsibility is placed for the failure of the Congress to enact any legislation to curb what the McClellan committee has been disclosing—any legislation to do for the workingmen what both political parties have promised to do—the blame will be laid on those across the aisle, not on those on this side of the aisle.

Mr. SMITH of New Jersey. Mr. President, I think the Senator from Arizona has made a correct statement. But it is fair to say that since January of this year, the Committee on Labor and Public Welfare has been very busy with hearings on various subjects—among others, the education bill, which I hope the committee will report to the Senate. I am advised by the Senator from Massachusetts [Mr. KENNEDY] that he is planning to hold hearings on the various labor measures which have been proposed.

Mr. President, I ask unanimous consent that the remarks I have just made be printed in the RECORD at the conclusion of the speech of the Senator from Arizona, rather than to have these remarks interrupt the continuity of his speech.

Mr. GOLDWATER. Yes, Mr. President, I ask unanimous consent that any interruptions of my speech be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ECONOMIC CONDITIONS IN WASHINGTON, D. C., AREA

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article appearing on the first page of tonight's Washington Evening Star, under the heading "Star Business Barometer," which describes the condition of the economy and business in the District of Columbia. It is a very encouraging report. I would like to have all the pessimists read it, because I think it would be very helpful to them.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AREA PAYROLLS UP AS BUYING LAGS

(By Donald B. Hadley)

An increase in payrolls, savings and bank deposits reflected sound underlying economic health for the Washington area in the first quarter of 1958, a survey by the Star indicated today.

Compared with a like period a year ago, payrolls were up 3.8 percent, invested savings 11.5 percent and bank deposits 2 percent.

On the credit side also was the outlook for sharply increased public and private construction this year, as well as an upswing in life insurance sales, new public utilities connections and new home units.

However, the rosier aspects were offset somewhat by a drop-off in employment, a lag in automobile sales following the national trend, and a slight decline in department store sales and hotel business, due largely to adverse weather.

The figures presented here represent the first of the area economic barometers to be published each month in the Star. The compilation represents the most up-to-date figures available.

EMPLOYMENT

While area employment of 641,600 persons was down 10,600 or 1.6 percent from a year ago in March, higher wage averages lifted estimated area payrolls to $252,430,000, an increase of 3.6 percent from March last year.

The big increase—7.7 percent—in private payrolls materially offset the 1.3 percent decline in United States Government payrolls. Private jobs were off 0.8 percent as compared to 3.8 percent in Government.

Area unemployment of 25,500 was up 41.1 percent from a year earlier in March, but the total remained little more than 4 percent of employment. Unemployment compensation

payments in the District for March amounted to $747,459, a jump of 49.6 percent from a year ago. Comparisons between March 1957 and 1958 follow:

	1958	1957	Change
			Percent
Area employment	641,500	652,100	−1.6
Area payrolls	$252,430,000	$243,672,000	+3.6
U. S. Government jobs	224,000	232,900	−3.8
U. S. Government payrolls	$103,488,000	$104,805,000	−1.3
Private jobs	374,600	377,600	−.8
Private payrolls	$132,953,000	$123,475,000	+7.7
Local and State government jobs	42,900	41,600	+3.3
Local and State government payrolls	$15,957,000	$15,392,000	+3.7
Area unemployment	25,500	18,100	+41.1
D. C. jobless payments	$747,459	$499,250	+49.6

CONSTRUCTION

With more than $79 million of public and private construction authorized in the area during the first quarter, it became apparent that building will provide one of the strongest additions to area activity in 1958.

Three months' figures on area construction follow:

	Period	1958	1957	Change
	Month			*Percent*
Area construction (public and private)	3	$79,178,536	$58,612,977	+35.1
Residential permits	3	40,094,165	30,519,755	+31.3
Nonresidential	3	29,847,468	19,915,471	+49.5
New home units	3	3,830	2,612	+46.9

UTILITIES

Reflecting continued expansion in population, public utility connections reached new all-time highs on March 31, with moderate gains from a year ago. Sales of gas rose sharply due to weather conditions.

Figures on utility connections and consumption follow:

	Period	1958	1957	Change
				Percent
Area electric sales (kilowatt-hours)	3 months	1,070,600,765	1,008,059,781	+6.2
Electric customers	Mar. 31	457,184	447,540	+2.1
Area gas consumption (therms)	3 months	193,042,566	163,296,915	+18.3
Gas meters	Mar. 31	370,551	362,442	+2.3
Area telephone calls (daily average)	March	4,590,199	4,390,654	+4.5
Telephones	Mar. 31	1,073,538	1,033,903	+3.9

BANKS AND INSURANCE

Leading financial barometers were ahead of a year ago at the end of the first quarter.

Both area and District bank deposits were around 2 percent above a year ago, while invested savings of building and loan associations showed an increase of 11.5 percent.

Life insurance sales in the District were up 2 percent from a year ago in 3 months of this year. A more general barometer, postal receipts were up 3.3 percent from a year ago in 3 months.

Latest figures are compared below:

	Period	1958	1957	Change
				Percent
Area bank deposits	Mar. 4	$1,034,113,011	$1,899,309,936	+2.0
District of Columbia bank deposits	do	1,408,404,779	1,379,007,015	+2.0
District of Columbia bank clearings	3 months	1,784,013,483	1,677,127,977	+6.3
District of Columbia savings and loan (invested savings)	Mar. 31	815,738,554	731,460,059	+11.5
District of Columbia life insurance sales	3 months	53,562,000		+2.0
District of Columbia postal receipts	do	6,931,778	6,668,794	+3.3

SALES

Area department store sales in the first 3 months of 1958 lagged 2 percent behind a year ago with several bad storms and cold weather a major factor.

Hotel sales, also affected by weather, were 3 percent behind a year earlier. However, passengers handled at National Airport were 5.7 percent ahead of a year ago in 3 months, with sharp increases on good days more than offsetting effects of the weather.

In line with the nationwide trend in the automobile business, new-car sales in the area were 16.4 percent behind a year ago in 2 months of this year.

In the District alone, new-car sales for 3 months were off 20.2 percent and used-car sales were down 5.9 percent. District auto registrations on March 31 were only 0.6 percent behind a year earlier.

District gasoline sales for 2 months this year were down 3.7 percent from a year ago.

	Period	1958	1957	Change
				Percent
Area department store sales	3 months	(1)		−2.0
District of Columbia department store sales	do	(1)		−1.9
District of Columbia hotel sales	do	(1)		−3.0
Air passengers	do	1,033,413	977,903	+5.7
Area new-car titles	2 months	9,516	11,385	−16.4
District of Columbia new-car titles	3 months	4,777	5,982	−20.2
District of Columbia used car titles	do	13,476	14,319	−5.9
District of Columbia registrations	Mar. 31	206,077	207,262	−.6
District of Columbia gasoline sales (in gallons)	2 months	28,978,834	30,050,779	−3.7

[1] Not divulged.

EMPLOYEE WELFARE AND PENSION BENEFIT PLANS

The Senate resumed the consideration of the bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado [Mr. ALLOTT].

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. What is the pending question?

The PRESIDING OFFICER. The pending question is on agreeing to the amendment of the Senator from Colorado [putting the question].

Mr. ALLOTT. Mr. President.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLOTT. I am constrained to talk about my amendment, identified as B, which is now before the Senate, and the insistence on proceeding at this time, after the Senate has been in session 11 hours, to the consideration of what undoubtedly is the most complicated piece of proposed legislation which has been before the Senate for many, many years, and I bar none.

With respect to proceeding to the matter at this time, I should like to read a short squib from a record of yea and nay votes in the 83d Congress, 2d session, vote No. 104, which was on a motion to adjourn made by the then minority leader [Mr. JOHNSON] who is now the majority leader of the Senate.

I read from the synopsis of the situation:

Majority Leader KNOWLAND, anticipating the move by the minority leader, requested permission to make a statement. The following exchange took place prior to the making of the motion.

The minority leader said that the hour was late, the Senate had been in continuous session more than 6 hours—

This is the then minority leader, now the majority leader of the Senate—

many Senators had worked all the morning in their offices, beginning at an early hour, a number of Senators wanted to speak on the pending measure but were not prepared to do so until the following day, and the pending measure could not be disposed of this day in any event. Speaking more generally—

And this is still the then minority leader, and now the majority leader of the Senate—

he said that very little legislative work was ever done at night sessions, and that there was no good reason to require 96 Senators to attend night sessions this early in the second session. He said further that he had not received the consideration customarily given the minority leader of being consulted about the holding of a night session.

That is not what happened here, by the way.

He disclaimed any attempt to take control away from the Republican leadership, saying that he wanted only to demonstrate the necessity of better cooperation between the two leaders.

The majority leader made these points, in opposing the move to adjourn: He had discussed with the minority leader the possible necessity of holding night sessions; the 2d session should be brought to an end by July 31, but much more progress would have to be made to come near that goal; instead of the usual all-night sessions near the closing date, he thought it preferable to spread out the transactions, with an occasional evening session now; the pending measure (the so-called Bricker amendment) had been under consideration in the Senate for 5 weeks, and many Senators were anxious to complete their labor on it immediately. The majority leader said that he had been scrupulous to discuss with the minority

leader the various problems with relation to the legislative program. He suggested that the move might be an indication of the desire on the part of the Democrats to take over control. He referred to the difficult position of the present majority leadership, and asked both sides to give him their support in opposing the motion.

The motion to adjourn was agreed to, on a yea-and-nay vote.

Mr. President, I call that matter to the attention of the Senate for the reason that the Senate has been in continuous session now for 11 hours, and there are many Senators on the floor of the Senate who have been in attendance on the floor of the Senate for 11 hours. I note that there are many Senators who have not been on the floor for 11 hours.

I have been engaged all my life in a work and in a profession which has required a great deal of application. It is my opinion that no one can devote himself to any subject for 11 hours, if he is to devote himself with any diligence, and expect to come to any intelligent answer, and that applies to the situation now before the Senate.

I am fully aware of the responsibility which is that of the majority leader, and I am not seeking to be derogatory in any respect, but I think there are others of us who are entitled to respect at this time, too. There are many of us, for example, who have devoted ourselves to the question under consideration, not for a matter of a half hour, not for a matter of an hour, not for a matter of a day, not for a matter of a week, and not for a matter of a month, but literally for years.

This is an important question. It is a complicated question. The questions which were asked in the Senate in the latter part of the debate disclosed completely that many Senators still did not comprehend, even after some 8, 9, or 10 hours of debate, what the question was about.

It is my personal suggestion that very little is accomplished, as very little was accomplished at the end of the last session, by holding the Senate in session all night, because men's minds and physical fatigue reach a point where men can go no further.

Despite the fact that I have already spoken on the floor of the Senate for more than 4 hours today, and the fact that we have discussed this question, I am perfectly willing to proceed, and I do so now, upon my amendment, although I have requested informally that we be permitted to go home until tomorrow morning and rest, and arrange our materials so that we can present them more capably and more ably. However, it is my understanding that that is not the decision of the majority.

I should like to call attention, in conclusion—and I shall say no more about the matter—to the fact that this week, on April 22, 2 days ago, which was Tuesday, today being Thursday, the distinguished majority leader, in whom I have the greatest confidence, of course, made an announcement, as shown on page 6858 of the RECORD, with relation to the legislative program, at the conclusion of which he said:

Sometime later, I shall announce to the Senate when we plan to have the Senate proceed to the consideration of Calendar No. 1465, Senate bill 2888. However, I do not expect to do so before the Senate acts on the relatively minor bills to which I have already referred, and until I have received a report from the Committee on Labor and Public Welfare, at which time I shall confer with my distinguished colleague, give him ample advance notice, and make an announcement to the Senate.

I see present in the Chamber the senior Senator from Alabama [Mr. HILL], the chairman of the Committee on Labor and Public Welfare, of which committee I am a member. If the distinguished majority leader received a report from the Senator from Alabama on that date I certainly was not notified of the committee meeting which rendered the report.

The last sentence I have read says, "Give him ample advance notice." There have been criticisms in the Senate about the judiciary writing legislation. This is a situation in which ample notice is being served upon us; and ample notice to take up a major piece of legislation now amounts to 35 minutes. We took up the legislation Tuesday afternoon.

Mr. President, I am willing to discuss at length the matter which I have at hand. If any Senator is sufficiently interested, I am prepared to discuss it for a period of 4 or 5 hours.

The amendment which I have offered to the Senate at this time is 4-22-58-B, which the clerk has read. This particular amendment is very similar to the amendment which was previously offered, the amendment on which we had a yea-and-nay vote, except that the present amendment is in the nature of a compromise, whereas the previous amendment merely exempted completely from the operation of the Act all plans which could be classified as level-of-benefit plans as defined in the legislation.

Mr. COOPER. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The Senate will be in order.

Mr. ALLOTT. This is a modification of the amendment, and I think it is substantially an improvement upon the bill. I have no hallucinations that the majority will accept it. I do not propose it in that light.

I shall not read the amendment through and analyze each word and sentence, but the amendment provides in substance that every union—I will not say union because it might not be a union group—every welfare and pension plan in the United States—would be required to register and be subject to the provisions of S. 2888. The amendment goes a little further and exempts from the reporting and disclosure requirements funds which are based upon a level-of-benefits plan.

I have discussed this question at some length this afternoon, with regard to the provisions and features which differentiate the level-of-benefits funds from other funds. I would feel much more comfortable personally if it were possible for all Members of the Senate to sit around with the committee to discuss at one time the ramifications of a bill such as this.

I have tried to point out how the very nature and essence of the situation makes this one of the most complicated subjects the Senate has ever considered. I do not believe even the ramifications of the Taft-Hartley Act surpassed the ramifications of the bill now under consideration.

I realize this completely, because I have argued the matter with the members of my committee, including the distinguished senior Senator from Alabama, the chairman of the committee, for whom I entertain the greatest affection and respect, who is now present in the Senate. I realize that this is not a bill upon which we can spend a few passing moments and then vote, because the ramifications and complexities are so great that not a few hours nor even a few days, but only weeks can lead any person to a somewhat intelligent conclusion on this subject matter.

On page 2 of the majority report, referring to the activities of the subcommittee which investigated welfare and pension funds, under the chairmanship of the Senator from New York [Mr. IVES] the following statement is made:

Although it made studies of the overall characteristics and problems in private employee benefit plans this subcommittee confined its field investigations to collectively bargained, jointly administered welfare funds, and uncovered abuses, mismanagement, and waste in the administration of a number of plans of this type.

The question has been asked whether the subcommittee under the chairmanship of the Senator from Illinois [Mr. DOUGLAS] made any investigations with respect to any other type of benefit plans, particularly the true level-of-benefits plans, and an equivocating answer has been given time and time again to the effect that we did. We did not. Officially there was never any investigation before the committee on the level-of-benefits plans. Unofficially the staff of the committee, headed by Mr. Paul Cotter, did make an investigation of this type of plan.

We started our investigation with a counsel by the name of William Leace. That counsel was changed to Mr. Cotter. Mr. Cotter is now present in the Senate, listening to the debate, although I do not believe he is any longer a counsel for the committee. When Mr. Cotter started as counsel for the committee he did, on his own, for the committee and for the staff, investigate the level-of-benefits plans in several instances. Because these level-of-benefits plans were not investigated formally before the committee, the people who proposed the opposite side have chosen to shift their side this way and that way, and sometimes it is said they have investigated level-of-benefits plans and sometimes it is said they have not. It depends upon how it suits their argument.

The question has been asked, as to whether any of the plans in which any type of abuse, mismanagement or avoidable waste occurred were plans which had been qualified under section 401 of the Internal Revenue Code. Section 401 of the Internal Revenue Code provides that before an employer may deduct payments made to a welfare or benefit

plan under section 302 (c) of the Taft-Hartley Act he must file with the Internal Revenue Service a certain application, the forms for which will be made a part of the RECORD by the distinguished junior Senator from Arizona.

The contention has been made that such forms are not particularly applicable. The bald truth of the matter is that the Internal Revenue Service has a very neat, tidy little organization which is concerned wholly with the duty of trying to enforce the revenue laws—and I do not blame them for that. The Service made it abundantly clear to our committee not once or twice, but a dozen times, that the Service did not want to have anything to do with the committee. They did not want to have anything to do with the proposed legislation. That fact appears in the record of the hearings which Senators have at hand and which they can read very easily. It is very easy to read the statement of the Internal Revenue Service and to understand that the whole motive of the Service in appearing before the committee was to do every possible thing, and still keep within what is known as the truth to avoid taking any responsibility for the reporting of these funds.

We have talked a long time this afternoon—at least I have—about some of the things which must be done in order for one to qualify for the Taft-Hartley funds. There is an additional step which must be taken, and that is that under section 401 of the Internal Revenue Code one must file an extremely detailed, complicated report in order to be able to take the deductions which are paid into the welfare funds as a deduction or expense of operation.

It is absolutely ridiculous for a department of Government to plagiarize itself to the extent that the Internal Revenue Service did in this case. They said: "Oh, no, we are not interested in these things at all; all we are interested in is whether or not they have filed truthful statements."

The Senator from Arizona spoke on this subject a little while ago. If there is a Senator present who has had any experience with the Internal Revenue Service in trying to get an exemption for a welfare or pension plan, under section 401 of the Internal Revenue Code, he knows it is far more difficult and complicated than the mere filing of a statement under oath.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. ALLOTT. I am happy to yield to the Senator from Arizona.

Mr. GOLDWATER. What the Senator from Colorado is saying is abolutely correct. I believe it would be wise at this point in his discussion if I mentioned a few of the things that must be done in order to qualify under section 401 of the Internal Revenue Code.

Will the Senator permit me to enumerate some of the provisions which must be met by a business before it can get a letter from the Internal Revenue Service permitting it to participate in such a plan?

Mr. ALLOTT. I am happy to do so.

Mr. GOLDWATER. It has been intimated on the floor of the Senate that practically anyone can walk in and get such a letter for a plan under section 401. I call the attention of my colleagues to the fact that I have suffered through nearly 3 years of working out a plan with the Internal Revenue Service. I know how strict they are on this subject, and I know how complete the reporting must be.

Mr. ALLOTT. Contrary to what the statement of the Internal Revenue Service states, they inquire into every phase and every facet of what one has done, what he proposes to do, and the means that one is to use to set up such a plan, and everything in connection with it.

Mr. GOLDWATER. Not only that, but they tell a person how he is to set up the plan. One does not make suggestions. They investigate the applicant, to determine whether he comes within the rules and regulations. I do not criticize them for it. It is perfectly proper procedure. However, one must first meet their requirements before one is allowed to proceed. However, let me read this language.

Mr. ALLOTT. Before the Senator reads it, I should like to say that I, too, am not criticizing them for their action. I am criticizing their attempt to hoodwink the committee and their attempt to hoodwink the Senate into the belief that their only operation is a slight accounting procedure.

Mr. GOLDWATER. I agree with the Senator in that statement. Further, I feel free to criticize them when they state in the hearings, in letter form, that they feel their reporting procedures do not go far enough.

If the Senator will indulge me for a few minutes more, I should like to refer to section 401 of the Internal Revenue Code. To qualify for tax benefits under such a plan, the trust thus established must meet the following requirements:

(a) It must be impossible under the trust instrument to use or divert the funds for purposes other than the exclusive benefit of employees or their beneficiaries.

(b) The trust must provide benefits which are not discriminatory in favor of employees who are officers, shareholders, supervisors, or highly compensated employees.

(c) The contributions to the plan must not discriminate in favor of the persons described in the preceding sentence.

(d) To maintain its qualification, the trust must not engage in so-called prohibited transactions, described in section 503 (c) of the Internal Revenue Code. This section provides as follows:

(c) Prohibited transactions: For the purpose of this section, the term "prohibited transaction" means any transaction in which an organization subject to the provisions of this section—

(1) lends any part of its income or corpus, without the receipt of adequate security and a reasonable rate of interest, to;

(2) pays any compensation, in excess of a reasonable allowance for salaries or other compensation for personal services actually rendered, to;

(3) makes any part of its services available on a preferential basis to;

(4) makes any substantial purchase of securities or any other property for more than adequate consideration in money or money's worth, from;

(5) sells any substantial part of its securities or other property, for less than an adequate consideration in money or money's worth, to; or

(6) engages in any other transaction which results in a substantial diversion of its income or corpus to;

the creator of such organization (if a trust); a person who has made a substantial contribution to such organization; a member of the family (as defined in sec. 267 (c) (4)) of an individual who is the creator of such trust or who has made a substantial contribution to such organization; or a corporation controlled by such creator or person through the ownership, directly or indirectly, of 50 percent or more of the total combined voting power of all classes of stock entitled to vote or 50 percent or more of the total value of shares of all classes of stock of the corporation.

The policing of these provisions is covered by section 1.404 (a)-2, Treasury Department Regulations. Initial and annual reporting thus required is at least—and I call particular attention to this language—as detailed as would be required by S. 2888. Notwithstanding numerous investigations of these plans at the State and local levels—Mr. President, I wish to emphasize this point, because, although we have said it time and time again, there are still some persons who doubt it—in spite of numerous investigations of these plans at the State and local levels, not one instance of embezzlement or of wrongful diversion of funds for personal purposes has been found. There is good reason to believe that none will ever be found, since it would be detrimental to the employer's interest, even assuming it were possible to steal from such funds. He would merely be taking funds which would, by law, be required to be repaid with the stringent penalties of loss of deductibility of not only the contribution but, also, the interest of funds previously accumulated.

I might say that this is a far greater penalty than specified by S. 2888, the bill we are debating.

Mr. ALLOTT. That is entirely true. I turn now to the letter from the Internal Revenue Service, beginning at page 493 of the hearings during the first session of the 85th Congress on similar bills.

I ask unanimous consent at this time that the letter from the Internal Revenue Service be made a part of my remarks at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 11, 1957.

MY DEAR SENATOR: You asked for my comments in your letter of June 27, 1957, on statements made to the Subcommittee on Welfare and Pension Plans Legislation relative to registration, reporting, and disclosures with respect to such plans, and also requested information and advice as to certain aspects of these plans which come within the Internal Revenue area.

Specifically, you requested comments on the statements of Mr. John L. Gibbons, on behalf of the American Bankers Association, submitted to the subcommittee on June 18, 1957. Mr. Gibbons recommended that any pension, profit-sharing, or welfare plan which meets the applicable requirements of the

Internal Revenue Code be exempt under any new legislation from further registration and filing requirements since considerable information is already required to be filed with the Internal Revenue Service.

The statements made by Mr. Gibbons regarding the required information relating to qualified pension and profit-sharing plans and exempt welfare funds are, for the most part, correct. The following comments, however, might be noted:

In the case of pension and profit-sharing plans, the information is generally furnished by the employer in connection with deductions claimed on his tax return. All of the information mentioned is required for the first year in which a deduction is claimed. For later years, it is not necessary to furnish information concerning the 25 highest paid employees, except with respect to employees owning, directly or indirectly, more than 5 percent of the voting stock of the employer. Also, copies of the plan and trust agreement and information as to actuarial assumptions and methods need not be filed after the first year, unless there has been a change.

If the employer does not file the required information—for example, where the employer is a nontaxable organization, or when the employer does not claim a deduction for contributions because of having sustained a loss—then the trustee must file the required information. Otherwise, the trustee need file on form 990–P only certain identifying information and answers to questions relating to transactions with the creator of the trust or controlled interests, and information regarding unrelated business income. Therefore, except as to investments in the employer's securities or loans to the employer made after March 1, 1954, neither the trustee nor the employer files any detailed information regarding trust investments.

In the case of welfare plans, while a fund claiming exemption must apply on form 1026 and file certain information annually on form 990, the employer's deductions for contributions are not conditioned upon exemption of the fund. Therefore, a welfare fund with no taxable income (e. g. where all money is paid over to an insurance company) would not claim exemption, so no information would be filed with the Internal Revenue Service with respect to such a fund. Moreover, welfare funds are not subject to tax on unrelated business income or to the provisions regarding prohibited transactions. Hence, in no case does a welfare fund file any detailed information as to its investments, except as to corporate stocks of which the association owns 10 percent or more.

It might also be noted that PS No. 56, referred to in Mr. Gibbons' statement, which advises trustees to notify the Commissioner before distributing the trust assets when a plan is terminated, was not designed as a protection to beneficiaries, but is intended to protect the revenue in the event it is determined that the trust has lost its exemption and a liability for taxes exists.

In summary, although the exceptions noted above to Mr. Gibbons' statements are relatively minor, it might be said that the information obtained by the Internal Revenue Service is for the purpose of administering the applicable requirements of the Internal Revenue Code relating to pension and profit-sharing plans and exempt welfare funds. Since it is obtained in connection with tax returns, it may not be disclosed for the purpose of protecting beneficiaries; and even if legislation were to make it available to public inspection its usefulness for this purpose would be limited, as indicated above and hereinafter.

For similar reasons—because the resources of the Internal Revenue Service and the training of its personnel must be directed to the important task of administering the Nation's revenue laws—I do not consider the Service as the proper agency to administer a reporting and disclosure statute.

The following relates to the specific additional points on which you requested comments:

1. The degree of protection the Internal Revenue Service administration of present laws and regulations gives the beneficiaries, and whether public disclosure of the operation of these plans would afford additional and needed protection of the beneficiaries.

(a) Tax-exempt pension plans.—Important tax advantages apply in the case of qualified pension and profit-sharing trusts Not only is the trust income-exempt, but also employer contributions to the trust are deductible from gross income, within prescribed limits, and the employees are not taxed on the employer contributions until benefits are received or made available and also may receive certain favored tax treatment. Hence, all concerned have an interest in maintaining the qualified status of the plan.

While this undoubtedly has a salutary effect on the operation of plans, it does not, however, afford complete protection to the beneficiaries. As indicated above, information obtained from employers may not be disclosed by the Internal Revenue Service. When employees request information on the operation of plans, they must be told to obtain it from the employer or trustee; and when they complain of violation of their rights, they are told they must enforce them under State law. If the operation of the plan by the employer or the trustee violates the applicable requirements of the code, the result of Internal Revenue Service enforcement would be taxation of the trust and denial of deductions to the employer or taxation of the employees. The result might well be a tax penalty on the victims, rather than on the perpetrators of the violation. For example, an employer or trustee who diverted funds may not be solvent, and the penalty might be assessment of a tax liability against the trust fund, as well as denial of tax deferment and capital gains treatment to the beneficiaries. It may also be noted that much of the information required by the Service is useful only for the purpose of determining the deductions allowable to the employer.

(b) Tax-exempt welfare funds—Internal Revenue Service administration of code section 501 (c) (9), relating to welfare funds, affords less protection to the beneficiaries of such funds than in the case of our administration of the code provisions relating to pension plans, because form 990 provides the only information we receive regarding welfare plans. Also, since the employer's deductions for contributions to a welfare plan are not conditioned upon the exemption of the fund, there may be less deterrent to improper practices on the part of the administrators of the fund.

In the case of both pension welfare plans, the information obtained by the Internal Revenue Service on forms 990 and 990–P is used for the purpose of administering the provisions of the Internal Revenue Code relating to qualification and exemption from tax. The Service has limited manpower available to review the forms 990 and 990–P, since even intensive review would not be nearly as productive from a revenue standpoint as equal time spent on reviewing taxable returns.

Moreover, the Service obtains no information from these forms which would reveal excessive premiums, commissions, or fees paid to insurance companies, brokers, agents, or trustees, or which would reveal improper transactions between the trustees and officials of the employer or of a union or persons related to or associated with them or the trustees. The information which is obtained with respect to prohibit transactions in the case of pension trusts relates only to transactions with the creator of the trust or controlled or related interests—i. e., usually with the employing corporation itself or controlled subsidiaries. In short, the information obtained by the Service would be of limited usefulness in policing conditions which your subcommittee seeks to correct. Therefore, to the extent that information on the operation of pension and welfare plans not now furnished is obtained and made subject to disclosure by an agency charged with this task, it would seem that additional protection to the beneficiaries would be afforded.

2. The extent to which investments of pension trusts are examined by the Internal Revenue Service and the purposes.

There are three purposes for examining the investments of pension trusts. One is to determine whether the investments are consistent with the requirement that the plan be operated for the exclusive benefit of employees and their beneficiaries. Another is to determine whether prohibited transactions are involved. The third is to inquire into possible unrelated business activities and, if found to exist, to see that the income therefrom is properly reported.

Where trust funds are invested in the stock or securities of the employer a complete disclosure is to be made to the Service. This consists of the employer's balance sheets, profit and loss statements, surplus analysis, and dividend paying record, a description of the investment, the reasons therefor, and a statement of trust assets. This information is analyzed to determine whether the cost does not exceed fair market value at the time of purchase, a fair return commensurate with the prevailing rate is provided, sufficient liquidity of trust assets is maintained so as to permit distributions in accordance with the terms of the plan, and whether the safeguards that a prudent investor would look to exist. The analysis is also extended to determine whether a prohibited transaction or unrelated business taxable income may be involved.

In other respects, investments are not examined. The Service specifically refrains from passing upon the desirability of certain types of investments or as to adherence by the trust to any particular investment program. The Service does not obtain detailed information regarding specific investments, other than that indicated above.

3. The extent to which compliance with section 401 (a) and other sections of the Internal Revenue Code and regulations makes for actuarial soundness of qualified pension plans.

Compliance with the requirements of section 401 (a) and other sections of the Internal Revenue Code and regulations issued thereunder does not assure or directly affect actuarial soundness of qualified pension plans, since the code and regulations make no mention of actuarial soundness as a requirement for qualification. However, compliance with the nondiscrimination requirements of code section 401 (a) does, to some extent, have an indirect effect on a pension plan which is so inadequately funded that it must be terminated or curtailed soon after its establishment. This is explained more fully in the attached statement, which is similar to one submitted to an earlier Senate subcommittee which was studying these problems.

4. Whether it would be possible to work out standard reporting forms for plans qualifying for tax exemption which might serve equally well for registration and reporting under a disclosure statute in order to avoid all unnecessary expensive and burdensome work on the part of administrators of such plans.

Forms can be designed to secure information to be made available for public inspection in connection with tax-exempt pension trusts provided the statute clearly prescribes the information be made public. For an

example of a form of this type, see the attached form 990–A, which was developed to implement the statutory requirements of sections 6033 (b) and 6104. Pages 3 and 4 of this form are placed on file in directors' offices for public inspection in accordance with the requirement of section 6104.

I also understand that a proposed form has been prepared when this problem had been considered by an earlier subcommittee for the purpose of combining information submitted for tax purposes with other information which may be required as a result of legislation in this area.

The extent to which a requirement of this kind would burden the administrators of the pension trusts would depend upon the volume and the nature of the information required to be supplied.

In this connection, it should be noted that in many cases information supplied to the Internal Revenue Service is regarded by the administrators of such plans as very highly confidential. Section 7213 imposes severe penalties upon any person disclosing information obtained from returns filed with the Internal Revenue Service, and, therefore, we strongly urge that any legislation requiring public disclosure of information in this area clearly specify exactly the information which is to be required to be opened for public inspection.

I am also in receipt of a copy of the statement made by Mr. Bernard D. Meltzer before the subcommittee on July 1, 1957, together with a request for any comments on such statement with respect to tax-exempt plans.

In the main, the points raised by Mr. Meltzer relative to paralleling income-tax exemptions with the legislation under consideration have already been discussed in this letter. I should like, however, to correct certain misconceptions which appear in Mr. Meltzer's statement.

Mr. Meltzer states on page 4 "These exemptions would cover charitable and educational institutions exempted by section 501 (c) (3) of the code and certain fraternal beneficiary societies, which may include unions, exempted by section 501 (c) (8)." Labor organizations are exempt under section 501 (c) (5), not (8). It should also be noted that exempt welfare funds are governed by section 501 (c) (9).

Mr. Meltzer also states on the same page. "The income-tax exemption accorded to fraternal beneficiary societies is subject to the condition that they avoid so-called prohibited transactions and also avoid investments which threaten their basic purposes (sec. 503, sec. 504 (1))." Neither the provisions of section 503 nor 504 are applicable to fraternal beneficiary societies, or to welfare funds. Fraternal beneficiary societies which meet the applicable requirements are exempt under section 501 (c) (8). Section 503 applies only to certain organizations which qualify for exemption under section 501 (c) (3), which does not include fraternal beneficiary societies, and to pension, profit sharing, and stock bonus trusts which qualify under section 401 (a). Section 504 applies only to those organizations which are exempt under 501 (c) (3) and which are subject to the provisions of section 503.

With respect to Mr. Meltzer's statement on the same page, "It is also not clear whether the income-tax exemption would be destroyed by diversion of assets unauthorized by those ultimately responsible for the administration of the funds involved," I have heretofore pointed out that denial of tax exemption might well be a tax penalty on the victims, rather than on the perpetrators of the violation.

Very truly yours,

RUSSELL C. HARRINGTON,
Commissioner.

Mr. KNOWLAND. Mr. President, will the Senator yield, without losing his right to the floor, so that I may submit an amendment and ask that it be printed and lie on the table?

Mr. ALLOTT. I yield for that purpose, with that understanding.

The PRESIDING OFFICER. Without objection, the Senator from California may proceed.

Mr. KNOWLAND. The amendment is very brief, and it reads as follows: On page 26, line 17, it is proposed to strike out "This" and insert in lieu thereof "Sections 1 through 18 of this."

At the end of the bill add the following:

SEC. . Section 9 (f) (A) of the National Labor Relations Act, as amended, is amended by inserting after paragraph (6) the following new paragraph:

"(7) (a) the name of each subordinate body of such labor organization which is in trusteeship, (b) the date each such trusteeship was established, (c) the reason for the establishment of each such trusteeship, and (d) whether or not the trustee over any such subordinate body of such labor organization is permitted to cast votes in any union election of such labor organization."

The PRESIDING OFFICER. Without objection, the amendment will be received and printed, and will lie on the table.

Mr. IVES. Mr. President, will the Senator from Colorado yield so that I may submit an amendment and ask that it be printed and lie on the table?

Mr. ALLOTT. I yield for that purpose, with the understanding that I do not lose the floor.

The PRESIDING OFFICER. Without objection, the Senator from New York may proceed.

Mr. IVES. Mr. President, I send to the desk an amendment and ask that it be printed and lie on the table.

On page 26, line 17, the amendment would strike out "This" and insert in lieu thereof "Sections 1 to 18, inclusive of this."

At the end of the bill it would add a new section.

I do not wish to read all of it to the Senate this evening. Briefly, the amendment I propose would make discrimination because of race, religion, color, or national origin an unfair labor practice under the Taft-Hartley law.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. ALLOTT. Referring to the colloquy which we have had, I call the attention of the Senate, particularly as it appears on page 493 of the hearings before the Subcommittee on Welfare and Pension Plans Legislation of the Committee on Labor and Public Welfare of the 85th Congress, 1st session, to a letter from Mr. Harrington, Commissioner of the Internal Revenue Service, addressed to the distinguished chairman of our subcommittee. In the middle of page 495, or thereabouts, the attempt of the Commissioner to avoid any responsibility or any chance that he might have to administer these funds is very apparent when he says:

Moreover, the Service obtains no information from these forms which would reveal excessive premiums, commissions, or fees paid to insurance companies, brokers, agents, or trustees, or which would reveal improper transactions between the trustees and officials of the employer or of a union or persons related to or associated with them or the trustees.

The ironical thing about this statement is that if the Senate passes the bill as it has been introduced, neither the Senate nor the Secretary of Labor will know as much as one crossing of a "t" or dotting of an "i" more than the Internal Revenue Service knows at present about these codes. If I ever saw a statement before a committee of the Senate which was a complete and total farce, this is it. I am sorry to say that they were able to file it without being cross-examined in an extremely severe manner about the motives which prompted it.

Mr. Harrington goes on to say, at a later place on the same page:

Where trust funds are invested in the stock or securities of the employer, a complete disclosure is to be made to the Service.

That is more than the bill provides.

This consists of the employer's balance sheets, profit and loss statements, surplus analysis, and dividend paying record, a description of the investment, the reasons therefore, and a statement of trust assets.

That, I say to Senators, is about three times as much as the bill provides for.

This information is analyzed to determine whether the cost does not exceed fair market value at the time of purchase, a fair return commensurate with the prevailing rate is provided, sufficient liquidity of trust assets is maintained so as to permit distributions in accordance with the terms of the plan, and whether the safeguards that a prudent investor would look to exist.

I do not know how one would determine actuarial responsibility in a fund if that is not it, although they say they do not do it.

The analysis is also extended to determine whether a prohibited transaction or unrelated business taxable income may be involved.

So while they disclaim any interest at all in the qualities of a fund which would make it a sound and valid fund, they turn right around and tell us the regulations which require twice as much as S. 2888 would require to be filed with the Department of Labor.

This is somewhat collateral to the issue, but I should say it is characteristic of the "bunk"—and I use that term advisedly—which has been filed and presented to the Subcommittee on Welfare and Pension Plans Legislation in the last 2 years. This is no better or worse than many of the rest of them.

Mr. President, I turn now to the next part of my remarks.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. ALLOTT. I am happy to yield.

Mr. GOLDWATER. Earlier today I referred to two reporting forms, one designated "990–P," the other designated "990–T." They were forms under the exempt organization and business income tax returns. Apropos of what the Senator from Colorado has been saying, and if he will allow me to do so, I should like to read some of the things which must be reported on those forms.

Mr. ALLOTT. Mr. President, I ask unanimous consent that I may yield to the Senator fron. Arizona for 5 minutes.

Mr. JOHNSON of Texas. Mr. President, reserving the right to object——

Mr. ALLOTT. Mr. President, do I have the floor?

Mr. JOHNSON of Texas. I agree the Senator from Colorado has the floor.

Mr. ALLOTT. Mr. President, I withdraw my request.

Mr. JOHNSON of Texas. Mr. President, reserving the right to object—and I shall object—I want to give my reasons for objecting.

Earlier in the day, I raised the question with the distinguished minority leader as to whether a prolonged filibuster was in progress against the Secretary of Labor's recommendations on the bill. I understood that it involved the first point of the President's labor program.

The minority leader told me that he did not feel there would be any filibuster on the bill and that we could, perhaps, proceed to a vote on at least two amendments following the Allott amendment, which was discussed most of the day.

Relying upon the judgment of the minority leader, and believing that most Senators wanted to act upon the twenty-odd amendments which were pending, I informed Senators of the majority that 1 or 2 votes on the amendments were expected this evening, and that it was expected that the Senate would remain in session until a reasonable hour, perhaps 10:30 or 11 o'clock.

After I had informed Senators on both sides of the aisle of our plans, we heard a very beloved and distinguished Senator address us on the subject of agriculture. Another informed Senator addressed us on the subject of military reorganization. I am informed now by one of my Democratic colleagues that the distinguished Senator from Colorado, who has already violated the rules by speaking 3 times on 1 amendment today, plans to speak until 1 or 2 o'clock tonight.

Mr. ALLOTT. Mr. President——

Mr. JOHNSON of Texas. I do not yield.

Mr. ALLOTT. If it is necessary for the Senator to speak——

Mr. JOHNSON of Texas. It is not necessary for the Senator from Colorado to speak——

Mr. ALLOTT. Mr. President, I call for the regular order.

The PRESIDING OFFICER. (Mr CLARK in the chair.) The regular order has been called for. The Senator from Colorado has the floor.

Mr. JOHNSON of Texas. Then I will yield to the Senator from Colorado.

Mr. ALLOTT. I shall be happy to yield to the Senator from Texas if and when he shows me the same consideration that I have always, without exception, tried to show to him.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. ALLOTT. I will yield when I have finished my sentence. When the Senator from Texas says that I have violated the rules of the Senate today by speaking many times on the same amendment, I think he will find that he is in error, in that I have spoken only twice in behalf of my own amendment, and I believe that that is within the confines of the rules of the Senate.

Mr. JOHNSON of Texas. If that is the fact, the Senator from Texas will say that the Senator from Colorado is correct in his interpretation of the rules. I inquired of the Parliamentarian today. It was my understanding that the Senator from Colorado had spoken three times today after he had called up his amendment. Of course, I did not object.

If the Senator from Colorado spoke only twice, then he is correct. Does the Senator care to speak until 1 or 2 o'clock in the morning on the pending amendment?

Mr. ALLOTT. I wish to answer at this time another remark which the Senator from Texas has made. This is not a filibuster in any sense. Let me point out to the distinguished Senator from Texas—and, believe me, I say this to him with all the respect that anybody can pay to a man who has achieved, through sheer ability, the position which he occupies in the United States Senate—that as a comparatively junior Member of the Senate, I have remained relatively quiet in the Chamber of the Senate for 3 years; in fact, for 3¼ years.

I have seen the rules of the Senate violated, by consent, not once, not twice, but a hundred times in the more than 3 years that I have been here.

It could possibly be true that I spoke three times. Technically, I might have obtained the floor three times today, but I believe it was only twice. At least, I spoke only twice when I got the floor.

Mr. JOHNSON of Texas. The RECORD will speak for itself.

Mr. ALLOTT. The RECORD will speak for itself. If I am in error, it is one of those errors to which many of us are subject when we are deeply involved in a matter.

I say to the majority leader that I am in a peculiar position in this matter. I am in the peculiar position of having devoted much time and thought to this question, so much so that I would say, almost without question, that I am the only Member of the Senate with whom the question occupies a peculiar and particular first-place interest.

Mr. JOHNSON of Texas. I appreciate the Senator's position.

Mr. ALLOTT. It is not that I am belittling in any sense the interest of any other Senators, however, or the interest which the distinguished Senator from Massachusetts or the distinguished Senator from Illinois or my great friend, the distinguished Senator from New York has shown.

I am not filibustering; but I know, more than any other Senator, I feel certain, that this matter is so complicated that only an extended discussion of it can result in a fair decision on the merits.

I am sure the Senators remember the distinguished former Senator Eugene Millikin, of Colorado, who was my senior colleague when I came to the Senate. I remember that on one occasion I discussed with him the effects of rule XXII. At that time I made what was a rather immature remark, I am sure, about that rule. Senator Millikin said to me then, "Remember that the debate rule or the cloture rule of the Senate, whatever may be its faults and defects, never forecloses debate on the floor of the Senate by any Senator in behalf of any interest, how little it may be."

So I say to the Senator from Texas, that although my interest may be little or small—it amounts to $100 million, divided between the employers and the workers of this country—and even though I may be the only Senator who is interested in it, I remember the words of Senator Millikin, that the rules of the Senate were evolved from a long series of decisions and conferences, and that they are based on a great deal of knowledge.

I am sure the Senator from Texas is laboring under a misapprehension that, somehow, I delayed this matter in the committee. If the Senator from Texas believes that, and if he wishes to have the record regarding that matter presented, I shall be happy to present it or supply it. I am sure it will dispel any such misunderstanding.

My only purpose is to discuss this subject as intelligently as I can, with my limited capacity, in order that, somehow, I may bring to my colleagues as good an understanding as the one which I believe I have; and of course in that I may be mistaken.

Before the Senator from Texas entered the Chamber, I said—and I now repeat—that after the Senate has been in session for almost 12 hours, I believe it is time for an adjournment to be taken, so all Members may return to their homes and get some rest, and then resume their labors on tomorrow.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Colorado yield to me?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Colorado yield to the Senator from Texas?

Mr. ALLOTT. I yield.

Mr. JOHNSON of Texas. Mr. President, I did not consult the Senator from Colorado as to how long the session of the Senate today should last. But I did consult his colleague, the minority leader, with whom I have had—at least, until very recently—a very good working relationship.

It was necessary for the Senate to remain in session late today, in order to act promptly on this bill.

The military-pay bill is to be acted on by the Senate next week; and various appropriation bills are ready. But action on these measures must be deferred until the Senate has acted on the pending bill.

I felt that most Members of the Senate were willing to have the debate on this bill proceed for a reasonable length of time today.

Let me say that I understood there was a delay of several days, for the Senator from Colorado to prepare his views. I understood that the committee waited 7 days for him to prepare his supplemental report.

Mr. ALLOTT. That is not correct; the committee did not wait 1 hour for me to prepare my report; and the record will so show.

Mr. JOHNSON of Texas. The information I have been furnished is that the committee had until April 14 to file its report, and that the Senator from Colorado had until April 21, or some 7 days later, to file his supplemental report or views.

Mr. ALLOTT. I challenge any member of the committee to support that statement, because it is not accurate. The date set was April 21; and my report was filed on the Saturday before that—on April 19.

Mr. JOHNSON of Texas. That does not contradict the statement I made. It was my impression that in the committee it was agreed that the majority report would be filed on the 14th, and that the Senator from Colorado would have until April 21 to file his supplemental report or views. Is that incorrect?

Mr. ALLOTT. I am sorry to have to disagree with the Senator from Texas. The first date which was discussed was April 14.

Mr. JOHNSON of Texas. For the filing of the majority report?

Mr. ALLOTT. The first date which was discussed for the filing of reports was April 14. At that time I said I should like to see the majority report before I filed the supplemental report of my own views; and I said that until I had seen the majority report, I would not know whether I would want to file a supplemental report.

That suggestion was objected to by the Senator from Massachusetts. Therefore I said, "All right; I will file my report when you file yours."

The Senator from Massachusetts himself, therefore, set April 21 as the date when the reports were to be filed. On the Saturday before that—on April 19—the reports were out of my office, by mail; and I think they were then in the hands of the committee. At any rate, they were in the committee's hands before noon on April 21.

Mr. JOHNSON of Texas. As for the Senator's recollection about Senator Millikin, I concur wholeheartedly in what Senator Millikin said. Senator Millikin always informed his colleagues of his desires or wishes in regard to any matter.

If I had been informed by the Senator from Colorado or the Senator from California, or any other Senator, that such Senator felt he could not remain in the Senate Chamber during the consideration of this measure today, later than 10, 10:30, or 11 p. m., I would have attempted to accommodate myself to the wishes of such Senator.

I was informed that the Senator from Colorado said he would speak until 1 or 2 a. m. tomorrow, if necessary. I assumed that he did not care to have the Senate vote on the amendment tonight.

If it is not possible for the Senate to vote on the amendment tonight, I am very desirous that all Senators be permitted to end their labors for today, and go to their homes.

Unanimous consent has been obtained to have the Senate convene tomorrow at 10:30 a. m. Tomorrow, we wish to have the session continue into the evening. If that program does not please the Senator from Colorado, we shall attempt to accommodate ourselves to his pleasure.

We hope the Senate will meet on Saturday of this week. Important bills are waiting for Senate consideration and action. But there is no desire to rush any Senator in connection with the consideration of any measure.

Mr. ALLOTT. Mr. President, I hope my friend, the Senator from Texas, will not put the situation on that basis. I realize that I am a comparatively junior Member of this body. On the other hand, I believe it is well once in a while to recall that each Member of this body represents a sovereign State and must represent it as best he can.

When a total of 96 Senators are involved in connection with the consideration of legislative business, far be it from me to wish to have the desire of any one Member, even myself, take precedence.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Colorado tell us what his desire is?

Mr. ALLOTT. Mr. President, about 1 hour ago I expressed my views to the assistants of the Senator from Texas, namely, that I thought the Senate had remained in session long enough today. I said that personally I was fairly well worn out; but I announced that, if necessary, I would speak on this subject for 4 or 5 hours.

But if the Senate adjourns at this time, and thus enable Senators to get their material organized, I have hopes that it will be possible for the Senate to dispose of my amendment—which I believe is the last one which I, at least, intend to propose—in reasonably short order tomorrow morning.

But, Mr. President, with all due deference, I believe that 12 hours is long enough for the Senate to work at any one time.

Mr. JOHNSON of Texas. Mr. President, I believe that is a very reasonable request. If I had had that information a little earlier in the day, I would not have insisted that the Senator from Colorado remain here this long.

It was my information that we could hope to vote on at least one or two amendments this evening. After I had informed Senators of our expectations, I wanted to carry them out.

This is the first information I have received that the Senator from Colorado did not desire to have the vote on his amendment taken this evening.

Inasmuch as the Senator from Colorado does not desire to have the vote on his amendment taken this evening; since there is no rush about the matter; since the bill is an administration-recommended measure; and since we are trying to take up other administration-recommended measures, I do not wish to hold the Senate in session any longer tonight.

I repeat that the information which comes from the committee is that the majority report was ready for the minority on April 14, as agreed to; that the minority report or views were submitted to the Senate on April 21, as agreed to by the committee. If that information is in error, then the committee has supplied me with the wrong information.

Mr. ALLOTT. Let me say unequivocally that it is in error.

Mr. JOHNSON of Texas. I appreciate that the Senator from Colorado speaks with authority on that matter, and the record itself will show the facts.

I do not care to be argumentative about the question.

Mr. ALLOTT. Neither do I. But this is not the first time, in connection with the deliberations of this subcommittee, that such things have occurred, and I want the RECORD to be straight and fair. I have already charged that on one occasion the minutes in the subcommittee were changed.

I say tonight that the information which has been given to the Senator from Texas is not accurate. I say that it was agreed by the whole subcommittee that both reports would be filed simultaneously on April 21.

Mr. JOHNSON of Texas. I thought I was told yesterday by the Senator from Colorado himself that he had until April 21 to file his report.

Mr. ALLOTT. That is right; I did—because both reports were to be filed on that date.

Mr. JOHNSON of Texas. I am not contending that they were not to be filed on that date.

The only point that has been raised is that the Senator from Colorado held up the minority report until April 21.

Mr. ALLOTT. That is not true.

Mr. JOHNSON of Texas. I thought that was the Senator's own statement to me yesterday.

Mr. ALLOTT. I did not request that extension. It was made because the date which was originally set fell in the middle of the Easter recess. So the date was extended beyond that—but not at my request.

Mr. JOHNSON of Texas. When were the hearings on the bill concluded, and when was it decided that the committee's report on it would be filed?

Mr. ALLOTT. I shall have to consult the records, before I can state the exact date. The last meeting of the committee was held just prior to the Easter recess.

Mr. JOHNSON of Texas. In any event, I think the Senator's point—that if we proceed further tonight, consideration of his amendment will require 4 or 5 hours, whereas if he has an opportunity to "sleep on it," he can organize his material and it will be possible for the Senate to vote on his amendment in a relatively short time tomorrow—is a very reasonable one.

Tomorrow is Friday. I have no desire to keep the Senate in session during any evening.

However, action by the Senate on other important measures must wait until the pending bill is disposed of. In that connection, I refer to the important military pay bill; and I hope the Senator from Colorado realizes that some per-

sons will be affected by the failure to take up that bill before the 1st of May. I should like, if possible, to have all the amendments to the pending bill, and the bill itself, disposed of this week.

If there is any reason to anticipate a delay in that schedule we shall just face the facts and shall inform Senators, so they need not be here on Saturday or on Monday, but will be able to wait until Tuesday, if any Senator needs that much time. In that way, we can work out the situation.

But, from my information, I thought we were ready to vote on at least 1, and perhaps 2, amendments tonight. Statements were made on agriculture, military reorganization, and other subjects. It occurred to me that there might be Senators who did not want to vote tonight. The Senator has confirmed that. Since he has confirmed it, I wonder if he is willing that the Senate move to adjourn.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield to the Senator from California.

Mr. KNOWLAND. With all due respect to the distinguished Senator from Texas, both before and up to and including the present time, I thought we had cooperated reasonably well while sitting across the aisle from each other. So far as I am concerned, I intend to continue that relationship, regardless of what the Senator's views may be.

As the Senator knows, we have some responsibility on this side of the aisle. There are 47 Members on my side of the aisle. The Senator from Texas happens to have at the moment 48 Members on his side of the aisle.

When we discussed the subject earlier, I thought we would reach a vote on 2 or 3 amendments during the day. As the evening wore on, it appeared we would not. This is not an unusual situation. I think the Senate would be wise, in view of the hour and the circumstances, if it should adjourn until 10:30 o'clock tomorrow morning.

I have tried to oblige the Senator from Texas as much as has any Senator on this side of the aisle. I had personal objections to meeting at 10:30 tomorrow morning. I happen to be a member of the Appropriations Committee, and we are in the process of marking up a bill and holding important hearings. I was about to suggest that the Senate not convene until 11 or 12 o'clock, but the Senator from Texas had made an announcement. Because I did not want to inconvenience the majority leader, and having respect for the position of majority leader, who has charge of the general operations of the Senate—I have never done to the Senator what the Senator did to me as majority leader, moved to adjourn or change the procedures—I made arrangements, and I consented to come in at 10:30 tomorrow morning.

I think the Senate has been in session long enough today.

I did not vote with the distinguished Senator from Colorado. I supported the committee position on the question, but I think the Senator from Colorado has, in the whole discussion today, kept to the subject matter under discussion. The subject is one to which he has obviously given deep study. It is one with respect to which he has obviously great concern. I think, as a member of the committee, he has been as diligent as has any member of the Committee on Labor and Public Welfare. I think he is making a very real contribution. By no stretch of the imagination could it be considered that he was filibustering, and I think it really comes with ill grace from the other side of the aisle to talk about a bill as important as this one being filibustered, when there has been only one day of discussion on it.

So far as the minority leader is concerned, I have constantly sought to expedite the business of the Senate without using means to unduly cut off debate.

In my judgment, we should be able to reach votes tomorrow on several of the amendments which I am proposing. I have a speech prepared which I expect to deliver tomorrow. It is a short speech. I doubt if it will take more than half an hour to deliver it.

Under all the circumstances, I think it is obvious that it would be better for all concerned if the Senate adjourned until 10:30 tomorrow morning.

Mr. JOHNSON of Texas. If that information had been available to me earlier, that would have been the course that would have been followed. The only reason why the Senate has remained in session until this hour is that the Senator told me he expected at least 1 or 2 rollcalls. He has confirmed that he said that. I have not charged the Senator from Colorado with delaying the Senate or keeping it in session unduly. I said there have been various speeches made which were not connected with the bill.

Mr. KNOWLAND. That is not unusual.

Mr. JOHNSON of Texas. I did not say it was usual or unusual. I just pointed out the fact.

Mr. WILEY. Let us go home.

Mr. JOHNSON of Texas. We will go home, and return tomorrow and attempt to follow the procedure outlined by the distinguished minority leader. If it is agreeable to him, we will come here tomorrow and take up the amendments, and stay in session until a reasonable hour tomorrow night. If there is any desire not to complete action on the bill this week, we will take it up again next week.

Before we agreed to convene early in the morning and remain in session late in the evening, I talked with the minority leader. I thought I had his agreement and concurrence.

Mr. KNOWLAND. We have assembled early and we have remained reasonably late.

Mr. JOHNSON of Texas. And we are about to adjourn.

A great point is being made of the fact that the Senate is remaining in session until 10:30 tonight. Earlier in the session the minority leader requested that the Senate remain in session this late and come in early. There is no use making a great point that we are imposing on people when we have legislation to consider. We are not following any different procedure than is normally followed, as the Senator well knows. Before we started this debate, I discussed with the Senator from California the idea of having the Senate meet early and remain in session until a reasonably late hour, because the Senator from California told me he wanted yea-and-nay votes on each of his amendments. I thought it would be fair to let the Senator from California have the yeas and nays on his amendments. I wanted to get to the point of calling the roll if and when the Senator was ready. If he does not want to have the Senate remain in session beyond 10 o'clock tomorrow night, I will notify all Members to that effect. If the Senator from Colorado wants to talk until 1 o'clock, we will accommodate him and stay until a late hour tomorrow. If the Senator is prepared to have me do so, I am ready to move to adjourn to meet at 10:30 tomorrow morning. Senators can make addresses during the morning hour, and then Senators can proceed to call up amendments.

Mr. ALLOTT. Mr. President, my statement that I was prepared to speak 4 or 5 hours was made because I had previously notified the assistants of the majority leader that I thought it was time to adjourn. They said that could not be done. I said, "All right. In that event, I am prepared to speak 4 or 5 hours," and I said that with the understanding that the Senate would adjourn until tomorrow morning and resume the consideration of the bill at that time.

I yield the floor.

ADDITIONAL BILL INTRODUCED

Mr. HUMPHREY, by unanimous consent, introduced a bill (S. 3695) to authorize an increased program of research on forestry and forest products and for other purposes, which was read twice by its title and referred to the Committee on Agriculture and Forestry.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

ADJOURNMENT TO 10:30 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I should like to inform the Senate that, under the order previously entered, the Senate will convene at 10:30 o'clock tomorrow morning. I hope all Senators who have amendments will be prepared to have the Senate vote on them, and if they want yea-and-nay votes on the amendments, we will have them. I hope we may act on the bill by Saturday night, if the Senate is willing.

Mr. President, I move that the Senate adjourn until 10:30 o'clock tomorrow morning.

Mr. HOLLAND. Mr. President, will the Senator yield? I did not hear the request. Neither could I hear his earlier remarks. We were straining our ears, but the Senator turned in the other direction. The Senator made a statement as to whether the Senate would or would

not have a Saturday session. It was with relation to that statement that I wished to inquire. Will the Senator repeat the statement?

Mr. JOHNSON of Texas. It is our present plan to have a Saturday session, in an attempt to dispose of the bill, unless it is disposed of tomorrow. I will say to the Senator that it was announced yesterday and earlier today that a Saturday session was planned.

Mr. HOLLAND. I misunderstood the Senator. I understood him to say there would be no Saturday session. That was the reason for my question. I knew he said something to that effect. I must have missed his exact words. I regret that there is to be a Saturday session.

Mr. JOHNSON of Texas. I, too, regret the necessity. We have announced on three occasions, that we plan to have a Saturday session, in the hope that we will be able to dispose of the bill.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas that the Senate stand in adjournment until 10: 30 o'clock tomorrow morning.

The motion was agreed to; and (at 10 o'clock and 22 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Friday, April 25, 1958, at 10: 30 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate April 24, 1958:

UNITED STATES DISTRICT JUDGE

Albert C. Wollenberg, of California, to be United States district judge for the northern district of California, vice Michael J. Roche, retired.

IN THE NAVY

Rear Adm. James W. Boundy, Supply Corps, United States Navy, to be paymaster general and Chief of the Bureau of Supplies and Accounts in the Department of the Navy for a term of 4 years.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 24, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

I Thessalonians 5: 17–18: *Pray without ceasing; in everything give thanks for this is the will of God in Christ Jesus concerning you.*

Eternal God, our Father, hitherto Thou hast blessed us and we have found Thee keeping faithfully all Thy promises.

May our minds now be kindled with noble desires and our hearts be quickened with lofty aspirations.

Grant that our lives may be rich in the realization of Thy presence and fruitful in service for God and man.

Make us worthy citizens of Thy heavenly kingdom; men and women of invincible good will; builders of a social order in which righteousness reigns and the law of love is triumphant over hatred and strife.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On April 4, 1958:

H. R. 11086. An act to amend the Agricultural Adjustment Act of 1938, as amended, with respect to wheat acreage history.

On April 7, 1958:

H. R. 7907. An act relating to contracts for the conduct of contract postal stations, and for other purposes;

H. R. 8268. An act to amend section 512 of the Internal Revenue Code of 1954; and

H. R. 10843. An act to amend section 114 of the Soil Bank Act with respect to compliance with corn acreage allotments.

On April 9, 1958:

H. R. 4815. An act to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes;

H. R. 5822. An act to amend section 406 (b) of the Civil Aeronautics Act of 1938 with respect to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment; and

H. R. 7910. An act to revise the laws relating to the handling of short paid and undeliverable mail, and for other purposes.

April 11, 1958:

H. R. 1140. An act to amend Public Law 85–56 to permit persons receiving retired pay for nonregular service to waive receipt of a portion of that pay to receive pensions or compensation under laws administered by the Veterans' Administration; and

H. J. Res. 347. Joint resolution authorizing the President to invite the several States and foreign countries to take part in the Fourth International Automation Congress and Exposition to be held in the New York Coliseum at New York, N. Y., from June 13, 1958.

On April 16, 1958:

H. R. 776. An act to permit temporary free importation of automobiles and parts of automobiles when intended solely for show purposes;

H. R. 5005. An act to suspend for 2 years the duty on crude chicory and to amend the Tariff Act of 1930 as it relates to chicory;

H. R. 8794. An act to provide exemptions from the tax imposed on admissions for admissions to certain musical and dramatic performances and certain athletic events; and

H. R. 9821. An act to amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, and the act approved June 29, 1956 (70 Stat. 374), to authorize appropriations for continuing the construction of highways, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 159. Joint resolution to authorize and request the President to proclaim July 4, 1958, a day of rededication to the responsibilities of free citizenship.

ANNA MAE ALLEN ET AL. v. SOUTHERN RAILWAY COMPANY ET AL.

The SPEAKER laid before the House the following communication, which was read by the Clerk:

APRIL 17, 1958.

The honorable the SPEAKER,
House of Representatives.

SIR: From the Superior Court of the 26th Judicial District of North Carolina I have received a subpena duces tecum, directed to me as Clerk of the House of Representatives, to appear before said court as a witness in the case of *Anna Mae Allen et al.* v. *Southern Railway Company et al.*, and to bring with me certain and sundry papers therein described in the files of the House of Representatives.

The rules and practice of the House of Representatives indicates that the Clerk may not, either voluntarily or in obedience to a subpena duces tecum, produce such papers without the consent of the House being first obtained. It is further indicated that he may not supply copies of certain of the documents and papers requested without such consent.

The subpena in question is herewith attached, and the matter is presented for such action as the House in its wisdom may see fit to take.

Very truly yours,

RALPH R. ROBERTS,
Clerk, United States House of Representatives.

The SPEAKER. The Clerk will read the subpena:

The Clerk read as follows:

NORTH CAROLINA 26TH JUDICIAL DISTRICT, MECKLENBURG COUNTY, IN THE SUPERIOR COURT—ANNA MAE ALLEN ET AL., PLAINTIFFS, *v.* SOUTHERN RAILWAY CO. ET AL., DEFENDANTS—SUBPENA DUCES TECUM

To: Ralph R. Roberts, Clerk of the House of Representatives of the Congress of the United States, Washington, D. C.

You are hereby commanded to be and appear before the undersigned judge of superior court at the Mecklenburg County Courthouse in Charlotte, N. C., on the 21st day of April 1958 to give evidence on behalf of the plaintiffs in a civil action then and there to be tried wherein Anna Mae Allen et al. are plaintiffs and Southern Railway Co. et al. are defendants and to have with you before said court the following documents:

Report No. C–4125 filed by the Committee on Political Education of the AFL–CIO, known as COPE, and showing its receipts and disbursements for the year 1956.

Report No. C–4127 filed by the Railway Labor's Political League, known as RLPL, and showing its receipts and disbursements for the year 1956.

Issued this 15th day of April 1958.

J. WILL PLESS, Jr.,
Judge of Superior Court.

Mr. McCORMACK. Mr. Speaker, I offer a resolution (H. Res. 547) and ask for its immediate consideration.

The Clerk read as follows:

Whereas in the case of *Anna Mae Allen et al.* v. *Southern Railway Company et al.*, pending in the Superior Court of the 26th Judicial District of North Carolina, a subpena duces tecum was issued by the said court and addressed to Ralph R. Roberts, Clerk of the House of Representatives, di-

recting him to appear as a witness before the said court on the 21st day of April 1958, and to bring with him certain and sundry papers in the possession and under the control of the House of Representatives: Therefore be it

Resolved, That by privileges of this House no evidence of a documentary character under the control and in the possession of the House of Representatives can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession but by its permission; be it further

Resolved, That when it appears by the order of the court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the House is needful for use in any court of justice, or before any judge or such legal officer, for the promotion of justice, this House will take such order thereon as will promote the ends of justice consistently with the privileges and rights of this House; be it further

Resolved, That Ralph R. Roberts, Clerk of the House, or any officer or employee of the House, be authorized to appear at the place and before the court named in the subpena duces tecum before mentioned, but shall not take with him any papers or documents on file in his office or under his control or in possession of the Clerk of the House; be it further

Resolved, That when said court determines upon the materiality and the relevancy of the papers and documents called for in the subpena duces tecum, then the said court, through any of its officers or agents, have full permission to attend with all proper parties to the proceeding and then always at any place under the orders and control of this House and take copies of any documents or papers and the Clerk is authorized to supply certified copies of such documents and papers in possession or control of said Clerk that the court has found to be material and relevant, except minutes and transcripts of executive sessions, and any evidence of witnesses in respect thereto which the court or other proper officer thereof shall desire, so as, however, the possession of said documents and papers by the said Clerk shall not be disturbed or the same shall not be removed from their place of file or custody under said Clerk; and be it further

Resolved, That a copy of these resolutions be transmitted to the said court as a respectful answer to the subpena aforementioned.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SENOR DON GONZALO J. FACIO

Mr. PORTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, a warm and wise friend of the United States leaves Sunday for his country. I take this time to commend Senor Don Gonzalo J. Facio for his services as Ambassador from Costa Rica and in the Organization of American States and to the cause of peace in the world.

A close friend of Pepe Figueres, the great democratic president of beautiful and progressive Costa Rica, Ambassador Facio also represents his country in the Organization of American States and is Vice Chairman of the Council of the Organization of American States.

Only 40 years old, Ambassador Facio has served Costa Rica as Minister of Justice, Minister of Foreign Affairs, and President of the Congress. His plan for limitation of arms in the Western Hemisphere met with wide and hopeful acclaim throughout the world.

Gonzalo Facio retires now as Ambassador and returns to the practice of law. His party was defeated at the polls, but Costa Rica, the Organization of American States, and the world will, I predict, call him to public service again. Men of his ideals, ability, and spirit will always be in short supply.

THE CUBAN REVOLT

Mr. PORTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, on Pan American Day the distinguished gentleman from South Carolina [Mr. RIVERS] made a short statement regarding the Cuban revolt. He states that the revolt is Communist-inspired. He castigates the State Department for cutting off arms shipments to Batista, and he attributes the cutoff to some dark influences on the part of, and I quote, "that left-wing New York Times and the left-wing Time magazine and others who are part and parcel of the Communist line in this country."

Since I have long and publicly advocated a halt of United States armaments shipments to Batista, it would appear that I am included in that sweeping indictment. I am sure my kindly friend from South Carolina will agree that I could not let his remarks pass without protest. I deplore, too, that he saw fit to smear the New York Times and Time with the Communist tarbrush.

The effects of such misinformation upon the Cuban people and Cuban-American relations is a more serious matter. The United States has intimate ties with Cuba—historical, economic, geographical and spiritual. Whether we wish it or not, our actions exercise great influence upon the nearby Republic. By enforcing an embargo on the shipment of weapons to the Cuban rebels and continuing to ship them to Batista, we do indeed reinforce Batista's hand, the path which my distinguished colleague from South Carolina recommends.

Before we assume such a responsibility, we should make certain of the facts instead of swallowing whole Batista's propaganda. Batista's official policy is to slap the Communist label on any opposition to his tryanny. In this he is far from original. Trujillo and other dictators of this era long have utilized the same technique to throw a smokescreen around their own bloody deeds.

What, then, is the truth in the case of Cuba? First, contrary to what the gentleman from South Carolina says, the State Department never made "a solemn promise to give aid to that government of Batista which is in being, which has been elected and which is a duly recognized government of the people of Cuba." If my friend from South Carolina [Mr. RIVERS] would search his memory to 1952, he might recall that in that year Batista seized power from the legitimately elected government in a coup d'etat because he was running a poor third in a three-way election campaign.

As for the charge that the opposition to Batista is Communist, we have only to recall the impressive array of good citizens and associations who are demanding that Batista step down so that free elections may be held. Is the Catholic church Communistic? In a signed statement given to Homer Bigart of the New York Times, the dean of the Habana Bar Association said that the Batista government must yield to a regime of neutrality. In February more than 40 religious and professional groups signed a manifesto denouncing Batista's attempt to perpetuate himself and his cronies. Signers of that statement included the National Medical Association, the young men's and young women's federations of Cuban Catholic Action, the Knights of Columbus, the Supreme Council of 33d Degree Masons, the Cuban Council of Protestant Churches, and the board of governors of the Lions Club. Moreover, in an unprecedented move, the Roman Catholic hierarchy issued a statement signed by Manuel Cardinal Artega, of Habana, the Archbishop of Santiago, and the bishops of the six provinces calling for a government of national unity. It will take an enormous brush to smear the Communist taint over so wide a sector of Cuba's best people.

In the Cuban rebellion both sides can cite incidents of savage torture and murder. The strong rebel movement in the country has led Batista to take over more repressive measures to perpetuate his power. In return, Castro has been goaded to take reprisals. In between the crossfire lie the Cuban people.

To advocate that we send guns and bullets to maintain an unpopular dictator in power is sheer and cruel folly. The clamor for freedom and clean government will not be doused by force. Let us keep the blood off our hands and let the Cuban people find their own way out of their tragic dilemma with the help, in due course I hope, of the United Nations and the Organization of American States.

REDUCED AGE FOR RETIREMENT BENEFITS

Mr. RODINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey.

There was no objection.

Mr. RODINO. Mr. Speaker, recently I introduced a bill, H. R. 386, to amend the Social Security Act to provide that, for the purpose of old-age and survivors insurance benefits, retirement age

shall be 60 years. Under present law the age is 65 for men, 62 for widows and 62 with reduced annuities for wives and women workers.

My bill gives this Congress the opportunity to take positive action to alleviate the distressing situation of thousands of our senior citizens. I am referring to those who are not able to earn a decent living for reasons directly related to their age and who are not yet old enough to retire under the existing provisions. I am talking about the 60 year old factory worker who is replaced by a computer and an automatic feedback system and is not considered flexible enough to be retained for a wholly different operation. Unemployment compensation is certainly not the final answer to his problem. I am talking about the older textile worker whose plant is moved 1,000 miles away from home and lifetime ties. I am talking about the woman widowed at 60 who has never had employment experience. I am talking about the partially disabled person who is not quite disabled enough to qualify for disability payments. These are the neglected and truly needy persons who would benefit from this proposal to reduce the retirement age to 60.

Some critics of this proposal may say we would lose large numbers of skilled and productive workers who are essential to the defense effort if the retirement age were lowered. Nonsense. We will not see hordes of happily employed workers of 60 deserting their machines and desks and flocking down to pick up their monthly retirement checks of $60 or $80. The benefits are simply not that tempting.

Moreover, continued useful employment is of untold importance to the morale of older people. We know that those who can work and have jobs will, by and large, stay on beyond the minimum retirement age. Proof of this is the fact that the average man retiring and applying for social security benefits is over 68 even though he has been eligible since he reached 65. And the overwhelming majority of those who do retire do not do so by choice. Among men 65 and over, 79 percent of voluntary retirements were due to poor health according to a study made by the University of California in 1952. The remaining 21 percent retired because of age, family decisions and other reasons. Another survey conducted by the Social Security Administration in 1951 revealed that over 80 percent of the recipients of social security benefits had either been forced to retire or had retired for health reasons. Only about 5 percent retired voluntarily while in good health to enjoy retirement leisure. The remainder retired for other personal reasons. In short, I think I am safe in saying the proposed reduction in retirement age will not create a large-scale exodus of able-bodied persons from their jobs.

I have long been interested in the problems of the aging and I applaud the many State and Federal conferences, commissions and study projects which have been set up to explore these problems. I am particularly proud of my own State which in 1954 established the New Jersey Old Age Study Commission. The commission presented a most constructive report early in 1957 and we are acting on many of its excellent suggestions in the fields of health, rehabilitation, education, and the like.

This and similar studies have shown what needs to be done and now we must do it. I submit, that the aging are tired of being researched, reviewed, surveyed, studied and sympathized with. They want action by private organizations and by every level of government. While I enthusiastically support the campaigns being conducted to encourage the hiring of older workers, such campaigns, even if successful beyond all expectation, would still not answer the need which I have outlined to you. What about those persons whose work involves physical labor and who cannot hold a job because of fading strength which cannot be considered complete disability? What about the older person who has devoted his life to a skill which is now obsolete because of changing manufacturing techniques? What about the chronically ill person who endangers his health and his very life by continuing to work because he has no alternative. Let us give these people the freedom to make the choice according to their individual situations. I contend that the lowered retirement age must go hand in hand with our efforts to promote hiring of older people.

I would support this legislation on its merits at any time. But I submit that it is extremely timely now in this period of a recession—a situation which even the administration has finally recognized. What better way is there to combat the recession than to put a modest amount of purchasing power in the hands of these persons in the 60–65 age group who are not able to earn a living wage? We know that older people, and especially those with small incomes, tend to spend rather than save a large percentage of their incomes. They are past the age of saving for the future or incurring large debts for homes and furnishings. More of their resources go into food, fuel, and medical care. Therefore we can accomplish two desirable objectives: We will be helping a sadly neglected group of aging persons and we will be giving the economy a quick shot in the arm at the same time.

I know that each of us is keenly aware of the plight of those persons between 60 and 65 in his own district and across the Nation who, largely because of economic and social changes and health conditions beyond their control, are unable to support themselves with dignity and safety. I therefore urge every Member to support this bill, H. R. 386, as a means of aiding this group and the health of the national economy.

PRESIDENT PRESENTS CHARLESTON AREA SCOUT WITH YOUTH MEDAL FOR BRAVERY

Mr. RIVERS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS. Mr. Speaker, on Tuesday at 11:30 the President of the United States presented to Harold Tupper Murray, a 16-year-old Boy Scout from Charleston, S. C., the medal authorized by the Congress a few years ago, known as the Young American Medal for Bravery. Under the provisions of the act of Congress creating this award, not more than two Americans may be selected during any 1 calendar year.

Harold Murray, now 16, was 14 years of age on April 25, 1956, at the time he performed his mission of heroism. His neighbor, Mrs. O. E. Rakoske was mowing her lawn when a copperhead snake sunk his venomous fangs in her flesh. Hearing her screams of misery and of despair, young Murray, a Boy Scout—who learned the art of first aid as a Boy Scout—rushed to Mrs. Rakoske's assistance, removed the snake from her person, immediately killed the serpent, and forthwith administered emergency first aid. His treatment mainly consisted of opening the wound and sucking the venom from the infected area. Young Murray then rushed the stricken woman to a hospital and her life was spared from the lightning rapidity with which the deadly poison undoubtedly would have permeated her entire body.

All of these things, young Murray did without any injury at all to himself despite ever-present and latent danger which surrounded him.

Little did this young American dream that his act would gain notice. Selfless service was his one ambition and his only aim. However, hearing of this unsurpassed feat of mercy, the Governor of South Carolina called it to the proper attention of the Commission set up by the Congress to make the award for feats of this character. Accordingly, the Commission created by the Act of Congress, and consisting of the incomparable J. Edgar Hoover, the Solicitor General of the United States, and others, presented his name for President Eisenhower's consideration. President Eisenhower forthwith accepted the recommendation of this distinguished group and on April 22 at 11:30 at the White House this young man—humble, unassuming, and in keeping with the great American ideals of the Boy Scouts of America, accepted the commendation of the President of the United States, smiling and with gratitude.

I witnessed this ceremony along with members of his family. I was honored to be present at the occasion.

I would like to add that young Murray is the only American to be presented with this award for this year.

Mr. Speaker, I include herewith the newspaper account as it appeared in the Charleston News and Courier, America's freest and the South's oldest periodical dedicated to freedom of the press and to the highest ideals of journalism.

[From the Charleston (S. C.) News and Courier of April 22, 1958]

YOUNG HERO TOURS CAPITAL WITH FAMILY

(By Henrietta Means)

WASHINGTON.—Charleston's heroic Harold Tupper Murray, Jr., and his younger sister, Diane, had a big time on Capitol Hill Monday.

The 16-year-old Boy Scout, who on Tuesday will receive from President Eisenhower the Young American Medal, got a big kick out of touring the halls of Congress.

TRY OUT CHAIRS

He and Diane were especially pleased to get a chance to sit in the chair usually occupied by Speaker SAM RAYBURN, Democrat, Texas, in the House of Representatives, and also to try out Vice President NIXON's office chair on the Senate side of the Capitol.

The Capitol tour was arranged by Senator OLIN D. JOHNSTON, who sent an aide, Tom Chadwick of Charleston, to guide the youngsters, their parents, Mr. and Mrs. Harold Murray of Stono Park, and a cousin, Jack Hugentugler, also of Charleston.

RIVERS TO ATTEND

During the tour, the family found Representative L. MENDEL RIVERS and received renewed assurance from the Charleston Congressman that he will attend the White House ceremony Tuesday. RIVERS has invited them to be his guest at luncheon after the ceremony.

They lunched Monday in the Senate Dining Room as JOHNSTON's guests. Earlier in the day, they had been greeted by Senator STROM THURMOND.

CEREMONY AT 11:30

The Charleston visitors will report to the Justice Department at 10:30 a. m. Tuesday, and will go from there to the White House for the 11:30 a. m. meeting with the President. Among officials expected to attend the award presentation ceremony is J. Edgar Hoover, director of the Federal Bureau of Investigation.

Murray was selected by the Justice Department for the Young American Award for his action 2 years ago in saving the life of a Charleston woman who had been bitten by a poisonous snake.

He and his family expect to be here through Thursday, touring points of interest in the Washington area.

[From the Charleston (S. C.) News and Courier of April 23, 1958]

PRESIDENT PRESENTS CHARLESTON AREA SCOUT WITH YOUTH MEDAL FOR BRAVERY

WASHINGTON.—Harold Tupper Murray, Jr., 16-year-old Boy Scout from Charleston, Tuesday received the Young American Medal for Bravery from President Eisenhower.

The President said "my real congratulations" as he pinned the gold medal on the youngster's lapel in a special ceremony in the White House.

The Charleston youth, a student, at St. Andrew's High School, received the medal for aiding a woman who had been bitten by a copperhead snake. He killed the snake, applied a tourniquet and extracted as much venom as possible from the leg wound by sucking the blood.

READS CITATION

United States Attorney General William P. Rogers read a citation commending the Boy Scout for "exceptional courage." The action for which he was cited took place April 25, 1956, when Mrs. O. E. Rakoske was bitten by a snake while mowing her lawn.

President Eisenhower told young Murray's parents that they have every reason to be proud of their son.

Turning to Murray himself, the President smiled and said that the award ceremony should probably have been delayed a few days so the medal could be presented on the second anniversary of the deed.

The Young American Medal for Bravery was established by Congress in 1950. It is presented to youngsters who, before their 19th birthday, perform outstanding acts of bravery.

RECOMMENDS HIM

South Carolina Gov. George Bell Timmerman recommended young Murray for the medal. The award was approved by Rogers on recommendation of a committee composed of FBI Director J. Edgar Hoover, Solicitor General J. Lee Rankin, and Luther A. Houston, Director of Public Information for the Justice Department.

Witnessing the ceremony Tuesday in addition to his parents were Murray's sister, Diane, 14, and aunt, Mrs. Nell Frain and an uncle, Jack W. Hugentugler.

Newsreel cameramen had just finished "shooting" Senate minority leader WILLIAM KNOWLAND, Republican, California, when young Murray emerged from the Executive Mansion.

Even though they had taken pictures of the award ceremony inside the White House, the camermen immediately swarmed around Murray. Newsmen persuaded the modest youngster to tell his impressions of the President and describe the circumstances leading to his winning the award.

CITES MODESTY

Raeford H. Davis, Murray's Scout leader, indicated that the boy's conduct after successfully saving Mrs. Rakoske from serious injury or death was "more noteworthy than his performing the Boy Scout's duty in the emergency that existed."

Davis said the victim's mother happened to mention the incident to a minister who informed the newspapers of the boy's deed.

It was from the newspapers that Murray's parents, neighbors, and local Scout council become aware of the incident.

SCROLL TEXT

The text of the scroll accompanying young Murray's award follows:

"Whereas the Young American Medals Committee, with the approval of the Attorney General of the United States, has determined that Harold Tupper Murray, Jr., should be awarded the Young American Medal for Bravery for having exhibited exceptional courage, attended by extraordinary decision, presence of mind, and unusual swiftness of action, regardless of his own personal safety, on April 25, 1956, in rescuing Mrs. E. O. Rakoske, who had been bitten by a venomous snake.

"Now, therefore I, Dwight D. Eisenhower, President of the United States of America, by virtue of the authority vested in me by the act of August 3, 1950, 64 Statute, 397-398, do hereby certify that the Young American Medal for Bravery has been awarded to Harold Tupper Murray, Jr., on this 22d day of April 1958, and has been presented to him by me personally for and on behalf of the President and Congress of the United States of America."

THE STORY OF FREE ENTERPRISE

Mr. ALGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include an article.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, as labor and management begin the preliminary sparring preceding contract negotiations we will hear more and more, I am sure, about bloated profits and the desirability of greater pay for less work. This latter aim may even be piously proposed as an antirecession move.

Mr. Reuther neatly combined both these features in his pitch to the public recently in whose limitless gullibility he obviously puts great faith. Softpedaling the usual song about higher pay for fewer hours' worked, he began trumpeting for a share in the company's profits. Let us examine both these ideas.

Every intelligent workman understands that he can be paid only out of what he produces. To gain more leisure time, he must produce more in the reduced time he works, otherwise he will have less to spend during his additional leisure.

Profits? An enemy of all of us, a real drag on the economy, is the company that does not make a profit. That company pays less than its share of taxes and is on the way to paying none at all. That company cannot create more jobs and may soon be without jobs at all. Unable to compete, that company cheats you and me by adding to our taxes and providing no bargains. Better that we have wage earner gains predicated only on greater productivity, and that companies be encouraged to profit handsomely. Competition will prevent excess in this department.

I am indebted to Lewis Strauss for a classic illustration of the difference between a capitalist and a Socialist:

A capitalist is a man who is willing to concede that other men may live better than he does providing he is free to live as well as he can afford. A Socialist is a man who is willing to live miserably provided no one is allowed to live any better.

An excellent study of our free enterprise economy and the alleged recession, together with the role of government in our economic society is to the credit of the Guaranty Survey, the April publication, by the Guaranty Trust Co., of New York, which follows:

CURING THE RECESSION

When recession strikes, businessmen suffer a double penalty. It is not enough that they should be among the heaviest losers; they are likewise the chief scapegoats. They are called upon to bear not only their own losses but also the blame for the losses of others.

Businessmen are now being criticized for having no formula to "cure" the recession. As the operating agents of our economy of private enterprise—so runs the criticism—they were quite willing to take the credit for prosperity. Now that the economic weather has turned cloudy, they have forgotten their position of leadership and quietly retired into the background. Economists, politicians and labor leaders are ready with their programs, but businessmen, who by experience should be best fitted to find remedies, have little to say. Thus speak the critics.

DUBIOUS CURES

It is perhaps beside the point to suggest that the greater volubility of politicians may not be wholly unrelated to next fall's elections, nor that of labor leaders to current and forthcoming wage negotiations. Even though businessmen may not have the same secondary reasons for utterance, even though their sole aim be recovery from the recession that is costing them so heavily, the questions remain: Have businessmen been slow in offering "cures" and, if so, why?

To begin with, it is simply not true that businessmen generally have shirked their rightful responsibilities by refusing to discuss the problems of recession and recovery. Those who look for such things have no difficulty in finding expressions of opinion on these subjects by business leaders. If such statements do not bear the imposing label of "cures," it may be because of the

very experience that is supposed to show businessmen the best "cures." It may be because their experience has made them aware of the enormous magnitude and complexity of the problem and the dubious value of the "cures," so readily offered by others. It may be because they sense that the very idea of "curing" a recession reflects a misconception of the nature of recessions, a failure to understand that the recession itself is in reality a "cure" for something else.

Businessmen recognize, of course, that this is an unpopular view. When sales falter, when industrial output is reduced, when workers are laid off, and when the demand is made that something be done immediately to "cure" these evils, it is a thankless task to point out that what is actually going on is a needed readjustment, a necessary corrective process—in fact, a "cure" for the excesses, distortions, and maladjustments that resulted from the boom and that caused the recession. To say such things is to expose oneself to the charge of being cold and indifferent to the plight of the unemployed. No one enjoys placing himself in such a position.

WHAT RECESSIONS ARE FOR

Yet businessmen, by their own experience, are better able than most others to recognize that an economy of free individual choice cannot expect to enjoy a perpetual boom. They see taking place before them every day the bewildering variety of changes that are constantly going on in such a society. The tastes and habits of consumers change. The population increases or decreases at varying rates, and the age distribution of the population shifts. Producers strive constantly to devise new products and to turn out better products at lower cost. In this endeavor, they invent new methods, new processes, and new types of equipment.

These changes mean that rates of production and operating methods must be continually adapted to new conditions. Labor and capital must be withdrawn from some occupations and transferred to others. Large investments must be made in new plant, and these investments must be based upon market estimates that cannot be absolutely correct. Mistakes are sure to be made, and these must be rectified, often at heavy loss. Thus readjustment is a never-ending process. How can there be continuous full employment in such a society?

The particular sort of readjustment that is commonly accompanied by a general business recession is only imperfectly understood. Human society is not a laboratory where phenomena can be minutely observed under controlled conditions. Moreover, the cycle of boom and recession is not uniform; no two cycles are even approximately alike. It is generally agreed, however, among businessmen at any rate, that booms generate unsound tendencies, including unwarranted expectations of future markets, excessive inventory accumulation, distorted price and cost relationships, outright speculation, credit strain, disproportionate production of different types of goods, and ill-advised investment. These tendencies occur in a variety of combinations that defies close analysis, prediction, and treatment. Yet, whatever the combination may be in a particular case, it requires correction, and the correction involves a temporary decline in business activity.

It was because businessmen generally accepted this view that they supported the Federal Reserve System in its conservative monetary policy during the exuberant days of the boom. It was for the same reason that they supported the Federal administration and those Members of Congress who were endeavoring to resist the constant pressure for more governmental spending and to bring the budget under control. They recognized that the best way to prevent recessions is to prevent booms, and the best way to minimize recessions is to restrain booms.

BUSINESS ITSELF MUST DO THE JOB

Once the recession comes, the job of readjustment is much too big, too complex, and too imperfectly understood to be accomplished by any sort of governmental action or policy. It is accomplished by business itself under the pressure of contracting markets and tightening competition. Deadwood is cut out. Inventories, when excessive, are reduced. Unsound projects are given up. Price and cost relationships are realigned. Operating inefficiencies in labor and management are eliminated or diminished. The quality of goods and services is improved. Inflated values are written down to realistic levels. The "lost art" of salesmanship is rediscovered. Demand for both consumption and investment is reexamined, and production schedules are altered accordingly.

These readjustments imply changes in prices as well as in output and employment, and the more readily the price changes take place, the less severely are output and employment affected. All sectors of the economy are involved. The longer management clings to old methods, old products and old pricing policies, the longer it will take to recover the lost markets. The more tenaciously labor insists upon maintaining or raising the cost of employment, the less employment there will be. The more strongly agriculture and its political friends hold out for arbitrary prices, the more restricted will be the markets for farm products. Any form of price rigidity tends to hamper the readjustment and prolong the recession.

GOVERNMENTAL CURES

In attempting to cure a recession, government has only two major instruments at its disposal: regulation and inflation. It is probably true that a totalitarian state functioning with full force and vigor can prevent the sort of recession that occurs in free societies, though at the cost of despotism and of chronic hidden recession in the form of inefficient utilization of resources. It may also be conceded that any government with the power to issue money can temporarily prevent recession by creating new money in sufficient quantities. This is essentially what is being proposed by the advocates of tax reduction and expanded public works. Such inflationary cures for recession, however, have certain important drawbacks.

One drawback is the verdict of experience that inflationary cures are not very effective unless administered on a dangerously large scale. In the 1930's it was found that the effects of the inflationary stimulus lasted only as long as the stimulus was applied. The process was called pump priming, but the phrase proved to be a misnomer, because the pump was not primed. After some $20 billion had been borrowed and spent in this way, 8 million members of the labor force were still unemployed.

During World War II the inflationary stimulus was applied on a scale more than ten times as great as in the preceding decade. In that instance it was highly effective, but as soon as the wartime price controls were removed, the purchasing power of the dollar shrank by almost one-half. Obviously, deficit spending by the Government on any such scale could not occur many times without wrecking the currency.

Another grave weakness of inflationary cures for recession is that, even when applied on a comparatively moderate scale, they result in a permanent debasement of money. The theory of "compensatory" fiscal policy—that demand can be stimulated by means of Treasury deficits in slack times and then moderated by means of surpluses in good times—has been tried and found wanting. The anticipated surpluses simply do not appear. The political and popular pressure for tax relief and governmental spending is too great, and the fear of deflation is too strong. Hence the public debt rises, and the money supply along with it. Experience has shown that, in actual practice, inflation is a one-way street.

An even more basic shortcoming of inflationary cures is that they tend to prevent the readjustments that are needed after booms. The more effective they are as cures, the more dangerous they are as perpetuators of unsound conditions. And the longer such conditions remain uncorrected, the stronger become the forces making for recession, and the larger the doses of inflation needed to counteract them. Thus the tendency is toward more or less chronic inflation at an increasing rate.

If such a tendency persists long enough, the people can hardly fail to become aware sooner or later that their money is losing its value and cannot be held with safety. When this happens, there arises the threat of monetary depreciation in its most extreme form, with a "flight from currency," an uncontrollable rise in prices, and a general economic breakdown. If this ultimate disaster is to be avoided, the attempt to force a free economy into a state of perpetual boom by inflationary stimulation must be abandoned at one point or another. The easiest and safest point to abandon it is at the beginning.

SOUND AND UNSOUND STIMULANTS

Most of the current debate over proposed cures for the recession has been concerned with the relative merits of tax reduction and larger governmental spending. Both of these alternatives are open to the objections just mentioned. Their effectiveness as cures is questionable, but that they contain the seeds of inflation is unquestionable, especially in view of the fact that the Government is already operating at a heavy deficit.

Truly constructive action by both business and Government in times of recession is aimed at facilitating the needed readjustments, not at preventing them. This does not mean that individual hardship should not be alleviated or that sound economic incentives should not be strengthened.

Sound incentives are derived from the removal of artificial restraints, not the administration of artificial stimulants. Businessmen know that such measures are unspectacular and politically unpopular, and it is to their credit that so many of them are willing to spend time and effort and to expose themselves to criticism by advocating what they must believe to be practically impossible in the present state of public opinion. There is little else for them to do except to use such influence as they have against proposals that would saddle the economy with the almost certain evil of a permanently cheapened dollar in a highly dubious endeavor to cure the temporary evil of recession.

"YOU AUTO BUY NOW" WEEK EXTENDED

Mr. BYRNE of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include an article.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BYRNE of Illinois. Mr. Speaker, from the sidewalks of Chicago, a great city on Lake Michigan, I bring you some information from the Chicago Daily News which indicates, when private enterprise is given an opportunity to do so, and reflects the qualities which have made America great all through the years.

The "You Auto Buy Now" Week, which was originally scheduled to wind up on Sunday, was such a huge success that it is being continued for another week.

The Daily News article is as follows:

AUTO BUY CAMPAIGN EXTENDED

Chicago's "You Auto Buy Now" Week, originally scheduled to wind up Sunday, was such a success that it's being continued another week.

The Chicago Automobile Trade Association and the Greater Chicago Used Car Dealers Association, whose joint membership of 985 dealers in Cook County sponsored the big sales drive, said a total of 38,100 new and used cars were sold since April 11.

The total estimated value of the new and used cars sold in the 9-day period is $54 million, officials of the association said.

It was estimated new-car dealers sold 15,000 used cars and 8,100 new cars and that exclusively used-car dealers sold another 15,000 used cars.

Edward L. Cleary, executive vice president of CATA, said the final figures are not exact. He said they are based on daily telephone samplings of 35 to 40 dealers whose results were projected over the entire area.

He pointed out that daily average sales during "You Auto Buy Now" Week were far over the average of the 12-day period preceding the campaign.

He said sales during that period averaged 400 new cars a day. The drive also produced figures higher than the average daily new-car registrations of 669 cars during April of 1957.

Mr. Speaker, here in Washington sometimes I think we are too close to the forest to see the trees. Give private industry an opportunity to do the job that they are capable of doing, and you will see evidence such as I have mentioned to you here today.

TENTH ANNIVERSARY OF ISRAEL

Mr. MORANO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MORANO. Mr. Speaker, it is especially encouraging in an era dominated by new and terrible weapons of destruction and threats of destruction, that a thriving state created out of desert is today celebrating its 10th birthday anniversary.

It is fitting today that we salute the oppressed and persecuted settlers of the young State of Israel who fled from chaos and despair to their own homeland and converted the arid lands to fertile fields.

Palestine has been transformed from a rural unproductive land to a thriving industrial and agricultural center.

The citizens and the Government of the United States may well be proud of the young state, for it was with our help and encouragement that it was founded and strengthened.

In the past 10 years its proud citizens have seen blood spilled on their cherished soil. But they prize liberty highly and are determined to fight to preserve that for which they have for so long struggled.

Many problems still face this growing state. Our birthday wish today is that Israel shall grow in strength and stature as an oasis of freedom in a desert area where Communist inroads are all too great.

ISRAEL SURVIVES YEARS OF TRAVAIL

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, in today's Washington Post there appears an article by Drew Pearson in his column, the Washington Merry-Go-Round, entitled "Israel Survives Years of Travail." I am asking to have the whole article put in the RECORD because I think it is a fine description of a very gallant people.

The article is as follows:

ISRAEL SURVIVES YEARS OF TRAVAIL

(By Drew Pearson)

This week marks the 10th anniversary of a little country founded in tears and built in travail—Israel. Twenty-four hours after it declared its independence, 7 Arab nations attacked on 3 sides. King Farouk of Egypt was so sure of marching into its biggest city that he had a stamp printed featuring his picture. Underneath was the word "Tel Aviv."

Farouk and the Egyptian army never got to Tel Aviv. The Israeli army 8 years later would have got to Cairo had Mr. Eisenhower and Secretary Dulles not intervened.

The fiery determination that stopped seven Arab countries in 1948 and which routed the Russian-armed, vastly superior Egyptian army in 1956 is the secret of Israel. It's a nation built on the suffering of the exiled tribes of Israel, built in the dream, nurtured during 20 centuries, that someday the Jews would come back to a home of their own, built as a living memorial to the 6 million Jews burned in the gas chambers of Hitler.

All this is behind the dedication, the determination, the pioneering spirit that has made Israel.

You have to go there to understand it. You have to see the bulldozers pushing rocks, rocks eroded since the days of Abraham, millions of rocks pushed aside so that crops can be raised in little patches of clean soil underneath. Or boys and men and women painfully picking up the rocks and putting them on stone fences to line the little patches of soil being cultivated to feed the sons of Abraham.

THIS IS ISRAEL

And you have to see the trees—millions of trees—imported from similar climates in Australia, contributed by Jews from all over the world, carefully planted along the roadsides and the highways.

You have to see the irrigation works, the Yarkon project, no bigger at its headwaters than Rock Creek which ambles through Washington; one fourth the size of the Schuylkill which runs through Philadelphia; one thousandth the volume of the Hudson as it flows past Manhattan. Yet the headwaters of the Yarkon, every drop of water cherished like gold, spreads out over the Plain of Sharon and makes the Negev Desert bloom 50 miles away.

Or you have to see the farm settlements: refugees from Hitler living next to refugees from Nasser, along with refugees from Poland or from Algeria or Yemen. At first they have only one bond in common, their religion. They speak no common language, have been separated by the centuries. But they learn Hebrew and their children learn to know each other, and to marry each other, and soon out of a melting pot of diverse nationalities has grown a close-knit, cooperating, thriving community. This is how Israel has grown.

Or you have to see the children—buoyant, beautiful children, as radiant and healthy as any in the United States; or the old people as they go down to bathe in the warm Mediterranean; the Moslems at their prayers; the Christians as they worship in the cathedrals of Jerusalem and Nazareth; the schools, the universities, the camels and the caravans, and the new railroad cars contributed by West Germany as a token of penitence for the soap factories of Hitler.

Or you have to see the hospitals, where men like Dr. Haim Sheba pioneer new Near East medicine; where Arabs are given the same treatment as Jews; and where Egyptian wounded taken in Sinai, were nursed back to life. You have to know that doctors from Israel, though overworked, have been loaned to the new African republic of Ghana and to the new republic of Burma; and that the scientific discoveries for eradicating flies mosquitoes, Near Eastern diseases have been made available to the Arab States.

DANGER OF WAR

On one side of Israel lap the blue waters of the Mediterranean, warm and friendly. On the other three sides are deserts and mountain ranges from which peer Arab guards, ever on watch, ever posing the possibility of border raids. Beyond them several million more Arabs vow vengeance, await the day when they can do what King Farouk and Colonel Nasser failed to do—conquer Israel.

So Israel on her 10th anniversary faces a greater crisis than ever—not immediate, but eventual.

From the Near East last September I reported the Kremlin timetable. It was: Unite Egypt and Syria; subvert Saudi Arabia and Jordan; overrun Lebanon; bring all the Arab States with their 70 percent of the world's oil reserves under Moscow and Nasser. That timetable is running on schedule. Egypt and Syria are joined. A new ruler has virtually taken over Saudi Arabia. Pro-Nasser riots are disrupting Lebanon.

All the problems of the Near and Middle East are tied up together. They cannot be solved separately.

This is the most complicated problem facing the free world. It's a problem which carries the greatest potentiality for war. Yet there are some solutions, as this column will endeavor to point out in the near future.

STEEL PAY AND PRICE FREEZE

Mr. MUMMA. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MUMMA. Mr. Speaker, it was with considerable pleasure that I noticed an article in the newspaper yesterday with the following headline: "Steel Pay and Price Freeze Asked by Former Research Boss of Union."

This referred to a letter addressed by Mr. Harold J. Ruttenberg, a former research director of the United Steelworkers, to Mr. Roger M. Blough, chairman of the United States Steel Corp.,

and Mr. David J. McDonald, president of the United Steelworkers, to act to pull the industry out of its slump.

I think this is a very good start if it works out, to get this industry out of the slump in which it is now, as it is working at less than 50 percent of capacity. I also think it is a move that could well be followed by all industry.

At the same time I also noticed a statement in the Wall Street Journal that imported steel grows cheaper, adding to the woes of the half-idle United States mills.

The articles to which I refer follow:

[From the Wall Street Journal of April 22, 1958]

STEEL PAY AND PRICE FREEZE ASKED BY FORMER RESEARCH BOSS OF UNION—RUTTENBERG ASKS BLOUGH, MCDONALD TO ACT TO PULL INDUSTRY OUT OF SLUMP

PITTSBURGH.—A steel wage and price freeze—on wages for 1 year and on prices for 2—was asked last night by a Pittsburgh district industrialist in an appeal to David J. McDonald, president of the AFL-CIO, United Steelworkers, and Roger M. Blough, chairman of United States Steel Corp.

Harold J. Ruttenberg, president of Stardrill-Keystone Co. of Beaver Falls, Pa., and a former research director of the United States Steelworkers, proposed the freeze as an "essential" move "to pull the steel industry out of the depression into which it has receded."

Mr. Ruttenberg's proposal called for postponement until July 1, 1959, of the wage increase scheduled for Steelworkers this July 1, for extension of present steel prices to July 1, 1960, and for extension of the steel industry's labor contract for 1 year, also to July 1, 1960.

There was no comment immediately from either the United Steelworkers at its headquarters in Pittsburgh, or from Mr. Blough in New York. But, based on recent union statements, Mr. Ruttenberg's plan was almost certain to meet with union rejection.

PAY TO RISE 20 CENTS AN HOUR

The steel industry is up against employment cost increases of about 20 cents an hour July 1, the third automatic wage boost under its 3-year contract with the steelworkers, in addition to three cost-of-living increases that totaled 12 cents an hour.

Steel executives have carefully avoided any public call for a delay in the scheduled pay increases, but Mr. Ruttenberg, whose company uses steel to make cable tool and rotary drilling machinery, put into words what a number of steel-industry leaders have been privately saying with some variation.

The wage increases due for more than 500,000 steelworkers this summer include hourly pay-rate boosts averaging more than 9 cents an hour and increases in afternoon and night turn and Sunday premiums. There also is likelihood the mill workers at the same time will receive another living-cost increase on the basis of the Government's Consumer Price Index.

For steel producers, that brings the dilemma of either attempting to absorb a sizable cost increase at a time when they're already flirting with or immersed in red ink, or of trying to pass on the increases during the industry's most serious postwar slump. Production of steel has dropped below 50 percent of capacity and is running at an annual rate of less than 70 million tons, compared with output in 1957 of nearly 113 million tons.

Consequently, steel men would not be adverse to a freeze on prices, some of them have indicated privately, if they could be relieved of paying higher wages this summer. But none of them have been willing to come forward with such a proposal—primarily, it's believed, because they figure the chances of getting it accepted are so slight.

The United Steelworkers, on the other hand, have minced few words on the question of a wage freeze. They say bluntly they can't do it. One termed a wage freeze "suicidal."

Steelworker officials like to note the long-term contract signed by the industry and the union at the end of a 35-day strike in 1956 was the industry's idea. The contract's haunting the steel people. Instead of costing them about 55 or 57 cents an hour, as they first had figured it would, it's going to cost them in the neighborhood of 70 cents over the 3-year period.

Mr. Ruttenberg has held several management jobs since leaving the United Steelworkers in June 1946 to go with Portsmouth Steel Co.—now the Portsmouth division of Detroit Steel Corp.—as vice president.

A few weeks ago, he proposed in a speech to the Beaver Falls Chapter of the National Association of Accountants that the "American people reverse the current, rolling recession by getting into 1958 automobiles and driving right out of it."

His new plan for steel also included the suggestion that the industry's "present formula, granting automatic wage increases as the cost of living rises, should be discarded."

"Joint negotiations should begin to develop a sound formula granting increases in wages as productivity rises; this to become the basis for a new wage contract in 1960," Mr. Ruttenberg said.

THREAT OF DEPRESSION CITED

His letter to "Dear Dave and Roger" contended that a "big rise in steel wages with a sharp effect on steel prices can further depress the basic steel industry, and drop our country out of a recession into a depression."

"Our steel industry now has more idle steel capacity—70 million tons—than the total steelmaking capacity of Russia," he wrote. "What is worse, the Soviet Russians will produce close to 65 million tons of steel this year and it is now very doubtful if total United States of America steel output will be as high in 1958.

"We have got to adopt a stable wage-price structure in steel to get out of this depression, as we cannot afford to let the Russians outproduce our steel industry in 1958 for the first time in history."

Mr. Ruttenberg told Mr. McDonald and Mr. Blough that they "each have a responsibility to change fixed policies with changing times, and not inflict on our country a wage program that was formulated in 1956 and will throw more people out of jobs this year unless it is altered as suggested."

[From the Wall Street Journal of April 22, 1958]

COMMODITY LETTER—A SPECIAL STAFF REPORT ON PRICE AND PRODUCTION TRENDS AFFECTING INDUSTRY

Imported steel grows cheaper, adding to the woes of half-idle United States mills.

This country already buys nearly 60 percent of its barbed wire from abroad, steel men estimate. European wire costs about $6.65 an 82-pound reel at Atlantic docks, down 30 cents from last month. At Sparrows Point, Md., an 80½-pound reel of American-made wire is $8.05. Foreign steel plates, nails, bars, edge lower in price, too. United States Steel's Chairman Blough complains that on the west coast imported cast-iron soil pipe sells for $100 a ton, $75 less than the domestic product.

Lower ocean shipping rates help bring the price of foreign steel down. But steel men here say foreign competitors have a big head start anyway: Steelworkers pull down an average $3.09 an hour in the United States; in Germany, they get about 86 cents. Another wage boost looms here this summer. It could spark another domestic steel mark-up, despite indifferent demand.

Steel imports slump despite lower prices. In January, 102,000 tons of foreign steel docked here, down from 180,000 tons a year ago.

FAMILY FARMS ARE INCREASING

Mr. TEAGUE of California. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. TEAGUE of California. Mr. Speaker, in contradiction of the occasional claims that the administration's current farm program is hurting the small farmer, I quote the following editorial from the March 29, 1958, issue of California Farmer:

FAMILY FARMS ARE INCREASING

Secretary Benson is taking one of the worst beatings in Congress that any man ever suffered and yet he appears to be hale and hearty and of reasonably good cheer. Part of the explanation for his apparent strength is his religious belief that a man grows stronger under persecution. Most of his strength comes from his own belief that he is right.

One charge hurled against him is that he is plowing under the small farmer and wrecking the family farm. Certainly, the figures do not bear out the allegations.

In the last 20 years, this country has reduced the number of people working on farms by 55 percent, but we are doing just as much farming and producing just as much food now as we did 20 years ago.

In fact, during the last 20 years the number of family farms has increased from 59 percent to today's 63 percent of all farms. And during that time the number of corporation farms has not increased.

It is only by means of farm machinery, fertilizer and other technical advances that agriculture has been able to strengthen and enlarge the family farm to a point where it could compete with the standard of living enjoyed by the rest of the country.

We don't have to talk about forcing the small farmer off the uneconomical farm; this has been taking place by free choice. Personally, we think the process will become accelerated as the younger generation evaluates its chances of making a good living from a farm too small and underequipped compared with a job in the city.

RESIDENTS OF 149 LABOR SURPLUS AREAS DEMAND IMMEDIATE LEGISLATIVE RELIEF BY THE 85TH CONGRESS

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, since 1955, when I introduced the first distressed area legislation in Congress, I have constantly called attention to the plight of the unemployed in the labor-surplus areas of the Nation and pleaded for Congressional action.

During the 3-year interval we have had the 1st and 2d sessions of the 84th

Congress, the 1st session of the 85th Congress, and now the 2d session, and to date no positive action has been taken in alleviating the distress of unemployment in labor-surplus areas.

While it is true that hundreds of witnesses have appeared before Congressional committees in and out of Washington during the past 3 years and have filled over 3,000 pages of printed testimony confirming the need for immediate action, the unemployment in the 149 labor-surplus areas has increased, and as a result today it represents nearly 60 percent of the Nation's unemployment.

Mr. Speaker, the 84th and 85th Congresses stand indicted in the eyes of the millions of residents of the 149 labor-surplus areas for taking no positive legislative action to aid them in restoring employment in their communities.

The records of the Congress and its committees reveal that I have continually referred to the absolute need for positive legislative action on a bipartisan basis. At the same time I have urged immediate action on some 40 distressed area bills by adopting an attitude of compromise in perfecting suitable distressed area legislation.

Meanwhile, my bill, H. R. 6975, was drafted as a reasonable compromise after much study and expert consultation. The result is that it has been described in many quarters as a fitting compromise and a realistic approach in breaking the legislative deadlock that has resulted because of the difference in the administration bill, S. 1433, and the Douglas-Spence bill, S. 964.

Mr. Speaker, my fervent pleas the past 3 years for bipartisan cooperation and decisive action in adopting a compromising attitude in drafting distressed area legislation were echoed by Gov. George Leader, Democrat, of Pennsylvania, when he testified last week in Washington before the House Banking and Currency Committee.

Governor Leader criticized Congress for not taking action sooner on legislation to help relieve unemployment in distressed areas.

Stating that it was his third trip to Washington to endorse distressed area legislation, he said caustically, "You can sit down in your committees in Washington and think those distressed areas will go away, but they won't. We haven't got any action. I hope this committee will give us some action."

Continuing, the Democrat Governor of Pennsylvania said, "The people who live in these labor-surplus areas don't care whether it's a Democrat bill or a Republican bill. They want a program that will put people back to work."

Governor Leader on other occasions, in discussing distressed area legislation said, "A trip to Washington for this purpose is one of the rites of spring. It seems as if an area redevelopment bill is as seasonable a matter in the Nation's Capital as the annual blooming of the cherry blossoms. This will make my third trip to support legislation of the sort sponsored by Senator CLARK and Representatives FLOOD, CARRIGG, FENTON, and VAN ZANDT.

Governor Leader concluded by saying, "The story so far has been that we have had Republican bills and Democrat bills; but we have never been able to get an area redevelopment law."

On a previous occasion Governor Leader was quoted as saying that he has constantly pointed out and has continuously urged "that the members of both parties sit down together and work out a compromise effort."

Mr. Speaker, here is the Democrat Governor of the great State of Pennsylvania indicting the 85th Congress for its neglect of labor-surplus areas. In connection with Governor Leader's scathing indictment of the 85th Congress, some may say, "Well, the House Banking and Currency Committee is holding hearings." Therefore, let us talk about those hearings that have been in progress since April 14.

To date the committee has heard a half-dozen witnesses, headed by former President Harry S. Truman. Five of the six witnesses have been Democrats, the other witness being Republican Gov. Cecil H. Underwood of West Virginia.

Of the long list of witnesses yet to be heard, with the exception of Republican Governors Knight of California and Stratton of Illinois, and Republican Mayor Poulson of Los Angeles, all are Democrats.

Mr. Speaker, of all the thousands of words of testimony presented to date to the House Banking and Currency Committee, actually little has been said about distressed area legislation. On the other hand, however, the hearings are being used as a sounding board for political propaganda. Meanwhile, nearly 3 million unemployed in the 149 labor surplus areas continue to suffer from the misery of unemployment.

Mr. Speaker, there are over 5 million unemployed in the United States at the present time and nearly 3 million, or 60 percent of them, are in the 149 labor surplus areas.

The following chart will prove conclusively that this unemployment in these labor surplus areas is chronic because it has been there for years and as a result must be treated separately from the national unemployment problem which has seasonal characteristics.

Unemployment in major areas of substantial labor surplus—149 areas regularly classified by United States Department of Labor—Selected months, March 1952 to March 1958

Month and year	National unemployment	Percent of labor force	Number of labor-surplus areas	Unemployment in labor-surplus areas
March 1958	5,188,000	7.0	149	2,970,000
March 1957	2,693,000	4.0	149	1,885,000
March 1956	2,551,000	3.8	149	1,793,000
March 1955	2,654,000	4.0	149	2,494,000
March 1954	3,230,000	5.0	149	2,181,000
March 1953	1,602,000	2.5	149	1,443,000
March 1952	1,673,600	2.7	143	1,684,000

Mr. Speaker, the information contained in the above chart was furnished to me by the United States Department of Labor and the Bureau of the Census and proves that if the 84th Congress or the 85th Congress had perfected and approved distressed-area legislation, these 149 pockets of chronic unemployment in the United States would have been eliminated and the nearly 3 million unemployed residents given employment.

Mr. Speaker, I represent two of these 149 distressed areas and while some call the present unemployment situation a slump in business, back in my Congressional District it is classified as a recession.

This is due to the fact that nearly 17 percent of a 90,000-labor market is unemployed, hundreds are losing their unemployment insurance benefits, and thousands are living on public assistance and surplus commodities.

The following chart shows the number of residents of my Congressional District receiving surplus commodities from December 1956 to March 1, 1958. Let me call attention to the fact that as of March 1 of this year, 15.1 percent of the overall population of my Congressional District, or 45,618 persons are living on surplus commodities.

Surplus commodities, Mar. 3, 1958

County	December 1956		June 1957		December 1957		February 1958		March 1958	
	Recipients	Percent	Recipients	Percent	Recipients	Percent	Recipients	Percent	Recipients	Percent
Blair	16,602	12	15,454	11	15,751	11	18,400	13.2	22,222	15.9
Centre	6,536	10	6,339	10	5,661	9	6,537	9.4	6,537	9.9
Clearfield	14,109	16	13,377	16	12,284	14	17,520	20.0	16,859	19.6
Total	37,247		35,170		33,696		42,457		45,618	
1950 census		12.8		12.1		11.6		14.6		15.1

NOTE.—The above figures represent the total recipients of surplus commodities and are comprised of public-assistance cases, the unemployed, pensioners, and persons whose income is inadequate to meet the minimum requirements of need as established by the income scale of the Pennsylvania Department of Public Assistance.

Mr. Speaker, the conditions that I have outlined are typical of all the 149 labor surplus areas of the Nation.

As I have said before, the unemployment situation in these areas is chronic and the only solution to the problem is distressed area legislation. Therefore, the answer lies with this Congress which has the power to enact suitable legislation to deal with this distressing situation. In the hands of this Congress rests the answer to the problem of unemployment that plagues 149 labor surplus areas of the country.

Mr. Speaker, can we not lay aside partisan politics? Can we not compromise the differences in distressed area bills? And above all, can we not get down to the business of approving legislation to aid these 149 labor surplus areas and thus wipe out nearly 60 percent of the Nation's current unemployment?

Mr. Speaker, by approving distressed area legislation, this Congress will be

heeding the pleas of nearly 3 million unemployed Americans who are willing and eager to return to work.

Frankly, we will in truth be lending them a helping hand through the medium of a much-needed law to aid the 149 labor surplus areas in the abolition of the gaunt specter of chronic unemployment.

PROGRAM FOR NEXT WEEK

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I ask for this time in order to inquire of the majority leader concerning the program for next week.

Mr. McCORMACK. The program for next week depends upon the action of the Committee on Rules today or tomorrow. In indicating bills that may come up next week, if rules are reported out, I do so only for the information of the House, without making any definite commitment.

Monday is District day. There are no District bills, so I am informed. There will be no other legislative business on Monday.

For Tuesday, Wednesday, Thursday, and Friday, the program depends upon the rules reported out. If there is a rule reported out on the Federal Unemployment Compensation Benefit Act, that will come up on Tuesday if the rule is reported out between now and then.

There are several other bills which may possibly be scheduled, if, of course, rules are first granted for their consideration. The bills are H. R. 11451, providing for the construction of superliner passenger vessels; H. R. 11078, a bill relating to the safety of small boats; and H. R. 12009, a bill increasing appropriations under the Atomic Energy Act. Again, if rules are reported out, I would naturally consult with the chairman of the committee out of which these bills come to ascertain their viewpoints.

There is the usual reservation that any further program will be announced later.

Conference reports may be brought up at any time.

I note from the newspapers that the conferees on the postal employees' pay-raise bill and the postal-rate increase, apparently are approaching the conclusion of their deliberations. This is one conference report which I have in mind; and if it is in order, and if the chairman of the conferees desires it, it will be brought up next week. So all I can do is to give the membership only an idea what the program may be based on, "ifs."

Mr. ARENDS. I thank the gentleman from Massachusetts.

USE OF FEDERAL SURPLUS FOODS IN NONPROFIT SUMMER CAMPS FOR CHILDREN

Mr. JOHNSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. JOHNSON. Mr. Speaker, I am today introducing legislation which is intended to clarify the use of Federal surplus foods in nonprofit summer camps for children.

I am informed by the Department of Agriculture that, under the present surplus food donation legislation, nonprofit summer camps for children are classed as institutions rather than under the school category. This, in effect, means that camps cannot receive surplus foods for all children in the camp; they receive them only for the number of needy children in the camp. Schools, of course, receive surplus foods for all the children eating in the lunchroom.

I do not believe that Congress intended to restrict the availability of Federal surplus foods to our young children—whether they were in school or attending a nonprofit camp during the summer months. We all know that surplus foods are now being used to good advantage to improve the quality of the school lunch; I feel certain that there is equally strong support for the full use of these surplus foods to improve the meals served to children in summer camps.

In July 1956 we revised the special milk legislation to insure that all summer camps could have an opportunity to serve more fluid milk to attending children. I strongly urge that the same opportunity to constructively use surplus foods be extended to all nonprofit summer camps for children.

ANNUAL REPORT OF OFFICE OF ALIEN PROPERTY, DEPARTMENT OF JUSTICE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the Annual Report of the Office of Alien Property, Department of Justice, for the fiscal year ended June 30, 1957.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 24, 1958.*

THIRD SEMIANNUAL REPORT, INTERNATIONAL CULTURAL EXCHANGE AND TRADE FAIR PARTICIPATION ACT OF 1956—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Foreign Affairs:

To the Congress of the United States:

In accordance with the provisions of section 9 of Public Law 860 of the 84th Congress, I transmit herewith for the information of the Congress the Third Semiannual Report of operations under the International Cultural Exchange and Trade Fair Participation Act of 1956.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 24, 1958.*

PUBLIC LAW 875, 81ST CONGRESS—FEDERAL ASSISTANCE AND DISASTER RELIEF—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 376)

The SPEAKER laid before the House the following message from the President of the United States which was read, and, together with the accompanying papers, referred to the Committee on Public Works and ordered to be printed:

To the Congress of the United States:

I have the honor to transmit herewith a report of activity under authority of Public Law 875, 81st Congress, as amended, and required by section 8 of such law.

Funds which have been appropriated to accomplish the Federal assistance determined eligible under this authority are specifically appropriated to the President for purposes of disaster relief.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 24, 1958.*

REORGANIZATION PLAN NO. 1 OF 1958—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 375)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with accompanying papers, referred to the Committee on Government Operations and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 1 of 1958, prepared in accordance with the Reorganization Act of 1949, as amended. The reorganization plan provides new arrangements for the conduct of Federal defense mobilization and civil defense functions.

In formulating Reorganization Plan No. 1, I have had the benefit of several studies made by the executive branch as well as those conducted by the Congress. The reorganization plan will overcome the major difficulties revealed by those studies and mentioned in my 1959 budget message where I made the following statement:

The structure of Federal organization for the planning, coordination, and conduct of our nonmilitary defense programs has been reviewed, and I have concluded that the existing statutes assigning responsibilities for the central coordination and direction of these programs are out of date. The rapid technical advances of military science have led to a serious overlap among agencies carrying on these leadership and planning functions. Because the situation will con-

tinue to change and because these functions transcend the responsibility of any single department or agency, I have concluded that they should be vested in no one short of the President. I will make recommendations to the Congress on this subject.

The principal effects of the reorganization plan are:

First, it transfers to the President the functions vested by law in the Federal Civil Defense Administration and those so vested in the Office of Defense Mobilization. The result is to establish a single pattern with respect to the vesting of defense mobilization and civil-defense functions. At the present time disparity exists in that civil-defense functions are vested in the President only to a limited degree while a major part of the functions administered by the Office of Defense Mobilization are vested by law in the President and delegated by him to that Office. Under the plan, the broad program responsibilities for coordinating and conducting the interrelated defense mobilization and civil-defense functions will be vested in the President for appropriate delegation as the rapidly changing character of the nonmilitary preparedness program warrants.

Second, the reorganization plan consolidates the Office of Defense Mobilization and the Federal Civil Defense Administration to form a new Office of Defense and Civilian Mobilization in the Executive Office of the President. I have concluded that, in many instances, the interests and activities of the Office of Defense Mobilization and the Federal Civil Defense Administration overlap to such a degree that it is not possible to work out a satisfactory division of those activities and interests between the two agencies. I have also concluded that a single civilian mobilization agency of appropriate stature and authority is needed and that such an agency will ensue from the consolidation and from the granting of suitable authority to that agency for directing and coordinating the preparedness activities of the Federal departments and agencies and for providing unified guidance and assistance to the State and local governments.

Third, the reorganization plan transfers the membership of the Director of the Office of Defense Mobilization on the National Security Council to the Director of the Office of Defense and Civilian Mobilization and also transfers the Civil Defense Advisory Council to the Office of Defense and Civilian Mobilization.

Initially, the Office of Defense and Civilian Mobilization will perform the civil defense and defense mobilization functions now performed by the Office of Defense Mobilization and the Federal Civil Defense Administration. One of its first tasks will be to advise me with respect to the actions to be taken to clarify and expand the roles of the Federal departments and agencies in carrying out nonmilitary defense preparedness functions. After such actions are taken, the direction and coordination of the civil defense and defense mobilization activities assigned to the departments and agencies will comprise a principal remaining responsibility of the Office of Defense and Civilian Mobilization.

After investigation, I have found and hereby declare that each reorganization included in Reorganization Plan No. 1 of 1958 is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949, as amended.

I have also found and hereby declare that it is necessary to include in the accompanying reorganization plan, by reason of reorganizations made thereby, provisions for the appointment and compensation of new officers specified in sections 2 and 3 of the plan. The rates of compensation fixed for these officers are, respectively, those which I have found to prevail in respect of comparable officers in the executive branch of the Government.

The taking effect of the reorganizations included in Reorganization Plan No. 1 of 1958 will immediately reduce the number of Federal agencies by one and, by providing sounder organizational arrangements for the administration of the affected functions, should promote the increased economy and effectiveness of the Federal expenditures concerned. It is, however, impracticable to itemize at this time the reduction of expenditures which it is probable will be brought about by such taking effect.

I urge that the Congress allow the reorganization plan to become effective.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 24, 1958.*

RIGHT-OF-WAY FOR YELLOWTAIL DAM AND RESERVOIR

Mr. ENGLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the resolution (S. J. Res. 12) to provide for transfer of right-of-way for Yellowtail Dam and Reservoir, Hardin unit, Missouri River Basin project and payment to Crow Indian Tribe in connection therewith, and for other purposes, with House amendments thereto, insist on the amendments of the House and agree to the conference asked by the Senate.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. ENGLE]? [After a pause.] The Chair hears none and appoints the following conferees: Mr. HALEY, Mr. ASPINALL, Mr. ENGLE, Mr. RHODES of Arizona, and Mr. COLLIER.

OMNIBUS FLOOD CONTROL BILL

Mr. SMITH of Mississippi. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. SMITH of Mississippi. Mr. Speaker, since the President vetoed the omnibus flood control bill last week, a great deal of misinformation has been spread about this bill.

The source of most of this misinformation appears to be the Presidential veto message itself. I have great faith in the integrity of the Corps of Engineers. Consequently, I cannot believe that the Corps of Engineers prepared the veto message. The corps could not so completely contradict the official testimony its representatives gave the Committees on Public Works of the House and Senate.

Apparently the veto message was the work of the two or three anonymous sources in the Bureau of the Budget who desire to build up for themselves far greater power in this field than the entire Congress of the United States. The misinformation which has been placed in the veto message makes it very clear that the Congress is completely right in refusing to accept the judgment or have any faith in the veracity of the Bureau of the Budget.

The Committee on Public Works has prepared a detailed analysis of the President's veto message which I would like to make available to all Members of Congress at the present time. Representative CLIFFORD DAVIS, chairman of the Flood Control subcommittee, and Representative JOHN A. BLATNIK, chairman of the Rivers and Harbors Subcommittee, have suggested that I present this analysis on behalf of the committee.

I urge each Member of Congress interested in this issue to study it carefully. The ill-considered inaccuracies of the veto message are another strong reason for the Congress to exercise its own will and to vote this legislation into law.

ANALYSIS OF THE PRESIDENTIAL VETO OF THE OMNIBUS RIVER AND HARBOR AND FLOOD CONTROL BILL (S. 497)—COMMITTEE ON PUBLIC WORKS, HOUSE OF REPRESENTATIVES

On April 15, 1958, the President vetoed the omnibus river and harbor and flood control bill, S. 497, which had been passed by both Houses of Congress. The bill would authorize appropriations totaling approximately $1,580,000,000 for navigation, beach erosion, and flood control projects throughout the United States. Because of the tremendous importance of this bill to the Nation the Committee on Public Works has made this analysis of the President's veto message. For easy identification, the paragraphs in the President's message are numbered consecutively.

PARAGRAPH 1

President's comment: "I return herewith, without my approval, S. 497. The bill would properly authorize needed appropriations of over $800 million for 14 previously authorized river basin plans on which legal limitations on appropriations were imposed in earlier legislation. The bill would also authorize future appropriations for 140 new water resources development projects or project modifications estimated to cost nearly $900 million. Many of these are sound projects which will make important contributions to our national wealth, but others are not justified for reasons I shall detail."

Rebuttal: The principal comment on this paragraph is that the figures given are not correct. The total amount of money actually set forth in the bill is $1,577,000,000. Some projects included had no cost estimate due to the fact that plans are approved but a future monetary authorization would be required. The President has apparently put an estimate of cost on some of these projects. If this method is followed for a few projects, it should be followed for all of the projects in

the bill, including the basin plans, which would then make the size of the bill far greater than the $1,700,000,000 cited by the President. However, this is not the usual procedure for estimating the total of monetary authorizations in an omnibus bill. The last sentence of the paragraph which refers to certain projects as unjustified is discussed in more detail in those sections where the President elaborates on his reasons for disapproval of them.

PARAGRAPH 2

President's comment: "It is with real regret that I have found it necessary for the second time in 2 years and for many of the same reasons to disapprove omnibus legislation authorizing appropriations for rivers and harbors and flood-control improvements."

Rebuttal: There are two points to be made in connection with this statement. The first is the fact that there has been no omnibus bill since 1954 and the present omnibus bill is badly needed and should have been passed 2 years ago. The second point is that the bill vetoed by the President 2 years ago contained monetary objections amounting to 37.5 percent of the total value of the bill, whereas, the present bill has been modified to meet his wishes to a point where the total value of the monetary objections is 5.2 percent. The committee does not concede that the veto of the 1956 bill was justified merely because there was a difference in opinion between the executive agencies, and the Congress on certain of the projects, and most certainly there is no justification for the veto of the 1958 bill, of which more than 94 percent meets the views of the President.

PARAGRAPH 3

President's comment: "The Congress in enacting S. 497 has in many instances disregarded the careful study and considered judgments of the professional services and other executive agencies concerned. The bill would authorize 28 new projects or project modifications estimated to cost about $350 million under terms which I cannot approve without destroying some of the most important governmental policies in the field of water resources development. The bill has other unacceptable provisions. In particular I believe that the bill is defective for the following reasons."

Rebuttal: The first sentence states that the Congress has disregarded the professional services. It should be noted that of the 5.2 percent of monetary objections in the bill only seven-tenths of 1 percent was not approved by the Corps of Engineers, which is the principal professional service to which the President presumably referred. (See table at end of this analysis.) The second sentence concerning the authorization of new projects estimated to cost about $350 million is misleading. This figure is the total cost of the projects objected to and not just that amount objected to by the President. The actual value of the monetary objections is approximately $82 million of the $350 million referred to. The figure of $350 million is about 22 percent of the total cost of the bill. The figure of approximately $82 million is 5.2 percent of the total cost of the bill. In the second sentence of this preamble to paragraph 3, the President states that he cannot approve these projects without destroying some of the most important governmental policies in the field of water resources development. The Corps of Engineers has recommended these projects in accordance with time-honored and traditional practices. The truth of the matter is that governmental policies in the field of water resources development come about as a joint effort of the legislative and the executive branches of Government as a reflection of the desires of the people. The policies are established following legislative enactments of the Congress. This statement in the veto message, therefore, has no validity. In the subparagraphs of the third paragraph of the veto message the President discusses in more detail specific groups of projects and reasons for his objections. These are covered in the following sections.

SUBPARAGRAPH 3–1

President's comment: "1. It would authorize 14 projects, estimated to cost about $168 million, on which the local participation provided for in the bill does not adequately reflect the substantial local benefits which would result. It would also reduce the cost sharing required for one other previously authorized project. I believe a sound national policy requires that a comparable measure of responsibility for projects where there are identifiable beneficiaries must remain at the State and local level. I also believe, as I stated in August of 1956 in my disapproval of legislation similar to S. 497, that authorization of water resource projects on the terms provided for in the bill would result in the loss of the best test yet devised for insuring that a project is sound—the willingness of local people to invest their own money in a joint enterprise with the Federal Government."

Rebuttal: The foregoing subparagraph has reference to 14 projects estimated to cost about $168 million on which the local participation provided in the bill does not adequately reflect the substantial local benefits which would result, according to the veto message. The subparagraph also states that the bill would reduce the cost sharing required for a perviously authorized project. The 14 projects referred to in this paragraph are listed below:

Name of the project	Total estimated Federal cost as carried in bill	Amount objected to by Budget and President	Amount not approved by Corps of Engineers
Boeuf and Tensas Rivers, Ark. and La	$1,212,000	$581,000	0
White River backwater, Arkansas	2,389,000	767,000	0
Millwood Reservoir and alternate reservoirs, Arkansas and Oklahoma	53,235,000	(1)	(1)
Hendry County, Fla	3,172,000	(2)	(2)
Kaskaskia River, Ill	23,000,000	(3)	0
Mississippi River at Alton, Ill. (small-boat harbor)	101,000	39,000	0
Saline River, Ill	5,970,000	698,000	$698,000
Des Moines River, Iowa	44,500,000	4,500,000	0
Tombigbee River, Miss. and Ala	19,711,000	5,265,000	5,265,600
Carlsbad, N. Mex. (Pecos River)	2,066,000	275,000	275,000
Socorro, N. Mex. (Rio Grande)	3,152,000	50,000	50,000
Irondequoit Bay, N. Y	1,938,000	73,000	0
Port Washington Harbor, Wis	2,181,000	420,300	(4)
Water-hyacinth program	5,062,500	1,687,500	0
Total	167,680,500	14,356,400	6,288,600

[1] No funds are authorized in the bill for the part of the project objected to by the Budget and the President. The amount of $53,235,000 is the amount carried in the bill for the project as recommended by the Chief of Engineers and approved by the Budget.

[2] Indeterminate.

[3] The objection is to what the Budget and the President consider to be insufficient local cooperation on Carlysle Reservoir and certain levees, which are projects previously authorized in the Kaskaskia River Basin and have no relation to the $23,000,000 in the bill.

[4] Corps of Engineers actually recommended a higher Federal cost, or $2,931,700, which is $750,700 more than amount in bill.

The total amount of $167,680,500 is the total estimated cost of the projects in the foregoing list and is not the total value of the monetary objections. The total value of the monetary objections of the President is $14,356,400. However, the main thesis of this subparagraph of the veto message concerns what the President considers to be inadequacy of local participation. Actually what this amounts to is a difference of opinion between the Congress and the executive branch as to what the local contribution should be for Federal projects of this nature. The following examples are taken from this group to show why the Congress considers the amount of local cooperation contained in the vetoed bill to be adequate.

DES MOINES RIVER, IOWA

The total estimated cost of this project is $44,500,000 as contained in the bill. The President believes that 10 percent of this amount or $4,500,000 should be paid by local interests. The project involves a reservoir located above the city of Des Moines known as Saylorville Reservoir. In this reservoir there would be conservation storage which is already provided at full Federal cost in the authorized reservoir called Red Rock below the city of Des Moines. The Chief of Engineers, in making his recommendation, simply changed the location of the authorized conservation storage in the Red Rock Reservoir to the Saylorville Reservoir and in view of the fact that this conservation storage has already been authorized at Federal expense, he felt it equitable that the mere fact of its transfer to the Saylorville Reservoir should not require a $4,500,000 contribution by local interests. Otherwise, local interests could rightfully claim that the conservation storage be left in the reservoir downstream. This seems a reasonable point of view to the committee.

The committee emphasizes that this was a recommendation of the responsible executive agency, those professional services which the President commends so highly.

SALINE RIVER, ILL.

The total cost of this project is $5,970,000. In this particular case the Chief of Engineers recommended that local interests contribute to the cost of construction the value of all lands, easements, and rights-of-way necessary for the construction of the project, replace highway bridges and make required utility alterations and hold and save the United States free from damages due to the construction work and, finally, maintain the works after completion. In addition, the recommendation would require local interests to contribute 15 percent of the cost of construction in cash. This amount of cash contribution is estimated at $930,000. The committee heard extensive testimony on this project and found that it was impossible for local interests in this predominately rural farming area to contribute this much in cash in addition to meeting the other provisions of local cooperation and the committee therfore reduced the cash contribution to 25 percent of the amount recommended, or $233,000. This presumably is what the President means when he says a sound national policy requires that a comparable measure of responsibility, for projects where there are identifiable beneficiaries, must remain at the State and local level. In other words, he would require that local interests in this rural area contribute, in addition to the land, easements, rights-of-way and the other normal provisions in flood-control projects, a total of almost $1

million in cash, far beyond their proven ability to pay. If this is to be a requirement for authorization, the project might just as well not be included in the bill. Local interests, in the opinion of the committee, will have difficulty enough in raising the $233,000 required by the terms of the vetoed omnibus bill.

TOMBIGBEE RIVER, MISS. AND ALA.

This project, which provides for snagging, cutoffs and channel improvements on 22 tributary streams of the Tombigbee River, was included in the vetoed bill of 1956. At that time the committee was impressed with the exceptionally high cash contribution required to be made by local interests in accordance with the directive of the Bureau of the Budget in the now famous circular known as A-47. Testimony was presented regarding the inability of local people to meet this requirement. The committee is concerned about the critical need for the improvements and attempted to work out an equitable arrangement on a cost sharing provision. After long and exhaustive consideration of the situation the committee arrived at what is believed to be a most satisfactory arrangement in the division of costs for this project. After further discussion during the meeting of the Senate and House conferees on S. 497 an amount was arrived at which was felt to be the maximum cash amount which the local people could afford to contribute in addition to the costs of lands and rights-of-way and the usual provisions in a flood control project. This amount is in excess of $1 million in comparison to the more than $6 million recommended by the Chief of Engineers and the Bureau of the Budget in accordance with the completely unrealistic provisions of circular A-47. As in the case of the Saline River Basin, Illinois, local interests, which are predominantly located in a rural farming area, will have insuperable difficulties in raising $1 million and it would be completely impossible for them to consider raising more than $6 million in cash in addition to the costs of lands, and rights-of-way, etc.

MISSISSIPPI RIVER AT ALTON, ILL.

This is a project for a small boat harbor with a total cost of $167,000 of which the Chief of Engineers recommended that $100,300 should be the Federal cost and $66,700 should be the non-Federal cost. The Bureau of the Budget and the President are dissatisfied with the amount of local contribution and insist that the local costs should be raised to $105,500. The Senate and House conferees did not concur in this relatively large proportion of non-Federal cost and have included the item in the bill the way it was recommended by the Chief of Engineers, those "professional services" whose considered judgment the committee accepted just as the President urged in his veto message.

The foregoing examples are illustrations of what the President means by insufficient local cost sharing. Actually the point involved is an honest difference of opinion between the Congress of the United States and the President as to how much local people can or should contribute to a Federal project for navigation or flood control. The same kind of analysis has been made of all of the other projects listed in the foregoing table, and in the judgment of the committee and the Congress the amounts as contained in the omnibus river and harbor and flood control bill, S. 497, are appropriate and proper and reflect the realities of the situation. Each case has been considered on its own merits and the rigid formula followed by the Bureau of the Budget has been discarded in those cases where its application would be infeasible.

SUBPARAGRAPH 3-2

President's comment: "2. It would authorize 4 projects estimated to cost over $27 million on which adequate reports have not yet been submitted to the Congress under legally established procedures. It is, therefore, not possible to determine whether their authorization would be in the public interest."

Rebuttal: The President states that this section would authorize 4 projects estimated to cost over $27 million on which adequate reports have not yet been submitted to the Congress under legally established procedures. He contends that it is therefore not possible to determine whether their authorization would be in the public interest. This is misleading. The projects involved are Buchanan Reservoir in California, at an estimated cost of $10,900,000, and Hidden Reservoir in California, at an estimated cost of $12,500,000, a project for the Gila River in Arizona, at an estimated cost of $1,570,000, and finally a project for a harbor at Greenville, Miss., at an estimated cost of $2,530,000. With respect to Hidden and Buchanan Reservoirs, these two structures, if completed prior to the floods of a few weeks ago, would have prevented many million dollars worth of damage in the areas below their sites. They were covered adequately and completely in a survey report by the Corps of Engineers completed in 1948 and submitted to the Congress, and contained in House Document 367 of the 81st Congress. Their economic justification was amply demonstrated at that time. The growth and development in that area since that time has been so apparent to even the most casual observer that there is no question about the economic justification of these reservoirs. The President, however, would require that brand new reports be submitted with new economic justification and new detailed surveys. In order to be sure of its position, the committee called upon the Corps of Engineers and local witnesses to testify as to the worth of these projects and their testimony was so convincing that the committee had no hesitation in including them in the omnibus bill.

The next project, for the Gila River Basin in Arizona, was included in the original bill which was vetoed in 1956, and was removed because of the objections of the Bureau of the Budget. In the intervening time a new study has been made and a new project proposed considerably less extensive in scope than that of the 1956 project and one which engineering studies by the Corps of Engineers have shown to be amply justified. This project would save water in a part of the country where water is vitally needed, would help in the control of floods and would benefit the general economy. The project was well justified and was thoroughly discussed at the meeting between the Senate and House conferees in their consideration of the final version of the omnibus bill.

The final project in this category, Greenville Harbor, Miss., is the same type of project for improvement of navigation facilities on the Mississippi River that have been constructed at other locations such as Vicksburg. In the latter case the Bureau of the Budget had no objections to the project and the committee and the Congress has felt that in view of the similarity between the two projects there could be no reason for the President to object to the project for Greenville. This project is recommended by the president of the Mississippi River Commission. It has a benefit cost ratio of 4.51 which is unusually high. The project was thoroughly considered by the committees and by the Congress and the fact that it did not have a formal report cleared by the Bureau of the Budget was considered to be insufficient reason as in the few other cases described in this analysis to warrant its exclusion from this omnibus river and harbor bill.

The committee had in mind, too, that if there is another 4-year lapse between this authorization bill and the next one, through Presidential action or otherwise, those needed projects which have a high benefit cost ratio and lack only a formal report from Budget should be authorized now. The Budget Bureau, of course, still has the power to veto when requests for funds are submitted through the usual channels.

SUBPARAGRAPH 3-3

President's comment: "3. It would authorize 3 projects estimated to cost about $115 million which the reports of the Chief of Engineers show have no economic justification.

"I cannot overstate my opposition to this kind of waste of public funds."

Rebuttal: The three projects referred to in this particular subparagraph are Gilbert and Lone Rock Reservoirs in the White River Basin, Ark., the Sherwood and Broken Bow Reservoirs in the Millwood Reservoir System in the Red River, Ark. and Okla, and the project at Rome, N. Y., on the Mohawk River. The statement of the President concerning the waste of public funds is hard to understand by those who have made a reasonable examination of these projects. The projects for Gilbert and Lone Rock Reservoirs were actually recommended by the District Engineer for the Corps of Engineers and this recommendation was later reversed by the Chief of Engineers only because of the application of an intricate formula for the evaluation of power. At the very best this would be an argument between experts on hydroelectric power development. The committee considered the views of the Bureau of the Budget in this connection and used its own judgment in arriving at its evaluation of the potential value of the development of these natural resources. The committee believes it has access to as many experts on this subject, including the Corps of Engineers, as has the President and believes its judgment on this technical matter to be superior to that of the President. The projects for Sherwood Reservoir and Broken Bow Reservoir for hydroelectric power development are in the same category. Here, again, it is a matter of differences of opinion between experts and the committee has considered both sides of the question and has chosen to use its own judgment in including these projects in the bill. With respect to the project for Rome, N. Y., on the Mohawk River, this project was recommended by the Chief of Engineers because although it fell slightly below a benefit-cost ratio of unity based on dollars and cents, it was considered to have high intangible values in that it would protect lives and would promote the general welfare of this city. The committee agreed with the Chief of Engineers that in certain special cases of this kind these intangible benefits should be given consideration.

SUBPARAGRAPH 3-4

President's comment: "4. It would authorize the reimbursement of local interests for work accomplished by them in their own behalf prior to authorization of a Federal project, on the grounds that the work is similar to that undertaken elsewhere by the Federal Government. I consider it quite inequitable to provide for this kind of reimbursement when local communities all over the country are investing their money in public works projects which are similar to many kinds of Federal projects."

Rebuttal: This refers to a navigation channel in the vicinity of La Quinta, Tex. The refutation of this argument was made last summer in the report of the House Committee on Public Works, Report No. 1122, which was printed on August 13, 1957. On page 28, the committee made the following statement and it is believed nothing further can be added to show the complete invalidity of this part of the veto message. As a matter of fact, there are 3 other items in S. 497 dealing with reimbursement to which the President did not object, and yet in principle they amount to exactly the same thing.

The statement concerning La Quinta channel from the committee report on S. 497 is quoted below:

"Remarks: The Chief of Engineers recommended that local interests be reimbursed the sum of $954,000, which is the amount they have expended in excess of their 50 percent contribution under the 'one user' concept. The Bureau of the Budget and the Secretary of the Army have recommended this reimbursement not be made. The committee is at a loss to understand the reasoning behind the latter position. The original report of the Chief of Engineers was completed last summer and submitted through channels to the Bureau of the Budget. It recommended that the project be constructed under the 'one user' concept with local interests contributing 50 percent. If the project had been adopted at that time the committee believes that there would have been no question about its authorization as a Federal navigation project on a 50–50 matching basis, because of the need for the deeper draft channel brought about by the impending use of larger ore carriers. If the dredging had been postponed until the normal process of authorization and appropriation could have been followed, this need could not have been met and, furthermore, such postponement would have resulted in an additional economic loss because advantage could not have been taken of the fact that a dredging contract was being advertised for another project which could be combined with the new work at a resulting saving. It appears obvious to the committee that the dredging undertaken was in accord with the ordinary principles of good business. The committee notes that local interests did not qualify their proposition to advance the money for dredging with the proviso that such funds should be later repaid by the United States but were willing to take their chances on the reasonableness of such reimbursement. The committee does not believe in reimbursement for work accomplished prior to authorization as a general rule but most emphatically believes that each case should be considered on its own merits. It considers that the equities involved in the present case are such as to justify the inclusion of this item in the bill."

SUBPARAGRAPH 3–5

President's comment: "5. It would authorize a new small boat harbor in spite of the fact that adequate harbors are located nearby and the likelihood that local interests cannot meet the cost-sharing requirements recommended by the Chief of Engineers."

Rebuttal: This is the part of the veto statement which is hardest to understand. It appears obvious that the message was prepared in haste and given little consideration. The new small boat harbor in question is located at Hull Creek, Va. This is similar to the many small boat harbors located throughout the United States improved by the Federal Government for many years. It serves both commercial fishing craft and recreational craft. As a result of his study, the Chief of Engineers recommended the project at an estimated Federal cost of $269,800 subject to the condition that local interests contribute approximately $70,000 in cash to the improvement, in addition to the cost of lands and rights-of-way and other customary items. This contribution in cash follows the principle established in the development of small boat recreational harbors. In accordance with the law, the Chief of Engineers referred his report to the State of Virginia and to interested Federal agencies. The State of Virginia replied that in its opinion local interests would be unable to contribute the amount of cash recommended. The Bureau of the Budget seized upon this point and said that because of the views of the State of Virginia the project should not be authorized. The Secretary of the Army, in reviewing the comments of the Bureau of the Budget, made a reasonable decision and pointed out that the Chief of Engineers had covered this contingency by recommending that the project be authorized on the basis of this cash contribution and that in the event the contribution was not forthcoming within a period of 5 years after notification that work could begin, the project would be automatically deauthorized. This is considered to be ample protection for the United States and would provide local interests with an opportunity to secure the improvement if they so desired. The committee felt that the views of the Secretary of the Army in this case were reasonable and included the project in the omnibus bill. It is inconceivable that this project would be a major reason for a veto of a $1½ billion omnibus river and harbor and flood control bill. The very inclusion of this item in the veto message is in itself overwhelming evidence of the inadequate and hasty consideration which must have been given to this extremely important measure.

SUBPARAGRAPH 3–6

President's comment: "6. It would authorize as costs to Oahe and Fort Randall Reservoirs five payments for damages alleged to have been suffered from construction of those reservoirs in South Dakota. In three of these cases the executive branch has determined that there is no legal liability and the Congress has previously accepted this determination. In one of the other 2 cases there appears to be no merit to the claim, and in the final case it may be possible to adjust the claim administratively."

Rebuttal: The matter of payment by the United States Government for certain damages suffered from construction of the reservoirs referred to in this subparagraph has been a matter of discussion and debate over 2 Congresses and for a period of 3 years. There is ample ground for an honest difference of opinion in these matters. The total amount of the payment involved is $412,000. In the final judgment of the Congress it appeared equitable that these damages be paid as a result of the construction of the Federal dams, and therefore the item was included in the bill. Again as an example of the hasty and ill-considered veto message, it may be noted that 1 of the 5 payments referred to therein is one in which it is stated in the veto message itself "it may be possible to adjust the claim administratively." If this is true, it should not be cited as a reason for objection to the omnibus bill. With respect to the other four cases, the Congress believes it knows a great deal about the equities of this matter and is as well informed as the President, and feels that it is thoroughly justified in including these payments in the omnibus bill.

SUBPARAGRAPH 3–7

President's comment: "7. It would authorize, in reservoir projects of the Corps of Engineers and the Bureau of Reclamation, the inclusion without reimbursement of water storage for increasing the flow in times of low water, even though the beneficiaries of such works may be clearly identifiable. It would also authorize the inclusion of municipal and industrial water supply storage in such projects without providing adequate standards for payment of an appropriate share of the basic costs by local interests. In addition, there has been insufficient exploration of the complex legal implications of these ambiguous provisions as affecting water rights. It is my firm conviction that such important substantive changes affecting water resources policy and costs should be made, if at all, only after full, independent consideration not related to an omnibus authorization bill. The Secretary of the Army has previously made suggestions for acceptable legislation on this subject."

Rebuttal: The first sentence of this paragraph of the veto message is a statement which is completely contradictory to the actual wording of the bill. This sentence states that storage for low flow augmentation may be provided without reimbursement even though the beneficiaries of such works may be clearly identifiable. Section 205 of the omnibus bill states that such low flow augmentation may be provided only where the benefits are widespread, general, and nonexclusive. In other words, the bill states that such low flow augmentation or storage for this purpose may be provided without reimbursement where the beneficiaries are not clearly identifiable, whereas the President's veto message says exactly the contrary. There has never been any misunderstanding about this provision of the bill. It is not only stated clearly in the bill but it is explained and discussed at considerable length in the committee reports and in the debates on the floors of both the Senate and the House.

This whole matter of water-supply provisions has been given more attention and more time by the committees and by the Congress than probably any other item in the bill. The President's flat statement in the veto message that there has been insufficient exploration of the complex legal implications shows a complete lack of understanding of what is proposed by this section. Section 205 as now contained in the bill represents a broad statement of policy regarding future water supply and one within the framework of which the agencies can proceed with sufficient flexibility to develop the best overall use of water resources in a river basin. This section is of vital importance because of the increasingly acute water shortages which are developing in the more arid sections and, in some cases, in the humid areas and which give promise of developing on a nationwide basis before too many years. The vastly increased use of water for municipal, industrial, and agricultural purposes has been the concern of many observers engaged not only in long-range planning but in planning for the more immediate future.

The authority provided by section 205 would do two fundamental things. First, it would permit storage for low flow augmentation to be included without reimbursement. This covers cases where benefits are widespread and nonexclusive as for example a reservoir in the upper Ohio River basin which might well provide low flow augmentation to communities all the way down the Ohio and the Mississippi. In this type of case obviously there can be no reimbursement expected because of the impracticability of assessing cities, towns and communities over such a long distance. Second, this legislation would permit storage to be constructed in reservoirs where it is apparent there will be a future demand but where the necessary organization is not in existence at the time of construction. Under section 205 such reimbursement would be collected at some later date when conditions were appropriate on terms that would be equitable to the United States as provided in the bill.

This section is wise and prudent legislation. It is urgently needed to meet one of the most acute domestic problems facing the country and it deals with the problem in sufficiently broad and flexible terms to suit the varying needs and requirements as they arise. To use this section as one of the main reasons for a veto is to indicate a complete lack of familiarity with the domestic problems in the field of water resources development. With respect to the President's comment that such legislation should be made the subject of independent consideration and not related to an omnibus authorization bill, it should be pointed out that all such legislation dealing with water resources in the past had been con-

tained in omnibus river and harbor and flood control bills. The present legislation is not an exception or precedent. It follows traditional fashion.

The committee feels very strongly that section 205 is so important and so vital to the national interest that it should have provided the basis for the President's approval of S. 497 no matter how many misgivings he may have had about the rest of the bill.

SUBPARAGRAPH 3-8

President's comments: "8. It contains a provision that, contrary to a time honored principle, is intended to affect the conduct of litigation now pending in a Federal court."

Rebuttal: No one but a student of the bill would know where this particular item would be found. As is true throughout the veto message there is little identification between the projects referred to and the comment. In this way the veto message can be couched in general terms and the identity of the projects or items referred to concealed. The particular issue involved in this subparagraph concerns Markham Ferry Reservoir in Oklahoma. It was thoroughly discussed in debate on the floor of the House of Representatives during passage of S. 497. The provision is not intended to affect the conduct of litigation as stated in the Presidential veto. It is intended simply to let the issue come to litigation. A loosely worded proviso in the act authorizing a Federal contribution for flood control toward the cost of the Markham Ferry Reservoir has been interpreted to prevent the authority which has constructed the reservoir to make any claims for damages against the United States for the Fort Gibson Reservoir, an entirely different structure many miles away. It is customary in Federal projects that a provision be inserted that local interests be required to hold the Federal Government free from damages due to the construction of a project but nowhere in the history of flood-control legislation is there any instance when local interests are required to hold the Federal Government free from damages due to the construction of an entirely different project in an entirely different geographical location. This proviso in the bill does not affect the merits of the case pending in Federal courts. It merely permits the settlement of the claim on a judicial basis. The true facts in this case are considerably different than one would gain from reading the Presidential veto message.

PARAGRAPH 4

President's comments: "In addition, the bill would authorize 3 projects estimated to cost about $38 million, representing the first proposals for a broad new Federal program of hurricane flood protection in tidal waters, without adequate consideration of the level of local participation in the cost of such a program. These three are sound, worthwhile projects, and I believe that the Federal Government has a responsibility to assist State and local communities in such a program of local protection against floods resulting from hurricanes. I have, therefore, requested the Secretary of the Army to submit to me at the earliest practicable date his recommendations for an appropriate division of responsibilities between the Federal Government and the affected State and local governments for such a program. I shall then be prepared to recommend to the Congress the enactment of legislation on this subject."

Rebuttal: The three projects referred to in this paragraph are authorizations for the protection from hurricane floods in the Providence area of Narragansett Bay for protection of the New Bedford, Fairhaven, and Acushnet area and for the protection of Texas City, Tex. The committee has seen fit to include these projects in the omnibus bill in accordance with the recommendations of the Chief of Engineers. The Bureau of the Budget, in its comments on these reports, recommended that authorization of these projects be deferred until further studies have been completed of hurricane structures on the eastern coast and on the gulf coast and a proper distribution of Federal cost be determined. The President has varied somewhat from the original Bureau of the Budget recommendation in that he now states that he has requested the Secretary of the Army to submit at the earliest practicable date his recommendations for an appropriate division of responsibility between the Federal Government and the affected State and local governments. The President states that he then will be prepared to submit appropriate legislation. The fact is that the Secretary of the Army already has submitted his recommendations to the Congress in the reports accompanying the comments of the Corps of Engineers and the Bureau of the Budget. These recommendations are based upon the philosophy that damages from hurricane floods are similar to damages from river floods and that the Federal Government should, in general, participate to the same extent. It was pointed out during committee hearings on these projects that it little concerns a property owner whether his home is flooded, or his life endangered, by salt water or by fresh water. If there is justification for the participation by the Federal Government in the protection of floods from rivers, then there is certainly equal justification in the participation of the Federal Government in the protection of floods from hurricane storms.

These projects are a direct result of the study and investigation made by the Corps of Engineers following the disastrous hurricanes of 1955 in New England and in the area further south. These are the first projects resulting from that study and it is felt that they should be included in the omnibus bill at this time and not be required to wait for some future omnibus bill or separate legislation. The project for Narragansett Bay would protect the city of Providence and anyone who has seen the terrible destruction wrought by the 1955 hurricanes in this city can well understand the views of the committee and Congress in including this item in the omnibus bill. The same holds true for the New Bedford and Texas City areas.

PARAGRAPH 5

President's comments: "The argument has been advanced that S. 497 is needed for the stimulus to the economy which would result from starting the projects it would authorize. I would point out that significant steps have already been taken to accelerate Federal construction activities. Should it be found desirable to increase these activities further, appropriations will be recommended for projects capable of being started quickly."

Rebuttal: The argument referred to by the President as cited above certainly has not been advanced by the members of the committee who are most familiar with the omnibus river and harbor and flood-control bill. Although some projects in this bill might well fit into the general plan of public improvements needed to combat a recession, that is not its primary purpose nor has it been so contended by this committee. This is a regular river and harbor and flood-control bill which normally is considered by the Congress at intervals of several years. Omnibus navigation bills have been considered and passed by the Congress for many, many years. Omnibus flood-control bills started with the inception of the national flood-control program in 1936. The last omnibus bill was vetoed in 1956. The last bill to become law which amounted to slightly more than $1 billion, was passed in 1954. The preceding one which amounted to a total of $1,654 million was passed in 1950, and the major one preceding that amounting to $1,443 million was passed in 1946. These bills are concerned with the regular and the normal development of the Nation's water resources. The very reference to them in the Presidential veto message as antirecession bills is completely unfounded and is again an indication of a desire apparently to mislead rather than to enlighten.

PARAGRAPH 6

President's comments: "At the present time there is backlog of public works projects estimated to cost nearly $5 billion. With a few minor exceptions, it would be many months, even years in the case of larger projects, before the necessary plans could be completed and actual construction started on the new projects which this bill would authorize."

Rebuttal: As in the previous subparagraph, this again has no relation to the omnibus bill. The fact that there is a backlog of public-works projects is of no significance in considering the purpose of the omnibus bill. It is obvious to any student of the subject that the programs for rivers and harbors and flood control cannot be considered static. Like most human endeavors these programs must be treated as flexible undertakings subject to modification and additions as conditions warrant. Floods are no respecter of priority of authorization and any philosophy which says that all meritorious projects now authorized should be constructed before any new ones are considered ignores the nature of physical phenomena and meaning of the civil-works program and indeed logic itself.

It is emphasized that S. 497 is an authorization measure and does not impose any obligation upon Congress subsequently to appropriate money for any project authorized therein. It is normal procedure for the Corps of Engineers and the Bureau of the Budget to consider the economic justification of authorized projects at the time it is proposed to initiate construction. If at that time any of the projects in the bill are not economically justified, complete control over the matter of appropriations is exercised by the Bureau of the Budget, the President, the Appropriations Committees, and the Congress itself.

PARAGRAPH 7

President's comments: "I believe that the experience of the last 3 years suggests that the authorization of water resources development projects might better be handled by a divided approach to the problem. Projects favorably reported on by the Chief of Engineers, and to which the executive branch has no objection, could be included in one bill. The authorization of other projects, not meeting either of the above criteria, could then be proposed in separate bills, one for each such project. This approach would, I believe, provide a better opportunity for the kind of careful review by the Congress and the executive branch which should be given to matters of such importance to the people of this nation."

Rebuttal: This is an effort to obtain the famous "item veto" provision so long desired by the executive branch whereby those projects in omnibus bills of this nature, including appropriation bills, could be vetoed or approved individually by the President. It would mean the complete abrogation of the powers of Congress and would leave the Congress no opportunity to exercise its judgment or initiative. This philosophy has been thoroughly discussed and its undemocratic principles exploded many time in the past. Time and again the Congress has shown its reluctance to grant the power of an item veto because any such power would destroy the delicate relationship between the executive and the legislative branches.

PARAGRAPH 8

President's comments: "Meanwhile, I recommend that the Congress act quickly to provide increased monetary authorizations for the river basins where 1958 and 1959 fund requirements for projects now under construction will exceed present statutory limits. This can be accomplished by enactment of legislation submitted to the Congress in January by the Secretary of the Army."

Rebuttal: The river basins which need additional monetary authorization are in serious difficulties. These river basins are as follows:

Central and southern Florida project.

White River Basin in Arkansas.

Comprehensive Columbia River Basin plan.

Kaweah and Tule Rivers in California.

Comprehensive flood control plan for the Los Angeles area.

Comprehensive Basin plan for the Santa Ana River Basin in California.

It is normal procedure in basins of this type for the Congress to limit the monetary authorization so that the plans can be reexamined from time to time, and the monetary authorizations increased accordingly as the appropriations begin to approach the monetary ceiling. These ceilings were being approached in 1956 when H. R. 12080, 84th Congress, was approved by Congress. In 1956 there was ample time for the monetary authorizations to be increased if H. R. 12080 had been signed. That time margin no longer exists. Three of the river basins cited have run out of monetary authorization in the present fiscal year. All six basins will have exceeded their monetary authorization in the fiscal year of 1959. In other words, funds requested in the presidential budget now under consideration by the Appropriations Committees for these basins are in excess of the monetary authorization and therefore cannot be appropriated. The total shortage in all 6 basins is approximately $60 million. The stoppage of work in these basins at this time would cause irreparable harm. The President's proposed solution is again similar to that of an item veto. The President wishes the Congress to select these river basin authorizations for preferential treatment. The same arguments apply against this philosophy as was stated in the preceding paragraph in the discussion of the item veto. If work must be stopped in these basins, the blame lies fairly and squarely on the veto.

SUMMARY OF MONETARY OBJECTIONS

The monetary objections to the bill are summarized in the following table:

Summary of amounts in S. 497 objected to or not approved by the President, the Bureau of the Budget, and the Chief of Engineers

Veto message	Total amount in bill	Amount in bill objected to or not approved by the—	
		President	Chief of Engineers
Par. 3:			
Subpar. 1	$167,680,500	$14,356,400	$6,288,000
Subpar. 2	27,500,000	27,500,000	4,100,000
Subpar. 3	[1] 2,069,000	[1] 240,000	(1)
Subpar. 4	954,000	954,000	0
Subpar. 5	269,800	269,800	0
Subpar. 6	412,000	402,000	402,000
Par. 4	37,836,000	37,836,000	0
Total	236,721,300	81,558,200	10,790,000
Percent of total bill		5.2	0.7

[1] Specific amounts for items objected to by President are not in bill in 2 cases.

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, I join wholeheartedly in the statement made by the gentleman from Mississippi [Mr. SMITH] and to say that in my opinion this controversy boils itself down to a basic fundamental difference between not the Democratic Party and the President but rather between the Congress of the United States and the President. If we permit this veto to stand, if we follow the recommendations of the President as to our future action and submit only to him items for authorization which have the approval of the Bureau of the Budget, then we might just as well give the President item veto authority here and now and be done with it.

I do not believe any Member of Congress wants to abdicate all Congressional authority or Congressional responsibility in the field of water development. But that is exactly what the President is proposing in this veto message. I hope that those on the Republican side of this House will join enthusiastically with those on the Democratic side of the House in insisting upon the right of Congress to legislate and to decide fundamental policy in the field of water development in this country of ours.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection?

Mr. WRIGHT. Mr. Speaker, I should like to associate myself with the remarks just made by our colleagues from Mississippi and Oklahoma. At the outset of this session of Congress the President of the United States in his state of the Union message warned against allowing a valuable economic program to be shot down with what he called a slogan. He was referring, of course, to the mutual security or foreign aid program, and the slogan to which he referred was the phrase "giveaway."

It seems to me, however, that the President in vetoing the rivers and harbors bill has unwittingly lent the prestige of his high office to the shooting down of a very valuable economic program which today lies the victim of an inappropriate, inaccurate, and irresponsible slogan "pork barrel."

It further occurs to me that the President in vetoing this important bill will have unwittingly made it extremely difficult for a great number of the Members of Congress to follow and support his mutual security program if this veto should be allowed to stand. It is most difficult for the average Member of Congress to justify to his people the spending of their money for the construction of dams and water resource developments in foreign countries without any report whatever from the Bureau of the Budget or the Corps of Engineers, when we are denied the right by this veto to invest similar sums in projects here in the United States for these all-important purposes, a vast majority of which have met the approval of and have the support of both the Bureau of the Budget and the Corps of Army Engineers.

RIVERS, HARBORS, AND FLOOD CONTROL PROJECTS

Mr. McFALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McFALL. Mr. Speaker, I wish to join wholeheartedly with the gentleman from Mississippi and to commend him for his statement.

The entire Nation and particularly my State of California has a tremendous stake in the passage of the rivers and harbors bill, S. 497.

I wish to specifically commend his statement on Hidden and Buchanan Reservoirs in the San Joaquin Valley of California, which were two of the projects used as a basis for the veto.

I have just returned from inspection of flood damage in northern and central California estimated to be $32 million. These two dams would have substantially reduced this damage, and the need for their construction has been even more firmly established.

The Army Engineers have reported the necessity for these projects, as has the State of California. It is regrettable that the administration has failed to recognize that its original objections made 10 years ago have long since ceased to have any validity, if indeed, they had then.

ADJOURNMENT TO MONDAY, APRIL 28

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday of next week may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO COMMITTEE ON ASTRONAUTICS TO SIT DURING SESSIONS OF HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Select Committee on Astronautics and Space Exploration may sit during sessions of the House next week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

NO PROGRAM FOR MONDAY

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I wish to ask the majority leader the program for Monday.

Mr. McCORMACK. There is no program for Monday.

Mrs. ROGERS of Massachusetts. So it makes no difference if we work on flood relief and various things in Massachusetts on Monday.

Mr. McCORMACK. The gentlewoman from Massachusetts is such an indefatigable worker that I wonder that 24 hours a day is enough for her to get all her work done.

Mrs. ROGERS of Massachusetts. I think every Member of Congress works 24 hours a day. He dreams about his work if he is not actually at work in his office.

I am always very glad of the gentleman's help.

Mr. McCORMACK. There will be no business on Monday.

ISRAEL'S 10TH ANNIVERSARY

Mr. VANIK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Speaker, at this time when we observe the 10th anniversary of the establishment of the State of Israel, permit me to invite the attention of my colleagues to the local observance of this occasion by the people of my city. In Cleveland, Ohio, on Wednesday evening, June 4, at Severance Hall, the Jewish Community Federation will sponsor a local celebration as a part of the national activities coordinated by the American Committee for Israel's 10th Anniversary Celebration.

Gov. G. Mennen Williams will be the guest speaker on this occasion, and I am happy to serve as one of the sponsors of this event.

The creation and existence of the State of Israel has been the most effective deterrent to an outbreak of world war III in the Middle East. The presence of this democratic nation in an area of the world where there is precious little democracy in practice is a source of inspiration to free men everywhere. We know that in the State of Israel, America will always have a friend.

TAXATION OF LAND SALES

Mr. BURNS of Hawaii. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. BURNS of Hawaii. Mr. Speaker, on April 16, 1958, I introduced H. R. 11955, a bill to amend section 1237 of the Internal Revenue Code of 1954. While the amendment is of particular importance to Hawaii where a majority of available land for industrial development, as well as home and business development, is in the hands of a few large holders who have had the property for many, many years, the amendment proposed is also of importance in many Congressional Districts.

The amendment adopts a fragmenting approach to the taxation of land sales. Under this fragmenting approach, the gain on the sale of land would be divided into two parts. That part which represents the difference between the wholesale value and the tax basis immediately prior to sale would be taxed at capital gains rates.

Congress has clearly intended capital gains treatment for this kind of appreciation in value. That part of the gain which represents profit from subdivision activities would be taxed as ordinary income. This treatment is also responsive to the intent and concept of section 1237.

Although the fragmenting approach presents some administrative problem in that the land must be valued prior to subdivision, this problem is not at all formidable or difficult and this separable valuation is really the only logical and practical solution. A comparable situation presently exists under section 631 of the code with respect to sales of timber.

Under section 631, the taxpayer may elect to treat the cutting of timber as the sale or exchange of a capital asset, in which case the capital gain or loss is determined to be the difference between the tax basis of the standing timber and the fair market value of the cut timber. This fair market value of cut timber is thereafter treated as the basis of the cut timber for purposes of determining ordinary gain or loss upon its subsequent sale.

Section 631 has posed no serious administrative problems, and the proposed amendment to section 1237 should be entirely workable.

Briefly stated, it may be said in support of H. R. 11955 that it will not only correct an inequity in the statute, but it will eliminate the principal deterrent to the disposal of property and undoubtedly result in an increased flow of revenue from property transactions and home sales and construction. The evils of stagnation, halting as it does the forward progress of a vigorous economy, will, in one particular at least, be avoided by passage of H. R. 11955.

UNEMPLOYMENT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DINGELL. Mr. Speaker, the unemployment rolls in this country have reached the highest point in 17 years; 5.2 millions of Americans are out of work and the workweek for other Americans has dropped from in excess of 40 hours to 39.8 hours a week, the loss of an additional 2 million jobs not reflected on the unemployment rolls. Automobile dealers last week announced closing of other factories to readjust inventories to consumption. The administration itself underscores the present economic situation with the words, "unemployment remained virtually unchanged at 5.2 million over the month and did not show its usual seasonal improvement between February and March." Normally a drop of around 5 percent in unemployment is expected at this time of year; it did not materialize. As a result the seasonally adjusted rate of unemployment advanced to 7 percent as compared with 6.7 percent a month earlier and 3.9 percent in March a year ago. The hardship of our unemployed is enormous. But the inability to sustain an adequate diet affects many others in what we hopefully consider the richest land on earth. There are tremendous numbers of families who are normally in the low-income brackets, for example, retirees, pensioners, widows and orphans on social security and aid to dependent children, recipients of old-age assistance. Even during the recent good times America has had upward of 33 million people in families with incomes of less than $2,000 per year. Fourteen million are in families with incomes under $1,000 per year.

I have been extremely critical of Secretary of Agriculture Benson's inadequate and inefficient use of surplus commodities to feed our hungry at home.

While shipping food abroad in record quantities, the amount of food made available to our own hungry has, according to the Department of Agriculture's own figures, dropped substantially. The number of kinds of commodities made available to our own hungry here in America are limited to five—flour, cornmeal, rice, dried skim milk solids, and cheese. Recently a limited amount of butter was added to these items and should begin reaching our people shortly. However, during this time, other commodities—like meats and poultry, edible oils, fruits, vegetables, and other items—have been going abroad in substantial quantities. A number of these items of surplus food have been commodities not included in the regular price-support structure ministered by the Commodity Credit Corporation, and for that reason the protestations of the Department of Agriculture that it has been doing all it could for our hungry have seemed vastly more respectable than they really were.

On a number of occasions I have outlined how the flinty-hearted Secretary of Agriculture has available to him substantial funds to help buy surplus foods for distribution to our own vast army of underfed and undernourished people.

Mr. Benson has about a half million dollars authorized for this use which he refuses to spend. This comes from section 32 of the Customs Act of 1935, which appropriated 30 percent of all tariff receipts to the Department of Agriculture for diversion from trade channels of agricultural commodities surplus to America's domestic needs. Such moneys are placed in a special fund to be used by the Secretary of Agriculture, among other things, to "encourage the domestic consumption of agricultural commodities by increasing their utilization through benefits, indemnities, donations, or by other means among persons in low-income groups."

It was under this language that a nationwide food-stamp program was conducted in the late thirties and early forties, a program which worked well and which placed substantial amounts of food of many kinds in the hands and stomachs of our large number of undernourished and underprivileged people.

Under this program the school-lunch program has been carried out and, thank heaven, has been better run than other programs of the Department of Agriculture. This year receipts of the Department of Agriculture under section 32 are running at a rate of about $200 million a year, and have done so for the past few years. The statute provides that sums in excess of $300 million revert to the Treasury at the end of each fiscal year. At the beginning of this year Mr. Benson had $297 million and anticipated receipts will put in his hands a total of $514 million. According to estimates, Mr. Benson will let $64 million revert to the Treasury while our hungry have need of food which could be purchased with this money. My distinguished colleague from Montana [Mr. METCALF] has introduced a similar piece of legislation and has shown that Mr. Benson has used some $90 million of section 32 funds in fiscal 1957 for feed for livestock in drought and disaster areas, out of a total $142.9 million expenditure of section 32 funds.

I hate the suffering of anything including livestock, but the need of our undernourished people, of our hungry, needy, unemployed, and pensioners should be cared for before livestock, or foreign giveaways.

For this reason I am joining a number of other Members of this House and of the other body in introducing legislation to compel the inhuman Mr. Benson to expend his section 32 funds for purchase of food which is presently in substantial excess of domestic needs for distribution to our hungry and needy.

It is interesting to note that a number of commodities are presently depressed by excess supply. Because of the rather unusual bookkeeping of the Department of Agriculture it is almost impossible to discern what substances are presently in excess of supply and what substances are only moderately depressed.

The best information I can discern is that, among other commodities, poultry, potatoes, soy beans, and edible beans are substantially depressed and earning much less than parity for their growers.

I would suggest that with or without enactment of the bill which we sponsor here that Mr. Benson get busy and purchase some of these commodities to add to the Department's donation program.

I would also call attention of Mr. Benson to the fact that grape juice concentrate and canned and frozen cherries produced by the farmers of the State of Michigan are in substantial excess to present need, and that he could very well continue his purchase of these commodities with section 32 funds for distribution to our hungry at home.

THE PLYWOOD PROBLEM IN THE PACIFIC NORTHWEST

The SPEAKER. Under the previous order of the House, the gentleman from Oregon [Mr. PORTER] is recognized for 60 minutes.

Mr. PORTER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, I requested this time to discuss the controversial issue of imported plywood and in order further to expose one of the most vicious and deceitful campaigns in the history of tariff controversy. My remarks are directed particularly to the gentleman from Washington [Mr. MACK] and the gentleman from Oregon [Mr. NORBLAD], both of whom have been duly notified of this speech. I know they are not the perpetrators of this hoax, but I believe they are its victims.

I note they are on the floor, and I shall be glad to yield to them at the conclusion of my remarks for such comments as they may wish to make.

I believe these distinguished gentlemen, along with a few individuals and organizations in the Pacific Northwest, have been hoodwinked by one of the cleverest, most sustained, and best financed propaganda campaigns ever directed against import competition.

A NONEXISTENT THREAT

This campaign of incredible misinformation, directed and financed by a few of the giants in the hardwood plywood industry, is intolerable in itself. But what makes this criminal hoax completely reprehensible is that it is focusing the attention of the Congress, the public, and particularly the people of the Pacific Northwest, on a nonexistent threat, thereby diverting their attention from the real problems troubling the Douglas-fir plywood industry. My purpose here today is to answer with facts the special-interest groups who are using outright lies and half-truths in an attempt to mislead the people I represent.

Mr. Speaker, I have not requested this time in order to defend the Japanese plywood industry or its workers. While we must be concerned with the economic welfare of the Japanese people, who constitute a major bulwark of the Free World in the Far East, my immediate concern is with the people of the Pacific Northwest, particularly the people of the Fourth Congressional District of Oregon whom I represent, and with the Douglas-fir plywood industry which is vitally important for production and employment in that region of the country.

My hope is that all of these good people and their representatives in Washington can devote their energies to solving the real problems affecting the Douglas-fir plywood industry instead of jousting such mythical windmills as the so-called threat of plywood-import competition.

Here are the propositions for which I shall present evidence:

First. That no Japanese hardwood exported to us contains Soviet lumber.

Second. That the current difficulties in the Pacific Northwest's plywood industry do not stem from imported plywood competition.

Third. That the plywood industry is basically in good shape, with fine prospects for the future.

Fourth. That hardwood-plywood imports from Japan make many jobs in the Pacific Northwest.

Fifth. That the Japanese-plywood export quota, as imposed by Japanese law, is effective.

Sixth. That Japan is a major and expanding market for United States products, including many from Oregon.

Seventh. That the Soviet Union is trying hard to win battles for trade in Japan and elsewhere in the world.

Eighth. That Oregon's leading newspapers agree with my position on plywood imports.

Ninth. That making more money available for people who want to build and buy homes is the way to improve conditions in the plywood industry.

Let me dispose first of the most recent and most ridiculous of the hoaxes in the plywood propaganda campaign. I refer to the charge that Japanese hardwood plywood being shipped to the United States is made out of Soviet lumber. This story first was put on record by a west coast union official. It has since been kept alive by the gentleman from Washington [Mr. MACK].

ORIGIN OF A HOAX

What precipitated this storytelling? The origin of the story is a news report from Tokyo announcing that Japan has agreed to purchase a quantity of Russian coniferous logs.

Coniferous trees, of course, are softwood trees, like Douglas-fir and pine. While the Japanese who are engaged in the plywood industry are efficient and clever, neither they nor anyone else can convert Russian softwood lumber into Japanese hardwood plywood. Since all of the Japanese plywood imported into the United States is hardwood plywood, it is obvious that no Russian softwood, or, indeed, softwood of any kind, is utilized in the manufacture of these imports.

Moreover, the news report on which this false charge was based explained that the Russian logs purchased by the Japanese would be used in Japan for pulp and construction purposes. Reports from the Japanese industry indi-

cate that the Russian logs are too small and too imperfect to be used even for the production of softwood plywood. The Japanese Government and the Japanese Plywood Manufacturers' Association both have certified that not 1 foot of this Russian lumber goes into, or could go into, any of the hardwood plywood shipped to the United States. This statement has been confirmed in all respects by our own Embassy in Tokyo, which investigated the disposition of the Russian lumber and officially notified Washington that none of it goes into Japanese plywood.

NO "YELLOW PERIL"

The Honorable Sinclair Weeks, Secretary of Commerce, so informed the chairman of the House Ways and Means Committee, in his letter of April 3, 1958. That should put to rest this attempt to weld the fear of a "Yellow peril" and a "Red menace" into a weapon of false protection. As the Secretary said, "We believe this should terminate one area of discussion."

Equally preposterous, but much more fundamental, Mr. Speaker, is the claim that the current difficulties in the Douglas-fir plywood industry are the result of competition from imported plywood. More than 98 percent of all the plywood imported into the United States is made from hardwood lumber; less than 2 percent from softwood. All of the plywood from Japan, which is the principal source of plywood imports, is hardwood plywood. This is a fact some people choose to overlook.

The gentleman from Washington [Mr. MACK] should know, as the men in the Douglas-fir plywood industry do know and as the Tariff Commission pointed out in its two comprehensive reports on the impact of plywood imports, softwood plywood and hardwood plywood have different uses, different purposes, and different prices.

These two commodities serve entirely different markets, except for an insignificant proportion of softwood plywood production especially selected for a limited number of decorative uses.

First. Softwood plywood is used primarily for cement forms and subsurface construction of houses and other buildings, furniture, and similar products.

Second. Hardwood plywood, on the other hand, imported or domestic, is intended to be used primarily in its natural grain for decorative doors, panels, or furniture finishes.

With very few insignificant exceptions, Douglas-fir plywood cannot be used as a sustitute for the hardwood plywood panels. Moreover, because of its higher price, hardwood plywood never is used as a substitute for Douglas-fir in its various construction purposes.

LET'S COMPLETE THE PICTURE

On this question of relative prices, Mr. Speaker, there has been a great deal of heat, and not very much light. The facts are very simple. Imported Japanese hardwood plywood cannot undersell Douglas-fir plywood, as charged repeatedly by the gentleman from Washington [Mr. MACK], because it is priced in the United States market 40 to 60 percent higher than the comparable Douglas-fir plywood. During the last year or more, ¼-inch A-grade Douglas-fir plywood, the staple of the industry, has been selling for between $64 and $72 per thousand square feet at the wholesale distributors level. During this same period, the comparable grade of Japanese plywood, ¼-inch A-grade, has been selling for between $101 and $112.50.

In the face of this economic comparison, a comparison known to nearly everybody in the Douglas-fir plywood industry, it was amazing to me that the gentleman from Washington [Mr. MACK] claimed cheap foreign imports are underselling Douglas-fir plywood. This claim disturbed me tremendously, because I know the gentleman to be a man of integrity and ability.

The answer, of course, was provided to me only a few weeks ago, when the gentleman from Washington [Mr. MACK] stated during the course of a debate we had on this same subject that—

> The dutiable price on plywood—all types, the very high grade as well as the cheap grade—is figured at $65 at shipside in Japan.

This figure is lower than the going rate for standard Douglas-fir plywood.

But there are 2 obvious factors that make this $65 completely meaningless in a comparison with Douglas-fir prices.

First. In the first place, this is a price f. o. b. Japan. To this initial cost must be added the cost of ocean freight, a 20-percent tariff payable in the United States, and all the miscellaneous charges of insurance, dock handling, and so on, that go into the ultimate sale of imported plywood. These costs would add a minimum of $22 per thousand square feet to the $65 price cited by the gentleman, thus making the average at the distributor's level in the United States a minimum of $87 to $90.

Second. In the second place, this figure is an average, as the gentleman pointed out, of all types, both high grade and low grade, including the relatively low priced ⅛-inch plywood and the much higher priced ¼-inch and thicker plywood. To compare the price of one specification of plywood with this average would be like proving that Lincolns are cheaper than Cadillacs because the average price of Fords, Edsels, Mercurys, and Lincolns is below the cost of a Cadillac. This is no basis for comparison.

The irrefutable fact is that in comparing plywood of the same specifications and similar quality the imported hardwood plywood from Japan is 40 to 60 percent more expensive than Douglas-fir plywood. It is obvious, Mr. Speaker, that the price decline in the Douglas-fir plywood industry during the last year cannot be blamed on imports that sell for so much more.

Nor can the price decline be blamed on competition between softwood and hardwood plywood—although a few vocal critics of trade would have us believe this is so.

A LACK OF COMPETITION

As I said on April 1 in this Chamber, so I reiterate today, as I again call to the attention of those interested that there is a lack of competition. The Tariff Commission's Report on the Escape-Clause Investigation No. 39, first published on June 2, 1955, succinctly points this out. It reads:

> Hardwood and softwood plywood are distinguished from one another commercially as well as botanically. The great bulk of the domestic production of softwood plywood is in plants which produce little or no hardwood plywood. Conversely, the preponderant share of the domestic output of hardwood plywood is produced in plants which produce no softwood plywood. Moreover, largely because of differences in their respective physical properties, there is limited substitutability in use between softwood and hardwood plywoods. Various hardwoods are sufficiently preferred in many uses, such as furniture, flush doors, cabinets, and decorative panels, that they command a materially higher price than the softwood plywoods. There is a high degree of substitutability between plywoods of the various hardwood species. (U. S. Tariff Commission, the production, importation, and marketing of hardwood plywood in the United States, information obtained in connection with the Tariff Commission's Report on Escape-Clause Investigation No. 39 under the provisions of sec. 7 of the Trade Agreements Extension Act of 1951, published June 2, 1955, Washington, December 1955.)

I think it might be helpful in this discussion to include a statement by Mr. S. W. Antoville, president of United States Plywood Corp., in the RECORD at this point.

Mr. Antoville, a man in a position to have the feel of the plywood industry has said:

> The major trouble with the fir plywood business is that we have been too successful • • • we have attracted too many people, and as a result are suffering from overproduction.

It might be enlightening to pursue this thought a bit further. For example, is this belief of Mr. Antoville's his alone? Or, is it shared by others, at least in part?

Let me comment now about some pertinent observations appearing in Crow's Digest, a widely read lumber industry publication, for Friday, April 18, 1958.

Crow's Digest quotes parts of a letter from George J. Lerner, of Detroit, a letter which points up the increases in plywood production, along with the increase in sales. This sales increase is most heartening for all of us who have been and are concerned with the decline in the selling cost of softwood plywood, and I believe Mr. Lerner correctly assessed the problem when he observed:

> The plywood industry is growing basically strong, needing mostly price stability.

Now let me place in the RECORD the picture drawn by Mr. Lerner:

> Like yourselves, I have argued that overproduction is solely the underlying cause of the weak price structure found in plywood now, as well as being responsible for the erratic behavior of plywood prices since 1948 and especially since 1956. However, after further analysis of industry statistics, I am no longer so positive. Let's

recap some of these weekly barometer statistics comparing 1958 with 1957:

TABLE A

Production totals	1st 4 weeks	1st 8 weeks	1st 12 weeks
1958...million square feet...	461,991	919,014	1,364,968
1957.....do.....	402,860	811,425	1,196,042
Increase.....percent...	14.7	13.2	14.1

Of course, this looks ridiculous. Why produce 14 percent more plywood than last year, when most industries would appreciate not to show a shrinkage of business? This naturally creates a climate conducive to dumping, thereby depressing prices.

But glance at this table:

TABLE B

Total new orders	1st 4 weeks	1st 8 weeks	1st 12 weeks
1958...million square feet...	421,209	865,693	1,369,430
1957.....do.....	335,639	654,530	1,051,439
Increase.....percent...	25.5	32.2	30.2

This is startling and encouraging. It proves that in the face of declining house construction substantially more plywood has been ordered and sold in 1958 than 1957. Granting that a certain amount of buying was done at the low of $64, notice that sales were 25 percent higher during the first 4 weeks when the market was $72. And if heavier buying was done at the $64 level, it follows that less than normal buying was done immediately before the level dropped to $64, since many waited for a price decline.

Let's go a step further with our analysis. Compare this year's sales with production:

TABLE C.—*Comparison of 1958 production with 1958 sales (million square feet)*

	1st 4 weeks	1st 8 weeks	1st 12 weeks
1958 production.....	461,991	919,014	1,364,968
1958 new orders.....	421,209	865,693	1,369,430
Overproduction (percent).....	9.7	6.2	[1] 0.3

[1] Excess of sales over production.

Now, 1958 sales with 1957 production:

TABLE D.—*Comparison of 1958 sales with 1957 production (million square feet)*

	1st 4 weeks	1st 8 weeks	1st 12 weeks
1958 new orders.....	421,209	865,693	1,369,430
1957 production.....	402,860	811,425	1,196,042
Increase (percent).....	4.5	6.7	14.5

Table D discloses a fact most industries would envy—that sales for the first 12 weeks of this year exceeded last year's overproduction by 14.5 percent. Few industries in America can boast of a similar achievement. And table C interestingly reveals that while at one time production exceeded sales by almost 10 percent, at the end of 12 weeks, in 1958 the gap had been closed. This proves the plywood industry is growing, basically strong, needing mostly price stability.

Mr. Speaker, so far as the effect of hardwood plywood imports on the United States hardwood plywood industry is concerned, I know very little. My district and my interests are concerned primarily with the production of Douglas-fir plywood. With regard to the effect on the United States hardwood plywood industry, I do know that only a few years ago the United States Tariff Commission unanimously found that imports of hardwood plywood, although they had increased tremendously, were not causing any injury to the United States hardwood plywood industry or even threatening any injury to that industry.

WHY DID THE MILLS CLOSE?

I do know, also, that last year, when the pending plywood import-quota bills were introduced into the Congress, the basic justification of those bills was a list of 28 hardwood plywood plants that had allegedly been shut down since the Tariff Commission report because of hardwood plywood imports. An investigation of these 28 mills revealed that 9 of them were still in operation and had not closed down at all, 3 of them never existed, 2 were duplicates of other plants contained on the list, 3 of them were demolished by fire, 1 of them closed before there was any import competition, and 4 of them were consolidated with the parent company. Of the remaining six which actually closed their doors, reports indicate that many reasons other than import competition were responsible for their closing. This list of 28 plants was exposed last year as the plywood hoax.

I would be less willing to accept this information as a hoax had it not been followed by similar distorted and deceitful claims which I am in a better position to analyze and discuss. These are the claims, that the Douglas-fir plywood industry is being faced with price declines and production cutbacks because of Japanese plywood imports, and that Japanese hardwood plywood is made from Russian softwood.

LITTLE TO GAIN

Ironically, it seems clear that United States hardwood plywood producers would gain little even if they were successful in throttling the import competition. The Tariff Commission pointed out that the imports of hardwood plywood were not displacing sales of domestic hardwood plywood, but were supplementing those sales by creating new markets within the United States. If the plywood quota bills now pending had been in effect in 1957, imports from Japan would have been reduced by $36 million. Mr. Jack Davidson, president of the Imported Hardwood Plywood Association and himself a producer of Douglas-fir, stated to the Ways and Means Committee last month that if the $36 million worth of plywood from Japan were stopped the sales of domestic hardwood plywood might increase by as much as $1 million, but the result would be the destruction of the flush door manufacturing industry, including many door plants in the Pacific Northwest, which are dependent entirely upon imported plywood for their very existence.

BROADEN THE MARKET

Mr. Speaker, I venture to say that the answer to the problems of the American plywood industry, both softwood and hardwood, lies in developments other than import restrictions. A realistic program that would spur an increase in housing starts, and thus increase the market for furniture, kitchen cabinets, and other end products using plywood, would do much more for the entire United States lumber industry, including its plywood segments, than any possible import restrictions.

However, before discussing such a program, I want first to consider the Japanese plywood export quota. There has been much discussion about this quota and I think it is proper to provide the reasons for its establishment and I think it is only reasonable for us to note that the Japanese have tightened their quota controls as it became necessary.

AN UNUSUAL FACT

First, I believe it is most unusual for a sovereign nation voluntarily to impose an export restriction on one of its important industries after having received a complete vindication on the impact of its exports. Despite the unanimous Tariff Commission finding that Japanese plywood imports were not injuring the United States plywood industry, the Japanese chose to make doubly sure by placing their own restrictions on these exports to the United States. Such export restrictions have been employed in the past, but only in cases where actual injury was shown or threatened by the volume of the imports. So far as I can tell, this is the only instance where restrictions have been imposed after a finding of no injury.

Second, the Japanese plywood export quota has been described as a voluntary quota, like the voluntary oil-import quota now outstanding in this country. This is a misconception of the Japanese restriction. There is nothing voluntary about the plywood export controls. Japanese plywood exporters are forced by law, and by the threat of serious sanctions, to comply with the quota requirements. This quota system is voluntary only in the sense that the Japanese Government voluntarily chose to impose it, without any urging by our Government and despite the favorable Tariff Commission decision. So far as the Japanese exporter is concerned, there is nothing voluntary about it. It is a quota with teeth, and it has been, and is being, obeyed.

Third, you might well ask, Mr. Speaker, if the export quota is being obeyed, why have shipments of Japanese plywood to the United States regularly exceeded the quota limits, as they obviously have in the past? It is because the export quota, until recently, did not apply to all types of plywood exported.

It covered the staple export items, such as "doorskins" and standard 4-by-8 foot panels. It did not apply to certain specialty items such as V-grooved panels and 2-ply veneers, and it did not apply to plywood made of certain native Japanese woods such as sen and shina that are naturally in short supply. On the staple plywood items, shipments have been well within the strict quota limitations. The increase in recent years has been in the specialty items which were not subject to the quota. This increase did bring the total plywood imports above the Japanese export quota levels.

A QUOTA ON ALL PLYWOOD

But, last fall, to avoid criticism even in this limited field, the Japanese Government and the plywood exporters

tightened the quota system. Since October 1, 1957, every foot of Japanese plywood shipped to the United States has been subject to strict quota controls. What's more, this has been backed by strict production controls on the plywood manufacturers, within the export quota limitations.

This control on all plywood exports to the United States is in effect now and will continue in effect indefinitely into the future. This removes the possibility of unexpected increases such as occurred in certain specialty items during the past 2 years.

Fourth, what about the quota levels, the volume of Japanese plywood that can be shipped to the United States? At one time, earlier this year, I reported that the quota levels for 1957 appeared to be about 400 million square feet.

This figure, which could have been quoted more precisely as 435 million square feet, was based on the data submitted to the Boggs Subcommittee on Foreign Trade Policy of the Committee on Ways and Means by Mr. Robert N. Hawes, counsel for the United States hardwood plywood industry. I had every reason to believe this figure a true one. It is a total provided by the chief lobbyist for the quota-backing segment of the hardwood plywood industry. This figure was also confirmed by the Library of Congress specialist who prepared a study at my request on the impact of plywood imports in the Pacific Northwest. And I can report some accurate figures of greater interest to persons affected by this problem—and that is the present and future level of imports of Japanese plywood.

The Japanese quota system is based on that nation's fiscal year, which runs from April 1. The quota is applicable to the entire Western Hemisphere, with the great bulk of that quota—over 90 percent—destined for the United States. In fiscal 1957, total Japanese plywood exports to the Western Hemisphere were approximately 720 million square feet. During 1957, our own official statistics show that our imports of Japanese plywood were about 686 million square feet, which corresponds roughly to the average of over 90 percent of quota shipments to the United States.

This year, in fiscal 1958, the Japanese have reduced their quota to 660 million square feet for the entire Western Hemisphere. This means that United States imports of Japanese plywood will be cut by at least 10 percent to the neighborhood of 600 million or 620 million square feet for the year, or maybe even less.

This cutback may sound like good news to the segment of the plywood industry that has been leading the propaganda campaign against import competition, but it is not good news for the Nation or for the Pacific Northwest.

In the first place, it will provide little or no additional business to the United States hardwood plywood producers, who cannot produce for the markets ordinarily served by Japanese plywood. It will provide no help for the Douglas-fir plywood industry, which does not compete with this imported plywood. But it will provide fewer raw materials for the United States door manufacturers and others largely dependent on these imported panels for their continued operation.

THE CUTBACK HAS HURT

The effect of the cutback in Japanese imports is being felt. Door manufacturers in the Pacific Northwest, in southern California, in Michigan, in Ohio, and elsewhere have been forced to cut back their own production because of a scarcity of the imported doorskins they must have to stay in business. Production schedules in these and other processing plants have had to be set back because of an inability to place new orders and sometimes even an inability to have old orders filled.

The Seattle Door Co., Inc., of Kirkland, Wash., manufacturers of flush doors, inform me that it is impossible to purchase domestic skins for door manufacture. On April 11, 1958, President C. V. Mac Donald wrote to me.

Mr. Mac Donald said, in part:

Our own use of foreign woods is occasioned by two particular things: 1, public demand which, of course, is of first consideration in selling a product, and 2, availability of material.

Everyone in the building trades is well aware that the current housing trend is toward the use of panel for walls and doors which is both attractive and economical. Contractors want to build homes that will have appeal from the standpoint of appearance and salability and these imported woods fill that need in a way that domestic woods cannot.

As to availability of domestic skins for door manufacture, Mr. Ted Gregg, our purchasing agent, contacted 32 fir-plywood mills 6 months ago requesting prices and delivery on fir doorskins. He has received answers from only two mills, both of whom stated they could supply certain sizes but neither one could, or would, furnish our requirements. We still are searching for a source of supply at a price that would enable us to be competitive with a fir door but still have no takers.

LABOR—THE GREATEST LOSER

On April 4, 1958, John H. Eyer, international representative of the International Brotherhood of Pulp Sulphite and Paper Mill Workers, wrote me as follows:

I wish to take this opportunity to commend you for your able and logical presentation of the plywood problem in the Pacific Northwest.

Labor could well be the greatest loser if the current hysteria concerning imports were to be translated into action. As you have stated, the effect of Japanese imports on consumption of softwood plywood has been negligible and probably few if any layoffs can be attributed to it. On the other hand, the loss of export markets would be disastrous to Northwest workers.

Congratulations also on naming the real culprits—hard money and neglected housing.

IMPORT LIMITATION OPPOSED

On April 8, 1958, W. G. Hellar, of Heidner & Co., Tacoma, Wash., offered some interesting observations in his letter to me. Mr. Hellar is vice president of his company and he enclosed a copy of a letter he had received from the manager of lumber and plywood products of the Simpson Logging Co., of Shelton, Wash. Mr. Speaker, both of these gentlemen, experts in their field, see no reason for legislation to limit imports. I insert both letters in the RECORD, at this point.

HEIDNER & CO.,
Tacoma, Wash., April 8, 1958.

Congressman CHARLES O. PORTER,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN PORTER: It may interest you to know that the Douglas-fir Plywood Association's Weekly Barometer shows production for the first 12 weeks of 1958 on a three-eighth-inch rough basis of 168,926,000 square feet over the corresponding period of 1957—an increase of 14.1 percent over last year (the entire 1957 production was an increase of 4.3 percent over the previous year). These figures show an ever increasing employment in the plywood industry—the largest in its history.

It is interesting to note that the increase alone during these 12 weeks is 60 percent as much as the entire amount of Japanese plywood shipped to the United States during the entire year of 1957 converted to the same three-eighths-inch rough basis.

We understand that there will be seven new plywood plants in the Douglas-fir area going into production during 1958. The industry and prices will undoubtedly suffer due to this continuing overproduction, but imposition of a quota on Japanese hardwood plywood would be of no benefit to Douglas-fir plywood as they are used for different purposes and there is a substantial price difference in favor of Douglas-fir plywood as we have already written you. On the other hand, if an import quota were to be imposed, it would close the flush-door industry in the Northwest and cause great hardship if not actually closing the furniture factories in the West, both of which rely on the imported plywood in very competitive markets.

We are attaching a copy of a letter from Mr. H. W. McClary, manager, lumber and plywood products of Simpson Logging Co., in regard to our letter of March 17 to the Douglas-fir plywood industry of which we sent you a copy which we believe you will find of interest. As you may know, Simpson is one of the largest producers of Douglas-fir plywood in the industry with plants at Shelton and McCleary, Wash., Portland, Albany, and Lyons, Oreg., and Eureka, Calif. They also manufacture lauan and birch-faced plywood and have flush-door factories at McCleary and Portland.

Cordially yours,

W. G. HELLAR.

APRIL 7, 1958.

HEIDNER & CO.,
Tacoma, Wash.
Attention: Mr. W. G. Hellar, vice president.

DEAR MR. HELLAR: I want to congratulate you on the letter, directed to the members of the Douglas-fir Plywood Association, properly setting forth the facts pertaining to Japanese plywood imports. Your letter was well conceived, and should clarify any misunderstanding, in an open mind, as a result of the misleading statements thus far set forth in an effort to promote legislation to limit imports.

I regard your letter so well written and important that I would like to have several additional copies for distribution if they are available.

Thank you kindly for fulfilling this request.

Yours very truly,

SIMPSON LOGGING CO.,
H. W. MCCLARY,
Manager, Lumber and Plywood Products.

Thus, ironically, this Japanese plywood export quota will not bolster employment in the United States plywood industry, but will cause some serious unemployment in the United States door,

boat, trailer, and furniture industries and possibly many others. It is going to add to the cost of housing construction at a time when the welfare of the Douglas-fir industry and even of the hardwood-plywood industry depends in large part on keeping housing costs down and housing starts up.

It is conceivable that we may have to ask the Japanese Government to increase the quotas on plywood exports to the United States, or to remove them entirely, so that our construction workers, doormakers, boatbuilders, furniture makers and others can continue or even expand their job opportunities. This plywood export quota that has been forced on Japan may hurt us even worse than it is hurting them. And it may hurt particularly on the west coast, where so much of the imported plywood is processed or consumed by American manufacturers.

A door manufacturer in Santa Rosa, Calif., with a payroll of over $200,000 and annual sales of over $1 million, writes flatly that if the Japanese plywood imports are stopped, "we are out of business." A furniture maker in Tacoma, Wash., writes that if he cannot use imported plywood, he cannot compete with the low wages paid in the Southeastern States; without these imports, he says, "the status of the furniture industry here in the Pacific Northwest and all along the coast is very questionable."

IMPORTS VITAL

Members of the Lumber and Sawmill Workers Union in the State of Washington have written:

> These imports are vital to the continued operation of (our plants) and of other flush-door manufacturers in our country, all of which use union labor in their plants.
>
> We feel very emphatically that any further cutback in these imports would have a disastrous effect on production of flush doors and would, of course, mean layoffs for members of our local and many others employed in similar plants. In fact, we have been told * * * that because of this impending (quota) legislation, shipments from Japan have practically ceased and about the middle of May we will be faced with layoffs because of material shortage.

Mr. Speaker, all of the letters I have referred to are available in my office for inspection.

As a final sample of the letters I have received, I wish to include one from Mr. James H. Cellars, public relations officer of the Columbia River Packers Association, Inc., of Astoria, Oreg. Mr. Cellars, writing for the association, concurs with my firm belief that the decrease in the price of plywood does not stem from competition of Japanese plywood. I include the full text of Mr. Cellars' letter in the RECORD at this point. I believe the gentleman from Oregon [Mr. NORBLAD], whose hometown is Astoria, will find it of particular interest:

> COLUMBIA RIVER PACKERS ASSOCIATION, INC.,
> *Astoria, Oreg., April 2, 1958.*
>
> The Honorable CHARLES O. PORTER,
> *House Office Building,*
> *Washington, D. C.*
>
> DEAR MR. PORTER: May we express our appreciation for your stand in reference to charges by Congressman RUSSELL V. MACK, of Washington, relative to the importation of Japanese plywood into this country. In those statements Mr. MACK blamed the ills of the Northwest plywood industry on these importations. We agree with you that there are many other factors involved of greater importance than competition from these imports.
>
> We, of course, have no direct interest in regard to plywood but are directly interested in the importation of raw frozen tuna from Japan for manufacture in the Pacific Northwest. These importations form the basis for substantial cannery payrolls in Northwest Oregon and the State of Washington. They have enabled Oregon's fishing industry to maintain a high level of payroll and employment during the so-called depression years.
>
> These imports, too, have aroused opposition. Most of it is generated by a very few fishermen who claim to be directly affected. The strange thing is that most of these fishermen spend the greater part of their fishing efforts off the coast of California and deliver most of their production to California points creating payrolls there rather than in their home State. Japan, as you know, is a large buyer of Oregon's agricultural products, their purchases being far, far greater than any imports into this area.
>
> We are continually threatened with quotas and import duties on frozen tuna and we urge your consideration of our position as these matters become current in the Congress.
>
> Yours very truly,
> JAMES H. CELLARS,
> *Public Relations Officer.*

ISOLATION IS IMPOSSIBLE

Thus, Mr. Speaker, the problem of plywood cannot be isolated. It must be seen as part of the overall trade of the United States with the rest of the world. We must not only consider the effects of imports on particular domestic industries such as plywood. We must look at the benefits to our workers, industries, and farmers in an expanding world trade and protect their share in the world market for United States goods and products, as well as considering the effect of imports on domestic production.

Last year the United States exported over nineteen billion dollars worth of goods compared with imports of about thirteen billion, providing jobs for American workers and farmers, profits for our industries, and dividends for the millions of shareholders in American business.

Japan took a major share of our exports. A recent study by the United States Tariff Commission entitled "Postwar Developments in Japan's Foreign Trade" states, based upon figures through 1956:

> In most recent years, Japan has been the third or fourth most important market for United States exports.

A GOOD CUSTOMER

The Tariff Commission found that in 1956 Japan was the third most important market for United States exports. Preliminary figures indicate that in 1957 Japan was America's best customer after Canada.

The Department of Agriculture has reported that Japan was the second largest buyer of United States farm products in 1956. It was the largest buyer in each of the previous 4 years:

> In 1956 Japan was the largest foreign buyer of United States cotton, wheat, barley, soybeans, and hides and skins.
>
> The United States also sells substantial quantities of corn and tobacco to Japan.
>
> United States exports of agricultural commodities to Japan averaged about $400 million annually during the 5 years 1952–56. This was 12 percent of United States agricultural exports to all countries and 57 percent of United States exports of all commodities to Japan.

Japan is also a major importer of American pulpwood, petroleum, coal, iron and steel, machinery, vehicles, electrical equipment and chemicals.

GROWTH OF TRADE EVIDENT

The trend of growth also must be considered. From 1955 to 1957 exports of farm commodities increased by 17 percent to $457 million; exports of industrial raw materials, 422 percent to $376 million; exports of coal and oil, 128 percent to $121 million; exports of machinery and vehicles, 128 percent to $162 million; and exports of chemicals, 85 percent to $85 million.

It is clear that Japan is a major and expanding market for United States products.

The Northwest shares in the export market to Japan. Japan is the most important export market, and the only dollar export market for white wheat produced in Washington and Oregon. Although in the past some white wheat was moved under Public Law 480, this year all exports will be for dollars.

Figures from the Grain Market News, published by the Department of Agriculture, show that in the year July 1955 to June 1956, Japan took 36,568,000 bushels of white wheat from the Northwest valued at about $80 million. During the year July 1956 to June 1957, Japan took 36,974,000 bushels of white wheat from the Northwest valued at about $89 million. These exports of white wheat to Japan constitute a large percentage of the total market, both foreign and domestic. For the country as a whole in the year July 1956–July 1957, the beginning stocks of white wheat were 133 million bushels. Production was 154 million, making a total supply of 287 million. Domestic utilization was 52 million, whereas exports were 193 million.

Japan is also an important export market for Oregon for all grains and grain preparations, inedible animal products, wood and paper (including sawmill products, unmanufactured wood and paper-based stocks, and metals and manufactures. Oregon also shares in exports of fruit and vegetable preparations, vehicles, and chemicals.

A foreign-trade impact study recently prepared at my request by the Department of Commerce for my District, the Fourth Congressional District of Oregon, shows that foreign trade in lumber and wood products, food and kindred products, and pulp and paper products are an important source of income and employment for the people of my District. Farmers in my District have substantial exports in dairy products, livestock, vegetables, pears, and wheat. Many of the industries in my District depend upon imports such as flavorings, nuts, vanilla, chocolate, tropical fruit, shellac, and lacquer.

FOREIGN TRADE HELPS FOURTH DISTRICT

Foreign trade is essential to the 42,450 persons in my district employed by firms

within major manufacturing classifications and the 14,600 persons in my district employed in agriculture.

The key to maintaining export markets for United States products is accepting imports from our foreign customers. We had a favorable export balance of approximately $6 billion in 1957. But foreign countries need dollars to pay for the exports which mean so much to this country.

That problem is particularly acute in the case of Japan. The United States Department of Agriculture has stated:

As long as not all world currencies are freely convertible, Japan can be expected to buy from countries likely to buy Japanese products in return. Japan's economic strength is based upon foreign trade and it must sell to the United States if it is going to continue to be a good market for American products.

Last year, the United States exported about twice as much to Japan as it imported from Japan.

Today, in addition to economic factors, the Communists force us to look at the political implications of our trade policies. Russia's economic offensive has been felt in the Near East, the underdeveloped countries of Southeast Asia, in South America, and especially in Japan. Red China seeks increased trade with Japan and has used the trade issue in a bald attempt to influence the impending elections in Japan.

The United States cannot afford to leave its friends and allies no alternative but increased trade with and therefore increased political dependence upon, the Communists.

NOT A LONE PROBLEM

The problem of hardwood-plywood imports cannot be viewed alone. We cannot afford to give an industry (which the Tariff Commission has found not to be injured by imports) a subsidy when the price is the loss of valuable export markets and a blistering defeat in what the Communists themselves term a trade war.

Two leading daily newspapers in the Northwest, the Oregonian and the Oregon Journal, have dealt with the international aspect of plywood this month.

The Oregonian on April 5, 1958, firmly opposes imposition of quotas on any item by Congress. "'Trade not aid' is not a one-way proposition" it observes, noting that the Tariff Commission can correct any inequity.

The Journal on April 14, 1958, takes cognizance of the fact that plywood is becoming an international commodity of trade, "and there will be increasing competition. It is one of the factors that should not be ignored in the lumber picture."

I include the full editorial comments of these Portland newspapers in the RECORD at this point:

[From the Oregonian of April 5, 1958]

PLYWOOD IMPORT QUOTAS

Involved in the proposed imposition by Congress of import quotas on plywood is more than protection of the domestic plywood industry. It touches directly the problem of world trade and commercial and political relations between the United States and Japan, which is the source of most of this country's plywood imports. Representative CHARLES O. PORTER, Democrat, of Oregon, who opposes the quota bill introduced by Representative RUSSELL V. MACK, Republican, of Washington, takes the broader view in this instance.

Recently W. G. Hellar, vice president of Heidner & Co., Tacoma importers and exporters of plywood and other products, circularized the Douglas-fir plywood industry with a statement which appears to make a good deal of sense.

His figures indicate that imports have not had an adverse effect on domestic production since 1951, the period in which Representative MACK says imports of Japanese plywood increased from 13 million square feet to 686 million. In that period, Douglas fir and other western softwood plywood production rose from 2,866 million square feet to 5,750 million, Mr. Hellar said. And the production of hardwood plywood in the Western States, a product with which the imports compete, rose from 75 million square feet to 288 million.

Figured on a three-eighths inch rough basis, the usual method for computing Douglas-fir plywood production, imports from Japan last year amounted to less than 5 percent of plywood production in the Douglas-fir area. They did not compete with Douglas-fir plywood either in price or in use, since the bulk of the Japanese plywood imported to this country is in the form of doorskins for flush doors, which domestic producers did not produce in the sizes, thicknesses and appearance grades required, according to Mr. Hellar.

In a statement to the House Ways and Means Committee, Jack Davidson, president of the Imported Hardwood Plywood Association, admitted that the hardwood plywood imported from Japan is to some degree competitive with domestic hardwood plywood, but the bulk of the United States plywood industry produces softwood plywood, with which the imported hardwood ply is not competitive.

The Japanese doorskins have made possible the great growth of the flush-door manufacture in the United States in recent years, and imported plywood has been a factor in the increased use of wall paneling in low-cost homes and in the trend away from painted wood and steel kitchen cabinets, he told the committee. Serious curtailment of hardwood plywood imports would not result in much greater use of more expensive domestic hardwood plywood, he said, but would, rather, cause a greater use of hardboard or other substitutes or abandonment of decorative wood paneling in low-cost housing.

There is danger in Congress imposing quotas on any item. Plywood quotas might be followed by similar restrictions on any number of products which could result in retaliation against American exports and the loss of jobs dependent on exports. Trade not aid is not a one-way proposition.

Mr. Hellar has suggested that, if the Douglas-fir or domestic hardwood plywood industries feel they are being hurt by foreign competition, they should bring escape clause action under present tariff laws. If injury is proved, the Tariff Commission and the President can provide a remedy through higher duties and quota restrictions. This seems a better approach than through Congressional action.

[From the Oregon Journal of April 14, 1958]

PLYWOOD INTERNATIONAL COMMODITY

There has been considerable concern recently on the slump in the domestic plywood industry which means so much to Oregon and Washington.

Representative MACK, Republican, of Washington, lays the blame on rapidly increasing imports of Japanese hardwood plywood. Representative PORTER, Democrat, of Oregon, says it was caused by overproduction resulting from fewer housing starts and a hard money policy.

Both factors may be somewhat involved. But certainly the decrease in housing starts in this country is No. 1 insofar as most Oregon and Washington plywood is concerned.

But looking at the world picture, we should realize that the increase in the production of plywood all over the world has been amazing during the last 10 years, and that competition cannot help but affect our industry. World statistics issued by the Food and Agriculture Organization of the United Nations show that between 1946 and 1955 the production of world plywood increased from just over 3 million cubic meters to 11 million cubic meters—the industry almost quadrupled.

Leading plywood producers in 1955 were the United States, the Soviet Union, Canada, Japan and West Germany. The most rapid 10-year growth was reported from Japan, followed by Mexico. The number of countries reporting plywood production increased from 37 in 1946 to 57 in 1955.

Largest plywood exporter throughout the 10-year period was Finland, with 32 percent of the volume in 1955. Other countries showed notable increases in export trade in plywood, especially Japan. Others are West Germany, France, Italy, Rumania, Surinam, French Equatorial Africa and Nigeria.

Versatile plywood is becoming an international commodity of trade, and there will be increasing competition. It is one of the factors that should not be ignored in the lumber picture.

NEWSPAPERS VOICE SUPPORT

Other important daily newspapers in my District which have stated their support in editorials within the past few weeks for my stand in this controversy are the Roseburg News-Review, the Grants Pass Courier, the Coos Bay World and the Albany Democrat-Herald.

Not one newspaper in my District has come out in opposition to my analysis of the problems presently confronting the softwood plywood industry of the Pacific Northwest.

THE FUTURE'S CHALLENGE

I believe the plywood case as outlined and discussed today would be incomplete without our looking forward to the challenge of the future awaiting this youthful industry.

I call to your attention, Mr. Speaker, the expansion recently announced by the Georgia-Pacific Corporation for its Toledo, Oreg., mill. This mammoth company will increase its Toledo plywood capacity by 2 million board-feet a month by May 5. The move in this 1 plant will add between 45 and 50 men to the company crew.

As the Oregon State Employment Service Manager in Toledo observed in his March report:

Construction of the new addition to Georgia-Pacific's plant and the announcement of increased production capacity came in the face of weak plywood markets, indicating a conviction of this big company that both demand and markets will improve in the future.

Adding this new payroll to the community's economy comes on the heels of another 150 to 200 jobs which were opened recently when the firm got its $22 million pulp and paper mill into production.

ROOM FOR ALL

Mr. Speaker, the plywood market has not been scratched. There is room for

all. Let us keep it this way. Recently Congress enacted emergency-housing legislation which will perk up plywood markets, but I believe we must continue to urge the Administration to release more money for the mortgage market.

And while we're at it, let's consider, actively, the use of lumber (and plywood) in school construction. I sincerely urge my colleagues to examine an information kit prepared by the National Lumber Manufacturer's Association, detailing wood use in schools.

And let us encourage self-help in the industry. By means of advertising and information programs such as are now conducted by some firms, the consumer in Illinois, India or Iran will discover more easily and more quickly the value of this international product.

As long as I have the honor to represent the Fourth District I shall continue to be deeply concerned about the welfare of the plywood industry in the Pacific Northwest. But such concern, if it is to have useful results, must be based on hard facts, facts such as those I have set forth here today.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Wisconsin.

Mr. LAIRD. It seems to me that the gentleman has made a case here this afternoon in behalf of labor conditions that are practiced by the hardwood plywood manufacturers in Japan. I am sure that he is perhaps more familiar with the sweatshop-labor practices in Japan than I am. I could not defend these labor practices or the importation of cheap labor rates from abroad. I would, however, like to state that I have 12 hardwood-plywood plants located in my Congressional District. The largest hardwood plywood plant in the world is going to be shut down on Friday. It is going to be shut down primarily because of competition from Japan.

The comparisons which the gentleman tried to make between hardwood and softwood plywood and putting these statistics together is like comparing oranges with popsicles. There is no comparison. There are a great many employees that are concerned with the fact that in 9 years Japan has taken over one-half of the hardwood-plywood market in the United States. They have come from 6 percent of the market 9 years ago to one-half of the hardwood-plywood market today. I am sure that the gentleman would not want to face up to the 1,000 employees of the Roddis Plywood Corp. and make the same kind of a speech before them that he has made here today in behalf of Japanese imports of plywood and Japanese plywood workers.

Mr. PORTER. May I say this to the gentleman, I am chiefly concerned about the fact that some of my colleagues from the Northwest have not seen the distinction which you state and which you apparently recognize between hardwood and softwood plywood. I am naturally concerned about the softwood plywood which is in my District, but the facts which I have presented here today show that hardwood plywood is not in too bad a shape, according to this information.

Mr. LAIRD. I should like to read into the RECORD at this point a statement made by the hardwood plywood people in testifying before the Committee on Ways and Means. It reads as follows:

JOINT STATEMENTS OF M. C. MCIVER, PRESIDENT, SPLICEDWOOD CORP., MELLEN, WIS., AND C. D. WHEELER, MANAGER, HARDWOOD PLYWOOD DIVISION, GEORGIA-PACIFIC CORP., SAVANNAH, GA., ON BEHALF OF THE HARDWOOD PLYWOOD MANUFACTURERS COMMITTEE, BEFORE THE HOUSE COMMITTEE ON WAYS AND MEANS, MARCH 14, 1958

Mr. Chairman, members of the committee, my name is Marion C. McIver. I am the chairman of the Hardwood Plywood Manufacturers Committee, a group of domestic hardwood plywood and veneer manufacturers and their supplying industries, whose objective it is to obtain relief from the serious damage incurred by the ever increasing imports of hardwood plywood. I am also president of the Splicedwood Corporation of Mellen, Wis. We manufacture hardwood plywood. Seated with me is Mr. Carl D. Wheeler, manager of the Hardwood Plywood Division of the Georgia-Pacific Corporation at Savannah, Ga. My testimony is coordinated with that of Mr. Wheeler, who will immediately follow me. His comments are incorporated in this statement.

As spokesman for the domestic hardwood plywood industry, we voice the industry's opposition to H. R. 10368, as presented by the executive branch. Later we will present to you several specific recommendations on behalf of the domestic hardwood plywood industry for revision of H. R. 10368.

The industry group which we represent has been adversely affected by the heavily increasing imports of cheap hardwood plywood. Because the whole is comprised of a series of parts. I would like first to tell you of my plant situation.

The markets which we have lost have been the direct result of cheap hardwood plywood imports not hardwood plywood substitutes.

My plant is operating at only 35 percent of production capacity. Obviously when you produce at less than capacity, your unit cost of production becomes higher. Imagine our plight—a continuous and rapid increase in cheap hardwood plywood imports forcing a steady decline in domestic production. The further we drop from production capacity the more impossible becomes our attempt to compete with low priced imports.

Relative to the adverse effect of these hardwood plywood imports on employment at our plant at Mellen, Wis., here's our situation, we had in 1955, 185 employees working 374,103 man-hours; 1956, 160 employees working 332,341 man-hours; 1957, 134 employees working 274,327 man-hours.

We currently employ only 100.

But to speak of the industry picture generally.

Hardwood plywood consumption in the United States reached an all time high in 1957. Approximately 1,630 million square feet of hardwood plywood was shipped. On the basis of the amount sold in the market, the domestic producers should be one of the Nation's most prosperous groups but such is not the case.

The domestic industry's profit on sales before taxes has declined steadily from 12.26 percent in 1950 to 5.75 percent in 1955 to 3.9 percent in 1956 and 2.4 percent in 1957, with a low of 0.9 percent in the fourth quarter, 1957. A survey by Seidman and Seidman, Certified Public Accountants, of 25 identical hardwood plywood plants, located in 11 States and representing more than 25 percent of total domestic shipments and all classes of manufacturers, for the first half of 1957 compared with the first half of 1956, showed dollar sales down 12.5 percent, dollar value of material consumed down 10 percent; and payroll down 18 percent.

The BLS Wholesale Price Index (1947–49=100) for hardwood plywood has dropped from 110.8 in 1951 to 103.7 in 1957. This is further evidence that low-priced imports have forced the price of the domestically produced hardwood plywood downward. In contrast during this period the price index on all commodities other than food and agricultural has risen from 115.9 in 1951 to 125.6 in 1957.

A survey covering 48 plants on man-hours worked and number of employees in 1955 and 1957, shows that in 1957 the number of employees was down 13 percent and the hours worked down 18 percent. The fourth quarter of 1957 showed a substantial decline from the preceding quarters, and the decline has continued in the 1st quarter of 1958.

The domestic market hardwood plywood industry is comprised of 151 plants located in 22 States. In 1957, the industry shipments amounted to less than 780 million square feet, surface measure, a decline of 12 percent from 1956 (886 million square feet) and 16.5 percent from 1955 (934 million square feet). In fact, shipments in 1957 were off 3 percent from 1951 (805 million square feet). However, domestic consumption has climbed steadily from 869 million square feet in 1951 to 1,630 million square feet in 1957. During this period hardwood plywood imports have spiraled from 64 million square feet in 1951 to 850 million square feet in 1957, an increase of 1,200 percent.

Domestic consumption of hardwood plywood in 1957 was 89 percent higher than 1951. Yet in 1957 the domestic industry supplied only 48 percent of domestic consumption while in 1951 it supplied 93 percent. Japan's appropriation of the United States consumption skyrocketed from 1 percent in 1951 to 42 percent in 1957. Hardwood plywood imports from Japan in 1951 amounted to 10 million square feet, in 1957 to 686 million square feet, an increase of 6,860 percent. The reason—solely price. The average sales price of the Japanese plywood exports to the United States in the last 7 years was $63.83 per 1,000 square feet, surface measure. This low sales price is directly attributable to the low wage scale of highly industrialized Japan which amounts to $4.17 per 1,000 square feet, ¼-inch basis. This compares to the domestic industry average unit labor cost of $38.50 per 1,000 square feet, ¼-inch basis. The result of this low price is the complete destruction of the normal market price structure within the domestic hardwood plywood industry. Producers will tell you that today they have no price lists, but to obtain orders they must price plywood to meet competition of the imported plywood, without regard to the production costs.

Japan has long recognized that its plywood exports are seriously injuring the American industry. As early as 1955 Japan announced a plywood export quota which was intentioned to alleviate the damage to the American hardwood plywood industry. This quota was 400 million square feet per annum. Japan ignored this quota in every subsequent year. In January 1958 the Japanese External Trade Recovery Organization (Jetro) announced that Japan was cutting its plywood quota back 20 percent to relieve the hard-pressed American industry. Japan's recognition that the American quota should be reduced was a clear admission that their plywood exports were damaging the American industry.

The Japanese plywood industry has increased capacity beyond reason. Plant capacity has increased over 400 percent since 1951 and is still increasing through installation of new equipment in old plants and erection of new plants. Japan has a capacity to produce 3.6 billion square feet of plywood in 1958. This capacity was built with the purpose of exporting at least 60 percent of the production to world markets. Japan's

domestic markets will not absorb more than 40 percent of the capacity or 1.4 billion square feet per year. Markets in other parts of the world will not take the plywood so Japan unloads its surplus on the United States market. Even so, the Japanese plywood industry could not unload all of its surplus on the United States. In 1957 the Japanese plywood cartel limited production to 70 percent of capacity, or 2.6 billion square feet. This became necessary when the Japanese found that the United States and the world market would not absorb the tremendous quantities Japan was set up to produce. The determined fight of the American hardwood plywood producers to obtain relief from this cancerous condition created by imports was a deterrent to Japan's unloading in 1957 even larger quantities in the United States market. We are concerned with what will happen should Congress refuse to help our industry. The Japanese producers have the capacity to produce a billion square feet of hardwood plywood per year more than they produced in 1957. They want to make it and to export it, preferably to the United States. Foreign countries have means of refusing admission to unwanted low-priced imports and they have evidenced no willingness to accept more Japanese plywood, in fact some countries have practically embargoed Japanese plywood. If our request for relief is denied the floodgates will be open and the deluge of cheap plywood from Japan will drown our industry and seriously injure other industries making building materials.

The hardwood plywood manufacturers applied for escape-clause relief in September 1954. On June 2, 1955, the Tariff Commission denied the industry relief. Shortly thereafter the State Department announced a trade agreement with Japan which was extremely favorable to the Japanese. In their case the domestic industry proved every element of damage set out in section 7 of the statute. The decision of the Tariff Commission cannot be explained. The timing of the application was unfortunate as a finding in favor of the industry at the time the State Department wanted to announce the Japanese trade agreement could have been embarrassing to the State Department.

Rightly or wrongly the Japanese contend that the United States must take its surplus plywood because our foreign-aid program encouraged and financed their plywood plant capacity. The question naturally arises in our minds as to whether such a program in its encouragement to build up foreign capacity has committed itself to fight against restraints on dumping in the United States market.

United States technical teams have been and now are operating in foreign countries to teach plywood producers to make a panel which will meet the requirements for the United States market. Is the United States market being held out as an inducement to build up quality and production?

It is difficult for us as small American businessmen to understand the position of the President and the State Department on quotas. The Department of Commerce and the State Department have obtained from Japan an agreement on an export quota for textiles. Then there is the quota on the imports of petroleum. In both cases the President and the State Department have determined that quotas were the best method to prevent injury to a domestic industry. Thus the principle that quantitative restrictions are needed to supplement duties is recognized. It would appear that if that principle is recognized in one case that it should be considered in another. However, the President has publicly stated on numerous occasions that he will not approve quotas on industrial products.

As small American businessmen who operate plants which are either the principal or one of the principal sources of livelihood for their communities, we find it impossible to believe the administration's often-repeated statements that injury to domestic industry will not be permitted under the operation of the Trade Agreements Act. The hardwood plywood industry, a seriously injured industry, is being offered as a sacrifice, principally to Japan, on this idealistic altar of international trade. What is an American small-business man to believe? For myself and my industry I can only say, "It is high time that Congress reasserts itself and unscrambles the muddled mess of the trade-agreements program."

Mr. Chairman, now I would like to ask Mr. Wheeler to present the facts as they relate to his company, the hardwood plywood division of the Georgia-Pacific Corp., and the industry's recommendations as to a solution of this pressing problem.

STATEMENT OF CARL D. WHEELER

Mr. Chairman and members of the committee, currently our plant is operating at 55 percent of production capacity. To my knowledge, the plant now is at an alltime low level of production in relation to capacity. This, gentlemen, is at a period of alltime high domestic consumption of hardwood plywood, the product we make. Our low level of operation is due solely to the vast imports of cheap foreign hardwood plywood. Our customers, or perhaps I should say our former customers, are buying imported hardwood plywood which is so cheaply priced that we cannot compete. I wish to emphasize that plywood imports are the only problem and not any of the so-called substitutes for plywood.

There is not now nor has there ever been a single end use for hardwood plywood, for which our company or the many other companies within the industry could not supply the demand. There has always been a tremendous unused capacity in our domestic industry.

Permit me to review briefly the effect hardwood plywood imports have had on the employment at our company.

1955: 825,016 man-hours worked; our average number employees, 330.

1956: 810,625 man-hours worked; our average number employees, 360.

1957: 595,327 man-hours worked; our average number employees, 340.

We have adopted a procedure in our plant of maintaining a relatively full working crew, but running a short workweek, whereas many others in the industry have been forced by local conditions of one sort or another to seriously reduce their crews and run a much less productive full 5-day week. In any event, the total man-hours worked for each year is the most significant figure, and the reduction of 28 percent in man-hours worked when you compare 1955 and 1957 is a very accurate indicator of the damaging effect the imports have had upon our business.

There is no statistical way to represent the continuing problem that we have in the attrition on our markets caused by the imports. We are constantly losing markets that we have been serving for years, and are having to, insofar as possible, develop new markets to replace this volume. It is a long and slow process and very frustrating as well as being very damaging to manufacturing profits.

We can and will produce hardwood plywood for any acceptable purpose, and this includes the total doorskin requirements of the domestic market. The door panel has been called a new end use of hardwood plywood for which it has been falsely claimed that the domestic plywood industry could not supply the requirements. "New end use"—let's dispose of that first. The United States Department of Commerce in its Trade Promotion Series Bulletin No. 210, American Hardwood Plywood, published in 1940, states on page 53: "The trend of modern architecture toward flat surfaces has created a vogue for flush doors. These have been produced with many types of centers, most of which rely on hardwood-plywood exteriors for their beauty, stability, and durability." As to the industry's capability to meet the demand, I categorically state that the industry welcomes with open arms and empty pocketbooks all door-panel business and any other hardwood-plywood business.

Our plant in Savannah and numerous other plants formerly made large quantities of door panels, and I know why our plant and the others lost this business. Price. Our cost was greater than the delivered price of the Japanese door panels, so when asked to meet the Japanese price we had to say we could not take the orders. That is the true story of why the American industry lost the door-panel business.

Let me lay at rest once and for all another unfounded contention: the statement that imported plywoods have made housing for veterans and the average American cost less. This is just not the truth. There are on the average 10 to 12 doors in the conventional-type small home. The difference in the sale price of a door made of Japanese plywood and that made with American plywood is $1.50 or thereabouts. This makes a difference of about $18 a house. Even if you extend the use of imported hardwood plywood to kitchen cabinets and decorative wall panels as used in this type of home, the difference would be about $50. Houses are built to be sold in definite price ranges. Small differences in building cost will not affect the price of the homes. The average house costs about $10,000 and the difference would then represent one two-hundredths of 1 percent of the cost of the house.

It is frequently contended by free traders that our high wage rates are the result of our high productivity and that we can therefore produce more cheaply than anyone else. This is not true in the plywood industry. The Japanese plywood plants are the most modern in the world and with their profits from the exports to the United States they continue to improve in productivity and in the reduction of costs. The measure used by us is the unit cost, which in the domestic hardwood plywood industry is 1,000 square feet. The latest figure available on Japanese plywood labor costs is $4.17 per 1,000 square feet for one-fourth inch thickness panels. In our industry the average labor cost for 1,000 square feet one-fourth inch hardwood plywood is $38.50. The unit difference in cost 1 to 9. Thus the contention of the free traders is definitely not applicable to the hardwood plywood import problem.

The only remedy to correct the injury to the domestic hardwood plywood industry is an import quota. Why?—the answer is supplied by elementary mathematics. There are 36 countries exporting hardwood plywood to the United States. The average sales price to the United States of Japanese plywood during the past 7 years was $63.83 per 1,000 square feet, surface measure. The average for the 35 other countries during this period was $115.09. Although we hold no brief for the hardwood plywood industry of any foreign country, it is at least noteworthy to review the adverse effects, not only on the United States industry but on hardwood plywood industries of many other countries, of the cheap sales price of hardwood plywood from low wage rate and highly industrialized Japan. United States hardwood plywood imports from Japan in 1957 were 30 percent more than in 1956 and 60 percent greater than 1955. However, imports from countries other than Japan in 1957 were 6 percent less than in 1956 and 16 percent below 1955. The percentage loss of the United States market by Canada, our good neighbor and strong ally, is even more substantial. No country can compete with the sales price of Japanese plywood.

The sales price of Japanese plywood is so low that even with an increase in the duty

rate to 100 percent Japanese plywood would remain competitive in the United States market. But such an increase or any substantial increase in duty would virtually eliminate all countries other than Japan from participating in the United States market.

The limitations on the increase in duties under the escape-clause provision of the Trade Agreements Act of 1951, as amended, does not permit a duty rate increase sufficient to provide a competitive position for the domestic industry in the United States market.

There is one remedy and only one remedy—an import quota.

Recommendations

We need the help of Congress now, otherwise many more plants in our injured industry will be forced to close. So long as the control of the escape clause is in the hands of the President there can be no relief for an affected American industry, whose survival is dependent upon import quotas. We only repeat what the President has often stated, that he opposes import quotas on industrial products.

The Tariff Commission is Congress' agency on our tariff maters. Congress should reassert its authority relative to the findings and recommendations of the Tariff Commission. Therefore we respectfully recommend amendments to H. R. 10368.

1. To provide for an absolute import quota on hardwood plywood and to provide procedures for quota relief of the many other similarly affected American industries.

2. To provide that the Tariff Commission findings and recommendations be final unless overruled by the Congress. If the President feels that the recommendations of the Tariff Commission would affect our national defense then the President could so advise Congress and request that Congress reject the Tariff Commission's recommendations. We are confident that should a case arise where our national defense was really an issue that Congress would promptly reject the Commission's recommendations.

During the final preparation of this statement, Congressman DORN of South Carolina introduced H. R. 11250, which embodies a comprehensive change in the Trade Agreements Act. After a quick study of the bill, our counsel advises us that the bill has merit and would provide remedies for many of the inequities resulting from the administration of the present Trade Agreements Act. The bill would, we believe, provide a means for the hardwood plywood industry and other affected American industries to obtain relief from the unfair competition of imports. The provisions of H. R. 11250 in our opinion warrant the careful study of your committee.

Mr. Chairman, members of the committee, both Mr. McIver and myself wish to express on behalf of our industry our appreciation for the opportunity accorded us to make our industry's views known to this committee.

Mr. PORTER. Perhaps the gentleman would answer a question from me. Why have not the hardwood plywood people gone again to the Tariff Commission, if they are in trouble? They went in 1955 and were refused on the ground that there was no injury.

Mr. LAIRD. The gentleman will find that they did go before the Tariff Commission. I think he will also find that they were refused relief by the Tariff Commission. The Tariff Commission has been overruled so often in the last 8 to 10 years that the Commission has almost given up. That is the point that I made before the House Committee on Ways and Means. We have to change the basic law so that the recommendations of the Tariff Commission are given some real, solid weight, so that they may not be overturned on recommendations of our State Department.

Mr. PORTER. Is it the gentleman's contention that the Tariff Commission is incompetent?

Mr. LAIRD. My position is that the Tariff Commission is competent and I want to give the Tariff Commission more authority to fix quotas on imports. I shall support that type of amendment when the legislation comes before the House, and I hope the gentleman from Oregon will do likewise.

Mr. PORTER. If the gentleman thinks that the Tariff Commission is competent, in 1955 they looked at the facts presented to them about hardwood plywood imports and said that there was no serious injury to domestic producers. If the Tariff Commission is competent, why do not the hardwood plywood producers present their case to the Tariff Commission and if they have a case, and the Tariff Commission is competent, they will be granted relief.

Mr. LAIRD. I believe it is up to this Congress to take some action. The Congress should take action at this session and stop passing the buck.

Mr. PORTER. If we have a competent Tariff Commission, why not have the Tariff Commission take action under the laws already passed?

Mr. LAIRD. It does not do much good to bring anything before the Tariff Commission under the present law.

Mr. PORTER. Then it is the gentleman's opinion that they are incompetent?

Mr. LAIRD. It is not my opinion that they are incompetent, but they do not have sufficient quota authority today.

Mr. PORTER. They have authority to find serious injury, do they not? And they have not found it in the case of the hardwood-plywood industry.

Mr. LAIRD. That matter was gone into in the testimony which I have just received permission to insert in the RECORD. In most cases, the executive branch of the Government during the past 10 years, because of the same kind of logic and reasoning expressed by the gentleman from Oregon a few minutes ago, has overruled the Tariff Commission. I am of the opinion that Congress must assume its responsibility in this matter. Thus far we have not done so.

Mr. PORTER. It is not accurate to say that the executive branch has overruled the Tariff Commission in this case since the Tariff Commission found that there was no injury in 1955. The Executive has the power, but the Tariff Commission made no such finding, so there was no need for the Tariff Commission to be overruled. The gentleman should let the hardwood-plywood industry have recourse to existing law.

Mr. MACK of Washington. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield at this time to my colleague from Washington [Mr. MACK].

Mr. MACK of Washington. Mr. Speaker, I thank the gentleman from Oregon.

The plywood workers of the State of Washington are going to be amazed when they read in the newspapers today or tomorrow that the gentleman from Oregon [Mr. PORTER], has declared the plywood industry in the Pacific Northwest is in good condition. The plywood mills in my District are operating part time. Some of them are down. Many blame this condition at least in part upon the tremendous imports of plywood coming into this country from low-wage Japan.

The gentleman from Oregon says Japan has voluntarily set a quota on plywood exports and that Japan has agreed to decrease the amount of imports she will send to the United States. Japan volunteered to decrease the amount of her exports of plywood to the United States at the beginning of 1957. Japan said, "We will ship into the United States only 435 million square feet of plywood during 1957."

The gentleman from Oregon received those figures from Dr. Piquet of the Library of Congress. I called Dr. Piquet and inquired, "Did you give out the statement that this was the Japanese quota?" He said that he did. But, Dr. Piquet told me the quota to the Japanese, does not mean a thing. They pay no attention to it. Instead of shipping in, as Japan promised, only 435 million square feet of plywood in 1957, Japan actually shipped into the United States in 1957, 675 million square feet or 250 million square feet more than Japan said she would. Last year Japan said she was going to establish a voluntary quota of 435 million square feet. This year—1958—Japan has put a voluntary quota on herself, according to the Department of State, of 679 million square feet or a 250-million-square-feet increase above her 1957 voluntary quota.

I agree with the gentleman from Oregon that there is a great and expensive lobby making a fight on this plywood tariff or quota issue. But, this lobby is mainly that of the importers who want to make a big profit out of the 11½-cent wage that prevails in Japan.

The gentleman from Oregon says the newspapers in Oregon, including the Oregonian, and some of the other papers have supported his position. I know that the Oregonian, an excellent newspaper, has. But, the Oregonian is no more competent authority on the question of the damage being done by plywood imports than are the daily newspapers of my District. Every one of the papers in a plywood community says that the plywood industry has been adversely affected and that unemployment has been increased as a result of Japanese plywood imports. In the Portland Oregonian only 3 or 4 weeks ago, there appeared a very prominent story on the front page which listed almost 30 plants in the Pacific Northwest which were closed or partially closed down. The best judge of this issue are the people who reside in the plywood mill districts. What do they think about plywood imports? I sent a questionnaire last year into my District. One of the questions I asked was: "Do you believe that a quota should be established on the im-

ports of plywood, fish, watches, sewing machines and so forth that come into this country from Japan?" I received in reply to that question 4,916 answers for establishing quotas and only 770 replied they were against imposing quotas. In other words, 82 percent of all the people in my District who answered my questionnaire, and it went to farmers as well as to plywood workers, said put quotas on plywood imports. Representative TOLLEFSON from Tacoma, sent a similar questionairre to the voters of his District. He received responses from 77 percent of the people that said that they believed that quotas should be imposed.

The gentleman from Oregon said in a newsletter this week, which I presume he sent to all Members of the Congress, that when he was home during the Easter vacation, he found only three people in Albany, and Grants Pass in his District who were opposed to the Japanese plywood imports or felt these affected employment there. The situation in my District is different. I hold in my hand a petition from the Lacey Plywood Co. It is a cooperative organization. The men who work in the plant own it. Of the workers in this plant 76 signed a petition to me protesting against imports and asking that quotas be imposed to slow down these imports.

I have another similar petition from another plywood plant at Olympia which has 87 signatures of the workers in that plant.

The gentleman from Oregon says that members of the sawmill and timber workers union have called upon him, or announced to him, that their position is that import quotas on plywood are not needed and that not much harm is being done by imports. The sawmill and timber workers, AFL–CIO, in a letter to me from Earl Hartley, executive secretary, declares that at the 20th annual convention of that labor group, a resolution was passed unanimously declaring that approximately 2,500 people in the Pacific Northwest lost their jobs as a result of plywood imports. Mr. Hartley, the union official, said:

Many jobs have been lost to the economy of the Western States by these imports.

The Western Council of Sawmill and Lumber Workers resolution urged that—

Adequate quotas should be established by Congress on Japanese and all other imported plywood in order to protect the jobs of workers in the plywood industry.

Copies of these resolutions were sent to all western Representatives in the Congress of the United States. Similar resolutions were passed by the Puget Sound District Council of the Sawmill and Lumber Workers, in which they made the same point, that quota limitations should be imposed upon the imports of plywood.

Here are the letters and resolutions for imposing quotas on plywood imports:

WESTERN COUNCIL,
LUMBER AND SAWMILL WORKERS,
Portland, Oreg., March 1, 1957.

The Honorable RUSSELL V. MACK,
House Office Building,
Washington, D. C.

DEAR SIR: Enclosed you will find a copy of a resolution dealing with the importation of Japanese plywood, which was unanimously approved by the delegates at the recent 20th Anniversary Convention of the Western Council of Lumber and Sawmill Workers of the United Brotherhood of Carpenters and Joiners of America, held at Seattle, Wash., February 11–14, 1957.

The resolution itself is self-explanatory, but we wish to emphasize that the steady increase of importation of Japanese plywood over several years has been of great concern to the members of our union. The plywood industry in the Western States is currently suffering from overproduction and many of our members are unemployed or working part-time, and import increases serve to aggravate this condition.

We respectfully request that you lend your efforts to achieve the objective set forth in the enclosed resolution.

Very sincerely yours,
EARL HARTLEY,
Executive Secretary.

RESOLUTION OF WESTERN COUNCIL OF LUMBER AND SAWMILL WORKERS

RESOLUTION NO. 6—JAPANESE PLYWOOD

Whereas the importation of Japanese plywood has increased from 70 million feet in 1951 to 700 million feet in 1956; and

Whereas since it would take in excess of 10 250-man plywood plants to produce 700 million feet of plywood per year, there are a great many jobs lost to the economy of the Western States; and

Whereas the Japanese plywood is produced under substandard conditions and at wages no American workers could live on; and

Whereas because of the substandard wages paid Japanese workers, their plywood can and is being imported at prices below what it costs to produce it here: Now, therefore, be it

Resolved, That the Western Council of Lumber and Sawmill Workers here assembled in Seattle, Wash., reaffirm its position that an adequate quota should be established on Japanese and all other imported plywood in order to protect the jobs of workers in the plywood industry; and be it further

Resolved, That copies of this resolution be sent to Congressional delegates of all the Western States.

EARL HARTLEY,
Executive Secretary.

LOCAL NO. 2843,
LUMBER AND SAWMILL WORKERS,
Everett, Wash., May 20, 1957.

Hon. RUSSELL MACK,
House of Representatives,
Washington, D. C.:

We of Local 2843, Lumber and Sawmill Workers, wish to inform you of our concern about legislation to raise the tariff on plywood and peeled veneer and also to cut the quotas. We voted at our regular meeting May 14, 1957, to urge you to support legislation which calls for higher tariff and quota cuts.

Yours truly,
JAMES SEIM,
Recording Secretary.

PUGET SOUND DISTRICT COUNCIL,
LUMBER AND SAWMILL WORKERS,
Seattle, Wash., April 30, 1957.

Hon. RUSSELL MACK,
United States Congressman,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN MACK: No doubt you are aware of the fact that due to the importation of Japanese plywood manufactured by cheap labor has compelled the operators in the plywood industry on the Pacific coast to reduce their workweek from 5 days per week to 4 days per week, thereby reducing the take-home pay of our members by 20 percent.

Since 1951, there has been an increase of 4,000 percent on Japanese plywood shipped into the United States, the cost of manufacturing this plywood in Japan is $4.17 per 1,000 square feet compared to $30 per 1,000 square feet in the United States.

The officers of the Puget Sound District Council of Lumber and Sawmill Workers, AFL–CIO, and the affiliated local unions with a membership of approximately 20,000 in the State of Washington, request that you use every means at your command to seek a quota on plywood imports through regulation or legislation to limit consumption of hardwood plywood manufactured for sale. Thanking you for the consideration and support you have given us, I remain.

Very truly yours,
MICHAEL T. COSTELLO,
Secretary.

There was an editorial in one of the labor papers attacking my position on plywood imports. The editorial claimed that I was playing politics in urging import quotas, and it quoted a labor official, Alfred Rasmussen of the Middle West District Council of International Woodworkers of America, CIO–AFL, as a great authority on plywood. It went on to say that Representatives NORBLAD of Oregon and MACK of Washington knew nothing about the plywood situation, but that Labor Leader Rasmussen of the Middle West Association did know all about it. The editorial said Mr. Rasmussen had a solution for the problem. What was his solution? The editorial did not tell what the solution was. The solution offered by Mr. Rasmussen was that Congress should get busy and enact the Mack bill to place a limit on the imports of plywood. The paper blamed me, even while Mr. Rasmussen was urging the enactment of my bill. Mr. Rasmussen did not mention my bill, but he said the bill that Congressmen should enact was the bill of Senator THURMOND, of South Carolina. Senator THURMOND's bill and my bill are identical bills. The only difference in the two bills is that my bill was introduced on March 13, 1957, while the Thurmond bill was introduced March 14, 1957, a day after my bill had been introduced.

The editor of the CIO newspaper of Portland, Oreg., assails me for proposing quotas on Japanese plywood imports, says Japanese plywood imports are not hurting Oregon and Washington plywood employment and declares no quotas on plywood are needed. This CIO newspaper seems to want more Japanese plywood imported, not less.

This newspaper, however, says Mr. Oliver Rasmussen, president of the Midwest Woodworkers of America, AFL–CIO, is a real authority on what should be done for the good of plywood workers. The CIO paper editor, however, does not tell his readers that what labor leader Rasmussen urges, is that Congress enact the bill of Senator THURMOND, of South Carolina, and that Senator THURMOND's bill is identical to a bill introduced by Congressman MACK prior to the time Senator THURMOND introduced his bill that is identical to mine.

Labor Leader Rasmussen, on January 30, 1958 wrote me as follows pointing out the heavy unemployment in the plywood industry and urging quotas on plywood

just as my bill proposed to impose. Mr. Rasmussen's letter follows:

MIDWEST DISTRICT COUNCIL NO. 12 OF THE INTERNATIONAL WOODWORKERS OF AMERICA, CIO, FOR MICHIGAN, MINNESOTA, WISCONSIN, AND IOWA,
January 30, 1958.

Hon. RUSSELL MACK,
Congressman From Washington, House Office Building, Washington, D. C.

DEAR SIR: In April, 1957, we contacted your's and several other Senators and Congressmen relative to imported hardwood plywood. In most all instances the replies were sympathetic with assurances that our problem would receive attention.

We know this is true, but the fact remains that as of this date, January, 1958, no action has been taken, to our knowledge, by the Congress relative to legislation tending to alleviate and solve this situation that is strangling the very life blood of the hardwood plywood and veneer industry here in the Mideast Lake States area and other areas of the United States, and which since April, 1957, has got even worse to the extent that now, instead of 30 percent of our people being laid off, it has climbed to over 60 percent.

Our union and its members who are being deprived of their jobs and source of livelyhood, the plywood and veneer managements, and the general public are all alarmingly concerned more than ever over the failure of Congress and our Government to recognize the plight many of our good American citizens find themselves in.

When you consider that in such areas as Wisconsin, Michigan, and Minnesota, the plywood and veneer industry is the very life blood of their economic existance, this problem of imported hardwood plywood and veneer should give us all, including the Congress and other agencies of Government cause for concern.

Communities such as Algoma, Antigo, Ashland, Butternut, Birnamwood, Crandon, Gillette, Marshfield, Mattoon, Mellen, New London, Aconto, Oshkosh, Shawano, Sheboygan, Stevens Point, Two Rivers, Rhinelander, Wausau, etc., all in Wisconsin, and Newberry, Munising, Marquette, Gladstone, Grayling, just mentioning a few in Michigan and numerous others in Minnesota and other areas of the Nation, all of which depend to a large degree, if not entirely, upon the plywood and veneer industry for their economic life and well-being.

Many other related industries such as logging, hardboard, lumber, and so forth, also are affected indirectly by this cheap imported hardwood plywood problem.

When you consider that the American plywood and veneer worker competes each hour with a Japanese worker being paid only 11½ cents per hour, it is reasonable to say that the workers in both countries suffer hardship.

When you consider the American plywood and veneer industry competes with imported plywood from Japan that is sold duty free for less than the cost of production in the United States, is it any wonder that plant after plant in this area is being shut down with thousands of skilled workers being thrown on the scrap heap, and numerous communities becoming ghost towns.

Examples: Japan's exports to the United States in the January–June 1957 period totaled a 57-percent increase over the same period in 1956. Imports from Japan of hardwood plywood has increased 4120 percent since 1951. These imports ate up 46.6 percent of the total American market in 1956 alone.

Consumption of hardwood plywood in the United States is up 74 percent since 1951. Low priced imports captured 99.4 percent of this 74-percent increase in consumption.

Japanese plywood industry has increased their production 400 percent since 1951, mostly with the help of American capital—American plywood industry has increased their production in the same period by only 0.6 percent since 1951.

Japanese labor cost per 1,000 square feet of plywood is $4.17 as compared to from $30 to $34 per 1,000 square feet in the United States.

As our resolutions point out, we are not opposed to world trade to help our fellowmen. But we do feel that trade and import quotas should be based on comparable cost of production, a step which would go a long way in eliminating the slave wages being paid these Japanese workers, and the destruction of the jobs by the American workers. This exploitation of certain importers who are not concerned with peoples or the welfare of the United States in underselling our domestic plywood but only interested in making fast and big profits must be stopped.

We understand there are numerous bills dealing with hardwood plywood quotas being introduced in Congress, namely as follows:

House of Representatives: 22 bills identical to the Senate bill.

Some of these are:

H. R. 5939, by Representative MELVIN LAIRD, of Wisconsin.

H. R. 5837, by ALVIN O'KONSKI, of Wisconsin.

H. R. 6979, by JOHN BENNETT, of Michigan.

H. R. 5961, by Representative MCMILLAN, of South Carolina.

H. R. 5942, by Representative MACK, of Washington.

Resolutions from the State legislatures of Wisconsin, Pennsylvania, Vermont, and others have asked Congress for plywood quotas that are in line with the welfare of the domestic industry capacity to compete. Numerous civic and other organizations have also made requests.

We do appreciate the interest shown by the aforegoing Senators and Congressmen who sponsored these bills. However, we are of the opinion that if all these Senators and Congressmen want to seriously get such legislation passed they should sponsor and get behind one bill such as S. 1598 or possibly H. R. 5837. We believe to do this would better serve all concerned and the chances of enacting such legislation would be greatly enhanced.

We also believe if it is necessary that hearings, either in Washington or in the Midwest area, should be held in the very near future so that all parties concerned can present their case and the facts necessitating such legislation brought out thoroughly.

Any further information you might need or desire can be had from the following sources:

Hardwood Plywood Manufacturing Committee, Suite 601, 1145 19th Street NW., Washington, D. C.; phone National 8-4905.

Trade Information Committee of the American Tariff League, Inc., 19 West 44th Street, New York, N. Y.

We will appreciate anything you can do to promote legislation in this session of Congress that will solve this problem which is strangling the plywood and veneer industry and causing hardship to thousands of American workers and communities.

Hoping to hear from you in the near future, we are,

Truly and sincerely yours,
OLIVER J. RASMUSSEN,
President, Argonne, Wis.
REYNOLD LAFOND,
Vice President, Newberry, Mich.
CHARLES FISHER,
Duluth, Minn.

Mr. PORTER. I do not say that the plywood industry is not in bad condition. It is in bad condition in terms of employment of many people, but it is not because of the imports but on account of the housing situation. Finally, on the quota matter, I will stand by what was said in my speech. The difficulties in plywood today do not stem from imports from Japan. The gentleman has not explained how it is that Japanese hardwood plywood costs so much more than softwood plywood and that they are used for different purposes. The gentleman has not yet shown me how they are in competition. As for people residing in the Pacific Northwest having opinions, of course they do, and we should listen to them. The gentleman from Oregon [Mr. NORBLAD] found out when he went home that his people were in favor of reciprocal trade.

Mr. MACK of Washington. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield.

Mr. MACK of Washington. The gentleman has said he has heard no complaints when home in his District. Is it not a fact that the gentleman received while he was in Eugene a petition from workers in the Grants Pass plywood mills urging him to support some kind of quota legislation on plywood?

Mr. PORTER. Yes. The gentleman misunderstood me. I did not say I had received no complaints. My newsletter said I had heard personally from only three people who talked to me about it while I was home during the Easter recess. I did receive that petition while I was in Eugene, but petitions are not decisive here. We should be looking at the facts. That is what I have tried to set forth. How does the gentleman understand that there is any competition here when the two types of plywood are used for different purposes and when Japanese plywood costs $40 or $50 per thousand more? How is that? Can the gentleman explain that?

Mr. MACK of Washington. In 1950 in the States of Oregon and Washington 17 fir door plants were operating. Today in those States but 7 door plants are operating, 10 have gone out of business.

In 1950 Washington and Oregon made 10,000,300 fir doors; in 1956 these States made 2 million fir doors. This is 8 million fewer doors, the making of which would have required the labor of 2,500 people. Possibly these manufacturers have gone where they could procure Japanese plywood, but we have lost that employment in the States of Oregon and Washington. Would the gentleman care to explain that to the many signers of these protests?

Mr. PORTER. Despite the protests I know the gentleman would not wish me to ignore the facts.

I now yield to the gentleman from West Virginia.

Mr. BAILEY. It is safe to assume that the problem of Japanese imports has become a problem since the adoption of the Japanese treaty in 1955. It is safe to assume that it was an issue in the 1956 elections. I would like to ask the gentleman from Oregon if he talked the same kind of language to the voters of his District as he is talking now, or that he has decided to go along with the internationalists.

Mr. PORTER. I am not sure I understand the gentleman's question. I try to

talk straight to my constituents on all issues.

Mr. BAILEY. I am sure the gentleman received the labor vote in the State of Oregon in his District, and I am asking if he explained his position on the trade program to the people.

Mr. PORTER. So far as it came up I have always been for free trade; I have always been for the renewal of the Reciprocal Trade Agreements Act. I have always felt that they are extremely important in the world today and I hope this House will renew the reciprocal trade agreements program.

Mr. BAILEY. Does he think he can get the labor vote by maintaining a position of that kind?

Mr. PORTER. I will take my chances.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. We make wooden screws in this country and send them to Canada and Mexico. Our duty rate against similar products from those countries is 12 percent, yet when we send our wooden screws to Canada and Mexico, the rate against us is 30 percent. Can the gentleman tell me where the reciprocity is in a situation of that kind? What is fair about a reciprocal trade treaty in that particular line?

Mr. PORTER. I can only tell the gentleman that I have had a good deal of difficulty informing myself on plywood. I will take up wooden screws when they affect the interests of my District as much as plywood affects them. I do not know the answer to the gentleman's question.

Mr. NICHOLSON. This industry is hit just the same as plywood. I say that when we have reciprocity it should be reciprocity and not twice as much to one as one charges the other.

Mr. PORTER. I would agree with the gentleman.

Mr. NICHOLSON. The bill the gentleman has been talking about would take 5 percent off of textiles in 5 years, yet the textile industry in New England is sick. What does the gentleman think the industry should do? Close up entirely and allow Japan to supply the market with all the textiles especially when these 3 or 4 billions we give to foreign countries is used to buy the most modern machinery and to train their people how to operate it, buy modern looms and send our weavers over there to teach them how to operate them? Is that reciprocity?

Mr. PORTER. Let me say to the gentleman that the President of the United States has pointed out that 14 jobs are dependent upon industries which ship abroad to every one job which is affected by imports from abroad. It is, of course, important to American workers that we do everything practicable to maintain employment.

The SPEAKER pro tempore. The time of the gentleman from Oregon has expired.

SPECIAL ORDER GRANTED

The SPEAKER pro tempore (Mr. WRIGHT). Under previous order of the House, the gentleman from Oregon [Mr. ULLMAN] is recognized for 60 minutes.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the special order granted to the gentleman from Oregon [Mr. ULLMAN] for today be transferred to Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

SCIENCE, FOREIGN POLICY, AND McKINLEYISM

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. HOLIFIELD] is recognized for 45 minutes.

Mr. HOLIFIELD. Mr. Speaker, the tide of world opinion is turning against the United States. Our world status has been eroding for several years but there was a new low when the Soviet Union announced its atom and hydrogen test ban. The test ban, conditional as it was, seemed to come too soon after sputnik and most Americans are asking, What is wrong? Why is world opinion turning against us? Why is our prestige on the decline?

In reply to these questions we often hear that our worldwide propaganda services are lacking and that the Soviets are better at propaganda; that the Goebbels' approach to foreign affairs would restore our world prestige.

Or that we need a new and magic foreign policy which would fix everything. That we must only find the bright idea and we would be relieved from the expense and worry of doing all the things a great world power must do.

For one, I think the answer to these questions is vastly more complex than these panacea suggest. But if there is any one place for remedy, it could well be in the place of our major failure—the lack of harmony between our scientific and foreign policies.

Mr. Speaker, today, I would like to speak about the need for enlightened policies in science and technology and the interrelationship of this and our foreign policies.

I would like to show you how our present and outmoded technical policies work against us and how we allow domestic considerations of the McKinley era to stand in the way of vital technical programs.

I would like to show how great concepts such as atoms for peace have failed and how we have been made to appear, in the eyes of the world, as warmongers with only bomb tests in our display of scientific work. While we bear this stigma, we are still not prepared for war, and lag behind the Soviets in modern intercontinental missiles.

I will also look at the future—to programs such as the exploration and control of outer space and ask if McKinleyism will still prevail.

As we discuss these things, please bear in mind a significant point. The Soviet Union no longer seems to rely upon the element of surprise to get dramatic effect from their scientific decisions. They now tip their hand well in advance. In the case of sputnik the Soviet magazine Radio spoke of the satellite radio frequencies 5 months before it was launched and weeks before it was fired into orbit they spoke freely of what they were going to do at an IGY meeting here in Washington. Secretary of State Dulles has told us that we knew in advance of their decision to ban weapons tests.

We can well afford to ask if the Soviets are not this self-confident because they have analyzed our approach to science policy and see that we are so hidebound and doctrinaire that they need not worry about any swift change of approach which could upset their plans.

In the yesteryear, our scientific work was devoted primarily to gathering knowledge and sometimes notable achievement had only academic interest. Science then was secondary in world affairs. If there was a useful application of a new scientific principle—the application was in the province of private industry. And this was sacrosanct—it was no business of the Government to be involved in the application of scientific principles.

In today's world, science has potential for great good and for great destruction and single accomplishments can tip the balance of world power. Some applications are of earth shaking significance. The intercontinental ballistic missile armed with the hydrogen warhead could, if possessed by only one nation of the world change every concept of military power, or the development of central power stations utilizing controlled thermonuclear energy could so greatly change the power distribution systems of the world that there would be a new industrial revolution. The economic balance of power would be changed and the industrial potential of the nations of the world altered. This scientific principle—fusion of light elements—for hydrogen bombs or electricity can be developed and exploited as a great force for good or for evil. The United States Government cannot stand far back from matters such as these. We are faced with the declared intent of the Soviet Union to outpace us in the scientific field as well as the competitive field of international trade.

But yet there are still those who oppose Government participation in scientific work other than for military purposes. This was why our satellite program had a low priority. This is why our atomic electric power program lags.

Industrial studies have shown us that American industry, with but few exceptions, will appropriate but little money for work in its own laboratories for things which are not directed toward foreseeable profit. How then is such work to be done in the United States? There is no policy which answers this question—there is only a patchwork of compromise. I believe it is the absence of such a policy which is at the root of many of our problems.

But even in our scientific work on military projects, while there is not the same public versus private participation controversy, there is still an absence of policy. There seems to be no clear-cut method for new and exciting projects to

get under way and to be financed even though the end usage is not clearly apparent.

The policy of applying advanced nuclear science to destruction was born in the United States of wartime necessity. Our efforts after World War II to find some international basis for a peaceful alternative culminated with the Baruch plan and our work in the United Nations. Because of the attitudes of the Soviets, no control measures were possible and the atom bomb was needed as a deterrent to war because of the preponderance of Soviet military manpower and conventional arms.

The policy encompassing this was later called massive retaliation and the hydrogen weapon became our real or psychological shield from the Soviet military capacity.

As the years passed, the executive branch of Government failed to recognize that the policy would be less than effective if the United States did not also have the scientific policies for developing advanced delivering systems—beyond SAC bombers. I refer to the various types of missiles which are now belatedly being developed. For a policy such as massive retaliation is sterile without broad scientific development.

During this same period of time, the Soviet Union nourished its science and brought forth a bumper crop of physicists, mathematicians, metallurgists, engineers, and a host of other specialists. This effort carried them to a dominant lead over the United States in the ability to deliver weapons by intercontinental ballistic missiles with hydrogen warheads as good as ours.

Fortunately, today, all of this has produced only a stalemate—a balance of terror—but before many years pass, the whole concept of massive retaliation may no longer be responsive to the Soviet challenge of world domination.

If before long we do not have enlightened science policies, we will be unable to meet the challenge. In the Soviet Union science is flexible and they can readily switch over for peaceful as well as warlike conquest. They have demonstrated an awareness of the foreign policy and political consequences of scientific events. With them science and foreign policies seem to be in harmony and they have started broad technical and scientific assistance programs all over the world. But they have only started. The big technological economic offensive may be yet to come.

Even in their domestic affairs they are science oriented, for Zhukov was not demoted until sputnik could crowd the event out of the headlines and Bulganian went back to his bank after the headlines of the test ban.

Will the United States develop new and imaginative scientific policies? Will we harmonize them with our world needs? I doubt that we will. We have tried to do this several times and failed because of McKinleyism. Notable was President Eisenhower's atoms for peace program and his message to the United Nations in December of 1953. Most experts on world opinion say that few things have excited the peoples of the world as did this message. Here precious little more than lip service has been given the technical programs necessary to make atoms for peace a reality.

Of course, the President again spoke of atoms for peace in his recent letter to Khrushchev.

But what has happened to atoms for peace? President Eisenhower's proposal for the transfer of nuclear materials to peaceful purposes is a nullity without advanced atomic power reactor technology. While the administration held out hope to the world, they permitted the selfish private utility lobby to sabotage every proposal for the acceleration and expansion of reactor work. As a result, even the private atomic industry in the United States admits there is no program. They have called upon the Government to outline its objectives. In this past year they have pleaded for a statement of policy. There has been none.

Each of you recalls the 1956 debate and defeat of the Gore-Holifield bill which would have significantly expanded our peacetime atomic efforts. Last year a similar bill, the Anderson-Durham bill, was sabotaged in a more subtle manner. A watered down version of the bill narrowly passed both Houses and was enacted into law, but the Atomic Energy Commission proceeded along lines divergent to the intent of Congress. For example, the report to the bill suggested that Adm. Hyman G. Rickover, one of the world's leading experts on atomic reactors—the man who built the *Nautilus*—be allowed to build a natural uranium, gas cooled reactor, a type most foreign countries prefer. This was not done. The Atomic Energy Commission said the reactor was not feasible and they wanted to study it for a year. Over the Commission's objection the Congress authorized a study. We now learn that the Commission's reactor expert, Dr. Kenneth Davis, has also recommended to them that it be built because of its merit. Another precious year has been lost on a reactor type of great international and foreign assistance interest.

Congress could well afford to examine whether or not atoms for peace, as a concept, has not missed its opportunity as a world force. In his present hour of trial, the President seemed reluctant to mention it, despite the Soviet success in showing themselves as the sole proponents of atomic peace.

I seriously question that you can promise the world the bounties of the atom in 1953, provide nothing of significance by 1958, and still hold out the policy as being truthful, honest, and in the service of peace. I must think that in some places of the world atoms for peace is looked upon as the big lie.

It is for reasons such as this that we have no method for countering the Soviet propaganda barrage which accompanied the banning of hydrogen- and atomic-bomb tests. We have no alternatives. Without the technical effort, there is no alternative. When we knew in advance that the Soviets would announce their test ban, we were in no position to put out counterpropaganda on our contributions to atoms for peace. We have been branded as a warmonger on the billboards of the world; and what can we show in the peaceful uses of the atom, despite the President's words of December 1953?

In fact, this year the United States—with Government funds—the Gore-Holifield formula which the administration refuses to accept—finished building our first large atomic reactor, which now supplies electricity to the city of Pittsburgh. This plant at Shippingport, Pa., built by Admiral Rickover, came into operation last December, and much of the news propaganda value of the event was deliberately suppressed in the interest of the large utilities who want subsidies but no Government direction. Even today the Shippingport plant has not been officially dedicated, an event which undoubtedly would offer the President a forum for discussing the atom in its peaceful use.

Can anyone in this House tell me why, in those trying days before the Soviet test ban announcement, when we knew what they were going to do, the President didn't go to Shippingport to declare open the United States first full scale peacetime atomic reactor? He might have been able to say again that he was interested in atoms for peace. He could have offered to all the world the atomic reactor techniques of Shippingport. He could have, but he did not.

The Queen of England also has pressing social and recreational engagements but she found time, in October 1956, to dedicate Britain's atomic reactor at Calder Hall. There was great worldwide publicity attendant to this event.

In his letter to Premier Bulganin of last January, President Eisenhower tried a new tack. He called for science for peace and spoke about devoting our science to great medical purposes—conquering heart disease and malaria. But in a showdown, if such were to be a real policy, would not the voices of McKinleyism in the administration sound the call for socialized medicine and get the Government out of medicine? What program to accelerate scientific exploration of heart disease and cancer has been advocated by the President?

The science policy of this administration is easy to describe. It is this. Keep the Government out of science and technology unless there is an overriding military need. Anything else should be done by private industry along the most profitable and selfish lines. Private industry, of course, cannot furnish adequate funds for basic research because of the expense involved.

But the continuance of hydrogen bomb tests is not the only thing which makes us appear as only warmongers in the world. The President has proposed the sharing of atomic and hydrogen bomb data and components with foreign countries. His legislative proposal, which is now before the Joint Committee on Atomic Energy, would make it possible for us to make other nations atomic hydrogen bomb powers. This possibility was admitted last December by the Chairman of the Atomic Energy Commission in a letter to the Department of Defense.

I am sure all of you have noted the political reactions in Great Britain, Italy, Germany, and elsewhere to having these countries embark on a program of arming with nuclear weapons.

I have opposed this legislation and in the days to come will have more to say on the dangers inherent in the President's proposal. The atoms-for-peace program was announced in 1953, but it seems that in 1958 the President would send atom and hydrogen bombs to Europe long before we have developed the technology for assisting them to convert the atom for peacetime uses. Let us export peacetime atomic equipment and at the same time have a technical program at home which not only supports atoms for peace, but also would arm us with advanced delivery systems. If our preparedness was adequate, Europe would not need to worry over its lack of hydrogen bombs.

The community of European nations in the Free World have a need for additional power sources and are anxious to develop atomic power stations. If atoms for peace were a reality, power reactors would be going to Europe now. The mere doing of this could well soften world tensions to the point where it would not be considered necessary to create new hydrogen bomb nations.

The most exciting challenge of this century is in the prospect of developing outer-space vehicles and the exploration of outer space. Like atomic energy, this field can be devoted either to war or to peace and, if developed, can be a potent factor for peace. As many renowned scientists have pointed out, the peacetime benefits do not lend themselves to precise definition at the moment, but unquestionably are of values many times more than the needed investment. From scientific advancements in the field, new military policies will unquestionably evolve.

I fear that the fine proposals of today for outer-space development will be like atoms for peace—all talk and no program.

The record to date on outer space decisions in the administration gives rise to this suspicion. It is now 7 months since sputnik and the administration has done little good tangible work.

On the surface, it would appear that they have started a program of outer space development. But when we look behind the press releases, we see little. On this, like past occasions, matters of major moment have been referred to Presidential study teams who, in turn, produce interesting reports. Matters have a way of stopping there. Take the example of civilian defense.

Following hearings in the Government Operations Subcommittee on Civil Defense, of which I was chairman, a Presidential Advisory Committee studied the matter and produced the Gaither report. What has resulted from the study effort? Although some of us know that a national shelter building program was recommended in the report, as well as in the Rockefeller and Johns Hopkins reports, the administration does not act. It continues to stall in the face of potential destruction.

The problem of outer space development was referred to Dr. Killian and now we have the work of many months, the report of Dr. Killian's committee. It is an interesting primer. On the science of outer space, the report makes fascinating reading as the President pointed out. In addition, after study by his advisers, the President forwarded legislation to the Congress recommending a civilian agency to direct governmental activities for outer space exploration.

On all of this, I can only say that "the mountain labored and produced a mouse." It is now almost 7 months after sputnik and, from what I can see, little else of consequence has been done other than the publication of the Killian primer and the preparation of some legislation. True, the Advanced Research Projects Agency of the Department of Defense was started, but I am not aware that they foresee any programatic goals.

During this 7-month period, the President has had at his disposal ample powers under existing laws to inaugurate much more outer space scientific and technical work.

One phase of the scientific work which could have been expanded was in the field of atomic propulsion for space vehicles. As you recall, I addressed the House on January 16, 1958, and called for the inauguration of a major project to apply nuclear propulsion to outer-space vehicles. Since then, I know of no decision to accelerate the modest efforts of the Atomic Energy Commission. For a few years, there has been an effort for the application of nuclear power to missiles, but this was so badly mauled by budget limitations that little of consequence was done. This same inadequate program crawled while Dr. Killian studied and the primer was prepared. If only they gave Walt Disney the job of preparing the primer, perhaps the President's scientific advisory committee could have prompted the acceleration of work on nuclear power for space travel.

While the President's advisers studied, the Joint Committee on Atomic Energy held hearings on nuclear applications for outer space. We learned from the experts that there is overwhelming evidence that nuclear power will be necessary to propel large size space vehicles. It offers the only continuing source of propulsive power for the purpose, which we can now foresee.

Within the atomic energy program, there are excellent Government laboratories. They range in size from the large Los Alamos, Livermore, Bettis, and Brookhaven installations to smaller organizations. This complex of laboratories is, in my opinion, the greatest scientific and technical asset the United States possesses. These laboratories and installations could make major contributions to the problem of nuclear propulsion for outer space vehicles. Only the Los Alamos and Livermore laboratories are being utilized. The Chairman of the Atomic Energy Commission, Lewis Strauss, recently testified that these laboratories are too busy on atomic weapons work to do much more, but he added that he did have other available laboratory potential.

We must develop a dynamic national program which will impress the free and uncommitted world that a modern democracy has more to offer than modern communism.

Let us be honest and admit that a monolithic society such as the U. S. S. R. has certain tactical advantages of maneuverability and unified direction. But a modern democracy such as ours also has advantages which can be mobilized under proper leadership. We have exclusive assets which the U. S. S. R. does not have.

Our first great asset is the broad base of experience in selfgovernment. This asset has produced capacities of individual initiative and ingenuity which we believe to be the foundation upon which our great industrial productivity is based. Many facets of our free society contribute to the development of the individual. Among those factors are education, free choice of a vocation, and the dynamics of competition to originate and develop new ideas in the market place.

Our second great asset is the mighty industrial complex which has been developed on the foundation of the first asset. Our industrial production capacity is paramount to any other nation in the free or slave world. The present capacity can be doubled or trebled in a very few years, providing we have just one vital factor.

That factor is leadership at the top government level. This leadership must focus in the President. In a democratic free society the temptation to drift and delay is probably our greatest weakness from the standpoint of national action. The President, acting, of course, with the great powers of consultation and advice from his own Cabinet and the complete resources of national brainpower and ability, can provide the national program needed to meet any challenge from any other nation or group of nations.

President Eisenhower is not providing the type of leadership which is sorely needed at this time. I make this statement in sorrow and not in anger. He has not risen to the challenge which is being posed by the U. S. S R.. He has not galvanized the resources of our Nation to the task ahead. He has not given to us the inspiration of leadership which is the missing factor in making effective the assets of our free society in the contest with communism on the international field.

I do not speak of military contest at this time. I speak of the contest of production of goods for Free World development. I speak of the acceleration of scientific research and development and I speak of the acceleration of individual development of capability.

If the President will set the goals of endeavor first for our own people, and implement specific programs for the acceleration of our own (a) scientific research and development, (b) educational advancement, and (c) increased production of needed goods for our people and for the development of other free and uncommitted nations.

I assure you that our people will rise to meet the challenge of communism,

whether it be in the field of war or peace.

We can meet the propaganda and boasts of dictators. We can meet and surpass the deeds of dictators.

But dictators' words and deeds can not be met by drift and delay. They can only be met by the dynamic mobilization of free men and Free World resources for the inevitable contest in which we are involved.

We must move rapidly into the field of world trade. We must take the place in international finance and development which England has occupied and from which she has now been forced to withdraw.

It is our responsibility and our opportunity to develop the capital investment of basic industries in the underdeveloped nations. To do this we must export capital goods and this means longtime capital investment abroad. Concurrent with such a program, we develop consumer demand for all types of goods made by American workmen.

Our factories must operate at capacity. Our people must work at capacity. Our society must expand each year. All of these things can be done through leadership at the top galvanizing and mobilizing existing resources within our Nation.

We need not fear the Soviet propaganda coups.

We can challenge the Soviets to match our efforts and deeds. This would be the most effective form of resistance to their ideological or economic penetrations. I fear there is no other effective type of opposition.

Let us initiate proposals and challenges to the Soviets in the fields of peacetime application of our science and industrial technologies in specific fields of space exploration and peacetime application of atomic energy.

But let us follow those challenges with programs of action. If the Soviets cooperate, the tension will be lessened. If they fail to cooperate, they will stand convicted before the world of the inadequacies of their own totalitarian system or their unwillingness to cooperate for world betterment.

In the field of developing backward nations, let us move forward with specific programs of development in selected uncommitted nations. Let us help them build their dams for hydroelectric power and irrigation. Let us help them build their factories, utilities, and transportation systems. Let us help them in their agricultural and industrial and health development.

These are the types of dynamic programs we need to show to a waiting world the dynamics of a free society.

Only by great vision and great deeds can we win the admiration and cooperation of the free and uncommitted nations to the democratic way of life.

THE INAUGURATION OF THE FEDERAL PARLIAMENT OF THE WEST INDIES

Mr. DIGGS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DIGGS. Mr. Speaker, I have just had the honor and pleasure to have been a member of the Congressional delegation which attended the inauguration of the Federal Legislature of the West Indies on April 22 in Port of Spain, Trinidad. In company with Congressmen POWELL, ROBSION, and HOSMER, I was present at a ceremony which marked the beginning of representative democratic government in a new Federation which encompasses 10 unit territories stretching from Jamaica, through the Leeward and Windward Islands, Barbados, and down to Trinidad and Tobago.

The people of the West Indies are no strangers to us. Not only do many Americans visit the area every year, but an even closer tie emerges from the fact that we have living throughout the United States thousands of outstanding citizens who came from these friendly, neighboring islands.

On the occasion of the Federation coming into being, Lord Hailes, the Governor General of the West Indies, stated:

> The inauguration of the Federal Parliament of the West Indies by Her Royal Highness Princess Margaret represents the crowning achievement of all those who have worked patiently for the federation of the territories of the West Indies.
>
> This is a turning point in the history of the West Indies. All West Indians will now share the responsibility for the evolution of a West Indian Nation within the Commonwealth; and it should be an inspiring moment for the citizens of the Federation to see their representatives take their place in a Federal Parliament.
>
> I am confident that by the wholehearted determination, not only on the part of those who have been appointed to direct the affairs of state, but also of the whole West Indian people, the Federation of the West Indies will endure and prove worthy of its new place in the world.

Anyone who was present in the West Indies during the historic occasion when a constitutional government began its deliberations could only be tremendously impressed with aspirations, the spirit, and the recognition of responsibility that were evident. I believe, and our delegation so stated when we were in the West Indies, that the United States should do everything appropriate to assist and support the progress and political stability of this new nation.

It is generally believed that over the next few years the Federation will take the final steps toward achieving full autonomy and independent nationhood within the British Commonwealth. Political evolution is working in democratic fashion in the West Indies. A new nation is being born in the Western Hemisphere, with responsible leadership, and with high hopes.

Mr. ROBSION of Kentucky. Will the distinguished gentleman from Michigan yield?

Mr. DIGGS. I shall be happy to yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. I would like to express my hearty agreement with all that the honorable gentleman from Michigan has said. We indeed found it stimulating and heartening to be on hand at a time when a new nation began its entrance into the world community.

While attending the ceremonies inaugurating the West Indies Legislature, my colleagues and I had the pleasure to meet with the Prime Minister, the Honorable Sir Grantley Adams, and his Cabinet. In fact, it was our good fortune to be present on the historic occasion of the first meeting of the Cabinet. We were greeted by Sir Grantley Adams, K. T., C. M. G., Q. C., who has not only been prominent in the affairs of Barbados, but also in the West Indies generally and who has the honor of being the first Prime Minister of the new Federation of the West Indies. On receiving us he referred to our great heritage and to the great influence upon the West Indies of such a great statesman as Alexander Hamilton who himself came from the island of Nevis which is now a member of the Federation of the West Indies.

Sir Grantley Adams escorted us into the council chambers where we were introduced to the distinguished statesmen who will comprise the first Cabinet of the West Indies. We had the honor to meet Robert Llewellyn Bradshaw, St. Kitts, Minister of Finance; Dr. Carl Donald George La Corbiniere, St. Lucia, Minister of Trade and Industries; Wilfred Andrew Rose, Trinidad, Minister of Communications and Works; Frank Barrington Rickets, Jamaica, Minister of Natural Resources and Agriculture; Phyllis Byam Shand Allfrey, Dominica, Minister of Social Affairs; Victor Bovell Vaughn, Barbados, minister without portfolio; Novelle Hamilton Richards, Antigua, minister without portfolio; Allan George Richard Byfield, Jamaica, minister without portfolio; James Winford Liburd, Nevis, minister without portfolio; James Luc Charles, St. Lucia, minister without portfolio.

Sir Grantley Adams expressed the appreciation of the West Indies to the United States for its leadership and friendship and stated that they would look forward to the close and harmonious relations with our country, so important to the future of both the United States and the West Indies.

We took the opportunity of extending to the West Indian Government the good wishes of this Congress and of the people of the United States.

We also paid a visit to the Honorable Ashford Sinanan, leader of the opposition in the West Indies House of Representatives. We extended our felicitations which he reciprocated on behalf of his parliamentary group.

In both the leaders of government and the opposition, we saw evident the spirit of nationhood and the desire for successful and fruitful government. We had the chance to meet many other West Indian people who exhibited the same pride of achievement and dedicated sense of purpose. There is no doubt in our minds that this new neighboring nation is founded on democratic principles and is deserving of all appropriate support which the United States can bring to bear.

Mr. HOSMER. Will the distinguished gentleman from Kentucky yield?

Mr. ROBSION of Kentucky. I shall be happy to yield to the gentleman from California.

Mr. HOSMER. To see a new nation come to life in democratic fashion is an experience in Government and politics which is not only personally exciting but also serves to confirm our profound belief in the wisdom of self-government and political progress along constitutional lines. The present position and the future prospects of the West Indies are striking reminders of the similarity of political development in the early years of the United States. The federal system of government which has stood us in such good stead throughout our history has its counterpart in the new nation.

It is my hope, and one that I know is shared by my fellow delegates, that the West Indies should achieve the progress which it deserves and the economic betterment which it seeks. The stronger and more politically sound our new neighbor is, the better she can assume her role as a partner in the Western Hemisphere.

The West Indies occupy a strategic position in the defense complex that serves to protect this hemisphere. The new nation sits athwart the main trade route between North and South America and screens the eastern approaches to the Panama Canal. We hope and are confident that as it takes its place in the community of the Western Hemisphere it also assumes partnership responsibility in assisting in the protection of free world interests. No one nation, if it wishes to survive and protect its democracy, can ignore the requirements of mutual defense in these troubled years.

While in Trinidad, we took the opportunity to inspect our strategically important naval station at Chaguaramas. We reviewed the facilities and installations on this base with greatest care together with the plans for its development as a prominent link in the strategic defense system of the Western Hemisphere and of the free world and of the islands of the West Indies. There is no doubt that this base forms a vital link in the defensive chain that stretches along the eastern Atlantic approaches to North and South America. The West Indies has requested the United States to release Chaguaramas for a capital site for the new federation. A Technical Commission made up of representatives of the United States, the United Kingdom, the West Indies, and Trinidad, has met and submitted its report on the question of a possible alternative site for the base, taking into consideration relevant military and economic factors. This report is in the hands of the interested governments. We know that the careful deliberations and conclusions of an objective group of experts will provide the basis for an amicable settlement of the Chaguaramas issue which will fully take into account the vital defense interests in the Caribbean area.

I cannot help but believe that the West Indies is as concerned with the defense of the Caribbean area as are the United States and Her Majesty's Government. I feel confident that the leaders and people of the West Indies recognize the importance of defending the Caribbean area and look toward the United States to bear a major part of this responsibility. It follows, of course, that the West Indies are willing to make such sacrifices as are necessary to meet the mutual defense needs. The friendship, understanding, and statesmanship which we witnessed on all sides leads me to believe that an equitable solution shall be found, taking into full account our mutual needs and interests, and, indeed, those of all our Western Hemisphere neighbor nations.

Mr. DIGGS. It is my pleasure to present the names and biographies of the members of this newest parliament in the Western Hemisphere which was yesterday invested by Her Royal Highness Princess Margaret.

SENATORS

JAMAICA

Allan George Richard Byfield, educator, churchman, and policitian, was born in 1913. He is a former headmaster of the Trench Town Government School and president of the St. Ann's Federation of Teachers. He is a Baptist deacon and has been a member of the executive council of the Baptist Union since 1951. Mr. Byfield is a longtime member of the general council of the People's National Party.

Douglas Joseph Judah, solicitor, legislator, company director, was born in 1906. He has been a member of the Jamaica upper house, the legislative council, since 1942 and has been a member of the Jamaica delegations to practically all the Federation conferences since the Montego Bay talks in 1947. In the field of business, he is chairman of the Jamaica Broadcasting Company, vice-chairman of the Alumina Jamaica Ltd. and has a finger in a host of other company pies. He is a director of B. W. I. A. Ltd.

TRINIDAD

Dr. Deonarayan Omah Maharajh, 51 years of age, physician, graduated from the University of Chicago in 1935. He was first president of the Sanatan Dharma Mahasabha and is still a top official of that Hindu organization. Dr. Maharajh is also an assistant Commandant of the British Red Cross Society.

Mrs. Marguerite Wyke, artist, musician and journalist, was educated at New York University. She is active in the fields of art and culture and has sat on several committees. She has also taken a lively interest in political affairs and is a high ranking member of the people's national movement. Her husband, Dr. David Wyke, is a Canadian trained medical practitioner. Mrs. Wyke was born in the United States, and has been resident for many years in Trinidad.

BARBADOS

The Honorable Sir Hampden Archibald Cuke, O. B. E., was born in 1892, has been a member of the Barbados Legislative Council since 1942. He became President in 1955. He is a member of the executive committee and of the executive council. Sir Archibald is an authority on the financing of the West Indian sugar industry and has been on many sugar missions abroad. He has also been a member of Barbados delegations to Federation conferences since 1947.

The Honorable Dr. Arnott Samuel Cato, 46 years of age, is a surgeon in private practice. He has been a member of the Barbados Legislative Council since 1951 and has been a frequent adviser to Sir Grantley Adams, Premier of Barbados, at conferences. Dr. Cato is chairman of the committee appointed by the then Standing Federation Committee to investigate the question of the University College of The West Indies becoming an autonomous University. He was born in St. Vincent and won the St. Vincent scholarship.

ANTIGUA

Henry Darrell Carlton Moore, age 57, retired civil servant and exserviceman. Served several years member of Antigua appointments and promotions board and temporarily on public service commission. Member of industrial development board and of fisheries committee. Political affiliation not known.

Mrs. Bertha Higgins, age 68, formerly art and music teacher in various schools in Antigua and for 20 years at high school. Political affiliation not known.

DOMINICA

John Baptiste Charles, age 83, planter, served as an elected member legislative council for 16 years and on the Roseau Town Council for 35 years. Also on executive council and on several government boards.

George Austin Winston, age 77, retired civil servant who has been a member of the executive and legislative councils for several years and served as representative of the Colony at important conferences. Also served on labor advisory board and several public committees.

GRENADA

Theophilus Albert Marryshow, C. B. E., age 71, served as an elected member of the legislative council for 34 years and on executive council. Also served as a representative of the colony at important conferences and on numerous public committees and boards.

John Byron Renwick, C. B. E., solicitor, governing director West Indian Publishing Co., Ltd. Served on St. George's district board and on executive and legislative councils and on several committees and conferences.

MONTSERRAT

James Henry Arnold Meade, barrister at law and landowner who practiced law in Montserrat for over 30 years and for brief periods in Trinidad and Jamaica.

ST. LUCIA

Allen Montgomery Lewis, Q. C., L. L. B. (Hons.). Served as an elected member of the legislative council and on numerous government committees and conferences. Also as chairman of the Castries Town Board and on the education board. Acted on three occasions as a Puisne judge of the Windward and Leeward Islands supreme court.

James Luke Charles, age 60, planter, served on the legislative council, government road board, and other public committees and as the Island's representative on the occasion of the coronation of Her Majesty Queen Elizabeth II. Political affiliation with the Labor Party.

ST. VINCENT

Edward Alexander Clavier Hughes, age 41, barrister at law and company director. Served on the legislative and executive councils, also as chairman of tourist board and as a member of several other boards and committees.

Herbert Fitz-Allan Bryan Davis, O. B. E., J. P., age 77. Served on the executive and legislative councils for 12 years, and as a member, and several times as chairman of the Kingstown board for over 24 years. Also on several public committees and boards.

ST. CHRISTOPHER-NEVIS AND ANGUILLA

James Winford Liburd, represented Charlestown electoral district in the island of Nevis from 1952 to 1957 and attended Commonwealth Parliamentary Association Course in 1957. Member of the St. Kitts-Nevis trade and labor union executive.

William Arnold Seaton, druggist and member of chamber of commerce of St. Kitts.

BARBADOS

Barbados Labor Party—West Indies Federal Labor Party

Sir Grantley Adams, K. T., C. M. G., Q. C., 59, is Prime Minister of of Barbados, leader of the Barbados labor party, and first vice president of the West Indies Federal Labor Party. Sir Grantley is politician, journalist, and lawyer. He elected to study law after winning an island scholarship in classics from Harrison College.

As a journalist, Sir Grantley has been leader writer of the Advocate, editor of the Agricultural Reporter and editor of the Beacon. Sir Grantley has been a member of the House of Assembly since 1934. In 1946, he was made leader of the House of Assembly and in 1954 he became Barbados' first premier under the country's new constitution.

Sir Grantley was president of the Barbados Progressive League and the Barbados Workers' Union and also president of the Caribbean Labor Congress. While president of the Caribbean Labor Congress, Sir Grantley was chosen to be a British delegate to the United Nations' meeting in Paris in 1949. He has attended every federation conference including Montego Bay 1947, the London conferences of 1953 and 1956 and all the meetings of the standing federation committee.

Victor Vaughan, 51, is a druggist. He was first elected to the House of Assembly in 1940 but resigned some 19 months later. He tried to reenter the assembly in 1946 without success but he won in the elections of 1950 as an Independent. He won again in 1956.

Deighton Ward, 49, is a barrister. He has been a member of the legislative council, the Barbados upper house, since 1955. Mr. Ward is the brother of Mr. E. R. L. Ward, former chief justice of British Honduras, now resident in Trinidad.

Harcourt Rocheford, 35, is secretary of the Barbados Labor Party. He has acted twice as secretary and librarian, Barbados House of Assembly. He was educated at Harrison College.

Mrs. Florence Daysh, 50, is the second woman to be a member of the Barbados legislative council. An active social worker, she has been in the field as far back as 1937, when she was associated with the committee of the Baby Welfare League. During the war, she saw service in the United Kingdom. She was attached to the prisoners of war department, St. James Palace, served with the Red Cross Society for 3 years and qualified as an ambulance driver in the London Auxiliary Service. When Mrs. Daysh returned to Barbados, she continued her social work. Mrs. Daysh is also a sportswoman, her hobbies being tennis and hockey. In fact, she captained the Barbados hockey teams on several occasions. She was educated in Barbados, England, and France. She is a member of the Barbados National Party.

ST. LUCIA

Dr. Carl La Corbinière, 51, is an optician and pharmacist, has been Minister of Trade and Production. He entered politics in 1950 and since then has been consistently returned to the legislative council. He has been representing St. Lucia at Federation Conferences since 1953 and is now a member of the Governor-General's Advisory Council. Dr. La Corbinière, who is widely travelled, is an exserviceman. He served with the RAF in the Middle East and Europe.

J. M. Bousquet, 41, entered into active politics in 1950, when he became a member of the St. Lucia Workers' Co-operative Union. Later, he formed his own union, the United Workers Union. He became a member of the Legislative Council in 1953 but lost the seat in 1957.

Mr. Bousquet was for many years a seaman and gained many service decorations before he retired voluntarily with the rating of quartermaster.

Both he and Dr. La Corbinière are members of the St. Lucia Labor Party.

TRINIDAD

Democratic Labor Party

Ashford Shastri Sinanan, first deputy leader of the Democratic Labor Party, is 35. He entered politics in 1948 when he was elected to the San Fernando Borough Council for 3 years. In 1950 he won the Naparima seat on the legislative council and was again returned in 1956—but for the Pointe-a-Pierre constituency. During his first term on the legislative council, Mr. Sinanan acted as Speaker and, at one time, as a Minister. In 1956, he was a member of the Trinidad delegation which attended the London Federation talks when the final agreement was signed.

Albert Maria Gomes, C. M. G., 47, journalist, is one of Trinidad's and the West Indies most colorful political personalities. Mr. Gomes, who received his early education at Pamphylian High School and New York University, entered politics by way of the trade unions and the Port of Spain City Council. He served on the city council from 1938–47, becoming Deputy Mayor in 1944. He was first elected to the legislative council in 1946 in a by-election, was reelected a few months later in the general election and was returned again into 1950 when the country voted under a new constitution. Mr. Gomes was Minister of Labor, Industry, and Commerce from 1950–56, during which period he led many Trinidad and West Indies delegations at conferences abroad. Indeed he attended all the federation conferences up to 1956 and was a Trinidad representative at the Montego Bay talks in 1947.

Victor Templeton Bryan, 51, enjoys reputation of never having lost an election since he entered politics in 1943 when he was elected to the Arima Borough Council. In 1946, he won a seat to the Legislative Council on a West Indies National Party ticket. In the following year, he bested his present party colleague, Mr. Albert Gomes, and was elected to the Port of Spain City Council. In 1950, he again won a legislative council seat in the eastern counties and became Minister of Agriculture and Lands. In this capacity, Mr. Bryan attended many conferences abroad.

In 1956, he won again but this time had to be content to be a member of the opposition, for the People's National Movement gained the majority of seats.

Mr. Bryan was president of the Trinidad Labor Party and leader of its parliamentary group until the Trinidad Labor Party merged with other parties to form the Democratic Labor Party. He is now Chairman of the Democratic Labor Party of Trinidad and Tobago and second Deputy Leader of the Democratic Labor Party of the West Indies. Mr. Bryan, who was educated at St. Mary's College, was policeman, journalist, oilfield employee, and United States base employee before becoming a businessman.

Roy Joseph, C. B. E., 53, is a former Minister of Education and Social Services. He lost his seat on the Legislative Council in 1956 after being a legislator for 15 unbroken years. He was a member of the San Fernando Borough Council from 1937–50. Within that period, he was Deputy Mayor from 1943 to 1945, Mayor in 1946 and again from 1948 to 1950. Mr. Joseph broke with the West Indies National Party in 1946 and remained an Independent until the formation of the Democratic Labor Party last year.

Suruj Pat Mathura, 34, is an alderman on the Port of Spain City Council. He was elected to the City Council in 1952 to replace his deceased father and has been a member ever since. Mr. Mathura sought Legislative Council honors in 1956 on the ticket of the People's Democratic Party, now embraced in the Democratic Labor Party, but lost. Mr. Mathura is a member of the DLP Executive and toured the East Caribbean late last year along with other members of his federal party from both Trinidad and Jamaica. He was supporting the candidature of affiliates of the party in an election which had then engulfed the area.

Mohammed Shah is a barrister-at-law. He was a member of the Party of Political Progress groups but broke with them in 1956 when he decided to withdraw from the general elections which the party had nominated him to contest. Mr. Shah is a San Fernando Borough Councillor. He was elected in 1953 and reelected in 1955.

People's National Movement—West Indies Federal Labor Party

Ronald Williams, 30, is a director of L. J. Williams Marketing Co., Ltd., his father's concern and assistant manager of American Life Insurance Co. He was educated at St. Mary's College and later was graduated from the University of Toronto with the bachelor of arts degree in commerce and finance. Mr. Williams has been active in the local theater movement and has been a member of a committee appointed by Government to study the impact of the siting of the Federal capital on the economy and society of Trinidad.

Donald Pierre, 41, foundation member of the People's National Movement, is a solicitor and conveyancer. A former teacher, he also holds the bachelor of arts degree.

W. Andrew Rose, 42, is an agricultural consultant, chartered auctioneer, estate agent, and sanitary engineer. He has the diploma of the Imperial College of Tropical Agriculture, went to the College of Estate Management, London University, has the sanitary science diploma of the Royal Sanitary Institute, London, and the associateship of chartered auctioneers, Estate Agent's Institute.

Mr. Rose has served on several government committees and commissions. Among them are one on pioneer industries and another inquiring into the road transport situation. This he headed. A foundation member of the people's national movement, Mr. Rose sits on the general council and central executive and is chairman of the elections committee.

A. N. R. Robinson, 32, is a barrister at law. He had a fine academic career at secondary school and later went to Oxford University where he gained a degree in modern greats. Later he was called to the bar at the inner temple. Mr. Robinson, who is a foundation member of the people's national movement, is a member of the P. N. M. general council and the P. N. M. central executive.

JAMAICA

People's National Party—West Indies Federal Labor Party

F. B. Ricketts, 50, is a former teacher who left teaching to take up agriculture and politics. Mr. Ricketts is extremely popular in the parish of St. Ann's and has been chairman of the council there for 7 years in a row.

Louis Patrick Delapenha, 52, is a solicitor. He has a wide practice and has been actively associated with all the cultural activities in the parish of Manchester. He has been secretary of the Mandeville Country Club for the past 15 years.

Howard Hanlon Cooke, 42, is a headteacher, who refused promotion to concentrate on politics. He has the reputation of being a charming conversationalist and persuasive platform speaker. Mr. Cooke has been headmaster of the Montego Bay Boys' School and is assistant secretary of the Montego Bay Guilds Club, the leading institution of its kind in that area.

Albert Belinfante, 41, an elementary school teacher, is an ardent party member, who has served as chief campaign organizer for mem-

bers of the house of representatives. Mr. Belinfante, who had made his mark as an athlete during college days, has identified himself with all forms of sport in his district. Additionally, Mr. Belinfante takes an active interest in 4–H club work, is associated with the Jamaica Agricultural branches and has identified himself with nearly all efforts in the arts.

Ralph Brown, 34, is political secretary to the Hon. Wills Isaac, Minister of Trade and Industry. Mr. Brown has been active in politics ever since he returned to Jamaica after serving with the R. A. F. in World War II. He was elected to the house of representatives in 1956. As chairman of the Kingston and St. Andrew town planning committee, Mr. Brown attended a town and country planning conference of the West Indies in Trinidad in November, 1956.

Jamaica Labor Party—Democratic Labor Party

Kenneth Hill is a former People's National Party vice president, a former member of the House of Representatives, and a former mayor of Kingston. Mr. Hill is a long time trade unionist and is also a journalist by profession. When he lost his seat in the house to Mr. Hugh Shearer of the Jamaica Labor Party, Mr. Hill became attached to the Spotlight News magazine of which he served for a while as acting editor.

Robert Lightbourne, first managing director of the Industrial Development Corp. during the Jamaica Labor Party regime, is an industrialist who made his mark in the United Kingdom before returning to Jamaica, where he was chairman of Juney Iron & Steel Co., Birmingham. The Lightbourne name has for generations been a household word in St. Thomas in which parish Mr. Lightbourne was successful. In 1946 Mr. Lightbourne invented a grass drying machine which he presented to the Jamaica Government.

W. B. Williams is a dental technician. After attending the Mannings High School and the St. John's College, he went to the Branch Institute of Engineering Science in Chicago, United States of America.

Maurice Cargill is a planter-solicitor. But he has acquired great recognition as a journalist. For years he was a leading columnist on the Jamaica Gleaner. He wrote his column under the pseudonym Thomas Wright.

Lionel Densham, 58, was born in England, where he studied engineering at London University and Thornycroft's Shipyards. He navigated a sailing yacht across the Atlantic in 1930 and flew from Canada to Jamaica in his own aircraft in 1944. Mr. Densham has identified himself with all forms of activity in Jamaica. He has been on the parochial board, the food production board, and the land settlement board. Moreover, he is a prominent sportsman.

Dr. Frederick Duhaney, 50, is a doctor of dental surgery. He was educated at Howard University. He wrote a thesis on the socio-economic factors governing the Negro community in Washington. Moreover he has published papers on poetry and philosophy.

Archdeacon Lachland Lennon, 73, is a missionary, educationist, agriculturist, and politician. He was born and educated in Jamaica but served for a long period in Nigeria. There he founded schools and churches, promoted agricultural, industrial exhibitions, and did social welfare work generally. He was a member of the Western House of Assembly, Nigeria.

Constantine Winston Swaby, 47, is a farmer and dairyman. He was educated at the Farm School (now the Jamaica School of Agriculture) and he is overseer of the Paradise Estate. He is also the president of the Butchers' Association of Westmoreland.

Clement Theobold Affick is a mechanic, contractor, and builder. He is a former member of the board of trustees of Titchfield Secondary School and has been a member of the Parish Council of Portland since 1947. He is also a member of its water, finance, market, and disciplinary committees.

Melbourne Alexander Hector, 51, is a merchant, tailor, and landed proprietor. He is actively associated with Friendly Societies and is a prominent lodgeman. Mr. Hector is vice president of the Western Kingston Boys' Scouts Association and is a member of the Jamaica Chamber of Commerce.

Sydney Stone, 39, is a trade unionist and politician. He is a top figure in the Bustamante Industrial Trade Union and has been a member of the Hanover Parish Council since 1947. He is on the majority of its committees and is also on the parish library committee.

ANTIGUA

Novelle Richards is the honorable treasurer of the Antigua Trades and Labor Union and editor of the Workers' Voice, the organ of the Antigua labor party. A member of the Antigua Legislative Council for several years, Mr. Richards has been chairman of the Central Housing and Planning Authority and Antigua's representative on the West Indies Sea Island Cotton Association. Before entering politics, Mr. Richards was an accountant.

Bradley Carrott, who is third vice president of the Antigua Trades and Labor Union, has also been a member of the legislative council for many years. Indeed, he has acted on several occasions as a minister of government and has represented Antigua on the regional economic committee several times. He is chairman of Antigua's Industrial Development Board. Mr. Carrott is a former public works department foreman.

Both Mr. Carrott and Mr. Richards are members of the Antigua Labor Party which is affiliated to W. I. F. L. P.

ST. VINCENT

LeRoy Adams, 30, is a member of Mr. Ebenezer Joshua's People's Progressive Party, which is affiliated to the D. L. P.. He worked with United Traders Ltd. and subsequently with Hazell and Sons and Company Ltd., one of the biggest firms in St. Vincent. He was a member of the Kingstown board and is a member of the shop assistant's wages council and of the labor advisory board.

Alphaeus Clarence Allen, 38, was a member of the People's Progressive Party since its inception. In 1957, he was elected a member of the Kingstown board. Mr. Adams saw service at the Government Cotton Ginnery, the St. Vincent Arrowroot Association and the firm of A. C. Allen & Co., importers and exporters of local produce. Mr. Adams was an outstanding athlete at the St. Vincent grammar school being Victor Ludorum for 3 successive years.

GRENADA

Thomas Gibbs, 74, is a retired primary school headteacher, who for several years prior to and after his retirement, was active in municipal politics. He was minister of communications during the regime of the now deposed Mr. Eric Gairy. He was returned in 1957.

Dr. Lincoln Radix is one of a family of 12, five of whom are professionals. Dr. Radix, a medical practitioner, qualified in 1948 at the College of Physicians and Surgeons in Boston. He subsequently joined the Grenada Medical Service. Dr. Radix gained a seat on the Legislative Council in December 1957. This was as a result of a by-election created through the disqualification of Mr. Eric Gairy. Dr. Radix, like Mr. Gibbs, is a member of the Grenda United Labor Party.

ST. KITTS

Robert Llewellyn Bradshaw, 41, is president of the St. Kitts-Nevis Trades and Labor Union and has for a long time been the leading political figure in St. Kitts. He has been Minister of Trade and Production in that island, the key ministry, and is a vice president of the West Indies Federal Labor Party. Mr. Bradshaw, famous for his winged collar, has represented his island and the West Indies at conferences all over the world. He was a signatory to the final agreement on federation in 1956.

David Lloyd is a former member of the Legislative Council. Mr. Lloyd, who was born in Anguilla, is a shipwright, carpenter, and boatowner. He is also a member of the St. Kitts-Nevis Trades and Labor Union.

MONTSERRAT

William Henry Bramble, 57, has been an elected member of the Montserrat Legislative Council since 1951. Born in 1901, Mr. Bramble was educated at St Mary's College and later on worked with the Montserrat Co., Ltd., and on various plantations, He is now a trader and undertaker. Mr. Bramble was one of the signatories to the 1956 agreement on federation and has been Montserrat's representative at all subsequent federation conferences. Mr. Bramble is a member of the Montserrat Labor Party which is affiliated to the Federal Labor Party of the West Indies.

J. N. Edwards is also a member of the Montserrat Labor Party. He has been a teacher for years and subsequently left teaching to work with the Montserrat Company. Mr. Edwards is also well known as a cricketer.

DOMINICA

Mrs. Phyllis Byam Shand Allfrey is president and founder of the Dominica Labor Party, affiliated to the West Indies Federal Labor Party. She was born in Dominica but spent a long time in the United Kingdom. Like her husband, Robert Allfrey, a consulting engineer, she has been a member of the British Labor Party for 20 years. She worked for several months in the Fabian Colonial Bureau and took an active part in British politics, especially during the general election of 1945. Mrs. Allfrey comes from a line of distinguished Dominicans. Her father, Francis Byam Berkeley Shand was Crown Attorney of Dominica. Her grandfather, Sir Henry Nicholls, was a distinguished medical officer. Her uncle, Mr. R. E. A. Nicholls, was founder of the Dominica Trade Union and first mayor of Roseau.

Edward Oliver LeBlanc, 35, was civil servant before he turned politician. He resigned from the civil service in 1952 and went into the agricultural business. He worked with the banana association for several years and then last year won a seat on the Legislative Council. He is also a member of the Dominica Labor Party.

PROF. SEYMOUR E. HARRIS SPEAKS ON THE RECESSION—ITS CAUSES AND CURES

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, Prof. Seymour E. Harris, who is chairman of the economics department of Harvard University, and one of the top economists and educators of the country, has several pointed things to say about the causes of the present business recession, and what the Government should do to try to put the economy back on its feet. I know that the Members will give close attention to Professor Harris' statement, as his statements on such subjects always command serious attention.

Professor Harris testified today before the Senate Finance Committee, which

is holding hearings on the financial condition of the United States. Professor Harris' full statement is, of course, rather lengthy, as it must be to cover this subject matter, so I will insert in the record only the summary of his statement which has, of course, been prepared by Professor Harris himself.

TIGHT MONEY POLICY AS A MAJOR CAUSE

As to the causes of the recession, Professor Harris sees the tight-money policy of the Federal Reserve System and the administration's as playing a larger and more direct role than, frankly, I had thought this policy had played. Certainly, I think that Chairman Martin and the others who joined in his policy have been consistently wrong, both in the period when credit was being tightened and now, and I believe that I indicated as much at the time. Certainly, at least these bad effects of the tight-money policy were obvious at the time.

First, the policy was a failure in checking the inflation; second, it added costs to the administered prices industry which resulted in increased prices; third, it changed the income distribution, shifting more income to the bondholders and moneylenders, and shifting income away from the families needing the income to keep up purchasing power; and, fourth, the high-interest policy raised interest rates in the capital market, causing the big corporations to shift much of their credit demands onto the commercial banks, thus squeezing small business out of any source of credit, with the inevitable result that the business structure of the country has been irreparably damaged by weakening small- and middle-size firms and strengthening monopoly and concentrated control over business and finance.

Certainly, too, even if Chairman Martin had been right, he would have been right for the wrong reasons; not for the various reasons he advanced for the tight-money policy. Through most of this period he was seeing shortages, excess demand over supply, too many dollars chasing too few goods, and all that sort of thing, when the plain facts were that the shortages had long since disappeared and surpluses of almost every kind were in evidence.

I have been inclined to believe, however, that the tight-money policy had only hastened and accentuated a depression which would have occurred anyway, rather than that it had been a primary cause of a depression which might otherwise not have occurred. But perhaps I have been influenced in this by my high personal regard for Chairman Martin and for other members of the Board of Governors, as well as for several outstanding public servants who serve as presidents of some banks that I happen to know.

FEDERAL RESERVE'S PRESENT POLICY IS EQUALLY WRONG

Whether or not Chairman Martin is in control of the policies being pursued today, I do not know; but it is plain as the nose on your face that the Federal Reserve's policies today are even more wrong, if that is possible, than they were in the tight-money period.

The System is right in loosening credit; yes. There is no question about that. But it is clearly wrong in the way it is doing it. It has taken the System since November 15 until last Tuesday to bring the banks' prime rate on business loans down a single percentage point, which is now still much too high at a rate of 3½ percent. The simple fact is that the System has inflated the money supply by $9 billion in the last 3 months by allowing the private banks to create this much money out of thin air, with no backing whatever, except the credit of the borrowers. This procedure is so inexcusable as to border, in my opinion, on misfeasance. The Federal Reserve System should plainly have followed the alternative route of purchasing Government securities from the open market. This would not only have saved the Government several hundred millions of dollars a year in interest payments, it would have brought down bank rates and brought down rates in the capital market.

Professor Harris, however, sees a larger and more direct connection between the administration's and the Federal Reserve's tight-money policy and the present recession. He says:

> Despite a vigorous policy, the Federal Reserve failed to stop inflation and yet helped to bring on a recession.

And his concluding remark on this subject is:

> Finally, to stabilize prices with a large cost inflation could only be done by inducing unemployment through a restricted monetary policy. This the Federal Reserve has accomplished.

I will not attempt to enumerate all this distinguished economist recommends as to what we should now do. These recommendations can be ready in his summary. I would like to point out, however, that I am in wholehearted agreement with most of his recommendations. He calls for a low-interest policy, and calls for the Federal Reserve to buy several billion dollars' worth of Government securities as a means of increasing the money supply. He says that this can do no harm and "maybe do some good." I agree.

GOVERNMENT SPENDING BETTER THAN CUTTING TAXES

Professor Harris says that he prefers spending as a way out of the recession in preference to a tax-reduction policy. Spending programs, he points out—I think correctly—favor especially those in need and yield larger results of dollar per cost to the Treasury. He would, however, recommend a temporary tax cut, for 6 months, because of the quickness with which this could be done and the effects began to be felt.

Professor Harris' summary is as follows:

THE FINANCIAL SYSTEM AND THE RECESSION—SUMMARY STATEMENT BY SEYMOUR E. HARRIS, CHAIRMAN OF THE ECONOMICS DEPARTMENT, HARVARD UNIVERSITY, BEFORE THE SENATE FINANCE COMMITTEE HEARINGS ON INVESTIGATION OF THE FINANCIAL CONDITION OF THE UNITED STATES

CAUSES OF THE RECESSION

Undoubtedly the investment boom was an important factor. In 11 years the country expanded its plants, equipment, and inventories by $413 billion.

Excess capacity is a threat though it is relative. The policies that impaired growth and buying power increased excess capacity.

Restrictive monetary policy contributed to the decline. The Federal Reserve raised rates and curtailed monetary expansion in 1956 and 1957 far below the amounts required by a growing economy.

This restrictive monetary policy is reflected in the reduced stimulus given by consumer and housing credits in successive years.

[In billions of dollars]

1955	20.8
1956	18.1
1957	14.3

A turnover from deficit financing to substantial surpluses also helped bring on a reversal—from a stimulative factor, that is adding to spending, governmental finance had become a depressive factor, that is reducing spending and paying off debt.

Cash income and outgo, Federal Government

[In millions of dollars]

1955	(deficit)	729
1956	(surplus)	5,525
1957	(surplus)	1,194

EXTENT OF THE RECESSION

On numerous important indices (e. g. industrial production, steel production, new orders, manufacturing) the recession has advanced beyond those of 1948–49 and 1953–54, and especially in the degree of pessimism which is not measurable.

Unemployment has risen in a year by 2 millions and by more than 4 millions or 1⅓ times when adjusted for the cut in the working week. In some cities (e. g., Detroit and Buffalo) unemployment is approaching, or is in excess of 15 percent.

The decline is especially great in manufacturing and hence substantially affects all census industries except paper and printing, chemicals and food products.

THE FAILURE OF MONETARY POLICY

Despite a vigorous policy, the Federal Reserve failed to stop the inflation and yet helped bring on a recession.

Excessive emphasis on the objective of an absolutely stable dollar—an emphasis also favored by the administration, led to this debacle. The goal of growth was rather neglected.

Why the failure?

The authorities failed to deal with the financial intermediaries over which their control seems to be very limited. Yet these institutions (e. g., life insurance companies, Government credit agencies, pension funds) continue to grow much more than commercial banks through which the Federal Reserve tries to exercise their control.

Another reason for failure was the high liquidity of business. They could dispose of cash and securities to expand operations.

That the largest expansion was in consumer and housing credit also did not help the Federal Reserve. Commercial banks account only for 15 to 20 percent of this credit.

Finally, to stabilize prices with a large cost inflation could only be done by inducing unemployment through a restrictive monetary policy. This the Federal Reserve accomplished.

THERAPY

The spending of the private economy is running down at the rate of 10 to 15 billions per year. New spending must be injected by the Government at that annual rate, or at a lower rate if we allow for secondary effects of new spending or tax cuts. This is a condition for stopping the decline.

MONETARY POLICY

We expect a much greater lift here. The reserves and the excess reserves of member

banks are much below what they ought to be. They are roughly at the level of a year ago and the high point of the boom.

What is the Federal Reserve afraid of? They should purchase several billions of Government securities as a means of increasing the supply of money and ultimately depressing interest rates—a must for recovery. This can do no harm and may do some good.

So far the Federal Reserve has shown much less acumen and courage in this recession than it displayed in 1931–33.

The policy of selling long-term Government securities in the midst of a recession is foolish and costly and should be stopped once and for all. These securities compete with private enterprise and keep rates up.

EXPENDITURE POLICY

We propose a spending program of $4 billion for calendar year 1958—above budgetary requests of January.

In listing the items, we take account of the Congressional action and trends so far, of the need of more security outlays, and the wisdom of doubling outlays on hospitals, urban redevelopment and public housing. We also propose a rise of one-third in spending on natural resources and a $1 billion program for educational construction.

It is especially important to stress the use of expenditures that directly help those needing it, for example, unemployment compensation—as against the more costly ones that need a spill over to be generally useful, e. g., public works.

The programs should also favor loans and guaranties against direct spending. Effects on budgets are less serious.

But though the primary objective is treatment of the recession, we also keep in front of us the important objectives of spending for civil benefits, e. g., education help, development of natural resources, and for growth.

TAX POLICY

I prefer a spending to a tax reduction policy. The former favors especially those in need and yields larger result per dollar of cost to the Treasury than an equivalent tax reduction.

But tax cuts give quicker results, and we need immediate responses if we are to stop a snowballing of the decline.

Hence I urge a $3 billion tax cut for 6 months in 1958 (to be extended if necessary). My choice of alternatives is a splitting of the rate on the first $2,000 of taxable income—10 percent on the first $1,000 and 20 percent on the next $1,000. What is needed is a lift to consumption and this type of tax remission should contribute that.

IN GENERAL

We propose a really cheap money policy, a rise of spending of $4 billion and a cut of taxes of $3 billion in calendar 1958. Against a deficit in calendar 1958 of about $3–4 billion, the total gross deficit would then rise to about $10 billion.

But at present incomes this is equivalent to less than half of the annual deficits in the 1930's. What is more these expenditures and tax cuts should be largely if not wholly offset by additional tax receipts—and not to mention the needed public assets and services which would be made available.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SHUFORD (at the request of Mr. BARDEN) for an indefinite period on account of illness.

Mr. MORANO (at the request of Mr. MARTIN) on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SIKES, for 20 minutes, on Thursday next.

Mr. MCFALL and Mr. BALDWIN, for 30 minutes, on Monday next.

Mr. MACK of Washington, for 20 minutes, on Wednesday next.

Mr. O'KONSKI, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PATMAN at the end of the proceedings of today and on Monday next, and to include extraneous matter.

Mr. DEROUNIAN and to include extraneous matter.

Mr. SIMPSON of Pennsylvania (at the request of Mr. MARTIN) and to include an address by Mr. SADLAK.

Mr. GRIFFIN (at the request of Mr. AVERY) and to include extraneous matter.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. J. Res. 159. Joint resolution to authorize and request the President to proclaim July 4, 1958, a day of rededication to the responsibilities of free citizenship; to the Committee on the Judiciary.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 5984. An act to authorize the exchange of certain lands at Black Canyon of the Gunnison National Monument, Colo., and for other purposes;

H. R. 8437. An act to amend the Act of August 3, 1956, to authorize certain personnel of the Uniformed Services to accept and wear decorations conferred by the Philippine Government; and

H. R. 9240. An act to revise certain provisions of law relating to the advertisements of mail routes, and for other purposes.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 50 minutes p.m.), under its previous order, the House adjourned until Monday, April 28, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1849. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Federal National Mortgage Association, Housing and Home Finance Agency, for the fiscal years ended June 30, 1957 and 1956 (H. Doc. No. 374); to the Committee on Government Operations and ordered to be printed.

1850. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation entitled "A bill to facilitate administration and management by the Secretary of Agriculture of certain lands of the United States within national forests"; to the Committee on Agriculture.

1851. A letter from the Administrator, Federal Civil Defense Administration, transmitting the quarterly report of Federal contributions for the quarter ending March 31, 1958, pursuant to the Federal Civil Defense Act of 1950; to the Committee on Armed Services.

1852. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the annual report of the Federal Deposit Insurance Corporation for the year ended December 31, 1957, pursuant to the Federal Deposit Insurance Act; to the Committee on Banking and Currency.

1853. A letter from the Secretary of the Treasury, transmitting the quarterly report on the Reconstruction Finance Corporation liquidation fund-Treasury Department activities for the period ended March 31, 1958, pursuant to the Reconstruction Finance Corporation Liquidation Act, as amended (67 Stat. 230), and Reorganization Plan No. 1 of 1957 (22 F. R. 4633); to the Committee on Banking and Currency.

1854. A letter from the Assistant Secretary of the Interior, transmitting a report of land reclassification relating to the Goshen, Gering-Fort Laramie, and Pathfinder Irrigation Districts located on the North Platte project in Wyoming and Nebraska, pursuant to the Reclamation Project Act (act of August 4, 1939, ch. 418, 53 Stat. 1187, 43 U. S. C. 485); to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 1062. An act for the relief of Maud Claer Wahl; without amendment (Rept. No. 1657). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:

H. R. 12156. A bill to authorize the Secretary of the Army to convey to the city of Philadelphia, Pa., certain piers and other facilities of the United States located in such city; to the Committee on Armed Services.

By Mr. BENNETT of Michigan:

H. R. 12157. A bill to provide financial assistance through the Small Business Administration for the construction of a pilot plant experimental newsprint paper mill, to authorize research activities in connection with such plant, and for other purposes; to the Committee on Banking and Currency.

H. R. 12158. A bill to promote the safety of employees and travelers upon common carriers by railroads engaged in interstate commerce by requiring such carriers to maintain tracks, bridges, roadbed, and permanent structures for the support of way, trackage, and traffic in safe and suitable condition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DIGGS:

H. R. 12159. A bill to provide for unemployment reinsurance grants to the States, to revise, extend, and improve the unemployment insurance program, and for other purposes; to the Committee on Ways and Means.

By Mr. DINGELL:

H. R. 12160. A bill to authorize the Secretary of Agriculture to provide varied commodities to schools and institutions and for needy persons and families out of funds appropriated for diversion of surplus agricultural commodities; to the Committee on Agriculture.

By Mr. ENGLE:

H. R. 12161. A bill to provide for the establishment of townsites, and for other purposes; to the Committee on Agriculture.

By Mr. HARRIS:

H. R. 12162. A bill to amend the District of Columbia Stadium Act of 1957 to require the stadium to be constructed substantially in accordance with certain plans, to provide for a contract with the United States with respect to the site of such stadium, and for other purposes; to the Committee on the District of Columbia.

By Mr. HARRISON of Virginia:

H. R. 12163. A bill to provide for the erection of a Woodrow Wilson memorial in the District of Columbia; to the Committee on House Administration.

By Mr. JOHNSON:

H. R. 12164. A bill to amend the Agriculture Act, as amended, to permit use of Federal surplus foods in nonprofit summer camps for children; to the Committee on Agriculture.

By Mr. LANE:

H. R. 12165. A bill to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments; to the Committee on Government Operations.

By Mr. LANKFORD:

H. R. 12166. A bill to amend the Federal Water Pollution Control Act to increase one of the limitations on grants for construction from $250,000 to $500,000, and for other purposes; to the Committee on Public Works.

By Mr. McCORMACK:

H. R. 12167. A bill to amend section 7 of the War Claims Act of 1948; to the Committee on Interstate and Foreign Commerce.

By Mr. McINTOSH:

H. R. 12168. A bill to establish a free guide service for the United States Capitol Building; to the Committee on House Administration.

By Mr. MACHROWICZ:

H. R. 12169. A bill to amend the War Claims Act of 1948 to provide for the payment of benefits under such act to certain citizens and permanent residents of the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. MONTOYA:

H. R. 12170. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Navaho Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MULTER:

H. R. 12171. A bill to amend the act of July 8, 1932 (relating to dangerous weapons in the District of Columbia), to create a presumption in connection with the possession of certain dangerous weapons; to the Committee on the District of Columbia.

H. R. 12172. A bill to promote the safety of employees and travelers upon common carriers by railroads engaged in interstate commerce by requiring such carriers to maintain tracks, bridges, roadbed, and permanent structures for the support of way, trackage, and traffic in safe and suitable condition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PATTERSON:

H. R. 12173. A bill to amend the Social Security Act and the Internal Revenue Code so as to increase the benefits payable under the Federal old-age, survivors, and disability insurance program, to provide insurance against the costs of hospital, nursing home, and surgical service for persons eligible for old-age and survivors insurance benefits and for other purposes; to the Committee on Ways and Means.

H. R. 12174. A bill to provide a tax incentive for the employment of older workers; to the Committee on Ways and Means.

By Mr. SCOTT of Pennsylvania:

H. R. 12175. A bill to authorize the Secretary of the Army to convey to the city of Philadelphia, Pa., certain piers and other facilities of the United States located in such city; to the Committee on Armed Services.

By Mr. THOMPSON of New Jersey:

H. R. 12176. A bill to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans; to the Committee on Education and Labor.

By Mr. UDALL:

H. R. 12177. A bill to expedite the utilization of television facilities in our public schools and colleges, and in adult training programs; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of California:

H. J. Res. 592. Joint resolution to reaffirm national policy to aid and encourage the establishment, operation, and growth of farmer cooperatives as an effective and proven means of helping farmers help themselves to achieve a free, expanding and prosperous agriculture; to the Committee on Agriculture.

By Mr. NIMTZ:

H. Con. Res. 319. Concurrent resolution expressing it to be the sense of the Congress that any reduction in or repeal of the Federal excise taxes on automobiles, trucks and buses, or parts and accessories which takes effect during 1958 shall be retroactive to March 1, 1958; to the Committee on Ways and Means.

By Mr. DINGELL:

H. Res. 548. Fixing the basic compensation of the administrative assistant No. 2 to the Clerk of the House; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:

H. R. 12178. A bill for the relief of Allan Gordon-Foster; to the Committee on the Judiciary.

By Mr. HEALEY:

H. R. 12179. A bill for the relief of Raymond Levy; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H. R. 12180. A bill for the relief of Dosau Tokeshi; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

591. By Mr. BUSH: Petition of Fraternal Order of Eagles, Renovo Aerie No. 516, Renovo, Pa., urging the passage of certain legislation now pending before Congress, especially the bill to remove the excise tax on freight and passenger travel; and S. 3550, to enable the railroads to replace and repair equipment and make other improvements; to the Committee on Ways and Means.

592. By Mr. NEAL: Petition of members of Local Union 1651, United Steelworkers of America, AFL-CIO, and employees of the O. Ames Co., division of McDonough Co., Parkersburg, W. Va., urging defeat of H. R. 10368, a bill to extend the Reciprocal Trade Agreements Act; to the Committee on Ways and Means.

593. By the SPEAKER: Petition of the county clerk, Wailuku, Maui, T. H., requesting amendment of the present laws so that the farmers of the Territory of Hawaii receive subsidy and price support of their products the same as the farmers of the mainland United States; to the Committee on Agriculture.

594. Also, petition of the county clerk, Wailuku, Maui, T. H., requesting passage of H. R. 9463, which would amend the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

595. Also, petition of the county clerk, Wailuku, Maui, T. H., requesting the extension of the GI bill of rights home-building program so that veterans of World War II may have time to take advantage of such program; to the Committee on Veterans' Affairs.

EXTENSIONS OF REMARKS

Muskegon Fights the Recession

EXTENSION OF REMARKS

OF

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1958

Mr. GRIFFIN. Mr. Speaker, I would like to point to Muskegon in my Ninth Congressinal District of Michigan as an outstanding example of a city, hard hit by the recession, that is rolling up its sleeves and fighting back.

Greater Muskegon, population 108,018, is an area of serious labor surplus, with about 12.5 percent of the working force unemployed. Military contracts, public-works projects and other activities show promise of lessening the pressure later in the year, but in the meantime merchants and civic leaders are locking horns with the psychology of recession by staging a huge buy-now-sales-mean-more-jobs campaign.

Since the campaign will continue until May 10, its success cannot yet be measured, but reports to date have been good. Other cities throughout the United States have succeeded with similar promotions.

Muskegon's campaign, marked by raised banners and lowered price tags, is extended to the entire range of buying, and is not limited to autos as in some other cities. The spirit behind the Mus-

kegon promotion is well expressed in this excerpt from an editorial which appeared in the April 30 edition of the Muskegon Chronicle:

Anybody knows that a buy-now campaign isn't the whole solution. There also has to be Government action to remedy the unemployment situation. Certainly our buy-now idea is not intended to cover up unemployment or in any way ignore it.

But it makes no sense for business firms or any of the rest of us to sit back waiting for the Government to do something. There is much we can do for ourselves through vigorous, courteous salesmanship and by an understanding of how buying creates jobs here and everywhere else.

The Western Michigan News, a weekly newspaper published in Muskegon by the AFL–CIO, in addition to supporting the buy-now campaign, is carrying on a continuing promotion to induce its readers to buy now in Muskegon.

Radio stations, too, are carrying their full share of the citywide campaign to boost Muskegon by its own bootstraps.

A nationwide effort, following the outstanding example set by Muskegon, through its energetic chamber of commerce, would be a great shot in the arm for our entire economy.

A move already is under way to spark this effort. The United States Advertising Council, a nonprofit public service organization, supported by contributions from American business, will sponsor, during this month, a nationwide campaign to promote confidence in a growing America. I am told by council officials that public spirited owners of newspapers, radio and television stations are expected to contribute between $10 million and $15 million in free space and time for a promotional campaign appealing to the consumer to help cure the recession by buying now. Other cities, following Muskegon's lead, will be able to take advantage of this national advertising.

Michigan, for many reasons, is one of the States hardest hit by the recession. One of the chief reasons, of course, is that the auto industry, for which Michigan is famous, is hard hit. Most of the decline nationally has taken place in the automobile, steel and other industries that make hard goods. Yet in Michigan, as elsewhere, personal savings are at an alltime high. Too many people, feeling that this is not the time to buy, are sitting tight.

Increased sales promotions, accompanied by lower prices, can encourage these people who are sitting tight to buy now the things they want and need. These sales will mean more jobs.

Greetings to the Tablet on Its 50th Anniversary

EXTENSION OF REMARKS

OF

HON. STEVEN B. DEROUNIAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1958

Mr. DEROUNIAN. Mr. Speaker, on the 50th anniversary of Brooklyn's Catholic weekly newspaper, the Tablet, recognition and congratulations have come from many and I would like to record here but a few:

THE HOLY FATHER'S BLESSING

(A letter to Bishop McEntegart signed by Msgr. Angelo Dell'Acqua, substitute secretary of state of Pope Pius XII)

The Holy Father has given me the honored privilege of expressing his warm felicitations on the occasion of the golden jubilee of the Tablet, the official newspaper of the diocese of Brooklyn.

It is fitting indeed that you commemorate this auspicious anniversary, for from humble beginnings, under the providential care and blessings of Almighty God, this publication has become a potent means by which Catholic teachings are diffused to the faithful.

His Holiness would have me remark that during the 50 years of its existence the Tablet has, on numerous occasions, evidenced its loyalty to the Holy See by bringing to its readers the apostolic messages of the supreme pontiffs and at all times urging them to pray for the vicar of Christ and His intentions.

In rendering heartfelt thanks to divine providence for the manifold benefits bestowed upon the church through the services of the Tablet, the pontiff also commends Your Excellency and your revered predecessors for the encouragement and guidance extended to the zealous priests and able Catholic laymen, who, through the past 50 years, have given unstintingly of their time and talents to make this publication an evermore effective instrument for the propagation of our holy faith and for the salvation of souls.

As a token of his participation in this golden jubilee, the Holy Father, prayerfully invoking copious graces and favors upon all who encourage the work of the Catholic press and make it more fruitful, cordially imparts to Your Excellency and to the editor and staff of the Tablet his paternal apostolic benediction.

I gladly take this occasion to renew to Your Excellency the assurance of my high esteem and cordial regard.

PRESIDENT DWIGHT D. EISENHOWER

To the staff and members of the Tablet joined in the observance of the 50th anniversary of their newspaper, I send greetings.

Over the past half century the Tablet has contributed much to the spirit and growth of the diocese of Brooklyn. Continuing in the American tradition of free and responsible journalism, it can look forward to a splendid future of public service.

Congratulations and best wishes.

VICE PRESIDENT RICHARD NIXON

It is a pleasure to join others in extending congratulations to all who are associated with the Tablet on the occasion of its 50th anniversary.

Fifty years is a long time in this fast-moving world in which we live and I think we tend to forget, with our daily concerns, just how much progress America has made in this period of time.

The newspapers of this country have had a large hand in this progress and the religious press in particular has often served to remind us of the proper perspective with which we should view events. We are indeed fortunate to have religious liberty and a free press that faithfully reports and comments on daily happenings around the world, thereby contributing to the enlightenment and advancement of our people.

GEN. DOUGLAS MACARTHUR

On the 50th anniversary of the founding of the Tablet, I am glad to join a host of other Americans in expressions of tribute to its 50 years of dedication to the spiritual life of the community and the preservation of those American ideals, institutions, and traditions which have molded the character of succeeding generations of our people.

During the Second World War and the Korean war and even the occupation of Japan, when our forces were hard pressed and the issues may have seemed by many to be precarious, there was never any doubt as to the militant pro-Americanism of the Tablet and its editors. Their support of our position was invincible.

For this I have always been grateful.

J. EDGAR HOOVER

To some, 50 years is a long span of time. To others, it is but a brief moment in history. The 50 years just past have witnessed the birth and development of the Tablet. In that period, the official organ of the diocese of Brooklyn has gained an enviable reputation as a fearless and forthright member of the American press.

Uncompromising in its position where the freedom of America is concerned, the Tablet has made itself a powerful force in exposing concealed communism—the deadliest danger ever to threaten our free way of life.

My heartiest congratulations to the Tablet on this, its golden anniversary.

A. HOLLY PATERSON

Congratulating the Tablet on the 50th year of its publication is not just the writing of routine words of greetings and good wishes. For the Tablet is not a routine newspaper.

I have read its informative columns for many years, and although I am not of the Catholic faith, I have found in the Tablet's appeal to logic and reason refreshment not usually found in the secular press.

Its fortitude in fiercely fighting not only those who advance the banners of atheistic communism, but those who wittingly or unwittingly help them on in many ways and means, is to be applauded by all Americans, regardless of religious persuasion.

There are too few fearless journals which really print all the news that's fit to print. Time after time, I have found in the Tablet columns of what I consider highly important news for patriotic Americans to know. Other papers have skipped it or, at best, run a few short, unrevealing paragraphs.

The Citizen's Responsibility for Good Government

EXTENSION OF REMARKS

OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Thursday, April 24, 1958

Mr. HUMPHREY. Mr. President, it was my pleasure to accept an invitation to address the Climax Drive Workshop of the Citizens Committee for the Hoover Report on March 31, last, at the Shoreham Hotel.

However, I was, at the last minute, forced to forgo attending the conference luncheon at which I was to speak. In my stead, I asked Mr. Miles Scull, of the staff of the Senate Subcommittee on Reorganization, of which I have the privilege of serving as chairman, to deliver my address for me.

Today, Mr. President, I received the following letter from Mr. Clarence Francis, chairman of the Citizens Committee

for the Hoover Report, which I ask unanimous consent to have printed in the CONGRESSIONAL RECORD, along with the accompanying draft of my remarks.

There being no objection, the letter and draft of address were ordered to be printed in the RECORD, as follows:

CITIZENS COMMITTEE FOR THE
HOOVER REPORT,
Washington, D. C., April 23, 1958.

The Honorable HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: On behalf of the citizens committee I want to express my warm thanks to you for your address prepared for delivery at our recent workshop meeting on the citizen's responsibility for good government.

We were sorry that sudden legislative developments made it impossible for you to give the message in person. However, we are grateful that you sent the capable Mr. Miles Scull, Jr., an associate on the Senate Government Operations Committee, who made an excellent delivery of your prepared remarks.

As we have advised you often in the past, the citizens committee is greatly indebted to you for your keen interest in the cause of good government as shown by your support of major recommendations of the Hoover Commissions.

With best personal regards, I am,
Sincerely,

CLARENCE FRANCIS.

THE CITIZEN'S RESPONSIBILITY FOR GOOD GOVERNMENT

(Remarks of Senator HUBERT H. HUMPHREY, of Minnesota)

I am, indeed, delighted to take part in this public-spirited assembly today.

Your presence here at this citizens committee workshop is most stimulating. This gathering is firsthand and, I may say, most heartening evidence that our Government is a dynamic thing and that you as citizens have a dynamic interest in it.

Also, this occasion presents me with an opportunity to which I have long looked forward: That of discussing a subject which is very close to my heart—The Citizen's Responsibility for Good Government—and, perhaps, of shedding a little light upon a few other things along the way.

At no time since the Founding Fathers forged the Constitution upon which this great Republic rests has Government been of greater importance to us. Not only America, but the free peoples of the world, look to our Government for leadership as the universe crosses the momentous horizons of the space age where man holds in one hand the lighted torch of miraculous human progress and in the other the awesome power to destroy himself with the hydrogen bomb.

Whether mankind holds high the lighted torch of progress as he crosses the threshold of space or whether he smashes everything for which civilization stands in a maddening maelstrom of nuclear warfare hinges greatly on Government's leadership in these fateful days of danger, decision, and crisis. And—nowhere does the responsibility for Government's leadership lie more heavily than on the individual citizen.

For in a democracy the course government takes, the power good government wields, the strength with which it arms itself and the principles of liberty, justice, and freedom for which it stands all depend upon the will, the strength, the courage, and the willingness to sacrifice, if need be, of its individual citizens.

In the final analysis the citizens of America are the Government—the invisible power, strength, and force for good that is behind the portals of the White House, the marble columns of the Capitol dome and of which the American flag is the shining symbol. No responsibility they bear is greater than that—to their country.

I suppose it could be said the citizen's responsibility to his government begins with that precious privilege—the right of franchise. It is at the ballot box in the country schoolhouse that the caliber of government is initially determined when the citizen votes for his elected representative to carry out his wishes—at the town hall, at the State capitol, or in Washington.

If the citizen makes a conscientious choice, if he persuades good, public-spirited candidates to stand for office, and if he himself knows what the issues are, he discharges his responsibility properly. If he does not—or if he let's John do it—as many do, he not only fails to exercise a precious right, he fails to perform a duty he owes to himself, to his family, and to his country. He cheats himself and them.

Along with the right of franchise goes the responsibility of knowledge—knowledge of government, knowledge of candidates, knowledge of issues.

No longer is the day when the citizen at the crossroads can look upon the Federal Government as a distant authority at Washington City which, in some vague way, looks after his national interests, as was the case 50 years or so ago.

Today the Federal Government's influence is everywhere, in the States, in the cities, in the towns, on the highways, in the airways, in the main street bank, in the country store, affecting his life in a hundred different ways every hour of the day, every day of the year.

Thus—the responsibility of knowledge—in today's era of expanding governmental activity and influence is imperative—for without knowledge, judicious exercise of the ballot is futile.

In my opinion—the spreading of knowledge—the dissemination of information—the stimulating of interest in government has been, in all probability, the greatest contribution the two Hoover Commissions have made to this Nation—possibly greater than if all their recommendations for improving the Government's operations had been enacted into law.

For this the Nation owes a debt of gratitude to former President Hoover who headed up that great work, his associates on the Commissions and to you.

Again, at no time in history—other than when our forefathers were bringing forth a new Republic of free men at Constitution Hall in Philadelphia—at no time, I say, has there been a greater interest in government than there exists in the United States today. From the PTA meeting—to the city council—to the State capitol and on to the Halls of Congress—there is a tide running strong for better government, more efficient government, and more economy in government—and significantly, I think, for less government, as the Hoover Commissions proposed in some of their reports.

This is all to the good. For the more that the governed are aware of their government, the more knowledge they possess of its operations, the more alert they are to its inescapable frailties, the greater their voice is going to be heard, the greater their influence is going to be, and the better their government is going to be.

Although it is an old cliché, it nevertheless is true, representatives of the government, appointed or elected, are very sensitive to the people. As one, I can tell you that is so.

However, a crusade for better government, such as that which has followed the Hoover Commissions' reports, to succeed must be conducted in a framework of reality—based upon fact. I would offer a gentle rebuke to any who criticizes for criticism's sake only, or who makes false promises beyond the realm of reality. These techniques accomplish nothing, as a matter of fact, they do grievous damage to the cause we all espouse.

I, for one, am proud, very proud, of my Government. I know the Constitution to be the greatest living document by which men rule themselves of all the ages. I believe that the framework within which our Government operates is as sound as the proverbial Yankee dollar of which we are so proud. I also believe that the very great majority of the people who work for the Government are loyal, hard-working, patriotic citizens who give a dollar's worth or more for every dollar they are paid.

Oh, I know today's Government has its shortcomings, its weaknesses, and, at times, its failures. But, my friends, so does any human enterprise of its magnitude, fraught with the crises that today's world presents, besieged by a foreign ideology which seeks to conquer it, at times torn apart by political dissension, yet, still standing like the Rock of Gibraltar, shining like a beacon to free men the world over—strong, vigorous, ready to face whatever uncertainties a troubled future might bring—in truth the greatest government the world ever has known. I ask you, would you trade it for any other?

The weaknesses we seek to shore up. The shortcomings to correct. The failures not to repeat. But, let us go about this with reality. Let us not endanger the house because grease is burning in the kitchen oven. Let us not condemn all Government because grievous mistakes have been made or a part here or there has failed us.

To be sure, let us correct that which has failed, but let us look upon the whole, not the part, and to the future, not the past. And let us march forward solidly, together to build the whole ever greater and stronger.

My friends, only by doing this can we hope—as the leaders of the Free World—to succeed, or to survive.

Thank you.

Address by Hon. Antoni N. Sadlak, of Connecticut, at the Men-of-Management Dinner, Waynesboro, Pa., April 22, 1958

EXTENSION OF REMARKS
OF
HON. RICHARD M. SIMPSON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 24, 1958

Mr. SIMPSON of Pennsylvania. Mr. Speaker, under leave to extend my remarks, I include a copy of a most stimulating address delivered on Tuesday night in spacious Eagles Club Auditorium, Waynesboro, Pa., by my friend and colleague from Connecticut, the at-large Representative [Mr. SADLAK]. The audience consisted of more than 300 men at a dinner meeting of men of management under auspices of the Valley Branch, National Metal Trades Association, and the Waynesboro Manufacturers' Association. Mr. Grayson M. Stickell was the toastmaster and Rev. H. Clayton Moyer gave the invocation. It was a genuine pleasure to introduce the gentleman from Connecticut to constituents of my 18th Pennsylvania District.

The address follows:

TAX REFORM FOR A GROWING AMERICA

My distinguished colleague and friend and your outstanding Representative in the Congress, DICK SIMPSON, Mr. Toastmaster, Rev-

erend Moyer, and my fellow citizens, the warmth, cordiality, and graciousness of the introduction and its reception make me feel very happy to have undertaken the 2-hour auto ride to be your guest this evening. Each of you knows DICK SIMPSON better and longer than it has been my privilege, but I can better certify to his application to Congressional duties and responsibilities, being privileged to serve with him on the Ways and Means Committee of which he is a skillful, experienced, and energetic legislator of whom all of you can be proud.

No other nation's people can ever hope to reach the degree of fairmindedness consistently displayed by Americans in taking stands on public issues. Unfortunately, however, the full effect of this great trait is sometimes seriously blunted—if not lost entirely—by a tendency to decide on issues along general rather than specific lines. A good example of this is in the area of tax reduction.

Those individuals who customarily take polls—both professional and amateur—have been telling us that soundings taken during the recent Congressional recess for Easter indicate that public sentiment, in the main, does not favor immediate tax cut action. I use the phrase "tax cut" purposely because that, unfortunately, is the way the question was put, in most cases, to the rather small segment of the population covered by the polls.

Even if the results could be termed accurate—and this is doubtful—how, using such a broad and general term, could you expect anything but a negative answer? If you throw all tax action proposals into the same basket without explaining the difference between them and then ask, "Are you in favor of tax cuts?" you have prevented almost every possibility of an intelligent answer since there is no reasoning process involved.

On the other hand if the question includes the salient features of a tax reduction proposal and an adequate explanation as to how and why it would contribute importantly to the well-being of the the country, then it is almost certain that it will bring a far different and truer expression of opinion.

Yes, you can no more lump together all the tax proposals that have been introduced in the Congress or aired publicly, than you can couple Elvis Presley with a grand opera star, as singers, or a minor leaguer with Ted Williams, as ballplayers.

There is a great need, then, for a long, searching look at the type of tax action best adapted to meeting the pressing current as well as future needs of the country and I know of no better forum for such a discussion than this distinguished gathering of industrial and business men.

It would be a very great privilege to address you, in any circumstances, but I am doubly honored by the opportunity to talk cold, hard facts to you who deal in that commodity every day. In exploring the need for tax action, I am always most comfortable in so doing before gatherings such as this—because I feel that you know the problem at hand and can better appreciate what I have to say.

First, let us examine some of the devastating effects of our present individual and corporate income-tax system. I know that they are familiar because you are probably confronted with them in some form or other practically every business day and not solely on April 15. Nevertheless, the devastating impact of the oppressing high rates—particularly the steep progression in the middle and high main brackets, cannot be overemphasized.

They can best be summed up as a disastrous triple play.

1. They smother individual and business enterprise by penalizing success.

2. They curtail, drastically, the flow of investment funds vital to business stability and growth by preventing the accumulation of adequate savings, the chief source of these funds.

3. They create strong inflationary pressures by forcing those unable to acquire equity capital into overuse of bank credit.

This, of course, is a strong accusation but it is a well-founded one that calls for immediate and constructive action to put a halt to a tax rate that is destroying the economy, in greater force, with each passing day.

Naturally, many will ask how, in view of the crippling tentacles of our tax system, were we able to achieve economic expansion from the end of World War II until the onset of the current recession? The answer, by now, is obvious. It can be summed up in one word—inflation. The myth of our so-called expansion was measured in terms of diluted dollars and bore little resemblance to genuine, hard-rock growth.

Corporate debt increased from $85 billion at the end of 1945 to $208 billion by the close of 1956. Where could you possibly get better proof of the critical shortage of equity capital? Borrowing skyrocketed because it was the only way that capital requirements could be satisfied.

Our economic situation today proves beyond the slightest shred of doubt that we can never hope for real business recovery and a return to solid, noninflationary growth without dealing, forthrightly and boldly, with the crucial need for reform of the income-tax rate structure.

You will notice I used the term "reform of the income-tax rate structure" instead of the generalized description of "tax cut." There is a reason for that. As I explained earlier we have got to get down to specifics if we are ever going to pierce the fog of doubt and confusion surrounding the entire tax issue.

Now it is sometimes embarrassing for a Congressman to engage in a public discussion of the merits of his own bill. This does not apply in this case, however, because the legislation I am going to talk about has become what could very well be called the American taxpayers' bill, rather than the Sadlak-Herlong bill, as it is more familiarly known. But before I show you why this is so let me give you a brief explanation of the bill.

It is the first thoroughgoing program for the reform of the income-tax rate structure since the rates began their upward spiral some 26 years ago. The legislation provides for coordinated reductions, over a 5-year period, in all the progressive rates of individual tax, with the first bracket rate, of $2,000 or less of taxable income, being reduced from 20 to 15 percent. The top rates of tax would be brought down to 42 percent, the individual tax from its present top of 91 percent, and the corporate tax from its present top of 52 percent.

Let me cite just a few examples to give you a better idea of how the reform recommendations will work. At the end of the fifth year, the $4,000 to $6,000 bracket would be reduced from 26 to 17 percent; the $8,000 to $10,000 bracket from 34 to 19 percent; the $16,000 to $18,000 bracket from 43 to 19 percent; and the $20,000 to $22,000 bracket from 56 to 25 percent.

I am sure that some of you have been resorting to rapid mental calculations as to how you, as an individual, or your businesses, would be aided by the legislation's proposals. If so, you could come up with only one answer—you would be infinitely better off, to the point where virtually all of your monetary problems could well dissolve or certainly diminish. Well, all America would share in this improvement.

Before I go any farther, I want to make one thing crystal clear. This rate reform bill should not be viewed, solely, as an antirecession measure. As a matter of fact, I introduced the bill 13 months ago—long before the start of the downswing—and its beginning goes back even farther because many, many months of careful study went into its drafting. And, one of its finest advantages lies in this very fact. It was conceived in the relative serenity of a period of clear thinking, in sharp contrast to the tax proposals born of the panic and near hysteria which seem to have come about recently because of the present situation.

There is no question that the legislation I propose will contribute vitally to business recovery, but I would be pressing for its enactment, just as strongly, if there were no recession. I would do so because reform of the income tax rate structure is long, long overdue and I firmly believe that if the bill had become law 3 years ago, we could very well have bypassed the business reversals now plaguing us. Put differently, the Sadlak-Herlong bill comprises preventative economic medicine, the kind that builds immunity to business slumps or, at any rate, provides the ability to climb out of them quickly.

You may feel that my estimation of the beneficial effects that the legislation would bring emanates from a sort of pride of authorship. That is far from the actual case, because my confidence in the measure has farflung support. Soon after its introduction, my bill, H. R. 6452, was complimented when my distinguished colleague on the House Ways and Means Committee—Representative A. S. HERLONG, Jr., a Florida Democrat—introduced an identical bill, H. R. 9119.

But the testimonial that was most gratifying to me came during the 24-day public hearing on the Ways and Means Committee which ended early in February. Since this committee is the tax-writing body of the House, it heard testimony on all the tax proposals—either those already under consideration or new recommendations made during the open sessions.

Of the 50 witnesses who addressed themselves to the need for rate reform, more than 40 gave their wholehearted endorsement to the Sadlak-Herlong bills. These witnesses, it should be noted, were representative of every facet of our economic life. They appeared in behalf of organized groups of small, medium, and large business enterprises operating in all parts of the Nation. No other tax legislation even remotely approached the fine record achieved by the Sadlak-Herlong bills in searching public glare of the committee hearings.

It is, of course, extremely difficult to summarize the voluminous hearing record, and to capture the full effect of the protests against the punitive tax schedules that exist today, let alone the urgency of the voices that called for prompt rate reform. I feel, however, that the following points are truly reflective of what the legislation will mean to America. It would:

1. Spark a quick recovery from the present recession, both from the fact of immediate reductions and the certainty of continuing reductions.

2. Be rapidly translated into new and better job opportunities and a renewed advance in the American standard of living.

3. Provide more, rather than less, revenue for the Government as the Nation moved forward to increasing levels of production, employment, income and consumption.

4. Resolve the tax problem of small business at its source and open up opportunities for the beginning and development of business which cannot be managed under the existing tax structure.

5. Achieve all of these benefits with a lessening of inflationary pressures since moderate tax rates would permit a higher volume of business and individual savings making economic growth less dependent upon excessive credit expansion.

The approval accorded the bills has not, by any means, been confined to the Ways and Means Committee hearing room. More

than 200 business, professional, industrial and civic organizations covering every area of the Nation have passed formal resolutions of endorsement. But probably the most overwhelming commendation has come from the press and national magazines of great influence. Over 500 newspapers have run editorials recommending passage of the measure and recently—in rapid succession the U. S. News & World Report, the Saturday Evening Post and Fortune magazine—among others—have carried editorials strongly urging passage of the Sadlak-Herlong bills.

It is not surprising then that the measure can qualify as the American taxpayers' document.

Please understand my purpose in citing these testimonials. It is not an attempt to build up my legislative importance. It is simply a means of convincing you that the sound and realistic provisions of the bill have stood the test of exacting evaluations.

I'll turn to other aspects of the bills which I have saved until now, for better emphasis of their importance. The forward scheduling of reductions can conceivably have a very strong restraining effect on Federal administrative procedures because the Bureau of the Budget and all executive departments will be put on advance notice of the income tax share of revenue expected for the budgetary year. This should prove a welcome and efficient brake to wild and undisciplined spending.

A unique feature of the bills allows for postponement, in certain circumstances, of the application of the reductions for up to 1 year. In this way, the needs for emergency military spending could be met without the necessity of going through the time-consuming and difficult process of revoking, and later reinstating, the legislation.

When we speak of military expenditures, we refer, naturally, to the threat posed by Russia. Even though her sputniks are gone from space, too many Americans are still gazing skyward, as if it embodied the only danger of a Soviet thrust. I submit that they had better concern themselves, as well, with Russia's astonishing economic progress.

According to competent informational sources, the Soviet industrial production has grown twice as fast as ours over the past 25 years and, in another decade, it should equal 50 percent of our own whereas it is only one-third now.

And, if you think that the Russians are not deadly serious about this race to catch us on the productive front, then I refer you to the boastful pronouncement made by Khrushchev, 3 months ago, when he had less power than he now has grabbed. He said:

"We declare war upon the United States in the peaceful field of trade. The threat to the United States is not in the intercontinental ballistic missile, but in the field of peaceful production. We do not need a war to insure the victory of socialism."

While we abhor the source of the appraisal, we cannot deny the logic. Unless our economy is bolstered, if it continues to falter, there is every danger that we could be brought to humiliating defeat in the very area where we have justly been the dominant nation for so many years—the field of production.

So it is that if the domestic reasons for enacting immediate tax rate reform are not compelling enough, then the dire need for winning the life-and-death economic struggle with the Soviets should provide a clinching argument—one that may be suicidal to ignore.

As practical businessmen, you will want to know about the revenue effect of the Sadlak-Herlong bills. It can be estimated at about $3 billion a year. In times of normal, economic growth, this would be more than satisfied by the historic average of a $4 billion annual increase in revenue collections.

We are off the normal growth pattern, of course, but even if the bills incurred temporary deficit financing, I am supremely confident—as are most of the supporters of the measure—that enactment of the bills would soon prove to be the most rewarding investment this country every made. It would give the business community the psychological, as well as the economic, stimulus it so badly needs and once back on the track, with the tax roadblocks removed, we'll be able to steam ahead at full speed to the attainment of a state of prosperity that will eclipse any we have known in the past.

Every Congressman is understandably hesitant about adding to the mail of his fellow legislators in Washington, but I feel that the gravity of the tax problem facing the Nation makes it incumbent on me to depart from standard procedure. Therefore, if you believe in the efficacy of the Sadlak-Herlong bills—and I do not expect you to make up your minds until you have studied the provisions with greater care—then I suggest that you let your representatives in Washington know how you feel.

Contrary to general impression, it is my considered opinion that businessmen and individuals alike are far too reticent, sometimes even backward, in making known their views on national public issues. I firmly believe that it is not only your right to express yourself but that it is your duty to do so. Our only hope, in Washington, to reflect the real views of our constituents, is to hear from them in the period when their counsel will be most beneficial.

This is especially mandatory right now because you will be able to help slice through the generalities that are shrouding the real issues involved in the tax situation and expose the specifics—the heart of the matter—that will enable all Americans to take a knowledgeable and positive stand.

I know of no finer contribution that you could make. It will be a public service of the highest order for it will aid significantly in the achievement of a tax reform program best designed to reverse the downward business trend and restore solid, noninflationary economic growth.

SENATE

FRIDAY, APRIL 25, 1958

The Senate met at 10:30 o'clock a. m.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O thou God of life and light, our glad hearts thrill at the risen glory of the awakening earth, robed once more in the blooming garb of spring as out of the tomb of winter nature climbs to a soul in leaf and flower. Across the landscape of our inner lives, so often held in the bare and barren winter of despair, may there flow a spiritual springtime, transforming our dead selves into a garden of the Lord, in a new efflorescence of the flowers of grace and the fruits of the spirit. Thus may the Psalmist's prophecy be fulfilled in us: He shall be like a tree planted by the rivers of water. For we come with the ancient prayer upon our lips, let the beauty of the Lord our God be upon us. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, April 24, 1958, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

REFERENCE OF CERTAIN SENATE BILLS

Mr. JOHNSON of Texas, Mr. President, I ask unanimous consent that the following Senate bills be re-referred to the Special Committee on Space and Astronautics, and that the committees to which they were originally referred be discharged from further consideration thereof:

S. 3117 and S. 3000, from the Joint Committee on Atomic Energy; S. 3233, from the Committee on Interstate and Foreign Commerce; S. Con. Res. 53, from the Committee on Armed Services; S. 3180 and S. 3126, from the Committee on Government Operations.

The PRESIDENT pro tempore. Without objection, it is so ordered.

NOTICE OF HEARINGS BEFORE SPECIAL COMMITTEE ON SPACE AND ASTRONAUTICS

Mr. JOHNSON of Texas. Mr. President, I should like to announce at this time the intention of the Special Committee on Space and Astronautics to commence hearings on S. 3609, the administration's proposed National Aeronautics and Space Act, at 10:30 a. m., Tuesday, May 6. I have cleared this announcement with the ranking minority member of the committee, the Senator from New Hampshire [Mr. BRIDGES]. The first witness before the committee will be the distinguished James H. Doolittle, Chairman of the National Advisory Committee for Aeronautics.

It is expected that additional witnesses from the administration and outside of Government will be heard during the remainder of that week and possibly into the next week, as time and circumstances permit and require. I should like to have all Members of the Senate and all members of the Special Committee on Space and Astronautics on notice in this connection.

Our counterpart committee on the House side has been holding hearings for several weeks. It is my strong hope that it will be possible for Congress to

enact suitable and appropriate legislation this session in this most important new field of activity.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Small Business Subcommittee of the Committee on Banking and Currency was authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PARLIAMENTARY PROCEDURES

Mr. JOHNSON of Texas. Mr. President, I do not wish to indulge in any great controversy over the matter, but I should like to have the RECORD show that my statement to the effect that the Senator from Colorado [Mr. ALLOTT] had spoken three times on an amendment which he offered yesterday is borne out by pages 7187, 7235, and 7236 of the RECORD for yesterday, Thursday, April 24, 1958.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

ADMINISTRATION AND MANAGEMENT OF CERTAIN LANDS

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to facilitate administration and management by the Secretary of Agriculture of certain lands of the United States within national forests (with an accompanying paper); to the Committee on Agriculture and Forestry.

REPORT ON FEDERAL CONTRIBUTIONS PROGRAM

A letter from the Administrator, Federal Civil Defense Administration, Battle Creek, Mich., transmitting, pursuant to law, a report of Federal contributions, for the quarter ended March 31, 1958 (with an accompanying report); to the Committee on Armed Services.

REPORT ON RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

A letter from the Secretary of the Treasury, transmitting, pursuant to law, a report on the Reconstruction Finance Corporation Liquidation Fund, for the quarter ended March 31, 1958 (with an accompanying report); to the Committee on Banking and Currency.

REPORT OF FEDERAL DEPOSIT INSURANCE CORPORATION

A letter from the Chairman, Federal Deposit Insurance Corporation, Washington, D. C., transmitting pursuant to law, a report of that Corporation, for the calendar year 1957 (with an accompanying report); to the Committee on Banking and Currency.

AUDIT REPORT ON GENERAL SUPPLY FUND, GENERAL SERVICES ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the General Supply Fund, General Services Administration, for the fiscal year ended June 30, 1956 (with an accompanying report); to the Committee on Government Operations.

AUDIT REPORT ON FEDERAL NATIONAL MORTGAGE ASSOCIATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Federal National Mortgage Association, Housing and Home Finance Agency, for the fiscal years ended June 30, 1957, and 1956 (with an accompanying report); to the Committee on Government Operations.

CERTIFICATION OF ADEQUATE SOIL SURVEY AND LAND RECLASSIFICATION, NORTH PLATTE PROJECT, WYOMING AND NEBRASKA

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, that an adequate soil survey and land reclassification has been made of the lands of the Goshen, Gering-Fort Laramie, and Pathfinder Irrigation Districts, located on the North Platte project in Wyoming and Nebraska; to the Committee on Interior and Insular Affairs.

REPORT ON AWARD OF YOUNG AMERICAN MEDAL FOR BRAVERY

A letter from the Attorney General, reporting, pursuant to law, on the award of the Young American Medal for Bravery, to Harold Tupper Murray, Jr., for the calendar year 1956; to the Committee on the Judiciary.

RESCISSION OF ADJUSTMENT OF STATUS OF A CERTAIN ALIEN—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Tan Tat Geen from a report relating to rescission of adjustment of status of said alien, transmitted to the Senate on August 1, 1957 (with an accompanying paper); to the Committee on the Judiciary.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Interior and Insular Affairs:

"Resolutions memorializing the Congress of the United States to establish a national seashore on Cape Cod

"Whereas there exists on the outer reaches of Cape Cod a magnificent beach, unbroken for 33 miles and constituting a unique natural wonder of the United States; and

"Whereas this shoreline has been a landmark for mariners for nearly 1,000 years; and

"Whereas this shoreline is hallowed in the beginnings of our country, its hinterland being the first land trod by the Pilgrims of the Mayflower and having yielded to them their first drink of fresh New England water; and

"Whereas this vast sweep of sand, moor, forest, marsh, and pond fosters hosts of birds, fish, animal, and plant life; and

"Whereas this shoreline has been immortalized in paintings, verse and prose by American artists and writers for nearly 200 years; and

"Whereas this shoreline is a source of inspiration and recreation to all the people of the United States and to visitors from other countries; and

"Whereas the survival of this shoreline as a natural wonder is imperiled by developments which are inconsistent with its inspirational and recreational value to the people of the United States: Therefore be it

"*Resolved*, That the General Court of Massachusetts requests the Congress to establish a national seashore to be designated as the Cape Cod National Seashore in the area from Race Point in Provincetown to Nauset Inlet in Orleans, bounded on the east by the Atlantic Ocean and on the west by a line to be determined by the Government of the United States and other such areas adjacent as may be deemed necessary, for the use and enjoyment of all the people of the United States, said national seashore to be preserved as nearly as possible in the state in which it was created by nature, to be a source of health and inspiration to all the people of the United States and their descendants forever; and be it further

"*Resolved*, That the General Court of Massachusetts further requests the Congress to enact legislation providing for the purchase and establishment of the national seashore as heretofore described lest this great historic and scenic New England landmark be lost forever to public use by rapidly growing man-made encroachments; and be it further

"*Resolved*, That copies of these resolution be transmitted forthwith by the Secretary of the Commonwealth to the presiding officer of each branch of Congress and to the Members thereof from this commonwealth."

A concurrent resolution of the Legislature of the State of New York; to the Committee on Armed Services:

"Resolution 215

"Concurrent resolution memorializing Congress relative to the stationing of troops at the United States Army installation known as Camp Drum, in Jefferson County in New York State

"Whereas in recent years the facilities of the United States Army installation known as Camp Drum in Jefferson County in New York State, have been utilized only during certain months of each year; and

"Whereas the commanding general of the First Army and the commanding general of the Continental Army of the United States have recommended that training troops should be stationed at Camp Drum during the entire year; and

"Whereas the above-mentioned commanding generals as well as many other Army officers who are familiar with the situation have stated that the above stationing of troops at Camp Drum would not only be beneficial to the morale of the officers and troops who are trained there but would also improve their training and efficiency; and

"Whereas the carrying out of such recommendation would eliminate much shifting and transportation of troops and would not involve any increased expenditure of funds: Now, therefore, be it

"*Resolved* (*if the Senate concur*), That the Congress of the United States be and it hereby is respectfully memorialized to take such action as may be necessary to provide

that the above mentioned Camp Drum shall be utilized and kept in operation during the entire year; and be it further

"Resolved (if the Senate concur), That copies of this resolution be transmitted to the President of the United States, the Secretary of the Senate, the Clerk of the House of Representatives, and the Secretary of the Army and to each Member of Congress duly elected from the State of New York and that the latter be urged to exert every effort toward accomplishment of the purpose of this resolution."

A resolution adopted by the Board of Supervisors of the county of Maui, T. H., favoring the enactment of legislation to provide price supports and subsidies for the farmers of Hawaii; to the Committee on Agriculture and Forestry.

A letter, in the nature of a petition, from the Wisconsin State Grange, signed by Ted Walton, master, favoring the establishment of a second Presidential Commission on Country Life; to the Committee on Agriculture and Forestry.

The petition of Carolyn R. Jones, of Chicago, Ill., praying for the enactment of legislation to provide aid to civil defense; to the Committee on Armed Services.

The petition of Arthur J. Chichester, of Bigfork, Mont., praying for the enactment of legislation to repeal certain taxes; to the Committee on Finance.

A resolution adopted by the Board of Supervisors of the County of Maui, T. H., relating to the disposal of surplus property in that county; to the Committee on Government Operations.

A resolution adopted by the Board of Supervisors of the County of Maui, T. H., favoring the enactment of legislation to extend the GI bill of rights home-building program to certain veterans of World War II; to the Committee on Labor and Public Welfare.

A letter in the nature of a memorial from the Augusta, Maine, Nature Club, signed by Dorothea Marston, conservation chairman, remonstrating against the enactment of the bill (S. 1538) to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes; ordered to lie on the table.

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT—LETTER AND PETITION

Mr. HOBLITZELL. Mr. President, I have received a letter from C. D. Memel, factory manager of the the O. Ames Co., division of McDonough Co., Parkersburg, W. Va., enclosing a petition, signed by the employees of that company, relating to the extension of the Reciprocal Trade Agreements Act. I ask unanimous consent that the letter and petition may be printed in the RECORD, and appropriately referred.

There being no objection, the letter and petition, without the signatures attached, were referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

O. AMES CO.,
DIVISION OF MCDONOUGH CO.,
Parkersburg, W. Va., April 18, 1958.

The Honorable JOHN D. HOBLITZELL,
United States Senator, Senate Office Building, Washington, D. C.

DEAR SIR: The sale of imported shovels coming from Germany and Japan is seriously affecting the sale of our American-made shovels. The foreign-made shovels are produced with very cheap labor and are being laid down in the United States at a price which is only about two-thirds of the price we can manufacture our shovels. The sale of these imported shovels has greatly increased in the last 6 months, thereby greatly affecting the sales and production of the company by which I am employed.

Last January 1957 we employed at our Parkersburg No. 1 plant 850 employees. At this time, we are working only 329 employees, and we think that the biggest factor causing the decrease in employment is the increasing sales of foreign-made shovels.

Recently, we have been following with interest the administration's bill H. R. 10368 to extend the reciprocal trade agreements program for another 5 years. Our company and employees are greatly opposed to the extension of this program.

Foreign-made shovels and garden tools are being sold to jobbers in this country 20 to 40 percent lower than we can sell our tools. We have made every effort to cut cost in our plant so we can cut the prices on some of our shovels and try to compete with the foreign makes, but with all our effort and all our cost reductions, so far the best we have been able to do is to produce our shovels at the price of around $18 to $19 per dozen. Foreign shovels and tools are coming into the United States docks at around $12 per dozen. I think every effort should be made to restore the import duty to its former 30 percent. Then, foreign shovels could not so successfully compete with the American-made shovels.

Labor and management are extremely worried as to what the outcome might be for the future of our company if foreign tools continue to pour into our country at the rate they are now being imported.

Very truly yours,

C. D. MEMEL,
Factory Manager.

APRIL 16, 1958.

PETITION

We, the undersigned members of Local Union 1651, United Steelworkers of America, AFL–CIO, and employees of the O. Ames Co., division of McDonough Co., Parkersburg, W. Va., are vitally concerned with the progress of bill H. R. 10368 to extend the reciprocal trade agreements for another 5 years.

The importation of foreign-made shovels and garden tools from Germany and Japan is seriously affecting the sales and production of the O. Ames Co. Our livelihood, and, to a large extent, the economic well-being of the Parkersburg area, depends upon the prosperity of the O. Ames Co. The employment at the O. Ames Co. is at the lowest level in 25 years, and, as a result, approximately 500 of our fellow employees are out of work. We fear that further reduction in the labor force may be necessary if the volume of foreign shovels and garden tools imported continues to increase as it did during the past year.

Since the reciprocal trade agreements have already affected our members so seriously, we are opposed to the extension of these agreements for another 5 years.

Therefore, we respectively request that you exert your efforts in our behalf to secure relief for the O. Ames Co., and for us, by voting against bill H. R. 10368 for the extension of the reciprocal trade agreements. We must have relief from the present situation wherein American workmen are forced into unemployment by unfair and unrestrained foreign competition.

(Signed by H. E. Richards, Larry Miller, Harold J. Watson, and hundreds of other employees of the O. Ames Co.)

RESOLUTION OF BOARD OF SUPERVISORS, WAYNE COUNTY, N. Y.

Mr. JAVITS. Mr. President, I present, for appropriate reference, a resolution adopted by the Board of Supervisors of Wayne County, N. Y., favoring enactment of the bill (H. R. 7576) to further amend the Federal Civil Defense Act of 1950. I ask unanimous consent that the resolution may be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

Resolution 15

Resolution approving H. R. 7576, an act to further amend the Federal Civil Defense Act of 1950

Mr. Lookup presented the following resolution and moved its adoption:

"Whereas there has been introduced in the Congress of the United States a bill known as H. R. 7576, which amends the Federal Civil Defense Act of 1950; and

"Whereas this bill, in part, amends title II of said act and provides that the Federal Civil Defense Administrator may make financial contributions to the States for necessary and essential State and local civil-defense personnel and administrative expenses on the basis of approved plans for the civil defense of the States; and

"Whereas the bill further provides that said contribution may equal one-half of the total cost of such necessary and essential State and local civil-defense personnel and administrative expenses; and

"Whereas the county of Wayne is in a critically important position geographically inasmuch as it is within 20 miles of Rochester, which is a prime target area, and has been designated as a support county for the Rochester target area; and

"Whereas Wayne County is a rural county with a total population of about 60,000; and

"Whereas the consequent responsibilities devolving upon the county of Wayne have created a serious financial problem; and

"Whereas the Preamble of the Constitution of the United States proclaims that it was established to 'provide for the common defense'; and

"Whereas it is the considered opinion of the Board of Supervisors of the county of Wayne that the Federal Government should participate more actively in the civil-defense program; it is

"*Resolved*, That the Board of Supervisors of the county of Wayne and the State of New York strongly urges the Congress of the United States to favorably consider and enact into law H. R. 7576; and it is further

"*Resolved*, That certified copies of this resolution be forwarded to the Honorable KENNETH B. KEATING, Member of the House of Representatives from the 38th District of New York, Hon. JACOB JAVITS, and Hon. IRVING IVES, United States Senators representing the State of New York, and that they be requested to vigorously urge the passage of H. R. 7576."

Motion seconded by Mr. Brown and on rollcall was carried.

HELEN S. GRUSCHOW,
Clerk.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. STENNIS, from the Committee on Armed Services, with an amendment:

H. R. 11470. An act to adjust the method of computing basic pay for officers and enlisted members of the uniformed services, to provide proficiency pay for enlisted members thereof, and for other purposes (Rept. No. 1472).

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the

Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. BYRD, from the Committee on Finance:

Frank W. Hull, of Washington, to be collector of customs for customs collection district No. 30, with headquarters at Seattle, Wash.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HRUSKA:

S. 3696. A bill for the relief of Panagiotis Kamboukos (Kazantzas); to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina:

S. 3697. A bill to create an Agricultural Research and Industrial Board; to define its powers and duties; and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. JOHNSTON of South Carolina when he introduced the above bill, which appear under a separate heading.)

By Mr. BEALL:

S. 3698. A bill to amend section 4 of the Federal Home Loan Bank Act; to the Committee on Banking and Currency.

(See the remarks of Mr. BEALL when he introduced the above bill, which appear under a separate heading.)

By Mr. LANGER:

S. 3699. A bill to amend title VI of the Public Health Service Act, as amended, in order to make certain clinics eligible for Federal aid to diagnostic or treatment centers;

S. 3700. A bill for the establishment of the United States Commission on the Aging and Aged;

S. 3701. A bill to establish the Federal Agency for Handicapped, to define its duties, and for other purposes;

S. 3702. A bill for the establishment of a temporary National Advisory Committee for the Blind; and

S. 3703. A bill to require that a State home for disabled veterans must make at least 50 percent of the beds in such home available for domiciliary care in order to qualify for Federal assistance under the act of August 27, 1888; to the Committee on Labor and Public Welfare.

By Mr. CLARK:

S. 3704. A bill for the relief of Grace C. Beam; to the Committee on the Judiciary.

By Mr. CARROLL:

S. 3705. A bill for the relief of the late Melvin H. Johnson; to the Committee on Finance.

S. 3706. A bill for the relief of Bonifacio Tizon; to the Committee on the Judiciary.

DISAPPROVAL OF REORGANIZATION PLAN NO. 1 OF 1958

Mr. POTTER. Mr. President, I submit for appropriate reference a resolution designed to establish that the Senate does not favor the Reorganization Plan No. 1 of 1958 transmitted to the Congress on April 24, 1958.

In my judgment, the effects of the reorganization plan are of such magnitude they should be reviewed by Congress. My resolution will make this possible.

The principal effects of the reorganization plan would be to transfer to the President the functions vested by law in the Federal Civil Defense Administration and those so vested in the Office of Defense Mobilization and to consolidate the Office of Defense Mobilization and the Federal Civil Defense Administration to form a new Office of Defense and Civilian Mobilization in the Executive Office of the President.

Mr. President, I have grave reservations about this and hearings may prove that it is unwise to place an operating agency under the arm of a Chief Executive, particularly when the Presidential Office is already burdened with such tremendous responsibilities. Congress authorized the Federal Civil Defense Administration in its present form and any proposed change should be most carefully reviewed by Congress.

These agencies should not be supervised by the President of the United States. This is the first time, to my knowledge, that an operating agency of the Government is proposed to be placed under the direct control of the President in peacetime. I can visualize what would happen to civil defense in that event. Every mayor and every governor who had a problem of civil defense, rather than dealing with it directly, would insist on consulting with the President as the direct head of the operating agency.

I think the entire reorganization plan needs to be reviewed, to determine whether it is wise to carry it out and to establish the President as the head of an operating agency.

Mr. President, it is my earnest hope that the resolution will receive prompt action by an appropriate committee, and that thorough hearings will be held.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 297) was referred to the Committee on Government Operations, as follows:

Resolved, That the Senate does not favor the Reorganization Plan No. 1 of 1958 transmitted to the Congress on April 24, 1958.

THE PROPOSED AGRICULTURAL RESEARCH AND INDUSTRIAL BOARD

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that at this time I may address the Senate for 6 or 7 minutes, in order to make a statement and introduce a bill.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from South Carolina may proceed.

Mr. JOHNSTON of South Carolina. Mr. President, the prosperity and stability of the Nation's agriculture are always matters of concern, and especially now when so many economic indicators show a downward trend.

A stable, flourishing agricultural industry is one of the basic necessities for a strong America.

On all sides we are told that consumers are the key to improved conditions—that things will pick up if the people buy more. I should like to point out that farmers constitute one of the most important consumer groups in the country.

While the number of farmers has decreased in recent years, figures show that purchases by farmers for production and consumption have increased.

An impressive statement on this subject is as follows:

> Two-fifths of the Nation's total economic activity arises from agriculture and related business functions.

That statement is a direct quotation from the interim report to Congress, on April 17, 1957, from the bipartisan Commission on Increased Industrial Use of Agricultural Products.

Mr. President, like a number of other Members of this body, I was impressed with the report of the Commission. After a thorough study, the Commission made major recommendations looking toward wide research to bring about the greatest possible industrial uses of agricultural products.

In touching upon the necessity for research in this vital field, the Commission's report reads as follows:

> In the past 25 years agriculture often has been researched right out of its natural domain. Industry will continue to explore the unknown in search for new products and new uses for old products. Nothing is plainer in the economic pattern of today than that agriculture must compete in areas of basic and applied scientific research. Agriculture should be enabled to compete as an equal in the contest for consumer acceptance. It is now losing by default.

Let us review briefly the origin, organization, and recommendations of the Commission.

The Commission on Increased Industrial Use of Agriculture Products was created in accordance with section 209 of Public Law 540, 84th Congress. It first filed an interim report, and then filed a final report on June 15, 1957.

The Commission had an able staff, and recruited to its tasks a number of qualified persons. Suggestions were obtained through correspondence with Experiment Station directors and more than 350 industrial executives. The work was well planned, and was executed efficiently.

In its report, the Commission stated that it found it necessary to obtain quickly, first, an adequate assessment of the current state of industrial utilization research; second, a sound appraisal of its possibilities; and, third, adequate understanding of the obstacles to further development.

To this end, the Commission set up task groups to inquire into various areas, including corn wet-milling, cotton, industrial uses for grain, dairy products, forage crops, forest products, fruit and vegetables; hides, skins, animal byproducts; new and special crops, oilseeds and animal fats, poultry products, rice, sugar, tobacco, white potato products, wool, and mohair.

Mr. President, it can be seen at once that this is a well-planned and comprehensive program, the intensive pursuit

of which would hold promise for the farmer and the Nation.

At the outset of their endeavors, the members of the Commission came to several conclusions:

(1) The current industrial outlets for the products of the total farm acreage, estimated to be less than 7 percent, are undeniably small;

(2) To attain and maintain an increased share of industrial markets will require intensive efforts on two fronts—research and action.

The Commission, after making its studies, came to the following verdict:

The dynamic forces which created American industrial development must be motivated in the farm economy.

It is noteworthy that the Commission's first recommendation called for a substantial increase in research funds, and did so in the following language:

The Commission proposes as its first and most necessary recommendation that the funds for industrial uses research be increased to not less than three times the amounts (currently $16,145,000) available; and that additional sums be provided, as has been herein suggested, for new crop research, trial commercialization, development, and incentives.

Special emphasis was put by the Commission on the new crop projects with the purpose of creating durable, additional markets, and for rapid disposal through industrial channels of accumulated surpluses.

In its summary statement accompanying its recommendations, the Commission's task group on new and special crops said significantly:

A new or special crop should provide further diversification and an alternative source of income on farms, and new products for industrial use. A new crop is neither a short-time magic development, nor a panacea for solving surpluses and other farm problems. * * *

Eventual establishment of a new crop requires many years of continuous, cooperative, and coordinated research and development by Federal, State, and private agencies working with producers, processors, and consumers. Without such a program of continuous research, adequately supported, the big gaps of knowledge and use of plant resources of the world will remain.

The Commission further pointed out:

Although most new crops will be grown on small acreages, an occasional one may expand to major importance, as did soybeans after a long period of research, improvement, and promotion.

The task group described 36 potentially new crops, and, in its own language, "illustrated specific requirements for establishment of six new crops of varying potential use and economic importance."

I should like to refer again to the Commission's report, in order to emphasize the need for continuing research. The report states:

A new crop is neither a magic development nor a magic solution. It generally represents years of search, study, evaluation, adaptation and culture, deliberate development and planned promotion.

According to the Commission, there are in the world, an estimated 250,000 species of higher plants. But the United States makes use of an exceedingly small fraction. The Commission, in commenting on this ratio, stated further:

And yet man has, throughout thousands of years, screened the vegetation around him for useful products. At once this fact introduces caution in expecting spectacular finds in new crops. However, it is likely that modern man with all his varying needs and his new knowledge and technology in biology, chemistry, physics, engineering, and economics could find more plants to develop into crops of significance in his life and activities.

This opens a wide vista for crop research. Certainly the ground covered by the Commission stakes out new areas for crop research which warrant cultivation and sustained interest.

South Carolina, for instance, was much impressed with the commercial possibilities of bamboo as a primary source of pulp for quality papers. In the opinion of the Commission, bamboo has a promising potential. What are needed, in its judgment, in order to make bamboo a winner, so to speak, are large-scale production and processing programs to establish its economic feasibility.

There is well-founded opinion that bamboo could be developed into a 50 million acre crop for farmers, which would fill the gap in newsprint shortages; would form the base, at the same time, for a new furniture industry for the United States; and also would produce a new source for plastic products, a new line of decorative and practical building materials, and other manufactured products. Already, in the Orient, bamboo is the source of salads, paper, houses, furniture, bean poles, and shades.

Among scientists there is a division of opinion as to whether bamboo can be used directly for newsprint pulp. Even if it should be found that this doubt is well founded, bamboo most certainly can be used to produce certain paper products that currently are being made from pine pulp, and thus much pine pulp can be diverted to newsprint production.

The point is that research is needed in order to ascertain all the facts on bamboo; and this is only one of the possible new crops advocated by the Commission, as a result of its studies.

From new agricultural crops, such as bamboo, can come products, payrolls, and industries which will strengthen the base, not only of agriculture, but of the whole national economy.

Mr. President, the Commission on Increased Industrial Use of Agricultural products was a bipartisan body. Its work was well done; its findings gave great encouragement to agriculture; its recommendations formed the basis for a real program in agricultural research.

If the conditions existing in agriculture in the first place warranted the creation of such a Commission, as they surely did, a follow-through is all the more necessary now, for we safeguard the national interest when we improve the economic lot of the farmer, provide diversification in crops, discover new uses for basic crops, develop new agricultural products, and provide for intelligent, [illegible]nomical use of surpluses.

The[illegible] has come to implement by legis[illegible]ction the recommendations of the [illegible]artisan Commission on Increased Industrial Use of Agricultural Products.

Mr. President, I introduce a bill to provide for basic research for the greatest possible industrial use of agricultural products, diversification of crops, development of new crops, for the disposal of agricultural surpluses, and other purposes.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3697) to create on Agricultural Research and Industrial Board; to define its powers and duties; and for other purposes, introduced by Mr. JOHNSTON of South Carolina, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

AMENDMENT OF SECTION 4 OF FEDERAL HOME LOAN BANK ACT

Mr. BEALL. Mr. President, I introduce, for appropriate reference, a bill to place certain needed restraint on the advertising of savings and loan associations not insured by an instrumentality of the Federal Government. The bill proposes to amend section 4 of the Federal Home Loan Bank Act, as amended.

Preliminary investigation has revealed that, where savings accounts are claimed to be insured commercially, the insurer companies are ordinarily organizations of some foreign country and they have not qualified to do business in the States in which the savings associations are located and are thus not subject to effective supervision by those States, and that adequate information as to their solvency and financial standing is generally not available.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD, and I ask that it be referred to he Committee on Banking and Currency.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3698) to amend section 4 of the Federal Home Loan Bank Act, introduced by Mr. Beall, was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 4 of the Federal Home Loan Bank Act, as amended, is amended by adding the following new subsection:

"No individual, association, partnership, or corporation shall make any representation, oral or written, that any of the shares, certificates, or deposit accounts of any building and loan, savings and loan, or homestead association or cooperative bank, or savings bank not insured by the Federal Deposit Insurance Corporation, which is a member of a Federal Home Loan Bank are insured or guaranteed, contrary to regulations of the Federal Home Loan Bank Board adopted upon a determination by said Board that such regulations are necessary or appropriate in the public interest or for the protection of investors and prohibiting, or limiting or restricting, the making of such representation by such individual, association, partnership, or corporation. Every individual, association, partnership, or corporation violating the provisions of the sentence next preceding shall for each violation be subject to a penalty of

no more than $1,000, which the Board may recover for its own use, through action or otherwise, in its own name and through its own attorneys, with power in said Board to remit, mitigate, or compromise any such penalty before or after the institution of action."

AREA REDEVELOPMENT ACT—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of April 23, 1958,

The names of Senators BARRETT, DIRKSEN, REVERCOMB, HUMPHREY, MAGNUSON, PASTORE, THYE, YOUNG, AIKEN, LANGER, and KUCHEL were added as additional cosponsors of the bill (S. 3683) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas, introduced by Mr. DOUGLAS (for himself and other Senators) on April 23, 1958.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been received and are now pending before the Committee on the Judiciary:

Billy Elza Carlisle, of Georgia, to be United States marshal, for the middle district of Georgia, for the term of 4 years—now serving in this office under an appointment which expired March 6, 1958.

Osro Cobb, of Arkansas, to be United States attorney for the eastern district of Arkansas, for the term of 4 years—now serving in this office under an appointment which expired March 6, 1958.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Friday, May 2, 1958, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, and so forth, were ordered to be printed in the RECORD, as follows:

By Mr. GOLDWATER:

Article entitled "Delay in Legislation on Labor," written by George Todt, and published in the San Fernando Valley Times of April 21, 1958.

CALL OF THE ROLL

Mr. JOHNSON of Texas. Mr. President, before the Senate resumes consideration of the unfinished business, I shall suggest the absence of a quorum.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MAXWELL M. RABB

Mr. MANSFIELD. Mr. President, I note in the New York Times today that Mr. Maxwell M. Rabb, secretary to the Cabinet of President Eisenhower, has resigned to enter the private practice of law in New York City. I wish to take this occasion to express my great admiration and respect for the fine work performed by Mr. Rabb during his more than 5 years of service as the first secretary to the Cabinet, for the graciousness he has always shown toward people who have come to him with problems, and my hope that in his new employment he will be as happy and will make as great a contribution as he undoubtedly has in his present position. I am certain that the President realizes and recognizes the great value of Mr. Rabb. I know that many of us in the Senate are aware of his many courtesies and kindnesses, and I take this occasion to wish him well in his new undertaking and to express my appreciation for the unfailing consideration he has shown to many of us down through the years.

Mr. President, I ask unanimous consent that the article published in the New York Times be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RABB RESIGNS AS CABINET SECRETARY

WASHINGTON, April 24.—Maxwell M. Rabb, secretary to the Cabinet of President Eisenhower, resigned today to become a partner in the New York law firm of Stroock & Stroock & Levan.

In accepting his resignation, the President wrote Mr. Rabb that "it has been a truly large service that you have rendered—not only to me but to the members of the Cabinet, your other associates, and the Nation."

Mr. Rabb, secretary to the Cabinet since the post was created 5 years ago, wrote the President thanking him for the opportunity of being the first to serve in that capacity. "You have changed the Cabinet from what was a somewhat haphazard inconclusive conclave into an effective, vital coordinating body," he said.

The President wrote Mr. Rabb:

"As you review in years to come the many complex problems that have almost constantly engaged our attention, your awareness of the role of the Cabinet in solving them should give you a very rewarding feeling.

"Particularly have the guidance and stimulus that you added to the preparation of matters for Cabinet discussion helped to ensure a firm foundation for the policies shaped there."

Mr. SMITH of New Jersey. Mr. President, I am happy to associate myself with the remarks just made by the distinguished Senator from Montana. Max Rabb has been a friend of mine ever since I have been a Member of the Senate, and I have know him very well. I endorse everything which has been said about him by the Senator from Montana. His work as the secretary to the Cabinet has been outstanding, and he will be missed at the White House. It is the country's loss that he feels it necessary to leave the service at this time.

Mr. President——

The PRESIDENT pro tempore. The Senator from New Jersey.

EMPLOYEE WELFARE AND PENSION BENEFIT PLANS—EXPLANATION OF ADMINISTRATION AMENDMENTS

Mr. SMITH of New Jersey. Mr. President, last night I offered in behalf of the administration 11 amendments to the pending bill, S. 2888. Yesterday, I was in New Jersey for our Republican convention and, therefore, I missed the debate during the day; but upon my return I had a request from the administration to submit the amendments last night. I desire to speak for a few minutes to explain the purpose of these amendments.

At the outset I will read a portion of the statement which Secretary of Labor James T. Mitchell made yesterday afternoon on behalf of the administration after a conference at the White House:

While S. 2888 is generally acceptable to the administration, it is by no means enough to give adequate protection to American workers against the corruption and abuses of trust and power which have been disclosed in the labor-management field.

At present a number of amendments to S. 2888, going far beyond the regulation of health, welfare, and pension funds, will be debated in the Senate. Thus, in effect, the Senate is considering the subject matter of the total administration program. In view of this fact and the President's earnest desire for the passage of his total legislative program in this area, the administration urges the Senate to adopt those proposals which have been made by Senator SMITH of New Jersey.

In explanation of the foregoing statement by Secretary Mitchell, I point out that on January 23 of this year I introduced three bills, S. 3097, 3098, and 3099, which are designed to carry out the recommendations of the President contained in his special message on labor legislation which he sent to the Senate on the same date. As I suggested in introducing these three bills, the administration recommendations constituted a practical approach to the complex problems involved in this field. The proposals of the administration, considered as a whole make up a comprehensive program for dealing with these problems in a manner which seems to be in the best interests of all parties concerned. It is designed to be a program which will be truly remedial and in no way oppressive or harmful to the best interests of organized labor.

Subsequent to the delivery of the President's message the press gave it immediate attention. The New York Times said it deserved "great praise" as "a model of high statesmanship."

The Washington Post characterized it as "wise and cogent."

Score of other leading newspapers praised the program, including the Newark News, the Christian Science Monitor, the St. Louis Post Dispatch, the Akron Beacon Journal, the Houston

Post, and the Fort Worth Star-Telegram.

The administration program reaffirms the proposition that the proper role of Government in the labor field is to maintain a framework of laws which promotes integrity and responsibility in labor-management relations and encourages free collective bargaining without Government domination.

These specific proposals, contained in my original bills, and now broken down and contained in the amendments to the pending bill which I offered last night, have been carefully designed to fit the particular practices or abuses toward which they are directed. Among other things, they provide reasonable and practicable protection for regular union funds. The reporting of practices and procedures and the right and opportunity of union members to elect officers by secret ballot are aimed to place in the hands of union members themselves the tools whereby they may help improve the standards of democratic procedures in their own unions.

The proposals with respect to secondary boycotts and picketing are designed to provide needed protection against union coercion. Certain inequities regarding the voting rights of economic strikers would be eliminated and stability of collective bargaining relationships would be assured. The jurisdictional gap between the Federal Government and the States, which now exists, would be closed by authorizing the States to act with respect to matters over which the NLRB declines to assert jurisdiction.

The administration has requested me to offer the amendments because of the apprehension that unless these matters are dealt with at this time there will be no further labor legislation this year, and these recommendations which the President feels are of such great importance will be passed over. As a matter of fact, no action was taken with respect to these administration bills which I introduced until a subcommittee on labor of the Committee on Labor and Public Welfare of the Senate commenced hearings on March 26, 1958. Those hearings were recessed, unfortunately, the next day after hearing only two witnesses. Therefore, this may be the last opportunity during this session of the present Congress for the consideration by the Senate of the administration proposals. That is why I am offering these amendments now to S. 2888 which will carry out the recommendations transmitted by the President to Congress in his message of last January. As I have already stated, the amendments are identical in substance with the provisions of S. 3097, S. 3098, and S. 3099.

There appears to be a rumor which I have heard from various quarters which I feel should be dispelled immediately. The rumor is to the effect that this effort by the administration to secure the passage of its entire labor program is an effort to kill the pending measure. This is absolutely and completely untrue. The President and Secretary Mitchell have repeatedly urged the Congress to pass legislation to protect welfare and pension funds against crooks and racketeers. At the request of Secretary Mitchell I cooperated with the majority of the Committee on Labor and Public Welfare in reporting the pending measure with certain reservations which were based on the amendments of the Senator from Colorado [Mr. ALLOTT]. No later than yesterday afternoon, the administration said, and I reaffirm, that S. 2888 is generally acceptable to it as a part of the wider legislation covering the pending labor issues.

The situation now in the debate on S. 2888 appears to have been opened before the Senate covering the whole area of labor-management relations and the subject matter of the total administration program. The administration, therefore, feels, and has so advised me, that we should persevere in seeking the enactment of the entire program at this time.

In light of the fact that this may be the last opportunity during this session of the 85th Congress to consider these recommendations of President Eisenhower, it is my request that each one of the amendments I have offered be considered on its own merits and that a yea-and-nay vote be had on each amendment.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I am glad to yield to the majority leader.

Mr. JOHNSON of Texas. The Senator's amendments will, of course, be considered. I listened to his statement with great interest.

I should like to ask the Senator: When, in January, did the President make these recommendations to Congress? Does the Senator have the precise date?

Mr. SMITH of New Jersey. It was on January 23, in a special message to Congress on labor. I was requested to introduce bills, and I did so on that day.

Mr. JOHNSON of Texas. The Senator from New Jersey introduced his bills on the same day?

Mr. SMITH of New Jersey. On the same day.

Mr. JOHNSON of Texas. The month of February, the month of March, and a part of the month of April have passed. During that time, I understand, the committee has been holding hearings on the education bill. Is that correct?

Mr. SMITH of New Jersey. That is true.

Mr. JOHNSON of Texas. It is my further understanding that the committee has held two hearings, at which the Secretary of Labor appeared, in connection with proposed labor legislation.

Mr. SMITH of New Jersey. That is correct.

Mr. JOHNSON of Texas. I believe, also, that the president of the AFL–CIO, Mr. Meany, appeared. Is that correct?

Mr. SMITH of New Jersey. I think that is correct. I know the Secretary of Labor appeared.

Mr. JOHNSON of Texas. Both of them, as I understand, discussed their views concerning the President's recommendations and the general field of proposed labor legislation. Is that the Senator's understanding?

Mr. SMITH of New Jersey. That is true.

Mr. JOHNSON of Texas. The Senator says, apparently with full authority, that he feels certain that this is the last opportunity Congress will have at this session to consider proposed labor legislation. I do not know where the Senator from New Jersey has been during the last 2 or 3 days; but I assure him, with whatever authority I may have, that I believe it is important that all the President's recommendations shall receive the most thorough and sincere consideration by the appropriate committee, and that not only the president of the AFL–CIO be heard, but that any other labor organizations, such as the railroad brotherhoods, which I understand are vitally affected by some of the pending amendments, be given the opportunity to have their day in court, so to speak, and to testify.

I think it is equally important that the employers of the country, who have a vital stake in the proposed legislation, shall have an opportunity to testify.

If I can rely—and I know positively that I can—on the chairman of the subcommittee, the Senator from Massachusetts [Mr. KENNEDY]; on the Senator from New York [Mr. IVES]; and on the chairman of the full committee, the Senator from Alabama [Mr. HILL]; beginning a week from Monday the hearings will be resumed where they left off. Not only will the other labor organizations have the opportunity to state their positions on matters affecting them—I think we still have the right of expressing views in this country—but the employers also will have an opportunity to state their positions. The administration, likewise, will have the opportunity to testify as to its position.

The Senator from Massachusetts hopes to conclude the hearings within a period of 3 or 4 weeks, to reach conclusions favored by the majority of the committee, and to make a report to the Senate.

Moreover, it has been stated even by some members of the committee, including the Senator from Oregon [Mr. MORSE], last evening, that if proposed legislation is not reported by the committee, a motion will be made to discharge the committee from further consideration of the subject.

I wish to give the Senator from New Jersey assurance that this Congress expects to receive from the Committee on Labor and Public Welfare further proposed legislation on this general subject, after hearing witnesses on the President's recommendations and after hearing from those affected by them.

I assure the Senator that I think that is the appropriate procedure. The committee has been very busy, and has had the President's message before it only during February and March. The committee has had two hearings. I would not want to say the Senate should act on proposed legislation after the committee had heard from only the Secretary of Labor and the head of one labor organization, to the exclusion of all others.

So my friend may be sure of the cooperation of the majority leader, not only in the attempt to see that the President's recommendations are considered, but also in the attempt to see that action is taken by the subcommittee, and then by the full committee, after all who are

affected have been given an opportunity to be heard, and after Senators have had a chance to determine what should be included in the proposed legislation.

Mr. SMITH of New Jersey. Mr. President, I am very glad to hear that statement by the majority leader. Frankly, it was feared that the Senator from Massachusetts [Mr. KENNEDY] and other Senators had another bill, and that the President's bill would be given only a superficial hearing—as it was—and then dropped.

Mr. JOHNSON of Texas. I assure the Senator from New Jersey that nothing has been dropped. The senior Senator from Arkansas [Mr. MCCLELLAN] introduced a bill only 10 days or 2 weeks ago. The Senator from Arkansas has discussed the matter with the chairman of the subcommittee and with the chairman of the full committee. I think the Senator from Arkansas will present his views not only on his own bill, but also on the recommendations the President has made to the committee.

All of us have been assured that the committee will continue its hearings. No hearings have been ended; the committee has heard only two witnesses.

Mr. SMITH of New Jersey. I appreciate the Senator's statement. But the feeling is that it would be a disaster if the President's bills were not dealt with, so they could be voted either up or down.

Mr. JOHNSON of Texas. I assure the Senator from New Jersey that there will be no such disaster. The President's recommendations will be evaluated. The recommendations of the Senator from New Jersey and the recommendations of the Senator from Arkansas and his committee will be fully considered; and the recommendations of the labor organizations and, I trust, those of the employers of the country will all be considered.

On yesterday the Senator from Massachusetts [Mr. KENNEDY] announced that he will continue his subcommittee's hearings; and he hopes that 3 or 4 weeks after the hearings start, the subcommittee will be able to conclude the hearings and to make recommendations.

Mr. SMITH of New Jersey. May we have a suggestion of a specific time?

Mr. JOHNSON of Texas. Yes; it has been announced in the RECORD. It is Monday week.

Mr. GOLDWATER. Mr. President, will the Senator from New Jersey yield to me?

Mr. SMITH of New Jersey. I yield.

Mr. GOLDWATER. I might call the attention of the distinguished majority leader to what I understand has been the attitude of the chairman of the subcommittee of the Committee on Labor and Public Welfare, namely, that the hearings would be confined to the subjects touched on by the McClellan committee. The President's recommendations encompass subjects in labor-management relations which have not been touched on by the McClellan committee.

One of the fears that has been in my heart and mind is that the hearings of the Senate Committee on Labor and Public Welfare would be confined to only the area the McClellan committee has touched, and would not go into what I believe are the more important areas of the Taft-Hartley Act which need amendment. Both parties have recognized the need for amending it. In fact, I think the party of the distinguished majority leader has even recommended doing away with the Taft-Hartley Act.

If in the hearings some attention is not given to those subjects, I do not think the Senate will have done the job it should do for the working people of the country.

That is why I have joined with the minority leader in pressing for hearings before this open body on all the subjects affecting labor-management relations, whether they be those dealt with at the hearings held by the committee headed by the Senator from Arkansas or those dealt with by the measures recommended by President Eisenhower or those dealt with by other proposals which touch on labor-management relations.

Mr. JOHNSON of Texas. Mr. President, will the Senator from New Jersey yield again to me?

Mr. SMITH of New Jersey. I yield.

Mr. JOHNSON of Texas. I appreciate the viewpoint of the Senator from Arizona. I am aware of it, and I respect it.

I am not able to speak with authority for the chairman of the subcommittee, But it is my information that at the hearings his subcommittee is conducting, he expects to hear from employers, employees, representatives of the administration, and Senators, in connection with all the proposals which are pending before his subcommittee. I think he gave the Senator from Arkansas complete assurance that not only would his measure be fully considered but also that the proposals of the Senator from California [Mr. KNOWLAND]—in the event the Senate did not adopt them—would receive equal consideration, as well as those made by the President.

As I understand, the proposals of the minority leader and those of the President are not necessarily the same.

Mr. GOLDWATER. That is correct.

Mr. SMITH of New Jersey. Mr. President, I should like to ask the majority leader a question. Does he state clearly now that the measures recommended by the President, as contained in the bills I introduced in January, and as now submitted in the form of amendments, will be considered in full and will be voted either up or down? We do not want those bills set aside for anything else.

I realize the great importance of the program of the Senator from Arkansas and what he has done. He has made a valuable contribution. I am all for that, and I have told him so time and time again.

But, representing the administration here, I do not propose to have the administration's bills laid aside. So I shall call for a vote on my amendments, unless I can be assured that the administration's proposals will not be laid aside.

Mr. JOHNSON of Texas. Mr. President, no one would attempt to prevent the taking of a vote on the Senator's amendments. We are prepared to vote on them.

I am not in a position to say what kind of bill will be reported by the Committee on Labor and Public Welfare. But I think I am in a position to say for the majority of the subcommittee and the majority of the full committee, as represented by the chairman of the subcommittee and the chairman of the full committee, that they will hear all proposals, namely, all proposals of the administration, all proposals of the Senator from Arkansas, all proposals of the minority leader, and all proposals from anyone else who desires to make recommendations.

No doubt some of the employers will have recommendations to make. I am sure some of the other labor organizations have recommendations to make. But after that is done, it is our hope and our intention to take the best of all—to have the subcommittee report to the full committee, and to have it report to the Senate, fair and equitable bills designed to carry out the recommendations a majority of the committee think should be carried out.

I ask the Senator from Massachusetts if that is his understanding.

Mr. KENNEDY. Mr. President, I will state to the Senator, as I said to Secretary Mitchell that, in the first place, it was not the intention of the subcommittee when it began its hearings, some weeks ago, to consider general revisions of the Taft-Hartley Act, as such. I feel that that is too broad a field to go into if we are going to get action during this session on the legislative recommendations of the McClellan committee.

We are particularly interested in, and the hearings were called to consider, the recommendations of the committee headed by the Senator from Arkansas [Mr. MCCLELLAN], which are in five different areas. One of them is now before the Senate. Another, of course, is the so-called no-man's land problem. Another deals with democratic procedures in elections, and so forth. Another deals with improved finances. Another deals with the middle men in labor-management activities—in other words, the Shefferman type of activities.

Those are the matters we have been considering in the subcommittee, and those are the matters the subcommittee will continue to consider.

I can assure the Senator that a bill dealing with all those matters, depending on the action taken by the subcommittee and the action taken by the full committee, will be brought to the floor of the Senate. Then, if the bill is not satisfactory to the Senate, the bill can be amended on the floor.

As the Senator from Oregon [Mr. MORSE] has said, he will move that the committee be discharged from the further consideration of the bill if by June 10 it has not reported the bill to the Senate.

I should say that the fifth field is receivership.

All the bills dealing with those subjects will be considered. I have two bills before the committee which deal with trusteeships and with conflicts of interest. I did not introduce them merely for the exercise. I intended to have the committee report a bill. But if a bill is not reported by June 10, the Senator from Oregon has announced that then he intends to move that the committee be discharged from the further

consideration of the subject, as he has announced.

So it seems to me that sometime in June the Senator will have an opportunity to vote on the bill; and if the bill is not to his liking, he will have an opportunity to submit amendments to it.

Mr. JOHNSON of Texas. Mr. President, will the Senator from New Jersey yield further to me?

Mr. SMITH of New Jersey. I yield.

Mr. JOHNSON of Texas. After consideration of the various measures which have been introduced—the proposals of the Senator from Arkansas and the other proposals—I hope the chairman of the subcommittee will give consideration to every other recommendation made, from whomsoever it may come, that then the subcommittee will determine what sort of bill it will report to the full committee, and that then the full committee will determine what sort of bill it will report to the Senate.

Mr. KENNEDY. We will consider every bill dealing with the five subjects suggested by the McClellan committee.

The Senator from New Jersey knows that the Taft-Hartley Act has been before us for 10 years; but I would be misleading the Senator if I were to say that we would do an overall job of overhauling the Taft-Hartley Act.

Mr. SMITH of New Jersey. That is not what I am asking for.

Mr. KENNEDY. Very well. What I say is that I intend to report, or have the committee report, a bill dealing with the subjects covered by the McClellan committee. If the bill is not satisfactory, amendments can be offered to it.

Mr. SMITH of New Jersey. Will the Senator, or the committee, deal with every recommendation made by the President?

Mr. KENNEDY. Most of those recommendations, with few exceptions, I think—for example, the non-Communist affidavit—deal with the general areas covered by the McClellan committee. I am sure the committee will also consider the non-Communist affidavit matter, because it has been of great interest. I think a consensus can be reached on it.

Mr. SMITH of New Jersey. I think a consensus can be reached on a great many of the proposals, but I do not believe they should be passed over.

Mr. KENNEDY. I do not know how many times I can say it or how I can make clearer that we already had begun hearings before the McClellan recommendations were made. The Senator from Massachusetts has been subject to criticism on the part of some persons for holding such hearings so soon. It is my intention to call up the bills. If the Senator does not like them, he can offer amendments to them. I do not know in what form the bill will be reported to the Senate, because I do not know what the committee will do.

Mr. SMITH of New Jersey. Of course, that is obvious, but I wanted to make it clear that the President's recommendations will be considered. I think I have a right to insist that we consider every recommendation of the President. If Senators want to vote them down, they may do so, but let us have them considered.

Mr. KENNEDY. I agree that hearings should be held.

Mr. SMITH of New Jersey. Will the Senator give us a date?

Mr. KENNEDY. The hearings will be, not started, resumed. Secretary Mitchell has already given his testimony. The hearings will be resumed a week from Monday, which will be May 5.

Mr. SMITH of New Jersey. The hearings will be resumed a week from Monday? I am interested in a date for reporting the bill.

Mr. KENNEDY. It is my thought we can be through the hearings before the end of May, and I hope prior to that, although the date set by the Senator from Oregon [Mr. MORSE] was June 10. If the bill is not reported to the Senate by June 10, he has said he will move to discharge the committee. So the schedule is tight. I hope we can complete the work in 2 weeks. I hope the committee will move to report a bill to the Senate. With the deadline set, it will have to.

Mr. SMITH of New Jersey. Mr. President, I had agreed to yield to the Senator from New York, and I yield to him now.

Mr. JAVITS. The information I had desired has been supplied in the discussion. As I listened, the date of expectation was supplied. I am sympathetic to the majority leader's view in this particular matter. I think the June date is a fair one. The Senator from New Jersey and the President are entitled to a consideration of the recommendations.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield to the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I am interested in this subject matter. The legislative situation which has developed in the Senate has given me a great deal of concern. I find myself in the position of favoring some of the proposed amendments which I am confident will be offered. I favor the objectives and the purpose of some of them, perhaps with some modifications. I do not like to be placed in the position of having to vote against an amendment to a bill, the principles and objectives of which I favor; but we are all in this position: We are either going to have hearings and follow established standard committee legislative procedures or will attempt to draft legislation on the floor of the Senate without hearings; in other words, by that procedure, draft a bill on a broad and intricate subject, one that is complex, and which challenges solution and which requires accurate legislation. If we do that, we shall be unfair—and I use that word advisedly—to all who have an interest in labor legislation and who want to be heard.

On the 14th of this month I introduced a rather comprehensive bill. It does not cover all aspects of labor-management relation problems. Tentatively, at least, I am satisfied that its provisions are appropriate in that field and should be enacted into law. I should not want to take that bill up on the floor, either directly or by way of amendment to a pending bill, without giving labor, management, the administration, and the public an opportunity to point out its merits or lack of merits, so that their views might be weighed and considered before the bill is voted on by this body.

There are some other comprehensive bills. The distinguished mincrity leader has introduced a rather broad bill. It contains some provisions which are rather comprehensive, which I should like to see enacted into law. But if we take up that bill section by section and title by title, and consider it as an amendment on the floor of the Senate, would we not be denying to labor, management, the administration, and others who may be interested in such legislation, the right to be heard?

Mr. President, I have gone this far, and I have not minced words. I think everybody understands my position. If we have to legislate this way, then I will join in so legislating; but I do not want to follow this kind of procedure or be a party to it until we know there is no other way.

For that reason, I have said, in conversations with my colleagues and with members of the Committee on Labor and Public Welfare, and particularly in conversation with the chairman of the full committee and the chairman of the Labor Subcommittee, and our distinguished majority leader, that I hope the committee will start hearings immediately. To start by May 5 is satisfactory to me. We all have pressing obligations. Let the hearings start then, so that they can be concluded within a few weeks.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. JOHNSON of Texas. I point out that the Senator from Massachusetts has told the Senator and has told me he is not to start the hearings on May 5. He has already had the Secretary of Labor come before the committee, and the Secretary has given lengthy testimony on the views of the administration. The Senator from Massachusetts has already had the top labor leader, the head of the AFL–CIO, come before the committee to give his views. The Senator expects to resume and continue hearings until the administration, labor organizations, management groups, and the public have full opportunity to be heard.

Mr. McCLELLAN. I stand corrected. I apologize. I heard the distinguished chairman of the committee say, not 10 minutes ago, he would resume the hearings. I used the wrong word. I should have said that he would resume the hearings. The terms mean the same thing so far as my purposes are concerned.

Mr. SMITH of New Jersey. I agree with that. The Senator has given sound reasoning, but we are faced with this situation: It has been said one measure will be considered in the hearings, but the President's recommendations may or may not be considered. I want to ask the Senator from Arkansas whether he contemplates that the recommendations of the President will be considered in this session of the Congress?

Mr. McCLELLAN. If I may answer, the Senator from Arkansas has never contemplated any circumscription of the committee in any sense or in any degree. I think the committee should weigh and consider every bill before it during the hearings. The select committee does

not presume at this stage of its work to have covered all aspects of the problem. We were not prepared in our interim report to make a report covering all areas in which legislation may be needed.

I certainly would in no sense limit the activity, the hearings, or the work of the labor committee to any aspect of labor legislation which the committee in its wisdom feels it should consider.

I desire to go a little further. I have stated emphatically without any reservation, that if a bill is not reported by the Committee on Labor and Public Welfare, after the committee has had an opportunity to hold hearings and hear witnesses, I would move to discharge the committee from the further consideration of one of the bills before it, so that we can get a bill to the Senate floor as a basis for legislation. I of course will defer to a member of the Labor and Welfare Committee, the distinguished Senator from Oregon [Mr. MORSE], who says that he will so move. If he should fail, I reserve the right and I shall exercise the privilege of moving to discharge the committee, so that we can have a bill before the Senate and undertake to legislate in this field before Congress adjourns.

This is an important matter. There is grave danger in America today because the criminal and underworld element—the racketeers, gangsters, and hoodlums—have infiltrated a number of unions. I do not mean they constitute a majority; let us say they are a very small minority. Their presence in even one union is too much. Certainly those disreputable elements are making progress. They are not going to stop where they are. They are working with all the vigor, power, and ingenuity of criminal minds to obtain ccntrol of the labor movement in this country. I have said the situation is alarming. I hear things and we have had testimony before the committee that are actually frightening to me.

The present Congress will fail in its duty if it does not, at this session, legislate in this area. That is my position. I am only trying at this time to preserve the due and proper legislative processes. When we undertake to legislate in an area such as this, where there are sharp and conflicting views, with deep convictions back of them, I do not think the Senate or the Congress should deny to people the right to be heard on either side, or those in between.

There is one other thing I wish to say. When the committee reports the next bill, I cannot tell the committee what bill to report; I have no pride of authorship. I am not concerned with having my name on the bill. I simply want legislation on the subject enacted; but when the next bill is reported in this session, I reserve the right to offer any amendment to it which I may desire to propose.

Mr. SMITH of New Jersey. I am glad to hear the Senator say that.

Mr. MCCLELLAN. Regardless of whether there has been a hearing on the particular amendment. I would undertake, however, to restrict it, in my own thinking, as of now. I do not want to be committed that I would not go further, but I would undertake to restrict consideration to those questions which are now before the committee, or were before the committee at the time of hearings. It would be unfair to offer an amendment covering a subject which is over and beyond anything which is now before the committee. It might not be fair to the committee. However, I would still reserve the right to do so, if it should become necessary to do it in order to get appropriate legislation at this session.

We can get legislation at the present session, if the Senate has the courage. It is being said in some quarters and in some publications that the Congress of the United States does not have the moral or political courage to act. I will not be a party in any sense to indefinite delay or to taking any action which will preclude the Congress from meeting its responsibility in the present session of Congress.

I believe it is dangerous and unwise to proper legislative processes, especially when we have time to consider the matter, not to have the bills duly processed by the committee, and give interested persons an opportunity to be heard.

I favor many of the President's recommendations. I do not know that I am unalterably opposed to any of them. I can support most of his recommendations, at least.

Mr. SMITH of New Jersey. I am simply asking that the President's recommendations be included and dealt with along with others considered by the committee. That is all I am asking for.

Mr. MCCLELLAN. I do not know and I cannot guarantee what the committee will do, but the committee will have an opportunity to act. The Senator from New Jersey is a member of the committee. So is the distinguished Senator from Arizona, who is also a member of the select committee. If Senators will do their job as best they know how, we will get a bill to the floor for consideration.

The President's proposals, the Knowland proposals, the Mundt proposals, the Goldwater proposals, and the McClellan proposals, can all be offered on the floor of the Senate and voted up or down. However, if adequate hearings are held then it could not be said by labor, by management, by those who are proadministration, by those who are antiadministration, or by anyone else that we have been giving somebody a raw deal, that we were unfair, that we did not let them have a chance to be heard.

I shall support corrective legislation. I may be digging my political grave in doing so, but I think more of this country than I do of any hoodlums or gangsters who are today undertaking to "muscle in," take over the labor movements, and exploit the laboring people of the United States, and what I say here also applies to those business interests on the management side that have entered into collusion with crooked labor officials for their mutual personal gain and profit and to the detriment of their employees.

We must not fail to meet our responsibility before this session of Congress ends.

Mr. SMITH of New Jersey. I thank the Senator.

Mr. GOLDWATER. Mr. President, will the Senator from New Jersey yield?

Mr. SMITH of New Jersey. I yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I asked the Senator to yield so that I might ask the chairman of the subcommittee to reaffirm his statement to the Senator from New Jersey that he would cover the points in the President's message which touch on the Taft-Hartley Act. Is that a correct understanding of what the Senator said?

Mr. KENNEDY. In the first place, the Secretary of Labor has already come before our subcommittee and presented his testimony.

I announced, when the subcommittee hearings began, that we would consider the recommendations of the McClellan committee and at least the areas covered by the McClellan committee, and not undertake an overall review of the Taft-Hartley Act, because if we undertook that it would mean that no action could be taken this year on the recommendations of the subcommittee. However, the Secretary of Labor has submitted his recommendations. Most of them deal with the recommendations of the McClellan committee. There are at least 2 or 3 which go beyond that field. We would be glad to have testimony as to such matters, and consider any recommendations made.

I would be misleading the Senator if I said we were not anxious to confine the consideration as much as possible to the areas I named at the beginning, covered by the report.

Mr. GOLDWATER. Mr. President, I should like to invite the attention of the chairman to the fact that six proposals in the President's recommendations touch on the Taft-Hartley Act.

The first relates to the secondary boycott field. We have heard discussion of that matter before the select committee.

The second concerns voting by economic strikers. I introduced a bill dealing with that subject early in the present Congress, but the bill has never been brought before the committee. The leaders of labor favor it.

The third recommendation relates to the non-Communist oath. Again, I have had that matter ready for consideration since January of last year, but it has never been heard.

The fourth deals with minority picketing.

The fifth is a provision to give the President an opportunity to appoint a successor to the General Counsel of the National Labor Relations Board should that person be removed for any of various causes.

The sixth touches on the apprenticeship training funds.

Will the distinguished Senator from Massachusetts assure us that we will have opportunity to consider these six points, at least, which touch on the Taft-Hartley Act, which are in the President's message?

Mr. SMITH of New Jersey. Those points are covered in the bill I introduced.

Mr. GOLDWATER. That is correct.

Mr. KENNEDY. As the Senator knows, the Secretary of Labor testified before the subcommittee. Every witness who desires to do so can testify before the subcommittee. Every Senator on the committee will have an opportunity to present any amendment he desires to submit.

I have already indicated the desire of at least the chairman, who is only one member of the committee, to try to get some measure before the Senate for consideration in the present session. That is the reason why I tried to confine the hearings as much as possible to the recommendations of the McClellan committee.

Of course, we would be delighted to hear any testimony from any Senator on any question affecting labor. It is a free hearing and any Senator is at liberty to offer anything he wishes to offer.

I cannot see how assurance can be greater. It is the personal wish of the chairman that something should be done at this session, without trying to rewrite the entire Taft-Hartley Act. However, the items relating to economic strikers, the Communist affidavit, and the secondary boycott, which is an area the McClellan committee proposes to cover, can be considered.

There is no way of limiting consideration of those matters. I should like to see something done at this session, but not an attempt to rewrite the whole Taft-Hartley Act.

Mr. GOLDWATER. I, too, would like to see something done. I should like to see one of the major parties do something about their platform promises to the public.

In 1952 and 1956 the Republican Party promised to do something about amending the Taft-Hartley law.

In 1953 there was a bill to amend the Taft-Hartley law, and the Democratic majority sent it back to the committee. In 1956, if my memory is not failing me, the Democratic Party said it would repeal the Taft-Hartley Act. I have not heard of any legislation introduced by any member of the Democratic Party to do that, but I have not heard of the Democratic Party going far enough to say, "Let us amend the Taft-Hartley Act. Let us have hearings."

There have been bills before Congress for 2 years to amend the Taft-Hartley Act. The Senator from California [Mr. KNOWLAND] introduced a bill on January 23, which covers the field of the McClellan committee, but it has not been the subject of hearings. I believe the chairman of the subcommittee when he tells me that hearing are to be held.

Mr. KENNEDY. We have already had 2 hearings.

Mr. GOLDWATER. Two hearings on this broad subject, I must admit, constitute a vast amount of testimony.

Mr. KENNEDY. Hearings were held one day after the McClellan committee made its report. The Easter recess then began, the first part of the following week. The Senator from Arkansas has already stated that his bill dealing with this entire question was not introduced until last week, or the end of the previous week—April 15, I believe.

Mr. GOLDWATER. The bill of the Senator from California was introduced on January 23.

Mr. KENNEDY. I am aware of what the Senator from California has done.

I believe the Senator from Arizona is a member of the McClellan committee. Why was he with the other members, not able to get the report of the McClellan committee out before March 23, or 24? I realize that the subject is difficult and complicated, and requires a great deal of effort to obtain agreement among the members. The report of the McClellan committee was made a month ago. The Senator's own bill dealing with this subject was not introduced until 10 days ago.

Mr. GOLDWATER. I am not discussing the report of the McClellan committee. We had no difficulty in getting it out, although it required a great deal of time to write it. The American public, through television and news coverage, knows what has been going on in the McClellan committee. I believe that any further hearings in that field would be repetitious. That is not true with respect to hearings in the Taft-Hartley law field. I cannot understand why the majority party has dragged its feet in connection with legislation which it promised to the American public and the American workingman.

Mr. KENNEDY. The Senator's party also promised action on the minimum wage question. The Senator knows what his own position is, and what the position of his colleagues has been on that important question. Last year a bill on that subject was before the committee eight times, but we were unable to have the bill reported.

Mr. GOLDWATER. Members of the minority do not call meetings of that committee.

Mr. KENNEDY. There were eight of them, but we could not obtain a vote on any proposal.

I do not want the work of the McClellan committee and its important recommendations to be bogged down in endless rewriting because of the great differences of opinion with respect to the Taft-Hartley Act.

I assure the Senator from New Jersey that the recommendations of the Secretary of Labor will be considered by the committee, and that any person who comes before our committee to testify can discuss any proposed changes in the Taft-Hartley Act which he desires to discuss. When the subcommittee meets, any member may offer any amendment to the Taft-Hartley Act, and it will be voted upon.

I am expressing a personal view when I say that I believe we can get a bill before the Senate this year. My statement was based upon the desire to enact some legislation, particularly in the area covered by our committee.

There will be no limitation on any witness. He may testify in any way he wishes, dealing with any matters affecting labor or management, as well as with any subject covered by the Taft-Hartley Act, or by the McClellan committee report.

When the committee meets there will be no limitation on the right of any member to offer amendments dealing with any subject. It is the desire of the chairman to have a bill reported by June 10. If we are to deal with comprehensive revisions of the Taft-Hartley Act, we shall have to bring them out one by one. I am hopeful that we can at least deal with the areas covered by the McClellan committee.

Mr. GOLDWATER. I ask for only one further assurance. Let us assume that hearings on this subject can be completed within the next month, which would bring us approximately to June 1. How soon after a bill is reported can we expect action in the Senate?

Mr. JOHNSON of Texas. Mr. President, I am unable to give the Senator any assurances. I do not know that I am in a position to go further than I have already gone. The chairman of the committee and the chairman of the subcommittee, as well as other Members of the Senate, have heard my statement. It was not made pursuant to any promise exacted from any Member of the Senate. It was made on my own motion, because I thought the course which I suggested would be a desirable one to follow. I hoped that the subcommittee would make its recommendations to the full committee, and that the full committee would make its recommendations and report dealing with the subject, and that the bill would be considered during this session of Congress, at as early a date as possible.

I do not know when a report is to be made, or what kind of bill is to be reported. I cannot be any more specific than I have been. I can only assure my colleagues, whatever confidence they may have in me, that I wish to see enacted at this session of Congress labor legislation which has been considered by the appropriate committee thoroughly, carefully, and wisely.

There will be no bottling up of any legislation on my part. I have done everything I could during the past 2 months to bring the pending bill before the Senate for consideration. I understood that it covered the first recommendation made by the President in his message last January.

I believe that some progress has been made. I have done nothing to hold up this bill. I have done nothing to derail it. I have done nothing to prolong the discussion. I am ready for a vote on it now. Days before the bill was ever reported, I had urged the chairman of the full committee and the chairman of the subcommittee to report it and to get action upon it, and start hearings on the remaining proposals, with a view to obtaining action on them.

I do not know what the position of the committee will be, but when its position is known, and a bill is reported, it will be referred to the appropriate scheduling committee of the majority, and I have no doubt that prompt action will be taken. I said that yesterday and the day before. I said it when the bill was taken up, over some protests. If I can obtain the cooperation of the majority and the minority in acting upon this bill, we shall have at least enacted one bill covering a recommendation made by the President, and we shall be

on the way to holding hearings on his other recommendations, as well as on the recommendations made by the committee which we established to study this subject.

After we had established the committee headed by the Senator from Arkansas [Mr. McCLELLAN] and he had held extensive hearings, made certain recommendations, and introduced a bill; and after the Senate Labor Committee had held hearings and reported to the Senate one of the President's recommendations and announced that it would hold hearings and take testimony from the President's representative, the Secretary of Labor, from the heads of labor organizations, and others, I think it was an unfair, unjust, and unjustifiable connotation to place upon the subcommittee's labors to intimate that it was not functioning properly.

The Senator from Massachusetts has given every assurance he can reasonably give. I think he has acted with reasonable expedition. I believe that Senators can rely upon him to keep his promises. I expect the Senate, before it adjourns, to have an opportunity to vote up or down the recommendations of the Committee on Labor and Public Welfare, and any other recommendations.

Mr. GOLDWATER. Mr. President, I have the highest respect for the distinguished Senator from Arkansas, with whom I worked on two select committees in the past 4 years. However, if Senators will recall the wording of the resolution establishing the select committee, the select committee was not charged with recommending legislation. The resolution did not prohibit it from recommending legislation. We did so in a rather broad way, as is shown by the report.

Bills have been introducd dealing with the activities of the McClellan committee, which has now been in existence for more than a year. Bills were introduced last January which covered most of the points referred to by the distinguished Senator from Arkansas, and there has been no action on them up to the present time.

I am glad to hear the chairman of the subcommittee and the majority leader assure the Senate and the American people that at least hearings will be held, and that there is a good possibility that we will be able to consider legislation of this type on the floor of the Senate if proposed legislation which is now before the Senate does not come up, in the form of amendments, to the pending bill—the kind of legislation that we feel and, I am sure, the American public feels, is necessary in order to put some teeth in the law.

Mr. KENNEDY. As the Senator from Arizona knows, the full Committee on Labor and Public Welfare has been holding hearings from the middle of January to the middle of March, and we agreed not to start our hearings until March 15, under an understanding with the chairman of the committee [Mr. HILL], that we would not start our hearings until he had concluded with his hearings.

The second point is that I do not want to have any disagreement with the Senator from Arizona on this matter, and I certainly do not want the Senate to have any idea that we will be able to report a wholesale revision of the Taft-Hartley law by June 10. We will not be able to do that. This is a very complicated subject, and there are some very strong differences of opinion about it. I think it would be misleading the Senate to say that we would be able to get a bill before the Senate by June 10 which would deal with all of these matters.

Mr. SMITH of New Jersey. Mr. President, I might say to the distinguished Senator from Massachusetts that no suggestion has been made for a complete revision of the Taft-Hartley law. I am merely asking for action on proposals the President has recommended as far back as his first term, and which he continues to recommend to the Congress. We have not had any action on those suggestions yet.

Mr. KENNEDY. We will certainly consider such proposed legislation, and I hope that the Senator from New Jersey will be able to persuade Senators on his side of the aisle to cooperate with us so that it will be possible to consider the measure which will be reported by the committee.

Mr. ERVIN. Mr. President, for approximately a year and four months I have had the privilege of serving on the Select Committee To Investigate Improper Activities in the Labor or Management Field, under the able chairmanship of as fair and as fearless a man as I have ever been privileged to know, the senior Senator from Arkansas [Mr. McCLELLAN]. The investigations thus far conducted by the select committee have revealed practices in certain areas in the management field and in certain areas in the labor field which shock the consciences of all decent and right-thinking citizens.

We have found that persons charged with the custody of welfare, pension, and union funds have on many occasions misused, embezzled, and even stolen those funds. We have found, especially in the teamsters union and in the union of operating engineers, that the rank and file of union members in many locals have been denied any voice in the management of their own affairs. We have found that in certain locals, particularly in the City of Brotherly Love, those who were placed in charge of such locals by trustee or supervision process, imposed by international officers without the consent of the members of those locals, have actually used union funds to employ thugs to beat members of those locals who tried to question the action of those exercising what amounts to dictatorship over those locals.

We have also found in certain instances that deliberate acts of violence are practiced by strikers upon nonstrikers. We have also found, in at least one instance, when a member of a local union had voted against those who won the election in the local union his dues were returned him on two occasions without an explanation, and he was thereby deprived of his union membership and the right to eat his own bread by the sweat of his own brow.

We have found that in one area repeated acts of violence were practiced by strikers against the homes of nonstrikers. Certainly there ought not to be here in free America a negation of the Scriptural ideal that every man has a right to dwell under his own vine and under his own fig tree, with none to molest him or make him afraid.

Mr. President, the revelations of the select committee reveal that there is a necessity for some additional legislation in the labor and management field. Such legislation ought not be restricted to labor. It must also apply to management because we have found that on occasions management has paid bribes to so-called labor leaders to obtain sweetheart contracts enabling them to exploit their employees. Moreover, management sometimes perpetrates unfair labor practices through so-called labor relations firms now immune under existing law.

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair). The Chair reminds the Senator from North Carolina that the 3-minute rule is still in effect.

Mr. ERVIN. I ask unanimous consent that I may be permitted to speak for 3 minutes more.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. ERVIN. Notwithstanding the fact that I am convinced that there is a necessity for legislation in this field, to put an end to these abuses, I am opposed to legislation by amendment to the pending bill. The bill before us is a good bill. It is a step in the right direction. It is a bill which is calculated to protect welfare and pension funds. It ought to be passed without the addition of nongermane amendments. This is true because the addition of nongermane amendments will probably result in the defeat of this bill.

I favor legislation in this field, but I do not favor proceeding to legislate by nongermane amendments on the theory that the end justifies the means.

We have before us 40 amendments, which have been proposed to the bill. I have not counted the pages in them, but I would estimate that they exceed 100. There are many paragraphs in these amendments, and many of the paragraphs ought to receive careful consideration and analysis in the calm atmosphere of the appropriate committee.

As the senior Senator from Arkansas has so well said, the only wise way to legislate in this important area of our national economy and life is to pursue our customary procedure. The subcommittee headed by the able and distinguished junior Senator from Massachusetts [Mr. KENNEDY] should conduct hearings on all the proposals embodied in the 40 amendments and all other legislative proposals pending before it and permit labor, management, and the public to be heard as was done in the case of the pending bill. And then the Senate should act with the evidence of the witnesses and the views of the committee members before it.

I have had the privilege to serve on two committees with the distinguished junior Senator from Massachusetts [Mr. KENNEDY], the chairman of the subcommittee, and I have found that he is not lacking in courage or forthrightness or

intelligence. He has given us his assurance that he will continue the hearings with all expedition on all proposals that are submitted to his subcommittee.

I therefore take my stand alongside the Senator from Arkansas [Mr. McCLELLAN], and urge that the committee be given an opportunity to act first in the customary way.

When I speak of these abuses, I must say that I believe they are limited to a small segment of management, and to a small segment of labor. I know the labor leaders in North Carolina, and I know they are honorable men, who are faithful to their trust as citizens and faithful to the men they represent. I entertain the same opinion of the great majority of national labor leaders. Unfortunately, when a few men do evil, legislation must be passed to take care of the situation, even though such legislation may work a hardship on honest and just men.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that I may be privileged to ask a question of the Senator from North Carolina.

Mr. POTTER. Mr. President, reserving the right to object—and I shall not object—we have had a morning hour for almost 2 hours. There has been debate for at least an hour when all the rules of the morning hour were violated. Some Senators who simply have routine morning business to transact would appreciate the opportunity to do so. We have been waiting for almost 2 hours. I appreciate the fact that other Senators wish to engage in debate, but other Senators have routine business to handle. I think we should follow the rule of the morning hour. Therefore, I object.

The PRESIDING OFFICER. Objection is heard.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the pending business, S. 2888, be laid before the Senate at the conclusion of the routine morning business, and that, notwithstanding the expiration of the morning hour at 12:30 o'clock, its further consideration be proceeded with.

The PRESIDING OFFICER. Without objection, it is so ordered.

ISRAEL—A GALLANT TRIUMPH FOR FREEDOM

Mr. KUCHEL. Mr. President, the 10th anniversary of the establishment of the State of Israel was celebrated, according to news accounts yesterday, by parades and dancing in the streets. This exuberance is a profound manifestation of vigor and zest for freedom, as well as joyous gratitude and warranted pride stirred by amazing progress achieved in a short span of time, against obstacles, both cruel and prodigious.

The celebration in this young democracy is full of deep and far-reaching significance. Completion of a decade of existence as a nation, especially a decade filled with extraordinary trials and tensions, gives the Free World reason to join in the rejoicing. For Israel is living proof that devotion to principles of self-determination, justice, equity, and independence can carry a determined, devoted people through challenges and tests which others without faith and confidence could not surmount.

The material and physical accomplishments of the Israeli people alone are impressive. But the loyalty they have demonstrated to truly democratic ideals entitles them to the respect as well as the congratulations of all nations which share those ideals. Israel has won an honored place in the family of nations as the only true democracy in the Middle East. Israel has demonstrated character by resisting temptations and blandishments, pressures and intimidation, to defy communism, and to stand firmly with the cause of freedom.

During the first decade, the present-day Israelis have effected a rebirth of a civilization which antedates that of every existing 20th century state. The Republic of Israel is heartening proof that oppression and brutality, misery and misfortune cannot erase from man's heart and soul the aspirations and the self-respect which had brought a high state of culture and order into being 20 centuries ago.

The people of the United States commend the Israelis for their sacrifices and their labors. We salute their progressive, enlightened methods which have developed industries and agriculture to a surprising level of efficiency and productiveness. We admire their persistence which has blended refugees and castaways into a homogeneous society. We applaud their adherence to the democratic form of government and their assumption of international obligations and responsibilities.

The United States has endeavored earnestly and faithfully to aid and assist Israel in its trying first decade. Our people have felt privileged to lend material and financial help, in solving pressing and immediate problems of existence. Through a variety of programs, we have sought to give encouragement and inspiration and assurance. As a moving force behind the creation of the Republic of Israel, the United States has a duty which regardless of creeds and partisan feelings it must and is eager to carry out.

The sentiments and attitude of our people toward this 10-year-old state probably are best described in the words of Winston Churchill, already cited to this Senate. With characteristic precision and perspicacity, Churchill eloquently spoke for the United States when he stated:

> Both honor and wisdom demand that the State of Israel should be preserved and that this brave, dynamic, and complex race should be allowed to live in peace with its neighbors. They can bring to the area an invaluable contribution of scientific knowledge, industriousness, and productivity. They must be given an opportunity of doing so in the interest of the whole Middle East.

The 10-year history of Israel is heartening to mankind. The record of the Republic already justifies the hope which surrounded its establishment a decade age. The achievements of the Israelis warrant the statement of Mr. Churchill that they must, they shall, be allowed to live in peace and harmony, to contribute to the progress of the entire world, and to reinvigorate the faith which flourished in the Middle East long, long centuries ago.

The people of Israel have stolidly endured and triumphed through a decade of trial by fire and pain. May their torch of freedom burn more brightly in the decades and centuries ahead.

JUVENILE DELINQUENCY AND YOUTH CRIME

Mr. JAVITS. Mr. President, I believe relatively little notice has been taken, and I think the Senate should take notice, of the crime statistics published only yesterday by the Federal Bureau of Investigation. They show that a new high has been reached in crime in the United States. What is particularly alarming, the new figures for 1957 show that juvenile arrests—that is, the arrests of persons under the age of 18—rose 9.8 percent, more than double the increase in overall arrests, while overall arrests rose 4.3 percent, according to the FBI report.

We have been talking about rascals in the labor movement, and there are some, and they should be rooted out. But we also have a juvenile crime wave in the United States involving tens of thousands of persons.

In my home city of New York, we are trying to do something about the situation. I do not think it is enough, but it is something. The same is true in other cities and States. But the Federal Government has taken very little cognizance of the situation on the national level.

There is pending before the Committee on Labor and Welfare a bill to strengthen and improve the State and local programs to combat and control juvenile delinquency. This is an administration measure. I urge early and expenditious action on it.

I announce that the next time a bill is reported by that committee dealing with this general subject—and we will have one very soon—it is my intention to offer an amendment to the bill—the administration's program on juvenile delinquency.

It seems to me that the crime survey by the Federal Bureau of Investigation, just released, should impress all of us with the magnitude of the problem.

When I was the attorney general of the State of New York, I served on a commission to draft special legislation to deal with the problem in our State. As I said a moment ago, some progress was made, although not nearly enough.

This is what is so startling about the increase in the crime rate. Persons under 18 years of age make up 47.2 percent of those arrested for serious crimes—murder, manslaughter, rape, robbery, aggravated assault, burglary, larceny, and auto theft. But the emphasis was on serious crimes against property rather than against persons. The rates of increases in those respects are simply amazing. Those under 18 years of age accounted for 47.2 percent of the persons

arrested for such crimes. Juvenile delinquents accounted for 67 percent of the arrests for auto theft, 54 percent for burglary, and 51 percent for larceny; but the rate dropped to 9 percent for aggravated assault and 6 percent for murder.

Mr. President, this is a national emergency. It demands action. It demands leadership on the national level. It is something which we recognized when I was a part of my State Government.

I think it should be impressed upon Congress that, just like national security, internal security against crime must come first.

I respectfully submit that this is an emergency of a magnitude ranking equally with the emergency with which we are dealing with a considerable amount of expedition and a considerable amount of emotion in respect to labor.

I address the earnest hope to my colleagues that they give this matter early and careful attention.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Juvenile Arrests Rise 9.8 Percent in Nation," published in the New York Times of April 24, 1958, and also the text of a talk given by Police Commissioner Stephen P. Kennedy, of the city of New York, at the Joint Conference of Key Personnel of the Police Department and the City Youth Board, published in the New York Times of April 23, 1958.

There being no objection, the article and address were ordered to be printed in the RECORD, as follows:

[From the New York Times of April 24, 1958]

JUVENILE ARRESTS RISE 9.8 PERCENT IN NATION—YOUTHS CHARGED WITH NEARLY HALF MAJOR CRIMES IN 1957, THE FBI REPORTS

(By Anthony Lewis)

WASHINGTON, April 23.—Juvenile arrests increased sharply last year, the Federal Bureau of Investigation reported today.

In 1,220 cities, overall arrests rose 4.3 percent, while arrests of persons under 18 years of age went up 9.8 percent.

Surprisingly, the increase was greater in cities of under 25,000. Juvenile arrests climbed 16 percent in smaller cities, against 8.1 percent in larger.

[In New York it was announced that a new task force of 100 policemen would try to prevent gang wars before they started and pick up trouble-makers. The move will put more members of the Juvenile Aid Bureau on active street patrol than ever before.]

AUTO THEFT LEADS

The FBI's annual survey showed that juveniles had made up 12.3 percent of the total arrests for all crimes. However, their share was much larger in a group of serious crimes classified separately—murder, manslaughter, rape, robbery, aggravated assault, burglary, larceny, and auto theft. Those under 18 made up 47.2 percent of persons arrested for such crimes.

Juvenile delinquents apparently prefer criminal ventures against property rather than persons. They accounted for 67 percent of arrests for auto theft, 54 percent for burglary and 51 percent for larceny, but only 9 percent for aggravated assault and 6 percent for murder.

The report painted a gloomy picture of the Nation's crime rate.

The number of major crimes registered by the police was 2,796,000, an increase of 9.1 percent over 1956 and 23.9 percent over the average for 5 years. Crimes in cities went up almost 9 percent and in rural areas over 11 percent.

Crimes known to the police increased more than 56 percent since 1950, the report noted. This is more than four times the population rise, which has been 13 percent.

MURDER DECLINES

The only categories that showed a reduction during 1957 were murder and nonnegligent manslaughter, which dropped less than 1 percent. The sharpest increase was in burglary, which went up 12 percent.

About $497 million in property was stolen, of which the police recovered $267 million. About 93 percent of stolen cars were found.

New York City's rate showed virtually no change between 1956 and 1957. Major crimes totaled 140,162, compared with 140,034 in 1956. In 1955 the figure was 137,254.

The New York total was, as always, the largest of any city. Los Angeles was second with 100,437.

During the year there were 314 murders and cases of nonnegligent manslaughter in New York, 4,849 robberies, 10,467 aggravated assaults, 35,654 burglaries and cases of breaking and entering, 43,319 larcencies for more than $50, 31,752 for under $50 and 13,607 auto thefts.

[From the New York Times of April 23, 1958]

TEXT OF THE TALK GIVEN BY POLICE COMMISSIONER STEPHEN P. KENNEDY AT THE JOINT CONFERENCE OF KEY PERSONNEL OF THE POLICE DEPARTMENT AND THE CITY YOUTH BOARD, APRIL 23, 1958

It is not a pleasant duty that brings us here today. We are here because it is anticipated that the spring and summer months will bring with them more frequent, greater and bloodier youth gang wars, and the people of the city must be protected from them.

Our aim is to get action—not a lot of fine language, pious platitudes or meaningless resolutions deploring a situation which confronts not only the police of the city of New York but of the Nation—because youth crime is not confined to New York City or its environs.

Police and Youth Board officials on all levels of authority—for the first time—are conferring here today to get a fuller understanding of not only the structure and organization of both, but their aims and function and how they operate to attain them.

Also, to meet the other fellow face to face, learn his problems, and how best to cooperate with him. In my opinion, the keynote of this meeting is cooperation—cooperation by both groups—to erase the bottlenecks, to eliminate any possible misunderstandings, and to bring the best type of teamwork in a field where teamwork by all—by law enforcement agencies, by private and public community organizations and by our courts—is absolutely essential. Let's look at the problem:

Since 1952 arrests for crimes by persons under 21 have increased yearly. Between 1952 and 1957, a total of 115,268 persons were arrested for a variety of crimes ranging from murder to petty larceny. Of this number, 40,075 were under 16, while the remaining 75,000 ranged in age from 16 through 20.

Percentagewise, arrests of juveniles since 1952 have increased 142.2 percent, while arrests of youths in the 16-through-20-year age group have risen 48.1 percent.

TROUBLESOME GROUP

A study of youth crime figures indicates that the most troublesome teen group is the 16-year-old, followed closely by those in the 17-year bracket; 16,771 16-year-olds were arrested between 1952 and 1957 and 16,119 17-year-olds were also apprehended for crimes during that period. The same age trend is continuing this year; the first 3 months of 1958 show 1,049 16-year-olds and 874 17-year-olds arrested.

May was the worst month for crime by boys and girls under 16, while August was the peak month for crime committed by youths of 16 through 20. While the reasons for this are not readily apparent, it seems that juvenile crime is highest in the spring months, while the summer months are the highest for the 16- through 21-year group.

It should be pointed out that the age of the perpetrator of a crime cannot be determined, particularly with respect to crimes against property, which are seldom witnessed until an arrest is made. For this reason, subsequent arrests must be relied upon to provide an indication of the probable distribution of total crime complaints among the various age groups.

An analysis of last year's figures indicates that persons under 16 were responsible for 19 percent of all felonies committed in New York City for which arrests were made, and that the 16- through 20-year group was responsible for 21 percent of all such felony arrests. Therefore, in applying these percentages to the 95,847 felony complaints of 1957 it is reasonable to estimate that juveniles were responsible for about 18,000 crimes, while 16- through 20-year-olds were responsible for about 20,000.

The majority—42 percent—of these crimes occurred between 4 p. m. and 12 midnight, while the second highest crime period—32 percent—was between 8 a. m. and 4 p. m. The remaining 26 percent occurred between 12:01 and 8 a. m. Fridays brought the greatest number of felony complaints, followed by Saturdays and Thursdays and then by Mondays, Tuesdays, Wednesdays, and Sundays.

OUTLINE PROGRAM

There have been opinions advanced in some quarters that the increase in the number of juvenile and youth arrests is more apparent than real and that the increase is in the more trivial offenses.

These opinions are not supported by the facts. A study of the crime figures of the last 6 years will show that both felonies and misdemeanors by youth have increased.

In my opinion, the youth crime situation now is critical. We are using and will continue to use all the legal means at our command to stop that unhealthy crime trend.

1. We are cutting summer vacations to an absolute minimum to insure the greatest number of men on patrol.

2. The police has assigned juvenile aid bureau and youth squad personnel to continue patrol in high hazard areas—with special emphasis and attention to the times, persons, and places where such crimes are likely to occur.

3. The police is sending additional reinforcements to beaches, parks, pools, and playgrounds during the summer months.

4. The police has alerted every member of the force to this problem, because we are determined to do our share, and more, to correct it.

I am certain that the youth board feels the same and that this meeting will prove to be a fruitful one.

The police department will continue to make new assignments and plan new procedures to meet the challenge of violence and terror by youth. As I have stated many times, this is a problem for all members of the police force, not just the officers in the JAB and the youth squads.

TO CARRY OUR POLICY

Our prime function is the protection of life and property and the maintenance of law and order, and this function will be carried out against any person, regardless of age, who wilfully and maliciously thumb their noses at law and order and who persist in thinking that the laws of the jungle can be transplanted to the streets of New York.

They are wrong. The police shall continue to show them they are wrong. The wrongful use of force shall be met by force, legally applied, to the end that the innocent shall be protected by every possible means.

Our goals are the same; however, we may differ in our approach to the problem. A police department has the duty to protect law-abiding persons of the community from ruffians and gang violence. The police cannot and will not subscribe to the fallacy that might makes right, nor seek to appease gangsters or bend to their claims of territorial sovereignty. On the contrary, the police shall continue to adhere to what might be called the old-fashioned philosophy of individual and group responsibility. Those who wilfully refuse to respect the rights of others to live in peace and harmony in a civilized community shall be called to account for any illegal behavior. I, therefore, call upon all the agencies concerned to cooperate in even greater degree in meeting this problem.

In this respect I am glad to note that the Youth Board has directed "that youth workers in implementing their role never conscientiously violate the law, nor aid or abet anyone else in so doing." The truth of the matter is that anyone who violates the law—or even aids or abets in its violation—is chargeable with a crime. I have received reports to the effect that the cooperation between Youth Board workers and the police in the field has been increasing in recent months. This is a prime requisite if there is to be effective coordination of activity.

And now I would like to get the program under way. As the agenda shows, the role and function of each department and its aims and purposes will be outlined by speakers from both units.

First, I would like to call on Mr. Ralph W. Whelan, executive director of the New York City Youth Board.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD excerpts from the transcript of a radio documentary produced by the public affairs department of the Columbia Broadcasting System and broadcast over that network April 21, 1958. Narrated by Edward R. Murrow, it was called Who Killed Michael Farmer? and concerned a young boy who was the victim of a juvenile delinquency crime in my home city which aroused great interest.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Excerpts from the CBS radio documentary, "Who Killed Michael Farmer?" heard April 21, 1958.

EDWARD R. MURROW. Michael Farmer died on the night of July 30, 1957. He was 15 years old. He was stabbed and beaten to death in a New York City park. Boys in a teen-age street gang were arrested for this crime. Ten gang members—under 15 years of age—were convicted of juvenile delinquency and committed to State training schools. Seven other boys—15 to 18—stood trial for first degree murder, were defended by 27 court-appointed lawyers. Their trial lasted 93 days; ended last Tuesday. This was the verdict of an all male, blue-ribbon jury.

JUROR. We found Louis Alvarez and Charles Horton guilty of murder in the second degree, and we also found Lencio de Leon and Leroy Birch guilty of manslaughter in the second degree. We found Richard Hills and George Melendez not guilty because we believe these boys were forced to go along with the gang the night of the murder. We also found John McCarthy not guilty because we were convinced, beyond a reasonable doubt, that this boy was mentally sick and didn't know what was going on at any time.

Mr. MURROW. The tragedy first became news on the night of July 30, 1957. At 6:30 on this steaming summer evening in New York City, the Eygptian Kings and Dragons gang began to assemble. They met outside a neighborhood hangout—a candy store at 152d Street and Broadway, in Manhattan's upper West Side. They came from a 20-block area; from teeming tenements, rooming houses, and housing projects. One of their leaders remembers this night.

GANG MEMBER. They were talking about what they were going to do and everything. They were going to fight and everything. But they'd never planned nothing. They just said we were gonna go to the fight and we were just gonna get some guys for revenge. They said we ain't gonna let these Jesters beat up any of our guys no more.

Mr. MURROW. The Jesters are a street gang in an adjoining neighborhood—Washington Heights, where Michael Farmer lived. The two gangs were feuding. Boys on both sides had been beaten and stabbed. There is evidence that this night the gang planned to surprise and attack any Jesters they could find. They came prepared for a fight.

Michael Farmer and his friend, 16-year-old Roger McShane had been warned by their parents to stay out of Highbridge Park at night. But, as they walked along the street on this steaming July evening, they decided to sneak a swim in the park pool. At this pool, the Egyptian Kings and Dragons were waiting for their scouts to return. Here is what happened:

MCSHANE. They got up fast right after they stabbed me. And I just lay there on my stomach and there were five of them as they walked away. And as they walked away they * * * this other big kid came down a machete or some large knife of some sort, and he wanted to stab me too with it. And they told him, "No, come on. We got him. We messed him up already. Come on." And they took off up the hill and they all walked up the hill and right after that they all of 'em turned their heads and looked back at me. I got up and staggered into the street to get a cab. And I got in a taxi and I asked him to take me to the Medical Center and get my friend and I blacked out.

DEPUTY POLICE COMMISSIONER. A member of the hospital staff notified the police, and patrolmen of the 34th precinct arrived at the hospital a few minutes afterward and learned from the McShane boy that his friend Michael Farmer was still in the park, under attack. The patrolmen rushed to the park, where they found the Farmer boy just before 11 p. m. He was lying on the ground off the footpath and moaning in pain.

Mr. FARMER. Well, it was real bad—he was my number one boy.

The search of the gang during their interrogation yielded five knives, several garrison belts, and a heavy length of chain. All of the young men arrested made full admissions to police officers and to representatives from the staff of District Attorney Hogan. At 8 p. m. the following day, 7 of the boys were charged with homicide, 2 others were charged with attempted homicide, and 10 others were charged with juvenile delinquency.

Mr. MURROW. Police said, "This is the largest group of boys ever arrested for a New York City killing." Statistically, they were among 58 youths in the city arrested in 1957 for murder and non-negligent manslaughter—among more than 3,000 youths under 21 arrested in the Nation last year for crimes of major violence.

A boy was killed because other boys—most of them under 15—got drunk, wanted revenge, feared gang discipline. * * * The jury that convicted some of them heard very little about their mental and emotional makeup. Our reporter tried to get psychiatric reports on the other gang members too young to be tried for murder.

REPORTER. Why didn't you study these boys then?

YOUTH WORKER. Because we are two-thirds understaffed. We have only 4 caseworkers for 300 boys.

REPORTER. Can you make any generalizations about the gang members you have studied?

WORKER. Yes; these kids who essentially feel in themselves weak and inadequate, and have to present a tough facade to others. Of course, most adolescents feel insecure. But these boys have a distorted idea of what real adequacy is. They become easy prey for leaders whose sole drive is aggressive. They are egged on by their peers to establish a tough reputation, each kid daring the other to go one step farther. They have to compete on a level of violence.

GANG MEMBER. If I would of got the knife, I would have stabbed him. That would have gave me more of a buildup. People would have respected me for what I've done and things like that. They would say, "There goes a cold killer."

COMMISSIONER. During the hours that the boys were rounded up and brought to the police station, many of their parents came to the scene. They expressed shock and bewilderment and disbelief over the fact that their boys were being questioned by police and might have had a part in this hideous crime. When they finally realized that this was true, they still couldn't believe it.

Mr. MURROW. What is known about the mental and emotional makeup of parents whose children commit crimes? Dr. Marjorie Rittwagen, staff psychiatrist for New York Children's Courts, gave us some statistics.

Dr. RITTWAGEN. We find that some 75 to 80 percent of parents of children who are brought into this court are emotionally ill or have severe personality or character disorders. They include sociopathic personality disorders, alcoholics, and the like. * * * Usually, in these homes, there are no fathers.

Mr. MURROW. Ten of the eighteen boys involved in the Farmer case had previous records as juvenile offenders; some for such minor offenses as trespassing or chalking names on buildings; others for serious crimes, including assault, burglary, and attempted grand larceny. Three gang members were under the supervision of probation officers. But how much supervision does a boy on probation get, in New York City?

PROBATION OFFICER. Our probation officers have minimum caseloads of between 60 and 70 delinquent boys apiece. This means that at best they can talk to each boy perhaps once a month. And you can't give a child the guidance and help he needs by seeing him that infrequently.

Judge HILL. It is a shocking fact that children committed to State institutions by this court often are discharged from these institutions within 4 to 6 months without having received any real treatment or help. Why? Because our State facilities for the long-term care of delinquent children are so shockingly inadequate that our State institutions must make these discharges quickly in order to make room for new court commitments. For while the rate of delinquency has increased in New York City, since 1951 through 1956, by 83 percent, as revealed by our own court statistics, there's not been a single additional bed provided in our State institutions for delinquent children, aside from some few which the city made available for use by the State. But that was a bare nothing compared to the great need which has developed increasingly in this area.

Mr. MURROW. In the richest State of the Nation, long-term institutional care is not available for 80 percent of delinquent children under 12 years of age. No State institution for these children exists. The few private institutions are jammed. One gang

member involved in the Farmer case committed 5 offenses before he was 12 years old. Within a week or two after each arrest, he was set free in the community.

Boys troubled and adrift in the community formed the gang that killed Michael Farmer. Sociologists call gangs of this breed "antisocial groups" or "fighting gangs." They exist in most of our large cities. According to police estimates there are 134 of these gangs in Los Angeles County; 24 in Miami; 110 in New York, including the Egyptian Kings and Dragons.

CRIMINOLOGIST. These leaders are boys in their late teens and early twenties. They have strong needs to push people around—primarily because of their own feelings of insecurity. They are Hitler types who have delusions of being persecuted. For example, when you talk to these boys, they say, "Everybody is against me," or, "They're all out to get us." They feel they have no future; no ability to be successful except in gang activities. In the fantasy world of the gang, they picture themselves as supreme commanders—dominating an army of boys and controlling vast areas of territory.

Mr. MURROW. According to Murray Sachs, board of education court liaison officer, the gang intimidated many boys in the neighborhood.

MURRAY SACHS. These youngsters were threatened on the way to school or were held up or were approached and asked to become members of the Egyptian Kings. Very often they were told that if they weren't going to bring money, they would be beaten up. It wasn't until sometimes these youngsters got so involved by having to bring an average of a dollar a week as part of the extortion arrangement—and under pressure they couldn't produce it—that they would stay out of school. And that's where we first get the reports, by this absence. And when you try to get the youngster who was assaulted or threatened to talk, they'd fear talking. Parents themselves sometimes feared to even make a charge where an assault and extortion was actually carried out. And so we were left in a position where we could do very little.

CHARLES KLEIN. As a matter of fact, we couldn't get a single person to work with these kids on a volunteer basis. The reason given was that they were actually afraid of these kids. They thought that they should be sent away through the courts and taken out of the community. The other reason was that people would much rather worry about their own problems than take part in community activities.

Mr. MURROW. The community mental health board sent a so-called disaster team to the area to survey the causes of juvenile crime. It released a report 2 weeks after the death of Michael Farmer. Here is the essence of it.

Greenhill report: Residents trace the origin of juvenile crime to parents' inability to control their children, racial issues, newcomers in the area, lack of police protection, intimidation of teachers and policemen by youth gangs, and a lack of restrictive measures in Highbridge Park. Persons interviewed reported 16 major incidents leading to death or hospitalization in the last 3 years. Ten of them in the last 2 weeks. Most of the incidents had not been reported to police for fear of gang retaliation. Among the population in general, there were attitudes of hopelessness and fear. A large number of people expect gang retaliation after the present crisis has quieted down. They are cynical and see no way of preventing retaliation for it has always occurred in the past. About 40 percent of children between the ages of 3 and 16 reacted immediately with a variety of physical and emotional symptoms. For the first time, some children began to carry knives for their own protection.

Mr. MURROW. One boy in the neighborhood who fears for his life is Michael Farmer's friend, Roger McShane—a State's witness at the murder trial of the Egyptian Kings and Dragons. During the trial, McShane received two death threats in the mail. One letter said: "You are alive. But if them guys get the chair, we will kill you." That threat possibly came from a crank. But no one can be sure—least of all Roger McShane.

What has been solved by the verdict of a jury and the commitment of 15 boys to institutions which are ill equipped to rehabilitate them and because of overcrowding, many soon return them to the community? The problem of juvenile crime continues. The experts may list all sorts of causes. But they agree on one answer to why these conditions continue to exist: We permit them to. This is Ed Murrow. Good night.

THE ECONOMIC SITUATION—ADDRESS BY VICE PRESIDENT NIXON

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the text of the address made by the Vice President of the United States last evening before the Bureau of Advertising, American Newspaper Publishers Association. Mr. NIXON's address was addressed chiefly to the current economic situations.

The PRESIDING OFFICER (Mr. SYMINGTON in the chair). Is there objection? The Chair hears none, and it is so ordered.

(See exhibit A.)

Mr. COOPER. Mr. President, during the last 2 or 3 months we have been considering almost daily the problems of our current economic situation, and attendant unemployment. It is proper that we do this, but more and more, it seems to me, the debate in the Congress gives the impression to the world that the United States is heading toward a depression. I do not believe this view is held in the country.

In view of the unparalleled advance by our economy in the last 5 years, its present level of employment and the great strength of our system, I believe those who predict depression are actually denying the strength of our enterprise system and our system of economic freedom.

I am glad the Vice President does not take that view. I prefer the very sensible and realistic approach he takes toward our present economic situation and toward the remedies he has suggested. I am glad, but not at all surprised, that he has faith in our country's economic strength.

EXHIBIT A

TEXT OF NIXON'S TALK TO PUBLISHERS ASSURING NATION THERE WILL BE NO DEPRESSION

In recent months Mr. Khrushchev has thrown down a bold and boisterous challenge to the United States in the area in which we have considered ourselves unbeatable—the productivity of our economy. He has said:

"We declare war on you in the peaceful field of trade.

"You are not being threatened with ICBM's but with peaceful competition in consumer goods.

"We will prove the superiority of our economic system over yours.

"Your grandchildren in America will live under socialism."

And just 3 days ago in Moscow, in speaking to the American Ambassador of the Soviet Union's economic achievements, he said, "Look out, Mr. Thompson, we are stepping on your tail."

SOVIET GAINS NOTED

This statement would seem to be a presumptuous boast when we consider that the United States today produces almost three times as much as the Soviet Union. But these sobering facts must be kept in mind:

The Soviet economy has made formidable strides in the first 40 years of the U. S. S. R.

The Soviet economy is growing faster than ours.

The Soviet Union, because of its autocratic control over its people, can concentrate its lower productive capacity in those areas of the world struggle which will best serve its objective of world domination.

Finally we must recognize that economic competition between the Free World and the Communist world may well decide the world conflict.

The position we must take, therefore, is clear.

We are well ahead of the Soviet Union economically today. But the only way to stay ahead is to move ahead.

We cannot afford to stand still. Our Nation's security requires that the American economy produce as efficiently and as abundantly as possible.

In this context, let us examine the characteristics of the current economic downturn in the United States and the actions which may be justified to reverse it.

TWO FALLACIOUS APPRAISALS

Let us first dispose of two fallacious appraisals of our present economic situation.

To those who claim that we are headed for a great depression, the answer is that the present economic downturn is under no circumstances comparable in character to the depression of the 1930's.

In 1929 literally millions of people were dealing with inflated and imaginary values. The economy then did not have the cushioning effect of certain social welfare laws and monetary policies which are available today.

We can state this one conclusion categorically. There will be no depression in the United States. This is true both because of the basic strength of our economy and because it is backstopped by the determination of the national administration to use every proper governmental action to stop a prolonged recession and to help stimulate early resumption of a high rate of economic activity.

Mr. Khrushchev's claim that our economic downturn is proof of the inherent weakness of a free economy is another conclusion which will not stand examination.

A normal economic system, just like a normal human body, does not and should not run at full speed all the time. There are times when it must slow down, so that needed changes can be made and bad habits and faulty practices corrected. If these needed changes are made, the system will be stronger at the end of the corrective period than before it began.

NORMAL SHIFTS CITED

In examining the characteristics of the present slowdown, we find that it is a result of some normal shifts in the economy, plus some bad habits that got out of hand in recent years.

Let us look at one development which can be characterized as a normal shift.

We emerged from World War II with a great many wornout plants, too small for our growing population and obsolete in terms of current technology. There was a rush to expand and modernize. As a result, in many cases, capacity has outrun current demand.

The inevitable consequence has been, therefore, a slowing of business investments in new plants. Such changes as this are normal. They reflect change and growth in a

free economy. They give us no cause for concern.

But there are factors which contributed to the downswing which stem from evils which should be corrected. If they are not corrected, our economy will not be strong enough to meet the challenge presented by the Communists.

INFLATION PERILS OUTLINED

In this category we must place inflation at the top of the list. Inflation robs the aged of their savings. It is an automatic pay cut for those on fixed salaries. It is a tax on life insurance policies. It leads to consumer resistance and rebellion.

It would be a mistake to try to stimulate economic activity without also trying to curb inflation. Otherwise in the action we take to combat our present troubles we are simply buying more trouble later on.

A related evil is the cost-price squeeze on business. While business profits were relatively good on the whole last year, a disturbing note was that many firms reported higher volume and lower earnings. There was talk of profitless prosperity.

This type of squeeze usually leads to postponement of planned business expansion. It means that something is radically wrong when, with all of our new plants and processes, costs go up rather than down.

When we examine the reasons for skyrocketing costs, we discover a third major weakness which contributed to the present economic downturn. We have been getting soft in a period of easy sales. Many businesses have enjoyed a seller's market for 15 or 20 years. That means that almost an entire generation has not known the discipline of persuasive selling and adequate service. We have become a nation of order takers, rather than salesmen.

The same can be said of our work habits. The current joke about substituting a work break for a coffee break was not just conjured out of thin air. Wage increases not based on increase in productivity became the rule rather than the exception. Consequently, even with all of our improved plants and modern processes, productivity did not rise as expected and in some instances even declined.

This brings us then to the problem at hand. What should Government policy be with respect to the present recession?

We should not interfere with normal change. But we must help to correct the evils of inflation, profitless prosperity and low productivity. The correction of these evils will be a powerful stimulus both for business investment and consumer buying.

We must, however, be vigilant in distinguishing between normal changes and corrections and the spiraling downswing that feeds on itself. If there are substantial signs that a decline may snowball, then Government must step in and stimulate the economy.

But normal corrective action is the preferred choice; massive intervention should be used only as a last resort.

Let us examine the actions the Government has taken up to this time in the light of these principles.

We have recognized that changes in our economy are inevitable, but that human suffering which may occur as a result of such changes should be alleviated as much as possible. That is why the administration has asked the Congress to provide Federal aid to the States in extending the coverage of unemployment compensation where the benefit period has expired.

We have accelerated normal Government spending for those things we need, and we have directed that spending where possible into areas where economic dislocation has had its greatest effect.

We have expanded the supply of credit, having in mind the necessity for caution because of the continuing threat of inflation.

We hope that these actions will be all that will be required to give the economy the help it needs. There are substantial indications that this may be the case.

INACTION REJECTED

I realize that there are some traditional economists who contend that under no circumstances should the Government do more than it has. They say that we should let the economy go through the wringer if necessary, so that it can rid itself of its unhealthy characteristics.

But let us recognize once and for all that the time is past in the United States when the Federal Government can stand by and allow a recession to be prolonged or to deepen into depression without decisive Government action.

Since the days of the great depression, the Government has developed a vast capacity in many areas to break a slide and to stimulate the economy. We no longer accept the finality of the operation of blindly cruel economic forces where millions would be left without work, without the ability to feed, house, and clothe their families.

In addition to the human and economic costs involved in such a situation, there are international costs which almost exceed comprehension.

When the editors from many of the great newspapers abroad visited Washington last week, one of the questions asked most often was whether we were going to have a depression in the United States and what the prospects for recovery were. Every time the United States economy suffers even a slight shock, there are reverberations in the economies of free nations throughout the world.

A major or prolonged downturn in the United States would have catastrophic effects on not only our own country but on our friends abroad. The greatest gainers from such an event would be Mr. Khrushchev and his cohorts in the Kremlin.

FEDERAL ACTION WEIGHED

This brings us to what further action by the Federal Government might be considered if necessary to stimulate an economic recovery.

Two courses are generally debated—a massive new Federal spending program, and a tax cut.

I believe that there is no question but that the use of massive spending for new Federal activities to combat the current recession should be rejected. Acceleration of spending on existing programs can have the relatively quick effect the economy needs at this time. But by the time spending on the massive new programs which are being urged as antirecession measures began to make itself felt, the economy would already be on the way to recovery on its own, and the new spending would only contribute to more inflation.

Another objection to new spending programs is that they would have an inevitable tendency to make Government larger and stronger, and private enterprise smaller and weaker. It is significant to note that in the Senate alone 9 bills labeled as antirecession measures call for $38 billion in new spending over the next 5 years.

As the President put it very bluntly when I was discussing the problem with him last week, the recession should not be used as an excuse for adopting massive new spending programs of the type that would give little if any stimulation to the economy at this time.

Such programs should be approved only if they meet the test of qualifying as a proper function of the Federal Government.

We must also be on guard against what appear to be relatively small new programs, because by nibbling away, we will eventually find we have ballooned our way into a massive spending program. That is why the President's veto of the pork-barrel rivers and harbors bill was justified and why similar bills of that type should receive the same treatment. A spending binge now can only lead to a hangover of debt and inflation later.

This leaves us with the other alternative—the tax cut.

VIEWS ON TAX CUT

As I have stated previously, I believe that if further action should be required to stop the downturn and stimulate an upturn, a tax cut, rather than spending, is the fastest, the best, and surest method to accomplish this result.

However, a tax cut will not do the job unless it is the right kind. It must be designed to put money in the hands of investors and job creators, as well as consumers. It will not do the job if it is used simply to provide a popular political handout in an election year. It can succeed in its purpose only if it is designed to stimulate more production and more jobs for the American people.

In considering what further action the Government should properly take to stimulate the economy, we must bear in mind some fundamental principles:

If the economy can come through the present downturn without additional massive Government intervention on either the tax front or the spending front, this would be desirable, because of the inevitable deficit that either of such actions would bring.

Our objective must be for our economy to be stronger when it comes out of the present situation than when it went in.

Too great a reliance on the crutch of Government support will leave the economy with the same weaknesses at the end of the recession as it had at the beginning.

We must not act in a way which appears to solve our present problem but which undermines our future growth.

There is too much of a tendency in some business quarters to say let the Government bail out the economy.

Government can help, but the primary responsibility for the recovery must be assumed by American business and labor, and the other vital forces which make up the private sector of the American economy. As Dr. Arthur Burns said in Chicago last month, "There is nothing wrong with our economy that could not be corrected by vigorous business enterprise."

What is the responsibility of business in the present situation?

We have heard a great deal of talk lately in which the American people are urged to buy. This is sound, but a necessary counterpart for such a program is that American business must recognize that this is a buyer's market and act accordingly. New products, increased advertising, lower prices can have a dramatic effect on consumer psychology.

In this connection I was interested to note that several publishers to whom I talked in Washington observed that their national advertising was down as much as 40 percent in the first quarter, while their local advertising has held up reasonably well.

I can think of no more short-sighted action than this on the part of national advertisers. The very people who have most at stake in the survival of our free economy should be betting on its growth rather than hedging on its possible failure.

America's labor leaders also have a great responsibility in the present situation.

The labor leader has a responsibility to fight for the best interests of labor union members. Obviously union members would like to have higher wages. But they also want jobs. When higher costs price their product out of the market they are out of a job.

Wage increases which are not based on increased productivity mean higher prices, lower sales and fewer jobs for union members.

A round of this type of wage increases—as distinguished from wage increases to correct

inequities—would inevitably have a depressing effect on the economy at this time.

The restraint I ask is in no sense anti-union.

On the contrary, what we need is a return to the wage policies that have been traditional in the American labor movement. The pattern of spectacular competitive wage increases leading inevitably to higher prices is relatively new in American labor. It arose after 1946 because of special postwar conditions.

It is time to return now to the healthier, sounder approach which made American labor the greatest trade union movement in the world.

Let us return now to our basic premise.

The American economy is sound.

The practices which are bad should be corrected.

The Government stands by to cushion a downturn and to stimulate an upturn but always with the primary responsibility for maintaining the sound dollar which is the only foundation on which real economic progress can be based.

I would not want to conclude my remarks without a word of faith.

We hear much today of the great strength of the Soviet Union. I have never been one to discount this strength. It would be fatal to underestimate it. But in recognizing the threat of the Communist revolution, let us not forget the promise of the American revolution.

Those who have doubts as to the dynamic strength of the American revolution need only look beyond our great accomplishments in the past to some of the new economic frontiers we have before us.

It has been estimated that in the next 10 years America needs to spend:

Twenty billion dollars for electric power.

Twenty-two billion dollars for hospitals.

Thirty-one billion dollars for private schools.

The almost astronomical amount of $250 billion for residential and nonresidential construction and urban renewal.

To meet these domestic needs, together with the increasing costs of our programs for national security, we should set as our goal not the present rate of growth of our enonomy of 3 percent but the higher rate of 5 percent recommended by the Rockefeller report. This would project an increase in our gross national product from $434 billion today to $707 billion in 1967.

This goal to some may seem unrealistic. It will never be achieved if we adopt a stand pat, status quo attitude toward our economy. It will never be attained if we wrap it in a socialistic straitjacket.

It will be achieved if we face the future with vision, determined to tap all of the great resources which are at our disposal.

Government must play a substantial part in achieving these goals.

Our tax system must be revised, so that it will encourage rather than curb new initiative, ingenuity, enterprise, and energy.

Small business must be encouraged and stimulated, so that it can continue its invaluable service of pumping new blood and new ideas into our free-enterprise system.

We must recognize and develop the full potential of millions of our fellow citizens who are now denied adequate opportunity for education and employment because of their minority position.

We must follow the President's leadership in developing a new program for agriculture rather than adopting the unworkable political approach of freezing America's farmers in an obsolete rigid system which can only lead to a dreary cycle of surpluses, controls, and depressed farm income.

FREE ENTERPRISE ESSENTIAL

We must have vision to develop an enlightened and far-reaching program for foreign trade if we are to have adequate markets for the increasing production of our growing economy.

But recognizing as we do that Government has its part to play, we must never forget one fundamental principle: What distinguishes the American Revolution from the Communist revolution is that we believe the most productive source of national progress is private rather than Government enterprise.

All of our Government policies must, therefore, be designed to encourage and stimulate individual Americans to make their maximum contributions to the realization of the Nation's potential. This can be done only in a climate of freedom of enterprise.

We have no doubt whatever as to the soundness and resiliency of our free-enterprise system. As in the past, we expect to come out of the present recession with a stronger and more robust economy which will exceed in production the historic records made during the past 5 years.

Our answer to Mr. Khrushchev then is that we accept his challenge for economic competition, confident of the outcome where free men are pitted against slaves.

But in the great tradition of our own American Revolution, we hasten to add that the American dream is not to conquer the world but to defend the right of any people to be independent of foreign domination; not to enslave men but to free them.

We challenge the Communist world to compete not only in the economic sphere but in justice, in mercy, in kindness, in respect for the things of the spirit, in real concern for the welfare of the poor and the unfortunate of the earth.

We offer total peaceful competition with supreme faith and confidence that we shall win.

STATEMENT BY AMBASSADOR HENRY CABOT LODGE TO THE SECURITY COUNCIL OF THE UNITED NATIONS

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the text of a statement made by the Honorable Henry Cabot Lodge, Ambassador of the United States to the United Nations, before the Security Council of the United Nations, on April 21, in response to the Soviet charge that flights of American bombers in the Arctic were aggressive and provocative. His statement presents a complete answer to the Soviet charge, which has since been withdrawn by the Soviet Union.

Furthermore, Ambassador Lodge laid before the world the positive measures our country and President Eisenhower have taken toward disarmament and toward preventing a surprise or mistaken attack. Such was the purpose of President Eisenhower's open-skies proposal, rejected by the Soviet Union.

All of us who served in the Congress with Ambassador Lodge are proud of his splendid record as the representative of the United States in the United Nations. He has been a strong force for good, and for freedom, not only for our country, but for all the world.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

[From the New York Times of April 22, 1958]

TEXT OF STATEMENT IN SECURITY COUNCIL ON SOVIET COMPLAINT AGAINST BOMBER FLIGHTS

(By Mr. Lodge)

The Chair has consulted members informally concerning his speaking at this point in his capacity as representative of the United States. Accordingly the Chair proposes to recognize himself in his capacity as United States representative.

Gentlemen of the Council, it scarcely needs to be said that the pending Soviet charge is untrue. We have done nothing which is in any way dangerous to peace. The Soviet representative has not adduced one single fact. We have done nothing that is not wholly consistent with the so-called peaceful coexistence resolution. We trust that the Soviet resolution will not be adopted.

Indeed, nothing that the United States has done can be regarded by men who are honest with themselves and with others as anything except the inescapable requirements of legitimate self-defense. This self-defense was undertaken in the face of continued resistance to countless efforts on our part over a period of more than 10 years to negotiate and through negotiation to settle the differences which divide us.

We have tried again and again and have failed each time to discover any willingness on the part of the Soviet Union to take positive steps toward easing tension, eliminating fear, and freeing all our resources for constructive, peaceful purposes. Our concern is that we see once more, although we will never lose hope, the somber pattern of the last decade in the event of the last few weeks.

In recent months, the Soviet Union, turning its back on the United Nations, on the Disarmament Commission, on the Security Council, on the decision of the General Assembly, on the normal uses of diplomacy, on all the machinery available for consultation and negotiation, has demanded that there be a meeting of heads of government for the professed purpose of easing tension and solving the problems that divide us.

We are engaged at the highest levels in diplomatic exchanges with the Soviet Government to find possibilities of agreement by which the cause of peace can be achieved. As President Eisenhower's published statements on this make clear, the United States in all these exchanges has had a single end in view: To make possible significant discussions in the interest of world peace.

The fact that charges of an alleged United States threat to the peace should be made at the moment when our representatives are once more trying to resume serious discussions with the Soviet Union is deeply perplexing.

SOVIET ACTION REGRETTED

The United States Government wholeheartedly regrets that the Soviet Union, at a moment when its leaders are proclaiming their desire for a meeting of heads of government, should have taken this action.

It is against this background that I would ask the members of this Council to view the issue presented by the Soviet complaint.

A cardinal aspect of our defense is to guard against the possibility of a surprise attack. The immense destructive power of modern weapons makes it at least theoretically possible to wipe out the military capacity of a country in a single, coordinated strike against all its defense installations.

The United States has only one conceivable course in such circumstances. Until all fears of surprise attack are banished by effective international arrangements, we are compelled to take all steps necessary to protect ourselves from being overwhelmed. In order to deter aggression, all nations which wish to retain their freedom must maintain strong and alert forces incapable of being destroyed by a surprise attack, however skillfully delivered.

Now, the Strategic Air Command is the mainstay of all nations who wish to maintain their independent existence. It has successfully carried out its mission for the past 10 years. It can only accomplish its mission of deterrence if it is known that the command is so trained, so equipped, and so

situated that it cannot be surprised and destroyed on the ground.

The awesome power of modern weapons makes a surprise attack absolutely unthinkable. Yet today we are confronted by a totalitarian state which has the capacity to strike without warning, without the knowledge of its people, by the decision of a few men who are unaccountable to the Soviet people.

CONTROLS ON FLIGHT CITED

It is precisely these circumstances which make it mandatory for us to maintain our Strategic Air Command in its high state of efficiency through constant practice. All of these training exercises, however, are designed to maintain the force within areas which by no stretch of the imagination could be considered provocative to the Soviet Union.

Aircraft of the Strategic Air Command have never been launched except in a carefully planned and controlled way. A procedure is followed which insures that no Strategic Air Command airplane can pass beyond its proper bounds, far from the Soviet Union or its satellites, without additional, unequivocal orders, and these orders, gentlemen, can only come personally from the President of the United States. The routes which are flown and the procedures which are followed are not only in no sense provocative, they could not possibly be the accidental causes of war.

Now, why has it been necessary for the United States, which has the greatest possible interest in peace, to erect at tremendous expense this system of defense by means of military aircraft? The American people are reluctant to spend money for military purposes. After each war in the past we have relapsed into virtually total unpreparedness. What caused us, reluctantly, to build our present defense system was the aggressive policies of the Soviet Union. This defense system is maintained because the policies of the Soviet Union are still aggressive.

Recent examples of this are that the Soviet Union proclaims its intention to communize the world; that in 1957 it threatened atomic devastation against 22 nations; and that it has brutally suppressed freedom in Hungary and continues to enslave most of Eastern Europe. In the face of this conduct and of the continued refusal of the Soviet Union to negotiate seriously on disarmament, of course we cannot be defenseless.

AGGRESSIVE INTENT DENIED

The United States has no aggressive intention against any country. Our open system of government and our collective security arrangements make it impossible. President Eisenhower has repeatedly emphasized that the United States will never attack another country. The United States fully accepts the obligations set forth in the charter of the United Nations.

Our words and our deeds speak for themselves. Time and again we have demonstrated our good faith and our steadfast desire to build and to maintain peace. We have kept trying, even though the Soviet Union has repeatedly rejected our efforts, often out of hand. We have never hesitated to expose any aspect of our foreign policy to public discussion in the United Nations or elsewhere. Frankly, gentlemen, I wish as much could be said of the Soviet Union.

Now, as long as it is necessary for our safety that we maintain a Strategic Air Command, we intend to keep it at all times in a state of efficiency. We shall also keep it under the strict control which I have described. Numerous individuals and groups, including representatives of foreign governments, have had an opportunity to visit and to see at first hand the operation of the Strategic Air Command. They have seen and recognize the effective controls under which this force operates. These things are matters of public knowledge. What we do is known throughout the world. What the Soviet Union does is carefully veiled in secrecy.

The American people and the Government which they have freely chosen have been seeking for the last 12 years a way to be rid of these elaborate and burdensome defense preparations, and to do so in safety. That is why President Eisenhower at Geneva in 1955 proposed that the Soviet Union agree with us to mutual inspection of each other's territory by aerial sentinels in an open sky. This proposal was designed to guard against surprise attack.

REJECTION OF PLAN RECALLED

Now, note this, that if such a mutual inspection system could be put into effect, no massive air attack could be launched in secret. The fear of war would decrease and a great step forward would be taken toward the reduction of expensive and deadly armaments. But the Soviet Union has refused to join with us in setting up a true inspection system.

Since President Eisenhower made this proposal we have suggested to the Soviet Union a wide range of choices on how and where to begin. During the meetings of the disarmament subcommittee in London a year ago we proposed an inspection system covering all the continental United States, Alaska, Canada, and the Soviet Union. We also proposed an alternative in case the Soviet Union wished to start on a smaller basis—namely, that we start the open sky system in the Arctic region.

Now, one might have thought that the Soviet Union would have welcomed the proposal concerning the Arctic. But far from welcoming it, they treated it with scorn. In June 1957, in Helsinki Mr. Khrushchev said, "much has been made of photographing the Arctic from the air as a beginning, but this sounds totally comical." In August of that same year Mr. [Anastas I.] Mikoyan [a Soviet First Deputy Premier] was even more derisive when he said, "what can one control from the air beyond the Arctic Circle other than the number of polar bears who, as is known, for the time being do not intend to attack anyone?" That was the Soviet attitude toward an inspection system which would have made it virtually impossible to launch a surprise attack over the polar regions.

Now I stress the open sky plan because it is so directly relevant to the pending charge. But this is not the only proposal to which the Soviet Union has failed to give a constructive response. Thus, if the Soviets are seeking a means to contribute to peace and particularly to disarmament, there is much that they can do.

EISENHOWER PROPOSAL CITED

They can say "Yes" to President Eisenhower's proposal made as recently as April 8 of this month (which, incidentally, has been withheld from the Soviet people), to join in technical disarmament studies by which, as the President said, "we can at once begin the preliminaries necessary to larger things."

The Soviet statement of April 18 says that the Soviet people are indignant at the activities of the United States Air Force. If this, indeed, is true, this indignation can only be based on the partial and often distorted information which the Soviet Government permits them to have because, as I have just said, the Soviet Government denied publication to the Russian people of the President's proposal of April 8.

The Soviet Union could, in fact, change their negative attitude toward the five-point disarmament plan which was overwhelmingly endorsed by the 12th general assembly last December—and which the Soviet Union and its satellites were the only nations here to oppose.

The Soviet Union could agree to a meeting of the disarmament commission, which was enlarged by the last general assembly for the express purpose of meeting their views, and in the reasonable belief that it would do so, and which they have, nonetheless, spurned.

And they can carry on the diplomatic discussion in Moscow in the serious vein which the world situation requires.

This Soviet move reminds one of the trumped-up charges of the past. It continues the policy of constantly singling out the United States for vilification. It leads to the conclusion that what the Soviet Union is after is to weaken and to tear down the United States and, with it, all countries, large and small, which value their freedom.

How often in all these speeches which we have heard here has the United States been condemned for adhering to so-called "positions of strength." And how clear this makes it to the whole world that what the Soviet Union actually wants is to put the United States in a position of weakness.

PEACE EFFORTS STRESSED

Against all these assaults we have done much more than simply remain militarily strong. Year after year we have made new proposals and started fresh approaches to the profound issues which have plagued our relations with the Soviet Union. The Baruch plan, the atoms-for-peace plan, the open-sky plan, the proposals on the unification of Germany and of Korea, the proposals for free exchange of information and ideas, the proposals which led to the liberation of Austria—these are a few of our initiatives. And, let me say, we will never stop trying for peace.

I suggest that the representatives of the Soviet Union ask themselves what they gain by tactics such as they are employing here. Think for a moment of the billions of rubles which they have spent on propaganda, money which could have gone to constructive purposes for the Russian people.

What have they got to show as a result of this great propaganda effort. At no time has the Soviet Union ever been able to get the support of the United Nations for any of its major propaganda themes. Future historians will record that the Soviet Union has not gained by the course which they have pursued.

Their interest in a peaceful world is just as great as ours. Some day, I am sure, they will give up their dream of world revolution and help man's natural evolution to take place. Some day they will see that it will be better for them, as well as for the rets of the world, if they were to cease these tactics and if they were to come around the table and try to help solve the world's problems.

Over this weekend I have come to sense some of the heartache that exists among representatives of governments here at the United Nations—many of them being governments which are not allies of ours—because of the effect of this latest move on the outlook for peaceful, significant negotiations. But we will never get discouraged and we will never stop trying. And we say to you that to calumniate the United States, as you are doing today, is not the action of someone who wants a summit conference to succeed—not the action of someone who wants peace.

MASS TRAINING JUMP BY THE 101ST AIRBORNE DIVISION

Mr. COOPER. Mr. President, in a scheduled mass training jump by the 101st Airborne Division yesterday, at Fort Campbell, lying in Kentucky and Tennessee, 5 paratroopers were killed

and 152 men required hospitalization. It is reported that none of the men hospitalized is in critical condition.

I should like to read, for the information of the Senate, the official statement issued this morning by Maj. Gen. W. C. Westmoreland, commander of the 101st Airborne Division, who jumped with his men:

STATEMENT OF GENERAL WESTMORELAND

The parachute jump by the 502d battle group of the 101st Airborne Division took place on two drop zones of the Fort Campbell reservation on April 23. The jump was a scheduled part of Exercise Eagle Wing. Prescribed safety precautions were taken preparatory to the jump. Wind readings of 10 knots and under were being made at drop time. From a safety viewpoint, winds not in excess of 12 knots are considered acceptable.

The injuries sustained resulted from an increased wind velocity or gusts following the drop. Tragically, 5 fatalities resulted from the exercise and 152 men were hospitalized. None are reported in critical condition. The majority of injuries are scratches and bruises. Many will be released after a brief period. Approximately 1,400 officers and men participated in the jump exercise.

I know that the Army is already conducting an investigation into the circumstances of this tragedy, because the Army is most concerned with the safety and welfare of its men. However, because of the number of casualties, I have asked Secretary of the Army, Wilber M. Brucker, to make a special inquiry, and to report any recommendations which may be made as a result of this investigation. I have also asked that the Senate Committee on Armed Services follow the Army investigation closely, so it may determine whether the committee should take any additional action.

I should like to say that I know General Westmoreland, and talked to him recently, before he went to his new command at Ft. Campbell. I was impressed with his ability. Because I know him to be an experienced and devoted commander of troops, and because I know of his interest in the safety and welfare of his men, I am sure he will take every step necessary toward full investigation, and toward insuring full safety for his command. He, himself, is an experienced paratrooper; and his jump on yesterday with his men was his 70th.

I noticed that the press reports commented on wind conditions before the takeoff time. I should like to point out that General Tucker, an experienced safety officer, was taking wind readings at the drop zone itself, at drop time, and that the figures referred to in the statement are from his readings.

While it can in no way lessen our concern for the families and friends of the men who died in training yesterday, I think it well to bear in mind that training is a necessary part of maintaining combat readiness. Jumping in mass, in formation, under tactical situations, carries the possibility of some hazard.

I think it is proper to call attention to the outstanding safety record of the 101st Airborne Division, and of all paratroop operations in recent years. Nevertheless, it may be that additional safety precautions can be taken, or that better quick-release chutes or harnesses can be developed. It is the duty of the Army to work incessantly toward better safety precautions.

TAX REDUCTION RECOMMENDATION BY THE NATIONAL PLANNING ASSOCIATION

Mr. DOUGLAS. Mr. President, I ask unanimous consent that a statement issued on Monday, April 7, 1958, by the National Planning Association, calling for a tax reduction now, be printed in the body of the RECORD.

The National Planning Association states that prompt tax reduction is needed. Furthermore, it calls for two major reductions—first, in the excise taxes; and, second, in personal income taxes for low and middle income groups. These happen to be the two features of the tax-reduction plan which I proposed in February, and again in March, in which I was joined by certain of my colleagues.

The analysis made by the National Planning Association is that by providing these cuts, there would be a simultaneous increase in purchasing power and a decrease in prices of a wide range of consumer durables which would have a double stimulating effect at this time.

I believe that analysis is wholly correct. Not only do we need a tax cut, in order to fight the recession, but we need the kind of cut the association advocates, both for its immediate stimulating effect and because it can be justified on grounds of equity over the long run.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

NATIONAL PLANNING ASSOCIATION—JOINT STATEMENT ON PRIORITIES IN TAX REDUCTION AS AN ANTIRECESSION MEASURE

A good antirecession program should not only be effective in stimulating business activity, but at the same time, it should also be of lasting national benefit. Thus an increase in Government expenditures should not only create jobs and incomes; it should also contribute to making up deficiencies in Government programs.

In a similar way, tax reduction should be so arranged that it contributes to economic recovery and at the same time leaves us with a better tax system than we had before. We believe that because of the urgency of certain national requirements selective increases in expenditure programs should be part of the program to fight against the recession. This refers to truly high priority programs. However, prompt tax reduction is also needed to support purchasing power. Tax reduction can play an effective role in an antirecession program because it can be adopted without delay and would have widely dispersed effects on the economy. Also by adopting a carefully selected program of tax reduction our tax structure can be greatly improved.

In this statement we are not proposing a tax reduction program by specified dollars and cents. The magnitude of the tax reduction which is needed as a recovery measure depends on the other recovery measures which may be adopted, particularly increases in expenditure and loan programs. Instead, we address ourselves to the type of tax reductions which should be included in a tax reduction program.

High priority should be given to the elimination of miscellaneous excise taxes, particularly on passenger cars, communication, transportation, and a variety of such items as electric light bulbs, jewelry, leather goods, toilet preparations, sport goods, and so on, but excluding the taxes on alcohol and tobacco, and on motor fuel and related items most of which are allocated to the highway trust fund. The revenue of these miscellaneous taxes has been running at an annual rate of $4.5 billion. If they were removed some part of the revenue loss would be recovered by increases in revenue from other tax sources. These excise taxes which we propose for elimination were imposed during the war years for the purpose of restricting consumption. There is no reason for continuing these taxes under present conditions. Their removal would help in stimulating consumption and reducing costs of transportation and communication.

A comprehensive antirecession tax program would be most effective if it includes the elimination of certain excise taxes with a reduction in the individual income tax in order to achieve the broadest possible impact on purchasing power.

For a reduction of income taxes, particularly in the lower brackets, two main proposals deserve consideration. Both have similar effects on mass purchasing power. One proposal provides for an increase in the tax exempt limit; the other provides for a splitting of the first $2,000 taxable income bracket and would lower the standard tax on the first $1,000 taxable income.

An increase in personal exemptions by, let us say, $100 would take about 4 million taxpayers off the income tax rolls and would result in a revenue reduction of $2.8 billion. Of the total reduction in taxes, 40 percent would favor taxpayers with incomes of less than $5,000; 47 percent would go to taxpayers with incomes between $5,000 and $10,000; 13 percent would benefit taxpayers with incomes over $10,000.

A proposal to reduce the present tax on the first $1,000 taxable income from 20 percent to 16 percent would likewise result in a revenue loss of $2.8 billion. The decrease in taxes would be distributed by 40 percent, 50 percent, and 10 percent, respectively, among the income brackets of below $5,000, $5,000 to $10,000, and over $10,000.

The tax reduction through splitting the first bracket would not reduce the number of income-tax payers. To that extent it would leave a broader tax base. Both methods could be made effective within a short time through the payroll deduction mechanism.

Promptly eliminating miscellaneous excise taxes and reducing personal income taxes for the lower income brackets would effectively contribute to recovery and at the same time leave us with a greatly improved tax structure.

We hasten to add, however, that these measures would not exhaust the list of highly needed tax revisions. The combination of the highly fictitious top bracket rates in the income tax plus the tendency of gradually widening loopholes calls for a thorough revision of the tax structure. Also the treatment of dividends in the individual income tax and the relationship between individual and corporate income taxes call for reexamination. Such revisions, however, require longer deliberation and therefore are not suitable elements for the current antirecession program.

In this statement we have confined the discussion to those proposals which offer the most desirable combination of recovery measures and tax improvement. These measures could be adopted promptly.

MEMBERS OF THE NATIONAL PLANNING ASSOCIATION BOARD OF TRUSTEES AND STANDING COMMITTEES SIGNING THE STATEMENT; PRIORITIES IN TAX REDUCTION AS AN ANTIRECESSION MEASURE

H. Christian Sonne, chairman of the board, president, South Ridge Corp.; Stanley An-

drews, executive directors, national project in agricultural communications, Michigan State College; John A. Baker, legislative secretary, National Farmers Union; William L. Batt, Philadelphia, Pa.; Murray R. Benedict, professor of agricultural economics, University of California; Otis Brubaker, director, research department, United Steelworkers of America, AFL–CIO; Myron M. Cowen, Washington, D. C.; August Dahme, Aberdeen, S. Dak.; Clinton S. Golden, Solebury, Pa.; Oscar Heline, Marcus, Iowa; Marion H. Hedges, Washington, D. C.; Kenneth Holland, president, Institute of International Education; Albrecht M. Lederer, A. M. Lederer & Co., Inc.; D. M. Levitt, president, D. C. A. Food Industries, Inc.; James G. Maddox, Washington, D. C.; Helen Hill Miller, journalist, Washington, D. C.; Lowry Nelson, institute of agriculture, University of Minnesota; Miles Pennybacker, president, Voltarc Tubes, Inc.; Eric Peterson, general secretary-treasurer, International Association of Machinists, AFL–CIO; Clarence Pickett, honorary secretary, American Friends Service Committee; Beardsley Ruml, New York City; Stanley H. Rutenberg, director, department of research, AFL–CIO; James S. Schramm, executive vice president, J. S. Schramm Co.; Ted F. Silvey, national AFL–CIO education department; Lauren K. Soth, editor of the editorial pages, the Des Moines Register & Tribune; Herman W. Steinkraus, president, Brigeport Brass Co.; Wayne Chatfield Taylor, Heathsville, Va.; Howard R. Tolley, Alexandria, Va.; Ralph J. Watkins, director of economic studies, the Brookings Institution; Robert A. Whitney, president, Marketing Audits Institute; Obed A. Wyum, farm program consultant, Farmers Union; Arnold S. Zander, international president, American Federation of State, County and Municipal Employees, AFL–CIO.

PROPOSED CAPITAL BANK LEGISLATION

Mr. PROXMIRE. Mr. President, this morning a distinguished banker from my home State of Wisconsin testified before the Subcommittee on Small Business of the Committee on Banking and Currency. His testimony was remarkable in several respects. It was unusually competent, intelligent, and constructive. It was also extremely significant.

Mr. Carl M. Flora is vice president of the First Wisconsin National Bank of Milwaukee, the largest bank in my State. He also is the chairman of the small-business credit administration of the American Bankers Association.

This eminent banker, representing the American Bankers Association, testified in favor—I repeat, in favor—of capital-bank legislation to provide, through Federal Government action, for long-term equity capital for small business.

Mr. President, I ask unanimous consent that this highly significant statement by the authorized representative of the American Bankers Association, placing the organized banking industry of the Nation behind capital-bank legislation, be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF CARL M. FLORA ON BEHALF OF THE AMERICAN BANKERS ASSOCIATION BEFORE THE SUBCOMMITTEE ON SMALL BUSINESS OF THE SENATE COMMITTEE ON BANKING AND CURRENCY, APRIL 25, 1958

My name is Carl M. Flora. I am vice president of the First Wisconsin National Bank in Milwaukee, Wis., and chairman of the Small Business Credit Commission of the American Bankers Association. It is in the latter capacity that I appear before you today.

The association appreciates this opportunity to present its views with respect to legislation making equity capital more readily available to small business. Naturally, bankers are interested in legislation affecting the strength and stability of small-business concerns. We trust our suggestions to the committee wil be helpful in drafting constructive legislation.

We have been gratified to note that the study of the Board of Governors of the Federal Reserve System confirms the fact that the short and intermediate term credit needs of small business are being adequately met by commercial banks.

We think that the first two volumes of the Federal Reserve study have already made an important contribution to understanding of the issue by focusing attention on the real financing problem of small business, the lack of equity capital. You gentlemen realize, of course, that, generally speaking, commercial banks are not authorized to supply equity funds. However, we would like to offer such observations and recommendations as are suggested by our experience in the commercial banking field.

When we appeared before your subcommittee last year we were very interested in the proposals before you to stimulate the flow of equity capital to small business. Our representative testified that the idea of Federal Government participation in a program designed to make available additional equity capital "has merit * * * and could well be utilized to achieve constructive results."

Accordingly, the association president, Mr. Joseph C. Welman, appointed a special American Bankers Association subcommittee, under the chairmanship of Kenton R. Cravens, president of the Mercantile Trust Co., St. Louis, for the purpose of examining this problem and determining how it might be met, consistent with the principles of the free-enterprise system and sound financing practices. The special subcommittee's recommendations have been approved by the governing body of the association and form the basis of my presentation.

We believe that we can be most helpful by stating a few general principles and certain specific recommendations which, in our view, should be incorporated in this legislation.

To start an effective program of equity financing for small business as quickly as possible, existing development credit corporations should be used. Such a program would take full advantage of existing local organizations familiar with the business and economic conditions in their respective communities. Moreover, keeping the program on the local and State level will maximize the participation of private local capital and resources. The interest shown in the creation of State and local development credit corporations offers convincing evidence of the vitality of this movement.

To accomplish these objectives, Federal legislation should temporarily stimulate the flow of investment funds through existing development credit corporations and encourage the creation of additional development credit corporations where needed.

Any long-range, constructive solution to the need of small business for equity and long-term capital financing should basically depend on the availability of and access to the resources of private financial institutions and investors, and any governmentally sponsored program should be intended as a temporary stimulant and supplement to private financial facilities for financing small business.

The primary source of any equity funds needed to inaugurate any such program should be local private financial resources.

The responsibility for the management and administration of any instrumentality created to carry out any such program at the State or local level should lie with local private citizens.

There are certain other general principles which we believe merit the attention of Congress in the drafting of this legislation.

This program should be administered by an existing governmental agency. The creation of a new agency would be costly and would delay the benefits to be derived from any program. The agency designated to carry out this program should be the only agency authorized to furnish small business financing. The regulations or criteria established by the Federal supervisory agency should be broad in scope so that the program in the State or local development credit corporations will not be handicapped or delayed by restrictive requirements.

Federal funds should not be used directly or indirectly for the purpose of stimulating or aggravating interstate competition with respect to the location or relocation of small business.

To accord with the general principles stated above, the legislation in our view should embody the following specific features:

(1) Provision should be made for the incorporation under Federal law of development corporations to act as a source of capital funds for small business. Provision also should be made for terminating the life of such Federal corporations after a period of 3 years during which the legislatures of the several States may by appropriate legislation provide for the incorporation of corporations of comparable character and purpose at the State level.

(2) Such development corporations, whether incorporated under State or Federal law, should be eligible to borrow appropriated funds from a presently existing Federal agency which would be designated to institute and maintain the program. The maximum amount of Federal funds which may be on loan to any such development corporation should be limited as follows:

(a) Subordinated debt (in lieu of purchasing equity shares) not to exceed an amount equal to capital and surplus of the development corporation.

(b) Unsubordinated debt not to exceed an amount equal to funds provided by banks and other private lenders.

The development corporation should pay interest to the Federal lender at a rate equal to the prevailing rate on long-term Government borrowings, plus a premium of 1 percent to the extent the premium is earned. These loans should have a maturity of not more than 10 years with renewals limited to an additional 10 years. Conditions attached to the making of such loans should include covenants by the borrowing development corporation that it would not pledge, mortgage or make distribution of any of its assets except payment of dividends in the ordinary course of business, and that it would not use the proceeds of the loans of Federal funds except for the purpose of making loans to small business with no more than $250,000 being on loan to any individual small-business borrower.

(3) No Federal funds should be invested in stock, but the use of Federal funds should be limited to the making of loans to development corporations formed or to be formed with private capital. Purchase of equities in small businesses by development corporations should be limited to funds supplied by private sources.

(4) There should be some ceiling on the aggregate amount which may be on loan to various development corporations located in the same State. A limitation of $200,000 for each 100,000 population would appear to be a fair and reasonable ceiling.

(5) The total amount authorized for the program should not exceed $500 million. In our view, section 13b of the Federal Reserve Act should be repealed and the funds presently held under that section should be made available for use as a revolving loan fund for subordinated loans to be made to development corporations. In practical effect then, this fund of some $27.5 million would represent the Government's maximum investment in the equity of such development corporations. However, the Government would not actually purchase equity shares.

(6) The Federal administering agency should be appropriately empowered to—

(a) Grant or deny applications for charters for development corporations to have existence for a limited period,

(b) Establish criteria with respect both to the borrowing and lending by such corporations in accordance with standards prescribed by the Congress, and

(c) Exercise supervisory and examination power over all federally chartered development corporations and such State-chartered development corporations as become borrowers under the program.

(7) While federally chartered development corporations should not by the Congress be accorded local tax immunity as governmental instrumentalities, both State and federally chartered development corporations should be given appropriate special treatment under the Internal Revenue Code. We suggest that they be treated in a manner generally comparable to regulated investment companies and that they be permitted to establish deductible reserves for losses adequate to insure the liquidation of their indebtedness. This might well require as much as 50 percent reserve (with appropriate maximum ceiling) particularly in the initial stages of the program.

(8) Amendment should be made to the National Bank Act and the Federal Reserve Act so that the capital stock of State or federally chartered development corporations, wherever situated, may be lawfully purchased by national banks and State member banks insofar as Federal law is concerned.

(9) The Internal Revenue Code should be amended so that private lenders which make loans to development corporations may establish and maintain a separate deductible reserve for losses on such loans. As in the case of reserves established by the corporations, a reserve of as much as 50 percent (with appropriate maximum ceiling) may be required to provide incentive for private investment.

(10) We believe that there is no justification for creating a new Federal bureau to institute and administer the program. Of the existing agencies, the Federal Reserve System is best equipped, in our judgment, to implement such a program and, therefore, we recommend that it be named as the Federal administering agency.

In making the foregoing specific recommendations, the association has borne in mind three primary factors:

(1) That there is real need at this time to stimulate the availability of capital funds to small business.

(2) That the taxpayers' money should be used for such purpose to the least extent possible; and

(3) That the banking system should participate in the program to the greatest extent possible consistent with sound banking practices.

We believe that our recommendations are consistent with these enumerated factors and that they point the way to establishment of a sound and effective program for meeting the present long-term capital needs of small business.

EMPLOYEE WELFARE AND PENSION BENEFIT PLANS

Mr. MANSFIELD. Mr. President, has morning business been concluded?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). If no Senator desires to be heard, morning business is concluded.

The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado [Mr. ALLOTT].

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gore	Monroney
Allott	Green	Morse
Anderson	Hayden	Morton
Barrett	Hennings	Mundt
Beall	Hickenlooper	Murray
Bennett	Hill	Neuberger
Bible	Hoblitzell	O'Mahoney
Bricker	Holland	Pastore
Bridges	Hruska	Payne
Bush	Humphrey	Potter
Butler	Ives	Proxmire
Byrd	Jackson	Purtell
Capehart	Javits	Revercomb
Carlson	Jenner	Robertson
Carroll	Johnson, Tex.	Russell
Case, N. J.	Johnston, S. C.	Saltonstall
Case, S. Dak.	Kefauver	Schoeppel
Church	Kennedy	Smathers
Clark	Kerr	Smith, Maine
Cooper	Knowland	Smith, N. J.
Cotton	Kuchel	Sparkman
Curtis	Langer	Stennis
Dirksen	Lausche	Symington
Douglas	Long	Talmadge
Dworshak	Magnuson	Thurmond
Eastland	Malone	Thye
Ellender	Mansfield	Watkins
Ervin	Martin, Iowa	Wiley
Frear	Martin, Pa.	Williams
Fulbright	McClellan	Yarborough
Goldwater	McNamara	Young

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ] is absent on official business.

Mr. DIRKSEN. I announce that the Senator from Vermont [Mr. FLANDERS] is absent on official business.

The PRESIDING OFFICER (Mr. CLARK in the chair). A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. ALLOTT].

Mr. ALLOTT. Mr. President, I presume the Senate is now proceeding to the consideration of my amendment designated "4-22-58-B." Before proceeding to a discussion of the amendment which is now pending, I should like to comment briefly on two matters.

I assured the distinguished majority leader last night that I would ascertain when the last meeting of the committee was held. I have now ascertained from the staff that the last meeting of the Committee on Labor and Public Welfare prior to the Easter recess was March 31, when the full committee ordered Senate bill 2888 reported.

There has been some intimation that the Senator from Colorado held up the progress of the bill by failing to file his minority view within the time designated. At that meeting I suggested that I would like to see the majority report to enable me to determine whether or not I wished to file supplemental views. I was told by the chairman of the subcommittee, the Senator from Massachusetts, that that was not customary, but that it was customary to file the report and individual views simultaneously. I note that he is now present in the Chamber, and I think it is proper that he should be while I am making this statement.

At that time we were told that the majority report was ready. There was some discussion, and I finally made the statement that it did not make any difference, and that so long as the report and individual views had to be filed simultaneously, my views were substantially ready.

As a result, the committee fixed—not by formal vote, but certainly by unanimous agreement—the date of April 21, when the reports and all individual views would be filed.

On Saturday, April 19, I sent a copy of my supplemental views to the committee. On April 21, the date when the majority report was filed—and, incidentally, it had been revised in the previous week—I filed my supplemental views.

Also, on that same date, which is a significant one, the supplemental views of the Senator from New Jersey [Mr. SMITH], the Senator from Connecticut [Mr. PURTELL], the Senator from South Carolina [Mr. THURMOND], and the Senator from Arizona [Mr. GOLDWATER] were filed.

I hope that statement will clarify the situation and make it clear that the pending bill was not delayed because of any dilatory tactics on the part of the Senator from Colorado.

With respect to the colloquy which occurred last night, I stated at that time that I thought I had spoken on the floor twice. I told the majority leader that, in the heat of debate, it might have been possible that I had spoken more than twice. It seems rather ridiculous to be disputing over such a minor matter. In the 3 years I have been a Member of the Senate, I do not recall that the question of a Senator speaking more than twice has ever been raised. I can recall innumerable instances in which Senators spoke not once or twice, but as many as 10 or 12 times. I must confess that technically, perhaps, I found myself violating a rule which has never been invoked during the time I have been a Member of the Senate, to my knowledge. I find that possibly I technically violated the rule when, as shown on page 7236 of the RECORD, the junior Senator from New York [Mr. JAVITS] was speaking, and he made some remarks which I knew he did not mean, but which, in cold print, might be susceptible to certain inferences—an implication which I did not wish to accept—I took the floor and, for 2 or 3 minutes, answered him, not upon the merits of the amendment, but rather in answer to some of the inferences which might be drawn from the words he used. He immediately stated that he had made no such implications. I knew that he did not intend to do so,

but his words might have been construed in that way.

To get to the merits of the particular amendment which is now pending, in order that Senators may accommodate themselves as they see fit, I announce, first of all, that it is my intention to speak for only a few minutes—not more than a half an hour under any circumstances, unless colloquy or debate should ensue which might extend the time. It is not my intention to ask for the yeas and nays on my amendment, although I do intend to ask the Senate to vote on the amendment.

The second amendment which I have offered, designated as "4–22–58–B" is similar in many respects to the amendment which was offered yesterday, but I do not deem it necessary to repeat the arguments which I made yesterday at some length because, for the most part, the same principles apply.

However, there is one very great, fundamental difference between the pending amendment and the one which was offered yesterday. The one offered yesterday exempted from the provisions of S. 2888 all the level-of-benefit plans in the United States. The reason why I thought they should be exempted was argued yesterday, and the Senate has determined that question. However, a real question does exist—and I believe no Senator who has served on the committee will contend seriously that I am wrong—that neither the committee nor the Senate nor any other body in the United States has any accurate statistical information with relation to these funds. The number of funds has been estimated before our committee to be from 50,000 up to 500,000. The Secretary of Labor estimated them at 250,000. We do not know how many welfare benefit funds there are. Perhaps there are several hundred thousand. We do not know. Certainly there are several thousand. We do not know how many pension plans there are. We do not know how many combinations of pension and welfare plans there are. We do not know actually, as I said yesterday, what percentage of them are level-of-benefit plans and how many are fixed-cost plans.

This is not the fault of the chairman of any of the committees; it is not the fault of the Senator from Massachusetts, the Senator from Illinois, or the Senator from New York. It is true because the whole field is so large that proper statistical analysis has not yet been made.

The advantage of the amendment which I have offered is that it would require every fund in the United States to register. If that were done, in the course of 2 or 3 or 4 years we could acquire a wealth of statistical information about the funds: the kind, the number, the nature of each fund, with all the qualifications, such as how many were Taft-Hartley law funds and how many were fixed-cost funds.

We could acquire a wealth of information on retentions and commissions. We could find out what the average retention was for the average plan. We could gain a wealth of knowledge with respect to the funding of the plans—how they are funded, where they are funded; whether they are trusteed or not trusteed. We could get the answers to all the questions raised yesterday.

This is a sensible approach. For some reason it does not appeal to some of the members of the committee. I see on the floor the Senator from Illinois [Mr. DOUGLAS], with whom I worked so long and diligently. It is my hope that he will consider a reasonable approach in this field, before we use a shotgun to cure a defect which could be cured, perhaps, by using a rifle.

I realize that the Senate has spoken on the other amendment. However, it is a fact that if we pass S. 2888 as it is constituted, we will be doing so with an appalling lack of information along the lines I have suggested about these funds. I do not think that we ought to act upon that basis. The Senate has said that it does not want to give an overall exemption to level-of-benefit funds. Therefore I have proposed what is, frankly, a compromise measure, which will provide the Congress, the country, and the insurance companies, over the next 4 years, with accurate statistical information which is not available at this time, which none of us possesses, and which will exempt merely from reporting and disclosure for the time being the level-of-benefit funds.

If and when a clear case is made of abuses in these funds, I shall be the first, as one who believes that the money which goes into these funds belongs to the workers, to join in an effort to eradicate them.

There is one other thing which bears upon the question. In the preliminary phases of my discussion yesterday afternoon—and I call particular attention to page 7190 of the RECORD—I discussed the problem of enforcement under the Taft-Hartley plans, the so-called fixed-cost plans. So far as I can remember, except in the very initial phases of the 84th Congress committee's investigation, we never discussed—and certainly not since then—any possible correction of section 302 of the Labor-Management Relations Act of 1947.

Yesterday I pointed out that the use of the word "representatives" in section 302 (C) (5) of that act absolutely precludes the conviction of anyone under the criminal provisions of that act. We can correct that situation. If we were to correct section 302 (C) by providing that a Taft-Hartley law fund must do certain things, that it must have a written trust agreement, and that it must be controlled by certain representatives of management and labor, we would go a long way toward stopping a great many abuses which have occurred in this area. However, this is a field which has not been explored to any extent. So far as I can recall, it has not been explored by anyone, with the exception of the discussion yesterday upon the floor.

It is my hope that, instead of incurring an expense of some $50 million, perhaps, which may be the amount expended ultimately, on the part of private employers—and I hold no brief and do not speak for the man who is engaged in business—perhaps by saving as much as $50 million for the benefits to which workers are entitled, we will be able to make a real contribution.

Let me assure Members of the Senate that if the abuses are disclosed, considering the adoption of my own amendment, I shall be the first to go along with them and support legislation designed to correct the abuses.

One of the areas which we can correct with a modification of section 302 (C) is the one under which the trustees have in whole or in part surrendered their obligations and duties under the Taft-Hartley Act. Let me say unequivocally that I consider the employer trustees who have surrendered their obligations and their duties under that law to have acted not only in violation of law, but also remiss in their obligation to good labor-management relations.

Therefore, it is my hope that the Senate will adopt the amendment. It is also my hope that the eminent Senator from Illinois [Mr. DOUGLAS], whom I have always found very fine to deal with and very conscientious, and a wonderful gentleman with whom to work in the committee, will find it in his heart to support the proposal I make, instead of having the Senate take the big step which it otherwise would take, and which I feel would not only have a financial impact upon the funds, but eventually would have an impact on the very nature of both welfare and pension funds.

I hope that he will support the amendment, because I believe that with the modified approach we will have the advantage of obtaining the information which is needed to write a complete bill on the subject. At the same time we secure that information, we can still use the advisory committee, which was the brain child of the distinguished Senator from Illinois, as a means for building up further knowledge with which to correct the abuses which may have arisen in this area.

Mr. President, I hope the Senate will adopt the amendment which I have offered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, I have two forms from the Internal Revenue Service which I should like to have reproduced in the RECORD. The first is entitled "Return of Employees' Trust Exempt From Tax." The second is entitled "Exempt Organization Business Income Tax Return."

I therefore ask unanimous consent that these two forms appear in the RECORD at this point.

There being no objection, the forms were ordered to be printed in the RECORD,

FORM **990-P**

U. S. Treasury Department—Internal Revenue Service

RETURN OF EMPLOYEES' TRUST EXEMPT FROM TAX

As required under section 6033 of the Internal Revenue Code of 1954
(See sections 401 (a) and 501 (a) of the Code)

1957

FOR CALENDAR YEAR 1957 or other taxable year beginning , 1957, and ending , 19

PLEASE TYPE OR PRINT PLAINLY

Legal name of trust | Address (number, street, city or town, postal zone number, State)

This return must be filed on or before the 15th day of the 5th month following the close of the annual accounting period. Return must be filed with the District Director of Internal Revenue for the district in which is located the principal place of business or principal office of the trust.

Name of employer | Address (number, street, city or town, postal zone number, State)

1. Date of letter, symbols and office advising of exemption .....
2. State type of plan involved ☐ Pension ☐ Profit-sharing ☐ Stock bonus
3. Date of establishment of trust.....
   In what State or country.....
4. Have any changes not previously reported to the Internal Revenue Service been made in your trust indenture or plan?..... ☐ Yes ☐ No
   If "Yes," attach a copy of the amendments in duplicate.
5. Have you filed a tax return on Form 990-T for this year?..... ☐ Yes ☐ No
   If "Yes," where filed?.....
   Unrelated business gross income reported..... $.....
6. Have you sources of income other than contributions of the employer or employees which have not been reported on 990-T?..... ☐ Yes ☐ No
   Attach detailed statement.
7. Did you hold any real property for rental purposes with respect to which there is an indebtedness incurred in acquiring the property or in making improvements thereto or which was acquired subject to a mortgage or similar lien?..... ☐ Yes ☐ No
   If "Yes," attach detailed statement.
8. Was a Form 990-P filed for the preceding year? ☐ Yes ☐ No
   If "Yes," where filed?.....
9. After March 1, 1954, did—
   The creator of your trust, or
   A contributor to your trust, or
   A brother or sister (whole or half blood), spouse, ancestor, or lineal descendant of such creator or contributor, or
   A corporation owned (50 percent or more of voting stock or 50 percent or more of value of all stock) directly or indirectly, by such creator or contributor—
   (a) Borrow any part of your income or corpus?. ☐ Yes ☐ No
   (b) Receive any compensation for personal services from you?..... ☐ Yes ☐ No
   (c) Obtain any part of your services?..... ☐ Yes ☐ No
   (d) Purchase any securities or other properties from you?..... ☐ Yes ☐ No
   (e) Sell any securities or other property to you?. ☐ Yes ☐ No
   (f) Receive any funds of the trust in any transaction? ..... ☐ Yes ☐ No

If answer to any question is "Yes," attach detailed statement.

If answer to question (a), (d) or (e) is "Yes," or if you acquired through any source debentures or other obligations or stock or securities of any of the parties enumerated, also furnish the following information relating to the debtor, purchaser, or vendor (unless previously filed and a favorable determination letter had been received):

(1) Balance sheets of the employer as at the close of the last accounting period and for the taxable year ended prior thereto.

(2) Comparative statements of income and profit and loss for the last and the four prior taxable years.

(3) An analysis of the surplus account for the last five years and specifically showing the amount and rate of dividends paid on each class of stock.

(4) A statement accounting for all material changes from the latest dates of the aforesaid statements to the date of filing the information.

(5) A schedule showing the nature and amounts of the various assets in the trust fund.

(6) A statement setting forth the amount invested in the stock or securities of the employer, or a corporation controlled thereby, and the debtor, purchaser, or vendor, if another, the nature of the investment, the present rate of return, and the reason for the investment.

10. Has the employer notified you that he has filed or will file the information required by section 1.404 (a)–2 or the statement required under section 1.404 (a)–2 (d) of the Income Tax Regulations? ..... ☐ Yes ☐ No

If "Yes," furnish the following in lieu of completing pages 2 and 3:

(a) Names and addresses of parties to the trust agreement and the date thereof.

(b) The taxable year involved.

(c) A copy of notification from employer either that such information has been filed or will be filed or that he has filed the statement required under section 1.404 (a)–2 (d).

(d) The office of the District Director of Internal Revenue in which the employer files his returns.

If information has not been filed by the employer, furnish all information required by section 1.404 (a)–2.

DECLARATION (See Instruction 5)

I declare under the penalties of perjury that this return (including any accompanying schedules and statements) has been examined by me, and to the best of my knowledge and belief is a true, correct, and complete return.

Signatures of Trustees .....

.....

CORPORATE SEAL

I declare under the penalties of perjury that I prepared this return for the trust named herein, and that this return (including any accompanying schedules and statements) is, to the best of my knowledge and belief, a true, correct, and complete return based on all the information relating to the matters required to be reported in this return of which I have any knowledge.

..... (Individual or Firm signature) ..... (Address) ..... (Date)

CIV——462

GENERAL INSTRUCTIONS

1. Every trust claiming qualification must prove its right thereto by filing with the District Director of Internal Revenue for the internal revenue district in which the trust is located an annual return as required by section 6033 and the information required under section 1.404 (a)–2. Such trust, however, need not file with its return such information required under section 1.404 (a)–2 for a taxable year as has been reported or will be reported in a return filed by the employer who established the trust and so notifies the trustee; but the trustee in lieu of such information shall state the information required on line 10, page 1.

2. This form shall be prepared in accordance with the method of accounting regularly employed in keeping the books of your trust.

3. The balance sheets, Schedule A, should agree with the books of account or any difference should be reconciled.

4. If, on page 2, line 28 does not equal line 8, attach a schedule accounting for the difference.

5. Declaration.—The return must be signed by the trustee. If there is more than one trustee, any trustee authorized by the other trustees pursuant to authority set forth in the plan, may sign. When a return is actually prepared by some person or persons other than the trustees, such person or persons must also sign the declaration at the foot of page 1.

6. For further information see regulations under sections 401 (a), 501 (a), 503 and 6033 of the Internal Revenue Code of 1954.

FORM 990–T.—Section 511 of the Internal Revenue Code imposes a tax, in the case of trusts exempt from tax by reason of section 401 (a) of the Code, on income derived (a) from operation of a business enterprise which is unrelated to the purpose for which such trust received an exemption, or (b) from certain rentals from property leased to others on a long-term basis. Such income and tax are to be reported on Form 990–T, copies of which may be obtained from the District Director of Internal Revenue.

NOTE: Pages 2 and 3 are not required to be completed where the employer has furnished such information.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

Line No.			
	RECEIPTS		
1.	Contributions:		
	(a) Employer		$
	(b) Employee		
2.	Interest		
3.	Dividends		
4.	Rents		
5.	Gross receipts from business activities (state nature)		
	(a)	$	
	(b)		
	(c)		
6.	Gain (or loss) from sale of assets		
7.	Other income (attach itemized schedule)		
8.	Total of lines 1 to 7 inclusive		$
	DISBURSEMENTS (and Deductions)		
	A. Expenses attributable to income lines 4 and 5		
9.	Cost of goods sold		$
10.	Compensation of trustees, etc. (attach statement showing name, position, salary)		
11.	Wages, salaries, and commissions (other than compensation of trustees, etc.)		
12.	Interest		
13.	Taxes (such as property, income, social security, unemployment taxes, etc.)		
14.	Rent		
15.	Depreciation and (depletion)		
16.	Miscellaneous expenses (state nature)		
	(a)	$	
	(b)		
	(c)		
	B. Other expenses		
17.	Compensation of trustees (not included on line 10)		$
18.	Wages, salaries, fees, and commissions (not included on line 11)		
19.	Interest (not included on line 12)		
20.	Taxes (not included on line 13)		
21.	Rent (not included on line 14)		
22.	Miscellaneous expenses not elsewhere classified (state nature)		
	(a)	$	
	(b)		
	(c)		
	C. Distributions		
23.	Distributions to participants in this trust or their beneficiaries		$
24.	Payment of premiums for term life insurance protection of employees		
25.	Other distributions (state nature)		
26.	Additions to reserves (attach itemized schedule)		
27.	Additions to surplus		
28.	Total of lines 9 to 27, inclusive (see Instruction 4)		$

Schedule A.—Balance Sheets (See Instruction 3) Page 3

	Beginning of Year		End of Year	
	Amount	Total	Amount	Total
Assets				
1. Cash		$		$
2. Accounts receivable				
3. Investments in governmental obligations				
4. Investments in nongovernmental bonds, etc				
5. Investments in corporate stock or securities				
6. Investments in employer's stock, securities, or other obligations				
7. Other investments (Itemize)	$		$	
8. Capital assets:				
(a) Depreciable (and depletable) assets (Attach itemized schedule)	$		$	
Less: Reserve for depletion or depreciation				
(b) Land				
9. Other assets (Itemize)	$		$	
10. Total assets		$		$
Liabilities and Surplus				
11. Accounts payable		$		$
12. Bonds, notes, and mortgages payable				
13. Business lease indebtedness				
14. Members accounts				
15. Other liabilities (Itemize)	$		$	
16. Total liabilities		$		$
17. Reserves	$		$	
18. Surplus				
Total liabilities and surplus		$		$

☆ U. S. GOVERNMENT PRINTING OFFICE 16—71236-3

FORM **990-T**

U. S. Treasury Department—Internal Revenue Service

EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURN

(Under Section 511, of the Internal Revenue Code of 1954)

1957

Do not write in space below

Serial No

FOR CALENDAR YEAR 1957

or other taxable year beginning , 1957, and ending 195

PLEASE TYPE OR PRINT PLAINLY

NAME

ADDRESS (Number and street)

(City or town, postal zone number, county, State)

NAME OF TRUST'S FIDUCIARY

ADDRESS OF TRUST'S FIDUCIARY

Nature of unrelated trade or business activity

Date of exemption or determination letter and code section under which you are exempt

TAX COMPUTATION FOR CALENDAR YEAR 1957 AND TAXABLE YEARS ENDING ON OR BEFORE JUNE 30, 1958
For Other Taxable Years Attach Form 990-T-FY

ORGANIZATIONS TAXABLE AS CORPORATIONS. (See General Instruction A(1))

1. Combined normal tax and surtax. If amount on line 31, page 2, is:
   (a) Not over $25,000; enter 30 percent of line 31, page 2 ..... $
   (b) Over $25,000. Compute 52 percent of line 31, page 2. Subtract $5,500. Enter difference .....
2. If alternative tax computation is made in separate statement, enter such tax here ..... $
3. Total income tax (line 1 or 2, whichever is applicable) ..... $
4. Less: Credit for income taxes paid to a foreign country or United States possession allowed a domestic corporation. **(Attach Form 1118)** .....
5. Balance of income tax (Enter here and on line 11) ..... $

TRUSTS TAXABLE AT INDIVIDUAL RATES. (See General Instruction A(2))

6. Tax on line 31, page 2. (See tax table, page 4 of the Instructions) ..... $
7. If alternative tax computation is made in separate statement, enter such tax here ..... $
8. Total income tax (line 6 or 7, whichever is applicable) ..... $
9. Less: Income taxes paid to a foreign country or United States possession. **(Attach Form 1116)** .....
10. Balance of income tax (Enter here and on line 11) ..... $

TOTAL INCOME TAX

11. Balance of income tax due (from line 5 or 10, whichever is applicable) ..... $

SIGNATURE AND VERIFICATION

I declare under the penalties of perjury that this return (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct, and complete return.

CORPORATE SEAL

(Date) (Signature of officer) (Title)

I declare under the penalties of perjury that I prepared this return for the person named herein; and that this return (including any accompanying schedules and statements) is, to the best of my knowledge and belief, a true, correct, and complete return based on all the information relating to the matters required to be reported in this return of which I have any knowledge.

(Date) (Individual or firm signature) (Address)

UNRELATED BUSINESS TAXABLE INCOME COMPUTATION Page 2

Line and Instruction No.	UNRELATED TRADE OR BUSINESS GROSS INCOME			
1.	Gross sales (where inventories are an income-determining factor) ..... Less: Returns and allowances			
2.	Less: Cost of goods sold (from Schedule A)			
3.	Gross profit from sales			
4.	Gross receipts (where inventories are not an income-determining factor)			
5.	Less: Cost of operations (from Schedule B)			
6.	Gross profit where inventories are not an income-determining factor			
7.	(a) Net capital gain from cutting timber. **(Attach statement)**			
	(b) Net ordinary loss from cutting timber. **(Attach statement)**			
8.	Income (or loss) from partnerships. **(Attach statement)**			
9.	Business lease rents (from Schedule C)			
10.	Total unrelated trade or business income on lines 3, and 6 to 9, inclusive			
	DEDUCTIONS			
	(Except contributions, deductions must be directly connected with the unrelated business)			
11.	Compensation of officers or trustees (from Schedule D)			
12.	Salaries and wages (not deducted elsewhere)			
13.	Rent			
14.	Repairs (Do not include cost of improvements or capital expenditures)			
15.	Bad debts (from Schedule E)			
16.	Interest (from Schedule F)			
17.	Taxes (from Schedule G)			
18.	Contributions or gifts paid (from Schedule H)			
19.	Losses by fire, storm, shipwreck, or other casualty, or theft. **(Attach schedule)**			
20.	Depreciation (from Schedule I)			
21.	Amortization **(Attach schedule)**			
22.	Depletion of mines, oil and gas wells, timber, etc. **(Attach schedule)**			
23.	Advertising			
24.	Amount contributed under: (a) A pension, annuity, stock bonus, or profit-sharing plan			
	(b) Other employee benefit plans			
25.	Other deductions authorized by law (from Schedule J)			
26.	Total deductions in lines 11 to 25, inclusive			
27.	Unrelated business taxable income before net operating loss deduction (line 10 less line 26)			
28.	Less: Net operating loss deduction. **(Attach statement)**			
29.	Unrelated business taxable income before specific exemption			
30.	Less: Specific exemption		1,000	00
31.	Unrelated business taxable income			

Schedule A.—COST OF GOODS SOLD. (See Instruction 2)
(Where inventories are an income-determining factor)

1.	Inventory at beginning of year	
2.	Merchandise bought for manufacture or sale	
3.	Salaries and wages	
4.	Other costs per books. **(Attach schedule)**	
5.	Total	
6.	Less: Inventory at end of year	
7.	Cost of goods sold (Enter here and on line 2, page 2)	

Schedule B.—COST OF OPERATIONS
(Where inventories are not an income-determining factor)

1.	Salaries and wages	
2.	Other costs (to be detailed):	
	(a)	
	(b)	
	(c)	
	(d)	
	(e)	
3.	Total (Enter here and on line 5, page 2) ...	

Schedule C.—BUSINESS LEASE RENTS. (See Instruction 9)

1. Description of Leased Property	2. Total Rent Received	3. Taxes and Other Expenses	4. Interest	5. Depreciation (Explain in Schedule I)

Continuation of Schedule C

6. Amount of Unpaid Indebtedness	7. Adjusted Basis of Leased Property (Attach Statement)	8. Percentage which Col. 6 is of Col. 7	9. Gross Rental Income (Column 2 x Column 8)	10. Allocable Deductions (Total of Columns 3, 4, and 5 x Column 8)	11. Net Rental Income (or loss) Includible (Column 9 less Column 10)
		%			
		%			
		%			
		%			
		%			
		%			
		%			
Total (Enter here and on line 9, page 2)					

Schedule D.—COMPENSATION OF OFFICERS

1. Name and Address of Officer	2. Official Title	3. Time Devoted to Business	Percentage of Organization's Stock Owned		6. Amount of Compensation
			4. Common	5. Preferred	
Total compensation of officers (Enter here and on line 11, page 2)					

Schedule E.—BAD DEBTS. (See Instruction 15)

1. Taxable Year	Amount of Notes and Accounts Receivable Outstanding at—		4. Net Income Reported	5. Sales on Account	6. Bad Debts of Organization if No Reserve is Carried on Books	If Organization Carries a Reserve	
	2. Beginning of Year	3. End of Year				7. Gross Amount Added to Reserve	8. Amount Charged Against Reserve
1954							
1955							
1956							
1957							

Schedule F.—INTEREST ON INDEBTEDNESS. (See Instruction 16)

Explanation	Amount
Total (Enter here and on line 16, page 2)	

Schedule G.—TAXES. (See Instruction 17) Page 4

Explanation	Amount
Total (Enter here and on line 17, page 2)	

Schedule H.—CONTRIBUTIONS OR GIFTS PAID. (See Instruction 18)

Name of organization	Address of organization	Amount
Total		
Organizations described under General Instruction A (1)		
1. Contributions carry-over (see Instruction 18)		
2. Total contributions (limited to 5% of line 31, page 2, computed without regard to line 18, page 2). Enter here and on line 18, page 2		
Trusts described under General Instruction A (2)		
3. Total contributions (not to exceed 20% of line 31, page 2, except in special cases described in Instruction 18, computed without regard to line 18, page 2). Enter here and on line 18, page 2		

Schedule I.—DEPRECIATION. (See Instruction 20)

1. Kind of property (if buildings, state material of which constructed). Exclude land and other nondepreciable property	2. Date acquired	3. Cost or other basis	4. Depreciation allowed (or allowable) in prior years	5. Method of computing depreciation	6. Rate (%) or life (years)	7. Depreciation for this year
Total (Enter here and on line 20, page 2)						

Schedule J.—OTHER DEDUCTIONS. (See Instruction 25)

Explanation	Amount
Total (Enter here and on line 25, page 2)	

U. S. GOVERNMENT PRINTING OFFICE: 1957—O-431985

Mr. JAVITS. Mr. President, I take this opportunity to state briefly my position on the bill before the Senate, because I think it represents a kind of opinion which, while it has always been favorable to labor, at the same time, has been objective in the desires and the interests of the Nation, to see to it that labor discharged its national responsibility.

In order to best begin to get the changes and reforms needed in labor-management relations I feel that the bill should be passed as is and we should start with this measure. I propose to vote against amendments to the bill which are designed to make the bill a vehicle for amending the Taft-Hartley law generally. I believe that if that is done, we shall dim the chances for the passage of this bill, and also dim the chances for the passage of necessary amendments to the Taft-Hartley law.

The bill performs a unique function, in that it gives a new approach to the way to deal with labor racketeering. In that respect, I think there is a fog of doubt which needs to be dispelled.

Labor racketeering is now a crime. It is a crime which is now reachable by a good deal of Federal law and by many State laws.

I spent last evening and this morning tracing the history of the application of the New York State penal code to labor racketeers. It goes back to the Barondess case of 1891 and has a continuous history up to the present day, when we have encountered the cases of the Scalise's, the Cilento's, and the Dio's.

So often a vigilant and effective district attorney has found that any one of a number of weapons in the penal code enabled him to deal with extortions, kickbacks, or other forms of labor racketeering indulged in by what the Senator from Arkansas [Mr. McCLELLAN] calls hoodlums.

I point out that this is equally true in the case of the Federal establishment. The Federal remedies are very strong to deal with labor racketeering in terms of felonies. There are three main statutes which are employed in that regard.

First, there is the Hobbs Antiracketeering Act, which has been applied in numerous cases; in fact, it is a modern criminal law weapon used against labor racketeers.

I shall include, as part of my remarks—without detaining the Senate in this respect—the list of some cases of labor racketeers who have been reached under the Hobbs Act. *Bianchi* v. *U. S.* (219 F. 2d 182 (8th Cir.) cert. denied 349 U. S. 915 (1955)); *Hulahan* v. *U. S.* (214 F. 2d 441 (8th Cir.) cert. denied 348 U. S. 856); *U. S.* v. *Dale*, (223 U. S. F. 2d 181 (7th Cir. 1955)); *U. S.* v. *Masiello* (235 F. 2d 279 (2d Cir.), cert. denied 352 U. S. 882 (1956)); *Nick* v. *U. S.* (122 F. 2d 660 (8th Cir.) cert. denied 314 U. S. 687 (1941)).

Second, and also very important, is section 302 of the Taft-Hartley Act, itself a criminal statute. I now read two parts of it which are pertinent to our debate:

Section 302 (a). It shall be unlawful for any employer to pay or deliver, or agree to pay or deliver, any money or other thing of value to any representative of any of his employees who are employed in an industry affecting commerce.

(b) It shall be unlawful for any representatives of any employees who are employed in an industry affecting commerce to receive or accept, or to agree to receive or accept, from the employer of such employees any money or other thing of value.

In short, in section 302, there is a penal-law coverage. If the Hobbs anti-racketeering law and the provisions of the Taft-Hartley Act to which I have referred are not enough, there is the tremendous remedy of prosecution for income-tax evasion, by means of which some of the outstanding racketeers have been caught with the greatest neatness and effectiveness.

Therefore, I think we can say advisedly that there is no dearth of criminal penalties, in addition to the normal penalties under State criminal codes, to catch crooks, whether labor crooks or other crooks, to aid law-enforcement officials who have their hearts in their jobs.

But what has great meaning, and what this measure supplies effectively, is the self-regulation and the responsibility for their own self-interest which is the pride of American institutions. What we are proposing here is to recognize the trade-union member as an adult—just as much of an adult as an investor in a business—and that he is entitled to have an accounting made of the trust funds established. In that event, he does not need so much the application of penal codes; and he, himself, will deal with his officers and trustees, to make sure they are true to the trust reposed in them.

As I view the matter, that is the effectiveness and the importance of this particular measure.

It is for that reason that I shall, with the greatest conviction, support this measure.

Mr. President, I believe it also very important for all of us to bear in mind the question of the criminal statutes and the penal codes, and not to forget the fact that we are not helpless, as against racketeers and hoodlums, but that we can get at them and can prosecute them and can curb their activities; and that by means of the pending bill we are adding another, and perhaps a more modern, means by which the men and women in the trade-union movement can protect themselves, on the highest level of the opportunities which are afforded by free institutions. That I strongly favor.

Mr. ALLOTT. Mr. President, on this point, will the Senator from New York yield for a question?

Mr. JAVITS. Certainly.

Mr. ALLOTT. I am sure the Senator from New York heard me cite the dozens of cases, yesterday afternoon, under the provisions of the Taft-Hartley Act, in which literally millions of dollars, in just the cases to which I referred, were shown to have been looted, embezzled, or stolen from these funds. Is the Senator from New York aware that, despite the Taft-Hartley Act, there has not been one conviction under section 302 (c), which provides for the joint administration of these funds?

So how can the Senator from New York say there are adequate laws, when there has not been a single conviction under section 302 (c), despite the fact that millions of dollars have been shown to have been looted?

Mr. JAVITS. I have pointed out that there are laws by which that situation can be reached. Whether those laws have not been invoked because the acts in question were not discovered, or because of a lack of vigor on the part of the prosecuting officials, is another question.

My point is that there are on the Federal statute-books penal laws, not alone section 302 of the Taft-Hartley Act, but others, too, which can reach defalcations, thefts, and embezzlements of the character with which we are familiar, and that this bill adds a new approach to that situation. That was the burthen of my argument.

Mr. ALLOTT. Mr. President, will the Senator from New York yield again on this point?

Mr. JAVITS. Certainly.

Mr. ALLOTT. The difficulty there is that perhaps there has not been adequate prosecution.

But the main difficulty to which I pointed on yesterday—and today I have referred to the pages of the CONGRESSIONAL RECORD on which my statement appears—is that the use of the term "representative," in section 302 (c), plus the fact that joint guilt must be proved on the part of both the employer trustee and the employee trustee, almost build in a protection against successful prosecution.

Certainly this is an area which needs very badly to be corrected. I realize the position of the Senator from New York, and I respect it very much. But I believe the things to which I have pointed are also important.

Mr. JAVITS. I agree with the Senator from Colorado that they should be considered. For example, in the case of United States versus Ryan, which went through the United States Supreme Court, section 302 of the Taft-Hartley Act was dealt with. That case is to be found at title 350, United States Code, page 299. It was decided in 1956. I point out the similar situation existing in the case of Brennan versus United States, in the eighth circuit, in 1957. It is 57 American Labor Cases 221.

I do not make the point that this network of criminal law has been effectively employed or that it has been completely effective against what the Senator from Colorado has so properly pointed out.

But I point out that we have such statutes on our statute books, and they can be employed. That is my point.

My feeling that the bill should be passed as it is is based on experience. I served in the other body, in 1949 and 1950, when it dealt with an effort to amend the Taft-Hartley Act, which admittedly has its difficulties and needs amendment. I think organized labor itself agrees to that now. At that time the other body went through a real ordeal on the Wood bill, which subsequently was amended by another Member of the House, and became the Sims bill. After the Members of the other body had

marched up the hill and then down again, and had repeated that process for a really long time—considering the practices of that body—the whole bill was finally recommitted. Indeed, in all the period since the Taft-Hartley Act was passed—as I think the Senator from Massachusetts himself pointed out this morning—we have been through this experience; whenever an attempt has been made to deal with an overall, broad amendment of the Taft-Hartley Act, it has run afoul of the basic complexity which affects the matter when we try to deal with it in an overall way, and has come to naught.

I believe the approach we have adopted here is a sensible one. All are agreed that the beneficiaries of a pension fund at long last should be protected by the best safeguards we can devise as ingenious legislators. I believe that by handling the matter in that way, we shall proceed at last to make some measurable progress, step by step.

I believe we should consider the fact that when we complain about the hoodlums and racketeers, we have to justfy in our own consciences what we are doing about these matters and whether we are taking effective action. In addition to making speeches about being opposed to sin and crime, what effective action are we taking about these matters?

If this bill is passed as it is, and there seems very little disagreement on that score, I know the Senator from Colorado proposed that it be amended, and he had his day in court; but the vote was roughly two to one against his proposal—by means of this beginning we shall be able to answer our own consciences, and shall be able to say that at long last we are doing something effective.

I believe we should take another step—for other measures are needed, as amendments of the Taft-Hartley Act, and in respect to the findings which have been made by the McClellan committee—upon which there can be a large measure of agreement. These include such measures as those for periodic and secret elections of union officers and internal grievance machinery to protect the rights of individuals as union members. Perhaps it will be possible to obtain agreement on those matters of substance, which are difficult nuts to crack, until we finally get to the most difficult major issues of national paralysis strikes, organizational picketing, and secondary boycotts.

We speak in a context of commitments to go forward in committee and on the floor to act on the Taft-Hartley law amendments at this session of the Congress.

For those reasons I shall support the bill, as I deeply feel it is the greatest measure of my responsibility to my constituents, to the national interest, and to the national labor movement.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado [Mr. ALLOTT].

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. GOLDWATER. Mr. President, I call up my amendment identified as "4–22–58–D."

The PRESIDING OFFICER. The amendment of the Senator from Arizona will be stated.

The LEGISLATIVE CLERK. On page 7, line 15, it is proposed to strike out "or".

On page 7, line 21, it is proposed to strike out the period and insert in lieu thereof "; or".

On page 7, between lines 21 and 22, it is proposed to insert the following:

(4) such plan is exempt from taxation under section 501 (a) of the Internal Revenue Code of 1954 as meeting the requirements of section 401 (a) of such code or is a qualified plan to which employer contributions are deductible in accordance with section 404 of such code.

Mr. GOLDWATER. Mr. President, I do not intend to discuss this amendment at any great length, because the distinguished senior Senator from Colorado has covered the field eloquently. I believe he, in his colloquy yesterday, touched on most of the points of which my colleagues should be aware. However, I want to stress a few of them, because I feel we are legislating in a field which has not called for any legislation, from any evidence which has been presented to the committee or to the Senate.

What my amendment does is simply to remove from the bill plans that have already been approved by the Internal Revenue Service under regulations which apply in setting up pension funds. I might say, because I do not think it has been discussed, that there are between 40,000 and 42,000 such plans in this country. That is the closest figure at which the Internal Revenue Service can arrive.

This is how those funds are set up: A company, either a partnership or a corporation, can apply for a letter of permission. The company has to undergo an exacting examination before it is given permission even to set up one of the funds. The funds are taken out of gross profits of the company, whether a corporation or a partnership. The Internal Revenue Service allows 15 percent of the gross profits to be applied to the fund, so long as the fund does not exceed 25 percent of the total payroll.

That kind of plan has been very popular, because it has enabled small companies all over America to emulate their big brothers and to have profit sharing or welfare plans for the benefit of their employees. The plan has enabled the 42,000 companies to put into effect something which will enable them to hold their employees, to keep them from leaving, and to keep them interested in continuing to work for the company because they can look forward to the time of retirement at age 60 or 65, when they will get a substantial sum of money. Liens cannot be placed against that money. Neither can the funds be garnisheed or borrowed. The money is under the complete control of a trustee. The trustee, in turn, is under complete control of State laws.

Insinuations that there can be abuses under the law will not hold water, because in the examination of such trusts not one single instance of abuse on the part of management in handling such funds has been disclosed. The protections which are built into such funds not only start before the funds can be established, but continue afterward. For instance, it is necessary for a company starting one of these plans to report it to its employees before the plan can be adopted. The employees can say "Yes" or "No," if they want to. Any changes made in the pension plan from year to year, including the annual distribution of the fund, have to be reported to the employees. The report is made in great detail. It is not done merely by handout. Under provisions of the trust, and under State and Federal laws, such information must be reported completely.

Some question has been left in the minds of some of my colleagues as to the completeness of the control of the funds. Let me read just briefly from some of the provisions of one such plan:

ADMINISTRATION OF THE TRUST FUND

(a) Accounting: The trustee shall keep the books and records of the trust and shall do all clerical, bookkeeping, and accounting work in connection with the management and administration of the trust fund. At the close of each fiscal year the trustee shall compile a statement of the condition of the trust fund and an annual report showing the account of each participant in the trust fund. The trustee shall make available to each participant the annual statement of the condition of the trust fund, together with a statement of his accounts therein. From time to time the trustee shall render such accounts of its transactions as may be required by the company.

Then we come into the construction of the fund:

(b) Construction: The share of each of the initial participants therein, as represented by the account of such participant, shall constitute a separate trust.

That is a separate trust, Mr. President; it is not a combined trust.

If any provision of this trust agreement violates any existing or future law against perpetuities or suspension of the power of alienation of title to property, that part of the trust fund subject to such provision shall be administered as herein directed for the period permitted by law, and forthwith thereafter such part of the trust fund so affected shall be distributed to the participant or his beneficiary. The validity and effect of this trust agreement and the rights and obligations of all parties hereto and of all other persons affected hereby shall be construed and determined in accordance with the laws of the State of Arizona.

Mr. President, to say that these pension funds, or these profit-sharing retirement funds, whatever one may wish to call them, are not already accurately reported is a gross misstatement of fact. Such funds are more accurately reported than I or any other Senator reports his income tax—not that we report inaccurately, but by filling out the forms which are provided, we do not report so completely as do those in charge of the trust funds.

What has me concerned about the action the Senate now obviously wants to take is that we will discourage small-business men across the country from

starting such funds. We are going to say to them, "You must report to the Secretary of Labor the situation concerning these funds, in addition to reporting to the Internal Revenue Service."

Mr. President, why does not the businessman want to do that? The unions have been attempting for years, over the bargaining table and by negotiations, to obtain the innermost secrets of the operation of business. I hold that the secrets of cost, the secrets of the operation of American business, belong to the businesses themselves, and should not be made available to any organization which cares to use them.

What will be the result of such a law? If the unions obtain such detailed information from the Department of Labor, which they obviously will be able to get, they will be able to whipsaw company against company, employer against employer, in the obtaining of benefit funds. I can envision using such detailed data to the extent of controlling further the price structure in this country.

I think we are asked to do a very dangerous thing. I do not doubt that funds which already are required to be reported should be reported, and that the inadequacies of the Taft-Hartley law covering the field should be corrected. I am not saying in the Senate today that funds should not be reported. I am merely saying that the reporting of funds which are already reported to the Federal Government, the Internal Revenue Bureau, by some 42,000 firms, should not be duplicated by reporting them to the Department of Labor.

Mr. President, there is something else to think about. We are once again bypassing States rights. The State laws provide protection for trusts. The State laws provide protection for insurance funds. The State laws adequately cover this matter. Yet this body, the Senate of the United States, with practically no hearings—I think there were two investigations in this field—is asked to say that the businessman must report directly to the Department of Labor.

Mr. President, how much longer are we to continue to pick away at the 10th amendment? How much longer will we say to the States, "You do not have the power to take care of yourselves." How much longer are we to travel down the path from which our forefathers fled when they established this constitutional Republic?

To me this proposal is simply another example of this body's being willing to give up one of the constitutional prerogatives possessed by the people, and I for one cannot be a party to it, even if that were the only reason for opposing it.

Who wants such a law? Who wants this provision? Mr. George Meany said before the Subcommittee on Welfare and Pension Plans Legislation that this was the only type of bill he wanted passed by the Senate. The labor unions want such a law. It is not that the labor unions want to report, but they desire to force decent, honest, well-managed, accurately reported funds to be reported also to the Department of Labor, in order that they may benefit from such reports to the extent they can "whipsaw" industry against industry and business against business, and obtain something by legislation which they have never been able to obtain across the bargaining table.

We are asked to do something, in my opinion, Mr. President, which if done will deny to thousands of American workers, starting with the passage of the bill, the benefits of profit-sharing retirement funds.

I wish my colleagues would think about that. I wish my colleagues who have been in business would think of the desirability of making one more Government report as contrasted with the benefits of profit sharing. We are discussing a prerogative of management. It is up to management to decide whether the fund is to come out of the gross profits. It is up to management to say whether or not it will disclose the innermost secrets of the business.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. GOLDWATER. I am glad to yield to the Senator from Kentucky.

Mr. MORTON. I set up a trust of this nature when I was in business. I feel sure the Senator from Arizona is familiar with such funds from personal handling. Does he not feel that with the additional burden of reporting to the Department of Labor many small-business men who now may be considering the setting up of such a plan for the benefit of employees will be discouraged from pursuing it further, and will let the employees rely on social security or whatever else they can get?

Mr. GOLDWATER. The junior Senator from Arizona has been trying to make that point. I am glad my friend from Kentucky brought it out. One of the great burdens on the back of the American businessman today is the reporting to Government agencies.

I do not mind telling the Senator from Kentucky that my business is not a large business. It might be small, by comparison, yet I have four people who do nothing all day long the whole year long but make out reports for the Federal and State governments and, frankly, I am sick and tired of it. I think most business people across the country are too.

Passage of such legislation will have an effect on men who are now considering setting up such funds, if we say, "You have to report this to the Department of Labor." I think by doing so we will prevent many funds from going into effect. I do not mean that the business man wants to deny his employees participation in the gross profits. I simply mean the business man does not want to be bothered with another Government agency putting its nose into his business, making regulations and requiring him to come to Washington to have decided questions which ought to be decided in the home town. I think passage of the proposed legislation will have a definite detrimental effect.

I think the working people of the United States look forward to coming under pension plans or profit-sharing plans, or whatever we may want to call them, and if we pass this proposed legislation they are going to take many of our Members to task for having voted to include the 90 percent of the pension funds as to which there has never been found any abuse.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. GOLDWATER. I am happy to yield.

Mr. ALLOTT. I should like to join with the Senator in respect to the amendment he has offered. At some length yesterday afternoon we discussed the extent to which a fund or plan had to go in order to be qualified for exemption or to be exempted by the Federal Government under section 401 of the Internal Revenue Code.

Mr. GOLDWATER. Yes.

Mr. ALLOTT. It seems to me the Senator from Arizona and the Senator from Kentucky have put their fingers on one of the most important phases of this matter. I know wherever I have gone in my State every businessman, from the small corner groceryman to the largest manufacturing, mining, or agricultural man in the State, has talked to me constantly about getting the Federal Government out of his hair. During the last few years we have extended Federal regulation more, and more, and more, and more.

I have pointed out several ways in which, by amending the existing laws in minor ways we could accomplish the desired result, the same result it is said would be accomplished by passage of S. 2888, although the result desired would not be accomplished by the passage of S. 2888. Of that I have no doubt. It is now proposed that we embark upon another course which will put one more Federal inspector at the side of the businessman.

We are too prone in this body to talk about business in terms of the great corporations. I am thinking about the poor fellow who is trying to establish his own business, and the young man who is trying to make his first step up the rung of the ladder, who immediately, when he tries to do anything for his employees or even for himself, has another Federal inspector sitting at his side. If for no other reason I would vote against the bill. The number of Federal inspectors at present pestering businessmen is enough. We can do the job necessary if we will only turn our minds to it.

I believe the amendment the Senator from Arizona has offered is a very good one, especially if we put upon the Internal Revenue Service, if need be, a little more responsibility than the Service seems to feel it wants, judging from the statement made to the committee, which I think was unjustified.

Mr. GOLDWATER. Mr. President, I thank the Senator from Colorado.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. GOLDWATER. I am happy to yield.

Mr. BARRETT. I have been very much interested in the exposition of this matter by the distinguished Senator from Arizona, and I should like to ask him a few questions.

I am not too familiar with the situation, but let me ask the Senator: Are

the plans covered by the amendment all of the so-called level-of-benefits type?

Mr. GOLDWATER. Yes.

Mr. BARRETT. Under the proposal, the employer, or an organization of the employees, is called upon to foot the entire bill, and if the income is not sufficient to pay the benefits, then they must dig up the money to do so. Is that a correct understanding?

Mr. GOLDWATER. No. Let me explain for the Senator how that works.

Under the level-of-benefits plans the money comes out of the gross profits of the company. If there are no gross profits there is no dividend for that year. If the gross profits are such that the company feels it would be dangerous to the company structure to reduce the funds available, the company still has the prerogative of not investing. But before there can be distributed any moneys under the plan the Internal Revenue Service each year must approve the amount it is proposed to invest, by comparing it to the formula of 15 percent of gross profits, to make sure the investment does not exceed 25 percent. This is not a bargained-for pension plan.

Mr. BARRETT. As I understand, the only interest of the Internal Revenue Service is in the question of a deduction from the income tax.

Mr. GOLDWATER. A limit has been established with respect to the amount which can be taken from gross profit. The Internal Revenue Service does not want that limit exceeded. That is naturally one of the points in which the Internal Revenue Service is interested.

Mr. BARRETT. However, all payments made are deductible, are they not?

Mr. GOLDWATER. That is true. They are deductible from the corporate tax.

Mr. BARRETT. What is the nature of the investigation which the Internal Revenue Service makes in connection with these reports?

Mr. GOLDWATER. It does not make investigations, as we think of an investigation, but there are two forms to be filled out. One is 990–P and the other 990–T, which I shall have placed in the RECORD.

Reading a few of the items with respect to which reports must be made, they include gross sales, gross profits, gross receipts, business lease rents, and, under schedule D, compensation of officers, bad debts, interest on indebtedness, and so forth. Very complete reporting is required annually. Before the fund can even be established, a number of provisions must be met. I placed a list of those in the RECORD yesterday, and I shall ask to have such a list included in the RECORD today. The Senator can read the list in my separate supplemental views.

Mr. BARRETT. Would the statement submitted by the employer be under oath?

Mr. GOLDWATER. Certainly. It would carry just as strong a signature as appears on an income-tax return.

In addition, there are State laws governing such funds, because all such funds are under a trust.

Mr. BARRETT. I understand. The report which is made annually by the employer is required by the Internal Revenue Act, is it not?

Mr. GOLDWATER. Yes. It must be filed annually.

Mr. BARRETT. What would be the effect of policing the administration of this trust, as between the method used under the supervision of the Internal Revenue Service and the supervision of a State agency, and operation under the plan proposed in the bill which we are discussing today?

Mr. GOLDWATER. The bill would require some information which is not included in reports to the Internal Revenue Service, but the reports to the Department of Labor would exclude certain information which is incorporated in reports to the Internal Revenue Service.

Mr. BARRETT. The Senator has had practical experience in this field. He has been a member of the committee for a considerable time, and he is very familiar with the subject. I should like to have him evaluate the effectiveness of the supervision and policing of the administration of the trust under the two methods to which I have referred. Would there be a duplication?

Mr. GOLDWATER. There would be a duplication. That is one of my objections.

If a person wishes to cheat in connection with a pension fund with respect to which he is reporting to the Department of Labor, it is a very easy thing for him to lie in his reports. If a man is bound to steal from a pension fund, he will continue to do so. I believe that the safeguards under the Internal Revenue Service system are far better than would be the case under the provisions of the bill. The bill contains no prior requirement for establishing a pension fund. A business could establish a pension fund, adopt its own rules, do its own investing, and not come under the category of a trust. There would be no protection whatever, except a report sent to the Secretary of Labor; and if such report were false, it would be difficult for the Secretary of Labor to discover the facts.

There is another factor, about which we have said comparatively little. There are 42,000 funds under the Internal Revenue Service. We have heard estimates to the effect that the number of such funds is as high as 500,000. It is very difficult for me to see how the Department of Labor could police 500,000, 300,000, or even 40,000 funds if the policing were to be done in the way it should be done, to make certain that no skulduggery took place. The funds with respect to which misuse has been found are the funds which should be reported. Other funds come under the supervision of the Internal Revenue Service.

Mr. BARRETT. I understand that there has been very little fraud practiced in the field of these particular level-of-benefit funds.

Mr. GOLDWATER. To my knowledge such a case has never developed. All the fraud has been practiced in connection with the other type of fund.

Mr. BARRETT. As I understand, the Senator feels that this proposal would cost a great deal of money, and would result in duplication of effort. What effect would it have on the operation of the Internal Revenue Service?

Mr. GOLDWATER. The Senator has asked two questions. To answer the first one, no one has made even an educated guess as to what the cost might be. I have heard estimates running from $1,200,000 or $1,700,000 to as much as $100 million. My educated guess is that if there are as many as half a million such funds in existence today, and we are to do an honest, thorough job of policing them, $100 million would probably be the cost. Also a bureau would be established in the Department of Labor which would probably be bigger than the Department of Labor itself now is.

Mr. BARRETT. Was there any evidence before the committee to the effect that the Internal Revenue Service had fallen down in the enforcement of the provisions of section 401 of the act?

Mr. GOLDWATER. Not to my knowledge. I did not attend all the hearings. I have read the printed record of the hearings. I have not discovered any evidence that the Internal Revenue Service has fallen down in its duties in respect to the section 401 funds.

Mr. BARRETT. As I understand the Senator feels, from his own practical experience, that such protection of the funds is adequate, together with the work of the State in administering the laws governing trusts.

Mr. GOLDWATER. I have had practical experience with one of such funds over a period of years. The subject was studied very thoroughly before my corporation instituted the fund. We talked with many others who were operating under the same plan. I do not like to use the word "impossible" in connection with graft; but if there is a plan in existence today in connection with which it is impossible to cheat, it is this type of plan, because it is protected not only by the laws of the United States Government, but, more importantly and more actively, it is protected by State laws. State laws will prevent any discrepancies in connection with these plans.

Mr. BARRETT. Would the enactment of the bill preempt the field of enforcement, and take away from the States the right to investigate and supervise these trusts?

Mr. GOLDWATER. In my opinion it would not. However, it would add to the Federal Government the burden of doing something which the State government is already doing better than the Federal Government could do it.

Mr. BARRETT. I have two further questions. I dislike to occupy so much of the Senator's time.

In the first place, I was very definitely under the impression, from the statement made by the Senator from Colorado [Mr. ALLOTT] yesterday, that in the case of the level-of-benefit funds, there was no reason to believe that, under any set of circumstances, the employer would dissipate the funds of the trust, because he was obligated to make them good, and to pay the money to the employee. I understood the Senator from

Arizona to say a while ago that that was not exactly true, and that if there were no profits in a given year there would be no payments to the employees.

Mr. GOLDWATER. I am glad the Senator brought up that question. What the Senator from Wyoming says is true in connection with the type of plan which the Senator from Colorado was discussing. In the case of the type of plan to which I am referring, which is also a level-of-benefit plan, the governing factor is the existence of profits.

Mr. BARRETT. The last question I should like to ask the Senator is this: I believe he stated a moment ago that in his business operations he employed four persons whose sole duty it was to make out reports to the State and Federal Governments, day in and day out, year in and year out. How many such employees would be required to do that work if the bill should be enacted?

Mr. GOLDWATER. I might not have to add any employees, but many small businesses would have to add employees, or utilize the services of an outside agency, to enable them to fill out the forms at the end of the year, not only for the Internal Revenue Service, but for the Department of Labor as well.

Mr. BARRETT. That would be at their own expense. Is that correct?

Mr. GOLDWATER. Certainly it would be at their own expense.

Mr. President, I do not wish to prolong the discussion of the amendment. I am hopeful that the distinguished chairman of the subcommittee will accept the amendment, in view of the fact that it will affect 90 percent of the funds, and these funds are supplied mostly by small business, and no discrepancy has been shown in them. If the Senator does not agree to accept the amendment, I shall accept a vote of the Senate on it.

First, I ask unanimous consent that there may appear in my remarks, at this point in the RECORD, my supplemental views, as set forth in the report of the committee.

There being no objection, Mr. GOLDWATER's supplemental views were ordered to be printed in the RECORD, as follows:

SEPARATE SUPPLEMENTAL VIEWS

I concur in the minority and supplemental views of Senator ALLOTT concerning S. 2888. There is an additional type of plan presently in operation, which is erroneously treated in the majority report.

I refer specifically to the trustee pension plan qualified for deductible tax treatment under section 401 of the Internal Revenue Code. To qualify for tax benefits under such a plan, the trust thus established must meet the following requirements:

(a) It must be impossible under the trust instrument to use or divert the funds for purposes other than the exclusive benefit of employees or their beneficiaries.

(b) The trust must provide benefits which are not discriminatory in favor of employees who are officers, shareholders, supervisors, or highly compensated employees.

(c) The contributions to the plan must not discriminate in favor of the persons described in the preceding sentence.

(d) To maintain its qualification, the trust must not engage in so-called prohibited transactions, described in section 503 (c) of the Internal Revenue Code. This section provides as follows:

"(c) Prohibited transactions: For the purpose of this section, the term 'prohibited transaction' means any transaction in which an organization subject to the provisions of this section—

"(1) lends any part of its income or corpus, without the receipt of adequate security and a reasonable rate of interest, to;

"(2) pays any compensation, in excess of a reasonable allowance for salaries or other compensation for personal services actually rendered, to;

"(3) makes any part of its services available on a preferential basis to;

"(4) makes any substantial purchase of securities or any other property for more than adequate consideration in money or money's worth, from;

"(5) sells any substantial part of its securities or other property, for less than an adequate consideration in money or money's worth, to; or

"(6) engages in any other transaction which results in a substantial diversion of its income or corpus to;

the creator of such organization (if a trust); a person who has made a substantial contribution to such organization; a member of the family (as defined in section 267 (c) (4)) of an individual who is the creator of such trust or who has made a substantial contribution to such organization; or a corporation controlled by such creator or person through the ownership, directly or indirectly, of 50 percent or more of the total combined voting power of all classes of stock entitled to vote or 50 percent or more of the total value of shares of all classes of stock of the corporation."

The policing of these provisions is covered by section 1.404 (a)-2, Treasury Department Regulations. Initial and annual reporting thus required is at least as detailed as would be required by S. 2888. In spite of numerous investigations of these plans at the State and local levels, not one instance of embezzlement or of wrongful diversion of funds for personal purposes has been found. There is good reason to believe that none will ever be found, since it would be detrimental to the employer's interest, even assuming it were possible to steal from such funds. He would merely be taking funds which would, by law, be required to be repaid with the stringent penalties of loss of deductibility of not only the contribution but, also, the interest of funds previously accumulated. This is a far greater penalty than specified by S. 2888.

The same objectives with regard to this type of plan would be accomplished at no additional cost to the taxpayers with the addition of a single amendment to section 4 (b) of S. 2888, as follows:

"(5) such plan is exempt from taxation under section 501 (a) of the Internal Revenue Code of 1954 as meeting the requirements of section 401 (a) of such code or is a qualified plan to which employer contributions are deductible in accordance with section 404 of such code."

BARRY GOLDWATER.

Mr. KENNEDY. Mr. President, I should very much like to oblige my friend from Arizona by accepting the amendment. However, to do so would destroy the whole disclosure provision of the proposed legislation, and it is upon that provision that the whole bill is based.

As I understand the basic thesis of the Senator from Arizona, it is that these plans have a tax exemption and, therefore, the Internal Revenue Service oversees them; and he feels that that type of inspection is sufficient to accomplish the purposes of the bill, namely, to protect the rights of the beneficiaries.

In the hearings at pages 494 to 497 Commissioner Harrington of the Internal Revenue Service discusses in great detail why he does not believe the Internal Revenue Service is competent to handle this program. I shall read 4 or 5 sentences of his letter to indicate the limitations of the Internal Revenue Service in this field.

On page 494, in the middle of the page, he says:

For similar reasons—because the resources of the Internal Revenue Service and the training of its personnel must be directed to the important task of administering the Nation's revenue laws—I do not consider the Service as the proper agency to administer a reporting and disclosure statute.

On page 495 he states:

Moreover, the Service obtains no information from these forms which would reveal excessive premiums, commissions, or fees paid to insurance companies, brokers, agents, or trustees, or which would reveal improper transactions between the trustees and officials of the employer or of a union or persons related to or associated with them or the trustees.

Further down on page 495 Mr. Harrington states:

The Service specifically refrains from passing upon the desirability of certain types of investments or as to adherence by the trust to any particular investment program. The Service does not obtain detailed information regarding specific investments, other than that indicated above.

At the bottom of page 495 the Commissioner states:

Compliance with the requirements of section 401 (a) and other sections of the Internal Revenue Code and regulations issued threunder does not assure or directly affect actuarial soundness of qualified pension plans, since the code and regulations make no mention of actuarial soundness as a requirement for qualification.

Finally, on page 497, the Commissioner states:

It should be emphasized that the actuarial reports and valuations referred to in the previous paragraph are required solely for the purpose of determining whether the employer's claimed deduction exceeds the statutory limitations. These reports are examined, in the first instance, in Internal Revenue field offices, which are not staffed with personnel whose basic training would enable them to determine whatever the contributions to the fund are adequate to support the contemplated benefits.

It is for that reason that I do not believe the amendment of the Senator from Arizona is in the best interest of the beneficiaries. I believe it would be far better for the plans to be reported, as provided in the bill, to the Secretary of Labor, and the information disclosed to the beneficiaries, which, of course, would not be possible under the Internal Revenue Act.

Therefore, I believe the amendment should be defeated, and I hope the Senate will defeat it.

Mr. GOLDWATER. Mr. President, I should like to say one final word in answer to the statement of the chairman of the subcommittee. No one seems to want the job of receiving the reports except the Department of Labor. The SEC did not want it. The Internal

Revenue Service did not want it. I do not recall whether the General Accounting Office got into the act, so to speak.

The Internal Revenue Service confuses me, as it does most Americans, particularly in view of what Mr. Harrington wrote in answer to the letter addressed to him by the chairman of the subcommittee. I, too, have a letter from Mr. Harrington, under date of February 14, 1958. I shall read only one statement from it. He says in his letter:

> The information to be furnished the Internal Revenue Service by employers claiming a deduction for contributions to an employees' trust or annuity plan and compensation under a deferred-payment plan is very extensive.

I shall not read the rest of the letter because it has been placed in the RECORD already. I should like to call the Senator's attention to the fact that, despite what Mr. Harrington may feel about the inadequacy of the policing powers of the Internal Revenue Service or the inadequacy of the reporting, before a firm can qualify under title 401, its plan, for example, must be subject to the following requirements:

It must be impossible under the trust instrument to use or divert the funds for purposes other than the exclusive benefit of employees or their beneficiaries.

If the chairman will take the time to read this statement, which is already in the RECORD, he will find that it covers fully the operations his subcommittee wishes to prohibit in the bill before the Senate.

I urge that my colleagues vote favorably on my amendment, so that the small-business men of America can provide their employees with the same benefits the large corporations now provide under their funds.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER (Mr. CHURCH in the chair). The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. GOLDWATER].

The amendment was rejected.

Mr. KNOWLAND obtained the floor.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without losing the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, the Senate is now about to consider a series of amendments dealing with the subject of union democracy and democratic reforms in the internal affairs of our Nation's unions. I do not believe there is any need to recite to the Members of this body the growing demand throughout the country for action by the Government in assuring democratic protection of the rights and privileges of the working men and women who make up the growing membership of organized labor.

Yesterday, Secretary of Labor James P. Mitchell made the following statement:

> In January the President submitted to Congress a comprehensive legislative program to protect the rights of individual workers, the public, and management, and unions in labor-management relations. The Senate is now debating one piece of the administration's total package, a bill (S. 2888) to safeguard the health, welfare, and pension funds of American workers.
>
> While this bill is generally acceptable to the administration, it is by no means enough to give adequate protection to American workers against the corruption and abuses of trust and power which have been disclosed in the labor-management field.
>
> At present a number of amendments to S. 2888, going far beyond the regulation of health, welfare, and pension funds, will be debated in the Senate. Thus, in effect, the Senate is considering the subject matter of the total administration program. In view of this fact and the President's earnest desire for the passage of his total legislative program in this area, the administration urges the Senate to adopt these proposals which have been made by Senator SMITH of New Jersey.

Mr. President, on January 30, 1957, the United States Senate, under Senate Resolution 74, authorized the establishment of a Select Committee To Investigate Improper Activities in the Labor or Management Field. Under the provisions of the resolution, the committee was directed "to conduct an investigation and study of the extent to which criminal and other improper practices and activities are, or have been, engaged in the field of labor-management relations or in groups or organizations of employees or employers, to the detriment of the interests of the public, employers, or employees, and to determine whether any changes are required in the laws in order to protect such interests against the occurrence of such practices or activities."

Since that time, the members of this committee have performed distinguished and outstanding public service by engaging in almost continuous hearings and meetings. I believe not only the Senate and the Congress but the public at large are deeply indebted to the devoted interest which these members have shown in their objective and impartial performance.

Mr. President, the Senate Select Committee To Investigate Improper Activities in the Labor or Management Field, under the leadership of the distinguished senior Senator from Arkansas [Mr. MCCLELLAN], has held a number of meetings. In 1957 the committee held 95 meetings and called before it 427 witnesses. In 1958, to date, the committee has held 41 meetings and called 223 witnesses. This number does not include the recent Philadelphia case. In other words, the committee has held a total of 136 meetings, and some 650 witnesses have been called.

As the Senate knows, its select committee, in its first report on its investigation, revealed that it had "uncovered the shocking fact that union funds in excess of $10 million were either stolen, embezzled or misused by the union officials" investigated, "over a period of 15 years, for their own financial gain or the gain of their friends and associates."

This is a matter which has concerned not only the great majority—the overwhelming majority—of the rank and file of the members of organized labor; it has concerned also the American public and the friends of organized labor, many of whom are, of course, in this Chamber, and many of whom are throughout the country.

On December 8 of last year His Eminence, Francis Cardinal Spellman, delivered a sermon in St. Patrick's Cathedral, New York City, with which I think the United States Senate and the people of the country as a whole should be familiar. In the course of his sermon he said:

> Daily we learn the sordid details of corruption and violence featured by newspaper, radio, and television. The close association of some union leaders with known criminals, the creation of dummy locals, the rigging of elections, extortion, acid throwing, graft, and the misuse of union funds—these blatant violations of the trust of their fellow workers make all of us who are friends of labor feel shame and indignation.
>
> WE MUST ACT
>
> But we must do more than be shocked or feel morally aggrieved. We must act, and, while there is still time, remove from power unscrupulous leaders and their underworld hirelings. It is a tragic, almost unbelievable fact that these overlords of crime have dared to blueprint plans with the avowed purpose of dividing their underworld empire, thus imperiling the very security of America's family life.
>
> Alarm for their families' safety prevents many union members from telling what is in their bewildered minds and fearful hearts. Just a few days ago I received a letter, one of many, which bespeaks courageously and eloquently the dreadful predicament of the average, decent-living member of a racket-ridden union. Herself a teamster's wife and a mother this lady writes:
>
> "I am taking the liberty of writing to you because I feel that, as the head of the Catholic Church here in New York, you are just about the only one who can do anything to assist us.
>
> "Surely, you can help our men, decent and hardworking husbands and fathers who, in their own small way, are fighting corruption that is growing in this country so rapidly and so sneakily, that it is frightening. I fear for my children's future, and I wonder what my two boys will have to do to keep a job when they are grown and have to support themselves and their own children.
>
> "You couldn't possibly imagine the horror and thievery, the strong-arm methods, yes, even murder, connected with gangster-ruled unions today. Most of the men are afraid to talk. But if you, as our cardinal, were to make a strong statement, others might be encouraged to say or do something to help us.
>
> "Nobody told me to do this. But last night I couldn't get to sleep and the thought came to me that maybe the cardinal would do or say something to help us if I wrote to him.
>
> "We are all poor, hard-working people, trying our best to be good Catholics and earn a living for our kids, too. It's not easy, Father, and most of us need an encouraging word as much as we need the money. Help us. Our men lose their jobs or even get hurt. My own husband was almost beaten to death 5 years ago, but we still want to

do all we can to carry on the fight for justice and decency and the right to be free, because the gangsters who run my husband's union have made slaves of our men.

Excuse my boldness in writing, but knowing how badly we need you I borrowed a typewriter and this is my seventh sample, but, so help me, right or wrong, this one goes.

God bless you. And may you see the way to help us."

That is the end of the letter which was addressed to Cardinal Spellman.

Now I continue to read the statement by Cardinal Spellman:

I had already determined to speak in behalf of labor and honest labor leaders and union members. But if I had not, this mother's letter would have inspired me to do so—for I am certain it expresses the thinking of many thousands of other mothers and wives as well as of the men themselves.

Mr. President, the Senate's select committee has recommended legislation in five areas, as a result of its first year of hearings in the labor-management field. These recommendations are:

First. Legislation to regulate and control pension, health, and welfare funds. Today we have acted on this proposed legislation.

Second. Legislation to regulate and control union funds.

Third. Legislation to insure union democracy.

Fourth. Legislation to curb activities of middlemen on labor-management disputes.

Fifth. Legislation to clarify the "no-man's land" in labor-management relations.

Our return from the recent Easter recess finds Congress at the midpoint of the present session. What we have found in our talks with the people back home is sure to find expression in the program of proposed legislation yet before us. From past experience we know that demands for legislation will far exceed what we can actually satisfy in the few short months before adjournment. This is an election year, in which the people will elect a new House and one-third of the Senate.

The field most likely to be neglected at this session is the field of labor relations. Political counsels tell us this is a hot subject in an election year, and that it would be politically smart if we were to look away from it toward more pleasant pastures. Some can always soothe their consciences by saying that the problems in this field are too many and too difficult to do anything about them anyway.

But if we look the other way, when it comes to protecting the interests of American workers from the shocking abuses which were exposed last fall and winter, I believe the voters and workers of the Nation will be heard from in no uncertain terms next November.

Mr. President, the question arises: Is there among friends of organized labor, itself, a recognition of the need for the enactment of such legislation? I say there is, and the evidence of it is overwhelming.

I shall cite a few examples, because it is so easy to suggest that anyone who urges the enactment of legislation in this field is anti-labor, or is seeking to destroy the trade-union movement, or is seeking to do something which would be detrimental to the best interests of the rank and file of union members—let me say that a quarter of a century ago, when I was a young man in the California Legislature—at that time I was 24 years of age—I took an active part in the enactment at that time, in our State, of legislation, which I supported, to outlaw the so-called yellow dog contract. That contract, as many in this Chamber may remember, used to provide that an employee would not join a union during his period of employment. I thought that was detrimental to the rights of the individual American. I believed in the right of every American to join a union of his choice. So I was proud to support that legislation, which outlawed the so-called yellow dog contract.

In subsequent years, it was my privilege to introduce, as a member of the California State Senate, and to handle on the floor of the State senate, the first unemployment legislation ever passed in California; and at this time it is still the basic law.

So I say that those who loosely say that anyone who proposes the enactment of legislation in this field is acting in a way detrimental to labor is not stating a fact, but is carrying on a red-herring campaign of the type which was conducted when the Taft-Hartley bill was called the slave-labor bill, and when an effort was made to make it appear to be detrimental to the best interests of labor.

Mr. President, let us go over some of the quotations. Of course, if I wished to do so, I could extend my remarks a great deal, and could speak for many hours.

The American Civil Liberties Union, which states that for 15 years it has been urging the organized labor movement to adopt improved internal practices regarding civil liberties, last month recommended a labor-union bill of rights. The areas covered by its proposal are in substantial agreement with those covered in the proposed legislation I have just outlined. No one can properly consider the American Civil Liberties Union to be anti-union or anti-labor.

Mr. Clark Kerr recently wrote for the Fund for the Republic a report on Unions and Union Leaders of Their Own Choosing. In the report, Mr. Kerr made the following comments:

The title of this paper suggests that national policy might move from the unions of their own choosing of the 1930's to union leaders of their own choosing and even, to a degree, to union rules of their own choosing. But how is this to be accomplished? Action by the unions themselves would be most desirable and there has been a surprising amount of it during the past year. Experience here and abroad, however, suggests it will not be sufficient, that behind the good intentions of most union leaders will need to stand the power of the law, as in the case of corporations in the past.

This is a troublesome issue. The pluralist will defend the private association from the control of the State. The individual, however, also needs defense against being controlled by the private government of the trade union, and ultimately this defense can be guaranteed only by the State.

Mr. President, no one can properly accuse Mr. Kerr, who is a member of the United Auto Workers Review Board, of being unfriendly to labor.

Mr. Clyde Summers, a labor expert, and professor of law at Yale University, recently submitted an article for the New Leader magazine, a liberal weekly published by the American Labor Conference on International Affairs. Mr. Summers recommends a bill of rights affirmatively guaranteeing the rights of membership. He also recommends removal from union constitutions of those provisions which stifle the democratic processes.

Mr. J. B. S. Hardman, former editor of Labor and Nation, as well as the former editor of the CIO Advance, has recently written:

Unionism as a whole may well find it of advantage to itself, in the long run, to have the members' rights and leaders' responsibility bolstered by adequate legislation, carefully devised and properly administered under foolproof institutional setups.

Mr. Hardman concluded his remarks with the following:

There still lingers in the recesses of union consciousness that ancient fear of government, of law, of the courts. That no longer fits the new state and status of the 20-million-member union movement in the democratic United States.

As I have previously said, the Congress owes a great debt to the distinguished Senator from Arkansas and the members of his Committee on Improper Activities in the Labor or Management Field. Through their courage and diligence in exposing the callous betrayal of trust by a few labor officials, committee members have rendered a great service to union workers and to the American public.

No words of mine are needed to embellish the sober findings of the committee on this betrayal of union workers by some of their own trusted officials. But stolen money is not the worst of the damage done to union workers. Money losses can be made up in time.

Far more outrageous and damaging is the callous disregard of faith and trust, and the dictatorial manner in which the guilty labor officials administered their responsibilities. Among the finest things about the labor movement have been the elements of brotherhood and fraternal welfare in its conception. These have sustained a blow delivered by those who posed as labor's best friends.

The labor movement is a necessary and honorable movement; the great majority of its leaders are honest men devoted to labor's interests; but the criminal actions and twisted morals of a few labor officials have been costly in public confidence. Time and, in my judgment, legislative help from the Congress will be needed to restore the confidence which the labor movement must have to survive and to prosper.

It is common knowledge that the struggle for union organization and rec-

ognition was not a "pink-tea" affair. Many employers dug the pit of their own defeat in their highhanded disregard of workers' interests and their ugly resistance to labor organization. But that dark chapter in labor-management relations has long since ended.

I have already referred to the fact that, as a member of the legislature, I had helped to pass the so-called anti-yellow-dog contract bill.

Union labor now, in many respects, holds a privileged position. The Clayton Act protects unions from prosecution for monopoly practices, even though great labor union federations have the power to shut down whole industries such as steel, automobile, mining, textiles, and the power to paralyze great cities and large regions of the Nation by strikes in transportation and communications. By the Norris-La Guardia Act, labor unions have been freed from the injunctions that were at times formerly used to block legitimate labor progress. The Railway Labor Act, as amended, and more spectacularly the Wagner Act put the power of Government behind labor organization and interests to an extent that would have seemed an incredible miracle to Samuel Gompers—that great leader of labor, and one of the great labor statesmen of the age.

Over the same period of time the old type of employer who ruled workmen with an iron hand gave way to the more enlightened management we have today. Modern management regards labor as its most important asset and goes to great lengths to make their mutual relations satisfactory and rewarding.

Under these conditions, backed as they are by law, labor unions have been given great encouragement to grow and prosper. Labor locals increased; labor federations grew in strength; new federations were formed; and eventually the AFL–CIO merged into the most powerful labor organization in history. Union membership increased from less than 3 million in 1932 to over 18 million today, with some industries 100 percent organized. Some unions enjoy maintenance of membership almost to the extent of the closed shop. Their financial prosperity is assured through the checkoff of dues.

The right of workers to organize and to bargain collectively is, and will continue to be, protected by law. Government agencies protect them against unfair labor practices. They have workmen's compensation, unemployment and supplemental unemployment compensation, social security, the highest wages and standard of living of workers in any country in the world, paid holidays, vacations and sick leave, hospitalization and insurance benefits, and a large array of additional fringe benefits.

Unfortunately, along with these beneficial results for workers and unions, there came other developments not so praiseworthy. The power of labor leaders has grown to unbelievable size.

The power of these labor leaders has been reflected in their attitude toward the rank and file membership in their own unions. The heady prosperity of the labor movement tempted some leaders to raid their own treasuries, to disregard all semblance of democratic practices in their administration of unions, and to abuse the fundamental rights of their members. Prosperity also opened the way for gangsters and racketeers to muscle in on the control and treasuries of unions, reference to which was made by me and was made by His Eminence Cardinal Spellman.

The combination of these circumstances turned a number of valid labor organizations into examples of power without responsibility—intimidating management, the public, and the union membership itself. The pressure for corrective measures compelled Congress to take action once before. The result was the passage of the Taft-Hartley Act.

This act sought to preserve the benefits achieved by labor, but to balance them with some safeguards for the interests of the general public and some protection for the legitimate interests of individual workers, management, and the unions themselves. It is not my purpose to go into the details of the Taft-Hartley Act at this time, and there is nothing in my amendments to change the Taft-Hartley Act.

I supported it in the United States Senate, and I would support it again. I voted to override the veto of the Democratic President of the United States, as did a majority of this body on both sides of the aisle—in fact, a necessary two-thirds majority on both sides of the aisle.

I wish to say that in my judgment it helped to eliminate the evils I have described, and to bring liberty, equality, and peace into labor-management relations.

I might say, parenthetically, that both Democrats and Republicans who had supported that legislation and who voted to override the veto were put on the purge list by certain leaders of labor and certain organizations and sought to be liquidated from the Senate of the United States. I can say that with very few exceptions they failed in that effort, largely because the rank and file of the membership, when they learned the truth, did not support the efforts toward liquidation on the part of their leaders, who were misrepresenting the Taft-Hartley bill as a slave-labor bill and as destructive of labor, when it was meant to help the workers and the members of labor themselves.

As I pointed out, the act was grossly misrepresented from the start. It was used as a political issue. Labor leaders called it a slave-labor law, presumably because it curbed some of their power over industry and over the union membership. But despite all of the fanfare, the act has been on the statute books for more than 10 years and no effort to repeal it has ever got off the ground. The reason for that is because the act is fundamentally sound. Its protection of the interests of workers, management, the public, and of the unions themselves has now been recognized, despite all the previous misrepresentation.

No law dealing with a field so full of problems as labor-management relations can ever be final. Senator Taft recognized that and, after some experience with the operation of the law, recommended changes. Neither his recommendations nor any others made thereafter gained sufficient attention in Congress to lead to legislation correcting and improving the law, despite the passage of 10 years.

The price our laboring men and women have had to pay for neglect of their interests and democratic rights is spread out in detail in the hearings and findings of the McClellan committee. I have already spoken of how some union officials victimized the union membership.

This Congress will default, in my judgment, in its public duty if the session ends without legislation to insure union democracy, which has been recommended by the Senate's select committee, and has strong public support. I strongly hope that the United States Senate will live up to its high responsibility in providing protection for the Nation's workers who are now, or will be in the future, members of union labor organizations.

Mr. President, I wish at this point to call up my amendment 4–21–58–A.

Mr. LAUSCHE. Mr. President, will the Senator from California yield first?

Mr. KNOWLAND. Yes. I yield to the distinguished Senator.

Mr. LAUSCHE. I desire to commend the Senator from California for his objective, high-minded and statesmanlike approach to this grave problem confronting the people of our country. I do not hesitate to say that, in my opinion, the Senator from California has tried to approach the problem objectively, soundly, and with the purpose of holding high that virtue under which our country has grown. By that I mean the liberty of the American.

The senior Senator from California has taken a position which embodies the finest attributes of statesmanship. The statement that the Senator opposed the "yellow dog" contracts because of their vicious effect on labor and his statement that he is now asking for reforms so that the American worker will be free are in line with what a public servant ought to do.

I say to my fellow Senators, that in my thinking nothing is more important in our country than the preservation of liberty, so that every American may enjoy to the utmost extent a sound economy, and the dignity of life. Free me from slavery. Allow me to be a free man. Allow me to join a labor union because I believe in it. But do not put shackles upon my actions. Do not compel me to do things which I might not want to do.

My commendations go to the Senator from California. It is easy to become the slave of political fear. It is the highest manifestation of dignity and virtue to speak up in the interest of that which is right, even under the threat that political defeat may ensue.

Let me say to the Senator from California that, regardless of what the outcome of the election in his State may be, he will be a big man for having the courage to speak his honest thoughts.

Mr. WILEY. Hear. Hear.

Mr. KNOWLAND. I wish to thank the distinguished Senator from Ohio.

His statement of confidence and the remarks he has made are deeply appreciated. Regardless of how long I may live or serve I shall not forget what he has said today.

The PRESIDING OFFICER. The Chair would like to inquire of the Senator from California whether he wishes to have the clerk read the amendment in its entirety.

Mr. KNOWLAND. I suggest that the first part of the amendment is purely technical, and makes no changes in the health and welfare phases of the bill, which is the vehicle upon which amendments are to be offered. I suggest the clerk read from page 8 on, which deals with the subject matter of the amendment.

The PRESIDING OFFICER. The clerk will read the portions referred to by the Senator from California. Would the Senator from California like to have the entire amendment printed in the RECORD?

Mr. KNOWLAND. Mr. President, I ask that the entire amendment be read at this time, and then it will be printed in the RECORD.

Mr. SMITH of New Jersey. Mr. President, may we have order, please? I want to hear the amendment.

The PRESIDING OFFICER. The Senate will be in order, so that the clerk can be clearly heard.

The LEGISLATIVE CLERK. On page 1, between lines 2 and 3, it is proposed to insert the following:

TITLE I—WELFARE AND PENSION PLANS

On page 1, line 3, strike out "That this act" and insert in lieu thereof:

SECTION 1. This title.

On page 1, line 6, strike out "SEC. 2" and insert in lieu thereof "SEC. 102."

On page 3, line 6, strike out "act" and insert in lieu thereof "title."

On page 3, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 103."

On page 3, line 18, strike out "act" and insert in lieu thereof "title."

On page 6, line 5, strike out "act" and insert in lieu thereof "title."

On page 6, line 10, strike out "SEC. 4" and insert in lieu thereof "SEC. 104."

On page 6, line 11, strike out "act" and insert in lieu thereof "title."

On page 7, line 7, strike out "act" and insert in lieu thereof "title."

On page 7, line 23, strike out "SEC. 5" and insert in lieu thereof "SEC. 105."

On page 8, line 3, strike out "8" and insert in lieu thereof "108."

On page 8, line 4, strike out "act" and insert in lieu thereof "title."

One page 8, line 7, strike out "act" and insert in lieu thereof "title."

On page 9, line 4, strike out "act" and insert in lieu thereof "title."

On page 9, line 8, strike out "6" and insert in lieu thereof "106."

On page 9, line 12, strike out "SEC. 6" and insert in lieu thereof "SEC. 106."

On page 9, line 22, strike out "8" and insert in lieu thereof "108."

On page 9, line 23, strike out "5" and insert in lieu thereof "105."

On page 10, line 6, strike out "act" and insert in lieu thereof "title."

On page 11, line 18, strike out "act" and insert in lieu thereof "title."

On page 13, line 16, strike out "act" and insert in lieu thereof "title."

On page 16, line 23, strike out "act" and insert in lieu thereof "title."

On page 17, line 2, strike out "SEC. 7" and insert in lieu thereof "SEC. 107."

On page 17, line 4, strike out "act" and insert in lieu thereof "title."

On page 17, line 17, strike out "act" and insert in lieu thereof "title."

On page 17, line 20, strike out "SEC. 8" and insert in lieu thereof "SEC. 108."

On page 17, line 20, strike out "6" and insert in lieu thereof "106."

On page 17, line 24, strike out "act" and insert in lieu thereof "title."

On page 18, line 2, strike out "5" and insert in lieu thereof "105."

On page 18, line 2, strike out "6" and insert in lieu thereof "106."

On page 18, line 14, strike out "5" and insert in lieu thereof "105."

On page 18, line 15, strike out "6" and insert in lieu thereof "106."

On page 18, line 16, strike out "7" and insert in lieu thereof "107."

On page 18, line 22, strike out "6" and insert in lieu thereof "106."

On page 19, line 2, strike out "act" and insert in lieu thereof "title."

On page 19, line 4, strike out "SEC. 9" and insert in lieu thereof "SEC. 109."

On page 19, line 16, strike out "act" and insert in lieu thereof "title."

On page 20, line 9, strike out "SEC. 10" and insert in lieu thereof "SEC. 110."

On page 20, line 11, strike out "act" and insert in lieu thereof "title."

On page 20, line 13, strike out "act" and insert in lieu thereof "title."

On page 20, line 20, strike out "act" and insert in lieu thereof "title."

On page 21, line 1, strike out "act" and insert in lieu thereof "title."

On page 21, line 11, strike out "act" and insert in lieu thereof "title."

On page 21, line 14, strike out "SEC. 11" and insert in lieu thereof "SEC. 111."

On page 22, line 12, strike out "SEC. 12" and insert in lieu thereof "SEC. 112."

On page 22, line 15, strike out "act" and insert in lieu thereof "title."

On page 22, line 24, strike out "act" and insert in lieu thereof "title."

On page 23, line 1, strike out "act" and insert in lieu thereof "title."

On page 23, line 11, strike out "act" and insert in lieu thereof "title."

On page 24, line 3, strike out "act" and insert in lieu thereof "title."

On page 24, line 7, strike out "SEC. 13" and insert in lieu thereof "SEC. 113."

On page 24, line 8, strike out "act" and insert in lieu thereof "title."

On page 24, line 15, strike out "act" and insert in lieu thereof "title."

On page 26, line 17, strike out "SEC. 14" and insert in lieu thereof "SEC. 114."

On page 26, line 17, strike out "act" and insert in lieu thereof "title."

On page 26, line 21, strike out "act" and insert in lieu thereof "title."

On page 26, line 24, strike out "act" and insert in lieu thereof "title."

On page 27, line 2, strike out "SEC. 15" and insert in lieu thereof "SEC. 115."

On page 27, line 6, strike out "act" and insert in lieu thereof "title."

On page 27, line 8, strike out "act" and insert in lieu thereof "title."

On page 27, line 14, strike out "act" and insert in lieu thereof "title."

On page 27, line 23, strike out "act" and insert in lieu thereof "title."

On page 28, line 11, strike out "act" and insert in lieu thereof "title."

On page 28, line 14, strike out "SEC. 16" and insert in lieu thereof "SEC. 116."

On page 28, line 22, strike out "act" and insert in lieu thereof "title."

On page 29, line 3, strike out "act" and insert in lieu thereof "title."

On page 29, line 8, strike out "act" and insert in lieu thereof "title."

On page 29, line 18, strike out "act" and insert in lieu thereof "title."

On page 30, line 5, strike out "SEC. 17" and insert in lieu thereof "SEC. 117."

On page 30, line 5, strike out "act" and insert in lieu thereof "title."

On page 30, line 5, strike out "12" and insert in lieu thereof "112."

On page 30, line 6, strike out "16" and insert in lieu thereof "116."

On page 30, line 15, strike out "SEC. 18" and insert in lieu thereof "SEC. 118."

On page 30, line 15, strike out "act" and insert in lieu thereof "title."

On page 30, line 17, strike out "act" and insert in lieu thereof "title."

At the end of the bill add the following new title:

TITLE II—DEMOCRATIC CONTROL OF LABOR ORGANIZATIONS BY THE MEMBERS THEREOF

SEC. 201. Title IV of the Labor Management Relations Act, 1947, is amended to read as follows:

"TITLE IV—REGULATION OF LABOR ORGANIZATIONS FOR PURPOSE OF INSURING DEMOCRATIC CONTROL BY MEMBERSHIP

"Definitions

"SEC. 401. (a) As used in this title—

"(1) The term 'labor organization' means any labor organization which (A) is the representative for or has as one of its purposes or exists for the purpose of representing employees in collective bargaining in any industry affecting commerce or is seeking to become such a representative or (B) has an affiliate or constituent unit in a State other than the State in which it has its principal place of business or in any foreign country.

"(2) The term 'officer' includes a member of any board, council, committee, or other body established by the constitution or charter of a labor organization which is empowered by such constitution or charter to exercise governing or executive functions with respect to such labor organization.

"Election of officers

"(b) (1) After the expiration of 1 year following the enactment of this section, no person shall be eligible to serve as an officer of a labor organization unless he shall have been elected as such officer by popular vote of the membership at an election held within the preceding 4 years in which all members of such organization shall have been entitled to vote, and at which the votes of the members voting shall have been cast by secret ballot.

"(2) Upon the filing with the National Labor Relations Board (hereinafter referred to as 'the Board') of a petition alleging that an individual is serving as an officer of a labor organization, who is not eligible under paragraph (1) to serve as such officer, the Board shall proceed in accordance with subsection (c) to consider the matter and if it determines such allegation to be true it shall enter an order directing the labor organization to remove such individual from such office.

"Procedure

"(c) A petition under subsection (b) (2) may be filed by any member or group of members of a labor organization, or by any individual or organization acting in behalf of such member or members, except that no such petition may be filed by any employer of such employees or by any organization with which any such employer is affiliated. Upon the filing of such a petition, the Board shall conduct an investigation and if it finds evidence to support the allegations in the petition it shall proceed in the same manner as in the case of an unfair labor practice charge and the appropriate provisions of subsections (b) to (l), inclusive, of section 10 of the National Labor Relations Act shall apply to such proceeding.

"Sanctions and penalties

"(d) (1) Whenever the Board shall determine that an individual is serving as an officer of a labor organization who is not eligible under subsection (b) (1) to serve as such officer or who has been convicted of an offense under paragraph (3) of this subsection, during any period for which any such individual continues so to act such labor organization shall not (A) be considered to be the representative of employees for the purposes of the National Labor Relations Act, (B) be exempt from Federal income tax under section 501 (a) of the Internal Revenue Code of 1954, or (C) be considered to be a labor organization for the purposes of sections 6 and 20 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914, as amended (15 U. S. C. 17; 29 U. S. C. 52) or the act of March 23, 1932 (29 U. S. C. 101 and the following).

"(2) Any individual who knowingly serves as an officer of a labor organization while ineligible to serve as such officer under subsection (b) (1) shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not exceeding $1,000 or by imprisonment for not exceeding 1 year, or both.

"(3) Any individual, group, or organization which willfully interfers with, restrains, or coerces any employee or member of a labor organization seeking to initiate or participate in the procedures set forth in subsection (c) of this section shall be guilty of a felony and upon conviction thereof shall be punished by a fine not to exceed $10,000 or by imprisonment for not to exceed 5 years, or both.

"Amendment to National Labor Relations Act

"(e) Section 9 (c) of the National Labor Relations Act, as amended, is amended by inserting before the period at the end of the first sentence of paragraph (3) thereof a comma and the following: 'except that an election may be ordered at any time when the Board has determined under title IV of the Labor Management Relations Act that a labor organization which has been the representative of the employees is no longer eligible to represent such employees'."

Mr. KNOWLAND. Mr. President, I have called up my first amendment, which deals with the fundamental question of democracy in labor unions and giving the members control over their own affairs.

Some discussion has taken place on the floor as to why the amendments I am proposing should be offered at this time. I believe that this is one of the most important issues facing the Congress of the United States if, indeed, it is not the most important issue facing the country.

On the 15th of April the distinguished Senator from Arkansas [Mr. MCCLELLAN], to whom I have already paid my tribute for the outstanding work he has done, had this to say:

After having served for nearly 15 months as chairman of the Senate Select Committee on Improper Activities in the Labor or Management Field, I am firmly convinced of the urgent need for remedial legislation.

I stress the language which he used, in which I fully concur, as to the "urgent need for remedial legislation."

In the CONGRESSIONAL RECORD for April 15, on page 6339, the Senator from Arkansas said:

The legislation I am proposing is not all that is needed. A number of other bills are pending in the Senate which deal with other aspects of the problem. Later, after the investigations by the committee have progressed further, I shall propose additional measures. In the meantime, I respectfully urge the Senate Committee on Labor and Public Welfare to give the bill immediate consideration. Action should be had at this session of Congress.

I fully concur in that statement.

All of us have been around this Chamber for a period of years—some for a longer period than others. It has been my privilege to serve, or when my term expires this year, it will have been my privilege to have served for 13 years. This is longer than some other Senators have served, and a shorter period of service than that of others.

During that period of time I have been privileged to hold the position of both majority leader and minority leader.

We all know that it is one thing to hold committee hearings, and that it is something else to have a bill reported from a committee and placed upon the calendar. Even after it has been reported and placed on the calendar, there is the problem of bringing it before the Senate for consideration.

I could recite a great deal of history during those 13 years with respect to the problems involved in all the various legislative steps. At times I have been an active participant in efforts to bring legislation before this body for consideration, or even having a motion to bring it before this body acted upon. I know that in some instances such effort can extend over a prolonged period of time.

I invite attention to the fact—because I think it is pertinent to the discussion—that both our great national political parties have gone on record and pledged themselves not once, not twice, but 3 or 4 times, to statehood for Alaska and Hawaii. There are on the calendar 2 bills, 1 providing for statehood for Alaska, and the other for statehood for Hawaii. They were reported in due order by the Committee on Interior and Insular Affairs of this body, and placed upon the Senate calendar. They arrived there on the 29th of August 1957. Calendar No. 1197, Senate bill 49, is the bill providing for the admission of Alaska into the Union. Calendar 1198, Senate bill 50, is the bill providing for the admission of Hawaii into the Union.

Neither of those bills has yet been acted upon. So even after bills have been reported, there may be a prolonged wait on the calendar.

I have a high regard for the distinguished junior Senator from Massachusetts [Mr. KENNEDY], who is the head of the subcommittee of the Committee on Labor and Public Welfare which is handling the pending legislation. I know that, like many of the rest of us, he is a busy man. One of our great problems, which is not understood by the general public, arises from the terrific commitments for committee sessions, legislative work, seeing constituents, answering letters from constituents, and fulfilling all the other obligations of a Senator.

In the Washington Post of April 30, 1957, almost 1 year ago, the following article appeared:

KENNEDY PLANNING PROBE OF UNION FUNDS SETUPS

Senator JOHN F. KENNEDY, Democrat of Massachusetts, said last night he plans to schedule prompt hearings on the handling of union funds. Chairman of a Senate labor subcommittee, KENNEDY said preparation has been under way for a month, and he expects full hearings can begin within the month.

Speaking at the Notre Dame University Club of Washington's Notre Dame Night celebration at the Shoreham Hotel, KENNEDY told the audience of 300 alumni the subcommittee hearings have two purposes:

"The first follows the advice of Woodrow Wilson, who said: 'The best thing you can do with anything that is crooked is to lift it up where all the people can see that it is crooked—and then it will either straighten itself out or disappear'."

The second objective, KENNEDY said, is to "determine what Federal legislation or administrative action is necessary to remedy this evil."

Warning that the action of a few dishonest, disreputable men must be distinguished from the legitimate activities of the great mass of union leaders and members, KENNEDY said the unions should devise and enforce regulations to prevent labor racketeering.

He said his subcommittee will inquire into the financial operations of employee health and welfare funds, minimum standards or safeguards in union trust funds, conflicts of interest in the handling of trust funds and other union funds, safeguards to promote democratic control by union members of the various funds, improvement in the apparently inadequate provisions of the Taft-Hartley Act for the reporting of all kinds of union funds and financial transactions, and policing the reports so that abuses might be more readily identified and corrected.

I have already referred to the very extensive hearings held by the select committee, which, in 1957, held 95 hearings and called 427 witnesses. In 1958 it held 41 hearings and called 223 witnesses, up to the time of the consideration of the recent Philadelphia case.

The Subcommittee on Labor, dealing with this important subject, has held 2 days of hearings to date, according to my understanding. In that period of time the subcommittee called the head of the combined American Federation of Labor and CIO, Mr. George Meany, for whom I have high respect and regard. I think he is one of the labor statesmen in the Samuel Gompers tradition. I have had an opportunity to observe his work as a citizen in the broader aspects,

outside the labor movement, as well as in it.

I stated yesterday or day before that I considered his service in the United Nations to be outstanding, and believed that he had made a notable contribution to our country. I think he is more sound in his foreign policy views than are some former and present public officials in our own country. I believe he has a clear recognition of the dangers of international communism and the dangers of domestic communism, with respect to which some persons seem to have a blind side. However, after he had testified before the committee rather extensively, as is his right and privilege and is entirely proper, the distinguished chairman of the subcommittee, the Senator from Massachusetts, had this to say—I quote from page 146 of the hearings held before the Subcommittee on Labor of the Committee on Labor and Public Welfare on March 27, 1958:

Senator KENNEDY. Now, Mr. Meany, I have gone through your testimony, and this subcommittee has been given this responsibility since the select committee in its first year has made recommendations to this subcommittee covering the grounds of trusteeship, middlemen, elections, union democracy, finances, and Federal-State relationships, which we haven't discussed and which may be a secondary matter.

Looking through your suggestions, you have opposed, it seems to me, every legislative proposal that has been put forward before the subcommittee.

Mr. President, under those circumstances, Senators have a right to ask, if a man of the caliber of George Meany, who certainly has been doing his best to attempt to clean up the bad spots in the labor movement, isolated though they may be, and in minority positions though they may be, with reference to the great overwhelming rank and file of labor and the great majority of labor leaders, who are fine, decent, upstanding American citizens—if Mr. Meany, with his knowledge of the infiltration that is taking place, comes before the subcommittee and gives the very definite impression to the chairman of the subcommittee, who has had some considerable experience in this field, that he is opposed to any legislation at all, what can we expect from other leaders of organized labor?

Are we to take the testimony of Mr. Hoffa as to what the rank and file members may desire? Or are we to take the testimony of some of the other men who have belonged to organizations which have been investigated?

The great Teamsters Union, constituting over a million and a half fine American citizens, who are helping to conduct the commerce of this country, was expelled from the AFL–CIO. Why? Because the leadership of the union was both dictatorial and corrupt.

When that union was expelled because of its leadership, the million and a half rank-and-file members, who do not approve of the practices revealed by the committee, were expelled as captives of that very leadership. Who is going to represent them before the Senate committee and before the Senate of the United States?

Under those circumstances, an officer of the Teamsters Union who appeared before the committee might find his life very difficult, if he stated views contrary to those held by Mr. Hoffa, or contrary to the views of some of the predecessor officers of that organization. So far as representing the rank and file of that organization is concerned, I believe that Senators, representing constituencies of their own States, which include a large number of the rank-and-file members of the unions, may very well be the only voice that the rank-and-file members will have, in their desire to have democratic control over their own affairs.

The Operating Engineers have been subjected to some considerable questioning before the committee. They constitute about 280,000 members. Who is to speak for their rank and file, unless it be the Senators of the United States?

The Bakery Union, with some 200,000 members; the Laundry Workers Union, with some 90,000 members; the Allied Industries, with some 30,400 members: Who is to speak for them? According to my figures, a total of 2½ million members of organized labor, belong to organizations the top officers of which or at least local officers have been placed under serious charges.

That figure is about 14 percent of the total membership of some 18 million members of organized labor in the country. Who is to speak for that rank and file? How far does any Senator think a local officer would get if he went to those who are presently in control of such organizations? I have met with literally hundreds of unions throughout my own State of California. My office has received literally thousands of letters from rank and file members of organized labor, who have not only commended the work of the McClellan committee, but also the work which is being done to lay the foundation for legislation to protect them, and they have said to me, "Senator, do not give up in this fight. The only hope we have is that the great Congress of the United States will do something for us."

They have put their trust and their confidence in Congress. If we fail to act on this proposed legislation at this session of Congress, our failure will be very harmful not only to the Nation as a whole but even more harmful to the rank and file of the union membership. Regardless of propaganda and the misrepresentations, the union members will cut through the smog and will know who the real friends of labor are. They will recognize those who have given lip service, but who, when the chips were down and opportunity was offered to take action turned the other way.

Let me read from the interim report of the Select Committee on Improper Activities in the Labor or Management Field regarding a situation which occurred in my own State of California. I pick it out merely because it is an example which I believe underscores the need for proper safeguards of the rank-and-file membership. I read from the report at page 403:

The committee heard the story of how the vote of local 3 in the international election of 1956 was rigged.

Elwood Garrett, the union accountant, testified that the local had purchased a cabin in Calaveras County, Calif., for $8,500. Garrett said that he knew of no union purpose that the cabin was used for except in 1956. Garrett was 1 of 3 union officials named as tally clerks for the international election. Although Victor Swanson was unopposed in his attempt to be elected as sixth international vice president of the union, some of the other international officers, with whom Swanson was friendly, had opposition. Garrett said that after the ballots had been cast by the members and sent in to union headquarters in San Francisco, two other tally clerks and Swanson put the ballot boxes in an automobile and drove some 150 miles to the union owned mountain cabin.

Garrett said a total of some 2,000 to 3,000 votes had been cast but that the tally clerks counted only 500 or 600 of these:

"Mr. KENNEDY. Did you get tired of counting them after that?

"Mr. GARRETT. Well, that is all they wanted to count.

"Mr. KENNEDY. What?

"Mr. GARRETT. That was all they wanted to count.

"Mr. KENNEDY. Who is 'they'?

"Mr. GARRETT. Well, Mr. Swanson" (p. 7644).

On the basis of this limited account, a "trend" was determined, and the ballots driven back to San Francisco after the union officials had remained in the cabin overnight.

When the tally sheet of local 3 was sent in to the international, in excess of 16,000 votes were shown to have been cast for some of Swanson's friends.

Mind you, Mr. President, only about 2,000 or 3,000 votes, according to the recollection of this man, had been cast. Only 500 votes had been counted. But when the tally sheet was sent in to the international, 16,000 votes were shown to have been cast for some of Swanson's friends. I continue:

For example, Dale Burchett, who was running for vice president against Frank Converse, received 16,472 votes, while Converse, with whom Swanson was not friendly, received 354 votes.

I might say, parenthetically, that if the testimony is correct that only 500 votes were counted, 354 would be a majority of the 500. I assume that perhaps this was not the case. Perhaps they gave what they felt they wanted to give to the winning candidates, and what remained they turned over to the losing candidate. I continue to read:

Similar disparities in vote results showed up on the tally sheet as it was sent in to the international office. Swanson explained the vote padding in this manner. He said that percentage increases had been given to certain candidates to offset what he believed the international union's president, William E. Maloney, was doing.

Mr. President, keep in mind that this is a fine body of patriotic American citizens. Many of them are in the organization by their own choice; many of them are in it not by their own choice. However, they have faith in the democratic processes. Most of them are very familiar with our Constitution and our constitutional guaranties. All of them, I am sure, respect the rights of the citi-

zens of a great democratic republic to go to the polling booth and elect their officials and to be sure that the votes which are cast are the votes which are counted.

The members of this union—one of the great unions of the country—cast their votes in this union election, and this is what happened.

I continue to read from the testimony:

Mr. KENNEDY. You felt, and the committee felt, that under Maloney's direction, the other locals were stuffing the ballot boxes?

Mr. SWANSON. No; they were casting ballots that had not come in.

Mr. KENNEDY. Well, that is stuffing the ballot boxes.

Mr. SWANSON. That is probably it.

Mr. KENNEDY. You felt the only way to combat that——

Mr. SWANSON. I didn't. That was the committee.

Mr. KENNEDY. Wait a moment. The only way to combat that, your group thought, was to stuff the ballot boxes, too?

Mr. SWANSON. That is correct.

Mr. KENNEDY. So they were stuffed?

Mr. SWANSON. I don't know what was done, but so far as the ballots, they handled that.

Mr. KENNEDY. You were satisfied with the way they handled it?

Mr. SWANSON. I don't see how else it could be (p. 7734).

Mr. President, who will protect the rank and file? Senators are elected to represent all the people within their States—farmers, workers, businessmen, members of organized labor, those who are not members of organized labor, Democrats, Republicans, independents. We have an obligation to represent all the citizens of our States. Who will protect the rank and file if United States Senators, when they have the opportunity to do so, do not fulfill that obligation?

Persons may honestly differ. No one can be infallible in the field with which we are dealing, but it is at least my considered judgment, after 13 years of membership in the Senate, and after having been both the majority leader and the minority leader of this body, that if we miss the opportunity today to give some relief to the rank and file of labor union members, we may have lost the opportunity to get any such legislation at this session of Congress.

This may be the last time this issue will be raised. I hope I may be mistaken. I hope that if my amendments are not adopted, the committee will promptly report a bill and that the leadership will promptly schedule it, so that it may be considered in time by the Senate and the other body of Congress.

But I say it would be nothing short of tragic if the 85th Congress adjourned sine die without having given to the workers of the Nation and the members of the labor organizations the protection which I think the evidence before the committee clearly demonstrates they need in order to gain control over their own affairs.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. CURTIS. I commend the distinguished minority leader for his statement and for the amendment which he has offered.

For many months the members of the Select Committee To Investigate Improper Activities in the Labor or Management Field have been in session, hearing over and over again the story of wrongdoing such as that the distinguished Senator from California referred to in connection with the operating engineers at San Francisco. But in spite of the fact that we have heard the stories of corruption and violence over and over again, it has not lessened my respect for the rank and file of the laboring people of America.

The union members are honest, upright, responsible citizens. They are interested in their unions; but they are likewise interested in their families, their communities, the future of their children, and the future of our country.

If Congress enacts legislation which will preserve the rights and powers of the rank and file of the union members, a great step will have been taken toward correcting the evils which are embarrassing to everyone concerned.

The amendment offered by the distinguished minority leader goes to the very heart of the problem. It takes nothing away from the members of the rank and file; on the other hand, it gives to them and guarantees to them some of their very basic rights. It places in their hands the weapons with which they can clean up their own unions.

I am thoroughly convinced that this is our one and only opportunity to do something in behalf of the workers of the Nation. Not only do I think the minority leader right; I believe he would have been derelict in his duty if he had not at this time pressed for his amendment, as others of us will do. The present condition has existed for too long a time.

Mr. President, I have drafted an amendment which I will call up later. I introduced the subject matter of the amendment in the 84th Congress. I communicated with the committee and asked for hearings. I got none. I reintroduced the amendment at the beginning of the 85th Congress—this Congress—early in January.

On March 1, I wrote to the chairman of the committee, the distinguished Senator from Alabama [Mr. HILL], stating the purpose of the bill and asking that hearings be held. I shall read the letter I received in reply. It is dated March 5, 1957.

MY DEAR SENATOR: May I thank you for your letter of March 1 requesting early hearings on your bill, S. 76, to amend the Labor Management Relations Act of 1947, so as to outlaw secondary boycotts.

At the present time, as you know, the Subcommittee on Labor is conducting lengthy hearings on proposals to extend minimum wage protection under the Fair Labor Standards Act, and I am not presently in a position to inform you as to the approximate date these hearings will be concluded.

Please be assured that I shall bring your request to the attention of the chairman of the Subcommittee on Labor, the Honorable JOHN F. KENNEDY.

Mr. KNOWLAND. Let me ask what the date of the letter is.

Mr. CURTIS. It is March 5, 1957.

The letter concludes as follows:

With kindest regards and best wishes,
Very sincerely yours,
LISTER HILL,
Chairman.

The letter clearly indicates that if corrective legislation is to be enacted during the 85th Congress, we must avail ourselves of the opportunity which now is afforded us.

To my mind, to delay because of a technical excuse, to put off the enactment of such legislation to another time, would be to say "No" to the workers whom the distinguished minority leader has described—the members of the operating engineers in San Francisco, who had their ballot boxes stuffed and their affairs continued in the hands of corrupt persons.

Today, or whenever the pending amendment is voted on, Senators will have to take their stand either in behalf of those union members, and will have to do what they can to guarantee them the right to run their own unions, or Senators will have to vote against them.

The question is not one of procedure, for the procedure has been established; the Senate is operating under the established rules of the Senate.

So Senators now have an opportunity to vote to uphold the rights of these workers; or to fail to take advantage of that opportunity, and to vote against the rank and file of union members, and thus deny them the weapons with which to protect their own rights and clean up their own unions.

Mr. President, the distinguished minority leader is to be commended for the stand he has taken.

Mr. KNOWLAND. Mr. President, I thank the Senator from Nebraska.

All the amendments I shall call up today were a part of a bill which I introduced on January 23 of this year. Since that time the bill has been before the committee, and it is there now. The bill was printed, and has been available since that time.

When this measure came before the Senate, I felt that the bill might constitute the last effective opportunity at this session for the Congress to legislate in this field. Therefore, I had the bill broken into separate amendments.

Neither in the bill nor in the amendments which I shall propose today is there one provision which would strengthen the hands of an employer versus the workers. Without exception, all these amendments are directed to giving the rank-and-file members of organized labor control over their own affairs. The amendments do not weaken them in any way in their dealings with the employers.

The amendments do not go into other phases of the problem, some of which are important, and some of which the Senate may feel that it is desirable to pass upon.

But all the amendments I shall propose go to the basis of a worker's bill of rights and the establishment of democracy in labor-union organizations, which

I think have been so clearly demonstrated, by the testimony which has been taken, to be needed.

At this time I shall read from page 452 of the interim report of the Select Committee on Improper Activities in the Labor or Management Field. It is the committee which held the hearings to which I have referred, and heard the large number of witnesses. From the report, I read the following:

UNION DEMOCRACY

The committee recommends that legislation be enacted assuring democratic procedures in labor unions. In the committee's opinion, legislation should be directed, though not limited, to three principal ends:

1. The periodic election of officers;

That I am seeking to do by means of the amendment which Senators will soon have before them, and on which a yea-and-nay vote will be taken.

I read further from the report:

2. The use of secret ballots in union elections and other vital union decisions;

That is also covered by an amendment which soon will be before Senators.

I read further from the interim report:

3. A limitation on the right of internationals to place local unions in trusteeship or supervisorship.

I have a separate amendment to deal with that subject, because not only from the testimony taken before the select committee, but also from my own personal knowledge, from letters and personal contacts I have had with union members and locals, I know that some locals have been kept under trusteeship for extended periods of years; and I am told that in some cases they have been kept under trusteeship for periods of more than 20 years, thus denying the locals, as organizations, as well as denying to the membership of the locals, control of their own affairs.

I read further from page 452 of the interim report:

Much that is elicited in the committee's findings of misconduct by union officials can be substantially improved, in the committee's view, by a revitalization of the democratic processes of labor unions. Some of the burden of this revitalization will have to fall on the union members themselves. They are in some measure responsible for the mismanagement this committee may have turned up, through inertia or lack of interest in the affairs of their unions. While the committee feels that the bulk of American unions operate fairly and democratically and agrees with the principle that the Federal Government should not interfere in their normal functioning, it is still of the opinion that certain basic standards of democratic procedure should be established by law. In this regard, therefore, it recommends that Federal legislation be enacted to guarantee them a right periodically to elect their officers, a right to cast their ballots in secret, and a restriction on the baseless imposition of trusteeships and supervisorships for periods as long as 30 years.

Mr. President, Senate bill 2888 provides for the registration, reporting, and disclosure of employee welfare and pension benefit plans. In the bill, the various provisions are set forth in the form of an act of the Congress.

In order that the definitions contained in this amendment and in the other amendments which I shall call up subsequently, or which already have been acted upon, will not conflict with the definitions and provisions contained in Senate bill 2888, it is necessary to add to the pending bill a new title.

The amendment I am now proposing relates to the election of officers. The amendment amends Senate bill 2888 so as to provide a new title—title II. My amendment, from page 1 through the bottom of page 7, makes merely the necessary technical changes in the pending bill, but no changes in the substantive material of the committee's bill, insofar as the health and welfare funds are concerned.

The substantive part of the amendment relates to the election of union officers. As Members of the Senate know, no Federal legislation now on the statute books contains any provision to require that in the election of union officers, any democratic processes shall be complied with. Throughout the lengthy hearings which were held by the Senate Select Committee on Improper Activities in the Management or Labor Field, the evidence of violations of the responsibilities of certain union leaders to their members points to the necessity that the Federal Government insure that there will be periodic elections of union officials.

The amendment I propose provides the following:

First, in order to be eligible to serve as an officer of a labor organization, such person must have been elected as such officer by popular vote of the union membership at an election held within the preceding 4-year period. Furthermore, the voting at such elections shall be done through the medium of a secret ballot.

Second, the National Labor Relations Board shall have authority to receive petitions, filed by any member or groups of members of the labor organization in question, or by any nonemployer representative of such union members, alleging violations of the election provision; and the Board, upon sufficient supporting evidence, shall proceed in the same manner as in the case of an unfair labor practice charge.

Third, if the Board discovers that, under the petition, the person in question is serving illegally as an officer of the labor organization, the union in question, as long as it shall continue to maintain such illegally elected official as an officer, will be deprived of the privileges and benefits granted it under existing law.

Specifically, this will result in the loss of its certification under the National Labor Relations Act as the representative of such members; the exemption from Federal income-tax laws under section 501 (a) of the Internal Revenue Code; and the exemption under the antitrust and injunction protections of various Federal statutes. The amendment also provides that the individual who knowingly serves as a union officer while ineligible to serve shall be subject to prosecution and, upon conviction, punishment and a fine, for the commission of a misdemeanor. There is also a provision to protect the right of individual union members to file a petition under this proposed law.

Fourth, the final provision in the pending amendment authorizes that wherever a union is deprived of its representation protections under existing law for being in violation of the election provisions of this amendment, another election for union representation of the employees may be held despite the prohibition in existing law which limits to one the number of such elections that can be conducted during a 12-month period.

Mr. President, I ask that the yeas and nays be ordered on my first amendment.

The yeas and nays were ordered.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Michigan.

Mr. POTTER. First, I wish to commend the distinguished Senator from California for offering the amendment and for his statement concerning it. I want to make sure, however, and I think I am sure, after listening to the distinguished Senator speak on the amendment, that it in no way affects the Railway Labor Act and the jurisdiction of the Railway Labor Board.

Mr. KNOWLAND. No; the Railway Labor Act would not be affected by the amendment.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. KNOWLAND I yield to the Senator from West Virginia.

Mr. REVERCOMB. I should like to thank the able minority leader. I have listened with a great deal of interest to his strong advocacy of the amendment he has offered. I trust the question which I shall ask at this time will not seem too repetitious of the points he has already covered. I ask this question for my information, and for the information of those who may have the same thought in mind: Do I understand correctly that the amendment goes solely to one point, that is, to vest in the membership of the rank and file of union members control of the election of their own officers?

Mr. KNOWLAND. The Senator is correct.

Mr. REVERCOMB. It does not go beyond that?

Mr. KNOWLAND. The Senator is correct.

Mr. REVERCOMB. I think that is highly important, and it was a matter I wanted to clarify before I proceeded to vote on the amendment.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from South Dakota.

Mr. MUNDT. I should like, first of all, to commend the distinguished minority leader, the Senator from California, for a very persuasive and a very intelligent presentation of a proposed cure of one of the greatest evils that has been disclosed in the course of 18 months of hearings which have been held in connection with labor-management activities.

I may say that I myself have an amendment at the desk dealing with this

same subject and providing for a secret ballot and a periodic election of union officials. I am glad, however, the Senator from California has incorporated one feature in an amendment which is not in any of my amendments, and which I think is very important, and that is the language on trusteeships. The matter of dealing with trusteeships, it seems to me, is of great urgency, because it is one tactic which is employed not only by one labor union, but by several, to entirely destroy every vestige of democratic unionism in the area in which it is employed.

Mr. KNOWLAND. Will the Senator yield at that point?

Mr. MUNDT. I yield.

Mr. KNOWLAND. The trusteeship item is the subject of a separate amendment. It is not embraced in the particular amendment now before the Senate. The pending amendment deals only with the election of officers or delegates to conventions by secret ballot; in other words, it seeks to assure the rank and file of membership that they will have control over their own affairs. I have a subsequent amendment which deals with the trusteeship problem.

Mr. MUNDT. I was referring to the specific amendment which dealt with trusteeship.

May I say there are now in the city of Washington 2 delegations from the rank and file of labor with whom I have conferred in the last 48 hours, 1 from Indiana and 1 from Illinois and Wisconsin. Those rank and file members pleaded with me, as a member of the so-called McClellan committee, to do something about restoring to them control of their own unions. If we can provide union members with a secret ballot, honestly counted, I am convinced a great many of the problems which have been confronting our committee will automatically disappear, because I am convinced that the rank and file members do not approve of outside goon squads and outside vandalism, and labor leaders who steal money and violate the trust of dues-paying members.

Mr. KNOWLAND. I completely concur in the statement of the Senator from South Dakota. I think if the rank and file union members can get control of their own affairs they will go a long way toward solving some of their other problems. If the rank and file members can get control of their own affairs, it may be unnecessary to enact other types of legislation. I agree with the Senator from South Dakota that the great bulk of the American labor movement is just as much interested as is anyone else in honesty and decency and in strong and effective unions which will command the respect of the entire American public, of which they are a vital and an important part, in both peacetime and wartime.

Mr. MUNDT. The printed hearings clearly show, for example, in such areas as Wisconsin, in the Kohler strike, in Indiana, in the Perfect Circle strike, in Scranton, Pa., and elsewhere, that vandalism and violence in strike situations occur when those who come from outside the State and outside the community have been called in, or have come in on their own or under assignment, to help in strike activities. Such activities are a clear indication to me that when the secret ballot is put in the hands of American union members, they will elect officials who will represent them effectively and persuasively, without resort to illegal methods. The average worker does not believe in illegal methods, and does not want to impose such roughhouse methods on his own townsmen and persons working in the same shop.

Mr. KNOWLAND. I thank the Senator.

Mr. MUNDT. In this atmosphere of concern for minority rights, in the Congress which has passed the first civil-rights bill in 80 years to provide better voting rights for minority citizens who have been discriminated against due to color or class, I can think of no minority group more discriminated against today than union men and women who are compelled to pay union dues in order to work in a plant to make a living for their families but who are denied participation in the administration of their own affairs by failure to provide the secret ballot and the right to the American privilege of voting in secret. They are a minority which have been denied their American right to determine the policy and leadership of their own unions. The Knowland amendment will correct this situation.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. WATKINS. There has been some criticism of the Senator from California because he is bringing this matter before the Senate in a series of amendments rather than having them considered by the Committee on Labor and Public Welfare. Has the Senator made any statement in justification of his action in his speech today?

Mr. KNOWLAND. I made reference previously to the fact that I had introduced proposed legislation in January of this year, that the President had sent to the Congress a message on the subject in January, and that there had been other bills pending before the committee for a period of time. I stated that the pending measure was the first bill. I thought it appropriate to offer for consideration broad labor legislation which had been reported by the Committee on Labor and Public Welfare to the Senate on which I thought the subject matter dealing with 1 out of the 7 or 8 recommendations the President had made, and 1 out of several a number of other Senators on both sides of the aisle had made, was appropriate and was germane. I also felt that because of the very important subject matter—one which I think is vital and deals with a constitutional right and a civil right in its broadest aspect, as applying to all American citizens—the Senate should consider the amendment. As the Senator from Nebraska [Mr. CURTIS] suggested, I personally felt I would have been derelict in my duty had I not presented this issue to the Senate, because it is my considered judgment that if we lose this opportunity we are apt to lose a chance to legislate effectively on this subject matter in the present session of the Congress.

Mr. WATKINS. I invite the Senator's attention to the fact that more than a year ago, I think it was, I introduced a bill to clear up a situation brought about by a decision of the Supreme Court with respect to the jurisdiction of the National Labor Relations Board and State boards.

Mr. KNOWLAND. That is the so-called twilight zone case?

Mr. WATKINS. Yes; the no man's land case. That bill has been ready for consideration for a long time. No action has ever been taken on the bill. No hearings have been held. I was advised by some of the staff that there probably would not be any hearings, that there was no desire to have any labor legislation come to the floor of the Senate.

I can well understand the Senator's position in presenting this matter in the way in which he has brought it before the Senate.

I invite the Senator's attention to the fact that history sometimes repeats itself. I was in the Senate on June 23, 1947, and I heard a very impassioned plea by the great Senator Walter George, of Georgia, in a situation which was very dramatic, when we were discussing the question of overriding the veto of President Truman of the Taft-Hartley Act of that year.

I should like to bring to the attention of the Senator from California and the Senate itself some of the words of Senator George in the speech he made at that time, when he said:

> What has occurred in the interim? For nearly 10 years, at least, honest men in industry, and many in labor, as well as many not directly connected with either management or labor, have earnestly besought the American Congress to make some simple, sensible amendments to the Wagner Act.
>
> What has happened? During all that long period of time the Committee on Education and Labor in the United States Senate has held the line, and aside from the present bill has brought to this floor only one other bit of legislation which would have corrected, in a small degree, the inequities and unbalance of the Wagner Act.

In the same address the then Senator from Georgia made this statement:

> In his address to this body the distinguished Senator from Oregon [Mr. MORSE], whom I hold in high esteem, asserted that if the bill should prove to be unworkable or have inequities and injustices in it, we could not excuse ourselves by saying that we would vote for it nevertheless. I would agree with him, but when I recall that for 12 years, whatever the merits of the proposal, the Senate Committee on Labor and Education held a stranglehold upon the throat of the American people and would not permit legislation to come before this body, then I must wholly reject the logic of the distinguished Senator from Oregon, which otherwise would be impeccable. This is the only chance that we shall have, but it is a magnificent chance for the American people.

Senator George declared in that same address that he had voted for the Wagner Act, and, while it was not a perfect act, he felt it was necessary at the time. However certain inequities had developed and Congress had waited, as he

said, for 12 long years for an opportunity to correct them. So, again, to my mind, history is repeating itself.

The Senator from California today has courageously brought this matter before the Senate of the United States and before the American people, and I certainly wish to commend him for his action. I may not feel able to vote for all of the amendments which the Senator will propose, but I certainly have great admiration for his courage, his foresight, and his statesmanship in bringing this matter to the attention of the Congress and of the American people.

Mr. PURTELL. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Connecticut.

Mr. PURTELL. I wish to add my commendation to those of other Senators for the splendid speech the distinguished Senator from California has made, and the spirit he has shown, as well as the courage he has displayed, in bringing these important amendments to the attention of the Senate at this time. It is true that I probably shall not vote for all the amendments proposed by the Senator from California, but particularly as to the first amendment, which we are now discussing, is it not true that what the Senator is asking is a democratic control of labor organizations, so as to insure that a practice which has been engaged in by almost all good unions is insisted upon for all unions?

Mr. KNOWLAND. The Senator is correct.

Mr. PURTELL. In other words, the conduct of secret elections is a practice which is followed by most of the better organizations.

Mr. KNOWLAND. Yes. I think we should be very pleased and proud that a number of the organizations do conduct their affairs in that manner.

Mr. PURTELL. So the amendment of the Senator would simply provide that all must do so; that those not presently following a democratic method of electing officers shall do so.

Mr. KNOWLAND. The Senator is correct.

Mr. CASE of South Dakota and Mr. KENNEDY addressed the Chair.

Mr. KNOWLAND. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, the observation of the distinguished Senator from Utah [Mr. WATKINS] that history has a way of repeating itself made a special appeal to my memory.

The great issue in the elections of the fall of 1946 was, What does the country think with respect to the labor situation?

In the fall of 1945 the President of the United States called a labor-management conference to deal with the strikes which had been developing. The great General Motors strike and other strikes took place in 1945. The President's labor-management conference of October 1945 came to an end without anything being accomplished. Some of us felt that something ought to be done in the field of labor legislation.

The committee in the House of Representatives brought forth a little bill providing for the creation of a commission. There were some Members of the House of Representatives in those days who felt something more ought to be done. Those Members appealed to the House Committee on Rules and said, "Give us a chance to broaden the bill." Under the rules of the House pertaining to germaneness it was necessary that there be a special rule which would make it possible to offer a broader bill than that which had come from the committee. As a result, when the issue was presented to the House of Representatives, the rule was adopted by the House permitting a vote on a broader substitute bill.

The result then was that the House voted for the bill which I had the honor at that time to present to the House of Representatives.

The bill came over to the Senate of the United States, and in the Senate the Committee on Labor and Public Welfare worked it over and reported to the Senate a very shadowy form of the bill which had passed the House of Representatives.

On the floor of the Senate that bill was amended until substantially the text of the bill emerged as the bill had been passed by the House of Representatives. The bill was passed by a large majority.

The bill then went to the White House, and the President vetoed the so-called Case labor bill in the spring of 1946.

The question of overriding the veto came to a vote in the House of Representatives, and I think we lacked five votes of passing the bill over the veto.

The issue then went to the country. What happened? In the fall of 1946 the country said, "We respect what the Congress sought to do in passing some effective labor legislation."

The result was that the House of Representatives went Republican for the first time in many, many years, and the Senate of the United States also went Republican for the first time in many years.

I have looked up in the Congressional Directory the information as to the 80th Congress, 1st session, in 1947. In the elections in the fall of 1946—with the Truman veto of the labor bill of 1946 the great issue—21 Republicans were elected to the Senate of the United States and only 11 Democrats elected. Two years before that the story had been the other way around; 20 Democrats and only 12 Republicans had been elected in the election of 1944.

After the country saw that the Congress could have the courage to do something about this situation, it elected the 80th Republican Congress—both in the House and Senate—and that Congress passed the Taft-Hartley bill over the President's veto.

That was the response of the country. History has a way of repeating itself. I say frankly here this afternoon that it is my belief that the Senator from California has presented what will probably be considered the great issue in the elections of 1958.

Members of this body who were elected in 1946 will recall that that was the issue at that time. Many of them who were elected in 1946 for the first time are now on the roll of Republican Senators. Some of the Democratic Senators who were elected in the fall of 1946, and certainly many of the House Members who survived in the fall of 1946, did so because they had voted for the labor bill in 1946, and were here in the 80th Congress to override the veto.

The Senator from California has presented a great issue. Taken to the country, it will be the decisive issue in the elections this fall. If the Congress at this time, given the opportunity which the Senator from California is providing, should turn down the opportunity to establish democracy in the labor unions of the country and give to the rank and file of the labor members of those unions the opportunity to control their own elections, my opinion is that the verdict of the country will go against those who fail to seize this opportunity.

I commend the Senator from California for giving us this opportunity.

Mr. WATKINS and Mr. THYE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from California yield; and, if so, to whom?

Mr. KNOWLAND. I yield first to the Senator from Utah, and then I shall yield to the Senator from Minnesota.

Mr. WATKINS. Mr. President, apropos of the statement just made by the Senator from South Dakota, the first quotation I read from Senator George's speech of June 1957 contained this language as well, which I wish to read in order to make the RECORD clear. Said Senator George:

> I refer to the Case bill, which the President saw fit to veto about a year ago after it had been passed by the Congress of the United States.

Also, I should like to say I was one of the Senators who came to the Senate partly on the issue which the Senator from South Dakota has mentioned. The people of the United States—and the people of the United States are made up largely of people who work; many of them belong to unions—were the very people who decided that issue. I could not have come to the Senate without the votes of a majority of that kind of people in my own State of Utah.

I feel that we now have one of the real, burning issues of the present day—as to whether or not all Americans, in the organizations which they are compelled to join in order to obtain a job in many States, shall have the right to say whether they will or will not belong to any organization before they can get jobs and earn a living for their families. Denial of such a right is a denial of one of the basic American rights. We have no right to take that privilege away from them by legislation or regulation.

Again I commend the Senator from New Jersey and the Senator from California for their stand on this issue.

Mr. KNOWLAND. I now yield to the Senator from Minnesota [Mr. THYE].

Mr. THYE. Mr. President, I have tried to acquaint myself with the 30 or more amendments to Senate bill 2888 which lie on my desk. My question is this: Were the proposals embodied in the Senator's amendment designated as "A" considered by the committee prior to its reporting Senate bill 2888?

Mr. KNOWLAND. All I can say to the Senator is that the contents of the amendment, including the question of union democracy and the secret ballot, had been before the committee in the form of a bill introduced in January.

On another aspect, but dealing with the problem of secret ballots for union members, that question had been before the committee in the recommendations of the President of the United States. So far as I know, there were only 2 days of hearings. The subcommittee heard the Secretary of Labor and other witnesses, including the president of the American Federation of Labor–CIO.

I do not know whether the distinguished Senator was in the Chamber when I quoted from the chairman of the subcommittee after Mr. Meany had completed his testimony. The Senator from Massachusetts stated that apparently Mr. Meany, in his testimony, was opposed to all the various proposals which had been made, except for the health and welfare phase of the problem.

Mr. THYE. Mr. President, will the Senator further yield?

Mr. KNOWLAND. I yield.

Mr. THYE. I have been in the Chamber most of the afternoon, with the exception of 1 or 2 brief absences to answer the telephone.

Basically I am in support of that which the Senator is endeavoring to bring about, namely, democracy in the administrative function of a union, and the right to a secret ballot. No union should be placed in trusteeship, so to speak, with some designated individual, thereby denying union members the right to vote.

The only problem I am confronted with is that there are 30 or more amendments to the bill lying on the desk before me. The question is whether we can intelligently endeavor to legislate in this manner upon a bill containing the proposals in Senate bill 2888. That is the only reservation with which I am faced.

The Senator from California, as the minority leader, has often made the point that it is unwise to legislate on the floor of the Senate. At the time I endeavored to attach a rider to an appropriation bill freezing the price of milk, I was told by many that I was doing the wrong thing, and that I should not try to do it on the floor of the Senate.

Those are the questions which concern me as I read the numerous amendments.

Mr. KNOWLAND. My recollection is that other Senators, if not the Senator from Minnesota, have offered amendments on the floor in the nature of legislative riders to appropriation bills. A two-thirds vote is necessary to suspend the rule. I would not raise any objection to the Senator's following that course. Under the rules he would have a perfect right to do so.

We are here in our capacity as legislators. I think there is no Member of this body who is more respectful of the legislative procedures of the Senate than I am. I have tried to respect them during my 13 years' service in this body, and 6 years' service in the Legislature of the State of California. However, there comes a time when we cannot surrender our responsibilities in meeting a great and burning issue, when we have before us a piece of proposed legislation to which amendments are germane, and which came from a committee which had ample time since the beginning of the 85th Congress to give some consideration to this problem.

Let me read from the interim report of the select committee, the so-called McClellan committee. I read this once before, but perhaps the Senator was not in the Chamber at the time. I read from page 452.

Mr. THYE. As I understand, this is the report of the McClellan committee.

Mr. KNOWLAND. This is the interim report of the McClellan committee.

Mr. THYE. As to abuses within unions?

Mr. KNOWLAND. Yes. The select committee said:

> The committee recommends that legislation be enacted assuring democratic procedures in labor unions. In the committee's opinion, legislation should be directed, though not limited, to three principal ends:
>
> 1. The periodic election of officers.

As I have previously stated, that is what my amendment would provide.

> 2. The use of secret ballots in union elections and other vital union decisions.

My amendment deals with the secret ballot in the election of union officers and delegates to national conventions.

> 3. A limitation on the right of internationals to place local unions in trusteeship or supervisorship.

That is covered by a separate amendment. The amendment upon which the yeas and nays have been ordered deals only with the subject of giving the members control over their own affairs, through the secret ballot.

Mr. THYE. Mr. President, if I may comment briefly on the minority leader's remarks, there is no question that the minority leader has at all times endeavored to legislate and conduct affairs within the Senate Chamber in complete order, and in conformity with the rules. I do not question his procedure in this instance.

Mr. KNOWLAND. Any Senator is perfectly free to vote for one amendment and against another, to vote for 1 and against all the others, or to vote for 3 and no more. The Senator is under no obligation, because he votes for this method of giving freedom to the workers to control their own affairs, to vote for any other proposal which may be offered.

I think each one can stand on its merits. Because the issue is before us, because it can be understood, because there has been a great deal of testimony on it, and because there is personal knowledge of it by the Senators of the United States, we should not surrender the great responsibility we have to a single committee, but should act at this time.

Mr. THYE. I was not in the Chamber yesterday, because I had returned to the State of Minnesota on some official business. For that reason I missed the vote last evening. I did not hear some of the explanations which were made yesterday, although I did read the RECORD this morning. I noted this morning the commitment to the effect that the committee would bring forth specific recommendations dealing with the question at issue. Of course there is always the possibility that such proposed legislation will not reach the floor in sufficient time for debate, and to have it brought to a final vote.

Mr. KNOWLAND. I understand what the Senator has in mind, and I wish to be perfectly fair. The only commitment which has been made has been the commitment that hearings will be held. That in itself is some progress. I did not see any such alacrity for going ahead with the proposition, and no dates were set, until the issue was raised on the floor. That is perfectly all right. I am enough of a practical legislator to appreciate that some stimulation has been given.

Secondly, there has been the statement that perhaps by early June a bill may be reported to the Senate. What kind of bill it will be, of course, we cannot know at this time. Obviously, I would not expect anyone to say in advance what kind of bill would be reported. However, some kind of bill covering some subject dealing with this field perhaps will be reported.

Mr. THYE. I thank the Senator from California.

Mr. KNOWLAND. The Senator from Oregon [Mr. MORSE] and the Senator from Arkansas [Mr. MCCLELLAN] have indicated that, if such a bill were not reported to the Senate, they would move to discharge the committee. I am sure the Senator from Minnesota has a good recollection. He will remember that the Alaska and Hawaii statehood bills were reported on August 29, 1957. Those bills are still on the calendar. No action has been taken on them.

There is no assurance about when the bill we have heard of will come before the Senate for final action, or when it will finally reach the calendar.

There is no assurance that as we approach the end of the session, whether it be July or August, the Senate will not be confronted with a great deal of other proposed legislation. There is no question that there will be formidable opposition to any type of legislation to give the rank and file members of the labor organizations of the country control over their own affairs. In my judgment, those who are resisting a law in this field, and any type of labor legislation, will be intent on doing all they can to encourage filibusters and blocking tactics at that time.

Under those circumstances, on this issue, which is a very clear-cut one, will we be able to give to the rank and file members of the labor organizations of

this country control over their own affairs in a democratic manner? This is an issue which can be understood. I see no reason for prolonged committee hearings on it.

Mr. IVES. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. IVES. First I wish to congratulate the distinguished minority leader on his eloquent speech. It is one of the finest speeches I have heard in the Senate. He is deserving of congratulation for it. I did not agree with everything the minority leader said, but on the whole it was a wonderful speech.

Mr. KNOWLAND. Coming from the distinguished Senator from New York, who has held the position of majority leader in the Legislature of New York State, I appreciate very much his remarks.

Mr. IVES. I thank the Senator. The Senator from California, I know, would like to be accurate in his reference to the recommendations of the select committee. The recommendations to which he refers are only a part of the recommendations.

Mr. KNOWLAND. I understood that. I understood the committee would have many others.

Mr. IVES. The third recommendation of the committee is "legislation to insure union democracy." That is the recommendation to which the Senator has referred. There are actually five recommendations. One recommendation is for "legislation to regulate and control pension, health, and welfare funds."

Mr. KNOWLAND. On that I have supported the position of the committee.

Mr. IVES. The Senator did, indeed. His position is appreciated.

The second recommendation is legislation to regulate and control union funds. I assume the Senator has proposed legislation on that point.

Mr. KNOWLAND. Yes.

Mr. IVES. The third point is legislation to insure union democracy. That is what the Senator has been talking about.

Mr. KNOWLAND. Yes.

Mr. IVES. The fourth point is legislation to curb activities of middlemen in labor-management disputes. I assume the Senator has proposed legislation on that point.

Mr. KNOWLAND. Yes.

Mr. IVES. The fifth point is legislation to clarify the no-man's land in labor-management relations.

Mr. KNOWLAND. That is already before the committee.

Mr. IVES. That is something the Senator from Utah and I have been advocating. In fact, so far as I am concerned, I have been in favor of it since the 83d Congress, but I have not been able to get any action on it.

Mr. KNOWLAND. The Senator is a member of the committee.

Mr. IVES. Yes; and I must exonerate the committee on that point. I believe the committee has been unduly blamed with respect to it. In 1953, when we received the President's overall Taft-Hartley law recommendations, and when we had proposed legislation based on those recommendations before us, this no-man's land was contained in it. Yet the whole bill was recommitted. The fact remains that when we get anything at all on the floor of the Senate dealing with the Taft-Hartley law which is not entirely acceptable to a majority, it is apt to be recommitted. That is the big problem we have to face.

I shall have more to say on the subject before the Senate comes to a vote, but with respect to the question which has been raised by the Senator from California, and the statement that 2 Senators have pledged themselves to move to discharge the committee if no bill is reported, or if several bills are not reported—it need not necessarily be 1 bill—I should like to say that I, too, pledge myself. Therefore, the Senator now has three promises.

That means June 10, Mr. President. It means that we will have to get busy, because I mean what I say. There may be more than one bill, just as the Senator from California has more than one amendment. In fact, I think it is much better to have more than one bill dealing with this question.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. JENNER. Would not the Senator agree with me that the amendments he has offered are just as important to the people of the Nation and to the rank and file members of labor unions as was the Taft-Hartley Act at the time it was passed?

Mr. KNOWLAND. I believe they are very important, but I do not know that I would say they are as important as the whole Taft-Hartley law. Certainly they are as vital to the members of labor organizations as some of the major provisions of the Taft-Hartley law.

Mr. JENNER. I was a member of the Committee on Labor and Public Welfare at the time the Taft-Hartley law was considered. We held many weeks of public hearings. I believe we had 9 weeks of hearings. We listened to hundreds of witnesses. We held several weeks of executive sessions. Do Senators know where the great and important and much needed Taft-Hartley law was finally written?

Mr. KNOWLAND. On the floor of the Senate.

Mr. JENNER. On the floor of the Senate. The Committee on Labor and Public Welfare is so stacked, and has been for years, that we will not get any relief for the rank and file members of labor organizations if we leave it to the committee. I do not doubt that the committee will report a bill. However, when it does, we will be faced with the same difficulty we have today.

I say to Senators that they might as well stand up and be counted, and show that they are either men or boys. The little people of the country know where we stand. The rank and file workers want democracy in their unions. The Senator from Arkansas [Mr. McCLELLAN] and the great job he has done have proved that the rank and file members of unions do not want gangsterism, or their liberties taken over by gangsters.

I say we might as well fight the issue out now, because we are not going to get what we want with all this Fancy Dan talk and with all this fancy footwork. No Senator need tell me that this is not the place to write this important legislation. It will never be written anywhere else, just as the Taft-Hartley law could never have been written anywhere else, except on the floor of the Senate.

I commend the distingushed Senator from California for bringing this important matter to the attention of the people at this time, because there would only be further filibustering debate when the bill came to us on June 10. The rank and file members of unions need the help of Congress at this session of Congress. They need it now. The record made by the Senator from Arkansas [Mr. McCLELLAN] clearly proves that they need it. Anyone who has personal knowledge of the situation knows they need it. My mail says they need it. The American people say they need it. Who are we to say that they shall not have it?

Mr. IVES. Mr. President, will the Senator from California yield, so that I might comment on the remarks of the Senator from Indiana?

Mr. KNOWLAND. I yield.

Mr. IVES. I well remember the difficulties we had in 1947 in writing the Taft-Hartley Act. The Senator from Indiana and I were members of the committee. I point out, however, in order to keep the RECORD clear, that, as I think the Senator from Indiana will remember, the real Taft-Hartley Act was written in conference. We had to adjust with the House. The House bill was a great deal more stringent.

Mr. JENNER. But as to the essential provisions of the Taft-Hartley Act, there were not 5 votes out of 15 in the Committee on Labor for it. It was necessary to write the bill basically on the floor.

Mr. IVES. But the bill which was reported by the Committee on Labor was far less stringent than the bill as passed.

Mr. JENNER. I will say it was. [Laughter.]

Mr. IVES. But the bill which came from the conference committee was far more stringent than the bill which passed the Senate.

Mr. JENNER. I hope this one will be, too.

Mr. IVES. I am among those who voted for the Taft-Hartley Act. I worked on the bill both in the committee and in conference. I voted to override the President's veto. I have never regretted doing so. I, too, was marked for extinction by organized labor; I never received any help from them.

The hearings before the McClellan committee have demonstrated amply that the Taft-Hartley Act does not go far enough. That is why we shall have to act as the Senator from California is proposing, but I do not believe in acting in this way.

Mr. KNOWLAND. I respect the opinion of the Senator from New York as I do the opinions of all Senators, because there is always room for an honest difference of opinion.

I feel very strongly that if this opportunity passes, we may very well miss the chance to pass effective legislation at this session. So believing, I would be remiss if I did not proceed as I am acting. There is a question as to how long it takes between the time a bill is placed on the calendar and when it finally comes before the Senate.

I have already mentioned the bills to provide statehood for Alaska and Hawaii, which have been on the calendar since August 29 of last year. Now I wish to place in the RECORD a summary of the action taken on the civil rights bill last year.

On June 20, the bill was placed on the calendar. It was the general understanding on both sides of the aisle that the bill would not be called up precipitately. The civil rights bill was an important measure. It was agreed that ample notice of its consideration would be given.

On July 3, I announced that on Monday, July 8, it would be my intention to move that the Senate proceed to the consideration of the bill. On July 8, I so moved. On July 9, the Senate continued to debate the question. It did so on the 10th, 11th, 12th, 13th, and down to the 16th of July. That debate was simply on the question of taking the bill from the calendar and placing it before the Senate. So it took from July 8 to July 16 to make the bill the pending business.

From July 16 to August 7 the Senate debated the bill. It was an important bill. Adequate time was provided for debate, and, generally speaking, the debate was germane to the subject matter.

I cite this merely to show what confronts us when a bill is placed on the calendar. We will consider a great deal of proposed legislation at this session of Congress. It is now the end of April.

The bill now before the Senate was reported by the Committee on Labor and Public Welfare. It is one of several proposals which have been made both by the administration and by Senators who are deeply interested in the subject matter of the bill.

I say again that, in my judgment—and I am serving my last year in the United States Senate—if we do not take this opportunity to act in this important field, no effective legislation on this subject can be passed at this session of Congress.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement concerning the progress of the civil rights bill in the Senate last year.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DATES ON WHICH THE CIVIL RIGHTS BILL WAS PUT ON THE SENATE CALENDER IN 1957 AND ON WHICH THE SENATE TOOK UP THE BILL FOR DEBATE

The following information was obtained from the temporary issues of the CONGRESSIONAL RECORD:

June 20, 1957: H. R. 6127, the civil rights bill, was placed on the Senate Calendar under rule XIV, clause 4, after the Senate, by 39 yeas to 45 nays, failed to sustain the point of order by Senator RUSSELL that rule XXV providing for reference of bills superseded rule XIV, clause 4. [After the second reading of the bill, Senator KNOWLAND objected to further proceedings on the bill—so that H. R. 6127 would, under the Senate rules, go directly to the Senate Calendar. However, Senator RUSSELL raised a point of order against Senator KNOWLAND's objection to further proceedings, and the Chair (Vice President presiding) submitted the point of order to the Senate under rule XX. The Senate vote on the point of order, therefore, in effect was the means by which the Senate expressed itself in favor of putting the bill on the Senate Calendar rather than referring it to a Senate committee.]

July 3: Senator KNOWLAND announced that on Monday, July 8, it would be his intention to move that the Senate proceed to consideration of the civil rights bill then on the Senate Calendar.

July 8: Senator KNOWLAND moved to consider H. R. 6127, and the Senate debated the motion.

July 9, 10, 11: The Senate continued debate on the motion to consider.

July 12: The Senate continued debate on the motion to consider and reached unanimous-consent agreement that on Tuesday, July 16, following a quorum call at 4 o'clock p. m., further debate on the motion would be limited to 1 hour on each side.

July 13, 15: The Senate continued debate on the motion to consider.

July 16: By vote of 71 yeas to 18 nays the Senate agreed to the Knowland motion to consider H. R. 6127. The Senate then rejected, by 35 yeas to 54 nays, the Morse motion to refer the bill to the Judiciary Committee with instructions to report it back within 7 days.

July 17, 18, 19, 22, 23, 24, 25, 26, 29, 30, 31, August 1, 2, 6: The Senate debated H. R. 6127.

August 7: The Senate passed H. R. 6127 by 72 yeas to 18 nays.

August 27: The House adopted House Resolution 410 providing for disposition of Senate amendments to H. R. 6127. The House concurred in a number of the Senate amendments. In the case of two Senate amendments, No. 7 and No. 15, the House concurred in the Senate amendments with further amendment. (Senate amendment No. 7 concerned the use of voluntary or uncompensated personnel by the Civil Rights Commission and amendment No. 15 concerned trial-by-jury proceeding to punish criminal contempt of court arising out of civil-rights cases.)

August 27: The Senate received a message from the House on H. R. 6127. Senator THURMOND offered a motion to refer the message and the bill to the Judiciary Committee, but after debate the Senate rejected his motion by 18 yeas to 66 nays.

August 28: The Senate debated the question of agreeing to the House amendments to the Senate amendments to H. R. 6127.

August 29: The Senate agreed to the House amendments to the Senate amendments Nos. 7 and 15 by vote of 60 yeas to 15 nays. This cleared the bill for submission to the President.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. WATKINS. I send to the desk an amendment and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. MUNDT. I endorse what has been said by the distinguished Senator from California, the distinguished Senator from Indiana, my colleague, the distinguished junior Senator from South Dakota, and other Senators, because I think it is imperative that if we do nothing else this afternoon we get the word out clearly to every American, in every hometown in which he lives, whether he is for the proposed legislation or against it, that we will either legislate an overall correction of the labor situation now, or we will never do so, so far as the 85th Congress is concerned.

I myself wrote a letter to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House concerning several labor bills I introduced early in January. I followed it up with personal solicitations.

I said, in effect, "We are spending a million dollars to investigate the situation in labor-management relations. We are making reports. We are defining the problem. We are interrogating witnesses. The witnesses are suggesting corrections. I have incorporated them in some bills. I would like to have a chance to appear before the legislative committees to discuss them."

To this late date, I have never had the opportunity afforded me to appear before either the Senate Committee on Labor and Public Welfare or the House Committee on Education and Labor; and I cannot anticipate getting it in time to enable Congress to act on the bills at this session. We must remember even after the Senate acts, any labor legislation we enact faces long delay and a difficult challenge in the House. Delay seems a certain way, therefore, to defeat needed labor legislation.

Mr. President, a Senator learns something here in 20 years. One thing he learns is that when we come to the middle of June, we work day and night on appropriation bills; and that when we get past the end of the fiscal year, we have our eyes and our ears attuned to adjournment.

I do not want the American public to be deceived into thinking there will be another chance for overall effective consideration of this subject. That is the question we have before us. Let us get that clear. I think Senators are intelligent enough to vote on proposed labor legislation. They have been hearing about these things over and over again, ad infinitum, ad nauseum, for the last 10 years.

No Senator is so ill-informed about labor problems that he has to wait for a committee to hold more hearings all over again, and report more bills, in order to vote intelligently on labor legislation. No Senator can say that he knows nothing about labor conditions now and what correctives are needed.

I hope we will have yea-and-nay votes on the amendments. I hope we will make this a full-scale labor debate. I hope we will have as good attendance as we have this afternoon, especially, I might add, on this side of the aisle where there is pretty good attendance, and I wish it were true also on the other side of the aisle.

I am glad to see the majority leader in his seat, paying attention to everything which is being said, even though most of his team has left the field.

I think it is important that we analyze the proposals, study them, debate them, and keep politics out of them. [Laughter.] Then we can vote on the matter in the interest of all people, whether they are people who are interested in private enterprise or are members of the right wing or the left wing of the economic spectrum.

This is our chance to legislate. This is our most propitious time. The Senate is not crowded with other proposed legislation. We can act in a leisurely fashion. We have the vehicle on which we can operate. We can write the legislation as we did in the 80th Congress, in the Taft-Hartley bill, or we can refuse to write it.

But we cannot kid the American people by saying, "I voted against something in which I believed, because I thought I would have another chance to vote on the 4th of July."

We will not be voting on this measure on the 4th of July—or the 4th of June. Today is the day of decision.

But if, at best, the optimum thing happens, and the committee holds hearings and gives us a chance to testify; and if the Committee on Labor and Public Welfare does report a bill, a variety of problems will confront us. The same question will arise then. Will we simply march through the little keyhole which has been opened up by the Committee on Labor and Public Welfare and try to correct some other small, single impropriety? Will we have the same argument again that we must not go any further, because the Committee on Labor and Public Welfare has said, "You can vote on paragraph X, but not on paragraphs W, Y, or Z"?

Mr. President, it is now or never. We can discuss these questions on the merits. We can debate. We can legislate. I have 5 or 6 amendments of my own to offer. I am willing to enter into a unanimous-consent agreement which will put these amendments before the Senate and give the Senate a chance to debate them, in reasonable time, and vote them either up or down. I think the folks back home have the right to know what we plan to do about them. They have a right to know whether we are smart enough to make up our own minds; whether we can say "yea" or "nay" to the committee, which everyone knows leans in the direction of organized labor. That is clearly demonstrated by the basic bill which is before the Senate, S. 2888.

I have heard the testimony; I have studied the problems; I know the difficulties. I have listened to witnesses who took the fifth amendment. I know what has been done with union funds, the pension funds, and the welfare funds, and the dues funds of the labor union people in certain unions. They have been stolen.

They have been stolen, misused, and misappropriated, and they have disappeared, time after time, in place after place; and some Americans are going to go to jail for the thefts. But that does not help the poor suckers who paid their union dues regularly, and who now find that the money they paid is gone. It does not help men, such as the ones who were in my office a few days ago, who have found that their leaders have stolen a million dollars from the treasury of their local chapter.

What is the good of a bill which says, in substance, "After a million dollars is stolen, you have to report the theft to the Government"? That is about all in reality Senate bill 2888 does; it says, "You must report it."

If the Committee on Education and Labor had heard the testimony which was heard by our special rackets committee, it would write a bill which would prevent such thievery, not merely require a report on it.

Therefore, Mr. President, when we come to the time to vote, I shall submit an amendment in the nature of a substitute. It will provide a protective mechanism—namely, that the working men and women who pay union dues in order to enjoy the right to earn a living for their families will be given no more protection, and no less, than that which is given to a person who walks into a national bank and voluntarily deposits some of his money at the teller's cage. Is there anything wrong with such a provision?

Do Senators really think the bankers are so nefarious that they should be treated with more suspicion than labor leaders? Do Senators think bankers are so corrupt that the laws to prevent them from stealing money must be tighter or stricter than the laws which apply to union leaders? Do Senators think it proper to tell the voluntary depositors in banks that their deposits are protected by inspections, audits, and strict rules, by means of which the depositors have certain rights against the banks—and that has been provided in this country for many years—but that then the Congress should say to the leader of a labor group, "So far as you are concerned, old fellow"—in addressing the labor-union banker—"all you have to do is report what you do with the money. We will enact no legislation to safeguard your members against misuse of their money by you."

In my opinion, that is not good enough. In my opinion, it is actually worse than nothing, because it just attempts to camouflage the issue; in my opinion, it is worse than nothing, because it demonstrates that until the Members of the Senate are willing to use their intelligence, instead of confining themselves to voting on committee recommendations there will be a failure to enact the kind of labor legislation which is required. Required for what? To protect the working men and women in their vested rights, as against the labor unions. That is what we are attempting to do.

I believe it is interesting to observe that 80 percent of the more than 100,000 letters our committee has received—100,000 letters of complaint about practices in the labor or management field—have come from the members of labor unions themselves, working men and women, not from employers or students of labor relationships or law-enforcement officers. Eighty percent of those more than 100,000 letters have come from working men and women who have pled with the committee, "Regardless of whether the legislation is handled by committee or otherwise, please have the Senate do something to help us recapture our democratic rights."

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. KENNEDY. Mr. President——

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The Senator from California has yielded the floor.

The Chair now recognizes the Senator from Massachusetts [Mr. KENNEDY].

Mr. MUNDT. Mr. President, will the Chair please tell me by what parliamentary device or legerdemain I have lost the floor?

The PRESIDING OFFICER. The Senator from South Dakota was never recognized. The Senator from California [Mr. KNOWLAND] had the floor, and yielded to the Senator from South Dakota, and then took his seat.

The Chair has now recognized the Senator from Massachusetts.

Mr. MUNDT. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from South Dakota will state it.

Mr. MUNDT. I was recognized; and I should like to know what strange parliamentary practice is now being used to take me off the floor.

Mr. KENNEDY. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Massachusetts will state it.

Mr. KENNEDY. The Senator from California yielded to the Senator from South Dakota, and the Senator from California then took his seat. The Senator from South Dakota is now about to yield to the Senator from Nebraska. But the Senator from South Dakota does not have the floor, and does not have a right to yield.

I have no objection to having the Senator from South Dakota make a statement; but if he is about to yield to other Senators, I think he should first be recognized properly.

Mr. MUNDT. Very well, Mr. President; if my friend, the Senator from Massachusetts, wishes to make such a point of order, in order to prevent me from having an opportunity to answer to a question which one of my colleagues wishes to ask, perhaps I shall have to recognize the technical accuracy of the point of order; and I shall also remember it when, in the future, a similar situation may arise with a Senator on the other side of the aisle.

Mr. JOHNSON of Texas. Mr. President, let me say that I believe the Senator from Massachusetts is correct, and I believe the Senator from California will agree that the Senator from Massachusetts is correct.

However, if the Senator from South Dakota wishes to discuss the pending question and also wishes to yield to other Senators, and thus for a while confine the debate to Senators on his

side of the aisle, I shall have no objection. Neither shall I object to having him yield to whatever Senators he may choose to yield to.

But I do not think the RECORD will show that the Senator from South Dakota has been recognized. Instead, I think the RECORD will show that the Senator from California [Mr. KNOWLAND] had the floor, and yielded to the Senator from Sou'h Dakota. Is that correct, I ask the Senator from California?

Mr. KNOWLAND. Yes; I yielded to the Senator from South Dakota.

Mr. JOHNSON of Texas. On the other hand, the RECORD will not show that the Senator from South Dakota was recognized in his own right.

Mr. CAPEHART. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Indiana will state it.

Mr. CAPEHART. Was the Senator from Massachusetts recognized?

The PRESIDING OFFICER. The Senator from Massachusetts was recognized about 2 minutes ago.

Mr. CAPEHART. Yes; but a point of order was made against that.

The PRESIDING OFFICER. It is the understanding of the Chair that the Senator from Massachusetts has now relinquished the floor.

Mr. MUNDT. Mr. President——

The PRESIDING OFFICER. The Chair now recognizes the Senator from South Dakota.

Mr. MUNDT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from South Dakota will state it.

Mr. MUNDT. If I do not have the floor, and if I have not had it for the last 5 or 10 minutes, who has had it? [Laughter.]

Mr. JOHNSON of Texas. The Senator from South Dakota has occupied the floor, but without recognition by the Chair; I think all Members of the Senate who realize what has happened are aware of that. I think the Senator from South Dakota was subject to a point of order at any time after the Senator from California took his seat.

Certainly the Senator has a right to yield for a question or an observation, unless a point of order is made. I have no objection to having the Senator continue with his presentation. We have enjoyed it, and we are still enjoying it. But the Senator from South Dakota was never recognized in his own right; and the Chair has made a proper statement.

The PRESIDING OFFICER. The Senator from South Dakota has now been recognized in his own right.

Mr. MUNDT. Or, at least I believe my colleagues will recognize that, as we in the western country say, I have had squatter's rights to the floor. [Laughter.]

Mr. JOHNSON of Texas. The Senator from South Dakota has been recognized now, and he can proceed. We assume that in due time, Senators on this side of the aisle will also have an opportunity to speak.

Mr. MUNDT. I thank the Senator.

Mr. President, now that an atmosphere of peace and harmony has been restored, I yield to my friend, the Senator from Nebraska, for a question.

Mr. CURTIS. I thank the distinguished Senator from South Dakota for yielding to me. I shall not suggest that he has yielded to me that which he has not. [Laughter.]

There has been much comment to the effect that the Members of the Senate have waited a long time for the Committee on Labor and Public Welfare to act. But we have not waited nearly as long as the rank and file members of some unions have waited. The select committee, under the leadership of the distinguished Senator from Arkansas [Mr. MCCLELLAN], took testimony concerning a local union of the Operating Engineers in Chicago which was organized in 1929. Its members have not had an election, to choose their own officers, to this very day. Let me ask the Senator from South Dakota whether that is correct.

Mr. MUNDT. It is correct; and it is substantiated by the sworn testimony which appears in the very voluminous committee hearings, which are available to every Member of the Senate, in conjunction with the legislation now pending.

Mr. President, I was discussing a substitute amendment which I intend to offer on the specific problem of how to safeguard and protect the health and welfare funds of the members of labor organization. I shall discuss the amendment at greater length at the time when I actually submit it. I know that at the moment the Senator from Massachusetts [Mr. KENNEDY] is eager to obtain the floor, and I shall not detain him longer at this time. But I want the Members of the Senate and the people of the country to ask themselves a rather serious question in regard to this field:

When a working man is compelled, every week, to put part of his weekly earnings into a union bank, so that he is a compulsory contributor, and is one who, under coercion and duress, this becomes a so-called depositor, in the union bank, what is wrong with providing that he shall have as much—no more and no less—protection for the funds he deposits in that way as the protection which this country, by means of its statutes and regulations over a period of half a century, has provided for every person who voluntarily walks into a national bank and deposits part of his money there?

Is it because Senators actually believe bankers are less to be trusted that union leaders? If they do, I do not. Is it because Senators actually believe a fellow who voluntarily puts his money on deposit is entitled to less protection than the man who has to do it, under threat of losing his job? If a majority believes it, I do not. Is it because labor groups are a little more persuasive in their lobbying activities than depositors in a bank or businessmen? I hope that is not the case.

Whatever it is, I trust in this debate we shall find an intelligent answer to the question.

Why the discrimination against the union member? Why fail to give him the protection which has been given to a depositor in a bank? Why settle for saying, "All the labor union leaders have to do is make a report to certain government agencies about what is being done with the money, and maybe here and there they will send an auditor on a spotcheck and maybe catch some of them?"

I think when we legislate on this subject, we ought to legislate to prevent before the fact, to prevent before the crime, to prevent before the theft, to prevent before the betrayal of the union members' interest which has been going on so disgustedly around the country and which has been disclosed by the McClellan committee hearings.

We need preventative legislation not simply a reporting mechanism.

Mr. President, I had not intended to discuss my amendments at this juncture. By some strange process which I myself do not quite understand, I have the floor. I started out to ask a question. I started to try to make one thing clear. I am going to reiterate that fact and then close. That is this: I just did not want any voter in America to be deceived by what he sees or hears, or to delude himself into thinking this is not the time or place or way to enact labor legislation.

I respect the judgment of my colleagues. I can understand why some of them may be just as strongly against the amendment as I am for it, but I do not think we should delude the public into thinking, "Wait until we get busy and have day and night sessions, and consider appropriation bills and conference reports, and then we will slip in, some happy summer afternoon or evening, an omnibus bill to take care of the abuses disclosed by the McClellan committee." It is not going to happen.

If the Senate or the public wants effective overall labor legislation enacted, I think it should be done effectively and in the various areas where corrections are needed, and that it should be done now and next week, and while S. 2888 is on the floor for consideration. If we duck it now, we may deceive a few, but we are not going to deceive ourselves. This is the time to legislate.

Mr. PURTELL. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. PURTELL. During the course of the remarks of the Senator from South Dakota, he made reference to labor leaders. What he said about some labor leaders was true, as was revealed by testimony before the committee; but I know the Senator wishes to be fair and have the RECORD correct. The Senator was pointing out specifically, was he not, a minority, by far, of labor leaders, when he referred to the abuses?

Mr. MUNDT. That is right. I was referring, obviously, only to labor leaders who, the testimony revealed, had brought about waste and deceptive practices. I think it would perhaps be appropriate always to say, "some labor leaders," or "certain labor leaders"; but

I am happy the Senator has made clear what I have in mind, because what he stated is precisely what I have in mind—that is, those labor leaders who have been misusing the funds.

Mr. PURTELL. Because the attention of the public is centered on this particular question, due to the hearings held by the select McClellan committee, I wanted to make that clear, because some persons might think we are referring to all labor leaders. I am sure the Senator will agree that the number of labor leaders who have been found guilty or who have been accused of these abuses is indeed small when we compare the number with the total number of labor leaders in this country.

Mr. MUNDT. I agree with the Senator. Indeed, the number of labor leaders we have investigated altogether is very small compared to the total, so I do not think we can conclude too much from that; but I am prepared to believe that the vast majority of labor leaders are honest and that their funds are properly kept.

In the substitute I shall offer for the Kennedy proposal I am encouraged by the fact that I have discussed it with some labor leaders. They said there was nothing in it they were afraid of, nothing in it which would impede them, nothing in it which would interfere with their practices.

A very distinguished labor leader from 1 of the biggest 6 or 8 unions told me in my office that he would like to have legislation so tight that the biggest crook ever getting into the labor union could not misuse union funds, and that we could not make the law too tight for him.

So we are talking about legislation needed for those who betray their friends in the labor unions, and which is acceptable to those who have no intention of stealing any funds.

Mr. KENNEDY. Mr. President——

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I address myself very briefly to the amendment which the distinguished Senator from California has offered to the bill.

I wish first to speak on the procedural question, and I must restate what I have said before. In the first place, the McClellan committee did not make its report until March 24. The subcommittee began hearings on March 25. The Senator from Arkansas [Mr. McCLELLAN], who has been rightly praised on the floor, did not introduce his comprehensive bill dealing with the subjects covered by the McClellan committee until April 15, less than 10 days ago; so this matter has come before the Committee on Labor and Public Welfare only in the past month. The committee did move, and it took testimony from Mr. Mitchell and Mr. Meany.

There are 36 amendments dealing with a very complex subject which are to be called up in the next few days.

The Senator from Indiana [Mr. JENNER] has stated that the Taft-Hartley bill was written on the Senate floor, but there were 7 or 8 weeks of hearings. We are dealing with a complex matter. To adopt such an amendment as is now before the Senate, and 35 other amendments, without having had the benefit of committee study, without any report, without any statements or suggestions from conflicting groups, would be a great mistake.

I would not want any Senator to vote on the proposal with the feeling that this is the last chance. I have made the statement there will be a bill reported to the Senate by June 10. It may not be a bill certain Senators want, but there is no limitation on any Senator to try to amend the bill. The Senator from California will be able to offer his amendment to the bill. At least there will be a measure on which the Senate can act by June 10. The Senator from New York [Mr. IVES], the Senator from Arkansas [Mr. McCLELLAN], and the Senator from Oregon [Mr. MORSE] have stated they would move to discharge the committee if a bill were not reported by that date. I would support such action. So the Senate will have another opportunity to act.

I should like to state briefly why I think it would be improper and unwise to adopt the amendment of the Senator from California. The Senator from California quoted from the McClellan committee report, which called for legislation dealing with union democracy. I signed that report. I signed and joined in the submission of that report to the Senate. Therefore, I am fully informed as to why the Senator attempts to act in the way he does.

The question of union elections and democratic procedures is a problem. The question is, What sort of a bill shall we pass? The amendment proposed by the Senator from California, on page 8, line 19, reads:

> The term "officer" includes a member of any board, council, committee, or other body established by the constitution or charter of a labor organization which is empowered by such constitution or charter to exercise governing or executive functions with respect to such labor organization.

That language is not in the Taft-Hartley Act.

When we talk about the non-Communist affidavit provision of the Taft-Hartley Act, we have in mind about every officer defined in the union constitutions which ordinarily include the president, vice president, and the secretary. The language of the proposed amendment is very indefinite. I do not know whether a steward, an international organizer, or a business agent would have to be chosen in this manner.

Exactly as the amendment lacks in definition, I would feel it is inadequately drawn as to subsection (2) of section 401 (a).

Turning to page 9 of the proposed amendment, on line 5 it reads:

> By popular vote of the membership at an election held within the preceding 4 years.

What is going to happen when there is a national convention, the kind of convention at which Mr. Meany and all the international officers are chosen? It seems to me the provisions of the amendment as to election should provide for the secret election of delegates, and should provide for either a rollcall vote or secret voting by the delegates on the election of international officers.

When we talk about a popular vote for the international officers, that would mean a nationwide referendum for all of the international officers, which is against the whole tradition, procedure, and proper operation of trade unions.

That language is, in my opinion, unworkable. If we are going to mention secret elections we should carefully define them.

On the next page there is reference to "Sanctions and penalties."

Under the provisions of the Taft-Hartley Act, if any employer discharges an employee because he brings a complaint before the National Labor Relations Board, the Taft-Hartley Act provides that the employer shall restore such employee to his position. That is the only penalty. However, under the amendment offered, if anyone should try to prevent an employee bringing a complaint before the National Labor Relations Board, he would be subject to imprisonment for 5 years. That does not seem to me to represent equality. It seems to me to be bad draftsmanship.

I should think either the Senator from California or anyone else interested in such legislation would want to provide a sanction against anyone interfering with the right of a union member to file a protest with the Board, but I believe the language suggested as to a possible penalty of 5 years' imprisonment is not a good choice.

The last point which I wish to make is that if an officer, as defined by the language—and the definition is very vague—should be elected in an improper manner, the union would be subject to the following penalties:

Removal of the tax exemption.

Removal of all protections given under the Taft-Hartley Act.

Removal of all protections given under the Norris-La Guardia Act.

Removal of all protections against antitrust legislation under the Clayton Act.

The union would be subject to all those prohibitions and all those expulsions from the protections of those laws simply because it happened to choose an officer, which term is very poorly defined, in an improper way.

In short, I will say to the Senator from California, as I say to the Senate, any bill which proposes to deal with secret elections of officers every 4 years should provide for a secret ballot and for due notice to all members that an election is to be held, should also require all records to be kept after the election is held, and provide that all members who are in good standing shall be permitted to vote without coercion.

I think any bills which deal with secret elections—which is an important subject and should be considered by the committee—should be more carefully drawn than is the language in the amendment of the Senator from California.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield to the Senator from California.

Mr. KNOWLAND. The distinguished Senator from Massachusetts knows, I am sure, that the penalty against the union to which he refers can only apply if not only the officer as defined in the union constitution was not elected by secret ballot, but also the union retained him in office in defiance of the law after that time. Then the union would lose the exemptions, so long as it was in defiance.

Mr. KENNEDY. The language is not "officers defined by the constitution." The language refers to officers who are members of the board, council, committee, or other body established by the constitution or charter of a labor organization.

Though I know the point the Senator is trying to establish, in all frankness I say to him that I do not think the language is properly drawn. The language could be much more carefully drafted, if the intention is to provide for secret elections.

Considering the recommendations of the McClellan committee, which I signed, which recommendations should be one of the first matters to be taken up by the committee. I repeat that the Senate will have a chance to consider this matter and act in June.

Mr. KNOWLAND. If the Senator will read further, on the bottom of page 8 he will find the language:

> The term "officer" includes a member of any board, council, committee, or other body established by the constitution or charter of a labor organization which is empowered by such constitution or charter to exercise governing or executive functions with respect to such labor legislation.

Mr. KENNEDY. That language still leaves in doubt, for example, the question of whether a steward would come under the definition.

In sum and substance, Mr. President, there are 36 amendments dealing with these problems which the committee has not had an opportunity to oversee, and I think it would be a great mistake not to give the committee an opportunly to do so, and not to give the American public the opportunity to be heard on the 36 amendments.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California [Mr. KNOWLAND]. On this question the yeas and nays have been ordered.

Mr. IVES. Mr. President——

The PRESIDING OFFICER. The Senator from New York.

Mr. IVES. I do not want to take up too much time of the Senate. I know there are many amendments to be considered if we go through them all.

I wish to state my position, so that it will be definitely understood, regarding this and the other amendments which are now at the desk and which number, I believe, almost 40.

After all is said and done, I probably am as much interested in seeing enacted into law legislation of the type represented by the pending bill as anyone in this Chamber, including my distinguished friend, the Senator from California.

Back in 1956 I submitted a resolution calling for an investigation by the Committee on Labor and Public Welfare, or a subcommittee thereof, into the racketeering influence in labor unions and other places where labor-management relations are concerned. Subsequently, because the Permanent Subcommittee on Investigations of the Senate Committee on Government Operations was already in the field in the fall, dealing with the matter, and because of the attitude of the distinguished Senator from Arkansas [Mr. MCCLELLAN] the present chairman of the select committee, which is doing the job, we got together, and out of that came the select committee, made up of 4 Senators from the Committee on Labor and Public Welfare, and 4 Senators from the Committee on Government Operations. That is how the committee was organized. By the same token, at the same time that was done, 4 of the 8 Senators named were Democrats and 4 were Republicans.

We have kept a pretty bipartisan attitude throughout. When one considers the partisanship incident to an election year, I think we have done pretty well.

Mr. President, the select committee has made certain recommendations. The distinguished Senator from California has stated them, and I have stated them myself on the floor, so I shall not repeat them. However, I desire to tell Senators how we arrived at them. They were the least common denominators of the feeling in the committee. They were the things we could agree on. By the way, they do not specify any particular bills. They are simply statements of principle or ideas. That is all they are.

The bills which will implement those ideas have already been introduced. I, myself, had a program ready last November 20. The bills were ready. They were prepared at that time. I introduced them as soon as I could after the present session of Congress convened. That was the first session when the bills could be introduced. I dare say I was the first Member of the Senate who had a program dealing with this subject.

I do not know, all told, how many bills dealing with this matter we have before us. We have quite a number to consider. I would say at least a half-dozen Senators have introduced such bills.

I wish to point out that the Taft-Hartley Act has been mentioned in the debate time and time again, for the simple reason that the amendments prepared by the distinguished Senator from California are amendments to the Taft-Hartley Act.

I observe that the Senator from Indiana is not present in the Chamber. I desire to recall something in connection with the formulation on the Taft-Hartley Act.

We did draft much of the Taft-Hartley Act on the floor of the Senate, and, believe me, the act shows it. There was a good deal of "monkey business" in setting the conference committee together on the matter, because the two Houses were then very, very far apart, and the act shows it.

As a result, we have had a great deal of trouble with the administration of the act, and the act is desperately in need of amendment. Not merely the amendments offered by the distinguished Senator from California, but a multitude of amendments, are needed, amendments which would keep the Senate busy for an entire year taking care of them if we attempted to do so, because so many of them are controversial.

In the proposal of the Senator from California, the proposal of the Senator from New Jersey, and other proposals which will be made by way of amendment to the bill, what it is sought to do, on a much broader scale than was done in 1947, is literally to write a labor relations act on the floor of the Senate.

I predict that if one of these amendments should by any chance be adopted, the door would be wide open. If that should happen, half a dozen or a dozen more would be adopted. What would happen? The result would be to make a hodgepodge of the bill. When the bill reached the House the chances would be a thousand to one that the House would take no action upon it at this session of the Congress.

I believe the committee is endeavoring to handle the situation in a highly intelligent manner. The distinguished Senator from Massachusetts [Mr. KENNEDY] has indicated what actually happened when the proposed legislation was before the committee. I was the first Senator to bring forward any proposals. They were before the committee early in January. I should be entitled to complain, if anyone is; and yet I do not complain, because I know what has happened.

It is highly important that all such legislation be considered by the committee. I do not care so much about hearings. I think the distinguished Senator from Massachusetts can limit the hearings. I believe that is what he intends to do, so that there will be relatively few persons present at the hearings. That is all that is necessary, so long as we get a cross section of opinion.

It is necessary that we sit down together and try to devise a comprehensive program of legislation. The Senator from Indiana made the statement that we were 3 weeks writing the Taft-Hartley law, or the version which came before the Senate. That is correct. But Senators must bear in mind that that measure was written from scratch. It was a brandnew version of labor relations legislation. When it was written—and the Senator from Oregon will bear me out—we had no idea that it would be the final version. We intended that in 1948 there would be a revision.

What happened? A great many individuals decided to play politics with the subject. My own party was not entirely free from guilt. So the Taft-Hartley Act stands today substantially as it was originally passed. There have been 1 or 2 minor amendments in that period of time, and that is all.

I appeal to my colleagues, particularly those on this side of the aisle. I am in

sympathy with the amendment of the Senator from California. I do not like the form in which it is written. I question whether it is in the form in which he would want it. I think it should be revised. I myself have an amendment very similar to it. I have no pride of authorship. I never have had. I do not care whether any of my bills is accepted or not. I want to see the best legislation we can write in connection with this program, so that it will stand up and be susceptible of successful administration. That is one of the difficulties with the Taft-Hartley Act.

We must consider this program in committee. We must go through it in committee, step by step. If we open the door wide on the floor of the Senate, we shall have such a hodgepodge that the bill will never become law. The House will drop it if we pass it; and I would not blame the House either.

In conclusion, I appeal to my friends again. I say to them: Please do not go along with any one of these amendments to the extent that it will be adopted. I have predicted what would happen.

I am in favor of much of the legislation which will be proposed by way of amendment. I will stand for it, and I will stand for what I said about action by the committee. I have great confidence in the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Alabama [Mr. HILL]. I know they mean what they say when they say, "We will take action."

I assure Senators that all three of us who have said what we would do with respect to moving to discharge the committee will do just that. There is no question about it. So there will be a bill before the Senate on which it can act.

I do not wish to put the distinguished majority leader on the spot. He has told us that he will bring the bill to a vote as soon as possible after it is reported. Does that mean by June 15?

Mr. JOHNSON of Texas. I did not say June 15. I said that as soon as the committee reported a bill to the Senate and it was placed upon the calendar, I would immediately take it up with the policy committee. I feel very much as the Senator does with respect to procedure for dealing with the entire field of labor legislation.

Mr. IVES. The Senator is in favor of action during this session, is he not?

Mr. JOHNSON of Texas. Yes. There would be no bill before the Senate now except for the fact that the majority leader pressed for action.

Mr. IVES. That is one of the things for which the majority leader deserves praise.

The minority leader is offering all his amendments in the form of an omnibus bill. I do not believe he has all of the omnibus bill in his amendments, but he has most of it. He has performed a very useful service to us and to the people of the country, because he has spotlighted the necessity of obtaining action on this kind of legislation during this session.

I do not believe that we need any pressure put on us from the outside, but I daresay that Congress as a whole may need a little. This action may bring it about. Otherwise, there may not be any legislation.

Far be it from me to criticize the other body, but the story has gone out—and I do not know how correct it is, but I mention it for what it is worth—that it is not expected that the House will take any action on labor legislation at this session. I hope that is not true. I hope there are enough Members of the House to keep it from being true.

At any rate, we are approaching this problem step by step. We now have before us for consideration pension and welfare legislation. That embodies one of the recommendations of the McClellan committee. That is the first step. We are disposing of it. We have been working on it for 4 years. In May it will be 5 years. It is high time we got some action on it. Let us dispose of it, and take up the other subjects as rapidly as possible. We need only one bill, an omnibus bill or a simple bill. Any Senator who wishes to offer amendments can offer them when such a bill is before us.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. KNOWLAND. Would it not be fair to say that this is the only one of the President's legislative suggestions which has been introduced, which the leaders of organized labor also favor?

Mr. IVES. I think it will be found that they are now beginning to favor some of the other proposals.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. GOLDWATER. I remind the Senator that George Meany, president of the American Federation of Labor–CIO, appeared before the subcommittee and said that this was the only piece of labor legislation which labor wanted passed.

Mr. IVES. At that particular time the distinguished Senator from California had not submitted his amendments.

Mr. GOLDWATER. Oh, yes. The Senator from New York will remember that the Senator from California had introduced his original bill——

Mr. IVES. He had introduced his original bill, but he had not submitted his amendments to the pending bill. Only since the present situation arose have we been getting help from organized labor.

Mr. GOLDWATER. Where is that help coming from? I have not felt it.

Mr. IVES. I cannot imagine that the Senator would feel it.

Mr. GOLDWATER. The Senator from New York would be surprised at what the Senator from Arizona can feel. I have not heard any lobbyists for labor suggesting that Senators vote for this program because it will help their membership.

Mr. IVES. Only today I ran across a high representative of the AFL–CIO in the corridor——

Mr. GOLDWATER. It is not difficult to run across them in the lobby.

Mr. IVES. No. But they have as much right to be here as anyone else. This man gave me every indication that labor leaders favor a substantial part of this program. I was not kidding, either. They do not kid with me on this subject, because they have never supported me.

Mr. GOLDWATER. I am very delighted to hear that.

Mr. IVES. I am glad the Senator is. I was, too.

Mr. GOLDWATER. If the Senator from New York has any influence with those leaders I suggest that he ask them publicly to state their position, because the leadership has said that this is the only measure they want passed.

Mr. IVES. I explained what had happened. If they will not support me, how does the Senator think I will have any influence with them?

Mr. LAUSCHE. Mr. President, will the Senator from New York yield so that I may ask a question of the Senator from Arizona?

Mr. IVES. I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio has the floor.

Mr. LAUSCHE. May I ask where the statement to which the Senator from Arizona has referred was made?

Mr. GOLDWATER. It was made before the Subcommittee on Labor of the Committee on Labor and Public Welfare. I believe the minority leader has the transcript of that hearing before him.

Mr. LAUSCHE. Will the Senator from Arizona read once again the statement which was made?

Mr. GOLDWATER. The statement, which the Senator from California will read in a moment, was to the effect that the pension and welfare legislation was the only legislation labor wanted passed.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. KNOWLAND. At the hearing on March 27, 1958, before the Subcommittee on Labor of the Committee on Labor and Public Welfare, at page 146, there appears this statement:

> Senator KENNEDY. Now, Mr. Meany, I have gone through your testimony, and this subcommittee has been given this responsibility since the select committee in its first year has made recommendations to this subcommittee covering the grounds of trusteeship, middlemen, elections, union democracy, finances, and Federal-State relationships, which we haven't discussed and which may be a secondary matter.
>
> Looking through your suggestions, you have opposed, it seems to me, every legislative proposal that has been put forward before the subcommittee.

Mr. LAUSCHE. I should like to ask the majority leader a question. He has said that as quickly as is reasonable a bill which is to be reported by the committee will be submitted to the policy committee. Has there been any expression by members of the policy committee as to what their attitude will be about Senate consideration of the bill which will be reported by the committee?

Mr. JOHNSON of Texas. There has been none. However, I do not think there need be. I cannot visualize the

policy committee attempting to hold back a bill which a majority of the Senate would indicate they desired to have before the Senate. If the committee did attempt to hold it, a majority of the Senate, as the Senator from Arkansas has said, and as the Senator from Oregon has said, could move to take the bill from the committee, and then take it from the calendar.

Mr. LAUSCHE. It would be interesting to hear from some of the members of the policy committee.

Mr. JOHNSON of Texas. As chairman of the committee I have expressed my views. I do not care to enter into any bargaining or trading. The Senator can take my word for it that whatever bill the standing committee submits to the policy committee will be heard by the policy committee very promptly and will be acted on very promptly and favorably.

Mr. ROBERTSON. I wish to say to my distinguished friend from Ohio that I have made a little inquiry about the possibility, or probability of our getting an opportunity to vote on a more comprehensive bill than the one now pending before the Senate. I have accepted at face value the unequivocal statement of the Senator from Massachusetts [Mr. KENNEDY], the chairman of the subcommittee which will handle the proposed legislation, of the chairman of the full committee, the Senator from Alabama [Mr. HILL], and of our majority leader, that, commencing not later than Monday a week, hearings will be started on the McClellan bill, which covers 5 programs, of which the pending bill is only 1; on the Knowland bill, and even though that bill is now before us in amendment form, it is still a bill; on the new amendments of the distinguished Senator from Arizona [Mr. GOLDWATER], relating to amendment of the Internal Revenue Code; the Mundt amendments; and, in fact, that there will be full opportunity to those who want labor legislation to testify.

While neither the Senator from Massachusetts nor the Senator from Alabama has said what the bill would contain, it would be a bill, and, under the Senate rules, it would be open to amendment.

With those assurances, the junior Senator from Virginia recalling how bitterly opposed he was last year when the Senate rules were bypassed in the case of the so-called civil-rights bill, and not wishing to be a party to such a precedent himself, will vote against the amendments as they come up because he believes they should have been considered and handled by a committee rather than by way of amendment, and that we should legislate in the normal way.

SEVERAL SENATORS. Vote! Vote!

Mr. COOPER. Mr. President, I wish to speak on the amendment, because I am a member of the committee. As such, I must join with other members in considering legislation of the type proposed by the amendment. And, I wish to speak on the amendment, because I believe the issues which have been presented to the Senate in the debate are not wholly accurate. It has been argued in chief that if we do not adopt the amendments relating to "union democracy" we will never have another chance to vote on them at this session.

That may be true, but no one can say categorically that it is true. And if it is not true, then the arguments which have been based upon that premise do not carry weight. The arguments which have been based upon the premise that we will never have another chance to vote upon the amendments, include the argument that if we vote against the amendments we will be voting against the rank and file members of the labor unions and that, impliedly, we will be voting corruption in the labor movement, and against the public interest.

Mr. President, I did not ask to be on the Labor Committee. I have never known why I was put on the committee. I believe I got on it because someone thought I was expendable. [Laughter.] And because other Senators would not go on it. But, being on the committee, I consider it one of the most important in the Senate, and I must express my views. I must say that it has been apparent to me that there is not any great inclination on the part of the committee, or more accurately on the part of the majority members, to take up, to report and to support amendments to the Taft-Hartley Act, however necessary they are in the public interest.

However, we have received today the commitment of the junior Senator from Massachusetts, whom I consider to be an absolutely honorable man, that hearings will be resumed by May 7, that they will be continued, and that a bill will be reported, which will permit amendments such as we are debating today to be considered fully in the Labor Committee and on the Senate floor.

While the majority leader may not have said explicitly that he will see to it that the bill will be considered by the Senate at an early date, I believe in essence he has committed himself to the Senate and to the people of this country that there will be a chance to consider such a bill when it is reported by the Labor Committee. If he has not done that, then I do not understand the arguments and the position he has taken today. Therefore I repeat—and I hope he is listening to me—that I believe the majority leader has said today, in fact and in spirit, that he intends that the Senate shall have a chance to vote on such a bill at this session. And I have confidence that he will do this.

Mr. President, I served in the Senate in 1947. I voted for the Taft-Hartley Act. I defended it in my State. I had the chance, in 1953, to vote in the Labor Committee for its revision. I voted against recommitting the bill, although the bill was recommitted with the almost unanimous support of our Democratic colleagues. The Taft-Hartley debate in 1947 began on April 23 and extended through May 13. That points out the difficulty in trying to legislate in this complicated field on the floor of the Senate today.

The PRESIDING OFFICER. The Senate will be in order.

Mr. COOPER. I will not vote for the amendment for there has been no chance for its consideration in committee. I am not prepared to say without such study whether I would finally support the detailed proposal which is embodied in the amendment, or whether I would oppose it. However, there is a radical departure in the amendment from any provision that has been passed with respect to labor organizations. The amendment permits the NLRB to remove an officer of a labor organization.

So far as I know, this is the first time a proposal has been strongly supported that the United States Government shall enter into the internal organization of a labor union to the extent of removing its officials. I remember the great Senator Taft saying that, whatever was done to regulate labor unions, the United States should not enter into the internal government of labor unions.

That is what is proposed in this amendment. It points out the difficulty of trying to legislate in this field on the floor of the Senate without hearings.

I wish to make my own position understood. I wish to make my position clear that I intend to vote against the amendments, not on their substantive value and merits, but because there has been no chance for hearings and study in committee. I follow my own judgment, and also the argument of the distinguished Senator from Arkansas [Mr. MCCLELLAN], who said this morning that the real issue at stake is whether we will maintain the due processes of the Senate, so that every interest will have a chance to be heard. Whatever the delinquency of the Committee on Labor and Public Welfare—and I may say the majority party of the Senate—I cannot escape the fact that if we try to revise the Taft-Hartley Act on the floor of the Senate today or tomorrow, we will not be observing the rule of due process by giving everyone a chance to be heard.

For these reasons, although I have great regard for my leader, whom I hold in great respect for his integrity, I shall have to vote against the amendment.

Mr. CASE of New Jersey. Mr. President, first, I associate myself with the Senator from Kentucky in the expression of his views concerning the objective of the amendment. I express my agreement with him in his understanding of the commitment which has been given by the majority leader, by the chairman of the subcommittee, and by the chairman of the full committee.

I, for one, together with the Senator from Kentucky, will believe that we have been duped if the matter is not brought before the Senate in time for action by the Senate and by the other body at this session of Congress.

I join with all other Senators who believe, as I do, that appropriate action should be taken on these objectives, which are very necessary and worthy, before the end of this session.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California

[Mr. KNOWLAND]. On this question the yeas and nays have been ordered.

Mr. KENNEDY subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD, prior to the yea-and-nay vote on the Knowland amendment, so as to tie in with the preceding debate—the three pages of Mr. Meany's statement before the committee which were quoted by the Senator from California. I make the request because on those three pages, Mr. Meany states the points he favors.

The PRESIDING OFFICER. Is there objection?

There being no objection, the excerpt from the hearings was ordered to be printed in the RECORD, as follows:

Senator KENNEDY. Now, Mr. Meany, I have gone through your testimony, and this subcommittee has been given this responsibility since the select committee in its first year has made recommendations to this subcommittee covering the grounds of trusteeship, middlemen, election, union democracy, finances, and Federal-State relationships, which we haven't discussed and which may be a secondary matter.

Looking through your suggestions, you have opposed, it seems to me, every legislative proposal that has been put forward before the subcommittee. You are in complete opposition to any of the proposals that I have put forward and complete opposition it seems to me to the proposals put forward by the administration, except in these areas:

If I have left any out I want you or any member of your staff to add them. You say on page 4, you urge the reporting forms be designed to avoid unnecessary and burdensome detail.

No. 2, you say, "In the second place we urge that small local unions, those having a membership say of less than 200, be exempted from the financial reporting requirements."

On page 5 you say, "In the third place, if a union should be required to make full public disclosure with respect to all aspects of their finances, certainly employers should at the least be required to make similar public disclosures of their expenditures in the field of labor relations."

Your fourth proposal is that the Department of Labor be given authority to examine records of unions and employers to check the accuracy of the financial reports that they have filed.

On page 12, you suggest the appropriations for NLRB be increased sufficiently so that there can be more speed in handling the cases, and you make some suggestions as to revising the organization of the General Counsel's staff on the middle of page 12. You then make the statement about the trial examiners that they should be confined to factual issues and to making sure the Examiner was not arbitrary or capricious, on page 22.

You suggest that the Labor Department provide that international unions report the name of each subordinate body in trusteeship.

In other words, your proposal on the matter of trusteeship is that the Department of Labor make a survey to find out how many locals are in trusteeship.

Mr. MEANY. After the forms are amended to give them this information.

Senator KENNEDY. On page 33, you say, "We have already stated we believe employers should be required to file full financial reports relating to all of their labor relations activities."

On page 38 you say you do not object to the proposal to make it a Federal crime to make a false entry in any reports or records to be required by any union with intent to injure or defraud the union or its members, and you refer to the penality for either offense, and you say, "We do not object to those proposals."

Outside of that, and there may be others that I could not find, that is the limit of your legislative recommendations, and you are opposed to all other proposals now put forward before the subcommittee. Is that a correct statement?

Mr. MEANY. Did you mention the reporting of all unions, and the authority of the Secretary of Labor to make them public, providing employers do?

Senator KENNEDY. What page is that on?

Mr. MEANY. At the beginning.

Senator KENNEDY. That is on page 4, is that right?

That may be left out.

I mentioned to make full public disclosure of all aspects of their finances, and the employers should be at least required to make similar public disclosure. You also said, "We propose also the Department of Labor be given authority to examine records" at the beginning of the next paragraph.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the amendment of the Senator from California [Mr. KNOWLAND], on which the yeas and nays have been ordered.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. As I understand, the question is on agreeing to the Knowland amendment. The yeas and nays have been ordered. Senators who favor the amendment will vote "yea"; those who are opposed to it will vote "nay." Is that correct?

The PRESIDING OFFICER. That is the understanding of the Chair.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], and the Senator from Oklahoma [Mr. MONRONEY] are absent on official business.

The Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

I further announce that, if present and voting, the Senator from Missouri [Mr. HENNINGS] and the Senator from Oklahoma [Mr. MONRONEY] would each vote "nay."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] has a pair with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from New Mexico [Mr. CHAVEZ] would vote "nay," and the Senator from Vermont [Mr. FLANDERS] would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Vermont [Mr. FLANDERS] is absent on official business.

The Senator from Vermont [Mr. FLANDERS] is paired with the Senator from New Mexico [Mr. CHAVEZ].

If present and voting, the Senator from Vermont would vote "yea," and the Senator from New Mexico would vote "nay."

The result was announced—yeas 37, nays 53, as follows:

YEAS—37

Allott	Dworshak	Potter
Barrett	Goldwater	Purtell
Bennett	Hickenlooper	Revercomb
Bricker	Hoblitzell	Saltonstall
Bridges	Hruska	Schoeppel
Bush	Jenner	Smith, N. J.
Butler	Knowland	Thye
Capehart	Kuchel	Watkins
Carlson	Lausche	Wiley
Case, S. Dak.	Martin, Iowa	Williams
Cotton	Martin, Pa.	Young
Curtis	Morton	
Dirksen	Mundt	

NAYS—53

Aiken	Hill	Morse
Anderson	Holland	Murray
Beall	Humphrey	Neuberger
Bible	Ives	O'Mahoney
Carroll	Jackson	Pastore
Case, N. J.	Javits	Payne
Church	Johnson, Tex.	Proxmire
Clark	Johnston, S. C.	Robertson
Cooper	Kefauver	Russell
Douglas	Kennedy	Smathers
Eastland	Kerr	Smith, Maine
Ellender	Langer	Sparkman
Ervin	Long	Stennis
Frear	Magnuson	Symington
Fulbright	Malone	Talmadge
Gore	Mansfield	Thurmond
Green	McClellan	Yarborough
Hayden	McNamara	

NOT VOTING—5

Byrd	Flanders	Monroney
Chavez	Hennings	

So Mr. KNOWLAND's amendment was rejected.

Mr. MANSFIELD. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MORSE obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. Yes; if I may do so without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, it is my understanding that the Senator from California will very likely call up another amendment at the proper time, and that he expects to speak for approximately 30 minutes on it.

I also understand that the Senator from Oregon [Mr. MORSE] expects to speak, so he estimates, for approximately 20 minutes.

If the Senator from Oregon will yield for that purpose, I believe it would be well for the Senator from California to call up his amendment at this time, and perhaps to request the yeas and nays

on the question of agreeing to the amendment.

Therefore, I ask unanimous consent that the Senator from Oregon may yield for that purpose, without losing his right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MORSE. Then, Mr. President, I yield for that purpose.

Mr. KNOWLAND. Mr. President, I now call up my amendment identified by the letter "G"; and I ask unanimous consent that the amendment be printed at this point in the RECORD, rather than to have it read from the desk.

The PRESIDING OFFICER. Is there objection?

There being no objection, the amendment submitted by Mr. KNOWLAND was ordered to be printed in the RECORD, as follows:

At the end of the bill add the following:

"TRUSTEESHIPS OVER LOCAL UNION AFFAIRS

"SEC. —. (a) (1) No national, international, or other labor organization having more than one local or constituent unit shall remove the officers of any local union for the purpose of establishing a trusteeship over such union and administering its affairs, unless—

"(A) such action is authorized by, and is taken in accordance with the provisions of, the constitution, charter, bylaws, or other governing rules and regulations of such labor organizations; and

"(B) the funds, assets, resources, and property of the local union (other than amounts normally required to be paid to such labor organization by its local or constituent units in the absence of a trusteeship) are used exclusively in connection with the affairs of the local union and for the benefit thereof, and are not diverted to or utilized for any other purpose during the period of the trusteeship.

"(2) No such trusteeship shall continue after the expiration of 1 year from the date it is established, and no such trusteeship shall be established with respect to any local union until at least 6 months have elapsed following the termination of any preceding trusteeship established with respect to such local union.

"(3) In any case in which the officers of a local union have been removed and such a trusteeship has been established, the trustees are authorized, during the term of the trusteeship, to conduct elections for new local union officers at which all members of such local union shall be entitled to vote.

"(4) Nothing contained in this subsection shall be construed to modify any existing legal rights or remedies with respect to the funds, assets, property or obligations of the local union upon the dissolution of such local union, or its expulsion or withdrawal from the national, international, or other union with which it was affiliated.

"(5) Any member of a local union over which a trusteeship is established or continued in violation of paragraph (1) or (2) may bring an action in behalf of such local union in any district court of the United States for equitable relief to compel compliance with the provisions of such paragraphs, and for restitution of funds, assets, or property of the local union and for damages to such union. Any amounts awarded in any such proceeding shall be payable to the local union, except that costs, including counsel fees, of such proceeding may be assessed in favor of the person bringing the action.

"Penalties

"(b) Any individual who willfully removes or participates in the removal of the officers of any local union for the purpose of establishing a trusteeship over such union otherwise than in accordance with subsection (a) (1), or continues or participates in the continuation of any trusteeship in violation of subsection (a) (2) shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not exceeding $1,000 or by imprisonment for not exceeding 1 year, or both."

Mr. KNOWLAND. Mr. President, on the question of agreeing to my amendment "G", I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

KNOWLAND AMENDMENTS NOT TO BE TAKEN SERIOUSLY

Mr. MORSE. Mr. President, I shall speak briefly on the pending amendment of the Senator from California and on his other amendments. I shall discuss them from a procedural standpoint.

Mr. President, it is my contention that these amendments should not be taken seriously at this stage of the consideration by the Senate of proposed labor legislation. I believe the amendments should not be taken seriously at this stage, for the reason which I stated briefly on yesterday, when I restated my consistent position that the Senate should not bypass committee procedures in the consideration of proposed legislation, but, to the contrary, it should seek to have proposals go through our committees and have a committee record made.

My view is that the Knowland amendments, and the other amendments, therefore, should not be taken seriously by the Senate at this time, but should be rejected, not on the substantive merits, for the substantive merits can be considered later, but should be rejected on procedural grounds.

On Monday of this week the senior Senator from California introduced a sheaf of papers purporting to be amendments to the pending bill. The bill provides for full reporting and disclosure of the finances of pension and welfare funds of employees. The amendments deal with labor-management relations and union internal affairs.

The Knowland amendments number 13 and consist of many dozen provisions covering over 50 printed pages.

If the Knowland amendments were enacted and laid end to end—we would have a terrible mess.

Labor legislation is a serious business, but it is hard to take the amendments seriously because they are such a potpouri of undigested proposals. We are confronted with a pinch of union officer recall, a dash of majority rule—sometimes a majority of those voting, sometimes a majority eligible to vote, sometimes only popular vote—a dose of referendum, all liberally sprinkled with injunctions and jail sentences.

For example, if the Senate were to adopt all of the Knowland amendments we would have added to the National Labor Relations Act four separate provisions which all declare:

If it [the NLRB] finds prima facie evidence of the truth of such allegations it shall proceed in the same manner as in the case of an unfair labor practice charge and the provisions of subsections (b) to (l), inclusive, of section 10 of the National Labor Relations Act shall apply to such proceeding.

There are two additional separate provisions which are verbatim the same except that the Board on investigation need only find evidence to support the allegations. The Senator from California is so indifferent to which incantation is employed that in one amendment he uses both—amendment 4–21–58–J.

As further evidence of the exquisite care used in drafting these repetitious amendments, they incorporate by reference section 10 (l), which explicitly applies only to three subsections of section 8 (b) (4) of the present act, which provides for injunctions if a regional director of the Board has reasonable cause to believe such charge is true.

The legal juggling of degrees of evidence and belief, the many combinations of degree of proof, would make a Blackstone quiver over the subtleties of pleadings required. The Senator from California would be playing a great joke on the courts with this set of proposals.

But there are other gems of humor embedded in the amendments.

Let us look at amendment 4–21–58–B. Subsection (a) reads:

No collective bargaining agreement entered into by any labor organization shall be effective or binding upon the parties thereto for a period in excess of 2 years unless such contract shall have been approved by a majority of the members of the labor organization in the unit covered by the contract, voting by secret ballot in a referendum held for such purpose by the labor organization.

This is one of several majority vote provisions. This one provides that the referendum is to be held by the labor organization. Other votes are to be held by the Board or any organization it designates, that is, the very next amendment 4–21–58–C. But amendment 4–21–58–J reserves the right of conducting another kind of referendum to the Board.

But let us return to B. It would limit collective agreements to a 2-year period unless the contract is approved by a majority of the members of the labor organization in the unit covered by the contract.

This language raises several questions.

It seems to me, as pointed out in other objections I have made, there is a great need for committee analysis and consideration of the effect of these phrases and provisions upon the bill and upon the law. It illustrates, in my opinion, why we need to call in the experts, why we need to call in the members of the National Labor Relations Board, why we need to call in the general counsel of the National Labor Relations Board, and why we need to call in experts from private industry to testify as to what the effect of the technical language used by the Senator from California in many of his amendments would be upon existing

law and what relationship the various amendments bear to each other.

So I say this language raises several questions. Does the Senator from California really mean to restrict voting rights on contracts to union members only? That is what the provision says.

Further, what happens in a multi-employer unit? For example, the major bakeries in New York City bargain—or used to—as a group and then sign individual contracts, most of whose terms are exactly the same. There are a few variations to cover individual plant practices, and one usual variation is in the unit covered. Are separate referenda to be held in the various units? If so, what if a majority of members in one plant or a few plants reject the longer contract, but the majority in most units accept? What happens to the multi-employer bargaining which the employers desire? They desire it so much that they locked out employees in all plants when only one plant was struck several years ago.

I suggest that to straighten out the inconsistencies, the infelicitous draftsmanship and the general confusion, the amendments be recommitted to the Senator from California.

BONA FIDE KNOWLAND—BUT ERSATZ TAFT

A number of the proposals put forward by the Senator from California are not very new. They were in the Hartley bill as reported to the House—for example sections 8 (c) (6) and (8) of H. R. 3020.

These proposals were rejected by the Senate Committee, the Senate, and the Senate conferees headed by Senator Taft.

I had my disagreements with the late Senator from Ohio. But even where we disagreed I had to admit that he was a great student of labor law. He had intimate knowledge of the Federal and State law and a consistent philosophy of labor-management relations.

But even Senator Taft knew that there were limits to curbs upon unions if free trade unionism were to survive.

So, he declared on the floor of the Senate on May 9, 1947:

> I think it would be a mistake to go to the extreme of absolutely outlawing a contract which provides for a union shop.

That is found in the CONGRESSIONAL RECORD, volume 93, part 4, page 4886.

The Senator from California may seek to work in the vineyard tended by Taft, but in the field of labor relations his philosophy, I say goodnaturedly, is as raw as vinegar compared with the vintage wine of Robert A. Taft.

THE KNOWLAND MAKE-WORK PROGRAM

I can only conclude, I also say goodnaturedly, that the Senator from California has seized upon this infinitely confused statutory proposal to provide tens of thousands of hours of lucrative work for lawyers as an antirecession measure.

I have not discussed the merits of the proposed amendments because they are not ripe for consideration, as I think I have shown. However, on the merits, the amendments have little to recommend them. For example, amendment 4–21–58–D provides, among other things, for a strike ballot. Implicit in such a provision is the assumption that union officials will lead their membership into strikes which might be unpopular in a significant number of cases.

As a former arbitrator and as a public member of the National War Labor Board, I can testify to the fact that, in more than 99 cases out of 100, employees take the lead in proposing and supporting strike action. As a matter of fact, it is rather standard union technique to take strike votes among union employees at the very outset of bargaining to demonstrate the solidarity of the employees. In fact, during the war the War Labor Board adopted a rule of procedure that a strike vote would have to be taken in any of the controversies which came before the War Labor Board, in the midst of a war; and the interesting thing is, Mr. President, almost without exception the employees voted to support the strike.

So we decided it was a waste of time and of Government money to go through such procedure, because we were convinced that, when the leadership, acting through the processes of the union, decided the situation was so bad that even in the midst of a war they ought to threaten a strike, they got the backing of the members of the union.

Mr. President, that has been the experience, by and large, with regard to the so-called strike votes. What we ought to do is find out if there has been any change within the American labor movement with respect to this matter—which hearings would provide, since they would have the testimony of expert witnesses—before we proceed to pass upon such a proposal as this, which I think can well result in a waste of a tremendous amount of money if the situation is still what the pattern has been for so long.

By and large this strike-vote program is a meaningless amendment so far as any protection to the public, employees, or employers is concerned. It could conceivably be used as an impediment to union action. The voting requirement seems as senseless as the union-shop authorization referenda provided for by the Taft-Hartley Act. Senators will remember that sections 9 (e) and 8 (a) (3) required that a majority of employees eligible to vote ratify a union shop before it could become effective in a collective-bargaining agreement. The history of the voting under that provision was that more than 2 million employees voted for union shop, whereas only about 200,000 voted against union-shop authorization. In the only amendment to Taft-Hartley, this referendum finally was eliminated by Congress as burdensome to the parties and the Government without any useful purpose being served.

In other words, the strike-ballot provision is an illusory cure for a problem that scarcely exists, if at all.

To sum up, the Knowland amendments are not ready for consideration by the Senate. That is my major thesis. Therefore, the amendments should not be taken seriously at this time, until they are ready. The loaf has been taken out of the oven much too early. I doubt that the bread would ever be edible, but all we have on our hands at the moment is some sticky legislative dough. There is no useful purpose to be served in having the Senate attempt to deal with the Knowland amendments, which are not in fit form for consideration on the merits.

Mr. President, in the interest of protecting what I think are sound legislative procedures in the Senate, I urge that the Senate vote upon the bill pending before it without any extraneous rider amendments. It is legislation by way of a rider process which is being proposed by the senior Senator from California, and I do not like rider legislation, because I think more often than not the rider approach results in bad legislation.

We have heard pledges in the Senate from the Senator from Alabama [Mr. HILL] and the Senator from Massachusetts [Mr. KENNEDY], respectively, who pointed out to us yesterday that they would proceed with hearings and would report a bill to the Senate by June 10.

As a member of the committee, I made the pledge to the Senate yesterday that if such a situation did not come to pass, I would move to discharge the committee by June 10. The point of view I expressed has been shared by other members of the committee, including the distinguished Senator from New York [Mr. IVES], who is also a member of the committee. Furthermore, the Senator from Arkansas [Mr. MCCLELLAN] said on the floor of the Senate today, in effect, that if any of us who serve on the committee for any reason did not carry out the statement I made yesterday, he would join in a motion to discharge the committee.

The Senate should place its confidence in the Committee on Labor and Public Welfare or get a new Committee on Labor and Public Welfare. I do not want to serve on a committee in which the Senate of the United States does not have confidence.

I think we have before us now, after it is stripped down to its skin, a question of whether the Senate will in effect say to the Committee on Labor and Public Welfare, "We do not have confidence that you will carry out your duties and report to the Senate a bill on this subject at this session of Congress."

If that is the attitude of the Senate, let us find it out. If it is the attitude of the Senate the Senate will have to get a new member of the Committee on Labor and Public Welfare, because I do not intend to sit on that committee unless I feel the Senate has confidence in the procedures of the committee. I will withdraw from the committee the moment the Senate takes the position it feels it has to ride rough shod over the committee, turn itself into a committee of the whole, and proceed in that hodge-podge way to pass a bill. That is what the Senate would be doing if it adopts the Knowland amendments.

I do not speak disrespectfully of the Senator from California. I simply say I differ with him on the procedure he is adopting. I say his amendments are internally inconsistent among themselves. I say that the language of many

of his amendments will result in great difficulty in administering the labor law.

The Senator from California ought to be testifying at great length before the Committee on Labor and Public Welfare in support of his proposed legislation, answering exactly the type of question I am raising in this short speech with respect to what I consider to be the ambiguities and inconsistencies of the language of his amendments. The Senator owes that the Senate. I do not think he performs a service to the Senate by seeking to circumvent the Committee on Labor and Public Welfare of the Senate and to turn the Senate into a committee of the whole in order to pass labor legislation, which course of action results, in effect, no matter how nicely it is worded, in an attempt to repudiate the Committee on Labor and Public Welfare.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Illinois.

Mr. DOUGLAS. I should like to have the privilege of asking a few questions of the Senator from Oregon, who I know is a great authority on the subject of labor law.

Mr. MORSE. I do not plead guilty to that.

Mr. DOUGLAS. We all know it to be true, so I will not press the matter.

May I ask the Senator from Oregon if he does not believe that one of the absolutely essential features of all labor legislation is that the rights and duties which are prescribed in such legislation shall be mutual and shall apply to employers as well as unions.

Mr. MORSE. The principle of mutuality I think is basic, if we are going to have a labor procedure which will be at all workable in disputes between employers and unions.

As the Senator knows, in 1947 one of the criticisms I had of the Wagner Act was that it violated the doctrine of mutuality in a great many respects. That is why I proposed in 1947, along with the Senator from New York [Mr. IVES], what became known as the Morse-Ives bill. There was reported from the Committee on Labor and Public Welfare in 1947 not the Taft-Hartley bill, but the Morse-Ives bill. That was changed into the Taft-Hartley Act by way of amendments on the floor of the Senate and the House.

Mr. DOUGLAS. The Senator from Oregon has studied the 13 amendments submitted by the Senator from California. The Senator from Illinois has tried to study the amendments.

May I ask the Senator from Oregon if my impression is correct that in each and every instance the amendments apply solely to organizations of labor and that in no instance do they apply to employers' associations.

Mr. MORSE. I think it is fair to say the amendments are totally labor slanted. The middle man amendment is one exception, but I will say again I think it is fair to characterize the amendments as labor slanted in their application.

Mr. DOUGLAS. If a properly worded provision for so-called democratic elections is enacted into law, should it not apply to employers' associations as well as to unions?

Mr. MORSE. Definitely.

Mr. DOUGLAS. If there is a provision concerning publicity with respect to financial accounts of the unions, should it not apply to the financial accounts of employer associations, as well as unions?

Mr. MORSE. Definitely; and, as the Senator from Illinois knows, one of the reasons given by some for the absence of such mutuality is that it might give the unions some information in regard to the finances of the company, which would be helpful to the unions in deciding whether or not to vote for a strike. But those who advance that explanation do not stop to realize that if we make available information with regard to the finances of the union, it gives the employer pretty good information as to how long a union could stand a strike. If we are to disclose finances—and I am for disclosing them—the doctrine of mutuality to which we have referred should be written into the law

Mr. DOUGLAS. One of the amendments of the Senator from California provides for a referendum and recall, as I understand, with respect to union officials. Does the Senator from Oregon believe that that principle, if applied to unions, should also be applied to officials of employer associations?

Mr. MORSE. Yes. While I reserve the right to change my mind later, I am not so sure that it should not apply to stockholders as well.

Mr. DOUGLAS. That was the next question I was about to ask—the application of this recall proposal to corporate officials by a referendum of stockholders.

Mr. MORSE. I am seldom ahead of the Senator.

Mr. DOUGLAS. The Senator from Oregon is usually ahead of the rest of us.

The same question arises in relation to the proposals for referendums on union policies and decisions.

Mr. MORSE. I think we should give serious consideration to the question as to whether it should apply to referendums with respect to stockholders.

Mr. DOUGLAS. Does the Senator believe that some of the enthusiasm for those amendments might be diminished if they were made mutually applicable?

Mr. MORSE. Not only would it diminish; it would disappear.

Mr. DOUGLAS. The Senator from Oregon is a member of the Committee on Labor and Public Welfare. He voted with the large majority of Senators last night, as I expected him to do, to make the obligation for registration, reporting, and disclosure of finances with respect to welfare and pension funds mutual, and apply to funds managed by employers as well as to funds managed by unions and to jointly managed funds. Is that not true?

Mr. MORSE. That is correct. As the Senator knows, I also take the point of view that such funds are vested with a public interest. The Senator from Kentucky [Mr. COOPER] referred to that in a little different way yesterday, when he talked about fiduciary relationships. I refer to such funds as funds vested with a public interest; and, because they are vested with a public interest, I do not believe that either a union welfare fund or an employer welfare fund should be at the complete administrative disposal of either the union or the employer. That is why I have, in times past, said on the floor of the Senate and elsewhere that I do not think it is right for an employer, for example, to use the income from an employer-controlled welfare fund to apply in payment of dividends. I happen to believe that the income should be set aside for the benefit of the welfare fund, and not for the benefit of the stockholders.

Mr. DOUGLAS. Is it not true that one of the weaknesses in connection with the Taft-Hartley Act is that the so-called non-Communist affidavit applies only to officials of unions, and does not apply to officials of corporations, or officials of employer associations?

Mr. MORSE. That is true. The Senator will recall that in 1949, when Senator Taft was still with us, he proposed a series of amendments the exact number of which I may be mistaken in recalling, but I know there were between 15 and 19 amendments. Interestingly enough, most of those amendments were taken from the Morse-Ives bill of 1947, which had been rejected. One of those amendments, by the way, was an amendment with regard to making mutual the Communist affidavit provision.

Mr. DOUGLAS. A similar proposal was made by the Senator from Vermont [Mr. AIKEN] and the Senator from Illinois.

Mr. MORSE. The Senator is correct.

Mr. DOUGLAS. Is it not true that President Eisenhower has said that the non-Communist affidavit should apply to employers as well as to union officials?

Mr. MORSE. That is true. I want the RECORD to show that I agree with President Eisenhower on that point.

Mr. DOUGLAS. This is unprecedented. [Laughter.] But if this principle is good in connection with the non-Communist affidavit, is it not also good in connection with election of officers, recall and referendum provisions, and publicity of financial accounts?

Mr. MORSE. That has always been my position.

Mr. DOUGLAS. I think the Senator from Oregon has let great shafts of light in on this question, and I hope the RECORD may be read, studied, and considered both by the Senate and by the public.

Mr. MORSE. Let me say—and I mean no flattery—that whenever the Senator from Illinois interrupts me in debate and we have a colloquy, the remarks I make become more intelligent as a result of the clarification brought about by the questions asked by the Senator from Illinois.

Mr. President, I am about to yield the floor, reiterating the hope that I have raised a procedural issue this afternoon which the Senate will seriously contemplate. In effect, the course I have

suggested would really send the amendments to the committee. As a member of the committee I shall welcome the testimony of the Senator from California, not only on the questions I raise here in regard to what I consider to be the inconsistencies and ambiguities of some of the language he uses in his amendments, but on what I am satisfied will be a host of other questions which he will need to answer in order to clarify his amendments.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gore	Morse
Allott	Green	Morton
Anderson	Hayden	Mundt
Barrett	Hickenlooper	Murray
Beall	Hill	Neuberger
Bennett	Hoblitzell	O'Mahoney
Bible	Holland	Pastore
Bricker	Hruska	Payne
Bridges	Humphrey	Potter
Bush	Ives	Proxmire
Butler	Jackson	Purtell
Capehart	Javits	Revercomb
Carlson	Jenner	Robertson
Carroll	Johnson, Tex.	Russell
Case, N. J.	Johnston, S. C.	Saltonstall
Case, S. Dak.	Kefauver	Schoeppel
Church	Kennedy	Smathers
Clark	Kerr	Smith, Maine
Cooper	Knowland	Smith, N. J.
Cotton	Kuchel	Sparkman
Curtis	Langer	Stennis
Dirksen	Lausche	Symington
Douglas	Long	Talmadge
Dworshak	Magnuson	Thurmond
Eastland	Malone	Thye
Ellender	Mansfield	Watkins
Ervin	Martin, Iowa	Wiley
Frear	Martin, Pa.	Williams
Fulbright	McClellan	Yarborough
Goldwater	McNamara	Young

The PRESIDING OFFICER. A quorum is present.

Mr. THURMOND. Mr. President, it is my intention to vote for the bill under consideration, not because it covers the entire field in which legislation is needed, but because it is a step in the right direction.

I heartily support the purpose of some of the amendments proposed, because the need for them has been shown. One of the principal reforms we should try to effect is the return to our working men and women of control over their own organizations.

I regret, however, that the amendments are being proposed now because they have not been subjected to hearings and the orderly procedures of the Senate which I deem to be necessary if we are to pass sound legislation. The so-called civil-rights bill of last year is an example of the folly which can be created and foisted upon the American people when normal and orderly legislative procedures are thrown to the wind.

Labor, management, the administration, and the public have a right to be heard on the merits and demerits of any labor legislation of this magnitude. The Senate has been assured by the Labor Subcommittee chairman and the Labor Committee chairman that hearings will be held and a bill reported to the Senate on the subject of these amendments. I do not believe that the vote of the Senate on these amendments reflects the true attitude of the Senate toward the merits of the amendments, since many members are voting against them solely because they have not been considered by the Labor Committee in accordance with the normal procedures.

Although I favor enactment of the substance of some of the pending amendments, I must vote against them today. I want to make it clear that I intend to support some of the legislation embodied in these amendments in the Labor Committee and on the Senate floor when the Labor Committee reports a bill on the subject later in the session.

Mr. GOLDWATER. Mr. President, I should like to ask my friend from South Carolina if he has a firm commitment from the majority leader that if such a bill is reported by the committee it will be brought up on the floor of the Senate on a certain date?

Mr. THURMOND. I do not have a firm commitment that the bill will be brought up on the floor of the Senate on a certain date. However, my understanding, based on what I heard the chairman of the subcommittee say, is that he would pursue the matter with due speed, and that a bill would be reported, and he has told me that personally, I might say. I have also heard the chairman of the full committee, the distinguished Senator from Alabama [Mr. HILL] make the statement to the effect that the Committee on Labor and Public Welfare will report such a bill.

I have not talked with the majority leader on this subject, but my understanding is that he has assured the Senate that the bill will be considered at this session, and without delay, after the Committee on Labor and Public Welfare has reported it.

Mr. JOHNSON of Texas. Mr. President, I should like to say that I have not had any conversation with the distinguished Senator from South Carolina on this subject. I have given the Senator from Arizona all the assurance I can give him—if he has any confidence in my assurance at all. It is that as soon as the committee acts on a bill and it is placed on the calendar, I shall present it to the policy committee at the first opportunity with the recommendation that it be cleared and scheduled for action by the Senate.

I took that position even before the pending bill was reported. I have repeated that statement a number of times. I cannot speak for any member of the policy committee except myself. I am not in a position of trading for votes.

Mr. GOLDWATER. We have now gotten as far as the policy committee, but we still have no assurance that the bill will come out of the policy committee and on to the floor. That is all.

Mr. JOHNSON of Texas. I would say that we have gotten it that far notwithstanding the actions of some Senators. We got it that far before we ever scheduled the pending bill for consideration. Before he reported the pending bill, the chairman of the subcommittee and I had a conversation, and I urged him to report the pending bill and other bills as soon as he could have them ready.

I think some Senators, in this political atmosphere, are attempting to claim credit for something for which they do not deserve credit. The Senator from Massachusetts scheduled hearings at the earliest date he could following the introduction of the McClellan bill. He stated to the Senate and to the majority leader that he intended to pursue the hearings vigorously. The full committee will no doubt act upon the recommendations of the subcommittee.

I have not the slightest doubt that the policy committee will take the same action. The Senator from Alabama [Mr. HILL] is a member of that committee. The Senator from Georgia [Mr. RUSSELL] is a member of that committee. The Senator from Oklahoma [Mr. KERR] is a member of that committee. I have not asked any of those Senators to give the Senator from Arizona a commitment, and I would not do so. I think they would be insulted if I should say to them that in the policy committee we should exchange promises on a bill.

But I have enough confidence in the Senator from Alabama [Mr. HILL] to believe that when his committee reports a bill to the Senate, and I present it to the policy committee, the policy committee will act promptly. If it does not act promptly, the Senate has yielded none of its rights. By a majority vote, it can vote up or down a motion to discharge the committee or a motion can be made to proceed to the consideration of a bill on the calendar, without the action of the Policy Committee.

Mr. GOLDWATER. We still do not have the bill out of the policy committee.

Mr. JOHNSON of Texas. I expect the Senator from Arizona could stay here a long time and still not get it out of the policy committee.

Mr. GOLDWATER. I thought we had a chance to get it out.

Mr. JOHNSON of Texas. The Senator from Arizona will have little chance to get it out this way. The policy committee will act on the bill once it is reported; but it will not pass on it in advance to enable the Senator from Arizona to claim a little credit for getting something out of the policy committee.

Mr. GOLDWATER. The Senator from Texas could not be further from being right. I certainly do not claim to have any influence on the Democratic policy committee. But I have faith in the Senate majority leader. I believe him when he says he will expedite the process of having the bill approved by the policy committee; but the Senator has asked a substantial number of Senators to be assured they will have a chance to vote on this proposal.

Mr. JOHNSON of Texas. The Senator from Texas has made no such request of the Senator from Arizona. So far as I am concerned, I have made no request of the Members of the Senate. I have merely stated what I intend to do.

Mr. GOLDWATER. That is the whole nut we have to crack. We do not yet know for sure whether we will have the chance to vote on a measure like this this year.

Mr. JOHNSON of Texas. Would it have any effect on the Senator's vote if he did know?

Mr. GOLDWATER. No; not a bit. [Laughter.]

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. THURMOND. I yield.

Mr. CURTIS. I shall not prolong the discussion. I understand we shall be working a long time, and the genial majority leader has struggled so hard to justify the procedure here that I do not want to add to his burdens.

But the fact remains that we not only have some doubts about the timing and scheduling in order to have some legislation on labor questions enacted this year, if it is not done now; but, if a bill is reported by the Committee on Labor and Public Welfare, is then cleared by the policy committee, and then comes before the Senate, are we to tie our hands in the matter of amending that bill? Every argument that lies today will lie then.

I submit that we are faced with the issue of doing something for the rank and file of union members or of not doing something. With that in mind, I supported the Knowland amendment. I believe the country will interpret our action as either favoring doing some of these things or not favoring them.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. THURMOND. In response to the distinguished Senator from Nebraska, I may say that I do not concede to him or to anyone else any greater interest in the working people than I have. I want to take every step I can to protect their interests, but I do not intend to follow a course which will depart from the orderly procedures of the Senate. That is the way in which the civil-rights bill was passed last year, and I have not forgotten it. I do not intend to have a course followed again which will enable the Senate to consider bills which have not been referred to a committee for careful consideration and study.

If the committee does not report the kind of bill which I favor, I will not hesitate to support amendments or to offer amendments to accomplish what I think is needed to protect the working people. I think that amendments are needed, and I would favor the amendment offered by the distinguished Senator from California, for whom I have a high regard, if it is not in the bill when it is reported by the Committee on Labor and Public Welfare. If that amendment were offered, I would support it.

But today I shall not support any of these amendments, because they have not followed the orderly procedure of the Senate.

Mr. CURTIS. Mr. President, will the Senator yield briefly?

Mr. THURMOND. I yield.

Mr. CURTIS. I have the highest regard for the distinguished Senator from South Carolina. I know that he fully intends to support corrective legislation. I do not want anything I have said to indicate otherwise. I believe that thoroughly.

However, I disagree with his analysis of the procedure here. A civil-rights bill had not been reported to the Senate. Action was taken to consider it anyway.

In this case, a bill dealing with abuses in the field of labor-management relations was reported to the Senate; and the question now is, May we amend it, or not? If the answer is "No," the same problem will be faced if a bill is reported to the Senate in June. In other words, we are asked to tie our hands and to accept or reject what the Committee on Labor and Public Welfare decides.

There is not the strong likeness to the procedure followed in the case of the civil-rights bill, in my opinion, which some other Senators contend there is. But, again, I respect the Senator from South Carolina, and I thank him for yielding.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. THURMOND. I yield.

Mr. MUNDT. I have listened to the colloquy between the distinguished Senator from South Carolina and the distinguished Senator from Nebraska concerning the matter of timeliness. Speaking as one who has frequently voted with his conservative friends from the South on matters which I thought were vital to the Nation, and speaking as the one who was the first Republican in the Senate, when the debate was in progress, to speak out in support of the position which the South took on the question of the jury trial civil rights amendment, I want to make a heartfelt observation or two.

I see no possible analogy whatsoever between the issue now before the Senate and the issue then, nor the procedure being followed now and the procedure which was followed then. This is normal legislative procedure. The Senate is considering a bill which was referred to a committee and was reported by the committee, dealing with labor problems. If we neglect or fail to utilize the opportunity we now have to write corrective legislation, I sincerely believe that no corrective legislation will be enacted at this session of Congress.

I point out to my southern friends that I was deeply disappointed, as one who frequently votes with them on basic issues, but gets discouraged when they never vote with us. I was disappointed by this recent rollcall. I think the rule of cooperating across party lines has to work both ways or be abandoned altogether. I think Senators should cross party lines on principle both ways. I am afraid that, as things are now going, someday our southern friends will call for cooperation from this side of the aisle, but will find us wanting. We, too, will find some technicalities or some evasive reasons or some fault with the timing or the method. We may one day say, "Yes, we are for you, but not this year; at some other time, when another committee reports a bill; after it is too late to really be effective."

I plead with my Southern friends on the other side of the aisle, who have convictions which I know are as strong on the issue of improper activities in the labor field as my own, simply to be realistic and to forget partisanship.

I ask my dear friend from South Carolina, Can he conceive of any legislative machinery in the world by which we can enact in this session of Congress, let us say, a bill which the Committee on Labor and Public Welfare might report on June 10, if it does? After the distinguished majority leader appeals to the policy committee to have it taken up, which I know he will; after the policy committee decides to take it up, which I hope it will; and after the Senate debates it for a couple of weeks, which probably will be the minimum time necessary to write overall labor legislation and send it to the House of Representatives late in June, can the Senator think of any conceivable way to stimulate the taking of action by the House of Representatives before adjournment, if we utilize the tactic of delay, by not deciding the issue now, but by sending the bill to the House of Representatives at so late a time that, when we send it there, we shall know that the House of Representatives will not be able to act on it in time, before the end of the session? That is what disturbs and distresses me about the nature of the vote just taken.

I know the Senator from South Carolina wants the same results that I want. But it seems to me that party adherence should not be so strong that, from the great phalanx of Members on the other side of the aisle, only one Member will stand up and will say, "I approve of this proposal." I cannot believe that the Senator from South Carolina and many other Senators on his side of the aisle would not be willing to vote to have the Senate proceed in such a way that there would be a real opportunity for both Houses of Congress to take final action on corrective labor legislation at this session.

Mr. THURMOND. Mr. President, in reply, let me say that our view as to the way the matter should be handled is different from the view of the Senator from South Dakota. When the Committee on Labor and Public Welfare reports the bill, after its hearings, I shall certainly support any amendment which I believe should be supported on its merits.

Mr. MUNDT. I am sure the Senator from South Carolina will do so. But it will then be too late. He knows that, inasmuch as the Congress is to adjourn some time in August, if the Senate takes action in late June on such a bill, there will not remain, in the present session, sufficient time for the House of Representatives to act on the bill, and subsequently to have the bill acted on finally by the Congress.

So, under these circumstances it is useless for a Senator to say "I favor having the Senate proceed in the regular way, following the customary committee procedure," because in that event the time for action will have gone, and it will then be too late.

Mr. THURMOND. The Senate could have voted today on the merits of the bill. Certainly there is no desire on my

part to stall. I should like to see the bill reported sooner than the estimated 4 weeks; I should like to see it reported in 2 weeks, if possible. I, for one, wish to have action taken. I hope it can be taken at this session. If it is not taken at this session, at least the hearings will have been held, and then there will be no excuse for the Congress not to act in January of the following session. But I prefer to see action taken at this session.

Mr. HOLLAND. Mr. President——

Mr. MUNDT. Mr. President, will the Senator from South Carolina yield further to me?

Mr. THURMOND. I yield to the Senator from South Dakota for a further question.

Mr. MUNDT. Of course, I wish to complete my colloquy with the Senator from South Carolina; and then we shall be glad to have the Senator from Florida make his always useful observations.

I do not impugn the procedure in the House of Representatives; but it is obvious that we could not expect to have both Houses of Congress take final action on a measure of this sort if the Senate were to pass the bill in late June or July. Thereafter, the bill would be sent to the House of Representatives, which would refer the bill to the appropriate House committee; and that committee might hold hearings on the bill, and then it could report the bill to the House of Representatives. Then it would be necessary for a rule for consideration of the bill to be obtained from the Committee on Rules—from which it would be almost impossible to obtain such a rule, let me say. Then the bill would have to be considered by the House of Representatives, and passed by the House of Representatives; and thereafter it would be necessary for action to be taken by a conference committee to be composed of conferees on the part of the Senate and conferees on the part of the House of Representatives. It is unrealistic in the extreme to believe that route of action will produce labor legislation in this session.

If we are sincerely interested in having a bill in this field, for the benefit of the general public, enacted into law at this session of Congress, we must admit that under those circumstances there would be no chance to have the bill passed.

Some Senators say the bill can be passed at the next session. That may be, but I doubt it seriously. But at the next session the Senator from California [Mr. KNOWLAND] will, I hope, be the Governor of California, no longer a Senator from California. I do not think the Senator from South Carolina is justified in favoring a course which would involve taking the risk which, of necessity, would have to be taken in that event—the risk involved by saying, "We will take the gamble that is involved." Politics is important, but I do not believe it is that important.

I do not believe we should lose the opportunity we now have, when there is now before the Senate proposed legislation for which the Senator from South Carolina has said he would gladly vote. If he would gladly vote for it in June, he should vote for it in April. The only difference will be this: If he votes for it in April, it may become the law; whereas I am afraid that if the vote is taken in June, it may be too late, and the vote may then be only a gesture.

Mr. THURMOND. Mr. President, as I have previously stated, I am interested in all the procedures of the Senate. I was terribly disappointed, last year, when the Senate considered a bill which had not been referred to the appropriate committee. I think the committee should have had an opportunity to hold its hearings.

I have been assured by the chairman of the subcommittee of the Committee on Labor and Public Welfare that there will be no delay. These committee members are honorable gentlemen; and I assume that when they say there will be no delay, there will be none.

Mr. MUNDT. Yes; and I, too, assume that the committee will report the bill by June 10, as the committee members have agreed to do.

Mr. THURMOND. I do not know of anything else that can be done.

This is not a matter of politics or partisanship, so far as I am concerned. I vote on the basis of my convictions, regardless of the issue pending, and regardless of which side espouses the pending proposal. I am interested in the welfare of my country, and I try to vote on that basis.

Mr. HOLLAND. Mr. President, at this point, will the Senator from South Carolina yield to me?

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Does the Senator from South Carolina yield to the Senator from Florida?

Mr. THURMOND. I yield.

Mr. HOLLAND. Mr. President, I have been a little discouraged to hear my friend, the Senator from South Dakota [Mr. MUNDT], say something, which I think he may not have meant, which would impugn the courage and, to some degree, the integrity of Senators who did not vote as he voted recently in the Senate. It is unlike my distinguished friend to make such a statement, and I hope he will reconsider it.

However, I do not desire to engage with the Senator in an argument on that point.

Instead, I rise to call attention to the hopelessly confused situation which confronts the Senate.

I was one of those who, in 1947, supported very strongly the enactment of the Taft-Hartley bill.

The situation now confronting the Senate is as different from the situation then existing as night is different from day. At that time, a minority of the Senate committee had strong leadership, and brought out minority views which offered something affirmative to the Senate. My recollection is that the minority views were supported not only by the late Senator Taft of Ohio, but also by Senator Donnell, of Missouri, the Senator from New Jersey [Mr. Smith], the Senator from Louisiana [Mr. Ellender], and another Senator, whose name now escapes me. Then we had a choice between a strong, well-written bill proposed by the minority of the committee—a thoughtful, intelligent, cohesive bill—and another bill, reported by a slender majority of the committee.

I was one of the Senators who, without any thought at all of partisanship—because, as I recall, the Taft-Hartley bill was reported by the committee with the support of only one Democratic member of the committee, just as now only one Democratic Senator—the distinguished Senator from South Carolina [Mr. THURMOND], whose views in this field I am inclined to share declines to support the majority report.

However, there was then no criticism about lack of courage or about partisanship—when many of us on this side of the aisle chose to indorse a bill which has held up since 1947, and which, since its enactment, has been so important to the country that in late years no serious effort to repeal it has been made.

Now let us come to the next stage: In the 81st Congress, the committee which handles proposed legislation of this type was under the chairmanship of the late Senator Thomas, of Utah. He, supported by a majority of the committee, reported a bill to repeal the Taft-Hartley Act. Again, there was on the committee a strong, determined, cohesive minority which felt that the real job to be done was to improve the Taft-Hartley Act. I was one of those who joined with that strong, determined, cohesive minority in voting for some weeks, here on the floor of the Senate, until not only did the Senate reject the effort of the committee to repeal the Taft-Hartley Act, but the Senate added to it a series of amendments—supported in the beginning by that minority of the committee—which would have strengthened it, and in some particulars would have corrected mistakes and injustices in the Taft-Hartley Act. At that time, I did not hear any mention of undue partisanship or lack of courage or anything of the sort.

At this time I wish to discuss the vastly different situation now confronting us: The Senate now has before it a bill which has been reported by a majority of the Committee on Labor and Public Welfare. Frankly, I think it is a "Milquetoast" bill and a weak bill. It does not give nearly so much protection to the workingmen—regardless of the type of welfare or pension fund which is sought to be protected—as it should give and as I should like to have given.

But let us consider what we have from the committee: We have a bill, reported by a majority of the committee; and a minority of the committee—five members, in total—take positions different from that of the majority of the committee. But no two of those five members feel alike in regard to what should be done.

I now hold in my hand a copy of the committee report. Following the report of the majority of the committee, I find separate minority views which have been written by my distinguished friend, the Senator from Colorado [Mr. ALLOTT].

He suggests one small and, I believe inadequate substitute.

Then we find a 6-line minority view or opinion which has been written by my distinguished friend, the Senator from Connecticut [Mr. PURTELL]. That opinion suggests nothing affirmative; but states, in effect, that he is not satisfied with what has been done.

We have brief minority views written by my distinguished friend from Arizona [Mr. GOLDWATER] suggesting still another method of handling the matter, though he agrees also, as he says, with the Senator from Colorado.

We have brief minority views from my distinguished and beloved friend, the Senator from New Jersey [Mr. SMITH], stating he disagrees with almost everything, but he does not come forward with any affirmative program, though he has now come to the floor with what I understand to be a long series of amendments which speak for the administration. It is a rather strange situation when he speaks for the administration, rather than have the minority leader speak for the administration in this matter.

Then there are brief minority views from my distinguished friend, the Senator from South Carolina [Mr. THURMOND], again expressing his dissatisfaction with the terms of the pending measure. I agree with him. It is a "Milquetoast" bill, but it is not merely an idle gesture. It does have some value.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. HOLLAND. I do not have the floor, and I will appreciate it if the Senator will allow me to complete my brief remarks.

I want the RECORD to show what I think about this situation, because, in my opinion, there was never a more hodgepodge situation confronting the Senate than that which now confronts it. We have the Senator from New Jersey offering, apparently alone, and not supported by any minority members of the committee, a long series of amendments taken from what is called the administration bill.

If I understand correctly, he has been requested by the administration to offer that series of amendments.

Then we have a long series of amendments offered by my distinguished friend from California, the minority leader, which do not represent the views of the administration, but represent as they should, of course, the thinking and conscience of the distinguished Senator from California.

So on the floor of the Senate we are offered a great variety of suggestions, which are not cohesive. They are offered in the hope that out of this great mass of suggestions, which do not hang together at all, there may be evolved an orderly program on the floor of the Senate, which will do a better job than the "Milquetoast" bill which is before the Senate.

I believe some amendments are offered also by my distinguished friend from Nebraska [Mr. CURTIS] and perhaps other Senators.

At any rate, the number of amendments to be offered has not been clearly discovered, because we have not had time to do so. I simply want to say that I, for one, think it is about as poor a situation in which to take affirmative action to strengthen the bill as one can possibly imagine. I have never seen a greater hodgepodge, a greater lack of unity, a greater lack of anything affirmative.

I think anyone who is criticized for not being able, after a study in other committees, to come to the floor of the Senate and pick out, by some seventh sense, amendments which are sound out of the great plethora of amendments offered from different sources, to stick them together in an attempt to make a good bill—I think anyone who is criticized for a lack of courage, a lack of intelligence, or nonpartisanship, is criticized wrongly.

I do not think my friend, the Senator from South Dakota is on sound ground when he makes such criticism.

Before I get through, I want to make it completely clear I have not been satisfied with the functioning of the committee, of which the distinguished Senator from Alabama [Mr. HILL], is the chairman, and he is one of my dearest friends. For 6 years I have been trying to get consideration by the committee of an amendment which would do vastly more good for the people of this country, including particularly the working people, than anything we are talking about in connection with this bill. That is an amendment which would correct the situation resulting from the decision of the Supreme Court in the Wisconsin case by allowing the States once again to have some potentiality under their own laws, to avoid or bring to an end stoppages of local public utilities.

In the early days of the 82d Congress the Senator from Wisconsin [Mr. Wiley], the Senator from Virginia [Mr. Robertson], the Senator from New Jersey [Mr. Hendrickson], and I joined in offering such an amendment as the distinguished Senator from Wisconsin will remember.

In the 84th Congress I was joined by the distinguished Senator from Virginia [Mr. ROBERTSON] in offering the same amendment.

This time I thought we had offered it in the early days of this Congress, just as we had on the other occasions. I found a few days ago that, although it had been prepared, it had not been filed. I again filed it in the name of the Senator from Virginia [Mr. ROBERTSON] and myself.

I have, on repeated occasions, discussed with the Senator from Alabama, the able chairman of the committee, my strong request and hope that I be allowed to have hearings on the proposal——

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. HOLLAND. I cannot yield. I do not have the floor.

I want to make it clear that I am in the unhappy position, but one which I shall maintain, that I am not going to choose, out of thin air, from the many amendments on this complex subject, attention to which was first called on the floor of the Senate, because we will never get safe legislation in that way.

I think the committee has not accorded us the courtesy to which we are entitled by allowing us hearings on measures of this importance.

I have been assured by the Senator from Massachusetts [Mr. KENNEDY] that he is going to allow us to have such hearings. It is a great courtesy on his part. After all, we are only Senators of the United States. We thought we were entitled to the right to be heard on the amendment, of which I understand the Senator from Massachusetts had not even heard. Other Senators have heard about it. My correspondence file shows there was correspondence on it between the Senator from Alabama [Mr. HILL] and myself, and also numerous telephone conversations between us.

I want to support orderly committee procedure. I am going to support it in this matter because there is no other tolerable choice. We cannot get anywhere and be on sound ground by picking out of thin air amendments which have been offered from many sources. But when the McClellan bill comes back from committee I am going to claim the right to have heard by the Senate my amendment, which I have discussed, because I think the people of my State—which has in its laws compulsory arbitration provisions which apply only to public-utility matters—are entitled to have consideration of the amendment. I think the people of the State of Wisconsin, and the people of many other States where such State legislation exists, or other types of State procedure, which legislation is now nullified—and that was not the intention at all in the passage of the Taft-Hartley bill—are entitled to have the matter disposed of. I think the matter has been bottled up in committee too long.

If the distinguished Senator from South Dakota does not agree with my statement, I am sure he may state his own position.

Mr. MUNDT. If the Senator will yield, I shall be happy to do so.

Mr. HOLLAND. I cannot yield. I do not have the floor. I want him to understand that I have not hesitated to support measures which happened to have the support of more Senators on his side than on this side of the aisle. I did not hesitate to take a position on flexible price supports, as to which I believe the Senator from South Dakota took a different position from that of the majority of his party. I could hardly be charged with lack of courage or partisanship for what I did in the tidelands matter and several other important matters which could be mentioned.

I have never hesitated, and I shall not hesitate, to take a position which I believe to be sound, regardless of the outcome; but I must believe my position is sound before I take it.

I remind the Senator that from the great hodgepodge of amendments cluttering the air, and creating the most confusing situation in the Senate in the 12 years I have been here, there is no chance to write, on the floor, a good

bill by giving it a little more stamina, which I would like to see done to the bill which is now pending.

I thank my distinguished friend from South Carolina for yielding. I appreciate his position. I share his feeling of frustration. I hope we will get a chance to have a fair and sound bill and a much stronger bill than the pending measure reported and voted on by the Senate before we are through.

Mr. MUNDT, Mr. CURTIS, and Mr. SMITH of New Jersey addressed the Chair.

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). Does the Senator from South Carolina yield; and, if so, to whom?

Mr. THURMOND. I yield to the Senator from South Dakota to propound a question to the Senator from Florida, if the Senator from Florida will accept it.

Mr. MUNDT. Mr. President, I would prefer, if it is satisfactory to the Senator from South Carolina, for him to yield to me to present a brief comment in connection with the comment directed to me by the Senator from Florida. I do not have a presentation in the nature of a question.

Mr. THURMOND. I yield to the Senator from South Dakota for that purpose.

Mr. MUNDT. I thank the Senator.

I believe the Senator from Florida either misunderstood or misinterpreted a remark I made, which triggered off his interesting commentary. However, I am glad I made the remark, even though it was misunderstood, because the Senator made a very significant contribution to the general discussion we are having about the situation which confronts us.

I wish to make it clear for the RECORD, so there can be no misunderstanding, that I did not question the political courage of anybody in this body, or the political integrity of anybody. I think Senators can read what I said very clearly.

Certainly when I congratulated the distinguished Senator from Ohio for an act of courage, I did not impute to all other Democrats the fact that they lacked courage. I simply pointed out that this was a move which I saluted as a very courageous act—the more courageous, I believe, because the Senator was the only Democrat who took such a position. It was a very courageous thing to do. That statement, however, certainly does not indicate that every Senator who voted differently lacked courage.

Mr. HOLLAND. Mr. President, if the Senator will yield, I believe his words were that only one Senator on the Democratic side of the aisle courageously rose to the occasion and voted his convictions. The Senator can look up his words, and if he finds them to read that way, I hope he will correct them to more adequately express his latest expression in this matter.

Mr. MUNDT. Certainly my appendage at this point, together with what I said previously, will make clear my meaning.

I did say I thought there was a disappointing amount of partisanship displayed with respect to what should have been a nonpartisan issue. I am neither naive nor credulous enough to believe that such unanimity is achieved by accident.

With the sole exception of the courageous vote—I repeat, it was a courageous vote—cast by the Senator from Ohio, there was complete unanimity on the Democrat side of the aisle against the amendment offered by the Senator from California. That does not represent a lack of courage, but it certainly indicates there is an abundance of cohesion among Democrats.

The Senator from Florida pointed out, with respect to the Taft-Hartley Act—and he said it several times, so I wrote it down, because I agree with him—that there was a cohesive minority at that time. We are up against a cohesive majority at this time, it seems to me. I am merely trying to enter into the discussion, as a friend of the South who desires to avert unhappy future consequences.

Mr. HOLLAND. A cohesive minority——

Mr. MUNDT. I am trying to enter into this discussion as somebody who has worked hand in glove with Senators from the South on questions concerning which I thought they were right.

Mr. HOLLAND. Mr. President——

Mr. MUNDT. Like the Senator from Florida, I cannot yield the floor, because I do not have it. [Laughter.]

Mr. President, I talk to my friends, because they talk to me. I have been under the inducement to have political cohesion. There is nothing wrong with that. But Senators need not be driven by it.

I think the Senate has a wonderful majority leader, as I have said many times. He has done his job with commendable dispatch, with complete fairness, and with great efficacy. I do not know how he gets the political cohesion he obtains.

I know we had a discussion at one time on the floor of the Senate about something called civil rights. My minority leader, whom I love with all the affection I have for the majority leader—I consider them equally good friends—had some amendments which he thought we ought to support. The President of the United States, whom I admire, for whom I voted, and for whom I campaigned, thought those amendments were pretty good. The Attorney General thought the same. It was with some reluctance I initially stood out alone as a Republican and said, "On this question I disagree with my leader; on it I disagree with the President." And I so spoke and I so voted.

I was glad that we did not have then the kind of Republican cohesion which has been demonstrated today on the other side of the aisle. I think the Senator from Florida is also glad that cohesiveness is something which operates only on occasion, because if we had had that kind of cohesion then we would have had a worse civil-rights bill than was enacted by the Senate. In fact, 12, or 14, or 16 Republicans finally said, "Regardless of the technicalities, regardless of the committee action, regardless of the timing, because we think the issue is basic and fundamental, we are going to depart from our dear friend, BILL KNOWLAND, and our greatly admired President, and vote our convictions on this issue rather than play partisan politics. But the point I emphasize is crystal clear. Our southern friends must also on occasion cooperate with those of us who cooperate with them. A one-way street is not the proper road for winning victories for principle over expediency."

I know, as the Senator from Florida knows, that the time to legislate is when the opportunity is presented. The time to legislate is soon enough in the course of the calendar year so that the other body will have a chance to act. We all know those things. I think our constituents are also learning of these things. I simply wish to remind Senators of them, because I think I sense in what I have heard on the floor since the last vote, a feeling on the part of some of our good friends—good, fine, courageous Democrats who voted in a partisan manner this time—that they kind of wish they had voted the other way. They wish they could have, if they could have found a good way to do it. It was a pretty good amendment. Senators would like to vote for it, in general.

This is going to be the same old proposition in June. It is not going to be any different. It is going to have the same amendments.

Mr. HOLLAND rose.

Mr. MUNDT. I cannot yield the floor; I do not have it. I want to yield to the Senator, but I cannot, because I do not have the floor.

Let us get down to realities in this matter. We have to cross party lines, I will say to Senators, to support basic principles.

Mr. THURMOND. Mr. President, I am ready to yield the floor.

Mr. MUNDT. I was not quite ready, but if the majority leader insists it occur——

Mr. JOHNSTON of South Carolina. Mr. President, I call for the regular order.

Mr. ALLOTT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The regular order has been called for.

Mr. THURMOND. Mr. President, I have the floor. I shall be glad to yield to the Senator from South Dakota if he can wind up in a few minutes.

Mr. MUNDT. I would be happy to finish in a few minutes, and I am happy to have the Senator yield to me.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MUNDT. I cannot yield to the Senator from Massachusetts, as I could not yield to the Senator from Florida. We have to follow the Senate rules.

We are not discussing a vote on simply one amendment. I can think of many good reasons why many Senators would not want to vote for one particular amendment. The thing which distressed me was that I thought I heard reverberating from Democratic sources, as a sort of a great big warning sign over

the prow of the good ship Republican, Captain KNOWLAND in command, "There is no use of your offering another amendment to this bill—we shall oppose them not on principle but as a party measure, as a bloc, or as a group—because with the possible exception of the Senator from Ohio, who may not go along with this pronouncement, all of us on this side are going to be against all amendments."

That is what disturbs me; not the action on the amendment alone.

That I say again is partisanship. If we are going to have a repetitious vote, 100 percent minus 1, against all amendments simply because they have been submitted to this particular bill, I am afraid what will happen—and I say this with every kindness in my heart for my good friends on the Democratic side of the aisle, whose statements I believe—will be that no desirable legislation on this subject will be passed. I know Senators on the other side of the aisle want such legislation as much as we do. But by this process we will undoubtedly preserve the committee structure, and we will have orderly procedure all right, but Senators will have to go home without the needed legislation. Senators will have to go home to tell their constituents they have an empty sack, because the needed legislation will not be passed. There will not be time for legislation to be enacted after June by both Houses of the Congress.

I think Senators will possibly get a belated chance to vote on the matter in the Senate. If so, they can go home and say, "We did what we could." But the country will know you did what you could too late for any effective good. If they do so, it will be at the wrong time, because the House will not have a chance to act. That is what I am disturbed about.

I plead with Democratic Southern Senators, from the disadvantageous point of speaking from this side of the aisle, as we go through these amendments today, tonight, and tomorrow, do not condemn them all because they come from Republicans. Do not condemn them all because they are our amendments. I urge your consideration of them on their merits.

The distinguished Senator from Florida just announced that when the labor bill comes before the Senate he intends to offer an amendment of his own. He should not wish to establish the precedent that amendments are anathema, and that we must vote them all down. I do not think that we should analyze amendments from the standpoint of their authorship. I hope, as we proceed with the consideration of the bill on Saturday and perhaps on Monday, that we shall come to look upon amendments strictly on the basis of merit. Do we think they should be enacted in 1958? If so, this is a good time to do it. If we do not, it is time to reject them.

This is April 25. The CONGRESSIONAL RECORD for today will be most important for people to read in the months and years ahead. On this day I predict that whatever comes before us late in June will not be enacted rapidly enough, if it is to be effective overall legislation, to be passed by both Houses at the current session of Congress.

Mr. THURMOND. Mr. President, I have already attempted to explain my position. I would not attempt to speak for other Members of the Senate, but I wish again to remind the distinguished Senator from South Dakota, for whom I have the highest admiration, that there is certainly no partisanship on my part.

I am not voting against these amendments because they are offered by Republicans. I have explained that I intend to follow the orderly procedure of the Senate. That is the reason why I voted as I did on the first amendment, and that is the reason why I shall vote on the other amendments in similar manner.

Mr. KNOWLAND obtained the floor.

Mr. CURTIS. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. KNOWLAND. I yield provided I do not lose the floor.

Mr. CURTIS. Of course.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, the pending amendment is my amendment designated "4–21–58–G." I ask that the amendment be read for the information of the Senate.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following:

TRUSTEESHIPS OVER LOCAL UNION AFFAIRS

SEC. —. (a) (1) No national, international, or other labor organization having more than one local or constituent unit shall remove the officers of any local union for the purpose of establishing a trusteeship over such union and administering its affairs, unless—

(A) such action is authorized by, and is taken in accordance with the provisions of, the constitution, charter, bylaws, or other governing rules and regulations of such labor organization; and

(B) the funds, assets, resources, and property of the local union (other than amounts normally required to be paid to such labor organization by its local or constituent units in the absence of a trusteeship) are used exclusively in connection with the affairs of the local union and for the benefit thereof, and are not diverted to or utilized for any other purpose during the period of the trusteeship.

(2) No such trusteeship shall continue after the expiration of 1 year from the date it is established, and no such trusteeship shall be established with respect to any local union until at least 6 months have elapsed following the termination of any preceding trusteeship established with respect to such local union.

(3) In any case in which the officers of a local union have been removed and such a trusteeship has been established, the trustees are authorized, during the term of the trusteeship, to conduct elections for new local union officers at which all members of such local union shall be entitled to vote.

(4) Nothing contained in this subsection shall be construed to modify any existing legal rights or remedies with respect to the funds, assets, property or obligations of the local union upon the dissolution of such local union, or its expulsion or withdrawal from the national, international, or other union with which it was affiliated.

(5) Any member of a local union over which a trusteeship is established or continued in violation of paragraph (1) or (2) may bring an action in behalf of such local union in any district court of the United States for equitable relief to compel compliance with the provisions of such paragraphs, and for restitution of funds, assets, or property of the local union and for damages to such union. Any amounts awarded in any such proceeding shall be payable to the local union, except that costs, including counsel fees, of such proceeding may be assessed in favor of the person bringing the action.

Penalties

(b) Any individual who willfully removes or participates in the removal of the officers of any local union for the purpose of establishing a trusteeship over such union otherwise than in accordance with subsection (a) (1), or continues or participates in the continuation of any trusteeship in violation of subsection (a) (2) shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not exceeding $1,000 or by imprisonment for not exceeding 1 year, or both.

Mr. KNOWLAND. Mr. President, as I pointed out prior to the vote on the previous amendment, the pending amendment is one of several amendments I shall present to the Senate and on which I shall ask for a yea and nay vote. The yeas and nays have already been ordered on the pending amendment. As I said previously, none of the amendments strengthens the hand of the employer as against the worker or the labor organization. All the amendments are directed solely toward giving the rank and file members control over their own union affairs. The pending amendment is designed to protect members of local unions and their officers against the establishment by national or international labor organizations of trustees for long periods of time. The Senate Select Committee on Management-Labor Matters has investigated the use of trusteeships or supervisorships to control the activities and funds of local unions and has recommended legislation to prevent the existing abuses of this practice.

Mr. President, I call attention again to the interim report of the Select Committee on Improper Activities in the Labor or Management Field, at page 4, as follows:

(2) The international unions surveyed by this committee have flagrantly abused their power to place local unions under trusteeship or supervisorship.

(a) Some trusteeships have been baselessly imposed.

(b) Some have lasted for as long as 30 years.

(c) Rank-and-file efforts to throw off such shackles have been ignored, rejected, and sometimes met with violence and intimidation.

(d) Locals under trusteeship have been plundered by the very officials entrusted with the management of their affairs.

(e) Locals under trusteeship have been used as pawns in political battles within international unions, often in order to boost the ambitions of particular candidates for high office.

This is not the statement of the senior Senator from California; it is taken from the interim report of the select committee dealing with this subject. That report, as I understand, was signed by seven of the eight members of the select committee, four Republicans and three Democrats. In addition to that, the same select committee, at page 371 of the interim report, states the following:

(1) Of a total membership of 280,000, all pay dues, but only 131,000—some 46 percent—are allowed to vote. The IUOE divides its rank and file into two main membership classifications: those who belong to parent locals as so-called senior members, and those who belong to various local subdivisions, including junior and apprentice engineers. Added to these 280,000 members are permittees, or out-of-towners who work on local jobs under union permit. Only the senior members can vote in local elections, and other members cannot join this upper crust except at the discretion of IUOE officers.

(2) Even for those permitted to vote, the franchise is largely farcical. Elections are held irregularly if at all; vital union matters are put up to voice votes whose relative strength is arbitrarily adjudged by the local boss.

(3) Trusteeships, also called supervisorships, have been imposed on 12 IUOE locals representing about one-fifth of the total membership, thus destroying even the merest semblance of their autonomy, since under such regimes a local's assets are seized, its elected officers are ousted, and no elections whatever are permitted. Added to the absolute nature of these trusteeships is the evil of their indeterminate duration. Of the IUOE locals now so saddled, 7 have been under trusteeship for at least 10 years, 2 of them for as long as 29.

(4) Theoretically the union constitution provides the rank and file with a means of ridding themselves of the trusteeship burden. If 25 percent of a local membership petitions the international president, he supposedly must hold a referendum to ascertain the wishes of the entire local membership in this regard. The ultimate decision is his, however, and the only appeal from it is to the general executive board, which is his creature.

(5) Neither in locals under trusteeship nor in those free of it does any accountability exist for union funds. Literally millions of dollars have vanished from the IUOE treasury, often reappearing in the form of improved living standards for union bigwigs. In at least two locals, the rank and file have had to kick back 5 percent of their salaries over and above the regular dues they pay.

Mr. IVES. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. IVES. I do not like to take any more time on this question than necessary, but I should like to ask the Senator if he is not aware of the fact that the committee made no recommendations with respect to trusteeships.

Mr. KNOWLAND. It is contained in the interim report.

Mr. IVES. What the Senator has said about the report is accurate and, so far as I am personally concerned, I feel that some regulation should be provided, but no recommendation has been made on that point.

Mr. KNOWLAND. I stand corrected. At least it is contained in the interim report.

Mr. IVES. It is not a part of the recommendation, except as one can read such a recommendation into the language the Senator has read.

Mr. KNOWLAND. I read from the interim report at page 452:

UNION DEMOCRACY

The committee recommends that legislation be enacted assuring democratic procedures in labor unions. In the committee's opinion, legislation should be directed, though not limited, to three principal ends:

1. The periodic election of officers;
2. The use of secret ballots in union elections and other vital union decisions;
3. A limitation on the right of internationals to place local unions in trusteeship or supervisorship.

Mr. IVES. I should like to point out that, so far as the actual recommendations are concerned, the actual recommendations of the committee are five, and they are set forth at page 462 of the interim report. That is as far as we went with the recommendations.

Mr. KNOWLAND. I shall leave it to the Senate. I might say that in the same interim report, from which I have been reading, which purports to contain the recommendations for legislation, there is contained the recommendation:

In this regard, therefore, it recommends Federal legislation be enacted to guarantee them a right periodically to elect their officers, a right to cast their ballots in secret, and a restriction on the baseless imposition of trusteeships and supervisorships for periods as long as 30 years.

The pending amendment provides the following:

First. No trusteeship can be established unless it is authorized by the constitution, charter or bylaws of the labor organization in question, and further that the funds and assets of the local union must be used exclusively for the benefit of the local union.

What is inimical to the best interests of the rank and file of the unions in that?

Second. No trusteeship can continue for a longer period than 1 year from the date of its establishment.

What is adverse to the interests of the locals or to the members in that?

Third. Where a trusteeship has been established after officers of a local union have been removed the trustees are authorized to conduct elections for new local union officers.

What is antiunion or antilabor or contrary to the best interests of the workers in that?

Fourth. Upon violation of provisions of this amendment, members of the local union are authorized to bring court action in the Federal court of the United States for equitable relief to compel compliance and to enforce restitution of the funds and assets of the local union.

What is contrary to the best interests of the union members or of local organizations in that proposal?

Fifth. Where officers of local unions are removed for the purpose of establishing trusteeships in violation of these provisions or where a trusteeship continues in violation of these provisions, the individual who willfully participates in such action is subject to prosecution, punishment, and fine for the commission of a misdemeanor.

What is inimical or contrary to the best interests of the local or to the members of a union in that?

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from South Dakota.

Mr. MUNDT. I think the distinguished Senator from California was precisely correct when he said that the select committee—7 of its 8 members—included in our legislative recommendations specifically, and more than once, the recommendation that there be legislation such as the Senator from California now proposes.

Mr. KNOWLAND. Mr. President, may we have order? We are trying to discuss what some of us, at least, think is important proposed legislation. While the attendance is sparse, I hope, nevertheless, we may carry on the discussion without disturbance.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MUNDT. I point this out for the information of all Senators, because I think the distinguished Senator from New York overlooked this in his recent colloquy with me about the recommendations, that the recommendations begin at page 450, under the heading "Legislative Recommendations." They are broken up into subheadings. I refer to page 450 of the interim report of the select committee. We made legislative recommendations under various subheadings. We made recommendations on pension, health, and welfare funds; we made some on union funds, which appear on page 451; we made some on union democracy, which appear on page 452, and the third recommendation under that heading is that legislation be enacted to provide:

A limitation on the right of internationals to place local unions in trusteeship or supervisorship.

At the bottom of that paragraph we say:

In this regard, therefore, it—

The select committee—

recommends that Federal legislation be enacted to guarantee them a right periodically to elect their officers, a right to cast their ballots in secret, and a restriction on the baseless imposition of trusteeships and supervisorships for periods as long as 30 years.

Our legislative recommendations continue under the subheading "Management Middlemen."

We also make legislative recommendations. So there is no question that the seven Senators who signed the report recommended legislation against trusteeships, as they are called in the teamsters organization, and supervisorships, in some of the other organizations. Mr. Reuther said that in the UAW they are called administratorships.

Whatever they are called they are a tactic which, under unscrupulous union leaders, denies to members of local chapters all democracy, all self-determina-

tion, and all right of self-control over union activities.

On page 130 of the interim report is an illustration of how the bad practice has spread into a great many unions. This reference is to the Bakery and Confectionery Workers International Union of America. It is not particularly a large union, but it is one in which trusteeships were used to betray union members and to defraud them of what was rightfully theirs. From page 130, I quote:

International Vice President George Stuart mulcted Chicago bakers' locals of $40,000. One of his most brazen manipulations involved a $13,000 appropriation for a joint organizational drive with Teamsters Joint Council 43, which, as intermediary, then purchased 2 Cadillacs at $6,500 apiece for Stuart and Cross. Another larcenous maneuver by Stuart stripped Chicago locals 100 and 300 of the better part of $10,500 for an organizing drive which was so nonexistent that he never mentioned it in his reports to the international, nor was it even slightly apparent to the owner of the alleged target company.

The report says:

The committee finds that these thefts by Stuart were made possible under two Chicago local trusteeships of the most arbitrary and capricious stripe. Although local 300 requested its trusteeship, Stuart played an incredible role in the decision to grant one, conducting the preliminary hearing, making the decision, then moving in as trustee—thereby acting as judge, jury, and beneficiary of his own decision.

We talk about protecting minority rights; we talk about civil rights; we talk about the rights of Americans. Do not the men and women who work with their hands, who must belong to unions to earn their living, have some rights? Do they not have the right, or should they not have the right, to protect themselves against having imposed upon them a corrupt group who steal what rightfully belongs to the workers and what they have produced? This trusteeship has done precisely that, according to the unchallenged, sworn testimony before the select committee.

Paragraph 12 of the interim report reads:

The committee finds that the trusteeship principle itself was thoroughly abused in practice.

It is this principle which the distinguished Senator from California seeks to safeguard and correct by the proposed legislation before us. I even believe that Senators who voted "no" on the earlier amendment will probably concede that this will be the only time in the 85th Congress when they will have the chance to vote on the trusteeship problem. This is something which was brought out in the hearings; something on which the Committee on Labor and Public Welfare might well have had no occasion to hold hearings in times past. But here it is. If we delay for 60 days longer, the thieves and the crooks in the labor organizations can continue to steal the money from the pockets of the working families of the Nation, money from the pockets of the members of unions which have been placed under trusteeship. At least for 60 days, those workers will continue to suffer because of the failure of Congress to act.

I freely predict that unless we act now on this particular facet of the labor problem, a problem which is not very complicated, which is clearly set forth and analyzed in the address by the Senator from California; unless the problem is corrected by the mechanism he provides; no other proposal of this type will come before the Senate at this session.

I hope that at least on this amendment all Senators will vote according to what they believe is the right thing to do, regardless of the situation in the committee or the question of procedure, because trusteeships are as vicious a thing as I have ever heard of in the entire proceedings. It is a device by which the savings of the working people are stolen or misused by groups of labor officials.

I feel certain that most labor union leaders throughout the country will agree with us that this kind of practice should be made illegal and should be stopped.

Mr. KNOWLAND. I thank the Senator from South Dakota.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Nebraska.

Mr. CURTIS. The question of dealing with trusteeships certainly is something which should not be postponed. I call the attention of the Senate to what the interim report of the McClellan committee said about trusteeships with reference to one union. I read from the very bottom of page 437, concerning the International Union of Operating Engineers:

Trusteeships have been imposed—for no apparent reason—as a means of continuing domination over the affairs of a number of locals of the International Union of Operating Engineers. The locals under trusteeship have been looted and their members deprived of their rights. Two locals in Chicago, Ill., have been under trusteeship for 29 years.

Mr. President, if we are going to wait until just the right time, before we correct this matter, it will be another 29 years before workers will have the right to control their own unions.

Here is what the committee has to say—on page 440—about Philadelphia local, 542, of that union:

The Philadelphia local, 542, was placed in the ungentle hands of Joseph S. Fay, one of the most notorious extortionists in labor union history, and remained under his domination until his conviction and incarceration in 1946. After a brief and successful 4-year period of union democracy from 1948 to 1952, during which the members had a rare opportunity to govern themselves, the union was placed back in trusteeship, and its members have since fared little better than they did with the Fay machine.

The present supervisor—

There, such a person is called a supervisor, not a trustee—

of the local, Hunter P. Wharton, recently elected international secretary-treasurer of the IUOE, not only has taken no steps to return the local to its membership but played a key role in the brutal assault on a local 542 crane operator, T. C. McCarty, Jr. McCarty was beaten by union goons after protesting the management of local 542. The evidence shows that Wharton ordered the use of union funds to defend the men who participated in the assault on McCarty and to pay their fines after they were convicted.

I may add that in that particular union, McCarty was beaten as he left the meeting; he was beaten because in the meeting he raised his voice in favor of having the right to elect the officers. Those who beat him attempted to put out his eyes; he received one blow on the hip that resulted in cancer; and he is expected to die.

When that local union got out from under trusteeship, it did so by means of court action. But in order to be able to bring the court action to a finality, its members had to enter into a stipulation which waived the demand for an accounting of their own funds, which ran somewhere between $1 million and $4 million.

How much longer are we going to permit such conditions to prevail? The forces away from this floor which have urged upon the Senate the rejection of all the amendments before it today are opposed to having these things cleaned up. Unless we agree to the amendments, the job will not be done.

I do not wish to take an undue amount of the time available to the distinguished minority leader; but I should like to read, from the hearings, what is set forth about the Chicago situation, as follows:

The supervisors of local 399 in Chicago, Arthur Imhahn and Andrew Leach, siphoned off $17,566.32 in payment for riotous living, which included purchases of such items as artichoke bottoms, chocolate-filled sticks, crepes suzettes, parrot liquor, Billy Baxter lemon soda, portraits, the stuffing of pheasant and ducks, and 12 goose livers.

Mr. President, are we going to permit recognized bargaining agents to be run by trustees and supervisors, and have these men deprived of their rights to run their own union?

I wish to call attention to the fact that the sworn testimony shows that when local 542, in Philadelphia, was placed under trusteeship, and when the assets were taken over, that action was performed by goons with guns in their hands. Yet Senators stand here and say, "Let us not correct it now; let us wait until a committee"—a committee which stood idly by through the years—"gives us the 'go' signal."

Mr. President, the amendment of the Senator from California is sound; and it should be adopted.

Mr. IVES. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield to the distinguished senior Senator from New York.

Mr. IVES. Mr. President, I shall attempt to be brief in what I have to say.

I wish to get one matter straightened out, namely, the question of the committee's recommendations.

I have stated that the five recommendations listed on page 450 are the ones which were approved by the committee. I have checked into the matter, and I find that that statement by me is correct; they are the ones which were

approved formally at a session of the committee.

All the others, which are part of them, are amplifications of those five, but were written in later; they are not parts of the ones which were formally approved.

For instance, the last one is one of my own; I rewrote the one the committee had. But none of those received formal committee approval—except for the five to which I have referred, although those of us on the committee did not object in any way, shape, or manner to what was written here.

Mr. KNOWLAND. All I can say is that I was a newspaperman all of my life before I came to the Senate, and I believe I have a reasonable understanding of the English language. I find on page 450, set forth in bold-faced type, the heading "Legislative Recommendations."

Then I read, at that point of the hearings, what purport to be the legislative recommendations of this committee, which is highly honored and respected in the Senate; and, as the Senator from New York has quite correctly said, the committee there lists five general areas, including:

1. Legislation to regulate and control pension, health, and welfare funds.

Earlier today, the Senate took some action in that field.

Then we find—on the same page of the committee hearings, and also under the heading "Legislative Recommendations," the following:

2. Legislation to regulate and control union funds;

3. Legislation to insure union democracy.

Farther on down the same page, I find a heading, in somewhat smaller type, "Pension, health, and welfare funds." Presumably it relates to recommendation No. 1, as set forth in the paragraph from which I have just quoted; because on page 451 we find the heading "Union funds"; and under that heading we find the language "The committee recommends," and so forth, in several places; and on page 452, to which I have made reference—the next page—we find the heading, "Union democracy"; and under that heading, we find the following:

The committee recommends that legislation be enacted assuring democratic procedures in labor unions. In the committee's opinion, legislation should be directed, though not limited, to three principal ends:

1. The periodic election of officers;

2. The use of secret ballots in union elections and other vital union decisions;

3. A limitation on the right of internationals to place local unions in trusteeship or supervisorship.

Certainly I think any reasonable man, with a reasonable knowledge of the English language, who read the entire list of recommendations, could properly conclude from that list of recommendations that the ones I have just read were included.

Mr. IVES. I think anyone who read them would reach that conclusion.

I was trying to point out what was recommended by the formal vote of the committee. The chairman requested us to submit our recommendations, and we did. I submitted probably half a dozen. They happened to be among my own recommendations. They were voted on by formal vote, as I have indicated this afternoon. The recommendations which were formally voted on constituted, so to speak, the least common denominator. On all the others, no formal vote was taken. That is the point I am making.

I can understand why Senators wish to have this matter explored, and why they favor the enactment of legislation along this line. I honestly do not know of anyone who is opposed to such legislation. I think the distinguished chairman of the subcommittee himself has introduced proposed legislation along this line; or, if he has not, I know he expects to.

So I do not know of anyone who is opposed to it; and it is not what we are objecting to. We object to having the proposed legislation handled in this particular way.

Mr. KNOWLAND. Mr. President, I can only say to the distinguished Senator from New York, for whom I have great admiration and affection, and with whom I have served here for a number of years, that when we read the committee report, we read what has occurred under trusteeships. All of us know—not only because of the hearings which were held by the McClellan committee, but also because many Senators, including myself, have had conversations and contacts with innumerable union members, including officers of locals—that great numbers of union members have pleaded for protection in connection with these trusteeship matters.

Here is an opportunity to give them some help. We have read that some trusteeships have been in existence for 29 years, others for 20 years, others for 10 years—a complete negation of every democratic process for which we, as Americans, it seems to me, should stand. These people are deprived of the right to conduct their own affairs. Trusteeships are used for the purpose of electing a certain clique in a national labor organization. Here we have a chance to help them. The Senator says no one objects to this particular provision. It is clear the need is there. It is certainly something which needs taking care of. We have a chance to do something about it. Why delay? Now is the hour; this is the time; this is the place.

Inasmuch as the proposal is to give protection to the rank and file, and it in no sense deals with other matters concerning labor, I do not see why the Senate should not seize itself of this opportunity and give some effective help.

Mr. IVES. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. IVES. I think I explored the matter this afternoon. I do not want to repeat all I said. I think any amendment of any kind made to the bill in this particular instance will prove fatal so far as the bill is concerned. What we are trying to do is get a bill through the Senate and to the House. We can do that if we stick to this one thing. If we send a hodgepodge to the House, we will get nowhere there. I do not think they will even consider it.

This bill is extremely important. We shall have been working on it 4 full years come the first of May, next week. If we can get that bill passed, we are on our way, and we can take care of the rest of the program, which we will do. I have great confidence in what the committee will do. I have great faith in what it will bring to the floor.

Mr. KNOWLAND. May I ask the Senator from New York, and I will propound the question to other Senators, if he has so much confidence and faith that we will get a bill dealing with these other matters to the House, would he have any particular objection to recommitting the bill to the committee, and having the committee report a bill encompassing all those matters? Why bring out one bill, which is the only bill, apparently, which has the endorsement of the labor leaders of the country, whereas proposals which are desperately needed by the rank and file still rust away in committee? If he is so certain, and other Senators are so certain, such proposed legislation can be acted on, why is there a priority for action on the pending bill, which provides only one small segment of the protection needed? There are some who doubt that the pending bill gives adequate protection, although I did go along with the committee's recommendation.

Mr. IVES. The simple answer is that, from the standpoint of the purpose and substance of the bill, all these proposed amendments to the Taft-Hartley Act are utterly irrelevant. They are not germane.

Mr. KNOWLAND. There is no rule of germaneness in the Senate.

Mr. IVES. I am not talking about the rule of germaneness. The amendments are not germane to and have nothing to do with the bill. Further than that, we have been working on the bill for 4 years. We should get action on the bill in the first instance. Then we will get to the Taft-Hartley provisions.

Let me say to the Senator I am just as anxious as he is, perhaps more so, to get action on amendments to the Taft-Hartley law. When I say that, I mean business. I am not kidding.

Mr. KNOWLAND. I know the Senator. I have a high regard for him. I know he would not make the statement unless he was prepared to follow through. The only place we differ is that I seriously believe if we do not act at this time the chances of effectively acting may have passed for good so far as the 85th Congress is concerned.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Arizona.

Mr. GOLDWATER. We have been discussing, today and yesterday, very apparent reasons why labor legislation has not been considered by this Congress or by the Congress which preceded this one. Many reasons have been given. I think tonight, in the Washington Evening Star, Mr. David Law-

rence has come closer to hitting the reason on the head than has anyone else. It is so important to the whole debate that I want to read the article into the RECORD, and not merely have it submitted. Under the heading "Congress and Labor Legislation—Union Funds in Campaigns Viewed as Keeping Majority From Acting," the article reads:

The story of the year is being unfolded right now in Congress.

It's the story of how labor-union money—contributed heavily in recent political campaigns—keeps a majority of Members of Congress from enacting laws that would do away with the rackets whereby the dues of the workingmen are stolen or misused.

It's the story also of how Congress, though knowing full well how boycotts of innocent parties are used to further the aims of labor unions, does nothing by way of legislation to correct the abuses.

It's the story of how goons and hired thugs intimidate American citizens who venture to assert their right to work and to cross picket lines.

Plenty of outcries are heard when civil rights are denied in other fields of constitutional law, but no such support is given the simple proposition that the American citizen must be free to join or not to join a union and, if he declines, that he must not for such reason alone be deprived of his job.

Today, in certain trades, a citizen cannot earn a livelihood unless he consents to become, against his will, a member of a labor union which can use his dues money to finance the election of candidates for public office with whose views the worker happens not to agree. Here is thought control and a denial of the basic principles embodied in the Constitution itself.

Today to cross a picket line in a big strike is to jeopardize one's life. Local police authorities are intimidated by the political power of labor unions and do not give adequate protection to the citizen. Companies that are not parties to a strike are sometimes boycotted if they buy materials or goods from a company that is having a labor dispute.

Financial irregularities have been disclosed in about five major unions. Many of the other big unions have not been investigated as yet. Senator MCCLELLAN, of Arkansas, Democrat, has thrown the searchlight on the misuse of union funds. The newspapers have been printing articles about it for several months.

Now, however, the time has come for action. But it looks as if a majority in Congress is itself intimidated. Privately many Members say they would like to go ahead, but the Democratic Party—which is more beholden to the labor unions than are the Republicans—doesn't want to put the legislation through this year because it fears that individual Members might be hurt in the coming Congressional elections.

The plan all along has been to bury the legislation in committee in the Senate. There was to be no voting on broad aspects of the labor-union problem. But Senator WILLIAM KNOWLAND, of California, Republican leader, took the bit in his teeth this week and decided to try for rollcall votes which would make every Member answer to all the people and not just to the labor-union lobbies.

At first it was reported there wouldn't be a chance for action. Senator KNOWLAND, however, determined to attach his proposals to the pending legislation on labor-union welfare and pension funds. He knew that the Senate Committee on Labor wouldn't report out any broad legislation, so he decided to try to amend the bill on the floor of the Senate. The Democratic leadership had to submit the matter to a vote or be put in the position of sidetracking the legislation.

A change came as the Democratic leadership in the Senate decided to go ahead with the voting.

Meanwhile, President Eisenhower was advised that he could not be indifferent to the opportunity opened up by Senator KNOWLAND's move. So Secretary of Labor Mitchell proposed some amendments that went beyond the welfare-and-pension provisions and sought corrective action on boycotts and picketing. He also sponsored a formula to insure secret election of labor-union officers.

Though 3 days of debate were scheduled for the Senate, the result was foreclosed in advance. There were so many conflicting currents that whatever the Senate finally passed seemed already doomed to inaction in the House of Representatives. The Democratic leadership in the House is ready to block legislation the labor-union leaders oppose.

This labor-union dictatorship, using millions of dollars of workers' dues to exert political influence in staving off corrective legislation, still is on top. That's the story of the year—and, it might be added, the political scandal of the year.

I thank the Senator for yielding.

Mr. IVES and Mr. AIKEN addressed the Chair.

Mr. KNOWLAND. I yield to the Senator from New York, and then I shall yield to the Senator from Vermont.

Mr. IVES. Mr. President, I resent very strongly a comment of that kind. It refers to me as much as to anybody else opposing the proposed legislation.

I want to say now I have never received one penny from any labor organization source or any labor people at any time. As a matter of fact, I have at no time had their support. Always, ever since I first campaigned for the Senate, when some of the labor people were neutral, labor has been opposed to me and fought me bitterly.

The comment is utterly wrong. There is no basis in fact for it whatever. I have served on the committee with Senators in whom I have absolute confidence. I do not think they are in any way, shape or manner subject to that kind of control. I do not believe it for an instant. I certainly know no Member on this side of the aisle is subject to that kind of control. I want to repudiate the whole statement by David Lawrence.

Mr. GOLDWATER. Mr. President, will the Senator yield so that I can correct an impression?

Mr. KNOWLAND. I yield.

Mr. GOLDWATER. The Senator from New York did not hear any Republican mentioned in that article by David Lawrence. What the Senator heard was what we have suspected all along, that there is some control over the opposite side that they do not care to admit, which has prevented any corrective legislation and any amendment to the Taft-Hartley Act coming up for consideration. I do not mean to impugn the Senator from New York by reading the article, nor do I believe David Lawrence would, nor do I impugn any other Member on this side of the aisle or any Member on the other side of the aisle who acts from pure principle in voting.

Mr. IVES. Mr. President, will the Senator yield so that I may answer that, please?

Mr. KNOWLAND. I yield to the Senator from New York.

Mr. IVES. I may say to the Senator from Arizona that comment includes the distinguished Senator from Arkansas [Mr. MCCLELLAN], since it was largely because the Senator was late in getting his own legislative program prepared that we were held up in considering the matter. If David Lawrence wants to apply that to the Senator from Arkansas he is welcome to do so, but I do not believe it for 1 single minute. I think it is a pretty high-handed thing to do.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I think the article just read by the Senator from Arizona is a shameful attack on the Congress of the United States. There is an implication that Members of this body are bought and paid for and are now undertaking to deliver the goods. I do not know what the intention of the labor leaders toward the party across the aisle is, but I do know that I have been supporting such labor legislation as I thought was sound, not only as to the amendments for this bill, but all through the years. I was one of those who served on the committee which brought out the original Taft-Hartley legislation, and I voted for it. I have never had a single penny contributed to me by any labor union or any member of a labor union. Last year, when I stood for reelection, I was opposed by the leadership of the AFL–CIO with some notable exceptions, in my own State.

I am voting as I think I ought to vote. If we add amendments to the bill now before us I fear we will kill any possible chance of ever bringing about control of welfare and pension funds, either those established by industry or by labor.

I join the Senator from New York in resenting the implication in the article that the Congress of the United States can be bought, wrapped up, and delivered by any special interest.

Mr. KNOWLAND. Mr. President, I reiterate that the pending amendment provides that no trusteeship can be established unless it is authorized by the constitution, charter, or bylaws of the labor organization in question.

Second. No trusteeship can continue for a longer period than 1 year from the date of its establishment.

Third. Where a trusteeship has been established, after officers of a local union have been removed, the trustees are authorized to conduct elections for new local union officers.

Fourth. Upon the violation of the provisions of the amendment, the members of the local are authorized to bring court action in the Federal court for equitable relief.

Fifth. Where the officers of the local union are removed for the purpose of establishing a trusteeship in violation of the provisions, or where the trusteeship continues in violation of the provisions,

any individual who willfully participates in such action is subject to prosecution, punishment, and fine for the commission of a misdemeanor.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I shall speak for only 1 minute on this amendment offered by the Senator from California.

The PRESIDING OFFICER. The Senate will be in order. Senators will desist from audible conversation. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, as the Senator from California knows, I introduced a bill, S. 3454, on March 11, 1958, to deal with the very problem covered by the amendment. The difference between the amendment of the Senator of California and my bill is that the amendment of the Senator from California prohibits any trusteeships after 1 year, and my bill provides that after 1 year the local under trusteeship, after it has exhausted the procedures provided by the constitution of the union, may appeal to the Secretary of Labor.

Trusteeships are good things in some cases, and they have been abused in many cases. I am not sure we would want to set a definite limitation of 1 year. I think that is a subject which the subcommittee can properly explore.

I can assure the Senator of my interest in this problem, which is expressed by the fact that I have introduced a bill dealing with it. It is a matter as to which a bill should definitely be reported. It is my full intention to do so.

I am confident the language of the Senator's amendment will be carefully considered by the subcommittee, and I therefore say I hope the amendment will be defeated. I assure the Senator that any bill which comes from the committee will have something in it dealing with this matter.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. Will the Presiding Officer state the pending question?

The PRESIDING OFFICER. The question is on agreeing to the amendment designated "G" of the Senator from California.

Mr. KNOWLAND. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered. Does the Senator wish to have the amendment read?

Mr. KNOWLAND. No.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

The Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Missouri [Mr. HENNINGS] would each vote "nay."

On this vote, the Senator from Oklahoma [Mr. MONRONEY] is paired with the Senator from Iowa [Mr. HICKENLOOPER]. If present and voting, the Senator from Oklahoma would vote "nay," and the Senator from Iowa would vote "yea."

The Senator from Florida [Mr. SMATHERS] is paired on this vote with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Florida would vote "nay," and the Senator from Vermont would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Vermont [Mr. FLANDERS] is absent on official business.

The Senator from Iowa [Mr. HICKENLOOPER] is detained on official business.

The Senator from Vermont [Mr. FLANDERS] is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from Vermont would vote "yea," and the Senator from Florida would vote "nay."

On this vote the Senator from Iowa [Mr. HICKENLOOPER] is paired with the Senator from Oklahoma [Mr. MONRONEY]. If present and voting, the Senator from Iowa would vote "yea," and the Senator from Oklahoma would vote "nay."

The result was announced—yeas, 35; nays, 53, as follows:

YEAS—35

Allott	Dirksen	Mundt
Barrett	Dworshak	Potter
Bennett	Goldwater	Purtell
Bricker	Hoblitzell	Saltonstall
Bridges	Hruska	Schoeppel
Bush	Jenner	Smith, N. J.
Butler	Knowland	Thye
Capehart	Kuchel	Watkins
Carlson	Lausche	Wiley
Case, S. Dak.	Martin, Iowa	Williams
Cotton	Martin, Pa.	Young
Curtis	Morton	

NAYS—53

Aiken	Hill	Morse
Anderson	Holland	Murray
Beall	Humphrey	Neuberger
Bible	Ives	O'Mahoney
Carroll	Jackson	Pastore
Case, N. J.	Javits	Payne
Church	Johnson, Tex.	Proxmire
Clark	Johnston, S. C.	Revercomb
Cooper	Kefauver	Robertson
Douglas	Kennedy	Russell
Eastland	Kerr	Smith, Maine
Ellender	Langer	Sparkman
Ervin	Long	Stennis
Frear	Magnuson	Symington
Fulbright	Malone	Talmadge
Gore	Mansfield	Thurmond
Green	McClellan	Yarborough
Hayden	McNamara	

NOT VOTING—7

Byrd	Hennings	Smathers
Chavez	Hickenlooper	
Flanders	Monroney	

So Mr. KNOWLAND's amendment was rejected.

Mr. MANSFIELD. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KNOWLAND. Mr. President, I call up my amendment identified as "4–21–58–E."

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following:

PAYMENTS TO LABOR ORGANIZATIONS BY PERSONS ENGAGED BY EMPLOYERS

SEC. —. (a) Subsection (a) of section 302 of the Labor Management Relations Act, 1947, is amended by inserting after the word "employer" a comma and the following: "or any person engaged or retained by such employer as a labor relations expert or consultant or for the purpose of dealing with his employees or their representative."

(b) Subsection (b) of such section is amended by inserting after the words "employer of such employees" a comma and the following: "or any person engaged or retained by such employer as a labor relations expert or consultant or for the purpose of dealing with his employees or their representatives."

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. KNOWLAND. The National Labor Relations Act of 1947 makes it illegal for employers to pay, or promise to pay, money or something of value to a labor representative who represents his employees. The act also makes it illegal for union representatives to receive or accept any such gifts from the employer of the employees they represent. The efforts to evade this prohibition in existing law have brought about so-called "sweetheart contract" situations, which have received a considerable amount of publicity during the hearings of the Select Committee on Improper Activities in the Management or Labor Fields.

I call attention to the fact that at page 450 of the interim report of the Select Committee on Improper Activities in the Labor or Management Field, subsection 4 recommends legislation to curb activities of middlemen in labor-management disputes.

On page 452, under the subheading "Management Middlemen," there appears——

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Senators will desist from audible conversation.

Mr. KNOWLAND. Under the subtitle "Management Middlemen," the report reads as follows:

Testimony during the committee's hearings concerning the activities of Nathan W. Shefferman and Labor Relations Associates of Chicago, Inc., showed that the Taft-Hartley law is largely silent in relation to management middlemen such as Shefferman. It was shown that Shefferman's agents flitted about the country from one client to another, violating the Taft-Hartley law with seeming impunity. A top attorney for the NLRB admitted that the present law is not sufficient to deal with this type of activity. It is the committee's opinion that for such a middleman to be found guilty of unfair labor practices in one community and then to go on to another community and commit the same offenses reveals a defect in the law as it is now written.

It is the committee's opinion, therefore, that some legislation is needed to control the activities of these middlemen who act on behalf of management clients in various parts of the country. Some steps should be taken to extend the liability for unfair labor practices to the middlemen retained by employers who represent them in management disputes.

On page 297 of the interim report, the report states:

The right of employees to organize has been a cornerstone of this Nation's labor laws for many, many years. Illegal means used by management to thwart these legitimate aims of employees as well as labor unions are disruptive to the orderly process of labor-management affairs.

The committee finds that Nathan W. Shefferman and his firm, Labor Relations Associates of Chicago, were used by a number of large and small employers throughout the country to defeat by illegal and improper means legitimate efforts of individuals and of labor unions to organize. When he found it necessary for the benefit of his management clients, he also maintained associations with labor unions.

On page 298, the report states:

Shefferman not only was used to keep unions out but was a specialist in finding a friendly union, one the employer could "live with." What this meant in concrete terms was that the employer would have a union which would not stand up or attempt to protect the rights of the workers or improve their working conditions.

On page 299, the report states:

At least two of Shefferman's top aids also participated in what the committee considers to be highly irregular actions. The committee cannot condemn too strongly the activities of George Kamenow, of Detroit, who, in apparent collusion with teamster officials in Flint, Mich., settled the labor problems of a number of small Flint businessmen.

On page 300 of the interim report, we find the following:

The committee finds that the activities of Shefferman provided a shocking indictment of the activities of a number of employers. Although his list of clients reaches some 400 employers, testimony before the committee touched on the activities of only his largest customers.

Going further, the report states:

We find that the present law, as administered by the National Labor Relations Board, is impotent to deal with Shefferman's type of activity and with the employers who retain him. Despite the fact that firms he represented had been involved in scores of unfair labor practice cases, Shefferman has never received even a slight reprimand, and the companies that he represents merely make a written statement that they will not do again what they have done. Shefferman moved from town to town, from State to State, with impunity, and the law as presently written is apparently powerless to deal with his activities. This situation should be remedied.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. AIKEN. What would be the definition of an employer representative? Is there a recognized definition of "employer representative"?

Mr. KNOWLAND. Not in the law at the present time.

Mr. AIKEN. If an employee in the main office, say, of a plant dealt with the employees or other representatives, would he be an "employer representative"? If so, could the amendment conceivably affect Christmas bonuses?

Mr. KNOWLAND. No.

Mr. AIKEN. I understand what the Senator is seeking to do. I know it is a desirable objective. I can assure him that I favor correcting these abuses and shall join with any Senators who insist that we have a chance to vote on the amendments.

Mr. KNOWLAND. In my judgment, the amendment would not apply to Christmas bonuses.

Mr. AIKEN. I think that should be clearly brought out before legislation is enacted.

Mr. KNOWLAND. Certain members of management, with the willing cooperation of the union representatives involved, have engaged in a collusive arrangement whereby a representative of the employer would act as the go-between in transmitting either money or merchandise of value, which would result in working relationships beneficial to the employer and the union officials, but detrimental to the members of the union involved.

The pending amendment would strengthen the purpose of Congress in originally approving section 302 (a) and section 302 (b) of the National Labor Relations Act by making it illegal for any representative of the employer to act as such a go-between. I believe there is no objection from either management or labor to filling the existing loophole in the present law. I hope the Senate will readily voice its approval of this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California.

Mr. KENNEDY. Mr. President, I should like to suggest the absence of a quorum.

Mr. IVES. Mr. President, will the Senator withhold his request? I wish to make an observation on the amendment, if I may do so.

Mr. KENNEDY. I withdraw my suggestion of the absence of a quorum.

Mr. IVES. This is a typical example of the reason we should not be legislating in this way. I have in my hand a copy of the amendment offered by the Senator from California and also a copy of my bill on the same subject.

The Senator from California provides that the offense shall be a misdemeanor and subject to a penalty of imprisonment for not to exceed 1 year. That is the provision in the Taft-Hartley Act.

My bill makes the offense a felony—takes it out of the misdemeanor class and makes it a felony—and provides for imprisonment for 5 years instead of 1 year.

I do not know, perhaps I go too far; maybe the Senator from California does not go far enough. That is all the more reason why hearings should be held, and why I oppose the consideration of such amendments on the floor. That is all I wish to point out—it bears out my contention.

Mr. KNOWLAND. All I can say is that the amendment fits into the present law. There is a loophole in the present law. At least, the amendment will put some teeth in the present law. My amendment makes the offense a misdemeanor. The bill introduced by the distinguished Senator from New York makes it a felony. In any event, a loophole in the existing law would be plugged. I think this is recognized by the committee and by labor and management.

Mr. IVES. Does not the Senator from California think that the proper procedure would be to have such a proposal considered by the committee? In this matter there is a difference of opinion. It is an honest difference. I do not think it is sufficient to classify a case like this as a misdemeanor. If the Senator from California had heard all the evidence in the Shefferman case, he would realize that it is not sufficient to designate the offense as a misdemeanor. Certainly a 1-year limitation is not sufficient. I may go too far by providing that the offense shall be a felony and for imprisonment for 5 years. I do not know. Does not the Senator from California think this is one of the main reasons why the matter should be considered by the committee and hearings should be held on it? I certainly do.

Mr. KNOWLAND. Whether it should be a misdemeanor and 1 year, as I have provided in my amendment, or a felony and 5 years, which the Senator from New York has proposed, is a matter of opinion. The Senator will recall that the Taft-Hartley Act, Public Law 189, as amended, provides, in subsection (d):

Any person who willfully violates any of the provisions of this section shall, upon conviction thereof, be guilty of a misdemeanor and be subject to a fine of not more than $10,000 or to imprisonment for not more than 1 year, or both.

So in addition to the misdemeanor classification and the penalty of 1 year, provision is made for a $10,000 fine. Perhaps the Senator feels, based upon the testimony he heard, that imprisonment

for 1 year and a fine of $10,000 would not be much of a restriction.

Mr. IVES. I do not think a fine of $10,000 is any restriction at all—not upon that kind of fellow.

Mr. KNOWLAND. Perhaps subsequently that could be changed.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO CONVENE AT 11 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate convenes on tomorrow, it convene at 11 o'clock a. m.

The PRESIDING OFFICER. Without objection, it is so ordered.

EMPLOYEE WELFARE AND PENSION BENEFIT PLANS

The Senate resumed the consideration of the bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans.

The PRESIDING OFFICER. The question is on agreeing to the amendment lettered "E" of the Senator from California [Mr. KNOWLAND].

Mr. KENNEDY. Mr. President, the amendment of the Senator from California deals with an important subject with which the Committee on Labor and Public Welfare must deal, and on which it will definitely report a bill.

The administration has a bill; and the Senator from New York has an amendment, the Senator from California has an amendment, and I have prepared an amendment. All of them differ in some respects; but, in substance, they attempt to prevent employees from being subjected to abuses by the agents of the employers.

I believe we should definitely act on this matter at this session.

However, for the same reason, I would think that—as we stated in connection with the previous amendments—even though I approve in principle a good deal of the language of the amendment of the Senator from California, I believe this matter should be examined by the subcommittee. This amendment seeks to regulate employers. I favor giving them the same protection that we have talked about this evening for employees. Therefore, I believe the employers should have a right to appear before our committee, and to testify there, and to state their reasons for objecting to the amendment—if they do—or to state their reasons for supporting it—if they do.

Therefore, Mr. President, I hope the amendment will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment lettered "E" of the Senator from California [Mr. KNOWLAND].

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Missouri [Mr. HENNINGS], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Florida [Mr. SMATHERS], are absent on official business. The Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Missouri [Mr. HENNINGS], and the Senator from Oklahoma [Mr. MONRONEY] would each vote "nay."

On this vote, the Senator from Florida [Mr. SMATHERS] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Florida would vote "nay" and the Senator from Vermont would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Vermont [Mr. FLANDERS] is absent on official business.

The Senator from Iowa [Mr. MARTIN] is detained on official business and if present and voting he would vote "yea."

The Senator from Vermont [Mr. FLANDERS] is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from Vermont would vote "yea" and the Senator from Florida would vote "nay."

The result was announced—yeas, 35; nays, 52, as follows:

YEAS—35

Allott	Dirksen	Mundt
Barrett	Dworshak	Potter
Bennett	Goldwater	Purtell
Bricker	Hickenlooper	Revercomb
Bridges	Hoblitzell	Saltonstall
Bush	Hruska	Schoeppel
Butler	Jenner	Smith, N. J.
Capehart	Knowland	Thye
Carlson	Kuchel	Watkins
Case, S. Dak.	Lausche	Wiley
Cotton	Martin, Pa.	Williams
Curtis	Morton	

NAYS—52

Aiken	Holland	Murray
Anderson	Humphrey	Neuberger
Beall	Ives	O'Mahoney
Bible	Jackson	Pastore
Carroll	Javits	Payne
Case, N. J.	Johnson, Tex.	Proxmire
Church	Johnston, S. C.	Robertson
Clark	Kefauver	Russell
Cooper	Kennedy	Smith, Maine
Douglas	Kerr	Sparkman
Eastland	Langer	Stennis
Ellender	Long	Symington
Ervin	Magnuson	Talmadge
Frear	Malone	Thurmond
Gore	Mansfield	Yarborough
Green	McClellan	Young
Hayden	McNamara	
Hill	Morse	

NOT VOTING—8

Byrd	Fulbright	Monroney
Chavez	Hennings	Smathers
Flanders	Martin, Iowa	

So Mr. KNOWLAND's amendment was rejected.

Mr. MANSFIELD. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. KNOWLAND. Mr. President, I call up my amendment identified as 4-21-58-L, and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following new section:

SEC. 19. Section 9 (g) of the National Labor Relations Act, as amended, is amended by adding at the end thereof the following: "The Secretary of Labor shall make available to the public, in accordance with such regulations as he may deem appropriate, the information filed by labor organizations pursuant to this subsection and subsection (f). The Secretary shall inspect such of the information so filed as he may deem necessary for the purpose of determining its accuracy, and if he is of the opinion that false information has been filed in any case he shall bring the facts with respect thereto to the attention of the Attorney General."

Mr. KNOWLAND. Mr. President, on this amendment I ask that the yeas and nays be ordered.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. KNOWLAND. Mr. President, section 9 (f) and (g) of the Labor-Management Relations Act of 1947 requires the filing with the Secretary of Labor of information concerning the constitution, bylaws, and financial activities of labor organizations which seek to use the processes of the National Labor Relations Board. Although there is nothing in the legislative history of the Taft-Hartley Act or in the act itself directing that this information be considered as classified, the Secretary has taken the position that this data can only be viewed by a member in good standing of the union requesting it. However, during recent months both the Secretary of Labor—and I invite attention particularly of those who have been voting against my prior amendments—and representatives of the national labor organizations have stated that there is no valid reason for this information to be kept secret. Inasmuch as there is apparently no disagreement on this proposed change in the law, and since the Secretary of Labor and labor representatives have in fact requested this change, I hope the Members will at least speedily approve this amendment.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. KENNEDY. Mr. President, this amendment of the Senator from California deals with an area which I think will be the subject of legislation by the Congress this year. The Senate has already passed a bill which would require the Secretary of Labor to make all the reports public. That legislation was introduced by the Senator from Arkansas last year. It was cosponsored by all members of the Committee on Labor and Public Welfare.

The only thing which the amendment of the Senator from California would do

would be to give the Secretary the right to inspect the reports for accuracy.

The administration has a bill on this subject. The Senator from New York has a bill on this subject. The language of the two bills is somewhat different.

I think we want to make sure that the reporting of unions and employers is tightened up. I therefore feel that the subject matter of the amendment will definitely be covered. Legislation dealing with this subject will be reported to the Senate. I think there is a reasonable consensus among the members on this subject.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. CAPEHART. I presume if I were a member of the Senate Committee on Labor and Public Welfare I would not ask the question, but my question is: Why did the committee report only the bill we are considering tonight when there are so many bills before the committee and when there are so many Senators present tonight who are willing to vote for these items in principle next June but are against voting for them in April? Why did the committee report a little bill when so much labor legislation is before the committee, and the able Senator has agreed that he will hold hearings immediately, beginning soon, and report other proposed legislation to the Senate? Why did the committee report the one bill, without reporting all the other bills the committee is going to report in June?

Mr. KENNEDY. There are two answers to the Senator's question. The hearings began on this bill, and it is not a little bill. It is a very complicated bill, and it affects the pension and welfare plans of 85 million people. The hearings began last May as a result of almost 3 years of investigation by other subcommittees. We reported the bill from the subcommittee to the full committee by the end of August. The full committee began meetings in January, and after about five meetings we reached a consensus in the committee and the bill was reported.

The other bills deal with the recommendations of the McClellan committee. The Senator from California has hinged the amendments pretty well on the recommendations of the McClellan committee. Those recommendations were not made until the end of March.

For example, the bill of the Senator from Arkansas dealing with these problems was not introduced until the middle of April.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. KNOWLAND. Of course, the Senator from California did not hinge the amendments on the recommendations of the McClellan committee, because the bill which the Senator from California originally introduced in January was introduced before the interim report of the McClellan committee. I very closely followed the hearings last year and earlier this year conducted by the very excellent McClellan committee, which has been doing good work, as is true of Members on both sides of the aisle who have participated in this matter.

The proposed legislation was introduced and was before the Committee on Labor and Public Welfare on the 23d day of January. Perhaps other Members presented similar legislation even before that time.

Since the Senator from California and other Senators present have recognized some of the problems which needed to be covered in order to protect the rank and file membership of unions, I quite agree with the Senator from Indiana it is a little unfortunate that some of the other bills could not have been reported, to be acted on in April. If those are good bills in April, I do not see why we have to wait until June.

Mr. KENNEDY. I am not convinced, as the Senator from California appears to be, that the language of the Senator's bill is good in April or that the language of the amendments is appropriate. For that reason, no matter how worthy the concept may be, we should consider these matters, as I said, in June.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. SALTONSTALL. I should like to ask either the Senator from Massachusetts or the Senator from California what is the information required to be filed in section 9, subsections (f) and (g), the information which is going to be made public.

Mr. KENNEDY. That is the financial reporting section of the Taft-Hartley Act, in which it is stated that there must be provided general information as to the assets and expenditures of a union.

One of the problems we have considered in the McClellan committee is that there is no legal obligation that such reports be accurate. The Secretary of Labor has taken the position that he does not have the authority to make the reports public, and therefore it has not been felt that the reports give sufficient protection to the funds of union members.

Even though the Senate passed the bill in authorizing the Secretary to make the information public, I believe a further tightening up will be necessary, and I plan to present legislation to do that to the Senate.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. CAPEHART. Is this the only labor legislation which the Committee on Labor and Public Welfare has reported this year or last year, in the present Congress?

Mr. KENNEDY. I will say to the Senator from Indiana that the Subcommittee on Labor, of which I am the chairman, reported three bills.

One bill which was reported deals with the minimum wage. The second bill deals with the provision as to making public the information we are discussing, or giving the Secretary permission to make it public. The third bill reported is the bill presently under consideration.

Mr. CAPEHART. This is the first opportunity the Senate has had to vote on labor legislation, either last year or this year, in the present Congress?

Mr. KENNEDY. I think that is generally correct, except for the resolution we talked about, to which reference has been made.

Mr. CAPEHART. Then after a year of hearings by the McClellan committee, the best the Committee on Labor and Public Welfare has been able to do is to come up with this bill?

Mr. KENNEDY. The Senator is being somewhat unfair. The McClellan committee hearings were not concluded and the report did not come to the Committee on Labor and Public Welfare until the end of March. The McClellan committee has no power as a standing committee. We did not receive that information until the end of March.

The Senator from Arkansas has been as concerned about the matter as has the Senator from Indiana, and the bill of the Senator from Arkansas was not introduced until April 15.

Mr. CAPEHART. It is still rather strange to me that the proposed legislation has been presented in this way. The Senator says we are not considering a little bill, so I withdraw that word. However, the bill covers only one phase of labor relations. It is not quite clear to me why the committee did not hold the bill in the committee and bring the entire matter before the Senate at one time.

Mr. KENNEDY. I do not see the advantage of that. Let us get this bill moving. We will have the others presented as soon as we can.

Mr. ALLOTT and Mr. CURTIS addressed the Chair.

Mr. KENNEDY. I yield to the Senator from Colorado.

Mr. ALLOTT. I should like to answer the question on this subject, because I feel the Senate has a right to know why the bill is under consideration.

The particular bill we have under consideration is before the Senate because in the 83d Congress, the 84th Congress, and the 85th Congress we had extended hearings upon this subject. Many of the Senators on the floor have been extremely interested in the subject.

When I came to the Senate in the spring of 1955 I was told the Senate would never consider any amendments to the Taft-Hartley Act. So far as I know, there have been no hearings upon any part of the act since I came to the Senate.

However, I say to the Senators that I am going to vote against the bill for the reasons stated. I have called it a "lollypop" bill. I will adopt the words of the Senator from Florida [Mr. HOLLAND] in saying it is a "Milquetoast" bill, which will not do the job.

Nevertheless, I really believe there is a valid and good reason for presenting the bill. I support the Senator from Massachusetts [Mr. KENNEDY], with whom I have differed at least on 1 or 2 occasions, I am sure, about the subject. I support the Senator by stating I think the bill presently under consideration

was the only bill which I at least could work on and vote to report to the Senate as one step, even though I shall vote against it because it will not do the job.

If the Senator will yield for an additional observation, it seems to me that perhaps we have reached the point where this bill ought to be considered on its merits. I believe that we have all indicated that we want amendments to the Taft-Hartley Act, which both parties have promised. We desire to attain that end by voting for amendments to the pending bill.

There is only one thing that concerns me, and that is the comment which the Senator from Massachusetts made when the Secretary of Labor presented his statement to the committee. The Senator from Massachusetts said, in substance—I shall obtain the statement later; I had it before me an hour or so ago, but I could not obtain the floor—that he was disappointed that the Secretary of Labor had gone outside the scope of the recommendations of the McClellan committee.

Mr. KENNEDY. That is correct.

Mr. ALLOTT. I should like to know whether or not my understanding is correct, that the committee intends to consider the various bills which have been introduced. Many Members on both sides of the aisle believe that they are necessary amendments to the Taft-Hartley Act. I inquire whether they will be acted upon whether they will lie within the scope of the committee of the distinguished Senator from Arkansas or not.

Mr. KENNEDY. I answered that question in the colloquy with the Senator from Arizona [Mr. GOLDWATER]. I should like to see some action, following, as closely as possible, the recommendations of the McClellan committee, rather than opening up the whole Taft-Hartley Act. There are an infinite number of possible amendments to the Taft-Hartley Act.

I believe that any witness should be permitted to testify on any subject he wishes to discuss, within the general realm of labor relations. The privileges of a Senate committee, of course, are open to any Senator who wishes to offer an amendment to a bill which might be reported. I believe that we would do much better if we were to confine our efforts to the recommendations of the McClellan committee and the administration. However, there is no limitation in that connection.

Mr. ALLOTT. Mr. President, the answer which the Senator has given me almost precludes any consideration of other questions. I think the McClellan committee has done a fine job and I congratulate it, but it seems to me that there are other Senators who have served on the Committee on Labor and Public Welfare for years, and who have introduced bills which are entitled to equal consideration with the recommendations of the McClellan committee. I do not believe that the committee should be satisfied with merely affording an opportunity for witnesses to come before it and say what they wish.

I ask the Senator if he will assure me that the committee will give equal consideration to the bills which have been introduced by other Senators. If such were the case, I would feel much better about the situation.

Mr. KENNEDY. Would the Senator change his attitude toward the legislation or toward this amendment if I were to give him any additional assurances?

Mr. ALLOTT. With respect to this particular amendment, I am committed to vote in a certain way. But with respect to future amendments, what the Senator suggests might be true.

The thing which has concerned me all along is that I know that when the Secretary of Labor came to testify before the committee—and I was present, as was the distinguished Senator from Massachusetts—the Secretary was chastised in a mild way by the chairman of the subcommittee for testifying to matters outside the area of the McClellan report. Does that indicate that that is all that will be considered in the future?

Mr. KENNEDY. I have explained my position as fully as I can to the Senator. The RECORD will show it. With respect to this particular amendment, it does not make any difference. We can vote on the pending amendment, and then I shall be glad to discuss the question again.

Mr. ALLOTT. I hope I am not picking at small points, but I feel that there is a great area in which both parties have made promises, in some of which I am interested. The Senator from Massachusetts has given me no assurance that anything outside the recommendations of the McClellan committee will be considered.

Mr. MORTON. Mr. President, I voted in support of the amendments offered by the minority leader, because I thought they afforded the only opportunity I had to make my position known, namely, that I favor the secret ballot in the election of union officers and delegates to conventions. Perhaps his amendment was not perfect in every detail, but it was the only opportunity I had to show where I stood. The amendments of the Senator from California afford me the only opportunity to show where I stand on a number of questions.

In my State we have a flagrant example in the case of the Operating Engineers Union. Many citizens of my town have been to see me on numerous occasions during the past 8 or 10 years, and, frankly, I have been unable to do anything about the situation. The amendments of the Senator from California afford me the only opportunity to show where I stand.

I certainly stand with the Senator from California against the highbinders who have gotten into the act between management and labor, by promoting "sweetheart" unions. I support the Senator from California in this effort.

I know that we are getting nowhere. I am not sure that we are smart to continue to offer such amendments. I served on the House Labor Committee. I served with the distinguished junior Senator from Massachusetts, who is managing this bill on the floor of the Senate, and I know something about the way bills become bottled up in committee.

I should like to offer now to make a little wager. Next month we are to have a few races in Kentucky. I will now wager $100—the winner to pay the money to the Red Cross—that unless we adopt some of these amendments and send the bill on its way, we shall not enact any legislation at this session of Congress with the exception of this powder-puff bill, Senate bill 2888. I must leave the city tonight. I made an engagement to speak in Salt Lake City tomorrow. I did not anticipate that there would be a Saturday session. The way the votes are going, I do not think it makes much difference whether I am present or not. But I will support any motion to recommit the bill with instructions to the committee to report, by a date certain, a bill to cover certain specific fields. If we can do that, we shall have some prospect of obtaining legislation during this session. Otherwise we have no chance. The way things are going tonight, we have no chance.

If such an effort should fail, I should like to be paired against the passage of the bill itself, if I can arrange a pair.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CASE of South Dakota. Mr. President, the pending amendment should receive the unanimous vote of the Senate. I have listened to the entire debate on the amendment, and I have not heard one word uttered against the merits of the amendment.

The distinguished Senator from Massachusetts [Mr. KENNEDY] said, in effect, that any proposed legislation considered by the Senate should include provisions something like those contained in the pending amendment. He brought out the fact that in the McClellan committee it developed that the Secretary of Labor, even if he suspects an inaccuracy in a report submitted, is without authority to make the report available to the public. All that the pending amendment does is to provide that the Secretary of Labor shall have such authority and, if he deems it necessary and believes that some of the information may be false, he shall bring it to the attention of the Attorney General.

I have not heard any argument made against the amendment on its merits, and therefore it should receive the unanimous vote of the Senate.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Missouri [Mr. HENNINGS], the Senator from Oklahoma [Mr. KERR], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

The Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Oklahoma [Mr. KERR], and the Senator from Virginia [Mr. ROBERTSON] would each vote "nay."

On this vote the Senator from Missouri [Mr. HENNINGS] has a pair with the Senator from Iowa [Mr. MARTIN]. If present and voting the Senator from Missouri [Mr. HENNINGS] would vote "nay" and the Senator from Iowa [Mr. MARTIN] would vote "yea."

On this vote the Senator from Oklahoma [Mr. MONRONEY] has a pair with the Senator from Vermont [Mr. FLANDERS]. If present and voting the Senator from Oklahoma [Mr. MONRONEY] would vote "nay," and the Senator from Vermont [Mr. FLANDERS] would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Vermont [Mr. FLANDERS] is absent on official business.

The Senator from Iowa [Mr. MARTIN] is detained on official business.

The Senator from Vermont [Mr. FLANDERS] is paired with the Senator from Oklahoma [Mr. MONRONEY]. If present and voting, the Senator from Vermont would vote "yea," and the Senator from Oklahoma [Mr. MONRONEY] would vote "nay."

On this vote the Senator from Iowa [Mr. MARTIN] is paired with the Senator from Missouri [Mr. HENNINGS]. If present and voting, the Senator from Iowa would vote "yea," and the Senator from Missouri would vote "nay."

The result was announced—yeas, 33; nays, 53, as follows:

YEAS—33

Allott	Curtis	Martin, Pa.
Barrett	Dirksen	Morton
Bennett	Dworshak	Mundt
Bricker	Goldwater	Potter
Bridges	Hickenlooper	Purtell
Bush	Hoblitzell	Saltonstall
Butler	Hruska	Schoeppel
Capehart	Jenner	Smith, N. J.
Carlson	Knowland	Watkins
Case, S. Dak.	Kuchel	Wiley
Cotton	Lausche	Williams

NAYS—53

Aiken	Holland	Neuberger
Anderson	Humphrey	O'Mahoney
Beall	Ives	Pastore
Bible	Jackson	Payne
Carroll	Javits	Proxmire
Case, N. J.	Johnson, Tex.	Revercomb
Church	Johnston, S. C.	Russell
Clark	Kefauver	Smathers
Cooper	Kennedy	Smith, Maine
Douglas	Langer	Sparkman
Eastland	Long	Stennis
Ellender	Magnuson	Symington
Ervin	Malone	Talmadge
Frear	Mansfield	Thurmond
Gore	McClellan	Thye
Green	McNamara	Yarborough
Hayden	Morse	Young
Hill	Murray	

NOT VOTING—9

Byrd	Fulbright	Martin, Iowa
Chavez	Hennings	Monroney
Flanders	Kerr	Robertson

So Mr. KNOWLAND's amendment was rejected.

Mr. MANSFIELD. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. JACKSON. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KNOWLAND. Mr. President, I call up my amendment designated "4–21–58–K" and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following:

SEC. . Subsection (a) of section 9 of the National Labor Relations Act, as amended, is amended by adding the following new sentences at the end thereof: "No labor organization which does not admit to membership all of the employees it seeks to represent in a unit appropriate for that purpose, on the same terms and conditions generally and uniformly applicable to and with the same rights and privileges generally and uniformly accorded to all the members thereof, shall be a representative of any employees in such unit for the purpose of collective bargaining within the meaning of this section. Nothing in the foregoing sentence shall be construed to prevent a labor organization from denying membership to any person on the ground that such person is a member of the Communist Party or that he believes in, or is a member of an organization that believes in or teaches, the overthrow of the United States Government by force or by any illegal or unconstitutional methods."

Mr. CURTIS. Mr. President——

Mr. KNOWLAND. Mr. President, I yield the floor to the Senator from Nebraska.

Mr. CURTIS. I thank the Senator from California.

At a later time I shall call up for consideration and a vote my amendment to S. 2888, which is designated "4–23–58–B." At this time I shall speak on the amendment. It deals with secondary boycotts. The purpose of the amendment is to plug up the loopholes in the existing law with respect to boycotts.

In the 84th Congress I introduced a bill to outlaw secondary boycotts. I made several requests for a hearing. I received none.

I reintroduced my bill on January 7, 1957, the first day on which bills could be introduced in the 85th Congress. Soon thereafter I requested a hearing. I have received none. I have urged it repeatedly from the floor. I hope Senators will bear with me, because I believe that the vast majority of the people throughout the country favor the proposed legislation. I know that it is for the good of our economy and for the good of workers and employers alike.

Secondary boycotts may be confusing, but they are highly important. In fact, they are important to all of us. Why? Because they can put one out of business, put one out of a job, raise prices, and reduce the choice of merchandise.

The first difficulty is to decide whether a boycott is primary or secondary. Primary boycotts are legal. They are the kind against the employer who has the original dispute with the union.

Then after one decides that the facts in his case fit the pattern of a secondary boycott, he still is not finished. The next major stumbling block is whether it is the kind of secondary boycott which violates the Taft-Hartley law.

Even before the passage of the Taft-Hartley Act, secondary boycotts were generally regarded as unlawful. Numerous court decisions going back for many years had adopted this view. Writing in 1940, a recognized authority on labor law, Mr. LUDWIG TELLER, who is a Member of the 85th Congress and is serving in the House of Representatives, said:

American judicial decision has come into general agreement that there is a distinction between a primary boycott and a secondary boycott, and, as shall be seen hereafter, that the primary boycott, if peacefully carried on, is legal, while the secondary boycott illegal because involving the exercise to coercion upon innocent third persons not parties to the dispute. (Teller, Labor Disputes and Collective Bargaining, vol. I, p. 454.)

Congress thought it outlawed all secondary boycotts when it passed the Taft-Hartley law, but experience with the act over the years has uncovered many missing links and glaring loopholes.

One technique is to put pressure on neutral employers, but carefully to avoid putting pressure on their employees. Existing law prohibits a labor organization from inducing or encouraging the employees of any employer to refuse to handle goods or to perform services. It stops there.

As explained by the late Robert B. Denham, former General Counsel of the National Labor Relations Board, the business agent does not go into the neutral employer's factory and say to the workmen, "Fellows, I want you to strike so we can force your employer, who buys goods from the guy down the street, to quit buying from him."

That approach would be against the law. So the business agent goes to the front office and says to the employer, "We have a quarrel with the man down the street from whom you buy supplies. If you do not stop buying supplies there, we will have a picket line around your place tomorrow."

That is not against the law, because the union goes after the neutral employer, not his employees. This kind of secondary boycott is going on regularly. It jeopardizes many small businesses in America. It is one of the types of boycott that will be met by the amendment I shall submit later.

Another common type of secondary boycott, said by the NLRB to be beyond the law, is the popular hot-cargo type.

It amounts to a secondary boycott by contract. A strong union insists, during its negotiation of a labor-management contract, that the document include a provision to cease doing business with other firms with which the union has a dispute.

The hot-cargo clause, which gives rise to many secondary boycotts, is, in my opinion, invalid because it is contrary to public policy. However, the Supreme Court has not yet spoken; and the Congress has a responsibility to clarify the situation.

I am pleased to report that two Federal agencies—both the Interstate Commerce Commission and the National Labor Relations Board—have rendered decisions adverse to the hot-cargo clause. Each of these agencies has held that the hot-cargo clause is unenforcible; in other words, that it is not binding on the parties. My understanding is that they have not proceeded so far as to hold it invalid. It will be some time before the issue reaches the Supreme Court. Congress ought to clarify the situation, and my amendment does so.

Another loophole that permits secondary boycotts exists by reason of five unnecessary words in the Taft-Hartley law. The Taft-Hartley law prohibits acts to induce employees of a neutral concern, not parties to the primary dispute, to stop working on goods or performing services. However, the prohibition contains this language: "In the course of their employment." Some unions have created a loophole, by reason of this language, by refusing to permit union employees to report for work. The defense is that these employees are not yet "in the course of their employment" because the men have not yet arrived at work. This amendment closes that loophole.

Mr. President, again I wish to remind the Senate that the Congress thought that by the enactment of the Taft-Hartley law, it was outlawing secondary boycotts. The record on that issue is abundantly clear. In advocating this amendment, I am not advocating a new principle. Rather, I am urging the Congress to clarify its original intent and eliminate existing loopholes. As stated previously, existing law prohibits the application of pressure on the employees of a neutral concern.

The existing law, however, uses the word "concerted." This was held by the United States Supreme Court, in the *International Rice Milling* case, in 1951 (341 U. S. 665), to mean that it would apply only to employee group action. The facts are that activities to induce a single or a key employee to stop work can result in a damaging and effective secondary boycott. This amendment closes that loophole.

Another loophole that is reached by this amendment relates to the definition of "employee." It was clearly the intent of Congress to prohibit pressure on all employees. Certain decisions or rulings have held, however, that the word "employee," as used in this section, is limited to the restricted definition of "employee" covered by the Taft-Hartley law, which mean it would eliminate from coverage by the act the employees of railroads, the employees of the Federal Government, the employees of the State governments, agricultural workers, and workers in many other categories, whereas, in my opinion, the intent of Congress was clearly to prohibit the application of such pressure against any employees in any category.

This amendment corrects and clarifies the language. It is my intention that the wording of this amendment, which is identical with the language used in my bill, S. 76, shall be broadly construed, and shall not be limited by the restrictive definitions of the terms "employer and employee" used in connection with other sections of the act.

When a labor dispute exists, the employees have, and should have, a right to use their economic strength to advance their economic interest. Employees have a right to strike. Employees have a right to set up a picket line. Employees have a right to discuss the merits of their case, and to try to persuade others. However, it was the intent of the law that these activities should be restricted to the parties to the dispute. In other words, picketing cannot be carried on against a neutral third party.

There is a loophole which has been referred to as secondary picketing. In the recent Kohler investigation, several cases illustrating this point were brought to light. The employees of Kohler have a perfect right to picket at Kohler, provided the picketing is carried on in a lawful manner. But when Kohler pickets follow a Kohler delivery truck many, many miles to another city, and picket near an independent distributor, it damages that businessman and his employees. This businessman, who is engaged in selling plumbing fixtures, has no labor dispute; yet his customers are kept out of his place of business by picket lines. This activity has been referred to as secondary picketing.

The McClellan committee took the testimony of Mr. Charles H. Link, of Jackson, Mich. The Link Co. is a partnership, dealing in plumbing supplies. It is a small concern. They have about 10 employees. There was no labor dispute at the Link Co., yet Mr. Link testified under oath that for a number of days his place of business was picketed by a group of unions interested in the outcome of the Kohler strike. These pickets paraded up and down in front of the Link Co. carrying signs which read, "Don't buy Kohler fixtures and fittings made by scabs sold by Link Co."

Now, it happens that this small-business concern, the Link Co., has sold Kohler products for 25 years. It is the one complete line they carry, and they have spent much time and money in advertising and building up a clientele for the merchandise they carry. They have their money invested in the inventory.

Many people do not like to cross a picket line. A picket line drives away customers, it frightens some people, it intimidates others. These pickets in front of the Link Co. jotted down the automobile license numbers of every customer that came into the Link store, even though some of the customers may have gone into the store to buy something other than Kohler products. I wish to call attention to the following from the testimony:

Mr. KENNEDY. And what was done with that list; do you know?

Mr. LINK. Some of it we knew was read off in union meetings.

Mr. KENNEDY. The list of those people who were using your company?

Mr. LINK. That is correct.

Mr. KENNEDY. Or visiting your company? Any customers of yours who drove cars and who could be identified, their names were read off at a meeting of the Plumbers Union?

Mr. LINK. That is correct.

There was a small business, operating in a free country, which had no labor dispute, which had a picket line in front of its place of business, frightening the customers, intimidating them, jotting down their names, carrying the names to the union hall, and having the customers wonder whether or not there would be reprisals if they traded there. Such action denies customers a fair choice.

We are not being fooled here tonight. For 3 long years we have begged the Committee on Labor and Public Welfare to hear this story. We are going to have a chance to vote to end this economic blackmail or to defend it. The rollcall will speak for itself. Let no one be kidded into believing that there will be some procedural way out in order to escape responsibility for either approving or disapproving of a most vicious practice which is going on in this country.

Mr. President, I hold in my hand a communication which tells about a boycott at Asheville, N. C. The writer of the letter states:

A similar secondary boycott situation involves the Williams-Brownell Co., of Asheville, N. C. This firm manufactures doors and its employees belong to the AFL–CIO Upholsterers' Union. When the company sends its doors to Chicago, the Carpenters' district council refuses to recognize the Upholsterers' Union and applies pressure on contractors and distributors to compel them to stop buying from Williams-Brownell.

When Williams-Brownell complained to the Upholsterers, the union advised the company to file suit against the Carpenters. They overlooked, however, the loopholes in the Taft-Hartley Act that make such a suit extremely difficult, if not impossible.

Mr. President, I refer again to the Link Co. The Link Co. had no dispute. The union had a right to picket Kohler Co., but it had no right to picket or boycott a neutral third person such as the Link Co.

In our investigation of the secondary boycott in connection with the Kohler strike, we received a great deal of evidence. I received a letter from a plumbing supply company, and I wish to read a portion of it into the RECORD:

The Kohler Co. evidently has enough cash reserves to fight the strike and the boycott. I do not believe Herbert Kohler is hurting too much.

The plumber can buy Crane Co., American Standard, Eljer, Rheem, Universal Rundle,

United States, or Humphries enamelware. The plumber can survive without Kohler.

I believe the jobber is suffering more than the manufacturer or the plumber due to this strike.

The union has large billboards all around Chicagoland telling the public to buy union-made plumbing fixtures. We find owners of homes who are union men refusing to buy Kohler products.

How long can we carry on selling Kohler products? When do you think this strike will end?

I have spent thousands of dollars over the years advertising Kohler fixtures and do hate to change to another company. I admire the company and their policy more than some of the others. The big reason I am staying loyal is because they do not compete against their jobbers like some of the others. Kohler does not own any jobbing houses. On big jobs some of these others can go lower than any jobbers because they own their own outlets. If the company earns the manufacturing profit and breaks even on the supply end they can still handle some jobs. If Kohler distributors sell for cost, they would go broke. Kohler has the only fair system of distribution.

However, Kohler jobbers are hurting right now due to the strike. Where do all we Kohler jobbers go from here?

In other words, the secondary boycott did not hurt the Kohler Co. Their officials so testified. The boycott hurt small-business men all over the country.

Mr. President, I again advise the Senators present that for 3 long years we have begged the committee to hear these facts. We have been denied our day in court, so, in this proceeding, Senators will have an opportunity to vote to outlaw such procedures, such blackmail, or they will have an opportunity to approve it. We cannot pretend any loyalty to the employees and to the small-business men who are suffering under this procedure and then say, "We will give you relief when we get the ideal vehicle to use." That will not discharge our responsibility.

Mr. President, at this time I wish to discuss the secondary-boycott experiences of a small company manufacturing steel ventilators in Akron, Ohio. This company, which employs about 150 production workers, has been in business for 66 years. It is the Burt Manufacturing Co., which until the last 10 years has sold its products throughout the United States and in foreign countries without hindrance from labor-union officials.

In October 1945 the CIO United Steel Workers' Union won a National Labor Relations Board election at the Burt plant and it was certified as the legal bargaining agent for the production employees. Since that time the union and the company have successfully negotiated contract after contract and apparently find that collective bargaining works very well for both of them.

But as soon as the steelworkers became the bargaining agent for the employees of the Burt Co., the AFL Sheet Metal Workers' Union cast its eyes upon the membership rolls of Burt's employees. In brief, the Sheet Metal Workers' Union considered Burt products nonunion because they were not made by members of the Sheet Metal Workers. This jurisdictional dispute has continued over the years, and the merger of the giant AFL and giant CIO, instead of remedying the jurisdictional dispute, has only intensified it. Today this jurisdictional dispute and secondary boycott imposed against Burt is probably the most classic example of the unfairness of a union official's secondary-boycott techniques.

Mr. LAUSCHE. Mr. President, will the Senator from Nebraska yield?

Mr. CURTIS. I shall be delighted to yield to the distinguished Senator from Ohio. I wish to advise the Senate that in the Burt case, the boycott was carried so far that an architect employed by the State of Ohio put Burt products on the blacklist, notwithstanding the fact that the Burt Co. had a certified union and no dispute on wages or hours, until the distinguished Senator from Ohio, then the Governor of Ohio, put an end to it and saw that justice was done.

I hope I did not use a part of the Senator's speech. Knowing the Senator's modesty, I wanted to state the facts as I understand them.

I now yield to the Senator from Ohio.

Mr. LAUSCHE. The Senator from Nebraska, Mr. President, has accurately described the mighty power of the Sheet Metal Workers Union of the AFL in Ohio.

At the Burt Co. there was in existence a valid bargaining agreement between the CIO and the Burt Manufacturing Co. The AFL, however, was not content with the fact that a labor union other than its own was doing business with the Burt Manufacturing Co. The AFL began serving notice upon contractors and individuals who wanted to build, "If you buy Burt Manufacturing Co. products the AFL Sheet Metal Workers Union will not install the equipment."

The distinguished Senator from Nebraska has accurately described that a representative of the great State of Ohio, an architect vested with the responsibility of making awards to the lowest and best bidder for the furnishing of equipment for a building to be constructed at the Ohio State University, served notice on the Burt Co., "You are the lowest and best bidder, but we cannot buy your equipment because the Sheet Metal Workers Union will stop the building."

The point I want to make to Senators tonight is this: In that situation under a secondary boycott the labor union became more powerful than the government of Ohio. The government representative yielded abjectly to the threats and demands of the representative of the labor union.

I ask Senators: How can we tolerate a condition of that type? How can we put our approval on a condition whereby a segment of the economy becomes more powerful than the Government? We cannot do it and remain loyal and faithful to the principles upon which our Government was built.

This matter was brought to my attention while I was Governor of Ohio. As has been described by the Senator from Nebraska, I called the architect on the telephone and I said, "You will make that award to the lowest and best bidder. If construction is stopped we will face the problem when it is pending before us."

Moreover, how can morally minded men feel that they are doing justice when they say to an innocent, helpless little man, "You cannot buy those goods; and if you do we will ruin you"? That, in sum and substance, is the condition which prevails.

I have voted for these amendments because I want my position to be known. I will never countenance making any American a slave to the powers of whatever segment of the economy may attempt to enslave him.

Secondary boycotts have generally been recognized as invalid. I understand that the proposal of the Senator from Nebraska is to put into statutory form what generally has been embodied in common law and in the decisions of the courts. I commend the Senator from Nebraska for the narration of these cases. The fact is that we have been given only a paltry few. Time and again conditions of that sort have occurred—a primary strike in Pittsburgh and a secondary boycott in Cleveland. There we have the American citizen engaged in business asking, "Why am I the victim of a dispute which exists 150 miles away?"

Unless we do something about this problem in this session of Congress, conditions will grow worse and worse. So far as I am concerned, my Government will be supreme. No segment of the economy shall arrogate to itself a position above the Government.

Mr. CURTIS. I thank the Senator from Ohio for his statement and for his position.

Secondary boycotts are occurring in every State. They constitute a problem which will never be dealt with if we wait upon the committee to recommend to us the necessary legislation. I am convinced that many of our friends on the other side of the aisle wish to vote against these pernicious secondary boycotts. I hope that in some way, somehow, before this amendment is offered and the roll is called, they can wrest themselves from the untenable position into which their leadership has drawn them.

Back to the Burt case.

The Burt case is also one of the best examples to show that the Taft-Hartley Act should be amended to prevent and close the present secondary boycott loopholes of section 8 (b) (4) of the act. Burt is a victim of four secondary boycott loopholes. Let me identify them.

Although it is unlawful under the Taft-Hartley Act for a union to induce employees of another employer to engage in a concerted refusal to work when the purpose is to force any person to stop doing business with any other person, clever union officials can get around this provision. Instead of putting pressure on employees, they intimidate or coerce the employer to stop doing business with another firm. This perhaps is the greatest loophole in the present act, and the pending amendment would correct it.

The second loophole in the law to which Burt falls victim is that the Sheet Metal Workers Union may put pressure upon a key employee, perhaps a foreman, to refuse to handle Burt products. Thus there is no violation because there has not been any concerted activity by the union. The law requires concerted activity.

Still a third loophole is a form of hot cargo contract. Here the Sheet Metal Workers' officials require contractors to sign a standard form of agreement, which contains among other things, language to the effect that the employer will handle wages, hours, working conditions, and materials in accordance with the jurisdictional standards of the Sheet Metal Workers Union.

The union says that this means that the contractor agrees not to use any sheet-metal products which are not made by members of the Sheet Metal Workers Union.

A fourth loophole which affects Burt is built around the phrase in the law, "in the course of employment." If the business agent for the Sheet Metal Workers Union finds Burt products on a construction job, he simply refuses to furnish sheet metal workers for the job. Since the men never officially become employees there can be no interference with workmen in the course of their employment. They have never arrived at the job. It has been so interpreted by the Labor Board.

I am told that Burt is only one of numerous victims in this field. I understand that the Chicago Heights Furnace Supply Co., of Chicago, Ill.; the Youngstown Furnace Co., of Youngstown, Ohio; the Reeves Steel & Manufacturing Co., of Dover, Ohio; the Republic Steel Corp.'s Burger division, in Canton, Ohio; the Henry Furnace Co., of Medina, Ohio; the Airo-lite, of Marietta, Ohio; the Swartout Co., of Cleveland; H. H. Robertson Co., of Pittsburgh; and the Wheeling Steel Corp., of Wheeling, W. Va.; are but a few of the firms who are victims of a secondary boycott imposed by the Sheet Metal Workers Union.

Although most of these boycotts involve steelworkers, the United Auto Workers and other unions have also been involved as the victims of the boycott.

Let me detail several secondary boycott examples suffered by Burt.

In April 1956, Sheet Metal Union representatives from Chicago would not permit the erection of $25,000 worth of ventilator equipment manufactured by Burt to be placed in a plant of the Johnson motors division of the Outboard Marine Manufacturing Co., of Waukegan, Ill. It was the position of the sheet-metal officials that Burt ventilators were not union made, because their members did not make them. Only through the intervention of the top union officials in Washington were the ventilators erected.

In May 1956 Sheet Metal Union representatives stopped the erection of $35,000 worth of Burt ventilators specified in a contract for the new Campbell Soup Co. plant in Napoleon, Ohio. The ventilators had been delivered to the job site, and, only after a considerable delay the subcontractor got the union to give him permission to erect the ventilators. But to do it, he had to pay double time for all work performed.

This same sort of double-time racket was required of a contractor in New Jersey who had ordered Burt ventilators.

This monopoly by the 50,000 members of the Sheet Metal Workers Union is used even against industrial giants. The construction of the Ford Motor Co. engine plant in Lima, Ohio, was delayed when this union refused to allow its members to unload railroad cars containing $100,000 worth of Burt ventilators.

Mr. BARRETT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Nebraska yield to the Senator from Wyoming?

Mr. CURTIS. I yield.

Mr. BARRETT. I rise to ask the Senator a question. Am I to understand that the contractor was obliged to pay two men to do one man's work under the doubletime arrangement

Mr. CURTIS. It amounted to that. It was not pay for overtime work. It was a penalty or highjack payment, or a blackmail payment, in order to get the material installed, and that material had been union made, although it had not been made by the Sheet Metal Workers Union.

Mr. BARRETT. As I understand, the Burt Co. had an agreement with the Steelworkers Union and the contractor who was installing the ventilators was employing AFL sheet-metal workers. Is that correct?

Mr. CURTIS. That is correct.

Mr. BARRETT. Under that statement of facts, the contractor was obliged to pay the AFL or the Sheet Metal Workers Union the equivalent of a day's work for each employee working on the job? Is that correct?

Mr. CURTIS. That is correct. They had to pay double time.

Mr. BARRETT. Who got the double time, or the additional day's work?

Mr. CURTIS. I do not know. I presume it was the individual workers.

Mr. BARRETT. In other words, the employee was paid double for doing 1 day's work.

Mr. CURTIS. That is correct. From July 5, 1956, until September 17, 1956, these railroad cars were tied up on a siding with demurrage charges accumulating daily. The contractor was afraid to unload the ventilators.

Also in 1956, a secondary boycott threat was made at the construction of a new Chrysler Automobile Co. plant near Akron, Ohio. The $85 million plant called for the installation of $17,000 worth of Burt equipment. Because of a secondary boycott threat and delay, Chrysler canceled the contract.

Within the last few months, the Burt case has received national publicity, but that has failed to dampen the enthusiasm of the officials of the Sheet Metal Workers Union to continue their monopoly. Although both the AFL and CIO leaders have developed the secondary boycott, it has continued.

The Wooster Sheet Metal & Roofing Co., of Akron, Ohio, was threatened with labor trouble unless the company discontinued to purchase Burt products. Wooster had bought from Burt for more than 30 years, but was told that its employees would be called off the job if they continued to use Burt.

Again let me remind Senators that the employees of the Burt Manufacturing Co. are union men, who belong to a certified union, and there is no dispute about wages or hours. However, the economic blackmail known as the secondary boycott goes on and on, month after month, and the Committee on Labor and Public Welfare refuses to grant 1 hour of hearings on it.

However, on the pending bill, every Senator will have an opportunity to vote against the practice or vote to approve it.

Mr. LAUSCHE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. CURTIS. After the Wooster secondary boycott threat the Akron Beacon-Journal on December 3, 1956, in an editorial asked:

> By what right may a labor union arrogate to itself the authority to tell an employer where he shall or shall not purchase supplies and materials for his business?

The real danger is beyond damage to Burt. As the Akron Beacon-Journal pointed out in its editorial:

> Thus, Wooster Sheet Metal is deprived of its free choice to obtain ventilators wherever it deems the price and quality to be favorable.

This is the real danger of the secondary boycott. That danger is that the American public's freedom of choice is being removed because of the monopoly power of the labor union official. The amendment which I shall offer, by curbing this power by outlawing all secondary boycotts and organizational picketing, would serve the public benefit.

The case of the Burt Manufacturing Co. has created problems for many people in many States and has been unfair to many individuals and concerns. This secondary boycott has been carried on for over 10 years over a wide territory, when at the same time the Burt Manufacturing Co. have had a certified union, acceptable to its employees, and, it is not an issue of wages, hours, or working conditions.

Several national leaders in the field of labor have tried for many months to get the Burt case settled. Suggestions have been made that an umpire be appointed. The National Labor Relations Board is currently giving attention to the matter. Two or three weeks ago a court in Ohio granted the company injunctive relief.

Congress should wait no longer. We should now close up the loopholes in existing law. We should now do what we intended to do in the passage of the Taft-Hartley law, to wit: outlaw all secondary boycotts.

Early last year I introduced S. 76, a bill to amend the Labor-Management Relations Act, in an attempt to stop a technique used by some labor unions. This technique, next to violence, is the

most vicious and unfair practice designed by a union official. As Senators know, S. 76 would restore to the Taft-Hartley Act the original intent of Congress and would end all union secondary boycotts and organizational picketing to force compulsory unionism on American workmen.

The amendment now pending is identical with my bill, S. 76, to which I referred.

The introduction of the bill resulted in scores of letters from all parts of the country as well as from my home State. There was not a single objection to the bill, mainly because no one can honestly object to legislation which would put a stop to economic blackmail.

Here are but a few of the examples that have been sent to me since the introduction of the bill:

A druggist in Elgin, Nebr., wrote to explain that drugs needed by his community were being held up in Omaha because union truckdrivers would not turn freight over to nonunion trucklines that serve certain parts of the State.

There is another case where the victim is small business; where the victims are the public, the people who need to buy medicines and drugs in a community which is no longer served by a railroad, but is served by one truckline, and that truckline is boycotted.

We have waited 3 long years for the Committee on Labor and Public Welfare to grant a hearing on this problem. We will continue to wait, or else the Senate will vote to outlaw this practice or vote to approve it.

A Denver firm wrote:

> The striking union engaged in extensive efforts to organize secondary customer boycotts. Many of our good clients stood considerable abuse and threats for continuing a business relationship with us during the strike period.

I received a letter from an east Texas poultryman.

I wish the distinguished majority leader were in the Chamber to hear what his constitutent has to say. He writes as follows:

> Thousands of miles away in Colorado, California, Oregon, and Washington, representatives of organized labor picked up their telephones and called to brokers and distributors to tell them that certain east Texas chicken processors were unfair to organized labor, and markets were lost.

I have had some personal contact with this Texas poultry company. They had some labor difficulty; but grocery markets as far away as San Francisco were threatened with strikes and boycott lines if they sold the Texas poultry, even though no strike was threatened at the market which was threatened with the boycott.

Incidentally, I happened to learn that the closing of the markets because of the secondary boycott caused the price of broilers to the farmers of Texas to go down a considerable amount.

Another example of the nationwide scope of secondary boycotts was brought to my attention in a letter from the Ford Storage and Moving Company of Omaha. They reported that 141 pieces of millwork material consigned to them was held up on a dock of the Merchants Motor Freight Co. in Omaha. The letter said the manager refused to release the freight, on orders from his home office in St. Paul, Minn. A union was trying to force compulsory membership on Ford employees.

A woodwork manufacturer at Dubuque, Iowa, writes:

> Our company has a branch in Omaha and one in Hastings, Nebr. But our difficulties with secondary boycotts have been elsewhere in the country; particularly in Chicago, in Cleveland, and in southern California where we have been excluded, by boycotts, entirely from the market. Although we have a contract with an A. F. of L. Union and have no labor disputes currently or grievances, in each case the boycott of our products has resulted in arbitrarily higher prices to the consumer for everything we make and attempt to sell in that area.

A wholesaler and manufacturing firm in Hastings, Nebr., supplied me with documentary evidence that shipments which would normally require a single day, are now taking as long as 60 days for delivery, because the freight is to be carried by trucking companies whose men do not want to join the Teamsters Union. I have forwarded this file to the Interstate Commerce Commission, requesting they investigate the whole problem.

An outstate manufacturer and distributor writes as follows:

> On May 9, 1956, Watson Bros. trucks picked up a water pump here. The bill of lading said deliver this pump to Ewing, Nebr. Watson hauled the pump to Omaha today, May 22, 1956, the pump is still in Omaha. No trucker to haul it to Ewing, Nebr.

They were boycotted. Here is what this little-business man goes on to say:

> We are not going to fight this union business. We will just lay off all our help and sell what comes after it. We can get along all right with this system. But what about the employees that have been with us over 20 years?

Again, I plead with the Senate to vote to end the secondary boycott. We will never have a chance to vote for a bill to end secondary boycotts if we wait for the bill to come from the committee. The forces which are bearing down on the committee tonight, insisting that all amendments be rejected are opposed to any legislation in this field. We, as individual Senators, will have to assume our responsibilities, 1 by 1, as the roll is called on the question of approving or outlawing this most vicious practice.

I know that many Members on the other side of the aisle have received correspondence which sets forth how their constituents have suffered from secondary boycotts. I know those Senators favor this amendment. Again, I express the hope that, in some way, somehow, they can wrest themselves from the untenable position in which their leadership has placed them in connection with the consideration of this proposed legislation.

Mr. President, for the benefit of Senators who are not familiar with the unfairness of the secondary boycott, I shall state, for the RECORD, a calendar of events supplied by the Coffey Transfer Co., of Alma, Nebr. This firm, one of the oldest trucking lines in Nebraska, was forced to close its doors and sell its equipment, because its owner had the courage to fight demands by the Teamsters Union that he compel his employees to join that organization, of which they wanted no part.

The Coffey Transfer Co. operated in a county-seat town of approximately 20,000 population. The company had 22 drivers, and had been in business approximately 20 years. I wish to state what happened to that company, as a result of the secondary boycott technique.

The calendar of events which I shall state reveals how Mr. Coffey and his company were put out of business in 6 months.

On August 22, 1955, the Coffey Transfer Co. received from the Teamsters Union a registered letter advising them that their employees had selected the union as the collective-bargaining agent.

On August 24, 1955, just 2 days later, Mr. Coffey met with the officials of the Teamsters Union. They presented him with the Central States area contract, and requested him to sign it. At that time they presented him with what were purported to be the signatures of seven of his drivers. He declined to sign, for two reasons: First, 7 of his drivers were not 51 percent of his 22 drivers. Second, it was economically impossible for a company such as his to meet the demands in the proposed contract.

On September 20, 1955, the Teamsters Union called a strike, and placed three of his employees on a picket line, at his Omaha office.

On September 26, 1955, the company filed with the NLRB a petition requesting an election by its employees, to determine whether the union represented 51 percent of the employees.

On September 30, 1955, an election hearing was set by the NLRB for October 20, at Alma, Nebr.

On October 11, 1955, the election hearing was postponed by the NLRB, at the request of the union, to October 25, 1955.

On October 14, 1955, the Coffey Transfer Co. filed, with the NLRB, charges against the Teamsters Union alleging a secondary boycott.

Between October 17 and October 28, 1955, the secondary boycott charges, as filed by the company against the union, were investigated by the NLRB.

On October 25, 1955, the NLRB held a hearing at Alma, Nebr., to determine whether the employees were entitled to an election under the NLRB rules.

On December 7, 1955, the union signed, with the NLRB, an agreement that it would cease the use of the secondary boycott as a strike implement.

On December 12, 1955, the NLRB ordered an election held December 29, 1955, to determine whether the employees would be represented by the union.

On December 21, 1955, Mr. Coffey filed with the NLRB a breach of agreement charge against the union, alleging that the union was still invoking a secondary boycott by indirection.

On December 23, 1955, the union filed an unfair labor practice charge against the Coffey Transfer Co.

On December 27, 1955, the NLRB postponed the election which was set for December 29.

Between January 3 and January 7, 1956, the NLRB investigated both the unfair labor practices charge by the union and the breach of agreement charged by the Coffey Transfer Co.

On January 11, 1956, a strike was called in Omaha, Nebr., and in Minneapolis, Minn., against Des Moines Transportation Co., and was settled as soon as that company agreed to cease interlining freight with the Coffey Transfer Co.

On January 13, 1956, a strike was called against Darling Transfer Co., in Kansas City. No reason for the strike was given. The strike was settled as soon as the Darling Transportation Co. agreed to cease interlining freight with the Coffey Transfer Co.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Nebraska yield to me?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Nebraska yield to the Senator from Texas?

Mr. CURTIS. I am glad to yield.

Mr. JOHNSON of Texas. Mr. President, if the Senator from Nebraska will indulge me, I should like to make a brief statement, for the information of the Senate.

Mr. CURTIS. Certainly.

Mr. JOHNSON of Texas. Mr. President, earlier in the evening, before the distinguished minority leader had to leave the Chamber, he called up an amendment, which is pending now. It is my understanding that there has been no debate on the amendment.

The Senator from Nebraska has been discussing an amendment which he proposes to offer tomorrow.

The minority leader informs me that he would much prefer to discuss his amendment in some detail at an early hour tomorrow, rather than late this evening.

We had anticipated that one more yea-and-nay vote would be taken this evening. However, since it appears that that course will not be mutually agreeable, when the Senator from Nebraska concludes his speech this evening if he cares to do so, then the Senate will take a recess until tomorrow; and no more votes will be taken tonight.

If the Senator from Nebraska does not care to conclude his speech this evening, I am prepared to ask unanimous consent that on tomorrow, after the morning hour, he be recognized, in order to conclude his statement—in other words, that he have the floor at that time.

In any event, I should like the Senate to know that we do not anticipate that any more yea-and-nay votes will be taken tonight, although we had previously anticipated that a vote would be taken tonight on the pending amendment.

I hope that by concluding the session this evening without taking a vote on the pending amendment, we may profit, by actually saving time in the long run.

Mr. KEFAUVER. Mr. President, will the Senator from Nebraska yield for a unanimous-consent request?

Mr. CURTIS. First, Mr. President, I wish to reply to the majority leader's statement.

As I understand the statement the majority leader has made, he has suggested that I suspend my presentation at this time, and continue it on tomorrow.

Mr. JOHNSON of Texas. Yes. I shall be glad to request unanimous consent to that effect, if the Senator from Nebraska so desires.

I realize that the Senator from Nebraska has been in the Chamber a long time today; and I do not wish to impose upon him, by asking that he continue his speech, if he prefers to resume it tomorrow morning.

Mr. CURTIS. Mr. President, such an arrangement would be agreeable to me, and would meet with my approval, if the distinguished majority leader cares to request unanimous consent that when the Senate convenes tomorrow morning, I shall be recognized.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that at the conclusion of the morning hour tomorrow morning, when the unfinished business is laid before the Senate, the Senator from Nebraska, who now occupies the floor, be recognized.

The PRESIDING OFFICER. Is there objection to the request of the majority leader? Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Now, Mr. President, I should like to call to the attention of all Members of the Senate that an order has been entered whereby the Senate will meet at 11 o'clock tomorrow morning. We will keep the Senate in session as long this evening as any Senator may desire to address the Senate or to make insertions in the RECORD, with the understanding that there will be no rollcalls.

I regret very much we were laboring under a misapprehension. Senators could have been excused some time ago. But we do run into these situations, and I think under the circumstances we are following the best procedure we can follow.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Yes, I yield.

Mr. CAPEHART. Would the majority leader suspect that we might be in session tomorrow night?

Mr. JOHNSON of Texas. I suspect we will, unless we are able to dispose of the bill. If we could vote on some of the amendments pending en bloc, I think each Senator could have his opinion recorded. Discussions on them have been limited. If we would confine discussions to the amendments, we could act on them.

Mr. CAPEHART. Is it to be my understanding that if the amendments have not been voted on and the bill has not been voted on we shall continue into a night session?

Mr. JOHNSON of Texas. We might. I hope that, with the cooperation of all Senators, we may be able to complete our business by the latter part of the afternoon.

Mr. KEFAUVER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Nebraska has the floor.

Mr. CURTIS. I yield to the Senator from Tennessee.

Mr. JOHNSON of Texas. I beg the Senator's pardon. I thought the Senator had yielded the floor, to be recognized tomorrow morning, under the agreement.

The PRESIDING OFFICER. The Senator from Nebraska had the floor. Had he yielded the floor?

Mr. CURTIS. Mr. President, in order to clarify the situation, has the unanimous-consent agreement been entered into?

The PRESIDING OFFICER. Yes.

Mr. CURTIS. I yield the floor to the majority leader.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Tennessee.

Mr. KEFAUVER. Would it be possible to meet earlier tomorrow, so that we may try to dispose of a number of amendments, because some of us would like to get away tomorrow afternoon?

Mr. JOHNSON of Texas. I explored that matter earlier in the day. The time fixed was the most convenient time we could arrange to suit the minority.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Florida.

Mr. HOLLAND. Can we safely assume we will not have a Sunday session?

Mr. JOHNSON of Texas. Yes.

Mr. HOLLAND. From midnight tomorrow we may be free?

Mr. JOHNSON of Texas. Yes.

Mr. HOLLAND. I thank the Senator from Texas for his generosity.

Mr. JOHNSON of Texas. The Senator may be free at any time. The Senate has not met on a Saturday session during the present session. This is the first time in recent years that we have not had a Saturday session this late in the session. I apologize for asking Senators to meet on Saturday, but with the military pay bill and other bills backed up this late in the session, I do not think it is an unreasonable request to have the Senate meet on Saturday for the first time in 4 months of the present session. That is a better record than the Senate has had in many sessions. Some very important bills, like mutual aid and reciprocal trade, plus most of the appropriation bills, will be coming before the Senate. It was announced in the early part of the week that there would be a Saturday session.

EMERGENCY HOUSING ACT OF 1958

Mr. SPARKMAN. Mr. President, the first antirecession measure of this Con-

gress, the Emergency Housing Act of 1958, was signed into law on April 1. Its impact on the economy apparently has been swift and saluatary. Figures released by the Veterans' Administration show that in the first half of this month, VA appraisal requests for new construction increased to 11,067. At this rate, this first month of VA operations under the new legislation could be the best since the fall of 1956. It also could represent a threefold increase in VA activity over last month.

It will be recalled that the Senate, by unanimous vote, on March 12, passed S. 3418, which I had introduced as S. 3373 on February 27. It provided for an extension of the VA loan guaranty program and the direct loan program, and established a mortgage purchase fund in the Federal National Mortgage Association to assist in stimulating residential construction as quickly as possible.

According to an announcement made yesterday by the Federal National Mortgage Association, commitment contracts have already been entered into totaling $28,900,000 for the purchase of 2,505 Government-supported mortgages covering low and moderate priced housing under the program established by the Emergency Housing Act.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I yield.

Mr. KEFAUVER. I am glad to hear the explanation of the splendid benefits, not only in housing, but in giving people employment, as a result of the bill introduced and passed under the sponsorship of the Senator from Alabama. I congratulate the Senator.

In addition to employment benefits resulting from housing legislation of this kind, does not such legislation also bring about employment in factories making furniture, freezers, and many other kinds of household equipment?

Mr. SPARKMAN. It certainly does. It probably has the greatest chain reaction of any type of construction legislation.

Mr. President, it is probably too early to predict with any certainty what the results of this antirecession measure might be in the months ahead. I am hopeful, however, that this quick response to Congressional action in the housing field will be sustained, and will play an important part in reversing the recession.

Mr. President, I think this development in the field of housing is an example of a sound Congressional approach to the recession, and I hope it will prove to be an object lesson to those in the administration and the Congress who continue to be reticent about the value of other important antirecession measures now before us.

Mr. President, I ask unanimous consent that there be printed in the RECORD as a part of my remarks an article from the New York Times, dealing with the matter; also one from the Wall Street Journal, and also a copy of a release by the Federal National Mortgage Association.

There being no objection, the articles and release were ordered to be printed in the RECORD, as follows:

[From the New York Times of April 25, 1958]

VA HOUSING REQUESTS UP; STORE SALES TOP FORECAST

(By Edwin L. Dale, Jr.)

WASHINGTON, April 24.—The Veterans' Administration reported today a big pickup in early April in the once moribund GI housing program, as measured by appraisal requests from builders. In another encouraging note, the Federal Reserve Board reported a level of department store sales last week considerably higher, compared with last year, than had been expected after allowing for last year's Easter date.

And the Association of American Railroads reported a small pickup in freight carloadings last week, including a 4-percent increase in the key miscellaneous category.

The Veterans' Administration report was unusual, in that the agency usually waits until well after the end of the month to add up the various indicators of the GI housing program. But today, Sumner G. Whittier, VA Administrator, issued a release on the basis of a survey of regional offices, covering activity in the first half of April.

MARCH TOTAL SURPASSED

The key figure is called appraisal requests for proposed structures. Appraisal requests precede applications for mortgage guaranties. In the first half of April, these requests totaled 11,067, or 2,661 more than for the whole of March, and March, in turn, had shown an increase from February.

If the whole of April should show 22,000 appraisal requests, the figure would be higher than in any month last year. In December, when the once-booming program hit bottom, there were only 3,500 appraisal requests.

Mr. Whittier attributed the upturn to easing of general credit conditions, actions recently taken to bring GI-mortgage-interest rates more in line with rates on competing investments, and the abolition of the 2-percent-downpayment requirement for GI housing. Today's figures indicate a brisk pickup in actual GI housing starts in a few months.

Today's department-store report showed that sales in the week that ended April 19 were down 9 percent from the same week a year earlier. Allowing for the different date of Easter this year, Federal Reserve officials had calculated that sales would fall 14 percent because of that factor alone. Thus, in effect, they showed an improvement over the comparable week in 1957.

Officials caution, however, that a single week's movement in this indicator, either up or down, should not be taken as a trend.

Total freight carloadings in the week that ended April 19 were 534,475, down 22.2 percent from the same week last year but up 2.6 percent from a week earlier. Miscellaneous loadings, at 286,203, were up 4 percent from the previous week.

In another development, American Retail Federation officials reported to President Eisenhower they had found "striking parallels" between the economic situation now and that in the 1954 recession, which proved brief and mild.

A delegation from the federation, headed by its president, Rowland Jones, Jr., called on the President and presented a statement on the economy to him. They said that retail sales in March were down only 2.4 percent from March of last year and that, with automotive sales eliminated, March sales were up 1.7 percent.

FNMA ACTS TO BUY $29 MILLION MORTGAGES UNDER NEW PROGRAM

WASHINGTON.—The Federal National Mortgage Association said it has made commitments to buy nearly $29 million in Government-backed lower interest rate home mortgages under its 2-week-old program set up by the new housing law.

Nearly $22.5 million of this was committed in the week ended April 17. The new law, signed April 1 by the President, set up a $1 billion program under which Fannie May would buy at par Veterans' Administration and Federal Housing Administration backed mortgages with values up to $13,500.

The mortgage purchase program was put in the Democrat-sponsored housing law in an attempt to stimulate building of homes in the lower price range.

In the 2 weeks since the new Fannie May program was set in motion April 4, the agency has promised to buy 2,505 mortgages—1,106 backed by the VA, totaling $13.5 million, and 1,399 FHA insured mortgages, amounting to $15.4 million.

Under the plan, FNMA gives a builder a commitment to buy a mortgage from him. The builder can take this to a lender and get a construction loan. Then, when the house is built and sold, Fannie May will buy the mortgage on the home. The home must be occupied, and the commitment must be used within a year.

Fannie May officials said they didn't yet know just what all this activity means. They said it was too early to tell just what impact it would have on home building, but noted that few commitments are made that don't result in homes built.

FNMA REPORTS ON NEW EMERGENCY HOUSING PROGRAM—AGENCY COMMITTED TO BUY $28,000,000 IN MORTGAGES COVERING LOW AND MODERATE PRICED HOUSING

Announcement was made today by the Federal National Mortgage Association that it had entered into commitment contracts totaling $28,900,000 for the purchase of 2,505 Government-backed mortgages covering low and moderate priced housing under its special assistance program established by the Emergency Housing Act of 1958. This legislation, signed by the President on April 1, authorizes the Association to make commitments to purchase FHA-insured and VA-guaranteed mortgages of $13,500 or less covering housing on which construction has not started at the time the application is made for FNMA's commitment.

According to FNMA President J. Stanley Baughman these figures reflect FNMA's activities under this program through April 17 and cover 1,106 VA mortgages totaling $13,500,000 and 1,399 FHA mortgages amounting to $15,400,000.

Commitments covering 989 FHA mortgages for $11,384,000 and 907 VA mortgages for $11,059,000 totaling 1,896 mortgages valued at $22,443,000 were made last week.

These figures contrasted with the 410 FHA's for $3,989,000 and 199 VA's for $2,455,000 totaling 609 mortgages valued at $6,444,000 reported for the previous week, the first to reflect the new program's activity.

COOPERATIVE HOUSING PROGRAM IN FHA

Mr. SPARKMAN. Mr. President, this is the eighth year of the operation of the cooperative housing program in FHA. It was written into the Housing Act of 1950 as section 213.

It may be recalled that during that year I introduced a cooperative housing proposal, which was approved by the Senate Banking and Currency Committee, but which was turned down on a very close vote by the Senate.

When the unfavorable action was taken by the Senate, we inserted in lieu of this more comprehensive program, section 213. It is under that provision

that the cooperative housing program has gone forward, slowly at first but with increasing momentum as full realization took note of the opportunity to build reasonable cost housing on a cooperative basis.

To date, there have been more than 47,000 units of cooperative housing built under this program, and there are commitments outstanding and applications in process for nearly 16,000 additional units. These have been built or are being built in 36 States of the Union.

There is one particularly important and interesting point that should be stressed. Less than one-third of the cooperative housing built to date has been under Federal National Mortgage Association commitments. In other words, private capital has seen the worthwhileness of the program and has carried by far the major part of it. The FNMA commitments, however, are of tremendous importance and the special assistance provided for the program through FNMA has been a great factor in getting this program going.

Mr. President, I ask unanimous consent that there may be printed at this point in the RECORD some tables showing how this program has taken hold and is moving ahead.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Section 213, cooperative housing, status as of Apr. 18, 1958

	Number of projects	Number of units	Dollar volume
Mortgages insured	767	47, 422	$483, 860, 933
Commitments outstanding	380	9, 004	117, 199, 954
Applications in process	179	6, 744	85, 399, 355
Active case workload	1, 326	63, 170	686, 460, 242

FHA, sec. 213, cooperative housing

As of Apr. 18, 1958, mortgages have been insured on 767 projects, comprising 47,422 units, for $483,860,933, in the following States:

	Management type			Sales type			Commitments outstanding			Applications in process		
	Projects	Units	Amount	Projects	Units	Amount	Projects	Units	Amount	Projects	Units	Amount
Alabama				1	8	$54, 200	9	209	$2, 824, 700			
Arizona				142	4, 079	35, 458, 700	12	378	3, 944, 700	7	147	$1, 924, 200
Arkansas				4	569	4, 806, 150	3	40	525, 700			
California	10	942	$10, 666, 900	135	9, 706	109, 150, 650	34	1, 508	17, 005, 880	9	228	2, 677, 000
Colorado				19	249	2, 807, 300	24	262	3, 297, 974	12	150	1, 499, 300
Connecticut	2	84	716, 500									
District of Columbia	4	182	2, 133, 500	2	30	506, 550	7	73	896, 000	3	128	2, 400, 725
Florida	2	68	605, 000	3	55	751, 500	5	127	2, 546, 400	1	12	180, 000
Georgia	1	104	1, 040, 000	2	30	365, 200	1	18	223, 500	3	52	703, 000
Hawaii				4	109	1, 622, 950	9	361	4, 005, 150	1	15	255, 000
Idaho				1	10	142, 500	1	10	142, 500	6	96	1, 135, 000
Illinois	3	47	449, 300				3	34	372, 400	1	10	120, 000
Indiana				9	143	2, 063, 000	11	212	3, 117, 950			
Iowa				11	247	2, 879, 550	14	288	3, 369, 500	2	32	310, 500
Kansas							5	139	1, 850, 400			
Kentucky				1	70	787, 500	6	148	1, 740, 500			
Louisiana				50	670	5, 893, 100	51	511	6, 200, 000	17	364	4, 777, 500
Michigan	1	448	4, 110, 200	77	1, 377	17, 519, 800	51	597	8, 421, 950	35	345	5, 039, 750
Minnesota				4	85	1, 015, 750	18	336	4, 109, 450	1	25	250, 000
Mississippi							3	28	372, 800	1	9	107, 750
Missouri							6	66	939, 600	3	31	413, 250
Nebraska	1	71	595, 200	12	366	4, 222, 900				2	163	1, 335, 000
Nevada				43	824	10, 867, 850	5	101	1, 484, 550	1	25	117, 700
New Jersey	8	771	8, 434, 000							1	25	287, 200
New Mexico				20	553	7, 793, 700	23	400	5, 725, 800	3	34	353, 100
New York	112	22, 899	219, 763, 400				11	1, 392	24, 955, 300	31	4, 060	51, 418, 480
North Carolina										3	30	304, 800
North Dakota							2	76	1, 006, 400			
Ohio	2	76	866, 400	8	116	1, 589, 050	9	371	5, 220, 700	9	190	2, 065, 340
Oklahoma				19	673	5, 972, 883				5	176	1, 992, 750
Oregon				5	52	589, 500	12	134	1, 722, 700	2	26	300, 500
Pennsylvania	6	717	6, 912, 400									
South Carolina				1	25	355, 000						
Puerto Rico										1	24	496, 800
Tennessee				9	352	3, 107, 900	10	104	1, 387, 100	6	79	965, 600
Texas				5	173	1, 730, 250	10	254	3, 519, 450	12	257	3, 743, 200
Utah				13	213	2, 963, 200	4	50	649, 100			
Virginia				1	25	247, 000						
Washington				1	10	104, 000	9	88	1, 204, 000	1	12	145, 800
West Virginia	1	94	1, 265, 000	1	9	128, 200						
Wisconsin	1	21	273, 100									
Wyoming				4	40	525, 200						
Total	154	26, 524	257, 830, 900	613	20, 898	226, 030, 033	380	9, 004	117, 199, 954	179	6, 744	85, 399, 355

	Management	Sales
FNMA purchases of sec. 213 mortgages	$6, 287, 000	$49, 879, 412
FNMA commitments to purchase	13, 907, 100	97, 711, 750
Total	20, 194, 100	147, 591, 162
Grand total	$167, 785, 262	

Of the above, the following consumer cooperative commitments have been made by FNMA:

State	Number projects	Number units	Management	Sales
Arkansas	1	9		$138, 200
California	3	331	$4, 085, 200	
Louisiana	5	43		594, 600
New York	2	359	4, 942, 800	
North Dakota	1	61		793, 900
West Virginia	1	94	1, 404, 100	
Total	13	897	10, 432, 100	1, 526, 700
Grand total			$11, 958, 800	

VETO OF OMNIBUS FLOOD CONTROL BILL, S. 497

Mr. FULBRIGHT. Mr. President, the people of Arkansas have been extremely patient in their long wait for development of the State's water resources. Actions of this administration, however, such as the President's veto of the river and harbors authorization bill, S. 497, have worn their patience thin. It was with deep regret that I had to tell the people of Arkansas that they must continue to suffer the losses brought on by rampaging flood waters. They must have felt that this administration does not consider such losses to be serious enough to warrant action to prevent them in the future. The President's veto of this authorization bill was a most serious blow to the progress and the orderly development of control of the water resources, not only in Arkansas but in all the Nation.

We of the Congress know that this is the second time most of the projects authorized in the bill have been rejected by the administration through means of the Presidential veto. It is of course impossible to determine with certainty what the ultimate loss to the Nation has been as a result of the first Presidential veto of this proposal in 1956. The obvious loss is at least that of a year and a half of time—time in which most of the projects could have been well under way. The second veto by the President will postpone these projects even further.

The terrible floods which we in the Southwest experienced last year furnish to me at least a graphic example of the necessity for expediting progress on the projects contained in the bill. The Corps of Engineers, in a report of last June, estimated that flood-control projects now in operation in these flood areas prevented last year damages of at least $142 million. The actual losses from last year's floods were estimated to be over $125 million. The Engineers have also estimated that flood damage in the

amount of $56 million—45 percent of the damage that occurred last year—could have been prevented by projects now authorized but not yet constructed. And may I emphasize that these figures cover only five States in the Southwest.

Mr. President, the many projects in the vetoed authorization bill would complement and complete the existing flood-control system in the Southwest—and who can say how much loss would have been prevented had these projects been in operation last year.

Mr. President, I am sincerely concerned about the conservative attitude which has been shown by this administration toward programs of development of our natural resources. The President seems to have taken the view that the Congress is absolutely irresponsible in exercising its judgment in this field. In my view, the projects included in this authorization bill were sound and feasible. The Public Works Committees of both the House of Representatives and the Senate gave these projects extensive study and consideration. Though the committees' recommendations differed in some respects from those of the administration, I think that past experience will show that the Congress has exercised sound leadership and wisdom in promoting water resources programs. The bill which was vetoed by the President is another example of the ability of the Congress to look ahead and to provide for the future needs of the country, whereas the administration seems to have been unable to see beyond the maze of restrictive regulations, redtape, bureaucratic budgetary manipulations, which they themselves have created and which have resulted in hampering development of natural resources.

Mr. President, I do not contend that the projects contained in this bill would be of immediate and direct assistance in counteracting the current recessionary trend in our economy, but since the administration has been so concerned about psychological impacts, it is my view that the President's approval of the bill would have had a tremendous psychological effect on local communities which are interested in these projects. The President's veto of the bill has created additional confusion and pessimism about our Nation's water resources policies which cannot but have an adverse psychological effect on our people.

Mr. President, most of the projects contained in this bill have been under consideration for many years, and they fully meet the economic justification requirements which were in effect until recently. All of the projects in my State are needed to carry out comprehensive development plans. They are integral parts of other projects now in operation or authorized. I could refer to and explain each of the projects in my State, but I shall not burden the Senate by repeating this information, for Congress has twice placed its stamp of approval on them. Mr. President, the people of Arkansas were naturally disappointed by the President's action. However, I have a feeling that they have long been disenchanted with this administration and its attitude toward public-works projects, and I believe in reality they did not expect much better treatment. In conclusion, I merely wish to say that I feel the Congress has shown great foresight in authorizing the projects which were contained in S. 497. I am confident that history will prove the Congress was right.

I ask unanimous consent that an editorial from the Arkansas Gazette of April 17, 1958, entitled "River Bill Veto," be printed at this point in the RECORD, and I also ask unanimous consent that a tabulation which I have prepared showing what the veto of S. 497 has meant to the economy of my State be printed in the RECORD.

There being no objection, the editorial and tabulation were ordered to be printed in the RECORD, as follows:

RIVER BILL VETO

President Eisenhower has, as many waterways supporters had feared, vetoed the $1,704,028,300 rivers and harbors bill with the blunt objection that it is not actually an antirecession measure. And thus the President, who earlier turned down a bill to freeze farm price supports at the 1957 level, has now rejected two major Democratic efforts to help the Nation's lagging economy.

It is true that the waterways measure would have simply authorized certain projects. It did not include immediate appropriations for them. But authorization is the first step toward appropriation, and there are some cases where lack of further approval by the White House could hold up the use of funds which had already been appropriated. These certainly would have a major effect on counteracting the recession.

In Arkansas, for instance, Mr. Eisenhower's veto could prevent the use of $1 million which had already been appropriated for the White River Basin. It could bring construction to a halt for the Table Rock Dam. It could prevent the award of a major contract at Greer's Ferry. And it could negate any further immediate development on the Beaver Dam project.

Moreover, and this is most important, how is it possible to determine just how long the recession will last? Certainly if this measure had been approved the next session of Congress could have appropriated funds for the entire program if necessary. And it might be recalled that if Mr. Eisenhower had not vetoed a comparable bill 2 years ago some or all of these projects might now be under way.

At a time when his own executive agencies, including the Defense Department, are speeding spending to offset the recession, it seems paradoxical in the extreme for Mr. Eisenhower to veto any reasonable civil works measure or, for that matter, to allow the farm economy to sag below last year's levels. Yet neither of these vetoes was unexpected because Mr. Eisenhower has consistently followed the support cutback policies advanced by Secretary Benson and the anti-river development stand of the Budget Bureau. Senator FULBRIGHT noted this latter position in commenting on the administration's rejection of the river bill:

"The President [said the Senator from Arkansas] fails to recognize the great need for this water development and the significant effect which such public works would have on the economic health of the Nation."

And the most depressing thing about this situation is that if the cycle of floods which he has seen during his tenure as President of the United States hasn't been able to convince Mr. Eisenhower it is doubtful that anything can.

Breakdown of Arkansas projects contained in rivers and harbors bill

	Authorized amount
Boeuf and Tenasa Rivers and Bayou Macon Basin	$1,212,000
Little River: Millwood Reservoir and alternate reservoirs (part of Red-Ouchita River Basin flood control project)	53,235,000
Saint Francis River Basin: Plan of improvement	36,674,000
White River Backwater project: Pumping plant and floodgates (plus $57,000 annually for maintenance)	2,380,000
White River Basin: Prosecution of comprehensive plan approved 1938 (Lone Rock and Gilbert Reservoirs)	57,000,000
Total	150,501,000

REPORT OF BOARD OF VISITORS TO UNITED STATES NAVAL ACADEMY

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that the report of the Board of Visitors to the United States Naval Academy, filed with the President of the United States on March 28, 1958, be printed in the RECORD.

The 1958 Board, of which I was privileged to be a member, was an especially interested and hard-working group and I believe that its findings will do a great deal to advance the standard of education at the Academy. I would particularly like to commend the effective work accomplished by Mr. Peyton Anderson of Macon, Ga., whom the Board selected as its Chairman. Mr. Anderson's enthusiastic leadership was responsible in large measure for the good work which the board did.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT OF THE BOARD OF VISITORS TO THE UNITED STATES NAVAL ACADEMY, 1958

THE BOARD OF VISITORS TO THE UNITED STATES NAVAL ACADEMY, 1958

Appointed by the President: Mr. Peyton Anderson, publisher, the Macon Telegraph and the Macon News, Macon, Ga.; Dr. Milton S. Eisenhower, president, the Johns Hopkins University, Baltimore, Md.; Capt. David S. H. Howard, USNR (retired), vice president and director, Charles Millar & Sons Co., Utica, N. Y.; Mr. William G. Saltonstall, principal, the Phillips Exeter Academy, Exeter, N. H.; Dr. Eric A. Walker, president, Pennsylvania State University, University Park, Pa.; Mr. Sidney J. Weinberg, investment banker, New York City, N. Y.

Appointed by the Vice President: Senator JAMES G. BEALL, of Maryland; Senator A. WILLIS ROBERTSON, of Virginia; Senator LEVERETT SALTONSTALL, of Massachusetts.

Appointed by the Speaker of the House: Representative H. CARL ANDERSEN, Seventh District of Minnesota; Representative SAMUEL N. FRIEDEL, Seventh District of Maryland; Representative HAROLD C. OSTERTAG, 39th District of New York; Representative JOHN J. RILEY, Second District of South Carolina.

Ex officio members of the Board: [1] Senator PRESCOTT BUSH,[2] of Connecticut; Representa-

[1] The chairman of the Committee on Armed Services of the Senate and the chairman of the Committee on Armed Services of the House of Representatives, or their designees, are, by law, ex officio members of the Board.

[2] Senator BUSH was designated by Senator RUSSELL to serve on this year's Board.

tive A. PAUL KITCHIN,[3] 8th District of North Carolina.

ANNAPOLIS, MD., *March 28, 1958.*

The PRESIDENT OF THE UNITED STATES:

SIR: The Board of Visitors to the United States Naval Academy convened at Annapolis on Monday, March 24, 1958, at 10:30 a. m. It was called to order by Mr. Peyton Anderson, publisher, the Macon Telegraph and the Macon News, Macon, Ga., who acted as temporary chairman for the purpose of organization. The Board elected Mr. Anderson permanent Chairman and designated Comdr. R. N. Adrian, United States Navy, as secretary, and Comdr. G. Grkovic, United States Navy, and Dr. W. S. Shields, as assistant secretaries.

Members of the Board who signed this report were present at one or more meetings of the Board.

To facilitate the work of the Board, the members organized into four committees, whose respective membership and functions were as follows:

Committee I: Mr. Peyton Anderson, Representative H. Carl Andersen, Representative John J. Riley: Administration; buildings, grounds, and plant maintenance, including financial features. Midshipmen's quartering, subsistence and budget. Library and museum.

Committee II: Representative SAMUEL N. FRIEDEL, Representative A. PAUL KITCHIN: Department of Seamanship and Navigation, Department of Electrical Engineering, Department of Foreign Languages, Department of Aviation, including Naval Air Facility.

Committee III: Capt. David S. H. Howard, United States Naval Reserve (retired), Senator JAMES G. BEALL: Department of Ordnance and Gunnery, Department of Marine Engineering, Department of Mathematics, Department of English, History, and Government.

Committee IV: Mr. William G. Saltonstall, Dr. Milton S. Eisenhower, Mr. Sidney J. Weinberg: Morale, discipline, ethics, health, entrance requirements. Physical education and athletics. Extra-curricular activities. Executive Department, Department of Hygiene, Department of Physical Education.

Introduction

The Board of Visitors has enjoyed the privilege of visiting the Naval Academy. In inquiring into the operation of the Naval Academy we have come to learn more of the devotion to duty, keen insight into the mission and problems of the Academy and the unswerving drive to produce better naval officer graduates shown by Rear Adm. William R. Smedberg, III, United States Navy, and his entire staff of naval officers and civilians. We believe morale to be at the highest. Discipline is adequately maintained. The curriculum is keeping abreast of the needs of future officers.

Definite progress is being made in the improvement of the Naval Academy's physical facilities. The land fills into the Severn River and foundations for the two additional wings to Bancroft Hall are on the way. With appropriations for the Bancroft Hall addition, facilities to alleviate the undesirable housing and recreational facilities for midshipmen will be provided. Projected plans for enlisted personnel barracks are entirely reasonable and the structure necessary. Maintenance of existing facilities needs attention.

The Board, through the various committees named above, visited all departments and inspected all facilities of the Naval Academy. As a result of these inspections, the Board submits the following comments and recommendations.

[3] Representative KITCHIN was designated by Representative VINSON to serve on this year's Board.

Admissions

The Board notes with approval that the Naval Academy contemplates strengthening its admission requirements. Beginning with the class entering in 1961 either chemistry or physics may be required of all candidates qualifying by scholastic examination. The Naval Academy plans to discuss this proposal with the other service Academies to see if an interservice agreement to strengthen admission requirements along these lines can be reached.

As a means of (a) attracting candidates of the highest intellectual and moral qualities to the Naval Academy, and (b) bringing the advantages of a naval career through academic preparation to the attention of the maximum number of young American students, the Board recommends that the Naval Academy's proposal to have conducted annually a nationwide competitive examination among recommended representatives of the secondary schools of the Nation be adopted. This method of appointment would provide a new and desirable additional category for a limited number of admissions.

Curriculum

In visiting the various academic departments, members of the Board were impressed with the quality of instruction. The zeal and efficiency of the faculty, the well equipped laboratories, the carefully planned program, and the enthusiastic participation of the midshipmen all gave evidence of a successful educational enterprise.

The coverage of the curriculum is extensive and well calculated to provide a sound foundation in mathematics and the physical sciences, in the basic principles of electrical and mechanical engineering, in the social sciences and humanities, and in the operational areas basic to a naval officer's career.

Continued attention to the strengthening of the air indoctrination program is considered highly desirable.

The curriculum review recommended by last year's Board is under way. The Board notes with pleasure the Academy's continuing attention to keeping the curriculum abreast of modern developments and its increased emphasis on work of an advanced nature for top students.

We especially commend the faculty of the Academy for increasing the emphasis on basic principles in science and engineering, and decreasing the attention given to technology. Technological change is so rapid that what is learned today may be obsolete tomorrow. But men who now master basic scientific principles will be able to keep up-to-date with technological change and thus will be better naval officers throughout their careers.

Physical education

The program in physical education, both varsity and intramural, continues to be vigorous and varied. Theoretically it should not depend so much for its support on football gate receipts, but this is the price we now pay for a model program of athletics for all. The emphasis on participation rather than spectatorship is a trend in the right direction. The playing fields of Eton were never used as hard as those at the Naval Academy.

Though the physical quarters of the Department of Hygiene are slightly run down and somewhat cramped, the department is strongly manned and provides first-rate care of its patients. The course in hygiene provides midshipmen with valuable material for future naval officers.

Morale and discipline

We cannot spend a week at the Naval Academy without sensing the high morale that prevails. There is real pride in the work that goes on, and there is no evidence of complacency. Discipline is no problem, when the leadership is firm and the example is good. In this connection, the Board wishes to commend the skillful work of Capt. A. M. Shinn, United States Navy, Commandant of Midshipmen, and his staff in Bancroft Hall.

Faculty

If the Naval Academy's civilian faculty received in 9 months what is now paid to them for 12, their salaries would compare favorably with the national average of a 9-months faculty. However, since the faculty is on call the year round and since many are actually required to work more than 9 months, their salaries are deemed to be low, and the Board considers that higher salaries are merited—that a 25 percent increase is needed. It should be recognized that fringe benefits frequently available to faculty members in other colleges, such as health benefits, free tuition or reduction in tuition for dependents, etc., are not available to the faculty of the Naval Academy.

The demands made upon the faculty, through a heavy teaching load and the requirements involved in keeping up with scholarly developments in their fields leave little opportunity for research. The Board notes also, in this connection, that attendance at professional meetings constitutes a valuable means for keeping abreast of current developments in the various academic fields and commends the Superintendent for the attention which he has given to this problem.

Since the civilian and the military faculty members work side by side and in many cases differentials in the compensation between the two categories exist, it is regarded desirable by the Board that study be given to the possible merits of relating the pay of the faculty to a system of comparable military and academic rank. Some arrangement similar to this may prove to be the method to secure and retain the best possible faculty. Instruction at the Naval Academy should always be of the highest caliber if the best interests of our country are to be served. Present rate of departure of civilian faculty members for higher pay positions elsewhere seriously decreases the effectiveness of teaching at the Naval Academy. The Superintendent agreed with the Board that he would undertake such a study.

Physical equipment

The Board notes the improvement in the facilities for the physical training of the brigade of midshipmen. The final completion of the new gymnasium and fieldhouse provides adequate indoor facilities for the present. The two new wings authorized for Bancroft Hall together with the plans for rearranging messing and supply facilities will alleviate the undesirable, crowded conditions under which the midshipmen now live. The Board urges expediting the construction and completion of these wings. Upon completion of the land fill in progress, it is believed that the Naval Academy will, for the first time in 20 years, be able to carry out a reasonably adequate program of physical training. This is of paramount importance in the overall program of the Naval Academy. Training facilities for swimming will need attention in the not too distant future.

A big improvement was made last year for the enlisted personnel who live across the Severn River at the Naval Station by the construction of a new barracks. Those enlisted men who live on the Barracks Ship and work at the Naval Academy proper still live under disgraceful conditions. They are far more crowded than they would be if on sea duty. The result is that these men have come to look upon shore duty at the Naval Academy as particularly undesirable duty, which has a most depressing effect upon their morale. The major factor in the delay in providing adequate facilities has been the intense real estate problem of the Academy,

and there is no apparent solution to the problem without the acquisition of additional land. The Board feels that the present plan to acquire two small plots of privately owned land adjacent to the field house, totaling approximately 2 acres, as a site for the construction of barracks and messing facilities together with the provision of additional parking area for the Field House is reasonable. The land acquisition, and the construction of the new facilities thereon, merit the strongest possible support.

Comments have been included in the Board's report for the last several years concerning the serious state of deterioration of the utility systems of the Naval Academy, and it is most discouraging to note that very little has been accomplished in the way of restoring these vital systems to an adequate state of maintenance and reliability.

It is presumed by the Board that adequate field lighting is contemplated and will be included for the major portion of the fill area to be used for physical training purposes. There are, however, other areas which are used continuously for the same purposes and which are not adequately lighted. The Board considers it advisable that provision be made for the adequate lighting of the remainder of the existing athletic fields in order to insure their most efficient and safest utilization.

The construction of additional academic buildings has been a topic of discussion for the last 10 years, and during most of this period the mathematics department has continued to exist in former shop buildings adjacent to the powerplant, laundry, and other industrial-type operations. Obviously, the atmosphere of the surroundings, the noise level, and the inadequacy of the classroom facilities have had an inhibiting effect upon one of the most fundamental courses in the entire curriculum. The proposal to double the length of Ward Hall and to construct a third floor over the entire building, for which present foundations are adequately designed, seems to have merit. This additional space will not only accommodate mathematics but will also allow other adjustments of badly cramped spaces within other departments. No new buildings designed for academic purposes have been provided at the Naval Academy since the war, though the enrollment has increased greatly. The accomplishment of this expansion is long overdue.

Operation and maintenance

In each successive year since 1953 the Board's report has expressed stronger concern over the inadequate maintenance and the urgent need for repair of the physical plant. The present Board of Visitors views these conditions not just with concern but rather with a sharp feeling of alarm. In an effort to stem the cumulative deterioration and to retain the largest possible number of maintenance personnel, the Naval Academy advised that it has had to reduce other operating personnel, cancel the replacement of maintenance and training equipment, and defer accomplishment of essential improvements.

This serious condition apparently does not stem from a reduction in the amount of annual operating funds provided. The annual allotments have shown a moderate but constant increase in recent years. The major problem has been that while the number of dollars has increased, there has been a steady reduction in the number of maintenance people these dollars will employ. As a result, increases in funds budgeted for major repairs and to reduce backlog of deferred maintenance were absorbed instead by the increased cost of labor, materials, and services.

The essential unfunded projects for major repair and minor improvement of facilities presently total $3½ million. These funds should be provided as soon as practicable and at the same time adequate funds made available to employ the number of maintenance employees recommended. This Board concurs with previous recommendations that 700 people are necessary for the economic maintenance of present facilities. Presently there are 575 employed for this purpose, which is entirely inadequate.

This Board wishes to reemphasize that the primary objective of the Naval Academy is to provide the leaders for future years to handle the new ships, planes, missiles, and other products of modern technocracy. The example in maintenance set at the Naval Academy is considered an important influence on the future efficiency of these people so valuable to our country's continued leadership.

Conclusion

The Board of Visitors desires to emphasize in strongest terms the necessity of adequate budgetary support for the Naval Academy. The education and training of the officers who are to be entrusted with the responsibility for national security through seapower are of utmost importance to our country. Realistic support for the Naval Academy's program, including adequate remuneration of its faculty, sufficient funds for proper operations and maintenance, and the provision of needed physical facilities, is regarded by the Board as of highest priority.

The Board of Visitors wishes to express its appreciation to the Superintendent, Admiral Smedberg, and his associates for their courtesies and for their excellent cooperation.

The Board expresses its appreciation also to Comdr. R. N. Adrian, United States Navy, secretary to the Board and to the assistant secretaries; Comdr. G. Grkovic, United States Navy, and Dr. W. S. Shields for their cooperation and assistance.

EMPLOYEE WELFARE AND PENSION BENEFIT PLANS

Mr. McNAMARA. Mr. President, I consider it extremely unfortunate that the pension and welfare disclosure bill pending before the Senate is being deliberately jeopardized by a rash of amendments which are in no way germane to the provisions of the proposed legislation.

As a member of the Labor and Public Welfare Committee, which considered the bill, and as a sponsor of the bill, I know of the many obstacles which had to be overcome before the bill was finally reported to the Senate.

In this regard, I should like to compliment three of my colleagues especially for their perseverance in this matter.

I refer to the Senator from Illinois [Mr. DOUGLAS], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from New York [Mr. IVES].

But now that this very worthwhile measure is before the Senate for a decision, we find that new obstacles have been shoved in its path.

I am not referring to the efforts to exempt employer-administered plans from the coverage of the bill.

Even though I heartily disagreed with these limiting efforts, I nevertheless considered this a legitimate area for debate, and I am pleased the Senate recorded its sentiment by so overwhelmingly defeating the amendment.

The legitimacy of the debate suffered, however, because of the immediate offering of a similar amendment by the first amendment's proponent, who then proceeded to filibuster.

I note that the Senator from Colorado [Mr. ALLOTT] denied it was a filibuster he was engaged in last night.

But if it looks like a duck, walks like a duck, and quacks like a duck, I can only conclude it is a duck, even though the Senator may insist it is a bird of paradise.

The tactics are not unfamiliar, however. Similar efforts are, in my opinion, what caused the pension and welfare bill to languish so long in committee.

However, the newest obstacle to the passage of this bill are a series of completely alien amendments submitted, it seems to me, to satisfy 1 of 2 motives.

One such motive might be an attempt to scuttle pension and welfare legislation.

This may be desired because the proposed legislation covers employers, who for some reason are supposed to have a corner on honesty.

I do not happen to believe that, Mr. President. I know that some men will rob with a six-gun and some with a fountainpen.

I think I have less contempt for the man who uses a six-gun, because he is at least honest enough to state that he is robbing someone.

And, of course, there may be those who wish to kill this bill simply because it has the endorsement of most of organized labor, which automatically makes it suspect in some circles.

A second motive behind the amendments is an undoubtedly sincere attempt to cut the heart out of the labor movement by crippling legislation.

One batch of amendments to S. 2888 is labeled as a so-called bill of rights for union members. Actually, it constitutes a union-busters' handbook.

Some of my colleagues have expressed shock and amazement that the administration has now joined in this amendment derby, and proposes its labor bills as amendments to S. 2888.

I see nothing so amazing about this, Mr. President.

All I see in it is that the administration and its Secretary of Labor, after years of pious chatter about aiding the working people, finally are showing their true colors.

They see here a chance to ram through a series of measures which might not stand the light of day in a committee hearing room.

In complicating the pending legislation further by introducing its labor bills as amendments, the administration is guilty of extreme bad faith.

I am confident that the majority of the Senate will beat down all these efforts to strangle the pension and welfare legislation, and the labor movement.

There is no reason why all proposed labor legislation cannot be considered by the Labor Subcommittee, which already has begun hearings. These bills should not be turned into amendments which are not at all germane to the proposed pension and welfare disclosure legislation.

S. 2888, in my estimation, is a good bill. It is not a perfect measure, perhaps, but I am confident it will serve as a

deterrent to the abuse of these important funds.

I urge that the bill be adopted without extraneous amendments.

ISRAEL

Mr. KENNEDY. Mr. President, the history of Israel reaches back 3,000 years, yet Israel is one of the new nations of the world. I think the re-creation of Israel, after a long period when its citizens were in exile throughout the world, is easily one of the most dramatic stories in history. The courage and devotion with which its citizens have defended their independence during the past decade is heartening to the friends of freedom everywhere. The strong friendship which has existed between Israel and the United States since the days of Israel's rebirth has served as a source of support to us in our efforts to protect the interests of the Free World everywhere.

I wish to extend my congratulations, along with those of many other Members of the Senate, to the people of Israel and to wish them many years of success, as well as to express the hope that the relations between Israel and the United States will continue to be in close harmony with mutual devotion to the principles of freedom.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

CONCURRENT RESOLUTION OF NEW YORK LEGISLATURE

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a concurrent resolution adopted by the Legislature of the State of New York favoring the enactment of legislation to enable the railroad industry to compete with other forms of transportation which are aided by public funds.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

Concurrent resolution memorializing Congress to enact appropriate legislation to enable the railroad industry to compete with other forms of transportation which are aided by public funds

Whereas the railroad industry in the State of New York, because of the vast service it provides the public as transporter of passengers and freight, as employer of more than 100,000 persons earning over $430 million annually, as a taxpayer contributing $45 million annually in real estate and special franchise taxes in the State, and as purchaser and consumer of goods and services amounting to hundreds of millions of dollars annually, plays a tremendously vital role in the economy of our State and Nation; and

Whereas it has become generally recognized that the railroad industry is in a precarious financial situation warranting immediate action by government at all levels; and

Whereas a recent report of the Public Service Commission of the State of New York confirms that the entire ailing passenger transportation industry is badly in need of resuscitative governmental assistance; and

Whereas there are pending before the New York State Legislature several proposals designed to provide equitable tax relief to the railroads so as to place them on a basis more nearly competitive with other forms of transportation; and

Whereas it is essential to the economy of our State and Nation that the railroads continue to operate under private ownership earning a fair return so as to avoid the alternative of public ownership at incalculable cost to the public: Now, therefore, be it

Resolved (*if the assembly concur*), That the Congress of the United States be memorialized to enact appropriate legislation to: (a) Obviate archaic controls originally enacted in an era when the railroad industry enjoyed a transportation monopoly, so as to permit the industry fairly to compete with other forms of transportation which are substantially aided by public funds or facilities; (b) amend the internal revenue law to make available to the railroad industry the full advantage of any subsidy or tax forgiveness which may be provided it by this or any State; (c) repeal the Federal excise tax on freight transportation and the Federal excise on passenger transportation; and be it further

Resolved (*if the assembly concur*), That copies of this resolution be transmitted to the President of the United States, the Secretary of the Senate and the Clerk of the House of Representatives and to each Member of Congress of the United States duly elected from the State of New York, and that the latter be urged to devote themselves to the task of accomplishing the purpose of this resolution.

ADDITIONAL BILLS AND JOINT RESOLUTION INTRODUCED

Additional bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KEFAUVER (for himself, Mr. HENNINGS, and Mr. LANGER):

S. 3707. A bill to establish an Interagency Youth Rehabilitation and Conservation Committee; and

S. 3708. A bill to authorize the Secretary of Health, Education, and Welfare to provide for the training of qualified personnel for work in various fields involving the prevention, treatment, and control of juvenile delinquency; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. KEFAUVER when he introduced the above bills, which appear under a separate heading.)

By Mr. NEUBERGER (for himself, Mr. JAVITS, and Mr. MORSE):

S. 3709. A bill to authorize an increased program of research on forestry and forest products and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON:

S. J. Res. 166. Joint resolution authorizing an appropriation to enable the United States to extend an invitation to the International Civil Aviation Organization to hold the 12th session of its assembly in the United States in 1959; to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF RULE RELATING TO CALLING A QUORUM BEFORE A YEA-AND-NAY VOTE

Mr. LONG submitted the following resolution (S. Res. 298), which was referred to the Committee on Rules and Administration:

Resolved, That paragraph numbered 2 of rule V of the Standing Rules of the Senate, relating to a quorum, be, and the same is hereby, amended as follows:

In the first line of said paragraph, after "2.", insert "(a)," and add a new subparagraph, as follows:

(b) If the yeas and nays are ordered on any pending question prior to the conclusion of debate thereon, and unanimous consent is given that the presence of a quorum shall be determined prior to the vote thereon, such call of the Senate shall not be withdrawn, nor shall the Presiding Officer entertain any motion or request for unanimous consent nor a motion to suspend the rule prior to the determination that a quorum is present.

Resolved further, That rule XL of said Standing Rules, relating to suspension and amendment of the rules, be, and the same is hereby, amended by inserting after "rule XII," at the end thereof, the following: ", and subparagraph 2 (b) of rule V."

STRENGTHENING OF STATE PROGRAMS TO COMBAT JUVENILE DELINQUENCY

Mr. KEFAUVER. Mr. President, on behalf of myself, the Senator from Missouri [Mr. HENNINGS], and the Senator from North Dakota [Mr. LANGER], I introduce, for appropriate reference, two bills which deal with the general problem of juvenile delinquency. The first bill is designed to assist the States in development of their programs dealing with juvenile delinquency by making Federal forested lands available to the States through an Interagency Youth Rehabilitation and Conservation Committee. The second would aid the States by assisting in the training of competent personnel for work in institutions dealing with juvenile delinquents.

Wednesday, the Federal Bureau of Investigation released its most recent figures on crime in the United States. These figures are anything but reassuring. In the larger cities with populations over 25,000 there was an overall increase of 8.1 percent in arrests of persons under 18 from 1956 to 1957. In communities having less than 25,000 people the rise was even more phenomenal. There was an increase of 16 percent in arrests of persons under 18. The statistics indicate that the rate of arrests is growing 2½ times faster than the rate of growth of population in this age classification. These figures do not

represent a new situation but describe a condition that has been very bad and is rapidly becoming worse. For example, the Subcommittee to Investigate Juvenile Delinquency of which I am a member found that during the 8-year period from 1948 to 1956 juvenile court cases more than doubled while the population of that age group increased only 19 percent.

Mr. President, I think there is no one who would challenge my view that the problems of juvenile delinquency constitute a serious matter for public consideration. Recent publicity given to conditions in several of our large cities indicate a much greater awareness of the situation we are facing. But we should be aware also that this is a nationwide problem, including small towns and rural areas, as well as our major cities. Furthermore, it is an extremely complicated problem in that the reasons for delinquency are manifold and complex and are not easy to determine. Thus far, we have failed to examine these problems carefully and have failed to utilize the information that is presently available in both preventing delinquency and in applying corrective treatment to those who have already become delinquent.

I do not suggest that there has been no meritorious work done in this field. Indeed some of our States have made outstanding efforts in providing facilities and trained personnel to assist youthful offenders in the rehabilitation process. The purpose of these measures which I am now introducing is to assist the States that are now doing acceptable work in this field and to encourage those States that have been unable to do all they would like.

The first bill would establish an Interagency Youth Rehabilitation and Conservation Committee made up of the Secretary of Health, Education, and Welfare as chairman, the Secretary of Defense, the Secretary of the Interior, the Secretary of Agriculture, and the Administrator of the General Services Administration. This committee would have the responsibility of consulting with State officials who are charged with rehabilitation of youthful delinquents for the purpose of determining ways in which the State programs might be strengthened, by making available Federal lands for forestry camps or other constructive programs. This committee would recommend measures to the President and Congress to assist the States in this regard. A large number of States now have in operation forestry-camp programs as integral parts of their overall approach to the delinquency problem.

Since these programs are already well established the Federal Government should limit itself to the facilitation of these programs by making land and facilities available. There are many military installations and facilities now under the management of the General Services Administration which could be made available to the States. Under suitable arrangements with the Department of the Interior and the Department of Agriculture, forested and other lands might well be put to use in the furtherance of their work. Many boys who are unable to profit from academic training and who are sufficiently trustworthy can profit greatly from experiences in the outdoors in doing conservation work.

It is clear, Mr. President, that no matter how costly and elaborate the facilities we provide for training and counseling these delinquent children, they will be of little use unless we can obtain personnel who are competently trained for dealing with these children and who are themselves emotionally stable.

The second bill I am introducing today is designed to alleviate what I find to be a very serious inadequacy in the personnel field. This bill would establish a training center for personnel working in the various fields involving the prevention, treatment and control of juvenile delinquency. The proposed center would be located within the framework of the Division of Juvenile Delinquency Services in the Children's Bureau of the Department of Health, Education and Welfare. This center would provide professional training for qualified personnel of State institutions dealing with juvenile delinquents, including rehabilitation and correctional schools, juvenile courts, juvenile bureaus of police departments, forestry camps, and residential and detention centers.

The training program envisioned in this bill would be relatively inexpensive, and would require no large capital facilities. It would be flexible enough to draw on the experience and training of those who are professionally trained in the field and who are now engaged in practical juvenile work or are teaching in our universities. But for this minimum of effort and expenditure we might well raise the level of training and administration in our States' correctional institutions. Investigations made by the Subcommittee To Investigate Juvenile Delinquency uncovered appalling conditions in some of these centers. Emotionally disturbed children were beaten for minor physical disorders. Some were forced to remain silent for hours at a time. Frequently they were given no outlet for their physical and mental energy by work or instruction. The children in these correctional institutions are there for a variety of reasons ranging all the way from truancy and incorrigibility to vicious assaults. It need hardly be stated that different treatments are required for persons having widely varying problems.

I should emphasize that those responsible for this kind of care did so not out of malice but because of a lack of training or experience. In one institution it was found that the average educational level of the staff was at the fourth grade. Their salaries were inadequate and in instances they were chosen for political reasons. This bill will not solve all of these problems but it will provide a center to train these administrators and staff members in corrective methods other than coercion.

I would like to emphasize that these bills complement each other in that they attack the dual problems of a dearth of facilities and a lack of trained personnel. The Federal Government in each instance would provide assistance to the States rather than institute a competing system. The States would retain full responsibility for the operation of their rehabilitation and correctional institutions. The Federal Government would provide added facilities and would stimulate their work in training personnel and raising the general level of correctional work. I sincerely hope that the Senate will take favorable action on these bills.

The PRESIDING OFFICER. The bills will be received and appropriately referred.

The bills, introduced by Mr. KEFAUVER (for himself, Mr. HENNINGS, and Mr. LANGER), were received, read twice by their titles, and referred to the Committee on Labor and Public Welfare, as follows:

S. 3707. A bill to establish an Interagency Youth Rehabilitation and Conservation Committee; and

S. 3708. A bill to authorize the Secretary of Health, Education, and Welfare to provide for the training of qualified personnel for work in various fields involving the prevention, treatment, and control of juvenile delinquency.

NATIONAL RESEARCH PROGRAM BY COLLEGES OF FORESTRY

Mr. NEUBERGER. Mr. President, on behalf of myself, my colleague, the senior Senator from Oregon [Mr. MORSE], and the Senator from New York [Mr. JAVITS], I introduce for appropriate reference a companion bill to H. R. 11495 and H. R. 11500, introduced in the House by Representatives COOLEY and HILL. This bill will provide for an expanded cooperative forest-research program with the colleges of forestry throughout the Nation.

It is most fitting that we undertake to expand this research. The Forest Service has just published its massive review of our forest situation which is entitled "Timber Resources for America's Future." If we are going to assure an abundant supply of wood for our children, we are going to have to intensify our efforts to increase our professional knowledge of forestry.

I am pleased that the able Senator from New York [Mr. JAVITS] is a cosponsor of this bill. His State has one of the largest forestry schools in the Nation, at Syracuse. It is a State school. It has 508 undergraduate students and 92 graduate students. New York has 12 million acres of commercial forest land, of which 11 million acres are in private hands. It also has 2½ million acres in State forest which is restricted from cutting. Some 254,000 people own the private forests in that State.

In Oregon we have 26 million acres of commercial forest land, of which 10 million acres are in private ownership. There are 36,000 people who own our private forests. Most of our forest land

is in national forests or larger private ownerships. Yet we have many common problems which research will help solve. Mississippi, with its 16 million acres of forest land and 134,000 forestland owners, shares with us many common forestry problems.

We need the research effort that our schools can bring to bear on this problem, along with the other Federal and industrial efforts that are now in progress.

I ask unanimous consent to have printed in the RECORD a letter from Dean W. F. McCulloch, of the Oregon State College School of Forestry, regarding this bill. Oregon State has 353 undergraduate forestry students and 19 graduate students. It has a growing physical plant and laboratory facilities, and it has an excellent staff. This outstanding college is well equipped to contribute valuable research information to our fund of knowledge. It is my hope that this bill will receive early and favorable consideration by the Agriculture and Forestry Committee and that the deans of the various colleges of forestry will fully prepare their case for presentation.

My office has been in consultation with other Members of the Senate to ascertain their wishes on cosponsorship. In order to give any Senator who wishes to join in this bill an opportunity to do so, I request unanimous consent that this bill remain at the desk until Monday for additional cosponsors.

The PRESIDING OFFICER. The bill will be received and appropriately referred, and, without objection, the letter will be printed in the RECORD, and the bill will be held at the desk, as requested by the Senator from Oregon.

The bill (S. 3709) to authorize an increased program of research on forestry and forest products, and for other purposes, introduced by Mr. NEUBERGER (for himself, Mr. JAVITS, and Mr. MORSE), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The letter presented by Mr. NEUBERGER is as follows:

OREGON STATE COLLEGE,
SCHOOL OF FORESTRY,
Corvallis, Oreg., March 25, 1958.

Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.,

DICK: I am writing to ask for your support on a measure which I mentioned on the occasion of my last trip to Washington. This is House Bill 11495 introduced by Representative COOLEY. As I mentioned to you, this is an effort to obtain modest Federal support for forest research in schools of Forestry.

This bill is broadly worded to avoid undue restriction in operation, but the intent is specifically to aid research at forestry schools. With so much furore raised over missile research, national resource research is being neglected. The welfare of America still rests upon the land and the land cover. Forests are a significant part of this cover. The forest resource is vital to the national welfare in terms of watershed management as well as timber management. The bill would facilitate such research. Fundamental resource knowledge is an essential preliminary to resource conservation.

Universities and colleges are particularly well fitted to conduct fundamental research in biological fields. This has long been recognized in Federal support of the agricultural experiment stations on college campuses. The purpose of this bill is to grant similar aid to forest and forest products research at the colleges.

Support of research at forestry schools would stimulate graduate instructional programs necessary for the education of scientists in this field. In addition, research is necessary for the best development of forestry staff men in the schools. This is a good bill, nonpartisan, unselfishly designed to aid in resource conservation. It deserves full support.

Sincerely,

W. F. MCCULLOCH, *Dean.*

REGISTRATION, REPORTING, AND DISCLOSURE OF EMPLOYEE WELFARE AND PENSION BENEFIT PLANS—AMENDMENT

Mr. WATKINS submitted an amendment, intended to be proposed by him, to the bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans, which was ordered to lie on the table, and to be printed.

ADJOURNMENT TO 11 A. M. SATURDAY

Mr. JOHNSON of Texas. Mr. President, pursuant to the order previously entered, I move that the Senate adjourn until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 10 o'clock and 25 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Saturday, April 26, 1958, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate April 25, 1958:

PROMOTIONS IN THE REGULAR AIR FORCE

The following-named officers for promotion in the Regular Air Force under the provisions of section 8305, title 10, United States Code. All officers are subject to physical examinations required by law.

LIEUTENANT COLONEL TO COLONEL

Line of the Air Force

Brown, William M., Jr., 1621A.
Berry, James D., 1818A.
Kitchens, Cyrus, W., Jr., 1822A.
Moffett, Christopher O., 1851A.
Smith, Vernon S., Jr., 2522A.
Levering, John R., 2524A.
Ronka, George R., 2699A.
Manss, Robert W., 2713A.
Moore, Andrew D., 2841A.
Smith, Arnold L., 2850A.
Stoliaroff, Nicholas S., 2871A.
Kugel, Richard C., 2873A.
Stewart, Thomas B., 2948A.
Baer, Charles P., 2966A.
Dougan, Eric, 3048A.
Neal, Bascome L., 3234A.
Kresslov, Russell, 3329A.
Gillum, Virgil M., 3288A.
Culpepper, Claude A., 3302A.
Hahn, Delbert H., 3436A.
Todd, Alfred G., 3469A.
Brooks, Clyde E., 3482A.
Storey, Thomas B., 3549A.
England, James J., 3562A.
Magness, Woodrow W., 3564A.
Worrel, Albert A., 3577A.
Humbrecht, George W., 3591A.
Sowle, Donald E., 3653A.
Deems, Paul S., 3673A.
Barnard, Milton C., 2d, 3684A.
Horton, Franklin W., 3686A.
Gribble, James T., Jr., 3695A.
Ambrose, Joseph R., 3708A.
Kuhl, Philip J., 3716A.
Klemovich, Joseph T., 3735A.
Wilson, Willard W., 3747A.
Dillon, John M., 3755A.
Fincke, Robert T., 3766A.
Creech, Robert M., 3771A.
Whitfield, Fitzhugh A., 3794A.
Robinson, Gerald G., 3798A.
Tenney, Frank L., 3826A.
Holmes, Robert W., 3846A.
Martin, Vernon P., 3853A.
Peck, Gaillard R., 3858A.
Brennan, Mortimer C., 3887A.
Thomas, Jay P., 3898A.
Walker, Richard L., 3918A.
Havey, James H., 3919A.
Russell, Edward P., 3921A.
Juhasz, Andrew A., 3933A.
Brauer, Lloyd W., 3939A.
Burke, Dracos D., 4942A.
Stovall, Jack N., 4010A.
White, Alpheus W., 4060A.
Ball, Clinton F., 4079A.
Hedlund, Earl C., 4170A.
Beezley, Wilbur D., 4173A.
White, John M., Jr., 4175A.
McBride, William P., 4179A.
Bowman, Julian H., 4181A.
Blachly, Ross L., 4182A.
Bell, John H., 4185A.
Allen, Harry B., 4186A.
Quayle, John W., 4187A.
Jones, Osce V., 4189A.
Keating, Robert E., 4200A.
Faver, Dudley E., 4202A.
Scott, Edward W., Jr., 4203A.
Haesler, John D. W., 4212A.
Salisbury, Arthur G., 4224A.
Heney, Otto R., 4226A.
Moore, Wilson, 4227A.
Kesling, Earl W., 4228A.
Clark, Glen W., 4234A.
Herndon, Robert E., Jr., 4241A.
Rector, Edward F., 4242A.
Gilman, Mark H., 4243A.
Morris, William W., Jr., 4250A.
Calhoun, Robert T., 4257A.
Lackey, Archer E., 4259A.
Ross, George L., 4262A.
Campbell, William H., 4270A.
McKenna, Charles F., 3d, 4274A.
Lawson, Robert M., 4276A.
McKee, Seth J., 4279A.
Gallagher, Raymond K., 4280A.
Preston, Benjamin S., Jr., 4283A.
Lawton, Thomas C., Jr., 4285A.
Tope, William A., 4287A.
Villars, Paul N., 4291A.
Overstreet, Charles S., Jr., 4293A.
Ingelido, Michael J., 4295A.
Goodwin, George R., 4296A.
Twilley, John F., 4297A.
Avery, Delwin B., 4298A.
McKelvey, William R., 4299A.
Loesch, Lawrence F., 4300A.
Tschepl, Arthur L., 4306A.
Henggeler, Francis J., 4307A.
Daniel, David E., 4308A.
Bertram, William E., 4310A.
McWilliams, Martin C., 4322A.
Winterbottom, James H., 4323A.
Jones, George L., 4325A.
Worley, Earl W., 4331A.
Soper, Ray E., 4333A.
Herbes, Edward A., 4338A.
Lackey, John H., Jr., 4339A.
Chitty, Charles D., Jr., 4340A.
Moore, Malcolm A., 4342A.
Close, Winton N., 4343A.

Lavelle, John D., 4359A.
Graham, Donald W., 4361A.
O'Brien, Frank L., Jr., 4365A.
Mooney, Joseph F., 4366A.
Glasser, Otto J., 4368A.
Cowart, William S., Jr., 4369A.
Berg, Russell A., 4376A.
Roberts, John A., 4380A.
Brown, Merle C., 4396A.
Benedict, Maurice S., 4397A.
Griffin, Louis C., 4403A.
Leslie, George A., 4409A.
Sharp, John F., 4411A.
Briggs, Loran D., 4412A.
Thyng, Harrison R., 4414A.
Lucas, Walter Y., 4415A.
Carlisle, Richard T., 4418A.
Carey, Edwin F., Jr., 4422A.
Brown, George E., 4425A.
Adams, Alan F., 4429A.
Grossmith, Louis B., Jr., 4430A.
Thornton, Robert L., 4432A.
Jones, William W., 4433A.
Wanderer, Ralph M., Jr., 4440A.
Lassiter, Olbert F., 4445A.
Robinson, James C., Jr., 4448A.
Turner, John L., 4452A.
Stubbs, Claude M., 4457A.
Shapiro, Leonard, 4458A.
Fish, Robert W., 4461A.
Ault, Richard L., 4462A.
Berry, Austin L., 4464A.
Barr, Bernice S., 4465A.
Hundt, George R., 4466A.
Daugherty, Jean H., 4467A.
Nicholas, Judson D., Jr., 4470A.
Finan, Bernard J., Jr., 4471A.
Wynn, Edward N., 4475A.
Richardson, Lester E., 4479A.
Yudkin, Richard A., 4480A.
Laughlin, Joseph L., 4484A.
Moore, Lynn R., 4485A.
Heath, Norval E., 4486A.
Taylor, Charles E., 4489A.
Brown, Preston, 4491A.
Witham, Bertram H., Jr., 4492A.
Meyer, John C., 4496A.
Sturges, William R., Jr., 4503A.
VanHoozer, Alfred V., 4504A.
Meng, William J., 4510A.
Gough, Jamie, 4511A.
Junkermann, Howard C., 4512A.
Cloyd, Virgil M., 4513A.
Jones, William A., 4514A.
Shingler, Herbert I., Jr., 4516A.
Kemp, James D., 4517A.
Ogas, Bernard V., 4518A.
Wood, Wilson R., 4520A.
DeLacey, William H., 4521A.
Hinton, Bruce H., 4523A.
Smotherman, Robert E., 4529A.
Abbott, Nathan M., 4532A.
Campbell, Roland A., 4535A.
Cloud, Howard H., Jr., 4538A.
White, Joseph D., 4542 A.
Netcher, Thomas G., 4546A.
Evans, Edwin C., 4552A.
Duncan, Glenn E., 4560A.
Eichel, Henry H., 4561A.
Allen, Charles G., 4567A.
Steele, Kenneth S., 4571A.
Swan, Arthur B., Jr., 4580A.
Ambrose, Elmer E., 4584A.
Flanagan, James L., 4585A.
Hill, Frank A., 4587A.
Sampson, Raymond D., 4600A.
Mosher, Rowland O., 4601A.
Davis, Emmett S., 4606A.
Cleven, Gale W., 4607A.
O'Keefe, Timothy F., 4608A.
Neeley, Richard C., 4609A.
Bowe, Hugh H., Jr., 4611A.
Evans, Harry L., Jr., 4619A.
Shy, William M., 4624A.
Dacey, Timothy J., Jr., 4631A.
Dempster, Kenneth C., 4633A.
Wikstrom, Floyd E., 4634A.
Bailey, Bryson R., 4635A.
Albright, Clay D., Jr., 4637A.
Kruzel, Joseph J., 4640A.
Burke, Archie M., 4642A.
Hayes, Jack W., Jr., 4645A.
Schins, Albert W., 4646A.
Allard, Charles A., 4650A.
McDonald, Everett A., 4654A.
Robinson, James D. C., 4666A.
Brady, Henry G., Jr., 4675A.
McCafferty, George O., 4680A.
Elliott, Frank B., 4681A.
Walker, Leland A., Jr., 4682A.
Shoup, Harry W., 4685A.
Timlin, Francis E., 4691A.
Sault, William E., 4693A.
Von Arb, George W., Jr., 4694A.
Smith, Herman F., 4702A.
Mangan, James N., 4704A.
Frizen, John E., 4706A.
Lundquist, Gustav E., 4710A.
Brandon, William H., 4712A.
Crumly, Harold J., 4714A.
Rush, Arthur C., 4718A.
Catton, Jack J., 4719A.
Gould, David, 4738A.
Duncan, Oliver L., 4740A.
Larkey, Isaac F., Jr., 4743A.
Halley, Oscar T., Jr., 4744A.
Shafer, Robert E., 4752A.
Reynolds, William L., 4756A.
Thrift, John C., 4758A.
Harris, Bentley H., Jr., 4759A.
Lingenfelter, Charles B., 4760A.
Miller, David V., 4763A.
Blood, Gordon F., 4766A.
Larson, Lloyd R., 4767A.
Pease, John H., 4769A.
Henderson, Harvey E., 4770A.
Hilport, Arvis L., 4771A.
Kable, Max S., 4775A.
Johnson, Donald W., 4776A.
Adair, Archie S., 4779A.
Akers, Marion J., 4784A.
Gilbert, Olin E., 4790A.
Wall, Wallace, Jr., 4793A.
Shultis, Donald C., 4801A.
Munroe, George B., Jr., 4807A.
Grashio, Samuel C., 4808A.
Dorney, Paul A., 4811A.
Elder, Robert A., 4813A.
Gibson, Harold C., 4814A.
Michie, Robert E. L., 4816.
Kale, James S., 4817A.
Chappell, Frank B., 4821A.
Woodyard, William T., 4827A.
Barrett, Joseph A., Jr., 4829A.
Welch, William L., 4833A.
Boylan, George S., Jr., 4836A.
Taylor, Kenneth M., 4839A.
Tiede, Richard E., 4840A.
Witzenburger, Edwin J., 4841A.
Burns, Berton W., 4844A.
Harwick, George L., 4852A.
Couch, John P., 4854A.
Good, Robert B., 4856A.
Haygood, John C., 4860A.
Cooper, Paul T., 4861A.
Chapman, Lloyd D., 4862A.
Ireland, Russell P., 4863A.
Chisholm, Henry J., 4867A.
Harris, William D., 4868A.
Cresswell, Arthur S., 4869A.
Porterfield, Samuel G., 4871A.
Goyt, Gordon F., 4872A.
Byerley, Sam J., 4875A.
Yates, William J., 4880A.
Zumalt, McLyle C., 4882A.
Falletta, Charlie, 4884A.
Hillman, Donald E., 4885A.
Wise, Jowell C., 4887A.
Guthrey, Edison D., 4888A.
Nigro, Edward H., 4889A.
Goree, Richard D., 4891A.
Woodbury, Willard G., 4892A.
Fant, Murray G., 4894A.
Scott, Franklin H., 4896A.
Burrill, Wilson E., 4901A.
Bulgin, Richard G., Jr., 4902A.
Curren, Wayne B., 4904A.
Worley, Robert F., 4906A.
Runyon, Theodore H., 4907A.
Massey, Donnell, 4909A.
Sherrill, James C., 4910A.
Nelson, Carl M., 4917A.
Bixby, Orin M., 4919A.
Pettigrew, Paul A., 4922A.
Fletcher, Joseph O., 4925A.
Simpson, Harold B., 4928A.
Guilbert, Edward A., 4932A.
Syptak, Raymond A., 4934A.
Wignall, Paul R., 4935A.
Pickoff, Julius, 4937A.
Odom, William E., Jr., 4943A.
Gosewisch, Guy N., 4946A.
Burke, William, 4950A.
Kiley, Leo A., Jr., 4953A.
Crowson, Delmar L., 4954A.
Shtogren, Anthony T., 4956A.
Hill, Preston L., 4959A.
Dole, Charles R., 4960A.
Bruce, Sidney C., 4961A.
Fairley, John J., 4962A.
Dorn, Wilfred C., 4963A.
West, Shelton J., 4964A.
Adams, Nathan J., 4965A.
Keller, Frank J., 4966A.
Dyas, John R., 4968A.
Slate, Melvin H., 4969A.
Dutrack, Dean W., 4974A.
Lindley, William C., 4976A.
Knobloch, Richard A., 4989A.
Wisman, William W., 4990A.
Lewis, Leon G., 4992A.
Bailey, William B., 4994A.
Sims, Jack A., 4998A.
Lindley, William C., Jr., 5006A.
Ensley, William T., 5008A.
Latielais, Stanley P., 5024A.
Johnson, Cris B., 5025A.
Dowtin, Rex, 5026A.
Robbins, Jay T., 5029A.
Congleton, Boyd E., 5032A.
McNabb, John M., 5037A.
Phippen, Daniel K., 5038A.
Cardenas, Robert L., 5056A.
Lynch, Donald H., 5057A.
Kyes, William B., 5064A.
Abbott, Thomas W., Jr., 5066A.
Wimberly, Charles L., 5067A.
Seeds, Dale S., 5072A.
Safley, Don L., 5073A.
Weber, Henry L., 5074A.
Jackson, Willie C., Jr., 5078A.
Ruark, William E., Jr., 5079A.
Bivin, Verne, 5080A.
Smith, Gilbert G., Jr., 5081A.
Kelly, Albert S., 5082A.
Kline, John W., 5084A.
Erb, Theodore H., 5085A.
Howard, Rodger L., 5086A.
Allen, William C., 5088A.
Connors, Wayne S., 5091A.
Peck, Thornton C., 5092A.
Holbrook, Joseph C., 5093A.
Wilkins, Sherman W., 5095A.
Stewart, Richard R., 5096A.
Milner, Victor, Jr., 5097A.
Seawall, Charles H., 5099A.
Thomas, Arthur D., 5100A.
Fite, Calvin W., Jr., 5106A.
Donica, William, 5113A.
Thorpe, George W., 5114A.
Howell, Joseph W., 5118A.
Rochte, Lucian S., Jr., 5122A.
Farrior, William O., 5124A.
Cody, Joseph J., Jr., 5126A.
Busching, Richard W., 5127A.
Phillips, Charles R., 5132A.
Disher, Raymond J., 5134A.
Kirkpatrick, Harold C., 5137A.
Sanders, Horton W., 5138A.
Dixon, Jacob W., 5139A.
Hammond, Mahlon B., 5140A.
Shick, Robert W., 5141A.
Dallam, Welwyn F., Jr., 5146A.
White, Maynard E., 5148A.
Jordan, Charles E., 5154A.
Hill, Kenneth E., 5155A.
Lyon, Edsel L., 5157A.

Matthews, Ira V. D., 5159A.
Vinzant, Mark H., Jr., 5160A.
Conlin, Joseph S., 5161A.
Powers, Arthur D., 5162A.
Liebman, David L., 5164A.
Vinzant, Warren E., 5165A.
Berger, Jack C., 5166A.
Watkins, James A., 5167A.
Davenport, Dean, 5172A.
Huey, Sam L., 5175A.
Doan, Oliver C., 5183A.
Larson, Harold V., 5184A.
Sanders, Marshall E., 5187A.
Carroll, Joel A., Jr., 5189A.
Jones, Edward L., 5195A.
Snell, Gale E., 5199A.
VanDeusen, George H., 5207A.
French, John, 5210A.
Petit, Robert L., 5213A.
Preston, Lloyd W., 5216A.
McClernon, Glen J., 5217A.
Lightener, Lawrence S., 5219A.
Williams, William I., 5221A.
Settles, Ben H., 5222A.
DeJarnette, Thomas D., 5223A.
Eggleston, Donald E., 5224A.
McKee, Daniel D., 5225A.
Jones, Paul A., 5228A.
Abbuhl, Charles, Jr., 5229A.
McClelland, Harold M., 5230A.
Garrigan, Robert J., 5231A.
Palmer, Garnet B., 5237A.
Ledford, Jack C., 5238A.
Vandyke, Edward A., 5239A.
Harrell, William S., 5240A.
Perry, Edward A., 5241A.
Bolender, Carroll H., 5243A.
Crowley, William P., 5246A.
Dorey, Cloyd H., 5247A.
Sherrard, Wright J., 5249A.
Bratton, Andrew J., Jr., 5250A.
Dusenbury, James A., 5253A.
Wilson, Thomas N., 5255A.
Robie, John W., 5260A.

Medical Corps

Campbell, Paul A., 20817A.
Currie, Howard F., 19905A.
Alderson, Donald M., 19214A.
Knauf, George M., 19135A.
Guerin, John W., 19157A.
Lechausse, Ralph M., 20818A.
Bess, George C., 19554A.
Gold, David, 19600A.
Lance, Paul E., 19739A.
Lyons, Robert E., 19184A.
Boysen, John E., 19207A.
Ficicchy, John, Jr., 19202A.
Talbot, John M., 19171A.
Townsend, Frank M., 20819A.
Kerr, Herbert N., 19175A.
Roadman, Charles H., 3379A.
Nuttall, James B., 19239A.
Humphreys, James W., Jr., 19928A.
Patterson, Robert A., 19250A.

Dental Corps

Mitchell, James O., 18859A.
Durch, Richard J., 18889A.
Widner, Glynn D., 18861A.
Rule, John S., 18873A.
Dilley, Harold E., 18900A.
Hudson, Donald C., 18874A.
McClench, George S., 18868A.
Daugherty, Thomas S., 18833A.
Dunn, Benjamin W., 18875A.
Oakley, Hal D., Jr., 18884A.
Elwell, Kenneth R., 18903A.

Veterinary Corps

Clark, Harley C., 18984A.

Medical Service Corps

Butler, Henry M., 19391A.
Kjolsrud, Gordon S., 19403A.
Painter, John V., 19407A.
Polkinghorn, James W., 19408A.
Zubkoff, Harry, 19409A.

Chaplain

Taylor, William P., Jr., 18716A.
Anderton, John L., 18723A.
Blaisdell, Russell L., 18734A.
Shaffer, Glen C., 18748A.
Fellows, John P., 18753A.
Pierce, Palmer P., 18759A.

(NOTE.—Dates of rank of all officers nominated for promotion will be determined by the Secretary of the Air Force.)

EXTENSIONS OF REMARKS

Delay in Legislation on Labor

EXTENSION OF REMARKS
OF
HON. BARRY GOLDWATER
OF ARIZONA
IN THE SENATE OF THE UNITED STATES
Friday, April 25, 1958

Mr. GOLDWATER. Mr. President, apropos of the debate in the Senate, this morning, relative to the delay in connection with the enactment of legislation on labor, I hold in my hand an article entitled "Delay in Legislation on Labor," written by George Todt, and published in the San Fernando Valley Times of April 21. In the article, Mr. Todt discusses in a very intelligent way his observations on this unusual phenomenon. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DELAY IN LEGISLATION ON LABOR

"Make use of time, let not advantage slip"—William Shakespeare, Venus and Adonis.

With incontrovertible evidence already uncovered concerning corruption, theft and un-American totalitarianism residing in certain unions, the public is asking increasingly why no remedial legislation is being passed in Congress at this time?

Certainly, it is not necessary to wait years into the future after another round of future Senate investigations before we commence to repair the damage which is already seen to be extant. Why isn't anything being accomplished along these lines? Who is holding back at this time? Why?

I asked these questions of San Fernando Valley Congressman JOE HOLT recently. JOE was kind enough to furnish me with a portion of the record to date concerning proposed labor propositions now wasting away in deep six.

"I thought you would be interested in what we are trying to do in the House," said JOE, "but the Democrats are blocking this legislation. The Republican record is clean."

This is not a new view among the GOP members of the House Committee on Education and Labor, incidentally. As far back as last February 26, they all addressed a mass letter of protest to the Democratic chairman of the committee. * * *

The letter is worth repeating, and is as follows:

"DEAR MR. CHAIRMAN: President Eisenhower on January 23, 1958, transmitted to the Congress his recommendations for legislation in the labor-management field. He stated that action on the part of the Government was needed to protect the basic rights of the individual workers to maintain the basic integrity of trade unionism. The stated purpose of his program is to reassure the American public that:

"1. The funds which are set aside for the benefit of working men and women in health, welfare, and pension plans are accounted for.

"2. The moneys which are contributed by workers to union treasuries are being used solely to advance their welfare.

"3. Organizations in which working people associate together voluntarily to improve their status through collective action will be administered in such fashion as to reflect their will.

"4. The working people are more fully protected from dealings between representatives of labor and management which have the effect of preventing the full exercise of their rights to organize and bargain collectively.

"5. The public is protected against unfair labor and management practices within the collective-bargaining relationship which give rise to the exercise of coercive power by one as against the other, tending to impede the peaceful development of that relation, or which infringe the legitimate rights of innocent third parties.

"On January 30, 1958, the minority members (Republicans) of the Subcommittee on Labor-Management Relations requested the chairman of that committee to schedule hearings on the proposals of the President. As yet, no action has been taken to assure that hearings will be had on the President's proposals.

"Accordingly, we, the minority members of the House Education and Labor Committee, respectfully request hearings to begin at once on the labor-management proposals made by the President. We further request that the hearings be so arranged that there will be ample time for Congress to take final legislative action on the entire program during this session."

This was signed by the 13 GOP members of the committee, including Congressman HOLT.

On March 3, House Minority Leader JOE MARTIN had this to say:

"Legislation to remedy labor-management conditions harmful to trade unionism is before Congress. It has been there since January. * * * There is almost unanimous agreement throughout the country * * * that legislative action is needed. Surely there are as many Democrats in Congress as aware of the need as Republicans. Yet day after day passes without action. No hearings have been scheduled. No witnesses called. * * * We call on our Democratic colleagues, especially those in control of the committees involved, to take action in the name of good government. * * * Organized labor should join us in urging the Democrat-controlled Congress to take immediate action."

This really has the earmarks of a most unusual situation, doesn't it? Makes one wonder just how many of the boys on Capitol Hill the dear old AFL–CIO COPE political machine may have at its beck and call, what? Does this deplorable legislative inability to discipline powerful—and corrupt—labor bosses presage our drift into a Social Labor government soon? Is State Socialism just around the corner?

SENATE

SATURDAY, APRIL 26, 1958

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father, God, like the mystic quiet of April twilight, steal upon us now with a sense of the eternal verities which surround us, as we bring our fainting spirits to the still waters of Thy restoring grace and to the white holiness that shames our uncleanness, to the love that forgives our iniquities, to the truth that defies all our falseness, and to the patience that outlasts all our fickleness. As we seek to mend the flaws and faults of our democracy, make ours a nation that Thou canst speak to and through, to this bewildered generation seeking the path to the peace its willful feet have so sadly missed. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, April 25, 1958, was dispensed with.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour. I ask unanimous consent that statements made in that connection be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RESOLUTION OF DULUTH LEAGUE OF WOMEN VOTERS

Mr. HUMPHREY. Mr. President, I have recently received a letter from Mrs. C. M. Fredin, second vice president and international chairman for the Duluth League of Women Voters, informing me of their support for the renewal of the Trade Agreements Act, preferably extending it for a 5-year period.

I ask unanimous consent that the letter be printed in the RECORD, and appropriately referred.

There being no objection, the letter was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

LEAGUE OF WOMEN VOTERS OF DULUTH,
Duluth, Minn., April 17, 1958.

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SIR: The board of the League of Women Voters of Duluth wants you to know of our support of the renewal of the Trade Agreements Act, preferably extending it for a 5-year period. We feel that world trade would be benefited by a narrowing of the escape clause, and by leaving the final escape-clause decisions in Presidential hands.

The board also favors the establishment of OTC to provide a permanent agency to administer GATT.

We appreciate the work you have already done in this area of liberal trade policies and urge you to continue your efforts.

Respectfully,

HARRIET S. FREDIN,
Mrs. C. M. Fredin
Second Vice President and International Chairman.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THURMOND (for himself, Mr. HILL, Mr. MURRAY, Mr. KENNEDY, Mr. MCNAMARA, Mr. MORSE, Mr. YARBOROUGH, Mr. SMITH of New Jersey, Mr. IVES, Mr. PURTELL, Mr. ALLOTT, and Mr. COOPER):

S. 3710. A bill to extend, until such time as compulsory military service under the laws of the United States is terminated, the provisions of title IV of the Veterans' Readjustment Assistance Act of 1952 to veterans who entered active service in the Armed Forces after January 31, 1955; to the Committee on Finance.

(See the remarks of Mr. THURMOND when he introduced the above bill, which appear under a separate heading.)

By Mr. COOPER:

S. 3711. A bill for the relief of the heirs of J. B. White; to the Committee on Agriculture and Forestry.

By Mr. CASE of South Dakota (by request):

S. 3712. A bill to authorize appropriation for continuing the construction of the Rama Road in Nicaragua; to the Committee on Public Works.

(See the remarks of Mr. CASE of South Dakota when he introduced the above bill, which appear under a separate heading.)

UNEMPLOYMENT COMPENSATION FOR CERTAIN VETERANS

Mr. THURMOND. Mr. President, I introduce a bill which is sponsored by 12 members of the Committee on Labor and Public Welfare, for the purpose of providing a program of unemployment compensation for veterans who entered the Armed Forces on or after February 1, 1955. This group of veterans, as Senators know, is popularly known as peacetime veterans.

Specifically, the bill extends the provisions of title IV of the Veterans' Readjustment Assistance Act of 1952 until such time as compulsory military service under the laws of the United States is terminated. I ask that the bill be referred to the Committee on Labor and Public Welfare, which is the committee with jurisdiction over this matter.

Mr. President, as chairman of the Subcommittee on Veterans' Affairs, a subcommittee of the Committee on Labor and Public Welfare, I held hearings on the subject of unemployment compensation for peacetime veterans during the last session of Congress, and the subcommittee has been considering the matter since the close of those hearings. At an executive session of the subcommittee held on Monday, April 21, the subject was discussed, and officials from the Department of Labor presented statistical information on the cost of the program. The statistical information was not sufficiently up to date, however, and the subcommittee asked the Labor Department to submit more current information. The Department is developing this information now and will have it available for the subcommittee's next executive session, which is scheduled for Wednesday, April 30, at 3 p. m. At that meeting I believe the subcommittee will have all the relevant facts on this matter and will be in a position favorably to report to the full committee.

Mr. President, I point out that our bill provides unemployment compensation at the rate of $26 a week, which is the rate now provided for Korean veterans under Public Law 550, 82d Congress. However, it may well be that this rate should now be increased for both Korean veterans and peacetime veterans in view of the fact that since the $26 rate was established, the cost of living has increased considerably and the maximum compensation payable under State laws has also increased somewhat. In this connection, Senators will recall that the $26 rate was originally determined by averaging out the rates of unemployment compensation payable under State laws.

I further point out that the unemployment compensation program provided by our bill departs from the pattern of the Korean veterans' program in two respects. First, unlike the Korean program, which provides compensation to an unemployed veteran who has served in the Armed Forces for 90 days or more, our bill requires that the veteran must have served for 2 years or more before he is entitled to unemployment compensation. Second, our bill provides that the duration of the compensation shall be for a period of 16 weeks, instead of 26 weeks as provided for Korean veterans. These revisions concern only peacetime veterans, of course, and in my judgment are necessary to maintain a reasonable distinction between wartime and peacetime service.

Finally, Mr. President, I again mention that 12 members of the Committee on Labor and Public Welfare are sponsoring this bill. The other members of the committee who are joining me in sponsoring the bill are Senator HILL, Senator MURRAY, Senator KENNEDY, Senator MCNAMARA, Senator MORSE, Senator YARBOROUGH, Senator SMITH of New Jersey, Senator IVES, Senator PURTELL, Senator ALLOTT, and Senator COOPER.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3710) to extend, until such time as compulsory military service under the laws of the United States is terminated, the provisions of title IV of the Veterans' Readjustment Assistance Act of 1952 to veterans who entered active service in the Armed Forces after January 31, 1955, introduced by Mr. THURMOND (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Finance.

FUNDS FOR CONSTRUCTION OF RAMA ROAD IN NICARAGUA

Mr. CASE of South Dakota. Mr. President, I introduce for appropriate reference, a bill to authorize an additional appropriation of $4 million to continue construction of the Rama Road, in Nicaragua. I have introduced the bill by request, pursuant to a letter from the Secretary of State, addressed to the Vice President.

I ask unanimous consent that the letter of the Secretary of State, which is explanatory of the bill, be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 3712) to authorize appropriations for continuing the construction of the Rama Road in Nicaragua, introduced by Mr. CASE of South Dakota (by request), was received, read twice by its title, and referred to the Committee on Public Works.

The letter presented by Mr. CASE of South Dakota is as follows:

DEPARTMENT OF STATE,
April 3, 1958.

THE VICE PRESIDENT,
United States Senate.

DEAR MR. VICE PRESIDENT: There is transmitted herewith a draft of proposed legislation authorizing the appropriation of an additional $4 million to continue construction of the Rama Road in Nicaragua.

There are two principal reasons for the need for an additional authorization at this time. First, at the time the original estimate of the cost of completion was made in 1948, no detailed survey had been made and sufficient data was not at hand to make a complete detailed estimate with the result that the cost was underestimated. Second, there has been a substantial rise in construction costs between 1948 and 1957.

The United States by diplomatic note dated April 8, 1942, agreed, at its own expense, to (a) construct a highway between San Benito and Rama, and (b) survey and recommend a route from Rama to El Bluff. However, a subsequent agreement between the two parties has released the United States from its obligation concerning the Rama-El Bluff route. The present status of the Rama Road represents a partially fulfilled obligation of the United States of America to the Republic of Nicaragua.

The Rama Road is designed to unite two sections of the country that have heretofore been completely separated except by air transport. This road runs from San Benito, which is located just north of the capital city, Managua, on the Inter-American Highway, across Nicaragua to Rama on the Escondido River. Traffic could then be moved by river to the Caribbean Sea. This area of Nicaragua has a promising agricultural future and is susceptible to rapid development as soon as adequate transportation is available.

Should the United States fail to abide by its commitment to Nicaragua, its reputation for integrity among the people of Latin America in general and of Central America in particular, would be seriously jeopardized. Sudden withdrawal of financial support for the Rama Road would above all cause deep disappointment in Nicaragua which would only serve to undermine the friendly, cooperative attitude of that country toward the United States.

Furthermore, and apart from the most important question of integrity and policy, there exists a very real financial consideration, namely, that to date $11.5 million have been appropriated for the construction of the Rama Road. Over two-thirds of the road has now been provided for and to abandon the project at this time would result in considerable reduction in the value of the road already built. When the part now under construction is completed the road will end in an unpopulated and undeveloped area so that full utilization of the eastern part of the road already built must wait until the road reaches Rama, the only center of population in the area.

I therefore recommend, Mr. Vice President, early introduction of this legislation.

The Department has been informed by the Bureau of the Budget that there is no objection to the submission of this proposal to the Congress for its consideration.

Sincerely yours,

JOHN FOSTER DULLES.

REGISTRATION, REPORTING, AND DISCLOSURE OF EMPLOYEE WELFARE AND PENSION BENEFIT PLANS—AMENDMENT

Mr. GOLDWATER submitted an amendment, intended to be proposed by him, to the bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans, which was ordered to lie on the table and to be printed.

USE OF TELEVISION IN EDUCATIONAL INSTITUTIONS—ADDITIONAL COSPONSOR OF BILL

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the name of the distinguished senior Senator from Ohio [Mr. BRICKER] be added as a cosponsor to the bill (S. 2119) to expedite the utilization of television facilities in our public schools and colleges and in adult training programs. The bill was introduced by me on May 17, and is now in the Committee on Interstate and Foreign Commerce for hearings.

The PRESIDENT pro tempore. Without objection, it is so ordered.

CONSTRUCTION OF CERTAIN PUBLIC WORKS ON RIVERS AND HARBORS—ADDITIONAL COSPONSOR OF BILL

Mr. THYE. Mr. President, I ask unanimous consent that I may be privileged to join as a cosponsor of the bill which was introduced by the Senator from California [Mr. KNOWLAND] on April 24; namely, Senate bill 3686, the omnibus rivers and harbors bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. THYE. The reason I ask unanimous consent to join as a sponsor does not affect my position that I would endeavor to override the Presidential veto on Senate bill 497. I give my reasons for feeling so strongly on the omnibus rivers and harbors bill, Senate bill 497, because that bill embodied, under the head "Flood Control," the following projects:

MINNESOTA PROJECTS IN OMNIBUS RIVERS AND HARBORS BILL (S. 497)

I. Navigation: (a) Modification of existing project at St. Anthony Falls, Minneapolis; (b) deepening of Minnesota River channel upstream from Mississippi, $2,539,000.

II. Flood control: (a) Flood protection on Mississippi at Winona, $1,620,000; (b) flood protection on Minnesota River at Mankato and North Mankato, $1,870,000; (c) flood protection on Root River at Rushford, Minn., $796,000; (d) flood protection on Mississippi at St. Paul and South St. Paul—$3,137,600, at St. Paul and $2,567,700 at South St. Paul; Ruffy Brook and Lost River project in the Red River of the North Basin, $632,000.

For years I had advocated enactment of these flood control measures. They became embodied in Senate bill 497. So we have suffered a setback in our efforts to have such projects developed. For that reason I wish to join as a cosponsor of Senate bill 3686. As I previously stated, I am prepared to vote to override the veto, if need be, in order to get these projects under way.

TECHNICAL CHANGES IN FEDERAL EXCISE-TAX LAWS—ADDITIONAL COSPONSORS OF AMENDMENT

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the name of my colleague, the junior Senator from Washington [Mr. JACKSON], and the Senator from Wyoming [Mr. BARRETT] be added as additional cosponsors of the amendment, submitted by me, to the bill (H. R. 7125) to make technical changes in the Federal excise-tax laws, and for other purposes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

POTTER IN THE LION'S DEN

Mr. SCHOEPPEL. Mr. President, in the course of the debate during the last 2 days, and the debate will continue today, the Senate has had before it many important problems concerning labor unions and the leaders of labor unions who have assumed positions of domination. The Senate has also had under consideration many important amendments to the proposed legislation in this field.

A very important article entitled "Potter in Lion's Den," written by Roscoe Drummond, was published last night in the Washington Evening Star, and also was published this morning in the Washington Post and Times Herald. I commend a reading of the article to my colleagues, and to all others who read the CONGRESSIONAL RECORD, as an indication of the extent to which some of the labor leaders go with reference to a distinguished Member of the United States Senate.

I ask unanimous consent that the article be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UAW HEADS KEEP SENATOR AWAY FROM MEMBERS

(By Roscoe Drummond)

Politics in Michigan offers a revealing case study of what a progressive Republican Senator is up against in an election in which the union leaders are implacably fighting him.

The candidate is the incumbent Senator CHARLES E. POTTER, who himself used to polish gears at Pontiac and who has a voting record

which gives him a valid appeal to labor rank and file.

But the Michigan labor leaders, for reasons of their own, want no part of the liberal Republican war veteran. Their technique is to do everything in their power to make it impossible for him to put his case directly to the bulk of union membership.

The effect is to shield the union membership from an evenhanded presentation of the campaign issues and, with minute exceptions, to prevent labor rallies from hearing candidates whom the leaders want to see defeated.

Here is what has been happening in recent days:

Senator POTTER was served with a "not welcome" notice after he had agreed to address a meeting to which he had been invited by the board of directors of the Federal Credit Union of the Ford Rouge plant employees. It had been all arranged. The date had been set. POTTER had accepted. Then the Senator got a telephone call from Detroit advising him that some officials of the union were displeased with the invitation and explaining that it would take his hosts off the spot if he did not appear. The credit union is a part of local 600, the biggest United Automobile Workers local with some 65,000 members.

When it proved too embarrassing to erect a complete wall, without a single chink, between Senator POTTER and labor union membership, President Paul Silver of UAW Local 351 wrote a letter to the Senator openly questioning "the sincerity of your professed desire to meet shop workers face to face" but inviting him to speak at a meeting. POTTER accepted immediately. The chairman introduced him with a 25-minute tirade against the Republican Party. Following the speech and question-and-answer period August Schoole, president of the Michigan AFL–CIO council, put on an act mimicking the Senator's speaking mannerisms and sarcastically attacking his views.

The UAW headquarters in Detroit is constantly pointing to the fact that Senator POTTER refuses to appear on a UAW radio-TV program as evidence that the union is eager for him to speak to their members and that it is the Senator who refuses. Senator POTTER's view is that this is a fraud and a facade, that the UAW knows he will not appear on a radio-TV political program which he considers financed by a misuse of union dues and a violation of the Federal Corrupt Practices Act.

These events persuade Senator POTTER the UAW leaders want so badly to see him defeated that they are determined, so far as possible, to keep him from carrying his campaign directly to the UAW membership.

The puzzling question is: Why? Why should the union leadership be so intent upon shielding the union membership from hearing at their meetings both sides of the senatorial campaign, so that the members themselves could measure the merits of the candidates?

I can think of two reasons; perhaps there are others.

One is that UAW President Walter Reuther and his associates want to see Democratic Gov. Mennen Williams reelected for his sixth term by the largest possible majority to further his chances of getting the presidential nomination in 1960.

The other is that Senator POTTER has such a sound prolabor record—on current antirecession measures AFL–CIO officials in Washington scored him 75 to 85 percent on their side—that if he were allowed direct access to labor rank and file he might well win substantial labor support for himself and as a byproduct cut down Williams' vote for the governorship.

The massive opposition of union leadership to Senator POTTER may backfire as it did in favor of Senator Taft in Ohio in 1950. Obviously Senator POTTER is not going to lie down and roll over.

CONGRESS AND LABOR LEGISLATION

Mr. SCHOEPPEL. Mr. President, yesterday there was published in the Washington Star an article entitled "Congress and Labor Legislation—Union Funds in Campaigns Viewed as Keeping Majority From Acting." The article, which was written by David Lawrence, is a most illuminating one. Because it is so timely with reference to the matters the Senate now has under consideration, I ask unanimous consent that the article be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONGRESS AND LABOR LEGISLATION—UNION FUNDS IN CAMPAIGNS VIEWED AS KEEPING MAJORITY FROM ACTING

(By David Lawrence)

The story of the year is being unfolded right now in Congress.

It's the story of how labor-union money—contributed heavily in recent political campaigns—keeps a majority of Members of Congress from enacting laws that would do away with the rackets whereby the dues of the workingmen are stolen or misused.

It's the story also of how Congress, though knowing full well how boycotts of innocent parties are used to further the aims of labor unions, does nothing by way of legislation to correct the abuses.

It's the story of how goons and hired thugs intimidate American citizens who venture to assert their right to work and to cross picket lines.

Plenty of outcries are heard when civil rights are denied in other fields of constitutional law, but no such support is given the simple proposition that the American citizen must be free to join or not to join a union and, if he declines, that he must not for such reason alone be deprived of his job.

Today, in certain trades, a citizen cannot earn a livelihood unless he consents to become, against his will, a member of a labor union which can use his dues money to finance the election of candidates for public office with whose views the worker happens not to agree. Here is thought control and a denial of the basic principles embodied in the Constitution itself.

Today to cross a picket line in a big strike is to jeopardize one's life. Local police authorities are intimidated by the political power of labor unions and do not give adequate protection to the citizen. Companies that are not parties to a strike are sometimes boycotted if they buy materials or goods from a company that is having a labor dispute.

Financial irregularities have been disclosed in about five major unions. Many of the other big unions have not been investigated as yet. Senator MCCLELLAN, of Arkansas, Democrat, has thrown the searchlight on the misuse of union funds. The newspapers have been printing articles about it for several months.

Now, however, the time has come for action. But it looks as if a majority in Congress is itself intimidated. Privately many Members say they would like to go ahead, but the Democratic Party—which is more beholden to the labor unions than are the Republicans—doesn't want to put the legislation through this year because it fears that individual Members might be hurt in the coming Congressional elections.

The plan all along has been to bury the legislation in committee in the Senate. There was to be no voting on broad aspects of the labor-union problem. But Senator WILLIAM KNOWLAND, of California, Republican leader, took the bit in his teeth this weekend and decided to try for rollcall votes which would make every Member answer to all the people and not just to the labor-union lobbies.

At first it was reported there wouldn't be a chance for action. Senator KNOWLAND, however, determined to attach his proposals to the pending legislation on labor-union welfare and pension funds. He knew that the Senate Committee on Labor wouldn't report out any broad legislation, so he decided to try to amend the bill on the floor of the Senate. The Democratic leadership had to submit the matter to a vote or be put in the position of sidetracking the legislation.

A change came as the Democratic leadership in the Senate decided to go ahead with the voting.

Meanwhile, President Eisenhower was advised that he could not be indifferent to the opportunity opened up by Senator KNOWLAND'S move. So Secretary of Labor Mitchell proposed some amendments that went beyond the welfare-and-pension provisions and sought corrective action on boycotts and picketing. He also sponsored a formula to insure secret elections of labor-union officers.

Though 3 days of debate were scheduled for the Senate, the result was foreclosed in advance. There were so many conflicting currents that whatever the Senate finally passed seemed already doomed to inaction in the House of Representatives. The Democratic leadership in the House is ready to block legislation the labor-union leaders oppose.

This labor-union dictatorship, using millions of dollars of workers' dues to exert political influence in staving off corrective legislation, still is on top. That's the story of the year—and, it might be added, the political scandal of the year.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MARTIN of Iowa:

Address delivered by him before B'nai Israel Congregation, Washington, D. C., April 25, 1958, commemorating 10th anniversary of independence of Israel.

By Mr. MAGNUSON:

Address on feeder airlines, delivered by Senator BIBLE at the quarterly regional meeting of the Association of Local and Territorial Airlines, at Las Vegas, Nev., on April 11, 1958.

RETIREMENT OF MAX RABB

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial entitled "Good Luck, Max Rabb," which appears this morning in the Washington Post and Times Herald. The editorial pays a deserved tribute to the able and distinguished secretary of President Eisenhower's Cabinet, who is retiring from the governmental service to enter the private practice of law.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GOOD LUCK, MAX RABB

Of all the members of the White House staff, Maxwell M. Rabb has been one of the most affable and most effective. As the first secretary of the Cabinet, Max Rabb has tried hard to transform that body from a pro forma and quasi-moribund institution into

a more meaningful forum for discussion of domestic policy. He has had a particular interest and concern in the problems of minority groups, and he has contributed notably to some of the good work of the Eisenhower administration in this field. A liberal Republican by disposition, he has been receptive to ideas, and he has helped to dispel the promides about the "palace guard" by humanizing the rather austere inner circle of the administration. Whether in his official duties or in gossiping at parties or in gaping at Gina Lollobrigida, Max Rabb has been a pleasant and energetic addition in Washington. As he leaves to take up private law practice in New York, his many friends will wish him and his attractive wife well.

Mr. COOPER. Mr. President, I should like to associate myself with the remarks made by the distinguished senior Senator from New Jersey [Mr. SMITH] and junior Senator from Montana [Mr. MANSFIELD] in regard to the resignation of Hon. Max Rabb, assistant to the President. I must say that he will be missed by many friends in the Senate. He has made a distinguished record as assistant to the President, and I join with my Senate colleagues in wishing him continued success as he returns to the practice of the law.

ELIMINATION OF LOSS OF LIFE ON HIGHWAYS

Mr. NEUBERGER. Mr. President, few domestic problems are more important to the Nation than the ending of the carnage and loss of life on our streets and highways. It is becoming increasingly obvious that stricter and stronger regulation of drivers' licenses, with physical and mental tests for those who operate motor vehicles, is going to be imperative in the interest of humanity. Along this line, I ask unanimous consent to have printed in the body of the RECORD a thoughtful and cogent letter which was written to the editor of the Oregonian, of Portland, Oreg., on December 5, 1957, by former Assistant Secretary of State William E. Healy, of Oregon. Mr. Healy formerly was in charge of motor-vehicle operation in our State.

I also ask unanimous consent that an informative editorial entitled "Cause and Effect," which was published in the Oregonian of that same date be printed in the RECORD. The editorial discusses not only the communication by former Assistant Secretary of State Healy, but also a speech on the same general subject, which was delivered by me in Portland, on December 2, to the Oregon Professional Safety Drivers' Advisory Council.

In addressing the council, I emphasized the fact that those who pilot airplanes in the clear, blue sky must undergo repeated tests of an intensive and detailed nature, but that far less diligence is exercised in deciding who shall pilot an automobile on crowded streets and roads.

The Oregon Professional Safety Drivers' Advisory Council is an organization of truck and bus operators whose sense of civic responsibility prompts them to try to do their part in improving driving standards and safety conditions in the operation of motor vehicles.

There being no objection, the editorial and letter were ordered to be printed in the RECORD, as follows:

CAUSE AND EFFECT

From the first page to the last, Monday morning's edition of the Oregonian was dotted with stories and photographs concerning Sunday's traffic mishaps. Rainy weather and heavy traffic at the end of the Thanksgiving holidays probably conspired to make driving conditions worse than normal. But such situations as that on Highway 99 south of Salem, where 44 cars were involved in smashups on 1 slippery section in a 2-hour period, would not occur if all the drivers were competent and careful.

The depressing record of personal injuries and property damage compiled in this State on a single day gives point to such proposals as that made in a letter on this page from William E. Healy, of Salem, and the plan suggested by Senator RICHARD L. NEUBERGER in a talk Monday before the Oregon Professional Safety Drivers' Advisory Council.

The Senator's proposal is not new. It has been suggested many times by professionals in the motor-vehicle traffic control field; but the public has viewed the idea with disinterest. The plan contemplates the periodic reexamination of holders of motor-vehicle operator's licenses, to make certain they are physically and mentally qualified to pilot today's high-powered cars over today's high-speed, crowded highways.

Everyone gives lipservice to suggestions of this sort, in principle. But anyone who tries to push such a plan out of the realm of theory into the field of practical application runs into all sorts of roadblocks.

In the first place, everyone who holds a driver's license—and that includes almost everybody—is determined to retain it at all costs. He is personally convinced that he is a good driver, and he is not ready to submit willingly to any new regulation which would allow some young whippersnapper of an examiner to decide, after a driving test, that he isn't.

Furthermore, the very large and important industries dependent on volume sales of automobiles, gasoline, oil, lubricants, accessories, and repairs view coldly any laws which might have the effect of cutting down the number of drivers and the miles traveled.

Much of this opposition is covert and passive. But it's there.

You can't get a license to fly an airplane in the comparatively empty sky without passing a most rigid examination and remaining qualified to meet the requirements for periodic renewals. But almost anyone, by passing a rudimentary test, can get a license to drive a car under conditions which statistics show are much more hazardous than those encountered in the skylanes. A good many Oregonians, middle-aged or older, never have taken a driver's test because these weren't required when they first received their licenses and operator's licenses, once issued, are subject to automatic renewal on payment of a fee.

Will Oregonians ever accept the personal hardships and sacrifices that some would have to endure for the welfare of the rest, by approving a stringent motor-vehicle operators' reexamination by law? Presently, it seems doubtful. But until the public will submit to more rigorous regulation of its driving habits, we will continue to see more of the sad headlines which speckled the Monday paper.

PROOF OF SKILL NEEDED

To the EDITOR:

A long step forward in the cause of safety on our streets and highways would be taken if State laws required a demonstration of ability and qualification on the part of those driving vehicles bigger or heavier than passenger cars.

Oregon law requires that the drivers of for-hire vehicles must obtain chauffeur licenses. To get this license it is necessary to answer a few additional questions in the written examination given all applicants for driver licenses. No additional physical or driving demonstration is required.

A chauffeur license, limited only to those who drive for a living, makes no reference to whether its owner drives a light panel or delivery truck, or whether his occupation is that of driving a truck and trailer having a gross weight of 76,000 pounds. As a matter of actual practice the driver of the panel or pickup many times does become the driver of the heavier equipment. Well-established commercial carriers do, of course, set up rigorous physical and mental requirements for their drivers. The Interstate Commerce Commission has strict rules governing the men who drive the vehicles in common carrier interstate movement.

But how about the nonregulated carrier? All he has to do is pass the very simple written examination for a chauffeur license. How about the private truckowner, or the passenger-car owner who leases a heavy truck? All he needs is the passenger-car driver license held by most of us.

As the holder of a valid Oregon driver license, I feel qualified to operate my four-door sedan. I know that I am not qualified to drive a 10-ton truck, and yet I can do it, legally, any time I wish. If I want to make a living driving that truck, all I have to do is answer a few simple questions, the answers to which are provided in the book given me by the State. If I do not want to drive for a living, I can rent the truck and drive it on my present passenger-car driver license.

State laws, like ICC regulations, should recognize the need of greater skill and training on the part of the operator of bigger and heavier vehicles, regardless of for what purpose they are used on our streets and highways.

WILLIAM E. HEALY.

SALEM.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Is there further morning business?

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Allott	Holland	Neuberger
Barrett	Hruska	Payne
Beall	Ives	Proxmire
Carlson	Jackson	Schoeppel
Carroll	Johnson, Tex.	Smith, N. J.
Cotton	Kefauver	Talmadge
Curtis	Knowland	Thurmond
Douglas	Kuchel	Thye
Ervin	Lausche	Wiley
Gore	Mansfield	Yarborough
Green	McClellan	
Hayden	Murray	

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Louisiana [Mr. ELLENDER], and the Senator from Missouri [Mr. HENNINGS] are absent on official business.

The Senator from Virginia [Mr. BYRD] is absent because of illness in the family.

Mr. DIRKSEN. I announce that the Senator from Vermont [Mr. FLANDERS], the Senator from West Virginia [Mr. HOBLITZELL], and the Senator from Kentucky [Mr. MORTON] are absent on official business.

The PRESIDING OFFICER. A quorum is not present.

Mr. KNOWLAND. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. AIKEN, Mr. ANDERSON, Mr. BENNETT, Mr. BIBLE, Mr. BRICKER, Mr. BRIDGES, Mr. BUSH, Mr. BUTLER, Mr. CAPEHART, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. CHURCH, Mr. CLARK, Mr. COOPER, Mr. DIRKSEN, Mr. DWORSHAK, Mr. EASTLAND, Mr. FREAR, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. HICKENLOOPER, Mr. HILL, Mr. HUMPHREY, Mr. JAVITS, Mr. JENNER, Mr. JOHNSTON of South Carolina, Mr. KENNEDY, Mr. LANGER, Mr. LONG, Mr. MAGNUSON, Mr. MALONE, Mr. MARTIN of Iowa, Mr. MARTIN of Pennsylvania, Mr. MCNAMARA, Mr. MONRONEY, Mr. MORSE, Mr. MUNDT, Mr. O'MAHONEY, Mr. PASTORE, Mr. POTTER, Mr. PURTELL, Mr. REVERCOMB, Mr. ROBERTSON, Mr. RUSSELL, Mr. SALTONSTALL, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. SPARKMAN, Mr. STENNIS, Mr. SYMINGTON, Mr. WATKINS, Mr. WILLIAMS, and Mr. YOUNG entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

POLAR LEGISLATION MAY BE KILLED BY BUREAUCRATIC THINKING IN EXECUTIVE AGENCIES

Mr. WILEY. Mr. President, Russia's recent charges regarding our strategic Air Force planes flying "in the direction of Russia" has forcibly called attention to the great importance of the Arctic region.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The Senate will be in order. Persons who do not have official business on the floor will please retire. Senators will cease audible conversation.

Mr. WILEY. This area is the shortest route between northern Europe and the United States. It is over this snow-covered territory that a Russia ICBM or jet bomber would most logically come in the event of a surprise attack. Similarly, this is the route our SAC planes would follow if and when it became necessary—as we hope it never will—to launch a counteroffensive.

I note with deep interest today's New York Times story that the United States and its allies may shortly propose, before the United Nations, international aerial inspection of an Arctic zone.

This might indeed break the ice for the open skies plan, long proposed by President Eisenhower.

SOVIET INTEREST IN ARCTIC

In making their own recent charges, the Russian leaders further tipped their hand as to their deep interest in the Arctic area. Recent reports show that Russia has long been conducting extensive studies in the Arctic. One recent newspaper account stated that Russia had most of the Arctic area mapped and charted virtually down to the smallest crevasse.

Furthermore, during the current International Geophysical Year, Russia is availing herself of the opportunity to do the same thing with regard to Antarctica.

This repeated evidence of Russian interest in both polar regions serves to point out the lack of a coordinated program of study and research in the polar regions by the United States.

This is an age in which the world has shrunk, so that it takes only a few hours to fly around it, and every nation is in every other nation's back yard.

VITAL DEW LINE

Only recently, in cooperation with the Government of Canada, we have established the distant early warning radar network on Canada's northern frontier. This so-called DEW line is one of the main bulwarks of our defense system. This is our first real attempt to utilize the Arctic region. Russia, on the other hand, has without doubt long had a radar network on her Arctic borders and in all probability established missile launching sites throughout this area.

With regard to the south polar area, the United States fortunately has a long record of exploration and study in Antarctica. We have done more on this continent than any other nation, but still have only scratched the surface. Now Russia has moved into the area and has indicated that she is there to stay. We have welcomed the cooperation shown by Russian scientists in the IGY studies of Antarctica, but following this scientific project what will be our policy with regard to this area?

I am speaking now in relation to maintaining the national security of the United States. There is one law we cannot disregard, and that is the law of self-preservation. In this shrunken world we must keep up with the changing facts of life.

Permanent Russian occupation of Antarctica would mean that she has established herself in the backyard of the Western Hemisphere. Russian bases will be only minutes away from the homeland of our friends in South America. Strategically located submarine bases could conceivably control the shipping channels through the Straits of Magellan.

NEED TO ACT ON WILEY BILL

The Russian program with regard to both polar regions appears to be carefully planned and coordinated. They know what they want, and they are doing everything possible to get it. Can we afford to do less? We cannot afford to fall asleep, as we did before Pearl Harbor. That is one of the serious matters we must consider. We have been thinking in terms of recession and depression. We had better think in terms of our national safety, in this day of the H-bomb and the foreshortened earth.

As Senators know, I have a bill pending before the Education and Labor Committee calling for the creation of the Richard E. Byrd Antarctic Commission. This commission would serve as a coordinating agency for all United States efforts in the polar regions. It would be responsible for planning and executing a long-range program of scientific study and research. It would help determine our legal rights and prerogatives with regard to territorial claims in Antarctica.

POLAR BILLS DEAD UNLESS ACTION IS TAKEN NOW

I regret to say, Mr. President, but I do say in all frankness, that Antarctic and Arctic legislation is, unfortunately on the basis of evidence now available, dead for this 85th Congress. We have closed our minds and our eyes to the significance of what it means to let the Kremlin take over ends of the earth. The Committee on Labor and Public Welfare has not scheduled hearings on my bill.

The Interior and Insular Affairs Committee has indicated there is little chance of a hearing on a similar bill proposed by the Senator from Washington [Mr. JACKSON] and referred to that committee.

The Interior and Insular Affairs Committee of the House has held one day of hearings on a companion measure, sponsored by Representative CLARE ENGLE who is deeply interested in this subject. But the committee does not give indication that anything further is contemplated.

In part the reason for the lack of interest in the various committees is that the executive agencies most closely affected by this legislation have, for the most part, unfortunately, filed unfavorable reports on these bills. The reasons for this deplorable negative attitude by the executive agencies are known best in the bureaucratic minds of those key individuals who prefer the unsatisfactory status quo. There is no such thing as status quo any more. The world is on the move, and the Kremlin knows it.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. WILEY. Mr. President, I ask unanimous consent that I may speak for an additional 2 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Wisconsin may proceed.

Mr. WILEY. Mr. President, time is running out. [Laughter.] We cannot remain in the position we were in prior to Pearl Harbor. That laughter reminds me—and it is good to be able to laugh—although my time may be running out, I do not want America's time to be running out.

The IGY will end in December. By not taking the proper action to determine our rights and prerogatives in Antarctica, we are leaving ourselves wide open for Russian territorial demands in this region. I hope that we will not be judged too harshly by future generations of Americans for our neglect in not asserting ourselves and allowing this unknown and undeveloped area to fall—by our default—into other hands. The our is late. It is not too late, but it is very late.

I send to the desk two items, the first is the New York Times story of today to which I have referred. The second is an editorial from the April 22d edition of the Milwaukee Journal having to do with the importance of Antarctica. I request

that they be printed with my remarks in the body of the RECORD.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the New York Times of April 25, 1958]

WEST TO ASK U. N. FOR AERIAL CHECK ON ZONE IN ARCTIC—UNITED STATES AND THREE ALLIES WILL SEEK SECURITY COUNCIL SESSION ON INSPECTION SETUP—CHALLENGE TO RUSSIANS—AIM IS TO GET SERIOUS TALKS ON SOVIET CHARGE OF PERIL IN FLIGHTS BY BOMBERS

(By E. W. Kenworthy)

WASHINGTON, April 25.—The United States and three of its allies are planning to ask for an early meeting of the United Nations Security Council to consider measures for aerial inspection of an Arctic zone.

For several days State Department officials have been working on a draft resolution. It is now believed to be nearing final form. Diplomatic sources said today that present plans called for putting the item on the Council agenda early next week.

The resolution's purpose would be to challenge the Soviet Union to return to the Security Council and seriously discuss measures to eliminate the dangers it has professed to find in flights of nuclear-armed United States bombers across the Arctic toward Soviet frontiers. Last week Moscow called them a threat to peace.

THREE NATIONS COOPERATE

The State Department has been working in close cooperation with Britain, France, and Canada on plans to get Council debate on measures against surprise attack.

Yesterday Secretary of State Dulles discussed the matter with Sir Harold Caccia, British Ambassador; Hervé Alphand, French Ambassador, and Norman Robertson, Canadian Ambassador. Sir Harold and Mr. Robertson were back at the Department today for talks with other high-ranking officials.

Diplomatic sources said tonight that it had not been decided which nation or nations would sponsor the resolution.

Andrei A. Gromyko, Soviet Foreign Minister, charged at a Moscow news conference a week ago today that the United States was endangering the peace by sending bombers armed with thermonuclear bombs on flights across the Arctic toward the Soviet Union.

COUNCIL MEETING ASKED

The same day Arkady A. Sobolev, Soviet delegate to the United Nations, asked for an immediate meeting of the Security Council to consider the charge. He introduced a resolution under which the Council would have called on the United States to stop sending bombers toward other countries' frontiers.

The United States welcomed the Soviet move. The United States had been trying to get the Soviet Union to consider President Eisenhower's open-skies plan of aerial inspection ever since July 1955.

Last summer, the United States, Britain, France, and Canada proposed aerial inspection in a zone extending from the Arctic Circle to the North Pole, plus Alaska, the Aleutians, and the Kamchatka Peninsula. The Soviet Union rejected the plan.

Moreover, since last fall the Soviet Union has said it would boycott the Disarmament Commission and it recently rejected a Western plan to refer disarmament to the Security Council, which in turn would have referred it to a meeting of heads of government.

Therefore, the United States saw in the Soviet maneuver last week an opportunity to get the aerial inspection issue into United Nations, where the United States and its allies could bring up the question of inspection against surprise attack.

It is believed here that the Soviet Union quickly recognized that it had made a tactical error, for Mr. Sobolev withdrew the Soviet resolution when it became apparent it would not carry. However, the Soviet charges were not withdrawn, and the matter still remains on the agenda.

There is little expectation here that the Soviet Union will agree to discuss an Arctic zone of aerial inspection. But officials believe that no matter what reasons the Soviet Union puts forward against such an agreement, its motives and its good faith will be suspected.

[From the Milwaukee Journal of April 22, 1958]

LAST CONTINENT OF ADVENTURE

With the emergence of space travel and exploration from the realm of science fiction, it is well to remember that there is still a last continent of adventure left on earth. It is Antarctica, an area almost as large as Europe and the United States combined. Covered by inland ice that is sometimes 10,000 feet thick and with a mean annual temperature of —12.6°, Antarctica remains vastly unexplored and isolated from the rest of the earth.

Dr. Laurence M. Gould, president of Carleton College and chairman of the United States national committee's Antarctic study for the International Geophysical Year, points out in a recently published pamphlet that Antarctica is destined to play an increasingly important role in world affairs.

Dr. Gould foresees a day when trans-Antarctic flights from Australia to South America will be routine and will save many thousands of miles over present air travel patterns.

At present not more than two-tenths of 1 percent of Antarctica has been explored in detail geologically. There are vast deposits of coal and there is the possibility of rich mineral resources of commercial value.

Scientists are curious about Antarctica's role in the world picture of weather and climate. Little is known about the exchange of great air masses between the polar regions and the Tropics. That the vast Antarctic icecap has a profound effect on weather and climate has long been suspected.

Antarctica's weather role, Dr. Gould predicts, will prove so important that it will dramatize the urgency of maintaining Antarctic weather stations to provide a continuing flow of data for world weather maps.

"It has been wisely said," he writes, "that the major exports from Antarctica for a long time to come will be scientific data. It might also be said that some of these data may turn out in the long run to be of more value to mankind than all the mineral riches the continent may hold."

AMERICA'S CELEBRATION OF CHILD HEALTH DAY—THE IMPORTANCE OF SOUND MINDS AND SOUND BODIES

Mr. WILEY. Mr. President, next Thursday, May 1, the Nation will observe Child Health Day.

This fine annual observance is based upon a proclamation of the President of the United States. Its origin dates back as far as 1928.

In these three decades tremendous advances have been made in the field of protecting the health of the Nation's greatest resource—our children.

I mention the observance today, because I am most interested in adequate advance preparations for it next week.

Health, of course, refers to more than the physical well-being of the youngsters. That is essential. But it includes, as well, the mental, emotional, the spiritual well-being of our children.

The youngsters who are, today, of sound mind and body will grow up to be adults with sound physical and mental being—healthy, wholesome, vigorous, clean.

THE HEALING ARTS, PLUS PARENTS AND TEACHERS

Toward this end we need the practitioners of all the healing arts; but we need, most of all, the fullest contributions of parent and teacher.

While the responsibility for each youngster begins in every individual home, it does not end there.

It is carried out in every classroom in the land; yes, in every church and Sunday school.

And we, of the Federal Government, have our responsibility, as well. This responsibility is demonstrated not only in the Children's Bureau and the United States Office of Education, but in the great research facilities in the National Institutes of Health in Bethesda, where not only ills which afflict the bodies of youngsters are probed, but those which afflict their minds, as well.

SIX VARIED ASPECTS OF CHILD HEALTH

I send to the desk six items which illustrate what I have in mind. The first is a memorandum from the Children's Bureau describing the background of Child Health Day.

The second is an excerpt from the testimony of Dr. Robert Felix, the Director of the National Institute of Mental Health, as presented as an opening statement before the House Appropriations Subcommittee of the Department of Health, Education, and Welfare on February 19 of this year.

ARTICLE IN LA CROSSE DIOCESAN PAPER ON ILL YOUNGSTERS

Third, as a follow-up on Dr. Felix' statement, I cite an article from the grassroots of America—from the capital of my own State. It is taken from the April 25, 1958, issue of the Register Times-Review, of La Crosse and describes testimony before the State legislative council's committee on mental health.

NEW CLINIC AT CHILDREN'S HOSPITAL HERE

The fourth article turns to one phase of still another front—that of physical health. It describes the establishment last August of a new specialty clinic at Children's Hospital here, through a grant from the William Green Memorial Foundation. The purpose of this clinic is to study the affliction of cystic fibrosis—an ailment which has recently been brought vividly to the attention of the Congress by Representative COYA KNUTSON.

Finally, as an indication of the broad range of children's problems, I include two lists.

TWO LISTS OF VITAL GROUPS

One list consists of those national organizations which interest themselves in child welfare, as such.

The second list consists of those groups which are devoted to specialized health problems, affecting both adults and youngsters. They tend the needs of exceptional children.

Neither of these two lists is intended as complete. But they do give an indication of the diversity of interests of dedicated Americans throughout our land.

I ask unanimous consent that these six items be printed in the body of the RECORD, as a form of introduction to next Thursday's celebration.

May they and other groups—may all of us—make Child Health Day, 1958, an important milestone in youngsters' well-being.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHILDREN'S BUREAU,
Washington, D. C.

CHILD HEALTH DAY—BACKGROUND INFORMATION

Ever since 1928, the President of the United States each year has issued a proclamation setting May 1 as Child Health Day.

The proclamation is issued under authority of a joint Congressional resolution setting apart May 1 of each year as Child Health Day and inviting all agencies and organizations interested in child welfare to unite upon that day in the observance of such exercises as will awaken the people of the Nation to the fundamental necessity of a year-round program for the protection and development of the health of the Nation's children.

The impetus for Child Health Day grew out of the increasing awareness prior to and within the World War I period that children, the voteless ones, needed some special recognition of their needs.

Julia Lathrop, first chief of the Children's Bureau, in 1916 indirectly suggested the idea in a letter to the Secretary of Labor when she wrote, "May Day has a long and pleasant tradition among all English speaking children. It might well be chosen by their elders as a day which should be not only a festival but also year by year a celebration of some increase in the common store of practical wisdom with which the young life of the Nation is guarded by each community."

This concern with guarding the young life of the Nation was of remarkably recent origin when Miss Lathrop wrote her letter 36 years ago. The Children's Bureau itself was only 4 years old, and was just embarked on one of its first major campaigns: to cut down the number of deaths of mothers and their babies.

Few counties had a health department. The fight for better sanitation, for safer milk for babies, for adequate health supervision for children even before they started to school, all were current and in some cases controversial issues.

In April 1918, the Children's Bureau, with the approval of President Woodrow Wilson, proclaimed Children's Year to arouse the Nation to the importance of conserving childhood in times of national peril. The President allotted money from his war emergency fund for the campaign and said he hoped the goal of saving the lives of 100,000 infants and young people would be reached that year.

He hoped there would be developed "certain irreducible minimum standards for the health, education, and work of the American child."

Children's Year had several important focal points: (1) The prevention of the waste of child life; (2) the realization of an economic standard of life, permitting mothers to remain at home and care for their children; (3) the prevention of child labor by the substitution of school for work; (4) the provision of adequate, uncommercialized recreation; (5) the protection of special classes of children.

One of the chief activities of the year, conducted by the Children's Bureau with the Women's Committee of the Council of National Defense, was a weighing and measuring campaign. The Council set up a special child welfare department which organized 17,000 committees, representing the work of over 11 million women, in an effort to protect children from the effects of war.

Through the efforts of these women, over 6½ million well babies and children under school age were weighed and measured. Records of 100,000 of these children, who were given physical examinations by doctors, were subsequently used to set up, for the first time, some standards for height and weight in relation to age in growing children.

The second White House Conference, called in an effort to realize the hope of President Wilson that Children's Year would set child welfare standards, was held by the Children's Bureau in May 1919. The experts, from both here and abroad, who attended the conference held here and the regional conferences held over the country drafted minimum standards for public protection of the health of mothers and children, children entering employment and children in need of special care.

Among these were birth registration—then spotty over the country—with a requirement to report within 3 days of birth; children's hospitals, or beds in general hospitals for children; a sufficient number of children's health centers to give health instruction, under medical supervision, for all infants and children not under the care of private physicians and to give instruction in the care and feeding of children to mothers at least once a month throughout the first year.

Meanwhile, stimulated by the facts brought to light through Children's Bureau infant mortality studies, interest grew in Federal aid for maternity and infancy. Bills were introduced in two successive Congresses for this purpose, but failed of passage. In 1921, Senator Morris Sheppard and Representative H. M. Towner successfully sponsored a bill which the Congress passed, appropriating $1,200,000 a year to help States build their health services for mothers and infants.

The Maternity and Infancy Act, commonly known as the Sheppard-Towner Act, in force from 1922 to 1929, was the forerunner of the more embracing title V of the Social Security Act, which was passed in 1935.

It was during the lifetime of the Sheppard-Towner Act that Mrs. Aida Acosta Breckinridge, associate director of the American Child Health Association, suggested to Herbert Hoover, president of the association and then Secretary of Commerce, that May Day be made an occasion for drawing public attention to the need to improve conditions surrounding child health.

Mr. Hoover suggested the idea to President Calvin Coolidge, who replied by saying, "I wish the organizations every success in an effort which will touch so sympathetic a chord in every American heart."

Under the aegis of the American Child Health Association, and with the help of many public and private agencies, May 1, 1924, was observed nationally as Child Health Day.

Three years later, the American Federation of Labor passed a resolution at its Los Angeles convention in October directing its executive council to have a resolution introduced in Congress setting aside May 1 each year as Child Health Day.

This project later was officially endorsed by the Conference of State and Provincial Health Authorities of North America, in November 1927.

Congressional action followed in the next year and on March 25, 1929, President Herbert Hoover issued the first Presidential proclamation under the joint resolution authorizing the Child Health Day observance.

His proclamation called for efforts to "bring about a nationwide understanding of the fundamental significance of healthy childhood and of the importance of the conservation of the health and physical vigor of our boys and girls throughout every day of the year."

During the early years of the national observance of May Day as Child Health Day, the emphasis on the celebration was on the physical aspects of health in children.

President Franklin D. Roosevelt, in his first May Day proclamation in 1933, supported a slogan: "Mothers and babies first" as the Nation became increasingly conscious of the need to cut down on high maternal and infant mortality rates.

In 1935, the American Child Health Association was dissolved and the Children's Bureau was requested by the Conference of State and Provincial Health Authorities to sponsor Child Health Day activities.

Passage of the Social Security Act in 1935 gave the Children's Bureau its inspiration for the objective of the 1936 May Day observance. This objective was to review in each State and community the social-security program and other measures for child health and welfare, and to make plans for their further development.

In 1938, a part of the theme was planning how the child-health work of our public and private agencies can be extended and made more effective.

The fourth White House conference on children and youth was called by President Franklin Roosevelt in 1940 to consider children in a democracy as its theme.

During the decade from 1940 to 1950, most of the May Day observances were centered around very specific objectives. In 1942, for instance, Child Health Day initiated a campaign for immunization against diphtheria and smallpox. The following year the health of teenage boys and girls holding war jobs was the May Day theme.

In other years, birth registration, community planning, prevention of accidents in the home, medical and dental examinations for children entering school for the first time were emphasized.

Throughout these decades of the century, one by one, new medical and scientific discoveries gave assurance that means were at hand or were on the way for protecting children from many of the physical ills which had been of such prime concern earlier.

When the 1950 White House conference on children and youth was held, its emphasis was not so much on physical health as on healthy personality for children.

In preparation for this conference, a fact-finding committee drew on the knowledge of experts throughout the country—psychologists, psychiatrists, pediatricians, anthropologists, sociologists, physiologists, geneticists—to pull together what is known about the development of personality in children.

The committee's report since has been popularized and issued by the Children's Bureau as A Healthy Personality for Your Child, a publication for parents.

It is around the theme of putting to good use what we know about the way human beings acquire the personal qualities essential to individual happiness and responsible citizenship, the healthy personality, that the Children's Bureau invites the Nation to plan the observance of May Day.

MENTAL HEALTH OF CHILDREN

(Statement by Dr. Robert Felix)

CHILD DEVELOPMENT

The Institute has been conducting a broad range of normal child development studies, including the effects of social environment on learning, the effects of family and community influences on general development, comparative studies of babies in normal

homes and in institutions, the relationship of mother's personality to the personality and development of children, and the effects of individualized attention on responsiveness in infants.

Institute investigators have devised a means of objectively measuring attitudes of parents toward children and child rearing. This test, known as the parental attitude research instrument, is being used in our laboratories and in laboratories throughout the country to study the relationships of such attitudes to parent-child relations and to child development. It has already shown some interesting correlations between parental attitudes and emotional and social adjustment of children, including children's activities and intelligence scores and may play a role in the complicated problem of predicting personality development.

DELINQUENCY AND EMOTIONAL PROBLEMS

Support of research on juvenile delinquency continues to be an important Institute concern. Twenty research projects totaling $600,403 have received support to date in fiscal year 1958. A clinic in Boston, assisted by a mental health grant, is making an intensive diagnostic study of hyperaggressive, incontrollable boys and their families. Other centers, with the aid of grants, are attempting to develop improved techniques for diagnosis and treatment. One center is studying a group of 50 delinquents who had come before the juvenile court during 1957, and another is concentrating on the effects of the family and social situation.

During the past year, the Institute opened its new Children's Treatment Center and transferred to it the group of emotionally disturbed boys who had been under study at the Clinical Center. The new treatment center is a cottage-type residential facility where the children, who have now recovered to the point where they can attend school and lead a more normal life, are being studied in terms of the therapeutic milieu. In the meantime, new groups of children with other types of severe emotional disturbances are being studied in the Child Research Branch's Clinical Center ward facilities.

Institute researchers working with hyperaggressive children find that these children (1) display a unique kind of pathology that combines aspects of childhood neuroses and psychoses; (2) show intense anxiety about the possibility of being dependent; and (3) have severe problems in developing a sense of their role in society. Progress is being made in analysis of learning disturbances in these children, and in developing and improving therapeutic techniques.

MENTAL HEALTH IN THE SCHOOL SETTING

Because of the school's crucial role in building the foundation for individual mental health, the Institute has increased its efforts in this direction and is now supporting a large amount of research on school mental health. Recently a major study was initiated in which a teacher-training institution will investigate the pyschological aspects of the events and processes that take place in the classroom, the school, and the community to determine their effects on the children's mental health and on the educational efforts of the school.

The Institute is developing plans, in its training program, to encourage the addition of more functional knowledge about the behavioral sciences in the preparation of teachers to help them deal with emotional problems encountered in a classroom setting. An Institute psychiatrist is devoting full time to consultation with schools, assisting them in applying knowledge currently available. Working in cooperation with the State board of health and department of education, the Institute has helped one State set up a case-finding program, to demonstrate ways and means by which communities can detect and manage minor mental health problems in schoolchildren.

Investigators at the Institute's Mental Health Study Center, conducting a follow-up study, have found that reading disability is related not only to the child's intellectual development, but even more so to his emotional difficulties, and that these difficulties usually presage a high dropout rate from school. The goal of this and other similar studies is to learn how the schools can best minimize the effects of emotional problems already present and prevent the development of others.

MENTAL RETARDATION

To date, during fiscal year 1958, the National Institute of Mental Health has supported a total of 19 research grants directly in the field of mental retardation for a total of $493,536. These investigations range from studies of amino acid metabolism and phenylketonuria and the role of heredity, to studies of diagnostic and learning problems in retardation.

A number of basic research investigations in the Institute's laboratories are concentrated on the biochemical and neurophysiological aspects of retardation. In addition, NIMH scientists are cooperating with research workers from other Institutes, including the National Institute of Neurological Diseases and Blindness and the National Institute of Arthritis and Metabolic Diseases.

Institute funds are being used to train professional personnel needed to do research on retardation and to work with the retarded. Consultation and assistance are being provided to States and local communities in the establishment and development of programs for the mentally retarded, and a portion of Federal grants-in-aid funds is being allocated by the States for special projects on mental retardation.

[From the Register Times-Review of April 25, 1958]

CENTER IS NEEDED FOR EMOTIONALLY SICK CHILDREN

MADISON.—Wisconsin needs a State-operated residential treatment center for emotionally disturbed children, a welfare leader told the Legislative Council's Committee on Mental Health April 8.

Msgr. Norbert Dall, Diocesan Catholic Welfare Bureau director, appeared before the committee on behalf of the La Crosse Diocese and of local community councils serving the 19-county area.

The committee, under the chairmanship of Senator Kirby Hendee, of Milwaukee, was conducting a public hearing on the care and treatment of emotionally disturbed children.

STUDYING PROBLEMS

Senator Hendee's committee is making a study of the various aspects of the problems of mental health and programs for children and youth, and of the role which a child center should play in future plans for child care.

Monsignor Dall also made a plea for tax support of psychological and psychiatric services to the public and private welfare agencies of the State. He suggested outpatient facilities, guidance clinics, and traveling psychologists and psychiatrists.

LOCAL AGENCIES

He explained that most case work of the welfare agencies takes place in local communities through district offices of the State welfare department, county welfare departments, and courts. As a result, most services should be concentrated in local agencies. Local agencies could be much more helpful to persons in need if State-encouraged clinical services were made available to them, he said.

In his plea for a treatment center, he explained that a small number of children need special care available only in such an institution staffed by qualified psychiatrists and other specialists. The cost of building and operating such an institution, he said, is beyond the resources of any voluntary or private agency.

Courts and welfare agencies can help some children through security programs and energetic management, Monsignor Dall said. But there is a need for a special center for children whose delinquency patterns are more psychopathic in nature and need psychiatric treatment, and for children who show signs of mental illness.

[From the Washington Post and Times Herald of August 14, 1957]

SPECIALTY CLINIC ESTABLISHED HERE FOR CHILD VICTIMS OF CYSTIC FIBROSIS

(By Nate Haseltine)

Establishment of a specialty clinic at Children's Hospital for victims of the little-known but deadly childhood affliction, cystic fibrosis, was announced yesterday.

The clinic, believed to be the first endowed one of its kind in the Nation, got its start with a $25,000 grant from the William Green Memorial Fund. Its proponents hope labor organizations will provide further financing to perpetuate the name of the late president of the American Federation of Labor.

The clinic provides diagnosis and treatment of victims of the hereditary ailment, often confused with a variety of less serious ills, and carry out research.

Cystic fibrosis, estimated to occur in about 1 of every 600 live births, has also been called mucoviscidosis, fibrocystic disease of the pancreas, pancreatic fibrosis, and most graphically, the disease of the salty tears.

SWEAT TESTS USED

Before 1951, the condition was generally diagnosed from histories of its victims' complaints, following a confusion of episodes of diarrheas, other gastrointestinal ills, celiac disease (inability to digest fats), asthmas and repeated bouts of bronchial pneumonia. Then doctors found it readily diagnosable in excess salt content of tears, and more particularly perspiration.

Though it became known as the disease of salty tears, the doctors found that sweat tests were more reliable, and practical. In the now conventional test the patient is encased in a transparent plastic bag, from the neck down, and induced to perspire. Salt content of the victim's sweat is 3 to 5 times that of the unafflicted.

The William Green Children's Clinic, as now named, was organized after joint requests by the hospital's physicians and members of the Washington chapter of the National Cystic Fibrosis Research Foundation. The latter is a band of about 40 determined parents of still-living or dead child victims of the disease. The chapter was formed about 2 years ago.

ANTIBIOTICS USED

Dr. Robert Parrott, Children's Hospital physician-in-chief, said that known or suspect cases of cystic fibrosis will be referred to the clinic for definitive diagnosis. Those who fail the sweat test, he said, will be offered multidisciplined care with their own doctor a key part of the clinic team.

At present, little but supportive treatment and antibiotic protections can be offered fibrosis patients. Daily or other periodic dosings of antibiotics, such as penicillin, help prevent common childhood infections, since even a normally slight cold can prove fatal to these children.

Dr. Parrott said that a chief infection offender in fibrosis victims are the staphylococci, or pus-forming germs, which attack their disease-impaired lungs. For this reason, he said, clinic research will be oriented to microbiological studies of this aspect of the disease.

The clinic's official start, after long and hopeful planning, took place yesterday when James E. Weber, of 4701 Chevy Chase Boulevard, Chevy Chase, Md., presented the $25,000 check from the William Green Memorial Fund to Dr. Parrott. Weber, who lost a daughter to cystic fibrosis, is president of the local chapter.

LIST OF NATIONAL GROUPS INTERESTED IN CHILD HEALTH

American Academy of Pediatrics, 1801 Hinman Avenue, Evanston, Ill.

American Legion, National Child Welfare Division, 700 North Pennsylvania Street, Indianapolis, Ind.

American Parents Committee, 52 Vanderbilt Avenue, New York, N. Y.

American Public Welfare Association, 1313 East 60th Street, Chicago, Ill.

Child Study Association of America, Inc., 132 East 74th Street, New York, N. Y.

Child Welfare League of America, Inc., 345 East 46th Street, New York, N. Y.

Council of National Organizations for Children and Youth, care of National Social Welfare Assembly, 345 East 46th Street, New York, N. Y.

National Association of Training Schools and Juvenile Agencies, 401 State Office Building No. 1, Sacramento, Calif.

National Catholic Welfare Conference, 1312 Massachusetts Avenue NW., Washington, D. C.

National Council of the Churches of Christ in the United States of America, Welfare section, 122 Maryland Avenue NE., Washington, D. C.

National Council of State Committees for Children and Youth, University of California at Los Angeles, 405 Hilgard, Los Angeles, Calif.

National Federation of Settlements and Neighborhood Centers, 226 W. 47th Street, New York, N. Y.

National Jewish Welfare Board, 145 East 32d Street, New York, N. Y.

The Salvation Army, Women's and Children's Services, 120–130 West 14th Street, New York, N. Y.

Society for Research in Child Development, 1341 Euclid Avenue, University of Illinois, Champaign, Ill.

ORGANIZATIONS WHICH HELP EXCEPTIONAL CHILDREN

Alexander Graham Bell Association for the Deaf, 1537 35th Street NW., Washington, D. C.

American Annals of the Deaf, Gallaudet College, Washington, D. C.

American Association for Gifted Children, Inc., 15 Gramercy Park, New York, N. Y.

American Association for Health, Physical Education, and Recreation, 1201 16th Street NW., Washington, D. C.

American Association on Mental Deficiency, Post Office Box 96, Willimantic, Conn.

American Foundation for the Blind, 15 West 16th Street, New York, N. Y.

American Hearing Society, 1800 H Street NW., Washington, D. C.

American Heart Association, 44 East 23d Street, New York, N. Y.

American Occupational Therapy Association, 250 West 57th Street, New York, N. Y.

American Physical Therapy Association, 1790 Broadway, New York, N. Y.

American Psychological Association, 1333 16th Street NW., Washington, D. C.

American Speech and Hearing Association, 1001 Connecticut Avenue, Washington, D. C.

Boy Scouts of America, New Brunswick, N. J.

Girl Scouts of the United States of America, 155 East 44th Street, New York, N. Y.

International Council for Exceptional Children, 1201 16th Street NW., Washington, D. C.

League for Emotionally Disturbed Children, 10 West 65th Street, New York, N. Y.

Muscular Dystrophy Association of America, 39 Broadway, New York, N. Y.

National Association for Gifted Children, 409 Clinton Springs Avenue, Cincinnati, Ohio.

National Association for Mental Health, Inc., 10 Columbus Circle, New York, N. Y.

National Association for Retarded Children, Inc., 99 University Place, New York, N. Y.

National Epilepsy League, room 1916, 130 North Wells Street, Chicago, Ill.

National Health Council, 1790 Broadway, New York, N. Y.

National Multiple Sclerosis Society, 270 Park Avenue, New York, N. Y.

National Probation and Parole Association, 1790 Broadway, New York, N. Y.

National Recreational Association, 8 West Eighth Stret, New York, N. Y.

National Society for Crippled Children and Adults, Inc., 11 South La Salle Street, Chicago, Ill.

National Society for the Prevention of Blindness, 1790 Broadway, New York, N. Y.

National Tuberculosis Association, 1790 Broadway, New York, N. Y.

United Cerebral Palsy Associations, Inc., 369 Lexington Avenue, New York, N. Y.

TENTH ANNIVERSARY OF INDEPENDENCE OF ISRAEL

Mr. THYE. Mr. President, on Wednesday of this week the Senate adopted a resolution in commemoration of Israel's 10th anniversary. I was away from the Senate on official business that day, but at this time I commend the resolution. I also wish to add my name to the list of Americans who look with pride and warm friendship on the independent State of Israel.

As the Senator from New York [Mr. JAVITS] so ably pointed out on Wednesday, Israel has been "worth more than her weight in gold in terms of reliability, and of value to the interests of free nations in a strife-torn area of the world."

As the Senator from New York also mentioned, everything which was said by those of us who pleaded for aid to Israel in the Mutual Security program in 1951, 1952, and 1953 has come true.

Ten years ago the independent State of Israel was born. Shortly after Prime Minister Ben-Gurion proclaimed Israel's independence, the armies of five Arab States invaded Israel.

At that time the State had 650,000 Jewish inhabitants, while the invading countries had a combined population of more than 30 million. The Arab armies were defeated and expelled, the area of Israel was increased, and the new Jerusalem again became the capital of Israel as in the days of King David.

But one of Israel's most distinctive features, brought out by Prime Minister Ben-Gurion, is that during the past decade—during Israel's first 10 years—it has trebled its population. At the end of 1957, Israel had a population of 1,976,471.

If I am not mistaken, the United States did not treble its own population until 35 years had passed since its war of independence. About a million immigrants from 97 different countries came to Israel during its first decade.

I am happy and honored to join in congratulating Israel on this 10th anniversary, and I join in hopes and prayers that she will remain a bulwark against all forms of aggression and tyranny for many more years to come.

Mr. COOPER. Mr. President, upon behalf of the people of my State, I join with my colleagues in extending congratulations and good wishes to the people and to the Government of Israel at this time of the celebration of the 10th anniversary of their independence.

In a single decade Israel has become a nation and the home of 2 million people. They are a free and independent people who have come from many countries in the world and who have held their purpose and faith through every difficulty. Through their industry, Israel has become a force in the economy of the Middle East, and, with larger meaning, Israel stands today as a sovereign nation of true freedom and democracy in that region and in the world.

I know of the warm feeling the Jewish people of Kentucky and of the Nation hold for Israel. It is shared by their fellow countrymen all over our Nation. We are proud that an ancient faith has been realized. We hope for Israel and its people the attainment of the true peace they seek.

INCREASING UNEMPLOYMENT

Mr. DOUGLAS. Mr. President, the 2 months from the middle of February to the middle of April are normally months of expanding employment and diminishing unemployment. This is, of course, due to the coming of spring and of warmer weather, which encourages the building of houses, and other building construction and which increases the opportunity for outdoor work. It is lamentable that this year such an expansion has not occurred.

As we all know, there are two sets of figures on unemployment. One is a monthly figure based upon a sampling of some 35,000 families by the Bureau of the Census. It showed an estimated total of 5,200,000 unemployed at the middle of March.

The other is a weekly figure on the insured unemployed, the information for which is collected by the Department of Labor.

It is interesting to note that the figure for the insured unemployed was 3,338,000 on February 15, and 3,493,000 on March 15. Yesterday I learned that the total for the week ending April 12 was 3,594,000. I give these figures to the nearest thousand. In other words, there has been an increase of 257,000 in the number of insured unemployed from the middle of February to March 12. This figure includes not only the 3,433,000 insured unemployed under State and the Federal employee systems but also the 150,000 unemployed railway workers and the 80,300 insured veterans.

Normally in months past, the insured unemployed have formed about 63 percent of the total unemployed, as shown by the Bureau of the Census. The insured unemployed do not include those who are unemployed but have not yet made their application for benefits or who are not receiving benefits. They do

not include those who have exhausted their claims for benefits—and the Secretary of Labor estimates that 500,000 persons have exhausted their claims for benefits—and, of course, the figures for the insured unemployed do not include the so-called uncovered occupations.

If this ratio of 63 percent were to be applied, it would indicate that the probable full-time unemployment for the month of April was 5,700,000. I do not say that is the correct figure, because the factor of 63 percent does not apply precisely to the middle of March. But I believe it can be said very definitely that there has been no pickup in March and there has been no pickup thus far in April, despite the fact that normally a pickup of several hundred thousand in employment would be expected, with a corresponding decrease in unemployment.

We may find there has been a very appreciable increase in unemployment, and the statistics for the insured unemployed seem so to indicate.

We should also remember that in a little more than 6 weeks the high schools and colleges will be graduating large numbers of students, a large proportion of whom will go into the labor market, to seek jobs; and thus the labor force will be increased by probably not far from 2 million persons.

In view of these demonstrable facts, I cannot understand the position the White House has taken; namely, that conditions are improving.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. DOUGLAS. Mr. President, this is a good point at which to stop—when I say that I cannot understand the attitude of the White House that conditions are improving. All the evidence is to the contrary.

WATER RESOURCE DEVELOPMENT PROJECTS

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I received today from the President of the United States dealing with rivers and harbors projects.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, April 25, 1958.

The Honorable WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

DEAR BILL: In my message of April 15 to the Senate concerning S. 497, I pointed out that there were included many water resource development projects that were in the public interest. I believe these should be promptly enacted into law.

There is enclosed a list, designated attachment A, of those projects and provisions which were included in S. 497 as passed by the Congress, the authorization and enactment of which I recommend at an early date.

I am also enclosing another list, designated attachment B, of projects and provisions which I also recommend when modified as indicated.

I would like to reiterate what I said in my message of April 15 about the proposals for protection from hurricane flooding in tidal waters. These are useful and necessary projects, but further thought must be given to the degree of local participation in the cost of such work. The Secretary of the Army is now preparing suggestions as to appropriate division of responsibility for this program. I shall submit my recommendations for legislation on this score to the Congress in the near future.

Legislation consistent with the foregoing will be approved.

I am sending a similar letter to JOE MARTIN.

Sincerely,

DWIGHT D. EISENHOWER.

ATTACHMENT A

ACCEPTABLE PROVISIONS AND PROJECTS

Section 101: Navigation and beach-erosion projects.

NAVIGATION

Salem Harbor, Mass.
Boston Harbor, Mass.
East Boat Basin, Cape Cod Canal, Mass.
Bridgeport Harbor, Conn.
New York Harbor, N. Y.
Baltimore Harbor and Channels, Md.
Herring Creek, Md.
Betterton Harbor, Md.
Delaware River anchorages.
Morehead City Harbor, N. C.
Intracoastal Waterway, Jacksonville to Miami, Fla.
Port Everglades Harbor, Fla.
Escambia River, Fla.
Gulfport Harbor, Miss.
Barataria Bay, La.
Chefuncte River and Bogue Falia, La.
Pass Cavallo to Port Lavaca, Tex.
Galveston Harbor and Houston Ship Channel, Tex.
Matagorda Ship Channel, Port Lavaca, Tex.
Port Aransas-Corpus Christi Waterway, Tex.
Freeport Harbor, Tex.
Mississippi River between Missouri River and Minneapolis, Minn. (damages).
Mississippi River at Alton, Ill. (commercial harbor).
Mississippi River at Clinton, Iowa, Beaver Slough.
Mississippi River at Clinton, Iowa (damages).
Mississippi River between St. Louis, Mo., and lock and dam No. 26.
Mississippi River between Missouri River and Minneapolis, Minn.
Minnesota River, Minn.
Vermilion Harbor, Ohio.
Ohio River at Gallipolis, Ohio.
Licking River, Ky.
Saxon Harbor, Wis.
Two Rivers Harbor, Wis.
St. Joseph Harbor, Mich.
Old Channel of Rouge River, Mich.
Cleveland Harbor, Ohio.
Toledo Harbor, Ohio.
Santa Cruz Harbor, Calif.
Yaquina Bay and Harbor, Oreg.
Siuslaw River, Oreg.
Port Townsend Harbor, Wash.
Bellingham Harbor, Wash.
Douglas and Juneau Harbors, Alaska.
Dillingham Harbor, Alaska.
Naknek River, Alaska.
Cook Inlet Navigation Improvements, Alaska
San Juan Harbor, P. R.

BEACH EROSION

Connecticut, area 9.
Connecticut shoreline, areas 8 and 11, Saugatuck River to Byram River.
Fire Island Inlet, Long Island, N. Y.
Sandy Hook to Barnegat Inlet, N. J.
Kitts Hummock to Fenwick Island, Del.
Palm Beach County, Fla.
Berrien County, Mich.
Manitowoc County, Wis.
Fair Haven Beach State Park, N. Y.
Hamlin Beach State Park, N. Y.
Humbolt Bay, Calif.
Santa Cruz County, Calif.
San Diego County, Calif.
Waimea Beach and Hanapepe Bay, Hawaii.
Section 102.
Section 103.
Section 105.
Section 106.
Section 107.
Section 108.
Section 109.
Section 110.
Section 111.
Section 112.
Section 113.
Section 201.
Section 202.

Section 203: Flood control and multiple-purpose projects;

Connecticut River Basin: Littleville Reservoir, Mass.; Mad River Reservoir, Conn.

Housatonic River Basin: Dam on Hall Meadow Brook, Conn.; Dam on East Branch of Naugatuck River, Conn.

Susquehanna River Basin: North Branch, Susquehanna River, N. Y. and Pa.

Pantego and Cucklers Creek, N. C.

Mobile River Basin: Alabama River at Montgomery, Ala.

Lower Mississippi River: Wolf River, Tenn.; Bayou Chevreuil, La.

Arkansas River Basin: Trinidad Dam (Purgatoire River), Colo.

Upper Mississippi River Basin: Rock and Green Rivers, Ill.; Eau Galle River at Spring Valley, Wis.; Mississippi River at Winona, Minn.; Mississippi River at St. Paul and South St. Paul, Minn.; Minnesota River at Mankato and North Mankato, Minn.; Root River at Rushford, Minn.

Great Lakes Basin: Bad River at Mellen and Odanah, Wis.; Kalamazoo River at Kalamazoo, Mich.; Grand River, Mich.; Saginaw River, Mich.; Oswego River at Auburn, N. Y.

Missouri River Basin: Sun River at Great Falls, Mont.; Cannonball River at Mott, N. Dak.; Floyd River, Iowa; Black Vermilion River at Frankfort, Kans.; Gering and Mitchell Valleys, Nebr.; Salt Creek and tributaries, Nebr.; Shell Creek, Nebr.

Red River of the North Basin: Ruffy Brook and Lost River, Minn.

Ohio River Basin: Upper Wabash River and tributaries, Ind.; Brush Creek at Princeton, W. Va.; Meadow River at East Rainelle, W. Va.; Lake Chautauqua and Chadakoin River at Jamestown, N. Y.; West Branch of the Mahoning River, Ohio; Chartiers Creek, Washington, Pa.; Sandy Lick Creek at Brookville, Pa.; Monroe Reservoir, Ind.

Sacramento River Basin; Chico Landing to Red Bluff, Calif.

Eel River Basin: Sandy Prairie Region, Calif.

Weber River Basin: Weber River and tributaries, Utah.

San Dieguito River Basin.

Columbia River Basin: Bruces Eddy Dam, Idaho.

Sammanish River Basin: Sammanish River, Wash.

Territory of Alaska: Chena River at Fairbanks, Alaska; Cook Inlet, Alaska (Talkeetna).

BASIN AUTHORIZATIONS

Connecticut River Basin.
Savannah River Basin.
Central and southern Florida.

Lower Mississippi River Basin: Old and Atchafalya Rivers (navigation lock); St. Francis River Basin.

Upper Mississippi River Basin.
Missouri River Basin.
Sacramento River Basin.
San Joaquin River Basin.
Kaweah and Tule River Basins.
Los Angeles River Basin.
Santa Ana River Basin.
Columbia River Basin.

Section 204.
Section 206.
Section 207.
Section 208.
Section 209.
Section 210.

ATTACHMENT B

ACCEPTABLE PROJECTS UNDER CONDITIONS STATED

If authorized in accordance with recommendations of the Chief of Engineers:

1. Millwood Reservoir and alternate reservoirs, Arkansas and Oklahoma.
2. Hendry County, Fla.
3. Saline River, Ill.
4. Tombigbee River, Miss. and Ala.
5. Carlsbad, N. Mex.
6. Socorro, N. Mex.

If authorized in accordance with recommendations of the Secretary of the Army:

1. Des Moines River, Iowa.
2. La Quinta Channel, Tex.

If authorized in accordance with House-passed version of S. 497:

1. Mississippi River at Alton, Ill. (small-boat harbors).
2. Irondequoit Bay, N. Y.
3. Port Washington, Wisc.

If authorized as recommended by the administration:

1. Boeuf and Tensas Rivers, Ark. and La.
2. White River backwater, Ark.
3. Kaskaskia River, Ill.
4. Markham Ferry Modification, exclusive of amendments to Section 3 of 1954 act.
5. White River Basin, exclusive of additional project authorization.

If authorized to provide a limit of 50 percent Federal participation:

1. Section 104: Water hyacinth program.

If authorized without the flood control features that are not economically justified:

1. Mohawk River, N. Y.

ECONOMIC INDICATORS

Mr. HUMPHREY. Mr. President, in the New York Times of April 24 appear three headlines on the economy worthy of special note. One reads, "Food Costs Lift Price Index to Another Record Level." Another reads, "Climb Is Resumed in Jobless Claims." And the third reads, "Eisenhower Calls Recession Minor; Appeals for Calm."

These headlines speak for themselves. Here we are in the midst of the longest and most severe recession in 25 years with prices mounting to new alltime highs and the roles of the jobless still increasing, and the President of the United States tells us that this is nothing more than a minor emergency.

I wonder how minor this recession is to the more than 5 million jobless throughout our country. And I wonder how minor this recession is to millions of businessmen who see their sales and profits falling off. And I wonder how minor this recession is in the eyes of the world which sees United States production having declined by more than 10 percent in the past year while the Soviet Union's production has increased 11 percent.

I ask unanimous consent, Mr. President, that the article on rising unemployment be inserted at this point in the RECORD along with the latest consumer price index showing the rise of 0.7 points in March, which is as large as any rise in any month in the past 2-year period of steadily rising prices.

There being no objection, the article and price index were ordered to be printed in the RECORD, as follows:

CLIMB IS RESUMED IN JOBLESS CLAIMS—RECORD IS SET IN MICHIGAN—NEW APPLICATIONS DROP IN SOME SECTIONS

(By Stanley Levey)

After a brief period of uneasy stability, claims for unemployment-insurance benefits rose significantly last week in many parts of the country.

The only promising indication came from a decline in new applications for jobless payments in some industrial areas. But this trend was often counterbalanced by an increase in the number of unemployed who had exhausted their eligibility for benefits.

These were the important developments:

Insurance claims in hard-hit Michigan went up nearly 20,000 to the State's highest total on record. In Detroit alone 11,879 more persons were added to the rolls, raising the city figures to 209,949.

In New York State the number of insured jobless rose 8,000 to 463,000. The total was 99 percent above the level a year ago and was the highest for any April since 1946. The record for the State is 589,500, reached in June 1949.

AUTO INDUSTRY CUTBACKS

The Michigan-Detroit story was told in terms of heavy cutbacks in the automotive industry. Car manufacturers, operating on reduced production schedules, continued the policy of shutting down various plants a week at a time. The objective is to gear production closely to sales, which have not been good, and to hold down dealer inventories, now close to 850,000 cars.

But the situation was also complicated by layoffs in steel plants, automotive suppliers, and mining operations in the upper peninsula. Following are some figures:

Total claims in the State last week were 362,228, up nearly 6 percent from the adjusted figure of 342,265 for the previous week. The latest total was 237 percent greater than a year ago. The previous high was set 2 weeks ago when claims numbered 351,024. Before that the record was 333,400, set in July 1938.

And prospects appeared dim for any substantial reduction in unemployment for the present. New claims—an index carefully watched by economists—increased in the State to 48,631. The week before they had been 37,047. In Detroit initial applications were up to 29,762 from 21,224.

In New York, Isador Lubin, State industrial commissioner, blamed 1-week layoffs in the automobile, automotive supply, and electrical machinery industries for the rise in insurance claims. Buffalo was hardest hit by the automobile cutbacks but also suffered layoffs in other durable goods industries.

244,600 CLAIMS IN CITY

In this city claims totaled 244,600. This was the highest figure since the recession began, but it was far short of the high reached in June 1949 when the claims figure was 391,700.

New claims here dropped but this improvement was offset in the rest of the State where new applications raised the overall total to 63,017.

From January 1 through last week 36,876 persons in the State had exhausted their eligibility. They are thus not included in the overall total. In that same period the State paid out $162 million in benefits, compared with $90 million for the first 3½ months of 1957.

Commissioner Lubin also released data showing that total nonfarm employment in March increased by 17,000 over February. This brought the figure to 5,987,000. It was the lowest seasonal rise in recent years, except for the recessions of 1949 and 1954, Mr. Lubin said.

Unemployment continued its slow rise in both Chicago and Illinois. There appeared to be some surface trends toward stability but this indication was discounted in advance by announced layoffs in tractor and farm machinery plants that will come later this month. They will be reflected in later reports.

INSURED JOBLESS UP

In Chicago the number of persons receiving jobless benefits was working back up toward the February high of 116,192. For the week ended April 12 it was 114,545. For the State as a whole insured unemployment was up by 877 for the week to 196,066.

But initial claims in both city and State were down. The conclusion appeared to be that fewer persons were laid off, but, at the same time, fewer persons returned to work.

Industrial Pennsylvania continued to show an increase in jobless-insurance claims. The latest figure is 347,396, up 4.7 percent from the previous week and 98.8 percent from the same week in 1957. Insured unemployment climbed again in Philadelphia.

Massachusetts was one of the few industrial States to show a drop in insurance applications. Last week's total was 125,646, compared with 127,056 a week earlier. But Boston claims rose from 14,726 to 15,194. New claims were down in the State and city. It was the first time this year for Boston and the second in a row for the State.

In Los Angeles there was a slight downturn in new claims last week. But continuing claims were up 1.4 percent to 140,293. The construction industry, helped by better weather, recalled some workers, as did employers in the electrical machinery and instrument fields.

For California as a whole, continuing claims remained almost unchanged. Last week they were 318,563. The week before they had been 318,831. The situation was similar in San Francisco, where last week's total was 51,231, compared with 51,554 the week previous. But initial claims in the metropolitan area were off 16.3 percent.

U. S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS

UNITED STATES

[New York Times April 24, 1958]

	Index for March 1958	Percentage change from—		Point change from February 1958
		February 1958	March 1957	
All items	123.3	+0.7	+3.7	+.08
Food	120.8	+1.8	+6.7	+2.1
Housing [1]	127.5	+.2	+2.1	+.2
Apparel	106.8			
Transportation	138.7	+.1	+2.7	+.2
Medical care	142.3	+.3	+4.3	+.4
Personal care	128.3	+.2	+4.4	+.3
Reading, recreation	117.0	+.3	+5.9	+.4
Other goods, services	127.2	+.2	+2.4	+.2
NEW YORK CITY				
All items	121.2	+0.7	+4.5	+0.9
Food	122.0	+2.4	+8.6	+2.9
Housing [1]	124.0	−.2	+2.4	−.3
Apparel	106.8	+.1	+.6	+.1
Transportation	138.8	−.1	+.7	−.2
Medical care	130.1	+.1	+1.5	+.1
Personal care	121.3	+.3	+5.6	+.4
Reading, recreation	118.5	−.9	+8.5	−1.1
Other goods, services	126.5	+.2	+1.3	+.3

[1] Estimates for rent, home purchases, and other homeowner costs are reflected in monthly tables.

Mr. HUMPHREY. Mr. President, in the Washington Post of April 24 there appears a very interesting article by Carroll Kilpatrick entitled "Averting

Slumps" which tells of the views on the recession held by the noted economist Sumner H. Slichter of Harvard.

It is the opinion of Professor Slichter that tight-money policies should have been relaxed much sooner than they were but, because of the preoccupation with inflation credit, was not eased until the recession was already well underway. Professor Slichter also feels that the proper time to have cut taxes was early this year when such a move may well have checked the recession at its most rapid downward stage.

I ask unanimous consent, Mr. President, that this article be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AVERTING SLUMPS—IMPROVED INSIGHTS NEEDED, SLICHTER SAYS

(By Carroll Kilpatrick)

Since shortly after the end of World War II, when the economy successfully made the difficult transition from war to peace, many economists have been saying that Government can prevent serious depressions in this country.

That view was basic to the Employment Act of 1946, which established the Council of Economic Advisers and directed the Government to pursue policies that would encourage maximum employment, production and purchasing power.

Very few economists, however, have ever believed that Government can prevent mild recessions like the ones of 1949–50 or 1953–54. It is even questionable whether it is yet possible to foresee them.

Prof. Sumner H. Slichter, of Harvard, is one of the country's leading economists. But he told the Senate Finance Committee last week that he didn't see this recession coming.

It is apparent now that the Council of Economic Advisers did not expect it to develop to the degree it has and that Government policies were not directed as quickly as they might have been to check it.

It also is clear that the Federal Reserve Board continued to fight inflation for some months last year after the real problem was a developing recession.

"We must have better insights before we can avert this sort of thing completely," Slichter said.

"Today we know much more than we knew a year ago, but even today we probably do not know enough to avert the sort of recession that hit us last year.

"Possibly 10 years hence we shall have improved our arrangements for checking recessions sufficiently so that we shall then be able to handle the problem which we failed to see last year and which is still beyond our powers to handle."

Federal Reserve Board Chairman William McChesney Martin, Jr., made a similar point this week when he told the Finance Committee that "perfection in monetary management and economic stabilization, however diligently sought, is unattainable." But, like Slichter, Martin said "further progress will be made."

Slichter explained to the committe some of the difficulties. Perhaps the most significant is that this is a big country with complex and conflicting forces at work, some of an expansive and some of a contracting nature. Many of these forces are beyond the control of Government and some even beyond the influence of Government.

For example, Slichter said there were three principal influences for expansion at work in 1954 that lifted the country out of the recession: Business began accumulating inventories; consumers cut their savings and began to spend at a higher rate; and housing construction spurted.

Within a year, however, the first two of these forces ceased to be stimulants, and recession might have developed again but for the fact that three new forces for expansion took over.

They were the growing expenditures by governments, booming business expenditures for plants and equipment, and a new expansion of exports.

"These three influences sustained further expansion until early in 1957," Slichter said.

After that the combination of downward pressures was stronger than the combination of upward pressures, and the forces of recession gathered strength. Three influences were particularly strong: The tight credit policy that lasted well after the recession began; the cut in defense expenditures, and the failure of the automobile market.

"The recession must be regarded not as an inevitable result of the internal operation of our economy," Slichter said, "but as the result of a mixture of bad luck and of our failure to see the problem and do something about it."

Looking back, he said, it is clear that one major cause of the recession was the decision businessmen began taking late in 1956—at the height of the boom—to reduce their appropriations for plants and equipment.

That would have been the proper time, Slichter said, if full information had been available to begin relaxing tight money policies to encourage business not to cut its rate of investment too rapidly. But everyone then was preoccupied with inflation and not recession, and it was not until November, 1957, that the Federal Reserve made its first tentative move toward credit relaxation.

Also looking back, Slichter said, it is clear that the proper time to have cut taxes was in early 1958. Such action at that time would have had a strong political as well as economic effect. It might have checked the downturn at its most rapid downward stage. It also might have set the stage for a recovery in time to save the Republicans from defeat in November. If they lose in November, they no doubt will agree with Slichter that the time to have acted was early rather than late.

The PRESIDING OFFICER. Is there further morning business?

PAYMENTS AND GIFTS TO ATTORNEYS BY LABOR UNIONS

Mr. MUNDT. Mr. President, the other day, in colloquy with the junior Senator from Pennsylvania [Mr. CLARK], in connection with an insertion which was made in the RECORD, I raised the point—to which he readily agreed—that his remarks should not be interpreted as meaning that all the members of the Senate select committee to investigate improper activities in the labor or management field were entirely pleased with the replies which the Attorney General of Pennsylvania, Mr. McBride, made in response to questions which were asked of him when he was a witness before our committee.

Since then, several Members of the Senate have asked me whether I could be a little more specific in connection with the reservation of such Members.

Speaking for myself primarily—although I am sure other members of our committee share these reservations—one related primarily to a question which we are now asking the Philadelphia Bar Association to explore, and which involves, I suppose, not only Mr. McBride, but also Mr. Carroll, presently the attorney for the teamsters union, Mr. Carroll having assumed that responsibility as a member of the firm to which Mr. McBride belonged, after Mr. McBride's resignation.

We seriously doubt that attorneys, whether Mr. McBride, Mr. Carroll, or any other attorney employed by a labor union, can appropriately and ethically take funds from a union, to be used to defend officers of the union against members of such union. It seems that that is bringing into the union affairs an element of taxation without representation, the most notorious case of which is now that of the former law partner of Mr. McBride, the present attorney who represents here Mr. Cohen and his labor union.

The second point dealt with the attorney general continuing to receive a retainer fee from the union after his election as attorney general and after he had assumed that office.

Another was the Christmas bonus which he received from the union some time after he assumed the office of attorney general—a bonus of $500, I believe, by check of the union.

In that connection I ask unanimous consent to have printed at this point in the RECORD an article entitled "Well-Tailored Labor Chief," written by Fred Othman, and published in the Washington Daily News.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WELL-TAILORED LABOR CHIEF

(By Fred Othman)

There is no doubt that a labor chief like Ray Cohen of Teamsters Local 107 in Philadelphia must be well-dressed.

If he's to ride around in his yachts (plural), drive Cadillacs, and rent Florida homes for the winter season, he obviously needs the glad rags to match. The question is, Who should pay for 'em? Good old Ray? Or his 14,000 dues-paying truckdrivers?

Mr. Cohen strode into the senatorial sanctum clad in an impeccably-tailored suit of blue Italian silk; he may have bought it with his own money. The sleuths of the Labor Rackets Investigating Committee interviewed his haberdasher and they came up with word of a truly magnificent wardrobe they said the union bought for its boss, but nowhere did they list any suits of silk.

Mr. Cohen's taste seemed to have run to conservative browns and grays. The loyal members bought him six gray suits, ranging in price from $115 to $135. They paid the tab for his four brown suits, his blue suit, his black overcoat, his brown topcoat, his gray sport coat, his tan sport coat, and his bathrobe. The Senators had the canceled checks.

Glumly Mr. Cohen insisted that he might tend to incriminate himself if he told the truth about who bought this deluxe tailoring. He wouldn't even talk about his neckties, all but one of which verged on the superb.

For his appearance before Senator JOHN MCCLELLAN, Democrat, of Arkansas, and company he wore a cravat of dove gray satin, which looked like it might have been one of those $10 jobs.

The Senatorial investigators said the members bought him 5 of these $10 neckties, 11 less splendid ones for $7.50 each, and 1 cheap cravat for $5.

Committee Counsel Robert Kennedy took a good look at the blue silk socks Mr. Cohen was wearing and asked him if he had charged to the members 12 pairs of socks at $1.20, plus two pairs of shoes at $24.95 each, one pair at $19.95, and three pairs of shoetrees to keep the toes from turning up.

The chunky Mr. Cohen, looking especially healthy in a fresh haircut and a deep suntan, said he couldn't discuss who bought his socks. He said if he talked about his socks, he might tend to incriminate himself.

In the winter time Mr. Cohen wears shirts with long sleeves; the evidence showed that these cost the union $12.50 each. In summer he favors short-sleeved dress shirts and the union only had to pay $8.95 each for them.

On the senatorial list was one item that Mr. Cohen would discuss. It seemed that Thomas D. McBride, the Pennsylvania State attorney general who once was a lawyer for Mr. Cohen, caught a marlin, which is a large fish that swims in Florida waters.

Mr. Cohen bought the counselor a plaque so that Mr. McBride could hang his fish on the parlor wall. This plaque cost $11.62 and Mr. Cohen charged it to the union.

He said that as secretary-treasurer he was empowered to buy incidentals like plaques, without asking anybody.

Senator MCCLELLAN wondered if he also considered his socks incidentals.

Mr. Cohen said he couldn't discuss that; he might tend to incriminate himself.

Mr. MUNDT. Mr. President, in connection with the article by Mr. Othman, I wish to call attention to another facet of this matter, which was not known to the members of the committee, or certainly not to this committee member, at the time when he was interrogating Mr. McBride.

The article states, in part:

On the senatorial list was one item that Mr. Cohen would discuss. It seemed that Thomas D. McBride, the Pennsylvania State attorney general who once was a lawyer for Mr. Cohen, caught a marlin, which is a large fish that swims in Florida waters.

I think most of us who have fished in Florida waters recognize that the marlin is a large fish which swims in Florida waters much more energetically than it bites our lures in Florida waters.

Mr. CLARK. Mr. President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I shall be glad to yield in a moment.

Mr. CLARK. At some point in the Senator's remarks, I should like to have an opportunity to be heard.

Mr. MUNDT. Certainly.

Mr. President, the article further states:

Mr. Cohen bought the counselor a plaque so that Mr. McBride could hang his fish on the parlor wall. This plaque cost $11.62 and Mr. Cohen charged it to the union.

He said that as secretary-treasurer he was empowered to buy incidentals like plaques, without asking anybody.

Mr. President, I have had the entire article printed in the RECORD; but I wished to call particular attention to that aspect of the matter.

Mr. CLARK. Mr. President, at this point will the Senator from South Dakota yield to me?

Mr. MUNDT. I am happy to yield to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, I ask unanimous consent that I may be permitted to speak for 3 minutes, in reply.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? Without objection, it is so ordered; and the Senator from Pennsylvania may proceed for 3 minutes.

Mr. CLARK. Mr. President, unfortunately I was engaged off the floor when my good friend, the Senator from South Dakota, made his comments; and therefore I am not even now aware of exactly what he said.

I shall confine my remarks to a brief statement. The attorney general of Pennsylvania, Thomas D. McBride, is one of the outstanding lawyers of our Commonwealth. He is a man of complete integrity. He has been the chancellor of the Philadelphia Bar Association. He has served as a liberal attorney general of Pennsylvania, in the best interests of our Commonwealth.

I speak with somewhat greater emotion than I would otherwise because Mr. McBride is a lifelong friend of mine. We attended law school together, at the University of Pennsylvania. Together, we have fought many a battle for liberal causes throughout the Commonwealth of Pennsylvania.

I reviewed with great care the record before the McClellan Committee before which Mr. McBride's name was dragged, I think quite unfairly, by members of the staff who, I am convinced, acted sincerely, but without having the slightest idea of what Mr. McBride's side of the case was, before his name appeared in public prints.

Mr. McBride immediately came to Washington and requested an opportunity to be heard—which the chairman of the committee was happy to give him.

Without solicitation from him, I requested of the chairman the opportunity to present Mr. McBride to the committee; and I did so with great pride, because Mr. McBride is a fine Christian gentleman who has served his community well.

Although I do not wish to violate the rules of the Senate, I wish to say that, personally, I resent the efforts, without cause or justification to smear him, on the floor of the greatest deliberative body in the world.

Mr. KENNEDY. Mr. President, I ask unanimous consent that I may be recognized for 2 minutes, to comment on the statement of the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Massachusetts has the floor, under the rule applicable to the morning hour, for 3 minutes.

Mr. KENNEDY. In the first place, Mr. President, I should like to clear the staff of the committee of any charge of unfairness.

Mr. Carroll, who was a law partner of Mr. McBride, said that in the controversy between the two elements in the teamsters local in Philadelphia, Mr. McBride was acting in a private capacity for Mr. Cohen, who was one of the litigants.

Mr. McBride later sent to the union a bill of $7,500, which was paid. In connection with his receipt of the $7,500 payment, Mr. Carroll left with the committee the impression that Mr. McBride was acting in a representative capacity, not for the union, but for Mr. Cohen, and therefore he was not justified in sending a bill to the union. Of course, for that reason the matter was brought before the committee, which was investigating Mr. Cohen's domination of local 107.

I am sure the Senator from Pennsylvania does not wish to imply that the staff of the committee was acting unfairly to Mr. McBride, although the inferences which might have been drawn as a result of Mr. Carroll's statement might have given that impression.

Mr. CLARK. Mr. President, will the Senator from Massachusetts yield briefly to me?

Mr. KENNEDY. Yes.

Mr. CLARK. I think the record should show clearly that Mr. McBride is not now, and has not been for several years, a partner of Mr. Carroll.

Mr. KENNEDY. That is correct.

Mr. CLARK. I think the Senator inadvertently said he was a partner. That was in the past.

Mr. KENNEDY. That is correct.

Then Mr. McBride came before the committee and provided the committee evidence that Mr. Grace, who was then president of the union, came to see Mr. McBride with Mr. Cohen and employed him. That seemed to me to exonerate Mr. McBride of any wrongdoing in any way since, by being employed by the president of the union he had a right to send the bill to the union regardless of whether he had been employed by Mr. Cohen. Mr. McBride's defense rested on the authority of Mr. Grace, and therefore he was justified. I considered that he did nothing improper.

The second point of discussion is that after Mr. McBride became attorney general and assumed office on December 17, he received $500 as a Christmas gift from local 107, which is a racket-ridden union, and he received $1,500 in January-February at the same time he was serving as attorney general.

Mr. McBride's defense was that the $500 Christmas gift was given to him as a result of services he had previously rendered to the union, prior to taking his oath of office as attorney general; that when the checks came in January and February for previous work, that he then appealed to the bar association of Philadelphia in order to find out whether it would be proper for him to accept future payment.

The law in Pennsylvania permits the State's attorney general to have private clients so long as there is no conflict of interest. The Bar Association of Philadelphia or it may have been of Pennsylvania, informed Mr. McBride it did not think it wise for him to continue to represent local 107. For that reason, he returned the March payment of $1,250 from his own funds.

It seems to me he acted with sensitivity in this matter.

It is unfortunate that Mr. McBride's name was brought into the matter, but it was brought in only because the union which he had represented had become corrupt and dominated by gangsters and had become a subject of investigation.

I think Mr. McBride acted properly in bringing the matter to the attention of the State bar. I think he acted with

sensitivity in returning the money. I have no criticism of Mr. McBride. I think he acted in a perfectly proper way.

I would join the Senator from Pennsylvania in clearing him of any wrongdoing in any way. At least in my own opinion, quite the reverse is true.

Mr. CLARK. I thank the Senator from Massachusetts for his candid, frank, and forthright statement. I should like to make two further points for the record, which will take only about a minute.

In the first place, Mr. McBride was hired by the union, and the union was the plaintiff in the lawsuit which he instituted. In the second place Mr. McBride was the first attorney general for the Commonwealth of Pennsylvania in the past 50 years, and probably before that, who has undertaken voluntarily to give up his entire private practice in order to serve his whole time as attorney general for the Commonwealth of Pennsylvania. He is not a rich man. He did so at great personal sacrifice. Instead of being smeared, he should be held up to young men who aspire to be lawyers as an example of what a member of the bar should be.

Mr. MUNDT. Mr. President, I desire to take a moment to make the RECORD perfectly clear that by inserting Mr. Othman's article in the RECORD I did not believe, and I do not now believe, I was smearing the attorney general of Pennsylvania. Personally, I had never even heard the name of the attorney general of Pennsylvania until I walked into the committee room and found our committee staff was interrogating him. I said to my colleague on the committee, the Senator from Nebraska [Mr. CURTIS], "Who is this witness?" He said, "The attorney general of the State of Pennsylvania."

I agree with my distinguished friend from Massachusetts. I do not think we should condemn the staff for unfairness in its work in this connection. I think our staff would have been derelict had it detoured around the attorney general simply because it found his name was involved. Wherever the evidence leads, let it lead. Whatever the evidence proves, let it prove. I suggest that the public or anyone else interested read the entire evidence before the select committee involving the attorney general, and each can make up his own mind. I simply said, as for me, I had some reservations because we did not have material before us which, in my opinion, clearly justified the connection between Cohen, and his nefarious record, and the fact that Mr. McBride was his attorney.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. CURTIS. I think it should be pointed out there is no intent to smear the attorney general, Mr. McBride, and certainly no one on the staff should be censured for the conclusion that the facts were such that Mr. McBride should appear. The leadership of local 107 in Philadelphia was guilty of many, many offenses——

Mr. MUNDT. As was evidenced by the fact that they all took the fifth amendment.

Mr. CURTIS. Yes.

Mr. MUNDT. I was astonished that all Mr. McBride's former clients in this union took the fifth amendment. I did not like it then, and I do not like it now.

Mr. CLARK. Mr. President, will the Senator from Nebraska yield at some convenient point?

Mr. MUNDT. I have the floor.

Mr. CURTIS. Local 107 was composed of corrupt persons, a number of whom took the fifth amendment. This was the same segment of the union which had employed Mr. McBride over a period of time. It was unavoidable that the facts came out and his name was mentioned.

As the distinguished Senator from South Dakota stated, there was no effort to drag in an official of a sovereign State. It was one of those cases where the facts had to be disclosed so they could speak for themselves.

The PRESIDING OFFICER. Will the Senator suspend? There is conversation in the Chamber, and it is impossible to hear the Senator addressing the Chair. Will those in the rear of the Chamber kindly desist from conversation or retire to the cloakrooms? The Senate will be in order.

The Senator from South Dakota [Mr. MUNDT] has the floor.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Pennsylvania?

Mr. MUNDT. I shall yield in a moment.

I wish to say I completely agree with what the distinguished Senator from Nebraska has said. It is not an answer, wherever the facts lead, to try to cry "smear" because the facts came out. I think the Senator from Pennsylvania was not present in the Chamber when I said a moment ago that when I walked into the committee room I did not know who was sitting there as a witness. I asked who the witness was, and I was told he was the attorney general of Pennsylvania.

We have a chance to set the record straight. I am glad the attorney general came before the committee to testify. Even though his explanations were, in my opinion, not altogether satisfactory and exonorating. I have only suggested that all Members of the Senate read the full hearings when printed, and I hope the people of the country can have an opportunity to read them.

I believe there is posed a very real problem of legal ethics, from the standpoint of whether the dues of a union member should be used to support an attorney who takes a position which we believe is detrimental to the interests of the union member. That is the question at issue.

Mr. McBride happened to be the union attorney at that time. Mr. Carroll is the attorney now. The issue remains the same now as it was then. I think it is something to which the American Bar Association and the Philadelphia Bar Association should devote their attention, so that some guidance may be given to the attorneys of the country and some aid to union members who are helpless to get lawyers on their own account, but who pay dues to dishonest labor leaders to employ attorneys to protect the labor leaders, against the best interests of their own union members.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. CLARK. Mr. President, may I be recognized in my own right?

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. CLARK. Mr. President, I should like to make a few brief comments.

First, I intended no attack on the staff. I have no doubt the staff was doing only what it was directed to do. I think it is unfortunate, as a part of the procedures not only before this committee but before many others, that publicity is given to certain situations, which results in attacks on the integrity of various individuals before they have an opportunity to advise the staff or indeed the committee itself of their own defense to the charge made.

In the second place, I hold no brief for Teamsters Local Union, No. 107. It is racket-dominated. The criminal laws, in my judgment, should be invoked against it.

I think the committee rendered a very real service in bringing out the extent of gangsterism involved in that case.

In the third place, I had hoped guilt by association had left this floor a year or two ago. Apparently it has not.

The PRESIDING OFFICER. Is there further morning business?

EMPLOYEE WELFARE AND PENSION BENEFIT PLANS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the pending business, S. 2888, be laid before the Senate, and that, notwithstanding the expiration of the morning hour at 1 o'clock, its further consideration be proceeded with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate resumed the consideration of the bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans.

Mr. JOHNSON of Texas. Mr. President, under the order entered by the Senate last night the Senator from Nebraska [Mr. CURTIS] is to be recognized to complete his statement. I hope we may reach a vote on the pending amendment early in the afternoon. I should be glad to suggest the absence of a quorum for the Senator, if he would like to have that done. I would not do so with any desire for delay. I know none of the Senators who are spending the day here want a delay. I hope Senators will be cooperative and try to pass on as many of the amendments as possible.

Mr. President, I suggest the absence of a quorum before the Senator from Nebraska is recognized.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that the Senator from Nebraska [Mr. CURTIS] be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

Before the Senator from Nebraska proceeds, let the Chair state that the question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND] designated as "K".

Mr. JOHNSON of Texas. Mr. President, will the Senator from Nebraska yield to me?

Mr. CURTIS. I yield.

Mr. JOHNSON of Texas. In order that Senators may have some idea about our plans for today, I wish to make a brief statement.

After consulting with the minority leader, I am hopeful that at the conclusion of the statement of the Senator from Nebraska, the minority leader can explain his amendment, the chairman of the subcommittee can make such response as he desires, and we can have a yea and nay vote on the pending Knowland amendment.

I understand that the Senator from New Jersey [Mr. SMITH] has some amendments which he desires to offer following action on the Knowland amendment. We expect to have yea and nay votes on those amendments.

I should like to have Members of the Senate on notice as to our plans. I hope Senators will be as cooperative as possible, in order that we may make some progress today toward completing consideration of the bill.

Mr. GOLDWATER. Mr. President, will the Senator from Nebraska yield to me?

Mr. CURTIS. I yield.

Mr. GOLDWATER. In order that my colleagues may have a better idea of what timing to expect today, I will tell the majority leader that I have three amendments on which I intend to speak at length. I also intend to speak on another subject, which is related to the pending bill. I think it is only fair to inform my colleagues of my plans, so they will know, with completeness, what to expect.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Nebraska yield?

Mr. CURTIS. I yield.

Mr. JOHNSON of Texas. Since last Thursday I have observed that certain Senators are not eager to proceed as rapidly as possible with consideration of the pending bill. There is nothing anyone can do about that. If the Senator from Arizona desires to discuss another subject, he can discuss it, and keep us here all day. On one or two previous occasions the Senate has been kept in session during the evening.

That is beyond the control of the Senator from Texas. There is nothing he can do about it. All he can do is to inform the Membership on both sides of the aisle of such agreement as he is able to reach with the minority leader. While it is my purpose, hope, and desire to complete action upon the pending bill and proceed on Monday to the consideration of the military-pay bill, which is very important to the country, in the light of the announcement of the Senator from Arizona, I rather doubt that such procedure will be possible.

I have heard that certain Senators would like to have consideration of the bill continued over the week end, in order that they may hear from the country.

I am a realist. I know that it does not require many Senators to insure delay over the week end in the consideration of the bill. All I wish Senators to know is what the majority leader and the minority leader have agreed to. We had hoped that the Senate might be able to reach a vote on the Knowland amendment and a vote on the Smith amendments, perhaps, this afternoon. I should like to have votes on other amendments. If any Senator desires to prolong the discussion, of course, we cannot have such votes.

I am prepared, if Senators tell me that they will not allow votes, to move that the Senate take a recess, because I realize that we cannot force Senators to vote when they are not ready to vote.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. KNOWLAND. Let me say to the Senate and to the distinguished majority leader that we have discussed the question of making progress in the consideration of the bill. I told him that I was prepared to move ahead with respect to the pending amendment as soon as the distinguished Senator from Nebraska had concluded his remarks; and that, in my judgment, without prolonged debate, we could reach a vote on the pending Knowland amendment, and proceed with the consideration of other amendments.

There were four votes yesterday. I believe that the Senate made substantial progress yesterday.

It is my judgment that we shall also have the opportunity during the day to vote on the first two Smith amendments, and perhaps one further amendment.

I did express to the majority leader my judgment, after some consultation, that I doubted whether it would be possible to complete consideration of the bill today. It is my belief that it would be possible to complete consideration of the bill on Monday.

That is the situation. I shall certainly try to facilitate the voting on at least three or four amendments during the day.

Mr. JOHNSON of Texas. Mr. President, I appreciate the Senator's assurance and cooperation. In the words of the distinuished minority leader when he was majority leader, "We will go along and see what progress we can make."

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. MUNDT. Speaking as a Senator who has five or six amendments on the desk which have not yet been offered, I should like to add one personal observation to the discussion with respect to the schedule.

First of all, I completely associate myself with the combined views, as I understand them, of the majority leader and the minority leader, to the effect that there should be some votes today. Inasmuch as the minority leader has an amendment pending on which he desires a vote today, I certainly believe that we should have it speedily, as it has been thoroughly discussed.

The Senator from New Jersey has several amendments on which he is ready to have a vote. I am perfectly willing to have one or two of my amendments voted upon today.

I have been a Member of the Senate for a number of years, and have never yet engaged in a filibuster. I have never said that I would not do so. I might be needled into doing so at some time, but I have no intention of doing so upon this occasion, because I know the majority leader well enough to realize that he will not try to ramrod through a vote today on a bill which should receive some further consideration.

I should like to associate myself with one other comment the majority leader made. I believe there is some merit to his suggestion of letting the country respond over the weekend to the proposed legislation. I am not sure whether it was an original idea with the majority leader; but, whether it was or not, I believe the suggestion has merit, and I should like to emphasize it and I should like to share it.

I share it for one reason, Mr. President. Yesterday noon I addressed a luncheon at the Shoreham Hotel. There were present about 500 people, and, as at all luncheons, some questions were asked. I might say that it was a luncheon of the national convention of a retail merchants' association. Many of those attending the luncheon told me they were very much interested in the Curtis bill. I said, "The Curtis bill? What is that?"

They said, "The Curtis bill against secondary boycotts and organization picketing."

I said, "You are here just at the right time. We will be discussing it for the next day or two."

They asked me some questions about it, and I discussed it with them as best I could. I do not know whether it is only this association which is interested in the Curtis bill. Certainly I believe that there are retail merchants in other States who did not attend the convention but who should have an opportunity to write to Senators and tell them their views on the Curtis bill. It may be that there are opponents of the Curtis bill, certainly in labor circles. Nevertheless, all of them should have a chance to express themselves. Those opposed should have the opportunity to say, "We do not want the Curtis bill."

Therefore I should like to recommend to the majority leader that at least on the Curtis amendment, in which there seems to be national interest, we give the merchants of America, employees, and all other persons who are interested in it, an opportunity to convey to the

Senate their views on the Curtis amendment, and on the pending bill which is a measure of such great importance. Therefore I believe there is some merit to the suggestion of the able majority leader, that we ought at least to give the people of the country an opportunity to counsel with the Senate, pro and con, on the legislation.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Nebraska yield so I may comment on the statement of the Senator from South Dakota?

Mr. CURTIS. I yield.

Mr. JOHNSON of Texas. I appreciate the counsel of the Senator from South Dakota. I have great respect for his opinions. I also have great respect for the people of the country, and I have no fear of their expressing their opinion, just as the retail merchants have expressed their own opinion to me. I doubt seriously that any organization can whip up enough pressure to change any Senator's viewpoint. Recently I talked with the representative of some retail organization in my State, who expressed an interest in the Curtis amendment. I told him of the plan for orderly procedure which a majority of the Senate wished to follow.

It was only a few days ago that the distinguished minority leader was talking about postponing a vote on the community facilities bill in the Senate, insisting that it should go over until at least after the Easter recess, because Senators had not had a chance to study and digest the report on the bill, although the report was then on the desks of the Members of the Senate.

I concur in what the minority leader said about the importance of the report of a standing committee being made available to all Members of the Senate. I concurred in it even before he said it. For that reason I had the report ready before we undertook to vote upon the bill.

That is all we are asking in this instance.

I favor legislation in this field. I said I favored it as early in the session as February in a speech I made in this city. At that time I included it as a part of the program I thought Congress should enact at this session.

I have had numerous conversations with the chairmen of the committees, and I have been assured, both by the minority and the majority Members, that they would take action on some proposed legislation.

I would remind the Senator and I would remind the country that there should be no partisanship in this field. It would be contrary to fact to blame the majority party for an alleged failure to act to expose the evils which exist in a few unions in the labor movement. The majority leader, with the cooperation of the minority leader brought before this body the resolution of the Senator from Arkansas [Mr. McCLELLAN] and the Senator from New York [Mr. IVES]. The resolution provided for an equally balanced committee to make these studies. The Senate adopted that resolution. We provided it with all the funds it asked for. For 14 months we have had the diligent work of the chairman of that committee, the Senator from Arkansas [Mr. McCLELLAN], aided by its vice chairman, the Senator from New York [Mr. IVES], and each of the eight members of that committee, exposing what needed to be exposed.

Only 10 days ago the committee filed its report. The hearings on that report will begin a week from next Monday. If all the folks who feel that legislation must be enacted this week will go to the subcommittee room, in the old Supreme Court Chamber, when the hearing opens, and make their recommendations, I know they will be cordially received and carefully considered. I have every confidence in the honesty and integrity and sincerity and decency of the members of that subcommittee.

I believe the committee will report a bill to the Senate; that it will be considered by the Senate, and that we will have before us a report as demanded by the minority leader in the case of the community facilities bill. We will have followed orderly procedure, and the American people can then look at our record and judge us in respect thereto.

I do not think we want to take the work the Senator from Arkansas, the Senator from New York, and other Senators have done for 14 months, and then have offered a bunch of amendments, which in many technical respects are imperfect, I am told, and to have them offered from the floor and adopted. At least I hope we will not do that.

I hope just as strongly that the Senator from South Dakota and the Senator from Nebraska and the Senator from California, and any other Senators who have long been interested in this field and in effecting reforms will make their recommendations to the committee. I am sure the committee will act expeditiously and will report to the Senate a fair and equitable proposal, upon which we can then act.

Mr. MUNDT. Mr. President, will the Senator from Nebraska yield so that I may address a question to the majority leader?

Mr. CURTIS. I yield.

Mr. MUNDT. I should like to say first of all, as a prelude to my question, that the Senator from South Dakota, after sitting in the hearings on an average of 30 hours a week, week after week, for the duration of the committee, on January 16 submitted five bills to the committee. They have had them until now, attached, I hope, to the letter I wrote, asking that they be considered by the committee. I received the courtesy of a reply, but no meeting date was fixed. I was told that the bills would have to be delayed for some time. I am still hoping.

The question I have to ask of the majority leader is this: Does the majority leader believe sufficiently in the integrity of his prediction, which has been endorsed unanimously by the members of his party in the Senate, save one, that the Senate will be able to pass this kind of legislation in time to enable the House to get it through its Rules Committee and to act on it, so that the proposed legislation may be completed at this session of Congress?

Mr. JOHNSON of Texas. The answer to that question is yes. I think the quickest way to get the legislation passed is to quit discussing what the House will do and go on and pass a bill in the Senate. The Senator from Texas is ready to have the roll called on the bill before us today. We will act on it and pass the first part of the President's program and start hearings just as soon as we can get the witnesses before the committee a week from next Monday.

Mr. MUNDT. What would the Senator think of the suggestion of putting the package together, that is, not merely passing one portion which the labor unions want and rejecting everything else. If his time schedule is going to work out as happily and as gratuitously as he hopes and predicts, it would seem to me we might expedite matters if we could do it as a package.

Mr. JOHNSON of Texas. The Senator from Texas has expressed himself on that point several times. He is not seeking the passage of a bill because the labor unions want it. I did not know it was a bill that only the labor unions wanted. I understood from my friend the distinguished minority leader that perhaps one of the mistakes which was made when the Taft-Hartley Act was enacted was that the working people of the country were required to take the anti-Communist oath, but that employers were not required to take the same oath. Since then certain persons have pointed to the inequity which existed in that instance.

I thought that when the bill was reported it was a bill which had been endorsed by the chairman of the committee, the chairman of the subcommittee, and at least some of the minority members of the committee, and that the bill was in the interest of all parties.

I doubted the advisability of eliminating the employer group from it and letting it apply only to the employees. I heard that fully and thoroughly debated, but I thought the Senate acted wisely in refusing to apply one rule to the goose and another to the gander.

I think the Senate has acted wisely in not legislating on the 35 amendments and not adopting them as a part of the bill.

If the committee can be trusted—and I believe it can—and if the committee system is a good system, to begin with—and I think it is—I think that we should act on the bill immediately. If we must wait until Monday, there is nothing I can do about it. We have been debating the bill since Wednesday. I do not think it will be possible to cause any Senators to turn a flip-flop because they receive a few telegrams. I think the average citizen is willing to leave this matter to the judgment of his Senator.

When I told a representative from my State that I would be glad to see the Curtis proposal receive the consideration of the subcommittee, he seemed to think that that was rather orderly procedure. As a matter of fact, the contractors of my State are sending me telegrams now saying, in effect, "Please do not tak-

action on the secondary-boycott amendment." They are calling long distance.

Mr. Duddlesten, executive secretary of the Associated General Contractors of Houston, Tex., called to say that he understood Senator Smith of New Jersey had submitted an amendment relating to the welfare fund bill which would relax the restrictions on secondary boycotts. He said he understood the committee had not held any hearings on that subject this year, and he certainly hoped the amendment would not be adopted now.

I think that is illustrative of what happens when we get into the complex field of labor relations and attempt to write a bill on the floor without having had hearings.

I ask Senators: Please wait 1 week. That is not long to wait. Let us act on the first part of this bill. Then let us start next week to write another bill.

I assure Senators with all the sincerity at my command that I have no intention of delaying the matter. I have supported the Senator from Arkansas. I have supported the Senator from New York. I think they are entitled to have their recommendations heard by the committee. I think the committee is entitled to consider all the proposals.

I was informed some time ago that the Senator from South Dakota introduced four or five bills himself concerning the investigation, before the chairman introduced his bill. I think the proposals of the Senator from South Dakota should be carefully considered. But the Senator from Arkansas [Mr. MCCLELLAN] introduced his bill only a week or 10 days ago.

After we have created a select committee, on which almost a million dollars have been spent, and after the chairman has made a report containing specific recommendations—a forthright report—which has gone all over the land, and after he has introduced a bill to carry out the recommendations, I think it would be most inconsiderate for us to say that we will not let the committee consider the matter because we have prepared a bunch of amendments of our own which we want the Senate to take up and work on and because we want to force the Senate to adopt them on the Senate floor, now or never.

The Senator from California said a bill of the importance of the community facilities bill should not be considered until Senators had a chance to study the committee report and digest it. That was the burden of his argument. That was the moment when the maximum of cohesion prevailed on the Republican side.

I listened, somewhat disappointed, to the report over the radio in Texas. But the cohesion which the Senator complained of on our side yesterday was very much in evidence, because there had not been enough time to study the report.

The Senator prevailed to the extent of two or three votes. Finally the rather unique, unusual procedure was followed of saying to the majority, which is responsible for the scheduling of the consideration of proposed legislation, that the minority would take over that function. I remind the Senator from California, as he reminded me yesterday, that I never attempted to schedule proposed legislation when he was the majority leader. But the Senator from California did, and he did it effectively. He asked that the community facilities bill be moved back to April 14, so that there could be a reasonable time to study the report.

I am not asking the Senate to move this proposal back 2 weeks; I am asking to have it moved up to a week from Monday. Then we can come forward with a report on the Senator's bill. There can be a report on the bill introduced by the Senator from New York [Mr. IVES] and reports on the bills of the Senator from Nebraska [Mr. CURTIS] and the Senator from California [Mr. KNOWLAND].

In this field there is enough credit for all. But let us not shoot from the hip in order to get a few headlines today. It is known that the McClellan committee has made its recommendations. We know, from what the Senator from Arkansas has said, that the Committee on Labor and Public Welfare will act on them, or else he will make a motion to discharge that committee from the consideration of the bill.

If that is not enough assurance for Senators, I do not know how they can be given any more. I served in the House with JOHN MCCLELLAN. I have served in the Senate with him. He is a fearless man, a man of his word. He is experienced in this field. The Senator from Arkansas has spent many hours—morning, afternoon, and night—in his study of these problems.

Should some people now try to grab the ball—as some of the slick magazines would say, "Seize the issue"—and say to JOHN MCCLELLAN, "Get off the field and back on the sidelines. I am Mr. Labor. I am the expert in this field. I want these amendments rammed through now without hearings, with no right of petition and no right for witnesses to be heard; we will even criticize anyone who expresses his views on them. We are going to debate them on the floor now. Monday? No. We cannot wait until then. It is now or never."

I assure Senators that I want to be bipartisan in this matter. I will not commit myself in advance to support of the McClellan bill. I have not seen it. But I have full confidence in the integrity and judiciousness of the Senator from Arkansas.

I will say again to the Senate what I said before I brought up the pending bill: We will have legislation in this field, if I have any voice in this body. I will do what I can, so far as one Senator is concerned, to make certain that the committee reports such a bill, that the policy committee clears it immediately—I can speak for only one member of the policy committee—and to see, if the Senate votes on it afterward, that every Senator has had an opportunity to be heard. The fact that the name of the Senator from Nebraska or the name of the Senator from South Dakota is on the bill will not deter me for a moment.

I voted for the Case bill; I voted for the Taft-Hartley bill. I voted to override the veto by my own President.

I do not know whether it is early or late in the session. I have learned that a majority which is determined enough can always work its will. I am anxious to have legislation enacted; but I am also equally anxious to make certain that every person affected gets his fair shake of the dice.

I do not want to have a bill reported and then have it rammed through the Senate with 15, 20, 30, or 36 previously unconsidered amendments added to it, when people are saying to me what the group of contractors said; when people say what the railroad brotherhoods have said. They want to have a chance to be heard on the subject. They are saying, in effect, "You are making the bill applicable to us, but we have not had a chance to be heard, and you will not wait until a week from Monday."

I will not be a party to such procedure. I remember that some of my colleagues once before forced action. They demanded immediate action. They were very vociferous, very effective, and very eloquent Senators. They attempted to persuade me to let the Senate act immediately.

I said, "I think we ought to have a committee study this matter. Let everyone who wishes to be heard be heard. It can stand the searchlight. Then let the committee report."

I went to the Senator from California; and he and I formulated a resolution which provided for a committee to take jurisdiction.

That is what we have done in this field.

Why spend all this money, and have the committee hold long sessions, and then make its recommendations, if the chairman will not even have a chance to discuss the proposals with the legislative committee which has jurisdiction over them? Why must we act "now or never"? Why must the matter come up on April 27, instead of May 5?

Of course it will take time; anything worth while takes time. But I am not one of those who say that Congress must adjourn by July 31. I am interested in going home, and I know other Senators are interested in going home—for various reasons. [Laughter.] But I am not so anxious to go home that I will move that the Senate adjourn sine die when problems which should be faced up to have not been disposed of.

If I concluded, as a result of taking a schoolboy approach, that any measure to be passed by the Senate later than April 27 would not have a chance to be passed by the other body at this session, such an attitude would not be worthy of the 20 years I have spent in the two Houses. I have seen very important legislative measures enacted during the last month of a session, and so has the Senator from South Dakota. I have seen some of the most controversial measures passed in the last week of a session.

Hearings have been held on these subjects; there is a background of hearings in regard to them.

Some ask, "When are you going to start hearings?"

The hearings have already been started, and at them the Secretary of Labor and the head of a great labor organization have been heard.

The Senator has told his colleagues that he will limit the hearings to 3 weeks, if that is at all possible. If the Senate will give its consent that the committee meet during the afternoons of the days when the Senate is in session, I am sure the committee will meet in the mornings and in the afternoons—and also in the evenings, if that is necessary.

That is reasonable and fair. We do not insist that all the Democrats are patriotic and know it all, and that all the Republicans are bad. I do not think that is correct; I know there are a substantial number of Republicans who are intelligent [laughter], and I know that all of them are always patriotic.

So the Senator should not complain because the Democrats exercise some intelligence.

Let us work together on this matter, and let us try to do things properly, and give all sides an opportunity to be heard—the employers, the employees, and the representatives of the people. Then let us write a bill, and consider it on the floor of the Senate, and let Senators who may wish to do so submit amendments.

The amendments can first be submitted to the committee; then the committee will be able to say, after it has reported the bill, "Yes; we considered them."

But a bill written entirely or substantially on the floor of the Senate would not be effective. Instead, it would be a lawyer's paradise. It would not work.

When I voted for the Hartley bill—and I remind the Senator that some persons thought it was a much stronger bill than the finally enacted Taft-Hartley bill—I was of the opinion that that bill and, later, the Taft-Hartley bill, when it finally was enacted over the President's veto, were two of the most thorough pieces of legislation ever introduced. I am sure many amendments were proposed. Many were discussed in the committee. Many were adopted; and many were voted down.

Hearings have been held on this bill. The Senator should not take the position that all proposals in the field of labor must be voted on immediately.

After the Senate had proceeded to the consideration of the bill, which contains the provisions recommended by the President, I was the most shocked Member of this body when I found that the minority leader was going to propose that the bill be rewritten, by means of 11, 12, or 15 amendments. I knew he was independent, and I commend him for it; but I did not know he was 15 or 16 times that independent [laughter], and that he was going to propose that an entire, complex labor-relations bill be written on this floor. Of course, I know it now. But in the light of my experience, I would do the same thing again, because I think that bill should have been brought up for consideration.

Furthermore, the other bills which were placed on the calendar a few days before the Senate adjourned for the Easter recess are going to be brought up at this session. We have many of them to be brought up. One of them, in my opinion—if I have anything to do with the matter—is going to be a bill in the general labor field.

I do not expect to persuade the Senator from South Dakota. I have served a long time with him, and I do not know anyone for whom I have more respect, or anyone with whom I work more cooperatively, or anyone whom I know to be more diligent or more concerned with the welfare of the country. But in this connection, I think he is like Bob Taylor's goat: he has already voted. [Laughter.]

I am not trying to persuade him; but I am trying to tell him what I have made up my mind to try to do—and not in exchange for something that I would ask him to be willing to do.

I realize the forces which confront us. Last Thursday, I realized that it would be unlikely that the Senate would be able to complete its action on the bill this week—although I had hoped it could do so.

The responsibility for delaying the bill will not be on the shoulders of the Members of the majority party, in this instance. Instead, it will be on the shoulders of those who demand a live quorum which takes 47 minutes to obtain.

When we have concluded our action on this bill, I am going to urge every member of the committee to make haste, in the traditional American manner, to give everyone who desires to be heard a hearing, and then to prepare a bill on the subject. I am going to ask the Senator from New Jersey [Mr. SMITH] and the Senator from New York [Mr. IVES] to participate and I hope the bill will be a bipartisan bill. Then if Senators do not like the bill, they can submit amendments to it. The Senator from Arkansas has stated that he will offer some proposals, and all other Senators can do likewise.

I think such a bill is likely to be passed by both Houses and be signed by the President. That process is far more likely—far more likely than any action taken in 2 days on the floor of the Senate—to result in the enactment of an effective bill. I may be wrong; but if I am, time will tell.

I do not know what the other body will do. I never speak for it. I do not even know what this body will do. [Laughter]

But if we carefully consider the matter, and act with reasonable unanimity; and if we are fair; and if we do not lay ourselves open to the charge that we would not even allow those who are interested to be heard, but that we took the attitude, "It is now or never", I believe that the progress we desire will be made.

Let me say that, so far as I am concerned, I rather doubt that all the telephone calls and all the letters which could possibly be sent to Senators between now and Monday would make any Senator reverse his position. I have too much confidence in the Senate and in Senators to believe that the application of a "blow torch" to them would cause them to change their opinions.

So long as the people of the country know that equitable and fair Members of the Senate are going to act fairly, the people will be willing to trust Senators; and I believe that is the way all Senators feel.

Mr. KNOWLAND. Mr. President, will the Senator from Nebraska yield to me?

The PRESIDING OFFICER (Mr. CORTON in the chair). Does the Senator from Nebraska yield to the Senator from California?

Mr. CURTIS. Yes, and then I shall yield to the Senator from New York [Mr. IVES].

Mr. KNOWLAND. Mr. President, in reply to the remarks of the distinguished majority leader, who has outlined his point of view, I should like to say that there is no parallel between the situation in connection with so-called community facilities bill and the situation regarding the presently proposed legislation.

In the first place, no report on the community facilities bill was available until the morning when that $1 billion bill was to be called before the Senate. To the Senator from Texas and his party, $1 billion may be small change; but it is still a great deal of money insofar as I am concerned.

Mr. JOHNSON of Texas. Mr. President, at this point will the Senator from Nebraska yield to me?

Mr. KNOWLAND. Mr. President, I should like the Senator from Nebraska to permit me to proceed, first, for just a moment further.

Mr. CURTIS. Certainly.

Mr. KNOWLAND. One billion dollars is still a great deal of money, so far as we are concerned and so far as the American people as a whole are concerned.

In this case, a bill has been reported by the committee, and is now before the Senate. It is completely in keeping with the Senate rules for Senators to offer amendments to the bill. As a matter of fact, in the Senate there is not a rule of germaneness, such as there is in the House of Representatives; and in the Senate amendments of this kind can be submitted to any bill.

But this bill has been reported by the committee to which proposed legislation dealing with this general subject has regularly been sent. The fact of the matter is that proposed legislation in this field has been before the Committee on Labor and Public Welfare during practically the entire 2 years of the 85th Congress.

The Senator from Nebraska read on the floor a letter which he had received in response to a request, of a year ago, for the holding of hearings on his bill which deals with some very important subjects.

The distinguished Senator from Utah [Mr. WATKINS] has introduced proposed legislation which deals with an important phase of the labor-management relations field, and his bill has been before that committee; but there has not been the slightest indication that a hearing date would be set, or that the Senator was to be given the courtesy of a hearing. Instead, there was a complete "brushoff."

Other Senators—including the distinguished senior Senator from New York [Mr. IVES], one of our ablest Members—have had proposed legislation before the committee, of which he is a member; but, as I understand, the committee has not—or it has not thus far, at least—held hearings on those bills or reported them.

The minority leader—who certainly does not claim that, because he holds that position, he is entitled to preferential treatment—introduced in January, and it has been pending since that time, a bill to protect the rank-and-file members of labor unions from the kinds of coercion and corruption which have been indicated in the course of the hearings held by the McClellan committee. But until these amendments were submitted, there was not the slightest indication that there would be any acceleration of pace, so as to give the Senate an opportunity to act on proposed legislation on this subject before the 85th Congress adjourns sine die.

We are in the second year of the 85th Congress. These matters are of importance, not only to the Members of the Senate, not only to the Members of the House of Representatives, but I believe to the American people as well.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. I have great respect and friendship for the distinguished majority leader. I think we have had as pleasant a relationship across the aisle as any two persons holding these positions ever had. I am glad we have been able to get, in the last couple of days, some of the assurances which have been given in regard to other bills on this subject. But the Senate of the United States has a responsibility. We are acting within our rights. In my opinion the amendments have not been ill considered. They have been very thoroughly considered. I believe the Members of the Senate are familiar with the subject matter of the amendments. I have here a report from the committee dealing with only one phase of the recommendations of the President of the United States, which also came to the Congress on the 23d of January.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. If the distinguished Senator from Texas is so certain we will have before us legislative proposals on which we can act at this session, I ask him, since some mention was made that what is sauce for the goose is sauce for the gander, is he confident we can clear legislation through both Houses of Congress, if the consideration of the proposed legislation is postponed until the 10th day of June, when there will be before the Senate the other proposed legislation, of which we have been assured? If so, we shall be able to act not merely on the first phase, but we can be sure there will be a vehicle upon which other phases of the question, equally important, both in the eyes of the President of the United States and in the eyes of a number of Members of Congress, may be disposed of. As the Senator stated, he was also deeply concerned that we should have a chance to enact such legislation at this session.

I now yield to the distinguished Senator from Texas.

Mr. JOHNSON of Texas. First of all, the Senator sets up a strawman and then knocks him down. No one has ever said that $1 billion is not a lot of money. I think most people recognize, that $1 billion is a lot of money.

Secondly, the Senator from California did not want the community facilities bill considered because a report on the contents of that bill was available only on the day the bill was called up. The point I wish to make is that there is no report available to the Senate on the contents of any of the Senator's amendments and there cannot be unless and until the committee acts.

Mr. KNOWLAND. We do have——

Mr. JOHNSON of Texas. Let me complete my reply; then I will yield to the Senator. He has been courteous in yielding to me, but he chose his time. I shall be through shortly.

There is no reason why we should delay action on the bill. If the Senator wants a vehicle, he has the vehicle of moving to discharge the committee, or of tying his proposals to another bill.

The Senator from Texas does not guarantee a bill will be approved and reported by the committee or passed by the Senate. He is not predicting it will pass the other body. He has expressed his hope, and he is going to do everything he can to have legislation on the subject considered on this floor. He is going to do everything he can to have fair and equitable legislation passed.

What the other body does is its own responsibility. The Senator from Texas is of the opinion that the other body will give more consideration to a bill, and have more respect for it, if its Members realize that it was evolved through orderly procedure, after all sides had an opportunity to be heard. That is merely an expression of opinion on the part of the Senator from Texas. The Senator from Texas cannot underwrite a bill. The Senator from California has not obtained any assurance from me about the proposed legislation.

The Senator from Texas likes to take credit for everything he can, but the Senator from Texas stated last February, to an assembled group in the city of Washington, before he moved the consideration of the bill, that he thought we had to have comprehensive legislation on this subject. All he is asking is that the appropriate committee shall be given an opportunity to accord a hearing to people who are involved, and that the committee act promptly. I think that is reasonable.

I do not criticize any Senator who desires to offer amendments today, or Monday, or at any other time. But the Senator from Texas has expressed the view that we are more likely to get a bill which is fair and equitable by the procedural route which he has mentioned. The Senator from Texas may be mistaken. Only time will tell.

I assure anyone who has any doubts, and who thinks I am going to stand in the way of any proposed legislation on this subject reaching the floor, that that is not the case. Time and time again I have tried to make that clear. I think my position is clear.

I thank the Senator for yielding to me.

Mr. IVES. Mr. President, will the Senator from Nebraska yield on a point which has just been made in the colloquy?

Mr. CURTIS. I yield to the Senator from New York.

Mr. IVES. I should like to comment briefly on what has just been said, for several reasons. In the first place, I believe I am the Member of the Senate who first introduced a bill on the various subjects to which reference has been made. I introduced my bill on January 9 of this year. Also, I released for publication on November 20 the various bills which had been prepared.

I desire to inform the Senate briefly what the situation is and what has happened, because I believe Senators should be made acquainted with what has occurred. If anybody should be clamoring for consideration of his own legislative proposals, it is I. I have had in mind proposed legislation in the field ever since I have been a Member of the Senate, and that now covers a period of 12 years. Yet I know what it takes to write legislation in this field, and what it takes to have it considered.

I have not been clamoring on this subject, and I will tell the Senate why. In the first place, the so-called McClellan committee has been investigating rackets. That came about through a recommendation in the form of resolutions on the part of the Senator from Arkansas and myself, which were combined in such a way that a single committee was created.

I know how the distinguished Senator from Arkansas feels about this matter. I rise in part to speak in his behalf, to say things which he would not say himself because of his modesty.

In my judgment, the distinguished Senator from Arkansas, who is chairman of the select committee, is indeed, a great American. He has done a magnificent job in the work and chairmanship of the select committee. I am sure the members of the committee recognize that in the consideration of legislation in this field, as chairman of the committee he has carried a certain amount of responsibility. I know I realize that. The chairman has produced certain results which are most valuable, on which the report we are discussing is based. I am referring to the report of the select committee, not the report on the particular bill now before the Senate.

The chairman has asked that the Senate not take action on the amendments to the pending bill. The regular committee, the standing Committee on Labor and Public Welfare, could not consider these matters and report a bill, if we had any respect for the chairman of the committee, until he set forth his own program and we knew what it was. Because of the heavy load he was carrying as chairman of the committee,

he was not in a position to prepare proposed legislation and introduce it until after the report of the select committee. That was made clear at the end of March. Because we all had to play a part in it, we all know what a job it was drafting that report. Recommendations in that report were discussed yesterday between the minority leader and myself.

I wish to say to the Senate, and particularly to my friends on this side of the aisle, that if we have any respect whatever—and I am sure we all have—for the distinguished Senator from Arkansas, we will heed his warning and advice with regard to this proposed legislation. I heard the Senator from Arkansas stand on this floor yesterday and literally plead with the Senate not to take action on amendments of the nature proposed until after such matters had been considered by the standing Committee on Labor and Public Welfare.

With all due respect to my good friend from California—and he and I are good friends, and have been friends since I came to serve in the Senate, when the Senator from California was already serving—I must point out there are defects in the draftsmanship of the amendments he is proposing.

We have been plagued enough in the matter of draftsmanship with respect to the Taft-Hartley Act. As the distinguished Senator from Indiana [Mr. JENNER] pointed out yesterday, that act was drafted in part on the floor of the Senate. To be sure, some of the bad draftsmanship which was the result of framing the bill in that manner was eliminated in the conference committee, but we could not eliminate it all, and it has been plaguing us ever since. Let us not repeat that experience.

I desire to see passed a good bill dealing with this subject matter. I am just as strongly in favor of the amendments in principle, not the particular amendments as framed, but the amendments in principle, as is anyone else. A good many of them have been covered in the measure I have proposed. In principle, I am as strongly in favor of the suggested provisions, as my good friend, the Senator from California, or any other Member of the Senate. I favor them exactly as much. I think we all favor them. There is no exception in regard to racketeers. We want to clean out the racketeers, the thugs, the goons and criminals who have penetrated the labor organizations. We must do it. Otherwise, the future of our country may be in considerable doubt.

I am very fearful with regard to this subject. We cannot take action too soon. But the process being advocated by my good friend from California will result in exactly no action.

We should follow the advice of the distinguished Senator from Arkansas, and consider the pending bill as it has been reported. We should dispose of the one bill, keeping it in the shape in which it now appears before the Senate.

I have confidence, whether anybody else has or not, in the distinguished Senator from Massachusetts [Mr. KENNEDY], the distinguised Senator from Alabama [Mr. HILL], and the distinguished Senator from Arkansas [Mr. MCCLELLAN]. I have already indicated my confidence in the distinguished Senator from Arkansas. I have confidence in the distinguished Senator from Oregon [Mr. MORSE]. I might say I think I have some confidence in my own integrity.

Mr. KENNEDY. Mr. President, if the Senator will yield, I wish to say that I, too, have confidence in the Senators he has named. The Senator does not stand alone.

Mr. IVES. I hope the Senator has confidence in me, also, because I have a pledge to make. If the Senators who have given such a notice get sick and die, or otherwise pass out of the picture, and I am still around, I am going to move to discharge the committee, if nothing happens.

Mr. KENNEDY. I have confidence in the Senator from New York, also.

Mr. IVES. I thank the Senator very much. I am glad somebody has confidence in me.

Mr. HILL. Mr. President, will the Senator yield? May I express my confidence in the Senator from New York?

The PRESIDING OFFICER. Does the Senator from Nebraska yield?

Mr. CURTIS. Mr. President, I have been yielding all day. I shall be glad to continue to yield.

Mr. IVES. Mr. President, I am not quite through, if the Senator from Nebraska will indulge me.

I ask unanimous consent that the distinguished Senator from Nebraska may be permitted to yield the floor to me temporarily, until this matter is disposed of, which will save the Senate a great deal of time in asking the Senator to yield on all these questions. I make that request with the understanding that the Senator from Nebraska will retain his right to the floor as soon as this matter is resolved.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

Mr. CURTIS. Mr. President, I have yielded to the Senator from New York.

Mr. IVES. Mr. President, I think it will save a little time to follow that procedure.

Mr. CURTIS. I do not want to yield the floor until all of these questions are settled. My term might expire.

Mr. IVES. How about my term?

Mr. CURTIS. Mr. President, I yield to the Senator from New York.

Mr. IVES. I thank the Senator very much.

The PRESIDING OFFICER. Let us have a clear understanding. It is the understanding of the Chair that the Senator from New York asks unanimous consent to temporarily hold the floor, in order that he may yield to various Senators, with the understanding that the Senator from Nebraska does not lose his right to the floor, and will have the right to the floor as soon as the Senator from New York has completed his statement.

Is there objection to the request of the Senator from New York? The Chair hears none, and it is so ordered.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. IVES. I yield to the Senator from Utah.

Mr. WATKINS. May I inquire of the Senator from New York in regard to the bill which I introduced to take care of the no-man's land situation, or the twilight-zone situation, which is described in two ways?

Mr. IVES. The no-man's-land case.

Mr. WATKINS. Does the Senator from New York think that is an important piece of proposed legislation with regard to the labor-union men and the many small businesses throughout the country which have almost been compelled to cease operations because they cannot get relief?

Mr. IVES. Mr. President, in that regard I wish to say that I proposed legislation on that subject in 1953. I believe the Senator proposed legislation after that time. That is definitely an important matter. That is one of the important things which has to be put into any legislation which is passed, if we are to have a comprehensive bill. That matter has no business in the bill now pending before the Senate.

The very fact that my distinguished friend from Utah has introduced a bill on this subject, and the fact that I have introduced a bill on the subject, as well as the fact that the bills differ not in purpose but in the way they are written and their approach, is a demonstration that the questions involved should be considered by a standing committee of the Senate before the Senate comes to a vote on them. We should not be legislating on such a subject at this time in this way.

Mr. WATKINS. How much times does my distinguished friend from New York think the Committee on Labor and Public Welfare should have on the issue, since the Senator introduced his bill in 1953?

Mr. IVES. Let me tell the Senator something about that situation. The bill which I introduced was incorporated in an omnibus bill which was reported in 1953. That bill, as the Senator will recall, was recommitted. I am not responsible for the recommital of that bill in any way, shape or manner.

Mr. WATKINS. I understand. I have been advised, and I think I have received true advice, that certain members of the Committee on Labor and Public Welfare have been completely frustrated in their attempts to get action on this type of legislation.

Mr. IVES. Does the Senator mean this year, or heretofore?

Mr. WATKINS. Not only this year, but ever since the 85th Congress began. It is almost impossible to have reported any proposed legislation of this type.

Mr. IVES. I hope the Senator will pause to consider that remark. I have not known of anyone who has come to see me about having some measure reported which he has not been able to have reported, until this matter came up.

Mr. WATKINS. Did the Senator not try to get his bill on the no-man's land case reported in 1953?

Mr. IVES. I did not. I was a member of the select committee investigating the whole field.

Let me further explain that the legislation proposed by the Senator from Utah, as is true of the legislation I have proposed, is within the subject matter of discussion of the committee. We discovered in the hearings of the select committee a very good reason why the bill introduced by the Senator, or my bill, or something which is a compromise between the two bills, should be passed. The hearings bore out our contention better than anything else could. I have spoken on this subject to the various State boards and agencies which deal with legislation in this field. I know how they feel and what their experience has been. I am strongly in favor of the proposed legislation.

Mr. WATKINS. I did not have to wait to have the select committee hold a rackets investigation to find out the need for the proposed legislation.

Mr. IVES. Neither did I. I introduced my bill in 1953.

So long as we have the committee and it deals with the subject, I think it was well to wait to get a report from it. We have that report, which verifies exactly what the Senator and I were aware of.

Mr. WATKINS. The situation was well known before that time.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. WATKINS. There is no excuse I can find anywhere for this type of legislation being held back, as it has been held back.

The Senator from New York has referred to the confidence he has in other Senators. Does the Senator from New York have any confidence whatsoever that if this matter takes the course the majority leader has suggested, and which the great Senator from Arkansas wants it to take, we have any prospect of getting legislation on these matters in the present session of Congress?

Mr. IVES. We have more prospect of getting legislation if we do it in that way than we shall have if we jam through the pending bill weighted down with a lot of extraneous amendments.

Mr. WATKINS. I point out that the American people are concerned with the matters to which I have been inviting attention, and they do not want this matter to be dragged on and on. The people want action, and they want it now, if it is humanly possible to get it.

Mr. IVES. Do the people want mere gestures, or real action and real results? Is that what they are after?

Mr. WATKINS. They will get real results.

Mr. IVES. They will not get real results if the matter is handled in the way suggested.

Mr. WATKINS. The Senator and I have a difference of opinion.

Mr. IVES. What I have stated is something I know from legislative experience, and the Senator knows it also, if he will only recall what has happened.

Mr. JAVITS, Mr. GOLDWATER, and Mr. COTTON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New York yield; and, if so, to whom?

Mr. IVES. I yield first to my colleague from New York.

Mr. JAVITS. I appreciate my colleague's yielding to me.

There is one point I have not heard raised regarding the question whether we should press forward for the adoption of the amendments. I should like to invite the attention of the Senators present to that point.

I might say that whether any other Senator has confidence in him or not—and I think all Senators have—I can attest, from my own personal experience, to the fact that 17 million New Yorkers have enormous faith and confidence not only in the integrity of but in the specialized knowledge of IRVING IVES on this subject.

Let me make another remark, which I think is very important. There is one stage of the proceedings which has been covered by the McClellan committee revelations. They are revelations. Now, instead of having the other stage completed by the same kind of deliberate hearings, it is suggested, according to the proposals made, to amend the bill on the floor. We are becoming involved in the very thing which tore the country apart in the drafting of the Taft-Hartley Act, because of the fear that under cover of revelations which showed the existence of a great deal of corruption and racketeering in a minority of labor unions, repressive labor legislation would be passed.

We are inviting exactly that charge now. In going through the second phase, the phase which we Americans honor as the fish-bowl way of proposing legislation, we should act with the same deliberation and thoroughness that we acted in uncovering the wrongs. We should be as thorough in showing what is needed to right the wrongs as we have been in revealing them.

I believe that my colleague is doing his utmost to lead the Senate in the right direction, which is extremely important. The Taft-Hartley law tore the country apart, because the country said that the revelations had been used as an excuse for enacting repressive legislation. We should not do that now. We do not have to do it now.

Mr. IVES. I thank my colleague. I think it is very important that we avoid getting into such a situation that repressive labor legislation might be enacted. I know my good friend from California has no more thought of enacting repressive labor legislation than I have. He never has had any such purpose, and I do not think he will ever have. He and I have discussed these questions many times in years past.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. KNOWLAND. There has not been a single amendment which I have called up in the Senate which can be considered in the slightest degree as repressive to labor. Each of the amendments has been for the protection of labor, and has been brought about because of the revelations before the McClellan committee, and the fact that of our own personal knowledge, in our respective States, and in our capacity as United States Senators, we have known of the abuses which have been practiced by some. I said yesterday that such abuses were practiced by a minority of the labor leadership.

In no sense can these amendments be considered repressive. The only point I wish to make is one which I made yesterday, and make again today. I think it is important to protect the health and welfare funds, but I think it is equally important that the union member who pays dues, initiation fees, and assessments, shall not have those funds embezzled or used for improper purposes, and shall not have them illegally devoted to political purposes, against the interests of the rank and file member and without his consent. I also believe that he should have the right to determine by secret ballot who his officers are to be, and that he should not be abused by being taken over in a trusteeship.

It so happens that practically all the amendments I have offered have been amendments with respect to which the Senator from Massachusetts [Mr. KENNEDY], the Senator from New York [Mr. IVES], and other Senators on both sides of the aisle have said, "Yes; we support them in principle, but we prefer a different method of approach."

I do not quarrel with that view. I believe in the committee system, but I do not believe that any more important legislation will come before the 85th Congress—with all the important legislation we have before us—than legislation to protect the rank and file of the membership of labor unions, and to restore democratic control over the unions to their own members.

Mr. IVES. Let me comment on what my friend from California has said. I agree with him fully in his attitude toward the legislation per se. He and I do not quarrel on that point. I do not believe that we have ever quarreled, particularly, with respect to labor relations legislation. I think he has received about as much labor support as I have, too.

We differ only as to the method of handling the problem. I assume that the Senator from California would like to see enacted the particular bill now pending. He has been for it all the time in its present form. He has voted against amendments which were offered to change it, when they dealt with the bill itself; and I assume that he would like to see it enacted.

This is a question of judgment. In my judgment we have a far better chance of at least having this bill enacted—and I think it will be enacted if we pass it now and get rid of it—than if we were to make a hodgepodge of it by adding many extraneous amendments.

Every time there is a unanimous-consent agreement in the Senate relating to a limitation of debate, there is a provision in such unanimous-consent agreement that nothing extraneous shall be offered by way of amendment. So we officially recognize that there is such a thing as extraneous matter. Even though that term is not to be found in

our rules, nevertheless, we use it in connection with many of the things we do.

I am honest about this issue, as is the Senator from California. If the bill has added to it a great deal of extraneous matter, or any substantial part of it, I do not believe that it will have half the chance of getting through the House that it would have if it were let alone.

I believe that amendments to the Taft-Hartley law should be placed in one bill. I think we can pass an omnibus bill in the Senate if one is reported from the Committee on Labor and Public Welfare.

If amendments to the Taft-Hartley are placed in one bill, then if any Senator wishes to offer amendments to the bill, he may do so. I have no objection to that. I believe that such a bill would have a great deal better chance of getting through the House, if it passed the Senate, than would the combination which the Senator from California is offering.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. KNOWLAND. I think we all recognize that, in the courts of our land and elsewhere, "Justice delayed is justice denied."

We have had ample testimony that for years on end amendments have been offered relative to the Taft-Hartley Act. Senator Taft himself believed that it should be amended in some respects. Ten years have passed, and with the exception of some relatively minor changes, none of such amendments has been adopted. Other Senators, including the Senator from New York, have proposed such legislation.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. IVES. I yield to my junior colleague.

Mr. JAVITS. Mr. President, I ask unanimous consent that what I am about to say may follow immediately after the comment made by the minority leader [Mr. KNOWLAND].

The PRESIDING OFFICER. Is there objection to the request of the junior Senator from New York? Without objection, it is so ordered.

Mr. JAVITS. I wish to make it clear that there was no implication in what I said that so far as labor is concerned, any oppressive amendments were being offered. On the contrary, I find myself in great sympathy with and shall undoubtedly support the amendments on internal administration and grievance machinery.

I point out that the climate in which we legislate is very important for the country in determining whether that on which we legislate shall ever become law. The climate in which we act on the amendments and attach them to the bill could be construed, and will be construed, in many quarters of the country, as being an effort to legislate in a repressive way, based upon the findings of the McClellan committee.

I expressed the greatest confidence in the minority leader; and I will prove it in my own person, by having the honor, next week, to go to his home community and there make a major speech.

I have the greatest confidence in the motives, and, indeed, in the fundamental objectives, of the amendments which have been submitted.

But I join my senior colleague from New York [Mr. IVES] in the deep conviction that this is not in the best interests of the measures with respect to pension and welfare funds which the national interest dictates that we pass now.

I thank my colleague from New York for allowing me to make this statement.

Mr. IVES. My colleague is very welcome.

The bill to which I referred, which was introduced in 1953, was an omnibus bill calculated to correct many of the evils which have been revealed.

Mr. KNOWLAND. We are faced with the situation that we are now approximately half through the second session of the 85th Congress. It is important that we give some protection to the membership of labor unions. I believe that all of us have a responsibility in that connection. Such responsibility is not limited to members of the Committee on Labor and Public Welfare. Much as we respect them—and we do have respect for them, regardless of the points of view they represent—as United States Senators we all have a responsibility.

I repeat that I do not believe that the 85th Congress could act upon any more important legislation than legislation in the field of affording protection to labor. We should act upon such legislation. For the past several days we have been trying to afford such protection.

Mr. IVES. I agree 100 percent with the Senator. He spoke the absolute truth. However, I do not believe that we can attain that objective as well through the method he advocates as we would through the method I am advocating.

Mr. KNOWLAND. The only point I have in mind—and I think there is some merit to it—is that this particular measure, good as it may be, is not perfect. Some of us felt that way. We voted for it. Perhaps it is not as near perfect as any measure that could be drafted. However, I have been a Member of this body for 13 years, and I know that if we were to wait to get the perfect piece of legislation we would probably never legislate; and if we did the Supreme Court might divide five to four on the question, so that even among learned lawyers there would be no agreement. So we shall never reach utopian perfection.

This is only a small segment of the President's recommendations. The Senator from New York and the Senator from Arkansas entertain certain views as to a broader scope.

Mr. IVES. We still have those views.

Mr. KNOWLAND. This happens to be the only piece of proposed legislation which the representatives of the American Federation of Labor–CIO have apparently endorsed. If this measure were combined with other proposals, they might take a more kindly interest in seeing that a broader piece of legislation was passed than would be the case if this proposal were acted upon by itself.

Mr. IVES. I do not believe that they are as eager as all that to see this particular bill enacted. This is a bill to protect the workers themselves from anything which may be wrong in the management of their funds. I do not believe that the leaders of organized labor are that eager to have this kind of legislation.

Let me say to my good leader that it has required 4 years for us to produce this bill. I grant that it is not perfect. No legislation in a controversial field is ever perfect in the first instance. That has been the trouble with the Taft-Hartley Act. As I said yesterday on the floor, we should have amended it very thoroughly in 1948. Instead of that, we kicked it around as a football of politics. That is what happened. After all the time we have spent on this kind of legislation—1954, 1955, 1956, 1957, and now it is almost the fifth year—I say the pending bill is the best we can do under the circumstances. I predict that no better bill in the first instance can possibly be passed in this particular field. Therefore, I say let us stick to it and nothing else, because we have it with this background.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. COTTON. I wish to take only a moment. The distinguished Senator from New York is to be commended for getting the floor and for thrashing out this one point on the question of procedure. Therefore, I should like to remind the distinguished Senator of something that has happened, which sticks in my mind. Throughout this debate Senators have risen and, without objecting to the merit of the amendments offered, have said, "This is not in the interest of orderly procedure. We should wait for committee consideration."

Very early in the 85th Congress the question arose of extending excise taxes, which were about to expire. During the last week before expiration a bill came before us to extend the excise taxes.

I recall that the able Senator from Arkansas [Mr. FULBRIGHT] offered an amendment for some slight relief for small business. Many of us favored such relief. I think in this case it was largely the Senator from California, and the leadership on this side of the aisle, as well as some of the leadership on the other side, who said, "No; don't do that. Don't disrupt orderly procedure. Don't encumber this necessary bill by adding the Fulbright amendment for small business. If you will wait, you shall have a chance to vote on a bill granting such relief."

I then made up my mind, from long experience, that I was never going to vote against something I believe in, merely on someone's promise, no matter how sincere, that I would get another chance to vote on it.

Mr. IVES. Mr. President, let me interrupt the Senator at this point. I shall be happy to yield to him again. That bill was passed, was it not?

Mr. COTTON. Without the amendment; yes.

Mr. IVES. It was approved by the President, was it not?

Mr. COTTON. Yes.

Mr. IVES. If it had been passed with the amendment, the same thing would have happened. The House would have accepted the amendment.

Mr. COTTON. Yes.

Mr. IVES. The amendment was noncontroversial.

Mr. COTTON. On the contrary, it was controversial. The bill was passed, but the amendment was defeated. Nothing was done for small business tax relief in the 1st session of the 85th Congress. The 2d session is now midway, and so far the opportunity has not arisen again for those of us on the floor to vote for tax relief for small business. I am glad I voted for it when I had the chance.

It is not a question of the sincerity or good faith of Senators. I do not question the sincerity or the good faith of the able Senator from Massachusetts [Mr. KENNEDY]. No one in this body has greater confidence in him than have I, or in the Senator from Texas [Mr. JOHNSON]. This is not a matter of good faith. As a matter of good commonsense, I say to the Senator that we should have an opportunity on a yea-and-nay vote to express ourselves on these amendments. They are not new amendments. They have been the subject of consideration for months and even years. It is significant that nearly everyone protests he believes in these amendments but objects merely to the procedure. I know there are good intentions. This Chamber, like some other places, is paved with good intentions. However, I have been here too long and I am too old a dog to rely on someone's promise that next week or the week after next we shall be allowed to vote on these vital matters and to let myself be persuaded to vote against them now.

Mr. IVES. May I make one point there?

Mr. COTTON. Certainly.

Mr. IVES. The Senator may wish to answer me before I have finished. Does the Senator wish only to express himself? Is that all he wants to do? Would he rather do that than to have some legislation enacted?

Mr. COTTON. I want to get both, but I fear I may not get either. What crimes have been committed in the name of "orderly procedure." In my book, whatever is good for the country is good procedure in the Senate.

Mr. IVES. The Senator will sacrifice legislation if he is successful in expressing himself as he desires at this time. The Senator has his choice. If he does not express himself, he will at least get the pending bill passed. Very likely he will get the whole thing. Certainly he will be able to express himself on the other measures, because proposed legislation will be reported.

Mr. COTTON. I have every confidence in the Senator from New York. I wish he would explain why my expressing myself will foreclose me from getting legislation?

Mr. IVES. I did not say the Senator would be foreclosed from expressing himself.

Mr. COTTON. No; from getting legislation.

Mr. IVES. Because, as I have indicated again and again on the floor, if we load the bill down with even small amendments, some will be controversial and all of them will make it necessary for the House to hold hearings, I am sure.

Mr. COTTON. Conversely, if we do not attach any amendments, the pending bill, which is scarcely more than a gesture, will go through Congress. Then we will be faced with the military pay-raise bill and many other questions to prevent further, stronger legislation being presented to us.

Mr. IVES. I do not agree with the Senator's conclusion.

Mr. COTTON. I do not want to be cynical, but I wish to say to my dear friend from New York that he cannot convince me it is not a case of now or never so far as the 85th Congress is concerned.

Mr. IVES. The Senator will never see any bill passed by this Congress if these amendments are voted into it.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. GOLDWATER. The time to make the point I wished to make has long since passed. However, I did wish to refer to the statement made by the Senator from Utah [Mr. WATKINS] about his bill, of which I am a cosponsor. That bill involves the so-called no-man's land, and involves, briefly, States rights.

I wish to remind the Senator that back in 1953, which was the last time when any attempts were made to amend the Taft-Hartley Act, the Republicans controlled that committee, and it reported S. 2650. It was reported on a party vote, seven to six. In other words, the Democrats gave us absolutely no support in offering amendments to the Taft-Hartley Act, regardless of the fact that for years and years they had been promising in their platform that they would do so. What I wish to recall to the Senator's memory is what killed those amendments to the Taft-Hartley Act. The Senator will remember that I submitted an amendment.

Mr. IVES. I remember what killed it.

Mr. GOLDWATER. I submitted a so-called States' rights amendment. The Senator and I can argue whether mine was consonant or not with his. I know we disagreed.

Mr. IVES. I had nothing to do with killing it.

Mr. GOLDWATER. Nevertheless, an amendment to that point was offered. I thought for a while that we would enact some amendments to the Taft-Hartley Act. Here was the issue of States' rights. Yet a motion was made to recommit the bill, and every Democrat, to my memory, voted to send the bill back to committee. It was purely a party line deal. All of my good Southern friends, who profess to be such profound adherents of States' rights, voted against the only opportunity they had in 10 years, so far as I was aware, to protect their States in the field of labor. I wanted to recall that point to the Senator's memory.

Mr. IVES. I remember it very well.

Mr. GOLDWATER. We have never had an opportunity since then to vote in that field or to vote on any amendments to the Taft-Hartley Act, or on anything relating to labor.

I am not being critical of my friend from New York. He has always been with us in our attempts to help labor and in our attempts to amend the Taft-Hartley Act. I am a relatively junior Member of the Senate, and I have to rely on what I have witnessed since I have been a Member of the Senate. I have to rely on the views of Members who have been here 12 years or 15 years or 20 years. I must always remember that what is past is prologue. I can only say, with all due respect to my good friend from Massachusetts [Mr. KENNEDY]—and I have the utmost confidence in his sincerity and honesty, as I have of every member of the committee—that if I have to depend on what has been going on since I have been a Member of the Senate, I believe this is the last opportunity in this Congress we will have to act on this kind of legislation.

Mr. IVES. I should like to comment on that statement. In the first place, I point out that the "no man's land" provision in the bill is a combination of the proposal of the Senator from Utah [Mr. WATKINS] and my own proposal. I think the first part of it is his, and the last part of it is mine. We put them together, so as to have a more complete approach.

Now I will state why, in my judgment, it has not been possible to report individual bills amending particular provisions of the Taft-Hartley Act. I think Senators understand the reason and realize why. Every time such a bill is reported, it is loaded with amendments, some of which are very controversial. The Senator has seen some of the amendments. The Senator's amendment was recommitted, because it was here in the open at the time. But the fact is that I had an amendment resting in the eaves.

Mr. GOLDWATER. Yes; and the Senator from New York has offered his amendment.

Mr. IVES. I have not offered it, and I do not intend to offer it. The only thing which would cause me to offer it would be if someone offered an amendment providing for a Federal right-to-work provision.

Mr. GOLDWATER. Is that the only reason?

Mr. IVES. That is the only reason.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. KENNEDY. I have been interested in the charges or suggestions that the Subcommittee on Labor has been dilatory. The fact is that the Subcommittee on Labor held extensive hearings on proposed minimum wage legislation, which was reported eventually by the subcommittee last year to the full committee. The committee has been unable, after six or seven meetings, to get a single

rollcall vote on any amendment to the bill, in order to report the bill to the Senate.

I regret that those who are now charging the committee with failure to act on the question of the regulation of unions did not show the same desire to report a bill which would be of benefit to the working men and women who are not protected, in most cases, by collective bargaining agreements. Hundreds of thousands of men and women who are not so protected do not receive a dollar an hour as the minimum wage.

It is unfair to suggest that the committee has been inactive and has ignored the needs of the laboring people, which is the charge that has been made in the Senate for the past 3 days, when at the same time, the committee has been prevented from reporting to the Senate a minimum wage bill, which is desperately needed. I should think that any Senator would be embarrassed to have the session end this year without having provided for an extension of coverage by the minimum wage law.

Many men and women are obliged to work in laundries and retail stores for less than a dollar an hour. Some of them get only 75 or 80 cents an hour, when the cost of living these days is as high as it is. It seems to me that Senators who are genuinely interested in the welfare of the laboring people of the Nation would be interested in having such a bill reported.

Mr. GOLDWATER. Mr. President, I think the record should be kept straight. I think there have been about eight meetings held in an attempt to report the bill. There are honest differences of opinion about the merits of the bill to which the Senator from Massachusetts has referred. I might tell the Senate that there has never been a hearing on the bill which the Senator is proposing to have reported by the full committee. There are objections to the bill, not only from the Republican side, but, I might remind the Senator, from the Democratic side as well.

I think that inasmuch as the Democrats are making so much to-do about orderly processes, they should not deny any Senator the right to orderly processes in the committee.

I recall to the mind of the Senator, who has a great interest in the subject, that Senators on his side of the aisle—and there may have been some Senators on my side of the aisle as well—bottled up the civil-rights bill for months in the Committee on the Judiciary, until eventually it became necessary to act as we did on the subject.

But the Senator is completely wrong in suggesting that any Republican Senator has been purposeful in trying to block the reporting of the bill to extend the minimum-wage coverage. We have a perfect right to object to a bill which has never had hearings.

Mr. KENNEDY. I may say to the Senator from Arizona that hearings were held on the extension of the coverage of the minimum-wage law by the Senator from Illinois [Mr. DOUGLAS], and then by myself. It was proposed by the Senator from Oregon [Mr. MORSE] that the coverage in the bill be extended to 10 million people. We could not get support for that proposal. The number was then reduced to 6 million. We could not get support for that proposal, because one member of the Democratic majority was opposed to it. Therefore, it was necessary to pick up at least one vote from the other side, so as to have a majority. We then reduced the number to 5 million, and then to 4 million. At least seven meetings were held by the committee. It was not possible to have a rollcall vote at any meeting. So the filibustering on the minimum-wage bill has killed the bill in the committee.

If any member of the committee charges the committee with being dilatory in its responsibility to report a minimum-wage bill to the Senate, he should examine his own conscience in this regard. The fact of the matter is that it is absolutely important that every working person in the country should receive at least a dollar an hour. This is far more important, in my opinion, than the amendments which have been so far called up by the Senator from California to the pending bill, even though I share the view that some of them should be enacted; and I have introduced proposed legislation to do so.

But I would put at the head of the list an extension of the Minimum Wage Act for the benefit of the 5 million, 6 million, or 7 million people who are today unprotected by the Minimum Wage Act, and who are, in many cases, working for 70 or 75 cents an hour, and more than 40 hours a week, which is a national disgrace.

Mr. GOLDWATER. The Senator from Massachusetts has not said how a bill could be discussed or reported without hearings. He knows there have not been hearings.

Mr. KENNEDY. The Senator from Arizona has said that so often that he believes it. The fact is that the committee had hearings on all proposed legislation introduced, which included the bill introduced by the Senator from Oregon [Mr. MORSE]. That bill provided for an expansion of the coverage of the minimum wage law to 10 million people. In an attempt to get some support from the side of the Senate of which the Senator from Arizona is a member, the number covered in the bill was reduced from 10 million to 6 million or 7 million, and then from 6 million to 4 million. We still cannot receive the support of one Member on the other side of the aisle in order to report the bill to the Senate.

Mr. IVES. Mr. President, I know something about this matter myself. I distinctly remember, so far as the hearings are concerned, that representatives of some of the people of New York, the retailers of New York State, appeared before our committee. Whether that was a solitary instance or not, I cannot say; but I assumed they must have been heard.

Mr. KENNEDY. The subcommittee reported the bill to the full committee. We are asking the full committee to act on the bill.

Mr. GOLDWATER. The bill on the minimum-wage law, which is before the full committee, as it is written has never had a hearing; and the Senator from Massachusetts knows it. I do not doubt that hearings have been held on the other bills; I admit that hearings have been held on the other bills. But the bill which the Senator proposes is being put together day by day at the meetings of the Committee on Labor and Public welfare.

I wish to correct an impression which the Senator has tried to leave by his statement. In the Committee on Labor and Public Welfare, I moved that the minimum wage be increased to $1. I voted for it on the floor.

I have championed the minimum-wage law in my State ever since I have been in business. So I ask the Senator not to try to leave the impression in the Senate that the junior Senator from Arizona is against the minimum-wage law. I have appeared before the legislature of my State twice in the past 2 years and urged that the State itself raise the minimum wage.

Mr. KENNEDY. The bill to raise the minimum wage to a dollar was introduced by the Senator from Illinois [Mr. DOUGLAS]. I am glad the Senator from Arizona supported it.

Will the Senator from Arizona support the proposal to extend the coverage of the minimum-wage law to 4 million more people, in either my bill, the bill of the Senator from Oregon [Mr. MORSE], or any other bill before our committee?

Mr. GOLDWATER. I will support proposed legislation which I feel is proper and right after there have been proper hearings on it. The Senator from Massachusetts has not had hearings on the legislation he has proposed.

Mr. KENNEDY. The Senator from Arizona knows quite well that we have had hearings. We reported a bill from the subcommittee to the full committee. The Senator from Arizona knows quite well that we have not had any rollcall votes.

Mr. GOLDWATER. That is wrong. I have been at every meeting.

Mr. KENNEDY. The Senator from Colorado and other Senators have discussed the bills in so much detail that for seven meetings we have not been able to have a rollcall vote on one amendment.

Mr. IVES. Mr. President, I remind my colleagues that I have the floor. I suggest to them that we get back on the track.

The PRESIDING OFFICER. The Senator from New York is correct. He has the floor.

Mr. IVES. Mr. President, let me ask whether other Senators desire to speak now on the same subject.

If not, I yield the floor back to my good friend, the Senator from Nebraska.

Mr. CURTIS. Mr. President, I very firmly believe in the words—

> Be ye kind one to another

And—

> Bear ye one another's burdens.

I am aware that those who have been blocking and blocking any corrective legislation are struggling with a burden of conscience that must be very heavy. I sympathize with them. I hope that, somehow, by these public confessions,

explanations, and so forth, they will obtain some relief. But, unfortunately, all that does not bring any relief to the country.

The members of the majority party have been led by their leadership into a position that they are going to permit one, little, narrow bill to come before the Senate, and perhaps be enacted into law, but that that is all that will be done on that subject in the 85th Congress.

Now, very fortunately—since this matter has been debated for the last few days—that leadership has retreated and retreated, and retreated again, and has made all sorts of promises of what it will do, now, on what it has been failing to do in the past.

It might be well for us to consider just why the McClellan committee was created and why it was necessary that close to $1 million be spent to air abuses which have existed in the field of labor and management, when those abuses were known, and have been known throughout the years. The creation of the McClellan committee and its work are evidence of the failure of the appropriate legislative committee to act, not just this year, but in the last 4, 5, 6, 7, or 8 years.

Something has been said about how long we have waited on the Committee on Labor and Public Welfare to hold hearings. My own bill on secondary boycotts, which I have been discussing, yesterday and today, was introduced in the 84th Congress. I respectfully sought a hearing on it, but I received none. On January 7, 1958, in this Congress, I reintroduced the bill. Again I asked for a hearing on it, but again I received none.

But, Mr. President, as you know, the life expectancy of a Senator is limited; the life of a Senator in this world does not run on and on.

It has been stated here that the distinguished Senator from Utah [Mr. WATKINS] has introduced a bill to clarify a matter in the field of labor-management relations which arises out of the Court's decision in the Wisconsin case, many years ago.

The distinguished Senator from Florida has likewise introduced a bill. That, too, was years and years ago.

As a matter of fact, if we turn back the pages of history, we find that the great, beloved, late Senator Butler of Nebraska for many years was coauthor of this proposal to correct and clarify a matter of law in the field of labor-management relations. The good Senator has gone to his reward; and at least two other Senators have, since then, served in that seat.

Mr. President, how long must we wait on the majority leadership and the Committee on Labor and Public Welfare, if we are ever to have any legislation in this field?

Again, I remind my colleagues that the life expectancy on this earth of a Senator is limited; and, again, I remind my colleagues that there is concrete evidence that some Senators seek to get such legislation out of this committee before their lives end.

Mr. President, I believe in committee operations; I believe in the principles of committees. But I do not believe that any committee should have absolute power.

Mr. HRUSKA. Mr. President, will my colleague yield to me?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Nebraska yield to his colleague?

Mr. CURTIS. Mr. President, I yield to my distinguished colleague from Nebraska.

Mr. HRUSKA. First of all, Mr. President, I should like to commend the junior Senator from Nebraska for his lucid and well-organized presentation on the subject he has undertaken to discuss. It shows a great deal of study and much understanding of the subject and, certainly, great familiarity with its history and implications.

I should like to associate myself with, and subscribe to, the views he has expressed and the legislative goals he seeks.

The path he has taken is not the easiest or the most pleasant. It takes a great deal of courage and fearlessness to have pursued it in the way he has done. That is not only my opinion; it is also the opinion, I am sure, of many other Members of the Senate, and also is the opinion of people generally, throughout the country. It is likewise the subject of an editorial by Raymond Moley, which appears in the April 28 issue of Newsweek magazine. It comments also on the role of the Senator from South Dakota [Mr. MUNDT] and the Senator from Arizona [Mr. GOLDWATER].

Mr. President, I ask unanimous consent that the editorial be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IRRESPONSIBLE POWER

(By Raymond Moley)

Don't believe the stories that Walter Reuther came through his examination before the McClellan committee in March with flying colors. In the persistent questioning by Senators CURTIS, GOLDWATER, and MUNDT, laboring under incredible handicaps, it was made clear that either Reuther refuses to accept responsibility for the conduct of the Kohler strike or, as he claims, he has only slight control over his own union. He revealed a pattern of irresponsible unionism—power without responsibility.

This pattern stood out after I had read carefully and analyzed every word of the 775 pages of the transcript for those 3 days—a task, I am sure, that few have undertaken who now conclude that Reuther won the tilt. My space this week permits only a general delineation of Reuther's denial of responsibility. I shall record later much more of what was revealed, especially the most important point of all, the unrestrained use of UAW power in politics.

THE SENATORS' HANDICAPS

The handicaps encountered by the 3 Senators were, in part: The availability to the 3 Senators of only 3 investigators out of the 50 to 70 employed by the committee; the apparent indifference of the investigators, other than the 3, to Reuther's significance in the general problem for which the committee was created—an indifference made most clear by the conduct of the chief counsel, Robert Kennedy; the insistence of the chief counsel on diverting the course of the inquiry into Reuther's undisputed purity in his private finances; the resistance in the committee to the Reuther inquiry and later to an attempt to have Reuther testify after, rather than before, the facts had been written into the record; the contemptuous attitude of Reuther and his counsel, Joseph L. Raugh, Jr., toward these United States Senators; the annoyance during the hearings caused by members of Reuther's staff who were flitting about passing notes and comments.

Despite all this, there was elicited from the witness an amazing denial of his responsibility for the conduct of his union and of its high officers.

UAW RESPONSIBILITY

But the union local at Kohler was the creature of the International UAW of which Reuther is the head. The International organized the local, receives dues from it, creates the rules under which it operates. In the Kohler strike it spent more than on any strike it ever had—$10 million. It paid relief for the strikers; it paid lawyers for defending members and officers charged with crimes; it paid their wages if they were in jail. But violence and illegal mass picketing, completely proved, were placed by Reuther at the door of the local. He visited Kohler only once, and then only to make a speech.

Men responsible to Reuther, such as Earl Mazey, secretary-treasurer and second man in the International, were guilty of arrogant incitements to class feeling at the scene. This was excused by the witness because Mazey has "a low boiling point." He failed to explain why International representatives knew or were alleged to know little of the law in a State in which they had loosed wholesale disorder. Not Reuther but the authorities in Wisconsin had to teach them the laws governing labor disputes. Respected citizens of the State, including members of the clergy and judges, were traduced by union officers, and the courts were violently attacked.

For this revelation of irresponsible power, the country is indebted to Senators CURTIS, GOLDWATER, and MUNDT. They also served the public interest by bringing before the country the picture of lawlessness at Kohler. They put this Union and others on notice that in the long run they will be judged by what they do and not by what they say in their propaganda.

Mr. HRUSKA. Mr. President, I should like to ask the junior Senator from Nebraska about the question of time to which he has just referred. Is it not true that not only is the life expectancy of a Senator limited, but likewise the business lives of individual owners of businesses are considerably limited; particularly when they are put under pressures as the ones my colleague described, and that that limitation of time is, and has been, fatal to many, many businesses, and threatens to be fatal to many similar businesses, unless corrective action is taken soon?

Mr. CURTIS. My distinguished colleague is so correct, Mr. President. Because of the secondary boycott, many little businesses today are no more. In the State of Nebraska, countless businesses have, as a result of the secondary boycott, had to go out of existence. These businesses have gone under while the labor czars in the country have been able to hold the line and to prevent the Congress from enacting any legislation which would deal effectively with these problems.

Mr. HRUSKA. I thank my colleague very much for that observation.

Again, I should like to say that the measure my colleague has introduced and the information given us by means

of the presentation made here by him represent a great contribution; and I am sure it will be very, very helpful as the Senate continues, from now on, to consider this proposed legislation.

Mr. CURTIS. I thank my colleague.

Mr. President, as I have stated, I believe in committee procedure. But I do not believe in extending to any committee absolute power—power without limitation or restriction—nor do I believe in extending to any committee the power to prevent the parent body from acting when the committee refuses to act.

When a committee of the Senate elects for 3, 4, or 5 years, not to hold hearings on a much-needed piece of legislation, what right have members of the committee to come to the floor of the Senate and say, "Do not touch that subject matter, because we have not held hearings"?

Mr. President, I ask the question, Are committees the agents of the Senate, or is the Senate the agent of committees? Are committees the creatures of the Senate, or is the Senate the creature of committees? Is the Senate the master of its committees, or are committees the master of the Senate?

The refusal of the committee to bring before the Senate proposed legislation, not this week, not this month, not this year, but throughout the years, has disqualified its members from protesting action on proposed legislation without first having committee action.

Mr. President, last night, when I yielded the floor to the majority leader, I had been discussing the evils of the secondary boycott. Secondary boycotts are activities which are engaged in not at the site of a labor dispute between management and labor but at other places, and the victims of such activities are neutral third persons.

Prior to the Taft-Hartley Act, secondary boycotts were held to be unlawful by many courts. The Congress thought it had outlawed secondary boycotts in the Taft-Hartley law. But because of resistance to the law, because of conniving to find loopholes in the law, loopholes have been developed.

The Taft-Hartley Act made it unlawful to coerce or prevent employees of companies which were not themselves affected by a labor dispute from working in connection with the production of goods or in performing services. So the labor leaders moved in and applied pressure on the employer. They said to the employer, "If you do business with another firm with which we have a dispute, we will picket your business, or we will prevent supplies from reaching your company, or we may even cause a strike in your plant."

That is pressure on a neutral employer who is not involved in a labor dispute. Many employers were driven out of business because of such practices.

Another loophole discovered by the connivers was the hot-cargo provision, whereby a strong union would write into its contract a provision that the employer would agree not to do business with someone the union labeled as being unfair. A loophole arose because of the words "in the course of employment," which limited the field so that a secondary boycott could be carried on, contrary to, and in violation of, the intent of the Taft-Hartley Act.

On yesterday I discussed the loophole arising out of the word "concerted"; the loophole arising out of the definition of the word "employee"; also secondary picketing and organizational and recognitional picketing.

Last night, when I yielded the floor, I had started to tell about the experiences of the Coffey Transfer Co. in the State of Nebraska. The Coffey Transfer Co. was a trucking company that had been in existence for 20 years. It had 22 drivers. It operated in the small, but delightful, town of Alma, Nebr., a county seat with a population of 2,000.

The Teamsters Union came into the town and boycotted the company, and refused to turn over freight which was designated by shippers to go on the Coffey Transfer Co. trucks. The Union started this attack against Coffey Transfer Co. in August 1955. I read step by step the actions which were taken.

January arrived, and the dispute still was not settled. On January 11, 1956, a strike was called, in Omaha and Minneapolis, against Des Moines Transportation Co., and was settled as soon as that company agreed not to turn freight over to the Coffey Transfer Co.

On January 13 a strike was called against the Darling Transfer Co. of Kansas City, Mo. No reason was given for the strike. The strike was settled just as soon as the Darling Transportation Co. agreed not to turn freight over to the Coffey Transfer Co.

On January 18 an announcement was made that the election which was to be participated in by the 22 drivers of the Coffey Transfer Co. was rescheduled for January 24.

On January 24, 1956, the election was held.

On February 3, 1956, the NLRB filed an injunction suit, which was set for a hearing by the Federal court in Omaha for February 13.

On February 13, the injunction suit was started before Judge Donahue. Judge Donahue died before the suit was completed.

Then the injunction suit was heard from March 15 to March 19, by Judge Delehant.

On March 23, the workers and the small-business men received word from their great Government in Washington that the ballots of the 22 drivers would be counted on March 28.

On March 28, 1956, the election results were made public. The Teamsters Union did not get the vote of one driver. Its score was zero. There were four votes against the Union, and none for the Union.

But there is another part to that story. By means of the boycott the Union drove that small company out of business. The maneuvering and conniving and seeking of delay were going on for many months. One month before the ballots were made public, the Coffey Transfer Co. went out of business.

I visited the city of Alma some months afterward, and I asked the good citizens of that community what happened to the 22 drivers for Coffey Transfer, which had been driven out of business. They told me that 21 of them and their families had moved away, and that the last one was leaving the next week.

That is an example of a secondary boycott and what it can do. There was no labor dispute at the Coffey Transfer Co. The Teamsters Union boycotted the company because the management would not force the workers into a union which they did not want to join.

No one should labor under the impression that this is a problem of truckers only, even though transportation is vital to our entire economy. Secondary boycotts could put druggists, grocers, blacksmiths, farmers, and all other people out of business. They can endanger free speech and put newspapers and radio stations out of business. A letter to me from Cleveland, Ohio, says: "The announcer's union subjected many of the Cleveland station's customers to extreme pressure, either through other unions or through telephone and personal contact. This pressure resulted in the eliminating of practically all business from this station in about 3 weeks' time."

Mr. President, what is going to happen to the free press in America if all the advertisers of a newspaper can be told, "If you do not boycott this newspaper there will be trouble at your place of business. A picket line will be established and your customers will not be able to come into your place of business without being intimidated and frightened and sometimes insulted and treated with disrespect."

This is one of the abuses which a great many people throughout the country, for 3, 4, or 5 years, have been begging the legislative committee to consider. Now, the committee takes the position, "The Senate must not consider that question because no hearings have been held." The committee has continued to elect not to hold hearings.

Do Senators believe in the absolute power of committees? I do not believe in absolute power for any branch or department of our Government, let alone any subagency thereof.

One of the Nebraska transfer companies that has been victimized has this to say:

> I would feel different about this affair, if it were one between our company and our employees; but our employees do not want to join the Union, but this being a free country, it would appear that their wishes should be abided with.

Mr. President, I do not wish to convey the impression that this is a matter which pertains to only one State. Secondary boycotts have been carried on in almost every State of the Union—yes, I would say in every State of the Union.

I hold in my hand a clipping from the Oklahoma City Times of Monday, July 22, 1957. I read from the clipping:

> President of a small Oklahoma City freight company Monday charged the Teamsters Union with resorting to gangster tactics in an attempt to organize my office staff.
>
> Charles W. Ryan, of the Ryan freight lines, 1016 Southwest Second, said tires were slashed Sunday night on three of his larger units, after "labor goons warned me there would be trouble."

At the same time, Ryan said his drivers, all Teamsters Union men, have been crossing the picket lines of the local Machinists Union No. 850, currently trying to organize Ryan's office personnel.

Ryan charged the organization move was handed over by Teamster officials to the Machinists Union after I got an injunction against the Teamsters for high pressuring my office help.

Exactly what sort of persuasion and pressure do they use? I find a significant paragraph in the same article.

"For several weeks these guys (teamsters) came around, one with a snake, the other with a shotgun in his car, and started following our trucks out and harassing the drivers," Ryan charged.

In reference to that same situation, I read from the Daily Oklahoman of July 21, 1957:

TEAMSTER ORGANIZER BOASTS "WE'LL MAKE STATE CRAWL"

(By Jack Jones)

"We're going to bring a truckload of rattlesnakes into this town and turn them loose. These yokels here haven't seen anything yet. But they will, you can bet every day of our life they will.

"When we get through with this cowpatch everybody in the country will know what kind of stuff they're made of here in Oklahoma. They'll be crawling on their sleazy bellies clear to Washington begging for help. But it won't do them any good, no sir, not when we get through with them."

How did those gangsters know that the appeals of decent people would do no good in Washington? What pipeline did they have with those whose responsibility it is to keep a watchful eye on the legislation coming under their jurisdiction and recommend amendments thereto?

The article continues:

"But it won't do any good, no, sir; not when we get through with them."

The man who made that little speech represents himself to be a labor organizer from Los Angeles. He works for the Teamsters Union which refers to its special terror squads as "rattlesnakes."

He made the statement here last April 7 in a downtown Oklahoma City hotel room in what he thought was a secret discussion of the things his employers—the racket-ridden west coast Teamster local—have in mind for Oklahoma.

The man who made this arrogant boast is S. P. "Salty" Dykes, a square-jawed, gruff talking veteran of many a jolting Teamster campaign across the country. He came here with another west coast Teamster organizer, Skeeter Barnes.

Yes, Mr. President, these gangsters threatened Oklahoma City that they would turn a truckload of rattlesnakes loose and show the country what that cowpatch amounted to, but the startling thing in the article is this statement:

They'll be crawling on their sleazy bellies clear to Washington begging for help. But it won't do them any good, no sir, not when we get through with them.

What pipeline did they have to individuals who had it within their power to bring up legislation, to enable them to say, "Although all the decent people and the workers and management representatives come to Washington for help, it will not do any good"?

I hold in my hand another statement concerning boycotts. This has to do with a racing boycott. It reads:

By using an unfair secondary boycott a local Miami union boss was able to halt coast-to-coast racing broadcasts and telecasts from Florida's Hialeah racetrack, and involve two famed Miami Beach hotels in a drive to force unwanted unionism on a small group of radio and television engineers.

According to a National Labor Relations Board trial examiner's report, local 349 of the AFL–CIO International Brotherhood of Electrical Workers demanded that a new Miami station WCKT and WCKR, being built for the Biscayne Television Corp., sign a union recognition contract before the station was open for business.

The management discussed contract terms with the IBEW, but suggested the union first get itself certified as the official representative of employees. The union refused to do this, undoubtedly knowing it was an unwanted organization.

The union in October 1956, picketed the famed Fontainebleau Hotel and the Thunderbird Motel on Miami Beach because WCKT was handling remote broadcasts from these locations. Construction work on the new stations also halted when IBEW requested support for its forced unionism drive from the Miami Building Trades Council.

In January 1957, the first of a series of national broadcasts from Hialeah was scheduled over the National Broadcasting Co., and the union began threatening a secondary boycott at the racetrack if WCKT was permitted to carry the races.

Twenty-five electricians at the track suddenly failed to come to work, and painters at Hialeah walked off their jobs. The management feared that Hialeah would not open in time for the 1957 season.

IBEW then sought to have Hialeah break its contract with WCKT, tried to compel NBC in New York to send unionized engineers to Miami to handle the broadcasts, and attempted to make Hialeah use another local station. The track advised WCKT that the IBEW would not permit them to televise featured races January 19 and 23.

Mr. President, for 5 years the victims of secondary boycotts have waited upon the legislative committee which now says, "Grant no relief until we have had an opportunity to hold hearings." What is going on in this Chamber is not fooling anyone in the country. There is the smoothest, most effective machine imaginable at work to block corrective legislation, so that none will be enacted. That was the plan. That is what is being carried out. There has been some indication of retreat from that position on the part of the majority leadership. I hope we can have corrective legislation. We are to have an opportunity to vote for secondary boycotts, and to approve them, or to vote against them, and to carry out the intent of the Taft-Hartley law, to outlaw secondary boycotts.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. CURTIS. I am happy to yield to my distinguished colleague.

Mr. CASE of South Dakota. Personally, I am glad that the Senator from Nebraska has had printed the amendment which he proposes to offer later, and that he is discussing the subject of secondary boycotts.

I have been receiving telegrams and communications on the subject. At this time I should like to bring to the attention of the Senators from Nebraska a telegram from the secretary of a South Dakota implement dealers' association. It reads as follows:

NEW ORLEANS, LA., *April 25, 1958.*

Senator FRANCIS CASE,
Senate Office Building,
Washington, D. C.:

Please support Curtis amendment S. 2888 and help close secondary boycott loopholes in organizational picketing.

FRANK BEYER,
Secretary, South Dakota Implement Dealers Association.

The secondary boycott problem is not new. We sought to deal with it in labor legislation in 1946 and 1947, but we were not wholly successful, as the Senator has indicated. The implement dealers are concerned because they have learned by experience that when strikes have involved some of the implement machinery manufacturers at a time when the harvest season or the haying season was in progress, they could not obtain parts, because the strike affected the plant, and the normal trucking facilities were not available to deliver the material. It was incumbent upon the farmer, in many cases, to travel several hundred miles in his own truck in the hope of getting the parts which he needed.

That situation has stirred up a great deal of feeling that Congress should enact effective legislation in the field.

I expect to vote for the amendment which the Senator proposes to offer later in the discussion of the bill.

Mr. CURTIS. Mr. President, appeals have come in from every State of the Union for relief from secondary boycotts.

I wish to read from a letter which tells about the case of a small trucker in the great State of Texas. I shall quote one paragraph from it:

I write this letter also to call your attention to what I think is a deplorable situation. If you do not already know about it, this company has had over 100 violences to its equipment and motors. By violences, I mean holes drilled in tires, rifle shots into their equipment, explosive bombs attached to their motors, and various other means whereby the general morale of a trucking company owner could be lowered.

He tells me that he has had very little, if any, help from anyone aside from the Texas Rangers, and, of course, they are limited as to what they can do. He tells me very frankly that he felt that, had it not been for the Texas Rangers, today he would be dead, literally and figuratively.

Here was a small Texas businessman, and the only relief he could get was from the great, historic agency known as the Texas Rangers. That little Texas businessman needs legislative relief. His business is being blocked today. It is blocked in conformity with the pattern laid down by the union bosses that there be no legislation.

Rest assured that had this little, narrow bill which came from the committee been permitted to go through without the offering of amendments, the dream of the bosses that there be no legislation would have come true. But that dream is going to be interrupted at least for a roll call, and eventually we will

get legislation which will help to establish a law and authority that will prevent the confiscation and destruction of the property of little-business men.

A short time ago I told about the boycott that put out of business the Coffey Transfer Co., of Alma, Nebr. It is interesting to note that what was left of that little independent business concern was sold to one of the largest transportation companies in the country. The boycotting of business activities and business entities is one of the most potent forces for monopoly and merger in the country.

I call attention to a jurisdictional dispute which is set forth in a letter I received from Cleveland, Ohio:

For years we have been plagued by such boycotts of our industrial roof ventilators produced in our plant, which has been organized by the MESA, the Mechanics Educational Society of America, a labor union affiliated with the AFL–CIO. These boycotts have been inaugurated by the Sheet Metal Workers International Association, an AFL union now affiliated with the CIO since the merger, whose claim is that any sheet-metal product not made in an AFL shop organized by themselves is a scab product.

The threats of refusal to handle our products are very effective with those contractors who normally secure sheet-metal workers from the Sheet Metal Workers Hiring Hall, and has resulted in a considerable loss of business in a field in which we have been the leaders for over 50 years.

Mr. President, are the Texas Rangers the only friends to which small business can turn when unlawful secondary boycotts are carried out? Can we not have any legislative relief?

The State of Texas is not the only State that needs legislation to prohibit secondary boycotts, to save the property of its citizens and bring about law and order. I wish to read about a boycott that occurred in New York State:

A $100,000 secondary boycott damage suit has been filed against a radio broadcasters union by a Binghamton, N. Y., radio station.

Following a wage dispute between employees and the management of Radio Station WNBF, the union called a strike and waged a secondary boycott against neutral companies sponsoring the station's programs. WNBF replaced the strikers in order to continue serving the public.

Imagine that, Mr. President. In the great State of New York, businesses—small businesses, medium-sized businesses, and large businesses—are picketed and boycotted. Is it because they have labor trouble? Not at all. It is because they bought radio time on a radio station, and that radio station later had a labor dispute. What is going to happen to free speech and to the free press in this country? Is it to be free speech and free press with the consent of the boycotting unions? These victims of boycotts in New York State may have to appeal to the Texas Rangers, if they cannot get any relief from Congress.

Union pressure was applied as electricians at a local electrical supply company threatened to walk out unless their employer canceled sponsorship of a WNBF program.

Crowley's Milk Co., another Binghamton firm, refused to be intimidated by the secondary boycott threat and continued its broadcasts, but an insurance company was forced to cancel its sports program as a result of union pressure on its agents.

The insurance company did not have any labor dispute. Yet it was boycotted, and its agents were subjected to pressure unless they stopped broadcasting some sporting events to the boys and girls and men and women of that community.

For 5 long years the people have been begging the legislative committee to hold hearings on secondary boycotts. Today Senators say, "Don't legislate until we have had a chance to hold hearings."

Mr. President, it is not possible to hold hearings unless a committee wants to hold hearings.

I read further:

Telephone lines of other sponsors were suddenly tied up by phonejamming techniques and operators were subjected to obscene language. Other companies suffered losses in business through the union's urging its members to wage a boycott against sponsors.

It is not only an attack upon independent businesses; it is a shutting off of a radio station, a medium of free speech. All of that is taking place in the great State of New York, after the people had begged that the great Government of the United States clarify the law and plug up the loopholes with respect to secondary boycott. This is not an issue concerning the jurisdiction of a committee. No amendment here is out of order. The issue is whether one favors the vicious secondary boycott or is against it. Our action will be interpreted by the people of the country.

I call attention to another case. This one also comes from Ohio. This very interesting letter, addressed to me, reads, in part:

For the past 15 years, my business has suffered immeasurable albeit positive damage in direct consequence of a continuing secondary boycott instigated and enforced by the AFL Carpenters' Unions for the direct benefit of its member-contractors who compete in such business for profit. Prolonged litigation, conducted by myself without benefit of counsel, seeking recovery and injunctive relief under Ohio antitrust statutes was unsuccessful, notwithstanding conclusive proof by the evidence and defendants' admission of such conduct.

The letter then has this paragraph:

As a disabled war veteran who did not serve to make this Nation safe for dictatorship in any sphere of civic activity, I will, if financially able at the time to do so, appear and testify at the committee hearings on behalf of Senate bill 76.

The business of that disabled war veteran is being destroyed while he waits for the committee to hold hearings on secondary boycotts. But let us not delude ourselves. The people of the Nation know that here and now we have a chance to enact corrective legislation. They know that the will of the bosses is being carried out that there be no legislation. It is not a procedural question. Every amendment here is in accord with the established rules and procedures of the Senate.

Mr. President, I have a letter from another victim of secondary boycotts, a practice which has been described as economic blackmail, a practice which we thought was outlawed when the Taft-Hartley law was passed. But the connivers have forced loopholes into the law; and for all these long years, we have asked the committee to hold hearings concerning the loopholes. This is what the writer of a letter to me from Olean, N. Y., has to say:

Our warehouse has been picketed since July 6. We have had to switch all deliveries from truck to rail with consequent increased costs, delays, and out-of-stock conditions. We are, and have been, perfectly willing to have the NLRB conduct an election. Our employees have formed an independent union and have asked NLRB to certify them as bargaining agent after having conducted an election. The company has agreed, the independent union has agreed, the NLRB has agreed, and the teamsters have refused. The picketing goes on.

Mr. President, the Teamsters Union has refused. Dave Beck and his gang have refused. So has the committee refused to hold any hearings. Others can wait, but I shall offer my amendment.

The letter continues:

Even though the NLRB in Washington has recently ruled that hot-cargo clauses in common carrier contracts are illegal, the teamsters union continues to insist that these carriers are not to handle any freight destined for our warehouse. These carriers are so frightened by the prospects of what this union can do to them, that they jump every time the union says "frog."

Mr. President, if only a small number of the people who have sent letters to Congress asking for relief from secondary boycotts were permitted to be heard by the committee, it would take a long, long time, because those requests have piled up for 2, 3, 4, and 5 years.

I have a letter from Denver. It was addressed to our former colleague, the distinguished Eugene Millikin. The problem existed at that time. Attempts were made to have hearings on the measure then. But those who asked for hearings did not get them. I read from the letter to former Senator Millikin:

We culminated an 8-months-old strike in April of this year, which when we asked for NLRB election to recertify the union, we received a 16 to nothing vote against the union by our employees. However, during the strike the pressures of secondary boycotts were much more costly to us and we feel a much more vicious weapon than violence. We feel that the use of a secondary boycott and its implications are tools which apparently were not designed by our Constitution to be in the war chests of the labor bosses. Coercion directly made to employer is one thing, coercion on a third party is another.

Dave Beck is against outlawing the secondary boycott. I asked him. He said so in our hearings. When the roll is called, I will not line up with him. I will help the people who have been the victims of this vicious practice—the secondary boycott. Congress expressed itself in the Taft-Hartley law as wanting to outlaw secondary boycotts. We are asking that the loopholes be plugged up. This is not a new principle.

I received a letter from the great State of Pennsylvania, written to me by a

businessman in Pittsburgh. I read a portion of it:

It is next to impossible for any trucking firm outside of this area to bring a truck into the city of Pittsburgh for the simple task of unloading freight without paying tribute to Teamsters Local 249. Whenever a truck comes into the city it is required to hire a member of local 249 before it can unload its freight. Ninety-nine percent of the time the man is not needed. He has to be hired. He has to be paid a day's wages, even though the average unloading takes less than 2 hours. If he is not hired, the teamster member makes it clear that the passage of the truck through the area might not be a safe one.

Where is that, Mr. President? Behind the Iron Curtain? No. That is in Pittsburgh. I continue to read:

Many a truck has been tipped over, the driver beat up, the goods scattered. A roving band of teamsters members polices the roads leading into the city, and a member approaches all trucks from outside the area which do not belong to local 249. It is a rare truck, indeed, that manages to get into the city, unload its freight, and get out without paying tribute.

The Barbary pirates had nothing on our local 249.

Mr. President, there are so many letters from citizens of this country who ask for legislative relief to plug up the loopholes in the secondary-boycott field that it is impossible for me to read all of them at this time.

But before the Senate concludes its consideration of this bill, I shall offer my amendment, and I shall seek to have a yea-and-nay vote taken on the question of agreeing to it. Thus, I shall give all Senators an opportunity to take their position on the question of continuing to outlaw secondary boycotts and closing up these loopholes, or on refusing to do so and permitting these abuses to continue.

Mr. President, let there be no misunderstanding about it: The amendment will be in accord with our regular procedures; it will not be brought forward in an irregular fashion. The amendment will afford a clear test as to whether the Senate wishes to outlaw secondary boycotts.

Mr. President, we have waited 5 years for hearings. Now the committee comes rushing through the door, and cries, "Wait until we hold hearings."

Mr. President, the life expectancy of a Senator on this earth is limited. Many of our departed colleagues sought hearings before that committee on measures, in which they believed, to correct abuses in the field of labor and management. How much longer shall we have to wait, Mr. President?

I yield the floor.

Mr. SCHOEPPEL. Mr. President, I desire to say to the distinguished Senator from Nebraska that I believe he has rendered a magnificent service to the Senate by pointing out and highlighting some of the important abuses which have occurred and some of the very logical reasons for the adoption of his amendment.

I wish to say to the distinguished Senator from Nebraska, as well as to my other colleagues in the Senate, that on this very important matter I have received numerous communications—telegrams and letters—from my own State, and also numerous ones from persons who live beyond the borders of my State.

It was on February 9, 1954, in the 83d Congress, 2d session, that I introduced Senate bill 2898, which dealt with the matter of secondary boycotts.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. SCHOEPPEL. I am happy to yield.

Mr. CURTIS. When did the Senator from Kansas say he introduced that bill?

Mr. SCHOEPPEL. I introduced it on February 9, 1954.

Mr. CURTIS. Then, when this year comes to its close, 5 years will have passed since the Senator introduced his bill; is that correct?

Mr. SCHOEPPEL. Yes. But no hearings have ever been held on the bill, and no offer was made to hold hearings on it.

I may say to the distinguished Senator from Nebraska that I intend to support the amendment offered by him, because I believe it is high time to close the loopholes which now riddle section 8 (b) (4) of the Taft-Hartley Act which deals with secondary boycotts.

Over and over again, countless committees of Congress have documented the injuries done to innocent persons by the vicious technique of the secondary boycott in labor-management relations. These evils rose to intolerable proportions as labor unions grew in power and forged, with other unions, alliances to bring overwhelming pressure to bear on persons not even remotely involved in labor disputes.

Secondary boycotts were illegal even before the Taft-Hartley Act was passed. It is an elementary principle of justice that coercion cannot be used against innocent third persons, not parties to a strike or labor dispute. But our committees found that innocent men were deprived of employment and many small businesses were ruined when, through no fault or act of their own, they were caught between the warring parties to a labor dispute. Until the passage of the Norris-La Guardia Act, such cases had been reached by injunction, and protection was given to innocent persons. But in that act, the restrictions against injunctions took away this protection. It is certainly ironic that, in an attempt to relieve unions from unjust harassment by injunctions, we should place it within their power to do great harm to others, through these secondary boycotts. But that was the result.

From the debates preceding the passage of the Labor-Management Relations Act of 1947, it is clear beyond dispute that Congress intended to stop, once and for all, the resort to this unscrupulous practice. We thought we accomplished our purpose in section 8 (b) (4), which prohibited such tactics as an unfair labor practice.

On this point, let me quote from the conference report to the House of Representatives:

Under clause (A) of 8 (b) (4), strikes or boycotts, or attempts to induce or encourage such action, were made unfair labor practices if the purpose was to force an employer or other person to cease using, selling, handling, transporting, or otherwise dealing in the products of another, or to cease doing business with any other person. Thus, it was made an unfair labor practice for a union to engage in a strike against employer A for the purpose of forcing that employer to cease doing business with employer B. Similarly, it would not be lawful for a union to boycott employer A because employer A uses or otherwise deals in the goods of, or does business with, employer B. (H. Rept. No. 510, 80th Cong., 1st sess., p. 43.)

But, Mr. President, the intent of Congress to stop this vicious practice has been all but completely nullified by subsequent developments under the Taft-Hartley Act. Clever union lawyers searched for, and found, loopholes which made it possible to get around this provision. NLRB rulings and decisions, many of them sustained by the courts, allowed further evasions of the law. So today, the evils of secondary boycotts are flourishing almost as widely as they were before Congress was forced to prohibit them.

One of these loopholes is the threat to a neutral employer who is not involved in a labor dispute that he will be boycotted if he does not cease doing business with the employer who is involved in a strike. Where a small-business man is concerned, the mere threat of trouble can be just as effective as a boycott itself. It can ruin his business.

Another loophole is the refusal to handle goods which the union labels "hot cargo." The NLRB saw no objection to this if collective-bargaining contracts carried a clause permitting unions to take this kind of action. But it is precisely the kind of boycott Congress intended to prohibit.

A third loophole permits unions to refuse to allow their members to work for an employer alleged to be unfair, even though he is not himself involved in a labor dispute. In cases where the employer has to depend heavily upon unions for work assignments of men, this kind of boycott can be cruelly effective.

A fourth loophole makes customer boycotts possible. Thus, an innocent retail store may be picketed if it sells goods of a manufacturer where there is a labor dispute.

In applying the secondary boycott section of the act, the NLRB has so narrowed the definitions of employer, employee, and persons in section 2 of the act, that another loophole has been created in which secondary boycotts can be instituted with impunity.

At this juncture in my remarks, I wish to draw the Senate's attention to an excellent pamphlet entitled, "You May Have Wondered How the Federal Courts and NLRB Have Dealt With Secondary Boycotts." On the next page it states: "Here is the answer." The pamphlet is an outline analysis of the Taft-Hartley prohibitions by a distinguished member of the Massachusetts bar, Charles H. Tower, which was copyrighted in February 1954.

Mr. President, I ask unanimous consent that the entire pamphlet be placed in the RECORD at this point as a part of

my remarks, as it is an excellent analysis, which is documented in detail, and is one of a series of articles that was most helpful, and which will be most helpful as we consider the entire matter when it comes before the Senate.

There being no objection, the pamphlet was ordered to be printed in the RECORD, as follows:

YOU MAY HAVE WONDERED HOW THE FEDERAL COURTS AND NLRB HAVE DEALT WITH SECONDARY BOYCOTTS—HERE IS THE ANSWER: SECONDARY BOYCOTTS, AN OUTLINE ANALYSIS OF THE TAFT-HARTLEY PROHIBITION

(By Charles H. Tower, member of Massachusetts Bar)

The Taft-Hartley Act, passed in 1947, contains a prohibition against secondary boycotts.[1] Not all the traditional forms of secondary boycotts are proscribed by the act.[2] Moreover, the so-called secondary boycott section, 8 (b) (4), covers some primary as well as secondary activity.[3] This analysis will deal principally with the effect of the act on the recognized forms of the secondary boycott.[4]

I. STATUS OF SECONDARY BOYCOTTS PRIOR TO 1947

1. Secondary boycotts generally have been regarded by the courts as unlawful: (a) "American judicial decision has come into general agreement that there is a distinction between a primary boycott and a secondary boycott and, as shall be seen hereafter, the primary boycott, if peacefully carried on, is legal, while the secondary boycott is illegal because involving the exercise of coercion upon innocent third persons not parties to the dispute." (Ludwig Teller, Labor Disputes and Collective Bargaining, p. 454, 1940.)

2. But the Norris-La Guardia Act, passed in 1932, placed severe limitations on the power of Federal courts to issue injunctions in labor dispute cases, including those involving secondary boycotts:[5] (a) "The short answer to the argument that the Labor Management Relations Act of 1947 * * * has removed the limitations of the Norris-La Guardia Act upon the power to issue injunctions [by the Federal courts] against what are known as secondary boycotts, is that the law has been changed only where injunction is sought by the National Labor Relations Board, not where proceedings are instituted by a private party." (From opinion by Mr. Justice Frankfurter in *Bakery Sales Drivers Union* v. *Wagshal* (333 U. S. 437, 442.)

II. THE INTENT OF CONGRESS IN 1947

1. It is apparent that the Congress in 1947 intended to make secondary boycotts unlawful by the Federal statute:[6] (a) "The Senator will find a great many decisions * * * which hold that under the common law a secondary boycott is unlawful. Subsequently, under the provisions of the Norris-La Guardia Act, it became impossible to stop a secondary boycott or any other kind of a strike, no matter how unlawful it may have been at common law. All this provision of the bill (sec. 8 (b) (4)) does is to reverse the effect of the law as to secondary boycotts. It has been set forth that there are good secondary boycotts and bad secondary boycotts. Our committee heard evidence for weeks and never succeeded in having anyone tell us any difference between different kinds of secondary boycotts. So we have so broadened the provision dealing with secondary boycotts as to make them an unfair labor practice." (Statement by the late Senator Robert Taft, who sponsored the bill in the United States Senate, made on the floor of the Senate in June 1947, shortly before the passage of the act.[7])

III. THE TAFT-HARTLEY BAN ON SECONDARY BOYCOTTS

1. The Taft-Hartley Act contains three separate sections dealing with secondary boycotts.

(a) Section 8 (b) (4) defines the prohibited activity without using the term "secondary boycott."

In essence, the section makes it unlawful for a union or its agents to urge the employees of an employer to refuse to perform work for the purpose of compelling their employer to cease doing business with some other person.[8]

(b) Section 10 (1) sets up the so-called mandatory injunction procedure requiring representatives of the NLRB's General Counsel to apply for injunctive relief when preliminary investigation of a charge indicates that a secondary boycott exists.[9]

(c) Section 303 permits the prosecution in the Federal courts of civil suits to collect damages for injuries resulting from secondary boycotts.[10]

IV. THE LANGUAGE OF SECONDARY BOYCOTTS

1. During the past few years, the NLRB, the courts and labor relations experts have developed a secondary boycott terminology. Some of the more important terms are briefly defined below:

(a) Secondary boycott: A union tactic whereby a dispute with Employer A is used as a justification for puting economic pressure on Employer B.

(b) Primary employer: The primary employer is the one with whom the union has a basic dispute. It is Employer A in the example above. It should be kept in mind that the union may have made no direct demands upon the primary employer. The dispute may be based on the fact that, for a variety of reasons, the union regards the primary employer as unfair.

(c) Secondary employer: The secondary employer is the neutral employer with whom the union has no basic dispute. It is Employer B in the definition above. Normally, the objective is to get Employer B (the secondary employer) to cease doing business with Employer A (the primary employer).

(d) Primary situs: The primary situs is the premises of the primary employer.

(e) Roving situs: Roving situs is a term used to refer to the activities of an employer conducted away from his main place of business. Trucks of a trucking company, for example, have been regarded in some Board and court decisions as constituting moving or roving situses.

(f) Hot cargo clause: A hot cargo clause is a provision in a collective bargaining contract which specifically allows union members to refuse to handle goods or equipment when supplied by another employer whom the union regards as unfair.

V. EFFECT OF THE SECONDARY BOYCOTT—PROHIBITION

1. Despite the intent of Congress generally to outlaw secondary boycotts and threats thereof, the objective has not been achieved completely—partly because of NLRB and court interpretations and partly because of apparently inadvertent omissions in the original statutory language: (a) Among the more important loopholes are the following:

(1) Picketing the trucks of a primary employer wherever they may go;

(2) Permitting otherwise unlawful secondary activity because it is covered by a clause in a collective bargaining contract;

(3) Placement of a primary employer on an unfair list regardless of the purpose and distribution of the list;

(4) Inducement of employees of a secondary employer to refuse to enter the premises of a primary employer;

(5) Secondary consumer or customer boycotts;

(6) Threats of secondary boycotts addressed to supervisors;

(7) Inducement of concerted refusals to accept employment with a secondary employer;

(8) Secondary activity permitted because of restricted interpretations of terms "employee" and "person."

VI. ANALYSIS OF SECONDARY BOYCOTT PROVISIONS IN THE LIGHT OF NLRB AND COURT INTERPRETATIONS

1. Only "a labor organization or its agents" can be guilty of violating the secondary boycott section of the act.

(a) Individual employees, except where acting as agents for a union, are not subject to the statutory prohibition.[11]

(b) A union will be liable for the acts of its agents where the agents are acting within the general scope of their authority or where the union has ratified their conduct.[12]

2. "To induce or encourage" employees of a secondary employer to refuse to perform work is the unlawful activity.

(a) Traditional forms of inducement are speeches, leaflets, letters, conversations, and picket lines.[13] The Supreme Court has

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[1] 29 U. S. C., sec. 151 et seq. The language of the boycott section, 8 (b) (4), is quoted in full on the inside of the back cover.

[2] For example, the entire area of secondary consumer or customer boycotts is not covered. See footnote (25), infra.

[3] See, e. g., 8 (b) (4) (C) and 8 (b) (4) (D) which relate to primary recognition strikes and jurisdictional disputes respectively.

[4] There is relatively little in the way of basic literature on secondary boycotts. Two of the more detailed but somewhat out-of-date surveys are H. W. Laidler, Boycotts and the Labor Struggle, 1913, and Leo Wolman, The Boycott in American Trade Unions, 1916.

[5] For background material, see Frankfurter and Greene, The Labor Injunction, 1930, and Teller, Labor Disputes and Collective Bargaining, secs. 199–233.

[6] For additional material on Congressional intent, see House Conference Report No. 510 on H. R. 3020 (pp. 43, 44) and majority opinion written by Mr. Justice Burton in *NLRB* v. *Denver Building and Construction Trades Council* (341 U. S. 675, 686).

[7] 93 CONGRESSIONAL RECORD 4323.

[8] In *International Brotherhood of Electrical Workers, Local 501, et al.* v. *NLRB* (181 F. 2d 34) Judge Learned Hand said: "The gravaman of a secondary boycott is that its sanctions bear, not on the employer who alone is a party to the dispute, but upon some third party who has no concern in it. Its aim is to compel a man to stop business with the employer in the hope that this will induce the employer to give in to his employee's demands."

[9] From the effective date of the act in August 1947 until December 31, 1953, 162 petitions for injunctions in boycott cases were filed with the following results: 65 temporary injunctions issued, 21 denied, 2 pending, and 74 withdrawn, generally because the unions ceased their boycott activities in the face of the injunction threat.

[10] There have been only 15 decisions involving this section of the act.

[11] Several bills discussed in 1947 extended the boycott prohibition to individuals. See, for example, S. 55 introduced by Senator Ball on January 6, 1947.

[12] The most comprehensive treatment of the agency problem as applied to unions can be found in *Sunset Line and Twine Co.* (79 NLRB 1487). For boycott cases dealing with the same problem see *Sealright Pacific Ltd.*, (82 NLRB 271); *The Pure Oil Company* (84 NLRB 315); *Hammermill Paper Co.* (100 NLRB 1176); *Santa Ana Lumber Co.* (87 NLRB No. 135).

[13] *International Brotherhood of Electrical Workers, Local 501, AFL., et al.* v. *NLRB* (341 U. S. 694, 701). See also *Joliet Contractors Association et al.* v. *NLRB* (202

stated that neither the first amendment nor section 8 (c) of the Taft-Hartley Act protects the inducement of unlawful secondary boycotts, even by peaceful means.[14]

(b) Inducement of the employees of a secondary employer at or near the premises of a primary employer has been held by the Supreme Court and the Board to be lawful activity.[15] Hence, those who deliver or pick up goods from a primary employer may be solicited with impunity to refuse to perform work.

(c) This primary situs theory has been extended by the Board to permit the inducement of the employees of a secondary employer, even at the premises of a secondary employer, so long as the activity which is the objective of the inducement is to take place at the premises of the primary employer.[16]

(d) Another ramification of the primary situs theory is its application to the activities of the primary employer conducted away from the principal place of business as, for example, work performed at or near the premises of another employer. The NRLB has permitted "following the work" in certain situations.[17]

(e) Unfair lists may, according to NLRB rulings, include primary employers but not secondary employers.[18]

(f) Inducement of the employees of a secondary employer has been held lawful by the Board where such employees are covered by a collective bargaining contract which contains a "hot cargo" clause permitting unionized employees to refuse to handle goods or equipment from an employer listed as unfair.[19]

3. To be unlawful, the inducement must be directed toward "the employees of any employer in the course of their employment":

(a) The term "employee" is carefully defined by section 2 of the act. Although the matter is not completely settled, the inducement of employees not falling within the statutory definition is in some cases, at least, unlawful.[20]

(b) The inducement must be directed to employees "in the course of their employment." Thus, the Board and the courts have held that the inducement of prospective employees is not unlawful.[21]

4. To be unlawful, the purpose of the inducement of the employees of the secondary employer must be to bring about "a strike or concerted refusal [to perform work] in the course of their employment":

(a) Supreme Court and NLRB decisions have held that the solicitation of a single employee at or near the premises of the primary employer is not unlawful because it does not seek to induce concerted activity.[22]

(b) Individual employees may quit their jobs or refuse to perform work, but a mass quitting has been held to amount to a strike or concerted refusal to perform work.[23]

(c) The inducement of employees to refuse in concert to work on particular goods or equipment marked "unfair" by a union sometimes called a product boycott, is unlawful.[24]

(d) A union-induced concerted refusal to buy the products of a secondary employer, generally referred to as a secondary consumer boycott, is not unlawful under the present act.[25]

5. "An object" of the inducement of a refusal to perform work must be one of the following if it is unlawful:

(a) Forcing an employer or self-employed person to join a labor or employer organization.[26]

(b) Forcing one employer to cease doing business with any other person.[27]

(1) If the primary and secondary employers are not doing business with each other, then inducement of the employees of the secondary employer is not unlawful under this particular section of the act. Consequently, the so-called sympathy strike, where there is no business relationship between employers, is not unlawful.

(2) Where two companies were controlled by substantially the same ownership interests and there was a functional integration between the two companies, the inducement of the employees of the secondary employer was held to be lawful.[28]

(3) It is well settled that a subcontractor and general contractor are "doing business with" each other.[29] Consequently, one may not be picketed to put pressure on the other.

(4) A primary employer, who, during the course of a strike farmed out its work to a secondary employer, was held not to be doing business with the secondary employer where the primary employer's supervisors and others moved over to the secondary employer's premises to direct the accomplishment of the work. Picketing of the secondary employer's premises was permitted.[30]

(5) The secondary employer must be a person as that term is defined in the act if a finding of violation is to be made. The NLRB has found an agency of the Federal Government and a local school board to be outside the definition.[31]

(c) Forcing any other employer to bargain with a union unless the union has been certified by the Board as the bargaining agent.[32]

(1) This objective encompasses what is sometimes referred to as a secondary recognition strike.

6. Inducement for the following objectives is also unlawful although not involving traditional types of secondary boycotts:

(a) Forcing an employer to bargain with one union when another union has been certified as the bargaining agent for the same employees.[33]

(1) Not a secondary boycott in the traditional sense. The wording prevents a union from inducing the employees of a primary

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F. 2d 606) for holding that union bylaws can constitute inducement and *Western, Inc.* (93 NLRB 336), for Board reversal of trial examiner's finding that resolutions passed at a union meeting constitute inducement.

[14] *International Brotherhood of Electrical Workers, Local 501, AFL, et al.* v. *NLRB* (341 U. S. 694, 701). See also Judge Learned Hand's careful analysis of the same problem in the same case, 181 F. 2d 34, and Judge Healy's opinion in *Printing Specialties and Paper Converters Union, Local 388, AFL, et al.* v. *Le Baron* (171 F. 2d 331). The most elaborate discussion by the NLRB is contained in *Wadsworth Building Co.* (181 NLRB 802).

[15] *NLRB* v. *The International Rice Milling Co., Inc., et al.* (341 U. S. 665); *The Pure Oil Company* (84 NLRB 315); *Rayan Construction Co.* (85 NLRB 417); Cf. *Lakeview Creamery Co.* (107 NLRB No. 144).

[16] *Interborough News Company* (90 NLRB 2135).

[17] For cases involving the following of trucks, see *Sealright Pacific Ltd.* (82 NLRB 271); *Schultz Refrigerated Service, Inc.* (87 NLRB 92); *Sterling Beverages, Inc.* (90 NLRB 401); *NLRB* v. *Service Trade Chauffeurs, Salesmen and Helpers, Local 145, et al.* (191 F. 2d 65; *The Howland Dry Goods Co.* (97 NLRB 123); *Hoosier Petroleum Co., Inc.* (106 NLRB No. 111); and *Washington Coca-Cola Bottling Works, Inc.* (107 NLRB No. 104). Generally speaking, picketing near the premises of the secondary employer has been permitted in these cases where the picketing is limited to times when the trucks of the primary employer are at the premises of the secondary employer, but the Board's decision in the Coca-Cola case may indicate the beginning of an effort to restrict the roving situs theory. For the tests which will be applied, see *Moore Dry Dock Co.* (92 NLRB 547). In construction industry cases, the general counsel has apparently been applying a test which would permit picketing of the job as long as the primary employer is performing work there and as long as the signs indicate the nature of the dispute. For a construction case, see *Richfield Oil Corp.* (95 NLRB 1191). See also trial examiner's report recently adopted by the Board in *New York Shipping Assn.* (107 NLRB No. 152.)

[18] *The Grauman Co.* (87 NLRB 755); *Western, Inc.* (93 NLRB 336); *Kimsey Manufacturing Co.* (89 NLRB 1168).

[19] *Conway's Express* (87 NLRB 130, enf'd. 195 F. 2d 906); *Ferro-Co. Corp.* (102 NLRB No. 166); petition for injunction denied, *Douds* v. *Sheet Metal Workers International Assn., Local Union No. 28* (101 F. Supp. 273); motion for reconsideration denied (101 F. Supp. 970). *Pittsburgh Plate Glass Co.* (105 NLRB No. 120). *Western, Inc.* (93 NLRB 336).

[20] For supervisory exclusions see *Conway's Express* (87 NLRB 130, enf'd 195 F. 2d 906); *Arkansas Express, Inc.* (92 NLRB 255); *Roy Stone Transfer Corp.* (100 NLRB 856). For railroad employees, see *The International Rice Milling Co., Inc., et al.* v. *NLRB* (183 F. 2d 21), reversing 84 NLRB 860. Cf. *Di Giorgio Wine Co., et al.* (87 NLRB 125, enf'd. 191 F. 2d 642), where a union admitting to membership only agricultural workers was held not to be a labor organization within the meaning of the act.

[21] *Joliet Contractors Association* (99 NLRB 1291), petition for review of NLRB dismissal of portion of complaint denied, *Joliet Contractors Association et al.* v. *NLRB* (202 F. 2d 606). Cf. trial examiner's report recently adopted by the Board in *New York Shipping Assn.* (107 NLRB No. 152).

[22] *NLRB* v. *The International Rice Milling Co., Inc., et al.* (341 U. S. 665). *Joliet Contractors Assn. et al.* v. *NLRB* (202 F. 2d 606). *Gould and Preisner* (82 NLRB 1195). *Clyde M. Furr* (98 NLRB 1288). *Hammermill Paper Co.* (100 NLRB 1176).

[23] *Roane-Anderson Co.* (82 NLRB 696).

[24] *Climax Machinery Co.* (NLRB 1243); *Kanawha Coal Operators' Association* (94 NLRB 173); *Sound Shingle Co.* (101 NLRB 1159).

[25] *NLRB* v. *Service Trade Chauffeurs, Salesmen & Helpers, Local 145, et al.* (191 F. 2d 65); *Hoover Co.* v. *NLRB* (191 F. 2d 380); *Crowley's Milk Co.* (102 NLRB No. 102, enf'd); (33 LRRM 2110); November 13, 1953 (C. C. A. 3). *Capital Service, Inc.* (100 NLRB 1092). Cf. *Capital Services, Inc., et al.* v. *NLRB* (204 F. 2d 848).

[26] There has been only one decision by the Board involving this particular paragraph of the act. *Lakeview Creamery Co.* (107 NLRB No. 144).

[27] *Schenley Distillers Corp.* (78 NLRB 504, enf'd. 178 F. 2d 584). *Hoosier Petroleum Co., Inc.* (106 NLRB No. 111). *NLRB* v. *United Brotherhood of Carpenters & Joiners of America, etc.* (184 F. 2d 60).

[28] *Irwin-Lyons Lumber Co.* (87 NLRB No. 9).

[29] *NLRB* v. *Denver Building Trades Council* (341 U. S. 675).

[30] *Douds* v. *Metropolitan Federation of Architects, etc.* (75 F. Supp. 672).

[31] *Sprys Electric Co.* (104 NLRB No. 147); *Al J. Schneider* (87 NLRB 79).

[32] *The Howland Dry Goods Co., et al.* (85 NLRB 1037, sup. dec., 97 NLRB 123). It should be noted that there need be no doing-business-with relationship between the primary and secondary employer in applying this section of the act. Thus, theoretically a secondary sympathy strike for this objective might be unlawful. See also *United Brick & Clay Workers of America, et al.* v. *Deena Artware, Inc.* (198 F. 2d 637).

[33] *Oppenheim Collins & Co., Inc.* (83 NLRB 355); *International Union, United Auto Workers of America, Local 447 (AFL)* (96 NLRB 957); *Gamble-Skogmo, Inc.* (93 NLRB 1638).

employer to refuse to perform work with the objective of compelling the primary employer to grant recognition where another union has already been certified. This is the only type of primary recognition strike made unlawful by this section of the Taft-Hartley Act.

(b) Forcing an employer to assign work to one group of employees rather than to another.[34]

(1) This objective does not involve a traditional type of secondary boycott. It relates rather to work jurisdiction problems—that is, a quarrel among unions as to who shall perform certain types of work.

VII. NLRB JURISDICTION IN SECONDARY BOYCOTT CASES

1. It is well established that the NLRB has been given by Congress the power to remedy unfair labor practices in all businesses (aside from stated exceptions) within the reach of the commerce clause of the Constitution.[35] (a) Thus, companies whose business affects interstate commerce as well as those actually engaged in interstate commerce can be subject to the NLRB's jurisdiction. In the area of "affecting commerce" there is some dispute as to just how far the Federal authority extends.[36]

2. The NLRB does not exercise jurisdiction to the fullest extent conferred by Congress:

(a) The Board has developed a set of yardsticks, based principally on dollar value of business, which are used to determine whether jurisdiction will be asserted in particular cases.[37]

(b) In secondary boycott cases, that portion of the secondary employer's business affected by the dispute will be added to the primary employer's in determining the base for applying the yardsticks.[38]

TAFT-HARTLEY'S SECONDARY BOYCOTT PROHIBITION

"SEC. 8 (b). It shall be an unfair labor practice for a labor organization or its agents—

"* * * * (4) to engage in, or to induce or encourage the employees of any employer to engage in, a strike or a concerted refusal in the course of their employment to use, manufacture, process, transport, or otherwise handle or work on any goods, articles, materials, or commodities or to perform any services, where an object thereof is: (a) forcing or requiring any employer or self-employed person to join any labor or employer organization or any employer or other person to cease using, selling, handling, transporting, or otherwise dealing in the products of any other producer, processor, or manufacturer, or to cease doing business with any other person; (b) forcing or requiring any other employer to recognize or bargain with a labor organization as the representative of his employees unless such labor organization has been certified as the representative of such employees under the provisions of section 9; (c) forcing or requiring any employer to recognize or bargain with a particular labor organization as the representative of his employees if another labor organization has been certified as the representative of such employees under the provisions of section 9; (d) forcing or requiring any employer to assign particular work to employees in a particular labor organization or in a particular trade, craft, or class rather than to employees in another labor organization or in another trade, craft, or class, unless such employer is failing to conform to an order or certification of the Board determining the bargaining representative for employees performing such work: *Provided*, That nothing contained in this subsection (b) shall be construed to make unlawful a refusal by any person to enter upon the premises of any employer (other than his own employer), if the employees of such employer are engaged in a strike ratified or approved by a representative of such employees whom such employer is required to recognize under this act."

Mr. SCHOEPPEL. Mr. President, another loophole stems from the practice of ambulatory picketing—the practice of strike pickets in following the trucks of the picketed employer and then going into action at every point where the truck stops. The clear objective of the union here is to embarrass and bring pressure to bear on innocent third persons.

It would be possible to go indefinitely and cite dozens and hundreds of cases where secondary boycotts now flourish in absolute disregard of the law.

Mr. President, a moment ago, when I obtained the floor, I indicated to the Senate, and to the Senator from Nebraska, who had just completed his excellent discussion, that on February 9, 1954, I introduced a bill, S. 2989, in the Senate.

I ask unanimous permission at this time to offer and have printed in the RECORD my remarks on that occasion, which appeared in the CONGRESSIONAL RECORD, volume 100, part 2, page 2069.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SPEECH BY SENATOR ANDREW F. SCHOEPPEL CONCERNING HIS AMENDMENT TO THE LABOR-MANAGEMENT RELATIONS ACT OF 1947 DEALING WITH SECONDARY BOYCOTTS

Eight years ago, many Members of the United States Senate devoted long hours and back-breaking effort to enact one of the most difficult and complex pieces of social legislation ever to be placed on the statute books. This legislation has become known as the Taft-Hartley Act. It bears the name of the man who, more than any other, was responsible for its passage—a man who is revered by his colleagues and, yes, by the Nation, as one of the great statesmen of our time, the late Senator from Ohio, Robert A. Taft.

I have given considerable study to President Eisenhower's January 11 message on Taft-Hartley amendments. It is my conclusion that the President has found the true middle ground in this controversial subject. I am in enthusiastic agreement with his statement that the Taft-Hartley Act is sound legislation. I am convinced that the President's recommendations in no way detract from the basic purposes of that act. I have every confidence that the Committee on Labor and Public Welfare will shortly report a bill incorporating the recommendations of President Eisenhower. It is my intention to support this bill.

The objective of the Taft-Hartley Act was to set up a fair and equitable framework in which management and labor could settle their own problems in a manner consistent with the best interests of all the citizens of this great country. No one who is even slightly acquainted with the complexities of labor-management relations and the intense fervor of competing interests could fail to appreciate the difficulty of achieving this objective.

In my humble opinion, we can, on the basis of 8 years of experience, look back with pride at the job that was done in 1947. The objective was achieved in most important respects.

In the debate that preceded the passage of the Taft-Hartley Act, two problems vied with each other for the most attention. They were the closed shop and secondary boycotts. In both cases, the exhaustive testimony presented to the Senate and House committees clearly established the substantive evils represented in these two issues. In passing the Taft Hartley Act Congress sought to eradicate these evils.

With the indulgence of my fellow Senators, I shall say a few words about one of these problems—secondary boycotts. The problem is still with us today.

The President prefaced his recommendations on secondary boycott restrictions with the statement, "The true secondary boycott is indefensible and must not be permitted." I intend to point out today that there are a number of indefensible secondary boycotts which the present law does not touch. I will then introduce a bill which seeks to cover these situations. My bill, in effect, is an amendment to the Smith bill, S. 2650, upon which hearings have just concluded. It is my hope that the committee will incorporate my bill in the bill it will report to the Senate.

An editorial appearing on December 18, 1953, in the Topeka Dairy Capital poses the problem when it states, "The Taft-Hartley Act was supposed to prohibit secondary boycott, but smart union leaders and the lawyers have found loopholes in the law."

The problem is with us today because President Eisenhower in his labor message has recommended three changes in the secondary boycott provisions of the act, all of which are concessions to unions. I have checked to determine just what my party promised during the 1952 campaign with respect to secondary boycotts. I found that the only speeches which might be said to commit my party on this subject were made by Senator Taft. Speaking on behalf of the candidacy of President Eisenhower at Benton Harbor, Mich., on September 24, 1952, the late Senator said the law should be amended, too, and I quote: "Amendment of the secondary boycott provisions both to cure inequities and to close loopholes."

Last fall a Kansas City television station began a series of broadcasts of the fights which were regularly held in a local building. The employees of the TV station did not want to join a union. However, the employees of the building in which the fights were held were unionized. The business agent of the building employees called on the manager of the building and told him to get the TV employees into a union or take the television cameras out. The TV manager thought that was a secondary boycott until he consulted his lawyer. He then learned that it was a secondary boycott but it was not covered by present law.

We had another example in the Kansas City area last summer. A manufacturer of prefabricated houses entered into contracts with a number of builders to erect a large number of such houses. The prefab manufacturer had a contract with the Carpenters Union in his plant, but he had refused to agree to a compulsory membership contract. The business agent for the Carpenters Union in the Kansas City area went to the builders and told them he would not permit them to use the products of the manufacturer. This was his way of forcing the manufacturer to agree to a union shop in a plant located over a thousand miles from Kansas City. Here again present law provides no relief.

Here is another one. This is happening right here in the small town of Augusta, Kans., to a small manufacturer. I quote from the letter of this constituent of mine.

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[34] *Herzog, et. al.* v. *Parsons* (181 F. 2d 781).

[35] *Polish National Alliance* v. *NLRB* (322 U. S. 643); *NLRB* v. *Denver Building and Construction Trades Council* (341 U. S. 675).

[36] *Shore* v. *Building and Construction Trades Council of Pittsburgh, Pa., et al.* (173 F. 2d 678); *Denver Building and Construction Trades Council* v. *NLRB* (186 F. 2d 326).

[37] *Federal Dairy Company, Inc.* (91 NLRB 638); *Dorn's House of Miracles, Inc.* (91 NLRB 82). See also NLRB release of October 6, 1950, entitled "N. L. R. B. Clarifies and Defines Areas in Which It Will and Will Not Exercise Jurisdiction."

[38] *Jamestown Builders Exchange* (93 NLRB 386); *Lincoln Beer Distributors (Earl Van)* (106 NLRB No. 76).

"We are currently in the 12th week of a UAW–CIO strike against our company, called because we would not agree to compulsory union membership. We began limited production 4 days after the strike began, and today we are operating normally with a full complement of workmen. However, we still have pickets out front, and the strike has boiled down to two weapons now being used by the union. Both of them involve secondary boycott. First, they have approached our customers and made every effort to incite our customer employees not to use our equipment. Second, they have enlisted the aid of other unions in an attempt to prevent consignments moving to and from our plant. Neither of these has been very successful; however, it has been and still is a constant battle to keep the supply lines open and to keep our customers satisfied."

Some of the activities described in the letter I have just read may be illegal under present law. But many of them are not. The trucking companies are not accepting cargo for delivery to his plant and are refusing to stop at his plant to pick up cargo because they have contracts with their union that they will not carry "hot cargo." The NLRB has ruled such contracts to be legal. My bill seeks to overrule that decision.

Now I come to a situation even more disturbing to me. No group has a greater stake in a strong ban on secondary boycotts than the American farmer. Yet decisions of the NLRB have stripped the farmer of any protection. His employees are not employees under the act for any purpose. A case establishing that principle involved a California grower. The union had been unsuccessful in organizing the grower's employees. It then persuaded the employees of the winery to strike to compel the winery to cease using the grapes produced by the grower. On these facts, the case would seem to fall squarely within the language of the present law. However, present law uses the term "employees," and agricultural employees are excluded from the definition of employees in the definition section of the law. To cure that loophole, my bill substitutes the word "person" for the word "employees."

Farm organizations are alerting their membership to the secondary boycott problems.

I am quoting from a pamphlet distributed by the American Farm Bureau Federation just last week.

"A secondary boycott is coercion brought against one employer to stop him from doing business with another employer involved in a labor dispute. The Taft-Hartley Act states it is an unfair labor practice.

"This provision of the act has been seriously weakened. The National Labor Relations Board has, by a series of rulings, practically repealed this section of the act.

"Farm Bureau favors strengthening the provisions of the act relating to secondary boycotts. Effective remedies, including private redress."

Again quoting from the current issue of the Nation's Agriculture, where there appears a two-page story devoted to the secondary boycott:

"A secondary boycott is a boycott by a party not directly involved in a labor-management dispute.

"For example, if a dairy workers' union were trying to organize workers on dairy farms in a certain area and the teamsters' union stopped hauling milk from such farms, this would be a secondary boycott.

"If the milk company refused to accept the milk, or if the workers of the milk company refused to work if milk from such dairy farms was received, either of these actions would be a secondary boycott.

"Secondary boycotts are prohibited by the Taft-Hartley Act. The National Labor Relations Board is directed to seek an immediate injunction against any secondary boycott.

"It would be wrong, however, to assume that the Taft-Hartley Act has resulted in stopping secondary boycotts.

"Actually, the use of secondary boycotts is widespread. They are a very common feature of many, perhaps most, labor controversies. The threat of a secondary boycott is an extremely powerful force, even when no secondary boycott is actually undertaken.

"The major reasons for the widespread use of secondary boycotts is that their intended purpose is often fully accomplished long before the NLRB can obtain injunctive action and because the NLRB has found, during the years since the enactment of the Taft-Hartley Act, often by strained interpretation of the intent of Congress, numerous loopholes which have almost made the act's prohibition of secondary boycotts a dead letter.

"The biggest hole in the act was breached when the NLRB ruled that if the union and employer had a contract which sanctioned secondary boycotts, this overrode the prohibition of the act.

"For example, if the Teamsters Union has a contract with employers permitting them to refuse to cross a picket line, they may use this to deny trucking services to any plant undergoing a labor controversy.

"This is just one of many NLRB interpretations which have virtually nullified the intent of Congress to prohibit secondary boycotts."

While it can be documented that there is no business which cannot be ruined by a secondary boycott, it is small business, the retailer, the main streets of America, that is the most vulnerable. A retailer cannot exist with a picket line out in front. His customers do not even read the signs the pickets carry. It is so easy to avoid inconvenience by going across the street to shop. And having found what they wanted in the other store, they perhaps never come back to that picketed dealer. Retailers know these hard facts of life. When the union calls the small retailer on the phone and says to "take all of Schultz bread off your shelves," the retailer is inclined to comply. Shultz may tell him that the union is doing this to force Shultz to require his unwilling employees to join the union, but the retailer has to think about self-preservation.

Perhaps the retailer has more intestinal fortitude. He continues to handle Shultz' bread. Then the union follows Shultz' trucks and pickets the driver while he is delivering the bread to the retailer. Now the retailer has real trouble. He has that picket line out in front. It is a secondary boycott, but decisions of NLRB hold it is not covered by the act. The Board held that Shultz' truck is a part of his plan of business—that the union is still picketing Shultz wherever it finds him and that it may legally do so. My bill seeks to close that loophole.

Let me read a short editorial appearing on the front page of the Bunker Hill Press, which says on its masthead that it is in the richest farming community in northern Indiana:

"'Secondary boycotting' may be a meaningless term to most of us, but to a small-business man it may mean ruin. As, for instance:

"An ex-GI saved $1,000, got a truck and a partner, and started a delivery service. The partners worked hard, prospered, hired three other drivers.

"In stepped a Truckdrivers Union boss, demanding that the young partners and their three employees fork over $100 each and join the union. Already getting more than union scale, the employees refused. The union boss then demanded that the two partners pay the whole $500. They refused.

"The union then began a secondary boycott—picketing the firm's customers. Thus pressured, the customers went elsewhere—and the firm went under.

"The Taft-Hartley Act's ban on secondary boycotts was intended to prevent such ruinous attacks on business. But it has been ineffective. It should be strengthened—and enforced."

Let us review briefly the reasons behind the attempt by the Congress in 1947 to eradicate the evils of secondary boycotts.

Testimony before both labor committees in 1947, is filled with examples showing how many innocent people were injured and even how some killings resulted from secondary boycott activity of unions.

There was the case of Edward and Robert Hunt who had a motor freight business in Philadelphia in 1945. They hauled principally for the Atlantic & Pacific Tea Co.

As a result of organizational violence, a union member was killed, and Edward A. Hunt was tried for the homicide and acquitted.

Shortly thereafter, A. & P. signed a closed-shop agreement with the Teamsters Union and all the contract haulers signed, except the Hunts.

The Hunts wanted to sign, but the Teamsters wouldn't permit them to do so.

The union wouldn't permit their employees to join; nor would the union permit any goods to be hauled for any persons who contracted with the Hunts.

Confronted with the boycott which was threatening and, accomplishing utter destruction of their business, the Hunts sought a Federal court injunction against the union activities.

When the case finally reached the Supreme Court in 1945, the court held that the arbitrary destruction of a business by a labor union, through its closed shop and a secondary boycott, violated no Federal law, and that the Federal courts were without power to interfere.

There is a serious question of whether the secondary boycott provisions of the Taft-Hartley law would have stopped the Teamsters in the Hunt case if they had been in effect.

Certainly, NLRB and the courts have held that the Taft-Hartley ban does not stop the coercion and intimidation of secondary employers, which was what happened to Hunt's customers.

I shall not impose upon the time of my distinguished colleagues to document the legislative history supporting the conclusion that Congress intended in passing section 8 (b) (4) of the Taft-Hartley Act to do away once and for all with secondary boycotts. Senator Taft stated this intent many times. It has been accepted as a fact by both the NLRB and the courts.

The clear intent of Congress has not been carried out. The will of this great legislative body has been frustrated and circumvented by devious interpretations by the NLRB and the courts and by shrewd stratagems developed by powerful unions. Yes, I say to you, secondary boycotts are still with us today. It is for us to see that the job that was started in 1947 is carried through to a successful conclusion without further delay. I am therefore presenting to the Senate for consideration a bill which will, in my opinion, achieve the objective which we all seek—the eradication of secondary boycotts.

I was happy to see our great President say in his message on labor matters to the Congress that the true secondary boycott is indefensible. This was the prevailing view of the United States Senate in 1947. It was the prevailing view, in my opinion, of the great majority of our citizens, including many of those who are members of labor unions. I think the same view is still held by most people today.

I might interpose at this point, just a brief word on the subject of unions. I am not against labor organization. I am for the principles of free, collective bargaining. My

quarrel with unions, or with anyone else for that matter, arises only when they seek to use unfair methods that trample on the rights which all of us hold dear. The secondary boycott is such a method. I am unalterably opposed to its use.

I have prepared a more detailed explanation of my bill which I wish to now insert in the RECORD as a part of my remarks.

Mr. SCHOEPPEL. Mr. President, the remarks I made on that occasion and the matters which were presented in my discussion are as true today as they were at that time.

Have we reached the stage where labor leaders have become so powerful that it is impossible for Congress to protect the rights of innocent persons and the public?

If the amendment offered by the Senator from Nebraska [Mr. CURTIS] is adopted, as it certainly should be, we can end this practice, which is so harmful to our people. We have a compelling responsibility to do it, and to do it now.

I support the Senator's amendment because it seeks to restore the protection to innocent persons which we originally intended in the Taft-Hartley Act. This is in the public interest. It will limit the area of industrial strife by preventing a labor dispute from involving hundreds of persons not even remotely concerned with a strike. Why should these people be victims of a squeeze play in industrial warfare?

Unless we stop the evil practices of secondary boycotts now, we may have to contend with a much more serious condition in the future. With unions making alliances with other unions, and with the growth of industrywide bargaining, the time could come when wide areas of economic life could be crippled and the Nation seriously endangered. This is the inevitable end of the secondary boycott technique.

I support the Senator's amendment because the secondary boycott hits the people who are most vulnerable. The small-business man, the retail store, and the other enterprises forming the backbone of America, cannot withstand an attack of this kind. They are its innocent victims.

I digress from my prepared statement to say further that in my speech before the Senate at the time I introduced the measure several years ago it was pointed out that the National Farm Bureau Federation took action in order to get certain definite improvements in the Taft-Hartley Act, and one of them involved suggestions on secondary boycott. Those matters are set out in the article which appears in the CONGRESSIONAL RECORD.

The mere appearance of pickets in front of places of business often leads the public to avoid doing business with them, even though they are innocent of wrongdoing. This is a form of blackmail as much as it is a boycott.

Such a practice is wholly repugnant to a free democracy. It is a travesty on justice. It often leads to violence and untold damage. President Eisenhower declared it to be "indefensible and must not be permitted." We can stop it by adopting now the amendment of the Senator from Nebraska.

Mr. President, I suggest the absence of a quorum, and I yield the floor.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFICER (Mr. NEUBERGER in the chair). Without objection, it is so ordered.

PROPOSED UNANIMOUS-CONSENT AGREEMENT

Mr. JOHNSON of Texas. Mr. President, on behalf of the distinguished minority leader and myself I send to the desk a proposed unanimous-consent agreement and ask the clerk to read it. At the conclusion of the reading I desire to make a brief statement.

The PRESIDING OFFICER. The clerk will read the proposed unanimous-consent agreement.

The Chief Clerk read as follows:

Ordered, That effective at the close of morning business on Monday, April 28, 1958, the Senate resume the consideration of the bill S. 2888, to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans, that during its further consideration, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That only those amendments that have heretofore been submitted as intended to be proposed and which were ordered to lie on the table and to be printed shall be in order, and only then when proposed by their respective authors.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. JOHNSON of Texas. Mr. President, in the event this agreement, which has been reached between the minority leader and myself, is agreeable to all other Members of the Senate, it will be our intention to have the yeas and nays on the present Knowland amendment, which is pending. The Senator from California expects to discuss the amendment for 15 or 20 minutes. Perhaps the chairman of the subcommittee will desire to reply for 5 or 10 minutes. Then we will vote and conclude our deliberations today.

We expect the Senate to convene on Monday at 11 o'clock, with the informal understanding that there will be no votes before noon. There will be a morning hour, when Senators may make insertions in the RECORD. We then plan to proceed under the unanimous-consent agreement about noon, and remain in session until late Monday evening. We hope to conclude consideration of the bill on Monday. If it is impossible to conclude consideration on Monday we shall continue consideration of the bill on Tuesday, under the unanimous-consent agreement.

It is our intention to follow consideration of the pending bill with consideration of a very important measure, the military pay bill.

I hope the unanimous-consent agreement will be acceptable to Members of the Senate. If any Senator has any question to raise I shall be glad to answer it.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. MUNDT. I have no question to raise, and I certainly have no objection. I concur in the unanimous-consent request.

In order that my amendments, which I have prepared for offering to the bill, may be incorporated in and encompassed by the unanimous-consent agreement, I now send to the desk three amendments to S. 2888, which are in a different category from the amendments we have been discussing up to this time. These amendments deal specifically with the text of S. 2888.

I should like to have the attention of the chairman of the subcommittee, the Senator from Massachusetts [Mr. KENNEDY], who is in control of consideration of the bill, so that he will realize that the amendments which are offered at this time deal with what I consider to be deficiencies in the bill. I am hopeful the amendments will be considered and acceped or rejected on their merits. They are in no sense the kind of proposals we have been discussing, which deal with other subjects.

For that reason Mr. President, I not only send these amendments to the desk and ask that they be printed for consideration on Monday, but since they are very brief I ask unanimous consent that they be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, the amendments will be received, printed, and lie on the desk; and, without objection, the amendments will be printed in the RECORD at this point.

The amendments are on page 24, between lines 5 and 6. Insert a new section as follows:

INVESTMENT OF FUNDS

SEC. 13. It shall be unlawful for any officer, trustee, custodian, or employee of an employee welfare or pension benefit plan, or for any other person, to cause any of the assets of an employee welfare or pension benefit plan which is subject to the reporting requirements of section 6 of this act to be invested in any securities or other property acquired subsequent to the date of enactment of this act which a national banking association would be prohibited from purchasing for its own account under the provisions of section 5136 of the Revised Statutes (12 U. S. C. 24) and regulations of the Comptroller of the Currency promulgated thereunder.

Redesignate sections 13 to 18, inclusive, and reference thereto, as sections 14 to 19, respectively.

On page 26, between lines 15 and 16, insert the following:

(f) Any person who, during any period for which he is ineligible by reason of conviction of any offense against the laws of the

United States or of any State to vote in any election held under the laws of the State of his legal residence, holds office, acts, or serves as an officer, trustee, custodian, or employee of an employee welfare or pension plan required to be registered under this act, shall be fined not more than $5,000, or imprisoned not more than 5 years, or both.

On page 22, between lines 24 and 25, insert the following:

(b) The Secretary shall examine each registration and report filed under this act. If as a result of such examination, the Secretary has cause to believe (A) that any person has violated or is about to violate any provision of this act or any rule or regulation thereunder, or any other provision of law, (B) that the assets of any employee welfare or pension benefit plan have been or are being invested, handled, or used, in an illegal, unsafe, or improper manner, or (C) that the information contained in the registration or report is incomplete or inadequate he shall conduct such further investigation as may be necessary to enable him to ascertain the facts with respect thereto. If he determines pursuant to such investigation that any provision of this act or of any other law has been violated he shall call such violation to the attention of the appropriate law enforcement officers. If the Secretary determines pursuant to such investigation that any of the assets of an employee welfare or pension benefit plan are being invested, handled, or used in an unsafe or improper manner he shall notify the officers of such plan or other persons responsible. Unless the practices with respect to which such notification is given are promptly discontinued, the Secretary is authorized to publish a report of such practices.

Redesignate subsections (b), (c), and (d) as (c), (d), and (e), respectively.

Mr. MUNDT. Mr. President, one amendment deals with the problem of whether we should impose any regulations or restrictions on the manner in which the union funds are invested. I think we should. We should make applicable the rules of the national banking system in that category within the framework of the Kennedy bill.

The second amendment deals with the problem of how to keep criminals and crooks from getting their grasping hands on such funds. I have provided a one-paragraph amendment to the Kennedy bill which will deal specifically with that subject. I hope my friends in the Senate will consider the amendment on its merits. It is in no sense the kind of amendment to be considered later in the session.

We should accept or reject these amendments, and dispose of them for all time to come, since they deal with the bill presently under consideration.

The third amendment deals with the manner of filing reports. In my opinion it would strengthen the bill and the report system. It adds the suggestion that the Secretary shall not only receive the reports, but that he shall examine them, thus making sure that something is actually done.

I thank the majority leader.

Mr. ALLOTT rose.

Mr. JOHNSON of Texas. I yield to the Senator from Colorado if he has a question with respect to the unanimous-consent agreement.

Mr. ALLOTT. Because of the confusion at the rear of the Chamber, it is very difficult to hear. As I understand, the proposed unanimous-consent agreement would not preclude my taking the floor this afternoon.

Mr. JOHNSON of Texas. It would not begin to operate until the conclusion of the morning hour on Monday.

Mr. ALLOTT. I thank the Senator.

Mr. JOHNSON of Texas. If the proposed agreement is entered into, it will put all Senators on notice as to the time when they will need to be present.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. KUCHEL. What is the intention of the unanimous-consent request with respect to motions to lay on the table?

Mr. JOHNSON of Texas. All motions are allowed one hour; and in addition each leader controls 2 hours.

Mr. KUCHEL. Does that include motions to lay on the table?

Mr. JOHNSON of Texas. It includes all motions except a motion to lay on the table. There can be no debate on a motion to lay on the table.

Mr. IVES. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. IVES. I should like to inquire if it is understood that no further amendments will be offered today.

Mr. JOHNSON of Texas. That provision is incorporated in the proposed agreement.

Mr. IVES. And there will be no further votes today, after the vote upon the pending amendment?

Mr. JOHNSON of Texas. I have announced that there will be one vote, namely, on the Knowland amendment which is pending. However, as I understand, the proposed agreement applies to amendments now at the table, when called up by their respective authors.

Mr. IVES. And that provision will go into effect next Monday?

Mr. JOHNSON of Texas. I should think it would apply as of the time the agreement is entered into.

Mr. IVES. Are there to be any votes on such amendments today?

Mr. JOHNSON of Texas. No; only a vote on the pending Knowland amendment.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CASE of South Dakota. Would the proposed unanimous-consent agreement restrict the offering of amendments now on the table?

Mr. JOHNSON of Texas. The language is:

Only those amendments that have heretofore been submitted as intended to be proposed, and which were ordered to lie on the table and to be printed, shall be in order, and only then when proposed by their respective authors.

Mr. CASE of South Dakota. It does not seem to me to be good parliamentary practice to restrict the amendments to those printed as of a given time. Until a given amendment is disposed of, a Senator does not know whether or not he may wish to offer a different amendment. Is this not an unusual provision in a unanimous-consent agreement?

Mr. JOHNSON of Texas. We frequently enter into such agreements. The minority leader reviewed the situation with prospective authors of amendments. That is the only way we could obtain an agreement.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. BENNETT. Can the majority leader inform us approximately how many amendments are on the table?

Mr. JOHNSON of Texas. I believe there are approximately 32 or 33. There were 36, and I think 4 were voted upon. I am informed that there are now 35, and 3 new ones have been submitted by the Senator from South Dakota [Mr. MUNDT].

Mr. BENNETT. I thank the Senator.

Mr. JOHNSON of Texas. In fairness to the Senator, let me say that I have been informed that some of the authors do not plan to call up their amendments

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CASE of South Dakota. Is the majority leader able to say whether or not there is an amendment printed and lying on the table dealing with the so-called right-to-work principle? I had understood that the distinguished Senator from Arizona [Mr. GOLDWATER] intended to prepare such an amendment. This morning I was told that it had not been printed. I had assembled some material for a speech on that amendment if it were offered.

Mr. GOLDWATER. Mr. President, will the Senator yield in order that I may answer that question?

Mr. JOHNSON of Texas. I suggest that the Senator from South Dakota confer with the Senator from Arizona with respect to his amendment. I do not have a copy of it.

Mr. GOLDWATER. In answer to the question of the Senator from South Dakota, I have not submitted a right-to-work amendment. I have submitted an amendment which would remove the 30-day clause in the Taft-Hartley law, an amendment which in no way would affect section 14 (B) of the Taft-Hartley Act.

Mr. CASE of South Dakota. My information may have been in error, but my understanding was that the Senator had prepared an amendment dealing with that subject, but that it had not actually been submitted, and therefore would not be in order under the terms of the proposed unanimous-consent agreement.

Mr. GOLDWATER. My amendment is at the desk, but it is not a right-to-work amendment.

Mr. CASE of South Dakota. Does the Senator from Arizona contemplate offering a right-to-work amendment?

Mr. GOLDWATER. I do not contemplate offering a right-to-work amendment. However, I have an amendment at the desk to remove the 30-day provision of the Taft-Hartley Act. The amendment would in no way affect section 14 (B).

Mr. CASE of South Dakota. The Senator from South Dakota was interested

in the original right-to-work provision incorporated in the labor legislation of 1946 and 1947. He would not want that provision weakened in any sense. I do not suppose that the Senator from Arizona would propose to weaken it. But if there were to be some amplification of it, and some modification of the law which permits States to operate in this field, I certainly would not wish to be foreclosed from speaking on the subject, and either opposing or supporting the amendment offered.

Mr. GOLDWATER. Let me say to the Senator from South Dakota that during all the time I have been a Member of this body I have been waging a constant battle not only to restore States rights, but to strengthen them. I am happy to find any Senator who is willing to join me in that fight. I want to strengthen the States rights provisions in the Taft-Hartley Act, as well as States rights provisions in all other legislation.

Mr. CASE of South Dakota. Reserving the right to object, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table prepared by the Legislative Reference Service of the Library of Congress, showing the various measures introduced from the 77th through the 80th Congresses.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
March 21, 1958.

RIGHT TO WORK—PROVISIONS INTRODUCED IN 77TH TO 80TH CONGRESSES

Seventy-seventh Congress (1941):

H. R. 6039: Unlawful for an employee or other person to force another person to join or remain a member of a labor organization or to refrain from engaging in employment.

Senate Joint Resolution 106, constitutional amendment: No person shall be denied employment because of present or past membership in a labor union, nor because of refusal to join a union.

Seventy-eighth Congress (1943):

H. R. 353, 1173, 2032, 2681: All concerned with declaring unlawful for any person, religious, service, political, fraternal, or labor organization to require membership as a condition of employment, or for any person or organization to force any person to become or remain a member.

Senate Joint Resolution 4, constitutional amendment: No person to be denied employment because of union membership or because of refusal to join a union.

Seventy-ninth Congress (1945):

H. R. 428: Unlawful for any person, labor organization, or any group, by force, coercion, etc., to force any person to become or remain a member of any labor organization, to refrain from employment or interfere with an employee while going to or from employment or seeking employment.

H. R. 429: Unlawful for any individual, association, governmental department, agency, or employee to require as condition precedent to employment that an individual become, be, or remain a member of any labor, fraternal or religious organization.

H. R. 1337: Similar to two bills above.

H. R. 1338: Similar to H. R. 429.

Seventy-ninth Congress (1946):

H. R. 5202, 5203, 5320, 5570: Similar provisions relating to making it unlawful to force any person to belong to a labor organization or to refrain from employment in industries affecting interstate commerce

H. R. 5334, New National Labor Relations Act: Lists among unfair labor practices that of a labor organization or employee to coerce any employee for the purpose of compelling such employee to join or refrain from joining any labor organization, to continue or to suspend, or to cease his employment.

H. R. 6556: Prohibits closed-shop agreements where the coercion of any American citizen to join a labor union or other association as condition of employment in industries affecting interstate commerce.

Eightieth Congress (1947):

H. R. 725 (Mr. CASE), Industrial Relations Act of 1947: No act of Congress shall be construed to impair any provision of State law prohibiting closed-shop contracts, which shall hereafter be subject to State regulation only.

Make it an unfair-labor practice for a representative of employees to interfere with employees' rights guaranteed in section 7 of the NLRA.

H. R. 880, National Labor Mediation Act: Rights of employees to be or not to be members of a labor organization protected.

H. R. 2748, Labor Act of 1947: Made labor organization subject to provisions of Clayton Act if one of its purposes was by strikes or violence to influence a person concerning union membership.

H. R. 3020 (Mr. Hartley), Labor Management Act of 1947: Union shop or maintenance of membership clauses authorized upon agreement by employer and if the agreement would not conflict with State law.

S. 105: No one seeking employment in interstate commerce to be required to join or remain a member of a labor organization, or to refrain from joining or remaining a member.

S. 327: Amends NLRA to make it an unfair-labor practice for an employer to discriminate against a person who has been denied or expelled from membership in a labor union for any reason except that of nonpayment of union dues.

S. 1126 (Mr. Taft), closed shops prohibited: Union shop could be established by collective bargaining, if majority of employees by secret vote favored it, but denial of membership in a union for any reason other than refusal to pay dues not grounds for discrimination against the employee by the employer.

MARY R. HESLET,
Economics Division.

Mr. CASE of South Dakota. Mr. President, if the distinguished majority leader would yield to me, I should like to ask him a question.

Mr. JOHNSON of Texas. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. If there is to be a limitation on debate on amendments, and no amendment is offered on the subject I have discussed, then the matter I have prepared could not be presented. I could present my material and discuss it only if I could have time yielded to me on an amendment or on the bill.

Mr. JOHNSON of Texas. I shall be happy to yield time to the Senator.

Mr. KNOWLAND. I shall be glad to yield time to the Senator from South Dakota on some of the amendments I do not plan to call up.

Mr. CASE of South Dakota. Mr. President, in the light of that assurance, I withdraw my reservation.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and the order is entered.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays on my amendment.

Mr. BUSH. Which amendment are we discussing?

Mr. KNOWLAND. It is the amendment identified as K. I ask for the yeas and nays on that amendment.

The yeas and nays were ordered.

Mr. KNOWLAND. Mr. President, I do not expect to take more than 15 or 20 minutes at the most, and then, following a discussion of the amendment, I believe we should be able to vote on it, perhaps within the next half hour.

Mr. President, we have laws in the country to restrain unfair practices. We have laws to govern labor representation and collective bargaining. We have laws to provide mediation. We have no laws which protect the basic rights of union members.

Great struggles took place on the political level over more than half a century to secure some of our present laws. Underlying every one of them is the sound principle that in a civilized nation there is no room for civil warfare between competing interest groups. That is the great goal of all law.

If existing law is not adequate, let us make it adequate. But let us remember that all law is a balancing of interests. It cannot favor one interest, one group, against other interests and other groups. It must balance them all in the public interest which is paramount.

Let us remember one thing about law. It can never be the perfect solution when it deals with human rights, human interests, and human relations.

This may bring some temporary hardship to labor or to management in industrial relations disputes. Neither can expect to get the whole of their demands through law.

What are they to do then? Aggrieved parties can press for more laws to bring them closer to the justice they feel they should have. Let no man say this is a futile remedy. The body of laws we have passed within the last 25 years to restrain employers and enlarge the rights of employees is eloquent witness to the response of our legislative bodies to justified appeals.

But one thing should never be done in a civilized country: Aggrieved parties should never take the law into their own hands. They cannot turn to violence without corrupting the whole ground they stand on. They cannot accept all the hard-won law intended to insure industrial peace, and then turn to violence and thereby destroy that peace.

This is a corruption of law. It is a corruption of government. It is a corruption of the good will with which the public accepted sacrifices in freedom of action to secure the higher goal of domestic peace through law. In union elections for the right to represent the workers in collective bargaining, for example, the minority gives up its independence for the sake of industrial peace. A whole list of concessions by workers, management, and the public easily could be drawn to show the sacrifices which have been made to secure the greater good of peace.

Violence may not be corruption in the same sense as stealing and embezzling union funds. But it is a form of corrup-

tion just the same, and it is just as bad. Violence is terrorizing and intimidation. Such tactics fall squarely within the definition of racketeering. The threat of it is blackmail. It corrupts the free-bargaining process by adding a sinister third party at the council table whose one contribution is: "You take this, or else." Raw power always destroys negotiation. Can this be for the public good? It is not good for management. It will not in the long run be good for labor. It will not be good for the general public. Collective bargaining must never become collective bludgeoning.

If we ever come to the point where one interest among many interests can assert its paramount will by violence, then the rule of law will be destroyed and anarchy will take over. This is the road to totalitarianism—Communist or Nazi. It is not the American constitutional method.

Strikes play an important part in industrial relations. The right to strike must never be foreclosed. Strikes are the ultimate weapon, but not the absolute weapon in labor disputes. They are the ultimate weapon because they are the last step in which labor can show its determination to better its conditions.

Strikes are not the absolute weapon, because they can never be the decisive force over all obstacles. The nature of strikes has changed over the years. Strikes in the past were really strikes of labor against management, employees against employer. Strikes today in some industries are vastly different in purpose, methods, and results. When accompanied by violence, they are no longer disputes only between labor and management. They take on the proportions of class warfare against the community, as in the case of steel, coal, railroads, telephones, longshoremen, bus, subway, and street-car strikes.

Must Government and the public, which have done so much to insure industrial peace, stand idly by while violence creeps in to destroy all that has been sought for by law?

In a letter to Thomas Jefferson, Madison wrote:

> Wherever there is an interest and power to do wrong, wrong will generally be done, not less readily by a powerful and interested party than by a powerful and interested prince.

By resorting to violence, management and labor leaders show they have the power to do wrong. This should be a signal to the public that there is always a need to reestablish some checks and balances. Just as employer power had to be offset by Government and labor power, so today, excessive labor power over union members has to be offset by Government.

Law is a brake on power. Law alone represents the whole community and comes closest to nonpartisanship and justice. It is our system of government by laws and not by men that has preserved our democracy when in many other nations dictators who ruled by force have come and gone.

This session of Congress must pay heed to the McClellan committee recommendations. Somewhere, in our committees, on the floor in Congress, in labor or in management, and among the public, there must be the courage, imagination, and statesmanship to look at this problem of the rights of the Nation's workers afresh and come up with some workable proposals.

I want to make a few remarks about the problem of labor in politics.

There is always some hesitation in discussing a subject like labor in politics. If we are critical or unsympathetic about what labor leaders do in politics, we are immediately branded "anti-labor." Yet are we to stand idly by if we see harm to working people and to our political system by what labor politicians do?

The problem goes much deeper than I am prepared to discuss today. The whole problem of labor in politics warrants careful attention, because I firmly believe it holds great dangers for rank and file members.

In a sense, labor has always been in politics. I would not have it otherwise. Working people are important citizens of our country, whether they are in or outside of unions. They have important interests to protect and to advance.

This means that working people and the leaders they choose to represent them have every right to participate in politics in every legitimate way. The minimum they can do is to register and vote, as is the case with every other American citizen. But they are entitled to do much more. They can seek education on the issues, study the records of candidates and parties, join and work for political parties of their choice, and seek political office.

All of this is wholesome and no problem. The real problem arises when certain labor leaders, more interested in political power than in labor's interests, use the labor movement for both management-labor relations and as a political machine.

Take notice that I am not precluding the right of labor to form a political party if their members so desire. I think such a development would be most unwise and harmful to labor's best interests, but I do not question their right to establish a labor party. But it should be done cleanly and in the open.

What I think is fundamentally wrong, I repeat, is the use of union structure as a political machine at the same time as that structure enjoys the statutory powers, rights, and privileges of a legitimate labor organization.

That is what certain labor leaders are doing, and there is where the trouble lies. No one has to prove the existence of a labor political machine cloaked in the guise of labor organization. The form and activities of COPE—AFL–CIO Committee on Political Education—supplemented by labor's political operations organized by regional, State, and local committees, the almost $3 million reported as spent by labor unions in the 1956 election, and the large sums spent in politics without being reported, provide every element of a political party except the label.

In order to operate this two-toned model of a labor and political organization, they have two sources of funds: So-called voluntary contributions collected from individual workers; and funds allocated out of dues paid into union treasuries. The contributions from workers are said to be voluntary. Undoubtedly some of them are; but anyone who knows the pressures union officials can exert upon workers beholden to them for jobs will be bound to discount at least some of these voluntary contributions. The funds from union treasuries are rarely the decision of the rank and file union members—certainly at most only a bare majority of them—but usually of the officials who direct union affairs.

Just as there are two sources of funds, so there are two methods of spending. Union treasury funds go for political education, and voluntary contributions go for direct political action. The reason for this distinction is to get around the Federal Corrupt Practices Act and the Taft-Hartley Act, which prohibit political contributions by unions as well as by corporations in Federal elections.

The distinction is not always fully observed, as in the UAW in Michigan which in 1954 spent union funds for radio and TV support of labor-favored candidates. Moreover, political "education" is only partially innocent of political favoritism; a good part of it is just as effective as direct political support to favored candidates. In addition, the use of union facilities and personnel in behalf of a candidate or a party, although unreported, is equal to a direct cash contribution and is, I believe much more effective.

Today, much of the strength, the powers, rights, and privileges of labor organizations are supported and guaranteed by law. That law, many Senators, if not all, have supported in one form or another, both in this Chamber or in the other body.

This force of Government was not put behind labor organizations to enable them to establish a political party, but to help them in the field of labor-management relations.

Whenever a majority of workers in an industrial plant choose a particular union to represent them, all other workers in the plant are compelled to go along. The minority are compelled, in union contract situations, to pay union initiation fees and dues in order to work.

In these circumstances, it is fundamentally wrong for union officials, or even for a union majority, to devote union funds for political purposes determined by union political organizations. The law does not compel union workers to join unions and pay dues for any political purpose—thinly disguised education, direct political action, or otherwise. The minority in a union should not be compelled to pay dues for the opportunity to work, only to have their money diverted to political action against themselves for what they deem, in their own consciences, to be against their own best interests. It does not build up union strength in order to give union officials the power to coerce workers into so-called voluntary political action.

Aware that they are doing wrong, union politicians soothe their consciences by saying a worker can direct his voluntary contribution to any political party of his choice. This is nonsense and they know it. Workers know what would happen to them if they tried this. The fact that about 99 percent of union political funds go to the support of one party shows it is nonsense. Moreover, even if a few workers are bold enough to exercise the privilege, the funds of the union treasury and the whole weight of union power are cast in the balance against them.

Aside from the improper use of union funds in politics, the union movement stands to lose a great deal by being thrust into political action by a few of its leaders who seek political power. Legitimate union goals and operations are bound to suffer when union officials use the movement for political ends.

Union officials should stay within the intent of the law and use their power for industrial relations, or else surrender their legal privileges if they want to act like a political party. They should not be permitted to mount a political movement piggy back on a law-supported, legitimate labor movement.

In summary, Mr. President, this session of Congress has an urgent public responsibility to enact legislation which first, guarantees the election of union officials by secret ballot; second, provides for the recall of union officials who misuse their positions of trust and responsibility; third, prevents conspiracies between management and union officials that work against the welfare of union members; fourth, protects union members' welfare and pension programs; fifth, requires that where unions are permitted, under law, to represent all employees in an industry or plant, all employees must be admitted into the union if they should desire union membership; sixth, provides that union members shall have a voice in the conditions, terms, and duration of strikes; seventh, prevents arbitrary control over local unions of trustees appointed by national or international organizations; and, eighth, provides for regulation by union members of the actions of their unions on questions of excessive union fees, assessments or arbitrary actions.

Individual workers, men and women, stand to gain by each of these pieces of legislation. The public interest requires them. If we value industrial peace and the free institutions which preserve our liberties, this Congress will enact them.

Mr. President, I ask that my amendment designated "4–21–58–K" be read for the information of the Senate.

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following:

SEC. —. Subsection (a) of section 9 of the National Labor Relations Act, as amended, is amended by adding the following new sentences at the end thereof: "No labor organization which does not admit to membership all of the employees it seeks to represent in a unit appropriate for that purpose, on the same terms and conditions generally and uniformly applicable to and with the same rights and privileges generally and uniformly accorded to all the members thereof, shall be a representative of any employee in such unit for the purpose of collective bargaining within the meaning of this section. Nothing in the foregoing sentence shall be construed to prevent a labor organization from denying membership to any person on the ground that such person is a member of the Communist Party or that he believes in, or is a member of an organization that believes in or teaches, the overthrow of the United States Government by force or by any illegal or unconstitutional methods."

Mr. KNOWLAND. Mr. President, under section 9 (a) of the Labor-Management Relations Act of 1947, the labor representative selected by the majority of the employees for the purpose of collective bargaining is designated as the exclusive bargaining representative of all the employees in the bargaining unit.

This amendment provides that when a union organization is selected to be the exclusive bargaining representative in the plant or firm involved, this privilege will be conditioned on the union's opening up its membership to all the employees in the bargaining unit, if they should choose to join, and on the same terms and conditions as the ones which apply to the present members of the labor organization.

This amendment is designed to eliminate an existing situation in certain unions where either employees are barred from taking out membership in the union representing them or where the union has, in effect, set up a closed system of membership, under which only union members of a certain class are permitted to vote and to participate in all the union's activities, although all of its members must pay the initiation fees and the dues.

In order that the amendment might not be used by subversive elements, there is included a provision to the effect that nothing in the amendment shall be construed to prevent any labor organization from denying membership to members of the Communist Party or members of organizations that advocate the overthrow of the United States Government by unconstitutional methods.

The amendment would prohibit any existing discrimination against employees on the grounds of age, sex, religion, nationality, or race.

If unions are interested in eliminating discrimination practices in the United States, they should be favorably disposed toward the amendment.

As to the necessity and desirability of the adoption of such an amendment, let me say that at the hearings which were held by the Select Committee on Improper Activities in the Labor or Management Field—and now I shall read from page 437 of those hearings—the following appears under the heading "Findings—International Union of Operating Engineers":

In the American labor movement the International Union of Operating Engineers stands out as an ugly example of ruthless domination of working men and women through violence, intimidation, and other dictatorial practices.

The hearings of this committee concerning the activities of the Operating Engineers Union clearly demonstrated the lack of democratic procedures within that union and exposed to public view the ruthless ends to which the union's leadership will go to stifle any semblance of democratic action.

Mr. THYE. Mr. President, at this point, will the distinguished Senator from California yield to me?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from California yield to the Senator from Minnesota?

Mr. KNOWLAND. I yield to my good friend, the Senator from Minnesota.

Mr. THYE. Does not the Taft-Hartley Act provide for some control over such an abuse, unless the question is one of the technical qualifications of the workers concerned? In the case of the Operating Engineers, there is a requirement, based on a technical qualification, as to persons who wish to become affiliated with the union. Does not the Taft-Hartley Act apply if there is found to be discrimination not based on a matter of qualifications?

Mr. KNOWLAND. I do not believe that is covered.

Mr. THYE. I followed the explanation and the statement the distinguished majority leader made prior to his submission of the amendment. The statement he made before he submitted the amendment covered all labor fields.

Mr. KNOWLAND. That is correct; I was making a general statement, prior to calling up the amendment. Then I called up the amendment, and had it read.

Mr. THYE. That was confusing to me, inasmuch as I had understood that the Senator's amendment designated by the letter "K" was to be the pending amendment.

Mr. KNOWLAND. Yes, it is the pending amendment. I made the other statement on the broader fields, but that statement had nothing to do with this particular amendment.

Mr. THYE. That was the reason for the confusion. I requested the Senator to yield to me because I could not understand how the remarks the distinguished Senator from California made prior to calling up the amendment had any particular bearing on it. I had understood that he was addressing himself to his amendment "K," and I could not understand how the remarks he was making at that time related to the abuses covered by subsection (a) of section 9.

Mr. KNOWLAND. The Senator from Minnesota is quite correct. I tried to make it clear—although perhaps the Senator from Minnesota did not hear me say so—that I would make a general statement, prior to calling up the amendment.

Mr. THYE. Very well.

I am very much concerned about the reference which has been made to the Union of Operating Engineers, particularly as to whether there have been discriminations against persons who were qualified to belong to such a specific union.

Of course, in the case of unions in technical fields, some workers could not

be affiliated with them unless they were qualified to do so.

Mr. KNOWLAND. Yes. Of course the section appearing on page 6 of the Taft-Hartley Act, Public Law 101, reads as follows:

Provided, That this paragraph shall not impair the right of a labor organization to prescribe its own rules with respect to the acquisition or retention of membership therein; or (B) an employer in the selection of his representatives for the purposes of collective bargaining or the adjustment of grievances.

Mr. THYE. It is possible, of course, that a person who might seek membership in a certain labor organization or union might not be able to qualify for membership, and therefore the organization would not permit him to become a member. That is what I had in mind in this case, when reference is made to the fact that membership in a specific union was denied, or might be denied.

Mr. KNOWLAND. We only ask that some members not be placed in a preferred position—for instance, not be identified as Class A or Class B—when all the members pay the assessments or dues, but not all the members are permitted to vote.

Mr. THYE. I thank the Senator from California for that explanation.

Mr. KNOWLAND. Mr. President, I continue to read from page 437 of the interim report of the Select Committee on Improper Activities in the Labor or Management Field:

The hearings revealed, in the committee's opinion, these salient facts:

1. Democracy within this vital union is virtually nonexistent. Through an international constitution designed to give the membership as little voice as possible, only 46 percent of the union's 280,000 members are even allowed to vote for their own officers. Where elections are held, union leaders have shamefully deprived their members of their democratic rights through the indiscriminate stuffing of ballot boxes and rigging of elections.

2. Trusteeships have been imposed—for no apparent reason—as a means of continuing domination over the affairs of a number of locals of the International Union of Operating Engineers. The locals under trusteeship have been looted and their members deprived of their rights. Two locals in Chicago, Ill., have been under trusteeship for 29 years.

On page 438 of the same report, we find the following:

The committee finds that William DeKoning, Jr., and his late father, William DeKoning Sr., have operated local 138 on Long Island as a closed family corporation to suit their own interests without real regard for the rights of the membership. The committee finds that all opposition to the DeKonings was remorselessly suppressed, often in a violent manner. The example of Peter Batalias is a notable one in the committee's view. This rank-and-file member, who had the temerity to question the actions of local 138 officers, was viciously beaten by union goons in front of the local 138 union hall and hospitalized as a result.

I ask the Senator from Minnesota to give particular attention to this portion of the report:

As in the case with other IUOE locals, local 138 was split into various divisions—i. e., local 138, local 138A, and local 138B—and only members of local 138 were permitted to vote for officers.

Mr. THYE. Mr. President, at this point will the Senator from California yield again to me?

Mr. KNOWLAND. I yield.

Mr. THYE. Does not the Taft-Hartley Act apply in such cases?

Of course, it will be impossible for the Senator from California and me to keep men from fighting or striking one another if they so desire. Congress can provide penalties; and under the civil code there are laws which impose fines and provide corrective measures.

But the Senator from California and I could not prevent persons from fighting or from striking each other; even though the civil laws contain provisions of the sort to which I have referred, neither the Senator from California nor I could actually prevent such a quarrel or fight from occurring.

Mr. KNOWLAND. I quite agree that we could not prevent people from committing assaults, and so forth. In the respective States, those who have the police powers have that responsibility.

Sometimes they are lax in enforcing laws in the communities and in giving the protection which a citizen is entitled to have. I thought we would have to have, and I hope we shall have, an aroused public opinion in each locality over enforcing the statutes now on the books.

If there is any hiatus in the Taft-Hartley Act, as some of us believe there is, so that a union member is not able to have control over his own affairs, I think it is important that at least procedures ought to be established so that by his vote, and by having the privilege to vote, he can, if he is a good union citizen, clean up the mess in his own outfit. It is pretty hard for him if he has class B membership. He pays dues, initiation fees, and perhaps assessments, but does not have a chance to vote in elections or for the continuation in office of officials who are abusing their powers.

Mr. THYE. The Taft-Hartley Act defines and endeavors to cover such a situation; but all the act can do is designate what the law is. Again it becomes the responsibility of the civil authorities to fine or prosecute. The Senator from California and I could write bills that would reach from the Capitol to the other end of Pennsylvania Avenue, but we cannot legislate specific action to be taken by local authorities. We cannot legislate what the responsibility of the authorities shall be.

Mr. KNOWLAND. The Taft-Hartley Act does not cover the matter under discussion. The Taft-Hartley law provides, and that provision still would not be changed so far as the amendment is concerned, that a union can set up qualifications for membership. If a union wants to provide that a person must have 10 years' instead of 1 year's employment, that qualification can be set up, but such a qualification should apply to everyone in the union. Employees should not be expected to pay dues and assessments and, even though they may have the same training and background and all the other prerequisites of membership as other members, they should not be put aside as a second-class group of union citizens.

Mr. THYE. I have listened to the distinguished minority leader make the explanation. I have his amendment in my hand. I have endeavored to study the amendment. I am still in what might very well be called the twilight——

Mr. KNOWLAND. I will clear up the twilight, if the Senator will let me.

Mr. THYE. As the Senator knows, I have supported his other amendments.

Mr. KNOWLAND. I appreciate the Senator's support. I can assure him, as I told the Senator and the entire Senate yesterday, the amendments I have offered—and I am speaking only for myself—are all directed toward helping to give the rank-and-file union member protection. The amendments do not lessen the influence of any union as against management. They are not meant to strengthen the hand of management as against unions. The amendments have been designed only to help give union members control over their own affairs.

Mr. THYE. The amendments which were offered yesterday, and which I supported, were specific and distinct. They declared and provided for democracy within unions. They were specific in other respects. I was able to support them without any reservations or question, because I thought they did justice to union members.

I will be frank with the Senator and say that I do not find the clear-cut, defined purpose in the pending amendment that I found in some of the others. For that reason, because it seems to be a civil-rights amendment, and because I cannot quite understand the civil-rights aspect of it, I have asked the questions. I shall not vote for any of the many amendments which will be offered unless I understand specifically what they propose to do, because there is so much involved in S. 2888 that I do not think unacceptable amendments should be adopted which might possibly destroy an opportunity to enact the bill.

Mr. KNOWLAND. I am glad the Senator has raised the question. I noted his votes on yesterday. I appreciate the support which he gave my amendments. I shall take only a few more minutes to complete my statement. After I complete it I shall endeavor to make perfectly clear that I think the amendment is specific and is directed to the subject the Senator has in mind. Basically, it is evident that under the Taft-Hartley Act, when a union has a majority of the workers in a plant, as the Senator knows, it has the right to bargain collectively for everybody in the plant. Every employee is then subject to pay union dues, under the union-shop proposition, which is still legal.

Mr. THYE. It is a question of a majority rule.

Mr. KNOWLAND. It is a question of a majority rule, but it might be just 51 percent versus 49 percent.

Mr. THYE. The Senator from California and I have to abide by such a rule in this body.

Mr. KNOWLAND. We do, but we are dealing with government. I assume we have not established government within government. If there is a union shop contract, wherein a majority votes to have the union represent the employees, after a period of 30 days the other members must pay dues or initiation fees.

Mr. THYE. Yes.

Mr. KNOWLAND. All we say is that under those circumstances, if the union is going to collect dues and initiation fees or assessments, as the case may be, the union should not discriminate against other employees. The union should admit those employees to membership on equal terms with other employees. The union should not establish class A or class B membership. That is basically what the question involves. Testimony was taken before the committee, some of which I have already read, more of which I intend to read, which indicated there have been such basic discriminations.

Mr. PURTELL. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Connecticut.

Mr. PURTELL. Since the Senator from Minnesota has asked what sanctions or penalties might be involved if the law was being broken, the Senator might want to call attention to the fact that while destroying of civil rights may have to do with breaking of local laws, a very dire penalty is provided in the proposal, which is that the union would no longer be permitted to represent exclusively the employees the union had formerly been permitted to represent. I may say that is a very heavy penalty.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from West Virginia.

Mr. REVERCOMB. Am I correct in my understanding of the Senator's amendment K, which has just been read into the RECORD, that it means, in sum and substance, that all union members, in whatever unit or local, shall receive treatment equal to that given other members of that union? It is an equal treatment measure, is it not?

Mr. KNOWLAND. It is an equal treatment amendment, both of union members in a union and in adjoining unions where the union claims a right to represent them in collective bargaining.

Mr. REVERCOMB. Does not the right to join a union under a union shop agreement exist at this time under the Taft-Hartley law?

Mr. KNOWLAND. No, it does not; and there have been notable examples where persons have been excluded from membership.

Mr. REVERCOMB. Under the union shop theory is not an employee required to join a union after a certain length of time of employment, in whatever unit or class?

Mr. KNOWLAND. No. An employee is required to pay dues and fees, but a union can elect to keep him out of the union.

Mr. REVERCOMB. Even though the union accepts his dues?

Mr. KNOWLAND. Even though the union accepts his dues and even though it has the power to represent him in collective bargaining. To that extent, the union takes away from that employee the right to represent himself in negotiating a contract.

I have no quarrel with that feature of the Taft-Hartley Act which gives the majority the right to represent all employees, because the argument which the unions used at the time, which has merit, was that if a union represented only 51 percent, and if it bargained only for the 51 percent, an employer might give a better arrangement to the 49 percent who did not join. That would tend to keep people out of the union and on the other side of the question. However, once the union obtains a majority and asks to bargain for all of them, it seems to me when they exercise the right to collect dues from these men, as well as initiation fees and all the other service charges, they should not exclude from membership the others who want to join the union.

Mr. REVERCOMB. Let me say the Senator in his explanation of his amendment has put it in a light somewhat different than my understanding of it at the beginning of this discussion.

May I say further to the able Senator, I feel there is strength in the argument which has been made by the proponents of the bill, those who have opposed the amendments being offered, that consideration should be given to all parts of a bill or its amendments by committees. However, there are exceptions to that rule. Exceptions would be in those cases where we know the provision of an amendment is basically right, is innately right, and that no amount of testimony can change the purpose of such an amendment.

I refer, for example, to the amendment which was considered with reference to the right of members to vote and control the affairs of unions and have that right protected. Likewise, there was the amendment offered by the able Senator from California to provide for the punishment of those who would bribe or attempt to bribe officials of a union to the injury of the members. No one can doubt the soundest of these provisions, I submit; and no amount of evidence can change the virtue and soundness of them.

I have not voted for all of the amendments offered by the Senator from California, but I have voted for those amendments which I felt were innately right and basically sound, as to which hearings would not be necessary.

I feel in such instances we have a right, by amendments offered on the floor, to amend a bill. In other instances I feel the regular course of reference to a committee, with the taking of evidence and the hearing of witnesses, is much to be desired.

I am very glad to have the Senator's explanation, because it is somewhat different, as to amendment "K" from what I had first understood.

Mr. KNOWLAND. I wish to thank the distinguished Senator from West Virginia. It has been my privilege to be the colleague of the Senator from West Virginia on two occasions, now and during his former membership in this body. Since the Senator has returned he has been one of the most valued Members of the Senate of the United States, an able and distinguished representative of the great State of West Virginia. I know the Senator always votes his convictions, based on what he feels is in the best interest of both the country and his State.

I have appreciated those votes of the Senator in which he felt he could support my proposals, and I know when he did not he had conscientious convictions as to why he could not.

I wish to thank the Senator for his remarks today and the contribution he has made to the discussion.

Mr. REVERCOMB. I appreciate very much what my friend, the able minority leader, says. We have served on two different occasions together in the Senate. I know his sincerity of purpose and his fine ability in advocating his cause. I appreciate also the splendid leadership given to the minority by the able Senator from California.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the distinguished Senator from Vermont.

Mr. AIKEN. I understand the amendment offered by the Senator from California would prevent the union from discriminating against an employee at the place of employment, when the union is the representative of the employees.

Mr. KNOWLAND. The Senator is correct.

Mr. AIKEN. I understand the proposed amendment would prevent discrimination. Is there anything in the amendment which would prevent the employer from discriminating against one who might otherwise be eligible for membership in the union? If a man is not permitted to work, then he would not be eligible for membership in the union. Is there anything in the proposed amendment to overcome that type of discrimination? It seems to me the amendment applies to only one side of the question: If we are attempting to eliminate discrimination, then we ought to eliminate discrimination on the part of the employer, who might rule out certain persons.

Mr. KNOWLAND. No.

Mr. AIKEN. The amendment does not affect him at all?

Mr. KNOWLAND. No. All the amendment does is to provide that when the union is the bargaining agent, and claims the right as such to represent all the employees within the bargaining unit, and in effect to tax all the members within the unit, when there is a union-shop contract, they should not thereby discriminate against an employee and keep him out of the union, depriving him of voting rights, at the time they are collecting dues from him and levying assessments on him.

Mr. AIKEN. That is true. Suppose the union had some sort of an understanding aboveboard or sub rosa or otherwise, that the employer would not hire certain classes of employees they did not want in the union. Is there any way of overcoming a situation like that?

Mr. KNOWLAND. The proposed amendment under consideration does not

cover that field. We tried to make it clear that if the union claimed a right to represent the men and collect dues from them, the union should not prevent the men from becoming members of the union, at which time they could have a voice in the organization which claimed the right to represent all of them.

Mr. AIKEN. If the employer hired a person who the union might not think was a proper person in the union, the union would not be permitted to discriminate against him simply because they did not like his face, would they?

Mr. KNOWLAND. The Senator is correct.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the distinguished Senator from Michigan.

Mr. POTTER. How would the proposed amendment affect a union such as a craft union, in which a person might not be a member of the union but might receive a work permit in order to work? There would be an assessment for a work permit, which might or might not be the same as the dues. Many times such assessment is not the same as the regular dues of the union member. How would the Senator's proposed amendment affect that type of situation?

Mr. KNOWLAND. The union of course would still have the right to raise its standards of membership. If it were desired to require so many years of experience, they could still do that. The only thing the amendment would require is that they apply the same standards to all employees within the bargaining unit.

Mr. POTTER. In other words, if a union had certain standards and had a provision for work permits, so that an individual could work perhaps on a temporary basis without being a member of the union as such, the amendment would have no effect on that status so long as it was a policy which was general throughout the union.

Mr. KNOWLAND. If the man wanted to come into the union, and he had the qualifications to join, the amendment would prevent them from discriminating against him and keeping him out of the union, if they were levying dues and assessments against him.

Mr. POTTER. Even though the dues and assessments might not be the same as the regular members would have to pay?

Mr. KNOWLAND. Yes; the Senator is correct.

Mr. PURTELL. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. PURTELL. In reply to the Senator from Vermont, the Senator referred to the unions being discussed as unions having bargaining rights for union shops. The Senator does not wish to have it understood that the proposal is limited to union shops, does he?

Mr. KNOWLAND. No.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. LAUSCHE. What facts usually motivate the union to preclude full membership for those workers who pay dues? I cannot understand what would dissuade the union from permitting an employee to join, if the employee is paying dues.

Mr. KNOWLAND. Well, the reason is that they wish to keep control in the hands of a particular group of officers; in other words, to keep a kind of closed corporation arrangement.

I was reading about a particular case. I am not sure whether the Senator was present or not. In that case several different locals were established, but only one of them was permitted to vote for officers. The committee testimony showed that there was no regular manner in which an operating engineer on Long Island could gain admission into the parent local 138, which is the one which held the voting power. So Mr. DeKoning and his friends were able to maintain their position of power, because if any one else came in, they could put him in one of the other locals, without voting rights.

Mr. LAUSCHE. Is the junior Senator from Ohio correct in the understanding that unions representing employees in a particular industry can collect dues from all the workers, but preclude certain workers from the rights which should be enjoyed as members?

Mr. KNOWLAND. The Senator is correct—under the union shop contract.

Mr. LAUSCHE. And the purpose of the Senator's amendment is to require that when a union is collecting dues from all the workers, it shall accord membership to all the workers, under uniform rules, having recognition of the right to differentiate on the basis of merits in connection with technical work.

Mr. KNOWLAND. The Senator is absolutely correct.

Mr. LAUSCHE. What objection has been made by anyone to this type of provision, if there has been objection?

Mr. KNOWLAND. The only objection I have heard to it is that it would endanger the control of certain officers who have a tight control over their organizations at the present time, and would lose such control if the membership were open, with voting rights, on a broader basis.

Mr. LAUSCHE. Then am I to understand that the opposition to this provision is raised by those union leaders who wish to maintain a despotic control over the unions and their operations?

Mr. KNOWLAND. I do not wish to say to the Senator that that is the only opposition, but I think that is the principal opposition to it.

Mr. LAUSCHE. I should like to distill the arguments, with a view of establishing what argument there is against this provision.

Mr. KNOWLAND. I have made the argument for it. We may hear some argument against it—perhaps merely because it has not followed the usual procedures. This amendment may be like those on which we voted yesterday, which the committee has promised to report on June 10 or May 5.

Mr. LAUSCHE. Let me ask one further question. Does the Senator from California feel that if, on June 10, a bill is presented to the Senate and acted upon within a reasonable time, there will be available in this session of Congress sufficient time in the House to conduct hearings and vote on the bill?

Mr. KNOWLAND. The minority leader personally believes that there will not be sufficient time to explore the broader aspect, if we delay until after mid-June. If the bill is not reported until June 10, with the appropriation bills which we shall have before us, very likely we shall not get to it until July. July may or may not be the last month we shall be in session. I think we would endanger the hope of getting some of these amendments, which most people seem to agree are good, if we were to follow such a course. Those who insist upon that course, for their own reasons—and I have no objection to them—feel that the amendments should go through the process of committee consideration.

Mr. LAUSCHE. I voted in support of the Senator's amendments. I did so because I believe that the disclosures by the McClellan committee cry out with great force for the Congress to take appropriate action.

I concluded that while I would like to have the committee hold hearings, in the regular procedure, on the various bills, nevertheless, because of the lapse of time, that is impossible. If we wait until June 10, and wait another 5 or 10 days before the bill is passed upon by the Senate, and send it to the House, where hearings will be desired, the curtain will be down. The play will be over.

Mr. KNOWLAND. I concur in the Senator's remarks, notwithstanding the assurances which have been given.

I say to the distinguished Senator from Ohio that if we do get a bill out on schedule, if it is acted upon, and if other things do not intervene to obstruct the optimistic and rosy picture which has been presented to the Senate, there will still be no harm in having these amendments in the bill, because if the amendments are in the bill they will go to the House. The House will act on them. Of course, the House might eliminate all the amendments it so desired. But by that time I would hope we would have the other bill before us. If we did not have it before us, this bill, with the amendments which have been proposed, would at least encourage our friends in the other body to give consideration to a broader bill than one merely dealing with health and welfare matters, important as they may be.

Mr. ALLOTT. Mr. President, I shall speak for only a few moments. I feel that I must clear up a matter which was injected into the RECORD while I was absent from the Chamber about an hour ago.

The junior Senator from Massachusetts referred to the senior Senator from Colorado as follows:

> The Senator from Colorado and other Senators discussed the bill in so much detail that in seven meetings we have not been able to have a rollcall on one amendment.

I do not wish to be picayunish, or argue about minor details in the RECORD, but in view of the circumstances of the past few days, I think I should make this statement.

One circumstance is that the senior Senator from Colorado, after remaining

practically quiet for 3½ years, exercised the privilege of speaking in behalf of a bill for 4 hours at a time, and was belabored as a filibusterer.

Another circumstance is that, because of a brief 30-second remark to the junior Senator from New York [Mr. JAVITS], in response to something he had said, not on the bill, the senior Senator from Colorado was charged with violating the rules of the Senate. In this connection, the rules of the Senate are violated and have been violated time and time again since that time.

With respect to the minimum wage bill to which the junior Senator from Massachusetts referred, I refer Senators to the CONGRESSIONAL RECORD, volume 103, part 4, page 5440. What actually happened with respect to the minimum-wage legislation was that the main bill was introduced by the senior Senator from Oregon. It was a very complicated and extensive bill. Furthermore, it had written into it a new formula and interpretation of the commerce clause of the Constitution, which would not only have affected the minimum wage, but would have affected every business in the United States. Whether that would have been justified or not is another question. There can be no question that if that bill had been passed it would have affected almost every business in the United States very vitally.

The bill the Senator from Massachusetts offered was not offered until after we had concluded hearings on the bill offered by the Senator from Oregon.

I read from page 5441 of last year's CONGRESSIONAL RECORD. The Senator from Oregon [Mr. MORSE] said:

> Mr. MORSE. Mr. President, I have listened to the Senator from Massachusetts as he introduced the bill. He is certainly privileged to introduce any bill he wants to, but I should like to say that, in my judgment, the introduction of a bill was not necessary. There is pending before the Senate the Morse bill, S. 1267, which I introduced by request in the early part of the session. Any amendment to that bill could have been made in the subcommittee, and a substitute bill was not necessary. I have no particular pride of authorship, but I think it is a remarkable parliamentary procedure when there is pending a bill, the so-called Morse bill, on which hearings have been held and no proposal has been made by the Senator from Massachusetts or any other member of the subcommittee to offer amendments to it, to introduce a new bill on the same subject.
>
> I am accustomed, after 12 years in the Senate, to fighting for liberal legislation with my name on it for a period of time, only to have, at a later date, the objectives of the proposed legislation taken over by other groups in the Senate.
>
> I am interested in final passage of such proposed legislation, rather than who the author may be, but I want to express on the floor of the Senate to the Senator from Massachusetts my keen disappointment that he did not offer amendments to my bill rather than introduce a bill of his own.

This was answered by the Senator from Massachusetts [Mr. KENNEDY], who asked the Senator from Oregon to yield to him.

I shall not read all of the Senator's statement; I shall read only the last part of it, as follows:

> Secondly, the bill which the Senator from Oregon introduced was presented sometime before the hearings were held. I stated at that time I felt it would be much better to withhold such a bill until the subcommittee had had the benefit of further hearings. I was a member of the Douglas subcommittee which went into the subject. I felt it would be better to introduce proposed legislation after the subcommittee had had the benefit of further hearings.

It is a fact that we never had any hearings on the Kennedy bill. We did have many meetings of the committee, although I do not know how many. I will say that if ever there was a situation of organized and compounded confusion, it was the situation which existed in the committee at that time.

I should like to call the Senate's attention to one yea-and-nay vote on an amendment with respect to the exemption of certain railroad organizations or situations.

We even had such a ridiculous situation there at one time that, although we had one bill before us, we had a motion of the Senator from New York; I am not sure who made it, but my presumption is that it was his motion, made before I came into the meeting that day. At least we were trying to amend a bill which was not even before the committee, although there was a bill pending before the committee at that time.

There are areas in which there should be some extension of this proposed legislation. I say this particularly to my southern friends. I am not willing to pay the price of extending the interpretation of the commerce clause of the Constitution in order to get a few more people under coverage in this field. I have explained in some great detail in my argument the effect the pending bill would have on the people of this country. I believe implicitly that we have gone as far as we could or should go in putting a Government employee at the side of every person in the United States. My desire, so far as I am concerned, will be to try to get the United States out of a few people's hair and give them a chance to live with a little bit of freedom.

I do not see how we can do it with the extended coverage which was offered in the bill introduced by the Senator from Oregon [Mr. MORSE]. The bill offered by the Senator from Massachusetts was not only radically different in the kinds of coverage; it was also radically different in its interpretation of the commerce clause. This was the result which occasioned all of the discussion. I must say that in most instances the Republicans have a pretty good record of being there and attending the meetings of the committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California.

Mr. KENNEDY. Mr. President, I wish to comment very briefly on the amendment offered by the Senator from California. However, first I should like to reply to my good friend from Colorado, and say that the pending bill was submitted on August 30, after all hearings had been concluded and after all views had been expressed. Therefore, I am saying to the Senator from Colorado that if the Subcommittee on Labor does not present a bill to the Senate, the Senator from Oregon [Mr. MORSE] has announced that he will move to discharge the committee. If he finds it necessary to do that, I am also going to move to discharge the committee from consideration of the bill on minimum wages. We have been hearing a great deal, for the last 3 days, about the interests of the working people. A minimum wage bill is basically important. It was reported by the subcommittee a year before. We had seven executive sessions, and we have had no progress on it. The Senator from Colorado has been unalterably opposed to it. Therefore, under the circumstances which I have mentioned I will also move that the committee be discharged from the further consideration of the minimum wage bill, to get it to the floor. In that way we will do something in the interest of the workingman.

I should like to say to the Senate that the amendment of the Senator from California should be defeated. The amendment should also be considered by the subcommittee. What is involved is the rights of an apprentice to vote in elections, whether or not he is paid full union wages. That is involved in the suggestion of the administration with regard to giving the building trades special privileges.

While I agree with the Senator on the signing of the report on the Operating Engineers, I am not prepared to accept the Senator's language without giving it very careful scrutiny as to the effect it would have on the apprentice standards in the labor movement.

Therefore, it would be much better if the amendment were to go to the subcommittee for study. I assure the Senator that we will get a bill on this subject to the floor.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. POTTER. First I wish to state that I am supporting the amendments offered by the Senator from California. However, with respect to the pending amendment I do not know what its effect would be on the building trades in some cases. It involves working permits in the building trades. I do not know what affect the amendment would have on those permits. I believe in the objective of the amendment, but I would feel much more comfortable if the committee could hold hearings on it.

Mr. KENNEDY. I thank the Senator.

Mr. PURTELL. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. PURTELL. Despite the fact that the Senator was unable to get the minimum wage bill out of the subcommittee, I should like to say, as a member of the Committee on Labor and Public Welfare——

Mr. KENNEDY. The Senator misunderstood me. I said out of the full committee.

Mr. PURTELL. Very well; from the full committee. Let me point out that I am a member of the committee and that the Democrats control the committee. I have always voted for the minimum-wage bill. If the Senator feels he has the votes to report such a bill, the committee can report it at any time.

Mr. KENNEDY. Let me ask the Senator whether he will vote to report the bill which came from the subcommittee.

Mr. PURTELL. I have indicated repeatedly that I want to report a minimum-wage bill from the committee.

Mr. KENNEDY. As it is?

Mr. PURTELL. I want to see what the Senator is talking about first. It has been weeks and weeks since the bill was introduced.

Mr. KENNEDY. But the bill has not been changed in that time. Does the Senator have an amendment in mind? All we need is one vote on his side to report the bill.

Mr. PURTELL. The Senator has always had my vote in the subcommittee.

Mr. KENNEDY. That is the question we are discussing. Will the Senator from Connecticut vote to report the bill?

Mr. PURTELL. I have indicated that I would vote to report it.

Mr. KENNEDY. Some of the Senator's colleagues have offered a number of amendments. Will the Senator from Connecticut vote against those amendments?

Mr. PURTELL. We have not had a meeting to consider those amendments.

Mr. KENNEDY. I have pointed out that we have had seven executive sessions, and no action has been taken.

Mr. PURTELL. If there are more amendments, of course, I want to have them considered. The Senator from Connecticut has stated repeatedly that he is ready to report the bill. If we have not had hearings on the amendments, we ought to hold them.

Mr. KENNEDY. I am not criticizing the Senator from Connecticut. I am merely saying that so many amendments have been offered, the practical effect has been to filibuster the bill to death.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND]. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. LAUSCHE (when his name was called). Mr. President, on this vote the junior Senator from Ohio has a pair with the senior Senator from Tennessee [Mr. KEFAUVER]. If the senior Senator from Tennessee were present and voting, he would vote "nay;" the junior Senator from Ohio, who would have voted "yea," will abstain from voting.

Mr. IVES (when his name was called). Mr. President, on this vote I have a pair with the distinguished senior Senator from Ohio [Mr. BRICKER]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Florida [Mr. SMATHERS], are absent on official business.

The Senator from Virginia [Mr. BYRD] and the Senator from Louisiana [Mr. ELLENDER] are absent because of illness in their families.

I further announce that if present and voting, the Senator from Louisiana [Mr. ELLENDER], and the Senator from Missouri [Mr. HENNINGS], would each vote "nay."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting the Senator from New Mexico [Mr. CHAVEZ] would vote "nay" and the Senator from Vermont [Mr. FLANDERS] would vote "yea."

On this vote the Senator from Idaho [Mr. CHURCH] is paired with the Senator from Kentucky [Mr. MORTON]. If present and voting the Senator from Idaho [Mr. CHURCH] would vote "nay" and the Senator from Kentucky [Mr. MORTON] would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Vermont [Mr. FLANDERS], the Senator from West Virginia [Mr. HOBLITZELL] and the Senators from Kentucky [Mr. MORTON and Mr. COOPER] are absent on official business.

The Senator from Vermont [Mr. FLANDERS] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Vermont would vote "yea" and the Senator from New Mexico would vote "nay."

The Senator from West Virginia [Mr. HOBLITZELL] is paired with the Senator from Kentucky [Mr. COOPER]. If present and voting, the Senator from West Virginia would vote "yea," and the Senator from Kentucky would vote "nay."

The Senator from Kentucky [Mr. MORTON] is paired with the Senator from Idaho [Mr. CHURCH]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from Idaho would vote "nay."

The Senator from Ohio [Mr. BRICKER] is necessarily absent and his pair with the Senator from New York [Mr. IVES] has been previously announced.

The result was announced—yeas 28, nays 53, as follows:

YEAS—28

Allott	Curtis	Mundt
Barrett	Dirksen	Purtell
Bennett	Dworshak	Saltonstall
Bridges	Goldwater	Schoeppel
Bush	Hickenlooper	Smith, N. J.
Butler	Hruska	Watkins
Capehart	Jenner	Wiley
Carlson	Knowland	Williams
Case, S. Dak.	Martin, Iowa	
Cotton	Martin, Pa.	

NAYS—53

Aiken	Jackson	O'Mahoney
Anderson	Javits	Pastore
Beall	Johnson, Tex.	Payne
Bible	Johnston, S. C.	Potter
Carroll	Kennedy	Proxmire
Case, N. J.	Kerr	Revercomb
Clark	Kuchel	Robertson
Douglas	Langer	Russell
Eastland	Long	Smith, Maine
Ervin	Magnuson	Sparkman
Frear	Malone	Stennis
Fulbright	Mansfield	Symington
Gore	McClellan	Talmadge
Green	McNamara	Thurmond
Hayden	Monroney	Thye
Hill	Morse	Yarborough
Holland	Murray	Young
Humphrey	Neuberger	

NOT VOTING—14

Bricker	Ellender	Kefauver
Byrd	Flanders	Lausche
Chavez	Hennings	Morton
Church	Hoblitzell	Smathers
Cooper	Ives	

So Mr. KNOWLAND's amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. HILL. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. SMITH of New Jersey. Mr. President, I call up my amendment identified as "4-24-58-D"—which is the first of the administration's amendments—and ask that it be stated.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. On page 26, in line 17, it is proposed to strike out "This" and insert in lieu thereof "Sections 1 through 18 of this".

At the end of the bill, it is proposed to add the following:

VOTING IN REPRESENTATION ELECTIONS BY EMPLOYEES ON STRIKE

SEC. . Section 9 (c) (3) of the National Labor Relations Act, as amended, is amended by striking out all of the second sentence thereof.

Mr. KNOWLAND. Mr. President, on the question of agreeing to this amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

ORDER FOR ADJOURNMENT TO MONDAY AT 11 A. M.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it adjourn until Monday next at 11 a. m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR LANGER'S LEGISLATIVE ACTIVITIES AND ACCOMPLISHMENTS

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement I have prepared.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SENATOR LANGER ACTS TO AID THE ECONOMY OF THE STATE OF NORTH DAKOTA

Senator WILLIAM LANGER arranged a meeting with the Atomic Energy Commission which resulted in making available to the uraniferous lignite fields of the Dakotas a uranium-processing plant.

Senator LANGER arranged a conference of the Congressional delegations from the Northern Plains States and the Great Lakes area regarding an industrial complex which will make great use of the lignite fields with the low-grade iron ores of the Great Lakes area. S. 1058 has been introduced and is presently pending awaiting studies by the Office of Defense Mobilization, Department of the Interior, and the Interstate Commerce Commission.

Senator LANGER arranged a conference of 20 Senators and introduced S. 809 for the

purpose of providing funds for bringing industry in or near Indian reservations to aid the economy of the Indian people and provide steady jobs. This conference resulted also in preventing the closure of the Rolla Jewel Bearing Plant which aids the economy of the area surrounding the territory near the Turtle Mountain Indian Reservation.

Senator LANGER has been working with delegations from the various cities in the State of North Dakota to aid bringing industries to those areas. He played an important part in bringing the airport to the Minot and Grand Forks areas.

Senator LANGER aided in the Garrison Dam reclamation and irrigation project which will not only aid the farm lands but will do much for aiding industrial plants being brought to the State of North Dakota.

Senator LANGER is a cosponsor of and is fighting for an extension of an additional 4-year period of the provisions of the National Wool Act of 1954, which act saved the wool growers of America from ruination. The North Dakota Cooperative Wool Growers Association recently at its State convention commended Senator LANGER for his full support in fighting for the problems facing the wool growers of America.

Senator LANGER has cosponsored Senate Concurrent Resolution 68 to express the sense of the Senate as favoring the acceleration of public works. This resolution passed the Senate last March 12, 1958.

Senator LANGER has cosponsored Senate Concurrent Resolution 69, to express the sense of the Senate as favoring the acceleration of military construction. This resolution passed the Senate March 14, 1958.

Senator LANGER cosponsored S. 3462 to amend the Federal-Aid Highway Act of 1944 to provide for an addition to the National System of Interstate Highways running west from Michigan, through North Dakota ending in Everett, Wash. It is to be noted that the President has signed into law the recent interstate highway bill which will not only aid the economy of North Dakota but the Nation at large.

Senator LANGER introduced a bill to provide for a preliminary examination and survey of the Missouri River to determine the advisability of improving the river for navigation between Garrison Dam and Sioux City, Iowa.

SENATOR LANGER AIDS THE SMALL-BUSINESS MAN

Of great importance to the people of the State of North Dakota is Senator LANGER'S long and constant fight for the small-business man of the State of North Dakota and throughout the Nation.

Senator LANGER introduced an amendment to a bill which will establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas, which states that the administrator shall also designate as a rural development area each State the civilian income from manufacturing of which is less than 50 percent of the average income from manufacturing States of the United States.

Senator LANGER has been in constant touch with Mr. Wendell B. Barnes, Administrator of the Small Business Administration pertaining to small-business loans for applicants from the State of North Dakota.

Senator LANGER has long been known for his fight for the small-business man in the State of North Dakota and the country at large.

As the ranking Republican member of the Antitrust and Monopoly Subcommittee, Senator LANGER has been vitally concerned with legislation and investigations which will aid all businessmen, especially the small-business man.

Senator LANGER has been in favor of the following legislation:

1. To protect small businesses against ruinous pricecutting.

2. Reducing corporation taxes on the first $25,000 of taxable income to aid small business.

3. To permit fast tax writeoffs on purchases of used property to $50,000 value per year.

4. To permit installment payments of estate taxes.

5. To increase insurance protection of depositors in federally insured banks up to $20,000.

6. Urging State legislature to amend State laws that may be an obstacle to Federal small-business loans.

7. To fight for S. 3194, an omnibus small-business legislation, S. 3643, and S. 3651 to create small-business investment companies for the purpose of granting loans to small business more extensively.

8. Senator LANGER has urged legislation to slash redtape in small-business stock offerings up to $500,000.

9. To amend the Small Business Act of 1953 to include within the definition of a small-business concern certain agricultural enterprises.

SENATOR WILLIAM LANGER AND TAX BENEFITS

Senator LANGER for many years has fought to reduce certain excise taxes which were enacted into law as war measures back during the World War II period. Senator LANGER pointed out that those excise taxes should not be levied during peacetime and that the reduction or abolishing of those excise taxes will be of great benefit to small business and will aid in fighting the recession, will create jobs, reduce unemployment and generally aid the economy of the country.

Senator LANGER introduced bills as to the personal exemption (which at one time was $2,500 and now has been lowered considerably) so that the $600 exemption may be raised to $1,000. By raising this exemption, many people in the low- and middle-income groups will be aided and will be a great asset to the small-business man, the laborer, and the farmer.

Senator LANGER introduced a bill to permit the schoolteachers to claim as a deduction expenses paid for their further education. Since this bill was introduced, the Internal Revenue Service has issued a regulation which conforms with the provision of the bill.

Senator LANGER introduced a bill to prohibit the denial of a deduction as a business expense compensation paid to a dependent of a taxpayer for personal services actually rendered in the taxpayer's trade or business.

Senator LANGER introduced an amendment to the Internal Revenue Code so as to increase exemption for income-tax purposes.

Senator LANGER introduced a bill to allow an additional income-tax exemption for a dependent child who is a full-time college student.

Senator LANGER introduced legislation to give depletion allowance for sand and gravel operations in the State of North Dakota.

LEGISLATION INTRODUCED BY SENATOR WILLIAM LANGER TO AID PARTICULAR SEGMENTS OF NORTH DAKOTA

1. S. 2825 to amend the Small Business Act of 1953 to include within the definition of a small-business concern certain agricultural enterprises.

2. S. 999 authorizing the Secretary of the Interior to convey certain land to the State of North Dakota for the use and benefit of the North Dakota State School of Science (Public Law 205, 85th Cong.).

3. S. 212 to provide for the reimbursement of Meadow School District No. 29, Upham, N. Dak., for loss of revenue resulting from the acquisition of certain lands within such school district by the Department of the Interior.

4. Senate Concurrent Resolution 32, that the Congress hereby recognizes the National Cowboy Hall of Fame and Museum as a memorial to individuals who have made outstanding contributions in the opening and development of the West and as a fitting and valuable institution for the collection and preservation of artifacts and other evidences and data relating to the role the West has played in enriching our American historical heritage.

5. S. 3436, authorizing the appropriation of funds for the purpose of rebuilding a bridge at Cannon Ball, N. Dak.

6. S. 3299, to authorize the coinage of 50-cent pieces in commemoration of the 100th anniversay of the birth of Theodore Roosevelt.

7. S. 3189, to modify the general comprehensive plan for flood control and other purposes in the Missouri River Basin in order to provide for certain payments to the cities of Mandan and Bismarck, N. Dak.

8. S. 2502, to provide for the establishment of the Geographic Center of the North American Continent National Monument at Rugby, N. Dak.

9. S. 1932, to make certain provisions in connection with the construction of the Garrison diversion unit, Missouri River Basin project, by the Secretary of the Interior.

10. S. 585, that the Secretary of the Treasury pay to the Kensal school district in North Dakota school district's claim for reimbursement of loss of revenue resulting from the construction of the James River Reservoir.

11. S. 1556, to grant consent of Congress to States of Montana, North Dakota, South Dakota, and Wyoming to negotiate and enter into a compact relating to their interest in, and the apportionment of the waters of the Little Missouri River and tributaries.

12. S. 1352, to provide for the conveyance of certain real property of the United States to the Fairview Cemetery Association, Inc., Wahpeton, N. Dak.

SENATOR LANGER'S RECORD IN SUPPORT OF FARMERS, THE RURAL ELECTRIFICATION ADMINISTRATION, AND THE RURAL TELEPHONE ADMINISTRATION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement I have prepared, which I send to the desk.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SENATOR WILLIAM LANGER'S RECORD IN THE UNITED STATES SENATE FROM 1941 TO PRESENT RELATING TO THE FARMERS, REA, AND RTA

1. While in the United States Senate, Senator LANGER has consistently fought on the floor of the Senate for legislation and through the executive branch of the Government for administrative action to improve the way of life for the farmer in many ways:

(a) 100 percent of parity.

(b) To improve the tax status of the farmer.

(c) Social security benefits for the farmer and his wife.

(d) Unemployment compensation for farmers.

(e) Protection for durum wheat farmers.

(f) Irrigation and reclamation to aid farm lands. Senator LANGER fought to get 1,500,000 acres of North Dakota farm land under irrigation.

(g) Aid to water resources.

(h) Soil conservation legislation.

(i) Rural electrification benefits.

(j) Federal Deposit Insurance.

(k) The Bank of North Dakota and its resulting interest rates.

(l) Rural telephone service.

Senator LANGER introduced a bill providing for adjustment in wheat acreage allotments (Public Law 8, 84th Cong.).

Senator LANGER introduced a bill to provide for a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold (P. L. 820, 80th Cong.).

Senator LANGER introduced a bill which became law to provide wheat marketing quotas for 1956 (Public Law 431, 84th Cong.)

Senator LANGER introduced legislation prohibiting planting or transfer of wheat imported as unfit for human consumption with suitable wheat without notice to the transferee. (Reported favorably by the Senate Agriculture Committee, March 20, 1958.)

Senator LANGER introduced a bill for relief to farmers for agriculture losses due to natural causes. (Passed Senate, April 25, 1955.)

Senator LANGER has pending before the Congress the following bills to aid the farmer:

1. To provide for cancellation of certain seed and feed loans.

2. To establish a national food-allotment program to augment the requirements of needy persons and families, etc.

3. To provide for the conversion of surplus grain owned by the Commodity Credit Corporation into industrial alcohol or for stockpiling purposes.

4. To continue a special-milk program by fostering the consumption of fluid milk in the schools. He has always fought for school-lunch program and recently persuaded the United States Government to provide four carloads of butter to the Indians of North Dakota.

5. To provide a minimum acreage allotment for corn and for other purposes.

6. To provide for the increased use of agricultural products for industrial purposes.

6a. To provide that certain agricultural enterprises be included within definition of small business.

7. To amend the Bankhead-Jones Farm Tenant Act to permit loans insured thereunder to be insured for the full value of the farm, less any prior indebtedness.

8. To extend filing of claims for refund of taxes on gasoline used on farms between January 1 and June 30, 1956.

9. To provide for an improved farm program.

10. To authorize the conveyance to former owners of mineral interests in certain submarginal lands acquired by the United States in North Dakota, South Dakota, Colorado, and Montana.

Senator LANGER has sponsored legislation to create foreign markets for United States agricultural products.

Senator LANGER with Senator YOUNG led a successful and strong fight to get decent payments under the Soil Bank program for North Dakota farmers.

More and more small type, family size farms are leaving the United States scene. Senator LANGER fights to keep the small type, family size farm a part of our American way of life.

REA AND RTA

When Senator LANGER came to the United States Senate in 1940, he found that, of the 48 States, North Dakota with only 6.7 farmers of 100 receiving REA, was at the bottom of the list of farmers having REA. To the east, Minnesota, 40 of every 100 farmers had REA. To the west, Montana, 25 of every 100 farmers had REA.

The State of North Dakota had been completely neglected in the REA program in Washington. As chairman of the Senate Civil Service Committee, Senator LANGER conducted hearings and called as a chief witness Mr. Claude Wickard, National Administrator of the Rural Electrification Administration. These hearings revealed that no honest attempt had ever been made to get REA for the farmers of North Dakota.

Mr. Wickard made available Mr. Richard Dell to the North Dakota Senator and 23 public meetings were held in North Dakota. As a result of these meetings, Mr. Dell notified the people of North Dakota that a $6 million plant would be built at Grand Forks; a new unit would be placed in the coal fields of Mercer County. However, that did not take care of the 35,000 farms in the central portion of the State which were without power.

Upon returning to Washington, this matter was brought to the attention of the Members of Congress and approval was obtained for the building now known as the William J. Neal plant at Verendrye which cost $9,250,000, with transmission lines costing $14,400,000—the largest plant using coal as fuel. The significant thing is that the plant will be owned by the cooperatives who are buying it on an amortization plan at 2 percent interest.

The plant was built and is owned by the eight REA cooperatives in the State which, at that time, was headed by Mr. Gerald Olson of Wahpeton. Today, North Dakota has the finest REA system in the United States and it is owned by the users. Also, North Dakota has received an increase of $111 million in loans for REA, since 1941.

Senator LANGER has fought off attempts of the private electric power interests who want to ruin REA. One of the most successful fights of his senatorial career was the single-handed investigation into the Dixon-Yates deal which was designed to weaken the TVA and REA programs and would have created a devastating blow to the public-power program in the United States.

When the Antitrust and Monopoly Subcommittee of which he was chairman was denied funds to operate, the North Dakota Senator used his personal office staff to launch this uphill fight against the Dixon-Yates contract.

The following Congress, when Senator ESTES KEFAUVER assumed the chairmanship of that special subcommittee on the Dixon-Yates contract, both Senator KEFAUVER and Senator LANGER teamed together in revealing sufficient evidence resulting in the United States Government canceling the Dixon-Yates contract resulting in a tremendous victory for public power and the REA.

Also, there have been strong attempts to increase the interest rates to the REA from the present 2 percent to as high as 4 percent. This attempt too has been bolstered by the private-power companies who have spent millions of dollars advertising all over the United States calling the REA system "socialistic." As a matter of fact every farmer's wife knows that the REA has been a godsend to the farm.

If the interest rates were increased to 4 or 5 percent from the present 2 percent, several million farmers would have to pay almost double the present amount for REA service.

Senator LANGER has introduced several bills directed at the Internal Revenue Service and the Federal Power Commission to prohibit the powerful private electric-power companies to charge off as a business deduction on their income taxes the propaganda advertising directed at killing the REA. It is significant that recent regulations by the Internal Revenue Service backs up such requested legislation by the North Dakota Senator.

When the National REA was planning the new building in Washington, Senator LANGER was invited to break the ground for the new building. These ceremonies were televised and considered one of the significant REA events of the year. Senator LANGER has always fought for public power whether it be in the North, South, East, or West.

Last year, against doctors' orders, Senator LANGER returned to the floor of the Senate to vote for S. 555 which he cosponsored providing for the construction of the Hells Canyon Dam. This bill passed the Senate by an extremely close vote and was heralded as a great victory of public power over private electric power. Unfortunately, the bill did not get through the House.

Just as Senator LANGER fought for REA he is fighting constantly for rural telephone systems for the North Dakota farm families. At a banquet in North Dakota, Mr. Claude Wickard once stated to the REA people that "You should remember BILL LANGER every time you turn on the lights." Senator LANGER wishes to have every farmer in North Dakota to be able to pick up a telephone. He feels that the more isolated the farm, the greater is the need for a telephone at hand.

ADJOURNMENT TO 11 A. M. MONDAY

Mr. JOHNSON of Texas. Mr. President, pursuant to the order previously entered, I move that the Senate stand in adjournment until 11 o'clock a. m. on Monday next.

The motion was agreed to; and (at 5 o'clock and 11 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Monday, April 28, 1958, at 11 o'clock a. m.

EXTENSIONS OF REMARKS

Feeder Airlines

EXTENSION OF REMARKS
OF
HON. WARREN G. MAGNUSON
OF WASHINGTON
IN THE SENATE OF THE UNITED STATES
Saturday, April 26, 1958

Mr. MAGNUSON. Mr. President, during the Easter adjournment, when the Association of Local and Territorial Airlines was holding its quarterly regional meeting, in Las Vegas, Nev., a member of my committee, the distinguished Senator BIBLE, of Nevada, addressed the association on the timely subject of the successful operation of the Nation's local service and territorial airlines.

It was most fitting that on the day of the Senator's speech, Friday April 11, the distinguished Chairman of the Civil Aeronautics Board, James R. Durfee, announced the decision of the Civil Aeronautics Board to approve its first guaranteed loan to a local service airline, Bonanza Air Lines, Inc. The guaranteed loan bill, which was introduced by the distinguished Chairman of the Aviation Subcommittee, the Senator from Oklahoma [Mr. MONRONEY], and was passed during the first session, guarantees the use of new, postwar, turbojet airplanes for these small airlines

at a time when financing is otherwise most difficult.

Because I believe that the address made by my colleague is so timely and definitive of the finanical problems of this industry, and that it will be of great interest to all the Members of the Senate, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the speech which the distinguished Senator from Nevada made on that occasion.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE SUCCESSFUL OPERATION OF LOCAL SERVICE AND TERRITORIAL AIRLINES

(Address by Senator BIBLE before Association of Local and Territorial Airlines, Las Vegas, Nev., April 11, 1958)

It was a little over a year ago when I first heard of the Association of Local and Territorial Airlines, now familiarly known as ALTA. As you know alta in Spanish means high, which is altogether fitting for an industry that has given height additional meaning, particularly in the last decade of the 20th century. But as you gentlemen well know, an airline—and particularly a local one—needs more than height to operate successfully.

With this thought in mind, I would like at the beginning of my remarks to dispel a popular misconception that the local airlines are the happy beneficiaries of huge Government subsidies. Only a cursory look at the financial picture of the members of your association will reveal that the small airlines, rather than enjoying great largess from a Government Santa Claus, have in fact found the path to solvency strewn with all sorts of obstacles.

While the service you provided showed tremendous gains from 1946 through 1956, it is astonishing to note that the local service carriers together had an income during that 11-year period of only $1,850,000—and 9 of the 13 local service carriers accumulated deficits of $2,192,000.

The total income of $1,850,000, however, doesn't give the true picture—because 3 out of the 13 carriers received $1,701,000 of that amount—or 92 percent, while the remaining 10 carriers divided up the remaining 8 percent. It is also noteworthy to point out that during this 11-year period the 13 carriers realized a rate of return of only 1.43 percent on their investment.

Thus it will be seen that the claim sometimes heard that the Civil Aeronautics Board "guarantees" the local service carriers a return of 8 percent on their investment is without foundation in fact. There are 2 factors which prevent the realization of an 8-percent return:

1. If the Board's rate is established for a future, or closed period, the actual operational experience may turn out to be substantially different from that forecast by the Board; and

2. If the Board's rate determination, including its theoretical rate of return, is made for a past, or open period, the Board makes arbitrary determinations of what the carrier's expense levels should have been, thus substituting its own hindsight for the carrier's business judgment, which is necessary based upon facts at hand at the time of the decision.

The Government has never paid one dollar of subsidy for the private benefit of a local service carrier or its stockholders. On the contrary, the sole purpose of subsidy is to benefit the public, and that policy is so spelled out in the Civil Aeronautics Act.

In a recent decision, the Court of Appeals for the District of Columbia, commented on this aspect in the following terms:

"The objective of the Congress is plain. It is the maintenance and continued development of air transportation to the extent and of the quality required for the national commerce, postal service, and defense. The objective is on a grand scale. It is for the public interest. It is vital. The words used are important, because they depict with clarity a Congressional policy. Moreover, the payment is to enable such air carrier to maintain and continue the development of air transportation. Congress did not put the responsibility for development of an air transportation system wholly upon Government agencies. In this statute the Congress sought to utilize the abilities and capacities of the private air carriers. The purpose of the compensation is to enable the carriers to maintain and continue the development."

The court continued, and I quote, "The need which the statute seeks to meet is not the need of the carrier for funds for its own private purposes, for its own operation or profit. It is the need of the carrier for funds to enable such carrier to carry on for the purposes depicted by the Congress in the interest of the Nation."

If responsible Members of Congress take a sympathetic view of the plight of the local service airlines it is only the natural reaction born of a desire to be fair. It is my own view that our Government has, on many occasions, dragged its feet, in considering affirmative steps to assist these airlines in remaining aloft in a financial climate that is not perpetually socked in.

Without in any way wishing to deprecate a policy of neighborliness to our foreign friends, it does seem appropriate to point out, however, that the United States Export-Import Bank has, since its founding in 1934 to March of this year, extended loans to foreign airlines, for the purchase of airplanes in this country, the staggering total of $154,645,000. This undoubtedly is good business and sound policy, but I cannot help but reflect that if similar generosity had been bestowed upon our local carriers there would today be not only profits but, miracles of miracles, actual dividends.

This is not a case of charity beginning at home, because the local service airlines do not want a handout; they want only the opportunity to provide optimum service with the reasonable expectation of a return on their investment.

The great social and economic strides made by America's smaller communities in recent years can be traced in large measure to the advent of feeder airlines. This convenient, speedy method of transportation broke the back of isolation which had been thrust upon these cities in former years.

Dedicated to and specializing in service to the smaller communities of the Nation, these carriers have opened new industrial vistas which have contributed greatly to a continuing growth and development. This ready accessibility of air travel has encouraged a decentralization of industry from the big metropolitan centers to the outlying areas. Your airlines have tied these small communities to their major trading centers and at the same time have brought about a broader based economy that benefits everyone.

Although these airlines have more than a decade of solid achievement behind them, I believe that the real development of local air service lies ahead, provided the necessary stimulus is provided on the national level. It is my hope that the Civil Aeronautics Board will continue to lend encouragement and support to the industry and will examine and reexamine the needs of the smaller communities for air transportation. There should be no faltering until the ultimate goal is reached—and that goal is a nationwide network of airlines dedicated to local service.

In striving toward this objective, it should be made crystal clear that the airlines are going to need continual financial assistance during the period of expansion and introduction of new equipment to replace those old, dependable—but certainly outmoded—DC-3's.

In the future, it is my hope and I know that it is your hope, that this investment will result in service to a network of small communities by small carriers who are not dependent upon Government support.

The prospects for this eventual situation are based on two facts:

1. The local service carriers will be able to acquire aircraft with lower seat-mile cost and greater passenger attractiveness, and

2. The estimated revenue increases with more efficient equipment offer every promise of reducing subsidy requirements at least after the initial stages of operation, together with a further liberalization of operating restrictions.

A frontal attack on the three road blocks to profitable operation—lack of modern equipment, and unrealistic route structure, and a Jenny-type rate of return method—will make the difference between harrowing operations and smoothly performing efficiency.

Congress has taken a forward step in passing legislation to allow air carriers to reinvest gains derived from the sale of flight equipment in the purchase of new equipment to meet the pressing needs of the times. As you men know, under previous decisions and regulations of the CAB, a subsidized carrier faced the dismal prospect of having any capital gains, realized from the sale of equipment, applied as an offset to reduce the subsidy to which it was otherwise entitled. Certainly such an inflexible and unjust rule could only work to the detriment of the carriers and to the general public as well. With passage of this remedial legislation by both Houses of Congress, it appears that another hurdle has been removed from the path of aviation progress.

When I learned of ALTA's founding in February of 1957, my first thought was to wonder if there was justification for another airline association in Washington. But it was not long before I realized that you had an important mission to fill, and as a starter you undertook the support of the Government guaranty loan legislation. I would like to take this means of congratulating you as an association, and Col. Joe Adams as your executive director, for the splendid manner in which you presented your case in behalf of that bill. As acting subcommittee chairman in the Senate, I heard several of you testify. I asked many questions as I wanted to develop a complete record. It was that record—comprised mainly of your testimony—that gave momentum to the bill on its way to final passage.

The Civil Aeronautics Board, as you know, had proposed that legislation and it is to be commended for the vigor with which it supported its enactment—despite unfavorable reports from the Departments of Commerce and Treasury, submitted under the blessing of the Bureau of the Budget. I can only add the hope that the CAB will continue in a policy of enlightenment to foster sound economic conditions throughout your industry.

Chairman Durfee has stated that the local service airlines need the boost of continued appropriations of subsidies, and he is as right as rain. It is certainly a grim paradox that despite a subsidy of more than one-third of total operating revenues, net losses are still the order of the day.

There are no easy answers to the problem, but there is a course of action that can lead to an eventual solution. This will require the teamwork of the administration, the Congress, the CAB, and each and every local service carrier.

Congress has given official recognition to the Nation's policy on civil aviation in a concurrent resolution which I introduced during this session. The resolution takes

note of the 20th anniversary of enactment of the Civil Aeronautics Act of 1938, one of the sponsors being my predecessor, the late Senator Pat McCarran, who was known as the father of civil aviation. The resolution comends both the Civil Aeronautics Board and the Civil Aeronautics Administration for their sound stewardship of the act and its objectives, and urges adherence to policies which will enable civil aviation to solve its present economic and technical problems and assure the public of the benefits of a strong air transport system and civil aviation industry.

The general public should be the prime consideration in any legislation designed to strengthen the airlines industry. If you people are hamstrung by capricious regulations, if you are prohibited from operating profitably. The public will suffer in being denied the kind of service to which it is entitled and expects.

So I say to you in conclusion: set your sights to the goal ahead, continue your good work of providing the best possible service, state your case clearly and forcefully on a solid basis of facts—and it will pay off richly in terms of a more understanding Government, greater operating efficiency, a sound route structure, and—most important—a self-supporting industry.

Thank you.

Tenth Anniversary of Independence of the State of Israel

EXTENSION OF REMARKS

OF

HON. THOS. E. MARTIN

OF IOWA

IN THE SENATE OF THE UNITED STATES

Saturday, April 26, 1958

Mr. MARTIN of Iowa. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address I delivered before the B'nai Israel Congregation, Washington, D. C., Friday evening, April 25, 1958, at a service commemorating the 10th anniversary of the independence of the State of Israel.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A GREAT MOMENT IN HISTORY

(Address by Senator THOS. E. MARTIN, of Iowa, before the B'nai Israel Congregation, Washington, D. C., April 25, 1958)

It is indeed an honor and a privilege, ladies and gentlemen, to be invited to address the B'nai Israel Congregation on such an occasion as the 10th anniversary of the establishment of a new nation in which you have such a vital interest. Many of you, I am sure, have relatives or dear friends in Israel. Many of you have toiled and sacrificed to help Israel become an established sovereign state and win acceptance as a full-fledged member of the community of nations. And I am sure that in expressing my own personal best wishes and hopes for the continued growth and development of Israel as a full-fledged nation, I am bespeaking the thoughts firmly fixed in the minds of all of you.

There is much justification, ladies and gentlemen, for comparing Israel's first decade of existence with the early days of our own United States of America. Both achieved their independence by struggle, by a pioneering determination to maintain that independence and freedom, by what a great wartime leader described graphically as "blood, sweat, and tears." It was exactly because of these common facets of origination, I am sure, that the United States so promptly reached out a helping hand 10 years ago, to give a lift to the then brand new nation of Israel, and has kept that hand busy with various forms of aid and assistance during the subsequent decade.

I personally visited the Holy Land in 1945, before it became the sovereign nation of Israel. Then, as a member of the Military Affairs Committee of the House of Representatives, on an inspection tour of United States military installations, I made a special trip to what is now Israel. While in Tel Aviv I was impressed, during my too-brief stay, by the newness and cleanliness of that city, and by the energy and industry of the Jewish people who already were building it up in anticipation of the independence which they felt certain they would soon win. So, while I have never visited the independent nation of Israel, I have seen its lands and I have seen the devotion and energy of the people who now proudly call themselves Israelis.

My point in mentioning this is that even having visited the land, I still find it difficult to conjure in my own mind a mental image of the trials and tribulations and hardships which the Israeli people must have encountered in setting up their new nation, and in trying to create in it a stable government and a stable economy. The necessity for simultaneously defending its territory against incursion from neighboring countries most assuredly has not simplified those problems.

But if I have such difficulties, I know it is infinitely more difficult for those millions of Americans who never have had an opportunity to visit any part of Israel, to picture to themselves the proud struggle and fight of that country's people to solidify their independence and to improve their national status. I think perhaps that is one reason why our American policies to help Israel arouse some opposition within our own country. We know, from reading our own history books, that we needed help from other countries to win our battle for independence, and then to solidify our independent status. We should know that if we desire to see an independent Israel, as I am sure the preponderant majority of us do, we must, as an established leader of nations, give it an occasional helping hand.

There is another point of valid comparison between the United States and Israel. We Americans proudly call our country the melting pot of all nations. Our people have come from all parts of the world; perhaps not those of us who today are Americans, but certainly our ancestors did in years gone by. But if the United States has merited the "melting-pot" description, as it assuredly has, Israel assuredly merits the same description. Some of its people arrived originally as refugees from the barbaric terrorism of Hitlerism or of communism. Others came from other parts of Europe, from Africa, from the Middle East, from the United States and other parts of the Western Hemisphere. On a percentage basis, this migration has boosted Israel's population more in its 10 years of existence than any other comparable population growth in any nation in history.

When Israel became an independent nation on May 14, 1948, it had a population of 650,000. Today its population is slightly more than 2 million. Considering the barren, desolate character of its land at the start, it is truly amazing that Israel has been able to absorb this 200-percent growth in the relatively brief span of 10 years. And this in a land comprising slightly over 8,000 largely arid square miles—roughly the area of our State of Massachusetts, and about one-seventh the area of my own State of Iowa, which has a population of a little under 3 million people.

Against this background, and particularly in view of the important sums Israel has been compelled to spend to maintain her military defenses, it is to be expected that she would be experiencing economic difficulties. The surprising thing probably is that she is making such major strides toward a stable and self-sufficient economy. Israel still is existing to a major degree on goods and materials from other countries, but her own domestic production is increasing markedly and her exports are becoming an important factor in paying for the goods imported from other countries. Her exports in 1957, for instance, had a total value of $135 million, of which $20 million worth came to the United States. The figures may seem small by comparison with overall world trade figures; but they are very significant in the light of the fact that during the first few years of Israel's existence, her exports were almost nonexistent. She had nothing to export then; everything she could produce went to the use of her own people, and brandnew industries and trades had to be established to produce enough extra goods so that measurable quantities could be shipped abroad.

The country still has a long way to go but it is making important strides. Her $135 million of exports last year were only about one-third of the $404 million worth of materials she imported; but it was more than twice the $59 million value of her exports only 4 years earlier, in 1953. Also significant is the fact that Israel now is able to make a serious bid for many facets of our own American markets, having sent $20 million worth of goods to this country last year. There is good reason to believe that this figure will increase substantially this year.

Israel has boosted its agricultural production several times by irrigating what used to be desert wastelands and by introducing modern concepts of farming. It has introduced industry to its urban centers in the form of hundreds of small factories and plants producing a broad gamut of goods, outstripping its Arab neighbors in becoming the industrial center of the Middle East. Its production of electrical energy, for example, has more than quadrupled since 1949. All of this, of course, is why Israel's exports are becoming an important factor in her economy.

Israel's troubles and difficulties would have been bad enough, if they had involved only the economic problems created by establishing 2 million people in a land which previously had barely supported only a few hundred thousand. But these, as we all know, were only a small part of her troubles. Superimposed on top of them was the problem of defending Israel itself against a ring of bitterly and openly hostile enemies who were admittedly bent on stamping out the new nation's existence; who sought to conquer it militarily, and, by refusing to have any trade or other relations, to kill it economically.

It was this violent antagonism of the Arab countries which not only threatened the very existence of Israel from the outset, but made things so extremely difficult for the Free World nations, including the United States, which had sponsored Israel's freedom and were trying to help it gain international acceptance as an established sovereign state. For us, it created the problem of preventing a new and struggling nation from being overrun, but without alienating the Arab nations to the point where they would fall into the Communist camp by default. Blind and unreasoning hatred, such as was felt by some of the Arab countries, is difficult if not impossible to reason with; despite all our efforts that part of the Arab world which follows the dictatorial prejudices and vagaries of Egypt's Gamal Nasser still is as blindly unreasoning in its hatred for Israel as ever, and by now has fallen under Communist influence, although maintaining a pretense of independence.

The violence and terrorism which has been such an integral part of the growth of Israel as a nation is, of course, nothing new to the Jewish people. Violence and terrorism have been part of their history through the centuries, even to modern times; thousands upon thousands of present Israelis who have fought or aided innumerable battles in defense of their new homeland in the past 10 years were brought up in the tradition of Polish ghettos, of pogroms, of fiendish Nazi tortures. Establishment of a Jewish state in the Holy Land long had been a dream of millions of Zionists around the world who hoped to escape such violences; but the opposition was strong, the path toward its creation was studded with obstacles. Not until that historic day in May of 1948 was the dream of a Jewish state to become reality—and then it was a reality in which violence still could not be avoided.

In the April 1958, issue of the Hadassah Newsletter, is an interesting article by Cecil Roth, noted educator and historian and reader in Jewish studies at England's Oxford University, entitled "The State and World Jewry." One point made by Mr. Roth struck me particularly as most pertinent.

Before 1948, the article noted, there was a worldwide acceptance of the concept of a Jew as, and I quote Mr. Roth's article, "Intellectual, but unable to do things with his hands, unless it were with a needle; incapable of hard physical labor; and generally timid, unmilitary, and unsoldierlike." But in 1948, with the birth of the new nation, and I quote Mr. Roth again, "suddenly a new Jew forced himself on the attention of the western world; no less intellectual, perhaps, than before, but capable of and delighting in physical labor of the most exacting sort, and at the same time showing himself a superb fighting man." His characterization of the new Jew is so true. Only persons "capable of and delighting in physical labor of the most exacting sort" could have stuck it out in the nation and survived its initial years; any persons lacking those qualifications would have failed to survive, or would have tossed in the towel and migrated on to other lands. For it was in Israel, an era of toil and physical labor—hard, uncompromising, sweat-producing physical labor of the most exacting sort. As for the fighting qualities of the Israeli people, no one any longer can doubt them in the least. Whenever any nation with a population of only 2 million persons of all ages and conditions, can hold at bay and instill deathly fear in a surrounding ring of antagonistic neighbors whose populations total many, many times that number, none can doubt the fighting qualities and love of homeland of the 2 million. And it should be noted that Israel's heaviest defensive fighting occurred during its first year of being, when its population totalled less than 1 million people, not the 2 million of today, which makes the accomplishment even more notable.

There are those who decry these military accomplishments of the fledgling State of Israel, on grounds they demonstrate its aggressive nature. This argument I cannot accept. Had Israel not been willing to take up the gauntlet thrown down by its neighbors, and defend its people and its land against open hostility, I am confident there would have been no Israel today. There have been occasions when, I think, all of us would admit that the attitude of the Government of Israel has bordered on the truculent, perhaps on the obdurate. But I wonder what any American would have done under comparable circumstances. Again, it is difficult for persons living in this country to conceive of the difficult situation of those living in Israel. But if I may be permitted a flight of fancy, just suppose that Canada and Mexico were bigger, and more powerful on paper, at least, than the United States, and suppose that, in this imaginary case, Canada and Mexico openly proclaimed their hatred for the United States, and made known their intention of destroying the United States. Such a circumstance, of course, is sheer fantasy, and could never happen other than in a fanciful, hypothetical case. But hypothetical as it may be, if such a thing were to happen, I am sure we in the United States would become fully as truculent and obdurate in our attitude toward our neighbors, as Israel is today toward its neighbors.

The 5,000 Israelis who gave their lives in fighting to defend their new homeland during its first year of existence were imbued with the same love of country and deep desire for independent freedom as were our own American forefathers who gave their lives to prevent another foreign power from reestablishing its dominion over our American lands. It is that same love of country and yearning for independent freedom, that has caused leaders of the Israel Government to maintain an always-prepared, ready-for-anything attitude toward its Arab neighbors.

Israel, of course, has had its hotheads and its terrorists, such as those who a few days after the country had attained its independence, slew the United Nations mediator for Palestine, Count Folke Bernadotte; but those hotheads and terrorists are only a small minority, and their extravagances are as distasteful to the responsible leaders of Israel as they are to the rest of the peace-loving world. And those leaders, I am sure, desire peace and amity with their fellowman as earnestly and as deeply as do we who are convinced that the most effective way to maintain peace in this troubled world is to keep ourselves armed and strong enough to fight off any Communist aggression.

No discussion of Israel and its first 10 years would be complete without at least a word of tribute to the dogged determination, the perseverance, and the indomitable courage of the valiant leaders who helped to bring about its establishment as a nation and who have played major parts in steering it through the hazardous path of its first decade. Foremost in the public eye, undoubtedly, was the gallant Chaim Weizmann, the Russian-born British research chemist who as early as 1917 was instrumental in persuading the British Government to proclaim the famous Balfour Declaration, setting forth that country's objective of having Palestine established as a national home for the Jewish people, and who lived not only to see his dream of an Israel nation become reality but to become its first President. Nor can any historian overlook the scholarly, venerable David Ben-Gurion, who like Weizmann was born in Russia but as a young man migrated directly to Palestine—the Ben-Gurion, now 71, who as Prime Minister, has charted Israel's course ever since it became a nation, save for one brief period of retirement. There are many others who also should be mentioned, for their contributions both before and since Israel's establishment. Most of you perhaps are more familiar with their names and their achievements than I; suffice it to say that without their contributions, Israel today might not be.

Israel is highly deserving of the good will and support our country has extended, and of the encouragement it has received from our people. I am sure the preponderant majority of Americans would join me in predicting, for Israel, a bright and permanent future and the early attainment of its goal of a real position of power and influence in the family of nations.

SENATE

MONDAY, APRIL 28, 1958

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, who commandest the morning, into Thy hands we commit our wills and our work, in calm confidence that Thou art in the shadows and, behind them, working out Thy purposes for mankind, Thy children. Day by day set our feet on the shining path of righteous duty and selfless service.

In these days wherein the souls of men are sorely tried, when so much is demanded of those who would serve the present age, grant to this body of governance strength and grace, that they may prove worthy of every trust the Nation has committed to their hands, as on the anvil of vast issues there slowly is hammered into shape the new and better world that is to be: In the Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
Washington, D. C., April 28, 1958.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. MIKE MANSFIELD, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. MANSFIELD thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Saturday, April 26, 1958, was dispensed with.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 1031) to authorize the Secretary of the Interior to construct, operate, and maintain four units of the Greater Wenatchee division, Chief Joseph project, Washington, and for other purposes, and it was signed by the Acting President pro tempore.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on Finance and the Committee on the Judiciary were authorized to meet during the session of the Senate today.

CORRECTIONS OF THE RECORD

Mr. IVES. Mr. President, I rise to request the making of some corrections in the RECORD of Saturday, April 26. I wish it understood that I know the Official Reporters are in no way to blame for the errors.

Toward the bottom of the third column on page 7414 of the CONGRESSIONAL RECORD of Saturday, April 26, 1958, appears the following statement:

Mr. IVES. Mr. President, I yield to my junior colleague.

After which the Senator from Nebraska [Mr. CURTIS] proceeded with his remarks, which I had previously interrupted.

In yielding to "my junior colleague," I was referring to the junior Senator from New York [Mr. JAVITS], who took the floor to amplify remarks which he had previously made. This amplification appears in the first column of page 7412 of the CONGRESSIONAL RECORD of the same date.

When I yielded the floor back to the able Senator from Nebraska [Mr. CURTIS], I yielded with the following words, which appear at the conclusion of the remarks of the junior Senator from New York [Mr. JAVITS], in the third column of page 7414:

Let me ask whether other Senators desire to speak now on the same subject.

If not I yield the floor back to my good friend, the Senator from Nebraska.

In the light of the obvious error in the RECORD of Saturday, April 26, 1958, to which I have referred, I ask unanimous consent that the words I have just quoted be substituted for the language "Mr. President, I yield to my junior colleague.", which appears on page 7414.

The ACTING PRESIDENT pro tempore. The corrections will be made.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, for the information of the Senate, I wish to announce the anticipated legislative program, following the disposition of the pending business:

The military pay bill, H. R. 11470, which was reported last week, will be considered as soon as possible, after the disposition of the pending business, Senate bill 2888.

Later in the week we expect to have the Senate act on the Department of Interior appropriation bill, H. R. 10746.

It is also planned to have the Senate give consideration to Calendar No. 1488, H. R. 9655, to authorize the free importation of certain articles for exhibition at the Oregon Exposition; and also such other bills on the calendar as may be cleared for action during the week.

It is the present intention of the leadership to have the Senate proceed on Thursday or Friday to the call of the calendar for the consideration of measures to which there is no objection.

I should like to have all Senators on notice of this schedule.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF TITLE 10, UNITED STATES CODE, RELATING TO DISPOSAL OF CERTAIN UTILITIES BY UNITED STATES COAST GUARD

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend title 10, United States Code, section 2481, to authorize the United States Coast Guard to sell certain utilities in the immediate vicinity of a Coast Guard activity not available from local sources (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF TITLE 28, UNITED STATES CODE, RELATING TO ASSIGNMENT OF RETIRED JUDGES TO ACTIVE DUTY

A letter from the Director, Administrative Office of the United States Courts, Washington, D. C., transmitting a draft of proposed legislation to amend subsections (b), (c), and (d) of section 294 of title 28, United States Code, relating to the assignment of retired judges to active duty (with an accompanying paper); to the Committee on the Judiciary.

REPORTS OF BOARD FOR FUNDAMENTAL EDUCATION

A letter from Harry T. Ice, of the firm of Ross, McCord, Ice & Miller, of Indianapolis, Ind., transmitting pursuant to law, the annual and audit reports of the Board for Fundamental Education, for the year 1957 (with accompanying reports); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

Two joint resolutions of the Legislature of the State of California; to the Committee on Armed Services:

"Senate Joint Resolution 6

"Relating to the economics of disarmament

"Whereas the economic well-being of California is, in part, dependent upon Federal expenditures for national defense, which involve thousands of California jobholders and billions of dollars; and

"Whereas a special study prepared for the Southern California Research Council revealed that a 50 percent cut in defense spending could result in layoffs of 120,000 people in southern California alone; and

"Whereas, the United States seeks multilateral disarmament agreements with all countries of the world in order to create a world free of the fear of atomic holocaust; and

"Whereas, such agreements could involve a substantial decrease in Federal defense expenditures; and

"Whereas, such decreases could seriously affect the economic stability of areas heavily relying upon defense industry and could result in the loss of thousands of jobs: Now, therefore, be it

"*Resolved by the Senate of the State of California, and the Assembly (jointly)*, That the Congress of the United States is respectfully memorialized to enact such legislation as is necessary to provide for a series of studies through appropriate Federal agencies, in cooperation with State and local governments, private industry, and labor, of the economic problems of disarmament, including a consideration of the following:

"1. The impact of defense industry upon specific heavily populated local areas throughout the State of California, where such industries constitute a substantial part of economic activity. Such a study should include information as to the numbers of people directly involved in such defense industries, the geographic distribution of such industries and a consideration of ways and means of encouraging the development of nondefense industry and the reconversion of defense to nondefense industry.

"2. Ways and means of providing Federal aid to areas depressed by a reduction in defense expenditures, including the possible relinquishment of Federal taxes in favor of State and local taxes, the strengthening of government employment services and unemployment compensation systems, and the possible methods for retraining or relocating workers facing major readjustments.

"3. Ways and means whereby Federal, State, and local governments can cooperate in the joint solution of economic dislocations caused by a reduction in defense expenditures; and be it further

"*Resolved*, That the secretary of the senate is directed to send suitably prepared copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Member of the Congress of the United States representing the State of California."

"Senate Joint Resolution 11

"Relative to the naming of nuclear-powered fleet ballistic missile submarines

"Whereas due to the changing tactics of naval warfare and the development of new forms of powerplants and armament for naval vessels, the United States Navy has now decommissioned the last of its battleships; and

"Whereas insofar as can be foreseen, the naval fleets of the future will not include battleships; and

"Whereas the battleships of the United States Navy have historically been named for the States, and the developments which have resulted in the retirement of battleships from the fleet will similarly result in the absence from the United States Fleet of any ships named for the States of the Union; and

"Whereas a new powerful type of vessel has been developed and is currently being constructed for use with the United States Fleet which vessels have been described in authoritative articles and otherwise as the 'battleships of the future'; and

"Whereas these vessels are designated as nuclear-powered fleet ballistic missile submarines and those currently under construction have the capability of carrying 16 Polaris missiles using atomic warheads which may be fired, while the vessel is submerged, against land targets 1,500 miles distant; and

"Whereas the Legislature of California is unaware of any decision by the United States Navy to assign a type of name to this new type of vessel; and

"Whereas informed sources advise that because of the high potentialities of these new type vessels it is highly improbable that more than 48 such ships would ever be simultaneously commissioned in the fleet; and

"Whereas one of the first of three such vessels now under construction, the SSGN 600, is now being built at the Mare Island Naval Shipyard at Vallejo, Calif.: Now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California (jointly)*, That the United States Government is requested to give consideration to the naming of nuclear-powered fleet ballistic missile submarines with the names of the States of the Union in recognition of their potential capabilities; and be it further

"*Resolved*, That the Federal Government be urged to designate the SSGN 600 now under construction in this State as the U. S. S. *California;* and be it further

"*Resolved*, That the secretary of the senate is directed to forward copies of this resolution to the President of the United States, the Vice President of the United States, the

Speaker of the House of Representatives, the Secretary of Defense, the Secretary of the Navy, and to each Member of the Congress representing California."

A resolution adopted by the Board of County Supervisors of the County of Ventura, Calif., favoring the enactment of legislation to repeal all excise taxes; to the Committee on Finance.

A resolution adopted by the Westchester County Association, of New York, favoring the enactment of legislation to provide assistance to the railroad industry; to the Committee on Interstate and Foreign Commerce.

THIEF RIVER WATERSHED PROJECT, MINNESOTA—LETTER AND RESOLUTIONS

Mr. THYE. Mr. President, I have received letters and petitions asking that the Federal Government aid in the water conservation and flood-control work of the Thief River watershed project in Minnesota. One of these petitions has been signed by a total of 450 individuals. I ask unanimous consent that these resolutions and the letter of transmittal be printed in the RECORD, and appropriately referred.

There being no objection, the letter and resolutions were referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

CHAMBER OF COMMERCE,
Thief River Falls, Minn., April 25, 1958.

Re Thief River watershed project.

Senator EDWARD J. THYE,
United States Senate,
Washington, D. C.

DEAR SENATOR THYE: I am forwarding to you a copy of the petition referred to in our letter of April 15, 1958, pertaining to the Thief River watershed project. This petition has been signed by over 300 freeholders of the area affected by this watershed.

I am also enclosing a copy of resolutions drawn and adopted by the Pennington County Soil Conservation District and the Marshall-Beltrami Soil Conservation District, emphasizing the support and importance of the enclosed petition.

Copies of this petition and the resolutions are also being filed with all respective organizations and agencies who will be involved in the overall project.

Thank you for your past promptness and courteous attention. We trust that this matter will receive similar attention.

Sincerely yours,

THIEF RIVER WATERSHED PROJECT,
J. M. ROCHE, *Secretary.*

PENNINGTON COUNTY
SOIL CONSERVATION DISTRICT,
Thief River Falls, Minn.

To Whom It May Concern:

Whereas the Thief River is the major outlet for a portion of Pennington County; and

Whereas said river is not adequate to carry off flood waters; and

Whereas many farmers in the affected area lose all or part of their crops in some years because of flooding or inadequate drainage;

Therefore we the supervisors of the Pennington County Soil Conservation District do support the farmers living in the Thief River watershed in their request to have a study made of the flooding and drainage problems of the area.

A motion was made, seconded, and duly carried to adopt the resolution at a meeting of the board of supervisors held Monday evening, April 7, 1958, at Thief River Falls, Minn.

EDGAR NAPLIN,
Secretary.

MARSHALL-BELTRAMI
SOIL CONSERVATION DISTRICT,
Grygla, Minn., April 21, 1958.

At the regular monthly meeting of the Marshall-Beltrami Soil Conservation District, the board of supervisors went on record, by unanimous vote, to support the Thief River Watershed Development Association in their request for an overall survey of the Thief River watershed.

OLIVER P. HOWLAND,
Chairman.
LEHART STOCK,
Secretary.

PETITION

Whereas the Thief River is a meandered stream in the State of Minnesota with a watershed of approximately 1 million acres and is a tributary of the Red Lake River in this State; and

Whereas, several hundred miles of drainage ditches have been constructed in the Thief River watershed which ditches have their outlet in the Thief River; and

Whereas, said ditches are now in a state of disrepair and there are now pending several petitions for the repair and improvement of said ditches in the Thief River watershed; and

Whereas the channel of the Thief River is wholly inadequate as an outlet for the drainage area and irreparable damage will be done if said projects are put through; and

Whereas there exists in the Thief River watershed State and Federal wildlife refuges, and the existence of such refuges requires a redesigning of the drainage systems for the establishment of a watershed plan for the proper control of waters in the watershed compatible with the interests of agriculture, conservation and wildlife; and

Whereas such watershed plan will necessarily require an improvement of the Thief River Channel as an outlet for the waters of the area; and

Whereas, said area has for the past several years been subjected to devastating floods; and

Whereas the Congress of the United States has heretofore constructed channel improvements on the Red Lake River and its tributary the Clearwater River at Federal costs; and

Whereas similar problems of flood control exist along the Thief River as heretofore existed along the Red Lake River and the Clearwater River channels;

Now, therefore, we respectfully petition the Congress of the United States and our duly elected Representatives and Senators in Congress to inaugurate legislation to provide funds for a survey of the entire watershed of the Thief River under the supervision and control of the Corps of Engineers, United States Army, for the correction and control of the flood waters of the area.

Respectfully submitted.

———.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 2984. A bill for the relief of Taka Motoki (Rept. No. 1475).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

H. J. Res. 553. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens (Rept. No. 1476).

By Mr. O'MAHONEY, from the Committee on the Judiciary, with an amendment:

S. 1524. A bill for the relief of Laurance F. Safford (Rept. No. 1473).

By Mr. O'MAHONEY, from the Committee on the Judiciary, with amendments:

S. 1857. A bill to authorize the incorporation of the Congressional Medal of Honor Society of the United States of America (Rept. No. 1474).

By Mr. HAYDEN, from the Committee on Appropriations, with amendments:

H. R. 10746. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1959, and for other purposes (Rept. No. 1479).

By Mr. BYRD, from the Committee on Finance, without amendment:

H. R. 1126. An act to amend the Tariff Act of 1930 to exempt from duty pistols and revolvers not using fixed ammunition (Rept. No. 1481);

H. R. 5208. An act to amend paragraph 1541 of the Tariff Act of 1930, as amended, to provide that the rate of duty in effect with respect to harpsichords and clavichords shall be the same as the rate in effect with respect to pianos (Rept. No. 1482);

H. R. 7516. An act to amend the Tariff Act of 1930 so as to permit the importation free of duty of religious vestments and regalia presented without charge to a church or to certain religious, educational, or charitable organizations (Rept. No. 1483);

H. R. 9917. An act to continue the temporary suspension of duty on certain alumina and bauxite (Rept. No. 1484);

H. R. 9923. An act to amend the Tariff Act of 1930 to permit temporary free importation under bond for exportation, of articles to be repaired, altered, or otherwise processed under certain conditions, and for other purposes (Rept. No. 1485);

H. R. 10112. An act to make permanent the existing privilege of free importation of guar seed (Rept. No. 1486);

H. R. 10792. An act to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing (Rept. No. 1487);

H. R. 11407. An act to extend for 2 years the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders (Rept. No. 1488); and

H. J. Res. 556. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the California International Trade Fair and Industrial Exposition, Los Angeles, Calif., to be admitted without payment of tariff, and for other purposes (Rept. No. 1480).

By Mr. BYRD, from the Committee on Finance, with amendments:

H. R. 358. An act to increase the monthly rates of pension payable to widows and former widows of deceased veterans of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection (Rept. No. 1489);

H. R. 2151. An act to suspend for 3 years the import duties on certain coarse wool (Rept. No. 1490); and

H. R. 2783. An act to amend the Tariff Act of 1930 to provide for the free importation of amorphous graphite (Rept. No. 1491).

REPORT ENTITLED "INTERNAL SECURITY ANNUAL REPORT FOR 1957" (S. REPT. NO. 1477)

Mr. EASTLAND. Mr. President, pursuant to Senate Resolution 58, 85th Congress, 2d session, from the Committee on the Judiciary, I submit a report entitled "Internal Security Annual Report for 1957," which I ask to be printed.

The ACTING PRESIDENT pro tempore. The report will be received, and printed, as requested by the Senator from Mississippi.

REPORT ENTITLED "IMPROVING FEDERAL LAW ENFORCEMENT AND ADMINISTRATION OF JUSTICE" (S. REPT. NO. 1478)

Mr. O'MAHONEY, from the Committee on the Judiciary, pursuant to Senate Resolution 54, as extended by Senate Resolution 238, 85th Congress, submitted a report entitled "Improving Federal Law Enforcement and Administration of Justice," containing a summary of findings and recommendations of the Subcommittee on Improvements in the Federal Criminal Code, which was ordered to be printed.

REPORT ENTITLED "CONSTITUTIONAL RIGHTS" (S. REPT. NO. 1492)

Mr. HENNINGS, from the Committee on the Judiciary, pursuant to Senate Resolution 49, 85th Congress, 1st session, as extended, submitted a report entitled "Constitutional Rights," which was ordered to be printed.

REPORT ENTITLED "EMIGRATION OF REFUGEES AND ESCAPEES" (S. REPT. NO. 1493)

Mr. LANGER, from the Committee on the Judiciary, pursuant to Senate Resolution 53, 85th Congress, 1st session, as extended, submitted a report entitled "Emigration of Refugees and Escapees," which was ordered to be printed.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. KEFAUVER, from the Committee on the Judiciary:

Fred Elledge, Jr., of Tennessee, to be United States attorney for the middle district of Tennessee.

By Mr. BYRD, from the Committee on Finance:

Walter R. Schreiber, of Maryland, to be a member of the United States Tariff Commission;

James L. Latimer, of Texas, to be collector of customs for customs collection district No. 21, with headquarters at Port Arthur, Tex.; and

Douglas Butler, of Texas, to be collector of customs for customs collection district No. 24, with headquarters at El Paso, Tex.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CLARK (for himself, Mr. FULBRIGHT, Mr. HILL, Mr. NEUBERGER, Mr. KENNEDY, Mr. JAVITS, Mr. MORSE, Mr. MURRAY, Mr. PROXMIRE, Mr. LANGER, Mr. HUMPHREY, Mr. MAGNUSON, Mr. CHURCH, Mr. JACKSON, Mr. PASTORE, and Mr. SPARKMAN):

S. 3713. A bill to amend title IV of the Housing Act of 1950 (college housing) to authorize loans to educational institutions for the construction, rehabilitation, alteration, conversion, and improvement of classroom buildings and other academic facilities; to the Committee on Banking and Currency.

(See the remarks of Mr. CLARK when he introduced the above bill, which appear under a separate heading.)

By Mr. KENNEDY:

S. 3714. A bill to amend section 414 of the Mutual Security Act of 1954 so as to exclude from importation or reimportation into the United States arms or ammunition originally manufactured for military purposes; to the Committee on Foreign Relations.

(See the remarks of Mr. KENNEDY when he introduced the above bill, which appear under a separate heading.)

By Mr. ELLENDER:

S. 3715. A bill to assist the States in providing additional facilities for agricultural research at State agricultural experiment stations; to the Committee on Agriculture and Forestry.

By Mr. MAGNUSON:

S. 3716. A bill for the relief of Dr. Aldo Stampacchia; to the Committee on the Judiciary.

By Mr. BIBLE (for himself and Mr. KUCHEL):

S. 3717. A bill to amend the Housing Act of 1954 with respect to urban planning for groups of adjacent communities; to the Committee on Banking and Currency.

By Mr. CAPEHART:

S. 3718. A bill for the purpose of creating new jobs, giving greater stability to and improving existing jobs, and stimulating business during the next 18 months with resultant expansion of the national economy in the years to come, by amending the Internal Revenue Code of 1954 so as to allow more rapid depreciation for property constructed or acquired during 1958 and 1959, or for the construction or acquisition of which a contract is entered into during 1958 or 1959, by reducing the useful life of such property for income tax purposes; to the Committee on Finance.

(See the remarks of Mr. CAPEHART when he introduced the above bill, which appear under a separate heading.)

By Mr. WILEY:

S. 3719. A bill to amend the Small Business Act of 1953 to provide a source of equity and long-term loan capital for small-business concerns in the United States, and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

AMENDMENT OF TITLE IV OF THE HOUSING ACT OF 1950, RELATING TO COLLEGE HOUSING

Mr. CLARK. Mr. President, on behalf of myself and 15 colleagues, I introduce a bill to amend title IV of the Housing Act of 1950—college housing—to authorize loans to educational institutions for the construction, rehabilitation, alteration, conversion, and improvement of classroom buildings and other academic facilities.

I ask unanimous consent that the bill be held at the desk, for additional cosponsors, for 1 legislative day.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Pennsylvania.

The bill (S. 3713) to amend title IV of the Housing Act of 1950 (college housing) to authorize loans to educational institutions for the construction, rehabilitation, alteration, conversion, and improvement of classroom buildings and other academic facilities, introduced by Mr. CLARK (for himself, Mr. FULBRIGHT, Mr. HILL, Mr. NEUBERGER, Mr. KENNEDY, Mr. JAVITS, Mr. MORSE, Mr. MURRAY, Mr. PROXMIRE, Mr. LANGER, Mr. HUMPHREY, Mr. MAGNUSON, Mr. CHURCH, Mr. JACKSON, Mr. SPARKMAN, and Mr. PASTORE) was received, read twice by its title, and referred to the Committee on Banking and Currency.

Mr. CLARK. Mr. President, the bill would make Federal loans available to colleges and universities which desire to construct classrooms, libraries, administration buildings, and the like, in the same manner as loans are now available to these institutions for the construction of dormitories.

The program would be administered by the Housing and Home Finance Agency, and would provide for loans of $250 million, at 3 percent interest, for not to exceed 50 years. The program has worked with great success in the field of construction of college dormitories, for which an authorization of $925 million has been made and most of that amount loaned, without even one instance of default.

It has been estimated by the American Council on Education that during the next 10 years the enrollment in our colleges and universities will increase by from 3 million to 6 million. By 1968, perhaps $18 billion will be required in order to provide adequate college and university facilities, in order to take care of the increased enrollment.

The President's Commission on Education Beyond the High School, under the chairmanship of Devereux Josephs, has recommended grants-in-aid to help take care of this great need, like those provided by the Hill-Burton Act in the case of hospitals. I favor that approach, but there are difficulties, and there might be substantial opposition.

This loan program seems to me to be feasible and workable. I hope very much the bill will be enacted by the Congress as part of the omnibus housing bill which will be brought before the Senate at an early date.

I am happy to note that both the chairman of the Senate Committee on Banking and Currency [Mr. FULBRIGHT] and the chairman of the Senate Committee on Labor and Public Welfare [Mr. HILL] are cosponsors of the bill.

Mr. President, the bill has the additional advantage of being an antirecession, proemployment measure, as well as a bill to help solve our educational problems beyond the high-school level.

Let me point out that the bill will not create any competition with private lending agencies, since it is only rarely at present that colleges or universities go into the private credit market for funds with which to construct facilities.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the bill (S. 3713) was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That title IV of the Housing Act of 1950 is amended by adding at the end thereof a new section as follows:

"LOANS FOR CLASSROOM BUILDINGS AND OTHER ACADEMIC FACILITIES

"SEC. 405. (a) In addition to the other purposes for which financial assistance may

be extended under this title, the Administrator may make loans to educational institutions for (1) the construction of new structures suitable for use as classrooms, laboratories, and related facilities (including initial equipment, machinery, and utilities) necessary or appropriate for the instruction of students or the administration of the institution, and (2) the rehabilitation, alteration, conversion, or improvement of existing structures for the uses described above if such structures are otherwise inadequate for such uses. As used in this section, the term 'educational institution' means any educational institution offering at least a 2-year program acceptable for full credit toward a baccalaureate degree, including any public educational institution, or any private educational institution no part of the net earnings of which inures to the benefit of any private shareholder or individual.

"(b) Any educational institution which, prior to the effective date of this section, has contracted for the construction, rehabilitation, alteration, conversion, or improvement of any structures for the uses described in subsection (a) above may, in connection therewith, receive loans authorized by this section, as the Administrator may determine, but no such loan shall be made in connection with the construction, rehabilitation, alteration, conversion, or improvement of any such structure if the work thereon was commenced prior to the effective date of this section, or was completed prior to the filing of an application under this section."

SEC. 2. Title IV of the Housing Act of 1950 is further amended by—

(1) striking out "Housing" in the heading of such title and inserting in lieu thereof "Loans";

(2) striking out "Federal" in the heading of section 401 and inserting in lieu thereof "College Housing";

(3) inserting after "loan" in clause (1) of the first proviso to section 401 (a) the following: "(including any loan under sec. 405 of this title)";

(4) striking out "A loan to an educational institution may be in an amount not exceeding the total development cost of the facility, as determined by the Administration" in section 401 (c) and inserting in lieu thereof the following: "A loan under this section to an educational institution may be in an amount not exceeding the total development cost of the facility, as determined by the Administrator, and a loan under section 405 of this title to an educational institution may be in an amount not exceeding the cost of construction of the structures involved (including related facilities), and the loan on which the structures are located, as determined by the Administrator";

(5) inserting "(1)" immediately before the text of subsection (d) of section 401, by striking out "under this title" in such subsection (d) and inserting in lieu thereof "under subsection (a) of this section" and by adding at the end of such subsection (d) a new paragraph as follows:

"(2) In addition to the notes and other obligations authorized in paragraph (1) of this subsection, the Administrator may issue to the Secretary, from time to time and have outstanding at any one time, in an amount not exceeding $250,000,000, notes and other obligations for the purpose of carrying out the provisions of section 405 of this title"; and

(6) inserting after "For the purposes of this title," in section 404 the following: "except as otherwise provided in section 405."

PROPOSED EXCLUSION OF IMPORTATION OF CERTAIN ARMS OR AMMUNITION

Mr. KENNEDY. Mr. President, I introduce, for appropriate reference, a bill to amend section 414 of the Mutual Security Act of 1954, so as to exclude from importation or reimportation into the United States arms or ammunition originally manufactured for military purposes.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3714) to amend section 414 of the Mutual Security Act of 1954 so as to exclude from importation or reimportation into the United States arms or ammunition originally manufactured for military purposes, introduced by Mr. KENNEDY, was received, read twice by its title, and referred to the Committee on Foreign Relations.

Mr. KENNEDY. Mr. President, a similar amendment was favorably reported the other day from the House Foreign Affairs Committee by a vote of 26 to nothing.

The effect of the proposed amendment to the law would be to exclude from importation only arms or ammunition originally manufactured for military purposes. Ammunition and guns imported into the United States have helped spoil the domestic market and the market for imported guns which were originally manufactured for game purposes.

So I think the bill is in the interest of a great many jobbers, and at least 125,000 retailers located in all 48 States, and of particular importance to 5 arms manufacturers in Massachusetts, including Savage Arms, Harrington & Richardson, Nobel Manufacturing Co., Smith & Wesson, and Iver-Johnson Arms & Cycle Works.

FEDERAL LOANS TO DEVELOPMENT GROUPS THROUGH STATEWIDE CORPORATIONS

Mr. WILEY. Mr. President, last week I was privileged to serve as cosponsor of S. 3643, a bill which would expand the existing authority of the Small Business Administration to make long-term Federal loans to State and local development credit organizations. The principle on which these development credit corporations operate is one which I have long considered worthwhile. Organizations of this type are designed to utilize, to the fullest possible extent, private sources of capital. Up until the present time they have been 100 percent dependent on "credit pools" created by local investors.

However, in the current economic dip, it has become increasingly difficult for some of these corporations to meet small-business demands for loan capital because of the large increase in the number of applications. This situation can be remedied by making Federal loans to these organizations through SBA as provided in this bill.

Subsequent to the introduction of S. 3643, it was called to my attention that a similar measure was introduced in the House of Representatives by Representative WILLIAM S. HILL. However, his bill (H. R. 12026) contains one refinement which I believe is of considerable merit and will greatly facilitate the handling of loans by the SBA. This provision calls for the establishment of 48 State development credit corporations and 3 territorial corporations. These State organizations would act as intermediaries between the hundreds of local development corporations and the Federal Government. The SBA would make its funds available only to the one accredited corporation in each State or Territory.

In the State of Wisconsin, for example, there are more than 170 private development credit corporations. There is also a corporation at the State level. Under the provisions of this bill the State corporation would act as a clearinghouse for all loans and would borrow funds from the SBA only when its capital is depleted. This would, I believe, greatly expedite the loan procedure and would get the money into the hands of the deserving small-business man much more rapidly by screening undesirable applications at the State level.

The Banking and Currency Committee of the Senate is now conducting hearings on S. 3643 and S. 3651. I will have more to say at a later date, regarding S. 3651, a bill which calls for creation of a new agency, a principle which, I may say at this time, I oppose.

In order that the committee may have an opportunity to study the provisions I have just mentioned, I am pleased to introduce a bill which contains the same refinements as that of H. R. 12026, and ask for its appropriate reference.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3719) to amend the Small Business Act of 1953 to provide a source of equity and long-term loan capital for small-business concerns in the United States, and for other purposes, introduced by Mr. WILEY, was received, read twice by its title, and referred to the Committee on Banking and Currency.

EXTENSION OF NATIONAL WOOL ACT OF 1954—AMENDMENTS

Mr. PROXMIRE. Mr. President, I submit amendments which I intend to propose to the wool bill, Senate bill 2861. The wool bill would extend for an additional 4-year period the provisions of the National Wool Act of 1954. I ask that my amendments be printed and appropriately referred.

The ACTING PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table.

Mr. PROXMIRE. Mr. President, the amendments would prevent reductions in other support prices or acreage allotments below the levels which were in effect in 1957, until Congress has had an opportunity to consider and to act on changes in the price-support laws which may be necessary. My amendments would have the same effect as would overriding President Eisenhower's veto of the agriculture commodity price-support freeze bill, except the amendments would require only a majority vote.

Mr. President, the bill to extend the Wool Act would give to wool producers for 4 more years the benefits of a very fine farm program. This program protects the returns of wool producers at up to 110 percent of parity price levels; it has assured growers of an average re-

turn of 62 cents a pound for wool since the program went into effect in the 1955 season. This price amounted to 104 percent of parity in the first year of the program. Today, because wool has been particularly favored by the modernized parity formula, the parity price of wool has climbed to 70 cents from 59 cents in 1955. As a consequence of the increase in parity for wool, the uniform support rate of 62 cents a pound represents a lower percentage of parity—only 88 percent, today, contrasted with 104 percent just 3 years ago.

The wool program is a good one in many respects. In my opinion, several of the basic principles followed in the wool program should be adapted for other farm commodities. Returns to family farm producers should be raised immediately to levels comparable to those that prevail under the wool program. Self-financing methods should be adopted. And the system of compensatory payments, which is the very heart of the wool program, should be used more widely for other commodities, as well.

Mr. President, as soon as it can be done, improved farm programs similar to the program for wool which was adopted in the National Wool Act of 1954 should be extended to the producers of other farm commodities.

The amendments I am proposing, Mr. President, will give to American farmers and to Congress a brief respite from the failures of the old farm programs to stabilize farmers' returns, so that a permanent, workable farm program for other commodities can be worked out on the patterns of the wool program. Certainly, Mr. President, the producers of dairy commodities, for example, are every bit as valuable to our economy, and every bit as entitled to protection for their returns, as are the producers of wool. It does not detract at all from the appreciation and high regard we have for our patriotic wool producers—and there are many of them in my State—to assert that justice for one group of producers should be extended to others as well.

As a matter of fact, Mr. President, I am convinced that there is no real security for the producers of wool that is separate and distinct from a comprehensive all-commodity farm program that gives real security and opportunity to all family farmers. It happens, by chance, that the present Secretary of Agriculture is favorably disposed toward producers of wool and producers of sugar. Perhaps the next one may not be. At any rate, wool producers and sugar producers will be much more secure if farmers generally are given fair and just protection, than if they remain as islands of relative prosperity in a sea of farm distress and depression.

My amendments, Mr. President, do not undertake to establish for producers of other farm commodities a program to provide the degree of protection that wool producers enjoy under the Wool Act. They will merely prevent their returns from being depressed further this year while Congress and the administration work to apply to other commodities the principles of the wool program.

It would be dangerous and a tragedy to permit farm prices to be forced down further this year, while the Nation's economy is drifting toward the brink of a disastrous depression.

The amendments I am proposing would provide exactly what was proposed by the joint resolution which was passed by Congress and which provided for strong supports, but which the President unwisely, in my estimation, vetoed.

Congress cannot afford to accept the President's veto as a final verdict. It is not fair to American farmers. It is dangerous to our economy. It will hurt everyone who depends upon agriculture for markets, and it will speed the demise of the family-type farm.

RIVERS AND HARBORS AND FLOOD CONTROL ACT OF 1958—AMENDMENT

Mr. BUSH submitted an amendment, intended to be proposed by him, to the bill (S. 3686) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which was referred to the Committee on Public Works and ordered to be printed.

NATIONAL RESEARCH PROGRAM BY COLLEGES OF FORESTRY—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of April 25, 1958,

The names of Mr. ALLOTT, Mr. MANSFIELD, Mr. MURRAY, and Mr. PROXMIRE were added as additional cosponsors of the bill (S. 3709) to authorize an increased program of research on forestry and forest products, and for other purposes, introduced by Mr. NEUBERGER (for himself, Mr. JAVITS, and Mr. MORSE) on April 25, 1958.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. NEUBERGER:

Article entitled "TVA: Democracy in Action," written by Senator HILL, and published in the Progressive magazine for May 1958.

By Mr. HILL:

Article entitled "The Miracle of Rivers," written by Senator NEUBERGER, and published in the May issue of the Progressive magazine.

HUMAN WELFARE AND EDUCATION

Mr. SMITH of New Jersey. Mr. President, when the Senate convened in January, the orbiting Russian sputniks lent emphasis to the need for early action to strengthen our educational system, particularly in mathematics and science. In recent weeks we have been concerned primarily with economic legislation, and little attention has been paid to education.

I think it is time for a reminder that the need which existed in January has been made no less urgent by the success of our missile men in evening the score with the Russians.

Before the session was 1 month old, President Eisenhower asked Congress to demonstrate national leadership and concern in strengthening education, particularly in areas which are most critical to the national security. I had the privilege of introducing proposed legislation to implement his request, and the distinguished senior Senator from Alabama [Mr. HILL] proposed a similar approach in introducing his own bill.

On March 13 the Labor and Public Welfare Committee concluded 8 weeks of hearings on these and a number of other education bills. Work was then begun on a committee bill, which I earnestly hope will be reported in the very near future. Certainly it is time to get moving again on education legislation. We must put an end to the tremendous waste of national brainpower by providing more opportunity for our students to achieve their highest potential. We must raise our standards to place greater emphasis on the pursuit of learning, and promote greater respect for intellectual achievement.

These steps must be taken in the national interest, as part and parcel of our defense effort. They are the objectives of the President's education program. But they cannot be met without greater public acceptance of responsibility for strengthening our schools at the local level.

To this end Secretary Folsom has worked tirelessly in recent months, speaking throughout the country in an effort to promote understanding of the administration program. At the Biennial Convention of the National Jewish Welfare Board in Washington on Friday, April 18, he gave a particularly fine exposition of the central problems facing education and the way in which the President's program attempts to meet them. I ask unanimous consent that this speech on Human Welfare and Education be printed in the RECORD at this point in my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

HUMAN WELFARE AND EDUCATION

(By Marion B. Folsom, Secretary of Health, Education, and Welfare)

It is indeed a pleasure to address you who are volunteering time and effort in important social work in communities across the Nation.

Voluntary agencies such as yours are a great blessing to American national life. Over the years, they have grown from isolated pioneering efforts into highly effective nationwide organizations. And in the process their concepts have become broader. No longer are such efforts concerned solely with the alleviation of the more pronounced forms of want and misery. Today, the concepts and practices of social work embrace not only the alleviation of want but increased efforts toward the elimination of its causes.

As the horizons of social welfare work have expanded, we have come to understand more clearly than ever before the extent to which the various factors affecting individual and family life play upon one another. While seeking to deal more effectively with specific problems of disease and financial need, we also try to see these problems in the context of the total environment which influences human welfare.

From the beginning of our national life, we have seen with varying degrees of clarity that one of the foundations upon which the whole structure of human welfare rests is knowledge and the development of the human intellect. From these flow protection from disease, financial security, effective democratic government, leisure for the pursuit of personal interests—these and many other things that we prize so highly.

It is this realization that led to the establishment of our free public school system and that has powered all of the other great forward thrusts toward universal education that have marked our progress as a nation. We are today, I devoutly hope, on the threshold of another surge ahead in education. I know that you, who in the normal course of your many activities regularly see the interplay of education on all facets of human welfare, share this hope.

I know that your organization also joins me in deep concern about the problems confronting our American educational system today. I believe that there are deficiencies in American education today that are downright tragic. None of us can rest easy about education until it is clear that more effective action is firmly under way at all levels of government and throughout society to help our schools and colleges meet the urgent needs of our times.

But let me make one thing perfectly plain. I do not believe we need to alter our basic concepts of the meaning and purpose of education. Never in history has a nation provided so much education for so many people. I believe that we should not swerve from our fundamental concept that the purpose of education is to enable each individual to achieve his highest potential.

The change I believe we should make is not to turn our sights to some other target but to train them more steadily and more effectively on that very target which has long been established. I think we are not moving fast enough or with a firm enough step on the course we have set. In my opinion, we are not making a sufficient effort to see that each boy and girl does, in fact, achieve through education his or her highest potential.

Our philosophy of education has produced a rich diversity of educational institutions, both public and private. We do not want to disturb or diminish the benefits derived from this diversity—the freedom, the initiative, the enterprise, the absence of rigid national uniformity. The control of education is where it should be and where it must continue to be—in the States and communities, and in private institutions.

The weaknesses in education today derive simply from insufficient effort and attention and support to make our fundamental concepts work as effectively as they should. Our society does not give the development of intellect and knowledge the high priority that is needed. We do not give academic achievement the respect and rewards we should. And we do not, as a nation, put enough money into education.

Somehow our conscience does not seem to be disturbed enough by the fact that our public schools are short this year by more than 140,000 classrooms and by 135,000 qualified teachers. This means simply that millions of children are losing educational opportunities every day. And these opportunities, once lost, are never fully made up—they are permanent losses both to the children and to our society as a whole.

A Senator expressed the point very well to me the other day: "I live in a well-to-do district in a prosperous community in a progressive State," he said. "And yet my children go to school for only half a day, because there isn't enough room for all the children for a full day. I think this is simply terrible, but nobody seems to be very excited or disturbed about it. Somehow our people have got to get more excited about education."

The richest nation on earth should also be ashamed of the fact that it pays its college teachers an average of only a little over $6,000 a year. And in 20 States, the average salary for all public elementary and secondary school teachers ranges somewhere below $4,000—down to as low as $2,500. Is it any wonder that many persons who are trained to teach and who would like to teach—especially those with families to support—go into other fields?

The low salaries we pay our teachers is but one manifestation, it seems to me, of an insufficient interest in and support for the system of education that we profess to prize so highly. This shows in other and equally serious ways.

It is obvious that science and mathematics are the fields of knowledge which are critically important to national security in our times. Yet only 1 out of 3 of our high-school graduates takes chemistry, only 1 out of 4 physics, 1 out of 3 intermediate algebra, and 1 out of 8 trigonometry or solid geometry. Some students cannot take such courses even if they want to. About 100,000 seniors are in public high schools which offer no advanced mathematics of any kind. Nearly 75,000 are in schools which offer neither chemistry nor physics.

We are even more deficient in the study of languages. Though some 3 million Americans are now living, traveling, or working abroad each year, we are the most backward major nation in the world in the vital field of language competence. A recent State Department study showed that only 1 out of 4 incoming Foreign Service officers had a proficiency in any foreign language.

Whereas a Russian student must start a foreign language in the fifth grade, and continue to study foreign languages for many years, foreign languages are seldom offered in American elementary schools and only about 15 percent of our high-school students are studying modern foreign languages in any one year.

Moreover, our young people are not especially proficient in the one language we presume they know well. English is our great medium of communication for all subjects and all disciplines. Yet large numbers of entering freshmen are appallingly ill-trained in the use of the English language.

The talents of American children are being wasted not only in such piecemeal ways involving those who are in school, but in wholesale lots for those able young people who drop out of school tragically early. Each year more than 200,000 young Americans who rank in the top 25 or 30 percent of their high-school classes drop out of school before graduation or fail to go on to college. And of those in the top 30 percent of their high-school graduating class who actually enter college, only about 7 out of 10 eventually graduate.

When talented youngsters drop out of school, the reason is usually lack of money or lack of motive, or both. It is worth noting that the Soviet Union thinks enough of education to provide free schooling for its more able students not only in grade school but all the way through the doctorate degree. And a college student who keeps his grades up gets regular pay in addition to his expenses. In the United States, it costs from $1,500 to $2,000 per year to attend college. Yet three-quarters of the scholarships provided by educational institutions are for less than $375 per year.

It seems to me the American people, by and large, have not faced up to the magnitude of the opportunities and the problems in education.

Consider, for example, the impact of enrollment increases alone. The number of young people knocking at the doors of our schools and colleges already has increased far beyond any measure we have known before. And the tide of students is still rising rapidly and will continue to do so for years ahead. The total number of students in school and college will probably increase, roughly, from 31 million in 1950 to 52 million in 1965.

Our schools and colleges, public and private, are now costing us about $20 billion a year. If we only maintain current standards as to classrooms, teacher pay, and the number of students per teacher, we will need to invest about $25 billion a year in education within 10 years merely to keep up with enrollment increases.

But the lack of funds for education is only a symptom of a more deep-seated problem. What is needed most of all is a new appreciation of the value and crucial importance of education—to the individual and to our free society as a whole. We need a new emphasis on the pursuit of learning, a greater respect for intellectual achievement. In many of our schools and homes we need more hard work in fundamental academic subjects, and higher academic standards. Good teaching and good scholarship should be highly prized and greatly rewarded—by the school, the family, and the community.

I do not believe we have made as much progress along these lines in this country as we should. If academic accomplishment has not fallen into disrepute, it is at least suffering under indifference and lack of esteem.

Under the American tradition, we have wisely placed the primary responsibility for meeting the needs of education in the States and communities. But as President Eisenhower has said, the Federal Government must do its part. And so the President has urged upon Congress action to demonstrate national leadership and national concern in strengthening education, particularly in those areas which are most directly critical to national security.

These proposals would help the States and communities identify talented youngsters at an earlier stage in education, encourage them to stay in school and challenge them to their best academic work. They would strengthen the teaching of science and mathematics and foreign languages, and help our graduate schools provide more collegiate teachers. Altogether, this program of emergency assistance calls for about $1 billion in Federal funds over the next 4 years.

It seems to me the need for these programs has been demonstrated so fully in recent extended hearings in both Houses of Congress that action in education should now be given a clear and compelling priority.

As with any legislation, the administration's proposals have their share of critics who would give more, or less, or a different form of assistance. But the chief threat to effective Federal action in education comes not from those who would go about it in a somewhat different way. The major opposition derives from a school of thought which always has opposed Federal action of any kind to advance education. This opposition rallies to the old cry of Federal control.

There would be some point to this, if the administration's program carried a real, or even an implied, threat of Federal control of our free education system. But there is no such plan or intent or even possibility.

Americans generally—and this emphatically includes everyone in this administration—are opposed to Federal control of education. As a matter of simple fact, measures to prevent Federal control are built into the proposed legislation itself. I fear that in some instances, perhaps, opposition to Federal aid may stem not so much from a concern that our great tradition of State and local control will be bypassed as from a lack of willingness to help pay the bill.

Actually, Federal assistance to education is older than the Constitution itself. For almost two centuries—and right up to today—the Federal Government has exercised its responsibility to assist the States and

communities to meet specific national needs in education.

As early as 1785 a Federal statute specified that in western territories specific plots of land should be set aside for public schools. The Continental Congress, in the Northwest Ordinance of 1787, expressed the national interest with this historic declaration: "Knowledge being necessary to good government and the happiness of mankind, schools and maintenance of education should be forever encouraged."

As the young Nation grew westward, the responsibilities of its citizens grew accordingly. In 1862, under the leadership of Abraham Lincoln, Federal aid began going to land-grant colleges and universities, and it continues today.

To those who fear that Federal support necessarily dries up other sources of support for education, I would point out that today in every dollar that finances the land-grant colleges, only one penny is Federal money.

The United States entered the First World War at the start of a new industrial revolution. The war demonstrated a national need for more people who were skilled in technical trades and in agricultural production. To meet these needs, Federal assistance for vocational education was begun in 1917, and in the following 40 years the National Government invested $605 million to improve the skills of its boys and girls.

But for every $1 the Federal Government spends for this purpose today, the States and communities put up $4, whereas in the beginning they contributed less than $3. Rather than stifling other efforts, Federal contributions resulted in greater State and local support.

By World War II the precedent of Federal assistance to education was well established and Congress declared the National Government's obligation to those men and women who had interrupted their education to fight for their country. The GI bill of rights and the Korean GI bill were the largest student assistance programs in history. At a cost of about $18 billion the Federal Government paid for the education of more than 10 million veterans—in colleges, high schools, vocational schools and for on-the-job training, including farm training. Many Korean veterans are still studying under the program.

This was a program operated exclusively by the Federal Government. Yet, the schools and colleges that these millions of veterans attended are just as free of Federal domination as they ever were.

More recently the Government recognized the burden imposed on local school districts by the influx of Federal employees in communities with large Federal installations. Congress has appropriated $1.25 billion in the past 6 years to help construct and operate schools in these overburdened communities. An independent survey recently made of 500 school administrators concluded that no Federal control over personnel, curriculum or programs of instruction had resulted from the funds granted to these school districts.

It has been estimated that today the Federal Government is spending almost $460 million annually to assist education, over and above the money allocated for veterans education and general research. The United States Public Health Service, for instance, has allocated more than $39 million for grants to medical schools, universities, and other institutions and for the training of thousands of medical research scientists and other professional personnel. Other Federal funds support the seven Armed Forces academies and graduate schools, the international-exchange program, military reserve training, and war orphans' schooling.

In all, more than 160 Federal laws to encourage education have been enacted by Congress since 1785.

And nobody—not even the most outspoken critics of Federal assistance—seriously contends that American education today is controlled or dominated by the Federal Government. The fear of Federal control is demonstrably an unfounded fear of an imaginary danger.

Who are the people who control our schools? They are:

The men and women elected to 48 State legislatures, which establish the State school codes, help finance education and establish certification requirements for teachers.

The people serving on more than 230 State boards that govern or regulate schools and colleges of many types.

The State school officials who perform supervisory and administrative duties.

The tens of thousands of businessmen, farmers, housewives, and other citizens who are elected to school boards by their communities to build schools, employ teachers, select courses and books.

The many men and women serving on the boards of private institutions.

The teachers and administrators in the schools themselves.

And, ultimately, the millions of American parents who play a direct role in the activities of their children's schools.

These are the people who control American education. Nothing in the administration's proposals would weaken that control.

On the contrary, the matching requirements and other provisions of these proposals would serve to increase State and local efforts and State and local responsibility in education.

These Federal proposals to help meet problems in education have a priority in national security at least equal to programs to speed the development of missiles and nuclear weapons. State legislatures, boards of education, all thinking citizens should give the same priority to action at the State and community level.

Americans must recognize the awesome fact that to a great extent we today determine what future generations will think and do about law and government and our free way of life, about labor and industry, about the quest for a durable world peace, about defense against aggressors. We determine those things in large part by the education we provide for our young people.

The boys and girls now growing up in America must be equipped in the best possible way for the perilous new age we are entering. Let us not pennypinch our children to intellectual poverty as the door of the universe swings open.

Mr. PROXMIRE. Mr. President, first, I wish to commend warmly the distinguished Senator from New Jersey for his emphasis on the importance of education and his calling to the attention of the Senate the desirability of enacting measures for special educational assistance during this session.

Mr. President, I now turn to another subject.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin has the floor.

IMPACT OF RECESSION ON ECONOMY OF WISCONSIN

Mr. PROXMIRE. Mr. President, the Wisconsin State Chamber of Commerce has made an excellent analysis of the impact of the recession on the economy of my State, as well as on Federal and State tax collections within Wisconsin.

This unusually competent study points out that the national economy is in particular danger because of the large drop in the two most important economic statistics, personal income and industrial product. The article points out that this drop is significant because economists recognize that "staying even" actually means serious worsening in welfare, because of the steady rise in the cost of living. The report indicates that the number of production workers employed in Wisconsin manufacturing industries declined in February to the lowest level in 8 years. Subsequent reports suggest that the situation is deteriorating. In face of the steady rise in population in my State, these facts are particularly alarming.

Mr. President, I ask unanimous consent that this study by the Wisconsin State Chamber of Commerce be included in the RECORD following my remarks at this point.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

UNITED STATES AND WISCONSIN PERSONAL INCOME, 1957 AND 1958—THE RECESSION AND THE IMPACT ON FEDERAL AND STATE TAX COLLECTIONS

This limited statement is in response to many inquiries that have been directed to the research department of the State chamber as to the effect of the current business recession on tax collections of the Federal and State Governments and, of course, principally Wisconsin State and local government.

The following observations, while corroborated by the tables and statistics found within the report, are not meant to be taken as an exhaustive discourse on the economics of the present decline. They are presented primarily to aid in a helpful analysis of the impact of the recession on State and local tax revenues.

Analysis of preliminary reports of the United States Department of Commerce indicate that Wisconsin's personal income for 1957 was approximately $7,374,000,000. This represents an increase of 5.1 percent over 1956 but a lessening increase than 1956 was over 1955, which was 7.69 percent.

Wisconsin's per capita personal income, still well under the Nation's average, was approximately $1,949 in 1957, a gain of 4.56 percent over 1956.

Personal income—the income received by individuals during a given period of time—includes a good many types of income: Wages and salaries, other labor income, proprietor's income, rents, interest on savings, dividends from investments, pensions, unemployment compensation, social security benefits, and the market value of home-grown foodstuffs are all included in the estimate of personal income made annually by the Department of Commerce. These estimates are frequently used to compare economic conditions of the various States. These figures are also used to estimate the sales potentials of a State, receipts from taxes, the level of personal savings, and as one ingredient in forecasts of gross national product.

Wisconsin's $7,374,000,000 was 2.14 percent of the national total personal income in 1957, $343.4 billion. This was less percentagewise of the Nation's total than 1956 when Wisconsin's personal income in the aggregate was 2.164 percent of the national income of $324.3 billion.

Undoubtedly, Wisconsin's personal income figure would have been higher if the trend in personal income between January and August 1957 had been maintained throughout the year. In August the high point of 1957 was reached when the national seasonally adjusted figure reached $347.3 billion; the monthly figures have declined each month since then and the March 1958 figure is computed at $341.4 billion nationally. The 7 months' drop from last August to this month is 1.7 percent, which by any

measurement is a serious drop and certainly a most precipitous one in so short a time.

Personal income totals would be even lower than they are if the Government transfer payments factor wasn't stronger than it has been in the two preceding recessions. In March, the Commerce Department reported these payments were up $4.1 billion from March 1957 and nearly $3 billion above August last year when personal income hits its record annual rate.

In Wisconsin, as it is nationally, wage and salary payments is the biggest single component of the personal income statistic. In Wisconsin it runs between 66 and 68 percent of the total personal income. It is from this source that the greatest falling off has been observed; this is especially true of Wisconsin and undoubtedly the comparatively poor payroll totals announced in Wisconsin for each of the 3 months in the first quarter of 1958 are going to show up in the personal income total for Wisconsin in 1958.

Only three times in the past quarter of a century has a Wisconsin annual personal income total dropped from the previous year; in 1938, 1949 and 1954.

The large drop nationally in the two most important economic statistics, personal income and industrial product, the precipitousness of the drop and the fact that they are both falling substantially beyond the first quarter all give evidence that personal income in Wisconsin in 1958 will be less than in 1957. It must be noted that most economists consider staying even a serious thing, especially in light of the still-inflating dollar, more people to make more income and ever-increasing standards of living. Therefore a drop in personal income from one annual rate to another becomes a matter of serious concern.

Wisconsin manufacturing payrolls fell to a 38-month low in February of this year and the number of production workers employed in Wisconsin manufacturing industries declined to the lowest level in 8 years. Full reports for March are not yet available for Wisconsin, but there is no discernible trend toward an upturn in total manufacturing payrolls. It should be noted that unemployment statistics are not very helpful in analyzing payroll and personal income. The steady drop in hours worked per week by men and women employed in Wisconsin manufacturing is a much more useful statistic in relation to personal income than are the unemployment figures.

Only once in the past 10 years, April of 1949, has the average workweek slipped below the current level of 39.5 hours. It seems doubtful now that the average workweek figure of the last high period will be reached before August or September, if then.

It is now quite generally agreed that the 1957–58 economic decline is as great as the one which occurred in 1949; that one (1949) being greater than the subsequent one which occurred in 1954. If business conditions contract to the same extent in April of this year as they did in March we will be experiencing the largest relative downturn of business in postwar years.

The Department of Commerce, in a report on industrial production for March, based on the 1947–49 average at 100, showed the month's output was 128, compared with 145 last August when the downturn began. This was a decline of 11.7 percent. In neither of the two other postwar recessions did this indicator drop more than 10.5 percent from peak to trough.

The Rockefeller Fund issued a report a few days ago called "The Challenge to America: Its Economic and Social Aspects." Among many important items the report said that "the current slump would result in a $6 billion loss in annual Government (Federal) revenues if production for all 1958 doesn't average above current levels."

All of this gives evidence that Federal and State income tax revenues will not be up to previously expected totals, partly because of possible deliberate tax cuts to stimulate the economy and also because of reduced personal income and thereby reduced taxable income.

The Committee for Economic Development said in a report published in March of this year:

"Any significant decline in total consumer spending for nondurable goods and services, accompanying a pronounced drop in disposable personal income, would also suggest the need for strong counteraction, since, as indicated earlier, it would suggest the beginning of a downward spiral of income and spending generally that, if unchecked, could cause the decline to snowball.

"Changes in production, incomes and employment indicate that by February we had experienced about as large a decline from the previous peak as occurred in 1949 and 1954. If the economic situation becomes clearly worse than in the earlier postwar recessions, strong action should be taken. We suggest that this would be the case if, after allowance for seasonal influences, business activity continues to contract for another 2 months, after February, unless there is unmistakable evidence of quickly forthcoming improvement."

This group in mid-April believes that the above conditions do now in fact prevail and just this past week demanded a Federal individual income tax cut of $7½ billion.

From the great array of National and State economic statistics available for all of 1957 and for the first quarter of 1958, the following observations may be made.

1. Wisconsin's $7.374 billion personal income figure for 1957 indicates that revenues from personal income taxes for Wisconsin government use will equal and may surpass 1958 budget expectations.

2. A national $2 billion loss in corporate profits in 1957 from the $43 billion high in 1956 indicates that Wisconsin corporation income taxes will not reach previous formal estimates.

3. Continuing downward trends in personal income and industrial product indicate that the instability of the Wisconsin personal income tax will bring about an even greater proportionate loss of personal income-tax revenues in 1959 than the almost inevitable loss in aggregate personal income.

4. Even greater losses in corporate profits by Wisconsin corporations in the first quarter of 1958 than those of 1957 indicate that corporation income revenue in 1959 will also fall off from 1957 and 1958 collections.

5. Because of Wisconsin's sharing of the revenues from income taxes only part of the burden of lessening revenues will be borne by the State government. Wisconsin's local units will have to increase other sources to make up for the probable tax losses. The makeup will be, of course, in the local property taxes.

DAVID CARLEY,
Research Director.

Personal income in the United States and Wisconsin

Year	United States	Percent increase or decrease over previous year	Wisconsin	Percent increase or decrease over previous year	Wisconsin's percent of United States
1935	$60,104		$1,420		2.36
1936	68,363	13.74	1,600	12.68	2.34
1937	73,803	7.96	1,707	6.69	2.31
1938	68,433	−7.28	1,585	−7.15	2.32
1939	72,753	6.31	1,615	1.89	2.22
1940	78,522	7.93	1,740	7.74	2.22
1941	95,953	22.20	2,118	21.72	2.21
1942	122,417	27.58	2,673	26.20	2.18
1943	148,409	21.23	3,167	18.48	2.13
1944	160,118	7.89	3,312	4.58	2.07
1945	164,549	2.77	3,511	6.01	2.13
1946	175,701	6.78	3,830	9.09	2.18
1947	189,077	7.61	4,204	9.77	2.22
1948	$207,414	9.70	$4,646	10.51	2.24
1949	205,452	−.95	4,614	−.69	2.25
1950	225,473	9.74	5,060	9.67	2.24
1951	252,960	12.19	5,834	15.30	2.31
1952	269,050	6.36	6,094	4.46	2.27
1953	283,140	5.24	6,248	2.53	2.21
1954	284,823	0.59	6,161	−1.39	2.16
1955	303,268	6.48	6,515	5.75	2.15
1956	324,281	6.93	7,016	7.69	2.16
1957	343,400	5.90	7,374	5.10	2.15
1957—August					347.3
September					347.2
October					346.8
November					346.2
December					343.6
1958—January					343.6
February					341.7
March					[1] 341.4

[1] Down 1.7 percent since August 1957.

Source: Survey of Current Business, U. S. Department of Commerce, August 1957. Various issues of Economic Indicators, prepared for the Joint Economic Committee by the Council of Economic Advisers. Personal Income by States, U. S. Department of Commerce, a supplement to the Survey of Current Business.

Wisconsin personal income by major sources, 1954–56

[Millions of dollars]

Item	1954	1955	1956
Personal income	6,161	6,515	7,016
Wage and salary disbursements	4,059	4,370	4,733
Farms	69	65	66
Mining	17	18	20
Bituminous and other soft coal mining			
Crude petroleum and natural gas			
Mining and quarrying, except fuel	17	18	20
Contract construction	128	252	281
Manufacturing	1,856	2,030	2,213
Wholesale and retail trade	678	720	770
Finance, insurance, and real estate	134	143	158
Banking and other finance	53	57	63
Insurance and real estate	81	87	95
Transportation	196	205	215
Railroads	98	98	103
Highway freight and warehousing	65	74	79
Other transportation	33	33	33
Communications and public utilities	115	120	130
Telephone, telegraph, and other communications	54	56	62
Electric, gas, and other public utilities	62	64	68
Services	311	332	357
Hotels and other lodging places	18	19	19
Personal services and private households	72	77	81
Business and repair services	34	36	41
Amusement and recreation	20	20	20
Professional, social, and related services	167	180	196
Government	460	483	516
Federal, civilian	76	86	93
Federal, military	41	38	43
State and local	344	359	381
Other industries	6	6	6
Other labor income	137	153	167
Proprietors' income	1,004	987	1,052
Farm	426	373	430
Nonfarm	577	614	622
Property income	714	747	796
Transfer payments	334	352	377
Less personal contributions for social insurance	87	99	109

Source: Survey of Current Business, U. S. Department of Commerce, August 1957.

Personal income, Midwestern States, 1957–58

State	Personal income 1956	Per capita income 1956	Personal income 1957	Per capita income 1957
	Billions		*Billions*	
Wisconsin	$7,016	$1,864	$7,374	$1,949
Indiana	8,586	1,946	9,041	2,041
Michigan	16,206	2,156	16,887	2,232
Illinois	22,472	2,383	23,663	2,511
Iowa	4,445	1,651	4,703	1,709
Ohio	19,594	2,154	20,495	2,264
Minnesota	5,657	1,745	6,104	1,875

Source: Survey of Current Business, U. S. Department of Commerce, August 1957. Economic Indicators, prepared for the Joint Economic Committee by the Council of Economic Advisers, various issues.

Midwestern States—Percent 1957 State tax collections are of personal income

State	Total collections [1]	Percent collections of personal income	Rank	Per capita tax collections
Iowa	244,266	5.194	1	$88.76
Wisconsin	355,977	4.827	2	94.10
Minnesota	292,567	4.793	3	89.88
Michigan	771,482	4.568	4	101.98
Ohio	676,731	3.302	5	74.76
Indiana	298,122	3.297	6	67.30
Illinois	690,765	2.919	7	73.29

[1] 1957 Preliminary Collections.

Source: Detail of State Tax Collections in 1957, Bureau of the Census.

Economic Indicators, prepared for the Joint Economic Committee by the Council of Economic Advisers.

SALARIES OF TEACHERS AND THOSE IN OTHER OCCUPATIONS

Mr. PROXMIRE. Mr. President, there have been many eloquent pleas for higher salaries for teachers. Most Americans feel that these pleas are probably justified. An outstanding American economist, Seymour E. Harris, chairman of the department of economics, Harvard University, has written in the May issue of the Atlantic Monthly, an article entitled "Who Gets Paid What," in which he sets forth the facts on salaries of persons in a wide variety of occupations.

These statistics constitute a persuasive argument that our teachers, at grade school, high school and college levels, are paid disgracefully little. This material comes from a rich variety of official sources. The figures are indisputable. These cold facts constitute an unanswerable challenge to this Congress to act at once to provide some form of financial assistance to education in America.

Mr. President, I ask unanimous consent that the article to which I have referred be printed in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHO GETS PAID WHAT

(By Seymour E. Harris, chairman of the department of economics, Harvard University)

In our society, laws of the marketplace generally rule. High demand and small supply mean large rewards. Hence the millions for a performer like Frank Sinatra and $135,000 for a major league baseball player like Ted Williams.

But our interests as a nation and even our survival often require values divergent from those fixed by the market. Probably education ought to count for more. We want more able scientists and teachers desperately. But somehow we seem unable, or unwilling, to divert the monetary stream into the appropriate channels, and we pour more money into alcohol and tobacco than we spend for the education of 40 million Americans. No wonder the pay of a head of a distiller's corporation is close to $40,000; the highest paid college president receives $45,000; the lowest, $1,000; and the average, $11,000.

No single explanation of our pattern of rewards is adequate. Certainly costs of preparation do not account for differentials. Professionals with 16 years of education or more receive about the same income as managers, executives, and others with only 12 years of schooling; and the income of sales and clerical workers, each with an average schooling of 12 years, is roughly equal to that of craftsmen with only 9 years of schooling. I once told a group of incoming graduate students in my department that if they were interested in monetary rewards, they had better quit right then; for the bachelor of arts economist (as in many other fields) earns substantially more than the doctor of philosophy economist with from 3 to 4 years of additional schooling.

Incomes generally rise in proportion to education, though there are notable exceptions. In fact, the college graduate of 1958, on the basis of expected differentials of income (and with no inflation), can look forward to a lifetime income of $250,000 more than the noncollege graduate. For graduates of Harvard, Yale, Princeton, and other outstanding institutions the differential is even greater. The high rewards to the college trained have persisted despite a tenfold rise in the number of living college graduates in 50 years.

Is organization the explanation of high pay? The high pay of union labor, notably in the entertainment field, may suggest this. But what of the high incomes of doctors, who are not organized into trade unions and who, on the basis of expected incomes, may look forward to a lifetime income of a million dollars from 1958 to 2008? Restrictions of entry into medical schools are relevant here. In both instances the workers profit from artificially induced scarcities.

Perhaps organization of skilled workers with income greatly influenced by productivity in the automated industries helps account for the low average pay of entertainers, just as the organization of nonfaculty employees in colleges tends to depress income of the unorganized faculty; the available income goes disproportionately to those whose incomes respond to market forces and the pressure of union organization. The actors, directors, and others are squeezed, as are the unorganized teachers, by the organized workers sharing the entertainment or educational dollars.

Low pay of teachers is related also to the large number of women in public school teaching. Wherever women predominate, pay is low. In all occupations, men receive 50 percent higher incomes than women; in the professions, two-thirds more. The explanation—low productivity of women, with a short working life and preference for white-collar jobs; concentration where financial support is beset with obstacles—for example, teaching and nursing; and also male prejudices.

In a capitalist society, supply and demand are supposed to explain everything. When the public wants something badly enough, it pays the price. Compare the incomes of the head football coaches and the college librarians.

The table that follows gives some idea of the paradoxes of the American pay structure:

Who gets paid what [1]

[1956–57 dollars]

	Average	Minimum	Maximum	Comment
Accountants	$5,100 (census)	7 percent $2,500 or less	12 percent $7,000 or more	Starting salary, $4,068; 10 years' experience $9,336.
Airplane pilots and navigators	$7,473 (census)	15 percent $2,500 or less	32 percent $7,000 or more	
Architects:				
Beginners	$4,900 to $5,400	7 percent $2,500 or less	37 percent $7,000 or more	Census: $6,978.
Maximum age 62	$14,000		6 percent $18,000 to $25,000	
			7 percent $25,000 or more	
Authors	$5,325	33 percent $2,500 or less	26 percent $7,000 or more	
Barbers, beauticians, and manicurist (female).	$1,400	84 percent $2,500 or less	0.5 percent $7,000 or more	Helena Rubenstein has earned more than $25,000,000 in her career as a cosmetician since 1915.
Baseball players: Major league	$14,700	$6,000	Ted Williams' contract for 1958 was reported to be $135,000.	
Business executives	$70,000 (900 top executives)		$1,624,000	7 percent $500,000 or more. 22 percent $300,000 or more. A 1957 survey of Business Week put the top income at $809,000—Grace of Bethlehem Steel—and listed 235 with incomes in excess of $100,000. But the census reports 5,377,000 males in the proprietor, manager, official class with a median income of only $5,228 in 1955.

[1] This material comes from all kinds of sources: Official documents (Census and other branches of the Commerce Department, Department of Labor, Department of Health, Education and Welfare, Congressional Record, Congressional hearings), publications of trade associations, letters from experts, municipal year books, trade journals, and so forth. Many figures give only rough approximations but are adequate for comparative purposes.

Census coverage is generally wider than that from other sources and hence tends to yield lower figures. The coverage of professional workers frequently is more extensive (reaching lowest levels) by the census than in many other studies. I have, therefore, noted where census figures are used.

Where other information was not available, I used census material for 1949, adjusted by appropriate indexes for the rise since 1949 to yield the median for 1956 or 1957. But where the census figures are used, the distribution in each occupation is for 1949. Generally I have used the median (the income of the middle man), and from census sources incomes of males, except where females predominate. I have used census averages for female workers in schoolteaching, nursing, and social work.

Who gets paid what —Continued

[1956–57 dollars]

	Average	Minimum	Maximum	Comment
Clergymen (census)	$3,044	49 percent $2,500 or more	2 percent $7,000 or more	In large churches in large cities, as much as $15,000 or even more.
College:				
Head football coach	$6,183	22 percent $5,000 or more	17 percent $10,000 or more	Newspapers reported 1 football offer of $60,000 in 1957.
Librarian	$5,437	38 percent $5,000 or more	5 percent $10,000 or more	
Faculty	$5,243	1 percent $3,000 or more	13.3 percent $10,000 or more	
President	$11,314	1.5 percent $5,000 or more	0.5 percent $30,000 or more	
		Lowest, $1,000	Highest, $45,000	
Compositors (printing)		1st shift, $4,180 in Parsons, Kans.	1st shift, $6,337 in Detroit	
		3d shift $5,250 in New Orleans.	2d shift, $6,619 in Detroit	
Construction workers:	Based on union wage rates for full-time work:		Note: Plasterers' full-time pay varies:	The census figures are substantially lower because the census definition is more inclusive and the census income figures are based on income actually earned.
Bricklayers	$7,240		Atlanta, $4,000 to $6,750. Chicago, $6,800 to $8,150.	
Carpenters	$6,260			
Electricians	$6,680			
Plumbers	$6,700			
All building	$6,440			
Dancing teachers and dancers (census)	$3,740	22 percent $2,500 or less	5 percent $7,000 or more	Ballet dancers' weekly minimum: New York City, $93; touring, $98.25.
Dentists	$8,900			Census: $8,000.
Newspaper editors and reporters (census)	$6,000	10 percent $2,500 or less	23 percent $7,000 or more	Top reporters: $20,000; even as high as $30,000 to $40,000. Columnists: As high as $100,000. Hired publishers: As high as $100,000.
Engineers:				
In Government	$6,600	$5,360 (1955 graduates)	$10,350 (1920–24 graduates)	Census: $6,000. A top engineer in private industry: $125,000 or more.
In education	$7,100			
In private industry	$8,400			
Employer and owner of business	$14,700			
Farmers, foresters and fishermen (family income)	$1,945	62 percent $2,500 or less	4.9 percent $7,000 or more 0.2 percent $25,000 or more	
Government:				
Federal civil service, professional	$6,136	$3,410	$14,800	
Federal public administration (census)	$5,640	5 percent $2,500 or less	18 percent $7,000 or more	
State public administration (census)	$4,590	14 percent $2,500 or less	10 percent $7,000 or more	
Local public administration (census)	$4,200	22 percent $2,500 or less	9 percent $7,000 or more	
Governors	$16,900	$9,000 (North Dakota)	$50,000 (New York)	
Mayors:				
Population 500,000	$20,903	$10,000	$40 000	
Population 10,000–25,000	$2,625	$50	$8,500	
Health officers (public), local	$10,200			
Hucksters and peddlers	$1,728	80 percent, $2,500 or less	1 percent $7,000 or more	(Census).
Janitors and sextons	$2,632	73 percent $2,500 or less	0.2 percent $7,000 or more	
Lawyers	Mean, $10,218; median, $7,833	5.2 percent $3,000 or less	55.5 percent $7,000 or more 0.3 percent $75,000 or more	Census: $7,850 8 percent $2,500 or less. Leading lawyers in top New York firms: As much as $200,000; some as much as $300,000 or more.
Librarians (female, census)	$3,101	50 percent $2,500 or less	0.4 percent $7,000 or more	The maximum for director of a public library was $17,560 (Boston), with New York not reporting. Maximum salaries for special libraries (for example, commercial) exceed $20,000.
Motion pictures:				
All workers	$6,325		$10,000 or more	Directors: Many as little as $10,000; perhaps 30 will average over $100,000. Free-lance directors: 1 gets $300,000 per picture but top average near $100,000.
1st cameraman		$26,150		
Laboratory contact man		$12,006		
Chief set, electrician		$13,653		
Costumer, class I		$7,945		
Musicians	$16 per hour			
Musicians and music teachers (census)	$2,850	32 percent $2,500 or less	11 percent $7,000 or more	National scale: Phonograph, $41.25 (3 hours); symphony recordings, $38.50 (3 hours).
Newsboys	$392	92 percent $2,500 or less	0.3 percent $7,000 or more	
Nurses (female, census)	$3,000	51 percent $2,500 or less	0.4 percent $7,000 or more	Basic 8-hour day: Maximum (California), $15; minimum (Maine and Mississippi), $10.
Physicians	$16,017 (self-employed)	1 percent $2,500 or less	2 percent $75,000 or more; at least 1 more than $250,000.	Census: $10,050; 14 percent $2,500 or less; 59 percent $7,000 or more. Includes salaried practitioners.
Social welfare workers (female, census)	$3,800	35 percent $2,500 or less	1 percent $7,000 or more	
Teachers, school	$4,285	$831 (Mississippi beginners)	$5,200 in 11 years (New York).	Census: $3,410 (female); 39 percent $2,500 or less; 0.7 percent $7,000 or more.
Television:				
Producer	$12,500 to $15,000			Actor: Lead in typical ½-hour show, $10,000 frequently and a few at $25,000. For spectacular and other 1-time shows, as much as $50,000 or more.
Staff musician	$13,300			
Cameraman	$8,750			
Theater: New York Equity actors	5-year average: Yearly, $800. (Average work per year, 10 weeks; average percent of membership at work during year, 17.) Minimum weekly: Specialty act, $248; 5 lines or less, $77.50.	37 percent; $1 to $499	0.5 percent; $50,000 or more	Census figures are much higher than New York Equity figures. At the time covered by Equity, census figures average $2,500 to $3,000. The explanation in part is that income other than that earned in the theater is included in census figures; concentration of numbers is especially high in New York City and hence incomes are especially low.
Musicians: Contract house	$148.51			
Carpenters, electricians, propertymen	$146.95			
Trade-union officers	Mean, $18,800; median, $15,000.	$4,730	$64,719	
Truck and tractor drivers	Mean, $4,640	$3,980 in Southwest	$4,800 in Pacific region	Based on 2,000-hour year and union rates (1957). Census figure for 1949, adjusted for rise, yields income of $3,750.

JESUIT COLLEGES AND UNIVERSITIES FACE THE FUTURE

Mr. PROXMIRE. Mr. President, this Nation owes a great debt to its private schools and colleges for the large share of the educational burden they have carried throughout our history. Among the most distinguished contributors to American education have been the churches. They have pioneered in many parts of the country, and even with mounting costs of education they continue to expand and enrich their programs.

One of the great church universities is Marquette University, in Milwaukee, Wis. It has made signal contributions to the spiritual and cultural life of our State. In the April 1958, issue of its alumni magazine, Marquette Alumnus, there appears a statement adopted by the presidents of Jesuit colleges and universities of America at their January meeting at Georgetown University.

Because of the importance to education in America, of the 28 Jesuit institutions of higher learning, and because of the crucial character of our educational problem, I ask unanimous consent, Mr. President, that the statement entitled "Better Ballistics, Yes; But Better Men, Sure" be printed in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

BETTER BALLISTICS, YES; BUT BETTER MEN, SURE

(At their meeting held early in January at Georgetown University, the presidents of the Jesuit colleges and universities of America adopted the following statement on the current role of Jesuit higher education:)

The universities and colleges in the United States under the direction of members of the Jesuit Order (Society of Jesus) are part of the total educational resources of America. Twenty-eight institutions of higher learning have been developed out of a four-century old tradition of scholarship and liberal education, a tradition which has had a definite part in shaping western culture.

As America moves from today's dawn into tomorrow's full morning of the satellite age, Jesuit colleges firmly purpose to continue joining their strength with that of other American institutions in meeting the educational challenge which confronts our country.

Missiles and satellites have turned all eyes skyward. Quite naturally it is the military, the scientific, the technological aspect presented by the Soviet challenge that has captured our concern and would monopolize our energies. But here upon this planet dwell the men who launch the missiles and the satellites—for purposes of good or ill. The explosive complications and frightening responsibilities that spring from mankind's discovery of cosmic power are human and moral.

Accordingly, their solution must come from within man himself. The basic response of education to today's pressure lies not in a program of better ballistics (despite its importance) but in one that produces better men. Even though technological superiority is a condition for survival, its pursuit must not blind us to our reasons for survival. Any panic-inspired aping of an alien system could quickly destroy the very values we undertake to preserve.

It is with man and his motivation that today's educators must most deeply concern themselves. This motivation derives from a two-fold awareness: A sense of the enhancement of human dignity through growth in knowledge and wisdom; and a consciousness of the spiritual obligation incumbent on each human being to develop his God-given talents.

Respect for learning begins in the home. Understanding and stimulations there will supplement the effort of the school and create an environment in which a young person can develop his talent to the full and even take pride in the mastery of the more demanding subjects of the curriculum. Man's natural zest to make his own the truth and beauty of the arts and sciences is an innate yearning to take continually fuller possession of the universe entrusted to him by his Creator. If this desire is constantly encouraged throughout the years of primary and second school, more of our most capable high-school graduates will go on to college.

Whatever weight other motives may have had in inspiring the scientific renascence that has revitalized Russian education, we must admit that respect for learning and at least some freedom in its pursuit—inconsistent though this be with totalitarian ideology—did play a notable part.

There may seem to be more efficient ways to actualize latent human talent that the unwieldly system followed in our free democratic society in which persuasion and conviction precede choice. But whatever price must be paid to surpass Soviet science and technology it must not be the surrender of democracy nor denial of the proper autonomy of the individual citizen. Free motivation must do for America what mass compulsion has done for modern Russia.

America has sore need of all her human resources today. Talent must be discovered and encouraged and, if need be, assisted wherever it may be found. There is an immediacy regarding science education which all must recognize.

Science and mathematics must receive new emphasis in the curriculum and a larger proportion of our talented youth—at least for the present—should be encouraged to specialize in field related to the urgencies of the satellite age. Jesuit education will continue and deepen its characteristic concern with scientific and mathematical disciplines.

Jesuit colleges will expand within the framework of their resources and ideals to accommodate their proper share of the large college population expected in the 1960's. Even though continuing priority will be given to increased financial and academic support for the 9,000 devoted faculty members of the American Jesuit colleges, expansion of physical plants also will be earnestly undertaken.

Within the next few years a $102-million construction program will provide 91 new buildings on Jesuit campuses. This program is possible because of the loyal support of some 600,000 alumni of Jesuit schools, generous benefactors, industry, and philanthropic foundations.

In its fifth century of dedicated educational work Jesuit institutions are proud to join with other American colleges and universities in the shared task of preserving and developing for coming generations the values and ideals that have made the Western World the bastion of freedom under God.

AMENDMENT TO MUTUAL SECURITY BILL TO PREVENT CERTAIN UNITED STATES MILITARY PERSONNEL FROM ACCEPTING COMPENSATION AND OTHER BENEFITS FROM FOREIGN GOVERNMENTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may be granted such additional time as necessary in excess of the 3-minute limitation in order to make a statement.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Is there objection? The Chair hears none, and the Senator may proceed.

Mr. MANSFIELD. Mr. President, the recent hearings which have been held by the Committee on Foreign Relations on S. 3318, the current mutual security program authorization bill, have revealed some disturbing facts about the administration of the military assistance program in Latin America.

United States military assistance programs in Latin America are administered by Regular Army, Navy, and Air Force officers. They serve in these countries in a dual capacity. On the one hand, these officers are detailed to and serve foreign governments as United States military missions and advise such governments on the administration of their military establishments. On the other hand, these same officers function in the United States Military Assistance Advisory Groups, known familiarly as MAAG's, in these countries, and in that capacity they have the responsibility of supervising the use made of military equipment furnished to the foreign countries under the Mutual Security Act and of recommending what kinds and amounts of military aid should be furnished to such countries.

Under existing arrangements, United States military personnel are permitted to receive compensation and other benefits directly from the foregin government to which they are attached. This arrangement cannot help but create a suspicion that there may be a conflict of interest in carrying out the function of advising the foreign government and the function of serving the United States Government.

Whether or not an officer performs Mutual Security Act functions in addition to his other duties, it is questionable whether while advising a foreign government he ought to receive compensation from such foreign government while he continues to serve in the Armed Forces of the United States. A different, but no less objectionable, kind of conflict of interest arises in such a case.

The existing arrangement is most unusual due to the fact that the Latin American foreign governments pay representation allowances to United States military personnel advising them. This practice seems questionable for two reasons. First, representation allowances are paid by the United States Government to its employees in order that such employees may entertain foreigners and otherwise properly represent this country in dealing with officials and citizens of foreign countries. It is incongruous for such an allowance to be paid to a United States Government employee by the foreign government which the American is assigned to advise. The second reason why this practice seems questionable is that, in addition to the military mission and military assistance advisory group personnel in Latin American countries, there are also other officers performing the normal military attaché function in such countries, whose representation allowances are paid by the United States Government.

The practice of United States military personnel collecting compensation and other benefits directly from Latin American governments is said to be sanctioned by section 712 of title 10 of the United States Code, which provides:

(a) Upon the application of the country concerned, the President, whenever he considers it in the public interest, may detail members of the Army, Navy, Air Force, and Marine Corps to assist in military matters—

(1) any republic in North America, Central America, or South America;

(2) the Republic of Cuba, Haiti, or Santo Domingo; and

(3) during a war or a declared national emergency, any other country that he considers it advisable to assist in the interest of national defense.

(b) Subject to the prior approval of the Secretary of the military department concerned, and in addition to receiving his pay and allowances as a member of the Armed Forces, a member detailed under this section may accept from the country to which he is detailed any office and any compensation or emoluments thereof. He is entitled to credit for all service while so detailed, as if serving with the Armed Forces of the United States (pp. 30–31 of the hearings of the Committee on Foreign Relations on S. 3318).

I have some doubt as to the legality of the present practice under title 10, United States Code, section 712, inasmuch as the Department of Defense has stated in the quoted material which appears in the next paragraph that members of the Armed Forces hold no offices in Latin American governments.

During the hearings by the Committee on Foreign Relations on the pending mutual security program authorization bill, on March 19, 1958, I asked Secretary of Defense McElroy the following question:

What do you think of the practice of United States military officers in Latin America acting as military advisers to foreign governments and receiving compensation from such governments in addition to their salaries, and at the same time acting as advisers to the United States Government as to how much military aid they should be given?

Secretary McElroy supplied an answer to this question later for the record which has been published as part of the committee hearings on page 31. This answer reads as follows:

Answer. In 1925, Congress authorized the sending of military and naval missions to Latin America under Public Law 247, 69th Congress. This legislation was amended and extended by Public Law 56, 74th Congress (1935) and Public Law 722, 77th Congress (1942). Under the foregoing the United States has established military missions in the countries.

The individual USAF, Army, and Navy missions operating in Latin America are not MAP organizations. However, the arrangements under which these separate missions function have been modified to permit mission personnel to perform MAP functions, with the agreement of the countries concerned. In this sense, one of the mission chiefs in each Latin American country where military assistance is being furnished has been designated as MAAG chief to provide for a MAP channel of communication.

The MAAG function was superimposed on the already established training and advisory functions provided for in the mission agreements, to obviate the cost and the duplication of effort and purpose which would otherwise arise.

With the inauguration of the military assistance program in Latin America in 1951, the Department of Defense established separate military assistance advisory groups in Latin American countries for the purpose of handling its military assistance responsibilities in that area. In 1954, the question was raised as to why it was necessary to maintain both a military mission and a MAAG in the same country. The matter was reviewed and a policy decision was arrived at that the practice of maintaining separate MAAG's in those Latin American countries where there already existed a military mission should be discontinued. Since 1956, therefore, MAAG's in Latin American countries have been reduced to zero strength and their functions transferred to the military missions.

We believe that this policy decision is fully justified in terms of sound administration and economy and presents no problem with respect to conflicting loyalties of the individual officers assigned to military missions in Latin American countries for the purpose of discharging military assistance duties.

As has been noted, the United States statute (10 U. S. C. 712) under which the military missions are established permits the detail of United States military personnel and expressly provides that the officer may accept from the country to which he is detailed "any office or [sic] compensation or emoluments thereof." While it is true that American military personnel so detailed receive emoluments from the foreign government to which accredited, and while in some cases the particular international agreement permits such personnel to enjoy the same prerogatives and perquisites which he would have if he were actually in the Armed Forces of the country, nevertheless, the agreements uniformly provide that the American officer is subject to rules and regulations of his own American service. To the best of my knowledge, no member of the United States military missions in Latin America holds any public office or civil-service office under the foreign government. The additional compensation and emoluments received from the foreign government depend on rank and cost of living in the particular country, and the rates were approved by the President in 1942.

In my opinion, the existing arrangement in Latin America has worked satisfactorily and in no case that I know of has any personnel of the Armed Forces serving in such a capacity acted in any manner other than that believed to be in the best interest of the United States.

A somewhat similar situation exists in Iran where the Chief of the Military Assistance Advisory Group is also Chief of the Army Mission. There is also a small mission in Liberia but this mission does not perform MAAG functions, there being no military assistance program in Liberia, and the members of the mission receive no compensation from the Liberian Government (pp. 31–32 of the hearings of the Committee on Foreign Relations on S. 3318).

I also asked Secretary McElroy this question:

Would you be willing to furnish the committee with information as to the amounts and kinds of extra compensation and other benefits received from the Latin American governments?

The answer which was subsequently filed for the record left much to be desired in the way of completeness. The answer reads as follows:

Answer. We now have military assistance programs with 12 Latin American countries (Brazil, Chile, Colombia, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Nicaragua, Peru, and Uruguay). In each of these countries, there was at the time of the commencement of military assistance an existing military mission with the exception of the Dominican Republic. In the Dominican Republic, there is a military assistance advisory group. In addition to the countries listed above, we have military missions but no MAAG's with the following Latin American countries: Argentina, Bolivia, El Salvador, Panama, Paraguay, and Venezuela.

Altogether, there are 584 American military personnel assigned to military missions or MAAG's in Latin American countries. Of these, 404 are in countries in which we have a military assistance program. Of the above 584, 436 are accredited to respective governments and receive compensation therefrom.

The compensation received from foreign governments under the above arrangements ranges from a maximum of $4,500 per annum to a minimum of $240 per annum. It should be noted that in those cases where members of the United States Armed Forces are receiving compensation from foreign countries, station allowances are abated to the extent of the foreign compensation. * * *

In addition to the authorized compensation * * * each individual receives from the host government, in place of the prerequisites he and his dependents would receive from the United States, medical care (which in most cases is far below the standards enjoyed by the service personnel and their dependents within the continental United States or in areas where medical facilities are run by the United States Armed Forces); commissary and post exchange privileges (which are almost nonexistent within the connotation of the words as used in United States terminology); and, in a majority of cases (dependent upon financial ability of the country), payment of transportation, to include household effects, to and from the country (p. 32 of the hearings of the Committee on Foreign Relations on S. 3318).

This statement, coupled with other information contained in the answer, tended to leave open the question of the value of the other benefits received by United States military personnel from Latin American governments over and above the compensation received. Later on in the hearings in executive session the Senator from Oregon [Mr. MORSE] asked representatives of the Department of Defense whether the Department of Defense answer, just referred to, was to be interpreted as meaning that military officers gained no personal financial benefit on assignments in Latin America that they would not have in other areas, such as Europe. The following answer was received from the executive branch:

Answer. Additional remuneration for military personnel serving in foreign countries is not designed to provide additional economic benefits but, rather, to adjust the income of the individual to permit him to maintain a standard of living comparable to that which he would enjoy in the United States plus, in the case of certain positions, to provide additional amounts for the purpose of upholding United States prestige.

It is the view of the Department of Defense that positions occupied by United States military officers in Latin America are not comparable to those in Europe. To equate positions occupied by United States military officers serving in the two areas in order to compare economic benefits would require an extensive study inasmuch as there are numerous variables which apply, not only between areas, but between the countries within an area and the different positions

within each country. (P. 455 of the hearings of the Committee on Foreign Relations on S. 3318.)

The Senator from Oregon also asked this question:

Is there no conflict between this practice and section 528 (a) of the Mutual Security Act which authorizes the detail of personnel to foreign government positions to which no compensation is attached?

No answer to this question was received by the Committee on Foreign Relations by the time the mutual-security hearings went to press.

Inasmuch as the information which I have mentioned thus far was tantalizingly ambiguous and incomplete, I asked the staff of the Committee on Foreign Relations to meet with representatives of the Department of Defense and examine the subject in more detail. After consultation with the staff of the Committee on Armed Services, the staff of the Committee on Foreign Relations on April 18 invited representatives of the Departments of State and Defense to meet on April 21 to discuss certain questions which were supplied to them in advance.

Little additional information was obtained. The representatives of the executive branch were asked for the probable attitude of the executive branch toward an amendment of existing law which would, first, prohibit persons performing functions under the Mutual Security Act from accepting compensation or other benefits from foreign nations; and, second, put an end to the receipt of compensation and other benefits from Latin American governments by United States military officers serving as advisers to such governments. The executive branch representatives saw no objection to the first part of the amendment but asked for more time to study the second part.

In spite of the fact that more than a month had elapsed since the subject was first raised with Secretary McElroy, the representatives of the executive branch were not prepared to answer either of the following questions:

What are the facts as to the numbers, by functional categories and by country, of the United States military personnel stationed in Latin America, and what kind and amounts of income and other economic benefits do they receive?

Are military officers detailed under title 10, United States Code, section 712, or otherwise detailed under similar arrangements, better off financially and in their standard of living (a) than military attachés in the same countries, and (b) than the military officers of the same rank and seniority in foreign countries not so detailed, making allowances for differences in the cost of living? What are the comparative figures?

They were not prepared on April 21 to answer the following question even though it had been asked by the Senator from Oregon [Mr. MORSE] on March 31:

Does the practice of merging MAAG and mission functions in officers detailed under title 10, United States Code, page 712, conflict with existing law, having in mind particularly sections 512 and 528 of the Mutual Security Act of 1954, as amended?

The executive branch representatives were also asked this question:

Would countries now conferring economic benefits on officers detailed under title 10, United States Code, page 712, be willing (a) to reimburse the United States Government for the cost of such benefits, or (b) to enter into other arrangements to share the cost of such details? If not, why not?

Their answer was a qualified "Yes," on the basis that a firm answer was not possible until the subject had been discussed with the countries concerned.

Mr. President, the foregoing facts have led me to conclude that no persons performing functions under the Mutual Security Act should accept from any nation or international organization any compensation or other benefits. If other nations are willing to work out arrangements for reimbursement to the United States or other sharing of the cost of performing such functions, this would be welcome, but the arrangement should be on a Government-to-Government basis. Secondly, I have concluded that members of the Armed Forces detailed to missions with foreign governments should not receive compensation or other benefits from such governments. Again, if the costs of such missions are to be shared the sharing should be on a Government-to-Government basis so that the individual officer is not involved in any possible conflict of interest.

Mr. President, for myself and the Senator from Oregon [Mr. MORSE], I am accordingly submitting amendments to the pending Mutual Security bill, S. 3318, which will accomplish the changes which we believe are necessary to improve the administration of military aid to Latin America. I ask that they be printed at this point in my remarks. The executive branch will be asked to comment on these amendments, as is the practice of the Committee on Foreign Relations. If the administration can produce some convincing new evidence I may not press these amendments, but at the present time the burden of proof is with the executive branch.

Mr. President, I thank the Senate for allowing me the extra time to make these remarks this morning.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, the amendments will be received and printed, and appropriately referred, and without objection, the amendments will be printed in the RECORD at this point.

The amendments intended to be proposed by Mr. MANSFIELD for himself and Mr. MORSE were referred to the Committee on Foreign Relations, as follows:

On page 16, line 12, strike out "amended by changing" and insert the following: "amended as follows: (a) Amend section 527, which relates to the employment of personnel, by adding the following new subsection:

"'(e) Nothwithstanding the provisions of title 10, United States Code, section 712, or any other law containing similar authority, persons performing functions under this act shall not accept from any foreign nation or international organization any compensation or other benefits. Arrangements may be made by the President with nations or international organizations for reimbursement to the United States or other sharing of the cost of performing such functions.'

"(b) Amend."

On page 19, line 23, strike out the second closed quotation mark and insert: "(e) Section 712 (b) of title 10 of the United States Code is amended to read as follows: '(b) A member of the Armed Forces detailed under this section is entitled to credit for all service while so detailed, as if serving with the Armed Forces of the United States. Arrangements may be made by the President, with countries to which such members are detailed to perform functions under this section, for reimbursement to the United States or other sharing of the cost of performing such functions.'"

SEVENTH-DAY ADVENTIST HEALTH RECORD AND THE IMPACT OF THE TOBACCO HABIT

Mr. NEUBERGER. Mr. President, I am more convinced than ever of the urgent need to provide the Federal Trade Commission with additional authority to control the misleading and exaggerated claims presently being spread throughout the land by the manufacturers of cigarettes.

In my opinion, these claims can do a vast amount of harm to the future of our country by encouraging young men and young women to become addicts of the tobacco habit in general and of cigarettes in particular.

Virtually all cigarette advertising—particularly on television and radio—is designed to make the use of cigarettes appealing and acceptable to young people. Athletes and glamour girls are shown as habitual practitioners of the custom. My firm conviction that this is injurious to our country has been fortified by the recent announcement from the famous Sloan-Kettering Institute for Cancer Research that Seventh-day Adventist men, who as part of their religious beliefs refrain from cigarettes and alcohol, suffer far less from lung cancer and heart attacks than do American males in general.

The conclusions regarding the lower incidence of cancer and heart disease among nonusers of tobacco and alcohol were the result of a study of patients in eight Seventh-day Adventist hospitals. The researchers found that male patients who abstained from smoking or drinking, because of their religious precepts, suffered lung cancer only one-tenth as frequently and had heart attacks only three-fifths as often as the general male population. Of the 564 Seventh-day Adventists who were among the 8,692 hospital patients surveyed, only 1 was a victim of lung cancer and he had smoked a pack of cigarettes a day for 25 years before becoming a member of the Seventh-day Adventist sect.

Results of the research are described in a United Press story which appeared in the Washington Post and Times Herald of April 28, 1958. I ask unanimous consent to have the newspaper story printed in the RECORD with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FEWER LUNG CANCERS AND HEART ILLS FOUND AMONG ADVENTISTS BY STUDY

NEW YORK, April 27.—Seventh-day Adventist men, who neither smoke nor drink because of religious convictions, suffer lung

cancer only one-tenth as often and heart attacks three-fifths as often as the general male population, two researchers reported today.

Drs. Ernest L. Wynder, of the Sloan-Kettering Institute for Cancer Research, and Frank R. Lemon, of the College of Medical Evangelists at Loma Linda, Calif., said they made the findings in a study of 8,692 patients in 8 Seventh-day Adventist hospitals.

Of the total, 564 patients were Seventh-day Adventists and 8,128 did not belong to the sect.

The researchers said the only case of lung cancer found among Seventh-day Adventist men occurred in a 63-year-old patient who had smoked a pack of cigarettes a day for 25 years before joining the sect.

They said they also found that most of the men in both groups lived in Los Angeles, which has an air-pollution problem, indicating that air pollution alone is not a major factor in lung-cancer development.

The doctors said that not only did fewer Seventh-day Adventist men suffer heart attacks, but those who did were stricken at a later age than nonmembers of the sect.

They said that among Seventh-day Adventist males, less than 2 percent of the heart attacks occurred before the age of 44, while in the other group the percentage was 8.

Among the older men, 11.6 percent of the heart attacks among members of the sect occurred before the age of 54, compared with 30 percent in the other group, and 38 percent before the age of 64, compared with 62 percent in the control group.

The doctors said the findings suggested that smoking may precipitate heart attacks (myocardic infarction) and coronary artery diseases and that the higher rate among young males in the general population may be associated with their smoking habits.

The Tobacco Industry Research Committee issued a statement saying, "This is another example of attributing general significance to a study involving a highly selected hospital population."

THE LABOR BILL—EDITORIAL COMMENT

Mr. IVES. Mr. President, I ask unanimous consent to have printed in the RECORD two editorials. One of them, entitled "Labor Bill Juggling," appeared in the issue of the New York Times of yesterday, April 27, 1958; the other editorial entitled "Labor and the Senate," appears in the issue of the Washington Post for today, April 28, 1958. The authors of these editorials demonstrate an extraordinary knowledge of legislation dealing with labor-management relations and also for the legislative processes.

I commend the editorials to the attention of all who are interested in the current debate on Senate bill 2888.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times of April 27, 1958]

LABOR BILL JUGGLING

The Senate has shown admirable restraint and wisdom in voting down unwise attempts to load the welfare fund regulation bill with amendments designed to set up controls over unions themselves—and to further the political fortunes of Senator KNOWLAND, who started the maneuvering. Once the juggling began, it was inevitable, of course, that amendments to carry out the administration's program would have to be introduced.

Improper activities in the labor and management field have aroused the public—and organized labor itself—to an overwhelming demand for reform. But any effective remedial measures are sure to be stalled if they are overloaded with questionable baggage. Here is a situation, if there ever was one, where first things, in terms of need and practicability, should be dealt with first—and separately.

There are three areas for labor legislation which should be defined and rated on a scale of that size. First are the employee benefit funds which are entirely separate from union treasuries. So clear and urgent has been the need to protect them from manipulation that the AFL–CIO itself has taken a leading part in demanding the kind of regulation provided in the Senate bill.

Next on the scale are the finances of the unions themselves—their operating funds sustained by membership dues. It is in this field that the most sensational scandals have been disclosed by the probings of the McClellan committee. But these are far trickier problems to deal with than those of welfare funds. Measures to curb such abuses involve giving union officers a fiduciary status, requiring proper accounting and auditing practices, full financial disclosure, etc. While many of these measures are called for—and are covered in the spate of Senate amendments—some may open the door to undesirable restraint on legitimate union activities, and labor opposition to them is rising.

By far the most controversial one is the internal organization and government of labor unions in which lie measures that deal with the election and recall of officers, referendums on union policies, etc. It is here that labor's support will be most difficult to rally—even though some of these checks may be badly needed in the interest of the unions themselves.

A mere catalog such as this of the ground to be covered by labor legislation shows the absurdity of trying to write an effective, comprehensive measure on the floor of the Senate. But the attempt to do so by amending the welfare fund bill has had one most desirable result. It has spurred Senator KENNEDY, chairman of the Labor Subcommittee, to promise a resumption of its hearings on May 5 and a bill by the end of the month.

[From the Washington Post of April 28, 1958]

LABOR AND THE SENATE

The Senate's refusal to be stampeded into hasty enactment of general labor legislation shows good judgment. No emergency has arisen to require short-cuts in the delicate business of prescribing the rules by which labor-management relations shall be regulated. In the circumstances the Senate majority is fully justified in its insistence that the proposed amendments offered by Minority Leader KNOWLAND be scrutinized by the Labor and Public Welfare Committee, with the aid of public hearings, before the Senate as a whole is asked to pass final judgment on them.

Even if the Knowland amendments had been approved by the Labor Committee and if they were all sound in principle and draftsmanship, there would remain a real question as to the wisdom of attaching them to the pending bill. That measure would require public reports on the operation of welfare and pension funds, with stiff penalties for false reports and for embezzlement from such funds. The need for legislative protection of pension and welfare funds is now everywhere recognized. Surely that reform ought to be voted by Congress without risking its defeat by the attachment of more controversial items.

Since the Taft-Hartley Act was enacted in 1947 needed changes in the law have failed repeatedly because they have been presented in overly large doses that Congress would not take. Certainly it is better to enact some relatively simple and urgently needed reforms than to insist on an omnibus measure that is especially vulnerable because of an accumulation of antagonisms.

It is clear, however, that the Senate will not be satisfied by voting the funds-control bill and calling it a day. The majority wants to pass other labor-management reforms, and the indications are that at least some of the Knowland amendments would have passed if they had had committee approval. Democratic Leader JOHNSON held his own following together and won 10 Republican votes only by giving assurance that there will be an opportunity at the present session to vote on a more comprehensive labor bill. At one point he declared, "We are going to have legislation in this field if I have any effectiveness at all in this body."

In supporting Mr. JOHNSON's position, Senator MCCLELLAN, chairman of the Select Committee which has exposed many abuses in organized labor, gave warning that if the Labor Committee does not soon report out a broader bill, he will move to discharge it and bring the problem once more to the Senate floor. There are indications that he will have much support for such a move; for a number of Senators who approve the Knowland amendments but who voted against them on procedural grounds will insist on clarifying their position before election day.

The public interest will best be served, in our opinion, by passing the funds-control bill promptly without cluttering amendments and by presenting a separate bill, including the best of the administration, Knowland and McClellan proposals, as soon as possible. The abortive move to write a major labor bill on the Senate floor could well be abandoned without further loss of time. But it is equally clear that the Labor Committee ought to speed up the process of getting a broader bill before the Senate. Those who have insisted on proper procedure, backed by explicit promises from the Senate leadership, will then be in a strong position to insist that action be taken before the adjournment.

REQUEST FOR CONSIDERATION BY BANKING AND CURRENCY COMMITTEE OF MEASURES RELATING TO FINANCIAL AID TO RAILROADS

Mr. FULBRIGHT. Mr. President, on April 22, 1958, the Secretary of Commerce sent a letter to the Senator from Florida [Mr. SMATHERS], who is chairman of the Surface Transportation Subcommittee of the Committee on Interstate and Foreign Commerce. The letter contains a number of recommendations for legislation to assist the railroad industry.

One of the recommendations is for a plan to provide financial aid to modernize and improve the plant, facilities, and equipment of the railroads. This financial aid would consist of $500 million in guaranteed loans and $200 million in guaranteed equipment obligations.

Rule XXV of the Standing Rules of the Senate requires that proposed legislation dealing with certain subjects be referred to the Committee on Banking and Currency, for consideration. Among the subjects listed is proposed legislation dealing with financial aid to commerce and industry, other than matters relating to such aid which are specifically assigned to other committees under this rule.

In view of this specific grant of jurisdiction, and the fact that rule XXV does not assign to the Committee on Interstate and Foreign Commerce, proposed legislation dealing with financial aid for railroads, I submit that the Committee on Banking and Currency has jurisdiction over such measures.

Therefore, if proposed legislation to implement the recommendations of the Secretary of Commerce is introduced, I wish to give notice, on behalf of myself and the Senator from Indiana [Mr. CAPEHART], of our intention to ask that the Committee on Banking and Currency be afforded an opportunity to consider the aspects of the proposed legislation which deal with financial assistance to the railroads.

The PRESIDING OFFICER. Is there further morning business?

Mr. JOHNSON of Texas. Mr. President, before the morning hour is concluded, I wish to suggest the absence of a quorum. I ask the attachés of the Senate to notify Senators on each side of the aisle that at the close of morning business the unanimous-consent agreement will begin to operate. I am hopeful that if any Member of the Senate has any material or any statement for the morning hour, he will be informed and asked to present the matter before the Senate begins to operate under the unanimous-consent agreement.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll and the following Senators answered to their names:

Case, N. J.	Johnson, Tex.	Payne
Curtis	Kennedy	Proxmire
Hickenlooper	Knowland	Smith, N. J.
Ives	Mansfield	Talmadge
Jackson	Neuberger	Thurmond

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Louisiana [Mr. ELLENDER] is absent because of illness in his family.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). A quorum is not present.

Mr. JOHNSON of Texas. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. AIKEN, Mr. ALLOTT, Mr. ANDERSON, Mr. BARRETT, Mr. BEALL, Mr. BENNETT, Mr. BIBLE, Mr. BRICKER, Mr. BRIDGES, Mr. BUSH, Mr. BUTLER, Mr. BYRD, Mr. CAPEHART, Mr. CARLSON, Mr. CARROLL, Mr. CASE of South Dakota, Mr. CHURCH, Mr. CLARK, Mr. COOPER, Mr. COTTON, Mr. DIRKSEN, Mr. DOUGLAS, Mr. DWORSHAK, Mr. EASTLAND, Mr. ERVIN, Mr. FLANDERS, Mr. FREAR, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. GORE, Mr. HAYDEN, Mr. HILL, Mr. HOBLITZELL, Mr. HOLLAND, Mr. HRUSKA, Mr. HUMPHREY, Mr. JAVITS, Mr. JENNER, Mr. JOHNSTON of South Carolina, Mr. KEFAUVER, Mr. KERR, Mr. KUCHEL, Mr. LANGER, Mr. LAUSCHE, Mr. LONG, Mr. MAGNUSON, Mr. MALONE, Mr. MARTIN of Iowa, Mr. MARTIN of Pennsylvania, Mr. MCCLELLAN, Mr. MCNAMARA, Mr. MONRONEY, Mr. MORSE, Mr. MORTON, Mr. MUNDT, Mr. MURRAY, Mr. O'MAHONEY, Mr. PASTORE, Mr. POTTER, Mr. PURTELL, Mr. REVERCOMB, Mr. ROBERTSON, Mr. RUSSELL, Mr. SALTONSTALL, Mr. SCHOEPPEL, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. STENNIS, Mr. SYMINGTON, Mr. THYE, Mr. WATKINS, Mr. WILEY, Mr. WILLIAMS, and Mr. YOUNG entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

THE IMPORTANCE OF A NEW COUNTRY LIFE COMMISSION

Mr. WILEY. Mr. President, there is now pending before the Senate Agriculture and Forestry Committee a most important bill, which could go a long way toward an understanding of the needs of rural America and toward constructive steps being taken to meet the problems in the rural grassroots. I refer to S. 3596, which would establish a Commission on Country Life.

If ever there was a Commission which could illuminate the dynamic processes of our country, and which could shed light not only on where we are going, but how and why, and what we can do about it, it is this particular Commission.

The case for it has been ably presented in a letter which I have received this morning from one of the top farm spokesmen of my State, Mr. Milo K. Swanton, executive secretary of the Wisconsin Council of Agriculture Cooperative. Mr. Swanton has so briefly and clearly set forth the importance of such legislation that I can hardly add to it. I, therefore, ask unanimous consent that the text of his letter be printed at this point in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WISCONSIN COUNCIL OF AGRICULTURE COOPERATIVE,
Madison, Wis., April 24, 1958.

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR ALEX: Personally and on behalf of our federation of 90 agricultural associations in Wisconsin, I recommend for your favorable consideration, bill S. 3596, introduced by Senator FLANDERS (for himself, Senator COOPER, Senator MORTON, Senator THYE, and Senator STENNIS). This bill, now before the Senate Committee on Agriculture and Forestry is identical with bill H. R. 11844 recently introduced by Congressman HAYS of Arkansas.

Bill S. 3596 would provide, on a limited time basis, for a Commission on Country Life. Generally it would follow the pattern of the valuable Roosevelt Country Life Commission of 1908. Analyses of population movements, trends in part-time farming, the challenge of vertical integration, influence of industrial decentralization, and other developments affecting rural life would be made.

Science and mechanization, increased mobility and hybridization of rural and urban people have greatly influenced agriculture and have intensified new problems at the crossroads. In America, more than anywhere else in the world, an agricultural revolution is taking place.

We are convinced that the prestige of a Presidential Commission, bipartisan in nature, would focus considerable attention on the situation that is engulfing the human resources of American agriculture. Factual analysis by a staff of top-ranking rural sociologists and economists, enlisting the cooperation of land grant colleges, agriculture leaders and various rural life related agencies, would do much to clarify issues and problems.

The job to be done is bigger than any one college and broader than any single organization or economic segment. We feel that again, as in 1908, a Presidential commission can best bring about the type of broad approach and coordination so essential in helping rural people to master rather than be the victims of change.

It is most heartening to know that the National Council of Churches, the National Lutheran Council, and the National Catholic Rural Life Conference are wholeheartedly in support of this proposed legislation. Likewise, educators, many farm leaders and organizations, as well as the rural press, are stanchly behind this program.

Sincerely we hope that bill S. 3596 will be scheduled for hearing promptly and that it will be acted on favorably by the Senate Committee on Agriculture and Forestry and by the Congress.

Most sincerely,

MILO K. SWANTON,
Executive Secretary.

ELEVENTH ANNUAL ASSEMBLY OF UNITED NATIONS WORLD HEALTH ORGANIZATION

Mr. THYE. Mr. President, the United Nations World Health Organization will hold its 11th annual assembly in Minneapolis next month. A health seminar, open to some 40 doctors and health specialists, will be conducted as an adjunct of this assembly. Recently there appeared an article in the Minneapolis Star commenting on this seminar. I ask unanimous consent that the article be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FORTY DOCTORS TO JOIN U. N. SEMINAR AT WHO ASSEMBLY

(By Bob Murphy)

A United Nations seminar will be an adjunct of the World Health Organization's 11th annual assembly when it meets in Minneapolis in May, and, of a variety of meetings at or about the same time, will be closest to the WHO in study and participation.

It will be open to some 40 doctors or health specialists through the world, as seminar participants, and about 200 other auditors, who may sit in on sessions but may not take part in discussions.

The seminar will be staged by Minnesota United Nations Association, in cooperation with the American United Nations Association, and World Federation of United Nations Associations.

Mrs. Bernard Marver, St. Paul, president of Minnesota U. N. Association, is heading the effort here and has named Mrs. Lawrence Steefel as chairman of the group

arranging study course sessions. Mrs. Arthur Strachauer heads the hospitality committee, the Reverend Roy Burt and Mrs. York Langton are working with Mrs. Marver in arranging accommodations for guests.

For the 10 previous WHO assemblies, United Nations have arranged eight such study courses, missing only the 1948 assembly in Geneva and the 1955 meeting in Mexico City.

The seminar will open May 28—when WHO goes into its regular assembly schedule after a 2-day 10th anniversary celebration—and will close June 4. The assembly meanwhile is scheduled to run through June 14.

The Minnesota U. N. group has responsibility for invitations to be issued to possible United States participants; for local arrangements as to place, accommodations, registration, and an informal opening reception, and for operation of the course, arranging speakers, secretarial help, setting meeting chairmen, introducing speakers, and so on.

The World Federation is charged with negotiating the study course, issuing world invitations through member associations, setting the schedule of speakers and negotiating possible financial help from WHO. Meetings will be held here in the auditorium of Lutheran Brotherhood Building.

Although the program is not complete, the first is expected to be devoted to general information about the Assembly. Speakers will be drafted from Assembly delegations and technical staffs.

Participants and auditors will be permitted to attend all WHO sessions. Ordinarily courses run in both English and French, but it is believed English discussion alone will be sufficient in Minneapolis.

Of previous seminars, Dr. M. G. Candau, WHO Director General, said: "Perhaps the most striking examples of the cooperation which has existed for a number of years between our organizations are the study courses. * * * These have been of greatest value in the past in disseminating knowledge of the objectives and achievements of WHO, and have given opportunity to technical staffs of WHO to address selected audiences on their work. It is my hope this fruitful type of cooperation will continue."

Invitations on the letterhead of the Minnesota WHO Centennial Committee, of which Dr. Charles W. Mayo is chairman, will go to doctors, medical students, public health officials, social workers, nursing specialists, and others.

Meanwhile many other meetings involving health are scheduled for the 2 months in which the assembly will be operating in Minneapolis.

Minnesota League for Nursing will hold its annual convention May 1 and 2 at Pick-Nicollet Hotel, with 300 expected. A medical continuation course on electrocardiography will be held at University of Minnesota May 5–9. Minnesota Association for Health, Physical Education, Recreation and Safety will meet May 10 at University of Minnesota.

A medical continuation course on proctology is set May 12–16 at University of Minnesota. The Upper Midwest Hospital conference is expected to draw 4,500 to Lemington Hotel and Minneapolis Auditorium May 14–16, the classifications including hospital administrators, business managers, engineers, architects, housekeepers, trustees, auxiliaries, nurses, technologists, librarians, dieticians, nurse anesthetists, social workers, therapists, and many others.

A medical continuation course on gynecology is set at University of Minnesota May 22–24, the same dates as the annual Minnesota State Medical Association convention in Minneapolis Auditorium, expected to draw some 3,000. Dr. Candau will be a speaker at this convention.

American Board of Preventive Medicine will meet May 24–25. A regional conference of State and territorial dental directors is set for May 26–29, during the assembly, and the University of Minnesota fourth institute on hospital recreation the same date.

Many of these are expected to draw observers to sessions of WHO in Vocational High School auditorium, where space will accommodate about 1,000 auditors and spectators.

The United States seminar, however, is the only meeting with a direct tie-in with the assembly, and drawing from its list of specialists for talks and leadership.

CONTRIBUTIONS OF WORLD HEALTH ORGANIZATION

Mr. THYE. Mr. President, the activities of the World Health Organization have been extremely important to many nations of the world. The contributions made by this international organization to the improvement of health and sanitation throughout the world should be better known among our citizens in order to emphasize the significance of its annual assembly being held for the first time on American soil. I ask unanimous consent that a series of articles, which recently appeared in the Minneapolis Sunday Tribune, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Minneapolis Tribune of April 6, 1958]

AN ARMY OF MEN LAUNCH ATTACK ON A COMMON ENEMY, DISEASE

(EDITOR'S NOTE.—This is the first of three articles on the World Health Organization which will open its 10th assembly in Minneapolis May 26.)

(By Daniel J. Hafrey)

In a classroom high above the Mississippi at the University of Minnesota school of public health, easygoing Alfonso Villera, of Colombia, is busily working away at plans and blueprints.

But he isn't easygoing now. The plans for a municipal water treatment plant he's working on are not an academic exercise. Rather, these plans will be used to give the 300,000 inhabitants of Cartagena, Colombia, their first really safe drinking water when he returns to his job in the office of public health there.

In a nearby classroom a tiny live wire of a woman, Mei Ying Wang, from T'ai-pei, Formosa, is learning the steps of teaching and supervising public health nurses.

Again, this is no idle ivory-tower pursuit. The young woman is on leave from her job as a public health nurse at a T'ai-pei training and demonstration center. When she returns, her main job will be to teach nurses who teach mothers proper health procedures.

For, she said, "in my country maternal and child health are among the greatest public health problems."

In Minneapolis' gleaming new public health center a graceful tall woman who had never seen snow until this year closely observes techniques and asks eager questions.

Preedar Boonyasiri, Chief Clerk of the Division of Vital Statistics for the Burmese Ministry of Health in Rangoon, is here to pick up practical pointers on how to do her job.

"Right now," she said, "we have no reliable vital statistics in my country. When I really get my job organized I think we can be very useful in helping develop a public health program for Burma."

This trio in Minneapolis, plus thousands of others across the country, plus tens of thousands across the face of the earth all are working for one ideal:

"The health of all peoples is fundamental to the achievement of peace and security. The enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being without distinction of race, religion, political belief, economic, or social condition."

These words from the constitution of the World Health Organization (WHO) have special meaning as hundreds of millions of men around the globe observe World Health Day, Monday.

For, as WHO prepares for its 10th anniversary assembly in Minneapolis May 26, the hope of a world free from age-old disease and suffering seems attainable for the first time.

Today it is a world where—in spite of tremendous medical progress and superior levels of health in some countries—its 2,700,000,000 inhabitants face these conditions:

Two out of three persons are ill or undernourished.

The life expectancy in vast areas of the world, such as Asia and Africa is 30 years compared to 70 in the United States and Western Europe.

The death rate in underdeveloped countries is 30 per 1,000 a year against 10 per 1,000 in the more advanced ones.

Four out of five people do not have safe drinking water.

More than half the earth's population lives on a diet of less than 2,000—and many below 1,500—calories a day when 3,000 is considered adequate.

Forty-four percent of all deaths in large areas of Latin America are among children under 5, while in the United States and Canada this rate has been reduced to 9 percent.

More than 200 million persons were stricken with malaria in 1956 and some 2 million of those died.

Some 600 million are chronically infested with roundworm.

Five million a year die of tuberculosis, the "white death" which practically has been eliminated in this country.

More than 80 million persons have yaws, a tropical disease producing open sores which cover the body.

Some 15 percent of the world has trachoma, the eye affliction which leads to blindness.

And some 8 million have leprosy.

This list could go on and on, to yellow fever, smallpox, and bilharziasis, to the fact that only few areas have adequate sewage disposal, that vast areas of the world may get enough food, but of the wrong kind.

Where, the American will ask, do our own killers figure in this list? What about heart disease, cancer, diabetes, and polio which loom so largely in our headlines?

The fact is that in the worldwide picture the luxury diseases of our complicated civilization mean very little. In Latin America, Asia, and Africa comparatively few people live long enough to develop any of the degenerative diseases such as cancer, which come with longer life.

In all these lands they succumb by the millions to the ancient scourges of mankind which strike at child, man, and oldster alike.

The fact is that this country is one of a few islands of relatively high health standards in a world where only the most rudimentary beginnings of proper health care now are being made.

Consider, for instance, some figures such as these:

While the United States, Denmark, and Israel have one physician per 1,000 of population, there is one for the total population of 1 million in Laos. In Indonesia the rate is one per 50,000, in rural India one per 75,000.

While the United States and New Zealand have 100 hospital beds per 10,000 population, the figure drops to seven per 10,000 in Burma, three per 10,000 in India, and one per 10,000 in China.

While the United States has one professionally trained nurse per 300 people, Kenya and Indonesia have one per 50,000, and India and French West Africa one per 100,000.

Canada, the United States or Western Europe have no bubonic plague or trachoma. But we have our own health problems, nonetheless.

By international agreement, as expressed in the WHO constitution, "health is a state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity."

It is plain that hundreds of millions of Africans, Asians, and Latin Americans wracked by malarial fever and intestinal diseases, living in poverty and near starvation are far from well.

But what of our own United States, of Britain and France where half of all hospital beds are taken by mental patients?

What of the fact that all too often we still have no other solution to the problems of old age than to crowd our older citizens into mental institutions?

What of the mental health of the millions of children—in civilized Europe as well as in underdeveloped Asia—who have lost their parents and families in war and revolution and whom nobody wants?

What of the cardiovascular diseases and cancer which increasingly snuff out lives not only in the sixties and seventies but the thirties and forties as well?

What of the whole series of manmade killers that come with our industrial, high-speed civilization? What of accidents which account for half of all the deaths below 15 in this country? What of the mental breakdowns that come with our pace of living and working?

And what of atomic radiation, that dread mystery with its potential of untold service to mankind—and its equal potential, if carelessly handled, to exterminate the human race as we know it?

These will be some of the things in the minds of the 264 delegates and hundreds of observers from 88 countries as they gather in Vocational High School Auditorium for the World Health Assembly.

Because for the first time in man's history malaria and the black death, trachoma and yaws, smallpox, and hookworm need not be. For the first time, man is launching a united, worldwide attack on disease.

Health is not merely the absence of disease and infirmity. And also, again by WHO definition, "the achievement of any state in the promotion and protection of health is of value to all. Unequal development in different countries in the promotion of health and control of disease, especially communicable disease, is a common danger."

This realization came slowly to man. Only in 1892 did 14 European countries sign the first international convention to control the spread of cholera. In 1902 the Pan-American Sanitary Bureau was set up in Washington. And in 1907 the Office International d'Hygiene Publique was founded in Paris.

When the United Nations Charter was drawn in San Francisco, Calif., in 1945, Brazil proposed that health should be included as one of the vital factors for the stability and well-being essential for world peace.

In 1948 the World Health Organization, the first truly global Organization of this nature, was set up. Appropriately, a Brazilian, Dr. M. G. Candau, is Director General of WHO for its 10th anniversary session in Minneapolis, the first time the Organization meets on United States soil.

[From the Minneapolis Tribune of April 13, 1958]

YOU CAN THANK WHO FOR CONTROLLING ASIAN FLU

(EDITOR'S NOTE.—This is the second of three articles on the World Health Organization (WHO) which will open its 10th anniversary assembly in Minneapolis, May 26.)

(By Daniel J. Hafrey)

When last fall's Asian flu wave hit the United States, health authorities were ready with a vaccine and fully familiar with the disease.

Thanks to that, while there were some deaths and much individual suffering, the effects of the epidemic were held to a minimum.

Much of the credit for America's being armed in time goes to Epidnations, the medical intelligence warning system of WHO, the World Health Organization in Geneva, Switzerland, which collected the data and alerted health officers around the world.

This warning system is only one of myriad vital services performed by the 88-nation WHO which will open its 10th anniversary assembly in Minneapolis May 26.

For the first time in history, man through WHO and its handful of international civil servant is working on a truly universal scale for this ideal:

"The health of all peoples is fundamental to the achievement of peace and security. The enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being without distinction of race, religion, political belief, economic or social condition."

WHO is not a supergovernment. It has no power to compel. Its annual budget of $13,500,000 compares with $400 million for the health agency of just one member, the United States Public Health Service (USPHS). WHO has about 1,000 employees compared with 20,000 for the United States Public Health Service.

With John Donne, WHO recognizes that "no man is an Iland intire of itselfe," that the good health of every man everywhere is the concern of everybody. To press this worldwide attack and its causes, WHO has two basic functions:

Advisory services for member governments seeking to strengthen their people's health, and cooperative technical services available to all, such as Epidnations.

By agreement of the 1955 health assembly, man's first health target is malaria, which laid low 200 million persons in 1956 and killed 2 million of those.

To this end WHO in 1956 helped governments launch a 4-year campaign to rid the world of malaria. The program starts with a painstaking survey of every home, public building and family in an area, plus mass sprayings twice a year with a residual insecticide.

By killing the carrier mosquito and depriving the tiny organism which causes the fever—called a plasmodium—of its host the murderous cycle can be broken. After 3 years, the plasmodium gets too old and won't reproduce.

Thus, if an area can be kept malaria free for 3 years it should stay so indefinitely. But the attack has to be pushed everywhere at the same time.

Also, there is a critical need for the greatest speed. Already some strains of mosquitoes have become resistant to certain insecticides, such as DDT. The eradication campaign must be completed before more of them develop such resistance.

Already, 230 million persons around the globe have been protected against malaria. But 370 million more remain exposed.

Italy, Puerto Rico, Corsica, Cyprus, French Guiana, and other areas have been rid of malaria. When 13,000 villages in Iran were sprayed with DDT the incidence of malaria dropped from 90 to 10 percent.

Some 5 million persons around the world die of tuberculosis each year. In underdeveloped countries of Asia and Africa the death rate from tuberculosis is 338 per 100,000, while it is around 30 in the United States and six in Denmark.

With WHO advice and expert personnel, vast campaigns of vaccination with BCG are being carried out all over the world. Some 200 million persons have tested for tuberculosis. About 90 million have been vaccinated.

Syphilis and its cousin, yaws, which is spread by mere contact, are the next goal. Some 60 million persons in the Tropics are marked by the gaping sores which yaws produces.

A shot of penicillin will cure nine out of ten cases of yaws. It is also effective against syphilis. In Ecuador, for instance, a WHO-sponsored penicillin campaign has reduced yaws incidence to less than 1 percent.

Trachoma, the eye infection which produces the pitiful hordes of blind in the earth's warm areas, infests 15 percent of mankind. WHO found that mass treatments with antibiotics may control this scourge. Already, a million schoolchildren in Taiwan have been cured with aureomycin and terramycin.

Ten years ago the fate of the leper was as hopeless as in the dark days when his affliction was considered a punishment from God. For the first time today, treatment with sulphones arrests the disease and makes it noninfectious, giving the world's 8 million lepers their first hope for the semblance of a normal life.

To carry on its work most effectively, WHO has divided the world into six largely autonomous regions. They are:

The Americas, with offices in Washington, where the Pan American Sanitary Bureau has become WHO's regional office. Except for the United States and Canada, most of the region is economically underdeveloped or transitional. Malnutrition, poor sanitation, malaria, and yellow fever are the main problems. Population is 336 million.

Africa south of the Sahara Desert, with offices in Brazzaville, French Equatorial Africa. Malnutrition and most communicable diseases are widespread, but so far WHO work has been largely exploratory.

Southeast Asia, taking in Afghanistan, Burma, Ceylon, India, Indonesia, Nepal, and Thailand. Regional offices are in New Delhi, India. There's hardly a disease or health hazard to which this area is not prey.

Europe, including the Soviet Union, plus French North Africa and Turkey, with offices in Copenhagen, Denmark. Problems range from TB in Turkey to diseases of highly organized aging populations such as cancer, heart disease and mental health. Population is 610 millions.

Eastern Mediterranean, comprising the Middle East, Red Sea and Persian Gulf countries, Ethiopia, and Pakistan. Headquarters at Alexandria, Egypt. Shortage of trained personnel, malnutrition, TB, and bilharziasis are the main challenges.

Western Pacific, including China (although Red China is not a member), Japan, Korea, Indochina, Malaya, parts of Borneo, New Guinea, the Philippines, Australia, and New Zealand. Manila, the Philippines, is headquarters. Except for New Zealand and Australia, the main problems are sanitation, shortage of personnel, communicable diseases and yaws in the region's uncounted islands.

Thanks to WHO, no one nation's medical knowledge is kept secret, but every new finding beneficial to man is shared with all.

[From the Minneapolis Tribune of April 20, 1958]

WHO SEEKS COMPLETE WELL-BEING FOR ALL

(Last of series)

(By Daniel J. Hafrey)

The 88-nation World Health Organization (WHO) which will meet for its 10th anniversary assembly in Minneapolis May 26 states in its constitution:

"Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity."

To be sure, while hundreds of millions around the globe suffer the ravages of malaria, rabies, yellow fever, tuberculosis and the host of other diseases to which man is heir, curing the ill is the No. 1 goal of WHO.

Parallel with its work in helping countries attack specific diseases—such as the malaria-eradication campaign—WHO also makes expert help available so governments can strengthen their own health services.

Properly organized public health services include preventive and curative services, research and public education.

Most countries today are short of both physical facilities and trained personnel. WHO offers help in providing both.

Faraway Afghanistan, for instance, first asked for WHO help in 1949. Within 5 years economically important areas had been made safe from malaria and typhus, to the point where an acre which had sold for a few pennies increased 5,000–8,000-fold in worth.

At the same time a program of training health workers was launched. By 1950 Afghanistan asked WHO help in expanding maternal and child-care services. A public health engineer was brought in to improve sanitation. Then a public health adviser was called in. In 1952 Afghanistan sought international help in training nurses.

And, in 1954, an international team set up a demonstration training center for tuberculosis in Kabul, the capital. All along, Afghan health officers worked alongside their international advisers, so they could take over the work eventually.

Similar comprehensive health projects are under way in more than two dozen countries now.

The American who can turn on a faucet or step to a water cooler for a safe drink of water is decidedly in the minority. Up to 80 percent of the world's 2.7 billion inhabitants do not have safe drinking water.

Hookworm, gastrointestinal diseases, diarrhea, and schistosomiasis infest hundreds of millions, cutting down their productivity and weakening their resistance to other diseases. This is especially serious in areas of Asia and Africa where populations are growing rapidly.

In India, for instance, some 50 million a year fall victim to waterborne diseases. Two million of those die.

The international organization also helps train health officers for countries where their supply is so short. The Colombian at University of Minnesota's school of public health who learns how to build a water-treatment plant, or the Chinese going into raptures over a septic tank in suburban Minneapolis are just two examples.

Finally, WHO experts help tackle the underlying cause of poor sanitation: they help local governments in their public-education campaigns.

WHO helps governments set up prenatal, infant, and school health services. It helps introduce up-to-date methods of obstetrics, pediatric care, and midwifery. It helps train nurses and demonstrators.

And it helps teach mothers proper standards of cleanliness and nutrition and woos them from age-old superstitions.

Public-health students at the university from Indonesia, China, the Philippines, and Indochina agree with one voice: maternal and child care is their top public-health problem. As a reply, more than 5,000 child health centers have been set up in Southeast Asia.

Cleanliness may be next to godliness, but it doesn't feed the hundreds of millions who don't get enough to eat on our earth today. Malnutrition and starvation are near the top of WHO's list of targets.

The Institute of Nutrition of Central America and Panama is one answer. In 1946 Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama approached the Pan American Sanitary Bureau for help with their serious nutritional problem.

The institute launched dietary surveys, pinning down the specific shortcomings of local diets, and came up with inexpensive local products which can make up this deficiency.

The institute also carries on basic nutritional studies, the results of which are being used all over the world.

But even good health in Afghanistan or Indonesia in itself is important to Americans. By increasing productivity it lowers the price of things we must import. By helping more people live longer it also increases the demand for American exports.

Finally, by making for happier and more content people everywhere it also removes the threat of conflict, destruction, and violent death which today hangs over all of mankind.

DOWN THE INFLATION ROAD TO SOCIALISM

Mr. BUTLER. Mr. President, the American Letter, published by the Whaley-Eaton Service on March 22, 1958, contains a provocative analysis of the present inflationary age, under the title of "Down the Inflation Road to Socialism." The timeliness and thoroughness of these observations, in my judgment, warrant the consideration of all who seek the equation for economic recovery. I therefore ask unanimous consent that this excellent article be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DOWN THE INFLATION ROAD TO SOCIALISM

Inflation is an insidious disease. Yet the national dream of eternal prosperity and cradle-to-grave security has led us to accept it as a normal way of life. This is an informal effort to warn of the dangers facing us all.

The prosperity this country has enjoyed in recent years verges on the fantastic. Until mid-1957 it appeared there was no stopping the steady rise in America's living standards. We were saying that by 1965 we would all be living twice as well. And by 1975, life would be one long round of relaxed well-being in a transformed, efficient world.

This pretty dream assumed there was only one way for us to go—up. Unfortunately, it overlooked the simple fact that it is possible to move too fast. We had piled boom on top of boom, and by mid-1957 had stretched our industrial production capacity far beyond our immediate needs. Our system of easy consumer credit has led us to mortgage our personal incomes too far into the future. In other words, the economy needed a breathing spell.

We as a people move easily to extremes. We were undoubtedly far too optimistic last year. And we may be in danger now of going too far in the other direction. Fear of a deep depression may lead us again to listen to the quack doctors, and to try their fake remedies. We are already far down the road to socialism. A few more surrenders to politicians and businessmen seeking an easy way out of our present troubles may take us all the way.

America needs to pause and take a look at itself. The hectic pace of the past few years seemed very wholesome and natural at the time. As seen in perspective, there were worms in that apple. Americans were not only spending every cent of their income but were borrowing heavily as well. The Federal Government meanwhile assumed such enormous new financial responsibilities that it barely made both ends meet even during the best of years and even with the highest tax rates in peacetime history.

We have accepted this theory of enormous Government spending as not only an essential element of modern life but as the very lifeblood of our prosperity. Business, the farmer, the individual have all sought to lean on the special crutch of Federal aid. Even defense spending, which absorbs some 60 percent of all Federal outlays, is treated as a prop to prosperity rather than, as it really is, a necessary but horrible burden on the economy.

And so, if America is at an economic crossroads, we are all of us to blame. The restoration of sound prosperity calls for a facing up to the facts. More inflation will only put us on an endless merry-go-round which will some day burst under internal stresses. This is our clear danger.

LARGER AND LARGER DOSES OF INFLATION

Most of America's present economic headaches trace back one way or another to the great depression of the 1930's. First we tried various temporary measures to cure it; then we became panicky. As a result, the Government was asked to take over and manage the economy. Virtually every one of the great-welfare programs now in effect dates from that period.

All these programs involve heavy direct Government spending. For some of them, as old-age pensions, payroll taxes were imposed. But the great majority are financed directly out of the Treasury. From a small beginning, they have grown until Government now regularly takes more than a quarter of all we earn. The old-age pension and assistance programs alone currently contribute to the support of some 12 million of our people.

In addition to launching inflationary-spending programs, we decided in 1933 to tinker with the monetary system. The gold standard put an automatic brake on Government spending so we abandoned it domestically. American citizens could no longer exchange their currency for gold. Thus, the Government gained control of the Nation's monetary system and hence of the supply of money within the economy.

This combination of a managed currency and heavy spending sent us off to the races—with inflation always the lead horse. When World War II came, we multiplied our debt by three. The effect was to increase the money supply enormously. And since the war we have been unable to keep Government costs under control. From $3 billion in the 1930's, we have raised the Federal budget to the $75-billion level. Even now, every recession remedy that has been suggested calls for more Government spending, and this without increasing taxes—in fact, even while reducing them. Obviously, every new budgetary deficit means further inflation.

Looking back on the past 25 years we now find that the dollar has lost 55 percent of its value because of inflation. We get only 45 cents in real terms for our money. Since 1946 alone it has dropped 32 percent in value. We have talked about a sound dollar but we have not maintained one. Even with tax rates that are confiscatory, we cannot get enough money for the Government to spend except by borrowing it.

Orthodox economists would say that high taxes are deflationary, but permanently high taxes have the opposite effect. They are a cost to all of us. And as costs have to rise to meet taxes, so do all prices. As long as industry can raise prices and labor can force its wages up as an offset, the cycle goes on. We now have reached the status of having created a monster which we can no longer

control. For the first time in history, we have a recession without generally declining prices.

COMPOUNDING THE ERRORS

One of the gravest miscalculations in United States economic history, and business must bear the onus, was in giving organized labor monopoly powers. Business had been too greedy up to 1929, so it was penalized in the 1930's by having unions shoved down its throat. These unions were needed to assure workers a fair share of the wealth produced, but they now trade on the Nation's complete inability to curb them. Rigidity is the result at a time when flexibility in costs—and prices—is urgently necessary.

Enjoying absolute immunity from antitrust regulation, industrywide unions have demanded wage increases in excess of productivity increases. Basic industries have caved in to these demands and passed the costs along to consumers in the form of higher prices. The consequences of this self-defeating wage-price spiral became clear when the boom lost its bloom.

Even amid recession and unemployment labor is demanding new wage hikes. It is, in fact, arguing for these more strenuously than ever as needed to increase consumer buying power. This cuts business profits and consumes the Nation's seed-corn—investment capital. Shortsightedness of labor and management alike puts an ever-tightening rope around the economy's neck.

HOW WE GOT WHERE WE ARE

The great postwar boom which has now burst needs to be understood if one is to understand the present recession. This boom had its inception at the war's end and then endured 12 years because:

1. The war created an enormous pool of new money, of savings and of potential credit, all of which was released as the war ended.

2. We had been doing without because of the prewar depression and wartime controls—and people were wildly eager to buy.

3. From 1925 through 1945, for example, we had been underbuilding and there was a tremendous accumulated demand for new housing. Also, auto manufacture had been totally shut down since 1941.

4. Improving business, discharges of servicemen, rising incomes, and the buying desire all combined to create vast new markets.

5. Availability of savings touched off the spree, but easy credit carried it on and on.

6. The boom fed on itself, creating new jobs in manufacturing and service industries, accelerating the movement away from farms to city jobs and greater cash incomes. Family incomes rose sharply.

7. Transportation underwent a revolution as railroads replaced steam engines with diesels, trucks took over a greater share of total traffic, airlines came into their own, and the auto population jumped from 40 million to 65 million.

8. Finally, industry had to modernize and expand its facilities for greater efficiency and greater output. Capital outlays rose year by year, with an extraordinary jump from 1955 through 1957.

9. Along with this was a tremendous surge of births, a fast rising total population, and new demands for schools, hospitals, roads, public works, commercial buildings, and stores.

10. With prosperity apparently permanent, everybody joined in the same spending spree, including local governments.

Luck ran out on us in mid-1957. We had expanded industrial capacity beyond immediate needs, had mortgaged our incomes to the hilt. Public and private debt had jumped from under $300 billion in 1942 to over $800 billion. We had satisfied all our most urgent consumer wants.

And so the inevitable happened. Housing had already passed its peak. The auto companies brought out oversized, overpriced models which people no longer wanted. Individuals everywhere were having a hard time to meet current debt payments, had to forego new purchases. Industry itself discovered it had far too much capacity. And so we have passed quickly from excessive tight money into a period of credit ease.

Companies curtailed operations and cut back their expansion programs as sales fell off. A recession which began slowly then started to snowball. Rising unemployment cut further into demand. As nervousness began to spread inventories were reduced all along the line.

Yet a major readjustment was obviously necessary to bring the economy into balance. Whaley-Eaton and others had been warning of it for months before it appeared. But bad news, even when it is expected, is still bad news. And the headlining of all this tends to make the picture seem darker than it really is.

THE DANGER IN PATENT MEDICINES

It is not easy to maintain a collective calm in such periods of stress. Consequently, we are—after 8 months of recession—verging on the panicky. Another great march on Washington is underway, and the slogan of all is "More Government Help." In short, we are not willing to take even a small dose of the bitter after so many years of the sweet. We may only succeed in destroying the very foundations of our free economy thereby.

Socialism may be a nasty word; we use it in the sense of a planned economy. It starts with the simple promise of equal treatment for all, to erase poverty, discrimination and suffering. The promise sounds good, and the people accept it. But modern society is a complex affair, and the efficient functioning of the present-day economy requires millions upon millions of daily decisions. Under a planned economy these must be made by a vast bureaucracy rather than by a free and open market.

The socialistic path is a deceptive one. History is full of examples of people who enslaved themselves by following it. This country is now on the road to socialism, and has been traveling it steadily since 1933. Parties may promise differently in their campaigns, but Republicans and Democrats are very much alike once they are in office.

Government programs to end the recession and restore prosperity take only two forms: (1) More authority for the Government to regulate business—to tell people what they can and cannot do, and (2) more spending directly by the Government. It is hard to say which of these is the more dangerous. But taken together they certainly must weaken the free competitive system, inflate the money supply, eventually force higher taxes, and assure a new wage-price spiral.

If we could put up with another 12 months or so of gradual readjustment we would lay the foundation for a long, healthy period of prosperity. But that means caring for 6 million or so unemployed meanwhile, and it means an even further contraction of business before the upward turn comes. If we insist on artificial Government stimulants we will only encourage an even wilder wage-cost spree. The ultimate fate of that can be easily forecast. We will push prices up faster and faster, will ultimately so cheapen the dollar it must be formally devalued, and we will only succeed in bringing on ourselves an economic bust more terrible than that of the 1930's.

This is the time for caution, even for sacrifice, not for reckless adventures with new inflationary remedies.

THE PRESERVATION OF FREE ENTERPRISE

Mr. BUTLER. Mr. President, on April 7 it was my pleasure to address the Lancaster Chamber of Commerce, at Lancaster, Pa. My remarks were directed to the problem of preserving free enterprise. In my opinion, it is the most important task with which we are confronted.

A period of recession always increases the pressures for more Government intervention and spending. The preservation of our economic system would be justified merely because it has given our people the world's highest standard of living. It is far more important to me that it is the only economic system which is compatible with our political system, based on the dignity and worth of every individual citizen.

The issues I discussed at Lancaster must be reviewed by this Congress, and I ask unanimous consent that the address delivered by me to the Lancaster Chamber of Commerce may be printed in the body of the RECORD at this point.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE PRESERVATION OF FREE ENTERPRISE

(Address by Senator BUTLER, Lancaster Chamber of Commerce, Lancaster, Pa., April 7, 1958)

It is indeed a pleasure to discuss here in Lancaster the problems which confront us in preserving free enterprise.

A free economy is inseparably linked with a free political society. Many advocates of free enterprise, I am fearful, are more concerned with freedom for themselves than with the preservation of a free economic and political system guaranteeing the dignity of every individual. If free enterprise is to be preserved, the businessmen of America must show a better understanding of our political and social institutions.

It gives me great satisfaction to compliment one of your most distinguished citizens, Mr. H. W. Prentis, Jr. Many years ago during the height of the depression when others were looking for economic panaceas, he urged the businessmen of America to broaden their horizon. He suggested that they read the Federalist Papers, Montesquies' Spirit of Laws, the works of Locke, and others. The concepts of individual freedom embodied in our Constitution and in the economic system under which we have prospered for so many years are derived from the thoughts of these great philosophers.

Mr. Prentis realized that businessmen could not effectively champion the cause of free enterprise without an awareness of the close connection between a free economy and a free political society. I reiterate today the advice he so ably presented to the businessmen of America almost 20 years ago. It is up to you to become advocates of freedom not only for yourselves but for all of our citizens. Furthermore, you must help to educate those living in nations in the process of economic development on the virtues of private enterprise. If they wish to retain free political societies, they must develop as capitalist economies.

Today we are confronted with a business recession. Whenever business activity declines, proponents of Government planning and intervention have an opportunity to advance socialistic schemes which make it more difficult for us to preserve our private enterprise heritage. In recent weeks the Congress has been deluged with proposals for more Government spending which in turn

means more Government debt. Unless we halt this trend soon, it may be too late.

What are the problems which confront us? They are easily defined.

First, a free enterprise economy requires incentives. The present tax structure was designed not primarily to produce revenue but to create the illusion that only the wealthy assume the major burden of taxation. The true fact that more than 50 percent of all personal Federal income taxes come from persons earning from $600 to $10,000 a year should startle those who advocate more and more governmental intervention and control over our competitive enterprise system.

As you know, the present corporate income tax takes 52 percent of every profit dollar. When the remaining profits after taxes are distributed as dividends, they are taxed again as personal income. The individual income-tax rates rise to the fantastic figure of 91 percent. Such a rate structure does not produce the maximum revenue. It merely deters the expansion of our economy. It defers the creation of more jobs in private enterprise.

Those individuals whose income falls in the high-tax brackets have long since lost any interest in investing their resources in risk enterprises. They can, instead, finance governmental activities through the purchase of tax-exempt bonds. It is ironic that the Congress could have created a tax structure which penalizes the investment of funds in the creation of jobs in the private sector of our economy while providing special rewards to those who are willing and able to finance the Government sector.

The staff of the Joint Committee on Internal Revenue Taxation in a study released February 25, 1958, shows that the yield from the top tax bracket is only 4.06 percent of the total revenue derived from personal income taxes.

Last year new tax-exempt securities totaling $6.5 billion were issued. Authoritative sources estimate that by 1962 outstanding tax-exempt securities will total $75 billion. It is obvious that under such conditions our present income-tax-rate structure makes no sense. It cannot yield the maximum revenue necessary to operate the Federal Government without a deficit. It is essential that this structure be reformed with only one end in view—to provide the maximum yield in each tax bracket with the least deterrent on either consumer spending or investment in productive facilities. This is a task which the Congress must undertake. It will only be done if the American people rise up with one voice and demand it.

The preservation of our institutions demands a tax system that rewards success and initiative. Our present system punishes success in private undertakings. This punitive taxation is the major contributing cause to our current recession.

Another problem which besets our economy is the continued cost-price push stimulated by the competition of labor leaders to seek political power through the achievement of continued wage increases without regard to increases in productivity and without regard to their inflationary impact on the economy.

Labor unions have an important function in our society. We could not operate American industry without them. Workers must have the opportunity to bargain collectively with corporate employers. The handling of grievances requires a formalized mechanism which the labor unions are well equipped to perform. However, we are now confronted with a labor union monopoly. Unions with the power to close down entire industries have secured excessive wage increases through this monopolistic power.

The productivity of the American economy has increased through good management, great scientific developments, and the continued investment of additional capital to provide workers with better tools and facilities. In earlier years productivity gains were largely reflected in lower prices and increased values through product improvement to consumers. This benefited all segments of our economy.

The great strength of our antitrust laws lies in the fact that under a system of competition the gains of technology and invention are widely shared. They stimulate the entire economy.

In recent years under collective bargaining agreements in most of our major industries all productivity increases have been preempted for employees, leaving none of the increase for consumers or stockholders. Under these agreements it has been impossible to avoid raising prices, thus restricting the demand for industry's product. This phenomenon largely explains the recession we are now experiencing.

President Eisenhower, in his Economic Report to the Congress on January 20 of this year, said:

"Private nonagricultural output rose only slightly from 1956 to 1957. * * * The indicated gain in productivity accordingly was still small, though much larger than the gain from 1955 to 1956. In both instances the increase was smaller than the long-term average annual increase of about 2 percent recorded for the past few decades and the still higher average increase recorded for the whole period following World War II. The small extent of these gains, in comparison with increases in wage rates, maintained the upward pressure on unit costs and, therefore, on prices."

We cannot preserve private enterprise if all of the gains from our advancing technology are preempted by any one group with monopolistic power.

Recently the Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee completed a study of administered prices in the steel industry. The minority views of my distinguished colleague, Senator DIRKSEN, of Illinois, are of great significance. Let me quote from them:

"Since 1950, the national income has increased by $118.5 billion—from $240 billion in 1950 to $358.5 billion in 1957. The compensation of employees increased by 65 percent or $100 billion from $154.3 billion in 1950 to $254.3 billion in 1957. It now constitutes approximately 71 percent of the national income—a record high. On the other hand corporate profits after taxes in 1950 totaled $22 billion and in 1957 they were estimated at $21 billion. Their share of the national income declined from 9 percent to approximately 6 percent. Hence, this important source for the growth of our productive facilities has declined by over one-third during these years of great prosperity in relation to the other elements of national income.

"I believe that there can be no question which is the dominant force in inflation. It cannot be the net profits after taxes which declined by over $1 billion rather than the increase in wages and salaries of $100 billion.

"Since I believe that competition should determine the level of profits, I make no pretense at stating the percentage of the national income which should be devoted to capital formation. The fact that corporate profits have declined from 9 percent of the national income in 1950 to less than 6 percent in 1957 makes it impossible for me to accept the premise that such profits are exorbitant. The mere fact that the total profits after taxes of all American corporations in 1957 are less than they were in 1950 is a cause for great concern.

"The national income statistics attest to the fact that the fruits of our economy's increased productivity have gone largely toward increasing the compensation of employees rather than as rewards to those who contributed the capital to furnish employees with productive facilities. It also suggests that productivity will have to increase greatly and more of the fruits will have to go to the investor if the sources of funds for the maintenance and expansion of these facilities are not to disappear entirely."

For many months I have been giving serious study to proposing amendments to the antitrust laws to eliminate the monopolistic power of labor unions without in any way impairing their proper and essential functions. I am continuing to study this problem. I confess that the development of a satisfactory bill poses many difficult legal hurdles, but I can assure you that I regard the perfection of such legislation as one of my most important tasks.

Those who would destroy free enterprise have long sought to create an artificial division between big and small business. I believe that proper tax and labor legislation will make it possible for small business to grow and prosper. The dismemberment of our large business units which play such an important part in our national security could only lead to disaster.

Three months ago the Senate Subcommittee on Antitrust and Monopoly held extensive hearings on the automobile industry. Mr. George Romney, president of the American Motors Corp., testified to the difficulties he has experienced in dealing with Mr. Walter Reuther and the United Automobile Workers, who are in a position to exert monopolistic powers over the entire automobile industry.

Mr. Romney told the subcommittee that if we continue to increase labor costs America will ultimately lose its export markets. He said:

"This rise in the general industrial price level and cost of living is producing some alarming results. The decline in car exports and the rise in car imports is evidence of what is happening in the automobile industry. Autoworkers need to know that a continuation of the pattern chain-reaction bargaining will price American-car manufacturers further out of the domestic and foreign car markets. Recent studies of car manufacturing costs at home and abroad show that automobile production costs are now lower in several foreign countries. This becomes more apparent if you deduct from the price of foreign cars selling in this country the ocean freight and tariff that must be paid. These barriers total almost $2,000 on a low-price imported car. America once sold its farm products around the world. Importantly, through farm subsidies and higher agricultural prices, we lost our world markets."

Under our competitive system the consumer must be the final arbiter of the success or failure of any enterprise. Mr. Romney believes that his larger competitors are not providing the public with the type of transportation demanded under today's conditions. His firm had the courage to embark on a program of producing a smaller and entirely different type of car. During a period when the sales of his competitors declined, Mr. Romney's firm has prospered. He told the subcommittee that:

"We are confident of our success. We are in league with the future huge market for our type of car. We have not or will not ask for any special or preferential help from Washington."

I applaud Mr. Romney for these statements. If American Motors has correctly judged the desires of America's consumers his company will prosper and grow.

Whether Mr. Romney's evaluation of what the consumer wants is right I cannot determine. That decision will be made by millions of Americans expressing their choice through free markets.

In view of the fact that Mr. Romney said so many things with which I am in accord,

I was disappointed that he should propose new legislation which would require the imposition of artificial limits on the size of corporate enterprises. Mr. Romney should have sufficient faith in his own judgment and let the public determine which firms shall grow big and which should lose their present position.

He proposed that any corporation with more than 35 percent of the sales in any product would be required to divest itself of a portion of its capacity. But if a company is engaged in more than one basic industry, it would only be allowed to achieve 25 percent of the sales in any one industry.

Let us examine this suggestion. Of necessity it would deter competitive efforts when any firm approached the 35-percent mark, so the consumers would immediately suffer. Furthermore, research may show the possibility of developing a new product which a company could ultimately produce profitably and which could benefit all of us. Yet it would hesitate to proceed knowing that this decision could result in a forced divestment of approximately one-fourth of its existing capacity in the industry in which it was already operating. Frankly, I can think of no proposal which would more completely hog-tie the American economy and lead to its ultimate socialization.

Mr. Romney in making this suggestion was aware of some of the objections when he said:

"Probably the chief objection that will be raised is the problem of dividing the large technical and research centers. This may not be necessary. Many of our finest technical and research institutions now serve many companies."

He was, of course, referring to existing technical and research centers, but America needs many more. They would never be organized if the antitrust laws were written in the manner Mr. Romney proposes.

In the space age in which we live our large corporations must have sufficient resources to pioneer new frontiers. I agree with President Eisenhower who on May 16, 1956, at the dedication of the General Motors Technical Center said:

"This particular center is a place for leadership in furthering new attacks on the technological frontier. Beyond that frontier lie better and fuller employment, opportunities, for people to demonstrate yet again the value of a system based on the dignity of the human being, and on their free opportunities in life. Beyond it lie people, better capable of working with others and so that they may share what they learn with our friends in the world.

"So in this technological center, we have this development of new machines responding in their efficiency to the constantly inquiring mind of the technicians, that they in turn will produce yet broader freedoms and richer dignity for human beings, more rewarding lives, for all America and we hope through all the world."

In closing, the important point we should keep in mind is that the antitrust laws are not designed to preserve competitors but to protect a system of hard competition.

When Mr. Romney appeared before this same Senate subcommittee in 1955, he was asked specifically whether he believed that his larger competitors were a threat to competition. He said something quite different at that time, and I quote:

"Certainly competition has been the prevailing practice in the automobile industry, and I have no feeling that there is any intent on the part of any automobile company to monopolize the automobile industry.

"I do not think that intent exists as far as the passenger car companies are concerned. Now, I do not say there may not be companies in some other areas of the economy that have positions that are not sufficiently competitive to bring the full fruits of competition into play. I do not say that.

"So far as the vehicle companies are concerned, I think that all of them are actuated by the principle of competition and not monopoly."

He was asked whether he was apprehensive that with only a few firms in the industry they might act collusively. His response to this question was:

"Considering the competitive intensity between the Big Three, I have a hard time visualizing the three of them getting together."

My sole reason in discussing Mr. Romney's testimony at this length lies in the fact that it typifies the problems we face, particularly during a period of recession in preserving a free political and economic system in which the proper role of small and large enterprises is determined by the market rather than by Government edict.

Some believe that great size provides a position of impregnability. Dr. A. D. H. Kaplan, in a study published by the Brookings Institution entitled "Big Enterprise in a Competitive System," showed how difficult it is for any firm to retain its leadership over a long period of years. He examined the list of the 100 largest corporations in 1909 and in 1948. Of the 100 on the 1909 list only 36 are among the largest in 1948. Competition was effective in letting the consumers have what they wanted.

If we are to preserve the only economic system which experience shows is compatible with free political institutions, we must cease continued divisions based on the envy of the success of others. We must make certain that our system of laws provides an environment in which every individual has the maximum opportunity to develop his God-given talents. Then we should place no impediments or restrictions on the success he achieves.

If we are willing to accept the self-discipline of a competitive private enterprise economy, I am confident that our country will provide an example to all those in other nations who are seeking a formula to achieve material progress with human freedom. Under this course we will be able, also, to maintain a military posture that will make us impregnable.

I hope that industrial leaders with the understanding of a free society demonstrated by Mr. Prentis will rise to the challenge which confronts us.

PROFITS IN THE AMERICAN ECONOMY

Mr. BUTLER. Mr. President, for many months I have been concerned lest, as a result of the collective bargaining negotiations now taking place between the United Automobile Workers and the major automobile producers, the entire economy will once again be exposed to new inflationary pressures. The cost price push which may be engendered by these negotiations may well retard recovery from the present recession and cause a further increase in Government debt.

Two editorials which appeared in the American Metal Market on February 25 and 26 are worthy of consideration by all readers of the CONGRESSIONAL RECORD. I, therefore, ask unanimous consent that they be printed in the body of the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the American Metal Market of February 25, 1958]

PROFITS

It is evident that in the forthcoming negotiations between the automobile companies and the UAW, Mr. Reuther is preparing to base the biggest demands ever made on the industry in the history of the union on what he alleges to be the excessive profits of the three big companies. Whether or not Mr. Reuther's bark will prove less serious than his bite, and be tempered by the current slackening of the economic pace, remains to be seen; but it ought at once to be apparent that no greater mistake could be made by the industry—or by those outside it who wish to see some stability restored to the whole economic structure—than to underestimate the appeal of so skillful a propagandist as Mr. Reuther has proved himself to be. The fact that he can be—and is—utterly wrong, has nothing to do with the case. It is exactly the worst time to assume that, because logic is against him, it will be safe for industry to indulge itself the role of the hare, theoretically contending with Mr. Reuther's tortoise.

Mr. Reuther and his associates, through skillful and repetitious propaganda, and with the aid of inadequate justification of its position by industry, has already succeeded in attaching a sort of stigma to the word "profits" in the minds of many unthinking people. That this should be so in a country such as ours is not only rather amazing, but more than ample proof of the undisputable fact that the expenditure of unparalleled sums and compulsory school attendance do not necessarily add up to mass education—or to the ability of individuals to think for themselves.

For if any one thing should be established in the minds of our people by this time it is that, regardless of the economic system under which a country operates—be it relatively unadulterated capitalism or badly diluted communism—the functioning of the profit motive is what makes for the success or failure of a country's economic system. Even Mr. Reuther's own position testifies to this. He has risen to his present position of great power because his leadership has paid munificent dividends to his followers; to maintain his position of power he must continue to sell them the idea that he can do better for them than the ambitious rival leaders who aspire to his office. Thus he is somewhat a prisoner of his own success, obliged to continue providing profits for his adherents—even regardless of the effects on the employers—lest he be deposed by others prepared to make even more generous promises, at others' expense.

But when neither Mr. Reuther nor any of his contemporary leaders in the labor movement can dissociate themselves from profits, what basis is there for suggesting—or for yielding to the suggestion—that profits and industry should not go together? What is there, one may ask, that is so discreditable about making a profit that it should be put on the defensive to justify it—and in a presumably capitalistic country, too? How is it that we have wandered so far "off the beam" that companies which have been the very backbone of the industrial system which has achieved our unprecedented standard of living—for everyone—can be held up to popular scorn for having been successful, for having provided employment for unprecedented numbers of workers, and at rates of compensation unheard of in any other country? Why, one may ask, are people in business, anyway? Since when has it become something for which to apologize for people to be in business in order to make profits?

And what, in the last analysis, are corporations—even the largest of them—but people in the aggregate who have gone into business in the hope and expectation of making a profit? In short, is it not time to clear the air by frankly asking ourselves, why do people go into business? Is it not time that the country frankly recognized the existence of a school which appears to think that the primary purpose of all business is to increase income only for the purpose of meeting the incessant demands of the type of labor leadership which appears to believe that industry exists primarily to provide only never-ending benefits for those it employs?

Popular recognition of the great value, even the indispensability, of profits is due for a renaissance lest, as a consequence of the campaign of disparagement, we imitate the dog in the fable, who relinquished the real bone he held in his mouth in a vain and greedy effort to seize its magnified image reflected from the pool below. Organizations of the highest character exist for those whose philosophy leads them to renounce worldly compensation, but through the ages no secular effort of such a character has long survived. Even today the most tragic example in all history professing such ends stands exposed for all to see in Communist Russia and Communist China, where not only profits are nonexistent but also all those liberties and privileges which man has acquired through the evolution of what we call capitalist societies. Profits are the keystone on which our social order and economic prosperity have been built. Whether current profits are excessive is a separate subject. It will be discussed in a later issue.

[From the American Metal Market of February 26, 1958]

PROFITS II

In justification of recurring periodic demands for higher wages and increased fringe benefits, union leaders constantly cite what they allege to be the excessive profits of our leading corporations, which are, quite naturally, the largest group employers of labor. If such were really the case, it would still hardly be the prerogative of labor to dictate how the excessive profits should be disbursed. The widest and most generally beneficial distribution of any excessive profits would not, in any event, be realized through creating more purchasing power (and increased costs) through higher wages, but through reductions in prices. That would benefit all by simultaneously retarding inflationary pressure and increasing the purchasing power of the dollar. But, disregarding this irrelevancy, it would be shortsighted to underrate the effect on the average man which demagogic use of factual information can have.

With the growth of the country and full employment, the market for sales has inevitably expanded. With the shrinking value of the dollar, it takes a constantly larger number of dollars to transact the same physical volume of business. With both factors present and growing, it is not surprising that the business of our largest corporations is computed in the billions. But it is difficult for many among the rank and file to convince themselves that the 10 or 20 additional cents an hour which they might receive could possibly have any impact on such vast sums—especially if they are encouraged and "educated" to believe that they do not. It is essential to the public welfare that these misunderstandings and misrepresentations be dissipated.

The net income reported by General Motors—$843.5 millions in 1957, $847.3 millions in 1956, and $1,189.4 millions in 1955—is a vast sum. So too, are the common stock dividends of $555.4, $552.8 and $592.2 millions paid over the same period, respectively. They appear in a different light, however, when it is stated that they represent only 7.7 percent on sales in 1957, 7.8 percent in 1956 and not more than 9.6 percent in the record year 1955. Few people are so prejudiced that they will not acknowledge the right of owners to a fair return on their risk capital. Why is it, then, that so many have such difficulty in reconciling this attitude with the transparent skepticism they show over the fairness of the vast sums collected by such corporations in transacting business? There is an obvious gap in the popular mind between the small percentage realized and the enormous amounts initially collected. It needs to be bridged.

Of course, the average person fully expects that the sales and total income of a concern like General Motors will be vastly greater than those of a run-of-the-mill industrial concern. But he is somewhat staggered by their enormity and finds it rather difficult to correlate the small percentage returns with total annual income of $11 billion, $10.9 billion, and $12.4 billion in these last 3 years. A major factor making for these enormous totals is, of course, taxes. To realize its record net income of $1,189 million in 1955, General Motors had to collect and pay another $1,353 million for income taxes. Last year, as against $843 million in net income, the total tax bill was nearly $1.1 billion, or $1.28 for each dollar of net income. This ratio compels a company to strive for a rate of income, before taxes, of $2.28 for every $1 of net it hopes to realize.

Of equal, though perhaps less obvious, importance is the shrinking value of the dollar. A certain type of labor leadership has sought to sell its followers, and the country, the idea that constantly rising rates of pay do not add to costs. This is so clearly a misrepresentation of the facts that the idea has never been fully sold, even among the rank and file of labor—who know better. Aside from this, however, is the Government-attested fact that in 1957, the wholesale purchasing power of the 1947–49 dollar was about 84 cents. This shrinkage in the dollar added some $1.8 billion to the amount which had to be realized from sales (about $11 billion) in order to achieve the results reported for 1957.

There is, of course, finally the enormity of the company's operations. At the close of 1957, the company's aggregate assets exceeded $6.8 billions. This compared with $6.3 billions only 2 years previously, during which period the value of the company's plant and equipment increased from $2.35 billions to $3.11 billions. Such growth with its potential for greater efficiency, better product, and ultimate increase in output, could not have taken place in the absence of profits. What happens to business and employment when profits are not realized may be seen in the closed and idle plants of other similar companies in the Detroit area. And, where the profit motive does not enter into calculations, the net result may be found, notably behind the Iron Curtain, where all individual freedoms are also sacrificed and work is performed as the government dictates.

Irrespective of the other factors which enter into consideration, such as rising labor costs and the constant shrinkage in the value of the dollar in purchasing supplies and materials that are needed in businesses, it is grossly misrepresenting the facts to talk about excessive profits when it is known that over 50 percent of such corporate profits go to pay corporation income taxes alone, while the army of individual owners then in turn pay stiff taxes on such portions of what remains as are paid as income to the owners.

It is well to recall that, at this very time, the United States Treasury is counting on collecting $20.4 billions in corporation income taxes alone in the next fiscal year. These will not be collected unless profits, before such taxes, approximate $40 billions. There are many other factors which compel large gross income if American business is to continue solvent. It is nonsense to talk about excessive profits when the tax collector stands waiting to scoop up over half the net income, before income taxes, in order to support the Central Government alone. And it is time this were made clear.

EMPLOYMENT AND ADMINISTERED PRICES

Mr. BUTLER. Mr. President, a careful analysis of the majority's views in the report on administered prices by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary gives the impression that the decline in employment in steel and other so-called administered-price industries is due to their pricing policies.

The majority states:

> This pattern of rising prices and decreasing production and employment on an extensive scale is something new in this country. It is in conflict with all competitive norms and defies explanation on theoretical grounds. It carries with it the ominous threat of steadily mounting prices accompanied by idle plants and rising unemployment.

If there is any validity to the argument presented by the majority, industries whose prices fell during 1957 should have been characterized by rising employment levels. While steel prices were rising, the prices of copper, lead, and zinc declined. However, serious unemployment is just as prevalent in these industries.

This important subject is discussed in the March 31 newsletter of the Mining and Metallurgical Society of America, which is one of our foremost technical societies.

I ask unanimous consent that the comments with reference to the subcommittee's report on administered prices, which appeared in this newsletter, may be printed in the RECORD, at this point:

There being no objection, the excerpt from the newsletter was ordered to be printed in the RECORD, as follows:

THE SENATE'S SUBCOMMITTEE REPORT ON STEEL PRICING

The report of the Senate Subcommittee on Steel Pricing Policy makes it pretty clear that the subcommittee doesn't hold administered prices in high esteem although not necessarily illegal. An administered price is defined in the report as having two characteristics: It is set by administration action and it is maintained for a period of time.

Then the subcommittee turns its heavy guns on industries that confess to the sin of administered prices. It declares that industries where administered prices are maintained, "prices have been raised in the face of declining demand and substantial excess capacity. This pattern of rising prices and decreasing production and employment is something new in this country. It is in conflict with all competitive norms and carries with it the ominous threat of steadily mounting prices accompanied by idle plants and rising unemployment."

Well, the copper, lead, and zinc industries can hardly be classed as maintaining administered prices. Under highly competitive conditions in world markets, prices have sunk to levels that afford a minimum of profit for even the best situated and best operated mines. In short, copper, lead, and zinc mines, perforce, have carried on precisely as the subcommittee would have liked to have seen the steel industry do. And the result has

been accompanied by idle plants and rising unemployment, just as quoted above by the subcommittee in attacking administered prices in the steel industry. So it doesn't follow that price cutting in contrast to administered prices can prevent layoffs, unemployment, and idle plants when readjustment is required in the business cycle—not to mention lack of profits, of course. But profits and their necessity for the success of a free economy is conveniently overlooked by the subcommittee in its report on the price policy of the steel industry.

PROBLEMS OF THE LEAD AND ZINC INDUSTRIES

Mr. ANDERSON. Mr. President, on September 27, 1957, the emergency lead-zinc committee, representing the domestic lead and zinc mining interests, made application to the United States Tariff Commission for an investigation under section 7 of the Trade Agreements Extension Act of 1951, as amended, to determine whether unmanufactured lead and zinc, were being imported into the United States in such increased quantities as to cause or threaten serious injury to the domestic lead and zinc industries.

Investigation was instituted by the Commission on October 4, 1957, and now, after 6½ months, the Tariff Commission has completed its investigation and study of the problem and made its report and recommendations to the President. It is regrettable, however, that the Commission is split in its recommendations. I am glad they finally recognized the plight of these industries and were unanimous in their decision that the domestic lead and zinc industries are being injured by the increased quantities of lead and zinc being imported, and that steps should be taken to remedy the situation.

This problem is not new. As far back as September, 1953, the lead and zinc industry petitioned the Tariff Commission for escape clause action under section 7 of the Trade Agreements Extension Act, and on May 21, 1954, the Commission was unanimous in finding injury and recommended the maximum increase in duties. I, along with a number of other Senators from the lead and zinc producing States, petitioned the President to take immediate action to implement the recommendations of the Commission. I regret, however, that the President did not see fit to follow the recommendations of the Commission but chose instead to initiate defense stockpile purchases and barter acquisitions. This gave some temporary relief, but we could not go on stockpiling lead and zinc forever. Nearly a year ago the Office of Defense Mobilization announced defense stockpile requirements were nearly met, and again the industry was in trouble.

During the past 6½ months we have again gone through the process provided by law to determine the extent of injury to these industries by imports. Injury has been found by the Tariff Commission and reported to the President. Once more, Senators from the lead and zinc producing States have joined in a letter to the President urging immediate action for the relief of the industries.

Lead and zinc, like steel, petroleum, and building materials, are basic commodities, an ample supply of which is necessary to the growth and economy of our country in time of peace and they become critical materials in time of war. They are metals which we must make certain we will have, in sufficient quantity, at all times, and this cannot be guaranteed by choking the industries to death by imports.

The total consumption of lead in the United States has grown from 630,000 short tons in 1939 to 1,145,000 short tons in 1957. Foreign imports have increased more than 10 times the annual tonnage being imported in 1939 while domestic production has not quite doubled during that time. The same is true of zinc, except that zinc is a little worse off. Imports of zinc have increased 20 times the amount being imported in 1939 while domestic production has not quite doubled, thus giving us about three-fourths of our zinc supply from foreign countries.

No doubt the lead-zinc industry has been injured in other States as badly as in my State of New Mexico, but I believe the picture in New Mexico is typical of that in other States.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table showing the lead and zinc production in New Mexico for the past 10 years and the value of the ore produced.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

New Mexico lead and zinc mine production

Year	Lead (short tons)	Value	Zinc (short tons)	Value
1947	6,383	[1] $1,838,304	44,103	$10,672,926
1948	7,653	2,739,774	41,502	11,039,532
1949	4,652	1,470,032	29,346	7,277,808
1950	4,150	1,120,500	29,263	8,310,692
1951	5,846	2,022,716	45,419	16,532,516
1952	7,021	2,260,762	50,975	16,923,700
1953	2,943	771,066	13,373	3,075,790
1954	887	242,938	6	1,296
1955	3,296	982,208	15,277	3,758,042
1956	6,042	1,897,188	35,010	9,592,740
1957	5,350	1,527,840	30,900	7,107,000

[1] The above figures do not represent the amount of income to New Mexico. They are the final values of the lead and zinc after smelting. The Bureau of Mines states that roughly 50 percent of the zinc values are income to New Mexico and an average of about 75 percent of the lead value is income to New Mexico.

NOTE.—Lead production dropped from 616 tons in January 1957 to 230 tons in December 1957. Zinc production dropped from 3,272 tons in January 1957 to 1,600 tons in December 1957.

Source: United States Bureau of Mines.

Mr. ANDERSON. Mr. President, it will be noted from the table that production during that time has first been up in one year and down the next. In the case of zinc, production went from 44,103 short tons in 1947 to 6 tons in 1954. It rose again to 30,000 tons in 1957. However, during 1957, when it became evident the stockpile program would end, the production went down from 616 tons a month in January to 230 tons in December. Since December many of the important lead and zinc mines in New Mexico have closed, and more will close in the next few days.

Mr. President, I have just received a letter from Mr. Joseph H. Taylor, vice president of the Peru Mining Co. at Silver City, N. Mex., which is one of our important producers in New Mexico. In his letter, Mr. Taylor advises that during 1956 more than 4,700 men were employed by the mining companies in the central mining district in Grant County. As of May 1, the Empire Zinc division of the New Jersey Zinc Co. will discontinue its operations, and the United States Smelting, Refining & Milling Co. will discontinue its operations. This will leave no appreciable zinc production in New Mexico, and will leave 3,400 miners out of work. So it is easy to see what is happening to the lead and zinc industries in my State.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter from Mr. Joseph H. Taylor, dated April 24, 1958, and the accompanying summary of the experience of the lead and zinc industries under various provisions of United States trade laws and legislative proposals.

There being no objection, the letter and summary were ordered to be printed in the RECORD, as follows:

PERU MINING CO.,
Silver City, N. Mex., April 24, 1958.

Senator CLINTON P. ANDERSON,
Senator Office Building,
Washington, D. C.

DEAR SENATOR: Your letter of April 19 has been received and I am sure that Charles Schwab knows you are one of the important Senators who are helping him in his work. I wish to thank you for what you have done and, although we are very much discouraged, I hope that someday something will be accomplished.

As you no doubt have heard, the Empire Zinc division of the New Jersey Zinc will discontinue their operations as of May 1 and the United States Smelting, Refining & Mining Co. will discontinue their operations the same date. This will leave no appreciable zinc production in New Mexico.

It is my understanding, based on information from the employment service in Silver City, that during 1956 there were more than 4,700 men employed by the mining companies in the general mining district and after May 1 this number will be reduced to something over 1,300 so you can see that the reduction is more than two-thirds. In addition to this, every store and other business in Grant County is seriously hurt by the reduced payrolls.

Enclosed is a copy of the experience of the lead-zinc industry. You may have already received a copy of this from Mr. Charles Schwab, chairman of our emergency lead-zinc committee.

With kindest personal regards, I am,

Sincerely yours,

JOS. H. TAYLOR,
Vice President.

LEAD-ZINC

I. EXPERIENCE OF LEAD-ZINC INDUSTRY UNDER VARIOUS PROVISIONS OF UNITED STATES TRADE LAWS AND LEGISLATIVE PROPOSALS

1. May 10, 1950, lead industry petitioned for escape clause pursuant to Mexican trade agreement and Executive Order 9832. Denied by Tariff Commission, July 18, 1950, formally dismissed by Commission January 25, 1951. Reason given was that United States had canceled Mexican agreement effective

December 31, 1950. Duty on lead temporarily returned to 1930 rate.

2. Early 1951 lead-zinc industry advised Committee on Reciprocity Information against cuts in duty at forthcoming Torquay meeting. Despite this, duty on both lead and zinc was cut at Torquay, effective June 6, 1951. Lead duty had only been restored 5 months before United States abrogation of Mexican agreement.

3. Industry petitioned the Tariff Commission on February 14, 1951, for a section 336 "difference in costs of production" investigation. Denied by Commission on May 29, 1951. Reason given was that trade-agreement rates could not be changed by section 336 action.

4. Lead-zinc industry petitioned the Commission on September 14, 1953, for excape clause action under section 7 of Trade Agreements Extension Act of 1951. On May 21, 1954, the Commission unanimously found serious injury and recommends maximum increase in duties.

5. Concurrent with the 1953–54 escape-clause investigation the Commission conducted a section 332 general investigation and on April 19, 1954, forwarded its 356-page report to the Committee on Ways and Means and Committee on Finance.

6. On August 20, 1954, the President declined to implement the recommendations of the Commission and instead initiated defense-stockpile purchases and barter acquisitions.

7. Nearly a year ago (May 28, 1957) the Department of Agriculture, by a series of regulations, stopped barter, the major alternate program instituted by the President. August 1, 1957, Office of Defense Mobilization announced defense-stockpile goals were nearly met. ODM ceased zinc purchases in April 1958 and has announced lead purchases will cease in June 1958.

8. ODM has stated that due to the very large Government stocks of lead and zinc (over 1,250,000 tons of each metal), the industry is not eligible for consideration pursuant to the national-security amendment (section 7 (b)) of the Trade Agreements Extension Act of 1955.

9. On June 19, 1957, the administration forwarded to the Congress a bill suspending present duties on lead and zinc and substituting a series of import taxes to be effective only if the United States price of lead was below 17 cents and zinc below 14¼ cents.

10. Hearings were held on the administration's bill August 1 and 2 (House) and July 22–24, 1957 (Senate). Industry concurred in peril point prices of 17 cents and 14½ cents, but said schedule of import taxes inadequate. On the average, proposed schedule was about 25 percent less than 1954 recommendation by Tariff Commission which the President said was insufficient.

11. Following the exchange of letters in August 1957, between the late Mr. Cooper and the President, the industry again petitioned the Tariff Commission for escape clause action. Petition filed 6 months ago (Sept. 27, 1957); hearing before Commission 4½ months ago (Nov. 19–26, 1957).

12. In his letter of August 20, 1954, the President stated maximum increase duties would have only a minor effect on United States lead-zinc prices and would not reopen United States mines. The industry's pending petition requests quotas and increased duties. A complete plan for quotas was submitted to the Commission.

13. Rather than quotas or a combination of tariff and quotas, the industry believes a fair and effective answer would be provided by legislation suspending the present duties and in lieu thereof establishing peril point market prices 17 cents for lead 14½ cents for zinc with a 4 cent import tax immediately behind these peril point prices. Tax would be payable by importers only if they imported unneeded amounts of lead or zinc and would break the United States market price below these peril point prices.

14. Such legislation would increase the flow of trade dollars since importing countries could supply United States needs at much better prices than they are receiving today. While the quantity of import lead and zinc would be less, the prices for needed imports would be greater and would more than offset any decline in volume. This would serve to provide importing countries needed additional dollars with which to purchase other United States commodities and manufacturing products.

II. COMMENTS ON LEAD-ZINC STATISTICS

1. For 10 years United States industrial consumption of lead and zinc have been fairly constant at about 1,100,000 tons per year. During this same period the ratio of lead imports to United States mine production has grown from 58 percent to 150 percent; in the case of zinc increased from 40 percent to 124 percent.

2. During this 10-year period imports of lead have increased from 220,000 tons a year to 500,000 tons a year; zinc imports from 280,000 tons a year to 730,000 tons a year. United States mine production has stayed fairly constant during periods of reasonable prices but has now been curtailed more than 30 percent.

3. The statistics attached herewith are based on net imports for consumption which are those used by the Tariff Commission. Statistics are also compiled on the basis of general imports (which include material entering bonded warehouses). Estimates for 1957 would show "general imports" for zinc exceeded 800,000 tons and lead exceeded 580,000 tons.

4. Varying United States market prices during the last 10 years have had very minor, if any, effect on United States industrial consumption of lead and zinc.

5. Unneeded imports caused United States supply of lead and zinc to greatly exceed industrial requirements. Before barter stopped, almost a year ago, large amounts of these excess imports were absorbed by governmental acquisitions.

6. Unneeded imports have forced the price of lead to decline from 16 cents in early 1957 to 12 cents—a drop of 25 percent. Zinc has been forced down from 13½ cents to 10 cents—a decline of 26 percent.

7. The sharp decline in United States mine production has occurred in the second half of 1957 and early 1958. Present annual rate is lower than the depression years of the mid-1930's.

8. Employment in the lead-zinc mining industry has been cut in half. In the 1954 escape-clause action the Tariff Commission found employment had declined by 9,000 jobs. In the current situation over 5,000 additional employees have lost their jobs in the industry. Total loss of over 13,000 jobs.

9. While United States prices improved in 1955 and 1956 under the alternative programs initiated by the President (in lieu of accepting the Commission's recommendations), employment did not return to the early 1952 level.

10. During Korea United States prices of lead and zinc were frozen by the Government. Import duties were suspended subject to reinstatement if the United States price would fall below 18 cents for each metal.

11. During 1957, in contrast to curtailment of United States mine production, imports of lead and zinc were exceedingly high—in the case of zinc reached all-time record levels.

12. While United States mine production has been curtailed 30 percent, foreign mine production has not declined substantially. Noteworthy during the severe price break of 1953–1954 (the time of the prior Tariff Commission's recommendations) mine production, outside the United States, did not decline and, in fact, increased despite low prices.

13. Stocks of refined unsold lead and zinc at domestic plants are over 400,000 tons.

14. Calculations show that the four major importing countries (Canada, Mexico, Peru, Australia) are actually losing dollar exchange revenue by flooding United States market with unneeded metal.

Mr. ANDERSON. Mr. President, I point out that the Members of Congress have not been remiss in their responsibility in regard to this matter. During the first session of the 85th Congress, proposed legislation was introduced by Senators WATKINS, ALLOTT, BIBLE, CHURCH, GOLDWATER, KNOWLAND, KUCHEL, MAGNUSON, and MURRAY to provide relief by the imposition of an import tax on lead and zinc. On August 16, 1958, I sought to add this proposed legislation as an amendment to H. R. 6498, which was then before the Senate Finance Committee. Senators MURRAY, MANSFIELD, BIBLE, and others made eloquent pleas for enactment of the proposed legislation for relief of the domestic lead and zinc producers. The amendment was adopted by the committee with the understanding that efforts would be made to determine whether the Department of Interior would be opposed. During the weekend, representatives of the industries, Department of Interior representatives, and staff members from the Senate worked to bring the amendment within the philosophy and framework of the import tax on lead and zinc proposals of the administration.

As a result of those efforts, I again offered an amendment which I regret to say we were never able to have acted on by the committee because of insufficient time before the adjournment of Congress.

Mr. President, I ask unanimous consent to have printed in the RECORD a copy of the amendment offered at that time.

There being no objection, the amendment proposed by Mr. ANDERSON to the bill (H. R. 6894) to amend the Tariff Act of 1930 as it relates to unmanufactured mica and mica films and splittings, was ordered to be printed in the RECORD as follows:

At the end of the bill insert the following:

SEC. 5. (a) Chapter 33 of the Internal Revenue Code of 1954 (relating to import taxes) is amended—

"(1) by redesignating subchapter G as H,

"(2) by renumbering sections 4601, 4602, and 4603 as sections 4631, 4632, and 4633, respectively, and

"(3) by inserting after subchapter F the following new subchapter:

"'SUBCHAPTER G—LEAD AND ZINC

"'Part I. Lead.
"'Part II. Zinc.
"'Part III. General provisions.

"'*Part I—Lead*

"'Sec. 4601. Imposition of taxes.

"'SEC. 4601. Imposition of taxes.

"'(a) In general: All duties imposed under paragraphs 391 and 392 of the Tariff Act of 1930 shall cease to be applied to articles specified in subsection (b) of this section entered or withdrawn from warehouse for consumption on and after the effective date of this section (as prescribed by section 4622 (a)); and there are hereby imposed

upon articles specified in subsection (b) imported into the United States taxes at the rates set forth in such subsection, subject to the conditions provided for in part III of this subchapter.

"'(b) Rates of taxes:

"'Article	If the determined average market price for lead is less than 17 cents per pound
On the following articles described in par. 72 of the Tariff Act of 1930:	
Litharge	1¼ cents per pound.
Red lead	Do.
Orange mineral	2 cents per pound.
White lead	Do.
Pigments in chief value of suboxide of lead	Do.
Other pigments containing lead	10 percent ad valorem.
On lead-bearing ores, flue dust, and mattes of all kinds, described in par. 391 of the Tariff Act of 1930.	2½o cents per pound on the lead contained therein.
On lead bullion or base bullion, lead in pigs and bars, lead dross, reclaimed lead, scrap lead, antimonial lead, antimonial scrap lead, type metal, babbitt metal, solder, and alloys or combinations of lead, described in par. 392 of the Tariff Act of 1930.	3 cents per pound on the lead contained therein.
On lead in sheets, pipe, shot, glazier's lead and lead wire, described in par. 392 of the Tariff Act of 1930.	3½6 cents per pound.

"'(c) Lead pigments: The duties provided for in paragraph 72 of the Tariff Act of 1930 shall continue and be in addition to the taxes provided for in this section.

"'*Part II—Zinc*

"'Sec. 4611. Imposition of Taxes.

"'SEC. 4611. Imposition of taxes.

"'(a) In general: All duties imposed under paragraphs 393 and 394 of the Tariff Act of 1930 shall cease to be applied to articles specified in subsection (b) of this section entered or withdrawn from warehouse for consumption on and after the effective date of this section (as prescribed by section 4622 (a)); and there are hereby imposed upon articles specified in subsection (b) imported into the United States taxes at the rates set forth in such subsection, subject to the conditions provided for in part III of this subchapter.

"'(b) Rates of taxes:

"'Article	If the determined average market price for zinc is less than 14½ cents per pound
On the following articles described in par. 77 of the Tariff Act of 1930:	
Zinc oxide and leaded zinc oxides containing not more than 25 percent of lead:	
In any form of dry powder	2½ cents per pound.
Ground in or mixed with oil or water	Do.
Lithopone and other combinations or mixtures of zinc sulfide and barium sulphate:	
Containing by weight less than 30 percent of zinc sulfide	⅞ cents per pound.
Containing by weight 30 percent or more of zinc sulfide	⅞ cents per pound and 7½ percent ad valorem.
On zinc-bearing ores of all kinds, except pyrites containing not more than 3 percent zinc, described in par. 393 of the Tariff Act of 1930.	2½o cents per pound on the zinc contained therein.
On the following articles described in par. 394 of the Tariff Act of 1930:	
Zinc in blocks, pigs, or slabs	3 cents per pound.
Zinc dust	Do.
Zinc in sheets:	
Coated or plated with nickel or other metal (except gold, silver, or platinum), or solutions.	4 cents per pound.
Other	3 cents per pound.
Old and worn-out zinc fit only to be remanufactured, zinc dross, and zinc skimmings.	Do.

"'(c) Zinc oxides, etc.—The duties provided for in paragraph 77 of the Tariff Act of 1930 shall continue and be in addition to the taxes provided for in this section.

"'*Part III—General Provisions*

"'Sec. 4621. Definitions.

"'Sec. 4622. Applicability of taxes.

"'Sec. 4623. Miscellaneous provisions.

"'SEC. 4621. Definitions.

"'For purposes of this subchapter—

"'(a) The terms "average market price for lead" and "average market price for zinc" mean, respectively, the average market price for common lead (in standard shapes and sizes delivered at New York City), and the average market price for slab zinc (prime western, f. o. b., East St. Louis, Ill.)), each determined for a period of 1 month as provided in section 4622.

"'(b) The term "imported for use" applied to any article means that the article is imported by or for the account of a person who intends to use the article, or to process, manufacture, fabricate, or combine it to produce a different article.

"'(c) The term "sold for use" applied to any article means that the article has been sold or otherwise transferred, or is subject to a binding agreement for sale or transfer, to a purchaser or transferee who intends to use the article, or to process, manufacture, fabricate, or combine it to produce a different article.

"'SEC. 4622. Applicability of taxes.

"'(a) Effective date: The provisions of sections 4601, 4611, and 4623 shall become effective on the 10th day following the day on which such sections are enacted.

"'(b) Determination by Tariff Commission for first month: As soon as practicable after the date on which this section is enacted, the United States Tariff Commission shall determine the average market price for lead and the average market price for zinc during the period of 1 month beginning on the 16th day of the second calendar month preceding the calendar month of the effective date of sections 4601 and 4611 and ending with the 15th day of the calendar month next preceding the calendar month of such effective date, and shall notify the secretary or his delegate of its determination, and shall cause such notification to be published in the Federal Register within 3 days thereafter. The average market prices so notified shall be the determined average market prices governing the applicability of the taxes set forth in sections 4601 and 4611 to articles described therein entered, or withdrawn from warehouse, for consumption during the calendar month in which such sections become effective.

"'(c) Determination by Tariff Commission for Succeeding Months.—As early as practicable in the calendar month of the effective date of sections 4601 and 4611, and in each subsequent month, the Tariff Commission shall make a similar determination of the average market price of lead and the average market price of zinc for the period of 1 month ending on the 15th day of such calendar month, and shall notify and cause to be published as in the case of the determinations made pursuant to subsection (b) of this section. The average market prices so notified shall be the determined average market prices governing the applicability of the taxes set forth in sections 4601 and 4611 to articles described therein entered, or withdrawn from warehouse, for consumption during the calendar month following each such determination.

"'SEC. 4623. Miscellaneous provisions.

"'(a) Entry of Articles.—The articles described in sections 4601 and 4611 shall be entered, and the taxes imposed by such sections shall be paid, as follows:

"'(1) Lead-bearing ores, flue dust, and matter of all kinds, described in paragraph 391 of the Tariff Act of 1930, and zinc-bearing ores of all kinds, except pyrites containing not more than 3 percent of zinc, described in paragraph 393 of the Tariff Act of 1930, shall be entered for consumption, and shall be subject to the taxes imposed on such articles by section 4601 or 4611, as the case may be, if such taxes are applicable on the date of entry.

"'(2) Any article described in sections 4601 and 4611, except an article specified in paragraph (1) of this subsection, shall be duly entered for warehouse by the importer under bond in double the amount of the tax provided for such article in section 4601 or 4611, as the case may be, plus the amount of the applicable tariff, if any. Any such article may be withdrawn from warehouse only upon proof by the importer that such article has been sold for use, and any article so withdrawn shall be subject to the tax imposed by section 4601 or 4611, as the case may be, if such tax was applicable on the date such article was sold for use: *Provided,* That during any month in which the tax provided by section 4601 or 4611, as the case may be, is applicable with respect to an article covered by this paragraph, such article may be entered for consumption, or may be withdrawn from warehouse for consumption without proof that such article has been sold for use, upon payment of the tax imposed by section 4601 or 4611, as the case may be, applicable to such article, and payment of the applicable tariff, if any: *And provided further,* That any article covered by this paragraph may be entered by the importer for consumption upon filing proof that such article was imported for use, and upon payment of the tax imposed on such article by section 4601 or 4611, as the case may be, if such tax is applicable on the date of entry, and payment of the applicable tariff, if any.

"'(b) Bonded smelting warehouses, etc.: The first proviso of section 3 of the act of June 18, 1934 (19 U. S. C. 81c) and section 312 of the Tariff Act of 1930 (19 U. S. C. 1312) shall not apply to any articles described in parts I and II of this subchapter.

"'(c) Regulations, etc.: The Secretary or his delegate is authorized to prescribe such rules and regulations, the form, condition, and amounts of such bonds, and the form of, and time and manner of filing, such reports as may be necessary to carry into effect the provisions of this subchapter.'

"(b) (1) The second sentence of section 4222 of the Internal Revenue Code of 1954 is amended by striking out 'or D' and inserting 'D, or G'; and by striking out '4601' and inserting '4631.'

"(2) Sections 6156, 6207 (9), and 6304 of such code are amended by striking out 'and E' and inserting 'E, and G'; and by striking out '4601' and inserting '4631'.

"(c) Subject to the provisions of section 4622 (a) of the Internal Revenue Code of 1954, as added by subsection (a) of this section, the amendments made by subsections

(a) and (b) of this section shall become effective on the day following the date of the enactment of this act.

"(d) The treatment provided for imports of articles described in subchapter G of chapter 38 of the Internal Revenue Code of 1954, as added by subsection (a) of this section, shall, for the purposes of section 350 of the Tariff Act of 1930, as amended, be considered as having been in effect continuously since the original enactment of section 350: *Provided*, That, for the purposes of including a continuance of the customs treatment provided for in such subchapter G in any trade agreement entered into pursuant to section 350 prior to the effective date of sections 4601, 4611, and 4623 of such code (as prescribed by section 4622 (a) of such code), the provisions of section 4 of the Trade Agreements Act, as amended (19 U. S. C. 1354), and of section 3 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C. 1360), shall not apply."

Amend the title so as to read: "An act to amend the Tariff Act of 1930 as it relates to unmanufactured mica and mica films and splittings, and to amend the Internal Revenue Code of 1954 to impose import taxes on lead and zinc."

Mr. ANDERSON. Mr. President, the administration has presented to the Congress its recommendations for a mutual security program which provides for the expenditure of $1,800,000,000 through the various agencies of the Government for military assistance, technical cooperation and aid, a development loan fund, and for special assistance in a variety of problems. I am sure that many of us agree that some funds should be made available for assistance of our allies and countries that are oppressed, even though we may not agree as to the type of aid required and the amount of funds necessary to do the job. The point I wish to make is that while we are giving these countries some assistance we must recognize that in order to keep our allies strong we, ourselves, must remain strong militarily and economically. Industries like the lead and zinc industries pay millions of dollars in taxes to support these foreign aid programs and unless these industries are protected, who is going to pay the taxes lost because they are forced to close down operations?

The lead and zinc industries have one of the highest percentages of unemployment of any industries in our country. In view of the recent recommendations of the Tariff Commission, the President can take immediate steps to give assistance and keep these industries alive. Legislation is not required at this point. I hope that this problem will not be treated lightly, and that we will not once again and after long delay be disappointed in the action the President takes.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Is there further morning business?

AFL–CIO GENERAL BOARD STATEMENT ON LABOR LEGISLATION

Mr. JOHNSON of Texas. Mr. President, I should like to read into the RECORD at this point a statement, which has been released by the AFL–CIO general board on labor legislation, today.

I commend the AFL–CIO general board for the statement. I think it is constructive. I think it insures cooperation between the working people represented by this board and the Congress in formulating legislation which will be fair and equitable.

I commend the statement to the consideration of all fair-minded Americans. The statement reads:

The AFL–CIO by its constitution and by convention action is pledged to the elimination of corrupt and racketeering influences which have penetrated into some segments of the labor movement.

To this end, the AFL–CIO has adopted ethical practice codes dealing with the broad aspects of this problem and has taken and is taking effective measures to implement such codes.

In its fight against corruption, the AFL–CIO has made substantial progress. It intends to continue this fight vigorously to the end that every vestige of corruption shall be removed.

The AFL–CIO, in addition to its own actions in this area, will cooperate with the Congress in the enactment of constructive, maturely considered legislation directed to meeting specific disclosed abuses which cannot adequately be dealt with without governmental help.

As an example of the legislation we support, we again urge, as we have for over 4 years, immediate Senate passage of the Douglas-Kennedy-Ives bill, S. 2888, for full disclosure of the finances of health, welfare, and pension benefit plans.

We do not believe that the purposes of this bill should be frustrated through the tacking on of irrelevant proposals not yet processed by the appropriate Senate committees.

Our support of such legislation is not limited to the Douglas-Kennedy-Ives bill. We reiterate our support of properly drafted, properly considered, necessary, and adequate legislation in the area of labor-management improper practices.

While supporting appropriate corrective legislation, we will continue to resist proposals which, under the guise of dealing with improper activities, seek instead to undermine effective collective bargaining by destroying or weakening honest, decent American trade unions.

Mr. President, I am hopeful that this great organization will be prepared to come before the Senate committee 1 week from today, or as soon thereafter as is convenient for the distinguished chairman of the subcommittee, the Senator from Massachusetts [Mr. KENNEDY], and make any constructive proposals they think necessary and essential in this field.

I hope every Member will realize that, as we approach a vote on many amendments today, we are not necessarily deciding the fate of those amendments; but, on the other hand, we are upholding the traditional American practice of a fair hearing before a verdict, instead of a verdict before the trial.

CONSIDERATION OF LABOR LEGISLATION

Mr. KNOWLAND. Mr. President, because I think that sometimes we forget history, I believe it would be appropriate at this time to read an excerpt from the minority views of the late Senator Taft, who submitted them for himself, the Senator from New Jersey, Mr. Smith, and the then Senator from Missouri, Mr. Donnell, from the Committee on Labor and Public Welfare, and which appear as part 2 of Report No. 92 on the bill which was reported to the Senate on May 4, 1949.

In view of the fact that we on this side of the aisle are a minority I think we should keep in mind what happened to us at that period of time. This is what Mr. Taft and his associates had to say:

In reporting out S. 249 in its present form (hereinafter referred to as the committee bill), the majority of the Committee on Labor and Public Welfare are asking the Senate to pass a law which the committee had no part in formulating. According to the Secretary of Labor—

The then Secretary of Labor, under the prior Truman administration.

According to the Secretary of Labor, the committee bill was drafted under his direction with the advice and assistance of the heads of several executive agencies and departments and approved by the President. Consideration by the committee of the committee bill as a whole or of any of its specific provisions was completely denied. Minority members were not even permitted to offer amendments. Without discussion in committee, by an 8-to-5 vote which strictly followed party lines, the committee bill was sent to the floor just as it had been drafted by persons outside the legislative branch of the Government.

In case there had been any failure to recollect the conditions under which the minority had operated at that time, I thought it might be well to bring this statement by the late Senator Taft to the attention of the Senate.

THE INTERNATIONAL DEVELOPMENT ASSOCIATION

Mr. HUMPHREY. Mr. President, some time ago the Senator from Oklahoma [Mr. MONRONEY] presented a very splendid proposal relating to the establishment of the International Development Association.

The proposal of the Senator from Oklahoma has brought forth many favorable editorials, statements, and comments from persons who are familiar with the development of our foreign policy.

I wish to join in commending the Senator from Oklahoma, Mr. President, and I ask unanimous consent that a group of four editorials which have come to my attention be printed at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Manila Times of March 12, 1958]

FOREIGN LOANS

There are international developments that indicate a more orderly and business-like flow of foreign capital from industrial nations to underdeveloped countries in desperate need of long term, low-interest capital.

In his opening address to the 14th meeting of the ECAFE in Kuala Lumpur last week, Malayan Prime Minister Prince Abdul Rahman proposed an Asian charter that would provide the instrumentality for inducing foreign financial and technical assistance to assist in the development of Southeast Asian economies.

Like other Asian leaders, Mr. Rahman has realized the inadequacy of present government aid programs which are administered in

such a manner that considerations of objectives, procedures and implementation have invariably created irritants between the giver and the receiver no matter how well meaning the assistance programs are worked out. Today there is growing doubt among the undeveloped Asian countries whether existing government aids would ever be sufficient to meet their needs.

In this country, while there has been some progress in the prosecution of industrial and agricultural development blueprints prepared by ICA and local counterparts including the National Economic Council and the Industrial Development Center, conflicts in the manner and amount of money to be spent on projects as well as in their priorities have obstructed the implementation of existing plans to improve the economy.

Among political and economic leaders, there is an increasing agitation for securing loans to be paid on a long-term basis at low interest rates in lieu of grants that do not always come in the desired quantity and at the proper time. Such loans can be used to finance economic projects with maximum planning and implementation by Filipinos.

Happily, a proposal in Washington for the United States to establish a poor man's international bank to help young and needy nations is attracting more and more attention as the fresh foreign-aid idea since President Truman's point 4 program. Oklahoma Senator MIKE MONRONEY, author of the proposal, would want such a bank to grant loans to undeveloped countries at rates lower and for periods longer than what the International Bank does now.

Designed to be supplied partly with capitalization in soft currencies earned abroad by United States farm surpluses, this international financing institution, so American Congress and administration officials believe, will win more friends for them than outright aid.

This worthy sentiment, if translated into action, could release millions of dollars for underdeveloped Asia countries where they can be put to work with a minimum of conflict and maximum positive results.

[From the San Francisco Chronicle of March 30, 1958]

SOFT LOANS TO THE HAVE-NOTS

Senator MIKE MONRONEY, of Oklahoma, has caught the eyes and ears of many in Washington with his proposal to set up a sort of branch World Bank to accept second mortgages. He has held hearings on a resolution that he hopes to bring out soon on the Senate floor favoring the creating of an International Development Association with a billion-dollar capitalization, perhaps $300 million of it coming from the United States.

MONRONEY suggests that while this capital stock would give the IDA a hard-currency base, the agency could also use local currencies, including a large portion of those which this Nation has accumulated from its large-scale disposal of agricultural surpluses. With those words he caught the interest of Senators worried about the domestic farm program.

How would a second-mortgage world bank fit in? President Eugene Black has said that the World Bank could have made 50 or more loans than it has if there had been an institution to take up that proportion of the loan which was found unbankable. For example, a TVA type of development on the watershed running from India into Pakistan may cost $400 million. On a 20-year basis, with interest at 4 percent in hard currencies, that would be unbankable. But if the IDA could take half the loan, subordinating its claim to that of the World Bank and extending the term on its $200 million to 40 years at 2 percent, payable not in hard but in the local currencies of India and Pakistan, this peace-bringing project might become feasible.

The Russians, Senator MONRONEY told the Senate, have started an intense economic offensive by offering loans for development purposes that are a better deal than ours. Asia is dotted with proofs of this statement. The best way to meet this challenge, it is felt by many, is to expand multilateral loans for economic development, mixing dollars and foreign local currencies. A multilateral, or many-nation, loan would be more welcome to most borrowers than one direct from the United States.

The United States Development Loan Fund that Congress set up last year is this year asking for $625 million. I see no need for this additional money for more unilateral lending, MONRONEY said in the Senate. If he can make that view stand up through the hearings that have commenced before the Senate Banking and Currency Committee, he will attract a warm and enthusiastic following in Congress and throughout the country.

The once young and vigorous foreign aid program, bequeathed to this Republican administration by President Truman, is now old, tired, weary, haggard, and worn out, Democrat MONRONEY told the Senate. Though he believes foreign aid is sorely needed, it is in danger of defeat or mutilation; needs new ideals and ideas if it is to pass Congress and perform its function. That is the genesis of his own world second mortgage bank proposal.

There are skeptics who doubt that it would work. One administration witness before the committee questioned whether countries other than the United States would be willing or able to raise their aliquot shares of hard-currency capital stock of IDA. Other spokesmen feared harm might result to our relationships with friendly exporting countries.

These objections were not weighty enough, however, to discourage the idea in the minds of a number of non-Government-connected witnesses, among them Paul G. Hoffman, former Marshall plan chief, who said it would be tragic if Congress did not move on this exciting proposal.

Any sound method for sharing with other nations the cost and the political responsibility for building up underdeveloped economies can scarcely fail to create excitement.

[From the Toledo (Ohio) Blade of March 11, 1958]

EASIER FOREIGN LOANS

Senator MIKE MONRONEY, of Oklahoma, has introduced an interesting resolution aimed at promoting a greater degree of international development by means of multilateral loans shared by many nations rather than a system of grants or loans financed solely by the United States. It merits careful attention as Congress shapes a new program of foreign aid.

The Senator proposes the creation of an International Development Association as an affiliate of the World Bank. Its purpose would be to provide mixed-currency, low-interest loans to the underdeveloped nations.

By supplementing the more bankable World Bank loans, which are repayable in hard currency on terms corresponding to those of regular commercial banks, the new type of loan would permit the prompt completion of worthwhile development projects which could not otherwise go forward.

Senator MONRONEY also cites two other advantages of his scheme: (1) It would permit maximum use of foreign currencies available to the United States through the sale of agricultural surpluses and through other programs by devoting a portion of these currencies to loans, and (2) it would insure that funds necessary for international economic development could be made available without implications of interference with national sovereignty.

As part of this country's economic aid program, the Senator proposes that the United States subscribe funds to the capital stock of the International Development Association with investment made by other participating countries.

Senator MONRONEY's "association" would hope to get its money back, but it couldn't be as sure of that as is the World Bank. But it would serve the very desirable purpose of advancing badly needed credit where it is not presently available. And it would have the additional advantage of getting several countries to share the load. As the Senator explains it:

"It will help us to put to work the vast amount of local currencies we have received and will receive from sales of our agricultural surpluses abroad. By mixing these local currencies with hard currencies, we can make the dollar do the work of many dollars now being spent. It would reduce the overhead cost materially through use of banking sources instead of large numbers of Americans maintained abroad.

"I am certain it will help by permitting underdeveloped nations to make long-range plans which will be bankable for many years instead of the current program dependent upon year-to-year appropriations by Congress. * * * Through loans made on a self-respecting basis we will be able to help through joint use of the International Bank and the International Development Association instead of through 'charity' handouts or unilateral loans."

Senator MONRONEY's plan is based on extensive consultation with experts here and abroad. It offers a welcome new approach to the problem of assisting other countries looking to the Free World for aid.

[From the Monroe (La.) News-Star of March 31, 1958]

LENDING AGENCY AS A FOREIGN AID PLAN

Ten years and $60 billion after Congress passed the first Marshall plan appropriation, the Senate committee on foreign relations begins hearings on the foreign-aid bill for fiscal 1959.

Congress, like the American people as a whole, is getting extremely weary of these annual appropriations of billions of dollars, not all of which represents money exported but instead consists of irreplaceable American natural resources. Not even the Hollywood extravaganza in Washington a few weeks ago has made another $4 billion appropriation palatable.

Congress might well give the most serious thought to a plan put forward recently by Senator MIKE MONRONEY, of Oklahoma, as a substitute for United States grants for economic aid. The Monroney resolution calls for giving consideration to "the establishment of an international development association, in cooperation with the International Bank for Reconstruction and Development."

MONRONEY proposes that the association start with a capital of $1 billion in dollars or hard currency, of which the United States would put up $300 million. It would be a second mortgage operation cooperating with the World Bank.

"It will help us to put to work the vast amounts of local currencies we have received and will receive from sales of our agricultural surpluses abroad," the Oklahoman says. "By mixing these local currencies with hard currencies, we can make the dollar do the work of many dollars now being spent. It would reduce the overhead costs materially through use of banking sources instead of large numbers of Americans maintained abroad."

MONRONEY, who has made a study of foreign aid on the scene abroad, believes his

plan would work better in developing backward countries than year-by-year appropriations by Congress since under it long-range projects can be bankable for many years. He believes that loans made on a self-respecting basis would be welcomed by foreign countries as well as be more acceptable to the people at home.

The fact that many of the Senators who first spoke up in favor of his resolution include some of those who would vote for continued heavy foreign aid appropriations as well, and some who easily enthuse over international projects, particularly if they are under United Nations auspices, should not prejudice others against MONRONEY's ideas.

He may have something which can be hammered out so as to do constructive work and at the same time relieve the American taxpayer of the burden of foreign economic aid.

ORDER FOR FURTHER CONSIDERATION OF SENATE BILL 2888 BEFORE 1 P. M.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that, notwithstanding the expiration of the morning hour at 1 o'clock p. m., consideration of Senate bill 2888 be further continued.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further morning business? If not, morning business is concluded.

EMPLOYEE WELFARE AND PENSION BENEFIT PLANS

The PRESIDING OFFICER. Under the unanimous-consent agreement the Chair lays before the Senate the pending business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment offered by the Senator from New Jersey [Mr. SMITH] designated "4-24-58—D."

The Chair invites the attention of Senators to the fact that there is a limitation of debate.

Mr. DIRKSEN. Mr. President, I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 26, line 17, it is proposed to strike out "This" and insert in lieu thereof "sections 1 through 18 of this".

At the end of the bill it is proposed to add the following:

VOTING IN REPRESENTATION ELECTIONS BY EMPLOYEES ON STRIKE

SEC. —. Section 9 (c) (3) of the National Labor Relations Act, as amended, is amended by striking out all of the second sentence thereof.

Mr. JOHNSON of Texas. I suggest the absence of a quorum. I hope the attachés of the Senate will inform Senators that the time available on each side in connection with the pending question is 30 minutes, but it is not planned to consume it all. I expect a vote shortly after 1 o'clock. I hope Senators will have that information, and that we can proceed to vote on the pending amendment at the earliest possible time.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Goldwater	Monroney
Allott	Gore	Morse
Anderson	Hayden	Morton
Barrett	Hickenlooper	Mundt
Beall	Hill	Murray
Bennett	Hoblitzell	Neuberger
Bible	Holland	O'Mahoney
Bricker	Hruska	Pastore
Bridges	Humphrey	Payne
Bush	Ives	Potter
Butler	Jackson	Proxmire
Byrd	Javits	Purtell
Capehart	Jenner	Revercomb
Carlson	Johnson, Tex.	Robertson
Carroll	Johnston, S. C.	Russell
Case, N. J.	Kefauver	Saltonstall
Case, S. Dak.	Kennedy	Schoeppel
Church	Kerr	Smathers
Clark	Knowland	Smith, Maine
Cooper	Kuchel	Smith, N. J.
Cotton	Langer	Stennis
Curtis	Lausche	Symington
Dirksen	Long	Talmadge
Douglas	Magnuson	Thurmond
Dworshak	Malone	Thye
Eastland	Mansfield	Watkins
Ervin	Martin, Iowa	Wiley
Flanders	Martin, Pa.	Williams
Frear	McClellan	Young
Fulbright	McNamara	

The PRESIDING OFFICER. A quorum is present. The pending question is on the amendment of the Senator from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. President——

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the time devoted to the quorum call not be charged to the time allotted to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, as I understand, the time used for a quorum call is not normally charged to either side. I understood that, under the unanimous-consent agreement, there could be a quorum call preceding the offering of any amendment.

The PRESIDING OFFICER. The amendment was called up last Saturday by the Senator from New Jersey.

Mr. SMITH of New Jersey. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New Jersey will state it.

Mr. SMITH of New Jersey. Does the time allotted for the consideration of my amendment begin now?

The PRESIDING OFFICER. It does.

Mr. SMITH of New Jersey. Before calling up any of the amendments which are now on the table, and which I submitted on behalf of the administration on Thursday evening and debated last Friday, I desire to make a preliminary statement concerning the proposed legislation.

As I stated on Friday, three bills were introduced by me on January 23, last, namely, S. 3097, S. 3098, and S. 3099. They comprise the labor program of President Eisenhower for 1958.

As it apparently has not been possible for this labor program to be considered by the Committee on Labor and Public Welfare, and especially by the Subcommittee on Labor—there has been a great pressure of work upon it this year as all of us recognize—we have been apprehensive that, in the time remaining, it would not be possible to consider these bills and other proposed labor legislation, as well as other vitally important proposed nonlabor legislation, before the Senate adjourns sine die this year.

It will be necessary for the Senate to consider the President's proposed plan for reorganization of the Department of Defense; the mutual security bill; the reciprocal trade bill; an education bill which has been before a subcommittee of the Committee on Labor and Public Welfare for some time; and, besides these, all the remaining appropriation bills. That is why amendments relating to these overall labor problems have been brought up for consideration in connection with the pending bill.

It was felt by the Senator from California [Mr. KNOWLAND] with regard to his bill and by the administration with regard to the administration's proposed legislation that such labor bills should be considered and acted upon now, if they were to be passed upon this year.

In order to get clearly in the RECORD the program which President Eisenhower recommended last January, I ask unanimous consent to have printed at this point in the RECORD a list showing the title of each amendment and a brief outline of each amendment, the outlines having been prepared for me by the Department of Labor at my request and with the full collaboration of Secretary Mitchell. The outlines set forth the reasons behind the President's recommendations.

There being no objection, the list of titles and the outline statements were ordered to be printed in the RECORD, as follows:

LIST OF SMITH AMENDMENTS TO S. 2888

1. Voting in Representation Elections by Employees on Strike.
2. Preelection Certification of Building and Construction Unions.
3. Payments to Employee Representatives.
4. Designation of an Acting General Counsel.
5. Secondary Boycott Provisions.
6. Recognition or Organizational Picketing.
7. Bargaining During the Life of the Contract.
8. Elimination of Non-Communist Affidavit.
9. Federal-State Jurisdiction—No Man's Land.
10. Apprenticeship and Training Trust Funds.
11. Labor Reports Act of 1958—Democracy in Unions.

AMENDMENT NO. 1 (4-24-58—D): VOTING IN REPRESENTATION ELECTIONS BY EMPLOYEES ON STRIKE

This amendment would eliminate the statutory prohibition which bars permanently replaced strikers from voting in representation elections.

The President has repeatedly recommended legislative action in the matter of voting rights of economic strikers. Ever since the enactment of the Taft-Hartley Act, the provision which bars strikers who are not entitled to reinstatement from voting in representation elections has been referred to as a "union busting" device. It is claimed that under appropriate economic conditions, this provision, used together

with certain other provisions, could destroy a union.

This amendment would allow the NLRB to make the necessary determinations of eligibility within the framework of the facts of each case and to determine the respective voting rights of strikers and their replacements and the timing of an election in the manner which would best effectuate the purposes of the act.

AMENDMENT NO. 2 (4-24-58—G): PREELECTION CERTIFICATION OF BUILDING AND CONSTRUCTION UNIONS

This amendment would authorize the NLRB, under appropriate circumstances, to certify unions acting in behalf of employees of employers primarily engaged in the building and construction industry as exclusive bargaining representatives of such employees without a prior election.

This proposal would require a joint petition by the employer and union involved asserting present recognition of the union by the employer as the bargaining representative of his employment and the existence of a collective-bargaining agreement between them. No certification would be made under this amendment if there was no history of collective-bargaining relationship between the union and the employer prior to the current agreement or if there was an allegation, and the Board found, that a substantial number of the employees in the unit in question asserted that the union was not designated or selected as bargaining agent by a majority of such employees.

The effect of this proposal would be to protect voluntary collective-bargaining relationships established in good faith without governmental intervention. The proposal protects the right of the employees to be free of coercion in the selection of their own bargaining representatives; the will of the employees in this respect would be required to be evidenced by a history of prior collective bargaining between the union and the employer and by an absence of substantial objection on the part of the employees in the bargaining unit to certification of the union.

It has long been recognized that the hiring practices and collective-bargaining relationships in the construction industry are unlike those in manufacturing and in other service industries and are difficult to accommodate under the representation procedures of the National Labor Relations Act. These procedures were designed to deal with employment relationships which are of some permanence and they have proved ineffective where, as in the construction industry, the employment is casual and intermittent and the employee may be employed by several employers within a short period of time.

There are advantages which accrue to unions as a result of Board certification and, conversely, there are disadvantages resulting from lack of certification. Construction unions should not be denied these advantages and forced to suffer handicaps solely because of the employment pattern of their industry. Legislation of the type proposed by this amendment has been suggested by an advisory committee, composed of representatives of employers and employees in the construction industry, and created to advise the administration with respect to amendment of the Taft-Hartley Act as it relates to their industry.

AMENDMENT NO. 3 (4-24-58—F): PAYMENTS TO EMPLOYEE REPRESENTATIVES

This amendment would extend section 302 of the Taft-Hartley Act in three important ways. It would:

1. Prohibit unauthorized payments made to employee representatives by employer agents or representatives, as well as those made directly by employers.

2. Cover payments by an employer to other employee representatives as well as "to any representative of his employees."

3. Prohibit payments by an employer, his agent or representative to an employee or group or committee of employees to encourage, discourage, or influence other employees of the employer in the exercise of their right of self-organization or the selection of a representative.

Receipt of any of these payments would also be made unlawful.

In addition, this amendment would clarify section 302 with respect to employer payments to certain apprenticeship and training-program trust funds.

There are strong indications that in some instances payments, which would have been prohibited under section 302 if made by the employer himself, have been made to employee representatives through so-called labor relations consultants and other employer representatives. This proposal is intended to cover this and other situations which are apparently not covered by section 302.

The proposal to extend the section's coverage to prohibit employer payments to employee representatives generally is designed to cover situations in which an employer makes payments to an official of a union which does not represent his employees, for example, to induce the official not to organize his employees or to refrain from other union activities. Such payments are at present not covered by section 302.

There have been disclosures of payments of sums of money to employees, in payment for their services, or for disbursement among other employees, to influence the other employees not to join a union or to select as bargaining representatives a union preferred by the employer. Proposal (3) is designed to prohibit such payments. It is not intended, however, to cover the payment of regular salary to an employee, such as a personnel or industrial relations director, whose regular duties include the shaping of the labor relations policy of the employer.

If section 302 is amended as proposed, it would become a more effective weapon against improper employer payments to union officials. The need for its enactment is clear, compelling, and immediate.

AMENDMENT NO. 4 (4-24-58—M): DESIGNATION OF AN ACTING GENERAL COUNSEL

This amendment would amend the National Labor Relations Act to make it clear that when the Office of the General Counsel of the National Labor Relations Board becomes vacant, the President may designate some other officer or employee to serve as Acting General Counsel until a permanent replacement is appointed.

At this time, when the Office of General Counsel becomes vacant, particularly while this body is in session, it is not clear that the President may designate someone to serve temporarily as General Counsel until a permanent successor is appointed. The act vests in the General Counsel the final authority on the issuance of complaints, and it is not clear that this function may be performed by any person other than the General Counsel. Because of the importance of the position, a careful selection of the incumbent is clearly necessary. This may take time. A prolonged period of vacancy could effectively obstruct the processing of unfair labor practice charges.

AMENDMENT NO. 5 (4-24-58—K): SECONDARY BOYCOTT PROVISIONS

This amendment would remedy certain ambiguities and inequities in the secondary boycott provisions of the National Labor Relations Act. It would make these provisions applicable to certain secondary activities not presently covered and make it clear that they do not apply in situations where the secondary employer is not a truly neutral bystander.

At present it is not an unfair labor practice for a union to threaten a secondary employer with a strike or refusal of his employees to perform services in order to force him to cease doing business with another person. Threats of this type are an evasion of the secondary boycott provisions. They are more numerous and often just as effective as actual strikes in attaining the union's object. This bill would correct this omission by making the provisions applicable to efforts "to threaten, coerce, or restrain" employers.

The amendment would also cure the act's present failure to apply to the inducement of employees of railroads, agricultural employees, and public bodies to refuse to perform services in order to force their employers to stop doing business with a primary employer. This failure is based on the fact that these employers and their employees do not come within the act's definitions of those terms. This defect would be corrected by changing, where necessary, references in the secondary boycott provisions to "employees" and "employers" to "individuals" and "persons," which have sufficiently broad meanings to bring, as they should be, these neutral employers and employees within the coverage of the protections of the act against secondary activities.

The amendment would also bring within the secondary boycott provisions situations in which pressure against an employer to cease doing business with another is directed at him through the inducement of his employees individually to refuse to perform services. Such individual inducements have been held not violative of the secondary boycott provisions. However, the cumulative effect of individual refusals is no less effective than a concerted refusal to perform services. This amendment would deal with such situations by referring to any individual as distinguished from employees and removing the reference to a concerted refusal to perform services.

On the other hand, there are situations in which an employer who is not a truly secondary employer may undeservedly receive the protections intended for innocent third parties in labor disputes. The employee who performs for another employer, whose employees are on strike, work which the striking employees would normally perform is an ally of the primary employer and should not be protected from retaliatory union activity for doing so. This amendment, accordingly, contains a proviso which, under certain circumstances, would make the secondary boycott provisions inapplicable to activity directed against an employer performing farmed-out work in behalf of a struck employer.

Another situation in which the secondary employer is not in a strictly neutral relationship with the primary employer is one in which they are engaged together in work on the same construction site. Where there is a lawful dispute on such a site with respect to working conditions there, this amendment would permit the union involved in the dispute to extend its pressures to any or all of the other employers working on the site.

While the amendment does not deal specifically with "hot cargo" agreements the total effect of its changes to the secondary boycott provisions, particularly the one directed against direct coercion of employers, is to prohibit attempts to force an employer into entering into or to perform such an agreement.

AMENDMENT NO. 6 (4-24-58—I): RECOGNITION OR ORGANIZATIONAL PICKETING

This amendment to S. 2888 would amend the National Labor Relations Act so as to deal with the troublesome area of recognition or organizational picketing. Such picketing has

been widely condemned, and the hearings of the McClellan committee have revealed instances in which it was used for extortion and other illegal purposes.

There are many who would prohibit recognition or organizational picketing completely. The amendment does not do this, but it would restrict picketing to force organization or recognition to situations where the employees in question have evidenced an interest in having the union as their bargaining representative and then would permit it only for a reasonable period of time within which a representation election would have to be conducted.

The amendment would prohibit this type of picketing, unless the union could show a sufficient interest on the part of the employees to have the union represent them. It would prohibit it after a union has picketed for a reasonable period and a representation election has not been conducted in that time. It would prohibit it if within the preceding year a representation election was conducted and another union or no union received the support of a majority of the employees. It would prohibit such picketing where the employer is already lawfully recognizing another union.

The amendment recognizes that the usual remedies of the act, as in the case of secondary boycotts, are inadequate in the case of this type of picketing. To be effective, a remedy must provide speedy relief by an immediate termination of the picketing. The amendment, therefore, would make violation of the provision subject to the mandatory injunction provided in section 10 (1) of the National Labor Relations Act.

This amendment to the National Labor Relations Act is needed at this time. One of the findings of the select committee is that "the weapon of organizational picketing has been abused by some of the unions studied." It has been used to extort funds from management and without the consent of the employees of the picketed establishment.

The right of legitimate picketing must be preserved, but the use of a picket line to force upon an employer and his employees a union which is obviously not desired by the employees as their bargaining representative is clearly coercive and should be restricted. The National Labor Relations Act provides for unions orderly procedures whereby they can be selected as bargaining representatives and whereby employers can be required to recognize and bargain with them.

AMENDMENT NO. 7 (4-24-58—J): BARGAINING DURING LIFE OF CONTRACT

This amendment would amend section 8 (d) of the National Labor Relations Act which presently defines the obligation imposed on employers and labor organizations by the act to bargain collectively. The policy of the United States as expressed in the act is to encourage this method of settling labor disputes in the interests of stable labor-management relations. However, the present provisions of the act have been interpreted to require parties to an existing collective bargaining agreement to bargain at any time during the life of the contract on any matters which were not the subject of negotiation when the contract was made. Such a situation subjects parties to an agreement to continual uncertainty as to the duration of the contractual relationship. It defeats one of the basic purposes of collective bargaining contracts, namely, stability in labor-management relations. It, in effect, lends the support of the Government to a party who is dissatisfied with the bargain which he has made.

The amendment would correct this situation. It would make clear that parties to a valid collective-bargaining contract are not required to bargain during the life of the contract with respect to any modification which would become effective before a reopening is permitted by the terms of the contract. The parties, of course, could agree to a reopening at any time.

AMENDMENT NO. 8 (4-24-58—L): ELIMINATION OF NON-COMMUNIST AFFIDAVIT

This amendment would eliminate the present requirement of the Labor-Management Relations Act, 1947, that each officer of a union seeking to use the processes of the act file a non-Communist affidavit with the National Labor Relations Board. This provision in the past served a good purpose. Among other things, it helped identify the unions which were infiltrated and dominated by Communists and assisted organized labor itself in its efforts to correct this situation. However, there is now in effect the Communist Control Act of 1954 which is specifically directed against Communist-infiltrated labor organizations. Because of this act the affidavit is no longer needed and its retention only make union officers feel that they are unjustifiably being singled out as possible subversives.

AMENDMENT NO. 9 (4-24-58—E): FEDERAL-STATE JURISDICTION

There is an urgent and compelling need to eliminate the jurisdictional "no-man's land" that presently exists in labor-management relations.

The amendment which is proposed would do this by authorizing the States to act with respect to matters affecting commerce over which the NLRB has declined to assert jurisdiction.

The matter of the respective jurisdictions of the Federal and State Governments over labor-management relations affecting commerce has been a complex problem ever since the Taft-Hartley Act was passed. It has been made more acute by the recent Supreme Court decisions in the Guss and related cases. The effect of these decisions is to preclude the States from acting even in those cases in which the Board has determined that it will not exercise jurisdiction that it otherwise would have.

This jurisdictional gap must be closed. Where the Board has declined to act on the ground that it would not effectuate the policies of the Federal law, the States should certainly have the power to do so.

By making it clear that the States and Territories can act where the Board "by rule or otherwise" has declined to assert jurisdiction, we can remedy this situation.

AMENDMENT NO. 10 (4-24-58—H): APPRENTICESHIP AND TRAINING TRUST FUNDS

This amendment to the bill would amend the Labor-Management Relations Act, 1947, so as to clarify the legality, under section 302 of the act, of employer contributions to jointly administered apprenticeship and training trust funds.

Section 302 makes it unlawful for an employer to pay or deliver to a representative of his employees any money or other thing of value and for such representative to receive or accept from the employer any money or other things of value with certain enumerated exceptions. Payments to a trust fund set up to finance an apprenticeship or training program are not among these exceptions and it is the purpose of this amendment to specifically except such payments from the application of section 302.

This proposal would provide that these funds be excepted from section 302 provided that they conform with certain of the standards made applicable by that section to other types of welfare funds. These include requirements that (1) the basis on which payments to the fund are to be made be set out in a written agreement between the employer and the representative of the employees, (2) employers and employees be equally represented in the administration of the fund, (3) provision be made for the breaking of any deadlock between employer and employee representatives by a neutral person, and (4) there be an annual audit of the fund which shall be available to all interested persons.

This proposal would apply to all such apprenticeship and training trust funds but it is of particular importance to the building and construction industry in which such trust funds are numerous. Because of the unique employment relationships and hiring practices in the construction industry training is considered as a joint responsibility of the employers and employee representatives and in most instances is financed by contributions to a jointly administered trust fund which finances the payment of salaries of instructors and other costs of administration and instruction.

The proposed amendment is worthy of favorable consideration on its own merits. In addition, this is 1 of 2 amendments which is proposed which have the approval of representatives of labor and management in the building and construction industry, the industry most directly concerned. In the development of these proposals the administration consulted with and had the advice of a committee of representatives of employers and employees in the building and construction industry. The proposals had the unanimous support of the members of this group.

AMENDMENT NO. 11 (4-24-58—N): LABOR REPORTS ACT OF 1958

This amendment would:

1. Require that all labor organizations file annual financial reports with the Department of Labor;

2. Provide for reporting to the Department of Labor of information as to the constitutions, bylaws, and organizational structure and procedures of labor organizations which govern the rights and obligations of their members;

3. Provide for appropriate annual reporting to show that labor organizations select their officers through secret vote of the members on due notice and not less often than once in every 4 years;

4. Require labor organizations to keep proper records on the matters of which reports are required, which are open to the scrutiny of all of their members;

5. Provide for appropriate public disclosure of the information reported by labor organizations;

6. Require all financial transactions between labor and management representatives which may reflect conflicts of interests in labor-management relations to be reported by labor organizations, their agents and representatives, and employers;

7. Confirm by Federal law the fiduciary responsibilities of persons entrusted with the funds of labor organizations and provide for the enforcement of these responsibilities through representative suits in the Federal or State courts;

8. Provide the authority necessary for effective administration and enforcement of the program, including authority to investigate violations, subpena witnesses, hold hearings, and compel testimony and the production of books and records;

9. Provide administrative procedures for withdrawing, in a proper case and subject to judicial review, certain rights and privileges where violations amount to a willful failure to file a true and proper report. Rights and privileges which could be withdrawn for an appropriate period or periods include:

(a) Recognition or certification pursuant to Federal laws of a labor organization as the representative of employees;

(b) Access to procedures of Federal agencies such as the National Labor Relations Board which exercise decisional functions in labor-management relations matters;

(c) Tax exemptions provided for labor organizations by the Internal Revenue Code.

10. Prescribe criminal penalties for willful violations and other wrongdoing.

This amendment is designed to provide greater protections for the rights of individual workers and the public in the administration of labor organization affairs. Through its reporting and disclosure provisions, this amendment would open to scrutiny of the interested union members and the public those areas in which malfeasance and misfeasance by those entrusted with union affairs could otherwise go on undetected with the protection of a cloak of secrecy. Irregularities and abuses of the kinds reported in recent investigations can be largely eliminated, without the necessity of direct governmental regulation of union affairs, by the provisions of this amendment which would bring into the open the acts and transactions of a financial or procedural nature in which breaches of trust could occur. The fact that these acts and transactions would be subject to scrutiny would deter wrongdoing, and if it nevertheless occurred, the bill's provisions would enable union members to enforce fiduciary responsibilities for union funds and would authorize criminal prosecutions for willful acts in disregard of these responsibilities. The amendment's requirement for annual reports showing that union officers are selected through secret vote of the members will assure fair, democratic procedures which are the best safeguard individual union members can have that affairs of their union will not be taken from their hands. Appropriate provision for administrative action and for injunctions against violations of the law's requirements would further aid the effectiveness of the reporting and disclosure program.

On the other hand, this proposal would not interfere with internal union affairs by dictating how their money should be spent or by regulating their organizational and operating practices. It is consistent with the general theme of S. 2888 which requires only that matters be truthfully reported in order that they may be brought into the open rather than concelled behind a veil of secrecy.

It might also be added, that this proposal is consistent with the report and recommendations of the Senate Rackets Committee, a fact which has been well recognized by the Nation's press. For example, quoting from that great liberal newspaper, the St. Louis Post-Dispatch, for March 25, 1958:

"These proposals follow those made by Secretary of Labor Mitchell and President Eisenhower. There is general agreement that pension funds, whether administered by management or by a union, should be safeguarded. * * * The administration program sponsored by Secretary Mitchell is clear and specific, moderate and fair. * * * The Mitchell program offers protections for union members and the public without interfering with the right to organize, bargain collectively, and strike."

Mr. SMITH of New Jersey. Mr. President, these amendments are contained in the bills I introduced in January, and many of them have appeared before in various pieces of proposed legislation which have been offered.

In light of the votes on Friday and Saturday on the amendments of the Senator from California, it seems apparent, irrespective of the merits of the amendments themselves, that it is the feeling of the majority of the Senate that these amendments should not be added to the pending measure.

I voted to support the amendments offered by the Senator from California because I felt that they dealt with important issues in the field of labor legislation, but I can understand the attitude of those who, while approving the amendments themselves, felt that they were not appropriate to be added at this time to the pending bill. A very good and strong argument can be made against an attempt to write a general labor bill on the floor of the Senate, inasmuch as some of the controversial issues which may be involved have not been thoroughly considered by the Committee on Labor and Public Welfare.

However, there has been a feeling, as I said before, and as the Senator from California has said, that if the proposals contained in the amendments are not considered now, there will be no further legislation in the field of labor beyond what we are considering today.

During the course of the debate, and especially on Friday and Saturday, we have had assurances from the Democratic leadership, and especially from the Senator from Massachusetts [Mr. KENNEDY], the chairman of the Subcommittee on Labor of the Committee on Labor and Public Welfare, that he will promptly, on May 5, resume hearings on the proposed labor legislation before his subcommittee. He has also assured us, and has assured me personally, that he will have his subcommittee consider each recommendation made in the President's proposed legislation, as well as in other legislation proposed and which is before his subcommittee, particularly the recommendations of the McClellan committee. Of course, I welcome this, too. I think the McClellan committee has done wonderful work, and the recommendations they are making must be considered promptly.

We have also been assured, in the RECORD, by the Senator from Massachusetts, that a bill on general labor legislation will be reported to the Senate not later than June 10. Moreover, we have been assured, in the RECORD, by the Senator from Oregon [Mr. MORSE], the Senator from New York [Mr. IVES], and the Senator from Arkansas [Mr. MCCLELLAN], that if such a bill is not reported to the Senate by June 10, they will move to discharge the committee from the further consideration of the bill so that this subject can come before the Senate at that time.

As a member of the Committee on Labor and Public Welfare myself, I will cooperate with other members of the committee in moving that the bill be considered by the Senate.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. KENNEDY. The Senator stated in his address that I had assured the Senate that I would report a general labor bill. The fact is, of course, that I am not in any position to give such assurance. We have been attempting for at least a year to have reported to the Senate a bill which is now before the committee. We have been attempting for a year to have a minimum-wage bill reported to the Senate.

All I assured the Senator, and all I am in a position to assure anyone, was that I would do my best to have brought before the Senate some proposed legislation which would deal with these problems. If the bill is not satisfactory to the Senator or to the Senate, the bill can serve as a vehicle for amendment along the lines the Senator from New Jersey or other Senators may care to propose that it be amended.

Mr. SMITH of New Jersey. Mr. President, I hope the Senator from Massachusetts realizes that he is speaking in the time which has been made available to me.

Mr. KENNEDY. Mr. President, I am glad to yield 3 additional minutes to the Senator from New Jersey, in order to have time in which to make this statement.

The only assurance I am able to give, Mr. President, is that I will do my best to have reported to the Senate a legislative proposal which, if unsatisfactory to the Senator or if incomplete, can serve as a vehicle for any amendments the Senator may wish to offer.

But as regards a measure which would be an overall revamping of the Taft-Hartley Act, it would be extremely difficult to have such a measure reported by the committee; and even if such a bill were reported, it would be so complicated that I doubt that it would be passed in time.

Mr. SMITH of New Jersey. I realize that a complete rewriting of the Taft-Hartley Act cannot be reported by the committee at this session. But I am sure the Senator from Massachusetts will consider the point we are making in that connection.

Mr. KENNEDY. I certainly will.

Mr. SMITH of New Jersey. Furthermore, we now have in the RECORD public assurances, and I have private assurances from my good friend, the distinguished majority leader, the senior Senator from Texas [Mr. JOHNSON], that as soon as the bill comes from the Labor and Public Welfare Committee on June 10, or before then, he will immediately proceed to have it brought up, for consideration by the Senate. I have every confidence that my distinguished colleagues will carry out these assurances in good faith, to the best of their ability.

With this preliminary explanation of the status of the matter, so far as the administration amendments are concerned, I have come to the conclusion that at this time I shall offer 2 of my 11 amendments, for action by the Senate today, during consideration of the pending bill. These two amendments are selected now because their subject matter has been fully heard by the committee many times in the past, and in fact has been acted on by the committee, but without success so far as any legislation dealing with them is concerned.

The first amendment which I shall call up has to do with voting in representation elections by employees who are engaged in economic strikes. The second amendment which I shall offer has to do with preelection certification of building and construction unions.

Both these amendments have been particularly endorsed by the President, and actually need no further hearings.

My other amendments, if I decide not to offer them, should properly be considered by the Committee on Labor and Public Welfare, because, when taken as a whole, they have not hitherto been considered, according to my best recollection, by the committee. Some of them appeared in the proposed legislation which was embodied in the bill to amend the Taft-Hartley Act in 1954, namely, S. 2650, which ultimately was recommitted to the committee, by means of a vote on the floor. In the event these two amendments, or any other amendments which I may submit, are not adopted, I feel in light of the assurances I have had from the Democratic leadership—that my 11 amendments, which are simply a breakdown of my original bills, will be fully considered in reporting an overall labor bill to the Senate on June 10. When I say "overall labor bill," I mean in the sense which the Senator from Massachusetts expressed a moment ago.

Mr. President, on Saturday, just before the adjournment, I called up my amendment "D," which deals with voting in representation elections by employees who are engaged in economic strikes. The amendment was read from the desk on Saturday, and was read again today. It proposes to amend section 9 (C) (3) of the National Labor Relations Act—the Taft-Hartley Act—by striking out all of the second sentence thereof. This section in full now reads as follows:

(3) No election shall be directed in any bargaining unit or any subdivision within which, in the preceding 12-month period, a valid election shall have been held.

Here is the important sentence we propose to have deleted:

Employees on strike who are not entitled to reinstatement shall not be eligible to vote.

That is the present law.

I read further:

In any election where none of the choices on the ballot receives a majority, a runoff shall be conducted, the ballot providing for a selection between the two choices receiving the largest and second largest number of valid votes cast in the election.

The amendment which I am offering for the administration strikes out the second sentence, which reads as follows:

Employees on strike who are not entitled to reinstatement shall not be eligible to vote.

Under the amendment, employees would be allowed to vote who, under existing legislation, had not been eligible to vote in a representation election because during the strike they had been replaced by the employer.

In every hearing since 1949, when the Taft-Hartley Act amendments were first considered, the revision of the provision on economic strikes has received considerable attention. It has been before the committee time and time again.

In 1949, the Taft bill, which was passed by the Senate, contained a provision identical with the pending amendment—namely, deleting the second sentence of section 9 (c) (3), so as to remove the statutory prohibition against voting by economic strikers.

In 1954, the Smith bill—the administration measure—was reported by the Senate committee. At that time I was chairman of the committee. We reported the bill to the Senate, but action on it was never taken by the Senate. That bill contained a provision relating to the voting rights of economic strikers; the provision did not remove the prohibition, but delayed any election until the termination of the strike or the expiration of 1 year from the commencement of the strike, in the case of an employee's petition, or 6 months in the case of other petition. In other words, this matter is not new to the Members of this body.

In order to refresh the memories of my colleagues, I shall presently read from the report of the Committee on Labor and Public Welfare of the 83d Congress, 2d session, dated April 15, 1954. This report accompanied Senate bill S. 2650, as amended, and was filed by me, as the chairman of the committee on Labor and Public Welfare. It covered the administration's program at that time for legislation on labor.

As stated above, when the bill was brought to the floor, after reasonably short debate, unfortunately it was recommitted to the committee; and none of the recommendations of the President contained in that bill have been considered by the Senate since that time.

I desire to emphasize that hearings were held on the particular issue raised by the amendment we are now discussing; namely, the issue of economic strikers who are deprived of the right to vote in representation elections.

Among labor unions there is widespread agreement in support of this provision; and so far as I know, it is noncontroversial. The administration has recommended this provision several times since 1953; and I can say that President Eisenhower has requested me personally a number of times—first, as chairman of the committee; and, later, as its ranking Republican member—to see whether it was possible to have this amendment adopted. As a matter of fact, in his campaign for election in 1952, he stressed especially this particular amendment to the Taft-Hartley law. It appears again in his recommendations for this year. The President has greatly regretted that the recommendation he made in his preelection campaign in 1952 has not been carried out. Those of us on this side of the aisle have attempted to do so, but thus far without success.

The explanation in the report already referred to appears on page 12 of the report under the heading "Elections During Strikes," and reads as follows:

Under the law as now written, striking employees whom their employer has permanently replaced are not permitted to vote in representation elections conducted by the Board. The committee was unable to find any evidence that this prohibition has thus far led to the destruction of any union. However, during the years since 1947 in which the ban has been in effect, jobs have been plentiful and replacements for striking workers difficult to secure. Should economic conditions take a turn for the worse and the volume of unemployment become substantial, employers could conceivably utilize the prohibition to eliminate the union with which they have been bargaining. Thus, with plenty of unemployed workers available, an employer might instigate or precipitate a strike by refusing to accept reasonable union terms and conditions, replace the strikers from the ranks of the unemployed, and then either petition for a Board election or induce others to file such a petition. With most of the union adherents ineligible to vote, the election would probably go against the union.

It was this possibility which led President Eisenhower, during his campaign in 1952, to declare that he wanted no "union-busting" provisions in the labor laws of the United States. In order to provide against such an eventuality the committee approved an amendment which would forbid an election sought by any petitioner other than the striking union during the course of a strike or for stated periods from the commencement of the strike, whichever occurs sooner. This accords with the President's recommendation and fulfills his pledge made during the 1952 campaign.

It is because this matter has been given such full consideration in the past, and in my judgment is noncontroversial, that I feel it would be appropriate for us to adopt this particular amendment from among the President's 11 recommendations. The yeas and nays were ordered last Saturday.

In the event the Senate feels that even this noncontroversial amendment should not be adopted at this time in connection with the pending bill, I am confident that with the assurance from the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Texas [Mr. JOHNSON], as stated above, this matter will be carefully considered in the writing up of the overall labor bill which is to be reported to the Senate not later than June 10.

Mr. President, that is my present defense of this particular amendment.

I reserve the remainder of my time.

Mr. KENNEDY. Mr. President, the amendment suggested by the Senator from New Jersey deals with the rights of economic strikers. The Taft-Hartley Act contains a provision limiting the right of economic strikers to vote. It has been a very bothersome section of the Taft-Hartley law. When that provision is joined with the further provision of the Taft-Hartley Act giving an employer the right to call for a representation election, there is in fact provided a weapon which is available to an antiunion employer to break a union.

When a bill on the subject came before the Senate in 1954, it provided that economic strikers would have the right to vote for 1 year after the beginning of a strike. It also provided that employers could not call a representation election within 4 months.

I think at that time the Senator from New Jersey was in favor of language which would have provided that an election could not be called for 6 months. He did favor a limitation of 1 year on the right of economic strikers to vote.

The language suggested by the Senator from New Jersey today would put no time limit on the right of economic strikers to vote. It is an important element and deals with an important problem. For example, during the hearings by the McClellan committee, it was found that one of the questions which has bothered the bargaining relation-

ship between the Kohler Co. and the union was that the Kohler Co. claimed that since a replacement had been made, the UAW was no longer the bargaining agent for the workers.

I was opposed to the provision which the amendment of the Senator seeks to correct, when it was written into the law. I signed the minority views on the amendments to the Taft-Hartley Act calling for action on this particular question. But I would be opposed to taking action on it today without giving a clear opportunity to the trade unions, business groups, and the National Labor Relations Board to testify and make some legislative history on the question. We are in fact purporting to give discretion to the National Labor Relations Board without in fact giving it any enlightenment with regard to whether an economic striker's vote should be limited to 3 or 4 or more years. It may well be that is what we should do, but I think the question should be carefully considered by the committee.

The Senator from Arizona [Mr. GOLDWATER] and I have had a conversation about the matter. I think we have agreed that there should be some changes in the Taft-Hartley Act; but whether it should be as provided in the language of the amendment of the Senator from New Jersey I am not sure.

Mr. GOLDWATER. Mr. President, will the Senator yield at that point?

Mr. KENNEDY. Yes.

Mr. GOLDWATER. I find myself in the embarrassing position of not being able to support this particular proposal by my administration. I agree with the Senator from Massachusetts that there should be a change in the economic striker clause of the Taft-Hartley Act. If my memory serves me correctly, Senator Taft thought so also. But I do not think the proper step is to amend the law so that there will be a voting privilege in perpetuity. There should be a time limitation. I have proposed an amendment to the Taft-Hartley Act. I think the time I have suggested is 60 days. My mind is not closed on the limitation. It could be 90 days or any other particular period of time which could be agreed upon. I was wondering if the Senator from Massachusetts would permit me to ask the distinguished Senator from New Jersey if he would accept a language modification of the administration's proposal which would enable us to embody such a change.

Mr. KENNEDY. Yes, I yield for that purpose, with the understanding that I hold the floor.

The PRESIDING OFFICER. The Chair should like to say that, under the unanimous consent agreement, a Senator cannot modify his own amendment.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. I asked the distinguished majority leader this morning if he thought it would be within the realm of parliamentary action for me to suggest modifying the language of this particular amendment, and he said he felt it would. I realize he is not the Parliamentarian, but is the Parliamentarian certain that an amendment cannot be modified by agreement with the sponsor of the amendment?

The PRESIDING OFFICER. It is the understanding of the Chair that, under the unanimous-consent agreement, it cannot be done.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me?

Mr. KENNEDY. I yield to the Senator from Texas.

The PRESIDING OFFICER. May the Chair inquire of the Senator from Massachusetts how much time he has allotted to himself?

Mr. KENNEDY. How much time do I have?

The PRESIDING OFFICER. The Senator has 30 minutes.

Mr. KENNEDY. I allot myself whatever time I may need. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. As I understood the inquiry of the Senator from Arizona, and I do not pretend to be an authority in this field, and so stated; it was my understanding his question was, "Could an amendment which had been offered, and was at the desk before the unanimous-consent agreement was entered, be modified by unanimous consent of the Senate?" I expressed the offhand, horseback opinion that that could be done. I do not know that it should be done, and I do not know that it can be done, but it seemed to me that it was a reasonable procedure, and I perhaps spoke too quickly, but I assumed it could be done.

Now, I ask the Parliamentarian, Can it not be done by unanimous consent?

The PRESIDING OFFICER. It can.

Mr. JOHNSON of Texas. I remind the Senator from Arizona that his question of the majority leader was, "Could it be done by unanimous consent?" Is that not correct?

Mr GOLDWATER. The majority leader is absolutely correct.

Mr. JOHNSON of Texas. I say to the Senator from Arizona that we have to live together and work together and have our proposals considered together, whether we agree or disagree.

I should be very much pleased to have the suggested modification submitted to the chairman of the subcommittee, to the chairman of the full committee, to the author of the amendment, and to the leadership—to give them all a chance to review it, and to ascertain whether, in their opinion, it is a fair and reasonable modification, and one which should be adopted. I will do that informally with the Senator.

Mr. DIRKSEN. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I yield.

Mr. DIRKSEN. The yeas and nays have been ordered on this amendment, and I raise a question whether the modification can be made without vacating the order for the yeas and nays.

Mr. JOHNSON of Texas. I understood it was an amendment of the Senator from Arizona [Mr. GOLDWATER].

Mr DIRKSEN. No.

Mr. GOLDWATER. Mr. President, the distinguished chairman of the subcommittee and I have been engaged in a colloquy relative to the economic striker amendment. We both agree there should be some amendment to the Taft-Hartley law in this field. I am not sure whether the Senator would agree as to the length of time an employee who has not been reinstated should be eligible to vote, but he certainly should have the right.

The language which I was going to suggest be incorporated in the amendment, if the majority leader would give me his ear for a moment——

Mr. JOHNSON of Texas. I am attempting to give my ear to the distinguished Senator and to the distinguished acting minority leader.

Mr. GOLDWATER. Texans are big, and we expect them to have ears enough to go around.

Mr. JOHNSON of Texas. But we do not have three ears.

Mr. GOLDWATER. I was trying to explain.

If the Senator from New Jersey [Mr. SMITH] would accept some very simple modified language which would limit the number of days, I think it would be desirable.

Mr. KENNEDY. I yield for the Senator from Arizona [Mr. GOLDWATER] to ask the Senator from New Jersey [Mr. SMITH] if he will accept a modification.

Mr. JOHNSON of Texas. I should like to make an observation. I am hopeful that the Senator from Arizona and his distinguished colleague, the ranking minority member of the Committee on Labor and Public Welfare on the other side of the aisle, can get together and have a common viewpoint on labor legislation on this amendment, and then I should like to consider it. If there is a division on the other side of the aisle, there is no point in taking up the time of the Senate. I do not know whether the Senator from New Jersey is agreeable to the viewpoint of the Senator from Arizona.

Mr. SMITH of New Jersey. Mr. President, if the Senator will yield, I thought I had the right to modify my own amendment. I should like to ask if I have to have unanimous consent.

Mr. KENNEDY. Mr. President, I yield to the Senator from Arizona, so that he can ask the Senator from New Jersey a question.

Mr. GOLDWATER. Mr. President, I ask my colleague, the distinguished Senator from New Jersey, if he will agree to this language:

> Employees on strike who are not entitled to reinstatement shall be eligible to vote only during the first—
>
> And I have left a blank—
>
> — days of the strike.

We might say 90 days, or 180 days. I have never discussed this matter at too great a length with the distinguished Senator from Massachusetts, so I do not know how far apart we may be. We may be together.

Mr. KENNEDY. Is the Senator asking the Senator from New Jersey the question?

Mr. GOLDWATER. I am asking if the Senator from New Jersey will incorporate that language—let us say "90 days"—in the amendment.

Mr. SMITH of New Jersey. I would accept "90 days."

Mr. IVES. Mr. President, the Senator has to ask unanimous consent.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the language I have suggested may be accepted by the Senator from New Jersey as a modification of the amendment.

Mr. JOHNSON of Texas. May we have the proposed modification repeated?

Mr. GOLDWATER. Yes. The amendment would be amended to read as follows——

Mr. JOHNSON of Texas. That is, the Smith amendment as it would be amended by the Goldwater amendment.

Mr. GOLDWATER. Yes.

Mr. SMITH of New Jersey. This will be the Smith amendment. I am modifying my own amendment.

Mr. GOLDWATER. The amendment would read:

> The second sentence of section 9 (c) (3) of the National Labor Relations Act, as amended, is amended to read as follows:
> "Employees on strike who are not entitled to reinstatement shall be eligible to vote only during the first 90 days of the strike."

I have asked unanimous consent that the amendment may be accordingly modified.

Mr. KENNEDY. Mr. President——

Mr. JOHNSON of Texas. Mr. President, as I understand, the opposition to the amendment controls the time. That is within the allotment of the majority leader. He is opposed to the amendment. The majority leader allotted time to the Senator from Massachusetts. The Senator from Massachusetts, I believe, desires to yield to the Senator from New York.

Mr. IVES. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. IVES. Mr. President, I reserve the right to object—and I do not know whether I shall object; I doubt if I shall—I desire to point out that what the distinguished Senator from Arizona is attempting to do, and what the distinguished Senator from New Jersey is attempting to accept, is an indication of the great confusion of thinking on this question. Both distinguished Senators are members of the standing Committee on Labor and Public Welfare, yet we have a great difference of opinion on this fundamental subject in connection with the particular amendment under consideration.

What the distinguished Senator from Arizona proposes or intends to do, apparently, is to substitute a new amendment in lieu of the amendment the Senator from New Jersey is proposing. That is all the more reason why this amendment, together with all the other amendments, should now be rejected, and the whole subject referred to the Committee on Labor and Public Welfare, with the understanding that such matters can be heard just as soon as possible after next Monday, a week from today.

I am sure the distinguished Senator from Massachusetts will be willing to give the time necessary to the matter.

Therefore, Mr. President, I must object.

Mr. KENNEDY. Mr. President——

The PRESIDING OFFICER. Objection is heard.

Mr. GOLDWATER. Mr. President, will the Senator withhold his objection?

Mr. KENNEDY. Mr. President——

Mr. IVES. I withhold the objection temporarily.

Mr. KENNEDY. Mr. President, does the Senator desire to ask me to yield?

Mr. GOLDWATER. Yes; I ask the Senator to yield.

Mr. KENNEDY. If the Senator will wait a moment, I shall yield.

In view of the fact that there is some disagreement among the Senator from Arizona, the Senator from New Jersey, and the Senator from New York, it seems to me it would be far more appropriate to decide the question in the Subcommittee on Labor. Therefore, I am hopeful the amendment of the Senator from New Jersey will be defeated.

For that reason I should think the Senator from Arizona, since he feels as he does on the question, would prefer to have the matter fought out in the committee, rather than to attempt, in view of the parliamentary situation, to fight it out on the floor of the Senate.

Mr. GOLDWATER. Mr. President, I agree that this part of the law should be changed. For two Congresses, as I recall, I have had pending a bill to make such a change, but no action has been taken on it.

I remind my friend, the Senator from New York, that we both voted to report a change in the section to which I refer.

Mr. IVES. Mr. President, will the Senator yield?

Mr. GOLDWATER. That was for 1 year.

Mr. KENNEDY. Mr. President——

Mr. IVES. I have introduced bills to amend the Taft-Hartley Act ever since it was passed.

Mr. KENNEDY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 12 minutes remaining.

Mr. KENNEDY. Mr. President, I hope the Senate takes such action as will enable the amendment to be considered by the subcommittee, where it can be more carefully examined, in view of the disagreement about it and in view of the fact that the voting rights of economic strikers is a most important subject. I am hopeful the attempt to argue out language will not be handled on the floor, but will be left to the committee where it belongs.

The PRESIDING OFFICER. There being objection to the unanimous-consent request, the modification of the amendment cannot be made.

Mr. JOHNSON of Texas. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, I understand the unanimous-consent request was objected to by the Senator from New York.

The PRESIDING OFFICER. The Senator is correct.

Mr. IVES. I temporarily withheld the objection.

Mr. JOHNSON of Texas. Mr. President, I should like to yield myself a half minute.

The PRESIDING OFFICER. The Senator from Texas is recognized for a half minute.

Mr. JOHNSON of Texas. As I have said several times in respect to the pending legislation, I repeat that the subcommittee is to continue hearings beginning on Monday morning next. The hearings will be held morning and afternoon if the Senate gives its consent. I am hopeful that all Senators who desire to offer proposed labor legislation of any type will arrange with the distinguished chairman of the subcommittee to present their views.

Today I think the Senate should determine not what particular merit each proposal brought forth has, but rather, should determine that there shall be a fair hearing, which is already under way and has already been scheduled to continue.

I repeat what I have already stated, that the question we are determining is whether we shall have the verdict before the trial, or the trial before the verdict. The hearings are to be conducted for 3 weeks. Any Senator can present any proposal he desires. The Senator from Arizona can modify the proposal of the Senator from New Jersey, or the Senator from New York can offer his own proposal, and the committee will then consider every suggestion, and I hope the committee will report a constructive bill.

I hope the Senate will not attempt to take these newborn creatures and write them into this complex labor legislation, and bring about the defeat of this worthwhile proposal which the committee has reported. I hope the amendment will be defeated.

Mr. GOLDWATER. Mr. President, will the Senator from New Jersey yield me a half minute?

Mr. SMITH of New Jersey. I am glad to yield the Senator 1 minute.

Mr. GOLDWATER. Mr. President, I might tell the majority leader, before he departs——

The PRESIDING OFFICER. Will the Senator from New Jersey state how much time he has allotted to himself?

Mr. SMITH of New Jersey. Mr. President, I have allotted 1 minute to the Senator from Arizona, and then I want to allot 10 minutes to the Senator from Illinois.

Mr. GOLDWATER. I remind the distinguished majority leader that this is not newborn legislation. It has whiskers on it down to its knees.

In view of the fact that this is only one of the many amendments which have been in the hands of the committee for years, I should like to ask the distinguished chairman of the subcommittee if he intends to allow us to discuss proposed changes in the Taft-Hartley law, in addition to the McClellan type of legislation.

Mr. SMITH of New Jersey. The chairman of the subcommittee has already assured me on that point.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me at that point?

Mr. SMITH of New Jersey. I am glad to yield.

Mr. JOHNSON of Texas. The distinguished chairman of the subcommittee has given that assurance time and time again. There is nothing to be gained by repetition. Senators can understand it after hearing it 2 or 3 times, if they are disposed to understand. If they do not want to understand, they probably never will.

The chairman of the subcommittee has invited all Senators to make their recommendations. Whether this amendment is newborn or whether it is bewhiskered, it is obvious that when three Members on the other side of the aisle have differing viewpoints, we should present them to a committee and let the committee resolve the differences.

Mr. GOLDWATER. The Senator from Arizona had not heard any clear-cut assurance that we could open up the Taft-Hartley Act.

Mr. KENNEDY. Mr. President, if I may speak for a moment on the time of the majority leader, the Subcommittee on Labor will resume its hearings on the recommendations of the McClellan committee, for which purpose the hearings were originally called. In addition, I have given assurances to the Senator from New Jersey that we shall give consideration to proposed changes in the Taft-Hartley Act, which subject goes beyond the McClellan committee recommendations.

Every Senator will be afforded an opportunity to testify before the subcommittee. However, I do not wish to mislead Senators. In the time available, we cannot write an overall revision of the Taft-Hartley Act, because we have not been able to do so in years. Therefore, I hope we shall be able to confine ourselves as much as possible—although I do not intend to restrict any Senator—to the areas covered by the McClellan committee recommendations and the areas covered by the administration program.

Mr. GOLDWATER. That would include, then——

The PRESIDING OFFICER. The time of the Senator from Arizona has expired. Does the Senator from New Jersey wish to yield further time?

Mr. SMITH of New Jersey. I am afraid I cannot.

Mr. JOHNSON of Texas. I will yield 1 minute to the Senator from Arizona.

Mr. GOLDWATER. I merely wished to button up the question, and then I shall remain silent.

Mr. JOHNSON of Texas. It is buttoned up. The chairman of the subcommittee says that the Senator may make any suggestion he wishes, and that it will receive consideration. He stated that he hoped to confine the committee action, as far as is possible, to the McClellan committee recommendations.

Mr. GOLDWATER. Among the important things for which both labor leaders and management, as well as the public, have been asking, are the non-economic strike provision, the non-Communist oath provision, and the States' rights provision.

Mr. KENNEDY. They are all included in the McClellan recommendations.

Mr. JOHNSON of Texas. I thank the Senator from New Jersey for his indulgence. As is his custom, he has brought about a spirit of unanimity in this body which seldom prevails except when he participates in the debate.

Mr. SMITH of New Jersey. Mr. President, I yield 10 minutes to my distinguished colleague from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. President, the time to assert a principle is any time, and that time is now, just as well as later, after extended hearings.

I hope the Senate will not permit itself to let a detail with respect to time obscure the principle which is involved here.

I know of no better way to dramatize the issue which is involved here than to point to the strike at the O'Sullivan Heel Co., in Winchester, Va., which began in 1956. As I recall from the accounts, that company has about 700 employees. They struck for higher wages. Ultimately, their positions were permanently filled by the management with replacements. Later one of the employees petitioned for a new bargaining election. The vote was 288 to 5, and that was the end of the union at the O'Sullivan Heel Co., in Winchester, Va.

The question was further reviewed when a picketing charge was made. More than 400 employees were involved, some of whom had served the company for nearly 30 years. However, under the Taft-Hartley Act, they were denied the right to vote in a representation election.

That is the issue which is involved in the Smith amendment. Shall they be entitled to vote, notwithstanding the fact that they are on strike for higher wages?

What is the case for the amendment? The argument has been developed, from time to time, that there have been no hearings on this subject. There were hearings in the 83d Congress on this amendment. It came to the floor of the Senate. Once it failed in the House, after it got through the Senate, and once it died on the floor of the Senate. So the answer to the argument as to whether or not there have been hearings is that there have been hearings, and that the Senate voted favorably on the amendment once before.

The next point I wish to make is that this amendment was among the 29 suggestions made by Senator Taft in 1949. This was item 16 in his agenda. He said that the Taft-Hartley Act should be modified in this respect, in fairness to striking employees, who are referred to as "economic strikers for better wages."

The next point I make is that labor wants this amendment. Labor leaders have asked for it time and time again, and they have pointed out that the present provisions of the law affords a way to break a union. In a period of unemployment such as now exists, it is not too difficult to break a union; and there is a perfectly good case against the particular provision in the Taft-Hartley Act.

Finally, this is one of the amendments which the President of the United States has requested of the Congress. In his message in 1954 he made a particular plea for this amendment.

So when we add up the case, what have we? We have an admitted, conceded, patent inequity; a patent mistake in the Taft-Hartley Act, which even its great pioneer defender, Bob Taft, undertook to have corrected as early as 1951. He was denied an opportunity to do so in the committee.

This amendment did have a chance in 1954, but it did not succeed. This is what the late Senator Taft wanted, in the interest of equity and fairness. This is what the President of the United States wants, in the interest of equity and fairness. He has so advised the Congress. This is what the labor unions want; and they have said so uninterruptedly and with great vigor from time to time.

What more, then, remains to be said on this whole story? After all, the situation involves a pretty difficult choice for a man who carries a dinner bucket, and who goes out on strike. He must face the fact that he can be replaced when he makes an entreaty for better wages, and that he will be out of court so far as his vote is concerned in a representation election.

That is precisely what happened in the case I have cited. When the striking employees were replaced, how easy it was to let the replacements vote. None of the old employees, who had an economic stake in the issue, could vote. It is no wonder that the election at Winchester resulted in a vote of 288 to 5. So the bargaining union there was disestablished, and a brandnew union was set up. The President of the United States, because of his interest in equity and in fairness, has asked that this amendment be adopted. Are we going to defer it? Four hundred strikers were divested of their rights. Shall we make them wait any longer? That is for the Senate to say.

It is said that there ought to be hearings, and that we should determine, first of all, whether the period involved should be 4 months, or 180 days, or whether such a right should last for a year. I am not interested in the details. Let us establish the principle today. The bill must go to the House of Representatives, and it can easily enough adjust the time limit if, because of objection, the amendment cannot be modified so as to place a time limit on the right to vote.

Mr. IVES. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. IVES. Does the Senator think for 1 minute that if this amendment were placed in the bill at this time the bill could be enacted?

Mr. DIRKSEN. We approach all legislation in the spirit of faith, hope, and charity.

Mr. IVES. I do not like to approach this proposed legislation in that way.

Mr. DIRKSEN. I do.

Mr. IVES. I desire to approach it in as sure a way as I can; that is, step by step, until we go ahead with it through committee activity and report an omnibus bill. In that connection I wish to say I was opposed to the provision in the Taft-Hartley Act which the pending amendment would repeal.

Mr. DIRKSEN. Injustice will not wait wherever we find it under any circumstances. Here we are dealing with an injustice which puts its heavy hand upon the humble workers of the country, notably those who participated in the O'Sullivan strike in Virginia. Are we going to wait? We cannot say: "Just bide your time. Let the legislative process unfold. Let it take its own sweet time. To be sure, it is fraught with hazard, and there is something dubious about it, and you cannot be assured that anything will be done."

If injustice must be met when it is identified, then this is the time. Let no one raise his voice and say that there have been no hearings on the subject, that this principle has not heretofore been considered by the Committee on Labor and Public Welfare.

Mr. President, that is the whole case, as I see it. Let the Senate defer it, if it wishes, but so far as the arguments which have been advanced against other amendments are concerned, those arguments will not hold water in the case of this amendment. That is the case. I yield back the remainder of my time.

Mr. SMITH of New Jersey. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from New Jersey has 3 minutes remaining. The Senator from Massachusetts has 10 minutes remaining.

Mr. SMITH of New Jersey. I yield 1 minute to the Senator from Colorado.

Mr. ALLOTT. I support the distinguished senior Senator from New Jersey and the distinguished Senator from Illinois, and I ask that several editorials in support of the President's program be printed in the RECORD at this point.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the St. Louis (Mo.) Post-Dispatch of December 6, 1957]

GOOD LABOR LAW PROGRAM

Secretary of Labor James P. Mitchell, appearing before the AFL–CIO convention, outlined an intelligent program of labor legislation which the administration promises to sponsor.

The administration will ask Congress to safeguard pension and welfare funds, he said. Such a law is desirable and it should cover all funds, whether controlled by union officials, management, or outside agencies.

The Government also will ask that financial relations between union officials and employers be publicized, and it will seek a ban on picket lines where employees do not desire to join a union. Labor may oppose the latter proposal, but both would promote legitimate organization and bargaining procedures. More controversial is the plan to insure union elections by secret ballot. Unobjectionable in principle, this will have to be spelled out in more detail to avoid undue governmental influence in union affairs.

That the administration program was not conceived in an antiunion spirit was indicated by Mr. Mitchell's promise that it would not include a right-to-work bill nor a ban on the closed shop.

The question, of course, is whether Congress will take as enlightened an approach to labor legislation as that outlined by the Secretary of Labor. Those inclined to be more tough should realize that unions are here to stay. The task is to correct abuses, not punish honest men.

[From the New York Herald Tribune of December 7, 1957]

A PROGRAM FOR LABOR

Labor leaders have been uneasily conscious for many months that their movement is in the shadow of public disapproval. Responsible men like Mr. George Meany may insist on the need for house cleaning by labor itself; responsible organizations like the AFL–CIO majority may answer by expelling the racketeer-ridden teamsters. But all know that neither exhortations nor expulsions are the real answer. There must be recourse to law. And because they feared the public reaction, many union chieftains welcomed the moderate program—for labor, not against it—presented on behalf of the President by Secretary of Labor James P. Mitchell on Thursday.

There are many facets to Mr. Mitchell's statement of administration aims. But the core lies in his assertion that the objective of the proposed legislation is to open to public view and inspection some of the areas of union and management affairs which are now hidden and in which crooks and racketeers have operated.

This is to be achieved by a new system of reporting union financial transactions, and all health, welfare, and pension funds (not union funds alone), as well as requirements for filing annually union constitutions, by-laws, procedures relating to restrictions on membership, election of officers, etc. In the latter section, the administration proposes that the reports must show union members to have the right and opportunity to elect their officials at intervals of not more than 4 years by secret ballot or through delegate bodies (in the case of national officers) chosen by secret ballot.

The plan would, therefore, strike at two union evils: the misappropriation of union funds and the election or perpetuation in office of unfit leaders by manipulation or concealment of the electoral machinery.

This, surely, is minimal Federal action to correct the abuses that have been revealed in union affairs. It would be backed by penalties against false statements, by giving the Labor Department rights of investigation and subpena, by depriving unions that failed to file reports of tax-exempt and Labor Relations Board status, and by authorizing suits by individual union members when they have been injured by bad management of the union treasury.

Thus the laws would have salutary teeth. They would not be discriminatory, since all pension and welfare funds, union operated or not, would come under the Government's scrutiny, and a statutory provision would compel employers to disclose payments made to unions or union agents through a third party. And they would be in the best interests, not only of the community at large, but of the organized workers.

If union leadership is inclined to dispute the value of the new proposals, they might take into account the plain fact that Americans, union or nonunion, are fed to the teeth with the kind of skulduggery disclosed in the case of the teamsters and some other organizations. They are not going to assume that expulsion of these outlaw bands from the national federation will solve the problem (State law, not federation action, is the only sanction the longshoremen, to cite one example, fear). And they have shown an increasing tendency to turn to right-to-work laws, banning union shops, as a solution.

President Eisenhower and Mr. Mitchell oppose a Federal right-to-work law, as well as any attempt to bring the unions within the scope of antitrust legislation. But on the State level the right-to-work movement is spreading. If the unions fear it they must help to produce a constructive alternative. The evils have been too grave, they hit the Nation too hard and oppress union members too intolerably for any other course to be possible.

[From the New York Times of December 7, 1957]

UNITED STATES LABOR LAW PROGRAM

The labor-law program of the Federal Administration which Secretary Mitchell revealed at the American Federation of Labor and Congress of Industrial Organizations convention is, by and large, a model of high statesmanship. For his major share in its formulation Mr. Mitchell himself deserves great praise, as does the President for his unreserved approval.

At a time when the exposed misdeeds of union officials have given the enemies of organized labor a good chance to promote antiunion laws, Secretary Mitchell has had the courage to turn his back on them and hew to the line of strict impartiality. As his proposals demonstrate, that line, in the main, would help rather than hinder legitimate trade unions.

True to American principles, Mr. Mitchell's program is designed to prevent abuses, not to impose direct Government control. And he suggests that this be done by clearly defined legal standards of sound practice and by requirements for full disclosure of union operations, backed by severe penalties for those who violate the law. The way he would deal with the central problem of labor union dictatorship applies this policy at its most crucial and most sensitive point.

Direct election by secret ballot of union officers, or of delegates to bodies which elect them, would be required. But this would not be enforced by an army of Government agents whose fingers would be in every election pie. All unions would be required to report to the Labor Department how their elections are held, and these reports would be open to the public. A union that falsely reported its compliance with the secret ballot requirement, or whose report disclosed a violation, would be subject to penalties which could culminate in forfeiture of tax exemption and collective bargaining status under the Taft-Hartley law.

The full disclosure technique would also be applied to the operations of all labor-welfare funds and to the financial affairs of the unions themselves. False statements in the required financial reports would make violators subject to fine and imprisonment, while conflict of interest, bribery, and embezzlement of welfare and union operating funds would be made crimes under Federal law. And the Secretary of Labor would be given broad power of investigation and subpena, both on his own initiative or on bona fide complaints from outside.

The broad effect of the administration program, if adopted, would be to give labor unions a quasipublic legal status. And why not? After all, they are associations organized to perform a public service, primarily to their members, but also to the entire Nation, insofar as they bargain collectively with employers under Federal protection. And the Government has given them exemption from taxation. It is high time that those who belong to unions, as well as the public at large, be given legal protection against abuses that impair their usefulness. Secretary Mitchell's proposals to that end are a welcome example of how the Nation's ex-

ecutive department can exercise leadership within the pattern of our tripartite form of government.

[From the Boston Christian Science Monitor of December 9, 1957]

AGAINST FOES WITHOUT AND WITHIN

Organized labor can understand and will respect management's opposition, however vigorous, to labor's bargaining demands. Organized labor does not understand and will resist passionately anything it believes strikes at unionism itself.

This has become a truism that Secretary of Labor James T. Mitchell quite evidently understands and accepts, and with him, apparently, the President. Mr. Mitchell could not have found a wiser introduction to a forthcoming administration legislative program than by giving a preview to the AFL-CIO convention and by prefacing that preview with the assurance:

"This administration will not permit those who have never approved of organized labor or collective bargaining to use labor's present difficulties as a club to suppress unionism."

And he followed with some specifications: that the administration will oppose any so-called national right-to-work law; that, as to bringing labor under the antitrust laws, the administration believes—

"It is an affront to the dignity of the American worker to assert that his work should be regulated by the same laws which are designed to preserve competition in business."

Furthermore, Secretary Mitchell said, the administration "would not dictate to unions what they should do about their internal affairs (with one exception), but require that unions report accurately on what they are doing."

This means that it would require unions to make available current facts on the handling of welfare and pension funds (whether union, employer, or jointly provided), and in general would—

"Open to public view and inspection some of the areas of union and management affairs which are now hidden and in which crooks and racketeers have operated."

This much of the program labor had already indicated willingness to accept in principle—also, obviously, certain revisions of the Taft-Hartley Act which it has long urged. The administration also proposes other amendments which by sharper definitions would restrict unions in secondary boycotts and picketing.

As to the one exception mentioned above to governmental intrusion into unions' internal affairs: This has to do with requiring that all unions elect their officers directly or indirectly by secret ballot, and that such elections be held periodically and with reasonable frequency.

There are signs that labor will resist these proposals, not in opposition to democratic processes but on grounds that public law should not determine how private associations shall govern themselves. This is a thesis that cannot be ignored. For it applies also to churches, fraternal orders, social clubs. But neither is it a thesis which can be accepted without reference to the nature of the particular private association.

It is a matter of how each is affected with the public interest. The honest government of labor unions is a factor in the healthy operation of the whole economy. And it is a very important factor in the economics of some 18,000,000, members, whose livelihood depends primarily on their jobs.

[From the San Mateo Times of December 12, 1957]

A MODERATE PROGRAM

It is difficult to see how anyone concerned with cleaning up the worst abuses in the union labor movement could raise objection to the program laid before the AFL-CIO by Secretary of Labor Mitchell.

This program is aimed to end the looting of union funds by dishonest officials, the stifling of union democracy, and the corruption in labor-management relations uncovered by the Senate's current probe. It would provide that all union officers must be elected by secret ballot and it would establish requirements for the full disclosure of union financial operations and collusive relationships. Unions would also lose the tax-exempt status which they now enjoy.

These proposals are aimed at a single goal. That is the protection of rank and file union members from the dishonest and greedy leaders who have robbed union treasuries and established a tyranny which it has become difficult if not impossible for the membership to uproot.

If real progress in curing these abuses is not made the door will be open to far more drastic proposals to curb the power of unscrupulous labor leaders to make league with racketeers and prey upon both their own members and the public.

Mr. SMITH of New Jersey. Mr. President, I yield 1 minute to the Senator from South Dakota.

Mr. MUNDT. Mr. President, I have asked the Senator from New Jersey to yield to me at this time primarily to make this inquiry of the distinguished senior Senator from New Jersey: If we were to pass the pending bill with his amendment added to it, and the bill goes to the House, and the House adds a time limit to it—which I believe is a reasonable supposition, and which I believe should be put attached; either sixty days or ninety days, or whatever limitation may be added to the bill—do I correctly understand, even though the Senator could not modify his amendment because of the parliametary situation, that as a conferee he would be inclined to go along with a limitation of time on the amendment?

Mr. SMITH of New Jersey. Yes. The amendment was originally offered in the form of a bill which I had introduced. I understand that I cannot modify my amendment at this time. I say to the Senator that I am in favor of a time limit.

Mr. MUNDT. I did not understand the last part of the Senator's statement because of the noise.

Mr. SMITH of New Jersey. I am in favor of getting together with the conferees on a time limit.

Mr. MUNDT. I thank the Senator. On that basis I can support his amendment. There should be some time limit placed in the bill.

Mr. KENNEDY. Mr. President, the fact of the matter is that the Senator from Illinois [Mr. DIRKSEN] is right that the issue has been before us since the Taft-Hartley Act was passed. However, there is a substantial degree of difference between us as to whether the period of time should be a year, which was recommended in 1954 by the administration, whether it should be unlimited, as recommended by the Senator from New Jersey today, or whether it should be a shorter time, as recommended by the Senator from Arizona and the Senator from South Dakota.

The basic fact is that the amendment is in the interest of labor. It is my hope that it will be a part of any bill which will be reported by the committee.

In opposing the amendment, I do so because there are 30 other amendments on the table which will be called up if the pending amendment is adopted—all of which are not in the interest of the working people.

Therefore it is not wholly correct to say—and I am hopeful that we may not hear the argument repeated—that opposing the amendment is not in the interest of labor, because if the amendment is adopted, other amendments, not in the best interest of the laboring people, will be immediately brought forward. Those amendments are lying on the table.

The fact is that the pending bill is very important on its own account. It provides protection for 85 million people, whose future benefit rights are involved. To load up the bill with the pending amendment and other amendments would do an injustice to the laboring people, and certainly would be a great mistake. I can assure the Senator from Illinois, who is as interested, I am glad to see, as I am in procuring an amendment such as this, that the amendment, or a similar one, I hope, carefully drawn, will be made a part of the bill which will be reported by the committee. If we add the pending amendment, and all the other amendments, which will then be germane, we will wind up with the defeat of a bill which took us 4 years to get to the floor of the Senate.

Mr. JOHNSON of Texas. Mr. President, has all time by the opponents been utilized?

The PRESIDING OFFICER. All time of the proponents has been used. Eight minutes remain on the opponents' side.

Mr. JOHNSON of Texas. I yield back the remainder of my time. I inform all Members of the Senate that as soon as we have obtained a quorum, we will have a yea-and-nay vote on the pending amendment.

Mr. KNOWLAND. Mr. President, I should like——

Mr. JOHNSON of Texas. I yield a half minute to the Senator from California.

Mr. KNOWLAND. I should like to ask the distinguished Senator from Massachusetts if he would indicate specifically which one of the amendments I have offered he considers to be anti-labor.

Mr. KENNEDY. I know the Senator is interested in providing secret elections. However, the amendment as presently drafted would throw the whole labor movement and the whole organization of the movement into confusion. That is far different from the principle of secret elections, which is a good one.

Mr. KNOWLAND. In other words, the Senator from Massachusetts believes that the principle is good, but——

Mr. KENNEDY. There are four major mistakes in the drafting of the amendment.

Mr. KNOWLAND. That is the Senator's opinion, of course. I do not concur in it.

Mr. KENNEDY. I understand.

Mr. KNOWLAND. I believe in giving the members of a union control over their own affairs. By no stretch of the imagination can such a proposal be considered anti-labor.

Mr. KENNEDY. Many union officials are chosen in convention. The Senator's amendment contains no provision for the election of delegates to such conventions by secret ballot.

Mr. KNOWLAND. I differ with the Senator. Delegates to a national convention would have to be elected by secret ballot.

Mr. KENNEDY. I do not believe the Senator's amendment mentions national conventions, or the election of delegates.

Mr. KNOWLAND. It contains a provision that those selected under a union constitution, where delegates are provided for, would be covered by the amendment. It provides for the selection of delegates by secret ballot.

Mr. KENNEDY. I disagree with the Senator.

Mr. JOHNSON of Texas. Mr. President, what we are discussing now is an amendment which the Senate has already passed upon. I do not question the good intentions of any Senator although there is quite a difference of opinion on the amendment. Of course the road to many places is paved with good intentions. I hope everyone understands that the Senate does have good intentions, and is taking action by majority vote. Beginning next Monday, such errors, if any, as may have appeared in the drafting of amendments, which would result in detriment to the workingmen, can be corrected and improved, and we can reach agreement on such amendments. I hope that during the 3 weeks the hearings will be conducted, in the traditional American way, the committee will be able to decide what is fair and what is equitable and what is just, and make recommendations to the Senate.

I yield back the remainder of my time, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. Have the yeas and nays been ordered on this amendment?

The PRESIDING OFFICER. The yeas and nays have been ordered. The question is on agreeing to the amendment of the Senator from New Jersey [Mr. SMITH]. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUSCHE (when his name was called). On the question before the Senate, the junior Senator from Ohio has a pair with the junior Senator from Texas [Mr. YARBOROUGH]. If the junior Senator from Texas were present, he would vote "nay"; I would vote "yea." Hence, I will abstain from casting my vote.

Mr. WILEY (when his name was called). On this vote, I have a pair with the distinguished Senator from Rhode Island [Mr. GREEN]. If the Senator from Rhode Island were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. YOUNG (when his name was called). On this vote, I have a pair with the senior Senator from Louisiana [Mr. ELLENDER]. If the Senator from Louisiana were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The legislative clerk resumed and concluded the call of the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business. The Senator from Louisiana [Mr. ELLENDER] is absent because of illness in his family.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], and the Senator from Alabama [Mr. SPARKMAN] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BUTLER], the Senator from Arizona [Mr. GOLDWATER], and the Senator from New York [Mr. JAVITS] are detained on official business.

The result was announced—yeas 33, nays 50, as follows:

YEAS—33

Allott	Dirksen	Morton
Barrett	Dworshak	Mundt
Bennett	Flanders	Potter
Bricker	Hickenlooper	Purtell
Bridges	Hoblitzell	Revercomb
Bush	Hruska	Saltonstall
Capehart	Jenner	Schoeppel
Carlson	Knowland	Smith, N. J.
Case, S. Dak.	Kuchel	Thye
Cotton	Martin, Iowa	Watkins
Curtis	Martin, Pa.	Williams

NAYS—50

Aiken	Hill	Monroney
Anderson	Holland	Morse
Beall	Humphrey	Murray
Bible	Ives	Neuberger
Byrd	Jackson	O'Mahoney
Carroll	Johnson, Tex.	Pastore
Case, N. J.	Johnston, S. C.	Payne
Church	Kefauver	Proxmire
Clark	Kennedy	Robertson
Cooper	Kerr	Russell
Douglas	Langer	Smathers
Eastland	Long	Smith, Maine
Ervin	Magnuson	Stennis
Frear	Malone	Symington
Fulbright	Mansfield	Talmadge
Gore	McClellan	Thurmond
Hayden	McNamara	

NOT VOTING—12

Butler	Green	Sparkman
Chavez	Hennings	Wiley
Ellender	Javits	Yarborough
Goldwater	Lausche	Young

So the amendment of Mr. SMITH of New Jersey was rejected.

Mr. MANSFIELD. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. JOHNSON of Texas. I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I yield myself 30 seconds.

The PRESIDING OFFICER. The Senator from Texas is recognized for 30 seconds.

Mr. JOHNSON of Texas. I should like to announce, for the information of the Senate, that throughout the afternoon and early evening, under the provisions of the unanimous-consent agreement, the Senate probably will take a series of yea-and-nay votes every 30, 35, or 40 minutes.

We wish to accommodate each Senator. However, the unanimous-consent agreement is on the desk of each Senator; and he should review it, and should prepare himself to be present for each of the yea-and-nay votes in which he desires to participate.

During the last yea-and-nay vote, several Senators did not reach the Chamber, because, I am sure, they did not realize that some of the time available under the unanimous-consent agreement would be yielded back by either one side or the other. During the remainder of the day, that will continue to be done, no doubt.

The attachés of the Senate should contact the office of each Senator, to determine what committee he may be attending, so that all Senators may have ample opportunity to participate in the yea-and-nay votes.

Mr. President, I yield to the Senator from New Jersey, in order that he may call up his amendment.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. SMITH of New Jersey. Mr. President, I desire to call up my second amendment, designated as "4-24-58—G," and I ask that it be read.

Mr. JOHNSON of Texas. Mr. President, may I inquire of the Senator from New Jersey, while Senators are present on the floor, how long the Senator anticipates he will talk on his amendment?

Mr. SMITH of New Jersey. I think 10 or 12 minutes.

Mr. JOHNSON of Texas. How long does the distinguished chairman of the subcommittee think he will need?

Mr. KENNEDY. About 10 minutes.

Mr. JOHNSON of Texas. The indications are that probably 20 minutes will be consumed on the amendment. I think all Senators should be on notice that we shall have a quorum call before the vote on the amendment.

Does the Senator desire the yeas and nays on the amendment?

Mr. SMITH of New Jersey. Yes.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The amendment of the Senator from New Jersey will be stated.

The LEGISLATIVE CLERK. On page 26, line 17, it is proposed to strike out "This" and insert in lieu thereof "Sections 1 through 18 of this."

At the end of the bill it is proposed to add the following:

SEC. . (a) Subsection (c) (1) of section 9 of the National Labor Relations Act, as amended, is amended by inserting the word "or" after the semicolon at the end of clause (B) and adding a new clause "(C)," as follows:

"(C) by an employer primarily engaged in the building and construction industry and a labor organization acting in behalf of employees engaged (or who, upon their employment, will be engaged) in the building and construction industry, asserting that such employer recognizes such labor organization as the representative defined in section 9 (a) and has entered into a collective bargaining agreement with such labor organization."

(b) Such subsection is further amended by inserting a colon before the period at the end thereof and adding the following language: *Provided*, That the Board may, without prior thereto having conducted an election by secret ballot, certify a labor organization referred to in clause (C) of this paragraph as the exclusive representative of all the employees of an employer referred to in said clause (C) in such unit as the Board may find is normally represented by the labor organization for the purposes of collective bargaining with respect to rates of pay, wages, hours, and other conditions of employment: *Provided further*, That the preceding proviso shall not apply where there is no history of a collective-bargaining relationship between the petitioning employer and labor organization prior to the current agreement or an employee or group of employees or any individual or labor organization acting in their behalf alleges, and the Board finds, that a substantial number of employees presently employed by the employer in the bargaining unit assert that the labor organization is not a representative as defined in section 9 (a)."

Mr. SMITH of New Jersey. Mr. President, the amendment which has just been read by the clerk has to do with preelection certification of building and construction unions. Briefly stated, the reason for this amendment is that ever since the passage of the Tart-Hartley Act it has been realized by many of us that the peculiar and special situation in the construction industry prevents that industry, under its traditional practices and because of the spasmodic nature of employment involved, from complying practically with the provisions of the Taft-Hartley Act. We have tried for some time to correct this inconsistency, and in the proposed legislation which was offered in 1954 this was one of the points emphasized in the President's program in S. 2650 of that year.

This amendment would authorize the NLRB, under appropriate circumstances, to certify unions acting in behalf of employees of employers primarily engaged in the building and construction industry as exclusive bargaining representatives of such employees without a prior election.

This proposal would require a joint petition by the employer and union involved asserting present recognition of the union by the employer as the bargaining representative of his employment and the existence of a collective bargaining agreement between them. No certification would be made under this amendment if there was no history of collective bargaining relationship between the union and the employer prior to the current agreement or if there was an allegation, and the Board found, that a substantial number of the employees in the unit in question asserted that the union was not designated or selected as bargaining agent by a majority of such employees.

The effect of this proposal would be to protect voluntary collective bargaining relationships established in good faith without governmental intervention. The proposal protects the right of the employees to be free of coercion in the selection of their own bargaining representatives; the will of the employees in this respect would be required to be evidenced by a history of prior collective bargaining between the union and the employer and by an absence of substantial objection on the part of the employees in the bargaining unit to certification of the union.

It has long been recognized that the hiring practices and collective-bargaining relationships in the construction industry are unlike those in manufacturing and in other service industries and are difficult to accommodate under the representation procedures of the National Labor Relations Act. These procedures were designed to deal with employment relationships which are of some permanence, and they have proved ineffective where, as in the construction industry, the employment is casual and intermittent and the employee may be employed by several employers within a short period of time.

There are advantages which accrue to unions as a result of Board certification, and conversely, there are disadvantages resulting from lack of certification. Construction unions should not be denied these advantages and forced to suffer handicaps solely because of the employment pattern of their industry. I should like to point out that legislation of the type proposed by this amendment has been suggested by an advisory committee, composed of representatives of employers and employees in the construction industry, and created to advise the administration with respect to amendment of the Taft-Hartley Act as it relates to their industry.

Here again, Mr. President, in the case of this amendment, in the event it is defeated, I am confident, in view of the assurances of the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Texas [Mr. JOHNSON], to which I have already referred, that the matter will be carefully considered in writing up of a labor bill to be reported to the Senate not later than June 10.

It seems to me most important in the interest of the construction industry that the amendment be passed upon favorably at this time. I hope that can be done. The yeas and nays have been ordered, so I assume that will be the next vote.

Mr. PURTELL. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I am glad to yield.

Mr. PURTELL. I have strongly supported the proposed amendment to S. 2888, to provide for preelection certification of building and construction trades unions.

It has long been recognized that it is virtually impossible to conduct representation elections in the building trades and construction industry because of the pattern of employment. The hiring practices and collective bargaining relationships in this industry are unlike those in manufacturing and in other service industries, which is really what the Taft-Hartley law was designed to cover. Because of the difference, which exists between this type of industry and the manufacturing and other service industries, it is difficult, as a matter of fact, to accommodate these building trades union agreements with employers under the representation procedures of the Taft-Hartley Act. These procedures were designed to deal with employment relationships which are of some permanence, and they have proved to be ineffective where, as in the construction industry, the employment is casual and intermittent, as the Senator from New Jersey has pointed out, and the employee may be employed by several employers within a short period of time. Is that not a correct statement?

Mr. SMITH of New Jersey. That is correct.

Mr. PURTELL. As many of my colleagues will recall, this body in 1952 considered and passed a bill which would have authorized prehire and union-shop agreements in the construction industry. I am sure the Senator remembers that particular piece of legislation.

Mr. SMITH of New Jersey. I think it was in 1952.

Mr. PURTELL. It was in 1952 first, and then later in 1954.

Furthermore, Mr. President, a proposal submitted by the administration in 1954, which would have authorized prehire contracts in certain industries, was considered at great length by the Committee on Labor and Public Welfare. The Senator from New Jersey and I were serving on the committee, and I believe the Senator will recall our deliberation on that subject.

Mr. SMITH of New Jersey. The Senator is correct.

Mr. PURTELL. The pending proposal was suggested by the advisory committee composed of representatives of employers and employees in the building trades and construction industry created by the Secretary of Labor to advise the administration with respect to amendment of the Taft-Hartley Act as it relates to the industry.

Legislation to carry out this proposal was first introduced in the 1st session of the 85th Congress as S. 1614. The measure would protect voluntary collective bargaining relationships established in good faith without governmental intervention and would recognize the right of employees to be free of coercion in the selection of their own bargaining representatives. The proposal would require a joint petition by the employer and the

union, as the Senator stated, asserting present recognition of the union as the bargaining representative of his employees and the existence of a collective bargaining agreement between them. In addition, there would have to be a history of collective bargaining relationship between the union and the employer prior to the current agreement, and a certification could not issue if the majority status of the union was denied by a substantial number of the employees of the unit in question.

So I say, Mr. President, this amendment proposes legislation which is eminently fair, which has been requested by representatives of employers and employees in the construction industry, and which is an improvement upon similar legislation previously considered and passed by this body. Under these circumstances, I shall support, and I shall urge my colleagues to support, this amendment, even though hearings have not been held on this specific proposal, because we have held hearings on like proposals in the past.

Mr. SMITH of New Jersey. I thank the Senator. I was going to add that we have had any number of hearings as to this proposal. I do not think more hearings are necessary to establish the merits of the particular amendment under consideration, and also to establish the fact that it has great support on the part of the unions and of industry itself.

In the hearings in 1953 we heard all the union leaders interested in this matter. I do not remember any dissenting voice as to this particular proposal.

Mr. ALLOTT. Mr. President, will the Senator yield for about 2 minutes' time?

Mr. SMITH of New Jersey. I am glad to yield such time as the Senator may need. How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator from New Jersey has 21 minutes remaining.

Mr. SMITH of New Jersey. I yield to the Senator from Colorado as much time as he may require.

The PRESIDING OFFICER. The Chair wishes to inquire how much time the Senator from New Jersey yields to the Senator from Colorado.

Mr. SMITH of New Jersey. I will yield 3 minutes.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 3 minutes.

Mr. ALLOTT. Mr. President, I thank the distinguished Senator from New Jersey.

The amendment designated 4-24-58-G, the so-called building and construction industry amendment, has the distinction of being desired and wanted by both labor and management. The amendment was recommended by the President as a part of the administration's labor program. The top-level key representatives of both groups spent a long time conferring with the President and the Department of Labor officials on the preparation of the amendment.

The unions and building and construction industry say that for many years now they have suffered harmful discrimination by not having the advantage of certifications by the National Labor Relations Board. It is easy to understand, Mr. President, that there is a difference between this situation and the ordinary application of union laws, where employment in an industry is more of a permanent character.

The construction workers of my own State in the past, as is true at present, have besought me to support this proposal. I believe in it. I do support it.

The PRESIDING OFFICER. The Senator from New Jersey has the floor.

Mr. KENNEDY. Mr. President, does the Senator from New Jersey yield back the remainder of his time?

Mr. SMITH of New Jersey. I will, if the Senator from Massachusetts will yield back the time remaining to him.

Mr. KENNEDY. Mr. President——

The PRESIDING OFFICER. Will the Senator suspend? Does the Senator from New Jersey yield back the remainder of his time?

Mr. SMITH of New Jersey. No, Mr. President; I hold my time until the Senator from Massachusetts yields back his time. I may need some more time.

Mr. KENNEDY. Mr. President——

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. As the Senator from New Jersey said, this amendment deals with the building and construction trades. The building and construction trades find it difficult to live up to the requirements of the Taft-Hartley Act with regard to how elections shall be held in order to reach a union shop arrangement with an employer.

The amendment would permit, with the consent of the employer and the union, an agreement whereby the National Labor Relations Board could recognize the union as the bargaining agent for the employees without the holding of an election comparable to the kind demanded of all other unions.

It is true that this amendment strikes at an important problem which grows out of the Taft-Hartley Act. I think we should give serious consideration to the question whether the maritime industry and the movie industry, which are comparable industries, should not also be considered in the same connection.

The point, however, is that it is the considered judgment of the majority of the members of the Subcommittee on Labor that if we should accept the amendment presently being considered, which we might favor, inevitably there would be attached to this most important bill pending amendments which we would not favor.

I have been reviewing the amendments which have been presented and which now lie on the table. Many of them would be adverse to the working men and women. Therefore, in order to prevent those amendments from being written on the floor and attached to this most valuable bill, I am forced to oppose this amendment which might be in the best interests of the working people.

If we are going to take the sword in this matter, we must perish by the sword. Therefore, it is necessary for me to oppose this amendment, even though I feel it will be the subject of consideration by the committee and that a similar amendment could, after being carefully considered—and undoubtedly will—be carried in the bill which is to be reported to the Senate.

I would not want the Secretary of Labor, who has, I think, conferred with the Senator from New Jersey in respect to these amendments, to travel over the country and say he sought to get the Senate and the House to act on the question of economic strikers and the building trades, but was unable to persuade them to do so.

The fact of the matter is that if we act favorably on the two amendments the Secretary has suggested, we will open up the bill to all the other amendments, which would inevitably result in this most important bill, providing for disclosure and regulation of welfare and pension plans, being destroyed. I am hopeful the Secretary will tell the whole story, if he is going to discuss the two amendments.

Mr. LANGER and Mr. IVES addressed the Chair.

Mr. KENNEDY. I yield first to the Senator from North Dakota.

Mr. LANGER. Is it not true that this matter will be considered in the committee very carefully?

Mr. KENNEDY. I can assure the Senator that an amendment similar to this will be contained as a part of any labor bill which will be reported and will come before the Senate.

Mr. IVES. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. IVES. I congratulate the Senator from Massachusetts for what he has just said. I heartily concur in it. I am as strongly in favor of this amendment on its own merits as is any other Senator. But if this amendment is added to the bill, we shall get no bill whatever. I am in favor of the amendment being enacted, but I am opposed to adding it to the pending bill.

Mr. KENNEDY. I appreciate the statement of the Senator.

Mr. Richard A. Gray, president of the building and construction trades department of the AFL-CIO, in a telegram dated April 24, stated:

WASHINGTON, D. C., *April 24, 1958.*

Hon. JOHN KENNEDY,
Senate Office Building,
Washington, D. C.

Re Douglas S. 2888 now being debated, respectfully request you vote for this bill without any amendments. This bill contains requirements which will safeguard health, welfare, and pension funds of all working men and women. Respectfully and urgently request that you vote to return Knowland amendments contained in S. 3068 to Labor Committee. No hearings have been held on these far-reaching and destructive amendments. The amendments go way beyond the stated objectives of Senator KNOWLAND. For an objective analysis of the Knowland amendments I am forwarding to you under separate cover printed copy 4th national legislative conference of this department. Suggest you read analysis by Louis Sherman, chairman department's legal advisory committee, starting at top of page 9 and ending middle of page 18. This analysis I am sure will convince you that exhaustive hearings are absolutely necessary on the proposed Knowland amendments.

RICHARD J. GRAY,
President, Building and Construction Trades Department, AFL-CIO.

The best chance for the bill to pass is to vote on it without amendments; and the best chance to have enacted the amendment in which the Senator from New Jersey is interested is to have it considered by the committee. I assure the Senator that the majority of the members of the committee are favorable to the concept of the amendment.

Mr. President, I am ready to yield back the remainder of my time, provided the Senator from New Jersey is ready to do likewise.

Mr. SMITH of New Jersey. I understand from what the Senator from Massachusetts has just said that if this amendment is defeated, it will be one of the items to be considered in committee.

Mr. KENNEDY. That is correct.

Mr. SMITH of New Jersey. I am glad to have that assurance.

Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from New Jersey yield back the time remaining to him?

Mr. SMITH of New Jersey. I thought all remaining time was to be yielded back.

Mr. KENNEDY. I shall be glad to yield back the remainder of my time as soon as I yield to the Senator from Kentucky [Mr. COOPER].

Mr. COOPER. Mr. President, the senior Senator from New York and I were the only minority Members of the Senate Labor Committee who voted against the pending amendment and a prior amendment offered by the distinguished Senator from New Jersey. I should like to state again my reasons for opposing such amendments, and particularly so because, in 1954, I voted for the amendment which the distinguished Senator now offers.

As I have stated in the Senate, I have voted against the amendments offered thus far because I do not believe that we can legislate satisfactorily in this difficult field on the floor of the Senate; and second, if some of the amendments are adopted, I believe it is likely that the pending bill will pass. It would be unfortunate indeed if we bring about the defeat of the bill which was reported to the Senate and which we are now considering—to require public disclosure of the management of welfare and pension funds, and I think it would be more difficult than ever to pass later in the session a bill with needed amendments to Labor-Management Relations Act of 1947.

I refer to the record of the past 3 or 4 years as proof of my statement. Since the Taft-Hartley Act was passed in 1947, a series of amendments was adopted by the Senate in 1949 under the leadership of Senator Taft. But the bill containing the amendments did not pass the House.

In 1954—and I happened to be a member of the Labor Committee at that time—a number of amendments were again reported, but the Senate recommitted the bill. Every Member on the Democratic side, with the exception of two, voted to recommit. If these two efforts failed after many weeks of hearings by the Labor Committee and extensive debate I think it is reasonable to expect that this bill, if amended as suggested, on the floor of the Senate, without hearings, will suffer a similar fate in the House. If this is correct the result would be there will be no amendment of the Labor-Management Act—as those who offer the amendments desire—and further, we will lose the protection which S. 2883 would give to welfare funds.

In view of the strong assurances which have been made by the Senator from Massachusetts and by the majority leader—assurances upon which I certainly believe we can rely—to the effect that we shall have an opportunity to vote on these or similar amendments after fair hearings by the Labor Committee, I believe that that course offers the best opportunity of obtaining needed legislation at this session. So, without attempting to argue the merits of this particular amendment, an amendment for which I voted in 1954, I merely wish to state my reasons for opposing such amendments. I believe that in the interest of actually obtaining legislation at this session, this amendment should not be adopted. Most important, I believe everyone—labor, management, the public, are entitled to a hearing.

Mr. AIKEN. Mr. President, will the Senator from Massachusetts yield 1 minute to me?

Mr. KENNEDY. I yield 1 minute to the Senator from Vermont.

Mr. AIKEN. Mr. President, I have voted against some amendments which I normally would have supported. I have done so in the belief that by not tying them in with the so-called disclosure provision with respect to pension and welfare funds, we shall be able to obtain the maximum amount of constructive labor legislation at this session. I am satisfied that the subcommittee headed by the Senator from Massachusetts will give consideration to a bill providing for amendments to the Taft-Hartley Act, and that such a bill will be reported from the committee, with possibly certain other provisions.

I am certain that such legislation—or good legislation, at least—embodying some of the recommendations of the McClellan committee, will pass the Senate.

No one can tell what the House will do, but it is possible, as has been explained time and again, to have the pending legislation, without amendments, enacted without any impediment whereas if we attach a great many amendments to S. 2888, the entire program of labor legislation may be stymied. I believe it is a sound procedure to hold hearings and report a bill promptly. I am satisfied that a bill will be reported from the committee, and that some bill will be approved by the Senate.

Mr. KNOWLAND. Mr. President, will the Senator from Massachusetts yield to me?

Mr. KENNEDY. I yield to the Senator from California.

Mr. KNOWLAND. Apropos the statement by the distinguished and able Senator from Vermont, does the Senator from Massachusetts not think there is some considerable responsibility on the majority party, beyond merely holding hearings in the Senate committee and reporting a bill to the Senate—perhaps even late in the session—and obtaining a vote in the Senate?

Since it has been the custom of the majority to claim a share of the credit for legislation which is passed, does the Senator not believe, in view of the circumstances, that there is some responsibility on the part of the majority party in the Senate to work with our colleagues in the House so as to facilitate action in the House, in order that the legislative action may consist of something more than a mere gesture by the Senate?

Mr. KENNEDY. I am hopeful that if we get the proposed legislation through the Senate, the other body will take some action. Of course, constitutionally we have no authority over what it does. After we shall have met our responsibility, the responsibility will shift to the other body, and it must do what it thinks is best.

Mr. JAVITS. Mr. President, will the Senator from Massachusetts yield 1 minute to me?

Mr. KENNEDY. I yield 1 minute to the Senator from New York.

Mr. JAVITS. Mr. President, I am known in the Senate as something of an Eisenhower supporter—and I am. I wish to make this brief statement because these amendments represent the administration's position, to which I am not slavishly devoted, but which, nevertheless, I sincerely support because I believe in the fundamental philosophy of the President.

My reason for voting against certain amendments last week, as well as the pending amendment, is that I think this particular bill is important enough to warrant passing. It is my conviction that if we load it down with amendments dealing with the problems of the Taft-Hartley Act, there will be an excellent chance that it will be defeated. For that reason, because I am devoted to the reform embodied in the bill—and certainly the McClellan committee has proved the need for such reform, if it has proved nothing else—I shall continue to maintain the position which I have heretofore taken.

Mr. KENNEDY. I hope the country will understand that in voting on all three amendments, we are not voting on the merits of the amendments. We are voting on the concept, first, that the bill should not be loaded down with matters which are not germane, and secondly, that all amendments recommended by the McClellan committee should be considered by the appropriate committee of the Senate. We are not voting on the merits of the amendments per se.

Mr. JAVITS. Mr. President, if the Senator will further yield, I find myself in agreement with a number of the amendments against which I voted. I shall support them when they come before us in such form that they will not jeopardize a measure in which I firmly believe.

Mr. KNOWLAND. Mr. President, I yield myself 1 minute on the bill itself.

While each person is entitled to his own opinion, I hope, in view of all the circumstances and the voting which has

taken place, that the Senate will have an opportunity to act again, and will be able to act effectively and in ample time for the other body to legislate. I hope the Senate will not merely go through some motions.

I must disagree with my good friend from Massachusetts in his analysis that we are not voting on the merits of the amendments. Senators may honestly differ on that score, but I believe very definitely we have been voting on the merits of the amendments as of this time. Certainly many of us conscientiously feel we have been voting on the merits. It may well be that we shall have another opportunity to vote on the merits of the amendments under slightly different circumstances. If so, so be it; we will have that opportunity. However, at least some of us have had an opportunity to exercise that right; namely, to vote on amendments which we feel are highly important to the rank and file members of labor organizations. We may or may not get another opportunity effectively to legislate in this field at this session of Congress.

Mr. SMITH of New Jersey. Mr. President, I yield 2 minutes to the Senator from Nebraska.

Mr. CURTIS. Mr. President, I cannot let the statement go unchallenged that we endanger the regulation of pension and welfare funds if we amend the bill. Certainly if we do so, we will not invite a veto. The executive department is asking that we go further. Certainly it will not jeopardize the consideration of the measure in the House of Representatives.

I served in that body for about 16 years. I have great confidence in it. I believe the bill will receive every consideration at the hands of the House of Representatives after the Senate gets through with it. It might run into a committee bottleneck, but there is no evidence to indicate that the bill would be defeated if it were amended. If we are not voting on the merits of the amendments, on what are we voting? If, in our individual responsibility to the people we represent, we are not voting on the merits of the amendments as they come up, what are we doing? I believe we are voting on the merits of the amendments which have been offered. We are voting on amendments which are beneficial to the country and beneficial to the working men and to management alike.

Mr. IVES. Mr. President, will the Senator yield?

Mr. CURTIS. In a moment I shall yield. I do not suggest that everyone agree; but I contend——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CURTIS. May I have 1 more minute?

Mr. SMITH of New Jersey. I yield 1 more minute to the Senator from Nebraska.

Mr. CURTIS. I contend that we must consider the amendments on their merits, and vote accordingly. If we believe in them, we must vote for them; if we are opposed to them, we must vote against them. I do not believe that any mental gymnastics can explain that fact away.

Mr. IVES. Mr. President, will the Senator now yield?

Mr. CURTIS. I yield.

Mr. IVES. I should like to ask the Senator a question. Does he mean to tell us that a bill loaded down with a great many heterogenous and irrelevant amendments would have a better chance of receiving attention in the House, and would be considered more favorably, than would a bill which is confined to the simple subject of pension and welfare funds, which is the bill before us?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KENNEDY. Mr. President, I yield 1 minute to the Senator from New York.

Mr. CURTIS. I should like to answer the Senator from New York. I do not believe the bill is in danger of being weighted down or loaded down. Some of the amendments we would add to the bill and make it a much better measure, and would not make it a snare and a deception to the workers of the country, as would the pending bill.

Mr. IVES. It is not a snare and a deception, I will say to the Senator.

Mr. CURTIS. For 11 years the dues money reports have been filed with the Secretary of Labor. It has not done any good. The McClellan committee report shows that more than $10 million has been stolen or embezzled or misappropriated. We are not offering any protection to the workers in the pending bill.

Mr. IVES. The distinguished Senator from Nebraska will remember that we passed a joint resolution at the last session of Congress which would allow the Secretary of Labor to make the reports public.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KENNEDY. I yield 1 more minute to the Senator from New York.

Mr. IVES. The House took no action on the resolution. I have received no letter and no communication of any kind from any person in the United States in favor of that resolution, which would open up the whole matter to public view.

Mr. CURTIS. It is not taken care of in the pending bill. It must be amended to take care of that situation.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield 2 minutes to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I should like to ask two questions of the distinguished Senator from New York. How much time for consideration have we had on the instant bill which is now before us?

Mr. IVES. It will be 4 years next Thursday.

Mr. MANSFIELD. How much time have we had on the thirty- or forty-odd amendments which have been before us or will be before us before we are through with the pending bill?

Mr. IVES. We have had no opportunity for hearings on them, for the simple reason that we waited until the last bill on the subject had been introduced and until the hearings of the select committee had been concluded and the report submitted, so that we would know what we were doing. The hearings have not been held. The Senator from Massachusetts has pledged himself to hold such hearings.

Mr. SMITH of New Jersey. Mr. President, I yield 2 minutes to the Senator from New Hampshire.

Mr. BRIDGES. Mr. President, I was very much interested in the legislative philosophy expressed by the distinguished junior Senator from Massachusetts [Mr. KENNEDY] when he stated that we were not voting on the merits of the amendments. That is certainly an ingenious and interesting point of view. Insofar as the Senator from New Hampshire is concerned, such statement does not reflect my approach to the bill. I am voting on the amendments on their merits, and I shall continue to do so. However, I am intrigued by the philosophy which the Senator expresses, particularly as I assume it could be made applicable to other bills on other occasions. I do not agree with the position taken by the Senator from Massachusetts.

My additional reason for voting for the amendments, aside from their merits, is that I am familiar with the congested nature of a Congressional session as adjournment approaches. I know how difficult it is to move legislation through both branches of Congress at such a time. Accordingly, I would be fearful, since a bill must go through both the Senate and the House, that we might end up with no legislation at all. Therefore, on the basis of merit and timing, I am supporting the amendments.

Mr. IVES. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. IVES. I will pose the same question that I asked the distinguished Senator from Nebraska. Does the Senator not believe that if we pass the pending bill, and it is passed by the House also, we will at least have a very good chance of getting that one bill enacted into law; whereas, we have virtually no chance of getting it through if we load it down with heterogeneous amendments?

Mr. BRIDGES. My answer to that question is "No."

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KENNEDY. Mr. President, I yield back the remainder of my time.

Mr. SMITH of New Jersey. I also yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time has been yielded back. All time for debate has expired.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment designated "4-24-58—G" of-

fered by the Senator from New Jersey [Mr. SMITH]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUSCHE (when his name was called). The junior Senator from Ohio has a pair with the junior Senator from Texas [Mr. YARBOROUGH]. If he were present and voting he would vote "nay"; if I were permitted to vote, I would vote "yea." I therefore will refrain from casting my vote.

Mr. WILEY (when his name was called). As I have previously stated, I have a pair with the senior Senator from Rhode Island [Mr. GREEN]. If he were present and voting on this amendment, he would vote "nay"; if I were permitted to vote, I would vote "yea." I therefore withhold my vote.

Mr. YOUNG (when his name was called). I have a pair with the senior Senator from Louisiana [Mr. ELLENDER]. If he were present and voting, he would vote "nay"; if I were permitted to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Louisiana [Mr. ELLENDER] is absent because of illness in the family.

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from New Mexico would vote "nay" and the Senator from Kansas would vote "yea."

I further announce that if present and voting, the Senator from Missouri [Mr. HENNINGS] would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Kansas [Mr. CARLSON] is detained on official business.

On this vote, the Senator from Kansas [Mr. CARLSON] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from New Mexico would vote "nay."

The result was announced—yeas 34, nays 52, as follows:

YEAS—34

Allott	Dworshak	Mundt
Barrett	Flanders	Potter
Bennett	Goldwater	Purtell
Bricker	Hickenlooper	Revercomb
Bridges	Hoblitzell	Saltonstall
Bush	Hruska	Schoeppel
Butler	Jenner	Smith, N. J.
Capehart	Knowland	Thye
Case, S. Dak.	Kuchel	Watkins
Cotton	Martin, Iowa	Williams
Curtis	Martin, Pa.	
Dirksen	Morton	

NAYS—52

Aiken	Douglas	Ives
Anderson	Eastland	Jackson
Beall	Ervin	Javits
Bible	Frear	Johnson, Tex.
Byrd	Fulbright	Johnston, S. C.
Carroll	Gore	Kefauver
Case, N. J.	Hayden	Kennedy
Church	Hill	Kerr
Clark	Holland	Langer
Cooper	Humphrey	Long
Magnuson	Neuberger	Smith, Maine
Malone	O'Mahoney	Sparkman
Mansfield	Pastore	Stennis
McClellan	Payne	Symington
McNamara	Proxmire	Talmadge
Monroney	Robertson	Thurmond
Morse	Russell	
Murray	Smathers	

NOT VOTING—9

Carlson	Green	Wiley
Chavez	Hennings	Yarborough
Ellender	Lausche	Young

So the amendment offered by Mr. SMITH of New Jersey was rejected.

Mr. KENNEDY. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER (Mr. MORTON in the chair). The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I am informed that the Senator from South Dakota [Mr. MUNDT] desires to call up an amendment, and expects to use approximately 15 minutes of the time which will be available to him in that connection. The opposition expects to use approximately 5 minutes of the time available. So it will be possible that the Senate will vote on the amendment within 20 or 25 minutes. I should like to have all Senators be on notice that all the time available may not necessarily be used.

Mr. MUNDT. Mr. President, I call up my amendment which is identified as "4-26-58—C," and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 24, between lines 5 and 6, it is proposed to insert a new section, as follows:

INVESTMENT OF FUNDS

SEC. 13. It shall be unlawful for any officer, trustee, custodian, or employee of an employee welfare or pension benefit plan, or for any other person, to cause any of the assets of an employee welfare or pension benefit plan which is subject to the reporting requirements of section 6 of this act to be invested in any securities or other property acquired subsequent to the date of enactment of this act which a national banking association would be prohibited from purchasing for its own account under the provisions of section 5136 of the Revised Statutes (12 U. S. C. 24) and regulations of the Comptroller of the Currency promulgated thereunder.

Redesignate sections 13 to 18, inclusive, and references thereto, as sections 14 to 19, respectively.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

Mr. KNOWLAND. Mr. President, on this question, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. MUNDT. Mr. President, at this time I yield myself 15 minutes; and I reserve the remainder of the time available to me.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 15 minutes.

Mr. MUNDT. Mr. President, this amendment is in a different category from that of the amendments previously voted on. This amendment does not relate to a topic unrelated to the pending bill. The amendment does not bring in a new element of the labor legislation.

The amendment is an honest attempt to tighten up Senate bill 2888, per se. Unless the Senate has adopted, unbeknown to me—and, if so, certainly against my better judgment—a new rule to provide that the Senate shall operate under a system of oligarchy, so that, beginning with the consideration of proposed labor legislation, the Senate shall simply adopt the committee recommendations and simply shall, by proxy, turn over to the Labor Committee members all its rights to exercise judgment, and thus shall operate under a system of committee direction, committee coercion, or committee dictation. I urge the Senate to forget partisanship and to consider this amendment on its merits, and vote either for or against it on its merits. The amendment does not deal with a subject which is unrelated to the pending bill.

Mr. KNOWLAND. Mr. President will the Senator from South Dakota yield to me?

Mr. MUNDT. I am happy to yield.

Mr. KNOWLAND. I think the Senator from South Dakota is making a very important statement. I wish there were a full attendance in the Senate at this time, because in connection with the first group of amendments which were offered, which were directly solely to protection of the rank-and-file members of labor, and against some of the practices which have been revealed by the McClellan committee, the argument was made time and time again, on the floor, "These are good amendments, but we think they should go through the committee process." So, although these matters have been under committee study for some time, and although many Members of the Senate have had similar amendments, in one form or another, pending before the committee, but there has been no indication of any acceleration in regard to the holding of hearings, that argument was made time and time again, both publicly and privately. The amendments were good, and Senators hoped they would be able to support them at the time of the next "go-'round", and, in view of the assurances which had been given, hoped there would be another "go-'round" on the amendments when there was still time to have effective legislation enacted during this session. Nevertheless, a majority of the Members of the Senate voted to reject those amendments.

Next, the Senate considered a series of two amendments which were offered by the Senator from New Jersey. They were in keeping with the recommendations made by the President. As to those two amendments, it could not very well be argued that they had not been the subject of committee hearings, because, as I recall, previously both of them had been the subject of extensive committee hearings. As a matter of fact, I believe

that in prior Congresses the amendments had actually been reported by the committee. But, again, there were many statements to the effect, "We are in favor of these amendments, but we feel they should receive another series of extensive committee hearings."

Now we come to a third category of amendments. The first amendment of this sort has been offered by the distinguished Senator from South Dakota. These amendments relate to the bill in question, which has been reported by the committee.

I shall be very much interested to see what arguments will be made in this regard; or whether, as the Senator has indicated, it is to be argued that the Senate, representing the 48 sovereign States of the Union, with two Senators from each State, is to surrender completely its legislative power, and that unless such a proposal has been approved by the committee, Senators will remain silent and will not offer amendments.

So I shall listen with a great deal of interest to the arguments which will be made on the Senator's amendment.

Mr. MUNDT. Mr. President, I appreciate very much indeed the statement the Senator from California has made.

I can understand the strained and, to me, unsupportable argument which has induced some Senators to say, "I will not vote for an amendment on its merits unless it deals specifically with the proposed legislation now under consideration by the Senate." I can understand although I do not share the pious hopes of Senators who think a bill can be passed by this body in June or July and subsequently can be passed by the House of Representatives in time for final action to be taken on the bill before the end of this session. I heard the distinguished Senator from Kentucky offer to wager $100 with any Senator on the Democratic side of the aisle who would undertake to join in a wager, that such a thing would happen, provided the amount so won would go to the American Red Cross.

There have been no takers for that wager.

Later today I expect to show by documented records that the history of the Senate and the history of the House of Representatives demonstrate that if new proposed labor legislation is brought to the floor in June or July, it cannot be passed by both the House of Representatives and the Senate in time, before the end of the session. However, that argument does not relate to the pending matter.

Mr. KENNEDY. Mr. President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I shall yield in a moment.

Mr. THYE. Mr. President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I shall yield in a moment.

Mr. President, this amendment relates to the question of whether the Senate can act in time on proposed legislation dealing with a specific subject in this field. I can see how Senators can vote either for or against the amendment on its merits; but I point out that when they vote on this amendment, they will be voting on an amendment which is relative and pertinent to the pending bill.

In substance, the amendment provides some regulatory machinery in respect to Senate bill 2888.

I do not believe the United States Senate necessarily has to pass S. 2888 in precisely the language supported by the AFL–CIO, without dotting an "i" or crossing a "t." I do not believe it is essential that we should not exercise our independent judgment on the Senate floor, deciding on the merits of an amendment on the basis of arguments presented, because at this time, as to this particular amendment, nobody can contend we will have an opportunity to pass on it in June or July. It is going to be now or never on this amendment.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. MUNDT. I yield to the Senator from Massachusetts.

Mr. KENNEDY. While I do not care to absorb much of the Senator's time, I wish to point out that, of course, his amendment is germane and should be carefully considered and voted on on its merits. I should like to accept the Senator's amendment, but I am not exactly sure what is involved in the references which are made to national banking regulations. Would the Senator kindly cite to us the details of the limitations which would be put on the investment of pension and welfare funds?

Mr. MUNDT. The amendment would impose on such funds exactly the same restrictions and regulations that apply to funds invested by a national bank.

Mr. KENNEDY. What are they?

Mr. MUNDT. For example, national banks cannot engage in certain kinds of speculative investments.

It would have been much easier for me to explain this to the committee, had I been given an opportunity to testify on the proposed legislation which I introduced. I wrote a letter requesting that I be given an opportunity to be heard. I was not given such opportunity. So I have to testify in the open Senate. As soon as I finish yielding, I shall undertake a careful explanation of the amendment.

Mr. THYE. Mr. President, will the Senator yield?

Mr. MUNDT. I yield now to the Senator from Minnesota.

Mr. THYE. As one who has endeavored to vote on each amendment on its merits, as I understood them, I should like to ask the Senator if the question embodied in the amendment now before the Senate was presented to the committee for consideration prior to reporting S. 2888 to the Senate.

Mr. MUNDT. I have no idea what took place in the confines of the committee room. As I have said, I introduced proposed legislation encompassing this provision. I wrote the committee a letter saying I would like to be able to testify on the proposal. I have never been given an opportunity to so testify.

Mr. THYE. Does the committee report indicate that the proposal as embodied in the pending amendment had been considered or rejected by the committee? Does the committee report indicate that?

Mr. MUNDT. It does not.

Mr. IVES. Mr. President, will the Senator yield?

Mr. MUNDT. I yield to the Senator from New York.

Mr. IVES. I desire to clear up a couple of things. In the first place, the pending bill is not the product of the AFL–CIO. Having been acquainted with its origin and everything about it from the time it was started 4 years ago, I can say it is the product of a great deal of work on the part of many of us.

Mr. MUNDT. My statement was that this proposed legislation was supported by testimony of George Meany, of the AFL–CIO.

Mr. IVES. The Senator said "written by."

Mr. MUNDT. In the form in which it was approved.

Mr. IVES. But it was not——

Mr. JOHNSON of Texas. Mr. President, may we have order so we can hear the exchange between the two Senators?

The PRESIDING OFFICER. Let there be order in the Senate.

Mr. IVES. This bill was not prepared by the AFL–CIO in any way, shape, or manner. As a matter of fact, it contains two very substantial amendments which were suggested by the Secretary of Labor. The bill was approved by the Secretary of Labor in its present form. That is why I cannot understand why he has given approval to various sundry, and extraneous amendments which are being offered. It does not make any sense.

Mr. MUNDT. The amendment is neither sundry, various, nor extraneous. If page 24, section 12 is sundry, various, and extraneous, we had better eliminate Senate consideration of bills and subject ourselves to committee dictatorship.

Mr. IVES. I did not say the amendments of the Senator from South Dakota were extraneous. I am talking about the bill itself. That is what I am talking about. I am trying to correct the Senator's attitude toward the bill.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MUNDT. I yield to the Senator from Illinois.

Mr. DOUGLAS. May I inquire, if the Senator's amendment were adopted, whether the pension and welfare funds would be prohibited from being invested in either, first, common stock; or, second, preferred stock of companies?

Mr. MUNDT. The same restrictions that apply to national banks would apply to the funds. The amendment provides exactly the same regulations which are provided in the National Bank Act.

Mr. DOUGLAS. I do not have the act——

Mr. JOHNSON of Texas. Mr. President, will the distinguished Senator talk so that we can hear him? He has his back to me. I am trying to follow his questions.

Mr. DOUGLAS. I do not have the national bank statute before me.

Mr. MUNDT. Mr. President, since my time has almost been dissipated in yielding, I am going to spend the remainder of it explaining the amendment——

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MUNDT. Having told our distinguished majority leader that I would try to make my presentation in 15 minutes, half of which has elapsed, I want to say something about my amendment at this time.

First of all, this amendment grows out of the hearings which have been held by the McClellan committee during the past 18 months, an investigation on which the Senate has invested $1 million of the taxpayers' money, trying to learn about some of the problems and difficulties which have confronted dues-paying members of unions because some dishonest officials have misused their power. We discovered that pension and labor funds and other funds of labor unions were misused, misappropriated, and stolen by certain labor leaders. Recognizing the fact that law has been written which takes care of those who steal money——

Mr. IVES. Mr. President, will the Senator yield?

Mr. MUNDT. I yield, but this will be the last time I shall yield.

Mr. IVES. I am very grateful to the Senator. An investigation was started about the first of May 1954, and was begun at the behest of the President of the United States, following a recommendation he made in his state of the Union message of that year. That was the genesis of the bill. The McClellan committee had nothing to do with it.

Mr. MUNDT. I am talking about my amendment, if the Senator is unduly alarmed. I believe I probably know better than the distinguished Senator from New York knows where I got the idea for my amendment. I got it in the manner I have stated—because of the $1 million investigation the McClellan select committee has conducted, because of testimony, and because the McClellan committee procedures disclosed dishonest handling of union funds.

Very simply stated, my amendment would put into operation the same regulations, the same securities, the same requirements for the investment of the money a union member is compelled to pay in order to hold a job and earn a living for his family as those now operative for national banks. In order to work in certain areas, employees must pay dues. This amendment would say to such employees necessarily compelled to make payments, "Your funds will be safeguarded by precisely the same regulations which guard voluntary depositors in national banks, those who have a choice as to whether they will put money in a national bank, invest it in stocks, invest it in real estate, or put it in a tomato can in their back yard."

The man who puts his money on deposit in a national bank has a choice, but the man in the union has no choice. He must make the payment. It is my opinion he is entitled to at least the same protection, the same safeguards, and the same restrictions and requirements which apply to citizens voluntarily making deposits in national banks.

I say that because the record shows that at times money which union members have had to pay under compulsion has been used by their bosses in racetracks in California, in slot-machine rings in Oregon, in all kinds of real-estate speculations in Florida, perhaps in politics and in all kinds of speculative adventures, when those in charge of the unions decided they could make a "quick buck" by a fast investment.

Mr. President, on my amendment I asked for a yea-and-nay vote because I am interested in knowing whether we are willing to give union members who pay dues the same protection—no more and no less—as is given to those who put their money on deposit in a national bank.

I would say there is no other time at which we can legislate on this subject. I recognize that some members of this body seem to be under such compulsion from some quarter that they dare not vote for any amendment to the bill.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. MUNDT. Mr. President, I yield myself 5 additional minutes.

I do not like to see such a precedent established. I do not like to see the Senate become a creature of the committee system, pure and simple. I like to see the Senate consider on their merits the proposals which come before it, and legislate on their merits.

That is why I state the amendment is in no way, shape, or form extraneous to the bill at hand. The amendment has been worked out as a protection for the working men and women by imposing the restrictions and restraints it seeks to provide.

As it now stands there is nothing in the bill which would compel the union leaders to do with such funds anything different from what they have been doing if they have been putting them into speculative enterprises. I think it would be manifestly unfair, and would constitute a disservice to the men and women of organized labor, for us to enact legislation which would give them a false sense of security, by requiring a great abundance of reports with no regulatory provision whatsoever.

I do not believe we are asking too much when we seek to give this protection to the working men and women, who have to take out of their weekly pay checks a part of their income and deposit it under compulsion in a union fund. That man or woman is entitled to as full protection in the union bank, as he would receive if he were free to deposit the money in the national bank on the corner of the street in his home town.

Mr. PURTELL. Mr. President, will the Senator yield for a question?

Mr. MUNDT. I am happy to yield.

Mr. PURTELL. By the amendment? Is it the intent of the Senator also to require that an insurance company, which acts solely as a trustee or as a holder of a welfare or pension plan policy, to have its investments covered?

Mr. MUNDT. The amendment would cover primarily those investments of the union welfare funds which are self-sustaining, rather than those which are underwritten by insurance companies.

Mr. PURTELL. It is the intention of the Senator, then, to exclude those which are invested in insurance companies?

Mr. MUNDT. The Senator is correct.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MUNDT. I am happy to yield.

Mr. HOLLAND. I did not hear the question of the distinguished Senator from Connecticut, but I think it is somewhat the same as the question I proposed to propound.

I have just asked the chief of staff of the committee whether the wording of the Senator's amendment would include funds used for the purchase of coverage in an insurance company to protect all persons who were included in a retirement plan or a pension program or something of the sort, and I am informed that it would. Of course, that kind of an investment is not included within the purview of national-bank investments.

I should like to have the distinguished Senator comment on that point, because it seems to me if that is the case his amendment would not be a sound one to adopt in this particular situation.

Mr. MUNDT. Substantially the same question was asked by the Senator from Connecticut, and I told him that the amendment would not do so. I told him the amendment would apply to the union and pension funds which are under the control of the union officials. When those officials reinsure them and protect them by insurance policies, they would obviously not come within the National Banking Association requirements and regulations.

Mr. HOLLAND. Mr. President, if the Senator will yield further, I am looking at a copy of his amendment 4–26–52—C, which I understand is the pending amendment.

As I read the amendment, it is general enough in its language to apply to all the programs which are covered by the bill. The coverage of the bill is not limited to the union welfare funds, which, as I understood we were told by the committee, amount to only about one-tenth of the total. The bill also covers all kinds of retirement, annuity, and pension plans of private employers, private corporations, and the like.

It would seem to me that the Senator's intention is good but his program is bad.

Mr. MUNDT. I am afraid the Senator has not read carefully enough lines 6 and 7 of the amendment, which deal with the investment in securities and property. Investments in securities and properties are those which are subject to the act, and the provision in lines 8 and 9, which reads, "subsequent to the date of enactment of this act which a national banking association would be prohibited from purchasing for its own account," would exclude such a matter

as the insurance provisions of which the Senator from Florida speaks.

The amendment deals with the kind of investments which some union officials decide to make in order to get a return from the money which they accumulate in welfare and pension funds.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. MUNDT. That excludes the speculative ventures in racetracks and slot machine rings in which some have been engaged, to the serious detriment of the working men and women of America.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. HOLLAND. Mr. President, I ask unanimous consent that the Senator from South Dakota be allowed an additional minute.

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute to the Senator from Florida.

Mr. HOLLAND. Mr. President, I am reading carefully the amendment proposed by the distinguished Senator. I read these lines, which I think contain the meat of it:

> To cause any of the assets of an employee welfare or pension benefit plan which is subject to the reporting requirements of section 6 of this act to be invested in any securities or other property acquired subsequent to the date of enactment of this act except those which are covered by the National Bank Act.

Mr. MUNDT. Precisely. The word "invested" is the important element as to securities.

Mr. HOLLAND. If the Senator will permit me to conclude my question, it seems to me that, by his amendment, he proposes to cover anything that is included in the assets of an employee welfare or pension benefit plan which are required to be reported. Certainly the report provision applies to insurance policies and the like.

Mr. MUNDT. No; it does not. The Senator conveniently did not read the last part of the amendment.

Such assets are covered in the report, but they are not invested in speculative ventures.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. JOHNSON of Texas. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. KENNEDY. Mr. President, I yield myself 15 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 15 minutes.

Mr. BUSH. Mr. President, will the Senator from Massachusetts yield to me for 5 minutes?

Mr. KENNEDY. I yield 5 minutes to the Senator from Connecticut.

Mr. BUSH. Mr. President, I am not one who has been inhibited from voting on the amendments which have come to a vote. Let me say to the Senator from South Dakota that my reservations about the amendment offered by the Senator are strictly inherent in the amendment itself. I do have some very strong reservations about the amendment.

Mr. HOLLAND. Mr. President, will the distinguished Senator speak a little louder, so that we can hear him.

Mr. BUSH. I wish to say that my reservations are based on the amendment itself, and I have strong reservations about it, for this reason: The amendment restricts the investments of pension funds to such as may be made by a national banking association. I wish to read from the law which is quoted and to which this would be an amendment, I believe. It is as follows:

> That the association may purchase for its own account investment securities under such limitations and restrictions as the Comptroller of the Currency may by regulation prescribe.

And then it says:

> As used in this section the term "investment securities" shall mean marketable obligations, evidencing indebtedness of any person, copartnership, association, or corporation in the form of bonds, notes, and/or debentures commonly known as investment securities under such further definition of the term "investment securities" as may by regulation be prescribed by the Comptroller of the Currency.

That would simply limit the investment of pension funds to evidences of indebtedness of one kind or another. I do not think any pension fund ought to be restricted to evidences of indebtedness.

To say that the investments of a long-term investor such as a pension fund should be restricted as are those of a bank on its demand deposits in my view is not at all appropriate. A bank invests its short-term deposits which are subject to withdrawal on demand, whereas a pension fund invests for income over a long period of years and with a view to protecting the principal of the fund as well.

I am wholly in sympathy with the Senator's desire to protect pension funds against the abuses which have been revealed by the investigation of the committee on which the Senator so ably serves, but I believe the proposed amendment would be a most unfortunate restriction upon the pension fund of a labor union or any organization, whether it be an endowment fund or whatever it be, because it simply puts the fund at the mercy of the inflationary forces with which unfortunately we have had to deal for many years, and with which we are even having to deal today.

So, as one who is strongly in sympathy with the Senator's purposes, I urge him to reconsider the question, and possibly withdraw the amendment. I am sure that most of us are in hearty accord with the desirable purpose the Senator has in view.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

Mr. THYE. Mr. President, will the Senator from Massachusetts yield me half a minute?

Mr. KENNEDY. I yield half a minute to the Senator from Minnesota.

Mr. THYE. The able and distinguished Senator from Connecticut has precisely stated what my own fears and convictions were as I studied the amendment, which led me to inquire whether the question had been before the committee for consideration. I thought I recognized restrictions which should not be imposed upon such funds, even though we desire to have them protected in every respect against any abuses which have taken place in the past. So I commend the Senator from Connecticut for having so clearly stated the question which is involved in the amendment.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. PURTELL. Mr. President, will the Senator from Massachusetts yield me 1 minute?

Mr. KENNEDY. I yield 1 minute to the Senator from Connecticut.

Mr. PURTELL. I should like to join my colleague from Connecticut and commend him for his remarks. I believe there was an oversight on the part of the Senator who proposed the amendment, which caused me to ask the question originally with respect to the coverage. I believe that to adopt the pending amendment at this time, without further consideration and study, might well be an act which we would regret later. I hope my colleagues will vote down this amendment.

Mr. HOLLAND. Mr. President, will the Senator yield me 2 minutes?

Mr. KENNEDY. I yield 2 minutes to the Senator from Florida.

Mr. HOLLAND. I appreciate the remarks of the distinguished Senators from Connecticut and the distinguished Senator from Minnesota, and other Senators who voiced the same feeling which occurred to me a while ago. While we all recognize the good motives of the distinguished Senator from South Dakota, he has illustrated, better than almost anything that has happened in this debate, the unwisdom of trying to write complicated legislation of this kind on the floor of the Senate.

This is an amendment which is germane and is well motivated, but because of the fact that it applies too generally and too broadly, it would be disastrous as applied to the great bulk of retirement and pension programs which are secured by insurance, and to many other programs which are sound, and are giving good protection.

I hope the distinguished Senator from South Dakota will withdraw his amendment. I am in accord with his thinking as to what he would like to do, but I think he has proved that if we try to choose amendments from among the forty-odd which are now proposed, we shall certainly fall into very grave error. This is the best illustration of that point that has arisen throughout the entire debate.

Mr. KENNEDY. I thank the Senator from Florida. As the Senator from Florida knows, 90 percent of the plans are not employer-employee plans. They are employer plans. They involve a wide portfolio. For that reason we decided not to be too restrictive.

Mr. McCLELLAN. Mr. President, will the Senator yield me 3 minutes?

Mr. KENNEDY. I yield 3 minutes to the Senator from Arkansas.

Mr. McCLELLAN. At first glance I was inclined to support this amendment, because I am convinced that pension and welfare funds must be regulated. I am not willing to enact major legislation without some attempt to regulate them.

In the bill which I introduced on April 15, the general subject of union funds is covered. I expect the bill to be studied. After study it may be determined that some change should be made. However, I tried to be as liberal as I thought we should be with respect to union funds—not welfare or pension funds. The provision in my bill applies to a local as well as to an international union. The provision is as follows:

(q) Investment of surplus funds: Every international union shall be entitled at all times to maintain a working capital of not in excess of one-half of the dues and assessments received by such union during its latest fiscal year or, in the absence of such latest fiscal year, not in excess of $100,000. All sums held by such union in excess of said sum, other than pension or trust funds, shall be held in savings banks on time deposits or invested in such manner as may be permitted by the laws of the State in which its principal place of business is located governing the investment of funds by an insurance company doing business within such State.

That is an approach to the problem. I do not say that it is all that is required. However, if we grant an insurance company the right to make investments in the State in which it is doing business, in a particular kind of security or other investment, I do not see why we need to go beyond that point with respect to pension and welfare funds, or union funds. There must be some latitude to make investments. Such funds should not be frozen. However, there must be some regulation. I do not know just how far we should go.

I do not fully understand the impact of the amendment offered by the distinguished Senator from South Dakota, but I am in favor of regulation of these funds. The provision in my bill may not be adequate. Perhaps we should go further.

The situation with respect to this amendment illustrates the imperative necessity for the committee to study these questions and have the best advice and counsel it can get before reporting a bill dealing with the subject.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. BUSH. I congratulate the Senator on his statement. I believe that the language which the Senator read from his bill covers the situation to which objection is made in connection with the pending amendment. That language would not be restrictive, but would give the funds some leeway, which they must have.

Mr. McCLELLAN. I do not think it is too restrictive.

Mr. BUSH. An insurance company must have leeway in the investment of long-term funds.

Mr. McCLELLAN. I do not see why welfare and pension funds should be placed in a different category from regular insurance funds.

Mr. BUSH. I think they should be placed in exactly the same category, because that is exactly what they are.

Mr. McCLELLAN. I thank the Senator.

Mr. WILLIAMS. Mr. President, will the Senator from California yield me 3 minutes?

Mr. KNOWLAND. I yield 3 minutes to the Senator from Delaware.

Mr. WILLIAMS. The argument has been made that we should not place these pension funds in a different category from other retirement funds. I point out that Congress has already gone on record as restricting the investment procedure with respect to pension funds.

We have a social security fund of $18 billion or $19 billion, and we require that those moneys be invested entirely in Government bonds.

We have a civil service retirement fund, and various other pension funds operated by the Government. All of them are required to be invested in Government bonds. We administer the railroad retirement fund, to which both employees and employers contribute. Again, the requirement is that the fund must be invested in securities of the United States Government.

If we are to lay down different ground rules, we should do so for all these pension funds. It is not too restrictive to limit the funds in the manner in which the Senator from South Dakota recommends. Otherwise, we shall leave the situation wide open, so that the funds may be used for investment in racetracks or various personal properties, at the discretion of the management. I think restrictions on the investment of such funds is needed. They are not funds for speculative investment. They are funds for investment for the security of the workingman. I believe that the pending amendment should be adopted.

Mr. IVES. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. IVES. Does the Senator realize that the idea behind the funds and the investments referred to is to provide a ready market for bonds? I do not know why we should restrict these funds to United States Government bonds.

Mr. WILLIAMS. The amendment would not do so, and the amendment of the Senator from South Dakota does not provide any such restriction.

Mr. IVES. It would tie them down to a specific type of investment, which the senior Senator from Connecticut described very fully.

Mr. WILLIAMS. It would tie them down to the type of investment approved, under the National Banking Act, as eligible for the investment of the funds of national banks which is more liberal than the rules Congress applies to the Railroad Retirement Fund.

Mr. IVES. That type of restriction is not suitable for trust funds.

On that subject the distinguished Senator from Delaware differs materially from the authorities in the State of New York. I do not say we are the ideal State or perfect in that respect. However, we have a very good savings bank statute in New York, and a very good trust-fund system. There is provided a list—I believe the Senator from Connecticut will remember this, because he does business in New York—which shows a certain line of bonds in which the banks can invest, and a certain line of common stocks in which they can invest. If we are in a period of inflation—and I do not believe it will be as severe as some people think it will be—one of the best hedges against inflation is investment in good common stocks.

Mr. WILLIAMS. So is real estate considered a good inflation hedge but that does not mean racetracks. Certainly in the investment of trust funds some ground rules should be shelled out.

The only way we can restrict the investment of these funds is to provide some limitation in the bill. I believe the amendment should be adopted.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. JOHNSON of Texas. I yield 2 more minutes to the Senator from Delaware.

Mr. WILLIAMS. I have yielded the floor.

Mr. IVES. Mr. President, when the bill was drawn, the idea was not to make it a regulatory bill. For obvious reasons we would encounter difficulties if we tried to regulate in this field. However, we are having a discussion regarding investments, and we see what confronts us when we try to provide complete regulation. What we are trying to do—and the life of this bill is only 4 years, I may say—is to have enacted a reporting measure. If money is placed in a race track or in a gambling institution, or in anything of that kind, that fact will show up in the reports.

Mr. WILLIAMS. I might say to the Senator from New York that, so far as reporting investments in race tracks is concerned, such investments have already been shown to have occurred. We are trying to correct that situation.

Mr. IVES. I understand.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. IVES. I do not believe I have the floor.

Mr. JOHNSON of Texas. I yield an additional minute.

Mr. AIKEN. I should like to say——

Mr. JOHNSON of Texas. Will the Senator from Vermont speak louder, so that we can hear him?

Mr. AIKEN. I can see very little in common between the proposal of the Senator from South Dakota regarding pension and welfare funds, as covered by the Senator's amendment, and the social-security fund, because, in the case of the social-security fund, the Government is responsible for the collection of the money as well as for the well-being of the money after it is collected. In the case of union funds or employer funds, the Government does not have anything to do with the collecting of the moneys.

Mr. IVES. Mr. President, may I comment on that?

Mr. WILLIAMS. In the case of the railroad-retirement fund, the Government does.

Mr. AIKEN. I said social security.

Mr. IVES. I might say that those funds are a wonderful depository for Government I O U's.

Mr. KNOWLAND. Mr. President, I yield 10 minutes to the Senator from South Dakota on the bill.

Mr. MUNDT. Mr. President, I believe I still have some time remaining on my amendment. I should like to point out, first of all, that I appreciate the fact that the Senate is now discussing an amendment on its merits, and not using the argument that this is not the time to act. I offered the amendment primarily for two purposes. The first is that I hope it can be adopted, because it is a move in the direction of providing a safeguard which mere reporting does not provide. I say that because the same situations complained of continue even after they have been exposed before the McClellan committee. A reporting procedure will not correct them.

In the second place, I offered the amendment to demonstrate, as a backdrop for my amendment D, which I shall offer immediately after the pending amendment is disposed of, to emphasize that the pending bill does not give any protection to the members of labor unions who are being defrauded.

I am the last person to claim perfection for the amendment. It is possible to direct criticism at it. However, I wish to point out, that the National Bank Act itself, immediately after the portion which was read by one of the other Senators in discussing the amendment, provides a further definition of the kind of investments which may be made by national banks, and that is debentures known as investment securities, under such further regulation as may be prescribed. Investments are not limited to short-term debts of a customer of a bank or a farmer who would like to get a loan.

Further down in the act it is set forth that these limitations do not apply to investments in Government securities, obligations of the United States, or general obligations of any State or of any political subdivision thereof, or obligations issued under the authority of a Federal Home Loan Bank or Federal Farm Home Loan Bank, or the Home Owners Loan Corporation, or obligations of the Federal Housing Administration.

There is certainly enough latitude there for the union officers to invest the funds of their members in something other than racetracks or slot machines, or some kind of speculative venture.

If we remain silent on this issue altogether and pass S. 2888 in its present form, we provide no protection whatever for the poor fellow whose money is taken from him by compulsion, just as it is taken under the Social Security Act, by compulsion, since he has no choice but to pay it. In one instance he pays it to the Federal Government and in the other instance he pays it into a union fund.

Mr. President, if this is going to be an embarrassing issue for my friends to vote on, and if they would prefer to approach it in some other way, I have amendment D, which is a second approach to the same problem. If it pleases the Senate, I shall be glad to switch to my amendment D; or have a vote on the pending amendment. I am willing to proceed in either way.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. BUSH. If the Senator would look back to the point where he was reading from the act after the words "Comptroller General"——

Mr. MUNDT. Is the Senator reading from page 1209?

Mr. BUSH. I am reading from page 913 in my copy. I should like to go back to the quotation to which the Senator's amendment refers, and I think he will see the merit of what I suggest. I read:

> Except as hereinafter provided or otherwise permitted by law, nothing herein contained shall authorize the purchase by the association for its own account of any shares of stock of any corporation.

That is what I object to in connection with the Senator's amendment. It completely forecloses a pension fund from hedging against inflation by investing in stocks. For that reason alone I believe the Senator should withdraw his amendment and proceed with something else.

I cannot agree with him more fully than I do on the necessity for restriction. The revelations which have come to light before the select committee have absolutely dictated the necessity for taking some action about this matter, and I commend the Senator heartily for making the Senate focus on the issue.

Mr. MUNDT. I thank the Senator. I also appreciate the comments of the distinguished Senator from Florida [Mr. HOLLAND] and other Senators who have spoken on the subject, because I know many Senators are trying to go the same way and are trying to remedy the present situation. I also appreciate the contribution of the Senator from Arkansas [Mr. MCCLELLAN].

So that the Senate will have an opportunity to go on record on a bill which actually provides a safeguard, I have drafted amendments C and D. Amendment C seeks to do it specifically. Amendment D seeks to do it by general legislation, by imposing additional authority on the Secretary of Labor, by asking him to move in this direction. If a vote on my amendment C would embarrass any Senators, I could withdraw the amendment and offer amendment D.

Mr. President, I ask unanimous consent that I may withdraw amendment C and offer my amendment D instead, with the understanding that the yeas and nays may be ordered on amendment D.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSON of Texas. Mr. President, reserving the right to object, I did not hear the Senator's statement as to his reason for withdrawing the amendment.

Mr. MUNDT. I do not like to get the Senate in a voting situation in connection with which Senators who honestly desire to move in the right direction have honest doubts about what is contained in the national bank provision referred to in the amendment. Rather than try to take care of the situation by specific limitation, as would be the case if amendment C were adopted, I would move the adoption of the amendment D, which treats the matter in a general manner. Rather than embarrass Senators in voting——

Mr. JOHNSON of Texas. I assume the Senator expects the committee to give consideration to this whole general subject, and to take such action as it may deem to be necessary when it conducts its hearings starting next week. Is that correct?

Mr. MUNDT. That would be a hope, rather than an assumption.

Mr. JOHNSON of Texas. The Senator does have the hope, does he?

Mr. MUNDT. I have the hope.

Mr. President, may I have my amendment designated "D" read?

Mr. ALLOTT. Mr. President, reserving the right to object, I wish to inquire the status of these amendments with respect to time. I desire to speak for about 10 minutes.

Mr. KNOWLAND. Mr. President, I will arrange to yield to the Senator from Colorado 10 minutes from the time on the bill itself, if necessary, so that he will be protected.

The PRESIDING OFFICER. The clerk will state amendment D offered by the Senator from South Dakota.

The LEGISLATIVE CLERK. On page 22, between lines 24 and 25 it is proposed to insert the following:

> (b) The Secretary shall examine each registration and report filed under this act. If as a result of such examination, the Secretary has cause to believe (A) that any person has violated or is about to violate any provision of this act or any rule or regulation thereunder, or any other provision of law, (B) that the assets of any employee welfare or pension benefit plan have been or are being invested, handled, or used, in an illegal, unsafe, or improper manner, or (C) that the information contained in the registration or report is incomplete or inadequate he shall conduct such further investigation as may be necessary to enable him to ascertain the facts with respect thereto. If he determines pursuant to such investigation that any provision of this act or any other law has been violated he shall call such violation to the atttention of the appropriate law-enforcement officers. If the Secretary determines pursuant to such investigation that any of the assets of an employee welfare or pension benefit plan are being invested, handled, or used in an unsafe or improper manner he shall notify the officers of such plan or other persons responsible. Unless the practices with respect to which such notification is given are promptly discontinued, the Secretary is authorized to publish a report of such practices.
>
> Redesignate subsections (b), (c), and (d) as (c), (d), and (e), respectively.

The PRESIDING OFFICER. The Senator from South Dakota has 30 minutes.

Mr. MUNDT. First, I wish it understood that the yeas and nays previously ordered on the amendment designated "C" apply now to the amendment designated "D."

The PRESIDING OFFICER. Under the unanimous consent agreement, the yeas and nays previously ordered on the amendment designated "C" will apply to the amendment designated "D."

RESTORATION OF EMPLOYMENT AND GUARANTY OF PERMANENCY OF EXISTING JOBS

Mr. CAPEHART. Mr. President, will the Senator yield to me about 7 minutes on the bill, so that I may introduce a piece of proposed legislation?

Mr. KNOWLAND. Mr. President, if it is agreeable to the Senator from South Dakota, I will yield 7 minutes to the Senator from Indiana from my time.

Mr. CAPEHART. Mr. President, the purpose of the bill I am about to introduce is to restore employment to those who are now out of work, and to guarantee the permanency of existing jobs.

I send to the desk for appropriate reference a bill which will:

First. Create jobs for American workingmen and women now unemployed.

Second. Add stability to and improve existing jobs, and

Third. Stimulate business with resultant expansion of the national economy in the years to come.

Certainly, there are no more important tasks facing this session of the Congress.

I remind each Senator that a copy of the bill, of my statement on it, and a copy of bulletin F entitled "Tables of Useful Lives of Depreciable Property," issued by the United States Treasury Department, have been delivered to each senatorial office.

BILL IS OF VITAL IMPORTANCE TO EVERY MAN, WOMAN, AND CHILD IN THE UNITED STATES

Because of the extreme importance of the subject matter of the bill to every citizen of the United States, I urge sincerely that Senators study very carefully its provisions, and my statement thereon in relation to the depreciation schedules set up in bulletin F.

IMMEDIATE ACTION BY THE CONGRESS IS URGENT

Once Senators have had the opportunity to study the matter, it is my hope that the appropriate committee will find it possible to hold immediate hearings, so that the bill may be considered thoroughly and passed without undue delay.

Our Nation, its workers, and its businesses need this legislation. I am convinced that no other measure here proposed or under committee consideration will do the all-important job of creating jobs as quickly, as surely, and as soundly as will this bill.

WHAT THE BILL DOES

Mr. President, briefly the bill does simply this: It proposes to reduce substantially the periods during which capital investments may be depreciated for tax purposes if they are made or contracted for over a specified period of 18 months.

For the accelerated depreciation to apply, it would not be necessary that the projected capital investment become a finished reality in the 18-month period.

The depreciation benefit would accrue if the contract for such an investment was made during that period, even though the normal completion or delivery date should fall thereafter.

THE BILL IS RETROACTIVE TO JANUARY 1, 1958

It is proposed likewise that the provisions of the bill be made retroactive to cover capital investments made or contracted for since January 1, 1958.

The reasons for the retroactive feature are obvious. So long as the bill is retroactive in its application, the anticipated capital investment will not be delayed pending the final approval of the bill.

WHAT IS SCHEDULE F?

Mr. President, as I have said, each Senator has been provided with a copy of schedule F, entitled "Tables of Useful Lives of Depreciable Property," issued by the United States Treasury Department, IRS 173. This schedule contains tables of the numbers of years of useful life of capital investments as now computed by the Bureau of Internal Revenue.

Senators should keep these figures before them constantly in considering the measure and study them in relation to my statement on the bill and the bill itself.

THE BILL COVERS ALL CAPITAL INVESTMENTS

The internal revenue schedule to which I have referred sets up depreciation periods for capital investments based on the estimated life of the product of the investment, be it buildings, machine tools, farm equipment, or any of the hundreds of other items covered by the broad term of capital assets. The bill would apply to all of them so that its advantages would accrue to all on exactly the same basis.

TEN MILLION JOB SOURCES

The provisions of the bill would be applicable to farmers and to small and big business alike.

It has been estimated that there are some 6 million farmers in the United States.

There are some 4 million businesses of every size and description.

Thus, when we pass the bill we will be making it possible for these 10 million business units to put more people to work almost at once.

SPECIFIC PROVISIONS OF THE BILL

The bill, Mr. President, proposes these changes in the depreciation schedule for capital investments made or contracted for in the specified 18 months period:

First. The depreciation period for any capital investment now based on up to and including a 15 year estimated useful life would be reduced by one-half.

Second. That portion of the estimated life on any capital asset exceeding 15 years would be reduced by two-thirds.

THE IMMEDIATE EFFECT OF THIS BILL

Let us see what the bill will do.

First, it will encourage the 10 million job-producing units in this country to do now what they may have anticipated for the future and open up financing to enable them to do it.

Second, it will create now hundreds of thousands of jobs for people who do not have jobs.

Third, it will act as a guaranty of greater security and improvement in existing jobs.

WHO WOULD BE THE MOST ENTHUSIASTIC ABOUT THIS BILL?

It is perfectly obvious that the most enthusiastic supporters of the bill would be the men and women who want and need jobs, and the men and women who run the 10 million business units which could provide those jobs.

Their enthusiasm would be shared, too, by the men and women who now have jobs because they would benefit through improvement in, and greater stability of, the work they are now doing.

All American taxpayers should support the bill because it provides a way to cure the present recession and expand the national economy without costing the taxpayers a single penny.

EXAMPLES OF HOW DEPRECIATION WOULD BE FIGURED UNDER THIS BILL

For a farmer, a new tractor could be depreciated within 5 years instead of 10 years; a threshing machine would be depreciated within 7½ years instead of 15 years; a corn crib could be depreciated within 12½ years instead of 30 years.

For the small factory owner, tools and dies could be depreciated in 1½ to 2 years instead of 3 to 4 years; heavier machinery and tools could be depreciated in 7½ to 9 years instead of 15 to 20 years.

For heavy industry, a new plant of average construction could be depreciated in 16 years instead of 40 years.

For rental housing, homes, apartment buildings, and office buildings of average construction could be depreciated within 16 years instead of 40 years.

For transportation systems, the beneficial effect of the bill on our dilemma-ridden railroad system would be tremendous. Because they could depreciate it more rapidly, it is my best judgment that the railroads would immediately acquire hundreds of millions of dollars worth of new equipment. Of course, the bill would also be applicable to other forms of transportation.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. Please let me finish my statement; then I shall be happy to yield.

For wholesale and retail establishments, the bill would provide an incentive for wholesale and retail stores to carry out now the renovation programs—new store fronts, new fixtures, and so forth—that they may need and have been anticipating in the future.

WHY THIS IS THE BEST BILL THE CONGRESS COULD PASS TO PUT PEOPLE BACK TO WORK TODAY

This bill has many advantages over public-works programs.

Public-works programs are selective. The people thus employed would, at best, be only a fraction of those who need jobs.

Public-works projects would help in only certain scattered areas. Generally speaking, they would take a long time to get underway.

In addition, under this bill, workers would be more likely to get jobs in their

own communities, rather than to have to move to an area in which a public-works project is planned, because this bill will make it possible for 10 million business units in the United States to act the very hour the bill is enacted, and to use their own capital, instead of the taxpayers' money.

The PRESIDING OFFICER (Mr. MORTON in the chair). The time yielded to the Senator from Indiana has expired.

Mr. CAPEHART. Mr. President, will the Senator from California yield 2 additional minutes to me?

Mr. KNOWLAND. Yes, Mr. President; I yield 2 additional minutes to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana is recognized for 2 additional minutes.

Mr. CAPEHART. I thank the Senator from California.

THE ADMINISTRATION HAS TAKEN SOUND STEPS

Mr. President, the administration and the Congress have moved with admirable courage and speed to take the steps it has been possible to take up to this time to cure our economic ills. They have been constructive steps, and I am sure that all of us have approved of the motives behind them.

But here is a new, an additional, and a wholly businesslike approach that will complement the program that already is under way.

I repeat that this bill would not cost the taxpayers a penny.

PERMANENT JOBS CREATE NEW TAX SOURCE

It is true, Mr. President, that this bill would have the effect of postponing some tax revenues. But, at the same time, it is altogether possible—yes, even probable—that the end result of stepped-up capital investments would, over the long pull, create even greater tax revenues in the future. I believe that this would be the case. There is every reason to believe that this would be the case because these, Mr. President, would be lasting and permanent jobs which would grow out of the creation of new, permanent, and lasting capital assets, to add to the wealth of the Nation and to expand our economy over the years to come.

This, then Mr. President, is the best way to create jobs. It is the best way to add stability to existing jobs. It is the private-enterprise way. It lets America's 10 million business units solve the problems of our economy, without costing the taxpayer a penny.

Because this is the best way, let us get the job done just as quickly as the legislative process can be completed.

Mr. President, I ask unanimous consent that the text of the bill which I am introducing be printed at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3718) for the purpose of creating new jobs, giving greater stability to and improving existing jobs, and stimulating business during the next 18 months with resultant expansion of the national economy in the years to come, by amending the Internal Revenue Code of 1954 so as to allow more rapid depreciation for property constructed or acquired during 1958 and 1959, or for the construction or acquisition of which a contract is entered into during 1958 or 1959, by reducing the useful life of such property for income-tax purposes, introduced by Mr. CAPEHART, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 167 of the Internal Revenue Code of 1954 (relating to depreciation) is amended by redesignating subsection (h) as (i), and by inserting after subsection (g) the following new subsection:

"(h) Special rule for determining useful life of new property constructed or acquired during 1958 or 1959:

"(1) Special rule: For purposes of this section, the useful life of property described in paragraph (3) shall, at the election of the taxpayer, be a period equal to—

"(A) one-half of the useful life of such property (determined without regard to this subsection), to the extent that such useful life does not exceed 15 years, plus

"(B) in the case of property which (without regard to this subsection) has a useful life in excess of 15 years, one-third of the useful life of such property (determined without regard to this subsection), to the extent that such useful life exceeds 15 years.

"(2) Limitation: The useful life of any property shall not, by reason of the application of paragraph (1), be less than 3 years.

"(3) Property to which subsection applies: Paragraph (1) shall apply only to property—

"(A) the construction, reconstruction, or erection of which is commenced during 1958 or 1959,

"(B) which is acquired during 1958 or 1959, and the original use of which commences with the taxpayer and commences after 1957, or

"(C) which is acquired, under the terms of a written contract entered into during 1958 or 1959, within a reasonable time after 1959 (taking into consideration the type of such property and such other factors as the Secretary or his delegate may prescribe by regulations), and the original use of which commences with the taxpayer and commences after 1959.

"(4) Application to new construction: In the case of property described in paragraph (3) (A), paragraph (1) shall apply only to that portion of the basis of such property which is properly attributable to construction, reconstruction, or erection during the period of 18 months beginning with the day on which the construction, reconstruction, or erection of such property is commenced.

"(5) Election:

"(A) When and how made: The election provided by paragraph (1) shall be made with respect to any property within the time prescribed by law (including extensions thereof) for filing the return for the first taxable year for which a deduction under subsection (a) is allowable with respect to such property. The election shall be made in such manner and in such form as the Secretary or his delegate shall prescribe by regulations.

"(B) Effect: An election made under this subsection with respect to any property shall not be revoked except with the consent of the Secretary or his delegate and under such terms and conditions as the Secretary or his delegate may prescribe."

SEC. 2. The amendment made by this act shall apply to taxable years ending after December 31, 1957.

Mr. THYE. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. THYE. If the bill were enacted into law, and went into effect, how much revenue would be lost to the Treasury?

Mr. CAPEHART. None. But revenue would be postponed—how much, I do not know. Of course, the more of it which was postponed, the more jobs would be created and the bigger and the better would be our economy.

At the moment it would seem that the amount of revenue postponed would be between $600 million and $1 billion, the first year. But certainly that would be much better than to have the Federal Government spend $1 billion a year on public works.

No one knows how much revenue would, as a result of enactment of the bill, be postponed; but the more postponed, the more jobs would be created.

Mr. LAUSCHE. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. LAUSCHE. Has the Treasury made an estimate in this case?

Mr. CAPEHART. No. But the Treasury, the administration, the House Ways and Means Committee, and the Senate Finance Committee have been considering many, many proposals; and I am sure they have considered this one, and will consider it further.

Mr. LAUSCHE. In connection with the committee's consideration of railroad bills, members of the committee expressed the hope that such programs would be put into effect and would be accelerated. But the administration suggested that that should not be done because it would involve a principle which should be made applicable on an overall basis.

Mr. CAPEHART. My bill would make it applicable throughout the United States, to the extent of 10 million business units. As a result, many persons would be put to work immediately.

The PRESIDING OFFICER. The additional time yielded to the Senator from Indiana has expired.

EMPLOYEE WELFARE AND PENSION BENEFIT PLANS

The Senate resumed the consideration of the bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans.

Mr. KNOWLAND. Mr. President, I yield 5 minutes on the bill to the distinguished Senator from Colorado [Mr. ALLOTT].

The PRESIDING OFFICER. The Senator from Colorado is recognized for 5 minutes.

Mr. ALLOTT. Mr. President, I rise to discuss the pending amendment, and also the bill itself, and the previous debate in regard to the bill.

I would have had to oppose the previous amendment offered by the Senator from South Dakota [Mr. MUNDT].

I should like to call attention to the fact that the bill is not a regulatory bill. Nothing needs to be understood by the Senate more than the fact that the bill simply would expose such funds—no matter who would contribute to them, and no matter how they were managed

or operated—to inspection by anyone who wished to inspect or examine them.

I have read page 22 of the bill; and I have called the bill a "lollypop" bill. Some of my colleagues on the other side were so kind as to suggest the word "Milquetoast," and I accept that description, too, because I do not believe the bill will stop the abuses which were enumerated at great length the other afternoon.

Mr. President, if I thought any substantial good would come from the bill, I would favor it with much more enthusiasm than I do.

The pending amendment of the Senator from South Dakota is, in my opinion, a very good addition to the bill. From the votes which have been taken during the last few days, I assume that the bill will be passed. If so, I should like to see as good a bill as possible passed.

On page 22 of the bill as it now stands, we find the following:

The Secretary may, in his discretion, make such investigations as he deems necessary to determine—

This, that, or half a dozen other things.

The bill authorizes the Secretary, in his discretion, to publish information and to provide for the introduction of witnesses.

On page 23 we find the following:

Whenever it shall appear to the Secretary that any person is engaged or about to engage in any acts or practices—

The Secretary may do certain things.

In my opinion, Mr. President, the bill will be much better if it is strengthened to the extent provided by the amendment D which had been submitted by the Senator from South Dakota [Mr. MUNDT].

I would have had to oppose the previous amendment; and I am not sure that the wording of the pending amendment is as I personally would like to have it. But I believe that any minor amendments which may need to be made in the wording can be made in the House of Representatives or in the conference. At least the amendment provides that the Secretary shall examine the registrations, and that certain things will occur when he does.

I believe this is a good step forward for the bill. There is no question in my mind that if the bill is thus amended, we shall have fixed a definite responsibility on the Secretary of Labor, whoever he may be—whether the Secretary of Labor who is serving this year, or the one who will serve 4 years from now, or the one who will serve 10 years from now—to do certain things; and one of them will be to examine the registrations, for the purpose of ascertaining, and reporting to the appropriate law-enforcement officers, the facts in regard to the abuses which have existed in the case of so many of these funds.

Mr. President, I urge all of my colleagues to vote for adoption of the amendment.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that at this time there may be a quorum call, without having the time required for it charged to either side, under the provisions of the unanimous-consent agreement.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Then, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment designated "D," offered by the Senator from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. President——

The PRESIDING OFFICER. How much time does the Senator from South Dakota yield himself?

Mr. MUNDT. I yield myself 10 minutes, and reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 10 minutes.

Mr. MUNDT. Mr. President, this is the approach which we were discussing during the debate and the colloquy earlier this afternoon with respect to an attempt to provide some safeguard for the men and women in American trade unionism against fraud and betrayal by dishonest labor officials.

As I said earlier, we have two approaches which supplement each other. The first amendment I offered was an attempt to regulate, by specification, the kind of investments which shall not be made.

We have long known there is disagreement among persons as to what are safe investments. The colloquy brought out that many Senators who are trying to move in the direction of doing something effective were in doubt as to whether such investments should be made altogether in Government bonds or in types of securities made available to national banks.

Having that in mind, I had amendment D, which, in my opinion, had amendment C been adopted, would still be salutary. But the Senate failed to act on amendment C, or in the direction of including in S. 2888 any regulatory provisions which would have given specific instructions as to what could or could not be done with labor union money. Therefore, it seems to me adoption of my amendment D is altogether mandatory if we really seek in this proposed legislation to establish some safeguards against dishonest and imprudent investment practices.

Let me point out exactly what this amendment would do. I turn to page 22 of the pending bill.

As I said earlier this afternoon on my previous amendment, the pending bill proposes legislation on a specific question, and the amendment relates to it. We are now not in any field which might remotely be called extraneous. We are not now on any detour, trying to correct problems differing in any way from those which the committee seeks to correct by S. 2888. We are asking ourselves the question, Is S. 2888 good enough to do the job? We are asking ourselves the question, If it is not good enough to do the job, are Senators prepared to tighten the bill up a little bit, even though many of the union bosses do not want it changed in any way? We are asking ourselves whether in the amendment process we are trying to move in the direction of sending to the House a bill which, if it is finally enacted, will confer sufficient police power and contain other provisions to correct situations which are so nauseating that they have finally forced this type of proposed legislation to the floor of the Senate.

If we turn to page 22 of the bill, we find in the bill the provision I shall read. After the report is made, after the machinery is established, what happens?

The Secretary may, in his discretion, make such investigations as he deems necessary.

The Secretary receives the reports, which he may or may not examine. The reports are filed some place in the dusty archives of the Department of Labor.

The laboring men and women are lulled to sleep, so that some dishonest labor-union officials can more easily indulge in their nefarious practices, because the laboring men and women are given a false sense of security by feeling the Federal law has moved in to help them.

I proposed to add at the end of section 12 (a), on page 22, the following language:

The Secretary shall examine each registration—

I do not use the word "may." I do not say the report shall simply be filed. Why go to all the expense and all the effort of having the reports made if the Secretary may simply receive them? After their receipt the amendment would provide:

The Secretary shall examine each registration and report filed under this act. If as a result of such examination, the Secretary has cause to believe (A) that any person has violated or is about to violate any provision of this act—

That language is practically the same as that reported by the committee, with no change. If the Secretary believes, on the basis of his investigation, that somebody has violated the act, "or any rule or regulation thereunder, or any other provision of law"—

That is one of the things the Secretary has to look for. The second thing is:

(B) that the assets of any employee welfare or pension benefit plan have been or are being invested, handled, or used, in an illegal, unsafe, or improper manner—

That is the second item. It might be illegal, as I suspect the Secretary would find, if investment of union funds was made in slot machine rings in the Northwest. It might be unsafe, as I suspect the Secretary would find in the case of union funds invested in race tracks, racing stables, and plush hunting lodges for union bosses in Michigan or elsewhere.

Or it might be improper, as I suspect the Secretary would find, if he were examining into the use of funds by Dave Beck, when the funds were used for the building of a swimming pool and a home in Seattle, and aiding his friends and himself to make investments in Canadian corporations and what not.

Or (C) that the information contained in the registration or report is incomplete or inadequate.

That is what the law prescribes.

If the Secretary finds any of those three things, what is to happen? What will take place then?

It is then required that the Secretary of Labor shall make a report of those facts, calling them to the attention of the union officials who have been faulty or faithless in their reporting, and making recommendations for a correction.

Suppose those officials are recalcitrant and will not change. Suppose those officials are in so deep they will not extricate themselves. Suppose the money is gone, and all those officials can do is cover up and throw dust in the eyes of the employees. Suppose it is too bad a mess to be corrected by disclosure and a subsequent effort.

If the Secretary finds all those things to be true, what happens? If the Secretary finds such practices are not discontinued, the Secretary is authorized to publish a report of such practices; that is all.

Then, at least, the union members will learn what is happening. Then, at least, the country will find out. Then, at least, the Congress will find out. Of course, we could secure the information by appointing another senatorial investigating committee, but Senators become tired, after a while, of spending 30 hours a week acting as policemen, sheriffs, and detectives, conducting an investigation of the faithless performance of certain dishonest labor officials.

I imagine the people of the country also get tired of appropriating a million dollars every year or two to provide for expenses of that kind of a special investigating committee.

Instead of waiting for a special committee investigation, my amendment would provide that when the Secretary finds such conditions as have heretofore developed at times he shall publish a report so the people will know what has happened.

That is all the amendment provides. There is nothing in the amendment to prescribe the kind of investment which will have to be made, but the amendment does give the Secretary of Labor some responsibility other than to act as a filing clerk receiving reports and putting them in mothballs.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. MUNDT. There is nothing in the bill as presently written which requires anything further to be done with the report, except to put it in mothballs.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. MUNDT. I am happy to yield to my distinguished friend from Colorado.

Mr. ALLOTT. Does the Senator find anything in the bill, other than in section 11 or section 12, which gives discretionary power to the Secretary of Labor to take action or to investigate these reports, or read them, if he feels like it?

Mr. MUNDT. I do not. That is one reason why I said last week in the debate, serving as one who has spent a great deal of time trying to ascertain what is wrong in this field, and believing we should try to correct it, that I thought I would have to vote against S. 2888 in its present form, because it fails to provide for anything constructive. I think the bill as now written is a step backward, because whenever we legislate on a problem and put on a patch which is meaningless we deceive ourselves.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUNDT. I yield myself 5 minutes more.

Mr. ALLOTT. I agree entirely with the Senator. I should like to point out that on page 22 of the bill it is provided:

The Secretary may, in his discretion, make such investigations—

Or he—

may require or permit any person to file * * * a statement in writing.

And—

The Secretary is authorized, in his discretion, to publish information.

And on the preceding page it is said, "the Secretary shall cause to be conducted a study for the purpose of determining" certain matters.

However, I do not see anything in the bill which requires the Secretary to take any positive action with respect to the registrations or reports which are filed, and I do not see anything in the bill which would cause the Secretary to take any action against such persons who appear to have violated the law, even to the extent of informing the law officials of the local community.

It is my opinion that the amendment of the Senator from South Dakota is extremely germane. I hope the members on the other side of the aisle will note this fact. The amendment is germane to the entire bill. It is an amendment which has been discussed time and time and time again in the committee. The specific provision in these words has not been discussed, but the whole subject matter has been discussed time and time and time again in the committee. It is a subject matter which belongs in the bill if the bill is to have any real force.

Mr. MUNDT. I deeply appreciate the Senator's valuable contribution. This is the kind of amendment which was also discussed, I will say, in the hearings of the Select Committee, not in terms of specific legislation, but in terms of the general subject. A great many of the labor leaders have been asked, in the committee room and outside, on the record and off the record, whether they would agree that some kind of protective mechanism such as this is essential, and many have said, "Yes."

I submit that if the Senate passes S. 2888 as written, as it has received the nice big okay of certain labor bosses, with no changes and no further legislative action by the Senate, with no Senator willing to vote to change a sentence or a paragraph or willing to add a single amendment, we shall render ultimately a disservice to the working men and women, who have a right to expect from the Federal Government better legislation dealing with a problem which digs so deep into their family pocketbooks and their family budgets.

We have an opportunity now to tighten this situation up and do something constructive.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. MUNDT. I am happy to yield.

Mr. CURTIS. Does the Senator know of any rank-and-file union members who have asked that the bill be not amended?

Mr. MUNDT. No, I do not. I have received many telegrams and letters as other Members of the Senate have received messages, which say, "We want you to pass S. 2888 without amendments." Certainly those telegrams have paid pretty good dividends with a lot of votes in this body, but they have not paid off so far as I am concerned. I expect, as a Senator, with regard to all proposed legislation, to reserve the right to amend, to reject, to approve or to modify. I do not propose to submit to any kind of committee coercion or telegraphic tyranny.

I do not like oligarchy in Russia, or in Europe, or in Congress. We submit to an oligarchy when we accept the theory that nobody can change a committee report and nobody can change a committee bill—that, the committee having spoken, all the Senate needs to do is salaam and bow to the east and say, "Yes," with italic.

Mr. THYE. Mr. President, will the Senator yield?

Mr. MUNDT. I am happy to yield.

Mr. THYE. My dear friend from my sister State of South Dakota made somewhat the same remark with reference to the other amendment he offered. I remind him that I have voted on each of these amendments in accordance with the best of my judgment as to each specific amendment, in support of some and against others. The distinguished Senator used the same reference as to the other amendment, to which I might have taken some exception, and the distinguished Senator finally found it necessary to withdraw the amendment.

I am not too much impressed when he refers to the question of whether the dictates of someone are influencing any of us on the floor, because they have not influenced me. I want to be certain to be on record that no one has influenced my vote. I have voted for some amendments and against others, and the Senator from South Dakota withdrew one of his own amendments.

Mr. MUNDT. That demonstrates what I have said, namely, that the floor of the Senate is a pretty good place to legislate.

Mr. President, I reserve the remainder of my time. Will the minority leader yield me 5 minutes on the bill?

Mr. KNOWLAND. Mr. President, I yield 5 minutes to the Senator from South Dakota on the bill.

Mr. KENNEDY. Mr. President, what time remains to our side?

The PRESIDING OFFICER. The minority leader has just yielded 5 minutes on the bill to the Senator from South Dakota. The Senator from South Dakota therefore has 15 minutes remaining, and the Senator from Massachusetts has 30 minutes remaining.

Mr. MUNDT. As I understand the situation, at the conclusion of the next 5 minutes I shall still have 15 minutes remaining.

The PRESIDING OFFICER. The Senator is correct.

Mr. MUNDT. Replying to my friend from Minnesota, I think it has been demonstrated that we are operating under the correct procedure. We are bringing into focus the suggestions, the counsel, and the capacities of Senators who are not members of the legislative committee, in an effort to arrive at a meeting of minds by proceeding in the right direction.

I withdrew the first amendment which I offered, rather than embarrass Senators who, in my opinion, had a misconception about it, but who, I am certain, held a sincere conviction as to what was involved in the banking laws of the country as they are related to the bill. We did bring out the fact that there is nothing now in the proposed legislation to protect the funds of the working man or woman. There is no regulatory machinery. My amendment would provide, at least, that the Secretary of Labor must look at the reports.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. MUNDT. I am happy to yield.

Mr. LAUSCHE. Was there any discussion in the committee as to the advisability of using the word "may" instead of the word "shall" in prescribing that the Secretary must investigate and do certain things?

Mr. MUNDT. I should like to yield, if I may, to the distinguished chairman of the subcommittee, because I would be unable to answer the question, not being a member of the legislative committee.

Mr. LAUSCHE. Was there any discussion in the committee in an effort to determine whether the language should be mandatory or permissive?

Mr. KENNEDY. Other Members may have a different recollection, although I am not aware of it. However, it may well have been.

I should say that the reason we used the word "may" was the same as the reason for vesting discretion in the Securities and Exchange Commission and in the Internal Revenue Service. To require the Secretary of Labor to examine 50,000 reports and reach a judgment, with respect to each of them, of the type provided for in the language of the amendment of the Senator from South Dakota, I believe, would place an impossible burden on him.

The entire assumption of the bill has been that the Secretary shall make a survey on a sampling basis. That is the way the Internal Revenue Service and the Securities and Exchange Commission operate. For that reason the word "may" is used. In my opinion complete safeguards are provided in the bill for the public interest.

I believe that the language of the Senator from South Dakota would provide for establishing an enormous bureaucracy in Washington, which would be against the public interest, and which would be extremely expensive.

Mr. MUNDT. Mr. President, it seems to me that my amendment would provide for an operation very similar to that of the Internal Revenue Service. It makes a survey of every income tax return. It does not merely file them to gather dust, but it does as the Senator from Massachusetts has pointed out. It examines most of the returns in a very cursory manner. Then, with respect to every 7th, 10th, or 17th return, a spot check is made. In cases in which it is believed there has been fraud, a thorough investigation is made. My amendment would operate in the same way with regard to the financial reports of the labor unions.

A great many of such reports could be examined in an hour, to see if they appeared to be correct on the surface. Spot checks could be made on some of them. In a situation such as that involving the Teamsters Union, a diligent Secretary of Labor would examine pretty carefully reports from that area.

In the case of an investigation with respect to a Johnny Dio of New York, a diligent Secretary would meticulously and carefully investigate the reports. Whether to spend 5 minutes on one report and 5 hours on another would be within the discretion of the Secretary of Labor as is the case with the Director of the Internal Revenue Service. The Secretary could decide how far to go, and how deep to dig, depending upon what was found.

Mr. KENNEDY. Mr. President, the Senator from South Dakota expressed concern about the welfare of men and women. Did the Senator vote for the amendment of the Senator from Colorado, which would have exempted approximately 90 percent of the plans from supervision?

Mr. MUNDT. I voted with the Senator from Massachusetts.

Mr. KENNEDY. The Senator from Colorado heartily endorsed the amendment of the Senator from South Dakota. As I say, the Senator from Colorado proposed an amendment which would have exempted about 90 percent of the plans from supervision.

Mr. MUNDT. Is the Senator trying to establish a rule of guilt by association?

Mr. KENNEDY. I am trying to establish neither guilt nor innocence. However, the Senator's amendment was so warmly endorsed by the Senator from Colorado, who is opposed to the bill, and who would like to exempt 90 percent of the plans from supervision, that I am instinctively suspicious of the proposal of the Senator from South Dakota.

The PRESIDING OFFICER. The time of the Senator from South Dakota has once more expired.

Mr. MUNDT. Mr. President, at this time I yield myself 1 minute out of my time.

Let me say, in conclusion, that I think the Senate has had prouder moments in its history than those which we are devoting to the consideration of this labor legislation in what, I repeat, is the last opportunity in this Congress that we shall have to legislate effectively. I think the Senate is becoming pretty well aware that whatever gestures we go through in July will be buried in the dust of adjournment by the 1st of September, and no new labor legislation will eventuate. In this case we must pass either a good bill, a poor bill, or no bill at all, now. The bill is before us, and I suggest that we try to make it a bill which will give good, honest, careful protection to the working men and women of America, so far as pension and welfare funds are concerned, the money for which is taken away from them by compulsion.

Mr. President, I reserve the remainder of my time.

Mr. BUSH. Mr. President, will the Senator from Massachusetts yield me 5 minutes?

Mr. KENNEDY. I yield 5 minutes to the Senator from Connecticut.

Mr. BUSH. First, let me say to my friend from South Dakota that I am not inhibited against voting for amendments. I have voted for all the amendments on which the yea-and-nay votes previously have been taken.

I commend the Senator again for bringing to the attention of the Senate the very grave problem of how these great welfare and pension funds should be invested. It is a very important and serious problem. However, I have strong reservations with respect to the pending amendment. The effect of it would be to try to make an investment analyst out of the Secretary of Labor. I do not believe that even the distinguished present occupant of that office is qualified to assume that sort of responsibility, nor do I believe that any of his predecessors would have been qualified.

I point out two things in the amendment of the Senator from South Dakota which prompt me to make that statement.

The opening sentence of the amendment is:

> The Secretary shall examine each registration and report filed under this act.

One must presume that he must examine it to see whether or not the investments are sound.

On page 2, beginning in line 6, we find the following language:

> If the Secretary determines pursuant to such investigation that any of the assets of an employee welfare or pension-benefit plan are being invested, handled, or used in an unsafe or improper manner he shall notify the officers of such plan or other persons responsible.

The purpose is, of course, to cope with a situation which the McClellan committee has revealed to us, which involves the revelation that some $10 million of pension funds have been stolen, within the purview of the committee's investigation. Heaven knows how much more may have been stolen. Perhaps we shall learn more on that subject later.

What the Senator is seeking to do is to deal with this evidence of crookedness, malfeasance, lack of due diligence,

thievery, or whatever it may have been, in connection with the operation of these funds. With that purpose I believe every Senator is in sympathy. But to make the Secretary of Labor a judge of the safety of investments seems to me to be a very unwise thing to do.

Twenty years ago Robert A. Lovett, one of my business partners, who was later Secretary of Defense, wrote an article entitled "Gilt-Edged Insecurity," which was published in the Saturday Evening Post. That article showed how difficult it was to judge whether an investment was safe or unsafe. It went on to show how investments which appeared to be gilt-edged, triple A investments in 1908, turned out, 20 years later, to be in default. It is a very difficult thing.

I do not believe any of us want to see set up in the Labor Department an investment analysis organization. We may wind up with that kind of situation, because these funds are on the increase. I hope they will be on the increase as time goes on. However, the place to supervise them is not in the Department of Labor. I believe that such supervision basically and in the interest of all concerned belongs at the State level, just as the great insurance companies are supervised at the State level. Nearly every State, I believe, has an insurance department or a commissioner of insurance, and those offices are equipped to analyze and deal with matters of this kind. That would be the ideal place for this type of examination. I do not know whether we can, by Federal law, place the matter under the supervision of an insurance examiner within a State. If we cannot do that, perhaps we ought not to deal with this question, but let the States deal with it, and keep the supervision at the level where it belongs, by organizations equipped to deal with the situation.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KENNEDY. I yield 2 more minutes to the Senator from Connecticut.

Mr. BUSH. It has been suggested, even, that the Securities and Exchange Commission take supervision of the matter.

Mr. President, I do not want to see another great bureaucracy grow up in Washington, even though it be within the Securities and Exchange Commission. The Senator from Massachusetts himself has envisioned the possibility that in order to give thorough supervision and review to these funds, it may be necessary to establish a large organization. I certainly do not want to see one established like the Internal Revenue Service. It is perfectly possible, if it is necessary to go into the details of investments, that it might be necessary to do so, and then we would have a great big groping organization created for the supervision of pension funds. I believe that would be quite unnecessary.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. BUSH. I shall be glad to yield, if I have the time.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KENNEDY. I yield 2 more minutes to the Senator from Connecticut.

Mr. SALTONSTALL. I should like to ask a question of the Senator from Connecticut. It is this: The amendment, at line 7, as I understand, does not prescribe any standards whatever. It leaves that entirely within the discretion of the Secretary of Labor, as the Senator says, and makes him a security analyst.

If we are going to do anything like that—and there is a great deal of merit in the amendment of the Senator from South Dakota—then it is necessary for us to prescribe certain standards, such as have been provided for banks and insurance companies. Those standards must be established at the State level or at the Federal level. At any rate, we cannot leave such broad discretion in one man. We cannot leave it entirely to his discretion to say what is a proper investment and what is not a proper investment. That is what the Senator from Connecticut is saying, is it not?

Mr. BUSH. Exactly. Mr. President, I question whether this type of legislation is not within the purview of the Committee on Banking and Currency. It seems to me it more closely approaches insurance legislation than it does labor legislation. Pension funds are actually insurance funds. I really believe that the Committee on Labor and Public Welfare should refer the proposed legislation to the Committee on Banking and Currency, where there exists the necessary background and where the subjects of insurance and banking and investments belong. They come within the purview of that committee.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. BUSH. I yield to the Senator from South Dakota.

Mr. MUNDT. In the first place, I do not believe the Senator from Massachusetts had the amendment properly in mind when he said that the Secretary of Labor would determine what kind of investments could be made. There is nothing in the amendment along that line in any shape, manner, or form.

Mr. KENNEDY. I believe the Senator has reference to the Senator from Connecticut in that connection.

Mr. BUSH. No; the senior Senator from Massachusetts did raise that point.

Mr. KENNEDY. I am sorry.

Mr. BUSH. He spoke of the language at line 9 on page 2, which refers to investments being handled in an unsafe or improper manner. The Secretary must determine that.

Mr. MUNDT. If he makes a determination adversely to the union, he gives to the union his interpretation. He has no authority.

Mr. BUSH. Before he does that he must determine the question. I do not believe he is qualified to do that.

Mr. MUNDT. Certainly he could determine whether a race track is a speculative investment, or an unsafe investment.

Mr. BUSH. Of course he would be able to determine that, but the bulk of his time would be spent in reviewing 95 percent, 98 percent and, I hope 99 percent of investments which would be perfectly all right. However, he must satisfy himself that they are all right.

Mr. MUNDT. How will he have the authority to do it if nothing along that line is contained in the bill?

Mr. BUSH. I believe the people would be better off if we passed merely a disclosure bill, than it would be to get into the business of analyzing and appraising the value of investments, so far as the Secretary of Labor is concerned, or anyone else, because all we would be doing would be to build up a great big groping giant of an organization, which is not needed at all, but which is unnecessary.

The PRESIDING OFFICER. The time of the Senator has again expired.

Mr. KENNEDY. I yield 1 more minute to the Senator from Connecticut.

Mr. BUSH. It would be a great misfortune after all this effort—and I realize that the Senator's amendment is a sound effort—if we ended up by requiring the Department of Labor to set up enormous organizations for analyzing and appraising the value of securities.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. BUSH. I will yield if I have the time to yield.

Mr. KENNEDY. I yield 2 additional minutes to the Senator from Connecticut.

Mr. ALLOTT. I should like to suggest that if we do not do that, as the Senator from South Dakota suggests, then the registration and reporting provisions and all the other provisions of the bill are meaningless, because we would be saying, in effect, that all the funds—and this is my objection—would have to register and file their reports and disclosures, and then everyone would go on his way and forget all about it. It is necessary either to have a huge organization to analyze and study these matters and make recommendations, and enjoin, or issue cease and desist orders, or else the bill becomes meaningless.

Mr. BUSH. I would not go quite that far, because we have, under the Securities and Exchange Commission Act, the registration system. The Commission does not publish the reports to the whole world, but they are in the files, and anyone can look at them.

The information will come in under the law—and the Senator will remember that I supported his amendment on the 90 percent feature—and the information will be open for inspection to union members or anyone else who desires to look at it. I would rather have it that way than I would give authorization to the Secretary of Labor to build up a great analytical organization to appraise the value of all the funds, of which 90 percent, as the Senator has pointed out, would not have any question raised as to whether they were proper investments. Yet we would be authorizing that kind of organization.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LAUSCHE. Mr. President, may I put a question to the Senator from Connecticut?

Mr. BUSH. Mr. President, will the Senator from Massachusetts yield me some additional time?

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from Connecticut.

Mr. LAUSCHE. The Senator from Connecticut and the Senator from Ohio were members of the Committee on Banking and Currency last year.

Mr. BUSH. I should like to say that I regret exceedingly that the Senator from Ohio left that committee. We miss him very much.

Mr. LAUSCHE. I thank the Senator. Am I correct in my recollection that the statutes regulating the conduct of the Securities and Exchange Commission make it permissible for the Commission to certify for action to other departments of Government noncompliance with the Securities and Exchange Act?

Mr. BUSH. I cannot positively say. My impression is that the Senator is correct in that understanding.

Mr. LAUSCHE. The Senator from Connecticut probably will recall that we have made inquiry why the certifications were not made. It was pointed out that the language was permissive, and that frequently there are borderline violations.

May I ask the Senator from Massachusetts a question on this subject?

Mr. KENNEDY. Certainly.

Mr. LAUSCHE. Does the Senator from Massachusetts use the Securities and Exchange Commission laws as a parallel for the use of the permissive instead of the mandatory language concerning investigations and certifications for judicial action?

Mr. KENNEDY. I would not say the language of the bill is a quotation from the securities and exchange law, but I would say that the concept is similar.

Mr. LAUSCHE. The concept is similar, and the same principle is applicable to investigations and certifications made by the Internal Revenue Service.

Mr. KENNEDY. Once again, I do not attempt to state that the language is the same, but the practical effect of the language is similar although it relates to a different subject. I do not want to mislead the Senator.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KENNEDY. Mr. President, will the Senator from Texas yield 3 minutes time?

Mr. JOHNSON of Texas. I yield 3 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Providing income-tax information and providing for registration and disclosure are two different matters. But the fact is that the SEC and the Internal Revenue Service do not inspect every return which comes in, to determine whether, in the case of the Internal Revenue Service, a return contains erroneous material. Some of the returns are inspected. Of course, all of them are examined to determine how much tax is due; but all of them are not inspected to ascertain whether a misstatement has been made. So in that sense it is the same.

Mr. LAUSCHE. Is my understanding correct that if mandatory language is used in section 12 of the bill, the treatment accorded to unions may not be different from the treatment accorded to other entities subject to governmental regulation?

Mr. KENNEDY. In the first place, the Senator from Ohio uses the word "unions." The fact is that 90 percent of the plans are not joint union-employer administered plans, but are employer plans—administered solely by the employer. Therefore, what we are talking about is the regulation of corporations in this matter, not the regulation of unions. In 90 percent of the plans, I want every Senator to understand, we are talking about corporation investment policy and portfolios.

Therefore, as we move into this gigantic field—it is a field which involves some $35 billion in pension plan reserves alone—we do not want to give the Secretary of Labor power—at least I do not—without providing detailed standards to determine what is an improper investment. We want to provide for disclosure, to permit the beneficiaries to receive copies of the statements, so that they will be able to determine for themselves the soundness of the plan, thus enabling them to deal intelligently with the employer in deciding how funds set aside for welfare and pension benefits should be handled.

To have the Secretary of Labor examine the portfolios of every corporation in the United States and to make the judgment as to whether its investments are proper or improper requires interference with the affairs of the private enterprise system which I am not ready at this time to support. I am prepared to let the corporations decide to report and disclose in general what their portfolios contain, and to let the beneficiaries examine these reports, with the support of the Secretary of Labor, and ascertain whether there is anything improper.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, and that when a quorum has been developed, the Senator from South Dakota may address the Senate for 2 minutes, and the Senator from Massachusetts may address the Senate for 2 minutes. Then we will proceed to vote on the amendment.

The PRESIDING OFFICER. Is there objection to the request of the majority leader? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, may I ask if the yeas and nays have been ordered?

Mr. MUNDT. Yes, they have.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. Under the unanimous-consent request, the Senator from South Dakota is recognized for 2 minutes.

Mr. MUNDT. Mr. President, I may say to my friend, the Senator from Texas, that we may discuss the business of the Senate confidentially, and it seems publicly only for the record. My only purpose in suggesting the unanimous-consent request was that there were so few Senators on the floor I thought if the quorum call could be concluded, with the yea-and-nay vote to be followed almost immediately, the Senator from Massachusetts and I would be able to address more Senators than are at present in the Chamber. I wonder if we could not continue with the quorum call.

Mr. JOHNSON of Texas. If the Senator from South Dakota prefers to do that, I will agree to it; but I believe that more Senators are on the floor now than there will be at the conclusion of another quorum call.

Mr. MUNDT. If all Senators realized that they would vote in 4 minutes after the Senator from Massachusetts and I began to speak, we might have more Senators present.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired. The Senator from Massachusetts is recognized.

Mr. JOHNSON of Texas. Does the Senator from South Dakota desire that we proceed to obtain a quorum?

Mr. MUNDT. I do.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, without the time being charged to either side. I ask that the aids of the Senate notify all absent Senators that if they expect their names to appear on the quorum list, they should proceed to the Senate Chamber at once.

Mr. MUNDT. I am perfectly willing to enter into a unanimous-consent agreement that, at the conclusion of the quorum call, I will yield back all my time, if the Senator from Massachusetts will speak for 2 minutes.

Mr. JOHNSON of Texas. I will make that request.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Ervin	Magnuson
Allott	Flanders	Malone
Anderson	Frear	Mansfield
Barrett	Fulbright	Martin, Iowa
Beall	Goldwater	Martin, Pa.
Bennett	Gore	McClellan
Bible	Hayden	McNamara
Bricker	Hickenlooper	Monroney
Bridges	Hill	Morse
Bush	Hoblitzell	Morton
Butler	Holland	Mundt
Byrd	Hruska	Murray
Capehart	Humphrey	Neuberger
Carlson	Ives	O'Mahoney
Carroll	Jackson	Pastore
Case, N. J.	Javits	Payne
Case, S. Dak.	Jenner	Potter
Church	Johnson, Tex.	Proxmire
Clark	Johnston, S. C.	Purtell
Cooper	Kefauver	Revercomb
Cotton	Kennedy	Russell
Curtis	Kerr	Saltonstall
Dirksen	Knowland	Schoeppel
Douglas	Kuchel	Smathers
Dworshak	Langer	Smith, Maine
Eastland	Lausche	Smith, N. J.
Ellender	Long	Sparkman

Stennis	Thurmond	Wiley
Symington	Thye	Williams
Talmadge	Watkins	Young

The PRESIDING OFFICER (Mr. MORTON in the chair). A quorum is present.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from South Dakota [Mr. MUNDT] be recognized for 2 minutes; that then the Senator from Massachusetts [Mr. KENNEDY] be recognized for 2 minutes; and that at the conclusion of their remarks, the Senate proceed to vote on the amendment D of the Senator from South Dakota [Mr. MUNDT].

The PRESIDING OFFICER. Without objection, it is so ordered; and the Chair first recognizes, for 2 minutes, the Senator from South Dakota.

Mr. MUNDT. Mr. President, I thank the Senator from Texas.

First, I should like to point out that the Senate is about to vote on the amendment which is designated as "4–26–58—D"; it is an amendment to Senate bill 2888. The amendment endeavors to provide some enforcement machinery in what otherwise would simply be a reportorial bill.

I should like to advise Senators who have not been present during all the debate that the amendment is in comformity with our usual legislative procedure; namely, to try to improve, here on the floor, proposed legislation which is pending. There will not be another chance to improve a bill of this sort, because the Senate will either pass the bill or will reject it tonight or tomorrow.

The amendment is in the same category with other amendments which we are told by the committee will come before us in June or July.

The amendment provides some direction as to what the labor-union leaders may do with these funds, because the amendment requires that the Secretary shall examine the registrations, and shall report if he finds something improper or illegal, or if he finds that the funds are being dissipated by unsafe investments, such as the speculative or gambling ventures which have been disclosed by the committee's investigation.

Some may say the amendment moves too far; others may say it does not move far enough. All I can say is that the amendment moves in the right direction; and, in the absence of the amendment, there would not be compulsion to correct the kind of things certain labor leaders have been disclosing.

The PRESIDING OFFICER. The time yielded to the Senator from South Dakota has expired.

The Chair now recognizes the Senator from Massachusetts; and, under the order which has been entered, the Senator from Massachusetts may proceed for 2 minutes.

Mr. KENNEDY. Mr. President, the Senator from South Dakota is wholly wrong. Under the bill as it now stands, there will be compulsion to report. The Secretary of Labor is empowered by the bill to take action against anyone, whether employer or employee, who reports inaccurately, and the bill provides a penalty of imprisonment up to 5 years for willfully failing to report.

The purpose of the bill should be understood by the Senate. It is a disclosure bill. It provides that detailed information of all types of plans shall be filed whether by employers, or by employers and employees jointly, depending on the kind of plan involved.

The bill gives the Secretary of Labor power to investigate all the plans, if he sees fit, or to investigate on whatever basis he deems best.

The bill provides a penalty of imprisonment up to 5 years if any person makes a false statement in submitting a report.

The bill provides that anyone who has the overall management of such a plan shall file a report with the Secretary of Labor.

The bill relates to a new area which covers assets in pension plans alone amounting to over $35 billion. As we prepare to take action in this field, we are not prepared to provide that the Secretary shall have the power to regulate these plans. We provide merely for disclosure both to the beneficiaries and the public.

After the act has been in effect for 2 years, the Secretary of Labor can recommend to the Committee on Labor and Public Welfare any changes which he believes to be required.

But I believe the pending amendment is a most mischievous one, and I believe it would be a serious mistake for the Senate to adopt it. Certainly I would not be prepared to recommend, as the amendment provides, that the Secretary of Labor supervise the investment portfolio in the case of every pension plan.

The PRESIDING OFFICER. The time yielded to the Senator from Massachusetts has expired.

The question is on agreeing to the amendment lettered "D" of the Senator from South Dakota [Mr. MUNDT].

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILEY (when his name was called). On this vote I have a pair with the distinguished Senator from Rhode Island [Mr. GREEN]. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Texas [Mr. YARBOROUGH] would each vote "nay."

The result was announced—yeas 22 nays 67, as follows:

YEAS—22

Allott	Curtis	Martin, Iowa
Bennett	Dirksen	Martin, Pa.
Bricker	Goldwater	Mundt
Bridges	Hickenlooper	Revercomb
Capehart	Hoblitzell	Schoeppel
Carlson	Hruska	Williams
Case, S. Dak.	Jenner	
Cotton	Knowland	

NAYS—67

Aiken	Hill	Murray
Anderson	Holland	Neuberger
Barrett	Humphrey	O'Mahoney
Beall	Ives	Pastore
Bible	Jackson	Payne
Bush	Javits	Potter
Butler	Johnson, Tex.	Proxmire
Byrd	Johnston, S. C.	Purtell
Carroll	Kefauver	Russell
Case, N. J.	Kennedy	Saltonstall
Church	Kerr	Smathers
Clark	Kuchel	Smith, Maine
Cooper	Langer	Smith, N. J.
Douglas	Lausche	Sparkman
Dworshak	Long	Stennis
Eastland	Magnuson	Symington
Ellender	Malone	Talmadge
Ervin	Mansfield	Thurmond
Flanders	McClellan	Thye
Frear	McNamara	Watkins
Fulbright	Monroney	Young
Gore	Morse	
Hayden	Morton	

NOT VOTING—6

Chavez	Hennings	Wiley
Green	Robertson	Yarborough

So Mr. MUNDT's amendment was rejected.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the motion of the Senator from Montana.

The motion to lay on the table was agreed to.

Mr. WATKINS. Mr. President, I call up my amendment numbered 4–25–58–A and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate.

The CHIEF CLERK. At the end of the bill it is proposed to add the following:

Section 6 of the National Labor Relations Act is amended by redesignating it as section 6 (a) and by adding at the end thereof a new subsection as follows:

"(b) (1) The Board, in its discretion, may decline to assert jurisdiction over any labor dispute where, in the opinion of the Board, the effect on commerce is not sufficiently substantial to warrant the exercise of its jurisdiction.

"(2) Nothing in this act shall be deemed to prevent or bar any agency, or the courts of any State or Territory, from assuming and exercising jurisdiction over labor disputes or classes of labor disputes over which the Board would decline, pursuant to paragraph (1) of this subsection, to assert jurisdiction."

The PRESIDING OFFICER. The Senator from Utah is recognized for 30 minutes.

Mr. WATKINS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Utah is recognized for 30 minutes. How much time does the Senator desire?

Mr. WATKINS. I yield myself 15 minutes.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. WATKINS. I will yield to the Senator if the time is not taken from my time.

Mr. JOHNSON of Texas. I will be glad to take the time from my time. The Senator has ample time, and if the Senator needs more I shall be glad to yield to him.

Mr. WATKINS. That is fine.

Mr. JOHNSON of Texas. I should like to put all Senators on notice that we anticipate a vote in the next 20 or 30 minutes. I assume the Senator from Utah wants the yeas and nays on his amendment.

Mr. WATKINS. I ask for the yeas and nays.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, I should like to have the attention of the Senator from California [Mr. KNOWLAND]. Does the Senator anticipate calling up 1 or 2 additional amendments?

Mr. KNOWLAND. One additional amendment.

Mr. JOHNSON of Texas. The Senator from California expects to ask for the yeas and nays on the amendment. Does the Senator know what other motions are likely to be made?

Mr. KNOWLAND. So far as I know there is only one in addition.

Mr. JOHNSON of Texas. As to final passage?

Mr. KNOWLAND. No. I think the Senator from Nebraska has an amendment.

Mr. CURTIS. Mr. President, will the distinguished majority leader yield?

Mr. JOHNSON of Texas. I yield.

Mr. CURTIS. I expect to call up my amendment, the only one I have at the desk.

Mr. JOHNSON of Texas. I should like Senators to know that we expect yea and nay votes on at least three amendments, and we expect a yea and nay vote on final passage.

Several Senators have inquired as to the program, so that they may make plans for the evening. I want to give as much advance notice as possible. We do not expect to use the full time on the amendments on this side. We may use 5, 10, or 15 minutes. We hope we may be able to conclude the session at a reasonably early hour, compared to the way the Senate was sitting last week.

The PRESIDING OFFICER. The Senate will be in order.

Mr. WATKINS. Mr. President——

The PRESIDING OFFICER. The Senate will be in order. The time taken to get the Senate to order will not be charged against the time of the Senator from Utah.

Mr. WATKINS. Mr. President, I have called up my amendment to the pending bill. By way of identification, let it be referred to the "no-man's land amendment."

This is a rescue operation, and I take it a rescue operation is always in order. I want the Members of the Senate who have other things to do to listen to this presentation, because sometime or other they will have to face a record on this amendment.

This is called the "no-man's land amendment" because it seeks to rescue American citizens who are taxpayers—laborers, union members, and employers—from a situation which is almost intolerable. That is why I say it is always in order. I hope my Democrat friends on the other side of the aisle will consider this matter in voting upon the amendment.

Mr. JOHNSON of Texas. May we have order in the Chamber, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. WATKINS. Mr. President, I will include a technical explanation of the amendment, but first I would like to describe for my colleagues the origin of this proposal.

The amendment is the text of S. 1723, which I introduced early in the first session of this Congress. It was proposed by me after the Supreme Court ruled on March 25, 1957, in what has now become known as the Guss case, the effect of which was to leave a "no man's land" between the areas of State jurisdiction and Federal jurisdiction in unfair labor practice cases.

In the Guss case the businessman doing business in Utah was so engaged that his business was determined to affect commerce within the meaning of the National Labor Relations Act; thus the National Labor Relations Board had jurisdiction.

The National Labor Relations Act specifically deals with the conduct charged in the Guss case. The National Labor Relations Board declined jurisdiction but had not entered into a cession agreement with the Utah Labor Relations Board. In other words, they had not conceded officially, so that the Utah Labor Relations Board could take jurisdiction.

At the same time the Guss case was decided, the Supreme Court decided the Fairlawn Meats case which arose in Ohio and the Garmon case against San Diego Building Trades Council. These decisions, when read in conjunction with previous decisions of the Supreme Court, established a "no man's land" in labor practices litigation, for we have established now the absolute supremacy of the National Labor Relations Act to such an extent that a litigant who has declined the jurisdiction of the National Labor Relations Board and the litigant whose case falls within a category of cases which the National Labor Relations Board has previously refused to grant jurisdiction to are just the same precluded from taking their grievances into State courts.

This leaves both the worker and the small-business man with a grievance but absolutely no way to litigate the question so as to arrive at a solution. This is working to the detriment of thousands of small-business men at the present time, and in a similar way it is affecting the lives of those who are employed in these small businesses.

This inequity was called to the attention of Congress back in the 83d Congress by the report of the Committee on Education and Labor to accompany S. 2650, No. 1211. On page 17 of that report there appears, under the title "State Powers," an ample description of this problem, which was evident even before the Guss case. As the Members of the Senate will remember, that bill, after full hearings, was recommitted, as recommended in the minority views by both the chairman of the full committee and the present chairman of the Subcommittee on Labor.

The problem has been called to the attention of the committee by my colleague, the senior Senator from New York [Mr. IVES], and myself. In fact, I have a letter from the chairman of the Subcommittee on Labor, dated May 13, 1957, in response to a communication sent to the chairman of the full committee concerning my bill, S. 1723. In that reply, the junior Senator from Massachusetts [Mr. KENNEDY] made the following statement:

> As you know, the Subcommittee on Labor has been holding extensive hearings on extension and coverage problems under the minimum-wage law, and our schedule has been full. At the present time there are no plans for immediate hearings on any amendments to the Taft-Hartley Act. However, I will be more than glad to keep Mr. Mathias' letter in the subcommittee files and to bring it to the attention of the subcommittee at such time as legislation on this subject is under consideration.

I cite this, Mr. President, as evidence of the attention which this particular problem has had by both the present and the previous Senate Labor Committees, and as evidence of the attention which we can anticipate it will receive in the future.

The only time that an attempt was made to rectify this error was in the 83d Congress. The same problem has existed and ample opportunity has been given for corrective action to have been taken.

I believe that Senator KENNEDY's statement, "At the present time there are no plans for immediate hearings on any amendments to the Taft-Hartley Act" is as valid today as it was on May 13, 1957, when he so stated such in reply to my letter.

In order that this record not be incomplete, I ask unanimous consent to insert at this place in my remarks copies of the three Supreme Court decisions to which I have referred; namely, the Guss case, the Fairlawn case, and the Garmon case.

The PRESIDING OFFICER. Without objection, the decisions may be printed in the RECORD, as requested.

(See exhibit 1.)

Mr. WATKINS. Mr. President, so long as the Guss case stands, Americans are

deprived of their fundamental right to the use of our courts in litigating and thus solving disputes, because it places a particular group outside the jurisdiction of any court or tribunal.

I do not believe that it was the intention of any Member of the Senate or of the House to bring about such a result through passing previous labor-management legislation. If it was not the intention of this body to so deprive Americans of this fundamental right, then by voting for this amendment their intentions and their interpretation of the existing act can be made manifest and a fundamental inequity corrected.

If, however, Members of this body are of the opinion that an American taxpayer should be deprived of a forum in which to litigate his labor-relations problems merely because the National Labor Relations Board declines jurisdiction or because his business falls within a category of businesses wherein the National Labor Relations Board has refused to exert jurisdiction, then let them vote against the amendment. Let them vote against the "rescue operation."

I do not believe that the present situation reflects the intention of Congress, but irrespective of what it reflects I do not believe the present situation should be permitted to continue to the detriment of these hundreds of workers and small-business men who must settle their labor relations problems under this no man's land decision.

I close with a quotation from the decision of the Supreme Court in the so-called no-man's land case, the Guss case:

> And here we find not only a general intent to preempt the field but also the proviso to section 10 (a), with its inescapable implication of exclusiveness.
>
> We are told by appellee that to deny the State jurisdiction here will create a vast no-man's land, subject to regulation by no agency or court. We are told by appellant that to grant jurisdiction would produce confusion and conflicts with Federal policy. Unfortunately, both may be right. We believe, however, that Congress has expressed its judgment in favor of uniformity. Since Congress, power in the area of commerce among the States is plenary, its judgment must be respected whatever policy objections there may be to creation of a no-man's land.
>
> Congress is free to change the situation at will. In 1954 the Senate Committee on Labor and Public Welfare recognized the existence of a no-man's land and proposed an amendment which would have empowered State courts and agencies to act upon the National Board's declination of jurisdiction. The National Labor Relations Board can greatly reduce the area of the no-man's land by reasserting its jurisdiction and, where States have brought their labor laws into conformity with Federal policy, by ceding jurisdiction under section 10 (a).

In other words, the Court is asking Congress to perform the rescue operation.

There is a note to this decision which I think is very interesting and should be considered. The note to Mr. Justice Warren's decision is as follows:

> "The effect * * * of the Board's policy of refusing to assert its jurisdiction has been to create a legal vacuum or no-man's land with respect to cases over which the Board, in its discretion, has refused to assert jurisdiction. In these cases the situation seems to be that the Board will not assert jurisdiction, the States are forbidden to do so, and the injured parties are deprived of any forum in which to seek relief" (S. Rept. No. 1211, 83d Cong., 2d sess., p. 18). The minority agreed that "when the Federal Board refuses to take a case within its jurisdiction, the State agencies or courts are nevertheless without power to take jurisdiction, since the dispute is covered by the Federal act, even though the Federal Board declines to apply the act. There is thus a hiatus—a no-man's land—in which the Federal Board declines to exercise its jurisdiction and the State agencies and courts have no jurisdiction."

In conclusion, we have a situation which should appeal to the equity powers of the Congress of the United States. No matter what the arguments have been in the past with respect to amendments to the Taft-Hartley Act, with respect to procedures, and so forth, here we have a case in which American citizens are denied the forum in which to have their rights decided. That has been going on for many years. Parties can obtain no relief.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. WATKINS. I yield to the Senator from California.

Mr. KNOWLAND. I am sure the distinguished Senator from Utah, who has brought forward an amendment which I think is a very important one and worthy of consideration by the Senate, is familiar with the interim report of the select committee. With the permission of the Senator I should like to read from page 452 of the interim report, containing the recommendations of the select committee. The following is under the heading, "No Man's Land":

> Testimony before the committee revealed that some employers have had no access to either the National Labor Relations Board or any comparable State agency. In many instances it was found that the fact that the National Labor Relations Board does not take jurisdiction in certain cases does not automatically turn over the case to a State board. In the committee's inquiry into activities in the New York area it was shown that exploitation of workers and circumvention of legitimate labor organizations were made possible because employers had no recourse to any governmental agency. To solve the no man's land problem, therefore, it is recommended that the NLRB should exercise its jurisdiction to the greatest extent practicable, and, further, that any State or Territory should be authorized to assume and assert jurisdiction over labor disputes over which the Board declines jurisdiction.

I think it is quite appropriate to the Senator's remarks to read that statement into the RECORD at this point.

Mr. WATKINS. I thank the Senator. It is very important.

Let me call attention also to the fact that this question was carefully considered in 1954. As a part of the recommendations of the majority of the Committee on Labor and Public Welfare, which submitted a report to the Senate, No. 1211, there was included an amendment in S. 2650 to take care of this situation. The bill was discussed, and, as I recall, it was recommitted upon the solid vote of the Democratic Members of this body.

Mr. KNOWLAND. Mr. President, will the Senator further yield?

Mr. WATKINS. I yield.

Mr. KNOWLAND. In other words, we have here a situation in which we have a very clear set of recommendations by the select committee, which had heard the testimony with respect to abuses because of the so-called twilight zone or no man's land.

We have had a situation in which the subject matter has in the past been before the committee, and in which, indeed, in prior Congresses, the committee, after hearings, had reported legislation to the Senate dealing with this particular subject matter. Is that correct?

Mr. WATKINS. That is correct.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. LAUSCHE. The Senator from Ohio would like to inquire how long the no-man's land has been in existence?

Mr. WATKINS. It has apparently been in existence since the Taft-Hartley Act went into effect. Soon thereafter there was discovered an area in which citizens coming before the National Labor Relations Board were unable to get the Board to take jurisdiction because of the size of the monetary value involved, probably, in the controversy.

Mr. LAUSCHE. When was the first decision rendered?

The PRESIDING OFFICER. The 15 minutes the Senator from Utah has allotted to himself has expired.

Mr. WATKINS. I yield myself 5 additional minutes. I do not recall when the first action was taken.

Mr. LAUSCHE. I should like to inquire for what length of time the Senator from Utah has been pressing for consideration of the subject?

Mr. WATKINS. I do not remember accurately whether I appeared before the Committee on Labor and Public Welfare in 1954, when the amendment was being considered, but I did introduce a bill on March 26, 1957, immediately after the Guss case arose in the State of Utah. The State supreme court gave the State body jurisdiction, but the United States Supreme Court reversed it and sent it back. I did introduce a bill a little later, and from that point on I have been trying to get hearings on it.

Mr. LAUSCHE. Is my understanding correct that whenever the National Labor Relations Board declines to take jurisdiction, the aggrieved citizen is denied any judicial tribunal or agency before which he may ask for relief?

Mr. WATKINS. The Senator is correct. That situation affects labor as well as it does management. That is why it is a no-man's land. They are out there without any law to control the situation. Under that sort of situation, many injustices are being created. I should think that Members of the Senate, particularly the Members on the other side of the aisle, those on my left, would be very much concerned about taking this opportunity to render equity in a case of this kind, rather than to put it off, with the uncertain future that faces general legislation with respect to the Taft-Hartley law. This is some-

thing that should have been done immediately when it was first called to the attention of the Senate.

Mr. LAUSCHE. The principle which the Senator from Utah is advocating is that no citizen suffering a wrong should be denied a judicial tribunal or other governmental agency to which he may turn in order to present his case. Is that correct?

Mr. WATKINS. The Senator is correct. The equity courts have said they would not deny him relief, but there was no way of giving him relief under the law as it stands. I believe we have some equity powers in the Senate that we ought to be able to assert right now, instead of waiting. There can be no assurance, in spite of all the good intentions of the majority leader, the chairman of the Committee on Labor and Public Welfare, and the chairman of the Subcommittee on Labor, that we will get any legislation passed in this session of Congress.

I recognize that hearings may be set, after the majority party of the Senate has been prodded and pressured into taking such action, but there is nothing to indicate that the House will go along at the late date that such measures will get to the House, and that any effective relief will be given to this matter or any other matter under the Taft-Hartley Act.

Mr. LAUSCHE. Does the bill of the Senator from Utah have any relationship to the bill which was discussed by the senior Senator from Florida [Mr. HOLLAND] a few nights ago?

Mr. WATKINS. I do not recall.

Mr. LAUSCHE. The Senator from Florida was discussing the Wisconsin decision and taking away certain rights from the States. The Senator from Utah is not familiar with that situation?

Mr. WATKINS. I am not informed on that point.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. SMITH of New Jersey. The point the Senator from Utah has raised has been before our committee, and was raised when I was chairman of the committee. We came to the same conclusion the Senate is coming to now. The bill was reported to the Senate and it was recommitted to the committee without any action being taken on it. The President's recommendation this year is the same, and now the McClellan committee has also made a similar recommendation. Therefore there is no reason why the amendment should not be agreed to. I shall be glad to support the Senator's amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. WATKINS. I yield myself 2 additional minutes. I call attention to the fact that very few Members of the opposition party are on the floor at this time, and that only 1 or 2 of them are paying any attention to what I am saying. This is a matter that should receive the attention of all Senators, and I appeal to them, as Senators, to take it into consideration, and not prevent our doing equity in a very grievous situation.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. KUCHEL. The able Senator from Utah has suggested one reason why the National Labor Relations Board has declined to take jurisdiction, when he said a few moments ago that the money involved in a given case constituted one reason for the Board declining to take jurisdiction. I can understand some of the reasoning in back of that decision on the part of the Board. What I should like to ask the Senator is what other reasons have been advanced by the National Labor Relations Board to refuse to take jurisdiction of cases which have been filed before it.

Mr. WATKINS. I do not recall the specific items, but I know——

Mr. IVES. Will the Senator yield on that point? I believe I can clear that up.

Mr. WATKINS. I appreciate the Senator from New York offering to answer the question.

Mr. IVES. I am as much interested in the subject as is the Senator from Utah. The real reason is that the Board does not have a sufficiently large staff. I doubt if they can get such a staff. We have just concluded hearings on the subject, and if the appropriations are increased above the budget estimate by somewhat over $1 million, they would have a staff sufficient to take 20 percent more cases, but that would be about the limit. Under the old Wagner Labor Relations Act——

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The time of the Senator has expired.

Mr. KNOWLAND. I yield 10 minutes more to the Senator from Utah.

Mr. IVES. Under the old Wagner Labor Relations Act, there was an understanding which existed between the National Board and certain State agencies that the National Board had authority to grant jurisdiction over certain cases to such State agencies. In New York State, for example, the New York agency used to step into cases the National Board would not take, and would assert jurisdiction. It was a friendly sort of arrangement which existed. Of course, since the Taft-Hartley Act was passed, that cannot be done, especially since the court decisions the Senator has referred to.

Mr. KUCHEL. Has the Senator studied the amendment offered by the distinguished Senator from Utah?

Mr. IVES. I will speak on it in due course. I merely wished to give some information on this point.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. WATKINS. First I should like to point out, in connection with the jurisdictional question, that the National Labor Relations Board felt that a case must have a strong interstate influence before it would take jurisdiction.

Mr. IVES. That is correct.

Mr. WATKINS. If most of the business involved was intrastate, they wanted to leave the jurisdiction to the State. However, the State cannot do anything in view of the United States Supreme Court decisions.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. COOPER. That is the point I wished to bring out. I believe one of the reasons they failed to take jurisdiction was due to the interstate commerce feature, and they would not take jurisdiction where that feature was unsubstantial. I might say that in 1954, as our distinguished leader knows, the Committee on Labor and Public Welfare reported to the Senate a bill to cover the very point the Senator from Utah is speaking to, to clarify the decisions and to state that the States could exercise jurisdiction if the Federal Government failed to exercise it, and also clarifying the difference between State and Federal jurisdiction when an emergency arose. The Senate recommitted the bill.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. WATKINS. I yield to the Senator from California.

Mr. KUCHEL. What I have been trying to develop is the basis on which the Federal agency would decline to accept jurisdiction in a case in which the Congress, so far as jurisdiction is concerned, clothed that agency with authority to deal with it.

If there were a case in which the incidence of the transactions in interstate commerce was slight, then I do not think there is any question that no Federal problem would be involved. In other words, I take it that one of the constitutional bases on which the legislation was originally written was on the basis of the commerce clause. I ask the Senator from Utah, Have any decisions been rendered by the Supreme Court of the United States with respect to cases on which the Board has declined to sit in judgment because of the lack of a Federal question?

Mr. WATKINS. I do not recall at the moment that there have been any cases of that type. Of course, if it was clear that interstate commerce was not involved in any way, then it would be clear that only the States would have jurisdiction.

Mr. KUCHEL. Precisely.

Mr. WATKINS. As to cases in which the Board has declined to accept jurisdiction, I think quite a number involved both interstate and intrastate commerce.

Mr. KUCHEL. So the Board was clothed with jurisdiction, but simply refused to accept jurisdiction.

Mr. WATKINS. That is right, for reasons of inconvenience or a crowded docket, and that sort of thing.

Mr. KUCHEL. I thank the Senator from Utah.

Mr. WATKINS. Earlier in the debate on the bill, I called attention to a speech made by the late Senator Walter George, of Georgia. I do not cast any aspersions upon Senators who oppose the amendments. I believe they are sincere. But I believe they are mistaken. I think we can be excused for not relying upon their judgment as to what may happen in the future.

I think the situation with which we are now faced is very much the same as that which confronted Senator George at the time the motion to override the veto of the Taft-Hartley bill was before the Senate. A part of the speech by Senator George, which was not long, was placed in the RECORD by me earlier in the debate. I ask unanimous consent that the entire speech may be printed at this point in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

Mr. GEORGE. Mr. President, I wish to say at the outset that I have not the slightest doubt that the President of the United States is entirely sincere in submitting his veto message. I have no doubt also that he has analyzed the bill with the assistance of those in the executive branch of the Government who are unfriendly to this legislation. But I have no doubt that the President has reached what he considers to be an entirely honest decision on this measure.

Mr. President, I voted for this legislation when it came before the Senate. I voted for the conference report; and I shall have to vote to override the President's veto. My reasons are simple. Within 10 minutes, of course, I could not undertake and would not undertake to discuss the merits of the bill as such.

Almost 12 years ago, in July 1935, the Congress of the United States and the President of the United States approved the Wagner Act. I voted for the Wagner Act. I therefore do not appear on this floor as one unfriendly to labor. At that time I believed that it was necessary to pass the Wagner Act, although I realized that it was a very one-sided piece of legislation.

What has occurred in the interim? For nearly 10 years, at least, honest men in industry, and many in labor, as well as many not directly connected with either management or labor, have earnestly besought the American Congress to make some simple, sensible amendments to the Wagner Act.

What has happened? During all that long period of time the Committee on Education and Labor in the United States Senate has held the line, and aside from the present bill has brought to this floor only one other bit of legislation which would have corrected, in a small degree, the inequities and unbalance of the Wagner Act. I refer to the Case bill, which the President saw fit to veto about a year ago after it had been passed by the Congress of the United States.

I do not criticize the President for the exercise of his veto rights and powers; but I do assert that if there is to be any labor legislation in America, if we are to bring about any degree of balance in the unbalanced condition which has existed for almost 12 years, now is the time to do it, not in anger toward the workers of the Nation, not in resentment of their devotion to legislation which they thought was for their benefit, but simply and solely because this Nation, as a representative government, must somewhere down the road decide whether the people of the United States shall be allowed to function through their lawmaking bodies, or whether organized minorities are to control and dictate the legislation which we must have.

I speak plainly, but not in anger. There is but one way for us to break the strangle hold of labor bosses—not the rank and file of the workers, but labor bosses who have been unwilling to dot an "i" or cross a "t" for 12 long years. That is to pass this bill and invite labor and management to come to the Congress of the United States, where both should come, and sit around the table as honest men, representing conflicting and oftimes hostile interests, be it conceded, and there iron out their differences.

In my opinion this is the final test of whether Government is to function or whether minority groups, highly organized, are to dictate the type of legislation that we shall have. If there were no other reason for the passage of this legislation, I should assuredly support it.

In his address to this body the distinguished Senator from Oregon [Mr. MORSE], whom I hold in high esteem, asserted that if the bill should prove to be unworkable or have inequities and injustices in it, we could not excuse ourselves by saying that we would vote for it nevertheless. I would agree with him, but when I recall that for 12 years, whatever the merits of the proposal, the Senate Committee on Labor and Education held a stranglehold upon the throat of the American people and would not permit legislation to come before this body, then I must wholly reject the logic of the distinguished Senator from Oregon, which otherwise would be impeccable. This is the only chance that we shall have, but it is a magnificent chance for the American people. I speak not in anger or hostility toward the workers. I speak as one who voted for the original Wagner Act in the firm belief at that time that if inequities did appear and inequalities did exist, we could correct them as a legislative body. I have seen the hands of the legislative body tied. I have seen the legislative body of this Nation helpless in the face of organized minorities operating from outside.

So, Mr. President, I shall be compelled, much as I regret to do so, to vote to override the President's veto of this bill.

Mr. WATKINS. Mr. President, unless other Senators wish to be recognized on this subject, I yield the floor.

Mr. IVES. Mr. President, I wonder if I may have some time yielded to me.

Mr. MANSFIELD. How much time does the Senator from New York wish?

Mr. IVES. About 5 minutes.

Mr. MANSFIELD. I yield 5 minutes to the Senator from New York.

Mr. IVES. I point out that again we are considering a proposal which is not to the bill. The amendment now before the Senate is to the Taft-Hartley Act.

In that connection, I point out that I myself have had a bill before the Senate on this question ever since 1953. The provision in the omnibus bill of 1954, which was recommitted, was taken from my own proposal. It is very interesting to note that two paragraphs in the amendment now offered by the Senator from Utah constitute the first two paragraphs of my own bill, and to that extent, I am all for it. In fact, I think the amendment should be adopted, although not in this way. I shall shortly again tell the Senate why. I think the Senate will consider the matter, but this proposal shows what we are up against in trying to write this kind of legislation on the floor.

The third paragraph of my bill is not contained in the language of the Senator's amendment. The third paragraph should be considered in the consideration of the proposed legislation. I read paragraph (3) of my bill:

The Board, in its discretion, may, by agreement with any agency of any State or Territory, cede to such agency jurisdiction over labor disputes involving (A) unfair labor practices or (B) controversies concerning representation, in any industry or portion thereof, even though such labor disputes may substantially affect commerce.

That is why, in the draft of the bill, we left out that particular paragraph. We thought it went a little too far because it involved interstate commerce and allowed the States to take jurisdiction of actual cases in interstate commerce. In the light of the evidence which has been presented to the McClellan committee, I wonder if it might not be advisable to include that paragraph. I think the committee ought to be very careful in its consideration of the matter.

I predict that when the committee reports the omnibus bill, which will be reported on June 10 or earlier—we will take action to report such a bill—this matter should have further consideration.

I am not talking about hearings. We do not need hearings on this question; we have had them. No one disagrees on this question as a matter of principle. Everyone agrees that it is absolutely essential. There can be no doubt about that.

The paragraph in the recommendations, or the so-called recommendations, of the McClellan committee, which the distinguished minority leader read, I myself prepared. That indicates my feeling on the subject.

But I again point out that I do not think we should be legislating in this way on a question which has not been finally decided. The third paragraph in my own bill comes from the Labor Relations Board of the State of New York. I think we should reconsider that in the light of the McClellan committee disclosures.

For that reason, and because the amendment is not germane and will have the effect of wrecking the bill, I shall oppose the amendment of the Senator from Utah.

Mr. WATKINS. I disagree with my friend, the distinguished Senator from New York, for whom I have great respect. In matters of this kind, it is always in order to do equity. There is never a time when it is improper to do it. Why postpone that day when it has already been postponed since 1953, at least? Since hearings have already been held, why postpone the doing of equity to the people concerned? Why not give them a forum? The proposal can be attached to anything; it does not make any difference what it is. I understand that now some hearings are to be held.

Mr. IVES. They have already been held.

Mr. WATKINS. I have not been apprised officially of that. Unofficially, I have heard it whispered that hearings on this particular item were to begin on May 10.

Mr. IVES. No; on May 5.

Mr. WATKINS. On May 5. But there are persons who are still waiting for a forum in which to have their rights adjusted, and those persons include union labor members and other workers of all kinds who are not members of unions, and also persons engaged in small business, in whom the Senate has declared time and time again it has a special interest. Let us not stand on a predetermined program that nothing shall be

done except in a so-called orderly way which, in effect, denies justice.

Mr. IVES. It is one thing to talk about seeking equity, and another thing to achieve it.

Mr. WATKINS. That is what I am finding out.

Mr. IVES. Equity will not be achieved by what the Senator is proposing to do.

Mr. WATKINS. Evidently we will not get it, but not because my proposals are not sound.

Mr. IVES. The Senator will not get it as a part of this bill; I can assure him of that.

Mr. KENNEDY. I agree with the Senator from Utah that equity should be done in areas where the National Labor Relations Board is without jurisdiction, and where a State attempts to take jurisdiction, particularly in the instance cited by the Senator from Utah. But I should like to give some directions to the National Labor Relations Board as to when they shall have jurisdiction. I do not think we should leave it to the Board to decide where it will take jurisdiction. I think there should be some standard prescribed by Congress.

I have written the Senator from Utah a letter inviting him to testify on this subject.

Mr. WATKINS. I am very glad the Senator from Massachusetts is taking that position now. But probably he will not blame me too much—although I believe he is absolutely sincere—if I do not believe any action will be taken on it at this Congress, in view of the way things are going, notwithstanding all the statements that are made here.

Mr. KENNEDY. As a matter of fact, in 1953, I voted to have the National Labor Relations Board given jurisdiction in the case of industries of a certain size.

Mr. WATKINS. But how did the Senator from Massachusetts vote on the amendments which were proposed to the Taft-Hartley Act?

Mr. KENNEDY. I do not need to tell the Senator from Massachusetts the facts of life as regards the amendments to the Taft-Hartley Act. The fact is that when a bill to amend the Taft-Hartley Act was finally drawn up, it was so loaded down with "cats and dogs" that it had to be returned to the committee.

Mr. WATKINS. Mr. President, I think the Senator from Massachusetts has stated the truth of the matter, namely, that the reason why proposed legislation of that sort has not been enacted has been the existence of the fear that many other provisions would be added to the bill while it was on the floor.

Mr. KENNEDY. Not the fear, but the fact.

Mr. WATKINS. That is the "fact of life" as regards any bill which contains proposed amendments to the Taft-Hartley Act; and that is why the Senator from Massachusetts told me, a year ago, that there was no prospect of amending the Taft-Hartley Act.

Mr. KENNEDY. I think the Senator from Utah is correct.

Mr. WATKINS. And that is what the Senator from Georgia said about it in his time—namely, that the committee would not report such a bill. That has been the situation year after year.

Mr. KENNEDY. No; the Senator from Utah is mistaken. The fact is that so many provisions were added to the bill, that it was objectionable.

Mr. WATKINS. Objectionable to whom?

Mr. KENNEDY. It was so objectionable that the Senate voted that the bill be recommitted.

EXHIBIT 1

SUPREME COURT OF THE UNITED STATES—No. 280, OCTOBER TERM, 1956—P. S. GUSS, DOING BUSINESS AS PHOTO SOUND PRODUCTS MANUFACTURING COMPANY, APPELLANT, *v.* UTAH LABOR RELATIONS BOARD, ON APPEAL FROM THE SUPREME COURT OF UTAH

(March 25, 1957)

Mr. Chief Justice Warren delivered the opinion of the Court.

The question presented by this appeal and by No. 41, post, p. —, and No. 50, post, p. —, also decided this day, is whether Congress, by vesting in the National Labor Relations Board jurisdiction over labor relations matters affecting interstate commerce, has completely displaced State power to deal with such matters where the Board has declined or obviously would decline to exercise its jurisdiction but has not ceded jurisdiction pursuant to the proviso to section 10 (a) of the National Labor Relations Act.[1] It is a question we left open in *Building Trades Council* v. *Kinard Construction Co.* (346 U. S. 933).

Some background is necessary for an understanding of this problem in Federal-State relations and how it assumed its present importance. Since it was first enacted in 1935, the National Labor Relations Act[2] has empowered the National Labor Relations Board "to prevent any person from engaging in any unfair labor practice * * * [defined by the act] affecting commerce."[3] By this language and by the definition of "affecting commerce" elsewhere in the act,[4] Congress meant to reach to the full extent of its power under the commerce clause. (*Labor Board* v. *Fainblatt* (306 U. S. 601, 606–607).) The Board, however, has never exercised the full measure of its jurisdiction. For a number of years, the Board decided case by case whether to take jurisdiction. In 1950, concluding that "experience warrants the establishment and announcement of certain standards" to govern the exercise of its jurisdiction, *Hollow Tree Lumber Co.* (91 N. L. R. B. 635, 636), the Board published standards, largely in terms of yearly dollar amounts of interstate inflow and outflow.[5] In 1954, a sharply divided Board, see *Breeding Transfer Co.* (110 N. L. R. B. 493), revised the jurisdictional standards upward.[6] This Court has never passed and we do not pass today upon the validity of any particular declination of jurisdiction by the Board or any set of jurisdictional standards.[7]

How many labor disputes the Board's 1954 standards leave in the twilight zone between exercised Federal jurisdiction and unquestioned State jurisdiction is not known.[8] In any case, there has been recently a substantial volume of litigation raising the question stated at the beginning of this opinion, of which this case is an example.[9]

Appellant, doing business in Salt Lake City, Utah, manufactures specialized photographic equipment for the Air Force on a contract basis. To fulfill his Government contracts he purchased materials from outside Utah in an amount "a little less than $50,000." Finished products were shipped to Air Force bases, one within Utah and the others outside. In 1953 the United Steelworkers of America filed with the National Labor Relations Board a petition for certification of that union as the bargaining representative of appellant's employees. A consent election was agreed to, the agreement reciting that appellant was engaged in commerce within the meaning of section 2 (6), (7) of the National Labor Relations Act. The union won the election and was certified by the National Board as bargaining representative. Shortly thereafter the union filed with the National Board charges that appellant had engaged in unfair labor practices proscribed by section 8 (a) (1), (3) and (5) of the act.[10] Meanwhile, on July 15, 1954, the Board promulgated its revised jurisdictional standards. The Board's Acting Regional Director declined to issue a complaint. He wrote on July 21:

"Further proceedings are not warranted, inasmuch as the operations of the company involved are predominantly local in character, and it does not appear that it would effectuate the policies of the act to exercise jurisdiction."

The union thereupon filed substantially the same charges with the Utah Labor Relations Board, pursuant to the Utah Labor Relations Act.[11] Appellant urged that the State Board was without jurisdiction of a matter within the jurisdiction of the National Board. The State board, however, found it had jurisdiction and concluded on the merits that appellant had engaged in unfair labor practices as defined by the Utah act. It granted relief through a remedial order. On a writ of review, the Utah Supreme Court affirmed the decision and order of the State administrative agency.[12]

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[1] 61 Stat. 146, 29 U. S. C. sec. 160 (a).

[2] 49 Stat. 449, as amended, 61 Stat. 136, 29 U. S. C. sec. 151 et seq.

[3] Sec. 10 (a), 49 Stat. 453, left unchanged in this particular by the Taft-Hartley amendments, 61 Stat. 146, 29 U. S. C. sec. 160 (a).

[4] "The term 'affecting commerce' means in commerce, or burdening or obstructing commerce or the free flow of commerce, or having led or tending to lead to a labor dispute burdening or obstructing commerce or the free flow of commerce." Sec. 2 (7), 49 Stat. 450, left unchanged by the Taft-Hartley amendments, 61 Stat. 138, 29 U. S. C. sec. 152 (7).

[5] The NLRB's press release of October 6, 1950, can be found at 26 LRR Man. 50.

[6] The NLRB's press release of July 15, 1954, can be found at 34 LRR Man. 75.

[7] But see *Labor Board* v. *Denver Building & Construction Trades Council* (341 U. S. 675, 684).

[8] Members of the Board disagreed as to the impact of the revision. See *Breeding Transfer Co.* (110 N. L. R. B. 493, 498–500, 506–508).

[9] Among the cases in which courts have sustained State jurisdiction where the Board declines or would decline jurisdiction are *Garmon* v. *San Diego Building Trades Council* (45 Cal. 2d 657, 291 P. 2d 1); *Building Trades Council* v. *Bonito* (— Nev. —, 280 p. 2d 295); *Hammer* v. *Local 211, United Textile Workers* (34 N. J. Super. 34, 111 A. 2d 308); *Dallas General Drivers* v. *Jax Beer Co.* (276 S. W. 2d 384 (Tex. Civ. App.)). On the other side are *Retail Clerks* v. *Your Food Stores* (225 F. 2d 659); *Universal Car & Service Co.* v. *International Assn. of Machinists* (35 LRR Man. 2087 (Mich. Cir. Ct.)); *New York Labor Board* v. *Wags Transportation System* (130 N. Y. S. 2d 731 aff'd, 284 App. Div. 883, 134 N. Y. S. 2d 603).

[10] 61 Stat. 140, 141, 29 U. S. C. sec. 158 (a) (1), (3), (5).

[11] Utah Code Ann., 1953, 34–1–1–15.

[12] 5 Utah 2d 68, 296 p. 2d 733.

On these facts we start from the following uncontroverted premises:

(1) Appellant's business affects commerce within the meaning of the National Labor Relations Act, and the National Labor Relations Board had jurisdiction. (*Labor Board* v. *Fainblatt, supra*).

(2) The National act expressly deals with the conduct charged to appellant which was the basis of the State tribunals' actions. Therefore, if the National Board had not declined jurisdiction, State action would have been precluded by our decision in *Garner* v. *Teamsters Union* (346 U. S. 485).

(3) The National Board has not entered into any cession agreement with the Utah board pursuant to section 10 (a) of the National act.

Section 10 (a) provides:

"The Board is empowered, as hereinafter provided, to prevent any person from engaging in any unfair labor practice (listed in sec. 8) affecting commerce. This however shall not be affected by any other means of adjustment or prevention that has been or may be established by agreement, law, or otherwise: *Provided*, That the Board is empowered by agreement with any agency of any State or Territory to cede to such agency jurisdiction over any cases in any industry (other than mining, manufacturing, communications, and transportation, except where predominantly local in character) even though such cases may involve labor disputes affecting commerce, unless the provisions of the State or Territorial statute applicable to the determination of such cases by such agency is inconsistent with the corresponding provision of this act or has received a construction inconsistent therewith."

The proviso to section 10 (a), italicized in the quotation above, was one of the Taft-Hartley amendments to the National Labor Relations Act. Timing and a reference in one of the committee reports indicate that it was drafted in response to the decision of this Court in *Bethlehem Steel Co.* v. *New York Labor Board* (330 U. S. 767).[13] In *Bethlehem* foremen in an enterprise affecting commerce petitioned the New York State Labor Relations Board for certification as a bargaining unit. At that time the National Board was declining, as a matter of policy, to certify bargaining units composed of foremen. The Court held that the Federal policy against certifying foremen's units must prevail. However, it took occasion to discuss the efforts of the two boards to avoid conflicts of jurisdiction.

"The National and State Boards have made a commendable effort to avoid conflict in this overlapping state of the statutes. We find nothing in their negotiations, however, which affects either the construction of the Federal statute or the question of constitutional power insofar as they are involved in this case, since the National Board made no concession or delegation of power to deal with this subject. The election of the National Board to decline jurisdiction in certain types of cases, for budgetary or other reasons presents a different problem which we do not now decide." (Id., at 776.)

Three Justices were led to concur specially, because, as it was stated for the three:

"I read * * * [the Court's opinion] to mean that it is beyond the power of the National Board to agree with State agencies enforcing laws like the Wagner Act to divide, with due regard to local interests, the domain over which Congress had given the National Board abstract discretion but which, practically, cannot be covered by it alone. If such cooperative agreements between State and National Boards are barred because the power which Congress has granted to the National Board ousted or superseded State authority, I am unable to see how State authority can revive because Congress has seen fit to put the Board on short rations." (Id., at 779.)

Thus, if the opinion of the Court did not make manifest, the concurring opinion did, that after Bethlehem there was doubt whether a State board could act either after a formal cession by the National Board or upon a declination of jurisdiction for budgetary or other reasons. When we read section 10 (a) against this background we find unconvincing the argument that Congress meant by the proviso only to meet the first problem, that is, cession of jurisdiction over cases the National Board would otherwise handle.

The proviso is directed at least equally to the type of cases which the Board might decline for budgetary or other reasons to hear as to the type of cases it might wish to cede to the States for policy reasons—if, indeed, there is any difference between the two classes. Cases in mining, manufacturing, communications and transportation can be ceded only where the industry is predominantly local in character. In other industries, which Congress might have considered to be more or less typically local, it put no such limitation on the Board's power. The Senate committee spelled the matter out:

"The proviso which has been added to this subsection (sec. 10 (a)) permits the National Board to allow State labor-relations boards to take final jurisdiction in cases in borderline industries (i. e., borderline insofar as interstate commerce is concerned), provided the State statute conforms to national policy."[14]

The committee minority agreed as to the purpose of the proviso and agreed "with the majority that it is desirable thus to clarify the relations between the National Labor Relations Board and the various agencies which States have set up to handle similar problems."[15]

We hold that the proviso to section 10 (a) is the exclusive means whereby States may be enabled to act concerning the matters which Congress has entrusted to the National Labor Relations Board. We find support for our holding in prior cases in this Court. In *Amalgamated Association of Employees* v. *Wisconsin Board* (340 U. S. 383, 397–398), the Court said:

"The legislative history of the 1947 act refers to the decision of this Court in *Bethlehem Steel Co.* v. *New York Labor Board* (330 U. S. 767 (1947)), and, in its handling of the problems presented by that case, Congress demonstrated that it knew how to cede jurisdiction to the States. Congress knew full well that its labor legislation 'preempts the field that the act covers insofar as commerce within the meaning of the act is concerned' and demonstrated its ability to spell out with particularity those areas in which it desired State regulation to be operative."

In a footnote to the first sentence quoted above the Court cited section 10 (a) and described its authorization to cede jurisdiction only where the State law is consistent with the national legislation as insuring "that the national labor policy will not be thwarted even in the predominantly local enterprises to which the proviso applies." (Id., n. 23. See also *Algoma Plywood & Veneer Co.* v. *Wisconsin Board* (336 U. S. 301, 313); *California* v. *Zook* (336 U. S. 725, 732).)

Our reading of section 10 (a) forecloses the argument based upon such cases as *Welch Co.* v. *New Hampshire* (306 U. S. 79), and *Missouri Pacific R. Co.* v. *Larabee Flour Mills Co.* (211 U. S. 612), that "where Federal power has been delegated but lies dormant and unexercised," *Bethlehem Steel Co.* v. *New York Labor Board, supra*, at 775, the States' power to act with respect to matters of local concern is not necessarily superseded. But in each case the question is one of Congressional intent. Compare *Welch Co.* v. *New Hampshire, supra*, with *Napier* v. *Atlantic Coast Line R. Co.* (272 U. S. 605). And here we find not only a general intent to preempt the field but also the proviso to section 10 (a), with its inescapable implication of exclusiveness.

We are told by appellee that to deny the State jurisdiction here will create a vast no-man's-land, subject to regulation by no agency or court. We are told by appellant that to grant jurisdiction would produce confusion and conflicts with Federal policy. Unfortunately, both may be right. We believe, however, that Congress has expressed its judgment in favor of uniformity. Since Congress' power in the area of commerce among the States is plenary, its judgment must be respected whatever policy objections there may be to creation of a no-man's-land.

Congress is free to change the situation at will. In 1954 the Senate Committee on Labor and Public Welfare recognized the existence of a no-man's-land and proposed an amendment which would have empowered State courts and agencies to act upon the National Board's declination of jurisdiction.[16] The National Labor Relations Board can greatly reduce the area of the no-man's-land by reasserting its jurisdiction and, where States have brought their labor laws into conformity with Federal policy, by ceding jurisdiction under section 10 (a).[17] The testimony given by the Chairman of the Board before the Appropriations Committees shortly before the 1954 revisions of the jurisdictional standards indicates that its reasons for making that change were not basically budgetary. They had more to do with the Board's concept of the class of

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[13] The *Bethlehem* decision was handed down April 7, 1947. The proviso to section 10 (a) first appeared when S. 1126, which contained the substance of what was to become the Taft-Hartley Act, was reported out of committee April 17. (See S. Rept. No. 105, pt. 2, 80th Cong., 1st sess. 38.)

[14] S. Rept. No. 105, 80th Cong., 1st sess., p. 26.

[15] S. Rept. No. 105, pt. 2, 80th Cong., 1st sess., p. 38. The minority members also said, "We think the clarification of relations between the Federal and State boards contemplated under section 10 (a) a wise solution to a complex problem" (id., at 41. See also S. Rept. No. 986, 80th Cong., 2d sess., pp. 30–31).

[16] "The effect * * * of the Board's policy of refusing to assert its jurisdiction has been to create a legal vacuum or no-man's land with respect to cases over which the Board, in its discretion, has refused to assert jurisdiction. In these cases the situation seems to be that the Board will not assert jurisdiction, the States are forbidden to do so, and the injured parties are deprived of any forum in which to seek relief" (S. Rept. No. 1211, 83d Cong., 2d sess., p. 18). The minority agreed that "When the Federal Board refuses to take a case within its jurisdiction, the State agencies or courts are nevertheless without power to take jurisdiction, since the dispute is covered by the Federal act, even though the Federal Board declines to apply the act. There is thus a hiatus—a no-man's land—in which the Federal Board declines to exercise its jurisdiction and the State agencies and courts have no jurisdiction" (Id., pt. 2, p. 14). The Committee's bill, S. 2650, was recommitted (CONGRESSIONAL RECORD, vol. 100, pt. 5, p. 6203).

[17] The National Labor Relations Board has informed us in its brief amicus curiae in these cases that it has been unable, because of the conditions prescribed by the proviso to section 10 (a), to consummate any cession agreements.

cases to which it should devote its attention.[15]

The judgment of the Supreme Court of Utah is reversed.

Mr. Justice Whittaker took no part in the consideration or decision of this case.

SUPREME COURT OF THE UNITED STATES—NOS. 280, 41 AND 50, OCTOBER TERM, 1956—P. S. GUSS, DOING BUSINESS AS PHOTO SOUND PRODUCTS MANUFACTURING COMPANY, APPELLANT, *v.* UTAH LABOR RELATIONS BOARD, ON APPEAL FROM THE SUPREME COURT OF UTAH; AMALGAMATED MEAT CUTTERS AND BUTCHER WORKMEN OF NORTH AMERICA, LOCAL NO. 427, AFL, ET AL., PETITIONERS, *v.* FAIRLAWN MEATS, INC., ON WRIT OF CERTIORARI TO THE SUPREME COURT OF OHIO; SAN DIEGO BUILDING TRADES COUNCIL, ET AL., PETITIONERS, *v.* J. S. GARMON, ET AL., ON WRIT OF CERTIORARI TO THE SUPREME COURT OF CALIFORNIA

(March 25, 1957)

Mr. Justice Burton, whom Mr. Justice Clark joins, dissenting.

I believe the Court is mistaken in its interpretation of the proviso which Congress added to section 10 (a) of the National Labor Relations Act in 1947.[1] It is my view that the proviso was added merely to make it clear that the National Labor Relations Board had the power, by making specific agreements, to cede jurisdiction to State or Territorial agencies over certain labor disputes. Congress sought thereby to facilitate State cooperation in the supervision of labor practices affecting interstate commerce. The Court is not justified in interpreting this action as evidencing an unexpressed and sweeping termination of the States' pre-existing power to deal with labor matters over which the Board, for budgetary or other administrative reasons, has declined, or obviously would decline, to exercise its full jurisdiction.

The Labor Acts of 1935 and 1947 granted to the Board extensive jurisdiction over labor controversies affecting interstate commerce but neither act required the Board to assert at all times the full measure of its jurisdiction. In each act the first sentence of section 10 (a) "empowered," but did not direct, the Board to prevent unfair labor practices. Likewise, the first sentence of section 10 (b) granted the "power," instead of imposing the duty, to issue complaints upon receipt of appropriate charges.[2] The Board is not a court whose jurisdiction over violations of private rights must be exercised. It is an administrative agency whose function is to adjudicate public rights in a manner that will effectuate the policies of the act. (See *Amalgamated Utility Workers* v. *Consolidated Edison Co.* (309 U. S. 261)).

From the beginning, budgetary limitations and other administrative considerations have prevented the Board from exercising jurisdiction over all cases in which interstate commerce was affected. Congress knew this when, in 1947, it left unchanged the discretionary language of section 10 and added the proviso to section 10 (a). Congress has consistently refrained from appropriating funds sufficient to permit the Board to entertain all complaints within its jurisdiction. In recent years Congress has repeatedly recognized the Board's jurisdictional practice.[3] In *Labor Board* v. *Denver Bldg. Council* (341 U. S. 675, 684), this Court said that "Even when the effect of activities on interstate commerce is sufficient to enable the Board to take jurisdiction of a complaint, the Board sometimes properly declines to do so, stating that the policies of the act would not be effectuated by its assertion of jurisdiction in that case." Courts of Appeals have approved the Board's practice[4] and none of the parties to the instant cases question it.

Unless restricted by the proviso added to section 10 (a), there is little doubt that the States have the necessary power to act in labor controversies within their borders, even when interstate commerce is affected, provided the Federal Government has not occupied the field and the National Board has not taken jurisdiction. Where the Board has declined, or obviously would decline, to take jurisdiction, then Federal power lies dormant and unexercised. *Bethlehem Steel Co.* v. *New York Labor Board* (330 U. S. 767, 775). Unless the proviso stands in their way, the States may then exercise jurisdiction since their action will not conflict with the Board's administration of the act.[5] Substantive provisions of the act may limit the action of the States. See *United Mine Workers* v. *Arkansas Oak Flooring Co.* (351 U. S. 62, 75). But the States are not deprived of all power to act.[6]

By this decision the Court restricts the power of the States to those labor disputes over which the National Board expressly cedes its jurisdiction to the appropriate State agencies. However, the proviso's requirements are so highly restrictive that not a single cession has been made under it.[7] The result of this decision is the creation of an extensive of no-man's land within which no Federal or State agency or court is empowered to deal with labor controversies. It is difficult to believe that Congress sub silentio, intended to take such a step backward in the field of labor relations.

The immediate occasion that led to the enactment of the proviso throws light on its proper interpretation. That occasion was this Court's decision in the *Bethlehem* case, supra, where it was held that a State board did not have jurisdiction to certify a union of foremen as a collective-bargaining agency because the National Board, by asserting general jurisdiction over foremen's unions, had occupied the field.[8] Although an agreement had been negotiated between the National Board and the State board ceding jurisdiction over certain labor matters, this Court concluded that the agreement did not cede jurisdiction over foremen's unions. Three Justices decried certain overtones they found in the opinion of the Court to the effect that the National Board lacked authority to cede jurisdiction over predominantly

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[15] Hearings before Subcommittee of House Committee on Appropriations, Department of Labor and Related Independent Agencies (83d Cong., 2d sess. 309, 315, 323).

[1] Section 10 (a) of the National Labor Relations Act of 1935, 49 Stat. 453, was amended by the Labor Management Relations Act of 1947 by the addition of the proviso shown below:

"SEC. 10 (a) The Board is empowered, as hereinafter provided, to prevent any person from engaging in any unfair labor practice (listed in sec. 8) affecting commerce. This power shall not be affected by any other means of adjustment or prevention that has been or may be established by agreement, law, or otherwise: *Provided*, That the Board is empowered by agreement with any agency of any State or Territory to cede to such agency jurisdiction over any cases in any industry (other than mining, manufacturing, communications, and transportation except where predominantly local in character) even though such cases may involve labor disputes affecting commerce, unless the provision of the State or Territorial statute applicable to the determination of such cases by such agency is inconsistent with the corresponding provision of this act or has received a construction inconsistent therewith" (61 Stat. 146, 29 U. S. C. sec. 160 (a)).

[2] "(b) Whenever it is charged that any person has engaged in or is engaging in any such unfair labor practice, the Board or any agent or agency designated by the Board for such purposes, shall have power to issue and cause to be served upon such person a complaint stating the charges in that respect, and containing a notice of hearing before the Board or a member thereof, or before a designated agent or agency, at a place therein fixed, not less than 5 days after the serving of said complaint. * * *" (48 Stat. 453, 61 Stat. 146, 29 U. S. C. sec. 160 (b)).

[3] See report of the Joint Committee on Labor-Management Relations, S. Rept. No. 986, pt. 3, 80th Cong., 2d sess., 11–15; S. Rept. No. 99, 81st Cong., 1st sess., 40; H. R. Rept. No. 1852, 81st Cong, 2d sess., 10; hearings before Senate Committee on Labor and Public Welfare on S. 249, pt. 1, 81st Cong., 1st sess., 175–177; hearings before Senate Committee on Expenditures in the Executive Departments on S. Res. 248, 81st Cong., 2d sess., 40, 120.

[4] E. g., *Optical Workers' Union* v. *Labor Board* (227 F. 2d 687); *Local Union No. 12* v. *Labor Board* (189 F. 2d 1); *Haleston Drug Stores* v. *Labor Board* (187 F. 2d 418). See *Labor Board* v. *Indiana & Michigan Electric Co.* (318 U. S. 9, 18–19). The Board discusses its jurisdictional practice in *Breeding Transfer Co.* (110 N. L. R. B. 493). See also, Note, Discretionary Administrative Jurisdiction of NLRB Under the Taft-Hartley Act (62 Yale L. J. 116 (1952)).

[5] "The care we took in the *Garner* case (346 U. S. 485) to demonstrate the existing conflict between State and Federal administrative remedies in that case was, itself, a recognition that if no conflict had existed, the State procedure would have survived." *United Construction Workers* v. *Laburnum Construction Corp.* (347 U. S. 656, 665). See also *Weber* v. *Anheuser-Busch, Inc.* (348 U. S. 468, 479–480).

[6] See *Southern Pacific Co.* v. *Arizona ex rel. Sullivan* (325 U. S. 761); *Terminal Railroad Assn.* v. *Brotherhood of Railroad Trainmen* (318 U. S. 1); *H. P. Welch Co.* v. *New Hampshire* (306 U. S. 79); *Northwestern Bell Telephone Co.* v. *Nebraska Railway Commission* (297 U. S. 471); *Missouri Pacific R. Co.* v. *Larabee Flour Mills Co.* (211 U. S. 612).

[7] The National Labor Relations Board in its brief filed in these cases states that—

"It should be noted here that the Board has been unable, because of the prescribed conditions, to consummate any such agreements. Congress has been aware of this situation and considered the feasibility of deleting these conditions in order to reduce the tremendous volume of cases brought before the Board. S. Rept. 986, Joint Committee Report, 80th Cong., 2d sess., 31 (1948). Congress, however, has taken no action in this regard. The advocates of Federal preemption argue from this post-legislative history that Congress has thereby manifested its intent to preclude State action in the absence of cession by the Board. Precisely what inference may be drawn from such Congressional inaction is, in our judgment, wholly speculative."

[8] "It (the National Board) made clear that its refusal to designate foremen's bargaining units was a determination and an exercise of its discretion to determine that such units were not appropriate for bargaining purposes. *Maryland Drydock Co.*, (49 N. L. R. B. 733). We cannot, therefore, deal with this as a case where Federal power has been delegated but lies dormant and unexercised.

"The Federal board has jurisdiction of the industry in which these particular employers are engaged and has asserted control of their labor relations in general. It asserts, and rightfully so, under our decision in the *Packard* case, supra, its power to decide whether these foremen may constitute themselves a bargaining unit. We do not believe this leaves room for the operation of the State authority asserted" (330 U. S., at 775, 776).

local labor matters by agreement with State agencies. It was to clarify the power of the National Board to make such a cession that the proviso was added to section 10 (a).

While the proviso thus evidenced a Congressional purpose to encourage State action, there is no indication that it was intended to wipe out, by implication, the States recognized power to act when the National Board declined to take jurisdiction. Neither the language of the proviso nor its legislative history discloses a conscious Congressional intent to eliminate State authority, when the National Board has declined to act. Unequivocal legislative history would be necessary to sustain a conclusion that Congress intended such a drastic result. In the *Bethlehem* case, supra, the Court did not question the authority of the States to act when the Board, for budgetary or other administrative reasons, declined to exercise its full jurisdiction. The Court expressly refrained from passing on that question [9] but three Justices said that they found in the opinion of the Court a "suggestion that the National Board's declination of jurisdiction 'in certain types of cases, for budgetary or other reasons' might leave room for the State in those situations * * *" (330 U. S., at 778).

As a matter of fact, in 1947, nearly 40 States lacked labor agencies and comprehensive labor legislation.[10] Obviously, those States were ineligible to take advantage of the proviso. It is hard to imagine that Congress meant to make the proviso the exclusive channel for State jurisdiction when so many States would be automatically excluded from using it. The full mission of the proviso was to supply the National Board with express authority to cede jurisdiction over labor disputes by agreement where, as a matter of deliberate judgment, it concluded that due regard for local interests made that course desirable. The Board's jurisdictional yardsticks always have reflected its need to distribute its limited resources so as to best effectuate the policies of the act. The Board does not cede jurisdiction when it declines to exercise its full jurisdiction; it merely allows the States to exercise their preexisting authority.[11]

The Court's interpretation of the proviso is contrary to the established practice of the States and of the National Board, as well as to the considered position taken by the Board as amicus curiae. Congress has demonstrated a continuing and deep interest in providing governmental machinery for handling labor controversies. The creation by it of a large, unsupervised no-man's land flies in the face of that policy. Due regard for our Federal system suggests that all doubts on this score should be resolved in favor of a conclusion that would not leave the States powerless when the Federal agency declines to exercise its jurisdiction. As three Justices said in the *Bethlehem* case, supra:

"Since Congress can, if it chooses, entirely displace the States to the full extent of the far-reaching commerce clause, Congress needs no help from generous judicial implications to achieve the supersession of State authority. To construe Federal legislation so as not needlessly to forbid pre-existing State authority is to respect our Federal system. Any indulgence in construction should be in favor of the States, because Congress can speak with drastic clarity whenever it chooses to assure full Federal authority, completely displacing the States" (330 U. S., at 780).

I would sustain the jurisdiction of the respective States in these cases.

SUPREME COURT OF THE UNITED STATES—No. 41, OCTOBER TERM, 1956—AMALGAMATED MEAT CUTTERS AND BUTCHER WORKMEN OF NORTH AMERICA, LOCAL NO. 427, AFL, ET AL., PETITIONERS *v.* FAIRLAWN MEATS, INC., ON WRIT OF CERTIORARI TO THE SUPREME COURT OF OHIO

(March 25, 1957)

Mr. Chief Justice Warren delivered the opinion of the Court.

Respondent operates 3 meat markets in the vicinity of Akron, Ohio. All of its sales are intrastate, but of its purchases in 1 year totaling not quite $900,000, slightly more than $100,000 worth came from outside Ohio directly and as much or more indirectly. Petitioner union, after an unsuccessful attempt to organize respondent's employees, asked respondent for recognition as their bargaining agent and for a union shop contract. When respondent refused to enter into such a contract, the union picketed respondent's stores and put some secondary pressure on its suppliers. Upon respondent's complaint, the Court of Common Pleas enjoined the union from picketing respondent, from trespassing upon respondent's premises and from exerting secondary pressure on the suppliers. Petitioners objected throughout that the jurisdiction of the National Labor Relations Board was exclusive. On appeal, the Ohio Court of Appeals found that respondent's business was "purely of a local character" and interstate commerce, therefore, was not burdened or obstructed. The Court of Appeals held that the union's picketing was unlawful according to Ohio policy, and it continued in effect the injunction granted by the court of common pleas.[1] The Ohio Supreme Court dismissed an appeal "for the reason that no debatable constitutional issue is involved." [2]

We do not agree that respondent's interstate purchases were so negligible that its business cannot be said to affect interstate commerce within the meaning of section 2 (7) of the National Labor Relations Act.[3] Cf. *Labor Board* v. *Denver Building & Construction Trades Council* (341 U. S. 675, 683–685). In this case, unlike No. 280 ante, page —, and No. 50, post, page —, no effort was made to invoke the jurisdiction of the National Relations Board. Although the extent of respondent's interstate activity seems greater even than that in *Building Trades Council* v. *Kinard Construction Co.*, (346 U. S. 933), we will assume that this is a case where it was obvious that the Board would decline jurisdiction.[4]

On this view of the case, our decision in *Guss* v. *Utah Labor Relations Board*, *ante*, page —, controls. If the proviso to section 10 (a) of the National Labor Relations Act operates to exclude State labor boards from disputes within the National Board's jurisdiction in the absence of a cession agreement, it must also exclude State courts. See *Garner* v. *Teamsters Union* (346 U. S. 485, 491). The conduct here restrained—an effort by a union not representing a majority of his employees to compel an employer to agree to a union shop contract—is conduct of which the National Act has taken hold. Section 8 (b) (2), 61 Stat. 141, 29 U. S. C. Section 158 (b) (2.) *Garner* v. *Teamsters Union*, *supra*, teaches that in such circumstances a State cannot afford a remedy parallel to that provided by the act.

It is urged in this case and its companions, however, that State action should be permitted within the area of commerce which the National Board has elected not to enter when such action is consistent with the policy of the national act. We stated our belief in *Guss* v. *Utah Labor Relations Board*, *ante*, that "Congress has expressed its judgment in favor of uniformity." We add that Congress did not leave it to State labor agencies, to State courts or to this Court to decide how consistent with Federal policy State law must be. The power to make that decision in the first instance was given to the National Labor Relations Board, guided by the language of the proviso to section 10 (a). This case is an excellent example of one of the reasons why, it may be, Congress was specific in its requirement of uniformity. Petitioners here contend that respondent was guilty of what would be unfair labor practices under the national act and that the outcome of proceedings before the National Board would, for that reason, have been entirely different from the outcome of the proceedings in the State courts. Without expressing any opinion as to whether the record bears out its factual contention, we note that the opinion of the Ohio Court of Appeals takes no account of the alleged unfair labor practice activity of the employer. Thus, it cannot be said with certainty whether the State court's decree is consistent with the national act.

One final point remains to be considered. At two of respondent's stores, located in suburban shopping centers, the picketing occurred on land owned by or leased to respondent though open to the public for access to the stores. As one of the reasons for finding the picketing unlawful, the court of appeals recited this fact, and "trespassing upon plaintiff's property" is one the activities specifically enjoined. Whether a State may frame and enforce an injunction aimed narrowly at a trespass of this sort is a question that is not here. Here the unitary judgment of the Ohio court was based on the erroneous premise that it had power to reach the union's conduct in its entirety. Whether its conclusion as to the mere act of trespass would have been the same outside of the context of petitioner's other conduct we cannot know. The judgment therefore is vacated and the case remanded for proceedings not inconsistent with this opinion.

Vacated and remanded.

Mr. Justice Whittaker took no part in the consideration or decision of this case.

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[9] "The National and State boards have made a commendable effort to avoid conflict in this overlapping state of the statutes. We find nothing in their negotiations, however, which affects either the construction of the Federal statute or the question of constituted power insofar as they are involved in this case, since the National Board made no concession or delegation of power to deal with this subject. The election of the National Board to decline jurisdiction in certain types of cases, for budgetary or other reasons presents a different problem which we do not now decide" (30 U. S., at 776).

[10] In 1947 only 11 States had comprehensive labor statutes. Of those, 8 had established an administrative procedure for the adjudication of unfair labor practices while 3 had left these matters to conventional law-enforcement agencies—prosecuting attorneys and regular courts. See Killingsworth, State Labor Relations Acts (1948), 1–3, 111–112. Labor legislation in the other 37 States was fragmentary. Killingsworth said of these laws "that they are aimed exclusively at one or a few union practices, place few or no restrictions on employers, and do not attempt to establish a comprehensive labor relations policy" (id., at 3).

[11] When in 1954 the Board revised upward its jurisdictional yardsticks, it stated that "a desire to establish broader State jurisdiction is in no wise a factor in our decision" (*Breeding Transfer Co.*, 110 N. L. R. B. 493, 497).

[1] 99 Ohio App. 517, 135 N. E. 2d 689.

[2] 164 Ohio St. 285, 130 N. E. 2d 237.

[3] 61 Stat, 138, 29 U. C. C., sec. 152 (7).

[4] The Board's current standards for asserting jurisdiction over retail stores call for annual direct imports from out of State of $1 million or indirect imports of $2 million. *Hogue & Knott Supermarkets* (110 N. L. R. B. 543). We leave aside the question whether the presence of secondary pressure on respondent's suppliers would have affected the Board's decision whether to take jurisdiction.

SUPREME COURT OF THE UNITED STATES—No. 50, OCTOBER TERM, 1956—SAN DIEGO BUILDING TRADES COUNCIL, ET AL., PETITIONERS, *v.* J. S. GARMON, ET AL., ON WRIT OF CERTIORARI TO THE SUPREME COURT OF CALIFORNIA

(March 25, 1957)

Mr. Chief Justice Warren delivered the opinion of the Court.

Respondents are a partnership, operating two retail lumber yards in San Diego County, Calif. In the year before this proceeding began they purchased more than $250,000 worth of material from outside of California for resale at retail. Petitioner unions asked them to sign a contract including a union shop provision. Respondents refused on the ground that it would be a violation of the National Labor Relations Act to sign such a contract before a majority of their employees had selected a union as their collective bargaining agent. The unions commenced peaceful picketing to enforce their demand. About a week later respondents filed suit in the superior court for an injunction and damages, alleging that they were in interstate commerce and that the contract sought by the unions would violate the act.[1] On the same day respondents filed with the National Labor Relations Board's regional office a petition asking that the question of the representation of its employees be resolved. The regional director dismissed the petition. The unions nevertheless pressed their claim that the National Board had exclusive jurisdiction.[2] After a hearing the superior court entered an order enjoining the unions from picketing or exerting secondary pressure in support of their demand for a union shop agreement unless and until one or another of the unions had been designated as the collective bargaining representative of respondents' employees. It also awarded respondents $1,000 damages. The California Supreme Court affirmed.[3] Recognizing that respondents' business affected interstate commerce, it concluded that the Board's declination, in pursuance of its announced jurisdictional policy, to handle respondents' representation petition left the State courts free to act.[4] On the merits the court said:

"The assertion of economic pressure to compel an employer to sign the type of agreement here involved is an unfair labor practice under section 8 (b) (2) of the [National Labor Relations] act. * * * Concerted activities for such a purpose thus were unlawful under the Federal statute, and for that reason were not privileged under the California law."[5]

What we have said in *Guss* v. *Utah Labor Relations Board, ante,* page —, and *Amalgamated Meat Cutters* v. *Fairlawn Meats, Inc., ante,* page —, is applicable here, and those cases control this one in its major aspects. Respondents, however, argue that the award of damages must be sustained under *United Construction Workers* v. *Laburnum Construction Corp.,* (347 U. S. 656). We do not reach this question. The California Supreme Court leaves us in doubt, but its opinion indicates that it felt bound to "apply" or in some sense follow Federal law in this case. There is, of course, no such compulsion. Laburnum sustained an award of damages under State tort law for violent conduct. We cannot know that the California court would have interpreted its own State law to allow an award of damages in this different situation. We therefore vacate the judgment and remand the case to the Supreme Court of California for proceedings not inconsistent with this opinion and the opinions in *Guss* v. *Utah Labor Relations Board, supra,* and *Amalgamated Meat Cutters* v. *Fairlawn Meats, Inc., supra.*

Vacated and remanded.

Mr. Justice Whittaker took no part in the consideration or decision of this case.

[1] Sec. 8 (a) (3) allows an employer to enter into a union security agreement of the type petitioners here were seeking only if the union is the bargaining representative of his employees (61 Stat. 140, 29 U. S. C. 158 (a) (3)).

[2] They also maintained that by not appealing the regional director's decision respondents had failed to exhaust their remedies under the national act. On our view of the case, we need not consider this contention.

[3] 45 Cal. 2d 657, 291 p. 2d 1.

[4] Petitioners' interstate purchases fall below the standards for retail stores. (See *Amalgamated Meat Cutters* v. *Fairlawn Meats, Inc., ante,* p. —, n. 4). The Board draws no distinction in the application of its jurisdictional standards between representation and unfair labor practice cases. (*C. A. Braukman,* (94 N. L. R. B. 1609, 1611).)

[5] 45 Cal. 2d, at 666, 291 p. 2d, at 7.

Mr. JOHNSON of Texas. Mr. President, I am prepared to yield back the remainder of time available to our side, if the Senator from California is prepared to do likewise.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The time available to the Senator from Utah on his amendment has expired.

Mr. JOHNSON of Texas. Then, Mr. President, I yield back the remainder of the time available to our side; and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment lettered "A" of the Senator from Utah [Mr. WATKINS].

Mr. JOHNSON of Texas. Mr. President, I understand that on this question the yeas and nays have been ordered. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. Mr. President, I rise to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. As I understand, Senators who favor the pending amendment will, when the vote is taken, vote "yea"; and Senators who oppose the amendment will vote "nay." Is that correct?

The PRESIDING OFFICER. That is correct.

The question is on agreeing to the amendment lettered "A" which has been submitted by the Senator from Utah [Mr. WATKINS].

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUSCHE (when his name was called). On this vote I have a pair with the junior Senator from Texas [Mr. YARBOROUGH]. If he were present, he would vote "nay"; if I were permitted to vote, I would vote "yea." Therefore, I abstain from casting my vote.

Mr. WILEY (when his name was called). On this vote, in accordance with the announcements previously made, I have a pair with the distinguished Senator from Rhode Island [Mr. GREEN]. If he were present, he would vote "nay"; If I were permitted to vote, I would vote "yea." I withhold my vote.

Mr. YOUNG (when his name was called). On this vote I have a pair with the senior Senator from Louisiana [Mr. ELLENDER]. If he were present and voting, he would vote "nay"; if I were permitted to vote, I would vote "yea." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Missouri [Mr. HENNINGS] would each vote "nay."

The result was announced—yeas 35, nays 51, as follows:

YEAS—35

Allott	Dirksen	Morton
Barrett	Dworshak	Mundt
Bennett	Flanders	Potter
Bricker	Goldwater	Purtell
Bridges	Hickenlooper	Revercomb
Bush	Hoblitzell	Saltonstall
Butler	Hruska	Schoeppel
Capehart	Jenner	Smith, N. J.
Carlson	Knowland	Thye
Case, S. Dak.	Kuchel	Watkins
Cotton	Martin, Iowa	Williams
Curtis	Martin, Pa.	

NAYS—51

Aiken	Holland	Monroney
Anderson	Humphrey	Morse
Beall	Ives	Murray
Bible	Jackson	Neuberger
Carroll	Javits	O'Mahoney
Case, N. J.	Johnson, Tex.	Pastore
Church	Johnston, S. C.	Payne
Clark	Kefauver	Proxmire
Cooper	Kennedy	Robertson
Douglas	Kerr	Russell
Eastland	Langer	Smathers
Ervin	Long	Smith, Maine
Frear	Magnuson	Sparkman
Fulbright	Malone	Stennis
Gore	Mansfield	Symington
Hayden	McClellan	Talmadge
Hill	McNamara	Thurmond

NOT VOTING—9

Byrd	Green	Wiley
Chavez	Hennings	Yarborough
Ellender	Lausche	Young

So Mr. WATKINS' amendment was rejected.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HILL. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama to lay on the table the motion of the Senator from Montana.

The motion to lay on the table was agreed to.

Mr. CURTIS. Mr. President, I call up my amendment 4–23–58–B, and I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. JOHNSON of Texas. Mr. President, I hope all Senators will give the Senator from Nebraska a yea and nay vote on this amendment.

The yeas and nays were ordered.

Mr. CURTIS. Mr. President, I ask that the amendment be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

Mr. CURTIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. Is the time for the reading of the amendment to be taken from my time?

The PRESIDING OFFICER. In answer to the inquiry of the Senator from Nebraska, the Chair will state the time for reading the amendment does not come out of the Senator's time.

Mr. CURTIS. I thank the Chair. Mr. President, I offer the amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 26, line 17, it is proposed to strike out "This" and insert in lieu thereof "sections 1 through 18 of this."

At the end of the bill add the following:

SEC. —. The Labor Management Relations Act, 1947, as amended, is hereby further amended as follows:

(a) Section 8 (b) (4) of title I of such act is amended to read as follows:

"(4) To exert, attempt to exert, or threaten to exert (regardless of the provisions in any collective bargaining or other contract) against an employer, or employees of an employer, economic or any other type of coercion, by picketing or by any other means, where an object thereof is—

"(A) causing or attempting to cause any employer or self-employed person to join any labor or employer organization;

"(B) causing or attempting to cause an employer or other person to cease doing business with any other person;

"(C) causing or attempting to cause any other employer to recognize or bargain with a labor organization as the representative of his employees unless such labor organization has been certified as the representative of such employees under the provision of section 9;

"(D) causing or attempting to cause any employer to interfere with his employees' right to join or refrain from joining a labor organization as set forth in section 7;

"(E) causing or attempting to cause employees to join or refuse to join a labor organization except as provided in the first proviso to section 8 (a) (3);

"(F) causing or attempting to cause any employer to assign particular work to employees in a particular labor organization or in a particular trade, craft, or class rather than to employees in another labor organization or in another trade, craft, or class, unless such employer is failing to conform to an order or certification of the Board determining the bargaining representative for employees performing such work; *Provided*, That nothing contained in subsection (b) shall be construed to make unlawful a refusal by any person to enter upon the premises of any employer (other than his own employer), if the employees of such employer are engaged in a strike ratified or approved by a representative of such employees whom such employer is required to recognize under this act."

(b) Section 10 (1) of title I of such act is amended by striking out the first sentence and inserting in lieu thereof the following: "Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of paragraph (4) (A), (B), (C), (D), (E), or (F) of section 8 (b), the preliminary investigation of such charge shall be made forthwith and given priority over all other cases except cases of like character in the office where it is filed or to which it is referred."

(c) Section 303 of title III of such act is amended to read as follows: "Whoever shall be injured in his business or property by reason of any act or acts which are made an unfair labor practice under section 8 (b) (4) of the National Labor Relations Act, as amended, may sue therefor in any district court of the United States subject to the limitations and provisions of section 301 of this act without respect to the amount in controversy, or in any other court having jurisdiction of the parties, and shall recover the damages by him sustained and cost of the suit."

Mr. CURTIS. Mr. President, I yield myself 20 minutes.

A secondary boycott consists of acts which take a labor dispute away from the primary participants therein to a neutral third person. Employees have a right to do many things to win their case against their employer. They can strike. They can picket. They can do any number of things. We would not change any of that. But when such acts are carried to a neutral third person we have what is described as a secondary boycott, which sometimes consists of a jurisdictional dispute. Sometimes pressure is brought on the employer. It takes many different forms.

Long before the Taft-Hartley law was enacted, a great many of our courts and agencies held that a secondary boycott was unlawful. The Taft-Hartley law attempted to declare secondary boycotts unlawful. A number of loopholes have developed. I discussed a number of those last week, when this question was under consideration.

For example, in the Taft-Hartley law we made it an unfair labor practice to apply pressure or coerce the employees of a neutral third concern, but we failed to prohibit the coercion of the employer. That is one loophole. That is taken care of.

We do not seek out labor unions and ask to punish them or restrict them. What we are seeking is equality before the law for all persons and groups. Groups in America, whether they be competitors or members of some other group, cannot conspire to boycott another person and drive him out of business. All we seek to establish is the principle of equality before the law. This is not a new principle. Congress has had the subject under study all through the years. The Taft-Hartley law attempted to outlaw secondary boycotts, but, as I say, 4 or 5 loopholes have been discovered, and they are frequently used.

The victims who are really hurt when a secondary boycott is invoked are usually small businesses. They are employees of small independent merchants, or perhaps smaller corporations.

The Senate Select Committee on Improper Activities in the Labor or Management Field took considerable testimony on secondary boycotts. The secondary boycott was one of the weapons used in the prolonged Kohler strike, but the evidence indicated that the secondary boycott did not hurt the Kohler Co. at all. The secondary boycott injured the small businesses involved.

The other day I spoke of the boycott being carried from Kohler's plant to Jackson, Mich., where the Link Co. was boycotted—an independent concern not related to Kohler's, yet their customers were harassed and intimidated, and prevented from entering the Link Co.

We also took evidence concerning the boycott of the Hartshorn Bros. Co. in the Los Angeles area. They were plumbing suppliers. They were in no way connected with the Kohler Co. They were not responsible for the trouble there, but the boycott was extended more than half way across the United States, and an independent merchant was boycotted. His place of business was picketed. He had no labor dispute. The customers either could not enter, or were frightened or intimidated. In that case the acts were so flagrant that when the Hartshorn Co. asked for injunctive relief, the UAW came into court and confessed its wrong, and agreed to a consent decree.

I have before me a communication from Los Angeles, Calif., with reference to another matter. It reads in part:

> My client employs 300 people, all of whom are members of a large international union. Secondary boycotts applied against this company have caused my client to lose over 100 customers.

There was no labor dispute involved. The other day I discussed at length the situation of the Burt Manufacturing Co. They make ventilators. They have a union, a certified union. It is the AFL-CIO Steelworkers Union. The men are satisfied with their union. There is no dispute on wages, hours, or working conditions. But another union, the Sheet Metal Workers Union, has boycotted Burt products in many States of the Union for 10 long years. It has carried that boycott to contractors, suppliers, builders, and businesses of all kinds. In other words, the victim of a secondary boycott can be described as an innocent bystander.

Mr. LAUSCHE. Mr. President, will the Senator from Nebraska yield?

Mr. CURTIS. I yield very briefly, because my time is limited.

Mr. LAUSCHE. I should like to supplement the statement made by the Senator from Nebraska by pointing out that in the Burt case secondary boycott, the Sheet Metal Workers Union, by its threat not to work on Burt products, induced the architect of the State of Ohio to deny to the Burt Co. a contract, although the Burt Co. was the lowest and best bidder. I point out that this architect, when he weighed the power of the State government against the power of the Sheet Metal Workers Union, in effect, conceded that the Sheet Metal Workers Union was more powerful than the government itself.

Mr. CURTIS. I thank the Senator.

Mr. LAUSCHE. This is a vital question.

Mr. CURTIS. I thank the Senator.

I hold in my hand a letter from a company in St. Louis, Mo. This is a paragraph from the letter:

We, ourselves, were subject to a case of picketing for organizational purposes, when not a single employee wanted any part of Mr. Harold Gibbons' Teamsters Union. The effort was to force management to sign up and deliver the employees, like cattle, into his hands, and the employees, to evade his union, formed a company union for their own protection.

Mr. President, one of the loopholes in the law was made when Congress, in attempting to outlaw such acts, made the prohibition applicable against coercing employees, and left out coercion of the employer. Therefore, instead of coercing the employees, the union organizers go into his office and say to the employer: "If you don't sign up your employees, or if you use such and such a product, we will picket your place, or we will strike, or we will take other measures against neutral third persons who have no dispute with you."

This has caused a great deal of trouble throughout the length and breadth of the land.

Many people, including small and independent businesses, and the workers themselves, in every State of the Union, have asked for this corrective legislation over and over again throughout the years. The bill will, at the end of the year, have been before the legislative committee for 5 years.

I wish to read an account of a secondary boycott in Philadelphia, which was marked by violence:

A secondary boycott marked by violence was the weapon Philadelphia Teamster agents used to try to force more than 100 self-employed truck operators out of the oil-hauling business.

The details of this abuse of union power are disclosed by a trial examiner for the National Labor Relations Board in secondary boycott charges brought against the union by four Philadelphia oil-transporting companies.

UNION COMPULSION

The NLRB officer found that local 107, of Philadelphia Teamsters, sought to compel the Coastal Tank Lines, E. A. Gallagher & Sons, and the Leaman Transportation Co. to stop using self-employed truck operators. The three firms employed Teamster members to handle their regular truck operations, but frequently hired independents as an auxiliary force.

A business agent for local 107 sought to compel the Leaman Co. to sign a contract, in spite of the firm's agreements with other unions at 24 Leaman terminals. The union boss told Leaman that it would not be long before Leaman "had been rolled up into one ball of wax, organizationwise."

The 4th trucking firm, E. Brooke Matlack, Inc., became a secondary boycott victim when local 107 wanted control of the firm's 45 employees who are members of an independent union, the Brotherhood of Tank Truck Operators.

The experience of the Gallagher company revealed the Teamster insincerity. When union officials demanded Gallagher sign a new contract for wages and working conditions, Gallagher did so. Two days later the union called a strike because Gallagher refused to cut off the self-employed drivers.

A TYPICAL TACTIC

Business agents then told their members that Gallagher refused to sign a contract.

Local 107 also attempted a featherbedding demand when it asked Gallagher to put a 107 member on the trucks of self-employed drivers entering the Philadelphia area.

Picketing followed the strike against the four companies and Teamster agents sought to prevent the firms from doing business with such oil refineries as Gulf, Sun, Sinclair, Phillips, and Atlantic.

Violence and threats of injury to the families of drivers occurred during the strike and picketing. A Federal court injunction finally halted the picketing.

The people of the country are looking to the Congress, they are looking to the Senate for legislative relief. Many of the secondary boycotts which are taking place are against all sound principles, and they are most unfair. The secondary boycott is a weapon by which, in many cases, pressure can be applied upon the employer to force his employees into a union they do not want to join, and there have been many instances where the result has been a "sweetheart contract."

I wish to read a part of a letter from San Francisco, Calif., regarding an employer whose drivers have a Teamster contract. I might say that when I spoke on the floor of the Senate on May 4, 1956, I enumerated many instances of this vicious practice of secondary boycotts. This is what the man wrote to me:

There are many instances in which the details duplicate those which you have set forth in your remarks to the Senate for May 14, 1956. These involve not only the use of the secondary boycott as a pressure device during the bargaining for new terms of an existing labor contract, but also for the organization of employees, many of whom did not want to join the Teamsters Union. This is particularly true of office workers who are now under concerted pressure from the Teamsters Union in the Western States and whose employers feel the pressure and threats of secondary boycott from the Teamsters Union as a means of inducing them to prevail upon their office employees to become members of the Teamsters Union.

When we close these loopholes in the existing law, which was intended to end secondary boycotts, we will put an end to a great area of racketeering which has been carried on by Dave Beck and others of his kind in the Teamsters' Union.

The other day I discussed in some detail the case of the Coffey Transfer Co. in the State of Nebraska, which had operated for 26 years in a small county seat town of 2,000 people. Everyone was happy and contented. The workers did not wish to join Dave Beck's Teamsters' Union. There was no pressure applied to the workers. The pressure was applied to the management. Mr. Coffey was asked to sign a contract which would force those men into the Teamsters' Union against their will. He refused, and rightly so. What was the result? A boycott was invoked in Omaha, where the company picked up most of its freight, and no more freight was turned over to that small trucking line. Mr. Coffey appealed to the Government in Washington, the National Labor Relations Board, for an election. It took 5 long months to hold an election and count the ballots of 22 drivers. When they were counted, not a single driver voted for Dave Beck's Teamsters Union. The sad part of it is that a month before the announcement of that election, the Coffey Transfer Co. went out of business. They sold what physical property they had at a tremendous loss. The purchaser was one of the largest transportation companies which serve the great Middle West. The secondary boycott evil is one of the most potent forces for monopoly and merger today. Those 22 drivers have moved from that small community. That business has disappeared from the scene; it is no longer in existence. It is a victim of the secondary boycott, a victim of the delay of Congress to plug up the loopholes in the law.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CURTIS. Mr. President, I reserve the remainder of my time.

Mr. KUCHEL. Mr. President, I wonder if a few minutes are available to me, so that I may ask a few questions of the Senator from Nebraska.

Mr. KENNEDY. I yield 5 minutes to the Senator from California.

Mr. KUCHEL. I thank the Senator from Massachusetts.

I refer the Senator from Nebraska to page 2 of the amendment and ask him what he intends to be accomplished by a couple of the subdivisions appearing there. First, I desire to say that I oppose secondary boycotts. My question is whether the Senator's amendment may go considerably further than deal with the secondary boycott. So my first question is, What is intended by the language in lines 18, 19, and 20, on page 2, which reads as follows:

(E) Causing or attempting to cause employees to join or refuse to join a labor organization except as provided in the first proviso to section 8 (a) (3).

What does that mean?

Mr. CURTIS. That is largely a restatement of the whole section. This section in existing law prohibits these things; declares them to be unfair labor practices. But the way the language was written a loophole was left open. Going back to page 1, beginning on line 8, I read:

To exert, attempt to exert, or threaten to exert——

Mr. KUCHEL. Is the Senator reading from his amendment?

Mr. CURTIS. Yes. I read beginning on line 8, page 1, of my amendment:

To exert, attempt to exert, or threaten to exert (regardless of the provisions in any collective bargaining or other contract) against an employer, or employees of an employer, economic or any other type of coercion.

The object of which is to do certain things.

In existing law the word "employer" is not included. The law merely prohibits the coercing of employees. As I say, these subsections are a reiteration of the existing law.

Another change to which I call attention——

Mr. KUCHEL. If the Senator will permit me to ask him, do I understand

him correctly to say that subsection (e), on page 2, line 18, is merely a restatement of the present law?

Mr. CURTIS. Yes. Under the present law, employees cannot be coerced to join or refuse to join a labor organization, except as provided in that section.

Mr. KUCHEL. What is the exception?

Mr. CURTIS. Section (8) (a) (3) is not amended here. That also is existing law.

Mr. KUCHEL. But what I am searching for is a basis of policy for my decision on this proposed amendment. The Senator's amendment prohibits "causing or attempting to cause employees to join or refuse to join a labor organization except as provided" in another section. What is the exception?

Mr. CURTIS. "Causing or attempting to cause employees to join or refuse to join a labor organization except as provided in the first proviso to section 8 (a) (3)."

I was in error on that particular item. The proposed language is not found in the Taft-Hartley law.

The purpose of this paragraph is to prohibit the use of economic coercion against an employer when the objective is the forcing or requiring of employees to join or refuse to join a labor organization. Obviously, this purpose is related to that which is discussed in the previous paragraph.

The PRESIDING OFFICER. The time of the Senator from California has expired.

Mr. KENNEDY. Mr. President, I yield 5 more minutes to the Senator from California. I think his questions are pertinent.

Mr. KUCHEL. Then, is it fair to me to suggest that here is an instance in the amendment offered by the Senator from Nebraska which does not have to do with the question of secondary boycott, but has to do with another problem which occurs to the Senator?

Mr. CURTIS. I think not.

Mr. KUCHEL. Causing or attempting to cause employees to join or refuse to join a labor organization is not relevant to the subject of a secondary boycott, is it?

Mr. CURTIS. Oh, yes. There are situations when pressure will be applied to an employer in an attempt to force the employer to compel his employees to join a labor organization.

Mr. KUCHEL. But how does that have anything to do with secondary boycott?

Mr. CURTIS. Suppose the employer refuses. The Teamsters Union will support such pressure. A picket line will be thrown around the employer's establishment. Other persons will not cross the picket line, so the employer is boycotted. He cannot receive supplies and materials he needs in his business, whether it be construction, merchandising, or what not.

Mr. KUCHEL. But in the example which the Senator has just cited, I respectfully suggest that subdivision (E) does nothing about it, and treats it not at all.

Mr. CURTIS. The section has to be read in its entirety. If I may say so, the existing law was an effort to prohibit the coercing of employees secondarily where there was no labor dispute. But loopholes have been left open of which I can enumerate 5 or 6. In the first place, I mentioned a while ago, we failed to prohibit the applying of pressure on the employer. That is one factor.

Mr. KUCHEL. May I interrupt the Senator? I most sincerely want to have him discuss subdivision (E), and I wish to turn his attention, if I may, to this question: How, under subdivision (E), as provided in the amendment, can a person cause or attempt to cause employees to join or refuse to join a labor organization?

Mr. CURTIS. I do not understand the Senator's question.

Mr. KUCHEL. This subdivision of the Senator's amendment spells out a specific and new type of activity which the Senator's amendment would prohibit, but he saves some area in which a person can cause or attempt to cause an employee to join a labor organization or to refuse to join it. I want to know what area the Senator saves. I do not understand it.

I should like to have the Senator from Massachusetts follow this questioning, because I am trying to get a little light on this complex subject.

Mr. KENNEDY. I am listening and studying carefully in an attempt to get illumination, but as yet it has not come.

Mr. CURTIS. Section 8 (a) of the Taft-Hartley Act reads in part as follows:

It shall be an unfair labor pratcice for an employer—

Then, skipping down to subdivision (3)——

Mr. KUCHEL. For an employer?

Mr. CURTIS. Yes, for an employer.

Now I read subdivision (3) of subsection (a) of section 8:

(3) By discrimination in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization: *Provided*, That nothing in this act, or in any other statute of the United States, shall preclude an employer from making an agreement with a labor organization (not established, maintained, or assisted by any action defined in section 8 (a) of this act as an unfair labor practice)——

The PRESIDING OFFICER (Mr. CHURCH in the chair). The additional time yielded to the Senator from California has expired.

Mr. KUCHEL. Mr. President, will the Senator from Massachusetts yield me some additional time on the amendment, or some time on the bill?

Mr. KENNEDY. Mr. President, I yield 5 additional minutes to the Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized for an additional 5 minutes.

Mr. KUCHEL. Mr. President, I yield again to the Senator from Nebraska.

Mr. CURTIS. I thank the Senator from California.

I read further from section 8 (a) (3) of the Taft-Hartley Act—

to require as a condition of employment membership therein on or after the 30th day following the beginning of such employment or the effective date of such agreement, whichever is the later, (i) if such labor organization is the representative of the employees' as provided in section 9 (a), in the appropriate collective-bargaining unit covered by such agreement when made; and (ii) if, following the most recent election held as provided in section 9 (e) the Board shall have certified that at least a majority of the employees eligible to vote in such election have voted to authorize such labor organization to make such an agreement: *Provided further*, That no employer shall justify any discrimination against an employee for nonmembership in a labor organization (A) if he has reasonable grounds for believing that such membership was not available to the employee on the same terms and conditions generally applicable to other members, or (B) if he has reasonable grounds for believing that membership was denied or terminated for reasons other than the failure of the employee to tender the periodic dues and the initiation fees uniformly required as a condition of acquiring or retaining membership.

Now I can answer the Senator's question.

The section referred to in the amendment, on page 2, in line 20, is the section which permits the union shop; and my amendment does not disturb that.

Mr. KUCHEL. Let me ask this question, by way of example:

Suppose "A" is an employer; and suppose he talks to "B," an employee, and suggests to him that he would hope that employee might consider not joining a labor union: Would the employer be guilty of violating the Senator's amendment?

Mr. CURTIS. That point is not covered by my amendment. Another section of the law covers that point. What the Senator has referred to is the free-speech section of the Taft-Hartley law.

Mr. KUCHEL. But I do not see how we can misinterpret the following fairly simple language of the Senator's amendment:

(E) Causing or attempting to cause employees to join or refuse to join a labor organization except as provided—

And so forth. Is it not abundantly clear that the intention is that if an employer causes an employee—not coerces, not intimidates, but causes—or attempts to cause, an employee to join or not to join, he will be guilty of an infraction of the Senator's amendment?

Mr. CURTIS. No; I think not. If the Senator from California will read the amendment, he will find that it applies to coercion. The amendment provides, in part:

(4) To exert, attempt to exert, or threaten to exert (regardless of the provisions in any collective bargaining or other contract) against an employer, or employees of an employer, economic or any other type of coercion, by picketing or by any other means.

Mr. KUCHEL. What is the Senator now reading?

Mr. CURTIS. I am now reading the second line on page 2 of my amendment.

An employer cannot coerce his employees into joining or refusing to join

a labor organization; but line 20, to which the Senator from California has referred, makes an exception to that, where there is an agreement for a union shop. It does not disturb that.

Mr. KUCHEL. Let me ask the Senator from Nebraska this question——

The PRESIDING OFFICER. The additional 5 minutes yielded to the Senator from California have expired.

Mr. KUCHEL. Mr. President, will the Senator from Massachusetts yield 2 additional minutes to me?

Mr. KENNEDY. I yield 2 additional minutes to the Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized for 2 additional minutes.

Mr. KUCHEL. Mr. President, this amendment relates to an involved, intricate field. I have voted for a large number of amendments, on the basis of what I believed the merits or demerits of those amendments to be. To me, all of them have involved questions relatively simple to resolve. The issues in them have been clear.

For instance, consider the amendment we had before us the other day—the amendment to provide for a secret ballot in the election of officers of a union. It was easy for me to determine that, so far as I was concerned, I voted in favor of that amendment. I believe in democracy in organized labor.

Consider the amendment to provide that an employer or his agent shall be guilty of a crime if either, in dealing with a representative of a union, commits unscrupulous acts to obtain a so-called sweetheart contract. It was easy for me to determine to vote in favor of that amendment; and I did so vote.

But the pending amendment is extremely difficult and complex. I do not want to make mistakes, and I do not consider myself to be an expert in this field. I am trying to find what is in the public interest.

I have said frankly, and I repeat, that I object, both as a Senator and as a citizen, to secondary boycotts. But it seems to me that a simple reading of some of the subdivisions of the pending amendment presents the Senate with an area not confined to the area of the secondary boycott, but, to the contrary, they bring new—and questionable—policy questions before the Senate.

So I hope the Senator from Massachusetts will devote his remarks to the section of the pending amendment to which I have referred, and also to subsection (c).

Mr. CURTIS. Mr. President, will the Senator from California yield again to me?

Mr. KUCHEL. Yes; but first I wish to say most respectfully——

The PRESIDING OFFICER. The additional time yielded to the Senator from California has expired.

Mr. KUCHEL. Mr. President, will the Senator from Massachusetts yield 1 additional minute to me?

Mr. KENNEDY. Yes, Mr. President; I yield 1 additional minute to the Senator from California; and then I understand there will be a quorum call, and that then the Senator from Nebraska and I each will yield ourselves 4 minutes; and then we shall be ready to vote.

Mr. CURTIS. I would not wish to limit myself to 4 minutes. Perhaps 5 or 6 minutes will suffice.

Mr. KENNEDY. Mr. President, at this time I yield 1 additional minute to the Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized for 1 additional minute.

Mr. KUCHEL. Mr. President, I wish to say most respectfully to my friend, the Senator from Nebraska, that I listened to his remarks in the Senate the other day, and the next morning I read them in the CONGRESSIONAL RECORD, and I have reread some of them; and I have asked my legislative assistants to develop for me some of the legal background which might help me decide how to cast my vote on the question of agreeing to the pending amendment, which, I repeat, is a most difficult and intricate one. I say that most respectfully. I wish the Senator from Nebraska and I had had an opportunity to sit down, outside the Chamber, and discuss some of these points. Our long day and night sessions have prevented that.

Mr. CURTIS. Will the Senator from California yield further to me?

The PRESIDING OFFICER. The additional time yielded to the Senator from California has expired.

Mr. KNOWLAND. Mr. President, I yield to my colleague 2 minutes on the bill.

The PRESIDING OFFICER. The Senator from California is recognized for 2 minutes on the bill.

Mr. KUCHEL. I thank my colleague.

Mr. President, I yield now to the Senator from Nebraska.

Mr. CURTIS. Mr. President, this amendment was not hurriedly prepared and brought into the Chamber. The distinguished Senator from Kansas [Mr. SCHOEPPEL] offered a similar proposal in the 83d Congress, and it received careful study by the Legislative Drafting Service then. I introduced a bill containing similar language in the 84th Congress, and at that time a very competent staff spent a long time on it. Some of those staff members are no longer employed by the Senate, but they are still interested in this matter.

This year the Legislative Drafting Service has again spent a great deal of time on the amendment.

I regret that a committee hearing has not been held on the amendment, but we have waited for one for 5 years.

But I deny that the language of the amendment is defective. I think the amendment is well drawn.

Mr. LAUSCHE. Mr. President, will the Senator from Nebraska yield for a question?

Mr. CURTIS. I do not have the floor.

The PRESIDING OFFICER. The Senator from California has the floor.

Mr. KENNEDY. Mr. President, I yield 2 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio [Mr. LAUSCHE] is recognized for 2 minutes.

Mr. LAUSCHE. Mr. President, I should like to give my interpretation of this language, as I understand it; I refer to line 8, page 1, of the amendment of the Senator from Nebraska, [Mr. CURTIS].

It reads:

> To exert, attempt to exert, or threaten to exert (regardless of the provisions in any collective bargaining or other contract) against an employer, or employees of an employer, economic or any other type of coercion, by picketing or by any other means, where an object thereof is—

Then, proceeding to line 18—

> causing or attempting to cause—

I think it would read better if it read "to cause or attempt to cause"—

> employees to join or refuse to join a labor organization except as provided in the first proviso to section 8 (a) (3).

Mr. KUCHEL. That means, if I may ask my able friend, that an employer cannot cause or attempt to cause his employees to refuse to join a union.

Mr. LAUSCHE. That is correct.

Mr. CURTIS. The reference is to section 8 (b) (4), unless there is a request for a union shop.

Mr. LAUSCHE. That is correct.

Mr. KUCHEL. Contrariwise, does that language mean that a representative of a labor union cannot attempt to cause an employee to join a union?

Mr. LAUSCHE. By threats.

Mr. KUCHEL. Oh, no; by picketing or by any other means.

Mr. LAUSCHE. Subsection (4) reads:

> To exert, attempt to exert, or threaten to exert——

Mr. KUCHEL. Read the remainder of the sentence.

Mr. LAUSCHE. Very well——

> against an employer, or employees of an employer, economic or any other type of coercion——

Mr. KUCHEL. Read on.

Mr. LAUSCHE. I continue the quotation——

> by picketing or by any other means.

Mr. KUCHEL. That is where I raise a question.

Mr. LAUSCHE. I suppose that means that whenever an employee has an innocent employer, who provides agreeable working conditions, wages, and hours for his employees, no interloper can come forward and say, "You have got to fire your workers or we will make them join our union or we will picket you."

Mr. KUCHEL. I do not see that language in this amendment at all.

The PRESIDING OFFICER. The 2 minutes yielded to the Senator from Ohio have now expired.

Mr. CURTIS. Mr. President, I yield myself 1 minute.

The Senator from Ohio is correct. What is prohibited is "to exert, attempt to exert, or threaten to exert ecomonic or any other type of coercion, by picketing or any other means." It is the coercion which is prohibited, whether carried on by picketing or by any other means.

Mr. KUCHEL. Does that mean picketing per se is coercion?

Mr. CURTIS. No, it does not say that at all.

Mr. KUCHEL. It says, "by picketing." Is there such a thing as picketing which

is recognized as legal in one sense and not legal in another sense?

Mr. CURTIS. Yes; there is legal picketing and illegal picketing.

Mr. KENNEDY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KENNEDY. How much time is left to the Senator from Nebraska?

The PRESIDING OFFICER. Nine minutes.

Mr. KENNEDY. Why does not he use 4 or 5 minutes, and then the absence of a quorum can be suggested?

Mr. CURTIS. I am ready to conclude my remarks after a quorum call.

Mr. KENNEDY. I will do the same. If it is agreeable to the minority leader to have a quorum call without the time being charged to either side, then the Senator from Nebraska and I will close.

The PRESIDING OFFICER. Is there objection to that understanding?

Mr. KENNEDY. With that understanding, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Chair hears no objection, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the terms of the agreement, it is the understanding of the Chair that the Senator from Nebraska and the Senator from Massachusetts each have 5 minutes to present their respective positions on the pending amendment.

Mr. CURTIS. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. Does not the Senator from Nebraska have 9 minutes remaining? I may not use all the time, but is that not correct?

The PRESIDING OFFICER. It is the understanding of the Chair that the Senator from Nebraska does have 9 minutes remaining.

Mr. CURTIS. I hope I will not use all the time. I did not intend to yield the time back, and I knew of no such agreement.

The PRESIDING OFFICER. It is the understanding of the Chair that the Senator from Nebraska has 9 minutes and the Senator from Massachusetts has 5 minutes remaining. The Chair stands corrected.

Mr. CURTIS. Mr. President, I shall be very brief. I hope we can vote very shortly.

The PRESIDING OFFICER. The Senate will be in order.

Mr. CURTIS. I am aware of the inconvenience to Senators in considering legislation at this hour. On the other hand, I believe so strongly in the amendment that I want to take 2 or 3 minutes to summarize, now that a number of Senators have returned from the dining room.

The amendment I have offered would outlaw secondary boycotts. That was the original intent of the Taft-Hartley law. A number of loopholes have developed since the Taft-Hartley law was passed. My proposal does not bring in any new principle, but simply plugs the loopholes which have developed.

The distinguished Senator from Kansas [Mr. SCHOEPPEL] sponsored a bill with very similar provisions in the 83d Congress. I introduced a bill on this subject in the 84th Congress, and I introduced such a bill early in the present Congress.

Some of the finest technicians available to the Congress have worked upon the language used in the amendment. I am satisfied, as are many others, that the amendment is well written. It is not our fault we have never had a committee hearing. We have requested a hearing for 5 years. The evils of secondary boycott have gone on.

I pointed out that in the Kohler strike the secondary boycott did not hurt the Kohler Co., but instead hurt small independent business men.

We have a chance today to vote to outlaw the secondary boycott by plugging the loopholes—what we intended to do originally—or to refuse to do so and approve such practices.

Mr. President, I desire to read a few paragraphs from the Reader's Digest of August 1956 wherein some cases are reported which more eloquently point out the evil than anything I can say. However, I am going to read only one case:

> Joe the barber used to think he was just about the happiest man in New York City's Waldorf-Astoria Hotel. He was happy about the job he had held for 15 years, about the union he had helped form, about the freedom from tyrrany he had won when he fled his native country and became an American.
>
> Then Joe was caught in a squeeze he still doesn't understand. His union couldn't help him. Neither could his boss, who runs 14 barbershops. Neither could his boss' landlord, the Waldorf. Even the law gave him no protection.
>
> His troubles began when an organizer for a national barbers' union urged him and his friends to give up their small independent union and come in with the national. Joe and the 300 other members of his union decided against it.
>
> Undaunted, the big union's organizer went to Joe's boss and said, "Sign up." "How can I?" said Joe's boss. "My men have their own union and don't want yours. If I force them, I break the law." (He would violate the unfair-labor-practice provisions of the Taft-Hartley Act.) Soon pickets from the national union appeared outside the Waldorf. This union represented no men inside; Joe's boss had a contract with the independent union. Yet the picket signs proclaimed that Joe's boss was "unfair to organized labor."
>
> "Let them picket," Joe thought innocently. "They can't hurt us." Indeed, Joe's customers crossed the picket line and patronized him as usual. But on the third day Joe learned what the pickets were really for. Teamster union members, who had no quarrel with Joe's boss or the Waldorf, refused to go through the picket line to deliver food, linens, and other things without which the hotel could not operate.
>
> The squeezed Waldorf passed the squeeze to Joe's boss. If this isn't settled, he was told, neither of them could stay in business. The barbershop lease, soon to expire, would not be renewed. "If I lose my lease," Joe's unhappy boss said to his barbers, "you'll lose your jobs."
>
> So Joe and his friends, good union men all, had no choice but to join a union they didn't want.
>
> Thus Joe the Barber became another victim of labor's most dreaded weapon: the secondary boycott. With it, a union clubs an innocent bystander with whom it has no quarrel (in this case the Waldorf) to bring the union's primary adversaries (Joe's boss and Joe's independent union) to their knees.

Mr. President, we have waited on the committee for 5 years. The abuses arising from the secondary boycott are widespread. Today we have an opportunity to plug up the loopholes and do what Congress originally intended to do, to wit, to outlaw the secondary boycott.

I have done my best to present the case. The responsibility now rests on each Senator as the roll is called.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. MORTON. The Senator has presented an excellent case, and I commend him. I shall support his amendment.

Mr. CURTIS. I thank the Senator.

Mr. KENNEDY. Mr. President, I yield myself 3 minutes.

As the conversation between the Senator from California and the Senator from Nebraska indicated, this is the most complicated section of the Taft-Hartley Act. I think that is the first point.

The second point is that this is an area which the McClellan committee did not investigate during its first year. It agreed that that subject would be investigated in the second year. It was looked into to some degree during the Kohler investigation. So it is not covered by a recommendation of the McClellan committee.

The third point is that the administration itself has brought forward proposed legislation dealing with the problem of changing the language of the secondary boycott provision, in order to bring it up to date. This is an area which I told the Senator from New Jersey the committee would consider.

The amendment of the administration, offered by the Senator from New Jersey, is entirely different from the language of the amendment of the Senator from Nebraska. This is an extremely far-reaching amendment. For example, under the amendment of the Senator from Nebraska it would be impossible for the workers in plant A who were on strike even to notify the workers at plant B, who might be doing the struck work.

The question of struck work and the right of employees to follow the struck work, and at least notify the employees in plant B that the work which they are doing is work which the employees in plant A would have been doing if they had not been striking, is an area into which we should not move without careful consideration.

The next point which I wish to make is that paragraph section 8 (b) (4) of title I of the act is proposed to be amended. The opening language in that particular paragraph of the amendment reads as follows:

> To exert, attempt to exert, or threaten to exert (regardless of the provisions in any collective bargaining or other contract)

against an employer, or employees of an employer, economic or any other type of coercion, by picketing, or by any other means—

That is extremely broad language. I could not define it. I do not know whether the Senator from Nebraska is prepared to define it.

Reading further—

Where an object thereof is—

* * * * *

(B) Causing or attempting to cause an employer or other person to cease doing business with any other person;

* * * * *

(E) Causing or attempting to cause employees to join or refuse to join a labor organization except as provided in the first proviso to section 8 (a) (3).

I do not deny that the question of the secondary boycott needs careful examination, particularly as it affects the employee. I think it needs careful consideration, above all, because I assure the Senator that, although he may understand the language of the amendment, I do not believe that any other Member of the Senate could give an accurate definition of it. The program of the administration is entirely different. The Secretary of Labor has been studying the problem for 10 years, and has reached entirely different conclusions from those reached by the Senator from Nebraska.

I hope the amendment will be defeated.

Mr. CURTIS. Mr. President, I yield back the remainder of my time.

Mr. KENNEDY. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been exhausted or yielded back.

The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. CURTIS]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN (when his name was called). On this vote I have a pair with the Senator from Arkansas [Mr. FULBRIGHT]. If he were present and voting he would vote "nay." If I were at liberty to vote I would vote "yea." I therefore withhold my vote.

Mr. LAUSCHE (when his name was called). On this vote I have a pair with the junior Senator from Texas [Mr. YARBOROUGH]. If he were present and voting he would vote "nay." If I were at liberty to vote I would vote "yea." I therefore withhold my vote.

Mr. WILEY (when his name was called). As previously announced, I have a pair with the distinguished Senator from Rhode Island [Mr. GREEN]. If he were present and voting he would vote "nay." If I were at liberty to vote I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Virginia [Mr. BYRD] is absent because of a death in his family.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Missouri [Mr. HENNINGS] would each vote "nay."

The result was announced—yeas 26, nays 60, as follows:

YEAS—26

Allott	Cotton	Martin, Iowa
Barrett	Curtis	Martin, Pa.
Bennett	Dworshak	Morton
Bricker	Goldwater	Mundt
Bridges	Hickenlooper	Schoeppel
Butler	Hoblitzell	Watkins
Capehart	Hruska	Williams
Carlson	Jenner	Young
Case, S. Dak.	Knowland	

NAYS—60

Aiken	Humphrey	Neuberger
Anderson	Ives	O'Mahoney
Beall	Jackson	Pastore
Bible	Javits	Payne
Bush	Johnson, Tex.	Potter
Carroll	Johnston, S. C.	Proxmire
Case, N. J.	Kefauver	Purtell
Church	Kennedy	Revercomb
Clark	Kerr	Robertson
Cooper	Kuchel	Russell
Douglas	Langer	Saltonstall
Eastland	Long	Smathers
Ellender	Magnuson	Smith, Maine
Ervin	Malone	Smith, N. J.
Flanders	Mansfield	Sparkman
Frear	McClellan	Stennis
Gore	McNamara	Symington
Hayden	Monroney	Talmadge
Hill	Morse	Thurmond
Holland	Murray	Thye

NOT VOTING—9

Byrd	Fulbright	Lausche
Chavez	Green	Wiley
Dirksen	Hennings	Yarborough

So Mr. CURTIS' amendment was rejected.

Mr. MANSFIELD. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from South Dakota, so that he may call up the amendment he desires to offer.

Mr. MUNDT. Mr. President, I offer my amendment identified as 4-26-58-B.

The PRESIDING OFFICER. The amendment will be stated

The LEGISLATIVE CLERK. On page 26, between lines 15 and 16, it is proposed to insert the following:

(f) Any person who, during any period for which he is ineligible by reason of conviction of any offense against the laws of the United States or of any State to vote in any election held under the laws of the State of his legal residence, holds office, acts, or serves as an officer, trustee, custodian, or employee of an employee welfare or pension plan required to be registered under this act, shall be fined not more than $5,000, or imprisoned not more than 5 years, or both.

Mr. MUNDT. Mr. President, I should like to have the majority leader help me get the yeas and nays. Then I shall be prepared to work out an agreement with him on a limitation of time for debating the amendment. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent——

Mr. BUSH. Mr. President, may we have order, so that we may hear the majority leader?

The PRESIDING OFFICER. The Senate will be in order.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the author of the amendment may have 12 minutes allowed to him in which to present the amendment, that then we shall have a quorum call, without the time being charged against anyone, and that then the proponent of the amendment shall have reserved to him 3 minutes of additional time, and the opposition shall then have 5 minutes of time allowed to it.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I call to the attention of the Senate the fact that we will vote in approximately 20 minutes. We shall have a quorum call following the 12-minute presentation by the author of the amendment.

Mr. MUNDT. Mr. President, I am happy to cooperate with the majority leader in that arrangement of time for debate. I believe I can explain my amendment to the Senate in the time allotted to me.

The PRESIDING OFFICER. How much time does the Senator desire to yield himself?

Mr. MUNDT. I yield myself the 12 minutes, and I hope that I may be able to win the support of the chairman of the subcommittee——

The PRESIDING OFFICER. The Senator from South Dakota will suspend until the Senate is in order. The Senate will be in order. The Senator from South Dakota may proceed.

Mr. MUNDT. I have based the amendment, in part, on the situation described in the text of a speech delivered on November 21, 1957, by the brother of our distinguished chairman of the subcommittee, the estimable young man who serves as counsel for our select committee, Mr. Robert F. Kennedy. I should like to quote from the speech he delivered on November 21, 1957, in which he said:

The Select Committee on Improper Activities in the Labor or Management Field has been in existence for some 10 months. We have heard over 350 different witnesses in some 150 sessions. We have received over 70,000 letters of complaints of improper practices in labor-management relations.

The most disturbing situation—

I call the attention of the Senate to the superlative used by Robert F. Kennedy—

The most disturbing situation with which we have to deal is the gangster, hoodlum, racketeer, and even the Mafia infiltration of some labor unions. The implications of this activity are immense—the stakes involved are huge.

For some years now, the racketeer and gangster have been attracted to labor unions as a source of money and power—the money they can steal or extort; the power inherent in controlling large sums of money and the lives of thousands of union members. Because of present deficiencies in the law, the Federal Government has found itself powerless to deal adequately with this underworld penetration which has sought, successfully, to control unions directly, or to make deals to control them indirectly.

I should like to point out that the biggest of these funds are the pension and welfare funds; that the obvious place to which these racketeers gravitate is where they can get control of these vast sums of money. As counsel for the select committee points out, at the present time the law is defective in that connection. As anyone who has studied S. 2888 knows, it is silent on the subject of gangsters and crooks in the labor movement.

Consequently, its seems to me that we should legislate in order to correct this situation now because this is the only time we will have S. 2888 before us in this session of Congress. This is an amendment to the text of S. 2888, and at page 26, between lines 15 and 16, it would provide this language:

Any person who, during any period for which he is ineligible by reason of conviction of any offense against the laws of the United States or of any State to vote in any election—

Thus preserving States rights and thus preserving the right of a State to determine when a criminal shall lose his voting franchise; and when it is held by the State that he is too dangerous or corrupt to vote, he shall be held to be too dangerous or corrupt to be in charge of a welfare or pension fund of the laboring men and women of this country—

holds office, acts, or serves as an officer, trustee, custodian, or employee of an employee welfare pension plan required to be registered under this act, shall be fined not more than $5,000 or imprisoned not more than 5 years, or both.

It seems to me that if we are serious at all about trying to protect the welfare of the workingmen and workingwomen of this country, the very least we can do tonight, on the one occasion in 1958 when we are going to vote on this kind of proposal, is to say to the felons, to the hoodlums, to the racketeers, to the crooks who work their way into control of pension funds: "If you do it you will be acting against the law, you will be subject to fine or imprisonment because of your violation of the act."

I call the Senate's attention to page 253 of the intermediate report of the Select Committee on Improper Activities in the Labor or Management Field, the report of the committee which has labored for 18 months, which lists a number of the hoodlums who have been involved in the labor movement.

For example, to start with, there is John Dioguardi, the three-time convicted labor racketeer and suspected instigator of the blinding of Columnist Victor Riesel. This is shown by the committee report to which the distinguished junior Senator from Massachusetts himself subscribes.

Mr. KENNEDY. Mr. President, will the Senator yield to me out of my time?

Mr. MUNDT. Yes; out of the Senator's time.

Mr. KENNEDY. The Senator keeps talking about labor racketeers. I think it would be fair if the Senator recognized that our committee was set up to deal with improper activities in the labor or management field. I have not heard the Senator refer to management in the last 2 or 3 minutes.

Mr. MUNDT. Precisely. That is because I do not know of any management racketeers in this particular category. But my amendment provides for the protection of those funds both on the part of management and of labor. That is why I voted against the Allott amendment and in support of the Senator from Massachusetts to keep the bill as it should be, in my opinion, equitable and applicable to both management and labor.

Mr. KENNEDY. Mr. President, will the Senator yield further on my time?

Mr. MUNDT. On the Senator's time.

The PRESIDING OFFICER. It is the understanding of the Chair that, under the unanimous-consent agreement, the Senator from South Dakota has 12 minutes, and that those in opposition to the amendment will have no time until after the quorum call, in which case they have 15 minutes.

Mr. KENNEDY. The Senator has quoted the chief counsel, who attempts to occupy a neutral position. In the same speech to which the Senator referred, it was said:

Certain employers, because of selfish financial interests, would prefer to make sweetheart contracts with union officials to avoid paying better wages to their employees. We have developed the effect that this collusion has had on the Puerto Rican workers in New York City. We have also already considered the role of certain companies such as Anheuser-Busch, Associated Transport, Fruehauf Trailer, in the hearings that we have held in connection with Dave Beck, James Hoffa, and James Cross, of the Bakers Union.

Then the speaker went on to discuss Nathan Shefferman. In other words, I think, in the hearings we have had, plenty of improper practices have been shown on the part of both labor and management. I simply do not like to hear a constant reiteration of racketeering by labor, and nothing about management racketeers.

Mr. MUNDT. All of which, I hope, will induce Senators to vote for my amendment, because it is written to cover those in charge of pension funds, no matter who they are. Certainly I am against the racketeer, whether he is behind a six-shooter gun or a long-barrel pistol, in order to shoot somebody. The amendment applies to the whole pension- and welfare-fund system. I refer to such racketeers as were named in the hearings, as follows:

John Dioguardi * * *; Gerald Connelly, a Minneapolis dynamiter, who fled to a teamster job in the Minnesota city after being linked to a murder in Miami; Eugene (Jimmy) James, accused by the Douglas-Ives subcommittee of the $900,000 looting of the Laundry Workers International Union welfare funds; Herman and Frank Kierdorf, who landed jobs with Hoffa-controlled locals after serving penitentiary sentences for armed robbery; Ziggy Snyder, a Detroit waterfront ex-convict, who made a tidy side living in business enterprises which paid American citizens the munificent sum of $1.25 a day; Dan Keating, Louis Linteau, Sam Marrosso, and Mike Nicoletti, convicted of extorting money from contractors in Pontiac, Mich.; Angelo Meili, the Detroit prohibition hoodlum; Barney Baker, a former New York waterfront tough.

These are the characters and the type of men whom my amendment would preclude from holding positions of responsibility in union welfare funds. Unless the Senate has got itself completely into a position where it dare not legislate because the committee says, "It is not in the bill," or unless we are going to completely agree with the requests in the pile of telegrams each Senator has on his desk, which say "Pass the bill without amendment, without dotting an "i" or crossing a "t," this is the place where we can legislate and improve this bill to make it effective and protect the funds of widows, orphans, and the working people in the labor unions from the hoodlum who has muscled his way in and who in no sense or manner is stopped or curtailed by S. 2888 in its present language.

I believe that we, as Senators, have the responsibility in these yea and nay votes to measure up to the situation confronting us. There will be no other chance to vote on this amendment, because this is the time when the Senate will pass S. 2888. This amendment is not something which can be taken up when the committee meets on May 5. This is not something which can be brought out on that happy afternoon in July when everyone knows it will be too late for the House to act anyhow on any labor legislation we might then adopt. But I suspect the Senate will go through the gesture of passing a bill which will then die in the House. It will be a useless gesture.

This is the time we shall have to decide in a yea and nay vote if we will permit the hoodlums to ransack the pension funds of the working men and women of the Nation.

My office has been deluged with mail from men and women beseeching us to do something against the hoodlums, the racketeers, and the Johnny Dio's. This is the time. Now is the place, and we are the Senators who have the responsibility to act on the question in a yea and nay vote. I hope there will not be objection to the amendment simply because it comes from a Republican member of the select committee, or simply because it seems to be the practice on this legislation that because an amendment has not been considered or reported by the committee itself, we will vote "no," because by voting "no," we would be placing a great big senatorial O. K. on the continued robbing of pension funds by racketeers, hoodlums, and gangsters in America.

Mr. President, I reserve the remainder of my time.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. COOPER. When the Senator uses the word "officers," does he refer only to officers of a fund?

Mr. MUNDT. That is correct. I have tailored the amendment so it will fit into S. 2888. It does not apply to any other kind of union position although I favor its extension to other positions. This particular amendment relates only to the person who has a position of authority, responsibility, or trust, who is an employee of the welfare and pension fund.

Mr. COOPER. I suppose the amendment is intended for those offenses where there is a loss of citizenship.

Mr. MUNDT. A loss of voting citizenship.

Mr. COOPER. One has to be a citizen to vote.

Mr. MUNDT. I believe a person can remain a citizen but not vote. It protects the right of citizenship. The amendment would apply if a man's crime was so felonious or vicious that he lost the right to vote in that State, he also loses the right to hold his position in the union pension fund.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from South Dakota has 2 minutes remaining, which he is entitled to use before the quorum call. But he must use it before the quorum call. He then has 3 minutes after the quorum call.

Mr. MUNDT. That is correct.

The PRESIDING OFFICER. Under the unanimous-consent agreement, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Goldwater	Monroney
Allott	Gore	Morse
Anderson	Hayden	Morton
Barrett	Hickenlooper	Mundt
Beall	Hill	Murray
Bennett	Hoblitzell	Neuberger
Bible	Holland	O'Mahoney
Bricker	Hruska	Pastore
Bridges	Humphrey	Payne
Bush	Ives	Potter
Butler	Jackson	Proxmire
Capehart	Javits	Purtell
Carlson	Jenner	Revercomb
Carroll	Johnson, Tex.	Robertson
Case, N. J.	Johnston, S. C.	Russell
Case, S. Dak.	Kefauver	Saltonstall
Church	Kennedy	Schoeppel
Clark	Kerr	Smathers
Cooper	Knowland	Smith, Maine
Cotton	Kuchel	Smith, N. J.
Curtis	Langer	Sparkman
Dirksen	Lausche	Stennis
Douglas	Long	Symington
Dworshak	Magnuson	Talmadge
Eastland	Malone	Thurmond
Ellender	Mansfield	Thye
Ervin	Martin, Iowa	Watkins
Flanders	Martin, Pa.	Wiley
Frear	McClellan	Williams
Fulbright	McNamara	Young

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). A quorum is present.

The PRESIDING OFFICER. Under the unanimous-consent agreement, the Senator from South Dakota is recognized for 3 minutes.

Mr. MUNDT. Mr. President, what I have to say is wholly repetitious for Senators who were present before. For those who were necessarily absent, I should like to point out this amendment is germane. It deals with one of the knottiest problems involved in pension and welfare funds. It completely conforms with the States rights of every State of the Union. It provides that officials who have committed crimes which are so serious and felonious and against the public interest that the States have thought they should be deprived of the right to vote should also be deprived of the right to hold positions in unions.

Mr. JAVITS. Mr. President, will the Senator yield for a question?

Mr. MUNDT. I yield to the Senator from New York.

Mr. JAVITS. This applies equally to employers and employees or the representatives of either, does it not?

Mr. MUNDT. Precisely, because it applies to the bill, which deals with both funds.

Mr. JAVITS. May I say it is very well drawn in terms of applicability to individual State laws, so there is no uncertainty about it.

Mr. MUNDT. I appreciate that comment.

Mr. President, I hope this amendment can be adopted by unanimous vote. I cannot conceive of the Senate, or any substantial portion of the Senate, voting to place its stamp of approval on corruption. I do not want to array brother against brother. I quoted the brother of a Senator only in the hope that the chairman of the subcommittee might be induced to accept the amendment, because BOB KENNEDY said: "The most disturbing situation with which we have to deal is the gangster, hoodlum, racketeer, and even the Mafia infiltration of some labor unions."

This will stop such infiltration, because it will prevent such persons from holding union office.

I think the amendment should be adopted unanimously, so the racketeers will know they do not have any friends in the United States Senate.

Mr. KENNEDY. Mr. President, we attempt to deal with the problem in the bill by providing that the Secretary of Labor shall make a study of standards which are necessary for all jurisdictions under the program. The amendment of the Senator from South Dakota covers only one area of what could be a substantial limitation of standards provided for those who might be affected. We were not ready to take the proposal until we had experience under the bill. However, as the Senator has put it, I think all Senators are against criminals, and therefore I should like to accept the amendment.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. JOHNSON of Texas. I think this is a good opportunity to bring about a degree of unanimity in the Senate, namely, that all of us are against criminals. I assume the yeas and nays have been ordered. I think it will have a good effect on the country to show the unanimity that exists on this one proposition.

Mr. MUNDT. I thank the Senator.

Mr. McCLELLAN. Mr. President——

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. McCLELLAN. I merely wish to make a brief observation. In the bill which I introduced I have a similar provision. It is not worded the same way, but it is designed to accomplish the same purpose. It provides that—

> No individual who has been convicted of any crime shall be eligible to serve as an officer, director, trustee, member of any executive committee or any other such governing body, business agent, manager or organizer of any local union while he is ineligible to vote wherein such crime was committed by reason of having been convicted of such a crime.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. JOHNSON of Texas. I would say, from what the Senator has just read, I would prefer the language of the Senator from Arkansas; but I would want no one in America to entertain the slightest doubt about how I feel about criminals. If we need to go on record and have a yea-and-nay vote, I hope we can vote on the amendment of the Senator from South Dakota, because I think it is one of the most courageous, fearless, and intelligent positions I have ever seen the Senator take in the 20 years I have served with him.

Mr. McCLELLAN. I wanted the Senate to know that those of us who have been dealing with this problem had not overlooked the fact that this is a very important question.

Mr. JOHNSON of Texas. Would the Senator agree to add his language as a subsection to the Mundt amendment?

Mr. McCLELLAN. I would be glad to have my proposal go in any bill.

Mr. AIKEN. Mr. President, will the Senator from South Dakota yield so that I may ask him a question?

Mr. MUNDT. I yield.

Mr. AIKEN. The amendment provides that certain persons shall be ineligible to serve as officers, trustees, custodians, or employees of an employee welfare or pension plan. Does it also apply to an employer's pension plan? Is it interpreted as applying to both?

Mr. MUNDT. So the legislative history may be clear, I interpret the words "employee welfare fund" to be a definitive term to include all the welfare funds encompassed in this bill.

Mr. AIKEN. For the benefit of employees?

Mr. MUNDT. For the benefit of employees, precisely.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. MUNDT]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. DWORSHAK. Mr. President, to be sure there are no mistakes, I ask for a recapitulation.

The PRESIDING OFFICER. In the judgment of the Chair, there is no basis for a recapitulation. If the Senator from Idaho wishes to press his request——

Mr. DWORSHAK. This is an unusual vote. In view of what has transpired in the past few days, I think the American people are entitled to know

that no mistake was made when this vote was cast.

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LONG. Does a recapitulation of a vote require consent of the Senate?

The PRESIDING OFFICER. In the judgment of the Parliamentarian, the Chair has authority to order a recapitulation after the vote is announced when there is some question as to the accuracy of the vote, if the Senator from Idaho is raising that question.

Mr. DWORSHAK. Yes, Mr. President. I am raising that question, to be sure there are no mistakes.

The PRESIDING OFFICER. The clerk will recapitulate the vote.

Mr. JOHNSTON of South Carolina. Mr. President, can it simply be announced that every Senator voted "yea"? Did not all Senators vote "yea"? If all Senators did, the Chair can tell the Senator and be through with it.

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Chair is informed that a recapitulation is in order only after the result is announced. After the vote is announced there will be a recapitulation if the Senator desires it.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business. The Senator from Virginia [Mr. BYRD] is absent because of a death in his family. I further announce that if present and voting, the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

The result was announced—yeas 90, nays 0, as follows:

YEAS—90

Aiken	Goldwater	Monroney
Allott	Gore	Morse
Anderson	Hayden	Morton
Barrett	Hickenlooper	Mundt
Beall	Hill	Murray
Bennett	Hoblitzell	Neuberger
Bible	Holland	O'Mahoney
Bricker	Hruska	Pastore
Bridges	Humphrey	Payne
Bush	Ives	Potter
Butler	Jackson	Proxmire
Capehart	Javits	Purtell
Carlson	Jenner	Revercomb
Carroll	Johnson, Tex.	Robertson
Case, N. J.	Johnston, S. C.	Russell
Case, S. Dak.	Kefauver	Saltonstall
Church	Kennedy	Schoeppel
Clark	Kerr	Smathers
Cooper	Knowland	Smith, Maine
Cotton	Kuchel	Smith, N. J.
Curtis	Langer	Sparkman
Dirksen	Lausche	Stennis
Douglas	Long	Symington
Dworshak	Magnuson	Talmadge
Eastland	Malone	Thurmond
Ellender	Mansfield	Thye
Ervin	Martin, Iowa	Watkins
Flanders	Martin, Pa.	Wiley
Frear	McClellan	Williams
Fulbright	McNamara	Young

NOT VOTING—5

Byrd	Green	Yarborough
Chavez	Hennings	

So Mr. MUNDT's amendment was agreed to

Mr. DWORSHAK. Mr. President, I ask for a recapitulation of the vote.

The PRESIDING OFFICER. The clerk will recapitulate the vote.

The vote was recapitulated.

The PRESIDING OFFICER. The Chair again announces that on this amendment, the yeas are 90, and the nays are 0. The amendment is agreed to.

Mr. MANSFIELD. Mr. President——

The PRESIDING OFFICER. The Senator from Montana.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Montana to reconsider.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I am pleased to observe the bipartisan nature of the last vote.

I should like to ask unanimous consent that when the Senator from California [Mr. KNOWLAND] calls up his amendment, 5 minutes be allowed to those in favor of the amendment, and 5 minutes to those in opposition to the amendment, and that then we may have a quorum call. I ask that the yeas and nays be ordered on the amendment.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, may I have the question put on the unanimous-consent request?

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas?

Mr. ALLOTT. Mr. President, reserving the right to object, I did not understand the request.

Mr. JOHNSON of Texas. I ask unanimous consent that, when the Senator from California calls up his amendment, the Senator from California be allowed 5 minutes in favor of the amendment, and the committee be allowed 5 minutes in opposition to the amendment; that we proceed to have a quorum call, and then proceed to have the yeas and nays on the amendment.

Mr. ALLOTT. I have no objection.

Mr. JOHNSON of Texas. I thank the Senator from Colorado.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from California will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following:

PROTECTION OF UNION MEMBERS

SEC. —. (a) (1) Upon the filing with the Board by any member of a labor organization of a petition alleging that such member has been disciplined by his labor organization so as to deprive him, in violation of the provisions of the constitution, charter, bylaws, or other governing rules or regulations of the labor organization, of his right to vote in any election conducted by such labor organization, the Board shall conduct an investigation and if it finds prima facie evidence of the truth of such allegations it shall proceed in the same manner as in the case of an unfair labor practice charge and the provisions of subsections (b) to (l), inclusive, of section 10 of the National Labor Relations Act shall apply to such proceeding. If after hearing the Board finds that the voting rights of such member have been denied in violation of the provisions of such constitution, charter, bylaws, rules, or regulations it shall order the labor organization to cease and desist from such wrongful action, and, if the election was conducted by the labor organization and the wrongful action could affect the results of the election, shall invalidate such election.

(2) Nothing contained in this subsection shall be construed to supersede or modify in any way the provisions of any law of any State or Territory, or to prevent any person from exercising any right which he may have under any such law.

PENALTIES

(b) Any individual, group, or organization which willfully interferes with, restrains, or coerces any employee or member of a labor organization seeking to initiate or participate in the procedure set forth in the provisions of subsection (a) shall be guilty of a felony and upon conviction thereof shall be punished by a fine not to exceed $10,000 or by imprisonment for not to exceed 5 years, or both.

Mr. KNOWLAND. Mr. President, this amendment is designed to protect the right of union members to vote as authorized by their union's constitution in elections conducted by a labor organization. Many members of organized labor have been subjected to coercive pressure on the part of union officials so as to deprive them or their union constitutional right to participate in election proceedings of their union. The pending amendment provides the following:

First. Any member of a labor organization may file a petition with the Labor-Management Relations Board that he has been deprived, through actions of his labor organization, of his right to vote.

Second. The Board, upon the finding of prima facie evidence of the truth of such allegations, shall proceed against the union as in the case of an unfair labor practice.

Third. Upon a finding by the Board that the voting rights of such members have been denied in violation of the constitutional bylaws of the union it shall issue a cease-and-desist order against such action and shall invalidate the election if the results thereof could have been affected by the labor union's wrongful action.

Fourth. Any individual or group who willfully interferes with the right of a union member to petition the National Labor Relations Board under these provisions is subject to prosecution, punishment, and fine for the commission of a felony.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. POTTER. Can the Senator inform us whether this amendment has been considered by the Labor Subcom-

mittee of the Committee on Labor and Public Welfare to as great an extent as was the amendment adopted unanimously a short time ago?

Mr. KNOWLAND. I can say only that the problems of union members having been deprived of their right to vote, and the general subject of elections, have been covered in the general subject matter. This is not the subject of one of the specific recommendations.

Mr. POTTER. But did the Senator's amendment receive the same amount of consideration, to his knowledge, as did the amendment which was just adopted unanimously?

Mr. KNOWLAND. No; I should say that it was not in the same category.

Mr. CASE of South Dakota. Mr. President, will the Senator yield to me for the purpose of making an insertion in the RECORD?

Mr. KNOWLAND. Certainly.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent to have printed in the RECORD at this point, a statement on the background of right-to-work legislation, and to include excerpts from a debate in the House of Representatives at the time that general principle was incorporated in the so-called Taft-Hartley Act.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

BACKGROUND OF RIGHT-TO-WORK LEGISLATION

The House had under consideration H. R. 3020 which was the Hartley version of the Taft-Hartley bill.

The committee proposed to offer an amendment which was taken from the Case bill which dealt with this subject. Here are excerpts from the debate and the action relative thereto:

[From the CONGRESSIONAL RECORD, vol. 93, pt. 3, pp. 3559–3562]

"Mr. CASE of South Dakota. Mr. Chairman, I understand the committee will offer a committee amendment on page 50, an amendment which should be considered in connection with the question now under discussion. That is a section which proposes to recognize State action on the question of the closed shop. It is a very important section particularly in those States which have taken action upon this question, either by legislation or by constitutional amendment. I call attention to it because just this week the attorneys general of several States have been in session at Lincoln, Nebr., to consider what steps they may need to take in order to protect the validity of State enactments on the subject in view of the Congressional power over interstate commerce.

"Section 13 on page 50, which is a committee amendment, reads as follows:

" 'SEC. 13. Nothing in this act shall be construed to invalidate any State law or constitutional provision which restricts the right of an employer to make agreements with labor organizations requiring as a condition of employment membership in such labor organization, and all such agreements, insofar as they purport to impose such requirements contrary to the provisions of the law or constitution of any State, are hereby divested of their character as a subject of regulation by Congress under its power to regulate commerce among the several States and with foreign nations, to the extent that such agreements shall, in addition to being subject to any applicable preventive provisions of this act, be subject to the operation and effect of such State laws and constitutional provisions as well.'

"It seems to me it is important to remember that will be offered as a committee amendment because it strengthens the provisions of the bill so far as bans on the closed shop are concerned in the States which have taken action. I think now there are about 12 States that have taken formal action and another dozen have that kind of action under consideration. Those who want to support the committee position can well vote, it seems to me, to support the committee in the provisions heretofore discussed and against the amendment now pending and in favor of the committee amendment which will be offered as section 13 of the amended Wagner Act.

"Mr. FISHER. Of course, the gentleman refers to the fact that there were 12 States, now 13 with Texas, that have voted on this proposition, which is an indication of the overwhelming public opinion in this country in that direction. In that connection I should like to call the gentleman's attention to the fact that in the last Gallup poll on this subject, 66 percent of the American people are shown as favoring the open shop, 18 percent favor the union shop, 8 percent favor the closed shop, and 8 percent have no opinion on the subject.

"Mr. CASE of South Dakota. I think that is representative of the general opinion. My State first enacted a legislative bill and then the voters in a general election confirmed that by an amendment to the State constitution, known as the right-to-work amendment. Under this trend the gentleman mentions that will be done in many other States of the country. The committee amendment will support such action where it is taken.

"Mr. KEARNEY. I have read section 13. May I ask the gentleman if it would not suffice if in the second line after the word 'provision,' a period were inserted and strike out the rest of the section.

"Mr. CASE of South Dakota. Of course, if you put a period there, it would be pretty broad because it would deal with subjects other than the right of the employer to make closed-shop agreements. You might nullify much of the bill, because you would establish State rights to deal with all phases of industrial relations in spite of any provisions whatsoever in the act.

"Mr. KEATING. In considering the Gallup poll referred to by the gentleman from Texas, is it not the understanding of the gentleman that that poll was on the question of what a particular person preferred, a closed or union shop, the question not being: Did the person prefer to have the Congress of the United States ban legally one or the other, the closed shop or union shop?

"Mr. CASE of South Dakota. The gentleman has probably answered the question in his question. I do not remember the exact phrasing of the Gallup poll question."

"Mr. JONKMAN. Mr. Chairman, I shall support this amendment. I believe it presents the issue whether or not we are going to maintain our fundamental American freedoms, which have already been frittered away to a great extent, or whether we shall have a new birth of freedom for the individual. This amendment simply gives a laborer the right to refrain from joining a union. Why should an American citizen not enjoy that right?

"It is true that with this right the nonunion member may enjoy benefits which have been secured by organized labor without having contributed to this result. Strictly speaking and all other things being equal this seems unfair to those who are organized.

"However, it seems to me that the other considerations outweigh this inequality. The union shop proposed in this bill differs from the closed shop only in that the former requires that the employer must voluntarily ask for the union shop, then 50 percent of the actual employees must vote for it and upon the happening of these two events it becomes a closed shop to every employee 30 days after he begins work there. From that time on he becomes the subject of union officials and must assume at least moral cooperation and responsibility for all the conduct of union leadership.

"Now the principal criticism of unions today is not directed at unionism itself but to the irresponsible and corrupt management and leadership into which many unions have drifted. It requires but little reading of the hearings on this bill to cause one to shudder at the tyranny and depredation committed by such union officers and leaders. A member of such unions must assume partial responsibility for such conduct.

"I have, I daresay, thousands of labor constituents in my district who cannot conscientiously become members of certain unions because they cannot and dare not accept joint responsibility for the conduct of leaders of such type. They should not be compelled by the union-shop provision in this bill to accept that stigma but have the right to refrain from joining any union whose leaders engage in disreputable practices.

"It is, of course, true that all legislation is the result of compromise. But to compromise on this principle is as I said at the outset a further frittering away of a fundamental American freedom. It is further an admission that the union shop is not something that can be sold on its merits but must be riveted on the wrists and ankles of a substantial part of our citizenry for the ease and certain tribute for such aforesaid labor leaders."

"Mr. BARDEN. May I say to the gentleman that we had a pretty thorough discussion of this in the committee at the time it was adopted overwhelmingly by the committee. I am not so sure but the gentleman voted for it.

"Mr. HOFFMAN. I would probably follow the gentleman's advice.

"Mr. BARDEN. I hope you will in this instance and withdraw your amendment. All of this amendment was taken from the Case bill. There did happen to be a slight change in the wording of it, however. * * *

"May I say to the gentleman that there are certain technical requirements that must be met when you are dealing with a matter such as this for it does have some bearing upon the power vested in Congress. It is dealing with a very technical question of regulating commerce between the several States, and in view of the fact that many of the States have passed laws dealing with the closed shop, why, then, the committee felt, and I am sure the whole House will feel, that the States should be recognized and their laws should certainly be given full power and effect as far as a State is concerned.

"Mr. JENNINGS. Does it not in effect mean this, and is it not designed to have this effect, that insofar as this House or the Congress may, it concedes the right of the several States to pass legislation or laws such as have been passed by certain States.

"Mr. BARDEN. The gentleman is exactly correct.

"Mr. HOFFMAN. Mr. Chairman, if the gentleman will yield, I stated in my opening statement that I understood what the committee was trying to get at, which was to give permission to the States to legislate on interstate commerce insofar as it affected these contracts. But what I want to know is whether this section does it. If you say so, I will have to go along with you.

"Mr. BARDEN. Well, I say so.

"Mr. HOFFMAN. All right. Then I withdraw the amendment.

"Mr. CASE of South Dakota. I might call attention to the fact that the 79th Congress

about a year or two ago passed a law which did this same type of thing in regard to the insurance laws. You may remember that we divested the insurance business of its interstate character to a certain extent, and that earlier the Congress had enacted the Webb-Kenyon law to permit the States to handle the liquor traffic in the days of prohibition, and this does exactly the same thing.

"Mr. BARDEN. That is right, as I recall it. The amendment is in the best possible form the committee and its attorneys could prepare it.

"The CHAIRMAN. Without objection, the amendment offered by the gentleman from Michigan (Mr. HOFFMAN) to the committee amendment is withdrawn.

"There was no objection.

"The CHAIRMAN. The question is on the committee amendment.

"The committee amendment was agreed to."

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. SALTONSTALL. I would appreciate it if the Senator from California would give us a little further description of the provisions of subsections (b) to (l), of section 10 of the National Labor Relations Act, as referred to in lines 3 and 4 on page 2 of his amendment.

Mr. KNOWLAND. That provision in the Taft-Hartley Act merely sets forth the procedure by which hearings are held under the Taft-Hartley Act, in connection with unfair labor practices. That is all it relates to.

Mr. KENNEDY. Mr. President, once again we are back in an area involving changes. This amendment does not involve a change in the text of the Taft-Hartley Act, but involves writing a new section into the law.

It is true that Massachusetts, under the Schlicter law, provides that when a union member is denied his rights, he is able to take the case to the State board. I do not believe it has been considered, in connection with the Taft-Hartley Act, that the right of appeal by a union member should be nationalized, so that he might take his appeal to the National Labor Relations Board.

I question the way the amendment is written. The opening sentence is:

> Upon the filing with the Board by any member of a labor organization of a petition alleging that such member has been disciplined by his labor organization so as to deprive him, in violation of the provisions of the constitution, charter, bylaws, or other governing rules or regulations of the labor organization, of his right to vote in any election conducted by such labor organization—

And so forth. Does that mean after he has exhausted the grievance procedures within his international union, or does it mean that once his local has denied him what he conceives to be his rights, he is able to take an appeal to the National Labor Relations Board?

The second point relates to penalties. As I stated the other day, under the Taft-Hartley Act, if an employer seeks to deny an employee his rights under that act, he is subject to a cease-and-desist order. Under the penalties suggested by the amendment of the Senator from California, if anyone should attempt to interfere with a union member taking his appeal to the National Labor Relations Board, he would be subject to a possible penalty of 5 years' imprisonment. I believe that such a penalty would be excessive, however desirable the prohibition might be. I should say that this question is in the area of union democracy, so-called, and should be very carefully considered by the Subcommittee on Labor.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. MORSE. Was the amendment of the Senator from California considered by the subcommittee in connection with the welfare and pension bill before the Senate?

Mr. KENNEDY. No. It involves an entirely different question.

Mr. MORSE. Has the subcommittee at any time held hearings on the amendment of the Senator from California?

Mr. KENNEDY. No, it has not.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. KNOWLAND. I understood the distinguished Senator from Massachusetts to say that the State of Massachusetts had legislation dealing with this subject. To paraphrase a distinguished former official of the Government, "What is good for Massachusetts ought to be good for the country."

Mr. KENNEDY. I was not aware that the Senator wanted to nationalize the right of appeal.

Mr. KNOWLAND. When a union member is deprived of his right to vote——

Mr. KENNEDY. By the local or by the international? The Senator does not say "after he has exhausted his constitutional privileges, as guaranteed by the constitution of the union." I should think that proviso should certainly be a part of any such amendment.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. JOHNSON of Texas. May I ask whom the minority leader was seeking to paraphrase?

Mr. KNOWLAND. I was seeking to paraphrase a former Secretary of Defense.

Mr. JOHNSON of Texas. Which Secretary of Defense?

Mr. KNOWLAND. Mr. Wilson.

Mr. JOHNSON of Texas. Mr. Charlie Wilson?

Mr. KNOWLAND. Yes.

The PRESIDING OFFICER. Does the Senator from California yield back the remainder of his time?

Mr. KNOWLAND. I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield back the remainder of his time?

Mr. KENNEDY. I do.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND]. All time has been exhausted or yielded back. Under the unanimous-consent agreement, there will be a quorum call at this time.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

The clerk will call the roll for the purpose of developing a quorum.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Goldwater	Monroney
Allott	Gore	Morse
Anderson	Hayden	Morton
Barrett	Hickenlooper	Mundt
Beall	Hill	Murray
Bennett	Hoblitzell	Neuberger
Bible	Holland	O'Mahoney
Bricker	Hruska	Pastore
Bridges	Humphrey	Payne
Bush	Ives	Potter
Butler	Jackson	Proxmire
Capehart	Javits	Purtell
Carlson	Jenner	Revercomb
Carroll	Johnson, Tex.	Robertson
Case, N. J.	Johnston, S. C.	Russell
Case, S. Dak.	Kefauver	Saltonstall
Church	Kennedy	Schoeppel
Clark	Kerr	Smathers
Cooper	Knowland	Smith, Maine
Cotton	Kuchel	Smith, N. J.
Curtis	Langer	Sparkman
Dirksen	Lausche	Stennis
Douglas	Long	Symington
Dworshak	Magnuson	Talmadge
Eastland	Malone	Thurmond
Ellender	Mansfield	Thye
Ervin	Martin, Iowa	Watkins
Flanders	Martin, Pa.	Wiley
Frear	McClellan	Williams
Fulbright	McNamara	Young

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business. The Senator from Virginia [Mr. BYRD] is absent because of a death in his family.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Missouri [Mr. HENNINGS] would each vote "nay."

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUSCHE (when his name was called). I have a pair with the Senator from Texas [Mr. YARBOROUGH]. If he were present, he would vote "nay." If I were privileged to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. WILEY (when his name was called). As I previously stated, I have a pair with the distinguished Senator from Rhode Island [Mr. GREEN]. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

The result was announced—yeas 35, nays 53, as follows:

YEAS—35

Allott	Bridges	Carlson
Barrett	Bush	Case, S. Dak.
Bennett	Butler	Cotton
Bricker	Capehart	Curtis

Dirksen	Knowland	Saltonstall
Dworshak	Kuchel	Schoeppel
Flanders	Martin, Iowa	Smith, N. J.
Goldwater	Martin, Pa.	Thye
Hickenlooper	Morton	Watkins
Hoblitzell	Mundt	Williams
Hruska	Potter	Young
Jenner	Revercomb	

NAYS—53

Aiken	Holland	Morse
Anderson	Humphrey	Murray
Beall	Ives	Neuberger
Bible	Jackson	O'Mahoney
Carroll	Javits	Pastore
Case, N. J.	Johnson, Tex.	Payne
Church	Johnston, S. C.	Proxmire
Clark	Kefauver	Purtell
Cooper	Kennedy	Robertson
Douglas	Kerr	Russell
Eastland	Langer	Smathers
Ellender	Long	Smith, Maine
Ervin	Magnuson	Sparkman
Frear	Malone	Stennis
Fulbright	Mansfield	Symington
Gore	McClellan	Talmadge
Hayden	McNamara	Thurmond
Hill	Monroney	

NOT VOTING—7

Byrd	Hennings	Yarborough
Chavez	Lausche	
Green	Wiley	

So Mr. KNOWLAND's amendment was rejected.

Mr. MANSFIELD. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the motion of the Senator from Montana to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and read the third time.

The PRESIDING OFFICER. The question is on the passage of the bill. The Chair announces that the proponents of the bill have 82 minutes remaining; the opponents have 58 minutes remaining.

Mr. KNOWLAND obtained the floor.

Mr. ALLOTT. Mr. President, will the Senator from California yield me 5 minutes?

Mr. KNOWLAND. I yield 5 minutes to the Senator from Colorado.

Mr. ALLOTT. Mr. President, for some 4 or 5 days the Senate has debated Senate bill 2888. I compliment some of my friends on the other side of the aisle who, in their support of the Mundt amendment, have decided they are against sin. It would have been wonderful if, some 2 or 3 months ago——

Mr. JOHNSON of Texas. Mr. President, may we have order so that we can hear the compliments of the Senator from Colorado?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Colorado may proceed.

Mr. ALLOTT. Mr. President, is this interruption to be taken out of my time?

Mr. JOHNSON of Texas. I will yield the Senator as much time as is necessary to make up for the interruption.

Mr. ALLOTT. It would have been wonderful if, some time in the past 2 months, 3 months, or 3 years, we could have got down to a basis for discussion of some of the elemental principles of the bill, which would have permitted us really to get to the guts of the abuses which have been uncovered.

For example, if the amendment offered by the Senator from South Dakota had been coupled with a simple amendment to require some of the officers to post bond in an amount designated by the Secretary of Labor, or even if in committee there had been a consideration of this matter, we would have had a much better bill.

No one realizes more than I, as I have tried to document them in the Senate, the abuses which occur in this area. They are sickening. If Senators had sat, as I sat with the Senator from Illinois, in some of the hearings and had heard the testimony to which we listened, I am certain that even the testimony taken before the select committee of which the Senator from Arkansas [Mr. MCCLELLAN] is the chairman would not have made them feel so utterly sick at heart and utterly sick at their stomachs as the testimony we heard.

I have called this a namby-pamby bill; I have called it a lollipop bill; I have called it a "Milquetoast" bill. I think it is all of those things. Yet because I have seen in connection with some $700 million or $800 million a year which are going into these funds the ways, the means, and the various types of looting and thieving—yes, and even tie-ups with the highest organized crime in the Nation—I feel compelled to support even this feeble endeavor. I must confess that I do so with a great sense of sacrifice of my own pride, because I think the bill is a sniveling attempt to deal with this subject. Nevertheless, the thievery of moneys to which members of labor unions are being subjected is so great that I feel impelled to support the bill.

Whatever my contributions to this subject may or may not have been, I hope that I shall be proved wrong. I hope that the next few years—the next 4 years, specifically—will prove that the bill will uncover and expose the abuses. I hope it will not, although I am not optimistic about it, prove to be a bane rather than a boon to the workers or the country.

But, more than that, I hope that somehow we can restore at least some sense of integrity, decency, and honesty to the administration of the fixed-cost funds, because it is there that the trouble has been.

I have done within my own limits the best I could to point out that it is the fixed-cost fund which creates a pool upon which the money thieves thrive. I have pointed out that even though an employer may create his own private fund, and even though he solely may contribute to it, and his employees contribute nothing, and even though he may have acted with the greatest of humanitarian motives, nevertheless, what the bill does is to say, "You cannot do anything any more in behalf of yourself."

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

Mr. ALLOTT. May I have 1 more minute?

Mr. KNOWLAND. I yield 2 additional minutes to the Senator from Colorado.

Mr. ALLOTT. The bill says, "You cannot do anything more, not only without reporting it to your employees, but also without reporting it to the whole country."

These, I think, are things which are bad for the country. I think it is bad that we surrender the right of contract as to whom we wish to manage, operate, report on, and govern the funds. But all these things have been pointed out. I cannot complain now, after 4 or 5 days, that I have not been heard. I cannot complain that the Senate has not listened to my voice. My opinion regarding these matters has not been changed in the slighest or in the least iota.

But because I am so convinced of the great necessity for the enactment of some legislation in this field, I very reluctantly support this "Milquetoast" bill.

Mr. KNOWLAND. Mr. President, I shall yield myself 5 minutes.

Mr. MUNDT. I wonder whether the minority leader might prefer to close the debate for our side.

Mr. KNOWLAND. Yes.

Mr. MUNDT. Mr. President, at this time will the Senator from California yield briefly to me?

Mr. KNOWLAND. Yes.

Mr. President, I yield 5 minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 5 minutes.

Mr. MUNDT. Mr. President, in the course of the debate during the past several days, I have, in my own language, in the course of many statements, set forth my reaction to Senate bill 2888. My reaction to it is generally the one which has been described to the Senate by the Senator from Colorado [Mr. ALLOTT]. I believe the bill is a weak effort to do a big job.

I shall support the bill because I think the amendment the Senate adopted by unanimous vote a short time ago at least moves in the direction of correcting one of the very serious probems which confronts us in connection with the labor movement.

But the Senate has also had before it amendments relating to various other fields in which there are difficulties and in which problems have been exposed.

We have had before us several amendments on the subject of democratic unionism. I regret that none of them was adopted. I believe they are very important to the correction of labor problems and the restoration of sanity, decency, and good behavior in the labor movement.

If there could be honest, democratic unionism, with secret ballots on elections, and with objective counting of the ballots, I believe that the men and women in the unions pretty much would correct these problems. But those amendments were not agreed to.

We have had a great deal of testimony on the subject of secondary boycotts and picketing. The Senator from Nebraska [Mr. CURTIS] offered a very salutary amendment in that field, but the Senate did not take favorable action on it. I believe this failure to act may rise to plague us.

The Senate had before it an amendment with respect to the use for political-campaign purposes, for the benefit of certain groups in various States and counties, of the funds collected from labor-union members. It seems to me that if the Congress does not act in that area, a great juggernaut will be raised outside the political parties of this country, with more money to spend and more manpower to use and more influence to exert in regard to what happens in this country than any of us can contemplate or that a free political party can prevent. I had an amendment on that subject to offer; but as it became obvious, from repeated yea-and-nay votes, that nothing outside the purview of Senate bill 2888 would be acted upon favorably by the Senate, I did not offer the amendment. But the problem remains unsolved.

I believe we have made some progress in regard to dealing with the hoodlum elements.

I believe we have also made progress by means of this debate. We have heard from the chairman of the subcommittee clear, repeated statements that he would hold hearings, and would give witnesses an opportunity to testify, and would bring out a labor bill in June. The majority leader has said that he would bring out a bill, and would give the Senate a chance to vote on it. I believe all of us recognize that those statements are well intentioned, and that the Senate will be given that opportunity.

Some of us on this side of the aisle believe firmly, however, that such an effort made in June will be made too late to get proposed legislation of that sort acted on favorably by the House of Representatives in time to be finalized at this session into actual legislation.

I have great respect for the majority leader, and I am glad he has undertaken to meet the challenge to get such proposed legislation through both Houses of Congress before the end of this session.

However, I have had a little research work done on the size of his problem. He has undertaken to meet a man-sized challenge; but, of course, he is a Texan, and down in Texas they can do things in a big way. So I have confidence that he will give this matter the good old Texas try.

But, Mr. President, let me point out how serious the challenge is:

During the last session of the 84th Congress, in 1956, 306 Senate bills were reported by Senate committees on or after June 1, 1956.

Of course, Mr. President, if the contemplated proposed legislation comes before us and is approved or passed by the Senate by June 1, 1958, we shall be fortunate, indeed.

The PRESIDING OFFICER. The time yielded to the Senator from South Dakota has expired.

Mr. MUNDT. Mr. President, will he Senator from California yield some additional time to me?

Mr. KNOWLAND. Mr. President, I yield 5 additional minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 5 additional minutes.

Mr. MUNDT. I thank the Senator from California.

Mr. President, history has a way of repeating itself. As I said a moment ago, in the 2d session of the 84th Congress, in 1956, 306 Senate bills were reported by Senate committees on or after June 1, 1956. Of those 306 bills, all but 7 were passed by the Senate—indicating a lack of controversial material insofar as their provisions were concerned.

Of the 299 which were passed by the Senate, only 77 received any action by the House as a whole; and all of those 77 were passed by the House.

Of the 77 which were passed by the House, 18 were private bills.

Of the remaining 59 bills which were passed by the House, only 6 dealt with matters of any consequence. They were as follows:

Senate bill 3120, extending agricultural conservation payments.

Senate bill 3616, increasing railroad retirement benefits.

Senate bill 3820, increasing the borrowing power of the Commodity Credit Corporation.

Senate bill 3897, which related to the improvement of Government accounting methods.

Senate bill 4060, the Postal Service Compensation Act.

Senate bill 4221, an amendment of the International Wheat Agreements Act.

The remaining 53 bills which were passed by the House of Representatives treated with such subjects as land transfers and conveyances, retirement pay for lighthouse keepers, the protection of walruses, and the removal of greenhouses from the Botanical Gardens.

I believe that all of us who share with me my deep and sincere affection and admiration for the majority leader will wish him well in this formidable undertaking, because we want legislation in this field to be enacted. However, I am afraid that by our action in the last few days we have closed the door to it in 1958; I am afraid such a bill will not be passed by the Senate in time for the House to act and for the Rules Committee of the House of Representatives to clear it for action in time for the House of Representatives to take final legislative action on it.

I believe that the record of the 2d session of the 84th Congress, in 1956, clearly discloses that during that session, in 1956, the legislative measures which were passed after the first of June were substantially less controversial than the kind of legislation which we know in our hearts is required if these major problems are to be dealt with adequately.

I can only hope that when the bill does come before us, the Senate will devote itself diligently to writing a satisfactory bill. In that connection, I have the frail—and, I am afraid, the futile—hope that whatever bill the Senate passes in June will be acted on by the House in time to make it possible for the bill finally to be enacted into law at this session.

Mr. President, there is just this little glimmer of hope: Our distinguished majority leader has an equally distinguished confrere in the House of Representatives, who holds an equally important position there, and who also is a Texan. So I dare hope that when those two great Texans give this job the good old Texas try, perhaps it will be possible to get the job done at this session, despite our gloomy predictions.

Mr. SMITH of New Jersey. Mr. President——

Mr. KNOWLAND. I yield 7 minutes to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 7 minutes.

Mr. SMITH of New Jersey. Mr. President, in my remarks at this time I shall be very brief.

As the ranking Republican member of the Committee on Labor and Public Welfare, I do not wish the debate to close without paying the warmest tribute I possibly can pay to the hard work which has been done on this bill during the past 4 years.

I was chairman of the committee when the subcommittee to deal with this subject was first appointed. At that time the Senator from New York [Mr. IVES] was named chairman of the subcommittee. Later, when the leadership in the Senate changed, the Senator from Illinois [Mr. DOUGLAS] took over that responsibility, and later the Senator from Massachusetts [Mr. KENNEDY] assumed the chairmanship.

Mr. President, I cannot say enough in expressing my great admiration for the wonderful job these men have done. All of us owe them a vote of thanks.

This subject matter and the bill itself have been very contentious. I was not on the subcommittee that did this work, but I was the ranking Republican member of the full committee. I know from experience, as a result of attending some of the hearings, what an enormous area the subcommittee had to cover.

Under these circumstances, Mr. President, I ask the indulgence of the Senate for a moment or two, while I make this brief closing statement:

Mr. President, I am supporting the bill as an initial and temporary step toward protecting employee welfare and pension plans. In doing so, I wish to emphasize the point that the bill really constitutes trial legislation of 4 years' duration, after which period the Congress will be required to reexamine the entire matter, at which time it will be in a far better position to do so.

I emphasize the point that this measure is really temporary, experimental legislation, and is bound to be such, in view of the very complicated nature of the subject.

While I am supporting S. 2888, I do so in the realization that it is far from comprising a fully perfected program for the protection of benefit plans. It is my hope, however, that 4 years of experience, combined with the studies which this bill authorizes the Secretary of Labor to make, will enable Congress to draw up new legislation to correct any deficiencies, inequities, or errors which are bound to appear in this relatively new and complicated field of legislation.

Four years of hearings, as the Senator from Colorado has stated, still leave us with an unsatisfactory knowledge of welfare and pension plan operations, a knowledge which is far too scanty, I believe, to form a base on which to determine final public policy now. That some legislation is necessary is undeniable. The basic question is, how much?

Mr. President, I believe that a bill should be passed which will permit a continued study and examination to be made in this field, to the end that final policy, adjusted to the needs and requirements of the situation, can be set by Congress. It is only reasonable that registration and reporting of all plans be provided for now, as an aid to such a study, although it is very possible that the scope of the final legislation will be much narrower.

For this reason, Mr. President, I support the proposed bill, S. 2888.

When further study is made, and knowledge is gained from experience, several fundamental matters of policy will naturally have to be reconsidered.

The bill does promulgate some definite policies now. I am not at all certain that the experience which will be acquired through a study of all plans will support the continuation of such policies 4 years from now.

Therefore, I wish to take a few minutes to refer to some of these policies in order to flag them and to indicate the complexity and breadth of the matter under consideration.

First. Should a policy of requiring that all plans be reported annually be adopted, when defalcations have been disclosed in only a few?

The Senator from Colorado [Mr. ALLOTT] has brought this matter out. I think it needs a great deal of further study.

There are literally thousands of welfare and pension benefit plans; estimates put the number at between 40,000 and 250,000. It would seem that unless steps are taken to reduce to reasonable proportions the number of plans required to report, there is the serious possibility that the program will become unmanageable.

Not only does this raise clerical and administrative problems, but, probably more important, there is the danger that a sheer mass of documents might serve to obscure the very wrongdoings which this legislation is designed to expose. There is also the danger of penalizing benefit plans which have been honestly administered in order to get at the few plans in which graft and corruption have actually been discovered.

Second. Another question which should be considered is: Do we desire to establish a policy which is designed to curb negligence and inefficiency in the management of employee welfare and pension benefit plans, as well as criminal wrongdoing?

It seems to be the policy of the pending legislation to extend beyond the problem of corruption. As stated in the language of the bill, one of its aims is to make available to the employee-beneficiaries information which will permit them to determine, first, whether the program is being administered efficiently and equitably; and, second, more importantly, whether or not the assets and prospective income of the programs are sufficient to guarantee the benefits which have been promised to them.

This present bill provides for far more than anticorruption legislation directed against the machinations of dishonest men who betray their trust. Rather, it inaugurates a new social policy of accountability. By requiring full disclosure of the operation of all benefit plans to the Federal Government irrespective of their nature, it is assumed that the employee beneficiaries will be in a position to police and evaluate those plans.

This policy could very well lead to the establishment of mandatory standards by which these plans must be governed. This bill authorizes the Secretary of Labor to undertake studies to determine "the desirability and feasibility of establishing and requiring compliance with standards of conduct in matters concerning the management and operation of employee welfare and pension benefit plans."

There is the possibility that a vast area of social control by Government would be opened up if mandatory standards for this private social-security system are adopted.

Third. In line with the prospect of Government regulation of the management of these benefit plans, is another question of broad social policy. Is the investment of the reserves of the welfare and pension plans to be opened to public inspection? Again unrelated to corruption is this matter of the prudent investment of the reserve funds of the benefit plans. As the majority states in their report:

> Of perhaps even greater importance from the public interest point of view is the use which is made of the larger reserves which have been accumulated.

In other words, this is an area involving investment policies of private capital.

I call these points to the attention of the Senate so that the members might realize the policy considerations involved in the pending legislation.

Knowledge in the field is still wanting. However, it can best be procured by making facts and statistics available. S. 2888 is aimed to provide for this. Four years from now, when experience will have deepened our knowledge of the field, final policy determinations can be made more adequately.

This is far from a perfect bill, Mr. President, but I will vote for this bill so that we can experiment with methods of safeguarding the rights and interests of the employee beneficiaries of all welfare and pension plans.

Again I extend my cordial congratulations to the committee, which did a wonderful job in drafting and reporting the bill.

Mr. KNOWLAND. Mr. President, I yield 3 minutes to the Senator from Ohio [Mr. BRICKER].

The PRESIDING OFFICER. The Senator from Ohio is recognized for 3 minutes.

Mr. BRICKER. Mr. President, until the type of amendment submitted by the Senator from South Dakota [Mr. MUNDT] was adopted, I intended to vote against the bill. I think it is a mere shadow, without substance, and in essence adds nothing to the law. However, since there is some substance to the amendment of the Senator from South Dakota, as a result of its being adopted, I shall vote for the bill.

There is one thing we have seen during this week that has disturbed me, and that is the sort of monolithic voting which has taken place on the other side of the aisle. I have received sheaves of telegrams practically demanding that I vote for the measure without amendment.

I was elected to this body to use my judgment and to cast my own vote, and not to represent any class, group, minority, or otherwise, of the public. That I shall do, supporting the bill reluctantly and fearing that it may be used as an excuse for the failure to pass a constructive bill before the end of this Congress.

I am encouraged by what has been said by the majority leader tonight, because if one thing has been shown to be needed to cure the situation which has been revealed to the country and to this body by the select committee headed by the distinguished Senator from Arkansas [Mr. MCCLELLAN], it is action in the labor-management field.

I have supported many of the amendments to make the leaders of organized labor responsive to the Congress and the votes of the Members of this body. I am distressed, however, at the voting which has taken place during the past week, the unanimous voting, with the exception of my distinguished colleague [Mr. LAUSCHE] on the other side of the aisle, that has far overshadowed the judgment on this side. I have no doubt there are many Members on the other side who would have voted against the membership on that side had it not been for the controlled voting. I do not want to see this body become representative in form only and not in substance.

Mr. President, I have prepared a statement of 4 or 5 pages about my feelings concerning the bill, and I ask unanimous consent to have it published in the body of the RECORD, as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BRICKER

Greedy and unscrupulous labor bosses have won a great victory in the Senate of the United States. They have defeated all amendments to guarantee to union members control over union affairs. They have defeated every effort to cure what responsible employers and responsible union leaders

recognize as gross injustices in labor-management relations. All this they have done with the support of every Democratic Senator save one, my distinguished colleague the junior Senator from Ohio.

It is a great victory for the power-hungary labor leaders who preach democracy but who fail to practice it in their own organizations. It is a great victory for those political labor leaders who would rather condemn the Taft-Hartley Act as a slave labor law than cure its deficiencies. It is a great victory for those in the Democratic Party who value unity above principle.

I believe, however, that this will prove to be a classic example of the Pyrrhic victory in politics. The American people have seen and heard the witnesses who appeared before the McClellan committee, which committee has done a good job. In 1957 and 1958 that committee held 136 hearings and called 650 witnesses. The American people, including the rank and file of union members, expect some action by this Congress to outlaw dictatorial, corrupt, and violent acts and practices in labor organizations. Our constituents will not, and they should not, accept the excuse that this Congress was too busy to enact remedial legislation.

I am sorry to say, that some Senators have said in this debate, "it is unwise to legislate on the floor of the Senate." I do not see how this alleged incompetence can be squared with the Senate's reputation as a great deliberative body. It is our duty, in fact our most important duty, to legislate right here in this Chamber. In some cases the expert advice and assistance of our committees may be necessary or desirable, but in other cases the customary committee procedures may be unnecessary or undesirable.

Failure to throw out the rotten apples in the labor-union barrel cannot be excused on the false theory that the Senate of the United States is the agent of its committees. Our committees are agents of the Senate. We can dispense with their studies and reports at any time. We have done so in the past. The insistence of Democratic Senators, my distinguished colleague excepted, that the customary committee procedures be followed means simply, I fear, that no constructive legislation on the subject will be enacted by this Congress.

I can readily understand, Mr. President, why some Members of this body might be reluctant to vote on the merits of an amendment dealing with secondary boycotts without having the benefit of the committee's thinking. This, I grant, is a rather complex problem. Although I feel that I am qualified to vote on the matter, I do not question the sincerity of those who would withhold judgment until the committee has made its recommendations.

On the other hand, there is nothing mysterious, technical or involved about some of the other amendments proposed to the pending bill. For example, are Members of the Senate so limited in intelligence, so inept in the use of the English language, that they cannot act on an amendment which provides merely for the periodic election of union officers by secret ballot? I think not.

The amendments offered to the pending bill by the minority leader are just as important, but not nearly so complicated, as the civil-rights bill passed in the last session. Then, as now, it was argued that a good bill could not be written on the Senate floor. Then, as now, it was pointed out that following the customary procedure would be tantamount to killing the bill. The Senate proceeded to legislate. We passed a good bill.

I am especially concerned about the fate of the amendment proposed by the senior Senator from Utah to close the jurisdictional gap between the Federal Government and the States. The Supreme Court has created a no-man's land in labor-management relations by holding that when the NLRB declines to assert its statutory jurisdiction over unfair labor practices, the States cannot provide any relief. This is an intolerable situation. It puts small-business men and labor organizations to a contest of strength beyond the power of any judicial body to resolve.

I would say to my friends on the other side of the aisle that any legislation to eliminate this legal no-man's land, no matter how imperfectly phrased, is better than the law of the jungle which now prevails in this area. What harm would be done if we passed the amendment proposed by the senior Senator from Utah? If the Senate Labor Committee rephrases the amendment in the bill it plans to report in June, well and good. Nothing would be lost. Much would be gained if, as now seems certain, the Senate Labor Committee bill never reaches the President for his signature.

The unity with the exception of my distinguished colleague of Democratic Senators on all amendments offered to the pending bill is the most disturbing aspect of this debate. If the Senate had voted on the merits of each amendment offered, some of the less technical of these amendments would have been approved. I cannot imagine that my distinguished colleague from Ohio is the only Democratic Senator, not opposed to the Knowland amendments, who knew their purpose and effect well enough to vote "yea." I can only conclude, therefore, that my colleague, unlike some of the Members of his party, is unwilling to sacrifice principle on the altar of party unity.

I do not fear the political consequences of my votes on this measure. I shall tell the voters of Ohio this fall that a solid bloc of Democratic Senators, my colleague excepted, I fear passed up the one and only opportunity this Congress had to promote honesty and decency within labor organizations and fair play in labor-management relations.

I find the nonconformity on this side of the aisle very refreshing in comparison with the monolithic voting pattern which has been revealed increasingly across the aisle in recent months. What disturbs me about party line voting across the aisle is its tendency to smother all intraparty differences on this side. If voting in the Senate of the United States on important issues ever becomes, as in the British House of Commons, a massing of one political party bloc against another, we may retain the form and shape of representative government but we shall not have its substance.

Mr. KNOWLAND. Mr. President, I yield 3 minutes to the Senator from Iowa [Mr. HICKENLOOPER].

The PRESIDING OFFICER. The Senator from Iowa is recognized for 3 minutes.

Mr. HICKENLOOPER. Mr. President, as Senators know, I am not a member of the Committee on Labor and Public Welfare. I have listened to the debates. I have been interested in legislation of this type for several years. I have heard stated on the floor in the past 2 or 3 days what has been done by the Committee on Labor and Public Welfare. I think my colleagues have labored and labored, and that the mountain has brought forth a mouse. This is not a bill which in any way, shape, or form really reaches any of the problems that exist in the labor-management field today.

There is a slight amount of "plus" in this bill. It is very, very slight, just enough to possibly tip the balance, so that perhaps I would be more justified in voting for the bill than voting against it.

I do not know how many Members of the Senate believe we will be able to pass additional legislation in this field at this session of Congress. I happen to be one who is thoroughly convinced, based upon a little experience in this legislative body, that at this session of Congress there will be no legislation in this field further than the pending bill.

I am not talking about what the Senate may do. I am not talking about the fact that Senators may go to their constituents and say, "Look; we did this in the Senate, but the House did not pass the legislation."

I am predicting that there will be no further legislation in this field during this session. Today there are influences surrounding the Government of the United States which are insidious and which, in my judgment, will control that situation.

I think it is tragic. It is tragic that I myself am not able to vote for legislation which I believe would reach the evils which confront us. I am disappointed that we do not have the majority in the Senate to root out the evils which we all know exist.

Therefore, Mr. President, while, perhaps, this bill may contain a modicum of benefit—I think that is a term some of us have used—otherwise it is an empty gesture. It attacks those who do not need to be attacked, from the standpoint of history, and, in the main, leaves unscathed those who have robbed the people they are supposed to represent.

I think it is a tragedy that we do not have the votes in the Senate of the United States to stand up courageously and reach the evils which should be corrected, and we will not have the votes during this session of Congress.

The PRESIDING OFFICER. The time of the Senator from Iowa has expired.

Mr. HICKENLOOPER. Mr. President, will the Senator from California yield me 1 more minute?

Mr. KNOWLAND. I yield 1 additional minute.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 1 minute.

Mr. HICKENLOOPER. I am aware that this is a political year.

The slight modicum of benefit to which I referred is just enough to tip the scales, so I may be justified in supporting the bill, because it may reach out a very slender finger pointing toward the evils. But this bill will not be a weapon. It will not be a tool to correct the evils.

At this time, when we have the opportunity, I think it is a tragedy that bills were not reported to the Senate which would reach the known evils. The bill under consideration, which has been referred to so ably by the Senator from Colorado as a "milksop" bill, is the only thing which may possibly have a chance to pass the Congress of the United States during the present session.

In closing, Mr. President, I again predict that, outside the possibility of this bill being passed, no further legislation touching this subject has any chance whatsoever of being enacted by the Con-

gress of the United States at this session. History is against it. The record is against it. We will let the record speak for itself, when adjournment sine die may come.

Mr. KNOWLAND. Mr. President, I yield 2 minutes to the junior Senator from Utah.

Mr. BENNETT. Mr. President, I had determined to vote against the bill, partly in disappointment for what it was failing to do, and partly because I feared that by passing the bill in the form in which it was presented and was apparently going to be passed we would preclude consideration of a more vigorous and direct attack on even the problem presented with relation to union welfare and pension funds.

When the amendment of the Senator from South Dakota [Mr. MUNDT] was adopted, that changed my mind. My vote for this bill is not a vote for the original bill; it is a vote, in final form, for the amendment offered by the Senator from South Dakota.

SEVERAL SENATORS. Vote! Vote!

Mr. KNOWLAND. Mr. President, I yield myself 3 minutes.

Mr. President, we are about to vote on the bill. I shall support it. I believe it is only one small, faltering step in the right direction.

I hope that even though this body has lost the opportunity to broaden the legislation and give some of the real protection which the rank and file of organized labor and the country need, perhaps the other body may find an opportunity to use the bill as a vehicle and to move into the field of labor legislation before the 85th Congress adjourns sine die.

The Senate, in its judgment has rejected a number of amendments relating to the election of officers by secret ballots, to the protection of members against so-called "sweetheart contracts," to their protection against discrimination by unions, to the publication of union financial reports, to the protection of voting rights, of economic strikers, to the elimination of the "no-man's land" and jurisdiction problem, to the protection of the individual union members in assuring them a vote, and to giving the Secretary of Labor a mandate to examine the reports which are submitted and take certain steps if they are found to be wanting. Other amendments have also been voted on and rejected.

We have adopted one amendment, the one offered by the distinguished Senator from South Dakota [Mr. MUNDT], which improves the bill somewhat. I am glad the amendment was adopted by a unanimous vote. I hope that may indicate even a committee does not cover all the points which need to be covered. From the floor there came an amendment which I think is both necessary and desirable.

We have had assurances from able and distinguished Senators on the other side of the aisle who, in a solid phalanx, have determined that in their judgment the Senate should not broaden the pending legislation. I know the Senate will rely, and does rely, on the commitments which have been made that at this session of Congress, early enough so that we may give to the country and to the members of organized labor and to the workers of the country the protection they need, consideration will be given to needed legislation in this field.

I think the distinguished Senator from Arkansas [Mr. MCCLELLAN], as I pointed out the other day, has done an outstanding and magnificent job for the country, along with the other members of select committee, in exposing abuses in this field, in connection with which, to be sure, a minority of labor officials—and only a minority of them—have betrayed their trust. These exposures certainly are indicative of the fact that the members of unions are entitled to protection from a recurrence of that type of activity.

While I heartily approve of the efforts of the American Federation of Labor—Congress of Industrial Organizations and their ethical practices committee in this regard—I think most of the members of that organizations will themselves privately admit that legislation is necessary, because there will not be sufficient authority in the ethical practices committee to give the protection which both the country and the union membership will demand.

Mr. President, so that we may have the information at one place in the RECORD, I ask unanimous consent to have printed in the RECORD at this point a number of statements which have been made during the course of the debate by the distinguished majority leader, by Members on our side of the aisle, and by Members on the other side of the aisle, including the chairman of the Committee on Labor and Public Welfare, the chairman of the subcommittee, and other Senators who have spoken. Many of these Senators have indicated in principle they support the general basis of the amendments which were offered, but felt, because of orderly procedures, they wanted to run the course of committee hearings. We will have the chance now, we are assured, to do that.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

Mr. JOHNSON of Texas. I wish to give the Senator from New Jersey assurance that this Congress expects to receive from the Committee on Labor and Public Welfare further proposed legislation on this general subject * * * I am not in a position to say what kind of bill will be reported * * * but I think I am in a position to say for the majority of the subcommittee and the majority of the full committee, as represented by the chairman of the subcommittee and the chairman of the full committee, that they will hear all proposals, namely, all proposals of the administration, all proposals of the Senator from Arkansas, all proposals of the minority leader, and all proposals from anyone else who desires to make recommendations. (CONGRESSIONAL RECORD, Apr. 25, 1958, p. 7308.

Mr. JOHNSON of Texas. * * * When we have concluded our action on this bill, I am going to urge every member of the committee to make haste, in the traditional American manner, to give everyone who desires to be heard a hearing, and then to prepare a bill on the subject. I am going to ask the Senator from New Jersey [Mr. SMITH] and the Senator from New York [Mr. IVES] to participate and I hope the bill will be a bipartisan bill. Then if Senators do not like the bill, they can submit amendments to it. The Senator from Arkansas has stated that he will offer some proposals, and all other Senators can do likewise.

I think such a bill is likely to be passed by both houses and be signed by the President. That process is far more likely—far more likely than any action taken in 2 days on the floor of the Senate—to result in the enactment of an effective bill. I may be wrong; but if I am, time will tell. (CONGRESSIONAL RECORD, Apr. 26, 1958, p. 7408.)

Mr. COOPER. * * * We have received today the commitment of the junior Senator from Massachusetts, whom I consider to be an absolutely honorable man, that hearings will be resumed by May 7, that they will be continued, and that a bill will be reported, which will permit amendments such as we are debating today to be considered fully in the Labor Committee and on the Senate floor.

While the majority leader may not have said explicitly that he will see to it that the bill will be considered by the Senate at an early date, I believe in essence he has committed himself to the Senate and to the people of this country that there will be a chance to consider such a bill when it is reported by the Labor Committee. If he has not done that, then I do not understand the arguments and the position he has taken today. Therefore, I repeat—and I hope he is listening to me—that I believe the majority leader has said today, in fact and in spirit, that he intends that the Senate shall have a chance to vote on such a bill at this session. And I have confidence that he will do this. * * *

I wish to make my own position understood. I wish to make my position clear that I intend to vote against the amendments, not on their substantive value and merits, but because there has been no chance for hearings and study in committee. (CONGRESSIONAL RECORD, Apr. 25, 1958, p. 7355.)

Mr. HILL. I wish to say to the Senate, as chairman of the full committee—as I have said to the distinguished Senator from Massachusetts, the chairman of the subcommittee—that as soon as his subcommittee is ready to report a bill, we will have a meeting of the full committee, and the full committee will act expeditiously to bring that bill to the floor of the Senate. (CONGRESSIONAL RECORD, Apr. 24, 1958, p. 7233.)

Mr. CASE of New Jersey. Mr. President, first, I associate myself with the Senator from Kentucky in the expression of his views concerning the objective of the amendment. I express my agreement with him in his understanding of the commitment which has been given by the majority leader, by the chairman of the subcommittee, and by the chairman of the full committee.

I, for one, together with the Senator from Kentucky, will believe that we have been duped if the matter is not brought before the Senate in time for action by the Senate and by the other body at this session of Congress.

I join with all other Senators who believe, as I do, that appropriate action should be taken on these objectives, which are very necessary and worthy, before the end of this session.

Mr. KENNEDY. I can assure the Senate that we are going ahead with the hearings and that we shall continue those hearings a week from Monday. * * * It is my intention to the utmost—and I pledge myself to it—to continue hearings beginning a week from Monday. It is my judgment that the hearings will not take more than 3 weeks * * * the bill before us covers only 1 of the 5 areas of the recommendations made by the chairman of the committee, the Senator from Arkansas [Mr. MCCLELLAN], namely, the disclosure of pension and welfare plans. * * * I intend to look into all

the other areas, and intend to report to the Senate such legislation as is needed. (CONGRESSIONAL RECORD, Apr. 24, 1958, p. 7233.)

Mr. KENNEDY. It is my thought we can be through the hearings before the end of May, and I hope prior to that, although the date set by the Senator from Oregon [Mr. MORSE] was June 10. If the bill is not reported to the Senate by June 10, he has said he will move to discharge the committee. So the schedule is tight. I hope we can complete the work in 2 weeks. I hope the committee will move to report a bill to the Senate. With the deadline set it will have to. (CONGRESSIONAL RECORD, Apr. 25, 1958, p. 7310.)

Mr. THURMOND. * * * I heartily support the purpose of some of the amendments proposed, because the need for them has been shown. One of the principal reforms we should try to effect is the return to our working men and women of control over their own organizations.

I regret, however, that the amendments are being proposed now because they have not been subjected to hearings and the orderly procedures of the Senate which I deem to be necessary if we are to pass sound legislation. The so-called civil-rights bill of last year is an example of the folly which can be created and foisted upon the American people when normal and orderly legislative procedures are thrown to the wind.

Labor, management, the administration, and the public have a right to be heard on the merits and demerits of any labor legislation of this magnitude. The Senate has been assured by the Labor Subcommittee chairman and the Labor Committee chairman that hearings will be held and a bill reported to the Senate on the subject of these amendments. I do not believe that the vote of the Senate on these amendments reflects the true attitude of the Senate toward the merits of the amendments, since many Members are voting against them solely because they have not been considered by the Labor Committee in accordance with the normal procedures.

Although I favor enactment of the substance of some of the pending amendments, I must vote against them today. I want to make it clear that I intend to support some of the legislation embodied in these amendments in the Labor Committee and on the Senate floor when the Labor Committee reports a bill on the subject later in the session. (CONGRESSIONAL RECORD, Apr. 25, 1958, p. 7360.)

Mr. THURMOND. In response to the distinguished Senator from Nebraska, I may say that I do not concede to him or to anyone else any greater interest in the working people than I have. I want to take every step I can to protect their interests, but I do not intend to follow a course which will depart from the orderly procedures of the Senate. That is the way in which the civil-rights bill was passed last year, and I have not forgotten it. I do not intend to have a course followed again which will enable the Senate to consider bills which have not been referred to a committee for careful consideration and study.

If the committee does not report the kind of bill which I favor, I will not hesitate to support amendments or to offer amendments to accomplish what I think is needed to protect the working people. I think that amendments are needed, and I would favor the amendment offered by the distinguished Senator from California, for whom I have a high regard, if it is not in the bill when it is reported by the Committee on Labor and Public Welfare. If that amendment were offered, I would support it. But today I shall not support any of these amendments, because they have not followed the orderly procedure of the Senate. * * * I have been assured by the chairman of the subcommittee of the Committee on Labor and Public Welfare that there will be no delay. These committee members are honorable gentlemen, and I assume that when they say there will be no delay, there will be none. (CONGRESSIONAL RECORD, Apr. 25, 1958, pp. 7361–7362.)

Mr. IVES. I think there is some reticence on the part of some Senators * * * to vote against any of the proposed amendments * * * unless Senators are assured that the hearings to which the Senator from Massachusetts refers are to be held, and unless they know that our committee is going to report out legislation dealing with these subjects * * * I should like to have the Senator from Massachusetts give that assurance so that there will be no question about it. (CONGRESSIONAL RECORD, Apr. 24, 1958, p. 7233.)

Mr. IVES. * * * I desire to see passed a tion which has been raised by the Senator from California, and the statement that two Senators have pledged themselves to move to discharge the committee if no bill is reported, or if several bills are not reported—it need not necessarily be one bill—I should like to say that I, too, pledge myself. Therefore, the Senator now has three promises. That means June 10, Mr. President, it means that we will have to get busy, because I mean what I say. There may be more than one bill, just as the Senator from California has more than one amendment. In fact, I think it is much better to have more than one bill dealing with this question * * * I am among those who voted for the Taft-Hartley Act * * * I voted to override the President's veto. I have never regretted doing so. I, too, was marked for extinction by organized labor: I never received any help from them. The hearings before the McClellan committee have demonstrated amply that the Taft-Hartley Act does not go far enough. That is why we shall have to act as the Senator from California is proposing, but I do not believe in acting this way (procedurally). (CONGRESSIONAL RECORD, Apr. 25, 1958, p. 7348.)

Mr. IVES. * * * * I desire to see passed a good bill dealing with this subject matter. I am just as strongly in favor of the amendments in principle, not the particular amendments as framed, but the amendments in principle, as is anyone else. A good many of them have been covered in the measure I have proposed. In principle, I am as strongly in favor of the suggested provisions, as my good friend, the Senator from California, or any other Member of the Senate. I favor them exactly as much. I think we all favor them. There is no exception in regard to racketeers. We want to clean out the racketeers, the thugs, the goons and criminals who have penetrated the labor organizations. We must do it. Otherwise, the future of our country may be in considerable doubt. * * *

I have a pledge to make. If the Senators who have given such a notice get sick and die, or otherwise pass out of the picture, and I am still around, I am going to move to discharge the committee, if nothing happens. (CONGRESSIONAL RECORD, Apr. 26, 1958, p. 7410.)

Mr. MCCLELLAN. I am interested in this subject matter. The legislative situation which has developed in the Senate has given me a great deal of concern. I find myself in the position of favoring some of the proposed amendments which I am confident will be offered. I favor the objective and the purpose of some of them, perhaps with some modifications. I do not like to be placed in the position of having to vote against an amendment to a bill, the principles and objectives of which I favor; * * * the distinguished minority leader has introduced a rather broad bill. It contains some provisions which are rather comprehensive, which I should like to see enacted into law. But if we take up that bill section by section and title by title, and consider it as an amendment on the floor of the Senate, would we not be denying to labor, management, the administration, and others who may be interested in such legislation, the right to be heard?

Mr. President, I have gone this far, and I have not minced words. I think everybody understands my position. If we have to legislate this way, then I will join in so legislating: but I do not want to follow this kind of procedure or be a party to it until we know there is no other way.

For that reason, I have said, in conversations with my colleagues and with members of the Committee on Labor and Public Welfare, and particularly in conversation with the chairman of the full committee and the chairman of the labor subcommittee, and our distinguished majority leader, that I hope the committee will start hearings immediately. To start by May 5 is satisfactory to me. We all have pressing obligations. Let the hearings start then, so that they can be concluded within a few weeks. (CONGRESSIONAL RECORD, Apr. 25, 1958, p. 7310.)

Mr. MCCLELLAN. I have stated emphatically without any reservation, that if a bill is not reported by the Committee on Labor and Public Welfare, after the committee has had an opportunity to hold hearings and hear witnesses, I would move to discharge the committee from the further consideration of one of the bills before it, so that we can get a bill to the Senate floor as a basis for legislation * * *. I reserve the right, and I shall exercise the privilege of moving to discharge the committee, so that we can have a bill before the Senate, and undertake to legislate in this field before Congress adjourns * * *. The present Congress will fail in its duty if it does not, at this session, legislate in this area * * *. I cannot tell the committee what bill to report * * *. I simply want legislation on the subject enacted; but when the next bill is reported in this session, I reserve the right to offer any amendment to it which I may desire to propose * * *. We can get legislation at the present session, if the Senate has the courage. It is being said in some quarters and in some publications that the Congress of the United States does not have the moral or political courage to act. I will not be a party in any sense to indefinite delay or to taking any action which will preclude the Congress from meeting its responsibility in the present session of Congress * * *. The President's proposals, the Knowland proposals, the Mundt proposals, the Goldwater proposals, and the McClellan proposals can all be offered on the floor of the Senate and voted up or down. (CONGRESSIONAL RECORD, Apr. 25, 1958, p. 7311.)

Mr. MORSE. * * * I wish to say that if the Committee on Labor and Public Welfare does not proceed to report a bill to the Senate or does not report to the Senate adversely bills that have been submitted to it, by not later than June 10 of this year, I myself, as a member of the committee, will move to discharge the committee from further consideration of such bills. I say that because I shall never support, as a member of a committee, a bottling-up process. (CONGRESSIONAL RECORD, Apr. 24, 1958, p. 7234.)

The PRESIDING OFFICER (Mr. CLARK in the chair). The time of the Senator from California has expired.

Mr. KNOWLAND. I yield myself an additional 5 minutes.

I desire to express a word of gratitude to the Committee on Labor and Public Welfare, because on the 23d day of January, I introduced the bill which covered the same subject matter as the amendments upon which the Senate has voted on in the past few days, and which the Senate in its judgment has rejected, and

today, on the 28th day of April, I received the following letter, which I should like to read into the RECORD:

UNITED STATES SENATE,
COMMITTEE ON LABOR AND
PUBLIC WELFARE,
April 28, 1958.

Hon. WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

DEAR SENATOR KNOWLAND: As you know, the Subcommittee on Labor of the Committee on Labor and Public Welfare is continuing hearings begun March 26 on proposals relating to union financial and administrative practices and procedures and the recommendations for legislative action made by the McClellan committee in its first interim report.

I wish to invite you to appear before the subcommittee to testify on your bill and other proposals relating to labor legislation pending before the Committee on Labor and Public Welfare.

While, of course, there is no intention whatever to limit the scope of your testimony to any particular type of legislation, I would like to call your attention to the fact that the subcommittee is concentrating primarily on proposals for legislative action related to the areas covered by the recommendations of the McClellan committee in its first interim report and related legislative recommendations made by the administration.

The subcommittee would welcome your testimony at a hearing beginning at 10 a. m. on May 5, 1958, in the Old Supreme Court Chamber, Room P–63 of the Capitol. Would you kindly advise the clerk of the committee at your earliest convenience whether you will be able to appear at this time.

With kindest regards, I am,

Very sincerely,

_____ _____,
Chairman, Subcommittee on Labor.

I have replied today to the committee that I expect to be present on the 5th of May to testify in behalf of these amendments. I hope we may be able to expedite the hearings, and that all the statements which have been made on the floor may come to fruition so that the people of the country will get some effective labor legislation at this session of the Congress.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I do not agree with the Senator from Colorado that this bill is a "lollypop," "sniveling," or "milk-toast" bill. I think the bill gives very substantial protection to more than 85 million people who depend on these plans either for welfare or for their pension. I hope that every Member of the Senate will read in detail the requirements the bill makes for reporting on the part of those who handle these plans.

I read from page 13 of the bill:

(1) If the plan is funded through the medium of a trust, the report shall include—

(A) the type and basis of funding, actuarial assumptions used, the amount of current and past service liabilities, and the number of employees, both retired and nonretired covered by the plan;

(B) a summary statement showing the assets of the fund, broken down by types, such as cash, investments in governmental obligations, investments in nongovernmental bonds, and investments in corporate stocks. Such assets shall be valued on the basis regularly used in valuing the investments held in the fund and reported to the United States Treasury Department if a statement of the assets of the fund is required to be filed annually with the United States Treasury Department, or shall be valued on such basis as is prescribed by the Secretary if such a statement is not so required to be filed with the United States Treasury Department;

There is page after page of requirements, in great detail. The bill provides that a certified public accountant shall certify the plans under oath. It provides that any misstatement which is made in the report may result in a prison sentence up to 5 years. It provides very strong limitations on embezzlement or stealing of any of these funds. This is a strong program, in a new area. I believe that every Member of the Senate who votes for it will find that he has done a service to the country and to those dependent upon these plans.

While I am glad to have in the bill the amendment of the Senator from South Dakota [Mr. MUNDT], it does not alter the bill very much. If any Senator is using the amendment of the Senator from South Dakota as an excuse for voting for the bill, he is making a great mistake. Any Senator who votes for it under the assumption that he is voting for a "lollypop," "sniveling," or "milk-toast" bill is making a great mistake.

It has required 4 months to bring the bill to the floor of the Senate. The Senator from Colorado insisted on many meetings being held. We started in January. We did not get the bill to the floor of the Senate until April. I hope every Member of the Senate will realize what he is voting for. This is legislation in a new area. It is a good bill. It could not have been written without the support of the Senator from New York [Mr. IVES] and the Senator from Illinois [Mr. DOUGLAS], whose bill, of course, it is.

I do not need to have any Member of the Senate talk to me about abuses in the labor-management field. I have been a member of the McClellan committee. I signed its first year's report. I began hearings 1 day after the McClellan committee made its report. The Senator from Arkansas did not introduce his bill, after carefully considering the evidence, until April 15. I would not have any Member suggest that we have been derelict in any way, when the man who has been far ahead of any other Member of the Senate introduced his bill only a week ago.

So Senators who now talk about the interests of the working man and woman in this field should recognize that those of us who have been on the McClellan committee for a year have put our heads on the block and taken a great deal of abuse from many sources.

We are just as much interested as anyone else in doing something about the abuses in the labor-management field. This is a beginning. We have made a commitment as to what we will do by June 10. Every Member of the Senate will have an opportunity to be heard, beginning with the Senator from Arkansas. Any other Member of the Senate who desires to do so can come before our subcommittee and testify. The subcommittee will then make its report to the full committee.

Mr. JOHNSON of Texas. Mr. President, I yield myself 5 minutes.

As every Member of the Senate recognizes, we are approaching a very important vote. It is a vote which has significance not only because it demonstrates what the Senate will do, but because it demonstrates what the Senate will not do.

I hold in my hand a copy of a message from the President of the United States. This message was transmitted to the Congress on January 23. I quote in part from the message:

The American public is in need of reassurance:

1. That the funds which are set aside for the benefit of working men and women in health, welfare, and pension plans are accounted for.

The President further points out four additional steps which he thinks need to be taken.

Tonight I wish to pay my humble tribute to the very able Senator from Illinois [Mr. DOUGLAS]. He held hearings morning and afternoon for a long period of time in order to bring about the recommendations contained in the bill now before this body.

I wish to express my deep appreciation to the very able chairman of the subcommittee [Mr. KENNEDY], who picked up where the Senator from Illinois left off, in an attempt to implement the recommendation which I have just read to the Senate.

I wish to express my personal appreciation to the chairman of the Committee on Labor and Public Welfare, the distinguished Senator from Alabama [Mr. HILL], who cooperated with the Senators I have named in bringing this legislation to the floor of the Senate.

I should also point out that this could not have been done except for the cooperation of men like the very able Senator from New York [Mr. IVES] and others on his side of the aisle who have supported us in the efforts which have been made to bring the bill to a final vote.

I particularly appreciate the statements made by a former member of the Committee on Labor and Public Welfare, the distinguished Senator from Vermont [Mr. AIKEN], who served for so long and so well on that committee. He realized the importance of passing the bill as it was reported, without crippling amendments which might result in its defeat.

It was only as the result of the greatest of effort that the bill was brought out of the committee and brought to a vote. Ways and means were found to delay it. But finally it was determined that not only would the recommendation which the President made in this particular field be acted upon in this Congress, but if the majority leader had any voice in the matter, the Congress would establish ground rules which would protect constructive labor against the selfish schemes of a small handful of racketeers.

Mr. President, I made that assertion. If the minority leader chooses to call it a commitment which was made with a pistol at my temple, I would say to him, "Sir, that assurance was made in February, in a public address in this city." It was made with the knowledge and the cooperation of the chairman of the subcommittee and the chairman of the full committee.

We have carefully considered some highly important amendments. I am glad to say that in the wisdom of the Senate those amendments have been rejected. Had they been accepted, they would have endangered this important piece of legislation.

I believe it would be a mistake to interpret the Senate votes as a demonstration of bias for or against a particular cause. Those votes, in my opinion, represent only the Senate's unshakable determination—I repeat—the Senate's unshakable determination to be fair to all people at all times, even, as the Senator from Iowa would say, in a campaign year.

The Senate has said, "We have not heard all the views of the men and women who would be affected by all these amendments. We are not going to write sweeping legislation into law until we have heard those views."

This is not an unusual situation, I would remind the minority. The Senate frequently finds itself confronted with legislative proposals which have good objectives but which may not take us clearly to those objectives.

The objective of the amendments which we have considered within the past few days was to curb the exploitation of the workingmen and workingwomen of this country by a small handful of racketeers. With that objective every man and woman on both sides of the aisle can heartily agree. I wish to add one sentence. We not only all agree; we will also have an opportunity to vote upon the issue before this session is ended.

I do not want, by anything I may say, to confirm the prediction of the Senator from Iowa [Mr. HICKENLOOPER], that in a political year all Senators may act politically. I do not want to establish a reputation as a prophet as to what the other body may or may not do.

I served in the other body only 6 terms. I know of nothing the Senate could do which would hasten or slow down the action of the other body. I believe the Members of the other body to be a group of patriotic, God-fearing, liberty-loving, public-spirited citizens, who do their duty as they see it, and who do not need dictation by the Members of the Senate.

I hope the country will never reach the point where the Senate is willing to reach a verdict before it has a trial. I hope we never reach the stage where we can be stampeded into writing legislation with noble objectives but with no really clear understandable idea about how to reach those objectives.

This nation was founded on the idea that even the lowliest person is entitled to his day in court. Time and time again I have seen Members of the Senate rise in this great Chamber and say, "Stop, look, and listen until we have all the facts." We grew to greatness on that proposition. The day that the Senate abandons it will be the day when we shrink to oblivion.

Time after time proposals have been put forward which had behind them the force of an outraged public opinion. Each time the Senate has said, "No, we will not go into that matter, and we will not act with finality until all the facts are available and the people have been heard."

Mr. President, I well recall the great, beloved predecessor of the present minority leader. I shall never forget the day that Bob Taft sat in the Senate Chamber, when a bill affecting the working people of this country was rushed through the corridor from the House to the Senate, with tremendous steam behind it. The statement was made, "We must have this bill enacted now. You have got to get out of town before sundown."

Mr. President, it was my administration that was then in power. Some of those slogans resembled the voices I have heard in the last few hours: "Now or never."

Mr. President, I take great pride in the fact that I served as a coleader of the Senate with a man named Bob Taft, who would not "get out of town before sundown," and who refused to accept the fact that it is "now or never."

What did he say? He said, "This is not in accord with the American tradition. It is not in accord with the American tradition to act without hearings or without thought or without consideration."

It was not very many days before the Senate realized how wise Bob Taft was and how wise the Senate had been in following his admonition.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I do not yield at this time.

Mr. KNOWLAND. Mr. President, the Senator from Texas——

Mr. JOHNSON. I refuse to yield to the Senator now. The Senator knows the rules. I will yield to him at the proper time. The Senator frequently asks me to delay asking him to yield until he has concluded his remarks.

Mr. KNOWLAND. Mr. President, this is an old practice of the majority leader.

Mr. JOHNSON of Texas. Mr. President, I shall yield to the Senator when I get ready to yield to him, later.

The PRESIDING OFFICER. The Senator from Texas has the floor. He declines to yield.

Mr. JOHNSON of Texas. I ask the Senator to follow the rules. For some time it has seemed to me that the labor field is a field in which we should act. On the basis of information brought to me by the distinguished Senator from Arkansas, on behalf of himself and the distinguished senior Senator from New York, the majority leader supported a resolution creating a select committee to go into this entire subject with a searchlight. The senior Senator from Arkansas and the senior Senator from New York need no apology, or explanation, or justification from the Senator from Texas for their conduct. They have acted with prudence and with diligence in the national interest.

Except for their great efforts, I doubt that there would be any great sentiment or any great demand that Congress act in this field.

Mr. President, I remind those who clutch to their bosoms the credit for any achievements which may come in this field that on February 23 I said to the country that whatever effort I could contribute would be to the end that legislation be enacted at this session of Congress.

The Senator from Texas is proud that his colleague, the Speaker of the House of Representatives, comes from the same State. But so far as action taken in that body is concerned, I have no responsibility. I do not think it makes any difference to the House whether we pass the bill tonight, next week, or next month. I think they are just as patriotic and just as intelligent as we are, and know exactly what their duty is without any advice from us.

I expect the Senator from Arkansas [Mr. MCCLELLAN], the Senator from New York [Mr. IVES], the Senator from Vermont [Mr. AIKEN], and other Senators who have had long experience in the field to go before the subcommittee headed by the Senator from Massachusetts [Mr. KENNEDY], and later before the full committee, headed by the Senator from Alabama [Mr. HILL], and make their recommendations. I hope the committee will carefully consider those recommendations and will act upon them, rejecting those which should be rejected because they may be biased, and accepting those which appear to be in the national interest. I believe the committee can be expected to operate in that manner.

One of the oldest rules known to prudent men is: "Don't burn down the barn in order to get a rat." I do not yield to the minority leader or to any other member of the minority in my desire to see effective legislation in this field. One of the first votes I cast in the Senate was to insure the achievement of such objectives. I cast several similar votes in the House during my service in that body.

The hearings will begin next week. The subcommittee expects to hear the views of those who represent management, if they care to make their views known, and of labor and the public. The very able and alert Senator from Massachusetts [Mr. KENNEDY] has told us that he hopes to conclude the hearings in 3 weeks. We expect the committee then to prepare its recommendations carefully for this body and to have them available at the earliest possible moment.

If the House in its wisdom decides to start hearings tomorrow upon the recommendations which have been made here this evening by Senators, the House may do so. I know of nothing I could do, one way or the other, which would affect the date when the House started those hearings.

But I feel that the course which the majority of the Senate has taken will result in the writing of prudent and effec-

tive legislation at as early a date as could be expected from this legislative body, in which I am honored to serve.

I think the revelations we have had are the result of the vision, the foresight, and determination, and also, in the words of the distinguished Senator from Colorado [Mr. ALLOTT], the "guts" of the Senator from Arkansas [Mr. MCCLELLAN]. He is entitled, I think, to the major share of the credit. But credit also must be given to Senators who happen to sit on this side of the aisle. I do not refer to them as members of one party or as Democrats. I am rather proud of the course they have taken in the last few days in following the recommendations of one of the greatest men ever to sit in this body, a man who refused to shoot from the hip and be stampeded.

Finally, I have never been prouder of the Senate than I have been in the last few days, when almost every single Senator present and voting on this side of the aisle voted to give everyone his day in court; and on most occasions, at least one-third of those present and voting on the other side of the aisle stood up for the same principle.

Whether that will result in the House passing the bill, I do not know. Whether it will bring about the President's signature, I do not know. But I believe, and I think I know, that that procedure is a fair one and will give us our best chance to write into law the protections for the working people of the country which we think ought to be written into the law.

I now yield to the Senator from California.

Mr. KNOWLAND. I may say to the distinguished Senator from Texas that I well remember the night to which he had reference. I was then a younger Member of the Senate than I am today. At that time a number of Senators on both sides of the aisle, as I recall, had been listening over the radio. A great railroad strike had been in progress.

I remember when the legislation to which the Senator from Texas referred came over from the other body to this Chamber under some attempts at acceleration. I remember with great pride, as I am sure the other 46 Senators on this side of the aisle remember, that despite the fact that the recommendation to draft the railroad workers into the Army in peacetime had been made by the then President of the United States, Mr. Truman, it was the Republican leader of the Senate who rose at this desk and objected to any effort to railroad the proposed legislation through on that historic evening.

Mr. JOHNSON of Texas. It was not only the Republican leader. He was one of the Senators, but there were others.

Mr. KNOWLAND. He was one of the first Senators, if not the foremost one, who spoke out at that time.

Mr. JOHNSON of Texas. I will take no credit from him; but I will say that other Senators took the same position. I did not confine my statement to him only.

Mr. KNOWLAND. No; I understand many other Senators felt the same way. But the Republican leader of the Senate took a position of leadership at that time.

Mr. JOHNSON of Texas. Was he the Republican leader?

Mr. KNOWLAND. I believe he was at that time. In any event, he was the one to stand up at that time. I have a very vivid recollection of the occasion.

The vast difference between legislation attempting to draft railroad workers into the Army and the pending proposed legislation and the amendments we have had before us is that at least 95 percent of the amendments were for the purpose of restoring rights to the rank and file of the workers, not for the purpose of taking their rights away.

We were dealing with proposed legislation which had come from the Committee on Labor and Public Welfare. But apparently we have an honest difference of opinion.

Again, I say I hope the prospects outlined by the distinguished majority leader prove to be correct, and that we will get such proposed legislation, because I was very much impressed by the remarks made by the distinguished senior Senator from Arkansas [Mr. MCCLELLAN], who has done such a good job, that he recognizes as much as does any other Member of this body the necessity to provide the protections which the hearings have demonstrated so clearly are needed.

I hope that Members on both sides will overwhelmingly support such proposed legislation when we have an opportunity to act on it.

Mr. JOHNSON of Texas. Mr. President, I thank the Senator from California for his observation, and I thank all Senators for their indulgence.

Mr. HICKENLOOPER. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield to the Senator from Iowa; and then I shall ask that the vote be taken.

Mr. HICKENLOOPER. Mr. President, is there not a vast difference between the proposed legislation which was attempted to be crashed through this body in 2½ hours—which was the situation in connection with a railroad workers draft proposal; when it was passed by the House of Representatives, immediately after the Presidential recommendation was made, and was rushed to the Senate, but was stopped on this floor by the late Senator Taft, less than 2½ hours after it was passed by the House of Representatives—and the presently proposed legislation, which has repeatedly been stated on this floor to have been under consideration, preparatory to consummation, for more than 4 years?

I think there is a vast difference.

Mr. JOHNSON of Texas. Yes; I agree with the Senator from Iowa that there is a vast difference.

However, I do not think there is any difference between the position taken by the late Senator Taft and the position taken at this time by the majority of the Senate, namely, that everyone is entitled to his day in court, for the position of the late Senator Taft was that, so far as he was concerned, he was going to insist that everyone have his day in court; and that is the position I have attempted to supporrt.

Mr. President, I should like to yield the floor.

Mr. CAPEHART. Mr. President, will the Senator from Texas yield to me?

SEVERAL SENATORS. Vote! Vote!

Mr. JOHNSON of Texas. Mr. President, I do not wish to be in the position of not yielding to any of my colleagues. However, I shall try to say very little, myself.

I yield to the Senator from Indiana.

Mr. CAPEHART. Mr. President, I was quite impressed by the speech the able majority leader made; however, I was rather impressed in the wrong direction.

Mr. JOHNSON of Texas. I thank the Senator from Indiana for his courtesy.

Mr. CAPEHART. I shall state the reason; it was because the majority leader told us that we should take time to consider these measures, that hearings should be held, that every man is entitled to his day in court.

Yet on this great subject he is now going to allot only 3 weeks for hearings for everyone in the United States and he has agreed that the proposed legislation should be reported to the floor of the Senate on June 10.

I say to the Senate that it is impossible——

Mr. JOHNSON of Texas. Mr. President, at that point let me ask whether the Senator from Indiana insists on more hearings.

Mr. CAPEHART. I am just saying——

Mr. JOHNSON of Texas. Will the Senator from Indiana answer that question?

Mr. CAPEHART. Let me say to the Senator from Texas that I said his observations left me cold, for the simple reason that he made a speech in which he pleaded that every man have his day in court, and he said that hearings will be held, and that this matter will be gone into very, very thoroughly. Yet the majority leader is allocating only 3 weeks, and he is saying that in 3 weeks' time there will be reported to the Senate an all-inclusive labor bill.

Mr. JOHNSON of Texas. Then the Senator from Indiana does not choose to answer my question directly, does he?

Mr. CAPEHART. My criticism——

Mr. JOHNSON of Texas. Mr. President, I understand the criticism the Senator from Indiana makes. But will he answer the question?

Mr. CAPEHART. I do not know that it is at all necessary for me to answer the question.

Mr. JOHNSON of Texas. Does the Senator from Indiana think 3 weeks is not enough time?

Mr. CAPEHART. I am saying to the majority leader that 3 weeks is not enough time, and the committee should have been considering these matters.

My point is that he has said every man should have his day in court, and that extended hearings should be held on this important subject; but he has promised this body that the hearings will begin on May 5, and that an all-inclusive labor bill will be reported to the Senate within 3 weeks' time. That is why his plea left

me cold, because it is impossible to hear everyone and hold extensive hearings on this subject in 3 weeks' time, and do justice to the subject.

Mr. JOHNSON of Texas. Mr. President, I would point out—and then I shall conclude; and I thank Senators for their indulgence—that I have not set any 3-week schedule. The committee has been holding hearings although some may not be aware of that fact.

The distinguished Secretary of Labor has already testified before the committee, as has the distinguished president of the AFL–CIO.

The distinguished chairman of the subcommittee feels that he will be able to complete the hearings which are essential in 3 weeks. I do not quarrel with him as to whether the hearings last for 3 weeks or 4 weeks or 5 weeks; and I ask him to take into consideration what the very able former chairman of the Banking and Currency Committee has said as to whether 3 weeks is sufficient time.

The only thing I am interested in is having adequate time for hearings. Certainly 3 weeks is better than no weeks. We have no time in which to consider these amendments which have been pulled on us from the hip, morning, afternoon, and evening. We should have the committee take whatever time is necessary to consider the testimony and the amendments, and then make its recommendations. I believe the committee can do that before some Senators move that the committee be discharged from the further consideration of the bill, as some Senators have assured us they would do.

SEVERAL SENATORS. Vote! Vote!

Mr. JOHNSON of Texas. Mr. President, on the question of the final passage of the bill, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. Does the majority leader yield back the remainder of the time under his control?

Mr. JOHNSON of Texas. Yes, on the condition that the minority leader do likewise.

Mr. KNOWLAND. Mr. President, I yield back the remainder of the time under my control.

The PRESIDING OFFICER. All remaining time has been yielded back.

The question is——

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. The vote about to be taken is on the question of the final passage of the bill. Is that correct?

The PRESIDING OFFICER. The Senator from Texas is correct.

The question is on the final passage of the bill. On this question the yeas and nays have been ordered.

All remaining time has been yielded back, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Virginia [Mr. BYRD] is absent because of a death in his family.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Vermont [Mr. FLANDERS] is detained on official business, and if present and voting, he would vote "yea."

The result was announced—yeas 88, nays 0, as follows:

YEAS—88

Aiken	Gore	Morse
Allott	Hayden	Morton
Anderson	Hickenlooper	Mundt
Barrett	Hill	Murray
Beall	Hoblitzell	Neuberger
Bennett	Holland	O'Mahoney
Bible	Hruska	Pastore
Bricker	Humphrey	Payne
Bridges	Ives	Potter
Bush	Jackson	Proxmire
Butler	Javits	Purtell
Capehart	Jenner	Revercomb
Carlson	Johnson, Tex.	Russell
Carroll	Johnston, S. C.	Saltonstall
Case, N. J.	Kefauver	Schoeppel
Case, S. Dak.	Kennedy	Smathers
Church	Kerr	Smith, Maine
Clark	Knowland	Smith, N. J.
Cooper	Kuchel	Sparkman
Cotton	Langer	Stennis
Curtis	Lausche	Symington
Dirksen	Long	Talmadge
Douglas	Magnuson	Thurmond
Dworshak	Malone	Thye
Eastland	Mansfield	Watkins
Ellender	Martin, Iowa	Wiley
Ervin	Martin, Pa.	Williams
Frear	McClellan	Young
Fulbright	McNamara	
Goldwater	Monroney	

NOT VOTING—7

Byrd	Green	Yarborough
Chavez	Hennings	
Flanders	Robertson	

So the bill (S. 2888) was passed, as follows:

Be it enacted, etc., That this act may be cited as the "Welfare and Pension Plans Disclosure Act."

FINDINGS AND POLICY

SEC. 2. (a) The Congress finds that the growth in size, scope, and numbers of employee welfare and pension benefit plans in recent years has been rapid and substantial; that the continued well-being and security of millions of employees and their dependents are directly affected by these plans; that they are affected with a national public interest; that they have become an important factor affecting the stability of employment and the successful development of industrial relations; that they have become an important factor in commerce because of the interstate character of their activities, and of the activities of their participants, and the employers, employee organizations, and other entities by which they are established or maintained; that they substantially affect the revenues of the United States because of the billions of dollars involved in these plans and the fact that their income in many cases is exempt from taxation under the income tax laws, and a great percentage of the costs of and contributions to these programs are deductible in computing taxable income for the purposes of such laws; that owing to the lack of public and employee information concerning their operation, gross abuses and opportunities for abuses have developed in the management and operation of some of these plans to the detriment of the beneficiaries, and without uniform minimum legislative safeguards may gravely threaten the soundness and stability of these plans, undermine public confidence in them, endanger responsible management-labor relations, and result in loss of revenue to the United States; and that it is therefore desirable in the interests of employees and their beneficiaries, for the protection of the revenue of the United States, and to provide for the general welfare and the free flow of commerce, that disclosure be made with respect to the operation and administration of such plans.

(b) It is hereby declared to be the policy of this act to protect interstate commerce, the revenue of the United States, and the interests of participants in employee welfare and pension benefit plans and their beneficiaries and the interests of employers and the public in such plans, to conserve the moneys involved in such plans so as to assure that they are utilized for their intended purposes, and to provide adequate safeguarding thereof, by requiring the registration and reporting to the Federal Government of financial and other information with respect thereto, and disclosure of such information.

DEFINITIONS

SEC. 3. (a) When used in this act—

(1) The term "employee welfare benefit plan" means any plan, fund, or program which is communicated or its benefits described in writing to the employees, and which was heretofore or is hereafter established by an employer or by an employee organization, or by both, for the purpose of providing for its participants or their beneficiaries, through the purchase of insurance or otherwise, medical, surgical, or hospital care or benefits, or benefits in the events of sickness, accident, disability, death, or unemployment.

(2) The term "employee pension benefit plan" means any plan, fund, or program which is communicated or its benefits described in writing to the employees, and which was heretofore or is hereafter established by an employer or by an employee organization, or by both, for the purpose of providing for its participants or their beneficiaries, by the purchase of insurance or annuity contracts or otherwise, retirement benefits, and includes any profit sharing plan which provides benefits at or after retirement.

(3) The term "employee organization" means any labor union or any organization of any kind, or any agency or employee representation committee, association, group, or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with emloyers concerning an employee welfare or pension benefit plan, or other matters incidental to employment relationships; or any employees' beneficiary association organized for the purpose, in whole or in part, of establishing such a plan.

(4) The term "employer" means any person acting directly as an employer or indirectly in the interest of an employer in relation to an employee, and includes a group or association of employers.

(5) The term "employee" means any individual employed by an employer.

(6) The term "participant" means any employee or former employee of an employer or any member of an employee organization who is or may become eligible to receive a benefit of any type from an employee welfare or pension benefit plan, or whose beneficiaries may be eligible to receive any such benefit.

(7) The term "beneficiary" means a person designated by a participant or by the terms of an employee welfare or pension benefit plan who is or may become entitled to a benefit thereunder.

(8) The term "person" means an individual, partnership, corporation, mutual company, joint-stock company, trust, unincorporated organization, association, or employee organization.

(9) The term "Secretary" means the Secretary of Labor.

(10) The term "State" means any State of the United States, the District of Columbia, the Territories of Alaska and Hawaii, Puerto Rico, the Virgin Islands, and the Canal Zone.

(11) The term "commerce" means trade, commerce, transportation, or communication among the several States or between any foreign country and any State, or between any State and any place outside thereof.

(b) Any two or more employee welfare benefit plans or any two or more pension benefit plans shall be considered to be "related plans" for the purposes of this act if they have substantially common officers or administrators, cover employees of the same employer, or are otherwise established, operated, or administered on a common basis.

COVERAGE

SEC. 4. (a) Except as provided in subsection (b), this act shall apply to any employee welfare or pension benefit plan if—

(1) it provides benefits for employees employed in two or more States;

(2) some or all of the benefits thereunder are provided by or through the facilities of a service or other organization having its principal office outside of the State in which the principal office of the plan is located;

(3) it is established or maintained by any employer or employers engaged in commerce or in any industry or activity affecting commerce or by any employee organization or organizations representing employees engaged in commerce or any industry or activity affecting commerce or by both; or

(4) the income of such plan is claimed to be exempt from taxation under the provisions of the Internal Revenue Code of 1954 by reason of its nature or activities, or the costs of or contributions to such plan are claimed as allowable deductions in computing taxable income under such provisions.

(b) This act shall not apply to an employee welfare or pension benefit plan if—

(1) such plan is administered by the Federal Government or by the government of a State, by a political subdivision of a State, or by an agency or instrumentality of any of the foregoing;

(2) such plan was established and is maintained for the purpose of complying with applicable workmen's compensation laws; or

(3) such plan is exempt from taxation under section 501 (a) of the Internal Revenue Code of 1954 and is administered as a corollary to membership in a fraternal benefit society described in section 501 (c) (8) of such Code or by an organization described in section 501 (c) (3) of such Code.

REGISTRATION

SEC. 5. (a) The person or persons, as defined by the Secretary, charged with or having responsibility for the overall management of any employee welfare or pension benefit plan shall register such plan with the Department of Labor in accordance with this section. Except as provided by section 8 (b), employee welfare or pension benefit plans established prior to the effective date of this act shall be registered within 90 days after the promulgation by the Secretary of the applicable regulations, and such plans established on or after the effective date of this act shall be registered within 90 days after their establishment or after the promulgation of such regulations, whichever is later.

(b) The registration of an employee welfare or pension benefit plan shall be in the form prescribed by the Secretary, shall be signed by the person or persons charged with or having responsibility for the overall management of the plan, and shall include their names and addresses, their official positions with respect to the plan, and their relationship, if any, to the employer or to any employee organization; the approximate number of persons covered or expected to be covered by the plan; the type and scope of the plan; whether the plan is mentioned in a collective-bargaining agreement; copies of the plan or of the bargaining agreement, trust agreement, contract, or other instrument, if any, under which the plan was established and is operated; the source of the financing of the plan and the identity of any organization through which benefits are provided; whether the records of the plan are kept on a calendar-year basis, or on a policy or other fiscal year basis, and if on the latter basis, the date of the end of such policy or fiscal year; and such other related data and information as the Secretary shall determine to be necessary to carry out the policy of this act. Amendments to the registration reflecting changes in the data and information included in the original registration, other than data and information also required to be included in annual reports under section 6, shall be filed with the Department of Labor, at such time or times, and in such form, as the Secretary shall by regulations prescribe.

REPORTING

SEC. 6. (a) The person or persons, as defined by the Secretary, who are charged with or have responsibility for the overall management of any employee welfare or pension benefit plan shall file with the Department of Labor an annual report with respect to such plan. Such report shall be filed within 120 days after the end of the calendar year (or, if the records of the plan are kept on a policy or other fiscal year basis, within 120 days after the end of such policy or fiscal year) but, except as provided by subsections (a) and (b) of section 8, not more than 1 year after the date of its registration under section 5, and annually thereafter.

(b) A report under this section shall be in such form as the Secretary shall prescribe, shall be signed by the person or persons by whom it is required to be filed, and each such report shall include the following, together with such related data and information as the Secretary shall determine to be necessary in the public interest and to carry out the policy of this act:

(1) The name, address, and description of the plan or program, including the type of plan and the type of administration; the schedule of benefits; copies of any substantial changes in the plan or in the trust agreement, contract, or other instrument under which the plan was established and is operated, which have been made since the previous filing; and the names, titles, and addresses of any trustee or trustees and of any person or persons charged with or having responsibility for the overall management of the plan, and their official positions with respect to the plan, and their relationship, if any, to the employer or to any employee organization, and any other offices, positions, or employment held by them.

(2) The amount contributed by the employer or employers; the amount contributed by the employees; the amount of benefits paid or otherwise furnished; the number of employees covered; a detailed statement of assets, liabilities, receipts, disbursements, and other financial activities of the plan; the salaries and fees charged to the plan, to whom paid, in what amount, and for what purposes. The information required by this paragraph shall be certified to by an independent certified or licensed public accountant, based upon a comprehensive audit made on behalf of the participants and conducted in accordance with accepted standards of auditing, but nothing herein shall be construed to require such an audit of the books or records of any bank, insurance company, or other institution providing an insurance, investment, or related function for the plan, if such books or records are subject to examination by any agency of the Federal Government or the government of any State.

(c) If some or all of the benefits under the plan are provided by an insurance carrier or service or other organization such report shall include with respect to such plan (in addition to the information required by subsection (b)) the following, together with such related information as the Secretary shall determine to be necessary in the public interest and to carry out the policy of this act:

(1) The premium rate or subscription charge and the total premium or subscription charges paid to each such carrier or organization and the approximate number of persons covered by each class of such benefits.

(2) The total amount of premiums received, the approximate number of persons covered by each class of benefits, and the total claims paid by such carrier or other organization; dividends or retroactive rate adjustments, commissions, and administrative, service, or other fees (other than routine fees not in excess of $50 paid in connection with determining the eligibility of individuals for insurance or for receipt of benefits) or other specific acquisition costs, paid by such carrier or other organization; any amounts held to provide benefits after retirement; the remainder held by such carrier or other organization; and the names and addresses of the brokers, agents or other persons to whom commissions or fees were paid, the amount paid to each, and for what purpose: *Provided*, That if any such carrier or other organization does not maintain separate experience records covering the specific groups or programs it serves, the report shall include in lieu of the information required by the foregoing provisions of this paragraph (A) a statement as to the basis of its premium rate or subscription charge, the total amount of premiums or subscription charges received from the plan, and a copy of the financial report of the carrier or other organization and (B), if such carrier or organization incurs specific costs in connection with the acquisition or retention of any particular plan or plans, a detailed statement of such costs.

Such insurance carrier or organization shall certify to the person or persons charged with or having responsibility for the overall management of the plan, within 90 days after the end of each policy year, the information necessary to enable such person or persons to comply with the requirements of this subsection and subsection (e) (2), and a copy of such certification shall accompany such report.

(d) Details relative to the manner in which any funds held by an employee welfare benefit plan are held or invested shall be reported as provided under paragraphs (B), (C), (D), and (E) of subsection (e) (1).

(e) Reports on employee pension benefit plans shall include, in addition to the applicable information required by the foregoing provisions of this section, the following, together with such related information as the Secretary shall determine to be necessary in the public interest and to carry out the policy of this act:

(1) If the plan is funded through the medium of a trust, the report shall include—

(A) the type and basis of funding, actuarial assumptions used, the amount of current and past service liabilities, and the number of employees, both retired and nonretired covered by the plan;

(B) a summary statement showing the assets of the fund, broken down by types, such as cash, investments in governmental obligations, investments in nongovernmental bonds, and investments in corporate stocks. Such assets shall be valued on the basis regularly used in valuing the investments held in the fund and reported to the United States Treasury Department if a statement of the assets of the fund is required to be filed annually with the United States Treasury Department, or shall be valued on such basis as is prescribed by the Secretary if such a statement is not so required to be filed with the United States Treasury Department;

(C) a detailed list, including information as to cost, present value, and percentage of the total fund, of all investments in securities or properties of the employer and of each other party in interest as defined by the Secretary;

(D) a detailed list, including information as to cost, present value, and percentage of the total fund, of all investments in a security or property (other than obligations the interest or principal of which is guaranteed by the United States), if the cost of present value thereof, whichever is lower, exceeds 5 per centum of the fund or $50,000 whichever is larger, or 10 per centum of the current value of the outstanding securities or obligations of any one issuer;

(E) a detailed list of all loans made to the employer and to each other party in interest as defined by the Secretary.

The trustee of such trust shall certify to the person or persons charged with or having responsibility for the overall management of the plan, within 90 days after the end of each calendar year (or, if the records of the plan are kept on a fiscal year basis, within 90 days after the end of each such fiscal year), the information necessary to enable such person or persons to comply with the requirements of this paragraph, and a copy of such certification shall accompany such report. Except where such trustee is a bank or other institution the books or records of which are subject to examination by any agency of the Federal Government or the government of any State, such information shall also be certified to by an independent certified or licensed public accountant, based upon a comprehensive audit made on behalf of the participants and conducted in accordance with accepted standards of auditing.

(2) If the plan is funded through the medium of a contract with an insurance carrier, the report shall include—

(A) the type and basis of funding, actuarial assumptions used in determining the payments under the contract, the amount of current and past service liabilities based on those assumptions, and the number of employees, both retired and nonretired, covered by the contract; and

(B) except for benefits completely guaranteed by the carrier, the amount of all reserve accumulated under the plan.

(3) If the plan is unfunded, the report shall include the total benefits paid to retired employees for the past 5 years, broken down by year; the number of employees, both retired and nonretired, covered by the plan; any actuarial assumptions or evaluations made during the last 5-year period; and a statement reflecting the average age and duration of employment of the employees, the average salary or wage if the benefits are related to salaries or wages, and the average age of the retired employees, for any 1 year during the last 5 years next preceding the filing of the report.

(f) If the Secretary determines that any of the information required by this section to be included in reports filed hereunder, or in the registration statements required by the previous section, is uninformative or duplicative and could be eliminated without interfering with the carrying out of the objectives of this act, he may by regulation authorize the omission of such information from such reports or registration statements thereunder filed.

DISCLOSURE

SEC. 7. Disclosure of information contained in a registration or annual report or other document filed under this act shall be made to the participants and their beneficiaries and other persons as follows:

(1) The Secretary shall make copies of such registration, annual report, or other document available for examination in the public documents room of the Department of Labor; and

(2) The person responsible for the overall management of the plan shall make copies of such registration, annual report, or other document available upon request for examination by any participant or beneficiary at the principal offices of the plan, and shall provide information from any such registration, report, or other document, in as brief summary form as the Secretary shall prescribe to carry out the policy of this act, to each participant or beneficiary requesting it.

PLANS COVERING FEWER THAN 100 EMPLOYEES

SEC. 8. (a) Section 6 shall not apply to any employee welfare or pension benefit plan which, together with any related plan or plans, covers fewer than 100 employees until the expiration of 2 years following the date of enactment of this act.

(b) The Secretary may exempt from the requirements of section 5, relating to registration, or section 6, relating to annual reports, or of both such sections, for such indefinite or other period or periods as he may determine, any category or categories of employee welfare or pension benefit plans (classified on the basis of the number of employees covered) which together with any related plans cover fewer than 100 employees, if he finds that compliance would be unduly burdensome to such plans or, because of the number of such plans, would place an undue administrative burden on the Department.

(c) During any period for which an employee welfare or pension benefit plan is exempt under subsection (a) or subsection (b) from the requirements of section 5 or section 6 it shall not be required to make disclosure as required by section 7, but in lieu thereof the person or persons having responsibility for the overall management of such plan shall make available for inspection by any participant or beneficiary or other interested person at the principal offices of the plan or such other place as may be prescribed by the Secretary such of the information specified by section 6 as may be requested, except that the information specified by subsection (b) (2) of such section shall not be required to be certified to by an independent public accountant as provided in such subsection unless the Secretary deems such certification necessary to carry out the policy of this act and so provides in his regulations.

ADVISORY COUNCIL

SEC. 9. (a) There is hereby established an Advisory Council on Employee Welfare and Pension Benefit Plans (hereinafter referred to as the "Council") which shall consist of 13 members to be appointed in the following manner: one from the insurance field, one from the corporate trust field, two from management, four from labor, and two from other interested groups, all appointed by the Secretary from among persons recommended by organizations in the respective groups; and three representatives of the general public appointed by the Secretary.

(b) It shall be the duty of the Council to advise the Secretary with respect to the carrying out of his functions under this act, and to submit to the Secretary recommendations with respect thereto. The Council shall meet twice each year and at such other times as the Secretary requests.

(c) The Secretary shall furnish to the Advisory Council an executive secretary and such secretarial, clerical, and other services as are deemed necessary to the conduct of its business. The Secretary may call upon other agencies of the Government for statistical data, reports, and other information which will assist the Council in the performance of its duties.

(d) Appointed members of the Council shall be paid compensation at the rate of $50 per diem when engaged in the work of the Council, including travel time, and shall be allowed travel expenses and per diem in lieu of subsistence as authorized by law (5 U. S. C. 73b–2) for persons in the Government service employed intermittently and receiving compensation on a per diem when actually employed basis.

POWERS OF THE SECRETARY

SEC. 10. (a) The Secretary is authorized to prescribe such rules and regulations as may be necessary to carry out the provisions of this act.

(b) The Secretary is authorized to utilize any information submitted under the provisions of this act for statistical and research purposes and to compile and publish such studies, analyses, reports, and surveys as he deems appropriate.

(c) The Secretary is authorized to make such studies as he deems necessary to serve as a basis for making recommendations for further legislation concerning matters to which this act relates.

(d) The Secretary is authorized to make such expenditures and, subject to the civil-service laws and the Classification Act of 1949, as amended, to appoint and fix the compensation of such personnel, including attorneys, as may be necessary to perform the functions imposed by this act. Attorneys appointed under this section may appear for and represent the Secretary in any litigation, but such litigation shall be subject to the direction and control of the Attorney General.

(e) All pertinent accounts, correspondence, memorandums, papers, books, and other records of any employee welfare or pension benefit plan shall be subject at any time or from time to time to such reasonable, periodic, special, or other examinations by representatives of the Department of Labor as the Department may deem necessary to accomplish the policy of this act.

STUDIES WITH RESPECT TO STANDARDS OF CONDUCT AND CIVIL SUITS

SEC. 11. The Secretary shall cause to be conducted a study for the purpose of determining the desirability and feasibility (1) of establishing and requiring compliance with standards of conduct in matters concerning the management and operation of employee welfare and pension benefit plans by persons serving as officers, agents, employees, trustees, or custodians of such plans or otherwise occupying positions of responsibility in, or exercising authority or control over, the management or operation of such plans or having a fiduciary relationship to such plans or their participants or their beneficiaries, and (2) of authorizing the Secretary to institute civil suits against any such persons who have been guilty of gross misconduct or gross abuse of trust in respect of any employee welfare or pension benefit plan for the purpose of enjoining such persons from further serving in such capacities, or for the purpose of recovering from them on behalf of the plan the amounts of any financial losses suffered by the plan or its participants or their bene-

ficiaries by reason of such misconduct or abuse of trust. Upon the conclusion of such studies the Secretary shall transmit to the Congress his conclusions and recommendations with respect thereto.

INVESTIGATIONS; INJUNCTIONS

SEC. 12. (a) The Secretary may, in his discretion, make such investigations as he deems necessary to determine whether any person has violated or is about to violate any provision of this act or any rule or regulation thereunder, and may require or permit any person to file with it a statement in writing, under oath or otherwise as the Secretary shall determine, as to all the facts and circumstances concerning the matter to be investigated. The Secretary is authorized, in his discretion, to publish information concerning any such violations, and to investigate any facts, conditions, practices, or matters which he may deem necessary or proper to and in the enforcement of the provisions of this act or in the prescribing of rules and regulations thereunder.

(b) For the purposes of any investigation provided for in this act, the provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (15 U. S. C. 49, 50), are hereby made applicable to the jurisdiction, powers, and duties of the Secretary of Labor or any officers designated by him.

(c) Whenever it shall appear to the Secretary that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this Act, or of any rule or regulation thereunder, he may in his discretion bring an action in the proper district court of the United States, or United States court of any Territory or other place subject to the jurisdiction of the United States to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. The Secretary may transmit such evidence as may be available concerning such acts or practices to the Attorney General, who may, in his discretion, institute the necessary investigations and criminal proceedings.

(d) The district courts of the United States, and the United States courts of any Territory or other place subject to the jurisdiction of the United States, shall have jurisdiction, for cause shown, to restrain violations of, to enforce any duty created by, or to compel disclosure of any information required to be submitted to the Secretary in accordance with, this act or the rules and regulations thereunder. All actions under this subsection shall be brought on behalf of the Secretary.

PENALTIES

SEC. 13. (a) Any person who willfully violates or fails to comply with any provision of this act or the rules or regulations promulgated thereunder shall be fined not more than $5,000, or imprisoned not more than 5 years, or both.

(b) Any person who makes a false statement or representation of a material fact, knowing it to be false, or who knowingly fails to disclose a material fact, in any registration, report, certification, or other document or information required under the provisions of this act or the rules or regulations promulgated thereunder, shall be fined not more than $5,000, or imprisoned not more than 5 years, or both.

(c) Any person who makes any false entry in any book, record, report, or statement required by law or appropriate regulation thereunder to be kept or made for any such welfare or benefit plan, with intent to injure or defraud such plan or any participant or beneficiary thereunder, or to deceive anyone authorized or entitled to examine the affairs of such plans, or who willfully destroys any such books, records, reports, or statements unless authorized by appropriate regulations, shall be fined not more than $5,000, or imprisoned not more than 5 years, or both.

(d) Any person who embezzles, steals, or unlawfully and willfully abstracts or converts to his own use, or to the use of another, any of the moneys, funds, securities, premiums, credits, property, or other assets of any employee welfare or pension benefit plan, or of any fund connected therewith, shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

(e) Any person charged with or having responsibility for the overall management of any employee welfare or pension benefit plan, or being an officer, trustee, custodian, or employee of any such plan, or an officer of any employer any of whose employees are covered by such plan, or an officer or employee of any employee organization any members of which are covered by such plan, who receives or agrees to receive any fee, kickback, commission, gift, or thing of value with intent to have his decision or action on any question or matter concerning the procurement of property or insurance or other services for or in connection with such plan influenced thereby; and any person who pays or agrees or attempts to pay any fee or commission or makes or agrees or attempts to make any gift or transfers or agrees or attempts to transfer any thing of value to any person charged with or having responsibility for the overall management of any employee welfare or pension benefit plan, or to any officer, trustee, custodian, or employee of any such plan, or officer of any employer any of whose employees are covered by such plan, or officer or employee of any employee organization any members of which are covered by such plan, with intent to influence or attempt to influence his decision or action on any question or matter concerning the procurement of property or insurance or other services for or in connection with such plan, shall be fined not more than $5,000, or imprisoned not more than 5 years, or both. Nothing contained in this subsection shall be construed to prohibit the payment to or acceptance by any person of usual salary or compensation for necessary services performed in the regular course of his duties as such an officer or employee.

(f) Any person who, during any period for which he is ineligible by reason of conviction of any offense against the laws of the United States or of any State to vote in any election held under the laws of the State of his legal residence, holds office, acts, or serves as an officer, trustee, custodian, or employee of an employee welfare or pension plan required to be registered under this act, shall be fined not more than $5,000, or imprisoned not more than 5 years, or both.

TERMINAL DATE

SEC. 14. This act shall be effective for a period of 4 calendar years from the date of its enactment. On or before January 1 of each year, the Secretary shall make a complete and comprehensive report to the Congress of his operations under this act. The report filed on or before January 1, 1961, shall include the recommendations of the Secretary as to the continuance, simplification, or modification of this act.

COOPERATION WITH OTHER FEDERAL AGENCIES

SEC. 15. (a) The heads of other Federal departments and agencies shall cooperate with the Secretary in furnishing information, data, reports, and such other material as may be necessary to the effective administration and enforcement of this act. The Secretary shall make available to the Internal Revenue Service such of the information furnished to or obtained by the Department of Labor under this act as the Secretary of the Treasury may need for the purpose of enabling such service to administer more effectively the Federal income-tax laws. The Secretary shall also provide for the making available of information furnished by employee welfare and pension benefit plans pursuant to this act to other departments and agencies of the Government to assist in the performance of the functions of such departments and agencies. The Secretary shall cooperate and consult with the Secretary of the Treasury, the Secretary of Commerce, the Chairman of Securities and Exchange Commission, the Secretary of Health, Education, and Welfare, and the Chairman of the Board of Governors of the Federal Reserve System, and with the heads of such other departments and agencies as he deems appropriate regarding the administration of this act, and with the consent of the respective heads of such departments and agencies may utilize the facilities of such departments and agencies for such research and other purposes as the Secretary deems appropriate.

(b) In order to avoid burdensome and unnecessary effort and expense to employee welfare and pension benefit plans and to the Government resulting from a multiplicity of forms, the Secretary shall consult and cooperate with the heads of the various departments and agencies of the Government with a view to developing standardized forms for use in the reporting of information relating to such plans required by this act, the internal revenue laws, or other laws of the United States, or regulations promulgated thereunder.

COOPERATION WITH STATES

SEC. 16. (a) The Secretary shall consult and cooperate with any State officers or agencies having responsibility for the administration of State laws requiring the disclosure of information concerning employee welfare and pension benefit plans, with a view to developing standardized forms for such purpose, developing means of facilitating compliance with such laws, and avoiding burdensome and unnecessary effort and expenses resulting from a multiplicity of forms. Before prescribing forms under this act for registration and reporting, and for summaries which may be required for distribution to participants and beneficaries, the Secretary shall obtain information with respect to the format and content of forms employed in connection with such State laws, and shall have in mind the requirements of such State laws in prescribing forms under this act.

(b) In order to assist the States to discharge such responsibilities as they may have with respect to employee welfare and pension benefit plans, the Secretary shall by regulation require the persons responsible for the registration, reporting, and summaries required by this act to file copies of such documents, or any portions thereof, with a State agency upon its request.

(c) In the case of an employee welfare or pension benefit plan providing benefits to employees employed in two or more States, no person shall be required by reason of any law of any such State to file with any State agency (other than an agency of the State in which such plan has its principal office) any information included within a registration, report, summary, or other document filed pursuant to this act if copies of such registration, report, summary, or other document are filed with the State agency, and if copies of such summary or such portions of the registration, report, or other document, as may be required by the State agency, are distributed to participants and beneficiaries in accordance with the requirements of such State law with respect to scope of distribution. Nothing contained in this subsection shall be construed to prevent any State from obtaining such additional information relating to any such plan as it may desire, or from otherwise regulating such plan.

EFFECT OF OTHER LAWS

SEC. 17. The provisions of this act, except section 12 (b) and section 16 (c), and any action taken thereunder shall not be held to exempt or relieve any person from any liability, duty, penalty, or punishment provided by any present or future law of the United States or of any State affecting the operation or administration of employee welfare or pension benefit plans, or in any manner to authorize the operation or administration of any such plan contrary to any such law.

SEPARABILITY OF PROVISIONS

SEC. 18. If any provision of this act or the application of such provision to any person or circumstance is held invalid, the remainder of this act and the application of such provision to other persons or circumstances shall not be affected.

Mr. MANSFIELD. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. DOUGLAS subsequently said: Mr. President, in passing S. 2888, the Senate has taken a long step forward in the protection of 84 million beneficiaries of health, welfare, and pension plans, in safeguarding Government revenues, and in deterring on the part of a few officials grave abuses in relation to these funds which have shocked the American people.

The Senate has placed its stamp of approval on several principles for far reaching importance.

First, the Senate has declared in unmistakable terms that the welfare and pension plan moneys are trust funds and that the public has a right to demand that they be spent only for the health, welfare, and security of the men, women, and children for whom they are intended.

Second, the Senate has provided reasonable reporting and disclosure procedures, because it recognizes that the sunlight of publicity can to a large degree prevent the evil which flourishes in the dark.

Third, instead of a large Federal bureaucracy with regulatory powers, the Senate has adopted a protective method which relies strongly upon deterrence rather than control, and upon self-policing by labor, employers, and the banking and insurance industries. Thus we have voted to use the power of Government to reveal, and to rely mainly upon the power of the citizen to heal.

Fourth, these reasonable and moderate reporting and disclosure provisions are backed up by tough sanctions for violations, by criminal penalties for failures to file; for false statements or accounts; for embezzlement from such funds and for paying or receiving fees, kickbacks, commissions, or gifts in the nature of bribes.

All these provisions, together with the subpena powers and the authority to file suits for preventive relief against violations of the law, if enacted, constitute a formidable arsenal against abuses.

Fifth and finally, the Senate has determined that such legislation, to be fair, must be mutual. The law must impose its restrictions and give its protections to employer-administered funds as well as to those with which unions have some connection. This principle of even-handed justice should do much to win wider support for the measure and make it more effective. I hope we have established a precedent for appropriate application of the principle of mutuality in other measures to follow.

I am glad the Senate did not yield to the somewhat self-righteous appeals of some business groups that only the unions are at fault.

Those of us who took part in drafting and improving and supporting S. 2888 have never claimed that it is a sure cure for all the ills which may afflict welfare and pension plans. But we are convinced the legislation can be a powerful deterrent against the abuses we uncovered.

The critics of S. 2888 who claim it does too little, like those who have objected that it does too much, are, in my opinion, contradicted by any fair analysis of what the bill actually contains.

Those who have sought to attach to S. 2888 all manner of amendments dealing with other phases of labor-management relations, on the plea that the Senate Committee on Labor and Public Welfare will not report any labor legislation after hearings, or that the majority policy committee will never let such legislation be considered by the Senate, are also contradicted by the action on this bill, which the RECORD shows was reported by the committee on April 21, 1958, and was made the pending business on the motion of the majority leader on April 23, 1958.

I, for one, take pride in the constructive work the Senate has done on this bill and in the part I have been permitted to play in the 4-year legislative project. I congratulate those on both sides of the aisle who have helped to make the passage of the bill possible, particularly—if I may single out a few for special mention—the chairman of the committee, the Senator from Alabama [Mr. HILL]; the chairman of the subcommittee, the Senator from Massachusetts [Mr. KENNEDY], whose able services have been well demonstrated by his work on the floor as well as in the committee; the leading supporter and drafter from the other side of the aisle, the Senator from New York [Mr. IVES]; and our majority leader, the Senator from Texas [Mr. JOHNSON].

Mr. President, I want to add a word, if I may, about the devoted members of the staff, who play such a large part in the passage of good legislation, and who so seldom are given credit for the part which they play.

In the first place, I want to thank Mr. Paul J. Cotter, who is the chief counsel of the subcommittee, who conducted most of the investigations and who was a rock of integrity, a man of complete honor and of great energy.

I also want to thank Mr. Jack Forsythe, the general counsel of the Committee on Labor and Public Welfare.

I want to thank the devoted staff, which worked in the period of the investigation: Joe Zisman, who is on loan from the Department of Health, Education, and Welfare; Mr. Louis Reed, the research director for the committee; Mr. Frank Plant, the chief investigator, a man of great energy and great integrity, and a conscientious sleuth in running down evil; Mr. Blake Turner, also an extremely good investigator and an honorable man; Mr. Robert Dunne, who is now with the McClellan committee; Mr. Fred Suss; Mr. Louis Solomon, a consultant; Mr. Al Trule; Mr. Frank McNaughton; Mr. Duncan McIntyre, and Mr. William Leece.

Finally, Mr. President, I want to express my deep indebtedness and indeed the indebtedness of the whole country to my own administrative assistant, Mr. Frank McCulloch, an extraordinarily efficient and honorable man, perhaps unduly self-effacing, who has been of tremendous assistance in regard to this legislation and in regard to all other legislation for the public good.

PENALTIES FOR INTERFERENCE WITH UTILITY LINES, PANAMA CANAL ZONE

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, H. R. 3604.

The Senate resumed the consideration of the bill (H. R. 3604) to amend section 831 of title 5 of the Canal Zone Code to make it a felony to injure or destroy works, property, or material of communication, power, lighting, control, or signal lines, stations, or systems, and for other purposes.

MILITARY PAY ACT OF 1958

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Order No. 1501, H. R. 11470.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 11470) to adjust the method of computing basic pay for officers and enlisted members of the uniformed services, to provide proficiency pay for enlisted members thereof, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with amendments.

ORDER FOR ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like the Senate to know that on tomorrow the Senate will consider Order No. 1501, H. R. 11470, an act to adjust the method of computing basic pay for officers and enlisted members of the uniformed services. That is the military pay bill.

I am informed that this bill was reported by the committee unanimously, and we anticipate little opposition to it. We hope to follow the military pay bill with the Interior Department appropriation bill, and I ask unanimous consent that it be in order to consider that measure, notwithstanding the fact that it was only reported to the Senate today. The reports and hearings will be available to Members before it is taken up.

The PRESIDING OFFICER. Is there objection?

Mr. WILLIAMS. Mr. President, reserving the right to object, the bill has not even been printed. After all the lecturing the Senator from Texas has done about orderly procedures of the Senate, surely he is not asking us to take up a bill involving four or five hundred million dollars when Senators cannot even get copies of the bill.

Mr. JOHNSON of Texas. The request of the Senator from Texas did not include that. The Senator from Texas asked consent that at the conclusion of the consideration of the military pay bill it be in order to take up the Interior Department appropriation bill, with the understanding that the reports and hearings will be available. If the Senator from Delaware has the slightest objection to it, I assure him the request is conditioned on the fact that the reports and hearings will be available. If the Senator from Delaware wants more time, the Senator from Texas will be delighted to withdraw the request.

Mr. WILLIAMS. Until such time as I see the bill and see what is in it, I object to the unanimous-consent request to bring it up. If the Senator from Texas wants to make the request tomorrow, he may do so then, but I do want to look at the bill before consenting.

Mr. JOHNSON of Texas. I think the Senator from Delaware is within his rights. I would be the last one to insist that we do otherwise. I had talked to other Members about it. I had not talked to the Senator from Delaware. The bill was reported. I did not intend to bring it up until hearings and reports were on each Senator's desk. I can understand the merits of the Senator's contention. I withdraw the request.

Mr. WILLIAMS. If the Senator wants to do it tomorrow——

Mr. JOHNSON of Texas. I understand. The Senator from Delaware is always cooperative with the problems of the leadership. I appreciate his attitude. He is perfectly right.

Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

UNVEILING OF BUST OF ALBEN W. BARKLEY ON TOMORROW

Mr. JOHNSON of Texas. Mr. President, if the minority leader will follow my announcement, I should like to state that tomorrow there will be a ceremony at 12:15, the unveiling of the bust of the late distinguished Alben William Barkley, Vice President of the United States for the 41st term, and a Senator from the State of Kentucky. That unveiling is to be at the main entrance to the Senate Chamber at 12:15. I shall ask the Senate to take a recess, subject to the call of the Chair, at that time.

After the Senate convenes and the prayer is offered, I shall ask for a quorum of the Senate, and then ask that the Senate recess until those proceedings shall have been concluded. I should like all Senators to be on notice of our intention.

AREA REDEVELOPMENT ACT—ADDITIONAL REPORT OF A COMMITTEE

Mr. DOUGLAS. Mr. President, out of order, from the Committee on Banking and Currency, I report favorably, without amendment, the bill (S. 3683) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas, and I submit a report (No. 1494) thereon. I ask unanimous consent that the report may be printed, together with minority views, and an illustration.

The PRESIDING OFFICER. The report will be received and printed, and the bill will be placed on the calendar, and the report will be printed, as requested by the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I do not wish to detain the Senate at this hour of night with a detailed statement with respect to the bill. I have prepared such a statement and I ask that it be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WHAT THE BILL DOES

Many industrial and rural areas throughout the United States have suffered from a high level of unemployment and underemployment, year after year, in good times and bad.

S. 3683 is designed to help these areas lift themselves out of this situation, to transform themselves into productive communities enjoying the American high standard of living.

An Area Redevelopment Administration, headed by an Area Redevelopment Commissioner, would be created as a constituent agency of the Housing and Home Finance Agency.

The Commissioner would designate as industrial redevelopment areas, those areas suffering from substantial and persistent unemployment, and as rural redevelopment areas, those areas with a large number and percentage of low-income families and substantial and persistent unemployment and underemployment. An overall program for the economic development of each area would then be prepared and approved by the Commissioner. This program would be prepared by the leaders of the area with the advice and assistance of the appropriate State and local authorities and the Area Redevelopment Administration.

The Commissioner could make loans for industrial projects in industrial redevelopment areas out of a revolving fund of $100 million. He could make loans for industrial projects in rural redevelopment areas out of another $100 million revolving fund. A third revolving fund of $100 million would be established for loans for public facilities which would improve the opportunities for the establishment and expansion of industrial and commercial facilities in a redevelopment area. These funds would be obtained by borrowing from the Treasury. The Commissioner could also make grants for the same kind of public facilities from appropriated funds of $75 million a year.

The Commissioner could give information and technical assistance to redevelopment areas. Financial assistance under the urban redevelopment program under the Housing Act of 1949 could be given in redevelopment areas. The Secretary of Labor and the Secretary of Health, Education, and Welfare could provide information and financial assistance in connection with vocational training programs and the Secretary of Labor would be authorized to arrange for subsistence payments up to 13 weeks to persons receiving such vocational training, but not then receiving unemployment compensation.

BACKGROUND OF THE BILL

The problems which S. 3683 is designed to meet are not new. The provisions in S. 3683 have been considered in one form or another over and over again.

Many bills have been introduced in the 85th Congress which aim at alleviating conditions of unemployment and underemployment in depressed areas. S. 104, S. 964, S. 1433, S. 1854, S. 3447 have been referred to this committee, and have been the subject of extensive hearings and detailed consideration.

Almost 1,000 pages of testimony were taken by the Subcommittee on Production and Stabilization. During these hearings, 12 Senators, 8 Members of the House of Representatives, representatives of 5 departments and the HHFA, 3 governors, 11 union representatives, and many community representatives testified in support of legislation to help these chronically depressed areas, and numerous supporting statements were filed.

S. 3683 represents the best judgment of a bipartisan majority of the committee on the measures that should be adopted to solve this problem. In large part, these are provisions which the Senate approved 2 years ago. The passage of 2 additional years and the present recession has made the problems of these chronically depressed areas more acute, not less.

FEDERAL RESPONSIBILITY

The Federal Government has a continuing responsibility to afford useful employment opportunities and to promote maximum employment, production and purchasing power which applies alike to general nationwide economic conditions, and to conditions in those unfortunate areas where unemployment and underemployment continue to exist, year after year, whatever may be happening elsewhere.

This responsibility is clearly stated in the Employment Act of 1946.

The Federal Government has made some attempts in the past to aid labor surplus areas. It has developed a number of uncoordinated programs whose objective is to help depressed areas.

Experience has shown, however, that these uncoordinated programs are totally inadequate to provide for the need of areas suffering from chronic labor surplus, as the Economic Report of the President for 1956 recognized.

"Although these programs have proved helpful, experience demonstrates that bolder measures are needed. To this end, a new

area assistance program is recommended for aiding communities that have experienced persistent and substantial unemployment."

Only a comprehensive Federal program such as proposed by S. 3683 can meet the serious needs of depressed urban and rural areas.

STATE AND LOCAL RESPONSIBILITY

The States in which these depressed areas are situated and the localities themselves have for years been wrestling with the problem.

These efforts must continue. The initiative, enterprise, and ingenuity of the leaders of these areas and of the State officials, and the financing available locally and in the States, will always be the most important elements in the development of these areas.

THE COST OF DEPRESSED AREAS

Depressed areas are an expensive burden, one which the United States cannot afford to continue to carry. They absorb vast sums in unemployment compensation and relief payments. These areas produce far less than they could and should; they contribute little to the Nation's output or to the local, State, and Federal tax revenues. Their low purchasing power means they are not good paying customers for the rest of the country.

An economic recession has snowballing effects and a declining level of economic activity in one area may speed to other areas if not stopped in time. Unemployment and underemployment in one area not only reduce demand for goods and services from other areas but may also affect the state of confidence in other areas and thereby affect the level of economic activities in different regions. The costs to rehabilitate a depressed area would be more than made up by the decreasing expenditures for unemployment insurance relief and by an increased tax base resulting from improved economic conditions.

A comprehensive program to aid chronically depressed and low-income areas will also mean much to the people—the men and women and children—of these areas. The statistics showing decreases in savings deposits, bank deposits, and increases in unemployment compensation, public assistance, and county aid are distressing to the taxpayers who must pay them, but they mean far more to the men and women who have no jobs or whose skills are being squandered by underemployment and who are reduced to accepting unemployment compensation and public assistance. And to the children of these communities, these figures mean, as the mayor of Walsenburg suggested, a future with little or no hope, with increased juvenile delinquency and waste of the next generation.

These depressed conditions, continued over a long period, mean the gradual disintegration of the community and all its physical resources built up over the years—schools, stores, hospitals, banks, office buildings, public facilities, and homes. As the community deteriorates and declines, these facilities also become underused and eventually idle. All too often when the people of the area move away in search of jobs elsewhere, duplicate facilities must be built. And these duplicate facilities may have to be built with the help of Federal subsidies.

FLEXIBLE AND COMPREHENSIVE REDEVELOPMENT PROGRAM NEEDED

A program to aid depressed areas should be flexible and adaptable to the diverse needs of the many communities, both industrial and rural, that suffer from chronic unemployment or underemployment. S. 3683 provides such a program.

A sound national program must make provision both for industrial areas which have been subject to chronic unemployment and for low-income rural communities whose major economic ailments are due to underemployment. The responsibility of the Federal Government to help improve economic conditions is equally manifest in both cases.

A realistic and comprehensive Federal program must also encompass a variety of activities to fit the diversity of needs of the different communities. Testimony at the hearings on S. 3683 has indicated that communities on the downgrade frequently cannot afford to carry out a program of economic reconstruction, no matter how strong their will to do so.

In the 1957 Economic Report of the President, the need of chronically depressed communities for outside assistance was stated concisely:

"In some cases the forces responsible for persistent unemployment are so strong and so varied that they will yield only to comprehensive measures taken jointly by private groups, State and local governments, and the Federal Government."

The establishment of a constructive program to help a community is usually only a start toward economic revival. One of the basic problems of distressed areas is to secure credit sufficient to activate the plans for economic redevelopment. In such communities local capital is normally limited and less venturesome than in places where greater prosperity prevails. Credit on favorable terms is needed in such communities both to develop their public facilities so as to make them more attractive to new industry and to establish new enterprises to create new jobs in the communities. The Federal Government can be most helpful in assisting such communities, with the cooperation of private lending institutions and State and local governments, to raise the funds necessary to expand the economic base.

Many of the people in surplus labor areas do not have the necessary skills which new industry there might need. A rounded program should therefore provide that the Federal Government, in partnership with State and local agencies, establish the necessary training facilities that new industry would require in the communities undertaking a program of redevelopment. Persons undergoing training must also be provided with a minimum of subsistence. It would be unrealistic to expect that persons who have been unemployed or underemployed for a long period could afford to devote full time to training for new jobs unless they were furnished some means of livelihood during the training course.

AREAS SUFFERING FROM CHRONIC UNEMPLOYMENT AND UNDEREMPLOYMENT

S. 3683 aims to assist industrial and rural areas where chronic unemployment and underemployment prevail. The program proposed to aid these areas under S. 3683 while closely related to the overall economic measures needed to combat the serious recession which has engulfed the Nation during the winter of 1957–58, should be considered independently.

The present recession is temporary in nature, and any program designed to combat it will be temporary. Measures to end the recession will not, however, resolve the deeper economic problems of economically depressed areas. Special measures, as outlined above, are necessary to aid these areas.

The program proposed in S. 3683 will apply in many parts of the country. According to the best estimates it is expected that about 70 industrial areas spread over about 20 States will be eligible for aid and assistance under S. 3683. About 4.8 million workers, or 7.2 percent of the total national labor force, is located in these areas.

In addition, the program proposed under S. 3683 would make it possible to extend Federal help to the 300 lowest income rural counties in the Nation, located in 16 States. Almost 7 million persons, or over 4 percent of the United States population, reside in these 300 counties.

THE NEED FOR INCLUDING INDIAN TRIBES IN THE REDEVELOPMENT BILL

The living standards of Indians living on reservations have been shockingly low for many years and their economic opportunities have been extremely limited. The Commissioner of Indian Affairs described the situation in these words:

"As you all know, the great majority of these reservation areas are located west of the Mississippi River in regions where rainfall is low, and they include some of the most desperately and chronically poverty-stricken areas in the entire Nation.

"For years large numbers of Indian people living on these reservations have been scratching out the barest kind of subsistence on their inadequate reservation lands, working intermittently and infrequently on nearby farms or ranches, and subsisting in large part on welfare payments. Almost traditionally, they have been one of the most acutely depressed and disadvantaged groups in the whole American population."

THE SUPREME COURT

Mr. MANSFIELD. Mr. President, one of the great constitutional lawyers of this body is the distinguished Senator from Wyoming [Mr. O'MAHONEY].

David Lawrence, in today's issue of the Washington Star, has an article relative to the Supreme Court situation as it is being considered at the present time in the Committee on the Judiciary. In the article Mr. Lawrence links in a way our outstanding colleague, the Senator from Wyoming with one of the outstanding judges of the United States Circuit Court of Appeals, Judge Learned Hand.

I ask unanimous consent, Mr. President, that the article by David Lawrence be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CURBING SUPREME COURT POWERS—ISSUE HELD REACTION TO JUSTICES' VIEW OF FUNCTION, NOT INSTITUTION ITSELF

(By David Lawrence)

Will the Supreme Court of the United States be required to return to its original role—to serve solely as a judicial institution? Will a majority of the present justices give up their evident determination to change the Court into a third legislative chamber?

The fight in Congress at the moment centers on a move to enact legislation which would spell out in detail the limits of the Supreme Court's authority to pass upon certain kinds of cases.

Congress, under the Constitution, may by law specify to a certain extent what type of cases the Supreme Court may consider for decision. Many observers think none of the pending bills will be adopted at this session. But the fight is only beginning. Many groups of citizens throughout the Nation are taking up the issue because it is felt that public opinion has not yet been alerted to the usurpation practiced by the present Court.

An effort is being made by critics of the pending legislation to imply that the Court as an institution is under fire. On the contrary, it is the activity of those who have perverted the Court's original purposes and judicial functions which has brought on the controversy of today.

When as eminent a man in Congress as the veteran from Wyoming, Democratic Senator O'MAHONEY, asks that every judge be required to swear specifically in his oath that he will not participate in any decisions that "knowingly alter the Constitution"—

a procedure which a Senate subcommittee now requires before confirming new judges—it indicates a belief that something is wrong with the attitude of the present Justices toward the Constitution. Their decisions apparently reflect a feeling that they may sit on the bench for life and legislate without regard to constitutional precepts of the past.

Senator O'MAHONEY, it will be recalled, was one of the leaders in the crusade against the late President Franklin D. Roosevelt's effort to influence the decisions of the Supreme Court by appointing six extra Justices who, it was assumed, would decide cases as he wanted them decided. The Wyoming Senator was in the forefront of that movement against usurpation, and he is logically concerned with the usurpation of power by the Court itself today.

Unfortunately too many people have been misled into believing that the sole criticism of the Court now is due to the fact that it disregarded law and precedent in deciding the "desegregation" cases on "psychological" rather than on legal grounds. Putting aside these cases, however, there are many other decisions of a far-reaching nature which, if unreversed either by Congress or the people, will make the Supreme Court a "third legislative chamber." This, by the way, is the phrase used by Judge Learned Hand, the distinguished judge, now in retirement, who formerly sat on the United States circuit court of appeals in New York and won a nationwide reputation for the soundness of his judicial decisions. In a series of lectures at the Harvard Law School, he recently exposed the erratic trend in the Supreme Court decisions of today.

The present Supreme Court has ignored the Constitution in many cases. Though the Constitution, for instance, says that Congress and the judiciary are coordinate and independent institutions, the Supreme Court has undertaken to tell Congressional committees what subjects they may investigate and what questions are pertinent to an inquiry—as if there were any limit on the right of Congress to get information on which to base laws or new amendments to the Constitution.

The Supreme Court has also told the States they cannot decide who shall or shall not be admitted to practice law or how to set up tests of qualifications of experience and character before issuing a license to an applicant.

The Supreme Court has undertaken, moreover, to hamper police officers in interrogating persons accused of crime and to interfere with prompt efforts at finding the guilty persons. Confessed rapists and murderers have recently been released by order of the Supreme Court because the police didn't formally arraign a suspect within a short time after he was picked up. Police officers claim they need time to sift the innocent from the guilty.

The Supreme Court has given professed Communists a break by declaring that Congress has no right to say by law that persons joining organizations which advocate the overthrow of our Government may be punished. The Court says, in effect, it must be proved that the individual Communist has engaged in specific action aimed at the immediate overthrow of Government. He can preach treason but can be prosecuted only if treason is successful in its effect on other persons.

These are but a few of the aberrations of the present Court. The country has not yet waked up to the dangers of the Court's unprecedented rulings. The pending bills designed to limit or restrict the jurisdiction of the Court constitute the beginning of a prolonged battle to stop the usurpation of legislative power by the present Supreme Court. It may take years to win the fight, but the struggle will increase in intensity as the public learns what's at stake.

It is not the Court as an institution, but the mistaken attitude of a majority of the Justices as to what the Court has a right to do, which is the basis for the growing demand that the powers of the present Court be curbed. It's not the proper use, but the abuse, of the judicial function which is at issue.

Mr. MANSFIELD. Mr. President, I say again that I am delighted Mr. Lawrence has seen fit to give such recognition to the veteran Democratic Senator, the great constitutionalist, the Senator from Wyoming [Mr. O'MAHONEY].

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, April 28, 1958, he presented to the President of the United States the enrolled bill (S. 1031) to authorize the Secretary of the Interior to construct, operate, and maintain four units of the Greater Wenatchee division, Chief Joseph project, Washington, and for other purposes.

ADJOURNMENT

Mr. MANSFIELD. Mr. President, pursuant to the order previously entered, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 10 o'clock and 28 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Tuesday, April 29, 1958, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 28, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Ephesians 6: 10: *Finally, my brethren, be strong in the Lord, and in the power of His might.*

O God of all might and majesty, Thou art always exhorting us to pray that we may know the secret of a strong and happy life.

Thou art of all teachers the wisest; of all friends the nearest. No one else sees so much in us; no one cares so much for us; no one expects so much of us.

Emancipate us from everything that undermines our character and holds us back from a complete surrender to the way, the truth, and the life of our blessed Lord.

Help us to believe that our minds and hearts must be ruled by His spirit and lofty ideals if we are to have freedom from fear and frustration and victory over crisis and confusion.

Hear us in His name. Amen.

The Journal of the proceedings of Thursday, April 24, 1958, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1031. An act to authorize the Secretary of the Interior to construct, operate, and maintain four units of the Greater Wenatchee project, Washington, and for other purposes.

REGULATION OF PLEASURE BOATS

Mr. BONNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include an editorial.)

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BONNER. Mr. Speaker, I wish to call the attention of the House to the bill H. R. 11078 which was inadvertently placed on the Consent Calendar; it has been my intention and I have asked for a rule under which to consider this bill.

In summary, this is essential safety legislation. It is simple, yet effective. It is not burdensome to the boating public, and in the opinion of many, perhaps does not go far enough. Our committee felt, however, that it would be unwise to attempt any greater degree of regulation until experience with this legislation might indicate the need for it.

Insofar as the Federal Government may be concerned, it assures the most efficient and economic operation. It does not forfeit Federal control where it is needed, but distributes the burden of responsibility among the States and the Federal Government.

It clarifies the right of the States and their subdivisions to meet the needs of their particular situations where question has been raised in the past, but it in no sense compels or requires any State to yield any of its historical jurisdiction or prerogatives.

Mr. Speaker, the intent of this bill is to get some uniform system of governing the operation of small boats, such as that which now governs the operation of automobiles in our various States and to give reciprocity between the States in the governing of this great American outdoor sport and pleasure.

I include as part of my remarks the following editorial from the magazine Popular Boating of the May issue:

FROM THE EDITOR

(By William Taylor McKeon)

A bill to promote boating safety on the navigable waters of the United States, its Territories, and possessions; to provide coordination and cooperation with the States in the interest of uniformity of boating laws; and for other purposes has been introduced and is now being considered by Congress. It is numbered H. R. 11078, is a revision of the earlier H. R. 8474, and like its predecessor was introduced by Representative HERBERT BONNER, Democrat, of North Carolina, and is being referred to as the Bonner bill.

The bill is the result of 2 years of hearings held all over the country by the House Committee on Merchant Marine and Fisheries, of which Congressman BONNER is the chairman. The provisions of the bill reflect the testimony, including that of this magazine, given in these hearings, testimony, in turn, was based on the opinions of hundreds of

America's top boating authorities and their many years of experience in their favorite sport. They, like you, want to see the sport grow unhindered by excessive legislation but encouraged by wise regulation. We feel this has been well incorporated into H. R. 11078; we urge you to encourage your Congressman to support and vote for this bill.

Bipartisan support for the measure has already been assured: Representative THOR TOLLEFSON, Republican, of Washington, and JOHN J. ALLEN, JR., Republican, of California, have filed identical bills.

Every boatman who ever uses power on his boat will be affected by the bill once it becomes law. It is therefore wise to read the complete bill, if possible, and study its provisions. Basically it proposes:

1. Numbering for all motor-powered boats using the navigable waters of the United States and provides for a fee for doing so and penalties for noncompliance.

2. Civil penalty authority for the Coast Guard, in addition to the present criminal penalty authority, so that it may be more practical for the Coast Guard to bring action against minor violators. There has been criticism that under the present arrangement only major boating violations were prosecuted.

3. Boatmen will be obliged to render assistance and make a report in the case of serious boating accidents.

4. States and the Federal Government will enter into cooperative agreements to insure the greatest possible uniformity of boating laws and enforcement procedures.

Years of experience with the boat-numbering system of the Coast Guard, as well as the growth of automobile licensing, are incorporated in this bill. Revisions since the earlier bill provide that States can now handle numbering in accordance with Federal standards. In this way, your boat can receive a number which will be recognized by other States. Once issued, a number will be good for 3 years; it will be placed on each side of the bow and probably will be similar in size to the numbers now required on Coast Guard registered craft. A small pocket-sized certificate of number will be carried by the owner. If ownership of the boat is transferred, the owner will notify the State official who issued the number. This system should do much to aid in tracking down lost or stolen craft, and identifying reckless and irresponsible operators.

The bill does not spell out in detail many minor offenses but, and very wisely we believe, leaves interpretation and enforcement of reckless and negligent operation up to determination in the light of local conditions. The accident reporting required by the bill should do much to help develop accurate statistics regarding a basically very safe sport.

The enlightened approach of the Bonner bill to our problems is reflected in its wording: "It is hereby declared to be the policy of Congress to encourage uniformity of boating laws, rules, and regulations as among the several States and the Federal Government to the fullest extent practicable, subject to reasonable exceptions arising out of local conditions. In the interest of fostering the development, use, and enjoyment of all the waters of the United States it is further declared to be the policy of the Congress hereby to encourage the highest degree of reciprocity and comity among the several jurisdictions. The Secretary * * * shall to the greatest possible extent enter into agreements and other arrangements with the States to insure that there shall be the fullest possible cooperation in the enforcement of both State and Federal statutes, rules, and regulations relating to recreational boating."

The provisions of this bill should do much to aid and encourage our sport, and should receive our full support.

HOW HIRING THE HANDICAPPED HELPS YOU AND ME

Mr. BROWN of Georgia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a prize-winning essay by George Kesler.)

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BROWN of Georgia. Mr. Speaker, I am happy to announce to the Members of the House of Representatives that George Kesler, a student at Aquinas High School, Augusta, Ga., has won first place in the 1958 national essay contest conducted by the President's Committee on Employment of the Physically Handicapped.

I am proud of this young man and the honor he has brought to himself, to the school he attends, and to the entire State of Georgia.

Mr. Kesler will receive his award from President Eisenhower on May 8 at the annual meeting of the President's Committee on Employment of the Physically Handicapped.

The school will receive a handsome wood and bronze wall plaque.

Under leave to extend my remarks, I wish to insert in the RECORD at this point a copy of this splendid first-prize essay:

HOW HIRING THE HANDICAPPED HELPS YOU AND ME

(By George Kesler, Aquinas High School, Augusta, Ga.)

Have you taken a look at a world globe lately? No? Well, take a look. Rotate the globe and take a long thoughtful look at the vast land mass now held under Communist control. Frightening, isn't it? When this land mass is considered on a basis of manpower potential it is even more frightening.

How are we, as a Nation, to protect our way of life, our freedom? We must match Communist manpower with our ability to capitalize on our natural resources; with our ability to produce, mass produce, the machines, the technical instruments, all the armaments needed for the defense of our country. In order to do this we must utilize our available manpower to the fullest.

Our Nation has a reservoir of manpower scarcely tapped—our handicapped citizens. There are those visibly handicapped—the deaf, the blind, the amputees, and paralytics. Then there are also those persons whose handicaps are not apparent—the diabetics, those with heart disease; and others who have recovered from mental illness.

Perhaps you are one of the many who have the idea that jobs have to be made for the handicapped. This is erroneous, the jobs are there. There are few office, workshop, or factory jobs that require physical perfection and nature seems to compensate for the loss of one sense by a sharpening of those remaining. The handicapped worker when properly placed has proven to be able and efficient. For example, in Oklahoma City two deaf girls are employed as board markers by a brokerage firm; the switchboard operator for the Memphis Chamber of Commerce is blind as is a secretary at the Frankford Arsenal; in Milwaukee there is a nurse who lost her hand, but not her skill; and San Diego has a disk jockey who is a quadraplegic. And I believe we all remember a victime of paralytic polio who was elected to the highest office of our land—the Presidency of the United States.

Surveys made by Government commissions, labor unions, and private industries have proven:

1. The handicapped worker's production rate is as good or better than that of able-bodied workers.

2. Handicapped workers have a lower rate of turnover.

3. The safety record of the handicapped workers is about the same as that of the able bodied though even here they have a lower rate for disabling injuries than the unimpaired workers.

4. Handicapped workers' absentee record compare favorably with that of the unimpaired workers.

Very nice you say and indirectly helpful to you but you can't get too excited about issues on the national level. You have problems much more personal to worry about. Well let's see if we can bring this subject a little nearer home.

I will say nothing about your moral duty, as a citizen of a free democracy, to see that any fellow citizen who wants to work is given an equal unprejudiced opportunity to obtain employment. I suppose that would not be personal enough either.

I am going to tell you about the case of a handicapped neighbor of mine, though handicapped is an adjective I never think of in speaking of him. This man, married, father of three, is an amputee. He is a cheerful person, ready with a quip or joke, interested and active in the affairs of his community. To me this family was no different from the others on our block; of course he did use crutches to get around, but his wife kept her home and watched over the development of their children like the other mothers. The children were happy and well adjusted. You see this man had a job. He was able to care for his family. He had the respect of his neighbors and fellow townsmen and perhaps, most important of all he had kept his self-respect. You see one doesn't operate a teletype machine with one's legs. Think of the money this one man saved you. This family was not forced to apply to the welfare agencies for assistance; there was no broken home; no lowering of the standard of living; no unpleasant family friction caused by a frustrated father and overworked mother which perhaps would have started these children toward delinquency. The welfare agencies, juvenile courts and State training schools are supported by tax money, yours and mine. This man saved you money not only by not requiring assistance of these tax-supported organizations but also by being able to contribute his own share of these taxes. Not only he, but his three children, grown now, carry their share of this burden.

One last thought I would like to leave with you. This is an age of plane crashes, train wrecks, wars, traffic and industrial accidents. The death toll is high but higher still is the number of persons who receive nonfatal but handicapping injuries. Each handicapped person who succeeds in obtaining lucrative employment helps break down the prejudice against the employment of the handicapped and makes it easier for the next one to secure a job. Remember that next one could be you!

UNITED STATES TEXTILE INDUSTRY

Mr. COFFIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. COFFIN. Mr. Speaker, on April 22, I, together with other Members, introduced House Resolution 536, a resolution to authorize the Committee on Interstate and Foreign Commerce to conduct an investigation and study of the textile industry of the United States. This resolution offers us an opportunity to probe the crisis which grips our textile industry and to coordinate actions on behalf of this depressed segment of our economy.

Under the terms of this resolution, the Committee on Interstate and Foreign Commerce, acting as a whole or as a subcommittee, would investigate the extent, nature, and causes of the decline of the textile industry, the decline in employment in the textile industry and the plight of unemployed textile workers, the effects of policies and programs of the Federal Government on the textile industry, and the impact of commercial policies of other nations and imports therefrom on the textile industry of the United States. Such a comprehensive study seems to me essential to a full understanding of our textile problem.

A little more than a year ago I called on the White House to make a similar study of the cotton textile industry. On April 15, 1957, I wrote President Eisenhower pointing out "governmental responsibility to take remedial action" observing that the great question of a specific remedy had not been solved. I then noted that:

> Until a solution is agreed upon, there will be no chance of timely remedial action. Everyone will be marching off in different directions. It is my suggestion that manufacturers, labor leaders, Congressional delegations from textile areas, and specialists from the Departments of State, Commerce, and Agriculture meet to discuss the following questions:
>
> 1. What is the best crash program that can be devised to prevent the human suffering resulting from unemployment now and in the immediate future?
>
> 2. What is the soundest long-range program to remove unreasonable competitive disadvantages from the textile industry?

In reply to this letter, Jack Z. Anderson, administrative assistant to the President, wrote that there seemed "little to be gained at this time" by such a meeting. Over a year has passed since that letter, and no such meeting has been called, although the textile situation has grown worse steadily.

I have introduced this resolution, Mr. Speaker, because I believe an objective study is essential to intelligent action on behalf of the workers in the textile industry and the companies which employ them. However, I do wish to inject a word of caution with this support. This resolution should not be used as an excuse for delaying action.

There are a number of bills pending before various committees of the House providing specific relief for the textile industry. In addition, there are a variety of legislative proposals dealing with the entire cotton industry, from producers to manufacturers of cotton textiles. These bills should receive as expeditious treatment as possible. They deal with specific problems in the textile industry, and need not wait on the outcome of a study of the underlying and long-range factors which affect the prosperity of those engaged in the production of textiles.

We must approach this task as a good doctor approaches a patient. We must alleviate the immediate symptoms of the illness, while seeking to diagnose the underlying causes of the illness. In the kind of legislation I have mentioned we have the tools to treat the symptoms, and this resolution offers us a method for diagnosing the ills which have beset the textile industry so that we can effect a sensible cure. I urge, Mr. Speaker, that we act now in both areas.

NO HANDOUTS FOR ILLINOIS—GOVERNOR STRATTON CARRIED NO HAT IN HAND

Mr. BYRNE of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BYRNE of Illinois. Mr. Speaker, on Friday of last week, the distinguished Governor of the State of Illinois appeared before the Committee on Banking and Currency. Prior to his appearance, eight other distinguished gentlemen, governors of other States of the United States of America, also appeared. Governor Stratton in 2 hours before that committee, speaking without notes and without any prepared statement, answered any and all questions that were propounded to him. I heard part of that testimony and I read the accounts in the press of the country. I thought his testimony and statement offered a remarkable contrast to some of the things we have heard here in the Nation's Capital. The Governor of Illinois apparently did not come to Washington, D. C., with his hand out or hat in his hand. I quote from the Washington Post and Times Herald of April 26, which says in an Associated Press article:

> STRATTON TELLS PROBE SLUMP IS LEVELING OFF
>
> Gov. William G. Stratton, of Illinois, said yesterday he believes the recession has reached the leveling-off point. He warned Congress against "indulging in an orgy of extravagant spending."
>
> The Republican governor told the House Banking Committee he thinks trimming some excise taxes imposed in World War II might result in an upswing in the Nation's industrial activity.
>
> "But it appears to me that a major or general tax cut would be very little in the national interest and might lead to the greater hardship of inflation," he said.
>
> Stratton told the committee, considering legislation to help the chronically unemployed, that Illinois has been "hit less violently" than other States by the recession.

In the Chicago Daily News of April 25, William McGaffin of the Washington Bureau reports:

> Stratton painted a picture of Illinois for the committee that had far more cheer than gloom in it.
>
> He said, for instance, that Illinois among all the industrial States seemed to have been hit less violently than any of the others. He thought this might stem from the fact that industry in Illinois is highly varied.
>
> He had the good news, too, that there has been a decline this week in new claims for unemployment compensation compared to the figures for last week. He said the indications were that unemployment compensation would level off at a figure under 200,000.
>
> Illinois, he said, always experiences a normal unemployment load of anywhere from 100,000 to 200,000 even in good years.
>
> He pointed out that in January, 1950, there were 305,000 unemployed out of a total civil labor force of 3,685,000, or 8.3 percent unemployed. In March of 1958, he said, there were 325,000 estimated unemployed out of a total work force of 4,229,000, or 7.7 percent unemployed.
>
> Stratton said that if a Federal extension of unemployment compensation is thought necessary "we are in a position to carry out with our own funds whatever responsibility may be given us."
>
> The Illinois unemployment compensation fund has a current balance of $451 million, he said, after paying out $80 million last year and $53,750,000 in the first quarter of this year. He said it's estimated the fund will have a balance at the end of this year of $377 million.

CAPITALISM AND FREE ENTERPRISE

Mr. ALGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, this week in Dallas, John Gates, former Communist editor of the Daily Worker, and Herbert Philbrick, former FBI counterspy, treated Southern Methodist University professors and students to an object lesson in socialism, an opposite concept to free enterprise. Mr. Gates, now a self-proclaimed Socialist, says he believes in democratic socialism, which purports to combine socialism—government ownership or control of business, and so forth—with the great features of our Government. This reminds me of certain comparative definitions, as follows:

> Capitalism is a system under which a man may construct his own ladder and use it to climb as far as he is able. Socialism will permit him to use a ladder, but without any rungs. Communism permits a man to climb part way up, then jerks it out from under him, breaks it up and beats him to death with the pieces.

Now, how can you combine capitalism, which is free enterprise, and socialism? One is individual initiative, the self-created ladder, which government steadies, the other is government subsidy, a ladder without rungs, so far as human values and initiative are concerned. Capitalism and socialism, like oil and water, do not mix. They are antithetical. How can they be combined? Further, are we trying to combine them in legislation today?

John Gates, the avowed Socialist, desires to join the American labor movement, the home of "new American radicalism," as he terms it. I hope that labor will beware of him and others like him.

RIVERS AND HARBORS BILL

Mr. MACK of Washington. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MACK of Washington. Mr. Speaker, I have introduced in the House of Representatives today a clean bill which conforms to the President's recommendations with which he accompanied his veto on April 15, 1958, of the rivers and harbors flood-control bill.

The bill passed by the House and Senate and vetoed by the President involved 2 main categories of projects: First, river basin projects involving a cost of $800 million; and second, 140 new or modified projects involving an estimated cost of $900 million.

All agencies were in agreement as to the desirability of all river basin authorizations estimated to cost $800 million. The President in his veto message disagreed with or sought the modification of 28 of the 140 new and modified projects. These 28 projects disagreed with by the President involved a total cost of $350 million.

My bill includes all of the river basin projects and 112 of the new and modified river and harbor projects in the river and harbor bill.

Of the 28 projects disagreed with by the President, 18 are in my bill in the modified form recommended by the President in his veto message. My bill eliminated completely only 10 of the projects in the vetoed bill. My bill also omits section 205, over which there was some controversy.

My bill is in keeping with the President's recommendations. If passed it is assured of the President's approval.

Since there obviously is little likelihood of the President's veto being overridden, it seems to me the sound and sensible thing for the House to do is to speedily pass the bill which I have introduced today.

My bill provides for the authorization of the following projects:

NAVIGATION

Salem Harbor, Mass.
Boston Harbor, Mass.
East Boat Basin, Cape Cod Canal, Mass.
Bridgeport Harbor, Conn.
New York Harbor, N. Y.
Baltimore Harbor and Channels, Md.
Herring Creek, Md.
Betterton Harbor, Md.
Delaware River anchorages.
Morehead City Harbor, N. C.
Intracoastal Waterway, Jacksonville to Miami, Fla.
Port Everglades Harbor, Fla.
Escambia River, Fla.
Gulfport Harbor, Miss.
Barataria Bay, La.
Chefuncte River and Bogue Falia, La.
Pass Cavallo to Port Lavaca, Tex.
Galveston Harbor and Houston Ship Channel, Tex.
Matagorda Ship Channel, Port Lavaca, Tex.
Port Aransas-Corpus Christi Waterway, Tex.
Freeport Harbor, Tex.
Mississippi River between Missouri River and Minneapolis, Minn. (damages).
Mississippi River at Alton, Ill. (commercial harbor).
Mississippi River at Clinton, Iowa, Beaver Slough.
Mississippi River at Clinton, Iowa (damages).
Mississippi River between St. Louis, Mo., and lock and dam No. 26.
Mississippi River between Missouri River and Minneapolis, Minn.
Minnesota River, Minn.
Vermilion Harbor, Ohio.
Ohio River at Gallipolis, Ohio.
Licking River, Ky.
Saxon Harbor, Wis.
Two Rivers Harbor, Wis.
St. Joseph Harbor, Mich.
Old Channel of Rouge River, Mich.
Cleveland Harbor, Ohio.
Toledo Harbor, Ohio.
Santa Cruz Harbor, Calif.
Yaquina Bay and Harbor, Oreg.
Siuslaw River, Oreg.
Port Townsend Harbor, Wash.
Bellingham Harbor, Wash.
Douglas and Juneau Harbors, Alaska.
Dillingham Harbor, Alaska.
Naknek River, Alaska.
Cook Inlet navigation improvements, Alaska.
San Juan Harbor, P. R.

BEACH EROSION

Connecticut, area 9.
Connecticut shoreline, areas 8 and 11, Saugatuck River to Byram River.
Fire Island Inlet, Long Island, N. Y.
Sandy Hook to Barnegat Inlet, N. J.
Kitts Hummock to Fenwick Island, Del.
Palm Beach County, Fla.
Berrien County, Mich.
Manitowoc County, Wis.
Fair Haven Beach State Park, N. Y.
Hamlin Beach State Park, N. Y.
Humbolt Bay, Calif.
Santa Cruz County, Calif.
San Diego County, Calif.
Waimea Beach and Hanapepe Bay, Hawaii.

FLOOD CONTROL

Connecticut River Basin: Littleville Reservoir, Mass.; Mad River Reservoir, Conn.

Housatonic River Basin: Dam on Hall Meadow Brook, Conn.; Dam on East Branch of Naugatuck River, Conn.

Susquehanna River Basin: North Branch, Susquehanna River, N. Y. and Pa.

Pantego and Chucklers Creek, N. C.

Mobile River Basin: Alabama River at Montgomery, Ala.

Lower Mississippi River: Wolf River, Tenn.; Bayou Chevreuil, La.

Arkansas River Basin: Trinidad Dam (Purgatoire River), Colo.

Upper Mississippi River Basin: Rock and Green Rivers, Ill.; Eau Galle River at Spring Valley, Wis.; Mississippi River at Winona, Minn.; Mississippi River at St. Paul and South St. Paul, Minn.; Minnesota River at Mankato and North Mankato, Minn.; Root River at Rushford, Minn.

Great Lakes Basin: Bad River at Mellen and Odanah, Wis.; Kalamazoo River at Kalamazoo, Mich.; Grand River, Mich.; Saginaw River, Mich.; Oswego River at Auburn, N. Y.

Missouri River Basin: Sun River at Great Falls, Mont.; Cannonball River at Mott, N. Dak.; Floyd River, Iowa; Black Vermilion River at Frankfort, Kans.; Gering and Mitchell Valleys, Nebr.; Salt Creek and tributaries, Nebr.; Shell Creek, Nebr.

Red River of the North Basin: Ruffy Brook and Lost River, Minn.

Ohio River Basin: Upper Wabash River and tributaries, Ind.; Brush Creek at Princeton, W. Va.; Meadow River at East Rainelle, W. Va.; Lake Chautauqua and Chadakoin River at Jamestown, N. Y.; West Branch of the Mahoning River, Ohio; Chartiers Creek, Washington, Pa.; Sandy Lick Creek at Brookville, Pa.; Monroe Reservoir, Ind.

Sacramento River Basin: Chico Landing to Red Bluff, Colo.

Eel River Basi: Sandy Prairie Region, Calif.

Weber River Basin: Weber River and tributaries, Utah.

San Dieguito River Basin.

Columbia River Basin: Bruces Eddy Dam, Idaho.

Sammanish River Basin: Sammanish River, Wash.

Territory of Alaska: Chena River at Fairbanks, Alaska; Cook Inlet, Alaska (Talkeetna).

BASIN AUTHORIZATIONS

Connecticut River Basin.
Savannah River Basin.
Central and southern Florida.
Lower Mississippi River Basin: Old and Atchafalya Rivers (navigation lock); St. Francis River Basin.
Upper Mississippi River Basin.
Missouri River Basin.
Sacramento River Basin.
San Joaquin River Basin.
Kaweah and Tule River Basins.
Los Angeles River Basin.
Santa Ana River Basin.
Columbia River Basin.
Section 204.

My bill provides for the modified authorization—in conformity with the recommendations of the Secretary of the Army, the Chief of Engineers, and the Bureau of the Budget—of the following projects:

Millwood Reservoir and alternate reservoirs, Arkansas and Oklahoma.
Hendry County, Fla.
Saline River, Ill.
Tombigbee River, Miss. and Ala.
Carlsbad, N. Mex.
Socorro, N. Mex.
Des Moines River, Iowa.
La Quinta Channel, Tex.
Mississippi River at Alton, Ill.—small boat harbors.
Irondequoit Bay, N. Y.
Port Washington, Wis.
Boeuf and Tensas Rivers, Ark. and La.
White River backwater, Ark.
Kaskaskia River, Ill.

Markham Ferry modification, exclusive of amendments to section 3 of 1954 act.

White River Basin, exclusive of additional project authorization.

Section 104: Water hyacinth program. Mohawk River, N. Y.

The following projects which were included in S. 497, are not included in my bill:

Gilbert and Lone Rock Reservoirs, Ark.

Sherwood Reservoir and Broken Bow, Ark. and Okla.

Hull Creek, Va.

New Bedford, Fairhaven, and Acushnet, Mass.

Narragansett Bay, Mass.

Texas City, Tex.

Gila River Basin, Ariz.

Hidden Reservoir, Calif.

Buchanan Reservoir, Calif.

Greenville Harbor, Miss.

LET'S GET THE PORK OUT OF OUR PUBLIC WORKS AUTHORIZATION BILL AND ENACT CLEAN BILL AS RECOMMENDED BY THE PRESIDENT SO GOOD PROJECTS CAN GO FORWARD

Mr. CRAMER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. Mr. Speaker, I am joining with my colleague, RUSSELL MACK, the ranking minority member of the Rivers and Harbors Subcommittee of Public Works, on which I serve, in introducing a clean rivers and harbors omnibus authorization bill in hopes that the good projects, some 112 of them, together with some additional 18 others that have been modified to conform to established standards and in conformity with the President's veto of S. 497, will no longer be prejudiced by the pork, some nearly $400 million of it, that led to the veto of the previous rivers and harbors omnibus bill.

I have worked, along with most of the minority members, for some 4 years now in an effort to get before the House a sound omnibus bill that can become law, containing worthwhile projects, but eliminating those projects that are not economically feasible and bringing into conformity those projects where the formula for local-Federal participation was changed, resulting in larger Federal contributions than established by recognized formulas. It is my hope that a bill of this nature will receive the attention of the majority in the near future, particularly in view of the need for additional basin authorizations, such as the central and southern flood control that runs out of authorization this year and for the continuation of which the President has asked $7.5 million for fiscal 1959. A $40 million increase in authorization for this project is contained in my bill.

If the majority is really anxious to vote out a public works measure this is the simple way of doing it.

As to the other 10 projects that are omitted from the bill, further consideration of them can be given in a separate omnibus bill in the future, or by individual bills, with Congress having the power to decide them individually on the question of the fundamental policy changes involved. Public Works Committee studies of basic policy questions can be entered into again and possible conferences with the Executive on the policies themselves will make it possible to get Executive clearance for such new policies or a compromise thereon. This was done in the case of the Jones committee that considered policy with regards to multiple purpose projects and which resulted in clearance after exhaustive Executive consideration. The point is, if the standards for consideration of these 10 projects are to be changed from existing standards used then such amended policy should govern all other similar projects and not be related only to the 10 involved here. This is the basis for the Executive objection, I believe, and it is justifiable.

As to the 18 projects that were included, in amended or revised form, I believe that Congress should go ahead and authorize them as revised, and if any future modifications are deemed justified, then the authorizations can be modified by Congressional action at the proper time. Each modification can be judged on its merits, with Congress and the Executive having adequate opportunity to fully consider the effect of the change and the applicability of such a change to other projects of similar nature already authorized or to be considered for authorization.

It is my hope that the majority will bring legislation of this nature to the floor in the near future—this will be done if the real objective is to try to propose a good bill rather than create a political issue. Certainly the 114 good projects, which comprise 80 percent of the cost of the bill as vetoed, should not be permitted to suffer because of those projects with pork in them—particularly if this bill is to be considered, as the majority has considered it constantly—as an antirecession public-works measure—for if it is that, and I do not concede it as such, because most of the projects would not be started with appropriations for years, then action should be taken immediately.

DEFENSE REORGANIZATION

The SPEAKER. Under the previous order of the House, the gentleman from New Hampshire [Mr. BASS] is recognized for 60 minutes.

Mr. BASS of New Hampshire. Mr. Speaker, I ask unanimous consent that I, and all Members participating in this discussion, may have permission to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. BASS of New Hampshire. Mr. Speaker, defense reorganization is the most crucial issue facing this Congress, and possibly the last several Congresses—crucial because our national security and perhaps very survival is at stake.

In past wars we have had the luxury of time to modernize our military organization. We no longer have that luxury. The ICBM and H-bomb have destroyed forever America's safeguards of time and space. Guided missiles respect no ocean barriers or second thoughts on command organizations. In the future we must count no a defense organization capable of massive retaliation in minutes to prevent attack and preserve peace. We do not, in my opinion, have that organization now. Our huge Hydra-headed Defense Department is wasteful and inefficient. Interservice rivalry seriously weakens and dilutes our defense effort. To cite just a few instances, why do we have to have 3 separate sets of laboratories and scientists for each of the 3 competing services? Why do all three services have separate air forces? Why do two services have separate armies? This duplication of weapons systems and wastage of scientific talent is something we can no longer afford. Even more important, the much vaunted independence of the three military services has resulted in a woeful lack of clear organization in the Pentagon. With so many boards, commissions, assistant secretaries, and so forth, it is often impossible to secure any firm decision on an important policy issue or other matter.

The President has proposed a reorganization plan, evolved through careful consideration of some of our greatest military and civilian experts. It offers a practical solution to present confusions. This plan would give greater control over the three armed services to the President's principal agent in Defense, the Secretary of Defense, and his chief military advisors, the Joint Chiefs of Staff. It would permit a truly unified command with single direction from Washington.

The present system, using the separate military services as command agents, does not provide speed, coordination, and unity required in nuclear war.

President Eisenhower led the allied forces in Europe during World War II and NATO in its early years. No other leader in public life today has worked so intimately and closely with unified commands and large military forces in the field as he. His reorganization proposal bears his distinctive stamp. If for no other reason, these proposals command our earnest attention in Congress.

Separate land, sea, and air campaigns are of the past. As President Eisenhower recently said:

> World War II experience showed warfare cannot be waged effectively under separate service doctrines.

Strategic and tactical operations of military forces must be unified in wartime. Present conditions demand they be so in peace. In acknowledging this reality, the President's program recommends the following:

First, clearing of command channels to permit orders to proceed directly to the unified field commands from the President and Secretary of Defense. Under these proposals the present added step of transmitting commands through the various military services as agents for the Defense Department would be eliminated. Defense Secretary McElroy has pointed out we no longer have time

to change command line or to shift from peacetime to wartime organization. Any such shift must be made now. The logic and necessity for this change is clear in the nuclear age.

Second, the Secretary of Defense will have additional direct professional assistance for the strategic planning and operation of combat commands from a strengthened Joint Chiefs of Staff organization. Present statutory limits on the size of the Joint Chiefs organization will be removed. The service Chiefs of Staff will be permitted to delegate a larger portion of their service responsibilities to their immediate deputies, and they will spend more of their time as advisers to the Secretary of Defense and the President in formulation of strategic plans and operations.

Under this second major recommendation, the three military departments—Army, Navy, and Air Force—would concentrate their efforts on the vast management problems particular to their services.

Third, unified research is a major area of reorganization. To avoid needless waste, duplication, and overlapping, the President proposes a Director of Defense, Research, and Engineering, to work directly under the Secretary. He would be charged with the important job of coordinating and assigning the vast research projects of the Defense Department to insure maximum efficiency in use of money and personnel. This is a most important part of the reorganization plan; at present, this country's defense effort requires, directly or indirectly, 50 percent of this Nation's top scientists.

Fourth, to make clear the authority and role of the Secretary of Defense as the President's undisputed lieutenant on defense matters, it is proposed that the laws which presently provide that the military services be separately administered be repealed. The Secretary of Defense will specifically supervise the activities of the military departments in other than command areas if this legislation is approved, including assignment of roles and missions, legislative liaison, public affairs, and some flexibility over appropriations to give his authority the required tools and public understanding necessary to carry out his enlarged duties.

The President finally proposes promotions above major general or equivalent rank be approved by the Secretary of Defense. This should increase the unity of command in the services and encourage in our military officers a greater understanding of the roles of all services and loyalty to unified command so essential today.

Envisioned under the President's reorganization proposals is true unity in the various military commands throughout the world. We have had experience in the wisdom of unified field commands in wartime, and logic compels us to conclude it is just as desirable in a period of cold war and nuclear weapons.

One essential reason for vesting more control in the Secretary of Defense and his principal advisors is that present roles and missions of the military services are competitive—competitive by their very nature. Our Secretary of Defense must be more than just an arbitrator of service proposals and rivalries. We must give him the power and authority necessary for performance of his duties. The next war, whether limited or general, won't be fought by the Army, the Navy, or the Air Force, but by combat teams embracing elements of all three services. The control of all three then must obviously be in the hands of a unified organization in Washington.

The plan does not provide for a Prussian general staff, whatever that means, nor is it one which would permit the Defense Secretary to become a czar. All this talk of keeping proper checks and balances in the Pentagon is an indication that our national defense predicament is not realized. As a matter of fact, the real power of decision on war and peace already rests in one man's hands—our President and Commander in Chief. Yet, I have heard no suggestions from critics of the reorganization plan that this power should be taken away from the President. Nor does the President propose that Congress give the Secretary of Defense a blank check for $40 billion. But he does, quite properly, propose that the Secretary be given a very limited degree of flexibility.

In this connection, I wish to say that last week I notified the chairman of the Armed Services Committee, and two other committee members who have been the most outspoken opponents of the President's reorganization plan, that I would discuss this issue today and would support the plan. I invited each Member and expressed the hope each could attend and participate in this discussion. I am sorry to note that not one of these duly notified gentlemen is here today.

The President's plan may not be perfect. Perhaps it can and should be improved on some of the details. But, in substance, it is a moderate program and will give us the kind of organization needed to win the next war, whether it is a police action or a global nuclear battle. At the same time, the services will remain largely unchanged, except in command and research unification. Morale and esprit de corps should remain intact.

We must act now to reorganize. It is wise of the President to propose his plan in peacetime, for we will not have the chance to change our command structure once war has begun, as we have done in the past.

In the war of 1812, it was 1813 before a general staff was created and the Secretary of War empowered to arbitrate between supply officers. Three years after the start of the Civil War, Grant was appointed to fill the new position of commander general of all Union Forces. The administrative weakness of the military, glaringly revealed by the Spanish-American War, led to the creation of the modern staff system in both the Army and Navy. This system was considerably enlarged and reorganized along functional lines in August of 1918, more than a year after the entry of the United States into World War I. We all recall that fundamental reorganization was made effective in our Army and Navy in March of 1942, 4 months after the Japanese attack on Pearl Harbor.

No longer will this country have 4 months. When the Russians have their ICBM operational, our maximum warning time will be 15 minutes. Anything we have on the ground after that will presumably be destroyed.

Some weeks ago, I toured Strategic Air Command Headquarters at Orfutt Air Force Base near Omaha, Nebr. There I saw the underground impregnable control center which can contact every one of our SAC bases from Guam to Saudi Arabia in a matter of seconds. We have a magnificent bomber force, capable of dealing Russia a mortal blow. But if there was one thing I learned there, it is this. If there should ever be another big war, the side which strikes the first blow has a tremendous advantage. We will never strike the first blow and therefore will have only minutes within which to act.

If that day ever comes when those planes must roar out to destroy an enemy attacking this country, we must insure that Congress is not the cause of any delay.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. Mr. Speaker, I should like to compliment the gentleman from New Hampshire on the fine statement which he has made with regard to the proposed reorganization of the Armed Forces. I wonder if the gentleman would agree with me in this observation; that is, that during this period of our history when we are in a revolution as far as the techniques of military warfare are concerned, it certainly behooves us to remove the barriers and walls which seem to separate certain members of our Armed Forces from others; to remove barriers and walls to unified thinking, so that the members of the Armed Forces may be prepared, each one, to think in terms of a three-dimensional combat, a combat in outer space, if necessary, a combat on the ground, if necessary, or in the air, if necessary; instead of having certain specialists thinking at certain levels, and other specialists at other levels. It seems to me very definitely true that in this time we have to train more people in the Armed Forces to a greater flexibility of thinking than they had previously adopted in those days in which military operations were not as complex as they are today.

Would the gentleman agree with that?

Mr. BASS of New Hampshire. I could not agree with the gentleman more thoroughly. Even during the last war, World War II, when I was a member of the Air Force, which at that time was part of the Army, military thinking and organization were outmoded, in my opinion. I should like to stress again that in this missile-nuclear age it is even more important for us to forget this separation and much vaunted independence of the three military services. We must have a unified command if we are to have an effective defense.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield further?

Mr. BASS of New Hampshire. I yield.

Mr. RHODES of Arizona. Mr. Speaker, I wonder if the gentleman would agree

with me on my concept of the comparison which some have made between the reorganization plan and the Prussian general staff. To me it would be unthinkable that a Prussian-general-staff type of operation would take place in the United States of America, mainly because of the difference in makeup of our people from those of the German Empire prior to World Wars I and II. The gentleman knows, as I do, that the average American has no great love for the military service. We serve in wartime to defend our country and to defend our way of life. But we do not do it out of a love for the military.

As far as a Prussian general staff is concerned, the gentleman will agree that that was an autocratic body, set up out of the nobility, more or less, of the German Empire. They were a group of men static in nature, in that the members thereof did not change from time to time; whereas in the United States it has always been our concept that military service on any given assignment must be limited to a certain length of time.

I am sure that the President of the United States and the Secretary of Defense both feel that this concept, insofar as assignment to any staff which might be formed under the Secretary of Defense, would be a flexible assignment, and that the people thus assigned would be changed from time to time.

I wonder if the gentleman would agree with me that under such circumstances as these it is well nigh impossible for any Prussian or German general staff type to develop in this country.

Mr. BASS of New Hampshire. Mr. Speaker, I am very glad the gentleman brought that point out in more detail. I certainly do agree with him. I have never been one who had a great fear that in this country we would ever be threatened by a military dictatorship, a "czar," or a "Prussian general staff," or whatever you might call it. That might be true in some countries in South America where the military have a great tradition and do get involved in governmental affairs. But that is not so here. Our whole tradition has been contrary to that.

In addition we have a system of constitutional checks and balances which prevent that sort of thing from ever happening in this country.

While we are talking about the Prussian general staff criticism, I have followed the hearings before the Committee on Armed Services with reference to the charge that we would be setting up a czar, whatever that means. May I say, Mr. Speaker, that the only czar I know of is the distinguished chairman of the House Committee on Armed Services. He certainly would fall into that category.

Mr. McCORMACK. I am sure the gentleman would not want to make that statement about the chairman of the Committee on Armed Services. He is a great American and a great legislator. The gentleman does not want to leave the RECORD that way, that he is a czar; does he?

Mr. BASS of New Hampshire. Of course, he is a distinguished Member of the House. But many of the chairmen of our committees, I find from my brief experience here, are czars.

Mr. McCORMACK. Would the gentleman strike out the word "czar" and say that he is a strong leader or that he exerts strong leadership?

Mr. BASS of New Hampshire. He exerts strong leadership and also has strong control, and I think that adds up to being a czar.

Mr. McCORMACK. Then, might I suggest to the gentleman that he strike out the reference to the chairman of the committee being a czar and also strike out my colloquy with him.

Mr. BASS of New Hampshire. I thank the gentleman.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield.

Mr. McCORMACK. I was a member of the committee, I think, in 1947 or 1948 that drafted the unification act. I have always felt there were more powers for unification in that act, as amended, I think in 1952; but particularly in the original act I felt that there were more powers for unification. That is evidenced by the changes that have taken place recently in the Department of Defense in an administrative manner, all tending toward more unity and coordination—or call it unification, if you will. Without discussing any particular bill, I think it is safe to say that everybody recognizes the Department of Defense must be reorganized in keeping with the changes of the present nuclear age. Even though what we might have done 10 years ago, which might have been adequate at that time, may not be adequate today to meet the problems that confront our country in the year 1958 and the years that lie ahead because of the great changes that have taken place during the last 10 years, which I need not remind the gentleman, have been tremendous changes. As I have said on several occasions, the world of 10 years ago in many respects might just as well be a thousand years in the past. Today, we must adjust our thinking to meet the problems of the world of today and tomorrow. Of course, that applies to the Department of Defense. So, I think, in the first place, everybody admits that in the Department of Defense something must be done. The challenge confronts all of us—not only the President of the States but the Congress. Without getting into any particular aspect of the gentleman's remarks, I want to say basically I agree with the gentleman that we have to streamline the Defense Department in a manner that will enable us to meet any emergency that might suddenly be imposed upon our country and with understanding men getting together both on the legislative level and on the executive level, I am hopeful that such will be done. But, in any event, the Department of Defense must be strengthened from a reorganization angle in order to meet the problems that confront our world not only of today but the world of tomorrow in the event of not only a war, but in the event of any great emergency coming upon us. I think basically I agree with the remarks made by my friend.

Mr. BASS of New Hampshire. I thank the distinguished majority floor leader. I am very pleased to note that in principle, as I understand him, in principle he favors the basic parts of the President's reorganization plan.

Mr. McCORMACK. I would rather my position be stated in the RECORD that not only in principle, but beyond that I believe strongly that the Defense Department must be reorganized. I do not want to say I agree in principle to any one particular plan. I have my own individual views and my own thoughts. It has been my thought for some few years now that it is vitally important to reorganize and strengthen organizationally our Department of Defense to meet problems of what I term descriptively as the "nuclear world."

Mr. BASS of New Hampshire. I thank the gentleman.

Mr. SHEEHAN. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield.

Mr. SHEEHAN. I am very happy to note that the majority leader, the gentleman from Massachusetts [Mr. McCORMACK], agrees in principle with your viewpoint, because I find myself in complete agreement with both you and Mr. McCORMACK. Among all the people I have talked to I have yet to find a single person who does not feel that the Defense Department should be reorganized, not only in the purchase of common-use items, but, as the gentleman from Massachusetts [Mr. McCORMACK] says, "this nuclear age means a new concept in the Defense Department." One thing that interests me—I was under the impression that any reorganization plan is supposed to be referred to the Committee on Government Operations. But this one seems to have gone to the Committee on Armed Services. Does the gentleman have any comment on that?

Mr. BASS of New Hampshire. I am not an expert on committee jurisdiction, but from my knowledge of the situation I would say offhand that certainly the Committee on Government Operations should have been given jurisdiction over this reorganization plan.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield.

Mr. CURTIS of Missouri. I am sorry I did not have an opportunity to hear the gentleman's presentation. However, I did have an opportunity of going over some of the things the gentleman intended to say. I want to join with other Members who have expressed appreciation for the viewpoints you have expressed. I find myself in accord with them too.

I note that over a period of years a great deal of advancement has been made in the area of reorganization with regard to what we term common-use items, procurement and distribution. This has been the result of the activities of the Committee on Government Operations. I myself was a member of the Bonner subcommittee of that committee in the 82d Congress where some of the original groundwork was laid for the

second Hoover Commission recommendation in this area. I was a little disappointed, I might state to the gentleman, to see that this reorganization plan was referred to the Armed Services Committee when, according to the rules of the House, it was the proper jurisdiction of the Government Operations Committee. The chairman of the Armed Services Committee has openly expressed himself as being opposed to the viewpoint of the gentleman from New Hampshire, as expressed, and certainly the President's viewpoint. Inasmuch as the majority leader has expressed some approval of the basic concept, I wonder if that means that he will use his great influence to persuade the chairman of the Armed Services Committee to change his thinking a little bit; or at least that he will actually report out a bill under a sufficiently open rule so that we on the floor can have an opportunity to debate the President's proposal in this area. I wonder if the majority leader would comment on that. Can we anticipate that the chairman of the Armed Services Committee, expressing himself so strongly against this bill, will permit this bill to come to the floor of the House so that the House can work its will?

Mr. BASS of New Hampshire. I yield to the gentleman from North Carolina, and then later I will also yield to the distinguished majority leader.

Mr. DURHAM. I cannot speak for Mr. VINSON—I am sorry he is not here—but I hope every Member of the House will read the hearings before that committee. As to jurisdiction, this amends the National Security Act of 1947, over which the Committee on Armed Services has jurisdiction.

Mr. CURTIS of Missouri. There have been many areas in which the Committee on Government Operations has taken jurisdiction over an amendment, particularly when it has to do with procedure rather than substance. As I understand, there is a distinction, that if a reorganization plan was substantive, actually affecting military matters as opposed to procedural matters, it would be handled in a different manner.

Mr. DURHAM. This is a bill which goes much farther than that. I do not recall whether the gentleman was here at the time the National Security Act was passed in 1947.

Mr. CURTIS of Missouri. I was not here at that time.

Mr. DURHAM. This is definitive legislation of the roles which would be assigned to the various components and to the Secretary.

Mr. CURTIS of Missouri. I wonder if the gentleman from New Hampshire would yield to the gentleman from Massachusetts that he may answer my inquiry as to whether we can expect this matter will be brought up on the floor of the House in some form or other in the near future.

Mr. BASS of New Hampshire. I yield.

Mr. McCORMACK. The gentleman from Missouri knows, of course, that the gentleman from Massachusetts cannot answer that question; that is a question for the committee to decide. The gentleman from Missouri knows I do not tell the chairman of the committee or a committee what to do.

Mr. CURTIS of Missouri. No; but the gentleman is the majority leader.

Mr. McCORMACK. The gentleman from Massachusetts has expressed his own personal views on this occasion to the effect that there must be, in his opinion, a strengthening of the Defense Department; to what extent is another question. We have got to adjust the Defense Department to cope with the needs of 1958 and the future which is an entirely different world than that which confronted us 10 years ago.

Mr. CURTIS of Missouri. If the gentleman from New Hampshire will yield further, I am not asking the gentleman from Massachusetts to speculate about the specific purposes of the bill. I am asking his opinion solely as to whether or not we can expect this matter to be brought up on the floor in some form for the consideration of the House so that the membership can work its will. That is a matter of leadership, a matter of policy. It has happened in the past, that the chairman of a committee who was opposed to a certain measure would keep it bottled up. I am just asking whether we can expect the leadership to use its efforts and influence to get this matter on the floor of the House for consideration in the next month or so.

Mr. McCORMACK. The gentleman frm Massachusetts again calls to the attention of the gentleman from Missouri the fact that I express my own personal opinions. I could have kept silent, but I have very strong views on the matter that our Defense Department has got to be strengthened to meet the world of today and tomorrow.

When a bill is reported out of committee I will cooperate in bringing it up as quickly as possible under the rules of the House; that means that after the bill is reported a rule must be secured.

I may also state to the gentleman that I do not arbitrarily set bills down for consideration; I confer with the chairman of the committee involved. It would be discourteous on the part of any man occupying the position of majority leader not to consult the chairman of the committee reporting out the bill as to when he would like to have the bill called up for the consideration of the House.

The gentleman from Massachusetts is as frank as it is possible for him to be, but neither the gentleman from Massachusetts nor any other majority leader could answer completely the question the gentleman from Missouri asks.

Mr. CURTIS of Missouri. Will the gentleman from New Hampshire yield further?

Mr. BASS of New Hampshire. I yield.

Mr. CURTIS of Missouri. I want to thank the gentleman from Massachusetts. I appreciate that he cannot be specific. I accept the answer the gentleman has given. I want to comment further that it has been my pleasure to work with the gentleman from Massachusetts on certain aspects of the military program, supply and distribution in the common-use area, and I have appreciated his cooperation and what I think was his very good sense in approaching it.

Mr. McCORMACK. I think that is one place where we have saved and where we can continue to save countless millions of dollars.

Mr. CURTIS of Missouri. Yes.

Mr. McCORMACK. I also say it has been a pleasure to me to work in cooperation with the gentleman from Missouri [Mr. CURTIS]. There have been many interested. We have made some progress that has been beneficial and I hope that in any bill reported out there will be great progress made in connection with this matter. It is a field in which a tremendous amount of money can be saved.

Mr. CURTIS of Missouri. I thank the gentleman and I want to commend the gentleman from New Hampshire for taking the floor and exploring this very important subject.

Mr. BASS of New Hampshire. I thank the gentleman from Missouri. May I say to the distinguished majority leader that the only reason I take the time to discuss this very, very important issue is because I gather from the whole tenor of statements by the most prominent members of the House Armed Services Committee that the committee is unalterably opposed to the basic principles of the President's reorganization plan. I am pleased to know that the gentleman from Massachusetts does not agree with this position.

I would like to ask him also whether he would use his great influence in persuading the chairman of the House Armed Services Committee to report some kind of a bill so that we who are not members of the Armed Services Committee will have a chance at least to express ourselves and to cast our vote.

Mr. McCORMACK. The answer to that is the answer I gave to the gentleman from Missouri, which was as frank an answer as the gentleman could make if he were majority leader.

Mr. BASS of New Hampshire. I think the gentleman is underestimating his prestige.

Mr. DURHAM. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from North Carolina.

Mr. DURHAM. After serving on the House Armed Services Committee for almost 20 years I think I have had a little experience. The committee has never taken any position on any piece of legislation until we have had full and complete hearings to find out all the facts and the effect on the security of America. That is our primary purpose today. We are holding hearings every day, they are being held morning and afternoon; so I can assure the gentleman that there is no tendency as yet to slow down the matter.

Mr. BASS of New Hampshire. Every single statement I have read from any member of the House Armed Services Committee on that side of the aisle, has been in criticism and in opposition to the President's reorganization plan. If I am wrong, I will be glad to be corrected.

Mr. DURHAM. I can speak only for myself.

Mr. McCORMACK. I am sorry to see the gentleman get too limited in his remarks. He said, "on that side of the aisle," meaning the Democratic side. I have heard that from your side of the aisle. Let us be frank. One of the prominent Republicans has introduced the same bill that Chairman VINSON has introduced. Keep your arguments on a high level, do not get them down to the level of politics, because then we will separate.

Mr. BASS of New Hampshire. On our side of the aisle there is some difference of opinion. There are some Members who have expressed themselves in favor of the President's plan. I have not heard a single Member on the other side say they favor the plan even in principle. I would like to be corrected if I am wrong. I hope perhaps the gentleman from North Carolina or somebody else can correct me if I am wrong.

Mr. DURHAM. Since the gentleman mentioned me, may I say that, in my opinion, it is best, of course, to study all legislation and not make any decision until the hearings have been held and all the facts are brought out. I have never committed myself on a piece of legislation ahead of the hearings and before ascertaining the facts.

Mr. BASS of New Hampshire. I would agree with that, but my impression is that many influential members of the Armed Services Committee have already committed themselves in advance in opposition to the plan.

Mr. CURTIS of Missouri. The thing that has disturbed many of us is the fact that the chairman of the Committee on Armed Services, without any studies having been made, took a 1-hour special order and just blasted the President's proposal. I admire the position of the gentleman from North Carolina. I might state that is the position I intend to take on legislation that comes before my own committee, that I should not express myself too strongly ahead of time as to my views, because, after all, the purpose of a committee is not to decide for itself. The purpose of a House committee is to make whatever studies are necessary so that they may inform the House as to what the data and information and their recommendations might be. If it has been prejudged, as I am afraid it has been in this instance, you cannot get an adequate and full hearing, and we might easily have this matter bottled up in committee, not because of the merits of it, but because one particular Member of the House did not like it.

Mr. BASS of New Hampshire. I thank the gentleman, and I also share his feelings.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from Ohio.

Mr. VANIK. In your opinion was the directive of the Secretary of Defense stifling the free expression of military leaders of the several services either wise or necessary at a time when we are considering defense reorganization plans?

Mr. BASS of New Hampshire. May I ask the gentleman what directive? I know of no such directive that he criticizes there, and I should like to hear it.

Mr. VANIK. There was a recent directive issued by the Secretary relating to the obligation of the higher officers, as one of the bases of promotion, to stay in line and not be too free in their expressions in public places.

Mr. BASS of New Hampshire. May I say to the gentleman that if he had followed the testimony of Defense Secretary McElroy—I believe it was last Friday—he specifically said he was not going to stifle anybody in the armed services and that they were perfectly free to state their own opinions.

Mr. VANIK. Does the gentleman believe that the military leaders in our various services will feel free in light of the previous statement that the Secretary made?

Mr. BASS of New Hampshire. I have great confidence in the integrity and good intentions of our Secretary of Defense, and I think that if he said something, he meant it.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. If my memory serves me correctly, the Secretary of Defense has always made it abundantly clear that members of the armed services could come up to the House and the Senate and testify either for or against Congressional reorganization plans, as they might desire. Now, the gentleman from Ohio knows full well that in this administration, as well as in many other administrations in the past, there have been directives issued against making public speeches along certain lines; in fact, going against the stated wishes of the administration until certain phases of Congressional inquiry have passed. And any statement which the Secretary of Defense might have made I am sure does not have the effect or was not desired to go beyond that particular phase which I regard as not unique about this administration.

Mr. BASS of New Hampshire. I thank the gentleman.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield further?

Mr. BASS of New Hampshire. I yield.

Mr. CURTIS of Missouri. I think it might serve for the record if Secretary McElroy's exact statement, which I am sure the gentleman from Ohio was referring to, was put in the RECORD at this point, because he tried to write that out in very careful language so that it conveyed exactly what he meant. And, it was not to stifle their testimony. It was quite the contrary. In that statement he expected them before Congressional committees to express themselves openly. But he did do what the gentleman from Arizona tried to express. He told them that, as far as these press releases are concerned, and these other methods which some people in the bureaucracy have of trying to gain their point of view should not be carried on. He did not actually say this in the statement, but it may be presumed, and that is the way it was headlined around the country in some newspapers—that if a person felt so deeply on the subject, that maybe he ought not to continue in the service. Now, that, though, is a very honest expression, and I will say this is true, that if you feel deeply on a subject to the extent that you cannot use all the means that are available to you to get your viewpoint across, you should resign. Now, Under Secretary Gardner did exactly that, although I did not agree with his point of view. But he did what I thought was right. He found himself in disagreement basically and he wanted to expose that disagreement to the people of this country, and he resigned his position because he did not think he could honestly carry out the administration's point of view.

Mr. BASS of New Hampshire. I think that expresses the position and policy of the Secretary of Defense in substance, and I am sure my good friend from Ohio would find no criticism of that policy.

Mr. VANIK. Mr. Speaker, will the gentleman yield further?

Mr. BASS of New Hampshire. I yield.

Mr. VANIK. In disagreement, I feel that the policy being announced at the very time when we want freedom of expression from our military leaders concerning this very important reorganization plan was very ill timed. It was designed to prohibit this Congress and the American people getting the inner feelings of the military leaders concerning a very vital and important defense program.

Mr. BASS of New Hampshire. May I say to the gentleman that is not my conception of what the Secretary of Defense has stated his policy to be.

Mr. RHODES of Arizona. Mr. Speaker, if the gentleman will yield further, I am sure that the memory of the gentleman from Ohio is not so short that he does not recall the firing of General MacArthur when he made some public utterances in disagreement with the then President of the United States. This is not something new. The members of the Armed Forces should always either agree with the announced policy or they should resign. The forum which is offered to them to disagree is the Congressional committee, and I think very definitely if they feel strongly about the situation they can use this forum and do what they can to change the situation. But after all is said and done, when a policy is announced and they still do not agree, as the gentleman from Missouri [Mr. CURTIS] has said, as a good member of the Armed Forces, if they cannot do the job which they are supposed to do and which they have taken an oath to do, then there is no alternative for them but to resign.

Mr. BASS of New Hampshire. I thank the gentleman.

Mr. CRAMER. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from Florida.

Mr. CRAMER. Mr. Speaker, I want to congratulate the gentleman on his bringing to the attention of the Congress and the American people this need for military reorganization. He knows, as I do, that this is one of the most important, one of the most crucial issues

facing Congress during this session. I know the gentleman is aware of the concern of the American people with regard to the productivity of the Armed Forces, particularly in research and development that occurred at the time of the recent Russian technological breakthrough, with sputniks I and II.

I am sure the gentleman agrees that we cannot afford to dillydally around, but should take concerted and immediate action on reorganization. We cannot afford to give the Communists another opportunity for another technological breakthrough. We should get to work and get this job of reorganization for action onto the floor of the House. Does not the gentleman agree?

Mr. BASS of New Hampshire. I certainly do agree with the gentleman, and that is the whole substance of my remarks this afternoon. We can no longer afford the luxury of an inefficient Department of Defense. It is very vital and necessary to our national security that we have an effective Department now, and not wait until the next war, if that should come.

Mr. CRAMER. Mr. Speaker, does not the gentleman agree further, in connection with the reorganization he is talking about, that for every dollar that is spent on our defense the American people should get a dollar's worth of value, and that that is one of the objectives of the reorganization proposal?

Mr. BASS of New Hampshire. I agree with the gentleman from Florida.

Mr. CRAMER. Does the gentleman agree, further, that in this age which the distinguished majority leader has described as the nuclear age it is imperative that in the event of attack the chain of command be direct enough so that swift retaliation could be had rather than delayed action? Is that not one of the objectives of this reorganization plan?

Mr. BASS of New Hampshire. It is. I certainly do agree with the gentleman that that is very important.

Mr. CRAMER. And is it not further true that the President of the United States, Dwight D. Eisenhower, was the general of the Allied Forces in the last world war; that as Commander in Chief of the Joint Allied Forces he put into effect a similar program to the one that he is now trying to get Congress to agree to at this time?

Mr. BASS of New Hampshire. I believe the gentleman is correct.

Mr. CRAMER. And does not the gentleman therefore feel that the President's recommendation should carry considerable weight with the Congress, certainly more weight than was exhibited when on the very day that the plan was introduced, it was so criticized and castigated by ranking majority members of the Committee on Armed Services who attempted to give it a black eye before any of the evidence whatsoever was in?

Mr. BASS of New Hampshire. I do agree; and I share his concern and criticism of the Armed Services Committee in the way they have already prejudged this reorganization plan.

Mr. Speaker, it is still my hope that the Committee on Armed Services in its wisdom will see fit to report out some kind of a reorganization bill so that those of us who are not members of the Committee on Armed Services, will have the opportunity to vote on this issue. I am greatly concerned, distressed, and disturbed over the fact that apparently many of the Democratic members of this great committee have already taken a stand on this plan and, to all intents and purposes, are bent on killing any proposal along this line.

Mr. HENDERSON. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from Ohio.

Mr. HENDERSON. Mr. Speaker, the gentleman from New Hampshire [Mr. BASS] has performed admirably in bringing this question to the floor this afternoon. I would like to say that the people with whom I have talked from southeastern Ohio have expressed a very keen interest in the reorganization bill. They feel that there is great need for a close scrutiny of the situation with regard to Armed Forces unification; that something should be done to pass legislation which will assist in building an economically operated and effectively manned armed force for our Nation.

Mr. BASS of New Hampshire. Mr. Speaker, I thank the gentleman for his contribution. I would say also in passing that the people in New Hampshire whom I represent have the same feeling, that there is a real need for the reorganization of our Department of Defense.

Mr. DEROUNIAN. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from New York.

Mr. DEROUNIAN. Mr. Speaker, I want to thank the gentleman for bringing this very vital subject to the attention of the House, so that all of us would have the opportunity to express our own preferences and judgment.

Does not the gentleman think that some of the critics of the President who had been giving him a hard time because, "He did not show any leadership," should fall in line now because he is showing leadership in this matter? Let us see whether they were sincere in their criticism and whether they will follow him on this most vital subject which is so necessary to our well-being and safety.

Mr. BASS of New Hampshire. The gentleman has made an excellent point, and I join with him in that hope.

Mr. DEROUNIAN. Mr. Speaker, the only way to protect ourselves from aggression is to be stronger than any potential enemy. We cannot build our defense mechanism after we have been attacked. We have got to do it now. And we have got to begin at the beginning, with the organization that creates the trained soldier, the tested weapon. Nor can we ever sit back and consider the work done. We must constantly strive to keep pace with the changing times, the changing methods of warfare.

Let us face it, our defense organization is outmoded. It is our great good fortune that our President, our Commander in Chief, is better able to recommend to the Congress what is needed, than any other American alive today. Let us leave politics out of this and let us have the good sense and the foresight to listen to him, consider his advice, and save ourselves from destruction at the hands of the enemy.

President Eisenhower's reorganization plan does not ask the Congress to relinquish the purse strings; it suggests a sensible arrangement of limited funds to insure speed of action in emergency. It does not set up a "czar" but offers a solution to the administrative problems which have beset the defense organization and hindered operations in the past. It offers a flexible organization within which many of the recommendations of the Hoover Commission may be realized. It will tend to protect this country from unwise decisions such as we suffered under between 1946 and 1952, when $17 million was given to the peanut farmer, as subsidy, and only $2 million to the Department of Defense for missile research and development.

For our own future, let us cast aside the cumbersome, unwieldy defense organization of yesterday and consider the flexible organization recommended by the President for the betterment of our own country and that of the world.

Mr. HASKELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Delaware?

There was no objection.

Mr. HASKELL. Mr. Speaker, I would like to associate myself with the remarks made by the gentleman from New Hampshire [Mr. BASS] on the reorganization plan for the Department of Defense. He has stated the case for the President's reorganization plan very well, and I fully subscribe to the thoughts he has expressed.

I have recently received a letter from one of my constituents which also does a fine job of listing reasons for the necessity of approving the plan which the President has presented. The letter was written to me by Dr. Robert W. Cairns, who, during 1954, served as Deputy Assistant Secretary of Defense for Research and Development under the Honorable Donald A. Quarles, the present Deputy Secretary of Defense.

Dr. Cairns has wide experience in the field of military research both in his Government work and in private industry. He is presently the director of research of the Hercules Powder Co., Wilmington, Del., where among other things he has been in charge of rocket propellants, working out processes on which practically all of the United States rocket powder was manufactured. He has served on advisory posts in Government beginning with the National Defense Research Committee in 1940. In 1953, he was Vice Chairman of the old Research and Development Board of the Department of Defense. He was Chairman of the General Science Advisory Panel, Department of Defense, and is currently a member of the Defense Science Board, Department of Defense.

Dr. Cairns' statement hits the nail on the head. It is based on many years of experience in dealing with the problems

of our national security at all levels. He expresses his support of the President's reorganization plan in language that is loud and clear and to the point. The appropriate portion of his letter follows:

The woeful lack of a clear organization in the Pentagon stems from the much-vaunted independence of the 3 (or 4) military services, an independence that was of questionable value in World War II, untenable at the time of the Korean war, and dangerously inefficient and uneconomic today.

With peacetime military costs becoming comparable to those of previous periods of active war, something drastic must be done. We can no longer afford to be saved separately and independently by the Army, Navy, Air Force, and Marines. The sentimental advocates of independent services would no doubt compromise the present struggle over the higher altitudes by proposing a new and independent space force—complete with another uniform, service academy, development and training facilities, operating bases, transportation, communication, and supply organizations, and with roles and missions overlapping the present service.

It is time that Congress realizes that the taxpayers are being trampled in the present interservice struggle that is a direct result of this organizational confusion. The taxpayers are certainly becoming increasingly aware that they are being soaked with double and sometimes triple expenditures for separate and similar military activities. No organization can be expected to run without leadership. Surely it must become apparent to all of us that the present hydraheaded monstrosity is not the best approach to an economical Defense Department structure. The President's plan, evolved through careful consideration by some of our greatest military and civilian experts, offers a practical solution to present confusions.

Under this plan, we can expect unified action, without sacrifice of service morale or recognition. Once it is clearly established where the authority rests, the bickering and confusion will cease. The military are trained to respect and respond to authority. Without authoritative leadership they cannot be expected to do their best job. The traditions of the military services, and their identity as potent parts of our defense, will be maintained and strengthened. No soldier, sailor, or airman can feel one whit less inspired to his task or less proud of his service, if he knows that his efforts are effectively combined with that of his teammates in the other services, under responsible leadership. This kind of team spirit is innate in our American way of life, and no one thinks that the selection of a team captain will detract from the glory of individual performance in the field.

Just about the weakest kind of a reason advanced against the President's plan is the old bugaboo about the Prussian general staff—too much power to rest in a single man, etc. To see how stupid this argument really is, we have only to realize that the real power of decision on war and peace already rests in one man's hands—our President and Commander in Chief. Whether we like it or not, modern war will not wait for the deliberations of legislators. We know this and have given the President powers to retaliate against aggression, which are immediately and instantly available to him. Had we not done this long since, we might well by now be vassals of the Russian state.

In the face of the necessity for an instant response to protect us against quick death, what kind of nonsense is the argument that we should hamstring the Commander in Chief's right-hand man by maintaining a weak and confusing organization in the Defense Department? All this talk of keeping proper checks and balances in the Pentagon is an indication that our national predicament is not realized, and may not be realized until too late, by those we have elected to govern us. I only ask that you and your colleagues give enough support to the Commander in Chief to allow him to do the job that he alone must assume—to protect our country against all possible threats.

EXTENSION OF REMARKS

Mr. CRAMER. Mr. Speaker, I ask unanimous consent that immediately following the remarks of the gentleman from Washington [Mr. MACK] I be permitted to extend my remarks at that point in the RECORD, it being my intention, Mr. Speaker, to join with the gentleman from Washington in introducing a clean omnibus public works bill which I trust the Congress will go ahead and act upon and get under way the good projects that previously were jeopardized by the nearly $400 million pork in that bill. I trust action will be taken on it because it is a good bill as proposed.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

PERMISSION TO FILE REPORT

Mr. McCARTHY. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

SMALL BUSINESS FINANCE BILL

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Speaker, I have introduced today H. R. 12182, a bill to help provide equity capital and long-term credit for small businesses. I have become convinced of the need for this type of legislation in the course of the hearings the House Committee on Banking and Currency is now holding on unemployment. Already, these hearings have shown the Congress must act on several fronts to halt the drift toward depression that now finds over 5 million Americans without jobs. We cannot wait to see whether things somehow will get better. I agree with former President Truman that we must find ways to restore an expanding economy, particularly in the hardest hit segments of our economy, such as small business.

Testimony before the House Committee on Banking and Currency and other committees of the House and Senate has demonstrated that small firms cannot find adequate venture capital and long-term credit in the existing private capital markets, which are geared largely to the needs of big firms. My bill would help fill this gap and spark a revival of small business by establishing a system of federally chartered small business investment companies. These companies would be privately operated, although the Government would supply part of the funds required to start them in the business of providing equity capital and long-term loans for deserving small-business firms.

Like S. 3651, introduced in the Senate by the distinguished majority leader, Senator LYNDON JOHNSON, my bill would create a Small Business Investment Administration to administer the new program. My bill differs from S. 3651, however, in that it vests complete responsibility for the success or failure of the program in the head of the new Administration. S. 3651 would divide this responsibility between the new Administrator and a four-man policy board on which he would serve, together with the Secretary of the Treasury, the Secretary of Commerce, and the present Small Business Administrator. If this new program is to work, I feel we must give the new Administrator the authority to do the job and hold him responsible for getting it done. I do not think we can expect vigorous action from an Administrator who must consult three other officials, and convince two of them he is right, before he acts. I strongly doubt the wisdom of giving the Secretary of the Treasury and the Secretary of Commerce a veto power over this new experiment.

Aside from this matter of administration of the new program, H. R. 12182 follows the provisions of S. 3651. I congratulate Senator JOHNSON for his leadership in developing this bill, and I am pleased to note that a companion bill to S. 3651 has been introduced in the House by the Honorable WRIGHT PATMAN.

The Committee on Banking and Currency will give careful consideration to these and other bills on this subject in the course of its hearings on legislation to relieve unemployment. As chairman of the committee, I will make every effort to secure prompt and favorable action on this much-needed legislation.

FLOODS IN CALIFORNIA

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. MCFALL] is recognized for 30 minutes.

Mr. MCFALL. Mr. Speaker, the State of California was subjected to serious and damaging floods in February and March and again in April caused by an extra heavy rainfall ranging from 180 to 300 percent of normal. As members of the Committee on Public Works of the House of Representatives, the gentleman from California [Mr. BALDWIN] and I were directed by the chairman of that committee to inspect the flood damage in the northern and central part of our State and file a report thereof. We made that inspection trip on April 5–9, and have submitted our report to the Committee on Public Works. I take this means of making available this information to all the Members of the House.

In addition, the report contains our recommendation for committee and House action for improving the Nation's flood-control machinery. We believe

flood control is an investment in America's future that more than pays for itself frequently after only one flood. Like many areas of the country, northern and central California has been subjected to a series of floods, in 1950, 1955, and now in 1958, with accumulated damage of an estimated $230 million. And more trouble is ahead for us as the snow pack in the Sierra Nevada Mountains is 160 to 180 percent of normal. In many instances broken levees have not and cannot be repaired in time to protect us against the spring runoff from the snow melt. Consequently, flood-stage waters are expected to damage many of these same areas again in June.

This flood damage, combined with millions of dollars of damage to agriculture from the heavy and almost continuous rains starting last October will seriously damage California's agricultural and industrial economy. This damage from flood waters would have been substantially greater but for the local officials and citizens who valiantly and efficiently fought the water and protected the lives and properties of untold value. We wish to here commend them for their efforts.

Mr. BALDWIN. Mr. Speaker, will the gentleman yield?

Mr. McFALL. I yield to my colleague from California.

Mr. BALDWIN. Mr. Speaker, I would like to join the gentleman from California [Mr. McFALL] in the statement he has just made. We participated together in making this flood survey of damages that were suffered in central and northern California. Those damages were very severe. We have made a report which we will incorporate in the RECORD today.

One of the things we have found that is most disconcerting is the long, slow-moving process under which flood-control projects are authorized and constructed. For example, at the present time there are approximately 2,700 flood-control and navigation surveys authorized by the Congress which have not as yet had funds to complete them. The total appropriations for the fiscal year 1958 for surveys of this type amounted to approximately $7,690,000. That means it would take 3½ years at appropriations at this rate just to complete surveys already authorized, and any new survey would have to wait approximately 3½ years before getting funds. The total amount of flood-control projects themselves which have been authorized by Congress but for which no funds have been appropriated amount to $1,900,000,000. The total appropriation made by Congress amounted to only $123,800,000. That means it would take over 15 years at that rate of appropriation to complete the flood-control projects already authorized, and any new project, if it waited its turn and the same rate of appropriation continued, would have to wait probably 15 years. This is a very serious situation and many times results in the people of this country being misled, because they read statements that Congress has either authorized a flood-control survey or project, and they think they are going to have relief soon; whereas, as a matter of fact, that relief is still many years away. So our recommendations are that the appropriations be doubled both for flood-control surveys and projects, with a view to seeing that this backlog can be eliminated just as rapidly as possible.

Mr. McFALL. Mr. Speaker, we submit our report for inserting in the RECORD in the form of a letter to the chairman of the Public Works Committee.

The letter referred to is as follows:

APRIL 28, 1958.

Hon. CHARLES A. BUCKLEY,
Chairman, Committee on Public Works, United States House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: Pursuant to your appointing us as a special subcommittee to inspect flooded areas in northern and central California, the undersigned made that inspection on April 5, 6, 7, 8, and 9 and respectfully submit herewith a report of the flood damage, together with recommendations for legislative action.

The report shows that damaging floods were caused by extra heavy rainfall in January, February, March, and April, ranging from 180 percent to 300 percent of normal. Preliminary estimates place the damage resulting at $32 million.

These same areas of California have been flooded at least three times in 8 years—in 1950, 1955, and again in 1958, with cumulative damages of $229,900,000.

Damage prevented in 1958 by completed flood-control projects and projects now under construction amounted to $113 million. If all authorized flood-control projects had been completed and in operation, the damage prevented would have amounted to an additional $9 million, leaving $23 million damage caused in areas where projects are not yet authorized.

Even now, while waters from the most recent floods have receded to some extent, we know that we are faced with possibly further losses in the spring runoff of a snow pack that is 160 percent of normal.

The benefits and merits of completed flood-control projects are numerous:

1. Such projects protect many acres of valuable farm land, forest land, and grass land from erosion.

2. Such projects reduce silting and sediment in lower stream channels.

3. Such projects greatly reduce damage to homes and businesses which would otherwise be flooded in periods of heavy rainfall and potential flood conditions.

4. Such projects reduce loss of life, particularly along major rivers where levee breaks may result in immediate danger to residents living behind the levees.

5. Such projects make it possible to impound surplus water so that this water may be used during summer months when irrigation and domestic water becomes extremely valuable and essential in the State.

The undersigned are of the opinion that potential flood dangers are still increasing in some sections of the State of California. This is due to the following factors:

1. As new subdivisions and streets are constructed, the volume and speed of runoff is increased. Where formerly the rain fell on land which could absorb a considerable amount of the water, the rain now falls on rooftops, streets, and sidewalks, which have no absorptive capacity, and which increase the flooding.

2. The steady reclamation of land in the major valleys of California through the erection of levees on both sides of river channels has restricted flood runoffs to more limited areas, and therefore increases the danger of levee breaks.

The undersigned feel that one of the major problems which exists at the present time is the long and slow-moving process under which flood control projects are authorized and constructed.

This condition is aggravated by the existence of a large volume of flood control surveys which have been authorized but have not yet been made; by a large volume of completed surveys which are now awaiting authorization as projects; by a large volume of authorized projects which have not yet received appropriations; and by the large volume of projects under construction among which annual appropriations for this purpose must be divided. The following figures are illustrative of this problem:

1. At present approximately $27 million is needed to complete flood control and navigation surveys already authorized by Congress. The total appropriations for fiscal year 1958 for surveys of this type amounted to only approximately $7,690,000.

2. The total amount of flood control projects which have been authorized by Congress, but for which no funds have been appropriated, amount to approximately $1.9 billion. The total appropriations made by Congress in fiscal year 1958 for such flood control projects amounted to only $123,800,000.

3. The total amount of navigation projects which have been authorized by Congress, but for which no funds have yet been appropriated, amount to approximately $1.6 billion. The total appropriations made by Congress in fiscal year 1958 for such navigation projects amounted to only $144,100,000.

4. The total amount of multiple purpose projects (including power) which have been authorized by Congress, but for which no funds have yet been appropriated, amount to approximately $1,209,000,000. The total appropriations made by Congress in fiscal year 1958 for such multiple purpose projects amounted to only $133,100,000.

It is evident from the foregoing figures that at the rate of flood control appropriations made in fiscal year 1958, it would require 15 years to complete flood control projects which have been already authorized, let alone construct any projects which are still awaiting authorization or for which surveys are now in process or authorized.

In view of the flood damage inspected by the undersigned in the recent floods in California, and in view of the facts summarized in the attachment to this report, the undersigned submit the following recommendations to the Public Works Committee of the House of Representatives:

1. It is recommended that appropriations for flood control projects now under construction in the State of California and elsewhere be increased.

2. It is equally urgent that the time lag between the authorization of flood control projects and the making of the first appropriations for these projects are reduced. This can only be done by increasing the total appropriations made each year for flood control projects. We therefore recommend that future annual appropriations for flood control projects be doubled as compared to the 1958 appropriation of $123,800,000.

3. It is essential that the lapse of time between the completion of a flood control survey by the United States Army Corps of Engineers and the authorization of the flood control project involved by Congress, be reduced. The undersigned recommend that every agency required to submit comments on such proposed projects assemble and make these comments on an urgent basis. The undersigned also recommend that Congress pass an omnibus rivers and harbors and flood control bill each year, rather than only at 2-year intervals. As an example, the

vetoes by the President of omnibus bills in 1956 and 1958 have resulted in no new flood control projects being authorized for a period of 4 years.

4. Flood control surveys which have been authorized should be completed more rapidly after authorization. In order to accomplish this objective, Congress should appropriate a larger sum per year for such surveys. We therefore recommend that future annual appropriations for surveys be doubled as compared to the 1958 appropriation of $7,690,000.

5. It is recommended that constant studies be conducted by local groups, by the California State Department of Water Resources, and by the United States Army Corps of Engineers, as to new potential flood control projects needed in the State of California, for which surveys should be authorized at an early date, in order to determine the feasibility of such projects. It is evident that each additional flood control dam built on tributaries of the Sacramento and San Joaquin Rivers will reduce the flood danger in the lower delta areas.

We would like to particularly commend the Army Engineers—Brig. Gen. William F. Cassidy, the South Pacific Division Engineer, Col. A. E. McCollam, Sacramento District Engineer, Col. J. S. Harnett, San Francisco District Engineer and members of their staff—for their keen interest in the flood problems of California and their detailed knowledge of every waterway, large and small, that poses a flood threat.

Only through their outstanding cooperation were we able to obtain such detailed information in such a short time.

JOHN J. McFALL,
JOHN F. BALDWIN, Jr.,
Members of Congress.

PRELIMINARY REPORT ON FLOODS OF JANUARY-APRIL 1958 IN CALIFORNIA

1. Rainfall: Precipitation in late January and in February, March, and the first few days of April was unusually heavy in northern and central California, approaching record proportions at some locations. Particularly heavy storms occurred on February 18–19, February 23–25, March 17, March 23, and April 2–3. Rainfall over the major basins for the period February 1 to April 8, in terms of percent of normal, is shown in the following tabulation:

Basin:	*Precipitation, percent of normal*
North coastal streams	180
San Francisco Bay area	300
South coastal streams	260
Sacramento Basin	270
San Joaquin Basin	280
Tulare Basin	220
Entire area	250

2. Flood peaks: During the period from January 25 to April 9, outstanding peak flows were recorded on many streams. Peak flows at some key points are shown in the following tabulation:

Stream	Location	1958 floods		Previous peak flows in cubic feet per second	
		Date	Peak flow (cubic feet per second)	1955	1950
Eel River	Fernbridge	Feb. 25	217,000	[1] 541,000	300,000
Russian River	Guerneville	do	67,000	[1] 90,100	53,600
Alameda Creek	Niles	Apr. 3	19,700	[1] 21,000	15,100
Guadalupe River	Jan Jose	Apr. 2	[1] 9,500	5,700	2,700
Pajaro River	Chittenden	Apr. 3	[1] 24,200	24,000	7,500
Sacramento River	Ord Ferry	Feb. 25	220,000	157,000	(2)
Cache Creek	Capay	do	[1] 52,000	23,000	14,200
Walnut Creek	Walnut Creek	Apr. 3	[1] 14,000	11,000	5,000
Calaveras River	Bellota	Apr. 4	20,000	14,500	8,000
Littlejohn Creek	Farmington Reservoir (inflow)	do	[1] 33,000	20,000	5,000
San Joaquin River	Vernalis	Apr. 9	41,000	50,900	[1] 79,000

[1] Record peak. [2] No flood.

3. Flooded areas: Total area flooded amounted to about 600,000 acres. Major flooded areas included those on Russian River, 28,000 acres; Eel River, 15,000 acres; Alameda Creek, 8,000 acres; Guadalupe River, 5,000 acres; Pajaro River, 18,000 acres; Stony Creek, 18,000 acres; Sacramento River, 50,000 acres, not including 70,000 acres in bypasses and floodways; Butte Basin, 100,000 acres; Walnut Creek, 5,000 acres; Bear Creek (San Joaquin County) 15,000 acres; Calavares River, 20,000 acres; San Joaquin River, 130,000 acres, and in Tulare Lake, 13,000 acres. Flooded areas are summarized by major basins in the following tabulation:

Basin:	*Area flooded (acres)*
North coastal streams	45,000
San Francisco Bay area	20,000
South coastal streams	25,000
Sacramento Basin	260,000
San Joaquin Basin	230,000
Tulare Basin	20,000
Total	600,000

4. Total damages: Preliminary estimates have been made of the total cumulative damage from the January, February, March, and April floods in California. These estimates should be considered as rough approximations only. Better field estimates will be made later. These damages will be substantially increased during the coming snowmelt period, especially in the San Joaquin and Tulare Basins. Total damage is now estimated at about $32 million. The January and February floods caused damage of about $6,500,000. These floods struck principally on the coast north of San Francisco and on the Sacramento River and west side tributaries. Relatively minor floods occurred in March at scattered locations in the San Joaquin and Tulare Lake Basins. Severe flooding occurred in early April inflicting about $24 million damage, of which about $3 million was on San Francisco Bay streams, about $5,700,000 was on coastal streams south of San Francisco Bay, and about $13 million was in the San Joaquin Basin. Damages for major areas are presented in detail in the following paragraphs.

5. North coastal streams: Flood damages were about $1,200,000, excluding about $700,000 slide damage to Northwestern Pacific Railroad facilities, part of which may have been aggravated by stream erosion. Damages on the Russian and Eel Rivers amounted to about $800,000 and $200,000, respectively.

6. Streams tributary to San Francisco Bay area: Damages of about $3,100,000 in this area were caused entirely by the April floods. The largest concentrations of damage occurred on Alameda Creek and Guadalupe Creek, where losses were about $700,000 and $600,000, respectively.

7. South coastal streams: Damages of about $5,700,000 in this area were caused entirely by the April floods. The Pajaro and Salinas Rivers suffered losses of about $4,100,000 and $1 million, respectively.

8. Sacramento Basin: The combined damage in the basin totaled about $7,100,000. About $2,250,000 damages occurred in the Cache Creek Basin of which $450,000 was on Middle and Clover Creeks; $1 million was around the shoreline of Clear Lake, resulting from high lake stages; and $650,000 was along lower Cache Creek. About $550,000 damages also occurred on Stony Creek. Damages along the main Sacramento River, Butte Basin, and bypasses accounted for about $3 million.

9. San Joaquin Basin: Damages in the San Joaquin Basin, including about $4,500,000 in the Walnut Creek area, totaled about $13,600,000. Flooding along the Calaveras River, particularly at Stockton, accounted for about $2,500,000 damages.

10. Tulare Basin: Damages in Tulare Basin, primarily from the water of Kaweah and Tule Rivers, totaled about $1,300,000.

11. Comparison of damages: Damages in the major areas are summarized in the following tabulation. For comparative purposes, damage data for two other recent floods are also listed. Damages are estimated on the basis of price level and economic development prevailing at the time of each flood.

Basin	1958 floods	1955 floods	1950 floods
North coastal streams	$1,200,000	$41,200,000	(1)
San Francisco Bay area	3,100,000	13,200,000	(1)
South coastal streams	5,700,000	13,200,000	(1)
Sacramento Basin	7,100,000	66,000,000	$9,800,000
San Joaquin Basin	13,600,000	16,100,000	12,400,000
Tulare Basin	1,300,000	16,600,000	9,400,000
Total	32,000,000	166,300,000	31,600,000

[1] Minor.

12. Loss of life: It has been reported that about 10 persons lost their lives as a result of the January-April flood series. The extent to which the flood was primary cause of death in each case has not been determined. The streams where the loss of life has been reported are:

Corte Madera Creek	1
Morrison Creek	1
Sacramento River	2
Cache Creek	1
Dry Creek (near Roseville)	1
Willow Creek	2
Panoche Creek	1
Mokelumne River	1

13. Damages prevented by completed works of the Corps of Engineers: A rough estimate of the damage prevented by completed flood-control projects and projects now under construction is given in the following tabulation:

Completed projects:	
Pajaro River levee project	$800,000
Farmington Reservoir	3,000,000
Merced County stream group	5,600,000
Big Dry Creek Reservoir	1,000,000
Pine Flat Reservoir	1,600,000
Folsom Reservoir	nominal
American River levees	nominal
Subotal	12,000,000
Projects under construction:	
Russian River Reservoir project	300,000
San Lorenzo River Channel improvement	

Projects under construction—Continued	
Sacramento River flood-control project	$100,000,000
Sacramento River major and minor tributaries	nominal
Tuolumne River Reservoirs (including Cherry Valley and New Don Pedro)	700,000
Lower San Joaquin levees	----------
Subotal	101,000,000
Total	113,000,000

14. Damages preventable by authorized projects of the Corps of Engineers: If all the authorized flood-control projects had been completed and in operation, the $32 million damage that occurred during the recent floods would have been reduced approximately as follows:

Projects under construction:	
Russian River Reservoir project	$260,000
San Lorenzo River channel improvement	50,000
Sacramento River flood-control project	200,000
Sacramento River major and minor tributaries	800,000
Projects under construction—Continued	
Tuolumne River Reservoirs (including Cherry Valley and New Don Pedro)	$700,000
Lower San Joaquin levees	730,000
Subtotal	2,740,000
Authorized projects not started:	
San Lorenzo Creek channel improvement	250,000
Coyote Creek channel improvement	10,000
Middle Creek project	450,000
Black Butte Reservoir	550,000
Iron Canyon Reservoir	1,300,000
New Melones Reservoir	700,000
Bear Creek project (San Joaquin County)	1,200,000
Hogan Reservoir project	600,000
Success Reservoir	600,000
Terminus Reservoir	600,000
Subtotal	6,260,000
Total	9,000,000

15. Summary: Following is a brief summary of the data presented in this report:

Basin	Rainfall in percent of normal Feb. 1–Apr. 8	Area flooded	Flood damage	Damages preventable by authorized projects	Residual damage	Damages prevented by completed works
		Thousand acres	*Thousands*	*Thousands*	*Thousands*	*Thousands*
North coastal	180	45	$1,200	$260	$940	$300
San Francisco Bay	300	20	3,100	260	2,840	0
South coastal	260	25	5,700	50	5,650	800
Sacramento	270	255	7,100	3,300	3,800	100,000
San Joaquin	280	230	13,600	3,930	9,670	10,300
Tulare	220	25	1,300	1,200	100	1,600
Total	250	600	32,000	9,000	23,000	113,000

EDUCATIONAL PROBLEMS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Oregon [Mr. ULLMAN] is recognized for 1 hour.

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, to include certain tables, and a copy of a bill.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ULLMAN. Mr. Speaker, there is little need to dwell on the fact that the United States is today faced with problems of great dimension concerning the education of its citizens. Regrettably, our awareness of these problems is long overdue and unfortunately was prompted by scientific advances made by another country rather than by our concern over our own educational system. Be that as it may, there can be little doubt today that most Americans fully realize that the security of our Nation depends on the future development of our capacities and capabilities to think intelligently.

Congressional concern over our educational problems has perhaps been most evident in the deluge of legislative proposals introduced during the 85th Congress. I might add that I am hopeful that final adjournment will show this concern more tangibly evidenced by the actual enactment of much needed legislation. Most of the bills which have been introduced indicate an awareness that there is no single measure which can solve all of the Nation's educational problems. Rather, there appears to be general agreement that it will be necessary to diligently seek out those programs which provide positive steps toward the solution of our specific needs.

I am today introducing legislation which I believe represents such a positive step. My bill proposes a program of Federal assistance to the States for the stimulation of State construction of public community junior colleges. I am making this proposal because I believe Congress recognizes—in the interest of national security—that the States have an urgent need for emergency financial assistance to provide facilities for a broader range of educational opportunity beyond the high school.

Mr. Speaker, it is a truism to point out that our modern, complex, technological society requires the education of more highly skilled citizens. If our plans for tomorrow are to be accomplished in this restless world with its millions of seeking people, our Nation must provide more opportunities for advanced training and sound education. Unless such opportunities are made available, it is difficult to perceive how we are to meet the educational challenge now before us. It is my belief that Federal aid to the States for community colleges will materially assist in making these opportunities available to a greater number of Americans.

In speaking of our educational needs, however, I think it would be eminently unfair to forget our educational heritage or to overlook the benefits which have been reaped from our present educational system. We must never lose sight of the fact that the greatness of our Nation, its amazing productivity, and our high standard of living are all living testimony to the great accomplishments which education has brought to the American people. It is clearly a system which through the years has expanded to meet the exigencies. But while congratulating ourselves on past accomplishments, we must be equally aware of the continuing need for improvement of that system.

This Nation's need for highly trained people is growing steadily. Indeed, our very existence is dependent upon the education of a greater number of people to think, to do and to lead. By 1975, it is estimated that the Nation will require a 75 percent increase in professional and technical personnel. Clearly, this indicates the necessity for broader educational opportunity beyond the high school. In addition, it points up the growing urgency for an increased force of scientists, engineers, and technicians to participate in research and development programs related to our national security. I am convinced, as are many authorities, that the junior college has a special role to play in the future education of such people.

Mr. Speaker, State action in this area has not been slow in evolving. Many of the States have already made studies of the increasing demand for more institutions of higher education. Professional educators and authorities have signaled the Nation's need for a higher level of education. Official surveys and studies have dramatized and underlined the need to establish and expand the public community college.

Such interest is highly commendable, for we are in the midst of a major change in higher education which is comparable to the rapid and far-reaching development in educational patterns that occurred in secondary schools in the 50 years prior to World War II. Fifty years ago, the secondary school was designed primarily to prepare the few for college. In 1910, enrollments in high schools amounted to approximately 15 percent of the population in the 14–17 age bracket. By 1940, enrollments in this age group had jumped to over 70 percent. In a single generation the high school became the basic educational standard for nearly all children. It seems to me eminently logical that the next step in the development of our educational system is the establishment of community junior colleges throughout the Nation.

This position is supported by two significant conclusions contained in the first report made by the President's Committee on Education Beyond the High School. The Committee points out that:

> The needs of the individual and of society, plus an unprecedented growth in the population of post-high-school age, will far outrun the present or planned capacity of existing colleges and universities and other post-high-school institutions. The vital statistics have been stated and restated. Each year's new data on population and enrollments are translating earlier estimates into reality. While there is time, plans must be made to provide the needed capacity—in teachers, buildings, and funds. The dimensions of the

problem must be given even wider circulation. Unless the laymen, as well as the educators, are aware of the problem, no effective planning can be done, for the decision and the cost eventually rests with all of us.

The needs of the oncoming millions of individuals with varying capacities and interests will call for a broader range of educational opportunities and less rigid time requirements. Plans for the expanded educational system that is needed cannot be developed solely on the popular belief that the 4-year college is the only standard of value of education beyond the high school. The needed range of educational opportunities will, among other things, include extended secondary schoolwork for some, apprenticeships for others, 2-year general study programs for many, 2-year technical training for subprofessional positions, 4-year liberal arts courses for still others, professional preparation for many, and a wide variety of adult-education programs. Moreover, a restructuring of some of the existing institutional relationships may well be necessary.

Speaking of the general value of the junior college, Dr. Jessie P. Bogue, executive secretary of the American Association of Junior Colleges, in 1957 states:

Two-year community colleges are being established to help students overcome certain well-recognized barriers standing between them and education beyond high school. One barrier is lack of finances. When young people can live at home and attend tuition free, or pay only modest fees, the economic barrier is lowered. Another barrier closely related to finances is geography. It is being lowered by bringing the colleges to the people. Lack of desire to continue education is a barrier, and it, too, is frequently related to financial conditions and geographical locations.

Let us look more closely at the concrete benefits to be derived from the expansion of the junior college concept. Of paramount importance is the fact that a widespread development of the public community junior college would almost certainly encourage the enrollment of more of the top half of high-school graduates who are not now going to college. Thus, the establishment of the public community junior college would not only relieve the existing freshman and sophomore congestion so apparent at 4-year colleges and universities, but it would also encourage continuing study for a larger percentage of our more capable students.

The second advantage presented by junior colleges is the semiprofessional training or technical training which would be provided and which is desired by many seeking courses of terminal instruction. There would also be opportunities to meet the vital needs in the area of adult education by making available specialized short courses to help upgrade employed persons.

Nor do I think we should overlook the possibility that senior eduational institutions might be helped in the strengthening of their curricular and graduate courses by allowing the junior colleges to provide study which would help students to remove matriculation deficiencies. Junior colleges would also be in a position to provide student orientation and guidance programs and thus relieve advanced educational institutions of this task.

Clearly great opportunities lie in this area. But, just as clearly, the expansion of State educational programs on the junior college level cannot be undertaken by States and localities fast enough and on a large enough scale without Federal assistance.

The statistics that support this premise present sufficient evidence indicating the necessity for more readily accessible institutions of higher education offering a diversity of opportunity for the student. Within the next decade, 29 of the 48 States will experience a growth of over 50 percent in the 18- to 24-year age group. Eleven States will have an anticipated growth between 26 to 50 percent while the remaining seven States can expect an average gain of up to 25 percent.

This year it is estimated that there will be 1,392,200 high-school graduates. By 1960, this number is expected to increase to 1,542,700, and by 1970, the total number of high-school graduates is expected to reach 2,187,100. This increase represents a total gain in the number of high-school graduates of approximately 800,000 over a 12-year period.

According to one authoritative estimate, $18 billion would be required to meet the backlog in higher educational facilities and the needed expansion between now and 1970. The expenditure of $18 billion for this purpose indeed seems visionary when one realizes that expenditures in the past have barely kept pace with the growth of America's wealth. It is all the more distressing when we realize that the value of America's total production of goods and services has increased more than 300 percent in the 25-year period between 1932 and 1954. At the same time, the percentage of the gross national product spent for higher education has failed to increase proportionately. Surely now is the time for us to respond to the sharp pinch of necessity and to counterattack by increasing expenditures for education. There is no educational level which needs assistance more urgently than the post-high-school area.

Mr. Speaker, my bill is specifically designed to meet these essential demands. It would provide assistance to the participating States in the initial establishment of public community junior colleges and to those 2-year institutions which now exist as a subsidiary of a senior institution of higher education. Of equal importance at this time is the assistance that this bill would make available for the technical institutions which are, under great handicaps, providing us with a large percentage of the technicians and skilled persons our Nation so badly needs.

In accomplishing its purpose, this legislation will encourage the pursuit of college studies by extending the opportunities for education beyond high school. It will help to meet the demands of the oncoming tide of students who are eager to continue their education. It will encourage the States in their diversified educational programs and provide education for many more millions at reduced financial cost to the student.

This proposal would establish a 5-year program of grants-in-aid to the States for construction and expansion of public junior colleges. The distribution of the program funds among the States is allotted on the basis of a State's total public elementary and secondary enrollment—or the enrollment of grades 1 through 12—as compared with the national enrollment for these grades.

The total authorized appropriation for each year of the program would be $200 million, of which one-half or $100 million would be apportioned equally among the 48 States, the District of Columbia, the Territories of Alaska, Hawaii, and Puerto Rico. The remaining $100 million would be apportioned among the States on a matching basis according to the enrollment ratio just mentioned. I believe that this system of a flat Federal grant and a variable Federal grant allows for the greatest amount of flexibility in meeting the varying financial demands of the States.

For example, those States which do not have the matching capacity of other States do not have placed upon them the burden of matching a fund larger than they can afford. At the same time, those States able to do so may extend the amount of State and local funds to their own desired proportions. The flat Federal grant, however, guarantees that each State shall receive at least a minimum amount of Federal assistance. Because the educational structure of the United States consists of 48 separate State school systems this type of flexibility in a program of grants-in-aid for education is extremely important. To further clarify the State distribution of the program funds, I am inserting a table which shows each State's apportioned funds:

Estimated allotment of $200,000,000 to States for construction of public community junior colleges under proposed bill by Representative Al Ullman (Oregon)

State	Total number of pupils enrolled [1] (A)	Ratio of State public school enrollment to total public school enrollment (B)	Equal shares of Federal grant (C)	Variable Federal grant (D)	Matching State fund (E)	Total Federal grant (cols. C and D) (F)	Total amount with State matching (cols. E and F) (G)
Alabama	754,800	2.24	$1,923,076	$2,240,000	$2,240,000	$4,163,076	$6,403,076
Arizona	266,617	.70	1,923,076	790,000	790,000	2,713,076	3,503,076
Arkansas	418,000	1.24	1,923,076	1,240,000	1,240,000	3,163,076	4,403,076
California	2,824,749	8.41	1,923,076	8,410,000	8,410,000	10,333,076	18,743,076
Colorado	343,472	1.02	1,923,076	1,020,000	1,020,000	2,943,076	3,963,076
Connecticut	421,817	1.26	1,923,076	1,260,000	1,260,000	3,183,076	4,443,076
Delaware	69,342	.20	1,923,076	200,000	200,000	2,123,076	2,323,076
District of Columbia	110,041	.32	1,923,076	320,000	320,000	2,243,076	2,563,076
Florida	793,579	2.36	1,923,076	2,360,000	2,360,000	4,283,076	6,643,076
Georgia	939,104	2.79	1,923,076	2,790,000	2,790,000	4,713,076	7,503,076
Idaho	146,157	.43	1,923,076	430,000	430,000	2,353,076	2,783,076

Estimated allotment of $200,000,000 to States for construction of public community junior colleges under proposed bill by Representative Al Ullman (Oregon)—Continued

State	Total number of pupils enrolled [1] (A)	Ratio of State public school enrollment to total public school enrollment (B)	Equal shares of Federal grant (C)	Variable Federal grant (D)	Matching State fund (E)	Total Federal grant (cols. C and D) (F)	Total amount with State matching (cols. E and F) (G)
Illinois	1,596,936	4.75	$1,923,076	$4,750,000	$4,750,000	$6,673,076	$11,423,076
Indiana	878,158	2.61	1,923,076	2,610,000	2,610,000	4,533,076	7,143,076
Iowa	541,630	1.61	1,923,076	1,610,000	1,610,000	3,533,076	5,143,076
Kansas	443,000	1.32	1,923,076	1,320,000	1,320,000	3,243,076	4,563,076
Kentucky	599,516	1.78	1,923,076	1,780,000	1,780,000	3,703,076	5,483,076
Louisiana	629,992	1.87	1,923,076	1,870,000	1,870,000	3,793,076	5,663,076
Maine	186,318	.55	1,923,076	550,000	550,000	2,473,076	3,023,076
Maryland	532,248	1.58	1,923,076	1,580,000	1,580,000	3,503,076	5,083,076
Massachusetts	780,893	2.32	1,923,076	2,320,000	2,320,000	4,243,076	6,563,076
Michigan	1,518,441	4.52	1,923,076	4,520,000	4,520,000	6,443,076	10,963,076
Minnesota	645,600	1.92	1,923,076	1,920,000	1,920,000	3,843,076	5,763,076
Mississippi	547,000	1.63	1,923,076	1,630,000	1,630,000	3,553,076	5,183,076
Missouri	772,397	2.30	1,923,076	2,300,000	2,300,000	4,223,076	6,523,076
Montana	133,384	.39	1,923,076	390,000	390,000	2,313,076	2,703,076
Nebraska	257,730	.76	1,923,076	760,000	760,000	2,683,076	3,443,076
Nevada	51,545	.15	1,923,076	150,000	150,000	2,073,076	2,223,076
New Hampshire	94,306	.28	1,923,076	280,000	280,000	2,203,076	2,483,076
New Jersey	925,000	2.75	1,923,076	2,750,000	2,750,000	4,673,076	7,423,076
New Mexico	188,244	.56	1,923,076	560,000	560,000	2,483,076	3,043,076
New York	2,530,000	7.53	1,923,076	7,530,000	7,530,000	9,453,076	16,983,076
North Carolina	1,037,362	3.09	1,923,076	3,090,000	3,090,000	5,013,076	8,103,076
North Dakota	126,848	.37	1,923,076	370,000	370,000	2,293,076	2,663,076
Ohio	1,722,729	5.13	1,923,076	5,130,000	5,130,000	7,053,076	12,183,076
Oklahoma	532,104	1.58	1,923,076	1,580,000	1,580,000	3,503,076	5,083,076
Oregon	362,000	1.07	1,923,076	1,070,000	1,070,000	2,993,076	4,063,076
Pennsylvania	1,870,702	5.57	1,923,076	5,570,000	5,570,000	7,493,076	13,063,076
Rhode Island	121,000	.36	1,923,076	360,000	360,000	2,283,076	2,643,076
South Carolina	535,860	1.59	1,923,076	1,590,000	1,590,000	3,513,076	5,103,076
South Dakota	139,559	.41	1,923,076	410,000	410,000	2,333,076	2,743,076
Tennessee	753,510	2.24	1,923,076	2,240,000	2,240,000	4,163,076	6,403,076
Texas	1,883,881	5.61	1,923,076	5,610,000	5,610,000	7,533,076	13,143,076
Utah	208,337	.62	1,923,076	620,000	620,000	2,543,076	3,163,076
Vermont	69,717	.20	1,923,076	200,000	200,000	2,123,076	2,323,076
Virginia	775,230	2.31	1,923,076	2,310,000	2,310,000	4,233,076	6,543,076
Washington	559,148	1.69	1,923,076	1,690,000	1,690,000	3,613,076	5,303,076
West Virginia	454,675	1.35	1,923,076	1,350,000	1,350,000	3,273,076	4,623,076
Wisconsin	656,000	1.95	1,923,076	1,950,000	1,950,000	3,873,076	5,823,076
Wyoming	75,183	.22	1,923,076	220,000	220,000	2,143,076	2,363,076
Alaska	33,916	.10	1,923,076	100,000	100,000	2,023,076	2,123,076
Hawaii	129,510	.38	1,923,076	380,000	380,000	2,303,076	2,683,076
Puerto Rico	557,381	1.66	1,923,076	1,660,000	1,660,000	3,583,076	5,243,076
Total	33,554,508	99.74	99,999,952	99,740,000	99,740,000	199,739,952	299,479,952

[1] U. S. Office of Education Revised Statistics on Enrollment, Teachers, and Schoolhousing in Full-Time Public Elementary and Secondary Schools. Circular 513, Revised April 1958.

This legislation also stipulates that funds apportioned through the provisions of this program shall be used only for the construction of public community junior college facilities, public technical institutes and junior colleges of public senior institutions of higher education; and for the expansion of the facilities of these institutions.

Again stressing the need for flexibility in this legislation and bearing in mind the importance of reaching those areas within the States which need public community junior colleges the most, I have provided within the framework of the bill a system of priority for assistance. My proposal provides that States desiring to participate in this program shall submit in their State plans principles which will determine the priority of projects in the State for assistance from the funds of the program. First priorities would be given to those areas desiring public community junior colleges but which are not within reasonable access of a State college or university; those areas which are making an effort commensurate with their economic resources and are unable, solely because of lack of such resources, to finance from the resources available to them, the full cost of the needed facilities; and those areas in which the need for such junior colleges is considered by the State educational agency to be most urgent.

This priority provision of the bill can especially be appreciated by those of you who, like myself, represent districts which have scattered populations considerably isolated geographically from the State college or university. At the same time, however, the system of priority outlined in this bill allows for those States which are highly urbanized to meet their special junior college needs by providing that the State educational agency determine which programs within the State are in most urgent need. It is my firm belief that the total flexibility of the provisions of this bill make it a dynamic, workable, and positive approach to junior college needs of all areas of the Nation.

Mr. Speaker, after viewing the table which I previously inserted the question could fairly be raised as to whether the States actually require this amount of money in order to stimulate their junior college programs. My answer to this query is a positive and emphatic "Yes."

The construction costs of a junior college would, of course, vary with the location of that college. However, it has been estimated that the national classroom construction cost is approximately $20 per square foot. Allowing the minimum of 150 to 200 square feet for each student, the cost of facilities needed for instruction and laboratories for each student is $3,000. This estimate takes into consideration the fact that there are certain facilities, such as libraries, in which the space needed would not have to be calculated on a student by student basis. This figure of $3,000 per student does not include the cost of land and, of course, other conditions which might affect total cost would include heating facilities, the type of building structure and the size of student enrollment.

Time will not permit me to outline each of the State estimates of cost for junior college construction. Those of you familiar with the surveys in your own States about the needs and construction costs for such colleges realize, however, that the total amounts apportioned to the States under the provisions of my bill represent but a small part of the finances actually required for capital outlay alone.

For example, in the State of Maryland, it is estimated that junior college construction costs for 10,000 students based on the figure of $3,000 per student would cost the State $20 million.

In the case of Florida, which estimates a need for 27 new junior colleges, using an average enrollment figure of just 250 students per college, the cost of construction alone would total over $20 million.

In the Second Congressional District of Oregon which I represent, there are potentialities for the establishment of seven junior colleges. Cities such as Baker, Bend, Klamath Falls, Ontario, Pendleton, The Dalles and John Day might all eventually be considered as possible sites for the construction of such institutions. The need for the entire State of Oregon is just as apparent. A study conducted in 1951 indicated that the demand for education beyond the high school in the State could be sufficiently met only through the construction of an additional 20 junior colleges.

Actually the amounts apportioned to the States under the provisions of my bill hardly attack the total cost problem, but enactment of this legislation would certainly serve as a stimulus to the States and local communities to exert efforts to help them meet their own junior college construction problems.

At this point, I think we might briefly consider some of the State activity in this area as a good indication of the Nation's wide interest for a community college program. A large number of States have already initiated junior college programs to accomplish some of the objectives I have referred to above. States such as California, Texas, and Minnesota have long histories of public junior colleges. Other States such as Florida, Georgia, Illinois, Wisconsin, New York, Mississippi, and Iowa have made considerable gains in the establishment of such institutions.

A 1956–57 report of State legislation relating to higher education identified 24 States which had reported legislation either enacted or proposed relating to junior colleges. Of those 24 States which reported such legislation, 19 States had enacted legislation with several States establishing legislative committees to investigate possible State programs of public junior college education. Among those States enacting legislation relat-

ing to junior colleges during 1956–57 were: California, Colorado, Florida, Georgia, Idaho, Illinois, Kansas, Louisiana, Maryland, Massachusetts, Michigan, Nebraska, New Mexico, New York, North Carolina, North Dakota, Oregon, Texas, and Wyoming.

One of the most laudable developments in this area has occurred in the district which I represent. For many years, there has been widespread support for additional higher education facilities in central Oregon. This interest resulted in the establishment of Central Oregon College in Bend. The response to its establishment has been most encouraging. Yet, financial difficulties have beset this institution and assistance is badly needed if it is to continue and to expand so as to meet the needs of the local citizenry. The Oregon Technical Institute near Klamath Falls is another institution of importance in this development trend. In just a few short years it has built a reputation for competent technical and semiprofessional training, but it too is in real need of financial assistance.

All of these activities on the State and local level indicate, as does a recent report of the United States Office of Education, that a different trend may be observed throughout the Nation in support of the junior college movement. Dr. Jessie P. Bogue states:

Plans being made now in many of the States for junior colleges, the increasing holding power of high schools, the ever-increasing percentage of high school graduates seeking to enter college, the advancing scientific and technological aspects of society which are requiring more and better educated people—all point to the prediction that by 1965 to 1970 there will be between 1,500,000 to 2,000,000 students enrolled in junior and community colleges in the United States. (Junior College Journal, February 1953, p. 353.)

The same theme is evident in a statement by Dr. S. V. Martorana who is Chief of the State and Regional Organization of the United States Office of Education. He points out that:

Of primary notice is the fact that two new States can be added to the list of 26 and the Territory of Alaska reported to have general legislation for community-junior colleges. These are North Carolina and New Mexico.

The general ferment in post-high-school education over the Nation is evident in the fact that 14 States through their legislatures called for studies and surveys of their higher educational systems. * * * Two of the projects, those in Georgia and Minnesota, are to have as their major concern the junior college level of education (ibid., p. 319).

The Governor's Committee on Higher Education in its report on Minnesota's Stake in the Future—Higher Education 1956–1970, also contains a chapter concerning the role of the junior college. The committee indicates that:

In Minnesota, large in area, varied in the type of economy, and gradually becoming more urbanized, the needs of young people for education beyond the high school must in large measure be met by public institutions of higher learning. Any plan for meeting such needs should provide diverse programs in schools located strategically throughout the State. Nearness of an educational institution enables a large proportion of our young people to try their interest and abilities to succeed in college with lower cost to themselves, their parents, and the public at large.

A study of high-school graduates for the year 1956 * * * showed that 57 percent of the State's public and private high-school graduates live within commuting range of present public and private colleges when a commuting distance is considered at 25 miles, and 67 percent for 35 miles. Large areas in the western part of the State are not served in this manner by existing colleges. Regional junior colleges supported by one or several cooperating districts, locally controlled, but receiving State aid, would appear to be a worthwhile approach to meeting Minnesota's problems for equalizing chances for college training. (Minnesota, Governor's Committee on Higher Education, Minnesota's Stake in the Future—Higher Education 1956–1970; Minneapolis, 1956, p. 56.)

I think these statements point up the goal which I have attempted to achieve in my proposed legislation—that is, to reach those students who desire education beyond the high school but who lack large financial resources and who reside at considerable distances from the nearest institutions of higher learning.

There is yet another study which I think discusses this consideration in excellent detail. I refer to the report of the commission appointed by Gov. Theodore R. McKeldin to study the needs of higher education in Maryland. I would like to quote at length from this report concerning the public junior college:

Mention has already been made of the fact that the provision of junior-college opportunities close at hand will not in itself lead inevitably and immediately to substantial increases in college attendance in the particular locality. Apparently other causative factors must be identified and controlled to this end also. The experience of those public junior colleges in Maryland which have been in existence more than a decade supports this general conclusion. However, where college facilities are available and where effective measures are taken to relate programs to community needs, considerable increase in percentage of high-school graduates attending college does result.

It would seem that the existence of college opportunities in the immediate vicinity, particularly a public institution with low tuition rates, increases attendance from the area. This is predominantly true. The existence of the college is to those in the immediate area a visible stimulus causing those who might otherwise not have considered college, to include this possibility among their plans. It gradually incorporates itself into community mores as an integral part of the way of life of that community. It affects life goals and family plans and patterns to a much larger extent than is true in areas where colleges do not exist.

The junior college may be regarded as an effective means our society has invented for adjusting educational costs and services to the financial ability, the educational potential, and the occupational objectives of those aiming at service on the technical and semiprofessional levels * * * rapid increase in number of special and adult students in junior colleges reflects quick shifts in the training required of the labor force and may, therefore, be regarded as inevitable response to real and pressing educational needs. (Maryland, the Commission To Study the Needs of Higher Education in Maryland, Annapolis, 1955, pp. 49, 62.)

Mr. Speaker, evidence is replete to support the need for an expanded program of State public junior colleges. As I have stated earlier, there is a wealth of information available from the States, from educators, and from various published surveys and studies. At a single presentation one can only hope to dent the surface and to present a broad general picture. I have attempted to do that today.

It is my hope that my colleagues will seek to go beyond the examples which I have presented in order to fully understand the provisions of my bill and to appreciate what I think is a high degree of workability for this program. As I mentioned earlier, this legislation is not a cure-all for the Nation's education problems. But I sincerely believe it is one of the positive steps needed if we are to meet the challenge presented by man's developing intellect.

Mr. Speaker, I ask unanimous consent that I may insert a copy of my proposed bill at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

(The matter referred to follows:)

A bill to provide for Federal assistance for the construction and expansion of public community junior colleges

Be it enacted, etc.—

SHORT TITLE

SECTION 1. This act may be cited as the "Public Community Junior College Construction Act of 1958."

FINDINGS AND STATEMENT OF PURPOSE

SEC. 2. The Congress finds that in the interest of the national security the States have an urgent need for emergency financial assistance to provide facilities for a broader range of educational opportunity beyond the high-school level. The Nation's need for more professional-technical personnel is essential to the national security and the continued growth of our economy.

Therefore it is the purpose of this act:

(1) To encourage and assist the States in the provision of extended and diversified opportunity for their residents for continued education beyond the high-school level, and to help meet the local needs of agriculture, business, and industry for better education and better trained manpower in the community.

(2) To assist in the establishment and expansion of public community junior colleges in those areas of States which qualify for assistance under this act and thereby make educational opportunities beyond the high-school level available at a smaller financial cost to the student.

(3) To establish a 5-year program of assistance to States for the establishment and expansion of public community junior colleges and thereby to help the States (A) meet present-day demands for education beyond the high-school level, and (B) meet the demands of the increasing number of college-age students.

DEFINITIONS

SEC. 3. For the purpose of this act—

(1) the term "public community junior college" means an educational institution under public supervision and control which (A) offers programs of study which lead to an associate's degree in arts or sciences after 2 years of full-time study, or (B) offers programs of study limited to first- and second-year college-level programs (i) which provide training at semiprofessional or technical levels, or (ii) which are generally required by the State college or university (for the State in which such public community junior college is located) for admission to the third year;

(2) the term "State" means a State, Alaska, Hawaii, Puerto Rico, or the District of Columbia;

(3) the term "Commissioner" means the Commissioner of Education, Department of Health, Education, and Welfare;

(4) the terms "constructing" and "construction" mean the preparation of drawings and specifications for public community college facilities, erecting, building, acquiring, altering, remodeling, improving, or expanding public community college facilities, and the inspection and supervision of the construction of such facilities;

(5) the term "public community junior college facilities" means classrooms and related facilities, initial equipment, machinery, and utilities, necessary or appropriate for the purposes of a public community junior college, but shall not include land (including interests in land or land improvements), or athletic facilities intended primarily for the purpose of athletic exhibitions, contests, or games for which admision is to be charged to the general public;

(6) the term "school enrollment" means the number of full-time students enrolled in grades 1 through 12 (both inclusive) in schools for the most recent year for which satisfactory data are available to the Commissioner;

(7) the term "State educational agency" means the State board of education or other agency or officer primarily responsible for State supervision of public education beyond the high-school level, or, if there is no such agency or officer, an officer or agency designated by the governor (or in the case of the District of Columbia by the Board of Commissioners of the District of Columbia) or by State law; and

(8) the term "local educational agency" means a board of education or other legally constituted authority having administrative control and direction of public education in a city, county, township, school district, or political subdivision in a State, or combinations thereof.

APPROPRIATIONS AUTHORIZED

SEC. 4. There are authorized to be appropriated $200 million for the fiscal year beginning July 1, 1958, and for each of the 4 succeeding fiscal years, to make grants to States as provided for in this act.

ALLOTMENTS TO STATES

SEC. 5. (a) The allotment of any State for any fiscal year for the purposes of this act shall be the sum of the amount allotted to it under subsection (b) and the amount allotted to it under subsection (c).

(b) One-half of the funds appropriated under section 4 for any fiscal year shall be allotted among the States in equal shares.

(c) The remaining one-half of the funds appropriated under section 4 for any fiscal year shall be allotted among the States so that each State shall be allotted an amount which bears the same ratio to the total of the funds available for allotment under this subsection for such fiscal year as the school enrollment of such State bears to the total school enrollment of all the States.

(d) A State's allotment under this act shall remain available for reservation of funds pursuant to section 7 (b) for projects in such State until the end of the fiscal year following the fiscal year for which such allotment is made.

STATE PLANS

SEC. 6. (a) Any State which desires to receive benefits under this act shall submit to the Commissioner, through its State educational agency, a State plan which—

(1) provides that the State educational agency will be the sole agency responsible for administering the plan;

(2) sets forth principles for determining the priority of projects in the State for assistance under this Act, including the provision that first priority for assistance under this Act will be given to those communities in the State which (A) are at least thirty miles distant from the nearest State college or university, (B) desire a public community junior college, (C) are making an effort commensurate with their economic resources and are unable, solely because of lack of such resources, to finance from the resources available to them the full cost of the needed facilities, and (D) are determined by the State educational agency to be communities where the need for public community junior colleges is most urgent;

(3) sets forth a program under which funds paid to the State under this Act will be expended solely for the construction of public community junior college facilities;

(4) provides an opportunity for a hearing to each local educational agency which applies for assistance under this Act for the construction of public community junior college facilities;

(5) provides for the establishment of standards on a State level for locating, planning, and constructing public community junior college facilities; and

(6) provides that the State educational agency responsible for administering the plan will make such reports to the Commissioner, in such form and containing such information, as may be reasonable and necessary to enable the Commissioner to perform his duties under this act.

(b) The Commissioner shall approve any State plan and any modification thereof which complies with the provisions of subsection (a), but shall not finally disapprove any State plan or modification thereof without first affording to the State educational agency reasonable notice and opportunity for a hearing.

(c) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State educational agency, finds that—

(1) the State plan approved under this section has been so changed that it no longer complies with the provisions of subsection (a), or

(2) in the administration of the plan there is a failure to comply substantially with any such provision,

he shall make no further reservations under section 7 (b) for projects in the State, and no further payments for any project directly affected by such failure, until he is satisfied that there is no longer any such failure to comply, or, if compliance is impossible, until the State repays or arranges for the repayment of Federal funds which have been diverted or improperly expended. After notice as provided in this subsection to any State, the Commissioner may suspend further reservations of funds under section 7 (b) for projects in the State, pending the making of findings under this subsection.

PAYMENTS TO STATES

SEC. 7. (a) Payments under this title shall be made to those State educational agencies which administer plans approved under section 6 and which furnish statements to the Commissioner in accordance with this section. Each such statement shall (1) set forth one or more projects approved by the State educational agency under the plan, (2) set forth the estimated cost of each such project, (3) set forth the amount of the Federal grant proposed to be made by the State educational agency with respect thereto, and (4) include a certification that funds necessary to cover the remainder of the cost of such projects, if any, will be available.

(b) Except as provided in section 8, the Commissioner shall issue, to each State educational agency furnishing a statement in accordance with subsection (a), a commitment reserving, out of the State's allotment, for each project included in the statement, the amount requested by the State educational agency for that project. The Commissioner shall change any amount so reserved upon request of the State educational agency and receipt of an amended statement from such agency, but only to the extent the change is not inconsistent with the other provisions of this act. The Commissioner shall pay the amount reserved to the State educational agency upon certification by the State educational agency that the financing of the remainder of the cost of construction of the project has been arranged. Funds so paid shall be used exclusively to meet the cost of constructing the project for which the amount was reserved.

(c) If any project for which one or more payments have been made under this section is abandoned, or is not completed within a reasonable period determined under regulations of the Commissioner, the State to which such payments were made shall repay to the United States, for deposit in the Treasury of the United States as miscellaneous receipts, the amount of such payments or such lesser amount as may be reasonable under the circumstances (as determined by agreement of the parties or by action brought in the United States district court for the district in which such project is located.)

MATCHING PROVISIONS

SEC. 8. The Commissioner may issue or modify a commitment under section 7 (b) of funds allotted to a State under section 5 (c) with respect to any project only if the amount of such funds to be reserved under the commitment, plus any amounts of such funds paid or to be paid to such State under other commitments previously issued under section 7 (b), does not exceed one-half of the sum of (1) the cost of constructing such project, and (2) the total cost of constructing the projects for which such other commitments have been issued. Until actual construction costs are available, cost determinations under this section shall be made on the basis of estimates furnished under section 7 (a) and revised estimates furnished in compliance with section 6 (a) (6).

JUDICIAL REVIEW

SEC. 9. (a) If any State is dissatisfied with the Commissioner's action under section 6 (c), such State may appeal to the United States court of appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States.

(b) The findings of fact by the Commissioner, unless substantially contrary to the weight of the evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action. Such new or modified findings of fact shall likewise be conclusive unless substantially contrary to the weight of the evidence.

(c) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

LABOR STANDARDS

SEC. 10. (a) The Commissioner shall not make any payments under this act to assist in financing the construction of any public community junior college facilities project, except upon adequate assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on such project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U. S. C. 276a–276a–5).

(b) The Secretary of Labor shall have, with respect to the labor standards specified in subsection (a) of this section, the authority and functions set forth in Reorganization Plan No. 14 of 1950 (15 F. R. 3176; 64 Stat. 1267), and section 2 of the act of June 13, 1934, as amended (40 U. S. C. 276c).

ADMINISTRATION

SEC. 11. (a) The Commissioner is authorized to delegate to any officer or employee of the Office of Education any of his functions under this act except the making of regulations.

(b) There are hereby authorized to be appropriated for Federal administrative expenses such sums as may be necessay to carry out the provisions of this act.

(c) In administering the provisions of this act, the Commissioner is authorized to utilize the services and facilities of any agency of the Federal Government and, without regard to section 3709 of the Revised Statutes of the United States (41 U. S. C., sec. 5), of any other public or nonprofit agency or institution, in accordance with agreements between the Commissioner and the head thereof. Payment for such services and facilities shall be made in advance or by way of reimbursement, as may be agreed upon by the Commissioner and the head of the agency or institution.

PROHIBITION AGAINST FEDERAL CONTROL

SEC. 12. Except as specifically provided by this act, no department, agency, officer, or employee of the United States shall exercise any direction, supervision, or control over, or prescribe any requirement with respect to, any State agency or educational agency or institution to which any funds have been or may be paid under this act.

Mr. ELLIOTT. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Alabama.

Mr. ELLIOTT. I would like to commend and congratulate the gentleman on bringing before the House this very urgent question not only in the junior-college field, the 2-year-college field, but the overall question of education itself. I would like to ask the gentleman this question: Does his bill provide for loans in addition to grants by which to aid the communities to establish and expand their junior colleges so as to meet the needs that he speaks of?

Mr. ULLMAN. I will say to the gentleman that I appreciate his comment. My bill does not provide such loans, but this is no indication that I do not feel such loans are necessary. I felt that this bill should be confined to the specific program of grants in aid to States.

Mr. ELLIOTT. Has the gentleman had an opportunity to look into the administration and the good that is being done by loans that are presently being made through our Housing Administration to colleges for dormitories and student union buildings and eating facilities and that type of loan?

Mr. ULLMAN. I am certainly aware of the great advantages of such a program. The point that I want to emphasize, however, is the fact that good as that program is and as much as we need it, it is not meeting the demands and it will not in the future, by itself, meet the demands. But, I agree with the gentleman wholeheartedly we should continue that program.

Mr. SIKES. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Florida.

Mr. SIKES. I feel that the gentleman's suggestion certainly deserves serious and careful consideration by the Congress. I think he is making a valuable contribution by offering the bill. I have felt for a long time that the most important advances in education can be made at the junior-college level and it is there where the greatest need exists at the moment for additional facilities. I hope something definite and constructive will come out of the gentleman's proposal.

Mr. ULLMAN. I thank the gentleman.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. I want to thank the gentleman for taking this special order to explain the bill he introduced. Certainly there is a problem in this Nation concerning education beyond high school, and anybody who says that there is not a problem is just acting like an ostrich in hiding his head in the sand. I want to ask the gentleman, however, if he has satisfied himself of the inability of most communities to meet this problem themselves; in other words, does the gentleman really feel that Federal action in this field is necessary?

Mr. ULLMAN. I want to say to the gentleman that I have investigated the matter quite thoroughly and the facts very clearly indicate that existing programs are not keeping pace with the need. A little later I want to talk about some of the problems in my own district where one struggling junior college and one struggling technical institute are so handicapped by lack of funds that their future is seriously threatened. I feel very deeply that my proposed program is necessary. I certainly would not have introduced such a bill if I were not so convinced.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield further?

Mr. ULLMAN. I yield.

Mr. RHODES of Arizona. Mr. Speaker, I might ask the gentleman if the State of Oregon has any program for aiding junior colleges. I ask that because of the fact that in the State of Arizona we have two very good junior colleges, one, Phoenix College, and the other Eastern Arizona College at Thatcher. The State of Arizona does provide some aid for operation and maintenance of those two colleges. It seems to me to be a very good field of education for the States to get into. I wonder if the State of Arizona is unique in this aid, whether the gentleman knows if other States also participate?

Mr. ULLMAN. Both the Oregon Technical Institute and the Central Oregon College, to which I referred to above, are receiving State assistance.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I am happy to yield to the gentleman from Oregon.

Mr. PORTER. Mr. Speaker, I commend my able friend and colleague from Oregon for bringing before us so concretely today the need for a junior-college program. I have not had an opportunity to study the bill so well, but I intend to do so and will comment specifically later.

I just want to say there are a number of communities in my own District in Oregon, the Fourth Congressional District, where there is a good deal of interest, a very active and keen interest in the establishment of junior colleges. But, they always meet up with the financial problem. Communities which come to my mind at this moment are Roseburg, Coos Bay, Grants Pass, Albany, Lebanon, and Sweet Home.

Just this morning, the gentleman from Oregon, Congressman ULLMAN, and myself, Mr. Speaker, had the opportunity and privilege of having our colleague, the gentlewoman from Oregon [Mrs. GREEN] to tell us about her recent trip to Russia where she went to bring back a firsthand report on Russian education today. I want to say that the gentlewoman from Oregon [Mrs. GREEN] as a former teacher, has a good deal of knowledge of American education, its strong and weak points, and what she found there was certainly very timely and very distressing. I hope the House will have the opportunity very soon to hear her findings and opinions.

I certainly commend my colleague, the gentleman from Oregon [Mr. ULLMAN], for bringing forth a bill on this subject and for explaining it to us so concretely and effectively here today.

Mr. ULLMAN. I thank my colleague, the gentleman from Oregon, who is always interested in the welfare of the people of his District.

PATRIOTS' DAY, SCOPE AND SIGNIFICANCE

The SPEAKER. Under the previous order of the House, the gentleman from Massachusetts [Mr. MCCORMACK] is recognized for 10 minutes.

Mr. MCCORMACK. Mr. Speaker, I was glad to hear from my friend, Mr. E. B. Mero, Secretary of the Citizens Service Unit, of Boston, Mass., as a result of which I call the attention of the House to the scope and significance of the celebration of Patriots' Day, April 19. My colleagues here from Massachusetts are all aware, I am sure, of what April 19 means in the history of our State, but for the benefit of those who have not the privilege of being citizens of that Commonwealth, I will pause briefly to explain that on the date I have mentioned we observe up North the anniversary of certain thrilling events which began on the night of April 18, 1775, with a certain famous ride from Boston to Lexington.

Listen, my children, and you shall hear
Of the midnight ride of Paul Revere.

The observance of Patriots' Day began in 1894 with a proclamation on April 11 of that year by Governor Greenhalge, as follows:

By an act of the legislature, duly approved, the 19th day of April has been made a legal holiday.

This is a day rich with historical and significant events which are precious in the

eyes of patriots. It may well be called Patriots' Day. On this day, in 1775, at Lexington and Concord, was begun the great War of the Revolution; on this day, in 1783, just eight years afterwards, the cessation of war and the triumph of independence were formally proclaimed; and on this day, in 1861, the first blood was shed in the war for the Union.

Thus the day is grand with the memories of the mighty struggles which in one instance brought libery, and the other union, to the country.

It is fitting, therefore, that the day should be celebrated as the anniversary of Liberty and Union.

Let this day be dedicated, then, to solemn religious and patriotic services, which may adequately express our deep sense of the trials and tribulations of the patriots of the earlier and the latter days, and also especially our gratitude to Almighty God, who crowned the heroic struggles of the founders and preservers of our country with victory and peace.

Thus is set forth in the beautifully worded proclamation of one of Massachusetts' greatest governors—himself born a British subject—the spirit and the purpose of what we call Patriots' Day in the Bay State. It was those soul-stirring events of that along-ago April day culminating in "the shot heard 'round the world" that ushered in the great struggle for American Independence. While we of Massachusetts naturally regard that anniversary as, in a sense, peculiarly own own, we realize that it conveys a significance far transcending the borders of Massachusetts itself: It is as important to Florida as it is to Maine; it is as memorable to Texas as it is to Oregon, and so to all the 48 States of the Union.

Accordingly, I feel, Mr. Speaker, that it might be well that Congress should dignify this ever-glorious anniversary by recommending to the several States, and to the people of the United States, that they observe in fitting manner this date which can never be forgotten so long as the Spirit of '76 dwells among us. Certainly, American schoolchildren cannot learn too early nor too well the immense significance of "that famous day and year."

NATIONAL MUSEUM OF TRANSPORT, ST. LOUIS, MO.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Missouri [Mr. CURTIS] is recognized for 2 minutes.

Mr. CURTIS of Missouri. Mr. Speaker, I have introduced this day House Concurrent Resolution 320 giving Congressional recognition to the National Museum of Transport, located in St. Louis County, Mo., as the National Transportation Depository and Transportation's Hall of Fame to act as custodian for the Nation's heritage of transportation equipment. The Museum was incorporated in the State of Missouri, on May 2, 1946, as a nonprofit educational institution.

American industry, aided by scientific research, has placed within our reach a better way of living. It has helped to give the world the fullest life in recorded history. This has not happened accidentally—it is the result of discovery, research, invention, development, manufacture and transportation.

The role of transportation in the creation of wealth is so much taken for granted that people sometimes fail to grasp its import. Without transportation, there would be little point in the farmer growing more than he could consume, or the shoemaker making more shoes than his family and neighbors needed. The factory, with its low-cost mass production techniques, must have millions of customers, but there can be millions of customers only if transportation is adequate.

This nation grew swiftly out of the home workshop era because transportation kept pace with industrial genius. First, there were the canals and river steamboats to take eastern manufactured goods to the Ohio country and to bring agricultural products back. The railroads quickly followed, unfolding their web year by year until the entire nation was bound together with ribbons of steel, making the nation the largest free market region in the world.

This dynamic story is portrayed by the many outstanding exhibits in the National Museum of Transport. People want to learn and will readily accept visual methods of reaching an understanding. By the use of ideas and exhibits, which combine entertainment and education along with the proper use of color, light and animation, visitors to the National Museum of Transport find their visit educational, entertaining, helpful and insure a greater understanding of the complex transportation segment of our economic and social life. This appreciation and understanding of our people will enable transportation to make an even greater contribution to the prosperity and progress of all.

The National Museum of Transport does not restrict its activities to interesting the casual visitor who comes to view its exhibits but has organized a constructive type of promotion and educational program extending to schools, civic organizations and the public. It is truly making an outstanding contribution to our people.

The National Museum of Transport today enjoys the good will and generosity of its friends and the transportation industry. It has an exceptionally good location and has an ample area for its present needs and good potential for increasing the acreage in the future. It has a fine outstanding historical collection of railroad and transportation equipment and is in a good position to acquire more.

The National Museum of Transport has been designed for the enjoyment of all, a place where every family can find and share happy hours and experiences together. The industrial exhibits which it displays serve as a reminder that men left free to improve themselves and their fellow men have made wonderful progress. More important, the progress men can make today—better educated, the fine tools, methods and technological means in their grasp, if continued to be left free. This message is conveyed to the many thousands who visit the National Museum of Transportation.

Today one of metropolitan St. Louis' principal industrial advantages is its strategic location in relation to transportation. It has long been the Nation's No. 2 railroad center and is today the Nation's No. 2 center of truck-freight distribution. The future of metropolitan St. Louis will always be intricately tied in with the evolution of transportation. It is therefore appropriate that the National Museum of Transportation in St. Louis County be recognized as the National Transportation Depository and Transportation's Hall of Fame.

REPROPOSED BILL TO AMEND PARAGRAPH 1313 OF THE TARIFF ACT OF 1930

Mr. CURTIS of Missouri. Mr. Speaker, at the time of the enactment of the Tariff Act of 1930, the only man-made fibers, yarns and filaments produced originated from a cellulose base and were generally known as rayon or acetate. Accordingly, the definition paragraph—paragraph 1313—relating to schedule 13 of the Tariff Act of 1930 covering "rayon or other synthetic textile" defined the coverage of the schedule as relating to "products made by any artificial process from cellulose, a cellulose hydrate, a compound of cellulose or a mixture of any of the foregoing." It is apparent from the use of the words "or other synthetic textile" that it was not intended to limit the application of schedule 13 merely to rayon products and acetate products.

Conflicting decisions of the courts, however, in the application of schedule 13 to man-made fibers produced from materials other than cellulose, cellulose hydrate, compound of cellulose or a mixture containing any of these, has led to uncertainty with respect to the classification of these newer synthetic fibers.

On October 23, 1951, the United States Customs Court, First Division, held in the case of Holeproof Hosiery Co. against United States that nylon yarn should be classified under schedule 13 as a "spun yarn of other synthetic textile"—Customs Decision No. 1366, volume 27, Customs Court, page 176. The Bureau of Customs acquiesced to the findings of the court and instructed customs officers to classify non-cellulosic man-made fibers under schedule 13.

Thereafter, the United States Customs Court, Second Division, refused to classify nylon fishing lines under schedule 13 because they were not "made by any artificial process from cellulose, a cellulose hydrate, a compound of cellulose or a mixture containing any of the foregoing." The product was classified by similitude to silk under schedule 12—*J. M. P. R. Trading Corp.-Alltransport, Inc* v. *United States* (C. D. 1568, 33 Cust. Ct. 226). On appeal to the Court of Customs and Patent Appeals, the decision of the United States Customs Court was affirmed—volume 43, Court of Customs and Patent Appeals, Customs, page 1. The Bureau of Customs has limited the application of this case to the nylon fishing lines under consideration and is continuing to classify non-cellulosic man-made fibers under schedule 13,

"pending the outcome of a retrial of the issue"—Treasury Decision No. 53708.

In its study of rates and classifications under the Customs Simplification Act of 1954, the Tariff Commission will shortly release the proposed textile schedule. This schedule will classify cellulosic and non-cellulosic man-made fibers under the classifications set forth, and at the rates of duty prescribed, for rayon or other synthetic textile. Until all of the schedules to be proposed by the Tariff Commission have been released, however, and submitted to the Congress and until the Congress acts on these schedules, there remains the uncertainty resulting from conflicting court decisions. The bill which I have introduced would resolve this uncertainty in a manner consistent with the attitude of the Bureau of Customs and of the Tariff Commission. Both of these agencies have indicated technical approval of this bill.

OUR UNEMPLOYMENT COMPENSATION SYSTEMS MUST BE MODERNIZED

Mr. PORTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, one of the most disturbing facts about the first 3 months of the year 1958 is the failure of the administration to provide the kind of leadership which is required to meet the present unemployment crisis. Most of us have been aware for some time of the fact that our State-Federal unemployment and railroad unemployment insurance systems were suffering from neglect both at the Federal and State level. In fact, these systems seem to work acceptably in good times but stumble and falter when we are beset with an unemployment situation. Like the house with the hole in the roof, they work well as long as the sun is shining, but watch out when it rains.

Believing that American working men and women are entitled to an unemployment compensation system worthy of the name, I have introduced two bills this year which will, in my estimation, greatly strengthen the protection offered presently by unemployment insurance.

The first proposal, H. R. 11465, identical to the Kennedy-McCarthy bill, would establish nationwide standards for benefit amounts at a figure of 50 percent of a worker's lost earnings—up to a maximum of two-thirds of the State's average earnings, would provide a minimum of 39 weeks' duration for the benefits, and would extend the coverage from employers of four or more workers to employers of one or more so that almost 2 million more workers will be covered by the program. The second bill, H. R. 11464, would provide a temporary extension of the duration of benefits for railroad workers. The present 130 days of benefits in a base year would be lengthened to a more adequate figure of 195 days.

AN OBVIOUS NEED

First of all, there is a pressing need for this legislation because it is concerned with the very food and shelter of thousands of American families. Total national unemployment stood at 5.2 million workers for March. For the week ending March 22, 1958, total insured unemployment stood at 42,000 for Oregon. This figure represents 10.8 percent of total insured employment in the State and is 3 percent above the national average.

We are keenly aware of the fact that the administration's policy of wishful thinking and waiting will not do away with our serious unemployment situation. We knew it last fall.

Early in January a survey of the unemployment insurance offices in my District told the story of deepening distress.

The office in Roseburg, Douglas County, reported that the unemployment rate had risen to 21.8 percent. The office at Grants Pass, Josephine County, recorded the frightening figure of 33.5 percent. In Linn County the rate was 20.5 percent and in the remaining counties of my District—Coos, Curry, Jackson, and Lane—the rates were all above that for the State and almost three times that of the Nation. Moreover, I note that the Department of Labor's latest—March 1958—report on substantial labor surplus areas now lists Albany, Coos Bay, and Eugene. Previously Portland was the only area so designated in Oregon.

Now that the situation is national in scope I am convinced that we will get the kind of action which will permanently strengthen the structure of our unemployment insurance plans for the present and for the future. I am convinced that, if we had had the kind of systems which are proposed in the Federal standards included in my bill, we would not only have alleviated much hardship, but we also would have avoided the present situation in which overnight and expedient proposals for a temporary, patchwork job are appearing from all sides.

As recently as February, Secretary Mitchell maintained that there was not too much of an unemployment problem. In his testimony before the appropriations subcommittee he stated, "I do not think, in the spring of this year, we are likely to see unemployment much above 4½ million." He took the position that he felt certain that unemployment would not exceed 4½ million but that if it did, the administration would do "something." Now we know that, at the very time he was speaking, unemployment stood at well over 5 million—and that it was at an all-time high for 17 years.

"BEWITCHED, BOTHERED, AND BEWILDERED"

It is small wonder that, when the unemployment situation hit the headlines, the administration was completely "bewitched, bothered, and bewildered." Late on Saturday afternoon, March 8th, in a letter to his party's Congressional leaders President Eisenhower finally said something must be done.

He expressed his deep concern as to the situation of unemployed workers who had exhausted their rights to State benefit payments. He advised that the Secretary of Labor was working on a proposal which "would extend, for a brief period, the duration of benefits for these unemployed workers." He suggested that the Federal Government might pay for these extended benefits, at the State rate, for an additional 13 weeks.

Days passed, while the lights burned long in the Department of Labor. Finally, on March 25—almost 3 weeks after he had made his first announcement—the President sent a special message to Congress outlining the administration bill. Needless to say, it had been substantially modified from his original statement. Assistance to the States was to be in the form of loans, rather than Federal grants, and the State systems would be required to repay the loans or its employers would have their taxes increased. Moreover, the relief offered by the bill does not seem commensurate with the unemployment emergency today. The duration of the additional benefits provided would be small—7½ weeks for the Nation as a whole and between 7 and 13 weeks for Oregon.

I think Governor Holmes put his finger on the inadequate and unfair nature of the administration's bill in telegrams to the Oregon delegation in Congress. His wire of March 31 stated:

> I cannot believe that the administration bill offers any significant hopes of relieving economic distress in Oregon or elsewhere. Under that bill Oregon employers would be forced to finance the costs here in Oregon of a Federal program that was made necessary by the shortsighted economic policies of the National Government. The States that have been hit the hardest by unemployment insurance are those like Oregon that are least able to meet the repayment conditions of the Eisenhower bill. Partly because of the heavy unemployment our trust fund is low and contains no adequate reserve for repayment of the Federal benefits. Yet repayment is compulsory under that bill and it seems almost inevitable that our employers would have to pay extra Federal taxes to meet the repayment requirements. The bill allows us no option to meet its terms.

Or, as Senator KENNEDY commented, the administration proposal "is throwing an anchor rather than a life preserver to a floundering State."

The legislation I proposed takes the position that this is the time to bring our unemployment systems up to date, by establishing certain permanent Federal standards which would see to it that the State systems provide realistic and relatively uniform protection throughout the country.

This is by no means an expedient idea conceived overnight. Such Federal standards have been advocated by liberal and labor groups for many years. The Truman administration consistently favored the institution of this type Federal standards. In a special message on unemployment insurance on April 6, 1950, President Truman spoke words which are very timely today when he said:

> I recommend the establishment of Nationwide minimum levels for amounts and duration of unemployment benefits, in order to

correct . . . [a] major deficiency in the present insurance system—the inadequacy of benefits . . . The variations among States create serious inequities. They mean that workers who lose their jobs in identical circumstances are treated very differently because of the accident of geographical location. They mean that businessmen in some States suffer a greater loss in markets when unemployment occurs than do those in other States . . . in most States the increases in benefits have lagged considerably behind increases in wages and cost of living. Thus, unemployment benefits today replace a smaller proportion of a worker's regular wages than was the case when the system was started.

TIME FOR MODERNIZATION

The truth of the matter is that we are faced today with the task of modernizing our unemployment insurance plans so that they can give the kind of protection against wage loss caused by unemployment which they were giving 20 years ago. The present administration gives lipservice to this purpose. In his message of March 31, 1958, President Eisenhower recognized that a good unemployment insurance system is important not only to the people who receive its benefits, but also to the whole economy, as it acts to help consumer purchasing power in a period of economic slump.

But in the President's view, this is a matter for State action alone. He has repeatedly called upon the States to institute these liberalizations but, since his periodic pleas were initiated in 1953, the results have been negligible.

Only one more State has extended coverage to establishments with one or more employees, whereas 17 States had done so before 1953. Only three more States had adopted the modest Eisenhower request to provide a uniform 26 weeks' duration of benefits. Moreover, maximum benefit levels relative to average weekly wages have declined in 28 States during the last 2 years.

The reason for this lack of State action is no secret to the individuals who really know our unemployment compensation system. Under date of March 18, J. Douglas Brown, of Princeton, who has served on three Federal advisory councils on social security and unemployment compensation, made the following statement:

The shortcomings of our State-Federal system of unemployment insurance do not arise out of a lack of Federal funds, but rather out of a long-standing lack of Federal standards designed to strengthen the capacity of the system to protect our citizens in a period of heavy unemployment.

Without Federal standards in respect to minimum contribution rates, States have competed in reducing such rates. The effect of this competition has been (a) inadequate benefit scales, (2) inadequate durations, (c) arbitrary eligibility requirements, and (d) arbitrary disqualifications.

Sometimes the argument has been made that Federal standards would interfere with the rights of the States to establish the kind of systems which would best serve their needs. I was particularly pleased, therefore, with the forthright message of Governor Holmes, who, in his March 31 wire stated:

Oregon's unemployment insurance program is one of the best in the Nation. Even so it still falls far short of being what it should be and there can be no way of making it fully adequate until competition among the States for more favorable tax rates is substantially eliminated. Since major unemployment grows from national policies and nationwide economic conditions, adequate national measures are needed to deal with its devastating consequences.

Speaking from the standpoint of the situation in our own State, with regard to the standards proposed in my bill, he continued:

It is my opinion that [this bill] offers the best hope for rebuilding the system into a sound structure. The bill would require all States to provide an adequate benefit structure and Oregon would no longer find it so difficult to adopt measures we need. We already have detailed experience rating standards and there would exist some realistic Federal benefit standards which would reasonably assure that benefits are sufficiently high to balance the loss of employment that results from national and no individual State economic conditions.

Specifically, how will my bill affect the unemployed and their families in Oregon? First, it will extend the payments for those workers who have exhausted their benefits. It is estimated that from July 1, 1957, through the end of March of this year, almost 12,000 workers had used up all their rights. It is also estimated that less than half of these people have been reemployed. Since these individuals had an average of 21 weeks of entitlement under present law, my bill will have the effect of giving them 18 additional weeks of benefits for a total of 39 weeks. The proposal would also have the effect of raising the present maximum payments in Oregon from $40 to $56 a week.

RAILROAD UNEMPLOYMENT CRUCIAL

I have been equally disturbed by the crucial unemployment problem of our railroad workers. The need for immediate action is pointed up by the fact that 144,000 unemployed railroad men and women were on the insurance rolls during the week ending March 1, and that 18,000 had exhausted their benefit rights. Moreover, it is estimated that 49,000 more will run out of benefits by June 30. I would like to emphasize, however, that this temporary measure—authorizing an additional 65 days of unemployment payments—is no substitute for the bill I introduced last session which would effectuate a basic overhaul of the railroad unemployment system.

Let me say right here that these proposals will cost money. In 1958 the cost may range between $3 billion and $5 billion, depending upon the ultimate level of unemployment. This, however, represents the best and most immediate kind of increased purchasing power that will help to pull us out of the present economic decline. The money paid out in unemployment insurance benefits will be spent immediately to meet the basic needs of the affected families. It will go toward the purchase of milk, and bread, and other basic commodities and put back into the community the desperately needed income lost through unemployment.

I know that it will be pointed out that the administration bill will only cost a half billion dollars. But, in the long run, this token money will really go down the drain because it will not give our economy the shot in the arm that it must have if we are to gear in and move ahead again. As I see it, the main purpose of this legislation is to tide workingmen over this period of economic slump and to help consumer purchasing power. The President apparently agrees with this purpose, but the administration is unwilling to take a big enough step to bring it about.

I realize that one of the criticisms which has been made against this proposal is that it could overcompensate individuals who are not regularly employed but who take a job for a few months and then can qualify for many weeks of unemployment compensation.

STATES DO HAVE AUTHORITY

I believe that this bill is not subject to attack on these grounds. It allows a great degree of leeway to the States in establishing standards for benefit qualifications. The only requirement it makes is that a State cannot impose more rigid requirements than any of the following alternatives whichever is applicable to its system: First, covered earnings in his computation period, amounting to more than 30 times the weekly benefit amount; second, covered earnings amounting to more than 20 weeks of work during a base year; or third, base year earnings greater than 1½ times the individual's earnings in the high quarter. Thus, as long as the States do not impose harsher standards than these, they are fully authorized to make the policy decision as to the eligibility of seasonal or intermittent workers.

This seems to me to be equitable because in many States, such as Oregon, seasonal work is essential to the economy. It is part of the pattern of the lumber industry, and for this reason I would not want to see the same standards apply to seasonal work in Oregon as would apply to a heavily industrial State such as New Jersey.

Mr. Speaker, I believe that an early, and adequate, and a well-considered and permanent solution to the inadequacies of our present unemployment insurance laws is a vital order of business.

EXTENDED COVERAGE NEEDED

I am also greatly concerned over the fact that somewhat over 2 million unemployed persons are not covered by our present unemployment compensation laws. Some of these people will be given coverage in the future if the States are required to cover employers of one or more. But I know, too, that there are many persons who, although they are covered by unemployment compensation, run into special needs caused by sickness or the large size of their family for whom my bill will not make adequate provision. I was, therefore, greatly impressed with the statement made by Thomas J. S. Waxter of the National Association of Social Workers before the Committee on Ways and Means. Mr. Waxter indorsed the bill I and others are sponsoring. But he also stated his conviction it should be supplemented by an emergency Federal

program to help the States finance the general assistance programs which now receive no Federal funds. I am now looking into suggestions put forward by Mr. Waxter.

A TRAGIC BAROMETER

The fluctuations in the public assistance program have always been reliable indicators of the state of the economy in a particular community or State. They rise in times of unemployment because many families who would otherwise be self-sufficient are forced to accept relief. Indeed, the increase in the welfare load, not only in Oregon but in the United States as a whole, is a barometer of the tragic inadequacy of our present unemployment plans.

The most recent figures as to the four federally aided public assistance programs—old-age assistance, aid to dependent children, aid to the blind, aid to the permanently and totally disabled—and the purely State and local general assistance programs show that they rose in January over December by 197,000 persons. This was an increase of 3.1 percent and raised the total number of persons receiving aid to 6.4 million. In general assistance, the program most sensitive to economic dips, 161,000 more persons received aid in January than in December. In the next most sensitive program, aid to dependent children, a similar increase occurred.

In Oregon, 4,557 families, representing 16,692 persons, received aid to dependent children in January, an increase of 161 families and 525 persons over December. In general assistance, 6,769 cases received payments in January, an increase of 32 percent, or 1,399 cases over the preceding month. We know that in the urban areas where unemployment has struck hard, the resources of voluntary agencies are completely inadequate to cope with the needs of the unemployed, while in many smaller communities there are no voluntary agencies at all.

Certainly, the first step is to improve our unemployment insurance plans, on a nationwide basis, in a meaningful way. For we must preserve the distinction between unemployment insurance and unemployment relief.

In unemployment insurance the right to a benefit rests on the concept of contract—a concept that represents a hard-won and valuable method of establishing the right to a benefit on the basis of work performed. Unemployment relief, on the other hand, rests on the concept of need—and therefore requires the dreaded "need test" investigation by the social agency before payments can be made.

A weakened and staggering unemployment insurance system cannot be patched up with words or with makeshift temporary panaceas. We must have leadership and we must have action. For, as J. Douglas Brown said recently, "To swing from inertia and timidity to unplanned generosity in our attack on the ever-recurring problem of unemployment would do little to impress the watching world of our wisdom, intelligence, or foresight." The administration's proposal could hardly be called generous but the record shows, I submit, that it is largely unplanned. I cite as evidence the remarks of the President at a recent White House press conference, in reply to a question as to how the unemployed in this country could obtain better and more nourishing food, possibly through a better distribution of surplus food. The President replied:

> Now, as to methods that there may be for feeding the hungry, after all, one of the things that I am attempting to do by this extension of the benefits of unemployment insurance is so as to take the burden off the States for what they have to do in assistance within the States, and therefore, give them more opportunity to take care of people that are not taken care of by an extension of this kind * * *. But I agree with you, something should be said—done for people that are hungry, but we must not just always say that it has got to be right square here from Washington. We are going to send this and that. We must do our part, respecting and—the other responsibilities the rights of the States, and that we do our things in that formula, I think we won't go too badly wrong.

We cannot continue to talk about the need for better Federal standards every time an increase in unemployment occurs, as we did in 1949, 1952, and 1954, and then do nothing about it.

In times of adversity in the 1930's we had the kind of leadership which provided the courage to act immediately, effectively, humanely, and for the long-range future. During this period we established our great Social Security System which, in the name of human dignity, has proved to be one of the greatest forward steps of our time to protect the rights of the aged.

We must now act, with equal courage, to strengthen our unemployment insurance system.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to:

Mr. CUNNINGHAM of Nebraska (at the request of Mr. ARENDS), for this week, on account of illness.

Mr. PORTER, for 10 days, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. RHODES of Arizona, on Monday next, for 1 hour.

Mr. CURTIS of Missouri, for 2 minutes, today.

Mr. MCCORMACK, for 10 minutes, today, and to revise and extend his remarks.

Mr. BAILEY, for 30 minutes, on Thursday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PORTER in two instances and to include extraneous matter.

Mr. ALGER and to include extraneous matter.

Mr. DEROUNIAN and include an address.

Mr. PILLION and include tabulated results of a questionnaire.

Mr. MARTIN and include several newspaper clippings.

Mr. SMITH of California (at the request of Mr. RHODES of Arizona.)

Mr. EVINS and to include extraneous matter.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1031. An act to authorize the Secretary of the Interior to construct, operate, and maintain four units of the Greater Wenatchee division, Chief Joseph project, Washington, and for other purposes.

ADJOURNMENT

Mr. MCFALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 50 minutes p. m.) the House adjourned until tomorrow, April 29, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1855. A letter from the Comptroller General of the United States, transmitting a report on the audit of the General Supply Fund, General Services Administration, for the fiscal year ended June 30, 1956, pursuant to the Federal Property and Administrative Services Act of 1949 (5 U. S. C. 630g (e)); to the Committee on Government Operations.

1856. A letter from the Archivist of the United States, transmitting a report on lists or schedules covering records proposed for disposal by certain Government agencies, pursuant to the act of July 6, 1945 (59 Stat. 434); to the Committee on House Administration.

1857. A letter from the Attorney General, transmitting a report relating to the awarding of a Young American Medal for Bravery to Harold Tupper Murray, Jr., for calendar 1956, by the President of the United States on April 22, 1958, pursuant to the act of August 3, 1950 (64 Stat. 397-398); to the Committee on the Judiciary.

1858. A letter from the Director, Administrative Office of the United States Courts, transmitting a draft of proposed legislation entitled "A bill to amend subsections (b), (c), and (d) of section 294 of title 28, United States Code, relating to the assignment of retired judges to active duty"; to the Committee on the Judiciary.

1859. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, relative to the case of Tan Tat Geen, A-9097795, and requesting that it be withdrawn from those before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

1860. A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation entitled "A bill to amend title 10, United States Code, section 2481, to authorize the United States Coast Guard to sell certain utilities in the immediate vicinity of a Coast Guard activity not available

from local sources"; to the Committee on Merchant Marine and Fisheries.

1861. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated March 24, 1958, submitting a report, together with accompanying papers and an illustration, on a preliminary examination of Tangipahoa River and tributaries, Louisiana, authorized by the Rivers and Harbors Act approved March 2, 1945; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WILLIS: Committee on the Judiciary. H. R. 7260. A bill to amend title 18, United States Code, section 3651, so as to permit confinement in jail-type institutions or treatment institutions for a period not exceeding 6 months in connection with the grant of probation on a 1-count indictment; without amendment (Rept. No. 1658). Referred to the House Calendar.

Mr. YOUNG: Committee on Post Office and Civil Service. H. R. 10504. A bill to make the provisions of the Longshoremen's and Harbor Workers' Compensation Act applicable to certain civilian employees of nonappropriated fund instrumentalities of the Armed Forces, and for other purposes; without amendment (Rept. No. 1659). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Georgia: Committee on Post Office and Civil Service. S. 734. An act to revise the basic compensation schedules of the Classification Act of 1949, as amended, and for other purposes; with amendment (Rept. No. 1660). Referred to the Committee of the Whole House on the State of the Union.

Mr. WALTER: Committee on the Judiciary. H. R. 11033. A bill to authorize the creation of record of admission for permanent residence in the case of certain Hungarian refugees; with amendment (Rept. No. 1661). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MORGAN:

H. R. 12181. A bill to amend further the Mutual Security Act of 1954, as amended, and for other purposes; to the Committee on Foreign Affairs.

By Mr. SPENCE:

H. R. 12182. A bill to make equity capital and long-term credit more readily available for small-business concerns; to the Committee on Banking and Currency.

By Mr. BATES:

H. R. 12183. A bill to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments; to the Committee on Government Operations.

By Mr. BERRY:

H. R. 12184. A bill to authorize real property in the town of Dupree, S. Dak., owned by or held in trust for the Cheyenne River Sioux Tribe to be taxed for certain purposes; to the Committee on Interior and Insular Affairs.

By Mr. BREEDING:

H. R. 12185. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to establish a domestic parity plan for wheat; to the Committee on Agriculture.

By Mr. CELLER:

H. R. 12186. A bill to amend subsection b of Section 60—Preferred Creditors; subsection e of Section 67—Liens and Fraudulent Transfers and subsection e of Section 70—Title to Property, of the Bankruptcy Act (11 U. S. C., 96b, 107e and 110e); to the Committee on the Judiciary.

By Mr. CLARK:

H. R. 12187. A bill to expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency, and for other purposes; to the Committee on Banking and Currency.

By Mr. COAD:

H. R. 12188. A bill to make equity capital and long-term credit more readily available for small-business concerns; to the Committee on Banking and Currency.

By Mr. CURTIS of Missouri:

H. R. 12189. A bill to amend the Tariff Act of 1930 to provide that both cellulosic and noncellulosic fibrous structures shall be classified as "rayon or other synthetic textile" under schedule 13 of the dutiable list; to the Committee on Ways and Means.

By Mr. ENGLE:

H. R. 12190. A bill to amend the public-assistance provisions of the Social Security Act to provide increased payments, eliminate certain inequities and restrictions, and permit a more effective distribution of Federal funds; to the Committee on Ways and Means.

By Mr. HYDE:

H. R. 12191. A bill to repeal section 11 (relating to refund of taxes) of title XII of the District of Columbia Income and Franchise Tax Act of 1947, and for other purposes; to the Committee on the District of Columbia.

By Mr. MACHROWICZ:

H. R. 12192. A bill to promote the safety of employees and travelers upon common carriers by railroads engaged in interstate commerce by requiring such carriers to maintain tracks, bridges, roadbeds, and permanent structures for the support of way, trackage, and traffic in safe and suitable condition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MACK of Washington:

H. R. 12193. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

By Mr. POFF:

H. R. 12194. A bill to amend title II of the Social Security Act to provide that an individual's adopted child shall be eligible for child's insurance benefits on the basis of such individual's wage record without regard to the length of time the child has been adopted; to the Committee on Ways and Means.

By Mr. ROGERS of Florida:

H. R. 12195. A bill authorizing additional appropriations for prosecution of the central and southern Florida project, for flood control and other purposes; to the Committee on Public Works.

H. R. 12196. A bill to authorize additional improvements to the navigation project at Port Everglades Harbor, Fla.; to the Committee on Public Works.

By Mrs. ST. GEORGE:

H. R. 12197. A bill to provide that Fort Montgomery, N. Y., may tap the West Point water-supply line, and for other purposes; to the Committee on Armed Services.

By Mr. SIKES:

H. R. 12198. A bill to provide that a term of the United States District Court for the Northern District of Florida shall be held at Crestview, Fla.; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 12199. A bill to amend the Intercoastal Shipping Act, 1933 (47 Stat. 1425), as amended, to authorize incorporation of contract terms by reference in short-form documents; to the Committee on Merchant Marine and Fisheries.

By Mr. VANIK:

H. R. 12200. A bill to promote the safety of employees and travelers upon common carriers by railroad engaged in interstate commerce by requiring such carriers to maintain tracks, bridges, roadbed, and permanent structures for the support of way, trackage, and traffic in safe and suitable condition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WILSON of California:

H. R. 12201. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

By Mr. YOUNGER:

H. R. 12202. A bill to amend section 4 of the Federal Home Loan Bank Act; to the Committee on Banking and Currency.

By Mr. BENTLEY:

H. J. Res. 593. Joint resolution providing for the erection of a memorial tablet at Garden Key, Fla., in honor of Dr. Samuel Alexander Mudd; to the Committee on Interior and Insular Affairs.

By Mr. CURTIS of Missouri:

H. Con. Res. 320. Concurrent resolution to establish a National Museum of Transport; to the Committee on Interior and Insular Affairs.

By Mr. BOLAND:

H. Res. 549. Resolution to authorize the Committee on Interstate and Foreign Commerce to conduct an investigation and study of the textile industry of the United States; to the Committee on Rules.

By Mr. FRIEDEL:

H. Res. 550. Resolution authorizing the employment of one additional mail clerk, Office of the Postmaster of the House; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mrs. ST. GEORGE: Concurrent resolution of the Assembly of the State of New York, memorializing Congress relative to the stationing of troops at the United States Army installation known as Camp Drum, in Jefferson County in New York State; to the Committee on Armed Services.

Also, concurrent resolution of the Assembly of the State of New York, memorializing Congress to take action toward construction of an all-American waterway connecting Lake Erie and Lake Ontario; to the Committee on Public Works.

By the SPEAKER: Memorial of the Senate of the California Legislature, memorializing the President and the Congress of the United States, relative to the naming of nuclear-powered fleet ballistic-missile submarines; to the Committee on Armed Services.

Also, memorial of the Senate of the California Legislature, memorializing the President and the Congress of the United States relative to the economics of disarmament; to the Committee on Ways and Means.

Also, memorial of the Legislature of the Commonwealth of Massachusetts, memorializing the President and the Congress of the United States to establish a national seashore on Cape Cod; to the Committee on Interior and Insular Affairs.

Also, memorial of the Assembly of the State of New York, memorializing the Presi-

dent and the Congress of the United States relative to the stationing of troops at the United States Army installation known as Camp Drum, in Jefferson County in New York State; to the Committee on Armed Services.

Also, memorial of the Assembly of the State of New York, memorializing the President and the Congress of the United States to take action toward construction of an all-American waterway connecting Lake Erie and Lake Ontario; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLARK:

H. R. 12203. A bill for the relief of Matteo LaPorta; to the Committee on the Judiciary.

By Mr. COUDERT:

H. R. 12204. A bill for the relief of Peter A. Beklemishev, Michael Linden, and Serge Oulassuk; to the Committee on the Judiciary.

By Mr. MOORE:

H. R. 12205. A bill for the relief of Vasilios Sofilias; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H. R. 12206. A bill for the relief of Solomon S. Levadi; to the Committee on Armed Services.

By Mr. PILCHER:

H. R. 12207. A bill for the relief of Mr. and Mrs. Alto Ross and children and for Mr. E. B. Ard and his daughter, Mrs. Joan Ard Nichols; to the Committee on the Judiciary.

By Mr. POWELL:

H. R. 12208. A bill for the relief of Beatrix Alexander (formerly Ayako Sagawa) and Odelia Alexander (formerly Kazuyo Hatano); to the Committee on the Judiciary.

By Mr. RHODES of Arizona:

H. R. 12209. A bill for the relief of David H. Forman and Julia Forman; to the Committee on the Judiciary.

By Mr. ROGERS of Texas:

H. R. 12210. A bill for the relief of Muhidin Spahic; to the Committee on the Judiciary.

H. R. 12211. A bill for the relief of Muhidin Spahic; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

596. By the SPEAKER: Petition of the president, the Westchester County Association, White Plains, N. Y., relative to requesting that speedy consideration be given legislation which will give relief to the railroads in their present struggle to survive; to the Committee on Interstate and Foreign Commerce.

597. Also, petition of H. B. Hannon and others, Jackson, Mich., requesting passage of the bills H. R. 1008, H. R. 3974, H. R. 4523, and H. R. 4677, pertaining to the Railroad Retirement Act; to the Committee on Interstate and Foreign Commerce.

598. Also, petition of L. F. Willis and others, Detroit, Mich., requesting passage of the bills H. R. 1008, H. R. 3974, H. R. 4523, and H. R. 4677, pertaining to the Railroad Retirement Act; to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

Twenty-fifth Anniversary of the Tennessee Valley Authority

EXTENSION OF REMARKS

OF

HON. RICHARD L. NEUBERGER

OF OREGON

IN THE SENATE OF THE UNITED STATES

Monday, April 28, 1958

Mr. NEUBERGER. Mr. President, as part of its own 50th year of publication, the Progressive magazine has featured in its issue of May 1958, the 25th anniversary of the Tennessee Valley Authority

Appropriately, the leading article has been written by the illustrious senior Senator from Alabama [Mr. HILL], whose name is indelibly associated not only with good works in the field of human health and care, but also with the establishment of the Tennessee Valley Authority. LISTER HILL is the only surviving member of either the Senate or the House who also served on the conference committee, which produced the final version of the TVA legislation in 1933, a quarter of a century ago.

The title of the article in the special TVA issue of the Progressive by the senior Senator from Alabama is "TVA—Democracy in Action." Because LISTER HILL's article is so informative, so thorough, so lacking in extreme statements or political partisanship—all characteristics of our good friend, Senator HILL, I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TVA—DEMOCRACY IN ACTION

(By Senator LISTER HILL)

I

Twenty-five years have passed since the historic legislation creating TVA was enacted, and a new generation of Americans has grown to maturity. A generation is time enough to test the truth of an idea and the strength of a concept. It is also time enough for people to forget what life was like before that concept was built into our Nation's life.

An anniversary is a time for remembrance and for recognition. It is a time for reappraisal. For me TVA's arrival at the quarter century mark is a moment of special poignance, and of peculiar obligation. My obligation to remember and to reappraise is a deep and personal one, for I was one of the sponsors of the legislation which created TVA, and of all the members of the conference committee appointed to adjust the differences between the two Houses in 1933, I am the only one who is today a member of the Congress, I am the only one who has had the privilege of participating year by year in legislation affecting TVA, first from my seat as a member of the Military Affairs Committee of the House, later as a member of the Appropriations Committee of the Senate. Alone of all the witnesses when the President signed the act in 1933, I have seen the dreams we wrote into the statute become reality. Dreams of a better future, of a widening economic opportunity for the people, and faith that a new kind of agency of government could help to provide it—all these are captured in the charter we wrote for TVA.

This is a good time to tell the new generation why TVA was established, and what it has accomplished. Once more a troubled world is reminded that vision is required lest the people perish, and that the great imperative of government is to offer hospitality to dreams and then to find ways to translate them into effective works. It is a good time to give to every American a sense of pride in the vitality and the strength of TVA, and to explain, if we can, why this Agency has been able to survive attacks and neglect, why it continues today valiantly planning for the future, its spirit unbroken, facing its relentless adversaries with courage, faithful to the vision written in its statute.

It is important for the new generation to know that this dream of the unified development of all the resources of a great river basin for the people's benefit was not born out of sectional interest nor parochial concern. It was born because statesmen from the Great Plains, from the mountain West, and the industrial East, saw this Nation as one and indivisible, and knew that the country they loved and served would be strong only as each region grew in strength. The great and indomitable George Norris, of Nebraska, was the leader in the Congress. A valiant band worked with him. TVA is shaped in their image, indelibly marked with their integrity, their moral purpose, and their vision of a Federal program which would never forget the people for whom it was enacted. Its survival, its growth, its strength today is their memorial.

Let me remind this new generation what life was like in the region when TVA was created. There was a great river, its tributaries rising high in the mountains of North Carolina, Tennessee, and Virginia. It flowed south through the foothills of Tennessee, turned west to meander across the sun-baked fields of Alabama and of Mississippi, swung northward to meet the Ohio in Kentucky, then to join the mighty Mississippi on its course to the gulf. It was a moody and inconstant river, changing from season to season, an angry flood in spring and winter, a sluggish trickle in summer and autumn when shoals and sandbars held it almost useless for navigation. In flood and in drought, racing or heavy with summer's langour, in every season the river was dark with the precious cargo it carried—the fertile soil of the valley, to be wasted in the sea.

II

For generations that soil, the priceless heritage of the people, had washed away. This was an agricultural area, one of the oldest in the Nation, an area of small farms, growing the cash crops for which the climate was ideal but which left no cover to protect the ground as it lay, bare and unfrozen, helpless against the pelting winter rains. Once majestic forests had been denuded, a sacrifice to avarice, to ignorance, and to hunger. So the rains were unimpeded. They took the soil to the river, and the river carried it to the sea, and every year the brown scars of erosion grew wider and deeper over the landscape. Every year more farms were abandoned. Every year fewer jobs became available, and the youth of the land was exported along with the soil and the timber. Every year the people had less hope and less faith in the future. In 1933 the people of this region had an average income of only 45 percent of the national average, in spite of the wealth of resources with which nature had endowed it.

This was the region before TVA. This was the problem facing the Congress. And a heritage from World War I provided an opportunity. Then, when German submarines had halted the shipments of nitrates from Chile, the Government had built facilities for munitions production at Muscle Shoals in northern Alabama, and construction of a dam across the Tennessee was begun to supply the power required for operation of the nitrate plants. The war was over before the project was completed, and Congress had to decide what to do with the idle properties. The general assumption was that the properties were surplus to the Government's requirements, and should be sold. To most people the question before Congress in the early twenties was relatively simple—how to dispose of the properties most advantageously.

In the beginning only a few men had the vision to see that the properties were not surplus to the needs of the Government at all, that they were an asset which could provide the beginning of a new approach to an old problem. The fight, first to keep those properties in the hands of the Government, and then to devise a method to promote their effective use, went on for more than a decade. I came to Congress in the midst of that debate, and I shall be forever grateful that I have had a part in this great struggle throughout my whole career in public service. Twice bills to provide for Government operation of the properties at Muscle Shoals were adopted by the Congress. Twice they received a Presidential veto. It was not until 1933, under the dynamic leadership of Franklin D. Roosevelt, that the statute creating TVA was approved by Congress, the properties at Muscle Shoals were turned over to the new agency, and the President who had expanded the scope of the original proposals with his vision and his dreams signed the enabling legislation. A great concept started along the road to realization.

Twenty-five years have passed since that day. Today the Tennessee River is no longer a menace and a problem. It has been put to work for the people. A series of majestic dams has transformed it. Now a chain of lovely lakes; its bars and shoals have vanished, and commerce moves in stately sequence over a modern water highway. Last year more than 2 billion ton-miles of freight was carried on the river, in contrast to less than 33 million ton-miles which moved, mostly in short hauls, in 1933. Grain comes down from the upper Mississippi; oil and sulfur move up from the gulf; automobiles, trucks, steel, and coal are carried for unloading at thriving river ports on the Tennessee. From the Great Lakes to the gulf the products of other regions come to new markets in this valley, and the river serves the people.

The new generation has grown accustomed to the interregional exchange of goods. And it is spared the terror of floods. Today the people know that, when the rains come and the water rushes down in angry torrents, the same dams which control the river to create a navigation channel will stand watch through all the days and all the nights of peril, silent guardians of their safety. This is the only United States river so controlled; the only river where, under a single management, a whole system of dams and reservoirs can be mobilized in harmony to protect the people and their property.

The new generation has never known what it was like before TVA, how anxious watchers gathered on the river's banks, how desperate families moved their household goods to the hills. They do not know how often this uncertain river held the lives and health and well-being of the people in jeopardy.

The new generation does not know what life was like before transmission towers rose high from the valleys and mountains to carry the lines that bring to the people power generated at these multipurpose dams and in gigantic modern steam plants built by TVA. It was a different kind of region then. In 1933 there were only 225,000 residential electricity consumers in the entire area where power from TVA now reaches more than 1,300,000 domestic consumers, and they used small amounts of electricity in their homes and almost none at all on their farms. Only 3 percent of the farms, just a few near towns or cotton gins, were connected for electric service. All over the region the countryside was dark at twilight. Today more than 95 percent of the farms use electricity in their homes and in their barns.

The river is serving the people throughout its length today because of the act of Congress which created TVA. That is not all. The forest resource is coming back, the cycle of devastation reversed. Since TVA began, almost half a billion pine seedlings have been planted and are growing to maturity. Slowly the scars of erosion are healing. Where acres were brown and barren, now pastures lie green beneath the sun and the landscape is more beautiful, the land more productive.

III

Today this region has started the long road back to robust strength and abundant productivity. This is a record for every American to view with pride. There is nothing like it anywhere. This is the record which profoundly moves me as I recall the day when TVA began. This is the record which makes me salute the management of TVA on this anniversary. For in this region their performance has outstripped our dreams. This does not often happen. Every legislator grows weary with awareness of great concepts which grow meager in execution, of noble ideas corrupted in administration. TVA is different. The new generation should find out why. I cannot give a simple answer, but I believe that part of the magic lies in the kind of statute Congress drafted. We did a better job than we knew.

We were uncertain, as we strove to create this new agency to deal with old problems. Reluctant rivers had been improved for navigation from the beginning of the Nation. The problem of vanishing resources had been with us a long time. But always rivers and resources, problems and opportunities had been considered piecemeal. In TVA we tried something new and bold. The heart of the great concept lies in the fact that for the first time in the history of Federal legislation Congress accepted the unity of nature. In this one river basin the interrelationship of land and water, of trees and pastures, of men and nature, received statutory recognition. This was a more startling innovation than it sounds. For then and now the traditional organization of the Federal establishments divides responsibility for the resources of a river and its basin among a dozen bureaus and departments, each with a single purpose, a different head, working under separate statutes. We gave TVA responsibility to inaugurate a total program committed to the full development of all Nature's resources for all the people.

At the same time we tried to build a bulwark against the steady tide of centralization. Even then we knew too many decisions were made in Washington on the basis of papers and reports; too much was decided by remote control. The experts were too far from the problems, the administrators too far from the people. So we told the Board of TVA to make its headquarters in the region, close to the work to be undertaken. We made it an independent agency, corporate in form, removed as far as possible from centralized control in Washington. We gave the power of decision to the men in the field.

We wanted TVA to be efficient, and we accepted the basic principle of modern management, still rarely recognized in Government. We gave authority commensurate with responsibility and we determined to judge by results. By law we freed the agency from the rigidities of the classified civil service. We told the Board to select its own employees, but barred for all time political considerations in appointments. We authorized the Board to buy or condemn the land and the equipment required in its program, and to sell whatever proved to be surplus. They could enter into contracts, and sue and be sued.

All those characteristics have proved to be essential—the unified approach, the location in the region, the accountability which is the counterpart of independence, the stern rejection of political manipulation. All have been vital to TVA's success. But greater than any one of those, I believe, is the fact that somehow the overriding purpose of the statute was clear on every page. It was clear in the legislative history of more than a dozen years. These administrative innovations were not to be ends in themselves, nor were the projects and the programs they would facilitate be objectives in themselves. Every undertaking was seen as a means to widen the economic opportunity and promote the well-being of the people. That is of course the ultimate objective of every Government program, but the purpose for which projects are built is too often obscured by the projects themselves. Construction becomes an end in itself. Somehow, in some way, some ingredient in the formula we devised for TVA has kept the overriding purpose sharp and clear. Every report from TVA reveals it. It is clear every time a witness from TVA testifies before a committee of the Congress. It accounts for the notable efficiency and the high morale of the staff of TVA. They never forget the purpose of their labor.

It was an act of faith when, after so many years of effort, Congress placed the destiny of this new agency in the hands of the three men chosen for the Board. That faith proved to be contagious, and early in its history TVA took the steps which have made the people of the region a part of the great program. It mobilized their energies for a total assault on the forces of resource devastation. It was an act of faith in the people when TVA rejected such alluring proposals as the recommended purchase of great tracts of forest land, all abused and some abandoned, in order that a gigantic program of reforestation might be inaugurated on Government-owned land. It was an act of faith when TVA declined to begin the acquisition of vast acreage of worn-out cropland that it might be devoted unhampered by the need to support farm families, to experimentation in the application of the new fertilizers to be produced at Muscle Shoals. It chose the slower, the harder way. TVA determined that the people who in the period of their private ownership become trustees of the Nation's resources should themselves take part in the program.

A new epoch in Federal administration began. The experts got out of their offices, away from their papers. They went to the people, and the people joined them in a great demonstration program. Farmers joined and showed their neighbors what would happen to the land and to their incomes as they began to use the new kinds of fertilizers produced by TVA as tools to change the management of their farms. Owners of woodlots and forest joined. Slowly the demonstrations spread over the valley and farther—demonstrations in tree planting, in selective cutting, in sawmill operations; demonstrations in fertilizer use, in new farming practices, in the development of recreational areas.

Today the average income of the people has risen from 45 percent to 63 percent of the national average. There are more jobs for the new generation. There are jobs in cheese factories and in poultry processing plants because the land has been turned from soil-exhausting to soil-conserving crops. There are jobs in the forests products industries, 50,000 of them, because tall trees stand on land that was barren in 1933, and the people plant and they plan for a stronger forest resource in the future, investing their private funds in their faith. Last year alone new private investment in wood-using industries in the valley reached a total of more than $43 million.

There are new kinds of jobs in new manufacturing establishments. There are jobs because of the development of the magnificient recreational resource which has already attracted private investment of more than $60 million, as TVA has divested itself of area after area, and turned over to the people, for public and private development, the land adjacent to the beautiful manmade lakes. In this region, as nowhere else, the people have participated in a Federal program inaugurated to promote their well-being. They have taken risks. They have had faith. They have shared the dream.

The people have had a major part in the development of the great regional power system. With the exception of direct sales to agencies of the United States and a few large industries, TVA is a wholesaler of power. Today 151 distribution systems with a total investment of almost $600 million deliver the power to the consumer. All are locally owned and managed, two privately owned, the rest rural cooperatives or municipal systems. In contracts with TVA these distributors agree to charge the rates established to promote abundant use, and to dispose of revenues in such a way as to achieve the objectives in the statute. In the beginning their participation in the program was an act of faith, too, for when TVA's resale rates were announced in 1933 no one knew what revenues those rates would provide. The experts of the private companies serving the area said the people would not use the power the dams would produce. The people of this region have proved them wrong. The high use, low rate pricing policies which the private power companies had been too timid to risk turned out to be sound. At low rates, the volume of sales did rise, and increased revenues resulted. It was a demonstration that the public interest could be served without the financial ruin predicted by the private power companies.

IV

I am proud when I survey the financial record of TVA. My colleagues of 1933 would be proud if they could know that from the beginning, revenues from power sales have covered all the costs of operation, including depreciation, and in addition have provided for the Government, the owner, a return which has averaged 4 percent on the investment. I am proud to know that over $400 million from proceeds has been reinvested in the system, enhancing the Government's investment without requiring appropriation, and that $240 million has been paid to the Treasury in cash. But I am proud that TVA has never forgotten why it was created. It was created to serve the people, all the people of the United States, to demonstrate what happens to a region and to a power supplier when power is used as a tool to develop the economy of a region, to raise the standard of living of the people.

TVA was not conceived as a military project. But today TVA is in the forefront in the development of atomic weapons, missiles, vital light metals, and new chemicals. Almost three-fourths of TVA's power output goes to defense and defense-related industries. More than half—a staggering 30 billion kilowatt hours in 1957—goes to the Atomic Energy Commission plants at Oak Ridge and Paducah. These plants alone use twice as much electricity as New York City, and more than is used by all the homes, businesses, and industries in each of 41 States.

The triumph of TVA is not recorded in the excellent financial reports, or in its contributions to the Nation's defense. It is recorded in the homes and farms of the region—in the installation of stoves and washing machines, refrigerators and freezers, milking machines, pumps, water systems, and hay driers. It is recorded in the increased use of electricity by the people, not only in the region it serves but all over the Nation. The symbol of TVA is not a balance sheet, no matter how impressive. The symbol of TVA is revealed when the lights go on at nightfall all over the region. They shine from barns, and kitchens, and parlors, deep in the coves and high on the hillsides.

When President Roosevelt sent his special message to the Congress urging prompt enactment of the TVA legislation, he said, "If we are successful here we can march on, step by step, in a like development of other great natural territorial units within our borders." We have been successful here. While we have not yet marched on to the creation of other valley authorities, we are moving step by step in the improvement of Federal administration of resource development. TVA has had an important impact on other Federal programs. I hear echoes of TVA when plans are now submitted to the Congress on a river basin basis, when coordinating committees are established in the field as the central agencies of Government and try to achieve the shadow of the unified appproach without the substance. I see a trace of TVA when the potential recreational value to the people is included in the benefits expected to be realized from construction of new Federal projects, and small watersheds are brought to our attention.

I note with satisfaction improvement in the land-purchasing procedures of some Federal agencies as they adapt TVA experience to their requirements. I am aware of better personnel practices as a result of TVA's development of its independent merit system, and I see modest efforts to follow its pioneering in the adoption of effective and honest procedures of collective bargaining. I see the results of TVA's achievements when I read the advertisements of the fertilizer companies, as they begin to provide the farmer with new and better plant food for his land. I find it in the lowered rates for electricity charged by private companies today.

The spirit of TVA echoes around the world. I heard the echo from India, from Iran, from Uganda, and from Wales. Everywhere, as free men plan their future, they know their destiny depends upon the effective development of all of nature's resources for the benefit of all the people. To them, TVA is a pace setter and a symbol of hope. Its past is open for examination and for analysis. Its future lies in the hands of the new generation.

Alcoholic Beverage Advertising

EXTENSION OF REMARKS

OF

HON. H. ALLEN SMITH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1958

Mr. SMITH of California. Mr. Speaker, under date of April 20, 1958, I received a letter from Hallie N. Nicholson of Pasadena, Calif., submitting the signatures of 103 persons who reside in or are adjacent to my Congressional District, urging passage of the Langer bill, S. 582. Pursuant to the request of Mrs. Nicholson, notation to this effect is being made in the CONGRESSIONAL RECORD.

Reasons for Going to Eniwetok

EXTENSION OF REMARKS

OF

HON. CHARLES O. PORTER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1958

Mr. PORTER. Mr. Speaker, it may be that a first-term Congressman from southwestern Oregon cannot do much to change the administration's nuclear weapons policies, but I intend to keep trying.

Tomorrow morning at 7 o'clock, e. s. t., I board a plane here in Washington as a member of a group of official observers to fly to the Eniwetok atoll in the Gilbert Islands of the South Pacific. The trip each way takes 2½ days. I intend to stay 3 or 4 days, then return whether or not a bomb has been exploded.

Why am I going? I am not on the Joint Committee on Atomic Energy and I am certainly no expert in nuclear physics or tactics. Here are my reasons:

REASONS FOR THE ENIWETOK TRIP

First, I want to learn firsthand about these nuclear weapons tests and the men in charge of them, and present for discussion to these men certain convictions of mine.

Second. Even though I have been and am sharply critical of its policies and methods including its insistence on holding these tests, the Atomic Energy Commission wants me to go.

Third. My able friend and respected colleague, the gentleman from California, CHET HOLIFIELD, chairman of the Radiation Subcommittee of the Joint Committee on Atomic Energy, and an experienced nuclear test observer, assures me that I will learn much of great value to me as a legislator in the atomic age.

Fourth. I believe mankind today teeters on the brink of doom thanks to the nuclear weapons inventions and I believe that, as a United States Representative, I have both the duty and the opportunity to do whatever I can, however little, to help us survive as a free nation in a free world.

A CHANCE TO TALK TO THE EXPERTS

As I have an opportunity on the way to and at Eniwetok to talk with experts in nuclear weapons, I intend to see how these firmly held convictions of mine stand up:

A. We do not need any more or better nuclear warheads for national security because we have more than enough now to deter intentional attack.

B. Why go to a lot of trouble to develop a "clean" bomb when we have no assurance the Soviets would use such a weapon in war and the concept of a "limited" atomic war is a delusion based on wishful thinking.

C. The 20-megaton bomb, for example, fits easily into our supersonic bombers and has an explosive power equal to all the explosions in World War II; so why be concerned about a smaller bomb, especially when we have maximum deterrence now?

D. Peacetime uses for atomic explosions, the final reason for the tests after development of "clean" and smaller bombs, should be done underground to avoid fallout and should be carried out under international supervision.

E. Fallout from these tests, however small and innocent, and there is a real dispute among scientists about this, is both a trespass on other countries and an assault on all people, under Anglo-Saxon common-law doctrines. We have no right to infringe on another's person and property even a little bit.

ACCIDENTAL WAR IS PROBABLE

F. The real danger today is from an accidental or unauthorized nuclear explosion triggering the all-out war. Thousands of nuclear warheads exist, most ready for instant detonation and all in the hands of frail, error-prone human beings such as you and I. It would be extremely difficult, in these tense times, to distinguish between an authorized and an unauthorized nuclear explosion and to determine the nature of the other nation's alert following such an explosion—whether it was defensive or offensive.

G. Stopping the tests is only a first step toward effective disarmament and real peace. The mutual inspection procedures should be expanded as soon as possible to include conversion of nuclear warheads to peaceful uses and to the cutback of nuclear weapons production. Hard to do? Yes, but a lot easier than rebuilding the world after a massive exchange of nuclear warheads. Trust the Soviets? Of course not, but recognize their self-interest in survival.

THE EXPERTS ARE CONCERNED TOO

My companions and hosts on this trip will be military men and scientists. They have had much to do with our nuclear weapons policies, too much in my opinion. However, like me and like you, they are sincerely concerned with their country's welfare in a tense and troubled world.

Like me and like you, these men would like to have more assurance that their children will have a chance to grow up and to look upon nuclear energy as a shining promise for a better life for all instead of a black threat of universal destruction and death.

There Will Be No Depression

EXTENSION OF REMARKS

OF

HON. STEVEN B. DEROUNIAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1958

Mr. DEROUNIAN. Mr. Speaker, the address of the Vice President of the United States, at the annual dinner of the Bureau of Advertising, American Newspaper Publishers Association, given in New York on the evening of April 24, 1958, analyzes this Nation's position today in a sound and sensible way. Every citizen should read it and give careful thought to the statements contained in it. Under leave to extend my remarks, it is herewith recorded in the CONGRESSIONAL RECORD:

In recent months Mr. Khrushchev has thrown down a bold and boisterous challenge to the United States in the area in which we have considered ourselves unbeatable—the productivity of our economy. He has said:

"We declare war on you in the peaceful field of trade.

"You are not being threatened with ICBM's but with peaceful competition in consumer goods.

"We will prove the superiority of our economic system over yours.

"Your grandchildren in America will live under socialism."

And just 3 days ago in Moscow, in speaking to the American Ambassador of the Soviet Union's economic achievements, he said, "Look out, Mr. Thompson, we are stepping on your tail."

This statement would seem to be a presumptuous boast when we consider that the United States today produces almost three times as much as the Soviet Union. But these sobering facts must be kept in mind:

The Soviet economy has made formidable strides in the first 40 years of the U. S. S. R.

The Soviet economy is growing faster than ours.

The Soviet Union, because of its autocratic control over its people, can concentrate its lower productive capacity in those areas of the world struggle which will best serve its objective of world domination.

Finally, we must recognize that economic competition between the free world and the Communist world may well decide the world conflict.

The position we must take, therefore, is clear.

We are well ahead of the Soviet Union economically today.

But the only way to stay ahead is to move ahead.

We cannot afford to stand still.

Our Nation's security requires that the American economy produce as efficiently and as abundantly as possible.

In this context let us examine the characteristics of the current economic downturn in the United States and the actions which may be justified to reverse it.

Let us first dispose of two fallacious appraisals of our present economic situation.

To those who claim that we are headed for a great depression, the answer is that the present economic downturn is under no circumstances comparable in character to the depression of the 1930's.

In 1929 literally millions of people were dealing with inflated and imaginary values.

The economy then did not have the cushioning effect of certain social welfare laws and monetary policies which are available today.

We can state this one conclusion categorically. There will be no depression in the United States. This is true both because of the basic strength of our economy and because it is backstopped by the determination of the national administration to use every proper governmental action to stop a prolonged recession and to help stimulate early resumption of a high rate of economic activity.

Mr. Khrushchev's claim that our economic downturn is proof of the inherent weakness of a free economy is another conclusion which will not stand examination.

A normal economic system, just like a normal human body, does not and should not run at full speed at all the time.

There are times when it must slow down so that needed changes can be made and bad habits and faulty practices corrected.

If these needed changes are made, the system will be stronger at the end of the corrective period than before it began.

In examining the characteristics of the present slowdown we find that it is a result of some normal shifts in the economy, plus some bad habits that got out of hand in recent years.

Let us look at one development which can be characterized as a normal shift.

We emerged from World War II with a great many wornout plants, too small for our growing population, and obsolete in terms of current technology.

There was a rush to expand and modernize.

As a result, in many cases, capacity has outrun current demand.

The inevitable consequence has been, therefore, a slowing of business investments in new plants.

Such changes as this are normal. They reflect change and growth in a free economy. They give us no cause for concern.

But there are factors which contributed to the downswing which stem from evils which should be corrected. If they are not corrected, our economy will not be strong enough to meet the challenge presented by the Communist world.

In this category we must place inflation at the top of the list.

Inflation robs the aged of their savings.

It is an automatic pay cut for those on fixed salaries.

It is a tax on life insurance policies.

It leads to consumer resistance and rebellion.

It would be a mistake to try to stimulate economic activity without also trying to curb inflation. Otherwise, in the action we take to combat our present troubles, we are simply buying more trouble later on.

A related evil is the cost-price squeeze on business. While business profits were relatively good on the whole last year, a disturbing note was that many firms reported higher volume and lower earnings.

There was talk of profitless prosperity.

This type of squeeze usually leads to postponement of planned business expansion.

It means that something is radically wrong when, with all of our new plants and processes, costs go up rather than down.

When we examine the reasons for skyrocketing costs, we discover a third major weakness which contributed to the present economic downturn.

We have been getting soft in a period of easy sales. Many businesses have enjoyed a seller's market for 15 or 20 years.

That means that almost an entire generation has not known the discipline of persuasive selling and adequate service. We have become a nation of order takers, rather than salesmen.

The same can be said of our work habits. The current joke about substituting a work break for a coffee break was not just conjured out of thin air.

Wage increases not based on increase in productivity became the rule rather than the exception. Consequently, even with all of our improved plants and modern processes, productivity did not rise as expected, and in some instances even declined.

This brings us then to the problem at hand. What should Government policy be with respect to the present recession?

We should not interfere with normal change. But we must help to correct the evils of inflation, profitless prosperity, and low productivity. The correction of these evils will be a powerful stimulus both for business investment and consuming buying.

We must, however, be vigilant in distinguishing between normal changes and cor-

rections and the spiraling downswing that feeds on itself. If there are substantial signs that a decline may snowball, then Government must step in and stimulate the economy.

But normal corrective action is the preferred choice; massive intervention should be used only as a last resort.

Let us examine the actions the Government has taken up to this time in the light of these principles.

We have recognized that changes in our economy are inevitable, but that human suffering which may occur as a result of such changes should be alleviated as much as possible.

That is why the administration has asked the Congress to provide Federal aid to the States in extending the coverage of unemployment compensation where the benefit period has expired.

We have accelerated normal Government spending for those things we need, and we have directed that spending where possible into areas where economic dislocation has had its greatest effect.

We have expanded the supply of credit, having in mind the necessity for caution because of the continuing threat of inflation.

We hope that these actions will be all that will be required to give the economy the help it needs. There are substantial indications that this may be the case.

I realize that there are some traditional economists who contend that under no circumstances should the Government do more than it has. They say that we should let the economy go through the wringer if necessary so that it can rid itself of its unhealthy characteristics.

But let us recognize once and for all that the time is past in the United States when the Federal Government can stand by and allow a recession to be prolonged or to deepen into depression without decisive Government action.

Since the days of the great depression, the Government has developed a vast capacity in many areas to break a slide and to stimulate the economy. We no longer accept the finality of the operation of blindly cruel economic forces where millions would be left without work, without the ability to feed, house, and clothe their families.

In addition to the human and economic costs involved in such a situation, there are international costs which almost exceed comprehension.

When the editors from many of the great newspapers abroad visited Washington last week, one of the questions asked most often was whether we were going to have a depression in the United States and what the prospects for recovery were.

Every time the United States economy suffers even a slight shock there are reverberations in the economies of free nations throughout the world.

A major or prolonged downturn in the United States would have catastrophic effects on not only our own country but on our friends abroad.

The greatest gainers from such an event would be Mr. Khrushchev and his cohorts in the Kremlin.

This brings us to what further action by the Federal Government might be considered if necessary to stimulate an economic recovery.

Two courses are generally debated—a massive new Federal spending program, and a tax cut.

I believe that there is no question but that the use of massive spending for new Federal activities to combat the current recession should be rejected.

Acceleration of spending on existing programs can have the relatively quick effect the economy needs at this time. But by the time spending on the massive new programs which are being urged as antirecession measures began to make itself felt, the economy would already be on the way to recovery on its own, and the new spending would only contribute to more inflation.

Another objection to new spending programs is that they would have an inevitable tendency to make Government larger and stronger, and private enterprise smaller and weaker. It is significant to note that in the Senate alone nine bills labeled as antirecession measures call for $38 billion in new spending over the next 5 years.

As the President put it very bluntly when I was discussing the problem with him last week, the recession should not be used as an excuse for adopting massive new spending programs of the type that would give little, if any, stimulation to the economy at this time.

Such programs should be approved only if they meet the test of qualifying as a proper function of the Federal Government.

We must also be on guard against what appear to be relatively small new programs, because by nibbling away we will eventually find we have ballooned our way into a massive spending program. That is why the President's veto of the pork-barrel rivers and harbors bill was justified, and why similar bills of that type should receive the same treatment. A spending binge now can only lead to a hangover of debt and inflation later.

This leaves us with the other alternative—the tax cut.

As I have stated previously, I believe that, if further action should be required to stop the downturn and stimulate an upturn, a tax cut, rather than spending, is the fastest, the best, and surest method to accomplish this result.

However, a tax cut will not do the job unless it is the right kind. It must be designed to put money in the hands of investors and job creators, as well as consumers.

It will not do the job if it is used simply to provide a popular political handout in an election year. It can succeed in its purpose only if it is designed to stimulate more production and more jobs for the American people.

In considering what further action the Government should properly take to stimulate the economy, we must bear in mind some fundamental principles:

If the economy can come through the present downturn without additional massive Government intervention on either the tax front or the spending front, this would be desirable because of the inevitable deficit that either of such actions would bring.

Our objective must be for our economy to be stronger when it comes out of the present situation than when it went in.

Too great reliance on the crutch of Government support will leave the economy with the same weaknesses at the end of the recession as it had at the beginning.

We must not act in a way which appears to solve our present problem but which undermines our future growth.

There is too much of a tendency in some business quarters to say let the Government bail out the economy.

Government can help but the primary responsibility for recovery must be assumed by American business and labor, and the other vital forces which make up the private sector of the American economy. As Dr. Arthur Burns said in Chicago last month, "There is nothing wrong with our economy that could not be corrected by vigorous business enterprise."

What is the responsibility of business in the present situation?

We have heard a great deal of talk lately in which the American people are urged to buy. This is sound, but a necessary counterpart for such a program is that American business must recognize that this is a buyer's market and act accordingly. New products, increased advertising, lower prices can have a dramatic effect on consumer psychology.

In this connection, I was interested to note that several publishers to whom I talked in Washington observed that their national advertising was down as much as 40 percent in the first quarter, while their local advertising has held up reasonably well.

I can think of no more shortsighted action than this on the part of national advertisers. The very people who have most at stake in the survival of our free economy should be betting on its growth rather than hedging on its possible failure.

America's labor leaders also have a great responsibility in the present situation.

The labor leader has a responsibility to fight for the best interests of labor union members.

Obviously union members would like to have higher wages.

But they also want jobs.

When higher costs price their product out of the market, they are out of a job.

Wage increases which are not based on increased productivity mean higher prices, lower sales, and fewer jobs for union members.

A round of this type of wage increases would inevitably have a depressing effect on the economy at this time.

The restraint I ask is in no sense antiunion.

On the contrary, what we need is a return to the wage policies that have been traditional in the American labor movement. The pattern of spectacular competitive wage increases leading inevitably to higher prices is relatively new in American labor. It arose after 1946 because of special postwar conditions.

It is time to return now to the healthier, sounder approach which made American labor the greatest trade union movement in the world.

Let us return now to our basic premise.

The American economy is sound.

The practices which are bad should be corrected.

The Government stands by to cushion a downturn and to stimulate an upturn but always with the primary responsibility for maintaining the sound dollar which is the only foundation on which real economic progress can be based.

I would not want to conclude my remarks without a word of faith.

We hear much today of the great strength of the Soviet Union. I have never been one to discount this strength. It would be fatal to underestimate it. But in recognizing the threat of the Communist revolution, let us not forget the promise of the American revolution.

Those who have doubts as to the dynamic strength of the American revolution need only look beyond our great accomplishments in the past to some of the new economic frontiers we have before us.

It has been estimated that in the next 10 years America needs to spend:

Twenty billion dollars for electric power.

Twenty-two billion dollars for hospitals.

Thirty-one billion dollars for public and private schools.

The almost astronomical amount of $250 billion for residential and nonresidential construction and urban renewal.

To meet these domestic needs, together with the increasing costs of our programs for national security, we should set as our goal not the present rate of growth of our economy of 3 percent but the higher rate of 5 percent recommended by the Rockefeller report. This would project an increase in our gross national product from $434 billion today to $707 billion in 1967.

This goal to some may seem unrealistic.

It will never be achieved if we adopt a stand-pat, status-quo attitude toward our economy.

It will never be attained if we wrap it in a socialistic straitjacket.

It will be achieved if we face the future with vision, determined to tap all of the great resources which are at our disposal.

Government must play a substantial part in achieving these goals.

Our tax system must be revised so that it will encourage rather than curb new initiative, ingenuity, enterprise, and energy.

Small business must be encouraged and stimulated so that it can continue its invaluable service of pumping new blood and new ideas into our free enterprise system.

We must recognize and develop the full potential of millions of our fellow citizens who are now denied adequate opportunity for education and employment because of their minority position.

We must follow the President's leadership in developing a new program for agriculture rather than adopting the unworkable political approach of freezing America's farmers in an obsolete rigid system which can only lead to a dreary cycle of surpluses, controls, and depressed farm income.

We must have vision to develop an enlightened and far-reaching program for foreign trade if we are to have adequate markets for the increasing production of our growing economy.

But recognizing as we do that Government has its part to play, we must never forget one fundamental principle: What distinguishes the American Revolution from the Communist revolution is that we believe the most productive source of national progress is private rather than Government enterprise.

All of our Government policies must, therefore, be designed to encourage and stimulate individual Americans to make their maximum contributions to the realization of the Nation's potential. This can be done only in a climate of freedom of enterprise.

We have no doubt whatever as to the soundness and resiliency of our free enterprise system. As in the past, we expect to come out of the present recession with a stronger and more robust economy which will exceed in production the historic records made during the past 5 years.

Our answer to Mr. Khrushchev then is that we accept his challenge for economic competition, confident of the outcome where free men are pitted against slaves.

But in the great tradition of our own American Revolution, we hasten to add that the American dream is not to conquer the world but to defend the right of any people to be independent of foreign domination; not to enslave men but to free them.

We challenge the Communist world to compete not only in the economic sphere but in justice, in mercy, in kindliness, in respect for the things of the spirit, in real concern for the welfare of the poor and the unfortunate of the earth.

We offer total peaceful competition with supreme faith and confidence that we shall win.

President Garcia of the Philippines Will Be a Most Welcome Visitor

EXTENSION OF REMARKS

OF

HON. JOSEPH W. MARTIN, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1958

Mr. MARTIN. Mr. Speaker, the press has announced the forthcoming state visit of the Honorable Carlos P. Garcia, President of the Philippines, on the invitation of the President of the United States. He is to be in Washington on June 17 and will be the guest of our Government.

I am sure our people are happy to know that President Garcia has accepted our President's invitation and that we will have the opportunity to extend to him our country's hospitality. I have no doubt that he will receive a warm and cordial welcome as the recognized leader of a brave and valued ally in the Pacific.

Such is the unique relationship between the United States and the Philippines that a state visit such as that of President Garcia assumes an importance we cannot fail to recognize. Not only because politically our country and the Philippines were united for more than 40 years, but also because of the record of loyalty to freedom and democracy of the Filipino people since their independence, a visit by the head of state of that nation deserves our special attention.

We have received the leaders of many nations, and have been glad to welcome them and hope we have strengthened our friendships. We will with great pleasure receive in June this year the representative of a people that stood by us in our darkest hour during the Second World War, a nation that never wavered in its loyalty to our ideals, a people that never hid its colors and always proclaimed courageously its stand for democracy and freedom. He comes as a real friend and associate.

What has also won our abiding admiration and respect is the consistent stand of the Filipinos against communism. They have fought it with a determination that is an example not only for the free world but especially for the uncommitted in that part of the globe. And their leader, whom it will be our privilege to receive as our honored guest in June, President Garcia, had the statesmanship and the courage to sign a law outlawing the Communist Party from the Philippines.

President Garcia, during the Second World War, won high praise from Gen. Douglas MacArthur for refusing to collaborate with the enemy. He was with the Filipino guerrillas in the hills of Bohol, offering civilian resistance so heroic a heavy price was put on his head. He could have accepted the offer to work in Manila as a puppet official, but he chose to risk his life in defense of his principles and throughout the entire enemy occupation he was with the forces of resistance, suffering with them all the privations and sacrifices of living in the mountain fastnesses as hunted animals.

The Filipino people have elected him as their President during a difficult period in world history. The Philippines is facing economic problems of great magnitude, as a result of the present world recession. President Garcia can be assured of a sympathetic hearing and a genuine desire on our part to help. The Filipinos are entitled to our every consideration, for theirs is a republic that was born under the protection of our flag, and they have lived up to our highest expectations, upholding courageously our democratic ideals and way of life. Let it never be said that we do not know how to recognize the loyalty of friends who have been unwavering in their support of the United States.

The Filipinos are meeting their problems in a most creditable way. As an evidence of this, I wish to quote an editorial of the New York Journal of Commerce of April 18, 1958, which analyzes the financial position of the Philippines and shows how President Garcia has inaugurated an austerity program that is beginning to pay off. What the Philippines need is development loans, and the editorial explains this in a telling manner. The editorial follows:

[From the New York Journal of Commerce of April 18, 1958]

STRESSES IN MANILA

Encouraging signs have appeared on the Philippine economic horizon of late.

After reaching a low of $136 million in January, the Philippine international reserve has recovered to $152 million. A favorable balance of $13 million is expected to show for the first quarter of this year. To all appearances, the heavy pressure on the government is easing somewhat.

This attests, among other things, to the effectiveness of the austerity program instituted last year amid much adverse criticism. It brought about a further tightening of credit control and cut import allocations and government borrowing for economic development projects.

As a result, Manila has been able of late to remove some of the most painful of these curbs. Specifically the monetary board has eliminated many of the restrictions imposed in its much-criticized Central Bank Circular No. 79, and has canceled the cuts it imposed on import allocations, a series of high cash-deposit requirements on certain import letters of credit and its prohibition on loans for the import of nonessential consumer and producer goods.

All this, recently reported by Ambassador Carlos P. Romulo on his return from Manila, is to the good, and it is to be hoped that it will ultimately signal more to come.

The fact is, however, that the Philippine Republic's economic troubles are far from over. Some staples, including rice and corn, are still in sufficiently short supply to keep alive the threat of inflation. There is also a strong possibility that foreign exchange receipts will drop with the decline in sugar shipments after May or June.

On top of this is the fact that loans aggregating $20 million from two United States banks, on which payment has already been extended for 6 months, must be met before June 30. In the circumstances, Ambassador Romulo says, "It will not be possible for the central bank to provide exchange for the import of machinery and equipment for new industries, especially if a portion of the raw materials they would have to use would have to be imported."

So despite the silver lining which has begun to appear along the economic clouds over Manila, prospects are for more unemployment, a further contraction of reserves, and possibly more austerity unless assistance is forthcoming from abroad—primarily from the United States.

This is the framework in which President Garcia's forthcoming visit to this country must be viewed. It is no secret that when he arrives here in June he will be seeking loans from the United States Government and private capital to further Philippine economic development—one argument be-

ing, as explained by Ambassador Romulo, that without outside help it will be difficult for the central bank "to provide exchange for the import or replacement of spare parts of machinery and equipment required by established industrial plants."

President Garcia's reception in Washington is thus likely to mark a crucial milestone in Philippine economic policy.

Few of the many countries seeking financial help from Washington deserve a more sympathetic reception than the Philippine Republic.

It is not only a matter of the steadfastness with which the Filipinos have stood by us in grave periods of international stress, though that is certainly a factor too important to be overlooked, President Eisenhower, and those of his associates with whom Mr. Garcia will be conferring, should also take into consideration the fact that the Philippine Government has tried hard to meet the worst of its problems from its own resources, even though its efforts have necessarily led to much tightening of belts, painful measures and a good deal of unpopularity among local freespenders.

A major problem still facing Manila is that of providing more employment for its growing labor force by getting its economy gradually into better balance. This country has given it considerable help in this direction up to now. But more help is needed, and when President Garcia arrives in Washington early in June, we hope he will be given every reasonable facility in obtaining it.

President Garcia recently made the announcement in Manila and published in the United States press that he is keeping Gen. Carlos P. Romulo as the Philippine Ambassador to the United States despite a major reshuffle in the Philippine foreign service. This is an action that true friends of the Philippines in the United States welcome wholeheartedly. It shows that President Garcia's appointments are based not on narrow partisan politics but strictly on competence and integrity, qualities which General Romulo has shown in the performance of his duties and which have endeared him to the American people. In the United States Congress where he is a highly esteemed former colleague, General Romulo has countless friends and admirers. He has earned our high regard and respect for the persistence and ability with which he has constantly fought for the best interests of the Philippines. No nation is better represented in Washington than the Philippines, and the Filipino people should be proud they have in General Romulo a diplomat and statesman who has gained world recognition and who in the United States is held in the highest esteem.

We will welcome President Garcia with open arms. We admire him as a leader whose record of patriotism is unsullied, whose work as a statesman is a credit to his people, whose opposition to communism is as courageous as it is uncompromising, and whose loyalty to the democratic way of life he showed in the darkest days of the Second World War when to fraternize with the enemy was the comfortable way, and to resist and fight was to court death.

I am happy, Mr. Speaker, to be able to pay this tribute to the head of state of our valiant ally in Asia, President Carlos P. Garcia of the Philippines.

Summary of Replies to a Questionnaire

EXTENSION OF REMARKS
OF

HON. JOHN R. PILLION

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1958

Mr. PILLION. Mr. Speaker, on March 1, I sent 110,000 questionnaires to every household in the 42d District of New York. A memorandum of the issues relating to the questions was also sent. It outlined the facts and arguments pro and con.

A total of 10,350 questionnaires were returned. This large return indicates a keen and healthy interest in our public affairs on the part of the people of this district. I was gratified with the large number of valuable and sound suggestions contained on the questionnaires.

The tabulated results follow:

QUESTIONNAIRE

PAY TV

Do you believe pay TV would produce better programs than are now available? Yes, 1,675; no, 7,690.

Do you believe that pay TV should be restricted to transmission by wire which does not compete for the present free TV air channels? Yes, 7,107; no, 1,729.

Do you favor pay TV on an experimental basis using some of the existing free TV air channels? Yes, 1,317; no, 7,873.

Do you believe that the NBC, the CBS, and ABC television networks have a monopoly that is contrary to the public good? Yes, 2,408; no, 6,547.

NATURAL GAS BILL

Do you favor the exemption and modification of Federal control over gas prices as proposed under H. R. 8525? Yes, 1,778; no, 7,427.

POSTAGE RATES

Do you favor a 4-cent letter rate with substantial increases for second-, third-, and fourth-class mail? Yes, 3,325; no, 2,943. Or do you favor a 4-cent local letter rate and a 5-cent nonlocal rate, with substantial increases for second-, third-, and fourth-class mail, with $175 million set aside annually for modernization of equipment? Yes, 3,133; no, 3,236. Or do you favor retaining the present 3-cent letter rate and to increase rates for second-, third-, and fourth-class mail so that each service fully pays its costs? Yes, 4,564; no, 2,451. Or do you favor retaining present postage rates without any increase? Yes, 875; no, 4,663.

POSTAL WAGES

Do you favor a 7½ percent plus $240 annual bonus, averaging about $500 a year, for postal employees? Yes, 2,290; no, 2,512. Or do you favor a 6 percent annual pay raise averaging about $260 a year for postal employees? Yes, 4,150; no, 1,497.

RECIPROCAL FOREIGN TRADE ACT

Do you favor the Administration's request for a 5-year authority to reduce import tariff rates by 25 percent? Yes, 1,876; no, 2,876. Or do you favor an extension of the present act authorizing a reduction of import tariff rates by 15 percent over another 3 year period? Yes, 2,176; no, 2,332. Or do you favor no extension and no further reduction of import tariffs, leaving tariff rates at their 1945 to 1953 levels? Yes, 3,656; no, 1,485.

UNEMPLOYMENT AND RECESSION

Do you favor a substantial program of additional military spending (about $5 billion) now? Yes, 2,657; no, 2,936. Or later, if business does not improve? Yes, 1,940; no, 1,674.

Do you favor a substantial program of public works (about $5 billion) now? Yes, 3,098; no, 1,949. Or later, if business does not improve? Yes, 2,311; no, 1,038.

Do you favor a tax cut by increasing tax exemptions to $700 now? Yes, 4,929; no, 1,351. Or later, if employment does not improve? Yes, 1,510; no, 1,456.

Do you favor a flat 5 percent tax cut? Yes, 1,995; no, 3,104.

Do you favor a corporation tax reduction from the present 52 percent? Yes, 1,790; no, 4,491.

MISSILES

Do you believe that $3.8 billion recommended for missiles in 1959 is: (a) about right, 4,398; (b) not enough, 2,298; (c) too much, 1,202.

Do you believe that the proposed military expenditures of $39 billion for 1959 is: (a) about right, 4,048; (b) not enough, 1,532; (c) too much, 2,123.

Do you favor a program to construct shelter in cities against possible attack to be financed by the Federal Government? Yes, 4,068; no, 4,397.

SUMMIT MEETING

Do you believe that the United States should negotiate with the Soviet now regardless of our lack of position of strength, regardless of the lack of an agenda and regardless of what the prospects of success may be? Yes, 1,786; no, 6,370.

Do you believe that an unsuccessful meeting might increase the tensions and prospects of war? Yes, 4,787; no, 3,239.

Do you believe that a summit meeting should be held on the best possible terms and trust our officials to fully safeguard our interests? Yes, 6,035; no, 2,353.

STATEHOOD

Do you favor statehood for the Territories of Hawaii and Alaska now? Yes, 4,339; no, 3,867.

Or would you prefer to delay statehood until (a) communistic influences in Hawaiian politics is eradicated and (b) legislation is enacted which would apportion membership in the United States Senate on some equitable population basis for States hereafter admitted or (c) require Alaska and Hawaii to consent to less than two United States Senators under article V of the United States Constitution which provides that States may consent to less than equal suffrage (2 Senators) in the Senate? Yes, 4,667; no, 1,752.

FOREIGN AID

Do you favor maintaining foreign aid at the present rate? Yes, 2,398; no, 5,160.

Do you favor substantially reducing foreign aid with a program for more efficient administration? Yes, 6,414; no, 1,352.

Do you favor terminating all foreign aid? Yes, 1,051; no, 6,368.

Do you favor ending military aid and continuing economic aid? Yes, 1,976; no, 4,755.

Do you favor limiting foreign aid only to those countries who are military allies and receive no aid from the Soviet? Yes, 5,361; no, 2,405.

MISCELLANEOUS

Should Congress enact laws to protect welfare and pension funds under union control? Yes, 8,178; no, 767.

Do you favor added construction of irrigation projects while the United States Government engages in buying surplus agricultural products? Yes, 2,398; no, 5,500.

Do you believe that a Presidential disability law should be passed now? Yes, 6,922; no, 1,820.

Do you believe that Red China could be persuaded to sever her close relations with the Soviet on the basis of her conflict interests in the vast mineral resources and agricultural lands which the Soviet controls in

Siberia on the borders of Red China? Yes, 2,892; no, 4,415.

Would you support a drastic curtailment of Federal services and grants-in-aid in order to balance the budget and also expand our national defense? Yes, 4,676; no, 3,375.

Do you favor a baalnced budget regardless of defense needs, unemployment or curtailed services? Yes, 1,682; no, 6,886.

Resources Available Through River Development

EXTENSION OF REMARKS
OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Monday, April 28, 1958

Mr. HILL. Mr. President, the distinguished junior Senator from Oregon [Mr. NEUBERGER] has been a leading advocate of multipurpose development of our great river systems.

In the May issue of the Progressive magazine, he has written an illuminating and informative article entitled "The Miracle of Rivers," which describes how a mighty stream can be put to work to improve navigation, reclaim agricultural land, generate vast quantities of waterpower, and prevent disastrous floods.

Senator NEUBERGER'S article appropriately features a special issue of the Progressive devoted to the 25th anniversary of the Tennessee Valley Authority, which has done so much for the great area I help to represent in the Senate.

I am particularly gratified that the junior Senator from Oregon has called to our attention the enormous and awesome river projects presently under construction by the Soviet Union, along the mighty waterways of Siberia and European Russia—projects which dwarf even our own Grand Coulee Dam. Senator NEUBERGER has drawn upon the significant and alarming testimony presented to the Senate Interior Committee by the distinguished senior Senator from Louisiana [Mr. ELLENDER], following his extensive travels in the Soviet Union last fall when he saw being built the huge hydroelectric dams on the Angara and Volga Rivers.

I ask unanimous consent that the article from the May issue of the Progressive by Senator NEUBERGER be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE MIRACLE OF RIVERS

(By Senator RICHARD L. NEUBERGER, of Oregon)[1]

I

Men have been fascinated by the miracle of rivers ever since the early origins of the human race. Primitive tribes traveled on rivers in crude dugout canoes, and dragged fish from the swift riffles of these rivers. When mankind had advanced farther from the cave, rivers were used to turn wooden wheels which ground grist to flour. But fields of wheat in many realms of the world needed water for irrigation, before this grain could grow. So the massive strength of rivers was tapped to move still larger wooden wheels in order that water from these rivers could be deposited on furrows which required such life-giving succor.

In the sunrise of history, men of course knew nothing of the unseen giant of hydroelectricity, which lurked wherever a river foamed over a precipice or shot through slanting narrows. Even the later frontiersmen and pioneers in buckskin were unaware that in every waterfall hovered a source of fuel mightier and more enduring than any yet discovered. But, as boundaries were laid down, it became more difficult to put these rivers to full and untrammeled use. Boundaries, after all, are made by men. In this same category are such institutions as passports, customs duties, tariffs, and doctrines like States rights or national sovereignty. But rivers recognize none of these artificial or synthetic lines. Their destiny has been shaped by geography rather than by resolutions or treaties.

Snow falls perennially in the mountains and forms icefields and glaciers, which melt in the midday sun. Rivulets seep through the glacial moraine and merge. Where they merge, a creek takes form. Innumerable creeks find their way downhill, through chasms and ravines. They disappear over cliffs in rockets of spray, but take shape again in icy pools at the bottom. When the snowbanks are melting, the mountains trill and echo to the clamorous sound of falling water.

Like capillaries uniting to create a vein or artery, all the creeks and brooks from the highlands finally blend in some gorge of awesome depth and proportions. Eventually, the ramparts of the gorge soften into the timbered slopes of wide valleys. The river, released from its rocky prison, widens into a broad swath as it seeks the distant ocean.

This has nothing to do with State or national boundaries. Instead, it submits to sublime natural processes, by which dense forests permit precipitation from snow and rain to flow to the sea. Theodore Roosevelt, that militant 26th President who loved the outdoors, may have been the father of the TVA idea because he understood the phenomena of nature, where the birth of great rivers occurs. He said to Congress half a century ago, in 1908:

"Every stream should be used to its utmost. No stream can be so used unless such use is planned in advance. When such plans are made, we shall find that, instead of interfering, one use can often be made to assist another. Each river system, from its headwaters in the forest to its mouth on the coast, is a single unit and should be treated as such."

This is the hard core of the TVA idea. It is as simple as that. It sprang from the mind of a progressive Republican President. Nearly three decades later, his distant cousin, a liberal Democrat named Franklin D. Roosevelt, put it into practical effect in the watershed of the Tennessee River. The link between the reign of these two Presidents was a mild, tenacious United States Senator with snow-white hair and a valiant soul who knew them both—George W. Norris, of Nebraska.

Water, of course, is virtually inexhaustible. Rivers replenish the ocean, and water from the ocean is sucked into the heavens and dropped as snow and rain on the mountain ranges, where rivers are cradled. This process was under way epochs before Neanderthal man. It will still continue, even if man manages to destroy himself with strontium 90 and hydrogen weapons. It is eternal.

I stood looking at Bonneville Dam with former Secretary of the Interior Oscar L. Chapman. "Dick," he said, "that is an oil well which will never run dry, a coal mine which will never thin out."

II

In every river that rushes downhill, the same water can be used to float boats, irrigate land, generate power, and provide habitat for fisheries. Within these categories, there are subdivisions. Boats can mean a family's aluminum canoe or a throbbing diesel tug hauling half a dozen barges loaded with petroleum or wheat. The reservoir behind a dam can provide swimming for many, and at the same time it can prevent disastrous floods from inundating great cities far below on the Coastal Plain. A river never sleeps.

When Franklin D. Roosevelt sat in the White House, his political enemies charged that he hoped to establish a TVA on the Danube. The suggestion is no longer a political canard. The Eisenhower administration, while indifferent to the TVA which Franklin Roosevelt developed on the Tennessee River, has talked frequently of advancing American funds for a TVA on the legendary River Nile, so that Egypt can become a land of industry and prosperous farms. Friends of that outpost of democracy in the Middle East, Israel, speak hopefully of a TVA on the Jordan River, where the Scriptures were written. Before China was taken over by the Communists, many Americans predicted that this ancient nation might be rehabilitated by a TVA on the Yangtze.

Yet the TVA idea is not exclusively for export. Despite the coolness of his regime to Federal power development generally, President Eisenhower quoted from Theodore Roosevelt's statement about each river system being a single unit when he signed the bill in 1955 authorizing a costly network of storage dams on the upper reaches of the Colorado. In the river basin of the greatest hydroelectric resources, that of the majestic Columbia, many bipartisan groups today are calling for a regional power corporation that would be extensively modeled after the TVA self-financing act, approved by the Senate last summer. A leading advocate of such an undertaking is Oregon's traditionally Republican newspaper, the Oregonian, which not long ago called attention to the fact that "as of June 30, 1957, Congress had appropriated approximately $1.8 billion for all (Federal) power projects in the Columbia River system. And as of that date, $226 million has been returned to the Treasury to apply on the principal, nearly $80 million ahead of schedule. Interest paid on the Government funds was $161 million. This does not take into consideration, of course, the tremendous cash benefits accruing to the Government through increased taxes paid by individuals and industries which depend on federally generated power."

Need there be any more conclusive evidence that Federal investment in great rivers is just about the safest, most solvent expenditure made by the United States Government?

Nature was generous in endowing America with rivers. They rib out the continent from sea to shining sea. Many of them await the kind of unified development symbolized by the TVA, the integrated program which Theodore Roosevelt had in mind when he spoke of treating as a whole each river system, from its headwaters in the forest to its mouth on the coast.

Five major watershed areas, scattered all the way across the Nation, are most susceptible to this kind of treatment. They are:

1. The Columbia, in the Pacific Northwest.
2. The Sacramento, Feather, and San Joaquin, in California.

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[1] RICHARD L. NEUBERGER, United States Senator from Oregon, has specialized as a writer and legislator in the field of conservation and water-resource development. He serves on the two major Senate committees concentrating in these fields, the Interior and the Public Works Committees.

3. The Colorado, in the Rocky Mountains.
4. The Missouri, on the Great Plains.
5. The St. Lawrence, in the Northeast.

Two of these magnificent waterways are involved in international negotiations. They are the Columbia and the St. Lawrence. I recently toured the St. Lawrence Seaway, where a 27-foot navigation channel is being tooled from the Atlantic's waters to the Great Lakes. At Barnhart Island, some 2 million kilowatts will be a collateral benefit of this undertaking. Through authorization by Congress, the New York State Power Authority will tap some 1.8 million kilowatts by drawing off water above Niagara Falls under cover of darkness, when the scenic spectacle will not be jeopardized. The water then will be dropped into the Niagara Gorge through huge penstocks during the daylight hours, when low-cost energy is most neded to move the wheels of industry.

The St. Lawrence Seaway is a joint undertaking of the United States and Canada. After years of delicate negotiations, the obstacle of the international border at least has been overcome. The cost of the St. Lawrence seaway is about $1 billion, with some $300 million invested in the navigation improvements and the rest in the colossal powerplants. Yet here, as in the TVA itself, revenues from the sale of hydroelectricity will eventually help to finance the entire undertaking, although tolls also will be collected from the freighters which ply between the Gulf of St. Lawrence and such great new inland "seaports" as Toronto, Chicago, and Milwaukee.

No such happy and beneficial use of the Columbia River on an international basis can be reported, although the same pair of countries share it. Yet upstream storage reservoirs on the main stem of the Columbia, in Canada, could add the equivalent of four extra Bonneville Dams to Federal generating capacity in the United States—to say nothing of far more kilowatts north of the border in British Columbia. These reservoirs have not been built because unified development is lacking.

While Franklin D. Roosevelt and his successor, Harry S. Truman, were in the White House, exactly 20 multipurpose projects were approved for the Columbia Basin. Five years ago this policy underwent an abrupt change. No multipurpose projects have been authorized for construction by the United States Government since 1953.

What is a multipurpose project? It is a project which symbolizes the Theodore Roosevelt concept that a river system surges from alpine meadows to the ocean as a unit. Thus, the same dam of concrete and steel can (1) store water to retard or prevent floods, (2) drown out rapids which impede navigation, (3) provide locks to get tows and freighters past the dam itself, (4) pump some of the stored water to irrigate arid land for agriculture, and (5) generate vast quantities of hydroelectricity which will produce enough revenue to amortize the cost of the whole undertaking—principal, plus interest.

Throughout the United States, this concept is urgently necessary today. On the silt-laden Colorado River, which men once described as "too thick to drink and too thin to plow," it is needed to provide water for thirsty Los Angeles and for potentially-fertile valleys in the distant uplands of Utah, Wyoming, and Colorado. In the vast Central Valley of California, it is needed to transfer water from the snow-cushioned mountains of the north to orchards and lettuce fields parched for lack of irrigation in the south. On the sluggish Missouri, it is needed to level off floods and to improve navigation far into eastern Montana.

Everywhere in these river valleys, men cry out for the beneficial use of water which is now going to waste or even wreaking harm. They seek unified development, although some shun the controversial initials TVA. But regardless of the initials or appellation applied, a dam by any name is a dam just the same. And now a new and compelling reason exists for harnessing the magnificent rivers by which America pours its tribute of snow and ice and rain to the eternal oceans. That reason is the sweeping program of unified development presently underway on the stupendous rivers of the Soviet Union—one of the dramatic stories of this century.

In examining that story we should first understand that our own Nation is not alone in possessing rivers of truly great magnitude. Gen. Emerson C. Itschner, Chief of the Corps of Army Engineers, has pointed out the sobering geographical fact that of American rivers only the Columbia "begins to compare with the four major rivers in Siberia" in hydroelectric capacity. The St. Lawrence has quite a large hydro capacity, but aside from that, the other rivers do not have a very large amount," General Itschner said. The Columbia alone carries in its waters 40 percent of our Nation's total hydroelectric capacity.

In the famous interview with Khrushchev on the CBS Face the Nation television program, the top man of the U. S. S. R. said: "We declare war on the United States in peaceful production. * * * We will win over the United States."

Khrushchev knows that the four major rivers of Siberia—as well as the other great waterways of his country—could be heavy artillery in that rivalry. Energy reserves may shape the destiny of world conflict, because all industrial output rests ultimately on units of energy. Coal mines wear out, and miners decline to work underground. Oil wells eventually run dry; already it requires at least 20 times as much drilling in Texas to bring in a single barrel as it does in the Middle East. Uranium may be the fuel of the future, but how does mankind dispose of waste material which can inflict cancer of the bone on future generations? A single rampant barge of this sinister sludge terrorized shipping on our eastern seaboard.

But a river flows on forever.

In the last budget prepared by President Truman, the United States Government spent on all its Federal power undertakings—TVA, Columbia River projects, Bureau of Reclamation, Southwestern and the Southeastern Power Administrations—a total of $681 million. By the fiscal year of 1957, under the hostile spell of the Republican residency at the White House, this sum had dwindled to $316 million.

But while the United States Government was cutting in half Federal investment in the development of its rivers, Soviet Russia accelerated a program headed in the opposite direction. Details of this program were described to the Senate Interior Committee by three qualified men, while fellow members and I sat in fascination. The tale was told to us by General Itschner, who, as Chief of the Army Engineer Corps, is responsible for the bulk of our Federal river projects; by Senator HENRY M. JACKSON, of Washington, who visited Russia in 1957, and by Senator ALLEN J. ELLENDER, of Louisiana, who has toured the Soviet Union for each of the past 3 years and who. in 1957, had the opportunity of seeing remote areas in Siberia never before visited by an official of the United States Government.

After these presentations, I felt certain that no more profound mistake could be made by us than to neglect the wise use of America's rivers. I felt equally sure that, if all the people of our land could have heard what was said by these three men, there never again would be a concerted voice raised in opposition to such undertakings as the TVA, Grand Coulee, and Bonneville Dams, the St. Lawrence Seaway, the proposed high dam at Hells Canyon, or a river pact with Canada on the foaming reaches of the upper Columbia.

Declared General Itschner in summary: "The Soviet water resource is demonstrating to the world what can be done in this field by well-considered, long-range planning and a willingness to make sacrifices in present standards of living in order to achieve the goal of a great future industrial development. Indeed, the Soviets have given water-resource development a priority second only to the development of heavy industry designed to support military programs."

More than 40 river projects are under construction in Russia. Four of them will be the mightiest hydroelectric plants ever built. They are:

1. Krasnoyarsk Dam, Yenisei River, 4,004,000 kilowatts.

2. Bratsk Dam, Angara River, 3,340,000 kilowatts.

3. Stalingrad Dam, Volga River, 2,350,000 kilowatts.

4. Kuibyshev Dam, Volga-Samara Rivers, 2,100,000 kilowatts.

By way of contrast, the largest powerplant in America is Grand Coulee on the Columbia River—until now, Number One on earth—whose capacity is 1,944,000 kilowatts—less than any of the four Russian giants, and less than 50 per cent of that of the fabulous project rising across the Yenisei River in Siberia. And there would not even be a Grand Coulee in the United States today, if the Washington Water Power Co. had been as successful in its opposition a quarter of a century ago as the Idaho Power Co. has been in our own time, in seeking to block the great Hells Canyon project on the Snake River along the Oregon-Idaho boundary.

In hydroelectric development, according to General Itschner, "the Soviets already approach us in total installed capacity and have individual projects under construction that far exceed any American project in capacity."

For many years, American engineers predicted that Russia's brutal winters would make impossible any successful waterpower projects on rivers which freeze as hard as granite nearly five months of the year. "But," said General Itschner, "the Soviets have shown marked ingenuity in dealing with this handicap." A proposed 6 million-kilowatt dam will be across the Yenisei, in icy Siberia. Furthermore, General Itschner has estimated that at least 25,000 trained Soviet engineers are concentrating on the Russian water-development program. This compares with some 8,000 in General Itschner's own agency, and another 4,000 in the employ of the United States Bureau of Reclamation.

The Krasnoyarsk Dam on the Yenisei River will hoist ships 370 vertical feet, as compared with the 100 feet of the great McNary Dam lock on the Columbia River. Each of the generators at Krasnoyarsk will produce 286,000 kilowatts; this compares with 108,000 kilowatts for the biggest American generators, presently in operation at Grand Coulee. Today, the total known capacity of Soviet hydroelectric plants is 25,883,188 kilowatts, although this does not include 44 plants for which output has not been disclosed. In comparison, total American hydroelectric capacity at the end of 1957 was 27,676,000 kilowatts, with about 10 million more kilowatts under construction.

"Thus," continued General Itschner, "right now Soviet hydroelectric development appears to be roughly equal to ours in amount. However, their rate of increase is greater than ours. * * * The United States has no plants completed which will reach the 2-million-kilowatt mark, although John Day Dam

on the Columbia River, on which construction will start this year, will ultimately have 2 million kilowatts if sufficient upstream storage is developed to make this amount of capacity economically justified."

Being a soldier subject to superior orders, General Itschner did not add that the Republican administration—plus its allies in Congress—had fought for 4 years to block construction of John Day by the Federal Government. Finally, the first John Day Dam appropriations were put through by Senator CARL HAYDEN, Democratic chairman of the Senate Appropriations Committee, over the antagonism of President Eisenhower's Bureau of the Budget. Nor did the general reveal that nearly 3 million acre-feet of water had been eliminated from the sufficient upstream storage which he mentioned by the decision of President Eisenhower's administration to substitute three small private-utility dams for the great Federal high dam at Hells Canyon.

IV

Many Americans have a conception of Russia as a nation without technical skills. General Itschner does not share this notion. He told our committee: "A major feature of Soviet power development is the construction of a national transmission grid which will bring electricity, generated sometimes at remote hydro stations, to industrial centers of the U. S. S. R. The beginnings of this plan already have been accomplished * * *." General Itschner, under questioning, emphasized that "building this equipment required Soviet engineers to solve unprecedented electro-mechanical problems." The discussion then continued:

"Senator O'MAHONEY. If that is the case, General, I assume it is your opinion that the technical knowledge and efficiency of Soviet engineers should not be underestimated.

"General ITSCHNER. Yes, Mr. Chairman. They have shown a very great ability in designing lines of this type. You see, the alternating current type of transmission line is the only type that has been used in the United States for any distances. Now, we see here a direct-current type of transmission that reaches up to 800 kilovolts. A great deal more electricty can go over an 800-kilovolt direct-current line than would go over and 800-kilovolt alternating-current line.

"Senator KERR. Do you think we would know how to do the same thing in this country?

"General ITSCHNER. I am sure we can do it, sir, but we have not yet accomplished it."

It was a somber group of Senators who listened to this testimony. Had we voted on Hells Canyon, or TVA self-financing, or a similiar program for the Columbia River in that sobering moment, I doubt that there would have been many dissenters.

I sat at the long green-felt conference table in the same solemn mood, as General Itschner and Senator ELLENDER continued their startling disclosures. First, the general told us how Soviet use of inland waterways was beginning to challenge the superiority of the United States. As commerce multiplied through the locks on the Volga and other great rivers, American dominance in this realm was narrowing. American ton-mileage on its waterways in 1956 amounted to 130 percent of 1950 and over 200 percent of 1928. But Russian ton-mileage on its river systems was 175 percent of 1950 and an unbelievable 820 percent of 1928. "Obviously," said General Itschner, "the Soviets are only beginning to learn to use their waterways in the modern sense with which we Americans are familiar." While the Chief of our Corps of Army Engineers was speaking, I wondered if any twinges of conscience pricked those political spokesmen for the private power companies who had tried so hard to discourage the construction of dams, which have increased by manifold the barge commerce on the Columbia River where it cuts through the Cascade Mountain range.

Through the long afternoon the comparisons continued—of 2,200-horsepower tugboats on Russian rivers, rivaling any such craft in the United States; of 6 million Russian agricultural acres brought under irrigation between 1951 and 1956, as compared with 5,500,000 acres in the United States; of a Soviet reclamation project in the south Ukraine which will pump water to 8,500,000 acres, as contrasted with the 1,200,000 acres of the Columbia Basin project, biggest in the United States; of even 300,000-kilowatt turbines planned in Russia for the future, thus eclipsing by nearly three times those spinning below the penstocks at Grand Coulee Dam.

Senator ARTHUR V. WATKINS, of Utah, for many years a prominent advocate of reclamation projects, was especially interested when Senator ELLENDER described the model city being constructed for the workers who will erect the immense Stalingrad Dam on the Volga River.

"That is the way we do it in the West—build our cities first," said Senator WATKINS.

"We do not do it that thoroughly, though," replied Senator ELLENDER. "This is a permanent city. I saw huge apartment houses built along wide avenues, lined with trees; in connection with this city they have hospitals, schools of all kinds, kindergarten and secondary schools, even technical schools, wherein the workers who work on the dam and who will probably be workers later when electricity is used to produce manufactured goods, can go to school in order to prepare themselves for the coming event when Stalingrad Dam is completed. * * * They also have a large cultural center where children of the workers, as well as the workers themselves, who play music or who desire to take up drama in connection with their work, can come in and exhibit their talents."

In one shattering burst, the Soviet Union has moved from peasantry to the industrial age. It exceeds us in area, in population, and in discipline. Does it exceed us in the capacity to sacrifice, so that a way of life—either of tyranny or freedom—may continue and endure? This may be the dominant question of our time.

The Theodore Roosevelt-TVA idea of unified and full river development has been an influence in Russian technological gains—in transportation as well as in industrial production. It is ironic that the Soviet Union has turned to its great rivers for strength just at a time when the American Government is in the hands of the first administration in over 2 decades which has been fundamentally inhospitable to the whole idea of Federal multipurpose river projects.

If this policy persists, we shall have only ourselves to blame for wasting much of the sustenance and sinews of America. Rivers rushing downhill may be the muscles of a continent. Shall they be dissipated and made the object of waste? When I stand on the banks of a stream in my own home region, I think of the incredible folly of those who would abandon such a resource. If Russia taps the Yenisei while we fritter away the Snake, who is at fault except ourselves?

Our destiny in power energy lies in waterfalls and that is why the warnings of such pilgrims as Senator ELLENDER and General Itschner must be heeded. The TVA idea of unified stream development, from Teddy Roosevelt's "headwaters in the forest to its mouth on the coast," was never more urgently needed in America than today.

And so the Selway flows to the Lochsa, the Lochsa to the Middle Fork to the Clearwater, the Clearwater to the Snake River, the Snake at last to the Columbia, and the Columbia on to the sea.

A river flows on forever.

Washington Report

EXTENSION OF REMARKS
OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1958

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my weekly newsletter to constituents of April 26, 1958. Between the time of writing this newsletter and this insertion in the RECORD, I have received additional and more interesting information, which I shall add after this reprint of my newsletter:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas)

APRIL 26, 1958.

House floor work included the oleo bill permitting the Navy to serve oleo or margarine (but only when butter stocks are not available or are impractical) and the Federal aid for schools in impacted areas bill. Both bills passed. The aid for school construction and operation makes more permanent the existing law, which helps those areas where local tax revenue is insufficient to provide educational facilities because of Federal tax-free installations and added school attendance (Federal employees' children). I protested the Davis-Bacon provision which permits the Secretary of Labor to set the local wages paid on school construction, in practice a serious violation of collective bargaining, the local economy, and States rights. But Federal aid means Federal control. In this wage-setting provision there is no recourse to the courts from the arbitrary final decision of the Secretary of Labor, hardly the American way. The committee chairman agreed with my position in debate, but he and I are badly outnumbered. My bill to correct this, now pending before the Education and Labor Committee, has little chance of ever being considered.

Criticism over the summarily deported Communist, William Heikkila, prompted Chairman WALTER of the Un-American Activities Committee to present us some interesting background facts. This man, a Communist since 1926, received a deportation judgment with final ruling by the Supreme Court in 1953. Then a new loophole was found, the 1952 Walter-McCarran Act, permitting suspension if an alien was married to an American (Heikkila had married after receiving deportation charges, so his wife knew). More delays, more Communist activities, and then a final deportation warrant in March 1956. On April 14, 1958, a final court dismissal of his petition. Did he have his day in court? In all this time, 22 years, engaging in Communist activities, how much damage did he do?

An illuminating study of Congress in the CONGRESSIONAL RECORD by Congressman RALPH GWINN deserves everyone's attention. His thesis simply was that while business people were electing a president, the AFL-CIO was electing a Congress. His facts were in an itemized summary of campaign contributions showing that 300 (of the 435) candidates were given help and 175 were elected in the House (and in the Senate the same situation). Further, that 216 Representatives and 45 Senators voted a majority of the time with the liberal-labor dominated ADA (Americans for Democratic Action). His conclusions after much analysis of legislation—that little, if any, legislation can pass either House or Senate without the AFL-CIO blessing; that the businessman and all clear-thinking citizens had better act in

taking part in politics or this Nation will succumb to socialism. Rather thought provoking. Union monopoly power, the violence and abuse, graft and corruption, and now the control of legislation. Even union members should recognize the danger. What will it take to stir businessmen to political action?

The proposed small-business capital loan bill sponsored by WRIGHT PATMAN and LYNDON JOHNSON, of Texas, to provide equity and investment capital for small business (how to define small business?) is recognized as another of the do anything but do it now antirecession spending schemes politically appealing and, therefore, favorably considered by some. Can you imagine using taxpayers' money to finance capital sums for businessmen? Who gets these chunks of money? Do you? Does your competitor? Or is it the political campaign contributor or party member? Is this Government's role? Can our debt-ridden Federal Government afford it? Of course not. Can our taxpayers afford it if he doesn't receive one of the loans? Of course not.

Nor is the only danger the already-known legislative spending bills. Conservatively speaking, there are many other pending spending measures. In the Senate, 23 bills totaling $48 billion over the next 5 years are sponsored by Democrats with Republicans duplicating 7 of them. Simultaneously, tax cuts of $10.5 billion are ready. Now I believe in a balanced budget. My own bill, a constitutional amendment, would force Congress yearly to balance the budget. Now let's look at the facts. In 44 years, since 1913, Democrats controlled Congress for 28 years, Republicans 16 years. Democrats had 22 years of deficits; for example, the national debt rose from $20 billion in 1932 to $266 billion by 1952, all Democrat years except 2, and Republicans, then controlling Congress, cut the debt $5.5 billion. In 16 years controlling Congress, Republicans produced surpluses 14 years totaling $19 billion.

As to taxes, since 1913, Democrats enacted 14 of 15 tax increases, Republicans only 1. Republicans enacted 7 of the 10 tax cuts. To me these facts are significant. Just as facts must come before politics, so do I intend to oppose unwise spending programs of either political party.

The Nation can learn lessons from the Dallas prosperity campaign and auto-buy program. This independent self-confident program is more typical of Texas and earlier American spirit than the Federal handout of recession—fear legislation. I'm proud to represent such a district.

Mr. Speaker, the additional information to which was alluded at the outset of this statement is the result of the public appearance at Southern Methodist University in Dallas of John Gates and Herbert Philbrick. Mr. John Gates is the former Communist and now avowed Socialist. Herb Philbrick is the gentleman who led three lives working for our FBI within the ranks of the Communist Party. Elsewhere in this CONGRESSIONAL RECORD will be found a transcript of their questions and answers, the questions being directed to them by professor and student panel and audience.

The particular information to which I shall limit myself is the statement of John Gates when asked, "Do you see a place for you to go, a party or a group to join?" The answer, "I would like to be identified with the great labor movement. There cannot be a new American radicalism without labor."

Now, referring to the paragraph of my newsletter containing information about the AFL–CIO was electing a Congress, I want to reemphasize the danger of the avowed socialism of John Gates to the great labor movement and to the American system of government and free society. Unfortunately the facts referred to in this newsletter show that the Socialist influence has already been greatly felt within the ranks of organized labor and its influence on Congressional legislation.

The conclusion to this trend is not a pleasant picture. Again I quote from Mr. Gates to the question, "Why has communism, as found today, not taken over any advanced Western civilization?" The answer was "because a great many of the gains Communists fought for have been achieved under capitalism." This reminds us of Norman Thomas' statement of the mid-thirties when he said that most of the provisions of his 1928 Socialist presidential candidacy were then already in effect.

Mr. Speaker, should anyone doubt the gains of communism or socialism, a more acceptable name for communism, one has only to list the legislation before this Congress, to read the debate, study the reports and then compare all this with traditional constitutional government. The difference between socialism, called public welfare, interstate commerce, or some other, and original constitutional law can readily be observed.

Space Age Problems Face Congress

EXTENSION OF REMARKS
OF
HON. JOE L. EVINS
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Monday, April 28, 1958

Mr. EVINS. Mr. Speaker, in my newsletter last week I took the opportunity to apprise the people whom I have the honor to represent of some aspects of the problems facing the Congress in this space age of which they may not be aware. Under unanimous consent I include this newsletter in the CONGRESSIONAL RECORD.

The newsletter follows:

SPACE AGE PROBLEMS FACE CONGRESS

The present session of Congress has not been by any means a lighthearted one. What with the crisis brought on by the sputniks, the muttniks, the missiles, and the rockets, the problems of the recession, not to mention foreign aid, reciprocal trade, reorganization of the Defense Department, and scores of other critical and controversial problems, the Congress has not had much to be lighthearted about. But there have been moments when the smile has managed to triumph over the scowl. It is our thought that our friends this week might enjoy a report on the lighter side of events at the Capitol.

Because the Congress has been largely preoccupied with problems of the space age, the Capitol Hill newspaper, Roll Call, early this session published a glossary or dictionary of space-age terminology to assist Members and their assistants in dealing with space-age problems. Reprinted below are some of these helpful definitions:

Buck Rogers: Democratic candidate for President in 1960.

Flash Gordon: Republican candidate for President in 1960.

Vanguard: Reluctant rocket developed by the Navy to launch satellite.

Jupiter: Army version of Vanguard—what the first American satellite was put up with.

Thor: What the Navy was when Jupiter did the job.

Meteor: A space-age greeting, as for instance: "Pleased to meet you and also to meteor friend."

Etilletas: Satellite that goes backward. It is accidental—they don't planet that way.

Interstellar constellation: Any political convention.

Rockette: Female space scientist.

Ionosphere: Fear of having too many ions in the fire.

SELECT COMMITTEE ON SPACE EXPLORATION AND ASTRONAUTICS HAS SPACE PROBLEMS

The House Special Committee on Outer Space, recently established under the chairmanship of Majority Leader JOHN W. MCCORMACK, of Massachusetts, started right in having problems in space exploration—in finding suitable office space for the committee to meet. The new office building is under construction, but meanwhile every nook and cranny of the Capitol itself and the present office buildings, including windowless cubbyholes originally designed to be storage rooms and closets, have long ago been pressed into use as office space. Hence the new committee has run into serious difficulties finding a suitable headquarters. One of the members of the committee, when asked by a colleague how they were coming along in this exploration for office space, replied ruefully: "It looks like the members of the select committee are going to have to be the first passengers on the first trip to the moon. I don't know where else we are going to find any space." Eventually, however, the new committee was able to establish offices in the basement of one of the office buildings in space previously occupied by telephone equipment. This led another member to quip: "The Select Committee on Space Exploration and Astronautics is operating from a telephone booth."

The newly appointed members of this committee are being referred to as "the higher-ups" by their colleagues. In one heated exchange in the cloakroom, involving a member of the select committee and one of his less privileged colleagues, the latter was heard to retort: "That may be all right for you fellows on the space committee, but it's too high up in the air for us ordinary workmen."

Just prior to the launching of our first American satellite your Representative received a letter from one of our good leather-goods manufacturers in our district generously offering to make available to our defense authorities a suitable dog collar for use on the first dog sent up into outer space by our missile and rocket experts. The offer has not yet been accepted.

Truly we are living in the Buck Rogers-Flash Gordon age and not only our youth wants to know but all America wants to know the answers.

An Editor and a Congressman Discuss the Length of the Term of a United States Representative

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Monday, April 28, 1958

Mr. PORTER. Mr. Speaker, there is considerable discussion these days concerning the length of the term of a

United States Representative. In light of this, and under the leave to extend my remarks in the RECORD, I include the following April 17, 1958, editorial which appeared in the Eugene (Oreg.) Register-Guard, an outstanding State daily, and my letter of April 29, 1958, written in reply:

MORE LEGISLATION, LESS FENCE MENDING

Fifteen months ago 435 United States Representatives were sworn in as Members of Congress. Last week, during the Easter recess, Congressman CHARLES O. PORTER, 1 of the 435, was touring this district, fence mending, sounding out his constituents and otherwise preparing for his reelection campaign. Other Members were touring other districts, but all with the same purpose in mind—campaigning. For no sooner does a Representative take office than his attention must be diverted from his legislative responsibilities to the first chore of the successful officeholder, getting elected.

The problem in the Senate is less acute. Senators, 96 of them, are elected for 6-year terms. A Senator, sworn in when Mr. PORTER was, need not run for reelection until 1962. Last year and this year and for the next couple of years he is free of the worry that he might be fired by the voters. He can, in theory at least, devote himself fully to legislative matters. For 4 years out of his 6 he can play the role of statesman, reverting to politician only in the months before election.

Would it not be better, some have asked, if the terms of Representatives were extended, perhaps to 4 years? Do not Members of the so-called lower House need opportunity for reflection, study and statesmanlike attitudes as much as Senators in the other wing of the Capitol? Several times it has been proposed that terms be so extended.

Such a change would require a constitutional amendment, for the Nation's basic law specifies the 2-year term. To understand why, we must understand the nature of the conglomeration of independent States that got together to form the new nation 170 years ago. States were equal in sovereignty. But some were more populous than others and demanded proportionately greater representation in the new parliament. A compromise was struck. The upper House was to represent the States, with each State having two Members, Senators. The lower House was to represent the people, with seats distributed according to population. The Members of the upper House were to be chosen by State legislatures, Members of the lower by popular vote. This was the lower House to be the people's House, responsible to the people and quickly responsive to popular will. The Senate, in the thinking of some of the Founding Fathers, was to be a brake that could prevent the popular will from being put into law too quickly. This pattern was followed by most States, including Oregon, in the establishment of two-house legislatures, an upper house with long-term members and a lower house that could be turned out every other year.

The Nation has come a long way since 1787. In theory we are still a federation of equal States. But the reality is not with us the way it was in our national infancy. Senators are no longer elected by legislatures. Suffrage has been extended far beyond that envisioned by the Founding Fathers. Both Houses now are people's Houses. Experience has shown that changes in sentiment, even in the lower House, are usually small with the balance of power rarely shifting heavily in only one election. So close is the usual division in the Senate that changes in the popular mood are reflected there as readily as they are in the House.

In the view of this newspaper the American people would be well advised to think about changing their basic law to provide longer terms for House Members. We'd get more service from them if we permitted them to tend to their knitting instead of to their fence mending. Yet the prospects for such a change are not bright, if only because the initiative must come from the Central Government and not by individual State action as was the case with direct election of Senators.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 29, 1958.

To the EDITOR, EUGENE REGISTER-GUARD,
Eugene, Oreg.

DEAR SIR: Naturally I was interested in your thoughtful editorial of April 17 entitled "More Legislating, Less Fence Mending." I do not deny for a minute that I was fence mending or campaigning while I toured the Fourth District during the Easter recess. However, I believe that I am a better legislator by reason of my getting around the district and as long as I have the honor to represent southwestern Oregon in Congress I intend to make myself available for consultation and questions throughout the district when Congress is not in session.

A 2-year term does keep a Congressman alert to the fact that he must win and hold votes if he is to be reelected. Doing your job as a United States Representative, both in the legislative and in the errand boy functions, is the best kind of campaigning an incumbent can do.

The real trouble with the 2-year term, in my view, is not that fence mending takes time from legislative responsibilities but that campaigning costs so much money.

The Federal Government is a huge organization with tentacles reaching out and grasping each individual many times. A citizen feels better about a situation if he knows he has a Congressman who will go to bat for him if he needs help. He also likes to feel that he can make his opinions and ideas known to his elected Representative. So these trips a Representative makes around his district, whether they be fence mending or campaigning, are also an essential part of a Congressman's duties in that they overcome in part the impersonality of our Federal Government and thereby make our Union the stronger.

I personally would like to have a 4-year term, not because I dislike getting around the fourth district, but because of the financial burdens of a campaign. You are right when you say that the prospects of extending the 2-year term are at this time remote. There has been considerable talk among my colleagues of providing an additional assistant for each Congressman. This would be a tremendous help in assisting us to serve our constituents both in connection with mail and direct legislative duties. However, this being an election year, the prospects for this are not bright.

Sincerely,

CHARLES O. PORTER,
Member of Congress.

SENATE

TUESDAY, APRIL 29, 1958

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, source of the light that never fails or fades, we would yield the flickering torch of our insufficiency to Thee. To Thy overshadowing presence we would lift up, in this hallowed moment, the thronging duties which haunt us day and night, the grievous problems affecting Thy children in all the world for which our human wisdom finds no answer.

Kindle on the altar of our hearts a flame of devotion to freedom's cause in all the world that shall consume in its white heat every less worthy passion. Strengthen our faith in each other. Heal the divisions which shorten the arm of our national might in this dread hour. Guard our lips from chilling criticism which may wound some comrade plodding bravely by our side. Bring our spirits into captivity to that which is high and holy and of good report. May we rejoice in honor untarnished and the "well done" of the Master, rather than the applause of men. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, April 28, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on April 24, 1958, the President had approved and signed the following acts:

S. 280. An act for the relief of Agapito Jorolan; and

S. 1841. An act to authorize the District of Columbia Board of Education to employ retired teachers as substitute teachers in the public schools of the District of Columbia.

REPORT OF NATIONAL CAPITAL HOUSING AUTHORITY—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States which, with the accompanying report, was referred to the Committee on the District of Columbia:

To the Congress of the United States:

In accordance with the provisions of section 5 (a) of Public Law 307, 73d Congress, approved June 12, 1934, I transmit herewith for the information of the Congress the report of the National Capital Housing Authority for the fiscal year ended June 30, 1957.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 29, 1958.*

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate a message from the Presi-

dent of the United States submitting the nomination of Robert T. Bartley, of Texas, to be a member of the Federal Communications Commission, which was referred to the Committee on Interstate and Foreign Commerce.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour, for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements made in that connection be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

OIL—A POWER FOR PEACE

Mr. JOHNSON of Texas. Mr. President, it is my opinion that no man is better informed about problems affecting the American oil industry and the world oil industry than Gen. Ernest O. Thompson, longtime member of the Texas Railroad Commission.

General Thompson has often appeared before Congressional committees to share his knowledge regarding these problems. He has on numerous occasions been of great assistance in connection with legislation affecting the oil industry.

Recently, in an address in Corpus Christi, Tex., before the governor's economic study committee on oil exports, General Thompson spoke thoughtfully of oil as a power for peace in the world. His address is one that deserves the attention of all Members of Congress.

I ask unanimous consent that the text of General Thompson's address and the accompanying tables he used be printed in the RECORD, as a part of my remarks.

There being no objection, the address and tables were ordered to be printed in the RECORD, as follows:

POWER FOR PEACE

(An address by Ernest O. Thompson before the governor's economic study committee on oil imports, Corpus Christi, Tex., Friday, April 25, 1958)

Never in our history as a nation has there been a time when the security and the peace of the world was more important than today.

The fast tempo of critical events in many parts of the world emphasizes the need of our being ever ready for defense of our democratic institutions.

It is of major importance to take notice that in many parts of the world it is oil that concerns so many nations at this time.

This is reasonable and easily understandable because oil is the power for peace or for war in the world today.

The Free World produces 15,325,700 barrels of oil daily while our contender for world leadership, Russia and her satellites, produce only 2,380,000 barrels of oil per day.

World crude oil production, January 1958

[Daily average in barrels]

Country or area:	
United States	6,865,000
Venezuela	2,492,000
Canada	482,000
Colombia	127,600
Mexico	253,600
Other Western Hemisphere	325,300
Europe	228,900
Africa	66,600
Kuwait	1,315,400
Iraq	618,100
Saudi Arabia	978,400
Iran	847,000
Other Middle East	275,100
Far East	450,700
Total Free World	15,325,700
Estimated Russia and satellites	2,380,000
World total	17,705,700

World crude oil production, January 1958—Continued

[Daily average in barrels]

The reserves of oil in known and developed fields lie very heavily in the Middle East where it is estimated there are already 140 billion barrels of oil uncovered. These vast reserves have been found with very little drilling as compared with the reserves of 35 billion barrels in the United States.

Happily, much of this Middle East oil is under long-term concessions by American and British companies. But the fact remains, they lie under the reach of the Russian Bear.

Admiral Hoover testified that they could not long be defended. At best, the only thing that could be done by us and our allies would be to deny the use of the oil to the enemy by neutralizing the fields, making them unproductive for a time. Of course, it is plain that should Russia take the Persian Gulf oil areas and find the wells put out of production, it would require only a short time to drill wells beside the old ones; and they would soon be back in the oil-producing business.

Our force in Saudi Arabia is a small one—too small to offer any resistance to a real attack in force. But, of course, should Russia once attack these forces, the fat is in the fire.

IMPORTS OF OIL

In 1933, the total oil and products imported into the United States was 124,400 barrels per day.

In 1957, these oil imports had grown to the enormous figure of 1,544,400 barrels daily—of this, 996,700 barrels were crude and 547,700 barrels were products.

In my considered opinion, these excessive oil and products imports into this country are largely the cause of the condition in the drilling industry where we have 585 fewer rigs running today than were drilling at work a year ago.

In 1957, the United States drilled 4,000 fewer wells than were drilled in 1956.

It takes exploration and drilling and development to keep up our oil reserves. Oil reserves in the United States in 1957 dropped 350 million barrels as against the reserves of 36,336,981,000 barrels reserves at hand in the United States on December 31, 1956. We must encourage domestic oil production for our ever-expanding economy and for our very freedom in case of war. We cannot depend upon foreign oil for our own home shores' defense.

Russia has 500 new submarines, and these modern subs would sink oil tankers and deny us the foreign imports.

Therefore, it behooves us to build up our reserves at home and build adequate inland pipelines from Texas and the other midcontinent oil-producing States to the west coast and to the east coast.

I have so testified and constantly urged the building of these 2 pipelines—1 to the west and 1 to the east coast—so that, come war, we will not again see our coastwise tankers sunk off the shore, ofttimes in sight of people on shore.

These moves are needed for national security. The steel mills have the idle capacity to make the pipe. The construction would help bring us out of the so-called recession. There was never a better time to make available this oil as a power for peace in the world. We have the oil to fill the lines and keep them full; and this domestic oil can displace foreign crude, give employment to thousands of people eager for work. It can be done cheaper now than later, and I can see no reason for delay.

Logistics is the science of getting the right goods to the right place in the proper quantities at the right time.

Come war, there will be no time for delay of petroleum and its products. Defense of our homeland is always our prime mission.

Let us make America secure in her oil supply from the well to the end of pipelines to both ocean coastlines.

Security begins at home. Oil is the power for peace in the United States of America, provided we plan now to get it where it is needed.

We cannot depend on oil from across the oceans to protect us in our freedom.

It was a great disappointment to me, as I am sure it was to all of you, that the President did not make oil import control mandatory.

We have tried the voluntary plan and find it to be too slow in getting results. I am well aware that we will engender some feeling in some importing countries but all will recognize that when national defense is under consideration the United States must look to her own resources particularly petroleum reserves upon which our very existence as a free nation depends so completely at this time.

Security begins at home.

UNITED STATES RESERVE OIL-PRODUCING CAPACITY

We are not running out of oil. This statement needs to be impressed upon our people because of the drop in reserves indicated by the figures released lately.

The drop in reserves was, in my considered opinion, due to the fact that the United States drilled 4,000 fewer wells here at home than were drilled the previous year. Huge inventories plagued us because we stepped up production for supply to Europe when Suez was closed. Then when Suez reopened, the United States was left with this oil they no longer would buy, preferring to take Middle East oil instead.

Had we drilled the additional 4,000 wells, I am confident our reserves would have been showing a net gain.

In the 10 years, 1945–55, the United States produced 20.8 billion barrels of oil, yet increased our reserves by 10 billion barrels during the period.

On October 3, 1957, the National Petroleum Council, through its committee chairman, Mr. L. F. McCollum, of the committee on availability, released the finding that the total producibility of crude oil in the United States at the most efficient rate of production without physical waste was 9,867,000 barrels per day and that this maximum efficient rate could be maintained.

The total oil production of the United States as of March 29, 1958, was 6,295,775 barrels per day. This means we now have 3,571,225 barrels per day reserve producing ability for any emergency.

What is needed now is ample big-inch pipelines to the west coast from west Texas and to the eastern refining centers from the gulf and midcontinent areas. As of January 1, 1958, United States oil reserves were 36 billion barrels. We are not running out of oil. We need outlets.

A thumbnail picture of the United States reserves report follows:

Reserves	Dec. 31, 1956	Dec. 31, 1957	Change, 1957 versus 1956	Production	1956	1957	Change, 1957 versus 1956
		Barrels of 42 gallons				*Barrels of 42 gallons*	
Crude oil	30, 434, 649, 000	30, 300, 405, 000	−134, 244, 000	Crude oil	2, 551, 857, 000	2, 559, 044, 000	+7, 187, 000
Natural gas liquids	5, 902, 332, 000	5, 687, 360, 000	−214, 972, 000	Natural gas liquids	346, 053, 000	352, 364, 000	+6, 311, 000
Total liquid hydrocarbons	36, 336, 981, 000	35, 987, 765, 000	−349, 216, 000	Total liquid hydrocarbons	2, 897, 910, 000	2, 911, 408, 000	+13, 498, 000
		Thousands of cubic feet				*Thousands of cubic feet*	
Natural gas	237, 774, 569, 000	246, 569, 255, 000	+8, 794, 686, 000	Natural gas	10, 907, 926, 000	11, 502, 359, 000	+594, 433, 000

Table showing growth of crude oil and product imports, natural gas liquids, and natural gas

[Shown in cubic feet and crude oil equivalent]

	Imports (thousands of barrels daily)			Natural gas (marketed product) (billion cubic feet)	Domestic crude oil production	Production natural gas liquids (thousands of barrels daily)	Natural gas as crude equivalent (thousands of barrels daily)		Imports (thousands of barrels daily)			Natural gas (marketed product) (billion cubic feet)	Domestic crude oil production	Production natural gas liquids (thousands of barrels daily)	Natural gas as crude equivalent (thousands of barrels daily)
	Crude	Products	Total						Crude	Products	Total				
1933	87.4	37.0	124.4	1,555		92.6	710	1946	235.8	141.4	377.2	4,031		317.1	1,841
1934	97.4	40.9	138.3	1,770		100.2	808	1947	267.2	169.5	436.7	4,582		362.1	2,092
1935	88.3	55.9	144.2	1,917		107.8	875	1948	352.7	161.4	514.1	5,148		400.8	2,344
1936	88.3	67.7	156.0	2,168		116.8	987	1949	421.1	224.3	645.3	5,420		430.4	2,475
1937	75.3	81.3	156.6	2,408		134.7	1,099	1950	486.9	363.1	850.0	6,282	5,407.0	498.6	2,868
1938	72.4	76.4	148.8	2,296		140.7	1,048	1951	490.6	353.8	844.4	7,457	6,158.1	561.0	3,405
1939	90.7	71.1	161.8	2,477		141.5	1,131	1952	572.6	379.6	952.2	8,013	6,256.4	610.6	3,649
1940	116.6	112.2	222.8	2,660		152.2	1,211	1953	647.8	386.4	1,034.2	8,397	6,457.8	653.6	3,834
1941	138.7	127.5	266.2	2,813		221.5	1,284	1954	656.1	395.8	1,051.9	8,743	6,342.4	690.8	3,992
1942	33.7	64.8	98.5	3,053		228.3	1,394	1955	782.0	466.1	1,248.1	9,405	6,806.7	770.8	4,294
1943	37.9	135.8	173.7	3,415		240.3	1,559	1956	934.0	492.4	1,426.4	10,082	7,151.0	785.9	4,591
1944	122.4	129.7	252.1	3,711		273.3	1,690	1957	996.7	547.7	1,544.4	[1] 10,639	7,175.0	805.6	[1] 4,858
1945	203.7	107.6	311.3	3,919		306.9	1,789								

[1] Preliminary Oil and Gas Journal estimate.

Imports: How the 8.9 percent imports cut will work

[Figures in thousand barrels daily]

Company	Present allocation	Cuts to be made by—					Company	Present allocation	Cuts to be made by—				
		Apr. 1, 1958 (−9.08 percent)	June 1, 1958 (−9.90 percent)	July 1, 1958 (−12.20 percent)	Aug. 1, 1958 (−13.73 percent)	Sept. 1, 1958 (−14.82 percent)			Apr. 1, 1958 (−9.08 percent)	June 1, 1958 (−9.90 prcent)	July 1, 1958 (−12.20 percent)	Aug. 1, 1958 (−13.73 percent)	Sept. 1, 1958 (−14.82 percent)
MAJOR IMPORTERS							SMALLER IMPORTERS—continued						
Atlantic	58.9	53.5	53.1	51.7	50.9	50.2	Lakehead Pipe Line	0.3	0.3	0.3	0.3	0.3	0.3
Gulf	111.6	101.3	100.6	98.0	96.3	95.1	Lake Superior Refining	5.0	4.5	4.5	4.4	4.3	4.3
Sinclair	62.2	56.5	56.1	54.6	53.7	53.0	Northwestern Oil	13.5	12.3	12.2	11.9	11.7	11.5
Socony	67.1	60.9	60.5	59.0	57.9	57.2	Phillips	12.0	10.9	10.8	10.6	10.4	10.2
Standard (Calif.)	66.8	60.7	60.2	58.7	57.7	56.9	Shell	7.5	6.8	6.8	6.6	6.5	6.4
Standard (N. J.)	72.0	65.4	64.9	63.2	62.1	61.4	Standard (Ind.)	29.8	27.1	26.9	26.2	25.7	25.4
Texaco	54.5	49.5	49.1	47.9	47.0	46.4	Standard (Ohio)	8.2	7.4	7.4	7.2	7.1	7.0
Subtotal	493.1	447.8	444.5	433.1	425.6	420.2	Sun	50.4	45.8	45.4	44.3	43.5	43.0
SMALLER IMPORTERS							Southwestern	2.9	2.6	2.6	2.6	2.5	2.5
Bay Refining	3.2	2.9	2.9	2.8	2.7	2.7	Texas Asphalt	2.3	2.1	2.1	2.0	2.0	2.0
Cities Service	32.6	29.6	29.4	28.7	28.1	27.8	Tidewater	34.2	31.1	30.8	30.0	29.5	29.2
Crown Central	5.0	4.5	4.5	4.4	4.3	4.3	Subtotal	289.7	263.2	261.5	254.9	250.3	247.3
Dow Chemical	.3	.3	.3	.3	.3	.3	Total, present importers	782.8	711.0	706.0	688.0	676.0	667.5
Eastern States	18.3	16.6	16.5	16.1	15.8	15.6	New importers		2.0	7.0	25.0	37.0	45.5
Gabriel Oil	7.5	6.8	6.8	6.6	6.5	6.4	Grand total	782.8	713.0	713.0	713.0	713.0	713.0
Great Northern	33.0	30.0	29.8	29.0	28.5	28.1	Net percent cut		8.9	8.9	8.9	8.9	8.9
Hess, Inc.	[1] 11.5	10.4	10.4	10.1	10.0	9.8							
International Refining	12.3	11.2	11.1	10.8	10.6	10.5							

[1] New allocation, but retroactive to July 1, 1957.

Source: Petroleum Week, Apr. 4, 1958.

The new importers

Company	Date of allocation	Quantity (in barrels daily)	Company	Date of allocation	Quantity (in barrels daily)	Company	Date of allocation	Quantity (in barrels daily)
Aurora	Sept. 1, 1958	3, 500	Ohio Oil	Aug. 12, 1958	3, 500	United Refining	July 1, 1958	3, 000
Clark Oil	Apr. 1, 1958	2, 000	Pure Oil	June 10, 1958	5, 000	Total		45, 500
Continental	Aug. 6, 1958	5, 000	Republic	July 1, 1958	4, 000			
Danaho Refining	July 24, 1958	500	Sunray	Sept. 1, 1958	5, 000			
Delta Refining	Aug. 3, 1958	3, 000	Tennessee Gas	June 16, 1958	3, 500			
Ingram	July 15, 1958	3, 500	Texas City	July 1, 1958	4, 000			

Source: Petroleum Week, Apr. 4, 1958.

TABLE 4.—*Estimated proved reserves of liquid hydrocarbons in the United States*

[Barrels of 42 U. S. gallons]

	Proved reserves as of Dec. 31, 1956 (1)	Changes in proved reserves due to extensions (new oil) and revisions during 1957 (2)	Proved reserves discovered in new fields and in new pools in old fields in 1957 [1] (3)	Production during 1957 [2] (4)	Proved reserves as of Dec. 31, 1957 (cols (1)+(2)+(3) less col. (4)) (5)	Changes in reserves during 1957 (col. 5 less col. (1)) (6)
Alabama [3]	37,537,000	3,301,000		6,429,000	34,409,000	−3,128,000
Arkansas	360,193,000	12,092,000	2,360,000	32,546,000	342,099,000	−18,094,000
California [4]	4,083,085,000	335,497,000	15,645,000	368,744,000	4,065,483,000	−17,602,000
Colorado	375,295,000	−1,404,000	2,725,000	55,712,000	320,904,000	−54,391,000
Illinois	716,772,000	20,510,000	7,172,000	77,915,000	666,539,000	−50,233,000
Indiana	67,861,000	10,582,000	246,000	11,839,000	66,850,000	−1,011,000
Kansas	1,163,826,000	87,097,000	15,845,000	130,129,000	1,136,639,000	−27,187,000
Kentucky	155,693,000	4,636,000	2,679,000	19,261,000	143,747,000	−11,946,000
Louisiana [4]	4,690,361,000	365,780,000	166,154,000	345,528,000	4,876,767,000	186,406,000
Michigan	56,380,000	2,519,000	2,201,000	10,371,000	50,729,000	−5,651,000
Mississippi	424,208,000	19,606,000	10,095,000	39,958,000	413,951,000	−10,257,000
Montana	339,559,000	14,615,000	940,000	27,318,000	327,796,000	−11,763,000
Nebraska	69,365,000	13,185,000	8,116,000	20,472,000	70,194,000	829,000
New Mexico	1,249,536,000	−5,578,000	16,093,000	107,759,000	1,152,292,000	−97,244,000
New York [3]	40,196,000			2,663,000	37,533,000	−2,663,000
North Dakota	214,834,000	19,083,000	61,340,000	14,336,000	280,921,000	66,087,000
Ohio	65,244,000	10,272,000	16,000	5,572,000	69,960,000	4,716,000
Oklahoma	2,365,386,000	132,515,000	31,807,000	245,544,000	2,284,164,000	−81,222,000
Pennsylvania	137,867,000	261,000	131,000	8,309,000	129,950,000	−7,917,000
Texas [4]	18,163,028,000	751,474,000	168,496,000	1,256,241,000	17,826,757,000	−336,271,000
Utah	61,530,000	61,572,000	21,635,000	4,612,000	140,125,000	78,595,000
West Virginia	77,962,000	4,337,000	266,000	7,108,000	75,457,000	−2,505,000
Wyoming	1,417,038,000	155,538,000	10,693,000	112,386,000	1,470,883,000	53,845,000
Miscellaneous [5]	4,225,000	−3,000	50,000	656,000	3,616,000	−609,000
Total United States	36,336,961,000	2,017,487,000	544,705,000	2,911,408,000	35,987,765,000	−349,216,000

[1] Only a limited area is assigned to each new discovery, even though the committee may believe that eventually a much larger area will produce; for, in this report, the concern is only with actually proved reserves.

[2] See under heading "Imports of Oil."

[3] Crude oil only.

[4] Includes offshore reserves.

[5] Includes Alabama natural gas liquids; Arizona, Missouri, Nevada, South Dakota, Tennessee, Virginia, and Washington crude; and Florida crude and natural gas liquids.

TABLE 5–A.—*Summary of proved reserves as reported prior to 1946*

[Barrels of 42 United States gallons]

	Through revisions of previous estimates and extensions to known fields (1)	Through discoveries of new fields and of new pools in old fields (2)	Total through new discoveries, extensions, and revisions (cols. (1)+(2)) (3)	Production during year [1] (4)	Estimated proved reserves as of end of year (col. (3)−(4)) (5)	Increase over previous year (6)
1936					13,063,400,000	
1937	2,792,790,000	928,742,000	3,721,532,000	1,277,664,000	15,507,268,000	2,443,868,000
1938	2,243,571,000	810,493,000	3,054,064,000	1,213,186,000	17,348,146,000	1,840,878,000
1939	2,058,455,000	340,667,000	2,399,122,000	1,264,256,000	18,483,012,000	1,134,866,000
1940	1,607,012,000	286,338,000	1,893,350,000	1,351,847,000	19,024,515,000	541,503,000
1941	1,538,989,000	429,974,000	1,968,963,000	1,404,182,000	19,589,296,000	564,781,000
1942	1,618,925,000	260,051,000	1,878,976,000	1,385,479,000	20,082,793,000	493,497,000
1943	1,202,368,000	282,418,000	1,484,786,000	1,503,427,000	20,064,152,000	−18,641,000
1944	1,556,192,000	511,308,000	2,067,500,000	1,678,421,000	20,453,231,000	389,079,000
1945	1,690,315,000	419,984,000	2,110,299,000	1,736,717,000	20,826,813,000	373,582,000
Dec. 31, 1945, estimated proved reserves of crude oil only (see note below)					19,941,846,000	

[1] See under heading "Imports of Oil."

NOTE.—Up to and including its figures on proved reserves of petroleum, as of Dec. 31, 1945, the committee combined under that heading the estimated proved reserves of cycle-plant and lease condensate. As of Dec. 31, 1945, the reserves so included totaled 884,967,000 barrels and as of Dec. 31, 1944, there were 668,701,000 barrels included. Beginning with the report of Dec. 31, 1946, the figures in this table show crude oil and natural gas liquids. It is to be remembered that, previous to Dec. 31, 1946, not all classes of natural gas liquids were included. For this reason the totals for crude oil and natural gas liquids, as herewith recorded for 1946, 1947, and 1948, are not comparable with the figures recorded for years prior to 1946.

TABLE 5–B.—*Summary of proved reserves as reported for 1946 and thereafter* [1]

[Barrels of 42 United States gallons]

	New oil added during year					
	Through revisions of previous estimates and extensions to known fields (1)	Through discoveries of new fields and of new pools in old fields (2)	Total through new discoveries, extensions, and revisions (cols. (1)+(2)) (3)	Production during year [2] (4)	Estimated proved reserves as of end of year (col. (3)−(4)) (5)	Increase over previous year (6)
Crude oil only:						
1946	2,413,628,000	244,434,000	2,658,062,000	1,726,348,000	20,873,560,000	931,714,000
1947	2,019,140,000	445,430,000	2,464,570,000	1,850,445,000	21,487,685,000	614,125,000
1948	3,308,726,000	396,481,000	3,705,207,000	2,002,448,000	23,280,444,000	1,792,759,000
1949	2,297,428,000	890,417,000	3,187,845,000	1,818,800,000	24,649,489,000	1,369,045,000
1950	1,997,769,000	564,916,000	2,562,685,000	1,943,776,000	25,268,398,000	618,909,000
1951	4,024,698,000	389,236,000	4,413,934,000	2,214,321,000	27,468,031,000	2,199,633,000
1952	2,252,860,000	496,428,000	2,749,288,000	2,256,765,000	27,960,554,000	492,523,000
1953	2,704,450,000	591,680,000	3,296,130,000	2,311,856,000	28,944,828,000	984,274,000
1954	2,287,231,000	585,806,000	2,873,037,000	2,257,119,000	29,560,746,000	615,918,000
1955	2,393,767,000	476,957,000	2,870,724,000	2,419,300,000	30,012,170,000	451,424,000
1956	2,507,114,000	467,222,000	2,974,336,000	2,551,857,000	30,434,649,000	422,479,000
1957	2,008,603,000	416,197,000	2,424,800,000	2,559,044,000	30,300,405,000	−134,244,000

[1] See note bottom of table 5–A.

[2] See under heading "Imports of Oil."

TABLE 5–B.—*Summary of proved reserves as reported for 1946 and thereafter*—Continued

[Barrels of 42 United States gallons]

	New oil added during year					
	Through revisions of previous estimates and extensions to known fields (1)	Through discoveries of new fields and of new pools in old fields (2)	Total through new discoveries, extensions, and revisions (cols. (1)+(2)) (3)	Production during year (4)	Estimated proved reserves as of end of year (col. (3)−(4)) (5)	Increase over previous year (6)
Natural gas liquids only:						
1946	(1)	(1)	(1)	(1)	3, 163, 219, 000	
1947	192, 237, 000	59, 301, 000	251, 538, 000	160, 782, 000	3, 253, 975, 000	90, 756, 000
1948	405, 874, 000	64, 683, 000	470, 557, 000	183, 749, 000	3, 540, 783, 000	286, 808, 000
1949	294, 211, 000	92, 565, 000	386, 776, 000	198, 547, 000	3, 729, 012, 000	188, 229, 000
1950	707, 879, 000	58, 183, 000	766, 062, 000	227, 411, 000	4, 267, 663, 000	538, 651, 000
1951	648, 497, 000	75, 494, 000	723, 991, 000	267, 052, 000	4, 724, 602, 000	456, 939, 000
1952	475, 170, 000	81, 668, 000	556, 838, 000	284, 789, 000	4, 996, 651, 000	272, 049, 000
1953	648, 047, 000	95, 922, 000	743, 969, 000	302, 698, 000	5, 437, 922, 000	441, 271, 000
1954	20, 830, 000	86, 520, 000	107, 350, 000	300, 815, 000	5, 244, 457, 000	−193, 465, 000
1955	447, 160, 000	67, 348, 000	514, 508, 000	320, 400, 000	5, 438, 565, 000	194, 108, 000
1956	715, 764, 000	94, 056, 000	809, 820, 000	346, 053, 000	5, 902, 332, 000	463, 767, 000
1957	8, 884, 000	128, 508, 000	137, 392, 000	352, 304, 000	5, 687, 360, 000	−214, 972, 000
Total liquid hydrocarbons:						
1946	(1)	(1)	(1)	(1)	24, 036, 779, 000	
1947	2, 211, 377, 000	504, 731, 000	2, 716, 108, 000	2, 011, 227, 000	24, 741, 660, 000	704, 881, 000
1948	3, 804, 600, 000	461, 164, 000	4, 265, 764, 000	2, 186, 197, 000	26, 821, 227, 000	2, 079, 567, 000
1949	2, 591, 639, 000	982, 982, 000	3, 574, 621, 000	2, 017, 347, 000	28, 378, 501, 000	1, 557, 274, 000
1950	2, 705, 648, 000	623, 099, 000	3, 328, 747, 000	2, 171, 187, 000	29, 536, 061, 000	1, 157, 560, 000
1951	4, 673, 195, 000	464, 750, 000	5, 137, 945, 000	2, 481, 373, 000	32, 192, 633, 000	2, 656, 572, 000
1952	2, 728, 030, 000	578, 096, 000	3, 306, 126, 000	2, 541, 554, 000	32, 957, 205, 000	764, 572, 000
1953	3, 352, 497, 000	687, 602, 000	4, 040, 099, 000	2, 614, 554, 000	34, 382, 750, 000	1, 425, 545, 000
1954	2, 308, 061, 000	672, 326, 000	2, 980, 387, 000	2, 557, 934, 000	34, 805, 203, 000	422, 453, 000
1955	2, 840, 927, 000	544, 305, 000	3, 385, 232, 000	2, 739, 700, 000	35, 450, 735, 000	645, 532, 000
1956	3, 222, 878, 000	561, 278, 000	3, 784, 156, 000	2, 897, 910, 000	36, 336, 981, 000	886, 246, 000
1957	2, 017, 487, 000	544, 705, 000	2, 562, 192, 000	2, 911, 408, 000	35, 987, 765, 000	−349, 216, 000

[1] This detail not available for 1946.

PUBLIC WORKS PROGRAM AND REPEAL OF THE EXCISE TAX

Mr. JOHNSON of Texas. Mr. President, the Senate has acted with due consideration of its constitutional role in the face of this recession. It has sought to pass bills which would create jobs in many fields, particularly in the field of needed public improvements and has stressed better roads, better houses, better schools, and better public works. Some of the measures have been vetoed; some have been signed reluctantly. All of them have met with the reaction that public works will take some time to have an effect upon the economy.

Mr. President, I know of no Member of this body who does not agree that public works and needed public improvements takes some time to get under way. We also believe that it is going to take forever if, instead of being administered, they are subjected only to argument about how long they are going to take.

In addition, we agree that the first essential to restoring prosperity is confidence in the Nation and in its economic system.

Mr. President, confidence is not bred solely by confident predictions. Confidence grows out of confident action.

Mr. President, I do not believe the Congress can stand idly by while men and women who need work and who want to work cannot find work. If public works are not going to be administered enthusiastically and with a proper sense of urgency, then I frankly say, Mr. President, that in this hour, when we have almost one million automobiles that cannot be sold; when the automobile dealer and the automobile purchaser are crushed with the burden of a heavy excise tax; when our great transportation media are slowed to a halt, so far as profit is concerned, and are suffering heavy losses because of the excise-tax burden they must bear; when our economy is receding; and when even the economists who 3 or 4 months ago advised against a tax cut of any kind, are now flipflopping and changing their opinion, then I say, Mr. President, that if we cannot provide assistance through the medium of the public works that the Congress has authorized by measures which it has passed by overwhelming nonpartisan votes, other steps must promptly be taken.

I would remind the Senate and the rest of the country that the closest vote, I believe, taken in the Senate on any public-works measure was 5 to 1. The rivers and harbors bill was passed by the Senate by a vote of, I believe, 52 to 10 or 11. The roads bill was passed by a vote of, I believe, 84 to 4.

Mr. GORE. The vote was 86 to 4.

Mr. JOHNSON of Texas. I stand corrected; 86 to 4. I am glad to be corrected by the Senator from Tennessee, the author of that very fine piece of legislation.

The housing bill was passed by a vote of 86 to 0.

So, Mr. President, if any panic was involved in the votes which were cast on the bills dealing with those programs, it was panic on both sides of the aisle, because the patriotic Members of this body voted almost unanimously for them.

But, Mr. President, if those measures do not do the job, we shall have to turn to other measures, because it would cost us a great deal more to get out of a depression than to save ourselves from one.

I know that the Members of the Senate should not trespass upon the prerogatives of the House of Representatives, and also should not make predictions about what measures the House will pass. I know that all of us recognize that the House of Representatives has a special responsibility in this field, and we are confident that the House will act at the proper moment.

But I am merely reflecting one viewpoint, as I see it, and that is what I wish to leave with the Senate—namely, that if the solutions we have provided for, by passing measures to expedite and speed up our military and public-works construction, rivers and harbors improvements, construction of houses, construction of schools, and construction of roads, do not get the job done, then there is nothing left for us to do but pass legislation that will get it done. I think the time is rapidly approaching when not only the House of Representatives but the Senate will have to take the responsibility for making a decision that will bring the much needed results.

AMERICA'S FOURTH CELEBRATION OF INVEST-IN-AMERICA WEEK

Mr. WILEY. Mr. President, I have listened with interest to the advice just given to us by the distinguished majority leader. I wish to call attention to the fact that in a committee hearing this morning it developed that there are two second-hand automobiles sold for every new automobile that is sold. In 1955 more than 21 million automobiles were sold in the United States. In 1956 the number was reduced to probably 18 million, and last year likewise reduced.

Similarly, last year, Mr. President, 18 million pounds of milk were produced in Wisconsin, but not all of that milk was consumed. We had overproduction and inadequate distribution.

The problem facing us requires that we analyze the facts and find the remedy. If one-third of steel production is used for the manufacture of automobiles, and if automobiles are overproduced and

cannot be sold, steel production will be reduced, unless other uses can be found.

Mr. President, all of us are aware that during the year there are a great many commemorative weeks and days. Some are of great significance; some are of less importance.

Beginning last Sunday, April 27, we, as a Nation, have been observing a significant weeklong occasion; it is the fourth annual National Invest-In-America Week.

I am glad the majority leader suggested we invest in confidence, that we jack up our confidence with deeds, not with words.

The purpose of this week is to remind every American that it takes sound investments to keep our country strong. Investments—where, how? Investments in jobs, in savings, homes, insurance, and sound securities. Money at work means men at work.

Naturally, the theme of Invest-In-America is particularly appropriate at the present time in our country. Why? Because we need to revitalize ourselves with confidence; we need to roll up our sleeves and go to work.

But that does not mean we should go off the deep end, where we will not get results, or we will have applied a remedy that is not a remedy at all.

In other words, rather than pessimism, rathen than do-nothingism, it is up to us to meet our current problems with the traditional initiative and resourcefulness which we have always displayed.

I desire to say again, as I have said before on the floor of the Senate, we cannot always pass the buck to Washington. We have found in the past that does not do. In the thirties we tried to pass the buck, and we did not cure our economic troubles. We had to get into a war before we found a solution. We do not want a war this time. What we want is a commonsense remedy applied to the conditions as they exist—to the patient as he is.

I am sure, Mr. President, when we analyze the situation and diagnose the illness of the patient, we shall find what the disease is. In many cases it is, as I have said, overproduction of commodities which cannot be sold or disposed of.

When I say "we," I mean every single American. I mean every one of our 49 million families. I mean every holder of an insurance policy, every one of the approximately 9 million owners of securities in publicly owned corporations, every homeowner, everyone with a deposit in a bank or in any other savings institution, everyone who is a partner or an owner of a small business.

This is people's capitalism, but people's capitalism takes money—the money of tens of millions of citizens.

The National Industrial Conference Board, in the most recent statistics compiled, indicate that an average of $17,000 per job is invested for employed Americans.

In some industries, where there is no alternative but to have a heavy capital investment in machinery and plant, the cost per worker is even higher.

The source of the $17,000 or more, must be the mass of the American people themselves, for it is they who represent the largest pool of capital available.

So, I want to commend the national sponsors of Invest-in-America Week, along with all the many local groups throughout our land.

I should like to point out that each year the Invest-in-America concept has grown. It is nationally recognized and nationally observed. It is advertised on radio and television, in the newspapers, and in industrial publications. It is included in the radio-TV bulletin of the advertising council.

In calling attention to this occasion, I feel it is one important way by which I, for one, can help keep America strong by keeping our economy growing.

I was pleased to act in a similar fashion last year when I called attention to the third annual observance, as recorded in the CONGRESSIONAL RECORD, volume 103, part 3, pages 3668–3671.

I send to the desk several items which will illustrate the significance and background of Invest-in-America.

The first is a leaflet, which is a part of the fine kit sent to investment groups throughout our country. The leaflet is entitled "Why Should I Be Interested in Invest-in-America?"

The second is an article from last Sunday's issue of the Milwaukee Journal. It describes the fine program of Invest-in-America Week throughout my own State of Wisconsin. It points out, for example, to cite but one instance of investment, that last year the residents of my State invested no less than $21 million in shares of investment companies—and this is only one phase of Wisconsinites' investments.

Thirdly, as an indication of the high caliber of the men and women associated with this national project, I include a list of the 1958 officers and directors of Invest-in-America Week, nationally, as well as a list of the able individuals here on the local scene who are carrying out the grassroots effort.

I ask unanimous consent that all of these items be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WHY SHOULD I BE INTERESTED IN INVEST-IN-AMERICA?

If you're a wage earner, capital investment is as necessary to your job as is the food that nourishes your body. Dollars saved and invested build plants, stores and offices, create more and better jobs and bigger payrolls, and make your own job more secure.

If you're a woman, women own over one-half of the capital of America and have the responsibility to see that it is used wisely. Your invested savings exercise a key role in keeping our economy strong and healthy.

If you're a teacher you have the opportunity to teach youth the basic facts of our business system—that competitive enterprise is the only proved system in the world that constantly creates more jobs and provides more of the good things of life—that savings and investment are the key which will unlock the jobs of the future.

If you're in industry you know that an average investment of $17,000 is required to supply the tools necessary to create a single job, and $17 billion of new capital must be found for jobs for the million persons who join our work force every year. In bringing home this fact to more people, the Invest-in-America program helps to stimulate the flow of capital needed to provide these jobs.

If you're a farmer you understand the capital need for land and machinery to produce more food for our fast-growing population and raw materials for new and expanding industry.

If you're a small-business man you are aware of the necessity for capital in starting a new business, expanding an established one, developing new products and services. You encourage savings and create capital, and you employ more people as savings permit growth.

If you're a student, in America you have the right to get a free public education and the opportunity for unlimited study. Only through the American enterprise system do you get both education and limitless opportunities for employment.

If you're in the financial community you recognize that "finance is the lifestream of comeptitive enterprise" and that widening acceptance of this axiom increases the flow of venture capital and strengthens our economy.

If you're in public relations you use channels capable of reaching millions with the Invest-in-America message about competitive enterprise and individual freedom and opportunity. What better way to use your mediums than to promote the Invest-in-America plan—safeguarding and promoting America's future.

[From the Milwaukee Journal of April 27, 1958]

GROUP CALLS ATTENTION HERE TO IMPORTANCE OF INVESTMENT—EXHIBITS AND POSTERS PLACED TO PUBLICIZE INVEST-IN-AMERICA WEEK

Just about everyone in Milwaukee—or in Wisconsin or the entire United States for that matter—has a personal interest in a "week" being observed this week. This is Invest-in-America Week, a promotion supported by financial institutions and industry. The theme is: "Money at work means people at work." A committee headed by Roth S. Schleck, an assistant vice president of the First Wisconsin National bank, developed the attention to be given the week in Milwaukee.

This attention primarily consists of posters and displays. Lobby exhibits can be seen at the Marshall & Ilsley, Marine National Exchange, and First Wisconsin Second Ward office banks. The committee is sponsor of an exhibit in one of the windows at General Mitchell field.

FAR-REACHING MEANING

Schleck will appear on local television programs to plug the observance, and the illuminated sign on the city hall will be given over to a message on Wednesday. Manufacturing firms are displaying posters on bulletin boards and, where possible, devoting space in their house organs.

While "investment" more commonly connotes buying of stocks and bonds, its meaning actually is far reaching, the national chairman for the observance points out. Walker L. Cisler, president of Detroit Edison Co., said in a statement:

"This year, more than ever before since the week was first observed (in 1949), our country has a real stake in every dollar invested by every individual in a bank account, an insurance policy, a home, a bond, a share of stock, or in an annuity or retirement fund.

"This is the money which helps provide the capital with which we can expand our industries and create new jobs and higher living standards for all of our people."

TWENTY-ONE MILLION DOLLARS IN MUTUAL FUNDS

Figures illustrate just how huge such investments can become in even one community or State.

For instance, the stock of 35 large and small Milwaukee companies which have public ownership is owned by tens of thousands of persons across the country. These 35 have 33,479,059 shares of common stock outstanding, representing at current market value nearly $9 billion. Allis-Chalmers, the State's largest manufacturing company, alone has 8,141,435 outstanding shares, spread among more than 56,000 share owners and representing a market value of more than $195 million.

Residents of Wisconsin last year invested more than $21 million in shares of investment companies (mutual funds).

The Milwaukee Co., an investment firm, in a recent survey found that 37 corporations with headquarters or principal plants here had 15,556 stockholders in Milwaukee, and that 66 Wisconsin corporations had 115,814 Wisconsin stockholders.

MILLIONS ARE CAPITALISTS

Thousands of Milwaukeeans have bank savings accounts. As of March 26, according to the Chicago Federal Reserve Bank, time (savings) deposits in Milwaukee member banks totaled $323 million.

Thousands also own insurance policies, either individually or through group plans at their place of employment.

The National Invest in America Committee, describing Americans as "capitalists," notes that 25 million own their homes, more than 100 million hold insurance policies, more than 21 million have savings accounts, and nearly 9 million are shareholders in industry and business.

In industry, the committee points out, an average investment of $17,000 is required to supply the tools necessary to create a single job, and $17 billion of new capital must be found for jobs for the million persons who join the work force every year.

The National Invest-in-America Committee, Inc., 11th floor, Chamber of Commerce Building, 121 South Broad Street, Philadelphia, Pa., Pennypacker 5-9320:

OFFICERS

Chairman, National Invest-in-America Week, April 28–May 4, 1957, T. S. Petersen, San Francisco, Calif.

Chairman of the board, Frederic A. Potts, Philadelphia, Pa.

Vice chairman, J. Earle Jardine, Jr., Los Angeles, Calif.

Chairman, executive committee, Walter A. Schmidt, Philadelphia, Pa.

Secretary, Rudolf F. Vogeler, Philadelphia, Pa.

Treasurer, Alexander Biddle, Philadelphia, Pa.

Counsel, Samuel R. Rosenbaum, Philadelphia, Pa.

Executive secretary, Kathryn M. Duffy.

DIRECTORS

James B. Black, San Francisco, Calif.

John F. Bunn, Jr., Philadelphia, Pa.

J. Whitney Bunting, New York, N. Y., chairman, eastern division, Invest-in-America Committee.

Daniel J. Cullen, San Francisco, Calif., chairman, western division, Invest-in-America Committee.

Robert A. Dowling, New York, N. Y.

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Lee S. Harris, Jr., Philadelphia, Pa.

Dr. Louis P. Hoyer, Philadelphia, Pa.

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Ruddick C. Lawrence, New York, N. Y.

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Eliot H. Sharp, New York, N. Y.

C. A. Sienkiewicz, Philadelphia, Pa.

Edward Starr, Jr., Philadelphia, Pa.

Reese H. Taylor, Los Angeles, Calif.

Franklyn Waltman, Philadelphia, Pa.

T. Johnson Ward, Philadelphia, Pa.

Phelps Witter, Los Angeles, Calif.

Invest-in-America Week, promote the American free-enterprise system by investing in jobs, savings, homes, and insurance and securities, 1616 K Street NW., Washington, D. C., Sterling 3-3535:

Chairman, Barnum L. Colton, president, National Bank of Washington.

Vice chairman, Richard L. Johnson, Merrill, Lynch, Pierce, Fenner & Smith.

W. Jeffries Chewning, Jr., chairman, American ideals committee, Washington Board of Trade.

Treasurer, W. S. Martindill, vice president and secretary, Perpetual Building Association.

COMMITTEE

E. C. Baltz, president, Perpetual Building Association.

Daniel W. Bell, president and chairman of the board, American Security & Trust Co.

Hulbert T. Bisselle, president, Riggs National Bank.

Everett J. Boothby, president and chairman of the board, Washington Gas Light Co.

Joseph P. Burke, Jr., president, District of Columbia Savings & Loan League.

Morris Cafritz, president, Cafritz Construction Co.

Howard C. Drake, president, Washington Board of Trade.

R. Roy Dunn, president, Potomac Electric Co.

Philip L. Graham, publisher, the Washington Post and Times Herald.

Harvey B. Gram, Jr., chairman, Washington branch, Philadelphia-Baltimore Stock Exchange.

Frank A. Gunther, president, District of Columbia Bankers Association.

Howard W. Kacy, president, Acacia Mutual Life Insurance Co.

Francis J. Kane, president, Merchants & Manufacturers Association.

Edward J. Kyle, president, Washington Real Estate Board, Inc.

Benjamin M. McKelway, editor, the Evening Star.

Matt Meyer, business manager, the Washington Daily News.

Dr. Arch C. Scurlock, president, Greater Washington Industrial Council.

Robert B. Swope, president, Southern Oxygen Co.

Philip M. Talbott, president, Chamber of Commerce of the United States of America.

Walter N. Tobriner, president, District of Columbia Board of Education.

Richard C. Vierbuchen, president, Junior Chamber of Commerce of Washington, D. C.

H. Holmes Vogel, vice president and general manager, Chesapeake & Potomac Telephone Co.

Millard F. West, Jr., chairman, education committee, southeastern group, Investment Bankers Association.

REPORT ON CONTRACTS NEGOTIATED FOR RESEARCH AND DEVELOPMENT PURPOSES

The PRESIDENT pro tempore laid before the Senate a letter from the Administrator, General Services Administration, Washington, D. C., transmitting, pursuant to law, a report on contracts negotiated for research and development purposes, for the period July 1 through December 31, 1957, which, with the accompanying report, was referred to the Committee on Government Operations.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

The petition of Carolyn Jones, of Chicago, Ill., favoring the enactment of the bill providing for mutual security; to the Committee on Foreign Relations.

RESOLUTIONS OF GENERAL COURT OF COMMONWEALTH OF MASSACHUSETTS

Mr. SALTONSTALL. Mr. President, on behalf of my colleague, the junior Senator from Massachusetts [Mr. KENNEDY], and myself, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Legislature of the Commonwealth of Massachusetts, memorializing Congress to enact legislation changing the method of computing the base pay in the Armed Forces of the United States.

There being no objection, the resolution was referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

Resolutions memorializing Congress to enact legislation changing the method of computing the basic pay for members of the Armed Forces of the United States

Whereas there is now pending before the Congress of the United States legislation, including S. 3081 and H. R. 9979 which would change the method of computing the basic pay for members of the Armed Forces in accordance with the recommendations of a special committee headed by Ralph J. Cordiner, president of General Electric Co.; and

Whereas the military forces need a means for attracting and retaining skilled personnel in order to maintain a deterrent power for peace during these times of advancing technology and threat of aggression; and

Whereas the Armed Forces do not have the means to compete for trained personnel urgently needed for the defense of this country, and a significant factor in their inability to do so is the inadequacy of the present compensation structure; and

Whereas the proposed changes in military pay are based on merit rather than longevity, will bring military pay more in line with the pay standards of industry and will offer greater reenlistment incentive for highly trained personnel; and

Whereas the program of the Cordiner Committee, while making possible at least a 15-percent improvement in the combat capability of the United States Armed Forces, would by the year 1962, or sooner, result in savings and gains up to $5 billion a year in the cost of national defense; Now, therefore, be it

Resolved, That the General Court of Massachusetts respectfully urges the Congress of the United States to enact legislation to revise the existing pay structure in the Armed Forces; and be it further

Resolved, That the secretary of the Commonwealth transmit forthwith copies of these resolutions to the President of the United States, to the presiding officer of each branch of the Congress, and to each member thereof from this Commonwealth.

Senate, adopted April 15, 1958.

IRVING N. HAYDEN,
Clerk.

House of representatives, adopted in concurrence, April 21, 1958.

LAWRENCE R. GROVES,
Clerk.

A true copy. Attest:

FRANCIS X. AHEARN,
Deputy Secretary of the Commonwealth.

CONCURRENT RESOLUTION OF NEW YORK LEGISLATURE

Mr. JAVITS. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD a memorial of the New York State Assembly; the memorial deals with the continuation in operation, during the entire year, of Camp Drum.

There being no objection, the concurrent resolution was referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

Resolution 215

Concurrent resolution memorializing Congress relative to the stationing of troops at the United States Army installation known as Camp Drum, in Jefferson County in New York State

Whereas in recent years the facilities of the United States Army installation known as Camp Drum in Jefferson County in New York State have been utilized only during certain months of each year; and

Whereas the commanding general of the First Army and the commanding general of the Continental Army of the United States have recommended that training troops should be stationed at Camp Drum during the entire year; and

Whereas the above-mentioned commanding generals as well as many other Army officers who are familiar with the situation have stated that the above stationing of troops at Camp Drum would not only be beneficial to the morale of the officers and troops who are trained there but would also improve their training and efficiency; and

Whereas the carrying out of such recommendation would eliminate much shifting and transportation of troops and would not involve any increased expenditure of funds: Now, therefore, be it

Resolved (if the Senate concur), That the Congress of the United States be and it hereby is respectfully memorialized to take such action as may be necessary to provide that the above-mentioned Camp Drum shall be utilized and kept in operation during the entire year; and be it further

Resolved (if the Senate concur), That copies of this resolution be transmitted to the President of the United States, the Secretary of the Senate, the Clerk of the House of Representatives and the Secretary of the Army and to each Member of Congress duly elected from the State of New York and that the latter be urged to exert every effort toward accomplishment of the purpose of this resolution.

By order of the assembly.

HUSLEY B. BWKOUSKI,
Clerk.

In senate, March 26, 1958.
Concurred in without amendment.
By order of the senate.

WILLIAM S. KING,
Secretary.

IMMIGRATION AND NATURALIZATION LAWS—RESOLUTION

Mr. HUMPHREY. Mr. President, the second annual AFL–CIO institute on human relations sponsored by the St. Paul Trades and Labor Assembly in cooperation with the Minnesota Labor Committee of the Jewish Labor Committee met on Saturday, March 29, in St. Paul, Minn.

I ask unanimous consent that the resolution on immigration and naturalization laws adopted at that conference be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

RESOLUTION ON IMMIGRATION ADOPTED AT THE SECOND ANNUAL LABOR INSTITUTE ON HUMAN RELATIONS, ST. PAUL, MINN., MARCH 29, 1958

Adopted by the St. Paul Labor Institute on Human Relations, Saturday, March 29, 1958, at the Como Park Junior High School.

Whereas issues of immigration policy have always been of direct concern to the American Federation of Labor–Congress of Industrial Organizations; and

Whereas the McCarran-Walter omnibus immigration law embodies many discriminatory provisions and flagrantly violates the most elementary principles of justice, fairness, and democratic procedure which causes immeasurable harm both at home and abroad; and

Whereas some of these discriminatory provisions are as follows:

1. The national origin quota system which embodies racial prejudice against persons from eastern and southeastern Europe, Asia, and other areas of the world;

2. Discrimination between native-born and naturalized citizens;

3. Treatment of immigrants as potential subversives through severe deportation laws that include retroactive features providing for deportation for acts not unlawful when committed, together with a total lack of any statute of limitations, thus making every alien perpetually insecure.

We, therefore, assembled on this 29th day of March 1958, in a St. Paul labor institute, resolve as follows:

1. That every effort should be made by the American Federation of Labor–Congress of Industrial Organizations and its national legislative committee to secure a modification of the McCarran-Walter omnibus immigration law to bring it into conformity with the American standards of fairness and humanitarian justice.

2. That such modification at the same time should safeguard our country's national interests as well as the welfare and standards of American wage earners, with due regard to America's responsibilities as the leader of the Free World and in conformity with the general policies and objectives of the American Federation of Labor–Congress of Industrial Organizations.

3. That particularly the Immigration and Naturalization Act be revised in the following aspects:

(a) The national origins quota system and other provisions which make race, ancestry, or place of birth the standard of admission should be eliminated. Instead, immigrants should be admitted on the basis of national need, individual merit, and the reuniting of families.

(b) Deportation as a form of punishment should be abolished. Persons should be liable to deportation only if they entered the country illegally or if they are temporary visitors and remain beyond their permitted period of stay in the United States.

(c) All distinctions between native-born and naturalized citizens should be abolished.

(d) The law should be revised to make certain that fair procedure and due process is followed in all immigration and nationality proceedings.

(e) That provision for emergency refugee entry into the United States be expanded to include any victims of religious, racial, or political persecution and tyranny either through the existing parole provisions (sec. 212) (d) (5) or by amendment of our refugee relief laws.

4. That we call for the adoption of a new immigration law along the lines of the bill introduced into the 84th Congress by Senators Lehman, Humphrey, Morse, Pastore, Green, Murray, Kennedy, Magnuson, Kefauver, Langer, Chavez, McNamara, and Neuberger called the Immigration and Citizenship Act of 1955, which provides for an immigration policy not based on the discriminatory concept of superior and inferior nationalities, and which corrects the other inequities of our present law, set forth above.

5. That we go on record urging that labor, capital, religious, fraternal, and civic organizations in the city of St. Paul organize themselves as a committee for the revision of the McCarran-Walter Immigration Act and that this group work and hold seminars to inform St. Paul citizens of the injustices of the McCarran-Walter Immigration Act and the need for revision.

6. That copies of this resolution shall be forwarded to each of the local unions participating in this conference to the central labor bodies in St. Paul, Minneapolis, and Duluth, and to the Minnesota State Federation of Labor, AFL–CIO, and to the Minnesota Representatives and Senators in Congress.

FILLING OF CERTAIN POSITIONS IN THE POSTAL SERVICE—RESOLUTION

Mr. HUMPHREY. Mr. President, I recently received a resolution adopted at the St. Paul Trades and Labor Assembly meeting earlier this month, relating to the filling of positions in the postal service.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

Whereas during recent years the Postal Inspective Service has expanded its operations into the field of management of post offices; and

Whereas a law enforcement body of this type, by its very nature of operations, is incompatible with the modern concept of an employee-management relationship; and

Whereas the use of the inspection service to usurp functions and responsibilities of local postmasters has in many instances reduced the postmaster to the position of impotent figurehead; and

Whereas employee morale and production is adversely affected when employees must work under the domination of those who so frequently act in the capacity of detective, judge and jury; and

Whereas a subcommittee of the House Post Office and Civil Service Committee sometime ago recommended that the inspection service be restricted to their traditional function of safeguarding the mail, preventing frauds, etc.; and

Whereas the Minneapolis region, which consists of North Dakota, South Dakota, Minnesota, Wisconsin, and a part of Michigan, has a vacancy in the position of regional director which is the top job of management in this region, and does not have Senate confirmation even though the post is over postmasters who need Senate approval; and

Whereas in the best interest of the postal service, this position should be filled by someone who can promote and recognizes the value of good personnel relations: Now, therefore, be it

Resolved, That the St. Paul Trades and Labor Assembly go on record as being opposed to the practice of having vacancies in the upper levels of the postal service filled by appointments of postal inspectors to such positions, and favors the practice of filling such positions by qualified individuals from the Post Office Field Service, or the business or professional field, and be it further

Resolved, That a copy of this resolution be sent to Senators THYE and HUMPHREY, and our entire Congressional delegation from Minnesota requesting their support in protesting to the Postmaster General the filling of this vacancy with a post office inspector.

WALTER O. NOREEN,
President, Local 65.

YOUTH CONSERVATION CORPS—RESOLUTION

Mr. HUMPHREY. Mr. President, as the sponsor of Senate bill 3582, to establish a Youth Conservation Corps, I was pleased to receive a resolution adopted by the Farmers Union Local 429, Lewiston, Idaho, endorsing this bill.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred. There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

FARMERS UNION LOCAL, No. 429,
Lewiston, Idaho.

Whereas since the beginning of World War II the conservation of our natural resources, such as forest reserves, watersheds, and naticnal parks have been largely neglected on a national basis; and

Whereas unemployment, particularly among young people now entering the work force; and

Whereas these young people could very profitably be employed in conservation work necessary for the protection and development of our natural resources so vital to the prosperity and recreation of future generations of our people; and

Whereas the Civilian Conservation Corps, in operation before World War II, clearly demonstrated its value, not only in a material way, but also in the development of our youth, physically, mentally, and spiritually; and

Whereas it is clear that such a program would be very beneficial to all segments of our people now and in the future: Therefore be it

Resolved, By Farmers Union Local No. 429 that we favor the passage of (S. 3582) authorizing the establishment of a Youth Conservation Corps.

HERBERT HOWE, *President.*

The above resolution was adopted unanimously at the April 10 meeting of local No. 429.

RESOLUTION OF EXECUTIVE COUNCIL, MINNESOTA INDUSTRIAL ARTS ASSOCIATION

Mr. HUMPHREY. Mr. President, at their spring meeting, the executive council of the Minnesota Industrial Arts Association adopted a resolution requesting that specific reference be made to the industrial arts in Senate bill 3187, the National Defense Education Act, which I cosponsored.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

MINNESOTA INDUSTRIAL ARTS ASSOCIATION,
Anoka, Minn., April 23, 1958.

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SIR: In our spring meeting of the executive council of the Minnesota Industrial Arts Association it was resolved that—

"Whereas in large part, the subject matter of industrial arts is an application of science, math, and the other basic disciplines,

"Whereas the distinctive uniqueness of industrial arts is the opportunity for first hand manipulative experiences in solving problems through the use of tools and materials,

"Whereas in a very real sense such experiences help young people to understand and feel one of our strongest heritages, sometimes referred to as "yankee ingenuity." When Americans lose the desire and ability to build, the America we now know will have vanished."

In consideration of the above statements we of the Minnesota Industrial Arts Association executive council request that you endeavor to have included in the National Defense Act of 1958, Senate bill 3187 the following: Specific reference to and provisions for industrial arts.

Then to make the paragraph read: "Science, engineering, math, foreign languages, industrial arts, and the other disciplines to promote the development of technical skills essential to the national defense.

Sincerely,

HORACE M. MAYO,
Legislative Chairman.

RECESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that at 12:15 the Senate stand in recess, subject to the call of the Chair, and that when the Senate resumes its session the morning hour may be resumed. During the recess ceremonies will take place in connection with the dedication of the bust of the late Alben W. Barkley.

The PRESIDENT pro tempore. Is there objection?

There being no objection, at 12 o'clock and 15 minutes p. m., the Senate took a recess, subject to the call of the Chair.

At 12:48 p. m., on the expiration of the recess, the Senate reassembled and was called to order by the President pro tempore.

ADDITIONAL MORNING BUSINESS

The PRESIDENT pro tempore. Morning business is still in order.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. NEUBERGER, from the Committee on Interior and Insular Affairs, without amendment:

H. R. 2170. An act to authorize the Secretary of the Interior to consummate desirable land exchanges (Rept. No. 1498);

H. R. 4115. An act to authorize the conveyance of certain lands in Shiloh National Military Park to the State of Tennessee for the relocation of highways, and for other purposes (Rept. No. 1497); and

H. R. 5149. An act to provide that whenever public lands have been heretofore granted to a State for the purpose of erecting certain public buildings at the capital of such State, such purpose shall be deemed to include construction, reconstruction, repair, renovation, and other permanent improvements of such public buildings, and for other purposes (Rept. No. 1496).

By Mr. NEUBERGER, from the Committee on Interior and Insular Affairs, with amendments:

S. 1818. A bill to direct the Secretary of the Interior to acquire certain lands as an addition to the Fort Frederica National Monument (Rept. No. 1499).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs, without amendment:

S. 3371. A bill to amend the act of August 25, 1916, to increase the period for which concessionaire leases may be granted under that act from 20 years to 30 years (Rept. No. 1495).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

S. 2592. A bill to amend the law relating to the execution of contracts with Indian tribes (Rept. No. 1501);

S. 2594. A bill to transfer certain property and functions of the Housing and Home Finance Administrator to the Secretary of the Interior, and for other purposes (Rept. No. 1502); and

H. R. 7681. An act to authorize the Secretary of the Interior to convey certain land with the improvements located thereon to the Lummi Indian Tribe for the use and benefit of the Lummi Tribe (Rept. No. 1503).

By Mr. NEUBERGER, from the Committee on Interior and Insular Affairs, without amendment:

S. 3138. A bill to authorize the preparation of a roll of persons of Indian blood whose ancestors were members of the Otoe and Missouria Tribe of Indians and to provide for per capita distribution of funds arising from a judgment in favor of such Indians (Rept. No. 1504);

H. R. 5624. An act to clear the title to certain Indian land (Rept. No. 1505); and

H. R. 8958. An act authorizing the Secretary of the Interior to convey certain Indian land to the diocese of Superior, Superior, Wis., for church purposes, and to the town of Flambeau, Wis., for cemetery purposes (Rept. No. 1506).

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, without amendment:

S. 2530. A bill to designate the beneficiary of the equitable title to land purchased by the United States and added to the Rocky Boy's Indian Reservation, Mont. (Rept. No. 1507).

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, with an amendment:

H. R. 8544. An act to provide for the restoration to tribal ownership of all vacant and undisposed of ceded lands on certain Indian reservations, and for other purposes (Rept. No. 1508).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FREAR (for himself and Mr. WILLIAMS):

S. 3720. A bill to amend the act entitled "An act authorizing the State of Delaware, by and through its State highway department, to construct, maintain, and operate a toll bridge across the Delaware River near Wilmington, Del.," approved July 13, 1946; to the Committee on Public Works.

By Mr. SALTONSTALL (for himself and Mr. CAPEHART):

S. 3721. A bill to authorize the Secretary of Defense to make monetary awards for inventive contributions to the national defense, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. SALTONSTALL when he introduced the above bill, which appear under a separate heading.)

By Mr. THYE:

S. 3722. A bill for the relief of Ramsey County, Minn.; to the Committee on the Judiciary.

(See the remarks of Mr. THYE when he introduced the above bill, which appear under a separate heading.)

By Mr. BIBLE:

S. 3723. A bill to amend Public Law 522, 84th Congress (relating to the conveyance of certain lands to the city of Henderson, Nev.); to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. BIBLE when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON:

S. 3724. A bill to provide medical care for certain persons engaged on board a vessel in the care, preservation, or navigation of such vessel; to the Committee on Interstate and Foreign Commerce.

By Mr. WATKINS:

S. 3725. A bill to amend the Coordination and Watershed Protection and Flood Prevention Acts, to promote the conservation of wildlife, fish, and game, and for other purposes; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. WATKINS when he introduced the above bill, which appear under a separate heading.)

By Mr. MARTIN of Pennsylvania (for himself and Mr. CLARK):

S. 3726. A bill to authorize the Secretary of the Army to convey to the city of Philadelphia, Pa., certain piers and other facilities of the United States located in such city; to the Committee on Armed Services.

By Mr. PURTELL:

S. 3727. A bill to amend the Public Health Service Act, as amended, so as to clarify the functions and responsibilities of the Surgeon General with respect to international health activities, to encourage and facilitate international cooperation in the conquest of disease and the promotion of health, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. PURTELL when he introduced the above bill, which appear under a separate heading.)

INVESTIGATION OF RELATIONSHIP BETWEEN GOVERNMENT POLICIES AND RISE IN THE COST OF LIVING

Mr. PROXMIRE. Mr. President, I submit a concurrent resolution to permit the Congress to try to develop the information it must have—but does not have now—if it is to solve the the most serious challenge to the economic intelligence the Congress of the United States has ever faced. That challenge is how to provide for the growth which our economy must achieve if we are to survive the onrush of Soviet economic power, without the human misery caused by inflation.

Mr. President, within the last quarter century the Federal Government has become immensely important in the American economy. It has become a force driving Americans toward higher taxes, higher income, and higher prices. Inflation has been as certain a cost of big government as have high taxes.

Anyone who makes honest appraisal of the outlook for an America that faces an ever more dangerous challenge from the Communist world must admit that the present policies of the Federal Government will, unless somehow we modify them, continue to shove prices continuously higher, for as far ahead as the mind's eye can see.

Mr. President, Congress owes to the American people the duty to find out just how it can discharge its massive and increasing responsibilities with the least possible upward pressures on prices.

What tax policies will help stimulate economic growth, but will restrain prices?

What labor policies will protect and improve the welfare of our working people, without shoving up prices?

What farm policies can bring prosperity to our farms, without either overburdening our taxpayers or increasing prices sharply?

What interest-rate policies will bring justice to the borrower and lender and a surging growth incentive to our economy, without creating inflationary pressure?

What Government procurement policies can best provide adequate and timely goods and services to our Government, without pushing up prices?

Mr. President, the weakest link in the chain of Government policies that should lead us to prosperity is in this field of price stability. Congress knows little about it. Every day we take steps that have a massive effect on the prices American citizens pay, with only a vague, fumbling, half-blind notion of just what the price consequences are.

Mr. President, this is why today I am submitting a concurrent resolution which calls for an investigation of the relationship between Government policies and the rise in the cost of living.

In connection with the concurrent resolution, Mr. President, I ask unanimous consent to have printed in the RECORD, following my remarks, a brilliant statement by Mr. Allen Dulles. In the statement he charges that in the onrushing Soviet economy, America faces its greatest peacetime challenge ever. His statement should make clear to every American, Mr. President, the true dimensions of our present economic quandary, and why it is so imperative that we act at once to secure information that will enable the great, slumbering giant that is the American free economy to arouse itself and win this struggle for economic supremacy without exploding in inflation.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

[From the New York Times of April 29, 1958]

SPEECH OF ALLEN W. DULLES BEFORE UNITED STATES CHAMBER OF COMMERCE

(WASHINGTON, April 28.—Following is the text of a speech made today by Allen W. Dulles, Director of the Central Intelligence Agency, before the United States Chamber of Commerce:)

The subject for your meeting today, "Dimensions of the International Peril Facing Us" (DIPFU), is a particularly appropriate one for the Chamber of Commerce of the United States. With its membership of 2,500,000 businessmen, your organization occupies a key position of influence in our Nation's approach to international as well as domestic problems.

It is also a timely subject for you to be considering. Today, the Soviet Union, through its very vocal leader, Khrushchev, is directly challenging the United States in the fields of industrial development and foreign trade and aid as well as in military matters. The other day he remarked, "To the slogan that says, 'Let us arm,' we reply with the slogan, 'Let us trade.'"

The economic challenge is a dual one. They are setting goals for their own domestic production to compete directly with our own and, to quote their words, "to get ahead of us in the economic race." The other phase of their challenge is through their foreign economic penetration program.

SOVIET POLICY DISCUSSED

I shall discuss both of these challenges. But before doing so, I shall analyze briefly the development of Soviet policy over recent years, as this, I feel, helps to explain why they have turned to the economic and industrial fields to promote their long-range international policies.

In the immediate postwar period, Stalin relied on military and paramilitary action and the military threat as the chief weapons for the advancement of Soviet aims.

It was with military force that the Soviet took over and established their control in the European satellites and repressed the democratic forms of government which tried to find root immediately after the war. It is with military occupation, force, and the threat of force that they still hold their position in central Europe.

Then in Iran, in Greece, and Berlin in the early postwar years, it was force and the threat of force that was used in the attempt to break down the Free World defenses. Through the Marshall plan and our growing military preparedness following Korea, this threat was contained in the West; but China was overrun by the Communists and northern Vietnam taken.

These and other military and subversive maneuvers alerted the Free World to the dangers of Stalin's policies. Our countermeasures tended to make them counterproductive. Stalin was posthumously discredited by Khrushchev. Stalin's programs were generally repudiated by his successors, who literally trembled at the risks he had taken at a time when the Soviet had no atomic capability to match our own. It is well, however, that Khrushchev's ruthless repression of liberty in Hungary with Soviet troops should stand as a reminder to us that Stalinist tactics may at any time be revived if the Soviet Union feels its vital interests are affected.

MOVES CALLED MORE SUBTLE

Today we face the subtler policies of Nikita Khrushchev. Will they be more or less effective than the Stalin policies in achieving the overall aims of international communism?

Of course, I do not mean to discount the seriousness of the Soviet military threat or its challenge in the scientific and technical fields on which advanced weapons systems depend. But as I see it, under its present policies, the U. S. S. R. does not intend to use its military power in such a way as to risk general war. They have a healthy respect for our retaliatory capability.

Furthermore, the Soviet success with sputniks and in the field of ballistic missiles has

well alerted us to the military danger, and/or missile and other programs are receiving top priorities. We must, however, be ever watchful of the Soviet emphasis on the military applications of science and technology in order to anticipate any attempts at a breakthrough which would change the balance of military power.

Barring such a possibility, it is most probable that the fateful battles of the cold war will, in the foreseeable future, be fought in the economic and subversive arenas.

To understand the seriousness of the Soviet economic threat, it is essential to understand the Soviet economic and industrial base on which they are developing their economic penetration program.

Since 1928 the Soviet Union has developed rapidly from a predominantly agricultural and industrially underdeveloped country to the second largest economy in the world. Forced-draft industrialization, emphasizing heavy industry, was carried out by Stalin to prevent, to quote his words, "another beating of backward Russia by the more economically advanced capital countries."

Forced-draft industrialization continues in Russia today, and now the emphasis is more positive: namely, to meet Khrushchev's goal of "catching up and surpassing the United States in per capita production within the shortest possible historical period of time." This theme is being used not only as internal propaganda but also to propogate the Soviet faith abroad.

Comparison of the economies of the United States and the U. S. S. R. in terms of total production of goods and services indicates the U. S. S. R.'s rapid progress.

Whereas Soviet gross national product was about 33 percent that of the United States in 1950, by 1956 it had increased to about 40 percent, and by 1962 it may be about 50 percent of our own. This means that the Soviet economy has been growing, and is expected to continue to grow through 1962, at a rate roughly twice that of the economy of the United States. Annual growth overall has been running between 6 and 7 percent, annual growth of industry between 10 and 12 percent.

These rates of growth are exceedingly high. They have rarely been matched in other States except during limited periods of postwar rebuilding.

DOLLAR COMPARISON MADE

A dollar comparison of U. S. S. R. and United States gross national product in 1956 reveals that consumption—or what the Soviet consumer received—was less than half of total production. It was over two-thirds of the total in the United States investment, on the other hand, as a proportion of the gross national product in the U. S. S. R., was significantly higher than in the United States. Furthermore, investment funds in the U. S. S. R. were plowed back primarily into expansion of electric power, the metallurgical base, and into the producer goods industries. In these fields, it was over 80 percent of actual United States investment in 1956, and in 1958 will probably exceed our own. Defense expenditures, as a proportion of the gross national product in the U. S. S. R., were significantly higher than in the United States; in fact about double.

Soviet industrial production in 1956 was about 40 percent as large as that of the United States. However, Soviet heavy industry was proportionately larger than this overall average, and in some instances the output of specific industries already approached that of the United States. The output of coal in the U. S. S. R. was about 70 percent of that of the United States. The output of machine tools about double our own and steel output about half.

Since 1956, Soviet output has continued its rapid expansion. In the first quarter of 1958, Soviet industrial production was 11 percent higher than a year ago. In comparison, the Federal Reserve Board index shows a decline of 11 percent in the United States.

According to available statistics, in the first quarter of 1958, the Sino-Soviet bloc has for the first time surpassed the United States in steel production. The 3-month figures show that the U. S. S. R. alone turned out over 75 percent of the steel tonnage of the United States.

A recession is an expensive luxury. Its effects are not confined to our own shores. Soviet propagandists have had a field day in recent months, pounding away at American free enterprise.

Every Soviet speech, magazine article, or radio broadcast beamed to the underdeveloped nations plays up and exaggerates our economic difficulties. The uncommitted millions are being told by the Communists: "See, we told you so. Crises and unemployment are inevitable under capitalism. Communism is the only true road to social progress."

Our economy is giving the Communists a propaganda target as damaging, and I trust, as transitory as their own sputniks.

SOVIET TRADE GAINS NOTED

Continued Soviet industrial growth has had a counterpart in increased trade with the Free World. Over the last 2 years, their trade with the West has been moving ahead far more rapidly than it has within the bloc itself. About 70 percent of the U. S. S. R.'s increase in nonbloc trade in 1957 was with the industrial nations of Western Europe and, under agreements such as that just concluded with Germany, will expand still more.

Recent speeches by Soviet leaders—Khrushchev, [Anastasi I.] Mikoyan and Deputy Foreign Minister [Alersei V.] Zahkarov—stress the U. S. S. R.'s desire to expand trade with the Free World.

Mr. Mikoyan, for example, said that the U. S. S. R. is "confident that with the establishment of normal trade relations a significant forward step will be taken along the road leading to the establishment of cooperative relations between the Soviet Union and the United States." This month, Mr. Zahkarov told the United Nations Economic Commission for Europe that Western trade ministers should devote their energies to bringing about a long-run increase in East-West trade.

Soviet capabilities to export petroleum and metals—aluminum, tin, zinc, and ferroalloys—is increasing. The U. S. S. R. is already a supplier in a few traditional Western metals markets. Over the years, the U. S. S. R. may well become a major source of many such industrial necessities to Western Europe.

This seems particularly likely if Khrushchev's 1972 commodity goals prove to be realistic.

Take, for example, petroleum. By 1972, the Soviets plan to produce as much crude oil as we in the United States do today. Even allowing for substantial increases in domestic consumption, they could export about 2 million barrels a day. Today, all of Western Europe consumes about 3 million barrels a day.

A start has already been made on the pipeline needed to bring the crude oil from the Ural-Volga Basin to the Baltic.

Soviet ability to use trade as a weapon to advance its political aims will increase in a direct ratio to their success in realizing their economic goals.

For example, once they have penetrated Western European markets to the extent that these markets become substantially dependent on Soviet industrial raw materials they will have available a new and formidable weapon of economic warfare. By withholding supplies, by capriciously raising prices, or by dumping commodities, the Soviets in effect will have a seat at the council table of the great industrial nations of Europe.

FLASH-IN-PAN IDEA REJECTED

During the Suez Canal crisis we saw a brief glimpse of Soviet capabilities to grant or withhold economic favors through the forms of its own petroleum exports. The increase in sales of metals and petroleum to Free World countries, which moved sharply upward in 1958, is not an economic flash in the pan. It is a reflection of growing Soviet industrial capacity.

Further, their governmental setup is well adapted to waging economic as well as political warfare. They have no budgetary controls when it comes to diverting funds to particularly urgent national policies. There need be no prior consultations with parliaments or the people.

This, briefly described, is the Soviet economic base and foreign trade program, as we analyze it today. It is to this base that Moscow is adding its foreign economic penetration deals designed to wean to its camp the uncommitted and newly developing areas of the world.

It is important at the outset to note that Soviet credits and grants are not limited to those countries where there is an early prospect of acceptance of Communist doctrine.

Of the $2 billion of development and military aid extended by the Sino-Soviet bloc over the last 3 years—and this is exclusive of intrabloc aid which is a substantial drain on the Soviet economy—large sums have gone to countries which are not now in the Soviet camp.

Let us get down to cases: In Egypt the Communist Party was outlawed at the time of the bloc's original military aid offers in 1955. Despite repeated crackdowns on Communist elements within the country since that time, the U. S. S. R. concluded a major $175 million economic aid program with Egypt in 1957.

Communist influence in Syria has been reduced following its membership in the United Arab Republic in February of this year—even to the point where Khalid Bakdash, the leading Arab Communist fled the country. But the U. S. S. R. is going ahead with its $170 million economic aid program and continues to supply arms under agreements worth $100 million. The magnitude of this and other military programs raises the question as to who may be the eventual user of these arms.

OTHER EXAMPLES ARE GIVEN

The list of examples can be extended. Afghanistan is a monarchy. The Imam of Yemen is an absolute ruler. Both are recipients of large Soviet aid programs.

Soviet bloc economic penetration of Yemen provides a striking instance of the use of trade and aid as an investment in disorder.

Yemen is strategically located at the entrance to the Red Sea from the Gulf of Aden. It commands one entrance to all Suez Canal traffic; the oil moving westward as well as goods moving from Europe to the East.

Soviet overtures were appealing to the Imam because the bloc was willing to supply him with arms, while the West would not. Arms in Yemeni hands on the scale contemplated can only create more trouble in the Middle East. They will fan the Imam's dispute with the British and with local sultanates over the borders of the Aden protectorate.

The Soviets were quick to sense the opportunity to create disorder by giving aid to Yemen. They moved quickly. In less than 2 years, this small country of some 4 million people has been granted $80 million in credits. Additional offers of over $20 million are currently outstanding. Arms valued at $30 million have been delivered. A Soviet

and Czech military mission of some 65 advisers is currently in Yemen for training assistance.

Even the Red Chinese have joined in with an offer of a loan of $15 million. If all proposed projects are carried out, the Communists will play a key role in Yemen's economic, as well as military, development.

INTEREST RATE NO PROBLEM

The Communists have no interest rate problems. They have no legislative restrictions. The U. S. S. R. has developed an attractive package credit deal—long-term loans, generally for 12 years; 2.5 percent interest rates; repayment in surplus commodities, and room for bargaining on prices. They have devoted much effort to the native language training of the technicians they send with their aid to the newly developing nations.

Though the Communists eschew capitalist types of business organizations in their own country, they make liberal use of them abroad.

One of the most important of these is the Bank of China. It is a primary source of funds to the 12 million Chinese in Southeast Asia. These loans, controlled from Peiping, often require appropriate gestures of support to the Communist regime in China.

Branches of the bank throughout the East promote the export and sale of Chinese Communist goods in the area. They also collect a vast store of economic and political information, both openly and by clandestine means.

PARIS BANK USED BY SOVIET

In Paris, for its European business, the Soviet use a commercial bank called the Banque Commerciale pour l'Europe du Nord. It often serves as agent for effecting sales of Soviet gold in London and on the Continent and is the means through which Soviet credits are transferred to the satellites. It also maintains a widespread system of correspondent relationships with banking institutions throughout Europe and in this hemisphere and is one of the chief instruments for the financing of Soviet trade with the West and for obtaining information on trade opportunities.

In Latin America, there are a number of Communist front or bloc-associated organizations actively campaigning for closer commercial ties with the bloc. In Brazil, one of these has been offering to import and sell Russian automobiles at ridiculously low prices. When this fell through, it offered to import a complete auto factory from the U. S. S. R. While neither offer may have been serious, they had considerable propaganda value.

On a worldwide basis, the Soviet Union presents itself as eager to do business on terms attractive to the customer.

Moscow's foreign aid program has particular appeal in the undeveloped countries because Russia until so recently was an undeveloped country itself. For some reason, the recently liberated countries seemed to feel that the Kremlin has found a new and magic formula for quick industrialization which is the hallmark of becoming a modern state to many of these countries. They recognize American economic and industrial leadership in the world but they feel that the democratic process of economic development may be too slow.

DEVELOPMENT A CRUSADE

Soviet propaganda charges that it took the West 150 years to achieve industrially what the Soviets have built in a generation. In the newly developing countries, the drive for economic betterment has become a crusade, not always based on reason.

Also these countries feel that we in the United States are far ahead of them and that while they may aspire eventually to an economy something like that of the Soviet Union, they cannot, in the foreseeable future, hope to reach the high standards of living of this country.

Factors such as these give a particular appeal to overtures from the Soviet Union. They are not able to see the invisable strings which are tied in with Soviet offers nor do they understand the subtle implications of Soviet subversive penetration which is a part of every economic package.

Each time that I prepare a summary of any phase of Soviet activities, whether it be in their domestic industrial development, their foreign economic exploitation activities, or their military defense preparations, I am impressed by the efforts which the Soviet make to keep secret the details of their operations.

If their motives in the military, industrial and economic fields, are, as they claim, peaceful and defensive, why should this be the case? Why are we not entitled, before we accept their protestations regarding peaceful coexistence, to ask that there should be a franker disclosure of their activities—something comparable to the disclosure made by the free countries of the world?

NUCLEAR TESTS SHIELDED

For example, before their recent offer of a suspension of nuclear testing, they themselves had just completed a series of nuclear tests, concentrating a great number of tests in a short period of time. For example, three tests occurred within a single 2-day period in an unprecedented burst of activity.

This was done behind a cover of secrecy except for announcements that our Government itself made of the Soviet tests. But by and large, their activities in nuclear testing remain quite unknown, particularly in those countries which are being filled with Soviet propaganda against testing.

The nature of their military aid programs such as I have described above have, by and large, been kept as secret as the Soviet could manage. An even tighter veil of secrecy is kept around almost all phases of their military establishment.

The details of our own aid programs, as well as of defense expenditures and military production, with few exceptions, are available to the world through our newspapers. In contrast, the Soviets release only the annual ruble total of what they call defense spending.

It is our best estimate that the announced Soviet defense budget as published to the world actually covers little more than half of the rubles they are now putting into military activities.

As long as this secrecy remains a cardinal tenet of Soviet practice it is extremely difficult to accept Soviet protestations of a desire for peaceful relations as expressing their real intentions.

END OF SECRECY SUGGESTED

It is true, and it is an encouraging sign, that exchanges of visits are being arranged, particularly in the cultural, technical, and academic fields. This may well help to a better mutual understanding, but that understanding will be very incomplete until it is broadened to a point where the barriers of secrecy are removed. It is this very secrecy which makes meaningful agreements so difficult to reach.

One answer to Khrushchev's challenge to us should be a renewed challenge to them, as in the President's open sky proposal, to put an end to secrecy which breeds suspicion and doubt.

Undoubtedly one of the reasons for secrecy is to hide from the world some of the problems which the Soviet Union faces.

In the analysis I have given above, I have stressed their very real achievements, their growing power, and their rapid rate of progress. These factors we must not underestimate. However, the realization of many of the goals they have set depends on resolving some very real obstacles to success.

For example, Khrushchev has repeatedly promised his people startling improvements in the quality of their diet. The realization of these dreams rests on a precarious agricultural base, whose crops over large areas, as we said in 1956, are vulnerable to serious drought. Further, Khrushchev has brought the antigeneticist, Lysenko, back into favor, a theorist whose plant and animal breeding ideas are regarded as nonsense by all competent Western scientists.

They are now engaged in a massive reorganization of the control of their industry, and this move toward decentralization has built-in, long-run dangers for any dictatorship such as that of the Kremlin today.

The myth of collective leadership has been abandoned and there are signs today of a reversal to a harsher line with consequences of a far-reaching nature. Khrushchev, despite his gregarious characteristics, as he assumes new positions of power and eliminates his rivals, becomes more and more an isolated and lonely figure.

CONVERTIBLE CURRENCY LACKING

As they enter into the field of international trade on a major scale they lack a convertible currency. They must help on the device of settling international balances in sterling or dollars. In essence, most of their trade must remain on something approaching a barter basis.

The ruble is not an international currency and within wide ranges its value is a matter of speculation, varying from the official rate of around 20 cents to a purchasing value of around 10 cents, to a quoted value for ruble notes in the Swiss market of only a few cents. But, of course, this latter rate is due to the fact that ruble currency can neither be legally imported into nor exported from the Soviet Union.

Possibly today the most acute problem facing Khrushchev is that of meeting the growing demands of the Russian consumer for a greater share in the overall production of the Soviet Union. With a gross national product of around 40 percent of our own, they put into the military sector a national effort roughly comparable to our own, leaving only a modest share for consumer goods.

If the Kremlin responds to popular pressures, they will be forced to give more and more to the consumer. This trend has already started. The Russians have somewhat improved living standards and the national output of such consumer goods as TV sets and washing machines has been stepped up. Some former armament plants are now producing civilian goods.

THREAT TO DICTATORS IMPLIED

All this may help to develop a society where people will have more opportunity to satisfy the individual yearning for a fuller life. Economic betterment, added to the massive educational system they have already installed, may help to build up generations of people more and more inclined to question the basic tenets of a totalitarian philosophy and less willing to tolerate the autocratic forms of government under which they are living.

Under Khrushchev, there has been, undoubtedly, some relaxations of the old Stalinist policy system, but every 2 steps in advance seem to be followed by 1 step backward as they wrestle with the problem of reconciling a measure of freedom with the stern line of Communist doctrine and discipline.

The fact that the leadership of the U. S. S. R. faces these very real problems is, however, no excuse whatever for complacency on our part. During and since the war, their leadership has faced even more serious problems and has surmounted them.

The economy of the Soviet Union has momentum and versatility and, while I predict that their people will undoubtedly press for an improvement of their lot, some real concessions can be made without fundamentally altering the general tempo of their present industrial and military programs.

Certainly here we have the most serious challenge this country has ever faced in time of peace. As this challenge is very largely based on the economic and industrial growth of the Soviet Union, it is one which concerns very directly the business leaders in our country.

The PRESIDENT pro tempore. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 85), submitted by Mr. PROXMIRE, was referred to the Committee on Banking and Currency, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Joint Economic Committee, or any duly authorized subcommittee thereof, is authorized and directed to make a study of (1) the effect of policies of the Federal Government on the cost of living, with special reference to taxation, spending, interest rate, farm, labor, and antimonopoly policies, and (2) what measures the Government of the United States can take to prevent an inflationary spiral developing from governmental action designed to provide full employment and vigorous long-term economic growth.

ACCELERATED RECLAMATION CONSTRUCTION PROGRAM

Mr. ANDERSON submitted the following resolution (S. Res. 299), which was referred to the Committee on Interior and Insular Affairs:

Whereas there is now urgent need for additional supplies of water for irrigation and related multiple purposes by the increasing population in the 17 Western States under the reclamation program; and

Whereas hearings and reviews by the Committee on Interior and Insular Affairs have demonstrated that these urgent needs can be met even in part only by speedy completion of Federal reclamation projects and the start of new construction in other areas; and

Whereas there is acute unemployment in many of the areas where these projects are under construction or planned, and also in the industries and services throughout the Nation that supply the materials and equipment for project construction; and

Whereas the sense of the Senate, expressed in Senate Concurrent Resolution 68 and Senate Resolution 148, is that construction of civilian public works should be accelerated, and that expeditious progress should be made in the conservation and development of the Nation's land and water resources; and

Whereas hearings before the Committee on Interior and Insular Affairs have demonstrated that many urgent water needs can be fulfilled, and the acute local and widespread unemployment can be met in part at least by new starts in the construction of additional authorized projects along with acceleration of developments already under way; and

Whereas the President of the United States on March 12 sent to the Congress $45,773,000 in supplemental appropriation estimates for fiscal year 1959 for reclamation projects under construction, and $25 million for a loan program under the Small Projects Act principally for rehabilitation of existing non-Federal irrigation projects, but abstained from recommending any new starts; and

Whereas the committee commends the President for recognizing in his supplemental estimates the urgency for providing additional funds for the upper Colorado River storage project (including $14 million for Glen Canyon Dam, $7 million for Navaho Dam, and $8 million for Flaming Gorge Dam; $7 million for Trinity division, Central Valley project, California, and varying amounts for other going construction projects); and

Whereas there are other critical areas in the West in addition to those included in either the original or supplemental estimates where the need is equally urgent for acceleration of reclamation construction especially with respect to so-called new starts of reclamation developments: Now, therefore, be it

Resolved, That it is the sense of the Senate that Federal reclamation project construction during the fiscal year 1959 should proceed that year at the rate of approximately $330 million (a 50 percent increase over the total of original and supplemental budget estimates, including limited additional funds for general investigations and advance planning) and that construction should be started on not less than 20 additional authorized projects, with preference to those developments where engineering has been completed and actual work can be begun promptly; and that consideration be given to prompt authorization of additional feasible reclamation projects that will contribute to the objectives of this resolution.

MONETARY AWARDS FOR INVENTIVE CONTRIBUTIONS TO NATIONAL DEFENSE

Mr. SALTONSTALL. Mr. President, on behalf of myself, and the Senator from Indiana [Mr. CAPEHART], I introduce, for appropriate reference, a bill designed primarily to stimulate contributions of a technical, scientific or management improvement nature.

Since sputnik and our consequent realization that the space age was upon us, we as a nation have been more concerned than ever with the importance of technical and scientific achievement in our own country. It is no understatement to say that the security and welfare of our Nation depends upon our being technologically superior. World leadership will depend in the years ahead as much on our scientific know-how as it has in the past on our political and diplomatic. We have also come to realize that the organization by which we manage our defense affairs must be as efficient as possible and must be fully equipped to meet its enormous responsibilities on a split-second basis.

The job of maintaining technological superiority and continuing to stimulate scientific advances is a job for our whole Nation. We cannot expect to exploit the scientific barriers of the future by simply designating a group or an agency of the Government to be responsible. We must have the contribution of all our talented citizens wherever they may be. The H-bomb, for example, was developed by a group of scientists working independently and with the AEC in their university laboratories. The jet engine was developed by a British Air Force officer who conducted the necessary research as a hobby. We must in the years ahead make rapid use of scientific and technical knowledge wherever it is developed.

The bill which I am today introducing vests authority in the Secretary of Defense to reward any person, whether a private citizen, a corporation, or a person in the military service as a civilian or in uniform. The award is to be made based principally upon the value of the contribution to the national defense. "Inventive contribution" is defined as any plan or proposal for the improvement or management procedure or technique within any defense agency, or any plan or proposal for the application of any patented or unpatented technical or scientific innovation for use by any defense agency.

This legislation which I am proposing is not new or original. Many comparable suggestions have been made in the past. The first legislative proposal of this nature was offered in the 82d Congress, and there are currently bills pending in this Congress to effect the same purpose. The bill which I have offered, which will be clear from the section-by-section analysis which I have prepared, is, however, varied in some significant ways from previous proposals. Furthermore, I believe that events of the past 6 months have demonstrated dramatically the need for this type of legislation. Our national security demands that authority be vested in the Federal Government to reward those outstanding contributions which prove to be of value to our national defense in helping us further scientific, technical, and management problems.

The Department of Defense has consistently favored this type of legislation. There may be a number of modifications which the executive branch would want written into this bill, and I hope that the bill will have the benefit of constructive suggestions by all interested parties so that the final legislation will reflect our best efforts designed to stimulate and encourage technical and scientific advances for national defense. One simple illustration may be helpful in explaining the potential benefits of this kind of legislation. Let us suppose that an inventor has designed an extremely helpful item, perhaps, for purposes of illustration, an amplifying tube which will greatly increase the effectiveness of our electronic equipment. Naturally, the inventor wants this to be available to our Defense Establishment at the earliest possible time, but he also wants to be assured that he will be properly compensated. He cannot divulge his secret to industry or to the Defense Department, for he could quickly lose his proprietary interest. Moreover, the Defense Department is without authority at the present time to pay the inventor. They perhaps may be able to reward him by offering him some sort of contractual arrangement. But if the invention has great potential, they can in no way give him a fitting reward, and once the idea is divulged they are without authority to compensate him. So the inventor naturally seeks protection under our patent laws; but it takes several years to receive a final patent, and in this intervening period, which in many cases would be in excess of 3 years, the Defense Department has been without the benefit of a potentially vital technical improvement. Even after the patent is issued, the inventor must go through complicated legal proceedings, sometimes being forced to sue for infringement. And, also, there is the very real damage that the inventor, without significant financial resources, cannot afford the long and

costly procedure in obtaining his patent, and in this case the invention may be lost forever. How much better it would be, in the interest of our national security and in the interest of treating equitably those persons who do produce technical and scientific advances, if this invention could be made immediately available to our Defense Establishment and the inventor given immediately proper compensation.

One of our principal objectives with the Defense Establishment has been to create incentives. The military pay bill which we are now considering is designed primarily on the recommendations of the Cordiner Committee to create incentives for qualified and trained persons to remain on military duty. We try to create incentives for our industries manufacturing in the defense effort. The preferred basis on which we now contract with them is called an incentive contract. It seems to me only consistent with this objective that we create incentives for creative individuals, whether they are in military service or in private life, to use their best talents in furthering our defense effort.

The potential gain from stimulating such activity on the part of inventors and scientists would, I am confident, outweigh many times the minor costs incurred.

I have drafted this bill in cooperation with some of the leading patent attorneys in the Defense Establishment. One of the gentlemen with whom I have conferred received national recognition a few years ago for his outstanding treatise on this subject. He pointed out then, in 1951, the desperate need for a system whereby individual genius can be stimulated to make contributions for our national defense and he pointed out the total inadequacies of our patent law system to achieve this objective.

I hope this bill will have the serious and earnest attention of all interested persons.

In the years ahead our Nation's strength and security may depend upon our ability to beat another nation to a technical achievement, and when a matter of weeks or months may make the difference between security and disaster we cannot afford to discourage genius, we cannot afford to create a monopoly on new ideas.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3721) to authorize the Secretary of Defense to make monetary awards for inventive contributions to the national defense, and for other purposes, introduced by Mr. SALTONSTALL (for himself and Mr. CAPEHART), was received, read twice by its title, and referred to the Committee on the Judiciary.

RAMSEY COUNTY, MINN.

Mr. THYE. Mr. President, I introduce for appropriate reference, a bill to provide for the payment of $30,351.89 in lieu of taxes to Ramsey County, Minn. This amount represents the taxpayment which would have become due and payable by a private citizen had he held title to certain property in Ramsey County in 1954. The property was at that time held by the Department of the Navy, and the property was, therefore, not taxable by the county.

To explain further the facts of this situation, Mr. President, I ask unanimous consent that letters which I have received from the county attorney of Ramsey County, and from the Comptroller General of the United States, be printed in the RECORD as part of my remarks, and that they be referred to committee, together with the bill.

The PRESIDENT pro tempore. The bill and letters will be received and appropriately referred; and, without objection, the letters will be printed in the RECORD.

The bill (S. 3722) for the relief of Ramsey County, Minn., introduced by Mr. THYE, was received, read twice by its title, and referred to the Committee on the Judiciary.

The letters presented by Mr. THYE are as follows:

COUNTY OF RAMSEY,
STATE OF MINNESOTA,
St. Paul, Minn., March 28, 1958.

Hon. EDWARD J. THYE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR THYE: Since January 17, 1956, when our county assessor received a letter from the Office of the General Counsel of the Department of the Navy, we have been endeavoring to collect a payment in lieu of real estate taxes for 1954 on the property at 1902 West Minnehaha Avenue, at the corner of Prior, in St. Paul. This property was owned by the Reconstruction Finance Corporation and was later transferred to the ownership of the Department of the Navy. During the RFC ownership, and since then under Navy ownership, it has been operated by Engineering Research Associates, which is now a part of Remington Rand Univac.

Considerable correspondence was had between the Department of the Navy and county officials, and in May of 1957 Mr. Ernest R. Welhaven, chief auditor in the office of the county assessor, and Mr. Robert G. Flynn, one of my assistants, went to Washington and conferred with Mrs. Martha Colmetz, General Counsel for the Department of the Navy; Mr. Albert H. Stein, Deputy General Counsel; and Mr. Morris Amchan, assistant counsel, Bureau of Ships of the Department of the Navy.

It appeared that under Public Law 388, 84th Congress (40 U. S. C. A., secs. 521 to 524 inclusive), payments could be made to the county of Ramsey for the benefit of the State and the various other governmental subdivisions of a sum of money in lieu of real estate taxes. The Federal law states in short that where real property has been transferred on or after January 1, 1946, from the RFC to any Government department and the United States has continuously held title since such transfer, then on each date occurring on or after January 1, 1955, and prior to January 1, 1959, on which real property taxes levied by any State or local taxing authority with respect to any period become due, the Government department which has custody and control of such property shall pay to the appropriate State and local taxing authorities an amount equal to the amount of the real estate tax which would be payable to such State or local taxing authority on such date if such real estate had been owned by a private citizen on such date.

You, having paid real estate taxes in Minnesota for a great many years, know that the tax is levied as of May 1 (say, 1954), and becomes due and payable on and after the first Monday in January (of, say, 1955). The Minnesota law will not permit the county treasurer to collect such a tax prior to such first Monday in January.

In discussing this matter with the representatives of the Department of the Navy, we stated we believed that under the wording of the law we were entitled to a payment in lieu of taxes for the year 1954, which taxes became due and payable on January 3, 1955. We called the attention of such representatives to the fact that if the provisions of this law were not extended, we would not be able to collect in lieu of the tax for 1958, which would not become due and payable (or even collectible) until January 5, 1959, and hence we would lose a taxpayment both at the beginning of the period fixed by law and at the end thereof.

It appeared to us that the representatives of the Navy Department possibly agreed with the correctness of our position. However, on October 22, 1957, we received a letter from Mr. Morris Amchan, assistant counsel, Bureau of Ships of the Department of the Navy, the final paragraph of which reads as follows:

"The Bureau is unable to recommend payment covering the tax for the calendar year 1954 because of a ruling by the Comptroller General of the United States barring such payments. This ruling, copy of which is herewith enclosed, would also bar payment of any taxes that may be due subsequent to December 31, 1958, even though such taxes relate to a period prior to such date."

Copies of Mr. Amchan's letter and copy of the opinion of the Comptroller General of the United States hereinabove referred to are enclosed.

To be very frank, we were surprised that anyone can interpret Public Law 388 so as to preclude our county from collecting the taxes for the year 1954. We concede that under the wording of the Federal law we would not be entitled to the 1953 taxes, which would not become payable or collectible until January 5, 1959, and this despite the excerpts from statements made at the hearings before the committee of the House of Representatives prior to the passage of this law. (Pages 4 and 5 of the letter of the Comptroller General.)

The taxes for 1954, in lieu of which we think we ought to get a remittance from the Department of the Navy, amount to $30,351.89.

We would appreciate greatly you taking this matter up with the Comptroller General, or with the General Counsel of the Department of the Navy, or, if he has any supervision over the legal opinions or actions of the Comptroller General of the United States, with the Attorney General of the United States.

Yours very truly,

JAMES F. LYNCH,
County Attorney.

COMPTROLLER GENERAL OF THE
UNITED STATES,
Washington, D. C., April 14, 1958.

Hon. EDWARD J. THYE,
United States Senate.

DEAR SENATOR THYE: This refers to your letter of April 2, 1958, enclosing a copy of a letter (dated March 28, 1958) you received from the county attorney, Ramsey County, Minn., concerning the entitlement of the county to a payment in lieu of taxes on certain real property for the year 1954 under Public Law 388 (69 Stat. 721, 40 U. S. C. 521–524). The county attorney in his letter contends, in effect, that since real property taxes for the year 1954 became due and pay-

able in Minnesota on and after the first Monday in January of 1955, the county is entitled to a payment in lieu of taxes for the year 1954 under section 703 of Public Law 388.

The Bureau of Ships of the Department of the Navy, which Department apparently has custody and control of the real property involved, advised the county concerning the in-lieu payment as follows, quoting from the county attorney's letter:

"The Bureau is unable to recommend [to the Department of the Navy] payment covering the tax for the calendar year 1954 because of a ruling by the Comptroller General of the United States barring such payments. This ruling, copy of which is herewith enclosed, would also bar payment of any taxes that may be due subsequent to December 31, 1958, even though such taxes relate to a period prior to such date."

You request that we review the matter carefully and advise as to whether it is our considered opinion that the Navy cannot recommend payment in lieu of taxes because of previous rulings by us.

Public Law 388 directs various departments and agencies of the Federal Government to make payments in lieu of taxes with respect to certain properties transferred to them from the Reconstruction Finance Corp., on or after January 1, 1946. Apparently the real property here involved falls within the purview of that statute. Section 703 of Public Law 388 provides, in pertinent part, that: "* * * on each date occurring on or after January 1, 1955, and prior to January 1, 1959, on which real property taxes levied by any State or local taxing authority with respect to any period become due, the Government department which has custody and control of such real property shall pay to the appropriate State and local taxing authorities an amount equal to the amount of the real property tax which would be payable to each such State or local taxing authority on such date if legal title to such real property had been held by a private citizen on such date and during all periods to which such date relates."

However, section 704 (c) of that Public Law under subheading "Limitations," provides:

"Nothing contained in this title shall establish any liability of any Government department for the payment of any payment in lieu of taxes with respect to any real property for any period before January 1, 1955, or after December 31, 1958."

In our decision of April 17, 1957, B-130749 (36 Comp. Gen. 713) to the Secretary of the Air Force, we said in connection with the foregoing provisions of law, that:

"It is clear that the provisions of section 703 are subject to the limitations contained in section 704, including the limitations set forth in subsection (c) of the latter section. Therefore, under Public Law 388 there is no authority to make a payment in lieu of taxes on any real property for any period prior to January 1, 1955. Hence, it is clear that under that public law your Department may not make a payment in lieu of taxes on the property in question for the calendar year 1954, regardless of the date the taxpayment is due." (See also B-130749, June 25, 1957.)

It is clear from the foregoing that under Public Law 388 as interpreted by our decision of April 17, 1957 (36 Comp. Gen. 713), the Department of the Navy is precluded from making a payment in lieu of taxes for the year 1954 to Ramsey County on the property in question, regardless of the date the taxes for that year (1954) became due the county.

Your question is answered accordingly.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

CONVEYANCE OF CERTAIN LANDS TO CITY OF HENDERSON, NEV.

Mr. BIBLE. Mr. President, I introduce, for appropriate reference, a bill to amend Public Law 522 of the 84th Congress, which authorized the Secretary of the Interior to convey to the city of Henderson, Nev., approximately 6,859 acres of federally owned land, upon payment by the city into the Treasury of the United States the fair market value of the lands, not more than 5 years after the Secretary has notified the city of the purchase price, based upon his appraisal.

The bill is very brief, and I ask unanimous consent that it be printed in the RECORD immediately following my remarks, together with Public Law 522 of the 84th Congress, which is also brief.

Public Law 522 was enacted to afford the city of Henderson an opportunity to obtain land by which to expand and grow so that the town could proceed and properly take its place with the other Nevada cities.

The city of Henderson is completely surrounded by federally owned land. Therefore, without such legislation the city is absolutely landlocked. At the present time, an individual cannot buy a lot to build a home, there is no place to build a city hall, sewage-disposal plant, water reservoir, or any recreational facility whatsoever, as well as the lack of an opportunity to expand industrially.

Because it was felt that the appraisal figure of the lands, as provided in Public Law 522, would be an amount that the city's financial structure could readily absorb, it was expected that the purpose of the legislation would be accomplished. However, as it has turned out, the appraisal price of the lands is at such a high figure it will be virtually impossible for the city to acquire any substantial part of the lands under the package-purchase provisions of Public Law 522.

Therefore, my purpose in introducing this bill to amend the law is to permit the city of Henderson to make partial or piecemeal purchases of the lands subject to Public Law 522, without relinquishing its right to purchase all or part of the remaining area. The city would still be subject to the 5-year limitation contained in Public Law 522.

This amendment would enable the city to expand and grow in an orderly fashion, as it properly should, thereby carrying out the true intention of Congress, as declared in Public Law 522.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and public law will be printed in the RECORD.

The bill (S. 3723) to amend Public Law 522, 84th Congress, relating to the conveyance of certain lands to the city of Henderson, Nev., introduced by Mr. BIBLE, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the act entitled "An act to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the city of Henderson, Nev.," approved May 14, 1956 (70 Stat. 156), is amended by adding at the end thereof the following new section:

"SEC. 3. Nothing contained in the preceding provisions of this act shall be construed to preclude the city of Henderson, Nev., from purchasing, in accordance with such preceding provisions, only such portion or portions of the above-described lands as such city elects, nor shall the election by such city to purchase only a portion or portions of such lands be construed to constitute a waiver or relinquishment of any of its rights under this act to purchase the remainder of such lands, or any portion thereof."

Public Law 522, presented by Mr. BIBLE, is as follows:

[Public Law 522, 84th Cong. ch. 270, 2d sess.]

S. 2267

An act to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the city of Henderson, Nev.

Be it enacted, etc., That the Secretary of the Interior shall issue to the city of Henderson, Nev., upon the payment by the city into the Treasury of the United States, not more than 5 years after the Secretary has notified the city of the purchase price, of an amount equal to the fair market value of the lands to be conveyed as determined by the Secretary upon the appraisal of those lands, a patent for the following-described lands, situated in the State of Nevada and comprising approximately 6,859 acres (all range references are to the Mount Diablo base and meridian):

(1) All of sections 2, 3, 4, and 24, township 22 south, range 62 east.

(2) All of section 33, township 21 south, range 63 east.

(3) The east half of section 8; the east half of section 17; east half of section 20; west half of section 21; the east half and the northwest quarter of section 28; all of sections 30, 31, and 32; all in township 22 south, range 63 east.

SEC. 2. The conveyance authorized by this act shall be made subject to any existing valid claims against the lands described in the first section of this act, and to any reservations necessary to protect continuing uses of those lands by the United States.

Approved May 14, 1956.

AMENDMENT OF COORDINATION AND WATERSHED PROTECTION AND FLOOD PREVENTION ACTS

Mr. WATKINS. Mr. President, I introduce, for appropriate reference, a bill intended as a substitute for Senate bill 2496, a measure I originally introduced last July 8, to amend the Coordination Act of 1934, as amended.

This bill is essentially the suggested draft revision proposed by Secretary Seaton in the official report of the Department of the Interior on Senate bill 2496. The language proposed by Secretary Seaton has the concurrence of the Department of Agriculture and the Department of the Army.

As author of the bill, I have made a slight addition to this recommended draft. My modification consists of a new proviso added as subsection 3 (g) of section 1 and subsection 12 (2) (b) of section 2. This proviso directs that resources or water rights authorized by this act be accomplished in accordance with the water laws of the respective State or States involved. This language is typical of State water rights provisos which have been incorporated in recla-

mation legislation for many years. Its inclusion will make this legislation more acceptable to the 17 Western States, many of which have constitutional provisions assigning control of water and water appropriation rights to the State.

This measure is ready for hearing before the Senate Interstate and Foreign Commerce Committee, and the chairman, the Senator from Washington [Mr. MAGNUSON], has informed me that the hearing will be scheduled in the near future by the committee, which has taken an active interest in this forward-looking legislation.

In order that the text of the revised bill and the Interior Department's report on the measure can be distributed widely before the forthcoming hearing, I request unanimous consent to have printed in the RECORD at the conclusion of my remarks a copy of the report, and the revised language of the bill as reintroduced today.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and report will be printed in the RECORD.

The bill (S. 3725) to amend the Coordination and Watershed Protection and Flood Prevention Acts, to promote the conservation of wildlife, fish, and game, and for other purposes, introduced by Mr. WATKINS, was received, read twice by its title, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That sections 1 through 4 of the act entitled "An act to promote the conservation of wildlife, fish and game, for other purposes," approved March 10, 1934, as amended (16 U. S. C. 661–664), are amended to read as follows:

"For the purpose of recognizing the vital contribution of our wildlife resources to the Nation, the increasing public interest and significance thereof due to expansion of our national economy and other factors, and to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs through the effectual and harmonious planning, development, maintenance, and coordination of wildlife conservation and rehabilitation for the purposes of this act in the United States, its Territories and possessions, the Secretary of the Interior is authorized (a) to provide assistance to, and cooperate with, Federal, State, and public or private agencies and organizations in the development, protection, rearing, and stocking of all species of wildlife, resources thereof, and their habitat, in controlling losses of the same from disease or other causes, in minimizing damages from overabundant species, in providing public shooting and fishing areas, including easements across public lands for access thereto, and in carrying out other measures necessary to effectuate the purposes of this act; (b) to make surveys and investigations of the wildlife of the public domain, including lands and waters or interests therein acquired or controlled by any agency of the United States; and (2) to accept donations of land and contributions of funds in furtherance of the purposes of this act.

"SEC. 2. (a) Except as hereafter stated in subsection (h) of this section, whenever the waters of any stream or other body of water are proposed or authorized to be impounded, diverted, the channel deepened, or the stream or other body of water otherwise controlled or modified for any purpose whatever, including navigation and drainage, by any department or agency of the United States, or by any public or private agency under Federal permit or license, such department or agency first shall consult with the United States Fish and Wildlife Service, Department of the Interior, and with the head of the agency exercising administration over the wildlife resources of the particular State wherein the impoundment, diversion, or other control facility is to be constructed, with a view to the conservation of wildlife resources, i. e., by preventing loss of and damage to such resources as well as providing for the development and improvement thereof in connection with such water resource development.

"(b) In furtherance of the aforesaid purposes, the reports and recommendations of the Secretary of the Interior on the wildlife aspects of such projects, and any report of the head of the State agency exercising administration over the wildlife resources of the State, based on surveys and investigations conducted by the United States Fish and Wildlife Service and such State agency for the purpose of determining the possible damage to wildlife resources and for the purpose of determining means and measures that should be adopted to prevent the loss of or damage to such wildlife resources, as well as to provide concurrently for the development and improvement of such resources, shall be made an integral part of any report prepared in or submitted by any agency of the Federal Government responsible for engineering surveys and construction of such projects when such reports are presented to the Congress or to any agency or person having the authority or the power, by administrative action, or otherwise, (a) to authorize the construction of water resource development projects or (b) to approve a report on the modification or supplementation of plans for previously authorized projects, to which this act applies. Recommendations of the Secretary of the Interior shall be as specific as is practicable as to features recommended for wildlife conservation and development, lands to be utilized or acquired for such purposes, the results expected, and shall describe the damage to wildlife attributable to the project and the measures proposed for mitigating or compensating for these damages. The reporting officers in project reports of the Federal agencies shall give full consideration to the report and recommendations of the Secretary of the Interior and to any report of the State agency, on the wildlife aspects of such projects and the project plan will include such justifiable means and measures for wildlife purposes as the reporting agency finds should be adopted to obtain maximum overall project benefits.

"(c) Federal agencies authorized to construct and/or operate water-control projects are hereby authorized to modify or add to the structures and operations of such projects, the construction of which has not been substantially completed on the date of this act, and to acquire lands in accordance with section 3 of this act, in order to accommodate the means and measures for the aforesaid conservation of wildlife resources as an integral part of such projects: *Provided*, That for projects heretofore authorized by specific act of Congress (1) such modification or land acquisition shall be compatible with the purposes for which the project was authorized; (2) the cost of such modifications or land acquisition, as means and measures to prevent loss of and damage to wildlife resources to the extent justifiable shall be an integral part of the costs of such projects; and (3) the costs of such modifications or land acquisition for the development or improvement of wildlife resources may be included to the extent justifiable, and an appropriate share of the project costs may be allocated for this purpose with a finding as to the part of such allocated costs, if any, to be reimbursed by non-Federal interests.

"(d) The cost of planning for and the construction or installation and maintenance of such means and measures adopted to carry out the aforesaid conservation purposes of this section shall constitute an integral part of the costs of such projects: *Provided*, That such integral project costs for the development and improvement of wildlife shall not extend beyond those necessary for (1) land acquisition, (2) modification of the project, and (3) modification of project operations; but shall not include the operation of wildlife facilities nor the construction of such facilities beyond those herein described: *And provided further*, That, in the case of projects authorized to be constructed, operated, and maintained in accordance with the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), the Secretary of the Interior, in addition to allocations made under section 9 of the Reclamation Project Act of 1939 (53 Stat. 1187), shall make findings on the part of the estimated cost of the project which can properly be allocated to means and measures to prevent loss of and damage to wildlife resources, which costs shall not be reimbursable, and an appropriate share of the project costs may be allocated to development and improvement of wildlife resources, with a finding as to the part of such allocated costs, if any, to be reimbursed by non-Federal fish and wildlife agencies or interests.

"(e) In the case of construction by a Federal agency that agency is authorized to transfer to the United States Fish and Wildlife Service, out of appropriations or other funds made available for investigations, engineering, or construction, such funds as may be necessary to conduct all or part of the investigations required to carry out the purposes of this section.

"(f) In addition to other requirements, there shall be included in any report submitted to Congress supporting a recommendation for authorization of any new project for the control or use of water as described herein (including any new division of such project or new supplemental works of such project) an estimation of the wildlife benefits or losses to be derived therefrom including benefits to be derived from measures recommended specifically for the development and improvement of wildlife resources, the cost of providing wildlife benefits, including the cost of additional facilities to be installed or lands to be acquired specifically for that particular phase of wildlife conservation relating to the development and improvement of wildlife, the part of the cost of joint-use facilities allocated to wildlife, and the part of such costs, if any, to be reimbursed by non-Federal interests.

"(g) The provisions of this section shall be applicable with respect to any project for the control or use of water as prescribed herein, or any unit of such project hereafter or heretofore authorized for planning or construction, but shall not be applicable to any project or unit thereof authorized heretofore if the construction of the particular project or unit thereof has been substantially completed. A project or unit thereof shall be considered to be substantially completed when 60 percent or more of the estimated construction cost has been obligated for expenditure.

"(h) The provisions of this act shall not be applicable as follows: To those projects for the impoundment of water where the maximum surface area of such impoundment is less than 10 acres; and to activities for or in connection with programs primarily for land management and use carried out by Federal agencies with respect to Federal lands under their jurisdiction.

"SEC. 3. (a) Subject to the exceptions prescribed in section 2 (h) of this act, whenever the waters of any stream or other body of water are impounded, diverted, the channel deepened, or the stream or other body of water otherwise controlled or modified for any purpose whatever, including navigation and drainage, by any department or agency of the United States, adequate provision, consistent with the primary purposes of such impoundment, diversion, or other control, shall be made for the use thereof, together with any areas of land, water, or interests therein, acquired or administered by a Federal agency in connection therewith, for the conservation, maintenance, and management of wildlife resources thereof, and its habitat thereon, including the development and improvement of such wildlife resources pursuant to the provisions of section 2 of this act;

"(b) The use of such waters, land, or interests therein for wildlife conservation purposes shall be in accordance with general plans approved jointly (1) by the head of the particular department or agency exercising primary administration in each instance, (2) by the Secretary of the Interior, and (3) by the head of the agency exercising the administration of the wildlife resources of the particular State wherein the waters and areas lie. Such waters and other interests shall be made available without cost for administration: (a) By the aforesaid State agency if the management of the properties relate to the conservation of wildlife other than migratory birds; or (b) by the Secretary of the Interior, for administration in such manner as he may deem advisable, where the particular properties have value in carrying out the National migratory bird management program: *Provided*, That nothing in this section shall be construed as affecting the authority of the Secretary of Agriculture to cooperate with the States or in making lands available to the States with respect to the management of wildlife and wildlife habitat on lands administered by him.

"(c) When consistent with the purposes of this act and the reports and findings of the Secretary of the Interior prepared in accordance with section 2 hereof, land, waters, and interests therein may be acquired by Federal construction agencies for the wildlife conservation and development purposes of this act in connection with a project as reasonably needed to preserve and assure for the public benefit the wildlife potentials of the particular project area: *Provided*, That before properties are acquired for this purpose, the probable extent of such acquisition shall be set forth, along with other data necessary for project authorization, in a report submitted to the Congress, or in the case of a project previously authorized, no such properties shall be acquired unless specifically authorized by Congress, if specific authority for such acquisition is recommended by the construction agency.

"(d) Properties acquired for the purposes of this section shall continue to be used for such purposes, and shall not become the subject of exchange or other transactions if such exchange or other transaction would defeat the initial purpose of their acquisition;

"(e) Federal lands acquired or withdrawn for Federal water-resource purposes and made available to the States or to the Secretary of the Interior for wildlife-management purposes, shall be made available for such purposes in accordance with this act notwithstanding other provisions of law.

"(f) Any lands acquired pursuant to this section by any Federal agency within the exterior boundaries of a national forest shall, upon acquisition, be added to and become national forest lands, and shall be administered as a part of the forest within which they are situated, subject to all laws applicable to lands acquired under the provisions of the act of March 1, 1911 (36 Stat. 961), unless such lands are acquired to carry out the national migratory bird management program.

"(g) Any acquisition, withdrawal, administration, or transfer of water, water resources, or water rights necessary to carry out the provisions of this act shall be accomplished in accordance with the water laws of the State or States in which such action is taken.

"SEC. 4. Such areas as are made available to the Secretary of the Interior for the purposes of this act pursuant to sections 1 and 3 or pursuant to any other authorization shall be administered by him directly or in accordance with cooperative agreements entered into pursuant to the provisions of section o of this act and in accordance with such rules and regulations for the conservation, maintenance, and management of wildlife, resources thereof, and its habitat thereon, as may be adopted by the Secretary in accordance with general plans approved jointly by the Secretary of the Interior and the head of the department or agency exercising primary administration of such areas: *Provided*, That such rules and regulations shall not be inconsistent with the laws for the protection of fish and game of the States in which such area is situated (16 U. S. C. A. 664): *Provided further*, That lands having value to the national migratory bird management program may, pursuant to general plans, be made available without cost directly to the State agency having control over wildlife resources, if it is jointly determined by the Secretary of the Interior and such State agency that this would be in the public interest: *And provided further*, That the Secretary of the Interior shall have the right to assume the management and administration of such lands in behalf of the national migratory bird management program if the Secretary finds that the State agency has withdrawn from or otherwise relinquishes such management and administration."

SEC. 2. The Watershed Protection and Flood Prevention Act, as amended (68 Stat. 666, 70 Stat. 1088), is hereby amended by adding thereto a new section as follows:

"SEC. 12. (a) When the Secretary approves the furnishing of assistance to a local organization in preparing a plan for works of improvement as provided for in section 3:

"(1) The Secretary shall so notify the Secretary of the Interior in order that the latter as he desires may make surveys and investigations and prepare a report with recommendations concerning the conservation and development of wildlife resources, and participate, under arrangements satisfactory to the Secretary of Agriculture, in the preparation of a plan for works of impovement that is acceptable to the local organization and the Secretary of Agriculture.

"(2) Full consideration shall be given to the recommendations contained in any such report of the Secretary of the Interior as he may submit to the Secretary of Agriculture prior to the time the local organization and the Secretary of Agriculture have agreed on a plan for works of improvement. The plan will include such of the technically and economically feasible works of improvement for wildlife purposes recommended in the report by the Secretary of the Interior as are acceptable to and agreed to by the local organization and the Secretary of Agriculture, and such report of the Secretary of Interior shall, if requested by the Secretary of Interior, accompany the plan for works of improvement when it is submitted to the Secretary of Agriculture for approval or transmitted to the Congress through the President.

"(3) The costs of making surveys and investigations and of preparing reports concerning the conservation and development of wildlife resources shall be borne by the Secretary of the Interior out of funds appropriated to his Department.

"(b) Any acquisition, withdrawal, administration or transfer of water, water resources, or water rights necessary to carry out the provisions of this act shall be accomplished in accordance with the water laws of the State or States in which such action is taken."

SEC. 3. There is hereby authorized to be appropriated and expended, such funds as may be necessary to carry out the purposes of this act.

The report presented by Mr. WATKINS is as follows:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., April 1, 1958.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, United States Senate, Washington, D. C.

DEAR SENATOR MAGNUSON: Your committee has requested a report from this Department on S. 2496, a bill "to amend the act entitled 'An act to promote the conservation of wildlife, fish, and game, and for other purposes,' approved March 10, 1934, as amended, known as the Coordination Act."

If amended as suggested in this report, we recommend that S. 2496 be enacted.

S. 2496 is identical to a draft bill that was developed initially by this Department in response to a request from the organization of the State fish and game agencies. That draft bill was submitted to the Governors of all of the States in January 1957 for review and comment. Upon the receipt of these comments, we incorporated various improvements in the draft and it was submitted also for review and consideration to the other affected Federal departments. We enclose a revised text for the bill with the recommendation that it be substituted for the present language of S. 2496.

This proposed legislation, if enacted as recommended by this report, would amend the first four sections of the Fish and Wildlife Coordination Act of March 10, 1934, as amended by the act of August 14, 1946 (60 Stat. 1080). Also it would add a related section to the Watershed Protection and Flood Prevention Act, as amended (68 Stat. 666, 70 Stat. 1088).

This proposal is in the public interest. It will provide for more effective integration of a fish and wildlife conservation program with Federal water-resource developments. It will establish clearly the authority of project construction agencies to provide for the enhancement of fish and wildlife resources as an integral part of water-project development. It will also continue and strengthen the present authority of these agencies to provide for the mitigation of damage to these important resources.

In addition, the proposal will:

1. Provide authority for the withdrawal of public lands to provide areas for fishing purposes (present law contains such authority for hunting purposes). The proposed amendment would also provide for the development of access to hunting and fishing areas over public lands.

(2) Authorize the acceptance of donations of land and contribution of funds for furtherance of the purposes of this act.

(3) Clarify the application of the act to navigation and dredging projects, whether these are undertaken by the Federal Government or by non-Federal interests under permit from the United States Corps of Engineers.

(4) Authorize the acquisition of land by project construction agencies for fish and wildlife conservation purposes in connection with Federal water-project development, subject to review and approval by the Con-

gress of such acquisition proposals for individual projects; this authority is particularly needed to carry out most fish and wildlife conservation measures.

(5) Make the act clearly applicable to previously authorized projects provided that the construction of these projects is not substantially completed.

(6) Simplify the procedures under which Federal project lands, that are found to be valuable for the national migratory bird program, can be assigned to State fish and game departments for management.

(7) Amend the Watershed Protection and Flood Prevention Act (68 Stat. 666, 70 Stat. 1088) to provide for the application of the principles of the Wildlife Coordination Act to the small watershed program, while leaving full control of the program with local groups and the Secretary of Agriculture.

To summarize, we wish to emphasize that this Coordination Act has proven to be of great benefit to the Nation in protecting and preserving our fish and wildlife resources; however, in carrying out our responsibilities under the act, we find that there is need for improvement in it. This view is shared by all of the State Governors, whose fish and game departments also have opportunities for conservation activities under the act. Also, the national conservation organizations and commercial fishing interests for several years have strongly urged the strengthening of the act.

We believe the very great significance of fish and wildlife resources, in the economy and life of our Nation, is reflected in the results of a nationwide survey of hunting and fishing that was made by this Department. A copy of the report on our survey was sent to each Member of the Congress by this Department on February 7, 1957. That report shows that approximately 25 million persons, 12 years of age, or over, hunted or fished in 1955. This is one out of every five in that age group. These persons spent approximately $3 billion, conservatively estimated, in their hunting and fishing activities. This is about the same as all the households in the United States spent for electricity in 1955.

The Congress has given increased recognition to the fish and wildlife resources of this country through enactment of the Fish and Wildlife Act of August 8, 1956 (70 Stat. 1119). This legislation enhanced the position of fish and wildlife activities in the Federal Government and incorporated a declaration of policy by the Congress noting the importance of fish and wildlife resources to the national economy and food supply and to the health, recreation, and well-being of our citizens. The act also stressed the need to maintain and increase these resources through proper development and management. The Congress directed the Secretary of the Interior, among other things, to take such steps as may be required for the development, management, advancement, conservation, and protection of the fisheries and wildlife resources, and to make such recommendations for additional legislation as deemed necessary. Our proposals relating to the Coordination Act are responsive to these instructions.

As previously indicated, we have discussed this proposed legislation with other interested departments, including, particularly, the Department of Agriculture and the Department of the Army. The bill as transmitted herewith has their concurrence.

In view of the increasing need for fuller consideration of fish and wildlife resources in the planning and construction of Federal water projects, the increasingly severe competition for land and water on which fish and wildlife resources must be sustained, the very great proportion of the citizens of the Nation who are vitally concerned with the welfare of fish and wildlife resources, the very strong support for strengthening the Coordination Act among the State governors and the conservationists of the Nation, we strongly urge favorable consideration of this proposal by the Congress.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

AMENDMENT OF PUBLIC HEALTH SERVICE ACT, RELATING TO INTERNATIONAL HEALTH ACTIVITIES

Mr. PURTELL. Mr. President, I introduce, for appropriate reference, a bill which has a single objective, namely, to enable the Surgeon General of the Public Health Service more effectively to promote the cause of peace through promoting the cause of health throughout the world.

When the President delivered his state of the Union message to the Congress at the beginning of this session he received an enthusiastic response, without regard to party membership, in calling upon this Nation to wage peace through worldwide cooperation in the conquest of cancer, heart disease, and other diseases. Truly this is a battle which can unite men of good will in all walks of life and in all parts of the world.

While no one agency of the Federal Government has exclusive responsibility for leading this crusade against disease and ill health, there can be little doubt that the United States Public Health Service will be the principal focus of professional and scientific leadership. Its corps of public health specialists and the research scientists in its National Institutes of Health must take the initiative in this program of international health cooperation.

While the statutory authority available to the Surgeon General is generally adequate, it would be helpful if a clarifying amendment were added to the Public Health Service Act. The purpose of this amendment would be to define affirmatively in that act the basic role of the Service in international health matters. Much of the authority now employed is derived from other statutes, with the result that the actual role of the Service in this field is nowhere clearly defined. For the same reason, it is sometimes necessary to employ cumbersome interdepartmental arrangements which could be eliminated if the authority of the Surgeon General were more clearly defined.

As I have already indicated, it is largely clarifying legislation. It confers no major new powers on the Surgeon General; nor does it authorize any new appropriations. It does, however, provide the Surgeon General with a clearer and more adequate definition of his responsibilities and authorities—with particular attention to the promotion of international cooperation in the exchange of scientific information and assistance in the war against disease.

With this more adequate statutory base, with the expression of Congressional interest and support which its enactment would convey, and with the enthusiasm for this program already evidenced by the Surgeon General and the Secretary of Health, Education, and Welfare, I am confident that the next few years will witness a gratifying example of how to wage peace through a program of international health cooperation.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3727) to amend the Public Health Service Act, as amended, so as to clarify the functions and responsibilities of the Surgeon General with respect to international cooperation in the conquest of disease and the promotion of health, and for other purposes, introduced by Mr. PURTELL, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

AID TO EDUCATION THROUGH RETURN OF INCOME TAXES—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of April 24, 1958,

The names of Mr. MORSE and Mr. MURRAY were added as additional cosponsors of the bill (S. 3687) to provide financial assistance to the States for educational purposes by returning to the States a portion of the Federal income taxes collected therein, introduced by Mr. PROXMIRE on April 24, 1958.

LABOR LEGISLATION

Mr. WILEY. Mr. President, yesterday I heard the distinguished majority leader praise Senators whose views coincided with his. I was about to say something at that time about those who courageously presented to America the challenges which really exist in the important field of labor legislation. I could mention five or six Senators on this side of the aisle, including the minority leader. They presented to America the real issues of the labor problem. I am satisfied the American people realize the real issue—will constructive legislation come forth? That takes nothing away from the fine work which was done by the majority leader in selling his proposition, but he could have been a little charitable and have given credit to Senators on this side of the aisle who spoke so forcefully and clearly, and, I may add, sensibly in outlining the real problem that exists. For instance, let us consider one matter. We are all agreed that there must be a secret ballot. We have it when we vote for our public officers.

We of the minority have seen our amendments for a secret ballot rejected; likewise our amendment for protection against sweetheart contracts. Also rejected was our amendment to require the publication of financial reports, and so forth. The McClellan report shows up the job. Legislation must be broadened to give some real protection to the rank and file of labor.

I wish to say, as was said yesterday time and time again by the minority leader and other Senators, we are waiting now to see the fruit of the promises which were given, and so is America waiting. I received telephone calls this morning from labor people, who said,

"Senator, do you think the promises made by the majority leader will be fulfilled?" I said, "I hope so."

The PRESIDENT pro tempore. The time of the Senator has expired.

PROPOSED EXCLUSION OF IMPORTATION OF CERTAIN ARMS OR AMMUNITION

Mr. PURTELL. Mr. President, I wish to associate myself with the bill to amend section 414 of the Mutual Security Act of 1954 introduced yesterday by my colleague, the junior Senator from Massachusetts [Mr. KENNEDY].

I had prepared a bill proposing a similar amendment which I shall not now introduce. Senator KENNEDY's amendment and the amendment I had prepared would prohibit the importation or reimportation into the United States of arms or ammunition manufactured for military purposes.

The American sporting arms industry and its distributors are being seriously injured by the tremendous increase of imports of surplus military rifles and ammunition purchased abroad from our allies, whom we are arming under our military aid program. Certainly it is not the intent of Congress that weapons shipped to our allies should become, through importation, an economic enemy of our own weapons industry.

To aggravate the situation, foreign-made surplus rifles are being imported into the United States and sold at prices with which our American producers cannot hope to compete. In this respect, I have been informed, much to my amazement, that in 1957 thousands of Italian Carcano rifles which the Italian Government found to be unsafe for military use, were imported into the United States. It is inconceivable to me that we allow this situation to exist when it not only presents a threat to the American arms industry, but also poses a threat to the safety of American purchasers of rifles declared unsafe by a foreign government.

Connecticut's Representative MORANO originally introduced the same amendment in the House and, as the Senator from Massachusetts stated yesterday, the House Foreign Affairs Committee favorably reported it without a dissenting vote.

I hope my colleagues in the Senate will share my deep concern over this problem and act favorably so that we may add this amendment to the existing law.

I point out, Mr. President, that in espousing this measure I do not mean to attack the present provisions of the Mutual Security Act. I have strongly supported and I continue to support our mutual security program.

ATTITUDES TOWARD NUCLEAR DEVELOPMENTS

Mr. MORSE. Mr. President, under date of April 22, 1958, I have received a letter from the Committee for Student Awareness, of the University of Oregon. I ask unanimous consent that that letter, together with my reply, dated April 24, 1958, be printed in the body of the RECORD. I ask unanimous consent also that an article entitled "Temporary Test Suspension Would Enhance United States Position," written by William Cook, and published in the university's student newspaper, the Oregon Daily Emerald, be printed in the RECORD.

There being no objection, the letters and article were ordered to be printed in RECORD, as follows:

COMMITTEE FOR STUDENT AWARENESS,
UNIVERSITY OF OREGON,
Eugene Oreg., April 22, 1958.

The Honorable WAYNE L. MORSE,
The United States Senate,
Washington, D. C.

DEAR SENATOR MORSE: Our society is faced with a compelling problem. This problem broadly speaking involves nuclear attitudes, disarmament, and questioning. Perhaps this all sounds vague, but as we progress, we hope to make clear to you how we feel.

A few short days ago a play called $E=MC^2$ was presented by the University of Oregon theater. Its theme was a future era in which all nations had possession of intercontinental ballistic missiles and nuclear warheads operated by pushbuttons. At the underground headquarters of SAC in San Francisco an earthquake is mistaken for an enemy attack. Retaliation comes before clarification, and a final chapter of catastrophe is written in the book of man. The last line of the play disturbingly reechoed, "What are you going to do about it?"

Before we could complacently shrug our shoulders and say, "Oh, nothing" or deny the whole presentation as ridiculous, we were forced to ask some tough questions. In the following paragraphs we would like to present these questions.

First, does the American public have adequate information regarding the harm done humankind by raised levels of radioactivity resulting from nuclear tests?

Second, is the public aware of what an all-out attack on the United States with thermonuclear weapons would do?

Third, what has the role of the Atomic Energy Commission been in making information public and what should it be?

We suspect the executive branch of the Government of deliberately withholding information and fostering misinformation. The instrument of this action has been the Atomic Energy Commission. Fortunately, much of the information regarding the effects of radiation on human life does not lend itself to secrecy. If a person wants to dig deep enough he can find a vast number of unresolved problems. Scientists, well qualified in the field, state that the permissible level of radioactivity is as much a moral as scientific problem. The Bulletin of the Atomic Scientist, a monthly magazine, presents fairly objective, informed evaluations of problems of this nature.

This information has not reached the general public. What the public has received are statements that the positive good from atomic tests outweighs the risks involved. At best this is a nonpublic opinion in lieu of information from which the public should make a decision. Instead of this they receive apologies from Teller and Latter that we open the door to aggression by renouncing atomic weapons. This is not the issue, but it is used to overpower a petition by 9,000 other scientists recently presented to the United Nations. Perhaps it is desirable to develop clean explosives, but we must remember they are precisely the type that will not be used in an all-out war.

The issue of bomb testing involves political as well as moral questions. What of a future when all nations have atomic weapons? Will any peace be safer than the precarious power structure preceding the last two modern wars? Will we not regret our failure to work out collective security and atomic control even if the endeavor only includes non-Communist areas?

For the public decision, which must resolve moral, political, and security questions, adequate and accessible public information is imperative. When the press has access only to what Government feels expedient to release, decision can easily be removed from the people. We feel the AEC informational endeavor proposes not to inform the public opinion but to form it in accordance with a preconceived mold. The AEC must not be allowed to gravitate into a Goebbels propaganda ministry.

Any information you could give this committee would be appreciated. We thought it important for you to know how we, as the silent generation, feel about this situation. In the Oregon Daily Emerald, the campus daily student publication, debate on the editorial page by both student letters and members of the Emerald staff has centered around this and related issues. We are enclosing an editorial by William Cook pertaining to this problem.

We remain respectfully yours.

Karen J. Horton, Page B. Mahler, Yasumaca Kuroda, Jim Maxson, Elizabeth Jollie, Robert William Adler, Julie Pingle, Mary Minor, Diane Day, Douglas W. Fuller, Kathryn Thurston, Charles Land, Paul J. Clark, Helen Knight, Gary Sala, Ralph G. Swenston, George M. Boyet.

APRIL 24, 1958.

COMMITTEE FOR STUDENT AWARENESS,
University of Oregon,
Eugene, Oreg.

DEAR FRIENDS: I thank you for your letter and the enclosure of April 23. I feel far better when I read your letter and the editorial from the Emerald than I do when I read State Department bulletins.

Please accept my sincere congratulations for thinking through the issue as you have. You certainly seem to be on the right track. You have a job to do in bringing these questions and the evidence bearing upon them to the attention of as many students as possible and to as many people beyond the campus as you can reach.

I agree that the administration and the Atomic Energy Commission have suppressed and pooh-poohed information so that the job of informing the public accurately must be performed by the press, private groups, and individuals.

I will not pretend to know the ultimate solution to the problems of nuclear testing, disarmament, and the avoidance of war, but I do believe with you that the emphasis upon military preparation is negative and sterile. I have always advocated adequate military strength to discourage attack. But that is not an end. It is only a preliminary. The end we seek is the resolution of problems so as to prevent war. I do not know whether the Russians are really willing to negotiate on outstanding differences, but I do know that by appearing to refuse to meet with the Russians by insisting upon continuing nuclear tests we are being convicted before the world as warlike, while the Russians undeservedly appear to be the champions of peace.

I believe that the United States should waive nuclear tests and put forward reasonable concrete proposals for negotiations which will put the Russians to the test of sincerity before the world. I do not think that our proposals can be so one-sided or inflexible that Russian refusal will not carry with it its own condemnation. To date and for a very long time the Russians have been running rings around us and we have been losing ground militarily, in propaganda, and losing ground to the Russians by economic penetration.

The United States should welcome Russia's challenge to economic competition.

This is the area in which we can best them, if only we have the will and the imagination. But here, too, timidity and inflexibility seem to grip the President and Secretary of State. However, public demand by groups such as yours can have, if they are widespread enough and insistent enough, a considerable effect upon national policy.

Finally, might I observe that I do not find your generation to be so silent. That is all to the good. We particularly need the vigor and idealism of youth if we are ever to break out of the habits of conduct which have led mankind to its present state.

With kindest regards.

Sincerely,

WAYNE MORSE.

P. S.—Enclosed you will find some of my recent statements on the Senate floor, on radio and television, and before the public concerning disarmament and the cessation of nuclear testing.

TEMPORARY TEST SUSPENSION WOULD ENHANCE UNITED STATES POSITION

(By William Cook)

For the past several days the letters column of the Emerald has been filled with a pro and con discussion of whether the United States should continue testing nuclear weapons. In any discussion of nuclear weapons and their testing, some unknown and unanswered questions must be acknowledged.

First, is the level of radioactivity deposited in the atmosphere by nuclear weapons testing actually harmful to living cells, particularly those of humans? Is the average 2 percent rise in radiation which we're getting from nuclear fallout actually harmful? And are deposits of the long half-lived radioactive element strontium-90 building up in our bones to a dangerous or potentially dangerous level?

The Atomic Energy Commission says the radioactive fallout from testing is not dangerous; Linus Pauling and his petitioners—working from the same data—say it is; we, who ultimately hold the decision, don't know whom to believe.

Second, do the Russians, perhaps overburdened with the cost of the present arms race, want to call a breather by suspending their tests in the hope that other nations will do the same?

Or is their suspension announcement a red herring to divert world notice from the fact that their recently completed test series was reportedly the dirtiest ever in terms of nuclear fallout?

We don't know if the Soviet Union, which wants a summit conference badly, really wants to make genuine concessions—provided they are reciprocated—or if they are simply making a propaganda play.

Third, what is the position of the United States in the world today? Do we command respect among the nations of the world with our policies or are we branded as a nation which really doesn't want peace badly enough to give even an inch to try to achieve it? Are we so convinced—officially at least—of the rightness of our position that we are blinded to alternative solutions or to changes in strategy?

Fourth, how do we regard the so-called tide of neutralism which is reportedly sweeping through our NATO allies in Europe? Are our European allies willing to try for a peace at almost any price or are the neutralists merely a highly vocal minority?

Here are some observations we can make:

We know the whole Communist bloc is committed to a doctrine of eventual world domination. This should always be acknowledged when dealing with the Soviet Union, but we also shouldn't let this doctrine stand in the way of attempting to achieve short-range goals—such as controls on testing which could lead to more peaceful coexistence.

We have learned from hard experience that the only way to deal effectively with the Soviet Union is from a posture of strength—and this implies the strength of world opinion, diplomatic skill, and economic power, as well as military strength.

If we have a posture of strength we can then give concessions and exact them in return. Without such strength we are crippled—especially around a conference table.

We already possess a strong military force oriented around the use of nuclear weapons. We possess enough nuclear weapons to destroy the Soviet Union several times over.

The military problem of nuclear weapons is principally concerned with the devices to deliver them—missiles and long-range bombers, for example. We are behind the Soviet Union in developing missiles; we are ahead of the Russians in the development of nuclear weapons.

It now appears that nearly all nuclear explosions can be detected around the world. The tiny bomb which was exploded inside the Nevada mountain was detected as far away as Alaska. The larger bombs can be detected easily with seismographs and upper air samples.

The United States has called for an end to the arms race, controls on nuclear weapons production and testing, and controls on the use of outer space. And the United States has suffered at least three major propaganda setbacks since the sputniks.

From these data and arguments several tenable positions can be logically taken. One in particular can be suggested which would involve a minimum of risk and a maximum of possible gain.

We could suspend our nuclear testing—at least until after what looks like the inevitable summit conference later this year. This concession would cost us little in a military sense, for the tests are only to try clean humanitarian bombs (that is, ones which produce less fallout than present bombs).

We would stand to gain a favorable climate of world opinion for the present uncertain one.

Since the Russian test suspension is contingent upon other nations also suspending their testing, they would be in a position at a summit conference to say they halted their tests but that no other nation would. For a summit conference would come after our nuclear tests, which start next month.

At the summit conference we could find out if the Soviet Union is really willing to make some first steps toward the disarmament which we eventually want. If the Soviet suspension announcement is a bluff, we would call it, and at least be able to tell the world of it and score a propaganda victory. And then, if we wanted, we could return to testing nuclear weapons.

But if the Soviet Union is really willing to suspend nuclear testing, then we must not ignore what could be a first step toward ending the present arms race.

INTERNATIONAL DISARMAMENT POLICY

Mr. SMITH of New Jersey. Mr. President, the letter from President Eisenhower to Chairman Khrushchev which was released yesterday continued this administration's consistent policy of seeking all reasonable means toward a sound international disarmament agreement. This policy has been pursued in a number of positive proposals which the Russians have repeatedly met with a propaganda barrage of meaningless counterproposals.

The President's letter answered Khrushchev's April 22 rejection of his proposal to begin technical studies of the specific steps necessary to control nuclear testing. In his reply the President renewed his offer, pointing out that such studies would avoid a great deal of delay in reaching political agreement. I ask unanimous consent that the text of the President's letter of April 28 be printed at this point in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TEXT OF LETTER FROM THE PRESIDENT TO NIKITA S. KHRUSHCHEV, CHAIRMAN OF THE COUNCIL OF MINISTERS OF THE UNION OF SOVIET SOCIALIST REPUBLICS

DEAR MR. CHAIRMAN: I have your communication of April 22 in reply to mine of April 8. I regret that it is not an affirmative response to my proposal.

You refer in your letter to the question raised recently by the Soviet Union in the United Nations Security Council which also touches upon the disarmament question. I am sure that you would agree that with the growing capabilities in the Soviet Union and the United States of massive surprise attack it is necessary to establish measures to allay fears. The United States has just asked the Security Council to reconvene in order to consider the establishment of an international inspection system for the Arctic zone. The United States has submitted a constructive proposal to this end. I urge you to join with us in supporting the resolution of the United States now before the Council. Your support of this proposal and subsequent cooperation would help to achieve a significant first step. It would help to reduce tensions, it would contribute to an increase of confidence among states, and help to reduce the mutual fears of surprise attack.

The United States is determined that we will ultimately reach an agreement on disarmament. In my letter of April 8, I again proposed an internationally supervised cutoff of the use of new fissionable materials for weapons purposes and the reduction of existing weapons stocks by transfer to peaceful purposes; an agreed limitation or suspension of testing; open skies, and the international use of outer space for peaceful purposes.

As an effective means of moving toward ultimate agreement on these matters and other disarmament matters, I proposed that we start our technical people to work immediately upon the practical problems involved. These studies were called for by the United Nations General Assembly. They would include the practical problems of supervision and control which, you and I agree, are in any event indispensable to dependable disarmament agreements.

The solution of these practical problems will take time. I am unhappy that valuable time is now being wasted.

You say that we must first reach a final political agreement before it is worth while even to initiate the technical studies. But such studies would, in fact, facilitate the reaching of the final agreement you state you desire.

For example, why could not designated technical people agree on what would be required so that you would know if we violated an agreement to suspend testing and we would know if you should commit a violation?

Would not both sides be in a better position to reach agreements if we had a common accepted understanding as to feasibility of detection or as to method of inspecting against surprise attack?

Studies of this kind are the necessary preliminaries to putting political decisions actually into effect. The completion of such technical studies in advance of a political agreement would obviate a considerable period of delay and uncertainty. In other

words, with the practicalities already worked out, the political agreement could begin to operate very shortly after it was signed and ratified.

I reemphasize that these studies are without prejudice to our respective positions on the timing and interdependence of various aspects of disarmament.

Mr. Chairman, my offer to you still and always will remain open. I hope you will reconsider and accept it. In that way we both can make an important contribution to the cause of just and lasting peace.

Sincerely,

DWIGHT D. EISENHOWER.

Mr. SMITH of New Jersey. Mr. President, the same letter of the President also challenged Russia to prove its desire to reduce international tensions by supporting the United States resolution for an international inspection system in the Arctic, which the Security Council is considering today.

I ask unanimous consent that the resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION INTRODUCED IN THE UNITED NATIONS SECURITY COUNCIL BY THE UNITED STATES

The Security Council, considering further the item of the U. S. S. R. of April 18, 1958; noting the development, particularly in the Soviet Union and the United States of America, of growing capabilities of massive surprise attack; believing that the establishment of measures to allay fears of such massive surprise attack would help reduce tensions and would contribute to the increase of confidence among states; noting the statements of certain members of the Council regarding the particular significance of the Arctic area; recommends that there be promptly established the northern zone of international inspection against surprise attack, comprising the area north of the Arctic Circle with certain exceptions and additions, that was considered by the United Nations Disarmament Subcommittee of Canada, France, the United Kingdom, the Soviet Union and the United States during August 1957; calls upon the five states mentioned, toegther with Denmark and Norway, and any other states having territory north of the Arctic Circle which desire to have such territory included in the zone of international inspection, at once to designate representatives to participate in immediate discussions with a view to agreeing on the technical arrangements required; decides to keep this matter on its agenda for such further consideration as may be required.

Mr. SMITH of New Jersey. Mr. President, our representatives in the United Nations are to be highly commended for their constructive statesmanship in making this proposal, which masterfully revealed the hypocrisy of Russia's charges in the U. N. last week that American aircraft have been making threatening flights toward the Soviet Union in the Arctic area. As an editorial in the New York Times of April 28 stated:

It will not be as easy for the Russians to reject this proposal as it has been for them to distort and delay other plans for a more peaceable world.

I ask unanimous consent that the editorial entitled "An Arctic UNEF?" be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AN ARCTIC UNEF?

If the Russians are truly worried about American bombers carrying nuclear weapons over the Arctic Ocean they should welcome the resolution the United States will put before the Security Council tomorrow. Only last Monday, in the face of almost unanimous opposition, they withdrew a resolution calling upon the United States to refrain from directing its military aircraft, armed with atom and hydrogen bombs, toward the frontiers of other states, with a view to creating a threat to their security or of military demonstration. Now the United States, "noting the statements of certain members of the Council"—guess which—"regarding the particular significance of the Arctic area," suggests that the Council recommend the prompt establishment of a "northern zone of international inspection against surprise attack."

The new resolution names the Soviet Union and the other four members of the U. N. Disarmament Subcommittee, together with Denmark and Norway, as interested parties. Informally, the United States expresses a willingness to discuss other means of preventing surprise attacks and would gladly expand the field of discussion if the Soviets so wished.

It will not be as easy for the Russians to reject this proposal as it has been for them to distort and delay other plans for a more peaceable world. After all, who brought up the subject of a crisis in the Arctic? And what better answer could there be to the charge that we are getting ready to attack Russia by way of the polar regions than an offer from us to set up a neutral patrol—and this really is what the plan suggests—to make sure that we do not?

An international air patrol over the Arctic might not be as simple as the ground operations of the U. N. Emergency Force, which have kept a tolerable peace in the Middle East since late in 1956. But the thing could be done, if Russia honestly wanted it, and larger achievements might follow.

We shall wait, with some hopes, but not too much, to hear what Russia's professorial-looking ambassador, Arkady A. Sobolev, will have to say about this tomorrow.

Mr. SMITH of New Jersey. Mr. President, in a second editorial on the subject this morning, April 29, the Times emphasizes that the American proposal is "no mere propaganda device," but a constructive attempt to meet the serious dangers of surprise attack. I ask unanimous consent that the editorial, entitled "Against Surprise Attack," be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AGAINST SURPRISE ATTACK

At the request of the United States, the Security Council of the United Nations meets today to consider an American proposals for the establishment of an international inspection system for the Arctic regions. Its purpose is to allay the fear of surprise attacks across these areas. This proposal has been endorsed by President Eisenhower, with a personal appeal to Premier Khrushchev to support it.

In its timing, this latest American initiative takes advantage of an opportunity opened by the Soviets' protest to the Security Council against American nuclear bomber exercises over the Arctic. But the American proposal is no mere propaganda device. It is a serious effort to cope with the very real dangers raised by the growing Soviet capacity for massive surprise attacks and the inevitable American precautions against an atomic Pearl Harbor. No free nation dare ignore this danger.

In point of fact, the American proposal merely uses a new opportunity to press home the "open sky" plans already submitted to the United Nations Disarmament Subcommittee. As detailed in a working paper last August, these plans offered not only inspection of most of Europe but also two alternatives for the Soviets to choose from—inspection of all the United States and Canada, in return for inspection of all Soviet Russia, or inspection primarily of Arctic regions. The Soviets, however, have rejected any aerial inspection of their territory as recently as the Khrushchev letter of April 23, and they have scoffed at aerial inspection of the Arctic on the ground that there was nothing to inspect "but polar bears."

Certainly the United States, having no aggressive intent whatever, would welcome a system of Arctic inspection with relief. Beyond that, in the words of President Eisenhower to Mr. Khrushchev, such inspection would provide a "significant first step" toward a broader application of inspection systems to prevent the possibility of surprise attacks over other regions besides the Arctic. It is with this thought in mind that the President reiterates his earlier proposal for setting the experts to work on the technical problems of armament inspection and control, as requested by the United Nations General Assembly, in order to facilitate broader agreements. But the Soviets have continued to insist on paper agreements first, and consideration of controls only after that, when they can reap the fruits of agreement while evading controls. The Security Council debate scheduled to begin today should clarify the issue.

DISPOSITION OF VESTED ENEMY ASSETS

Mr. SMATHERS. Mr. President, I ask unanimous consent that I may proceed for an additional 3 minutes beyond the 3 minute limitation in the morning hour.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMATHERS. Mr. President, it has come to my attention that the administration is drafting proposed legislation to deal with the disposition of vested enemy assets at a minimum cost to the American taxpayer of $100 million. The administration proposal would authorize the payment of individual German claims up to $10,000, after which payment would be made on a pro rata basis from any funds remaining to German corporations and individuals. Since this part of the proposal would exhaust the funds vested to pay American citizens having claims against the German Government, the administration proposes that the sum of $100 million be appropriated to pay these claims. The administration assumes for the American taxpayer German's obligation and responsibility to its own citizens.

What disturbs me most is that all this is being proposed at a time when our own citizens are calling for tax cuts, for stricter economy in government, and for the institution of new domestic spending programs to bring to a halt the current recession.

I have previously discussed this matter on the floor of the Senate in some detail, specifically on August 8 of last year. At that time I said that there was no confiscation and no violation of the principle of the sanctity of private property involved in the vesting program insofar as the United States is concerned. If these principles are involved at all, and if they are being violated, the violation is on the part of the German Government and not the United States. There is absolutely no legal or moral obligation on the part of the United States to pay any German property claims. On the contrary, the United States has international obligations not to do so.

I have made a thorough study of the issues involved in this long-standing controversy. To me it is abundantly clear that the claims of German citizens and corporations should be submitted to the German Government and not to the United States.

The administration's proposal constitutes nothing but an outright giveaway, which attempts voluntarily to assume the German Government's obligation to compensate its own citizens—an obligation which Germany voluntarily and eagerly accepted at the end of World War II in order to avoid a staggering reparation debt amounting to no less than $300 billion to the Allied Nations. It is inconceivable to me how any consideration can be given to a proposal of this type, since Germany today, in recapturing its position as one of the leading creditor industrial nations, has one of the strongest economies in the world. It needs no help from us to meet its obligations to its own people. Yet, despite these facts of life, the administration is spending valuable time and effort, which it could put to better use, trying to figure out how a debt which rightfully should be assumed by the German taxpayer can be transferred onto the backs of our own citizens.

Let me make another thing unmistakably clear. It is this: The administration must know that the so-called return program is only an opening wedge to the accomplishment of full return of these properties. This is exactly what happened after World War I—and as Senators know, history has a habit of repeating itself. Once the former enemy industrialists—who, by the way, stand to gain the most under the administration's proposal—obtain a foothold in the Treasury of the United States, there will be no stopping the big drive for the complete jackpot, estimated to be worth $600 million. It will be difficult to prevent a full return of these assets should we abjectly capitulate to the principle that partial return is proper and lawful. Should this come to pass—and I fervently pray that it will not—the American taxpayer will be asked to cough up another $300 million or perhaps $500 million in tax money. The amount will be much greater if American citizens having claims against Germany are to be compensated at all. It will be double that amount if our allies demand that we live up to our obligation under the Paris Reparation Agreement to turn over to them the value of any vested assets we renounce. Pursuing a limited giveaway policy ultimately will ripen into a full giveaway policy, all to the detriment of an already overburdened American taxpayer.

This type of high-level policy making is a source of profound regret to me. The vested enemy assets problem was fully and finally settled in 1946, as a part of the Paris Reparation Agreement. At that time it was agreed that the vested assets of this country were to be held by the United States to compensate American citizens with war losses. England, France, and the other allies were to do the same. Germany agreed to this in the Bonn Convention of 1952, and the provisions of the agreement were included in the Paris Protocol of 1954. The protocol was ratified by the Senate on April 1, 1955.

Germany, on the other hand, solemnly agreed to make its own people whole for any losses sustained by them. The failure of Germany to carry out its obligations and responsibilities to its own citizens is an internal problem with which we should not be concerned.

In 1948, the Congress enacted legislation to carry out the policy underlying the reparation agreement, specifically stating that the vested German and Japanese assets should be held and liquidated, and the proceeds utilized to pay American citizens who sustained war losses as a result of the destruction caused by our former enemies. Our allies have already made it clear that any reversal of the position which the United States has taken in this matter would be a source of great embarrassment to them.

Now, 10 years later, after high-paid lobbyists and agents, urging both partial and full return, have laid down barrage after barrage of propaganda, the present administration apparently has succumbed to their efforts. Its recent proposal advancing the cause of partial return merits prompt rejection by Congress.

Mr. President, I sincerely hope that the administration will reconsider its position before it presents this baseless, fruitless, and unnecessary spending program to Congress. The time has come to give full and final effect to the War Claims Act of 1948 by the complete liquidation of these vested properties and by making payment of all legitimate American war claims.

The interim use of these funds, and any balance remaining after the payment of all legitimate American war claims, should be utilized to promote and advance this country's life and death struggle with the Communists in the field of science. I have proposed legislation, which is presently pending before the Subcommittee on Trading With the Enemy Act of the Judiciary Committee, to accomplish this objective. The proposed legislation is identified as S. 2737. It is a practical solution of this long controversial issue.

Under the provisions of my bill, after the payment of legitimate American war claims, a revolving fund would be set up to provide scholarships to the deserving youth of our Nation in the field of engineering and science. These scholarships would be administered through the National Science Foundation.

In this way, the proceeds of the last war would be wisely and profitably used to prevent another war, to advance the cause of democracy and, at the same time, to promote the educational superiority so essential to the maintenance of scientific supremacy.

PLEA FOR FEDERAL SUPPORT FOR EDUCATION

Mr. PROXMIRE. Mr. President, among those who speak for the right of our children to the best education the skills and the heart of our Nation can afford, none has a more eloquent voice or a more distinguished record than Mrs. Agnes E. Meyer. The wife of Eugene Meyer, chairman of the board of the Washington Post and Times Herald, Mrs. Meyer has for years been the people's lobby in speaking for the millions of children who have no voice today, but whose voices will rule the Nation's councils tomorrow.

Yesterday Mrs. Meyer appeared before the General Education Subcommittee of the House Education and Labor Committee, to plead once again for Federal support for education. Her statement ought to have the broadest possible circulation. I ask unanimous consent, Mr. President, that the testimony of Mrs. Meyer be printed in the RECORD at this point, in connection with my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PLEA FOR FEDERAL SUPPORT FOR EDUCATION

(Testimony of Mrs. Agnes E. Meyer before the General Education Subcommittee of the House Education and Labor Committee, April 28, 1958)

Gentlemen, my name is Agnes E. Meyer. I represent no organization. I cannot come before you with the resounding statement that I speak for X million people of some powerful lobby. But, since the beginning of World War II, I have probably visited more public schools in more parts of our country than any other nonprofessional. I have seen and suffered intensely from the evil effects upon our children when they go from poor, overcrowded homes to poor, overcrowded schools. I have also had the exhilarating experience of personal conversations with the resolute, brilliant youngsters whose minds and characters have blossomed under the influence of our finest public schools. That thousands upon thousands of our children should be denied an equal opportunity for self-development because they were born and grew up in impoverished areas of our country, has always seemed to me an unendurable injustice, yet a crime in a country as rich as ours. So if I represent any special group as I plead once more for Federal support to education I am making myself a spokesman for the multitude of American boys and girls whose lives have been blasted, and those whose future development is still being frustrated because neither our Federal Government, nor the American people as a whole are sufficiently aware that such cruelty is commonplace in our great Nation. Since we have many first-rate elementary and secondary schools in the prosperous sections of our country, it is obvious that we could have equally good schools everywhere if the less productive States and communities could afford them.

You will hear many technical experts who will give you exact figures to show the disparity that exists in our educational system, and what this costs our Nation in loss of productive capacity. But I shall concern myself chiefly with the meaning of those facts to the security of our country. Therefore, I wish to make a flat statement at the outset of my testimony on behalf of Federal support for education, namely, that there is nothing wrong with our public school system that money cannot cure.

Why is this true? It is true because adequate funds would make it possible to have small classes in well-equipped buildings. If we could pay our teachers a wage commensurate with their responsibilities, more and better educated men and women would enter the profession. Although the greater part of our school system is obsolete in this post-sputnik era, our numerous schools where a modern curriculum exists and modern methods of education are practiced, could be used as models for the complete reorganization of our poorly endowed school systems. Despite all the criticism of our schools we have enough educational leadership in every State of this country to create a first-class public school system, if only the American people can be aroused to pay the price.

And pay the price we must—for today the development of every ounce of talent we possess is not merely a matter of justice and equality of opportunity—it is a life and death issue. All well-informed Americans know that we are losing the cold war for lack of trained personnel. Our inherent defense strength rests upon the quality of our manpower and brainpower. Says Arthur R. von Hippel, of Massachusetts Institute of Technology, in the March issue of the Bulletin of the Atomic Scientists: "There is a desperate urgency in our present situation. Our adversary is politically much more cunning than we are, and his technical strength is surpassing ours at a rapid rate. Shortly, we may be confronted with an ultimatum to surrender or be annihilated. This is the challenge, and against it our response has to be measured."

Gentlemen, that is not the statement of an hysterical pessimist. It represents the coldly considered judgment of a distinguished scientist who knows the Russian potential and our own. He expresses it in a plea for better coordination of research work at the university level. But the quality of scientists and researchers in our colleges and universities depends upon their preparation in our elementary and secondary schools.

Why in the face of such dire warnings is there such indifference to this vital question of improving our educational system through Federal support? It is due to the fact that our people are unaware of the danger to which they are exposed. Consequently they do not understand the central importance of education to the survival of our country and the freedom of mankind.

This is psychologically understandable. Despite the open and often repeated threats of the Communist leaders that their purpose is world domination, neither our political leaders nor the American people can comprehend that the freedom of our great, prosperous, and powerful Nation could ever be seriously threatened. Protected in the past by two oceans our Nation has heretofore been safe from all foreign invasion. We have no experience of tragedy. We have a history of progress and success which makes it difficult for us to adjust our thinking to the perils of the nuclear age. Therefore it is not surprising that anyone who says that the Communists are outmaneuvering us on every front and that we are in danger of imminent disaster sounds like a Cassandra. Our minds are well aware, especially since the launching of the sputnik, that we are losing our position of world leadership. But in our hearts we feel too secure and too certain of ultimate victory. As a result there is no sense of urgency to improve our chaotic society and to make our Nation strong enough to cope with the manifold foreign and domestic problems that confront us. We think there will always be time to do next year what we fail to do now. As a result there is an indifference even in the Congress to Federal support for education. Unless we awaken from this dream world we shall regret it to the end of time.

It is only natural that our political leaders should give first priority to military defense and foreign policy. But in a thermonuclear age even military preparedness and the implementation of foreign affairs, depend upon the development of a vast reservoir of highly skilled manpower of many different kinds. We also need highly trained personnel that can guide our complex society here at home—a society bound to become far more complex now that automation is already coming into use. Unskilled labor will become a drug on the market when complicated machines produce goods in a small fraction of the time and labor now required. Dr. Norbert Wiener of the Massachusetts Institute of Technology in his book on Cybernetics warns up: "Taking the second industrial revolution as accomplished, the average human being of mediocre attainments or less, has nothing to sell that is worth anyone's money to buy." Obviously we must train the majority of our population for the higher skills needed in an automated system of production, or we shall have an unemployment situation which will make this depression and even that of the thirties look insignificant. So dangerous a situation might tempt our people to accept dictatorship in preference to social chaos.

Thus in the fact of the rapidly expanding power and influence of the U. S. S. R., there is but one chance that we can hold our own whether in military defense, foreign affairs, or domestic social stability—the power of education must be expanded at once to overcome the power of ignorance if our Nation is to achieve genuine defense and the genuine security for which we yearn.

The U. S. S. R. still uses the threat of nuclear war but they will not resort to war because they are justified in believing that they can win their objective—world domination—without it. The cold war has been shifted by the crafty leaders of the Kremlin from a competition in physical strength to a competition in brains. At this very moment the outcome of what has now become a hot war, is being fought in the classrooms of the U. S. S. R. and the United States of America. We must heed the warning of Lloyd V. Berkner, member of the President's Scientific Advisory Council, in his article Earth Satellites and Foreign Policy. "The year 1957 may well stand in history as the point in time at which intellectual achievement forged ahead of weapons and national wealth as instruments of national policy. The achievement of the Soviet satellite," says Dr. Berkner, "has demonstrated to Americans what they refused to believe before that they are in a race for intellectual leadership, when they hadn't realized that there was a race. In the complacency of our assumed technological lead, we have confused our high standards of living and material prosperity with intellectual stature. It is an extravagant and dangerous mistake," concludes Dr. Berkner.

Why do we find ourselves in this frightful predicament? Why do we have to acknowledge that the Russians have snatched from us the economic, intellectual, and psychological leadership of the entire world? Largely because we have never examined the real reason why the U. S. S. R. has forged ahead so fast that it is now threatening our supremacy in productive capacity including the productivity of missiles. We never examined the real reason why the U. S. S. R. is such an astute and dangerous enemy—we entertained the naive conviction that Communist authoritarianism must crumble from within because nothing so hostile to our self-satisfied and self-righteous democracy could long endure.

Our fatuous pride was due to the fact that we overlooked the true reason for the ever-increasing power of the Russian Communists—their faith that cultivation of the human mind is the greatest single source of power.

While we have been neglecting our schools as never before, the Russians from the moment the Bolsheviks came to power in 1917, have devoted the same close attention to educating the young and old as they did to the development of their armed forces and the administration of their economy. They have always spent a higher percentage of their total income on education than we have. As a result in 40 years they have transformed a semifeudal, illiterate population into an advanced industrial nation whose productivity rivals our own and exceeds it in many respects. It is a wholly admirable, it is a fantastic achievement; no wonder the underprivileged nations throughout the world say to themselves: "If Russia did it, we can do it." As George S. Counts states at the end of his momentous book, The Challenge of Soviet Education: "Education is one of the most fundamental realities of the Soviet system. The Bolshevik leaders from the first have regarded education with utter seriousness, far surpassing in this respect the leaders of any free society on the earth. They regard education as a mighty weapon in the cause of communism. Without their vast system of educational agencies, the Bolsheviks would not be standing in the position of power they occupy today."

Let's face it. The Soviet leaders have always had a deeper insight into the relationship between national education and national power than we have. They had the foresight to implement this faith by creating a public educational system that reaches into every hamlet. Out of sheer necessity, the Russian political strategists have developed more foresight than ours and the Russian people work harder than ours. Recently while speaking to our American observers of the Russian elections, Khrushchev predicted (according to the New York Times, March 19) that in the future the United States will always lag behind the Soviet Union in scientific achievements. He said this would be so not because Americans were less talented than Russians but because only in the Soviet Union did all young men and women have the opportunity to develop their talents. And on April 11 he said communism would win the struggle with us not by war but by raising labor productivity, increasing the output of goods and building up its economy. To all of these warnings—which are no idle boasts—we Americans remain indifferent. I fear this is due to the fact that we take Russian education no more seriously than we take our own. Yet we must face this educational challenge realistically or we shall soon find ourselves in the position of a second-rate world power.

Gentlemen, this is what the Congress and the American people must realize, that we have to build a new strength into our Nation—and the greatest source of strength is education. In this scientific era knowledge is power as never before.

This was emphasized in the 1958 Parliament of Science conducted by the American Association for the Advancement of Science in the following paragraph:

"The urgent need to develop fully the intellectual resources of our Nation requires

a prompt and thorough recognition of the basic importance of education in our society. Our schools and colleges will be able to contribute fully to the solution of the problems that now confront us only if the improvement of the teaching profession is accorded a high priority among our major concerns. We must compensate teachers at levels which reflect the degree to which the destiny of the Nation depends on teaching of the highest quality. Only through such a realistic approach can we hope to solve the quantitative and qualitative shortages which now seriously limit what schools and colleges are able to accomplish."

I realize full well that we cannot waste our national substance. I am as conscious as any other taxpayer that expenditures for armaments will increase to astronomical figures. But the Nation's peril is such that our people must stop wasting their substance on more and more gadgets and luxuries. We must accept a new primacy of values with education as our highest goal.

We must be willing to make sacrifices for education now, lest we be obliged to make heavier sacrifices later. Let me use the armaments program as an example. Why are we suddenly obliged to multiply our appropriations for bigger and deadlier missiles? Because policy under this administration has been made by the Bureau of the Budget. Even our military security, until sputnik woke us up, was sacrificed to a balanced budget. As a result we must now accelerate our plans for military offense and defense at a far heavier cost, for it is always true that haste makes waste. The same need for a costly crash program in the educational field will arise in the future unless we begin at once to appropriate adequate sums for the year-by-year improvement of education. Of course the Bureau of the Budget will argue all the more strenuously that we spend nothing on education since we have now been forced to spend such gigantic sums on missiles and satellites. Gentlemen, the control of the purse and thus the making of national policy belongs to the legislative branch of our Government. I hope that you will make it clear to the executives who have allowed the Bureau of the Budget to usurp these powers, that you the legislators put the safety of our country above monetary considerations, and that in this national crisis we must move quickly to improve the quality and quantity of our education throughout the country. Even if such a decision on your part would involve higher taxes, I am convinced the American people would be willing to pay them if they know how perilous the world is in which they live and must continue to live.

Therefore I call upon you to support primarily H. R. 10763 and in a modified form H. R. 10381. Moreover we should not think of these bills as Federal aid—as if it were a form of charity. The Federal Government has long recognized its responsibility to share with the States and the localities the responsibility for the education of our children. Now that share must be increased.

Gentlemen, the only bill before you that meets the need for school construction and for increasing teachers' salaries—the two most crucial problems of our public school system—is the one introduced by Mr. METCALF in the House and Senator MURRAY in the Senate. Other witnesses will describe in detail the shortage of trained teachers and the shocking conditions of classroom overcrowding, often in obsolete buildings, that have grown more acute every year in many sections of our country. As background for my argument, I shall merely state that despite all the efforts made by the States and localities approximately 2,300,000 children are in excess of present school capacity. We have a shortage now of some 142,000 classrooms. This means that not only these 2.3 million children receive an inadequate education, it means that they overcrowd the existing schoolrooms and lower the educational standards of millions of other children. At the same time, due to the high birthrate we must provide additional classrooms for 1 million more children every year. Despite the extraordinary efforts of the States to keep abreast of their school construction needs, the limited financial resources in many old established communities and the new suburban towns are not sufficient to eliminate the classroom bottleneck.

At the same time there is a critical teacher shortage due largely to the pitiful salaries they receive in many of our States.

H. R. 10763 provides $1 billion in the fiscal year 1959 and raises this yearly to four or five billion which the States would be empowered to use either for school construction or for the increase of teachers' salaries or both, depending on the primacy of their needs. This appropriation added to the continuing efforts of the States and localities would enable them gradually to overcome their most acute difficulties. If the grants to the States for construction are made quickly enough, the program would create greatly needed employment. I cannot help criticizing the administration and the Congress for a public works program that calls for highways, housing, and post offices, but no schools. For every new highway would create new communities and every new community needs schools, for which the funds would be lacking.

But an emergency program for school construction must not be allowed to take the place of a long-range program. For we can catch up with our educational problems only if we work at their solution year by year for at least 5 years to come.

The increase of teachers' salaries must inevitably accompany any program to build more schools if we are to attract young men and women in greater numbers, of the quality now needed to improve our educational standards. The Nation since sputnik is particularly concerned with the shortage of science and mathematics teachers. I have preached for years that this shortage could never be overcome unless salaries were raised. Every year for years we graduated several thousand science teachers only to have most of them absorbed by industries that can afford to pay them a living wage. It is futile to think we can counteract this trend until teaching salaries are commensurate with those offered in the business world.

At the same time I am opposed to raising the salaries of mathematics and science teachers while ignoring other salary scales as is proposed by the administration bills. Such a procedure would undoubtedly create difficult problems of administration and destroy teaching morale in every school in the country. Furthermore we need scientists who know history, languages and the social structure of which they are an integral and influential part.

The 1958 Parliament of Science, conducted under the American Association for the Advancement of Science, stated explicitly: "Both public policy and the welfare of science require an educational system that is strong at all levels and in all fields of knowledge. Efforts to advance science at the expense of other fields of learning would harm all fields of learning and the society they serve."

We hear constantly that Soviet curriculum is overweighted with scientific studies and that this is the secret of Russia's technological, economic, and political progress. Gentlemen, this is not true. In the Russian 10-year middle school, attended by approximately 30 million pupils from 7 to 17 years of age, the curriculum is not only rigorous but carefully balanced. As both Russian parents are usually working people, Khrushchev is now rapidly developing public boarding schools, already attended by 75,000 boys and girls, which, as he put it, would complete for its students "the transition from the lower stage of communism to its higher stage" and "bring up the builders of a new society, individuals of great spirit and lofty ideals, wholeheartedly serving their people who are marching in the vanguard of all mankind." To be sure the Russians emphasize science but against a background of history, literature, languages and geography. They are "marching in the vanguard of all mankind" and capturing world leadership because they never send economic or technological advisers to foreign lands unless they can speak the language plus the native dialects, understand the agricultural and economic needs of the people whom they are supposed to advise and understand enough about their psychology and customs to win their sympathy.

Now, gentlemen, I am not pointing out how well adjusted the Soviet education is to Communist purposes of world domination with the idea that we should copy their curriculum. The essence of the challenge of Soviet education is this: We must strive to develop an educational system and philosophy which will serve the purposes of a free society as effectively and imaginatively as the Soviet education serves the purposes of despotism.

In the main this philosophy consists of giving each child the education best suited to his individual capacities. The localities must now realize that public education has a responsibility to the Nation. The Federal Government, on the other hand, must also realize that the diversity of American education must be preserved. Furthermore, the time has come when our Federal Government must not only support public education but cooperate closely with the Federal and State departments of education on certain educational needs of various Government agencies. We could make no greater mistake than to introduce the authoritarian guidance of the Soviets; but there is no reason why our expert school counselors should not point how and where our most gifted students could best use their talents to serve the Nation. For example, if we are going to develop teachers and technologists who can speak French, German, Italian, Japanese or Chinese, Russian, Hindi, or whatnot, we shall never produce enough unless they are given prospects of a career in which such knowledge can be applied. Henceforth, we must regard education not only as the path to self-development and an enlightened citizenry, but as an indispensable means for building a strong Nation capable of the world leadership that has been thrust upon us.

That is why a scholarship program such as that proposed in H. R. 10381 is essential. It provides for 40,000 scholarships awarded by the State educational commissions; and during each of the 5 succeeding years it authorizes 40,000 additional scholarships every year. Mr. ELLIOTT's term "national defense scholarships" is well chosen. But they should not be confined, as is set forth in other bills, to scientific studies. Our need for trained personnel is so acute and so varied, that the recipients of these scholarships should be chosen on merit, and merit includes character and diversity of talent as well as intellectual achievement. We cannot afford to be sentimental about allowance for so-called environmentally handicapped students. We have more than enough able boys and girls who do not go to college for financial reasons. The Educational Testing Service reports that last year 150,000 of our top-grade high-school graduates did not go to college for lack of funds. We must reserve these scholarships for those highly qualified students. We cannot afford any other policy.

Persons awarded scholarships under H. R. 10381 are paid $[illegible],000 per year which is less

than the average tuition fee at the leading private universities. The actual cost to these universities per student is between $2,500 and $3,000. If the Federal Government wishes to help the private universities as well as the student, the scholarships should be increased if the recipient is accepted by one of these institutions. There is nothing new in this proposal. In the GI bill for scholarships after World War II a cost of instruction allowance was included.

As these scholarships grow in number from year to year, I have no doubt they will have a galvanizing effect on the ambitions of our public-school students not only in the secondary but even in the elementary grades. If one criticism of our public schools is justified it is that our children are not encouraged to work hard. Partly this is due to the false theory that every child should be promoted regardless of achievement. Partly it is due to the fact that many school curricula are obsolete and do not grip the children's attention. Hard work is the result of intense interest and interest cannot be aroused when the teachers have so many students that their energies are sapped by the problem of discipline. Furthermore, the overcrowding of our classrooms makes it impossible to separate the bright and the subnormal children. This egalitarianism we can no longer afford. It is just as discouraging for the children with low I. Q.'s as it is for those with high I. Q.'s. We must now institute the several track system which permit children to progress according to their abilities. There is nothing undemocratic about this since the children in the lower groups get more individual attention especially in remedial reading and move to the next higher group as soon as they get ready for promotion. It is indeed the most democratic way of educating our children since it gives each child equality of opportunity, and the individual attention it needs.

Such a graded system is all the more necessary now that we must absorb in our white schools thousands of Negro children whose education has been neglected and therefore lag 2 or 3 years behind the white children in scholastic achievement. Without a system of homogeneous grouping according to individual abilities, the assimilation of a large proportion of Negro students would retard the education of the white children. We can overcome this difficulty and improve the education of both races, if the States and communities have enough money to accelerate the education of the Negro children and make a success of integration. To do this we must have not only smaller classes and more young teachers of great ability, but better school equipment, health programs, and other auxiliary services, psychiatric consultants and guidance experts aware of the stresses and strains to which the Negro children, their parents and the teachers themselves are exposed, especially during the period of transition.

Gentlemen, we cannot fail to make a success of school integration, if only because we need the talents of our Negro fellow citizens. Therefore the Powell amendment is a great disservice to Mr. Powell's fellow Negroes. To maintain that no State or locality which has not already integrated its schools should have Federal aid, is short-sighted. For the South has a more acute lack of classrooms than any other section of our country. And you can't desegregate schools you haven't got. As for the areas where desegregation has been achieved, if we do not show the South that with effort, intelligence, and ample financial resources, integration can be a success, we shall strengthen the revolt of Southern reactionaries against the law of the land, and destroy the unity of our country here at home and its prestige abroad.

Gentlemen, I have brought up many aspects of our educational problems; I have done it because it is impossible to understand the need for Federal support of education to our States and communities unless we see and feel the complexity of the problems and the need to solve them.

If the American people recognize that the very future of our country will be won or lost in our public classrooms, they will surely be willing to pay the price for the Nation's survival and growth. A new world civilization is in the making in this era of rapid evolution. The question is: Who will determine its character, the free nations or the Communists? I fear our people still entertain the naive conviction that history is on our side and that western democracy will always prevail in its battle against authoritarianism. What is more, we actually persuaded the other free peoples to believe in us and our boastful attitude. Yet at this very moment we face a turning of the tide when more and more of the uncommitted peoples are beginning to think that democracy is decadent and that communism represents the future need of mankind.

To regain the prestige we used to enjoy in foreign lands we must prove that democracy has a greater vitality than communism, the vitality of a free people determined to preserve their freedom. I ask you to imagine what an electrifying influence it would be throughout the world, when it becomes known that our great country—the first to undertake the revolutionary idea of educating all its citizens—had lived up to this faith and begun a new era of giving every child an equal opportunity for self-development.

That our people are becoming gradually aware of the need to improve our educational system, cost what it may, is indicated by a recent poll taken in New Jersey. The vote of adult citizens was 64 percent that Congress should help the States with Federal support of their schools. If you took a similar poll among your constituents, I am sure you would get a similar result. The people are not vocal enough because the average citizen is confused by the multiplicity of claims on the Federal Treasury. But what are Congressional leaders for if not to make articulate the priorities of need in their electoral districts? It is habitual in American thinking that the States should support the public schools. But quite apart from the fact that most of our States are financially overextended in their attempts to keep up with the pressing need for more and better schools, we simply cannot wait upon the slow tempo of progress if this question is left to the States and localities.

This slow tempo is not due to failure of the people to realize the urgency of the problem. Many States and localities are anxious to do what they know should be done; they do not lack the will; they lack the financial resources. With the deepest sincerity and solemnity I wish to say this. Our Nation is poised on a watershed. The way we turn now may mean salvation or destruction of freedom for us and for mankind. What happens to American public education will determine what happens to America. And what happens to America will determine the course of history for generations to come.

PROTESTS AGAINST JACKSONVILLE BOMBINGS

Mr. JAVITS. Mr. President, all of us have read and have been shocked by the stories, published in this morning's press, relating to the outrageous bombings of a Jewish synagogue and a Negro school in Jacksonville, Fla.; the discovery of 54 sticks of dynamite in a Birmingham, Ala., synagogue; and the threats from an organization terming itself the Confederate underground. This tragic series of events is a continuation of similar happenings in the recent past.

They are not isolated incidents, but are part of a pattern of intimidation and coercion of those who would obey, or even not oppose, the law of the land on integration in the public schools. The threats are directed not only against those directly affected by the bombings—in the latest incident, Jews and Negroes in Jacksonville—but against all who would oppose, or would even seem to oppose, the continued refusal of their constitutional rights to Negroes. I am sure that every Senator, regardless of his views on the substantive question of public-school integration, must be saddened by manifestations of terror and lawlessness in our home communities.

In the Senate, we can help to dispel this atmosphere. The confirmation of the nomination of Gordon M. Tiffany, to be the Executive Director of the Civil Rights Commission, created by law last year, should be accomplished without delay. On April 2, hearings were held by the Subcommittee on Constitutional Rights, and I am informed that further consideration has been held over until next week.

Equally important is confirmation of the nomination of Mr. W. Wilson White, to be Assistant Attorney General to head the Civil Rights Division of the Department of Justice. On February 4 and 25, hearings were held on the qualifications of Mr. White; and I am informed that further action is pending, subject to call of the chairman of the Judiciary Committee. I strongly urge that the action be taken.

Further action lies before the Congress. It is my understanding that the Department of Justice, through the FBI, is investigating certain of the bombings and the threats; but the jurisdiction under which the Justice Department operates is unnecessarily narrow, and calls for immediate amendment of the existing criminal law. Under present law, a conspiracy to intimidate a judge in the exercise of his duties is punishable as a crime; but intimidation and threats made by a single individual are not subject to Federal jurisdiction or to investigation by the FBI unless by happenstance the threat is carried over interstate communication systems—a totally irrelevant factor in attempting to preserve Federal justice from intimidation. I have introduced Senate bill 3513, which in substance would provide that whoever, either alone or in conspiracy with others, by threats, force, or intimidation prevents or attempts to prevent, a Federal officer, including a judge, from carrying out his duties, or threatens to injure him because he has already done so, shall be fined $5,000, or imprisoned for 6 years, or both. This bill, which is pending before the Judiciary Committee, also demands early action.

It takes little imagination to visualize the capital the Communists are making abroad of these incidents, which are not typical either of the United States or of the areas where they occurred, but do fit into the pattern of the slanderous descriptions of our country's problems

which are grist for the Soviet propaganda mills.

Would we delay for so long the marshaling of our forces to combat any enemy from without? Neither, then, should we delay the marshaling of our forces to combat an enemy from within—bigotry erupting into violence and terrorism. Those who perpetrate these incidents are—wittingly or unwittingly—in effect a fifth column for disorder and anarchy.

Mr. President, we can do something to help ourselves in this situation, and I hope very much we get at it promptly.

Mr. President, I say with humility that I hope others who feel as I do will express themselves very forcefully on this very serious matter.

HARLOWTON HIGH SCHOOL: ONE OF THE BEST

Mr. MANSFIELD. Mr. President, in Harlowton, Mont., we have a community which for years has been endeavoring to raise and to maintain higher standards of education. Harlowton High School offers 4 years in mathematics; 4 years in science, including physics and chemistry; 4 years in English and history; plus courses in foreign languages, home economics, woodworking, and vocational agriculture. The students who have graduated from Harlowton High School have been accepted by the outstanding universities and colleges of the Nation, including Dartmouth, Notre Dame, Stanford, and others, in addition to our own excellent Montana institutions of higher learning.

I was first impressed with the standards of the Harlowton High School 18 years ago, when I had the honor to give the commencement address to the students there. I am happy to note that the high standards in existence then have continued down to the present, and that the fine reputation of this outstanding high school is becoming better known with the passage of time.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD two articles from the Harlowton Times—one entitled "The Editor's Uneasy Chair"; and the other "Scholarship Dinner Tonight—McFarland To Be Speaker."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THE EDITOR'S UNEASY CHAIR

(By Hal G. Stearns)

Wheatland County tonight pays tribute to the outstanding students of the Harlowton schools. All honor to these young people who have distinguished themselves academically. And all honor to our school board and officials who have provided this community with good schools—in which our children are able to get sound educations and go out into the world and do well. Our high school offers a curriculum that is so complete that a graduate taking the requisite subjects and applying himself properly, can obtain entrance to any college in the Nation. Harlowton's people can well be proud that they are willing to support schools of this caliber.

We are proud to have as the visiting speaker tonight Dr. Carl McFarland, president of Montana State University. He has built the school into one of the standout universities in the land and this in spite of obstructionist tactics by foes of education.

SCHOLARSHIP DINNER TONIGHT—MCFARLAND TO BE SPEAKER

Harlowton and Wheatland County will honor 50 top-ranking students from the 7th grade through high school at a scholarship recognition dinner at the Moose Hall on Thursday evening, April 24, at 7. Over 200 will attend.

The Kiwanis Club is sponsoring the affair and will have 50 students as its guests. Parents and all others are cordially invited to attend. Dinner tickets are $1.50 a plate.

Dr. Carl F. McFarland, president of Montana State University, will speak.

Certificates will be presented to each student in token of their excellent scholarship.

The honor students are:

Seniors: Richard Birgenheier, Laura Colby, Karen Johnson, Gary Johns, William Kotan, Charles Karnop, Larry Juelfs, Gene Leary, Jack Rietz, Terry Rieger, Hal Jo Stearns, Naomi Walker and Gary Wojtowick.

Juniors: Jerry Bjork, Allen Dettman, Sylvia Manseau, Betty June Thompson, and Patty Thomas.

Sophomores: James Holm, Thomas Johnson, Donna Kalberg, Kenneth Lode, Judy Grande, Joanne Sanders, Eugene Sondeno, Gloria Spatafore.

Freshmen: Esther Anderson, Curtis Bartz, Marjorie Hiner, James Kalitowski, Karen Karnop, Linda Lammers, Sandra Lode, Bob Thomson and Mike Wojtowick.

Eighth grade: Sandra Blumer, Dean Holmes, Sally Jelinek, Carolyn Jones, Colin Ripley, Sandra Larsen, Alida Lilley, Nancy Mielke, John Ortwein, and William Watson.

Seventh grade: Susan Amdor, Linda Dettmann, Bobby Franks, Sally Leary, and Kay Wojtowick.

President Carl McFarland holds these degrees: B. A. in history, Montana State University; M. A. in political science, 1929, MSU; LL. B., with honors, 1930, MSU; doctor of juridical science, 1932, Harvard; doctor of laws (honorary), 1949, MSU.

In 1932 he practiced law in Helena and the following spring the Montana Supreme Court made him its commissioner for the codification of Montana statutes.

In 1933 he was granted leave for a tour of duty in the Department of Justice, Washington, D. C., where he became the first assistant in the Department's Antitrust Division.

In 1937 he was appointed Assistant Attorney General in charge of the largest division of the Department of Justice. He resigned in 1939 to enter law practice in partnership with former United States Attorney General Homer Cummings.

He has been a regular lecturer in law at the University of Virginia, and has also lectured at other universities. He is the author of articles and books on law.

In 1946 he was honored when the New York University dedicated to him its annual volume surveying American law for the preceding year.

He was awarded the American Bar Association's 13th gold medallion for "conspicuous service in the cause of American jurisprudence." He became the first practicing lawyer to hold this honor, the other recipients being teachers, editors, and jurists such as Elihu Root, Oliver Wendell Holmes, and Charles Evans Hughes.

In the years immediately preceding his return to Montana, Dr. McFarland headed the law firm of McFarland and Sellers, in Washington, D. C.

He has been head of several American Bar Association committees and a member of its governing body, the house of delegates.

He became MSU's first alumnus president in 1951.

Since becoming president he has greatly expanded the institution's physical capacity, constructing many new buildings to take care of expanding enrollment and has worked diligently to improve the scholastic standards, until Montana University is nationally acclaimed in collegiate circles.

REPORT TO THE PEOPLE OF NEW YORK ON THE WORK DONE BY THE 85TH CONGRESS

Mr. JAVITS. Mr. President, this is the time of the year when I issue to my constituents a report on the work done thus far in the session of Congress. I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, my Report to the People of New York on the 85th Congress—Spring, 1958.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REPORT BY SENATOR JAVITS TO THE PEOPLE OF NEW YORK, 85TH CONGRESS—SPRING, 1958

This is the first report on the 2d session of the 85th Congress. It is the third report of this Congress intended to keep citizens of our State informed of the activities of the Senate and my part in them.

ECONOMIC OUTLOOK

The recession has replaced national security as the No. 1 national issue at this time. We must nonetheless constantly be alert to the critical national security situation which developed last fall when the capability of the U. S. S. R. to take a decided lead over us in missiles and rocketry first became apparent.

Heavy unemployment in several of our Nation's key industrial areas plus the large number of unemployed workers whose unemployment coverage has expired according to State law make it imperative for the Congress to reenforce now existing unemployment compensation levels and duration of benefits in the various States. I have joined in sponsoring a bill to provide for Federal payments to finance the extension of the duration of unemployment compensation payable under State laws by 50 percent of the State duration (for New York this means added 13 weeks) and have urged immediate Senate action on this measure so early passage can be achieved. This bill is entitled to first priority as an antirecession measure. Together with others of my colleagues, I requested the administration to effect by Executive order the channeling of Government contracts to areas with substantial unemployment. This has since been started and should be of major assistance to areas with heavy factory unemployment as Buffalo, Syracuse, Schenectady, Elmira, Utica, Suffolk County, Long Island, and other communities. Within our State Utica has already been one of the first beneficiaries of this policy. I am a cosponsor of the Economic Area Development Act to aid through revolving loan funds, aid to building public facilities, grants, and technical assistance to those areas hardest hit by an economic decline; this bill has safeguards against raiding of already industrialized areas by communities aided by the bill.

Also, I am supporting here measures to assure that the Federal Government will do everything possible to help provide employment. This means helping in cooperation with States and municipalities to build highways, schools, hospitals, low-income housing, urban renewal, slum clearance, and community facilities, based upon planning already done and which can be done promptly. I have been urging the President to call a management-labor White House conference

on the wage-price situation so that the private economy can contribute the maximum to dealing with the recession.

An income-tax cut has been suggested as an antirecession measure. While I would not relinquish any means to stem and reverse the recession trend, I believe there are vital reasons why other means should have higher priority. Income-tax cuts would tend to increase the deficit and make it harder for us to finance national defense. Also, an income-tax cut as an antirecession measure may not work this time as it did in 1953–54, as the problem is not so much a slackening off of the buying of cost-of-living items such as clothes and appliances, but rather a cutting down on the buying of homes and automobiles. Reduction in the excise taxes originally imposed during the war years must receive attention at this session of the Congress in any case due to the fact that such taxes expire June 30. An income-tax cut as an antirecession measure should also include tax reduction to help encourage the purchase of durable goods like automobiles, homes, and industrial equipment where we have had the biggest slackening off; help small business which needs tax help badly; and deal with special problems like health, college tuition, expenditures by teachers for further training, and similar matters.

The national debt limit was increased by $5 billion to $280 billion thus facilitating Federal financial operations. The Federal Reserve has finally lowered rediscount rates and reserve requirements, making easier the borrowing of money for business expansion and for construction and bringing about low interest rates. All of this will help. There is a grave responsibility on every legislator to do all that is possible to stem this recession and start us again on the upward march economically. I will do my full share, you may be sure.

PROSPECTS FOR PEACE AND FOREIGN AFFAIRS

President Eisenhower, in his letters to Premiers Bulganin and Khrushchev, made clear that any summit conference must be based on the Russians first giving some earnest of their intention to comply with solemn promises they had made in previous conferences and then ignored. Agreements must be mutually adhered to in order to be effective; broken promises include reunification of Germany by free elections, a promise to end the hate-U. S. A. campaign in the Communist bloc and sincere disarmament regulations. A summit conference which would serve only as an instrument for Communist propaganda and be devoid of actual performance by the Soviets would put the cause of a just peace further behind, not ahead. A summit conference is much desired now but by fortitude in our position and close cooperation with the U. N. and our allies of the Free World, we have the best chance to bring about a summit conference at least on disarmament with some hope of accomplishment.

It is my deep conviction that our foreign economic and technical assistance programs for the Free World nations are as essential to our national security as foreign military assistance expenditures. Our mutual security can be the difference between winning the cold war for free institutions or abandoning the field to the Soviets. The President's recommendations for increasing the foreign economic Development Loan Fund by $625 million should be enacted.

A $2 billion increase in Export-Import Bank loan authorization passed the Senate early this year and is now pending in the House.

The President has listed the measure now pending in the House of Representatives to extend the Reciprocal Trade Agreements Act for 5 years as a principal item in our national program to answer the challenge laid down by the Soviet in the economic field. I am supporting vigorously this legislation. I have sponsored legislation to provide assistance to small-business concerns adversely affected by foreign trade through Small Business Administration loans and tax relief by means of rapid amortization of facilities injured by such trade.

I am sponsoring a measure to create a Special Joint Committee on Business-Government Foreign Policy Cooperation to make more effective the participation of the private sector of our economy in our foreign aid programs and in overseas development. The Commerce Department has since announced it will conduct such a study. I introduced legislation marking the 10th anniversary of brave Israel, which has proved to be our stanch friend and Free World ally in the Middle East.

Negotiations with the Soviet Government have led to an agreement on increasing the interchange of persons and to initiate exchange of broadcasts aimed at increasing mutual understanding. I am the sponsor of legislation to effectively implement such an exchange program. I worked for additional needed appropriations for our participation in the Brussels World's Fair. My bill to declare 1960 as "Visit U. S. A. Year" to attract tourists from other countries is receiving widespread support.

NATIONAL DEFENSE

The President's proposals for reorganization of our national defense establishment deserve support. The Rockefeller report on our Defense Establishment backs up the fundamental objective involved. The rapid pace of scientific development, the changing aspect of defense requirements and the necessity to maintain our armed services at maximum efficiency with a minimum of cost point up the importance of reorganization of the Defense Department, the Joint Chiefs of Staff and the armed services. I have cosponsored legislation to reorganize the Joint Chiefs and streamline the Defense Establishment.

Early this year Congress appropriated the $1.26 billion emergency defense fund request by the President to accelerate our response to the Soviet challenge in science and research in weapons—especially missiles and rocketry. On February 10 the Senate Committee on Exploration and Use of Outer Space was created; I had earlier introduced a measure to establish a Joint Congressional Committee on Earth Satellites and the Problems of Outer Space.

Legislation providing for an increase in compensation for active and retired officer and enlisted personnel of the armed services passed the House of Representatives. It has been favorably reported by the Senate Armed Services Committee and will have Senate action. It is the responsibility of Congress to enact legislation necessary to maintain the armed services at the maximum of efficiency and with fairness to those who serve. The Cordiner Committee proposals are contained in the pending measure and I will give them great weight. Due regard must also be given to the pensions received by retired personnel, especially in the light of current increases in living costs.

The Senate adopted my amendment to include civil defense in the Community Facilities Act. This act provides $1 billion of low-interest loans to aid States and local communities in the construction of such works as hospitals and health centers, public buildings, sanitary facilities, bridges, highways and parks. The bill passed the Senate and is now pending in the House. It is a sound antirecession effort.

I proposed legislation to expand the National Security Council by adding four public members to be appointed by the President and confirmed by the Senate and to require the Council to make an annual report to Congress and the people. The defense of our country requires a total effort not by the Government alone; and the public should feel it shares in the great national decisions which are required. The recommendations of the Rockefeller report on our defense posture, including civil defense, merit higher priority Congressional attention and action. I shall be active in this vital effort.

AGRICULTURE

I voted against the measure which was subsequently vetoed for an across-the-board freeze of Federal farm price supports and acreage allotments for 1 year, while I voted for the resolution which unfortunately was defeated to freeze for 1 year dairy price supports. I believed there was particular stress in the dairy industry which I saw reflected in New York, and felt that the reduction in dairy price supports announced for April 1, related to requirements of law rather than simply to requirements of economics.

The Senate passed a 2-year extension of the Agriculture Trade Development Assistance Act (Public Law 480). One billion five hundred thousand dollars was authorized for the program for each of the next fiscal years; an added sum of $500 million would be made available for fiscal 1958. This is vitally important food we have in surplus to help underdeveloped areas like India and Pakistan and newly developing areas like Israel and Ghana.

The Senate passed legislation to extend for 3 years the dairy-products program for the Armed Forces, to extend for 3 years the special school milk program for children in the interest of improved nutrition by fostering the consumption of fluid milk in the schools, and to extend the accelerated brucellosis eradication program for 2 additional years, which I supported.

CONSUMERS AND SMALL BUSINESS

We are confronted with the anomaly of an increasing cost of living in the face of an economic downturn. Therefore, I have urged action on my measure to authorize the Senate Committee on Interstate and Foreign Commerce to investigate this situation and the extent and effectiveness of consumer services provided by Federal, State, and local governments and private groups.

I am a sponsor of the Small Business Tax Adjustment Act of 1958 which would allow for small business deductions for additional investment in depreciable property or inventory, provide for voluntary retirement plans, permit installment payments of estate tax of estate comprised primarily of small business holdings, allow use of new methods and rates of depreciation for used machinery, and increase minimum accumulated earnings credit.

I have also cosponsored the Small Business Capital Act to provide financial assistance to small business concerns through private, local or State development credit corporations, to establish small business investment associations and to make equity-type capital available through funds provided by the Small Business Administration.

I have been designated a member of the Antimonopoly Subcommittee of the Senate Small Business Committee. Hearings are presently in progress on problems of small business affected by monopolies.

CIVIL RIGHTS AND CIVIL LIBERTIES

Little Rock and similar experiences have shown us that the civil-rights law passed last year to protect voting rights and appoint a Civil Rights Commission falls short of the law needed to protect the civil rights of individuals. I have sponsored legislation to restore the basic provisions of Part III stricken in the Senate from last year's civil-rights bill. My bill authorizes the Attorney General, upon written complaint, to commence civil-injunction proceedings against local officials or those conspiring with them to deprive a citizen of his rights to equality under the law as to the use of parks, play-

grounds, schools, transportation facilities, and similar matters. The Constitutional Rights Subcommittee of the Senate Judiciary Committee has assured me it will hold hearings next month on pending civil-rights legislation, including my bill. I am a cosponsor with Senator DOUGLAS and others for legislation to apply technical assistance, education, and mediation in helping school districts to properly comply with the Supreme Court decision requiring public-school desegregation.

Following recent bombings in some southern cities, I have sponsored legislation which will, in substance, provide that whoever, by threats, force, or intimidation, prevents or attempts to prevent a Federal officer, including a judge, from carrying out his duties or threatens to injure him because he has already done so shall be punishable for a felony.

As a member of the Senate Committee on Rules and Administration, I was a member of a special subcommittee of two to study proposed amendments to Rule XXII, the so-called filibuster rule. I submitted a report recommending a change which was later adopted by the full Rules Committee and ordered reported to the Senate for consideration. Passage of meaningful, effective civil-rights legislation depends upon our ability to meet the filibuster threat.

I am opposing a bill which would restrict the powers of the Supreme Court in interpreting the Constitution and protecting the constitutional rights of the individual against encroachment even by the legislative branch, as I believe such legislation would tend to destroy a traditional balance of power between the great independent branches of our Government and weaken the effectiveness of the constitutional assurances of individual liberty.

SOCIAL SECURITY, EDUCATION, AND HEALTH

Mindful of the burden imposed upon those receiving social security by the outside earnings limitation of $1,200 yearly, I have sponsored legislation to remove this disqualification. The realities of the increased cost of living make necessary a continuing reappraisal of social-security benefits so that they may keep pace. Legislation to accomplish this objective is presently pending in the House of Representatives which first must act before the Senate can move.

It is generally recognized that a vastly expanded education program is needed to meet the challenge posed by the Russian gains in science and technology. While the administration's program is an excellent beginning, I believe it should be supplemented. I testified before the Senate Labor and Public Welfare Committee in behalf of my bill to establish a $1 billion federally guaranteed loan program for college students on the analogy of the guaranty of mortgages under the FHA housing program. Being primarily a loan program, it would have a relatively slight impact on the budget. Teachers should be included in any student-loan program so as to encourage their continued education in areas of specialization.

I have also introduced a $2.4 billion Federal aid to school construction bill following the pattern of the compromise bill worked out by the House committee at the last session of Congress. The bill provides a formula for allocation of construction funds based upon both a per pupil and a needs basis and calls for the allocation of $600 million per year for 4 years for aiding needed school construction. The bill contains a provision requiring compliance with specific Federal court orders which may be issued for school integration.

There are other means to bring about such compliance, of course, where there is a will to do it, and this will affect my legislative handling of this provision as the school-construction aid bill's best interests may require.

HOUSING

Congress enacted into law a $1.85 billion emergency housing program designed to encourage the building of some 200,000 homes and provide construction jobs for some 500,000. The new statute extends VA home-loan guaranty and direct-loan programs 2 years to July 25, 1960; provides an extra $1 billion to the Federal National Mortgage Association to buy FHA and VA mortgages on new homes where the loans do not exceed $13,500; an extra $500 million to FNMA to be used to buy mortgages at the President's discretion in order to stimulate the economy; an extra $300 million for direct VA mortgage loans; and $50 million for the purchase of Capehart military housing mortgages. The law also lowers downpayments on FHA loans by requiring payment of 3 percent on the first $13,500 of a mortgage (instead of $10,000), 15 percent on the next $2,500 (instead of $6,000), and 30 percent on the rest (above $16,000); and raises interest rates on veterans' home loans from 4½ to 4¾ percent. While I opposed the interest-rate increase, I supported the bill both in debate and with my vote.

I am sponsoring legislation, joined in by other Senators, authorizing $500 million in new funds for urban renewal (the so-called slum-clearance program) approximately doubling the size and scope of the program previously proposed to Congress. Such projects are not make-work projects, but fill very definite community needs and can get underway quickly.

The FHA itself has eased home-buying terms by instituting a more favorable income ratio and not requiring cash for closing costs.

LABOR

The bill to provide for registration, reporting, and disclosure on employee welfare and pension benefit plans, the Welfare and Pension Plans Disclosure Act, has passed the Senate. This legislation is the result of disclosures of corruption and misuse of such funds affecting admittedly a small minority of unions but nevertheless presenting an intolerable situation harmful to all unions and the national interest. I supported the bill but opposed amendments to it dealing with the Taft-Hartley law generally in order to insure getting this reform accomplished without killing it by overloading it. Needed measures on the Taft-Hartley law such as those for periodic and secret elections of union officers, internal grievance machinery to protect the rights of individuals as union members, the special problems of construction workers, and the so-called no-man's land between State and Federal labor boards jurisdiction, are expected to come before us at this session.

I introduced legislation to eliminate discriminatory employment practices on account of age by Government contractors and subcontractors. Present law prohibits such discrimination on account of race, color, or creed, and also insures that fair labor standards and wages must be preserved; my bill would extend this coverage to include age discrimination. I urged enactment of the McGahan bill, a New York State statute to help workers 45 to 65 against discrimination in employment because of age; this bill has now been signed into law by New York's Governor. Age discrimination in employment deprives the Nation of a most important resource of experienced, skilled employees, adds to those requiring public assistance and deprives mature citizens of dignity, self-support and participation in constructive economic activity.

I have sponsored legislation to raise to $1,500 to each claimant the priority of debts owed by a bankrupt to workmen, servants, clerks, and certain salesmen thus bringing it more in line with current needs and economic conditions.

IMMIGRATION

Together with Senator IVES I introduced a bill, establishing a commission to study the operation and effect of the McCarran-Walter Immigration Act with special emphasis on the national origins quota system. The commission would have the dual purpose of reviewing the operation of the national origins quota, bring before our people the facts on how our immigration policies are working out, and their importance to our position in the Free World's struggle for peace.

A measure regularizing the status as residents of some 25,000 Hungarian anti-Communist refugees is before the House; I shall work for the passage of this long-overdue legislation in the Senate.

NATURAL RESOURCES

Legislation was enacted accelerating the highway construction program by increasing by $400 million to $1.275 billion the fiscal 1959 authorization for federally aided primary, secondary, and urban roads; increasing by $200 million to $2.2 billion the authorization for the Interstate Highway System; and authorizing an additional 0.5 percent bonus on Federal aid in the Interstate Highway System conditioned upon the State's control of billboards (on the remaining 35 percent of roads, if a State regulates advertising the Federal Government will finance 90 percent, rather than two-thirds of the cost). I voted for these billboard restrictions. In the interest of scenic beauty and safety, the National Highway System should be as free as practicable from unsightly distractions.

New York has at Syracuse one of the largest forestry schools in the Nation. I have joined in sponsoring legislation for an expanded cooperative forest-research program with colleges of forestry.

POST OFFICE AND CIVIL SERVICE

Awaiting concluding Congressional action, following House and Senate passage, is a measure increasing all classes of postal rates. This includes raising first-class mail to 4 cents, the first such increase in a generation. I supported the rate increase as vital to minimizing the postal deficit approaching $1 billion annually and to help finance urgently needed post office modernization, including a $100-million project for New York City. Included in the bill is a much needed salary increase for tens of thousands of postal workers of 10 percent-11 percent. I also supported the Senate passed bill raising the salaries of civil-service workers by 7½ percent which is now pending in the House of Representatives.

VETERANS

The GI home loan program has been revived as I stated under the heading of Housing. This program is showing gratifying signs of new life with applications increasing at this time.

I oppose budget cuts at the expense of justice to our veterans; our country is not even now at such a dire financial peril point as to deny adequate hospitalization, finances and other help to veterans, their dependents and survivors who deserve it. Legislation for creation of a Senate Veterans' Affairs Committee is presently pending before the Rules and Administration Committee of which I am a member and I am working to bring about favorable consideration.

MATTERS OF SPECIAL INTEREST TO NEW YORK STATE

I have introduced S. 3168 authorizing the United States Surgeon General to establish a hospital on Ellis Island or elsewhere in New York State especially equipped for the treatment of narcotics addicts and for outpatient care as well. The Governor has assured State cooperation in establishing this much-needed facility. I am hopeful of

hearings on the bill offered by Senator IVES and myself by the Senate Labor and Public Welfare Committee as the necessary prelude to Congressional action.

The President vetoed the $1.8 billion river and harbor bill as being loaded with excess and unapproved pork-barrel projects. A new administration bill has since been introduced in the Senate emphasizing essential programs. In addition, I have cosponsored with Senator IVES legislation to authorize needed beach erosion work on Fire Island.

Mounting crime and juvenile delinquency rates emphasize the necessity for expeditious Congressional action. I am working for such consideration of appropriate legislation in which I have joined and am hopeful of Senate action before the end of the year.

I have also sponsored legislation providing legal defenders for persons accused of crimes in Federal courts without means to defend themselves; to curb charity rackets; making available in post offices information on procedures of registration and voting in Federal elections; and for social security coverage for New York Port Authority employees. My amendment to relieve from the Federal admissions tax community theaters, which include the New York Center performances, has become law.

CONCLUSION

Increasingly the people of our State write on matters of national interest. These letters are of invaluable aid in my work here and I sincerely hope that you will continue to express your views to me in this way or by visiting Washington.

THE ARAB CAMPAIGN AGAINST AMERICAN JEWS

Mr. HUMPHREY. Mr. President, 2 years ago I had published in the CONGRESSIONAL RECORD a pamphlet, prepared by the American Jewish Congress, entitled "The Arab Campaign Against American Jews." A continuation of this study, entitled "Bigotry and Blackmail," has recently been released by the presidents of major American Jewish organizations.

The unfortunate record, Mr. President, is that our Government has not taken action with regard to the Arab boycott. This new study brings the account of that study up to date. Mr. President, I believe this document is suitable for wide circulation as a highly important contribution on another of the vulnerable aspects of the present conduct of the American foreign policy.

I ask unanimous consent that the text of this study be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[Released by the presidents of major American Jewish organizations, February 1958]

BIGOTRY AND BLACKMAIL—A REPORT ON THE ARAB BOYCOTT AGAINST AMERICANS

A STATEMENT BY THE PRESIDENTS OF MAJOR AMERICAN JEWISH ORGANIZATIONS

The Arab blockade and boycott of Israel has now been extended by the Arab League to a systematic boycott and blacklisting of any American enterprise that maintains permanent business connections with Israel or with Israel firms and indeed to a worldwide effort to boycott any business owned by Jews.

The Arab League maintains a public blacklist of American and other companies that invest in Israel, maintain branches, assembly operations or distribution outlets there, or that license patents for Israel use.

American vessels that stop at Israel ports are denied permission to make calls at Arab ports.

American planes that land in Israel are forbidden to fly over Arab territories.

No American is permitted to enter an Arab land from Israel except on official business.

Americans who are Jews are a special target of the Arab boycott. Saudi Arabia, particularly, refuses to allow the Arabian-American Oil Co. or other concessionaires to employ Jews for work in Saudi Arabia. Most Arab League states refuse visas to Jewish travelers and some refuse to allow Jews to land even in transit. Saudi Arabia has prevailed upon our Government to screen American military, diplomatic, and civilian personnel so that no Jew is assigned to the United States airfield at Dhahran.

In July 1956 the United States Senate, in a resolution adopted unanimously, condemned religious discrimination against Americans by foreign countries. Our Government, however, not only has failed to voice vigorous objection to this discrimination but in fact thereafter renewed the discriminatory Dhahran Agreement. As a result, American Jews are no longer equally protected in their rights of citizenship.

The Arab League has been circulating questionnaires to chambers of commerce and individual companies throughout the world inquiring whether specified companies were controlled by Jews or employed Jews.

Holland, France, and Switzerland have denounced the Arab boycott and have instructed their nationals not to answer such questionnaires. West Germany has refused to yield to Arab threats to cease business with Israel. Our own Government, however, thus far has taken no public stand against the boycott.

The Arab boycott has been described recently by the Secretary General of the United Nations as a deadweight upon the efforts of the U. N. to achieve peace in the Middle East. The boycott is a chronic source of conflict which undermines American efforts to allay tensions in that area.

The Arab boycott of Americans is international intimidation; it thrives on appeasement and capitulation. We are confident that Americans deplore the Arab boycott and will want to resist this impairment of the rights and privileges of American citizenship. We are confident, too, that if the United States Government would strongly oppose this international blackmail and medieval bigotry, the Arab boycott against Americans inevitably would end.

In the light of the foregoing, we, the undersigned, declare our repugnance of the Arab boycott and urge all commercial firms to resist it with every legal means at their command. At the same time, we express our firm hope that our own Government will prohibit racial or religious discrimination against American citizens in the administration of any treaties or executive agreements to which it affixes its signature.

Dr. Philip S. Bernstein, chairman, American Zionist Committee for Public Affairs; Mrs. Moise S. Cahn, president, National Council of Jewish Women; Benjamin H. Chasin, national commander, Jewish War Veterans of the United States; Pinchas Cruso, chairman, Central Committee, Labor Zionist Organization of America; Dr. Maurice N. Eisendrath, president, Union of American Hebrew Congregations; Moe Falikman, chairman, American Trade Union Council for Labor Israel; Moses I. Feuerstein, president, Union of Orthodox Jewish Congregations of America; Dr. Miriam Freund, president, Hadassah, the Women's Zionist Organization of America; Dr. Israel Goldstein, president, American Jewish Congress; Mrs. Rose L. Halprin, acting chairman, Jewish Agency for Israel; Adolph Held, chairman, Jewish Labor Committee; Bernath L. Jacobs, president, United Synagogue of America; Philip M. Klutznick, president, B'nai B'rith; Rabbi Irving Miller, chairman, American Zionist Council; Dr. Emanuel Neumann, president, Zionist Organization of America; Rabbi Isaac Stollman, president, Religious Zionists of America Mizrachi-Hapoel Hamizrachi; David L. Ullman, chairman, National Community Relations Advisory Council.

I. INTRODUCTION

The Arab League boycott of Israel has now been extended to a systematic boycott of American companies maintaining business connections with Israel or Israel firms and, increasingly, of American Jews. This attack upon Americans takes various forms: the boycotting and blacklisting of American firms and vessels, the denial of entry and transit visas to American Jews, the barring of United States military and civilian personnel who are Jews from our airfield at Dhahran, Saudi Arabia, the obstruction of international travel by air, and similar interference with the rights and privileges of citizens of the United States.

In order to coordinate and intensify the boycott activities of its constituents, the Arab League has established a general boycott office in Damascus, Syria. Arab League boycott regulations are administered by the various branch boycott offices, whose activities usually fall within the responsibilities of each country's ministry of commerce. Blacklists are maintained in each branch office and Arab commercial and consular representatives abroad endeavor to expand the boycott. Arab diplomats accredited to the United States engage on our soil in efforts to direct the boycott against American Jews and against products manufactured or sold by them. Iraq's administration of the boycott illustrates the operating procedure. Imports and exports to and from Iraq require special licenses, certificates of origin and destination, and endorsement by Iraqi or other Arab diplomatic personnel in the foreign countries involved. Iraq also sends to the general boycott office in Damascus lists of her exports to foreign countries, including America, so that Arab missions in these countries may check to see that none of the Iraqi goods are transshipped in violation of boycott regulations (Business International, May 31, 1957).

II. THE BOYCOTT OF JEWS AS JEWS

The Arab boycott applies to Jews as such regardless of their nationality.

The following letter, sent on November 13, 1955, to the chairman of the board of directors of Verkoopkantoor Van der Heem N. V. The Hague, Holland, is typical of similar letters sent throughout the world:

"DEAR SIR: As you are aware the Arab countries are in a state of war with Israel and for this reason we are making an economical (sic) siege around Israel. This siege is administered by the special control and investigation office with members of all the Arab States.

"An officer in said office visited us today and requested that following information be supplied about your company:

"1. Do you have any business relations with Israel, whether you sell your products there and name of your agent and address?

"2. Do you import any materials whatsoever, raw materials or parts from which your products are made, from Israel?

"3. Do you have a branch factory or utilizing any of your capital in any factory in Israel?

"4. Is any part of your capital paid by Israelites; if yes, what is the amount of said part?

"5. Do you have any Jewish employees in your company; if yes, how many and what are the positions held by them?

"6. Are there any Jews on your board of directors as members?

"7. Are any of your managers or branch managers Jews; if yes, please give name of the department headed by such a man?

"8. Is any of the persons authorized to sign on behalf of your company a Jew?

"9. What is the number of Jewish laborers in your factories and offices?

"We have been requested to give full detailed answers to each of the above questions but as we do not know each information, we are now writing this letter to you for being kind enough to give the required information so that we pass your letter to the Economical Siege of Israel Office, on your behalf.

"Your reply is to be please in 2 copies and signed by the chairman of the board of directors.

"We advise you to give accurate and frank information because of any difference between your answers and the information the government office may obtain by investigation will create legal complications."

Saudi Arabia has taken the lead in discriminating against Jews and any firm employing them in any capacity. The March 5, 1956, issue of the United States Department's Foreign Commerce Weekly reported:

"Saudi Arabia intends to boycott all Jewish or Jewish directed firms from trading with that country, according to information received by the Bureau of Foreign Commerce.

"This new policy greatly extends the provisions of the existing boycott against firms having branches, assembly plants, or general agents in Israel, as well as firms having shares in Israeli companies.

"Implementation of the new policy normally will be accomplished by Saudi Arabian Consulates, who are responsible for legalization of commercial invoices and certificates of origin."

Earlier, the New York Daily Mirror on December 29, 1955, reported that "at the Saudi Arabian Consulate in the Chrysler Building, a trade attaché admitted that American firms either owned or headed by Americans of the Jewish faith cannot do business with the Arab countries."

Letters sent by Arab importers to American exporters notify them of the restrictions. One of these letters, dated January 7, 1956, states:

"With reference to your letter No. IW:ek of the November 21, 1955, we have to inform you that you will have to get the original certificate attested and certified by the Saudi Arabian Consulate in your country to the effect that firm which exports the machine is not a Jewish firm, without which we cannot have dealings with your firm."

An editorial in Fortune magazine of August 1957, reports: "Businessmen throughout the world were in receipt some months ago of a strange questionnaire. Dated Cairo, Egypt, the questionnaire pressed them for information on whether their firms were guilty of having Jewish ownership or participation." A recent study by the Public Affairs Institute of Washington, D. C., reports that "the boycott was applied to foreign firms having Jewish directors" (Regional Development for Regional Peace, p. 276). The London Chamber of Commerce was requested some time ago to certify that British firms wishing to deal with the Arab countries were not Jewish (New York Times, October 15, 1957).

In a debate before the Second Committee of the U. N. General Assembly, held on October 14–15, 1957, representatives of Iraq and Egypt denied the charge that the boycott applied to Jewish concerns having no connection with Israel but offered no evidence in support to their denial (A/C.2/SR. 461, 464).

Saudi Arabia, Jordan, Iraq, and Syria refuse entry or transit visas to Jews, as Jews, regardless of their nationality. (Americans and others visiting Israel are not allowed to enter Arab countries directly from Israel, except on official business. They are not granted visas to Arab lands if there is evidence that they intend also to visit Israel). The Department of State informs all passport applicants that Jews will be denied the right to visit many of the Arab lands. Passengers on cruise ships of American Export Lines touching at Arab ports are told beforehand that those of Jewish faith or with Jewish names will be denied certain travel privileges in Arab countries freely available to other passengers. American airlines flying regularly to the Middle East indicate in their schedules that Jewish passengers will not be allowed to leave the plane at Arab stopping points. Pan American World Airways, which flies to the Orient, informs passengers that Jews are allowed on flights to Beirut, Lebanon, but they cannot disembark or change at Iraq.

Until last year American teachers of the Jewish faith were barred from tours to a number of Arab countries sponsored by the National Education Association. As a result of protests, Jordan was dropped from the 1957 list of countries eligible for NEA-sponsored trips. Lebanon and Syria continued to receive NEA sponsorship because of oral assurances by their diplomatic representatives here that Jewish members of the National Education Association would receive visas if they were not Zionists.

Syria boycotts phonograph records of musicians like Yascha Heifetz and Yehudi Menuhin, solely because they are Jews. For similar reasons, Danny Kaye was barred from entering Arab lands, although on a mission for the United Nations Children's Fund (UNICEF).

III. DISCRIMINATION AT DHAHRAN

Although the United States has had installations at Dhahran, Saudi Arabia, since 1945, American Christians are restricted in the practice of their religion at the airfield and American Jews are totally excluded both from the field and the country. Ever since the United States first used the field there has been an atmosphere of religious bias and discrimination surrounding it. Among the clauses of the basic agreement (signed in 1951 and renewed in 1957) governing American rights and obligations at Dhahran are provisions requiring the United States Mission to submit "a detailed list of the names and identity" of its members and employees so that there will not be included individuals "objectionable to the Saudi Arabian Government." If the mission is requested by the Saudis to remove or replace any of its personnel, it must do so "promptly." Furthermore, all civilian contracting firms and their workers must likewise "not be unacceptable to the Saudi Arabian Government." (U. S., Treaties and Other International Acts Series, No. 2290.)

The practical effect of these provisions is that American Jewish military personnel are never posted to the American military airfield at Dhahran. American Jews are not permitted to be employed by the Arabian American Oil Company (Aramco) or any other private American firm. Aramco is owned jointly by the Standard Oil Company of New Jersey (30 percent), Standard Oil Company of California (30 percent), the Socony Mobil Oil Co., Inc. (10 percent) and Texas Oil Co. (30 percent). American Christians may not publicly practice their religion or display the symbols and insignia of their faith. The United States forces at Dhahran are forbidden to maintain chapels.

IV. THE BOYCOTT OF AMERICAN ENTERPRISES

In the earliest stage of the boycott, the Arab League required only that all Arab nations and citizens refrain from any connection with Israel or her nationals, goods and services. But not content with preventing Israelis from dealing with Arabs and Arabs from dealing with Israel, the Arab League has extended the boycott and blockade to foreign ships.

The league now blacklists and engages in other forms of economic pressure against any company that maintains branch plants, assembly operations, or agency offices in Israel, permits licensing arrangements by, or has financial interests in Israel firms or provides consultant and other services to Israel. The products and services of such firms are denied admission to Arab lands. American and other foreign vessels may not stop at Israel ports on the same run on which they put in at Arab ports. American Export Lines, for example, must, at a considerable expenditure of time and money, operate a separate Middle East service to the Israel ports of Haifa and Tel Aviv.

An illustrative boycott decree is regulation No. 11299 of the Saudi Arabian Ministry of Commerce which warns all the importing merchants to notify their agents abroad not to ship their goods on Israeli ships or through Israeli navigation companies or on foreign ships which may anchor during trips to Arab countries in Israeli ports. In case of contravention of these instructions, the shipped goods will be confiscated. Some 100 vessels of foreign registry have already been blacklisted by the Arab countries for sailing to Israel (Fortune, August 1957), including the following American ships: *Anniston City, Indian Bear, Kern Hills, Memory, Mobilube, Sacconet, Steel Designer,* and *Trinity.* Many other American-owned vessels under foreign registry also have been blacklisted. American vessels carrying Israel exports and imports have been subjected by Egyptian authorities to discriminatory and illegal delays and obstructions in traversing the Suez Canal, in violation of the Security Council resolution of September 1, 1951, which condemned such "unjustified interference with the rights of nations to navigate the seas and to trade freely with one another * * *."

Instead of protesting the boycott restrictions on American enterprise, our Government has notified American shippers of the regulations of the boycott office (Foreign Commerce Weekly, January 4, 1956, published by the United States Department of Commerce). Moreover, the United States Navy's Military Sea Transport Service has advised American tanker owners who offer their ships to MSTS that if the tankers are on the Arab blacklist and can therefore not load at Arab ports, any travel deviation caused by this fact will be at the expense of the owners.

There are similar restrictions against American and other airlines. Planes using the airports of Israel are forbidden to fly over Arab territory or to receive flight information or rescue services from Arab sources (New York Times, October 15, 1957). Saudi Arabia has even gone so far as to threaten to shoot down any aircraft flying over her territory on the way to or from Israel. All of these restrictions violate the Convention on International Civil Aviation as well as the International Air Service Transit Agreement.

American newspapers report similar experiences by American businesses throughout the world (e. g., New York Herald-Tribune, February 12, 1956; the New York Times, October 15, 1957). In a statement quoted in the New York Post of February 3, 1956 the Iraqi Consul in New York, Gen. A. K. Gailani, said:

"Our policy is that all firms, be they Christian, Jew or Moslem, are not allowed to do business with the Arab countries if

they have a subsidiary or branch in Israel. This was a decision of the Arab League not of Iraq alone, and the reason is that Israel is at war with the Arab countries."

V. RESISTANCE TO THE BOYCOTT

In the past year, the Arab League has blacklisted some 25 companies in 19 countries and coerced 50 others into discontinuing or not undertaking commercial relations with Israel (Chemical Week, April 6, 1957). However, a number of firms throughout the world have steadfastly refused to yield to the boycott and have therefore been placed on the blacklist. These companies refused to be intimidated, even in the face of possible financial loss. The following American companies have been boycotted by one or more of the Arab states, according to Business International of May 17, 1957:

1. Air Electric Corp.
2. American Biltrite Rubber Co.
3. Chemical Construction Corp.
4. Continental Import & Export Corp.
5. Elliot Import Corp.
6. Emerson Radio & Phonograph Co.
7. Empire Brushes, Inc.
8. General Shoe Corp.
9. General Tire & Rubber Co.
10. Herman Hollander, Inc.
11. Hudson Pulp & Paper Co.
12. International Latex Paper Co.
13. Jacques Torczyner & Co.
14. The Lock Joint Pipe Co.
15. Moller Dee Textile Corp.
16. National Plastics Co.
17. P. E. C. Diamond Corp.
18. Pilot Radio Corp.
19. The Plough Sale Corp.
20. Sinclair & Valentine, Inc.
21. United States Near East Laboratories.
22. Willys-Overland Corp.

One of the above companies, in a letter that it insisted be confidential, recently wrote: "Ever since the advent of our support toward the Israeli economy, our products have been boycotted in every Arab country wheretofore our export sales amounted to substantially better than seven figures annually and undoubtedly would be double these figures today if it were not for the boycott. * * *" Despite these severe economic losses, the company, well known in America, still maintains its business in Israel as a matter of principle.

VI. YIELDING TO THE BOYCOTT

Some companies have facilitated the operations of the boycott.

Aramco: The Arabian-American Oil Co. (Aramco), in addition to denying oil to Israel, has threatened to cancel its contracts with European firms producing such innocent apparatus as floating roofs for water tanks if those firms do business with Israel (Fortune, August 1957). In addition, Aramco and its subcontractors, with the acquiescence of the State Department, have refused in New York State to hire persons of Jewish faith for work abroad or to all their non-Jewish employees to bring into Saudi Arabia products manufactured by firms on the Arab blacklist. The New York State Commission Against Discrimination questioned the State Department about this Aramco policy. It was told of the importance of not having anything interfere with the existing relationship between the Arabian Government and the Arabian-American Oil Co., explaining that this relationship was the basis for the harmony between this Government and the Arabian Government and should it be disturbed in any way the international interests of the United States would be seriously affected (New York State Commission Against Discrimination, 1950 Progress Report, p. 48).

The American Express Co.: This company opened offices in Israel in August 1950 because of the steady increase in the number of American tourists visiting Israel. It closed these offices in February 1956, although more Americans visited Israel in 1955 than in any year since 1950. Publicly, the company contends that it shut down its Israel offices because it was not profitable to operate them, but privately it admits that the Israel closing was due to Arab pressure.

The Brown & Williamson Tobacco Corp.: In March 1956, this wholly owned subsidiary of British-American Tobacco Co., Ltd., of London, which produces Viceroy, Kools, and Raleigh cigarettes in addition to distributing certain American brands overseas, began refusing orders for the most important brands of cigarettes distributed by it. This is the only instance of a foreign corporation refusing orders from Israel importers. That this capitulation was due to Arab pressure is admitted by Brown & Williamson. The British company is not to be confused with the American Tobacco Co.

VII. THE OIL COMPANIES AND THE BOYCOTT

For the last 10 years the major American and British oil companies have yielded to the Arab boycott. These companies are the Standard Oil Company of New Jersey, the Standard Oil Company of California, the Texas Co., the Socony Mobil Oil Co., Inc., the Shell Oil Co., and the British Petroleum Co. Their yielding to the boycott has taken various forms:

1. The flow of oil from Iraq to the petroleum refinery at Haifa was interrupted in 1948 and has never been resumed.

2. The Haifa oil refinery, owned and operated jointly by the Royal Dutch Shell group and the British Petroleum Co., has not been used to its full capacity. Shell and British Petroleum refused fully to utilize the capacity of the refinery even during the Korean war, when the free world underwent a shortage of refined petroleum products.

3. Tapline, the pipeline carrying oil from Saudi Arabia to the Mediterranean, is owned and operated by the Arabian-American Oil Co. (Aramco). Completed in 1950, the pipeline terminates in Syria and Lebanon. Although a contract was signed with the Palestine Government scheduling the terminus of the pipeline in Acre, in what is today Israel, the original terminus was deliberately bypassed because of Arab pressure.

4. Since the institution of the Arab boycott, the major oil companies have refused to send tankers with oil destined for Israel through the Suez Canal, so that Israel has been compelled to pay a considerable premium for her oil shipped in other ways.

5. All the major oil companies that had been operating in Israel have withdrawn from oil marketing there in conformity with Aram boycott demands.

6. All the major oil companies declined to engage in oil exploration in Israel.

7. The oil companies have discouraged other firms connected with or dependent upon them from doing business with Israel.

VIII. THE INTERNATIONAL WHEAT AGREEMENT

Even the operation of the International Wheat Agreement has been affected by the boycott. The objective of this agreement is to insure, at equitable and stable prices, supplies of wheat to importing countries and markets for wheat to exporting countries. The United States is a member of the agreement as an exporting country and Egypt, Lebanon, Jordan, and Saudi Arabia participate as importing nations.

While the International Wheat Agreement does not control the production of wheat in any member country nor the method by which wheat can be sold pursuant to the agreement, all sales under the IWA must be within the minimum and maximum prices set by the agreement. For example, under the 1956 arrangement the price range was from $1.50 to $2.00 per bushel (New York Times, April 22, 1956).

Because the market price for wheat in the United States is higher than the maximum allowable export price under the International Wheat Agreement, our Government has since 1949 been subsidizing American wheat exporters so that we would be able to meet our quota of guaranteed annual sales. Most of this wheat is exported from their own stocks by private United States businessmen who are paid a direct subsidy by our Government. The terms of each sale are worked out privately by the United States exporter and the foreign buyer, after which the former files a notice of sale with the Government, applying for an export payment. In 1954 the Secretary of Agriculture reported that the average wheat subsidy payment amounted to $0.47 per bushel (Report of the Secretary of Agriculture, 1954). The amount of wheat and flour exported by the United States under the IWA between 1949 and 1955 to the Arab countries totaled approximately 36 million bushels (Annual Reports for the Crop Year, 1949–55). Calculating on the basis of $0.47 per bushel, this means that the United States has subsidized the export of wheat to these countries to the extent of some $17 million out of tax funds supplied by all our citizens.

The Arab League states refuse to ship their American wheat on blacklisted vessels or to buy wheat from American exporters who are Jews or who have dealings with Israel. As a result shipping costs increase. Our Government has declined to take the necessary administrative, legislative or diplomatic action to end this discrimination. In effect, therefore, the United States submits to the operation of the Arab boycott and Americans are taxed for a wheat subsidy plan from which they are barred.

IX. THE UNITED STATES INVOLVEMENT IN ARAB DISCRIMINATION

Unlike other countries, the United States has become enmeshed in this boycott against some of her own nationals and has permitted the rights of American Jews to be placed in an inferior category. Our Government did not effectively resist the demand of Saudi Arabia that American Jews be barred from American installations at Dhahran, Saudi Arabia, nor did it resist the refusal of certain of the Arab States to grant visas to American Jews. Our Government has not encouraged American businessmen and shipowners to ignore the Arab boycott and blockade and to refuse to furnish to the Arab Boycott Office information as to the religious composition of American companies.

Spokesmen for our Government have sought to justify American inaction in a variety of ways. For example, as regards Jordanian and Saudi Arabian visa restrictions against American Jews, the Secretary of the Air Force on June 20, 1955 wrote to then Senator Herbert H. Lehman: "These restrictions are promulgated and enforced by the Arabic countries and are not within the prerogative of the State Department or the military to change." On May 22, 1956 the State Department's Public Services Division issued a statement which said in part:

"International law and practice recognize the fundamental right of a sovereign state to determine whether and under what conditions aliens may enter its territory. We believe that American citizens should enjoy all the rights and privileges in a foreign country which we allow the nationals of that country in the United States. [However, we are obligated to recognize that any attempt by this country to force our views on a foreign nation would be considered intervention in the domestic affairs of that nation and therefore greatly resented.] (Matter in brackets added.)

At one time the State Department attempted to explain away the boycott of Jews as merely the work of a number of private individuals in the Arab countries rather than the result of official policy in the Arab League. Thus in a letter to Senator Lehman, dated December 15, 1953, the then As-

sistant Secretary of State, Thruston B. Morton, declared:

"The Department hopes that these instances are in the nature of sporadic, out-of-bounds actions based on excessive zeal or misunderstanding on the part of certain individuals rather than an indication of fundamental intensification of boycott practice by the Saudi Arabian Government."

As a result of widespread protest, on July 26, 1956, the United States Senate unanimously adopted a resolution (S. Res. 323) which stressed the "primary principle of our Nation that there shall be no distinction among United States citizens based on their individual religious affiliations * * * (and that) any attempt by foreign nations to create such distinctions * * * generally is inconsistent with our principles." At their presidential nominating conventions in 1956, the Republican and the Democratic Parties adopted platform planks opposing foreign discrimination against Americans such as now exists in Saudi Arabia. A year ago, both the President's Committee on Government Contracts and the President's Committee on Government Employment Policy asked the Departments of State and Defense to eliminate the discriminatory practices involving Americans in Saudi Arabia.

Despite the Senate resolution and other protests, the State Department renegotiated the Dhahran agreement in April 1957 without obtaining any change in the Arabian discriminatory practices. This policy of allowing foreign governments to discriminate against American citizens on religious grounds represents a sharp reversal of earlier official attitudes by our Government. When the Czarist regime in Russia sought to deny visas to naturalized American Jews and to question visa applicants in the United States about their religion, William F. Wharton, Acting Secretary of State, informed Russia on February 28, 1893:

"It is not constitutionally within the power of this Government or any of its authorities to apply a religious test in qualification of equal rights of all citizens of the United States; and it is therefore impossible to acquiesce in the application of such a test, within the jurisdiction of the United States, by agents of a foreign power, to the impairment of the rights of any American citizen or in derogation of the certificate of this Government to the fact of such citizenship.

"His Majesty's Government, however, surely cannot expect the United States to acquiesce in the assumption of a religious inquisitorial function within our own borders of a foreign agency, in a manner so repugnant to the national sense." (U. S. Department of State, Papers Relating to Foreign Relations, 1893 (Washington, 1894), pp. 536–37.)

Despite this protest, however, the issue was not resolved and Russia continued her discrimination against American Jews. This discrimination became an issue in the presidential campaigns of the day and culminated in a resolution adopted by the House of Representatives by a vote of 300 to 1 on December 13, 1911 (J. Res. 166). In response to this overwhelming sentiment of the American people, 2 days later the State Department notified Russia, a world power, that the United States had decided to cancel the commercial treaty of 1832.

X. NONCAPITULATION BY OTHER GOVERNMENTS

The greater the capitulation to the Arab boycott, the greater are the demands made upon those who capitulate to it. First, a company is simply asked not to maintain a branch or office in Israel. Then it asked not to trade with Israel. Finally, it is warned not to hire Jews in executive capacities on pain of losing Arab favor.

Conversely, there is ample evidence that when faced with firm resistance the Arabs back down. Despite threats of economic reprisals, West Germany continues reparations payments to Israel and continues to trade with her. Yet between 1953 and 1955 the combined dollar value of German exports to Egypt, Iraq, Jordan, Lebanon, Saudi Arabia, and Syria rose from $94,929,000 to $123,862,000. (Figures supplied by the German Consulate General in New York, June 5, 1957.)

In 1956, the Central Organization for Foreign Economic Relations at The Hague advised the members of the Dutch branch of the International Chamber of Commerce not to supply Arab importers with information about the number of Jews working in Dutch export houses. On September 23, 1957, Dr. Willem Drees, Foreign Minister of the Netherlands, reiterated that his government would resist all Arab boycott measures infringing upon Dutch interests. He declared that, as a United Nations member, Holland "shares responsibility" for Israel's existence and that the boycott is "illegal and conflicts with the armistice agreements" (Netherland News Bulletin, September 21, 1957). As for resistance on the part of individual firms, the following statement by a British concern could well serve as a model for all governments and private companies beset by the Arabs:

"We vigorously contest the right of any overseas body or government, to dictate to us where we shall or shall not market our goods. Our business is that of selling our products anywhere in the world, and in this we are actuated by commercial considerations alone, politics playing no part whatever in our sales policy. We do, in fact, maintain strict neutrality in all our dealings with various countries, and that, in our opinion, is eminently more desirable than taking sides on issues completely unconnected with the affairs of England. The only edicts we obey are those of our own Government and provided they do not impose restrictions on the export of our goods to any particular destination, we regard ourselves as free to sell wherever there is a demand."

XI. CONCLUSIONS

The Arab boycott activities encroach upon the elementary American freedoms to trade, to invest, and to travel. There is a Treaty of Friendship, Commerce, and Navigation between the United States and the State of Israel. But because of the Arab boycott, American business firms are compelled to assume a posture toward Israel which is not in conformity with the spirit of that treaty. American citizens in this country are questioned about their religion by consular and diplomatic officials of the Arab States. American Jews are denied, because of their religion, privileges granted to non-Jews.

Arab economic warfare places a wholly unwarranted burden upon the American taxpayer. By imposing unnecessary expenditures and losses upon all of the countries of the Middle East, the boycott subverts the purposes of United States economic assistance, making the area increasingly more dependent upon such assistance.

While the boycott lasts, progress toward peace in the Middle East is impossible. This has been recognized by Secretary-General Dag Hammarskjold who at a press conference on August 8, 1957, referred to the boycott as a "deadweight upon our efforts."

In the broadest sense, the Arab boycott therefore constitutes political and economic aggression. By creating and maintaining tension, the boycott helps keep the Middle East in a state of near-war, continually threatening world peace and stability.

While the boycott lasts, interests vital to America are jeopardized. On political, economic, and moral grounds, it must therefore be resisted by the United States Government, by American business and by American public opinion.

THE RECESSION—ACTION IS SUPERIOR TO "WAIT AND SEE"

Mr. HUMPHREY. Mr. President, I wish to call to the attention of the Senate an article by Mr. Walter Lippmann.

Mr. Lippmann's article supports the proposals I have advanced in the Senate from time to time for advance planning and preparation in order to meet the recession.

It is hoped that the administration will take heed of the constructive advice given by Mr. Lippmann, and will present to the Congress a program backed up by effective leadership.

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ACTION'S SUPERIOR TO WAIT AND SEE

(By Walter Lippmann)

There is as yet no very general pressure for stronger measures to reflate the economy than the measures the administration is taking. It does not follow, however, that stronger measures such as a tax cut and larger public works should not be prepared for early adoption. The critical fact is that in the business cycle remedies do not work quickly. The sooner they are adopted—whether on the upswing or on the downswing—the less strong they need to be.

It is evident enough today, for example, that in the upswing between 1955 and 1957, the authorities waited too long to check the inflationary rise in consumer credit and capital expenditure and wage and price increases.

In reverse, it is probable that we have already waited too long before acting against the recession which began last summer. In fact, during the autumn, when the slump was already evident, the administration was actually cutting expenditures in the defense department.

The moral of it is that public opinion is not a sound guide in business cycle management. When the inflation of 1955–57 was underway, the politicians and the public resisted measures to restrain credit and the rise of the wage-price structure. When the cycle turned after the middle of 1957, the politicians and the public were demanding retrenchment which would have been suitable 18 months earlier.

Indeed it may be regarded as a working rule that for the successful management of the business cycle, the responsible authorities must be ahead of the public opinion and prepared to take measures which cannot be popular until their delayed results are experienced. The authorities must not wait to be pushed but they must lead the way, be it to deflate a boom or to reflate a slump.

There are reasons for thinking that we are at a point where a turn for the worse is so distinct a possibility that it is the part of wisdom and prudence to anticipate it. It may be true, as Secretary Sinclair Weeks and the President hope and believe, that we have reached the bottom and that in a few months the recover will be underway.

But it could be true that we have not reached the bottom and that if our policy is to wait and see we may be depressed to a deeper bottom from which it will be still harder to rise.

Is this alarmist talk which undermines confidence? In the old days when banks were often in trouble and faced with a run by the depositors, the best way to stop the run was by such a powerful guarantee of the bank's solvency that nobody wanted to draw out his money.

The same principle is applicable to the current phase of the recession. To say that prosperity is just around the corner is less likely to restore confidence than it would be if the administration and Congress set in motion such strong measures that confidence is restored.

There are at least two reasons for thinking that we may not be at the bottom of the recession. For one, there is no good reason to suppose that there will soon be a rise in what businessmen invest in plant and equipment. Unless, however, there is a reasonably prompt and substantial rise in private capital expenditure, there is no good prospect of a recovery without compensating outlays of public capital in defense and public works and subsidized housing and other facilities.

The second reason for being vigilant and alert is that there are many signs that, as regards the depressed durable goods, the consumer is in a mood to save his money and to make do with what he has, to scale down debts, to buy at second hand, and to keep his affairs as liquid as possible.

Why? Because he is afraid unemployment, of part-time unemployment, of declines in retail purchases and profits.

There is a danger here psychologically not unlike the state of mind which used to lead to runs on a bank.

This is a vulnerable point, and a policy of wait and see is dangerous. There is no use preaching confidence, there is no use expecting a man to buy an automobile he does not have to have, if he is worrying about whether he may lose his job. What he needs to restore his confidence is the sight of the Government preparing to do as much as is needed, perhaps more than is needed, to reflate the economy.

In the debate about these matters there is an underlying issue of economic philosophy. There are those who believe with the classical economists that a recession is a necessary readjustment after an inflation of prices, wages, and debts. It is a painful readjustment. But it is necessary to the ultimate health of the economy.

On the other side, there are those who believe, as does Marriner Eccles, that humanly and politically it is impossible for a modern democratic society to endure and tolerate the severe depression which would really readjust wages, prices, and debts.

They are, I believe, right. It is better, as Eccles said, "to accept the present price, wage, and debt structure," to support it by a reflation, than to take the enormous risks of a readjustment by a depression.

UNEMPLOYMENT AND ECONOMIC CONDITIONS

Mr. HUMPHREY. Mr. President, last week it was reported that the number of insured unemployed workers had risen to a new high of 3,594,000 in the week ended April 12. This is an increase of 101,000 from the middle of March, and underscores the importance of action by the Congress and support by the Eisenhower administration of the so-called Kennedy-McCarthy unemployment compensation bill, a proposal which would not only extend the duration of benefits, but also increase the amount of the benefits.

All the optimistic forecasts from the administration cannot hide the tragedy involved in millions of skilled and willing workers being without jobs.

I also would note that yesterday, while there was an avalanche of amendments relating to the so-called rights of workers, I noticed the dearth of amendments relating to the rights of workers who have no work. It would appear to me some of the recently discovered interest on the part of certain Members of Congress in the rights of workers should be applied to the right of workers to have jobs and an opportunity to support themselves and their families. I note the hesitancy in high places to advocate such a program.

Columnist Sylvia Porter, in an article in the Washington Star of April 27, reports that during 1958 roughly 20 million American workers will be without jobs at one time or other for at least 2 weeks, and in many cases for much longer. I ask unanimous consent that Miss Porter's column be printed at this point in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

YOUR MONEY'S WORTH

(By Sylvia Porter)

TWENTY MILLION JOBLESS

Some time in 1958, around 20 million Americans, able and willing to work, will be jobless for at least 2 weeks, and quite probably for much longer periods.

While it's unlikely that you have heard or read any jobless figure as huge as this until now, this is an authoritative estimate I have obtained from Government experts on employment during my stay here.

Here is the story behind the 20-million statistic:

Unemployment this year seems slated to average out at only about 5 million. Now that spring is here, we surely have gone through the worst of unemployment for a while.

We shouldn't see any upward change until June-July, when hundreds of thousands of high-school and college graduates will become active seekers of permanent jobs.

But the average figure is just an estimate of the number out of work on a specific date. It does not by any means tell the whole story.

The 5 million jobless today aren't the identical men and women jobless a month ago today or 2 months ago today.

While one auto company will be, say, laying off 10 men named Joe because it wants to cut production of a car model, another auto company will be recalling 10 men named Dick because its production cuts have been completed for this period. The total counted as currently unemployed will remain the same—10—but 20 entirely different families will have been vitally affected by the slump in the auto industry.

Or, while one appliance company will be laying off 10 men named Harry because it is shutting down for an inventory adjustment, another appliance company will be putting 10 men named Tom back on the payroll because its inventory adjustment has been finished. The total counted as currently unemployed will remain at 10, but again, 20 entirely different families will have been hit in the pocketbook.

So it goes and will go. In a recession such as this, layoffs shift from company to company, from industry to industry.

Even during the boom year of 1956, the Census Bureau says officially that approximately 10 million different persons were unemployed—either looking for work or on layoff from a job—at some time, although on average only about 2.5 million persons were jobless at any given time.

According to one leading expert commenting on 1958:

"Our projections indicate unemployment will average around 5 million, but that will mean 20 million seeking jobs at one time or another and getting sharp income cuts through no fault of their own."

No matter how many cheerful public statements come out of Washington, the fact is joblessness in key manufacturing cities is not declining nearly as much as it should at this season.

Inherent in this is an unspoken threat to our recovery. Any policymaker who shrugs it off does so at peril to our whole economy.

Mr. HUMPHREY. Mr. President, for a first-hand account of what it means to be jobless, I call attention to an article from the Washington Star of April 27 reporting on the unemployed in Louisville, Ky. I ask unanimous consent that this article be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE HUMAN SIDE OF RECESSION: "YESTERDAY I WASHED THE WINDOWS JUST TO KILL TIME"

(By Saul Pett)

LOUISVILLE, KY.—The recession, the real recession, is not so much a national statistic or a national argument as it is a man like Don Crane. He now keeps house while his wife works and his pride suffers more than he can say.

Or it's a woman like Iva Carter, who last year earned $80 a week as a skilled worker and now picks up 60 cents an hour, when she can, as a baby sitter.

Or it's Elzy Fisher, who lost his car and his freezer and, in a sense, his family.

Or Denzil Poole, now working 60 hours a week to earn what he used to earn in 40.

Or Vernon Melcher, up to his ears in monthly payments, determined never to buy on time again.

Or Ray Werner, who hopes to pick up an ice cream route at age 66.

A recession is these and many other people, but it is not a whole country or a whole town or most of either. And that is the strange thing about it. The recession is a grim island in a sea of prosperity. The recession is a minority of people, purchasing power gone or crippled, surrounded by high prices.

MORE HAMBURGER

The recession is not people starving but people eating more hamburger than steak, more bacon than pork chops. It is children getting more clothes than toys on their birthdays.

The recession is not stark tragedy, coming suddenly and without warning, in a long, seemingly endless wave of good times.

Louisville is a recession city statistically; its unemployment is relatively high. Almost one out of 10 is jobless. But looking at the city, you see the nine, not the one. You see the crowds at the sports events and shiny, long cars in the streets and people shopping in the stores and new houses going up while some others are being foreclosed.

Statistics: Total labor force in Louisville metropolitan area—302,000. Unemployed 28,700. Percentage unemployed 9.5. Last year that percentage was 6.5; in 1954, 5.4; in 1951, 2.6. The ratio of unemployment is now higher than any time since the State Office of Economic Security began making unemployment compensation payments in 1939.

At peak employment late in 1956 and early last year, the General Electric appliance plant here employed 15,500. It now employs 10,500. The Ford assembly plant employed 5,100, now employs 2,500. International Harvester also has laid off in Louisville as have many smaller firms.

Bankruptcies, 989 in 1957, highest since 1931; department store sales, January 1 through March 22 down 7 percent over same

period last year; free school lunches served in February, 1958, a daily average of 2,396 as compared to 1,725 in the same month last year.

Some of the statistics may be argued, explained, rationalized by town boosters. Thus you will hear about the bad winter weather in connection with reduced construction and shrunken retail sales. One factory speaks more of "attrition" than unemployment. Another refused to admit it lays off employees; it "furloughs" them.

THE PEOPLE REMAIN

But they can't argue away the people, the separate human beings, behind the statistics:

Tall, thin, Don Crane, 27, stalking through his four-room house. "I walk from the front door to the back door. I fool around in the yard. Yesterday I washed the windows just to kill time. I try not to think but I find myself thinking, 'Will I ever get a job again?'

"I've tried everything, even filling stations. No jobs. I just ask for work, not what the pay is, not any more. I'll take anything. So far, in 6 months, all I've found was a few days of odd jobs for a neighbor."

He used to work at General Electric, on the dryer assembly line. With overtime, he took home $115 a week. He was laid off in October. Since then, Don has exhausted his unemployment compensation ($32 for 26 weeks) and his $500 savings.

His wife Mary found work at a cigarette plant for $63 a week, sealing cases. The Cranes and their three young children now live on that, just barely. Some of their fixed monthly expenses: $48 on the mortgage, $13.50 on a clothes washer, $11.80 for storm windows.

Crane family activities and plans canceled by the recession: Saturday night bowling, square dances, fishing trips and plans to build a garage.

Mary works late, so Don fixes breakfast, changes the baby, gets the eldest child off to school. When Mary gets up, Don looks for work, always home by 2, when she goes off. He sees that the kids nap, fixes dinner, cleans up, gets the kids to bed, tries to lose himself in TV but the thought keeps recurring, "I must find work soon and Mary must get back home and take care of the kids."

Elzy Fisher, 27, tall, thin, distraught. Laid off last fall at American Air Filter Co., where he worked as welder's helper and took home about $70 a week. Unemployment compensation exhausted.

Forced to give up house which he rented for $45 a month. Furniture in storage. Wife and two small boys living with her family. Elzy living with his family. Unable to keep up monthly payments, lost 1949 Cadillac and freezer.

Denzil Poole, 33, optimistic. Laid off at General Electric early in February. Earned $76.50 a week before takeout on washer assembly line. After 3 weeks found filling station job. Works 60 hours a week, 6 days, to make same money earned at General Electric in 40.

"I'm not worried. We're keeping our heads above water. The car and furniture were all paid for so we don't have to worry about that. Anyway, I hope to be going back to General Electric before long."

"One thing's for sure," says Vernon Melcher, 47, old enough to remember the great depression, "I'm not putting my name on nothing any more. If it's a choice between going without or going into debt, I'm going without. Like the driveway and the garage. We could've waited on them."

Until January, he earned $95 a week before takeout in the maintenance department at Ford. Laid off, he collected $32 a week in unemployment compensation and $16 in supplemental unemployment benefits (otherwise known as the guaranteed annual wage, negotiated into auto company contracts by the United Automobile Workers).

Thus, without working, he collected $48 a week, and he has exhausted neither of the benefits. But recently he found a job as a porter in a hospital kitchen, which pays him $52.80 a week for 6 days' work. That's only $4.80 more than he got for not working.

Why take the job? "I got tired of sitting around. Besides the benefits have to run out some time. Also, I took the job on one condition—they also give my wife a job. So she works there as a cashier, gets $34."

Melcher family debts: $56 mortgage payment a month (on four-room brick house in Edgewood subdivision); $35 a month on 1950 Chevrolet; $43 a month on new garage; $20 a month on washer-dryer (bought when wife was recovering from illness); $8.80 a month on new blacktop driveway.

Now, with combined income of $86 a week, the Melchers can't meet all payments. So they juggle them, consolidate them, get new loans to pay off old or delay one to meet another—a constant robbing of Peter to pay Paul.

Which was worse, the depression or the current recession?

"No question," says Mr. Melcher. "Depression was worse. Now a man is laid off he has some cushion with the unemployment benefits. I remember in the thirties all I could get was pulling weeds out of a rich man's tennis court for 50 cents a day. Later, I worked as a plumber's helper, $9 a week for 60 hours. Of course, prices were lower then, much lower."

Mrs. George Asseff, husband laid off at GE before Christmas, has no deep sense of crisis yet.

"We're getting along. We're not buying clothes—I made a few things myself for Easter. On food, I find you can eat much cheaper if you have to. No more T-bones or the other better cuts. You can eat round steak just as well."

Mr. Asseff's unemployment compensation covers his payments on his house ($76 a month), on his TV set ($17) and fuel and insurance costs. He has had to use savings and help from his family to provide food.

"When things return to normal," says his wife, "and George is working again, we'll do things differently. We'll try to save more and buy less on the installment plan."

With the viewpoint of age, Ray Warner, 66, whose quiet, gaunt face suggests a Grant Wood painting, recalls he did better in the old depression. He managed to hold on to his job, made $30 a week, lived fairly well, saved some.

For 27 years, he worked for the same firm, much of the time as sheet metals foreman. In 1956 illness forced him to take a lighter job, groundskeeper. He was laid off last August. Present income: $103.50 a month in social security. Dependents: Wife and grandson.

"That $103.50 just don't go anywhere. Covers food, is all. House is paid for and we don't owe anybody, thank goodness. But for insurance and the rest, we're using savings. If I don't get work soon, I'll have to drop the insurance. If I can just pick me up an ice cream route somewhere and bring in another $25 or $30 a week, that ought to do it."

Miss Iva B. Carter, 54, lives in a high-ceilinged, shadowy apartment furnished with old family pieces in heavy oak. The apartment is one of four in a faded, red-brick building surrounded by other faded red-brick buildings which once were private mansions during Louisville's whisky boom in the late 19th century.

Miss Carter lives here with her invalid mother and cousin. The cousin works in a hospital, makes $40 a week, which now supports the three of them. Last May, at the Louisville Medical Depot, an Army hospital, equipment center, Miss Carter was laid off after 11 years. She had been an offset printing press operator, earning $80 a week.

Since then, I must have gone to at least 100 different places and filled out at least 50 applications—the rest aren't even taking applications. But the only work I've found was 2 weeks during the Christmas rush at Kaufman's Dry Goods and some baby sitting."

In the last year, Miss Carter has bought one article of clothing, a house dress for $6.08. She no longer goes visiting friends and relatives in town. Why? "I need to save the bus fare to look for work."

Mr. HUMPHREY. Mr. President, I also ask unanimous consent that an article from the New York Times of April 27 entitled "It's a Depression in Key Steel Area," be inserted in the RECORD. In this article it is reported that of the 47,000 steelworkers in the Youngstown area, 37,000 are jobless or working only part time.

I wish someone had raised his voice, during the oratory on the amendments which were offered during the past few days, about providing some help for the 37,000 of the 47,000 who are without jobs or with less than full time jobs.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IT'S A DEPRESSION IN KEY STEEL AREA—37,000 OF 47,000 ARE IDLE OR ON A SHORTER SHIFT IN YOUNGSTOWN SECTION

YOUNGSTOWN, OHIO, April 26.—The recession is a real depression to most of the 530,000 residents of Mahoning Valley, the Nation's third-ranking steel producing area, in which Youngstown is the heart.

Of this soot-ladened community's estimated total of 47,000 normally employed steelworkers, close to 14,000 are jobless (1,200 were laid off last week), about 23,000 are working 32 hours or less a week (most less), and the rest are putting in 40 hours in 5 days, according to officials of District 26, United Steelworkers of America.

Between 1,500 and 2,000 office employees and retail sales clerks also are reported to have lost their jobs since the beginning of the year or are on short work schedules.

Designated a critical surplus labor area by the United States Department of Labor, the economy of the valley, which also includes Warren, Niles, Campbell and several smaller towns, is wholly dependent on steel.

LINKED TO AUTOMAKERS

Approximately 80 percent of the annual capacity of about 12 million ingot-tons of steel produced here is sold to automakers. This fact gave birth to a local saying, "When Detroit is down, Youngstown is flat."

Last week valley mills operated at 40 percent of capacity, a dip of 6 points from the previous week and 6 percent below the national average.

Youngstown area sales-tax receipts, an accurate business barometer, dropped about 11 percent in the first quarter of this year from the same period in 1957, the Ohio Tax Commission reports.

No one contends that economic conditions here are now as bad as they were in the early 1930's, when Mahoning Valley relief rolls were among the highest in the country. But Youngstown Mayor Frank X. Kryzan, steel executives, businessmen, union leaders, steelworkers, and housewives agree that "times haven't been poorer since before World War II," and they see dim prospects for an early upswing.

Valley welfare authorities say there has been a slight increase but not a sharp rise in the number of relief cases. Most of the district's idle still draw State unemployment

compensation, which in Ohio is a maximum of $39 a week for 26 weeks for the eligible jobless with four or more dependents.

IDLE BENEFITS TO END

However, Frank Trainor, assistant director of the steel union's district 26, estimates that a huge majority of the unemployed will exhaust their compensation benefits by midsummer or sooner, especially those laid off late in 1957 or early this year, when the big curtailment in steel production began.

"If mill operations don't pick up by then," Mr. Trainor says, "everybody in the valley will be in real trouble."

Business and civic leaders, though not as pessimistic as the labor chief, do not dispute his statement. Local court records show that foreclosures on homes for defaulted mortgage payments are about normal, but there's been some increase in the repossession of autos, home appliances, and furniture bought on time.

"We tell our people," Mr. Trainor says, "to contact their creditors and arrange to pay as much of the interest on their debts as they can manage until they get back to work. We've had splendid cooperation from local bankers, finance companies, and merchants—except the fly-by-nights."

Hardest hit are the younger steelworkers, those wtih the least seniority according to the union contract. One of these is Thomas McNulty, 35-year-old father of four children, ages 11, 9, 7, and 5.

SHARP DROP IN PAY

Mr. McNulty, a second helper in the open-hearth plant of United States Steel's Ohio works in Youngstown, was furloughed last January 5. His take-home pay had been about $125 for 40 hours. He and his family now live on his $39 a week compensation, plus a little earned by Mrs. McNulty as a part-time clerk in a grocery store.

In 1956, the McNultys put $3,000 down on a $14,000 home in Canfield, a Youngstown suburb, and their payments are $95 a month.

"I'm a couple months behind," Mr. McNulty says, "but my father is helping me keep up the interest, so the bank hasn't given me any trouble yet. But I don't know how they'll feel if I don't get back on the job soon and start paying up."

He also bought a 1956 Ford, on which his monthly payments are $62. "I expect I'll lose it pretty soon," he says.

Paul Kotch, a crane operator in the Youngstown Sheet and Tube's blooming mill, who lost his job last Christmas week, used to average $110 a week. He's 30, has a 5-year-old daughter, his wife expects another child soon, and he's the sole support of his widowed mother.

"We're existing on the $36 a week I get from the compensation," Mr. Kotch says. He's now 2 months behind on the $60 monthly payments on the home in Campbell he's trying to buy. He paid cash for his second-hand auto, but he'll have to peddle it if things don't pick up soon."

Mr. Kotch thinks "this depression was made by the big guys to beat down us little guys." His attitude is echoed by the vast majority of Mahoning Valley steelworkers.

Mr. HUMPHREY. Mr. President, as Senators well know, the auto industry is one of the hardest hit in this recession. This past week auto production fell to a new low of 60,000 units, which is only 32 percent of practical capacity. An informative article on the effects of the decline in the auto industry, entitled "Automobile Industry Hard Hit in Recession," appeared in the New York Times of April 27, and I ask unanimous consent that it be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AUTOMOBILE INDUSTRY HARD HIT IN RECESSION—PRODUCTION HAS FALLEN FAR BELOW PEAK, AND UNEMPLOYMENT IS UP

(By Damon Stetson)

DETROIT, April 26.—The automobile industry has revolutionized the Nation's economy. It has thrust city boundaries outward and eliminated rural isolation. It has given independence of movement and added pleasure to 80 million licensed drivers and their families. It has added billions of dollars to the gross national product and, with associated industries, provided employment for millions.

It is not surprising, therefore, that the entire Nation suffers from shaken confidence and economic headache when this great industry runs into recessive influences as has been happening in recent months. Auto production this week, for example, dropped to a 6-year low of about 60,000 units, or the equivalent of about 32 percent of practical capacity for American car assembly lines.

The history of the auto industry has been characterized by startling and opulent successes, but also by wrecked hopes and a high mortality rate. Only a bare handful of some 2,700 different auto makes have survived.

Today the industry is dominated by three giant companies—the General Motors Corp., the Ford Motor Co., and the Chrysler Corp. There are also two smaller companies, the American Motors Corp. and the Studebaker-Packard Corp.

BIG THREE SHARE

Passenger car production is heavily concentrated in the Big Three, which last year produced 96.5 percent of the United States output.

But the pervasive and far-reaching influence of the auto industry is broad based. Last year, according to the Automobile Manufacturers Association, the highway and transportation industries, all stemming from the auto, provided jobs for 10,500,000 Americans, or about one of seven employed persons. One out of every six businesses in the United States is automotive.

Automotive retail sales totaled about $55 billion last year. More than 67 million motor vehicles were registered, with 75 percent of the Nation's families owning one or more passenger cars. The year's driving created sales for 51,500,000,000 gallons of gasoline and diesel fuels, plus oils, greases, antifreeze, and cleaning compounds. And the automotive industry's consumption of other major commodities is tremendous.

Manufacturing firms outside the industry, according to the A. M. A., normally produce 5 billion to 6 billion dollars worth of automotive products annually and employ 350,000 persons. These include such products as upholstery, rubber automotive parts, windshields and windows, brake linings, hardware, paints, chemicals, electrical equipment, and instruments, car radios, and batteries.

POOR PROSPECTS

But 1958 to date, and in prospect, has not been a good year for the auto industry. Production for the first quarter was 1,238,710 cars, down more than 500,000 from the first quarter of 1957. First quarter sales were about 1,070,000, compared with 1,492,000 for the first quarter last year.

The auto makers have scheduled second-quarter output at 1,031,000 units, a cutback of nearly 100,000 compared with the total projected 4 weeks ago. This reduction seems to be aimed at lightening the load of unsold new cars that dealers will carry into the summer months.

Latest estimates of dealer inventories put the total at 854,000 units, a drop of about 20,000 from a month earlier but more than 100,000 above the figure for a year ago. The present total is considered equivalent to a 2 months' supply and is close to record peaks.

Meanwhile, there have been some shifts in the various companies' share of output. General Motors has boosted its share from 46.05 percent last year to 55.92 percent in the first quarter; Ford has dropped from 30.90 percent to 27.26 percent; Chrysler has dropped from 19.99 percent to 12.73 percent; American Motors has increased its share from 1.87 percent to 3.32 percent, and Studebaker-Packard has gone down from 1.19 percent to 0.77 percent.

SALES DOWN

Retail sales for General Motors in the first quarter were 569,000, compared with 699,000 for the same period last year. Ford sales dropped from about 457,000 in the first quarter last year to about 292,000 this year, and Chrysler sales dropped from 297,000 in the first 3 months of last year to 165,000 in the corresponding period of the current year.

American Motors, with its small economy Ramblers riding a popularity wave, was the one company to increase its sales in the first quarter compared with last year. Sales for the company this year totaled about 34,000, compared with slightly under 25,000 in the first 3 months of 1957.

Although the financial fortunes of American Motors have been improving, Ford's net earnings for the first 1958 quarter dropped to $22,700,000 from $100,500,000 in the first quarter of 1957.

General Motors earnings, not yet reported, are also expected to be substantially lower. Chrysler's first quarter report, however, was the most melancholy. The company showed a net loss of $15,100,000 for the opening quarter compared with earnings of $46,545,521 in the first quarter last year.

The slump in sales for the industry generally has had a drastic impact on employment. Almost from the appearance of the 1958 models last November there has been a downturn.

Layoffs have multiplied rapidly. Short workweeks and periodic plant shutdowns, usually for a week at a time, have become common as the manufacturers have sought to bring production into balance with inventories and sales.

EMPLOYMENT

The heavy layoffs in the auto companies have been paralleled to a degree in many of the associated industries that rise and fall with the fortunes of car manufacturers. In this State, where the industry is centered, unemployment has risen to 450,000, or 15.5 percent of the labor force; and in metropolitan Detroit alone there are 265,000, or 17.4 percent of the labor force, out of work.

The depressed state of the auto industry is expected to have an important bearing in the current negotiations between the United Automobile Workers and the auto companies. The union has asked for wage increases and a profit-sharing arrangement, but the dwindling profits of 1958 seem likely to have a moderating influence on this year's settlements.

The high unemployment is almost certain to tone down the union's militancy. Moreover, Walter P. Reuther, president of the union, has made it clear that he has no intention of helping the auto companies and dealers unload their heavy inventories at the expense of the workers through an ill-timed strike.

MINIMAL ACCORD

At this point all signs indicate a minimal settlement, with the union attempting to achieve a short-term contract that would permit a new bid for further economic gains when business conditions have improved.

The consensus of the industry, however, is that a genuine upturn is unlikely before the 1959 models are introduced in the fall. Top officials are studying market developments

carefully, of course, and are also watching the growing popularity of small economy cars.

Both Ford and General Motors are reported to be preparing to build such cars, but there is little evidence that the reappraisal of consumer likes and the future market has been so agonizing that the industry plans any startling switch.

The 1959 models, for the most part, will be about the same size, will be expensive, and will continue to be adorned with some of the chrome and gingerbread that have been eliciting criticism lately in both high and low places.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent that the latest Economic Indicators from the April 27 New York Times be inserted in the RECORD, along with the New York Times Index of Business Activity for the week ended April 19, which shows a further drop to 176.9 from 177.0 in the preceding week.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Economic Indicators, week ended Apr. 26, 1958 [1]

	Last week	Prior week	1957
Commodity index	84.1	84.7	88.5
Money in circulation, thousands	$30,617,000	$30,733,000	$30,610,000
Commercial, industrial, agricultural loans, do	$30,662,000	$30,668,000	$31,524,000
Steel operating rate, percent	[2] 46.8	47.6	[2] 88.7
Steel production, tons	1,265,000	1,285,000	2,269,000
Motor vehicle production	75,741	89,874	148,258
Daily oil production, barrels	6,250,535	6,186,885	7,550,965
Freight car loadings	534,475	521,035	686,950
Electric power output, thousand kilowatt-hours	11,107,000	11,307,000	11,485,000
Business failures	346	342	302

[1] Statistics for commercial-industrial-agricultural loans, steel, oil, electric power and business failures are for the preceding week and latest available.
[2] Estimated.
[3] Not comparable because of lower capacity.

Monthly comparisons

	March [1]	Prior month	1957
Consumer Price Index	123.3	122.3	118.9
Industrial production	128	130	145
Employed	62,311,000	61,988,000	63,865,000
Unemployed	5,198,000	5,173,000	2,882,000
Personal income, thousands	$341,400,000	$341,700,000	$320,300,000
	February [1]	**Prior month**	**1957**
Imports, do	$950,000	$1,005,300	$993,000
Exports, do	$1,344,900	$1,510,900	$1,611,000
Construction contracts, do	$19,53,422	$2,066,059	$2,161,009
Manufacturers, inventories, do	$52,500,000	$52,900,000	$52,900,000
Money supply, do	$132,900,000	$132,100,000	$134,500,000

[1] Figures shown are subject to revision by source.

Commodity index and Consumer Price Index, based on 1947–49=100, are compiled by the Bureau of Labor Statistics. Industrial production is Federal Reserve Board's adjusted index of 1947–49=100. Manufacturers' inventories and personal income, at annual rate, are reported by the Department of Commerce. Construction contracts are reported by the F. W. Dodge Corp. Imports and exports are compiled by the Foreign Trade Division of the Department of Commerce. Money supply is total currency outside banks and demand deposits adjusted as reported by Federal Reserve Board. Business failures compiled by Dun & Bradstreet, Inc.

BUSINESS INDEX EASED IN THE WEEK

The New York Times Index of Business Activity in the week ended April 19, eased to 176.9 from 177.0 in the preceding week. The figure for the week ended April 20, 1957, was 204.6.

The table below gives the combined index with its components, each of which is adjusted for long-term trends.

	Weeks ended—		
	Apr. 19, 1958	Apr. 12, 1958	Apr. 20, 1957
Combined index	176.9	177.0	204.6
Miscellaneous carloadings	97.0	92.6	116.6
Other carloadings	61.2	61.9	84.0
Steel production	94.3	96.1	171.7
Electric power production	265.1	269.9	290.7
Paperboard production	260.7	252.9	279.5
Lumber production	102.9	98.0	109.7

Mr. HUMPHREY. Last but not least, Mr. President, I call attention to an article from the New York Times of April 27, entitled "Latin America Suffers," in which it is reported that as a result of the recession in the United States, South America is deep in economic crisis. I should like to read the concluding paragraph:

The Soviet Union, taking advantage of the situation, has indicated that it may try to move into the picture by promising to take South American commodities in exchange for Soviet equipment and other goods. In the face of present difficulties, there is a growing receptivity toward such possible deals.

I ask unanimous consent that this article be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LATIN AMERICA SUFFERS

RIO DE JANEIRO, April 26.—Relying on the export of commodities for the bulk of its income, South America for the most part is deep in economic crisis in a backwash of the United States recession.

Because of the decline in prices that began last year and the drop in demand in the north for a number of commodities produced on this continent, many Latin American Republics have run out of hard currencies. The consequent lessening of the capacity to import and the imposing of import controls have in turn raised the cost of the foreign goods that are vital to South America. The inflationary nightmare is more pronounced than ever.

As an example of currency depreciation due to insufficient exports, Brazil's cruzeiro was quoted at the end of this week at 126 to the United States dollar compared with 69 9 months ago, and everything points to a continuing downtrend. Chile and Peru, which are primarily producers of nonferrous metals, are receiving a double impact: Not only are their overseas sales decreasing in value and volume, but the United States, anxious to protect its own mining industry, is threatening them with increased customs duties that could knock much of the Chilean and Peruvian copper, lead, and zinc off the market.

So great is the dependence on the exporting of commodities that no domestic measures can make a serious dent in the crisis. Most of the governments are looking to Washington for some form of aid so that economic crises do not deteriorate into social and political troubles.

The Soviet Union, taking advantage of the situation, has indicated that it may try to move into the picture by promising to take South American commodities in exchange for Soviet equipment and other goods. In the face of present difficulties, there is a growing receptivity toward such possible deals.

Mr. HUMPHREY. Mr. President, it all adds up to the fact that as Congress debates legalisms over so-called labor management law, workers are without work, industries are operating at less than full capacity, retail establishments are beginning to feel the effect of lack of purchasing power, and the American economy is in retreat. It seems to me some of the oratory during the last few days over so-called abuses in the labor-management field could well have been devoted to pleas for a vital, productive economy. This is not to say those abuses do not need correction; they do; and I shall support legislation which is fair and equitable seeking such correction. I also want to make it crystal clear that the policy of wait and see, and the policy of peek-a-boo do not comprise the constructive leadership which is needed for the times.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. The Senator from Minnesota cited figures showing the growing number of workers who are now drawing unemployment compensation or insurance. Does he have the numbers of those who have been drawing such unemployment compensation, but who are now cut off from such benefits and are still unemployed?

Mr. HUMPHREY. The number is in excess of half a million.

Mr. JOHNSTON of South Carolina. There are also a great many persons who do not draw unemployment compensation insurance. Does the Senator have the number of people in that category?

Mr. HUMPHREY. The total number of unemployed is estimated at 5,200,000-plus. The number of persons drawing unemployment compensation is estimated at 3,100,000. So a little more than 2,100,000 persons do not get any help at all.

Mr. JOHNSTON of South Carolina. The number of those persons has been constantly increasing month by month, has it not?

Mr. HUMPHREY. That is correct. In addition, there are 3 million more on part-time work so that they are unable properly to provide for their families, but they cannot draw unemployment benefits.

Mr. JOHNSTON of South Carolina. I know how true that statement is, because there are many persons working in textile mills only 3 and 4 days, instead of 5 days, a week.

SMALL BUSINESS ADMINISTRATION

Mr. THYE. Mr. President, from time to time I have urged that the Small Business Administration be given permanent status as a necessary agency of Government especially adapted to work with small-business men. I have pointed out that the temporary status of this agency makes it difficult to recruit and keep well-trained and conscientious personnel.

Recently, I received a copy of a letter which was addressed to the regional director of the Small Business Administration in Minneapolis by a small-business man in Minnesota. The letter indicates not only that SBA has in some instances done a good job of selecting qualified and conscientious personnel, but it also pays a tribute to those dedicated Federal employees who see in their Government positions an opportunity to be of real service to the taxpayer. We should encourage this type of employee to continue this good work.

I ask unanimous consent, Mr. President, that the letter, addressed to Mr. Robert Alm, be printed in the RECORD at this point as part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 7, 1958.

Mr. ROBERT ALM,
Small Business Administration, Minneapolis, Minn.

DEAR MR. ALM: Because all phases of the transfer of responsibility and/or guaranty for our SBA loan with you from the former stockholders to Mr. Downer and myself have been completed, I can speak freely about the cooperation I have received from your department.

In each and every case of my contact with you and your subordinates, I have been treated courteously and, in many cases, you have been even more helpful than one could expect. I would like to specifically mention the practical way that Mr. O. L. Hanson advised me of the problems and the exacting way in which Mr. Gene Roulke worked with the analysis of our books.

So many times, in our everyday conversation, Government agencies are criticized. I feel it my duty to compliment you and your men when you have done such an excellent job.

We are now going at full rate of production and employ 88 people full time. This should underline the fact of the need for such an agency as yours.

Respectfully,
NORTHERN AIRCRAFT, INC.,
ROY L. STRONG,
President and General Manager.

SOLVING THE STUBBORN KLAMATH RESERVATION DILEMMA

Mr. NEUBERGER. Mr. President, in the past few months American Forests magazine, which is the official publication of the American Forestry Association, has been undertaking a most useful project. This involves the fate of the great ponderosa pine forest on the Klamath Indian Reservation, which is of importance to conservationists and those engaged in the lumber industry everywhere on the North American Continent.

American Forests magazine has been publishing a series of very thoughtful and comprehensive articles on this subject. For example, earlier in the series there were printed views of the Secretary of the Interior, Mr. Fred Seaton, and of such leading citizens of my State as Judge Robert Sawyer, of Bend, Oreg., and Mr. Bill Jenkins, a newspaperman of Klamath Falls, Oreg.

I was invited to join as an author of one of the articles in the series, and in the April 1958 issue of American Forests magazine there appears the article written by me about the Klamath situation entitled "Solving the Stubborn Klamath Dilemma."

I believe it is particularly appropriate that I should invite the article to the attention of the Senate today, because I am gratified to report that earlier this morning the Senate Committee on Interior and Insular Affairs, by a unanimous vote, agreed to report the Senate bill 3051, which I introduced in January at the request of the Secretary of the Interior, Mr. Seaton, and of the Eisenhower administration generally. The bill probably will be on the Senate calendar sometime during the next few weeks. It is my opinion that passage of the bill by the Senate, its passage later by the House, and its signing by the President, will afford great help in the conservation of the vital timber and marshland resources of the Klamath Reservation, and also in bringing about justice and equity in terms of payments to members of the Klamath Indian Tribe.

This forest is one of the greatest pine forests anywhere in the New World. It is vital that the forest be kept as a unit, and managed upon a perpetual-yield basis, rather than to be clear cut.

In conclusion, Mr. President, I wish to commend the editors of American Forests magazine for publishing over a number of months this series of articles which is so much in the public interest, and so much in the particular interest of wise timber conservation in the Pacific Northwest.

Mr. President, I ask unanimous consent that the article I have written, appearing in the April 1958 issue of American Forests magazine, be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOLVING THE STUBBORN KLAMATH DILEMMA

(By RICHARD L. NEUBERGER, United States Senator)

In Oregon, where I was born and raised, two ideas have motivated much of my career. One has been a basic belief in the wise use and conservation of natural resources, as contrasted with their wasteful exploitation. The other has been a firm conviction that we have much to atone for in our shabby treatment of the American Indian, during the era when the West was being settled.

Both these propositions are heavily involved in the critical situation confronting the Klamath Indian Reservation in southeastern Oregon. They emphasize the fundamental purposes of my bill, S. 2047, which seeks to prevent the ponderosa pine timber and waterfowl marsh of this reservation from being made pawns in a bargain-basement sale that would occur under conditions highly adverse to the preservation of such resources.

And S. 2047 also has as its goal the assuring of a fair and generous price for the 2,133 enrolled members of the Klamath Tribe, to whom these resources belong as their rightful heritage.

My bill provides for Federal purchase of the Klamath Indian Reservation. The great pine forest would be placed under the supervision of the United States Forest Service, and thus added to the contiguous Rogue River, Fremont and Deschutes National Forests. The vast marsh, often used by some 80 percent of the birds traveling the Pacific flyway, would be made part of the refuge system of the Fish and Wildlife Service. The Indians would receive for these valuable assets a price based on a professional appraisal, but finally determined by negotiation.

This controversy has festered and simmered in our State for many years. Yet I pride myself on the fact that S. 2047 has attained more unified support than any comparable proposal, entailing similar debate, in Oregon in modern times. The bill for Federal purchase of the Klamath Reservation has enjoyed the backing of the Klamath Indian Tribal Council, of the management specialists appointed by the Interior Department to exercise custody over termination proceedings, of chambers of commerce and trade unions, of a major segment of the daily and weekly press, of the Oregon Legislative Interim Committee on Indian Affairs, of Gov. Robert D. Holmes, of leading conservation groups such as the Izaak Walton League of America and the Wildlife Management Institute, of women's clubs and farm organizations. Scarcely an echelon of social or economic life in our State has failed to endorse the bill.

Symbolic of this unified support is the manner in which the legislative interim committee spoke through two members in favor of S. 2047 at Congressional hearings in February; they were State Senator Leander Quiring, a prominent Republican who is the committee chairman, and his fellow committee member, David C. Epps, who is State chairman of the Democratic Party.

In view of such widespread bipartisan backing in our State for my Federal purchase bill, I continue to be puzzled as to why Secretary of the Interior Seaton—at the 11th hour—complicated the situation by reporting unfavorably on S. 2047 and then bringing forward his own alternative proposal for private purchase of the Klamath timber in 11 huge blocks. Federal acquisition would follow if private purchase failed to materialize. Inexplicably, the Seaton measure was drafted without consulting the management specialists, who had endorsed S. 2047 and who had become experienced in handling Klamath problems at the grassroots for nearly 4 years. In addition, they are the Interior Department's own representatives in this task.

I shall not go into further detail about the Seaton bill, because the Secretary, himself, described it at length in the February issue of American Forests. To be completely fair, I myself introduced Mr. Seaton's proposal

"by request," so that it could soon come before the Senate Subcommittee on Indian Affairs, of which I am the chairman. This bill is now known formally as S. 3051. I regard it as far less desirable than outright and direct Federal purchase, as called for in my measure. Yet, I am not going to be arbitrary or politically partisan about a matter as crucial to my native State as this. That is why I moved speedily to sponsor the Secretary's bill "by request." I am candid in confessing that the Seaton bill, in my estimation, is much to be preferred over any course which would let the present termination take full effect.

To me, the unwise and ill-conceived Klamath Termination Act, which was passed by Congress in 1954, can only be described by the unique phrase which the illustrious Winston Churchill once applied to the Soviet Union—"a riddle wrapped in a mystery, inside an enigma."

Hearings originally were held in Oregon on a bill for slow, orderly, and judicious abandonment of Federal supervision over the affairs and assets of the Klamath Tribe. Then, on the eve of the bill's passage, a clause was inserted allowing any registered member of the tribe to elect to withdraw and to collect his prorated share of the assets. This meant overnight dismemberment of the reservation, should any substantial proportion of the Indians decide to withdraw. Furthermore, the bill was sweetened to include a per capita payment of $250 out of tribal funds for each Klamath member. Attorneys for the tribe have testified that this did much to neutralize Indian opposition to a measure which many of them instinctively mistrusted. Why was the per capita payment included? Who put it there? For what real purpose?

Indeed, the 1954 termination bill was so swiftly and surreptitiously overhauled on the threshold of its enactment that many of its earlier backers failed to recognize it. Here is what my Indian Affairs Subcommittee was told last October by William Ganong, Jr., representing the Klamath County Chamber of Commerce:

"The Congress substituted for section 5 of Senate bill 2745 the present section 5 of Public Law 587, which eliminated the period of further study and planning, and substituted a crash program for the sale of tribal assets. This was done without the knowledge of the people of Klamath County. In fact, the Klamath County Chamber of Commerce was unaware that this amendment had been made until after the bill had been enacted and signed by the President. There was absolutely no advance warning ever given the people of this county that Congress intended to make this change and radically depart from the bill upon which hearings had been held in this county."

Nor could ignorance of conditions in Oregon be pleaded for those in custody of the measure. The chairman of the Senate Committee on Interior and Insular Affairs at the time was Guy Cordon, veteran Senator from Oregon. Representative Sam Coon, of the Second Oregon Congressional District, where the Klamath Reservation is located, was in charge of the bill in the House. Ex-Governor Douglas McKay, of Oregon, was serving as Secretary of the Interior, and thus advising President Eisenhower as to whether or not the bill should be signed at the White House.

Despite this impressive dramatis personae from Oregon at the front of the stage, the unfortunate measure became Public Law 587, notwithstanding its peril to Oregon's economy by threatening to drop nearly 4 billion feet of prime ponderosa pine timber on the market, particularly at a time when Oregon lumber already is enduring a grim economic crisis.

And now it is my task to try to pick up the pieces.

In 1957 we managed to get a bill through the Senate delaying the final termination date until 1961 and providing $1 million in Federal funds to reimburse the Klamath Tribe for the costs of this process. Unfortunately, the House sliced the reimbursement to $550,000 and set August 13, 1960, as the closing termination date. This means that sale of the Klamath Forest, marsh and other outdoor treasures must commence under the auctioneer's gavel in August of this year, unless we can pass intervening legislation of a corrective nature by the end of the present 85th Congress. The sands of the Klamath hourglass are running out. We have only until midsummer to forestall actual operation of the 1954 Termination Act, which the Oregonian of Portland has described as premature and unrealistic.

I have emphasized some of the difficulties. There are many assets, too. In the beginning, I was prejudiced against the management specialists chosen by Secretary McKay to supervise liquidation of the tribe's holdings. After 1 of the 3 specialists had withdrawn under political fire to handle Mr. McKay's unsuccessful campaign for the Senate in 1956, it became my responsibility to work as closely as possible with the 2 remaining members of the team—Thomas B. Watters of Klamath Falls, and Eugene Favell of Lakeview. They are Republicans. I am a Democrat. Yet I pride myself upon believing that we have cooperated harmoniously and effectively. Mr. Watters is a man of dedicated responsibility. Mr. Favell has sacrificed his health in this cause. Together, they have made a further contribution by employing a forester of long and varied experience in the great Klamath tribal forest, Earl Wilcox. I doubt if any three other citizens could have handled a touchy and vexing task as competently as have the Messrs. Watters, Favell, and Wilcox. Without their herculean efforts, I fear the Klamath situation might be in chaos already.

The Klamath Indians, themselves, have been remarkably patient throughout this entire episode. They have understood the importance of continuing sustained-yield management of the timber and thus stabilizing the economy of the Klamath Basin. They have taken such an attitude, despite the fact that it may delay settlement of a vast tribal estate which could mean as much as $55,000 per member when the prorated shares are finally distributed. I wonder how many non-Indian citizens would have done as much, were it predominantly an Indian community which had its future at stake?

Because of this splendid cooperation from the Klamath Tribe and its executive committee, I feel particularly conscious of our obligation to pay a fair and even generous price for the resources of the reservation. My bill promises to do this with greater assurance than does the Seaton bill. Let me explain why.

S. 2047 provides for the purchase by the Secretary of the Interior of all Klamath tribal lands at their fair market value. A three-man appraisal board—one member of which shall be elected by the Klamath Indians—is established to determine the value of the reservation based on the comprehensive appraisal recently completed by an agent of the management specialists. The board would, among other things, take into consideration the value of tribal minerals, and loss of hunting and fishing privileges, for which no appraisal has been made. After a thorough examination of all available data, the board would submit its report to the Interior Committees of each branch of Congress. Unless Congress provided otherwise, the board's recommendation would become effective 60 days after its submission. Secretary Seaton's bill, on the other hand, establishes a so-called realization value as the fair market value of tribal timber units. This value is based on the assumption that 70 percent of the Klamaths will elect to have their shares of the tribal property liquidated, and that the timber must be sold within a 2-year period, on a competitive market, with no timber cutting restrictions.

This proposal departs from the traditional definition of a willing buyer and a willing seller not under compulsion, and would compel the Indians to accept a price based on a forced sale concept. The Klamaths have already indicated their dissatisfaction with Secretary Seaton's formula, because it does not provide just compensation for their property.

There is no substitute for justice or equity in dealing with Indians, or with anybody else for that matter. Our national record in giving the American Indian his fair share is not a happy one. I once spent nearly a whole night listening to Col. Charles Erskine Scott Wood, then the oldest living graduate of West Point, describe his shame and mortification over how our troops fired with Gatling guns into tepees where Nez Perce Indian children and squaws were concentrated. In a recent book, Whoop-Up Country (University of Minnesota Press, $5), Prof. Paul F. Sharp, of the University of Wisconsin, has compared the success of the Northwest Mounted Police in dealing with the Indians on the old frontier, as contrasted with our own failures.

"From the moment of their arrival in the West," Professor Sharp writes, "the Mounted Police regarded their mission to the Indians as paramount. * * * Their simplest decision, though it was also their most important, was to treat the Indians with honesty and respect. The tragic record of deceit and broken faith provoked by the forked tongues of the Long Knives had cost the American Government millions of dollars and thousands of lives. * * * American experience served as guide and warning to Canadian officials. It convinced them that no policy could succeed, unless it was based on consistency and integrity."

This legacy from out of the pioneer past should demonstrate how to treat the Klamaths in the crisis upon us today.

Nor can I complete this discussion without paying tribute to the responsible attitude taken by the bulk of the press in Oregon. This is a complex and involved issue. It lacks glamor; even its geographic location is remote from the metropolitan centers of the State. But it has at stake the future of a precious resource. At its heart, also, is the question of justice and equity in dealing with the descendants of America's original owners, even though some of these people may need guardians or trustees to help in husbanding their funds. Oregon's newspapers have discussed the question thoroughly and objectively. The Klamath termination issue has been studied with care by journalists like former Gov. Charles A. Sprague, of the Salem Statesman; Herbert Lundy and Malcolm C. Bauer, of the Oregonian; Roy J. Beadle, of the Oregon Journal; Robert Frazier and William Dean, of the Eugene Register-Guard; Robert W. Chandler, of the Bend Bulletin; Frank Jenkins, of the Klamath Falls News & Herald; J. W. Forrester, of the Pendleton East-Oregonian; Eric Allen, of the Medford Mail-Tribune; and Charles V. Stanton, Roseburg News-Review. I am grateful to them for awakening public understanding to the significance of the problem. For example, Mr. Chandler, of the Bulletin, has set forth in admirably succinct fashion the three fundamental phases of this stubborn dilemma. Here are his words:

"1. To obtain the maximum possible dollar amount for the Indian owners of the reservation.

"2. While doing so, to assure that the timber, water, and wildlife resources of the

reservation will continue to be managed wisely for the benefit of all the rest of the people.

"3. Some method of handling must be decided upon which will assure wise management of the resulting funds for those unable or untrained to provide that management themselves."

I endorse Mr. Chandler's three points unreservedly.

In a letter to me, dated September 26, 1957, Secretary Seaton included this paragraph:

"The two problems confronting both the Federal Government and the State of Oregon are protecting the property rights of the Klamath Indians on the one hand, and providing for the sustained-yield management of an important natural-resource area on the other. Public ownership would accomplish both of these objectives. If there is any reasonable alternative to public ownership which would accomplish the same results, we believe such an alternative should be thoroughly explored."

I do not think the Secretary's prowess as an explorer, alas, can compare with that of Lewis and Clark. It seems to me the proposal of the Interior Department lacks the merit of the clear-cut, specific provisions of my bill. Under the Department's measure, it would be possible for a large lumber company to buy 1 or 2 panels out of the very heart of the Klamath checkerboard. This would compound the administrative difficulties of administering the remainder of the lands as a national forest. It could become a duplication of the legal labyrinth in western Oregon where private lands, O. & C. lands and State lands form a complicated mosaic. Right now, to cite an example, I am pressing the State's claim for $181,000 in firefighting costs as a result of the Vincent Creek fire of 1951, which roared across this tangled pattern of land ownerships.

Furthermore, the Seaton bill would pose two questionable precedents. It would sell the Indian timberlands only in immense tracts which none but the largest lumber operators could even contemplate bidding upon. Small wonder that the Western Forest Products Industries, representing small- and medium-sized sawmills, testified against the measure. Secondly, the Seaton bill would create the practice of requiring a sustained-yield covenant to accompany timberland sold into fee-simple private ownership. I wonder what the large lumber companies think of this? In the 1930's, they bitterly opposed the bills by Representative Walter M. Pierce of Oregon to require certain comparatively mild silviculture methods on private lands. The Secretary's Klamath proposal goes far beyond that. What attitude do the big timber corporations take toward such a startling precedent? Even the more liberal Western Forest Products Industries has criticized it, through testimony by its counsel, Leonard Netzorg.

In testifying before the Senate Subcommittee on Indian Affairs, one of America's great and distinguished foresters summarized the obligations facing us in this situation. Declared Lyle F. Watts, ex-chief of the United States Forest Service:

"It is the Federal Government that has raised the issue of the disposal of this property. Traditionally, the Federal Government has assumed responsibility for the American Indian. It would seem that primary responsibility for the future management of the property rests with the Federal Government. Federal acquisition and management would seem to be the proper answer to the problem."

It was the Federal Government which negotiated the treaties with the Klamaths and their Modoc cousins long ago. It was the Federal Government which drove the martyred Chief Joseph from the Northwest and took his pathetic surrender 1,000 bloody miles eastward in Montana. It was the Federal Government which mistakenly ordained the premature termination over the Klamaths in 1954. And yet, by a curious irony, it is this same Federal Government which is best equipped and staffed to manage in perpetuity the tribal timber holdings of the Klamath Tribe and to safeguard the marsh where pilgrimages of ducks and wild geese may find nesting, breeding, and feeding grounds.

We have 148 magnificent national forests today. They provide timber stumpage, grazing uplands, watershed protection, hiking, camping, skiing, fishing, and hunting for Americans in virtually every realm of our Nation's life. Why not make this number 149? I am certain that the Klamath National Forest, acquired from the progeny of the earliest Americans, would be a worthy inclusion in the great system of outdoor preserves which President Theodore Roosevelt and his forester, Gifford Pinchot, founded nearly half a century ago.

I have emphasized that, despite some of my real misgivings with respect to the administration bill, I consider it far superior to even any remote thought of permitting termination to run its disastrous course under Public Law 587.

The dumping of 4 billion board-feet of pine timber on Oregon's already sagging lumber market could lead to economic ruin for Indian and non-Indian alike. After a careful canvass of the situation prevailing in the Senate and House, I came to the conclusion that the administration's proposal, which I introduced by request on January 16, had a somewhat better likelihood of enactment than my own outright Federal-purchase proposal.

A number of Senators, disturbed over the substantial sums required to buy the Klamath forest and marsh, told me that they believed private purchasers should have first refusal of the timber before the Federal Treasury was tapped to finance the undertaking. This included Senators of both political parties.

Accordingly, I decided to sacrifice pride of authorship and any sense of partisanship, in an effort to try to make certain that chaos in the lumber industry of southeastern Oregon can be prevented.

On March 6, at a meeting of the Senate Indian Affairs Subcommittee, I urged my fellow members to report S. 3051, the administration bill, with certain clarifying and improving amendments. For example, I suggested that the sustained-yield covenant be required to run for 100 years rather than 75, because of the slow-growing qualities of ponderosa pine. Senator ARTHUR WATKINS, of Utah, ranking Republican member of the subcommittee, was completely cooperative in working with me toward this goal. As a result, the Indian Affairs Subcommittee approved the bill. In view of the fact that a substantial segment of the Pacific Northwest's economy may be at stake, I felt such an outcome was infinitely preferable to a prolonged partisan controversy which might have followed insistence upon my own bill.

I could have waged a prolonged fight for S. 2047, at some political credit to myself, but the principal victims could have been the Indians who own the Klamath timberlands and the Oregon communities which depend upon the raw material of the Klamath Forest as the source of their livelihood.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

MILITARY PAY ACT OF 1958

Mr. BIBLE. Mr. President, if there is no further morning business, I ask that the Presiding Officer lay before the Senate the unfinished business.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 11470) to adjust the method of computing basic pay for officers and enlisted members of the uniformed services, to provide proficiency pay for enlisted members thereof, and for other purposes, which had been reported from the Committee on Armed Services with an amendment to strike out all after the enacting clause and insert:

That the Career Compensation Act of 1949, as amended, is amended as follows:

(1) Section 201 (a), as amended (37 U. S. C. 232 (a)), is amended by striking out the tables therein and inserting the following tables in place thereof:

"*Commissioned officers*

"Pay grade	"YEARS OF SERVICE													
	Under 2 years	Over 2 years	Over 3 years	Over 4 years	Over 6 years	Over 8 years	Over 10 years	Over 12 years	Over 14 years	Over 16 years	Over 18 years	Over 20 years	Over 22 years	Over 26 years	Over 30 years
O–10 [1]	$1,200.00	$1,250.00	$1,250.00	$1,250.00	$1,250.00	$1,300.00	$1,300.00	$1,400.00	$1,400.00	$1,500.00	$1,500.00	$1,600.00	$1,600.00	$1,700.00	$1,700.00
O–9	1,063.20	1,100.00	1,122.00	1,122.00	1,122.00	1,150.00	1,150.00	1,200.00	1,200.00	1,300.00	1,300.00	1,400.00	1,400.00	1,500.00	1,500.00
O–8	963.30	1,000.00	1,022.00	1,022.00	1,022.00	1,100.00	1,100.00	1,150.00	1,150.00	1,200.00	1,250.00	1,300.00	1,350.00	1,350.00	1,350.00
O–7	800.22	860.00	860.00	860.00	900.00	900.00	950.00	950.00	1,000.00	1,100.00	1,175.00	1,175.00	1,175.00	1,175.00	1,175.00
O–6	692.80	628.00	670.00	670.00	670.00	670.00	670.00	670.00	690.00	800.00	840.00	880.00	910.00	985.00	985.00
O–5	474.24	563.00	540.00	540.00	540.00	540.00	560.00	590.00	630.00	680.00	720.00	745.00	775.00	775.00	775.00
O–4	400.14	424.00	455.00	455.00	485.00	485.00	520.00	550.00	570.00	610.00	630.00	630.00	630.00	630.00	630.00
O–3 [2]	326.04	346.00	372.00	415.00	440.00	460.00	480.00	510.00	525.00	525.00	525.00	525.00	525.00	525.00	525.00
O–2 [2]	259.36	291.00	360.00	370.00	380.00	380.00	380.00	380.00	380.00	380.00	380.00	380.00	380.00	380.00	380.00
O–1 [2]	222.30	251.00	314.00	314.00	314.00	314.00	314.00	314.00	314.00	314.00	314.00	314.00	314.00	314.00	314.00

"[1] While serving as Chairman of Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, basic pay for this grade is $1,875 regardless of cumulative years of service.

"[2] Does not apply to commissioned officers who have been credited with over 4 years' active service as an enlisted member.

"Commissioned officers who have been credited with over 6 years' active service as an enlisted member

"YEARS OF SERVICE

"Pay grade	Over 6 years	Over 8 years	Over 10 years	Over 12 years	Over 14 years	Over 16 years	Over 18 years	Over 20 years	Over 22 years	Over 26 years	Over 30 years
O-3	$440.00	$460.00	$480.00	$510.00	$535.00	$535.00	$535.00	$535.00	$535.00	$535.00	$535.00
O-2	380.00	395.00	415.00	435.00	450.00	450.00	450.00	450.00	450.00	450.00	450.00
O-1	335.00	350.00	365.00	380.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00

"Warrant officers

"YEARS OF SERVICE

"Pay grade	Under 2 years	Over 2 years	Over 3 years	Over 4 years	Over 6 years	Over 8 years	Over 10 years	Over 12 years	Over 14 years	Over 16 years	Over 18 years	Over 20 years	Over 22 years	Over 26 years	Over 30 years
W-4	$332.90	$376.00	$376.00	$383.00	$399.00	$416.00	$435.00	$465.00	$486.00	$504.00	$516.00	$528.00	$543.00	$575.00	$595.00
W-3	302.64	343.00	343.00	348.00	353.00	380.00	398.00	412.00	427.00	441.00	458.00	470.00	487.00	506.00	506.00
W-2	264.82	298.00	298.00	307.00	328.00	342.00	355.00	369.00	381.00	393.00	406.00	417.00	440.00	440.00	440.00
W-1	219.42	266.00	266.00	285.00	299.00	313.00	334.00	345.00	354.00	364.00	375.00	390.00	390.00	390.00	390.00

"Enlisted members

"YEARS OF SERVICE

"Pay grade	Under 2 years	Over 2 years	Over 3 years	Over 4 years	Over 6 years	Over 8 years	Over 10 years	Over 12 years	Over 14 years	Over 16 years	Over 18 years	Over 20 years	Over 22 years	Over 26 years	Over 30 years
E-9							$380.00	$390.00	$400.00	$410.00	$420.00	$430.00	$440.00	$440.00	$440.00
E-8						$310.00	320.00	330.00	340.00	350.00	360.00	370.00	380.00	380.00	380.00
E-7	$206.39	$236.00	$236.00	$250.00	$260.00	270.00	285.00	300.00	310.00	325.00	340.00	350.00	350.00	350.00	350.00
E-6	175.81	200.00	200.00	225.00	235.00	245.00	255.00	265.00	275.00	280.00	290.00	290.00	290.00	290.00	290.00
E-5	145.24	180.00	180.00	205.00	210.00	220.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00
E-4	122.30	150.00	160.00	170.00	180.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00
E-3	99.37	124.00	124.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00
E-2	85.80	108.00	108.00	108.00	108.00	108.00	108.00	108.00	108.00	108.00	108.00	108.00	108.00	108.00	108.00
E-1	83.20	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00
E-1 (under 4 months)	78.00"														

(2) Section 201 (b) (37 U. S. C. 232 (b)), is amended by striking out the table therein and inserting the following table in place thereof:

"Pay grade	Army, Air Force, and Marine Corps	Navy, Coast Guard, and Coast and Geodetic Survey	Public Health Service
O-10	General	Admiral	
O-9	Lieutenant general	Vice admiral	
O-8	Major general	Rear admiral (upper half)	Surgeon General. Deputy Surgeon General. Assistant Surgeon General having rank of major general.
O-7	Brigadier general	Rear admiral (lower half) and commodore	Assistant Surgeon General having rank of brigadier general.
O-6	Colonel	Captain	Director grade.
O-5	Lieutenant colonel	Commander	Senior grade.
O-4	Major	Lieutenant commander	Full grade.
O-3	Captain	Lieutenant	Senior assistant grade.
O-2	1st lieutenant	Lieutenant (junior grade)	Assistant grade.
O-1	2d lieutenant	Ensign	Junior assistant grade."

(3) Section 201 (c), as amended (37 U. S. C. 232 (c)), is amended by adding the following at the end thereof: "However, except as provided in section 209 of this title, an enlisted member may not be placed in pay grade E-8 or E-9 until he has completed at least 8 years or 10 years, respectively, of cumulative years of enlisted service creditable in the computation of his basic pay. Except as provided in section 209 of this title, the authorized daily average number of enlisted members on active duty (other than for training) in any uniformed service in pay grades E-8 and E-9 may not be more than 2 percent and 1 percent, respectively, of the number of enlisted members of that uniformed service who are on active duty (other than for training) on January 1 of each year."

(4) Section 201 (d) is amended by striking out the last sentence and inserting the following in place thereof: "Any payments accruing under any law to any member of a uniformed service incident to his release from active duty or active duty for training or for his return home incident to release from that duty, may be paid to that member before his departure from his last duty station, whether or not he actually performs the travel involved. If a member receives a payment under this subsection but dies before that payment would but for this subsection have been made, no part of that payment is recoverable by the United States."

(5) Section 201 (f) (37 U. S. C. 232 (f)) is repealed.

(6) (A) That part of the table in section 204 (b) (37 U. S. C. 235 (b)) relating to commissioned officers is amended to read as follows:

"Commissioned officers

"Pay grade	Years of service													
	Under 2	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 22	Over 26	Over 30
O-10	$165.00	$165.00	$165.00	$165.00	$165.00	$165.00	$165.00	$165.00	$165.00	$165.00	$165.00	$165.00	$165.00	$165.00
O-9	165.00	165.00	165.00	165.00	165.00	165.00	165.00	165.00	165.00	165.00	165.00	165.00	165.00	165.00
O-8	155.00	155.00	165.00	165.00	165.00	165.00	165.00	165.00	165.00	165.00	165.00	165.00	165.00	165.00
O-7	150.00	150.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00
O-6	200.00	200.00	215.00	215.00	215.00	215.00	215.00	215.00	215.00	220.00	245.00	245.00	245.00	245.00
O-5	190.00	190.00	205.00	205.00	205.00	205.00	205.00	210.00	225.00	230.00	245.00	245.00	245.00	245.00
O-4	170.00	170.00	185.00	185.00	185.00	195.00	210.00	215.00	220.00	250.00	240.00	240.00	240.00	240.00
O-3	145.00	145.00	155.00	165.00	180.00	185.00	190.00	200.00	205.00	205.00	205.00	205.00	205.00	205.00
O-2	115.00	125.00	150.00	150.00	160.00	165.00	170.00	180.00	185.00	185.00	185.00	185.00	185.00	185.00
O-1	100.00	105.00	135.00	135.00	140.00	145.00	155.00	160.00	170.00	170.00	170.00	170.00	170.00	170.00"

(B) That part of the table in section 204 (b) (37 U. S. C. 235 (b)) relating to enlisted members is amended to read as follows:

"*Enlisted personnel*

"Pay grade	Years of service													
	Under 2	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 22	Over 26	Over 30
E–9	$105.00	$105.00	$105.00	$105.00	$105.00	$105.00	$105.00	$105.00	$105.00	$105.00	$105.00	$105.00	$105.00	$105.00
E–8	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00
E–7	80.00	85.00	85.00	85.00	90.00	95.00	100.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00
E–6	70.00	75.00	75.00	80.00	85.00	90.00	95.00	95.00	100.00	100.00	100.00	100.00	100.00	100.00
E–5	60.00	70.00	70.00	80.00	80.00	85.00	90.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00
E–4	55.00	65.00	65.00	70.00	75.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00
E–3	55.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
E–2	50.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
E–1	50.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00
E–1 (under 4 months)	50.00													
Aviation cadets	50.00"													

(7) The table in section 206 (37 U. S. C. 237) is amended to read as follows:

"Pay grades	Monthly rates
E–9	$22.50
E–8	22.50
E–7	22.50
E–6	20.00
E–5	16.00
E–4	13.00
E–3	9.00
E–2	8.00
E–1	8.00"

(8) The following new sections are added after section 208:

"PROFICIENCY PAY

"SEC. 209. (a) An enlisted member of a uniformed service entitled to basic pay and designated as possessing special proficiency in a military skill of the service concerned may—

"(1) be advanced to any enlisted pay grade prescribed in section 201 (a) of this act that is higher than his pay grade at the time of designation and receive the pay, allowances, and special or incentive pays of the higher pay grade in accordance with his cumulative years of service for pay purposes; or

"(2) in addition to any pay, allowances, special or incentive pays to which he is entitled under this act, be paid proficiency pay at a monthly rate not to exceed the maximum rate prescribed in the following table for the proficiency rating to which he is assigned:

"Proficiency Rating	Maximum Monthly Rates
P–1	$50
P–2	100
P–3	150

"(b) An enlisted member who has less than 8 or 10, as the case may be, of cumulative years of enlisted service for basic pay purposes and who is advanced under subsection (a) (1) to pay grade E–8 or E–9, respectively, is entitled to the minimum amount of basic pay, allowances, and special or incentive pays prescribed for that pay grade until such time as his cumulative years of service for pay purposes entitles him to a higher rate of such pays.

"(c) The Secretary concerned shall determine whether enlisted members of any uniformed service under his jurisdiction are to be paid proficiency pay either under subsection (a) (1) or (a) (2). However, he may elect only one of these methods of paying proficiency pay for each uniformed service under his jurisdiction. If he elects to have proficiency pay paid under subsection (a) (1), enlisted members in a military rank assigned to pay grades E–8 and E–9 may be paid proficiency pay at a monthly rate not to exceed the maximum rate prescribed in subsection (a) (2). If he elects to have proficiency pay paid under subsection (a) (2), he shall prescribe, within the limitations set forth in subsection (a) (2), the amount of such pay for each proficiency rating prescribed therein. He shall also designate, from time to time, those skills within each uniformed service under his jurisdiction in which proficiency pay is authorized, and shall prescribe the criteria under which members of that uniformed service are eligible for a proficiency rating in each such skill. He may, whenever he deems it necessary, increase, decrease, or abolish proficiency pay for any such skill.

"(d) This section shall be administered under regulations prescribed by the Secretary of Defense for the uniformed services under his jurisdiction, and by the Secretary of the Treasury for the Coast Guard when the Coast Guard is not operating as a service in the Navy.

"SPECIAL PAY—CERTAIN DESIGNATED OFFICERS

"SEC. 210. (a) An officer of an armed force who is entitled to the basic pay of pay grade O–3, O–4, O–5, or O–6, and who is designated by the Secretary concerned, because of assignment and duties being performed, as holding a command or staff position of unusual responsibility and of a critical nature to the service concerned, may, in addition to any other pay prescribed by law, be paid special pay at a monthly rate as follows:

" 'Pay grade	Monthly rate
O–3	$50.00
O–4	50.00
O–5	100.00
O–6	150.00'

The Secretary shall prescribe the criteria and circumstances under which officers of the Armed Forces under his jurisdiction are eligible for pay under this section and may, whenever he considers it necessary, abolish such special pay.

"(b) Not more than 5 percent of the number of officers on active duty in any armed force in pay grade O–3, and not more than 10 percent of the number of officers on active duty in any armed force in any of pay grades O–4, O–5, or O–6, may receive special pay under this section.

"(c) This section shall be administered under regulations to be prescribed by the Secretary of Defense for the Armed Forces under his jurisdiction, and by the Secretary of the Treasury for the Coast Guard when the Coast Guard is not operating as a service in the Navy.

"(d) This section does not apply to any person who is entitled to special pay under section 203 of this act.

"(e) The Secretary of Defense shall report to Congress by March 1 of each year on the administration of this section within each military department during the preceding calendar year. The Secretary of the Treasury shall make a similar report for the Coast Guard when the Coast Guard is not operating as a service in the Navy."

(9) The table in section 302 (f) (37 U. S. C. 252 (f)) is amended to read as follows:

"Pay grade	With dependents	Without dependents
O–10	$171.00	$136.80
O–9	171.00	136.80
O–8	171.00	136.80
O–7	171.00	136.80
O–6	136.80	119.70
O–5	136.80	102.60
O–4	119.70	94.20
O–3	102.60	85.50
O–2	94.20	77.10
O–1	85.50	68.40
W–4	119.70	94.20
W–3	102.60	85.50
W–2	94.20	77.10
W–1	85.50	68.40
E–9	67.50	45.00
E–8	67.50	45.00
E–7	67.50	45.00
E–6	67.50	45.00
E–5	67.50	45.00
E–4 (7 or more years' service) [1]	67.50	45.00
E–4 (less than 7 years' service) [1 2]	45.00	45.00
E–3 [2]	45.00	45.00
E–2 [2]	45.00	45.00
E–1 [2]	45.00	45.00

"[1] Service authorized to be credited in computation of basic pay pursuant to sec. 202 of this act.

"[2] Considered at all times as without dependents pursuant to subsec. (a) of this section."

(10) Section 302 (h) (37 U. S. C. 252 (h)) is amended by striking out the words "E–6 and E–7" and inserting the words "E–6, E–7, E–8, and E–9" in place thereof.

(11) Section 304 (c) (37 U. S. C. 254 (c)) is amended by adding the following new sentence at the end thereof: "An officer entitled to receive basic pay shall, while serving as Surgeon General of the Public Health Service, in lieu of any other personal money allowance authorized by this section but in addition to any other pay or allowance authorized by this act, be entitled to receive a personal money allowance of $1,200 per annum."

SEC. 2. The tables in section 1 (c) of the act of May 19, 1952, chapter 310 (66 Stat. 79), are amended to read as follows:

"Pay grade	Not over 2 dependents	Over 2 dependents
E–9	$77.10	$96.90
E–8	77.10	96.90
E–7	77.10	96.90
E–6	77.10	96.90
E–5	77.10	96.90
E–4	77.10	96.90

"Pay grade	1 dependent	2 dependents	Over 2 dependents
E–3	$51.30	$77.10	$96.90
E–2	51.30	77.10	96.90
E–1	51.30	77.10	96.90"

SEC. 3. (a) Notwithstanding any other provision of law, except section 4 of this act and subsection (b) of this section, the changes in rates of basic pay made by this act do not increase the amount of retired pay, retirement pay, retainer pay, or equivalent pay to which any person is entitled on the day before the effective date of this act.

(b) Notwithstanding any other provision of law, except the last sentence of section 6483 (b) of title 10, United States Code, a member of a uniformed service who became entitled to retired or retainer pay before the effective date of this act, and who performed a period of continuous active duty of at least one year after becoming entitled to that pay, is entitled, upon release from that active duty on or after the effective date of this act, to recompute that pay based on the rates of pay set forth in the Career Compensation Act of 1949, as amended by this act.

(c) Notwithstanding any other provision of law, except subsection (b) of this section, a member of a uniformed service who became entitled to retired or retainer pay before the effective date of this act, and who on or after that date is advanced on the retired list to, or is transferred to a retired list in, a grade higher than the grade he held on the date when he became entitled to that retired or retainer pay, shall have his retired pay computed on the basis of the basic pay set forth in the Career Compensation Act of 1949 on the day before the effective date of this act, plus 6 percent of that pay.

SEC. 4. (a) Except for members covered by section 7 of this act and persons with 2 or less years of service for basic pay purposes who were retired for physical disability or placed on the temporary disability retired list, members and former members of the uniformed services who are entitled to retired pay, retirement pay, retainer pay, or equivalent pay, on the day before the effective date of this act, shall be entitled to an increase of 6 per centum of that pay to which they were entitled on that date.

(b) Notwithstanding any other provision of law, a member of a uniformed service retired under any provision of law, or transferred to the Fleet Reserve or Fleet Marine Corps Reserve, on the effective date of this act shall have his retired pay or retainer pay computed on the basis of the rates of basic pay set forth in the Career Compensation Act of 1949, as amended by this act, or on the rates of basic pay set forth in the Career Compensation Act of 1949 on the day before the effective date of this act, plus 6 percent of that pay, whichever is greater.

(c) Section 5 of the Career Incentive Act of 1955 (69 Stat. 22) does not apply to any person who is retired, or to whom retired pay, retirement pay, retainer pay, or equivalent pay (including temporary disability retired pay) is granted, on or after the effective date of this act.

SEC. 5. Section 4 (a) (1) of the Armed Forces Leave Act of 1946 (37 U. S. C. 33) is amended by striking out the word "three" and inserting in place thereof the word "five".

SEC. 6. Title 10, United States Code, is amended as follows:

(1) Footnote 1 of section 3991 is amended to read as follows:

"[1] For the purposes of this section, determine member's retired grade as if section 3962 (d) did not apply and, for an officer who has served as Chief of Staff, compute at the highest rates of basic pay applicable to him while he served in that office."

(2) Section 5083 is amended by striking out the words "and with retired pay based on that grade" and adding the following new sentence at the end thereof: "The retired pay of such an officer shall be computed at the highest rates of basic pay applicable to him while he served in that office."

(3) Section 5201 (c) is amended by striking out the words "and with retired pay based on that grade" and adding the following new sentence at the end thereof: "The retired pay of such an officer shall be computed at the highest rates of basic pay applicable to him while he served in that office."

(4) Section 5233 is amended by inserting before the period at the end of the first sentence the words "and with retired pay based on that grade", and by striking out the last sentence thereof.

(5) Section 6483 (b) is amended by adding the following sentence at the end thereof: "If recalled to active duty in the grade he holds on the retired list under section 6150 of this title, or under any other law which authorized advancement on the retired list by reason of a special commendation for the performance of duty in actual combat, he may, upon release from active duty on or after the effective date of this sentence, have his retired pay recomputed on the basis of the then monthly basic pay of the grade he holds on the retired list only if he has served on that duty for a continuous period of at least two years."

(6) Footnote 1 of section 8991 is amended to read as follows:

"[1] For the purposes of this section, determine member's retired grade as if section 8962 (c) did not apply and, for an officer who has served as Chief of Staff, compute at the highest rates of basic pay applicable to him while he served in that office."

(7) Chapter 71 is amended as follows:

(A) Column 1 of formula 1 and column 1 of formula 2 of section 1401 are each amended to read as follows:

"Monthly basic pay[1] of grade to which member is entitled under section 1372, increased, for members credited with two or less years of service for basic pay purposes, by 6 percent."

(B) By adding the following footnote at the end of section 1401:

"[1] For an officer who served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, compute at the highest rates of basic pay applicable to him while he served in that office."

(C) By adding the following new section at the end thereof:

"§ 1405. Chairman of Joint Chiefs of Staff

"Unless entitled to higher pay and allowances under another provision of law, a member of an armed force who has served as Chairman of the Joint Chiefs of Staff, who is credited with over 30 years of service in the computation of his basic pay, and who is entitled to retired pay, is entitled to retired pay at the rate of 75 percent of the active duty basic pay of an officer serving as Chairman of the Joint Chiefs of Staff."

(D) By adding the following new item at the end of the analysis:

"1405. Chairman of Joint Chiefs of Staff"

The amendments made by clauses (1)–(3), (6), and (7) (A) and (B) of this section do not apply to any person who is retired, or to whom retired pay (including temporary disability retired pay) is granted, before the effective date of this act.

SEC. 7. Notwithstanding any other provision of law, each officer entitled to pay and allowances under any of the following provisions of law shall continue to receive the pay and allowances to which he was entitled on the day before the effective date of this act:

(1) The act of March 23, 1946 (60 Stat. 59).

(2) The act of June 26, 1948 (62 Stat. 1052).

(3) The act of September 18, 1950 (Private Law 957, 81st Cong.).

SEC. 8. Section 110 of the Federal Executive Pay Act of 1956 (70 Stat. 740) is repealed.

SEC. 9. This act becomes effective on the first day of the month following the month in which it is enacted.

SEC. 10. The enactment of this act shall not operate to reduce—

(1) the basic pay or retired pay to which a member or former member of a uniformed service was entitled on the day before the effective date of this act; or

(2) the rate of dependency and indemnity compensation under section 202 of the Servicemen's and Veterans' Survivor Benefits Act which any person was receiving on the day before the effective date of this act or which thereafter becomes payable for that day by reason of a subsequent determination.

SEC. 11. (a) Title 10, United States Code, is amended as follows:

(1) Chapter 71 is amended—

(A) by adding the following new section at the end thereof:

"§ 1406. Years of service

"For the purposes of section 1401 (formula 4), 3888 (1), 3927 (b) (1), 3991 (formula B), 6151 (b), 6325 (a) (2) and (b) (2), 6381 (a) (2), 6383 (c) (2), 6390 (b) (2), 6394 (g) (2), 6396 (c) (2), 6398 (b) (2), 6399 (c) (2), 6400 (b) (2), 8888 (1), 8927 (b) (1), or 8991 (formula B) of this title, the years of service of a member of the Armed Forces are computed by adding—

"(1) his years of active service;

"(2) the years of service credited to him under section 233 (a) (7) of title 37;

"(3) the years of service, not included in clause (1) or (2) with which he was entitled to be credited, on the day before the effective date of this section, in computing his basic pay; and

"(4) the years of service, not included in clause (1), (2), or (3), with which he would be entitled to be credited under section 1333 of this title, if he were entitled to retired pay under section 1331 of this title.

For the purpose of this section, a part of a year that is 6 months or more is counted as a whole year, and a part of a year that is less than 6 months is disregarded."; and

(B) by adding the following new item at the end of the analysis:

"1406. Years of service."

(2) Formula 4 of section 1401 is amended by striking out the words "in computing basic pay" and inserting the words "under section 1406 of this title" in place thereof.

(3) Section 3888 (1) is amended by striking out the words "credited to him in computing his basic pay" and inserting the words "that may be credited to him under section 1406 of this title" in place thereof.

(4) Section 3927 (b) (1) is amended by striking out the words "credited to him in computing his basic pay" and inserting the words "that may be credited to him under section 1406 of this title" in place thereof.

(5) Formula B of section 3991 is amended by striking out the words "credited to him in determining basic pay" and inserting the words "credited to him under section 1406 of this title" in place thereof.

(6) The following sections are amended by striking out the words "creditable for basic pay" wherever they appear therein and inserting the words "that may be credited to him under section 1406 of this title" in place thereof:

(A) 6151 (b).
(B) 6325 (a) (2) and (b) (2).
(C) 6381 (a) (2).
(D) 6383 (c) (2).
(E) 6390 (b) (2).
(F) 6394 (g) (2).
(G) 6396 (c) (2).
(H) 6398 (b) (2).
(I) 6399 (c) (2).
(J) 6400 (b) (2).

(7) Section 8888 (1) is amended by striking out the words "credited to him in computing his basic pay" and inserting the words "that may be credited to him under section 1406 of this title" in place thereof.

(8) Section 8927 (b) (1) is amended by striking out the words "credited to him in computing his basic pay" and inserting the words "that may be credited to him under section 1406 of this title" in place thereof.

(9) Formula B of section 8991 is amended by striking out the words "credited to him in determining basic pay" and inserting the words "credited to him under section 1406 of this title" in place thereof.

(b) Section 423 of title 14, United States Code, is amended by striking out the words "for which he was entitled to credit in the computation of his pay when last on active duty" and inserting the words "that may be credited to him under section 1406 of title 10" in place thereof.

(c) Section 16 (a) of the Act of June 3, 1948, chapter 390 (33 U. S. C. 853o (a)), is amended by striking out the words "for which entitled to credit in the computation of his pay while on active duty" and inserting the words "that may be credited to him under section 1406 of title 10, United States Code, as if his service were service as a member of the armed forces" in place thereof.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. BIBLE. Mr. President, I suggest the absence of a quorum.

THE PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, the pending bill is House bill 11470, the so-called military pay bill. I have prepared remarks which reflect a summary of the thinking of the subcommittee, and I think also of all members of the full Committee on Armed Services. I have sent a copy of my statement to the press gallery. I will say, for the benefit of the press, that the statement will be included in my remarks in the RECORD, although I shall now refer to some of the points perhaps not in the order in which they are dealt with in the prepared statement.

The pending bill is a highly important measure, affecting the pay and compensation of all members of the military services. Such compensation now amounts to $8.7 billion a year, which, when added to the cost of food and furnishings, and the cost of moving, totals $10.1 billion a year. The bill provides additional expenditures, on an annual basis, of $576 million.

The primary consideration involved in the bill is the provision of career incentive compensation. That is the basic consideration to be given when passing on any particular phases of the bill. In other words, we are trying to provide added incentives to men in the military service to continue such service as a career, and to attract others in future years.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield.

Mr. MANSFIELD. I am interested in this measure, which the Senator from Mississippi is so ably explaining. As he indicates, it will help to establish a career service. Am I correct in stating that at the present time no men are being drafted into the Air Force, the Navy, or the Marine Corps?

Mr. STENNIS. The Senator is correct.

Mr. MANSFIELD. Is it true that approximately 12,000 or 13,000 men a month are now being drafted into the Army?

Mr. STENNIS. The Senator is correct.

Mr. MANSFIELD. Is it true that there are certain I. Q.'s or intelligence quotients, by means of which a certain number in the lowest fourth are automatically taken into the Army?

Mr. STENNIS. The Senator is correct.

Mr. MANSFIELD. Is there any possibility that, in line with the passage of a bill providing increased pay for members of the armed services, legislation may be enacted, or at least strong suggestions may be made, to the effect that the I. Q.'s of the lowest fourth be done away with, so that we may have a more realistic intelligence quotient with respect to the men who will comprise the scientific portion of our Armed Forces?

Mr. STENNIS. The subject matter to which the Senator refers is included in another bill now pending before the Armed Services Committee. We did not undertake to pass upon that feature. This is a compensation bill, and we did not go beyond the field of policies which relate directly to the measure of compensation.

Mr. MANSFIELD. If the Senator from Mississippi will yield for another question, which may or may not be related to this particular bill, does he believe if this bill is passed—and I assume there will be no difficulty in passing it—there will be, as a result of its passage, a sufficient number of volunteers to create a volunteer Army, Navy, Air Force, and Marine Corps? In other words, in the Senator's opinion, would it be possible to eliminate the draft?

Mr. STENNIS. The opinion of the Senator from Mississippi is that it would not go that far, even though it would be a step in that direction. We have great expectations for the bill if it is properly administered. I do not believe it would make unnecessary the draft. I noted in the press a statement to the effect that General Hershey did not think so. The Senator from Mississippi is of the opinion that such an argument is not sustained by the facts.

Mr. President, I shall be glad to yield to any Senator as a courtesy, and especially to the acting majority leader, because he has so many other duties; but I wish to outline some of the high points of the bill, and bring the whole picture before the Senate, if I can.

The subcommittee, consisted of five members, namely, the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Wyoming [Mr. BARRETT], the junior Senator from Missouri [Mr. SYMINGTON], the senior Senator from Virginia [Mr. BYRD], and myself. We took testimony on this very far-reaching subject. The printed record of testimony consists of 894 pages. The hearings occupied 20 days or more. We heard scores of witnesses. The report filed by the committee is a very complete analysis of the problems involved, as well as the bill, and what has been done in trying to solve the problems.

I wish to tender the special thanks of the chairman of the subcommittee for the very fine attention, assistance, and very material aid given by the other members of the subcommittee.

We all pay tribute to the very fine services and wonderful spirit in connection therewith, of the counsel to the subcommittee, Mr. Edward Braswell, who, in dealing with this complicated subject, involving a great volume of law and schedules of pay scales, has done a remarkable piece of work. He has rendered a very valuable service to the Senate and to the entire Nation.

Thanks are due also to Mr. Ralph J. Cordiner, who headed the Cordiner Committee, which made a special study of this important subject. He is due a special word of thanks from the committee and the Senate for the very fine way in which he went into the entire question, and the fine set of recommendations which he and his committee made.

Also, we were greatly assisted in the consideration of this subject by having before us the House bill, which reflected the work of many Members of the House who gave very devoted attention to this subject matter.

The House subcommittee was headed by Representative KILDAY, of Texas, who is a very fine authority on this particular subject. We had the benefit of the speech which he made in the House, as well as the benefit of his thinking and that of other Members of the House, as reflected in the bill.

I believe that the bill, if enacted, would go a long way toward meeting the problem of retaining men in the service to round out a military career. However, I think we should emphasize the fact that a real military career is also based, at least partly, on a sense of service, a sense of mission, a sense of pride in being in the service and wearing the uniform of the particular branch to which a person belongs.

In the subcommittee we did not hear much emphasis placed on that point. It is a rather disappointing part of the hearings. However, I am sure that the point is merely dormant, and was so during the hearings, because during the hearings we were struggling particularly with the money side of the subject. I hope that the services still emphasize to their men, both officer and enlisted, the absolute need of a sense of service and pride in the uniform, and a sense of devotion to the cause they serve.

I find evidence that many young men in the service do have such dedication and devotion.

I wish to refer, also, to the fact that a mere pay increase, however based and on whatever schedules it may rest, will not solve the problem, unless there is an effective administration in carrying out the new system. I wish to refer particularly now to page 4 of the committee report, which reflects, in part, some of the problems found by the committee to exist, the solution of which the committee attempted to indicate as a condition

precedent for the passage of a bill of this kind. I wish to read into my remarks at this time references on page 4 of the report, as follows:

The committee is glad to observe that the following positive actions have been initiated by the Department of Defense:

1. Legislation has been recommended to the Congress aimed at a better system of quality control of commissioned officers. Specifically, the legislation would provide (1) a solution for the Navy "hump" problem; (2) screening boards for all services to eliminate officers whose services are no longer required; and (3) a more competitive promotion system, together with a provision for accelerated permanent promotions for outstanding officers.

2. The Department of Defense has indicated that the number of officers in the grade of O–6, colonel and captain, will, on the average, be reduced by 10 percent by the end of calendar year 1960.

That is something that cannot be done overnight. The committee did not expect it to be done overnight. It did not expect it to be done at the expense of personal injustice to anyone in the service. However, we concluded that some plan or method along this line is necessary and is in keeping with the whole spirit of the bill. The bill before the Senate increases the pay of colonels in the Army and captains in the Navy by 21 percent in basic pay, which is a sizable increase indeed. We found that all the services, together, have now approximately 14,300 colonels, with 2½ million men in the armed services. At the end of World War II, with 12 or 13 million men in the services, the number of colonels in the Army and captains in the Navy was about the same number, or perhaps 14,800.

There are some good reasons why that number has not been decreased to a greater extent, but certainly they are not sufficient to justify that comparison. No legislation is contained in the bill which attempts to provide a new system. We merely point out the problem.

I read further from the report:

3. A reexamination is now underway of existing promotion laws with the view toward the possibility of permitting greater opportunity for promotion for outstanding officers with a corresponding deemphasis on seniority.

The whole proposed pay schedule is an attempt to get away from undue emphasis on seniority. At the same time, unless it is properly administered, with the same point in view, it will be a failure. The mere piling on of money, without proper administration, will result in failure.

4. Improved personnel management procedures, generally, throughout the Departments.

Mr. President, I wish to digress here to thank, for the very fine service rendered to our committee, Mr. William H. Francis, Assistant Secretary of Defense in charge of personnel. He and his staff of assistants worked diligently and very hard on these questions, and with great benefit to us.

Very briefly, I shall state, because I think it is pertinent, the cost of the bill. It will add approximately $576 million to the current cost of paying those in the Military Establishment. The House bill would add, in round numbers, $683 million additional. The last recommendation on the subject by the Department of Defense was $512 million additional. The Cordiner report, if it had been adopted in full, would have added approximately $580 million, which is approximately $4 million more than is provided by the Senate bill.

To give Senators an idea of the magnitude of increasing the pay of everyone in the military service, if we were to add only $10 a month to the pay of everyone in the military service, it would increase the total bill by $200 million a year. It is almost alarming to think that a mere $10 increase a month all the way through the military service would add to the bill $200 million in a year's time.

I wish to discuss briefly what the bill does to the so-called longevity pay principle. The present law carries in full the longevity system, in that every 2 years a person automatically gets an increase in pay, even though he does not get a promotion. A man can serve as a captain in one of the services year after year, and even though he does not get a promotion, and does not mature any more and does not increase his sphere of service, he nevertheless receives an increase in his pay every 2 years.

The Cordiner report recommended that this system should be abolished. The House bill followed the Cordiner report only up to a point. It provided if a man did not get a promotion at the end of the period when he would on the average have received it, or when the average person received it, he would no longer get an increase in pay. To state it in another way, he would get the increase every 2 years even though he remained in the same grade until he reached the point where he would ordinarily, on the average, be promoted; but if he should not get the promotion, his pay increase would be stopped. Therefore it might be said that the House adopted Cordiner recommendation in that respect in a modified form. Senators who are interested in a full explanation of the proposal, will find it set forth on pages 5 and 6 of the committee report.

On the subject of what has been added to the structure with reference to increasing officer and enlisted men's classes for base pay, the bill reported by the committee and the House bill follow the Cordiner recommendations, in that provision is made for two additional officers at the top, 3- and 4-star generals.

We have already had those, in a way, but they have never been recognized fully as being on a separate and additional pay scale level. Three-star generals now receive $100 a month in extra pay, and 4-star generals receive $200 a month in extra pay, but both retire on the basis of the pay of a major or 2-star general. The bill puts them in the pay schedules and recognizes the categories of the 3- and 4-star generals separately with additional pay.

On the same point, with respect to the enlisted men's group, the bill follows the recommendations of the Cordiner report and creates two new classes for enlisted men—E–8 and E–9. I call them supersergeants. They are additional grades at the top. One percent of all the enlisted men in each of the services will be permitted to attain the top military grade, E–9. Two percent of all the enlisted men can be placed in the new military grade E–8. Of course, when men are promoted to grades E–8 and E–9, there will be vacancies in the grade of sergeant, and those vacancies can be filled by competent men.

The bill is the key to the plan for career compensation for skilled men. It is the key to the effort to keep radar experts, crew chiefs, and others having special training and special skills, in the service on a career basis. Rather liberal schedules have been adopted for the compensation of those men, not only those who go into the higher grades, E–8 and E–9, which I have mentioned, but also those who serve as staff sergeants, technical sergeants, master sergeants, first sergeants, and even corporals. There will be an appreciable increase in their pay.

But that is not all the picture. Here is the second step in the real effort to provide the pay incentive to keep the skilled men in the service, rather than to have them leave the service and obtain employment with private enterprise in the same type of work requiring technicians. The measure is based on the principle of proficiency pay. It provides for additional pay based upon the regular schedules of payments.

If a man is selected for the extra pay because of his particular skill, he can be classified as P–1. That is, he is in the proficiency group. If he is in proficiency group 1, he will receive $50 a month extra pay. If he is placed in grade P–2, he will receive $100 a month extra pay. If he is placed in group P–3, he will receive $150 a month extra pay. That will apply to men who are filling places of critical need and unusual responsibility, and who fit into the program as technicians and other essential personnel.

So, under the system of promotions and increased pay, to which I have already referred, plus the proficiency pay, if a man qualifies for both, and the bill permits him to do so, it is possible under the bill for a super sergeant in classification E–9 also to draw, as maximum proficiency pay, together with hazard pay, if he is engaged in one of the hazardous occupations, a total of $9,860 a year. That is for an enlisted man. This is not a typical case, but it is the ceiling to which the enlisted man can go; and an appreciable number of them can go that high.

If a man has qualities of leadership, he can qualify for high rank. Another one, who is not a leader, but is a radar expert, for instance, can qualify for the proficiency pay. A third man can qualify, perhaps, for both classifications. He is the one who will receive the highest possible pay.

So there are two ways in which the services can really utilize the extra inducements in the way of promotions and extra pay and proficiency pay, in order

to persuade men to make careers of the service. That is more fully covered on page 5 of the report, to which I refer any Senator who may be interested in that particular subject. That is with reference to enlisted men. Proficiency pay is covered on page 6 of the report.

To continue the principle of extra pay based upon the responsibility which an officer may have, or based upon the criticality or the unusual responsibility of his service, the committee included an amendment. The amendment was not recommended by the Cordiner Committee; it was not recommended by the administration; it was not recommended by the officers in any of the services. But it was the committee's conclusion that the amendment was necessary, after hearing the problem and trying to look a little further down the years into the future, when we undoubtedly will have a more and more specialized service, even in the officer group. The amendment provides that any officer of the rank of captain, major, lieutenant colonel, or colonel, who is serving in a capacity of unusual responsibility and is supplying a critical need, may be selected for additional compensation. The scale of compensation will be, for captains, and majors, and increase of $50 a month; for lieutenant colonels, an increase of $100 a month; for colonels, an increase of $150 a month. This would be added responsibility pay, which could apply, in the beginning to 5 percent of the captains, 10 percent of the majors, 10 percent of the lieutenant colonels, and 10 percent of the colonels.

The total cost of the new plan will be only $12\frac{1}{2}$th million a year. I do not know how the plan will work out in its administration. The only ones who said anything against it were officers who testified that it would be difficult to administer the plan. I am sure it is difficult to administer many of the programs. It will be difficult to administer the proficiency pay for the enlisted men, the subject which I have just covered. It will be very difficult for the services to say just whom they will promote, if the promotions are based upon merit. Likewise, it will be difficult to select the ones to whom the military responsibility pay will apply. But, in the opinion of the subcommittee and the full committee, it is a step we must take in order to meet the conditions as they are.

I remember asking General Twining, when he was on the stand, if, in the bill without the amendment to which I have referred, there was any way by which special pay could be granted to an officer having a special skill. He said there was not, and an illustration was given. The amendment was designed to meet the condition stated. The illustration was of a colonel who had charge of an air wing. He was a commanding officer. He had under him many trained crews and trained officers. He had the responsibility for the care of hundreds of millions of dollars invested in equipment. The chart showed his officer's salary. Another chart showed the responsibility of the vice president of a medium-sized corporation, the number of persons who were under him, and the vice president's pay. The pay of the vice president was two or three times as much as that of the colonel.

I asked if there was any way to increase the compensation of the colonel in question, because of his special responsibility, without also increasing the pay of other colonels in the Air Force, and the corresponding officers in the Army and Navy. The answer was that there was no way. So that was a part of the reasoning which led to the formulation of the amendment to which I am addressing myself now—the amendment providing for responsibility pay within the ranks of officers.

Frankly, we present the amendment in a modified form and on a very small scale, in the hope that if a real effort is made to administer the program, it will prove to be the opening of a new avenue for special compensation for various groups in all the services, and that it will not be necessary to increase the pay of all groups in order to reach one. In other words, the system will tend to place the additional pay where the additional responsibility is and where the additional work is.

I certainly am no expert on this subject. I did not ask for this assignment. It was given to me, and I therefore feel a responsibility. But it is certainly my conclusion that in the years to come we shall have to adopt a system of the kind suggested if we are to maintain a strong military organization. The bill would make it permissive, anyway. Certainly it will not do any harm to include that provision in the bill.

Mr. COOPER. Mr. President, will the Senator from Mississippi yield to me?

The PRESIDING OFFICER (Mr. THURMOND in the chair). Does the Senator from Mississippi yield to the Senator from Kentucky?

Mr. STENNIS. I yield.

Mr. COOPER. In reading page 2 of the report, I find, under the heading "Extent of Turnover" the statement:

> Only one-third of the total enlisted personnel in the Department of Defense are in a career status.

A little further along I find the following:

> All of the services have less than 66 percent of their requirement of critical personnel in mechanics and repairmen.

Later on the same page of the report, under the heading "Effect of Shortage," there is given an example which shows that, as a result of this shortage, approximately 15 percent of the Strategic Air Command planes are continually grounded.

I know the great care and the conscientious attention the Senator from Mississippi has given to these problems. I should like to ask what kind of evidence was adduced, to indicate that the system the Senator from Mississippi is suggesting will meet this problem.

Mr. STENNIS. We have provided for very liberal compensation in that category, in an endeavor to obtain the needed crews. I have been discussing the increased pay categories, including the proficiency pay. It is hoped that these increases will constitute a sufficient inducement to persuade the men who already have been trained to make the service a career, rather than to leave it at the end of their respective terms of enlistment. By this means we shall compete for their services. The system will work in two ways, and it is believed that it will meet the need and will serve to reach the end desired.

Mr. SALTONSTALL. Mr. President——

Mr. STENNIS. Mr. President, I shall be glad to have the Senator from Massachusetts express himself on that point.

Mr. SALTONSTALL. First, I desire to take this opportunity to say that I appreciate the excellent work the chairman of the subcommittee, the distinguished Senator from Mississippi [Mr. STENNIS], has done in regard to the pending bill.

I should like to add a word to what he has said on this subject. He has said the new system will provide an additional incentive. It will provide an additional incentive, Mr. President. By striking down the longevity program new men will be given an incentive to remain in the service for if the system is well administered, they will know that they will be able to advance in it. Under the new system, there will be less opportunity for one who is in the service to obtain increased pay merely because he has remained in the service.

Mr. STENNIS. I thank the Senator from Massachusetts.

Mr. SYMINGTON. Mr. President——

Mr. STENNIS. Mr. President, I am glad to yield to the Senator from Missouri. But before I do so, I wish to say that he and the Senator from Arizona [Mr. GOLDWATER] were the authors of the bill, introduced last summer, which was based on the Cordiner report, to which I have referred. Their study and their mastery of this subject have certainly constituted valuable contributions to the subcommittee, and also to the Senate itself. They were the original sponsors of this proposed legislation; and the Senator from Missouri also served on the subcommittee, where he rendered very valuable service. The Senator from Arizona was a witness before the subcommittee, in addition to sponsoring consideration of the measure otherwise. We owe them a special debt of gratitude, which I am very glad to express, for their interest and their very helpful service in connection with this matter.

Mr. SYMINGTON. I thank the distinguished Senator from Mississippi for his very gracious remarks in respect to the small contribution I have made toward this military pay bill.

I would be remiss, Mr. President, if I did not congratulate the distinguished Senator from Mississippi for his painstaking care and his efforts to bring to the Senate a bill to remedy what is an unfortunate situation. Every member of the committee is grateful to the distinguished Senator from Mississippi for the hard work and the splendid job he has done.

Mr. STENNIS. I thank the Senator from Missouri.

Mr. SYMINGTON. Mr. President, one part of the bill worries me particularly.

Let me premise my remarks on this point by saying that, as a member of the subcommittee, I support the bill; I realize that it would be very difficult to draft any bill which would satisfy everyone. Therefore, compromises had to be made, some of which do not look fair to particular individuals. I believe the distinguished senior Senator from Mississippi will agree with me as to that.

The part of the bill which worries me the most is that which deals with the status of officers who have been retired from the services. The committee devoted a great deal of thought to this matter. It was only after much soul searching that it was decided that the practicalities of the situation suggested it should be handled in the way proposed, at least for the time being.

The original Kilday bill, as it came from the House of Representatives would have cost $683 million in fiscal 1959. The bill sent to us by the administration would have cost $512 million. The bill, which the distinguished chairman of the subcommittee presented to the full committee and which was adopted by the full committee, would cost $577 million. Therefore, in an effort to make our defense forces strong, this bill proposes that a great deal more money be paid by the American taxpayers than under the administration bill.

However, I hope that at another time the subcommittee and the full committee will look further into the question of changing the basic status of the pay of retired officers. I am sure my friend, the Senator from Mississippi, does not object to my making this observation; and I believe that he, too, would like to examine this question further, when we next have an opportunity to do so.

Mr. STENNIS. I am certainly glad to have the benefit of the very timely remarks of the Senator from Missouri on this subject. As he has said, it is a very difficult one with which to deal. It is one to which the subcommittee gave more time and consideration, before it reached a decision, than it gave to any other.

As I said in the beginning of my remarks, we have here what we believe to be a balanced bill, although it is not all we would like to see it.

There was involved making choices. I am very glad the bill provides for a 6-percent increase in the pay of those who already have been retired, and applies it all the way across the board.

Mr. SYMINGTON. Mr. President, will the Senator from Mississippi yield further to me?

Mr. STENNIS. I yield.

Mr. SYMINGTON. I would not wish my remarks to be construed as meaning that I thought this matter was not in any way given the long and undivided attention of our distinguished chairman. Both of us worked hard on it, and I am sure both of us regret that, in order to assure the passage of the bill—in view of the limiting fiscal position the administration has taken—it seemed necessary at this time to arrive at this decision with regard to the pay of retired officers.

Mr. STENNIS. I appreciate very much what the Senator from Missouri has said.

Mr. JACKSON. Mr. President, will the Senator from Mississippi yield to me?

Mr. STENNIS. I am glad to yield to the Senator from Washington, who, even though not a member of the subcommittee, has been greatly concerned about this matter, and has helped inform the subcommittee about these matters, and also has made a definite contribution to the full committee.

In the course of my remarks I shall discuss the provisions of the bill regarding the pay of retired officers, and why those conclusions were reached.

But at this time I am glad to yield to the Senator from Washington.

Mr. JACKSON. Mr. President, first, as a member of the full Armed Services Committee, I wish to express my deep appreciation for the conscientious treatment the distinguished chairman of the subcommittee has given to this bill, just as he has given to all other bills on which he has had the privilege of working.

In my service as a member of the Subcommittee on Military Construction, I know how thoroughly he goes into these matters; and I wish to commend him for taking on a rather thankless, tedious, and most difficult job. So I am sure the distinguished chairman of the subcommittee will realize that what I am about to say is not in derogation of the work of the committee.

Mr. STENNIS. I appreciate the Senator's remarks. I am always helped by his observations. I want him always to feel free to give me the benefit of his advice.

Mr. JACKSON. I merely wanted to make a statement or two for the RECORD, because I think it is important to do so in connection with the legislative history of the pending bill. As I said, I think the bill is a good bill, with 1 or 2 exceptions. What concerns me most is the departure from the long-established principle that retired pay shall bear a direct percentage relationship to active duty pay. This principle is being departed from in the pending bill.

It is my understanding that the Department of Defense, in requesting pay legislation, did not include in its request a provision for the retention of this historic principle. Is that correct?

Mr. STENNIS. That is correct. There was no recommendation as to any compensation for retired personnel until after the bill had passed the House and the Department of Defense submitted its last statement, in which it recognized the 6-percent provision which the House had inserted in the bill.

Mr. JACKSON. But in the original bill the Department of Defense had not included any additional compensation for those currently retired. Is that correct?

Mr. STENNIS. Yes; the Senator is entirely correct.

Mr. JACKSON. As I understand the operation of the pending bill, if it should be enacted into law, it would create some specific hardships with reference to those who would retire immediately prior to the enactment of the legislation and those who would retire immediately thereafter.

Mr. STENNIS. That is correct. There is no way to avoid a cutoff date. It is unavoidable in the nature of things.

Mr. JACKSON. It is my understanding an exception has been made in the bill so far as the former Joint Chief of Staff is concerned. Is that correct?

Mr. STENNIS. Yes, an exception is made. It was made as to the position, and not as to the individual, of course; but, so far as the position is concerned, that is correct.

Mr. JACKSON. I think it would be wise to make it very clear, at least to the Senate and to the House of Representatives, that in not providing for the retention of the historic pay principle for those retired, the committee is not precluded from going into the matter at a future date.

Mr. STENNIS. That is correct. That question can be taken up at any time in the future. There are other problems in connection with the bill which we did not solve, or even attempt to solve.

Mr. JACKSON. I raised the point because I thought it could be argued quite logically that one of the incentives for staying in the service was that when a member of the service was retired he would know he would enjoy the benefits of any adjustments which might be made in the base pay at which he retired. I think in these days of inflation, persons give consideration to what adjustments may be made in their pay after they are retired.

I raise that point because I think it goes to the philosophy of the pending bill. I should like to express my view that it is a matter which should be gone into thoroughly, and that the principle should not be abandoned by the action we are taking in the Senate today.

I again commend the chairman of the subcommittee for his conscientious study and hard work on a very difficult piece of proposed legislation.

Mr. STENNIS. I thank the Senator from Washington very much. I may say very briefly, in response, that the Senator has raised a very serious question. One of the thoughts of the subcommittee in its recommendations was not to abandon the old formula as to retired personnel. That does not tell all the story. The committee adopted a new standard in setting pay based on career incentives for skilled men who are now serving. We decided to put the money where the service is being rendered now. We had to make a choice between the two classes. However, we strongly favor the cost-of-living application. I hope it will not be abandoned. I thank the Senator.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from North Carolina.

Mr. ERVIN. I shall state my misgivings first. I share the views expressed by the distinguished Senators from Missouri and Washington in respect to the

retirement feature of the law as it now exists, and hope that, either in conference or at some time in the not too distant future, a correction can be made in that field.

I also hope we might be able to do something in this bill to provide incentive pay for military and naval lawyers. I hope that question may be dealt with sometime soon by the committee.

Having stated my misgivings, I should now like to compliment the distinguished Senator from Mississippi and the distinguished chairman of the full committee, the senior Senator from Georgia, on the great work that has gone into this bill. We should all realize that the pending bill represents novel legislation. It is an extension to the military and naval services of a concept which has made American free enterprise work, from the business and economic standpoint. So far as I know, it is the first time in the history of the Nation that we have actually embodied in a military and naval pay bill the concept that there should be added incentives to keep men of outstanding ability and outstanding training in the service, recognizing that in the long run it is the economic thing to do, as well as the wise thing to do from the standpoint of national defense.

In closing, I should like to say that, in my judgment, the distinguished Senator from Mississippi deserves the gratitude of the American people for the fine service he has rendered in connection with the hearings on the bill and in connection with the preparation of the bill itself.

Mr. STENNIS. I thank the Senator very much. I treasure his remarks and the contribution he made to the bill.

The Senator has been concerned about the retirement pay, as well as the special consideration which he mentioned with reference to attorneys in the Navy, Army, and Air Forces. We are sorry we were not able to cover that matter in a more complete way.

(At this point Mr. STENNIS yielded to Mr. GOLDWATER, whose remarks, on his request and by unanimous consent, were ordered to be printed in the RECORD at the conclusion of the speech of Mr. STENNIS.)

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. STENNIS. I shall be happy to yield to the Senator from New York, but I should like to make a short statement first.

The Senator from Mississippi needs about 10 more minutes to cover what he considers to be the high points of the bill, on behalf of the subcommittee, and then he wants the Senator from Massachusetts to have a chance to obtain the floor to speak upon the same subject. If the Senator from New York will be fairly brief, I am glad to yield.

Mr. JAVITS. I thank the Senator. I shall take just a moment.

I should like first to identify myself with the views expressed by my colleague, the Senator from Arizona [Mr. GOLDWATER], which most eloquently expresses my own views. I support the Cordiner report. I compliment the very distinguished Senator and outstanding lawyer from Mississippi for bringing the bill before the Senate, as chairman of the subcommittee.

I have a question to ask. The Senator knows that lawyers have been greatly troubled by the question of incentive pay for those who serve in legal capacities in the Armed Forces. Interestingly enough, I never so served myself, but I know a great many of the men who render such service, and I know how hard they work and how diligent is their application to duty.

The Senator is aware that there has been considerable dissatisfaction among lawyers because of the comparison with others who are in the professional fields. I have read with great care the reasons for rejecting the amendment offered by our distinguished colleague, the Senator from South Carolina [Mr. THURMOND], in this same respect, and I should like to ask a couple of questions about the matter, because I think it will be helpful to have it clarified. I think the committee is trying to do its best. We all want to help.

First, reference is made to the fact that the Department of Defense feels that a similar program exists with respect to other specialists in categories of officers as exists with respect to lawyers in the JAG office, and then it goes on to speak of certain scientific and engineering fields. May I ask the Senator if there is any other way in which that could be supplemented in specifics? Does the Senator have any specific reference as to another group of men who would fall into that category?

Mr. STENNIS. In the services, of course, there are a number of scientific men, and a number of engineers who must be considered. There are chaplains and several other groups. We could pick out many groups.

I know a group from the Public Health Service came to the Capitol yesterday. Those men are also paid under this category. It was pointed out that half of the Public Health Service employees would not be subject to the proficiency pay or the responsibility pay for officers which I mentioned a while ago. It was stated that some of these men were doctors of philosophy and outstanding scientists.

This is one of the matters we could not cover.

The Senator has mentioned a rather serious problem existing in this field. I have some special remarks to make with reference to the attorneys, and what we found as to the proof.

Mr. JAVITS. There is one other thing I should like to know. In item 3, referring to special compensation for special assignments, the report does not so state, but I assume the figures are monthly figures.

Mr. STENNIS. Yes; those are monthly figures.

Mr. JAVITS. May I ask the Senator from Mississippi whether the committee would be willing to state, in the course of this debate, it is a contemplation of policy that the application of the provision will be a liberal one, particularly as applicable to lawyers? In other words, is it contemplated that lawyers will be benefited and that they will not be excluded as a class?

Mr. STENNIS. They will certainly not be excluded as a group. They will be eligible to compete for selection for the responsibility pay. The administration of the bill, as I said in my earlier remarks, is going to present some problems. Administration of the bill, when enacted, has to be vested in the services themselves. We have suggested that it be put in the hands of the Secretary. It is not a legislative matter, of course.

Mr. JAVITS. The last question is this: May we feel that the committee has an open mind on this subject, that it is trying out the plan proposed, and that if it really does not work, and grave losses continue with respect to that type of officers, the committee will take another look at the situation?

Mr. STENNIS. Of course, the committee will consider any problem which may arise. It recognizes that there is a problem in connection with the situation which the Senator from New York has pointed out.

Mr. JAVITS. I thank the Senator.

Mr. STENNIS. Mr. President, I do not wish to prolong this discussion. The Senator from Massachusetts [Mr. SALTONSTALL] has rendered very fine service in connection with the bill, and I wish to hear from him. I shall conclude my remarks as rapidly as possible, and call attention to the actual pay schedules which were adopted. I wish also to make a few comments about the amendment offered by the Senator from South Carolina [Mr. THURMOND] and to say something about retirement pay.

The special pay schedules are found on pages 9 and 10 of the report. Opposite page 30 of the report there are a number of schedules. The first one is entitled "Comparison of Military Basic Pay Proposals—Active Duty Military Personnel Only."

The next page shows total compensation, including allowances and other figures.

As a whole, the subcommittee had to establish more or less of a ceiling on how high it could go in the way of increases, and then it had to put the increases where, in its judgment, the greatest good could be done consistent with the new policy involved in the bill.

There is a 6-percent increase in the bill for all those in the military service, with the following exceptions: Those in the first 2 years of their service will not receive the increase, the idea being that the first 2 years are more or less of an apprenticeship, so far as skills and critical services are concerned. There is a very minor group which will not receive the increase, even though they have been in the service for 2 years or more. They are the very small group who have not progressed any in the normal promotion pattern.

We applied a 6-percent increase across the board to all retired personnel, enlisted men and officers, based upon the idea which has been suggested. I hope that policy will always be continued. The only reason for changing the present system of including all retired personnel,

at whatever increase was applied to the corresponding rank in the active service, was the question of where to put the money so that it would do the most good, and also the question of the future soundness of the retirement program.

Fortunately we have for our military personnel the most liberal retirement provisions our subcommittee was able to learn about anywhere in the world. The retirement compensation is all paid by the Federal Government. As yet it has not been necessary to call for any contribution by the personnel involved. The retirement is paid for by direct appropriation, with no contribution.

The retirement payment figures now amount to $601 million a year. When the effect of this bill is added, the annual payments for such purposes will be $628 million or $629 million. It is estimated that at some time between the calendar years 1962 and 1965—just around the corner—the cost of the retirement programs for military personnel may cost more than $1 billion a year. That is certainly a warning sign that something must be done about the problem. We must stop, look, and listen to see how much more can be added. I believe that the time will come when we must give consideration to the idea of a contribution to the retirement fund on the part of the personnel involved.

Also I think we must give consideration to a change in the law with reference to retirement at the end of 20 years, without any penalty being imposed. I believe that something along that line will be the next step with reference to the career incentive problem. Retired men and women of outstanding ability, with great service records, have certainly not been ignored. In the beginning they were left out of the bills entirely, but now they have the benefit of the 6 percent feature. We all wish it could be more.

Let me pass on rather hurriedly to a brief discussion of the special problem presented by the Judge Advocate General's department, involving lawyers in the respective services, which find it difficult to attract a large number of young men. A very small percentage of them are remaining in the service.

The Senator from South Carolina [Mr. THURMOND] urged upon us the adoption of his bill, which is set forth in the report. A number of witnesses testified in favor of it, and expressed a special interest. They urged that at least some parts of it be included in the pending bill. We could not include all those provisions in the bill for reasons which have already been largely covered, but there is one phase which should receive attention. The responsibility pay, which has already been mentioned with reference to officers, will certainly be applicable to members of the Judge Advocate General's Department, who may be selected in the processes of administration.

One other point in connection with attorneys is that they are given one grade or one step in rank when they enter the service. There are no second lieutenants in the Judge Advocate General's Department.

I may have some personal leanings in favor of that particular group. I have the honor to be a member of the legal profession. If I have any leanings in that direction, perhaps it is because I understand the problem a little better than would a layman. However, we could not square the proposal in that connection with the general purposes of the bill. Of course, personnel in this group are eligible for benefits from the special fund.

A great deal has been said with reference to medical officers receiving special compensation. That subject was covered by a bill which was passed during the Korean war, at the time when we drafted doctors as a group, up to the age of 55 years. We are still drafting them as a special group, which certainly puts them in a special category.

A great deal of consideration was given to the question of creating a special group of those in the legal profession, but we could not fit such a proposal into the bill. Perhaps more and more of certain types of legal work in the various services will have to be done by civilian attorneys. We found that about one-third of the work at present which pertains to procurement contracts, land titles, and other matters, is done by attorneys who are employed, on a comparable wage scale, to do such work. It may develop that those connected with military justice will be largely the ones who will be kept within the military service directly.

Mr. President, unless a Senator has some questions to address to me, what I have said covers my remarks on the subject.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. RUSSELL. I do not have any questions to propound to the distinguished Senator from Mississippi. However, I should like to take the occasion to express to the Senator from Mississippi and to the members of his subcommittee who worked with him on this very complicated bill, particularly the ranking Republican member on the committee, the Senator from Massachusetts [Mr. SALTONSTALL], my appreciation for a very thorough and careful and painstaking piece of work in a highly complex field.

I have some knowledge of the difficulties which are encountered by anyone who deals with the pay scale of the military services. In years past I have undertaken to handle bills which have brought the pay scales more in line, and on 2 or 3 occasions I have been amazed to find that the pay scales have been inherited from 35 or 40 different laws dealing with the various ranks and services. It is something which requires great diligence to perfect.

I do not, of course, contend that the bill is perfect. Human institutions have never achieved perfection, and there is very little in human history to lead us to believe that they will achieve perfection very soon.

I would say, however, that it is a fair and reasonable bill, and, in my opinion, will achieve the objectives we sought to achieve when we entered the field of changing the method of compensation of those in the armed services by adopting the incentive system.

We hope it will be successful and that we will be able to induce more career men to stay in the service and will, therefore, promote the defense of the United States and contribute to a reduction of the dangers which threaten to wipe civilization from the face of the earth. I compliment and congratulate the chairman and members of the subcommittee, and especially commend Mr. Ed Braswell, of our professional staff, for his fine work. As a former apprentice seaman, I say, in the words of the Navy, "Well done."

Mr. STENNIS. I especially wish to thank the chairman of the committee for his wise counsel and broad experience which he contributed so freely to us. It has been very valuable to the subcommittee, especially to the chairman of the subcommittee, who sought the counsel of the chairman of the full committee very many times.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. STENNIS I yield.

Mr. THURMOND. Mr. President, I wish to congratulate the distinguished Senator from Mississippi for the fine work he has done on the pending bill. I am vitally interested in military matters. I do noh believe there is any segment of our population which is more dedicated to duty and which deserves a pay raise more than the members of our armed services.

The Senator from Mississippi has given a great deal of time and attention ters. I do not believe there is any segto the subject and has held hearings on it. He has reported a bill which I hope will be very stimulating and encouraging to the members of our armed services, who are scattered to the four corners of the earth.

I was interested particularly in one amendment which the committee did not recommend to the Senate, and that was to place lawyers on the same scale with veterinarians, dentists, and doctors. I was disappointed that the committee did not see fit to approve that amendment. Since lawyers have played such a vital part in the formation of our country, I feel that their stature should be recognized alongside that of the other professions.

Then, too, I am informed that there will be a shortage of trained, qualified lawyers in the armed services, and that this is a very vital question with the armed services. We do not want military justice to be hampered.

I am sure the committee had good reasons for its action, and I wish to express the hope that the committee will continue its efforts with a view toward compensating lawyers in the military service on the same basis as veterinarians and dentists and doctors.

Mr. STENNIS. Mr. President, I certainly appreciate the Senator's remarks. I had already stated, when he was called from the floor momentarily, his great interest in the subject and his very fine bill on the subject, and that he testified and urged us to include the provisions of his proposal in the pending bill. I wish

we could have done so. However, we could not make it square with other provisions, but we went as far as we could go with the problem at this time.

Mr. President, I ask unanimous consent to have printed in the RECORD, at the end of my remarks a statement I have prepared, which covers the bill as a whole and speaks more or less for the subcommittee.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR STENNIS

This military pay legislation is aimed at providing a remedy for the alarming shortage of trained and qualified personnel in the Armed Forces. It is therefore one of the most vital items of legislation which has been considered by the Senate for some time. As the Senate knows, the Preparedness Subcommittee after extensive investigation found, among other things, that this country no longer has the superiority in weapons it once enjoyed and that we must forge ahead as fast as funds can be prudently used, if we are to maintain the lead or even keep abreast of Soviet progress. For fiscal year 1959 we will spend about $14 billion for major procurement items and will obligate almost $16 billion.

The fact is that the military services do not have a sufficient number of trained people to properly man the weapons now in being. The weapons to come, many of which will be revolutionary in character, will magnify many times the present demands for skilled personnel. If we do not have the leadership and skills to use this equipment, not only will the billions be largely wasted but our ability to retaliate and survive as a Nation will become a grave question.

FACTS ON SHORTAGE

The No. 1 personnel problem in the Department of Defense is that of quality. We have a sufficient number of people through various forms of obligated service but the tremendous turnover prevents the departments from developing a trained military force.

Today, only one-third of the total enlisted personnel in the Department of Defense are what we might call trained and experienced men. The other two-thirds are either inductees or those in their first term of enlistment, all of whom are in training or in some stage of apprenticeship. In the officer area so few young officers are remaining beyond their obligated tour that there is both a lack of numbers and a lack of selectivity among those who do remain on active duty. In fiscal year 1957 the services needed a total of 15,000 members to continue on active duty of the 40,000 who completed their obligated service. Only 10,000 were willing to serve and the departments were forced to accept 96 percent of those who applied.

The fact is, therefore, that with respect to both officers and enlisted men the departments are barely meeting the requirements in terms of numbers and certainly falling far short in the area of quality. This is a condition that has prevailed over a number of years. Its effect is not always apparent at a given time. The cumulative results, however, are now being felt. As an example, the Department of Defense testified that in the Strategic Air Command an average of about 6½ wings of B–47 aircraft, which is about 15 percent of the total striking force, are grounded at all times because of insufficient maintenance resulting from the lack of trained personnel. Similar conditions exist throughout the Armed Forces.

The weapons to come will magnify the present critical shortages. In the final analysis the effectiveness of these new revolutionary weapons will depend in large part on the capability of the people who will use and maintain them.

RECOGNITION OF THOSE PRESENTLY TRAINED

This tremendous imbalance is placing an overwhelming burden on the relatively small number of trained men. I think these men and women, many of whom are located in remote and undesirable areas throughout the world, should know that the Congress recognizes the patriotic contribution they are making in electing to serve their country. Many of these have fought in World War II and Korea and represent an indispensable measure of experience.

MATTERS OTHER THAN PAY

The bill deals only with military pay as a remedy for building a true career force for the military services. I, for one, believe that not only should there be a change in the pay system, but also in other personnel policies if the services are to retain the qualified officers and enlisted men in sufficient numbers beyond their obligated service. The committee made no formal finding in this regard. I can assure the Senate, however, that there was general sentiment that there must be improvement in personnel management.

I would like to note the positive steps which are now under consideration in the Department of Defense, under the leadership of Assistant Secretary Francis, who is doing an outstanding job in personnel matters.

1. Legislation has been submitted which will tend to make the permanent promotion system more competitive and which will more closely relate the continued retention of officers after 20 years of service to the requirements of the military departments.

2. The Department of Defense has indicated that the average number of officers in the grade of colonel or equivalent will be reduced by 10 percent by the end of 1960.

3. The committee has been advised that a complete reexamination is now under way of all promotion procedures with a view toward recommending greater opportunity for the promotion of outstanding officers with a corresponding deemphasis on seniority.

I am especially glad to observe these actions in the Department which represent in my opinion a much needed improvement.

The testimony and other communications to the committee indicate that these problems have a definite bearing on why the younger people are refusing to remain in the services on a career basis.

OTHER AREAS DESERVING EXAMINATION

I do not purport to speak necessarily on behalf of the other members. I would like, however, to list certain further personnel management matters that in my opinion might receive further examination in the Department of Defense.

1. There is the need for greater recognition for job responsibility. An able officer could be assigned to a highly responsible job but at the same time it would not be possible for him to be recognized for promotion purposes since he would not be within the so-called zone of consideration which is based purely on length of service in the grade. A start toward meeting this problem, as I shall discuss later, is contained in the provision authorizing responsibility pay for officers.

2. The need for extending greater responsibilities to younger officers. Many of the young officers have indicated to the committee that job dissatisfaction was the main reason for their departure.

3. I would like to acknowledge at this point a fine study made by the senior Senator from Maine, Senator SMITH, who after a personal field investigation prepared a detailed report on the retention problem in the Air Force. This study has been very helpful to me, and confirms much of the information received by the committee.

4. Finally, there is the ever-present question of whether there can be a reduction in the excessive changes of assignment which have such an adverse effect on morale in family life of the serviceman. The budget for next year calls for about $700 million which will be spent for movement of personnel. We realize that a larger part of this cost results from the excessive turnover caused by the failure of young people to remain in the service beyond their obligated tours. At the same time there appears to be a need for closer control over assignment changes generally. I have had called to my attention instances where 3-year tours are imposed where officers could just as easily serve 4 full years and more effectively fulfill their assignment. Moreover, there are cases where assignments of large headquarters staff are made purely because there are changes in commanding generals who desire to assemble their own personal staffs. This is a type of assignment which could well be eliminated.

PAY BILL ITSELF

Those who contributed

Before turning to the significant features of the bill itself, I would like to make a brief acknowledgment of some who have contributed to its final form. First, there is Mr. Ralph Cordiner, president of General Electric, and his Committee, whose report was an invaluable contribution to the general problem and to the subcommittee. The subcommittee has also received invaluable testimony, advice, and cooperation from the Honorable William H. Francis, Jr., Assistant Secretary of Defense. I should also emphasize that the House bill represents the best judgment of the Honorable PAUL KILDAY, chairman of the House subcommittee which reported this legislation, whose vast and long experience in military pay matters is probably not exceeded in the Congress. Finally, I should add that the Senate subcommittee has held extensive hearings, beginning last August, which now comprise some 1,000 pages.

SIGNIFICANT FEATURES OF THE BILL

This bill departs from traditional pay procedures in several important ways.

Modification of pay longevity system

What has been considered to be one of the evils of the longevity pay system is the fact that officers and enlisted men continue to accrue pay increases for excessive periods of service beyond normal promotion points while continuing in the same grade. This has the effect, among other things, of permitting individuals in lower ranks to receive more pay than their superiors who have been selected for promotion but who have less total service. The bill eliminates pay increases based on longevity beyond normal promotion points for all personnel. This will eliminate undue emphasis on length of service and will provide an added incentive for achievement. Page 5 of the report discusses in detail the effects of this change.

I should note that there is a special category of officers in the Armed Forces who have had substantial prior active enlisted service. A special scale for second lieutenants, first lieutenants, and captains has been provided which will permit these officers to receive longevity increases, taking into account their prior enlisted service, which results in promotion points much later than the normal junior commissioned officer.

Proficiency pay for enlisted personnel

The next significant feature is the establishment of two alternative proficiency pay systems for enlisted men. The Secretary of the service concerned would elect which of the systems would be used. This pay would be in addition to that which the enlisted man would receive based on that prescribed for his military rank.

The purpose of this pay is to provide a direct and select monetary means for retaining people whom the services need the most.

Underlying this provision is the fact that the armed services are competing with industry for the same type of skilled technical personnel and those with intelligent leadership qualities that have been and are expected to be in short supply. It is also a fact that the personnel requirements of the Armed Forces are changing in character. At the end of World War II only about 34 percent of the total enlisted force were composed of technician categories. By the end of the Korean hostilities it had increased to 41 percent, is now at 56 percent, and will increase still further. As an example, in the B-52 wing, about 55 percent of the nonflying officers must have technical ability. In the intercontinental ballistic missile units, however, about 75 percent of such officers will be required to have advanced technical knowledge. With respect to enlisted men, however, the requirements for those in the technical fields will also increase.

At the same time these are the groups where reenlistment rates are the lowest and where the periods and cost of training are the greatest. Moreover, the skilled combat enlisted leadership is failing to reenlist in required numbers.

The proficiency pay system provides the authority whereby these scarce groups can be offered additional compensation which will make their incomes more competitive with that available in industry. The authority is also sufficiently broad for the Secretaries to recognize truly outstanding ability in any career group.

The first of these systems would recognize an enlisted man to be advanced to any pay grade above that of his military rank. The Secretaries of the various departments have the authority to distribute enlisted men in the various pay grades and this statutory system therefore reaffirms the general authority.

The second alternative system, which is not presently authorized by law, would establish proficiency ratings known as P-1, P-2, and P-3, and would authorize maximum monthly pay rates of $50, $100, and $150, respectively.

In order to appreciate the significance of the total pay, including normal compensation and proficiency pay which enlisted men could receive, one should turn to the chart in the report immediately preceding page 31.

These examples indicate that in extreme cases an enlisted man receiving the highest proficiency pay could receive a total increase of 69 percent over his present compensation. Many would receive increases of 25 to 50 percent.

Operation of system

Under the bill the administration of the proficiency pay systems is largely vested in the Secretaries concerned, subject to regulations issued by the Secretary of Defense. There is no numerical limitation on the number of enlisted men who might receive proficiency pay. The departments have advised that their plans call for ultimately awarding this pay to about 15 percent of the total enlisted force. Those who would receive such pay, however, would be enlisted men for the most part in the pay grade of E-4 and above. This total number (about 330,000) would permit from one-third to one-half of the enlisted men in the grade of E-4 and above to be eligible for such pay.

The bill moreover does not attempt to define the word "proficiency" but leaves this decision to the Secretaries concerned, who will elect the system, designate the skills, and the criteria for the pay. The Secretary of Defense under the bill has the regulatory authority for issuing regulations which will prevent competition among the services for the same skill and insure uniformity of general guidelines.

Pay scales themselves

I will now turn to the new rates of basic pay which the bill provides. These increased rates have been designed to serve as an incentive for young officers and enlisted men in military service. These rates result in a much larger difference in the scales between each of the various ranks than presently exist. The largest percentage increases are therefore granted to those in the upper enlisted and officer grades. These new scales will refute the belief so often expressed that young people are refusing to remain in military service because the monetary awards of the grades to which they aspire are insufficient for them to elect a service career.

Two new officer and enlisted grades

The bill creates two new pay grades for officers and enlisted men, O-9 and O-10 and E-8 and E-9. The new grades O-9 and O-10 will recognize for pay purposes the 3- and 4-star general officer ranks. The increased pay for these ranks will serve to more properly reward the responsibility held by those in this rank.

The new enlisted grades E-8 and E-9 serve to more properly reward the division of responsibilities in the enlisted structure and especially those who serve in a supervisory capacity. At the same time the generous increases which those will receive who reach this rank create a career goal which should serve to retain a greater number of qualified personnel.

The emphasis of the pay scale is on the incentive concept. The bill nevertheless does recognize the increased cost of living which has occurred since 1955 by providing a minimum 6-percent increase in basic pay in most cases.

Budget increases

The pay increases based on budget averages sometimes gives a misleading impression since they do not show the effect on the individuals comprising the various grades. I am going to recite these averages, however, since they do indicate the general cost of the bill.

This bill provides a 6.3-increase in terms of total pay and allowances for all military personnel. In terms of basic pay it amounts to an 8-percent increase. For commissioned officers there was an average budget increase of 11 percent in basic pay. For warrant officers the increase was 11.2 percent; and for enlisted members it was 6.8 percent. This latter percentage for enlisted personnel is somewhat misleading, however, since the average for all enlisted men with over 2 years is a 9.2-percent increase in basic pay. The unadjusted average for enlisted men of 6.8 percent is unrealistic.

It is important to note that the average enlisted increases I have just cited do not reflect the additional proficiency pay they will receive.

Typical increases by grade

I will turn now to the extent of the increases for the various grades. On pages 10 and 11 of the committee report, these increases are listed both in terms of basic pay and total compensation. Furthermore, the charts printed at the end of the report contain a detailed breakdown. I would like to set forth the increases in certain grades, however, by way of example.

In accordance with the incentive philosophy, there is an upward progression of increases in the officer grades. The typical basic pay increases are as follows:

	Percent
First lieutenant	10
Captain	13
Major	15
Lieutenant colonel	18
Colonel	21
Brigadier general	30
Major general	25
Lieutenant general	28
General	33
Chairman, Joint Chiefs of Staff	47

This latter rate was that passed by the House for all generals in the grade of O-10. In the enlisted grades typical increases in basic pay are:

	Percent
E-4	14
E-5	10
E-6	9
E-7	10
E-8	22
E-9	38

These enlisted increases do not include proficiency pay which will permit eligible enlisted men to receive much greater increases. It was the belief of the committee that the increases should serve to meet the pay problem with respect to the retention of qualified young officers and enlisted men by providing an incentive and establishing a compensation structure reasonably comparable to civilian pursuits.

Responsibility pay for certain officers

I now come to a provision which the committee recommended as a new feature of the military-pay system and which is one of the most vital parts of this bill.

Its importance cannot be measured by its relatively insignificant cost which will not exceed for next year $12 million out of the total cost of $576 million. One of the difficulties inherent in our military-pay system has been the lack of a method to give monetary recognition to outstanding officers without increasing the pay of all officers with the same rank and service. Neither the present pay nor promotion system adequately acknowledges this type of endeavor. These are the officers holding critical positions of unusual responsibility for their grade to which they have been assigned because of outstanding performance of duty.

This provision which is permissive would apply to a limited percentage of only 4 of the commissioned grades—10 percent of the O-6 (colonel), O-5 (lieutenant colonel), and O-4 (major), and 5 percent of the O-3 (captain). These officers would be paid an additional $150 a month in the case of colonel, $100 for lieutenant colonel, and $50 for major and captain.

The bill leaves to the Secretary concerned the complete discretion as to which officers will be designated as holding the positions eligible for such pay. I should like to emphasize that except for the physicians and dentists who already receive special pay, all positions in the Armed Forces will be eligible to compete for these designations. Examples of positions that could be so designated might include, for instance, certain wing commanders of the Strategic Air Command or certain regimental commanders in the Army and Marines, or certain commanders of naval vessels. In addition, there might be officers who are in charge of engineering or missile projects, or some other critical scientific endeavor. There also might be among the various staff positions some of unusual responsibility of a critical nature.

This new feature has been criticized because of the fear that the positions would be unduly concentrated in the various headquarters or awarded on the basis of favoritism. I have no doubt that the secretaries will prevent any possible abuse of this new system and will administer the system with the wisdom required of careful administration. This problem is no greater than is being met every day in the selection of outstanding officers for responsible positions.

Retired pay

The question of a proper provision for persons already retired presented the most

difficult problem to the committee. The military pay legislation recommended by the executive branch made no provision for increases in retired pay. The Department of Defense later said that they were opposed to any increases in pay beyond that provided in the House bill. The bill as passed by the House authorized a flat 6 percent increase except for those holding 3- and 4-star rank who would be authorized to recompute under the new rates.

Both the subcommittee and the full committee are considering all aspects of this question recommended a flat 6 percent increase for all persons currently on the retired list including those of 3- and 4-star rank, who, under the House version, would be authorized to recompute.

Cost

I shall now briefly discuss the comparative cost of the Senate and House versions of the bill and indicate the major differences.

The bill as passed by the House would have resulted in an increased cost for fiscal year 1959 of $683 million. The bill as reported by the Senate committee will require additional funds in the amount of $576 million. It is, therefore, a total difference in cost of $107 million. The Department of Defense recommended reductions in the House rates which would have reduced the cost of the bill for fiscal year 1959 to $512 million.

I think it is fair to say that the Senate took a middle position between those rates recommended by the Department of Defense and those as passed by the House. The Senate position resulted in slight reductions in most of the commissioned and warrant ranks over that recommended by the House. This reduction is offset to a large degree by the introduction of the new responsibility pay for officers.

With respect to enlisted rates, the committee accepted the scales suggested by the House for the four lower enlisted grades. With respect to the remaining enlisted grades, the committee recommended some reductions. At the same time the committee increased the rates for these grades over that recommended by Defense by the amount of some $36 million. The committee felt that the establishment of the proficiency pay systems under which thousands will receive additional compensation together with the increased promotion opportunity which will be caused by the addition of the new enlisted grades E-8 and E-9 justify the committee adjustments.

During the delivery of Mr. STENNIS' speech,

Mr. GOLDWATER. Mr. President——

Mr. STENNIS. The Senator from Arizona, as I have mentioned before, is one of the authors of the original bill which started the subcommittee off on the hearings. The Senator from Arizona has certainly been helpful to us. I appreciate his contribution, which has been real. I am very glad to yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, first I desire to thank the distinguished Senator from Mississippi for yielding to me. I am sure I express the feelings of the members of the armed services when I thank the Senator for his attention to every detail of the bill and for following through on the promises he made to the Senator from Missouri [Mr. SYMINGTON] and me last year when we first introduced the Cordiner recommendations as a piece of proposed legislation.

I thank the Senator from Mississippi for having been so careful in drafting the bill now before the Senate. While the bill does not contain everything all of us would desire, nevertheless, it is a bill we can pass, the other body can pass, and I pray can become law, which will be the first real step forward in military compensation in many and many a year.

I think it is proper also that we recognize the work which Mr. Cordiner did while developing the background for the bill. As I have said, while the bill does not incorporate all the recommendations of the Cordiner report, nevertheless it contains most of the salient features. I am sure the points which are omitted can be given consideration in future Congresses.

Mr. President, I share with the distinguished Senator from Washington [Mr. JACKSON] and other Senators concern about the elimination from the bill of the reference to retirement pay adjustment. There has been a 7.9 percent increase in living costs during a comparatively short time. I had intended today to offer an amendment which would take care of the matter; but, after talking with different members of the committee I consider it to be far more important not to jeopardize the passage of the bill today than to offer an amendment, which I feel can be offered in the next Congress. Therefore, I shall not offer the amendment which I had intended to offer, and I beg of my colleagues that they will not try to clutter the bill with amendments. There is a real, hard need for the increased compensation and for the recognition of skills and incentives.

In my estimation the greatest danger to our armed services is not the threat of external pressure from the armed might of Russia, but is the threat from the internal situation we face, because of which trained men, from first term enlisted men to colonels and generals, are leaving the service for better pay and in response to greater incentives.

The Senator will recall that in my statement before the committee I pointed out that all of us choose our professions not with the idea of becoming wealthy men or rich men, but with the idea of contributing something to our country. Some men go into the ministry. Those men certainly do not choose that profession to get rich. They choose the ministry to perform a service.

Those of us who choose the political life do not choose it to become wealthy. We choose politics as a means of offering a service to our country.

The same is true with regard to the man who goes into the armed services. Certainly if he wanted to become a wealthy man he would choose some other field of endeavor.

All that any man wants—I care not whether he wears a uniform of the Army, Navy, Air Force, or Marines, serves in the Senate or in the House, or wears the robes of the ministry—is to earn enough so that he can be dignified among his fellow men. That is all any of us ask. We want to walk with stature among our fellow men, and not be looked down upon.

For a good many years in this country some persons have considered it to be a disgrace to serve in the military forces. Some have looked down upon military men and have looked upon military service as almost a last resort. When I think of the military man who gives his life to the service, I think he is probably doing as much for the Nation as any of us who serve in other fields.

Mr. President, I am hopeful that today we shall pass the bill to enable the military services to adopt a system of military pay based more on incentives than on longevity, a system which recognizes skill instead of length of service entirely, and gives to the men in our armed services a chance to earn enough money so they can live comfortably and raise their families in the proper manner.

Mr. President, I again thank the distinguished Senator from Mississippi for his kindness in allowing me to appear before the committee to testify on the important measure now under consideration. If the Senator does not mind, I ask unanimous consent that the statement I made before the committee be printed in the RECORD at the end of the Senator's remarks, and I ask further unanimous consent that all my remarks be printed at the conclusion of the remarks of the Senator from Mississippi.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

There being no objection, the statement by Senator GOLDWATER before the Armed Services Committee was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BARRY GOLDWATER, OF ARIZONA, BEFORE THE MILITARY PAY SUBCOMMITTEE OF THE SENATE ARMED SERVICES COMMITTEE

Mr. Chairman, I have been closely associated with military members for over 27 years. My service in World War II and my continued activity in the Air Force Reserve have given me an insight into the problems of the Armed Forces. They have also given me the opportunity to study and investigate some of the serious problems in our Nation's defense posture.

Despite headlines on satellites and space, I look upon the loss of our trained military personnel as the most serious problem of all. Unfortunately, the personnel problem has too often taken a back seat to weapons and strategy. This is a paradox when we consider that so much of our technological progress in weapons and strategy comes from the minds of our military men. And after those complex weapons are developed they are turned over to our military men to be maintained and operated. What good does it do to write checks for billions of dollars to have industry produce the weapons of war and then hamper the services in taking full advantage of the weapons' potential by denying them the right kind of personnel? This is unsound and I am opposed to it.

The issue before us is this: Our armed services are unable to attract and retain, past short periods of obligated service, the numbers of skilled, experienced people required to efficiently manage our defense forces and its weapons. The responsibility for correcting this condition must be dually shared by the civilian leadership of the executive branch of our Government and by all Members of Congress. Support must come from the entire citizenry of the Nation. This committee must set the example by its resolve to fully understand the problem and to act expeditiously and wisely toward its resolution.

Now, if I may, I should like to indulge in a brief and I believe significant historical review.

During World War II we had a hot war to stir the fires of patriotism and a draft system to fan them even more. Together they produced the personnel with the skills and leadership to do the job and win the war. But think back, if you will, on the state of technical development in weapons then and compare them to the complex, technological weapons of today. Consider also the two oceans which in World War II shielded our sleeping industrial might. Today those oceans are figuratively dry and our Nation is in danger of atomic and nuclear obliteration within minutes or hours. Time is no longer in our favor. Think of the 3 years it took us during World War II to mount air, sea, and ground forces capable of a sustained offensive against the enemy.

Are any of us here so naive as to think our military manpower problems can be solved after the start of the next war, as they were solved after the beginning of the last? Then why do we continue in that way? We know that fantastically complex weapons and delivery systems have so completely altered our defensive position that no reassuring comparisons of weapons or manpower between World War II and now can be made.

Upon whom does this Nation now depend? Who are our military personnel? They fall into two categories. First, there are the World War II veterans who have stayed in the service, who have adapted themselves to the new concepts of modern war and on whom this Nation is depending for its very survival.

Secondly, there are the postwar youths who are willing to enter the Armed Forces as a career. Pitifully few, however, are volunteering for military careers and the multitude choose not to remain in the services past their brief period of compulsory service. It is little wonder when the military career is shamefully less rewarding in comparison to other careers. This is not a militaristic nation. But we live at a time when the world is plagued with a critical situation which demands that our country be militarily powerful and that a part of our total national manpower be military careerists. Never before in our history has this military manpower need been as great as it is today. The realities of the present and of the foreseeable future dictate that unsurpassed defensive and offensive force is the Nation's only choice until true peace can be achieved.

If our Armed Forces need physically fit, educated, intelligent young men to serve for 10, 20, or 30 years; and if such personnel will protect this Nation either by preventing a war or by winning it if such a catastrophe is forced upon us, then we must make the military career so attractive as to insure that qualified young men in sufficient numbers will be drawn to serve voluntarily. I think our whole Nation wants this done, and that it wants it done now. We don't want half measures; we don't want failure before we start; we want assurance of success beyond all doubt, and I will not, under any circumstances, place my name on a proposal that my best judgment tells me will fall short of the goal.

At the moment, we have about 2½ million men in uniform. We are told that modern weapons and our national defensive strategy is not likely to increase this number in the foreseeable future.

In fact, recent manpower adjustments in the Department of Defense indicate that, as weapons become more advanced, total manpower requirements can be decreased. Therefore, our military personnel needs will call for an increasingly smaller proportion of our total population. But this smaller proportion must be made up of persons more skilled, more experienced, and more willing to serve than in the past. They must be educated, and capable of absorbing complex, technical training. They must be willing to literally give their lives to the cause of freedom and our way of life. In response to such dedication all of our population must be willing to recognize them for the true patriots they are by providing them with a standard of living and a way of life essentially comparable to the segments of the civilian population they represent.

We have not done this. We have not recognized our military men as human beings with aspirations to American success, with families to feed and with children to educate. The result has been that few of our sons and daughters desire or follow a military career. We have failed to reward our senior officers for outstanding performance as is done in the business world. On the contrary, we have actually encouraged many of them to seek release from military duty to gain social and financial recognition in industry. What has happened and what is happening this very moment is a national and expensive disgrace. It is costing all of us hundreds of millions of dollars in lost skills which must be replaced daily at more expense and with more waste of time. But worse yet, our current practices practically guarantee that our Armed Forces will be manned not by experienced professionals in combat-ready units but by young students in the classroom learning basic skills and technical fundamentals.

Only professionals will be ready and able to do the job of preventing a war and insuring national survival.

Early last year, Mr. Ralph J. Cordiner submitted his now much discussed Cordiner report. After a year of study, he and his committee concluded that the personal policies of our Armed Forces were outmoded and inadequate and that the conditions under which military personnel lived were inexcusable. The Cordiner Committee recommended that the first step toward improvement should be a new and modern compensation system, which would incorporate certain basic principles. The Committee recommended pay scales of specific dollar amounts, improvements in quarters allowance, remote and isolated duty pay, and other related items.

I realize that S. 3081 does not and could not, contain all of the recommendations of the Cordiner Committee. This is due to the fact that many of Mr. Cordiner's recommendations are in two separate areas, personnel management and compensation, and both could not easily be combined in the one bill. Further, it was deemed essential by the Cordiner Committee and the Department of Defense that a modernized compensation system must be established as a base for future personnel management policies and legislation. At this time, therefore, we are concerned with establishing a modernized compensation system which will serve to attract and retain qualified personnel in the Armed Forces. Having instituted such a system, I am confident that the Department of Defense will establish personnel management policies which will insure that only qualified personnel are retained.

I do not propose at this time to get into technicalities and to dissect the provisions of S. 3081. The Department of Defense has adequately covered them both before this committee and the Kilday subcommittee. My intention is to discuss certain problem areas which have arisen in the testimony before both committees and to propose what I think are the proper solutions.

First of all, there has been much insistence that the Department of Defense present to this committee the personnel management package which will be implemented if S. 3081 is enacted. The record is replete with statements that no bill will be reported until this is done. While this is definitely a valid concern and an attempt to insure that we are not just giving the military another pay raise, I believe that it must be viewed in the light of several items which have not been developed previously. The first of these items is the fact that any such plans developed by the Department of Defense must be predicated on the assumption that S. 3081 will be enacted, not only by this subcommittee, but by the full Armed Services Committee, the Senate and the House. I have followed very closely the hearings conducted by the Kilday subcommittee and I cannot say that H. R. 9979, the House version of S. 3081, will be enacted as written even by the Kilday subcommittee. It would appear, therefore, that the insistence of this committee that detailed personnel management policies, including new legislation, be presented in advance of a final bill, is somewhat unreasonable. I am sure that all Members of Congress are so concerned with the manpower retention problem of our Armed Forces, that a military compensation act will be passed. I trust that if it is enacted the Department of Defense will establish measures to insure that only qualified personnel are retained in our Armed Forces.

But if the Congress has any doubts of this action by the Department of Defense, we can do something about it. Nothing prevents us from calling on a precedent which has been used many times in such instances—we can put in the bill a requirement to have the Department of Defense, in its annual military posture hearings, report on the personnel management practices which it has instituted to implement a Cordiner-type compensation bill. This is a simple solution to the problem and will serve to direct the energies of the subcommittee to the task at hand—to develop a modernized system of compensation for our Armed Forces which will attract and retain qualified personnel.

The second problem area which has arisen, especially in the Kilday subcommittee, is the confusion which surrounds the use of the term "longevity." In this connection, I was happy to see that my distinguished colleague from Missouri, Senator SYMINGTON, clarified this term on the very first day of the hearings before this subcommittee. As he so aptly stated, we are not trying to abolish the longevity principle, rather we are concerned with changing its application from that of years of service to time in grade. Contrary to expressed testimony, this is not a new concept. Under the Pay Readjustment Act of 1942, the Congress defined "longevity" to mean that every officer paid under the provisions of that act shall receive an increase of 5 percent of the base pay of his period for each 3 years of service up to 30 years. It is significant to note that under this definition a member of the service automatically received such increases throughout his entire career. In 1949, the Congress passed Public Law 351 entitled the "Career Compensation Act of 1949." This is the act, as amended by the acts of 1952 and 1955, upon which the services are currently paying their personnel.

In this act, the Congress departed from its previous definition of longevity to provide that a member, instead of receiving automatic increases throughout his entire 30 years, would receive such increases merely up to a certain point but not beyond. For example, where an E–1 would automatically draw increases throughout his entire career before 1949, the Career Compensation Act reduced that time to 4 years beyond which he would draw no further increases if he was not otherwise promoted to an E–2. Under the step-in-grade system, this time has been further reduced from 4 years to 2 years. Similar reductions have been made in all other grades.

The step-in-grade system has a distinct advantage. It eliminates the pay inversions inherent in the present system by insuring

that the highest pay of any one grade is lower than the lowest pay of the next higher grade. No captain could ever draw more base pay than a major, for example. More incentive is provided to advance to a higher grade. No one would experience the frustration of having a contemporary over whom he was promoted continue to draw more money simply because he had been around longer.

The third problem area concerns the misconception of some that S. 3081 creates in the military person an incentive to seek early retirement rather than to remain for a full career. This false belief is predicated on two facts: (1) That many colonels and Navy captains currently on active duty already have sufficient time in grade to receive the maximum Cordiner rates for colonels; and (2) since approximately three-fourths of 1 percent of the colonels and captains are promoted to general or admiral promotion possibilities are slim and many colonels and captains seek early retirement. The same philosophy is applied to officers who aspire to the grade of colonel.

To overcome this predicament, it has been suggested that the maximum Cordiner rates be more closely allied with the 30-year retirement rather than the 20-year retirement. Gentlemen, I do not believe that such a change will help to solve our manpower retention problem. It has been frequently stated that money alone is not the answer. Motivation is also important. We need men who are truly dedicated, who will remain in the service as a career. It is our job to make the career attractive for them so they will seek it out and remain with it. Shall we do as some have suggested and as with the carrots and the donkey dangle the money out before our military people but not let them have it until they reach 28 or 30 years and retirement. I say that such a system is wrong and unsatisfactory.

We agree that we must have a professional force-in-being if we are to survive. We also agree that the personnel of our professional force must be dedicated. If they are to be dedicated and if they are to devote their full energies to their military tasks they must be relieved of their financial stress and their financial worries for their families. The steps provided in S. 3081 and recommended by the Cordiner Committee will greatly relieve them of their financial stress and worries. Anything less than that provided by S. 3081 will only aggravate the problem.

If you are fearful that our servicemen will leave at the 20-year point, there is a positive approach to take. To keep them longer provide some additional incentive, but don't try to tempt them with stretchout of the increases which already have been recommended. There are several good reasons why it will not work. For example, most members who have 20 years of service are concerned with educating their children during the period between the 20- and 30-year point of service. Particularly they are concerned that their children receive a college education.

We should try to help them reach this worthy goal for their children. We would not only be creating an additional incentive for the serviceman, but would also be providing this country with many more college trained citizens—perhaps even some scientists. This is only a suggestion, Mr. Chairman, but it is offered to demonstrate that there are other ways of providing incentives to our military personnel without manipulating their proposed pay increases and stretching them out for the last 10 years. This is a time for positive action and we must meet the problem with all of the resources we are capable of mustering.

A fourth problem area which has caused considerable confusion is the 6-percent cost-of-living increase provision contained in S. 3081. Mr. Cordiner has objected to this provision on the grounds that it destroys the very concept of the merit system of compensation; Defense Department witnesses have supported it on the grounds that the cost of living has risen for all military personnel, and therefore, all military personnel should receive some increase; outside organizations have testified that the 6 percent should be granted in addition to the basic increases recommended by S. 3081. Any discussion of cost of living must include the cost of housing for it is a major item in the family budget. Mr. Chairman, the Cordiner Committee found that there are not enough on-base quarters for all military personnel and their dependents. In addition, the Committee found that quarters allowances are below what personnel must pay for off-base rentals. Since 1942, military personnel have received quarters allowance increases of only 14 percent but the nationwide price index for rent has increased 42 percent during that 16-year period.

To correct this, the Committee recommended adjustment of the present quarters allowances, and the adoption of a system whereby the allowances are tied to the nationwide index of housing costs. The allowance could then slide up or down, automatically, with the nationwide trend. An increase in quarters allowance would do more to satisfy a desperate need for all members of our Armed Forces than would the 6-percent cost-of-living increase. Such an increase for quarters would not be in conflict with the step-in-grade system recommended by S. 3081. I, therefore, recommend that the 6-percent cost-of-living increase provision be eliminated from the bill and for it there should be a 28-percent increase in the quarters allowance of all military personnel. This figure, 28 percent, is the difference between the 14 percent received since 1942 and 42 percent, the nationwide price index for that same period. I ask permission to insert in the RECORD at this time a table of proposed quarters allowances.

The fifth problem area concerns S. 3081 and the 4-year phase-in period for bringing officers and warrant officers to the recommended pay scales. While testimony was given that such a device is an economy measure and is designed to enable the services to better implement personnel management policies, I still disagree with it. I believe that if an officer or warrant officer is carrying the rank and responsibilities now he should receive the corresponding pay now. Further, in accordance with my previous suggestion, to require the Defense Department to report during the annual military posture hearings, on the personnel management practices which it has instituted to implement the compensation bill. I see no need to phase-in officers' pay during this same period.

The sixth problem area concerns the reduction in pay of our general officers from that recommended by the Cordiner Committee. S. 3081 reduces the monthly pay of general officers from the Cordiner Committee rate of $2,000 to $1,700 for a general; $1,750 to $1,500 for a lieutenant general; $1,500 to $1,300 for a major general; and $1,250 to $1,100 for a brigadier general. Gentlemen, I strongly recommend the original Cordiner rates for these officers. I am not impressed with the reasoning given this committee that these reductions were made because otherwise some general officers would be making more than the Secretary of Defense. Parenthetically I might note that this probably includes some of the Under Secretaries and Assistant Secretaries. Mr. Chairman, we are concerned here with establishing a professional force-in-being. We must have the best leaders in our military services. I am not concerned that one of our generals makes more money than some Secretary. This is not the issue. But national survival is, and the Congress should be willing to pay any amount for that.

The seventh problem area concerns testimony which would indicate that under the provisions of S. 3081 the man with fewer years of service but more time in grade would receive more money than the man with more years of service but less time in grade. For example, assume an Air Force colonel has 18 years of service and 4 years in grade as a colonel. Under this bill he would receive the maximum amount of $1,065. On the other hand, under this bill, an Army colonel with 22 years of service but only 2 years in grade would receive $1,005 and 2 years later would go to the maximum amount of $1,065. It has been implied by some that such a situation is undesirable and should be corrected by stretching out the pay scales so that the two colonels would either receive the same pay or that the one with the most service would receive the greater pay.

Gentlemen, several important considerations were omitted from the record when this point was discussed. First of all, we are here proposing a change in application of the longevity principle from that of years of service to that of time in grade. If we were starting from scratch, this problem would not arise. Unfortunately, we can't start there. We must face reality and go on to develop a system of compensation. The choice of a wrong starting point could destroy the very system we are trying to establish. If we stretch out the rates to favor the individual with more years of service, aren't we in fact simply modifying the present system of pay instead of modernizing it?

In the example of the two colonels, both are World War II and Korean war officers. The example is quite plausible for it is a fact that many colonels in the Air Force have less years in service than their counterparts in the Army or the Navy. My concern in this matter is that the record does not contain an adequate explanation of just why this is so.

As you know, I served in World War II as a pilot in the Army Air Corps. Since that time, I have maintained an active interest in the Air Force and I feel that I am in a position to comment on this situation. First of all, I am sure you realize that officers are the frontline troops of the Air Force. In World War II, over two-thirds of all Army officers killed in combat were flying officers of the Army Air Corps. That means of the 36,645 Army officers who died in combat, 24,119 of them were Air Corps officers. Secondly, when the operations of World War II emphasized the use of air forces, many young flying officers found themselves literally catapulted into positions of extreme responsibility and danger.

Squadrons, groups, and divisions were organized overnight in order to meet the emergency. Army Air Corps officers were placed in command and staff positions and were given the rank commensurate with their responsibilities. But no one complained, then, that these officers were being promoted too fast. Everyone recognized the dangers and burdens involved and agreed that the rapid promotions given those officers was small compensation. Yet, today, when we are considering a modernized compensation structure for our Armed Forces, I hear comments and remarks to the effect that the Air Force officers who survived the rigors of war were promoted too soon and should not now receive the pay proposed by this bill. Perhaps many of us also forget that since World War II these same officers have been on active duty providing the very deterrent to a nuclear war which could cause the utter destruction of the world itself. Gentlemen, I cannot agree with the proposition that these officers should be penalized for their early promotions. The reasons for those promotions were valid then and are valid

now. I am sure this subcommittee will weigh these facts very carefully when this issue arises in executive session.

Mr. Chairman, I have discussed the main problem areas which I have observed from studying the testimony given before this and the Kilday subcommittee. As I indicated at the outset, I confined myself to the problem at hand—developing a modernized system of compensation for the Armed Forces. I am sure that you can readily see that S. 3081, the Department of Defense bill, needs many modifications if we are to accomplish that objective.

However, in addition to S. 3081, this subcommittee has before it, S. 2014, the bill introduced by Senator SYMINGTON and myself. That bill adopts in full the military-pay recommendations of the Cordiner Committee. It does not contain any reductions in the pay of our general officers. It calls for full implementation of the Cordiner rates instead of the phase-in for 4 years. It applies to retired personnel and does not contain a 6-percent-cost-of-living increase. In other words, gentlemen, except for providing an increase in the quarters' allowance, it is a clean bill which has been designed to accomplish the objectives of these hearings—to insure that we have a professional force in being which will guarantee our national survival.

In conclusion, I have one further suggestion for the committee to consider and that would be to have the provisions of S. 2014 or S. 3081 be effective in the fourth quarter of fiscal 1958 instead of waiting for 1959, as has been discussed. My reasons for suggesting this are obvious because of the interest of the administration and the Congress in increasing expenditures where these increases will aid the economy.

Gentlemen, I urge you to adopt the Symington-Goldwater bill, S. 2014, as the answer to the manpower retention problem which now confronts our Armed Forces.

Mr. GOLDWATER. Mr. President, again I thank the Senator from Mississippi from the bottom of my heart.

Mr. STENNIS. I thank the Senator from Arizona.

Mr. SALTONSTALL. First I wish to join the other Senators in congratulating the Senator from Mississippi for his work on the bill. I should like to add that it is always a pleasure to work with the Senator from Mississippi in the subcommittee. This time we worked very hard, and I hope the results will be helpful to the military services.

Mr. STENNIS. If the Senator will yield to me on that point, I appreciate his remarks. If the subcommittee has had any success at all, a great part of the reason for it is the very fine knowledge of the subject and the splendid cooperation of the Senator from Massachusetts, who approached the subject on a very high level, with his very fine background and knowledge, with which he is always so generous. He made a very fine contribution. It is a special privilege and pleasure for the Senator from Mississippi to work with him.

Mr. SALTONSTALL. I thank the Senator. I appreciate what he has said.

Mr. President, as the ranking minority member of the full committee and also of the Subcommittee on Military Pay I would like to stress the fact that the military pay bill represented a unanimous report of both the full committee and the subcommittee.

The chairman of the subcommittee, Senator STENNIS, has very ably explained the features of the bill and the reasons for the action of the committee. I would like to discuss briefly certain aspects of the legislation and the philosophy underlying the committee's action.

Never before in the history of our Armed Forces has the need been so great for highly trained, skilled personnel. The ever increasing complexity of our weapons systems, particularly in this age of missiles, requires a higher degree of training and experience of both officers and enlisted men. At the same time the length of training required to properly train our personnel and the cost of such training are steadily increasing. We must keep more of these trained, skilled people in service.

Mr. President, I interpolate at this point that it is my understanding that it takes 5 years before a man can become a pilot of a B–52 plane. That gives some idea of the skill and experience and intellectual capacity required of a pilot of a strategic bomber.

We cannot achieve the required state of readiness in the Armed Forces unless the excessive turnover of skilled personnel is halted. In fiscal year 1959 only one-third of the 2,300,000 enlisted men will be serving beyond their first enlistment or inducted service. This means that two-thirds of the total enlisted personnel in the Armed Forces are in a training status and as such are unable to make a full contribution to their service.

The problem that exists today is forcibly illustrated by the fact that reenlistment rates in all services are lowest in those skills where technical requirements and training investment are highest. This trend must be reversed if we are to have Armed Forces capable of defending this Nation under all circumstances.

In this missile age the need for highly trained forces-in-being is more important than ever before. Time has become the most precious element. In the event of hostilities anywhere in which this Nation might be involved, we cannot expect to have, as we have had in the past, the time to train and develop the military leaders and other skilled, qualified personnel that will be needed in the Armed Forces.

The Senator from Mississippi [Mr. STENNIS] has already stated that six and one-half wings of the Strategic Air Command are always grounded because of the lack of trained personnel. To put it briefly, the problem of the Strategic Air Command is twofold. In experience and age, almost three-fourths of SAC's enlisted men are in their first enlistment; most of them are still being trained. Seventy percent of the combat crews in the Strategic Air Command are in the 35–37 age group, veterans of World War II and/or Korea, most of them with thousands of hours of flying time and a vast backlog of seasoned experience almost impossible to replace.

Yet by 1960 most of these men will be approaching 40 or will be in their forties, and their utility as aircraft commanders, pilots, and so on, will be diminishing. Yet younger pilots and officers, most of them graduates of ROTC programs, are not remaining in the service in sufficient numbers to replace the older men.

The problem can also be illustrated by the case of trained electronic specialists. This was one of the most significant matters presented to us. About 82 percent of the radar bomber system maintenance experts leave the service after 4 years. Their training has cost the Government and the taxpayer an average total of about $25,000 each.

Yet in that 4-year period the maintenance expert has spent much of his time in school; he has been fully productive, it is estimated, only 37 percent of the time.

The economy of reenlistment is demonstrated by figures that show that those who do reenlist for a second 4-year period are productive about 92 percent of the time in their second hitch.

Mr. President, there is one specific feature of the bill about which the Senator from Mississippi [Mr. STENNIS] has already made some comment which I think is especially important. As he has explained, the bill modifies the longevity pay system which has so long characterized our method of paying military personnel. Under the longevity pay system officers and enlisted men have continued to receive increases in their pay for long periods of service after the time when they should normally have been promoted, even though they were not promoted. One effect of this system has been to permit personnel of lower ranks to receive more pay than individuals who outrank them, the latter having been selected for promotion with less total service than those in lower ranks. It is obvious that this system has reduced the incentive to qualify for promotion.

Under the bill this defect will be corrected to a very large extent, because officers and enlisted men will no longer receive pay increases within their grade after reaching the point at which they should normally be promoted. The elimination of undue emphasis on pay for longevity will serve as a greatly increased incentive to our military personnel, and induce them to render the kind of performance which will make them eligible for promotion to a higher grade and the stepped-up rates of pay provided for such grades.

It is recognized that pay and an improved compensation system for the Armed Forces, although of prime importance, are not the only factors needed to achieve and maintain a quality force in all ranks. Young officers must feel that there is not only opportunity for future advancement, but also recognition of superior performance. No personnel system, military or otherwise, can be successful unless it permits a young man to advance in accordance with his ability, rather than as a result of the passing of years of service as the chief factor, as I have already pointed out. I was glad to note during the lengthy hearings which the committee held on the bill that the Department of Defense is taking action to improve the personnel management system in the Armed Forces.

The Defense Department is very much aware of the importance of instilling in

our military personnel a sense of dedication in their service. The Senator from Mississippi has read from the committee report at page 4 the positive actions which have been initiated by the Department of Defense.

I shall not repeat the quotation from the report. One of the principal questions which faced us was the elimination of the so-called hump. The hump, as it appeared to me, is one of the great deterrents to incentive among the younger officers. The hump, in broad language, included the officers from major through colonel and resulted from World War II and the Korean war. It meant that young men coming along could rise, we will say, to the grade of captain. Then they would see a great hump ahead of them, lose their incentive, and perhaps retire from the service. The committee discussed that problem at great length. The Air Force and the Army have submitted letters to the committee stating that they believe by administrative action, if the bill becomes law, they can gradually eliminate the hump, perhaps in the next 3, 4, or 5 years. The Navy has stated that its hump can be eliminated only by legislation. The Navy has proposed legislation to the committee. The responsibility now is upon the Committees on Armed Services of Congress to help the Navy to eliminate the hump.

Only by eliminating the humps in the three services, in my opinion, can the bill become fully effective.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield to the Senator from Nebraska.

Mr. CURTIS. I appreciate the kindness of the Senator from Massachusetts. I am sorry I could not have been here for all of his presentation, and for the statements prior to his, as well. Does the bill deal with the payments to retired military personnel?

Mr. SALTONSTALL. The Senator from Mississippi [Mr. STENNIS] went into that question at great length, as did the Senator from Washington [Mr. JACKSON], the Senator from Missouri [Mr. SYMINGTON], the Senator from North Carolina [Mr. ERVIN], and the Senator from Arizona [Mr. GOLDWATER].

Mr. CURTIS. I am sorry I was late getting to the Senate Chamber.

Mr. SALTONSTALL. I will repeat briefly our understanding of the situation. The bill makes some provision for the retirement system. It provides a cost-of-living increase of 6 percent to all retired officers.

Among the Senators whose names I have mentioned, there is a distinct feeling that the committee at a future date, rather than to complicate the bill before the Senate, should consider the subject more at length and determine whether there should be, as a part of the incentive system, a greater opportunity for increased allowances to retired officers and personnel.

Mr. CURTIS. In other words, while the bill does provide an increase in a flat, across-the-board manner, the committee are saying they do not regard that as the ultimate solution, or as total justice, and they hope to go into the question at a future time.

Mr. SALTONSTALL. I should not want to commit the committee to that extent. The chairman of the committee, the Senator from Georgia [Mr. RUSSELL], is on the floor. It is my understanding that we did agree; but the statement by the Senator from Mississippi was to the effect that the bill may not be the best solution for retired officers and that the subject should be considered at some time in the future.

Mr. CURTIS. I have a question concerning reservists. I refer to the Reserve officers who retired for physical disability prior to the Pay Act of October 1, 1949. Has anything been done to change their situation? I recall that during World War II a resolution was adopted, I believe by both Houses, expressing the policy that reservists should have equal treatment along with other components of the Army. Does the bill contain any provision which takes care of the discrimination which occurred under the 1949 law?

Mr. SALTONSTALL. I do not think so; but I should like to have the Senator from Mississippi answer the question, because I would not wish to make a misstatement.

Mr. STENNIS. Mr. President, the Senator from Nebraska has referred to a special group who elected to retire under the law which was in force prior to 1949. Under the 1955 bill, they were given a 6-percent increase. In the pending bill they are also given a 6-percent increase. So under this bill they will be treated just as they were treated under the prior bill; and they are in that category because under the 1949 law they can exercise an election to retire.

Mr. CURTIS. I seek information. Is it the view of the Senator from Mississippi that as this provision applied to such individuals, every one of them was in a position to make an election; or were not the circumstances such that many of them no doubt had to elect in the manner in which they did?

Mr. STENNIS. I am advised that, under the law as it then existed, they had 5 years in which to elect to come under the new law, if they had been retired because of disability; and if they failed to make the affirmative election within that time, they automatically remained under the old law.

Mr. CURTIS. It is true that a Reserve officer who was retired for physical disability, assuming that he has the same number of years of service as does a regular officer, receives less retirement pay?

Mr. STENNIS. Does the Senator refer to the situation under the old laws—those of 1949 and prior thereto?

Mr. CURTIS. Yes.

Mr. STENNIS. I was not connected with that legislation; I was not then on the committee. But my information is that they had this option, and that some of them drew more pay under the old law than they would under the new one. Presumably that is why they did not elect to leave the old status and come under the new law.

Mr. CURTIS. But nothing in this bill deals with that situation; is that correct?

Mr. STENNIS. The bill does not contain anything that would change that situation; that is true.

As the Senator from Georgia said a moment ago, retirement occurred under many laws. The status quo of each is maintained; but they will receive the 6 percent added retirement pay.

Mr. CURTIS. I do not have all the categories in mind sufficiently to be able to describe them. But I believe in this general field there exists a problem which might at a future time—and I hope not too far in the future—be looked into, because during the war Congress went on record as favoring the policy of treating all branches of the military service alike. However, I believe that, in practical application, some of the reservists are not treated as favorably as are the officers in the regular service.

Mr. SALTONSTALL. I agree with the Senator from Nebraska that there are several such problems. I have discussed them with various officers, and have received correspondence on that subject.

To supplement what the Senator from Mississippi has said, I can say that this bill does not go into that detailed subject. But the problem can very well be considered in the future.

Mr. CURTIS. I thank both of the distinguished Senators.

Mr. SALTONSTALL. Mr. President, I should like to conclude briefly what I was saying about the philosophy behind the bill.

The philosophy is to provide incentives, so that young men who become members of the military services will, as enlisted men, wish to reenlist and to make the military service a career; and that junior officers who work up through the ranks will realize that they can get ahead if they work hard and do their jobs well and show intelligence. That is the philosophy of the bill.

At the same time, the House included in the bill—it was not in the original Cordiner report—a provision for some allowances for longevity for those who remain in the service, but who perhaps are not so efficient as others who can rise to the top ranks.

We are hopeful that this measure will serve to improve and stabilize both the enlisted and officer ranks.

The serviceman must look upon his profession as important. This depends upon two conditions: One is the nature of his career and the opportunities which inhere in it; the other is the respect and value placed on his career by his society. By passing this bill, we shall be making an affirmative contribution to both of these conditions. We shall be improving the quality of a military career, and, in doing so, we shall be demonstrating a measure of our recognition of the importance to our Nation of a professional military career.

Mr. President, I conclude by saying that I hope the bill—which has been carefully studied and prepared—will become law, and that it will help to provide

a better military service, so as to provide our country with greater security.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The bill is open to amendment.

Mr. YARBOROUGH. Mr. President, I offer the amendment which I send to the desk. The amendment is offered by me, on behalf of myself, the Senator from South Carolina [Mr. THURMOND], the Senator from New Hampshire [Mr. COTTON], the Senator from West Virgina [Mr. HOBLITZELL], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Kentucky [Mr. COOPER], the Senator from Mississippi [Mr. EASTLAND], the Senator from Florida [Mr. SMATHERS], the Senator from Maryland [Mr. BEALL], the Senator from Montana [Mr. MANSFIELD], the Senator from Colorado [Mr. CARROLL], the Senator from Montana [Mr. MURRAY], the Senator from Washington [Mr. JACKSON], the Senator from Missouri [Mr. HENNINGS], the Senator from Vermont [Mr. FLANDERS], and the Senator from Iowa [Mr. MARTIN].

I ask that the amendment be printed at this point in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the amendment submitted by Mr. YARBOROUGH, on behalf of himself and other Senators, was ordered to be printed in the RECORD, as follows:

At the end of the bill, insert the following new sections:

"SEC. 11.

"(6) Section 202 (a) (37 U. S. C. 233 (a)) is amended as follows:

"(A) By striking out the period at the end of clause (7) and inserting '; and' in place thereof.

"(B) By adding the following new clause at the end thereof:

"'(8) For each officer of the Judge Advocate General's Corps of the Army, each officer of the Navy, Marine Corps, or Coast Guard designated as an officer for special duty (law) or law specialist, and each officer of the Air Force designated as a judge advocate, 3 years; except that the service authorized to be credited to an officer under this clause shall be reduced by the amount of any service otherwise credited under this section which covers any part of the period of the officer's professional education; and notwithstanding any other provision of law, the service credit authorized by this clause shall not—

"'(A) be included in establishing eligibility for voluntary or involuntary retirement or separation from the service, under any provision of law;

"'(B) increase the retired or retirement pay of a person who becomes entitled to such pay prior to the effective date of this act; or

"'(C) increase the retired or retirement pay of a person who becomes entitled to such pay under chapter 67 of title 10, United States Code, on or after the effective date of this act, but who does not perform active duty after such date.'

"(7) Section 203 (37 U. S. C. 234) is amended as follows:

"(A) By striking out the word 'and' before clause (6) of subsection (a).

"(B) By striking out the period at the end of subsection (a) and inserting the following in place thereof: '; and (7) commissioned officers of the Judge Advocate General's Corps of the Army, commissioned officers of the Navy, Marine Corps, or Coast Guard, who are designated as officers for special duty (law) or law specialists, and commissioned officers of the Air Force designated as judge advocates. This section does not apply to any officer covered by clause (7) who has been called or ordered to active duty for a period of less than 1 year or who is entitled to pay under section 204 or 205 of this act.'

"(C) By amending subsection (b) to read as follows:

"'(b) In addition to any pay, allowances, or special or incentive pays to which they are otherwise entitled, commissioned officers as defined in subsections (a) and (c) of this section are entitled to special pay as follows:

"'(1) Commissioned officers defined in subsection (a):

"'(A) $100 per month for each month of active service for those officers who have not completed 2 years of active service in a category covered by that subsection;

"'(B) $150 per month for each month of active service for those officers who have completed at least 2 years of active service in a category covered by that subsection;

"'(C) $200 per month for each month of active service for those officers who have completed at least 6 years of active service in a category covered by that subsection; and

"'(D) $250 per month for each month of active service for those officers who have completed at least 10 years of active service in a category covered by that subsection.

"'(2) Commissioned officers defined in subsection (c)—$100 per month for each month of active service.'"

On page 4, line 17, strike out "(6)" and insert "(8)" in place thereof.

On page 5, lines 7 and 9, strike out "(7)" and "(8)" and insert "(9)" and "(10)", respectively, in place thereof.

On page 8, lines 1, 11, and 15, strike out "(9)", "(10)", and "(11)" and insert "(11)", "(12)", and "(13)", respectively, in place thereof.

On page 10, between lines 16 and 17, insert the following:

"(5) Section 3066 is amended as follows:

"(A) By inserting the following new subsection after subsection (b):

"'(c) Notwithstanding any other provision of law, the Surgeon General and the Judge Advocate General are entitled to the rank, pay, and allowances of a lieutenant general while so serving, and are in addition to any other general officers authorized by law.'

"(B) By redesignating present subsections (c) and (d) as '(d)' and '(e)', respectively.

"(6) Chapter 339 is amended as follows:

"(A) By adding the following new section at the end thereof:

"'§ 3453. Officers of the Judge Advocate General's Corps: temporary promotion to captain

"'Notwithstanding any other provision of law, an officer of the Judge Advocate General's Corps may be promoted to the temporary grade of captain at any time after the first anniversary of the date upon which he was admitted to practice before a Federal court or the highest court of a State.'

"(B) By adding the following new item at the end of the analysis thereof:

"'3453. Officers of the Judge Advocate General's Corps: temporary promotion to captain.'

"(7) Section 5231 is amended as follows:

"(A) By inserting the following new subsection after subsection (e):

"'(f) Notwithstanding any other provision of law, the Chief of the Bureau of Medicine and Surgery and the Judge Advocate General are entitled to the rank, pay, and allowances of a vice admiral while so serving, and are in addition to any other flag officers authorized by law.'

"(B) By redesignating present subsection (f) as '(g).'

"(8) Chapter 545 is amended as follows:

"(A) By adding the following new section at the end thereof:

"'§ 5793. Officers designated for special duty (law): temporary promotion to lieutenant

"'Notwithstanding any other provision of law, an officer designated for special duty (law) or law specialist may be promoted to the temporary grade of lieutenant at any time after the first anniversary of the date upon which he was admitted to practice before a Federal court or the highest court of a State.'

"(B) By adding the following new item at the end of the analysis thereof:

"'5793. Officers designated for special duty (law): temporary promotion to lieutenant.'

"(9) Section 8066 is amended as follows:

"(A) By inserting the following new subsection after subsection (b):

"'(c) Notwithstanding any other provision of law, the officer of the Air Force who is serving in the position in the Air Force corresponding to the Surgeon General of the Army, and the Judge Advocate General, are entitled to the rank, pay, and allowances of a lieutenant general while so serving, and are in addition to any other general officers authorized by law.'

"(B) By redesignating present subsections (c) and (d) as '(d)' and '(e)', respectively.

"(10) Chapter 839 is amended as follows:

"(A) By adding the following new section at the end thereof:

"'§ 8453. Officers designated as judge advocates: temporary promotion to captain

"'Notwithstanding any other provision of law, an officer designated as a judge advocate may be promoted to the temporary grade of captain at any time after the first anniversary of the date upon which he was admitted to practice before a Federal court or the highest court of a State.'

"(B) By adding the following new item at the end of the analysis thereof:

"'8453. Officers designated as judge advocates: temporary promotion to captain.'"

"SEC. 12. Section 226 of title 14, United States Code, is amended by adding the following new subsection at the end thereof:

"'(c) Notwithstanding any other provision of law, an officer designated for special duty (law) or law specialist may be promoted to the temporary grade of lieutenant at any time after the first anniversary of the date upon which he was admitted to practice before a Federal court or the highest court of a State.'"

Mr. YARBOROUGH. Mr. President, the amendment is sponsored by the American Bar Association, the Judge Advocates Association, and many other lawyer groups in the country.

In short, the amendment provides incentive pay for attorneys of the skilled legal services of the Armed Forces.

The amendment provides incentive pay ranging from $100 a month to $250 a month, depending on the years of service and the type of qualification shown.

The amendment would not apply to every lawyer in the Army, the Navy, the Air Force, or the Marines. If a lawyer carries the base plate of a mortar, in an infantry squad, he would draw the pay for that job.

The amendment applies only to the legal specialists—to the judge advocates

in the Army and Air Force and to the legal specialists in the Navy. There are approximately 2,700 of them. But if they are doing legal service or judge advocate work—and all of them are commissioned officers—those of that limited number would draw pay comparable to that drawn by medical doctors and dentists. The amendment would put them in that professional status, rather than downgrade them.

The amendment is sponsored very strongly by the American Bar Association.

I am sure many Members of the Senate have seen the brochure the bar association has issued. I shall not take time to go into it in detail.

At first glance, the amendment would appear to cost approximately $6,500,000 a year; but it is the opinion of the different legal specialists corps of the armed services that the amendment would actually save the Government money, because of the rapid turnover which exists at this time in the case of the specialists in the trained lawyer corps. That was indicated at the hearing which was held by the very able committee which considered the bill and reported it.

I wish to commend all the members of the committee for the fine work they have done and for the thoroughness with which it has been done—as indicated by the fact that the hearing is about to conclude.

The amendment has met with wide acceptance by Senators on both sides of the aisle. I believe that all Senators who have participated in the work are entitled to a great deal of credit.

Mr. President, I believe the Senate should give consideration to the recommendations of the American Bar Association and the Judge Advocates Association.

If I may be forgiven for making a personal reference, let me say that I have had some experience in this line of work.

I should like to make a brief statement about what has happened in the turnover in this connection: The personnel for the judge advocates is being obtained mainly through the draft. The bar association has taken a poll of those now in that service, and has found that, at present rates of pay, once those who are now in that service finish their present terms of service, 99.1 percent of them plan to return to civilian life, because their pay in the service is so low.

As a result of the services not being able to keep some of these trained men, it is costing the taxpayers of this country money. It has further been asked if consideration would be given by military lawyers to staying in the service if they had incentive pay rates. Out of the number given, 50.6 percent said they would give serious consideration to staying in the service, and a very high percentage said they would stay in the service if they received incentive pay such as is given to dentists and medical doctors. The facts compiled by the American Bar Association showed that 94 percent of the career lawyers serving the Armed Forces in legal specialist capacities planned to retire as soon as they were eligible to retire, and that will be within the next 5 years.

Over 700 lawyers, judge advocates in the Army and Air Force and legal specialists in the Navy, out of a total of 2,700, returned to civilian life in the fiscal year 1957; and 435 have returned to civilian life this year.

There is a veritable flight from the armed services of legal specialists, just as soon as they can get out, because they are not accorded the pay which doctors and dentists, and to some extent veterinarians, receive.

In 1957 and 1958 the Armed Forces recruited only approximately 800 lawyers. Losses have exceeded gains by more than 300. With this turnover in personnel, there has resulted a 50 percent inexperience factor among military lawyers.

Due to his distinguished military service, I am certain the Presiding Officer in the chair at this time [Mr. DOUGLAS] knows of the difficulty there was in the administration of military justice in World War II. Such a storm of protest arose throughout the country that not one, but two, manuals for courts-martial were prepared since World War II. Congress wrote into the law a revision of military court-martial procedure to assure that the rights of military personnel would be adequately secured, and providing that accused personnel would be entitled to the help of lawyers in the Army.

Unless we can keep in the armed services personnel trained in the law, military personnel accused of crimes are not going to get proper representation. It takes 3 years to train a lawyer. As soon as the 3 years of a graduate from a law school are up, he learns to be a trial judge advocate or a defending counsel. It means a continuing acceleration of inexperience in military personnel trained in the law and added difficulty in making the system of military justice work.

I want to point out the importance of a just system of military government working. Any commander will say that the morale of the Armed Forces is one of the greatest incentives to victory in any force. What makes for morale? There are several factors. One is morale resulting from discipline and knowledge of how a command is enforcing discipline. However, how military justice is administered is an indisputable part of the discipline in a command. Discipline makes for morale, and morale makes for victory. One cannot whittle away at the foundation stone of morale and expect to get victory. A just system of military government is necessary for morale. There cannot be a just system of military government simply by making charges and specifications and simply saying, "Somebody will fill it out. We will appoint somebody as defense counsel." Under such a system those charged with crimes will be defended by inexperienced lawyers. That cannot be done year after year without ultimately affecting the morale of a command, which is a most vital factor in a military force.

When the total number of lawyers involved are considered, the fact is that the amendment would cost only $6½ million, on the present scale. However, it will save money. In the brochure of the American Bar Association there is an attempt to show that there will not be any net loss. There are pages of statistics to show what has been happening in the administration of military justice. I submit that the saving resulting from retaining trained personnel will mean that it will not cost the $6½ million a year, it would appear to cost on the face of it.

Mr. STENNIS. Mr. President, I appreciate the Senator's concern and his position. The position of the committee has already been stated, and is in the RECORD. The Defense Department pointed out that there was no greater shortage in the lawyer field than there was in any other specialist field. So we stand on the record already made, and we on the committee are ready to vote.

Mr. COTTON. Mr. President, the purpose of this amendment is to encourage the recruitment and retention of qualified lawyers in the military service.

The needs of the armed services for additional military lawyers is generally admitted. The report of the Senate Committee on Armed Services refers to the fact that the Judge Advocate Corps have a serious problem since they are not retaining a sufficient number of young officers beyond their obligated tour of service. The shortage shows up most acutely in the ranks of captains and majors at the present time because so few of the young lawyers remain in service after their period of military obligation has been fulfilled.

At the present time, the military services generally have an adequate number of legal officers in the higher ranks of lieutenant colonel and colonel, largely as a result of persons who remained in uniform after long service in World War II and the Korean war interrupted their civilian life. But these men will soon be reaching the end of their military careers and steps must be taken to insure the availability of experienced military lawyers to fill their ranks. The serious shortage of lawyers in the ranks of captains and majors will soon be reflected in an equal shortage in the higher ranks.

The role of the military lawyer is important, not merely in the administration of the Uniform Code of Military Justice, vital though that is. They have important duties in connection with military procurement, contract appeals, patent cases, and general litigation involving billions of dollars of the taxpayers' funds. Adequate legal counsel is essential if the interests of the Government and of the taxpayer are to be protected.

Unfortunately, the shortage of experienced military lawyers has affected the conduct of courts-martial and the workings of the system of military justice. In an unusual number of cases, the United States Court of Military Appeals has found it necessary to bluntly criticize the conduct of the military courts-martial from a legal standpoint, and has overruled a number of decisions on points of law and legal procedure. I believe the rather outspoken attitude of the court is one of the results of the grave shortage of military lawyers,

which would be corrected by the pending amendment.

I believe the equities of the situation fully justify the approval of the amendment, and that the beneficial results which will flow from its adoption will more than offset the slight additional costs. The amendment merely recognizes the facts of life as far as the military lawyer is concerned, and I hope it will be approved by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas [Mr. YARBOROUGH].

The amendment was rejected.

Mr. STENNIS. Mr. President, at the meeting of the full committee a question was brought up with reference to certain military contracts and their validity in connection with certain persons who obtained private employment soon after their leaving the service. There was an agreement around the table with reference to the subject matter, provided suitable language could be worked out. It was a very difficult, complex, and far-reaching subject. It was not possible immediately to draft language which we thought suitable to meet the problem. Therefore, the amendment was not offered. I want the record to show the question was not ignored, but it was not possible for the members of the committee to agree to the language of an appropriate amendment.

There was one further matter to which reference was made and which I should like to mention. As the office of Chairman of the Joint Chiefs of Staff, is, so to speak, the pinnacle, the capstone of the military service, and presumably the goal of all young officers, I and members of the subcommittee thought special consideration should be given to that position. Therefore, an additional increase was allowed for that position.

Then the question arose that there had been only three Chairmen of the Joint Chiefs of Staff, General Bradley, who had retired under a special former law, Admiral Radford, and the present Chairman, General Twining, who will presumably retire under the proposed law we are now considering, leaving one man in the middle, so to speak. For that reason, the subcommittee wrote into the bill a proviso—and it was thinking of the position, and certainly not the man—that as to the retirement of the remaining Chairman of the Joint Chiefs of Staff, it would be computed on a basis that would increase his retirement pay from, in approximate figures, $10,000, which it is presently, to about $16,000. As I said, that change relates to the position, the capstone, which presumably is, and I hope it is, the goal and ambition of all officers who are honored to wear the uniform. I remember when I was considering whether or not I would be a lawyer, I asked an old lawyer what he thought the possibilities were in the profession. He said, "Young man, the possibility in the profession of a lawyer is that he may become Chief Justice of the United States." That is the capstone. I liked the idea, and the idea is included in the reasoning behind the provision to which I have referred.

The PRESIDING OFFICER. If there be no further amendments to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute for the bill.

Mr. BUSH. Mr. President, I have been most interested in the bill now pending. I merely desire to say that it is extremely important. It has been very interesting to me, as a member of the Committee on Armed Services, to consider the proposed legislation. The bill is the result of a great deal of very difficult work, especially on the part of the subcommittee presided over so ably by the distinguished Senator from Mississippi [Mr. STENNIS], who has been assisted by the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Washington [Mr. JACKSON], and others.

It is really hard to think of a bill which comes before the Committee on Armed Services which is more complicated and more difficult to consider than a measure like this. It is to the great credit of the members of the subcommittee that they were able to agree upon a unanimous recommendation to the Committee on Armed Services regarding every feature of this most important bill.

Mr. STENNIS. Mr. President, may we have order? Although the Senator speaks in a clear voice, we cannot hear.

The PRESIDING OFFICER. The Senate will be in order. The pages will cease conversing. The Chair has spoken to them twice. He asks them to cease conversing. Will those who are talking retire from the Chamber, please?

Mr. STENNIS. Mr. President, I thank the Chair.

The PRESIDING OFFICER. The Senator from Connecticut may proceed.

Mr. BUSH. It is to the great credit of the group of five Senators on the subcommittee that they were able to submit a unanimous recommendation to the full committee on a bill involving so many points which really could be controversial.

I think it is fair to say that the great confidence which our committee has in the subcommittee is responsible for the unanimous report which was made. It is also fair to say that the lack of attendance in the Senate Chamber today is no indication of a lack of feeling on the part of Senators that this is an important measure, but, on the other hand, it is probably a statement of confidence, if not overconfidence, in the subcommittee and perhaps the committee itself.

I take this opportunity to express my own very warm thanks to the Senator from Mississippi [Mr. STENNIS] and his colleagues on the subcommittee, who have labored so long and with such care over this very, very important bill.

Among the most important features of the bill, of course, is the question of retired officers' compensation. I understand there was some discussion of that feature of the bill earlier in the day, when I was not present. I think the answer is largely contained in a very short paragraph in the report itself, which says:

> The aim of the basic pay increases is to provide an incentive for young officers and enlisted men to aspire to higher grades.

That is the point of the whole bill, as I see it. The other aspects of the bill, including pay raises for others, including retired officers, are incidental. The main purpose and the basic purpose of the bill is to provide incentives for young officers and enlisted men to aspire to higher grades and thus remain in the service, to go ahead in the face of competition which has been developing from private industry, and so forth.

I am sympathetic, as are most of us, toward the appeal of the retired officers' association and the individual retired officers. I am very happy to support the unanimous decision of the committee on that point. The 6-percent pay increase which the committee has recommended does give recognition to the fact that some adjustment is necessary. However, if we went further than that, as the committee was importuned to do, it would seem to me we would be getting away from the basic purpose of the bill which, as I have mentioned, is set forth so well in the report.

Mr. President, again I congratulate the committee. It is a pleasure to support a subcommittee which is so conscientious and so effective in the discharge of its responsibilities as the subcommittee has been under the Senator from Mississippi [Mr. STENNIS].

Mr. STENNIS. Mr. President, if I may, on behalf of the subcommittee, I thank the Senator from Connecticut for his very generous words. I also thank the Senator for his encouragement and for spurring us on months ago.

I remember the Senator told me, after spending months on the military programs, he was impressed with the need for the Cordiner report bill, and the need for advancement in the development of missiles. I remember telling the Senator then, "We will try to get the bill passed. You try to get the missiles up." We are still doing business, and I know the Senator is still interested in both those subjects and is doing a fine job.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute for the bill.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. STENNIS. Mr. President, I now have certain material which was not available a few minutes ago. I ask unanimous consent to have printed in the RECORD at this point enclosure (2) on page 732 of the hearings, which contains a table in connection with the specialist groups, showing status as to shortages, including lawyers, engineers, electronic engineers and others.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

ENCLOSURE (2)

EXTENT OF SHORTAGES OF OFFICER SPECIALISTS

The services report general shortages of officer specialists. They all believe, however, that a general adjustment of the military

compensation system—such as S. 3081 or H. R. 11470—should resolve these shortages. More and better qualified officer specialists—through a revised pay structure—will be attracted to and retained in military careers.

Army: Status of officer strength in certain specialist corps as of Jan. 31, 1958

	Percent over or short, generals through captains	Percent over or short of requirements
Chemical Corps	−14.0	−13.1
Engineer Corps	−9.6	−5.6
Ordnance Corps	−11.9	−7.3
Judge Advocate General's Corps	−13.0	+8.0
Signal Corps	−12.7	−1.2

The relatively good position of the above corps is in numbers of officers only. Any shortages that develop can be filled in, within reasonable limits, by obligated tour officers from ROTC. However, this does not fill in any shortage in experience. The problem is the retention of the junior officers beyond the 2-year obligated tour.

The Army had during fiscal year 1957, 460 nonregular officers and 146 regular officers, who had formal legal training (although not necessarily members of any bar), and who were not members of the Judge Advocate General's Corps. These officers are serving at their own desire in other than JAGC.

Air Force: Officer shortages in specialist areas

Specialist field	Authorized	Assigned	Shortage	Percent authorized short [1]
Legal officers	1,260	1,164	−96	7.6
Aeronautical engineers	404	385	−19	4.7
Electronic engineers	517	434	−83	16.1
Mechanical engineers	321	288	−33	10.3
Nuclear research and physicists	295	274	−21	7.1
Communications-electronics	6,356	5,506	−850	13.4

[1] Shortages exist in all grades in all specialist fields excepting in the grade of lieutenant. The primary shortages in all specialist fields occur in the grades of captain and major.

There are a number of officers in the Air Force with legal training who are not now assigned as judge advocates. Several are being utilized in SAFLL, special investigations, and other special areas. In addition, there are a number who have had legal training who are serving with tactical units. In order to provide the numbers who are in these categories, it would require the obtaining of a special survey report which would take at least 30 days to complete.

NAVY AND MARINE CORPS

The Navy and Marine Corps report some shortages in all categories, but state their most serious shortages exist in qualified unrestricted line officers. About half of naval specialists are regular officers.

Mr. STENNIS. I should like to say one additional word with reference to the amounts carried in the bill, speaking only for myself, although I think it is largely the sentiment of all the subcommittee members. The figures carry just about as much increase as I think I could agree to. In conversation with Representative KILDAY, with whom we worked in close cooperation on the bill, I told him that we had his figures before us when we wrote our figures into the bill and that we yielded to him in part, which represents real consideration that we gave to the House figures.

I believe the overall cost of the bill represents as much as the Senate subcommittee and Senate full Committee on Armed Services thought we could agree to.

Mr. President, I yield the floor.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

Aiken	Goldwater	Morton
Allott	Gore	Mundt
Anderson	Green	Neuberger
Barrett	Hayden	O'Mahoney
Beall	Hickenlooper	Pastore
Bennett	Hill	Payne
Bible	Holland	Potter
Bricker	Hruska	Proxmire
Bridges	Humphrey	Purtell
Bush	Ives	Revercomb
Byrd	Jackson	Robertson
Capehart	Javits	Russell
Carlson	Jenner	Saltonstall
Carroll	Johnson, Tex.	Schoeppel
Case, N. J.	Johnston, S. C.	Smathers
Case, S. Dak.	Kefauver	Smith, Maine
Church	Kennedy	Smith, N. J.
Clark	Knowland	Sparkman
Cooper	Kuchel	Stennis
Cotton	Langer	Symington
Curtis	Lausche	Talmadge
Dirksen	Long	Thurmond
Douglas	Magnuson	Thye
Dworshak	Malone	Watkins
Eastland	Mansfield	Wiley
Ellender	Martin, Iowa	Williams
Ervin	Martin, Pa.	Yarborough
Flanders	McClellan	Young
Frear	Monroney	
Fulbright	Morse	

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Oklahoma [Mr. KERR], the Senator from Michigan [Mr. MCNAMARA], and the Senator from Montana [Mr. MURRAY] are absent on official business.

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BUTLER] and the Senator from West Virginia [Mr. HOBLITZELL] are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

Mr. JOHNSON of Texas. Mr. President, I ask that the yeas and nays be ordered on the passage of the bill.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, the pending bill is designed to establish a career force by providing a compensation system of the type needed to reward military personnel, to reduce the tremendous personnel turnover now being experienced, and to attract and retain highly qualified personnel in career service.

Regardless of the complicated machines which make up a modern military force, regardless of the maze of electronic computers which guide and control these machines, they are only as efficient as the personnel who operate them, and only as courageous as those who employ them.

Pay, of course, is not an end in itself. The goal we seek is a strong, alert, and completely combat competent armed force, to protect this country and its worldwide obligations. It is hoped that the bill will be of major assistance toward such a goal. It is hoped that it will provide somewhat the reward so well deserved by our men and women in uniform, and that its passage will also indicate to those who serve, often at great personal sacrifice, the gratitude and respect we here in this Chamber, and those in the country as a whole, hold for them.

The Senator from Mississippi [Mr. STENNIS] as chairman of the subcommittee, the Senator from Georgia [Mr. RUSSELL] as chairman of the Committee on Armed Services, the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Massachusetts [Mr. SALTONSTALL], as well as the other members of the committee, deserve great credit, as does also Mr. Cordiner, who formulated the Cordiner report. His report and the administration recommendations have been carefully considered.

The gratitude of all military personnel should go out to those people for the diligent and tireless work they have done on a very complicated subject.

I wish personally to compliment Mr. Ed Braswell, of the staff of the Committee on Armed Services, for his always outstanding assistance.

This is a good bill. Perhaps it is not perfect in all aspects, but I believe it is basically sound. Properly administered, it can help promote the security of the Nation.

I realize that the committee may wish to give future attention to some of the retired pay aspects, and I hope that they will bear this in mind and see how the measure operates in order to give further consideration along this line.

I am pleased that a unanimous committee brought the proposed legislation before the Senate. I know that the personnel of the services and the administration will appreciate the prompt action of Congress in this regard.

Mr. KNOWLAND. Mr. President, I should first like to congratulate the Committee on Armed Services in toto, and particularly the distinguished chairman of the committee, the Senator from Georgia [Mr. RUSSELL], who heads that very important group in the Senate; our own ranking Republican member of the subcommittee, the Senator from Massachusetts [Mr. SALTONSTALL]; the Senator from New Hampshire [Mr. BRIDGES]; and the Senator from Mississippi [Mr. STENNIS], who has been so active; as well as the other members of the committee who have played a part in framing this very important measure.

There has been a great deal of painstaking work, which has resulted in the very excellent bill which is now under consideration. The purpose of the bill is, of course, to attract and maintain in the Armed Forces of our country the personnel needed to man the highly scientific weapons which are now at our disposal.

Personally, I have a reservation as to whether the bill, as presently worded, may not fail to meet its objective completely. This reservation is occasioned by a feeling that the failure to continue the time-honored system of computing the pay of retired officers may militate against the basic intent of the bill.

Of course, the recommendations of the Cordiner committee originally stressed this point.

On April 15, 1958, there was inserted in the CONGRESSIONAL RECORD, at my request, a statement relative to the subject of the military pay bill. The statement included what appears to be a well considered editorial from the Washington Star of April 6, 1958, bearing on the subject.

I ask unanimous consent to have printed in the RECORD at this point an editorial which appeared in the Washington Star of April 26.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AVOID THIS MISTAKE

It is regrettable that the Senate Armed Services Committee has followed the ill-advised example of the House in breaking down the traditional relationship between active-duty and retired pay for military personnel. The importance of maintaining this relationship, under which retired pay rises in proportion to increases in pay for active officers, was stressed in the Cordiner report. The report pointed out that this assurance of automatic pay adjustments for retired officers has been a major factor in maintaining the stability of the Armed Forces in peacetime, since it has been an incentive for career service.

But the House, in a misguided economy move, ignored the advice of the Cordiner committee and the warnings of veteran military men—and the Senate committee has gone along with the House. Thus, for the first time in a century of legislating on service pay, it is proposed that retired pay be completely divorced from regular pay. Instead, a 6 percent cost-of-living increase for retired personnel is recommended. This departure from long-established policy would be a mistake. We hope the Senate, when the bill reaches the floor, will revise it so as to maintain the vital tie-up between active duty and retired pay.

The PRESIDING OFFICER. The question is on the passage of the bill. The yeas and nays having been ordered, the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MARTIN of Pennsylvania (when his name was called). As I am a retired officer of the United States Army, I ask unanimous consent to be excused from voting.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and the Senator from Pennsylvania is excused from voting.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Oklahoma [Mr. KERR], the Senator from Michigan [Mr. MCNAMARA], and the Senator from Montana [Mr. MURRAY] are absent on official business.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Oklahoma [Mr. KERR], the Senator from Michigan [Mr. MCNAMARA], and the Senator from Montana [Mr. MURRAY] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BUTLER] and the Senator from West Virginia [Mr. HOBLITZELL] are necessarily absent, and, if present and voting, they would each vote "yea."

The result was announced—yeas 87, nays 0, as follows:

YEAS—87

Aiken	Fulbright	Morse
Allott	Goldwater	Morton
Anderson	Gore	Mundt
Barrett	Green	Neuberger
Beall	Hayden	O'Mahoney
Bennett	Hickenlooper	Pastore
Bible	Hill	Payne
Bricker	Holland	Potter
Bridges	Hruska	Proxmire
Bush	Humphrey	Purtell
Byrd	Ives	Revercomb
Capehart	Jackson	Robertson
Carlson	Javits	Russell
Carroll	Jenner	Saltonstall
Case, N. J.	Johnson, Tex.	Schoeppel
Case, S. Dak.	Johnston, S. C.	Smathers
Church	Kefauver	Smith, Maine
Clark	Kennedy	Smith, N. J.
Cooper	Knowland	Sparkman
Cotton	Kuchel	Stennis
Curtis	Langer	Symington
Dirksen	Lausche	Talmadge
Douglas	Long	Thurmond
Dworshak	Magnuson	Thye
Eastland	Malone	Watkins
Ellender	Mansfield	Wiley
Ervin	Martin, Iowa	Williams
Flanders	McClellan	Yarborough
Frear	Monroney	Young

NOT VOTING—8

Butler	Hoblitzell	McNamara
Chavez	Kerr	Murray
Hennings	Martin, Pa.	

So the bill (H. R. 11470) was passed.

Mr. RUSSELL. Mr. President, I move that the Senate insist on its amendment, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. RUSSELL, Mr. STENNIS, Mr. BYRD, Mr. SYMINGTON, Mr. SALTONSTALL, Mrs. SMITH of Maine, and Mr. BARRETT conferees on the part of the Senate.

DEPARTMENT OF INTERIOR APPROPRIATIONS, 1959

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1506, H. R. 10746, making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1959, and for other purposes.

I announce that a copy of the bill, of the report, and of the hearings, is on the desk of each Senator.

It is not planned to have any votes on the bill this afternoon. We expect to have the Senate convene tomorrow at 12 o'clock noon. So far as I am informed, I know of no yea-and-nay votes to be had on amendments.

It is planned to consider minor legislation during the rest of the week. We do not expect to consider any controversial bills during the balance of the week.

LEGISLATIVE PROGRAM

There will be a call of the calendar; and Senators can, I believe, safely make their plans not to be in the Chamber the rest of the week, unless they wish to be here in connection with some special bills of their own.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas for the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 10746) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1959, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

ORDER FOR ADJOURNMENT UNTIL NOON TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it stand in adjournment until tomorrow, at 12 o'clock.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I announce that it will be in order for the Senate to consider Calendar No. 1488, House bill 9655, to permit the free importation from foreign countries of articles to be displayed at the Oregon Centennial Exposition and International Trade Fair;

Calendar No. 1351, House bill 3604, making it a felony to destroy communication, power, and other systems in the Canal Zone;

Calendar Nos. 1491, 1492, and 1493, being Senate Concurrent Resolutions 80, 81, and 82, respectively, which relate to the placing in Statuary Hall of a statue of the late Charles Marion Russell;

And Calendar No. 1507, House Joint Resolution 556, to permit the free importation from foreign countries of articles to be displayed at the California International Trade Fair and Industrial Exposition.

I announce these measures which are in addition to the other measures I have previously announced.

ACCELERATION OF THE RECLAMATION-CONSTRUCTION PROGRAM (S. REPT. NO. 1500)

Mr. ANDERSON. Mr. President, by unanimous direction of the Committee on Interior and Insular Affairs, at a meeting today, I report from the committee Senate Resolution 299, for acceleration of the reclamation-construction program.

Earlier today, I submitted the resolution.

On March 31, the Subcommittee on Irrigation and Reclamation held a hearing on this proposed program. As a result of the hearings and other information, the accelerated program was developed.

The preamble of the resolution takes cognizance of unemployment in the 17 Western States, particularly in areas

where reclamation construction will provide jobs on site, in industries, and services.

In brief, the resolution proposes that the reclamation-construction program go forward in the fiscal year 1959 at a rate of approximately $330 million. This figure represents an increase of about 50 percent over the combined regular and supplemental budget recommendations of the President for reclamation construction for the fiscal year 1959. Not less than 20 new starts are recommended.

Mr. JOHNSON of Texas. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I yield.

Mr. JOHNSON of Texas. Do I correctly understand that the Senator from New Mexico is reporting from the Committee on Interior and Insular Affairs a resolution which is designed to accelerate the construction of reclamation projects in the 17 reclamation States?

Mr. ANDERSON. That is exactly the case. Earlier today, I submitted the resolution; and at a meeting today, the Committee on Interior and Insular Affairs voted unanimously to report the resolution to the Senate.

As I said a moment ago, the resolution provides for approximately 20 new starts, which involve projects in a great many of the States.

Mr. President, I ask unanimous consent to have the resolution printed at this point in the RECORD, in connection with my remarks.

There being no objection, the resolution (S. Res. 299) was ordered to be printed in the RECORD, as follows:

Whereas there is now urgent need for additional supplies of water for irrigation and related multiple purposes by the increasing population in the 17 Western States under the reclamation program; and

Whereas hearings and reviews by the Committee on Interior and Insular Affairs have demonstrated that these urgent needs can be met even in part only by speedy completion of Federal reclamation projects and the start of new construction in other areas; and

Whereas there is acute unemployment in many of the areas where these projects are under construction or planned, and also in the industries and services throughout the Nation that supply the materials and equipment for project construction; and

Whereas the sense of the Senate, expressed in Senate Concurrent Resolution 68 and Senate Resolution 148, is that construction of civilian public works should be accelerated, and that expeditious progress should be made in the conservation and development of the Nation's land and water resources; and

Whereas hearings before the Committee on Interior and Insular Affairs have demonstrated that many urgent water needs can be fulfilled, and the acute local and widespread unemployment can be met in part at least by new starts in the construction of additional authorized projects along with acceleration of developments already under way; and

Whereas the President of the United States on March 12 sent to the Congress $45,773,000 in supplemental appropriation estimates for fiscal year 1959 for reclamation projects under construction, and $25 million for a loan program under the Small Projects Act principally for rehabilitation of existing non-Federal irrigation projects, but abstained from recommending any new starts; and

Whereas the committee commends the President for recognizing in his supplemental estimates the urgency for providing additional funds for the upper Colorado River storage project (including $14 million for Glen Canyon Dam, $7 million for Navaho Dam, and $8 million for Flaming Gorge Dam, $7 million for Trinity division, Central Valley project, California and varying amounts for other going construction projects); and

Whereas there are other critical areas in the West in addition to those included in either the original or supplemental estimates where the need is equally urgent for acceleration of reclamation construction especially with respect to so-called new starts of reclamation developments: Now, therefore, be it

Resolved, That it is the sense of the Senate that Federal reclamation project construction during the fiscal year 1959 should proceed that year at the rate of approximately $330 million (a 50-percent increase over the total of original and supplemental budget estimates, including limited additional funds for general investigations and advance planning) and that construction should be started on not less than 20 additional authorized projects, with preference to those developments where engineering has been completed and actual work can be begun promptly; and that consideration be given to prompt authorization of additional feasible reclamation projects that will contribute to the objectives of this resolution.

Mr. ANDERSON. Mr. President, I am reporting the resolution at this time by direction of the committee, in accordance with the unanimous vote of the committee.

Some items had been overlooked. For example, in the case of the State of Colorado, the chairman of the subcommittee had failed to include an item for the Cureanti project; it was at first omitted because of a belief that it was not ready. But the able Senators from Colorado [Mr. ALLOTT and Mr. CARROLL] called attention to that omission; and we have included that project.

Also, at the very last moment, we included provision for a project known as the Smith Fork project, and set aside $1,000,000 for it.

In other words, we have tried to cover in the various States, various projects which may involve new starts but, as is pointed out in the resolution, "with preference to those developments where engineering has been completed and actual work can be begun promptly; and that consideration be given to prompt authorization of additional feasible Reclamation projects that will contribute to the objectives of this resolution."

Mr. JOHNSON of Texas. Does the resolution cover only projects where engineering has been completed, and which are ready to go?

Mr. ANDERSON. Practically. For example, there is a provision for some additional engineering work on one project which was virtually ready to go. The project has been submitted. It will require a little additional engineering work.

Mr. JOHNSON of Texas. How much money is involved in the resolution?

Mr. ANDERSON. The total amount of the program for the fiscal year 1959 will be $330 million.

Originally the President's program was for $160 million. Then he added to it $45,773,000, which all of us appreciated very much, and for which all of us were very glad. Then he added to it $25 million for small projects. So the total of the President's program amounted to approximately $230 million.

The resolution as reported would increase it to $330 million. It covers some additional programs.

For instance, for the upper Colorado storage project, there is an additional amount for the Glen Canyon Dam, which is progressing very well; and there is an additional amount for the Flaming Gorge Dam, which is far ahead of the preliminary schedule; and there have also been included other items of that nature, in cases in which we think the economy could be quickly stimulated by work of this type.

Mr. JOHNSON of Texas. In February, I had with the Senator from New Mexico a detailed conversation about the resolution which he seeks to have the Senate pass upon.

I understand that the Senator's committee has completed its hearings on the resolution, and that all representatives of the various Government agencies concerned have had an opportunity to be heard. Is that correct?

Mr. ANDERSON. The Senator from Texas is exactly correct. We invited to the hearings the governors of all the States. Some of the governors appeared there in person. More of them were represented there by their engineering staffs.

We also invited Senators to come to the hearings and make statements to the committee. We were pleased with the statements which were received.

The able Senator from South Dakota [Mr. CASE] was one of the first to call attention to the fact that certain projects in the Western States had been omitted from the program; and we were happy to hear from the Senators who knew the conditions existing in those States.

Mr. JOHNSON of Texas. Does the Senator from New Mexico plan to file today the report to accompany the resolution?

Mr. ANDERSON. No. It will have to be changed slightly. If it can be finished by midnight today, I shall be happy to file it today. If not, it will have to be filed tomorrow.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Interior and Insular Affairs be authorized to file its report on the resolution during the adjournment of the Senate following today's session, if the committee is unable to file the report by midnight tonight.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JOHNSON of Texas. Let me ask whether the hearings on the resolution have been printed.

Mr. ANDERSON. Not yet. They are short, and they are scheduled to be printed and to be available to the Members of the Senate soon.

Mr. JOHNSON of Texas. Mr. President, as soon as the report and the hearings are available, and as soon as it suits

the convenience of the Senator from New Mexico and the other members of his committee, the policy committee will immediately meet and will take prompt action on the matter; and we shall try to schedule for consideration by the Senate, at the earliest possible date, this resolution, which is a part of our previously announced legislative program.

Mr. President, I wish to commend the able Senator from New Mexico [Mr. ANDERSON] and the other members of the committee, on both sides of the aisle, for their prompt and effective action on the resolution, which relates to this extremely important field of natural resources.

Mr. ANDERSON. I thank the Senator from Texas for his statement. The progress we have made has been possible only as a result of the cooperation of Members on both sides of the aisle. We have had the finest possible type of cooperation.

Mr. CASE of South Dakota. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I yield.

Mr. CASE of South Dakota. Inasmuch as I believe the Senator from New Mexico was referring to me—and of course I hope he was——

Mr. ANDERSON. Yes; I was.

Mr. CASE of South Dakota. Then let me say that I hope the report will include provision for the project known as the B. C. B., which provides for pumping water from the Fort Randall Reservoir for adjacent lands in Brule, Charles Mix, and Bon Homme Counties.

Mr. ANDERSON. Forty or fifty projects are covered by the resolution. I am glad to be able to inform the Senator from South Dakota that the projects to which he has referred are definitely covered by the resolution.

I appreciate the fact that the Senator from South Dakota has called my attention to the previous omission of these items. The particular projects the Senator from South Dakota has mentioned are among the good ones, and are included.

Likewise, I know that the projects in Colorado about which the Governor of Colorado came before the committee and testified, and in which both of the distinguished Senators from Colorado [Mr. ALLOTT and Mr. CARROLL] are tremendously interested, are included.

Mr. CASE of South Dakota. I thank the Senator from New Mexico.

Mr. ANDERSON. In addition, Mr. President, let me say that in the report the President is commended for sending up additional estimates for units of the Colorado River storage project and other going projects. The report notes that the President abstained from including any new starts in the regular or supplemental estimates.

Additional funds are also proposed for general investigations and advance planning.

It is also urged that consideration be given to additional authorizations of feasible projects that will contribute to the objectives of the resolution.

The list of the projects and other items in the accelerated program will be embodied in the committee report.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CLARK in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT

Mr. STENNIS. Mr. President, in keeping with the unanimous-consent agreement which already has been made, I move that the Senate adjourn until tomorrow, April 30, at noon.

The motion was agreed to; and (at 4 o'clock and 15 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Wednesday, April 30, 1958, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate April 29, 1958:

FEDERAL COMMUNICATIONS COMMISSION

Robert T. Bartley, of Texas, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1958. (Reappointment.)

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 29, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

John 9: 4: *I must work the works of Him that sent me, while it is day; the night cometh, when no man can work.*

Almighty God, humbly and gratefully we lift up our souls unto Thee as the source of life and light and love.

May we accept this new day with all that it has of risk and responsibility, of peril and possibility, as a gracious gift and a glorious opportunity.

Grant that in these bleak and bitter times, we may lay hold of our duties with vigor and courage, putting all our endowments and talents, our capabilities, and capacities to the utmost use.

Help us to hasten the coming of that blessed day of prediction when all that is evil shall be supplanted by that which is good and righteousness shall reign supremely.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following date the President approved and signed a joint resolution of the House of the following title:

On April 24, 1958:

H. J. Res. 588. Joint resolution making advance procurement appropriations for the fiscal year 1958, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2888. An act to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans.

ACQUISITION OF LAND IN DISTRICT OF COLUMBIA

Mr. THORNBERRY, from the Committee on Rules, reported the following privileged resolution (H. Res. 552, Rept. No. 1664), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 728) to authorize the acquisition of certain property in square 724 in the District of Columbia for the purpose of extension of the site of the additional office building for the United States Senate or for the purpose of addition to the United States Capitol Grounds. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

COMMITTEE ON THE JUDICIARY

Mr. ALBERT. Mr. Speaker, on behalf of the gentleman from New York [Mr. CELLER], I ask unanimous consent that the Committee on the Judiciary may sit today and tomorrow during general debate.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

THE TRADE AGREEMENTS EXTENSION ACT OF 1958

Mr. HAYS of Ohio. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 308 and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on Ways and Means, House of Representatives, 4,000 additional copies of the hearing entitled "Trade Agreements Extension Act of 1958."

Mr. LECOMPTE. Mr. Speaker, will the gentleman explain the concurrent resolution?

Mr. HAYS of Ohio. I will be glad to. I may say to the gentleman from Iowa that this resolution was submitted by Mr. MILLS, chairman of the Committee on Ways and Means, asking for additional copies of the hearings on the Reciprocal Trade Agreements Act. If this resolution is expedited and copies are printed at the same time as the statutory number, it will result in considerable savings. The reason they are asking for this, as the gentleman knows, is because there is a great demand for the hearings on this piece of legislation.

Mr. LECOMPTE. This will result in considerable savings?

Mr. HAYS of Ohio. Yes.

Mr. LECOMPTE. I think there is no objection to the resolution over here.

The SPEAKER. The question is on the House concurrent resolution.

The House concurrent resolution was agreed to and a motion to reconsider was laid on the table.

SABOTAGE OF POULTRY INSPECTION LAW

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mrs. SULLIVAN. Mr. Speaker, many of the Members of the House have just eaten lunch or intend to eat shortly. I cannot spoil their lunch and turn their stomachs by reading aloud the consequences to the consumer of an order issued yesterday by Secretary of Agriculture Benson sabotaging the new Poultry Inspection Act. I am placing this material in the CONGRESSIONAL RECORD where I hope the Members will read it, but not immediately after eating.

The material I refer to comes not from some consumer group or viewers-with-alarm, but from Mr. Benson's own experts in the Department of Agriculture. They say you cannot be sure of the wholesomeness of ready-to-cook poultry unless the kidney is removed. They tell me why. It is not pleasant reading. But Mr. Benson has disregarded his own experts and the consumer is the victim. His order yesterday sabotaging the new Poultry Inspection Act must be reversed immediately since the new act is to go into effect Thursday.

COMMITTEE ON ARMED SERVICES

Mr. KILDAY. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SOVIET APPEAL TO THE CONGRESS OF THE UNITED STATES

Mr. DORN of South Carolina. I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN of South Carolina. Mr. Speaker, I received a copy of the appeal of the Supreme Soviet of the U. S. S. R. to the Congress of the United States. This appeal, you recall, was addressed to you, Mr. Speaker, and to the Honorable RICHARD NIXON, President of the United States Senate. It was under date of April 26 and I assume it was sent to all Members of Congress. You were asked in this appeal signed by P. P. Labanov, Chairman of the Soviet of the Union of the U. S. S. R. Supreme Soviet, and J. V. Peive, Chairman of the Soviet of Nationalities of the U. S. S. R. Supreme Soviet, to bring their protest to the attention of the Senate and House of Representatives in the Congress of the United States. This appeal amounts to a protest of the decision of the Bundestag to equip the Western German armed forces with atomic and rocket weapons.

In reply to the Supreme Soviet, let me say that as a member of the Allied armed forces during World War II we cooperated with Russia in the defeat of Hitler's Germany, Fascist Italy and Imperial Japan. We will never cease being grateful to the heroic efforts of the Russian people in contributing to the overwhelming defeat of these enemies of freedom. The American soldier and the American people formed a high regard for the patriotism, gallantry and heroism displayed by the Russian people against tyranny and invasion. We still have today a high regard for the Russian people and we believe the Russian people desire peace, brotherhood and understanding in the world of today.

I must say, Mr. Speaker, that the rearming of Western Germany was made inevitable and necessary by the action not of the Soviet people but by the Soviet leadership since World War II. The Soviet leaders permitted the Red army to occupy free Poland, Finland, Lithuania, Latvia, Estonia, Rumania, Hungary, Bulgaria, and other areas of central Europe and permitted the infiltration of vast areas of Asia. To the American people and the Congress this has caused alarm for the future and in itself constitutes aggression against the principles and ideals for which we entered the great war. These countermeasures of defense in Western Germany, in Greece, Turkey, the Near and Far East did not take place until Soviet aggression had become evident by Soviet action in Berlin, Greece, Turkey, China, and central Europe. The western peoples were further alarmed by North Korea's unprovoked attack on South Korea and by Chinese aggression in Indochina. The recent brutal Soviet subjugation of the Hungarian people's desire for freedom further shocked the Congress and the American people. No thought of rearming Western Germany was entertained by the West until an accumulation of these acts of aggression by the Supreme Soviet leadership.

I am sure that world tension will be lessened and the rearmament of Western Germany discontinued if the Supreme Soviet would withdraw the Red army from Poland, Hungary, and many other traditionally free and independent countries and permit elections under the auspices of the United Nations. Such a move would be greeted by the western peoples with wholehearted approval and would be a long step toward a lasting peace. It is now up to the Soviet to demonstrate to the world a desire for peace. Only the Soviet Union can make this move and reassure a fearful world.

World War II could not have been possible in September 1939 had it not been for the Von Ribbentrop-Molotov pact. The Western World cannot forget that the Soviet leadership collaborated with Hitler in open aggression against the Free Republic of Poland, the Red army occupying eastern Poland while German armies were invading from the west. In this respect, the Soviets were as guilty of aggression as Hitler. Likewise, open military aggression by the Supreme Soviet against free Finland, the same year, can only be corrected today by positive Soviet action to rectify these great wrongs. If the Soviets desire peace, now is the time for the Soviet leadership to stand on the side of self-determination of peoples by free elections in Poland, Hungary, and elsewhere and by withdrawing the Red army and nuclear bases into Russia proper.

I am sure the Congress of the United States would welcome such a move by the Soviet and would cut our defense budget accordingly. Then only could the United States Congress consider discontinuing some of our overseas nuclear bases.

LEAVE OF ABSENCE

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent that leave of absence for 2 weeks be granted to the gentleman from Pennsylvania [Mr. WALTER] and the gentleman from Ohio [Mr. MCCULLOUGH], both proceeding on official busines to serve as members of the United States delegation to the semi-annual meeting of the Council of the Intergovernmental Committee for European Migration in Geneva, Switzerland.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

A STORY OF FREE ENTERPRISE

Mr. ALGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, according to an old Chinese tale, a little fish once heard one fisherman say to another: "Have you ever thought how essential water is to life? Without water our

earth would dry up and every living thing die."

The fish became panic-stricken.

"Why, if true," he gasped, "I must find some water quickly or I will soon die."

But where could he find water? He had never heard of it before. He asked other fish in the lake, but they did not know either, and they all became panic-stricken on hearing his story.

He swam into a river, and thence to the sea, inquiring everywhere without success. Soon he had all the other fish frantically searching for water.

Finally, having searched creeks, rivers, even the ocean, he jumped out on dry land in sheer desperation.

"Water, water, where can I find this basic essence of life?" he gasped.

"Water," croaked a wise old frog. "Why, you poor fish, you just jumped out of water. You have been in it all your life. It gave you food and sustained you. If you don't get back in it quickly you'll die."

But, alas, the little fish had flipped too far ashore to return to his precious water. Lying there gasping for oxygen, he thought to himself: "I had water all the time. I was living in it and I didn't know it. How I wish I could return to let other fish know how lucky they are."

This story reminds me of the excitement prevailing today. Everyone is concerned over the business decline, but there is no reason to cripple our free-enterprise system with regulations and taxation while looking for a way out of our troubles.

Without caution, we could destroy the very system which has so bountifully sustained us all.

UNION WELFARE AND PENSION LEGISLATION

Mr. RHODES of Arizona. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. RHODES of Arizona. Mr. Speaker, the action in the other body on yesterday in passing a bill to regulate union welfare and pension funds points up a situation which many of us have called to the attention of the House for the last several years. In the 83d Congress an investigation was started on legislation aimed at correcting some of the defects in the administration of these funds. The idea behind the investigation was to protect these funds which have been earned by the workers and which, in many instances, were being frittered away through maladministration or actually stolen. There has been no action worthy of note taken in the House Committee on Education and Labor to bring out any legislation in either the 84th or 85th Congresses, and we are now in the situation where the other body has passed a bill upon which we are not ready to act. Mr. Speaker, I hope that this legislation will now go forward; that the leadership of the House committee will take the action required and cease the dilatory tactics which have prevented us from passing this legislation needed to protect the interests of the workingman.

THE 10TH ANNIVERSARY OF THE ESTABLISHMENT OF ISRAEL AS A FREE AND INDEPENDENT NATION

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, the 10th anniversary of the independence of Israel is an occasion of worldwide significance because it represents the application for a decade of the same persevering spirit that inspired the God-fearing American Colonists to found a new nation dedicated to the cause of liberty and freedom.

According to the Hebrew Calendar, 5th of Iyar, 5708, marks the establishment of the State of Israel with full sovereignty among the nations of the world. During the ensuing 10-year period, Israel has demonstrated to the world its ability to develop and expand its agricultural and industrial economy at a rate of progress that has astounded those who were skeptical that Israel could accomplish its avowed purpose of developing its economy and becoming a highly respected member of the family of nations.

Mr. Speaker, when you consider the marked progress made by Israel in the short space of 10 years, it confirms the observations of William Randolph Hearst, Jr., who in writing from New City, Jerusalem, in June 1955, revealed the gift of prophecy when he wrote:

> From my window in the King David Hotel in Israel, I can look out over Mount Zion to the Mount of Olives in Jordan beyond the Old City of Jerusalem for a distance of about a mile.
>
> But in the contrast that exists between the Arab and Jewish sides of Jerusalem it is like passing through the ages from the primitive past to modern western civilization. * * * The heart of the old walled city of Jerusalem where lies the tomb of Lord Jesus Christ and the sacred shrines of the three great religions are typically Arab. By this I mean its streets are crooked and narrow and cobblestoned.
>
> The contrast between the medieval walled city and the hustling modern metropolis which the Jews have made of their part of Jerusalem is more than just striking. One cannot escape the conclusion that despite, or perhaps because of, the difficulties placed in their way by the Arab world, which refuses to accept the existence of the Jewish national home, these people are going to be successful in their determination to develop a new and dynamic nation.
>
> On arrival on this side of the city one is immediately impressed by the spirit of vitality and modernity that is reflected in the appearances and actions of a people of many races with only their religion in common, who have come here from all parts of the world to help make their dreams of a homeland come true.
>
> Streets are wide and clean. The shops are many and attractive. New housing developments are spotted all over the rolling countryside. There is an atmosphere of strong will to work and strength of purpose.
>
> From what I have seen in the few hours I have been here, I would say that it is going to take more than the Arab economic blockade, frontier incidents and the resentful ill will of the 40 million people in the Arab world to make the Jewish people abandon fulfillment of the centuries-old aspiration to have a place they can call home.

Mr. Speaker, the Israelis have justified the confidence placed in them for today Israel stands as a beacon of hope for peace in the Middle East because of its ideals of freedom, its devotion to the encouragement of mutual cooperation, and its deep sense of spiritual values without which no nation can long endure. Truly it can be said that Israel represents the addition of a new voice to the symphony of human freedom.

As a practical example of humanitarianism, Israel opened its doors to more than 900,000 destitute and homeless men, women, and children from the ghettos of Asia and Africa and the concentration camps of Europe. Thus the State of Israel has become a sanctuary to these hapless thousands by giving them the opportunity to regain their self-respect and in truth enjoy for the first time in their bleak lives the priceless privilege of being able to look up at the stars as they are restored the right to gain a livelihood unfettered and unchained.

By providing a haven of refuge for nearly a million of persecuted human beings, Israel has given a ringing and conclusive answer by its exemplary conduct to the Biblical question: "Am I my brother's keeper?"

Bereft for ages of a national homeland, the heritage, culture, character, and religious faith of the Jewish people have never been in eclipse for they have made outstanding contributions to the advancement of civilization down through the centuries. There is not a nation in existence today that has not benefited from the influence of the Jewish race for it has produced leaders of thought for centuries in the arts and sciences, in religion, politics, philanthropy, and in the wholesomeness of family life.

A persecuted and homeless race that through its proud history was subjected to cruel attacks by bigots and traducers, the Jewish people for centuries were literally hounded from pillar to post and scattered to the four winds with no sovereign nation to call their own.

The Jewish people share the views of Christendom to the extent that they, too, regard Palestine as Judaism's holy land, yet for the first time in history a flag bearing the star of David flies over their spiritual home.

It is evident that the spiritual wellsprings that since Biblical times have nourished the Jewish people through adversity and persecution and which account for their deep faith in Almighty God have proved to be their unfailing source of strength, down through the ages.

Today their centuries of devout prayer and earnest supplication have been answered, for Israel is truly the promised land for a race who never despaired of God's love and mercy. As a result, while Israel as a nation is still in swaddling clothes, it has become to a persecuted people literally a land of milk and honey

because human dignity is restored and guaranteed to a race that had no national homeland but was forced to seek asylum in the other nations of the world. In Israel the Jewish people have a sovereign nation of their own that today has a voice in the United Nations, where the quest by free nations for universal peace is the major objective.

The 10 years of phenomenal progress made by Israel despite its unfriendly neighbors is an indication of the self-determination by an ancient race to survive as a free and independent nation.

Israel has shown positive signs of its desire for peace in the Middle East through repeated public pronouncements by its able Prime Minister David Ben-Gurion, who offered disarmament as being highly acceptable to Israel if the neighboring countries would adopt the same conciliatory attitude and cooperate in making it a reality.

Mr. Speaker, the action by the United States Senate and House of Representatives in adopting resolutions on April 23 extending greetings to the State of Israel on its 10th anniversary exemplified the admiration of the American people for this infant nation.

I am happy to join my colleagues in the House of Representatives in approving the resolution saluting Israel on its progress during the difficult and struggling 10 years of its existence and to wish this highly respected new nation of the Middle East continued success in its growth and development as a free and independent nation.

Mr. Speaker, in conclusion I wish to make part of my remarks the beautiful prayer offered at the opening session of the House of Representatives on April 23 by Rabbi Israel Goldstein of Congregation B'nai Jeshurn, New York, chairman of the American Committee for the Celebration of Israel's 10th anniversary.

The prayer follows:

Lord, Creator, Shepherd, Father, if a thousand years are but as yesterday in Thy sight, 10 years are but as a moment. Yet there are great moments in the human drama which attest to the divine spark in man and to Thy finger in history. Such was the fashioning of these United States of America into a new society of human freedom and dignity. Such too has been the restoration and rededication of an ancient people to nationhood upon its ancient soil thrice hallowed by religious inspiration.

It was meet that our beloved America reared in the spiritual heritage of ancient Israel's timeless book, helped the modern State of Israel come into being, and strengthened it during its infant years. And little Israel has given as well as received. It has given an example of how to reclaim the soil and how to redeem human beings, of how to provide homes for the homeless, and boons of freedom and dignity for the underprivileged. It has shown how to overcome fear with faith at a time when the world is filled with apprehensions. And its hand of fellowship and peace is extended. "Shalom, shalom la'rachok v'lakarov," peace, peace to those that are far and to those that are near.

Grant, O God, that the bonds which make us feel a sense of spiritual kinship with Israel may grow with the years.

In the words of Israel's ancient prayer we pray today and every day: Spread Thy tabernacle of peace over the habitation of men everywhere, so that in peace and in comity men and nations may build a world worthy of Thy blessing, O Lord, Creator, Shepherd, and Father. Amen.

SHUTDOWN OF RODDIS PLYWOOD PLANT

Mr. LAIRD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. LAIRD. Mr. Speaker, on page 7284 of the CONGRESSIONAL RECORD of April 24, 1958, in the exchange between the gentleman from Oregon [Mr. PORTER] and myself, an error was made. In the paragraph in the middle of the page, I stated:

The largest hardwood plywood plant in the world is going to be shut down on Friday.

This sentence should read:

The largest hardwood plywood plant in the world was shut down last Friday.

I regret very much that the error was made in the day of the shutdown of the Roddis Plywood Plant as the plant was shut down on April 18, 1958, and not April 25, 1958.

I did not have the many letters which I have received about this shutdown before me on the floor of the House on April 24, 1958, and I had assumed the shutdown was to take place on April 25, but in reading over the correspondence in my office, the shutdown date was April 18, 1958. Irrespective of what Friday the plant was shut down, it remains that the management has informed me that it was necessary to reduce hours in this plant because of a reduction in orders. I am advised that these orders have been reduced not because of the lack of consumption of hardwood plywood but because of the increase of Japanese imports. In correspondence from the management of the plant, it is impossible to estimate with any degree of finality whether additional shutdowns will be necessary. However, it is important to bear in mind that several of the plants in my District are operating on a regular schedule of reduced hours.

I ask unanimous consent that the permanent RECORD be corrected.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CONSTRUCTION OF SUPERLINER PASSENGER VESSELS

Mr. O'NEILL, from the Committee on Rules, reported the following privileged resolution (H. Res. 551, Rept. No. 1663), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11451) to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 551.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

Mr. O'NEILL. Mr. Speaker, by direction of the Committee on Rules I call up for immediate consideration House Resolution 551.

The SPEAKER. The question is, Will the House consider the House resolution at this time?

The question was taken; and the Speaker announced that in the opinion of the Chair, two-thirds of the Members present have voted in the affirmative.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 343, nays 31, not voting 55, as follows:

[Roll No. 45]

YEAS—343

Abbitt	Bray	Dawson, Utah
Abernethy	Breeding	Delaney
Adair	Brooks, La.	Dellay
Albert	Brooks, Tex.	Dennison
Alexander	Broomfield	Dent
Allen, Calif.	Brown, Ga.	Denton
Allen, Ill.	Brown, Mo.	Derounian
Anderson, Mont.	Brown, Ohio	Devereux
	Brownson	Dingell
Andrews	Broyhill	Dixon
Anfuso	Burleson	Dollinger
Arends	Bush	Dorn, N. Y.
Ashley	Byrd	Dorn, S. C.
Ashmore	Byrne, Ill.	Dowdy
Aspinall	Byrne, Pa.	Doyle
Avery	Canfield	Durham
Ayres	Cannon	Dwyer
Bailey	Carnahan	Edmondson
Baker	Carrigg	Elliott
Baldwin	Celler	Engle
Baring	Chamberlain	Everett
Bass, N. H.	Chelf	Evins
Bass, Tenn.	Chenoweth	Fascell
Bates	Chiperfield	Feighan
Baumhart	Church	Fenton
Beamer	Clark	Fino
Becker	Coad	Fisher
Beckworth	Coffin	Flood
Belcher	Collier	Flynt
Bennett, Fla.	Colmer	Forand
Bennett, Mich.	Cooley	Ford
Berry	Corbett	Forrester
Betts	Coudert	Fountain
Blatnik	Cramer	Frazier
Blitch	Cretella	Friedel
Boland	Cunningham, Iowa	Fulton
Bolling		Garmatz
Bolton	Curtin	Gary
Bonner	Curtis, Mass.	Gathings
Bosch	Dague	Gavin
Bow	Davis, Ga.	Glenn
Boykin	Davis, Tenn.	Gordon
Boyle	Dawson, Ill.	Granahan

Gray	McGovern	Rodino
Green, Oreg.	McIntire	Rogers, Colo.
Gregory	McIntosh	Rogers, Fla.
Griffin	McMillan	Rogers, Tex.
Griffiths	McVey	Rooney
Gubser	Machrowicz	Roosevelt
Hagen	Mack, Ill.	Rutherford
Hale	Mack, Wash.	Sadlak
Haley	Madden	St. George
Halleck	Magnuson	Saund
Hardy	Mahon	Saylor
Harris	Mailliard	Schenck
Harrison, Va.	Martin	Scott, N. C.
Harvey	Matthews	Scott, Pa.
Haskell	May	Scrivner
Hays, Ark.	Meader	Scudder
Hays, Ohio	Merrow	Seely-Brown
Hébert	Metcalf	Selden
Hemphill	Michel	Sheehan
Henderson	Miller, Md.	Shelley
Herlong	Miller, N. Y.	Sieminski
Heselton	Mills	Sikes
Hess	Minshall	Siler
Hill	Mitchell	Simpson, Pa.
Hoeven	Moore	Sisk
Holifield	Morgan	Smith, Calif.
Holland	Morris	Smith, Miss.
Holmes	Morrison	Springer
Holtzman	Moss	Stauffer
Horan	Moulder	Steed
Hosmer	Multer	Sullivan
Huddleston	Mumma	Talle
Hull	Murray	Taylor
Hyde	Natcher	Teague, Calif.
Ikard	Neal	Teague, Tex.
Jackson	Nicholson	Tewes
Jennings	Nimtz	Thomas
Johnson	Norblad	Thompson, N. J.
Jonas	Norrell	Thompson, Tex.
Jones, Ala.	O'Brien, Ill.	Thomson, Wyo.
Jones, Mo.	O'Brien, N. Y.	Thornberry
Judd	O'Hara, Ill.	Tollefson
Karsten	O'Hara, Minn.	Trimble
Kean	O'Neill	Tuck
Kearney	Osmers	Udall
Kearns	Ostertag	Ullman
Keating	Passman	Utt
Keogh	Patman	Vanik
Kilburn	Patterson	Van Pelt
Kilday	Pelly	Van Zandt
Kilgore	Perkins	Vinson
King	Pfost	Vorys
Kirwan	Philbin	Wainwright
Kitchin	Pilcher	Walter
Kluczynski	Poage	Watts
Knox	Poff	Westland
Lafore	Polk	Whitener
Landrum	Preston	Wier
Lane	Price	Wigglesworth
Lankford	Prouty	Williams, Miss.
Latham	Quie	Williams, N. Y.
LeCompte	Rabaut	Willis
Lennon	Ray	Wilson, Calif.
Lesinski	Reece, Tenn.	Winstead
Libonati	Reed	Withrow
Lipscomb	Rees, Kans.	Wolverton
Loser	Reuss	Wright
McCarthy	Rhodes, Pa.	Yates
McCormack	Riehlman	Young
McCulloch	Rivers	Younger
McDonough	Robeson, Va.	Zablocki
McFall	Robsion, Ky.	Zelenko

NAYS—31

Alger	Hiestand	Rhodes, Ariz.
Andersen, H. Carl	Hoffman	Scherer
	Jensen	Schwengel
Bentley	Johansen	Simpson, Ill.
Budge	Krueger	Smith, Kans.
Byrnes, Wis.	Laird	Taber
Clevenger	Marshall	Vursell
Curtis, Mo.	Mason	Weaver
George	Miller, Nebr.	Wharton
Gross	O'Konski	Wilson, Ind.
Harrison, Nebr.	Pillion	

NOT VOTING—55

Addonizio	Frelinghuysen	Porter
Auchincloss	Grant	Powell
Barden	Green, Pa.	Radwan
Barrett	Gwinn	Rains
Boggs	Harden	Riley
Buckley	Healey	Roberts
Burdick	Hillings	Robison, N. Y.
Cederberg	Holt	Rogers, Mass.
Christopher	James	Santangelo
Cunningham, Nebr.	Jarman	Sheppard
	Jenkins	Shuford
Dies	Kee	Smith, Va.
Diggs	Kelly, N. Y.	Spence
Donohue	Knutson	Staggers
Dooley	McGregor	Teller
Eberharter	Macdonald	Thompson, La.
Fallon	Miller, Calif.	Whitten
Farbstein	Montoya	Widnall
Fogarty	Morano	

So two-thirds having voted in favor thereof, the motion was agreed to.

The Clerk announced the following pairs:

Mr. Thompson of Louisiana with Mr. Morano.

Mr. Addonizio with Mr. Dooley.

Mr. Barrett with Mr. Widnall.

Mr. Green of Pennsylvania, with Mr. Frelinghuysen.

Mrs. Kee with Mr. Auchincloss.

Mr. Miller of California with Mr. McGregor.

Mr. Boggs with Mr. Radwan.

Mr. Porter with Mrs. Rogers of Massachusetts.

Mr. Montoya with Mr. Holt.

Mr. Santangelo with Mr. Jenkins.

Mr. Teller with Mr. Burdick.

Mr. Powell with Mr. Hillings.

Mr. Healey with Mrs. Harden.

Mr. Sheppard with Mr. Gwinn.

Mr. Macdonald with Mr. Cederberg.

Mr. Donohue with Mr. Cunningham of Nebraska.

Mr. Farbstein with Mr. James.

Mrs. Kelly of New York with Mr. Robison of New York.

Mr. JACKSON changed his vote from "nay" to "yea."

Mr. JOHANSEN, Mr. ALGER, and Mr. HIESTAND changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER pro tempore (Mr. McCORMACK). The Clerk will report the resolution.

The Clerk read the resolution.

Mr. O'NEILL. Mr. Speaker, at the conclusion of my remarks I will yield 30 minutes to the gentleman from Pennsylvania [Mr. SCOTT].

Mr. Speaker, the resolution providing for the consideration of H. R. 11451, grants an open rule and two hours of general debate on the bill.

The bill authorizes the construction in American shipyards, of a superliner passenger vessel equivalent to the steamship *United States*, to replace the steamship *America*, to operate on an essential trade route in the North Atlantic; and a superliner passenger vessel with a capacity of approximately 1,400 passengers for operation on an essential trade route in the Pacific Ocean. This will replace the *President Hoover*.

The Merchant Marine and Fisheries Committee and the Department of Commerce felt that special legislation was desirable in the case of these two vessels rather than handling the construction under existing law.

The estimated total cost of the Atlantic superliner is $130 million. The bill authorizes the sale of the vessel to the United States Lines for $47 million. The estimated total cost of the Pacific vessel is $76 million and the bill authorizes its sale to the American President Lines for $34 million, or 45 percent of the domestic construction cost, whichever is the greater.

The bill permits a fair return to the operators on their investments, but in order to prevent the possibility of windfalls to the operators provision is made that in the event earnings exceed 10 percent on capital employed in the operation of the vessels, the Government will recapture 75 percent of such excess.

Testimony before the Merchant Marine and Fisheries Committee indicates that we need troop carriers badly.

I refer to the report on page 9 where Vice Adm. Ralph E. Wilson, United States Navy, Deputy Chief of Naval Operations, testified as follows:

> Both of these new ships will significantly reduce our qualitative deficiency in troop transport potential. Their earliest completion will, therefore, make an important contribution to improving our national defense posture.
>
> In the event of a national emergency, the military would have an immediate need for a number of troop transports. Depending on the gravity of the situation and the time factors involved, this need might not be met by ships now available to us.
>
> It is easy to visualize situations, even short of general war, where demands for the rapid mass movement of people would exceed our present military capability. This could well become a race against time to evacuate nationals, to redeploy forces, or to augment existing forces overseas.
>
> For such purposes a significant increase in our limited reserve capability in high-speed passenger ships under the American flag will be of great value.

Consequently, Mr. Speaker, I believe this is of great national defense importance and I hope the rule is adopted.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. GROSS. When did the Committee on Rules approve the rule on the bill, H. R. 11451, may I ask the gentleman?

Mr. O'NEILL. The committee voted out the rule yesterday.

Mr. GROSS. The reason why the bill is before the House today is only because of the action taken a few moments ago; is that correct?

Mr. O'NEILL. The gentleman is correct.

Mr. GROSS. That is the motion that made the rule in order which, in other words, did not conform to normal procedure in the House; is that correct?

Mr. O'NEILL. That is true, but in view of the fact that the Committee on Rules reported out a rule on the unemployment bill with 6 hours of debate, which I understand is to come up before the House tomorrow rather than waste the valuable time of the membership, it was thought best to move to suspend the rules and go forward with this bill today.

Mr. GROSS. It seems to me that we have wasted a lot of valuable time for a number of weeks around here. My purpose in asking for a roll call vote on consideration of the rule was simply to call attention to the fact that Members are being given the rush act today.

Mr. O'NEILL. The Committee on Rules has had a full schedule and we have worked conscientiously and tirelessly morning and night to try to get out a program.

Mr. PELLY. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. PELLY. The gentleman just stated that the Department of Commerce felt that special legislation was required. I think the gentleman read

that statement from the report. But, I do not believe that is the case.

Mr. BONNER. Will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. BONNER. When I called the hearings in July 1956, it was at the request of the Administrator of Maritime Affairs, who told me that they could not build these ships under the 1936 act.

Mr. PELLY. Will the gentleman yield again?

Mr. O'NEILL. I yield.

Mr. PELLY. That is absolutely correct. I was not raising that issue, because I know the chairman has labored diligently to bring this legislation before the House. But the point I wanted to make was that I do not believe these particular ships called for in this specific legislation has the approval of the Administration.

Mr. BONNER. In reply to that, I do not know who to listen to unless I listen to the gentleman in charge of maritime affairs in the Department of Commerce. I take it that he speaks for the Department of Commerce and the Administration.

Mr. PELLY. My position is that in this case the Under Secretary of Commerce for Transportation appeared and opposed special legislation of this type. I agree that the Maritime Administrator did ask for legislation in order to build the ships, but I do not know now whether the Administration is for or against this bill. I suspect they are against it on the basis of the testimony of the Under Secretary of Commerce.

Mr. BONNER. Will the gentleman yield again?

Mr. O'NEILL. I yield.

Mr. BONNER. Let me read to the House a letter that I received, signed by Mr. Sinclair Weeks. This letter is dated Washington, February 7, 1958:

> The Department of Commerce is in accord with the objectives of the legislation and believes that construction of such a passenger vessel with the contemplated characteristics and features would be desirable.

Mr. PELLY. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. PELLY. I believe that would indicate that the Administration is in accord with the objectives of the legislation, but I hold in my hand a communication that I received from the Secretary's Office which says the bill H. R. 11451 is not in accord with the program of the President, and then it goes on to explain why.

Mr. O'NEILL. Mr. Speaker, I yield now to the gentleman from Pennsylvania [Mr. SCOTT].

Mr. SCOTT of Pennsylvania. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, this bill passed the Rules Committee yesterday after careful consideration. I think it represents the conclusion of most of the persons who have been heard, that the construction of these vessels at this time is extremely desirable. The Secretary of Commerce has indicated, as the gentleman from North Carolina [Mr. BONNER] has said, approval by that Department of this legislation.

I have been reading his other letters, and I draw the same conclusion in total from that.

There has been some question as to whether we should consider the application of atomic energy to such vessels, or whether it would be premature at this time. It has been determined on evidence received from the Navy and other sources that the cost would be prohibitive in relation to the advantages to be gained, and further that progress in the field of reactor developments is moving at such a pace that nuclear reactors designed today would be obsolete long before the ship had reached the end of its useful life. In fact, as between propulsion with atomic power and the very advanced powerplant in the steamship *United States*, the vessels would be able to operate far more efficiently with conventional power for many years to come.

The Navy Department witnesses pointed out that atomic energy is particularly valuable for naval vessels, because of the need for unlimited cruising range. This is not so apparent in passenger-carrying vessels, even as troopships, because they would be engaged in point-to-point operations in which conventional power provides more than adequate cruising radius. It therefore concludes that the bill will reasonably accomplish the desired result. Without this bill, the ships cannot be built for operation in the privately owned American-flag merchant marine.

As to the Atlantic superliner, the essential trade routes served by the *America* and the *United States* are the most heavily traveled of all ocean routes and recently have accounted for the majority of all passengers carried in passenger and combination ships on all United States foreign trade routes.

While air travel has increased greatly during the past decade, trans-Atlantic travel by sea has doubled. American-flag participation in this trade has dropped to less than 20 percent although Americans account for 80 to 90 percent of all passengers.

There is indication that the growth of sea travel has been retarded by the limited number of accommodations available.

Recent studies made of trans-Atlantic travel indicates a further growth pattern. A projected United States population growth from the present 170 million to 200 million by 1970 provides a broader base for economic growth of all kinds.

The Pacific superliner is, of course, included in the vessel-replacement program of the American President Lines, which will provide for its operation on the company's trans-Pacific passenger-cargo service, on which regular service is required by the terms of the operating differential subsidy agreement contract on a minimum of 24 and a maximum of 26 sailings per annum. The sailings will be between San Francisco, Honolulu, Japan, Hong Kong, and Manila, with permissive calls at Los Angeles and Shanghai.

The trans-Pacific passenger service is at present maintained with three combination passenger-cargo vessels, but on a long-range basis it is estimated that an ample number of passengers will be available within 10 to 15 years to support the proposed operation of this and other existing trans-Pacific combination passenger-cargo vessels, both United States and foreign flag.

The steamship *President Hoover*, formerly the *Panama*, was built in 1939 and will be 20 years old in the near future. The vessel cannot, due to speed and the number of passenger accommodations, be properly coordinated with the operations of the *Cleveland-Wilson*.

Estimates by the New York Shipbuilding Co., the New York shipyard, is that over 200 subcontractors will be employed and that a very large increase in employment will occur because of the construction of these vessels in the Eastern United States and that a very large sum of money will be spent in the States of Ohio, New York, Michigan, Illinois, New Jersey, Delaware, Massachusetts, and several other States. This will give employment to these suppliers; it will increase the productive capacity of those areas and will go a very long way toward improving the employment situation in the south Jersey and Pennsylvania area.

In vetoing the rivers and harbors bill, the President pointed out that most of the projects would take many months and even years to get under way and were thus of little assistance in combating the recession. He went on to state, "That significant steps have already been taken to accelerate Federal construction activities. Should it be found desirable to increase these activities further, appropriations will be recommended for projects capable of being started quickly."

This is one of the arguments for the two superliners; with plans and specifications now available, New York Ship is in a position to immediately place steel orders and a major part of $50 million worth of other materials, components, and equipment for the United States Lines' ship. While the American President Lines' ship has yet to be bid, contract plans and specifications are ready and similar commitments could be made shortly after the award of that contract.

Further, this is not in the category of "made work" but a part of a long planned program. The superliner project and both ships are fully justified from the basis of national defense and economic necessity, with the added argument that timing is right to combat recession. It also involves a combination of Government and private funds, the latter carrying some 45 percent of the load.

It is generally agreed that 75 to 80 percent of the contract cost of such ships ends up in direct labor, approximately one-half of this at or in the vicinity of the shipyard; the other half in the plant of suppliers scattered over all of the major industrial States and in the remaining States which supply basic raw materials. According to the Maritime Administration, each million dollars of contract cost equals 140 man-years, or about 280,000 man-hours of labor.

Viewed another way, New York Ship will purchase between $50 million and $55 million worth of materials, components and services in addition to the dol-

lars which go to our own shipyard labor. A large portion of the dollars to our primary vendors spreads out to their own suppliers, who in turn depend on still others, all the way back to the raw material.

With the help of some 200 of our principal suppliers—although last year orders were placed with some 1,400 individual firms—we are able to draw a reasonably accurate picture of the distribution of our purchase dollars. This has been projected in two ways:

First. If the same vendors who supplied material, components and parts for the *United States* were selected for the construction of the sister ship, the following States would be involved in approximately the amounts shown:

Pennsylvania	$12,381,000
New Jersey	5,067,000
New York	4,915,000
Maryland	4,373,000
Virginia	4,240,000
Ohio	3,570,000
Massachusetts	2,874,000
Wisconsin	1,256,000
Connecticut	1,133,000
North Carolina	520,000
New Hampshire	500,000
South Carolina	500,000
Illinois	492,000
Mississippi	345,000
Maine	275,000
West Virginia	270,000
Alabama	260,000
Michigan	243,000
Indiana	220,000
Missouri	147,000
Minnesota	105,000
All others and miscellaneous	6,000,000

Second. Since the suppliers of the above material have yet to be selected, and there are multiple sources for nearly every item, a great many other areas are vitally interested until the purchase orders are finally placed. As an example, Westinghouse supplied the main turbines and gears for the *United States*, involving Lester, Pa., and Pittsburgh, Pa., and their supporting areas. General Electric unquestionably would quote on the sister ship and, if successful, the primary areas would be Lynn, Mass., and Schenectady, N. Y., fanning out to their supporting areas.

In other words, the potential of any State is considerably greater than the awards made in the case of the *United States*. States such as California and Washington, with an increase in industry and as more recent sources of supply in ship components, would also show a heavier potential. This analysis is more involved but preparation is being pushed.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SCOTT of Pennsylvania. I yield to the gentleman very briefly.

Mr. GROSS. The gentleman stated that the Rules Committee had given very careful consideration to this bill. Will the gentleman tell me what the cost to the taxpayers of the country will be?

Mr. SCOTT of Pennsylvania. I wish I could answer the gentleman with exactitude on this and on every other measure that comes before us. I do not think it would be fair to him or to me to attempt to estimate the total cost which will be involved in this or in any similar operation, because there will be a continuing operation.

I can tell the gentleman that the cost to the taxpayers of this country if we do not have troop-carrying transports in time of war readily convertible cannot possibly be stated in money but may be stated in blood. We have to have these transports, and in the very nature of things they are vessels that are subject to a rather rapid deterioration.

Mr. GROSS. Does not the gentleman think that Members of the House ought to have some idea of the out-of-pocket cost to the taxpayers of the country for this particular ship or ships?

Mr. SCOTT of Pennsylvania. Much of that information is contained in the committee report.

Mr. GROSS. I thought perhaps the gentleman could answer the question.

Mr. SCOTT of Pennsylvania. The gentleman never undertakes to be an expert.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. SCOTT of Pennsylvania. I yield to the gentleman from New York.

Mr. KEATING. I would be happy to wait and let you pursue that point about cost further.

Mr. SCOTT of Pennsylvania. I yield first, then, to the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. When a standing committee brings in legislation to the floor of the House that has been under consideration by the committee since 1956, it is expected by the House that the standing committee show all of the facts about the matter. We certainly do not want to conceal anything about the cost of these vessels. This is the matter that I want the House to decide on, whether you—whether our Government—want the merchant marine to have outstanding ships on the high seas available for the national defense at an instant's notice or you do not. If this matter had been brought to the House by the Committee on Armed Services there would not be any question about it. This ship, if it were built as strictly a transport to be tied up somewhere, and having to be crewed when we got into an emergency, would cost $118 million. Here you have a ship that will be ready on instant notice with an active crew that can carry a division of troops anywhere in the world under the most comfortable conditions, at high speed, and at the greatest safety against the menace of submarine warfare.

There is the thing in a nutshell.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. SCOTT of Pennsylvania. I yield to the gentleman from New York.

Mr. KEATING. While I did not raise this question that was brought up by the gentleman from Iowa, I am interested in it. I would be glad to have that question exhausted first because my question has to do with an entirely different matter.

Mr. ALLEN of California. Mr. Speaker, will the gentleman yield?

Mr. SCOTT of Pennsylvania. I yield.

Mr. ALLEN of California. To further answer the question, the cost of these two ships initially will be about $1.15 per capita for a year. The recovery cost will be about 50 cents per capita.

Mr. GARMATZ. Mr. Speaker, will the gentleman yield?

Mr. SCOTT of Pennsylvania. I yield to the gentleman from Maryland.

Mr. GARMATZ. The gentleman spoke about the cost to the taxpayers. The RECORD will show that during the last war the United States paid over $100 million rental for the two Queen ships. That did not include fuel and maintenance, and so forth, that the United States had to pay for in addition. That was rental of the two ships and that cost the taxpayers a few dollars.

Mr. SCOTT of Pennsylvania. It is far better to operate our own ships than to pay rentals for the ships of any other nation.

Mr. KEATING. I am laboring under some confusion here about whether this bill has the approval of the Secretary of Commerce. I notice in this letter—I am not sure it is the same one that was read—dated February 7, 1958, there is the statement at the end:

> The Bureau of the Budget is opposed to enactment of the legislation since existing law is entirely adequate and that enactment of legislation requiring Government financing of the ship mortgage as proposed by H. R. 9432 would not be in accord with the program of the President.

The bill that we have before us is H. R. 11451. My inquiry is whether there were changes made in the financing arrangement after the receipt of this letter of February 7 to conform to the requirements laid down by the Bureau of the Budget, or whether H. R. 11451 is identical with H. R. 9432.

Mr. SCOTT of Pennsylvania. I would like now to yield to the gentleman from Washington [Mr. TOLLEFSON] who wishes to answer that question.

Mr. TOLLEFSON. Mr. Speaker, I may say to the gentleman from New York that the bill presently before the House is slightly different from the bill upon which the Secretary of Commerce reported.

Now, there are two items raised in the Secretary's letter, one of which has heretofore been called to attention by one of the other Members of the House, the gentleman from Washington. That is the statement that the legislation is not in accord with the program of the President. That could be interpreted in several ways. The fact of the matter is that the committee undertook consideration of this legislation a couple of years ago, and that was with the knowledge of the administration, and the administration took the position that if the committee was going to bring authorization legislation to the floor, then it would be a matter for the Congress to decide and the administration itself would not have to set this up in its program. The fact of the matter is that the Department of Commerce through the Maritime Administrator asked us to give consideration to this legislation, taking into consideration that we needed these two vessels, and the reports of the various departments so indicate.

There has been, in connection with the other matter the gentleman raised, some difference of opinion with respect

to the method of financing. And, I must say that right at the present moment the Department of Commerce is re-evaluating its statement in that regard. There are two methods of financing these activities. One is by private financing and the other is by Government financing. Since the year 1953 the Maritime Administration has preferred private financing, and we could have private financing of the ships to be constructed under legislation passed by our committee since that time. However, we have come to the conclusion in connection with this particular legislation that Government financing would cost the Government less than private financing because of the interest rates which prevail. We prefer, and we believe and, of course, are convinced of the fact that Government financing will save the Government here, because the Government makes such a large contribution to the construction of these ships.

Mr. KEATING. This bill, then, provides Government financing?

Mr. TOLLEFSON. Yes, it does.

Mr. KEATING. How is that done?

Mr. TOLLEFSON. The Government financing is handled through a loan secured by a mortgage on the ship. The loan is made to the builder, the operator of the ship. The operator of the ship must pay 25 percent of the cost down, of his own funds, and the balance is paid back to the Government at a rate of payment over a 20-year period.

Mr. KEATING. In other words, it is amortized over a 20-year period?

Mr. TOLLEFSON. That is right.

Mr. KEATING. The Government is only assumed to be putting up the money temporarily as a lending agent?

Mr. TOLLEFSON. That is correct.

Mr. KEATING. And the reason that we must have legislation on it is because of authority to do that?

Mr. TOLLEFSON. No. I may say to the gentleman, authority exists under present law for both private financing and Government financing, and the only reason we have this legislation really is because the ships cannot be constructed under the 1936 act, and that calls for special legislation.

Mr. KEATING. Why can we not have them constructed under existing legislation?

Mr. TOLLEFSON. Simply because the 1936 act provides for a ceiling of 50 percent of subsidy. This bill would make possible an increase of possibly 5 percent in that regard.

Mr. KEATING. In other words, there is a greater subsidy to the ship owner under this bill than under our basic legislation?

Mr. TOLLEFSON. In a sense, that is correct, although the subsidy does not go to the shipowner or operator. It goes to the American shipyards.

Mr. SCOTT of Pennsylvania. And it is in accordance with the administration's program of encouraging additional employment at this time.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. SCOTT of Pennsylvania. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. I wonder if we could not continue this debate on the bill itself when we go into the Committee of the Whole? There are some of us that would like to say something about the rule.

Mr. SCOTT of Pennsylvania. I would suggest to the gentleman that this will be more fully covered in the debate on the bill itself.

On page 19 of the committee report, the Comptroller General recognizes that this is an exception to the general way in which these matters have been handled. But, he goes on to say:

> We recognize that the proposed bill is the result of special circumstances—the background of which indicates that the cost of replacing the steamship *America* under existing provisions of the Merchant Marine Act of 1936, as amended, with a vessel equivalent to the steamship *United States* is not commercially feasible.

He goes on to say that he recognizes, however, that this may serve as a precedent in other matters which he does not view with favor. Then he says further:

> We also recognize that the question of whether special legislation of this type, granting Government aid in excess of that presently authorized, is necessary to the national interest is strictly a matter of policy for determination by the Congress, on which we express no opinion.

The bill is brought in in the national interest to give us a high-speed troop ship in time of war as well as a passenger ship to replace the deteriorating vessel whose normal life is estimated to be 20 years. That is the purpose of it. This ship cannot be built today commercially by commercial ship operators and put into trans-Atlantic or trans-Pacific service. It cannot be run commercially at a profit.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. SCOTT of Pennsylvania. I yield to the gentleman from New Jersey.

Mr. CANFIELD. The gentleman now addressing the House is a veteran of our wars and an old friend of the United States merchant marine. Does he not think that when Hitler and Tojo prior to World War II looked into the military potentials of the nations of the world, they took particular note of the glaring deficiencies in the United States merchant marine?

Mr. SCOTT of Pennsylvania. They certainly did. They counted on it. They operated submarines on that basis. And I think it might not be amiss to recall that the gentleman from New Jersey [Mr. CANFIELD] and I were on one of those tankers incognito as merchant seamen, in the submarine area, and we were intensely aware of the inadequacies of the American merchant marine because those very inadequacies might have resulted in consequences unfortunate to ourselves. I also remember, in a lighter vein, that the gentleman is of a far nicer disposition than I am and each day, in order to preserve our incognito, I would take him onto the fantail of that vessel and teach him some salty language. Now that we are confronted by special circumstances, as we are sometimes in the House, I imagine that it would come more readily to him.

Mr. PRESTON. Mr. Speaker, will the gentleman yield?

Mr. SCOTT of Pennsylvania. I yield to the gentleman from Georgia.

Mr. PRESTON. Mr. Speaker, I would like to make this observation. There is nothing new about the proposal to build these two ships. The administration previously had sent that along to the Congress, and had sent it along to the Committee on Appropriations and to my own subcommittee. The ships are to be constructed under the 1936 Merchant Marine Act. It was soon discovered that had we appropriated the Federal Government's portion of the money for the subsidy that the companies could not have constructed them on the basis provided in the 1936 act and operated them on an economically feasible basis. The money would have been lying idle, because certainly they could not have financed them under the terms of the 1936 act. Consequently, we declined to appropriate the money for that reason. So that now it is very properly brought before the House, on a different basis. But the ships, themselves, have been recognized as being needed and they are needed.

Mr. ROONEY. Mr. Speaker, will the distinguished gentleman yield?

Mr. SCOTT of Pennsylvania. I yield to the gentleman from New York.

Mr. ROONEY. Mr. Speaker, I want to substantiate all that the distinguished gentleman from Georgia [Mr. PRESTON] has said and to observe that there is not a member of the Department of Commerce Subcommittee on Appropriations which deals with appropriations for the merchant marine who does not realize the necessity of the pending legislation. I shall vote for this vital bill.

Mr. SCOTT of Pennsylvania. I thank the gentleman. Mr. Speaker, I yield such time as he may desire to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Speaker, I wanted to get back on the issue before the House, which is not the substantive features of this bill, but rather the rule. We are actually considering only a very limited issue which is: Is this matter before the House properly, and is this the correct way to go into debate?

I raise no doubts about the need or the merits of this legislation, although there is some question about that, too. But that will be gone into if the rule is adopted. The point is this—and I want to commend the gentleman from Iowa [Mr. GROSS], for raising the point—what are the purposes of the rules of the House? If they are to mean anything, they ought to be observed, unless there is a reason for breaking them. I have not yet heard a reason, a substantial reason, or a reason of any sort as to why we are proceeding in this fashion. The gentleman from North Carolina, the chairman of the committee which considered this bill, has stated that they have had it under consideration since 1956. Certainly, this is not an emergency situation. If the rule that requires that after the Committee on Rules has acted upon a matter, the matter should be held over for a day so that the House can be notified that the matter will be taken up is a good rule, let us abide by it unless there

is a reason for changing it. Rules are made for the protection of the minority, and if we continue in this fashion where the only way a Member can count on being protected by the rules of the House is to be present on the floor every minute in order to object to these unanimous-consent requests, I suggest we probably need to change the rules of the House which will prohibit them from being changed just on the basis of a unanimous-consent request. This is a very disturbing thing to me to come along and see the basic rules of the House changed. I think the rules are good rules. Does anyone from the Committee on Rules contend that the rule is not a good rule that requires that they hold over a matter after they have reported so that at least the House has before it a rule that is under consideration. This rule has not even been printed up. I cannot get a copy of it. Does anyone suggest that the rule is not a good rule? Is there any reason why we cannot abide by that rule at this time? That is the only issue. That is the reason why I and a number of people voted against it, to register our protest against violating the rules of the House without some reason being given as to why we should violate them.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. This is not my time. But, I have had my say.

Mr. SCOTT of Pennsylvania. If the gentleman from Missouri has completed his statement, I yield to the gentleman from Michigan.

Mr. HOFFMAN. I ask the gentleman from Missouri if he has forgotten the day when from this same committee there was a bill on the consent calendar which on objection was stricken and there was a hard and fast agreement that a rule would be obtained before that bill would be considered again. But notwithstanding that agreement, the bill was called up and passed. Do you remember?

Mr. BONNER. Mr. Speaker, will the gentleman yield so that I can make a statement?

Mr. SCOTT of Pennsylvania. I yield.

Mr. CURTIS of Missouri. Yes, I recall.

Mr. BONNER. The gentleman was referring to me and I would like to explain.

Mr. HOFFMAN. Oh, I did not make any reference to the gentleman. I referred to the committee.

Mr. SCOTT of Pennsylvania. I will yield to the gentleman from North Carolina in due time.

Mr. CURTIS of Missouri. I was simply going to answer the question. I recall something about that, but I do not recall the details.

Mr. HOFFMAN. I do.

Mr. CURTIS of Missouri. But, it does bring home the fact that our rules are good rules and for Heaven's sake why break the rule unless we have a reason. These are orderly rules and good rules that provide for orderly procedure and I think it is time for the House to respect these rules. If you want to change the rules, let us do that in an orderly way.

Mr. SCOTT of Pennsylvania. I yield to the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. May I say to the gentleman from Michigan, I know he does not wish to impeach my character or question my character—I hope not. I will explain to the House what happened in the lease-tanker bill. The bill was placed on the Consent Calendar. It was objected to. I went out of town. In the meantime, I had written a letter and asked to be heard by the Committee on Rules to grant a rule for the consideration of the bill. I was out of town. The calendar came up and the bill passed on the calendar. Now, if the gentleman objected to the bill, all he had to do was to be on the floor of the House and object to it. I was going to seek a rule for the consideration of the bill. I had nothing to do whatsoever with the operation or the conduct of the House on that day. I was out of town. Certainly, it was not my duty to call the bill back from the calendar. I never made any such promise. I have the highest respect and regard for the gentleman from Michigan and I do hope that he will not leave the impression with the House that I would do anything underhanded whatsoever, and I assure the House that that is the truth of the matter.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. SCOTT of Pennsylvania. I yield.

Mr. HOFFMAN. It is not my purpose to call attention to the action of any individual. I was only backing up the statement of the gentleman from Missouri [Mr. CURTIS] which was with reference to the fact that apparently notwithstanding the rules of the House, printed as they are in the rule book, a bill went through this House after there was a straight out-and-out agreement that it would not be called up. Nevertheless, it was called up. The point is that apparently a Member must be on the floor every moment if the rules are to be followed.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I only have 2 minutes and I would like to conclude, unless the gentleman wishes to speak further. I would like to conclude by saying the action on the rule is action which the minority Members have nothing to do with. It is brought in by the majority. I am pointing out to the House that we fully appreciate why it had to be done.

I understand that it is unusual. It is perhaps not the procedure which should be followed frequently, or abused. It was done because the House was running out of legislative business during the long hearings on the McCormack bill and other legislation, and there was a desire to keep the House occupied with measures which the Rules Committee sought to refer. I do hope that no Member will, out of any resentment against the manner in which the rule is brought in, lose sight of the merits of the bill, which will provide us with two fast troop carrier transports in time of war. Let it not be said that because there was any momentary pique we might be depriving our own soldiers of a means of getting to the scene of action because we did not like the way in which the rule was brought to the House.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. SCOTT of Pennsylvania. Yes, I yield.

Mr. CURTIS of Missouri. That is a very unfair way of stating it. The question is a question of procedure. I am just as interested as is the gentleman in getting some legislation through.

Mr. SCOTT of Pennsylvania. I am sure the gentleman is, but we have had a vote on the rule and we are now debating the rule preparatory to considering the bill. I meant no reflection whatever on the gentleman, and I am sure he understands that.

Mr. WOLVERTON. Mr. Speaker, will the gentleman yield?

Mr. SCOTT of Pennsylvania. I yield.

Mr. WOLVERTON. Addressing myself to the remarks of the gentleman from Missouri [Mr. CURTIS], I agree there should be observance of the rules, and it should only be in rare instances that the rules are suspended. However, we should not overlook the fact that what we have already done in this matter to bring this rule before the House is in accordance with the rules. In other words the rules require a suspension before this rule could be taken up. I think the fact that there were over 300 Members who voted in favor of suspending the rules and bringing this rule up at this time and only 39 Members against it is an indication that the House by a large majority considered that there was real merit in the effort that is being made to bring this important legislation before the House today.

Mr. SCOTT of Pennsylvania. In other words, the irregularity of action on any of the rules was cured by the regularity of the action on the previous vote.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. McCORMACK. There is nothing irregular about the way this rule is brought up. The rules of the House provide for it. If the rule had been reported yesterday by the Rules Committee, it would have been brought up today. I stated to the House before that I intended to bring it up this week. It is contained in the program that every Member received. The rule is out. If it had been reported yesterday, then you would not have had to have a two-thirds vote. But the two-thirds vote is the procedure which is provided by the ruels of the House. While it is not usually resorted to, the fact is that a motion to make this rule in order by a two-thirds vote is in accordance with the rules.

Mr. CURTIS of Missouri. Will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. CURTIS of Missouri. The point is not exactly the way the gentleman stated it. Of course, you can do anything by unanimous consent, which includes bringing up a matter in spite of the rules of the House. In other words, the rules can be eliminated for that purpose. The point is that if we are going

to proceed in that way and easily get rid of rules of the House——

Mr. McCORMACK. This is not getting rid of rules. We had no business for the day and we had this rule out and it was deemed an act of wisdom to make it in order for today.

Mr. CURTIS of Missouri. Will the gentleman wait until I have finished? As the gentleman from Michigan [Mr. HOFFMAN] pointed out, if that is the way the rules are to be considered, it will require every Member of the House to be on the floor at every minute of the day.

Mr. McCORMACK. No. This is not unanimous consent.

Mr. CURTIS of Missouri. The only reason it was objected to was because the gentleman from Iowa [Mr. GROSS] happened to be here.

Mr. McCORMACK. Yes. Two methods could have been employed. Unanimous consent that it be in order to consider the rule, and then a motion to make the rule in order if unanimous consent was not granted.

Mr. CURTIS of Missouri. The final point is that, as the gentleman knows and as was demonstrated here on the floor of the House, when you try to get into the matter of procedure you constantly are involved with the substance.

Mr. McCORMACK. Just a minute.

Mr. CURTIS of Missouri. Will the gentleman let me finish?

Mr. McCORMACK. Yes; I will let the gentleman finish but the gentleman's premise is absolutely incorrect. No matter what you can say you cannot correct the fact that your premise is incorrect.

Mr. CURTIS of Missouri. The gentleman is incorrect.

CALL OF THE HOUSE

Mr. HOFFMAN. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 46]

Ashley	Grant	Morano
Auchincloss	Green, Pa.	Moulder
Barden	Gwinn	Patman
Barrett	Harden	Porter
Buckley	Healey	Powell
Burdick	Hébert	Radwan
Byrnes, Wis.	Hillings	Rains
Christopher	Holt	Roberts
Cunningham, Nebr.	Hull	Rogers, Mass.
	James	Roosevelt
Delay	Jarman	Sheppard
Dies	Jenkins	Shuford
Diggs	Jones, Mo.	Spence
Donohue	Kee	Springer
Dooley	Knutson	Staggers
Eberharter	McGregor	Taylor
Fallon	Macdonald	Vinson
Farbstein	Miller, Calif.	Whitten
Fogarty	Montoya	Withrow

The SPEAKER. On this rollcall, 369 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

The SPEAKER. The Chair recognizes the gentleman from Massachusetts [Mr. O'NEILL].

Mr. O'NEILL. Mr. Speaker, in view of the fact that there was some concern over the fact that at the request of the Committee on Rules I asked unanimous consent for the consideration of the rule and then moved to suspend the rules and consider the resolution, I feel I must explain, sir, that the Committee on Rules had an extremely busy week last week, having before it the Alaskan bill and various other bills including the unemployment bill. We met all day yesterday. It was not until after the House had adjourned that the committee had an executive session. At that time the Committee on Rules voted out the present resolution which is now before us. Normally, we would have reported it yesterday. We believe in correct and proper procedure, but there are extenuating circumstances. The extenuating circumstance is as follows, Mr. Speaker, that the leadership last week in the whip notice had notified the Members of the Congress that this would be one of the bills which would be before us this week. Rather than waste the time today, in behalf of the 435 Members, I was instructed by the Committee on Rules to ask for unanimous consent to have the rule considered today.

Mr. Speaker, I have no further requests for time and I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

INCREASING AUTHORIZATION AND APPROPRIATION FOR ATOMIC ENERGY ACT

Mr. O'NEILL (on behalf of Mr. DELANEY), from the Committee on Rules, reported the following privileged resolution (H. Res. 553, Rept. No. 1668), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 12009) to amend Public Law 85–162 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking House minority member of the Joint Committe on Atomic Energy, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AUTHORIZING ATTENDANCE OF CLERK OF THE HOUSE BEFORE GRAND JURY, SOUTHERN DISTRICT OF NEW YORK

The SPEAKER. The Chair lays before the House the following communication from the Clerk of the House, which the Clerk will read.

The Clerk read as follows:

APRIL 28, 1958.

The Honorable the SPEAKER,
House of Representatives.

SIR: From the District Court of the United States for the Southern District of New York, I have received two subpenas duces tecum, directed to me as Clerk of the House of Representatives, to appear before the grand jury of said court in reference to an investigation of alleged violation of section 145 (b), title 26, United States Code, and to bring with me certain and sundry papers therein described in the files of the House of Representatives.

The rules and practice of the House of Representatives indicates that the Clerk may not, either voluntarily or in obedience to a subpena duces tecum produce such papers without the consent of the House being first obtained. It is further indicated that he may not supply copies of certain of the documents and papers requested without such consent.

The subpenas in question are herewith and the matter is presented for such action as the House in its wisdom may see fit to take.

Very truly yours,

RALPH R. ROBERTS,
Clerk, United States House of Representatives.

The SPEAKER. The Clerk will report the subpena.

The Clerk read as follows:

To RALPH R. ROBERTS,
Clerk, House of Representatives,
Washington, D. C.

Greeting: We command you that all business and excuses being laid aside, you appear and attend before the grand inquest of the body of the people of the United States of America for the southern district of New York, at a district court to be held at room 609 in the United States courthouse, Foley Square, in the Borough of Manhattan, city of New York, on the 29th day of April 1958 at 10:30 o'clock in the forenoon, to testify and give evidence in regard to an alleged violation of section 145 (b), title 26, U. S. C., and not to depart the court without leave thereof, or of the district attorney, and that you produce at the time and place aforesaid the following:

1. Records of designation of employees by ADAM CLAYTON POWELL, JR., for years 1951 through 1955.

2. Canceled checks relating to salaries paid to Congressional employees designated by ADAM CLAYTON POWELL, JR., for the years 1951 through 1955.

And for failure to attend and produce the said documents you will be deemed guilty of contempt of court and liable to penalties of the law.

Witness, the Honorable John W. Clancy, judge of the District Court of the United States for the Southern District of New York, in the city of New York, on the 25th day of April in the year of our Lord 1958.

HERBERT A. CHARLSON,
Clerk.

PAUL W. WILLIAMS,
United States Attorney for Southern District of New York.

NOTE.—Report at room 413. In order to secure your witness fees and mileage, it is necessary that you retain this subpena and present the same at the United States attorney's office, room 413, upon each day on which you attend court as a witness.

Chief Assistant Mr. Christy, room 401.

The SPEAKER. The Clerk will read the second subpena.

The Clerk read as follows:

To RALPH R. ROBERTS,
Clerk, House of Representatives,
Washington, D. C.

Greeting: We command you that all business and excuses being laid aside, you appear and attend before the grand inquest of the body of the people of the United States of America for the southern district of New York, at a district court to be held at room 609, in the United States Courthouse, Foley Square, in the Borough of Manhattan, city of New York, on the 29th day of April 1958, at 10:30 o'clock in the forenoon, to testify and give evidence in regard to an alleged violation of section 145 (b), title 26, U. S. C., and not to depart the court without leave thereof, or of the district attorney, and that you produce at the time and place aforesaid the following:

Records reflecting attendance of ADAM CLAYTON POWELL, Jr., during each session in the years 1951 through 1955.

And for failure to attend and produce the said documents you will be deemed guilty of contempt of court and liable to penalties of the law.

Witness, the Honorable John W. Clancy, judge of the District Court of the United States for the Southern District of New York, in the city of New York, on the 25th day of April in the year of our Lord 1958.

HERBERT A. CHARLSON, *Clerk.*
PAUL W. WILLIAMS,
United States Attorney for the
Southern District of New York.

NOTE.—Report at room 413. In order to secure your witness fees and mileage, it is necessary that you retain this subpena and present the same at the United States attorney's office, room 413, upon each day on which you attend court as a witness.

Chief Assistant Mr. Christy, room 401.

Mr. McCORMACK. Mr. Speaker, I offer a privileged resolution (H. Res. 554) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Whereas in the investigation of alleged violation of section 145 (b), title 26, United States Code, two subpenas duces tecum were issued by the United States District Court for the Southern District of New York and addressed to Ralph R. Roberts, Clerk of the House of Representatives, directing him to appear before the grand jury of said court on April 29, 1958, at 10:30 o'clock ante-meridian to testify and to bring with him certain files, records, and canceled checks in the possession and under the control of the House of Representatives: Therefore be it

Resolved, That by the privileges of this House no evidence of a documentary character under the control and in the possession of the House of Representatives can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession but by its permission; be it further

Resolved, That when it appears by the order of the court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the House is needful for use in any court of justice or before any judge or such legal officer, for the promotion of justice, this House will take such order thereon as will promote the ends of justice consistently with the privileges and rights of this House; be it further

Resolved, That Ralph R. Roberts, Clerk of the House, or any officer or employee of the House, be authorized to appear at the place and before the grand jury of the court named in the subpenas duces tecum beforementioned, but shall not take with him any papers, documents, or records on file in his office or under his control or in possession of the Clerk of the House; be it further

Resolved, That when said court determines upon the materiality and the relevancy of the papers, documents, and records called for in the subpenas duces tecum, then the said court, through any of its officers or agents, have full permission to attend with all proper parties to the proceeding and then always at any place under the orders and control of this House and take copies of any papers, documents, or records and the Clerk is authorized to supply certified copies of such papers, documents, or records in possession or control of said Clerk that the court has found to be material and relevant, so as, however, the possession of said papers, documents, and records by the said Clerk shall not be disturbed, or the same shall not be removed from their place of file or custody under said Clerk; and be it further

Resolved, That a copy of these resolutions be transmitted to the said court as a respectful answer to the subpenas duces tecum aforementioned.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. CELLER. Mr. Speaker, I would like to ask 1 or 2 questions for clarification.

Under the circumstances, this is not an unusual resolution?

Mr. McCORMACK. No. It is the usual one when a summons is served on the Clerk or others. Formal action in the nature of a resolution by the House is required.

Mr. CELLER. Furthermore, the records referred to are such public records, as the Journal, which are to be submitted to the court?

Mr. McCORMACK. That is true. I may say that the mere fact that a man does not answer a rollcall does not mean that he is not in Congress or Washington at the time. There may be many reasons why a man may not answer to his name on a rollcall or a quorum call.

Mr. CELLER. Furthermore, only copies of records are to be made and presented to the court.

Mr. McCORMACK. That is correct.

Mr. CELLER. The public records to be copied are to include the Members' appointments of secretaries, clerks, employees, and their salary vouchers.

Mr. McCORMACK. That is correct; that is what the resolution calls for. It calls for no more information than anyone else is entitled to.

Mr. CELLER. And there is nothing unprecedented about furnishing this information?

Mr. McCORMACK. No; it has happened many times.

Mr. CELLER. And no Member's rights in the future will be prejudiced?

Mr. McCORMACK. Certainly not.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONSTRUCTION OF SUPERLINER PASSENGER VESSELS

Mr. BONNER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11451) to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States,* and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 11451 with Mr. O'BRIEN of New York in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from North Carolina [Mr. BONNER] will be recognized for 1 hour, and the gentleman from Washington [Mr. TOLLEFSON] for 1 hour.

The gentleman from North Carolina is recognized.

Mr. BONNER. Mr. Chairman, I yield myself such time as may be necessary.

Mr. Chairman, the purpose of this bill is to authorize the construction in American shipyards of (a) a superliner passenger vessel equivalent to the steamship *United States,* to replace the steamship *America,* for operation on an essential trade route in the North Atlantic; and (b) a superliner passenger vessel with capacity of approximately 1,400 passengers for operation on an essential trade route in the Pacific Ocean.

Following World War II in 1947 and 1948, comprehensive studies of shipping requirements in relation to national defense were made by the President's Advisory Committee on the Merchant Marine and by a special committee of Cabinet members. It was then determined that there was an urgent need for a number of very large high-speed passenger vessels for potential national defense purposes to be available for immediate use on the outbreak of an emergency.

Prior to that time the United States had not gone into the construction of superliner vessels comparable to the British *Queen Mary* and *Queen Elizabeth,* and others of competing foreign nations. The Merchant Marine Act of 1936 urged that the Maritime Commission make studies of the desirability and feasibility of express liner or superliner vessels and to consider not only the facts and conditions that a prudent businessman would consider in dealing with his own business, but also the intangible benefit which might be afforded to the foreign commerce of the United States and to the national defense.

Section 212 of the basic Merchant Marine Act in pertinent part provides as follows.

This act was written in 1936. It is known as the Magna Charta of the American Merchant Marine. I want to call to the attention of the House how foresighted were the then Members of

Congress who wrote this act that has stood all the tests since 1936. I quote from the act:

> The Commission is authorized and directed * * * (b) to study, and to cooperate with vessel owners in devising means by which * * * (2) there may be constructed by or with the aid of the United States express liner or superliner vessels comparable with those of other nations, especially with a view to their use in national emergency.

When the projects for the construction of the superliners *United States*, *Constitution*, and *Independence* were authorized, no effort was made to secure changes in the law relative to determining construction subsidies, national defense features, and other points peculiar to the construction of such very large vessels in accordance with American standards for operations under the American Flag in competition with foreign superliners receiving various forms of special aid from their national governments. The result of attempting to build the ships in accordance with existing law was a special report by the Comptroller General, and investigation by the Government Operations Subcommittee, that the existing law had been strained to the utmost and that the contracts were, therefore, of questionable propriety despite the recognized merits of the objective of building such vessels of great value in the interest of national security.

The statement was made by the then chairman of that committee, the Honorable PORTER HARDY from the State of Virginia. He called to the attention of the Committee on Merchant Marine and the Congress that something should be done before other ships of this character were built.

The Government Operations Subcommittee recommended that the Committee on Merchant Marine and Fisheries review the problem toward the end that Congressional intent might be clarified and methods of carrying out that intent improved.

We on the Committee on Merchant Marine take that to mean that we bring this to the floor of the House so that there will be no misunderstanding about it now or in the future.

The legislation proposed by this bill was urged by the Department of Commerce on the grounds that special legislation was desirable.

The bill before you today is a refinement of bills introduced in the last session and represents, in the opinion of the committee, the only feasible method of securing the construction of these vitally needed vessels at a reasonable cost to the Government, and at a price to the operators which will permit, but by no means guarantee, a fair return on their investment.

The committee held full hearings on the subject and secured full cooperation and assistance from the Comptroller General in working out the best method to secure the desired result.

In other words, the operators of these fixed lines said to the Maritime Administration, "We cannot build these vessels except at a price that will cost us so much money," and they were willing to submit their books to the Merchant Marine Committee to substantiate their statemen. So, the Merchant Marine Committee, having no staff of auditors and so forth called in the General Accounting Office and said, "Now, Mr. Campbell, here is the statement; here is what they say. We want to be on safe, sound grounds. Wil you audit the affairs of these two companies and tell us whether or not they are able to pay more money?" The report of the Comptroller General is in the RECORD, and they substantiate the fact that this is a fair price.

Both vessels are in the Maritime Administration program.

The objectives of the legislation are urged by both the Department of Commerce and the Department of Defense.

The bill as reported conforms with all suggestions of the Comptroller General and is in substantial conformance with the recommendations of the Federal Maritime Administrator.

The urgent need for these vessels has been fully established. The Defense Department testimony discloses a dangerous deficiency in fast, modern, and safe passenger- and troop-carrying United States-flag vessels. There is an immediate national defense requirement for these vessels as set forth in the testimony of Vice Admiral Wilson in the report on pages 9–13.

The record clearly shows the mounting demand for oceanborne passenger space in both the Atlantic and the Pacific. The estimated total cost of the Atlantic superliner is $130 million, and it would be sold to the United States Lines Co. for $47 million. The estimated cost of the Pacific ship is $76 million, and it would be sold to the American President Lines for $34 million, or 45 percent of the domestic construction cost, whichever is the greater. In each case, the difference between total cost and price paid by the operator represents construction subsidy and national defense features.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. BONNER. I yield to the gentleman from New York.

Mr. ROONEY. Mr. Chairman, as a long time member and former chairman of the Subcommittee on Appropriations for the Department of Commerce, which handles the requested appropriations for the Maritime Administration, I should like to take this opportunity to commend the distinguished gentleman from North Carolina [Mr. BONNER], chairman of the great House Committee on Merchant Marine and Fisheries, for bringing this legislation so promptly to the floor of the House for our consideration. I shall support it, and I am quite confident that it will pass this body before the day is out by an overwhelming vote.

Mr. BONNER. I thank the gentleman.

William Francis Gibbs, eminent naval architect on both naval and merchant ship construction, and designer of the *United States*, has advised us that if a vessel of the characteristics of the sistership to the steamship *United States* were built today from the ground up as a troopship, the total cost to the Government would run to approximately $118 million.

That means to build and construct a troop carrier, tie her up in the Reserve Fleet, if you please, and have her not ready for action, with a ready crew, readily supplied and at an instant's notice go to any place in the world, but having to break her out of mothballs, equip her, get a crew on her and then send her somewhere. She would cost $118 million.

Thus, it can be readily seen that, by selling the ship to the United States Lines for $47 million, the Department of Defense has at its immediate call a troopship or naval auxiliary, in operation with trained crew contributing to the peacetime economy. Thus, this troopship by being operated as a passenger ship in peacetime costs the Government only $71 million.

Mr. Gibbs further advised that the cost of building the Pacific ship right now as a troopship would be in proportion to his estimates on the sistership to the *United States*.

The price of the Atlantic ship was determined by the analysis of the operating results of the steamship *United States* for the 5½ years during which she has been in operation carrying passengers up to an average of 95 percent of capacity. At the fixed price of $47 million under the most favorable circumstances the operator could expect a rate of return of no more than 7.2 percent on capital necessarily employed in the vessel, which is well within the 10 percent allowable under existing law before recapture. These figures have been verified by both the Maritime Administration and the Comptroller General.

The price for the Pacific ship was determined from traffic estimates, there being no identical ship in operation in that area.

There is no possibility of windfalls to the operator, since provision is made that in the event that earnings exceed 10 percent on capital employed in the operation of the individual vessels, the Government will recapture 75 percent of such excess.

Existing law is clearly inadequate to assure the construction of this type of vessel. This was demonstrated in the controversy that developed over the construction of the steamship *United States* and the *Independence* and *Constitution*. This bill, by establishing fixed prices, which under favorable conditions would permit a reasonable return on investment, with ample safeguards against excessive profits, eliminates the uncertainties and differences of opinion that created the previous controversy.

This bill provides for Government financing in accordance with the original provisions of the 1936 act. While private financing is a desirable alternative method of financing most ship construction, the much greater cost of financing projects of the magnitude of superliners makes this method impracticable and at best would be more costly. Full consideration was given to the question of nuclear power for these vessels, and the conclusion was reached that in view of the cost and the present progress of development in atomic energy, it would not be of sufficient advantage to offset

the disadvantages. The conventional power in the proposed ships will keep them competitive for many years to come. The primary justification for this legislation is national defense. We need troop carriers badly. But, if these vessels were built by the Government as troop carriers, as I have stated before, it is estimated it would cost only about 9 percent less than these ships, the cost of which will be borne in substantial part by private enterprise. These ships will be a producing part of our national economy and will be available at an instant notice in case of emergency.

With respect to being an integral part and a benefit to our national economy, I want to read you some figures which I think you will find most interesting.

The average number of Americans employed per voyage in 1957 was 1,047. The take-home pay of the crew of the *United States*, and this will be a similar vessel, is $8 million per year in round figures. The United States Government assesses income tax on that money. All expenses for the *United States*, the ship in existence at the present time for 1956, was $18,945,000. All that money was spent in the United States. It was not spent abroad. These ships are required to buy their supplies and all their necessary equipment and have their overhaul here in the United States. Food for the passengers and crew cost $2,534,000.

This is quite a contribution to the agricultural economy of our country.

Supplies and equipment purchased in the United States in 1957, which I have listed, $740,000.

Fuel purchased in the United States, $3,224,000.

Repairs in the United States, and this ship will go into annual repair every year, cost $1,065,000.

I want to read to the membership the testimony of Admiral Radford last year before the Appropriations Committee.

This is the statement made by Admiral Radford:

> It is a little bit hard for me to understand. I think there are people in the Army who feel honestly that it should be possible to move Army units by air—maybe not possible but that it would be desirable if the Army had this capability of moving divisions to any place in the world by air. I say that people who then express the feeling that we do not have that capability do not understand the magnitude of the problem of moving by air. In other words, we need a combination of sea and air lift. A ship like the U. S. S. *United States* can carry an Army division across the Atlantic in 4 days and it can go further than that at a very high speed. Perhaps, more high-speed transport would do more for mobility than the same amount of money spent on airplanes. It undoubtedly would.

I would also like to read to the membership at this point a letter addressed to Senator Butler and signed by General Twining:

> It seems incredible to me that anyone could argue seriously or with justification that the new concept of warfare obviate the necessity of further fostering of a merchant navy. I assure you that such views are not held by the Joint Chiefs of Staff.
>
> If the catastrophe of a general war should be forced upon us by the necessity of retaliation against surprise attack, the merchant marine, after the initial period of devastating nuclear exchange, would play a most vital role. Indeed, it might very well be the one source of strength of the free world which would pluck victory from chaos. With land transport damaged beyond easy repair, only merchant ships, capable of plying the great highway of the seas, would be able to carry essential raw materials and foodstuffs required for survival of the major population centers of the world as well as our Armed Forces overseas.
>
> The Joint Chiefs of Staff annually consider the requirements for sea transportation in support of current war plans. Their studies of these requirements have shown, consistently, a dependence on the merchant marine for support of plans in mobilization and wartime. They are cognizant that a profitable operated merchant marine will provide the best mobilization base for rapid conversion to military use.
>
> It follows that, in the opinion of the Joint Chiefs of Staff, the American merchant marine does have an essential role in the nuclear age and that, therefore, the title of your proposed talk on the National Defense Transportation is justified at this time.

He was referring to Senator BUTLER'S speech.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The gentleman has consumed 25 minutes.

Mr. KING. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. KING. I wish to compliment the distinguished chairman of the Committee on Merchant Marine and Fisheries for bringing in, in my opinion, a most meritorious and timely proposal.

Mr. BONNER. I thank the gentleman very much.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. HALEY. I would like to ask the gentleman: I notice on line 17, page 2, of the bill that one of the lines that is going to operate these ships is called American President Lines, Limited. Is that an American-owned corporation or is it a Canadian-owned corporation?

Mr. BONNER. It is American owned It goes around the world, so it is not very limited. It is the old Dollar Line, reorganized.

Mr. HALEY. And an American line.

Mr. BONNER. It is fully American. I am very anxious to yield time to members of my committee, so therefore I hope you will kindly wait until we get into the reading of the bill, and then I will answer any questions you may wish to ask.

The CHAIRMAN. The gentleman has consumed 27 minutes.

The Chair recognizes the gentleman from Washington [Mr. TOLLEFSON].

Mr. TOLLEFSON. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, the House does not normally or usually have an opportunity to vote on legislation authorizing the construction of ships. Infrequently such a measure does come to the floor. The reason for the infrequency is the 1936 act. That act provides for ship construction of those vessels in which the Government participates in the cost, and there is no need to come to the floor for authorization legislation because the authorization exists in the 1936 act.

The 1936 act, as the chairman has already indicated, recognized the fact that in the case of superliners special attention must be given. Most of the vessels which we have constructed both during World War II and thereafter have been cargo vessels and combination type vessels. We have only built, to my recollection, three strictly passenger vessels. One of them was the superliner itself, the *United States*.

The act of 1936 suggested that the superliners would require special legislation. It suggested also that the Maritime Commission, as it was then called, should give study to the matter of bringing suggestions, as the times needed it, to the Congress of the United States. That is just what has happened in this particular case.

A couple of years ago the Maritime Administration, as it is now called, did come to our committee and point up the need for a replacement of the U. S. S. *America* and for the need of the proposed building of additional superliners.

The need arose not necessarily so much from the commercial needs of the American merchant marine as it did from the needs of the military, and that matter has already been touched upon today.

Our committee began consideration of this legislation back in 1956 when it was at the request and at the suggestion of the Commerce Department and, more particularly, the Maritime Administration. After lengthy conferences and hearings it became evident that these two vessels could not be built under the provisions of the 1936 act, but that special legislation would be required; so today the House is considering the special legislation and, of course, our committee trusts sincerely that the House will give it its approval.

I mentioned the fact that this is a defense requirement. I am not so sure that had it not been for the defense requirement feature I would be here advocating the approval of this legislation.

Before our committee came Admiral Wilson, who spoke not only on behalf of the Navy but also for all the defense departments. He said that these two vessels were urgently needed to meet the troop transport requirements in the event of an emergency. He pointed out rather clearly, and it is indicated in our report, that we have a big deficiency of troop carriers in the event of an emergency; as a matter of fact, in the 12 years it has been my privilege to serve on the committee, Admiral Wilson made the strongest statement in behalf of this kind of legislation that I have ever heard in the committee hearings.

There has been some question on the part of certain members with respect to the need for an American Merchant Marine and for troop-carrying capacity in the event of another emergency because of the fact that there has been and will continue to be, I suppose, great changes in the methods of warfare; in other words, we are coming into a missile age, into a greater air age than we have ever experienced, and they thus felt that we

would not need such a great American Merchant Marine as we needed in World War I and World War II. But that is not the position taken by the Defense Department. General Twining, Admiral Burke, Admiral Wilson, Admiral Radford have all indicated that we do need an American Merchant Marine and, more particularly, we need troop transports in the event of an emergency.

The Chairman read a portion of the statement Admiral Radford made before the Defense Appropriations Committee recently:

Admiral RADFORD. It is a bit hard for me to understand. I think there are people in the Army who feel honestly that it should be possible to move Army units by air—maybe not possible but that it would be desirable if the Army had this capability of moving divisions to any place in the world by air. I say that people who then express the feeling that we do not have that capability do not understand the magnitude of the problem of moving by air. In other words, we need a combination of sea and air lift. A ship like the U. S. S. *United States* can carry an Army division across the Atlantic in 4 days and it can go further than that, at very high speed. Perhaps more high-speed transport would do more for mobility than the same amount of money spent on airplanes. It undoubtedly would.

In that connection it would not be amiss to make note of the fact that it costs from 25 to 30 times as much to carry a ton of cargo by airlift as it does by sea transport.

During the discussion on the rule some mention was made of the fact and some questions were raised with respect to the support of this legislation by the administration and by the Department of Commerce. If you will read the reports, if you will read the letters which are the reports of the Department, you will see that the Depa tment of Defense and the Department of Commerce both support the objectives of this legislation. It is true both letters make mention of the fact that this legislation is not included in the President's program. I tried to explain that during discussion on the rule by pointing to the fact that as a matter of fact the administration through the Maritime Administration, did come to our committee 2 years ago asking for action by our committee with respect to these superliners.

Normally, under the 1936 act the administration would not come to our committee for legislation at all, it would operate under the 1936 act, and we would not have anything to do with it. But the Maritime Administration realized shortly after we were asked to consider this problem that the ships could not be built under the 1936 act and that special legislation was required. In effect, the Maritime Administration told us: "Well, this is a matter for Congress now, we cannot build the ships under the 1936 Act." Consequently, the President would not send up anything to our committee with respect to it and left it up to Congress entirely.

I am disturbed about the language of the report, for I know personally that the Department of Commerce itself wants these two ships and the Defense Department wants the two ships and the administration is not opposed to the building of them. They have some concern about the financial aspects of the matter.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from South Carolina.

Mr. RIVERS. If the administration were not for the construction of the ships under consideration you would not have the Navy Department defending it, you would not have the Coast Guard, you would not have the Department of Commerce, you would not have any administration witnesses coming in proposing this legislation?

Mr. TOLLEFSON. That is right. The gentleman is correct and I thank him.

Mr. Chairman, I think I had better touch immediately on the subject of private financing because that matter is made mention of in the report.

Prior to January of 1953 all of our ship construction was done under Government financing. Government financing simply meant that the Government lent the money to the operator who was to build the ships. But starting with January 1953 the thought was advanced that we ought to give consideration to private financing for ship construction. So our committee held hearings and voted out legislation which did provide for Government-insured private financing.

Our committee gave serious thought and consideration to whether these two ships should be built under private financing or Government financing. The provision for Government financing is presently on the statute books. It is still in the law. Our committee was convinced if we provided for the construction of these ships with private financing it would cost the Government more money than with Government financing. The reason is simple: Private financing calls for the highest interest rates and the Government contribution on these huge liners is going to amount to a considerable amount of money. The cost to the Government would therefore be large. We came to the conclusion, despite the thinking of the Department of Commerce at the time the Department wrote its report, that we ought to recommend to the House that these ships be built with Government financing, which would in the final analysis cost the Government less than with private financing.

I may say to you that the Department of Commerce at our request is giving reconsideration to its position with respect to private financing. I do not know, of course, whether or not their thinking has changed. But we sincerely suggest to the House it will be cheaper to build with Government financing than by private financing. I must repeat again the statement of our chairman to the effect that with the huge amount of money here involved it is doubtful if we can get private financing. I am satisfied in my own mind and from the hearings that we have had and from private conversations with builders and financial institutions that we would not be able to get private financing to build these two vessels.

Now just another thought or two in connection with the overall subject of an American merchant marine. World War I and World War II taught us and taught the Defense Department, likewise, that we could not engage in a war successfully without an adequate American merchant marine. Some of you Members who served in World War I and World War II will remember that we did not have an adequate American merchant marine and, furthermore, we did not have adequate troop lift capacity. I think it would be disastrous if we were to be again caught in that situation and come upon an emergency without having adequate troop lift capacity. I think the House would make a sad mistake if they did not approve this legislation which will in some measure, at least, supply the troop lift capacity which the military tell us is so badly needed.

Mr. Chairman, I hope that the House will act favorably upon this legislation today.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from California.

Mr. TEAGUE of California. Mr. Chairman, words at the end of the first paragraph on page 2 of the report caught my eye. They are: "*Hoover* will be over age and therefore have to be retired." This, of course, referred to the vessel, *President Hoover*.

Herbert Hoover, from all reports, is recovering rapidly and completely from a recent major operation. He was retired 26 years ago as President of the United States.

But I am sure that every Member of this House, particularly in light of his recently published excellent book on Woodrow Wilson, will join me in wishing for the Honorable Herbert Hoover many, many more years of the marvelous public service he continues to give us.

He is certainly not over age and is truly 83 years young. We all are counting on not letting him retire from public life for a long time to come. He has the admiration and great respect of all of us.

I suggest that one of these majestic new vessels, thoroughly American, strong, sound, and enduring, should be named the *President Hoover*.

Mr. BONNER. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Chairman, I happen to be a member of this committee as well as of the Committee on Armed Services. I attended regularly the hearings on this legislation, and for the 5 minutes which I shall devote to this legislation I would like to speak of the military aspects of these two ships.

To begin with, these companies cannot equip these liners with the military necessities and the capabilities and operate them as passenger liners without some help from the Government. To substantiate that, I refer you to testimony of men of the character of Admiral Wilson, who is the head of Navy logistics, Admiral Radford, former Chief of the Joint Chiefs of Staff, Admiral Mumma, Chief, Bureau of Ships, and other representatives of the Navy. Now, as to the American Presidents Lines operating in

the Pacific, we are going to apply the experience we learned in the Atlantic to the Pacific, for it is in the Pacific today where nations, our allies, are trying to get that Pacific trade. We want to head them off by starting construction now on additional modern ships to ply in the Pacific which will have the capability of transporting the number of troops which our distinguished chairman has referred to.

Now, in the Atlantic, to take care of the over-age steamship *America*, which is literally being burned up by being compelled to keep that 22-knot schedule, we want a sister ship to the *United States*, the ship which now holds the world's record for service, for speed, for comfort, and for safety. Not a thing on the *United States* can burn but the meat block and the piano stool. It is completely fireproof. And, we want to help the great line, the United States Line, to get a sister ship in order to keep one thing for America, and that is control of transportation on the high seas. It is not many situations where we do have control in this world. But, we do have the fastest ship on earth and we do have the safest ship on earth.

Now, our great chairman of the Committee on Merchant Marine and Fisheries, the distinguished North Carolinian [Mr. BONNER], has so fully explained to you, my colleagues, what this bill contains, especially the need for it as it affects our economy, our international relations, our intercourse with the rest of the world. This is a defense matter. We would have given a billion dollars during World War II for ships of these capabilities. We had to pay over $100 million in rent for whatever we could get.

Mr. Chairman, this is timely legislation. It could not be more timely, at a time when this recession has caused our shipyards to slacken their operations. This is timely legislation for your consideration. There are a million reasons for the construction of these ships. The record of the companies who are going to operate these ships is good enough for us to give this serious consideration.

From the military standpoint we have had ample testimony from men of the highest stature in our military services, to the effect that we need these ships.

We earnestly and sincerely recommend this legislation for your favorable consideration believing and knowing that it is in the interest of your country, and of my country; in the interest of your security and my security, and in the interest of our existence in this competitive world in which we live.

Mr. TOLLEFSON. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. Bow].

Mr. BOW. Mr. Chairman, as a member of the Subcommittee on Appropriations that handles the maritime bill, I am delighted to have this opportunity to support the bill reported by the Committee on Merchant Marine and Fisheries. I think it is good legislation. I think it is needed legislation. And as the gentleman from New York [Mr. ROONEY] said today during the course of the debate, the members of the subcommittee favor this legislation. I join him in that expression. I think our subcommittee does favor it.

I am one of those who introduced a bill pending before the distinguished Committee on the Merchant Marine. That had to do with a ship for the Pacific. The fact that I did not introduce a bill for a ship for the Atlantic does not mean that I do not feel that is necessary, too. But if we are to preserve the merchant marine of this Nation we are going to have to face up to the fact that these great superliners cannot be built under the arrangements under which freighters and tankers were built under the 1936 act.

There are those who object to this method of financing. I wish I had the facts and the figures before me, but I do not have them; but if these operators were required to go out into the open market and borrow the money in order to get this private financing, the interest rate which they would have to pay on the borrowed money would be much higher than the rate they are going to pay the Government. Therefore, the actual cost of construction would be increased, and the Government's subsidy would also be increased because of the interest payments. At first blush we do not see the costs that go into the building of these ships.

We have two excellent operators to take these ships over; experienced and able to operate, able to go into these trade routes and properly represent the United States. The prestige of the United States with these nations where these ships would call would go up if we came to those countries with these fine ships flying the American flag. From the military standpoint, I am not one of those who is willing to gaze into a crystal ball and say that transportation of troops will not be necessary in the future. I am not willing to risk the security of my country by looking into the future and saying that ground troops are going to be eliminated and will not be necessary. Therefore, I am not willing to be one of those who say we are not going to need troop carriers in the future. When that time comes, all right, but we have no assurance of that today. We have to increase our potential of transportation of troops abroad. We cannot rely, my colleagues, on those who are our friends today. We must depend on the United States itself to be able to move these troops. When we know of the great potential of Russian submarines and the building of great fleets of submarines by Russia and what they might do to our slow-moving ships and the slow ships of our allies, it becomes all the more necessary that we build these fast express-type cruisers that can be converted to carry troops.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield.

Mr. AVERY. Mr. Chairman, I simply want to observe for myself and I am sure on behalf of all our colleagues that we have missed recently the benefit of the profound judgment and recommendations of the gentleman from Ohio who is now addressing us. The gentleman may have taken the floor previous to today since his unavoidable absence from the House of Representatives, but I have not observed it, so I would like to take this opportunity to express my happiness at his return to the floor, and say that I am glad we will have the benefit of his wisdom for the rest of this session.

Mr. BOW. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TOLLEFSON. Mr. Chairman, I yield such time as he may require to the gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Chairman, the people of the United States have determined that this country must be strong; strong militarily, strong economically. Strong so that no one will dare attack us.

I am supporting this bill because it helps to make our Nation strong.

Huge, speedy transports proved essential in past wars and in all probability will be essential if we unfortunately have another.

The myriad of planes which would be necessary to transport soldiers and supplies back and forth to a combat area make this kind of an airlift impracticable.

We could, of course, build such a ship directly for the Army and Navy and put them in mothballs, but why not recoup much of the cost by having it used as a passenger vessel in peacetime?

I have advocated the immediate starting now of worthwhile projects which will be necessary ultimately in order to put our unemployed back to work.

This is one step in this program.

It will add greatly to our worldwide prestige to have a queen of the seas sailing proudly over the waves with Old Glory flying from the stern.

Mr. BONNER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Virginia [Mr. HARDY].

Mr. HARDY. Mr. Chairman, I am grateful to my friend and colleague, the gentleman from North Carolina, the chairman of the committee, for giving me a few minutes to make a few observations about this legislation. For several years now I have felt a growing concern about our relative position as a maritime nation. The bill before us today provides for the construction of two superliners. I am delighted to see the bill here. But, I would like to urge the Committee on Merchant Marine and Fisheries and the able chairman of the committee to develop some stimulant for the American merchant marine generally in order that it may assume more nearly its proper position in handling the commerce of the world. I think to do so might at the same time provide a much needed stimulant to our shipbuilding industry. I sincerely hope that before this Congress adjourns we will see steps taken to improve our Nation's maritime posture.

With respect to this particular legislation, I would like to comment especially about a reference by the gentleman from North Carolina [Mr. BONNER] in his opening remarks. He referred to a report of a certain Subcommittee on Government Operations, issued in 1949.

At that time I was chairman of the subcommittee in quesion, and over a period of many months we made a comprehensive study of the operations of the Maritime Commission. At that time there was under construction the great ship *United States*. One of the things we were particularly disturbed about was the inadequacy of the 1936 act for a determination of construction differential subsidies for such ships as the *United States*, where a major portion of the cost was involved in national defense features.

I might suggest to some of my colleagues a review of the hearings which our subcommittee held, as well as a view of the recommendations which we made almost 10 years ago.

In the course of the hearings which we conducted we had testimony from experts who had been called in by the administration for the purpose of finding means under the 1936 act by which much needed transport for defense purposes could be constructed. The testimony brought out the fact that this was very difficult legally. A very prominent witness testified that we had to stretch the act. He said it was like fitting a fat boy into a suit that was too small for him. As a result, some of the determinations that were made in connection with that great ship *United States* and other vessels were of dubious propriety. Nevertheless, it is a fine thing that we built that ship, and I think that the approach now before us is perhaps the only sensible one we can make. By adopting this measure the Congress declares it to be desirable to build these ships, in order that we can have transport capacity in time of a national emergency. If we are going to incorporate defense features in these ships, if we are going to have to pay for these features out of the General Treasury. We cannot expect the operators of these ships to absorb this extra cost. I do not know what the cost will be. I have not made a study of it. I must assume that the Committee on Merchant Marine and Fisheries has made adequate study to determine that the proposed price is proper. So on that assumption, I think this is a much needed piece of legislation, and I commend the committee for bringing it in. I suggest also that the committee consider whether general legislation may be appropriate to make possible the construction of ships of this kind without requiring a special bill every time one is needed.

Again my congratulations to the able gentleman from North Carolina [Mr. BONNER] and his very fine committee.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. HARDY] has expired.

The Chair recognizes the gentleman from Washington [Mr. TOLLEFSON].

Mr. TOLLEFSON. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, I wish to commend the chairman of this great Committee on Merchant Marine and Fisheries, the gentleman from North Carolina [Mr. BONNER], and also the ranking Republican member, the gentleman from Washington [Mr. TOLLEFSON], for the splendid statements they have made today, which have explained so well and in such detail the purpose and justification of this bill.

I have observed that during this entire debate there has been a tendency to emphasize the fundamental necessity of this legislation, and it is well for us to do so. This legislation is fundamental to our welfare as a nation. The effect of favorable consideration of these bills will be to guarantee the continued development of a merchant marine which will be capable of protecting the national interests in peace and in war.

There are several arguments that could be well made in support of this legislation. Time does not permit us to deal with each in as much detail as we would probably like or would be justified. In the first place, this legislation is necessary to maintain our standing in foreign commerce.

The Members should bear in mind that the fundamental factors which attest to the national significance and emergency nature of this problem, the principles of this proposed legislation, are supported by the entire maritime industry. In 2 years of active discussion of the issue every interested and qualified individual in Government and out of Government has endorsed the idea of replacing the U. S. S. *America* with a superliner of the U. S. S. *United States* class. There is universal agreement that failure to do so would be tantamount to scuttling our future as a first-class maritime power. Even more important, it would all but demolish the capacity of our merchant fleet to do its assigned job in the event of another national emergency.

Mr. Chairman, that is too big a price to pay, too grievous a risk to run for the sake of achieving a relatively small dollar saving at this time.

In this connection it might be well for us to consider what has been the policy of other nations. Other maritime powers are building ships, and most of them are building at a far greater rate than we have been. The ship-construction program now under way in the United Kingdom, for example, will restore the fleet of that nation to 81 percent of its prewar size. The Netherlands will have 81 percent of its prewar tonnage; France will have 71 percent, and Greece, Norway, and Sweden 100 percent.

The competition that faces our merchant marine is becoming more and more serious every year. Speed is the demand of the age in which we live. Our slow-moving merchant marine is fast losing out. We need ships that are up to date if we are to meet the requirements of today.

Today we have 39 ships with a capacity of only 11,170 passengers. Of these 39 ships, only 4 can sustain a speed of over 20 knots, and more than half operate under 18 knots.

This fleet as a unit is old and slow. Many of these ships have passed the age of economic operation. According to our naval leaders, their transport utility in wartime would be extremely limited and would entail severe risk.

The ship-construction program now under way will bring America's passenger fleet up to approximately one-half its prewar tonnage. From the standpoint of our maritime progress the prospect is at best disappointing. From the competitive standpoint it is dismal. We should not delay any longer.

Furthermore, the construction of these new ships will strengthen our national defense position. The Navy Department wants the vessels built. Its spokesmen, both civilian and uniformed, have repeatedly supported the project as being essential to the national defense.

The construction of these ships will, one, help to relieve our deficiency in transport vessels. There are some 24 Victory-type transport vessels in the national defense reserve fleet whose deficiencies in speed and safety cannot be overcome economically; two, give the United States a capability of delivering 308,000 troops to Europe in a year if ever necessary as compared to the capability of the steamship *America* to deliver 124,000 troops per year in convoy; and three, provide a greater measure of safety to the troops carried against submarine and air attacks because of the very high speed and the inherent flexibility in its use.

The Atlantic superliner would replace the aging steamship *America* and be a sister ship of the record-setting Atlantic superliner, steamship *United States*. It would be 990 feet long, have a speed of 31 knots plus, carry 2,008 passengers, and be quickly convertible into a transport for 13,864 troops.

The Pacific superliner would replace the aging steamship *President Hoover* and would be the fastest, largest ship ever built for that ocean. It would be 908 feet long, have a speed of 26 knots plus, carry 1,500 passengers, and be quickly convertible into a transport for 10,000 troops.

It is no understatement to say that the two ships are urgently needed for national defense. Admiral Wilson, Deputy Chief of Naval Operations, testified in the hearings:

> Both of these new ships will significantly reduce our qualitative deficiency in troop transport potential. Their earliest completion will, therefore, make an important contribution to improving our national-defense posture. * * * In summary, for the reasons set forth above, the Department of Defense desires to emphasize the urgent need for the construction of modern passenger ships. These 2 ships have been under discussion for about 2 years and will require about another 3 years to build, once approved.

Admiral Radford said:

> We need a combination of sea and air lift. A ship like the U. S. S. *United States* can carry an Army division across the Atlantic in 4 days and it can go farther than that, at very high speed. Perhaps more high-speed transport would do more for mobility than the same amount of money spent on airplanes. It undoubtedly would.

We must not overlook the importance of supplying ships of the kind this bill seeks to provide. The times are too uncertain to take chances. We must provide against being "too little and too late."

In conclusion, a further important reason to be considered is the fact that it will immediately provide employment.

Construction of these 2 ships would create 56 million man-hours of employment. Furthermore, while half of this would be at the shipyards, the other half would be spread throughout the country as a result of orders for materials, equipment, and supplies. The principal States in which ship materials and equipment are made are among the States which have reported unemployment in serious proportions. They include Connecticut, Maryland, Massachusetts, New Jersey, New York, North Carolina, Ohio, Pennsylvania, West Virginia, and Wisconsin.

Of all the projects being considered to bolster the economy this one comes nearest to the President's ideal of providing immediate useful work. In his veto message on the rivers and harbors bill, the President said that should it be found desirable to increase Federal construction activities further, appropriations would be "recommended for projects capable of being started quickly." Within 10 days after construction contracts are signed, orders to suppliers can go out and shipyard work start. Bids have been received on the Atlantic superliner and planning for its construction is complete. Bids would be invited on the Pacific superliner and it would be started well before the end of the year.

The widespread interest in the subject matter of this bill and the general approval that has been given to it can be readily seen from the following telegrams:

NEWARK, N. J.

Hon. CHARLES A. WOLVERTON,
House Office Building, Washington, D. C.:

We urge you to support the Bonner bill, H. R. 11451, which in addition to meeting urgent defense requirements and enhancing national prestige will substantially alleviate unemployment in the Camden area and other New Jersey areas supplying and manufacturing component parts, pumps, motors, valves, blowers, boilers, cables, and thousands of other items which go into huge ships. The Department of Defense has emphasized the urgent need for the construction of these modern passenger ships. The hearings held by the Committee on Merchant Marine and Fisheries conclusively demonstrated the need for the ships in the national interest, and the Department of Commerce is in accord with the objective of this legislation. Your support of this bill will have the double-edged effect of filling a national need as well as relieving unemployment in New Jersey.

IRVING T. GUMB,
Executive Vice President, New Jersey State Chamber of Commerce.

Representative CHARLES A. WOLVERTON,
Washington, D. C.:

On behalf of the 10,000 members of the AFL union employed by New York Shipbuilding Corp., we request you support the bill to be voted on Tuesday by the House to build a sister ship by United States Maritime Commission.

FRANCIS X. MCCANN,
Executive Secretary, International Brotherhood, Boiler Makers, Blacksmiths, Forgers, and Helpers, AFL–CIO, Lodge 801.

CHARLES A. WOLVERTON,
United States House of Representatives, House Office Building, Washington, D. C.:

Your support of H. R. 11451 authorizing construction superliner equivalent to *United States* will assure greater Philadelphia area much needed employment opportunities.

New York Shipbuilding Corp. as low bidder will obtain construction contract provided Congress approves bill scheduled to be voted in House tomorrow.

Your efforts to obtain adoption of bill will be greatly appreciated by this organization and the entire community

KEETON ARNETT,
Executive Vice President, Chamber of Commerce of Greater Philadelphia.

Congressman CHARLES A. WOLVERTON,
House Office Building, Washington, D. C.:

Urge your support of H. R. 11451, providing for construction of sister ship to the *United States* at New York Shipbuilding Co., Camden; project would have tremendous impact on economy of New Jersey at a time when such impetus is vitally needed.

JOSEPH A. FISHER,
President, Pennsylvania Reading Seashore Lines, Philadelphia.

Mr. Chairman, I trust this bill will have the overwhelming approval of the Members of the House, of the Senate, and will be approved by the President.

Mr. TOLLEFSON. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, first I want to say it is a great privilege for me to serve under the distinguished chairman of our committee, the gentleman from North Carolina. I do not know anyone who is so dedicated to service. Certainly he is one of the most conscientious chairmen that I have ever had the pleasure of serving under. The fact that today I happen to be not in agreement with him in no way indicates I do not respect his objectives. Indeed, I agree with him. I certainly support the need of our Nation for an adequate merchant marine. I certainly support the need in our Nation for the skills in our shipyards to be ready in the event of war and, in particular, I support the testimony as to the urgency of troop ships for our defense.

But, Mr. Chairman, in this case I have felt impelled to express a difference of opinion as to how we should arrive at that objective. I certainly agree that the administration favors the construction of the Pacific and Atlantic superliners and while the finance provisions are not in accord with the administration's wishes, I am sure that that is not an impediment which would be too serious. On the other hand, I have felt in this particular instance that the impossibility of building under the Merchant Marine Act of 1936 was definitely not established in the case of superliner passenger vessels. It would seem to me there could be a general formula established in the form of an amendment to that act which would allow any ship operator to come in and sit down with the Maritime Board and work out an arrangement.

At this point I would like to suggest that when the chairman reviews his remarks he will want to correct one word. He indicated that when the General Accounting Office audited the books of the steamship companies they said that the basis of their report indicated the prices were fair. They reported the figures, but I do not think it is their prerogative or responsibility to indicate whether the figures are fair or not. Actually, what the General Accounting Office did was to establish the fact that if a superliner was purchased by one company on the Atlantic at a cost of $47 million, on the basis of their estimated capital necessarily employed, their return under Federal financing would be 9.03 percent; if it were private financing it would be 7.92 percent. In the case of the Pacific liner under public financing at a cost of $34 million it would be 8.01 percent; in the event of private financing it would be 6.54 percent. That is what they established. Not that the profits are fair.

I want to call the attention of the Committee to the fact that if we pass this legislation we are changing the philosophy of the Merchant Marine Act and injecting a new factor, namely, that of reasonable return on invested capital. Personally, I do not object to that. If I am recognized to do so at the conclusion of debate and after the reading of the bill for amendment I hope to offer a motion to recommit which would provide that the legislation be returned to the committee and studied there with the idea of having a general formula worked out so that legislation could be brought in under the regular provisions of the Merchant Marine Act and establish a basis for the construction of these or any other passenger vessels. It is very unfortunate and wrong to provide for the determination of a price by a committee of Congress. I, for one, will not take the responsibility for the prices set in this bill for the two vessels. I think the proper way to set a price is by the experts in the Federal Maritime Board after full study and negotiation.

Mr. BOYKIN. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland [Mr. GARMATZ].

Mr. GARMATZ. Mr. Chairman, I would like to speak on behalf of this legislation, especially from the defense point of view. In doing so I would like to quote Vice Adm. Ralph E. Wilson, United States Navy, Deputy Chief of Naval Operations—Logistics. Admiral Wilson's complete, forceful, and convincing testimony speaks for itself. He testified in part as follows:

> Both of these new ships will significantly reduce our qualitative deficiency in troop transport potential. Their earliest completion will, therefore, make an important contribution to improving our national defense posture.

I would like to go further and quote the admiral in showing us the list of ships we have in the active and the reserve fleet and letting the Committee and the Members know just what position we would find ourselves in in case of an emergency. Here he quotes the list of ships, their age, and their speed. There is a total of 156 actual ships ranging in age from 3 to 30 years. Of these, 56 ships are limited to a top speed range of 15½ to 16½ knots. They have an average age of 14 years and represent a combined emergency capacity for about 56,000 troops; 61 ships have a top speed

range of 17 to 17½ knots, and there are 3 ships of 18 knots that are 30 years old and have a combined emergency capacity for about 4,000 troops. We have 24 ships in the 19-knot bracket, including 16 MSTS transports which can do 20 knots in a pinch. However, to call them 20-knot ships would be stretching a point. They have an average age of 13 years and a combined emergency capacity for about 81,000 troops.

Deduction leaves 12 actual passenger-type ships that are capable of 20 knots or more. They represent a combined emergency capacity for about 33,000 troops, and, by the way, 5 of these ships are over 25 years old. Just to make a comparison with the 12 ships carrying 33,000 troops, with the 2 new ships we will be able to carry 22,000 troops.

I would like to go further in quoting Admiral Wilson:

> While I have stressed the need for these ships in emergencies, there is an advantage in having additional United States-flag passenger capability to provide for peacetime military requirements. Many of the transports operated by the Military Sea Transportation Service are poorly appointed for peacetime troop movements.

Mr. Chairman, it is true, as one of the gentlemen from Ohio said, that this is not necessarily a part of the President's program. But, I would like to quote here from the employment point of view of all the projects that are being considered to bolster the economy, and this one comes nearest to the President's ideal of providing immediate useful work. In his veto message on the rivers and harbors bill the other day, the President said that should it be found desirable to increase Federal construction activities further, appropriations would be recommended for projects capable of being started quickly. Within 10 days after construction contracts are signed, orders to suppliers can go out and shipyard work start on the first of the ships.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. GARMATZ. I yield to the gentleman from New Jersey.

Mr. CANFIELD. The gentleman reports the President's statement accurately and I agree enactment of this bill will be a speedy factor in our efforts to beat back the recession.

Mr. GARMATZ. I thank the gentleman.

I would like to quote one more phase with reference to employment. Construction of these 2 ships would create 56 million man-hours of employment. Furthermore, while half of this would be at the shipyards, the other half would be spread throughout the country as a result of orders for materials, equipment, and supplies. The principal States in which ship materials and equipment are made are among the States which have reported unemployment in serious proportions. They include: Connecticut, Maryland, Massachusetts, New Jersey, New York, North Carolina, Ohio, Pennsylvania, West Virginia, Wisconsin, and many other States. So, Mr. Chairman, from the defense standpoint, from the standpoint of the importance of the ships and from the economy and employment standpoint, considering the position in which we find ourselves with this recession, I hope this legislation will pass.

Mr. BYRNE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. GARMATZ. I yield to the gentleman.

Mr. BYRNE of Pennsylvania. Mr. Chairman, I should like to compliment the distinguished gentleman from Maryland for his statement. I should also like to compliment the chairman of the Committee on Merchant Marine, the gentleman from North Carolina [Mr. BONNER], for this wonderful piece of legislation. It will do so much for the defense of the country, to help the unemployment situation, to stimulate shipbuilding in the United States and to bring some of it back to America where it belongs instead of having American interests building tankers and passenger ships in Europe. And in doing this it will bring revenue into the Treasury of the United States. And it will take our seamen off the beaches.

Mr. GARMATZ. I thank the gentleman.

Mr. TOLLEFSON. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. ALLEN].

Mr. ALLEN of California. Mr. Chairman, most of the subjects which can be mentioned in support of this legislation have already been touched on. I would like to emphasize some of them and possibly add a little new material.

The double nature of the merchant marine of the United States must be apparent to each of us. The merchant marine has a very definite defense value. In practice this is the case. The Navy, which is the arm of defense which we connect with the sea, builds relatively few cargo ships and relatively few ships capable of carrying troops. It relies on the merchant marine. The Navy, as many Members may know, has one officer who is not only the Chief of the Bureau of Ships but is also in charge of the bureau which coordinates the work of the Navy with the work of the private shipyards.

I very often think of the Committee on Merchant Marine as a committee very much the same as the Committee on Armed Services in that this arm of our defense is our particular responsibility. It is our responsibility to see that this arm of defense is maintained at a sufficient level during peacetime and that in wartime it is adequate to discharge its responsibility. Actually, during peacetime, as I have mentioned, the Navy does not build cargo and passenger ships, but through the Military Sea Transport Service it endeavors to put as much of its load for transport of cargo and troops between fixed points on the merchant fleet.

There is this difference between Navy ships and merchant marine ships. The Navy ships are strictly Navy ships and are useful in wartime for war and in peacetime for training. The merchant marine ships are useful in peacetime as well as in wartime for a very similar purpose, and consequently a sort of partnership has developed in the handling of the merchant marine. The ships are built for use in commerce during peacetime and as much of the cost is recovered through their operation as is possible. In wartime the Government takes them over just as if it had owned them all the time.

Mr. Chairman, I would like to spend a little time talking about what the Government gets for its money in this transaction. We are called upon to advance in the first instance something over $200 million. Incidentally, the amount that we advance under this bill, which is an authorization bill, will be determined by the Committee on Appropriations in the usual way. But ultimately I suppose these ships will cost the Government something of the nature of $120 million, or thereabouts.

What do we get for that? I can give you a couple of comparisons. Admiral Wilson has been quoted here, and his statement is in our report. He says that we have ships capable of lifting 337,000 troops, only 6 of which are modern and which he says in an emergency have a capacity of 14,000 troops. The Navy has determined that a speed of 25 knots gives a degree of safety from submarines that is fairly good. Every knot above that produces a safer ship. Every knot below that unduly endangers the cargo and the men that are carried. The Navy's transports of the "general" class are what are known as the P–2 class and carrying 4,000 troops each with a speed of 20 knots. Most of them were built during World War II. Just compare these figures. The Navy says that the steamship *United States* has a factor of 5.4 in comparison with the P–2 transports. That means that one ship such as the *United States* because it travels almost twice as fast and carries 3 or 4 times as many troops is worth to the Navy 5.4 times the $21 million that is estimated as the cost of building the ordinary P–2 transport. In other words, it would cost $113 million and more to equal the steamship *United States* which in the long run will cost the Government $83 million. In other words, $83 million under the merchant marine procedure against $113 million under the Navy ownership and operation procedure.

I would like to make a similar comparison with the ship contemplated for operation in the Pacific. The factor there is 4.75 and the cost to the Navy if it built the 4¾ transports would be $99 million and more, and the cost under the procedure that is indicated in this bill to the Government would be $42 million. These are dollar-sign comparisons. The intangible values are far greater. They are hard to put dollar signs on. A ship in the merchant marine—a passenger ship in the merchant marine—is ready immediately to evacuate American nationals when an emergency occurs. Maybe that does not mean much to most of us, but it just happens by coincidence that it means quite a bit to me because of an occasion just prior to World War II. Three members of my family were in England and started back, because there were no American ships, on a British ship, which was sunk. They started back on that British ship because there was no American ship ready to evacuate American nationals. This was at a time when

we were not involved in war. Americans were on ships that were being sunk because the ships we were using were those of people engaged in war. Subsequently, when the family was returned to Scotland, fortunately saved from disaster at sea, this country sent to Scotland to bring back the Americans a ship which was virtually a sister ship of the *Morro Castle*. Most of you may remember the *Morro Castle*. It is the ship which was sunk off the New Jersey coast, one of the greatest disasters at sea in the history of this country which brought about the rules for safety at sea which we now operate under. We had nothing better available to send.

Another intangible value is the operating readiness, the value of a ship that is immediately available. Few of you realize that during the Near East conflict a few months ago, a ship of the American Export Lines was radioed at sea and given orders by the Navy that the Navy was taking it over and attaching it to our Sixth Fleet to assist in the evacuation of our nationals from Egypt. There was absolute immediate availability.

Prestige is another intangible value. We spend millions and millions of dollars to maintain the prestige of America throughout the world. There is no single factor that I know of which has enhanced the prestige of this Nation in Europe more than the fact that the S. S. *United States* holds the blue ribbon unchallenged for passage across the Atlantic, a ship that is known as one of the finest ships for service, speed, and safety, and in many other respects, one of the finest ships in existence in the world.

The intangible value of having a shipyard industry that is in operation is hard to estimate. We have determined that our mobilization base to be maintained in peacetime in order to be ready for an emergency should be 36,000 men engaged in construction. It is estimated that 18,000 are now engaged; one-half of what we should have. It is estimated that our war industry for repair and construction was eight times the number of men now being employed in the shipyards. This shows the shipyard industry to be the lowest in percentage of operation of any of the industries that are essential in wartime.

I would like to say just one more thing in connection with this being special legislation rather than a general bill. In a way it is. I had some thoughts in mind similar to the thoughts expressed by the gentleman from Washington. It is true, however, that there are only three routes in the world which have population centers at each end of them sufficient to support superliners of the type that are involved here. There is the United States Lines that runs from England and the near part of Europe to New York. There is the line that runs into the Mediterranean from New York, in which ships of the American Export Line operate; and there is the route from the Pacific to the Orient in which the American President Lines operate. Those 3 routes will probably, in the foreseeable future, have 3 superliners in the Pacific, 3 in the Mediterranean and 2 in the North Atlantic run. So that every 20 years we are going to consider the replacement of a total of 8 ships. Each one will cost more than the economies of the case will find favorable to private investment. If this Government needs the ships, as I think it does, it will have to support the industry to the point that the economic management can operate at a profit.

The CHAIRMAN. The time of the gentleman from California [Mr. ALLEN] has again expired.

Mr. BONNER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. ZELENKO].

Mr. ZELENKO. Mr. Chairman, I urge my colleagues to support H. R. 11451, a bill calling for the construction of two superliners. One for the Atlantic would be capable, in an emergency, of carrying almost 15,000 troops at speeds safe from enemy's submarines. The other for the Pacific would carry about 10,000 troops to somewhat lesser speeds. This legislation is necessary because under present statutory authority it is unlikely that private capital would venture into the somewhat hazardous passenger transportation business. Although these ships will be built by the Government, private industry will invest $47 million in the Atlantic ship and $34 million in the Pacific ship. The alternatives to industry and Government sharing in the expense of building these vessels essential for our national defense is for the Government to invest the entire sum on its own and keep the vessels in lay-up for potential emergency.

As a member of the Merchant Marine and Fisheries Committee, I have heard witnesses from the Defense vigorously support the construction of these vessels at the earliest possible time to reduce our deficiency in troop transport potential. To rely again, as we did in World War II, on troop transportation of 10-knot Liberty ships in light of the destructive power of our potential enemy's submarine fleet would be suicidal.

At this particular moment it is especially vital that these vessels be started at once. I am informed that the construction of these ships will create over 50 million man-hours of employment, both in the shipyards doing the work and throughout much of the country from whence materiel, equipment, and supplies will be forthcoming. Unlike many projects which contribute to the economy and help overcome effects of the recession, this project is unique in that its economic contribution to employment will be felt virtually immediately. There is much talk these days about doing something about the recession. It is about time something were done. Enactment of H. R. 11451 would be a step in the right direction, at the right time—which is now.

A question which also should be answered at this time is why this legislation gives apparent benefits to two private American enterprises, the United States Lines and the American President Lines. It may appear that this is special legislation for the economic enhancement of these two companies. This is not so. Exhaustive hearings, open invitations to bid and nationwide publicity have not resulted in bringing forth any other American companies which would be willing to undertake the task of working with the Government and then operating these vessels on a ready basis.

The hearings reveal that only these two companies would be capable both financially and through experienced background to meet the requirements.

Every Government department, every agency and the Merchant Marine and Fisheries Committee are satisfied in this respect. Furthermore, it was brought out at the hearings that no windfall profits will result to these companies. As a matter of fact, if the normal business of transporting passengers across the oceans contemplated by the use of these liners were to drop as much as 5 percent both companies would operate these vessels at a loss.

The legislation also provides that when the profits, if any, exceed 10 percent then the Government receives 75 percent of any profit over 10 percent. Thus it can easily be seen that the legislation not only gives us two vital defense weapons, but also is protective of the public interest in guarding against possibility of special privilege.

Mr. TOLLEFSON. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. MAILLIARD].

Mr. MAILLIARD. Mr. Chairman, before beginning my statement I ask unanimous consent that the gentleman from New York [Mr. RAY] may extend his remarks immediately following mine.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MAILLIARD. Mr. Chairman, this bill has been ably explained and defended by the senior members of this committee, and I see no reason to repeat the arguments that have been made. I would like to say, however, for the RECORD that I find myself very much in sympathy with the approach offered by the gentleman from Washington [Mr. PELLY]. Personally, I would have preferred a policy change to the act rather than this specific ship legislation; but, as the gentleman from Virginia [Mr. HARDY] pointed out a few moments ago, that is a far-reaching and complicated business, and I finally came to the conclusion, as I think did most of the rest of the committee, that it was better to come in with known facts and figures because of the time element. I am again pointing out and emphasizing what has been said by others. Bids have been received, and the minute this bill is passed by the Congress and signed by the President and funds are provided men can be put to work. Also, lest it be said that because so many Members from the west coast have spoken in favor of the bill that our area seeks special benefit from it, let me say that we have no shipyards large enough for these vessels to be constructed on the Pacific coast.

Mr. RAY. Mr. Chairman, I rise to express my support of H. R. 11451. The two ships covered by the bill are necessary for national security and they are important for the strength of our merchant marine in peacetime operations.

Other speakers have developed the reasons why special legislation is required and I believe those reasons are compelling. We do need these particular ships—they should be started at the earliest possible time—and the passage of H. R. 11451 is the only way we can meet those requirements.

I hope the bill will be passed by a large majority.

Mr. TOLLEFSON. Mr. Chairman, I have no further requests for time.

Mr. BONNER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California [Mr. SHELLEY].

Mr. SHELLEY. Mr. Chairman, I will do my best not to be repetitious. The important arguments on behalf of this legislation have been advanced by the many able speakers who have preceded me, the gentlemen who have served on the committee which held the hearings. I would be remiss in my duty as a Member of this Congress, and particularly to my District, on a subject in which I have taken a great interest as a Member of Congress, if I did not say a few words.

The compilation of figures as a result of World War II shows that we had no real large passenger ships to transport our troops at the outbreak of World War II, outside of about four vessels, and they were not large or fast in the modern conception. There were 2 of the old APL vessels and the 2 old Matson vessels, the *Matsonia* and the *Monterey*.

We turned to foreign passenger vessels and used the *Queens* and for the use of those vessels we paid to the British Government hundreds of millions of dollars for the transportation of American troops.

As a result it was proposed by a joint board consisting of civilians, the Maritime Commission, the Navy, the Army, all of the defense arms, and the Congress, that we build some vessels to meet this situation. We built the *United States*, we built the *Constitution*, and we built the *Independence*. They have worked out successfully. However, on today's prices for material, for labor and the interest charged by financiers, there is no private company here or anywhere in the world that could build vessels of this type, pay the American prices, meet the American standards and incorporate in the structure of the vessels the defense requirements that our Defense Department, the Navy, requires be built into the vessels.

Therefore, a new approach to get these vessels was needed. The present 1936 act does need overhauling, but that is a long legislative study job of 5 or 6 years. It is important that these vessels be obtained as soon as possible, as speedily as possible. The *United States* replaces the *America* which will have achieved its age in another year and a half. The one for the American President Lines for the Pacific will supply a need long existing and on a route in which no comparable modern, fast vessel is presently in operation. So we must make the approach this way, we must solve the problem in this way. In addition, the foreign countries, our friends, our allies, are building ships, and they are building them with the money we have been giving them. Those ships are fast, much faster vessels in many cases than any we have except the *United States*. They are moving in on all trade routes. We cannot depend on them in the event of war. We must have our own ships. The British, the Dutch, France, the Scandinavian countries, Japan, the Italians are all in this category.

May I point out, Mr. Chairman, that you have had here today a very interesting situation. You have a bill presented by the legislative committee which has been making a study of this matter for 18 months ably presented by the gentleman from North Carolina [Mr. BONNER], as chairman of the committee and just as ably presented by the gentleman from Washington [Mr. TOLLEFSON], the ranking minority member of that committee. You had also the chairman of the Subcommittee on Appropriations which handles the appropriations for the Department of Commerce and the Federal Maritime Board, which I happen to serve on as a member also, you had the gentleman from Ohio [Mr. BOW], and the gentleman from New York [Mr. ROONEY], all in unanimous support of this legislation, all from the subcommittee of the Appropriations Committee which handles the financing in this field.

We have known about this situation for a long time. We want to compliment the chairman of the committee for bringing this bill in. You heard the gentleman from Virginia [Mr. HARDY], who was chairman of the original Hardy committee back in 1949 and 1950, make representations to you as to the need for this type of legislation. It happened that I served on the Hardy committee and on the Merchant Marine Committee until 3 years ago. Since then I have been serving on the Department of Commerce Appropriations Subcommittee. I have had a firsthand knowledge of this subject. I point this background out to you to show that all of the men on the various committees who have worked in this field and who know the problem have recommended this bill to you.

The United States is now 10th in shipbuilding in the international field. This will help improve that situation.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. BONNER. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. KLUCZYNSKI].

Mr. KLUCZYNSKI. Mr. Chairman, I, too, do not want to go into the merits or demerits of this bill. I believe they have been discussed thoroughly.

But, I want to say to the membership of this House that I am very fortunate and happy to be a member of the great Committee on Merchant Marine and Fisheries. Both the Democrats and the Republicans do not vote on legislation in that committee as a party issue, but this is one great committee and reminds you of a great happy family. I have been in legislative halls and on committees for years, and I have never seen a man who was such a kind, honest, and sincere gentleman as the gentleman from North Carolina [Mr. BONNER], the chairman of this great committee. He recognizes first-termers the same as he does the oldtimers. He never shuts anybody off asking questions. He is fair and sincere in all his undertakings, and I am very happy that the gentleman from North Carolina has brought this legislation before this august body this afternoon for discussion. This is good legislation. It is much needed legislation. It is timely legislation. It will help preserve our merchant marine. It will keep our shipyards busy. It will stimulate employment, and, above all, it will restore confidence in the people of the great United States, and I urge the Members of the House to support H. R. 11451.

Mr. BONNER. Mr. Chairman, I yield the remaining time on this side to the ranking member of the Committee on Merchant Marine and Fisheries, a most able Member of this House, a most fabulous gentleman, who has taken a great interest in this legislation, the gentleman from Alabama [Mr. BOYKIN], to close debate.

Mr. BOYKIN. I think, Chairman BONNER, that is quite an introduction, but I know these folks pretty good and they know how you are, quite like my friend from Illinois. Anyway, gentlemen, I will hurry along, because we only have a few minutes. It is a great pleasure to be here. I think the bill has been covered fully. However, I do want to tell you about a few little things that might not have been covered. We have been studying this bill for 2 long years. Now, I have served under 5 chairmen, 3 Democrats and 2 Republicans. We had the great Otis Bland from Virginia, one of the greatest men that ever lived, and we had so many other great men, but we never had a better chairman than HERBERT BONNER of North Carolina. As some of our friends on both sides of the aisle have said, he goes into anything thoroughly, and he went into it so thoroughly that he sent us over to Europe to look into it, all of the men you see here. I see my friend from Virgina, ROBESON, over there. He was with us, and this great man ALLEN. I wish he could have talked to us all day on it, because he is a great man. And, there was not a single, solitary man that did not work. We did not go there for fun. We did not tiptoe through the tulips. We worked, because he told us he wanted the facts and figures. And, we had the best maritime lawyers in this country with us. We had all the help we needed. We also had two members of the Maritime Board with us, Clarence Morse and Ben Guill, and all of that crowd. And, I will tell you what we found. Now, I see our great beloved and precious SAM RAYBURN sitting over there. I did not know he was going to be here. SAM kind of makes me feel nervous. He makes such a fine speech, has such good sense, and speaks so many words of wisdom. But, we wanted to find out about the 50–50. Then we had this great meeting when we hit England, and we met these fellows that were coming back from their vacation. They talked so fast and so long and so loud for about 6 hours, and they said they did not think we should have a 50–50 proposition, that was, that they hauled 50 percent of the things we give them and we pay for the other 50. And

then we had this lawyer, and he was going to do the talking, but I just could not stand it, and I hopped up when we got through and I said, "Gentlemen, we won't have any more speeches." I said, "We will just change this. It won't be 50–50 any more, it will be 100 percent and it will all be for America."

Mr. Chairman, you ought to have seen how those babies changed. They said we were exactly right. They took us over to the finest place I have ever been and served us the sheep and champagne and all the good things in the world. But we stuck to our position.

We went on and on and on. We went to every country where they build ships and where they sail ships. And I want to tell you this, that there are not but two companies on earth—and they have such beautiful names, names that you and I love; the American Presidents Line. Is not that a good name—American Presidents? Think of all the great presidents we have had. And then the United States Lines. Those are the only two companies on the top side of this earth, not only in the great United States but anywhere on earth that would do this. And I will tell you why they are doing it. They are doing it because they are great Americans.

Now, I remember some of these figures, but if I had known I was going to speak, I would have carried these figures with me. The gentleman from North Carolina [Mr. BONNER] told me only a moment ago that he was going to ask me to say a word or two on this bill. But the United States Lines are going to put up $47 million. Now, that is an awful lot of money. If you read yesterday's paper, you have seen that one of the great companies of this Nation gave an order for twelve 12,000-ton tankers, costing $150 million. The United States Government will not get anything out of that. They built them in some foreign country.

On this trip I was telling you about, we went to Scotland. We went to a beautiful shipyard. When I saw it I said, "This is the best shipyard I have ever seen." I have been interested in three shipyards myself. I have built ships and operated them, too. I said to this little fellow, "What a great shipyard. What did it cost you?" And he said, "Nothing, the United States Government gave it to us. We were bombed off the face of the earth."

I said to him, "Where do you buy your goods?" He had mountains of steel in this shipyard. He said, "In Japan."

I said, "Why don't you buy a little from the United States? He says, ""We cannot afford to. You people gave Japan a brand new steel mill and neither you nor anybody else can compete with that. And so we buy from them."

I said, "What else do you buy? Do you buy anything from us?" And he said, "Not one solitary thing."

So we are just saving $47 million on this deal. I have forgotten what the deal is for the other ship, but it is in the same proportion. But they are giving us $47 million. And bear this in mind, Mr. Chairman, there is no other company in the world that would do what these two great companies are doing. Mr. Chairman, let me say this to you. I have been serving on this committee, off and on, for 20 years. I resigned once or twice. But this man, the gentleman from North Carolina, HERBERT BONNER, knows what he is doing. Every man on this committee, Democrat and Republican, are very thorough, very fine gentlemen. There was nothing that was not gone into very thoroughly.

They say that this is special legislation, but I want to tell you this. These are special people and these are special ships. If they were built abroad, we would not get any of the money to pay for the labor that would go into these ships, to pay for the lumber or for the steel or for all the things that would go into these ships. And the Government will get $47 million in addition. If they were to be built over yonder, they would fly foreign flags.

My friend from Illinois told us about the men who are involved. We do not have too many shipyards now. We are all worn out in this field.

Mr. Chairman, let us do this. I could go on and on and on, but let us build these two ships and let us build them now. Let us build them for America, for our American men and our American merchants; for America and for the good of this world.

Mr. TOLLEFSON. Mr. Chairman, I yield such time as he may require to the gentleman from California [Mr. ENGLE].

Mr. ENGLE. Mr. Chairman, I vigorously and enthusiastically support this bill to authorize construction of two superliner passenger vessels for operation in the Atlantic and Pacific Oceans. The United States has always been a great maritime Nation. In recent years we have lost this lead to the English, the French, the Italians, and others. It is important for us to maintain our position as a great seapower, both from the standpoint of civilian travel and of military needs.

Although Americans account for from 80 to 90 percent of all passengers in trans-Atlantic travel, American-flag participation in this business has dropped to less than 20 percent. Recent studies indicate that trans-Atlantic travel will continue to grow. In fact, even in this year of recession the Passport Office of the State Department reports more requests for overseas travel than in any previous year. There are only two major ships, the *America* and the *United States*, operating over the North Atlantic route, which is the most heavily traveled sea route in the world, and these two carry about one-fifth of the passengers. America should be prepared to hold its part of this ever increasing and important business.

This is not only a matter of good business for the country, but is necessary in order for us to have an adequate merchant marine to take care of our defense needs overseas. The Defense Department appeared and testified in support of this legislation, because these new ships will significantly reduce our qualitative deficiency in troop transport potential.

Therefore, for these two reasons, the first, the need for America to maintain a strong merchant marine position, and secondly, the support which the building of these two great ships will give our defense posture, I urge favorable consideration of and action on this legislation today.

The CHAIRMAN. If there are no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That it is necessary, in order to carry out the merchant marine policy declared in the Merchant Marine Act, 1936, as amended, to have (a) a superliner passenger vessel equivalent to the steamship *United States*, to replace the steamship *America* for operation on an essential trade route in the North Atlantic, and (b) a superliner passenger vessel with capacity of approximately 1,400 passengers for operation on an essential trade route in the Pacific Ocean. Nothing herein shall preclude the operation of either of these vessels in other areas, subject to the approval of the Federal Maritime Board. There is hereby authorized to be appropriated to the Department of Commerce such sums as may be necessary, to remain available until expended, for the construction, outfitting, and equipping of such vessels.

Mr. PELLY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not want to delay this debate, but I just want to say I agree with the gentleman from Alabama—let us build these ships. But, I just go a little bit further and say let us build them under proper procedure. I want to emphasize again my position is that we should determine the price by administrative procedure rather than by legislative act. In that connection, I want to take this time to point out, if I am recognized at the proper time, I hope to offer a motion to recommit which would accomplish just that purpose. I believe we have a bill which can be introduced tomorrow and be taken up by the committee and studied and reported back under my motion to recommit which would insert one new factor into the Merchant Marine Act, namely, the factor of a reasonable return. If that factor were added to the criteria, we would have this legislation after the price had been properly determined by the Maritime Administrator advised by his experts so that we would have some feeling that the responsibility as to whether these terms and prices were right was not ours.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, first of all, I want to compliment the chairman of the committee, the gentleman from North Carolina [Mr. BONNER] for the full and fair hearings on this bill.

Mr. Chairman, the reason given for the construction of these two vessels is to meet competition and to provide for defense. I cannot support the building of these ships, at such an enormous cost, on either premise. Let me tell you why. There is being constructed in France today a superliner which is already on the ways to cost approximately $80 million. One of the arguments made for the subsidized construction of a sister ship to the *United States* is that we have to meet passenger competition in the Atlantic. I might go along with the construction of

additional superliners for the United States, but I am completely unwilling to underwrite the construction of ships in France, Great Britain, and Italy; in other words, to finance the competition that cuts our own throat. We cannot have it both ways. American taxpayers cannot continue to build ships for the United States and yet build superliners in European countries. I do not think the Treasury of the United States is big enough or deep enough to provide that kind of money. I say again that I would give serious consideration to supporting this bill if we were not directly or indirectly financing the building of superliners and other ships for foreign governments.

Mr. Chairman, on the subject of defense. The French liner now being built, according to the testimony before our committee, carries no defense features. It is not compartmented as a troop-carrying ship; it is not built for rapid conversion. It has no defense features except 31 knots of speed. The gentleman from Ohio [Mr. Bow] said that we cannot depend on our friends to provide ships to carry troops in case of war. The gentleman never spoke a greater truth in his life because our so-called friends in foreign countries apparently are not interested in building ships to carry troops. Apparently, we are the only people who are interested in building ships to carry troops around the world and apparently we are going to be the first to fight the battles for the rest of the world. If these foreign countries are not interested in building superliners today that will carry troops, then why should we be so gravely concerned?

All of the argument today seems to be on the premise that the next war will be a conventional war, whereas most of our military thinking is that it would not be a conventional war. I am not a military expert, but with the bombs of today and the high-speed aircraft to deliver them. I seriously doubt that anyone would want to load a full division of troops on a single surface ship and send it to the far corners of the earth. I would think that would be a terrible risk. Moreover, by the time these ships are ready to be commissioned and put into service, I am convinced we will have developed our military air transport to the point where we will not be transporting troops by ships.

Incidentally, I note in a statement, prepared by the committee which I received this morning, the following:

> Neutral countries measure the effectiveness of the United States in the fields which are competitive with other countries. Fast, safe, modern liners are a sign of technical and industrial superiority.

What countries are neutral today? Practically all of them belong to the United Nations, do they not? If the United Nations Charter means anything, they must all go to war against an aggressor. Either that is true or the United Nations Charter does not mean the paper it is written on.

Mr. Chairman, I am opposed to this bill for the reasons above stated and because the cost will be well above $200 million, the bulk of which will be saddled upon the United States Treasury and the taxpayers.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 2. Concurrently with entering into contracts with shipbuilders for the construction of said vessels, the Board is authorized to enter into contracts for the sale of the vessels, fully outfitted and equipped, upon their completion, (a) with respect to the superliner passenger vessel equivalent to the steamship *United States*, to the United States Lines Co., for the fixed price of $47 million, and (b) with respect to the superliner passenger vessel for operation in the Pacific Ocean, to the American President Lines, Ltd., for the fixed price of $34 million. The sales prices stated herein shall include the cost of stabilizers, all outfit and equipment not covered by the shipbuilders' bids, customary architects' and interior decorators' fees for design, inspection during construction, and all escalation provided for in the shipbuilders' bids: *Provided, however*, That such prices shall be increased in an amount equal to 45 percent of any net change in the cost of the vessels (other than national defense features) arising out of any changes in the bid specifications approved by the Federal Maritime Board or any changes in the usual outfitting and equipping of the vessels if such changes are requested by the purchasers and approved by the Federal Maritime Board after the enactment hereof. Terms and conditions of payment of the purchase price shall be as provided for in sections 502 (c) and 503 of the Merchant Marine Act, 1936, as amended. In order that such construction of the superliner passenger vessel equivalent to the steamship *United States* may be accomplished promptly, the Federal Maritime Board, in its discretion, may have such a vessel constructed, without further bidding, under outstanding bids which have hitherto been made by United States shipbuilders on a similar vessel.

SEC. 3. Except as otherwise provided in this act, the construction and sale of the superliner passenger vessels authorized by this act shall be in accordance with the provisions of the Merchant Marine Act, 1936, as amended.

SEC. 4. For the purposes of this act the words "construction differential subsidy" used in the Merchant Marine Act, 1936, as amended, shall mean the difference between the sales price paid by the purchaser hereunder and the cost of the vessel (less national defense features) including the cost of stabilizers, all outfit and equipment not covered by the shipbuilders' bids, customary architects' and interior decorators' fees for design, inspection during construction and all escalation provided for in the shipbuilders' bids.

SEC. 5. Any contract for an operating differential subsidy on the operation of a vessel constructed and sold under this act shall be subject to the provisions of title VI of the Merchant Marine Act, 1936, as amended: *Provided, however*, That such contract shall provide that, if at the end of any recapture period, the net profits on the operation of such vessel for such recapture period, computed without regard to profits or losses on other vessels operated by the contractor, exceed 10 percent per annum on a cumulative basis upon the contractor's capital necessarily employed in the operation of such vessel, as determined by the Federal Maritime Board, the contractor shall account to the United States for an amount equal to 75 percent of such excess profits.

Mr. BONNER (interrupting the reading). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with and that any amendment may be in order at this time.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, line 18, after the figure insert "or 45 percent of the domestic construction cost of the vessel fully outfitted and equipped (excluding national defense features and escalation) whichever is the greater."

Mr. BONNER. Mr. Chairman, I ask for a vote on the committee amendment.

The committee amendment was agreed to.

Mr. ROBESON of Virginia. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ROBESON of Virginia: On page 3, beginning in line 11, strike out the language "In order that such construction of the superliner passenger vessel equivalent to the steamship *United States* may be accomplished promptly, the Federal Maritime Board, in its discretion, may have such a vessel constructed, without further bidding, under outstanding bids which have hitherto been made by United States shipbuilders on a similar vessel."

Mr. ROBESON of Virginia. Mr. Chairman, for the 8 years I have been here I have consistently voted for amendments calculated to save the taxpayers some of their money.

The amendment which I have offered to section 2 I am quite certain will save the taxpayers some money. I speak from 35 years' experience in shipbuilding.

The bids which the Maritime Board in its discretion may accept in awarding this contract were issued on December 10, 1956. They were opened on March 21, 1957. At that time we anticipated more inflation; the shipyards were busy; large tankers were being built, and other bids were being talked about. As was to be expected, prices went up. Today, 1958, however, presents a different situation. There is no question but that we are in a period of some recession.

The language of the bill reads in effect that in order that the building of these ships may be accomplished promptly, the Federal Maritime Board, in its discretion, may have such a vessel constructed without further bidding. Time of delivery is an important factor. Certainly now with competent builders needing more business, new bids on the same basis should be requested. It would be found that competent builders thoroughly familiar with all of the figures, in the light of the present economic situation would bid lower. A 5 percent lower bid would represent a saving of over $5 million.

My amendment would strike this discretionary language from this unusual act which allows the acceptance of a bid over a year old. Bear in mind also the fact that no ship can be started for some months in any event.

So in good conscience I desire the House to reconsider this matter. To give you the benefit of what I know about this business I offer this amendment to

strike the language and thus require new bids on the present market.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROBESON of Virginia. I yield.

Mr. GROSS. I want to commend the gentleman for his amendment. He has had long experience in the shipyards of this country.

We have heard it argued that the purpose of this bill is necessary among other things to reestablish employment in the shipyards; in other words, the shipyards are hungry for business. I think they ought to come in with new bids which will reflect the situation that exists in the shipyards of the country today.

Again I commend the gentleman for offering this amendment.

Mr. ROBESON of Virginia. I thank the gentleman for his statement. I hope the amendment will be accepted by the chairman.

Mr. BONNER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in all fairness to everybody concerned, and I do believe in fair play, when the United States Lines, under the 1936 act decided to replace the *America*, they advertised for bids. The specifications were submitted to all shipyards who were interested in bidding. The specifications were more familiar to one shipyard than to any other shipyard in the United States. The bids were estimated by each individual shipyard, and that cost them a considerable amount of money. The bids were opened and it was found that one yard was the low bidder.

The price of the vessel is the reason for the bill, and there is where we pitch the bill, on the low bid for this ship, but the builder says he cannot build the ship on this low bid.

Mr. Chairman, if you will carefully read the language on page 3 beginning in line 9 you will see we do not direct the Maritime Administration to use this bid, but in fairness and justice we say they may use this bid. I read the language:

> The Federal Maritime Board, in its discretion, may have such a vessel constructed, without further bidding, under outstanding bids which have hitherto been made by United States shipbuilders on a similar vessel.

Under that language the Maritime Administration has the authority to reconsider bids if they so desire.

Mr. Chairman, we discussed this matter in committee. It is my responsibility to support the bill as it comes from the committee.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Washington.

Mr. PELLY. I support the gentleman. When we were in committee we were told there were only 3 yards in this Nation that could build a ship the size of these 2 vessels. We were told by one of the competitor yards that the bid that was in was a very tight bid. As I understand it, in that bid there are certain escalator clauses which go up or down.

Mr. BONNER. That is correct.

Mr. PELLY. I think the gentleman is fair in asking that the amendment be rejected.

Mr. BONNER. Bids will be invited on the second ship. As the gentleman from California stated, there is no shipyard on the Pacific Coast that can build either of these ships. So they will be competitive so far as the second ship is concerned.

It is no personal pleasure to me to rise in opposition to the amendment that has been offered. I know what it means, I know its purpose, and I shall not deal in personalities, but I do think in all fair play the language we have left in the bill is the proper language and should be left in it, leaving this matter to the discretion of the Maritime Administration under provisions of the 1936 act to make a determination.

Mr. ROBESON of Virginia. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. ROBESON of Virginia. Does not the gentleman agree that the responsibility should be left to the Congress to decide instead of the Maritime Board?

Mr. BONNER. I believe in these cases of building superliners it is the responsibility of the Congress to make the determination, but in the construction of the ship, after we have directed the construction, it is the responsibility of those in charge of the Administration to carry out the construction. I leave it to them in this bill to use their own judgment. They may or they may not. That is it.

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. ALLEN of California. Under the language of the bill as it comes from the committee, the Maritime Board or the Maritime Administrator can determine, on the basis of the most recent information, whether new bids would produce a lower bid or whether taking the outstanding bid would produce the less cost to the Government. He is in a far better position to determine the lowest bidder rather than if we told him to take new bids on what I think has been a rising market on material costs, if not on labor costs.

Mr. BONNER. That is true.

Mr. Chairman, I call the attention of the House to the fact that the low bidder has had a posted bond of $250,000 up since the bid was announced. I hope the amendment will not be adopted.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. SMITH of Virginia. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I do not know who the bidder is, I do not know in what yard the ship is to be built, but it seems to me it would be setting a precedent here to have a ship built, costing something like $100 million, on a bid that is out of date, a bid that was made before the ship was ever authorized. If we are going to get into that sort of thing, are we not getting into a rather dangerous field of advertising for bids for the purchase of some Government property before it is authorized, then a couple of years later after it is authorized say: Well, this fellow over here bid the lowest, so we are going to give it to him, notwithstanding what happens in the markets of the country or in the economy of the country or in the case of the product.

As I say, Mr. Chairman, not knowing who the bidder is or where the yard is, we here in the Congress would be setting a rather bad precedent or example if we undertook to say that nobody else after this ship has been authorized shall have an opportunity to bid on it.

Mr. HOLLAND. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Pennsylvania.

Mr. HOLLAND. Has the gentleman noticed that the United States Steel Corp. has announced that on the 1st of July steel will go up $10 a ton?

Mr. SMITH of Virginia. I do not know about that. It may go up or it may go down.

Mr. HOLLAND. They have already announced that it will go up, so you are not on a lower market; you are on a rising market.

Mr. SMITH of Virginia. I am talking about how this thing looks. When you say nobody shall have an opportunity to bid on this ship, I do not think that looks very good.

Mr. HOLLAND. They have had that opportunity before.

Mr. SMITH of Virginia. Well, it was not authorized before.

Mr. TOLLEFSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the committee gave lengthy consideration to this very proposal that is contained in the bill, and we came to the very definite conclusion—that is, the vast majority of the members of the committee did—that we could not get a better deal than we got in this instance. If we are going to open it up again, we are going to throw out the usual procedure, a procedure requested by the Maritime Administration, and follow an entirely new tack. If we open it up again, sure as I am standing here—and there are only three yards that can bid—every bid will be higher than the one we presently have. Furthermore, considerable time will be lost. The committee is anxious, as is the Defense Department and the Maritime Administration, to get on with this work immediately. As a matter of fact, there was received today a letter by the Maritime Administration from the Defense Department urging that work on these ships be started as quickly as possible. Let us not lose the time that we would lose by asking for additional bids. Let us not take a chance on getting higher bids. This is as good as we can get, and it will not upset the usual procedure that has been followed for years on ship construction.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Did not the Comptroller General go into this picture in a very adequate way?

Mr. TOLLEFSON. Yes, very thoroughly.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I think the committee has done an unusually fine job on this bill. We have to recognize the practical situation confronting us in connection with maintaining a strong merchant marine and the very importance of these two vessels from the angle of our merchant marine and the angle of our national defense. The committee has given very profound consideration to the whole bill as well as to this particular section. I hope the amendment will be defeated.

Mr. TOLLEFSON. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. ROBESON].

The amendment was rejected.

Mr. BONNER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. O'BRIEN of New York, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 11451) to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes, pursuant to House Resolution 551, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. PELLY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. PELLY. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. PELLY moves to recommit H. R. 11451 to the Committee on Merchant Marine and Fisheries, with instructions to review this legislation and report back a bill amending the Merchant Marine Act, 1936 (49 Stat. 1958, 46 U. S. C., sec. 1101 et seq.), to provide for a procedure of administrative determination by the Federal Maritime Board of construction differential subsidy and the cost of national defense features and to consider a reasonable rate of return on owner's capital employed under the act in connection with passenger superliners.

Mr. BONNER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. PELLY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were, yeas 289, nays 94, not voting 46, as follows:

[Roll No. 47]

YEAS—289

Abernethy	Doyle	Lipscomb
Adair	Durham	Loser
Addonizio	Dwyer	McCarthy
Albert	Edmondson	McCormack
Alexander	Elliott	McCulloch
Alger	Engle	McDonough
Allen, Calif.	Everett	McFall
Anderson, Mont.	Fallon	McIntire
	Fascell	McIntosh
Andrews	Feighan	McMillan
Anfuso	Fenton	Macdonald
Ashley	Fino	Machrowicz
Aspinall	Fisher	Mack, Ill.
Ayres	Flood	Mack, Wash.
Bailey	Flynt	Madden
Baker	Forand	Magnuson
Baldwin	Ford	Mahon
Bass, Tenn.	Forrester	Mailliard
Bates	Fountain	Martin
Baumhart	Frazier	Matthews
Becker	Frelinghuysen	May
Beckworth	Friedel	Meader
Bennett, Fla.	Fulton	Merrow
Bennett, Mich.	Garmatz	Metcalf
Blitch	Gathings	Miller, Md.
Boggs	Gavin	Miller, N. Y.
Bolling	Glenn	Mills
Bonner	Granahan	Mitchell
Bosch	Gray	Moore
Bow	Green, Oreg.	Morgan
Boykin	Gregory	Morris
Boyle	Griffiths	Morrison
Breeding	Gubser	Moss
Brooks, La.	Hale	Moulder
Brooks, Tex.	Haley	Multer
Brown, Ga.	Hardy	Mumma
Brown, Mo.	Harris	Murray
Brown, Ohio	Harrison, Va.	Natcher
Broyhill	Hays, Ark.	Neal
Bush	Hays, Ohio	Nicholson
Byrd	Healey	Norblad
Byrne, Ill.	Hébert	O'Brien, Ill.
Byrne, Pa.	Hemphill	O'Brien, N. Y.
Canfield	Herlong	O'Hara, Ill.
Cannon	Hess	O'Neill
Carnahan	Hill	Osmers
Carrigg	Hillings	Ostertag
Cederberg	Holifield	Passman
Celler	Holland	Patman
Chamberlain	Holmes	Patterson
Chelf	Holtzman	Perkins
Chenoweth	Horan	Pfost
Christopher	Hosmer	Philbin
Church	Huddleston	Pilcher
Clark	Hull	Powell
Coad	Hyde	Preston
Coffin	Jackson	Price
Colmer	Jennings	Prouty
Cooley	Johnson	Rabaut
Corbett	Jones, Ala.	Ray
Coudert	Judd	Reece, Tenn.
Cramer	Karsten	Reuss
Cretella	Kean	Rhodes, Pa.
Cunningham, Iowa	Kearney	Riehlman
	Kearns	Riley
Curtin	Keating	Rivers
Curtis, Mass.	Kelly, N. Y.	Robison, N. Y.
Dague	Keogh	Robsion, Ky.
Davis, Ga.	Kilday	Rodino
Davis, Tenn.	Kilgore	Rogers, Colo.
Dawson, Ill.	King	Rogers, Fla.
Dawson, Utah	Kirwan	Rogers, Tex.
Delaney	Kitchin	Rooney
Dellay	Kluczynski	Rutherford
Dent	Lafore	Sadlak
Denton	Landrum	Santangelo
Derounian	Lane	St. George
Devereux	Lankford	Saund
Dingell	Latham	Saylor
Dollinger	Lennon	Schenck
Dorn, N. Y.	Lesinski	Scott, Pa.
Dorn, S. C.	Libonati	Scudder
Seely-Brown	Teller	Whitten
Selden	Thompson, La.	Widnall
Sheehan	Thompson, Tex.	Wier
Shelley	Thomson, Wyo.	Wigglesworth
Sieminski	Tollefson	Williams Miss.
Sikes	Trimble	Willis
Simpson, Pa.	Ullman	Wilson, Calif.
Sisk	Utt	Winstead
Smith, Calif.	Vanik	Wolverton
Smith, Miss.	Van Pelt	Wright
Stauffer	Van Zandt	Yates
Steed	Wainwright	Young
Sullivan	Walter	Younger
Teague, Calif.	Watts	Zablocki
Teague, Tex.	Westland	Zelenko

NAYS—94

Abbitt	Gross	Poage
Allen, Ill.	Hagen	Poff
Andersen, H. Carl	Halleck	Polk
	Harrison, Nebr.	Quie
Arends	Harvey	Rees, Kans.
Ashmore	Haskell	Rhodes, Ariz.
Avery	Henderson	Robeson, Va.
Baring	Heselton	Scherer
Bass, N. H.	Hiestand	Schwengel
Beamer	Hoeven	Scott, N. C.
Belcher	Hoffman	Scrivner
Bentley	Ikard	Siler
Berry	Jensen	Simpson, Ill.
Betts	Johansen	Smith, Kans.
Bolton	Jonas	Smith, Va.
Bray	Kilburn	Springer
Broomfield	Knox	Taber
Brownson	Krueger	Talle
Budge	Laird	Tewes
Burleson	LeCompte	Thomas
Byrnes, Wis.	McGovern	Thornberry
Chiperfield	McVey	Tuck
Clevenger	Marshall	Udall
Collier	Mason	Vorys
Curtis, Mo.	Miller, Nebr.	Vursell
Dennison	Minshall	Weaver
Dixon	Nimtz	Wharton
Dowdy	Norrell	Whitener
Evins	O'Hara Minn.	Williams, N. Y.
Gary	O'Konski	Wilson, Ind.
George	Pelly	Withrow
Griffin	Pillion	

NOT VOTING—47

Auchincloss	Gordon	Morano
Barden	Grant	Porter
Barrett	Green, Pa.	Radwan
Blatnik	Gwinn	Rains
Boland	Harden	Reed
Buckley	Holt	Roberts
Burdick	James	Rogers Mass.
Cunningham, Nebr.	Jarman	Roosevelt
	Jenkins	Sheppard
Dies	Jones, Mo.	Shuford
Diggs	Kee	Spence
Donohue	Knutson	Staggers
Dooley	McGregor	Taylor
Eberharter	Michel	Thompson, N. J.
Farbstein	Miller, Calif.	Vinson
Fogarty	Montoya	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Taylor for, with Mrs. Harden against.

Until further notice:

Mr. Montoya with Mr. Auchincloss.

Mrs. Kee with Mrs. Rogers of Massachusetts.

Mrs. Knutson with Mr. Dooley.

Mr. Dies with Mr. Reed.

Mr. Fogarty with Mr. Burdick.

Mr. Farbstein with Mr. McGregor.

Mr. Buckley with Mr. Morano.

Mr. Miller of California with Mr. Michel.

Mr. Sheppard with Mr. Gwinn.

Mr. Roosevelt with Mr. James.

Mr. Thompson of New Jersey with Mr. Radwan.

Mr. Green of Pennsylvania with Mr. Jenkins.

Mr. Barrett with Mr. Cunningham of Nebraska.

Mr. Porter with Mr. Holt.

Mr. McGOVERN changed his vote from "yea" to "nay."

Mr. COUDERT changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. BONNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

REPORT OF THE NATIONAL CAPITAL HOUSING AUTHORITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on the District of Columbia:

To the Congress of the United States:

In accordance with the provisions of section 5 (a) of Public Law 307, 73d Congress, approved June 12, 1934, I transmit herewith for the information of the Congress the report of the National Capital Housing Authority for the fiscal year ended June 30, 1957.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 29, 1958.*

TEMPORARY UNEMPLOYMENT BENEFIT LEGISLATION

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 555, Rept. No. 1671), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 12065) to authorize temporary unemployment benefits for individuals who exhaust their benefit rights under existing unemployment compensation laws, and for individuals who were employed in noncovered employment. After general debate, which shall be confined to the bill and continue not to exceed 6 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

PROGRAM FOR THE REMAINDER OF THE WEEK

Mr. MARTIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN. Mr. Speaker, I understand there has been a change in the program for the balance of the week, and I would like to know now what the situation is.

Mr. McCORMACK. The emergency unemployment compensation bill will come up tomorrow.

Mr. MARTIN. That is positive?

Mr. McCORMACK. That is the intention, yes.

Mr. MARTIN. And what about the rest of the week?

Mr. McCORMACK. I should think that would take pretty much the rest of the week.

Mr. MARTIN. Six hours of general debate is provided?

Mr. McCORMACK. That is my understanding.

Mr. MARTIN. And we are coming in at 12 o'clock.

Mr. McCORMACK. We hope to get through by Friday at the latest.

Mr. MARTIN. Mr. Speaker, I thank the gentleman.

SUBCOMMITTEES OF THE COMMITTEE ON THE JUDICIARY

Mr. CELLER. Mr. Speaker, I ask unanimous consent that subcommittees of the House Committee on the Judiciary may have permission to sit tomorrow and Thursday during general debate.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE MISSOURI SCHOOL OF JOURNALISM

Mr. MOULDER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include an editorial from the Los Angeles Times.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MOULDER. Mr. Speaker, this year of 1958 is the 50th anniversary of the University of Missouri School of Journalism. The University of Missouri, which I had the honor and opportunity of attending, was the first State university established west of the Mississippi. The University of Missouri School of Journalism was the first school of journalism in the world. We of Missouri are proud of our university and proud of the fact that the Missouri School of Journalism is known and honored by the free press throughout the world.

The editorial follows:

THE MISSOURI SCHOOL OF JOURNALISM

Journalism is something like motherhood: It is neither a trade nor a very formal profession, yet it requires great skill and understanding from its superior practitioners, and these are hard things to teach. Consequently journalism schools, with a few honorable exceptions, are vacuous places, manipulated by teachers with little newspaper experience, much flam and no flair, who stand in the same relation to their students as the spinster social worker to the troubled bride.

Today we wish to salute one of the honorable exceptions, the University of Missouri School of Journalism, which has just weathered its first 50 years. Even disenchanted old editors show a gleam of interest when a Missouri alumnus comes along and some newspapers operate a sort of futurity stakes, picking their entries before they graduate.

The school is making quite a thing of the anniversary—a 10-month celebration beginning in August with a noble theme: "A Stronger Free Press for a Better Free World." President Elmer Ellis of the university and Dean Earl F. English of the School of Journalism said in their joint announcement:

"We believe that today the Free World is confronted with the most serious threat to its existence since the dawn of Western civilization, and that—more than ever before in history—the preservation of this Free World depends on the ability of its citizens to exchange information and opinions openly without fear of retribution.

"We believe that the primary responsibility for keeping these avenues of expression open lies not with the Government or with any other agency or group, but with the journalism profession itself * * *.

"We believe that the immense contributions of the communications field are too often 'taken for granted' in democratic societies and that there is a need to emphasize these contributions through a series of events which can earn worldwide attention."

The United States has some pretty poor newspapers along with the great ones and good ones, but the lot of them averages out as the best of the free presses of the world. The Missouri School of Journalism has surely done as much as any single instrumentality of education to help the American press; and if it can, during its golden jubilee, teach a larger part of the public to believe what President Ellis and Dean English believe, it will do more for newspapering—and the Free World—than it, or any other school, has ever done before. The enterprise has promise, for the Missouri school has the prestige to make itself heard.

DEDICATION OF CAPE HATTERAS NATIONAL SEASHORE ON THE OUTER BANKS, APRIL 24, 1958

Mr. BONNER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BONNER. Mr. Speaker, on Thursday of last week, April 24, there occurred an historical event on Hatteras Island and Bodie Island on the coast of North Carolina, the occasion being the dedication of the Cape Hatteras National Seashore Recreational Area. This area embodies 70 miles of the most beautiful ocean beach frontage on the Atlantic coast. It was the culmination of a long and difficult undertaking to preserve and establish for generations to come an area which will be the playground of the American people where those who are not able to take their families to the beach and reside in expensive hotels may load up all the kiddies, the wife, the dog and tent and other camping equipment and economically enjoy the refreshing unpolluted

air of the Atlantic Ocean and Pamlico Sound. Even for the last several years this area during its formation has been overcrowded with campers and now with camping areas having sanitary facilities, it will be taxed to capacity during the coming summer months. What man has destroyed will take years and years to restore. In this area, Mr. Speaker, once grew tall oaks, pines, and other trees and plants native to its soil. Most all of this has been destroyed, by the devastation and thoughtless desecration of man, but under the program of the National Park Service it will be restored to the unsullied picturesque beauty that it had when colonists first looked upon this country and established nearby the first English-speaking settlement on the face of the Western Hemisphere.

The creation of this recreation area has been made possible by contributions from the great State of North Carolina both in property and monies and also in property and monies from private citizens and national foundations. It has given me personal satisfaction to sponsor this project and work for it since the retirement of my predecessor, Hon. Lindsay C. Warren, in 1940. Mr. Warren introduced the bill in Congress authorizing the creation of this park. I ask unanimous consent, Mr. Speaker, to include in my remarks the addresses made at the dedication exercises by Hon. Lindsay C. Warren, Mr. Paul Mellon, and his Excellency, the Governor of North Carolina, Hon. Luther H. Hodges.

Members of Congress attending the dedication were: Hon. MICHAEL JOSEPH KIRWAN, Democrat, of Ohio; Hon. EDWARD P. BOLAND, Democrat, of Massachusetts; Hon. BEN F. JENSEN, Republican, of Iowa.

The addresses follow:

REMARKS OF HON. LINDSAY C. WARREN ON DEDICATION OF CAPE HATTERAS NATIONAL SEASHORE ON THE OUTER BANKS, APRIL 24, 1958

For 30 years it was my privilege to have a more or less intimate acquaintance with the several agencies of the Government and those who directed their activities. The greatness of an institution cannot be separated from the one who directs it. They mirror each other. Many times I have publicly stated that I know of no greater agency than the National Park Service. As for Conrad L. Wirth, his leadership, his forthrightness, and his devotion to the public service stand without a peer. No one in the Nation has a finer reputation for the conservation and development of our national resources.

To me this occasion is the realization of a great dream and I am happy and grateful that I have been permitted to live to see it come about. More than 20 years ago when President Franklin D. Roosevelt spoke at Fort Raleigh, he asked me to announce that he had just signed the bill to create the Cape Hatteras National Seashore. The project was favored by nearly everyone in the county although at the time we were in the midst of a terrible depression. As the years sped by, however, we were unable to get any money for land purchase as this had to be donated. After years of frustration, Mr. Paul Mellon and his sister, Mrs. Ailsa Mellon Bruce, and the foundations they had created, came forward and made a magnificent contribution which the State of North Carolina quickly matched. A grateful State and section thank you. If I were asked the reason for this generosity on the part of the Mellons, I would say it was the confidence they had in the National Park Service and in Connie Wirth, and their desire to see perpetuated the most beautiful spot of its kind in the Nation.

Today with bowed heads we pay tribute to the late Senator W. Kerr Scott who had expected to be present. With his characteristic vision and his love of this section, he did not hesitate to match the Mellon gift with State funds. God bless his noble soul. May his memory be kept green on the outer banks as it will be in the State.

I wish that I knew how to pay the proper tribute to my beloved friend, Congressman HERBERT BONNER, for there is no better Congressman in the United States. No one has been more interested in this project from the beginning to date. When leadership and courage were necessary for the seashore, he supplied it in a high degree.

When the money gave out for land purchase, the fate of the park was again in doubt and again the Mellons came forth with a large donation and again it was matched by the State. This time we had another forceful Governor who has captured the imagination of our people, and this park now comes to fruition during the administration of Gov. Luther H. Hodges. During its many trials and tribulations there were others too numerous to mention, who gladly donated their lands, their untiring support, and their influence. They should be remembered with gratitude.

So today, ladies and gentlemen, there is being dedicated to the public welfare this beautiful section of our coastland. Here on three scenic and picturesque islands, we have, on the one side, one of the largest sounds on the coast, and on the other, the mighty Atlantic. Every foot of this narrow beach is rich in history and tradition. Here over the ages disaster has struck in all its fury and down the years unparalleled heroism has reigned. Here reside a noble people. They are God fearing, friendly, and steeped in the traditions of their homeland. May this park bring them happiness and prosperity from the many visitors who will come here to see the majesty and beauty of what God has wrought, and who, in time, will throng these shores.

May I say just this in passing? North Carolina now has two great National Parks—the great Smoky Mountains and the Cape Hatteras Seashore. They are separated by the entire distance of the State. Just recently a large delegation, headed by our distinguished Governor and including our Congressmen, appeared before the Secretary of the Interior in Washington and opposed the imposition of tolls on these beautiful highways over which our citizens and visitors constantly travel. This question of tolls has been hanging like a heavy sword over the people of western North Carolina for many years, and on behalf of the eastern section, I wish to thank the Department and the National Park Service, the Governor, and all others who brought about the changing of this decision and made the west toll free.

It is now proposed, however, that our own State place tolls on a bridge that is one of the important entrances to this park. May I respectfully say, in this presence, that we should never tolerate in North Carolina a class of citizens who ride free in the west and in the far east ride under the shackles of tolls. May I earnestly ask that this proposal be reconsidered and that the policy of free roads and free bridges for the enjoyment of all our people be applied to every nook and corner of our beloved State. Let there be no first- and second-class travelers within our borders.

REMARKS OF MR. PAUL MELLON AT THE DEDICATION OF CAPE HATTERAS NATIONAL SEASHORE PARK, APRIL 24, 1958

You know, even to look at a map of these barrier banks of Hatteras is an exciting adventure. So I found one day in 1952 when I returned to my office from lunch and had the map delineating this project called to my attention by my colleague Donald Shepard. The map, and the story behind the map had, in turn, been left with him by Conrad Wirth and Ronald Lee of the National Park Service. Chiefly because of the intervention of the war it was, even then, all but too late to set the wheels in motion again to accomplish the magnificent purpose envisaged in the bill introduced into Congress by Mr. Lindsay Warren in August 1937: the establishment of the Nation's first National Seashore.

But there was a magic emanating from that lifeless map that none of us who have been concerned in the project could ever have resisted: the magic of sunlight on the waves and the white froth of surf, sea birds, salt winds, the gold of warm and seemingly endless sands, the silver-green of dune grass waving in the wind; pirate legends, skeletons of old ships, hostile Indians, rum, and murder. It was the magic of names from history: Raleigh, Drake, Ralph Lane, John White, Virginia Dare, Blackbeard. It was the magic of the hardy and precarious life of fisher folk and other men of the sea, and the timeless resourcefulness and individualism of the men of these islands, even to today. In fact, the map gave out an aroma, a kind of distilled essence of Nature, man, America, and history.

I won't labor the story of how this Hatteras National Seashore Area came into being by details, nor try to give further credit to all the individuals and organizations involved. Many are mentioned in the dedication program, and much of the story is being told by others. What I do want to say is, that of all the undertakings and appeals that have come across my desk as president of Old Dominion Foundation and as trustee of several others, this was the most appealing, self-selling, and most unanimously acceptable one in my experience. From the first day it had the eager and enthusiastic support of my sister, Mrs. Mellon Bruce, and her cotrustees of the Avalon Foundation, and the eager and enthusiastic support of the trustees of Old Dominion Foundation. Speaking of the Old Dominion, as you would guess from the name, there were perhaps slight reservations. Some among us wondered why God, in his infinite wisdom in every other respect, had not seen fit to put Cape Hatteras off the coast of Virginia.

I speak with feelings of real appreciation, both on behalf of these two foundations and for myself personally, for the most happy and stimulating relationship we have had with the National Park Service and with the State of North Carolina, her elected representatives, and her people. It is a great honor and privilege for the foundations to have counted them as partners in this significant undertaking: an undertaking that will redound to the benefit of, and assure the pleasure of millions of Americans. I am sure that the real value of this area (not its monetary value, but its real value) will not be fully realized for another 50 to 100 years, by which time so many more wild and beautiful areas will have disappeared under the waves of population, pollution, profligacy, but what many call progress.

They will have disappeared like so many other native and natural resources in the past; the great stands of beech trees and other native hardwood, many of our forests and much of our grassland: like the clear water from our springs, wells, and rivers; like much of our topsoil that has spilled into the sea. They will have disappeared like the passenger pigeon, the heath hen, the Eskimo curlew, the wild turkey, the Atlantic salmon, the Eastern puma. It is a sobering thought that no amount of money nor good will in the world, not all the resources of all individuals, foundations, nor governments can ever buy back one passenger

pigeon. And at one time they darkened the skies, even here.

Man cannot live by bread alone—no, nor by cars (even with tail fins), deep freezers, split levels, split atoms, and TV. We hope that this beautiful area will give deep pleasure to many citizens in the future not only for their well-deserved rest and recreation, but for their realization of quiet hours of contemplation in settings of great natural serenity; for the silent renewal of the spirit. And let us not forget the wildlife, and especially the birds of both land and sea: May it give them rest and safety in their travels, and the wherewithal more surely to survive and multiply for many centuries of the future.

REMARKS BY GOV. LUTHER H. HODGES AT DEDICATION OF CAPE HATTERAS NATIONAL SEASHORE RECREATION AREA, NAGS HEAD, N. C., APRIL 24, 1958

It is a tremendous pleasure for me to be here in this beautiful and historic section of North Carolina to take part in this significant and deeply gratifying occasion. The great recreational area that we are dedicating today—reach from Whalebone Junction at the southern boundary of Nags Head, to Ocracoke Inlet, some 70 miles down the coast—will long stand as a monument to the dedicated individuals and groups that have made it possible. It will stand also as a remarkable example of what can be achieved through sincere cooperation between all levels of government and between government and private individuals.

It would be impossible, of course, to pay proper tribute to all of the people and to all the agencies, both State and Federal, that have contributed to the event we are celebrating here today. Certainly, the presence of many representatives of the Federal agencies gives some indication of the role the Federal Government has played in this development especially the Park Service. We welcome them to North Carolina and extend to them our sincerest thanks for the interest they have shown and the effort they have expended in our behalf.

I would like to mention, briefly, the part our State government has played in making this event possible. As far back as 1939, the North Carolina General Assembly enacted legislation creating the North Carolina Cape Hatteras Seashore Commission which was authorized, empowered, and directed to acquire title in the name of the State of North Carolina to any lands contemplated by the act of Congress approved August 17, 1937. The act referred to, of course, was the Federal measure, introduced by the Honorable Lindsay Warren, setting up the Cape Hatteras National Seashore.

The late Gov. Clyde R. Hoey, in compliance with the legislation enacted by our general assembly, named a 9-member commission to facilitate development of the area. Headed by R. Bruce Etheridge, of Manteo, the commission was composed of Josh L. Horne, Jr., of Rocky Mount; Coleman Roberts, of Charlotte; Santford Martin, of Winston-Salem; Mrs. James H. R. Cromwell, of Sommerville, N. J.; Van Campen Heilner, of New York City; J. A. Buchanan, of Durham; R. Stanley Wahab, of Ocracoke; and former Gov. J. C. B. Ehringhaus, of Raleigh. I mention these names because without the devotion and interest shown by these individuals the occasion that has brought us here today might still be many years away. The groundwork laid by this group during the prewar years proved a solid foundation upon which to build when it became necessary to revive interest in the project following the war. Many others including our Seashore Commission which met yesterday.

In 1950, Gov. W. Kerr Scott reactivated the commission and directed that the acquisition of seashore lands proceed. By 1952, several thousand acres of State land and land that had been donated by Phipps estate for a State park was available for transfer to the Department of the Interior. Governor Scott was instrumental in securing the first large State grant—$618,000—to be used in purchasing land. It has been my privilege to continue the interest of the governor's office in this great undertaking and I am proud of the fact that during my tenure in office of the State has contributed an additional $846,500 in order to convert this long-standing dream into reality. Two hundred thousand dollars of this amount authorized recently by the State was used to purchase needed land. Another $636,000 was spent in constructing a road on Ocracoke Island and establishing a free ferry service—including access road and slip—from Hatteras to Ocracoke. And the $10,500 was the State's share in financing a study of beach erosion on Ocracoke Island in cooperation with the Beach Erosion Board and the National Park Service.

I am proud of the fact that the people of North Carolina have given their wholehearted endorsement to the State's participation in this development. I am proud because this endorsement is evidence of the fact that the average North Carolinian shares with me the sincere conviction that this section of our State will eventually become one of the most, if not the most, outstanding tourist attraction in the Nation. Here we have an area that boasts all the requisites for developing into a park and recreation area second to none. Recreational possibilities are unlimited. History has bequeathed to this curiously beautiful section a rich mixture of legend and fact and traditions which, tastefully exploited, will lure millions of visitors to these sandy shores. The rustic scenic qualities of the area have a unique appeal that cannot be duplicated elsewhere in the world. There is also a tremendous appeal here for the traveler with an interest in biology or geology.

Less than 1 percent of the total coastline of the United States is in public ownership. Yet, here in North Carolina, we can boast a great coastal chain of islands, 70 miles long, lying off our mainland, comparatively untouched by human desecration. There are no great and expensive hotels, no fly-by-night establishments, no highly organized commercialism. There is nothing here to detract from the visitor's thoughts as he communes with history. Here he can look out over the "Graveyard of the Atlantic" and summon up the images of Blackbeard. Or he can go even further back and envision Amadas and Barlow sailing their tiny vessel through these waters to plant their flag and claim a continent for England.

Regardless of where he goes, the visitor of this coastal area cannot avoid contact with the great events of the Nation's past. From the time of Sir Walter Raleigh to the present day, fate has brought men of courage and men of destiny to the North Carolina coast. Even in this century the pattern of history has not changed. For in the lifetime of many of us, these windswept beaches have witnessed the birth of aviation—and the museum. Nor will history forget that it was from these same Hatteras beaches that the late Gen. Billy Mitchell flew with four bombers to sink the battleships *Virginia* and *New Jersey* and introduce a totally new concept of warfare.

I have intentionally avoided going into details of the economic benefits that can be derived from the establishment of this recreational area. I have avoided it because I feel certain these benefits will naturally accrue and I do not feel that a discussion of the commercial aspects of this development particularly appropriate to today's ceremony.

Let me conclude with the personal observation that I have great faith in this region and its people. I am tremendously impressed with the progress made in recent years and am confident this progress will continue. I am confident the National Park Service will continue to improve the recreational area. The natural resources are here. The area is rich in historical significance and scenic beauty. No fight between islands. If we all do our share, if we local, State, and National continue to cooperate as we have in the past, if we provide the leadership and the vision, then we will be able to find ample reward for our efforts in the knowledge that future generations of Americans will reap many wonderful benefits from our achievement. It is good that we are here today.

SPEECH BY ASSISTANT SECRETARY ROGER ERNST AT THE DEDICATION OF CAPE HATTERAS NATIONAL SEASHORE AREA ON APRIL 24, 1958

We have just returned from seeing the cape and the outer banks as the wild birds see them. What a rare and fascinating experience it was to be allowed to see this amazingly beautiful area that is now set aside for all to enjoy as the result of the hard work and sacrifices of individuals who had the ability to see into the future and the unselfishness to think of their fellow men and those to come.

Because of the efforts, sacrifices, and vision of those I have mentioned, we are here to dedicate one of the first installations of the Cape Hatteras National Seashore Area.

I am one of those who might easily be confused by the meaning of the terms and processes of dedication. In most cases dedication ceremonies primarily come after the work is done—perhaps after the bulk of thinking and planning has been done and the sacrifices made.

In such accomplishments as we dedicate here, too many of those who dreamed the dream and heeded the vision do not live to see the fruits of their vision and labors and sacrifices.

However, those of us who are so fortunate as to be allowed to enjoy the results of the efforts of many are indeed blessed.

Many of those who had the vision and the ability to work and to make the sacrifices are here today. Others such as the late Senator Scott we miss so very much but know they are here in spirit as we look upon the everlasting fruits of their labors.

In this extremely complex world of government and people it is most important to take time out to make a definite point of appreciating those dedicated individuals, both of the Government and of the people (if the distinction must be made) who are willing to dedicate their lives to providing something for the betterment of the lives of those to come rather than becoming lost in the complexities of everyday life.

This is a wonderful occasion, completing the great bridge from national parks to national seashores. It is the beginning of a new era of preservation of areas of our beautiful shores for the enjoyment of all.

On behalf of the Secretary of the Interior, Fred A. Seaton, I extend hearty congratulations to those who give and those who will receive.

We join you in giving thanks for our blessings and the dedication of those who are forever mindful of the needs of others.

Thank you.

REMARKS BY NATIONAL PARK SERVICE DIRECTOR CONRAD L. WIRTH AT THE DEDICATION OF THE CAPE HATTERAS NATIONAL SEASHORE RECREATIONAL AREA, BODIE ISLAND, N. C., ON APRIL 24, 1958

Distinguished guests, ladies and gentlemen, this is a very happy occasion in the history of the National Park System. We have gathered here today for the dedication of our country's first national seashore—the Cape Hatteras National Seashore Recreational Area.

On behalf of the National Park Service of the Department of the Interior and on behalf of the people of the United States, I want to express sincere appreciation to all the individuals and groups who worked so hard over the years to make this dedication possible.

We will be privileged this afternoon to hear brief talks by Gov. Luther H. Hodges, Assistant Secretary of the Interior Roger C. Ernst, Mr. Paul Mellon representing the Old Dominion and Avalon Foundations which donated some $800,000 to assist in establishment of the national seashore, and Mr. Lindsay Warren, your former Representative in the Congress of the United States and who later served so brilliantly as Comptroller General of the United States. Mr. Warren introduced the legislation that made establishment of the National Seashore possible.

We are particularly honored by the presence here this afternoon of a distinguished delegation of Members of Congress who accompanied your own Congressman, the Honorable HERBERT C. BONNER. I shall call upon Mr. BONNER to introduce to you his distinguished colleagues, Representative MICHAEL J. KIRWAN of Ohio, who is chairman of the Appropriations Subcommittee of the House which handles Interior Department appropriations; Representative BEN F. JENSEN, of Iowa, ranking minority member of that same committee, and Representatives EDWARD P. BOLAND and THOMAS P. O'NEILL, Jr., of Massachusetts.

It is not possible to pay individual tribute to all of the far-sighted men and women who contributed unselfishly of their time and efforts to establish this national seashore. The list is far too long. However, I would like to mention just a few, including R. Bruce Etheridge, Mrs. Maude White, Tom Morse, Miles Clark, Victor Meekins, Frank Stick, George R. Ross, Theodore S. Meekins, Bradford Fearing, and Ben Dixon MacNeil.

I know all of us have been saddened by the untimely and tragic passing of the Honorable Kerr Scott who, as Governor and as United States Senator, contributed so much to the establishment of this national seashore.

Governor Hodges carried on the good work when he succeeded Senator Scott as Governor. Governor Hodges is a good friend of the National Park Service and although we sometimes have some differences of opinion—such as the recent issue over the collection of fees on the Blue Ridge Parkway—we always manage to patch up such differences and remain good friends.

This morning we unveiled a plaque commemorating the generous donation of some 2,700 acres of land at Cape Hatteras by the late Henry Phipps. We are happy to have with us Mr. Raymond Guest, grandson of Mr. Phipps, who is here representing the Phipps family.

At the conclusion of this ceremony I shall ask Rear Admiral H. C. Moore and Superintendent Robert F. Gibbs of the Cape Hatteras National Seashore to commemorate this dedication by blending together waters from Old Faithful Geyser in Yellowstone, the first national park, with waters from the Atlantic that touch the shores of the first national seashore.

Admiral Moore, may I, on this historic occasion, pay tribute to the brave men of the United States Coast Guard who for years have patroled the often dangerous shores of these outer banks so effectively and courageously.

The lives and careers of the men of the Coast Guard have been linked very closely with the lives and careers of the residents of the villages of the outer banks and in later years with the activities of the National Park Service.

We are grateful for the understanding cooperation we have always received from the Coast Guard.

The National Park Service takes great pride in being entrusted with the administration of the Cape Hatteras National Seashore Recreational Area in accordance with the law establishing the Service. This law directs us to "conserve the scenery and the natural and historic objects and the wildlife therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations."

DEDICATION OF CAPE HATTERAS NATIONAL SEASHORE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BOLAND. Mr. Speaker, it was my good fortune to have been invited to the dedication of the Cape Hatteras National Seashore on last Thursday, April 24. In company with my colleagues Congressmen KIRWAN of Ohio, JENSEN of Iowa, and the very distinguished Member from North Carolina, Mr. BONNER, I witnessed a very impressive ceremony.

This dedication established into perpetuity for the people of the United States a magnificent stretch of 70 miles of seashore. It is an area where wildlife will be protected and where the populace of our Nation can go for relaxation and enjoyment.

The authorization bill for our newest National Park was filled and brought into being many years ago by former Congressman Lindsay Warren. He guided the legislation through the Congress and his successor, Mr. BONNER, has seen it come to full fruition under his own leadership. I sincerely trust that this is not the last dedication of a national seashore. The United States Congress, to preserve its shore for all of the people of our country, can do nothing better than authorize additional seashore areas.

One of these is in Massachusetts on beautiful Cape Cod. I hope that some day we can do in Massachusetts what has been done in North Carolina. I congratulate the National Park Service and all of those who have been responsible for this magnificent recreation area—those who have donated property, and the Avalon and Old Dominion Foundations under the guidance of the Mellon family—the public officials, both State and National, who have worked so long and so hard to bring this dream into a beautiful reality.

REPUBLICAN ACTION TO HALT DEMOCRAT NEW DEAL-FAIR DEAL SOCIALISTIC TRENDS

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. SHEEHAN] is recognized for 60 minutes.

Mr. SHEEHAN. Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from Ohio [Mr. BETTS], may extend his remarks immediately following mine.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SHEEHAN. Mr. Speaker, I ask unanimous consent that all Members who may participate in this discussion may have permission to revise and extend their remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SHEEHAN. Mr. Speaker, on numerous occasions, here in the House of Representatives, I have heard Democrat Members ask what we Republicans have done to repeal or revise certain New Deal socialistic legislation and executive policies.

Due to time limitations, I will not attempt a full and complete answer to these inquiries, but will present enough facts to adequately show that the policies and philosophy of the Republican administration since 1952 and the Republican-controlled 80th and 83d Congresses have halted the forward progress, or should I say retrogression, of the New Deal-Fair Deal socialistic philosophy.

Democrat spokesmen have charged that the Republicans, despite 20 years of opposition and promises of change, have done nothing to repeal New Deal-Fair Deal laws or reverse the New Deal-Fair Deal government policies. The Democrats would have us believe that the socialistic New Deal-Fair Deal philosophy is still inextricably woven into the American social fabric. They would perpetuate the myth that Republicans took over a vibrant and expanding peacetime economy operating in a healthy social climate of enlightened New Deal-Fair Deal programs.

There is no basis for these claims. In 1953 Republicans came to grips with the end results of 20 years of patchwork government—the thoroughly corrupt Truman administration. The powerfully centralized Government was swollen by bureaucracy, controls and redtape; corroded with deficit spending despite a crushing burden on taxpayers; riddled with corruption; ensnared in destructive business competition with private citizens; operating under a dangerous imbalance of governmental powers through interference with State and local functions; and entangled in a stalemated war.

The Republicans had promised to end Democrat bureaucracy and mismanagement, and they have kept that promise. The Republican 83d Congress and the Republican administration, with a large assist from the Republican 80th Congress, have acted speedily to eradicate the bad influences and features of two decades of Democrat control.

Regarding outright repeal of New Deal-Fair Deal legislation, here is indisputable proof of Republican action:

First. Republicans repealed 175 "emergency" laws: The Republican 80th Congress passed Senate Joint Resolution 123—Public Law 239—which repealed approximately 175 laws or provisions of law enacted during Democrat administrations under the guise of "emergency" and which vested danger-

ously broad powers in the executive department.

Two. Republicans repealed the Wagner Labor Relations Act: The Republican 80th Congress repealed the Wagner Labor Relations Act through enactment of the Taft-Hartley Act of 1947, equalizing the rights, privileges, and responsibilities of both labor and management. The Republican law preserved true collective bargaining, which was rapidly declining under Democrat administration favoritism and interference. It has protected the consumer from unnecessary and violent strikes.

It should be noted that Republicans, led by the late Senator Robert A. Taft, saved organized labor from an enforced induction of railroadmen into the Army—Truman's proposal to break a railroad strike.

Three. Republicans repealed controls on wages, prices, rents and materials: The Republican 83d Congress and the Eisenhower administration eliminated wage and salary controls, price controls on consumer goods, rent and materials controls. This action freed the American economy of one of socialism's prime features. Huge blocks of investment capital were released, and industrial research, planning and development were stepped up by the Republican action. New jobs were created so that today—even at the time of a downturn in the economy—more Americans are earning and saving more money than ever before in the Nation's history.

Fourth. Republicans cut taxes: The Republican 83d Congress in 1954 overhauled the whole tax structure. The Democrat record since 1933 had been one of taxes and more taxes, spending and more spending. In 1933, a family of 4 earning $3,500 a year paid $8 in Federal income taxes. By 1946, the Democrats had boosted that tax to $285 a year—or 35 times as much. In 1948, the Republican 80th Congress gave that family a reduction of $102 a year, over Mr. Truman's veto, but even then, that family was paying $175 a year more than when the Democrats began running things.

The Republican 83d Congress put through a tax cut of $7,400,000,000 the greatest reduction in the Nation's history, providing income-tax relief for millions of middle and low income individuals, and excise taxes on thousands of articles in everyday use were cut. Gas taxes were cut for fuel used on farms.

This tax cut represented a saving of $200 a year for a family of 4. It has poured back into the economy, to date, more than $33 billion that during the New Deal-Fair Deal years would have been swallowed up and wasted by the Federal Government.

Fifth. Republicans repealed 90 percent parity price support legislation: The Republican 83d Congress repealed rigid 90 percent of parity price support legislation, which had saddled the Nation with staggering surpluses and seriously depressed the farm prices. The Republicans replaced it with a realistic price-support program which better serves the needs of both farmers and the general public.

Sixth. Republicans revised and improved social security legislation: It has never been the policy of the Republican Party to advocate repeal of all New Deal-Fair Deal legislation without regard for its merits. Rather, the Republicans have improved some legislation through the amendment process and through wise and forward-looking administration of the laws. The social security program, one of the few that survived the New Deal-Fair Deal era, is a case in point.

The fact is that the Republicans can be credited with doing more for our citizens eligible for and receiving benefits than the original Democrat social security law ever envisioned.

The Republican 83d Congress and the Eisenhower administration have improved the social security system, adding 10 million citizens to the eligibility rolls and increasing benefits for the more than 6 million persons already drawing benefits.

FATE OF OTHER NEW DEAL-FAIR DEAL LEGISLATION AND SCHEMES

On the basis of Democrat charges, one wonders what happened to the New Deal and Fair Deal legislation that the Democrats managed to enact during their 20 years in power. The fact is that when the Republicans came to office in 1953, there was little left of the hastily improvised legislation of the New Deal.

Many of the New Deal programs were declared unconstitutional by the Supreme Court. The record shows that 13 irresponsible measures boldly adopted by the New Deal were declared unconstitutional between 1933 and 1943, comprising nearly 20 percent of all the laws passed by Congresses which have from 1789 to 1943 been declared unconstitutional. Mr. Truman's attempt to seize the steel mills to end a steel strike is an example. The Supreme Court ruled that unwarranted assumption of power unconstitutional on June 2, 1952.

A mass of careless New Deal-Fair Deal legislation expired, and the Republicans have refused to resurrect those schemes. Other laws collapsed of their own dead weight or were abandoned by the Democrats themselves as unworkable.

Many other notorious aspects of the New and Fair Deals—the Court-packing scheme of 1937, Truman's socialized medicine plan, the Brannan farm plan, the Democrats' attempt to make a Federal monopoly of the Colorado River Basin development project—never found expression in statutory law.

But it must not be forgotten that many of these radical proposals that the Democrats attempted to foist on the American people are still part and parcel of the Democrat program.

REPUBLICAN REVERSAL OF NEW DEAL-FAIR DEAL SOCIALISTIC POLICIES

The most enduring effects of the New and Fair Deal administrations have been, not the legislation Democrats put on the books, but the socialistic government policies inaugurated by President Roosevelt and vastly implemented by President Truman. What do I mean by the term "socialistic government"? From 1933, the New Deal-Fair Deal attitude was this:

Greater and greater Federal control, bigger and bigger centralized government, ever-increasing Federal ownership, a crushing tax load, excessive borrowing, enormous programs of Federal spending, and extensive control over and subsidy of free enterprise. This was the essence of Socialist planning.

The Socialist planners set out to transform the traditional role of government under the guise of reform, welfare services, interest of the common man, and labor objectives. They deliberately fostered the idea that Americans must look to the state for correction of all their ills. Welfare services such as Government handouts, Government loans, and Government medical service, were the tools for planting dependence on Government in the people's minds.

The Socialists ridiculed success and thrift and scorned accumulation of savings. They stirred up dissension among racial groups, agitated the have-nots and underprivileged against the haves, set the middle class against the wealthy and the poor, all the while cloaking their attack behind human rights and picturing the utopian society.

They sought to divide labor and management and to capture control of labor unions through infiltration, with bigger and bigger promises to the rank and file. They worked hard to penetrate educational institutions and churches and to indoctrinate youth with Socialist philosophy by condemning free enterprise methods.

And the Socialists sought to seize control of and nationalize vital economic functions, including banking and credit, medical services, farming, mining, public utilities, transportation, and distribution.

Working through the party in control from 1933, these Socialist planners very nearly attained certain objectives. Without vigilant Republican opposition, they would have succeeded.

REPUBLICAN OBJECTIVES AND ACCOMPLISHMENTS

In contrast, what is the Republican attitude? Simply stated, the Republican Party saw that the issue was liberty and freedom versus socialism. Republicans believe in a free, competitive enterprise economy, devoid of unwarranted Government intervention, control or manipulation, with the objective of a wider and brighter economic future for all the people.

The Republicans promised to stop the Socialist trend in Government and they have kept that promise.

Under the Republicans, the proper balance has been restored between rights of individual citizens, rights of States, and rights of the Federal Government, reversing the 20-year trend of centralization of power in Washington bureaucracy. The Government has stopped competing with private citizens in businesses.

Fair play is accorded all groups—workers, businessmen, farmers, professional persons and consumers.

The Government is now the partner of State and local governments, not their oppressor.

Labor is once more treated as a private entity on par with management, and class is no longer set against class.

The Federal Government now cooperates with business and labor, instead of dictating to them.

Here are some specific Republican actions reversing the New Deal-Fair Deal socialistic government policies:

First. Republicans provide economy in operation of the Federal Government: The New Deal-Fair Deal philosophy of spend, borrow and tax in the 1930's and in World War II and the Korean war pyramided Government costs, debt and taxes to enormous heights by 1952. Taxes collected by States for their own use were channeled through Washington, and increasing portions of the money never got back home. Big government was taking from States $2 for each dollar returned.

Since 1953, the Republicans have provided efficient government at a lower cost. They have discarded the New Deal-Fair Deal theory of excessive deficit financing for unnecessary projects. The budget was brought under control and balanced, and the resulting surplus was used to start cutting down the gigantic Roosevelt-Truman debt. Government economy made possible the 1954 tax cut.

Government payrolls were slashed by more than 250,000 employees, reducing the bill to the taxpayers by more than $1 billion a year. Waste and extravagance have been ferreted out of every Government agency, saving billions of dollars without reducing essential Government services.

Second. Republicans provide honest, competent government: The Republicans are providing honest, competent government. Integrity in government service has replaced the flagrant examples of corruption exposed in the last years of the Truman administration. Tax evasion, political favoritism, job selling, and influence peddling have ended. The Internal Revenue, housing, and labor racketeering scandals of the Fair Deal have been investigated and the violators prosecuted.

President Eisenhower, unlike his Democrat New Deal predecessors, took immediate action in every case where there was even a hint of corruption or favoritism in public office, and did not procrastinate or protect individuals whose actions were questionable.

Third. Republicans rebuild the Nation's defenses: At the end of World War II, the United States was the most powerful military force in the world. We had the biggest and best Army, the greatest Navy and the mightiest Air Force. In just 5 years under the Truman administration, the Air Force was drastically reduced, the Navy was scuttled day by day, the Army was cut back, and the Marine Corps was whittled down to a home-based force.

Defense materiel was disposed of in a shameful fashion. Tanks and fighting planes were abandoned in all parts of the world, left to rust and rot. Accessory defense materiel, worth billions of dollars, was scrapped and junked, tossed into the sea or burned. This was the situation the fuzzy-minded, head-in-the-clouds Socialist planners had gotten the country into at the start of the Korean war.

Unlike those peacetime years when the Democrats allowed our national defenses to deteriorate, Republican leadership has kept America's arsenals well stocked and our defenses strong. We have continued the development of our Armed Forces to guarantee the peace and to meet the needs of a long-range security.

Instead of gearing our security forces to repeated international emergencies, real or imagined, as was the New Deal-Fair Deal policy, the Republican administration has concentrated the defense effort for security in the decades as well as the days ahead.

One of the most important changes from Fair Deal defense policies has been Republican promotion of missiles development. The Truman administration stood by and let Russia get a head start on long-range missiles. From 1946 through 1952, the Democrat administration spent less than $1 million per year on long-range intercontinental and intermediate ballistic missiles, or a total of not more than $7 million. In startling contrast, the Republican administration spent a total of $3,458 million for the years 1953 to 1958. In other words, the Democrat administration spent less than two-tenths of 1 percent on our missile program than the Republicans have spent.

Fourth. Republicans have ended racial segregation: During the New Deal-Fair Deal era, the Socialist planners worked hard to stir up dissension among racial groups, disguising their purposes with the claim that they were promoting human rights. Yet it is significant that not a single law going to the heart of racial segregation was passed in all those 20 years. Not a forward step was taken by the Democrat administration to eliminate segregation.

How different is the record of the Republican administration. Through Executive order, by negotiation, and by intelligent, well-planned leadership, the administration has taken action to eliminate discrimination in every area into which its constitutional authority extends:

Segregation has been ended in the Armed Forces, in veterans' hospitals, in schools on military posts.

The Republican Attorney General successfully argued against school segregation before the Supreme Court.

Discrimination is now banned in Federal employment, in Government contract work, and on interstate buses and trains.

There is no segregation in restaurants, theaters, hotels, and places of amusement in the Nation's Capital.

Federal aid is being denied to cities defaulting in obligations to minority citizens. In the legislative field, efforts of the Republican administration to enact civil-rights legislation finally succeeded in the 85th Congress, despite strong opposition by the Democrats.

DEMOCRAT OPPOSITION TO NONSOCIALISTIC STEPS

These are only a few of the many examples where Republicans have repealed or reversed the trend toward statism that existed before 1953. Look in any area of government and you will find more examples of Republican rejection of the socialistic trends. And you will discover that in each case there has been an increased efficiency of operations where the Federal Government is no longer meddling or interfering.

The Republican policy of pulling the Federal Government out of areas where the localities or individuals could do the job did not end with the 83d Congress. The Republican administration continues to adhere firmly to its initial rejection of these socialistic programs.

In all candor, it should be pointed out that cooperation with and enthusiasm for the administration's nonsocialistic policy has been noticeably lacking in the Democrat 84th and 85th Congresses.

The budget message presented to the Congress in January of 1958 gives us an example. The President recommended that the Federal Government get out of the business of building sewage disposal plants and turn this function back to the States. He also recommended that the Federal Government reduce its role in urban renewal projects and let the States carry half the burden.

Here are two areas where only this year Republicans have attempted to stem the socialistic tide. And judging from the howls of anguish such proposals have provoked in the past, it's a pretty safe guess the President's recommendations will have the same rough going that met other nonsocialistic suggestions.

Mr. HIESTAND. Mr. Speaker, will the gentleman yield?

Mr. SHEEHAN. I yield to the gentleman from California.

Mr. HIESTAND. Mr. Speaker, I am very happy to compliment the gentleman from Illinois on his statement. It is a complete and effective one. There is just one point, however, that he barely mentioned, the principle of getting the Government out of business, competing with its taxpaying citizens, and I am sure he will bear with me if I supplement his statement slightly in that regard.

Mr. Speaker, during the New and Fair Deal years, there was a tremendous impetus toward Government in business and Government ownership. The House Government Operations Committee reported during the Republican 83d Congress that whereas private wealth increased only 78.8 percent from 1929 to 1948, public wealth increased 278 percent; and whereas in 1929 the public wealth represented only 15 percent of the national wealth, by 1948 it amounted to 27.3 percent of the total.

A Budget Bureau survey, made at the direction of the Republican administration, showed that, at the end of the New Deal-Fair Deal regime, Uncle Sam had his fingers in 19,321 commercial and industrial activities, businesses that were in direct competition with private taxpaying citizens; businesses that, because they were Government owned, did not pay taxes and could undersell and ruin private business.

As a first step to end this flagrant example of bureaucracy, Republicans instructed Government departments and agencies to enter no new projects that

could be handled by State and local governments, no new projects that could be handled by private enterprise, no new projects that could be handled by the people.

Despite strong opposition from Democrats in Congress, Republicans have managed to close or definitely schedule for closing 585 Defense Department operations which were unnecessary and costly private enterprise type businesses. The Republicans have sold or discontinued over 100 Federal-civilian businesses, including 25 war-born synthetic rubber plants, an alcohol plant, bakeries, a resort hotel, ice cream plants, the Inland Waterways Corporation, and the South Pacific Island Trading Company.

Private brokers were called into rid the Government of $90 million worth of surplus real estate.

Many more projects would have been closed if the opposition in Congress had not succeeded in blocking shutdown of nearly 70 facilities the Defense Department wanted to eliminate.

Here is a partial list of Government businesses that have been discontinued, curtailed, or scheduled for such action:

DEFENSE DEPARTMENT

Two acetylene manufacturing plants.
Three aluminum sweating plants.
Ninety-one automotive repair shops.
Twenty-seven bakeries.
Sixteen bus operations.
One caustic soda manufacturing plant.
Twelve cement mixing plants.
One chain manufacturing plant.
One chlorine manufacturing plant.
One cloth sponging plant.
Two clothing reclamation shops.
Twenty-three cobbler shops.
Four coffee roasting plants.
One engine container repair shop.
One furniture repair shop.
Four ice cream plants.
Ten ice plants.
Eighteen laundries and dry cleaning plants.
One lighting fixture plant.
Eighty-nine office equipment repair shops.
Nine logging and sawmill plants.
One quartz crystals plant.
One ophthalmic goods plant.
One oxygen, nitrogen and hydrogen plant.
Two paint manufacturing plants.
Three photo equipment and supply plants.
One plastic laminating plant.
Three powerplants.
Sixty-seven printing plants.
One ropewalk.
Nineteen scrap metal baling plants.
One sheet metal work plant.
Two surgical and medical instrument plants.
One hundred and sixteen telephone systems.
Six tire retreading activities.
Forty-one tree and garden nurseries.
One wood preservation shop.
One wood products shop.
Two wooden container plants.

CIVILIAN BUSINESSES

Inland Waterways Corporation, which had lost money practically every one of its 33 years of operation, was sold for $9 million; it is now making money and paying taxes.

Twenty-five synthetic-rubber plants were sold for $270,796,000, a profit of $10 million. They are now making money and paying taxes.

Government-owned alcohol plant at Muscatine, Iowa, was sold.

Bluebeard's Castle, a resort hotel in the Virgin Islands, was sold for $410,000; the Government's rum distillery there was also sold.

The Puerto Rico Reconstruction Administration was terminated and more than 10,000 farms and properties for production of coffee, vanilla, and sugar were sold for $8,445,437.

Synthetic-fuel demonstration plant at Louisiana, Mo., was sold for $4,651,000.

Island Trading Company in the south Pacific was eliminated and $1,801,714 in Navy subsidies was returned to the United States Treasury.

Veterans' Administration closed many of its 18 bakeries and many of its 146 laundries.

TIDELANDS

Rating high among specific Republican accomplishments is the return of the tideland oil deposits to the States, an action that set every Socialist sympathizer in the country to howling "giveaway." Yet, up until the time it finally became law, such legislation had been supported by 91 percent of the Republicans and 53 percent of the Democrats—an indication of the wide popular support it had throughout the country. Between 1900 and 1937, the Department of the Interior ruled on 30 occasions that tidelands belonged to the various States. Up until 1947, the Supreme Court on 53 occasions upheld the rights of the States to their tidelands. On 244 occasions throughout our history, other Federal and State courts so ruled.

The Republican 83d Congress and the Republican administration agreed. As provided by the 83d Congress, the tidelands are not given to private individuals for development, but are owned by the States. When leased for private development, the various States collect royalties on oil or other commercial products found thereunder. The funds from these State-leased projects go into the building of schools, roads, hospitals, and other services provided by local governments.

Mr. HIESTAND. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include a certain list.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. SHEEHAN. I yield.

Mr. CURTIS of Missouri. I, too, want to compliment the gentleman for taking the floor and bringing up this matter, which has been the subject of public debate. I regret that too often the public debate is conducted through the mediums of press releases rather than here in the well of the House, where those who might take exception could have an opportunity of expressing their viewpoint.

I would like to add some other areas which the gentleman has briefly referred to. The one that all of us here in the recent Congress well remember is the problem of the difference between the Republican and Democratic position in regard to atomic energy. The Truman administration program came out as a Government monopoly. The Republican 83d Congress in 1953 revised the Atomic Energy Act, which was passed, incidentally, by the Republican 80th Congress in 1947.

Mr. PRICE. Mr. Speaker, will the gentleman yield for a correction?

Mr. CURTIS of Missouri. I yield to the gentleman from Illinois.

Mr. PRICE. Of course, if the gentleman from Missouri wanted to be fair, he would recognize there is a considerable difference in atomic energy in the 83d Congress than there was in the 79th Congress when it was necessary to create the Atomic Energy Commission. The gentleman should also recognize—if he does not know it, I will inform him—that the provisions in the original act were such that atomic energy would be made available for private industry in this country and the steps that were taken in the 1954 act were merely an implementation of the provisions of the 1946 act. You had to wait until the time was ripe before private industry could come into the atomic-energy program. Any other implications are intended to fool the people.

Mr. CURTIS of Missiouri. It is true that when we started out the Government had to be more interested, but the point I am making is still true because I remember on the floor of the House the opposition that was directed to the program that this administration sought to put into effect. The whole issue was whether we should get more into private industry. I remember the well of the House ringing with cries from the gentleman's side of the aisle to the effect that we were trying to give away to private enterprise all of these vast developments that had been accomplished to a large extent with Government funds. The issue was a clear one as to whether the Government should continue in this area or whether we were going to develop this program in a manner that private enterprise could get in. The gentleman has made a fair point in referring to the past.

Mr. PRICE. The gentleman wants to be fair and I know the gentleman from Missouri wants to be fair. The debate that occurred on the floor of the House was not in regard to withholding atomic energy or power from private industry. The issue involved then was whether or not the full responsibility for development of atomic power should be placed upon the shoulders of private industry at a time when they were not yet ready to assume the full responsibility. The facts since then have borne out the contention of those who opposed that because we have these companies coming back to the Government for additional Government help, conceding the point and supporting the position taken by those on our side of the aisle who favored the legislation.

Mr. CURTIS of Missouri. Mr. Speaker, if the gentleman will yield further, the gentleman from Illinois uses the term "full responsibility." I do not believe that was the administration's program. The administration's program has always been and still remains, I might say—and I want to go on and discuss public versus private power to some degree—one of partnership approach. There is a place for the Federal Government in this development, I would say, for a long time to come, and these things are matters of balance.

Mr. PRICE. Let me say, while you are at it, in order to keep the RECORD straight, since you want it that way, nobody on this side ever opposed the partnership approach.

Mr. CURTIS of Missouri. I will say that that is a matter of interpretation, and I certainly think the RECORD clearly shows it. And I am very happy, incidentally, that this is coming out in the well of the House, because charges have been made throughout the country and are still being made by Democratic spokesmen that this administration was trying to give a handout to private individuals; give them the benefit of all the money that the Federal Government had sunk into atomic energy. That was the approach that was made over there, "Giveaway. Giveaway." That was the term used. So it was a clear-cut issue, I will say to the gentleman, not one of balance as much as it was that the Democratic program was to keep it confined to a large degree in the Federal Government and not permit private enterprise to go ahead and develop this area of atomic energy. I think the debate will bear that out.

Mr. PRICE. I cannot agree with the gentleman, because I believe he is in error, and I do not believe the debate will bear him out if he will take the time to read the debates of those in closest contact with atomic energy. Nobody can be responsible for statements made throughout the country by individuals, but there has never been a time when the Members on this side of the aisle have not favored an expansion of our atomic energy program. Now, there has been some opposition to an expansion of our program, but does not come from this side of the aisle.

Mr. CURTIS of Missouri. I can see that it would accomplish something very good, and I hope that the words of the gentleman will be remembered, because if the Democratic Party is taking the position now—and I hope they are—that it is a correct program to go ahead and develop atomic energy through the private sector of our economy, we have accomplished a great deal. Now, I do think, though, that there is some responsibility on the part of the Democratic leadership for some of these statements that are going around the country, and a lot of these press releases along the line that I have suggested, which accuse this administration of trying to give away something that was the taxpayers' to private enterprise, when all we were trying to do was to develop atomic energy as best we could.

Mr. PRICE. Evidently those statements to which the gentleman referred emanated from the Dixon-Yates controversy. Everybody knows that that was a giveaway. The administration itself came to that conclusion.

Mr. CURTIS of Missouri. No. I disagree with the gentleman completely. Incidentally, I might state, I would be very happy to take the floor on that particular issue and point out what I call some of these irresponsible statements made with reference to the Dixon-Yates matter.

Mr. PRICE. You will find that to be the situation when that matter is presented in court, because the administration itself is contesting its own contract.

Mr. CURTIS of Missouri. The gentleman is not stating the case accurately.

Mr. PRICE. I am stating the case accurately, and the gentleman from Missouri knows it. The gentleman knows that that is now a legal matter and that the Government itself is seeking to divorce itself from that contract. The gentleman knows that to be a fact.

Mr. CURTIS of Missouri. The gentleman does not know that to be a fact.

Mr. PRICE. The gentleman is not that well informed, then.

Mr. CURTIS of Missouri. I think this thing is a matter of record, and the lawsuit is a very clear one. The Government terminated the contract for very good reasons, I might state.

Mr. PRICE. Because it was a very poor contract for the people of the United States.

Mr. SHEEHAN. The gentleman from Missouri has the floor. Permit him to finish, please.

Mr. CURTIS of Missouri. I will be happy to yield if he will permit me to make my statement first.

Mr. PRICE. The gentleman knows there is a conflict of interest.

Mr. CURTIS of Missouri. Will the gentleman be courteous and let me complete my statement?

Mr. PRICE. I am merely trying to help the gentleman, trying to keep him from making a very serious mistake.

Mr. SHEEHAN. Mr. Speaker, I decline to yield at this time to the gentleman from Illinois [Mr. PRICE]. I yield to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Speaker, the gentleman, of course, is not helping me. I was trying to make the statement that the lawsuit that is presently pending is the result of the Government's having terminated a contract.

Mr. PRICE. Will the gentleman tell us why they terminated the contract?

Mr. SHEEHAN. Mr. Speaker, I decline to yield further to the gentleman from Illinois [Mr. PRICE]. I have yielded to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. The contract was terminated, and it was terminated for very good reasons. The sole issue involved was that our atomic energy group needed more power down in the Tennessee Valley than was being generated. The city of Memphis, which lies outside the Tennessee Valley, had been getting its power from the Tennessee Valley Authority. The question then came up, how was the Tennessee Valley Authority going to give additional power to the atomic energy group, which needed it? Then the question came, should they build a steam plant which was outside the Tennessee Valley, outside that geographical area? It would not have been necessary to build such a steam plant if the city of Memphis had done what many of us have contended for some time they should have done—build their own plant, as almost every other municipality in this country has done.

When the city of Memphis finally came in and said that rather than to have to take power that would be produced over in Arkansas, they would build their own plant; as soon as they decided they were going to build their own plant, then there was no need for any plant to be built in Arkansas. That was the basis for the cancellation of the contract.

The issue before the court was whether or not the private contractors have any damage claim against the Federal Government, and one of the defenses is over the question whether or not there was any skulduggery in the original contract.

Mr. PRICE. Mr. Speaker, will the gentleman yield?

Mr. SHEEHAN. If the gentleman from Missouri [Mr. CURTIS] has finished, I shall yield.

Mr. CURTIS of Missouri. I have finished.

Mr. SHEEHAN. I now yield to the gentleman from Illinois.

Mr. PRICE. The gentleman from Missouri [Mr. CURTIS] is only partially correct. In establishing the alibi which the Commission used——

Mr. CURTIS of Missouri. Alibi?

Mr. PRICE. Yes; anyone familiar with the case will recognize that. The Commission first of all had no business to be involved in this particular project.

Mr. CURTIS of Missouri. The gentleman means the Atomic Energy Commission?

Mr. PRICE. Yes; because it should never have been in the business of building a powerplant for someone else's use. They were building it because of some TVA needs, not their own needs, because they have not built any plants since and they have adequate power in the area. The contract was not canceled for the reason the gentleman has stated. It is true the city of Memphis after the unfair provisions of this contract became known probably——

Mr. CURTIS of Missouri. I challenge the gentleman on his statement concerning the unfairness of it.

Mr. PRICE. The gentleman should not challenge me; he should challenge the Comptroller General of the United States.

Mr. CURTIS of Missouri. No; I challenge the gentleman from Illinois.

Mr. PRICE. I can give the gentleman references.

Mr. CURTIS of Missouri. That is what is being tested in the court now, whether or not the allegation is true that it is an unfair contract.

Mr. PRICE. No, that is not what is being tested in the court. The gentleman, although he is a lawyer, shows a complete unfamiliarity with this case. This contract was canceled because of a conflict-of-interest question. The gentleman knows that to be a fact?

Mr. CURTIS of Missouri. I do not know that.

Mr. PRICE. Then the gentleman is not familiar with the case.

Mr. CURTIS of Missouri. I think the gentleman is familiar with the case.

Mr. PRICE. The gentleman knows nothing about it.

Mr. CURTIS of Missouri. The gentleman is just as familiar with it as is the gentleman from Illinois.

Mr. PRICE. I do not think so, because the reason the case is in the court is this. They are suing the Government for damages because of the cancellation of the contract. But the contract was canceled by the Commission because of a conflict of interest which the Comptroller General uncovered and he stated that it should be canceled on that basis.

Mr. CURTIS of Missouri. The Comptroller General is an arm of the Congress, not an arm of the executive.

Mr. PRICE. The gentleman has served on the Committee on Government Operations and on the Committee on Ways and Means. He knows that not only does the Comptroller General advise the Congress on matters pertaining to the legislative functions of Congress, but also with reference to the conduct of business in the various Government agencies.

Mr. CURTIS of Missouri. But, he is not a member of the executive branch of the Government.

Mr. PRICE. No, he is not a member of the executive branch of the Government, but he advises on expenditures and passes on expenditures in the executive branch of the Government and he was very much in the Dixon-Yates case, and I am surprised that the gentleman from Missouri, as alert as he usually is, shows such a complete lack of knowledge of the historic and unfortunate and ill-fated Dixon-Yates matter.

Mr. CURTIS of Missouri. That is a matter that is the subject in disagreement and I think the RECORD shows it. If the gentleman will yield briefly at this point, because I do not have the time, I want to put in the RECORD some of the statistics I received from the Chief of the Budget and Reports Section, Division of Reactor Development, which show the manner in which private enterprise has gone ahead in developing atomic energy and also statistics of the development of private power, particularly in the Northwest, with some comments in regard to the national park and wildlife refuge developments that come under this administration and the St. Lawrence Seaway.

Mr. SHEEHAN. I thank the gentleman from Missouri.

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to revise and extend my remarks to include the material I have just mentioned.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I have had prepared certain statistics relating to the private power-public power policies of the Republican and Democratic leaders over a period of years. The source of these statistics is Frank J. Arrotta, Chief, Budget and Reports Section, Division of Reactor Development, March 18, 1958.

The Truman administration program kept atomic energy as a Government monopoly.

The Republican 83d Congress in 1953 revised the Atomic Energy Act passed by the Republican 80th Congress in 1947. The new legislation removed the Federal monopoly and freed private industry to develop economic electric power from nuclear sources. It has made more information available to private industry and allows it to own atomic facilities.

As a result of this Republican action, by March 1958, 82 utility organizations were participating individually or in groups in the operation of 3 power reactor plants, the building of 4 others, and the design and development of 10 others. Utility organizations have expended more than $328 million in the planning and construction of nuclear powerplants and attendant research.

The total electrical generating capacity of the 17 plants, including about 138,000 electrical kilowatts from conventional superheat, will be about 1,180,000 net electrical kilowatts.

Permits giving access to classified information have been issued to 169 utilities.

On December 18, 1957, the Duquesne Light Co. announced that the United States first full-scale nuclear powerplant at nearby Shippingport, Pa., had begun feeding electricity into Duquesne electric lines.

The power field is one of the areas of Republican policy that the Socialist planners have attacked with marked vigor. For 20 years these planners expounded a philosophy of power for the Pacific Northwest—namely Federal ownership, or no ownership and no power. For 20 years of a program of Federal preemption, the Government owned and operated nearly half of the electrical generating facilities in the Pacific Northwest. Even so, the use of electric power had to be curbed. Some industries slowed production and cut their payrolls. Others previously interested in Northwest plants began to look elsewhere as bigger power shortages were predicted.

In the Columbia River Basin between 1933 and 1953, the Federal Power Commission licensed projects with a total generating capacity of 1,815,074 kilowatts. Since 1953—less than 5 years—the FPC has licensed developments in that area approaching a capacity of 5 million kilowatts.

So, in 4½ years, Republican adherance to the partnership principle—the direct opposite of the socialistic scheme of all-Federal ownership—has provided the Pacific Northwest almost three times as much licensed power capacity as it got during 20 New Deal-Fair Deal years.

Moreover, since 1952 in the Pacific Northwest, generating capacity has been installed at the rate of 860,000 kilowatts per year—nearly 4 times the rate of 230,000 kilowatts a year recorded between 1947 and 1953.

Our teamwork policy in electrical energy is paying off in good results throughout the country. Between 1949 and 1952, there were 25½ million kilowatts of generating capacity installed. But between 1953 and 1956, it was 38½ million kilowatts—over 50 percent more new generating capacity under Republicans than under the Democrats.

Moreover, the Federal contribution has been more than twice as great under the Republicans as under Democrats: 8½ million kilowatts to 4 million.

These are concrete examples of the wisdom of the teamwork principle—that the Federal Government should build some power facilities, the State governments some, local governments some, and private utilities some.

By 1953, millions of Americans were seeing at first hand the results of 15 years of neglect of our great national park system, which had sunk to the point where we were in real danger of losing this magnificent natural resource. To reverse this trend, the Republicans instituted a comprehensive 10-year national park plan known as Mission 66, and the results are already apparent.

In 5 years, the Republican administration has established nine new wildlife preserves and expanded the Nation's system of refuges to the largest in history. On the other hand, in the 6 years immediately preceding the Republican administration, the Truman administration abolished 36 wildlife refuges and decreased wildlife areas by 408,000 acres.

For 20 years under the Democrats the St. Lawrence Seaway project was stalled. The Republicans sponsored and brought to fulfillment the dream of an all-water route for oceangoing ships from the Atlantic to the Great Lakes through the seaway, opening up all the Midwest to new and increased trade.

Mr. BYRNE of Illinois. Mr. Speaker, will the gentleman yield?

Mr. SHEEHAN. I yield.

Mr. BYRNE of Illinois. Mr. Speaker, from time to time it seems that even a former President of the United States needs to have his memory refreshed. We had an example of that when Mr. Truman denied that he made a statement that had to do with unemployment during the period of time when he was President of the United States when a very able newspaper referred him to the record and the script, he indicated his memory was not as good as it was previously. At that time, some 4½ million people were out of work. At that time he said the economy of the country, when he was President of the United States, could assimilate that type of unemployment. It seems to me in line with what the gentleman from Illinois has already stated in his able and learned address that it might be refreshing to refer to an article in the Chicago Daily News of September 5, 1952, under the caption "The Mess in Washington." Just look at the record. "Pattern of scandal

traced as it unfolded day by day." This was an article by James M. Haswell, of the Washington Bureau of the Chicago Daily News. Briefly it states here at the outset:

Here's a partial record of what many people regard as "the mess in Washington."

It begins with a Senate committee report on "favoritism and influence" in making Reconstruction Finance Corporation (RFC) loans, and ends at the time of President Truman's decision not to run again, a period of 13 months.

The 82d Congress conducted more than 200 investigations.

Here in this article a section of the Chicago Daily News of the date that I speak of, these investigations and these scandals cover a running report covering a period of time from February 1951 to April 1952. I think it bears out and substantiates the contribution and the arguments made by the gentleman from Illinois.

Mr. SHEEHAN. I thank the gentleman for his observation.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. SHEEHAN. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. If I understood the gentleman correctly, in stating the new principles of government that guide the Eisenhower administration, he said the Republicans believe in a free competitive system devoid of Government subsidy and control; is that a correct statement of what the gentleman said?

Mr. SHEEHAN. Generally speaking, except as you naturally have to hedge yourself where there are such industries which are needed for national defense or some such industry which is necessary for the general welfare of our country where Government assistance has to be given.

Mr. EDMONDSON. If I understood the gentleman correctly, he said there is not an area of activity of the Government in which Government subsidy and control programs have not been reduced under the Republican administration.

Mr. SHEEHAN. I think that is a fair statement, as a general picture.

Mr. EDMONDSON. In today's newspaper, unless I am mistaken, the Associated Press carries this story:

SUBSIDIES PLANNED FOR FIVE MINERALS

The Eisenhower administration yesterday proposed Federal subsidies for domestic producers of copper, lead, acid-grade fluorspar and tungsten.

Secretary of the Interior Fred Seaton told a Senate Interior mining subcommittee President Eisenhower had endorsed the stabilization payment plan for depressed mining industries. He said proposed legislation to carry out the 5-year plan will be sent to Congress soon.

The payment program would cost $161,090,000 the first year, Seaton estimated.

Is that an example of what the gentleman says is a free competitive system, avoiding Government subsidies and controls under the Republican administration?

Mr. SHEEHAN. That in my estimation is a perfect example. The reason for that is evidenced by our vote on the floor today. Men like myself, and most Republicans, would not be for spending money for an ocean liner unless it was needed in the public interest, and that is the only way it could be done. That is a far cry for just being for a principle of subsidy, regardless of what else happens. Personally, I am not condemning every New Deal measure, because there were many that were good and necessary, but we were condemning generally the philosophy of being socialistic in order to get into everything and control everything.

The gentleman mentioned five minerals. What is happening there? You ought to know. Due to foreign competition, we are entering into competition with the foreigners with low wage rates and other things in which the foreigners have advantage over us. We as Republican Members, we as a country, whether Democrats or Republicans, have to help an industry that is being hurt, because of our national interest in our national policy. In this case I certainly have no objection to helping an industry or helping people who cannot help themselves. But just helping people for the purpose of maintaining control or trying to tell them what to do and when to do it for the purpose of increasing Federal bureaucracy I would be against. I am not against helping people who need help.

Mr. EDMONDSON. The gentleman is basing this to some extent upon the proposition of these being essential and national defense items.

Mr. SHEEHAN. That is right.

Mr. EDMONDSON. How would he describe the Benson plan for the wool growers of Utah or for sugar beets? Would he say any of these is an essential defense industry?

Mr. SHEEHAN. I am sorry if the gentleman thought I was basing my remarks on the basis of defense industries. I said any other industry in the general welfare. You and I both know that as far as sugar raising is concerned there is terrific competition from Cuba and other places. Our Government has tried to help Cuban agriculture and the Cuban standard of living. In so doing we have enabled Cuba and other countries to come in here and sell sugar at a price which our farmers cannot meet.

I am not an expert on sugar beets, but I feel from my knowledge of sugar that our own particular people are being hurt and we should do something to help them.

Mr. EDMONDSON. In the light of this proposal for this mineral stabilization program, would the gentleman say that perhaps that might be one way in which the Republican administration was proposing a few more subsidies than the Democrats had proposed?

Mr. SHEEHAN. If the gentleman wants to say it, it is all right with me. I won't say it.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. SHEEHAN. I yield.

Mr. SIMPSON of Pennsylvania. The mining industry for years has been undertaking to get a market for the production of copper, lead, zinc, fluorspar, and other products in the United States. This administration has been working relentlessly to assure a market for the miners in this industry. Unfortunately, they have not chosen to follow the course which I think is best; namely, to give protection against excessive imports in a particular area. In the recommendation made yesterday they have made provision for a limitation of imports, to establish control of production here, for which a market will be assured, and to do so by the payment of a direct subsidy from the Treasury.

They could accomplish the same purpose, and I hope will before Congress finishes, by enacting pending legislation dealing with the question of our trade relations assuring the preservation of this American market to American producers and these minerals and other things that are so essential to our national security. I hope Congress will provide that that be done not by subsidy but by the direct approach, by giving some type of increased duty or the imposition of the quota which will assure the continuance of these essential industries in our country.

I regret that the subsidy idea has been broached and has been recommended. I hope it is not adopted.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. SHEEHAN. Before I yield further I should like to say to our majority leader, whom I hold in the very higest esteem, that when I did not yield to him before it was simply because I wanted to complete my statement so it was not interrupted. I realize, too, that he said he could get his own time, but I certainly should have yielded to him because of my high personal esteem for him.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. SHEEHAN. I must first yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. I think the gentleman has done very well in yielding to Members, and I think he made it very clear to the majority leader.

During the last 6 years in the Ways and Means Committee I have been trying to find some way besides subsidies that could compensate these industries on whom we impose social legislation, and I may say desirable social legislation like mine inspection in the mining areas, safety measures, social legislation such as foreign-mine operators and mineral producers are not subject to.

I think it is very proper for us to provide what I would call a differential, not a subsidy, a differential that in some way will reflect the burden that we do impose upon our producers in this country. The problems of the mineral producers in this area are due to foreign competition. It is very appropriate to look into this thing and see why there should be a differential. Incidentally, I agree with the gentleman from Pennsylvania. In my opinion, subsidy is the most regressive way to help. The next most regressive way is quotas, and by far the most liberal way to reflect a differential is through a tariff structure. I myself hope that we will, if something is needed to reflect this differential, inasmuch as labor, for instance, is at about

18 or 20 cents an hour for miners in Peru—less than that; as a matter of fact, I was thinking of Japanese textiles where it is around that, but in the case of some minerals I think it is 10 cents an hour as against our $1.80 an hour for our miners. That is what we are trying to reflect. I do not in any way regard such a differential as a subsidy.

Mr. SHEEHAN. I thank the gentleman. I now yield to the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Going back to the gentleman's basic statement, as I heard it presented it made me think we were back in the campaign of 1952 without having had the experience of the 6 intervening years.

With respect to the statement of the gentleman regarding the economy and what has been the attempted goal of the Republican Party, I would like to have the gentleman reconcile the fact that we today have the highest peacetime budget in our history. How does that fit in with that statement? And we have had to extend the debt limit making it the highest in history. How does he reconcile that with the claim that has been made that we have been making progress towards governmental economy?

Mr. SHEEHAN. The gentleman takes a single point, a single exception to try to prove something. I think the exception in this case proves the rule.

The record of the Republican administration since 1952 is very easily known and very easily read. In 1953 and 1954 we had the biggest tax cut we have had in a long, long time. We have had a balanced budget in 4 of the 6 years the Republican Party has been in power. We are not going to have a balanced budget this year, as we can see from the drop in income and the increased spending that the Congress is authorizing. Look at the overall record, I may say to the gentleman from Ohio. When we talk about generalizations we are not talking about a particular month or a particular year. We have to look at the basic philosophy. The overall record of the Republican Eisenhower administration and the Republican-controlled Congress in the years of my memory has been one of economy in Government, one of reducing taxes and of trying to limit spending.

Mr. VANIK. We are now in our third year of precedent-breaking budgets. Is that not long enough to indicate a trend toward skyrocketing budgets that are without precedent?

Mr. SHEEHAN. Did we not have a favorable balance in the budget last year?

Mr. VANIK. You did, and still it was the highest budget.

Mr. SHEEHAN. Did we not have a favorable balance in the budget the year before? Even though we had the highest budget we were still living within our means. I do not know what the gentleman did before he came to Congress. But let us take a Congressman that was earning $5,000 a year and who only spent $5,000 a year. When he got to Congress he received $22,500 a year. You look at his spending within his income. Is he still living within his budget? Our economy has extended. The Republican administration is certainly living within its budget in the overall picture of the last 6 years.

Mr. VANIK. But the cost of our Government has continued to rise. It has gone to unprecedented heights.

Mr. SHEEHAN. There is no question about that. We could be here for 2 days further to tell you what happened to the purchasing power of the dollar and what happened to the $7 to $9 billion we have spent of the taxpayers' money to pay the interest on a debt which was mainly incurred from the year 1933 to the present time.

Mr. VANIK. Will the gentleman explain why the cost of carrying the interest on the public debt has gone to unprecedented heights during the past year?

Mr. SHEEHAN. Because we have such a tremendous debt. If we had no debt at all we would pay no interest.

Mr. VANIK. I am talking about the interest rate, which bears no relation to the size of the debt.

Mr. SHEEHAN. This is a free market and a free economy. The Government, like anyone else has to pay what the market calls for. If you will permit my observation, the Government debt got so high that the creditors were getting just a little wary because of what has happened and the people want more interest. It is the same way with any unrealistic attitude. The Congress talked about veterans' loans when they paid 4½ percent. Those of us who fought against it for GI loans knew you could not get money at 4½ percent. It is a great thing to go to the country and say: Look what we are doing for you. We are going to give you home loans at 4½ percent when you could not do what you said you would do. It is a disservice to the veteran, and in the overall national picture we have had to pay more. Certainly it was not done with any intention of helping anybody; it was facing a realistic picture.

Mr. HIESTAND. Mr. Speaker, will the gentleman yield?

Mr. SHEEHAN. I yield to the gentleman from California.

Mr. HIESTAND. I would like to supplement the gentleman's remarks in regard to the budget. The question is, Whose budget is it? This, as I see it, is a Federal budget. The Congress votes these big projects, the Congress votes these programs, and it is the duty of the administration to administer them. The administration is required to come to Congress and say to it: Here, you have voted these programs, it is going to take so much money to run them, you are the people who voted these programs.

May I suggest to the gentleman from Ohio that many of these programs date from the time the Democrats took over the Government in 1955 and that is the reason for that budget.

Mr. SHEEHAN. I thank the gentleman for his observation.

Mr. VANIK. I have one final question. There was considerable discussion earlier in the gentleman's basic statement concerning repeal of emergency legislation. Will the gentleman tell me why the Executive finds it necessary to continue the Korean emergency to the present day? Not one single day of his administration has been operated without the benefit of the emergency status that this country went into at the time of the Korean emergency.

Mr. SHEEHAN. What emergency law are you talking about? A great many of them have been terminated.

Mr. VANIK. The national emergency which was proclaimed at the time of the Korean conflict has not been terminated by this administration, so that every single day that this administration has been in power has been a day under emergency.

Mr. SHEEHAN. What emergencies have we had where they have invoked that law? When has that law been invoked against the people of this country?

Mr. VANIK. In one particular place, in procurement. That is one place. I think the Committee on Armed Services brought that out last year. But, the fact of the matter is that the President has not terminated the state of emergency that was declared for the Korean conflict. Somehow or other he finds it impossible to run the country without emergency powers that are residual and still remain within his grasp.

Mr. SHEEHAN. As I said to the gentleman in my basic statement, there are certainly some laws we have to leave on the statute books, and I am not trying to state here, nor did I try by implication to say, that the Republicans have repealed every single law that was passed, whether good, bad, or indifferent. There are certain laws that we apparently need and must have. I cannot speak with reference to the emergency law you are talking about, because I am not familiar enough with it. Maybe that is what the gentleman from Missouri wants to talk about.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. SHEEHAN. I yield.

Mr. CURTIS of Missouri. I think the gentleman has made a good point. I might say this, I think the administration would be very receptive to this Congress repealing some of the war emergency laws. As a matter of fact, I think there are several ways. I recall this: The only way that we could have been in session—the Congress, I am referring to—beyond the date of July 31st was on the ground that we were in this technical emergency which Congress had not repealed. So, Congress itself utilized that approach in order to keep in session. But, I think the gentleman's observation is well taken, but I remind him that there have been two Democratically controlled Congresses that could have repealed that, and I am satisfied the administration certainly would not put up any objection. I think they should have recommended it, and I hope they will recommend it.

Mr. VANIK. Mr. Speaker, if the gentleman will yield further, if I am correct about the emergency, that was an Executive declaration by former President Truman, and, if it was created by Executive order, it can be terminated by Executive order.

Mr. CURTIS of Missouri. I think the gentleman is in error.

Mr. VANIK. Under his power as Commander in Chief.

Mr. CURTIS of Missouri. I think it was actually a law passed by the Congress. Now, I would have to double check on that, but I am almost certain I am correct. I wanted to see this emergency law repealed because I thought the Congress should have been adjourned before it was, and I was trying to find out why it was not, and it was on this basis that the Congress was not adjourned.

Mr. SHEEHAN. Of course, maybe the gentleman from Ohio touched the nub of the thing when he mentioned the fact that it was emergency legislation called under the President's power as Commander in Chief, because up until very recently, even today, with our missiles program and our airplane program, I can see where there was a definite need for certain emergency legislation in procurement. For instance, take the aluminum situation. Up until 6 months ago aluminum was real tight. There was a real shortage in this country. We had not as yet reached our stockpile limitation which is the amount of aluminum the Defense Department felt was necessary we should have on hand in case of war. So, therefore I can see in building these airplanes and everything there was need for emergency legislation for procurement so that we could secure ballistic missiles, airplanes, war materiel, and certain other types of material which maybe our Government could not get in the open market. Now, if that is the case, then I can see where, in the interest of the national welfare, such legislation is still needed. But, again, I think you touched the nub of it when you said this was for procurement and was promulgated by the President under his role as Commander in Chief.

Mr. VANIK. I made a little study of this. As a matter of fact, I introduced legislation to terminate the emergency, which did not get anywhere. But, that is beside the point. As I understand, the President has the right to terminate an executive-made emergency; he has the authority to call the emergency and he has the authority to terminate it. Of course, if he fails to do that, as he is failing to do many things, then the Congress must fill the void, and I hope this Congress will take action to do what the President is failing to do and call an end to this emergency, so that thousands and thousands of powers that are passed out through the executive can terminate and so that the administration of Government can be conducted in accordance with the regular laws.

Mr. SHEEHAN. Does the gentleman contend in light of the present military situation with Russia that there is no longer an emergency and there is no necessity for us to keep on a footing of adequate defense?

Mr. VANIK. I did not say that. I said that the Executive ought to use the regular powers provided them under the Constitution and the law of the land. He need not rely on a special grant of authority to maintain a state of emergency, withholding information from the public, giving certain people the right to special concessions in procurement, and doing a great many things that would not be done in the regular course of business, if we were not in a state of emergency. I think it is time to carry on the functions of this Government in the regular order; as we say here in the House, in the regular order. There is adequate authority for the Executive to act. I do not think he needs the special authority that he gets when he declares an emergency and continues to maintain the country in a state of emergency.

Mr. SHEEHAN. The gentleman is entitled to his viewpoint. I know, after having read many of Mr. Eisenhower's speeches, and his expressions of faith in our economy, indeed I feel positive that he would not continue to hold on to any emergency authority unless he felt it was absolutely necessary in the interest of the country. The gentleman by implication gave the impression that there were special contracts for procurement let to certain people. Is that about what the gentleman said?

Mr. VANIK. Yes.

Mr. SHEEHAN. I have no objection to that for the simple reason that many times we have to let special contracts. But that is a far cry from what the situation was during the Democratic administration. The gentleman from Illinois [Mr. BYRNE] pointed out the story in the Daily News indicating that months on end, time after time, there were questions of something being wrong in the Government, matters of favoritism, special favors given certain people. Mr. Eisenhower, as far as I know, in every single instance where there was a breath of suspicion of favoritism, or where there was any breath of scandal, or any suggestion of a reflection on anyone in the administration, took immediate and adequate action to make sure that it was brought to an end as soon as possible. He did not wait until the matter had been blown sky-high. He asked for resignations; in fact, he forced resignations. I ask the gentleman to show me an instance of anyone in the administration who has been protected by Mr. Eisenhower or by anyone in his administration when there was any question of scandal or any charge of not doing what was good for the country.

Mr. PRICE. Mr. Speaker, will the gentleman yield?

Mr. SHEEHAN. I yield.

Mr. PRICE. I do not know what kind of information the gentleman seeks, but I can recall the case of the Under Secretary of the Air Force, Mr. Talbott. There was considerable suspicion concerning his conduct as Under Secretary of Air. And he resigned, incidentally, under fire.

Mr. SHEEHAN. I was just going to say in answer to the gentleman that as soon as that matter came out, as soon as enough information was given so that the President could make an adequate judgment, his resignation was asked for.

Mr. PRICE. And then they awarded him a medal for meritorious service.

Mr. SHEEHAN. That is a matter of opinion; maybe he did a good job and became involved; I do not know all of the facts in that case. But the point is that when the facts did come out, so that the President was able to make a judgment, he did not wait for weeks and months to get rid of those people.

Mr. PRICE. I do not recall the President asking for the resignation of Mr. Mack of the Federal Communications Commission.

Mr. SHEEHAN. How could he, when under the law the Federal Communications Commission was a creation of the Congress and the President could not force his resignation.

Mr. PRICE. Of course, he could.

Mr. SHEEHAN. The President could suggest that he resign, and if I recall correctly the story in the Chicago Tribune, an exclusive story, they stated that Mr. Sherman Adams, for the President, had asked Mr. Mack to resign.

Mr. PRICE. Is Sherman Adams the President?

The SPEAKER. The time of the gentleman from Illinois [Mr. SHEEHAN] has expired.

Mr. BETTS. Mr. Speaker, the gentleman from Illinois [Mr. SHEEHAN] has made some significant statements that deserve serious consideration. The burden of his remarks is directed to socialism and the Republican record in opposing it. But in pointing out this Republican record, I think it should be emphasized that this is simply following the historical concept of free enterprise which the Founding Fathers had in mind when they established the Government. Free enterprise is just another form of freedom—freedom from government in business. The founders of the country were simply trying to escape from Government interference when they fled from England. So the opposition to socialism is following the pattern of freedom which is one of our cornerstones.

It might also be noted that the failure of socialism in England ought to be a warning. After its experience with socialism, the economy of Great Britain is certainly nothing to be held up as a goal to work for.

The Republican administration has refused to continue the Socialist practice of setting group against group and class against class. On the contrary, Republican efforts have been aimed toward unifying, and these efforts have been outstandingly successful.

The Republicans have promoted rather than retarded the rights and welfare of workingmen and women by adhering to the principle that labor relations can be managed best when worked out in honest negotiations between employers and unions, without unwarranted Government interference, as was the practice during the Democratic administrations. No longer is the Government subject to the charge of favoritism as between parties to a dispute involving labor and management.

This Republican policy of keeping the Government out of labor-management disputes has paid off in an unprecedented period of labor peace.

THE STAR-SPANGLED BANNER

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. ZELENKO] is recognized for 5 minutes.

Mr. ZELENKO. Mr. Speaker, there never has been an official version of the words and music of the Star-Spangled Banner. It was not even legally designated as the national anthem until the passage and approval of Public Law 823 of the 71st Congress on March 3, 1931. For many years before the passage of this act the song had been popularly regarded by many as the national anthem, but for numerous reason Congress had declined to give it official status. Public Law 823, declaring the Star-Spangled Banner the national anthem, is very simple in its wording. However, it does not specify the particular version of either the words or music which is to be official.

The Star-Spangled Banner is truly the voice of the American people. In a more significant sense it is the voice of democracy. Each time it is heard or sung its glorious strains and prayerlike lyrics reawaken and reaffirm in all Americans the spirit of the democratic ideal of the freedom and brotherhood of mankind. The anthem was conceived in the mind and heart of Francis Scott Key during one of the most perilous moments in the life of the young Nation at the Battle of Fort McHenry in 1814. Mr. Key was the author of the lyrics but the music was taken from an old English folk tune.

Recently there has been much discussion throughout the country on the need for legislation to implement Public Law 823 and to make into law a truly official version of the words and music. It is my feeling that this should have been done long ago. Therefore, today I have introduced a bill to accomplish this purpose.

One of our great national and highly respected monthly publications, Good Housekeeping, is conducting a survey on this problem. A most pointed quotation from its letter to Members of Congress reads:

> Our anthem is probably the most neglected American song. A high-fidelity recording of it isn't even available commercially. Very few Americans know more than its opening stanza, and most Americans aren't even sure of that. Only trained voices can manage its range of tones. Few adults, other than baseball or fight fans, regularly hear it. There isn't even any general agreement as to how it should be sung—no fewer than 271 copyrighted versions of it are in the Library of Congress.

It is obligatory in these perilous times that only events and problems of great magnitude do and should occupy the time of the Congress, but we must allocate some small portion of our busy schedule to finish this required task. Many of my colleagues have also introduced legislation with this in mind. All of the bills are commendable in their objective. They all recognize one factor of which every American since childhood has been aware, and that is, that certain portions of the music are extremely difficult for the average person to sing.

If a change in the music could be accomplished without impairing the tradition and significance of the anthem, then it follows that the voice of the people will ring louder and clearer than ever. How many times have most of us, because of our inability to sing it properly, remained mute or lowered our voices during its rendition? Recently there has come to my attention a proposed new musical arrangement of the anthem. This is the work of one of America's great musicians, Mr. Paul Taubman. There has been much favorable press comment both editorially and otherwise on Mr. Taubman's efforts.

In an editorial entitled "So All Can Sing the Star-Spangled Banner," on April 5, 1958, the Cleveland (Ohio) Plain Dealer, in speaking of Mr. Taubman's arrangement, said:

> We, with voices of extremely limited range, pray devoutly that he will succeed.

It goes on further to say:

> While the words are, in a sense, sacred to this country, the tune is not, and over the years critics have suggested that music be written which would be easier for the average individual to sing. Superpatriots have screamed at all such suggestions, but the criticism has continued.
>
> Now, perhaps, we have the answer. It does not involve a new tune; it simply involves changing a few notes so that you don't have to possess a grand-opera star's voice range to sing it.

Also on April 5, 1958, in an editorial entitled "Make It Singable," the Schenectady (N. Y.) Gazette said in speaking of Mr. Taubman's arrangement:

> His changes should receive sympathetic consideration in Congress, which determines the official version of a national anthem. But Mr. Taubman's musical changes, which could be learned quickly by anyone, would be a big improvement even if nothing were done in other directions.

Upon examination of his version, I found Mr. Taubman has made no attempt to alter the traditional lyrics in any way nor to change the tempo or the spirit of the music, but merely by the most minute change of several notes has made the anthem singable by everyone. Mr. Taubman accomplishes this, first by lowering by 2 tones, 13 notes in the phrase beginning "And the rockets red glare," and second, by lowering by 2 tones 5 of the notes in the phrase, "O'er the land of the free." The new placement of the 18 notes retains the harmony of the piece.

I feel that there is great merit to the new arrangement so today I have introduced this bill embodying Mr. Taubman's variation as the official version.

Before taking this step I thought it important not only to be satisfied as to the musical merit of the Taubman work, but, in a matter so serious and sacred, that the background of the composer be examined both as to Americanism and musicalism. He meets the qualifications on both counts. Mr. Taubman is an acknowledged leader in the field of music. He is a musical director of the National Broadcasting Company and attended the Julliard School of Music, which is located in my Congressional District. He is a composer-member of the American Society of Composers, Authors, and Publishers and holds a union card in the American Federation of Musicians. While in the military service Mr. Taubman composed the official song of the Air Force Bomber Command. He is a patriotic American and a combat veteran of World War II, having served with distinction as a staff sergeant in the 63d Infantry Division from 1943 to 1946. His decorations include the Bronze Star and numerous battle stars.

By reason of all the foregoing, I ask that the legislation which I have here introduced receive the serious consideration of the Congress and of the American people.

THERMONUCLEAR BREAKTHROUGH

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I think 2 minutes is enough to answer the hour or so taken by the gentleman from Illinois. The gentleman overlooks the fact that 5 years have gone by since the Republicans have taken over. The remarks that the gentleman has been making are the same as we heard during 20 years of Democratic control. The gentleman overlooks the fact that there has not been one bill introduced by the Republicans during the past 5 years to repeal any one of the New Deal or Fair Deal measures. The gentleman overlooks the fact that the very cushions that prevent a depression now are the laws passed during the 20 years of Democratic control. I refer to such laws as social security, unemployment compensation, minimum wage, the law strengthening the banking system through the Federal Deposit Bank Insurance Corporation, and many other laws of that nature. The gentleman from Illinois made no reference to the fact that in this recession with over 6 million unemployed, prices are still going up. As unemployment increases more and more, the cost of living to the consumer increases more and more. As employment goes down, the cost of living increases, which is one of the most unusual economic phenomena that has ever been seen.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MARTIN. I believe the gentleman from Massachusetts has not heard the latest unemployment figures that came out a few minutes ago. There are less unemployed this month than last month. I just say that so my colleagues would be accurate.

Mr. McCORMACK. The gentleman knows that the unemployment figures for March certainly went up rather sharply.

Mr. MARTIN. I am talking about today.

Mr. McCORMACK. How much does the gentleman say they have gone down?

Mr. MARTIN. I think about 80,000. It just came over the news wire.

Mr. McCORMACK. That is the figure for the whole country?

Mr. MARTIN. Of course it is, and that is a move in the right direction—as disappointing as it may be to some people.

Mr. McCORMACK. What about the people who are receiving unemployment compensation? Has that figure gone down?

Mr. MARTIN. I cannot tell the gentlemen that figure.

Mr. McCORMACK. Oh, the gentleman cannot tell us that figure—of course, that is a real test of the situation.

Mr. MARTIN. I am just telling the gentleman that the unemployment figures for this month have gone down so that he would have his figures right.

Mr. McCORMACK. My figures are based on the fact that there are over 6 million persons unemployed.

Mr. MARTIN. The last time I heard the figure it was 5 million or a little over 5 million.

Mr. McCORMACK. Oh, no.

Mr. MARTIN. The last I heard, it was 5,300,000 and unemployment has gone down 80,000.

Mr. McCORMACK. What about those persons who work part-time? The gentleman does not consider anybody who is working part-time and who loses his employment as being partially unemployed. Of course, that is the Republican way of thinking. That is the difference between the Democratic Party and the Republican Party. We are thinking of people all the time and the Republican Party is representing big interests all the time. What about the interest rates and what about the cost of living? Has the cost of living gone up; may I ask the gentleman?

Mr. MARTIN. Did not the cost of living go up in the 20 years of the Roosevelt-Truman administration?

Mr. McCORMACK. Has the cost of living gone up? Let me ask the gentleman that question, he knows whether the cost of living has gone up. The gentleman cannot go back over 5 years and omit the period of time that the Republicans have been in control.

Mr. MARTIN. What about the Roosevelt-Truman administration; did not the cost of living go up in the Roosevelt-Truman administration?

Mr. McCORMACK. I am asking the gentleman whether the cost of living has gone up.

Mr. MARTIN. And how much did the cost of living go up?

Mr. McCORMACK. After you repealed the price controls by action of the Republican-controlled Congress, prices went up—yes; a Republican-controlled Congress repealed the controls and then, as we told you they would, prices went up rapidly, rents went up, and everything else went up.

Mr. MARTIN. And people were mighty glad to have the controls lifted.

Mr. McCORMACK. Do you think the people are going to get an answer today on this question of the increase in the cost of living by you trying to bring them back to several years ago? Unemployment is increasing and the cost of living is increasing. It is a most unusual economic phenomenon. But, Mr. Speaker, there is one observation I want to make. The gentleman from Illinois undertook to place the blame for the failure of the intercontinental ballistic missile program on the Truman administration.

That is one of the most incorrect—I know the gentleman would not make a false statement knowingly—but that is one of the most incorrect statements anyone has made. I have heard it made several times. The thermonuclear breakthrough on warheads came the latter part of 1952; not in 1946 or 1947 or 1948. General Schriever testified the other day before the Select Committee on Outer Space to that effect. So if there is any blame—I am not going to attach blame to anyone because we know that efforts must be made—when a breakthrough comes you cannot immediately capitalize it. I am not going to blame the present administration for failure in progress on intermediate ballistic missiles or intercontinental ballistic missiles, but one thing is true, the Truman administration is not to blame, because the thermonuclear breakthrough on warheads came the latter part of 1952 and not prior thereto.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

UNFAIR COMPETITION FOR COAL

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Virginia [Mr. JENNINGS] may extend his remarks at this point in the RECORD and include certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. JENNINGS. Mr. Speaker, the Members of this body from coal-producing districts are deeply concerned with the unfavorable prospects for coal production this year. We have endeavored to bring to the attention of Congress the pressing need for legislation to begin an expanded and coordinated program of coal research and development. We have urged that legislative restrictions be adopted to limit growing imports of residual fuel oil, which is taking over coal markets and causing unemployment in the coal industry.

Illustrative of our concern for immediate attention to these legislative proposals are the coal-production figures announced last Friday by the National Coal Association. In the week ended April 19, coal production was estimated at 7,050,000 tons against 10,182,000 tons for the corresponding period last year.

Production for the January 1–April 19 period last year was estimated at about 118,834,000 tons compared with 155,299,000 tons a year ago.

An example of the declining coal industry came in an announcement Monday in Wise County, Va., in the Ninth District. One of the large mines will close, laying off 200 workers for an indefinite period.

Mr. Speaker, on Monday, March 31, 1958, in Platt's Oilgram Price Service, which is a daily oil-price reporting service, I noted the column quoted below. This clearly indicates how far the oil companies along the Atlantic seaboard, both in the United States and Canada, will go to try to overcome the competition of the coal industry.

The practice of cutting prices to beat competition seems to be the basis for their recent activity. The foreign residual oil is nothing more than coal in another form.

This will mean, obviously, a further reduction in the amount of coal mined; the amount hauled by the already ailing railroads; and most important of all, the loss of employment and the adding to the already high figure of unemployed in our Nation.

The statement from Oilgram follows:

RESIDUAL OIL SEEN FIGHTING TO MAKE COMEBACK AS FUEL SOURCE TO STEAM PLANTS

NEW YORK, March 30.—Oil companies along the Atlantic seaboard, both in the United States and Canada, are fighting back from inroads made by coal and gas in recent years in fuel consumption by utilities. In past few weeks, several substantial supply contracts have been closed, with lower prices quoted for oil than heretofore, and in some cases prices low enough for oil to beat out coal competition.

On a posted price basis, this is not possible in most cases, oilmen say. However, new discounts in oil presumably have made these contracts possible.

Following deals are reported, although full details of transactions are hard to confirm. For fear of stirring up renewed coal-versus-oil fights, some oilmen are reluctant to talk of oil's once again fighting back onto utilities books.

At New York, an oil company reportedly got back into utility's graces by selling about 35 cents a barrel off barge, delivery in cargo quantities. Barge, $2.65, 35 cents, $2.30.

In Florida, a large, 100-percent oil-burning utility reportedly has closed 10-year supply contract—for oil. While this does not displace coal or gas, report is that new contract price is something better than existing price basis. Current price basis is said to be 17 cents over gulf cargoes, delivered. Involved are about 2 million tons of coal equivalents currently, with an additional 600,000 tons equivalent coming into play by 1960.

In New Jersey, a utility using about 116,000 tons equivalent of coal and recently consuming on a ratio of about 89 percent coal and 11 percent oil, has arranged for an increase in its supply of oil. Once again, oil price is presumed to be better on a B. t. u. basis than coal.

In Canada, some 5-year deals are reported, with prices working either on f. o. b. gulf-Caribbean basis or delivered to escalate against local prices, whichever is more attractive.

This new impetus of oil selling comes from many factors, oilmen say. There is plenty of heavy fuel both in Caribbean and west coast, and if necessary new supplies could be arranged from Europe, notably Italy.

In addition to surpluses of foreign bunker oil, increased avails of hydroelectric power both on west coast and in Canada mean that oil sellers will have to work harder to obtain new sales.

Opinion of some oilmen is that only through bunker sales can oil buck the recent drift in demand for products. Unlike gasoline, light heating oils and diesel fuel, bunker C at utility installations, is the one product which can create substantial new demand by lower prices.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted, as follows:

To Mr. JAMES (at the request of Mr. FENTON), on account of illness.

To Mr. JONES of Missouri, for the balance of this week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. ZELENKO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mrs. SULLIVAN and to include extraneous matter.

Mr. DAGUE and to include extraneous matter.

Mr. BYRNE of Illinois in two instances and to include extraneous matter.

Mr. VAN ZANDT and to include extraneous matter.

Mr. FORRESTER (at the request of Mr. ALBERT) and to include extraneous matter.

Mr. REED and to include extraneous matter.

Mr. BENNETT of Michigan.

Mr. JACKSON.

Mr. GRIFFIN (at the request of Mr. CURTIS of Missouri) and to include extraneous matter.

Mr. SAYLOR (at the request of Mr. CURTIS of Missouri).

Mr. ANFUSO (at the request of Mr. MCCORMACK) and to include extraneous matter.

Mr. THORNBERRY (at the request of Mr. MCCORMACK) and to include extraneous matter.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2888. An act to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans; to the Committee on Education and Labor.

ADJOURNMENT

Mr. MCCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 52 minutes p. m.) the House adjourned until tomorrow, Wednesday, April 30, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1862. A letter from the Administrator, General Services Administration, transmitting a report relating to contracts negotiated under section 302 (c) (10) of Public Law 152, 81st Congress, as amended, for the 6-month period ending December 31, 1957; to the Committee on Government Operations.

1863. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated March 28, 1958, submitting a report, together with accompanying papers and an illustration, on a review of reports on Josias River, Ogunquit, Maine, requested by a resolution of the Committee on Public Works, House of Representatives, adopted February 17, 1949 (H. Doc. No. 377); to the Committee on Public Works and ordered to be printed with one illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAYS of Ohio: Committee on House Administration. House Concurrent Resolution 308. Concurrent resolution to provide for the printing of additional copies of hearings on reciprocal trade agreements legislation; without amendment (Rept. No. 1662). Ordered to be printed.

Mr. O'NEILL: Committee on Rules. House Resolution 551. Resolution providing for the consideration of H. R. 11451, a bill to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes; without amendment (Rept. No. 1663). Referred to the House Calendar.

Mr. THORNBERRY: Committee on Rules. House Resolution 552. Resolution providing for the consideration of S. 728, an act to authorize the acquisition of certain property in square 724 in the District of Columbia for the purpose of extension of the site of the additional office building for the United States Senate or for the purpose of addition to the United States Capitol Grounds; without amendment (Rept. No. 1664). Referred to the House Calendar.

Mr. HALEY: Committee on Interior and Insular Affairs. H. R. 6090. A bill to set aside certain lands in Oklahoma for the Cheyenne and Arapaho Indians; with amendment (Rept. No. 1666). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILLIS: Committee on the Judiciary. H. R. 6238. A bill to amend section 1292 of title 28 of the United States Code relating to appeals from interlocutory orders; without amendment (Rept. No. 1667). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 553. Resolution providing for the consideration of H. R. 12009, a bill to amend Public Law 85–162 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; without amendment (Rept. No. 1668). Referred to the House Calendar.

Mr. WILLIS: Committee on the Judiciary. H. R. 11549. A bill to provide for the preparation of a proposed revision of the Canal Zone Code, together with appropriate ancillary material; without amendment (Rept. No. 1669). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORRESTER: Committee on the Judiciary. H. R. 10154. A bill to empower the Judicial Conference to study and recommend changes in and additions to the rules of practice and procedure in the Federal courts; with amendment (Rept. No. 1670). Referred to the Committee of the Whole House on the State of the Union.

Mr. MADDEN: Committee on Rules. House Resolution 555. Resolution providing for the consideration of H. R. 12065, a bill to authorize temporary unemployment benefits for individuals who exhaust their benefit rights under existing unemployment compensation laws, and for individuals who were employed in noncovered employment; without amendment (Rept. No. 1671). Referred to the House Calendar.

Mrs. GREEN of Oregon: Joint Committee on the Disposition of Executive Papers. Report pursuant to (57 Stat. 380); without amendment (Rept. No. 1672). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CHELF: Committee on the Judiciary. House Joint Resolution 589. Joint resolution for the relief of certain aliens; with amendment (Rept. No. 1665). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BALDWIN:

H. R. 12212. A bill for the relief of certain employees of the Department of the Navy; to the Committee on the Judiciary.

By Mr. BECKER:

H. R. 12213. A bill to credit service of certain members of training camps in World War I as active military service; to the Committee on Veterans' Affairs.

By Mr. BENNETT of Michigan:

H. R. 12214. A bill to prohibit unjust discrimination in employment because of age; to the Committee on Education and Labor.

By Mr. BROWNSON:

H. R. 12215. A bill to amend the Internal Revenue Code of 1954 to provide that no documentary stamp tax shall be imposed with respect to conveyances under which the real property of any person is transferred to a State or political subdivision thereof as a result of condemnation, or threat or eminence of such condemnation; to the Committee on Ways and Means.

By Mr. EVINS:

H. R. 12216. A bill to designate the dam and reservoir to be constructed on the Cumberland River near Carthage, Tenn., as the "Cordell Hull Dam and Reservoir"; to the Committee on Public Works.

By Mr. FASCELL:

H. R. 12217. A bill to amend paragraph (2) of subdivision (c) of section 77 of the Bankruptcy Act, as amended; to the Committee on the Judiciary.

By Mr. FLOOD:

H. R. 12218. A bill to provide for approval under title X of the Social Security Act of State plans for aid to the blind without regard to the existence in the State of other plans for assistance to blind persons financed entirely by the State; to the Committee on Ways and Means.

By Mr. FLYNT:

H. R. 12219. A bill to amend title II of the Social Security Act to provide a wage credit of $160 per month for active military or naval service during World War I; to the Committee on Ways and Means.

By Mr. FULTON:

H. R. 12220. A bill to increase the annual income limitations governing the payment of pension to certain veterans and their dependents; to the Committee on Veterans' Affairs.

By Mrs. GRIFFITHS:

H. R. 12221. A bill to provide that until the total of the unemployed declines to 2 million the manufacturers' excise taxes on passenger automobiles and on parts and accessories shall be suspended, and the tax on trucks and buses shall be reduced to 5 percent; to the Committee on Ways and Means.

By Mr. HAYS of Ohio:

H. R. 12222. A bill to promote the safety of employees and travelers upon common carriers by railroad engaged in interstate commerce by requiring such carriers to maintain tracks, bridges, roadbed, and permanent structures for the support of way, trackage, and traffic in safe and suitable condition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOSMER:

H. R. 12223. A bill for the relief of certain employees of the Department of the Navy; to the Committee on the Judiciary.

By Mr. MATTHEWS:

H. R. 12224. A bill to amend the Agricultural Adjustment Act of 1938, as amended, with respect to acreage allotments for peanuts; to the Committee on Agriculture.

By Mr. MORRISON:

H. R. 12225. A bill to govern the salaries and personnel practices for teachers, certain school officers, and other employees of the Dependents Schools of the Department of Defense in foreign countries, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. O'BRIEN of New York:

H. R. 12226. A bill to amend the Virgin Islands Corporation Act (63 Stat. 350), and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. O'HARA of Minnesota:

H. R. 12227. A bill to amend section 6150 of title 10 of the United States Code to provide for advancement on the retired list of certain members specially commended for performance of duty in actual combat; to the Committee on Armed Services.

By Mr. PELLY:

H. R. 12228. A bill to provide pension for widows and children of veterans of World War II and of the Korean conflict on the same basis as pension is provided for widows and children of veterans of World War I; to the Committee on Veterans' Affairs.

H. R. 12229. A bill to increase the income limitations governing the payment of pension to widows of World War I, World War II, and the Korean conflict; to the Committee on Veterans' Affairs.

By Mr. THOMPSON of Texas:

H. R. 12230. A bill to amend the act of August 12, 1955 (Public Law 378, 84th Cong.; 69 Stat. 707), so as to provide that certain claims for losses sustained in the Texas City disaster which have not been settled may be settled by the Secretary of the Army; to the Committee on the Judiciary.

By Mr. ZELENKO:

H. R. 12231. A bill to prescribe the official version, and the manner of rendition, of The Star-Spangled Banner; to the Committee on the Judiciary.

By Mr. ULLMAN:

H. R. 12232. A bill to provide for Federal assistance for the construction and expansion of public community junior colleges; to the Committee on Education and Labor.

By Mr. BARING:

H. R. 12233. A bill to amend chapter 3 of title 18, United States Code, so as to prohibit the use of aircraft or motor vehicles to hunt wild horses on land belonging to the United States; to the Committee on the Judiciary.

By Mr. COOLEY:

H. R. 12234. A bill to assist the States in providing additional facilities for agricultural research at State agricultural experiment stations; to the Committee on Agriculture.

By Mr. CRAMER:

H. R. 12235. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

By Mr. CRETELLA:

H. R. 12236. A bill to provide that the Secretary of the Interior shall develop and carry out an emergency program for the eradication of starfish in Long Island Sound and adjacent waters; to the Committee on Merchant Marine and Fisheries.

By Mr. HOSMER:

H. R. 12237. A bill to confer jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon claims of customs service officers and employees, and Immigration and Naturalization Service officers and employees, for extra compensation for Sunday, holiday, and overtime services not heretofore paid according to law; to the Committee on the Judiciary.

By Mr. HYDE:

H. R. 12238. A bill to amend the charter of the National Union Insurance Company of Washington; to the Committee on the District of Columbia.

By Mr. QUIE:

H. R. 12239. A bill to establish a Commission on Country Life, and for other purposes; to the Committee on Agriculture.

H. R. 12240. A bill to amend title II of the Social Security Act to increase to $3,000 a year the amount of outside earnings permitted without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. TEWES:

H. R. 12241. A bill to amend the Communications Act of 1934; to the Committee on Interstate and Foreign Commerce.

By Mr. UDALL:

H. R. 12242. A bill to authorize the sale or exchange of certain lands of the United States situated in Pima County, Ariz., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HARRISON of Virginia:

H. R. 12243. A bill to provide for temporary additional unemployment compensation, and for other purposes; to the Committee on Ways and Means.

By Mr. HERLONG:

H. R. 12244. A bill to provide for temporary additional unemployment compensation, and for other purposes; to the Committee on Ways and Means.

By Mr. SIMPSON of Pennsylvania:

H. R. 12245. A bill to provide for temporary additional unemployment compensation, and for other purposes; to the Committee on Ways and Means.

By Mr. BALDWIN:

H. J. Res. 594. Joint resolution to provide that nuclear-powered fleet ballistic missile submarine vessels shall be named for States; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H. R. 12246. A bill to exempt from taxation certain property of the American War Mothers, Inc.; to the Committee on the District of Columbia.

By Mr. BECKER:

H. R. 12247. A bill for the relief of Ciro Romano; to the Committee on the Judiciary.

By Mr. BLATNIK:

H. R. 12248. A bill for the relief of Peter Andreas Hansen; to the Committee on the Judiciary.

H. R. 12249. A bill for the relief of Marion John Nagurski; to the Committee on the Judiciary.

By Mr. BOSCH:

H. R. 12250. A bill for the relief of Margot Johanna Boneth; to the Committee on the Judiciary.

By Mr. COLLIER:

H. R. 12251. A bill for the relief of James H. Starr; to the Committee on the Judiciary.

By Mr. DELLAY:

H. R. 12252. A bill for the relief of Mr. Mauro Betti; to the Committee on the Judiciary.

H. R. 12253. A bill for the relief of Nicola Bussanich; to the Committee on the Judiciary.

By Mrs. HARDEN:

H. R. 12254. A bill for the relief of Catherine Black; to the Committee on the Judiciary.

By Mr. HAYS of Ohio:

H. R. 12255. A bill for the relief of Maria Giuseppa Amatangelo; to the Committee on the Judiciary.

By Mr. HILLINGS:

H. R. 12256. A bill for the relief of Alphonse E. Jakubauskas; to the Committee on the Judiciary.

By Mr. HOLTZMAN:

H. R. 12257. A bill for the relief of Mr. and Mrs. Yung-shu Wu; to the Committee on the Judiciary.

H. R. 12258. A bill for the relief of José Fraga; to the Committee on the Judiciary.

By Mr. KING:

H. R. 12259. A bill for the relief of Mrs. June Desormeaux Bushnell; to the Committee on the Judiciary.

By Mr. MORRISON:

H. R. 12260. A bill for the relief of Chin Yung Kao; to the Committee on the Judiciary.

By Mr. MURRAY:

H. R. 12261. A bill for the relief of Lucian Roach, doing business as the Riverside Lumber Co.; to the Committee on the Judiciary.

By Mr. PELLY:

H. R. 12262. A bill for the relief of Sho Kwon Shin (a. k. a. Cheng Ah Mao); to the Committee on the Judiciary.

By Mr. THOMPSON of Louisiana:

H. R. 12263. A bill for the relief of Tak-Mei Luk; to the Committee on the Judiciary.

By Mr. VURSELL:

H. R. 12264. A bill for the relief of Nellie Rosella Bukes; to the Committee on the Judiciary.

By Mr. ZABLOCKI:

H. R. 12265. A bill for the relief of Mrs. Marija Vukovic; to the Committee on the Judiciary.

By Mr. WALTER:

H. J. Res. 595. Joint resolution for the relief of certain aliens; to the Committee on the Judiciary.

H. Con. Res. 321. Concurrent resolution approving the granting of the status of permanent residence to certain aliens; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

599. By the SPEAKER: Petition of Frank Chapman and others from various States of the Union, Gadsden, Ala., requesting that the Fair Labor Standards Act be amended to extend minimum wage and overtime pay coverage as quickly as possible; to the Committee on Education and Labor.

600. Also, petition of Alexander Meiklejohn, Berkeley, Calif., relative to Harvey Furgatch and others endorsing the petition of Alexander Meiklejohn relating to a redress of grievance pertaining to the House Committee on Un-American Activities, similar to petitions Nos. 351 and 588 submitted since January 1958; to the Committee on Rules.

EXTENSIONS OF REMARKS

Representative Walter Is Prejudiced

EXTENSION OF REMARKS
OF
HON. E. L. FORRESTER
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 29, 1958

Mr. FORRESTER. Mr. Speaker, the Washington Daily News, Wednesday, April 16, 1958, page 42, carried an article written by Mrs. Eleanor Roosevelt entitled "Representative WALTER Is Prejudiced," reading as follows:

REPRESENTATIVE WALTER IS PREJUDICED

NEW YORK.—Representative FRANCIS E. WALTER'S attack on the Fund for the Republic is a threat not just to this fund but to all educational foundations. If he succeeds in getting the Treasury Department to revoke the fund's tax exemption there is no reason why many other educational foundations should not find themselves in the same predicament.

Great good has come to this country because of the fact that men who have made a great deal of money have seen fit to establish funds which can be used to do things for which other money might not be available.

There is much that Government itself cannot do; and it is rather rare that private individuals can foster certain studies or initiate certain research as lone individuals. The various funds, which free a certain amount of capital from taxation, have made it possible to do things that needed to be done.

Representative WALTER, Democrat, of Pennsylvania, has shown himself narrow and prejudiced in this matter. I hope that common sense will prevail and we as a nation will be able to go on enjoying the benefits that come to us from having educational foundations able to perform the kind of work that the Fund for the Republic has been doing.

In other words, Mrs. Roosevelt says that Congressman FRANCIS E. WALTER is narrow and prejudiced because he has dared to suggest that the Treasury Department revoke the tax exemption of the Fund for the Republic; also, Mrs. Roosevelt hopes that our Nation will be able to go on enjoying the benefits that come from educational foundations performing the kind of work that the Fund for the Republic has been doing.

Mr. Speaker, sometimes it seems when a Congressman lifts his voice in defense of the taxpayers, or in defense of constitutional government, or speaks out against unrestricted immigration which has permitted hundreds of Communists to come into this country, not for the purpose of preserving our country but to destroy it, that Congressman is immediately condemned as being narrow and prejudiced.

I am not shocked or surprised to read that Mrs. Roosevelt condemns Congressman WALTER. On January 5, 1956, I called attention to the fact that Mrs. Roosevelt, along with 41 other persons, petitioned President Eisenhower to grant a Christmas amnesty to Communist Party leaders jailed under the Smith Act, and also sought postponement of more than 100 similar cases pending or under appeal. The Communists for whom amnesty was sought were 16 Communists who had been convicted of teaching or advocating the forcible overthrow of the United States Government.

The petition also recited that the motive for this appeal was their attachment to the democratic way of life and because they thought the trials of these Communists were conducted in an atmosphere often marked by hysteria.

Of course, Mr. Speaker, Congressman WALTER did not feel that pardons should be granted to those Communists and he did not feel that the democratic way of life would be helped by making favorites of Communists. Some may think that Congressman WALTER was narrow and prejudiced, but thank God the people of the United States agree with him, and so do I, and one who does not agree with him does a distinct disservice to the Democratic Party, to our Nation, and to the world. As a matter of fact, Mr. Speaker, the national Democratic Party owes Congressman FRANCIS E. WALTER a high debt of gratitude, for few men, if any, have worked harder to maintain respect for our party than has Congressman WALTER. It would seem that Mrs. Roosevelt would be cognizant of that fact.

Then too, Congressman WALTER does not agree with the statement of Mrs. Roosevelt that these Communists were tried in an atmosphere of hysteria. As a matter of fact, these Communists had every right accorded them that the Constitution guarantees to anyone, and that despite the fact that these Communists wished to destroy the Constitution. Judge Medina can tell Mrs. Roosevelt about the conduct of the Communists in our courtrooms, and I sincerely hope that Mrs. Roosevelt does not condone what was done to Judge Medina, for that judge and that court were insulted every step of the way in a manner unparalleled in court history in this country. I wonder what kind of trials would be conducted under a Communist regime?

No, Mr. Speaker, I was not shocked over the criticism of Congressman WALTER by Mrs. Roosevelt, for on August 8, 1957, I called attention to an article by her wherein she maligned the South and said that the whole point of the southerners' fight for the jury trial amendment (civil rights legislation) is that they know a white jury will not give Negroes the right to vote. That dissertation by Mrs. Roosevelt was entitled "Southern Juries Will Ignore Negro Rights."

That statement by Mrs. Roosevelt was not exactly new, because the Communist Party had said the same thing about the South before Mrs. Roosevelt said it. Once upon a time, the South did not expect that of Mrs. Roosevelt inasmuch as in other days Mrs. Roosevelt and her husband were fond of saying that Georgia was their second home, and no people were ever more cordially and courteously received and treated than they were in my native State of Georgia. Now the South expects nothing from Mrs. Roosevelt except prejudice, abuse, and advocacy of things designed to bring about race mixing, which will never occur in the South, and Mrs. Roosevelt might as well understand it.

We well understand in Georgia now that if we needed bread we would only receive a stone from Mrs. Roosevelt. Mrs. Roosevelt would deny to the people of Georgia and the South the right of trial by jury, but was not satisfied with the conviction of Communists by juries, although the verdicts were approved by the trial courts and the appellate courts. Probably it would be sacrilege to intimate that Mrs. Roosevelt might be a little narrow or a little prejudiced, although Mrs. Roosevelt thinks that Congressman WALTER is narrow and prejudiced because he thinks that the tax-exempt status should be removed from the Fund for the Republic, while she thinks it is all right to malign an entire section of loyal Americans.

On February 3, 1958, I called attention to the fact that Mrs. Roosevelt was seriously disturbed over the fact that our country was foregoing the services of J. Robert Oppenheimer, and assumed the position that Dr. Oppenheimer was never accused of anything except his feelings that progress and science should be shared regardless of nationality. I pointed out that despite what Mrs. Roosevelt said, Dr. Oppenheimer had admitted that his brother and sister-in-law were members of the Communist Party, and that he knew it; his wife was the former wife of a Communist Party official and she at one time was a member of the Communist Party; also, the notorious Steve Nelson, who was the Communist convicted by the sovereign State of Pennsylvania, but whose conviction was upset by the United States Supreme Court on the premise that a State could not legislate to protect against violent overthrow, had visited with Dr. Oppenheimer and had befriended his wife; that prior to Dr. Oppenheimer's marriage he had courted a Jean Tatlock, whom he knew to be a member of the Communist Party and that through her had become acquainted with a number of them; that he contributed money to Communist causes, and so forth. I doubt seriously, Mr. Speaker, that Congressman FRANCIS WALTER is disturbed over the decision to remove Dr. Oppenheimer from a position where he would acquire full knowledge of all our atomic bombs, hydrogen bombs, intercontinental missiles, and satellites, and thereby have the information that could be used to utterly destroy this country. The good people of this country likewise feel that they can get along without the services of any person who is not dedicated to constitutional government.

It is noted, Mr. Speaker, that nowhere does Mrs. Roosevelt attempt to answer charges made by Congressman WALTER against the Fund for the Republic, but expresses her hope that we will be able to go on enjoying the benefits that come from educational foundations able to perform the kind of work that the Fund for the Republic has been doing. On March 30, 1958, Congressman WALTER released a statement laying down a bill of particulars against the Fund for the Republic. I will give you a few:

1. The program of the Fund for the Republic has been principally one of action and not of education. Among its chief targets have been Congressional investigations of communism, Government security procedures, loyalty oaths, and regulation of immigration.

2. The fund has spent several million dollars opposing the denial of employment to security risks in Government and defense and other industries. The fund has financed attacks upon newspapers, magazines, and individuals expressing positions with which it disagreed. It has financed preparation and distribution of books, magazines, and articles to influence legislation.

3. The fund has also financed attacks, unsupported by competent evidence, upon the loyalty, integrity, intelligence, and mental stability of all confidential informants of the Federal Bureau of Investigation who have testified in public trials or proceedings.

4. While some projects of the fund for the republic appear to be objectively presented, the majority of its operations are based on the biased investigations and result in findings which not only fail to present both sides of a given question, but even further, actually conceal facts necessary for an honest understanding of the subject matter.

5. The Committee on Un-American Activities made inquiry of the Fund for the Republic, and while the facts did not establish that the Fund for the Republic is a Communist-controlled or influenced organization, it is clear that the fund's activities in toto indict it as a hindrance in this battle against communism.

Mr. Speaker, Congressman WALTER is entitled to the friendship, affection, and support of every true American in his attempt to remove the tax-exempt status of the Fund for the Republic and for other tax-exempt organizations attempting to influence legislation, in violation of section 501 (c) 3 of the Internal Revenue Code. The Fund for the Republic has a bad record, and it is absolutely amazing that this country would permit this organization to have a tax-exempt status, knowing that they have engaged in opposing Congressional investigations of immigration, and have spent several million dollars opposing the denial of employment to security risks in Government and defense and other industries. It makes one shudder when he thinks of the things that have been done in the name of democracy. Of course, Russia contends that its government is the only democratic government on the face of the earth. Our Government is that of a republic and not of a Russian democracy. Congressman WALTER is assailed because he is effective. He happens to be chairman of the Committee on Un-American Activities, and also chairman of the subcommittee dealing with immigration and naturalization. Our country was built upon philosophies of Congressman WALTER, and will endure under those philosophies. Our country does not stand a Chinaman's chance under the philosophies of Mrs. Roosevelt.

Discrimination in Employment on Account of Age Is Indefensible

EXTENSION OF REMARKS
OF
HON. JOHN B. BENNETT
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 29, 1958

Mr. BENNETT of Michigan. Mr. Speaker, I am introducing a bill which would prohibit employers engaged in interstate commerce from discriminating in employment against individuals on account of age.

We are being confronted with an increasingly aggrevating and deplorable situation in the labor market today whereby middle aged and older workers are being denied the right to work and to earn a livelihood solely because of their age. Sometimes the specified age limit set for employment is as low as 35 years, sometimes it is 40 years, or 45 years of age. When such individuals become unemployed through no fault of their own, or lose their jobs for any reason, they face severe hardships in seeking reemployment. And because of these arbitrary age barriers set up by employers, the older the unemployed worker is, the more difficult it becomes for him to find a job.

This situation constitutes a grave danger to the people of our Nation. The Congress should face up to it and take immediate steps to counteract these discriminatory, demoralizing employment policies and practices on the part of many leaders of commerce and industry. Discrimination in employment against properly qualified persons because of age is contrary to our principles of justice and equality of opportunity. Such practices deprive our Nation of the fullest utilization of our human resources for production and endanger our general welfare.

Mr. Speaker, in order to comprehend more fully the urgent need for my bill, I should like to recite a few facts and figures concerning the growing importance of the middle aged and older classes of persons in our population.

During the past half century a tremendous gain has taken place in the life expectancy of our people, due to progress in the reduction of infant mortality and the prevention of epidemic diseases of childhood. Fifty years ago males at birth had a life expectancy of 46 years and females 48 years. Today the life expectancy of males at birth is 67 years and for females it is 73 years. The prolongation of life may be expected to increase further as a result of new medical advances, and early diagnosis and treatment of chronic diseases of middle and older ages.

Because of the remarkable increase in longevity during the past half century, and the low birth rate in the 1930 decade, the middle aged, that is, 45 to 54 years, and older, that is, 55 years and older, segments of our population have increased proportionately at a faster rate than the total population. While the total population has doubled since 1900, the segment of our population between the ages of 45 to 54 years has increased 171 percent, those people between the ages of 55 to 64 years have increased by 235 percent, and those 65 years old and over have increased by 298 percent.

The United States Department of Labor tells us that by 1965, assuming the rate of growth in production we have experienced in recent years will continue, we shall require a labor force of 74 million people, or 10 million more workers than we had in 1955. The Department further advises us that, because of the age composition of the population, the largest sources of manpower needed to meet this 10 million expansion in the labor force will have to come from those individuals under 24 years of age and from those who are 45 years old and older. In other words, industry and commerce will have to rely on the older workers to meet these manpower requirements. It is of utmost importance, therefore, for the leaders of industry and commerce to change their thinking and reverse their personnel policies and practices of firing middle-aged and older workers and discriminating against them in the hiring of help. The old-fashioned notion that a person becomes too old to work when he reaches the ages of 35 or 45, or any other age, for that matter, is ridiculous on its face. Every intelligent person knows that it is an individual's ability to meet the specific requirements of the job that counts. There is no fixed age at which a person becomes too old to work.

In surveys made by the United States Department of Labor, the contentions most frequently made by employers for not wanting to hire older workers are: First, they are too slow; they cannot meet production requirements; second, they lack skills and flexibility; third, they cannot meet the physical demands of the job; and fourth, pension and insurance costs of older workers are prohibitive.

Mr. Speaker, what are the facts with respect to these contentions? The facts are that none of these reasons has any merit upon careful examination. On the contrary, older workers are generally equal to, and in many respects are more desirable than, younger workers. Older workers are often more highly skilled, and have wider experience than younger workers. They are often more dependable and more stable in their jobs, and usually have a lower rate of absenteeism than younger workers. In many cases they are more responsible workers, and often they exceed the average output of the younger workers. With the tremendous technological advances which have been made in industry and commerce, there are now fewer jobs which require great strength and heavy lifting, which formerly put age at a disadvantage. There is considerable evidence that older

workers are flexible; that they are willing and able to learn a new job which may be better suited to their abilities. Pensions and insurance experts will confirm the fact that there is no significant basis for the argument that pension and insurance costs of older workers are prohibitive. The costs to the employer of providing pensions usually are in proportion to the services rendered. The man who is hired at a later age has fewer years in which to accumulate pension rights, and therefore receives less in pension benefits than the employee with many years of service.

Mr. Speaker, the leaders of industry and commerce should hire employees on the sole basis of an individual's ability to do the job, without regard to his age, sex, or race. These leaders should recognize that this policy is in their own self-interest, not to mention the interest of the country at large. Employers who do not follow this policy are denying themselves access to about one-third of the available labor market, and an even higher proportion of the available usable skills. They are depriving this Nation of the services of millions of experienced and highly skilled workers at a time when we need to utilize the best available men to cope with the increasing danger to our national security and welfare. They are depriving older people of the dignity and status of self-support.

My bill is designed to rectify these deplorable conditions.

Results of Public Opinion Poll

EXTENSION OF REMARKS
OF
HON. ROBERT P. GRIFFIN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 29, 1958

Mr. GRIFFIN. Mr. Speaker, recently I conducted a public opinion poll throughout the 11 counties of Michigan's Ninth Congressional District, which I have the honor to represent.

A questionnaire, covering 14 of the major issues facing Congress, was sent to nearly every family in the Congressional District. Names and addresses were taken from the telephone directories. To date the response, totaling more than 9,300 replies, has been most gratifying.

Many people added constructive comments or qualifying remarks and explained that on some issues a straight yes or no answer was not fully descriptive of their views. I am sure these people can more fully appreciate the frustration sometimes experienced by a Congressman when he faces an important vote on a complex issue.

A Congressman might like to vote 70 percent in favor of a particular bill and 30 percent against it; or he might wish that the bill were amended or presented in a somewhat different form. But, of course, when the time for decision arrives, he is always required to vote either yes or no—just as if each bill were either all good or all bad.

The overall response to the questionnaire and the thousands of comments received on a wide range of legislative subjects reflect a deep understanding and keen interest on the part of my fellow citizens in western Michigan in the problems and affairs of our Government.

Although the job of reading and processing thousands of questionnaires was not an easy one, it was not without an occasional lighter moment. For example, in the interest of preserving domestic tranquillity, we were frequently called upon to dispatch an extra questionnaire into households where the husband and wife differed sharply on some of the issues.

I believe the results of the questionnaire are particularly revealing and noteworthy on several issues. For example, 65.5 percent of the farmers (or their wives) who responded, favored a gradual elimination of all farm price supports. It is interesting that a slightly smaller percentage (64 percent) of the total return (farmers and nonfarmers) voted to eliminate farm supports.

Among union members (or their wives) who responded, only 44.9 percent favored outright repeal of the Taft-Hartley law, while 75.3 percent voted for stronger laws to prevent the use of their dues for partisan political activities.

In analyzing the responses to question No. 3, relating to Federal aid to education, it should be kept in mind that respondents were offered the opportunity to check one or more of the suggested approaches to the problem. Since only 39 percent checked (e) "Leave all education finance problems to States and local districts," it appears that at least 61 percent would favor one or more of the several forms of Federal assistance for education.

While 68.9 percent of the responses to question No. 5 were in favor of higher postal rates, it should be taken into account that a great many qualified their answers with such comments as "4 cents on first-class mail," "increase third-class only," or "eliminate junk mail," and so forth.

In a similar manner, a great many of the 67.3 percent favoring continuation of the mutual security program qualified their replies with such remarks as: "reduce economic aid", or "cut out aid to India", or "eliminate aid to Tito", and so forth.

Perhaps the most interesting response was that to question No. 14, indicating that President Eisenhower continues to enjoy very strong support in my District, with 70.7 percent indicating that, in general, he is doing a good job. For comparison purposes, it might be noted that in 1952 President Eisenhower received 62.8 percent of the vote in the Ninth District, and in 1956 he received 62.3 percent of the vote.

Some of those who replied to the questionnaire thoughtfully cautioned that they do not believe the results of such an opinion poll should be substituted automatically for the considered judgment of their Congressman. With this comment I agree.

In the last analysis, while such a poll is both interesting and helpful, there are proper limitations upon its function, which were probably best described by Edmund Burke, the 18th century British statesman, when he said:

"Certainly, gentlemen, it ought to be the happiness and glory of a Representative to live in the strictest union, the closest correspondence, and the most unreserved communication with his constituents. Their wishes ought to have great weight with him; their opinions high respect; their business unremitting attention. It is his duty to sacrifice his repose, his pleasure, his satisfactions, to theirs, and above all, ever, and in all cases, to prefer their interests to his own.

"But a Representative's unbiased opinion, his mature judgment, his enlightened conscience, he ought not to sacrifice to any man, or to any set of men living. These he does not derive from your pleasure—no; nor from the law and the Constitution. They are a trust from providence, for the abuse of which he is deeply answerable. Your Representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion."

A tabulation of the questionnaire results follows:

QUESTIONNAIRE RESULTS

1. So far as farm price supports are concerned, in which general direction should Congress now proceed? (Check one.)

	All returns	Farmers only (or wives) [1]
	Percent	*Percent*
(a) Increase farm price supports	9.1	13.6
(b) Continue flexible supports at present levels	26.9	20.9
(c) Gradually eliminate all price supports	64.0	65.5

[1] Actual vote of farmers (or wives); (a), 192; (b), 298; (c), 930.

2. In the field of labor-management relations: Do you favor:

	All returns (percent)		Union members (or wives)[1] only (percent)	
	Yes	No	Yes	No
(a) Repealing the Taft-Hartley Act	23.2	76.8	44.9	55.1
(b) Applying antitrust laws to labor unions	82.3	17.7	62.5	37.5
(c) Extending the minimum wage law (now $1 per hour) to include employees of retail, service, and other businesses not now covered	75.0	25.0	89.5	10.5
(d) Stronger laws to prevent use of union dues for partisan political activities	85.5	14.5	75.3	24.7

[1] Actual vote of union members (or wives): (a), 950 yes, 1,166 no; (b), 1,262 yes, 757 no; (c), 2,171 yes, 254 no; (d), 1,770 yes, 580 no.

3. Please check proposals which you favor (if any) to indicate your general views concerning action Congress should take in the field of education (check one or more).

	Percent
(a) Federal aid for school construction	47.5
(b) Federal scholarships for top students	38.9
(c) Science Academy to help train scientists for defense	45.8
(d) FHA-type loan program for college students	51.3
(e) Leave all education finance problems to States and local districts	39.5

4. Please indicate, in general, your views toward Government pensions for veterans who were not disabled in military service.

	All returns	Veterans only (or wives)[1]
After retirement age, such veterans should be entitled to:	*Percent*	*Percent*
(a) A pension, without regard to need	18.5	26.4
(b) A pension based on financial need	36.1	31.3
(c) No pension (unless disabled in service)	45.4	42.3

[1] Actual vote of veterans (or wives): (a), 1,026; (b), 1,218; (c), 1,645.

In general, do you favor:

	Percent		
	Yes	No	No opinion
5. Increasing postal rates to reduce the huge postal deficit	68.9	23.7	7.4
6. Permitting pay TV to operate on a trial basis	21.6	66.9	11.5
7. Continuing our mutual security program of military and economic assistance to friendly nations	67.3	22.1	10.6
8. Statehood for Alaska	84.0	7.1	8.9
9. Statehood for Hawaii	81.3	9.5	9.2
10. An extension of the Reciprocal Trade Agreements Act, as requested by President Eisenhower	65.8	13.0	21.2
11. Recognition of, and trade with, Red China	15.1	72.5	12.4
12. Balancing the budget even if it means reducing or cutting out some nondefense programs of direct benefit to you	62.0	28.0	10.0
13. Increasing social security benefits with a corresponding increase in social security taxes	55.3	36.6	8.1
14. In general, do you believe President Eisenhower is doing a good job?	70.7	22.4	6.9

Poland's Constitution Day

EXTENSION OF REMARKS
OF
HON. EMMET F. BYRNE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 29, 1958

Mr. BYRNE of Illinois. Mr. Speaker, I have asked permission to extend a few remarks about the anniversary of Poland's Constitution Day which will be observed or remembered by the Polish people and their friends on May 3.

Our Declaration of Independence inspired the Polish people to adopt a constitution inculcating the ideas promulgated by our Declaration of Independence. This was accomplished by the Polish Diet in 1791 in Warsaw. An affinity has existed between Poland and America since the days when one of their great countrymen, Thaddeus Kosciusko, volunteered his services to our young country at a time when we were struggling for our independent way of life.

Our nations have experienced many milestones since we both achieved an independence safeguarded by a constitution. For us, the past was prologue to a future more glorious but for the Polish people, the years did not yield the things they desired, and still desire. The people in Poland have been subjugated to the Moscow doctrine outwardly but they have continued to show their fighting spirit by maintaining their inherent belief in the right of the individual to the pursuit of happiness. They have not acquiesced in their spirits and hearts but have resisted at every opportunity.

There is no doubt in my mind that though the Polish Government is Communist, the people are not and will never be.

The Polish people are an inspiration to other subjugated countries and even to Americans. We should never forget to be thankful to our Creator for bringing America this far. We must guard our individual liberties unceasingly.

It is my fervent hope that one day not too far distant we shall observe another day dedicated to the liberation of Poland so that in reality she may join the family of the free nations, as an official full-fledged member.

Atomic Energy in the Field of Agriculture

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 29, 1958

Mr. VAN ZANDT. Mr. Speaker, at the annual meeting of the Pennsylvania section of the American Society of Agricultural Engineers held at State College, Pa., Friday, April 25, 1958, it was my privilege to deliver the following address on the subject of The Peacetime Uses of Atomic Energy:

THE PEACETIME USES OF ATOMIC ENERGY

(Address delivered by Representative JAMES E. VAN ZANDT, Member of Congress, 20th District of Pennsylvania, at the Pennsylvania section of American Society of Agricultural Engineers, Friday, April 25, 1958, at State College, Pa.)

Mr. Chairman, you honor me by your invitation to participate in this meeting of the Pennsylvania section of the American Society of Agricultural Engineers.

This idea of bringing together experts in agriculture throughout Pennsylvania is highly commendable because it permits personal growth through exchange of opinions and ideas.

The sponsors of this conference are to be congratulated for such a worthwhile contribution to the agricultural advancement of our State.

In keeping with the spirit of the time, and in recognition of the theme of this meeting, I have selected as the subject of my discourse The Peacetime Uses of Atomic Energy, with particular emphasis upon the use of radioactive isotopes in agriculture.

In discussing this important subject, in my capacity as a member of the Joint Congressional Committee on Atomic Energy, you have my assurance that there is a definite feeling of adventure in exploring the nuclear field.

On the one hand, we are exploring the unknown in sciences—physics, chemistry, metallurgy, biology, and so forth—as well as unknown fields in engineering and construction and the knowledge as to how they are managed.

More recently, with the advent of the sputniks and our own satellites, we all have a great interest in the exploration of space, and our committee is particularly interested in the promising uses of nuclear propulsion of satellites and space vehicles.

On the other hand, there must be applied sound scientific engineering and business principles to solve unprecedented problems arising from unique and sometimes impossible situations.

To date, the American people have spent nearly $15 billion in the field of atomic energy and the surface has been barely scratched.

The great bulk of this money has been spent on military application of nuclear energy.

Several years ago, however, the rate of spending on peacetime uses of the atom started to climb considerably.

The result has been that today we are faced with a vast new science that affects the lives of all of us and which is having a marked influence on the industrial life of the Nation.

Since this meeting represents a true cross-section of the agricultural leaders of our State, I wish to tell you the story of atomic energy in down-to-earth language.

It is my hope that when this conference terminates you will have a clearer concept of the atomic revolution that is enveloping mankind.

Atomic energy—or nuclear energy as the scientist calls it—is everywhere around us with the sun pouring out great quantities of atomic energy which come to the earth in the form of heat, light, and other kinds of radiation.

Atomic energy as we know it today results from splitting atoms of heavy element uranium and its byproduct plutonium.

Uranium which is sometimes called a critical or operational mass is radioactive material and is used to produce a chain reaction.

The splitting of the atom or fission as it is called releases great amounts of energy, thus permitting man to tap the almost inexhaustible source of nature's energy which can then be used as a curse or a blessing to mankind.

In any serious consideration or review of the peaceful uses of atomic energy, one significant starting point suggests itself in the form of a question: What do we expect to get out of atomic energy?

From a military standpoint, there is no question that the development of nuclear weapons has served as a deterrent to war and a great contributing factor to our national defense.

But even the military applications of atomic energy are very obviously bound to intersect, affect, and concern the peaceful uses.

This appraisal is principally concerned with, and directs its attention to, these intersections and peaceful applications of the atom.

Returning to our question: What do we expect to get out of atomic energy in its peaceful uses?

Let me tell you what we very definitely are not going to get out of it.

To begin with, Thomas Edison points out that a better idea may be had of what a thing is if first you know what the thing is not.

There are some who expect atomic energy to be the cure-all, a sort of universal pana-

cea, for both the economic and physical ailments of the world.

Some others—who may be called plungers, with their eyes on the making of a fast dollar—view the atom as an easy road to fame and fortune.

Well, let me make it perfectly clear; atomic energy is not yet any of these things.

On the other hand, there is room for a good deal of optimism for, in my opinion, we have made a great deal of progress since the Atomic Energy Act was first passed in 1946.

Considerably more progress has been made since the act was amended in 1954.

This progress is mainly due to:

1. A civilian Atomic Energy Commission responsible for the program and carrying out its activities through industrial and university contractors with administration in the field.

2. The more recent policy of encouraging greater private ownership and participation in the development of an atomic energy industry free of Government monopoly.

3. Greater declassification of technical information.

Great progress has been made in this field in recent years.

For example, all of the information pertaining to the use of radioisotopes in agriculture is unclassified, and there is a storehouse of valuable information available to the technical expert who has the time, the energy, and the spirit to go after it.

4. The basis for the international atoms for peace program.

A giant step in achieving a working international atoms for peace program was achieved last fall with the creation of the new International Atomic Energy Agency.

As some of you may know, my good friend and colleague for 10 years on the Joint Committee on Atomic Energy, former Congressman W. Sterling Cole, of New York, has been appointed the first Director General of the International Agency.

Last fall I attended the opening meeting of the new Agency as a member of the United States delegation to the meeting.

After attending the opening in Vienna, I also made an inspection tour, with other members of the Joint Committee, to atomic energy centers in Western Europe, including Russia.

While in Russia we visited the Soviet nuclear research center at Dubna, about 80 miles north of Moscow, and we were greatly impressed by the great emphasis which the Soviets are placing on pure research and long-range development.

Frankly, we are going to have to keep on our toes and looking to the future, including the promising new peaceful uses of atomic energy, if as a nation we are going to outsmart the Soviets in the constant struggle for the minds and the following of the peoples of the uncommitted nations of the world.

5. As the fifth and final point, having mentioned the Joint Committee on Atomic Energy, it plays the role of a watchdog for the entire atomic program.

It provides encouragement—and sometimes the spur—for the executive branch—to develop basic technology and to provide both the necessary supplies and the services contributing to the sound growth of the atomic energy industry.

The time and scope of this presentation forbid a detailed exploration of the atom's steadily mounting peaceful use, or of its impact on (1) agriculture, (2) radiation preservation of foods; (3) medicine and public health; (4) power generation; (5) the insurance industry; (6) the coal and mining industries; (7) commercial shipping and airlines; (8) and many other segments of our economy.

One aspect which is deserving of a little more specific treatment is the matter of radioactive isotopes, the miracle tool of the atomic age—the so-called byproducts of our atomic reactors.

In the past several years, there has been a dramatic upsurge in the number and variety of things for which isotopes are being used.

For an illustration, existing applications include everything from clinical examination to oil drilling, from agricultural experiments to spot welding.

Yet the surface has been barely scratched.

Then, too, the annual savings to American industry from the many different isotopes are estimated at one-third of a billion dollars annually.

By 1960, it has been estimated that isotope savings will amount to $5 billion, at an annual cost to the Government of $20 million.

Therefore, it is possible, over the long run, that benefits from isotopes will more than repay the huge investment we have made in our atomic-energy program.

This, by way of anticipation, could prove a very reassuring and comforting answer to our original question: What do we expect to get out of atomic energy?

The role of isotopes in the peacetime uses of atomic energy is revealed in the following authoritative words of Atomic Energy Commissioner Dr. Willard F. Libby:

"In the field of the atoms-for-peace program, isotopes will play a very great role, for they can be put to work immediately without extensive training and heavy investment, and can serve for years to reconvince people the world over of the atom's great promise for peaceful uses when they become impatient waiting for the other great peaceful use—atomic power—to arrive."

Now, let me say a few words about the uses of atomic energy in agriculture, which I know is of particular interest to you.

Radioactive isotopes are obtained in atomic reactors as a byproduct, and they are finding increasing uses in applications which are very promising for the future.

I would like to quote in my remarks from a publication of the Atomic Energy Commission entitled "Uses of Isotopes in Agricultural Studies."

Radioactive isotopes, as you probably know, are of great value because they can be used as tracers.

They act in all respects like their nonradioactive brothers, but through the use of instruments the movements of radioactive isotopes within plants can be followed.

Let me quote from the Atomic Energy Commission study on the use of radioactive isotopes in the uptake of fertilizers:

"The most extensive use yet made of isotopes in agriculture has been concerned with studies on the uptake of fertilizers.

"This was one of the first and most important uses in agriculture.

"Now, even after 8 years, fertilizer uptake studies are still yielding valuable information.

"With radioactive tracers it is possible to study not only commercial fertilizers, but green manures as well.

"Although most of the investigations are designed to determine the proper type, placement, and efficiency of various fertilizers, the data obtained provide many other answers since the studies can be carried out under a wide variety of soil and climate conditions.

"American farmers are spending more than a billion dollars a year for commercial fertilizers, and isotope research has found many ways to get greater returns in crop yields with this money.

"With radioisotopes, it is possible to tag a certain material such as phosphorus in the fertilizer, and tell how much moves into the plant.

"The effectiveness of different methods of placement of the fertilizer such as below the seed, broadcast, or foliage application can be easily compared.

"In the past, requirements of a crop on a particular soil for a specific fertilizer usually have been measured by crop yield, but variations in rainfall, temperature, disease, and other factors also affect yield and confound the evaluation of the fertilizer.

"Through the use of radioisotopes many years are being saved in evaluating fertilizer materials and methods of application, and sound conclusions about fertilizer practices are being drawn.

"The capacity of the soil to supply a plant nutrient can be measured by adding a labeled fertilizer as a partial source of the nutrient to the growing plant.

"The plant will draw upon both the natural supply and the added fertilizer in proportion to the availability of each.

"In some soils, most of the plant nutrient will come from the added fertilizer, in other soils most of it will come from the nutrients already present in the soil.

"The isotope dilution analysis is used to obtain this information.

"Thus the plant itself, which is the best judge of availability, is used to give the answer.

"Although measurement of crop yield is satisfactory and in some cases preferable, the new techniques permit an evaluation under varying field conditions and at any stage of the plant's growth through the season.

"Through the use of isotopes, it has been proved conclusively that plants absorb nutrients not only through the roots but also through the foliage, the fruit, the twigs, the trunk, and even the flowers."

Radioactive isotopes have also been used in studies of soil fertility, the use of growth regulators and herbicides, and in controlling plant diseases and fungicides.

Let me quote again from the Atomic Energy Commission study:

"Radioisotopes are of great value in studying plant diseases and devising means for their control.

"Carbon 14 has been used to study metabolic changes in tobacco plants induced by virus infections, mealy bug wilt of pineapple, and effects of the virus of 'little cherry' disease.

"Sulfur 35 has been used to measure the difference in absorption of sulfur by parasites and the host in plant diseases caused by fungi.

"Phosphorus 32 and calcium 45 have been used to compare absorption and movement of phosphorus and calcium in pole blighted and healthy western pines.

"Wheat stem rust and most other rusts can be controlled if plants can be dusted often enough with sulfur.

"But to dust, 70 million acres of wheat in the United States with the minimum amount of sulfur that would be effective in years when weather favors rust would require nearly 2 million tons of sulfur.

"Cheaper fungicides, therefore, are badly needed and radioisotopes are helping to find them."

Also, isotopes are being used to achieve higher yields from plants through a better understanding of root systems and their rate of growth and I quote again from the Atomic Energy Commission study:

"To achieve higher yields from plants, a better understanding of root systems and their rate of growth is important.

"An insight into this important aspect of plant growth is gained during fertilizer uptake and soil-fertility studies with radioisotopes.

"For example, tracer studies show that corn plants which have extensive root systems during maximum growth cannot get a major share of the phosphorus from a surface application made at planting time.

"The roots are predominantly below the plow depth when the corn is maturing.

"Therefore, radioisotopes show that the crop feeds largely on phosphorus already in the soil.

"Other interesting points observed in tracing fertilizer include the comparatively shallow feeding of cotton plants and the heavy uptake of nutrients from immediately beneath the peanut plant during the first 7 weeks of growth.

"Research of this kind is leading to a better understanding of the volume of soil utilized by various crop plants.

"In the soils of the Southeast, which are naturally low in fertility, plants are usually expected to subsist on nutrients supplied in the top 6 inches, or plow depth.

"It may be possible to raise the ceiling on yields by providing a deeper zone of nutrients more in keeping with the needs of the plant.

"If heavy rooting could be induced in a number of crop plants to the depth of one additional foot, the bad effects of relatively brief droughts would be materially reduced.

"In studies of root-system growth, radioactive phosphorus was placed in the ground at various depths and positions around the base of the plants.

"The appearance of radioactivity in a plant indicated that roots had reached the fertilizer and permitted making a detailed pattern of root growth as the plant grew.

"Information was obtained on how much each zone of the root system contributed to the phosphorus nutrition of the plant.

"Radioisotopes will certainly play a prominent role in further fundamental research on rooting characteristics in relation to soil properties."

The Joint Committee on Atomic Energy constantly receives reports from the Atomic Energy Commission on both the military and the peaceful uses of atomic energy.

In 1954, our Subcommittee on Research and Development, of which I am a member, held a hearing on the contribution of atomic energy to agriculture, and much valuable information was obtained during these hearings.

In addition, the same subcommittee held another set of hearings in 1956 entitled "Progress Report on Atomic Energy Research," which accumulated a 375-page record on atomic energy research in medicine, biology, agriculture, and food preservation.

The most up-to-date report to the Joint Committee consists of the 23d Semiannual Report of the Atomic Energy Commission, and pages 60 to 68 contain a summary of achievements in the last 3 years in atomic energy agricultural studies.

The Joint Committee has a supply of most of these materials which it will gladly make available to you.

If you would like some of these materials, please write a letter to the Joint Committee on Atomic Energy, United States Capitol Building, Washington, D. C., and you will receive whatever materials are available on the peaceful uses of atomic energy in advancing our agricultural program.

In concluding this discussion on peacetime uses of atomic energy, let me repeat again that even though we have spent $15 billion to date, we have barely scratched the surface in developing the ultimate benefits to be derived by mankind.

Fifty years from now, barring an atomic war, atomic energy will be as common as electricity and coal are today.

Atomic planes, atomic rocket ships, automobiles, locomotives, farm tractors, etc., will be in everyday use and an accustomed sight on the world scene.

Homes will be heated and cooled by the atom.

Food, clothing, medicines, and crops will be improved and in general our way of living will be completely revolutionized.

Regardless of what the future holes in this great atomic age, the businessman, industrialist, and the farmer will surely "miss the boat" if they fail to keep abreast of rapid developments in the field of atomic energy.

As one of the original members of the Joint Congressional Committee on Atomic Energy, in the beginning we found it necessary in the best interest of the American people to do the research and development on a socialistic basis by giving the Government a complete monopoly in the field of atomic energy.

Such a monopoly is no longer necessary and as an ardent disciple of the American system of free enterprise, it was a pleasure to play a part in amending the law to give industry the right to participate in our Government's effort to harness the atom for the benefit of all mankind.

The problems of agriculture tomorrow, in this atomic age, will tax your ability, ingenuity, energy, and imagination if you, as leaders of that industry, seize the opportunity to keep moving forward to ever-new frontiers.

In accepting this challenge you and the agricultural industry will not only derive mutual benefits, but you will likewise aid in strengthening our Nation's effort to enjoy the blessings of this atomic era.

A Bill To Control the Distribution of Obscene Literature

EXTENSION OF REMARKS

OF

HON. JOHN P. SAYLOR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1958

Mr. SAYLOR. Mr. Speaker, last week the House Judiciary Committee reported a bill aimed at controlling the distribution of obscene literature. In the absence of a more direct method of combating the growing evil that has become the No. 1 enemy of the morals of American youth, I shall vote for this measure. I am not certain that it will be as effective as desired, but I intend to support it if only to serve notice on the purveyors of obscenity that Congress resents their diabolical business and is determined to put a stop to it.

From time to time, an aroused citizenry has undertaken campaigns in local communities to rout out the licentious printed materials sold at newsstands. While such action is commendable and should be encouraged, the effort often falls short because of inadequate legal standards on which to convict the guilty. H. R. 6239 would permit prosecution where obscene literature is received as well as where it is mailed. It is my hope that through this legislation the Federal Bureau of Investigation, postal inspectors, and other law enforcement agencies will be better equipped to get the job done.

To emphasize the perfidious nature of obscene material, FBI Director J. Edgar Hoover has explained that lewd photos and books—unlike a narcotic cigarette which becomes ashes after degrading a single victim—can be transmitted on an endless round of moral destruction.

In some areas of the country, a number of book dealers have cooperated—whether because of a desire to accept a community obligation or for fear of business reprisals—in removing objectionable material from their shelves. Unfortunately, the effort will fall short so long as there are selfish, ruthless book merchants whose greed for profit supersedes moral responsibility. We need not go far from the Halls of Congress for substantiation of this premise.

Within the very shadows of the Capitol, you will find shelves of licentious material openly displayed to tempt the youth of the city of Washington. Other victims include young visitors whose parents, in cooperation with schools and community organizations, permit them to come here in the hopes that hallowed shrines within this area will serve as an inspiration to make better citizens of these youngsters. Yet here at their disposal are the seeds of corruption and degradation to which even the strongest characters are vulnerable.

No, I am afraid that voluntary action by the smut merchants cannot be relied upon. Recently, as I walked from the Press Building along 14th Street toward my local residence, I noticed a display of knives in the window of a drugstore. Advertised for sale is an arsenal of weapons that included lethal instruments wielded by Nazi storm troopers plus a variety of other fetching blades available to one and all. The only item lacking in this exhibit is a signboard with the words "Invitation to Crime." Here, then, are a miscellany of gadgets poised for killing and maiming. On the newsstands are the mediums for stimulating lust and crime. Together, these wares constitute a compounded disgrace to the Nation's Capital.

Perhaps, through H. R. 6239, we shall at least make a start toward driving from our society those degenerate peddlers of moral and mental disease in printed form. Soon thereafter, we trust, legislation to deal with "pushers" of deadly weapons will also be forthcoming.

Summit Madness, Nuclear Nonsense, and John Foster Dulles

EXTENSION OF REMARKS

OF

HON. PAUL B. DAGUE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1958

Mr. DAGUE. Mr. Speaker, it is undoubtedly true that good Americans from George Washington to Dwight Eisenhower, and including Thomas Jefferson and Abraham Lincoln, suffered from calumnies heaped upon them by their traducers. I doubt, however, that any of those mentioned were ever the target of attacks so violent as those directed at our present Secretary of State and I doubt if any of them bore up under the barrage with greater dignity and aplomb than has John Foster Dulles.

Any American worth his salt and with a modicum of perception must have long since realized that Khrushchev's insistence on a summit conference has only one purpose; namely, the creation of a sounding board for the issuing of propaganda blasts and the strengthening of his own precarious situation. In all of our dealings with the Russian leaders—as distinguished from the people of the U. S. S. R.—we should never lose sight of the fact that we are dealing with men whose solemn word is of no value whatsoever, and in addition that we are in fact being called upon by means of a summit meeting to lend respectability to a lot of international gangsters and murderers. In this instance Secretary Dulles has counselled against such a get-together and apparently has reminded our President that as a leader elected directly by the people his role is entirely different from that of the leaders of the other nations even though in their initial role they may have been elected to a parliament or general assembly. As an additional word of caution Mr. Dulles might also have reminded our President that when you lie down with dogs you get up with fleas.

The subject of the suspension of nuclear tests is so elemental as to invite contempt rather than discussion. What advantage could accrue to this Nation—or to humanity as a whole—through the suspension of our tests is beyond me. Russia completes her tests—and in addition apparently suffers an accidental explosion in the process—and then because she has nothing to lose for another year and because her people are apparently raising hob over local fallout—she comes piously to the front and says let's agree that you will not run your series. How naive, how silly, how asinine can we get? To me there can be only one conclusion; namely, that wittingly or unwittingly those who urge a suspension of nuclear tests until we have completed our present series and those who are calling for a summit meeting are playing the Communist's tune. The time is now here, my friends, when every patriotic American must stand firm.

And as for John Foster Dulles—the greatest Secretary of State in our time—may God give him increased courage and strength.

Federal Excise Tax on Automobiles

EXTENSION OF REMARKS
OF
HON. EMMET F. BYRNE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 29, 1958

Mr. BYRNE of Illinois. Mr. Speaker, under unanimous consent, I insert the contents of a letter from a constituent and friend and a successful businessman, Tony Piet, relative to the need for removal of the Federal excise tax in the automobile industry.

Chicago has been recently engaged in a campaign to stimulate the economy in the automobile industry. I have spoken on the floor about this highly successful campaign called You Auto Buy. The success of the campaign exceeded expectations and has been extended.

My purpose in inserting Mr. Piet's letter is to exhibit some sound thinking regarding the excise tax as it pertains to the automobile industry. I am in agreement with Mr. Piet's thinking. This Federal tax imposed many years ago as a temporary measure has the appearance of becoming a permanent fixture unless something is done at the fountainhead to remove it.

It would appear to me that removing this tax is going to inure immeasurably to the good for the economic structure of the country and the people as a whole. I am a firm believer in the ingenuity and capability of private business to do the needed job. Yet they must be given encouragement and not expected to do the job with hands tied down because of the existence of a tax initiated as a temporary measure. When they criticize Congress and the Government, I believe there is some justification. Measures have been taken, programs begun in the past under the guise of an emergency or temporary imposition. The people have gone ahead and accepted it. Their Government, however, has let the temporary become permanent. Consequently today is it any wonder that our constitutents become strongly vocal in their protests over some of the programs their Federal Government, their lawmakers, are trying to sell them.

The letter follows:

TONY PIET MOTOR SALES, INC.,
Chicago, Ill., April 24, 1958.

Hon. EMMET F. BYRNE,
Congress of the United States,
House of Representatives,
Washington, D. C.

DEAR EMMET: It is my firm and sincere belief that it is grossly unfair to allow the Federal excise tax to continue—as it pertains to the automobile industry. This tax should have been curtailed as soon as the wartime emergency was over.

The Federal excise tax was originally imposed as a temporary measure, not one for 20 years. I shall sincerely appreciate your wholehearted support in Congress to help throw off this yoke we've been wearing for too long a time.

Now that the wartime emergency is over, we have as great an emergency at our front door and only public spending will ward off the otherwise inevitable calamity we are facing in this wonderful country of ours.

We must encourage spending. By knocking out the automotive excise tax we make our products accessible to a greater portion of the public, thus stimulating a chain reaction of sales, production, and employment.

Our economy is at the crossroads of time. This is a grave issue and your utmost consideration and action is very, very urgent.

Please handle it with courage and expediency now.

Sincerely yours,

TONY PIET.

Mr. Speaker, Tony Piet was formerly a big league ballplayer with the Chicago White Sox, Detroit Tigers, and Pittsburgh Pirates. He is still getting base hits as a businessman. He has also contributed much to build in the community, assisting youth, sponsoring and encouraging the Little League and Pony League baseball clubs. He does not stop in endeavoring to make America better and in selling the idea that there is no place like home, the United States of America.

Sudden Death for Effective Poultry Inspection

EXTENSION OF REMARKS
OF
HON. LEONOR K. SULLIVAN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 29, 1958

Mrs. SULLIVAN. Mr. Speaker, the consumers of this country must be warned that unless a decision announced yesterday by Secretary of Agriculture Benson is reversed immediately, they may be eating diseased and unwholesome poultry—poultry harboring virus agents, toxic substances of the vilest kind, tumors consisting of masses of dead cells—and they will be buying this poultry under the innocent impression it is wholesome, because it bears the stamp of approval of the United States Department of Agriculture.

Mr. Speaker, I realize this is a serious charge to make. As one who fought for elimination of diseased poultry in interstate commerce and for the enactment last year of the Poultry Products Inspection Act which is supposed to go into effect the day after tomorrow, I am not at all happy to have to come before the House and say the new law has just been shot full of holes.

Yet that is what appears to have happened. Secretary Benson signed an order overruling his own experts and the public-health authorities of the Nation, and suspending one of the key consumer safeguards in the regulations under which the new Poultry Products Inspection Act is to be administered.

He has suspended the regulation which requires removal of kidneys from inspected ready-to-cook poultry. This regulation is now to apply only to mature poultry, not to the so-called young birds which make up perhaps 75 percent or more of all poultry processed and shipped in interstate commerce.

SECRETARY BENSON'S HANDOUT TO PROCESSING FIRMS

Why did Mr. Benson sign such an order? The press release on it said it was for the purpose of enabling the various poultry processing plants to operate on a comparable basis in 1958. This is pure doubletalk. What it means is that certain segments of the poultry industry, reluctant to install the required equipment and unable to shake the convictions of the career experts in the Department, finally got to the Secretary and prevailed upon him—at the very last moment—to overrule his own experts, and give the processing plants what amounts to a sizable gift of money at the expense of decent standards of purity for poultry.

The firms in the poultry processing industry which pulled off this fantastic robbery of the American consumer have

used Mr. Benson as an accessory in a crime against the public health.

This is strong language. But it takes strong language adequately to describe the significance of this development.

Will anyone die from eating poultry which has been inspected and passed as wholesome by the United States Department of Agriculture but which is not in fact wholesome? I do not know. Probably not. But perhaps yes. I just do not know. I am not a scientist or a veterinarian or a public-health expert.

POSITION OF DEPARTMENT OF AGRICULTURE EXPERTS

But here is what Mr. Benson's own Department of Agriculture experts say about leaving the kidneys in poultry while it is being examined and inspected for wholesomeness:

SOME FACTORS UNDERLINING THE REQUIREMENT FOR REMOVAL OF KIDNEYS FROM READY-TO-COOK POULTRY

UNITED STATES DEPARTMENT OF AGRICULTURE,
AGRICULTURAL MARKETING SERVICE,
Washington, D. C., November 22, 1957.

In regulations to be issued under the recently enacted Poultry Products Inspection Act, the United States Department of Agriculture contemplates that the kidneys will be removed from inspected ready-to-cook poultry. The purpose of such a requirement is to assure the wholesomeness of poultry products.

The inclusion of this requirement in the regulations is based on the legal mandate to insure wholesomeness and the Department's consideration of views expressed by representatives of the poultry industry; Federal, State, and local public-health officials; specially qualified poultry pathologists, veterinarians, and other scientific persons; representatives of State departments of agriculture and the agricultural colleges; and members of the Department's staff of veterinarians engaged in Federal poultry inspection.

Some of the underlying factors for requiring the removal of kidneys are as follows:

1. Under modern poultry-processing procedures, it is practically impossible to inspect poultry kidneys by reason of the position of these organs in the carcass because:

(a) Less than half of kidney surfaces, in their natural carcass position, can be seen or felt by the inspector.

(b) Feeling of the kidney without visual examination will not in itself insure adequate wholesomeness inspection.

2. Kidneys left in ready-to-cook poultry may result in unwholesome poultry reaching the consumer because:

(a) The occurrence of tumors in kidneys is quite common, some of which may be small and deep within the kidney body. There may also be small, deep-seated diseased-tissue areas consisting of masses of dead cells and other cells affected by degenerative processes or minute cysts or abscesses which will most likely be overlooked.

(b) The kidney is an excretory organ through which toxic substances, waste materials such as urates, and foreign material are formed or received and eliminated from the system of the bird. Body waste materials in kidneys cannot be washed from kidney tissues during processing.

(c) Kidneys are highly perishable. Their glandular nature and blood supply compared to other body tissues make poultry kidneys susceptible to early objectionable post mortem changes.

(d) Tearing or shredding of kidneys during processing, even when the intention is to leave them in, is conducive to contamination and unwholesomeness.

(e) Viruses and other disease agents, some of which are harmful to man, may be harbored in kidneys of birds which show no clinical or post mortem evidences of the presence of disease or unwholesomeness, but are apparent upon laboratory examination.

ISSUE DEBATED FOR MONTHS

Mr. Speaker, the decision to call for removal of kidneys in inspecting all ready-to-cook poultry was not final as of November 22. The Department scheduled separate hearings on all phases of the proposed regulations in all parts of the country and this particular issue was fought out and debated and discussed in all of them.

But when the regulations were issued in final form—or what we thought was final form—in February of this year, this requirement remained unchanged. Others among the proposed regulations were changed or amended or dropped, but this one was unchanged. It was based on the solid conviction of the Department's experts that the legal mandate of the new law, requiring that poultry in interstate commerce be wholesome, required in turn that kidneys must be removed for inspection as part of the process of approving ready-to-cook poultry.

BENSON'S ORDER COMES AS LAST MINUTE SURPRISE

It is significant, Mr. Speaker, that although some segments of the poultry processing industry have supported proposed legislation this year to weaken other provisions of the new law, no bill was introduced, so far as I know, to eliminate the provision of the regulations dealing with removal of kidneys.

So the public had a right to assume this issue had been resolved as of last February.

But yesterday, out of the blue, Mr. Benson announced he had suspended this regulation for the rest of 1958. The stage is meanwhile being set to drop this regulation completely. And in the meantime, unwholesome poultry can slip through with a Federal seal of approval.

The same sort of thing happened under the voluntary paid-for-by-industry inspection program. It used to be mandatory under that program that kidneys be removed for inspection. In 1951 the requirement was eliminated on the claim that an inspector could tell by feeling inside the carcass whether the kidney is diseased.

But the Department is clearly on record as saying such a thing is now virtually impossible under modern poultry processing procedures.

I think the consumer would feel a whole lot more secure about the poultry she buys if the experts in the Department of Agriculture, and the public health people, decide the basic regulations instead of the Secretary of Agriculture deciding on the basis of complaints from firms which want to save themselves the expense of proper processing equipment.

BENEFITS TO PROCESSORS UNDER NEW ACT

Mr. Speaker, no one wants to put the poultry processor out of business or bankrupt him. I have suggested several times that if the new law creates financial crises for small firms, that we use the Small Business Administration's loan program to help them get the equipment or machinery they might need to comply with the new law.

But let us not destroy the law's effectiveness by bringing poultry inspection down to the level of the least common denominator in terms of ease of compliance. It was not intended to be a law easy to comply with—it was meant to be effective in protecting the public.

There is a decided advantage to firms—a decided financial advantage—in coming in under the new Poultry Products Inspection Act now, prior to mandatory operation of the act next January 1. Most firms which have already filed applications to come in under the new act are presently under the voluntary paid-for-by-industry program. They have had to pay for the cost of the inspection system up to now in order to get the United States stamp of wholesomeness on their product. Under the new act, the Federal Government pays all costs of the inspection service except overtime. So a firm which has been paying for the inspection service up to now will benefit tremendously by having Uncle Sam take over that cost.

In return for this, the processor should be expected to comply fully with the spirit and intent of the new law. Instead, apparently, some influential processors have reached Secretary Benson and persuaded him to overrule his experts and seriously weaken the effectiveness of the new program.

So the consumer, through his taxes, will be paying for tight poultry inspection but will be getting instead substantially the same kind of less rigid inspection now being provided in many plants at the expense of the processor. And this means the possibility of diseased poultry slipping through.

WHY DID MR. BENSON SURRENDER WITHOUT A FIGHT?

Mr. Speaker, I hope that Secretary Benson's action yesterday in suspending this key regulation dealing with the removal of kidneys from inspected ready-to-cook poultry was based on nothing more than lack of understanding of what he was doing or what it meant.

There are rumors floating around that he was pressured into it by threats of various kinds from firms in the poultry industry. This sounds incredible and unbelievable.

I do know, however, that up to the time this order was issued, only about 15 firms in the entire country had completed their applications for inspection under the new program beginning May 1—only about 15 out of perhaps 500 or more which are in the process of qualifying.

Were the others on a sit-down strike to force the Secretary to surrender on this question of kidney removal? Did they know or anticipate that the regulations would be eased in such a dramatic way just 3 days before the start of the new act's operation? Can we now look for a sudden flurry of action by these other firms whose applications are pending so that they can complete their arrangements and come in under the program almost overnight?

I am only surmising. But if it is true that there was an organized conspiracy here to fail to come into compliance until the rules were rewritten to their liking, then I think we have a basis here for a Congressional investigation and perhaps a Justice Department one as well.

But Mr. Speaker, I am not as much concerned over an attempt by the industry to pull that kind of stunt as I would be over the Secretary of Agriculture's willingness to let them get away with it, if that is what did in fact happen.

The Department of Agriculture had nothing to lose from starting this program on May 1 with just 15 firms in voluntary compliance. Those 15 firms were ready and willing and able to comply with all provisions of the regulations, including the one dealing with removal of kidneys. We should have started the new program with those 15. If it did not work out—if shortcomings developed in the program—if the kidney removal provision in actual operation turned out to be an impossible burden, then, and only then, should it have been changed.

NO FIRM HAS TO COMPLY BEFORE JANUARY 1

The period between May 1 and January 1 was intended to be a transition period, a trial-and-error period, to get a new and big program of Government into operation. But no firm has to comply with the new law before January 1. Let us not forget that. I do not care if we have 5 or 10 or 15 or 100 plants in the program the first day or the first week. The important thing is that the program we do have be effective in protecting the consumer; that it start out a strong program and remain a strong one.

Mr. Speaker, this episode, as I said, demands a full-scale investigation, and I intend to seek one. In the meantime, however, there is serious doubt in my mind whether we should appropriate any funds at all for this new poultry inspection program for the rest of this calendar year, until we have a clearer picture of the role Mr. Benson intends to play in undermining and destroying the effectiveness of the law. No funds are needed for this calendar year if we are not going to have an effective program in operation. The law does not require any firm to comply until next January. Any firm which comes in before then is doing so mainly to save itself money—the cost of the inspection it was previously paying for itself.

If all we are going to succeed in doing under this new law during the rest of this present calendar year is to shift the burden of inspection costs from the shoulders of private industry to the United States Government, and get no better inspection program in return, then we are fooling the public and making a foolish use of Federal funds. I would rather delay the start of the whole program until next January, under those circumstances.

Either that, or start a real and meaningful program this Thursday with only those firms included which are willing and ready to do their share—the 15 firms I understand had fully complied before this new order was issued.

A decision bearing on this issue will have to be made by the Congress in the very near future. The appropriation bill which contains funds for the poultry inspection service is going to have to be resolved in conference. It may very well be that we may want to postpone voting any funds for poultry inspection under the new act until we see what the Secretary has in mind in terms of enforcement. If he intends to kill this act's effectiveness by undermining the regulations, as he has already done for 1958 even before the act goes into effect, then I for one want no part of a compulsory poultry inspection program which shifts inspection costs from industry to Government without protecting the consumer from diseased products.

Proposed Amendment to H. R. 12065, the Unemployment Compensation Bill

EXTENSION OF REMARKS

OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1958

Mr. REED. Mr. Speaker, it will be the purpose of the minority membership of the House Committee on Ways and Means to urge that during the floor consideration of H. R. 12065, relating to the payment of temporary supplemental unemployment compensation, to offer an amendment to the bill. The amendment to be offered would make Federal funds available on a repayable basis to those States which at their option elect such funds for the purpose of extending unemployment compensation benefit durations under State law to those individuals who have exhausted their benefit entitlement after June 30, 1957. This proposed amendment embodies in its essential elements the administration's proposal for providing supplemental benefits modified by the proposal sponsored by the distinguished gentleman from Virginia [Mr. HARRISON] to assure that the respective States will have the individual authority to determine whether or not a State participates in the program. The amendment contains a further modification so as to make benefit eligibility at the discretion of the State available with respect to individuals who have exhausted their benefit entitlement since July 30, 1957.

It will not be my purpose to debate the merits of this amendment at this time. Such debate will occur during the floor consideration of the legislation. However, I would point out to my colleagues that this amendment that I have described represents a marked improvement over the bill, H. R. 12065, in the form that it was reported by the Committee on Ways and Means. It is an improvement in that it does not establish a public dole. It is an improvement in that it does not threaten the destruction of the existing unemployment compensation program. It is an improvement in that it preserves the integrity of the Federal-State relationship in the area of unemployment compensation. It is an improvement in that it grants to the States the discretion to determine whether or not the individual States will participate in the program. It is an improvement in that it is not administratively unworkable as is true of the bill, H. R. 12065, in its present form.

Mr. Speaker, so that the membership of the House and other interested persons may have an opportunity to study this proposed amendment to H. R. 12065 I will insert the text of the amendment in the RECORD at this point. In the event that this amendment is approved, it would, of course, be necessary to also offer an amendment to the title of the bill which I will do at the proper time:

AMENDMENT TO H. R. 12065

Strike out all after the enacting clause and insert:

"Short title

"SECTION 1. This act may be cited as the 'Temporary Unemployment Compensation Act of 1958.'

"TITLE I. INDIVIDUALS WHO HAVE EXHAUSTED THEIR RIGHTS

"Payment of compensation

"Eligibility

"SEC. 101. (a) (1) Payment of temporary unemployment compensation under this act shall be made, for any week of unemployment which begins on or after the 15th day after the date of the enactment of this act and before April 1, 1959, to individuals who have, after June 30, 1957 (or after such later date as may be specified pursuant to section 102 (b)), exhausted (within the meaning prescribed by the Secretary by regulations) all rights under the unemployment compensation laws referred to in paragraph (3) and who have no rights to unemployment compensation with respect to such week under any such law or under any other Federal or State unemployment compensation law.

"(2) Except as provided in section 103, payment of temporary unemployment compensation under this act shall be made only pursuant to an agreement entered into under section 102 and only for weeks of unemployment beginning after the date on which the agreement is entered into.

"(3) The unemployment compensation laws referred to in this paragraph are:

"(A) Any unemployment compensation law of a State.

"(B) Title XV of the Social Security Act, as amended (42 U. S. C. 1361 et seq.).

"(C) Title IV of the Veterans' Readjustment Assistance Act of 1952, as amended (38 U. S. C. 991 et seq.).

"Maximum Aggregate Amount Payable

"(b) The maximum aggregate amount of temporary unemployment compensation payable to any individual under this act shall be an amount equal to 50 percent of the total amount (including allowances for dependents) which was payable to him, under the unemployment compensation law or laws referred to in subsection (a) (3) under which he last exhausted his rights before making his first claim under this act, for the benefit year with respect to which this last exhaustion occurred. The term 'benefit year' means the benefit year as defined in the applicable State unemployment compensation law; except that, if such law does not define a benefit year, then such term means the period prescribed by the Secretary.

"Weekly Benefit Amount

"(c) The temporary unemployment compensation payable to an individual under this act for a week of total unemployment

shall be the weekly benefit amount (including allowances for dependents) for total unemployment which was payable to him pursuant to the unemployment compensation law or laws referred to in subsection (a) (3) under which he most recently exhausted his rights. The temporary unemployment compensation payable to an individual under this act for a week of less than total unemployment shall be computed on the basis of such weekly benefit amount.

"Application of State Laws

"(d) Except where inconsistent with the provisions of this title, the terms and conditions of the unemployment compensation law or laws referred to in subsection (a) (3) under which an individual most recently exhausted his rights shall be applicable to his claims for temporary unemployment compensation under this act and to the payment thereof.

"Agreements with States

"In General

"SEC. 102. (a) The Secretary is authorized on behalf of the United States to enter into an agreement with a State, or with the agency administering the unemployment compensation law of such State, under which such State agency—

"(1) will make, as agent of the United States, payments of temporary unemployment compensation to the individuals referred to in section 101 on the basis provided in this act; and

"(2) will otherwise cooperate with the Secretary and with other State agencies in making payments of temporary unemployment compensation under this act.

"State May Select Later Date for Exhaustions Under State Law Which Qualify Under This Act

"(b) If the State so requests, the agreement entered into under this section shall specify, in lieu of June 30, 1957, such later date as the State may request. In any such case, an exhaustion under the unemployment compensation law of such State shall not be taken into account for the purposes of this act unless it occurred after such later date.

"Amendment, Suspension, or Termination of Agreement

"(c) Each agreement under this act shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

"No Denial or Reduction of State Benefits

"(d) Any agreement under this act shall provide that unemployment compensation otherwise payable to any individual under the State's unemployment compensation law will not be denied or reduced for any week by reason of any right to temporary unemployment compensation under this act. This subsection shall not apply to a State law which temporarily extended the duration of unemployment compensation benefits, if such State law provides for its expiration by reason of the enactment of this act.

"Veterans and Federal Employees

"In States Which Do Not Have Agreements, Etc.

"SEC. 103. (a) For the purpose of paying the temporary unemployment compensation provided in this act to individuals—

"(1) who have, after June 30, 1957, exhausted their rights to unemployment compensation under title XV of the Social Security Act or title IV of the Veterans' Readjustment Assistance Act of 1952; and

"(2) in a State, if there is no agreement entered into under section 102 which applies with respect to the weeks of unemployment concerned,

the Secretary is authorized to extend any existing agreement with such State. Any such extension shall apply only to weeks of unemployment beginning after such extension is made. For the purposes of this act, any such extension shall be treated as an agreement entered into under this act.

"In Puerto Rico and the Virgin Islands

"(b) For the purpose of paying the temporary unemployment compensation provided in this act to individuals—

"(1) who have, after June 30, 1957, exhausted their rights to unemployment compensation under title XV of the Social Security Act or title IV of the Veterans' Readjustment Assistance Act of 1952; and

"(2) in Puerto Rico or the Virgin Islands, the Secretary is authorized to utilize the personnel and facilities of the agencies in Puerto Rico and the Virgin Islands cooperating with the United States Employment Service under the Act of June 6, 1933 (29 U. S. C. 49 et seq.), and may delegate to officials of such agencies any authority granted to him by this act whenever the Secretary determines such delegation to be necessary in carrying out the purposes of this act; and may allocate or transfer funds or otherwise pay or reimburse such agencies for the total cost of the temporary unemployment compensation paid under this act and for expenses incurred in carrying out the purposes of this act.

"Review

"(c) Any individual referred to in subsection (b) whose claim for temporary unemployment compensation under this act has been denied shall be entitled to a fair hearing and review as provided in section 1503 (c) of the Social Security Act (42 U. S. C. 1363 (c)).

"Repayment

"In General

"SEC. 104. (a) The total credits allowed under section 3302 (c) of the Federal Unemployment Tax Act (26 U. S. C. 3302 (c)) to taxpayers with respect to wages attributable to a State for the taxable year beginning on January 1, 1963, and for each taxable year thereafter, shall be reduced in the same manner as that provided by section 3302 (c) (2) of the Federal Unemployment Tax Act for the repayment of advances made under title XII of the Social Security Act, as amended (42 U. S. C. 1321 et seq.), unless or until the Secretary of the Treasury finds that by December 1 of the taxable year there have been restored to the Treasury the amounts of temporary unemployment compensation paid in the State under this act (except amounts paid to individuals who exhausted their unemployment compensation under title XV of the Social Security Act and title IV of the Veterans' Readjustment Assistance Act of 1952 prior to their making their first claims under this act), the amount of costs incurred in the administration of this act with respect to the State, and the amount estimated by the Secretary of Labor as the State's proportionate share of other costs incurred in the administration of this act.

"Repayment in Excess of Amount Owed

"(b) Whenever the amount of additional tax paid, received, and covered into the Treasury under subsection (a) with respect to wages which are attributable to a State exceeds the sum of the amounts described in subsection (a), there is hereby appropriated to the Unemployment Trust Fund for crediting to the account of such State an amount equal to such excess. The amount so credited shall be used only in the payment of cash benefits to individuals with respect to their unemployment, exclusive of expenses of administration.

"TITLE II—GENERAL PROVISIONS

"Definitions

"SEC. 201. For the purposes of this act—

"(1) The term 'Secretary' means the Secretary of Labor.

"(2) The term 'State' includes the District of Columbia, Alaska, and Hawaii.

"(3) The term 'first claim' means the first request for determination of benefit status under this act on the basis of which a weekly benefit amount under this act is established, without regard to whether or not any benefits are paid.

"Review

"SEC. 202. Any determination by a State agency with respect to entitlement to temporary unemployment compensation pursuant to an agreement under this act shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent.

"Penalties

"False Statements, Etc.

"SEC. 203. (a) Whoever makes a false statement or representation of a material fact knowing it to be false, or knowingly fails to disclose a material fact, to obtain or increase for himself or for any other individual any payment under this act shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

"Recovery of Overpayments

"(b) (1) If a State agency or the Secretary, as the case may be, or a court of competent jurisdiction, finds that any person—

"(A) has made, or has caused to be made by another, a false statement or representation of a material fact knowing it to be false, or has knowingly failed, or caused another to fail, to disclose a material fact, and

"(B) as a result of such action has received any payment under this act to which he was not entitled

such person shall be liable to repay such amount to the State agency or the Secretary, as the case may be. In lieu of requiring the repayment of any amount under this paragraph, the State agency or the Secretary, as the case may be, may recover such amount by deductions from any compensation payable to such person under this act. Any such finding by a State agency or the Secretary, as the case may be, may be made only after an opportunity for a fair hearing, subject to such further review as may be appropriate under sections 103 (c) and 202 of this act.

"(2) Any amount repaid to a State agency under paragraph (1) shall be deposited into the fund from which payment was made. Any amount repaid to the Secretary under paragraph (1) shall be returned to the Treasury and credited to the current applicable appropriation, fund, or account from which payment was made.

"Information

"SEC. 204. The agency administering the unemployment-compensation law of any State shall furnish to the Secretary (on a reimbursable basis) such information as he may find necessary or appropriate in carrying out the provisions of this act.

"Payments to States

"Payment on Calendar-Month Basis

"SEC. 205. (a) There shall be paid to each State which has an agreement under this act, either in advance or by way of reimbursement, as may be determined by the Secretary, such sum as the Secretary estimates the State will be entitled to receive under this act for each calendar month, reduced or increased, as the case may be, by any sum by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made upon the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency.

"Certification

"(b) The Secretary shall from time to time certify to the Secretary of the Treasury for payment—

"(1) to each State which has an agreement under this act sums payable to such State under subsection (a), and

"(2) to each State such amounts as the Secretary determines to be necessary for the proper and efficient administration of this act in such State.

The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, from the funds appropriated for carrying out the purposes of this act.

"Money To Be Used Only for Purposes for Which Paid

"(c) All money paid a State under this act shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this act, to the Treasury and credited to current applicable appropriations, funds, or accounts from which payments to States under this act may be made.

"Surety Bonds

"(d) An agreement under this act may require any officer or employee of the State certifying payments or disbursing funds pursuant to the agreement, or otherwise participating in its performance, to give a surety bond to the United States in such amount as the Secretary may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this act.

"Liability of Certifying Officers

"(e) No person designated pursuant to an agreement under this act, as a certifying officer, shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any compensation certified by him under this act.

"Liability of Disbursing Officers

"(f) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this act if it was based upon a voucher signed by a certifying officer designated as provided in subsection (e) of this section.

"Denial of benefits to aliens employed by Communist governments or organizations

"SEC. 206. No person who is an alien shall be entitled to any benefit under this act for any week of unemployment if, at any time on or after the first day of his applicable base period and before the beginning of such week, he was at any time employed by—

"(1) a foreign government which, at the time of such employment, was Communist or under Communist control, or any agency or instrumentality of any such foreign government, or

"(2) any organization if, at the time of such employment (A) such organization was registered under section 7 of the Subversive Activities Control Act of 1950 (50 U. S. C. 786), or (B) there was in effect a final order of the Subversive Activities Control Board requiring such organization to register under section 7 of such act or determining that it is a Communist-infiltrated organization.

"Regulations

"SEC. 207. The Secretary is hereby authorized to make such rules and regulations as may be necessary to carry out the provisions of this act.

"Authorization of appropriations

"SEC. 208. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act."

Nationality Groups Can Render Unique Service to America

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1958

Mr. ANFUSO. Mr. Speaker, on Sunday evening, April 27, 1958, it was my distinct privilege and honor to receive the liberty award from the Nationalities Division of the Democratic National Committee at a dinner at the Waldorf-Astoria in New York. The award was given to me by Gov. Averell Harriman, of New York, on behalf of the committee, and it was presented to me for championing liberal legislation.

In accepting this award, I stressed the fact that the United States is not utilizing sufficiently the talents and the ideas of the immigrant and nationality groups in helping our country to combat communism and Communist propaganda. It is my belief that these groups can render a great and unique service at the present time in promoting the interests of America and of the Free World.

Mr. Speaker, under leave to extend my remarks, I wish to insert into the RECORD the text of my address in accepting the award from Governor Harriman.

The address follows:

ADDRESS BY CONGRESSMAN VICTOR L. ANFUSO, SUNDAY, APRIL 27, 1958, NATIONALITIES DIVISION, DEMOCRATIC NATIONAL COMMITTEE

Mr. Chairman, distinguished guests, ladies and gentlemen, I am indeed very grateful for the signal honor which you have bestowed upon me tonight in the presentation of this award. May I express to all of you my sincere thanks.

In accepting this award, permit me to express a few brief thoughts which I should like to share with you today.

The Nationalities Division, as we all know, is comprised of various groups of immigrant origin or having immigrant antecedents. All of us are very proud of the fact that these immigrants have brought with them to this country the rich heritage of their national culture, along with their passionate love for freedom. They have made wonderful contributions to America in every sphere of activity, and have helped build America to its present greatness.

These people, their children and their grandchildren, are among the most loyal, industrious, and hard-working citizens in our country. American ideals and democratic traditions are precious to them. They have defended American democracy and our way of life when called upon in the past, and are ready to do so again whenever it becomes necessary. Our country is richer and stronger because of the contributions made by immigrants, the infusion of their ideals and traditions, the moral uplift of their spiritual strength—all of which have been blended with American democratic life, to give it greater harmony and greater unity.

Why am I telling all this to you? I have a specific reason in mind.

During the past dozen years or so, since the end of World War II, the Free World has been on the defensive against the inroads of Communist subversion and propaganda. How many of us realize that no less than 700 million people in Europe and Asia have come under Communist domination in the short space of those 12 years? But that is a fact, and in many instances it was achieved by the Communists without firing a single shot—merely by means of propaganda and subversion.

Today, the battle of ideas is more important and more productive than the battle of weapons. In fact, I believe that the world may never see another worldwide battle with weapons of total destruction, because both we and the Russians are well aware that they mean suicide for the human race. Consequently, the Kremlin is relying on propaganda and deception to conquer the Free World, rather than on atomic weapons or missiles.

In the field of propaganda we do not seem to be much of a match for them. Although we have truth on our side, and morality, and religion, and charitable deeds, and righteousness—somehow we have failed to reach the masses of Asia and Africa and other areas of the world.

Take our foreign aid program as an example. In the 11 years between 1945 and 1956, the United States had given to nations all over the world $57 billion in military, economic and technical assistance, most of it in the form of outright grants. Russian aid in the same period totaled only $1.5 billion—and nearly all of it in the form of loans to be repaid. Yet the humanitarian and charitable deeds of the United States are overlooked by the very nations whom we seek to help, while they listen to Russia and prefer to sing its praises for promises which are never fulfilled.

In extending this aid to our allies, as well as to the neutral nations, we have never given ourselves a pat on the back, nor did we convey to them that Americans were paying for this aid through the nose in backbreaking taxes and assessments, nor that we were indeed sacrificing ourselves for their welfare. Yet it is ironical how our motives have been misconstrued by some of these underdeveloped nations who suspect us of seeking, through our aid, to impose upon them some form of control or domination. At the same time, they prefer to disregard Russia's threats to their very existence. Some of them are truly convinced that the Kremlin's only concern is with the welfare of all humanity.

Thus, my friends, in the greatest public relations test in the world, the test which will ultimately determine our security and the survival of the Free World, we act like amateurs. I regret to admit that we are failing that test.

There is no doubt about the fact that we lack boldness and imagination in our propaganda tactics, in our efforts to refute these false impressions, and in our methods of bringing the truth to the peoples of the world. We are the best salesmen in the world for automobiles, TV's, washing machines and the like, but when it comes to selling the best way of life yet devised by man—we have failed miserably. Surely, we have not run out of ideas or imagination.

This is neither the time nor the occasion to analyze why we have failed or where we have failed. Nor am I the one to make such a thorough analysis. But I would like to point out one area which we have not utilized to the extent that we should, and it is an area which could have brought us very telling results.

I refer to the immigrant and nationality groups in this country. Why have we not better utilized this rich resource of people and ideas to help bring the message of America to the people behind the Iron Curtain and to the uncommitted nations sitting on the fence? Why have we not utilized to greater advantage the people of immigrant origin who still retain certain cultural and spiritual roots in their ancestral homes, but who are of unquestionable loyalty to the land of their adoption?

Surely, such people who have profound understanding and sympathy for their

former homelands could render excellent services in promoting the interests of America in these countries. Men in this room make excellent ambassadors, ministers, business representatives, and even undercover agents. Yet we prefer to send others who cannot even speak the language of the country.

Could it be that we still regard people of immigrant origin with suspicion? Can this be true, even after they have shed their blood in lands of their ancestral origin for America? Is the fact that we still have discriminatory immigration laws a basis for this suspicion?

Let me say to my friends who trace their origin to the Mayflower that if this suspicion does still exist—if we cannot attain complete recognition, freedom and equality in our own country, if we are still accorded the status of second-class citizenship—then it is a sad day for America, and I see no hope for it or for the rest of the world which looks to us for guidance and leadership.

Within the Iron Curtain countries and in the undecided nations today the spark of freedom and independence still burns—and we must keep it burning, if Communist dictatorship is to be eventually subdued. This must come about and will come about, not through war, but from within these countries. We must rally them to action in the interests of all mankind. We must get the truth across to them, and we must keep them alert.

This is a task in which the nationality groups can do yeoman service. They know and understand the languages of these people, their mentality, and their suffering. I know they would gladly assume this task, if given a chance. America has much to learn from its adopted sons and daughters, and much to gain. I know they are most anxious to show their loyalty. In times such as these, it would be criminal negligence not to utilize their energy, their talents, and their ideas.

Postal Rate Legislation

EXTENSION OF REMARKS
OF
HON. DONALD L. JACKSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 29, 1958

Mr. JACKSON. Mr. Speaker, I have noted with admiration and respect the courageous statement by Postmaster General Arthur E. Summerfield in connection with the action of the House-Senate conferees on H. R. 5836, the postage rate legislation.

Mr. Summerfield issued the following statement when queried by the press on this matter:

The action taken today by the Senate conferees in the Senate-House Conference in rejecting the 5-cent rate on letter mail would scuttle President Eisenhower's proposed $2 billion postal modernization program that would provide 12,000 badly needed post offices to assure better mail service and also provide employment for thousands of workers.

It represents a callous disregard of the Senate's previous approval of this 5-cent letter rate and is a temporary victory for the large business users of the mails who for years have benefited from below-cost postage rate subsidies which are being paid for by American taxpayers to the tune of over $2 million every working day. The fight to stop this unconscionable raid on the Treasury will continue until fair and equitable increases in postage rates are achieved.

I heartily concur with the public spirited statement of the Postmaster General, and I want to urge every Member of the Congress to give it the serious consideration that it so well merits. I, for long, have been amazed at the selfishness of many large users of the mails. They are perfectly content to have the taxpayers pay a large share of their postage for them. I think these freeloaders should be made to pay their own way, and the large majority of Americans with who I have discussed this matter feel the same way. I wish the Postmaster General well in this fight of his to protect the public interest in this matter.

Remarks by Treasury Secretary Robert B. Anderson on Law Day, University of Texas, Austin, Tex., Friday, April 25, 1958

EXTENSION OF REMARKS
OF
HON. HOMER THORNBERRY
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 29, 1958

Mr. THORNBERRY. Mr. Speaker, on last Friday, April 26, 1958, the School of Law of the University of Texas in Austin, Tex., observed Law Day.

The principal speaker on this occasion was a distinguished alumnus of the University of Texas, the Honorable Robert B. Anderson, the Secretary of the Treasury.

Secretary Anderson made a very significant and timely address on the new challenges and the opportunities facing the American people to preserve a free society and achieve lasting peace.

The address is as follows:

A free people protects both its political freedom at the ballot box and its economic freedom at the market place. A free society requires not only the right but the duty of individual participation. Our political participation is through political parties; our economic participation is through the opportunity to work at jobs of our own choosing; through the widespread distribution of the fruits of the economy; through a high standard of living; and through ownership of the means of production.

As individuals we participate in ownership in a variety of ways. Approximately 9 million of our people own shares in the country's corporations. There are 3 million farmers who own their own farms. There are more than 4 million business enterprises owned by individuals or small groups. There are more than 30 million families who have bank checking accounts, and almost that many families have savings accounts.

There are over 100 million people who own life insurance. There are 30 million families who own their own homes, almost 40 million families owning automobiles, and innumerable other millions of owners of washers, refrigerators, radios, TV sets and other equipment quite apart from capital goods which in themselves generate further production.

While each segment of the economy seeks to benefit through profit and wages, there must be a general acceptance of the belief that despite self-interest the operations of all groups in our economy must be conducted in the interest of the public good.

Our social institutions we insure through a government by the rule of law. We recognize that behind that law are certain immutable truths. Our laws are framed with a goal of translating these truths into rules that are applicable to everyday living.

It has always been necessary to seek to find a balance between absolute freedom and absolute control. This balance cannot be a static one; it must constantly be adjusted as times change and as society becomes more complex. Also, our changing relationship with other nations must frequently be modified and expressed in terms of new formal international cooperation.

In the economic world we have something of the same problem. There was a time when men of necessity tried very hard to be self-sufficient. As society grew, it was felt that certain economic laws had validity, and that one of the most important of these was a reliance on self-interest as the best guarantee of the general welfare. It was generally thought that if each man pursued his own interest this natural law would work automatically to accomplish equity between the workers and their employers and to bring the greatest good to society as a whole. Relations between nations likewise proceeded pretty much on the same principle—that self-interest generally provided the best guide to policy and action.

As the industrial revolution spread through more and more areas of economic activity, it came to be recognized that complete laissez faire was an unrealistic concept—that in few instances was economic power expressed in terms of individuals acting in isolation from others. The very fact that people are coming to express themselves through groups, however, emphasizes rather than minimizes the importance and the responsibility of the individual. Because group action is essential, the role the individual must play in the group, if he is to avoid surrendering his rights as a member of a free society, becomes increasingly vital.

In the international field it took much longer for a policy of national isolation to be seen for what it was—both unrealistic and outmoded. But the coming of the air age finally drove this fact home; in both our internal and external relations it is now pretty generally recognized that we have moved well into a period in which both people and nations must try to meet their responsibilities working with other people and other nations.

The aim of the economic machinery, the ownership of which is so diversely spread, is to supply the goods and services that our people require, at prices that not only make possible effective demand but leave room for experimentation and innovation, for the process of change, for the creation of those new wants and new decisions to buy which are essential to progress. Despite the widespread ownership in this country, we have an increased characteristic of grouping.

Most American production, for example, is achieved through corporations where individuals contribute their funds but entrust the production and distribution processes to managerial efforts. Labor expresses its desires and exercises its powers through unions. Farmers organize into associations or join cooperative marketing organizations. Businessmen, both as individuals and as companies, work together through associations to promote their particular interests. Geographical communities express themselves through chambers of commerce or boards of trade.

All through the spectrum of business, this grouping continues; and in recent years it has pushed increasingly across national borders. Certain of the European countries are trying to join their efforts in the European common market and others are seeking to

develop a free-trade area. The nations of the Free World are entering into trade agreements and working out international understandings with respect to the distribution of goods among themselves and in and out of the Iron Curtain bloc.

This coming together of group activity develops certain tendencies. In the first place, the wide diffusion of ownership puts increasing emphasis on managerial control. And entrusting decisions to management has a tendency to lessen a consciousness of individual participation and to promote the feeling that the Government in trying to maintain a balance between economic groups can cure all economic ills.

Yet, if we are to have an economic system that is to succeed, the American people must accept economic as well as political duties, economic as well as political responsibilities. And this sense of responsibility must be keen enough and well enough understood so that it becomes an effective influence in determining the use of power by larger groups. Since we act as groups, we must have, in addition to laws and regulations which govern their action, a basic adherence to a principle of economic ethics that transcends the advantages to the group membership. We must recognize correlated duties to other groups and the public as a whole. The economic control relinquished by the individual in our complex American economy has not passed automatically to the Government. It is finally in the hands of people.

While as a matter of public policy we try to maintain a balance between the desires and powers of different elements of the economic system, we must be sure that we give maximum play to freedom of choice, liberty of action, the initiative of the individual, and the dynamic compulsion that stems from incentives. In a free, competitive society we should recognize that Government has an important role but that it has, also, its limitations. Government, for example, may open up and make available certain economic potentialities. This we do through the building of roads, the development of waterways, the stimulation of means of transportation, and the performance of like functions. At the same time, we have taken steps to protect employment, to insure the bargaining rights of individuals, to avoid monopolies, to require certain minimum standards of safety, to mitigate the hardships of unemployment and old age in an industrial society, and generally to insure the equality of opportunity. Here again, we are walking the narrow road between the proper functions of government which means some surrender of individualism to the economic good and the maintenance of individual freedom and incentives.

Whatever the changed distribution may be in the achievement of the balance, I think we might all agree that it should be accomplished through the Government operating by rule of law rather than by fiat or decree.

In the words of John Locke, our goal should be "not to abolish or restrain, but to preserve and enlarge freedom." How much have we abolished, and how much have we preserved? Even more fundamental is the question of how much must be abolished in order to "preserve and enlarge" the scope of freedom in an ever-changing society? Strictly speaking, we do not operate under a free enterprise system—freedom for every man "to do what he lists," to quote Locke once more. Certain individual rights had to be curtailed in the interests of the larger group. We have a competitive price system; but in order to preserve its competitive aspects we found that we had to take away some part of the freedom of individuals to practice unrestrained competition.

Since the first experiments in democracy, in fact, we have been made to realize in many different ways that our liberties carry with them certain ethical responsibilities for not abusing these liberties in order to promote selfish interests.

For example, it is taken for granted that we may invest our savings in any way we choose. The corporation whose shares we may have bought, on the other hand, is not at liberty to conduct its business in any way it wants. We have set up many kinds of rules to assure fair competition, to protect the small investor and stockholder.

All these things are serious limitations on individual liberty and on economic power. Because this is true, each one has had to battle for acceptance. But, however fumbling we may have been in going about it, our goal has always been the one expressed by John Locke of submitting to certain restrictions in order to preserve and enlarge the environment in which society as a whole could function effectively. The difficulties in every age of deciding which limitations will promote freedom and which will limit it unduly are enormous. But these are just the decisions which we must make as responsible members of a democratic society.

We must recognize too that the issues involved never remain quite the same. Technology and innovation may move with lightning speed to change the terms of our problem, almost overnight. In the words of Mr. Justice Cardozo, "Hardly is the ink dry upon our formula before the call of an unsuspected equity—the urge of a new group of facts, a new combination of events—bids us blur and blot and qualify and even, it may be, erase."

We have some particular situations with which we must concern ourselves:

The first is that we live in a world of tensions. There is a disturbing and very real competition between nations on a physical basis. The drive for world domination on the part of an aggressor nation is not a new development in history, but it comes armed in our own time with a new potential for destruction. There is another new development—or rather a development which is taking new forms: the competition among nations now extends into the economic structure. And at the root of both our physical and economic tensions is a wide divergence in ideology—political, social, and economic. We must be relentless in seeking the ways of peace. The world must be spared, if possible, the holocaust of atomic war.

Secondly, our national life is not likely to become more simple, either politically or economically. It is very much more likely to become increasingly complicated. We must learn to live and to work within these complications in order to satisfy both our national needs and the reciprocal requirements of membership in the community of free nations.

Finally, we must accomplish both of these responsibilities within the framework of a free competitive system through voluntary cooperative efforts, or we will gradually be brought to submit more and more to regimentation imposed by a central authority.

In our day the problem is made more difficult because for a long time we may well be engaged in a cold war. If we were engaged in an active war, all of the normal rules both of economics and of society would be ignored and we would temporarily submit to the kind of regimentation that would bring all of our forces into play in order to win. If we were wholly at peace there would be a change of emphasis and in our efforts to help promote sustainable growth, we would be directing more of our economic activity to the making of things to be used and enjoyed by man in increasingly better living.

In a cold war we are somewhat in between. We want to produce the goods and services for maintaining a higher standard of living. We want to win both the ideological and the economic battle for uncommitted countries. We want to avoid dislocations and maladjustments in our economic system without surrendering more than the necessary minimum of freedoms. At the same time, we willingly submit to the fact that a large part of our national effort goes into the making of things which are essential for governments for waging war, but which are of no use whatever in providing for the things that man wears and eats and requires for shelter. And so, imposed upon the complications of an already complicated world, we have the necessity for contributing a larger share of our total national production to something that is inherent waste and whose best use would be to never use it at all.

As a part of the cold war we will be concerned not only with our defense in a physical sense but with the competition which will exist between the Western World and the Soviet bloc countries in an economic sense. This subject is much too broad to yield to a full discussion here. I should like to point out 2 areas—1 to their advantage and 1 to our advantage—that should weigh in our thinking.

The Soviet Union as a monolithic state with the ownership of all of the means of production concentrated in the central government, may be able to deal with other countries advantageously both on a system of barter and in making ruble loans. For example, it can afford to take foodstuffs of other countries in barter arrangements because of its need to supplement its own production of food, while in the United States we are confronted with problems of agricultural surplus. In making ruble loans to other countries, the Soviets can appear to be generous because they realize that when the ruble is spent for capital goods, it must in the first transaction be spent either in Russia or one of the Soviet-bloc countries. There is the barest kind of international trade in the ruble as such.

On the other hand, if the United States should make a dollar loan to other countries, unless it is accompanied by conditions requiring its expenditures in the United States, the dollars loaned will be competed for by all of the other countries of the Free World which produce capital goods.

As a general proposition, therefore, in transactions as between governments and other countries the Soviets would have an advantage. On the other hand, with no means of production owned by the citizens of Russia, they would be hardpressed to go into other countries and purchase capital equity even in participation with the citizens of other countries. It is hardly conceivable that either the neutral or free countries would tolerate substantial investments of capital and equity ownership by the Soviet Government itself.

On the other hand, the private citizens of this and other free countries wishing to invest their own capital find a warm welcome in other countries as equity investors if they follow the rules of good citizenship of the other nations. In this way, great opportunities are opened to the individual citizens of the less developed countries to play an important role in the betterment of their country's economy and its people. On the basis, therefore, of dealing between private individuals, the United States and other free countries may have a net advantage over the Soviet.

If one believes, as I do, that real and lasting peace in our world must have an economic as well as political foundation and that this foundation must be planted most firmly in the consciousness of men concerned with their own betterment and with rising standards of living, we may very well have

at our disposal—in these dealings between private individuals—the best means of securing both economic betterment and a just and lasting peace.

As the economic machinery of other countries around the world is developed or goes through processes of evolution and change, we must make it possible for them to adopt those portions of the American and Free World system of capital as are consistent with their own traditions and their own capabilities. We are leaders in a tremendous cause—the struggle of men everywhere to live without crushing want and to live in freedom. No tyranny in history has been able to crush this hope in the hearts of men. But it is unrealistic as well as dangerously shortsighted to assume that others will want to take over our entire way of life just at it has developed in this country, regardless of how well it may fit their particular needs at this particular period of their development. We must try to be advocates of our system, with emphasis on the benefits which flow to people—recognizing that the particular techniques which helped us achieve those benefits may have to be modified for use elsewhere.

When we look at our country in perspective, we are impressed with the fact that during the last 75 years we have built the most productive system in the world. When one analyzes why this is so, a great deal of attention must be paid to the process of growth and change resulting from the dynamic demand of people for more goods and for better ways to produce them. These demands are expressed in terms of research, technology, and incentives on the one hand, and in higher standards of living on the other. In the whole process of change and development, the constant conflict between liberty and controls continues.

The forces which have been responsible for the evolution and development of our economic system and its tremendous productive power are as vital today as ever before and beckon us to new horizons of accomplishment. There will always be problems with which we have to cope. A competitive economy with dependence upon myriad decisions and judgments will always incur the hazards of recession and inflation. We have learned a great deal about how to cope with them. We must always be endeavoring to learn more. This requires flexibility and a willingness to utilize our maximum competence and instrumentalities both as a people and as a Government to see that neither inflation or deflation should run a ruinous course.

We will always have the problem of providing the incentives for the formation of adequate capital and the education which will secure an adequate supply of skilled people. We will always be concerned with the complexities of cost and price and the consequent responsibilities that are attendant upon labor and management in order that we maintain a sound relationship in the public interest. We will eternally have with us the problem of maintaining our freedoms and avoiding regimentation.

Our faith in this country and our economic system is strong. We have become the greatest productive Nation in the world. Our distributive capacity has run somewhat behind and we must be sure that our ability to distribute both nationally and internationally matches stride with our productive ability.

We doubled our national output once every 24 years before World War II and once in 18 years since that time. The benefits of our growth are being shared on a widening basis. Individual and family income is on the rise. More than one-third of the American families earn in excess of $5,000 per year. And, the Committee for Economic Development, in a recent report estimated that by 1975 the average family income after payment of taxes will amount to $7,100 a year (in terms of dollars of 1956 purchasing power) and that by 1975 our gross national product may well exceed $725 billion.

Today there is a new challenge and a new opportunity.

Our national population has doubled in 50 years. It is expanding at a rate of 3 million persons per year. The number of American workers is increasing at a rate of nearly 1 million per year. Millions of new workers will be needed to make, sell, and distribute our goods.

Looking at even broader figures, it took the world something like 5,000 years of recorded history to have the first billion people alive on this earth at one time. This occurred in 1830. It took us only a little over 100 years to have the second billion people alive at one time on this globe. By 1970 the world will have 3 billion inhabitants—and those 3 billion are the people whose wants and demands will make the economy of our country and the economy of the world.

These factors of growth bring us to the realization of the new demands that will be impressed upon our technology and our science; new obligations for educational opportunities and a higher quality of education. They emphasize the necessity for improving the national health; for utilizing all our ingenuity as individuals, business and Government to minimize fluctuations in our economy; to provide, in addition to material things, new cultural opportunities for people who have time to enjoy them.

The vistas of the future are as limitless as the capacity of our people. It belongs to the dynamic, to the imaginative, to those who are willing to work and compete.

SENATE

WEDNESDAY, APRIL 30, 1958

Rev. James W. Baar, First Reformed Church, Denver, Colo., offered the following prayer:

Our Father in heaven, we thank Thee for another day of grace and life. We are 1 day farther from our birth and 1 day closer to our death. Let this day count before Thee and before men, because we turn our backs on sin and turn to holiness and righteousness.

We pray for Thy mercy and favor upon each Senator and his family. In love provide every need for body and soul, for this life and for the life which is to come. In their sacred duty, use each one as a minister of God for good.

By Thy word and providence, direct the Senate work today, keep our beloved country, and bring all the nations to Thee. In Jesus' name we pray. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, April 29, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H. R. 11451) to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 308) to provide for the printing of additional copies of hearings on reciprocal trade agreements legislation, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 11451) to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes, was read twice by its title and referred to the Committee on Interstate and Foreign Commerce.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on the District of Columbia was authorized to meet during the session of the Senate today.

On request of Mr. MCCLELLAN, and by unanimous consent, the following subcommittees were authorized to meet during the session of the Senate today: The Veterans Subcommittee of the Committee on Labor and Public Welfare, the Railroad Retirement Subcommittee of the Committee on Labor and Public Welfare, and the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Under the rule, there will be the usual morning hour, for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements made in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDENT pro tempore. If there be no reports of committees, the nominations on the calendar will be stated.

IN THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the nominations in the Army be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations in the Army will be considered en bloc; and, without objection, they are confirmed.

COLLECTOR OF CUSTOMS

The Chief Clerk read the nomination of Frank W. Hull, of Washington, to be collector of customs for customs collection district No. 30, with headquarters at Seattle, Wash.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED STATES TARIFF COMMISSION

The Chief Clerk read the nomination of Walter R. Schreiber, of Maryland, to be a member of the United States Tariff Commission.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

COLLECTOR OF CUSTOMS

The Chief Clerk read the nomination of James L. Latimer, of Texas, to be collector of customs for customs collection district No. 21, with headquarters at Port Arthur, Tex.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Douglas Butler, of Texas, to be collector of customs for customs collection district No. 24, with headquarters at El Paso, Tex.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEY

The Chief Clerk read the nomination of Fred Elledge, Jr., of Tennessee, to be United States attorney for the middle district of Tennessee for a term of 4 years.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

THE REGULAR ARMY, THE NAVY, AND THE MARINE CORPS

The Chief Clerk proceeded to read sundry nominations in the Regular Army and in the Navy and in the Marine Corps, which had been laid on the Vice President's desk.

The PRESIDENT pro tempore. Without objection, all these nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be notified immediately of the confirmation of all these nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communication and letters, which were referred as indicated:

PROPOSED AMENDMENTS TO BUDGET, FISCAL YEAR 1959—MESSAGE FROM THE PRESIDENT (S. Doc. No. 94)

A communication from the President of the United States, transmitting amendments to the budget for the fiscal year 1959 involving an increase in the amount of $1,802,000 for the Veterans' Administration and a proposed increase in a limitation for the Housing and Home Finance Agency (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

PROJECT PROPOSALS UNDER SMALL RECLAMATION PROJECTS ACT OF 1956

Four letters from the Assistant Secretary of the Interior, informing the Senate, pursuant to law, of the receipt of project proposals under the Small Reclamation Projects Act of 1956, in the States of California, Nevada, and Utah; to the Committee on Interior and Insular Affairs.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Armed Services:

"Resolutions memorializing Congress to enact legislation changing the method of computing the basic pay for members of the Armed Forces of the United States

"Whereas there is now pending before the Congress of the United States legislation, including S. 3081 and H. R. 9979 which would change the method of computing the basic pay for members of the Armed Forces in accordance with the recommendations of a special committee headed by Ralph J. Cordiner, president of General Electric Co.; and

"Whereas the military forces need a means for attracting and retaining skilled personnel in order to maintain a deterrent power for peace during these times of advancing technology and threat of aggression; and

"Whereas the Armed Forces do not have the means to compete for trained personnel urgently needed for the defense of this country, and a significant factor in their inability to do so is the inadequacy of the present compensation structure; and

"Whereas the proposed changes in military pay are based on merit rather than longevity, will bring military pay more in line with the pay standards of industry and will offer greater reenlistment incentive for highly trained personnel; and

"Whereas the program of the Cordiner Committee, while making possible at least a 15 percent improvement in the combat capability of the United States Armed Forces, would by the year 1962, or sooner, result in savings and gains up to $5 billion a year in the cost of national defense: Now, therefore, be it

"*Resolved*, That the General Court of Massachusetts respectfully urges the Congress of the United States to enact legislation to revise the existing pay structure in the Armed Forces; and be it further

"*Resolved*, That the secretary of the Commonwealth transmit forthwith copies of these resolutions to the President of the United States, to the presiding officer of each branch of the Congress, and to each Member thereof from this Commonwealth."

OPERATION OF GLEN CANYON RESERVOIR—LETTER FROM GOVERNOR OF ARIZONA

The PRESIDENT pro tempore laid before the Senate a letter from the Governor of the State of Arizona, transmitting a statement of the Arizona Interstate Stream Commission and the Arizona Power Authority, which indicates the reasons why the State of Arizona is unable to concur in the report of the Secretary of the Interior in regard to the operation of the Glen Canyon Reservoir, which, with the accompanying statement, was referred to the Committee on Interior and Insular Affairs.

RESOLUTION OF DEPARTMENT OF AUDIO-VISUAL INSTRUCTION OF MINNESOTA

Mr. HUMPHREY. Mr. President, I have just received a resolution adopted at the 1958 convention of the Department of Audio-Visual Instruction in Minneapolis, in support of the Hill and Elliott bills.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Whereas the Department of Audio-Visual Instruction of the National Education Association, in convention assembled, gives unanimous assent and support to the defense of education bills, particularly to the Hill bill S. 3187 and the Elliott bill H. R. 10381, providing Federal assistance for greater support of education and increased utilization of facilities for the improvement of instruction which will facilitate the implementation of DAVI objectives: Therefore be it

Resolved, That DAVI urge the active support of the Senate and House in the consideration and passage of these bills.

AMENDMENTS TO RULE RELATING TO CLOTURE—REPORT OF A COMMITTEE (S. REPT. NO. 1509)

Mr. HENNINGS, from the Committee on Rules and Administration, reported favorably, without amendment, the resolution (S. Res. 17) to amend section 2 of rule XXII of the Standing Rules of the Senate, together with individual views.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HENNINGS:

S. 3728. A bill to incorporate the Big Brothers of America; to the Committee on the Judiciary.

(See the remarks of Mr. HENNINGS when he introduced the above bill, which appear under a separate heading.)

By Mr. McNAMARA:

S. 3729. A bill to provide for a program which will contribute to the national defense by encouraging the continuing operation of the iron mines in the United States; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. McNAMARA when he introduced the above bill, which appear under a separate heading.)

By Mr. SMATHERS (for himself and Mr. HOLLAND):

S. 3730. A bill to amend section 89 of title 28 of the United States Code in order to authorize holding terms of the United States District Court for the Northern District of Florida at Crestview, Florida; to the Committee on the Judiciary.

By Mr. SYMINGTON (for himself and Mr. HENNINGS):

S. 3731. A bill to authorize the construction of a Federal office building in Kansas City, Mo., and for other purposes; to the Committee on Public Works.

INCORPORATION OF BIG BROTHERS OF AMERICA

Mr. HENNINGS. Mr. President, I have the pleasure at this time of introducing, for proper reference, a bill to provide a Federal charter for the Big Brothers of America. In my opinion, this organization is a tremendous force in opposition to juvenile delinquency. I have been associated with the organization for many years, and I had the high honor in 1955 of being selected the Big Brother of the Year. A Federal charter will be very helpful to this organization in the furtherance of its work with the young boys of our Nation.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3728) to incorporate the Big Brothers of America, introduced by Mr. HENNINGS, was received, read twice by its title, and referred to the Committee on the Judiciary.

ENCOURAGEMENT FOR OPERATION OF IRON MINES

Mr. McNAMARA. Mr. President, I introduce, for appropriate reference, a bill to encourage the continuing operation of domestic iron mines in the interest of the national defense.

The bill would require the Secretary of the Interior to establish a program under which iron-mine operators could keep their mines in operation and still realize a reasonable profit.

Under the proposed program, the operator would be paid an amount for each ton of iron ore which, together with the amount he would receive from the sale of the ore, would assure him this reasonable profit.

This is a new approach to a solution to our mineral problems.

I think legislation such as I propose here would serve as a vehicle to explore this vital problem and arrive at sane conclusions. The details of a reasonable program and cost factor, I am sure, would be developed through hearings on this bill.

In effect, this measure is a companion bill to S. 3630, which I introduced on April 17, and which would provide for the stockpiling of copper ore under the Strategic Materials Stockpiling Act.

Unlike copper, however, iron ore obviously is not adaptable to stockpiling and also it is not normally considered a strategic material.

But while its normal abundance bars the strategic classification, it is equally obvious that any threat to an adequate supply of iron ore would immediately create a critical situation.

Until 1947, iron ore production in the United States showed a long-range tendency to rise—while imports were kept at a generally stable and low level.

Prior to that year, imports rose above the 3-million-ton level only once. That was in 1929 when imports totaled 3,139,334 tons.

But in 1947, the import total jumped to 4,895,652 tons—and by 1957, imports totaled a staggering 33,653,048 tons.

It now appears that 30 to 40 percent of our iron ore needs will come from nondomestic sources by 1970.

There are many reasons for the turnabout in the historical pattern of iron ore supply. I will not discuss them here.

However, the problem is easily recognizable: Can we afford to permit our domestic mining industry to decline to a point which will result in a dangerous dependency on imports?

Can we permit our mines to stand idle or be flooded—and our thousands of miners to be deprived of their means of earning a living?

I do not believe we can if we are to maintain a strong America.

I ask unanimous consent that tables showing our iron ore imports and our domestic production be printed in the RECORD at this point in my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the tables will be printed in the RECORD.

The bill (S. 3729) to provide for a program which will contribute to the national defense by encouraging the continuing operation of the iron mines in the United States, introduced by Mr. McNAMARA, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The tables presented by Mr. McNAMARA are as follows:

United States imports of iron ore, 1872–1957

[In gross tons]

Year	Gross tons	Year	Gross tons	Year	Gross tons
1872[1]	23,733	1901	966,950	1930	2,775,124
1873	45,981	1902	1,165,470	1931	1,465,613
1874	57,987	1903	980,440	1932	582,498
1875	50,655	1904	487,613	1933	861,153
1876	17,284	1905	845,651	1934	1,427,521
1877	30,669	1906	1,060,390	1935	1,492,435
1878	28,212	1907	1,229,168	1936	2,232,229
1879	434,338	1908	776,898	1937	2,442,069
1880	493,408	1909	1,694,957	1938	2,122,455
1881	782,887	1910	2,591,631	1939	2,412,515
1882	589,655	1911	1,811,732	1940	2,479,326
1883	490,875	1912	2,104,576	1941	2,343,983
1884	487,820	1913	2,594,770	1942	731,325
1885	390,786	1914	1,350,588	1943	399,117
1886	1,039,433	1915	1,341,281	1944	463,532
1887	1,194,301	1916	1,325,736	1945	1,197,925
1888	887,470	1917	971,663	1946	2,754,216
1889	853,573	1918	787,468	1947	4,895,652
1890	1,246,830	1919	476,461	1948	6,091,677
1891	912,864	1920	1,273,456	1949	7,391,294
1892	806,585	1921	315,768	1950	8,281,237
1893	526,951	1922	1,135,156	1951	10,139,678
1894	167,307	1923	2,768,430	1952	9,760,625
1895	524,153	1924	2,047,057	1953	11,074,035
1896	682,806	1925	2,190,695	1954	15,792,450
1897	489,970	1926	2,555,441	1955	23,471,956
1898	187,208	1927	2,620,717	1956	30,431,152
1899	674,082	1928	2,452,646	1957	33,653,048
1900	897,831	1929	3,139,334		

[1] First year of record according to Mineral Resources, 1909; American State Papers, and Foreign Commerce and Navigation record values but not quantities for earlier years.

Source: Bureau of Mines.

Production of iron ore in the United States, 1880–1957[1]

[In gross tons]

Year	Gross tons	Year	Gross tons	Year	Gross tons
1880	7,120,362	1906	47,749,728	1932	9,846,916
1881	7,119,643	1907	51,720,619	1933	17,553,188
1882	8,700,000	1908	35,983,336	1934	24,587,616
1883	8,800,000	1909	51,294,271	1935	30,540,252
1884	7,718,129	1910	57,014,006	1936	48,788,745
1885	7,600,000	1911	43,876,552	1937	72,093,548
1886	10,600,000	1912	55,150,147	1938	28,447,282
1887	11,300,000	1913	61,980,437	1939	51,731,739
1888	12,062,530	1914	41,439,761	1940	73,695,899
1889	14,518,041	1915	55,526,490	1941	92,409,579
1890	16,036,043	1916	75,167,672	1942	105,526,195
1891	14,591,178	1917	73,288,851	1943	101,257,835
1892	16,296,666	1918	69,658,278	1944	94,117,705
1893	11,587,629	1919	60,965,418	1945	88,376,393
1894	11,879,679	1920	67,604,465	1946	76,843,113
1895	15,957,614	1921	29,490,978	1947	93,691,520
1896	16,005,449	1922	47,128,527	1948	101,003,492
1897	17,518,046	1923	69,351,442	1949	84,937,447
1898	19,433,716	1924	54,267,419	1950	98,045,360
1899	24,683,173	1925	61,907,997	1951	116,504,672
1900	27,553,161	1926	67,623,000	1952	97,918,004
1901	28,887,479	1927	61,741,100	1953	117,994,769
1902	35,554,135	1928	62,197,088	1954	78,128,794
1903	35,019,308	1929	73,027,720	1955	102,998,969
1904	27,644,330	1930	58,408,664	1956	97,848,936
1905	42,526,133	1931	31,131,502	1957	[2]105,386,000

[1] Preliminary.

[2] Includes byproduct ore after 1941.

Source: Bureau of Mines.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc.,

were ordered to be printed in the RECORD, as follows:

By Mr. HUMPHREY:

Address entitled "Communications: 20th Century Ideas in Motion" delivered by him before Department of Audio-Visual Instruction of the National Education Association Convention in Minneapolis.

By Mr. NEUBERGER:

Correspondence between him and Senator SMATHERS, and editorial entitled "First Aid to Railroads," published in the Portland Oregonian of April 24, 1958, all relating to repeal of Federal transportation taxes.

NATIONAL DEFENSE—ADDRESS BY GEN. CURTIS E. LeMAY

Mr. SCHOEPPEL. Mr. President, when Gen. Curtis LeMay speaks, I listen out of respect for a man who speaks only when he has something worth while to say. But when he speaks about national defense, especially as it involves airpower, I feel that I must recognize his airmanship and leadership and must pay even closer attention.

In a speech before the national conference of the National Association of State and Territorial Civil Defense Directors, on April 10, 1958, General LeMay discussed the Soviet threat and the Air Force answer to that threat. Permit me to bring out a few of the salient points of the speech.

The principal threat to the United States is the Soviet capability for air delivery of nuclear weapons against the United States. Another, but secondary threat, is the Soviet submarine menace. The air threat is both serious and immediate.

Modern and well-equipped with long-range jet bombers, the Soviet air arm is manned by professionals. Quite apparently the U. S. S. R. aims to surpass the airpower of the United States. Their aims lead them toward development of an ICBM which can be launched from deep within the Soviet Union, and which can, in 30 minutes, strike the United States.

Besides the threat of strength and equipment, the Soviets have the advantage of initiative and surprise.

The answer to these Soviet threats is simply this:

Maintain the United States capability for fighting and winning the air battle. The Air Force knows that the best defense is a good offense, and experience has taught the Air Force that a determined air offensive cannot be stopped. We now possess the capability to penetrate and strike the very heart of the enemy's war potential. Today we have the airpower edge. We must not lose it tomorrow.

Our offensive and defensive reaction to the Soviet air threat is measured in time to launch our striking forces and in time to alert our defenses. Our reaction must be quick, a matter of minutes, rather than hours. The United States must improve, and the Air Force is improving, its reaction capabilities.

Within 15 minutes of the initial warning, one-third of our strategic striking forces should be on the way to their targets. To achieve this kind of alertness, the Air Force must have the facilities, the crews, and the dispersal it requires. But we have not yet reached that goal. True, portions of our strategic air forces are on 24-hour alert, and will be heading for their targets within 15 minutes. But the funds necessary to provide these missing elements and to fully prepare us against the threat must be forthcoming.

As ballistic missiles are integrated into our forces, the alert picture will improve. Missiles, however, cannot replace all of our manned bomber forces. We must have both piloted and unpiloted systems. Each has advantages and disadvantages. The combination of the two systems will give us greater offensive power.

Mr. President, I endorse the views expressed by General LeMay; and I ask all Members of Congress to give serious consideration to what General LeMay has described as the Soviet threat. Our Department of Defense cannot supply the answer alone. We of the Congress must supply a large part of it.

I ask unanimous consent that General LeMay's speech be printed in the RECORD, as a part of my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE THREAT—THE ANSWER

(Remarks by Gen. Curtis E. LeMay, Vice Chief of Staff, United States Air Force, before the national conference of the National Association of State and Territorial Civil Defense Directors, Sheraton-Park Hotel, Washington, D. C., April 10, 1958)

INTRODUCTION

General Huebner, leaders of the civil-defense effort, and guests, I appreciate your invitation to come here today because it gives me the opportunity to talk to men and women who have a somewhat special interest in Air Force plans for the defense of our country.

Air delivery of nuclear weapons has placed people everywhere within the battle zone. Solution of the problem of individual and national survival in what President Eisenhower has called an age of peril is the most pressing task that Americans face today. Civil defense is a great and difficult part of this task.

In his letter inviting me to appear here, General Huebner suggested that I discuss the threat which faces us and the defensive measures which we in the Air Force consider of value. This, I certainly will be glad to do. I hope that some of this information will be of use to you in the continued development of the civil-defense program.

THE THREAT

General Twining, in an address before the western industrial survival conference in Los Angeles last month, stated that the military threat posed by the Soviet bloc is one of the greatest in history. He went on to say that the total strength of the Communist bloc armed forces consists of more than 8 million men—with 450 divisions, 500 submarines and over 25,000 operational aircraft.

Numbers in themselves do not mean everything. However, when we compare present day Soviet bloc figures with World War II figures and also take into consideration the Soviet nuclear air capability, the many improvements in weapons and their recent scientific achievements, it is obvious that the Soviet bloc is on a war footing today.

The principal threat to the United States, of course, is the Soviet capability to deliver nuclear weapons by air. The Soviet Union now has in its inventory numerous high speed jet medium and heavy bombers that are capable of flying intercontinental missions with nuclear weapons of high energy yield against any target in the United States. Another serious and growing menace is the Soviet submarine threat. However, I want to emphasize that the most serious and immediate threat is Soviet air power.

The Soviet long range air force is a modern, well-equipped organization commanded and operated by professional airmen. It is backed up by a good air facility network and logistical support system. Their long range striking force is now composed primarily of Badger medium jet bombers similar in performance characteristics to our own B-47. In lesser numbers, but having considerably more capability and range are the Bison heavy jet bombers, similar in performance to our B-52, and the Bear heavy turboprop bombers. All of these Soviet aircraft are considered capable of carrying high yield nuclear weapons which we have very good reason to believe are now available.

I think it is quite apparent, that the Communist leaders are striving mightily to surpass the United States in airpower. Toward this end, they are modernizing their long-range air force through the introduction of higher performance aircraft and missiles. When the Soviets successfully develop a longe-range ICBM, they will have the capability to strike anywhere in the United States within 30 minutes of launch from deep within the Soviet Union.

Another important component of the Soviet threat is their possession of the advantages of initiative and surprise. This confronts us with more difficult problems as their airpower capabilities increase. It is possible that they could launch an attack against us where, when, and how they choose without advance warning. We would not take such advantage.

AIR FORCE COUNTER TO THE SOVIET THREAT

Although all facets of the Soviet military strength are great, our priority task must be to maintain the capability to fight and win the air battle. I join with you in hoping such a battle will never be fought. I do not think it will be fought if our airpower stands supreme—and our determination to use it, if necessary, is known.

To maintain the capability to fight and win the air battle, the Air Force believes in the old adage that the best defense is a good offense. That is why we have built strong strategic strike forces which can attack targets anywhere in the world. We are dedicated to keeping this force in a high state of proficiency—as a strong reminder that attacks upon us will result in the attacker's destruction.

Air Force experience in three wars has demonstrated that a determined air offensive cannot be stopped. Today, we have better equipment, more effective techniques and better trained personnel. With this combination we possess the capability to penetrate to the very heart of an enemy's target system.

I feel we possess an airpower edge today, but this advantage is being rapidly closed. Our goal is to keep ahead.

Closely allied to this goal is the necessity to be capable of quick reaction, both on the offense and on the defense. But warning is essential to reaction of any type and warning must be measured in time—time to launch our strike forces and time to alert our defenses.

Under present programs, our system for notifying us of approaching jet aircraft will provide us several hours warning when completed. With the advent of hypersonic ballistic missiles, however, warning will be measured in minutes instead of hours. The

shorter the warning, the faster must be our reaction. That is why we are concentrating on improving our reaction capabilities.

We have maintained our air defense forces on alert for many years. Our radars have been scanning the skies and our interceptor pilots have been standing by with armed aircraft ready to attack any invader. But as the probable warning time decreases, the need to also have our offensive forces on alert becomes more critical. We cannot permit our striking force to be caught on the ground and destroyed. Within minutes of warning, they too must be in the air and on their way to enemy targets.

To achieve this goal, we have established a requirement to have one-third of our strategic striking force on the way to their targets within 15 minutes of initial warning. To do this requires adequate alert facilities, additional dispersal bases and well-trained personnel who know their jobs.

Varying types of construction are required to reach such an alert posture. Parking stubs must be provided for quick access to the takeoff end of the runway by aircraft on alert status; we must have readyroom facilities for alert crews, fallproof communications, security facilities for the alert area and supporting land and utilities.

To reduce the vulnerability and increase the reaction capability of the strike force, we also need further dispersal of SAC units. Dispersal offers two primary advantages. First of all, better protection is afforded. Secondly, with more bases available, our reaction time is improved greatly because we can launch more aircraft faster. Our ultimate objective is to disperse the strategic bomber force so that not more than 15 B–52's or 45 B–47's, with their supporting tankers, will occupy one base.

We have not yet achieved the goal we seek. But today we do have portions of our strategic force on 24 hour alert and capable of becoming airborne and on their way to targets within 15 minutes. Additional funds recently appropriated by Congress for this fiscal year and funds we anticipate being appropriated for fiscal year 1959 will provide money for the facilities we need to insure an adequate alert and dispersal posture for our strategic forces.

As strategic ballistic missiles are integrated into our forces, our alert picture will improve. Initially, strategic missiles will augment our offensive striking forces. As we learn more about them and know that they will be able to accomplish the job they are designed to do, they will replace a portion of our manned bomber force. However, as far into the future as I can see, I feel we must have integrated forces of both piloted and unpiloted systems to give us greater flexibility in our operations. Missiles have certain limitations which piloted vehicles do not. Also, missiles have certain advantages that piloted vehicles do not. The combination of the two systems will give us much greater offensive power.

As I mentioned earlier, warning is essential to reaction and we are working hard to improve our warning system. The distant early warning (DEW) line which runs across the northern part of Canada was completed last July. The Aleutian and eastern extensions to this line are still in work. This warning system, in conjunction with other radar nets within Canada and the United States and the semiautomatic ground environment system, popularly known as the SAGE system, will provide a very comprehensive warning and control network for defense against jet aircraft. Tied in with our radar system is the Ground Observer Corps with which I'm sure you are familiar.

We are also hard at work on the development of an effective ballistic missile detection capability. Breakthroughs in radar research realized last summer give us confidence that we can attain success in this field.

I would like to point out at this time that both of the radar warning systems I have described must be fully developed. We must perfect our warning and control systems against both the manned and missile threat.

Our manned interceptor forces are rapidly being converted to the supersonic F–102. Four air-to-air missiles are now in the air defense armory. One of these is the MB–1 or Genie nuclear weapon. The other three missiles are of the radar bombing and heat-seeking types. All of these missiles would be effective against manned jet bombers.

The Air Force also has under development a long-range surface-to-air missile known as the Bomarc. This is a supersonic weapon designed for high altitude intercepts at ranges of well over 200 miles. This weapon has exceeded initial expectations in tests.

Four Bomarc sites are already under construction, at McGuire AFB, N. J.; Otis AFB, Mass.; Suffolk County AFB, N. Y.; and at Dow AFB, Maine.

The Air Force has under research and development many other projects designed to improve both our offensive and defensive capabilities. We look forward to higher performance aircraft with greater ranges, new and improved missiles, and better warning systems. In these projects, reaction capability continues to be a prime consideration.

AIR FORCE-CIVIL DEFENSE COOPERATION

I have tried to briefly highlight what the Air Force is doing both for the offense and for the defense. Our actions are designed to deter war. If we can maintain our offensive and defensive capabilities strong enough to convince an aggressor that he would inevitably lose, I believe there is a good chance that there never will be need for you to carry out the war emergency plans of civil defense. This would be the best kind of victory for all of us. But what if the deterrent power should fail to be convincing enough and a potential enemy attacks?

In that case, the Air Force would bend very effort, concentrate every possible strength and usable resource, to win the air battle. This, we believe, would be the Air Force's greatest possible service to the people of the United States. Should an enemy attack, initial damage to our country would be severe. But, the duration of intensive enemy attacks will be an even more highly critical factor in our survival. The first aim of the Air Force is to blunt and then halt the enemy attacks as quickly as possible.

With your understanding, cooperation, and help the Air Force will be free to concentrate on throwing the full weight of United States air power into the battle. This support is needed to shorten the critical initial period.

Should an attack come, the better the civil population is organized and prepared, the less casualties will result. The problem and the solution will be largely local. As I have pointed out, the Air Force will not be able to offer substantial assistance. We will be fighting the air battle. Your duties as civil defense directors and the jobs of the many thousands of others who will assist you will be most difficult. They will become more difficult as the attacks continue. If your Air Force, through fast reaction, can reduce the critical attack period by one day—or even a few hours—the burden will be lightened.

CONCLUSION

In conclusion, I want to stress that the cooperative efforts of military commanders and civil defense representatives at the local level are of the utmost importance. The first phase of Operation Alert for 1958 is to take place next month. The Air Force is emphasizing to its commanders the importance of community-level planning and ordering them to do everything consistent with their military responsibilities to assure the maximum civil-defense effort. In my opinion, strength at the local level is indispensable to the overall success of our combined efforts.

Today, as never before, the military and civil defense must work together to assure that we can win the air battle if it ever has to be fought. Toward this end, we in the Air Force look forward to the continuation and growth of the partnership which now exists.

ACTION ON LABOR LAWS

Mr. IVES. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial entitled "For Action on Labor Laws," which appears in today's issue of the New York Times.

I believe the editorial provides an excellent analysis of the legislative situation in the Congress, as it pertains to labor legislation, and I commend the editorial to the consideration of all concerned.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FOR ACTION ON LABOR LAWS

It is all to the good that the Senate finally mastered, as it did, the cross-currents—political, personal, and pro or anti labor—through which it floundered for several days. That the vote in favor of the welfare fund regulation bill was unanimous shows that the Senators themselves felt that way too, in the end.

All the amendments that went beyond welfare fund operations were voted down—Senator KNOWLAND'S along with the more liberal ones sponsored by the administration and the more drastic proposals of others. And it is well that they were, all 39 of them. Such basic legislation as union regulation should not be written on the floor of the Senate by amendments to a different measure, but only after thorough committee study and full public hearings.

The bill as approved—providing for registration and complete disclosure of employee welfare funds, with false reporting made a Federal crime—now goes to the House for action. But so far the Education and Labor Committee, of which Congressman BARDEN is chairman, has dragged its feet on all the 15 labor bills it has before it. We hope that the unanimous Senate vote, the approval of organized labor, and the rising insistence of the public will move this one along.

But even more important is action by the Senate committee on the entire range of labor regulation bills which are now before it. Chairman KENNEDY has promised to resume his subcommittee hearings on them May 5 and a bipartisan group of Senators is pledged to an attempt to force legislation out of the committee if not forthcoming before June 10.

Not since the days when the Taft-Hartley law was being fashioned has organized labor faced so dangerous a legislative crisis as this. It can oppose every kind of regulation—the way it did in 1947, allowing all the initiative to come from outsiders, many of them bitterly antilabor. Or it can cooperate in the hearings, as its leaders have now pledged, and present positive proposals of its own. This would be far more likely to give labor the fair hearing it deserves and to decrease the chance of legislation that would hamstring its legitimate activities. Labor needs to keep its friends as well as to confound its enemies—especially at this moment in its history.

PAY FOR THE ARMED FORCES

Mr. KNOWLAND. Mr. President, on yesterday the Senate unanimously passed the military pay bill of 1958, and sent it to conference.

During the debate on this important measure, various Senators expressed the opinion that the time-honored principle of maintaining retired pay at a percentage of active duty pay should be preserved as, perhaps, the greatest single incentive to long service by the hard core of our military services which is so essential to the country and the basic purpose of the legislation itself.

There were expressions of hope, with which I agree, that, at some future time, this principle will be reestablished, and those on the retired lists will be included for the same computation of their retired pay as the pending legislation authorizes for those who, by happenstance, retire after the effective date of this new legislation.

Yesterday, the day when this body passed the proposed legislation, the New York Times published an editorial which completely and emphatically accords with this principle. On two former occasions, I placed in the RECORD editorials from the Washington Star. In order that Senators may have opportunity to read the New York Times editorial, even though belatedly, I ask unanimous consent that it be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FOR THE ARMED FORCES

The military pay and incentive bill, which is scheduled to come before the Senate for a vote today, needs some rethinking and rewording before passage. On the whole, the bill should help to provide both the material and psychological boost which the services require if they are to retain skilled professionals. But the attempt to make the measure all things to all ranks, and the elimination of certain provisions recommended in the report of the Committee headed by Ralph J. Cordiner, vitiate some of the objectives desired.

As the administration has pointed out, the bill as passed by the House increases somewhat too much the pay of the lower enlisted and commissioned ranks. It is, indeed, debatable whether or not a man should automatically qualify for a pay raise if he simply serves more than 2 years. The pay and retirement provisions are also an inducement to retirement in certain grades—something that certainly was not intended.

More important, the bill departs fundamentally from a basic concept that has governed every military pay bill until now. The Cordiner Committee report rightly stressed that "military retirement and its firm tie-in with active duty compensation is perhaps the most powerful long-term career incentive existing within the military compensation system. * * * The incentive value of [the] existing military retirement program depends to a major degree upon its integral relationship with active duty compensation and the confidence which has been built up in the military body that no breach of faith or breach of retirement contract has ever been permitted by the Congress and the American people."

The present bill departs from this principle, in effect violates the retirement contract and divorces present retired pay completely from regular pay. Those officers already retired are offered a 6-percent cost-of-living sop—but not the benefits of officers who will subsequently retire. Under this bill it will be entirely possible for a major general who retires after this bill is passed to receive $2,125 more annually than an officer of similar rank who retires a day before its passage.

This and other inequities in the current legislation need further consideration before passage.

BUSINESS AND POLITICS

Mr. GOLDWATER. Mr. President, this morning there was published in the New York Daily News an editorial which I wish to read into the RECORD, in connection with a request which I shall make to have an address printed in the RECORD.

The editorial is entitled "Business and Politics," and reads as follows:

BUSINESS AND POLITICS

As most of us know, numerous labor leaders are in politics up to their chins nowadays—though there is still grave doubt whether they can deliver any sizable labor vote anywhere. However, they have planted various stooges in Congress and the State legislatures.

ARGUE THE CASE FOR CAPITALISM

At the annual meeting of the United States Chamber of Commerce in Washington yesterday, New York attorney Theodore R. Iserman urged businessmen all over the country to promote some backfires against this labor-leader politicking, by organizing political education and discussion groups.

These units would broadcast business and industrial opinions on important issues, publicize candidates' records of friendliness or unfriendliness toward capitalism, etc.

It sounds good to us, and we think a lot of business people had better get cracking—unless they're willing to see labor politicians of the Reuther type gradually chain this country to their chariot wheels.

Mr. President, in connection with the editorial, and because it refers to Mr. Iserman, I ask unanimous consent to have printed at this point in the body of the RECORD the speech Mr. Iserman delivered yesterday to the Chamber of Commerce of the United States. His speech is entitled "The Growing Power of Labor Unions."

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE GROWING POWER OF LABOR UNIONS

(By Theodore R. Iserman, Kelley, Drye, Newhall & Maginnes, New York, N. Y.)

One of the greatest political and economic phenomena of the past half century of our country's history has been the surging growth, particularly over the past 20 years, in the power of labor unions and, more especially, of union leaders.

This power today constitutes a more immediate threat to our way of life than does the military might of Soviet Russia, with her sputniks, ballistic missiles and nuclear weapons. Against the Russian threat, we have the deterrent of immediate, massive retaliation. But against the growing powers of labor leaders in political and economic spheres and the continued use of those powers to take us farther and farther along the road toward an odd mixture of socialism and fascism, we have no such defense. Slowing the trend, let alone halting or reversing it, calls for tremendous, tireless and intelligent effort.

Before getting into what we should do, let us see how the unions acquired their powers.

There is one basic source of both the political power and the economic power of unions and their leaders. This is the Wagner Act, now part of the Taft-Hartley Act. This guarantees the right of employees to organize, requires employers to recognize and deal with any union that the majority of the employees in a bargaining unit choose as their representative, no matter how small the majority may be, and gives to the union the exclusive right, even to the exclusion of the individual himself, to handle all dealings between all the employees and their employer. This gives to the unions greater control over the individual than any other organization in the Free World has over its members.

Thanks to the Labor Board's zeal, especially in its early days, in punishing employers who did anything to dissuade their employees from joining unions, and in so rigging elections that unions rarely could lose, the law has subjected millions of employees and their terms and conditions of employment to the control of unions and their leaders, in many instances against the wishes of large minorities of the employees. Add to all this the law's allowing, in most States, unions and employers to agree that all employees must be members of a union and pay dues to it as a condition of employment, and the violence, threats, and other coercion that unions use on dissenters, and you have a basis on which unions can develop tremendous power, and have done so. The National Labor Relations Act and the coercive acts and practices of unions under the law or regardless of it make mere pawns of working men and women in the great games the labor leaders play, with the futures of all of us as stakes.

You, as businessmen, are fully familiar with the economic power of unions. Most of you, I daresay, have felt the force of that power in dealing with representatives of your own employees or in having employees of other employers refuse to handle goods that you produce or that you need for your business.

The Clayton Act and the Norris-LaGuardia Act add to the power of unions and their leaders. Although all other citizens and organizations—schools, churches, professional associations, chambers of commerce—are fully subject to the injunctive process, these acts make it virtually impossible to enjoin against even the most irresponsible of union activities. Except in very narrow areas, these acts, also, in effect, immunize unions against the antitrust laws. When a single union represents employees of substantially all the competing employers in an entire industry, as is the case in most of our industries today, it has a monopoly, and one that the law enforces by compelling employers to deal with it exclusively. The mineworkers, the steelworkers, the automobile workers and dozens of others have strangleholds on the industries whose employees they represent, and through those industries can bring our country to the brink of disaster, as they have done time after time, in peace and in war. And the teamsters, now controlled by that great labor statesman Jimmy Hoffa and uncounted numbers of racketeers, crooks, and hoodlums, can bring our country to its knees in a matter of days, which is more than Khrushchev can do.

Perhaps nothing more clearly illustrates the economic power of labor leaders than happenings in the past 6 months. Notwithstanding layoffs, short workweeks, growing unemployment, and relatively hard times in most areas of our economy, unions, for the first time in a recession, have forced prices up by forcing wages up. They have, in effect, repealed the law of supply and demand.

We turn now to the political aspects of the labor movement.

Samuel Gompers, the A. F. of L.'s first president, said years ago that labor leaders could not deliver working men's votes. John L. Lewis found this out for himself in 1940 when he repudiated F. D. R., staked his presidency of the CIO on his delivering the so-called labor vote for Willkie, and lost. It probably still is true that the rank and file would pay little attention to mere endorsements by union officials of particular candidates. But union officials who are politically ambitious or who are greedy for political power, and their name is legion, have greatly changed their methods since Gomper's day and even since 1940. They now do far more than merely endorse candidates and they try to influence far more votes than the labor vote, as we shall see.

I have mentioned the National Labor Relations Act as a basic source of the economic and political power of unions.

A second important source of their political power, and it stems largely from the first, is money. Thanks again to compulsory unionism and compulsory payment of union dues and initiation fees, unions have almost unlimited financial resources for political purposes. And subsidiary to this is an ability to spend the money astutely and where, from the union leaders' point of view, it does the most good.

It is true that the War Labor Disputes Act and, later, the Taft-Hartley Act, purported to forbid unions to make political contributions or expenditures. But Taft-Hartley's prohibition applies only to primaries and general elections involving Federal officials—President, Vice President, and Members of Congress. The laws of only five States purport to inhibit political spending by unions. All other States permit unions to spend their funds freely in State and local elections, in electing party officials and in supporting or opposing particular issues, such as referendums on right-to-work laws. And as the Supreme Court has interpreted the Taft-Hartley Act, that act still permits unions to spend vast untaxed sums out of their treasuries on political activities.

They can devote column after column of their thousands of magazines and newspapers to vilifying and abusing politicians they cannot control, praising to the skies the ones they can, and exhorting their readers to vote for one candidate as against another. The November 1956 issue of the United Automobile Worker is typical of scores of pulications of national and international unions and thousands of publications of local unions. At least 80 percent of that issue is political. The whole first page proclaims:

"For a Better America—Back Adlai and Estes." Inside banner headlines scream:

"Kefauver Right—Nixon Wrong."

"Why You Need Adlai for Better Schools."

"Scandals Besmirch Eisenhower Rule," and so on.

By way of contrast, in countless house organs throughout the country, employers report the outcome of softball games and record weddings, deaths, and retirements of employees and the doings of the quarter-century clubs, but say never a word on political or economic issues that are of the gravest concern to themselves and their employees, let alone take sides on controversial issues. And more often than not, their trade papers are equally silent on those issues.

Besides spending members' dues on union publications, union leaders, notwithstanding the Taft-Hartley Act, dip into their bulging union treasuries to finance with untaxed funds other widespread political activities that many of their members, or even the majority, may oppose. They do this on the radio and on television and through other mediums that reach the general public, expounding their views and making clear what candidates support their views and what ones do not. Unions buy more than 2,000 15-minute periods of radio and television time each week and much, much more in some weeks. They call this political education and get away with it.

Another type of political activity in which union leaders are extremely effective is in furnishing manpower during registration and on and before election day. Both their power over employees as their exclusive bargaining agents and their great financial resources contribute to their effectiveness. As exclusive bargaining agents, they can command what they call volunteers for many political chores, not only from the rank and file, but from a host of stewards and other union officials. And they can hire swarms of special organizers, whom they pay up to $30 a day plus expenses. All these people ring doorbells, make telephone campaigns, act as baby sitters, provide transportation, watch at the polls, distribute handbills and other literature, and do the hundred and one other things that an effective campaign calls for. In 1956 the Steelworkers alone probably had upward of 12,000 people available for this kind of work and the UAW at least 30,000. The UAW and the Steelworkers are only 2 of the merged labor movement's 138 international unions.

In order to get around the limited restrictions that the War Labor Disputes Act and Taft-Hartley put on political spending by unions, the CIO, during World War II, set up its political-action committees, and the A. F. of L. followed suit with its Labor's League for Political Education. Now that the A. F. of L. and the CIO have merged, these two political organizations have become one—COPE, Committee on Political Education. COPE, like its predecessors, parallels the National, State, and local levels of the great labor organizations. The same people that control the AFL–CIO control COPE and its constituent national and local affiliates. COPE and its branches are political fronts for the labor organizations, set up to do things that labor organizations may not do under Taft-Hartley. To raise the necessary wherewithal, COPE depends on what labor leaders, with tongue in cheek, call voluntary contributions. Stewards and committeemen in the plants ordinarily solicit the contributions. Aside from employees' fear of obloquy and abuse and other social pressures to contribute, the union's power over employees as their exclusive bargaining agent will make the average employee think twice before refusing to contribute, no matter how unenthusiastic he may be about the union's political activities or the candidates it supports. Money they collect this way, union leaders may lawfully use in any way they choose, including direct contributions to candidates for Federal office.

It is impossible to get accurate information on unions' political spending. While the public records indicate that labor's political affiliates contributed only $26,500 to the election of Pat McNamara as Senator from Michigan in 1954, a study by the Association for Industrialization of Mobilization indicates that the UAW alone spent $725,000 out of union funds in the Michigan campaign. Labor's admitted contribution to the campaign of Senator Douglas, $35,500, and to Senator Kefauver, $18,888. But the hidden expenditures on behalf of these and other darlings of the AFL–CIO doubtless amounted to many times more.

In 1956, the political fronts for 17 of the 138 international unions admittedly raised by so-called voluntary contributions $2,987,072. There is clear evidence that this is a gross understatement. How much political affiliates of the other international unions spent and how much State and local affiliates spent, we can only guess. But we can conservatively estimate that every union spent 10 times as much out of union treasuries on activities that Taft-Hartley does not forbid as it did of "vountary" contributions on activities that Taft-Hartley covers. Congressman Ralph W. Gwinn, who has devoted much time to the subject, estimates that unions average at least $62 million a year in political spending.

I said that union leaders are astute in spending their members' dollars. One of the smartest things they do is to treat elections of State legislators and representatives to Congress as being at least as important as elections to higher office. For example, in 1948 the labor politicians put such emphasis on the senatorial and Congressional races that for the first time in our history a winning presidential candidate, Mr. Truman, polled fewer votes than his party's candidates for the House of Representatives.

Labor leaders are astute, also, in that they do not waste time or money on candidates in areas where they have no chance of winning. They do not waste them in areas where their favorites are bound to win anyway. They spend them in primaries and general elections in which their candidates have a chance.

They do not spend money on men with whom they are in general agreement but who have some independence. They spend it on men who they feel sure will dance to their tune. When a Congressman in Michigan's Sixth District, who had won in 1954 with the UAW's backing, defied the UAW on a single issue, farm price supports, the UAW dumped him, notwithstanding that a poll of the Congressman's district showed that his constituents supported him overwhelmingly on this issue. The vitriolic outburst by the Machinists' president, Al Hayes, a week or so ago against Senator Kennedy for sponsoring a measure to protect union members against corrupt or ruthless union officials, shows how union leaders demand of politicians they support 100 percent, full-time obedience. After Hayes' blast, Senator Kennedy voted against a measure carrying out one of his own proposals. What this shows, I leave to your judgment.

Union leaders do not limit themselves to appealing to the so-called labor vote. True, they go after it hammer and tongs, using every demogogic device and going to all lengths to stir up class hatreds in our heretofore classless society. But they are all things to all men, vocal on civil rights in the big northern cities, not so vocal when it comes to backing Yarborough, of Texas, or in eliminating racists from union leadership in the South; heartbroken over the prices farmers receive for what they grow, but silent about the high wages that raise the prices that farmers must pay for what they buy; vociferous in demanding protection for the small-business man, except at the bargaining table.

I should mention a third source of labor leaders' political power. Some politicians accept as a fact labor leaders' assertions that they represent 36 million votes. Some, 10 years after the event, assume, incorrectly, that Truman's victory over Dewey in 1948 demonstrated the political power of unions and abjectly acquiesce to labor leaders' demands, particularly in voting on labor issues. They forget the victories of men like Taft, Nixon, Dirksen and Bennett in 1950. Courage, intelligence and integrity, plus bone-tiring hard work, enabled them to win elections in which, unlike the one in 1948, Taft-Hartley was a central issue.

And here let me interject the observation that it is not primarily an interest in so-called labor legislation that prompts the tremendous efforts and huge spending by unions in politics.

George Meany, president of the AFL–CIO, says:

"The scene of battle is no longer the company plant or the picket line. It has moved into the legislative Halls of Congress and the State legislatures."

And James B. Carey, secretary-treasurer of the industrial union department of the AFL–CIO, says:

"More and more, the answers to labor's problems are political."

And Walter Reuther, in January 1958 put his views succinctly when he said:

"You can go to work and lobby your head off and you can go to Washington and lobby your head off and you can go to Lansing and lobby your head off, or you can go to any other State capital, but if you haven't got responsible people (and by this he means people responsible to him) in government sitting in the State legislatures, or in the Federal Congress, all the lobbying in the world will not do any good."

True, the labor politicians are vitally interested in the eighty-odd proposals for labor legislation now pending before Congress. But their interest also is in far wider fields—socialized housing, socialized power, socialized medicine, soak-the-rich taxation, Federal control of education, socialized atomic energy, halting nuclear testing, foreign affairs, farm legislation, and many others. Indeed, the great majority of the issues on which they rate legislators right or wrong have nothing to do with labor unions, collective bargaining or wages, hours, and working conditions.

Now, what have been the results of the labor leaders' politicking? In general, these efforts have resulted in a shift to the left by all political alinements. We used to have in politics a right, a center, and a left. Now, with apologies to Senator MUNDT and Senator GOLDWATER, two outstanding exceptions that prove the rule, there is no right. We have a center, a left, and an extreme left.

Another result that we can state in general terms is that in most States outside the South the labor politicians, with such allies as the Americans for Democratic Action and the Committee for an Effective Congress, have taken over the Democratic Party, body, boots, and breeches, and have captured important segments of the Republican Party.

More specifically, the labor politicians have made great gains in both Houses of Congress and in State legislatures, in numbers, in members they place on key committees and in their ability to intimidate some politicians who, left to their own devices, would tend to be independent. And, in this connection, now might be a good time for someone to write a book entitled "Profiles in Cowardice."

Notwithstanding General Eisenhower's landslide in 1952, the Republicans managed to capture only 219 House seats as against 215 for the Democrats. In 1954, the Democrats won control of both Houses of Congress with a net gain in the House of 17 seats, for at least 10 of which labor help was decisive. They got control of the Senate when MCNAMARA in Michigan and NEUBERGER in Oregon, both with prodigious labor backing, defeated Senator Ferguson and Douglas McKay.

In 1956, the Democratic National Committee concentrated on the presidential campaign, and COPE and its allies in effect ran the Congressional campaign for the Democrats. While President Eisenhower scored an impressive victory, COPE increased the Democrat majority in the House to 233 seats as against the Republicans' 200. The labor leaders were active in 300 Congressional Districts which, for the most part, were doubtful, and elected their candidates in well over 60 percent of these districts. And not all the Republicans, by any means, were conservatives. Many were left-of-center or left.

COPE and its allies scored striking gains in governorships and State legislatures in 1956 and again last year.

The intense interest labor leaders have in bills now pending in Congress touching all phases of American life makes it certain that this year they will be active politically—perhaps more active than ever before. We can predict with confidence that they will stage an all-out drive to elect a subservient Congress—in their newspapers, on radio, and television, with union funds and with so-called voluntary contributions and volunteer electioneering.

What will the business people do? Will we continue to devote our house organs to the scores of softball games, to weddings, deaths, and births, saying nothing about the issues in the campaign, much less presenting our views on them?

I am not going to exhort you on your duties as individual citizens or on what you ought to do in your own self-interest. You know this. Find out what the candidates' views are, and tell them your views. Support with time and money those whose beliefs correspond with your own, whether it is a LAUSCHE in Ohio or a GOLDWATER in Arizona.

But beyond this, what can organized business do? It seems to me that organized business and industry might take at least a few pages from the book of the AFL–CIO and COPE. We have the national chamber, the NAM, and dozens of nationwide trade associations, thousands of State and local chambers of commerce and manufacturing associations. I heartily recommend that the national organizations explore their political potentialities, acting both on their own and in collaboration with affiliates throughout the country. I recommend that you, in your local organizations, determine what issues and what candidates deserve the support of organized business, and that your organizations, in a measure, at least, give them that support. You can discuss the issues publicly and support your views, publicize the voting records of candidates on issues of concern to business, tell at least your members what candidates you prefer and why, and, with a minimum of cash, organize your own people to duplicate in some small measure the intensive efforts of paid and unpaid minions of the AFL–CIO. I urge you not to dismiss these suggestions lightly, but to consider them carefully and carry them back home with you and begin to act on them at once.

It is time for us to stop assuming that those politicians who are ready, able, and willing to fight for free enterprise, for truly free collective bargaining and for a sound economy can preserve our way of life with niggardly help from us, or none at all. It is time for us to stop assuming that a mysterious someone else can shoulder the political responsibilities that too many of us have been shirking. And it is time for men in business and industry to concern themselves, individually and through existing organizations or affiliated ones, with those issues on which the overwhelming majority of us agree, and to support those candidates, regardless of party, who share our views.

Thank you.

UNITED STATES PROPOSAL IN THE UNITED NATIONS FOR ARCTIC INSPECTION

Mr. SMITH of New Jersey. Mr. President, the events which took place in the Security Council of the United Nations yesterday are an impressive tribute to the imaginative diplomacy of Ambassador Lodge. Secretary Hammarskjold's unprecedented appeal in the Security Council for Russia to accept the United States proposal for Arctic inspection and the unanimous support which the proposal received from the other members of the Council constituted one of America's most effective victories in the forum of world opinion.

In the New York Herald Tribune of yesterday, April 29, the lead editorial pointed out that Ambassador Lodge's proposal is far more than "a clever psychological blow in the cold war." It is, above all, a sincere, obviously reasonable attempt to lessen the chance of triggering an allout nuclear war. It is a simple, limited step which, if accepted by Russia, could lead to a major breakthrough in the long stalemate over disarmament. I ask unanimous consent that the Tribune editorial, entitled "A Big Test at the U. N.," be printed in the body of the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A BIG TEST AT THE U. N.

The peoples of all the world live in dread of an atomic Armageddon, triggered perhaps by accident. When the Security Council meets today, it will consider a resolution which the United States has offered to seek to lessen the chances of such a holocaust.

The resolution grows out of the recent Soviet protest to the Security Council over United States bomber flights. It recognizes that the Soviets have a legitimate cause for anxiety about such flights which could be allayed if both sides joined in a system of international inspection.

What is proposed is very simple. It is that the whole area north of the Arctic Circle be constituted a northern zone of international inspection under the U. N., for the purpose of preventing either side from launching surprise attacks against each other. The nations involved, beside ourselves and the Soviet, are Canada, Finland, Sweden, Denmark (through Greenland), and Norway.

It is very heartening that all of these nations, save the Soviet, which has not yet responded, have expressed deep interest in the proposal.

Some observers have praised Ambassador Lodge's proposal as a clever psychological blow in the cold war; others have assumed that the Soviet will automatically use its veto to kill the plan. We believe both these views to be mistaken.

In the first place, Ambassador Lodge is in dead earnest in his hope to persuade the Soviets to cooperate in some phase of disarmament, however limited. This particular proposal was rejected by the Soviets last August when it was offered as part of a much larger plan, which included "open skies" mutual air reconnaissance.

But since then it is the Soviets themselves who have asked the U. N. to take steps to prevent bomber flights which possibly could trigger off a war. It is because they have opened up this subject that Mr. Lodge has renewed this one proposal, in a limited form, which the Soviets can easily accept if they are really in earnest in seeking to reduce the possibilities of an accidental war.

Moreover, he has left it flexible, so that if for any reason they are reluctant to open up all their Arctic area to inspection, the area can be limited to whatever they are willing to accept.

Because this subject is so terribly important to all peoples, we think it wrong to assume that the Soviets will veto it, in a kind of Pavlovian reflex against any Western proposal. They may very well seek to amend it, by adding all sorts of other proposals. But at least that would have the effect of keeping the matter under discussion, and allowing its merits to emerge.

Whatever happens it is refreshing to see Ambassador Lodge taking this positive, imaginative and constructive position. He has kept the discussion, from the time the Russians first raised the issue, free of all the charged, propagandistic language that has

come to be associated, on both sides, with the cold war. This is a deadly serious matter and he is wise in keeping it free of gimmickry. Let us hope the Soviets rise to a similar plane of sober, responsible discussion.

DR. RICHARD E. McARDLE AND NATIONAL CIVIL SERVICE LEAGUE CAREER AWARDS

Mr. NEUBERGER. Mr. President, all too seldom do we note the achievements of the career people in our Federal agencies. I should like to insert in the RECORD an article from the Washington Post listing 10 people who have been named by the National Civil Service League to receive career service awards.

I would not want to single out any one of these persons as more deserving than the next, but because the national forests are so important in my State, I am more familiar with operations of the Forest Service than with other Federal agencies. Dr. Richard E. McArdle, Chief of the United States Forest Service, typifies the devoted service that all members of the Forest Service give to the public. In the case of Dr. McArdle, the award has a meaning which I am sure is applicable to some of the other persons who were honored. His achievement was made possible by the outstanding service his associates have given over the years. This devotion to duty has earned for the United States Forest Service the respect and admiration of the public, the Congress, State and local officials, and the users of the national forest such as timbermen, stockmen, and miners. It is a blue-ribbon agency of Government.

I want to extend to each and every one of these people my warm congratulations for a record of service that redounds to the credit of our Government and to our form of government. Our Federal civil service is the key link in the effectiveness of our Government. I wish that more public notice could be given of the great accomplishments for better government that all of our Federal employees make.

Mr. President, I ask unanimous consent to include in the CONGRESSIONAL RECORD, with my remarks, the following article from the Washington Post.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SEVEN IN AREA WIN CAREER AWARDS

Ten civil service employees, including seven from the Washington area, have been named by the National Civil Service League to receive career service awards for "competence, efficiency, character, and continuity of service."

The awards, established by the league in 1955 to honor outstanding career civil service employees, will be presented next Monday at a dinner at the Sheraton-Park. The dinner also will mark the 75th anniversary of the first civil service law. Speakers will include Democratic National Chairman Paul Butler and Republican National Chairman Meade Alcorn.

The National Civil Service League, founded in 1881 as a nonpartisan civil organization dedicated to improving Government career service, selected the winners from 100 nominations submitted by 31 Federal agencies.

The recipients are:

Harry J. Anslinger, Commissioner of Narcotics, who has been in Government service for 41 years. Active in curbing illicit narcotics traffic, he was cited for being an able administrator and for "assuring the United States of an adequate flow of medicinal narcotics in war and peace."

William D. Carey, of 3724 Northampton Street NW., executive assistant to the Director of the Budget, who has spent all his 16 years of Government service in the Bureau. He was cited for "outstanding achievements in the Labor and Welfare Division and in special assignments, notably the coordination of scientific and technical activities."

Ewan Clague, of 3821 Woodley Road NW., Commissioner of Labor Statistics, Department of Labor. Clague, who has been in Government service 18 years, was cited for "increasing the scope and accuracy of statistical programs of the Labor Department."

Hugh L. Dryden, of 5606 Overlea Road NW., Director of the National Advisory Committee for Aeronautics. In Government service for 40 years, Dryden has directed the NACA since 1947. The award described him as an "outstanding scientist-administrator whose personal growth from laboratory assistant to director shows the possibilities of a Federal career."

Richard E. McArdle, of 2907 Rittenhouse Street NW., Chief of the United States Forest Service. McArdle, who has been in Government service for more than 20 years, was cited for "his work in conservation, made possible by friendly and effective cooperation between the industry, the States and the Federal Government."

James O. Riley, of Edgewater, Md., general economist, Post Office Department Bureau of Transportation. In Government service for 33 years, Riley was cited for "his outstanding performance in an extremely technical area of transportation costs and expenditures." Riley started as a laboratory apprentice with the Bureau of Standards and served with the Interstate Commerce Commission before joining the Post Office 10 years ago.

Marjorie M. Whiteman, of 5021 Glenbrook Road NW., legal adviser, State Department Office of Inter-American Affairs. Miss Whiteman, who has been in Government service for 27 years, was cited for her "keen insight into the political as well as the legal aspects" of problems in international law and Latin American politics.

Robert M. Ball, of Baltimore, Deputy Director, Bureau of Old Age and Survivors Insurance, Department of Health, Education, and Welfare. In Government service for more than 15 years, Ball was cited for "his ability to lead and inspire those who work with him," and for "outstanding efficiency and notable public service."

John M. Ide, of near New London, Conn., technical director, Underwater Sound Laboratory, Navy Department. Ide, who has spent his 17 years of Government service in the Navy Department, was cited for achievements in electronic research and development.

Livingston T. Merchant, Ambassador to Canada. Merchant, in Government service for 16 years, was cited for his work in the State Department. The award noted that "the highest Government officials have come to rely heavily on his judgment in dealing with many of the most crucial problems."

AMERICAN FORESTRY ASSOCIATION AND WILDERNESS PRESERVATION BILL

Mr. NEUBERGER. Mr. President, a few days ago I presented for the record an extensive analysis of the wilderness preservation bill (S. 1176), of which I am a cosponsor. I have given my support to wilderness preservation legislation because of a sincere belief that a portion of our outdoor heritage should be dedicated and maintained in its natural state.

Those of us who are supporting wilderness preservation recognize that there is not complete unanimity about the wisdom of this policy. Some groups and individuals believe that S. 1176 runs contrary to the multiple-use concept for management of public lands. Many of those holding such views are sincere and articulate advocates of natural resource conservation. They certainly deserve to have their objections and criticisms of the legislation made a matter of public record, even though they run contrary to the position of those, like myself, who maintain an opposite viewpoint. They have a right to be heard.

I have received a copy of a letter from Mr. Kenneth B. Pomeroy, chief forester of the American Forestry Association, to the distinguished chairman of the Senate Committee on Interior and Insular Affairs [Mr. MURRAY], voicing the objections of that organization to features of the wilderness preservation bill. Although I do not agree with the conclusions, in the interests of fairness, I ask consent to include in the RECORD with my remarks the letter from Mr. Pomeroy outlining the association's action on this matter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE AMERICAN FORESTRY ASSOCIATION,
Washington, D. C., April 21, 1958.

Senator JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs, United States Senate, Senate Office Building, Washington, D. C.

DEAR SENATOR MURRAY: Your thoughtfulness in advising us of the error in the CONGRESSIONAL RECORD regarding the wilderness bill is appreciated greatly.

Committee print No. 2, now being considered as a replacement for the earlier wilderness bill, S. 1176, was reviewed by the directors of the American Forestry Association at their February 24, 1958, board meeting. The directors said:

"Examination of this document reveals that it still contains the features initially objected to by the American Forestry Association as incompatible with the basic principle of multiple use of forest resources: Now, therefore, be it

"*Resolved*, That the American Forestry Association in accord with its action of July 6, 1956, is opposed to the proposals in committee print No. 2."

Mr. Chairman, the American Forestry Association is deeply concerned over this threat to the multiple-use concept of national forest management. Not only is it an open invitation to all other special interests to hew out their coveted portions of the public lands but it creates a council that could become a publicity group to propagandize the public at taxpayer expense.

These demands by wilderness enthusiasts come at a time when all conservationists should join together in strengthening the Nation's forest resources. Instead conservation organizations, trade associations, and public agencies have been split right down the middle. Many leaders on both sides deplore this situation. We would like to see the breach healed.

The American Forestry Association believes that wilderness is an intrinsic part of the Nation's heritage. It is something that is precious and should be preserved. We believe it is being preserved capably by ex-

isting agencies who at the same time are attempting to maintain all other important uses of the public lands in balance.

We recognize that some of the guidelines under which the Forest Service operates are based upon departmental regulations and that they should be strengthened by Congressional recognition of their importance.

Therefore the American Forestry Association recommends, earnestly, that legislation along the following lines be considered:

"That it is the policy of Government that all the resources of the public lands shall be so managed, conserved, utilized, and developed as to assure maximum public multiple use thereof; that public use for purposes of recreation, including wilderness enjoyment, hunting and fishing is a beneficial and proper use of such lands; that the development and maintenance of such areas and facilities, including maintenance of wilderness areas, is a proper function of the Secretaries of Agriculture and Interior for their respective Departments."

We are sending copies of this letter to many other organizations that participated in the hearings of last June and inviting them to join with us in this constructive action.

Thank you very much for again permitting us to voice our thoughts.

Sincerely yours,

KENNETH B. POMEROY,
Chief Forester.

THE IMPORTANCE OF COMMON-SENSE COOPERATION IN PRIVATE FUND RAISING FOR CHARITABLE PURPOSES

Mr. WILEY. Mr. President, on many occasions I have expressed the view that one of the greatest features of the American system is the voluntary habit of private initiative. I repeat, private initiative. What is needed now is a rebirth of private initiative, not simply a course of action that looks to Uncle Sam for everything. Americans should adhere to their habit of looking after the needs of fellow citizens through voluntary private channels. The volunteer on the American scene is not the unique person he is on the world scene.

DE TOCQUEVILLE'S SAGE OBSERVATIONS

The great French observer, Alexis De Tocqueville, writing about America in the early days of our freedom, made a significant statement. I stress it because here was a Frenchman diagnosing America. That is what we need now. We need a diagnosis of America, and not a lot of generalities. We have got to look into what our ills are and find a remedy for them. Listen to what this Frenchman said more than 100 years ago:

> These Americans are the most peculiar people in the world. You'll not believe it when I tell you how they behave. In a local community in their country, a citizen may conceive of some need which is not being met.

I emphasize "a citizen." I continue reading:

> What does he do? He goes across the street and discusses it with his neighbor. Then what happens? A committee comes into existence, and then the committee begins functioning on behalf of that need, and you won't believe this but it's true. All of this is done without reference to any bureaucrat. All of this is done by the private citizens on their own initiative. * * * The health of a democratic society may be measured by the quality of functions performed by private citizens.

"By private citizens"—that is the key.

This very apt quotation, I may say, is carried in the March 1958 issue of the bulletin Looking Ahead, issued by the National Planning Association. The association itself is a fine example of private citizens working together to try to foresee the needs of our dynamic country, and to meet these needs.

SIX AND THREE-FOURTHS BILLION DOLLARS IN PRIVATE PHILANTHROPY

In 1957, alone, it is estimated that no less than $6.7 billion was raised by United States private philanthropy. This is, possibly, about 44 percent of all the funds raised in the world for this purpose.

There is included in this United States figure the vast philanthropic amounts raised for private education, for religion, for health, and for a wide variety of other purposes.

Throughout the American scene are a vast number of voluntary organizations—National, State, and local—dedicated to the cause of serving the needs of their fellow men. In 1957, perhaps 37 million Americans—1 in 5 of our population—gave of time and talent to common causes.

Inevitably, the question arises: How best can funds be raised for meeting demonstrated needs? The consensus is that it has long been found that the community chest and related forms of united fund raising usually provide the most efficient method for raising funds with the comparatively least waste of manpower, time, and resources. Yet there has been a perennial controversy between worthy groups which, for a variety of reasons, did not feel they could join in the united fund raising.

It is not my purpose, today, to attempt to offer any arbitrary solution to this difficulty. I know that fine civic leaders who have dedicated countless man-hours to this problem fail to see eye to eye on it. So this is not a matter for recrimination. On the contrary, it is a matter to be worked out with common sense and cooperation.

No doubt there are individual instances of an independent drive, or drives, being indeed justified; although it is to be hoped that such independent drives will not multiply indefinitely, lest the whole concept of united giving be destroyed.

The women of the United States, in particular, number among our finest volunteers. It is upon their shoulders that much of the burden falls; particularly in such fields which have long been the special interest of women as the needs of children, the needs of schools, the needs of welfare.

FINE AID FROM BUSINESS AND LABOR

But our menfolk, as well, likewise find an increasing amount of time necessary to be devoted to problems of this nature. I mean men in labor and in management.

American corporations in my own and other States have been most generous—not only in their donation of money, but in their contribution of the time of their executives. Likewise, the AFL–CIO has been generous in the cooperation of individual unions and union leadership.

The present recession, while it has diminished some collections, has not deterred the enthusiasm of countless public-spirited citizens in fulfilling De Tocqueville's observations.

At this time, here in our own community, Government workers are contributing to one fine package of national health and other organizations. I hope that the collection will be a great success.

FINE CONFERENCE HERE IN WASHINGTON

I send to the desk an item which illustrates the coperative approach I have in mind.

It consists of the splendid program of the Health and Welfare Council in our Nation's Capital, which, on May 16, holds its ninth annual conference. It will be addressed by one of the great voluntary, yes, official, leaders at the grassroots of America, the Honorable Charles P. Taft.

I think this program, with its high caliber of speakers, panelists and participants, gives a fine example of what is being done by volunteers throughout this land. I am glad that our Nation's Capital has the Health and Welfare Council as a part of the United Givers Fund. I hope Washington, D. C., will always provide inspiration and an example for volunteers to communities across the Nation.

I ask unanimous consent that the conference leaflet be printed in the RECORD.

There being no objection, the leaflet was ordered to be printed in the RECORD, as follows:

WHERE WILL WE BE IN 1963?—YOUR INVITATION, ANNUAL HEALTH, WELFARE, AND RECREATION CONFERENCE, HOTEL STATLER, FRIDAY, MAY 16, 1958

Luncheon meeting, 12:15 p. m.

Hon. Charles P. Taft, mayor of Cincinnati, Ohio, 1955–57. Outstanding volunteer leader in local and national welfare, civic, and church activities. Will speak on "Social Work, Housing, and Urban Renewal."

Sponsored by the Health and Welfare Council of the National Capital Area. Caesar L. Aiello, president; Isadore Seeman, executive director.

(Morning sessions)

1. Where will we be in 1963 in serving families under stress?

What are we doing about the high cost of unhappy living; families in crisis?

Chairman, Mrs. Francis G. Smith, Jr., member of the Fairfax and Falls Church, Va., HWC regional committee.

Panel, Our Changing Way of Life, G. Franklin Edwards, Ph. D., associate professor of sociology, Howard University.

The Added Stress of Low Income, Jay L. Roney, Director, Bureau of Public Assistance, Department of Health, Education, and Welfare.

Homemaker Service, a New Local Resource, Mrs. Ernest G. Warren, president, Homemaker Service Agency of the National Capital area.

A Trial Balance on Services, Mrs. Ezekiel G. Stoddard, member of the board, Family and Child Services, Washington, D. C.

2. Where will we be in 1963 in serving children without homes?

Chairman, Mrs. A. Remigius Lash, member of the board, Alexandria Family Service.

Panel, Mrs. A. L. Spencer, vice chairman, HWC Committee on Children Without Homes; member, District of Columbia Board of Education.

Mrs. Elizabeth H. Ross, Director, HWC Junior Village project; former Deputy Chief, United States Children's Bureau.

Mrs. D. Elaine Starbuck, director, welfare board, Prince Georges County, Md.

Raymond F. Gould, Ph. D., social science analyst, Professional Services Branch, National Institutes of Health, Bethesda, Md.

3. Where will we be in 1963 in understanding and treating alcoholism?

The rate of alcoholism in the National Capital area is one of the highest in the Nation with major implications in family disruption, economic loss and community health problems.

Chairman, Hon. Leonard P. Walsh, chief judge, Municipal Court.

Panel, Frank S. Ketcham, chairman, subcommittee on alcoholism, the American Bar Association.

Anthony Zappala, M. D., Chief, Alcoholic Rehabilitation Division, District of Columbia Department of Public Health.

Mrs. Dorothee F. Mindlin, chief clinical psychologist, Alcoholic Rehabilitation Division, District of Columbia Department of Public Health.

Mr. Henry Roberts, Alcoholics Anonymous.

4. Where will we be in 1963 in new patterns for family recreation?

Chairman, Mrs. Priscilla Urner, consultant, department of parks and recreation, Arlington County, Va.

Speaker, Robert T. Bower, Ph. D., director, Bureau of Social Science Research, Inc., Washington, D. C.

Panel, Use of Parks and Open Space, Theodore T. Smith, manager, Prince William Forest Park, Virginia.

Family Camping, Ira L. Gibbons, acting dean, School of Social Work, Howard University.

YMCA Family Center. Indian Springs Club. Allen L. Cavaness, principal, Glen Haven Elementary School and program director, Silver Spring, Md., branch YMCA.

(Afternoon sessions)

A film festival; follow-up discussions of morning sessions.

NINETEEN FIFTY-EIGHT HWC ANNUAL CONFERENCE COMMITTEE

Cochairmen: Mrs. Theodore O. Wedel, vice president at large, National Council of Churches; chairman, HWC forum planning committee; Edwin Tribble, city editor, the Evening Star, chairman, HWC Public Relations Committee.

Members: Mrs. Nelson Blechman, member of the board, Hillcrest Children's Center; Mrs. Richard Bolling, member of the board, Friendship House; Donald Brewer, deputy director, District of Columbia Department of Public Welfare; Harmon Elder, assistant manager, regional public relations, Safeway Stores; Mrs. Elizabeth Goldfaden, executive director, Social Service League of Prince Georges County; George W. Howard, chief deputy probation officer, United States District Court, District of Columbia; Joseph Leverenze, executive director, District of Columbia chapter, American Cancer Society; Mrs. Ernest K. Lindley, member of the boards, the Ionia Whipper Home and the Washington Urban League; Mrs. Edwin McElwain, secretary, board of managers, Children's Convalescent Hospital; William J. McManus, vice president, public relations, Chesapeake & Potomac Telephone Co.; Mrs. Walter J. Moore, member of the board, Catholic Charities of Northern Virginia; Mrs. Robert W. Shackleton, newsletter editor, American Institute of Architects; Mrs. Norman Taub, member HWC Forum Planning Committee; Austin Van der Slice, Ph. D., professor of sociology and anthropology, the American University; Mel White, information officer, United States Air Force; Mrs. John W. Whitten, member of the board, Visiting Nurse Association; Joseph Zatman, public information officer, Washington Suburban Sanitary Commission.

Chairman of conference volunteers: Mrs. Calvin H. Cobb, Jr., placement chairman, Junior League of Washington.

(For information call Virgil Shinker, Decatur 2-7330, 1101 M Street NW., Washington 5, D. C.)

Mr. WILEY. Mr. President, in my opinion, this is a very clear demonstration of what is needed in America today, which is the awakening of the conscience of the various communities to the challenge which is facing us, and the awakening of the conscience of those who have vision and means to realize the needs of the communities and actually to take care of them.

I referred heretofore to an instance which occurred in my own State when I was a boy. A great sawmill went out of business, and the atmosphere was so thick with discouragement, fear and doubt that one could have cut it with a knife. Two Polish boys, Andrewjeski and Petrowski, began to make shoes. The citizens did not fall asleep. They could not turn to Washington or to any place else. As de Tocqueville had suggested, they called a committee together and sat down to analyze the situation. They got together a little money, and they started shoe factories. Pretty soon there were more shoe factories. Today that town does $25 million worth of business in producing shoes, because the old enterprise of American citizens was evident in their getting together, working together and contributing together to help those who needed work. To me that is what is needed in America today.

I do not discount the activity of our Government in providing jobs in the form of public opportunities, but I believe the time has come when all of us must recognize our individual responsibilities as citizens of the communities in which we live to take care of the situation. This is a Nation of some 170 million people in 48 States, stretching across 3,000 miles, and no government, no matter how able it is, can take care of that vast situation. The Government can, as Lincoln said, "do for the people what needs to be done, but which they cannot by individual effort, do at all, or do so well, for themselves."

LAW DAY, U. S. A.—A REMINDER OF AMERICAN RIGHTS AND PRIVILEGES

Mr. WILEY. Mr. President, tomorrow, May 1, has been proclaimed by the President as Law Day, U. S. A. The purpose of this fine observance is: First, to strengthen the Nation's dedication to the rule of law as the foundation of our free society; and second, to freshen every American citizen's awareness of the rights and privileges he enjoys by reason of our system of law.

Our Nation's basic strength lies in the laws which protect the individual rights of its citizens. Under our system of law, everyone is entitled to his day in court. Naturally, courts must be fully respected if they are to function effectively.

The American citizen has a great many rights and privileges unknown to citizens of other lands. However, I do not believe that any American citizen has the right to take these guaranties for granted. We must all cherish our great American system. We must know what it is and what it represents. Frequently there are attempts—some intentional, and some unintentional—to undermine various aspects of our legal system. However, it is well to remember that our present system was drafted by far-sighted individuals who wisely wrote into the Constitution a system of checks and balances between the judicial, the legislative, and the executive branches of our Government.

In order to recognize any attempts to subvert our American legal system, we must first have a thorough understanding of what is embodied in that system.

I take this opportunity to commend President Eisenhower for his wisdom in proclaiming Law Day, U. S. A. I also congratulate the American Bar Association for its fine educational program in this and in many other connections.

I urge all citizens of our Nation to take advantage of this occasion to further their knowledge of the great benefits they receive under American law.

I send to the desk a copy of the President's proclamation, together with statements on the importance of Law Day from several Cabinet members and Government officials. I request that these statements be included with my remarks in the body of the RECORD.

There being no objection, the proclamation and statements were ordered to be printed in the RECORD, as follows:

A PROCLAMATION BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

"Whereas it is fitting that the people of this Nation should remember with pride and vigilantly guard the great heritage of liberty, justice, and equality under law which our forefathers bequeathed to us; and

"Whereas it is our moral and civic obligation as free men and as Americans to preserve and strengthen that great heritage; and

"Whereas the principle of guaranteed fundamental rights of individuals under the law is the heart and sinew of our Nation, and distinguishes our governmental system from the type of government that rules by might alone; and

"Whereas our Government has served as an inspiration and a beacon light for oppressed peoples of the world seeking freedom, justice, and equality for the individual under laws; and

"Whereas universal application of the principle of the rule of law in the settlement of international disputes would greatly enhance the cause of a just and enduring peace; and

"Whereas a day of national dedication to the principle of government under laws would afford us an opportunity better to understand and appreciate the manifold virtues of such a government and to focus the attention of the world upon them;

"Now, therefore, I, Dwight D. Eisenhower, President of the United States of America, do hereby designate Thursday, May 1, 1958, as Law Day. I urge the people of the United States to observe the designated day with appropriate ceremonies and activities, and I especially urge the legal profession, the press, and the radio, television, and motion-picture industries to promote and to participate in the observance of that date."

In witness whereof, I have hereunto set my hand, and caused the seal of the United States of America to be affixed.

Done at the city of Washington this 3d day of February in the year of our Lord 1958, and of the independence of the United States of America the 182d.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *February 3, 1958.*

By the President:

JOHN FOSTER DULLES,
Secretary of State.

THE SECRETARY OF STATE,
Washington, April 14, 1958.

Mr. CHARLES S. RHYNE,
President, American Bar Association,
Washington, D. C.

DEAR MR. RHYNE: Thank you for your letter of March 31. I congratulate the American Bar Association on its efforts on behalf of the national observance of Law Day, U. S. A., and hope that the occasion will be a successful one.

In international affairs it is impossible to sustain a just and lasting peace unless that peace is based upon law and order. Indeed, the universal acceptance of the principles of international law and morality is the indispensable requirement for the survival of our civilization.

Thus Law Day, U. S. A., is a meaningful occasion not only to our own country but to free men everywhere. It is a day on which Americans can rededicate themselves to the great concept of "equal justice under law."

I hope that my fellow countrymen will accept the President's urging and commemorate Law Day, U. S. A., in every appropriate way.

Sincerely yours,

JOHN FOSTER DULLES.

STATEMENT BY HON. WILLIAM P. ROGERS, ATTORNEY GENERAL OF THE UNITED STATES, FOR USE IN THE OBSERVANCE OF LAW DAY, U. S. A., MAY 1, 1958

President Eisenhower has proclaimed May 1, 1958 as Law Day, U. S. A.

At no time in our history has an understanding of the role of the rule of law in our land been more important. From the day the Constitution was ratified 169 years ago this Nation has subscribed to a system of laws, not men.

Law means order. It means that no person or crisis can shatter the orderly procedures by which we live. It means that the ultimate power of the Nation remains with its source, the people.

By living under the rule of law each individual and his fundamental rights are all important. Equal justice in the courts—the freedoms of the Bill of Rights—the opportunity to elect lawmakers * * * all have become accepted parts of each American's way of life.

Absent the rule of law in this Nation, this would not be true. We need only to look at those living behind the still rigid Iron Curtain to understand this.

Our system based on the rule of law will remain as strong as each person understands and rededicates himself to it.

Law Day, U. S. A., therefore, should be a time for every American to refresh himself with knowledge of our system of government by law. By so doing the day will not only be one of commemoration—it will be one of strengthening the force behind the law being honored.

THE SECRETARY OF THE TREASURY,
Washington.

STATEMENT BY SECRETARY OF THE TREASURY ROBERT B. ANDERSON FOR USE DURING OBSERVANCE OF LAW DAY, U. S. A., ON MAY 1, 1958

The world today is at a crucial point in the struggle between freedom and tyranny. On the one side are those who hold to the principle of individual human freedom under the rule of law as the inherent right of every man; on the other side stand the forces of darkness who would deny freedom and exalt the state. It is fitting and proper that this special day be set aside to commemorate our great heritage of liberty, justice, and equality under law so that it may echo and re-echo throughout the world and break through the curtain of darkness until these principles are accepted by all peoples and all nations.

ROBERT B. ANDERSON.

THE SECRETARY OF DEFENSE,
Washington, April 7, 1958.

LAW DAY, U. S. A., MAY 1, 1958

By proclamation of the President, May 1, 1958, has been designated Law Day, U. S. A., and an occasion for special recognition of our national dedication to the principle of government under laws.

It is most appropriate for representatives of the Department of Defense to take particular note of this day and to join wholeheartedly in its observance. A powerful element of the strength of this Nation, to the defense of which our Armed Forces are dedicated, is our people's unflagging devotion to the rule of law, both domestically and internationally. Not only much of our strength but much of our purpose stems from the moral force of this feature of our way of life.

Accordingly, I urge military and civilian personnel of the Department of Defense and the Armed Forces to participate in every appropriate way in Law Day, U. S. A., activities. In most cases, this probably can be done most effectively through cooperation with State and community bar associations, as by accepting invitations for speaking appearances or for service on Law Day, U. S. A., committees.

Finally, I would emphasize that while Law Day, U. S. A., is naturally of special import to military and civilian members of the legal profession, it is by no means merely a lawyer's day. Rather does it furnish us all an opportunity to express our devotion to the principle that law shall have precedence over force in the affairs of men.

NEIL MCELROY.

UNITED STATES DEPARTMENT OF AGRICULTURE,
Washington, D. C., April 23, 1958.

LAW DAY, U. S. A.

President Eisenhower has proclaimed May 1, 1958, as Law Day, U. S. A., and has urged the people of the United States to observe the designated day with appropriate ceremonies and activities.

Many civic, professional, religious, and patriotic organizations are expected to join in various observances or special programs of this day. The American Bar Association is sponsoring special observances and local bar associations throughout the communities of the Nation are planning to present programs or to assist schools and other organizations in special observances.

I deem it most fitting that this event be given special mention in this Department and that it be drawn to the attention of all personnel, perhaps by the circulation of this message.

The aims of this Department are founded, of course, by law, and we carry out an important segment of the will of the people for a prosperous and happy land, expressed through statutes and protected by the courts. As you will be informed in the various observances of Law Day, U. S. A., the enjoyment of the freedom and abundance of this land is only possible through the order and security guaranteed by the laws of free men. The employees of this Department, I am sure, need only reflect briefly to realize that every act they perform is living evidence of the existence and indispensability of our constitutional government.

I have asked the General Counsel to suggest to his attorneys in the field that they cooperate with local bar associations in programs or observances of Law Day, U. S. A. Likewise, if personnel of other agencies are called upon to assist in these observances, they should be encouraged to participate.

EZRA TAFT BENSON,
Secretary.

LAW DAY STATEMENT OF HARRIS ELLSWORTH, CHAIRMAN, UNITED STATES CIVIL SERVICE COMMISSION

On the observance of Law Day, May 1, 1958, the Civil Service Commission salutes the many men and women of our land who are concerned with the formulation, administration, and enforcement of the laws of this Nation, and it congratulates the American Bar Association and its affiliates for sponsoring this observance.

The more than 2 million members of the Federal civil service are directly concerned with upholding and administering the laws of this Nation. Each is at his particular station because some law or laws, enacted by the Congress in response to the will of the American people, requires the performance of his special duties.

It is appropriate that we set aside this day to give honor to the law and to recall that while ours is a Government of, by, and for the people, it is a Government of laws, not of men. And it is likewise appropriate during this 75th anniversary of the Civil Service Act of 1883 that all of us in the Federal service rededicate ourselves to uphold the law in our service to this Nation and its citizens.

UNITED STATES DEPARTMENT OF JUSTICE,
FEDERAL BUREAU OF INVESTIGATION,
Washington, D. C., April 15, 1958.

LAW DAY, U. S. A.

The foundation stone of our American system of Government is respect for the law. Over the years, men and women have fought, suffered, and died that the concept of constitutional law might reign supreme. They had seen tyranny first hand—a tyranny that robbed them of their individual liberties or prevented their worship of God. These courageous people came to our shores, determined that the candle of liberty was based on this respect for the law, not on the whimsical desires of men. To that end they dedicated their lives.

Today, as we see the menancing shadows of a Communist world empire, we must be ever more dedicated to our free way of life. Communism would deprive us of our constitutional liberties. Communism is dictatorial. It is atheistic. It is deceitful. In communism, the individual exists only to serve the state. He is a mere pawn of the party. Law is what the Communist dictator says it is. The rights of the individual are purely fictitious.

Law Day, U. S. A., should make us conscious of our great obligations to law and order. It should serve to remind us that we exist as free men because only under law can individual rights prosper. Never must we forget this.

JOHN EDGAR HOOVER,
Director.

LIMITATION OF APPELLATE JURISDICTION OF THE SUPREME COURT

Mr. HENNINGS. Mr. President, today the Judiciary Committee voted to report favorably S. 2646, with amendments. To the best of my limited ability, I have vigorously opposed this bill and its

amendments since their earliest consideration by the committee.

During the past few weeks, I have received several communications from outstanding persons who are learned in the law, and from several organizations, respecting this bill and the amendments. All these communications, with the exception of one, are opposed to the enactment of S. 2646 and the amendments. I believe that all Members of the Senate will find these communications most interesting. Therefore, I ask unanimous consent that the communications be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

THE CHICAGO BAR ASSOCIATION,
Chicago, Ill., April 25, 1958.

HON. THOMAS C. HENNINGS, Jr.,
United States Senate,
Washington, D. C.

DEAR SENATOR HENNINGS: At its meeting on Thursday, April 24, 1958, the board of managers considered and approved the enclosed report from the association's committee on Federal legislation concerning S. 2646 (Jenner bill), H. R. 9207 and H. R. 10775. As you know, when our board of managers approves a report of one of our committees, the position stated in the report becomes the position of the Chicago Bar Association.

Sincerely,

RICHARD H. CAIN,
Executive Secretary.

APRIL 21, 1958.

BOARD OF MANAGERS,
Chicago Bar Association,
Chicago, Ill.

GENTLEMEN: The Committee on Federal Legislation has had under study bills H. R. 10775, H. R. 9207, S. 2646. These bills, in general, provide for limiting the appellate jurisdiction of the Supreme Court, establishing rules of interpretation of the effect of acts of Congress on State laws, and facilitating the admission of confessions in United States courts.

Bills H. R. 10775 (introduced by Representative COLMER), H. R. 9207 (introduced by Representative ST. GEORGE), and S. 2646 (introduced by Senator JENNER), would deny the Supreme Court jurisdiction to review the following:

1. Cases in which Congressional investigation panels have won convictions for contempt of Congress against witnesses who refused to answer questions.

2. Suspensions or dismissal of Government employees in the executive branch for security reasons.

3. Case in which local or State boards of education have dismissed teachers on security grounds.

4. Rules or regulations of any State authorities who refuse to license as lawyers, persons found unacceptable on security grounds.

Bills H. R. 9207 and S. 2646 (with identical provisions) in addition eliminate Supreme Court review of cases in which convictions have been made under State laws controlling subversive activities within the State. H. R. 10775 also provides a Federal act cannot occupy a legislative field to the exclusion of the State law unless it expressly so provides, that neither State nor Federal courts will be obliged to follow decisions of the Supreme Court where that Court fails to adhere to the principle of stare decisis and that confessions otherwise admissible shall not be inadmissible because of delay in taking the confessor before a United States commissioner.

The amendment to S. 2646 introduced by Senator BUTLER is in reality a substitute bill which retains the provisions of that bill in depriving the Supreme Court of its jurisdiction to review cases from State authorities denying admission of persons to practice before the bar, and in addition provides for the following:

1. A Congressional committee is final in its ruling of whether or not a question should be answered on the point of pertinency.

2. In certain sensitive security agencies, there could be no appeal from the authority to suspend without pay, certain employees found to be security risks.

3. A Federal act cannot occupy a legislative field to the exclusion of the State law, unless it expressly so provides (and this same provision is in H. R. 10775).

4. The Smith Act is amended so that advocating or teaching the overthrow or destruction of the Government is made a crime without regard to the immediate probable effect of such action.

After full consideration of the aforesaid bills, the Committee on Federal Legislation unanimously adopted the following motion on April 8, 1958:

Moved that a recommendation be made to the board of managers of this association that bills H. R. 10775, H. R. 9207 and S. 2646 be disapproved.

The committee adopted the aforesaid motion in the case of all the bills for the following reasons:

1. The independence of the Supreme Court is jeopardized if its jurisdiction can be curtailed because of the unpopularity of its decisions with certain Members of Congress.

2. The independence of courts is vital in order to preserve the constitutional and democratic form of Government under which we live.

3. Persons involved in litigation of the types that these bills cover are just as much entitled to review by the Supreme Court as other litigants, and to legislate specially as these bills do is discriminatory.

4. Curbing the Supreme Court's appellate jurisdiction in certain fields is contagious and will spread to other fields whenever decisions in those fields become politically unpopular.

5. The Bill of Rights of the Constitution is impaired by these bills which withdraw the protection of the Supreme Court in selected legislative areas since that Court is the ultimate guardian of constitutional liberties of individuals against arbitrary governmental action.

6. There is need for a common reviewing authority in order to resolve conflicting interpretations of law; otherwise, the constitutional rights of an American in one Federal circuit may well be different from the rights of another American in another Federal circuit.

7. A fundamental and essentially conservative influence in our Government could be placed at the mercy of unwise and rash political action.

The committee found H. R. 10775 additionally objectionable because some of its provisions have nothing to do with the Supreme Court's jurisdiction, and, as in the case of the Butler amendment, nothing to do with each other. If such matters are to be handled at all, they should be handled in separate bills.

In conclusion, the committee urges strongly upon the board of managers that these bills be defeated on account of their kill the umpire philosophy because their authors do not agree with certain decisions of the Supreme Court.

WILLIAM W. FULLAGAR,
Chairman, Committee on Federal Legislation.

REPORT OF NEW YORK COUNTY LAWYERS ASSOCIATION OPPOSING PROPOSED BUTLER AMENDMENTS TO THE JENNER BILL (S. 2646)

The New York County Lawyers Association opposes the proposed Butler amendments to the Jenner bill (S. 2646). Our general basis of opposition is as follows:

1. The association opposed the original Jenner bill. The proposed Butler amendments retain the objectionable feature of withdrawing one important area of litigation from ultimate review in the Supreme Court because of disagreement with some decisions in the area. We regard this method of dealing with such matters as extremely undesirable and a direct attack on the independence of the judiciary. The organized bar has for many years favored a constitutional amendment which would preclude such tampering with the Supreme Court's appellate jurisdiction. The fact that the revised measure would withdraw only 1 area from ultimate review in the highest court, whereas the original Jenner bill withdraws 5, is only a difference in degree; the principle is equally objectionable. The organized bar opposes this attack on the appellate jurisdiction of the Supreme Court even though many members of the bar agree with the dissenting opinions in recent cases involving admission to the bar. The way to cure alleged error is, we believe, by further presentation to the highest Court or by the direct method of constitutional amendment.

2. The attempt to legislate, broadly and without adequate consideration of extremely delicate and difficult particular problems, in order to change in the future the results of some decisions with which the authors of the legislation disagree, is objectionable because the legislation is not and cannot be sufficiently discriminating. The decisions involve very important questions of individual rights and governmental power, including the proper balance between the Nation and the States. Grave constitutional questions are presented. If any change is desirable or necessary, it should be very carefully worked out and should not be a mere incidental part of general legislation aimed in an omnibus way at a large number of decisions. Proposals relating to widely different subjects should not be included in one measure, but should each be considered separately.

We shall not attempt at this time to comment upon the particular decisions of the Supreme Court or the method of dealing with them, if they need to be dealt with at all, which are proposed in the Butler amendments. However, an example of need for more careful appraisal is presented by the method by which the Butler amendments attempt to deal with the result of the Watkins decision. In effect, the Butler proposal would withdraw from judicial review any question of the pertinency of any inquiry in the course of a Congressional investigation. It would leave all such questions to the unfettered discretion of those conducting the investigation. It is only natural that legislative committees will tend to resolve such questions in favor of the pertinency of the questions to their investigations. The need for independent judicial review in such circumstances is evident. If there is need for legislation in connection with such investigations, Congress might well address itself to consideration of the adoption of a code of fair procedure in Congressional investigations, long recommended by the organized bar, rather than relieving such inquiries from any independent scrutiny. Congress might also give thought to such measures as the Keating bill (H. R. 359) favored by the American Bar Association, which would permit prompt resort to the courts for rulings upon questions of pertinency.

INDIANA UNIVERSITY SCHOOL OF LAW,
Bloomington, Ind., April 8, 1958.

The Honorable THOMAS C. HENNINGS, Jr.,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: Thank you for your letter of April 3, 1958, and the material on the amendments proposed by Senator BUTLER.

I am in complete agreement with your opposition to the omnibus approach of the proposals. They are wide-ranging, complex, and demand thorough study individually, since they do not cohere in a consistent single policy, but manifest several distinct policies.

The proposal to amend title 28 with respect to State regulation of admission to the bar is the subject of one part of my memorandum of March 24, 1958. Limiting the appellate jurisdiction of the United States Supreme Court in this way would almost certainly mean in the vast majority of cases not merely the exercise by Congress of its constitutional power to make exceptions to the appellate jurisdiction of the Court, but a violation of the constitutional injunction to vest all of the judicial power of the United States in the Federal courts, as explained in *Martin* v. *Hunter's Lessee* (1 Wheat. 304). Even if it were constitutional, it would be unwise to the point of creating chaos, thus to erect 48 supreme courts administering Federal issues in this class of cases as the supreme law of the land. What kind of supremacy could obtain in a situation where even 1 State supreme court could finally determine an issue of Federal law in conflict with the determinations of that issue by one or more of the other 47?

The proposal to make refusal to answer impertinent questions propounded to witnesses before Congress a crime by process of waiver through failure to make timely objection and through failure to appeal requires careful study. The due process clause of the fifth amendment would seem to require that if the gist of the offense is waiver combined with refusal to answer, there must be adequate procedure by which waiver is in substance and fact the deliberate relinquishment of a known right, with a fair opportunity to avoid waiver as by a fiction. If this is so, the proposal is deficient in that it lacks specification of right to object and right to appeal. That is, the remedies internal to the Congress are not spelled out. The Congress, on the other hand, should be careful in binding its own hands procedurally in judicializing its committee procedures. Legislative investigations abort their own purposes when they are converted into trials. Against these costs in terms of formalizing legislative investigations should be weighed the ultimate utility of imposing criminal punishment for refusal to answer a question to which the power of Congress to compel an answer is ultimately judged lacking.

The proposal to expand the categories of so-called sensitive positions seems to me to call for extensive hearings. The executive branch has more of a stake in this kind of determination than the Congress, and it should be heard in the process of weighing civil-service tenure policy against antisubversion policy. (I do not mean to suggest that the Congress is not the ultimate repository of power to make this kind of decision, but only that Congress ought to consider the advice of executive officers in making plans for civil-service tenure. For example, Congress in acting on such advice might wish to specify standards by which heads of departments or the President himself classifies positions as sensitive, thereby modifying the doctrine of the Cole case in the direction of making the classification more of an executive-legislative judgment than a function of the courts.)

I can add little to your discussion of the problem of Federal occupation of the field, except to point out that the issue as drawn by the proposal of Senator BUTLER is highly multifarious. It is one kind of problem in safety regulation, another in certificate of convenience and necessity licensing, another in door-to-door canvassing regulations, another in prescribing limits of weight, size, and loading of highway vehicles, another in plant disease inspection, another in harbor regulations of marine equipment and use, etc. Congress should consider sedition against the States in its own setting, in order to get at the problem of cooperation between Federal and State law enforcement officers and the issue of double punishment for the same conduct, if the Nelson decision is to be legislatively modified (for future cases, of course). There are several alternatives that could be explored here, among which might be removal of the State case to the Federal courts, with or without vesting discretion in the Department of Justice to dismiss the prosecution (to protect its investigative apparatus, for example). This is another area in which hearings should be employed to get advice from the administration and the benefit of the experience of the Federal Bureau of Investigation and State and other Federal law enforcement agencies concerned with sedition, espionage, and sabotage.

There should also be hearings on the proposals contained in section 5 of the amendments. Offhand, it appears that the distinction between advocacy as teaching abstract doctrine and advocacy as incitement to action is, however subtle and difficult to grasp, one that inheres in the dictionary meaning of advocacy and in the constitutional limitations upon Congressional power imposed by the first amendment. Even if the finding in paragraph (a) is a proper discharge of legislative function, the simplistic abolition of the distinction does not abolish the constitutional problem. Premumably the first clause of paragraph (b) is intended to carry out the object stated in paragraph (a), but it is hardly a fortunate piece of draftsmanship. Does it mean that the law is more concerned with remote than with proximate consequences in determining the criminality of conduct or of intent? If so, we are proceeding on a principle that would make attempts more serious crimes than completed offenses. I am certain, therefore, that this is not the meaning of the qualification, but I am at a loss to suggest alternative meanings. If this clause is as vague as it seems to me to be, the object of paragraph (a) is defeated by it. I can add nothing to your discussion of paragraph (c), except to point out that it should be qualified in the same manner as paragraph (b) is qualified, however, that may be, if it is not to create an inconsistency in the statute. A provision along the lines of paragraph (d), with regard to organizational activity should be drawn in the light of the more general prohibitions of advocacy and abetting, and the more general prohibition of the conspiracy statute. After the holding in the Yates case, there is justification for legislative consideration of the relationship between conspiracy and organizational activities subsequent to initial organization. This consideration should, in my judgment, be disentangled from the other proposals of Senator BUTLER and should be deliberate, including public hearings.

Very truly yours,
IVAN C. RUTLEDGE,
Professor of Law.

NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE,
New York, N. Y., March 27, 1958.

Hon. THOMAS C. HENNINGS, Jr.,
Senate Judiciary Committee,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HENNINGS: On March 4, 1958, the NAACP presented testimony against S. 2646, a bill which would seriously restrict the power of the United States Supreme Court. At the time of our appearance, we also registered opposition to a proposal offered by Senator JOHN MARSHALL BUTLER of Maryland, which would expose lawyers who handle civil rights cases in the South to certain disbarment without a chance to appeal to the United States Supreme Court.

The sweeping provisions of S. 2646 make it a threat to orderly judicial procedure. We urge that you vote against it. We also urge that Senator BUTLER's proposal, which he offers as an amendment to S. 2646, be set aside until it can be considered on its own merits during hearings set for that purpose.

Sincerely yours,
CLARENCE MITCHELL,
Director, Washington Bureau.

LAW SCHOOL OF HARVARD UNIVERSITY,
Cambridge, Mass., April 14, 1958.

Hon. THOMAS C. HENNINGS, Jr.,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HENNINGS: Thank you very much for your letter of April 9, and for your kindness in sending me a copy of your memorandum with respect to the so-called Butler amendments.

Your memorandum is excellent, and persuasive. I hope very much that the committee will not approve these amendments.

I noted in the papers the other day that you are making an inquiry with respect to the printing of the "Appendix IV to Part 2" to the hearings on the Jenner bill. This is the document which is called a Study by SPX Research Associates.

I was really rather shocked to find that this was printed under Government auspices. The fact that it came out as a separate item, not part of the regularly published hearings, aroused my curiosity. I hope that you will find out some more facts about this.

With best wishes,
Very truly yours,
ERWIN N. GRISWOLD, *Dean.*

YALE UNIVERSITY LAW SCHOOL,
New Haven, Conn., April 8, 1958.

Hon. THOMAS C. HENNINGS, Jr.,
United States Senate,
Washington, D. C.

DEAR SENATOR HENNINGS: I am sorry that my telegram from Miami was so sketchy. I was late, and I was anxious to do what I could to help you in this extremely important fight you are leading to protect the very possibility of civil rights in this country. The groups which have mobilized to attack the jurisdiction of the Supreme Court are sinister and determined. I am sure that when the sensible, ordinary opinion of the country has been alerted, they will be defeated. I shall look over your impressive legal memorandum during the next few days to see whether I can add anything to it.

Meanwhile, let me thank you once again as a citizen and as a lawyer, for your most important leadership in this fight.

With great appreciation,
Yours sincerely,
EUGENE V. ROSTOW.

MIAMI BEACH, FLA., *April 3, 1958.*

Hon. THOMAS C. HENNINGS, Jr.,
Senate Office Building,
Washington, D. C.:

Just received your letter of March 27. I find Senator BUTLER's amendments to S. 2646 as objectionable as the original bill. Its passage would be a tragic blow to liberty under law. If the basic requirements of due process are important to any citizen as protection against the risk of arbitrary action by the State, they should be available to lawyers, to guarantee them against disbarment or refusals of admission on arbitrary capricious or unreasonable grounds. My views on the problems of the Cole case appear in Harpers magazine for July 1957. I

disagree with Senator BUTLER's proposal to change the rule in the Watkins case, which stands as a desirable reminder of the necessity for responsible exercise of the broad powers of Congressional committees. As for Yates and likes cases, the reasons for my disagreement with Senator BUTLER's proposals are developed at length in my article in Harvard Law Review for 1952. I see no need to revise the Nelson case. Such a step would promote a multipliat of prosecutions and penalties in field to no good end.

EUGENE V. ROSTOW,
Dean, Yale Law School.

INDIANA UNIVERSITY
SCHOOL OF LAW,
Bloomington, Ind., April 1, 1958.

Hon. THOMAS C. HENNINGS,
United States Senate,
Washington, D. C.

DEAR SENATOR HENNINGS: I regret that I did not receive your letter of March 27 until yesterday evening. It seems to me that the proposals of Senator BUTLER are equally objectionable to those of S. 2646 and would achieve the same results by different methods.

In the first place, while I am sure all would join in wanting to do what was necessary to protect the traditions of this country from any totalitarianism, I believe that we should be most careful not to destroy the liberties we have enjoyed in doing it. Further, it seems to me that the matter of sedition is a matter for the Federal Government. Certainly, too, I cannot believe that the Congress would not wish to have proper limitations placed upon its investigatory powers.

I realize fully here that we are not necessarily dealing with constitutional questions but rather with the wise exercise of Congressional power in which there may be a wide field of disagreement. However, I believe that if careful study is made to the Butler proposals it could be shown that they might very well introduce as undesirable results as those which they would cure.

I would, therefore, oppose the Butler proposals for essentially the same reasons as I opposed S. 2646.

Sincerely yours,

LEON H. WALLACE, *Dean.*

ARKANSAS BAR ASSOCIATION,
OFFICE OF THE PRESIDENT,
April 15, 1958.

Hon. THOMAS C. HENNINGS, Jr.,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HENNINGS: Thank you for your letter of April 10 and enclosures with respect to the Butler amendment to S. 2646. You are correct in your impression that it will be impossible for our association or the executive committee thereof to take any action on the material before the next meeting of the Judiciary Committee on April 21.

While I am in sharp disagreement with a number of decisions of the Supreme Court of the United States and conscientiously share the views expressed by Judge Learned Hand and Mr. Alfred J. Schweppe in recent bar journals, I do not believe that the problem could be or should be solved by Congressional limitations on appellate jurisdiction of the Supreme Court. While I lament, for the good of the United States and my own State of Arkansas, the unjustified overboard decisions of the Supreme Court of the United States in the recent past, I am unable to go along with the thought that the highest Court in the land should have its jurisdiction eroded away by legislation every time a bad decision is rendered.

You understand, of course, that the views expressed in this letter are personal, and I am not purporting to speak for the association of which I am president, even though I may be secure that the overwhelming majority of our members share my views.

Incidentally, John G. Scott, of New York, and Fred Schlafly, of Alton, and Bob Schlafly, of St. Louis, are very good friends of mine.

With personal good wishes, I am

Sincerely,

EDWARD L. WRIGHT, *President.*

STATE BAR ASSOCIATION OF CONNECTICUT,
Hartford, Conn., April 15, 1958.

Hon. THOMAS C. HENNINGS, Jr.,
Committee on the Judiciary,
United States Senate,
Washington, D. C.

DEAR SENATOR HENNINGS: I received your recent letter with your comments in respect to the Jenner bill and the Butler amendments last Saturday, and as it happened, the semiannual meeting of the board of delegates of the State Bar Association of Connecticut was held yesterday, Monday, April 14. At this meeting I was able to read your letter.

The board of delegates, which is the official decision-making body of our State Bar Association, by unanimous resolution placed itself on record as opposing any and all efforts to limit the jurisdiction of the Supreme Court of the United States directly or indirectly because of disapproval of the decisions of that Court in a particular field or fields. The association also, through its board of delegates, directed that its action be communicated to the Senate Committee on the Judiciary, and I shall appreciate it if you will be kind enough to carry out this request.

Sincerely yours,

JAMES W. COOPER.

P. S.—Speaking personally, and as a Republican, I feel that this position of the bar association is completely nonpartisan, and for my own part, I find the proposed legislation to be the same type of legislation as the court-packing bill in the thirties. I'm happy to be able to be consistent in disapproval in all such similar instances for the same reasons.

J. W. C.

AMERICAN BAR ASSOCIATION,
March 31, 1958.

The Honorable THOMAS C. HENNINGS, Jr.,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HENNINGS: I have your letter of March 27 with reference to the Butler amendment to the Jenner bill. In my view, the opposition of the American Bar Association to Senator JENNER's bill, S. 2446, applies in principle to the proposed amendment of Senator BUTLER. What the American Bar Association really voted in favor of was an expression of opposition to any tampering with the jurisdiction of the Supreme Court of the United States.

Very truly yours,

CHARLES S. RHYNE.

THE ASSOCIATION OF THE BAR
OF THE CITY OF NEW YORK,
New York, April 16, 1958.

The Honorable THOMAS C. HENNINGS, Jr.,
Senate Office Building,
Washington, D. C.

My Dear Sir: I am enclosing a copy of a letter written to Senator HENNINGS by Mr. Richard W. Hogue, Jr., in regard to S. 337 and a copy of a telegram to Senator HENNINGS expressing the opposition of this association to the Butler amendments.

Sincerely yours,

PAUL B. DEWITT.

HUGHES, HUBBARD, BLAIR & REED,
New York City, April 10, 1958.

Hon. THOMAS C. HENNINGS,
Committee on the Judiciary,
United States Senate,
Senate Office Building,
Washington, D. C.:

The committee on Federal legislation of the Association of the Bar of the City of New York last night approved its chairman's letter of April 3 to you, but wishes to express its opposition to Senator BUTLER's proposals to Senator JENNER's bill in much stronger terms than contained in that letter. This necessarily includes opposition to S. 337. Neither Jenner bill nor amendments proposed by BUTLER should be reported out by Judiciary Committee. Certainly not without further extensive hearings on each aspect of bill and proposed amendments. Our committee of opinion that lawyers peculiarly qualified to express opinion on this type of legislation. If further hearings and Judiciary Committee so desires undersigned or secretary our committee or both happy to testify. Copies of this telegram and letter of April 3 being sent to all members Judiciary Committee.

RICHARD W. HOGUE,
Chairman, Committee on Federal Legislation.

COMMITTEE ON FEDERAL LEGISLATION,
ASSOCIATION OF THE BAR OF THE
CITY OF NEW YORK,
New York, April 3, 1958.

The Honorable THOMAS C. HENNINGS, Jr.
Committee on the Judiciary, United States Senate, Senate Office Building, Washington, D. C.

DEAR SENATOR HENNINGS: Your letter of March 27 with which you enclose a copy of the mimeographed memorandum of Senator BUTLER containing proposed amendments to S. 2646 did not reach me until day before yesterday. Because of the press of other matters I have been unable to answer until now. If the newspaper reports concerning Attorney General Rogers' testimony before the committee are accurate I am in complete accord with his view that the proposed amendments of S. 2646 are of such a nature that the committee should make haste slowly in order that the implications of the respective proposals can be seriously studied in the light of the relevant Supreme Court decisions and the background of those decisions. The proposals would, in effect, overrule several of those decisions. Such a proposal to overrule a decision of the judiciary, a coordinate branch of the Federal Government, is a matter which requires grave consideration.

Illustrative of the type of consideration called for is that embodied in the reports of the committee on Federal legislation of the Association of the Bar of the City of New York on the bills to authorize the enforcement of State statutes prescribing criminal penalties for subversive activities, copies of which have been sent to the Judiciary Committees of the Senate and of the House of Representatives, as well as to the individual members of those committees. Enclosed is an additional copy of those reports. The majority report, opposing such legislation, was overwhelmingly approved at a stated meeting of the members of the association on March 11, 1958.

The enclosed report is addressed to the specific area involved in *Pennsylvania* v. *Nelson* (350 U. S. 497 (1956)) and thus is not addressed to item (3) of Senator BUTLER's proposal. Senator BUTLER's proposal is similar to an earlier bill which was introduced in the last session of the 84th Congress and which was opposed by labor representatives, the railroads and the Attorney General, substantially upon the grounds that such legislation would result in con-

fusion in the fields of labor and railroad law and that the effects in other areas of the law could not be determined without study of each area of its application. Such studies of necessity would be exhaustive and time consuming. The Attorney General's recommendation was that each area be studied specifically in order to determine whether legislation was needed or advisable. He preferred specific legislation by separate bills rather than a shotgun approach. The former type of approach, in my judgment, is necessary in order that the committee and Congress be able to reach an intelligent, informed, and reasoned conclusion on the innumerable problems which would otherwise attend the enactment of a proposal such as that involved in item (3) in the memorandum of Senator BUTLER. For the foregoing reasons I believe that the enactment of item (3) would be unwise.

Time forbids my giving a serious study (such as was given in the enclosed report in the area of the Nelson case) to the areas involved in *Watkins* v. *United States* (354 U. S. 178 (1957)); *Cole* v. *Young* (351 U. S. 536 (1956)); and *Yates* v. *United States* (754 U. S. 298 (1957)). I am quite sure, however, that there are many lawyers who would defend these decisions as proper and many more lawyers who, whether or not they agreed with the decisions, would oppose Congressional action overruling them.

Even without serious study I would like to comment briefly upon the remainder of Senator BUTLER's proposals. Item (1) of the proposals deals with the decision in the Watkins case, in which the Supreme Court affirmed the unanimous reversal by the District of Columbia Court of Appeals of a conviction for contempt of Congress arising out of a refusal of a witness to testify before a Congressional investigating committee. Six Justices concurred in this decision, 1 Justice dissented, and 2 did not participate. Ten of the eleven Federal judges who participated in the case from the trial through the appellate stage agreed with the conclusion of the Supreme Court. The effect of the decision is merely to require a more specific procedure in the conduct of Congressional investigations where the constitutional rights of witnesses are concerned. The majority opinion points out (at p. 205) that:

"It is, of course, not the function of this Court to prescribe rigid rules for the Congress to follow in drafting resolutions establishing investigating committees. That is a matter peculiarly within the realm of the legislature, and its decisions will be accepted by the courts up to the point where their own duty to enforce the constitutionally protected rights of individuals is affected."

and again (at p. 215) that:

"We are mindful of the complexities of modern government and the ample scope that must be left to the Congress as the sole constitutional depository of legislative power. Equally mindful are we of the indispensable function, in the exercise of that power, of Congressional investigation. The conclusions we have reached in this case will not prevent the Congress, through its committees, from obtaining any information it needs for the proper fulfillment of its role in our scheme of government. The legislature is free to determine the kinds of data that should be collected."

In the light of these statements of the Supreme Court it would seem that the Congress should be equally mindful of the scope which should be afforded the Supreme Court in the protection of constitutional rights. Item (1) of the proposals under consideration appears to be aimed at making the Congress the final arbiter of the constitutional rights of witnesses at Congressional hearings. This function, in my judgment, is a judicial function which should be left in the hands of the judiciary. Traditionally, the judiciary branch of the Government has always been regarded as the appropriate branch to protect individual constitutional rights. In this connection I should point out that this item of the proposals is not restricted to testimony with respect to affiliation with any subversive organization. It might deprive any citizen of his constitutional right to free speech or to plead the Fifth Amendment, at the discretion of the Congress rather than the courts.

Item (2) of the proposals relates to the area of the Cole case, in which the Supreme Court held illegal the discharge from Federal employ of a food and drug inspector. The discharge had been based upon the finding that his continued employment was not "clearly consistent with the interest of national security." In reaching this result, the Court concluded that the statutory term "national security" was used in a limited sense, relating only to "those activities which are directly concerned with the Nation's safety, as distinguished from the general welfare," and held that no determination had been made that the position in question was connected with the "national security" as so interpreted. Only 3 of the 9 Supreme Court Justices dissented from that decision. Seven of the judges who participated in the case from the trial through the appellate stage agreed with the result reached by the Supreme Court. Six voted otherwise.

This item of the proposals falls within the legislative rather than the judiciary function. The legislative issue is whether or not the summary provisions for discharge embodied in the existing statute (which is specifically applicable to the Departments of State, Commerce, Justice, Defense, Army, Navy, Air Force, Coast Guard, the Atomic Energy Commission, the National Security Resources Board and the National Advisory Committee for Aeronautics) should be extended to cover all departments and agencies of the Government. In reaching a conclusion on this issue it is essential to balance the inadvisability of applying a summary method of dismissal to employees of the Federal Government in positions which might afford no real opportunity for injury to the security of the country. My conviction is as firm as that of any citizen of our country that there is no place in Federal employ for any person who is disloyal to our Nation. As Calvin Coolidge laconically put it, in substance: "We are all agin sin"—but "sin" has varying degrees of moral reprehensibilities and evil consequence. It is normally punished or sought to be prevented by measures adapted to the seriousness of the crime and of its consequences. Moreover, summary punishment or summary dismissal implies urgent necessity justifying a shortcut in normal procedures. It is more apt to result in injustices to specific individuals who are necessarily suspect because of the very nature of the charge against them and who frequently have the very onerous burden of proving an innocent mind.

Considerations such as the foregoing must enter into any decision on this particular item of the proposals. I do not feel that my profession as an attorney would lend any greater weight to my personal views than other personal views of any other citizen as to the desirability of enacting this item were I to devote more study to the matter than time permits. I have the utmost confidence that your committee will strike the appropriate balance in considering this item of the proposals.

Item (4) of the proposals under consideration deals with the area of the Yates case, in which the Court (1) held that the Smith Act did not prohibit "advocacy and teaching of forcible overthrow as an abstract principle, divorced from any effort to instigate action to that end, * * *" (354 U. S. at p. 318); and (2) construed the term organized in the Smith Act as limited to acts entering into the creation of a new organization and not including acts theretofore performed in carrying on organizational activities (354 U. S. at p. 310). As a result of this construction the statute of limitations was held to apply to the charges involved under this phase of the statute.

On the first aspect of item (4), that relating to the amendment of 18 U. S. C. 2385 so as to punish advocacy of the overthrow of the Government without regard to the existence of an immediate probable effect of such act, I shall content myself with calling to your attention and to the attention of the committee the classical language of Justice Holmes in his dissent (concurred in by Justice Brandeis) in *Abrams* v. *United States* (250 U. S. 616, at p. 630 (1919)):

"Persecution for the expression of opinions seems to me perfectly logical. If you have no doubt of your premises or your power and want a certain result with all your heart you naturally express your wishes in law and sweep away all opposition. To allow opposition by speech seems to indicate that you think the speech impotent, as when a man says that he has squared the circle, or that you do not care whole-heartedly for the result, or that you doubt either your power or your premises. But when men have realized that time has upset many fighting faiths, they may come to believe even more than they believe the very foundations of their own conduct that the ultimate good desired is better reached by free trade in ideas—that the best test of truth is the power of the thought to get itself accepted in the competition of the market, and that truth is the only ground upon which their wishes safely can be carried out. That at any rate is the theory of our Constitution. It is an experiment, as all life is an experiment. Every year if not every day we have to wager our salvation upon some prophecy based upon imperfect knowledge. While that experiment is part of our system I think that we should be eternally vigilant against attempts to check the expression of opinions that we loathe and believe to be fraught with death, unless they so imminently threaten immediate interference with the lawful and pressing purposes of the law that an immediate check is required to save the country. * * *"

Finally, the proposals of Senator BUTLER would leave unimpaired the provisions of S. 2646 which relate to admission of persons to the practice of law in State courts. The attempt here is to overrule the decisions of the Supreme Court in *Schware* v. *Board of Bar Examiners* (353 U. S. 232 (1957)) and *Konigsberg* v. *State Bar of California* (353 U. S. 252 (1957)).

The reasons advanced in opposition to S. 2646 in my letter to you of February 19, 1958, written on behalf of the Committee on Federal Legislation of the Association of the Bar of the City of New York, are still applicable to this portion of the bill. For the reasons therein stated that committee is opposed in principle to legislation of this type.

Except for this last expression of views of the committee on Federal legislation I must characterize the statements and opinions expressed in this letter as personal with me. There is insufficient opportunity to secure my committee's views until our next meeting, which will take place on April 9. At that meeting I shall submit a copy of this letter for the consideration of the committee and will advise you of any action or expression of views on its part.

Very truly yours,

RICHARD W. HOGUE, *Chairman.*

UNIVERSITY OF PENNSYLVANIA,
Philadelphia, April 17, 1958.

Hon. THOMAS C. HENNINGS, Jr.,
United States Senate,
Washington, D. C.

DEAR SENATOR HENNINGS: I am grateful to you for your letter of March 31 and enclosures.

I heard today that the Committee on the Judiciary is scheduled to consider the Jenner bill and Senator BUTLER's proposed amendments to it next Monday. I hope most earnestly that the committee will reject the measure in its entirety, and I take this occasion to offer a few observations about the proposals of Senator BUTLER. As you know, I have already testified in opposition to the original Jenner bill.

At the outset, I must say that I find it well nigh unbelievable that a Senate committee consisting entirely of members of the legal profession could find enough merit in proposals such as these to dignify them, as has been done. The committee would do much better to devote its attention to means of making the rule of law in this country operate evenhandedly without regard to race, creed, or color than to attack the highest court in the land because of disagreement with some of its decisions. It is alien to the genius of American political thought and subversive of the American constitutional system to attack the institution and processes of one or another of the three coordinate branches of the National Government because you disagree with some of its decisions.

The proposals of Senator BUTLER would retain only one of the Jenner bill's projected limitations on the appellate jurisdiction of the Supreme Court, namely, that having to do with admission to the practice of law. That proposed limitation remains objectionable, as it has been from the outset. It is perfectly obvious that the Supreme Court has not taken over control of admission to the legal profession. What it has determined in two cases is related simply to whether or not the individuals involved had been denied the benefit of the protection of the 14th amendment. Certainly, admission to the legal profession must be administered consistently with the 14th amendment's equal protection of the law and due process of law clauses, just as must State and local governmental activity generally. A State rule which would deny access to the legal profession on the grounds of religion or race would be plainly unconstitutional and no act of Congress could change this. If there is any area in which the lawyers should be sharply sensitive to the ideas embodied in due process, it should be that of qualification for the practice of law.

The other proposals of Senator BUTLER have to do with disparate matters of substantive policy. They, thus, should not be thrown together in one bill, but should be considered separately. This is elementary from the standpoint of sound legislative practice.

As to the merits, I consider all four of the substantive proposals objectionable.

The proposal to meet the decision in the Watkins case is, as I understand it, designed to make a committee determination of the pertinency of a question put to a witness final for purposes of the contempt of Congress' criminal statute. Since a man's liberty may depend upon the question of pertinency, judicial review should not, in my opinion, be excluded. It is true that each house has contempt power in its own right, but the power is normally exercised only as civil contempt with a view to getting the information desired. The statute is punitive and, unlike civil contempt action by a legislative house, permits imprisonment extending beyond the life of a legislative session. The Butler proposal would predetermine for the courts a vital element of the crime.

The proposed language designed to meet the decision in the Cole case is intended to make the power to terminate employment in the National Government in the interest of the national security applicable across the board to nonsensitive, as well as to sensitive, positions. I recognize that there is a considerable body of opinion to support this line of thought, but I think that it is wiser policy to confine the power involved to sensitive positions for two reasons. It does not serve well the security objective to have a blanket scheme which reaches far beyond the real problem area. In our system we should show the greatest possible restraint in applying sanctions to people because of their political ideas and associations. It seems to me that the line between sensitive and nonsensitive positions is a good one for present purposes.

The proposal to meet the decision in the Nelson case is much broader than the subject of sedition; it relates to the subject of Federal supersession generally. So far as the subject of sedition alone is concerned, I contend that there ought to be Federal supersession at least insofar as sedition against the Government of the United States is concerned. I see no indication that the several States are in a satisfactory position to deal with this subject in relation to the protection of the National Government; this is a national problem which overlaps all the States.

The proposal as to the Nelson case, moreover, is simply an interpretive measure. Subsequent Congressional legislation would still have to be interpreted in relation to its own language and the facts in particular cases, and supersession would still be possible. Incidentally, the reference in the proposed language to invalidation of a provision of a State law is not a happy one; supersession is one thing and invalidation is another.

It is not clear, moreover, that the proposed language would serve the purpose, so far as the Nelson case is concerned, since it is interpretive in character and would not clearly cover the interpretation of preexisting legislation not enacted with reference to it.

The proposed language with respect to the Yates case simply ignores a serious constitutional question. The Supreme Court in that case, with a strong basis in previous decisions, pointed out that to hold the Smith Act applicable to the espousal of the idea of overthrow of the Government by force as abstract doctrine would present a serious constitutional question as to freedom of speech. As to the first amendment, it is clear that freedom of thought is absolute. It can be said, moreover, that freedom of speech, not tied to the influencing of action, is certainly very broad. Thus, I think that there is grave doubt that the instant proposal is within constitutional bounds.

What the Jenner bill and the proposed changes deserve is prompt consignment to limbo.

Sincerely,

JEFFERSON B. FORDHAM.

CINCINNATI BAR ASSOCIATION,
Cincinnati, Ohio, April 15, 1958.

Hon. THOMAS C. HENNINGS, Jr.,
United States Senate, Washington, D. C.

DEAR SENATOR HENNINGS: I have your letter of April 10, 1958, and the enclosures on the proposed amendments being considered by the Senate Judiciary Committee when it meets again on April 21, 1958. I was unable to refer this matter to the Judiciary and Legal Reform Committee of the Cincinnati Bar Association, because of the shortness of time. However, I read over the enclosures and I am of the personal opinion that the adoption of the Butler amendments would be unfortunate.

Moreover, I am one of those who feel that even the Jenner amendment should be rejected. I believe that the attempt to take away the jurisdiction of the Supreme Court in matters involving Congressional hearings, is just another adaptation of the attitude to kill the umpire if you don't like the decisions. At the risk of being stodgy, I believe that our current system of checks and balances, as guaranteed by the Constitution, should not be disturbed. I see nothing in the recent decisions of the Supreme Court which requires a limitation on the jurisdiction of that Court. I, too, have found it difficult to agree with some of the recent decisions. However, that, in my judgment, does not serve as a basis for changing the procedure.

I appreciate your sending the material to me, and asking for an opinion. As indicated, this is my personal opinion, and does not reflect the thinking of any committee of the Cincinnati Bar Association.

Sincerely yours,

ROBERT F. DREIDAME.

THE IOWA STATE BAR ASSOCIATION,
Winterset, Iowa, April 16, 1958.

Hon. THOMAS C. HENNINGS, Jr.,
United States Senate,
Washington, D. C.

DEAR SENATOR HENNINGS: I have read your letter of April 10 with the enclosures. The time is too short to obtain an expression of opinion from the Iowa State Bar Association.

It is my own personal opinion that the appellate jurisdiction of the United States Supreme Court should not be limited. While I personally sometimes disagree with the opinions of the Supreme Court, I do feel that the independence of the Court should not be limited as proposed by the Jenner bill.

I likewise concur in your opinion as to the Butler amendments. The Butler amendments cover too many subjects, and it would seem that each of the subjects should be introduced as a separate bill to be considered on its own merits.

Yours very truly,

SHIRLEY A. WEBSTER.

MILBANK, TWEED, HOPE & HADLEY,
New York, April 16, 1958.

Hon. THOMAS C. HENNINGS, Jr.,
United States Senate,
Washington, D. C.

DEAR SENATOR HENNINGS: This is an answer to your letter of April 10 addressed to me as president of the American Law Institute. I must make it clear, however, that I am expressing only my individual views with respect to S. 2646 (called the Jenner bill) and the amendments submitted by Senator JOHN BUTLER.

It happens that I am familiar with the subject because in November 1950 I gave some lectures at Boston University, a copy of which I enclose herewith. Both as a member of the Association of the Bar of the City of New York and of the American Bar Association, I was in favor of the approval of the proposed constitutional amendment which subsequently was introduced by Senator BUTLER, Senate Joint Resolution 44. Both associations approved the proposed amendment.

I am against the Jenner bill and the Butler amendments, jointly and severally. I cannot express my opposition to the Jenner bill as clearly and forcefully as opposition has been expressed by Hon. John Lord O'Brien in his letter to Senator EASTLAND.

Yours very sincerely,

HARRISON TWEED.

P. S.—You may make this public if you wish.

THE FEDERAL BAR ASSOCIATION,
Philadelphia, Pa., April 15, 1958.

Hon. THOMAS C. HENNINGS, Jr.,
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HENNINGS: I have for acknowledgment your letter of April 10 and

enclosures concerning S. 2646, the so-called Jenner bill, together with Senator BUTLER's proposed amendments. You state that this bill would take from the Supreme Court its appellate jurisdiction in five types of cases and ask for an expression of views.

We have not had time enough to present the matter to the association or to get a committee report (which I expect will be forthcoming promptly). However, discussions have been had with each member of the committee. These include persons in public office, both State and Federal, as well as former Federal attorneys now in private practice. They are uniformly opposed to the bill and its amendments (which they consider merely a restatement or substitute). In addition, I have talked with various of our members and none are in favor of any part or portion. The language of some in opposition was quite strong.

The view was expressed that of the 5 sections, probably 3 were unconstitutional. One would apparently involve the amendment dealing with freedom of speech; another, the separation of functions theory; and a third (section (5) of the bill and 1258 of the amendments) dealing with the "admission of persons to the practice of law" would certainly seem discriminatory.

I have reviewed your very fine brief and have distributed copies to the members of the committee. Since this in part involves joint Federal-State jurisdiction and functions, I have requested additional copies from you for distribution to our interrelations committee with the Philadelphia Bar Association, of which former Congressman, Judge Earl Chudoff, is chairman.

I am avoiding a detailed discussion of the five sections and the proposed amendments at this time, since that is the function of our very representative committee, appointed for the purpose. And to express their views received verbally and without full opportunity for reflection and consideration, would seem premature.

For your immediate purposes, in principle, I have consulted with men learned in our history and our laws, and in their immediate reaction they consider the proposals inconsistent with our basic concepts.

Thanking you for this opportunity to be of service, and with assurances of esteem, I am,

Sincerely yours,

A. S. HARZENSTEIN, *President.*

MINNESOTA STATE BAR ASSOCIATION,
Minneapolis, Minn., April 14, 1958.

Hon. THOMAS C. HENNINGS, Jr.,
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I acknowledge receipt of your letter of April 10, addressed to me as president of the Minnesota State Bar Association, relating to Senate 2646, introduced by Senator JENNER, and the amendments proposed by Senator BUTLER.

Since the Senate Judiciary Committee will consider these matters on April 21 next, there is obviously not time for our association or any committee thereof to give consideration to these two bills.

However, as a member of the House of Delegates of the American Bar Association, I was present in Atlanta when the debate took place relative to the wording of the association's condemnation of the Jenner bill. I was in thorough accord with that action and voted to disapprove the Jenner proposal in the language of the ABA resolution. Therefore, without expressing the views of the Minnesota State Bar Association, but merely my personal views, I have no hesitancy in stating that I am opposed both to the Jenner bill and the proposed amendments by Senator BUTLER. I am in thorough accord with many of the comments made by you in your press release regarding limitations on the Supreme Court's jurisdiction. As you so well point out, the issue here is not whether one agrees or disagrees with any particular decision of the Supreme Court. The issue is whether we should start cutting down the Supreme Court's jurisdiction piecemeal. If we do, the operation will either be found to be futile because unconstitutional, or the functions of the Supreme Court will become so emasculated and limited that it will no longer be the Supreme Court of the land.

I have no objection to having these views made public provided it is made clear that they are my personal views, and not those of the Minnesota State Bar Association.

With best wishes.

Sincerely yours,

JAMES G. NYE, *President.*

ST. LOUIS, MO., *April 21, 1958.*

Hon. THOMAS C. HENNINGS,
United States Senate, Washington, D. C.:

The Missouri Bar Board of Governors heartily approves your opposition to S. 2646 and commends you for your position thereon you may make this telegram public if you wish.

HARRY GERSHENSON,
President the Missouri Bar.

NOTRE DAME, IND., *March 29, 1958.*

Senator THOMAS C. HENNINGS, Jr.,
Washington, D. C.:

I have had no opportunity to examine the proposed amendment by Senator BUTLER and his memorandum in support thereof. Accordingly, I am not in position to express a considered opinion on the merits of Senator BUTLER's proposal. It is perfectly obvious, however, that it raises questions of great importance and difficulty. With all respect, therefore, I submit most earnestly that no action on this new proposal should be taken by the committee until after hearings have been held and a full opportunity has been extended to all sides to express their views.

JOSEPH O'MEARA,
Dean, Notre Dame Law School.

WASHINGTON, D. C., *March 28, 1958.*

Hon. THOMAS C. HENNINGS, Jr.,
Senate Office Building,
Washington, D. C.:

Senator BUTLER's proposed amendments to Jenner bill require most thoroughgoing examination. The AFL–CIO requests opportunity for time for further testimony on proposals constituting grave threats to labor.

ANDREW J. BIEMILLER,
Director, Department of Legislation, AFL-CIO.

WASHINGTON, D. C., *March 28, 1958.*

Hon. THOMAS C. HENNINGS, Jr.,
United States Senate,
Washington, D. C.:

Americans for Democratic Action urge you, as a member of the Judiciary Committee, to hold public hearings on the merits of the Butler proposals offered as amendments to the Jenner bill, S. 2646. These proposals have as their only common theme the reversal of Supreme Court decisions which we regard as legally and morally sound. The Butler amendments would have dangerous, far-reaching, and as yet unfathomed effects on basic rights of American citizens and should be exposed to searching scrutiny by the committee and by the public.

JOSEPH L. RAUH, Jr.,
Vice Chairman, ADA.

WASHINGTON STATE BAR ASSOCIATION,
Seattle, April 16, 1958.

Hon. THOMAS C. HENNINGS, Jr.,
United States Senator, United States Senate Office Building, Washington, D. C.

DEAR SENATOR HENNINGS: Replying to your letter of April 10 and your memorandum in regard to S. 2646, which is now up before the Senate Judiciary Committee for consideration, I have read with interest your thoughts in connection with the proposed bill. As you point out in your letter, there is not time to refer it to the Federal legislation committee of our State Bar Association.

As you point out in your memorandum, the house of delegates in the midyear meeting of the American Bar Association in Atlanta on February 24 and 25, pursuant to the recommendation of the board of governors of the American Bar Association, went on record opposing Senate bill 2646.

Individually, and I wish to stress the point that this matter has not been considered by our State committee, I would agree with the action of the house of delegates of the American Bar Association. The appropriate committee in the American Bar Association gave considerable study to this bill, and certainly their conclusions are entitled to considerable weight.

It seems to me that we should be extremely hesitant in passing any legislation that would limit the jurisdiction of the United States Supreme Court for the reason so well stated in your memorandum.

I have no objection to your making my individual views public, if you care to do so.

Yours truly,

FRED C. PALMER.

YAKIMA, WASH., *April 21, 1958.*

Hon. THOMAS C. HENNINGS, Jr.,
United States Senator, United States Senate Office Building, Washington, D. C.:

Board of Governors of Washington State Bar Association recommends passage of that part of S. 2646 removing jurisdiction of United States Supreme Court to review admission to State bar cases and State bar disciplinary matters. Our bar association makes no comment on balance of the bill.

FRED C. PALMER,
President, Washington State Bar Association.

CAMPBELL, CASTEEL & THOMAS,
Pittsburgh, Pa., April 18, 1958.

Hon. THOMAS C. HENNINGS, Jr.,
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HENNINGS: Mr. Ira R. Hill, to whom you addressed your letter of April 10, has handed it to me because I am incumbent president of the Allegheny County Bar Association. As you state in your letter, there is not sufficient time for our association or one of its committees to express an opinion on S. 2646 and the amendments thereto, but I am very pleased to have received your memorandum and comments on the bill.

Speaking personally and not on behalf of the Allegheny County Bar Association, I am opposed to S. 2646 and to the Butler amendments thereto.

I agree with the American Bar Association when it says that the bill is contrary to the maintenance of the balance of powers set up in the Constitution. I am particularly impressed with your statement that "As a matter of policy, I do not think we should start limiting the Supreme Court's jurisdiction. If we do, every time the Court hands down a decision which is unpopular with some of the vocal groups, there will be great pressure to cut off the Court's appellate jurisdiction in another field."

You may, if you so desire, make public my views, but only as an individual and not as an officer of the Allegheny County Bar Association. I shall pass along your letter and memorandum to our appropriate committee and I am sure it will be of great interest to them.

Very truly yours,

J. VINCENT BURKE, Jr.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 11470) to adjust the method of computing basic pay for officers and enlisted members of the uniformed services, to provide proficiency pay for enlisted members thereof, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KILDAY, Mr. RIVERS, Mr. HÉBERT, Mr. HARDY, Mr. GAVIN, Mr. PATTERSON, and Mr. BATES were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 71) to print the proceedings in connection with the acceptance of the statue of Maria L. Sanford, late of Minnesota.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ENTITLED "TRADE AGREEMENTS EXTENSION ACT OF 1958"

Mr. HAYDEN. Mr. President, the House passed House Concurrent Resolution 308, which provides for the printing, for the use of the Committee on Ways and Means of the House of Representatives, of 4,000 additional copies of the hearings entitled "Trade Agreements Extension Act of 1958."

As a courtesy which we owe to the House of Representatives, the Senate should act promptly on this concurrent resolution.

Therefore, Mr. President, I ask unanimous consent for the immediate consideration of the concurrent resolution.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). The resolution will be read.

The concurrent resolution (H. Con. Res. 308) was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on Ways and Means, House of Representatives, 4,000 additional copies of the hearings entitled "Trade Agreements Extension Act of 1958."

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona for the immediate consideration of the resolution?

There being no objection, the concurrent resolution was considered and agreed to.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, it is so ordered.

EFFECT OF DECLINE IN GOLD CERTIFICATES HELD BY FEDERAL RESERVE SYSTEM

Mr. ROBERTSON. Mr. President, the gold stock of the United States Treasury declined by $611 million between the end of 1957 and April 16, 1958, and has declined further since that date. Some observers have suggested that the foreign demand upon our gold might indicate a growing distrust abroad of the stability of the American dollar.

I asked the Chairman of the Federal Reserve Board for his comment on this matter, and I ask unanimous consent that Mr. Martin's reply be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

In your letter of April 21, 1958, you inquire about the decline in gold certificates held by the Federal Reserve System and ask for an explanation of the effects of that decline on the current credit situation.

The gold-certificate holdings of the Federal Reserve System rose in 1957 by $816 million from $21,269 million to $22,085 million, and declined between the end of 1957 and April 16, 1958, by $496 million to $21,589 million. These changes reflected approximately corresponding changes in the gold stock of the United States Treasury, which increased by $832 million in 1957 and declined by $611 million between the end of 1957 and April 16, 1958.

Apart from transactions in domestically mined gold, the volume of which is negligible, the changes in the United States gold stock invariably reflect gold purchases from, and gold sales to, foreign monetary authorities and the International Monetary Fund. When the rest of the Free World experiences a substantial deficit in its balance of payments with the United States, it tends to replenish its dollar holdings by selling gold to the United States Treasury. If the rest of the Free World has a substantial surplus in its balance of payments with the United States, it tends to convert a large part, and sometimes the total, of its dollar gains into gold by purchasing gold from the United States Treasury.

In 1957 many important countries of the Free World suffered a substantial deficit in their balance of payments, in part because of excess imports due to domestic inflationary pressures and in part because of capital flight due to rumors of an expanding devaluation of the pound sterling. By the end of the year, inflationary pressures had been brought under control in most major foreign countries and the financial community had recognized that the pound sterling was not going to be devalued. For these reasons the balance of payments of the rest of the Free World with the United States improved both on current account (since excess imports of many foreign countries were eliminated by the restoration of financial equilibrium) and on capital account (because the capital that fled foreign countries, and in particular the United Kingdom, started to return). As a result of these changes, the flow of funds between the rest of the Free World and the United States was reversed: the foreign countries that had lost reserves in 1957 started to regain them; and conversely, the United States Treasury, which had purchased gold from foreign countries and the International Monetary Fund in 1957, now sold a large part of this gold back to foreign monetary authorities. The changes in the United States gold stock were thus normal consequences of the changes in the balance of international payments of the rest of the Free World between 1957 and 1958.

Changes in the United States gold stock affect the gold certificate holdings of the Federal Reserve System, as follows: As the Treasury buys gold, it generally replenishes its dollar balances by issuing gold certificates to the Federal Reserve banks, which credit the Treasury's deposit account with a corresponding amount. When the Treasury sells gold, it generally uses the proceeds to redeem gold certificates held by Federal Reserve banks. The recent decline in certificate holdings was smaller than the decline in the United States Treasury gold stock, however, because the Treasury transferred $100 million from its free-gold balance to the gold-certificate account.

Gold movements also affect the reserve position of the member banks. A sale of gold to the United States Treasury generally increases the amount of bank deposits and bank reserves, since the seller of gold generally uses the proceeds of the gold sale in a way that transfers them to member banks; conversely, a purchase of gold from the United States Treasury generally reduces bank deposits and bank reserves, since the purchaser generally pays for the gold by drawing on his account with member banks. If the Federal Reserve System wishes to counteract these effects of gold sales and purchases, it has to take measures to reduce bank reserves (e. g., by open-market sales of Treasury bills) in the case of an increase in the United States gold stock; and to expand bank reserves (e. g., by open-market purchases of Treasury bills or by reducing member bank reserve requirements) in the case of a decline in the United States gold stock.

To this extent it is correct to state that the recent expansionary actions of the Federal Reserve System were in part necessary to offset the contracting effect of the decline in the United States gold stock. It would not be correct to state that the decline in the gold stock was in part offsetting the actions of the Federal Reserve System, since the decisions of the Federal Reserve System take account of the changes in the United States gold stock. If there had been no decline in the United States gold stock in 1958, the same degree of ease would have been achieved by somewhat less expansionary actions of the Federal Reserve System.

The problem of maintaining the statutory 25-percent reserve in gold certificates against Federal Reserve notes and deposits does not at present affect the credit situation since Federal Reserve holdings of gold certificates amounted to 46.5 percent of deposits and note liabilities on April 16, 1958, as compared to 46.3 percent on December 31, 1957. There is no danger that gold movements in the foreseeable future would bring the gold-certificate holdings of the Federal Reserve System down to the neighborhood of the statutory minimum.

I hope that this somewhat technical discussion answers your questions. Let me emphasize once more that international movements of gold are necessary in order to maintain the functions of the international gold standard; and that their effect on the reserve position of our banks can easily be offset, as far as necessary, by the policy tools available to the Federal Reserve System.

Sincerely yours,

WM. MCC. MARTIN, Jr.

Mr. ROBERTSON. It may be noticed that Chairman Martin says the loss of our gold reserves so far in 1958 was more than balanced by an increase of $832 million in 1957 and he attributes both movements to normal efforts of other nations to balance their dollar payments to the United States. Last

year foreign inflation and rumors that the pound might be devalued sent gold to this country. This year more stabilized financial conditions abroad have reversed that trend.

Mr. Martin also indicates confidence that the Federal Reserve Board can offset changes in our gold supply by policy tools which it has available and still make adjustments needed to stabilize our bank credit supply, and he says there is no danger that gold movements in the foreseeable future will bring gold certificate holdings of the Federal Reserve System down to the statutory minimum.

Nevertheless, Mr. President, I believe we should not overlook the fact that the current movement of gold is out of the United States; that the privilege of exchanging American dollars for gold, which is denied to American citizens, does reduce our bank reserves and the credit based on them, that if inflation abroad last year caused gold to be sent to this country, inflation here could cause it to be sent out again; and if carried to the extent which foreign holdings of American dollar exchange would make possible, this movement could have a serious impact on our economy.

A recent tabulation of pending spending plans, including one made by the Chairman of the Federal Reserve Board, indicates a possibility of a deficit at the end of the next fiscal year of $10 billion without a tax cut and a deficit of from $15 to $18 billion with a tax cut. A deficit of that magnitude is bound to be inflationary and at the same time be disturbing to foreign nations which acquire large sums of American dollars through our purchases abroad, the spending of American tourists, and donations made under our foreign-aid program.

With consumer buying running at the rate of $280 billion a year, each 1-percent price increase represents an invisible tax upon the American consumer of more than $2 billion.

It is highly important, therefore, for us to plan a recovery from the current recession in a manner that will prevent uncontrolled price inflation at home and which will prevent loss abroad of confidence in the American dollar which, in turn, would further complicate our economic problems.

THE FOREIGN-TRADE PROGRAM

Mr. GORE. Mr. President, the United States, by taking the lead in the creation of the United Nations, has demonstrated the dedication of our people to the concept of peaceful settlement of international disputes. By the Marshall plan, the Truman doctrine for Greece and Turkey, and NATO, we made known to friend and foe alike America's determination to preserve peace through cooperation and strength—economic and military.

The reciprocal-trade program is important both to the development of our economy here at home and to the strength and stability of free nations everywhere. It was conceived by my great fellow Tennessean, Cordell Hull, and initially implemented under the leadership of former President Franklin D. Roosevelt. This program has passed the test of time, serving our country well under the administration of 2 Democratic presidents and 1 Republican president. It has contributed to our own economic development and has promoted mutually advantageous trade among the nations of the Free World, thus contributing to collective strength and security.

Today this program stands in danger. It will expire altogether unless action is taken within 60 days to extend it. The issue is clear. The issue is whether our representative form of government can once again demonstrate that the overall national interest will prevail over the desires of local and sectional interests.

A great deal of misinformation has been disseminated about this program. Some would have us believe that it is a sort of giveaway deal under which we eliminate all of our tariffs unilaterally, for the benefit of other countries—a sort of sly method of transferring the jobs of American men and women to foreign countries. Nothing could be further from the truth. The real purpose of the program is to increase mutually advantageous trade among the nations of the world by reducing artificial trade barriers. Insofar as we ourselves are concerned, it has meant the promotion of increased trade, exports as well as imports.

We have come to depend on imports for such vital materials as asbestos, chromite, industrial diamonds, manganese, nickel, and tungsten. Altogether, we import about one-tenth of our raw material requirements. Such vast imports certainly create many jobs. Indeed, without some of them, our whole industrial structure would have to be changed. Imports certainly figure prominently and constructively in the overall balance of the economy. Imports, like exports, create many jobs.

More trade means more money in the pockets of American businessmen, farmers, and workers. Increased exports are translated into increased jobs. Last year we sold $19.5 billion worth of goods abroad. We have been exporting recently about 9 percent of our production of movable goods, 8 percent of our manufactured goods, 26 percent of construction and mining equipment, 19 percent of our trucks, 11 percent of our machine tools, 14 percent of our coal production, and from 20 to 40 percent of our cotton, rice, and tobacco. We cannot expect to main that level, much less increase it, unless we are willing to accept some of the articles our friends abroad have for sale. To me, the evidence is overwhelming that more trade will help our economy.

There is a tendency on the part of some to disregard the substantial volume of our export trade and to seek to focus attention on the approximately $13 billion in imports which were brought into this country last year. Of this volume of imports, however, only about $3 billion worth could reasonably be said to be competitive with domestic production. The remainder consists of raw materials vital to our industries and other items not grown or produced competitively in the United States.

Thus, to the extent that imports create a problem, the problem is confined to imports of about $3 billion in value. It just does not make sense to jeopardize $19.5 billion of export trade in order to reduce or prevent $3 billion in imports. That is exactly what would happen if we fail to continue our reciprocal trade program. A revision to the catastrophic protectionist philosophy of the Smoot-Hawley Act would inevitably encourage other countries to erect trade barriers against American products, with consequent decrease in our export trade, bringing about serious repercussions in our own economy as well as in the economy of other nations.

With more than 5 million people unsuccessfully seeking jobs and with a continuing decline in the indexes of economic activity, we can ill afford a decline in export trade.

The world economic challenge we face has not been dramatized by the launching of a sputnik, but it is nevertheless real, and potentially just as dangerous to our security as is the military threat. The leaders of the Kremlin think nothing of depriving the Soviet people of the fruits of their own productivity to seize any opportunity to open the trade routes to other nations.

Let us not delude ourselves. Many nations of the world must trade to live. If they do not trade with us, they will trade elsewhere. The Soviet Union is determinedly undertaking to seize markets heretofore enjoyed by the United States and our friends. We cannot meet this challenge by erecting trade barriers and by encouraging others to erect trade barriers against us. This is the formula for defeat, not victory.

This vital program cannot be judged in finality on the basis of a narrow interpretation of local or regional interests. The national interest must be the real yardstick. And when viewed broadly and realistically, that which is good for the United States is also good for each State and citizen.

Mr. President, I recognize the political difficulty of this issue—for individual Members of Congress, and particularly for the Democratic Party, since the overwhelming majority of the members of the President's own party stand in solid opposition, ready to take political advantage of a Democratic effort to maximize the national interest. Even so, the Democratic Party must accept responsibility for, and undertake the task of, securing legislative approval of this program, preferably with bipartisan support, but alone if need be. We must not fail in this effort.

TIMBER RESOURCES

Mr. JACKSON. Mr. President, the eight Senators who represent Montana, Idaho, Oregon, and Washington have sent to Secretary of Agriculture Benson a joint letter on our timber resources which I ask unanimous consent be

printed in the RECORD, at the close of my remarks.

The PRESIDING OFFICER. Without objection, the letter may be printed in the RECORD, as requested.

(See exhibit 1.)

Mr. JACKSON. Mr. President, we have all been most favorably impressed by this 700-page study which has been under way since early 1952. A tremendous amount of conscientious effort on the part of many people brought forth this comprehensive review. But it is just a starting point. It gives us facts and information we never before possessed. It provides a basis for action and for programs. It will enable us to assess the Federal, State, and local responsibilities and to define the efforts each level of government and private initiative must undertake.

This document sets forth no plan or policy. It suggests no course of action or cure. Instead it paints the picture as it now exists and unveils for us what the future may hold. We have the destiny of our children and of this Nation in our hands. What we do, and more important, what we fail to do, to protect and develop our natural resources will set the pattern for the future. Dickens in his Christmas Carol took Morley back to the past and into the future. This timber review contains the same moral and it contains a message we cannot wisely fail to heed.

As Chief Forester McArdle so aptly said in the preface:

> What we do in the next 10 or 20 years will determine whether we shall grow enough timber to enable our children and their children to enjoy the timber abundance that we ourselves know.

The Federal programs that affect our national forests and our public-domain timberlands are a part of this structure. We are not developing these lands rapidly enough. We need roads and services to equip these forests to produce their full allowable cut.

Our small private holdings suffer from overcutting and lack of management. This is a most perplexing problem which cries for serious consideration. I want now to reiterate the 21 highlights of this report so that its significance will be clear.

First. Continued expansion of the Nation's economy is expected.

Second. Potential demand for timber products is strikingly upward.

Third. The United States must continue to rely chiefly on domestic timber resources.

Fourth. The Nation has no surplus of commercial forest land.

Fifth. One-fourth of the forest land is poorly stocked or nonstocked.

Sixth. Three-fourths of the forest land is in the East, but two-thirds of the saw-timber volume is in the West.

Seventh. Total timber volumes are about the same as in 1945.

Eighth. Heavy reliance is placed on a small group of species.

Ninth. Timber quality is declining.

Tenth. Timber growth is increasing.

Eleventh. Most eastern species now have favorable growth-cut ratios.

Twelfth. One-fourth of the timber cut is not utilized.

Thirteenth. Destructive agents, principally insects and disease, take extraordinary toll.

Fourteenth. Fifty-two million acres need planting.

Fifteenth. Forest productivity is poorest on small farms and other private ownerships, especially in the South.

Sixteenth. Forest productivity is best in public and forest industry ownerships.

Seventeenth. Inadequate stocking is the most significant factor in reducing productivity of recently cut-over land.

Eighteenth. Improved stocking, control of destructive agents, accelerated planting, and better utilization are the four best possibilities of increasing timber supplies.

Nineteenth. The key to adequate timber supplies in the future lies with the 4.5 million farm and other private holdings.

Twentieth. Growth needed to sustain future timber demands is much greater than 1952 growth.

Twenty-first. Projected growth is far short of needs.

It is our hope that the Secretary of Agriculture will take advantage of the legislative authority he now possesses to come forth with a national program of forestry. It would be my personal view that the Federal Government must supply the one great aid that it can so ably provide—leadership—in order that we may enjoy the maximum effectiveness from our combined efforts.

EXHIBIT 1

UNITED STATES SENATE,
COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
April 24, 1958.

Hon. EZRA TAFT BENSON,
Secretary of Agriculture,
Department of Agriculture,
Washington, D. C.

MY DEAR MR. SECRETARY: On March 28 the Chief of the Forest Service transmitted a copy of the Timber Resource for America's Future to Members of Congress. It is a most comprehensive study of our forestry situation. It is our hope that you are equally pleased and that you will use the means Congress has authorized for you to publicly commend and perhaps award those associated with the production of this timber resource review.

We are dedicating this year to the celebration of the 100th anniversary of the birth of Theodore Roosevelt. It is most appropriate that we undertake to make this dedication even more meaningful by breathing new life into the great programs that President Theodore Roosevelt started, with the able assistance of his Secretary of Agriculture, James Wilson, and his Chief Forester, Gifford Pinchot.

The McNary-McSweeney Act authorizes and directs the gathering of facts necessary to determine ways and means to balance the timber budget of the United States, and this language is broad enough to embrace the presentation of recommendations to the Congress.

We would like to suggest that serious consideration be given to a departmental report to the Congress on legislation now enacted at the Federal and State levels, as well as additional legislation and authorizations which the Congress and several States could consider and would insure a national forestry program now to assure our wood needs by the year 2000.

We would also appreciate your making this letter available to Chief Forester McArdle, along with our warm congratulations to him and those who labored with him in the assembling of this great timber resource review.

We desire your views on the action you will propose to take this year. We look forward to hearing from you soon and to working with you in every possible way.

Sincerely yours,

FRANK CHURCH, HENRY C. DWORSHAK, HENRY M. JACKSON, WARREN G. MAGNUSON, MIKE MANSFIELD, WAYNE MORSE, JAMES E. MURRAY, RICHARD L. NEUBERGER.

THE RUSSIAN VIEWPOINT

Mr. HUMPHREY. Mr. President, recently three Americans visited the Soviet Union to observe the elections to the Supreme Soviet—the Soviet legislative body. A group of three Soviet citizens had visited America during the presidential election year of 1956 to observe a national political campaign and to study the election process. One of the Americans who visited Russia is a very good friend of mine, and a highly respected scholar in the field of political science. He has had several years of service to our Government in important capacities in the Department of State. He is considered one of America's foremost students on the subject of elections. I refer to Mr. Richard M. Scammon, director of elections research, Governmental Affairs Institute, 1726 Massachusetts Avenue NW., Washington, D. C.

Mr. Scammon has written several interesting and informative articles concerning his recent trip to the Soviet Union. One of them, entitled "Why the Russians Bother With Elections," appeared in the magazine section of the New York Times. Another, entitled "It's Hard To Argue With a Soviet Citizen," appeared in the Washington Post and Times Herald on Sunday, April 20, 1958. Both of these articles deserve the careful attention of Members of Congress and all persons interested in a better understanding of the Soviet Union.

I ask unanimous consent that the two articles be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald of April 20, 1958]

IT'S HARD TO ARGUE WITH A SOVIET CITIZEN

(Three Americans went to Russia last month to watch the elections to the Supreme Soviet. They were invited by the State Department to return the visit of three Russians who came here in 1956 to observe our presidential campaign. The Americans visited Moscow, Leningrad, Kiev, Tibilisi, Stalingrad and Tashkent. They asked many questions, answered some and argued still others. The Washington Post has asked one of these observers to write his impressions of these verbal exchanges. The author is director of elections research for the Governmental Affairs Institute here and is editor of the institute's elections handbook, America Votes.)

(By Richard M. Scammon)

It is hard to argue with a Soviet citizen. It is hard, not because he is not ready to argue for communism—far from it. It is hard because words mean such different

things under democracy and under communism. And it is hard because the Russian has so little information about the world beyond the Iron Curtain.

These were the major difficulties encountered by the American elections team in its March tour of the U. S. S. R. Yet this 18-day journey from Leningrad into central Asia was packed with questions, discussions and arguments.

Some of these exchanges were conversations aboard the plane which carried the Americans and their seven Russian escorts around the Soviet Union. On the longer trips—from Stalingrad to Tashkent, for example—the conversations went on for hours. Other exchanges developed from questions put to the Americans in the many conferences with Soviet governmental, economic and party officials. Still others came from casual meetings with the Soviet "man in the street."

Some of the discussions were quiet talks about technical questions; others were noisy free-for-alls over broad policy. Some were earnest Russian efforts to get information about our country; others seemed to us to be "curve ball" efforts to point up a hoped-for Soviet advantage.

TWO BIG BARRIERS

But almost always the conversations were marked by these same two difficulties: Words just didn't mean the same thing in the two languages, and the Russians seemed not to have our advantage of knowing at least something about the other man's viewpoint. The American defense of the individual's right not to go to the polls if he didn't want to, got into real trouble when the excellent Russian interpreter frankly admitted that he didn't understand what the Americans were talking about and found it hard to translate what he couldn't understand.

To the Soviets, this right not to be active was simply not comprehensive. If it was good for people to vote—which all the Americans agreed was true, providing there was a contest and therefore something to vote for—then it was obvious that the state ought to see to it that people voted. In a society in which so many things are pure white or pitch black, the doctrine of a tolerant grayness found little understanding.

So it was, too, with the one question which seemed to come up endlessly in Russia. At nearly every conference someone would ask, "Why does your American Congress have so few workers?" Usually, the questioner would add a statistic about the number of workers from his area sitting in the Supreme Soviet—one-fourth or one-third of the delegation, or whatever the proportion might be.

WHAT IS A WORKER?

For the Americans the answer was simple: No workers sit in Congress because Congress is a 16-hour-a-day job all by itself. A man can't paint houses 8 hours a day and be a Member of Congress in his spare time.

A Member of Congress spends more than half the year in Washington making laws and attends to the wants of his constituents the year round. A worker has to quit his regular job if he goes to Congress—quit it to take on the bigger job of representing his district in setting national policy and looking after his people with the Federal Government.

The Russians had considered Congress a counterpart of their Supreme Soviet, but the Congress described by us was nothing like their parliamentary body.

The Supreme Soviet meets only twice a year and then for only a week or so each time. A farmer, a carpenter, or a streetcar conductor can be a delegate by taking a brief leave of absence from his work. In fact, he is expected to stay on the job after being elected. One building plasterer whom the Americans met in Stalingrad is probably back at work right now, having taken a few days off to attend the March meeting of the Supreme Soviet in Moscow.

POWER RESTS ELSEWHERE

Of course, these brief semiannual meetings allow no time for any real consideration of policy or for hearings on legislation—in short, no time to make laws. But in the Soviet Union this isn't necessary, because the real seat of Soviet power is the Communist Party and, more particularly, the presidium or executive board of the party's central committee. This presidium used to be known as the Politburo.

When it was decided to decentralize industry, and again to transfer farm machinery ownership from the machine tractor stations to individual collective farms, the decisions were made within the party. Very possibly these decisions were made after much debate—enough debate to get several members of the presidium thrown out of office. But no such debate was heard in the Supreme Soviet. The real decisions of Soviet politics are made in the presidium.

Again and again the Americans asked their hosts, how many house painters or plasterers actually leave their 8-hour-a-day jobs to sit in on sessions of the presidium or of the party's central committee. We never got an answer, and I suppose it was because there may not be any such workers on these bodies.

There aren't any in Congress, either, for the same reason. Making the policy of a nation is a full-time business, whether it be in Washington or Moscow.

So the different meanings of words in the United States and the Soviet Union is one obstacle to useful discussion with the Russians. The other is that most Russians have only such knowledge of the outside world as has been fed to them by their own propaganda agencies. It is difficult to argue politics with them because they have no effective idea of what their opponents believe.

In the United States, a Khrushchev speech or a Kremlin policy statement is available to any newspaper reader in English. In Russia, the statements of Free World governments are available in libraries in the original language to those who can translate them. The Soviet press publishes little of such information and the Western press is banned from Russia except for such Communist-line papers as the London Daily Worker and the Paris L'Humanite.

The same is true of books and magazines. Nothing favorable to democracy or capitalism is available in Russia in the Russian language. Nikita Khrushchev told the American election observers that the Soviet press would soon publish the comments of AFL–CIO President George Meany on the American recession, but he indicated that it would be done to "show the evils of capitalism" to Russia's younger generation.

Many Russians, however, do not want to argue politics with Americans; they simply want information about life in the United States. The Russian man in the street has been told so often that his country will overtake and surpass capitalist America that he is intensely curious about this fairyland whose riches are the envy of the Soviet economy.

His questions are not about the difference between Congress and the Supreme Soviet, but, "How much does an American worker earn?"; "Could I own a car?"; "How much did that suit cost?"

Exchange visits of Americans to the U. S. S. R., and large-scale exchanges of films, radio, and television programs, newspapers, books and magazines would answer some of these questions for the Russians. They need answering, for the answers would contribute to understanding, and true peace can be achieved only on a basis of mutual understanding.

[From the New York Times of April 6, 1958]

WHY THE RUSSIANS BOTHER WITH ELECTIONS

(By Richard M. Scammon)

Recently some 134 million Soviet citizens trooped to voting precincts all over the U. S. S. R. to participate in the quadrennial choice of their national congress. This congress is a two-chamber body called the Supreme Soviet, made up of a Soviet of the Union and a Soviet of Nationalities. Theoretically it is the fountainhead of all authority in the Soviet state, the highest organ of state power in the U. S. S. R.

To the houses of this Supreme Soviet were elected 1,378 candidates; 738 sit in the Soviet of the Union on the basis of 1 per 300,000 of population and 640 more form the Soviet of Nationalities, allocated on fixed quotas to subdivisions of the U. S. S. R.—25 per republic, 11 per autonomous republic, and so on. It would be hard to find 1,378 candidates who had an easier job of winning an election. Not a single one of these men and women was opposed; the 1,378 districts had exactly 1,378 candidates.

Of the 134 million voters in the Soviet Union, 99.97 percent turned out to vote and all but a half-million dutifully dropped their ballots in the box for the official candidates. Certainly the Soviet candidate, once his name gets on the ballot, can count himself the world's least worried seeker after public office.

Who are these unworried candidates? And how are they selected? And why? It was to seek answers to these questions that a three-man American elections team visited the Soviet Union last month. This team, invited by the Soviet authorities as an exchange for a Soviet group which observed the American presidential elections in 1956, toured the U. S. S. R. for 2 weeks just prior to the March 16 voting. These are some of the views the author, as a member of the American delegation, developed during this recent visit.

The first question to emerge in the minds of most Western observers as they watch the unfolding of a Soviet election is "* * * Why?" There is no contest in any of these votes. Only the single name of the single official condidate appears on the ballot. Nominations of these candidates are arranged by the Communist Party in its character as the only recognized political unit in the Soviet Union and in its work as guide to the Soviet people in the building of socialism. Though candidates are formally presented by so-called public organizations, actually, as in any one-party state, nominations are organized by the Communist Party apparatus.

Moreover, once these unopposed candidates are elected they have very little to do. For the great majority, their semiannual week in Moscow is the major expression of their public activity. It is not in the brief sessions of the Supreme Soviet that basic decisions of policy are made, not in the uniformly unanimous votes of these bodies that a true location of power may be identified. Rather must the observer look to the machinery of the Communist Party, the party's central committee, and especially to the presidium of that central committee for the real policymakers.

It has been within these party institutions that Soviet authority has been exercised. If new policies are to emerge in the organization of industry, if new freedoms are to be granted factory directors in the management of their enterprises, it is within these party institutions that discussion will be held, and decisions made. When it was decided to abolish the long-established machine tractor stations and permit individual collective farms to buy and keep their own farm machinery, this decision was reached within the party, not by debate in the Supreme Soviet.

Nor can these votes be regarded in any way as a guide to the party leadership as to how the Soviet people feel about them or their program. Nomination of candidates is done by unanimous open voting in open meetings. On election day the voter is permitted to make use of a secret polling booth if he wishes, but he is not required to do so. The ballot needs no "X," it can be put in the box as printed, without further effort. Since the elector is not required to use a booth or do anything but drop his prepared ballot in the box, that is what he usually does. To enter the booth is to indicate to one and all an intention to cross out the official party-endorsed candidate. In a state-organized referendum on the state's own policy, such an act obviously is the work of an oppositionist, and this in an election day atmosphere in which even failure to appear at the polls may be regarded as an evidence of antistate activity.

But the party obviously feels there is value in these elections or it would not expend time and effort in organizing them—and the expenditure of both these resources is enormous. Partly the purpose behind this investment of resources may be the need felt by every regime (even a one-party regime) for popular endorsement and consent to its program, no matter how unreal the conditions under which that endorsement be produced.

Partly the purpose may be to have on hand a representative state body (the Supreme Soviet) to appear to maintain some of the realities of Western democracy. Though the comparison has no validity whatever, many Soviet citizens are undoubtedly convinced that their Supreme Soviet is something like the American Congress. Moreover, the very existence of a parliament serves to divert a measure of public attention from the true location of Soviet power in the hands and institutions of the Communist Party.

Then, too, the elections are a great decoration day ceremony for honoring those who have excelled in building socialism—not just party leaders, but people in every stratum of Soviet life and work. The honor of Supreme Soviet membership is widely distributed and there is no question but that members of the Supreme Soviet wear their honor proudly.

The 1,378 unopposed members of the Supreme Soviet seem to be all sorts of persons, to come from all walks of life. Some are bench workers, some collective farmers, some teachers, some party officials. There is probably no major activity in the U. S. S. R. that does not count a Supreme Soviet delegate among its numbers. Many are younger people, many are women. This is possible since candidates for the Supreme Soviet are not picked to govern, but are picked because of their contribution to the building of socialism.

A recordbreaking dairymaid, a master plasterer, a scientific researcher, an explorer, a high party functionary—these would be ideal candidate types. Members of the Supreme Soviet do not put in the long, hard months of work typical of an American Congressman. They are not bothered with tough policymaking decisions on farm legislation, taxes, or foreign policy, although a few are more active than the majority by virtue of committee assignments.

In theory candidates may be nominated by any public organization—a trade union, a youth group, a cooperative, a meeting of factory workers. In practice, units of the Communist Party operate in all organizations having the right to nominate candidates, and these units are probably the first point of candidate selection.

One must say "probably" because details of party work in proposing and selecting candidates are obscure. One cannot say how much instruction may come from above in these matters, or how much the views of local organizations are followed in picking those whose names are to go on the unopposed ballot.

What can be said is that the Soviet Union is a one-party state and that the Communist Party operates effectively and finally at every level of the election process. Party Secretary Nikita Khrushchev remarked to the American observers of the March 16 voting that the American team was "quite right in noticing the party organization plays a major role in selecting candidates" and that in the final analysis nominations were made by "reliable persons."

This does not mean that the party takes every job for itself. On the contrary, the organization is anxious to have nonparty people among the list of nominees. Much is made of the "bloc of Communist and nonparty people," the official label under which the 1,378 official candidates seek votes. Although a substantial minority are not party members, all are supposedly loyal and zealous supporters of the regime—they could not have qualified for this honor if they were not, nor would the party send them to the Supreme Soviet had it any doubts about them.

Frequently more than one name will be put up by the public organizations of the area to be represented—but the extra names are those of national leaders like Khrushchev, Voroshilov, or Mikoyan. If several names are proposed, an unofficial preelection meeting of representatives of public organizations within the district will be held. At these preelection meetings, voting is by show of hands, and there is no evidence of any meeting ever having a contested or split vote. All decisions seem to be made unanimously, whether these decisions are to put forward a single local candidate, or to present a national figure, or to combine the two and suggest several candidates.

National leaders in the U. S. S. R. can be on the ballot in only one district, but meetings may suggest their names in any number of constituencies. Such extra nominations are a special type of honorary mention in Soviet politics, and all save one are later declined by the leaders concerned.

Thus, but one genuine candidate comes before the voters on election day. As one observer put it 20 years ago, in commenting on the way in which but a single candidate was finally registered in each district, "Some machinery must have been in operation which is not revealed by the public record." That machinery was—and is—the party.

Once the candidate has been formally registered for the district, the campaign machinery can get up full steam. Basic to getting out the vote in the unopposed Soviet election is the agitpunkt—literally an agitation point. There will be about as many of these agitpunkts as there are voting precincts, some 150,000 in the March 16 elections. The agitpunkt may be a room or two in a factory, perhaps the foyer of a large office building—any place to which attention of the voters may be directed and from which the roundup of voters may be directed. Prominently identified by large red signs and furnished with election literature, the agitpunkt will be manned by volunteer agitators for weeks before the actual voting.

Election materials featured in most agitpunkt locations will include pictures and biographies of the official candidates, posters urging people to vote, magazine and newspaper tables, and usually a copy of the list of voters in the precinct concerned. While not universally the case, many of the agitpunkt operations are dismantled on election eve and reappear on election day at precinct polling places.

From the agitpunkt a huge army of agitators moves out during the campaign to insure that all citizens of 18 and over have been listed by the local authorities and that all are aware of their duty on election day. Indeed it would be hard for the Soviet citizen to be unaware of the voting process. Press and radio, banners and decorations, agitpunkt centers and agitators, big rallies and small local meetings—all combine to press home the date of the vote and the opportunity of the citizen to endorse the work of the party and the regime.

As to the campaign itself, there is no contest, of course. For the March 16 election there were no competing banners, no contesting canvassers, no seeking after votes between rival candidates. The public decorations, the campaign rallies, the meetings organized by agitators and by candidates—all were pitched to constant themes: the unity of party and state, the great accomplishments of the U. S. S. R. domestically, "peace" in foreign affairs, the glowing future of the Soviet Union, and the like. From time to time, as with Party Secretary Khrushchev's speech in Moscow 2 days before the actual voting, these themes were interlarded with attacks on the West, criticisms of Western election methods; and comment on the hard life of the Western worker.

On election day the polls opened at 6 in the morning, and polling operations seemed to go smoothly everywhere and to be well (if massively) organized. For a typical Moscow precinct of some 2,000 voters as many as 20 or 25 clerks would be on hand to check voter names and hand out ballots.

Lines were not long, for the voting procedures was hardly onerous. Although curtained voting booths were provided for any who might care to use them, on-the-spot observation indicated that less than one elector in fifty did so. For the vast majority of voters the prepared ballots passed directly from election clerk to ballot box.

For those too ill or infirm to come to the polls, an official came around with a miniature ballot box into which the votes of electors confined at home might be placed. For those absent from home, special certificates were issued to enable them to vote anywhere in the Soviet Union. With all the exhortations of the weeks prior to election day it is not surprising that most precincts had virtually every vote cast by mid-afternoon. For any laggards the party organization provided stimulus—agitators going around to residences to point out their duty to those few who had failed to appear at the polling place.

At midnight the polls closed. Ballot boxes were unsealed and the counters carefully noted the few ballots in which the voter had bothered to cross out the name of the single official candidate—the only way in which he might indicate opposition. With the figures all over the Soviet Union totaled up, it could then be announced that 99.97 percent of the voters had appeared at the polls and that all save a few hundred thousand had indicated their support of the "bloc of Communist and nonparty people."

Perhaps the real answer to our first question—"Why?"—comes actually in the very unanimity and massiveness of the vote cast. Soviet elections are but one in the long series of "methods of activism" pursued in Soviet society—methods designed to weave the citizen and his life inextricably into a world of active struggle against capitalism. For party members or for ordinary citizens "passivism" is wrong; it is the error of resting a moment from assigned tasks, of momentarily standing passive and mute, aside from the struggle. Activity is a key word in Soviet life, and elections present maximum activity. Everyone participates—this one as an agitator, that one as an election clerk, everyone as a voter. In the Soviet mind, every participant is thus an activist and every participant commits himself just a bit more to the Communist way of life.

CONTROL OF ADVERTISING OF ALCOHOLIC BEVERAGES

Mr. HUMPHREY. Mr. President, recently I have received in my office many petitions and letters from organizations and individuals in Minnesota expressing their interest in the Langer bill, S. 582, which prohibits interstate transmission, by mail or otherwise, of newspapers, periodicals, newsreels, photographic films, or records advertising alcoholic beverages or soliciting orders therefor, also prohibiting liquor advertising by radio.

Since hearings on this measure are today being resumed by the Interstate and Foreign Commerce Committee, I ask unanimous consent to read into the record the names of individuals and organizations who have written urging support of S. 582.

Mr. William R. Peterson, chairman, and Mr. Fred D. Shandorf, secretary of the Minnesota Methodist Board of Temperance, Rosemount, Minn.; Mrs. E. H. Nickum, Rochester, Minn., who sent in a petition with 117 signatures; Mrs. Emma Bjornstad, Duluth, Minn., who sent in a petition with 145 signatures; Mrs. Sophie Rasmussen, Milaca, Minn., who sent in a petition with 18 signatures. A petition circulated by the Reverend Harold E. Lind, pastor of the First Baptist Church, Red Wing, Minn., consisting of 42 signatures. Mrs. Ardell E. Nelson, social action secretary of the Women's Missionary Federation, the Evangelical Lutheran Church, Kirkhoven, has written in behalf of the membership of that organization. Petitions have also been received from Rev. V. A. Jensen, pastor, Glendorado Lutheran Church, Princeton, Minn.; Mrs. Frances N. Wiest, Minneapolis, Minn.; Mrs. Lester Skoberg, president, First English Lutheran Ladies Aid, Sacred Heart, Minn.; Mrs. Dana Portner, Northfield, Minn.; Mr. D. W. Fuller, Danube, Minn.; the Reverend Herbert D. McDonald, pastor, First Baptist Church, Milaca, Minn.; Mrs. Paul Everts, Foley, Minn.; Rev. Lawrence Palmquist, Oak Park, Minn.; and Mrs. Clarence Fondell, Dawson, Minn.

I should also like to make special mention here of the very deep interest in S. 582 expressed by my very good friend, Mr. Wilbur Korfhage, administrative director of the United Temperance Union, Minneapolis, Minn.

INTERIOR DEPARTMENT APPROPRIATIONS, 1959

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 10746) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1959, and for other purposes, which had been reported from the Committee on Appropriations with amendments, under the heading "Title I—Department of the Interior—Departmental Offices—Office of Saline Water—Salaries and Expenses," on page 2, line 8, after the word "uses", to strike out "$785,000" and insert "$825,000."

Under the subhead "Office of Oil and Gas—Salaries and Expenses," on page 2, line 17, after "(15 U. S. C. 715)", to strike out "$500,000" and insert "$550,000."

Under the subhead "Office of the Solicitor—Salaries and Expenses," on page 2, at the beginning of line 21, to strike out "$2,750,000" and insert "$2,825,000."

On page 3, after line 9, to insert:

ACQUISITION OF STRATEGIC MINERALS

For necessary expenses in carrying out the provisions of the "Domestic Tungsten, Asbestos, Fluorspar, and Columbium-Tantalum Production and Purchase Act of 1956" (70 Stat. 579), exclusive of section 2a, including services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), $2,318,000, to remain available until December 31, 1958; and the unobligated balance of the funds made available under this heading in the Department of the Interior and Related Agencies Appropriation Act, 1958 (Public Law 85-77), shall remain available until said date.

Under the subhead "Bureau of Land Management—Management of Lands and Resources," on page 4, line 4, after the word "on", to insert "or adjacent to"; and in line 6, after the word "lands", to strike out "$20,940,000" and insert "$22,940,000."

Under the subhead "Construction", on page 4, line 15, after the word "on", to insert "or adjacent to"; at the beginning of line 17, to strike out the word "on"; in the same line, after the word "of", to insert "rights-of-way and of", and on page 5, line 3, after the word "expended", to strike out "$4,435,000" and insert "$4,685,000."

Under the subhead "Bureau of Indian Affairs—Education and Welfare Services", on page 7, line 14, after the word "museums", to strike out "$57,469,000" and insert "$58,809,000."

Under the subhead "Resources Management", on page 7, line 24, after the word "law", to strike out "$17,000,000" and insert "$18,100,000."

Under the subhead "Construction", on page 8, line 15, after the word "contract", strike out "$13,800,000" and insert "$40,526,000", and in line 16, after the word "expended", to insert "of which not to exceed $12,000 may be paid to the North Dakota State Water Conservation Commission for the construction of culverts at Zeibaugh Pass, N. Dak."

Under the subhead "Geological Survey—Surveys, Investigations, and Research", on page 12, line 15, after the word "activities", to strike out $36,000,000" and insert "36,915,000", and in line 16, after the word "which", to strike out "$6,035,000" and insert "$6,950,000."

Under the subhead "Administrative Provisions", on page 13, line 3, after the word "exceed", to strike out "ninety-two passenger motor vehicles, for replacement only" and insert "one hundred and twelve passenger motor vehicles, of which ninety-two are for replacement only."

On page 14, after line 7, to insert:

CONSTRUCTION

For the construction and improvement of facilities under the jurisdiction of the Bureau of Mines, to remain available until expended, $1,719,000.

Under the subhead "National Park Service—Management and Protection," on page 16, line 3, after the word "Basin", to strike out "$14,150,000" and insert "$14,632,000."

Under the subhead "Maintenance and Rehabilitation of Physical Facilities", on page 16, at the beginning of line 12, to strike out "$11,600,000" and insert "$12,750,000."

Under the subhead "Construction", on page 16, line 22, after the word "expended", to strike out "$12,400,000" and insert "$24,000,000, of which not to exceed $135,000 shall be available for the construction of additional school facilities at Grand Canyon National Park, Ariz."

Under the subhead "Fish and Wildlife Service—Bureau of Sport Fisheries and Wildlife—Management and Investigations of Resources", on page 18, line 24, after the word "deer", to strike out "$11,508,000" and insert "$11,616,000."

Under the subhead "Construction", on page 19, at the beginning of line 11, to strike out "$1,458,000" and insert "$3,879,350."

Under the subhead "Alaska Public Works", on page 25, line 4, after "(48 U. S. C. 486-486j)", to strike out "$4,000,000" and insert "$5,300,000."

Under the heading "Title II—Related Agencies—Department of Agriculture—Forest Service—Forest Protection and Utilization," on page 29, at the beginning of line 14, to strike out "$68,857,000" and insert "$81,357,000."

On page 30, line 3, after the word "law", to strike out "$12,128,000" and insert "$16,728,000."

On page 30, line 11, to strike out "$12,195,000" and insert "$13,245,000."

On page 30, line 12, after the word "exceed", to strike out "$50,000" and insert "$150,000."

Under the subhead "Forest Roads and Trails," on page 30, at the beginning of line 25, to strike out "$23,750,000" and insert "$27,000,000", and on page 31, line 1, after the word "expended", to insert "and this amount may be used to the extent necessary for liquidation of obligations incurred pursuant to authority contained in section 106 of the Federal-Aid Highway Act of 1956 (23 U. S. C. 155) and section 6 of the Federal-Aid Highway Act of 1958 (Public Law 85-381)."

On page 31, after line 11, to insert:

ASSISTANCE TO STATES FOR TREE PLANTING

For expenses necessary to carry out section 401 of the Agricultural Act of 1956 (70 Stat. 188), $500,000, to remain available until expended.

On page 31, after line 21, to insert:

SUPERIOR NATIONAL FOREST

For the acquisition of forest land within the Superior National Forest, Minn., under the provisions of the act of June 22, 1948 (62 Stat. 570; 16 U. S. C. 577c-577h), as amended, $300,000, to remain available until expended: *Provided*, That no part of this appropriation shall be used for the acquisition of any land without the approval of the local government concerned.

Under the subhead "General Provisions, Forest Service", on page 33, line 12, after the word "improvements", to

strike out the comma and "but the cost of any such building, exclusive of the cost of constructing a water supply or sanitary system and of connecting the same with any such building, and exclusive of any tower upon which a lookout house may be erected, shall not exceed $25,000 ($30,000 in Alaska), except for one building which shall not exceed $80,000: *Provided*, That one building may be constructed to serve the purposes of two or more buildings at a cost not to exceed the sum of the limitations for separate buildings", and in line 21, after the word *"Provided"*, to strike out *"further"*.

Mr. HAYDEN. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill, as thus amended, be regarded, for purposes of amendment, as original text; provided that no point of order shall be considered to have been waived by reason of agreement to this order.

The PRESIDING OFFICER. Is there objection to the unanimous consent request of the Senator from Arizona? The Chair hears none, and it is so ordered.

Mr. HAYDEN. Mr. President, the amount of the bill as passed by the House of Representatives was $413,145,600.

The net amount by which the bill was increased by the Senate committee was $75,794,350.

The total of the bill as reported to the Senate is $488,939,950.

The amount of the budget estimates considered was $414,484,600.

The amount of 1958 appropriations, including the Supplemental Appropriation Act, 1958, and the Second Supplemental Appropriation Act, 1958, is $459,865,100.

The bill as reported to the Senate is $74,455,350 over the budget estimates, and $29,074,850 over the appropriations for the fiscal year 1958.

I invite attention to the following statement on page 2 of the committee report:

> The committee recognizes that the recommendations represent a substantial increase over the budget estimates. However, it is the view of the committee that the funds recommended are fully justified and required to:
>
> 1. Provide adequate education facilities for Indian children;
>
> 2. Continue the 10-year program for the development of the national parks;
>
> 3. Strengthen management, protection, and development practices on our public lands and national forests;
>
> 4. Provide for an adequate research program for the conservation and development of natural resources; and
>
> 5. Provide for the construction of a limited number of long-deferred facilities that are urgently needed for various management and research programs.
>
> In addition to being a sound program from the standpoint of wise conservation and development practices, it must be recognized that an expansion of these programs will provide many job opportunities throughout the country immediately, as no time-consuming plans and preparations are required.

Mr. President, I wish to emphasize as strongly as I can that the increases recommended by the committee will provide jobs immediately. The programs provided for are not new but an expansion of going programs. To a large extent these increases recommended by the committee will merely offset a curtailment of these programs recommended in the budget.

These programs will be administered by permanent agencies in the Department of Agriculture and Department of the Interior. For the most part, plans and specifications are available for the construction projects, and all that has to be done is award the contracts.

It will not be necessary to engage architects or to do anything else which will take a great deal of time. The work is available and ready if Congress will provide the money.

Mr. MANSFIELD. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 19, line 11, it is proposed to strike out "$3,879,350" and insert in lieu thereof "$4,109,350."

Mr. MANSFIELD. Mr. President, it is my hope that action can be taken to provide the necessary funds to equip the Bureau of Sport Fisheries and Wildlife to expand an important fish hatchery at Creston, Mont., to take care of the increased demand for trout and other fish.

The May issue of the National Geographic has a wonderful article on our national parks by Conrad Wirth, Director of the Park Service. It is entitled "Heritage of Beauty and History." As I read it last night, I was struck by the opening lines where Mr. Wirth related the need to inspect our parks. He told of the necessity of settling an argument on whether to stock a trout stream in Glacier National Park in my State of Montana.

This is a real and pressing problem because we do not have enough trout in Glacier to meet the demands of the expanding number of fishermen who seek to enjoy Isaak Walton's sport in the scenic and inspiring grandeur of this magnificent park. The Park Service cannot solve this problem because the fish that are needed must come in large measure from the Creston fish hatchery, managed by a sister agency in the Department of the Interior—the Bureau of Sport Fisheries and Wildlife. This hatchery is the only one in Montana that requires major improvement. It has been in operation since 1939 and it has not developed to its full potential. I ask unanimous consent that a letter that I have received from the Whitefish Rod and Gun Club and a justification for these funds be inserted in the record at the close of my remarks. It would take only $230,000 to expand this hatchery, and with this small sum the capacity could be doubled.

I sincerely hope that the committee will give the proposal its very serious and thoughtful consideration.

I ask unanimous consent that a statement and correspondence relative to the fish hatchery be printed in the RECORD at this point.

There being no objection, the statement and correspondence were ordered to be printed in the RECORD, as follows:

The Federal fish hatchery at Creston, Mont., was constructed in 1939 and operated jointly by the National Park Service and Fish and Wildlife Service until transferred to the Fish and Wildlife Service in 1944. The Creston hatchery was not developed to full potential at the time of establishment. Since that time, construction funds in the following amounts have been provided for improvements at the hatchery:

Fiscal year 1957 (construction of trout raceways)	$18,000
Fiscal year 1958 (storage building)	15,000

To fully develop the Creston hatchery to its full potential would require the items included in the following improvement and expansion program:

Fish-food preparation and cold-storage building	$52,000
Raceways	80,000
Replace troughs with concrete tanks and 20 hatching troughs	9,000
2 sets of quarters with garages	30,000
Replace water-supply line to spring	30,000
Domestic water supply and sewage system	4,000
Construct bridge	5,000
Engineering and contingencies	20,000
Total	230,000

The Creston hatchery has produced an average of 52,000 pounds of trout (cutthroat, rainbow and brook) annually during the past 3 years. An improvement and expansion program, as outlined above, would almost double the capacity of rearing facilities at the hatchery.

JUSTIFICATION

The Federal fish hatchery at Creston, Mont., was established in 1939 to provide fingerling trout for stocking waters in Glacier National Park. In the last 10 years, however, because of increased tourist travel and greater emphasis placed upon the sport of fishing as a source of relaxation, the fishing pressure on trout populations in the waters of northwestern Montana has become much greater. Thus the Creston hatchery is now required to restock waters in a large area in northwestern Montana in addition to its assignment of maintaining trout populations in Glacier National Park waters. The construction of Hungry Horse Dam has added to the problem of maintaining the fishery resource of the area. The fishing pressure has increased to the point where many streams must be restocked with legal-sized trout in order to maintain populations.

The Creston hatchery is in need of a major improvement program which will provide facilities for expanding production, especially that of legal-sized trout. The hatchery is operated in close cooperation with Montana State Fish and Game Commission, and the fish produced are assigned to areas selected in accordance with approved management plans. Existing facilities are not adequate to permit the increased production necessary to meet present commitments, and it is believed that requirements will increase annually.

There are four Federal hatcheries in Montana. The units at Ennis and Bozeman have received funds in recent years for major improvements. At Miles City, funds are available for construction of a new hatchery. Only the Creston hatchery in Montana requires major improvement.

WHITEFISH ROD AND GUN CLUB,
Whitefish, Mont., April 25, 1958.

Senator MIKE MANSFIELD,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Our district is very much interested in the expansion of our Creston fish-cultural station, as the present fish output is scarcely adequate to meet our fishing pressures which supplies Glacier National Park and a large surrounding area.

As chairman of the fish committee for the Rod and Gun Club and also the chamber of commerce, I have recently visited the regional directors office in Portland, Oreg., and enclosed is a copy of their letter itemizing expenditures necessary to fully develop the Creston station hatchery.

It is our understanding that funds are available for fish hatchery development and we wish to express the urgent need for further expansion of our Creston station.

Your sincere cooperation in this matter will be greatly appreciated, and we await your reply with interest.

Sincerely yours,

JOSEPH Z. GERBER,
Chairman, Fish Committee.
ARTHUR GOLIE,
President, Rod and Gun Club.
D. R. RAMSHAW,
President, Chamber of Commerce.

UNITED STATES DEPARTMENT
OF THE INTERIOR,
FISH AND WILDLIFE SERVICE,
BUREAU OF SPORT FISHERIES AND WILDLIFE,
Portland, Oreg., April 16, 1958.

Mr. J. Z. GERBER,
Whitefish, Mont.

DEAR MR. GERBER: During your visit to our office the plans for the expansion of our Creston station were discussed and we agreed to furnish you with a list of the items required for the development of the hatchery.

This year we are building a storage building that is presently out on bid that will house the station's vehicles and distribution units. It will cost in the neighborhood of $15,000.

Last year we constructed six new raceway ponds which increased the capacity of the station. These ponds cost in the neighborhood of $18,000.

To fully develop this station, the following items are needed:

Fish food preparation and cold storage building, estimated cost, $52,000.

Additional raceway ponds, $80,000.

Replacement of hatchery troughs with concrete tanks, $9,000.

Two additional residences for employees, $30,000.

Additional water-supply lines and sewage-disposal units, $34,000.

Miscellaneous items, such as a bridge across the creek, engineering, and contingencies, estimated at $25,000.

If construction funds become available for the items listed, the station would be in a better position to produce sufficient legal-sized trout to adequately take care of the hatchery's zone of responsibility. Naturally, if the above facilities were provided, the operation allotment for the station would have to be increased in order to provide sufficient personnel and expenses for rearing larger numbers of fish.

We trust that the above information fulfills your request for data on our Creston fish-cultural station.

Sincerely yours,

J. T. BARNABY,
Chief, Division of Sport Fisheries.

Mr. HAYDEN. Mr. President, I sincerely hope that the Senator from Montana will not press his amendment, so that the committee may be afforded an opportunity to look into the project during its hearings on the supplemental appropriation bill. The project was not considered by the committee in the hearings on the pending bill. If he will withdraw his amendment I can assure him that at the appropriate time it will be given the careful attention of the committee.

Mr. MANSFIELD. Mr. President, I appreciate the statement of the chairman of the committee. I would have presented the amendment to the committee, but I received the communication regarding it only within the past several days, since the bill has been reported. With the assurance of the chairman of the committee, I ask unanimous consent to withdraw the amendment.

The PRESIDING OFFICER. Without objection, the Senator from Montana withdraws his amendment.

Mr. CASE of South Dakota. Mr. President, I offer an amendment to cover an emergency situation with regard to a spillway on an Indian reservation which was washed out.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 8, line 15, it is proposed to strike out "$40,526,000" and insert in lieu thereof "$40,571,000."

Mr. CASE of South Dakota. I may say to the distinguished chairman of the committee that the change would involve $45,000. It would be used to replace a spillway which was washed out at the Pine Ridge Indian Reservation near Wounded Knee, S. Dak. The dam is a 70,000 cubic-foot dirt-fill dam. Obviously it is of no use at the present time and the Government's investment is standing idle. I would have presented the matter to the committee earlier, but I was unable to get the figure on the cost of the repair work until the first of this week. I had written for it earlier. I may say that the dam is on a live stream, which runs the year around. It is near an Indian school. It also provides some recreation. There is a limited amount of irrigation with respect to some gardens. I would appreciate it if the committee would accept the amendment.

Mr. HAYDEN. The Senator spoke to me about the matter yesterday. I suggested that he speak to the ranking minority member of the subcommittee. If it meets with his approval, I will have no objection to including it in the bill.

Mr. MUNDT. Mr. President, my colleague did speak to me about, and I am familiar with, the situation and the problem presented. It is a very desirable item and should be incorporated in the bill.

Mr. HAYDEN. I have no objection to the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. CASE].

The amendment was agreed to.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent that a more extended statement with regard to the amendment be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY MR. CASE OF SOUTH DAKOTA

The purpose of the amendment is to provide $45,000 for replacement of a spillway at the Wounded Knee Dam on the Pine Ridge Indian Reservation, S. Dak. This dam, involving 70,000 cubic yards of earth fill, is located on a live stream which flows the year round. The original concrete chute spillway, with a small mechanical outlet, proved inadequate and went out some time ago, and the entire value of the dam and reservoir has therefore been lost until this repair can be made.

Under date of March 25, 1958, I asked the Commissioner of Indian Affairs for a report on requirements for restoration of the spillway. The reply of the acting area director, dated April 17, 1958, was forwarded to me by Assistant Commissioner E. J. Utz under date of April 24, and was received the first of the week, which accounts for my inability to present the matter to the Appropriations Subcommittee during the time that it was conducting its hearings.

The area director's report states that although there is a very limited acreage of irrigable land below the dam, it does have considerable recreational value. His statement to the Commissioner as relayed to me says, in part:

"The lake would provide particular recreational advantages to the Wounded Knee Day School and the Wounded Knee community as it is located only a mile below the school and community area. Well-maintained gravel roads parallel the south edge of the lake site making it easily accessible to the population of the surrounding towns of Martin, Pine Ridge, and Kadoka. The Wounded Knee Dam is of considerable size involving approximately 70,000 cubic yards of earth fill. It is located in a scenic area which would be conducive to camping, boating, fishing, and general outdoor recreation. The estimated cost of replacing the spillway on this structure would amount to approximately $45,000. The Wounded Knee Creek on which the dam is located is a live stream which flows year long."

In view of the fact that the Government at one time invested considerable money in this dam with a 70,000-cubic-foot fill and is getting no returns whatever because of the loss of the spillway and because of the great value that it would be to the nearby Indian community and Indian school as well as the many people who live in the towns mentioned by the area director, it seems to me only good business that the Government should repair the spillway and thereby restore the reservoir and lake for the use indicated.

Mr. FULBRIGHT. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 19, line 11, it is proposed to strike out "$3,879,350" and insert in lieu thereof "$3,929,350."

Mr. FULBRIGHT. Mr. President, the amendment calls for an increase of $50,000. I discussed the matter with the Senator from South Dakota [Mr. MUNDT], the ranking minority member of the subcommittee, and the chairman of the committee, the Senator from Arizona [Mr. HAYDEN]. It would enable the project to get under way by the acquisition of land. The authorization bill was passed recently, but too late for the Bureau of the Budget to act upon it. It has been approved by the Department of the Interior. Unless the land is acquired, no progress can be made. This will leave the major expenditures, such as the construction of the proposed buildings, and so forth, to be considered later by the committee. However, unless we can get the money for the acquisition of the land, the whole matter will be held up for another year. I hope the committee will accept the amendment.

Mr. MUNDT. I should like to say to the chairman of the committee that the

Senator from Arkansas did discuss this matter with me yesterday. As I understand, this is a going project. An effort is being made to find a better use for rice land when it is not being used for growing rice. The amendment would expedite action in the field of research and experimentation and helpfulness. It does not involve any new buildings at this time. On that basis, I am willing to have the amendment included in the bill.

Mr. HAYDEN. Under the circumstances, I have no objection to the amendment the senior Senator from South Dakota [Mr. MUNDT], who is the ranking minority member of the subcommittee, has approved. It is essential to get the program started, and it does not involve any excessive expenditure this year.

Mr. FULBRIGHT. That is correct. The committee will have full opportunity, as will the Bureau of the Budget, to examine into additional expenditures. The amendment will merely make possible the acquisition of land so as to get the project under way, and will enable the planning of the project. The committee has already allowed $30,000 for planning, but nothing can be planned unless there is something in the nature of a site to enable the project to proceed.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a more complete statement concerning this item, a letter I have received from Assistant Secretary of the Interior Ross Leffler; and an article entitled "Fish in the Ricefields," written by Hart Stilwell, and published in Coronet magazine for May 1958.

There being no objection, the statement, letter, and article were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR FULBRIGHT

The amendment merely increases the appropriation for the Fish and Wildlife Service by the amount of $50,000. The appropriation bill for the Department of the Interior for fiscal year 1959, H. R. 10746, already contains an item of $30,000 to be used for an engineering survey of a proposed fish research facility for the rice areas of Arkansas.

In the last session of the Congress, I sponsored a bill, S. 1552, which authorized and directed the Secretary of the Interior, in cooperation with the Department of Agriculture, to construct and maintain a research and experiment station to carry on studies relating to fish farming. It was unanimously passed by the Senate and the House of Representatives, and was signed by the President on March 15 of this year. It is now Public Law 85-342.

The bill was signed into law by the President after the Department of the Interior had submitted its budget requests to the Congress. For that reason, no appropriation was made for this activity by the House of Representatives. However, I appeared before the Senate Appropriations Subcommittee to request funds for the fish research station, and the committee included the item of $30,000 to initiate planning and surveys.

The amendment would make available an additional $50,000 to be used by the Department to acquire a site on which the experiment station is to be located and would provide funds for some of the expenses incidental to the land acquisition.

This is a very small item, but it is extremely important to the people of my State, and, indeed, to the rice farmers of this Nation. Fish farming has been developed in this country primarily by the farmers on their own initiative. They have not had the benefit of assistance from governmental sources. It is, of course, impossible for each individual farmer to conduct programs of research and experimentation to provide the information needed to make fish farming a profitable operation. They have been plagued with many problems to which no answers are readily available, such as the type of fish best suited for this kind of operation; methods of stocking, feeding, treating, and avoiding diseases; marketing methods; and so forth. The additional item of $50,000 would guarantee that this program will proceed in an orderly manner.

The Department of the Interior has indicated to the Congress that it could effectively use $213,000 for this project. However, the amendment which I have offered merely increases the appropriation by the amount of $50,000. I am hopeful that the $30,000 which is included in the bill at the present time for planning and surveys, together with the additional $50,000 which my amendment proposes, will enable the Department to proceed with this important work, and will place it in a position to complete the planning of the project and acquire a site by the time we consider the next Department of Interior appropriation bill. If this can be done, this project could be completed and in operation in a year, or perhaps 18 months.

UNITED STATES
DEPARTMENT OF THE INTERIOR,
Washington, D. C., April 28, 1958.

Hon. J. W. FULBRIGHT,
United States Senate,
Washington, D. C.

DEAR SENATOR FULBRIGHT: This will acknowledge your letter of March 27 concerning the desirability of securing an appropriation to carry out the purpose of Public Law 85-342 which the President signed on March 15. You will recall, I am sure, that the Department reported favorably on your bill S. 1552, which has now become law.

We feel there are good possibilities through research for the development of scientific fish husbandry of warm-water species which can contribute to the domestic food supply.

Preliminary study for the work is being done, and the station and laboratory will be planned for completion within a 2-year period. Site selection and acquisition, development of a dependable water supply, and the necessary facilities will consume much of the first year. Concurrently, we would start to assemble the staff of specialists for the work and to arrange for their familiarization with the area, the agricultural situation, and for discussions with local institutions for development of definitive, coordinated programs. Actual construction will require several months after contracting is completed, and we might expect to be in full operation toward the end of the second year.

Budgets for initiating the work authorized by Public Law 85-342 will be given consideration along with other Department needs and within the fiscal policy.

Sincerely yours,

ROSS LEFFLER,
Assistant Secretary.

[From Coronet of May 1958]

FISH IN THE RICEFIELDS

(By Hart Stilwell)

There's a brandnew industry in the land—raising fish in the rice fields.

Some refer to it as fish husbandry. But by any name you choose to call it, to most Americans it tops them all in weird crop rotation—rice 2 years, then carp and catfish 2 years, then rice again, and so on. Actually, it is almost as old as agriculture itself, since it was practiced in China more than 4,000 years ago. And if the supply of ricefield fish were suddenly cut off, millions of people in the Orient would starve.

Right now, this venture is proving a bonanza to rice farmers in Arkansas, and 250 of them have banded together in the Arkansas Fish Farmers Cooperative to promote the industry. Members have more than 60,000 acres planted to fish, and they have been trying, through the help of the University of Arkansas, Senator J. WILLIAM FULBRIGHT, of Arkansas, Senator RALPH YARBOROUGH, of Texas, and others, to gain approval for a $500,000 Federal fish-farming experiment station in Arkansas.

So fish farming is with us, and destined to spread to millions of acres of ricelands, then to cotton lands and soybean lands and other flatlands that are irrigated.

There are two sound reasons for this. First, the fish crop brings a good profit from land that otherwise would lie idle. Second, land on which fish have been raised invariably produces about twice as much rice, and without fertilization. At current prices, this means an additional $125 gross income per acre.

Thomas Wayne Wright, United States Soil Conservation expert at Lonoke, Ark., who is working with the fish farmers, cites the typical experience of George Ryland of the Pinchback Planting Co., of Grady, who harvested 100 bushels of rice an acre on a 65-acre farm after 2 years of fish farming, without doing any fertilizing. Prior to fish growing, the yield had been 55 bushels an acre, with fertilizing. He also harvested 500 pounds of fish per acre, mostly buffalo (a large fish of the sucker family) for which he received 15 cents a pound.

J. L. Huffer, of England, Ark., has not only increased the yield on his 640-acre farm from 50 to 100 bushels an acre by fish farming, but he has found that the fish, particularly buffalo and carp, actually do his plowing as well as his fertilizing.

They root around in the bottom so much that all Huffer does now in planting is sow rice from an airplane. He doesn't go to the expense and trouble of disking the land.

Huffer says that if fish are left on the land longer than 3 years, the soil becomes so rich it must be planted to something other than rice the first year. Rice will grow too rank and yield little.

Fish enrich the soil in at least two ways that biologists and soil analysts know of: they increase the supply of nitrogen by as much as .2 percent; and by eating vegetable growth, insects and other creatures in and on the water, they increase the amount of organic matter in the soil.

Also, the fish and the standing water combine in killing off weeds, the curse of the rice grower and the main reason he must let his land remain idle for a year or two after several crops.

This new industry started by accident in the flatlands around Stuttgart, Ark. Several farmers pumped water from fishponds onto their rice fields and were astonished at the big increase in yield, which in some places jumped from 55 to 134 bushels an acre.

Then others farmers, using the standard Arkansas lowland method of killing timber by flooding the land for 3 years or so, were equally amazed at the mighty fish population on their flooded lands. Many made a neat profit charging sports fishermen to fish; others gathered up the fish and sold them when they drained the land.

The obvious next step was actual fish farming.

In the Orient, where fish farming is older than the written word, fantastic harvests are reported, at times up to 8,000 pounds an acre. But that is achieved by flooding

the land with sewage, a method not acceptable in this country.

Dr. John W. White, of the University of Arkansas Agricultural Experiment Station, who is working on fish farming, believes a yield of about 500 pounds to an acre should be achieved by the American fish farmer as soon as he gets onto the knack of this new kind of farming—that is, 500 pounds in 2 years. It takes most species now being used—carp, buffalo, catfish, bass—about 2 years to reach commercial size. A carp, for instance, may grow to weigh eight or ten pounds in that time; a bass may reach two pounds.

Arkansas farmers are not certain yet which kind of fish is going to turn out best. It may be some "foreigner", such as the tilapia, a favorite in fish farming in Japan and now being studied in this country.

Malcolm Johnson, who left his job with the Soil Conservation Service to open a fish hatchery at Tillar, Ark., to supply seed stock to farmers, thinks the ideal combination is big-mouth buffalo—a tough native fish sometimes called gourdhead—and large-mouth black bass. (Arkansas, to encourage fish farming, changed her law and is the first State to permit the sale of "home-grown" bass.)

Johnson says a good average yield on a buffalo-bass combination should be 500 pounds of buffalo and 50 pounds of bass. The buffalo usually sells for 18 cents a pound; bass for 35 or 40.

A few rice farmers have experimented with something closely resembling the "feeding-out" process in handling livestock. These farmers stock fish, usually catfish, on their land when they flood it for the rice crop, then harvest the fish along with the rice, turning a quick but small profit on this feeding-out process. But the general practice is to flood the land for 2 years and let the fish really grow.

There are problems, literally dozens of them, linked with this new venture. And there are byproducts, some of which are of far more interest to millions of Americans than the fish farming itself.

Fish farmers have had difficulty getting seed stock and plenty of trouble harvesting their crop. Then there are diseases among fish, and the danger of cold. But all these problems are being studied.

As for byproducts—thousands of sports fishermen are going to start roaming the rice paddies, looking for bass and other game fish—for a fee. Duck hunters will thank the fish farmers for vastly increased feeding and resting areas for waterfowl. And, as Dr. White explains, fish farming is of tremendous value in conserving and using both our water and soil to the fullest.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT].

The amendment was agreed to.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. STENNIS. I congratulate the chairman of the committee and the members of the Subcommittee on Interior Appropriations on their constructive work on this important bill. I refer in particular to their recommendations concerning the Forest Service, and especially the section of the bill pertaining to forestry research.

Mr. President, I should like to have the attention of all Senators at this moment, because I wish to refer them to a picture mounted in the rear of the Chamber. The picture is of a bristle cone pine tree in California. It was sent to me by Mr. Millard Barnum of the United States Forest Service. This fine tree has been established as being the oldest living thing in the world. It has been scientifically established that not only this particular tree, but also a few other trees in the same locality, are about 4,600 years old. Thus they are the oldest living things in the world.

I believe, however, that the results of the work of the chairman of the subcommittee, the Senator from Arizona [Mr. HAYDEN], in promoting forestry research and other forestry programs will live longer than that pine tree has already lived. He is looking at least that far into the future in genetics research and other phases of forestry research, which are so sorely needed. So I commend him, as I think the Nation does also, for the splendid work he has done, not only in this field, but in many others.

I wish to speak briefly about one or two other outstanding pieces of work done by the United States Forest Service in the field of genetics research as it concerns trees. The Service has three principal stations: Rhinelander, Wis.; Placerville, Calif.; and Gulfport, Miss. I visited the California and Mississippi stations and have an on-the-ground, working knowledge of their important work.

The Wisconsin Research Center has developed new and better varieties of timber species which grow in the northern area of the Nation. The California and Mississippi centers are devoted largely to research in developing better varieties of pine trees. Even though the process is a long one, they are, as rapidly as possible, developing a super pine tree which will have many superior qualities. The super tree, a hybrid, will have bred into it qualities which will make it more disease resistant and more insect resistant, as well as making it more adaptable to some soils, and assuring a faster rate of growth and a higher production of pulp wood or timber per acre.

In the decades to come, the results of this important research will have a powerful impact on the economy of the Nation. In addition, the work will make possible tremendous strides in meeting the rapidly increasing timber demands.

The bill also provides funds for extended tree-planting and better management of forest lands for the production of timber, the conservation of water, and forage management practices for various areas.

One of the most critical needs is that for better physical facilities for the vital research programs, more laboratory space, additional greenhouses, and related research installations. These installations are not expensive at all, but they are absolutely essential. Time is running out on us for work of this kind.

In its newly published volume entitled "Timber Resources for America's Future," the Forest Service points out that by 1975, which is just around the corner, we shall be cutting down each year about 14 percent more timber than is being produced, and shall be losing about 9.6 billion board-feet a year.

Further estimates are that by the year 2000 we shall be losing up to 80.2 billion board-feet annually. Each year we shall be cutting 76 percent more of our timber than is being produced.

Again, I express great gratitude to the chairman and the members of the subcommittee and commend them for their special attention to a very inexpensive but far-reaching, nationwide program along this line.

Mr. FULBRIGHT. Mr. President, I associate myself with what the Senator from Mississippi has said. I, too, thank the chairman and other members of the committee for what they have done by providing $60,000 additional at Crossett and Harrison stations in Arkansas to provide for research in forestry.

I assure them that I am positive this is a good investment, one which will be returned many times over in the value of the increased production of the national forests alone. Moreover, the research will aid the private forests in that area many times over the amount which has been included in the bill.

I congratulate the committee. I think the country owes them a great debt for their foresight in enabling the natural resources to be preserved as will be done by this bill.

Mr. THYE. Mr. President, I associate myself with the remarks of the Senator from Mississippi and the Senator from Arkansas.

Minnesota, too, has a great land area which is suited to the growing of trees. We have a high rate of tree growth for pulpwood, forest products, and timber production. So I am always vitally interested in forest research activities. In fact, research is the new frontier of this era or this century.

More and more tree harvesting is being done because of the increased demand for timber products. So the future holds a vast opportunity for wise development, through research, of hybrid trees, if we will but set our minds to the responsibilities and the tasks.

The Bureau of Mines, also, conducts similar research projects. I refer specifically to the research facilities in the mining areas of northern Minnesota, where there are extensive mineral deposits. Taconite low-grade ore is locked up in the rocks. Thirty years ago it was thought to be an overburden, involving the expense of removal in order to reach the higher grade ore deposits. But now in northern Minnesota there are in the taconite field great iron ore developments, involving the crushing and pulverizing of the rock and the extraction of the mineral from the rock deposit. An industry is being developed which promises to continue into future generations.

All this has been accomplished by research. Therefore, every opportunity to develop the additional resources of our Nation through research should be encouraged.

That is why I am glad to join with the Senator from Mississippi and the Senator from Arkansas in paying tribute to the chairman of the Committee on Appropriations, the Senator from Arizona [Mr. HAYDEN], for the work he has done with respect to forestry development. The Senator from Arizona can be found in the Committee on Appropriations

room in the forenoon and afternoon, day after day, throughout the entire legislative session. He is one of the most energetic, hard-working Senators I know. I pay tribute to him. There is nothing which concerns him more than does research, because he knows that the opportunities in that field are unlimited.

Mr. HAYDEN. I thank the Senator from Minnesota, the Senator from Mississippi, and the Senator from Arkansas.

The budget estimate for research is $12,128,000. The committee recommends an appropriation of $16,728,000. The recommended increase of $4,600,000 will provide:

First, $2,600,000 for the strengthening of research programs throughout the country. I ask unanimous consent to have printed in the RECORD at this point the tabulation on pages 30 and 31 of the Senate report, setting forth the recommended increases for forestry research.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Project	*Recommended research program increases*
Forest genetics, seed and planting research:	
Gulfport, Miss. (genetics)	$70,000
Placerville, Calif. (genetics)	70,000
Rhinelander, Wis. (genetics)	70,000
Lake City, Fla	75,000
Marianna, Fla	15,000
Macon, Ga. (seed and nursery)	75,000
Bottineau, N. Dak. (shelterbelt planting)	35,000
Corvallis, Oreg. (seed orchards)	15,000
Subtotal	425,000
Timber management:	
Stoneville, Miss	75,000
Alexandria, La	75,000
Crossett, Ark	60,000
Harrison, Ark	60,000
Columbia, Mo	75,000
Charleston, S. C	60,000
North Carolina (Bent Creek and Statesville	50,000
Virginia (Piedmont)	60,000
Grand Rapids, Minn	60,000
Carbondale, Ill	35,000
Warren, Pa. (Kane Experimental Forest)	50,000
Lebanon, N. J	40,000
Berea Research Center, Ky	30,000
Subtotal	730,000
Range management and wildlife habitat research:	
Fresno, Calif. (San Joaquin Range)	35,000
Boise, Idaho (for cheatgrass range)	30,000
Grand Junction, Colo	15,000
Washington, D. C. (recreation-wildlife habitat)	12,000
Subtotal	92,000
Watershed management research:	
Arizona (mixed conifer area)	60,000
La Crosse, Wis	60,000
Laramie, Wyo	60,000
Glendora, Calif. (San Dimas)	60,000
Franklin, N. C	20,000
Oxford, Miss	20,000
Columbus, Ohio	20,000
Albuquerque, N. Mex	40,000
East Lansing, Mich	50,000
Subtotal	390,000
Forest fire research:	
Missoula, Mont	$100,000
Macon, Ga	100,000
Subtotal	200,000
Forest insects research:	
Albuquerque, N. Mex	50,000
East Lansing, Mich	25,000
Dutch elm disease in New England	18,000
Subtotal	93,000
Economic research: Feasibility survey of a newsprint pilot papermill to utilize low-quality hardwoods	20,000
Forest utilization research:	
Forest Products Laboratory, Madison, Wis	100,000
Carbondale, Ill	50,000
Subtotal	150,000
Total, research program and urgent facilities	2,100,000

Mr. HAYDEN. Mr. President, the recommended increase will provide, second, $2,500,000 for the construction of needed research facilities at Gulfport, Miss.; Placerville, Calif.; Rhinelander, Wis.; Grand Rapids, Minn.; Lake City, Fla.; Rapid City, S. Dak.; Missoula, Mont.; and Columbus, Ohio.

With a few minor modifications, the research program recommended by the committee is the one recommended to the committee by the Senator from Mississippi [Mr. STENNIS], who is a member of the National Forest Reservation Commission. He made an extensive tour of the national forests following the last session of Congress, and subsequently presented to the committee a program for the expansion of forest research. The committee found this program to be a very reasonable one; and, as I have stated, the committee adopted it with only minor changes.

At the hearing, when the Assistant Secretary of Agriculture was present, I made the following statement:

> This increasing trend in timber-sales receipts does not surprise me. When Secretary Benson first took office, I wrote him a letter and told him that it was my opinion that if steps were taken to offer additional timber for sale that it would not be long before such receipts reached $100 million.

At that time these receipts were about $65 million a year.

I further stated:

> It is my understanding that in the fiscal year 1956 these receipts were $110 million, so my prediction was correct.

In other words, when we make appropriations of this kind, we are providing for a better development of our natural resources, and you will get your money back. In this case our money comes back in the form of increased timber receipts.

Mr. CASE of South Dakota. Mr. President, will the Senator from Arizona yield to me?

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Does the Senator from Arizona yield to the Senator from South Dakota?

Mr. HAYDEN. I yield.

Mr. CASE of South Dakota. I should like to add a word of appreciation for the consideration the chairman of the committee and the committee gave to the item of research facilities for our timber resources. I should also like to express my appreciation of the consideration given for the saline water research program.

I note that the committee has allowed the amount of the budget estimate, thus restoring the amount of the reduction made by the House of Representatives. Because I believe that, likewise, great returns will be received by the country from it, I believe it important that this item be included.

Mr. HAYDEN. I thank the Senator from South Dakota.

Mr. WILLIAMS. Mr. President, will the Senator from Arizona yield to me?

Mr. HAYDEN. I yield.

Mr. WILLIAMS. In connection with the item on page 3, dealing with the "Acquisition of Strategic Minerals," I wonder whether that was recommended or requested by the Department.

Mr. HAYDEN. It was not recommended by the Department, but there is authority of law for it.

The amendment provides for an appropriation for necessary expenses in carrying out the provisions of the Domestic Tungsten, Asbestos, Fluorspar, and Columbium-Tantalum Production and Purchase Act of 1956. It is estimated that approximately $2,318,000 will be required for the fluorspar program, and the remainder will be required for the asbestos program.

I understand that on Monday of this week the Secretary of the Interior appeared before the Senate Committee on Interior and Insular Affairs and recommended a new program for our domestic mineral producers.

These funds would implement the asbestos and fluorspar provisions of the existing law which terminates on December 31, 1958.

Mr. WILLIAMS. Although I know the Secretary of the Interior did make such a recommendation, it is my understanding that it has not been evaluated by the committee. Some of us may feel that the recommendation goes too far, although the Congress as a whole may decide to follow it.

Nevertheless, it is my understanding that the adoption of this amendment would have the net effect of partially extending the procurement of these strategic minerals, even without the adoption of any legislation.

Mr. HAYDEN. There is authority of law for it; and if this amendment were to go out on a point of order, I would immediately offer an amendment calling for the appropriation of the money, since it is authorized by law.

Mr. WILLIAMS. But the use of the unobligated balance would not then be provided for.

Mr. HAYDEN. That is correct. A point of order would lie against the use of the unobligated balance, but not

against appropriations of money authorized by existing law.

Mr. WILLIAMS. But we could stop the use of the unobligated balance, and can let that money revert to the Treasury; and we could stop the expenditure of it beyond the period which this bill authorizes.

Mr. HAYDEN. I may say, in respect to fluorspar, that it is found in many places in the United States, but principally in southern Illinois. At the hearings before our committee, the Senator from Illinois [Mr. DIRKSEN] stated that information had been given to him that flourine is one of the elements which is highly essential in the missile program; that there will be a tremendous demand for it. So his argument was that we should develop our own domestic fluorine resources rather than depend upon foreign sources.

Mr. WILLIAMS. That may well be; but I think that should be established at the hearings on the bill which is being recommended by the Secretary, and that we should at least have the recommendations of the departments.

Therefore, pending the receipt of that information, I shall be constrained to make a point of order against this portion of the bill; and I would oppose the committee amendment.

Mr. HAYDEN. The Senator from Delaware may have forgotten it; but he made a similar point of order once before on the availability of those funds. If the Senator from Delaware does make the point of order, I shall offer an amendment, namely, that the amount of money required for this program, which is authorized by law, be appropriated.

Mr. WILLIAMS. Mr. President, I make the point of order that the committee amendment on page 3, beginning with line 10, and continuing through line 21, inclusive, is not in order, by virtue of the fact that it constitutes legislation on an appropriation bill.

Mr. HAYDEN. Mr. President, I concede the point of order.

I send to the desk an amendment and request its immediate consideration.

Mr. WILLIAMS. Mr. President, I request a ruling on the point of order.

Mr. HAYDEN. I concede the point of order.

The PRESIDING OFFICER. (Mr. MCNAMARA in the chair). The Chair sustains the point of order of the Senator from Delaware that the amendment constitutes general legislation on an appropriation bill.

The amendment submitted by the Senator from Arizona will be stated.

The LEGISLATIVE CLERK. On page 3, after line 9, it is proposed to insert the following:

ACQUISITION OF STRATEGIC MINERALS

For necessary expenses in carrying out the provisions of the "Domestic Tungsten, Asbestos, Fluorspar, and Columbium-Tantalum Production and Purchase Act of 1956" (70 Stat. 579), exclusive of section 2a, including services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), $3,200,000, to remain available until December 31, 1958.

Mr. WILLIAMS. Mr. President, in opposition to the committee amendment, I merely point out that it provides for the appropriation of $3,200,000 for the purchase of so-called strategic minerals, not any of which has been recommended by the departments. In fact, on various occasions the representatives of the departments have testified before the committees, and have said they do not need these minerals and, that they already have adequate reserves in the stockpiles.

Until such time as a need for these minerals has been established and until representatives of the departments charged with carrying on the programs have appeared before the Congressional committees and have recommended the acquisition of these minerals, I believe it would be unwise for this money to be spent for a program which, as I have said before, obviously is not needed for the purpose for which it is proposed that the funds be appropriated.

Mr. HAYDEN. Mr. President, I cannot agree with the Senator from Delaware, because both items are needed.

The asbestos program involves the development of deposits of high-grade asbestos which are free from iron and other minerals. We need a domestic source of this mineral. At the present time 90 percent of our consumption is from foreign sources.

From the testimony given by the Senator from Illinois [Mr. DIRKSEN], I am convinced that the fluorspar is particularly important to our national defense.

Mr. DWORSHAK. Mr. President, will the Senator from Arizona yield to me?

Mr. HAYDEN. I yield.

Mr. DWORSHAK. I think the Senator from Delaware is primarily concerned with whether any additional funds are provided for the acquisition of tungsten by the Government. Can the Senator from Arizona give the Senator from Delaware some assurances on that point?

Mr. HAYDEN. Not a cent of this money is for the acquisition of tungsten.

If the pending amendment is agreed to, the bill as thus amended will read in part as follows:

For necessary expenses in carrying out the provisions of the "Domestic Tungsten, Asbestos, Fluorspar and Columbium-Tantalum Production and Purchase Act of 1956" (70 Stat. 579), exclusive of section 2 (a).

Section 2 (a) is the tungsten section of Public Law 733.

Mr. WILLIAMS. I recognize that point. However, several years ago I incorporated in the CONGRESSIONAL RECORD a statement from the General Services Administration and statements from Mr. Flemming and from the Secretary of Defense and from representatives of various other departments, all of whom said none of these minerals were needed; and their statements at that time included fluorspar as not being needed.

Mr. HAYDEN. But the situation has changed somewhat since then.

Mr. WILLIAMS. It may have. If so, why have not representatives of the departments appeared before our committees and so stated?

As of this moment, it is my understanding—and if I am in error, I wish the Senator from Arizona would correct me—that at the present time no responsible agency of the United States Government which has charge of the defense or stockpiling programs has been before the committee and has said this is needed for the national defense, or has said that our stockpiles were inadequate. I do not think favorable testimony on this matter has been submitted either to the Appropriations Committee or to any other Congressional committee.

It is true that testimony was given earlier this week in favor of a broad support program for certain minerals. But it was described as a support program to boost the economy, and not to bolster the national defense. I shall have more to say on that proposal later. I repeat that, to my knowledge—and if I am in error, I wish the Senator would correct me and tell me how I am in error—there has been no testimony from any responsible agent of the Government having charge of our stockpiling program or of our defense that there is a need for it in our national stockpiling program.

Mr. HAYDEN. I may point out that it is designed to preserve two industries badly needed in the United States. One has to do with the development of asbestos, particularly on the Pacific coast, where high-grade asbestos is found. The other has to do with the development of fluorspar, which is a source of fluorine, which, according to testimony presented to our committee by the Senator from Illinois, is highly essential for our national defense, and will be in great demand. I think Senators should take cognizance of the fact that there is a need for domestic sources of these two minerals, aside from the stockpiling program.

Mr. WILLIAMS. I respect the testimony before the committee by the various Senators. I do not question their sincerity. But I repeat my question: Has there been any testimony before the Senator's committee or any other committee of Congress by any agency or any official in charge of our defense or our stockpiling program who has stated this program is needed?

Mr. HAYDEN. Let me say what I said before: This is not presented as a stockpiling program.

Mr. WILLIAMS. I appreciate that. I go back to my original contention that, on the contrary, there has been a lot of testimony before the committees that it is not needed. Mr. Fleming went so far as to say it would be a waste of the taxpayers' money. I agree with him.

Mr. HAYDEN. The Secretary of the Interior has testified time and time again that it is in the national interest to develop our domestic sources of these minerals.

Mr. WILLIAMS. Any Senator voting against the appropriation certainly is not voting for abandonment of the industries. We have many industries in this country which are in dire need of help and could stand an appropriation of a few million dollars. The mere fact that we are not appropriating to help an industry which needs money does not mean we are trying to abandon it or eliminate it.

I repeat, I understand there has been no testimony for this program on the

part of any responsible agency of government. On the contrary, there has been repeated testimony by officials saying it is not needed. I close my argument by agreeing with their statement that such an appropriation would be a complete waste of the taxpayers' money by paying for a program for which there is no need.

Mr. HAYDEN. I am sorry, but I do not agree.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield to the Senator from Minnesota.

Mr. THYE. I was present in the committee hearings when this question arose. The committee discussed it. I feel perfectly justified in supporting the committee's action. I supported it at the time the committee gave consideration to it. There is no question in my mind that the development of fluorspar is desirable, and, indeed, is necessary. We are certainly in need of it. It is a proven fact that we must import fluorspar. If fluorspar is deposited anywhere in this country, as we know it is in southern Illinois, it should be developed.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona [Mr. HAYDEN].

The amendment was agreed to.

Mr. DWORSHAK. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. DWORSHAK. As a member of the subcommittee handling the Interior appropriation bill, I am fully aware of the profound understanding of the chairman of the subcommittee, who also is chairman of the full Appropriations Committee, and of his interest in the conservation and development of natural resources, primarily in the public land States of the West. I think the increased funds for the management of, and the various programs within, the Forest Service will prove most beneficial in many ways, particularly in increasing revenues through the building of access roads and making available recreation facilities through the Operation Outdoors program.

I am in hearty accord with that program and the impetus which will be given the Forest Service in the development of those programs.

The chairman of the subcommittee has also offered an amendment, which has received approval, providing expanded funds for the construction of Indian schools on reservations—boarding schools and day schools. I have some doubt in my mind as to whether the initiation of this expanded construction program will mean a reversal in the general educational program which has been sponsored during the past decade by the Bureau of Indian Affairs. I am sure the Senator approves efforts have been made to integrate the education of Indian children in the public schools of our Nation, in order to provide contacts and to better qualify Indians to assume their full responsibilities. I know the Senator is aware of that policy. I should like to have some assurances from him, at a time when we hear so much about integration, and as we recognize the equity and fairness involved in providing adequate educational facilities for our Indian children, that there is no Congressional intent to reverse this policy by keeping the Indian children in schools on reservations and out of the public schools of our country.

Mr. HAYDEN. Only yesterday I talked with the Commissioner of Indian Affairs. That is the last thing in the world he would want done. I think he is prouder of the efforts he has made and the support he has had from Congress in building dormitories in towns, such, for example, as Gallup, Holbrook, Winslow, and other places, where Indian children who are old enough to be separated from their families can be placed in dormitories and then go to public schools. There they learn as much on the playgrounds as they do in the schools. That is where they get a working knowledge of the English language. The Commissioner of Indian Affairs expressed great pride in the accomplishment of his administration.

The largest increase recommended by the Committee is for the construction program for the Bureau of Indian Affairs. The budget recommended $13 million, and the House allowed $13,800,000, and the committee recommends $40,526,000—an increase of $27,526,000 over the budget estimate. Of the total recommended, $36,758,000 is for the buildings and utilities program and the balance of $3,768,000 is for the construction of irrigation systems.

Last year the Department of the Interior presented to the Congress a 10-year program for the construction of education facilities that was designed to provide for adequate schools and related facilities for all Indian children of school age. For the current fiscal year this plan called for a buildings and utilities program totaling $17 million, and only $11 million was appropriated. For fiscal 1959 the program calls for $38 million, and the budget recommends only $10 million.

Mr. President, I ask unanimous consent to have printed in the RECORD the tabulation on page 297 of the Senate hearings, setting out the requirements for this program.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

The long-range construction program for buildings and utilities contemplated appropriations in a 10-year period as follows:

1958	$17,100,000
1959	38,000,000
1960	51,000,000
1961	43,500,000
1962	46,000,000
1963	46,000,000
1964	64,500,000
1965	64,500,000
1966	71,700,000
1967	66,200,000
1968	34,000,000

Mr. HAYDEN. Mr. President, it is the view of the committee that this program should be continued substantially in accordance with the original schedule presented. Therefore, an additional $27.7 million is recommended.

Much has been said about the termination of Federal supervision over Indians, and I think it is desirable when the individual tribes are ready for such action. However, if we are to have Federal termination we will have to provide education for Indian children.

At the present time 8,000 Indian children of school age are not attending school because of the lack of adequate facilities. The budget estimate would provide accommodations for only 506 additional. The increase recommended by the committee will provide for 3,500 additional seats.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. DWORSHAK. Then the distinguished Senator from Arizona approves of the policy which has been effective for several years, does he?

Mr. HAYDEN. Absolutely.

Mr. DWORSHAK. Wherever possible, Indian children should be enrolled in the public schools to help them to be indoctrinated with Americanism, and to make it possible for them to know the customs of the American people.

Mr. HAYDEN. An Indian child who goes to a public school and who associates with English-speaking children acquires knowledge of the language he could not get in any other way, and acquires it faster.

Mr. DWORSHAK. Those contacts and associations instill confidence in the Indian children, and encourage them to leave the reservations and seek employment, thereby becoming full fledged American citizens.

Mr. HAYDEN. The Indian children find they can successfully compete in the classroom with the white children, and that gives them confidence to go out to successfully compete with white men anywhere.

Mr. DWORSHAK. Mr. President, will the Senator yield further?

Mr. HAYDEN. I yield.

Mr. DWORSHAK. So far as the State of Idaho is concerned, all of the Indian schools on reservations have been closed down for several years. I am sure splendid progress has been made by the enrolling of our Indian children in the public schools, giving those Indian children the same educational opportunities which are available to young white Americans.

Mr. HAYDEN. In my judgment the best money we have spent, so far as Indian education is concerned, is the contribution we have made to the States to provide for the education of Indian children in the public schools.

Mr. MUNDT. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. MUNDT. I am glad the Senator from Idaho raised the question, because it is in line with the tenor of the discussion which we had in the executive session of the committee at the time we approved some of the substantial items relating to the education of Indian children. The discussions in the executive sessions of the committee were not a matter of public record and are not in print. I think it is desirable, therefore,

that to review the legislative history, which the Senator from Idaho in his colloquy with the distinguished chairman of the committee has so firmly established.

It is the desire of our subcommittee, and I am sure of the Senate and of the Congress, in making the additional money available for the education of Indian children, to have it used with complete consistency with the splendid program being promoted so aggressively and effectively by Commissioner Glenn Emmons, which contemplated that wherever possible there be a commingling of the Indian children with the white children of the area, and that wherever possible contracts be entered into with States or local school districts for that purpose. In some instances perhaps, the Federal Government will provide the building, and the State or local school district will provide the educators, or sometimes the facilities. It is felt that the schools should be open to the Indian children and open to the white people in the area. The legislation is intended to be written with sufficient flexibility so that the Indian Bureau can utilize its ingenuity and administrative capacity to make the schools in the Indian areas function in such a way as to help the Indian children primarily and essentially by making schools available so that white and Indian children can study together.

As the chairman of the committee pointed out, in some instances the program takes the form of providing dormitories for Indian children in white communities, where the Indian children will have a place to stay and eat, but will be able to go to school with the white children. In some places, it is necessary to erect a school building in cases where there can be a joint arrangement to provide the necessary finances.

Throughout every single appropriation for the education of Indian children and for the construction program, the whole emphasis is upon assuring a continuation of the policy of the Indian Bureau, under Glenn Emmons, to provide for the commingling of the races, the Indians and the whites, because we have found inevitably, when that is done, the Indian children advance much more rapidly.

I am sure the chairman of the committee will agree that the legislative history we are making is a correct summation of our thinking out loud in the executive session of the committee when we considered these matters.

Mr. HAYDEN. The Senator has stated the facts as I understand them to be.

Mr. MUNDT. I thank the Senator.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CASE of South Dakota. I express again my appreciation of the enlightened position taken by the subcommittee of the Appropriations Committee with regard to the education of Indian children. I think we are making progress in that regard.

The principle of encouraging the Indian children to commingle with the white children, or to take their schooling in the regular day schools, is a good one. As evidence of the principle which is involved, I might recite the testimony in regard to my own State which was given a few years ago, by an experienced educator in the Indian school field.

For a number of years in the Indian schools there was a separate and special course of education. It was developed by some person who worked in the Bureau of Indian Affairs, supposedly with the idea of serving the Indians. It was a course of education which was designed to keep the Indian children Indians, so to speak. I personally did not believe in it.

Indian parents who had many children, some of them going to white schools and some to Indian schools, reported to me that their children who mingled with the white children, getting the regular course of study, seemed to do better.

The matter came to a head in connection with an Indian boy I appointed to the Naval Academy at Annapolis. It was found that although he was able to enter the Academy there were certain deficiencies in his fundamental A B C's as a result of having attended Indian schools. This was a great handicap. Although he was a very capable and a very popular boy he was not able to keep up with his work at Annapolis. Eventually he left the Academy. He went into the Marine Corps and got his wings. He became a first lieutenant in the Marine Corps.

I talked with the mother of the boy afterward, and she wanted to know why the boy could not keep up with the scholastic requirements at the Naval Academy, even though he was able to establish his personal ability when he went into the Marine Corps. I explored that matter. I talked with an Indian mother who had 10 children, 4 of whom had gone to the white schools and 6 of whom had gone to other schools. The mother told me there was no difference in the opportunities the children had at home, but that the children who had gone to the white schools did better.

As a result, I introduced a bill to make it possible for the South Dakota course of study to be taught in the Indian schools where a majority of the parents or the patrons of the school desired to have that done. The bill was resisted at the time by the Bureau of Indian Affairs. I had introduced the bill on a general basis. Finally it was agreed that the bill might be approved if its application were restricted to South Dakota. I accepted that as a compromise.

As a result of the legislation, referenda were instituted in many schools. I was interested in hearing the statement of Mr. Newport, who was for a number of years the superintendent of the Indian School System at the Rosebud and Pine Ridge Indian Agency. Mr. Newport told me that in every single case where a referendum was instituted the parents of the children voted to have the South Dakota course of study used in preference to the one which had been carried on for some time by the Indian Bureau. The parents wanted the children to be able to mix in the community and not feel they were handicapped, a feeling they had when they received a different and a sort of specialized type of education. The result was that the South Dakota course of study has been largely used in the Indian schools.

I cite that as an illustration of the soundness of the principle to which the committee has indicated its preference by providing for dormitories or other facilities, so that the Indian children, as soon as they reach a proper age or have the facilities, can follow a regular course of study. I think that is the proper approach.

Mr. HAYDEN. I thank the Senator for his comments.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. PROXMIRE. Mr. President, I desire to commend warmly the Committee on Appropriations, and especially the distinguished chairman of the committee, for forward-looking vision in the work on the appropriation bill for the Department of the Interior and related agencies. The bill represents a responsible and constructive regard for wise development and utilization of our natural resources.

I am particularly interested, from the standpoint of my State, in the wise consideration that is shown to forestry research. Wisconsin's forests were her first great natural resource; they have been depleted to a large extent by the present time, but with good management and careful development, forest industries can be greatly magnified in importance to our overall economy, to the great benefit of the entire Nation.

The appropriation bill provides for the first step toward realization of my proposal for a pilot-plant newsprint mill to utilize low-quality hardwoods for producing newsprint paper.

I have introduced a bill to authorize establishment of a demonstration pilot-plant papermill project, to be carried out by a commercial paper manufacturing firm in cooperation with Forest Service scientists. This pilot-plant project would work out the final details, in actual commercial-scale operation, of the new process for manufacturing newsprint from low-quality hardwoods. It would open the door for widespread use of this abundant Wisconsin resource, for which there is now little or no market.

The Appropriations Committee's recommendation of funds to finance a preliminary feasibility survey of such a project will greatly shorten the time that would be needed to get such a project under way and into actual operation once it has won final Congressional approval.

This bill also permits vast improvement in the operations of three important forestry research projects in Wisconsin—the Northern Forestry Genetics Institute at Rhinelander; the watershed management research project in southwestern Wisconsin, headquartered at La Crosse; and the Forests Products Laboratory in Madison.

The Northern Forest Genetics Institute at Rhinelander is given a far greater opportunity to operate than the administration permitted. The bill provides $200,000 for construction of research facilities at the Rhinelander Institute; no funds for this purpose were proposed by the administration. And the bill provides $105,000 for actual research work at the Rhinelander Institute—an increase of 200 percent above the administration's recommendation of only $35,000.

The science of forest genetics might completely transform our northern forests. Scientists believe that spectacular improvements in rate-of-growth, quality, and disease and insect resistance of forest trees can be achieved by genetics research. One has only to consider the tremendous improvements made in corn during the last few decades as a result of scientific genetics work, for example, to appreciate the possibilities.

The bill provides $400,000 for construction of an urgently needed new heating plant at the Forest Products Laboratory in Madison, and $100,000 more than the administration requested for salaries for scientific and technical personnel at the Forest Products Laboratory.

The bill greatly expands the opportunity for forestry research in connection with watersheds in the hilly, unglaciated area of southwestern Wisconsin. Forestry management in the region is directly tied in with its unusually severe flood-control problems. The increase for this project from $15,000 to $75,000 will permit a real start to be made on this important project.

I very much thank the distinguished chairman of the committee.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. HUMPHREY. I wish to join my colleagues in thanking the distinguished chairman of the Appropriations Committee and members of the committee for their foresight, and for what I believe is their prudent allocation of much needed funds.

I was particularly pleased to note that in connection with the National Park Service the committee recommended a substantial increase in terms of construction funds for the National Park Service program. I have always taken an interest in our national parks. I intend to visit one or more of them this year again, as a citizen, as a head of a family, as a dad with his sons and daughters.

Mr. HAYDEN. Mr. President, the committee recommendation of $24 million for the construction program of the National Park Service is an increase of $11,600,000 over the budget estimate of $12,400,000. It is the view of the committee that the sum recommended is required in order to continue the 10-year development program—known as Mission 66, for our national parks.

Of the total recommended, $22,406,000 is for the construction of buildings and utilities and the balance of $1,593,200 is for the acquisition of lands and water rights.

Mr. President, I ask unanimous consent to have printed in the RECORD the tabulation on page 70 of the Senate hearings setting forth the 1959 requirements to continue the Mission 66 program.

This tabulation indicates that a building and utilities program of $22.3 million is required, and the committee has recommended a program totaling $22.4 million.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

NATIONAL PARK SERVICE

Tabulation showing amounts needed in 1959 fiscal year to keep Mission 66 on schedule

	Budget allowance, 1959	Original estimate, 1959	Difference
Management and protection	$14,632,000	$17,200,000	$2,568,000
Maintenance and rehabilitation of physical facilities	12,000,000	12,750,000	750,000
General administrative expenses	1,330,000	1,525,000	195,000
Construction:			
Buildings, utilities, and other facilities	10,806,800	22,318,800	11,512,000
Acquisition of lands and water rights	1,593,200	2,181,200	588,000
Subtotal	40,362,000	55,975,000	15,613,000
Construction (liquidation of contract authorization):			
Parkways	9,782,000	16,000,000	6,218,000
Roads and trails	12,218,000	16,000,000	3,782,000
Subtotal (liquidation of contract authorization)	22,000,000	32,000,000	10,000,000
Total, National Park Service	62,362,000	87,975,000	25,613,000

Mr. HUMPHREY. Let me say to the chairman of the committee that this is a great public service, and one which people everywhere will deeply appreciate.

I also thank the Senator for the appropriation for the Bureau of Mines laboratory construction, which means so much to the State of Minnesota, to the Middle West, and to the Nation, as a whole. This particular laboratory has been an item of interest to me as long as I have been a Member of the Senate.

I have also noticed that the funds for Federal grants-in-aid to State nurseries were increased to the amount which was available last year and for the current fiscal year. This is very desirable. We are finding that one of the great shortages in the conservation-reserve program sponsored by the Department of Agriculture is in respect to trees and saplings. The State nursery program is a vital part of our total reforestation effort.

I note from the report that there was an increase of $200,000 in the item for the Lake States Forestry Laboratory at Grand Rapids, Minn. This is of great importance to our forest program and our timber program.

I also note that funds for the Quetico-Superior National Forest land purchases in the wilderness area provide another $300,000. The gratitude of every conservation group in America goes out to the committee for its foresight, because the Quetico-Superior area is one of the few virgin timber areas on the continent, and we hope to be able to develop the Quetico-Superior program to its full completion.

I thank the Senator and the other members of the committee for their helpfulness.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. NEUBERGER. I wish to join the Senator from Minnesota and the Senator from Wisconsin in their observations with respect to the sums provided for in the Interior Department appropriation bill regarding related agencies, such as the Forest Service.

I also desire to add what seems to me a very pertinent and important fact. I believe that our debt to the chairman of the Appropriations Committee and his associates is heightened by the circumstance that in recent years the Soviet Union has been undertaking what may possibly be the most comprehensive program of resource development ever planned in any country in history.

As a member of the Committee on Interior and Insular Affairs I was startled—and I know my colleagues shared the amazement—by what we were told by Gen. E. C. Itschner, the Senator from Louisiana [Mr. ELLENDER], and others who have returned from European Russia and Siberia, about what the Soviet Union is undertaking with respect to its waters, forest resources, minerals, and all the other vast resources of a nation the area of which is 2½ times greater than that of the United States plus Alaska.

So when we preserve the resources of the United States, we are conducting programs not only for our own benefit, but for the benefit of the entire Free World.

I was particularly pleased that $1.5 million was added for reforestation and stand improvement in the Forest Service. This is of special importance to the State of Oregon, which has the most valuable national forests in the country, and in which more lumbering is done commercially than anywhere else in the Nation.

In addition, I was delighted—and I am sure other Senators from Western States share my gratification—that the Appropriations Committee added $3 million to Operation Outdoors. Earlier the distinguished chairman of the committee referred to Mission 66 in the National Park Service. If I am not mistaken, Operation Outdoors is to the national forests what Mission 66 is to the national parks. Operation Outdoors seeks to improve campgrounds, trails, shelters, picnic grounds, and other areas in the national forests where people can find recreation.

Mr. HAYDEN. In that connection, the recommendations of the committee include $11,020,000 for the development and maintenance of recreational and public use areas in the national forests, which is an increase of $3 million over the budget estimate.

In reporting the Department of the Interior and related agencies appropriation bill for fiscal year 1957, the committee made the following statement in

its report—Senate Report No. 1772, 84th Congress:

The committee has recommended funds to initiate a long-range program for the improvement of the national parks. It is the view of the committee that the Forest Service should present a program of this nature, and that funds to implement such a program should be submitted to the Bureau of the Budget for consideration in the budget for fiscal year 1958.

Such a program—known as Operation Outdoors was submitted to the Congress.

During the course of the hearings I discussed this program with officials of the Forest Service and they pointed out that the planned program included $11,500,000 for the current fiscal year and only $8,020,000 was appropriated; that for fiscal 1959 the program called for $15,500,000 and the budget included only $8,020,000.

If we are to continue this program it is imperative that additional funds be provided. During last year there were 61 million visitors to these recreational areas in the national forests, and the number continues to increase annually.

Adequate facilities, such as water and sanitation, must be provided. Also it is essential from the standpoint of management and protection of the forests that we have these developed areas.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the tabulation on page 526 of the hearings.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Operation Outdoors—Recreation-public use comparison of planned program with available funds

	Planned program	Amount available	Difference
Fiscal year 1958...	$11,500,000	$8,020,000	−$3,480,000
Fiscal year 1959...	15,500,000	8,020,000	−7,480,000
Total.....	27,000,000	16,040,000	−10,960,000

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. NEUBERGER. I believe that even more people visit the national forests today than visit the national parks.

Mr. HAYDEN. My information is that the number is about the same.

Mr. NEUBERGER. I should like to ask one further question with respect to the amount added to the appropriation for Operation Outdoors. Was it the thought of the chairman of the committee that in programing the locations where funds are to be spent, some consideration should be given to the local unemployment factor, in distinguishing between two areas of equal recreational importance?

Mr. HAYDEN. I believe it would be proper for the Forest Service to do that. There are not only some differences in situations, but I believe the Forest Service is fully aware of where the money can be best used at this time.

Mr. MUNDT. Mr. President, I should not want the record to go unchallenged too far in that regard, because that was not primarily what the committee had in mind in connection with Operation 66 and Operation Outdoors. We were essentially interested in deriving the greatest conservation value for the dollar. Everything else being equal, I would say the situation described by the Senator from Oregon might come into the picture. However, this is not a boondoggle operation. This is not an antidepression measure. This matter can stand on its own bottom in all time to come from the standpoint of advancing the conservation resources of the country and the improvement of the great outdoors recreation areas, whether in periods of depression or prosperity. The project is not to be considered as a depression relief measure, or anything like that.

Mr. HAYDEN. The Senator has exactly expressed the attitude of the committee in that regard.

Mr. NEUBERGER. That is my attitude also. I became interested in Project 66 and Project Outdoors even before I became a Member of the Senate, and before the names describing the projects came into existence.

Mr. MUNDT. I began advocating such projects even before I heard of Operation 66 and Operation Outdoors.

Mr. NEUBERGER. My question to the chairman specifically referred to two areas of equal recreational importance.

I recognize that the primary purpose of the fund is to improve national parks and national forests, for the benefit of people who wish to camp and hunt and fish and hike, and do all the other things which can be done in the great outdoors and in the wilderness. My question specifically referred to two projects of equal recreational importance.

Mr. MUNDT. I do not wish to have any misunderstandings; with reference specifically to recreation, the committee stood mute. We were interested primarily in conservation.

Mr. HAYDEN. Undoubtedly the Forest Service could take that factor into consideration.

Mr. NEUBERGER. That is what I thought the answer of the chairman of the committee would be, and it is the only answer that could properly be given to my question. There are undoubtedly areas of equal recreational importance, one being an area where there might be a vast labor surplus force, in which a great many people could be put to work in improving trails and campsites, and so forth.

The greatest program ever undertaken in the national forests, according to the chief of the Forest Service, particularly with respect to recreation, was the Civilian Conservation Corps in the 1930's. It was begun primarily to get jobless boys off the streets of our great cities. However, it resulted in the greatest expansion that has ever occurred in outdoor activities, particularly in the Western States. Therefore, that factor has not been disregarded. That is a part of the history of our country during the past quarter century. I believe the RECORD should show that.

Mr. MUNDT. The RECORD should also show that there is not the remotest relationship between the CCC program and the determination of our committee to advance, as far as and as fast as we can, in the direction of sound national conservation at this time.

We did not construe the proposal, and I will not construe it, whether we may have more prosperity or less prosperity, as primarily an economic measure. This is something the country needs, and needs badly, at any time. I would not wish the record even remotely to indicate that our judgment in this connection was influenced because we expected to do more conservation work in depressed areas, and less in areas which were not depressed. I say that because I doubt whether even a Solomon, if he could be reincarnated, and were made the Chief of the Park Service or Forest Service, could find two situations where things were completely equal. If it were possible to reincarnate Solomon, and he could find such equal situations, then I would agree it would be wise for him to spend the money first in the area which was depressed. However, I do not believe that we can produce a Solomon, in or out of Government.

Mr. NEUBERGER. I am pleased, at least, that the Senator from South Dakota should offer such a suggestion, provided we could reincarnate Solomon. I would remind the Senator that he has been placing in the CONGRESSIONAL RECORD, of late, editorials and speeches on the subject of how prosperous South Dakota is. I, along with my distinguished senior colleague, represent the State of Oregon which unfortunately, for the past 4½ years has had, winter after winter, virtually the highest unemployment rate in the Nation.

Therefore, we may have a slightly different perspective on what it means when there are thousands of people in a State out of work, who have exhausted their unemployment benefits, and do not know where they can get any more work, or where they can get any shelter for their families. Therefore, we might have a different idea of what joblessness means.

Mr. MUNDT. I am happy that South Dakota should enjoy a period of prosperity.

Mr. NEUBERGER. I am happy also for South Dakota.

Mr. MUNDT. I regret that the State of Oregon is not so fortunate at the present time. However, I wish the RECORD clearly to show that, despite the prosperity in the State of South Dakota and the temporary unhappy situation in the State of Oregon, the program we are discussing is nationwide. It is a conservation program. It is no part of a leaf-raking or CCC program, and has nothing to do with an antidepression program. I hope that next year both Oregon and South Dakota will be equally prosperous.

Mr. NEUBERGER. We share that hope.

Mr. MUNDT. And we hope that Congress will continue to expand the conservation program.

Mr. NEUBERGER. I have several other questions which I should like to ask of the distinguished chairman of the committee. I note that the bill contains an item of $3,750,000, which has been

added for structural improvements, including housing, to make a total of $12,360,000. Is it the opinion of the chairman that some of this additional money can be used for new housing, as well as for lookout towers, warehouses, and other such facilities?

Mr. HAYDEN. The testimony before our committee demonstrated that it was highly essential in many places that the dilapidated living quarters be replaced by adequate housing. We cannot expect a young man who has completed his course in a forestry school and has qualified for a position of this kind, particularly a young married man, to go into the forest and live like a trapper. On the other hand, the quarters provided for are not expensive. They can be built reasonably, and it was the intention of the committee to include them, of course. As you know, the employees pay rent for the use of these houses.

Mr. NEUBERGER. I thank the Senator. The regional officials of the Forest Service in the Pacific Northwest have told me that outstanding graduates of schools of forestry have been discouraged from joining the Forest Service because such shabby housing facilities have been provided for them in the past.

Last Monday, April 28, I introduced, in cooperation with other Senators, a bill to expand forest research in cooperation with forestry colleges. Is it the opinion of the chairman that the Secretary of Agriculture could utilize some of the forest research money to enter into cooperative agreements with colleges of forestry in certain instances?

Mr. HAYDEN. There has been no testimony before our committee to that effect. I should not like to pass judgment on it without knowing more about it.

Mr. NEUBERGER. That subject has not been testified to before the committee?

Mr. HAYDEN. No.

Mr. NEUBERGER. I should like to ask the chairman several questions about the appropriations for forest access roads and trails, which are so important to the harvesting of the full allowable cut of national forest timber in the States where the forests are located. As a member of the Senate Public Works Committee, I was closely associated with the action which provided an increased authorization for 1959–60. Am I correct in understanding that the $27 million in cash recommended by the Committee on Appropriations will allow $34,664,000 worth of projects to be undertaken in fiscal year 1959 on forest roads?

Mr. HAYDEN. The Senator's figures are correct.

Mr. NEUBERGER. Am I also correct in assuming that the committee is not limiting the Forest Service in any way, and should it appear to be good business, the Forest Service can utilize during fiscal year 1959 part of the access-road money authorized for 1960, as provided by law?

Mr. HAYDEN. The law provides for it.

Mr. NEUBERGER. I am sure the chairman appreciates the fact that in order to provide the fully allowable timber cut, we must set up a road-construction program. Would it be the chairman's view, if the economic situation indicated it to be feasible, that we could move into the 1960 program during the next fiscal year?

Mr. HAYDEN. I do not know enough about the facts to answer that question definitely. However, the Forest Service does exercise good judgment as to what should be done in that respect. What has happened in the past is that the Department of Agriculture has never taken advantage of the contract authority it has under the Federal-Aid Highway Acts. When the Secretary of Agriculture was before our committee, he assured us that the Department would take advantage of the law and would do it immediately with respect to money made immediately available in the Highway Act that was just passed by the Congress. The Department of Agriculture is going to use its contract authority immediately. I think it will be a fine thing for the Department of Agriculture to, as the other departments do, utilize its contract authority, and not wait until they have the cash in hand before going to work.

Mr. NEUBERGER. I thank the Senator for his very helpful answers. I doubt if any program is more important to the Pacific Northwest than the program for access roads, which enable the harvesting of our national forest timber on a competitive basis which is fair to all operators, sawmills, and lumber companies.

I reiterate what I said earlier. I doubt that any other bill has been brought before the Senate in modern times which provides for such generous and wise conservation and development of our natural resources, as does the bill now before the Senate.

Mr. HAYDEN. I thank the Senator from Oregon.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. MORSE. I wish to ask the distinguished chairman of the Committee on Appropriations a few questions concerning the bill for the purpose of making a legislative history. When I have finished asking the questions, I shall offer an amendment which does not call for any additional funds, and which I hope, after I have explained it, the chairman will see fit to take to conference, to see if in conference it will prove to be as meritorious as I think it is.

Before I ask the questions and explain the purpose of the amendment, I commend the Committee on Appropriations and its very able chairman for the real and significant increases which have been made over and above the Eisenhower budget. I say, with no flattery on my lips, that the leadership and statesmanship of the Senator from Arizona [Mr. HAYDEN] in the field of Senate appropriations both humble and inspire me. I am certain that no one in the history of the Senate has made a more brilliant record in being exceedingly fair, impartial, and judicious in handling the appropriation problems of Members of the Senate and the States which they represent than has the Senator from Arizona. We have but another example of that statesmanship in the form of the bill being considered this afternoon.

Congress has shown its awareness not only of the problem posed by the recession, but also of the need to preserve our natural resources and to develop them for the future.

I am particularly pleased because many of the increases which have been allowed in the bill are in line with the suggestions and recommendations of the two Senators from Oregon and with the recommendations shared by our colleagues in Congress.

I shall first discuss the Bureau of Land Management budget. A $2 million increase has been allowed by the committee. Funds which were transferred from certain activities for Alaska firefighting have been restored, and operations have been stepped up. Increases have been made in the construction program in the Bureau of Land Management budget which are vitally needed.

The Park Service budget and Mission 66 have received most careful consideration. Funds for improvement and protection have been restored by the Senate committee. Funds for the maintenance and rehabilitation of physical facilities have been increased above the budget estimate. These are vitally needed funds which will take care of expanded park use. The administration made a $5 million cut in the Mission 66 construction program. The Senate committee has not only restored the program to its previous level, but has increased it, from the administration's request of $12.4 million, to $24 million. The committee has provided the Senate with a detailed list of the projects typical of those which can be speeded up. It fully justified putting Mission 66 on an expanded basis rather than cutting it back. The committee has also authorized that the road and trail and parkway program go forward at fully authorized amounts.

The committee's action on the Forest Service has been most fair and understanding. Each and every program with which many of us have long been associated, has received fair consideration. The vital reforestation program has been increased by $1.5 million. Operation Out-Doors, which the administration cut back, has been placed back on schedule. Funds have been added for structural improvements, such as housing, lookouts, and warehouses. Insect and disease control and soil and water management have been accelerated. The committee has allowed $4,600,000 increase for forest research; $2,100,000 will go to strengthen research programs, and the balance will be spent for the construction of urgently needed facilities. While not one of these new facilities will be in Oregon, the results of the research that will be performed will benefit Oregon and every other State in the Union.

The committee has restored the cut which the administration proposed in the Clarke-McNary Act. We have 52 million acres in need of reforestation, and the administration proposed an 80-percent reduction in this program. The committee acted not only with wisdom, but with restraint.

I am particularly pleased by the committee action on forest roads and trails.

I had asked that this program be brought up to the full authorization, and the committee has done this. The result of getting this program up to par will be to the benefit of not only the national forests but also every person in the Nation who is in the market for a house. This one increase alone will do a tremendous amount to help put the national forests on a full production basis.

I cannot emphasize too strongly that this appropriation bill represents the attitude of our distinguished majority leader, who has determined that he will not sit by and wring his hands or make cheerful statements about the condition of our economy. This is a budget which is responsive to needs that exist. It is a budget which will put people to work now. It is a budget which will develop the Nation for the long-term growth of our economy.

At this point, I wish to ask the chairman of the committee for some information. Some of the people in my State have suggested to me that it would be vital to increase the funds available for timber sales administration and management with the expectation that there would be an increase in the salability of national forest timber. The committee is aware, of course, that these requests did not come until a few days ago. Therefore, I shall ask the chairman if he would entertain a supplemental appropriation later in the fiscal year if it should be determined that the Forest Service could sell substantially more timber than can be processed with the funds allocated under the budget now before the Senate.

Mr. HAYDEN. I think that would be fair and proper, if the facts are as the Senator has stated them, and they are corroborated by the Forest Service.

Mr. MORSE. I should want to have the facts established before the Senator's committee.

Would that also be the Senator's position with respect to the Bureau of Land Management budget?

Mr. HAYDEN. Yes. If a supplemental appropriation bill were to be considered by the Senate, and the facts justified such action as the Senator from Oregon is proposing, we would, of course, do what he requests. It would depend on what the facts were at that time.

Mr. MORSE. The burden of proof would be upon the two agencies concerned to present facts justifying the appropriation.

Mr. HAYDEN. Yes.

Mr. MORSE. I feel impelled to reiterate, in part, the colloquy I had last year with the Senator from Arizona, so that the new Director of the Bureau of the Budget and the Secretary of Agriculture can study the legislative history and be guided by it.

Last year, after Congress passed the appropriation bill, the Department of Agriculture impounded $1 million of the timber-access road money. Then the Department dribbled out the money with political announcements as though the administration had manufactured the money; as though Oregon's delegation in Congress were nonexistent, the notification being made first in the State to candidates for office, and subsequently to the Oregon delegation. But we are used to that, and I am good humored about it.

While, on the one hand, the myth of more money was being perpetrated, the President's budget requested only $23,099,000 for roads for 1959, while the previous year's budget had been $24,336,000.

I point out also that while the construction of timber access roads with appropriated funds was being cut back, the construction of such roads by timber purchasers had increased. That means the Federal timber was sold to the purchaser, but at a price which permitted him to build his own roads.

The timber purchaser construction method puts a drain on Treasury receipts. In 1956, $23.4 million of receipts were drained off by this method while in 1958 the drain has increased to $32.7 million. I say this with some feeling because of the $9.3 million increased drain, $7.4 million occurred in Oregon and Washington. Our counties are losing $1.8 million more than heretofore due to the heavy reliance of this administration on timber purchaser road construction.

Oregon and Washington have suffered substantial unemployment; yet the administration budget proposed less money for access roads; and, under its program, it was also proposed to cut more heavily into funds properly due the counties which are struggling with this recession at the grassroots. These policies have also further strangled the small and medium size timber operators.

I should like, at this point, to ask the distinguished chairman of the Appropriations Committee some questions about the road and trail program:

Is it the position of the chairman of the committee that the full amount of the authorization for forest roads should be used?

Mr. HAYDEN. It is highly advantageous to the Forest Service and also to the Treasury of the United States to handle the matter in that way.

Mr. MORSE. Is it also the view of the chairman of the committee that these funds should not be impounded while the Department permits timber purchasers to proceed to build roads, thereby draining off receipts?

Mr. HAYDEN. I oppose very much the impounding of the funds appropriated by Congress, without letting Congress know about it. However, there is not a provision of law requiring the Bureau of the Budget to notify the Congress when funds are placed in reserve or impounded. I think there should be such a law.

Mr. MORSE. I do not intend to digress into a discussion of that matter, which may come up in connection with legislation to be proposed later. But does the chairman of the committee disagree with me when I point out that, in effect, this impounding practice has become a form of an individual item veto in the case of an appropriation bill, at least to the extent that it succeeds in delaying—probably until another fiscal year—the expenditure of an appropriation which the Congress in its wisdom has said should be spent?

Mr. HAYDEN. Of course, it is true that the President and all other executive officers take an oath to see that the laws are duly executed. But they exercise their judgment with respect to them. I found out long ago, when I first came to the Congress, that it is impossible to make any department spend any money that has been appropriated, unless the department wishes to do so. It is lawful, but I question the policy.

Mr. MORSE. I do not question the lawfulness; but I, too, question it as a public policy.

Mr. MUNDT. Mr. President, will the Senator from Arizona yield to me?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Arizona yield to the Senator from South Dakota?

Mr. HAYDEN. I yield.

Mr. MUNDT. So that the record will not indicate that the impounding of public moneys, in connection with appropriations, is a Republican invention, I should like to call attention to the fact that it was practiced by President Truman and by preceding Presidents, and is something with which the Congress has wrestled for a long time.

Mr. MORSE. And I am sure the Senator will recall that at the time when I sat on his side of the aisle, I, too, criticized President Truman for that practice. I do not think it is a proper practice, regardless of what President may exercise it.

Although the President has a right so to act, it seems to me that when the Congress has appropriated funds to be used for construction of public-access roads, there should be a very good reason why the execution of the judgment of the Congress should be postponed. But we do not get notice of the reason; we only receive notice that the funds have been impounded.

That is why I am trying now to write this legislative history today, through the distinguished Senator from Arizona, because I think it will have great weight with any administration—Republican or Democratic—after we show what the Senator from Arizona thinks about a matter such as this.

Let me say to my friend, the Senator from South Dakota—as he has already noted—that I am not opposed to the road contract approach entirely. I think there are particular instances in which it is wise economy to proceed in that way. But we have been faced with a cutback in the Federal construction of access roads into the Federal timber—and such roads would benefit the small mill operators in my State—and an increase in the timber purchaser road-construction program, which many of us feel gives undue benefit to the large timber operator who has sufficient money to be able to purchase a large trace of land and to get the stumpage cost knocked down to such an extent that he can build the road himself. But the little fellow does not have that kind of money, and has to rely upon the federally constructed road.

That is why I am pleased that all the members of the committee this year did

so magnificent a job in recognition of the need for some federally built access roads, to the tune of the increase for which the committee voted.

Would it be the view of the Senator from Arizona that if there were to be a cutback in the road program, it should be done by reducing timber purchaser road construction, rather than Federal access-road construction?

Mr. HAYDEN. Obviously, it would be best for the Treasury of the United States to proceed in that way.

Mr. MORSE. Does the Senator from Arizona agree with me that an accelerated road program using appropriated funds and contract authority can be a very useful economic weapon in the fight against recession?

Mr. HAYDEN. There can be no question about that.

Mr. MORSE. Is it the opinion of the chairman of the committee that if the recession problems continue, or if there is an increase in the demand for timber, it is desirable to speed up the construction by utilizing the advance contract authority contained in the Highway Act?

Mr. HAYDEN. I think it should be used almost exclusively by the Department of Agriculture just as it is by the Department of the Interior in connection with building Indian reservation roads and National Park Service roads. It is entirely proper to take advantage of the contract authority and to let the contracts and to get the work done.

Mr. MORSE. As the Senator from Arizona has pointed out in correspondence with me, that is exactly what he suggested to the Secretary of Agriculture when the Secretary was before his committee.

Mr. HAYDEN. That is correct.

Mr. MORSE. If the Department elected to use advance contract authority, would the Senator from Arizona be agreeable to considering a supplemental appropriation, if requested by the Department?

Mr. HAYDEN. I think that, by and large, we can handle this matter in the proper way. We probably shall have enough money at the moment. If facts develop to show that more money is needed, I would be in favor of providing it. In other words, we have to judge each instance by the conditions which exist at the time.

Mr. MORSE. Now I shall move to a brief discussion of the purpose of the amendment I like to offer. Before doing so, or before I explain it, in order that the RECORD may be clear, let me ask this question: It is true, is it not, that under the arrangement the Federal Government has with the Oregon O. and C. counties, in the O. and C. timber areas, the counties may spend for the construction of roads up to 25 percent of the receipts they get in lieu of taxes, for Federal timber?

Mr. HAYDEN. Yes.

Mr. MORSE. That is true, is it not?

Mr. HAYDEN. Yes. It is my understanding that the counties have been well satisfied with that procedure.

Mr. MORSE. The counties are well satisfied with it; in fact, I hold in my hand a news statement from the Salem Statesman, of Salem, Oreg., of April 15, 1958, in which Mr. Frank Sever, the attorney for the O. and C. counties, is quoted as saying that "the counties generally have indicated that they want to spend no more than the present 25 percent of timber receipts for access roads and other improvements."

But the county officials have made clear to me and to my office that they want to be free to spend up to 25 percent, if the funds are made available.

That brings me to a question which I wish to present to the Senator from Arizona. I had hoped to have a chance to talk to him before I brought up the matter on the floor of the Senate. But I have been so involved today that this is the first opportunity I have had to present it to him.

My purpose is to assure that the full 25 percent of the receipts which the counties have earmarked for roads and reforestation will be available if the counties so desire and if a later estimate of the receipts indicates that that can be done.

The present indications are that revenue sufficient to handle a $6 million program of reforestation and road construction will be forthcoming in the fiscal year 1959. That is the present estimate, I understand—namely, $6 million.

However, the program level will be approximately $500,000 below that amount. In other words, although the estimate will be approximately $6 million, the program level is now fixed at about $500,000 below that amount.

This provision is not mandatory, and would become operative only after the Secretary consulted with local O. and C. officials. The amendment which I shall offer will help avert a substantial drop in the O. and C. program, and is very important, since the Bureau of Land Management has just announced that, in order to complete its 12,000 miles of network, another 6,300 miles of access roads will be needed.

My amendment will not add one more penny of appropriation to this bill. It is consistent with the O. and C. counties' position that up to 25 percent of their share of receipts should be used for roads and reforestation; but they usually know 60 to 90 days before the end of the year about what the total receipts will be, and it will put them in such a position, in the last quarter of the fiscal year, that if they see that the receipts are going to be greater than they originally estimated, they can proceed to contract for the building of additional roads and contract for reforestation, up to the 25 percent; no more.

Let me restate my question: What my proposal, in effect, makes it clear to the O. and C. counties that if the actual income or receipts will be greater than is contemplated under the present road-building and reforestation schedule, they can proceed to contract up to the 25 percent of what they believe the total receipts will be.

I would word an amendment as follows:

On page 5, line 6, after "provided further," insert the following: "That if the Secretary of the Interior finds that the amount to be accredited to the general fund of the Treasury for the fiscal year beginning July 1, 1958, under the provisions of the second paragraph of subsection (b) of title II of the act of August 28, 1937 (50 Stat. 876) will be greater than the amount appropriated herein, such amount appropriated shall be increased to equal such amount accredited, if the county officials of the counties entitled to benefits under such second paragraph agree to such increase."

We leave it entirely to the counties. As I have indicated, the counties are bound by the 25-percent figure, but this proposal at least would give them an opportunity, when they see they are to get more money than they thought they would, to speed up their program in the last quarter, because they need the additional 6,300 miles of road beyond the mileage contemplated by the program.

Mr. HAYDEN. I am afraid the Senator has two strikes against the amendment.

Mr. MORSE. The advice of the Senator from Arizona will have great effect on me. I have not offered an amendment yet. I should like to have the Senator's views on it.

Mr. HAYDEN. My understanding is that the rules of the Senate forbid an appropriation based upon a contingency. This proposal is an "if". That is the first reason for not adopting the amendment. Secondly, it is always very much better to have a budget estimate or a recommendation from a department in advance of making an appropriation.

If the situation arises which the Senator says may arise, and if there is a need to do what he wants done, and that matter is brought to the attention of the Bureau of Land Management the matter can be presented in the consideration of the supplemental appropriation bill by the committee. We can take testimony to determine if an additional appropriation is justified.

Mr. MORSE. I am completely satisfied by the Senator's explanation. I accept his judgment in regard to the matter. I shall not offer the proposal as an amendment. That is why I followed this procedure. If I had had an opportunity to talk to the Senator beforehand, I would not have taken as much time as I have. I did not have a chance to speak to the Senator. However, we have made a record which will be available to all concerned.

Mr. HAYDEN. I assure the Senator that if there is any change that justifies doing what he has suggested, and the facts develop that to be the case, there will be other opportunities to carry out the proposal.

Mr. MORSE. I close by saying again I thank the Senator from Arizona for what I consider to be a most statesmanlike job he and his committee have done in presenting the report. On behalf of the people of my State, I repeat, and I know I speak the views of my colleague [Mr. NEUBERGER], as he indicated, I thank the chairman and the committee for the fairness with which they have treated the forest problems of my State.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. COOPER. I know how fair the Senator has been in response to questions asked by Senators. I shall be brief. There are three matters which affect my State about which I should like to ask the Senator. In Lyon and Trigg

Counties, in southwestern Kentucky, much of which will be inundated by the lake behind Barkley Dam on the lower Cumberland, a great many citizens are disturbed about plans of the Department of the Interior to acquire additional large tracts of land for a game and wildlife refuge.

Last year I asked the Senator this same question. Are there any funds in the bill which will enable the Department to acquire such land?

Mr. HAYDEN. No, there are no such funds provided. Congress is about to provide by law for an increase in the price of duck stamps. The resulting additional money is to be devoted exclusively to the acquisition of lands for wildlife refuges. That is a source of funds into which the Senator from Kentucky can look, and probably he will find some of those funds can be utilized for the purpose he has in mind.

Mr. COOPER. I may say to the Senator I myself am opposed to the acquisition of additional large tracts of land for the refuge. Much of the lands in that area will be taken in any event by Barkley Lake.

Can I be assured that there is no money provided in the bill to pay for the acquisition of such lands?

Mr. HAYDEN. No, there is no appropriation for that purpose, and the only money made available for that purpose will come from increased funds as a result of the sale of duck stamps.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. MUNDT. The proposed duck-stamp legislation has not yet completed its passage through Congress. I think it should be enacted into law. I think the wildlife refuges are very important. If the Senator from Kentucky has a particular area in his State in which he thinks it will be against the public interest to locate such a refuge, he can still be in favor of the duck-stamp bill. He should lodge his protest with the Fish and Wildlife Service and point out to it that the area to which he has reference is not the place to locate a refuge. If he succeeds, I will say to him that we in South Dakota will be glad to have one.

Mr. COOPER. I thank the Senator. The question is whether the Kentucky Woodlands National Wildlife Refuge should be or should not be increased in size. I believe most of the people do not believe its size should be increased.

Mr. MUNDT. Nothing our committee has done will disturb the status quo in any way.

Mr. COOPER. I should now like to ask about the appropriation relating to the development of the Cumberland Gap National Historical Park, which lies in Kentucky, Tennessee, and Virginia, and which is an area through which 300,000 of the earliest settlers of the West passed from the eastern seaboard.

Mr. HAYDEN. Mr. President, the tabulation which appears in the committee report shows a recommended increase in the amount of $268,000 for that item.

Mr. COOPER. That is under Mission 66.

Mr. HAYDEN. Yes.

Mr. COOPER. I understand in that part of the appropriation which obligates funds for roads and trails, there is included $425,000 for the grade separation at U. S. 25E, and for access roads.

Mr. HAYDEN. That is a part of the program submitted by the Bureau of the Budget. It is in the approved budget program.

Mr. COOPER. I have been informed that is correct. That has been approved.

One other question, and then I shall desist.

In 1954, a forest research center was established at Berea College, Kentucky. I think it has been quite successful in its land management and timber management aspects, and also in timber utilization. I asked the committee to appropriate additional funds for the project. I understand the budget request was approved at $50,275, and that an additional $30,000 was added to those funds for the Berea College center.

Mr. HAYDEN. The Senator has been correctly informed.

Mr. COOPER. I want to thank the distinguished Senator and join with others in expressing my own appreciation of the Senator's fairness and thoughtfulness in all these matters.

Mr. WATKINS. Mr. President, I rise to commend the Appropriations Committee for its action on the Interior appropriations bill and to announce that I plan to support the recommended increases reported by the committee.

The appropriation of $489 million, recommended in this measure, represents an increase of only $29 million over the appropriations for the past fiscal year. And in view of the fact that this bill carries funds for administration, development, and protection of the public lands and resources of the United States and its possessions, this represents a very modest increase for a program which affects virtually every man, woman, and child in this country, and embraces a land acreage totaling 455 million acres in the 48 States and another 300 million acres in the Territories.

The Appropriations Committee report explained and justified the $76 million increase which the Senate committee made above the levels recommended in the House bill. I shall not cover the same ground, but I wish to comment briefly on some increases that affect my State directly.

The item for management of lands and resources carries an increase of $2 million above the House figure. Actually, this is only an increase of $1 million, inasmuch as $1 million will go to make up funds diverted from the entire management program for fire fighting, essentially in Alaska, during the current fiscal year.

The combined restoration and increases, however, represent a total increase for essential management areas of $230,000 for lease and disposal of land and mineral resources; $100,000 for management of grazing lands; $350,000 for forestry management of BLM lands; $120,000 for cadastral surveys, a very important item for my State; $550,000 for the important area of soil and moisture conservation; and $650,000 for weed control.

Anyone familiar with the problem of managing the 468 million acres of BLM lands in 26 States and Alaska needs no explanation of the importance of these programs, which traditionally have been conducted on an austerity basis.

An editorial in the Salt Lake Tribune of August 21, 1957, dealt with the problem of reseeding burned-over rangelands on the public domain, and in view of its applicability to the present consideration of the bill, I hereby request unanimous consent to have this editorial printed in the RECORD at this point in my remarks, along with a letter of October 18, 1957, from BLM Director Woozley, giving his views on the recommendations in the editorial.

There being no objection, the editorial and letter were ordered to be printed in the RECORD, as follows:

SEED THE BURNED LANDS

Many thousands of acres of rangeland have been burned over this hot and dry summer throughout the intermountain West.

Blackened areas which had been covered with dry, low-type grass and brush extend as far as the eye can see in a shocking number of sections, particularly in south-central Idaho, where towns, farms and other valuable property have been damaged or endangered by racing flames.

Much of the land is publicly owned, a great deal of it administered by the Federal Bureau of Land Management. Many years of unregulated or inadequately controlled grazing, plus some deliberate and unwise burning, have removed the desirable forage and only form of plant life, largely cheatgrass, remains. This is highly flammable when mature and a poor range cover.

After the land has been burned over conditions are good for reseeding the land into desirable grasses which are not only more palatable for livestock but put down deeper roots and serve as a better protective cover for the soil. These grasses, particularly the wheat grasses, remain green longer even in drought conditions and therefore do not burn at every drop of a match or cigarette.

The Bureau of Land Management has reseeding programs under way but the job of rehabilitating some 150 million acres of Federal range is incredibly large. Funds should be available to reseed the burned over rangelands so that beneficial grasses will sprout as soon as moisture falls. Cooperative programs should be ready to go, particularly in acute problem areas.

A Bureau of Land Management report says about 50 percent of Federal rangelands are in a state of severe to critical erosion and 32 percent are eroding moderately. This is gross waste—destruction of topsoil. Cheatgrass should be replaced with desirable plants.

UNITED STATES
DEPARTMENT OF THE INTERIOR,
BUREAU OF LAND MANAGEMENT,
Washington, D. C., October 18, 1957.

Hon. ARTHUR V. WATKINS,
United States Senate,
Washington, D. C.

DEAR SENATOR WATKINS: The editorial from the August 21 issue of the Salt Lake City Tribune on burned-over lands in Utah and Idaho that you recently sent to me with your letter of October 9, has been reviewed with a great deal of interest. Thank you for calling our attention to the publicity given to the problem of range fires in those two States, and requesting my comments on the availability of funds for use in reseeding burned-over rangelands and about program planning to remedy the adverse conditions created by range fires.

The Bureau of Land Management has not requested appropriations specifically for the purpose of revegetating public lands denuded

by fire. However, funds are available in the soil and moisture and weed-control programs which may be utilized for this purpose whenever the burned-over lands are of such character and so located as to make such operations feasible. Very often areas covered by fire are too rough to permit the use of ground-seeding equipment and sometimes are located in belts of low precipitation where successful reseeding is questionable.

Usually our soil and moisture conservation fund has been used to complete emergency seeding operations on burned-over areas. However, where halogeton is prevalent the halogeton control fund is likewise available to the extent that it can be diverted from previously planned work. Whenever either of these funds is used in this way, projects that were planned in justifying the appropriation have to be postponed and replanned.

The availability of funds specifically for the purpose of the emergency revegetation would prove very helpful to the Bureau's operations. Planned programs would not then be interfered with and there would exist a better possibility that needed vegetative rehabilitation practices would be completed on burned-over areas. The likelihood exists that every burn should be seeded with the best adapted forage species available. If such seeding could not be done with ground-planting equipment, which would be most desirable, then it may be done by aerial broadcasting. This seeding should follow the burn as promptly as proper seasonal conditions will permit.

Each year the Bureau prepares program plans providing for the amount of rangeland reseeding, along with other conservation and improvement works, which anticipated appropriations will permit. These reseeding projects are always planned with specific tracts of land in mind and therefore do not provide for subsequently burned areas.

The current year is the third of a 20-year departmental conservation program that was devised and approved on an accelerating basis whereby all depleted public lands under Interior Department jurisdiction were to receive appropriate treatment by the end of that period. It is hoped that this program may ultimately be completed as originally planned, but it has become necessary to curtail the work to some degree during the current fiscal year to absorb unprecedented fire suppression costs. This cutback will not only delay planned conservation accomplishment but will also present less latitude in diverting funds to handle needed reseeding of burned areas.

I hope that the above comments have given you a sufficient idea of the Bureau's methods of handling and financing emergency reseeding operations on burned-over rangelands. If you have any further questions concerning the program of the Bureau in this or any other matter I would be glad to answer them for you.

Sincerely yours,

EDWARD WOOZLEY, *Director.*

Mr. WATKINS. Mr. President, 2 of the largest increases in this bill were made to expedite 2 major recreational resource improvement programs that have attracted nationwide interest and support. These programs are the Mission 66 program of the National Park Service, and the Operation Outdoors program of the Forest Service. These programs are of special interest to the West, because of our relatively large forest and park acreage. However, these two programs will improve public recreation areas and reserved acreage throughout the 48 States and our Territories.

Improvements made under this program also will contribute to the antirecession program, because they involve essentially small construction jobs which can be undertaken this year. However, this factor is incidental to the long-range, overall importance of these two programs to outdoor public recreation and resource management.

The $11.6 million increase for the construction program of the Park Service makes possible an improvement program totaling $1,887,700 for Utah National Parks and Monuments and nearby Grand Canyon National Park. I have summarized the Senate-recommended increases in funds for visitor facilities at these internationally known national park units as follows:

Name of park or monument	Senate-recommended increase	Total available under Senate bill
Arches National Monument	$218,400	$218,400
Cedar Breaks National Monument	99,600	111,600
Dinosaur National Monument	75,800	132,500
Grand Canyon National Park (Arizona)	167,500	888,500
Zion National Park		536,700
Total	561,300	1,887,700

Comparable figures were not provided in the report for the details of the $3 million increase recommended in the Operation Outdoors program of the Forest Service. However, I recently received a report from the regional forester on the program pursued in Utah during the current fiscal year, and I hereby request unanimous consent to have this report printed in the RECORD at this point in these remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Ogden, Utah, April 4, 1958.

Hon. ARTHUR V. WATKINS,
United States Senate.

DEAR ARTHUR: In answer to your inquiry of Secretary Benson's Office, we have been requested to send you a followup report on Operation Outdoors for the national forests in Utah.

With our letter of September 23, 1957, we sent you a tabulation of the rehabilitation and construction work we hoped to accomplish during the current fiscal year. On the attached sheet we have shown the planned work as well as the accomplishments we expect to attain by June 30. The final column sets forth the allotments to Utah forest supervisors for this work.

Our primary effort during the first year of Operation Outdoors has been directed toward placing wornout camp and picnic grounds in satisfactory condition. We have also intensified cleanup services at the 260 camp and picnic grounds within Utah national forests. Special attention has been given to the maintenance of sanitary facilities in those recreation areas situated in watersheds which provide culinary water for nearby communities.

Some of the larger areas where construction and rehabilitation work is being accomplished are as follows:

Ashley National Forest: Moon Lake campground, north of Altonah; Browne Lake campground, south of Manila.

Cache National Forest: Picnic areas in Logan Canyon.

Dixie National Forest: Navajo Lake campground, Duck Creek campground.

Fishlake National Forest: Ponderosa campground, east of Beaver.

Manti-LaSal National Forest: Oowah campground, southeast of Moab; Dolten Springs campground, east of Monticello.

Uinta National Forest: Little Mill campground, American Fork Canyon; Bear Canyon campground, southeast of Santaquin.

Wasatch National Forest: China Meadows picnic ground, near China Lake; Storm Mountain picnic ground, Big Cottonwood Canyon.

The increase in public use of Utah national forests has exceeded our expectations. In 1957 there were 4.6 million visits—an increase of 12 percent over the previous year.

We will be glad to send you our plans for continuing the Operation Outdoors program the coming fiscal year soon after we are advised as to the amount of funds which will be available.

Please let us know if you have any questions or desire additional information.

Sincerely yours,

FLOYD IVERSON,
Regional Forester.

Program for operation outdoors—Utah, fiscal year 1958

Forest	Work planned			Expected accomplishment by June 30, 1958			
	New construction units [1]	Rehabilitation		New construction units [1]	Rehabilitation		Funds allocated [2]
		Units [1]	Water systems		Units [1]	Water systems	
Ashley	34			24			$28,408
Cache	29	107	3	15		2	81,862
Dixie	16	137		36	50		24,735
Fishlake	6	40			69		34,219
Manti-LaSal	28			49	3		30,991
Uinta	20	36	2	8	110	2	80,826
Wasatch	194	59	1	73	518		134,002
Total	327	379	6	205	759	4	415,223

[1] A unit consists of a table, stove, and necessary facilities to accommodate a family group of 5.
[2] These figures represent allocations for on-the-ground project work. They do not include the cost of providing engineering or recreation landscape architect services provided the forests by the regional office or a proportionate share of supervision and planning costs at the national forest, regional and Washington office levels.

Mr. WATKINS. Mr. President, the description of the activities undertaken during the first year of this program in one State should indicate the widespread public benefits which are starting to accrue from this program to restore the hitherto neglected public recreation facilities on our national forest lands.

Other Senate-recommended increases in Forest Service funds, totaling $10 million, also appear to be eminently jus-

tified. The entire Forest Service program, I might add, is one of the few Government activities which has annual receipts approximating its expenditures. Many of the other appropriations in this budget also are offset to some degree by fees and other revenues. This, overall, is a revenue-producing budget and the participating agencies have been traditionally well managed and conservative. In the affirmation of this, I hereby request unanimous consent to have printed in the RECORD, an editorial from the Ogden Standard-Examiner of April 20, 1958, commenting favorably on the Mission 66 program of the National Parks Service. Similar comments could be made—and have been made by this and other area editorial writers—on the Forest Service program.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NATIONAL PARKS PLEA

Senator JAMES E. MURRAY, Democrat of, Montana, told the Senate last week that the Interior Department has failed to ask for sufficient funds to develop facilities in the national parks in accordance with the Mission 66 program. This is the time to improve our parks, the Montanan said, not only to provide better accommodations for the millions of visitors, but to add permanent improvements to the parks and provide needed jobs. In support of larger appropriations, Senator MURRAY quoted Senator HARRY F. BYRD, Democrat of Virginia, a watchdog of the Treasury, as declaring he had never discovered in a National Park Service budget a request for nonessential item and the Service gets $1.20 of value out of each dollar voted.

Praise from Senator BYRD is praise indeed and the quotations should help Senator MURRAY obtain increased funds for the parks.

Millions of Americans know from visits to the parks that more facilities are required to accommodate the increasing numbers eager to enjoy the parks. Every Senator and Representative surely knows that development is lagging. They should know this from studying the Mission 66 program for a 10-year project to bring the parks up to standards, so that by 1966 they will be able to serve the 80 million visitors it is estimated will be crowding the parks in that year.

Every informed American doubtless agrees with Senator MURRAY that this assuredly is no year to economize on our national parks and monuments.

Mr. WATKINS. Mr. President, in closing, I also wish to commend the committee for providing an increase of $2,421,350 for construction of fish and wildlife facilities. This action permits an appropriation of $225,000 to complete construction of long-needed new facilities at the Springville, Utah, fish hatchery, which supplies game fish for planting in streams in Utah and adjoining areas. This is a most commendable project, and I feel sure that the other facilities covered in this appropriation increase warrant expedited construction.

Mr. YARBOROUGH. Mr. President, I offer an amendment to H. R. 10746.

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 18, line 24, it is proposed to strike out "$11,616,000" and insert in lieu thereof "$11,916,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas.

Mr. YARBOROUGH. Mr. President, the amendment would, under the item of "Management and investigations of resources," under the Bureau of Sport Fisheries and Wildlife, increase the appropriation from $11,616,000 to $11,916,000. The increase is $300,000, which is sought for the purpose of research into the effects of poisonous pesticides on wildlife, as well as on domestic animals, and on human life.

Each year insect pests, plant diseases, and weeds take a toll estimated at $11 billion from our economy. To combat this tremendous loss, some $2 billion is spent each year on control measures, mostly for pesticidal chemicals and their application. More than 750 million pounds of pesticides, having a value of $250 million, are now produced in the United States each year. About two-thirds of this production is for domestic utilization on about 100 million acres of the Nation's lands and waters.

Although there has been an enormous increase in the use of pesticides during the last 15 years, the industry estimates that it is supplying only one-sixth of the present need, so the outlook is for a vast and continued expansion of production of these poisons and their use on the lands, waters, plants, and food of America.

Effective control of pests is recognized as an essential part of our modern agriculture and public health programs. Oftentimes, however, the materials as applied cause direct or indirect damage to wildlife, fish, and domestic animals. Experience has shown that much of this loss is unnecessary and could be prevented or minimized by careful regulation of the rates, seasons, and methods of applying the control agents. Effective progress has been made in this direction as a result of intensive studies of several of the chemicals, such as DDT, which are in common use.

New formulations are appearing daily and there are now some 220 control agents available in the market. Two hundred and twenty different poisons are being sold in the American market. The present level of research is inadequate to screen these materials and learn their immediate and long-term effects on fish and wildlife. An expanded twofold program is needed to cope with the problem: Determinations of acute and chronic toxicity levels and effects on reproductive capacity of the various pesticides through studies of penned animals and on controlled sample plots; field appraisal of wide-scale operations such as those for fire ant, gypsy moth, spruce budworms, grasshopper, and Mormon cricket control, to determine their effects on fish and wildlife and to develop measures for reducing damage through changes in materials, rates, methods, and times of treatment.

For the purposes described, it is recommended that the sum of $240,000 be added to subactivity (b) of item 6 for wildlife research and the sum of $60,000 be added to item 3 for fishery research—fishery management research—under Management and Investigations of Resources, Bureau of Sport Fisheries and Wildlife.

Incidentally, this amendment has the support of the National Wildlife Federation and the Wildlife Management Institute, both of which are pleading for this small $300,000 appropriation so that research can begin in this field to determine what the poisons are doing, not merely to the reproductive processes of fish and wildlife, but also of all animal life, as well as human life.

Mr. C. R. Gutermuth, vice president of the Wildlife Management Institute, with headquarters in Washington, D. C., testified before the committee as follows, as shown on page 591 of the hearings:

> We think that it is being very, very conservative to ask for a meager $300,000 to start some real, honest-to-goodness studies on the effects of these powerful chemical controls. If the Congress sees fit, based on the meager amount of research that has been done on some of these chemicals which we point out here are 20 times more toxic than DDT, then certainly we ought to get some research going on this important thing.
>
> Public concern is mounting over the effect of these economic poisons on fish and game and other beneficial insect and animal life, as well as on humans and livestock. The time to prevent losses is before new superpoisons go into commercial use. Each must be tested thoroughly in the laboratory and in the field. Formulations, time of application, methods, and doses must be worked out in advance in order to avoid unnecessary damage. We sincerely urge the committee to increase the appropriation for wildlife research by $300,000.

I concur with the National Wildlife Federation and the Wildlife Management Institute in urging that the Congress appropriate this meager $300,000 to begin essential research. I request the chairman of the committee not to resist this request for $300,000.

Mr. HAYDEN. Mr. President, I regret that I cannot agree to accept the amendment at this time, for this reason: The first we heard about the necessity for doing anything of this kind was at a hearing when the subject was brought to our attention by Mr. C. R. Gutermuth, vice president of the Wildlife Management Institute. There was no testimony whatever from the Department. There was no budget estimate. There was none of the background which usually accompanies a request of this kind.

I agree that perhaps something should be done, but I believe that the request requires a better justification than was made before our committee as to the need. The committee considered this request, and it was turned down.

Under these circumstances, I must oppose the amendment.

I regret very much that I cannot offer the Senator from Texas any encouragement at this time. On the other hand, the Senator should tell his friends in the Wildlife Management Institute and the other organizations that if they will pursue this request another year, taking it up with the Department, and persuading the Department to ask for the appropriation in the regular way, I believe that something can be done about it.

This subject has been brought up only recently. The large-scale use of such poisons is a recent development. It is a subject which should be carefully studied before we undertake to spend money.

Mr. YARBOROUGH. Mr. President, I commend the distinguished chairman of the committee and the other members of the committee who sat with him in the hearings, for the appropriations which have been recommended. In a number of instances the committee has recommended increases over the budget estimate and over the House figures. I believe that the subject of the preservation of our natural resources is close to the heart of every American. The committee has done a fine job.

I am offering an amendment providing for an additional appropriation of $300,000 to study the toxicity of the various pesticides, some of which have been described. Some of them about to go on the market are 20 times more toxic than DDT.

This is an emergency situation. An appropriation was not requested by a department of the Government, as the able chairman has pointed out. It seems to me that it would not be amiss for Congress itself to initiate such an investigation, without waiting for the executive department to request it. We believe that the need is urgent. If the Department did not believe that such an appropriation was wise, or if it could handle the situation without the appropriation, in such a manner as not to waste a dollar, advance planning could be done for a larger appropriation. The subject is of such importance that it might well justify the Senate in taking the initiative, even though the Department did not suggest the appropriation.

We believe that the committee has done a magnificent job on the bill. Among appropriations for which I particularly wish to commend the committee is that for investigation and research into the subject of saline water, with the object of removing salt from the water and converting salt water to fresh water. Many of the projects for which the committee has recommended appropriations are basic to the expansion of the American economy.

Mr. President, in offering my amendment I do not make the slightest criticism of the patient consideration which the committee has given to the bill. More than 700 pages of testimony were taken. This indicates long and patient consideration. However, I believe that the item for which I am requesting an appropriation is important.

Mr. HAYDEN. I suggest to the Senator that he tell his friends connected with the various interested organizations that they should make a representation immediately to the proper department in Washington to the effect that something should be done about the situation. If there is an emergency, and if it can be proved to the satisfaction of the department which would spend the money, it will ask for it. There will be supplemental appropriation bills coming along in which such an item could be included.

Unless those who would be expected to do the work indicated that they wanted to do the work, we would have great difficulty in forcing money upon them. For that reason I think it would be the part of wisdom to handle the matter as I have suggested.

Mr. YARBOROUGH. Mr. President, will the chairman yield to me for a question?

Mr. HAYDEN. I yield.

Mr. YARBOROUGH. I should like to ask the distinguished chairman whether or not there will be an opportunity, in connection with a supplemental appropriation bill, to present the request to the committee later during this session of Congress.

Mr. HAYDEN. Yes. We can then hold hearings on the subject.

I wish to impress upon the Wildlife Management Institute and other organizations which are interested that they should take the matter up with the proper officials of the Fish and Wildlife Service and have them study the problem, so that when we call them as witnesses they will have some information to give the committee.

It is important from the standpoint of what they will do with the money that will be made available to them.

Mr. YARBOROUGH. Mr. President, in the light of the clear statement of the distinguished chairman, the senior Senator from Arizona, that there will be an opportunity given to present the matter in connection with the supplemental appropriation bill later in this session of Congress, when wildlife organizations and conservation groups will have an opportunity more fully to present the case than it was presented before the committee's regular hearing, I shall withdraw the amendment at this time.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The amendment of the Senator from Texas is withdrawn.

The bill is before the Senate and open to amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were order to be engrossed and the bill to be read a third time.

The bill (H. R. 10746) was read the third time and passed.

Mr. HAYDEN. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HAYDEN, Mr. CHAVEZ, Mr. MAGNUSON, Mr. HOLLAND, Mr. MUNDT, Mr. YOUNG, and Mr. KNOWLAND conferees on the part of the Senate.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to announce for the RECORD that the leadership expects to program the following measures:

Calendar No. 1459, H. R. 4640, the amendment of the Civil Service Retirement Act.

Calendar No. 1489, the stockyards bill, which had been referred to the Committee on Agriculture and Forestry. It is the bill which was introduced by the Senator from Wyoming [Mr. O'MAHONEY].

Calendar No. 1490, S. 3632, the Atomic Energy Commission Acceleration Act.

Calendar No. 1497, S. 287, to investigate textile problems. I wish to talk to the chairman of the committee and some of the members of the Committee on Rules and Administration before I agree to program it, but I have reviewed it with the policy committee.

Calendar No. 1519, S. 3683, the depressed areas bill.

Calendar No. 1533, S. 299, the accelerated reclamation program bill.

None of these bills will be taken up this week.

I hope to have the printed hearings and the committee reports available on all of them. When we come back next week I hope the Senate will be able to proceed with the consideration of the accelerated reclamation program bill, to be followed by either the depressed areas bill or the stockyards bill. I understand there is some controversy with respect to the last two bills.

I make this announcement so all Members will be on notice.

Mr. MUNDT. Mr. President, I should like to ask the Senator from Texas a question. My attention was diverted while he was making his statement. I do not know whether he listed the Wool Act extension bill for consideration.

Mr. JOHNSON of Texas. No; I did not.

Mr. MUNDT. I wonder whether we could have that bill added. Time is somewhat of the essence.

Mr. JOHNSON of Texas. I appreciate the Senator's situation. I shall give it proper consideration.

CENTENNIAL YEAR OF THE STATE OF MINNESOTA

Mr. THYE. Mr. President, the State of Minnesota has made phenomenal progress in the past 100 years. Nineteen hundred and fifty-eight will mark its centennial year. Last night, at a dinner given for members of Minnesota Chamber of Commerce organizations, a very interesting and thorough progress report was given on the State of Minnesota. It is one of the most complete and up-to-date word pictures I have seen in a long time. I should like permission to insert excerpts from this report in the RECORD at this time.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WHAT'S UP

One hundred years are up in 1958 as Minnesota celebrates its centennial. Accent will be on what's happened in the past—but let's see what's up now and in the future.

We're up in population—100 years ago it was 152,000—2 million in 1908, and now 3,313,000.

Manufacturing is our leading employer, providing 220,000 jobs that pay over a billion dollars in wages.

Second is wholesale-retail, providing over $750 million in wages.

Then farming, which provides income of over $600 million.

Service enterprise provides over a half-billion dollars in wages.

Our food industry is our leading manufacturer. We rank second in the Nation in this field.

Second is machinery manufacturing, then paper and pulp; fourth is printing and publishing; fifth, chemical products; sixth is ordnance; seventh, metal fabrication; eighth, transportation; and ninth, lumber and wood products.

Our kids are growing up, and going up all over Minnesota are school buildings. Up are property taxes as communities on a local level meet the need.

* * * * *

Minnesota is up in some pretty fast company in education. In total expenditures for higher education, we ranked seventh in the Nation.

We were up in sixth place in per pupil expenditures for public school education.

What's up with medical facilities? One of the principal factors in world-famous Rochester's growth through the years has been the Mayo Clinic. A continuing program is carried on by that institution. Right now, for instance, at the Mayo Institute, located just outside of Rochester, there is a half million dollar construction project for medical research facilities in progress. This brings the clinic's postwar building expenditure to something like $25 million.

In Minneapolis new hospitals and remodeling of old facilities is under way, costing near $35 million. This is Minneapolis' new health center. In St. Paul over $27 million has or is being spent. Duluth has spent $8 million on their hospitals.

On the drawing boards is a $3 million new Winona hospital.

The State hospital at Brainerd typifies improvements at all State institutions. This administration building just opened, is but part of the $12½ million program at Brainerd—other units are scheduled to start in May. * * *

Up in welfare costs—there are only seven States who pay more per recipient in old-age pension. Minnesota is paying $79 per recipient, 30 percent above the National average of $60.68.

Up in child care too—only six States beat us. We're 52 percent above the national average.

Speeding up—is work on Minnesota's proposed 885 miles of Interstate Highway as pavements, grade separations and interchanges are laid down. Twin Cities expressway plans are nearing completion—Duluth's high bridge starts this fall. First Interstate funds were used on this stretch between Owatonna and Medford. Construction is under way on portions of the Interstate throughout Minnesota. Estimated cost of the Interstate in Minnesota is $730 million. These new routes will mean much to market development and aid in attracting tourists to our State.

What's up—in Minnesota's important tourist business? Here are some of the important developments. This Stillwater marina on the St. Croix is but one of four—a new marina is being built to accommodate 500 more boats—to meet the rapidly growing boating public's needs.

Going up—at Virginia is this $200,000 ski area on Lookout Mountain. This was sparked by the Virginia Chamber and points up the increased interest in Minnesota's recreational winter advantages.

* * * * *

Looking down on South St. Paul—this great competitive livestock market, second largest in the world—more than a million dollars is paid each day to Northwest livestock producers. Since livestock provides the greatest share of Northwest farm income, the top-dollar prices this market provides are of importance to the economy of the entire Northwest. More than 6,000 persons are employed in this huge livestock and meat center, and the market has often been termed the economic barometer of Northwest agriculture. Constant improvements in stockyard and plant facilities keep the industry abreast of changing times. A new bridge over the Mississippi, part of the Interstate System—will be open by fall 1959—and will give better access to the livestock market.

* * * * *

Up in the air—yet down to earth—is the Twin Cities Wold Chamberlain Airport and terminal expansion. There is an $18 million Northwest Airline base located there.

* * * * *

Speaking of military—up at Duluth here's the new SAGE building. Duplicate brain systems are now being installed, and will be completed in a year. Part of our new defense system, the brains will automatically give direction to these Duluth-based supersonic F-102's. But the future comes fast; thus the SAGE will guide missiles. Two missile bases are planned in the Duluth area—the Air Force's "goose" missile, designed to direct long-ranged missiles away from their target, will be based at the Duluth airport. Within 20 miles will be another base for this BOMARC missile—an unmanned interceptor.

At Rochester they are building a brandnew $4½ million airport at a relocated 1,900-acre site.

* * * * *

Here is shown the home office and main plant cluster of the huge Minnesota Mining & Manufacturing Co.—today a world-famed industrial giant which grew in St. Paul from its infancy.

A recent survey of industrial firms indicates that industry may spend upward of $40 million in expansion in the St. Paul area during 1958 and 1959.

This is the 3–M research center—the central building shown in the foreground is where Minnesota Mining conducts its basic and long-range projects—electrical products laboratory at center—the large building still under construction in the background will house the graphic products laboratory, doing research and developmental work on such items as "Scotchlite" brand reflective sheeting and "Thermofax" brand copying equipment.

Here is a preview of tomorrow—the St. Paul West Side planned industrial district—a project well started on its way on a more than 600-acre tract of land. It includes flood control on the abutting bank of the Mississippi River and improvement of adjacent Holman Airfield.

* * * * *

And going up and looking up all over the State are new church facilities of every denomination. In Minneapolis alone—church constructions amount to $10 million. The total of church construction throughout Minnesota amounts to many times this, reflecting the support for every needed spiritual values of our people.

What's up? Minnesota is up—up in population—up in industry—up in per capita income—up in spirit—up in opportunity—up and going further up toward unprecedented economic growth and prestige.

What can keep Minnesota going up? We all can—businessmen and political leaders, laborers and farmers, chambers of commerce and trade associations, all working together to strengthen our business climate, to meet and beat the competition of the other 47 States—because that business climate is what the decision-making investors will appraise when they decide where to expand.

It is up to us—all of us—to be sure that the Minnesota business climate helps these decision makers decide in our favor.

THE FARM PROGRAM

Mr. THYE. Mr. President, very few topics arouse as much discussion as the farm progam. Likewise, there are very few subjects about which so many people do not have correct information. Mr. Alfred Stedman has written an excellent article in the St. Paul Sunday Pioneer Press for April 20 discussing a study made by the St. Paul Farm Campus under the direction of George A. Pond and Truman R. Nodland, wherein 165 farmers kept records on their income and expenditures for the period from 1946 to 1952.

The study points out that Government payments for this period were only $62 per farm, whereas the highest average payment per farm in the 1935–39 period was $230 per farm. Government payments comprised from 1½ to 3.1 percent of farm cash income over a 25-year period. This article should help displace comments which are often heard suggesting that farmers receive half of their income from the Government.

The May 1958 issue of the National Grange Monthly examines food prices in 1947 and 1957. It is very significant that in 1947 the farmer received $467 out of the $911 food budget for the average family. In 1957, the farmers' share declined to $400, with the total cost of food rising to $1,007. It also points out the fact that per capita farm income last year was at a record high of $993 compared with a per capita income of nonfarmers of $2,045. In the compilation of this $993 per capita farm income, Secretary Benson estimated the total farm income at $22 billion, $6.3 billion of which came from off-the-farm employment, $1.6 billion for home-grown foods consumed on the farm, $1.8 billion for rent farmers did not pay because they owned their own homes and $1.2 billion in cost-sharing payments for soil conservation and other similar practices. A question arose last year about the amount of the Department of Agriculture budget which goes to farmers in the form of subsidy payments. At that time, I explained the Agriculture budget to the Senate. Those comments point out the very small percentage of the total Department budget which is used for subsidy payments.

Price supports on commodities are intended to be a floor below which the price should not drop in times of surplus production. They have acted in times as a psychological stimulant to the market and they help keep farm prices at levels which help to prevent depression in our agricultural economy.

I ask unanimous consent that the two articles and my remarks which appear in the April 18, 1957, CONGRESSIONAL RECORD be inserted in the body of the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the St. Paul Pioneer Press of April 20, 1958]

FARM SUBSIDIES

(By Alfred D. Stedman)

Has the actual dirt farmer down in southern Minnesota been getting rich off subsidies from the Government? Well, what with the Soil Bank and big Government

spending on purchases of farm surpluses, the story on that has admittedly been changing some of late.

All the same, a factual study just published on the St. Paul Farm Campus covering the quarter century ending in 1952 may astonish city people and farmers.

For the story that farmers get a lot of their income as subsidies in general and Federal payments in particular is certainly widely believed.

In late years, in some parts of the country, there has been circumstantial evidence to sustain it. Uncle Sam spent a cool billion last year making payments to farmers. The Government lost more than $3 billion buying surpluses to support farm prices. The United States Department of Agriculture budget wasn't much under half the farmers' net income from farming, though it did contain a lot of money for general public services. The debates in Congress center on more farm spending.

So the impression spreads that farmers are getting much of their income in Federal payments and maybe half or so of it from the Government. Many people feel sure of it. Even the President once revealed he had been more or less taken in by this circumstantial story.

As we said, the St. Paul farm campus study only takes us through 1952. That was in the presoil bank era. But it also covered nearly two decades of payments to farmers—benefit payments, production payments, conservation payments, and so on.

The study by George A. Pond and Truman R. Nodland summarizes actual business records kept by about 165 farms in Dodge, Freeborn, Goodhue, Rice, Steele, Waseca, Dakota, Le Sueur, Nicollet, Mower, Olmsted, Scott, Wabasha, and Winona Counties.

In the most recent period, 1946–52, total farm receipts on these farms averaged $18,741 a year—$13,852 of which went to cover farming expenses. The Government payments averaged $62 per farm. The highest average the payments ever reached, in 1935–39, was $230 per farm.

Year after year, the lion's share of the income of these southeastern Minnesota farms came from their sales of products—not from payments. The eminent authors of this study say: "The average proportion of the farmers' cash income from payments was only 1.5 percent for the 25 years, and in no period was over 3.1 percent.

"This," they say, "may be a surprise to those who think Government payments have been an important source of direct revenue for farmers in recent years." And how.

Is that picture changed radically now by Soil Bank payments? No. Last year only 15 out of the 165 farmers got any such payments at all. The $34 million total this year of such payments to all Minnesota farms will be less than 3 percent of farm income from sales.

Are Government subsidies in the form of price supports bigger? Yes, but while they hold prices of the supported products up to support levels, the resulting surpluses hold prices down to those levels. And more than half the income of these southeastern Minnesota farmers came from livestock and poultry products having no price supports at all. Our farmers can and do produce primarily for market. Consumers want our good dairy, poultry, and meat products, and our fine bread wheats. The bulk of our farm income comes from sale of them to consumers, not from Government subsidies.

Farmers are commonly pictured by people who overlook all the many nonfarm subsidies as a heavily subsidized class. The southeastern Minnesota farm study shows that, at least as to payments, this is empty talk.

[From the National Grange Monthly of May 1958]

FARM FACTS: ARE FOOD PRICES TOO HIGH?

(By Fred Bailey)

Remember when Al Smith used to say: "Let's look at the record"?

There is being directed against farmers and farm programs a campaign of misrepresentation, half-truths, and abuse that can no longer be tolerated in silence.

The result, if not the objective, of that campaign has been the creation of misunderstandings and ill will between producers and consumers of farm products. Those who do this use the excuse that present farm programs are not to their liking.

That present farm programs have serious flaws is recognized by almost everyone. But, to magnify those flaws all out of proportion to their importance gives the public an entirely false impression.

You have heard and read contentions, some from official sources, that (1) food prices are exorbitant; (2) farm programs are to blame; (3) farm subsidies add to tax costs; and (4) farmers are making more money than ever before.

Let's look at the record:

Are food prices exorbitant? Measured in dollars and cents food prices are high, but they have increased less than other living costs and food takes a smaller percentage of the wage earner's income than ever before.

The average factory worker could buy a third more—and better—food in 1957 than in 1947 with wages from 1 hour of work. The reason is that factory wages (Labor Department figures) increased by 67 percent between 1947 and 1957, while retail food prices were up about 10 percent (Department of Agriculture Market Basket figures).

United States Department of Agriculture's report on retail costs, the farm value, and farm-retail spread shows:

In 1947 the Family Market Basket (weighted average of 60 foods bought by an urban wage earner) cost $911, of which $467 was paid to farmers and $444 was the marketing cost.

In 1952 the Market Basket cost had increased to $1,034, of which farmers received $482 and marketing costs were $552.

In 1957 the Market Basket cost was $1,007, while farmers' share declined to $400 and marketing costs increased to $607.

Are farm programs to blame for high food costs? Since price supports apply only to farm production, and farm prices have declined 20 percent since 1952, farm programs cannot be blamed for any rise in food costs.

Had farm prices remained steady instead of declining between 1952 and 1957, consumers would be paying 15 percent more for their food. Had farm prices gone up by the same percentage at nonfarm prices the increase would have been at least 25 percent.

Farm programs have resulted in lower farm prices. Farm products which have been price supported averaged 25 percent lower in 1957 than in 1952. The decline in nonsupported products, such as livestock, has been considerably smaller.

Do farm subsidies add to tax costs? The Government must collect from taxpayers, sooner or later, every dollar that it spends. The Government has lost considerable amounts on price supports. The cost to the Nation of a collapse of farm prices, without supports, would have been far greater. The question isn't whether farm aid added to taxes, but whether it has been justified in the national interest.

Are farmers making more money than ever before? Secretary Benson reported recently that per capita farm income last year was at a record high of $993. That compared with $2,045 per capita income of nonfarm workers.

But, some may say, it is cheaper to live on a farm. Is it? Let's see what Mr. Benson included in that $993. He figured that farmers had a total income last year of about $22 billion.

That included $7.1 billion from the sale of farm products, $6.3 billion working at jobs off the farm by the farmer or members of his family, $1.8 billion received by hired workers on farms, $1.6 billion for homegrown foods consumed on the farm, $1.8 billion for rent farmers didn't pay or because they owned their own homes, and $1.2 billion in Government cost-sharing payments for soil conservation, etc.

Farm income from marketings were down $350 million from 1956 to 1957, but the cost of farming was up by $600 million. Farmers' purchasing power derived from the sale of farm products, despite record production, is the lowest in 15 years. The number of people on farms decreased by almost 2 million last year.

How have farmers been doing compared with city workers? From 1947 to 1957 average wage of factory workers increased from $1.23 an hour to $2.07. Farmers' income, after payment of production costs, declined from 98 cents an hour in 1947 to 69 cents in 1957. Both figures are before taxes. The purchasing power of a factory employee per hour worked last year was three times that of farm operators.

Farmers increased their production by 50 percent from 1940 to 1957, but the larger volume, when sold, would buy less manufactured goods than the much smaller volume sold in 1940.

[From the CONGRESSIONAL RECORD of April 18, 1957]

THE FARM PROGRAM

Mr. THYE. Mr. President, for the past several months we have heard many references to what the overall cost of the farm program has been to the United States Government. For that reason, I shall cite the facts, as best I can, from information obtained from the Department of Agriculture and the statistical records of the Department.

The total agricultural budget for 1958 amounts to approximately $4.9 billion.

It should be pointed out that, of the total agricultural budget, approximately $2.7 billion, or more than half, is attributable to programs which are not designed, primarily and only, as aids to farmers.

Some of these programs are: Meat inspection program, school lunch program, the foreign aid program, forestry payments to schools, and disaster donations. The costs of these and a few others total approximately $1.7 billion.

Also included here are loan authorizations for REA and FHA, which will be repaid over a period of years. These authorizations in the 1958 budget amount to $474.5 million, while collections in 1958 are estimated at $331.9 million.

It should also be pointed out that certain other receipt items should be deducted from the budget, such as proceeds from sales of timber, grazing leases, and sugar-tax receipts, which amount to $245.9 million.

After having made these necessary adjustments, we get a more true picture of how much of the total budget for the Department of Agriculture is chargeable to agriculture. This amounts to $2,162,000,000.

When we go into the Department of Agriculture budget for fiscal 1958 item by item, we find that it becomes a very interesting study. The original budget was $5,127,300,000. The budget was later reduced by $254 million.

The obligational authority for 1958 is $4,873,300,000.

I now show the breakdown for the specific functions within the Department of Agriculture.

"Agricultural Research Service, $95,100,000."

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Experiment stations are included in the research item.

"Plant and animal pest control, $27 million."

"Meat inspection, $18.7 million."

Mr. President, meat inspection is conducted for the safety of the consumers. It is a consumer service.

"Meat inspection, $18.7 million.

"Extension, $64.1 million."

Mr. President, that service has been in existence for years. It is the educational part of the agricultural function.

	Million
"Farmer Cooperative Service	$0.6
Forest Service (receipts for sales of timber, grazing, etc. 161.4)	126.9
Soil Conservation Service:	
Conservation operation	73.5
Watershed protection and flood prevention	39.1
Great Plains conservation	20.0
Agricultural Conservation Service	237.0
Agricultural Marketing Service: Marketing research service	31.9

"School lunch program, $100 million."

Mr. President, that is charged to agriculture, and yet it is a direct school lunch program.

"Foreign Agricultural Service, $4,400,000.

"Commodity Exchange Authority, $800,000.

"Soil Bank, $1 billion.

"Commodity Stabilization Service—

"Acreage allotment and marketing quotas, $43 million.

"Sugar Act program, $72,200,000."

Income from sugar taxes, Mr. President, is $84½ million. So any administrative cost in the Sugar Act is actually reimbursed by the tax which is imposed upon sugar. Yet the cost of the Sugar Act program is charged to agriculture.

"REA (salaries and expenses), $9,600,000.

"Loan authority, $239 million."

The 1958 estimate of collections is $137½ million.

"Farmers Home Administration (salaries and expenses), $30 million.

"Loan authority, $235,500,000."

Collections in 1958 are estimated at $194.4 million.

"Staff officers, $8,200,000.

"Restoration of Commodity Credit Corporation capital impairment (to repay CCC losses in the year 1956), $1,239,800,000.

"Reimbursement of CCC for financial program, $843,100,000.

"Title I, Public Law 480, $637 million.

"Title II, Donations, $94,500,000.

"International Wheat Agreement, $93 million."

Now we come to the permanent appropriations. Section 32 provides a donation of $233½ million, which is taken out of section 32 funds. Section 32 funds, Mr. President, are made up of the tariff duties which are collected on imports which come in direct competition with agricultural commodities produced in the United States and the funds are accumulated for the purpose of paying for perishable commodities on a support basis.

The permanent appropriation for this particular fund is $306.5 million.

The payment to counties for schools from forest receipts is $47.3 million.

All these items, Mr. President, total $4,873.3 million, which we have so often heard referred to as the appropriation for agriculture, oftentimes thought of by the taxpayers, because of the way it is phrased, as a subsidy, or a direct Treasury check.

Mr. President, I have a tabulation of programs shown in the agricultural budget of 1958 which benefit others than farmers:

"Meat inspection, $18.7 million.

"Watershed projects, $39.1 million.

"School-lunch program, $100 million.

"Section 416 donations, $361.3 million.

"Public Law 480, title I, $637 million.

"Title II donations for relief, etc., $94.5 million."

The International Wheat Agreement is a part of the State Department's function. That is $93 million.

I have described section 32, for which the figure was $223.5 million.

Mr. President, the remainder of this table I shall not read, because it refers to the figures I read on the other page. I ask unanimous consent that the remainder of this one page be printed in the RECORD as a part of my remarks. It continues with the school milk program, the REA, the FHA, and it shows the total receipts from timber sales and collections under REA and FHA.

There being no objection, the remainder of the table was ordered to be printed in the RECORD, as follows:

[In millions]

"Forest payments to counties for schools		$47.3
School-milk program		45.0
Subtotal		1,659.4
REA loan authority		239.0
FHA loan authority		235.5
Subtotal of loans (loan authority to be repaid)		474.5
Total		2,133.9
Receipts received by agriculture:		
Timber sales, grazing leases, etc		161.4
REA collections (estimated 1958)		137.5
FHA collections (estimated 1958)		194.4
Sugar taxes		84.5
Total receipts		577.8
Total to be deducted from budget		2,711.7
Total agricultural budget	4,873.3	
	—2,711.7	
Total chargeable directly to agriculture		2,161.6"

Mr. THYE. The most significant part of this, Mr. President, is the table following, relating to "Realized Net Income, Direct Government Payments, and Direct Payments as a Percent of Net Income."

I have gone back into the years 1936 and 1937, because they were prewar years. Then I have taken the years in the postwar era, 1946 and 1947. Then I have taken the last calendar year available, which is 1956.

In 1936 the realized net income—this is agricultural net income—was $5.1 billion.

Mr. CAPEHART Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. CAPEHART. Is that the income of the farmers?

Mr. THYE. It is the realized net income of the farmers.

Mr. CAPEHART. That is the amount the farmers received?

Mr. THYE. Yes. It is the realized net income for 1936, and it amounted to $5.1 billion.

Direct Government payments to farmers—I repeat that, direct Government payments to farmers—$300 million.

The next is the direct payments as a percentage of realized net income. That is 5.9 percent.

Then we go to the calendar year 1937. The realized net income was $5.2 billion. The direct Government payments to farmers were $300 million, or 5.8 percent of realized net income.

Next we go to the calendar year 1946. This is the immediate postwar year, after World War II. The realized net income was $15 billion. The direct Government payments to farmers were $800 million, or 5.3 percent of realized net income.

In 1947 the realized net income was $17.2 billion. The direct Government payments to farmers were $300 million. The direct payments as a percentage of realized net income were 1.7 percent.

The last year, the most recent year, was 1956. The realized net income was $11.8 billion. The direct Government payments to farmers were $600 million. Six hundred million dollars is the only figure given for the direct payments to the farmers in 1956, Mr. President. In other words, the direct payments as a percentage of the realized net income amounted to 5.1 percent.

Now I should like to refer to another table, which covers the estimated direct payments to farmers in millions of dollars.

The ACP program in 1957 amounted to $245.3 million.

For 1958, this item is $253 million.

Under the Wool Act, the estimated direct payment to farmers in millions of dollars is $60 million for 1957. The anticipated payments for 1958 are $55 million.

In connection with the Soil Bank, direct payments to farmers for 1957 are $387 million; and the estimated direct payment to farmers in millions of dollars for the calendar year 1958 will be $896 million.

Under the Sugar Act, the cost to this Government in 1957 was $65.5 million. The anticipated cost for 1958 will be $70.1 million.

The next item is the Great Plains. The estimated direct payment to farmers for 1958 will be $17.7 million.

Stating it in another way, in the calendar year 1957 the estimated direct payment to farmers, in millions of dollars, is $757.8 million. The total anticipated for the calendar year 1958 is $1,291,800,000. It will not be $4 billion, $5 billion, or $5½ billion, the figures we have so often heard stated in recent months. I had to go into these figures and place them in the RECORD in order that we and the taxpayers might understand what is involved in the farm program, and in the total administrative responsibilities and functions of the Department of Agriculture.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. CARLSON. I commend the distinguished senior Senator from Minnesota for calling the attention of the Senate to some factual figures which show the actual payments to the farmers of the Nation. The senior Senator from Minnesota has always been an effective spokesman for our great agricultural economy. He has a keen knowledge of agriculture gleaned from many years of actual experience as a successful farm operator. He is considered a leading authority in this important area of our Nation's economy. There is no man more dedicated to the betterment of agriculture in the United States, than the senior Senator from Minnesota.

I think it is most unfortunate that during the past few months we have been reading figures which have been generally distributed over the Nation, to the effect that the farm programs cost $5.5 billion or more, and that the farm income is only about $11 billion; in other words, that the cost of the farm program is 50 percent of the farm income.

I think the Senator from Minnesota has rendered agriculture a real service. It is time these figures were made known to the people of the Nation. Otherwise they, too, would be concerned, as we are, over these payments which, in reality, are not so large considering the great program as a whole. The American farmer sustained our needs during World War II and the Korean conflict. Today the farmer is producing to

sustain our growing needs and demands for agricultural products, both at home and abroad. The farmers of our Nation must not be made the victims of statistical errors concerning subsidy payments.

Mr. THYE. I thank my distinguished friend from Kansas. He has always been a loyal supporter of sound legislation for our Nation's farmers and has recognized their contribution to our ever-expanding agricultural economy.

Mr. President, I have just been given by my administrative assistant a release which has come over the United Press wire service. This is the statement:

"Acting Assistant Press Secretary Wayne Hawks just clarified the President's statement on farm subsidies. He said: 'The $5 billion figure represents about one-half of the net income of all farmers in the United States. The figure is not all subsidy as the President's remarks implied.' "

I am grateful that this clarification has been made. I know that it would have been a disservice to cause me and others to labor under the impression that agriculture would be charged with such a burden as was suggested when it was stated that $5 billion was the cost of the farm programs to the Treasury. That was what led me to go into the statistical records to obtain the facts and introduce them on the floor of the Senate this afternoon.

Agriculture is doing too good a job to be placed under a cloud of taxpayers' criticism. The American farmer not only met the needs of the Nation during the war years, not only supplied the food and fiber which our allies needed, but supplied the materials for many a gallon of alcohol which was processed into synthetic rubber and ammunition in the war years.

American agriculture deserves better than to be constantly charged with being such a burden to the United States Treasury. We have won friends all over the world with the surplus products from the good earth of the United States. The United States and Canada are the great bread-producing areas of the world, as well as being producers of foods and fibers, timber, cotton, animal fats, and fatty products from vegetable crops. American agriculture has done such an outstanding job that it should be commended rather than being placed under a cloud of charges to the effect that a burden of possibly $5 billion has been imposed on the Treasury of the United States to support the farm economy of the Nation.

RETIREMENT OF ALFRED MYNDERS, EDITOR OF THE CHATTANOOGA TIMES

Mr. KEFAUVER. Mr. President, this past weekend Alfred Mynders' retirement as editor of the Chattanooga Times was announced.

I want to express on the floor of the Senate my great respect for him, his integrity and his journalistic ability. Without doubt his career has been one of the most distinguished in the South, and I am glad to say that in retirement his voice will not be stilled, for he will continue to write a column for the Times editorial page.

As many Senators know, the Chattanooga Times is the mother newspaper of the New York Times. These two papers share a distinction for accurate and responsible journalism. Mr. Mynders served that distinction well during all his years as a journalist, which have been many and fruitful.

A native of Hartsville, Tenn., he began his newspaper work with the Knoxville Sentinel—now the Knoxville News-Sentinel—while still in college. He moved to Chattanooga in 1909 as news editor and editorial writer of the Chattanooga News. During World War I he served overseas and after the war joined the staff of the Memphis Commercial Appeal and later served as managing editor of the Memphis Evening Appeal. For one summer during that period he worked on the staff of the Paris edition of the Chicago Tribune.

In 1928 Mynders returned to Chattanooga and the Chattanooga News, later served on the Chattanooga Tribune and in 1940 rejoined the Chattanooga Times organization. He became editor of the Chattanooga Times in 1942. As the Chattanooga Times itself says:

Throughout his years of direction of the editorial policy of the Times he has become known for his deep concern for the welfare of his fellow men, expressed in warm terms and polished phrases.

Mr. Mynders will be replaced as editor by Martin S. Ochs, who at a young age showed himself to be in the true tradition of his family by adopting a journalistic career. On the Chattanooga Times and the New York Times he has served in capacities of reporter, foreign correspondent, and columnist. He has been associate editor of the Chattanooga Times for the past 3 years. I wish him the greatest success in his new responsibilities, and share the confidence of the paper's publisher in his ability to carry on in the tradition of this newspaper.

Mr. President, I ask unanimous consent to place in the RECORD at this point a statement of Ben Hale Golden, publisher of the Chattanooga Times, announcing this change, which was published in that paper on Sunday, April 27, 1958.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A STATEMENT

Effective today, Alfred D. Mynders retires as editor of the Chattanooga Times and Martin S. Ochs is appointed to succeed Mr. Mynders.

During the 16 years of Mr. Mynders' editorship, the Times achieved new distinction in the field of journalism. Mr. Mynders is regarded by many newspapermen in the South as a brilliant editorial writer and one of the finest columnists in the country. Mr. Mynders' retirement comes as he nears his 70th birthday and all of his associates on the Times extend their heartiest congratulations on a job well done.

Mr. Mynders will continue his association with the Times by producing the column Looking Backward that appears on our editorial page.

Mr. Ochs, I am sure, will carry on the tradition of liberal and fearless interpretation of the news and will accurately reflect and appraise events as they affect this changing world. He comes of a newspaper family steeped in the traditions of a free and responsible press. His great-uncle, Adolph Simon Ochs, is regarded as the man who laid down the conception of journalistic responsibility to readers of newspapers. Adolph Simon Ochs started his brilliant career as a newspaperman in this city and on this paper, which he published from 1878 until his death in 1935.

The Times has one of the finest newspaper traditions. It has been a great newspaper in the past and must continue to be so.

I have every confidence in Martin S. Ochs' ability to supervise an editorial page in the high standards and ideals of the Chattanooga Times.

BEN HALE GOLDEN,
Publisher.

FINAL REPORT OF THE ALEXANDER HAMILTON BICENTENNIAL COMMISSION (S. DOC. NO. 95)

Mr. MUNDT. Mr. President, today marks the concluding day of the life of the Alexander Hamilton Bicentennial Commission, created by an act of Congress which was initiated in the Senate.

I have in my hand a letter of transmittal addressed to the Honorable RICHARD NIXON, President of the Senate, which reads as follows:

DEAR MR. PRESIDENT: The Alexander Hamilton Bicentennial Commission, named to signalize the 200th aniversary of the birth of Alexander Hamilton, has the honor to submit the following final report, in connection with section 6, Public Law 601, chapter 770, 83d Congress, 2d session, approved August 20, 1954, as amended.

Respectfully,

KARL E. MUNDT,
Chairman.

In submitting the report, I should like to express my appreciation to all of the members of the Alexander Hamilton Bicentennial Commission, both the public members, who have come to us from Government and as Members of Congress, and the private members. I ask unanimous consent that there appear at this point in the RECORD the names of the Commission members as they appear on the letterhead of the Commission stationery.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

Ex officio: The President of the United States; the Vice President of the United States; the Speaker of the House of Representatives.

Chairman: KARL E. MUNDT, United States Senate, South Dakota.

Vice Chairman: FREDERIC R. COUDERT, JR., House of Representatives, New York.

United States Senate: HARRY FLOOD BYRD, Virginia; THOMAS C. HENNINGS, JR., Missouri; IRVING M. IVES, New York.

House of Representatives: CARROLL REECE, Tennessee; PETER W. RODINO, JR., New Jersey; JOHN J. ROONEY, New York.

Presidential Commissioners: Lt. Gen. Milton G. Baker, Pennsylvania; Edward R. Burke, Maryland; Mrs. Marie Brown Coffin, District of Columbia; Laurens M. Hamilton, Virginia; George M. Humphrey, Secretary of the Treasury; Clark Haynes Minor, New York; Dr. John A. Krout, New York; Mrs. Robert P. Patterson, New York.

Secretary: W. Randolph Burgess, Under Secretary of the Treasury.

Assistant Secretary: Robert A. Dillon, Treasury Department.

Mr. MUNDT. Mr. President, I also express my appreciation to the very fine, loyal, and hard-working staff which served during the lifetime of the Commission. It was headed by Mr. J. Harvie Williams, Director, who did a very fine and constructive job. He used creative imagination and vision to bring into focus the great many methods by which we could bring the distinguished career and the productivity of Alexander Hamilton to the attention not only

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of the students of America, but of the general public as well. He was ably assisted by his public relations counsel, Mr. John Underhill.

In addition to Mr. Williams, Dr. Frank Monaghan, the historian of the Commission, contributed greatly to the scholarly background and work of the Commission and to our program to bring forth new facts, new studies, and new compendiums of the writing and thinking of Alexander Hamilton.

I pay tribute also to Mr. Frederick D. Hunt, Deputy Director; Robert I. Berger, radio and television director; Richard C. D. Hunt, who did historical research; and to the other staff members: John A. DeChant, Virginia E. Kress, Madelyn V. Rush, Hertha J. Bohrer, Gladys Houchin, Lola E. Hutchings, Worth Bailey, Pearl Mae Nichols, Chester Spurgeon, Angele de Transites Gingras, and Mrs. Vera Ash, all of whom worked diligently and hard to make the work of our Commission a success.

We are proud of the work of the Commission and of the fact that the work was carried on economically, without the expenditure of a vast amount of money, and that it will have good and lasting effects.

Mr. President, I ask unanimous consent to file the final report of the Alexander Hamilton Bicentennial Commission, and that it be printed, with whatever illustrations and graphs are incorporated, as a Senate document.

The PRESIDING OFFICER. The report of the Commission will be received and appropriately printed.

PEACE WITH JUSTICE

Mr. CASE of South Dakota. Mr. President, recently there came to my attention a very outstanding address, delivered by Mr. Lester H. Woolsey, president of the American Society of International Law. The address was delivered at the 51st annual meeting of the American Society of International Law, which met in Washington last year.

I think the address merits careful reading and consideration by all Members of the Senate and by people generally who have a responsibility or feel a special interest in the subject of peace with justice, which is the title of the address.

Mr. Woolsey, because of his long experience in the field of international law, has given to this particular paper the maturity of opinion, the maturity of observation, and the scholarly approach, which make it very unusual, in my judgment.

He discusses the difference between political questions and legal questions, and points out the difficulty which any international organization finds when a body such as the United Nations, having constituent members, attempts to address itself to questions which have political implications. But Mr. Woolsey also makes constructive suggestions.

Therefore, because I believe it is more than an ordinary paper, I ask unanimous consent that it be printed at this point in the RECORD. I earnestly commend it to the Members of the Senate, and particularly to the members of the Committee on Foreign Relations, especially the Subcommittee on Disarmament.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

[From the proceedings of the 51st annual meeting of the American Society of International Law, Thursday, April 25, 1957]

This session convened at 8:15 p. m., in the Congressional Room, Hotel Statler, Washington, D. C., President Lester H. Woolsey presiding.

President Woolsey opened the session and read the following telegraph message from President Eisenhower:

AUGUSTA, GA., *April 25, 1957.*

LESTER H. WOOLSEY, ESQ.,
President of the American Society of International Law:

To those participating in the 51st annual meeting of the American Society of International Law, I send greetings.

Your organization holds a place of honor among our learned societies. Your studies, critical analyses and creative thinking in the field of international law have created better understanding of the complex problems of law and justice around the world. As you join in seeking to establish a firm and enduring peace, based upon the rule of law among nations, you have the deep appreciation and firm support of all men of good will.

DWIGHT D. EISENHOWER.

PEACE WITH JUSTICE—A COMMENTARY

(By Lester H. Woolsey, president of the society)

Peace with justice—do these words sound familiar to you? They must. You hear them so often. Almost every state paper contains those words, often repeated. They were the burden of President Wilson's state papers, the basis of President Eisenhower's prayer at his second inauguration, the goal in the recent Declaration of Panama. These words have come to be a symbol of our thinking in these tormented times in world affairs. So it bids us to try to understand what these words mean.

What is the peace we are thinking of? Prevention of war alone is not peace. Armistices and cease-fires are not peace. Is the condition in Korea, Vietnam, Formosa, or Israel one of peace? Obviously something more must be added. Let us take an example.

UNITED STATES AND CANADA

The condition of relations between the United States and Canada comes, I believe, as near to international peace as anyone could well imagine. A boundary line of some 3,000 miles for the past 160 years without a fort or a gun and only 3 or 4 gunboats for customs guard, is at least remarkable today. What has brought about this state of affairs. Canadians have no fear of the United States and vice versa. Both sides are satisfied with the existing situation. There are minor disputes, of course, such as the question of damage on the American side from fumes of Canadian smelters, or from works on one side which unduly raise the water level on the other shore, recent disputes over the use of the waters of international rivers such as the Columbia River. But does either side fly to arms on that account? They do not even raise the tempo of international feeling. They are referred to arbitration or to a technical commission for a disinterested report to be used as a basis of settlement.

To attain such a condition of peace, it is necessary that there should be trust and confidence on both sides of the border and machinery for the settlement of disputes which are sure to arise. Of course, in this example, peaceful relations are aided by identity of language and to a large extent of institutions and aspirations born of freedom.

The four freedoms are taken for granted. Freedom in America means freedom of choice, freedom to choose our government, freedom to speak our minds, freedom to worship as we please, and some disciplinary measures for maintaining these freedoms under law. It means also equality before the law, and opportunity to satisfy human wants.

Foreign Minister Pinay of France said in the United Nations in September 1955:

"What is needed is the establishment of peace among the nations in an atmosphere of mutual confidence. This is a long-range undertaking, because confidence cannot be commanded, it has to be earned. It is earned by honesty of thought and tested by consistency of action."

Similar conditions of real peace prevail between several countries, especially between some of the South American countries and the Scandinavian countries, for like reasons.

GERMANY AND FRANCE

Now, take a contrasting example, namely, Germany and France. These countries have been at war to the death 3 times in 70 years, and also earlier. An inborn animosity and rivalry existed between them sharpened by suspicion and mistrust as to the other's aims and ambitions. The frontier was fortified by the Maginot and Hindenburg Lines which glared at each other across the border.

Also, huge armaments were built up on both sides and maintained to the utmost of military perfection. Pieces of border territory have changed hands more than once and raised irritating Irredentist problems as in Alsace-Lorraine. Such peace as existed between conflicts was merely an armed truce or powder-keg peace.

This obviously was not a peaceful relationship, although treaties of perpetual peace existed and were in one instance, as after World War I, guaranteed by other nations in the Locarno Treaties and aided by machinery for settling disputes.

What has made this pseudo peace an utter failure? It may be easily answered that there was a lack of sincere trust and confidence in the peaceful aims of the other party. This was true, but this does not reach the bottom of the question. Indeed, after World War I, both countries were reasonably free politically, spiritually, and materially. On this unstable situation, Hitler cast the blight of nazism and the die was cast for war.

The Franco-German animosity and rivalry had become an internal political football and disputes could not be settled calmly and on their merits in such an inflammatory situation. How can this state of international feeling be brought to the level of the United States-Canadian trust and confidence?

These attributes are attained only through years of freedom, of honorable and fair dealing without acrimonious and spiteful propaganda and attempts to overreach each other. This is not an overnight solution, a solution of immediacy. Nor, of course, can it be obtained by force or be purchased by grants of financial or material aid.

RUSSIA AND ITS NEIGHBORS

Take another case—the Communist threat which involves the great countries of Russia and China, the smaller nations of eastern Europe and Southeast Asia. It is not necessary to discuss here the tenets of communism as dictated by Stalin, now recently given a new look by Khrushchev and again revised by him.

The recent events in Hungary are of a piece with what occurred in Estonia, Latvia, Lithuania, Korea, China, and Vietnam, and point up the characteristics which make communism abhorrent to the free nations of the West. It is a crusade led and nurtured

by a tommygun empire with no moral restraints.

It is trite to say that a cold war is not peace. The trust and confidence and freedom that peace requires for its germination and nourishment are wholly lacking. Can they be attained in the present atmosphere? The Bandung Conference laid down five sensible principles for reducing tensions; namely, noninterference in internal affairs, respect for the sovereignty and integrity of nations, refraining from acts of aggression and so on, but communism does not live up to them.

For example, Russia says her action in Hungary is a purely internal matter of no international concern. It is clear that the imposition of totalitarian regimes on free peoples by aggression, infiltration or subversion undermines the foundations of the United Nations and international peace. Preventing war alone is not enough in such a case. Mr. Vishinsky, the late chief Russian delegate to the United Nations, has emphasized this. He said: "We shall conquer the world, not with atomic bombs, but with our ideas, our brains, and our doctrines."

Therefore, international communism is openly opposed to international peace, except under its own dominion—a Communistic peace, in a limited sense similar to the enforced peace of the Roman Empire.

PEACE BY FORCE—OR ELSE

In this context, we may note that in the present atomic age and particularly the present deterrent phase (with total destruction overhanging the countries of the world like the sword of Damocles) there exists at the moment a sort of peace by force or else. Witness the Soviet threat to Britain and France at the time of their invasion of Egypt. Surely this is not the kind of peace we desire or have in mind.

The President did radiate confidence at the summit conference at Geneva. Even the Russians were convinced of his sincerity of purpose and of his determination not to begin an atomic war. Did the Russians do the same? By repudiating their promises they did exactly the opposite. How can we ever get to equal terms in trust and confidence with the Russians?

Peace in the present civilization must be based on moral principles, on the sanctity of promises we live by, on the principles of right and wrong and fair dealing of everyday life. These principles instill trust and confidence and are the only ones that will. President Wilson believed that the moral law was the strongest force in the world, and President Eisenhower envisages a world where moral law prevails.

Nehru said on his visit to President Eisenhower in Washington in December 1956 that the President represents not only the power and might of the United States "but a certain moral quality that in the uncommitted areas is regarded in the final analysis as something bigger."

So now we come to the concomitant term of peace, namely, justice. Peace and justice are faces of the same coin. They go together. Peace cannot be attained without justice. Injustice breeds discontent and friction. Neither can there be justice without peace. Justice does not thrive in the temper of strife.

PEACE AND JUSTICE

Justice is usually thought of in connection with a dispute or controversy of some kind. For centuries now, in internal affairs, since the time of trial by battle, men have felt that the nearest approach to justice in a dispute is obtained by referring the dispute for decision to a court, that is, to a body of disinterested persons qualified to pass upon the question at issue. In the international field this procedure was first exercised by referring the dispute to a temporary board of arbitrators. Not until the Treaty of Versailles was there created a permanent Court of Nations. This was continued in the United Nations Charter and called the International Court of Justice. This World Court has a general jurisdiction of "all cases which the parties refer to it" and other matters provided for in the charter or other treaties in force. A number of small countries have agreed to be sued by another country in any dispute involving certain "legal" questions, that is, to be haled into court on a simple complaint by another country without the necessity of a preliminary agreement. The great powers reject this simple procedure and lay down limitations on jurisdiction as to time limit, reciprocity, new cases, etc. The United States, for example, denies jurisdiction over any question which it considers to be a domestic question. The result of such restrictions is to leave the Court with comparatively little to do. Aside from special arbitration treaties, this is the judicial regime for the community of nations. I have classed arbitration courts as judicial courts, since J. B. Moore so regards them in his digest.

Courts, however, are not infallible instruments of justice. For example, a court may base its decision on a technical point which obscures the merits and denies justice. The North American Dredging case before United States-Mexican Claims Commission is in point. The claimant had a contract with the Mexican Government to dredge certain harbors. It did the dredging, Mexico issued certificates of work completed and payments due, but no payments were made for lack of funds. The contract contained the Calvo clause denying resort to diplomatic intervention. The Commission upheld the clause and dismissed the case. The company was not paid for the work it admittedly had done and for which payment was admitted to be due. This was corrected by a later domestic commission.

There was a group of claims against Venezuela in which the protocol of reference instructed the arbitrators to decide the cases according to absolute equity and without regard to technical rules. Certain of the claims were dismissed. The decisions were protested by the United States as being contrary to the protocol, and later the same cases were by agreement put before the Hague Court which studiously avoided all technicalities and handed down additional awards (*Orinoco Steamship Co.* v. *Venezuela*, Hague Court Reports, p. 236).

LEGAL QUESTIONS JUSTIFIABLE

Arbitration cases have as a rule dealt with losses of property or lives which were capable of being measured in money damages. It should be emphasized that these damage cases, however, have not generally been such as would have prevented war. They commonly involved legal questions for the most part.

On the whole we must conclude that by and large over the years, court machinery in the international field, whether in ad hoc units or permanent form, has dispensed justice in generally acceptable measure. The judicial process should be so formulated as to get to the merits of a case regardless of technicalities and special rules of law or procedure.

Secretary Dulles has summarized the judicial process under the charter in this language:

"Here we find, despite much lip service to that process, most nations prefer to seek a settlement of their disputes by diplomatic means or perhaps they prefer to keep the dispute open for domestic, political reasons."

There has been roughly an average of approximately one decision on the merits, not counting orders and advisory opinions, per year during the life of the old and the new World Courts. Out of all of the numerous disputes existing in the world in that period, this, he said, is a poor showing. "It demonstrates that nations are reluctant to settle serious disputes on the basis of rules of law."

The foregoing relates to justiciable disputes, that is, disputes resolvable by application of rules of law. However, there are disputes that are not so resolvable and these have been classed as political disputes. Law courts, as a rule, reject such disputes as beyond their competence.

Surprisingly, however, there seems to be some difference of opinion as to whether an international court should handle both legal and political questions. This problem arose early before the United States Supreme Court.

Analogy to an international court is sought in the United States Supreme Court to which the Constitution (by agreement of the States) grants jurisdiction of "controversies between two or more States," without stating any exception.

WHAT OF POLITICAL QUESTIONS?

In the case of *Rhode Island* v. *Massachusetts* (12 Peters 657) the Supreme Court said that disputes between States are political when the sovereign reserves the right to decide them, but that when a dispute is referred to the Court it ceases to be political and is to be decided by rules of law appropriate to the case. Nevertheless, in the later case of *Pacific T. & T. Co.* v. *Oregon* (223 U. S. 118), the Court held that whether Oregon had a republican form of government as guaranteed by the Constitution was a political question for decision by the Executive or Congress. Professor Burdick cites a few other cases in which the Supreme Court refused to consider political controversies (Law of the American Constitution, p. 130 ff.).[1] In this connection we might consider what has been said about arbitration of all kinds of questions.

President Taft in connection with the General Arbitration Treaty of 1912 saw no reason why States should not agree to arbitrate all questions no matter what they involve—honor, territory, or money. He said:

"I have noticed exceptions in our arbitration treaties, as to reference of questions of honor, of national honor, to courts of arbitration. Personally, I do not see any more reason why matters of national honor should not be referred to a court of arbitration any more than matters of property or matters of national proprietorship. * * *

"But I do not see why questions of honor may not be submitted to a tribunal supposed to be composed of men of honor who understand questions of national honor, to abide by their decision, as well as any other question of difference arising between nations. * * *

"If now we can negotiate and put through a positive agreement with some great nation to abide by the adjudication of an international arbitral court in every issue which cannot be settled by negotiation, no matter what it involves, whether honor, territory, or money, we shall have made a long step forward by demonstrating that it is possible for two nations at least to establish as between them the same system of due process of law that exists between individuals under a government" (5 American Journal of International Law, 720 ff. (1911)).

Mr. Root, speaking on that treaty in the Senate, thought there were matters which could not be arbitrated, such as questions involving a nation's independence, a place to live in, and generally questions of national policy.

When the Permanent Court of International Justice was created as the judicial

[1] Dickinson cites a number of such cases in his excellent paper, The Law of Nations as National Law: Political Questions (104 U. of Pa. Law Rev. 451–493 (1956)).

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arm of the League of Nations, the statute of the Court defined its jurisdiction to comprise "all cases which the parties refer to it" and all matters specially provided for in the covenant and in treaties and conventions in force. This provision was carried over into the statute of the International Court of Justice under the Charter of the United Nations. And any question of competence was to be decided by the Court.

Did it have jurisdiction of political questions? The distinction was early envisaged. The members of the League were obligated to submit to the Council, a political body, any dispute likely to lead to a rupture which was not submitted to arbitration or judicial settlement. Accordingly, when Great Britain acceded to the optional clause, which was limited to legal cases, she reserved the right to submit a dispute which she believed to be political to the Council for adjustment.

The Permanent Court itself soon had the question before it. In the case of the free zones of upper Savoy, the Court said in effect that political cases, in particular tariff questions, were not for a court of justice which applied rules of law.

Judge Kellogg, concurring in the dissenting opinion on the merits, filed a special opinion to the effect that the Court's jurisdiction did not include political questions and was not broadened in this respect by the ex aequo et bono clause. He said:

"What is a political question? It is a question which is exclusively within the competence of a sovereign state. The making of tariff regulations, the regulation of immigration, the imposition of taxes, and in short the exercise of all governmental power necessarily inherent in a sovereign state, involve questions of this nature. In passing upon a political question there is no rule or principle of law, no norm of equity, justice, or even good conscience which the Court can apply; for unless limited by treaties, the power of a state in this domain is unlimited." (2 Hudson, World Court Reports 507.)

Furthermore, he said the provision in the covenant that the Court's jurisdiction comprises all cases which the parties refer to it "does not authorize this Court to take jurisdiction of purely political questions." He indicated that diplomacy, arbitration, and the League of Nations were available for the adjustment of such questions. He added that the competence of the Court in this case extends only to the determination of the legal rights of the parties and that it could not, even with their consent and at their request, settle such political questions" as may be involved in this case. (Idem, p. 508.)

In the case of the Austro-German customs regime the dissenting opinion held that "the Court is not concerned with political considerations nor with political consequences. These lie outside its competence." Here it may be interpolated that purely legal questions may become political if the interested governments make the issue one of government policy and refuse to submit it to legal determination.

In the interim when the new World Court was being considered, Justice Jackson, of the United States Supreme Court, from this rostrum in 1945 declared "the World Court's jurisdiction should be confined to matters really justiciable," and should not include "cases which are really political in their nature and require to be dealt with by means of a political decision and not by reference to a court of law."

Indeed, the Inter-Allied Drafting Committee, said Justice Jackson, advised that the prestige of the Court required that "its jurisdiction should be confined to matters which are really justiciable and that all possibility should be excluded of its being able to deal with cases which are really political in their nature and require to be dealt with by means of a political decision and not by reference to a court of law" (1945 Proceedings, American Society of International Law 14). Article 36 of the Charter provides that the Security Council should consider that legal disputes should go as a general rule before the World Court.

POLITICAL QUESTIONS LEAD TO WARS

Assuming, then, that the better opinion and practice is that courts of justice should not pass upon political matters, where are such questions to go for determination or adjustment?

These matters involve the highest policies of government and the profoundest disputes between nations, as they may impinge on independence, honor, and vital interests. They often lead to war. What provision has been made to bring about justice in such political controversies?

There were sporadic attempts made in conferences of the great powers and in the concert of Europe, the Hague conferences, the Pan American conferences, the Locarno treaties, to do something in this area, but no organization was created for this purpose until the Covenant of the League came into force in 1920. The covenant established the Council, a political body, composed finally of 15-member nations, to which was to be submitted "any dispute likely to lead to a rupture" if not referred to arbitration or adjudication. The Council handled a few political cases.

The aim of the United Nations, like that of the League, is to prevent war, that is, to settle disputes and to clear up situations that might lead to war or to stop war itself. This, of course, involves settling political questions of the most dangerous sort. So now the United Nations and the regional organizations, like the Organization of American States and others, are the organs or courts for the settlement of political controversies between states.

THE U. N. AS A COURT

Let us consider the United Nations as such a court:

(1) Although law courts usually reject political questions, political bodies often undertake unfortunately to decide legal questions. Therein lies one of the roadblocks to justice. The record of the United Nations in this regard is not envious.

A committee of this society headed by Professors Chamberlain and Sohn, reporting on the practice of the United Nations bodies when their competence is challenged, found that if a nation feels that a decision is unconstitutional, a member may refuse to follow it, as has happened in several instances. A claim of non-competence, instead of being sent to the World Court, often results in a weaker proposal put forward in the hope that the challenging state will accept it without further objection. Also, the doubt may result in so many abstentions as to defeat a two-thirds vote.

This is a corrosive influence on the authority of the United Nations which could be avoided by an authoritative decision of an impartial tribunal on the question of competence.

In the Indonesia, Tunis, Algeria, Morocco, South Africa and Cypress debates the defendant countries claimed a domestic question under article 2 but it appears that the Assembly or its committees declined to submit it to the World Court. In the South African case, President Pearson moved to have a vote of the Assembly on the question of competence. His motion was voted down 41 to 10.

The action of the United Nations in the admission of the package of 16 new members in 1955 was perhaps the most irresponsible decision of record. There had been an advisory opinion by the World Court as to the principles governing the admission of new members under article 4. There were the explicit requirements of article 4 that a new member should be a peace-loving state and that admission shall be effected by a decision of the Assembly upon the recommendation of the Security Council, yet the Security Council by an admittedly political decision in the interest of universality disregarded the advisory opinion and the provisions of article 4 had voted for the admission of the package doubtless as a deal. Members who noted the illegality of this procedure winked at it by deciding to abstain rather than vote against it.

The United Nations Assembly, though a purely political body, is prone to decide or to defer legal questions on a political basis. Thus, it attempts to interpret the meaning of the charter which is purely a legal question and should go to the World Court for decision. But the contrary is the practice, which, I note, has been justified by certain comments made at the San Francisco Conference.

Mr. Dulles, in his address before this society at the last annual meeting, recognized the political character of the Assembly and its decisions. He said:

"It must, however, be recognized that debates in the General Assembly in relation to resolutions calling for change tend to be emotional, and votes are sometimes cast not on the basis of impartial study and judgment of the facts, but rather on the basis of political alinement of the members, and sometimes on the basis of what one might refer to as international log-rolling. * * * It arouses nationalistic sentiments."

The potentialities in article 14 (peaceful adjustment of any situation) "are not yet sufficiently well developed so that peaceful change is a well-ordered function of the Assembly."

We may ask why would states rather have a political decision on a legal question, than a legal decision? I take it the fundamental reason may be that they feel that the chances are better to get at least something out of a political compromise or maneuver, whereas, especially if their case is weak, they might get nothing out of a legal decision on the merits.

CONSIDER ITS MEMBERSHIP

(2) How is the United Nations constituted?

The 81 members are said to represent the opinion, the conscience and the aspirations of the world community. It is a cross-section of the races and peoples of the world with their native prejudices and biases, their civilizations and cultures, their religious and moral levels, their totalitarian and democratic systems, their antagonisms and affinities, their hopes and fears. It also harbors the evils of all political bodies—political maneuvers, log-rolling, pressure groups, special interests, et cetera.

Moreover, the Assembly of the United Nations is a body so constituted that 5 percent of the world's population can outvote the other 95 percent; half of the population of the world is represented by 4 delegates, the other half by 75 delegates.

The Asian-African-Soviet bloc comprises more than a third of the membership of 81 nations and so could, if it stood together, block any major effort of the Assembly where a two-thirds vote is required, as under the Uniting for Peace Resolution of 1950, when the Security Council is stalled by a veto, unless some moderates could be won over by cajoling or pressuring.

Should a nation abdicate its constitutional right to formulate its own foreign policy and follow that to be formulated by a body so constituted? Can it be said that the Asian-African-Soviet members, with a controlling voice in the Assembly, are trustworthy and responsible in world affairs, that is, put the principles of the charter, the community interest, before national and racial interests?

A recent example of ineffective United Nations action due to the makeup of the Assembly was the second resolution on the withdrawal of forces from Egypt.

In order to overcome the imbalance of Asian-African-Soviet votes, the second resolution had to be watered down to very dilute language susceptible to different interpretations to suit everybody. Moreover, the political issues were very complicated and very difficult to state in the form of a resolution which is the way the Assembly renders a decision.

The resolution is drafted by a delegation or group of delegations so as to draw enough votes to carry it. This as we have seen leads to equivocation and vague phraseology. Such a procedure does not tend to promote full and complete justice particularly since each delegation votes according to the selfish interests of its government on pain of repudiation at home.

Robert Murphy, Deputy Under Secretary of State, recognized this situation in his speech of March 9 last:

"Thus when we work in an organization like the United Nations which includes a membership of 80 nations and where conflict of interest is frequently the rule, a solution of a given problem which seems perhaps logical and theoretically right may be practically impossible. The application of the principle of equal justice for all nations, large as well as small, is easy in the saying, but more difficult in the achievement. We do not live in a world of fiat, but one where the resolution of conflicts of interest requires ingenuity and tolerance.

BIAS IN VIEWS INEVITABLE

(3) Other attributes of the United Nations.

A reading of the debates of the Assembly shows how widely biased are the national views on almost every subject. For example, the former colonial countries and some others are strong for self-determination for any discontented people. According to Premier Mollet, the Communists promote national fronts in black Africa and inflame fanatical nationalism among colored peoples not yet able to read or write, let alone run a government. Their impoverished society is rich prey for dictatorship.

Some discontented people, especially the lately colonial peoples, are led to think that denying self-determination is a form of denial of justice. Does this indicate that justice cannot be had in the world, unless any national group is free to exercise self-determination at any time and split away from suam patriam, no matter how long it may have been a part thereof—over 100 years in the case of Algeria, I believe. Witness the recent appeal of Brittany to the United Nations for freedom from French domination.

Has a government no authority to put down a political rebellion within its own territory? If not, our Civil War, which preserved the Union, was wrong then and would be wrong now if it occurred today.

Moreover, the decisions of the General Assembly are not binding on member states in the same sense as the decisions of the Security Council. The General Assembly is not, in the words of Ambassador Lodge, "a super state which passes resolutions having the force of law." They are merely "hortatory and recommendatory." It cannot dictate to the states on matters recognized as essentially sovereign. Then by what authority did the Assembly assume to call back the advancing forces, the sovereign arms, of Britain, France, and Israel? Our eminent international lawyer, Julius Stone, of Harvard, put this question in a letter to the New York Times, February 8, 1957.

The votes of delegations in the Assembly are apt to be warped by alliances, by fear of offending a powerful neighbor (Finland and Iceland, for example) by grants of military or financial aid or by special treaty arrangements. Nehru recently said it was "quite possible" the Security Council action calling for a plebiscite in Kashmir "is due to these military alliances."

Moreover, the United Nations itself is organized on a discriminatory basis in favor of the permanent members of the Council, in that they have the right of veto. They are thus immune from any untoward action of the Council while other nations are not so immune. This is not true in the Assembly, but its decisions are only recommendatory.

INITIATIVE RESTS WITH MEMBERS

(4) It should be understood that the United Nations has no initiative of its own. It is, and does, what the member nations agree upon in specific cases. The initiative is theirs alone. It becomes merged in a collective decision.

Can a nation wisely say that its foreign policy will follow the United Nations whose policy is the result of such agreement among members as debate and compromise may secure?

A nation must take the initiative and while making its own foreign policy tally with the guiding principles of the charter, seek to convince the United Nations to use the procedures that will make it effective. It cannot wisely reverse the process—forego its initiative and follow the policy made by the Assembly. For the Assembly is not constituted to render a political decision based on its merits but rather a decision of expediency that will best serve the special interests of the members or groups of members.

This is illustrated in the Suez case. Israel declined to comply with the United Nations resolution to withdraw her forces from certain parts of Egypt, except upon certain guaranties. President Eisenhower declared the United Nations had no choice but to exert pressure upon Israel to comply with the United Nations resolution, unconditionally. The Arab-Asian bloc, which would like to push Israel into the sea, stood ready to propose sanctions to force her withdrawal, knowing that severe sanctions would cripple her.

The evident unfairness and discrimination of such action against Israel while other offenders against the United Nations demands, such as the Soviet Union and Egypt, went free, aroused so much adverse public opinion in the United States and abroad that renewed efforts to avoid sanctions against Israel were undertaken. These efforts consisted in bringing moral pressure to bear on Israel to comply with the United Nations resolution. This induced Israel to build up certain "assumptions and expectations" as to future action by the United Nations and the United States which were like the biblical house built upon the sand. This shows how a country has to try to initiate and press its own policy in the United Nations and not to take a laisser faire attitude.

JUSTICE MUST BE IMPARTIAL

(5) What does a just settlement of a political problem entail?

A just settlement would have to take into consideration all the states which would be substantially affected by the settlement, not those which will be only remotely affected. Besides, the interest should be a peaceful one, not a predatory one nor one to settle old grudges.

In this regard it is interesting to note what President Eisenhower said in connection with Israel's interest in the Middle East settlement:

"I would hope no one would believe that the United States in all of these conferences that take place in what we call the final settlement of basic troubles in the region, is not trying to protect and assure the rights of all in every respect and is not trying merely to get some formula that will just stop fighting for the moment. The whole gamut of complaints must be looked at, studied and they must be satisfied, if we are going to have permanent peace and the United States is interested in that."

Along the same line, Dag Hammarskjöld, in his report to the General Assembly February 12, 1957, on the Egypt-Israel controversy, said:

"Peaceful conditions in the Middle East must be created in the interest of all countries in the region and of the world community."

Not only should the settlement take care of the interests of affected states but the settlement for obvious reasons should not represent a judgment by the affected states in their own interest, that is, a judgment by the parties most interested. A state should not act as a judge in its own cause, so said the world court in the Mosul case and the Iraq-Turkey frontier case. This well-known rule seems to be accepted in the Security Council but not in the Assembly.

Nothing disintegrates confidence like a decision riddled with selfish interests.

The decision at the Paris peace conference to give the South Tyrol to Italy is a classic example of a wrong political decision by interested states, victors in World War I. A modern example of political decision by interested powers without minding the interests of others, was the establishment of Israel by the United Nations out of territory mostly owned or claimed by Arab peoples. There has been trouble ever since.

Perhaps the basic principle of justice is the same treatment for all. "Justice is impartial," said the court in the Betsey case (4 International Adjudications 187); that is to say, the same standards for large and small states with no discrimination. The equality of nations requires this. Consequently, nations flouting the directions of the United Nations should be treated alike.

In the Suez case Egypt ignored the demand of the Security Council in 1951 in respect of the blockade of Israel, but the United Nations took no steps to enforce its demands. Last summer when Egypt seized the canal, the Canal Co., and the concession, and breached the treaty of 1888, all this elicited no response from the United Nations. "It was the failure to enforce the law against Egypt that set the armies marching."

The whole Suez episode bristles with legal questions, but not one has so far been laid before the World Court. The United Nations seems more interested in restoring a semblance of peace by cease-fire (while leaving the seeds of war) than working out justice impartially. For example, when Israel, after her invasion, refused to withdraw her troops from Gaza and the mouth of Aqaba Gulf except on certain conditions, a large number, perhaps a majority of members, including the Soviet-Asian-African bloc, were inclined to impose sanctions on Israel to force her withdrawal without conditions. Would this attitude produce even-handed justice?

On the other hand, when India rejected four resolutions of the Security Council calling for a plebiscite in Kashmir and boldly annexed Kashmir instead, the United Nations, so far, has taken no steps to enforce the resolutions.

Again, Russia ignored the United Nations resolutions to withdraw from Hungary, calling the incident a domestic one, and no disciplinary steps were taken by the United Nations except to condemn her action. Such action or nonaction, impugning such violations, is contrary to the rudiments of fair dealing by any gage of right. I lay the cause of such one-sided action to the factors inherent in the makeup of the Assembly, as reviewed above, which makes it unfitted to act as a political tribunal to dispense justice.

In other words, the United Nations contains members who do not abide by the rules, at home or abroad, that they would apply to others. And this is due, in the case

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of the great powers, not only to the privileged position which they occupy in the organization, but to the vast difference in their interests and moral levels which their privileged position allows them to exploit.

Hence, the United Nations is not an institution, even with the best of intentions of many members, that can be relied on to reach just political decisions. We have here a body subject to the control of other factors than the principles of law and justice.

HOW TO PROVIDE FOR PEACEFUL CHANGE

(6) We come, at length, to inevitable changes in the relationships of nations. The community of nations is a growing changing organism. The status quo has to give way to these changes of growth. Such changes give rise to some of the most difficult imponderables of international life. Our Secretary of State has written forcefully on the subject of "Peaceful Change," and Under Secretary Hoover last November stated the problem before the General Assembly as follows:

"In seeking peace and justice it [the United Nations] must find means of providing for peaceful change.

"The United Nations must assist legitimate changes to take place but it must also strive to prevent these changes from shattering the peace or from harming the legitimate interests of others. * * * It is the task of statesmanship to guide changes into channels which are both peaceful and just. In striving to reconcile conflicting claims and interests we may sometimes make progress slowly. We must not become discouraged when for the time being the best we can achieve is a truce or an armistice. We must look at our problems with a sense of the possible and a determination to find it."

This statement raises many questions involved in the problem of peaceful change. What are legitimate changes? What are legitimate interests of others to be protected? How to reconcile conflicting claims and interests?

How will the United Nations find means of providing for peaceful change? There are a number of such changes pending or in the offing—Cyprus, Goa, Algeria, West New Guinea, British Honduras, to mention a few.

Is the United Nations conditioned to do justice in deciding these questions? For the reasons already given, it is believed it is not qualified to render the dispassionate judgment necessary in such complicated cases involving both law and policy.

The United Nations cannot, as we have seen, impose a permanent solution. Nor can force be used according to the charter. Therefore, to be satisfactory, peaceful change must be the result of negotiation. Existing arrangements are often based on treaties and the United Nations has not been given competence to deal directly or indirectly with the revision of treaties. If a treaty is involved, the aggravated party should be able to ask the World Court to render an opinion on whether the treaty has ceased to be binding on the ground of rebus sic stantibus or any other ground. A treaty that is merely onerous would be ripe for negotiation. In this the Secretary General may be helpful as a disinterested mediator. As the defendant country is the party to be dismembered, it will naturally regard such a course as interference in her affairs and take a recalcitrant attitude. A political court (as proposed below) might help in this respect as a disinterested adjunct to finding an unbiased solution.

NEW STATES CHANGE BALANCE

(7) Finally, a disquieting change in the structure of the Assembly is already clouding the horizon. I refer to the new states recently admitted to the United Nations and to those to be admitted in the future. A number of them will come from the vast continents of Asia and Africa as the colonial empires break up into independent nations which join the United Nations, like the new Negro state of Ghana.

It is probable that these splinter states, weak in government experience, economic stability, and military defense, will be prime targets for Communist subversion. Each will have a vote equal to that of the United States and the other powers.

This influx of new states from Asia and Africa must inevitably soften, by a sort of self-mutilation, the hard core of western civilization and culture represented in the Assembly. This has been the source of a most important factor; namely, western ideals of administration, law, and justice—a habit of peaceful ways of settlement according to acceptable moral standards—without this ballast the Assembly would have been unable to ride out the crises of the last decade and may not be able to meet those of the future. This is to me the most frightening prospect, already well advanced, to come about in the composition of the Assembly. It would change the usefulness of the United Nations and the history of the world. Already 19 newly sovereign states have come into existence since the charter came into force. The purpose of the Soviets to gain control of the Assembly is emerging and well advanced. In his address of March 19, 1957, Assistant Secretary Wilcox emphasized this problem, as follows:

"A United Nations that has grown in less than 2 years from 60 to 81 members and in which the Afro-Asian states now constitute more than a third of the total presents new problems and, I think, new opportunities. I do not think that it is necesssarily cause for alarm.

"Those who are concerned point to the fact that the General Assembly rather than the Security Council has become the voice of the United Nations and its most influential body. The relative strength of the Latin American States has been reduced. The conflict over so-called colonial problems has been sharpened. With the recent increase in membership the Afro-Asian nations alone, if they stood together, could no doubt prevent the passage of any important resolution. * * *

"On certain fundamental issues the Afro-Asian nations do stand very solidly together. I refer particularly to colonialism and economic development. On these they are often joined by the so-called Latin American bloc.

"In my opinion, what is required of United Nations members in the enlarged General Assembly—where each state has one vote—is a special sense of responsibility. The smaller and undeveloped countries do have a collective power far out of proportion to their economic, military, and political strength. If they abuse this power, the General Assembly can become a center of contention and deadlock. On the other hand, the great powers, if their cause is just, should not lack the support of the majority of the General Assembly on important issues."

The intransigence of Colonel Nasser in negotiations with the Secretary General and the United States is apparently due to his feeling that the West has no weapons with which to force him to make concessions. He feels protected from Security Council action by the Soviet veto and from Assembly action by the Soviet-Asian-African bloc which holds over one-third of the votes. This fact may also prevent a request for an advisory opinion of the World Court. A few more Communist votes added to the United Nations would throw the control of the United Nations over to our enemies. Suppose Red China were admitted as a veto member.

SUGGESTS A STANDING PANEL

(8) Please do not misunderstand me. I have nothing but the greatest admiration for the achievements attained under the League Covenant and the charter. I hate to think of the world pressures without the safety valve of the United Nations. It seems, however, that the political field where immense unsettled problems lie deadlocked today and where the future problems may stagnate tomorrow—this field needs additional machinery to promote solutions. The rise and spread of police states and underdeveloped states in the United Nations will produce an alarming situation in the functioning of the United Nations.

What is the remedy? Secretary Dulles has suggested the revision of the voting procedure so that single states will have a number of votes in proportion to their power and population. Professor Sohn of Harvard and others have worked out tables of weighted votes (Sohn, World Law, p. 320 ff.). Weighted votes are in use in the International Bank.

For my part, I suggest another possible remedy; namely, the establishment of a special political commission or tribunal of disinterested men to consider political matters only. It could be established by a resolution of the Assembly as was the International Law Commission and be constituted on the general lines of that Commission.

I suggest it be composed of 15 members learned and experienced in international politics and international law and entirely independent of the policies and control of their governments so that they would be in a position to consider impartially any political question submitted to them and to render an unbiased dispassionate report thereon for the use of the Assembly or Security Council. Its duties would be entirely advisory but it could recommend a settlement which it deemed just and proper. Its duties would not bar a binding decision if the interested parties agreed thereto. It would thus be an adjunct to the political organs of the United Nations to assist them in the investigation and settlement of political problems on the basis of a disinterested finding.

Such a body would add to the moral authority of a United Nations decision. It would be in the nature of a standing Commission of Inquiry for political matters attached to and forming a part of the charter machinery. It would function something like the Aaland Islands Commission although this was a commission of jurists. I greatly respect the commission's handling of that case, with which I was in a humble way connected.

There are no principles to guide the decision of political questions that I know of, but we may confidently expect that repeated decisions by a political tribunal might develop such principles or a set of equitable precedents to form a body of common or unwriten law. The Organization of American States has made progress in this field.

The United Nations was based on the assumption that it offered sufficient alternatives to use of force. When this assumption fails what is to be done?

My purpose is to offer a further alternative to the use or threat of force when the charter machinery becomes bogged down. Can it be expected that force will be renounced in that situation and the problem left to fester in the world body politic indefinitely?

I have not gone into the details of organization as I wished to present the general idea of a disinterested commission devoted to political questions alone and without administrative functions. There are many precedents to be drawn upon for details.

CORRECTION OF JUDICIAL ERRORS

Mr. STENNIS. Mr. President, I commend the members of the Senate Judiciary Committee for their action in considering the problems presented by

certain recent Supreme Court decisions, and for the courageous steps which have been taken to overcome the legal effects of what many of us believe to be serious aberrations in the law. I understand that the bill (S. 2646) was ordered reported favorably by the full committee this morning. I think that every person seriously concerned with matters of constitutional government will be most interested in the details of their report.

I understand the report will actually be filed as soon as there has been time for the preparation of the minority views.

It is unfortunate that while so many problems are clamoring for the attention of the legislative branch, so much of our time and energy should be consumed in what many of us believe to be an absolutely necessary correction of judicial errors which will otherwise haunt us for years to come. It has long been my belief that the most effective conservative influence in our Government is the United States Senate, and that often we are called upon to take an unpopular stand in order to preserve constitutional checks and balances when the clamor for change and innovation becomes hysterical.

The action by the committee now puts the problem squarely up to the Senate, where I urge that it receive both early and favorable consideration.

We must give our serious attention to the grave issues now confronting us in these vital fields.

THE OUTDOOR JEFFERSONIAN

EMPLOYER-EMPLOYEE RELATIONS

Mr. MALONE. Mr. President, early in this Congress I introduced Senate bill 2693 to repeal the National Labor Relations Act and return to the States the traditional right of control in this field.

I ask unanimous consent to have printed at this point in the RECORD an article entitled "The Outdoor Jeffersonian," written by special writer Holmes Alexander.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE OUTDOOR JEFFERSONIAN

(By Holmes Alexander)

WASHINGTON, D. C.—Senator GEORGE W. MALONE, a boilermaker's helper and a $4-a-day goldminer in his day, has been nearly 12 years in the Upper Chamber without voting in favor of a labor law.

My own opinion is that this burly hard-handed outdoor man who spent his early years in railroad, mining, and construction camps and whose saddle-strewn office looks like a cowboy's tackroom, has got a soft spot for the working stiffs who belong to unions.

But I have never been able to make MALONE admit this sentimental attachment. Any approach to the subject soon leads into his gravel-voiced denunciation of internationalism, free trade, foreign aid—in fact, almost everything that goes in this town by the name "liberal." Nevada's senior Senator is against all that is New Dealish and Modern Republican—except labor. This you might say is a Right Wing Republican's one wild oat of liberalism. But is it?

Perhaps, a more accurate way to look at it is that MALONE's labor policy is the acme of all that is conservative in American politics. He has a bill (S. 2693) which would repeal the Taft-Hartley Act (against which MALONE voted in 1947 despite Senator Taft's fervid personal pleading) and abolish all its cumbersome machinery. In place of Taft-Hartley, Malone would substitute a system that is positively classical in its simplicity.

There would be a Federal Conciliation Service in charge of a single $15,000 a year director with duties to be bounded by the Jeffersonian principle: "Least governed; best governed" In fact, it's doubtful if any Federal agent since the third presidency ever had such hands-off instructions as this proposed director of FCS. He would be ordered to—

"1. To prevent or minimize interruptions of the free flow of commerce * * * through conciliation and mediation. * * *

"2. To avoid attempting to mediate disputes that would have only a minor effect on interstate commerce. * * *

"3. To make (his) conciliation and mediation services available * * * only as a last resort and in exceptional cases."

This looks to me like a model for labor legislation, and for all other legislation that brings Federal interference into the States and into communities of business, commerce, and industry. It's MALONE's theory that both the Wagner and Taft-Hartley Acts were postulated on the absurdity that a regulatory board, based in the District of Columbia, has some special insight into local conditions outside of Washington. Jefferson himself could find little fault with this Old Guard Republican's assertions that—

1. The people in America are self-ruled. In MALONE's terms, expressed in the Senate, July 26, 1947, and still unrevised: "Public sentiment will finally settle a dispute in a community. But when we are 3,000 miles away from the scene of the work, no public sentiment can take place. We have a fine body of men here, but not one of us, unless he lives in Nevada, has any more idea of what a miner at work does in Ely, Nev., than a hog has about holy water."

2. The police power properly belongs to the locality. As MALONE told the lawmaking 80th Congress more than a decade past: "Mr. President, there is no police power in any city within the Union but the policeman on the corner. There is no power in the county but the sheriff and his deputies. * * * It is just as much against the law to hit a man over the head with a pick handle when he attempts to go through a picket line peaceably as to hit a Senator over the head with a pick handle as he goes out this door. * * * When we enact a law which provides that the National Labor Relations Board in Washington, D. C., shall settle every dispute in the country * * * we are placing upon the NLRB a duty which it is impossible for it to fulfill."

Much water has run under the bridge since the Senator's remarks originated. But they seem to make pertinent comment upon events of this Congressional session: the hearings on the Kohler and Perfect Circle strikes, the continuing liberation struggle by union members against their bosses, the inclination of three to four dozen Senators to duck any disagreement with the same labor bosses and—finally—the looming certainty that this Congress is being forced by popular demand to consider some Taft-Hartley amendments before it goes home for the election campaigns.

Well, for its virtue of simplicity and its back-to-the-people philosophy, the Malone labor bill wouldn't be the worst thing that Congress could pass.

Mr. MALONE. Mr. President, I have witnessed 12 years of conflict between employees and employers on the Senate floor.

There would appear to be a deliberate attempt to keep the feud alive.

The advent of the National Labor Relations Board—an innocent bystander in the major fight—through the Wagner Act as amended by the Taft-Hartley Act, was the real beginning of a feud which can only be resolved by a return to the States of their traditional responsibility in this field.

THE STATUS OF DR. J. ROBERT OPPENHEIMER

Mr. NEUBERGER. Mr. President, in a recent editorial the Bend Bulletin, published by Mr. Robert W. Chandler, in Bend, Oreg., raised the disturbing question of the present status of one of our Nation's most eminent scientists, Dr. J. Robert Oppenheimer. The editorial stated that the talents of an outstanding physicist such as Dr. Oppenheimer are too valuable to be effectively lost to the Nation by denying him security clearance because of past unwise friendships and personal associations. When our Government makes a fetish of keeping scientific secrets from such scientists, have we not reached the point where security becomes ridiculous and self-defeating?

It seems to me to be an easy but highly significant error to assume that a denial of security clearance is a sort of penalty, or, at least, a serious loss, to the scientist concerned. Actually, of course, the loss is ours, not his. Dr. Oppenheimer is the head of the Institute for Advanced Study in Princeton, N. J. What he does there may be more rewarding and more interesting to him than working on Government research projects. Certainly we cannot simply assume the arrogant premise that every good scientist yearns to have access to Government research, and that it is his loss when he is denied the necessary clearance.

The opposite may be true. I know nothing personally of Dr. Oppenheimer's attitude, but the case was clearly presented in testimony before the Disarmament Subcommittee by a young Columbia University nuclear physicist, Dr. Jay Orear.

Dr. Orear testified to facts concerning nuclear weapons which the preceding witness, the eminent Dr. Edward Teller, had declined to reveal on the ground of security classification. When questioned further, Dr. Orear explained that he could give this information because he had no security clearance for access to classified secrets; that, therefore, nothing he knew and said of his own knowledge could be the unauthorized disclosure of such classified secrets. For that reason, he said, he would prefer not to have a security clearance; he wished to be able to continue to discuss publicly the results of his own research and his knowledge of other facts known to science outside of the secret world of Government science.

Mr. President, I think this episode illustrates some of the absurdities inherent in the Nation of secret science, and in denying security clearance to such physicists as Dr. J. Robert Oppenheimer. I ask unanimous consent that the vigorous and forthright editorial on this subject, published in the Bend Bulletin of April 18, 1958, be printed at this point in the RECORD.

UNIVERSITY OF MICHIGAN LIBRARIES

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Bend (Oreg.) Bulletin of April 18, 1958]

HOW ABOUT OPPENHEIMER?

Klaus Fuchs, the British scientist who gave the Russians the secret of the A-bomb and who went to prison for his crime, is about to be released.

The British Government is making a strong effort to keep Fuchs in that country, and is planning to put him back to work on nuclear research, where Fuchs admittedly is an outstanding man.

In view of the attitude of the British toward Fuchs, it's time for the United States to take another look at the Oppenheimer case.

J. Robert Oppenheimer is an outstanding American scientist. He never stole anything. He never gave secrets to anyone. But his security clearance was lifted because he had made some extremely poor choices of friends.

Oppenheimer undoubtedly has learned as much from his problems as Fuchs learned from his prison stay.

This country needs Oppenheimer as much as the British need Fuchs.

ACCEPTANCE OF STATUE OF CHARLES MARION RUSSELL TO BE PLACED IN STATUARY HALL

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1491, Senate Concurrent Resolution 80.

The PRESIDING OFFICER. The concurrent resolution will be read by title for the information of the Senate.

The CHIEF CLERK. A concurrent resolution (S. Con. Res 80) accepting the statue of Charles Marion Russell, presented by the State of Montana, to be placed in Statuary Hall.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the concurrent resolution.

EFFECTS OF MORTGAGE AND HOUSING ACT OF 1958

Mr. SPARKMAN. Mr. President, today the Federal National Mortgage Association has issued a report, as it has done each week since the President signed the housing bill which was passed in March, giving the progress of the program under that law.

The bill was signed on April 1. At the end of the first 3 weeks of operation under that law, the Federal National Mortgage Association has announced that it has entered into commitment contracts totaling $63,181,000 for the purchase of 5,389 Government-backed mortgages, covering the low- and moderate-priced housing under the special assistance program established by the Mortgage and Housing Act of 1958.

At or about the time the bill was signed by the President, we heard and read many statements which doubted that the program would be worth while.

But I think the fact that more than 5,000 houses have been made possible in the first 3 weeks of April, to the extent of in excess of $63 million worth, bears out the statement which I and many other Senators made at the time, namely, that if the bill were enacted into law, it would start housing very soon and would put people to work.

Mr. President, about the time when the bill became law, the Wall Street Journal published a very extensive article which dealt with the prospects under the bill. The Wall Street Journal made a rather discouraging report.

On Monday of this week, the Wall Street Journal published a front-page article entitled "Housing Upturn?" In the article there appears a discussion of the progress made under this program. In the article the point is made that only 3 weeks before, the Wall Street Journal made a survey from which it appeared that not much would be accomplished by the program.

The article is very interesting, and I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, the article from the Wall Street Journal, the notice from the Federal National Mortgage Association, and a table I have prepared, which shows this matter in summary form.

There being no objection, the article, notice, and table were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal of April 28, 1958]

HOUSING UPTURN?—BUILDERS RAISE SIGHTS AS RESULT OF NEW LOAN RULES, EASIER CREDIT—SOME SAY VA REVIVAL SPURS FLURRY OF BUYING—LENDERS SCRAMBLE FOR MORTGAGES—BIG GAINER: LOW-COST HOMES

Many homebuilders are jacking up the number of houses they plan to hammer together this year—a sign, perhaps, that the long-awaited housing upturn may be on the way.

Sparking the upturn in construction plans is a mixture of easier mortgage money, effects of the new Federal anti-recession housing act and sunnier weather. That's the word from a majority of some 100 builders interviewed by Wall Street Journal reporters in a score of cities. A like number of mortgage lenders, although less optimistic than most builders, generally agree that they, too, are feeling a pickup in housing activity.

Although the Government's emergency housing act became law, only 3 weeks ago, many builders say this, plus a subsequent administration move ending downpayments on Veterans Administration-insured mortgages, already is hypoing housing sales and starts. Just a month ago a Wall Street Journal survey found the mercurial homebuilding industry generally pessimistic about probable effects of the bill, although its Congressional backers claimed it would add 200,000 homes to this year's building total.

REVIVING VA LOAN PROGRAM

The housing act aims at encouraging home buying by: Reviving the once-sagging VA home loan program by making so-called GI loans more attractive to lenders; easing terms on Federal Housing Administration-insured mortgages; making available $1,850,000,000 to back home loans, and other measures.

"Passage of the housing bill made me double the estimate of the number of homes we plan to build this year (from 75 to 150)," says an official at Douglas Lowell, Inc., a Portland, Oreg., homebuilder. "Up to now, I've had to tell people they couldn't qualify for a loan before I even showed the house. Since the bill went through I'm getting dozens of calls from these people asking if they can qualify now. With the lower downpayment requirements, I figure that at least 60 percent to 70 percent now can buy."

Across the Nation at Jacksonville, Walter Cowart, president of a building firm bearing his name, says: "I've been shooting for 150 houses this year, but with the housing law I figure I may go to 200. I think dropping the downpayment on VA housing is going to help materially. Veterans will come back into the market. I haven't had any VA sales in a year and a half but recently I've filed several VA applications."

And in recession-ridden Detroit, Sheldon Rose, president of Edward Rose & Sons, Inc., happily reports: "Our sales in the past 2 weeks have been 30 percent higher than they would have been if the bill hadn't been passed." As a result, he says, his company may build more than 500 houses this year, compared with earlier plans to put up only 350.

PUBLICITY HELPING US

To many builders, the publicity attending recent Federal housing actions has been as important as the actions themselves. "The good publicity we're getting now definitely is helping us," says Nicholas Stevens, vice president of Manor Building Co. in Philadelphia. "Our sales—10 houses—picked up about 500 percent last week over the previous 2 weeks," he adds.

Builders and lenders report other significant changes on the housing front. Some highlights:

A step-up in the supply of mortgage money has tended to lower interest rates and extend terms on conventional (non-Government-backed) mortgages. Increased competition for good mortgage investments has spurred many lenders actively to seek loans and to launch promotional drives. The increased VA maximum interest rate, to 4¼ percent from 4½ percent, is bringing many lenders into the GI mortgage market, for the first time in over a year, in many cases. And many builders are switching to erecting low-cost homes instead of more expensive models, because new housing regulations have their biggest effect on the less costly units.

If the upturn in builders' plans is translated into a surge of housing starts this month—and many contractors indicate they're losing no time in boosting starts—the effect could reach beyond the construction industry itself. Increased building could help trim unemployment, for one thing; supporters of the housing act think it might provide jobs for 500,000 workers.

IMPACT ON SLUMP ACTIONS?

Moreover, a sizable upswing in April housing starts might stem further Federal anti-recession actions. Government officials have been keeping a wary eye on housing figures as one gage of the recession's depth and duration. "There's trouble," Government economists said recently, "if the annual housing rate in April doesn't jump above the March seasonally adjusted annual rate of 880,000 units, a 9-year low." Figures on this month's starts won't be available until mid-May.

Private nonfarm housing starts last year dropped below 1 million for the first time since 1949, totaling 991,000. That compared with 1,094,000 in 1956 and with the record 1,352,000 units of 1950. Until this month, poor weather has hampered building activity in much of the Nation. With better weather and the impetus of the new housing regulations, Albert Cole, Federal Housing Administrator, predicts 1,100,000 new homes will be built this year.

Several builders eagerly cited specific sales made on the strength of new Federal housing spurs.

"I just sold a $13,500 new home to a veteran for no money down on a 30-year mortgage," asserts Leo P. Hoffard, a Portland, Oreg., home builder. "I sure felt good when

the mortgage company phoned and told me they had cleared him for the loan. This guy makes over $5,000 a year and could handle payments of over $100 a month, but had no money saved up, so before the housing bill was passed, he just could not move in. I'm expecting a lot of this kind of business this year so I've planned on building about 50 percent more homes than originally scheduled."

BOOST FOR DALLAS BUYERS

Mahaffey-Wagner Construction Co. in Dallas says liberalized housing regulations were mainly responsible for boosting sales to 22 houses during the first 3 weeks this month, only 7 short of the total units sold during February and March. Twenty of the houses bought this month were on GI loans. "Seventy percent of the VA buyers told us they probably wouldn't have bought this soon if down payments hadn't been taken off," says Alden Wagner, partner in the firm. The company now intends to build 150 homes this year, up 25 percent from an earlier estimate.

Many builders report they are chalking up sales gains mainly as a result of the easing in mortgage money.

The mortgage money picture is "tremendously improved," says Anthony Tambone, head of Massachusetts Builders, Inc., in Reading, Mass. He had nine $17,000 houses standing unsold since last September. He sold all nine within a week after his bank called to tell him it would take GI loans at 4¾ percent, 30-year terms and no down payment.

"I just went through my files of old prospects and found any number who couldn't meet bank requirements before but can meet the new terms," Mr. Tambone explains.

"I've only built a handful of GI and FHA houses in the past 2 years, but the loosening in terms has changed my plans," says M. L. Bailey, president of Houston's Northwest Builders, Inc., which expects to sell 100 houses this year, up from 25 in 1957.

LOAN APPLICATIONS SOAR

The effects of easier credit have been spectacular in the Houston area, as in many other cities. The number of F. H. A. loan applications on new homes in a 37-county area of southeast Texas for the quarter ended March 31 soared 76 percent to 1,193, compared with the like period in 1957. And the year-to-year increase has shown no signs of slackening this month.

In the Houston suburb of Sharpstown, builders report record crowds and high interest among the potential homebuyers now traipsing through 32 new $15,000 to $20,000 houses in the homebuilders' annual Parade of Homes. Says Gordon Neilson, executive vice president of the local homebuilders' association: "We're looking for starts of about 10,000 in 1958." That would be about 20 percent above Houston's last year's total.

Nationally, FHA applications in March covered nearly 25,000 new dwelling units, up from 20,600 in February and 16,200 in March 1957.

But even more spectacular gains are being made in the recently moribund VA home-loan program, which until a few weeks ago was scheduled to end this July. A special VA report shows appraisal requests (which precede applications for mortgage guaranties) totaled 11,067 through April 15, or 2,661 more than for all of March. Last December, applications had fallen to 3,500.

Noting the brisk pace in GI loan applications for early April, Sumner G. Whittier, VA administrator, predicts: "If the same rate is maintained during the last half of this month it will account for more than 22,000 proposed GI homes, an increase of 163 percent over March." Dropping of the 2-percent downpayment rule has given the VA program its biggest push, say most builders.

"The same thing is taking place that happened when down payments were removed from GI loans in 1954, declares John F. Austin, Jr., president of T. J. Bettes Co., a big Houston mortgage-servicing firm. "Many builders are switching back to FHA and GI loans to attract buyers. When they did this in 1954, home starts for the next year or so took a big jump.

Robin Hill Homes on Long Island is one such builder now switching back to VA-backed financing for the first time in a year and a half. Since early 1957, banks wouldn't take the GI loans, explains Alexander Paulsen, a partner in the concern. "They forced us to cut out VA financing when they boosted discounts to six points or more," he says. Now he's paying discounts of only about two points, and plans to build 350 homes this year, up from 250 last year.

Discounts are a result of the fixed maximum rates on VA and FHA mortgages. Because they were able to earn more on other investments, lenders for some time were especially unwilling to make VA loans at the old maximum rate of 4½ percent. To place VA loans, builders had to agree to discounts. If, for example, a builder offers a $10,000 mortgage to a lender, the lender may agree to pay only $9,500 for it. That's a discount of 5 percent. Since the lender will collect the full $10,800—plus interest—over the life of the mortgage, his actual return will be considerably higher than 4½ percent.

Now, with more plentiful supplies of mortgage money available, and with the increase in the VA interest ceiling to 4¾ percent, lenders generally have trimmed discounts. San Francisco lenders generally agree that the quarter point VA interest hike is worth two discount points to builders. And, they say, there's no shortage of money.

MILLIONS TO INVEST

"There's an awful lot of money in the mortgage market right now—everybody has millions to invest," remarks D. Clair Sutherland, a vice president at San Francisco's Bank of America. As a result, interest rates on conventional rates have been falling, terms are being lengthened and competition for home loans is waxing hotter than it has for years.

For prime mortgages, says Mr. Sutherland, 5½ percent is the going rate for conventional loans in the Golden Gate area, while 6 months ago it was a firm 6 percent.

In Jacksonville, William J. Rivers, associate general manager of Prudential Insurance Co.'s south-central home office, covering a 10-State area, says: "In the past 6 months we've all had to come down a little in our sights, from one-fourth to one-half a point. Where you were getting 6 percent you're down to 5¾ percent and where you were at 5¾ percent you're at 5½ percent. We hear rumors some of our competitors are quoting at 5¼ percent; we're sticking to 5½ percent for the time being."

The Boston Five Cent Savings Bank early this month chopped interest rates on conventional mortgages from 5 percent to 4¾ percent. "We were getting 5 or 6 mortgage applications a day but since we reduced the rate and started taking GI loans again we have been getting 25 or so applications a day," says a bank official.

Frank Flynn, vice president of National Homes Corp., a large builder of prefabricated homes in Lafayette, Ind., says mortgage money has become so readily available that investors are seeking him out nearly every day. "I just had a call from a Massachusetts savings bank offering money with a discount of only four points. Six months ago we would have had to pay almost triple that amount for this type of mortgage money," he asserts.

Another builder who's being solicited every day by eager lenders is Chicago's L. & H. Builders, Inc. "It's becoming a pain in the neck," sighs Quinn Hogan, the company's president. "I couldn't find any of these guys 4 years ago when I needed them." Observes Mr. Paulsen of Long Island's Robin Hill Homes: "I didn't know a lending institution not hustling for business. Two months ago they were sitting on their hands."

Lending institutions provide plenty of evidence of such hustling. "We're out beating the bushes for good mortgage investments," says Arthur Cannon, vice president and treasurer of Standard Insurance Co. in Portland. "One way we're doing this is the transferring of much of the decisionmaking to our field offices. If our field representative can tell an applicant on the spot whether he can qualify for a loan, it really speeds up service and makes the applicant happy."

"Before," says Joseph J. Braceland, vice president of the Philadelphia Saving Fund Society, "we just sat back and waited for mortgages to come to us. Now we have men on the street telling folks that we have money to lend."

Larry Seeman, president of Mortgage Syndicates, Inc., in St. Louis, says: "You don't pick and choose as much as you did" to find suitable mortgage investments. "There's a lot more competition." To meet competition, some banks and savings and loan associations are switching advertising campaigns from savings to loans.

FREE SHORT-TERM LOANS

National Homes' Mr. Flynn reports that "In Ohio, some savings and loans are giving builders 60-day construction loans free if the builders will do their (mortgage) financing with them."

Many lenders already have lengthened mortgage terms and several are pondering such a move. "We are going to 20 years, compared with a 15-year limit 3 months ago," says the loan officer of a Cleveland savings and loan association. A Dallas mortgage investment company says about 30 percent of its conventional home loans now are for 25 years, as against about 5 percent which extended any longer than 20 years about 6 months ago.

"Conservative lenders who had stuck right on 20 years now offer 25 years without even being asked," comments Charles Ekllit, president of Beneficial Savings & Loan in Oakland, Calif.

Most builders revising construction plans upwards also report they are switching heavily to lower cost models, a market which, they believe, will benefit most from liberalized housing rules and easier credit.

Jacksonville's Cowart Bros. normally has built houses ranging up to $18,000. Now the firm intends to concentrate on those in the $10,000 to $13,500 bracket. One reason is lowering of the minimum downpayment on FHA-insured mortgages to 3 percent on the first $13,500 (from 3 percent on the first $10,000 and 15 percent on the next $6,000). Also, the minimum 2-percent downpayment has been dropped on home mortgages guaranteed under the FHA program; VA loans chiefly cover lower-priced homes.

Mr. Cowart supplies another reason for switching to low-cost housing: "There's a heck of a lot more poor people than rich people."

"Because of the stimulus I figure the housing bill will give to low-cost housing, every house I build this year is going to sell for $9,500 to $13,500," declares John Laporte, a Portland builder. Last year all his houses were above the $13,500 mark.

National Homes reports a substantial part of its sales now are coming from its least expensive prefabricated model, the $10,000 Fairlane, introduced last November.

UNIVERSITY OF MICHIGAN LIBRARIES

[Federal National Mortgage Association news release for April 30, 1958]

FNMA REPORTS BRISK THIRD WEEK FOR EMERGENCY HOUSING PROGRAM—AGENCY SIGNS 2,844 COMMITMENTS IN WEEK TO BUY $34 MILLION IN MORTGAGES COVERING LOW AND MODERATE PRICED HOUSING

Announcement was made today by the Federal National Mortgage Association that it had entered into commitment contracts totaling $63,181,000 for the purchase of 5,389 Government-backed mortgages covering low and moderate priced housing under its special assistance program established by the Emergency Housing Act of 1958. This legislation, signed by the President on April 1, authorizes the Association to make commitments to purchase FHA-insured and VA-guaranteed mortgages of $13,500 or less covering housing on which construction has not started at the time the application is made for FNMA's commitment.

According to FNMA President J. Stanley Baughman these figures reflect FNMA's activities under this program through April 24 and cover 2,333 VA mortgages totaling $28,806,000 and 3,056 FHA mortgages amounting to $34,375,000.

Commitments covering 1,657 FHA mortgages for $19,002,000 and 1,227 VA mortgages for $15,292,000 totaling 2,884 mortgages valued at $34,294,000 were made last week.

These figures contrasted with the 410 FHA's for $3,989,000 and 199 VA's for $2,455,000 totaling 609 mortgages valued at $6,444,000 reported for the week ended April 10, the first to reflect the new program's activity, and 989 FHA's for $11,384,000 and 907 VA's for $11,059,000 for a total of 1,896 mortgages valued at $22,443,000 for the week ended April 17.

FNMA activity under the Emergency Housing Act of 1958 (Public Law 85-364, signed Apr. 1, 1958), in number and dollar volume of commitment contracts to purchase FHA-insured and VA-guaranteed mortgages

	FHA		VA		Total	
	Number	Amount	Number	Amount	Number	Amount
Week ended—						
Apr. 10	410	$3,989,000	199	$2,455,000	609	$6,444,000
Apr. 17	989	11,384,000	907	11,059,000	1,896	22,443,000
Apr. 24	1,657	19,002,000	1,227	15,292,000	2,884	34,294,000
3-week total	3,056	34,375,000	2,333	28,806,000	5,389	63,181,000

ORDER FOR CALL OF THE CALENDAR TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on tomorrow, after the routine morning business is concluded, the Senate shall proceed to a call of the calendar of bills and other measures to which there is no objection, beginning with Calendar No. 1431, Senate bill 666, to remove wheat for seeding purposes which has been treated with poisonous substances from the "unfit for human consumption" category for the purposes of section 22 of the Agricultural Adjustment Act of 1933.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Without objection, it is so ordered.

ADJOURNMENT

Mr. MANSFIELD. Mr. President, I move that the Senate stand in adjournment until tomorrow, at 12 o'clock noon.

The motion was agreed to; and (at 3 o'clock and 1 minute p. m.) the Senate adjourned until tomorrow, Thursday, May 1, 1958, at 12 o'clock noon.

NOMINATIONS

Executive nominations received by the Senate April 30, 1958:

TAX COURT OF THE UNITED STATES

The following-named persons to be judges of the Tax Court of the United States for terms of 12 years from June 2, 1958 (reappointments):

Bolon B. Turner, of Arkansas.

John Gregory Bruce, of Kentucky.

Russell S. Train, of the District of Columbia.

Bruce M. Forrester, of Missouri.

IN THE NAVY

The following-named midshipmen (Naval Academy) to be ensigns in the Navy, subject to qualifications therefor as provided by law:

John W. Adams
James N. Adkins, Jr.
Max N. Akers
Richard K. Alexander
David L. Allard
George R. Allender
Marcos I. Alvarez
Richard S. Anderson, Jr.
William A. Arata III
James E. Ayars
Charles H. Baker, Jr.
Edwin M. Baldwin
Ronald H. Ballard
Clifton E. Banta III
Stephen P. Barrett
Thomas J. Barry
Harlan B. Bartels
Malcolm G. Bartels
Arthur E. Bass
Frank E. Bassett
George T. Bauer
James L. Bayne
Percy M. Beard, Jr.
Samuel A. Belcher III
Daniel J. Bellay
Gerald E. Bellows
Arthur J. Bennett
Milo R. Beran
Robert P. Berg
John P. Berry
David E. Bertke
John A. Besecker
Murray D. Blank
Russel N. Blatt
Donald A. Boerner
Walter A. Booriakin
Edward L. Borden
William J. Bredbeck
George H. Brenner
August W. Brewer
James G. Brewer
Walter E. Bridgman, Jr.
Arthur V. Broady
Paul E. Brooks
Paul L. Brown
Robert S. Brown
Ralph V. Buck
Stanley M. Budney
Thomas B. Buell
Newton W. Buerger, Jr.
Stanley E. Bump
Keith M. Bunting
Frank W. Butterworth III
William E. Byman
James F. Caldwell
Robert K. Caldwell
Delos S. Calkins, Jr.
Walter H. Cantrell
Richard Carl
Albert A. Carretta, Jr.
Aubrey W. Carson
Wayne L. Chadick
George B. Chafee, Jr.
Michael W. Chapple
Theodore C. Cheney, Jr.
Oddino S. Chiocchio, Jr.
Alan M. Chodorow
John A. Chrisman, Jr.
William C. Christenson
Roy E. Clason
Frank J. Clement
James M. Clement, Jr.
Edward M. Clune
John B. Cobb
Freddy W. Coe
Samuel P. Comly III
Francis A. Conery III
Bruce T. Conzelman
Jan W. Cook
Grant A. Cooper
James L. Corder
Richard N. Cordova
Thomas V. Corey
Peter S. Corr, Jr.
Ward W. Correll
David B. Cox
Francis X. Coyle
George K. Coyne, Jr.
Bruce L. Craig
George C. Creighton III
Liles W. Creighton, Jr.
Paul Z. Cummins II
Shane P. Daniels
Stanley "W" Dargis, Jr.
Henry A. Darius, Jr.
Monte D'Armand
Silas C. Daugherty IV
George J. David
Richard E. Davies
James V. Davis
John R. Davis
William H. Dawson
Chapin W. Day, Jr.
Thomas F. Degnan
Daniel H. Demand
George L. Denny II
John J. Dittrick, Jr.
Leonard P. Donahue, Jr.
Marion T. Doss, Jr.
Robert E. Doty, Jr.
William A. Dougherty, Jr.
Thomas J. Doyle
Theodore F. Driggers
Richard P. Dunbar
William E. Duncan
Clark P. Dyck
William C. Edewaard
Steven H. Edwards
Norman S. Elliott, Jr.
David C. Eppling
Peter E. Ericksen
James A. Estep, Jr.
Rowland G. Evans
Ronald M. Eytchison
Bennett W. Farlee
John S. Feeney, Jr.
Henry K. Felix
Joseph D. Fenick, Jr.
George M. Fennell, Jr.
Robert R. Figura
James R. Fisher
Louis H. Fisler
James L. Fitzgerald, Jr.
Thomas E. Fleming
Thomas P. Flood
Robert W. Flynn
William T. Flynn
Peter J. Foley
Raleigh R. Ford
Charles R. Fordham
Thomas P. Forrestal, Jr.
Charles J. Forsman
John F. Fox
Richard A. Fox
Jeremiah Fraher
Nickolas J. Frank III
Michael P. Frawley
William Freakes
Victor I. Fredda, Jr.
Richard C. Freeman
Ronald S. Friedman
Gran F. Fuller
Robert H. Fuller
John H. Galla
John F. Gamboa
John T. Gardner, Jr.
Keith P. Garland
William A. Garvey
Hugh H. Gates
Peter H. Gatje
Kenneth L. Gebhart
Kerry F. Gentry
Thomas Gibbons
David B. Gibson
Richard C. Gibson, Jr.
William J. Gibson
Jack L. Giddens, Jr.
Leo C. Gies
Carl E. Giese, Jr.
Laurence S. Gifford
John K. Gilligan
Philip R. Given
Thomas Gladding, Jr.
Jack R. Gladin
Frederick K. Glaser
Gordon R. Goldenstein
Michael "E" Goodman
James C. Goodwin, Jr.
John A. Goolsby
Roderick M. Gorton
Irving K. Goto
Albert L. Gottsche, Jr.
Melvin N. Gough, Jr.
William A. Graham, Jr.
Kent L. Granzin
Theodore H. Graver
Robert Gray
William H. Green
Richard P. Greene
Marshall R. Greer, Jr.
Samuel W. Gregg
Hoke D. Griffin
John B. Griffiths
Thomas D. Grimm
Chester J. Grocki
Alvin C. Gross, Jr.
John F. Grucza III
Julian P. Guinn
Stephen F. Guthman
LeRoy R. Haenze
William B. Hale
Marshall B. Hall
David B. Hamilton
James M. Hamrick
Richard E. Hanson
Ray S. Hardy, Jr.
Glynn C. Harper
Charles E. Harrison
David J. Harriss
Robert L. Harshberger
James E. Harvey III
Adolph B. Haugen
William V. Hayes
Charles H. Haughey
Jerry R. Haynes
James F. Healey
Peter M. Hekman, Jr.
Otto J. Helweg
Joseph R. Henderson, Jr.
Noel B. Henderson
Jesse J. Hernandez
Ernest P. Herner, Jr.
Lance Herold
William F. Herrin
James D. Higgins, Jr.
John L. Higgins, Jr.
Martin G. Hill
James E. Hoch
William F. Hodkins
Jack I. Hoel
Peter D. Hofstedt
George R. Holdeman
John D. Holland, Jr.
Bruce A. Holmberg
Robert E. Holroyd
Hollis L. Holthaus
Alan E. Hospes
William C. Hotard
Guy M. Houston, Jr.
William S. Howard III
Francis M. Hughes, Jr.
John B. Hulme
John J. Hummer
Harold C. Hunter
Joseph D. Hutchinson
Donald J. Hynes
James E. Igoe, Jr.
Walter S. Illick, Jr.
Arthur L. Immerman
Carl E. Ingle
Forney H. Ingram, Jr.
Ronald F. Ingram
James Izard
Perry Y. Jackson, Jr.
Thomas L. Jacobs
George J. Jenkins, Jr.
David H. Johnson
Lester O. Johnson, Jr.

Richard V. Johnson
Ronald L. Johnson
Peter Jokanovich
Donald W. Jones
William R. Jones
Julius R. Juliano
Fredric C. Kane, Jr.
Larry E. Kaufman
Clarence H. Keim
Frederick W. Keith, Jr.
Robert T. S. Keith, Jr.
James A. Kenney
Edward L. Kessler, Jr.
Leigh G. Kimmel
George J. King, Jr.
Peter A. Kirby
Ronald B. Kirk
Paul R. Klinedinst, Jr.
Harry W. Konkel
Robert R. Kornegay
Charles J. Korzinek
Tracy M. Kosoff
Jacob C. Kraft
George E. Krauter
Clinton W. Kreitner
William H. Krumrei
Martin F. Kuhneman
Chester A. Kunz, Jr.
Thomas J. Lamb
Robert J. Lamoureux
Raymond G. Landrum
Robert E. Lane
Robert J. Lanoue
Charles R. Larson
Jerold J. Larson
Lawrence P. Larson
Charles W. Larzelere III
Kent B. Lawrence
Robert D. Lawrence
Milton H. Leake
John A. Leary II
Jean R. LeBer
Daniel B. Leonard, Jr.
John A. Lima
Eugene E. Lindsey, Jr.
George F. Lisle
Joseph N. Longton
John M. Lorusso
Philip E. Love
Richard E. Lovejoy
Lewis D. Lovitt, Jr.
Ralph W. Luce III
Ernest C. Luders
Leo A. Lukenas
Alexander M. Lupfer, Jr.
Hylan B. Lyon, Jr.
James R. Lyons
Michael D. Lyons
Samuel J. Lyons, Jr.
John S. McCain III
Bruce McCandless II
Jonathan C. McCarter
Kenneth G. McClure
Harry E. McConnell
Martin L. McCullough
Wayne H. McKee
Gene T. McKenzie
Michael J. McLane
John C. McMichael, Jr.
John G. McMillan
Phillip F. McNall
Robert P. McNergney
James E. McNulla III
George R. McNulty
Joseph G. McPadden
William F. Macauley
Robert M. MacGregor
Franklin F. Mackenzie
John H. MacKinnon
Rupert E. MacLean, Jr.
Donald W. MacNeill
Thomas C. Maloney
Eric G. Mansfield, Jr.
Joseph S. Mansfield, Jr.
Wallace W. Marshall, Jr.
Alex A. Martella, Jr.
James R. Martinez
Robert H. Mason
Lance B. Massey
John W. Matheson
Wesley May
Daniel F. Mayers
Lee M. Meador
George R. Meinig, Jr.
Stuart A. Merriken
Ernest A. Merritt
Theodore R. Merry
Donald J. Meyer
Peter N. Midgarden
Henry W. Miller, Jr.
Paul J. Miller
Robert L. Miller
Leon M. Mink
Kenneth F. Mitchell
Walter F. Mitchell
Herbert Moll
James T. Moore
William N. Moore
Francis J. Moran, Jr.
David E. Morgan
Clyde C. Morris
William P. Mortenson
Russell V. Mowery
Lincoln H. Mueller
George C. Mullin
Tom S. Murphree
Robert W. Musgrove
George D. Myers II
Chester A. Nagle
Ivan V. A. Nance, Jr.
Arthur T. Narro
Robert M. Nazak
David A. Newcomb
Jack R. Nicholas, Jr.
John P. Nickerson
Robert P. Nicolls
John L. Nulty, Jr.
Roger M. Nutting
Peter C. Nystrom
Frank O'Beirne, Jr.
Michael G. O'Connor II
Walter P. O'Connor
Edwin W. Oldham
Charles A. Oleson
William H. Oliver
William F. Omberg
Christian N. Ondishko
Thomas E. O'Neill
Jack D. Osborn
Ramon R. Owens
Howard L. Pabst
Hugh L. Palmer
James A. Palmer, Jr.
Joseph N. Panzarino
Samuel A. Parker
Terrence J. Parks
William H. Parks
Zachariah T. Pate, Jr.
Richard F. Patterson
Joseph F. Paull
Charles R. Peele, Jr.
Eugene J. Peltier, Jr.
William T. Pendley
Robert S. Perkins, Jr.
Donald L. Peters
John D. Peters
William J. Peters III
Carl J. Peterson
Charles B. Peterson
Charles O. Peterson
Frank Petinos
John T. Pettit, Jr.
Robert E. Phillips
Robert H. Pidgeon
John P. Pierce, Jr.
Massey L. Pierce
Richard K. Pierson
John M. Pinto, Jr.
Richard F. Pittenger
William D. Pivarnik
John M. Poindexter
Paul A. Polski
John L. Potter
Stanley Poremba, Jr.
Joseph C. Port
Gene H. Porter
Robert J. Prather, Jr.
John P. Price
Terry R. Priebe
William G. Prince
Wayne E. Pulling
Wayne A. Putnam
Arnold F. Pyatt
Allan Rachap
John M. Radigan
Thomas J. Radziej
George J. Ranes
Keith L. Rasmussen
Victor J. Raudio
Calvin H. Reed
Harold L. Reeger
Lawrence R. Reid, Jr.
Roy L. Reinarz, Jr.
Walter A. Reister
John C. Rennie
Raymond C. Riches
William R. Ring
Alan G. Roach
Berton A. Robbins III
John E. Robbins
Gary K. Roberts
Peter S. Roder
Richard D. Rogers
John D. Rohrbough
William H. Rorer III
Eugene F. Rosadino
David V. Rowe
Robert W. Rowe
Scott M. Ruby
Nils Rueckert
Melvin A. Runzo
Carl F. Russ
Harold B. Russell
John Ruth
George R. Ruwwe
Bernard A. Ryan, Jr.
Walter R. Ryan, Jr.
William R. Sachse
Robert C. Sauer
Gordon M. Schaaf
Lawrence H. Schlang
Ronald A. Schnepper
William G. Schramm
Clyde C. Schroeder
William J. Schulz
Allen B. Schwitzer
Wayne E. Scott, Jr.
John J. Seeberger
George F. Segelbacher
Joseph M. Sendek
Jack L. Shafer
Louis P. Shane
Stanley E. Sharp
Robert L. I. Shearer
James E. Sheehan
Norman W. Shriver
John F. Sickman, Jr.
James S. Silidorff
George C. Skezas
Alvin V. Skiles III
Robert K. Slaven, Jr.
Kelson E. Slayman
Edwin B. Smedberg
Charles J. Smith
Frank W. Smith
Leon T. Smith
William B. Smith
William L. Smith
Richard S. Sorensen
William T. Spane, Jr.
Richard B. Stack
Robert D. Stannus
Joseph L. Steckler
Graves B. Stephenson
Robert W. Stibler
Herbert L. Stiff
Paul F. Stiller
Gregory F. Streeter
Josiah D. Stryker
David W. Stubbs
George R. Stubbs
Frederick B. Stumcke, Jr.
Henry D. Sturr, Jr.
Henry C. Surratt, Jr.
Jack D. Sutton
Alasdair E. Swanson
John P. Swope
Curtis S. Sword, Jr.
Denis J. Taft
Donald C. Tarquin
Brent W. Taylor
Donald A. Taylor
James T. Taylor, Jr.
Philip H. Taylor
Richard "E" Tennent, Jr.
Eric F. Thacher
Leo E. Therrien, Jr.
Thomas W. Top
Robert L. Topping
Carl J. Triebes, Jr.
Leslie P. Troolin
Darrell C. Troutman
Fred G. Troutman
Paul C. Tucker
Walker S. Uhlhorn, Jr.
James V. VanHoose
Richard D. VanLandingham
Henry G. Vargo
Robert R. Vaughan
Guy D. Veasey
Robert L. Venable
John C. Vick
Alfred E. Victor
Frederick L. Wales
John J. Wandell, Jr.
Sinkler Warley, Jr.
Robert L. Warren
George L. Watts
Stephen T. Webster
John A. Wedell
Robert L. Weibly
James G. Weigand
Paul L. Weitfle, Jr.
Bradford W. Welles
Robert D. Wells
Thomas A. Werner
Ralph W. West, Jr.
Dale A. Westbrook
Kenneth A. Westphal
Theodore C. White
Richard P. Whitney
Franz R. Wiedemann
Bruce A. Wilcox
Christopher B. Wilhelmy
George W. Williams
James D. Williams
James R. Williams
Theodore M. Williams
Wayne A. Williams
Dennis K. Wilson
James S. Wilson, Jr.
Richard J. Wilson
William Z. Withers
James A. Wood
Michael G. Woodbury
Richard P. Woodley
Phillip L. Work
James C. Wright
Leo C. Wright
Charles R. Yarbrough
Albert N. Yost
William K. Young, Jr.

The following-named midshipmen (Naval Academy) to be ensigns in the Supply Corps of the Navy, subject to qualifications therefor as provided by law:

Gregory D. Bernatz
Donald B. Bernes
Charles J. Bowne, Jr.
Charles H. Brooks, Jr.
David G. Burden
Ralph J. Carestia
James S. Clarkson
William R. Drury
Frederick R. Fry
John M. Halliday
Charles V. Hanna
John W. Hatchett
Chesley M. Hicks, Jr.
John T. Kennard
Graydon F. Lombard
Charles W. Lord
Duane B. Lucas
Paul F. Malcewicz
Max D. Marbain
Moston R. Mulholland, Jr.
James F. Patterson
Otto C. Rice
Robert E. Risinger
Glen F. Smiley
Samuel G. Werbel
David G. Willingham
John M. Wyatt

The following-named midshipmen (Naval Academy) to be ensigns in the Civil Engineer Corps of the Navy, subject to qualifications therefor as provided by law:

James B. Caughman, Jr.
Michael M. Dallam
Owen M. Kirkley
Kenneth B. Knox
Jimmie G. Marshall
Benjamin F. Montoya
William A. Simmons, Jr.
Thomas H. Thoureen
John A. Walter

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the line of the Navy, subject to qualifications therefor as provided by law:

Robert G. Affleck
James E. Alden
John Alden, Jr.
Paul B. Alker
John W. Anderson
Ralph P. Anderson
Thorwald "H" Anderson
Preston W. Angell
Anthony I. Antonio, Jr.
David W. Arnold
Richard T. Ashman
Jay G. Baetz
John E. Baillis
John K. Baker
Roger E. Baldwin
Robert L. Beck
George J. Bednar
Roger L. Berg
Roger W. Berger
Harris "I" Berkowitz
Thomas B. Bigford
John P. Bird
Jimmie R. Boatright
Julian R. Bockserman
Thomas L. Boennighausen
Wayne N. Bohlke
Reber F. Boult, Jr.
Courtney B. Bourns
Bernhard A. Brakke
James D. Brown
Roger A. Brown
Walter P. Bruen, Jr.
Norman L. Burnett
William R. Butler
John W. Cameron
Craig S. Campbell
Wayne A. Carbiener
Stanley J. Chesney, Jr.
Robert J. Cielnicky
Donald R. Clark
John C. Clinton
Robert B. Clothier, Jr.
Jack H. Colldewein
John A. Collier
Richard S. Collier
David W. Conover
David R. Cox
Kenneth E. Cox
Richard C. Dahl
Joseph A. D'Appolito
Richard C. Darcey
Richard A. Darling
David L. Davidson
Daniel W. Dearasaugh, Jr.
John T. Decker
Thomas P. Develin
Robert L. Dolbeare
Clifford C. Dougherty, Jr.
Terry C. Drake
Rodney F. DuBois
Daniel C. Dunlap
William P. Dunn
James M. Durante
Robert M. Eade
Robert N. Edney
Ronald R. Edwards
William W. Elliott IV
Russell A. Ellis
David L. Emmert
Harold F. Enright
Wayne R. Ericksen
Paul E. Felton, Jr.
William D. Forsyth, Jr.
Edward K. Frear
Scott L. Garrett
Donald W. Garrison
John P. Gould
Robert B. Grafton
Roger L. Grant
Stephen H. Gushee
Richard A. Haas
Edmund "A" Hajim
Joe E. Hammer
William C. Harding
David W. Harned
Malcolm R. Harvey
Thomas W. Harwell
Clair E. Heckathorne
Brooke R. Heckman
Henry A. Holmes
David E. Holt, Jr.
George S. Hoover
Ronald W. Hough
Walter E. Huff
Robert P. Hughes
Alonzo B. Huntsman, Jr.
Harold S. Hutchison, Jr.
Jack C. Hyde
John W. Jablonski
James D. Jennett
Karl F. Jennings
Ronald L. Jensen
Robert L. Johns
George K. Johnson
Paul H. Johnson
James P. Jolly
James F. Judson
Edwin S. Keasler, Jr.
Earle L. Kitts, Jr.
Ronald W. Knox
David E. Labovitz
Eugene Lee, Jr.
Robert R. Lee
Roger L. Levin
Arthur E. Lindberg
Gerald J. Lindquist
Paxton "D" Lockhart
Christopher S. Lohnes
Robert A. Lowrey

UNIVERSITY OF MICHIGAN LIBRARIES

William D. Lyon
Frank S. McLaughlin, Jr.
Lauren L. McMaster III
Arleigh E. Machemehl
James A. Major
Robert T. Marold
William M. Mathews
Reid T. Melville
Francis B. Michels
Roger D. Middlekauff, Jr.
Howard Miller
William H. Miller
James R. Miltenberger
Richard C. Montgomery
Tylman R. Moon
William R. Moorman
James F. Morgan
Ermett T. Mueller
Robert J. Murphy III
Richard C. Nelson
George B. Newton, Jr.
Harvey W. Nix, Jr.
Harold A. Noring
Clifford E. Olivera
Benhart H. Olson
Richard L. Olsonoski
Douglas L. Orme
Martin K. Pedigo
David L. Pendleton
Lawson M. Phyfe
Henry N. Pollack
Otto G. Raabe, Jr.
Donald J. Reeves
James H. Rich, Jr.
William L. Riddle
Hardy A. Risteen
John J. Roach, Jr.
John J. Roberts
Carl W. Robertson
Kenneth A. Robison
Edward L. Rohm
James A. Rossi
Glendon Rowell
Mervyn L. Rudee
Thomas N. Ryder
Richard K. Sager
Paul S. Sakuda
Robert P. Sanchez
Robert G. Sansom, Jr.
Frederick W. Saunders
Kenneth A. Saunders
Donald A. Schneider
John C. Schulz
Jay A. Severance
Kenneth R. Skivington
Bartley P. Smith
Phillip A. Snell, Jr.
Larry Spear
Stuart B. Spence
Melvin S. Spielberger
Marshall W. Sprigg
Robert E. Spydell
Orlin M. Stansfield
James O. Stepp
Herbert A. Stokely
David F. Sutter
Stephen P. Sutton
John H. Tate, Jr.
John H. Thielman
Charles R. Thompson
Donald L. Tiedeman
Raymond M. Torick
Robert J. Townsend
William G. Trussell
Karl J. Turecek
Paul B. Uhlenhop
Michael J. Verner
Henry G. Viets
Fredric J. Wade
Norbert Wagner
Robert L. Walters
John L. Way
Theodore G. Weeks, Jr.
William H. Weidenbach, Jr.
George A. Weidner
David R. Weisel
Jerry D. Westbrook
Robert W. Westgate
Clarence C. Whitney
John S. Williams
George S. Wills
William A. Wineberg, Jr.
Martin Wolman
John H. Wood
Jess B. Woods, Jr.
Donald N. Wright
Wilbur A. Wright
Robert D. Yeager
Richard G. Young
Harry J. Zimmer
Robert M. Zorn, Jr.

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the Supply Corps of the Navy, subject to qualifications therefor as provided by law:

Robert O. Artner, Jr.
Walter I. Austin
James H. Baker
Ronald A. Bero
John H. Blackford
Robert A. Brayshaw
Rodney E. Brunker
Robert P. Bryant
Charles O. Campbell
Cecil D. Conlee
Timothy P. Coogan
David D. Crane
Walter J. DeGroft, Jr.
Ralph B. Draughon, Jr.
Bernard A. Dunn
William B. Early
Harry H. Ekholm, Jr.
Jerald R. Forster
Duane L. Furan
Stuart K. Gord
Edward W. Hargadon
Harland D. Harris III
Thomas G. Harvey, Jr.
Curtis C. Higgins
Edward L. Kocan
Richard C. Hogan
Bobby P. Keith
John E. Lewis
Fred Louis III
George H. McLaughlin II
Lawrence D. Morrow
John P. Nicholson
Andrew O. Oberhofer, Jr.
Richard S. O'Brien
Richard F. Powers
John H. Schwarz, Jr.
Robert J. Shackleton, Jr.
Georges C. St. Laurent, Jr.
Herschel T. Sturms, Jr.
George W. Thackston, Jr.
Leo C. Wardrup, Jr.
David G. Warren
Craig R. Webber
Jay P. West
Daniel R. Weston
Robert M. Willig

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the Civil Engineer Corps of the Navy, subject to qualifications therefor as provided by law:

James E. Bodamer
William M. Boyer
Glenn S. Calvert, Jr.
Herbert L. Dozier, Jr.
Arthur W. Fort
Dante Fuligni
John O. Hamel
Edward J. Kaiser
Richard G. Kauffman
Arthur D. Kohler, Jr.
Richard A. Lowery
Thomas B. Mattox
Frederick Z. Mills
Franz H. Misch
Thomas W. Moody
William A. Olson
James M. Osterhoff
Michael V. Sherbrook
Arnold R. Smythe, Jr.
Loyal R. Updegrove
James A. Williams
James L. Wilson III
Frederick H. Wolf
Robert F. Worley
Donald E. Wudtke

Harlan L. Lane (Naval Reserve Officers' Training Corps) to be an ensign in the Medical Service Corps of the Navy, subject to qualifications therefor as provided by law.

The following-named (civilian college graduates) to be lieutenants in the Medical Corps of the Navy, subject to qualifications therefor as provided by law:

James G. Harmeling
Elliot I. Morrison
Howard E. Waldstreicher

The following-named Reserve officers to the grades indicated in the Medical Corps of the Navy, subject to qualifications therefor as provided by law:

COMMANDER

Roland W. Jones

LIEUTENANT COMMANDER

Joseph M. McGinley

LIEUTENANT

Adolphus R. Allison, Jr.
Burness F. Ansell, Jr.
Charles E. Brodine
Anthony Dede
Robert H. Easterday
William N. Fender
Rafael Fernandez
Donald M. Kinkel
Arthur C. Krepps II
Roger H. Morris
Earl M. Olmstead
Regis W. Stinely
James F. Walker, Jr.
Welbourne A. White
Alfred E. Wiggs II
Stuart Wolfe

LIEUTENANT (JUNIOR GRADE)

Franklin D. Beary
Wesley W. Boucher
Carl T. Brighton
John W. Davis
Solomon J. Hazan
Richard E. Sand
David F. Schaefer

George D. Mitchell, Reserve officer, to be a lieutenant in the Medical Corps of the Navy, and to be promoted to the grade of lieutenant commander when his line running mate is so promoted, subject to qualifications therefor as provided by law.

The following-named Reserve officers to the grades indicated in the Medical Corps of the Navy, for temporary service, subject to qualifications therefor as provided by law:

COMMANDER

Joseph M. McGinley

LIEUTENANT

Franklin D. Beary
Wesley W. Boucher
Carl T. Brighton
John W. Davis
Solomon J. Hazan
Arthur C. Krepps II
Richard E. Sand
David F. Schaefer

The following-named officers to be lieutenants in the Dental Corps of the Navy, subject to qualifications therefor as provided by law:

George C. Fischer, Jr.
Steven W. Perand

The following-named officers to be lieutenants (junior grade) in the Dental Corps of the Navy, and to be promoted to the grade of lieutenant when their line running mates are so promoted, subject to qualifications therefor as provided by law:

Edwin G. Abate
Daryl M. Allman
Charles V. Beesley
Peter R. Boeke
Victor L. Chesser
John A. DesEnfants
Fred A. Garrett
Rosco Z. Heppler
Ronald K. Hill
Roland A. Hublou
Robert E. Huettner
John F. Lessig
Bruce W. Novark
Preston L. Smith
Bobby L. Swaim
James D. Swenson

The following-named officer candidates to be ensigns in the line of the Navy, subject to qualifications therefor as provided by law.

Douglas N. Adams
Kenneth W. Adams
John D. Albright
Carl W. Amick
Marion A. Atwell
John R. Beatty
James D. Beaube
Henry M. Bechtel, Jr.
Roy T. Beckner
Karl R. Bernet
Fredrick E. Blair
Bennie E. Bough
James P. Boyd, Jr.
John J. Brennan
George Brining
Virgil E. Brock
Charles H. Brown
Frank H. Brown
Lawrence D. Bryant
Robert J. Burchardt
James R. Burnett
Vernon R. Bussard, Jr.
Arnold L. Busse
Billy F. Caldwell
Lawrence J. Carpenter
Robert E. Carr
Macey M. Casebeer
Beveardge L. Cash
Elijah J. Cass, Jr.
Donald E. Cates
Frederick W. Chapman
William F. Chapman
Lawrence W. Cook
Walter O. Crusinberry
Joseph H. Cyr, Jr.
Donald L. Darling
Billy E. Davis
Edgar M. Deibert
Edgar E. DeLong
Martell E. Dewrell
Theodis Dillard
Pat Duncan
Lovelace J. Dupre, Jr.
Thomas R. Duvall
Roger A. Eddy
Frank L. Edmunds, Jr.
Scott Edwards
John R. Eggleston
Harold D. Elliott
Howard R. Ellis
Arthur F. Ensley
Albert R. Estes, Jr.
George Estock, Jr.
Howard J. Fees, Jr.
Robert H. Ferguson
Thomas L. Flanagan
Warren J. Fordham
Harris P. Gary, Jr.
William T. George
James R. Giesea
Harold A. Goldsberry
John E. Goodrow
Bruce P. Gordon
Daniel H. Grace
Joseph D. Graceffa
Norman D. Greer
Kenneth R. Gustafson
Edwin C. Hagedorn
James W. Hale, Jr.
Hubert M. Haller
Ralph A. Halverson
Gerald A. Harkless
Dowel W. Harrell
Wilford H. Harvey
James R. Hawkins
Ray M. Hawkins
Richard W. Hayward
Watson L. Hobbs
Jack A. Hodgens
Floyd W. Holloman
Jerry L. Holt
Arthur E. Holshaeuser
Leonard L. Houston
George H. Hulderman
Kenneth M. Hydorn
Milton Jackson, Jr.
Warren D. Jackson
John J. Jamroga
John L. Jelks III
William A. Johnston
Eugene P. Jones
Billy F. Judis
Robert P. Kendall
Charles R. Kitchens
Robert M. Kofoed
Robert G. Korslund
Orton G. Krueger
Charles F. Laws
Edward L. Leiser
Frederick E. Lewis
James G. Livziey
Joseph H. Luallen, Jr.
James R. Lusk
Claude O. Lysaght
Richard L. Mabrey
Robert F. Magee
Robert D. Mahoney
Bruce D. Martz, Jr.
Lawrence L. Massa
James C. Maxton
John R. Maxwell
Donald E. McAtee
Allen D. McNelly
James L. McVicker
Wesley L. Middleton
Billy G. Miller
Charles L. Miller
Latnay H. Miller, Jr.
Clyde L. Moore
Jack R. Moore
Billy R. Morrow
Harold Morton, Jr.
William J. Mullaly
Deighton J. Muller
Mark V. V. Nelson
Walker D. Nicholson
Lyle G. Nordhaugen
Edward A. Olmstead
George Oncea
James T. Osborne
Dudley R. Overton
Philip C. Painter
Lawrence M. Patella
William D. Patrick
Victor P. Peri
Milton G. Peters
Donald L. Pfister
Raymond C. Phillips
Stanley Piskoraki
Charles E. Poarch
Grant H. Pollock
Billie L. Price
Eugene F. Quinn
Lee I. Reber
Richard L. Reinhardt
Russell B. Rentsch
Lloyd K. Rice
Daniel R. Rivera
Delma C. Robison, Jr.
Donald R. Rowden
Perry R. Royse, Jr.
Vernon R. Scarbrough
Andrew D. Scram
LaVerne E. Severson
James W. Shelton
Donald D. Sheppard
Theodore L. Shope
John Smarz, Jr.
Robert L. Sminkey
James C. Smith
Eugene A. Spadoni
Ernest G. Stavropoulos
Samuel Steed
Donald A. Stehlin
Robert V. Steveley

William O. Stinson
Cecil G. Stockton
Robert L. Stone
Roy K. Story
William E. Stoudt
Edward L. Street
Jack D. Sturgill
John R. Swain
Willis M. Swarthwood
Harry Symons, Jr.
James E. Tedder
Angus B. Thomas
Jack R. Thomas
Robert H. Thomas
Russell G. VanMoppes
Thomas L. VanPetten
John T. Vinson
Robert M. Watkins
Clayton R. White
Howard G. White
Donald L. Wilburn
Charles A. Wilkerson
Everette D. Wills
Robert D. Wilson
Carl J. Winter
Daniel C. Woods
Robert N. Woods, Jr.
Melvin R. Woody
Everett F. Worden
Ernest C. Yoes
Ernest Zon
Nicholas D. Zorn

Grace L. Field (woman officer candidate) to be an ensign in the line of the Navy, subject to qualifications therefor as provided by law.

The following-named officer candidates to be ensigns in the Supply Corps of the Navy, subject to qualifications therefor as provided by law:

Thomas A. Bell
Joseph L. Cejka
Claude H. Drake
Charles C. Eye
Patrick F. Flanagan
Roger D. Gillingham
Allan H. Hanson
Daniel G. Hartlieb
Carl F. Huth, Jr.
Omer L. Johnson
Kenneth E. Livingston
Samuel S. Montgomery
Robert H. Robertson, Jr.
Peter Rock
George G. Spence, Jr.
Gerald E. Sveen
Junior J. Watson
Peter J. Welzbacker
Hugh H. Wheeler
Roy Willett
James Wilson, Jr.
Frank N. Winn

Vernon P. Perry (officer candidate) to be an ensign in the Medical Service Corps of the Navy, subject to qualifications therefor as provided by law.

The following-named officer candidates selected as alternates, to be ensigns in the line of the Navy, subject to qualifications therefor as provided by law:

James N. Benson
Amos "M" Blevins
John W. Brackett
Arthur G. Crawford
John W. Duncan
Gaston O. Easley
Coleman J. Gadbaw, Jr.
Wayne G. Henley
Harry H. Hudgins
Gerald C. Hudnall
James H. LeClare
Edward A. Morrow
Elmer W. Peterson
John M. Renwick
Bobbie L. Sample
Donald E. Smith
Arthur J. Walker
Richard A. Wood

The following-named officer candidates selected as alternates, to be ensigns in the Supply Corps of the Navy, subject to qualifications therefor as provided by law:

Michael A. Benson
George C. Brown
William O. Buckalew, Jr.
Ralph Conrad
Robert B. Giles
Rogers E. Hall
George H. Houk
Beauford A. Long
Harvey S. Loomis
James L. Myrah
Robert L. Tutas

The following-named officers for temporary or permanent appointment to the grade indicated in the line of the Navy, subject to qualifications therefor as provided by law:

The following-named for temporary appointment:

LIEUTENANT

Lee R. Boles
Gerald F. Brackett
James A. Bridge, Jr.
George P. Brown
Dominic A. Bryla
Lloyd M. Bucher
Lawrence P. Bunyan
Earnest H. Carson
Benjamin W. Cloud
Walter N. Cottrell
Joseph M. Culbert, Jr.
Robert W. Dolan
Jack "B" Elliott
Andrew C. Ferguson
Fred R. Gaskell
Clifton G. Gent
Ronald P. Good
William F. Hahnert, Jr.
Wayne A. Johansen
Cornelius Kastelein
George I. Knowles
John H. McAlevy
Samuel R. Marshall
Allan R. Mitchell
Louis D. Neill, Jr.
Robert L. Newman
Terence P. O'Brien
John S. Oster
Glenn L. Palatini
George D. Pixley
William L. Reger
Robert J. Richards
William J. Rigney
Donald W. Roe, Jr.
Richard E. Runyon
William A. Russ
Oscar E. Sanden, Jr.
Richard R. Skeen
Jack L. Sotherland, Jr.
Van E. Spradley
Charles N. Straney
Arthur A. Strunk
Robert H. Sullivan
Lee A. Tavis
James V. Walters
Robert E. Weedon
Elmer C. Whiddon, Jr.
Richard E. White

LIEUTENANT (JUNIOR GRADE)

Billy J. Adams
Jerry P. Anderson
Richard J. Brennan
Ming E. Chang
Richard V. Christopher
Wallace F. Doolittle, Jr.
John W. Ford
John F. J. Fox
David H. Foxworth
James S. Gardner
Thomas C. Grier, Jr.
Joey W. Hegeman
Milton D. Honea
Richard E. Johe
Anthony J. Kral
Simon C. Kralik
John D. Larison, Jr.
Victor D. Larsen
Ramsay Lawson
John M. Loscavio
Bruce W. Lovell
David L. McDonald
James A. Maxwell, Jr.
Wilton H. McIntire
Horst A. Petrich
Leo V. Rabuck
Charles N. Robbins
John R. L. Scarborough
Peter R. Schmidt
John D. Sink
Donald F. Strand
Robert C. Taylor, Jr.
Theodore R. Thompson
Roy D. Varner, Jr.
Richard J. Wallace
Beverly W. Witherspoon
James R. Wyly, Jr.

The following-named for permanent appointment:

LIEUTENANT

James R. Babb
Norman R. Baty
Robert C. Brandenburg
John G. Carpenter
Cecil S. Colee
Everett S. Eckersley
Stephen L. Hart
Arthur G. Luskin
Samuel T. McKee
Harry H. Misakian
Richard J. Morin
Philip E. Page, Jr.
Louis J. Previati, Jr.
William M. Russell
Carl S. Snyder, Jr.
John D. Williams

LIEUTENANT (JUNIOR GRADE)

James M. Alderson
Alfred F. Beavert
Lee R. Boles
Gerald F. Brackett
James A. Bridge, Jr.
Frederick P. Brown
George P. Brown
Richard B. Brown
Thomas F. Brown III
Dominic A. Bryla
Lloyd M. Bucher
Jerry L. Bullard
Lawrence P. Bunyan
Earnest H. Carson
Ralph B. Cazares
Benjamin W. Cloud
Walter N. Cottrell
Joseph M. Culbert, Jr.
Richard S. Cumming III
Glen G. DeBroder
George K. Dickson
Robert W. Dolan
Jack "B" Elliott
Leroy Evrard
Andrew C. Ferguson
Arthur L. Fish
John P. Flick
Raymond C. Fonda
William L. Galli
Fred R. Gaskell
Clifton G. Gent
Stanley R. Golanka
Ronald P. Good
William F. Hahnert, Jr.
Barry F. Hampe
William E. Janes, Jr.
Robert G. Jewett
Wayne A. Johansen
Cornelius Kastelein
Peter W. Kellaway
Richard L. Kiehl
John R. Kois
Theodore F. Kopfman
George I. Knowles
Leonard M. Lee
John H. McAlevy
Samuel R. Marshall
Ronald C. Miller
Allan R. Mitchell
Anthony Morano
William J. Moredock
Donald F. Moxley
Louis D. Neill, Jr.
Robert L. Newman
Walter L. Nyland
Terence P. O'Brien
George Ormond, Jr.
John S. Oster
Glenn L. Palatini
Harlan R. Pearl
Dickinson H. Pellissier
Dale A. Peterson
George D. Pixley
William V. Polleys III
William L. Reger
Robert J. Richards
William J. Rigney
Donald W. Roe, Jr.
Richard E. Runyon
William A. Russ
Oscar E. Sanden, Jr.
George E. Sheldon, Jr.
Richard R. Skeen
Richard H. Smith
William Y. Sneed
Jack L. Sotherland, Jr.
John R. Spear
Van E. Spradley
Herbert J. Steffes
LeRoy R. Stehle
Charles N. Straney
Arthur A. Strunk
Martin J. Sullivan
Robert H. Sullivan
Lee A. Tavis
Spencer J. Thomas
Chester J. Thrailkill
John L. Townley
George L. Vandewater, Jr.
Casper R. VanDien
James V. Walters
Thomas H. Watson
Robert E. Weedon
Jack T. Weir
Ronald C. Westfall
Elmer C. Whiddon, Jr.
Richard E. White
Howard L. York
Milton E. Young

ENSIGN

Billy J. Adams
Jerry P. Anderson
Richard J. Brennan
Ming E. Chang
Richard V. Christopher
Wallace F. Doolittle, Jr.
John W. Ford
John F. J. Fox
David H. Foxworth
James S. Gardner
Thomas C. Grier, Jr.
Joey W. Hegeman
Milton D. Honea
Richard E. Johe
Anthony J. Kral
Simon C. Kralik
John D. Larison, Jr.
Victor D. Larsen
Ramsay Lawson
John M. Loscavio
Bruce W. Lovell
David L. McDonald
James A. Maxwell, Jr.
Wilton H. McIntire
Horst A. Petrich
Leo V. Rabuck
Charles N. Robbins
John R. L. Scarborough
Peter R. Schmidt
John D. Sink
Donald F. Strand
Robert C. Taylor, Jr.
Theodore R. Thompson
Roy D. Varner, Jr.
Richard J. Wallace
Beverly W. Witherspoon
James R. Wyly, Jr.

The following-named officers for temporary or permanent appointment to the grade indicated in the line of the Navy (special-duty-only law), subject to qualifications therefor as provided by law:

The following-named for temporary appointment:

LIEUTENANT

LaVerne E. Evans
Coleman E. Myers

The following-named for permanent appointment:

LIEUTENANT

Joseph D. Geller

LIEUTENANT (JUNIOR GRADE)

Coleman E. Myers
LaVerne E. Evans

The following-named women officers to the grade indicated in the line of the Navy, subject to qualifications therefor as provided by law:

The following-named for temporary appointment:

LIEUTENANT (JUNIOR GRADE)

Jacqueline L. Bakosh
Shirley J. Falls
Jeanne L. Murphy

The following-named for permanent appointment:

LIEUTENANT

Patricia I. McKenna
Nancy M. Walsh
Rosemarie C. Walsh

LIEUTENANT (JUNIOR GRADE)

Clydena L. Clinton
Margaret E. Letham
Margaret A. McIlraith

ENSIGN

Carol A. Adsit
Jacqueline L. Bakosh
Mary J. Downing
Shirley J. Falls
Jeanne L. Murphy

The following-named officers for temporary or permanent appointment to the grade indicated in the Medical Service Corps of the Navy, subject to qualifications therefor as provided by law:

The following-named for temporary appointment:

LIEUTENANT

Donald R. Kelley

LIEUTENANT (JUNIOR GRADE)

Frederick W. Breidenstein
Andrew J. Zseltvay, Jr.

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The following-named for permanent appointment:

LIEUTENANT (JUNIOR GRADE)

Donald R. Kelley

ENSIGN

Frederick W. Breidenstein
Charles W. Halverson
Andrew J. Zseltvay, Jr.

The following-named officers for temporary or permanent appointment to the grade indicated in the Supply Corps of the Navy, subject to qualifications therefor as provided by law:

The following-named for temporary appointment:

LIEUTENANT

Richard B. Bennett	Dean S. Mercer
Robert E. Fiolid	John W. Paul
Kenneth R. Maxwell	Bernard L. Recher

LIEUTENANT (JUNIOR GRADE)

Alvin D. Schaaf, Jr.	Thomas L. Vannaman
James A. Szwed	John C. Webster
Clyde E. Tudor	Roger C. Wilson

The following-named for permanent appointment:

LIEUTENANT

James D. Pollen

LIEUTENANT (JUNIOR GRADE)

Donald A. Beals	Kenneth R. Maxwell
Richard B. Bennett	Dean S. Mercer
Cyril H. Buehler	John W. Paul
Robert E. Fiolid	Bernard L. Recher
Michael H. Hamilton	Frank K. Wilson
Milford A. Leal	

ENSIGN

Charles L. Chipley, Jr.	Clyde E. Tudor
Stuart F. Platt	Thomas L. Vannaman
Alvin D. Schaaf, Jr.	John C. Webster
James A. Szwed	Roger C. Wilson

The following-named women Reserve officers for temporary or permanent appointment to the grade indicated in the Supply Corps of the Navy, subject to qualifications therefor as provided by law:

The following-named for temporary appointment:

LIEUTENANT (JUNIOR GRADE)

Kathryn L. Wham

The following-named for permanent appointment:

ENSIGN

Emily L. Brown
Kathryn L. Wham

The following-named officers for temporary or permanent appointment to the grade indicated in the Chaplain Corps of the Navy, subject to qualifications therefor as provided by law:

The following-named for temporary appointment:

LIEUTENANT

Robert L. Bigler	Raymond J. Dietrich
John C. Condit	Marvin W. Howard

The following-named for permanent appointment:

LIEUTENANT (JUNIOR GRADE)

Robert L. Bigler	William C. League
John C. Condit	John G. Newton
Raymond J. Dietrich	Maurice R. VanLaningham, Jr.
Donald F. Doxie	
Marvin W. Howard	

The following-named officers for temporary or permanent appointment to the grade indicated in the Civil Engineer Corps of the Navy, subject to qualifications therefor as provided by law:

The following-named for temporary appointment:

LIEUTENANT

John F. Hall
Henry C. Sherrod, Jr.

The following-named for permanent appointment:

LIEUTENANT (JUNIOR GRADE)

John F. Hall
Robert C. Peace
Henry C. Sherrod, Jr.

The following-named officers for temporary or permanent appointment to the grade indicated in the Nurse Corps of the Navy, subject to qualifications therefor as provided by law:

The following-named for temporary appointment:

LIEUTENANT COMMANDER

Martha L. Boring	Catherine M. McCleary
Emma L. Dannan	Elizabeth C. Strang
Hazel Funk	Phyllis R. Taylor
Ruth E. Kuethe	Dorothy Turner

LIEUTENANT

Mary A. Brogan	Barbara R. Courtright
Lois E. Burke	Mary E. A. Fitzpatrick

The following-named for permanent appointment:

LIEUTENANT

Martha L. Boring	Constance H. Rowe
Rose M. David	Elizabeth C. Strang
Emma L. Dannan	Phyllis R. Taylor
Hazel Funk	Dorothy Turner
Ruth E. Kuethe	Ruby F. Walker
Catherine M. McCleary	

LIEUTENANT (JUNIOR GRADE)

Mary A. Brogan	Mary E. A. Fitzpatrick
Lois E. Burke	Beverly J. Sparks
Barbara R. Courtright	

The following-named officers for temporary or permanent appointment to the grade indicated in the line of the Navy (special duty only, Communications), subject to qualifications therefor as provided by law:

The following-named for temporary appointment:

LIEUTENANT

Henry J. Davis, Jr.	Norman Klar
Paul W. Dillingham, Jr.	Clyde D. McDonald
	Kirby L. Robinson
Theodore F. Johnson	John K. Wulfhorst
Richard L. Kallaus	

The following-named for permanent appointment:

LIEUTENANT

John K. Cowperthwaite	Hobart J. Edmonds, Jr.
Joseph M. Devonchik	Eugene H. Platzek

LIEUTENANT (JUNIOR GRADE)

Henry J. Davis, Jr.	Norman Klar
Paul W. Dillingham, Jr.	Clyde D. McDonald
	Kirby L. Robinson
Theodore F. Johnson	John K. Wulfhorst
Richard L. Kallaus	

The following-named officers for temporary or permanent appointment to the grade indicated in the line of the Navy (special duty only, Intelligence), subject to qualifications therefor as provided by law:

The following-named for temporary appointment:

LIEUTENANT

Robert B. Bathurst
Robert L. Chartrand

The following-named for permanent appointment:

LIEUTENANT

John Gordon
George J. O'Donnell, Jr.

LIEUTENANT (JUNIOR GRADE)

Robert B. Bathurst
Robert L. Chartrand

The following-named officers for temporary or permanent appointment to the grade indicated in the line of the Navy (special duty only, Public Information), subject to qualifications therefor as provided by law:

The following-named for temporary appointment:

LIEUTENANT

Joseph W. Stierman, Jr.

LIEUTENANT (JUNIOR GRADE)

Philip S. Havran

The following-named for permanent appointment:

LIEUTENANT

Thomas A. Loomis

LIEUTENANT (JUNIOR GRADE)

Joseph W. Stierman, Jr.

ENSIGN

Philip S. Havran

The following-named officers to be permanent chief warrant officers, W–4, in the United States Navy, subject to qualifications therefor as provided by law:

Boyd D. Hughes
Troy M. McKinney

Joseph E. Schirmer, retired officer, to be a permanent chief warrant officer, W–3, in the United States Navy, pursuant to title 10, United States Code, section 1211, subject to qualifications therefor as provided by law.

The following-named officers of the Navy for permanent promotion to the grades indicated:

CAPTAIN, DENTAL CORPS

George O. Stead

LIEUTENANT, LINE

Donald G. Scully	Thomas J. Herbert
Rollin E. Jeffries, Jr.	Jack H. Hartley
William H. C. Self	James R. Redman
Robert D. Rohde	David J. Keeney
Lawrence V. Grant	Lloyd D. Beatty

LIEUTENANT, CHAPLAIN CORPS

John J. O'Connor
Joseph T. Dimino

LIEUTENANT, NURSE CORPS

Pauline F. Prest
Ann Sefchok

The following-named officers of the Medical Corps of the Navy for temporary promotion to the grade of commander, subject to qualification therefor as provided by law:

Francis W. Burke
Paul H. Sebrechts

The following-named officers of the Navy for temporary promotion to the grade of lieutenant commander in the line and staff corps as indicated, subject to qualification therefor as provided by law:

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William M. Russell

MEDICAL CORPS

George D. Mitchell
Dermot A. Murray

CHAPLAIN CORPS

Thomas J. Wooten

The following-named line officers of the Navy for temporary promotion to the grade of lieutenant, subject to qualification therefor as provided by law:

Frederick P. Brown	John B. Rivers
Richard B. Brown	Ronald G. Shelly
Paul W. Dillingham, Jr.	William Y. Sneed
	Herbert J. Steffes
George A. Hume	Joseph W. Stierman, Jr.
Norman Klar	
William J. Moredock	Glenn F. Thomas
Walter L. Nyland	John L. Townley
Deane G. Peters	Jack T. Weir
William V. Polleys III	

The following-named line officers of the Navy for permanent promotion to the grade

of lieutenant (junior grade), subject to qualification therefor as provided by law:

John B. Rivers
John S. Scrimgeour, Jr.
Scott A. Shaw
Glenn F. Thomas

The following-named officers of the Navy for permanent promotion to the grade of lieutenant (junior grade) in the line and staff corps as indicated, subject to qualification therefor as provided by law:

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Donald M. Arveson
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William E. Whitlock

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Horace W. Baker
Henry J. Bartol
Francis B. Campanella
Alan J. Dean
Charles H. Dennis
Robert A. Ferguson
Bron D. Hafner
George R. Horne II
Clarence D. Lindseth
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John F. Spangler
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Bruce C. Taylor
James E. Toth
George E. Vasko
Sanford D. Ward
Jack W. Wells

The following named (Naval Reserve Officers' Training Corps) for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

James H. R. Curd
Bennett R. Dean
Philip E. Norman

The following named (Naval Academy graduates) for permanent appointment to

the grade of second lieutenant in the Marine Corps subject to qualifications therefor as provided by law:

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Anthony A. Anthony	Henry N. Means III
William D. Bauer	Anthony D. Miller
Bruce B. Boman	Miles E. Mixson
Richard L. Brinegar	William A. Mooney
Edward R. Browne	Charles H. Nichols, Jr.
John P. Burke	Reid H. Olson
Richard H. Buss	Reid B. Paige
John J. Carty	Wesley R. Phenegar, Jr.
Russell J. Caswell	
John C. Chambliss	Larry J. Polk
Matthew T. Cooper	Thomas M. Pratt III
Dennis M. Cunningham	Eugene T. Radcliffe
	John R. Rasavage
James E. Dalberg	Thomas L. Reeves
Bernard C. Day	John C. Roberson
Gene A. Deegan	Donald M. Robinson
Eugene J. Driscoll, Jr.	William O. Rodewald
Robert K. Featherston	Joseph F. Rosenberg
William B. Fredricks	Anthony R. Russo
Alan S. Friedland	Michael D. Salmon
George F. Gallagher, Jr.	Kennell I. Schenck, Jr.
Marvin A. Goldberg	John E. Schmidt
Richard H. Gordon	David K. Shroyer, Jr.
Michael J. Hanley	William T. Sinnott
Hugh J. Harper	Douglas K. Stewart
John W. Hemingway	Anthony W. Stremic
Jacob E. Iles	Edward A. Studer
Myron J. Kandra	Paul T. Sudmeyer
Ernest T. Kretschmar	Amos D. Thompson, Jr.
John D. Lanigan	
Richard C. Lawe	Alan Tinker
Daniel F. Leary III	John H. Van Niman
George T. Lengauer, Jr.	Warren S. Walters
	Paul E. Westphal, Jr.
Alexander P. Longdon, Jr.	David A. Wier
	John M. Willmarth
Charles H. Manazir	Ronald W. Wright

The following-named meritorious noncommissioned officer for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to qualifications therefor as provided by law:

Robert A. Sutton

The following-named (Army Reserve Officers' Training Corps) for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to qualifications therefor as provided by law:

John R. Murphy	Ronald Smaldone
Giles C. Sydnor	James T. Vaughan
William A. Fuller, Jr.	

The following officers of the Marine Corps for permanent appointment to the grade of first lieutenant, subject to qualification therefor as provided by law:

Stephen A. Armstrong
Donald C. Bickel
David S. Holben

CONFIRMATIONS

Executive nominations confirmed by the Senate April 30, 1958:

UNITED STATES TARIFF COMMISSION

Walter R. Schreiber, of Maryland, to be a member of the United States Tariff Commission, term expiring June 16, 1964.

COLLECTORS OF CUSTOMS

Frank W. Hull, of Washington, to be collector of customs for customs collection district No. 30, with headquarters at Seattle, Wash.

James L. Latimer, of Texas, to be collector of customs for customs collection district No. 21, with headquarters at Port Arthur, Tex.

Douglas Butler, of Texas, to be collector of customs for customs collection district No. 24, with headquarters at El Paso, Tex.

UNITED STATES ATTORNEY

Fred Elledge, Jr., of Tennessee, to be United States attorney for the middle district of Tennessee, term of 4 years.

IN THE ARMY

The nomination of Lt. Gen. Lemuel Mathewson, O14980, to be placed on the retired list in the grade of lieutenant general under the provisions of title 10, United States Code, section 3962.

The nomination of Maj. Gen. Thomas Leonard Harrold, O16051, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in the rank of lieutenant general.

The nomination of James Alward Van Fleet, O3847, for reappointment to the active list of the Regular Army of the United States in the grade of major general, from the temporary disability retired list, under the provisions of title 10, United States Code, section 1211.

The nomination of James Alward Van Fleet, O3847, for advancement on the retired list in the grade of general, under the provisions of title 10, United States Code, section 3962.

The nominations of Frank O. Alexander, and 1,229 other officers, for promotion in the Regular Army which were received by the Senate on April 14, 1958, and may be found in the Senate proceedings of the CONGRESSIONAL RECORD for that date under the caption "Nominations," beginning with the name of Frank O. Alexander which is shown on page 6312, and ending with the name of Ernest D. Zottola, which appears on page 6316.

IN THE NAVY AND IN THE MARINE CORPS

The nominations of Byron R. Adams, and 1,806 other officers, for appointment in the Navy and in the Marine Corps, were received by the Senate on March 31, 1958, and may be found in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Byron R. Adams, which is shown on page 5810, and ending with the name of William W. Heath, which appears on page 5814.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 30, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

I Corinthians 10: 24: *Let no man seek his own, but everyone another's welfare.*

Eternal and ever-blessed God, we are again gathering under the canopy of Thy grace and goodness, coming unto Thee with our prayers of confession, of thanksgiving, of supplication, and of intercession.

Deliver us from the fears that eclipse and weaken our faith, the errors which blind and obscure our vision, and the doubts which deplete and dwarf our energies.

Grant that daily we may be inspired with a deep longing to understand the will and ways of God. Help us to live spiritually and think scientifically, uniting the old values of the spirit with a new vision of the universe and its laws.

Fill us also with a greater sense of social obligation and responsibility, and may we feel more keenly that none liveth unto himself, but that humanity is one in need and nature and destiny.

Hear us for the sake of our blessed Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 11470. An act to adjust the method of computing basic pay for officers and enlisted members of the uniformed services, to provide proficiency pay for enlisted members thereof, and for other purposes.

The message also announced that the Senate insists on its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RUSSELL, Mr. STENNIS, Mr. BYRD, Mr. SYMINGTON, Mr. SALTONSTALL, Mrs. SMITH of Maine, and Mr. BARRETT to be the conferees on the part of the Senate.

ADJUSTING BASIC PAY OF UNIFORMED SERVICES

Mr. KILDAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 11470, to adjust the method of computing basic pay for officers and enlisted members of the uniformed services, to provide proficiency pay for enlisted members thereof, and for other purposes, with Senate amendments, disagree to the amendments of the Senate and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. KILDAY, RIVERS, HÉBERT, HARDY, GAVIN, PATTERSON, and BATES.

PERMISSION TO COMMITTEES TO SIT DURING GENERAL DEBATE

Mr. KILDAY. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may sit during general debate in the House today.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit during general debate in the House today.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that for the remainder of the week the Select Committee on Astronautics and Space Exploration may sit during general debate in the House.

UNIVERSITY OF MICHIGAN LIBRARIES

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORITY FOR PRINTING PAMPHLET AS HOUSE DOCUMENT

Mr. HAYS of Ohio. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 228, authorizing the printing as a House document of the pamphlet entitled "Our American Government. What Is It? How Does It Function?" and ask for its immediate consideration.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That, (a) with the permission of the copyright owner of the book, Our American Government—1,001 Questions on How It Works, with answers by WRIGHT PATMAN, published by Scholastic Magazines, Inc., there shall be printed as a House document the pamphlet entitled "Our American Government. What Is It? How Does It Function?" In addition to the usual number there shall be printed 2,000 copies for use and distribution by each Member of Congress.

(b) As used in this concurrent resolution the term "Member of Congress" includes a Member of the Senate, a Member of, and a Delegate to, the House of Representatives, and the Resident Commissioner from Puerto Rico.

The resolution was concurred in.

A motion to reconsider was laid on the table.

AUTHORITY FOR PRINTING PROCEEDINGS IN CONNECTION WITH ACCEPTANCE OF STATUE OF MARIA L. SANFORD

Mr. HAYS of Ohio. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Concurrent Resolution 71, to print the proceedings in connection with the acceptance of the statue of Maria L. Sanford, late of Minnesota, and ask for its immediate consideration.

The Clerk read as follows:

Resolved by the Senate (the House of Representatives concurring), That the proceedings at the presentation, dedication, and acceptance of the statue of Maria L. Sanford, to be presented on November 12, 1958, by the State of Minnesota in the rotunda of the Capitol, together with appropriate illustrations and other pertinent matter, shall be printed as a Senate document. The copy for such Senate document shall be prepared under the supervision of the Joint Committee on Printing.

SEC. 2. There shall be printed 5,000 additional copies of such Senate document, which shall be bound in such style as the Joint Committee on Printing shall direct, and of which 100 copies shall be for the use of the Senate and 1,900 copies shall be for the use of the Members of the Senate from the State of Minnesota, and 500 copies shall be for the use of the House of Representatives and 2,500 copies shall be for the use of the Members of the House of Representatives from the State of Minnesota.

The resolution was concurred in.

A motion to reconsider was laid on the table.

OMNIBUS RIVERS AND HARBORS BILL

Mr. BROOMFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BROOMFIELD. Mr. Speaker, the need for the vast majority of public-works projects included in the omnibus rivers and harbors bill is not open to question. But the need for some 28 projects included in the version of the bill vetoed by the President is.

Therefore, I am introducing today a clean version of the omnibus rivers and harbors bill in an effort to clear the noncontroversial features of our Nation's rivers, harbors, and flood-control programs out of the way so that the controversial portions can be argued without side distractions.

The items mentioned in this new bill are strictly in line with the President's recommendations on this vital matter. It is in the best interests of our Nation to approve those projects which are not subject to controversy at the earliest possible time so that Congress can take action to appropriate funds for those which must be given immediate attention.

It is in the best interests of our Nation to approve these useful projects and to act upon the controversial measures singly, so that each can be weighed as to its merits by all the Members of Congress.

I am certain that almost all of my colleagues agree that some 80 percent of the projects in the original bill should be passed in the best interests of our Nation. But many of us are not willing to buy a package which contains 80 percent meat and 20 percent fat. We must eliminate the fat if we are to make the most of our dollars and make sense in the process.

The majority Members of the House claim that the omnibus bill is an antirecession measure. If that is the case—and by the way, I do not believe it—then it is imperative that Congress pass a clean bill which will not be vetoed by the President, who has had to take over the duty of acting as watchdog of our Federal funds because some Members of Congress wish to abdicate that power.

PENSION AND WELFARE FUNDS

Mr. TEWES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. TEWES. Mr. Speaker, during the debate in the other body on the legislation affecting pension and welfare funds, the point was made frequently that committee hearings should be held prior to floor debate. Members then are fully informed and are better prepared to vote intelligently. I have always been impressed with the validity and significance of this argument.

But the assumption which underlies this premise is that the leadership which controls the committees will actually provide the opportunity for hearings. Such an opportunity is being denied by Democrat leaders of the Subcommittee on Labor-Management Relations in the House. For political reasons apparently, the subcommittee refuses to study any legislation, some of which I understand is desired even by labor itself. I have not had an opportunity to examine these bills in detail and am not here concerned with them. My protest is, rather, against this policy which hinders the workings of our legislative machinery. I conceive it to be totally indefensible for Members to rail against proposals because they have not had hearings and to refuse at the same time to hold such hearings.

And yet this represents the contradictory position of the various wings of the Democrat Party today. Senate Democrats say, "We must hold hearings on these important matters before reaching a decision." House Democrats say, "Exactly, but try and get them." This kind of politics is good neither for the country nor, I submit, for the Democratic Party.

THE STORY OF FREE ENTERPRISE

Mr. ALGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, the mail from home these days is comforting, for it reassures me that some of the smartest people in our area are as bewildered as I am by a lot of the antirecession oratory emanating from Washington. I was beginning to wonder. Now I would hesitate to suggest that some of this pulpit pounding is done with tongue in cheek, but I would remind all and sundry that this is an election year—a time when some politicians obviously feel that anything goes.

Recently I heard an amusing story about a Congressman and an administration official who were conferring on a problem of grave concern to both of them. It seems that consumption of a particular agricultural commodity was declining sharply and huge surplus stocks—enough to break the market—were piling up in Government hands. The problem was discussed at great length from the viewpoint of farmers, consumers, and the Government.

"Here are the facts," the official said, "here is what we have done. Given those same facts, what would you have done?"

The response was quick. "Do you mean if I were Secretary of Agriculture, or if I were running for reelection?"

UNIVERSITY OF MICHIGAN LIBRARIES

STATE DEPARTMENT SAYS INTERNATIONAL CONVENTION WILL ENTER INTO FORCE AFTER RATIFICATION BY 22 SIGNATORY COUNTRIES

Mr. PELLY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, the United Nations-sponsored Conference on the Law of the Sea which has been meeting in Geneva, Switzerland, has finally ended.

The Department of State advises that the 86 nations have adopted by substantial majorities 4 conventions, 1 protocol, and 9 resolutions.

The four conventions had to do with the territorial sea—aside from its breadth—high-seas problems including fisheries, and the Continental Shelf. The one protocol provided for the settlement of disputes arising out of the conventions by the International Court of Justice if disputing nations cannot agree on another means of peaceful settlement.

In my opinion, the United States is well out of that Conference. We had a bear by the tail and it is fortunate that no apparent serious damage resulted.

However, Mr. Speaker, I am greatly concerned at this statement which was contained in the State Department summary on this Conference:

> None of these proposed conventions will enter into force until after signature and ratification by 22 of the signatory countries.

I have requested amplification. The question is Could ratification by 22 nations out of the 86 nations have the effect of establishing international law?

If so, it could be very serious because our delegation at Geneva recently proposed to forgo the historic fishing rights of our American fishermen in order to try and get a compromise international agreement as to the territorial sea limit for other purposes. If two-thirds of the 86 nations had voted in favor of the American compromise, and then 22 nations had ratified that proposal then would our fishing industry have been jeopardized under international law?

Certainly, the Congress should find out if 22 nations ratifying an international convention would have the force of law.

CALL OF THE HOUSE

Mr. MASON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 48]

Ashley	Christopher	Dellay
Auchincloss	Cooley	Dies
Buckley	Cunningham, Nebr.	Dooley
Burdick	Dawson, Ill.	Fogarty
Celler	Gwinn	Grant
Harden	Holt	James
Jarman	Jenkins	Jones, Mo.
Kilburn	Kitchin	Knutson
Lennon	Lesinski	Miller, Calif.
Montoya	Morano	Porter
Powell	Radwan	Rains
Roberts	Shuford	

The SPEAKER. On this rollcall 394 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 11 o'clock a. m.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

INTERSTATE AND FOREIGN COMMERCE COMMITTEE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Commerce and Finance of the Interstate and Foreign Commerce Committee may have permission to meet this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

TEMPORARY UNEMPLOYMENT COMPENSATION ACT OF 1958

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 555.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 12065) to authorize temporary unemployment benefits for individuals who exhaust their benefit rights under existing unemployment compensation laws, and for individuals who were employed in noncovered employment. After general debate, which shall be confined to the bill and continue not to exceed six hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MADDEN. Mr. Speaker, I yield myself such time as I may desire.

This resolution calls up for consideration by the House, H. R. 12065.

This bill is temporary emergency legislation and is being considered by the House today because millions of unemployed Americans through no fault of their own, are in need of monthly income to provide shelter, food, clothing, and other essentials for their families. If enacted into law, this bill will authorize temporary unemployment benefits for individuals who exhaust their unemployment insurance and also for persons who were employed in noncovered employment. It will provide up to 16 weeks of unemployment compensation provided them under the above category.

These billions will be paid from Federal funds only to those States who choose to participate in the program and enter into an agreement with the Secretary of Labor complying with the conditions and provisions as set out in this bill. It is a simple bill of two separate titles. Title I provides for those who have exhausted their compensation benefits. Title II provides benefits for unemployed persons who can qualify under the terms and conditions of the various States who have worked in noncovered employment, with certain exceptions, the State may enter into an agreement for the payment of benefits under either title I or title II, or both, or neither, as it chooses.

The Rules Committee, fully realizing the necessity for immediate legislative action to relieve the unemployment crisis in so many distressed areas throughout the Nation, has granted an open rule which will give the Members of the House full opportunity to work its will and adopt any germane amendments which the majority of our membership may consider essential. The Rules Committee has also provided 6 hours of general debate which will give ample time for the members of the Ways and Means Committee, who have held long hearings and deliberations on this bill to explain its details and operations and the enforcement machinery which will make this legislation effective. Under this liberal period of debate time, the other Members will have an opportunity to speak and express their opinion concerning this legislation. No doubt, during the period of debate on this bill considerable opinions will be expressed as to the necessity of this legislation. Members also will discuss other measures or steps which should be taken to relieve the Nation of the unemployment crisis in the cities and the lack of buying power in the agricultural and urban areas throughout the Nation.

The figures issued by the Labor Department reveal almost 5 million unemployed in the country does not begin to picture the true facts of the unemployment crisis. I represent the Calumet industrial area in Indiana. We have 3 major steel mills, Carnegie, Inland, and Youngstown located in my Congressional District. Hundreds of other major and smaller mills, factories, and industries are also located in this area. The workers who are completely unemployed are but a small fraction of the persons who are working part time, 3 and 4 days a week. The head of a family who is working 3 and 4 days a week and is making monthly payments on his home, automobile, and other necessities, should be classified as unemployed as far as purchasing power is concerned. These unemployed and part-time workers are one of the reasons why over 950,000 new model 1958 automobiles are standing in the sales rooms and factories throughout the Nation today. If these part-

time workers are added to the 5½ million unemployed, plus the millions of farmers who are not in the purchasing market, we are hovering very close to those dark days back in 1930, 1931, and 1932. Nobody maintains that this bill will be a cure-all but, nevertheless, its passage will give a message of hope to the millions of families who are worrying about food after their unemployment insurance terminates.

There may be some Members of Congress from rural areas who might think that this crisis in the industrial areas does not effect the economy in their districts. I have always maintained that prosperity in agriculture is interdependent with prosperity in industry and vice versa. In 1955, I attended a gathering of farmers at a cornhusking contest in Terre Haute, Ind. After the meeting an implement dealer informed me that he had over 150 pieces of new farm machinery that he was unable to sell because of the low income of the farmers in that community. He also stated that the same thing existed with a relative of his in the same type of business in Iowa on a larger scale with 4 times as much machinery on his sales lot which he could not sell. The thought struck me at the time, with that condition existing in the farm area, it would only be a short time until it would be reflected in the steel mills in the Calumet area, Pittsburgh, Birmingham, and other places. It only took a short time until that condition in the farm area was reflected in the steel mills of my District. Today, thousands of steel workers are idle or working short-day weeks; and let me say to the Members from farm areas that if the consumers in the industrial areas have no income to buy food products and that condition continues for long, the farmers in Indiana, Illinois, Ohio, Michigan, and Iowa, as well as other States throughout the country, will sink to a lower economic depth than they are today. I mention this because the low income farmers and unemployment in the cities are in this recession current together.

The legislation we are considering today should not be considered unusual. To you older Members who were serving in this House in the dark days of 1933, 1934, and 1935 when the American economy was at the lowest depths in its history and the organizations like the Chamber of Commerce, National Association of Manufacturers, and American Bankers sent delegations to Washington and informed the new President, Franklin D. Roosevelt, that his program was their program; anything to lift out our Nation from the economic depths and overcome the unemployment, farm bankruptcies, and general discontent, soup lines and communistic radicalism that was rampant in this country. This bill is a minor step in plugging a hole in the dike to prevent the present situation from becoming worse and the deplorable conditions of the early thirties repeating itself.

This legislation should not be considered as a partisan measure but should have the support of every Member of this House who wants to provide necessities and also increase the buying power of the men and women who are unemployed through no fault of their own.

Yes; the Congress has taken steps recently on legislation such as the primary road bill and the housing bill of a few weeks ago which I do hope will be put into operation at once.

It is indeed unfortunate that almost 22 months have passed since this Congress passed and enacted a $31 billion highway construction program. With that mammoth expenditure for needed public highways under construction, with all the steel required for highlines, bridges, clover leaf entrances, and exits, had that program been speeded in the last year and a half, the steel mills of our Nation would be operating at almost normal capacity today. Steel is but a part of the necessities used in a highway program which includes cement, concrete, hauling, lumber and hundreds of necessities in an undertaking of that magnitude. If the leaders of our Government only realized our true economic situation, thousands of miles of this highway would already be under construction and it would be unnecessary for this legislation to be on the floor of the House today. We are met with the excuse for this total lag in our highway program that the various States have been delinquent in submitting plans. With competent leadership in the White House, these Governors should have been called into Washington and apprised of the necessity to immediately inaugurate this needed public-works highway program.

For the last year when I return to my area in Indiana, I am constantly asked, "What has happened to the Federal multi-billion-dollar highway construction program?" Everybody realizes that a program of this magnitude cannot be launched unless some dynamic leadership and direction is exercised and, up to this hour, we have not observed any concern of this great highway project from the White House. If the President would knock a few heads together among his economic advisers and call a governor's conference for a speedup of this great road program, it could be under way before the summer is over. If action is taken on these projects, along with housing and much needed school construction, the necessity for unemployment insurance would greatly diminish in a few months.

You are going to hear a great deal in this debate about socialism in connection with this legislation. Those smear tactics will be nothing new or unusual to prejudice Members against a bill; because, in 1936, the CONGRESSIONAL RECORD reveals that a great many Members of Congress termed the enactment of social security as socialism. In fact, it was only 10 years ago when I heard a sitting Member of this House speak against the expansion of social security and denounce the whole program as socialistic. The same socialistic smear was used against most of the progressive legislation that was passed in the 1930's.

We have appropriated billions in the last dozen years to curtail the spread of communism, yet we know that nothing breeds communism more than unemployment, discontent, and poverty. We observed that condition during the depression days of the early thirties. We will hear during the progress of this debate, Members denounce the bill because organized labor is advocating its enactment. Had we followed the recommendation of some of the leaders of organized labor on legislation and made more progress during the last couple of years, this legislation would not be on the floor today. And in this connection, I can refer to you the fight that has been made by organized labor over the last 7 years against the increased interest rate, tight-money policy that has siphoned billions of purchasing power from the pockets of the consuming public in America.

The leaders of organized labor have advocated curbing the monthly rise in the cost of living but have met with opposition by the so-called palace guard of the administration. I think it is now time to stop, look, and listen to some of the advice that has been given in the last few years to retain our prosperity. A few years ago, advocates of preventive measures were termed "disciples of boom and bust" but today we find that the chickens have come home to roost and we must take steps to restore our economy; and this legislation is in the right direction.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from Indiana.

Mr. HALLECK. Well, will the gentleman recall that after the Interstate Highway System was proposed by the administration, that the Democrat Congress was some 2 years getting it enacted?

Mr. MADDEN. I say that when the Congress passed that $31 billion highway bill they passed an emergency piece of legislation. If the executive department followed through with real leadership, highway construction would be at full speed throughout the Nation. Millions would be working today producing steel, lumber, cement, and hundreds of other products in this mammoth construction program.

Mr. Speaker, I incorporate with my remarks excerpts from last Sunday's New York Times. It tells of a steelworker at Youngstown, Ohio, and an unemployed worker from Louisville, Ky.

Today throughout the Nation we have millions of unemployed in the same financial situation as Elzy Fisher, of Louisville, Ky., and Paul Kotch, of Youngstown, Ohio.

Paul Kotch, a crane operator in the Youngstown Sheet & Tube's blooming mill, who lost his job last Christmas week, used to average $110 a week. He's 30, has a 5-year-old daughter, his wife expects another child soon, and he's the sole support of his widowed mother.

"We're existing on the $36 a week I get from the compensation," Mr. Kotch says. He's now 2 months behind on the $60 monthly payments on his home. He paid cash for his secondhand auto, but he'll have to peddle it if things don't pick up soon.

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LOST HOME AND CAR

Another man hurt by the recession is Elzy Fisher, 27. Laid off last fall at American Air Filter Co., where he worked as welder's helper and took home about $70 a week. His unemployment compensation is exhausted, and he has been forced to give up the house he rented for $45 a month. His

furniture is in storage. His wife and two small boys are living with her family; Elzy is living with his family. Unable to keep up the monthly payments, they lost their 1949 car and freezer.

Mr. Speaker, I have 30 minutes of time and I promised our distinguished chairman 10 minutes. I now yield 30 minutes to my good friend, the gentleman from Illinois [Mr. ALLEN], and if there is time available following our chairman, the gentleman from Virginia [Mr. SMITH], I will be glad to yield for any questions.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I am opposed to the bill which this rule makes in order because I am absolutely convinced that the present laws dealing with unemployment compensation are adequate. I regret my good friend, the gentleman from Indiana, has seen fit to bring politics into the discussion on this bill which I had hoped would be free from politics. The gentleman mentioned the school construction program. I was against the school construction or Federal aid to education for the same reason that I am opposed to this measure. I feel that both are the responsibility of the several States. I remember when I came to the Congress in 1933. At that time the national debt was approximately $22 billion. During the 20 years following, I witnessed the national debt go from $22 billion up to $275 billion. I witnessed at the same time during those 20 years, our Federal taxes increased by 3,100 percent. I also am not unmindful of the fact that during my lifetime there have been four wars. When people talk about jobs, we know that we can take people out of unemployment when there are wars. So, I say to my good friend, inasmuch as he did speak about politics and brought that element into it, I could say much about the lines of unemployment and what can happen to relieve unemployment, but I am not going to do that.

I am extremely proud, Mr. Speaker, of the State of Illinois and of Governor Stratton. He came to Washington recently and appeared before the Committee on Banking and Currency. He testified there that at the present time the State of Illinois has approximately $500 million in its unemployment fund. He further testified there is less than one-third the exhaustion of unemployment compensation benefits as compared to the years 1949 and 1950 under a different administration. He did not draw a picture of gloom and doom, as did the Governor of the State of Michigan, when he appeared before the Committee on Ways and Means. The Governor of New York and Massachusetts and other States testified about gloom and doom, but Governor Stratton's views were refreshing in contrast with the governors of those States who came down and pictured what a horrible, we might say, mess we are in. It appeared to me it gave them satisfaction and they took glee in reading off the number of unemployed in the State of Michigan. All I can is so far as I have been able to learn, probably the State of Michigan and especially Detroit would not have so many unemployed if they had a Governor who would not be driving business out by kneeling down to labor and forcing wise and sound employers and businessmen to stay away from that State.

Mr. Speaker, this bill has been called in some instances a dole; in other instances it has been called insurance; in other instances it has been called a relief measure. Well, whatever you might call it, I cannot conceive of a bill of this nature being called a relief measure, because one of the requisites of relief means that you must be in need. This bill, in order to benefit by it, does not require anything along the line of being in need, because according to this bill a person can be a millionaire; he can have worked for 8 or 10 months and made a salary of $20,000. His wife could be employed and making any amount of money. He could have a couple of children living in the same household making considerable money, but under this bill the minute he became unemployed he could come right in immediately and would not have to prove any element of need whatsoever.

So I say one of the requisites of a relief bill is that you must be in need, and this does not require it.

In regard to an insurance fund, my idea of insurance is that somebody must pay in some premium. No one pays in to this except the United States Government, a Government that is probably in worse financial shape than any State in the Union. Still we have presented here a bill whereby the United States Government—according to the last line in the bill, "There are hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated"—I am going to predict this, if these kinds of measures which provide that the United States Government, which owes $275 billion, continue to come before the Congress each week that before this Congress adjourns that it will be necessary to raise the debt limit again. That is up to you, but as far as I am concerned, I am about ready to quit saddling a greater and greater national debt on my children and grandchildren to pay.

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Speaker, I follow the argument of the gentleman from Illinois, but as I read the legislation and read the report, the amount that is paid an unemployed applicant is based on a base period provided for by State law. It follows State laws. It does not give the States or any unemployed worker anything that the base period in that State law does not provide for. Is that true?

Mr. ALLEN of Illinois. I do not know much about economics, but whether it belongs to some base, or whatever it belongs to, this money comes right out of the Federal Treasury. It goes out to the States, and the States then give it out as they see fit.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. BROWN of Ohio. I believe the gentleman will agree with me that title II of this bill makes provision for granting Federal aid to people that no State unemployment law ever provided for.

Mr. ALLEN of Illinois. I agree with the gentleman.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. HALLECK. It is quite obvious from a consideration of the bill that many of these people who are presently unemployed are agricultural workers, domestic workers, and so on, for whom it would be impossible to establish any sort of base period. In addition, the money is to come from the Federal Government.

There is no incentive on the part of the States to see to it that money is not improperly expended; on the contrary, the invitation goes out that the gates be opened wide in order that the money may be paid out.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I take it my friend from Illinois is opposed to any bill.

Mr. ALLEN of Illinois. I want the present law to remain as it is.

Mr. McCORMACK. In other words, the gentleman is opposed to any bill.

Mr. ALLEN of Illinois. Correct.

Mr. McCORMACK. That means the gentleman is opposed to any of the bills.

Mr. ALLEN of Illinois. That are represented here?

Mr. McCORMACK. Yes.

Mr. ALLEN of Illinois. Correct.

Mr. PERKINS. The gentleman is well aware of the fact that all the States have laws that require payments based on a base period before a worker can qualify for unemployment compensation. Is that correct?

Mr. ALLEN of Illinois. That is my understanding.

In conclusion may I say, Mr. Speaker, that while we hear so much about the people starving, I have not received any letters to that effect. I spent a couple of weeks back in my District recently. I cannot conceive, having public assistance, unemployment compensation, social security, and all these measures—which, personally, I am happy we do have—that people are starving. We use such terms rather loosely around here.

But I do say that in my opinion if this Congress keeps appropriating money at the present rate the time may come when social security itself will be affected; and, of course, we do not want that to happen. I do feel, however, that unless we stop this tremendous spending the time will come when instead of having the many benefits they have now, the unfortunate people will find them less because of our financial condition.

Mr. MADDEN. Mr. Speaker, I yield 10 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. SMITH].

The SPEAKER pro tempore. The gentleman from Virginia [Mr. SMITH] is recognized for 15 minutes.

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Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include at the end thereof a letter just received this morning from the Governor of Virginia, our former colleague, the Honorable J. Lindsay Almond, Jr., in opposition to the bill that is before the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SMITH of Virginia. Mr. Speaker, I opposed this rule in the Rules Committee; I opposed it because it was hastily gotten together, because the public was not given an opportunity to be heard on it, because the committee was so uncertain in their own views on the subject that there were 10 members supporting and signing the majority report, and 15 members who signed either differing views, supplemental views, or minority views. It can therefore be said safely that of that committee of 25 who gave this measure, of such broad significance to the Nation, the short consideration they gave to it, only 10 out of the 25 were in full accord with the provisions of this bill. I opposed it because I thought the Congress and the country in a matter of such grave significance, a matter that, in my judgment, affects the very fundamentals of the system of government under which we live, should have an opportunity to know something about it.

I assert now that in the Committee on Ways and Means the hearings that were printed and said to be the hearings on this bill are not the hearings on this bill. I assert this bill was never given a public hearing and no citizen of the United States affected by it was ever given the opportunity to come forward and express his or her views. What these hearings refer to are the original bills affecting unemployment insurance.

But there are two titles in this bill and it is the second title to which I wish to direct my remarks. I think perhaps it is just as well that this thing should come here and let this bill be debated and lay this matter on the table and let it be dissected as it was not dissected in the Ways and Means Committee, and let those who do not believe in socialism have their day in court to talk it out freely here.

This bill has two titles. One is the title that was talked about in all of the hearings that we had. That title extends the present law on unemployment insurance, an emergency act. But after the hearings were all closed and nobody was given an opportunity to be further heard, someone dreamed up title II. Title II is what I want to talk about and what I hope and pray the Members of this Congress will think about. Title II extends unemployment insurance without any provision for means of paying it; to every unemployed person in the United States.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I hope the gentleman will let me complete my statement.

Mr. HALLECK. For a correction. Title II has nothing to do with unemployment compensation as it exists in the law today.

Mr. SMITH of Virginia. Of course, it has nothing to do with it. Let me complete my remarks and I think I will make myself clear.

Title II, as the gentleman said, has nothing to do with unemployment insurance. It is a dole. Under the provisions contained in State unemployment it is merely used as a guide for the distribution of a dole.

I want to assert to you, and I assert it in the light of the only public hearings that have ever been held on this bill, and I say that those hearings were held in the Rules Committee and that due to the unseemly haste with which this bill has been brought forth to the floor of the House, those hearings have not been printed. But here they are. These hearings in the Rules Committee are the only hearings that have ever been held on this specific bill.

I assert to you that this bill as it is written in title II is pure unadulterated, undisguised, unabridged, and unabashed socialism. In the hearings before the Rules Committee nobody denied that assertion.

I assert to you that this is the same kind of a dole that was tried in Great Britain during that great era of socialism over there. It is the same dole that destroyed the economy of Great Britain, and the only difference between us and Great Birtain is that Great Britain had behind her, to bail her out, generous Uncle Sam. We do not have any Uncle Sam behind us to bail us out, because we have given it all away.

Now, under this bill, if you pass it—and I cannot think that you will, if you will study it, if you understand its implications, if you know that what you are doing is passing a simple, unadulterated dole, then I do not think this House will pass it as it is. You may pass some modified version, but under this bill it provides for a dole, a dole measured by the unemployment insurance formulas, and that is the only thing that has to do with unemployment insurance. It provides a dole for every person who is unemployed. It carefully refrains from any needs test. It does not make any difference whether you need the money or not, it is going to be dished out to you if you ask for it and if you are unemployed. Now, that is the only condition attached to this measure, and nobody has denied that in the only hearings which have been held on this bill.

Now, let us see what will happen. I will give you a few examples of what can happen under this bill. Let us take a retired gentleman. We will say he is a millionaire; he has all the money he needs; his family has all the money it needs, and yet it was admitted before the Committee on Rules that that man could go and draw his unemployment insurance if he was retired. Take the thousands of retired people in the armed services, drawing their generous retirement pay. They are unemployed, but every one of them can come in and take his dole, and he is welcome to it. Take the retired civil-service employees, thousands and thousands of them, who are paid their retirement pay, a system that they helped to inaugurate and pay for. They can come in under this dole. Well, usually at the end of every 2 years some Members of Congress are retired either voluntarily or involuntarily. They are unemployed. So, I say for the comfort of you, including myself, that those of us who happen to be defeated or happen to retire voluntarily, we can come in and hold out our hands and the dole will be generously placed in our palms. Anybody dispute that. It was admitted by the members of the Committee on Ways and Means before the Committee on Rules. A person may be unemployed just temporarily, lose his job, but he may have 5 or 6 members of his family who are working at good wages, his family amply taken care of, but he could draw it. You could take a gentleman who is unemployed who has a very wealthy wife. All he has to do is to hold out his hand. All temporary and casual workers, such as domestics, farm labor, or workers in seasonal production can come in. Now, they do not have to be so particular about getting themselves another job. There are very few people that you can think of that are not taken care of in this bill.

There is one very important class that is discriminated against. Let us take the students, the boys and girls graduating from high schools and universities this year. They never have been employed. But, we are discriminating against them. They can graduate from school and starve to death, but they are not being taken care of at all. Then there is another class, the Amalgamated and United Order of Hobos. They never have worked. And, we are discriminating against them. They cannot get anything under this bill; but as to everybody else, all they have to do is to hold out their hands and your taxpayers and my taxpayers will have to put an unearned dole into their hands. Is that the kind of thing that this Congress was set up to do?

Mr. Speaker, think about it. Some people think this is a popular thing, that we are going to give everybody something and everybody is going to vote for us. Do not fool yourselves. The American people have more sense than some of you think.

As to the need for this particular bill, there are only 4 or 5 States, you will recall, that really need it. The other States have in their reserve fund an accumulation of between $8 billion and $9 billion and every one of them is amply able to take care of this emergency. if there is an emergency. Why do this if it is not just purely and simply vote-getting politics? What other logical excuse can you give for it? Let us look at it for what it is.

There are no available statistics on this matter. All we had, when it was asked how much it was going to cost the taxpayers is that somebody guessed $1½ billion. They might just as well have guessed $20 billion; they do not know. Is there anybody here who has ever known of any of these giveaway programs that, once inaugurated, were temporary? If this thing goes on for 16 weeks and this cloud darkens, as some of us fear it may, just as surely as we are sitting here, they will be back to

extend it again and extend it again and pay it out of money that may be unexpended in the United States Treasury. Pay it out of the pocket of the overburdened taxpayer.

Mr. Speaker, I take the floor on this matter because I am very much in earnest about it; I am very much disturbed about it. I know and you know, if you will stop to think, that this is one of the most ruinous proposals that has ever been laid before this body. I do hope that when the time comes to make your record, you will not leave a blot on it by voting for a dole to the American people who were never raised that way.

COMMONWEALTH OF VIRGINIA,
Richmond, April 29, 1958.

Hon. HOWARD W. SMITH,
House Office Building,
Washington, D. C.

DEAR JUDGE: On Tuesday, April 22, 1958, the House Ways and Means Committee reported out a bill, H. R. 12065, bearing the title Temporary Unemployment Compensation Act of 1958. Essentially, this bill provides for Federal supplementation of State unemployment compensation, by extending the benefits for 16 additional weeks beyond the State duration. It also proposes to extend 16 weeks of benefits to individuals not now covered by the State unemployment-insurance program even including such normally excluded employments as agricultural labor, employment in domestic service, employment for religious and charitable institutions, employment for State and local governments, and many others.

As you know various proposals for Federal supplementation of State unemployment insurance have been under consideration now for several weeks. Since I felt strongly that such proposals projected Federal controls into still another area which has traditionally been wisely retained as an area of State responsibility, and since such proposals if enacted into law would have a detrimental effect on the State's unemployment-compensation programs, I requested the Virginia Unemployment Compensation Commission, in conjunction with the office of our attorney general to prepare a statement opposing such Federal intervention to be presented on my behalf before the Ways and Means Committee. The text of that statement appears on pages 323–327 of the transcript of the committees' hearings on emergency extension of Federal unemployment compensation benefits held March 28, 31, and April 1, 1958.

Although H. R. 12065 was not in existence at the time of those hearings, it is an extension of H. R. 11326, and the statement referred to above is no less applicable.

Actually H. R. 12065 compounds the folly of the original proposals and turns unemployment insurance into a dole system which according to our unemployment compensation commissioner would invite fraud and present insurmountable administrative difficulties. If this bill becomes law the insurance features of our State program will be virtually eliminated, and eventual federalization of our program will be but a short step away.

My purpose in writing is to advise you of the position I have taken on Federal supplementation of State unemployment benefits and to solicit your assistance in opposing H. R. 12065.

Sincerely yours,
J. LINDSAY ALMOND, Jr.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I am sure every thoughtful American, including every Member of the House of Representatives, is very much concerned over the unemployment situation which exists in many areas and in many different States of this country. I can assure you that I am seriously concerned over the situation.

The question which confronts us today, as Members of Congress, is as to what we can do about it, and as to the best way to proceed to solve the problem which confronts us.

Some States, some areas of the country, are doing something about it. They are taking action to attempt to correct the unemployment situation, and to give employment to those people who wish to work.

The gentleman from Indiana, my beloved colleague on the Committee on Rules [Mr. MADDEN], said something about the highway program. It may be slowing down, or dragging, in some States, but I can assure him, and I assure you here in the House, such has not been the case so far as my own State of Ohio is concerned.

During 1957, we spent some $190 million on highway construction in the State of Ohio. We will have $500 million worth of highway projects under construction in our State in this year of 1958. In addition, sirs, we are spending approximately $500 million this year on the construction of State and local hospitals, schools, and other public buildings. We are attempting to meet our own unemployment problem.

The real question as to this bill, and I am seriously concerned with it, is whether or not this is the way to solve the present problem. Frankly, I am afraid it is not.

There are two provisions in this bill. One is in connection with the extension of State unemployment compensation benefit payments through the grant of Federal funds, or the giving of Federal aid to each State whether the State needs the money or not. The second provision in this bill, which is title II, deals with the direct grant of aid, through the State unemployment agencies, to persons, who have never been covered by unemployment insurance at any time, as a pure—well, or as some people may describe it—dole. But, certainly, such a payment is something for which neither the employer nor the employee has contributed under any insurance program. The Federal Government is going to do that at a cost of at least $1½ billion without any contribution from the States. It would do it without any request, under the provisions of this bill, from the State, regardless of whether the State needs or asks for Federal assistance. It will be given to them regardless of need if this bill is enacted into law.

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. PERKINS. As I understand the provisions of the bill, no State has to accept.

Mr. BROWN of Ohio. No State has to accept, but you put a proviso in the bill that they have to pay Federal taxes therefore, whether they get the money or not. I know what is in this bill. I sat and listened to it discussed for days and days on end.

Mr. PERKINS. Does not the bill provide that an agreement has to be entered into between the social-security department and the State?

Mr. BROWN of Ohio. I decline to yield further, Mr. Speaker, I have answered the gentleman's question.

Mr. Speaker, the Federal Government is practically bankrupt today. As you and I and every other informed Member of the Congress knows, the fact of the matter is we have only $200 million in Federal funds available for this kind of purpose today, and that comes from the annual excise tax on employers of three-tenths of 1 percent, under the old original unemployment act, which provided for the setting up, in the various States, of unemployment compensation or insurance programs under State laws. The 48 States of the Union had nearly $9 billion in unemployment funds available as of the first of April. My own State had $585 million, which is a sufficient amount, at the present rate of payout over income, to run our program of unemployment compensation benefits for nearly 4 years. In addition, the State of Ohio, like every other State, has the right or the privilege of increasing its unemployment taxes so as to meet any contingency that may arise.

In addition to all of that, the State of Ohio, as many other States do, has both State and county provisions for the granting of relief and welfare aid to those who may need it. This bill does not provide anything on the basis of actual need. It just gives payments whether needed or not. It might be of interest to know that in my State of Ohio less than 1 out of 7 of those persons whose unemployment benefits have expired has applied for relief or welfare aid in any form—and that our relief and welfare programs and payments are based on need. We do not give relief and welfare benefits to millionaires, or to people with large incomes from other sources. We give relief and welfare aid to the unemployed who do not receive unemployment compensation, on the basis of actual family need. A young man, with 5 or 6 children, gets more than an older person who has no one to support other than himself. That is the fair, that is the American way.

I am hoping we may give full consideration to any amendments offered to this bill which may provide that the States will at least have to request that these funds be given to them, and that the States will have to participate in meeting the cost of any such new program. In my opinion, if we make Federal funds available on a loan basis, rather than a gift basis, then the States would be more careful in the disbursal of the money involved in each case, and we would have a more practical solution of the unemployment problem than otherwise provided at the present time.

The SPEAKER. The time of the gentleman from Ohio [Mr. BROWN] has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. SHEEHAN].

Mr. SHEEHAN. Mr. Speaker, I regret that a previous Democrat gentleman

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made some wild statements about the Republicans causing a rise in the cost of living. As usual, it amounts to half a true statement. They do not give us the real facts. Let us look at the facts as we know them. He forgot to tell the House of the tremendous rise the Democrats caused in the cost of living based upon the price of consumer goods and services.

Here are the facts, based upon figures from the United States Bureau of Labor statistics:

With 1947–49 as an index equaling 100, in August 1947 the base was 59. In November 1952 while the Democrats were still in power the base was 114.3. In December 1957, 5 years later, the base was 121.6.

Simple arithmetic shows that under the Democrats from 1939 to 1952, 12 years, the cost of living hurtled upward into outer space at the rate of 4.6 points per year, on the average, for a total of 55.3 points. In the 5 years the Republicans controlled the economy, this rise averaged 1.46 points per year, or a total of 7.3 points.

The gentleman should have told you that under the Democrats, based on each year's average rise, the cost of living increased three times greater than under the Republicans based on the yearly proportionate increase. In other words, the Democrats are far more adept at reducing the purchasing power of the people.

Yes; the Democrat speaker spoke part of the truth, and in all fairness he should have disclosed the actual facts of the rise in the cost of living under Democrat leadership.

The SPEAKER. The time of the gentleman from Illinois [Mr. SHEEHAN] has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the remainder of the time to the gentleman from Illinois [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I shall support this rule because I think this matter should be disposed of. However, there are a few comments that I might add at this juncture.

First, we all recognize that if we have anything of a depression it is a matter of concern for all of us. We are concerned about how to deal with it and what to do. At the same time, I think we ought not be pushing the panic button when we ought, instead, to take a good look at what we are doing. After all, the ultimate solution to any problem like this that confronts us is not a dole, but it is a matter of real jobs for the people who seek employment.

As this situation developed, the President made certain recommendations having to do with the extension of unemployment-compensation insurance. That was an arrangement under which money advanced would be recaptured to the Federal Treasury.

That proposition, I might say at this juncture, in substance will be offered as a substitute for the pending bill, at the proper time, with a further amendment, an amendment which will require that before this assistance goes to the States there be affirmative action on the part of the States indicating their desire that they want such assistance.

Now, let us take a look at the bill the committee has reported. I do not intend to go over it again in detail. In title 2, and even in title 1, it goes far beyond unemployment compensation.

Title 2 provides for direct relief payments with no relationship to unemployment compensation; and, as a matter of fact, in title 1, the direct payments are out of the Treasury of the United States. In addition, there are the contributions that have been made to the fund through the years.

I think we ought to understand as we approach this problem, the fundamental purpose cited by the Ways and Means Committee when this unemployment-compensation law was first enacted. It was not to be a relief measure; it was to provide a cushion against unemployment out of a fund to be made up of contributions and to be actuarially sound.

The committee bill departs from that concept completely; as a matter of fact you do not require a needs clause in connection with unemployment compensation insurance because there the employee is simply getting back money from a fund that has been created out of contributions by employees and employers.

Is direct relief within the province of the Federal Government? We did not have that in the depths of the depression in the early thirties. I was here. I never was called upon to vote for any such proposal. That is perhaps what some of you want to do. But that is such a radical departure from anything we have ever had that before you take that step you had better take a long, hard look at what you are doing. I can envision a situation in which you make a direct relief payment for 16 weeks, and if the situation still is bad, you make it for an additional 16 weeks, and so on. There is no end once you start down that road.

And again may I say that none of you has any monopoly on solicitude for people out of work; everybody wants to do something for them, and that we propose to do.

Then, another thing. I have read some of the debate on the unemployment compensation insurance bill, I have read some of the hearings, some of the statements made by people who knew about the system, when measures exactly like this were before us. As a matter of fact, the gentleman from Arkansas [Mr. MILLS] had a different opinion then than he has now. I have read the testimony given to the Ways and Means Committee in 1952 on this very same sort of proposition, and may I say to my friend from Arkansas I take his words of wisdom as he stated them in 1952 rather than apparently as they are in connection with this bill presently before us, because on that occasion the gentleman from Arkansas said:

> Currently the so-called Federal reinsurance proposal and the making of Federal funds available for State benefit payments with no obligation for repayment to the Federal fund is considered highly undesirable by all State administrators with whom I have discussed the question and in my own opinion.

The hearings are full of similar statements on the part of the gentleman. An overwhelming majority in the Congress wanted to maintain the original purpose which was that unemployment compensation was created as a part of our social security system.

Mr. Speaker, under leave to extend my remarks and with the permission of the gentleman from Arkansas [Mr. MILLS] I offer at this point the gentleman's statement presented before a subcommittee of the Committee on Ways and Means during hearings held in 1952 on the subject of unemployment insurance, together with questions and answers which were a part of the gentleman's testimony:

STATEMENT OF HON. WILBUR D. MILLS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARKANSAS

Mr. MILLS. Mr. Chairman, my name is WILBUR D. MILLS, and I represent the Second Congressional District of Arkansas.

I appreciate this opportunity to discuss with this subcommittee the provisions of the bill which I introduced on May 16, 1951. The number of the bill is H. R. 4133. In view of the fact that the gentleman from Michigan, my good friend, Mr. DINGELL, has had something to say about the authorship of the bill, let me take a moment of the subcommittee's time to inform you just how the bill originated.

For a number of years the Interstate Conference of Employment Security Agencies has had under consideration a situation which might arise in some States, and which I understand is rapidly approaching in the State of the gentleman from Rhode Island, [Mr. FOGARTY], wherein those workers who have earned under State law certain benefits may find themselves not receiving these benefits due to a depleted condition of the State's unemployment fund.

It is a problem that has worried me for some time as I have seen developments in certain sections of our country, and in certain agencies of the Government which, over the years that I have been on the Committee on Ways and Means, indicate to me a desire to centralize our whole system. That is a thing that I have not wanted to see done. I could visualize, however, that if a State fund became depleted and workers were not paid that which the State law entitled them to, and no provision was made to assist the State in meeting those payments to the various workers, that the impetus would be greater for some degree of Federal regulation or Federal implementation, or supplementation, whatever you might call it, of State funds. That was, I presume, the thinking of those in Congress to which I referred earlier.

Sometime in the spring of last year representatives of the interstate conference came to me advising that something should be done by the 82d Congress; that there was a possibility that one or more States might find their funds so depleted that payments to which workers were entitled could not be made.

We discussed the various principles which I, myself, could support, and which they, themselves, thought should be enacted. At the conclusion of the conference I asked them to put in legislative form these ideas upon which there was agreement between them and me.

They came back a few days later with a bill which I thought included some things that should be changed. I made certain suggestions for changes. Those changes were subsequently made. Then I introduced the bill on May 16.

It is my understanding—and I am going solely on the basis of memory—that the Governors' Conference has agreed in principle to the ideas contained in the bill H. R. 4133.

It is also my understanding they never take a position, nor adopt a resolution, except that it be by unanimous consent of all the governors who are in attendance. It is my further understanding that the bill, so far as its principles are concerned, has been endorsed by the fiscal officers of the State governments, at one of their annual conventions.

I understand also from reports which have been submitted to me this morning that the bill itself does not meet with the complete approval, or should I say approval, perhaps, of the Department of Labor or the Federal Security Agency, and in the closing paragraphs of each letter to the chairman of the Committee on Ways and Means, I observe that statement is made that the Bureau of the Budget advises that if the bill is enacted it would not be in keeping with the President's program.

I want the committee to have all the facts about the background of the bill, H. R. 4133.

The committee, of course, has access to those reports the same as I have.

I have a statement I want to make to the committee about the bill itself, and just what would happen under the bill and what the bill proposes to do. I am very keenly aware of the situation which may exist in any State where a worker has used up his benefits over the period of time for which they can be paid under State law.

If this subcommittee is seeking a solution of the problem of allowing workers additional amounts over those which are allowed under State law, the committee will not find that solution in this bill. The bill does not in any way change the amount of money which is to be paid under State law, nor does it change the duration to which a worker would be entitled to those payments under State law.

Actually, contrary to what my friend from Michigan, Mr. DINGELL, said, or what I understood him to say, the bill does not in any way destroy the State systems which now exist. The whole purpose of the bill is to make those systems more workable and solvent at all times.

Now, I want to discuss the provisions of the bill. All State unemployment compensation administrators—and I think I can say that without exception—feel that the full proceeds of the three-tenths of 1 percent tax collected by the Federal Government under the Federal Unemployment Tax Act should be exclusively devoted to the Federal-State unemployment compensation program. Certainly I share that view, and in the report to the committee on the bill from the Federal Security Agency I gathered that that Agency shares that view.

There can be no disagreement with the proposition that the Federal unemployment tax was levied to initiate and maintain our unemployment compensation system. The Administrator's proposal, H. R. 4133, would use the excess-tax collections to buttress and improve these State programs.

May I say here that the proposals do not attempt to recapture or earmark the approximately $1,400 million which today represents the excess of the three-tenths of 1 percent tax collections over disbursements and administrative costs.

The gentleman from Rhode Island and other members of the subcommittee are fully aware of the fact that this excess has gone into the Federal Treasury, and that the provisions of the George loan fund, which our committee accepted in conference some years ago, expired, as I remember, on December 31 last. Rather, the proposals deal entirely with future tax collections which are estimated to run between $50 million and $75 million per year in excess of disbursements for administrative expenses.

The salient features of these interrelated proposals of the bill are as follows:

All tax collections under the Federal Unemployment Tax Act are to be earmarked. This is accomplished through an appropriation of all taxes received to an account known as the Federal unemployment account in the unemployment trust fund. From this account the administrative expenses of the program would be paid.

With respect to the excess-tax collections in each fiscal year—and this is one of the very salient points in the bill—20 percent of such excess is earmarked in the States' reserve account in the Federal unemployment account.

This diversion of a portion of the annual excess-tax collections to the States' reserve account is to continue until the account reaches $50 million. The States' reserve account which is thus established puts into permanent legislative form the basic principles of the George loan fund which expired December 31, 1951, as I have already stated.

From the States' reserve account any State whose trust fund for paying benefits is dangerously low may secure an interest-free advance. And I want to take time a little later on to tell you why we call it an advance rather than a loan. The only difference between the proposed States' reserve account and the expired George loan fund is that there is a definite provision in the proposed reserve account requiring eventual repayment to the account by those States which have secured interest-free advances. The George loan fund contemplated—and I think we all recognize that—that a State which had secured advances would make eventual reimbursement when the size of its trust fund permitted, but no machinery was provided for assuring such reimbursement. It is now proposed that machinery be established for the liquidation of advances made the States.

And the bill does provide for such machinery, and I want to get to that now.

Thus, employers of any State which has had an outstanding advance through two January 1's would have their 90 percent credit against the Federal 3-percent tax reduced by 5 percent of such tax. Accordingly the offset would be 85 percent, with a consesquent 4½-percent tax payment to the Federal Government instead of the 0.3-percent payment at the 90-percent offset level. The additional 1½ percent would be applied by the Federal Government against the State's outstanding advance. If the State advance were still outstanding on the third January 1, the offset against the Federal tax would be reduced by another 5 percent, or by 10 percent, thus making it 80 percent. The Federal tax collection would then be at the rate of 0.6 percent, with half the amount being used to reduce the outstanding advance.

Similar reductions in the allowable tax credit would be made for each succeeding year until the allowable credit has been entirely wiped out or until the State's advance had been liquidated in full.

State administrators attach the utmost importance to having a sound contingency reserve fund from which States in distress may continue to finance their benefit payments. The soundness of this position was recognized in the establishment of the George loan fund and it continues no less sound now that the George loan fund has expired.

The States of Rhode Island and Massachusetts have notably low reserves, and the reserve position of certain other States can be questioned. If the reserve of any State becomes insufficient to pay benefits, undoubtedly the Federal Government will have to enter the picture. State administrators believe that it is entirely proper to make provision for this contingency out of taxes levied to establish and maintain the program in the first place.

Not only would a contingency reserve meet the problem of insolvency of State trust funds, but it would permit the States generally to make any necessary upward adjustments in benefit levels, without undue fear of consequences on the position of their trust fund. As it is, States must think in terms of maintaining their reserves to meet entirely unforeseen and unpredictable situations.

Thus the establishment of a contingency reserve would put the States in a much better position to improve their benefit schedules if they so desire.

In this connection, currently so-called Federal reinsurance proposals which would make Federal funds available for State benefit payments with no obligation for repayment to the Federal fund is considered highly undesirable, by all State administrators with whom I have discussed the question, and in my own opinion. I have not talked to all 51. They realize that the integrity of State systems is dependent upon their being financed exclusively by State money.

The third element of the proposal made by the State administrators and incorporated in my bill, H. R. 4133, is the provision for an allocation back to the States of the annual excess tax collections not used in the creation of the States' reserve account.

Now, gentlemen, permit me to interpolate for just a moment: I think it is this that brings down the objection of the Labor Department to which I earlier referred, and I want to have something to say about that later.

For the first few years, 80 percent of excess tax collections would be allocated back, and after the States' reserve account reached $50 million all excesses would be so allocated. The allocation made to the States would be deposited by the Treasurer in the unemployment trust funds of the respective States. The allocations would be in the ratio which the State's covered taxable payroll bore to the aggregate taxable payroll of all of the States. The money thus deposited in State trust funds could only be used for one of two purposes: either payment of benefits or payment of administration expenses. It is contemplated under the bill that the legislatures of the States will make the decision and determine the amount between the two. But I would suggest to the committee it might be preferable, if you decide to give further consideration to the bill, to spell it out directly in the bill that these moneys which are to go back to the States are to be used only as the legislature decides. I think clearly that they could not be used otherwise, but that could be spelled out indefinitely if it is considered desirable.

One of the purposes, as I said, is the payment of benefits; the second, the payment of administrative expenses not met by Federal grants under the existing arrangement for financing State administrations.

State administrators feel that there are many things that might be done if administrative funds were available that would bring about tighter and better administration, and thereby bring about greater public acceptance. They feel that if abuses could be checked—and they can only be checked by greater expenditures for purposes not ordinarily promoted by Federal supervisory agency—that benefit levels could and would be raised with little or no increase in the amount of money paid out. It is for this reason that they desire to relieve themselves, in part at least, from complete Federal purse-string control, and have some administrative funds for which they are not dependent upon and accountable to the Federal department involved.

The State administrators would like for me to point up the fact that in 1945, when the reconversion benefits bill, essentially similar to H. R. 6954, was before our committee, it rejected the proposed Federal supple-

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mentation of State benefit amounts and proceeded to strengthen the State system to meet the impact of reconversion unemployment with the establishment of the George loan fund.

All of those present remember the action by our committee. Today the situation is quite similar. State administrators are of the firm opinion that no basic tampering with the present program is necessary to meet any problems in the ascertainable future. However, they are the first to agree that the present program can be further improved, and believe that the establishment of a permanent contingency fund and the allocation of excess tax collections back into State funds will put the State system in a much stronger position to do the job it was set up originally to do.

That completes my statement in explanation of the bill, Mr. Chairman.

Mr. FORAND. Thank you.

Mr. MILLS. I want to add this if the chairman will permit: I think there are two things which are in this bill which are not acceptable to the agencies of the Government that are involved. And I add that I have great respect for their views and their sincerity, of course, and I am not criticizing them.

I want to point out that it occurs to me that any move on the part of Congress to remove State administrators of the unemployment compensation program from the grant system which is made by Congress upon the request and at the suggestion of the Secretary of Labor to take care of administrative expenses would be objected to by these agencies.

The administrators at the present time have to account not to the Congress alone but to the Department of Labor, particularly to the Secretary of Labor, for everything that is done under the State program for every dollar they receive for administrative purposes. Whether they are to receive any administrative money or not, as you remember from the experience we had earlier, may well depend upon the interpretation by the Secretary of Labor of the way they have done their job.

That degree of dependency upon the Department of Labor for administrative funds is naturally obnoxious to those who administer the program. I do want to emphasize the importance of the degree of independence in the administration of the program which this bill would afford. I think it is basically sound.

Of the funds made available under this bill, the excess goes back to the States, and the legislatures decide as between two uses for the money. The moneys can go into a benefit-payment fund or they can be used for administrative purposes, or both. If an administrator can show the State legislature that the amount of money that he has earlier received is not sufficient and if they can give him some additional money he can improve the administration of the program, the State legislature perhaps would give him some from that excess. But, basically, it is my thought that the great majority of this money if returned to the various States, will be placed by the State legislatures in the various benefit-payment funds.

I think any administrator who comes before this subcommittee would endorse the statement that I have just made.

Another thing, Mr. Chairman: I have always felt that some of those for whom I have great respect in the Department of Labor and within the Federal Security Agency, perhaps, have an entirely different view about the place of the Federal Government in this overall program from what I have. I do not want to weaken the State system; I want to retain it, maintain it, and strengthen it as a State system. I do not want us to take action in Congress that in any way provides for additional benefits, provides for additional payments to workers directly from the Federal Treasury or from this account which would be set up here under the bill. The payment of benefits must remain a State function. States must continue to determine the size of benefits and the time for paying them. This is a State responsibility.

I find myself in complete disagreement with the bill which has been introduced by the gentleman from Michigan, because of the fact that that bill deviates from the basic philosophy which founded this program initially. The bill says that, irrespective of State action, when the governor of a State finds unemployment in a little segment of the State, we will pay out of the Federal Treasury benefits so that the benefits of the State may be 50 percent greater than they are under the State law, and an amendment has been suggested to provide that the benefits may be drawn for a period of time 50 percent longer than the State law provides.

In the State of Michigan, as I understand, payments are for a maximum duration of 20 weeks. This action would mean they would be up to a 30-week period.

It is my understanding also that the benefits in Michigan are some $27 per week; and, if that is the case, the benefits would be increased under Mr. DINGELL's bill by 50 percent.

That is not what I am interested in in connection with this overall subject. Certainly I knew nothing about the Michigan situation when I introduced my bill, H. R. 4133. The problem of what to do in the case of workers who have used up their unemployment benefits under State laws is not solved here in this bill.

I do not want us to solve it here on the basis of Federal supplementation of State benefits, nor would I want us to extend the time for paying benefits by Federal law.

I understand that the Governor of the State of Michigan is a very fine, a very progressive and energetic man, and I understand that the Legislature of the State of Michigan is in session now. Certainly, if there are funds in the unemployment fund of the State of Michigan, those funds should be used first, to say the least, in supplementing those benefits that are paid now under State law.

It is easy for us always, when we get into a particular situation where there is need, and where human beings are involved, and a strong argument can be made on the basis of relief from suffering, to come here and say that we want something done by the Congress.

What I think should be done, and what I think we should do on this subject, is to provide a better method of guaranteeing the payments of benefits for the time specified under State law, so that the States themselves can continue carrying on this job.

Parenthetically, Mr. Chairman, I might say that I have been assured that in the event this bill should become law the situation in the State of Rhode Island would be much more solvent than it is today; that it would create a situation wherein the Governor of the State could receive funds if the funds now available in Rhode Island become depleted, to pay benefits which the Governor or the State Legislature of Rhode Island have said that the unemployed people in Rhode Island should receive.

He can do that; there is no question in the world but what this bill would do that. It will not permit any State to pay greater benefits for a longer period of time after receiving these funds than the State laws of a State provide, and I do not think we should go into that. We have this present problem before us. I think the Congress should not go into the State part of the overall program.

I hope, in this connection, we will try to strengthen the State funds, to make them more solvent, because we do belong in that picture.

I said earlier that I considered this an advance rather than a loan. It is an advance to a State. It is my understanding that the State constitutions of many States prohibit the pledging of the credit of the State, so that I do not want us to be getting into that constitutional question. For all practical purposes, the advance is a loan, but the credit of the State itself is not involved. It is significant to bear in mind that, in the event advances are made to a State under this bill, the tax burden of the employers of the State will rise; the burden is applied to the employers of that State.

Mr. FORAND. Right on that point, Congressman MILLS, where the employers have been using the argument that they are paying too high a tax all the way along, or have been paying the so-called maximum under existing law, then you would be adding a further burden to them, making it possible for the Rhode Island employer to have a further argument as to why they should move out of New England and down South.

Mr. MILLS. I do not agree with the gentleman on that at all. That might continue to be the situation: that industry might see fit to leave certain sections of the country and go to another section.

Mr. FORAND. Particularly to use the argument that the taxes they are paying are too high, and that this particular tax again would be increased.

Mr. MILLS. It might interest the gentleman to know—at least, it is my understanding, and I have a telegram here which is not addressed to me, and which I hesitate to use before this committee—that some employers of the gentleman's State endorse the principles of this bill.

Mr. FORAND. I should be happy to see it.

Mr. MILLS. I am saying employers, because the burden under this bill is placed upon the employers, where I think the burden should be placed.

The problem of providing benefits to its people who have become unemployed is the problem of the State of Rhode Island, just as the problem existing in my State when people become unemployed and benefits are to be paid is a problem in my State.

If we do not continue to look at this situation from the viewpoint of its being a problem of the employers in the State where the fund becomes insolvent then the only thing we can say, if unemployment exists somewhere in a State and that State's fund is not capable of meeting its obligation, is: it becomes a problem of every taxpayer in the United States.

When we get to that point of view, in my opinion, the program will be completely changed.

If we are going to increase benefits and if we are going to increase the time within which those benefits can be paid, and pay for them out of the pockets of all the taxpayers of the United States, irrespective of whether they are employers or not, certainly, then, we will be placing the funds of the entire program in jeopardy, and I certainly do not feel that such an approach is justified at the moment.

Mr. FORAND. The gentleman from Arkansas now refers to increased benefits and of spreading the benefits over a longer period.

Mr. MILLS. Yes.

Mr. FORAND. I was addressing myself to the use of the unemployment fund to take care of people, and your suggestion is an additional tax be placed upon the employers. They are two very different things.

Mr. MILLS. That is true.

Mr. FORAND. First of all, I believe the gentleman from Arkansas will agree with me that the unemployment system is a national system.

Mr. MILLS. No, I will not. The unemployment compensation system is not a national system; I have always said that; I have always felt it was conceived originally that the

Federal Government should levy the tax—maybe I misunderstood the gentleman—and the payment of benefits, the amount and the period for which they were paid, was a State matter, and should always remain a State matter.

Mr. FORAND. The unemployment compensation system is a Federal system, with each State having its own system which must come within the requirements of the Federal system.

Mr. MILLS. The minimum requirements; yes.

Mr. FORAND. That is correct.

Mr. MILLS. The minimum requirements is what I had reference to.

Mr. FORAND. It is a national problem that is handled through the Federal Government.

Mr. MILLS. So it was conceived originally, yes; it was conceived originally as a national problem; there is no question about that, and we had to have an act of Congress, in the first place, or we would not have had a program perhaps at all.

Mr. FORAND. That is correct.

Mr. MILLS. That is the only virtue of having it passed by Congress so as to have a program in all the States. But at the same time we said that the States may pay such as they decide to pay for such period of time as they decide.

Mr. FORAND. That is the State legislatures.

Mr. MILLS. That is the legislature's part of the problem.

Mr. FORAND. The Congress then considered the economy of each State, being based upon certain categories of industry, and then we say in some areas are large groups of people that do not come within the provisions of the unemployment compensation law, and another area, highly industrialized, would be under the provisions, and you have got a much higher percentage covered than in the other State. Those factors do affect the unemployment compensation fund of the State.

Mr. MILLS. That is exactly what I have in mind, and I recognize the complete accuracy of the gentleman's statement. That is exactly what I am trying to do here in this bill, that is, to provide that we assist the States where there is a great deal of unemployment by returning to the State funds which under existing law and without Congressional action will continue to go into the General Treasury. I do not think those funds should go into the General Treasury. I think those funds should be expended for administration or for the payment of benefits for the very programs for which they were initially collected.

Mr. FORAND. Does the gentleman not believe that in placing the surplus fund in the law, it could be called a special fund or whatever you want to call it, but it would pool the so-called three-tenths of 1 percent, which should be held by the Federal Government as an emergency fund to take care of those circumstances as we find in Rhode Island now?

Mr. MILLS. You will see that under my bill they will build up a fund of $50 million, and when the fund reaches the $50 million mark the excess will be distributed to the States on a proportionate basis. But if the committee should decide that the $50 million is not enough, then I think the committee should consider that question.

Mr. Mason, you had a question?

Mr. MASON. The general effect of your bill is a maximum of $50 million of it can be paid.

Mr. MILLS. Yes; into the underwriting fund.

Mr. MASON. In other words, the general objective of your bill is exactly what the chairman has just said?

Mr. MILLS. We have conferred on this; the State administrative groups and I, and we just could not conceive of such general unemployment that would call for a greater amount in this fund than $50 million.

Now, certainly the gentleman from Rhode Island recognizes, I am sure, that if the time comes that we get into a period of extensive and unusual unemployment that we cannot expect this unemployment fund to take care of that kind of a situation.

Mr. FORAND. Right on that very subject: The State administrator of the State of Rhode Island will be here and will go into great detail concerning the point I am trying to make, and I hope the gentleman from Arkansas will be free to sit in on those hearings.

Mr. MILLS. Permit me to say at this point, that it is my understanding the administrator of the program in the gentleman's State prefers some other approach than the bill I have introduced. He was not one of those who conferred with me in the preparation of this bill. Those with whom I conferred were members of the legislative committee of the State administrators conference.

However, as I recall, this gentleman was not in the group.

Mr. FORAND. I am sure he was not, because his viewpoint does not agree with that of the gentleman from Arkansas.

Mr. MILLS. I thought that it might be significant for the gentleman to note that the employers in his own State do not have the concern about this approach which apparently the gentleman was earlier expressing.

Mr. FORAND. I would like very much for the gentleman to include that telegram in the record if he is free to do it.

Mr. MILLS. I will read the telegram if the gentleman desires.

Mr. FORAND. I would like to know which one of those good employers in Rhode Island is so big-hearted as to be willing to go along and pay higher unemployment-compensation taxes.

Mr. MASON. While he is looking that up, I wish to make a terrible confession. I usually go through bills and prejudge them and note on the outside "No," "Yes," or a question mark, and that is a guide to my secretary in answering questions about them as to what she shall say. She will say he is for the principles of that bill, or he is against the principles of that bill, or he has some question in his mind about it.

I had a question mark in mind about H. R. 4133. The questions have been answered and I have written "Yes" on that bill now. I wish to notify the gentleman from Arkansas.

Mr. MILLS. The gentleman's support is welcome, and if I can just get the chairman to go along on it we will be in pretty good shape here this morning—plus the gentleman from Kentucky.

Mr. FORAND. I am happy to comment at this point that it is always a great satisfaction to me to work with the gentleman from Illinois because I always know where he stands.

Mr. MASON. That is right.

Mr. MILLS. The gentleman from Illinois is a very prized member of our committee. I have always had the greatest respect for him. I never have any difficulty in knowing just where he stands on anything that I am for or against. I appreciate his being for this bill.

Let me read this telegram, if I may. The telegram is addressed to Stanley Rector, who is a former member of this conference to which I referred.

"Regarding your telephone to Ruben Peterson"—

And you may know the gentleman——

Mr. FORAND. Very well. He represents the Rhode Island industries.

Mr. MILLS. That is the whole purpose of this telegram, to tell you how they stand—"today Associated Industries in vast majority of its membership is unalterably opposed to Federal reinsurance and has so stated publicly and would prefer the George loan provision whereby money would be repaid."

That is signed by Frank F. Shy, president of the Associated Industries of Rhode Island.

Mr. FORAND. That is an offshoot of the National Association of Manufacturers. They do not like to wave that flag so they use a different name.

Mr. MILLS. The gentleman has led me to believe these employers support my bill. If they do, and other employers likewise support the bill, I should think the subcommittee would not be too concerned then about the imposition of this additional tax within the States where the funds become insolvent because they are the ones who are going to pay the tax.

Mr. FORAND. I am glad to have that association on record as willing to pay more taxes.

Mr. MILLS. Let us not generalize on it. They have not said that they are in favor of an income tax increase; merely this to maintain the State system.

Mr. FORAND. If there are no further questions we thank you very much.

Let me say positively that the substitute which will be offered, in my opinion goes as far as anything ought to go at this time. I think we ought to support that substitute and then if there are other things to be done get to them in due time.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to incorporate with the remarks I made on the rule two articles from the New York Times immediately following my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MADDEN. Mr. Speaker, I yield the remainder of my time to the gentleman from Massachusetts [Mr. McCORMACK].

The SPEAKER. The gentleman from Massachusetts is recognized for 7 minutes.

Mr. McCORMACK. Mr. Speaker, my mind goes back 30 years in this body, my mind goes back to the time when I was one of the members of the Committee on Ways and Means who helped frame the Social Security Act. My mind goes back to the time when that bill came up. Some of the same members who spoke today in opposition to the pending bill, talking about a dole and socialism, advanced the same argument then. They represent the forces of status quo, honest, but if our Government was ever in their control, God help it.

It is the old battle of the forces of progressive outlook against those of status quo, the old battle of service to the people in view of changed conditions. I can remember the same forces opposing the minimum wage law, even elimination of the exploitation of child labor. The faces might be different to some extent, although some are still here. But it is the same old battle. They talked about socialism then, they talked about a dole then.

They cannot deny we are in a recession. This bill is not for the purpose of giving money; its purpose is to use a proper avenue to try and stop the recession and to put something into our economic system that will start our economic system traveling again along the affirmative road. So dole and socialism are nothing new. Thirty or forty years from now when there are

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other Members here beside us and progressive legislation comes up, there will be Members making the same argument of dole and socialism.

This bill is connected with the recession. When they bring in a tax reduction bill they will make a different argument. They do not want to get purchasing power back into the hands of those who need it and where it will do the greatest amount of good.

Up in Boston the other day there was a meeting of businessmen. The educational consultant of General Motors spoke. What did he say? That the present recession is simply a return to normalcy. That is their thinking, that is the thinking of those who are opposed to this bill.

Let me remind my friends, this is not a fight of one side against the other. You know as well as I do there is a coalition against this bill. What about the progressive-minded Members on the Republican side, what are you going to do when the final vote comes and when the rollcalls come? Are they not out of work in your districts? I remember not so long ago the chairman of the House Republican Congressional Committee said, "You are on your own. Campaign in accordance with your own district." When reciprocal trade comes up, we will oppose it, we will not follow Ike then. Many others will not. When other matters come up, many of those on the Republican side will not follow Ike. The chairman said, "You are on your own."

Mr. Speaker, I am appealing to the progressive Members on the Republican side. I realize the implications involved in this bill.

What are the differences? Let us analyze them. There is no essential difference in section 1. The President has recommended his bill. If the Democratic bill is socialism, so is his bill; if the Democratic bill is a dole, so is his bill. Section 1 of the President's bill does not vary much except in this respect: Ours is a direct grant. The President's is a loan repayable within 4 years by the States. Every Member here knows that no State is going to pay it back. If it is not paid back thereafter, the taxes are going to be increased upon the employers to pay it back, and you and I know that they will never go into effect. So, the practical effect of the President's recommendation is a Federal grant, and we might just as well face the facts.

Now we come to section 2. What is wrong with it in the emergency? What is wrong with it? A person who is not covered and who is out of employment is just as adversely affected as one who is covered. In fact, the covered employees have the benefit of payments established by law. In some States they cover from 1 employee up, and in other States they cover from 4 employees up. That is one of the basic requirements of the Federal act. What about those who have 1, 2, or 3 employees and the State covers 4 or more? They do not have any unemployment compensation. And when we are considering this as an emergency measure—that is what it is—in connection with the present recession, to try and stop it and getting our national economy going back on a forward level, a forward move, why should they be discriminated against? Why should there be injustice directed against them?

I admire my friend the gentleman from Illinois [Mr. ALLEN]. He is against any bill. He is frank; he is honest. I disagree with him. But I admire him very much for his frankness. Those who feel that way throughout the House on both sides, are honest; they oppose any bill. My friend the gentleman from Indiana [Mr. HALLECK] said there was no unemployment compensation paid in the thirties. Well, we had no unemployment compensation law until pretty well in the thirties. There was no unemployment compensation law during the last depression.

The SPEAKER. The time of the gentleman from Massachusetts has expired. All time has expired.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 12065) to authorize temporary unemployment benefits for individuals who exhaust their benefit rights under existing unemployment compensation laws, and for individuals who were employed in noncovered employment.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 12065, with Mr. HAYS of Arkansas in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MILLS. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I realize, as I listened to the debate that just occurred in connection with the rule making in order the consideration of H. R. 12065, that we did not do as good a job as we thought or intended to do when we were presenting the request for a rule to the Committee on Rules.

Mr. Chairman, much misinformation has been given the House about what is proposed in connection with the bill reported by the Committee on Ways and Means by a vote of 16 to 9, upon which hearings were held. I want, if I may, to try to correct some of the misinformation that has been given and pinpoint the issues which are involved in this entire subject matter and to give you some idea, if I can, of what prompted the numerical majority of the Committee on Ways and Means in taking the course of action which is set forth in this bill. But let us first talk about one point that was raised in reference to hearings, by one of our distinguished Members. Complaint was made that no hearings have been held on this bill except before the Committee on Rules. I do not know what the practice is in all committees, but the historical practice in the Committee on Ways and Means has been for hearings to be held on a general subject matter including all bills that have been introduced relating thereto; then for the committee to sit down in executive session and reach conclusions as to what the committee's ideas are with respect to a bill.

Following the conclusion of such determination by the committee the usual procedure is for the committee either to direct the chairman to introduce a clean bill that carries out the decisions that have been made and all amendments that have been adopted respecting the subject before the committee.

In this instance we followed that course. I want to read just one paragraph from the announcement of the hearings which I issued on Tuesday, March 18, 1958. But before I read it, let me say this: We on the committee, both Democratic and Republican members, were not unmindful of the request of the President of the United States for prompt action with respect to the problems of those unemployed individuals covered under State unemployment compensation systems who were rapidly exhausting their benefits. He made that request just before the announcement of hearings was released by me as chairman of the Committee on Ways and Means. In the announcement I pointed out that we would hear the subject matter of the exhaustions under State unemployment compensation programs, as follows:

> Chairman MILLS also stated that the subject of the hearings encompassed any recommendations or suggestions which witnesses might advance relative to the most feasible emergency measures which might be suitable for affording assistance to individuals who are unemployed and who cannot qualify for the additional unemployment compensation benefits because they have not been covered by the unemployment compensation programs of the various States. Testimony will also be received on means of financing these programs from any witnesses who may want to testify on this point.

So I say that the statement that this bill has not been subjected to hearings by the Committee on Ways and Means results, I am sure, because of the confusion and the failure on our part to cover this point before the Committee on Rules. But I do want the Members to realize that we have followed the ordinary procedure here. We have held our hearings and have reported to you our best judgment of what ought to be done.

Now let us look to the statement by my very admiring friend from Indiana, I might say, according to his own words. He quoted, or referred at least, to some statement I had made. Parenthetically, I might say I now discover what former Vice President of the United States, Mr. Garner, meant when he said to me one day that the worst thing in the world a Member can do is to speak so often that he will make a statement that will come back to haunt him. This statement, if it had been left, merely on the basis of what my friend, the gentleman from Indiana, said might now haunt me. But, the gentleman overlooked a part of my statement in 1952, and had he considered this part of my statement, he would have understood what I was saying at that time. I said:

> Now, certainly the gentleman from Rhode Island recognizes—

And that is the gentleman from Rhode Island [Mr. FORAND], who was then chairman of the subcommittee conducting these hearings.

To repeat:

Now, certainly the gentleman from Rhode Island recognizes, I am sure, that if the time comes that we get into a period of extensive and unusual unemployment that we cannot expect this unemployment fund to take care of that kind of a situation.

That was in 1952.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. FORAND. I want to confirm the statement made by the gentleman that at that time he told us of his position at the moment, but that he was looking forward and would be ready for changes, if the circumstances warrant it; and he has done so.

Mr. MILLS. We have heard this matter discussed enough today to about reach the conclusion that most of the complaints about the bill that is before us today are, in fact, complaints about the State systems of unemployment compensation or with respect to the administration at State levels of the State unemployment compensation plans. I have always in the past, Mr. Chairman, felt that we should never legislate with respect to standards for guidance to the States in established unemployment compensation programs. But, if all these things that I have heard so far today are true then, perhaps, the greatest service the Committee on Ways and Means could render to the country would be a complete restudy and reevaluation of the State unemployment compensation programs to see whether or not some of these things that are attributed to these programs ought to be eliminated by Federal standards. I hope that all this information given us will prove to be, and I know it is, wholly inaccurate and that such action will not be necessary.

Let us look to the pending bill, H. R. 12065. The President advised us that there is a need for supplementing the State unemployment compensation benefits because a rising number of individuals are exhausting their weekly benefits. At that time, as now, we knew that we had not reached the point of economic recovery, so that there were not prospects of job opportunities for those individuals receiving benefits before their benefits expire. It was in the light of this that we undertook to consider this matter. I dare say we were prompted to do to some extent by the suggestion of the President that such action was necessary in order to provide continuing purchasing power in the hands of many people who are rapidly losing that purchasing power. So we did approach the idea of developing a bill that would attack the problem of unemployment and the possibility that jobs would not be available by the time the State programs expired. The President suggested that we provide supplemental benefits for a period equal to 50 percent of the period prescribed under State law, not to exceed 13 weeks, amounts equal to the benefits which are being paid under State unemployment programs.

Mr. MCCORMACK and I introduced bills, before the present administration bill was introduced, providing for a flat extension of 16 weeks on a basis of 50 percent of the average wage of the individual, but not to exceed the average wage in the State.

In one of the recommendations which the President made to us he requested that we require the States by Federal law to amend State laws to do this very thing in the future.

Now I am sure the majority leader would agree with my statement that we thought that would meet with ready approval at the White House. It did not. The committee decided to discard that provision from the bill we reported to you, because it would have placed upon the unemployment compensation offices within the States the additional burden of redetermining the benefits for this period. The benefits had already been determined under State law; so the committee decided, rather than to bring about any delay, we would drop that provision and continue in the bill we have before you the benefit payment that the State had provided for this extended period of 16 weeks. The question arose whether or not this would be a loan, a grant to the States, repayment, or just what it would be. I do not know whether my information is correct or not, but I understood that when the conference occurred at the White House, to which the governors of the governors executive committee were invited, some of those governors frankly told the President that they did not like the suggestion and did not want it. It was my understanding however that all of the governors felt that if this was to be done it should be done in a way that would least interfere with State programs, and certainly not require subsequent meetings of the State legislatures to make their laws conform to whatever we did here. That is my understanding of what went on.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. HALLECK. I understand the gentleman made some statement, about what I quoted him as saying, during my absence.

Mr. MILLS. All I did was read the part of what I said which you did not read.

Mr. HALLECK. Would the gentleman object, under permission to extend my remarks, that I include all of the gentleman's testimony?

Mr. MILLS. All the questions and answers?

Mr. HALLECK. All the questions and answers.

Mr. MILLS. I will be glad to have the gentleman do that.

So it would appear that those who are the heads of the various governments at State levels would prefer the same type of approach. We had that in mind as we sat down in executive session in the committee. I personally wanted to take the approach that would not do violence to or destroy or in any way be harmful to State programs. I believe the pending bill accomplishes the objective and I would now like to discuss it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLS. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, the purpose of the pending bill, H. R. 12065, is to help offset the loss in purchasing power by unemployed individuals and to help relieve the toll in human misery and deprivation which the loss of purchasing power entails for the unemployed. At the same time the bill will help to prevent a worsening in the current economic decline and aid in stimulating the economy to recovery. The bill provides up to 16 weeks of unemployment benefits for those unemployed who, one, have exhausted their unemployment compensation benefits under existing Federal and State unemployment compensation plans; and two, do not qualify under any of these plans solely by reason of having established their work records in noncovered employment. The total dollar amount that can be paid under the bill to any unemployed individual is an amount measured as 16 times the weekly benefit amount payable under the State or Federal unemployment compensation plan for which such individual qualifies, and the weekly benefit amount is that amount established under applicable State or Federal unemployment compensation laws.

The benefits provided by the bill are payable under two titles. Title I provides benefits for those who have exhausted their unemployment compensation benefits under State or Federal plans, while title II provides benefits for those who solely by reason of having worked in noncovered employment have no benefits under existing plans but who have work records and wage qualifications which meet the standards established under State unemployment compensation plans. Benefits are provided with respect to weeks of unemployment beginning 15 days and 45 days, respectively, after the date of enactment of the bill in the case of title I and title II, but only for weeks of unemployment beginning before November 1, 1959.

Benefits together with the necessary administrative expenses incurred in connection therewith, will be financed by a grant from the general funds of the Treasury Department. Complete freedom of choice is provided by the bill to the States. Thus a State may, as it chooses, enter into an agreement for the payment of benefits under title I or title II, or both, or neither, in its complete discretion.

H. R. 12065 is designed so as to utilize the unemployment-compensation facilities of the 48 States, the District of Columbia, Alaska, and Hawaii, and to this end provides that benefit payments are payable subject to the terms and conditions established by the various State unemployment-compensation laws. Thus, benefit amounts, employment and wage qualifications, and the terms and conditions for qualification and disqualification under the bill are the same as those provided by existing State and Federal unemployment-compensation plans.

The costs of the benefits provided by this bill and the administrative costs which they will entail are, of course, de-

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pendent upon the level of unemployment during the next 15 months. The Department of Labor has estimated that the total cost of the bill will be $1.47 billion. This estimate is based upon the assumption that there will be a decline in the level of unemployment between now and the middle of 1959. It assumes that 3.1 million persons will be eligible for benefits under title I because they will have exhausted their benefits under State and Federal unemployment compensation, and that 1.73 million persons will be eligible for benefits under title II as noncovered unemployed persons meeting the wage and other requirements for qualification set by the various State laws. If these assumptions prove correct, the benefits provided by title I will cost $950 million and entail administrative costs of $35 million. In case of title II, benefits are estimated to cost $460 million and administration to cost $25 million.

I should like to point out that the $1.47 billion estimated cost of this bill will become a fact only if employment opportunities do not improve. It cannot be too strongly emphasized that the estimated costs of this bill are much less than the price that the economy will of necessity pay in losses of purchasing power and human misery unless its benefits are made available to the millions who are now and will be without income in the next 15 months.

At this point I should like to point out an error in the committee's report appearing on page 5, the last sentence in the first beginning paragraph on that page. The report states:

> The expenditure of this amount will prevent further economic decline and help to promote recovery.

A typographical error distorts the meaning of that sentence, which was intended to say that the benefits provided by H. R. 12065 will help prevent a further economic decline and aid in the restoration of confidence and economic recovery.

Mr. Chairman, it is now my intention to discuss the issues involved in this piece of legislation and their great importance on their merits, with regard only to their substance. I know that my colleagues in the House will desire to do the same. I hope no one here believes that the severe unemployment situation being experienced in the United States today and the awful price in deprivation and want which it is exacting of persons who do not have work lends itself to exercises in rhetoric and name calling. I have heard and I know that the Members of this House are aware of this, that some have referred to the benefits which this bill will provide as a dole. Now, if minimum financial assistance to honest job-seeking workmen who, through no fault of their own have no work, is a dole, then by parity of reasoning it would be fair to characterize other forms of financial assistance which have been provided to other segments of the economy as a dole as well. The unemployed workman for whom we provide in this bill wants a job. Just as a farmer desires a market for his crops at a fair price, so also does the unemployed workman desire an opportunity to use his tools and skills. Just as the businessman desires a fair opportunity to use his capital and exercise his business acumen and ingenuity in contributing toward the economic growth and well-being of the United States as well as his business, so does American labor desire a fair opportunity for employment in order to contribute towards the same goals. I cannot distinguish between the literally hundreds of bills that have been enacted by the Congress during my tenure here to provide for the legitimate aids to business and agriculture and the bill which we are today considering. Surely none of my colleagues would make a distinction between the help for the unemployed and help for the businessman. Our economy is a gigantic entity in which each segment is dependent upon the goods and services and prosperity of the other. The individual fibers of our economic fabric are so closely woven together that to permit one to deteriorate from want of justifiable aid is to endanger the whole.

A man who has substantial and valid arguments to support his cause has no need to resort to name calling as a substitute for reasoning. If any Member of this body has the facts and the logic to support his cause and objects to this bill, in principle or in implementation, let him state such facts and present such logic. Under the rule it is the privilege of any such Member to attempt to do a better job than the majority of the Committee on Ways and Means has done. But bear in mind this bill has not been called to the floor of this House by men who did not know their duty to their office and who do not appreciate their obligations to the unemployed citizens of the United States. I believe that it is the best possible solution which can be offered to relieve the existing abnormal and severe national problem of unemployment. This is not to say that I believe that the bill will solve all of the Nation's economic ills, because it will not. It will, however, help to promote economic recovery. It should be considered as but one of several sorely needed governmental contributions toward the end of preventing further economic decline, restoring business confidence and bringing about full economic recovery and continued economic growth.

Let us now look at the unemployment situation and the economic factors which have brought that situation about. H. R. 12065 is based upon the fact that we are facing an abnormal condition of unemployment which requires that the existing unemployment-compensation programs be supplemented. Abnormal is, of course, a word involving judgment. If one is sufficiently indifferent to human problems he could, I presume, be unmoved by a level of even 10 million unemployed. I can give you the reasons why I believe we should be concerned about the present unemployment situation and the plight of the unemployed.

The total full-time unemployment in March of this year was estimated by the Bureau of the Census at 5.2 million persons, the highest monthly level since September 1941. The weekly data on persons covered under the State unemployment compensation programs shows that through the week of April 12, insured unemployment is about 100,000 higher than it was in the middle of March. It develops that the Census estimate of total unemployment for April is not materially lower than the March figure. This, I might note, is the pattern at the time we are being informed that the bottom of the downturn has been reached. Normally unemployment should fall by half a million between February and April due to the spring pickup in construction and agriculture. In terms of seasonally adjusted unemployment, we have had an increase of about one-half million in these 2 months. An additional 2.3 million persons who usually work full time have been reduced to part-time work for economic reasons. At this time last year only 1.3 million persons were on this enforced part-time employment.

This level of unemployment is serious both because of its absolute amount and because of the potential duration. In our first postwar recession, unemployment reached a peak of 4.8 million in February 1950 but had dropped down to 3.7 million as early as April of that year. In the recession of 1953–54 an unemployment peak of 4.1 million was reached in March of 1954 and the situation improved rapidly thereafter; it did not grow worse as it has today.

Not only is the present level of unemployment high, but there is grave reason for concern over the next 15 months. The various recent surveys of business plans for plant and equipment expenditures make it abundantly clear that business firms are planning for a continuous decline in investment until at least the middle of 1959. A few other economic indicators are in order on this point. For example, freight-car loadings are down 23 percent since last March; steel operations were at 50 percent of capacity in the last week of March compared to 92 percent for the same week last year; manufacturers' new orders were down 16 percent in February 1958 compared to February 1957, down 4 percent since January; manufacturers' unfilled orders were down 25 percent in February 1958 compared to February 1957; manufacturers' sales were down 12 percent in February 1958 compared to February 1957; bituminous coal production was down 30 percent in February 1958 compared to February 1957; machine tool orders were down 61 percent in February 1958 compared to February 1957. Even if the precipitous economic decline of the past few months should come to a halt this year, there is little reason to expect a rapid business upturn in the face of poor demand for investment goods and consumer durables.

There is another reason to be concerned about employment levels over the next few months. In the months of lean profits ahead, firms are very likely to react as they have done historically in a business downturn, that is, by cutting down wherever possible on employment. It appears highly likely that even if business improves by this summer, without more positive action by the Congress the rate of growth of income through the middle of 1959 will barely be adequate

to deal with the regular growth of the labor force and increase in productivity. In these circumstances, an annual growth of even 5 percent in the gross national product at constant prices would not materially reduce the level of unemployment. To emphasize the fact that the economy has to advance rapidly just to keep up with the normal unemployment problem, I would call your attention to the situation that is likely to develop over the next 3 months. Even the optimistic forecasters do not expect a real improvement in economic conditions before July. At the close of school in June, however, we will have realized a very large proportion of the annual increase in the labor force. It would appear quite likely that unemployment in June of this year will be close to 6 million persons. For these reasons, I am convinced that we are justified in believing that the present unemployment conditions are sufficiently abnormal to require that existing unemployment compensation systems be supplemented as provided in this bill. The facts and statistics which I have just cited are such as to warrant the belief that something must be done to aid the unemployed. Of the two principal means of providing this relief, that is, the public assistance or relief programs of the States and the unemployment compensation systems of the States, it is the overwhelming view of those who are informed as to the facts that the unemployment compensation systems provide, not only the most practical, but the fairest method of providing this relief. The administration has taken this position and the provisions of this bill are predicated upon it. To decide otherwise and to predicate aid for the unemployed on the general assistance or public relief systems of the States would be to make any such aid contingent upon a needs test. The term "needs test" is a term of art. Generally speaking, to meet a needs test an individual must be in a state of abject poverty, without assets of any kind. Benefits for which a needs test is a prerequisite can only be received after an individual has sold or mortgaged all of his property and disposed of all his funds and savings of every kind. For what I believe are valid reasons the administration did not seek to impose it with respect to its plans for aiding the unemployed. For equally valid reasons this bill does not impose such a test, relying instead upon the normal test imposed by the existing State and Federal unemployment compensation plans.

Given the need to do something for the unemployed, which I believe we all agree to, and accepting the approach of using the unemployment-compensation systems, which appears to be equally well supported, only two major policy decisions incorporated in the bill remain open to debate, or so it appears to me. The first is the decision of how the benefits provided by the bill are to be financed, that is, by Federal grant from the general funds of the Treasury, or through increased taxation upon the employers of the future. The second decision is whether benefits will be provided only for those of the unemployed who are fortunate enough to have worked in covered employment and who have received and exhausted State unemployment compensation benefits, while nothing is done for those unemployed who, by the accident of the manner in which they make their living, worked equally long for similar wages in noncovered employment, received no State benefits to exhaust, and hence may be the more needy of the two groups.

Turning first to the decision of the committee to finance unemployment compensation benefits by grant out of the general funds of the Treasury, let us examine the method of financing provided in the administration's bill, H. R. 11679, introduced by the distinguished ranking minority member of the Committee on Ways and Means, the Honorable DANIEL A. REED, of New York. That proposal would finance benefits through increased taxation levied upon employers beginning on January 1, 1963. In other words, the administration's proposal would, in fact, impose additional tax burdens upon employers in the future to unemployment benefits today. Many such employers may not even be in existence today. Consider, if you will, first, the equity of that proposition, and then more important, the fact that the existence of a contingent liability in the form of future increases in taxation upon employers would be a serious deterrent to efforts by the States to improve their unemployment compensation plans as to coverage, benefit levels, and to terms and conditions for qualification. This contingent liability would tend to defeat the administration's own proposal that all States increase their maximum benefits so that the great majority of covered workers be made eligible for benefit payments equal to at least one-half their regular earnings, and that all States increase the maximum term of benefits to 26 weeks for every person who qualifies for any benefit and remains unemployed for a stated period. Moreover, since under the administration's proposal, a State would have benefits forced upon it whether it wished to receive them or not, some States which are already paying State unemployment taxes at the maximum rate provided by law, that is, 2.7 percent, would be placed in an adverse competitive position with respect to their neighbors.

As important as these considerations are in militating against acceptance of the administration's proposal for financing, a yet more important reason argues against acceptance of the administration's proposition. Curiously enough, you will find this reason stated in the minority views on page 34 of your committee's report, where it is stated in paragraph 3:

> (3) The purpose of the Federal-State unemployment compensation program is to provide benefit payments to laid-off workers for a relatively short period being sufficient to enable them to secure other employment in a normal labor market. It was expressly not designed to take care of protracted unemployment occasioned by economic recessions or depressions.

This is a statement of fact. The State unemployment compensation plans are presently not designed to, and are not presently capable of providing for the needs of the unemployed in a time of protracted, abnormal, and unusual national unemployment. To attempt to finance benefits to provide for a time of protracted, abnormally high, and unusual national unemployment after the fact of such unemployment through increases in the taxation upon future employers, would be to place an unbearable strain upon the State unemployment compensation plans which could well lead to their destruction, the very thing which the opponents of H. R. 12065 ostensibly wish to prevent.

The present State unemployment plans are predicated upon the assumption that in times of normal unemployment, State duration periods will be sufficient so that an individual who is out of work and wants a job can find new work within the duration period. This assumption is not justified in periods of high, abnormal unemployment as at present. This is so because there are simply not enough jobs available in such periods. To demonstrate this, even the optimistic estimates of the Department of Labor assume that between 40 and 50 percent of those of the workers who will become unemployed during the period during which benefits will be provided by this bill will be unable to find new employment before their State benefits are exhausted. If, as admitted by the opponents of this bill, the State unemployment compensation plans are inadequate to deal with the existing situation, are the Members of this body to accept the unbelievable and illogical conclusion that the existence of State unemployment compensation plans, which are designed to deal with normal unemployment, preempts the field and leaves no function to the Federal Government to perform in times of abnormal national unemployment? I think not. Rather, I think we are forced to the conclusion that the Federal Government has a legitimate and necessary function to perform in providing emergency temporary unemployment benefits to provide a last resort of aid to the unemployed until other Federal programs can effect economic recovery and further that these benefits, legitimately and necessarily, must be financed out of the general funds of the Treasury.

After examining the facts as I have detailed them to you and subjecting them to the critical and searching logic of all those who testified before your committee we reported H. R. 12065 so that the benefits which will be provided by its terms will be financed by a grant from the general funds of the Treasury. Once this decision was made, the decision involving coverage under the bill was made in such way as to avoid discrimination since to provide benefits for unemployed persons who have exhausted their benefits under State unemployment compensation plans and to provide no benefits for persons who are unemployed and who had the same attachment to the work force but who

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never had benefits to exhaust under State plans solely because they were in noncovered employment would result in unconscionable discrimination. What are the differences in a typical case between Mr. Smith and Mr. Jones? They are both highly skilled machinists. They have each worked for their respective employers for 10 years. When employed, they make the same salary, work the same hours, live in the same neighborhood in adjoining houses, have the same number of mouths to feed. They lost their jobs on the same day. I will tell you the differences. Mr. Smith worked for an employer of four or more employees. He received State unemployment compensation benefits for a period of 26 weeks. Mr. Jones worked for an employer of only three employees. For 26 weeks he received nothing. He has exhausted his savings, he has borrowed money from his inlaws, and he is at the end of his rope. Those are the differences. Can you, in good conscience, take care of Mr. Smith and not take care of Mr. Jones? Agricultural labor is not covered by the State plans with the exception of the District of Columbia. Do you want to provide needed benefits for those unemployed individuals who worked in covered employment and do nothing for agricultural laborers who, through no fault of their own, cannot get a job today? Two and two-tenths percent of agricultural workers were unemployed in March 1957; by March of 1958 this figure had increased 150 percent.

Let us examine title II of this bill objectively. What rational distinction exists between unemployed persons who worked in covered employment and those who worked in noncovered employment? They get just as hungry, their children suffer just as much, they want jobs just as much, and they are American citizens with equal rights under the law. I for one, and in this I hope I am joined by every Member of this House, will never be party to the gross discrimination of which providing benefits for only covered unemployed individuals would make us guilty.

Now, it has been said by opponents of this measure that not only is it a dole, but that it will be a financial bonanza to the willfully idle, to the bums and sluggards of the Nation. Now let me make this clear. Not one penny will be paid under the provisions of this bill to any individual who does not meet the qualifications imposed by the States in connection with their own unemployment compensation plans. Without exception an unemployed person must be able and willing to work to be eligible under this bill. The State laws do not provide payments for bums or to the willfully idle, and this bill follows State laws. Just as an individual must be unemployed and actively looking for work, be attached to the labor force, and have a wage record under the State laws, so also must a person meet these tests under the provisions of this bill. The same persons who administer the State laws will administer this act. They are no less subject to trust and confidence with respect to the benefits which will be provided by this bill than they are with respect to the benefits provided by State law. I know that they will bring to the administration of this bill the same judgment, the same honesty, and the same high sense of public responsibility that they exercise with respect to the provisions of their own State laws. I wish to make it clear that I do not agree with those who would have us believe that because these are Federal moneys, the States and the State officials are not to be trusted. In the event of malfeasance or fraud, section 303 of the bill provides adequate penalties. That section provides a fine of not more than $1,000 or imprisonment for not more than 1 year, or both, for knowingly making a false statement to a material fact or failing to disclose such a fact to obtain or increase benefits under either title for one's self or for another.

Let me reiterate that something must be done promptly for our unemployed citizens, just as other steps must be taken to halt the economic decline and bring about full economic recovery. Public-works programs cannot be placed into effect with sufficient speed to alleviate the situation of the unemployed so as to eliminate the need for this bill, and, even though a tax reduction were to be provided, it will immediately aid only those who are fortunate enough to have jobs and income with which to pay taxes. We are confronted with a necessity for speed, and every day that we delay means additional suffering for people who are experiencing real want.

I am of the opinion, and I dare say that if such action is taken by Congress, history will demonstrate the accuracy of the prediction—that whatever Congress does in this instance it is going to be a grant out of the Federal Treasury; that there will be no repayment.

I want to talk to those of you who discuss States rights so often. I am an ardent believer in States rights. Let me talk to you about this business of States rights. Here is a great omnipotent Federal Government. Under the proposal that is to be offered, with the backing of my Republican friends, under their program they say to the States: "Because the situation has presently developed, your programs do not extend unemployment compensation for sufficient periods. We are going to superimpose upon those payments our judgment of an extended time under which people ought to be paid. We are not going to do that out of Federal funds, but we are going to say to you: "Either you pay us back out of the funds accumulated out of your tax on employers, or if you do not do it, beginning on January 1, 1963, and for as long thereafter as necessary, we are going to increase the Federal take out of the total 3 percent tax over the .30 percent to .45 percent, a .15-percent increase per year, until this amount is paid back."

I say I can see the desirability of a consistent program wherein a tax is to be applied; but, for the life of me, I cannot see how such an approach which imposes the Federal will on the States will not completely interfere with State programs.

What should we be doing under such a proposal? Either we are going to take out of State funds certain amounts so as to increase the tax, perhaps in 1959, on the employers—bear this thought in mind, that when once a State fund sinks to a certain level, under the operation of State law, the tax upon the employers of that State will rise. It will go down as your fund goes higher. Under the administration's bill, therefore, we may be forcing upon the employers of the State not only an additional tax in 1963 but we may well be forcing on them some boost in tax in 1959, dependent upon how much the State will have paid back. They do not have to do it, of course prior to January 1, 1963, under the proposal.

We thought that the administration proposal would do material violence to the State systems and that it would interfere with the effort that is being made to get the States to improve their own systems, make it less likely and less possible that they could. We decided from that point of view, therefore, that this artificially arranged repayment thing was not a good thing.

We finally concluded that if a State did not repay, that we in the Congress in our wisdom—not in this Congress but a future Congress far removed from the history of the 1958 depression, or recession, would say that since employers in 1963 are not the same employers whose employees were idle in 1958 the tax will not be permitted to go into effect. We would not permit it to happen. Why would a future Congress? I think, too, that the States would say to us: "If you do that you weaken our possibility of making improvements for ourselves."

The very people who now condemn any program of extending unemployment compensation through their organization will be the first ones in here to tell us in a subsequent Congress that we are not justified in expecting them to pay the costs of unemployment benefits paid in the year 1958. That is history. Let us wipe the slate clean.

So we could not reach any other conclusion than a grant. We are working on the basis in our bill that it will be a grant. We are being honest with the people. We are not camouflaging the possibility of a grant with a high-sounding program of repayment at some future date that will never arrive.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. MILLS. Mr. Chairman, I yield myself an additional 5 minutes.

Mr. Chairman, let us think about this thing. Oh, you have been told that this applies to retired people. You have been told a lot of nonsense, in fact, about title II. Let me tell you what the facts are. Nobody will be eligible under this bill for any benefit under either title I or title II unless he is a member of the labor force of this country, unless he has a work record under State law prior to the time he draws a benefit, unless he has received wages during that period of time that qualifies him for benefits under State law. Oh, listen. The hoodlums, the bums, they have no work record. Now, those are criticisms of a State law which are unfounded, absolutely unfounded, and completely erroneous.

Now, some of my friends who talk State rights, who tell us about the think-

ing of the people back home and who want to reserve to them the right to make decisions, still come to us and tell us, "No, you cannot trust those people with State funds; you cannot trust them with State funds." I know most every unemployment director in the United States. If he has been on the job for the last 2 years, I know him. But, I know of no group of people anywhere in government, in any category of government, that I consider to be more honorable than they. All we are saying to them is this, that so far as the Federal Government is concerned, we are approaching this problem on a completely nondiscrimatory basis. We want you to utilize your systems not only to take care of those who have exhausted their benefits, but we want you to take care of those people who are otherwise qualified under your system but who are solely prevented from being under your system because of the type of work they follow.

Oh, I could give you another case; I could give you a thousand cases. Remember this, that this bill costs nothing except that the need for employment and opportunity continue. This bill is a backlog, as we say in my State, against the possibility that these things which we want most to prevent will not occur. Are we going to say that we have done enough if we merely provide public works that may be 9 months from today will get started or maybe 15 months from today will be started? Are we going to say we have done enough for those people if many have your way and we reduce taxes? Many of you do not want it, of course, but many of you do. What good, in your thinking, are you doing the man who is unemployed by undertaking to plan a project that cannot get under way for 9 months? What good are you doing this man? What will you say is the good you are doing, when you go back home, if we do do it, and tell the people of your District that you have reduced income taxes for those who have jobs? What good are you going to say you have done for those—and I am talking particularly about these people involved under title II—because already something has been done for those who are covered under existing program?

Yes, let us look at it without name calling. Let us look at the situation and determine what is needed to be done and then do it in a way that will least interfere with the State programs, least interfere with States rights, least interfere with the administration of this program. Oh, they told us in executive session of the committee, if I may be permitted to divulge this information, that this would bring about a great many administrative problems in connection with title II. Maybe we could not do it; maybe we should not do it. I pondered in my own mind whether or not I could justify to the Members of the House our failure to do it, merely because there were some administrative problems. I wondered whether or not these people would be concerned with that as the reason for leaving them out.

Frankly, my friends, there is no other sensible, logical approach to this problem, in my opinion, than that which we have outlined in this bill. I can understand my friend from Illinois, for whom I have the greatest respect, being against the whole idea. I can understand the logic of that position, but for the life of me I cannot understand the logic of a position which says that we take care of those in the labor force for an extended period of time who have enjoyed the best rate of pay, who have enjoyed the best jobs, who have enjoyed the benefits of State unemployment compensation programs, but for the others, all in the world we have in mind for them is a needs test and public relief. That is not the answer to the immediate problem of unemployment.

This bill before you I think amply accords all that the Congress can reasonably be expected to do in this area and does provide a satisfactory solution of the problem that is before us.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. CANFIELD. Does the gentleman see wherein the committee bill can lend itself to what has already been described on the floor as violent abuses?

Mr. MILLS. That raises a question in my mind whether or not violent abuses are now possible under State programs. State programs have penalty provisions. They vary among the 51 jurisdictions. Some are more severe than others. But there are penalties for misstatements and fraud within every State.

In this bill we provide what we think is a reasonable penalty; 1 year of imprisonment and/or $1,000 fine for any misstatement by anybody who is an applicant under either title I or title II.

I cannot say, I cannot take the position, believing as I do in the integrity of State and local governments, that just because money is Federal money that it will not be properly handled at State levels.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. Mr. Chairman, I would like to have the gentleman's comment on how any administrator under title II can reconstruct a wage record. The gentleman recognizes that today records are involved showing where a person has worked, how much he was getting, who his employer was, and so forth.

Mr. MILLS. That is true under title I.

Mr. BYRNES of Wisconsin. But under this system we have no wage record to go back to.

Mr. MILLS. It is not presently available in the Unemployment Security Office; no, sir. But does the gentleman say that we ought to strike out title II because some people who otherwise would be eligible under title II may not be able to establish a wage base or a work record in 1957 for the purpose of receiving benefits in 1958? I know the gentleman does not say that. The gentleman does not believe it ought to be stricken out for that purpose. I do not know why he should think so, if he does. I am sure he would not take it out just because of an administrative problem.

There are people who are not eligible under title I or under the substitute that will be proposed here. There are people whose work records are easily established, who are not eligible under title I, who would be eligible under title II. Are we going to say that just because there are a few problems that cannot be worked out with respect to a few or even 100,000 under title II we are going to deny it to all the others?

Mr. BYRNES of Wisconsin. I say to the gentleman I differ with him on this use of the term "few" because everybody who cannot qualify under title I but who comes in and applies under title II is going to cause a problem in this respect.

Mr. MILLS. No, no; I disagree with the gentleman completely.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. HALLECK. I would like to ask the gentleman if my conviction is not correct. Under title II of the committee bill, the Federal Government for the first time is going into the matter of direct relief payments to unemployed people.

Mr. MILLS. Under your program or under our program with respect to title I or title II, the Federal Government is for the first time providing funds from the Federal Treasury for the purpose of helping those people who are unemployed. There is no difference about that. The gentleman is under what I think is the misapprehension that you can resist what I think the Congress will not resist, namely, the temptation in subsequent years to forgive the tax. My conclusion, may I say to my friend, and, of course, he is entitled to his own conclusion because it is a question of judgment, my conclusion is that in either instance this is going to come out of the Federal Treasury and end up being a grant.

Mr. HALLECK. I listened to the gentleman's argument in that regard having to do with title I, and I can see how, since he is a reasonable person, and I hope I, being a reasonable person, I might go along with him there, although I do not think so.

Mr. MILLS. Will the gentleman yield to me for just a moment before he gets to his point?

Mr. HALLECK. Might I add this?

Mr. MILLS. Will the gentleman be good enough to yield to me for just a moment? What I was going to ask the gentleman is this. If you believe then, as I do, that this will or may end in a grant under either approach, would you leave out the people who are not covered under the State programs?

Mr. HALLECK. Now, just let me answer that question, if the gentleman will permit me. Title I of the committee bill and the substitute about which I have spoken have to do with unemployment compensation insurance.

Mr. MILLS. No, no.

Mr. HALLECK. Will the gentleman let me finish my statement? The gentleman asked me a question, would he be good enough to let me answer it?

Mr. MILLS. I want to correct the gentleman. It is unemployment compensation, if you want to call it that. But if you are talking about insured unemployment compensation, it is only

provided under State systems except, of course, for our system of civil-service employees and veterans—they are State systems, and that is your unemployment compensation. We are talking about an implementation through a Federal program of the benefits paid by the States under title I and under the administration program for an extended period, because we find that people are not going to be reemployed at the end of the State program.

Mr. HALLECK. I have given quite a bit of study to this matter.

Mr. MILLS. I know the gentleman has.

Mr. HALLECK. Will the gentleman permit me?

Mr. MILLS. I yield to the gentleman.

Mr. HALLECK. I would just like to give the gentleman my appraisal of the situation.

Mr. MILLS. I would be glad to have it.

Mr. HALLECK. The substitute does provide for advances to the States—not grants but advances, with provision for recoupment of the money. Now, if I am correct about that, then the essential features that were inherent in the original act that created unemployment compensation are still maintained. The gentleman's provision in title I is for direct grants.

Mr. MILLS. That is right.

Mr. HALLECK. The gentleman contends that there is no difference between what I am contending for and what he contends for because the States will never pay the money back.

Mr. MILLS. No, no; the gentleman is putting words in my mouth. I did not say because the States would not pay the money back. I said because the Congress in the future would not permit a tax to come into operation.

Mr. HALLECK. Will the gentleman yield further so that I may reply to the second part of the question, and that involves the matter of discrimination. I will say very frankly to the gentleman that the approach contained in the committee bill where you make the direct grant out of the Federal Treasury with no provision for repayment of this money would be discriminatory against those not covered under your philosophy. But, I insist by the same token that the proposal which I am supporting which says simply that these advances are to be made with provision for recoupment does not discriminate against those people who are not covered under the unemployment compensation programs. If something needs to be done for them, I might say to the gentleman I do not think it would even come from the Committee on Ways and Means. Your committee only has jurisdiction in this matter because the question of taxes is involved.

Mr. MILLS. No, no.

Mr. HALLECK. There is no tax involved in title II at all other than the grant to be given to people who are not covered.

Mr. MILLS. The gentleman knows that it would come from our committee if it was predicated upon relief or whatever was the purpose because our committee also handles social security.

Mr. HALLECK. But you handle relief because——

Mr. MILLS. We handle social security. We have Federal unemployment compensation and public-assistance programs. If we add another assistance program and create a fifth category, that is also in our committee.

Mr. HALLECK. In every one of those programs you have mentioned that have heretofore come from the Ways and Means Committee, there is a tax matter involved. There is no tax matter involved in this bill.

Mr. MILLS. Our committee is not just confined to jurisdiction over tax matters. We also have jurisdiction over the Federal debt, which is a borrowing process and not a taxing process. I would not say that our jurisdiction is simply limited to matters involved in taxation.

But let me ask the gentleman this: I am sure if the gentleman understands this thing fully he will get down here and make a speech in favor of the committee bill.

Mr. HALLECK. The gentleman is very persuasive.

Mr. MILLS. My friend feels that under a program of repayment, benefits would of necessity have to be limited to those refered to in title I of our bill. I would agree with the gentleman that if you are going to have a system of repayment, you cannot extend that system of repayment to the people we are taking care of in title II. I agree with you just as much as you agree with me, that if it is going to be a grant it has got to be this bill, but if he limits this approach to the people in title I, what are you going to do for the people in title II, or what do you recommend that we do for them?

Mr. HALLECK. Well, I have mentioned that rather briefly in my remarks on the rule. I realize that when there are people unemployed in this country of ours there is a great problem before us. But I repeat that in any Federal direct-relief program I want to take a long, hard look at that. I want to reexamine the responsibility of the States and the local communities. It would seem to me that a great many things should be considered that have not been considered in this bill before us. In my opinion you are rushing into a radical departure from anything we have ever had, a program which to my mind could never end. As far as I am concerned, I am not going for that at this time.

Mr. MILLS. The gentleman characterized this bill as a dole. Is this the first bill that has been on this floor under the guise of a dole?

Mr. HALLECK. I am convinced that it is.

Mr. MILLS. Oh, well——

Mr. HALLECK. I asked the gentleman a moment ago if the provision in title II did not for the first time put Congress on record for direct relief payments.

Mr. MILLS. For unemployment; yes. Now, what you are suggesting on the other hand is that we not do it; that we leave the solution of their problems and their needs to the States under some relief setup. That is the only other alternative I can see. Now, are you going to require matching? The States have no category of Federal assistance at the moment to take care of people merely because they are unemployed. If you do that, when is the legislature in the State of Indiana going to meet in order to provide funds or to provide legislation that will permit the State to pay to people on a matching basis with the Federal Government in the instance of unemployment? I know the gentleman realizes that if you do that the program cannot go into effect until the State legislatures that are required to take action meet and take action. We were told that it would require additional legislation in a great many States. Perhaps not all of them, but a great number would have to take action, so that there could be no help under that approach until the legislatures met and until it was decided to establish such a program in which the Federal Government could participate. The whole thing might be over and these people not aided. I do not know what would happen to them.

The CHAIRMAN. The time of the gentleman from Arkansas has again expired.

Mr. MILLS. Mr. Chairman, I yield myself 3 additional minutes.

Mr. HALLECK. Mr. Chairman, will the gentleman yield for one further question?

Mr. MILLS. I yield.

Mr. HALLECK. Certainly, in my time in this Congress, I have been called back in special session time after time after time; sometimes to deal with problems of depression, sometimes with problems of national security. As far as I am concerned I think that if this situation in any State is as bad as it is here presented to us I see no reason why the governor of the State could not reconvene the legislature and take whatever action is necessary to be taken.

I, for one, do not believe that every time we have any trouble in the country we must rush down to Congress and the Federal Government in Washington for a solution, and I am sure the gentleman from Arkansas feels the same way.

Mr. MILLS. I do exactly, I do exactly, but there is no telling that the States would take care of the situation. If we put this on a relief basis he has not been able to give me the assurance I feel the gentleman ought to give the Congress, if the Congress turns down this feature, assurance that the legislatures will act in time to assist these people.

Mr. HALLECK. I think if it were necessary in my State or if it were deemed desirable in my State to have a session of the legislature to deal with this problem, our Governor would not hesitate to call it and take whatever action is necessary.

Mr. MILLS. Let me tell you this, my friend, I do not believe you can satisfy my people about this situation by merely saying that we are going to take care of the problem of our more fortunate people who have become unemployable—more fortunate because they have had the benefit of some unemployment compensation. We have not done the job we should do when we have Congress take care of 65 percent of the total number

who are unemployed and leave it to the determination of the State as to what is to be done for the rest.

Mr. HALLECK. Mr. Chairman, will the gentleman yield further?

Mr. MILLS. I see that it will not do any good for the gentleman and I to continue this colloquy, for apparently neither is going to convince the other.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman from Indiana charged that the benefits provided by this bill were in the nature of a dole. Cannot the same thing be said of the President's bill?

Mr. MILLS. Surely.

Mr. McCORMACK. Furthermore, the gentleman said this was not a relief measure but that its purpose was to try to stimulate our national economy which has been moving downward.

Mr. MILLS. I said it was necessary as a backlog, or whatever you want to call it, an effort on the part of the Congress and the administration to get employment opportunities available for those people when their benefits under State programs ceased.

Mr. McCORMACK. We passed the housing bill making opportunity for employment open to hundreds of people.

Mr. MILLS. Certainly.

Mr. McCORMACK. And we put through an emergency road bill which changed the formula and stepped up the availability of funds, trying to end the recession and get people to work.

Mr. MILLS. Absolutely, but until those programs begin to move some help must be made available for those who are presently unemployed and who are exhausting their State benefits.

Mr. McCORMACK. And the passage of this bill would be a powerful contribution to change the direction of the economy.

Mr. MILLS. It certainly would, and it is a program we must support. Now for the information of Members I will proceed to a more technical discussion of the bill.

The bill contains three titles. Title I provides benefits for individuals who have exhausted benefits under State and Federal unemployment insurance programs. Title II provides benefits for persons who are not covered under any State or Federal unemployment insurance program. Title III contains certain general administrative provisions applicable to both cases.

First. Title I, extension of benefits to exhaustees under State and Federal unemployment insurance programs.

Eligibility: Title I provides for temporary unemployment compensation payments, during the period described below, to be made to persons who have exhausted their rights under present State and Federal unemployment insurance programs, but only in States which choose to enter into an agreement with the Secretary of Labor for the payment of these benefits. In an agreement State, the bill provides specifically for the temporary payment to persons who are still unemployed after having exhausted all right under either, first, the unemployment compensation laws of the States, the District of Columbia, Alaska, or Hawaii; second, the benefit program for unemployed Federal workers; or, third, the benefit program for unemployed Korean veterans. If the proposed insurance program for unemployed ex-servicemen is adopted, this bill will also provide additional benefits for persons who exhaust their rights under that program.

To receive benefits for a week of unemployment, a person must meet the requirements of the various State laws that require that he be ready, willing, and able to work. Generally, he must remain registered with the local employment service; he must do whatever would be expected of a reasonable person in his situation who wanted a job, and he must not refuse a reasonable job offer. The terms and conditions of the various State programs, other than those relating to duration, will apply during the period of the extended Federal benefits.

Generally, a person may exhaust his rights under a program by using up all of the benefits to which he was entitled during a benefit year, before the end of that year, or by running out of a benefit year without being able to establish entitlement to a new unemployment-compensation payment. The precise definition of an exhaustee is to be provided by regulations to be issued by the Secretary of Labor.

Benefits and duration: During the period of additional Federal payments, the individual will be entitled to receive 16 times the benefit that he was receiving for a week of total unemployment immediately prior to the time at which he exhausted the State benefits before making his first claim under this bill. If an individual had been receiving State benefits at the rate of $30 a week, he would be entitled to receive a total of Federal benefits of $480, or $30 a week over 16 weeks, provided that he remained unemployed and met the State conditions for registering at the unemployment service and seeking a new job. If a worker should pick up a part-time job that would, under the State law, reduce his weekly benefit to $15, then he would be entitled to receive this reduced benefit under the Federal program for 32 weeks if he remains partially unemployed, or until he had received the full $480. The total entitlement under the Federal program will be established at the benefit level provided for total unemployment under the State program immediately prior to the first exhaustion, even though the particular worker may exhaust his State benefits twice during the effective period of this law.

Effective dates: The bill provides payments for weeks of unemployment beginning on or after the 15th day after the date of enactment but only if the State has entered into an agreement by that time. Title I will only apply to persons who exhaust their State benefits after June 30, 1957, and make a claim under this bill before July 1, 1959. Continuing payments are provided after July 1, 1959, until November 1, 1959, for those persons who have established a valid claim under the bill and who remain unemployed. No payments may be made for any week of unemployment which begins after October 31, 1959. No retroactive payments are provided. Thus no payments can be paid in a State before the State has entered an agreement. A person exhausting his State benefits prior to the effective date of the bill and after June 30, 1957, will be paid only for unemployment after the date of enactment and before November 1, 1959.

Miscellaneous: The States will be paid, by either advance or reimbursement for the amounts of benefits paid and for any related administrative costs incurred. The procedures for agreements with the States and for reimbursement generally follow the procedures established for payments under the programs for unemployment insurance for Federal workers and for Korean war veterans except that administrative costs of these programs will not come out of the 0.3 percent Federal unemployment tax. Both of these programs are federally financed. Agreements will provide the terms under which they may be amended or terminated. Agreements may also be entered into with the appropriate agency in Puerto Rico and the Virgin Islands for the payment of additional benefits to individuals in those jurisdictions who have exhausted their benefits under the programs for unemployed Federal workers and for Korean veterans.

Second. Title II, benefits for unemployed workers not covered by any State or Federal unemployment insurance system.

Eligibility: As in the case of title I, title II will provide payments only in a State which has entered into an agreement with the Secretary of Labor. In an agreement State, the program will apply to persons who would meet the State's minimum wage experience requirements except for the fact that some or all of their base-period wages were not earned while employed by a firm covered by the State's unemployment-compensation law.

Some indication of the groups that would be entitled to benefits under title II of this bill may be obtained by the following estimates received from the Department of Labor. These estimates show the average monthly number of eligible unemployed workers for the period July 1958 to June 1959 consistent with the Labor Department estimates of total unemployment.

Employees of small firms in covered employment	140,000
Employees of State and local governments	70,000
Agricultural employees	160,000
Employees in nonprofit organizations and domestic service	120,000
Employees ineligible under State laws with noncovered wages	110,000
Total	600,000

This figure does not, of course, indicate the total number of beneficiaries under this part of the program since many of the people in this area presently unemployed will find new jobs, and people presently employed will become unemployed.

A person not covered under any State or Federal unemployment insurance program may establish his claim under this title by filing a claim with the em-

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ployment service in his State and establishing that he is available for work. He will have to establish the wages that he earned during the base period provided under that State's law, and these wages must be adequate to meet the minimum eligibility requirement provided in that State. To illustrate, the Missouri law specifies that the base period shall be the first 4 of the last 5 quarters preceding the claim for benefits, and it further requires that the individual must have at least $200 of wages in one quarter and at least $300 in the base year.

Benefits and duration: The weekly benefit amount will be computed according to the formula provided under the appropriate State law in the case of covered wages. Thus, an uncovered unemployed worker applying in Missouri for benefits who established only a minimum wage experience of $200 in 1 base quarter would be entitled to a weekly benefit of one twenty-fifth of this amount, or $8 a week. As in the case of title I, the State law dealing with partial unemployment will apply so that a particular worker may be entitled to a smaller weekly benefit for more than 16 weeks. It is intended that in the case of total unemployment, the benefit will be paid for 16 weeks provided that the individual continues to meet the various State requirements of availability and other current eligibility requirements.

Effective date: The bill provides that payments may be made for weeks of unemployment beginning on or after the 45th day after enactment, but only if the State has entered into an agreement under this title by that time. The 45-day delay is necessary in this case because of the administrative problems that will be encountered by the Department of Labor and the various State unemployment insurance agencies in setting up this new program. Payments will only be made to individuals who have established a claim under this title before July 1, 1959, but any individual who meets this test and remains unemployed may continue to receive payments for weeks of unemployment up to November 1, 1959.

Coverage: In general, the wages that an individual may take into account for purposes of computing the benefits under this title include—in addition to those wages earned in covered employment—the following:

Wages earned in employ of an employer of less than four persons;

Agricultural labor, except contract service in the United States performed by foreign agricultural workers;

Domestic service;

Casual labor not in the course of the employer's trade or business;

Service performed for a Federal, State, or local government or an instrumentality thereof;

Service performed for certain tax-exempt organizations described in section 501 (c) (3);

Service performed for a foreign government or an instrumentality thereof, or for an international organization; and

Service performed in the fishing industries.

Benefits will not be paid under this provision on the basis of wages earned by an individual who is not a citizen of the United States in the employ of a Communist or Communist-dominated government. Benefits will not be paid on the basis of wage experience during the base period in the employ of any organization which is required to be registered under the Subversive Activities Control Act.

Third. General provisions: Title III of the bill contains certain general provisions dealing with the operation of the benefit program for both exhaustees and uncovered workers. These provisions are substantially the same as those dealing with other Federal grant programs in the unemployment insurance area such as the program for unemployment benefits for Federal workers where the cost is borne by the Federal Government. Generally, these provisions assure that individuals will be entitled to the State review procedures and that penalties will be imposed for fraud. Title III also provides procedures for the payment, either in advance or on a reimbursable basis, to the States. These payments will cover both the cost of benefits and the related administrative cost.

Section 307 of this title provides that the Secretary shall have authority to make appropriate regulations for the operation of this act, and also that the Secretary shall adopt regulations dealing with the nature and extent of proofs and evidence and the method of taking and furnishing the same, in order to establish claims to benefits under the act.

Section 307 is designed to give maximum leeway to the administrators to develop the most satisfactory method of operation on the basis of the available wage information. The State in which an unemployed uncovered worker applies for benefits will initially establish and verify the individual's wage claims. This could, for example, be done by sending a postcard to the indicated employer, asking him for an affirmation or a revision of the wage claim. There is reason to expect that on the whole there will be good compliance from former employers under such a program. Several States, including New York and Michigan, at the present time operate their own unemployment-insurance system without central wage records and entirely on the basis of requests to employers for wage information on any employee who has applied for benefits. Even where there is no compliance from the former employer, there will be various types of evidence that may be useful in a particular case, such as social security wage withholding records. The statute does impose severe penalty provisions, including fines up to $1,000 and imprisonment for up to 1 year, or both, for the making of false statements in order to obtain or to increase a person's benefits under this act. The committee realizes that this whole enforcement system is not as good as the system that is possible under the present unemployment-insurance system where the wage records are provided. The practical choice, however, is whether to operate as best we can on the basis of the available information, or to deny the equitable claims of several million persons.

Fourth. Summary of State law provisions: Since the actual benefits under this bill will be paid out under the benefit provisions of the various State laws, there is provided a table containing certain summary provisions of the State provisions and certain related information concerning the State unemployment situations.

Data re State unemployment compensation programs [1]

	Alabama	Alaska	Arizona	Arkansas	California
Benefits:					
Duration	11.7 to 20 weeks	15 to 26 weeks	10 to 26 weeks	10 to 18 weeks	15 to 26 weeks.
Formula	1/26 of high quarter wage.	1.8 to 1.1 of annual wage plus dependency allowance.	1/25 of high quarter wage.	1/21 to 1/27 of high quarter wage.	1/17 to 1/21 of high quarter wage.
Average benefit, 1957 [2]	$23	$37	$27	$21	$33.
Maximum:					
Without dependents' allowances	$28	$45	$35	$26	$40.
With dependents' allowances [3]	$28	$70 with limitations	$35	$26	$40.
Maximum as percent of average State wage.	43 percent	32.6 percent	43.2 percent	47 percent	44.7 percent.
Percentage of claimants receiving maximum benefits in 4th quarter of 1957.	57 percent	58.5 percent	71.6 percent	37 percent	45.2 percent.
Qualification:					
Earnings in base year of	$210	$500	$150	$210	$600.
Plus minimum in highest quarter of [4]	$112		$37.50	$52.50	$150.
Number in insured unemployment: [5]					
Week of Apr. 12, 1958	46,000	7,255, month of March 1958.	14,000	25,000	325,000.
Week of Apr. 12, 1957	23,000	6,046, month of March 1957.	6,000	18,000	127,000.
Insured unemployment as a percent of covered workers:					
Week of Apr. 12, 1958	8 percent	Not available	6.9 percent	9.6 percent	8.7 percent.
Average weekly rate, 1954	6.5 percent	do	3.8 percent	7 percent	4.4 percent.
Average weekly rate, 1949	6.9 percent	do	5.7 percent	6 percent	10 percent.

See footnotes at end of table.

Data re State unemployment compensation programs [1]—Continued

	Alabama	Alaska	Arizona	Arkansas	California
Number of exhaustees, January through March 1958.	11,565	848	1,534	5,064	26,626.
Percentage of claimants exhausting benefits, April 1957 through March 1958.	42 percent	31.9 percent	20.3 percent	37 percent	14.4 percent.
Reserves in State unemployment fund as of Dec. 31, 1957.[6]	$88,000,000	$1,000,000 [7]	$59,000,000	$45,000,000	$99,000,000.
Ratio of reserves to highest annual cost rate since 1948.	2.7		6.9	4.3	2.2.
Present average employers' tax rate	1.1 percent		1.4 percent	1.3 percent	1.8 percent.

	Colorado	Connecticut	Delaware	District of Columbia	Florida
Benefits:					
Duration	10 to 26 weeks	8.6 to 26 weeks	11 to 26 weeks	11.5 to 26 weeks	5 to 16 weeks.
Formula	1/25 of high quarter wage.	1/26 of high quarter wage plus dependency allowance.	1/25 of high quarter wage.	1/23 of high quarter wage plus dependency allowance.	1/22 to 1/26 of high quarter wage.
Average benefit, 1957 [2]	$32	$34	$30	$27	$24.
Maximum:					
Without dependents' allowance	$35 to $44	$40	$40	$30	$30.
With dependents' allowances [3]		$60	$40	$30	$30.
Maximum as percent of average State wage.	44 percent	46.7 percent	49.9 percent	38.8 percent	44.5 percent.
Percentage of claimants receiving maximum benefits in the 4th quarter of 1957.	66.1 percent	42.4 percent	57 percent	59.3 percent	47 percent.
Qualification:					
Earnings in base year of	$420	$300	$210	$276	$200.
Plus minimum in highest quarter of [4]	$105	$75	$52.50	$130	$50.
Number in insured unemployment: [5]					
Week of Apr. 12, 1958	15,000	60,000	7,000	9,000	34,000.
Week of Apr. 12, 1957	6,000	20,000	3,000	5,000	13,000.
Insured unemployment as a percent of covered workers:					
Week of Apr. 12, 1958	4.6 percent	7.7 percent	5.6 percent	2.0 percent	4.3 percent.
Average weekly rate, 1954	2.3 percent	4.2 percent	3.1 percent	2.6 percent	3.4 percent.
Average weekly rate, 1949	2.0 percent	8.0 percent	3.0 percent	2.1 percent	5.7 percent.
Number of exhaustees, January through March 1958.	2,297	10,391	1,771	2,169	7,636.
Percentage of claimants exhausting benefits, April 1957 through March 1958.	25.6 percent	28.7 percent	30.3 percent	37.2 percent	43.5 percent.
Reserves in State unemployment fund as of Dec. 31, 1957.[6]	$77,000,000	$248,000,000	$15,000,000	$59,000,000	$94,000,000.
Ratio of reserves to highest annual cost rate since 1948.	10.4	3.4	2.8	12	3.3.
Present average employers' tax rate	0.7 percent	1.2 percent	0.6 percent	0.6 percent	0.8 percent.

	Georgia	Hawaii	Idaho	Illinois	Indiana
Benefits:					
Duration	20 weeks	20 weeks	10 to 26 weeks	10 to 26 weeks	5.6 to 20 weeks.
Formula	1/25 of high quarter wage.	1/25 of high quarter wage.	1/22 to 1/26 of high quarter wage.	1/20 of high quarter wage plus dependency allowance.	1/26 of high quarter wage.
Average benefit, 1957 [2]	$24	$27	$35	$31	$29.
Maximum:					
Without dependents' allowances	$30	$35	$40	$30	$33.
With dependents' allowances [3]	$30	$35	$40	$45	$33.
Maximum as percent of average State wage.	47.8 percent	56.8 percent	54.9 percent	33.2 percent	38.9 percent.
Percentage of claimants receiving maximum benefits in 4th quarter of 1957:	43.7 percent	30.7 percent	50.3 percent	84.4 percent	66.9 percent.
Qualification:					
Earnings in base year of	$280	$150	$472	$600	$250.
Plus minimum in highest quarter of [4]	$150	$37.50	$300	$150	$75.
Number in insured unemployment: [5]					
Week of Apr. 12, 1958	49,000	5,130, month of March 1958.	9,000	172,000	84,000.
Week of Apr. 12, 1957	26,000	2,960, month of March 1957.	7,000	68,000	32,000.
Insured unemployment as a percent of covered workers:					
Week of Apr. 12, 1958	6.3 percent	Not available	7.8 percent	6.2 percent	7.4 percent.
Average weekly rate 1954	5.0 percent	do	5.6 percent	5.3 percent	5.2 percent.
Average weekly rate 1949	4.6 percent	do	4.3 percent	5.9 percent	4.2 percent.
Number of exhaustees, January through March 1958.	11,362	610	3,183	23,960	25,304.
Percentage of claimants exhausting benefits, April 1957 through March 1958.	36.2 percent	17 percent	28.7 percent	25.5 percent	42.6 percent.
Reserves in State unemployment fund as of Dec. 31, 1957.[6]	$152,000,000	$23,000,000	$37,000,000	$501,000,000	$212,000,000.
Ratio of reserves to highest annual cost rate since 1948.	5	3.9	6	3.2	2.9.
Present average employers' tax rate	1.2 percent	1 percent	1.8 percent	0.9 percent	0.9 percent.

	Iowa	Kansas	Kentucky	Louisiana	Maine
Benefits:					
Duration	6.7 to 24 weeks	8.4 to 20 weeks	Lesser of 26 weeks or 1/3 base-period wages.	10 to 20 weeks	26 weeks.
Formula	1/20 of high-quarter wage.	1/25 of high-quarter wage.	1/25 of high-quarter wage.	1/20 of high-quarter wage.	2.2 to 1.1 of annual wage.
Average benefit, 1957 [2]	$27	$29	$26	$23	$23.
Maximum:					
Without dependents' allowances	$30	$34	$34	$25	$33.
With dependents' allowances [3]	$30	$34	$34	$25	$33.
Maximum as percent of average State wage.	40.5 percent	44.7 percent	47.8 percent	34.8 percent	49.7 percent.
Percentage of claimants receiving maximum benefits in 4th quarter of 1957.	75.7 percent	58.5 percent	41 percent	80.4 percent	32.9 percent.

See footnotes at end of table.

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Data re State unemployment compensation programs [1]—Continued

	Iowa	Kansas	Kentucky	Louisiana	Maine
Qualification:					
Earnings in base year of	$100	$200	1¼ times high-quarter wage with $250 in high quarter and 8 times weekly benefit allowance.	$150	$300.
Plus minimum in highest quarter of [4]	$25	$100		$37.50	
Number in insured unemployment: [5]					
Week of Apr. 12, 1958	18,000	21,000	63,000	28,000	31,000.
Week of Apr. 12, 1957	10,000	11,000	36,000	16,000	14,000.
Insured unemployment as a percent of covered workers:					
Week of Apr. 12, 1958	4.1 percent	5.5 percent	13.2 percent	4.8 percent	14.8 percent.
Average weekly rate, 1954	2.7 percent	3.2 percent	10.7 percent	4.1 percent	7.1 percent.
Average weekly rate, 1949	2.4 percent	2.9 percent	6.7 percent	5.0 percent	10 percent.
Number of exhaustees, January through March 1958.	5,610	4,386	7,079	5,295	4,806.
Percentage of claimants exhausting benefits, April 1957 through March 1958.	35.6 percent	28 percent	26.2 percent	40.4 percent	18.7 percent.
Reserves in State unemployment fund as of Dec. 31, 1957. [6]	$114,000,000	$86,000,000	$121,000,000	$153,000,000	$46,000,000.
Ratio of reserves to highest annual cost rate since 1948.	10.3	6.2	2.6	5	2.8.
Present average employers' tax rate	0.7 percent	1.1 percent	1.7 percent	1.5 percent	1.6 percent.

	Maryland	Massachusetts	Michigan	Mississippi	Missouri
Benefits:					
Duration	26 weeks	7.1 to 26 weeks	9.5 to 26 weeks	20 weeks	12.5 to 26 weeks.
Formula	1/24 of high quarter wage plus dependency allowance.	1/19 to 1/40 high quarter wage plus dependency allowance.	63 to 41 of weekly wage plus dependency allowance.	1/26 of high quarter wage.	1/25 of high quarter wage.
Average benefit, 1957 [2]	$31	$32	$36	$21	$26.
Maximum:					
Without dependents' allowances	$35	$35	$30	$30	$33.
With dependents' allowances [3]	$43	$35 plus amount for number of dependents.	$55	$30	$33.
Maximum as percent of average State wage.	47.3	46.9 percent	30.8 percent	54.4 percent	42.4 percent.
Percentage of claimants receiving maximum benefits in the 4th quarter of 1957.	56.7	28 percent	Not available	21.4 percent	56.5 percent.
Qualification:					
Earnings in base year of	$360	$500	$210.14	$90	$300.
Plus minimum in highest quarter of [4]	$192.01	$125		$22.50	$200.
Number in insured unemployment: [5]					
Week of Apr. 12, 1958	46,000	125,000	286,000	24,000	62,000.
Week of Apr. 12, 1957	13,000	50,000	88,000	17,000	31,000.
Insured unemployment as a percent of covered workers:					
Week of Apr. 12, 1958	6.2 percent	7.9 percent	14.6 percent	9.2 percent	6.2 percent.
Average weekly rate, 1954	4.3 percent	4.7 percent	6.5 percent	8.1 percent	4.9 percent.
Average weekly rate, 1949	5.6 percent	8.3 percent	5.6 percent	4.6 percent	4.6 percent.
Number of exhaustees, January through March 1958.	6,251	17,586	37,398	4,688	8,064.
Percentage of claimants exhausting benefits, April 1957 through March 1958.	12.1 percent	22 percent	27 percent	31.7 percent	20.2 percent.
Reserves in State unemployment fund as of Dec. 31, 1957. [6]	$117,000,000	$318,000,000	$295,000,000	$35,000,000	$227,000,000.
Ratio of reserves to highest annual cost rate since 1948.	2.5	2.1	1.8	2.4	5.3.
Present average employers' tax rate	1 percent	2 percent	1.5 percent	1.4 percent	1 percent.

	Montana	Nebraska	Nevada	New Hampshire	New Jersey
Benefits:					
Duration	22 weeks	9 to 20 weeks	10 to 26 weeks	26 weeks	13 to 26 weeks.
Formula	1/18 to 1/22 of high quarter wage.	1/21 to 1/23 of high quarter wage.	1/25 of high quarter wage plus dependency allowance.	2.0 to 1.2 of annual wage.	2/3 of weekly wage up to $45 and 2/5 above $45.
Average benefit, 1957 [2]	$28	$28	$30	$25	$32.
Maximum:					
Without dependents' allowances	$32	$32	$37.50	$32	$35.
With dependents' allowances [3]	$32	$32	$57.50	$32	$35.
Maximum as percent of average State wage.	42.5 percent	45.4 percent	43.5 percent	47.9 percent	40.1 percent.
Percentage of claimants receiving maximum benefits in 4th quarter of 1957.	58.8 percent	59.9 percent	66.9 percent	48.1 percent	67.4 percent.
Qualification:					
Earnings in base year of	$255	$400	$240	$400	$255.
Plus minimum in highest quarter of [4]	$170	$200	$60		
Number in insured unemployment: [5]					
Week of Apr. 12, 1958	14,000	10,000	6,000	15,000	151,000.
Week of Apr. 12, 1957	8,000	8,000	2,000	6,000	79,000.
Insured unemployment as a percent of covered workers:					
Week of Apr. 12, 1958	11.5 percent	4.6 percent	9.1 percent	10.5 percent	9.6 percent.
Average weekly rate, 1954	3.7 percent	2.4 percent	4.1 percent	7.6 percent	5.8 percent.
Average weekly rate, 1949	3.8 percent	1.7 percent	6.2 percent	11.1 percent	6.9 percent.
Number of exhaustees, January through March 1958.	2,925	2,329	1,268	1,285	29,492.
Percentage of claimants exhausting benefits, April 1957 through March 1958.	24.7 percent	34.4 percent	21.8 percent	13.9 percent	29.4 percent.
Reserves in State unemployment fund as of Dec. 31, 1957. [6]	$44,000,000	$38,000,000	$20,000,000	$25,000,000	$440,000,000.
Ratio of reserves to highest annual cost rate since 1948.	5.8	6.5	3.5	1.6	3.3.
Present average employers' tax rate	1.5 percent	0.7 percent	1.8 percent	1.7 percent	1.5 percent.

See footnotes at end of table.

Data re State unemployment compensation programs [1]—Continued

	New Mexico	New York	North Carolina	North Dakota	Ohio
Benefits:					
Duration	12 to 24 weeks	26 weeks	26 weeks	20 weeks	9.2 to 26 weeks.
Formula	1/26 of high-quarter wage.	67 to 51 of weekly wage	2.0 to 1.1 of annual wage.	1/24 of high-quarter wage plus dependency allowance.	1/17 to 1/25 of high-quarter wage plus dependency allowance.
Average benefit, 1957 [2]	$26	$31	$20	$28	$33.
Maximum:					
Without dependents' allowances	$30	$45	$32	$26	$33.
With dependents' allowances [3]	$30	$45	$32	$35	$39.
Maximum as percent of average State wage.	40.7 percent	50.6 percent	53.6 percent	38.1 percent	37.1 percent.
Percentage of claimants receiving maximum benefits in 4th quarter of 1957.	59.3 percent	48.1 percent	13.7 percent	74.9 percent	78.6 percent.
Qualification:					
Earnings in base year of	$300	(20 weeks at average of $15 or more in preceding 52 weeks or 15 weeks at average of $15 or more in preceding 52 weeks; or 40 weeks at average of $15 or more in preceding 104 weeks.	$500	$252	$240.
Plus minimum in highest quarter of [4]	$150			$63	$60.
Number in insured unemployment: [5]					
Week of Apr. 12, 1958	8,000	393,000	72,000	6,000	217,000.
Week of Apr. 12, 1957	4,000	210,000	47,000	4,000	162,000.
Insured unemployment as a percent of covered workers:					
Week of Apr. 12, 1958	4.9 percent	7.7 percent	8.3 percent	9.3 percent	8.2 percent.
Average weekly rate, 1954	3.8 percent	5.3 percent	6.4 percent	4.3 percent	4.0 percent.
Average weekly rate, 1949	2.7 percent	8.3 percent	5.5 percent	2.1 percent	4.9 percent.
Number of exhaustees, January through March 1958.	1,104	29,730	10,121	679	17,443.
Percentage of claimants exhausting benefits, April 1957 through March 1958.	23.7 percent	12.6 percent	19.6 percent	22.8 percent	17.8 percent.
Reserves in State unemployment fund as of Dec. 31, 1957. [6]	$41,000,000	$1,356,000,000	$182,000,000	$10,000,000	$619,000,000.
Ratio of reserves to highest annual cost rate since 1948.	6.6	2.8	3.8	2.6	4.4.
Present average employers' tax rate	1.5 percent	1.9 percent	1.4 percent	1.6 percent	0.9 percent.

	Oklahoma	Oregon	Pennsylvania	Rhode Island	South Carolina
Benefits:					
Duration	6.7 to 26 weeks	12.9 to 26 weeks	30 weeks	7.9 to 26 weeks	10 to 22 weeks.
Formula	1/26 of high quarter wage.	1/26 of high quarter wage.	1/25 of high quarter wage on 50 percent of full-time weekly wage, if greater.	1/26 of high quarter wage.	1/21 to 1/26 of high quarter wage.
Average benefit, 1957 [2]	$25	$35	$30	$28	$22.
Maximum:					
Without dependents allowances	$28	$40	$35	$30	$26.
With dependents allowances [3]	$28	$40	$35	$30	$26.
Maximum as percent of average State wage.	37 percent	47.9 percent	44.7 percent	43.1 percent	44.7 percent.
Percentage of claimants receiving maximum benefits in 4th quarter of 1957.	71.5 percent	61.8 percent	56.4 percent	74.9 percent	36.7 percent.
Qualification:					
Earnings in base year of	$200	$700	$320	$300	$240.
Plus minimum in highest quarter of [4]	$50	$175	$120	$75	$120.
Number in insured unemployment: [5]					
Week of Apr. 12, 1958	28,000	36,000	343,000	28,000	23,000.
Week of Apr. 12, 1957	15,000	26,000	158,000	20,060	15,000.
Insured unemployment as a percent of covered workers:					
Week of Apr. 12, 1958	6.8 percent	9.6 percent	10.5 percent	10.8 percent	5.5 percent.
Average weekly rate, 1954	4.5 percent	7.2 percent	7.3 percent	9.6 percent	5.2 percent.
Average weekly rate, 1949	4.9 percent	7.9 percent	5.5 percent	13.9 percent	5.5 percent.
Number of exhaustees, January through March 1958.	5,377	11,062	31,211	7,275	6,624.
Percentage of claimants exhausting benefits, April 1957 through March 1958.	38.3 percent	24.1 percent	18.6 percent	33.3 percent	36.2 percent.
Reserves in State unemployment fund as of Dec. 31, 1957. [6]	$54,000,000	$42,000,000	$347,000,000	$31,000,000	$75,000,000.
Ratio of reserves to highest annual cost rate since 1948.	3.7	1.3	1.2	0.7	3.8.
Present average employers' tax rate	1 percent	1.4 percent	1.2 percent	2.5 percent	1.3 percent.

	South Dakota	Tennessee	Texas	Utah	Vermont
Benefits:					
Duration	5.7 to 20 weeks	22 weeks	8 to 24 weeks	15 to 26 weeks	26 weeks.
Formula	1/22 to 1/24 of high quarter wage.	1/24 to 1/26 of high quarter wage.	1/24 of high quarter wage.	1/26 of high quarter wage.	1/22 to 1/26 of high quarter wage.
Average benefit, 1957 [2]	$26	$24	$24	$32	$25.
Maximum:					
Without dependents allowances	$28	$30	$28	$37	$28.
With dependents allowances [3]	$28	$30	$28	$37	$28.
Maximum as percent of average State wage.	41.8 percent	45.3 percent	37.2 percent	50.1 percent	41.1 percent.
Percentage of claimants receiving maximum benefits in 4th quarter of 1957.	71.7 percent	41.6 percent	61.8 percent	61.1 percent	55.1 percent.
Qualification:					
Earnings in base year of	$600	$320	$450	$400	$300.
Plus minimum in highest quarter of [4]	$250	$182	$112.50	$100	$200.
Number in insured unemployment: [5]					
Week of Apr. 12, 1958	3,000	62,000	78,000	12,000	6,000.
Week of Apr. 12, 1957	2,000	43,000	34,000	6,000	2,000.

See footnotes at end of table.

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Data re State unemployment compensation programs [1]—Continued

	South Dakota	Tennessee	Texas	Utah	Vermont
Insured unemployment as a percent of covered workers:					
Week of Apr. 12, 1958	4.7 percent	9.3 percent	4.3 percent	6.2 percent	8.6 percent.
Average weekly rate, 1954	2.5 percent	8.8 percent	2.3 percent	4.1 percent	5.6 percent.
Average weekly rate, 1949	1.8 percent	8.6 percent	1.9 percent	4.1 percent	7.9 percent.
Number of exhaustees, January through March 1958.	1,005	12,892	17,338	1,075	871.
Percentage of claimants exhausting benefits, April 1957 through March 1958.	37.1 percent	38.8 percent	38.5 percent	20 percent	21.9 percent.
Reserves in State unemployment fund as of Dec. 31, 1957. [6]	$14,000,000	$92,000,000	$301,000,000	$40,000,000	$17,000,000.
Ratio of reserves to highest annual cost rate since 1948.	8.8	2	9	4.9	2.9.
Present average employers' tax rate	0.9 percent	1.5 percent	0.6 percent	1.1 percent	1.4 percent.

	Virginia	Washington	West Virginia	Wisconsin	Wyoming
Benefits:					
Duration	8 to 18 weeks	12 to 26 weeks	24 weeks	10 to 26½ weeks	12 to 26 weeks.
Formula	½₂₅ of high quarter wage.	2.0 to 1.1 of annual wage.	1.8 to 1.0 of annual wage.	63 to 51 of weekly wage.	½₂₅ of high quarter wage plus dependency allowance.
Average benefit, 1957 [2]	$23	$30.39	$24	$32	$34.
Maximum:					
Without dependents allowances	$28	$35	$30	$38	$41.
With dependents allowances [3]	$28	$35	$30	$38	$47.
Maximum as percent of average State wage.	42.3 percent	41.6 percent	30.7 percent	45.6 percent	55.2 percent.
Percentage of claimants receiving maximum benefits in 4th quarter of 1957.	40.1 percent	51.6 percent	56.1 percent	46.7 percent [5]	46.7 percent.
Qualification:					
Earnings in base year of	$250	$800	$500	$224	$375.
Plus minimum in highest quarter of [4]	$62.50				$250.
Number in insured unemployment: [5]					
Week of Apr. 12, 1958	32,000	51,000	49,000	56,000	4,000.
Week of Apr. 12, 1957	12,000	30,000	12,000	25,000	2,000.
Insured unemployment as a percent of covered workers:					
Week of Apr. 12, 1958	4.4 percent	8.0 percent	13.0 percent	6.5 percent	6.3 percent.
Average weekly rate, 1954	3.7 percent	6.6 percent	11.6 percent	4.1 percent	3.2 percent.
Average weekly rate, 1949	4.1 percent	8.0 percent	6.2 percent	3.5 percent	1.8 percent.
Number of exhaustees, January through March 1958.	10,017	14,700	4,491	19,600	708.
Percentage of claimants exhausting benefits, April 1957 through March 1958.	38.8 percent	21 percent	17.0 percent	42.5 percent	26.3 percent.
Reserves in State unemployment fund as of Dec. 31, 1957. [6]	$93,000,000	$204,000,000	$67,000,000	$259,000,000	$16,000,000.
Ratio of reserves to highest annual cost rate since 1948.	3.9	4.3	1.6	5.7	5.7.
Present average employers' tax rate	0.7 percent	2.1 percent	1.1 percent	0.9 percent	1.1 percent.

[1] Compiled from U. S. Government sources.
[2] Rounded to the nearest dollar.
[3] Where dollar amount is the same as dollar amount for maximum without dependents allowance, there is no dependents allowance in this State.
[4] No figure will appear on this line where benefit formula is based on a weekly or annual basis, except as indicated.
[5] Figure rounded to nearest thousand.
[6] Rounded to the nearest million dollars.
[7] Includes $263,000,000 loan received January 1957.
[8] Represents data on a per-employer basis and is not strictly comparable.

The CHAIRMAN. The gentleman from Arkansas has consumed 50 minutes.

Mr. REED. Mr. Chairman, I yield myself 15 minutes.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. HALLECK. Mr. Chairman, before the gentleman from New York begins will he yield to me that I may further reply to the gentleman from Arkansas [Mr. MILLS]?

Mr. REED. I yield to the gentleman.

Mr. HALLECK. The gentleman again tried to point out that there is a seeming disparity in our suggested substitute as between people covered who are unemployed and those not covered. My response is that if there is discrimination it grows out of the development of the unemployment compensation system from the beginning. When the program was started, it included only people covered under unemployment compensation; it did not undertake to cover anybody else. So the gentleman clearly is departing from the original intent.

With respect to the needs clause, Governor Williams of Michigan testified that he would be willing to suggest a 50–50 participation. Then he went ahead to say that he would administer it under the welfare fund because, "I think this should be on a need basis rather than on a particular number of dollars."

It may well stimulate the economy by spending a couple of billion dollars more money out of Washington under this program, I do not know, but, in any event, certainly these considerations ought to be before us.

Mr. REED. Mr. Chairman, I might mention at the outset that I sponsored legislation for the appropriation of $200 million for the States to take care of situations which confront them at the present time on unemployment.

Mr. Chairman, I am opposed to the legislation, H. R. 12065, in the form that it is now before this distinguished body.

The proposal is unsound in principle in that it purports to make Federal funds available from the general account of the Treasury to be paid under a program that will for all effective purposes be subject to the exclusive administration of the States. The legislation is devoid of any inducement for frugality and is without incentive for scrupulous and efficient administration. This feature of the bill is unsound in its inception and would bode dangerous potentialities with respect to the future. If these funds are made available by the Federal Government and the States in administering the program through inadvertence permit abuse to occur, we can expect that there will soon follow an insistence that the Federal Government be given legislative authority to intervene in State administration. Therefore, it is not unwarranted to say that this legislation has as one of its principal evils the seeds of federalization of the various State unemployment compensation programs.

The proposal submitted by the majority is an abandonment of the insurance principles that exist under the existing Federal-State unemployment compensation program. The bill proposes to make Federal funds available to States so that benefit payments could be extended as a matter of statutory right to individuals regardless of whether or not such individuals are covered under the State program. It may be represented today that H. R. 12065 is a liberalization of the unemployment compensation law based on compassion for anyone who is unfortunate enough to be unemployed. This is not liberalization; it is unrestrained reactionary legislation. A vote for this bill is a vote against the effective continuation of the unemployment compensation program. By making benefit payments available

to virtually everyone we will be creating a dole that will fall into the same disrepute that attached to the ill-fated English dole in the 1920's. With the abuses and maladministration that will inevitably become a part of this majority proposal, we will find the indignation of our American taxpayers advanced toward the entire unemployment compensation program. The consequence will be public demand for the abolition of the entire program. It is for that reason that I denounce this legislative proposal as being reactionary in character by virtue of the threat it poses to the destruction of the present Federal-State unemployment compensation relationship.

If the majority considers that a public dole—a program of national relief—is the desirable system, they would be acting in a more responsible and forthright manner if they were to propose legislation of that character as such rather than proposing it under the fallacious guise of being an improvement in the existing unemployment-insurance system.

Congress in the past has consistently recognized the need for preserving the integrity of the Federal-State unemployment-compensation program by refusing to enact legislative proposals that would federalize the system or that would provide Federal supplemental benefits. The proponents of this legislation endeavor to justify it with gloomy descriptions of the vast number of destitute American citizens who have exhausted their benefit entitlement. Those prophets of catastrophe are men of very little faith in our American economy. Perhaps they are also men who have too great a regard for political expediency. They are men who saw little calamity in the recession of 1949–50 when unemployment was higher in a relative sense than it is today; when the number of individuals not able to claim benefits under any public program stood at 1.9 million in March 1950 compared to 1.7 million in March 1958. They are men who would legislate for supposed political advantage to put our citizens on a public dole and as a consequence provide them with a dole under Government enterprise rather than jobs in private enterprise.

Secretary of Labor Mitchell and several of the State officials responsible for the administration of the unemployment compensation program have termed the majority bill unworkable and impractical. They have stated that the proposal will seriously delay if not destroy efforts to deal effectively with the problem of benefit exhaustion.

It is significant to note that H. R. 12065 purports to give unemployment compensation benefits to occupational groups that the States have found it necessary to exclude specifically from coverage under the State program because of the administrative impossibility of securing adequate wage records and imposing effective reporting requirements with respect to the employment of individuals in these job classifications. The committee, during its deliberations on this legislation, has received no testimony that the proposal is administratively feasible. We have received information that it is administratively infeasible. In callous disregard of this admonition the majority of the committee acted to report this legislation to the House.

Mr. Chairman, I will not take further time to expose this legislative political gimmick for what it is. The committee report is available to the membership. The separate and minority views of those members of the Committee on Ways and Means who are responsibly concerned over the implications of this legislation are set forth beginning on page 30 of that report. I call these views to the attention of my colleagues so that they may study the information set forth therein prior to the time they are called upon to vote.

Mr. Chairman, it will be the purpose of the minority membership of the Committee on Ways and Means to join with certain of the majority members of our great committee to offer an amendment to this bill in the nature of a substitute. That amendment will provide for temporary supplemental unemployment compensation benefits on a repayable basis through a program of advances to the respective States subject to the election to participate in such a program by each individual State. This substitute will not threaten to impair or destroy the existing Federal-State unemployment insurance relationship. The details of that amendment are set forth in the CONGRESSIONAL RECORD for April 29, 1958, on page 7666. The details are also set forth in bills introduced by my distinguished committee colleagues, the gentleman from Pennsylvania [Mr. SIMPSON], H. R. 12245; the gentleman from Virginia [Mr. HARRISON], H. R. 12243; and the gentleman from Florida [Mr. HERLONG], H. R. 12244.

Mr. Chairman, at the time of the committee action on H. R. 12065, I issued a press release condemning the legislative proposal of the majority. As a part of my remarks, I will read that release at this point:

The Honorable DANIEL A. REED, ranking Republican member of the House Committee on Ways and Means, today issued the following statement with respect to action taken by the committee on legislation purporting to provide temporary unemployment compensation benefits:

"Based on action taken today by the Democrat majority of the House Committee on Ways and Means with respect to an unworkable so-called formula to provide temporary supplemental unemployment compensation benefits the conclusion is inescapable that the Democrat Party has placed itself in orbit in the miasma of panicky political irresponsibility. The apogee and the perigee of the Democrat orbit have not yet been determined but the proposal is expected to exceed the wildest dreams ever visualized by either the New Deal or Fair Deal social planners of the Roosevelt-Truman era.

"The Democrat proposal is heedless of the cost to the American taxpayers and demonstrates a calloused indifference to the proposal's administrative infeasibility. The consequence is that supplementary benefits under the unemployment compensation program have become less certain that at any time since the President's message on this subject was sent to the Congress on March 25, 1958. The Democrat Party has established itself as the architect of a system of American dole that will perpetuate high taxes, stifle individual initiative, and make more remote job opportunities in private enterprise.

"The Democrat majority has presented a hastily conceived dole system expressed in terms of vague principles without statutory definition. The plan is discriminatory in its application and is administratively infeasible in that it purports to give unemployment compensation benefits to persons who have not been in the labor market since the end of 1955. Implementation of this proposal will constitute a raid on the general funds of the Treasury and will make inevitable consideration of a further increase in the statutory debt limit. It is a crass demonstration of politics as usual in which the Democrats excel. This proposal embodies proposed amendments to our unemployment compensation program that have in other years been vigorously opposed by Democrat members of the committee who now support the proposal.

"It is my hope that in the interest of developing a workable program of promptly helping those American citizens who are experiencing temporary unemployment in the current economic downturn the committee will act responsibly to reconsider the action it has taken today."

I close by urging my colleagues in the House of Representatives to vote in favor of the amendment I shall offer in the nature of a substitute. The difference between the amendment I propose and the legislation offered by a majority of the Committee on Ways and Means is the difference between effective action to do something to give help to those covered individuals who have exhausted their benefit entitlement and doing something that will deny such help to these individuals.

Mr. FINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Chairman, the economic outlook for those currently unemployed is sufficiently bad to warrant drastic emergency action by this Congress.

In my opinion, there should be no distinction in our laws between a so-called covered and uncovered jobless worker. Both workers, once unemployed, need help and it is our responsibility to furnish it. Justice demands such action on our part.

I agree with President Eisenhower when, in recommending prompt action on his unemployment benefits proposal, he said:

This is not a matter of statistics or economic theory. It concerns people, human beings, who need, and should have the assistance of their government.

This present recession has hit the pockets and stomachs of our unemployed people and this type of remedial legislation is needed to help them—no matter what we call it.

We must remember that hunger makes no distinction between one type of jobless worker and another—hunger strikes without a conscience.

Mr. FORAND. Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. BOGGS].

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Mr. BOGGS. Mr. Chairman, I read from the morning paper of today:

A drop of 78,000 in unemployed for April—but not as much as normal—was announced yesterday by the Commerce Department.

Government economists agreed that the new figures showed no strengthening in the economy and at best reflected a temporary leveling-off.

The jobless total for April was put at 5,120,000 compared to 5,198,000 in March. A normal decline between the 2 months would have been from 200,000 to 300,000.

The figures which we had for March likewise showed that there had been no upturn in our economy. As a matter of fact, just as the April figures have failed to respond seasonally, March did likewise. It is probable, unfortunately, that these figures will continue to increase because of two factors. One is that the rate of expansion is down tremendously. No. 2, within the next 4 to 5 to 6 weeks we will be graduating from the high schools and colleges about one and one-half million young men and women, all of whom will be seeking employment. They can obtain that employment either as the result of new jobs being created in an expanding economy, which is not happening, or by displacing people who normally enter the retirement forces. Obviously, as many people as possible are going to continue to keep their jobs, and it is quite obvious that by June there will be over six million people unemployed in the United States.

Mr. Chairman, I will read from an article by Mr. Nate White, who I think all will consider a conservative writer, in the Christian Science Monitor for Saturday last. This is under a New York dateline. I quote:

By every careful analysis, the trend of the United States economy is still down.

This writer would prefer to report cheerfully, but when the looked-for upturn does not exist, the continuance of the downslide must be recorded.

Following is the considered judgment of thoughtful students of the economy in business, banking, and university circles in Boston and New York with whom this writer has talked.

The Nation is recording the most unprecedented sharp drop in its national output of goods and services in history.

Let me repeat that. These are not my words:

The Nation is recording the most unprecedented sharp drop in its national output of goods and services in history. None of the policies put into effect in Washington has affected this drop and none of the policies now in effect is likely to do much about it this year.

History will show that the great danger in 1957, 1958, 1959 recession was that the hard lessons would not be learned to prevent the recession from gaining momentum.

The tools and the knowledge to have slowed this recession existed. They have not been fully applied. Ever since the great depression of the 1930's thoughtful businessmen, Government officials, university specialists have been at work, nonpolitically, searching out and developing the tools to use in both periods of boom and bust.

The American people have been told that the "built-in stabilizers" would "never again" let them suffer from extreme depression or inflation. This statement about the economy is true, but it requires applicators.

What has gone wrong?

Essentially, what the United States is struggling with is a clash between the old and the new school of economic thought. The old school most symbolized by George Humphrey, former Secretary of the Treasury, demands a balanced budget, high interest, and high taxes. To a very large degree, it is the classical laissez faire approach to the economic problem, let nature take its course. In other words, let business, labor, agriculture and Government suffer for their excesses and learn the hard way.

The new school best symbolized by Dr. Arthur F. Burns, president of the National Bureau of Research and former chairman of the President's Council of Economic Advisors—

And that is President Eisenhower, of course—

would utilize budget deficits to serve the economy constructively and the tax, monetary, and debt-management powers of the Government to counteract depression and inflation. The Eisenhower Administration today is still following the Humphrey economic philosophy. Certainly, what "built-in stabilizers" the country has have served well.

I call the attention of my colleagues especially to this part:

Unemployment insurance and better credit policy are the two principal instruments which are being used.

Now, what Mr. White is saying is that there has been no use of public works; there has been no use of tax flexibility; there has been no stimulation of the economy and that the only weapons that have been employed are unemployment compensation and some degree of flexibility in the credit policy. Let me tell you how accurate he is particularly with reference to the alleged public-works program. Let me show you what is bound to happen if they now abandon the only thing they have been using; namely, unemployment compensation. If we do not pass this bill we will have abandoned the one weapon that has had some degree of effectiveness in this period of recession.

You hear about public works. Well, let us try to analyze what we have done so far. I do this in as objective a vein as I know how, because I think we are all to blame. I do not think we can go around and pat ourselves on the back. I am talking about those on our side of the aisle now. Take public works. Talk about the highway program. I pride myself in knowing a little something about the highway program, because I helped to write it. The highway program is way, way behind schedule, and it is going to go further behind schedule by the reason of these multiplier effects of this continuing recession. Despite the fact that the States must put up only 10 percent, they will find it very difficult to do so, because most municipalities and most of the States today are in serious fiscal difficulties because of the economic downturn. In addition to that, even though it were possible to get up with this matching formula, the problem of the acquisition of rights-of-way, the determination of routes, the making of engineering studies would in itself occasion a great deal more delay.

Let us look at some of the other subjects. They talk about the $1,800,000,000 housing program. According to the figures published by Mr. Cole, the Housing Administrator, not more than three or four hundred million dollars of that $1,800,000,000 can be employed in the program this year. There was much conversation about the rivers and harbors bill which was vetoed by the President and which may yet be overridden. But certainly that could have no immediate effect. At best, it is just an authorization. It does not appropriate one nickel in public funds for projects.

There is some talk about this proposal which has been pending in the other body which would finance loans to the municipalities for public works. But again, you come back to the fundamental proposition that in this business downturn the municipalities are likewise experiencing difficulties. I know that mine is, and as far as I can ascertain the same situation prevails elsewhere, particularly in the large centers where heavy unemployment is involved.

Well, we have increasing unemployment. We are about to have a million and a half young people enter the labor force. We find an unprecedented downturn in expansion. As a matter of fact, I saw some quotations in a paper the other day which quoted Mr. Allen Dulles, head of our Central Intelligence Agency, as saying that for the first time in the history of the world the Russians exceeded us in steel production in the first quarter of 1958. Why? Because our steel production is down to less than 50 percent capacity, and the Russians are operating at full capacity, as are the satellite nations all over Europe and in China. So, here the Soviet bloc exceeds us for the first time.

Now, take a further look at the economy and see what may haunt our dreams at night if you want to get into a lather about title II of this bill. There is about $45 billion in consumer credit in the United States. When I say "consumer credit," I don't mean houses and farms. I mean credit for refrigerators, automobiles, stoves, radios, television sets, and appliances generally.

The latest figures I have seen show that more than 50 percent of the people who must pay these bills, are dependent upon their jobs to pay them off. By that I mean that if Mr. X loses his job tomorrow, come the first of May, tomorrow, he is going to have no source of revenue with which to pay the installment on the electrical equipment that he has bought, the automobile he has bought, and so on.

What is happening in those industries? Automobiles are backed up everywhere. What do you think is going to happen if, all of a sudden, people start turning them in instead of continuing their payments on them? What is going to happen if they keep turning in their washing machines, their refrigerators, and other equipment instead of paying them off? It just means more loss of confidence. Do you think that is going to get us out of the recession? Quite the contrary, people are going to become frightened and scared, and those who could carry on will not carry on, and despite all the admonitions coming out of the White House they are not going to buy, because they

are not going to have confidence in the system.

I think that is the only type of background against which you can consider this legislation. If you do not consider it against this background then you would not vote for it. But by the same token you would not vote for a lot of other bills, you would not vote for a farm program if you did not think it was essential to the United States to keep the farmers on the farms to continue to produce enough food and fiber to feed us. You would not vote $50 billion for national defense if you did not realize that we had an enemy who might strike us at any time. You would not vote to subsidize the merchant marine and the aircraft industry and countless other business enterprises in America if you did not recognize that they were essential to our free enterprise system. That is why you do it.

I am somewhat disturbed about arguments to the effect that this would do great violence to the whole unemployment compensation system. I say if we do not do it we will have done a violence to the free enterprise system that may take us many years to recover from. Why do I say that? We cannot afford to have another real depression in this country. I do not say this in any partisan sense. God knows we as Democrats cannot get any mileage out of a depression. A depression means hardship, it means suffering, it means poverty, it means loss of confidence in government at a time when the free nations of the world look to us for leadership. So it is incumbent upon us as Americans to prevent a depression in this country.

Suppose we keep all these people completely out of the market as consumers and purchasers. Suppose we decide there is no way for them to pay off their installment debts. Suppose we say to them, we will hand you a loaf of bread, we will let you get in a bread line the next time your unemployment period expires. Is this going to preserve the free-enterprise system? Is this going to make us strong? Of course not. That will not preserve the free enterprise system by any stretch of the imagination. When did you have more communism, more screwballism in this country than you had back in the depression years?

The only way you can approach this bill is on this basis. I remember when I was growing up my mother told me one day that when somebody called me a name not to pay any attention to him. She said: "Son, you know bricks and stones may break your bones, but names will never hurt you." That was very consoling to me then, but it is not very consoling to me now, because, unfortunately, in the adult world it is not true. Bricks and stones may break your bones, but time will heal them for you.

Give something a bad name, and you kill it. So, what do you do? You call this a dole. We have been using this tactic for a long time, sometimes to our detriment. Back here in some recent campaigns we called everybody who was liberal, who could read and write, an egghead, and if a kid studied his lessons pretty hard they called him a grind. This implied that there was something wrong with these people. It was not good to be an egghead or to be a grind. So all of a sudden we wake up and find out that Russia is full of eggheads and grinds and we have to figure out how to get enough eggheads and grinds. I remember some fellow said to me: "You talk like a do-gooder," I said, "Well, maybe so, I do not know, but as far as I am concerned, I would rather be a do-gooder than a do-bader." So maybe this is a dole.

But, as my distinguished chairman so ably said a few moments ago, if our program is a dole, President Eisenhower's is a dole too, just as sure as we stand here in this Chamber. If any man can vote for Mr. Eisenhower's program on the theory it is not a dole and vote against this one on the theory it is a dole, he is either kidding himself or deliberately being a hyprocrite pure and simple.

As a matter of fact, we have had to have emergency legislation over the years for all sorts of situations. This old idea that you must hand this all back to the States. It just is not true from an academic point of view, and I am talking from the economic effect of it. We argued all this over back in the depression days. This is like a movie. This is like where you came in. But thank God, a lot of people have learned.

Let me give you an example.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. KARSTEN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BOGGS. Mr. Chairman, some may remember around 1932 or 1931 when you saw great big headlines in the newspapers about John D. Rockefeller buying X hundred thousand shares of stock to bolster the market and about the time he would buy that stock, President Hoover would issue a new statement about prosperity being right around the corner again. A descendant of that same Rockefeller issued a statement just a few days ago. He put it on television, on "Meet the Press." He knew you could not beat the recession that way. He knew you had to maintain the basic purchasing power in the American people. He did this in a very courageous, well-thought-out economic approach to these problems, without any politics. He said he was a Republican, and I take it he was telling the truth. He advocated the extension of unemployment compensation and he said he would not quibble about its form, that it had to be done from a national point of view. Is he in company all by himself? Not at all. As a matter of fact, the Board of Governors of the Federal Reserve System, which I would not think you would call exactly radical, went to some length to talk about it in its recent report of a few days ago. Mr. Burns, who has already been cited here today, who was first chairman of President Eisenhower's Board of Economic Advisers—not President Truman's but President Eisenhower's Board—stated that this must be done and he stated that this is only one step, that we must have tax adjustment as well. A moment ago I saw on the floor, my distinguished friend, the gentleman from Pennsylvania [Mr. SIMPSON], for whom I have a profound respect. The gentleman from Pennsylvania [Mr. SIMPSON] has a bill pending before our committee which, if enacted into law, would provide a tax reduction of four, five, six, or seven billion dollars, I do not know the exact figure. In any event, he recognizes that the economy is in a position where it needs a stimulant and it must have a stimulant. He is not the only one. Countless others on that side of the aisle have similar bills as do members of my party.

I could mention the Committee on Economic Development, made up of prominent, outstanding American businessmen, heads of great American corporations, not radicals but men who are devoted to the private enterprise system, who understand that this system cannot function unless you maintain the consuming power of the American people. They, too, have endorsed this program.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. I wonder if the gentleman could furnish, as part of his remarks, the exact statement of this group where they endorsed this bill that is before us today.

Mr. BOGGS. No, I cannot; because I think I told the gentleman that I did not attribute exact endorsement of this bill to these gentlemen.

Mr. BYRNES of Wisconsin. The gentleman is saying they are for this program. I would like to have him name the individuals whom he says endorse this bill.

Mr. BOGGS. I say that they recognize the program of unemployment compensation is vital to the economy of our country. Now, if the gentleman wants to quibble about title I and title II, as the gentleman has been doing for the last 2 weeks, that is perfectly all right with me.

Mr. REED. Mr. Chairman, I yield 25 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, we always enjoy listening to the gentleman from Louisiana [Mr. BOGGS]. Certainly he has painted a picture which, if completely true, would give all of us some very, very restless nights. I am not going to underestimate any problems that we have in the economic field, because we certainly have them. But, I think we do a disservice to our people if we attempt to overestimate and enlarge whatever difficulties we may have.

Mr. Chairman, from some of the speeches that have been made this afternoon about this particular piece of legislation, I must frankly admit confusion. It was my impression in the beginning that this problem was being presented and the proposed bills were being presented first by the President and then by the gentleman from Arkansas [Mr. MILLS], the gentleman from Massachusetts [Mr. MCCORMACK], and other Members as a matter of relief to individuals;

that the purpose was to avoid distress on the part of the people that were unemployed. Now the emphasis seems to have shifted somewhat and now this seems to have become an antirecession matter. It is not the need of the individual, but a matter of trying to get some method of bringing increased purchasing power into the economy.

Mr. Chairman, I would suggest that before we go further, we had better make up our mind what our objective is as far as this legislation is concerned. And may I suggest to the gentleman from Arkansas, the chairman of our committee, and the gentleman from Louisiana [Mr. Boggs], who have suggested this as an antirecession measure that much more could be accomplished with the $1½ billion this bill will cost toward assisting in any antirecession measure by a tax-reduction bill of that amount.

I think there are other methods that could be advanced which would create jobs, not just keep people unemployed and encourage further unemployment.

I am not suggesting that they pass a tax reduction bill, but I am saying that if this situation that they paint requires a bill of this kind, then it would seem that this committee might do a much better job by reporting out at this time something in the field of its basic jurisdiction, namely, revision of our tax laws, which certainly can stand revision.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Rhode Island.

Mr. FORAND. Mr. Chairman, I wonder if the gentleman has read the majority report with respect to the idea of helping the economic situation as well as trying to relieve human suffering, which is set out here. This is nothing new. These speeches on the floor have not brought out anything new. In the very first part I call the gentleman's attention to this. Under the title "Purpose and Summary of Bill" we find:

> The purpose of H. R. 12065 is to help offset the loss of purchasing power by unemployed individuals and to help relieve the toll in human misery and deprivation which the loss of purchasing power entails for such people while at the same time to help bolster our sagging economy.

Mr. BYRNES of Wisconsin. Yes, as an incidental proposition, but the gentleman from Louisiana [Mr. Boggs] places his whole emphasis on the matter of antirecession as did in large part the gentleman from Arkansas, the chairman of our committee.

Mr. Chairman, let me say this. As I view the whole proposition, and as it was originally proposed by the President, it was to relieve need and suffering on the part of individuals who are unemployed. It was a relief proposition.

I am sure we are all concerned over the plight of any unemployed individual. His situation is tragic, particularly if that person is attempting to and desirous of getting back into employment, as I am sure the great majority of them are. But I think we in this Congress as we look at legislation and look at proposals that come before us must in addition to trying to locate areas where there is need for some action, discharge our responsibility of determining how that need should best be met. If it demands governmental action, what area of Government should step in to meet that need? Why is it that when we get to Washington and when we become Members of Congress we seem to forget that there is such a thing as a State government, we seem to forget that there is such a thing as a county government, that there is such a thing as a local government.

For some reason or other, arrival on the banks of the Potomac apparently makes everybody feel that all wisdom rests in this city. Well, I do not subscribe to that philosophy. There has been no evidence whatsoever presented to the Committee on Ways and Means and there was no evidence submitted to the Committee on Rules as to the need for Federal action in this matter. There has been no showing at any point where this matter has been discussed that the States either generally or the States specifically cannot meet the problem. The States have unemployment compensation systems. The unemployment compensation program is basically a State system. We recognized that when it was established generally in 1936. Many States had unemployment compensation systems even before then, and we have always said that the unemployment compensation program should remain a State program. The State programs are working today. The State legislatures have full control over them, as to the benefits that shall be provided and as to their duration. The States have reserve funds to take care of the claims that are presented. In the aggregate our States have in reserve funds $8 billion to take care either of their present benefits or any liberalized benefits that they might see fit to impose on their system. Also, let it be recognized that under the tax system which is provided in the various States, they have available a potential tax source under the excise tax on employers. One would assume that that tax which is set up in the laws is being imposed to its maximum today and that even with the maximum tax and the maximum revenue coming in that the State systems were going bankrupt and they were unable to meet the demands upon them. Let me call your attention to this fact as far as the status and the soundness of State systems is concerned. In the first place, I have already mentioned they have an $8 billion reserve. But they also have a presently unused source of revenue. Five States today, and only 5 States, are taxing between 2 percent and 2.7 percent. The basic State tax is 2.7 percent. There are only 5 States that are taxing to the extent of either 2 percent or somewhere between 2 percent and upward to 2.7 percent; 34 of the States, even though the law provides that if their funds are in difficulty the tax rate shall go up, are only taxing between 1 percent and 1.9 percent. There are 9 States of the Union where there is either no employer tax because the fund is sufficient and ample; or the tax only ranges up to nine-tenths of 1 percent. How under these circumstances can you get the impression that the States are incapable of taking care of their unemployment compensation problems.

Mr. Chairman, the facts are just to the contrary. The facts are that they have ample ability in reserves and taxing authority to take care of their problems.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. CURTIS of Missouri. I wonder if the gentleman would comment on the Reed fund and whether any State has requested the privilege of borrowing from that fund.

Mr. BYRNES of Wisconsin. I am glad that the gentleman brought that up. It is certainly most pertinent. Even if the States today had no reserves, even if they were taxing their employers up to the 2.7 percent provided under the laws and they were still in difficulties, remember that we have made available a fund here in Washington from which we have authorized these various systems to borrow in the event that they have difficulty in meeting the demands upon their unemployment-compensation system.

We have $200 million in that fund, ready and available to any State that says: We would like to borrow some of this $200 million in order to take care of our unemployment compensation program. There is available to them, as part of the Federal program, an opportunity to borrow in case they are in need.

I have heard, and I think all of you have heard, the idea expressed, "Well, we should avoid going to the States because it takes the States too long to put a program into effect. What is needed is prompt action."

I do not know where it got its start but the misconception has grown up that the State legislatures and the State procedures are so encumbered with problems and restrictions that it takes them so much longer to act than it does the Federal Government. Frankly, because I have heard that said not just with respect to this legislation but with respect to other legislation, as a justification for Federal action, I, too, assumed that there must be some inhibition on the States which prevented them from acting promptly. But the other day when this problem came up and the same argument was presented, I thought perhaps it might not be such a bad idea to do a little checking and find out whether this is a correct assumption and how many States would have difficulty. So I asked the American Law Section of the Library of Congress to make a check and to run through the State constitutions of our 48 States and to go through the State statutes to see what limitations there were on the calling of special sessions, and whether there was any limitation on the time that was required for the State legislatures to convene after being called by the governor.

They went through all the 48 constitutions and all the 48 State statutes, and the report back was that there was no limitation on any State; that any governor of any State, under their constitution and statutes, can issue a call in the

morning, and if he feels they can practically do so, ask them to meet in special session that evening. The only limitation is the practicality of what the governor believes is a reasonable time for them to convene at the seat of the State government.

Let me point this out to you: This matter was first presented to us the early part of March. In fact, we held hearings in March on this subject. Bills were introduced in the Congress the early part of March. Here it is practically the 1st of May, and it will be after the 1st of May before we get it through this House. How long is it going to take in the other body and how long will it be before it is sent to the President?

If he decides that this is a problem of such severity that he thinks a special session should be called for the purpose of extending or expanding unemployment compensation, the governor of any State can call a special session of his legislature at any time. All of them could call special sessions tomorrow and have such legislation passed as might be needed to place a revised program in operation even before this bill has cleared the Senate committee. Certainly, if they had all done it last March, or those States that had an emergency situation, they could have put a revised program into operation long before now.

The inability of States to act might just as well be dismissed once and for all. Since the States have the financial capacity and the means for taking prompt action, I cannot for the life of me see why the people have to run to the Congress and the Federal Government to deal with this matter which is basically within the jurisdiction of the States and which we have always said was a problem properly for State action. But let me suggest that the bill that is presented to you by the committee goes beyond the matter of unemployment compensation; in fact, I would suggest to the Members that the general title of the bill, the general references to the bill are extremely misleading. Even the committee report says it is a report to accompany the Temporary Unemployment Compensation Act of 1958.

This is not an unemployment compensation act, it is an unemployment relief act, and let us recognize the distinction so we know what we are talking about. Let us not call a program that is a relief program a compensation program. When we refer to compensation programs what we are speaking of are programs that really have in them some aspects of the insurance principle, some aspect of payment as a matter of right under a specially financed system.

This is not an unemployment compensation program in spite of what it has been labeled; it is an unemployment relief program, and where I differ with the numerical majority of my committee is that as a relief program it takes the long step that this Nation has always avoided; namely, payment of relief out of the General Treasury without a needs test of any kind. There is a dole. The gentleman from Louisiana said we should not call things names, and he objected to the fact that some of us call this a dole; but I would ask the gentleman what in the world he considers a dole if it is not the opening up of the Treasury, the general funds of the Treasury, to pay out funds to individuals without a needs test of any kind?

Mr. Chairman, I suggest that there are some very inherent evils in the idea, too, of imposing this relief or dole system on your unemployment compensation system. If you do not like the idea of having a program such as we have had and which we call our unemployment compensation program, if you do not want that, if you do not think it serves a useful purpose and that it should be destroyed, why do you not come right out and repeal it? But why burden it down with a program such as this and in such way that you lead to its eventual destruction?

You can say that I am just seeing ghosts under the bed, or pointing out dire consequences that may never happen.

Mr. Chairman, this is what happened in England in the early twenties. They opened up the General Treasury to pay extended unemployment compensation benefits under their unemployment compensation system. They turned their unemployment compensation system into a dole and it was only a few short years before they had no unemployment compensation whatever. They went broke. Then they had to revert to a program of basic relief on the basis of need. You are inviting the same consequences here today. It is fine to suggest that this is a temporary program, that it is going to be discontinued, but if the theory on which it is presented is a sound theory, what justification will we have in letting the program lapse if there is even one man unemployed and unable to find work? Once you start the program how can you justify stopping it as long as there is unemployment in the country? It has always been recognized that we have a constant base of unemployed people seeking work in this country. Two and one-half or three million people is not an unusual situation; in fact, we had a higher percentage of unemployment back in 1949 than we have today. You can say that you are not worried about a precedent, but I am worried about precedents because when Congress takes action under a given set of circumstances, when there is a repetition of those circumstances, this Congress is obligated to do what it did in the previous event because we have invited and encouraged people to expect that we are going to treat one generation or one group of people the same as another. Do not think for a moment that if there is any unemployment in 1959 or 1960 that you are going to have any justification for coming in and closing the Treasury's doors to those people who are then unemployed after you have taken care of the unemployed with this additional relief in 1958. May I suggest, too, that if you are going to have a relief program it would seem to me you would give the most relief to those in need; yet this program, by using the formula of benefits provided under an unemployment compensation system which is based on insurance principles, does just the reverse, and I think my good friend, the chairman of the Committee on Ways and Means, will admit that. It gives a bigger check from the Federal Treasury to those people who have had the highest earnings in the past, who have had the longest wage record in the past, and gives the smaller relief check, to that person who has not been in as good a position to put something aside for a rainy day or whose credit may not be so good.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. REED. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Arkansas.

Mr. MILLS. What the gentleman says is, of course, true, not only as I understand under the bill of the committee but it is also true under any program or any bill that proposes to use the State's method of making payments, including the administration bill.

Mr. BYRNES of Wisconsin. Right, and would therefore be the same formula that would apply to the substitute bill or to the original administration bill but those proposals are extensions of unemployment compensation. But your proposal is a program not of compensation but of relief. As a relief measure, the gentleman must admit, you give the least relief to those people most in need and the most relief to those least in need. That is not my idea of a proper approach to a relief program.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Rhode Island.

Mr. FORAND. Would the gentleman be in favor of paying everybody the same amount?

Mr. BYRNES of Wisconsin. I suggest that if you are going to have a program of relief, you should pay those most in need more than you pay those that are less in need, which certainly does not suggest that it should be a flat amount. And, you have no right to dip into the Federal Treasury and pay the money helter-skelter whether they need it or not. I am suggesting that, as a relief program, benefits should be based on need.

Mr. FORAND. The gentleman still has not answered my question.

Mr. BYRNES of Wisconsin. Yes; I have.

Mr. FORAND. Not to my satisfaction.

Mr. BYRNES of Wisconsin. That may be true. I can never guarantee completely satisfying the gentleman. All I can do, Mr. Chairman, is to make the effort.

Let me make one further comment about title II of the bill. I think the chairman would grant also that if you struck out only a couple of words in title II, you could then eliminate completely title I. In other words, title II says that this shall be available to any person who is not covered under a State or Federal unemployment compensation program. Under title II he gives the same benefits as he gives under title I

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to those who are covered under unemployment compensation, State or Federal, so really the heart of this bill is title II. You could knock out title I if you just struck out those few words which limit title II to those not under an unemployment compensation system, and you would end up giving the same benefits to the same people. You really do not need title I. The heart of the bill is title II, which says to anybody who is unemployed and has a work record that would have entitled him, if it were not for certain exclusions based on occupation—would have entitled him to State unemployment compensation, "come in and get your check for the next 16 weeks or for so long as you are unemployed up to 16 weeks." I am going to suggest, Mr. Chairman, that it will not be long when the time will come when the question will be asked, "Well, what is wrong with paying another 16 weeks as long as we have people still unemployed?"

Mr. MILLS. Mr. Chairman, will the gentleman yield further?

Mr. BYRNES of Wisconsin. I yield.

Mr. MILLS. Is it not true that that same complaint could be made with respect to any temporary extension of unemployment compensation, even that which was envisioned in the President's program or that which is envisioned in any amendment that will be offered here?

Mr. BYRNES of Wisconsin. To a much more limited degree.

Mr. MILLS. In other words, the President's program says a maximum of 13 weeks. If at the end of that period of time the Congress did not feel that that was sufficient, the Congress could extend it; just as the gentleman says, the program in the bill could be extended for 16 weeks if the Congress wanted it done.

Mr. BYRNES of Wisconsin. Well, only to a very limited degree, because I think there is a big difference, based on the financing, and when you pay for it out of the General Treasury you have an entirely different situation than when you gear it into an insurance system and if you also gear it to the idea that the State says "We want this as a part of our program." Then, I think you have an entirely different situation.

Mr. MILLS. Would not my friend agree that if you once dip into the State fund as is proposed in the substitute that you can dip in again to extend the program under the substitute?

Mr. BYRNES of Wisconsin. Sure, I will agree to that.

Mr. MILLS. So the argument would lie against either approach.

Mr. BYRNES of Wisconsin. But not with the same force, because I think there is much more of a restriction on the extent you can go when you identify who must pay the bill. Under your bill, you cloud it over with the idea that it is a grant out of the Treasury even though there is no money in the Treasury. What you are really saying to the people is, "We will borrow the money. Let our children pay for it." Under those circumstances, when you are not going to levy taxes to pay the additional cost, and with no provision for any back payment, the invitation is wide open to come in and say, "Let us extend it; borrow some more money."

Let me call the gentleman's attention to the fact, and put some emphasis on the point, that title II is absolutely administratively impractical and unfeasible. That is the evidence that was presented to the committee. We had no evidence from anybody to the effect that this program was administratively practical or feasible—not one person. And the gentleman admitted this when he was addressing the House today. But he said, would that be a justifiable excuse for our not doing something? To me it is irresponsible to come in here and say that we shall do this even though we know that it cannot work. To me that is fooling the American people.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman.

Mr. MILLS. Does the gentleman remember when we were in executive session the questions I asked of the representatives of the Department of Labor with respect to the time that would be required to put each of these two titles into effect?

Mr. BYRNES of Wisconsin. I do.

Mr. MILLS. I asked then, Could you put title I into effect in 15 days? And they said "Yes." I asked, Could you put title II into effect in 45 days after the enactment of this legislation?

Mr. BYRNES of Wisconsin. Yes. I remember the answer. They said that they thought they could in 45 days with the qualification that they presented to us at all times, in answer to every question that was asked, concerning the administrative difficulties; in effect what they said was, "If you say so, we will have to try to do it," but at no time did any witness before the committee say that it was practical or feasible administratively. They all said that the problems were so vast and multitudinous that they could not even enumerate them for us much less suggest solutions.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. I think the answer was that it would take them that long to get the program set up.

Mr. MILLS. That is true.

Mr. CURTIS of Missouri. But whether they could administer it properly was a question.

Mr. MILLS. Mr. Chairman, will the gentleman yield to me?

Mr. BYRNES of Wisconsin. I yield to the gentleman.

Mr. MILLS. Actually all of us must admit that there will be many people in all probability who will make application under the provisions of title II who will not be able to establish actual entitlement to benefits under it, because they will not be able to show a word record in 1957 or a wage record or anything of that sort. So as far as they are concerned it would be completely and wholly impossible to make it available to them.

Mr. BYRNES of Wisconsin. Mr. Chairman, I am glad the gentleman has mentioned that point, because I meant to say at least a word about it and I might have overlooked it. Now these gentlemen come and tell us that title II does not cover all the people whom they suggest it might cover and therefore the bill is not quite so bad; they suggest that some of these people are not going to be able to establish to the satisfaction of the administrators a work record such as would be required. But may I say this to the gentleman and to those who favor the program: You also say, "How can you discriminate?" May I suggest to you that under your program you are going to discriminate, because what about those unemployed who cannot furnish that information or for some other reason do not qualify even though they are unemployed?

Mr. MILLS. The point that I was trying to cover earlier with respect to this matter was this——

Mr. BYRNES of Wisconsin. That is the point that I am trying to cover now, which is the point that the gentleman is making.

Mr. MILLS. No.

Mr. BYRNES of Wisconsin. You suggest that we are arguing against this program because title II goes too far and that we have gone to extremes. But if you are going to contract the effectiveness of title II then you are definitely leaving out people who are today unemployed. And may I suggest, even if they are left out as a matter of administration, or because of a contraction of philosophy, there are people who are going to be in the labor market this summer and this fall and who will be unemployed and seeking employment, people whom we should be concerned about, if we are concerned about anybody. Yet you are not going to give any aid under your program, even though you are throwing wide open the Treasury doors. What about the young men who are coming into the labor market this June? You are not covering them. And yet you have a relief program here that is supposed to take care of all people who are unemployed. That is what you have said. Is not this discrimination?

You say, How can you discriminate, how can you take care of one group without taking care of another group that is unemployed? May I suggest to the gentleman that you do extend the program to take up a broader area, but you still are going to be discriminating and I do not suggest that there is any way that you can avoid it.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. BYRNES of Wisconsin. Will the gentleman from Arkansas yield me 5 minutes of his time in view of my reasonableness in yielding to him?

Mr. MILLS. I am sorry I cannot oblige the gentleman since the time on this side is fully allotted.

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. Mr. Chairman, I am afraid under those circumstances I will have to refuse to yield further. With 6 hours provided for

general debate, I am really quite amazed that the majority side has already such demands upon its time, but I am glad to know that we will have a full discussion of the legislation under these circumstances.

May I suggest, Mr. Chairman, as to one of the reasons why there is an administrative impossibility in carrying out title II, that the benefits are going to be based upon a work record. Under the unemployment compensation systems in the States, the employers report to a central agency as to the people working and the amount of money they have earned and a record is kept of the covered employees. All they have to do when an employee comes in who is unemployed and applies for benefits is to go to that individual record, and from the record they can calculate the benefit to which the person is entitled. But, under the bill you pick up the seasonal employees and the people who have worked first for one employer and then another employer, you pick up the domestics and so on, people for whom there is no wage record. There is no basis upon which you can administratively determine the check to which a particular individual is entitled unless you are willing to say, "I will take your word for it. You just tell me how long you worked and how much you earned during the last year." And then, on that basis, you say, "We will make out a check to you and we will pay you for 16 weeks on that basis." If that is the way to handle the taxpayers' money, Mr. Chairman, we have come to a very sorry state of affairs in this country and we have adopted an attitude of reckless irresponsibility with reference to the trust that is imposed upon us to see that the American taxpayers' money is properly spent and not squandered away.

Mr. Chairman, I yield back the balance of my time.

Mr. MILLS. Mr. Chairman, I yield 15 minutes to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Chairman, we have heard a great deal so far this afternoon—much of which is false. We have had a lot of misrepresentation and it would be necessary to take the remarks of the different individuals who have spoken and to analyze them and put your finger on them, but one cannot be expected to remember all of these statements because there have been too many such statements made.

The bill before us has two purposes. One purpose is to put money in circulation as the administration has said repeatedly was needed and the other purpose is to relieve human suffering. I am speaking to you now as one who was here long ago not as a Member of the Congress but as a secretary to a Member. I sat in the gallery of this Chamber in the middle thirties and I heard practically the same arguments then as I am hearing today against bills for the welfare and for the good of the people. Yes, I was here during the Hoover administration and I was here during the early days of the Roosevelt administration, and I stood on the west steps of the Capitol Building, and from that spot I could see five breadlines. Those breadlines resulted from what? From inaction by the administration formerly in power—and this administration now in power is following down the very same path that the Hoover administration followed. They are using the same arguments and the same slogans, with the one exception you have not heard yet but you probably will hear it soon, that "prosperity is just around the corner." It is time the slogan writers get busy.

To my mind we ought to be practical. We ought to approach the present crisis in its true light. It is all right to say we are going through a readjustment of the economy. So far the administration has gone reluctantly to using the word "recession"; but I say to you ladies and gentlemen that the unemployed of this country, the man who is attempting to support a family and has no income at the present moment, to him it is not a readjustment. It is not a recession. It is depression. It has gotten so bad that I have received reports from various parts of this country where men are holding up grocery stores to get food for their families instead of getting cash. Whether you want to call this bill a dole or a relief bill, or what have you, I say to you it is in the interest of America, the average working man and woman, that we see to it that money is put into circulation and that money is made available to feed these hungry children.

This bill is not the result of hasty action, as one speaker has told this House. This bill was given very, very serious consideration in the Ways and Means Committee. Hearings that were held on the several bills, and on the several ideas, will reveal that even the question of taking care of the unemployed who were not covered by unemployment insurance was discussed and was covered in the hearings. I invite your attention to that portion of the hearings where I brought up the question when Secretary Mitchell was before us. I invite you to look at the hearings about half way down page 16, where I repeated the question in 5 or 6 different ways. I asked Mr. Mitchell what, if any, consideration had been given by the administration to the plight of those people who were unemployed but who happened to be in noncovered employment. He beat around the bush, and I never was able to get a final definite answer from him. I threw up my hands, and the hearings will prove my point.

To me, whether a man is fortunate enough to be employed where he was eligible for unemployment compensation, or whether he happened to be working for a little businessman who did not employ enough people to come within the coverage, makes no difference. He was one in the working force. He was supporting his family. He is out of work. He needs a job. The Federal Government says we have got to put money into circulation. We have got to buy. Those people do not have the money to buy with. Here is one way to do 2 jobs at 1 time, put money into circulation and relieve human suffering.

Under the bill before you the particular benefits would be paid to those people in all States where an agreement was made with the Secretary of Labor. If a States does not want to take the benefits of title II, that is their responsibility. We are at least trying to get the money to those people. If they want the benefits of title I, they can have it. If they want the benefits of title II, they can have it. If they want the benefits of either one, they can take it.

Something has been said about any difficulty of the legislatures being called together. I invite your attention to page 154 of the hearings, when Governor Williams was testifying. I am going to read a part of his testimony. He said:

> My statement is based on the fact that we have an overwhelming need. This need is particularly because the States in the past have not lived up to their responsibility, but the problem today is one which cannot be met very readily by the States, most of whose legislatures are not in session, and could only with difficulty get back in session, and if they did, they probably would not have the funds with which to act.
>
> It is true that many of them have not responded properly and I think one thing you will find, unfortunately, among the State legislatures which is not true in the Congress is that there has not been any adequate redistricting in many years and as a consequence most of the legislatures do not have proper representation of those communities where the unemployment occurs.

He goes on further here to say:

> Our States have refused in many instances to respond to the very apparent needs of our people and I do think it is a very severe indictment; I think that in part is true because of maldistribution.

There are several States that cannot hastily take action; there are some that will not take action even if they have the opportunity. But that is not our responsibility; our responsibility is to take care of the needs that are not being taken care of.

Someone has said that anybody can walk in and just simply say, "I want a check," and is going to get it. But as our chairman explained during his remarks, under title II of this bill, in order for one to be eligible for benefits he must have been in the labor market, he must have a labor record; in addition to that, he must also be registered for employment and be available for employment, and if he refuses suitable employment he does not get any benefits.

Mr. Chairman, it seems as though someone has misconstrued, or misunderstood my statement that appears on page 29 of the committee report. They tried to interpret that, as well as the supplemental view of some 5 members of our committee, to mean that we were not in favor of the bill and, therefore, the bill was reported favorably by only 10 members of the committee. I can assure you that the vote was 16 to 9 in our committee, and that 3 Republicans refused to sign the Republican minority views in this report.

As to my supplemental views, I was seeking to make clear the fact that while I do not believe that this bill should contain anything with reference to Federal standards because I feared this would prevent its passage, still I am a firm believer in Federal standards.

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The best proof of that is that since 1946 I have offered bills in this House for the very purpose of providing standards, increasing the benefits, and increasing the duration of the benefits, and I shall continue to do so when I think the appropriate time comes for the consideration of such legislation. It is my hope that sometime during the next month when our committee is scheduled to begin hearings on the Social Security Act that additional unemployment benefits will be voted out.

Mr. Chairman, the chairman of our Committee on Ways and Means has ably presented the data on the nationwide unemployment situation. I would call attention to these statistics and say that they are not the result of a bad situation in only 1 or 2 States, but that the situation is nationwide. The Department of Labor in classifying local unemployment situations generally describes as a substantial labor-surplus area any area that has 6 percent unemployment. In early April of this year 35 States would have met this criterion of being substantial labor-surplus areas; in other words, there were shortage areas in 26 States with the unemployment percentage up over 7 percent. To cite only a few of the critical State situations I would call your attention to the fact that during the week of April 12, 13 percent of the workers in West Virginia covered by unemployment insurance were receiving unemployment compensation benefits. This figure was 14.8 percent for Maine, 14.6 for Michigan, 11.5 for Montana, and as of yesterday 14 percent for my own State of Rhode Island. I tell you, Mr. Chairman, 50,000 Rhode Islanders today are without jobs.

Some of the previous speakers who are opposing this bill seem to forget that in Virginia the number of insured unemployed for the week of April 12, 1957, was 12,000, but on April 12, 1958, it was 32,000. That, if I figure correctly, is an increase of nearly 200 percent. The number of exhaustees between January and March 1958, in Virginia, was 10,017. Let us go to Illinois. The number of insured unemployed in Illinois during the week of April 12, 1957, was 68,000. On April 12 of this year it was not 68,000, it was 172,000, and the number of exhaustees in the State of Illinois from January to March 1958 was 23,966. To my mind these figures emphasize the fact that throughout the country the job-market situations are such that the unemployed workers are encountering far greater than normal difficulty in finding jobs. It is grossly unfair to describe a long-continued period of unemployment as deliberate loafing, as has been done by some opponents of the Ways and Means bill.

It is clear, I think, that strong measures have to be taken. I believe that in a fundamental sense the difficulty lies with the fact that the absence of Federal standards for State unemployment-compensation programs is largely responsible for the inadequacies of these programs, as presently constituted, to deal with this level of unemployment. I do not see, however, that we can honestly deal with the present emergency situation through the route of now imposing Federal standards that should have been imposed years ago. A Federal standards bill possibly would require extended analysis and debate in the Congress, and it would involve, undoubtedly, conforming action at the level of State legislatures. The present situation does not admit of delays of this sort.

Another possibility for action was the bill presented by the administration which would have provided a temporary extension of benefits for persons who had exhausted their unemployment compensation, but which would have been financed ultimately by the States themselves. As was pointed out by the chairman, we know that in 1963 when these loans, so-called, would have to be repaid, instead of being repaid they would have been forgiven, with the result those States who are now able to take advantage of a loan from the Federal Government would benefit, but those States like mine that cannot do so would be the double loser. In my State the constitution prevents the borrowing of more than $50,000 without a referendum. I was talking with the Governor this morning, and he informed me that it would be necessary to have the legislature authorize a referendum and a referendum had to be held before any loan could be accepted.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. Would that prevent your State from borrowing from the Reed fund?

Mr. FORAND. Definitely.

Mr. CURTIS of Missouri. Yet the Reed fund was set up to meet Rhode Island's situation?

Mr. FORAND. No; not just Rhode Island.

Mr. CURTIS of Missouri. I mean, that was the situation before.

Mr. FORAND. I argued at that time against it and the record will prove I did. I pointed out then, as I am pointing out now, that under our constitution we could not take advantage of those funds because if we were to borrow from that fund we would of necessity have to get more than $50,000 and the constitution says we cannot do it.

Mr. CURTIS of Missouri. I appreciate the gentleman's clarification.

Mr. FORAND. Now, in the first place the unemployment insurance programs of the States have not geared themselves to finance an additional benefit of this sort. In many States the reserve position of the unemployment fund is critical—we have heard a lot about that today—while we are still at the beginning of what may prove to be a protracted unemployment situation. A good test of the condition of a State fund is the ratio of the reserves to the highest annual cost rate since 1948. In my own State of Rhode Island, reserves have been reduced to 0.7 of this highest recent cost; in Pennsylvania this ratio is only 1.2; in West Virginia, 1.7; in New Hampshire 1.6, and in Michigan 1.8. It is clear that many of the States most critically affected with unemployment are not now in a position to finance the cost of extended benefits.

The administration plan does, in fact, imply for the States that sometime in the future, presumably 1963, they will have to raise the States' tax on employers in order to repay the Federal loan that financed benefits in 1958. This is not insurance financing at all. What kind of life insurance company would raise benefits for policyholders in 1958, to be financed by higher premiums on policyholders in 1963? In other words, we would be placing a tax on employers in 1963 who perhaps are not even employers today.

The fact is that if we are to take action to improve unemployment compensation payments in a period of high unemployment, there is no possible way to finance this program by taxes on the current beneficiaries. The period in which taxes were paid with respect to these employees which established their insurance claims is now long past. New benefits to this group would have to be financed in a way different from the normal insurance financing of this unemployment program.

The situation for workers not covered by unemployment compensation is equally grave. The general shortage of jobs makes it increasingly difficult for this group to find new work before their savings are exhausted. In fact, it was repeatedly pointed out to us in the hearings of the Committee on Ways and Means by various chambers of commerce that the position of noncovered, unemployed workers was more serious than that of the unemployed worker who was already entitled to State benefits. Several of the chamber of commerce groups suggested that the situation called for a program of relief payments based upon need that would be available to both covered and noncovered workers. The Committee on Ways and Means properly regarded this possibility as totally unrealistic. In the first place the establishment of a relief program of this type would certainly require implementing legislation in the various State legislatures and this would entail serious delays in dealing with the immediate problem. A more serious difficulty is the relief payment needs-test approach, in that the needs tests presently applied under the various State relief programs are designed for a situation completely different from temporary unemployment. These needs tests have been applied for programs of benefit to the aged and the permanently and totally disabled. They require that the beneficiary must have disposed of substantially all of his property as well as being without other sources of income. This is essentially a test to be applied to a person in the last extremity of need with no future income prospects. It is a completely unrealistic test for a person facing a period of temporary unemployment, even if that unemployment should last as long as a year. I am sure that every Member of this House is familiar with locations in

his own District where it would be impossible for a worker to get a job if he did not have a car to provide transportation to work. What kind of sense would it make to suggest that this unemployed worker be required to dispose of his car in order to establish the need for unemployment benefits?

The decision of the Committee on Ways and Means to take the approach of this bill to our unemployment problem was the result of a careful examination of alternative possibilities. This examination made it clear that in the present situation additional unemployment benefits were required. These could not realistically be financed by the States. The benefits would have to be made available to both covered and noncovered workers, and these benefits could not be conditioned upon a needs test. These four conclusions make it clear that the committee bill is the only sound approach to the problem.

I sincerely hope that the Members of this House in their wisdom will realize this and vote for the bill on final passage.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield 20 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, first I would like to get the record straightened out in the light of the remarks that the gentleman from Rhode Island [Mr. FORAND] just made about Secretary Mitchell not having an answer to the question of what he would do about the people who are not taken care of under the administrations' proposal. If the gentleman will refer to page 18 of the hearings he will see the Secretary's answer which is as follows:

> If the Congress were to act quickly on this bill, as I hope they will, it will take care of the major part of the problem and perhaps enable the States, being relieved of any public assistance in this field of people who have exhausted their benefits, to help the others.

I might suggest that is exactly the problem in certain areas in Michigan where the county welfare rolls are being loaded now. His answer, in other words, was that if we take care of this larger segment then the present welfare program in the States will be able to handle the balance adequately.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. FORAND. That is still not an answer to my question. My question was, Has the administration or has the gentleman given any thought to some legislation to take care of the unemployed who are in noncovered employment?

Mr. CURTIS of Missouri. The answer is this. It is felt that this legislation, in that fashion, would take care of it. I know the gentleman is not satisfied with the answer, but the point is that it is an answer and it satisfies many people.

Mr. FORAND. It did not satisfy the person who asked the question. Finally, Mr. Mitchell said, as shown in the hearings at the top of page 19:

> I am telling you, sir, that I have no recommendations at the moment.

Mr. CURTIS of Missouri. Other than what he had previously stated, that is right. But the point is that he did have some basic recommendations and I think any analysis of the program would indicate that these people would be taken care of.

Mr. Chairman, secondly, inasmuch as the gentleman from Rhode Island referred to Governor Williams' testimony, I think it is very important to realize that Governor Williams in his testimony did not advocate this particular bill. I refer to the testimony on pages 162 and 163. He points out that he would favor a 50–50 matching basis between the State government and the Federal Government through the State welfare channels and apply the needs test, because he recognized this for what it really is, a welfare program, if we adopt the bill before us right now.

Mr. Chairman, I want to go back, if I may, to the statements made by the chairman of the committee, the gentleman from Arkansas [Mr. MILLS] when he was making his original presentation. There seemed to be some dispute between his statement and that made by the gentleman from Virginia, Judge SMITH, when he was speaking on the rule. Judge SMITH said that these hearings did not cover the substance of the bill before us. The gentleman from Arkansas [Mr. MILLS] made the point that on the basis of the notice for the hearings, that they did cover it. Well, it so happens I think both gentlemen are correct. The notice for the hearings certainly would have been broad enough to have included the legislation that is before us. However, the testimony was really confined to the administration bill and the bill that the gentleman from Arkansas [Mr. MILLS] himself had introduced which had nothing to do with section 2. There were no hearings at all held on the subject matter of section 2. As I go along in my remarks, I am going to point out the significance of the fact that there was no testimony on section 2 nor did we call before us in executive session of the Committee on Ways and Means people who could have given us the vital and necessary information if we really wanted to carefully consider the adoption of section 2.

I am going to pick up as I go along the various points that have been made in this debate. The gentleman from Arkansas [Mr. MILLS] raised the question that there was no difference so far as he could see once you had a grant program between employees of an employer with 4 or less employees and employees of an employer who employed more than 4. In other words, he queried, how could you possibly distinguish between individuals, Mr. Smith and Mr. Jones, which were his examples, how could you distinguish between them and grant aid to one and not grant aid to the other. The fact of the matter is there has been a distinction made between them for some time and it is not based upon fiction but it is based upon facts. One of the facts of the matter is that when an employer employs four or less employees, a personal relationship exists between that employer and his employees. Just as a matter of course when you have this established relationship between individuals, there is a great deal of what we would call fringe benefits and other considerations that constantly pass between the employer and the employee when you are able to maintain that personal relationship. That is a very basic distinction. There are many other basic distinctions between people who are not in covered employment and those who are in covered employment that allow for different treatment. Let me illustrate one of them. It is an administrative problem and it is a very difficult one and indicates the real difference. We have in our labor force a great many people who could be called itinerant workers, and I do not mean by that hoboes, but I mean people who have working habits so that they are constantly moving from job to job and doing different types of work. That is particularly true of certain farm labor where these people every year will follow a harvest and actually will follow the harvest season even going from one State to another State. It has been a very difficult thing from a practical administrative standpoint to include these people under covered employment. Incidentally, I might say, many of these people can be under covered employment for part of the time of the year because their working habits have them working in the cities during the winter and during the off-harvest season and then by their working habits, out of choice because that is what they prefer to do, they will leave their employment in the city and go out in the rural areas. Under this legislation you have a situation where those people could be fully covered under this program that has been presented here. There would be no way of checking on them to find out whether they had actually gone out to get employment which is of a different kind. Actually, you would be paying them to remain idle and it is questionable whether under those circumstances they would follow their normal pursuit of going into other areas of employment. The reason for this is clear. Because under our State unemployment insurance programs, it is not sufficient just to find a job for a person. It has to be a suitable job and it has to be a job that is in line with his line of work, and if it is not a job of that sort the person can refuse to take it and still collect unemployment insurance.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. BYRNES of Wisconsin. While the gentleman is talking about agricultural workers and itinerant workers, the gentleman should include domestic workers. The reason they are exempt under the law today is because of the administrative problems and the impracticability of covering them under the unemployment compensation system. If that is true, how can you administratively take care of them under this particular bill?

Mr. CURTIS of Missouri. Of course the answer is, I do not believe you can. It is not the wish not to do it. The desire would be there. It is the admin-

istrative difficulties that we have experienced in this program in this area, and that alone. That has prevented us from actually making a permanent program in such fashion that they would be covered.

Mr. KARSTEN. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. KARSTEN. It is true there will be great administrative difficulties, but is it not a fact that the majority of those people in uncovered employment are covered under social security, and the administrative problems exist there also?

Mr. CURTIS of Missouri. No. The administrative problems are of a different nature.

Mr. KARSTEN. But nevertheless they are brought in under social security. You will find the selfsame administrative difficulties. We have solved them there and I believe we can do so here.

Mr. CURTIS of Missouri. It is not a question whether we have solved them, but I think the gentleman is right in saying that the reason we are so long in covering the agricultural workers under social security was because of the administrative problems. We have gone a long way to meet them. I do suggest that there are added problems under the unemployment insurance that do not exist when they are covered under social security. Mind you, we are talking about emergency legislation, and that is one of the points I raised in executive session. With all the difficult problems we had in social security in trying to cover those people, how could we possibly expect to do an even bigger job, possibly an insurmountable job, in this area? But even beyond that, it is a dangerous thing to present to the House something that remains unstudied. The gentleman from Arkansas [Mr. MILLS] made the remark that we should not fail to include these people because we have certain administrative difficulties, but I want to say to the gentleman we did not even call the people before us, who would be confronted with the administrative difficulties, to ask them how great and of what nature these difficulties would be or whether they would be insurmountable, whether they could handle them or whether we could do something that would meet the problems that would be presented to them.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. MILLS. It is true we did not call anybody from the State offices who will have the actual responsibility, but the gentleman will be interested in knowing that during the Easter recess I took occasion to talk to the people in the field who operate these unemployment offices in the field. They told me that they could handle these administrative problems that arise; but they told me also, and Mr. BYRNES of Wisconsin, when we were going out that there would be some people who were not under the State programs that still would not be under this, because they did not prove to the satisfaction of the State office that they had been engaged in working.

Mr. CURTIS of Missouri. If that is true, I would have thought the gentleman would have introduced a bill immediately after the Easter recess, which would have included title II, so we could have had testimony on it; and, furthermore, brought those people from Arkansas and brought in the other State officers before the committee to testify because many have said this is unworkable—title II. After this legislation was passed out of the Ways and Means Committee, I know the administrator of the State of Florida publicly stated it would be impossible to administer title II.

Mr. MILLS. What would the gentleman suggest we do to the people who are unemployed and not covered by any State programs?

Mr. CURTIS of Missouri. I think the suggestion made by Secretary Mitchell is very good. In other words, if we relieve the State welfare rolls of the bulk of these exhaustees, which we would be doing under title I, or, rather, the President's proposal, then the others could be handled adequately and would be handled on the basis that we want to have a showing of need as far as their particular problem is concerned.

Mr. MILLS. Could the gentleman's State of Missouri take care of these people on a needs basis without any Federal funds?

Mr. CURTIS of Missouri. Yes; I am satisfied the State of Missouri could.

Mr. MILLS. How much would you pay in the State of Missouri? In Arkansas—I am merely inquiring, because in Arkansas I think we would pay about $12 a month, maybe $15.

Mr. CURTIS of Missouri. I would say to the gentleman, then, that if Arkansas is one of the States that is in this unemployment picture, and you have a lot of exhaustees, then I think the State legislature should go ahead and do something about it.

Mr. MILLS. I am not talking about the exhaustees, I am talking about people who have never come under this program.

Mr. CURTIS of Missouri. That is what I am talking about, too.

Mr. MILLS. That is not under title I.

Mr. CURTIS of Missouri. But we are also talking about their meeting a needs test. I think we are both talking about the same group.

Mr. MILLS. The gentleman would leave them to the States or a needs basis?

Mr. CURTIS of Missouri. Yes; because they would then be confined to a sufficiently small number that I think it could be handled. Michigan is one place that is most keenly hit.

Mr. MILLS. That is with respect to where relief is needed.

Mr. CURTIS of Missouri. I think Michigan would probably find that title I, or the President's bill, if it were enacted, would take care of the situation.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. BYRNES of Wisconsin. In other words, we would do what we never before attempted, provide unemployment income to the uncovered groups. We have a peculiar problem here with respect to them. May I suggest to the gentleman the fact that when this program was instituted from the Federal standpoint in 1936 we discriminated at that time and said certain people were not included. That being so why are we doing such great violence today if we simply continue the program that has been in existence all the time and has had these differentials over the last 20 years?

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. MILLS. The gentleman has raised the point that he raised in his earlier statement on the floor, that since we started off on a discriminatory basis let us continue to discriminate.

The problem before us today is to try to give purchasing power to people who have lost purchasing power because they are unemployed. If that is our purpose, can we continue to discriminate between people merely on the basis of the job they have?

Mr. CURTIS of Missouri. Again, my answer is that the principal discrimination applies to something else. What has happened is that one group is taken care of under the unemployment-insurance program; the other group is taken care of under the welfare program, so both groups are taken care of. There would be discrimination, I suggest, only if there were a group that was not being taken care of in any fashion at all. This is not the case.

Now, I want to go on regarding the question of possible abuse, and I am very much disturbed about this. The gentleman from Arkansas [Mr. MILLS] has made the point that we have penalties in the bill. The fact is that we have learned over a period of many years that a penalty is the last resort and that the real way to enforce a program, the better way, is the incentive basis; so in all of our Federal-State welfare programs we have set up a matching-fund basis so that the States who administer the program have some sort of financial stake in the program. Then they have an incentive, and that is not to impugn the motives of the people, but it is only natural that when there is an incentive they will do more to see that the enforcement is carried out.

I know the gentleman from Arkansas is in favor of that incentive principle in other aspects of social security and supports this principle.

The second thing about welfare programs, and a very important thing that has already been pointed out, is the needs test.

I would like to call special attention to a direct experience we all can remember where we had a situation of unemployment insurance in which there was actually a hundred percent Federal fund administered by the States.

What happened? It was after World War II when we told the veterans we were going to give them, in effect, a certain number of weeks to find jobs and

we would pay them unemployment insurance for a certain period of time. Everyone in this room and throughout the country remembers what became the 52–20 Club, because the program became, I hate to say, in a lot of ways a racket. These boys, instead of looking for jobs, just waited until their unemployment insurance expired, because there was not the incentive to enforce it and, at best, it was a very difficult program to enforce. So we have here a very difficult thing to enforce administratively. People who are experienced in this field tell us it is impossible to enforce, and then, on top of that, we have withdrawn the incentive to administer it very carefully, by removing the matching-fund principle and the needs test.

I want to come now to an area which I think really is the crux of the argument that the gentleman from Arkansas [Mr. MILLS] used in support of this particular program in contrast with the administration's.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. REED. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. CURTIS of Missouri. Mr. Chairman, the gentleman has said that either program, whether it is the pending bill or the administration's bill, amounts to a grant. He has pointed out that, if this thing is paid for through taxes in 1963 or thereabouts, in effect we are fooling the people because that probably would never come about. He pointed out some practical reasons as to why it might not. The gentleman, however, in his syllogism has skipped the very basic proposition that this will be paid for by the States immediately, and can be, because they are not levying—and the gentleman from Wisconsin put the figures in the RECORD—a tax of 2.7 percent, which they could do. I think only 5 States are between 2 percent and 2.7 percent. The rest of them are below that. Furthermore, I may say, as the gentleman well knows, the three-tenths of 1 percent that the Federal Government gets after we have built up the Reed fund of $200 million will go back to the States for whatever purpose they want to use it. We are accumulating more money than we can possibly put in the Reed fund. It is overflowing. So there is another source of repayment. The point is, the payment will come under the same formula of tax on employers where their experience record plays into this thing; so we do not destroy our basic unemployment-insurance program as I am quite fearful the gentleman's program might do.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. BYRNES of Wisconsin. It occurs to me the gentleman might like to add the figure for fiscal year 1957 of the amount of excess that was credited to the States from the three-tenths of 1 percent. That was $77,195,220 for fiscal year 1957 that went to the credit of the States that can also be used to pay this unemployment insurance.

Mr. CURTIS of Missouri. The tax provided in the administration's bill is only sort of a stopgap. We would never have to resort to it because the funds would be paid out of the employers' taxes.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Arkansas.

Mr. MILLS. Does the gentleman agree that the Federal Government should create a situation wherein States are required to dip into their funds to pay the Federal Government or else the taxes will be increased upon the people of the State?

Mr. CURTIS of Missouri. No.

Mr. MILLS. Is that in keeping with the gentleman's concept of States rights?

Mr. CURTIS of Missouri. No. That is exactly why I did not introduce the Reed bill. I introduced the President's bill, the Reed bill with one modification which provided that any State could veto this if it did not want the program.

Mr. MILLS. That is the biggest objection in the gentleman's mind to the proposal?

Mr. CURTIS of Missouri. Yes, very much so; and I think there would be considerable improvement to the President's bill if the Harrison amendment or any other amendment were adopted which would make the program voluntary. And, I would go so far as to say frankly I would like to see this compromise worked out. I would prefer to have the States take affirmative action before they adopt it; but, because some people argued that certain States might not be able to assume the responsibility, I put the voluntary provision in the negative fashion: unless the State vetoes it.

I want to make a final point. I think it is important to realize that there are five, I believe it is, groups of people that are not included in the bill before us. Of course, they are not included in the administration substitute. But, it is important to realize that there are these groups. One is the railroad employees, and there are others. Therefore, it does not do the complete justice that is claimed for it.

But, essentially I think I will conclude my remarks by saying that the President's proposal will take care of both groups. The first group will be taken care of by not doing damage to the unemployment insurance program, but by continuing it and strengthening it. By taking the exhaustees off of the relief rolls the States will be enabled to adequately handle this second group through the regular relief programs that have been set up.

Mr. MILLS. Mr. Chairman, I yield 15 minutes to the gentleman from Virginia [Mr. HARRISON].

Mr. HARRISON of Virginia. Mr. Chairman, I oppose this measure in its present form. Title I of this bill provides for payment out of the Federal Treasury of an estimated $950 million for 16 weeks extension of unemployment compensation to those now in covered employments.

Title II of this bill provides for the expenditure of an estimated $625 million for payments out of the Federal Treasury to those unemployed who have not been earning their living in employments now covered by unemployment insurance.

It is claimed that it is necessary to spend this estimated total of $1,575,000,000 to relieve the distress of those now unemployed. I have introduced two bills that would give relief at the State level, through existing programs established under State laws, to those actually in want as a result of current high unemployment in some areas, but this bill will do no such thing.

In the first place, the present language of this bill lays it wide open to wholesale fraud, abuse and extravagance. There is no language in this bill to protect the Government of the United States against fraud in the distribution of this money. There is no protection against abuse, extravagance, and duplication. The States distributing this money under title II will have no incentive whatsoever to protect the fund from dishonesty or from fraud or duplication. The Federal Government, which will advance the money, will have no machinery and no rights whereby to protect this money, distributed through State agencies.

There is no proof of need required by any applicant under title II. He goes into the State office of any State in which he may happen to be—Michigan, New York, or any other State—and he says, "I want the money." And, unless the State chooses to put some requirement on him as to proof that he is out of work or that he is not drawing some money elsewhere, there is nothing the Federal Government can do to protect itself from having that money paid out willy-nilly to anybody who comes or goes, with no wage record requirement under which an individual payment may be justified.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Virginia. I yield to my chairman, the gentleman from Arkansas.

Mr. MILLS. I hesitate to impose on the gentleman, but the gentleman overlooks the fact, I fear, that under the existing machinery the Department of Labor exercises supervision over the administration of this program, anyway, and that the States must conduct the program in a way that is in accord with the regulations of the Department of Labor, or they are out of compliance. The gentleman knows that about existing programs.

Mr. HARRISON of Virginia. That has reference to covered employment. I ask the gentleman to tell me what is in this bill that would enable the Federal Government to protect itself from having one man being paid 4 or 5 times in 4 or 5 different States?

Mr. MILLS. Just as much as there is in the internal revenue law. The Government is protected against a fraudulent taxpayer. The entire system is predicated on the voluntary assessment of a tax, and that system has worked. I cannot go along with the gentleman's conclusion.

Mr. HARRISON of Virginia. Under the internal revenue law you say that we

accept the taxpayer's statement when he makes his return and that we do the same thing under this program?

Mr. MILLS. No; I did not say that.

Mr. HARRISON of Virginia. Well, I am trying to get what the gentleman did say. In connection with tax returns, tax payments are made to the Federal Government under the internal revenue laws. We have the Internal Revenue Service. We police those returns. We have a Department that can go out and investigate them and audit them. Under this bill there is nothing like that.

Mr. MILLS. Only about 3 percent in any 1 year are ever audited or checked.

Mr. HARRISON of Virginia. There is no limitation on the Federal Government as to which 3 percent it will take. It can and does exercise police supervision and has a police force. But under this bill there is nothing like that.

Mr. MILLS. The gentleman must be proceeding on the basis that with respect to title II we are just dealing with a bunch of crooks who are going to cheat the Government. I do not proceed on that basis.

Mr. HARRISON of Virginia. I do not proceed on any such basis, but I think we would do just as well if we just put the money in a barrel in front of the county courthouse and said, "Put your hands in and we leave it to you to take out no more than you are entitled to." You have no more protection than that.

Mr. MILLS. Would the gentleman support such a proposition?

Mr. HARRISON of Virginia. No, sir; and that is the reason I am not for this proposal. There are no wage records provided; no proof is required that the man is out of a job, or that he cannot get a job, or that he needs a job, or that he wants a job. That being the case, I move into the next proposition and that is that the estimate of cost for this bill is fantastic. There was an estimate of $1½ billion which was based on two assumptions. The first, that unemployment will not increase; and, second, that State administrations, with an unlimited pile of Federal money at their disposal in an election year, are going to see to it that no one gets any more than he is entitled to. There may be some State administrations we might rely on to do that. I think some references were made to the Commonwealth of Virginia which were erroneous. For the gentleman's information there are not 10,000 individuals whose benefits are exhausted in Virginia at this time, but 4,582. Unemployment in Virginia is considerably less than the national average.

I think we can rely on some States, but where an election is pretty hot and there is money coming in from Uncle Sam unsupervised, rolling in as the election gets warm, the temptation not to investigate too carefully could be considerable.

The question comes again as to the need for general application of this legislation. The Secretary of Labor, in addressing the CIO convention, said:

> Because our heavy manufacturing itself is concentrated geographically we find that certain places such as steel, automobile machinery and aircraft centers have borne the brunt of the business downturn while others have been affected hardly at all.

Although that may be true, we are opening up the Federal Treasury to any State government that wants to come in and raid it to its heart's content. We are covering employments in this field where there is no unemployment. It was admitted, as I understood a few moments ago, that in the case of domestic workers there is no shortage. The farm labor situation was covered here.

With respect to my chairman's statement about the notice given of these hearings, I would like to point out that there is nothing in the notice that even squinted at the idea that farm labor would be brought in under the measure. Therefore, the farmers throughout the country for whom so many people are expressing so much concern at this moment are subjected to payments under this bill without having been given any notice that a bill might be reported that would cover them, or any opportunity to be heard, through their organizations, with respect to it.

Another objection to this bill is that it relieves the States of any incentive to do anything for themselves for their own unemployed. With reference to the title I program, there is available to the States in their reserve funds some $8 billion. Under this bill, although they have the money to their credit, they are relieved of doing anything toward using it in the solution of their current problems. Title II extends to the States large lump sums for distribution among uncovered workers with no need to match, and no requirement or opportunity to police.

Mr. Chairman, I just want to ask one question. There has been a great deal said here today about what the President said and what this other Republican said and what these prominent businessmen have said. I would like to point out that the members of the Democratic Party in this Congress a year ago were very much concerned about, and were bringing to the attention of this country, the extravagance and the profligacy of this administration, which had promised economy. Under the President's budget, submitted to the Congress last year, this Congress reduced the recommended appropriations by something over $5 billion. Had those economies been carried out by the Executive, the economy of the Nation would be in a great deal better condition. I think what we should do on both sides of the aisle is to give some thought to what we are doing by this extravagant type of legislation to the economy of this country. The Government of the United States is spending $10 billion a year more than in any year under the administration of President Truman, even during time of war. The threatened deficit for the next fiscal year may be larger than the entire spending under any year of the New Deal under President Roosevelt. The national debt has reached a high of $10 billion over anything that it has ever reached before. The only question is how much are we going to raise it the next time and when we are going to raise it. The value of the dollar and the purchasing power of the dollar has decreased in the past 10 years by some 20 percent, and in the past year something over 3½ percent. Each month brings a new alltime high in the cost of living for the American people. I ask this question: What duty do we have to the millions of Americans who bought the bonds of this Government only to see them—month by month and year by year—depreciate in value because of the lack of confidence in the American dollar which is brought about by the extravagance here in this Hall and in the Government generally? What responsibility do we have to the millions of American citizens whose savings are in bank deposits and who day by day and month by month and year by year—see their savings stolen as a result of the inflation and as a result of the extravagance here in Washington? What responsibility do we have to the millions of Americans whose savings are in life-insurance policies and who look forward to having those policies providing for their families, only to see those savings dissipated as confidence in the American dollar goes down? What responsibility do we have to the wage earners, the men and women who buy bread, but who see in the course of 10 years the cost of food rise 16 percent, the cost of transportation rise 38 percent, the cost of medical care rise 41 percent, and the cost of housing rise 25 percent? Have we not any responsibility to so manage the affairs of this Government and to control the extravagance of those who sit here and legislate, to protect our fellow citizens from inflation and loss of their savings that come about through extravagant legislation and wasteful expenditure of their money such as is provided in this bill?

The CHAIRMAN. The time of the gentleman from Virginia [Mr. HARRISON] has expired.

Mr. MILLS. Mr. Chairman, I yield to the gentleman from West Virginia [Mr. BYRD].

Mr. BYRD. Mr. Chairman, I wish to express my support of this legislation. I compliment the committee on the very able work it has performed in bringing the legislation to the floor.

Mr. Chairman, in West Virginia, as elsewhere over the country, coal production is down, business activity has been slowed considerably, industry production is down, business failures are shooting upward, and unemployment continues to grow. Railroad workers, steel workers, coal miners, and other workers are being laid off increasingly.

Many West Virginia communities are stagnating economically today because of the twin evils of unemployment and exhausted unemployment insurance payments. This same situation exists in many areas throughout the United States. During the Easter recess, I conducted a survey in many areas of West Virginia in the process of which I talked with businessmen, professional men, and other individuals, both employed and unemployed. I found that small business has been seriously affected by unemployment and in many instances, unemployment compensation checks and social-security checks provide virtually

the only means of payment for commodities. Collections on accounts are down, and now that we are about to be faced with termination of unemployment compensation benefits on an increased scale, many grocery store owners and other small-business men are viewing the immediate future with considerable pessimism and alarm. Unemployed men and women all over West Virginia are likewise confronted with discouraging prospects not only because their unemployment benefits are rapidly being exhausted but also because their chances of becoming reemployed seem to be diminishing in view of the continuing decline being evidenced in the Nation's economy. Mines are continuing to close down, increasing numbers of railroad workers are being cut off, glass plants are cutting back on production, pottery plants are suffering increasingly, and small business is being pinched more and more.

I submit, therefore, Mr. Chairman, that these conditions graphically illustrate the need for extending the period for unemployment coverage if even a small measure of purchasing power is to be restored to the channels of trade and the jobless are to have at least a subsistence standard of living. I urge that the House act favorably and quickly upon the legislation before us. Its objectives are timely at this particular moment.

Mr. SANTANGELO. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SANTANGELO. Mr. Chairman, I rise in support of H. R. 12065. The Nation demands the enactment of this bill. Five million two hundred thousand people have lost their jobs. More than 500,000 persons have exhausted their unemployment insurance since the beginning of the year. More than 50,000 per week are exhausting their benefits. The Secretary of Labor testified that he estimates 2.3 million workers will exhaust their benefits in calendar year 1958. Under the present depressed economic conditions, we can safely assume that most of those who have exhausted their unemployment insurance have not succeeded in securing new jobs.

Unless we extend immediately the duration of unemployment insurance and extend coverage of unemployment benefits, as proposed in H. R. 12065, it will mean that hundreds of thousands of people throughout the Nation may face deprivation and want. Hundreds of thousands await our action. Upon the outcome of our deliberations will depend whether these hundreds of thousands of Americans can look forward to some meager subsistence for an additional 16 weeks or whether they and their families will be facing want or dependence upon charity. We must act now.

Our failure to act now will not only deprive those who have exhausted their unemployment insurance with a minimum of subsistence, but will also affect the total progress of our economy. We have read with shock about isolated cases of bread lines in American cities. Unless we provide the unemployed with some means of subsistence, such incidents may become widespread, and there is nothing more devastating to the morale of the country and to the state of confidence of the people than to see this reminder of the deep dark days of the great depression of the thirties.

We must not let this happen.

In the early days of this winter, when the seriousness of the present recession became evident many farsighted Democratic leaders here in Congress and outside started the clamor for action. The administration refused to heed these demands and termed those who showed concern for the needs of the people as prophets of gloom and doom. The President promised on February 12 of this year that action would be taken if the economic data for March did not show an upturn. March has come and gone and April is nearly gone and no upturn and no action.

We know now that the much hoped for spring upturn has not been realized. The gross national product for the first quarter of 1958 is estimated to have been $424 billion—annual rate. This figure is $16 billion below that of the third quarter of 1957, and $9 billion below that of the fourth quarter annual rate.

Industrial production in March stood at 128, a drop of 12 percent. This is a deeper drop than we have experienced in the earlier two recessions since World War II. Personal income has dropped at the average rate of almost a billion a year during the past 6 months.

I would go on to cite many more statistics. The evidence is conclusive that our economic downturn is still continuing and that mere wishing is not going to return us on the road to prosperity. Unemployment is rising despite the usual seasonal spring upturn. During the past month the total insured unemployment in the Nation has increased by another 500,000 and more than 3½ million people are now drawing unemployment insurance. Of the total unemployed 1,400,000 are not receiving any benefits whatever. This means that 1 out of every 12 insured persons is now drawing unemployment insurance.

But despite this grave recession the cost of living is continuing to rise. It was a great shock to me to read last week that the Department of Labor Consumers Price Index has risen by another eight-tenths of a point.

These dry statistics barely begin to suggest the story of suffering and misery. To me the unemployed are not mere numbers: to me they are neighbors and friends. As a Congressman from New York, I have the privilege of going home on weekends. I represent an area which consists merely of workers, laborers, and toilers. I interview from 50 to 100 people per week in my New York Congressional office. I have seen 59-year-old men without a job and no hope for work. Because they are physically able to work, and are not 65 years old, they are not eligible for social security. I have seen 25-year-old boys with rippling muscles and no place to expand them. I have seen dress operators with nimble fingers, but with no machines to work on. I have seen mothers with trailing children ask for menial jobs to bring in food and bread while their husbands are unemployed. I have seen men against whom deficiency judgments have been obtained because they lost their jobs and chattels. A look of fear is in the eyes of some of them. In others, a glassy stare. I am not so young that I do not remember the conditions in the 1930's. I have not seen such forlorn gazes since those depression years of 1930. I have watched over the last few months the rising fear of unemployment and want. We cannot let these people down today. We must act now.

Unemployment insurance was designed as a cushion to withstand recessions and to give the consumer some purchasing power in times of unemployment. It was intended as a generator so that the wheels of commerce would turn and so that the unemployed would continue to get some means of subsistence to support their families and themselves when they are laid off.

It was the Democratic Party which had the vision to provide for the victims of a recession—the unemployed—and to provide for a built-in stabilizer which would counteract the ravages of a recession. But the unfortunate tight-money and high-interest policies of the administration and its continued refusal to face the facts during these last few months has brought about a deeper recession than we have thus far experienced since the end of World War II. It is, therefore, the duty of Congress now to step in to try to reverse the trend.

We must first provide for those who have suffered most from unemployment. The unemployed cannot eat "chins-up" speeches. They cannot eat press releases. Their confidence will not be restored by chasing prosperity which once again lies around the corner. Their confidence will be restored if we give them action and not vetoes.

Action will be necessary to restore prosperity and to bolster our faltering economy which is now suffering from the follies of the economic policies of the administration.

Enactment of H. R. 12065 will provide an important foundation in the achievement of our aims. We do not want our fellow citizens to ask us, "Brother, can you spare a dime?" Let us give them food and quarters, not speeches and dimes.

Pass this bill.

Mr. DAWSON of Utah. Mr. Chairman, this is tragic legislation. Under the guise of granting assistance to our unemployed working people, this bill wipes out one of their most valuable rights—their contractual right to receive unemployment compensation during temporary periods when, through no fault of their own, they are out of work.

In its place is substituted what is essentially a dole. We are today asked to approve legislation that takes the taxes of our working people, many of them making just a marginal living, and redistribute it to people not working, regardless of whether they need the money or not. I challenge anyone sponsoring this legislation to contradict the statement that this legislation will make it

possible for a person with a million dollars in assets and an income of $100,000 per year to apply for and get weekly payments as a right from the Federal Treasury.

Never before in the history of this country has such a long stride toward out and out socialization been taken as we are asked to take today.

Let there be no mistake here. We who are opposing this bill are not doing so because we are not sympathetic with these unemployed in need. We are doing it because we are sympathetic to them. We do not think that the assets of our Government set aside to help those in need should be shared with others who do not need help. That is precisely what this bill does.

Mr. Chairman, what excuse is there for this legislation? Why are we setting up an entire new program to distribute Federal funds to the unemployed when we already have the program in operation through our State welfare commissions? My governor has assured me that any unemployed wage earner in Utah who is in need and not now eligible for unemployment compensation will be provided for and that the State has ample funds and machinery to do this for the foreseeable future.

Yet we are now asked to junk this program that has operated so nicely in the past. In its place we are asked to substitute a new program with the only basic difference being that under the new program, Federal funds can be paid out to individuals not working regardless of need. And in addition, this new program presents real administration difficulties. Even the proponents of this measure anticipate that this new program will cost $25 millions to administer. This means that it will cost 5.5 cents to distribute every dollar appropriated.

I said in the beginning that if this extension proposal becomes law it will mean an end of our unemployment insurance program as such. We cannot give free to everybody the same benefits our other workers and employers have earned and paid for without destroying the entire program.

I for one will do all I can to protect the rights of our working people to a benefit they have earned and paid for—unemployment insurance. For those who have not earned this right, I will also work—if they need help. But I cannot support legislation like this which grants them help whether they need it or not and by so doing kills a program that has meant so much to our working people.

Mr. MILLS. Mr. Chairman, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD on this bill.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MILLS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HAYS of Arkansas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 12065) to authorize temporary unemployment benefits for individuals who exhaust their benefit rights under existing unemployment compensation laws, and for individuals who were employed in noncovered employment, directed him to report it had come to no resolution thereon.

HON. THOMAS J. O'BRIEN

Mr. YATES. Mr. Speaker, I ask unanimous consent to address the House for 1 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Speaker, I take this time in order to pay tribute to the able dean of our Illinois delegation. Today Congressman TOM O'BRIEN, of Illinois, is 80 years old. Today marks the anniversary of a political career which began 52 years ago—a career which has been written as a lustrous record across the pages of the history of his city, his country, his State, and his Nation.

Certainly there is no person more beloved in this House, nor is there one who carries a greater respect among his colleagues. Certainly there is not one who is more effective.

Today with the wisdom of mature experience, with the courage and wit of his heritage, with the zeal which still lingers after decades of intense activity, he is the embodiment of the truth of Rabbi Ben Ezra's declaration in the poem by Robert Browning when he said, "advanced years can be a burden or a blessing." In the case of TOM O'BRIEN he carries his maturity with dignity, with pride, with effectiveness in the high service of his fellow man.

I wish him continued health so that he may carry on the great work he has performed for so many years.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield.

Mr. McCORMACK. Mr. Speaker, TOM O'BRIEN is one of the most beloved Members of the Congress. I entertain for him not only a strong feeling of friendship but a deep feeling of respect. When you think of TOM O'BRIEN you always think of Mrs. O'Brien. They are a wonderful couple. Mrs. O'Brien has been his guide and inspiration throughout the years.

I am very glad to join with my friend from Illinois and the other friends of TOM O'BRIEN in congratulating him on his birthday anniversary. I hope God will bless TOM and Mrs. O'Brien for countless years to come.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Arkansas.

Mr. MILLS. I desire to associate myself with the remarks complimenting my distinguished friend from Illinois, Mr. O'BRIEN, on his 80th birthday, and also to join with the majority leader in paying tribute to the other half of this wonderful team, Mrs. O'Brien. There is no more valuable member of the Committee on Ways and Means, and certainly there is no more influential or effective Member of the House of Representatives than our distinguished friend from Illinois.

Mr. YATES. I thank the gentleman.

Mr. KEOGH. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield.

Mr. KEOGH. Mr. Speaker, it affords me great pleasure to join in the many fine tributes which are being paid today to our distinguished and beloved colleague, Representative THOMAS J. O'BRIEN of Illinois, on the occasion of his 80th birthday.

It was my privilege to serve with TOM O'BRIEN in the 75th Congress prior to his election as sheriff of Cook County, and I was delighted when the forces of fate brought him back to rejoin us in the 78th Congress. I have been honored to serve with my good friend on the Committee on Ways and Means and have valued most highly his wise counsel and friendship. The people of Illinois, whom he has served so well, may be proud of the diligent and constructive manner in which he has discharged his duties. TOM O'BRIEN has won the respect and high regard of every Member of this House irrespective of party affiliation, and it is fitting that we should join in expressing our esteem and affection for him on this happy occasion. My hope is that we will have the benefit of his sound judgment and keen mind for many more years to come and that all the good things of life will continue to be his and Mrs. O'Brien's.

Mr. YATES. I thank the gentleman.

Mr. BYRNE of Illinois. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield.

Mr. BYRNE of Illinois. I, too, would like to be associated with the remarks of my good friend from Illinois.

I knew TOM O'BRIEN when I was a boy back in the old days at Paw Paw Lake; and I knew another fine Democratic leader, Pat Nash, who, I believe, originally sponsored my colleague TOM O'BRIEN. It is a pleasure for me to wish him a happy birthday.

Mr. YATES. I thank the gentleman.

Mr. DORN of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield.

Mr. DORN of South Carolina. I want to compliment the people of Illinois on sending so distinguished a Member as TOM O'BRIEN to this Congress along with the other fine Members from that great State. I wish to join my colleagues in wishing for TOM a happy birthday and for him and Mrs. O'Brien many, many more happy birthdays together and years of service to our country.

Mr. YATES. I thank the gentleman and yield to the gentleman from Indiana.

Mr. MADDEN. Mr. Speaker, I wish to join in congratulating our colleague THOMAS J. O'BRIEN, of Illinois, on the celebration of his 80th birthday.

Very few Americans can enjoy the satisfaction of attaining that milestone in their life's career and possess the physical vigor, good health and mental capacity which has been bestowed upon our good friend TOM O'BRIEN. No person

in the Congress, with the possible exception of Speaker RAYBURN has been in public service longer than TOM O'BRIEN. He was first elected to the Illinois Legislature in 1905 and has served in public office in one capacity or another consecutively 53 years. No American can attain this extraordinary accomplishment in public life and especially in the keen competition of metropolitan politics in Chicago, Ill., without possessing outstanding character, honesty and industry. Officials in the city of Chicago who were serving in public life with TOM O'BRIEN 40 and 50 years ago have long since gone to their eternal reward. TOM, his good wife, and his numerous friends can indeed be proud of his record as a public official for over one-half a century.

I wish to join his numerous friends in the House by extending to him heartiest congratulations on his 80th birthday and wish him many more years of good health, happiness, and service to his country.

Mr. YATES. I thank the gentleman.

Mr. Speaker, I yield to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Speaker, I know of no finer Member of the House than TOM O'BRIEN. The more you know Tom, the more you love him. I pray God that He may bless Tom and his good wife with good health so that Tom can remain with us for a long, long time to come.

Mr. YATES. I thank the gentleman.

GENERAL LEAVE TO EXTEND

Mr. YATES. Mr. Speaker, I ask unanimous consent that Members who have spoken may have permission to revise and extend their remarks and that all Members may have the privilege of extending their remarks at this point in the RECORD on this subject.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. RAYBURN. Mr. Speaker, God never made a better, a more loyal man than TOM O'BRIEN. May he live long and be happy and healthy.

Mr. GORDON. Mr. Speaker, I wish to pay tribute to our distinguished colleague, Honorable THOMAS J. O'BRIEN, dean of the Illinois delegation, who is 80 years young today.

TOM O'BRIEN has given 50 years to public service in the Illinois Legislature, as sheriff of Cook County, and as a Member of the United States Congress. His enviable record of 11 terms in the House of Representatives was interrupted in 1946 when he was elected sheriff of Cook County.

During his entire career as a public servant, his devotion to duty and loyalty to the constituency of Illinois and our country has been consistent and outstanding.

I join in wishing him many years of continued good health and many more years of service.

Mr. KLUCZYNSKI. Mr. Speaker, today, April 30, marks the 80th birthday of the venerable dean of the Illinois Congressional delegation, THOMAS J. O'BRIEN.

For over a half century he has been serving the public interests, nearly a quarter of a century in these Halls. Perseverance and a profound sense of dedication mark this man. His cardinal virtue is integrity.

There are some among you more eloquent, some with greater flare—but none excel in loyalty and sincerity.

I have been raised in one of the most exacting schools of politics and have had occasion to observe all kinds of people. None have generated so intense a feeling of loyalty, so generous a response of love and respect as TOM O'BRIEN.

All the genius of all the lawyers in this Congress could not draft a contract which would be more binding, more secure than the word of TOM O'BRIEN.

His 50 years of public service, his record with colleague and constituent serve as a sterling example to all of us. The entire membership of this House together with his friends of Illinois wish him good health and many, many more years of service.

Mr. O'HARA of Illinois. Mr. Speaker, no Member of this body is more beloved than TOM O'BRIEN. We in the Chicago delegation have a transcending pride in our dean. In Chicago, TOM O'BRIEN is respected and beloved by those in offices of high authority and by the humble men and women in the ordinary walks of life. He is an institution of integrity, of faithfulness and of loyalty, the like of which there are few in any generation. The friendship of TOM O'BRIEN has given to more than half a century of my life an enrichment beyond measure. Of him it truly is remarked by everyone that he never broke his word, he never failed a friend, he never compromised with what he thought to be wrong. I join with my colleagues and with all the people of Chicago in heartiest congratulations on this 80th birthday to "Mr. Chicago" and to the charming and noble woman who has shared with her husband the happiness of years of devotion and joint doing of good deeds.

Mr. GRAY. Mr. Speaker, it is a real pleasure for me to join with members of the Illinois delegation and my other colleagues in Congress in extending best wishes for a most happy birthday to our beloved dean of the Illinois delegation, Hon. TOM O'BRIEN, of the Sixth Illinois District in Chicago. His warm heart and kind devotion to the interests of others has won for him great admiration and respect by both Democrats and Republicans. He has set a splendid pattern for new Members of Congress to follow and I hope we will be able to contribute as much to our constituency and the country due to his inspiration. My fondest wish is that he will enjoy many more happy birthdays.

Mr. SHEEHAN. Mr. Speaker, it gives me great pleasure to join with my other colleagues from the State of Illinois in wishing happy birthday greetings to Congressman TOM O'BRIEN.

I am sure there are a great many of us who hope and pray that, when we reach the age of fourscore years, we will be in as good condition, both mentally and physically, as TOM O'BRIEN.

Having heard of the name and reputation of TOM O'BRIEN for a great many years before I came to Congress in 1951, it has been a privilege for me to know him personally and to be associated with him. On many projects for the benefit of the State of Illinois and the city of Chicago, Mr. O'BRIEN has been most helpful in working for a bipartisan solidarity of both Democrats and Republicans for such projects.

Here's hoping that Congressman TOM O'BRIEN enjoys as many more years in Congress and in this world as he desires.

Happy birthday.

Mrs. CHURCH. Mr. Speaker, in kindness and consideration, as well as in sound guidance, no dean of any delegation equals our own senior gentleman from Illinois. His years of signal devotion to his city, his State, and his country have built a record of far-reaching and constructive service that cannot easily be equaled. Happy birthday, Mr. O'BRIEN—and with our affection goes every good wish that the future will bring to you and Mrs. O'Brien long years still of a beautiful, happy, and active life together.

Mr. PRICE. Mr. Speaker, not only members of the Illinois delegation in the House of Representatives regard today as an important anniversary but I am certain all Members of the House join us in this feeling. It is the 80th birthday anniversary of our beloved colleague, the Honorable THOMAS J. O'BRIEN.

It is fitting that the House take this time this afternoon to say "Happy birthday," to the distinguished Illinois legislator and to congratulate him on the occasion.

TOM O'BRIEN is an institution in his home community of Chicago—respected and honored not only by his own constituents in the Sixth District, but by the citizens of the entire city and metropolitan area, whom he has so ably served over 40 years in county, State, and Federal elective positions.

In Washington, he is recognized as the most effective of legislators. Diligent in the performance of his duties, he has so captured the admiration of his colleagues that his judgment, advice, and counsel is sought on the most important of legislative matters. Can any Member of the House forget the response to his pleas in behalf of legislation so vital to his native Chicago area? It must be a source of great satisfaction to TOM O'BRIEN to have the opportunity to witness the high esteem in which he is held by his fellow legislators as expressed in their support of any measure bearing his name.

TOM O'BRIEN is dean of the Illinois Democratic delegation in the House, but his leadership in matters pertaining to Illinois transcends party lines. It is not unusual for the entire Illinois groups, Democrats and Republicans, to assemble in TOM's office for guidance on important legislation which means so much to the development of the Chicago area and to the welfare of the people of Illinois.

His interests, however, are not limited to his own District, nor his own State. He is forever in the forefront of progressive legislation in the national interest, and his vast reservoir of knowledge gained through his many years of public

service is readily made available by him to others.

So, this afternoon, it is a distinct pleasure to join my colleagues in saying, "Happy birthday" to TOM O'BRIEN. My sincere best wishes go with the greeting, as I express the hope I may have the good fortune to look to this distinguished leader for many years for advice and counsel.

Mr. BOYLE. Mr. Speaker, both as a personal friend of long standing and as a member of the Illinois delegation, it is my distinct honor to take the floor and salute, congratulate, and compliment the great dean of the Illinois delegation, THOMAS J. O'BRIEN, on the occasion of his 80th birthday.

Starting his career of public service as a constable in 1906, he has spent a lifetime in serving his fellow men. Through the years he has devoted his time and energy in rendering an honorable account of his stewardship.

With God on his side and the winds of good health in his sails, may a kindly providence reward our dean for his many accomplishments and favor him with many more years in which to continue his fine leadership of the Illinois delegation. We wish him many happy returns of the day.

Mr. COLLIER. Mr. Speaker, it is a real privilege to join my colleagues in paying tribute today to the distinguished dean of the Illinois congressional delegation, Hon. THOMAS J. O'BRIEN, on his 80th birthday.

TOM, as he is affectionately known to his multitude of friends—a host of whom live in my District—has served the people of Illinois and particularly Cook County faithfully and with real devotion to duty during his long career of public service. He is truly a great American.

I know that the people of his District join with his many friends in this Congress in wishing him the very best and many years abundant in good health and happiness.

Mr. LIBONATI. Mr. Speaker, today, Wednesday, April 30, the sun peeks out of the heavens to wink at us, for there are sweet, soft complimentary murmurings about the halls of the Capitol and everyone is whispering about the happy event—for this day, Mr. THOMAS O'BRIEN, of Illinois, the dean of the Illinois delegation, and the natural leader, celebrates his 80th birthday.

His colleagues of the House respect and venerate this humble man, gentle by disposition and fiery by nature. In his long career—25 years—in this House, he has never forsaken a friend and always kept his word. The sagacity of his mind being trained by experiences among those men who ever struggled against the raw problems of a tough life, both economically and socially, had prepared him for his important work here. As a true leader, he always gives the other fellow a friendly word of advice, a pat on the back, the strength of his support. Mr. O'BRIEN fights for one out in the open. He is unafraid. He values the rules of friendship. He never lets one down. The many friends here testify to this indomitable leader's complete acceptance as a great man, true American and loyal leader. Mr. O'BRIEN champions the cause of the little fellow, the person who needs a friend. He has great love and respect for the distinguished Speaker, SAM RAYBURN, and the versatile, brilliant majority leader, JOHN MCCORMACK. There is not a Member of the House of Representatives that Mr. THOMAS O'BRIEN need ask a second time for anything—for services he has given to others over the years need not be repeated for him.

His early career started 52 years ago, serving in the Illinois Assembly, as sheriff of Cook County and as a Congressman. His training on the West Side gave him a keen sense of "knowing a man when he saw one"—and to evaluate character. Mr. O'BRIEN never crossed a person in his life. And, further, he has never misled anyone at any time. He does not mince words about what he thinks, and is forthright about any position that he takes on a question, whether you like it or not. He tells you to your face—you get it straight from him.

He does not hedge or squirm about hurting your feelings if it is the truth you must know. He served under the fine leadership of a great Democrat, Honorable Patrick Nash, and all his life being taught that a man who can give an order can take an order. This philosophy of life is to accord to another the fair treatment that you would expect to receive yourself. His practical knowledge of men and things is tremendous. He is trustworthy and reliable—a man of few words; but when he talks he really says something and means it—no double talk from our friend who is affectionately called the sheriff.

In my personal tribute to him, may I thank him for the many kind acts of friendship shown to me, as well as the invaluable aid, advice and guidance received through his good offices. It is a privilege to have enjoyed this degree of intimacy through years of my life, beginning with our service in the Illinois Assembly in 1931. He has always been at my side, for which I am ever grateful.

Mr. O'BRIEN, on this day sacred to your memory, we, the Members of the House of Representatives salute you and your popular mate, Mrs. O'Brien, who is revered by everyone throughout the Washington area, especially the working girls, clerks, and waitresses for her many kindnesses. It is for your help, patience and powerful leadership that we join you and your wife in this happy celebration, asking God's blessing.

Mr. VURSELL. Mr. Speaker, with leave to extend my remarks, I want to take this opportunity to salute and congratulate my colleague and warm personal friend, TOM O'BRIEN of Illinois, on his 80th birthday. Because of his fine character, genial and friendly disposition, he counts his friends by his acquaintances, and knows no enemies.

Mr. Speaker, I have had the pleasure of knowing him for many years, as many Members of the House have, and have found him always a gentleman of the highest type, always willing to be helpful if one's cause is worthy, and a man whose word, when given, is always as good as the soundest bond.

Educated in business law and and accounting, for years he was associated in the accounting business with John S. Weisbach & Co., Chicago, and for a time served as State bank examiner under auditors Brady, Russel & Nelson. Before coming to Congress, he served as a State representative in the 45th, 46th, and 57th General Assemblies of Illinois. He was first elected to the 73d Congress; reelected to the 74th, and 75th Congresses; elected sheriff of Cook County for the term 1938 to 1942. Was afterward elected to the 78th, the 80th, 81st, 82d, 83d, 84th, and 85th Congresses, and for many years has been a member of the great Committee on Ways and Means.

His many friends wish him continued good health, happiness, and service in this body.

Mr. MCVEY. Mr. Speaker, under permission to extend my remarks in the RECORD, I wish to associate myself with those who are congratulating our colleague, Congressman TOM O'BRIEN, on the occasion of his 80th birthday. I have known Mr. O'BRIEN since the first day I came to the Congress, and over the years I have grown to respect him most highly and to place great confidence in his judgment.

He is a good American who fills his position, not only to the satisfaction of his constituents, but to the country generally. Not all of us are permitted to live out a life as full and complete as his has been. It is, therefore, fitting that we express our unusual interest in his age attainment and wish for him a continuation of his good health and activity.

Mr. SPRINGER. Mr. Speaker, I am happy to join with my colleagues in the House in congratulations upon the birthday of our friend, TOM O'BRIEN.

No one in the House has been more thoughtful or more kindly in his everyday contacts with Members than the gentleman from Illinois. There has never been anything too much to do for him in his way for any other Member. He always has time for a friendly chat and to do a good deed for those he values as his friends.

I hope that he will enjoy many more years in this House and that they will be as happy and as fruitful as the ones that have preceded it.

Mr. HAYS of Arkansas. Mr. Speaker, I am glad that our friend the gentleman from Illinois [Mr. YATES] has called attention to the fact that this is the 80th birthday of our beloved colleague, the Honorable THOMAS J. O'BRIEN. His is a unique career and such a notable one that we should not let this milestone pass without expressing our profound appreciation for his friendship and for his contribution to the public service. In his quiet, but remarkably effective, way he has served his District, his city, his State, and his Nation over a long period, and we, his friends, are happy that his health and vigor have been preserved. Paraphrasing an old saying, TOM O'BRIEN can't grow old; time only decorates him.

SOUND SCHOOL-AID LEGISLATION

Mr. UDALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, one of the most troublesome problems which has confronted recent Congresses is the question of devising sound school-aid legislation. This search has been intensified by the challenge, implicit in the sputniks, that the race for intellectual supremacy may be the decisive arena in our conflict with the Communist world.

To date major Federal aid to education bills have failed to win majority support largely for the reason that particular features of each bill have aroused widespread opposition. For example, fear of Federal control of education has been a dominant stumbling block for many of our colleagues. Others have pointed a critical finger at the bureaucratic pyramiding involved in most proposals and its attendant expense; and still others have objected to various bills on the ground that they were not addressed to the total problem of education.

Today I have introduced a bill which, I believe, will meet the real needs of education, and simultaneously satisfy these objections. This legislation is simplicity itself; it has no Federal controls whatsoever; not a single additional Federal employee need be hired to supervise its operation; it will provide for an even-handed distribution of Federal funds; and lastly it will permit each State to further its major educational objectives by distributing these funds through existing State aid pipelines.

More important, it puts to use the machinery and experience of our oldest Federal aid to education—the 68-year-old grant college assistance program.

In addition, it embodies the merits contained in the Scrivner amendment, and rejects the bad features of that proposal.

Likewise it embraces the soundest applicable provisions of the Kelley bill, without incorporating elements in that proposal which were unacceptable to many members.

Following the guidelines laid down by the second Morrill Act of 1890, as amended, this legislation would function as follows:

First. Funds would be appropriated annually by Congress—as a starting point I have suggested that the first year's appropriation should be $500 million.

Second. These funds would be allocated to the States under a flat-grant formula based on the school age population of each State.

Third. Payments would be made directly to the States quarterly by the Secretary of the Treasury under this objective formula and without the intervention of any Federal discretion.

Fourth. Each State would distribute the funds to local school districts for teachers' salaries, school facilities, and equipment in accordance with current State-aid programs.

Fifth. Again following the pattern of the land-grant college program, at the close of every fiscal year each State educational agency would make a report to the United States Commissioner of Education on how the funds have been used. In turn, these reports would be transmitted to the Congress by the Commissioner together with his recommendations.

There would be no Federal administrative control whatsoever of education under this act. The States would administer the grants under the Federal statute and the Congress itself would evaluate the results with the assistance of the Commissioner. I am informed this system has worked flawlessly under the Morrill Act.

Mr. Speaker, the local real property tax base is no longer a reliable indicator of income or ability to pay taxes. Neither is it adequate since in 1956 the locally assessed valuation totaled only $210 billion for all States combined. This tax base is inadequate to bear most of the annual school tax load of approximately $7 billion in addition to a major share of the cost of other necessary local public services, and is so unevenly distributed in every State that school districts find adequate public-school financing increasingly difficult.

The States now supply nearly $5 billion annually to school districts from State tax sources. In 1958, approximately 50 percent of these State funds are being distributed to local school districts under grants varied according to need. Even so, the States have not succeeded in providing enough funds to finance adequate programs of education in all districts. Additional State funds are increasingly difficult to obtain, partly because the financial incentives offered by the Federal Government to State legislatures through matching grants for welfare, health, highways, and other services give them priorities on State appropriations. My proposal would tend to provide some equity for education without placing it in direct competition with other public services through Federal matching funds.

The basic purpose is the overdue recognition of education as an extremely important long-term determiner of the national security. Our potential enemies have said they can excel the United States in world influence through superior education and without resort to arms. The challenge is clear and realistic. It is unthinkable that the National Government shall look the other way while creating conditions by its own actions which make impossible an educational system of the quality the national interest requires.

CHEMICALS IN OUR FOOD CAN CAUSE CANCER

Mr. DELANEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DELANEY. Mr. Speaker, for many years I have been pressing for the enactment of legislation to prohibit the use of chemical additives in foods unless adequate tests have first demonstrated that they are safe for use.

A recent ruling proposed by the Food and Drug Administration points up the necessity for this legislation.

This is a ruling against a pesticide called Aramite, which is known to induce cancer in test animals.

For over 2 years, cancer experts have been warning that this pesticide is not safe for human consumption in any amount.

Nevertheless, FDA has permitted its use on apples, blueberries, cantaloups, celery, cucumbers, grapefruit, grapes, green beans, lemons, muskmelons, oranges, peaches, pears, plums, raspberries, strawberries, sweet corn, tomatoes, and watermelons.

My food additive bill, H. R. 7798, in addition to requiring the pretesting of chemical additives to prove safety, would specifically ban the introduction into food of any cancer-inducing chemical.

There has been strong opposition to this provision, but the aramite story shows why it is needed.

Back in February 1955, as required by Public Law 83-518—the pesticide amendment to the Federal Food, Drug, and Cosmetic Act—the United States Rubber Co. filed with FDA a petition requesting the establishment of tolerances of 2 parts per million for residues of aramite, in or on certain fruits and vegetables, and tolerances of 5 parts per million on certain other raw agricultural commodities.

After consideration of the test data submitted, which included evidence that the chemical induced malignant tumors in test animals, FDA concluded that the safety of aramite was questionable, and published a zero tolerance.

Thereupon, the United States Rubber Co. withdrew its original petition and submitted a new petition requesting tolerances for aramite of 1 part per million in or on the same commodities. In conformance with a certain provision of the pesticide amendment, the company also requested that the new petition be referred to an advisory committee of experts for study and recommendations.

This committee met in Washington on July 27, 1955, and following a morning and an afternoon session, issued three recommendations:

1. That a residue tolerance of 1 part per million be established for aramite under the provisions of Public Law 518, 83d Congress.

However, the committee apparently was not convinced that aramite was harmless, because it also recommended:

2. That the petitioner be advised to secure acceptable data on the chronic toxicity and carcinogenicity of aramite at feeding levels between zero and 500 parts per million in the mouse, rat, and dog.

3. That the entire problem be reviewed by this or another committee in 1957, when further laboratory and other data are available.

These, surely, were strange recommendations for scientists to make. They admitted that they felt that the data

which they reviewed were insufficient and incomplete, and, in particular, suggested that more information be secured regarding the cancer inducing propensities of aramite. Yet, at the same time, they were perfectly willing that the public be exposed to a certain amount of it.

It is all the more strange when we consider that the committee had before it reports of tests which showed that aramite, when fed in certain concentrations, produced liver injury and malignant tumors in test animals.

The Food and Drug Administration accepted the recommendations of the advisory committee, withdrew its previous ruling, and published a tolerance of 1 part per million of aramite. Once again, as so often in the past, the public became a guinea pig.

Now, over two and a half years later, additional tests show that aramite, fed at a significantly lower concentration than that considered by the advisory committee, tended to cause liver tumors in rats, and produced liver damage and malignant tumors in the livers and bile ducts of dogs.

Here, it seems to me, is a perfect example of the apparent willingness of Government to accommodate big business and let the public take the risk.

At the time of its original ruling, the Food and Drug Administration had on hand evidence to show that aramite, so far as the public health was concerned, was at least a suspicious product. Under the law, FDA was not required to accept the recommendations of the advisory committee and grant any tolerance of the chemical.

The Food and Drug Administration is to be commended on admitting its mistake and publishing its present proposed ruling. However, that does not remove the possible effect that aramite may have had on the public during the period in which its residues have been permitted.

Mr. Speaker, the significance of FDA's former ruling on aramite was that for the first time a precedent was set that might give legal sanction to the introduction of so-called "safe" quantities of cancer-inciting additives into food.

I first brought this to the attention of the Congress on February 21, 1957, when I placed in the CONGRESSIONAL RECORD a letter written to me by a noted cancer researcher, Dr. William E. Smith.

Dr. Smith has had a brilliant research career and at various times has been on the staffs of the Harvard Medical School, the Rockefeller Institute for Medical Research, the Sloan-Kettering Institute for Cancer Research, and was at one time an associate professor of industrial medicine at New York University. At present, he is doing research at the Fairleigh Dickinson University and is secretary of the Cancer Prevention Committee. Dr. Smith is a dedicated scientist, and a courageous man who has not hesitated to tangle with the industries in attacking practices which he has felt might endanger the public health.

It was after several discussions and much correspondence with Dr. Smith that I revised my earlier food additive bill, H. R. 4014, and introduced H. R. 7798, which contains the carcinogen prohibition, and is the only additive bill which does so, except for an identical bill, H. R. 7938, introduced by the distinguished gentlewomen from Missouri [Mrs. SULLIVAN].

Here I should like to pause a moment to express my appreciation for the strong support that our much admired colleague from St. Louis has given in this food additive issue. She has spoken eloquently on the floor of the House on this subject, has given radio talks, has conferred with women's groups and consumer organizations. Her interest and concern have been a most valuable contribution.

The carcinogen provision, which I have mentioned, follows the unanimous recommendation of the International Union Against Cancer at its symposium in Rome in August 1956. This symposium was attended by over 40 cancer experts from some 20 countries.

The recommendation stated:

> The conference recommends that, as a basis for active cancer prevention, the proper authorities of various countries promulgate and enact adequate rules and regulations prohibiting the addition to food of substances having potential carcinogenicity.

The two following recommendations were also unanimously approved:

> 1. Food additives should be permitted only if, after long-term administration to at least two species of animals (one preferably a nonrodent), orally and parenterally, in amounts which must be considerably higher than would be present in food, and, after observation of the animals over their lifetime, and through at least two generations in at least one suitable species, they have no toxic effect.
>
> 2. Any substance which causes cancer in man or which, when tested under these conditions, is shown conclusively to be a carcinogen at any dosage level, for any species of animal, following administration by any route, should not be considered innocuous for human consumption.

The original tests showed that aramite did not meet these criteria of safety. The later tests were even more conclusive regarding its potentiality for harm. Of course, the International Union Against Cancer is not an American organization, although some distinguished Americans are members of it, but it does represent the advanced thinking of a world group of cancer authorities.

H. R. 7798 not only follows the recommendations of the International Union Against Cancer but also conforms with recommendations of the American Cancer Society.

A letter sent to the Subcommittee on Health and Science on July 22, 1957, by Mr. James S. Adams, chairman of the legislative committee of the American Cancer Society, states as follows:

> We strongly urge that your committee recommend legislation to the Congress to strengthen the Food and Drug Administration and that this legislation embrace the following principles:
>
> 1. That the proponent of any proposed chemical additive be required to conduct tests which will demonstrate that the additive is safe for human consumption in the manner in which it will be used, and that these tests include one to determine whether the additive may be carcinogenic to experimental animals. The adequacy of these tests should be determined by the Food and Drug Administration.
>
> 2. That permission to use the additive be withheld until its safety has been demonstrated to the satisfaction of the Food and Drug Administration by the proponent.
>
> 3. That no substance shall be approved found to induce cancer in man, or after tests provided in No. 1 above, found to induce cancer in animals.

H. R. 7798 is supported by such authorities as Dr. William C. Hueper, the distinguished head of the Environmental Cancer Section of the National Cancer Institute, who testified before the committee in an unofficial capacity; Dr. Francis E. Ray, director of the cancer research laboratory of the University of Florida; Dr. Alton Ochsner, head of the Ochsner Clinic of New Orleans, and a famous cancer surgeon; and Dr. W. Coda Martin, president of the American Academy of Nutrition. It is also supported by a very large number of consumer organizations and labor unions, members of which have a direct interest as consumers.

Mr. Speaker, it is appalling to think that one out of every four persons in this country will at some time or another suffer from cancer. While we may not yet completely understand the part that chemical additives play in the cancer picture, enough is known to put us on our guard.

In my last appearance before the Health and Science Subcommittee on the 15th of this month, prior to the new FDA ruling, I stated:

> The precedent established by the aramite decision has opened the door, even if only a little, to the use of carcinogens in our foods. That door should be slammed shut and locked.

It is my firm purpose to do just that.

Surely there is nothing of greater importance to any nation than the health of its people.

We have a serious responsibility in this field. It is urgent that we meet it as soon as possible, and as completely as possible.

AMENDMENT OF SOCIAL SECURITY ACT

Mr. TEAGUE of California. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I have introduced today a bill to amend title X of the Social Security Act to provide that, without an increase in the Federal participating funds, a State plan for aid to the blind may utilize a more liberal needs test than that presently specified in such title. This bill is consonant with the spirit and avowed purposes of title X wherein enabling legislation was enacted to encourage each State "to furnish financial assistance as far as practicable under the conditions of such State, to needy individuals who are blind, and of encouraging each State,

as far as practicable under such conditions, to help such individuals attain self-support or self-care."

Title X of the Social Security Act provides grants to States for aid to the blind. The grants cover four-fifths of blind-aid payments up to $30 per month and one-half above $30 not to exceed $60 per month. Accordingly, under a State plan for aid to the blind that qualifies for a title X grant, the Federal Government pays out $39 out of a $60 per month blind-aid payment.

Title X has been in effect since 1935. Since 1950, all 48 States have had plans which qualify for Federal reimbursement. Prior to 1950, however, Missouri and Pennsylvania had in effect laid plans for the blind which had failed to conform to the Federal interpretation of the so-called needs test amendment of 1939. That amendment provided: "A State agency shall, in determining need, take into consideration any other income and resources of an individual claiming aid to the blind"—section 1002 (a) (8). From 1937 to 1950 the blind people of Missouri and Pennsylvania and their State legislatures consistently refused to accept Federal matching funds if it meant scrapping their more liberal State blind pension and enacting in lieu thereof a more restrictive law which would conform to Federal requirements.

In 1950 Congress approved special legislation which permitted Missouri and Pennsylvania to retain their more liberal aid to the blind programs and still receive Federal participating funds. Under this special provision, the Federal Government provides participating funds only for those individuals who meet the strict requirements of the Federal law. The remaining eligible blind people of Missouri and Pennsylvania are paid entirely from State money. The exact language of the amendment reads:

> In the case of any State * * * which did not have on January 1, 1949, a State plan for aid to the blind approved under title X, * * * the Administrator shall approve a plan of such State for aid to the blind for the purposes of this title X, even though it does not meet the requirements of clause (8) of subsection (a), if it meets all other requirements of title X for an approved plan for aid to the blind; but payments under section 1003 shall be made, in the case of any such plan, only with respect to expenditures thereunder which would be included as expenditures for the purposes of section 1003 under a plan approved under title X without regard to the provisions of this section.

The amendment to the Social Security Act was originally enacted to terminate on June 30, 1955. Its life has since been twice extended, first to June 30, 1957, and now to June 30, 1959. The bill which I have just introduced proposes a solution that will put to rest, once and for all, the issues presented by the Missouri and Pennsylvania plans. Accordingly, this bill is proposed to take effect on July 1, 1959.

The Missouri and Pennsylvania programs are primarily more liberal than Federal requirements in the following regards:

One. Missouri has two separate plans, one plan which is supported entirely by State funds, provides for those blind persons who meet the eligibility requirements of the State law, but do not meet the more restrictive requirements of the Federal law. The other plan is supported by Federal and State participating funds and provides only for those persons who meet the more strict Federal definition of need. Pennsylvania has only one plan but the Federal eligible and ineligible recipients are separated as a bookkeeping transaction.

Second. In Missouri and Pennsylvania a flat fixed amount of $60 is paid to each recipient each month. This is in contrast to the variable individual payments of the Federal law.

Third. In Missouri a blind person is allowed to earn $175 a month and still qualify for the full amount of the pension while under present Federal law only $50 per month is allowed as exempt earnings. In Pennsylvania a blind person is allowed to earn $148.33 and still qualify for the full amount of the grant.

Fourth. In Missouri and Pennsylvania the amount of cash and property that a blind person may have and still qualify for the full pension is more liberal than under the Federal provisions.

A study of the Missouri and Pennsylvania plans discloses, I think, quite well how far these two States have gone in their efforts to encourage the rehabilitation of its nonsighted citizens. They have enlarged their economic opportunities to the end that they may render themselves independent of public assistance and become entirely self-supporting. These programs have proved highly successful and have paved the way for more enlightened socio-economic legislation in the other 46 States. I have long been impressed with the wisdom of the words of Justice Brandeis who said "It is one of the happy incidents of the Federal system that a single courageous State may, if its citizens choose, serve as a laboratory; and try novel and economic experiments without risk to the rest of the country." The value of this thesis is demonstrated by the Missouri and Pennsylvania plans. Our aid to the blind program should be directed to the ends of rehabilitation and helping our nonsighted people to become useful and productive citizens. The above described needs test tends to hurt our efforts at rehabilitation. Its effect is to destroy initiative and desire to make the most of the blind's productive years. The bill which I have introduced today is intended to preserve the minimum standards of clause (8) but it still allows the States to develop their programs in accordance with modern thinking and to encourage more liberal provisions provided that the States are willing to finance their expanded programs out of State funds.

This bill, then, would resolve the following Federal-State issues which have been raised by the present title X of the Social Security Act, to wit:

First. It would preserve to the States their right to provide improved social-welfare programs for the blind wholly financed out of State funds.

Second. It makes it possible for Missouri and Pennsylvania to retain permanently, and for other States to adopt, if they wish to do so, any or all of the distinctive features of the Missouri-Pennsylvania plan of aid to the blind.

Third. The amount of each State's Federal grant would continue to be measured by the present standards and on like terms to all States. The definition of the means test that is contained in clause (8) of section 1002 (a) would apply to all States for the purpose of determining the part of any State's expenditures that will be covered by the Federal grant.

Fourth. No limitation or requirement on the allowable exceptions from the means test in the direction of greater liberality would be imposed upon any State plan in order to retain a title X Federal grant for federally eligible cases. In order to prevent the States from circumventing the minimum standards of the Federal program by transferring recipients to a drastically less adequate State program, the States are permitted to increase, but not decrease the extent to which the recipients' earnings, or income, or other resources will be accepted from the means test.

Fifth. It would eliminate the forced conformance to the antiquated needs test and would certainly encourage the other 46 States to develop plans that are consonant with this desirable thesis of rehabilitation and self-help. It would further bring Federal public assistance policy into conformity with the new Congressional and general emphasis on rehabilitation of the disabled. As one step in this direction, Congress required the States in 1950 to exempt $50 of earned income of blind aid recipients from consideration in determining the amount of the grant. As a second step, Congress in 1956 proclaimed self-care and self-support to be one of the purposes of the public assistance provisions of the Social Security Act.

Sixth. This bill, if enacted into law, would simply restore an important States right—the right to provide at State expense, a more liberal program of aid to the blind than the Federal Government chooses to allow. Since under the provisions of this legislation, the Federal Government would only provide participating funds for those individuals who would qualify under the present strict Federal definition of need, the plan could not possibly increase the cost to the Federal Government. It would in fact in time provide a real financial benefit to the Federal Government. Through more liberal State financed welfare programs geared to rehabilitation and self-support, more blind people will make their way off of the relief rolls and will encourage our nonsighted citizens to make the most of their productive years, and by so doing, to become more useful citizens.

The text of the bill is as follows:

A bill to amend title X of the Social Security Act to provide that, without an increase of Federal participating funds, a State plan for aid to the blind may utilize a more liberal needs test than that presently specified in such title

Be it enacted, etc., That (a) clause (8) of section 1002 (a) of the Social Security Act is amended by inserting after "provide" the following: "(unless this clause is inappli-

cable by reason of the last sentence of this subsection)."

(b) Section 1002 (a) of such act is further amended by adding at the end thereof the following new sentence: "A State plan for aid to the blind shall not be required to meet the requirements of clause (8) if in lieu thereof it provides that the State agency, in determining need, shall take into consideration less of the other income and resources of the individual claiming aid to the blind than would be required to be considered under clause (8) or shall disregard more than the first $50 per month of earned income, or that the State agency shall pay a fixed sum to all individuals eligible for aid to the blind; but payments under section 1003 shall be made, in the case of any such plan, only with respect to expenditures thereunder which would be included as expenditures for the purposes of section 1003 if the plan met the requirements of clause (8)."

SEC. 2. (a) The amendments made by this act shall be effective on and after July 1, 1959.

(b) Effective July 1, 1959, section 344 of the Social Security Act Amendments of 1950 is repealed.

NATIONAL RADIO MONTH AND THE FIRST AMENDMENT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, radio was undreamed of when this country was founded. Yet today it holds major meaning and may be said to be the very breath of life in the first amendment to the Constitution of the United States. When the Constitution enjoins the Congress from making any law abridging the freedom of speech it extends the infinite blessings of this prohibition by the very nature of things to the electronic miracles of communication. Without electronic communication, as we live today, it is almost impossible to think either of the democratic process or modern civilization in the Free World.

It is for these reasons that I attach such great importance to National Radio Month during May. I say "great importance" because the dignity of man is interwoven profoundly in the relationship of a people and their Government. Government—Federal, State, local—has been brought into such intimate contact with the people that the thongs of freedom, of government by consent, and government by participation of the citizen in the decisions of government, have been strengthened as much by radio, as formerly they were strengthened by the invention of the printing press.

Radio stands out as a phenomenon unparalleled in its time, unless it is by TV, in the acceleration of modern industrial progress. All mankind benefited from an enlightened conspiracy among science, invention, capitalism, and free enterprise. Under democratic government these combined in the United States to bring the impact of this instrument we call radio to such fruition that in a matter of a few decades hardly an ear among 172 millions of Americans is not—at the turn of a dial—within hearing of some broadcasting station, some network, some sound carrying with it news or entertainment, information or instruction, edification or the advertising that helps to keep our economy dynamic.

A self-governed people can never in the future say that inadequate communication was responsible for any of its ills.

Of course in the diversity of projects so all-enveloping as radio there are flaws. The burden now is upon those who manage and manipulate communications. It is in this connection that I would like to take this opportunity to congratulate the radio industry proper and the National Association of Broadcasters for a job that is on the whole commendable. I know they join me in the hope of even greater improvement in the future. The slow but constantly advancing character of betterment in their management indicates their awareness of the problems involved in the monumental responsibility that falls upon them with compelling directness.

Statistically emphasis, even repetition, should be given to the fact that 97 percent of all homes in America are radio equipped. There are 150 million radio sets in the United States distributed among our people. In fact in the rural areas practically every home has its radio. I am reliably informed that 66 million people listen daily to the radio. In 1 month this durable, tireless, relatively inexpensive device, in its way over a period of time even less expensive than our newspapers, reaches no less than almost 90 percent of the total adult population of our country. Radio, let me add, is no replacement and no substitute for the home newspaper, but it is certainly a remarkable complement to printed journalism, and an enormous source of public information in its own right.

In the face of this revolutionary change in communication we have to reflect that the idea of the transmission and reception of signals by means of electric waves without a connecting wire was once called radiotelegraphy or radiotelephony and in its current state of development is quite within the memory of contemporary man. Its theoretical origins go back to 1864, and then to 1887, bringing up such names respectively as Clerk-Maxwell and Prof. H. Hertz. Later with further discoveries came Edouard Branly and Sir Oliver Lodge. Finally Guglielmo Marconi in 1895 applied these theories practically until in 1901 he signaled the letter "S" across the Atlantic.

The following year—1902—the world heard the first trans-Atlantic message by wireless.

Then came the electron tube in connection with which such names are notable as that of Fleming, DeForest, and Langmuir. Radio moved out of the mind of man into the laboratory. It then drove with positively massive results into the factory providing a vast new source of wealth altogether apart from its services as an instrument of communication to the whole of mankind. The radio industry today has jumped from the production of 12 million receiving sets in 1940 to 55 million in 1951, according to 1 research organization, and 53 million in 1957. If we unite radio manufacture with radio broadcasting we have, of course, an American industry of the first magnitude, and industry that only began to exist after World War I. When I speak of the acceleration of industry under capitalism and free enterprise and democratic government this is what I mean.

Research that I had instituted for this statement reveals a wealth of further data that is, on the whole, illustrative of superior management by private industry and, with the usual exceptions, enlightened regulation by Government. All this was achieved without enslaving our scientists, without bribing them, without segregating them, and without intimidating them. They and the industrialists and financiers and entrepeneurs who followed them, and the tens of thousands of employees in the field, made their enormous cumulative contribution to civilization and the democratic process as free men and women. We do not claim radio as a totally American idea as I have shown. The genius of man from varied backgrounds and cultures, under our flag and under other flags, gave us this great gift. But I like to think that under free government here or in Western Europe or anywhere the genius of man gets its freest play for the good of all. I like to think that this is done under a policy that does not push science and does not subject it to the indignity of either compulsion or of sudden flattery which may turn to sudden persecution and punishment.

Thus when we set aside May as National Radio Month let us remember we are commemorating not only the scientific genius of man, and the productive application of his ideas translated to everyday life, but we are commemorating also, in a very profound sense, the Constitution of the United States, the dignity of the individual, and the freedom which is so precious to us that we would protect it with our lives, our fortunes and our sacred honor.

SPECIAL STATUS OF FEDERAL AGENCIES WHICH SUPERVISE BANKS OR ENGAGE IN BANKING

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, the Committee on Government Operations of the House has been considering a most important bill. This is H. R. 8332, a bill to amend the Government Corporation Control Act.

The background of the bill is this. Most of the departments and agencies of the Federal Government are subject to audit controls, and, of course, most of these agencies are also subject to budgetary controls.

By budgetary controls we mean, of course, that the Bureau of the Budget reviews the functions and the appropriation needs of the agencies and sets these matters out in the President's annual budget. Thereafter, of course, the Appropriations Committee and the Congress as a whole then reviews the operations of these agencies and decides upon the amount of money that is to be appropriated to them and for what functions. In short, the Federal agencies which are under budget control receive periodic reviews, both by the Office of the President and the Congress.

By audit control we mean, of course, that the Federal agencies' handling of money, their expenditures of funds, their contracts and other commitments to expend funds, their handling of other assets and of physical properties, are all subject to annual audit by the General Accounting Office. In addition, the General Accounting Office reviews the operations of Government agencies subject to its control to see not only that funds are properly handled and accounted for, but that expenditures and contracts are all in accordance with law. And the General Accounting Office also makes suggestions and recommendations, where needed, concerning the internal accounting and other control systems which may be needed within a Federal agency, so that the management of the agency will be in a proper position to safeguard the operations of the agency.

Most of the Federal departments and agencies have, of course, been subject to such independent budget and audit controls, as a matter of law, for many years. Such controls are so much the normal rule and have been for so long that we sometimes overlook the facts that the law makes exception to several notable agencies. Some of the Federal agencies are subject to neither budget control nor audit control. These agencies are a government apart, operating without control or review by anybody. These are agencies which all have one characteristic in common—they are banking agencies.

They either have responsibilities for supervising or regulating private banking functions, or they are themselves engaged in some banking operation. They do not come to Congress for appropriations; their operating funds are derived from fees or assessments collected from the banks, or they create money on the credit of the Federal Government as they please. How much money they create or collect, and what they do with their money, are matters which the agencies themselves determine, and there is no audit by the Government's independent auditor to determine what has been done.

This may strike some people as quite peculiar that certain of the Federal agencies would be exempt from either budget or audit control, and most peculiar that any agency would be exempt from audit. It is, peculiar. But it should not be surprising to people who are familiar with the special privileges which are accorded to banking and bankers. Although we like to think that our own civilization is modern and enlightened, it is in truth a civilization in which high priests and black magic still prevail. The bankers are our high priests, and the mysterious art of money management is the black magic in our society. We must feel that bankers and banking are things properly exempt from the laws enacted to apply to other people and to other activities, otherwise our laws would not exempt these people and these things.

Within recent years the law has been extended—at least insofar as audit controls are concerned—to a number of Federal agencies which are engaged in banking functions of one kind or another.

The bill, H. R. 8332, would now place several additional Federal agencies under audit control by the General Accounting Office. To this extent the bill is a good one. It does what should have been done a long time ago.

I should add that H. R. 8332 also does other things which I have not studied and on which I am not able to comment one way or the other. I do commend, however, that feature of the bill which would require that these additional Federal banking agencies be audited. In fact, my only reservation and concern about this feature of the bill is that it fails to place under audit control at least two other Federal banking functions which by all odds are the most important, and which above all others should be under audit control.

The distinguished chairman of the House Committee on Government Operations, the gentleman from Illinois [Mr. DAWSON] was gracious enough to invite me to testify on this bill, when the committee was holding hearings on February 18, 20, and 24. I did testify on this matter on February 24, at which time I discussed a number of considerations which should be given to this matter of exempting the Federal banking agencies from audit controls. The committee has now published its hearings. I believe that a number of Members may be interested in my statement to the committee, which is as follows:

STATEMENT OF HON. WRIGHT PATMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. PATMAN. Mr. Chairman, I appreciate the courtesy that this distinguished committe has extended to me.

I wish to comment on one important feature of this bill, H. R. 8332, which is to provide for an annual audit by the General Accounting Office of certain of the Federal agencies which are now not under audit control.

* * * * *

These agencies covered in this bill are what have been referred to as "mixed ownership" agencies. They operate in part on funds collected from private sources. They are as follows: (1) the Central Bank for Cooperatives and the regional banks for cooperatives, (2) Federal land banks, (3) Federal intermediate credit banks, (4) Federal home-loan banks, (5) Federal Deposit Insurance Corporation.

The bill would go a long way toward completing the job of making all Federal agencies subject to annual audit by the General Accounting Office. Wholly owned Government agencies are supposed, of course, to have been under such audit control all along.

The general rule is, of course, that Federal agencies are not only under audit control of the General Accounting Office, but they are also under budget control with Presidential and Congressional supervision. There are notable exceptions to this rule, however, in the case of Federal agencies having to do with banks or banking, and particularly in the case of those having supervisory responsibilities over the private banks. I can see no justification whatever for the privileged status which has been accorded banks and banking functions. On the contrary, I can see considerable justification for bringing into the orbit of accountability and responsibility to the Federal Government those Federal agencies engaged in banking functions, those handling the banking transactions for the Federal Government, and those supervising private banking. Certainly these agencies and the private banks they supervise enjoy exceptionally large uses of the powers and privileges of the Federal Government.

I am, therefore, greatly impressed with this bill, which would now make most of the Federal agencies having to do with banking accountable to the public, at least on the matter of their financial operations.

It is only this feature of the bill, Mr. Chairman, that I am speaking on. I have not given sufficient consideration to the other features of the bill to be able to make any worthwhile suggestions on these; but I have no doubt whatever of the merit of bringing these agencies under public audit control.

So far as the FDIC is concerned, Mr. Chairman, of all agencies it certainly should be under control. FDIC has the power of life and death over banks. It determines whether or not a bank is to be established. If a bank cannot get its deposits insured, it cannot go into business as a general rule. And we have a conflicting arrangement in this situation. The Comptroller of the Currency authorizes charters for national banks and the FDIC authorizes insurance, so even a new State bank cannot come into business without the FDIC approval. The Comptroller of the Currency pulls off his Comptroller of the Currency hat and puts on his FDIC hat, as a member of that Board of three. So he has a lot of power to determine whether anybody can go into the banking business or not.

During the last 4½ years the number of banks going out of business or absorbed by other banks was 784, but the number of new banks established was only 376. So we are losing out. There is a trend toward concentration and monopoly in banking. We must watch that trend. I think this bill is in the right direction of giving some supervision over the bank supervisions, and for that reason I am for it.

The main purpose of my remarks today is, however, to call the committee's attention to the fact that the two banking agencies which should be in this bill, above all others, are conspicuously omitted from the bill.

These are:

1. The Federal Reserve System; and
2. The Office of the Comptroller of the Currency.

All of the agencies presently covered by the bill are, of course, important. But by comparison to the two agencies which are omitted, they are "peanuts," as we would say in Texas. Whether we measure importance by the amount of Federal funds an agency handles or by the practical effects of the agency's operations on the general public, the two agencies omitted from the bill are infinitely more important than those included in the bill.

The Federal Reserve System is no doubt the most important of the Federal banking agencies. The essential facts are these:

First, the System is 100 percent owned by the Government of the United States.

Second, virtually all of the income of the System comes from the United States Treas-

ury, which, of course, is paid into the United States Treasury by the taxpayers. The System holds a vast amount of interest-bearing obligations of the Federal Government and it gets its income by taking from the Treasury the regular interest payments on these securities.

Third, this vast amount of United States Government securities which the System holds has been purchased by issuing money on the credit of the United States. Specifically, the Federal Reserve System has acquired these securities by issuing Federal Reserve notes—that is, the "folding money" such as we have in our pockets. These notes are obligations of the United States, as is plainly stated on the face of them. The Federal Reserve System obtains this money from the Bureau of Printing and Engraving, at no cost to the System, except a slight printing cost, and then uses this money in the open market to buy interest-bearing obligations of the United States. That is the way the System acquired the approximate $25 billion worth of United States Government securities on which it now collects interest.

Fourth, the Federal Reserve banks obtain some income from loans and other services to the private banks, but this income does not meet the most of the services given to the private banks. In fact, it is a very small fraction of the cost of these services, and the private banks actually receive a tremendous subsidy from the System which is an out-of-pocket cost to the Federal Government.

Fifth, while the Federal Reserve System is fully owned by the Government, its operations and management are under mixed public and private responsibility. The top governing body, which is the board of governors of the Federal Reserve System, is composed of public members, appointed by the President with the consent of the Senate. Their salaries, terms of office, etc., are fixed by law and they take the oath to the United States.

On the other hand, the management and operations of the individual Federal Reserve banks is by private, or, at best, semipublic officials and employees. These are, however, fully and generously compensated for their services. These latter officials and employees not only manage and operate the individual Federal Reserve banks, they also have considerable to do with making the policies under which the entire System works.

Each of the 12 Federal Reserve banks has 9 directors. Two-thirds of these directors are selected by the private commercial banks. That is, two-thirds of the 9 directors serving each 1 of the 12 banks and their branches are selected by the private banks.

Sixth, the Federal Reserve System is not now under public audit control, nor is it under any budget control or supervision, either by the President or by the Congress. The System has never been audited by the General Accounting Office, or by any other auditor which is independent of the System itself. The System exists and operates, however, on a delegation of power which is reserved to the Congress by the Constitution. This is the power to create money and to regulate the value thereof.

Finally, the Federal Reserve System meets every condition and every purpose which has been advanced for this bill. It meets the purposes stated in the President's message; and it meets the purposes and criteria stated by the Director of the Bureau of the Budget, as well as those stated by several of the other administration officials who have recommended the bill. This will become clear by reference to the functions of the System. But before taking up these specific functions let me elaborate on several points concerning the ownership of the System and the source of its income about which misconceptions sometimes arise.

One notion, which even a lot of the bankers have, is that the Federal Reserve banks are owned by the member banks. The fact of the matter is, however, that the Federal Reserve banks—the whole Federal Reserve System—is 100 percent owned by the Government of the United States. The member banks have no proprietary interest—may I invite your attention particularly, Mr. Chairman, to those words, "proprietary interest." Proprietary relates to some real interest, and if you were to have Mr. Martin, Chairman of the Board of Governors, up here this morning and you asked him, he would say that the banks have only a nonproprietary interest in the Federal Reserve System, which, of course, is no real interest.

The member banks have no proprietary interest in the Federal Reserve banks. No authority on this subject holds that member banks have any ownership of the Federal Reserve banks. At one time I had a different opinion and I even introduced a bill to change the "ownership." I thought it was shocking that we had a central bank here owned by the private banks, and I introduced a bill, H. R. 7230, way back there 25 years ago to provide for the Government to pay off that stock, and I accepted it as genuine stock, but after investigation I found it was phony. They don't own any stock at all. It is not stock. The word "stock" is a misnomer, and we had an investigation in 1952 that clearly disclosed that without doubt. And nobody since that time has ever claimed, no one in authority, that the commercial banks have a proprietary interest in the Federal Reserve System. They just can't justify it. It would be extremely ridiculous for a central bank to be owned by the private commercial banks.

Another idea which some people have is that the Federal Reserve System receives income by investing the reserves which are deposited in the Reserve banks by the private member banks. This idea is completely erroneous. The Federal Reserve System does not invest, or in any way use for its own benefit, one penny of the private banks' money. This applies both to the member banks' reserves and to the small amount of money which the member banks have invested in the so-called "stock" of the Federal Reserve banks.

It is the existence of this so-called stock which gives rise to the mistaken notion that the private banks own the Federal Reserve System. This so-called stock is, incidentally, an absurd thing. It amounts to only $325 million. Furthermore, the Reserve banks pay the member banks a high rate of interest for this money—6 percent. And they have been paying it since 1913, Mr. Chairman, and may I add to this shocking statement that I made earlier about the stock that the Federal Reserve banks have never invested any of this money. It is idle and unused. And they pay 6 percent interest on it which in turn the taxpayers must pay, but the loss has not been minimized by investing the stock money, so-called stock money in Government securities or something that would earn even 3 percent so as to save half of that $20 million a year we are paying out to the Federal Reserve banks for nothing. As I have indicated, the money is not invested by the System, and the System has no conceivable need for this money.

I can document that and prove by people whose word cannot be disputed that there is no need for this money. It serves no purpose whatsoever. While this so-called stock amounts to only $325 million, the Reserve banks have reserves of surplus earnings alone amounting to more than $800 million, and they have no conceivable need for these reserves either. There are really about $1 billion in all in reserves, and they have never invested a dime of this surplus money, never invested a penny of it. It is all idle and unused along with this so-called stock. Obviously, then, a part of these reserves should be used to retire the $325 million of stock and thus stop interest payments on money which is neither invested nor needed for any safety factor.

Mr. FASCELL. Mr. Chairman, may I ask a question at that point?

The CHAIRMAN. Certainly.

Mr. FASCELL. What is the evidence of the indebtedness existing between the private bankers and the Reserve banking system for the so-called stock?

Mr. PATMAN. They give them a statement. It is really more of an involuntary investment.

Mr. FASCELL. A letter statement?

Mr. PATMAN. A statement. They might call it stock. I don't know. They probably do. All of it that was issued before 1942 is tax exempt, incidentally. They pay no taxes on it whatsoever. And they probably call it stock. But it is in effect not stock. They must invest 3 percent of their paid-up capital stock and surplus in what they call stock in the Federal Reserve bank of their district.

Mr. FASCELL. Is this a requirement fixed by law?

Mr. PATMAN. A requirement fixed by law in a 1913 act.

Recently I wrote a letter to our colleague, Representative HOWARD W. SMITH on the subject of the ownership and source of income of the System which cites a number of authorities on the points I am making. This letter has appeared in the CONGRESSIONAL RECORD, and I will be glad to offer it for this committee's record. Furthermore, if the committee should wish a more detailed statement citing additional authorities, there is one in a speech of mine in the CONGRESSIONAL RECORD of February 6, 1958, at page 1871.

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I might say here that the present Chairman of the Federal Reserve Board, as well as past chairmen, are on the public record many times as stating: (1) The private banks do not own the Federal Reserve banks and have no proprietary interest whatsoever in those banks, and (2) that the Federal Reserve System does not invest either the reserves of the member banks or the funds from the so-called stock which the member banks hold.

As I have indicated, substantially all of the income of the Federal Reserve is from interest collected on United States Government securities held by the System. This interest is unearned, insofar as the System is concerned, because the System performs no services and invests no money to earn it. It simply has printed some non-interest-bearing obligations of the United States and then swaps these in the market for interest-bearing obligations of the United States.

Now, I have often given this example, and Mr. Martin has stated that in effect it was correct: If the chairman owed, say, $1,000 on his home and the chairman gave me a check payable to Wright Patman for the $1,000 to take to the holder of that vendor's lien on his home to pay that $1,000 vendor's lien on his home; then I took his check and I endorsed it to the person who holds the vendor's lien; and he transfers the vendor's lien to me; and I call on the chairman every year to pay me interest on that obligation. That doesn't make sense, but that is exactly what is going on in the Federal Reserve.

They take money from the Bureau of Engraving and Printing which is a Government obligation. It is a Government bond. The only difference is that it does not draw interest, but you take any Federal Reserve note you have in your pocket, and it says, "The United States promises to pay the bearer upon demand so many dollars." That is not

the Federal Reserve promising to pay it. It is not the private commercial banks promising to pay it. It is the United States Government promising to pay it. It is a blanket mortgage on all the property of all the people and the income of all the people.

* * * * *

In the last annual report of the Board of Governors we have, which is for the year 1956, the 12 Federal Reserve banks together reported earnings of $595.6 million. Of this, $571.8 million, or 96 percent of the total income, came from United States Government securities that they obtained in the way and manner that I have indicated. In other words, the 12 banks together had actual earnings of only $24 million. Against these actual earnings they had expenses of $140 million. The difference between expenses and actual earnings, which is a loss of $116 million, was a direct subsidy to the private banks of the country. Now, maybe that is justified. I don't know. But it is a subsidy. The private banks received the services performed and paid nothing for them.

Now, in contrast to the free services performed for the private banks, the Federal Reserve charges the other Federal agencies for services performed for them. Not included in either the income or the expense figures I have cited was an expense of $18 million for which the System was reimbursed.

It is rather strange and ironical that the Federal Reserve System will charge every Government agency for the services it performs for the agencies but doesn't charge the private banks for the services performed for the private banks.

At the end of 1956, the Federal Reserve System showed on the liability side of its balance sheet $27.5 billion for Federal Reserve notes in circulation. In other words, there were $27.5 billion in such notes in people's pockets, in the cash registers of the Nation, and so on, which had been issued against the credit of the United States Government to buy the $25 billion worth of interest-bearing securities of the United States Government.

Under the practice of recent years, the Federal Reserve pays into the United States Treasury approximately 90 percent of its net income. That is to say, after taking approximately one-half billion dollars a year in unearned interest from the Treasury, then paying all the expenses for servicing the private banks, and paying generously and without restraint all kinds of unnecessary expenses, the System pays 90 percent of what is left over back into the Treasury. The other 10 percent is put into what they call a surplus reserve to be used at sometime in the future, for what purposes no one has ever been able to figure out. This is also not invested.

I asked both Mr. Martin and Mr. Robertson, a member of the Board of Governors, "What can you possibly or conceivably ever use this reserve for," and Mr. Robertson said, "I can't imagine." Mr. Martin could not name one instance that he might need the money. It is idle and unused in this reserve account. That is the reason I want to use some of these reserves to set up these regional small-business capital banks.

In 1956 the System paid $401.5 million or 89 percent of its income, after expenses, into the Treasury. This payment is described in the Board's annual report as payment of "interest on Federal Reserve notes."

Clearly then, the Federal Reserve System is operating on Federal funds; and any misuse of these funds and any unnecessary expenses paid with these funds come out of the taxpayer's pocket. Certainly, then, the System should be audited by the Government.

Does the Federal Reserve System belong in this bill?

Allow me to quote from the letter of August 2, 1957, from Mr. W. Randolph Burgess, the then Acting Secretary of the Treasury, concerning the purposes of this bill. Mr. Burgess said:

"The criteria for determining whether a corporation or agency comes under the provisions of the act would not be based on private ownership of capital stock as at present, but on the use of Federal funds, or the availability to the corporation by statutory authority of such funds, or the use of the credit of the United States."

Now I will turn just briefly to the FDIC again. There is the case where we are having to raise the debt limit in order to protect the FDIC. Right now you can't justify the $5 billion increase except that you want $3 billion there for the FDIC as a cushion. They have the power under the law. They have a commitment of $3 billion which permits them to go down to the Treasury and draw out that amount any time they want to. That is all they have to do—to say they need it. The FDIC only has $1.44 to cover every hundred dollars of liability. Obviously it is insufficient. The only reason it is considered sufficient is because it is a moral obligation of the United States Government to pay FDIC this $3 billion blanket commitment from the Treasury. So this increase in the national debt that is going through the Congress, although the FDIC hasn't been mentioned with respect to the increase—probably they are afraid to mention it because some people are concerned. I am not concerned by it because it is a Government obligation anyway, a moral obligation, but the reason we are having to raise this national debt limit today is to provide for that $3 billion cushion for the FDIC and then they tell me that they don't come within the audit provisions of the United States Government. It just does not make sense, the way I see it.

Now, there are some odd things about the Federal Reserve System. The officers, directors, and employees of the Federal Reserve banks are not Government employees. Their salaries are fixed without reference to civil service or any other salary scale. For example, the salary of the president of the Federal Reserve Bank of New York is $60,000 a year, which makes him the highest paid official in the Government, except for the President of the United States, although he is not, strictly speaking, a Government employee.

The salary of the president of the Chicago banks is $50,000. The salaries of a number of other bank presidents are way up at $35,000.

These banks have their own salary scales. They have thought up their own retirement systems, and they have several extremely generous systems. And this is an area where this committee could do a real public service, to look into the retirement systems within the Federal Reserve System. They have never been made public. They have never turned over the complete information to anybody. They keep these retirement systems to themselves. But I know enough about it to know that they are extremely generous and clear out of line with any other system that the Government has anything to do with. They even pay about three-fourths of a million dollars a year for hospitalization and surgical insurance for their employees. They subsidize their cafeterias and dining rooms, by their own reckoning to the extent of about 50 percent. In other words, at the Federal Reserve they buy a $2 steak for $1. In the House restaurant you buy a $2 steak for $4. That is the difference. [Laughter.] They pay for amusements, entertainment of all kinds, and banquets. They pay for gifts to people who are not even employees of the banks; they send employees to school and pay for their training, for the purpose of taking another job with private industry. In short, there seems to be no limit to the things that the Federal Reserve banks pay for with Government money.

Now if the committee would be interested to learn about some of the things that the Federal Reserve banks spend Government money for, I invite attention to my testimony before the House Banking and Currency Committee on February 7, 1958.

I have that testimony here. I won't go into it unless the committee asks me to. But I have some amazing and shocking things I could invite your attention to.

In addition to handling funds for its general expenses, the Federal Reserve banks handle other financial transactions on behalf of the Federal Government, which are gigantic. To illustrate:

1. The Reserve banks act as fiscal agents for the Treasury. In this capacity they issue Government securities, keep custody of huge amounts of such securities, and handle the redemption of these securities. These operations are not audited by the Government.

2. The Reserve banks supervise the Treasury tax and loan accounts with the private banks, and they collect and keep custody of securities which the private banks put up to secure the Treasury's deposits with these banks. At any one time these deposits usually run between $3 billion and $6 billion. These operations are not audited by the Government.

And may I remind you, Mr. Chairman, that this $3 billion at 3 percent would be $90 million a year, and that $6 billion at 3 percent would be $180 million a year, and that is the amount the people are paying interest on that is put in the private banks for which the Government receives nothing. And if it could be checked on at any time, there could be some justification for it, but the Government can't even check on this money. It is out of reach of the Treasury. It has got to be brought into the Federal Reserve bank, called in before it can be checked on.

Now, the Post Office Department handles a lot of money but they don't permit a penny of it to stay in the private banks without interest. They bring it in immeditaely. In fact, the Postmaster General's statement indicated several years ago when that policy was adopted that the cost to the Post Office Department of servicing such accounts in thousands of banks would just be prohibitive to him and he wouldn't do it, but here the Treasury is doing it all the time.

Now, if we were requiring any service from those banks which they should be paid for and for which we are not paying them, let us pay for it. Let us do it and do it right. Let us not permit them to keep $3 billion to $6 billion of the people's money all the time and have no auditing, no accounting or anything else except through the Treasury while the taxpayers are losing interest payments and the United States Government is not receiving any of that money.

* * * * *

3. The Reserve banks handle the destruction of unfit Treasury currency. Billions of dollars a year are involved in this operation and yet it is not audited by the Government.

I could show you some amazing instances where their own auditors criticized the way they handle it.

4. The Federal Reserve Bank of New York operates a foreign department which carries on a tremendous business with foreign and international banks, including the making of loans to such banks. This is not audited by the Government, although Government funds are used.

5. The Federal Reserve Bank of New York also operates the so-called open-market account of the System. The Government does not audit this operation.

May I invite your attention to the importance of this operation. Now, most of

the money that these other 11 banks get and upon which they operate comes directly from the Federal Reserve Bank of New York. The amount of money they earn in each one of these other 11 banks does not amount to anything, practically nothing, not over 3 percent of their earnings. But the New York bank has been designated by the Open Market Committee as their agent and in New York under one roof in the Federal Reserve Bank of New York they buy and sell $20 billion to $25 billion worth of bonds, Government securities, every year to specially selected agents of their own choice, only 17 in number, and 5 of these do over 50 percent of the business. And yet there are no audits, none in the world.

Now the Federal Reserve Bank of New York in all these operations clips the coupons and turns them in to the Treasury. Then they just send the Dallas bank or the Minneapolis bank or the San Francisco bank the amount in proportion to that which they would be entitled to. These other 11 banks never touch those bonds. They do not render any service of any kind whatsoever in connection with them but that is where they get their money for operating expenses.

I know that this committee has given some study to the open-market accounts, so, if I may, let me point out some of the features of this operation.

Most of the public is not aware of this open-market account or the Open Market Committee. It is the most important committee on earth, these 12 men. They have more power than the United States Congress. We delegated it to them. Seven of them are public members. Five of them are selected by representatives of the private banks; it is the same as just owners of railroads being on the Interstate Commerce Commission to fix freight and passenger rates. That is the way it is.

Yet these 12 men carry on one of the most important economic activities of the whole country. It is an activity which affects the pocketbook of every man, woman, and child in this country.

The Open Market Committee, of course, makes the general policy as to how much money there is to be in the private banking system. But the policy directives issued by this committee are extremely generalized—I could say, vague.

The actual buying and selling of Government securities is handled by the Federal Reserve Bank of New York. This bank has been chosen as the agent for the committee. And within the bank there is a small unit known as the Securities Department which manages the open-market account which does the actual buying and selling of Government securities. This buying and selling, which is supposed to be for the purpose of adjusting the amount of credit available in the private banking system, runs to fantastic amounts.

For example, the amount of Government securities bought and sold during the year 1956 almost equaled the amount of Government securities which the account held at the end of that year. As I have pointed out, this account held about $25 billion in Government securities at the end of 1956. During the year 1956, the account purchased a total of $11.9 billion worth of Government securities and sold $9.3 billion worth, making a total trade of $21.2 billion. Why they do it I don't know. You don't know. No Member of Congress knows. All of this was done within the private, select small group in the city of New York. That is where it was all done, every bit of it.

Now there are some highly peculiar things about how this trading in Government securities is carried on. The trading is an under-the-counter, not an over-the-counter, kind of trading, in which a very small group of "dealers" or speculators participates. Altogether there are only 17 of these so-called dealers with whom the open-market account trades. Furthermore, according to information I have been able to obtain, an even smaller group accounts for substantially all of the trading. The information I have shows that in 1956, 5 of these dealers accounted for 52 percent of all of the trading with the open-market accounts, and the 10 biggest dealers accounted for 88 percent of the trading.

This buying and selling of Federal securities, in which Federal funds are used, are carried on without any public reporting of what prices have been paid or received, and without any public reporting of whom the securities are sold to or bought from.

A small group of people who run the open market account decide all of these matters. They decide when to buy or sell Government securities; they decide which securities to buy or sell; what quantities they will buy or sell; which dealers they will buy from or sell to, and at what prices. Furthermore, they also make loans of Federal Reserve funds to these dealers to enable the dealers to carry and speculate in Government securities, and, I will state, without specific authority of law. And, in addition, they carry on similar trading with foreign central banks, although, for some mysterious reason, they do not trade with member banks of the Federal Reserve System, or trade even with the Federal Reserve banks themselves. Actually, one man who is known as the manager of the account has the authority for making all of these decisions. These operations are not audited by the Government, and the public is told almost nothing about them. Everything about this open-market account is considered secret.

As I have indicated, the only auditing that is ever done of the Federal Reserve System is a self-audit, made by the System's own employees. And, of course, self-audits in no way meet the basic purpose for which audits are made, either in private business or in Government agencies. These self-audits of the Federal Reserve are in many instances made with the help of employees of the very bank that is being audited.

Yet even the audit reports which result from these self-audits are not made public; and certain portions of them cannot be seen even by appropriate committees of Congress under a cloak of confidentiality.

I have run into that iron curtain. They promised to send their reports up to the Banking and Currency Committee of the House. They sent only some reports.

* * * * *

Recently I did succeed in having Chairman Martin make available certain portions of these audit reports to the Committee on Banking and Currency of the House for inspection of any interested member of that committee. Again, I would invite this committee's attention to my testimony to the Banking and Currency Committee on February 7, in which I have pointed out some of the things those reports show. I believe these things will leave no doubt about the need for putting the System under audit control.

Yet, even so, I believe that we can assume that the notes I have made greatly understate the picture. The Federal Reserve Board refused to let the Banking and Currency Committee of the House examine, even on a confidential basis, certain parts of these audit reports. The Board's instructions to its auditors are to separate out, and put in separate reports or memoranda, materials dealing with a number of subjects which would normally be included in a complete audit report. Reports which we were not permitted to examine pertain to the following subjects:

1. Management: General comments.
2. Management: Comments on newly appointed members of the official staff.
3. Officers of the Federal Reserve agent: Newly appointed members of the Federal Reserve agent's staff.
4. Inattendance of directors.
5. Indebtedness, stock ownership in member banks, and outside business connections of officers and employees.
6. Schedule of above (item 5) for examiners, assistant examiners, and officers supervising the examination function.
7. Apparent or possible violations of the criminal provisions of the banking laws of the United States (involving officers or employees of State member banks).

Certainly then the Federal Reserve System should be audited. The operations of the open-market account should be audited; and the general expenses of the Federal Reserve System should be audited.

* * * * *

The Office of the Comptroller of the Currency is supposed to be a part of the Treasury Department, and it would be assumed normally that this Office is subject to regular audit by the General Accounting Office.

I was surprised to learn quite recently, however, that this is another one of those agencies which go on the theory that they are owned by the private banks. Imagine that, the private banks contribute the funds on which the Office operates, and these funds are spent without specific annual authorization from Congress, so the Comptroller's activities are not audited by the General Accounting Office. Specifically these funds on which the Comptroller of the Currency operates come from fees levied on the banks for the Comptroller's examination of these banks.

It is a bad principle, I think, to make a supervisory agency dependent for its operating funds on the private corporations it is supposed to supervise, particularly so when there is no requirement for an independent audit.

Furthermore, some of the functions carried on by the Office of the Comptroller of the Currency are not specifically related to bank examinations or supervision. For example, this Office has control and custodial functions with respect to the Federal Reserve notes—that is, the $5 bills, the $10 bills and so on, which the Federal Reserve System has printed. All of this currency is delivered by the Bureau of Printing and Engraving to the Comptroller of the Currency, who then issues it to the Federal Reserve banks as they call for it. And finally, as these bills become worn or damaged the Reserve banks send them back to the Comptroller of the Currency for destruction.

Through May of 1957, the Office of the Comptroller of the Currency had received from the Bureau of Printing and Engraving more than $154 billion of Federal Reserve currency. It had, according to a letter which the Comptroller of the Currency wrote me last year, issued somewhat more than $147 billion of these notes to the various Federal Reserve banks. Then the Office had received back for destruction unfit notes in excess of $107 billion.

Now, these audits made by their own auditors make some very shocking revelations about the handling of this unfit currency.

These Federal Reserve notes are a liability on the Government of the United States. They are backed by no credit other than the credit of the United States. Yet the issuing, the custodial and the destruction operations of this currency are not audited by the General Accounting Office. Recently I was surprised to learn that these operations are not even audited, Mr. Chairman, by the Treasury's own internal auditors.

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Now, this has come as a great surprise to me. I had thought the Treasury was being audited. And if I didn't misunderstand him recently, the Comptroller of the

Currency testified that the Treasury's auditors audit his Department. But I have discovered by investigation they do not.

When the present Comptroller of the Currency, Mr. Gidney, was testifying before the Committee on Banking and Currency of the House last July, I asked him some questions about the audits of the currency handling in his office, and Mr. Gidney seemed to be under the impression that these operations are audited twice—once by the Comptroller's auditors and once by the auditors of the Bureau of Accounts of the Treasury Department.

At a later time, I asked the General Accounting Office to assign to me an expert auditor, as it did. This man turned out to be Mr. Edward T. Stepnick, an auditor on the staff of the Civil Audit and Accounting Division of the GAO, and a licensed C. P. A. in the State of Illinois. I asked Mr. Stepnick to look into this matter of the extent to which currency handling in the Office of the Comptroller was audited. Mr. Stepnick did this and then wrote me an expert memorandum in which he says that the handling of Federal Reserve notes in the Office of the Comptroller of the Currency is not audited twice, not even once. According to Mr. Stepnick's memorandum, the Bureau of Accounts of the Treasury Department does audit the Office of the Comptroller of the Currency, but only partially. Furthermore, this audit is made at the voluntary request of the Comptroller of the Currency, who specifies the scope of the audits to be made. Currency handling is one of those functions which are not audited.

Mr. Chairman, I will offer a copy of Mr. Stepnick's memorandum for the committee's record.

(The document referred to is as follows:)

"MEMORANDUM PREPARED BY MR. EDWARD T. STEPNICK, GENERAL ACCOUNTING OFFICE

"COMMENTS ON REVIEW OF REPORTS RELATING TO AUDITS OF THE OFFICE OF THE COMPTROLLER OF THE CURRENCY

"General comments and conclusions

"A review was made of selected audit reports on the Office of the Comptroller of the Currency prepared by auditors of the Division of Internal Audits, Bureau of Accounts, Treasury Department. A review was made also of various financial and audit reports prepared by the internal auditor of the Office of the Comptroller of the Currency.

"These reviews strongly indicate that audits of the Office of the Comptroller of the Currency are not satisfactory, largely because they do not cover all the major functions of the Office. Moreover, under existing audit arrangements between the Comptroller and the Bureau of Accounts, it appears that the auditors of the Bureau of Accounts are not in a position to independently determine the scope of their audits. Also, there are indications that the Office of the Comptroller of the Currency has not been receptive in adopting what appear to be sensible recommendations made by the auditors of the Bureau of Accounts to improve accounting operations in the Office. Further comments on these matters follow:

"Audits of the Comptroller of the Currency by the Bureau of Accounts

"Audits of the Office of the Comptroller of the Currency are made annually by the Division of Internal Audits, Bureau of Accounts, Treasury Department. The annual audits appear adequate from a technical standpoint in the areas covered, and the auditors prepare good reports which carefully explain the scope of the audit and which include opinions and recommendations. However, the annual audits are only partial audits in relation to the total operations of the Comptroller of the Currency, because important areas are omitted from the scope of the examination.

"The annual audits by the Bureau of Accounts are limited to the accounts and records pertaining to the income and administrative expenses of the Office of the Comptroller of the Currency and to residual funds involving the liquidation of insolvent national banks. Because of this limited scope, the audits do not cover several important matters such as (1) currency functions performed by the Comptroller for account of the Federal Reserve Board relating to the issuance and redemption of currency, except the verification of expenses and assessments relating thereto; and (2) fiscal activities under the control of the chief examiners in district field offices. Also, the audits do not include (1) a review of financial transactions from the standpoint of compliance with legal requirements specifically applicable to the functions of the Comptroller of the Currency; and (2) a verification of supplies and equipment and certain items derived from closed receiverships held for safekeeping. The omission of these matters from the scope of the audit seriously reduces the effectiveness and value of the audit work performed.

"Moreover, the audit by the Bureau of Accounts is made on the basis of a request from the Comptroller's Office, and its scope is determined through an understanding between representatives of the Comptroller and the Bureau of Accounts. It is clear that the auditors of the Bureau of Accounts are not in a position to independently determine the scope of their audits, and, inasmuch as the audit is made on a request basis, it seems that a mere desire on the part of the Comptroller not to be audited is all that would be necessary to discontinue completely all audit work by the Bureau of Accounts.

"It was noted that the audit reports prepared by the Bureau of Accounts' auditors contained a number of recommendations designed to improve the accounting operations of the Comptroller. Only a few of these recommendations appear to have been adopted even though they seem very sensible. For example, the unadopted recommendations include suggestions to (1) deposit with the Treasurer of the United States funds in excess of $300,000 which are not deposited in a commercial bank, earning no interest or other apparent benefits for the Comptroller; and (2) establish an appropriate payroll lag in lieu of disbursing payrolls on the last working day of the payroll period. It was noted also that the Office of the Comptroller has been slow in adopting fundamental accounting techniques. A general ledger was not installed until 1954, and the accounts are kept on the cash rather than the accrual basis of accounting. It appears that the internal auditor of the Office has opposed rather than supported many of the worthwhile audit suggestions made by the Bureau of Accounts.

"Activities of the internal auditor

"Internal audit functions within the Office of the Comptroller of the Currency are performed by the auditor for the Comptroller. The internal audit system of the Office appears to provide a detailed verification of financial transactions, done as an extension of routine bookkeeping operations. Internal auditing in the Office apparently does not include reviews of operations with a view toward appraising the effectiveness of policies, procedures, and internal controls. However, the internal auditor does perform an annual inventory verification of the contents of the unissued Federal Reserve currency vault.

"The reports prepared by the internal auditor resemble accounting rather than audit reports, and show detailed financial data as to changes in each account balance with relatively little explanatory comment. The reports contain no conclusions, opinions, or recommendations. They give the impression that the internal auditor is the chief bookkeeper and that internal auditing in the Office of the Comptroller of the Currency is little more than a clerical function."

Mr. PATMAN. I want now to call particular attention to another statement which this memorandum contains. The statement is that such partial audits as are made of the Office of the Comptroller of the Currency by the Treasury's own internal auditors do not review transactions from the "standpoint of compliance with legal requirements specifically applicable to the functions of the Comptroller of the Currency."

Now this is an extremely serious matter.

What is happening in this country is that the Federal banking supervisory agencies are bringing about more and more monopoly in banking.

The Comptroller of the Currency issues charters for national banks. One of the most important things he does is to decide whether or not he will grant a charter to people who wish to found a new national bank.

Old banks go out of business from time to time, and this is bound to happen over the years, and for a variety of reasons. Furthermore, banks merge, and in recent years they have been merging in great numbers. The result is, of course, fewer and fewer banks, unless the supervisory agencies allow new people to come into the business and establish new banks. And this they do very reluctantly and only to an inadequate extent.

Before these agencies will allow a new bank to open, they make elaborate surveys and studies to make sure that the new bank will not take any substantial business away from the bank or banks already in the area.

The Comptroller of the Currency has, as I have indicated, life-and-death control over the question whether a charter for a new national bank will be granted. Likewise, the Federal Deposit Insurance Corporation has life-or-death control over the question whether a new State bank will be opened. The States are frequently willing to grant charters, but as a practical matter even a State bank cannot be started without FDIC insurance. And the FDIC has the same attitudes and behaves in the same manner to block new State banks as the Comptroller of the Currency does with reference to new national banks. As I have pointed out, the Comptroller of the Currency is a member of the board of the FDIC.

Thirty-five years ago there were 30,000 banks in the country. Today there are less than 14,000 banks. In fact, less than 13,500. This has happened despite the tremendous growth in the population, in business generally and in the volume of banking business that has taken place over these past 35 years.

In the Home Loan Bank Board we find the same attitudes and behavior with reference to groups who want to start new savings and loan associations. This board also has life-or-death control, because it, too, can grant or refuse to grant deposit insurance. And as a practical matter, these associations cannot be formed without insurance.

Banking and related businesses are not, of course, the only areas where our people are being denied equality of opportunity. But these are important. I feel that the thing all Members of Congress should keep uppermost in mind is our traditional national goal of equality of opportunity. Then we should consciously, deliberately and vigorously pursue those courses which will help to restore equality of opportunity to our people.

In conclusion, Mr. Chairman, I hope this committee will give serious consideration to the specific recommendation which I offer at this time. This is that H. R. 8332 be amended so as to provide for annual audits of the Federal Reserve System and the Office of the Comptroller of the Currency by the General Accounting Office.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ROBERTS (at the request of Mr. SELDEN), for the balance of the week, on account of illness in the family.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. RODINO (at the request of Mr. MCCORMACK) and to include extraneous matter.

Mr. REECE of Tennessee and to include an address he delivered.

Mr. MCINTOSH (at the request of Mr. MARTIN) in two instances and to include extraneous matter.

Mr. MILLS, the remarks he made in Committee of the Whole and include extraneous material.

Mr. DENT and to include extraneous matter.

Mr. BUDGE and to include extraneous matter.

Mr. POFF (at the request of Mr. TEAGUE of California).

Mr. FORAND.

Mr. ANFUSO (at the request of Mr. MCCORMACK) and to include extraneous matter.

Mr. FALLON (at the request of Mr. MCCORMACK).

ADJOURNMENT

Mr. MCCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 7 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, May 1, 1958, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1864. A letter from the Assistant Secretary of the Interior, relative to the receipt of a project proposal relating to the Jackson Valley Irrigation District, Ione, Calif., pursuant to section 10 of the Small Reclamation Projects Act of 1956; referred to the Committee on Interior and Insular Affairs.

1865. A letter from the Assistant Secretary of the Interior, relative to the receipt of a project proposal relating to the Goleta County Water Improvement District of Goleta, Calif., pursuant to section 10 of the Small Reclamation Projects Act of 1956; referred to the Committee on Interior and Insular Affairs.

1866. A letter from the Assistant Secretary of the Interior, relative to the receipt of a project proposal relating to the Walker River Irrigation District, Yerington, Nev., pursuant to section 10 of the Small Reclamation Projects Act of 1956; referred to the Committee on Interior and Insular Affairs.

1867. A letter from the Assistant Secretary of the Interior, relative to the receipt of a project proposal relating to the Bountiful Water Subconservancy District, Bountiful, Utah, pursuant to section 10 of the Small Reclamation Projects Act of 1956; referred to the Committee on Interior and Insular Affairs.

1868. A letter from the Chairman, Alexander Hamilton Bicentennial Commission, transmitting the final report of the Alexander Hamilton Bicentennial Commission, dated April 30, 1958, pursuant to Public Law 601, 83d Congress; referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAYS of Ohio: Committee on House Administration. House Concurrent Resolution 228. Concurrent resolution authorizing the printing as a House document of the pamphlet entitled "Our American Government. What Is It? How Does It Function?"; without amendment (Rept. No. 1673). Ordered to be printed.

Mr. HAYS of Ohio: Committee on House Administration. Senate Concurrent Resolution 71. Concurrent resolution to print the proceedings in connection with the acceptance of the statue of Maria L. Sanford, late of Minnesota; without amendment (Rept. No. 1674). Ordered to be printed.

Mr. BONNER: Committee on Merchant Marine and Fisheries. Report pursuant to section 136 of the Legislative Reorganization Act of 1946 pertaining to safety of life at sea; without amendment (Rept. No. 1675). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H. R. 7241. A bill to amend section 6 of the act of March 3, 1921 (41 Stat. 1355), entitled "An act providing for the allotment of lands within the Fort Belknap Indian Reservation, Mont., and for other purposes"; with an amendment (Rept. No. 1676). Referred to the Committee of the Whole House on the State of the Union.

Mrs. PFOST: Committee on Interior and Insular Affairs. H. R. 10788. A bill to amend the act of August 25, 1916, to increase the period for which concessionaire leases may be granted under that act from 20 years to 30 years; without amendment (Rept. No. 1678). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. PFOST: Committee on Interior and Insular Affairs. H. R. 7790. A bill to provide for the forfeiture of the right-of-way located within the State of California heretofore granted to the Atlantic & Pacific Railroad Co., by the United States; with an amendment (Rept. No. 1677). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY:

H. R. 12266. A bill to amend the District of Columbia Teachers' Salary Act of 1955 (Public Law 243, 84th Cong., ch. 569, 1st sess.), approved August 5, 1955, and for other purposes; to the Committee on the District of Columbia.

By Mr. BROOMFIELD:

H. R. 12267. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

By Mr. BYRNE of Illinois:

H. R. 12268. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

By Mr. CURTIS of Missouri:

H. R. 12269. A bill to amend title X of the Social Security Act to provide that, without an increase of Federal participating funds, a State plan for aid to the blind may utilize a more liberal needs test than that presently specified in such title; to the Committee on Ways and Means.

By Mr. HARRISON of Virginia:

H. R. 12270. A bill to amend the Tariff Act of 1930, as amended, to define the products covered by schedule 13 thereof to include all fibrous structures, cellulosic and noncellulosic, except as provided herein; to the Committee on Ways and Means.

By Mr. JONES of Alabama:

H. R. 12271. A bill to amend the Tariff Act of 1930, as amended, to define the products covered by schedule 13 thereof to include all fibrous structures, cellulosic and noncellulosic, except as provided herein; to the Committee on Ways and Means.

By Mr. MCFALL:

H. R. 12272. A bill to validate the conveyance of certain land in the State of California by the Central Pacific Railway Co. and the Southern Pacific Co.; to the Committee on Interior and Insular Affairs.

By Mr. O'KONSKI:

H. R. 12273. A bill for the purpose of creating new jobs, giving greater stability to and improving existing jobs, and stimulating business during the next 18 months with resultant expansion of the national economy in the years to come, by amending the Internal Revenue Code of 1954 so as to allow more rapid depreciation for property constructed and acquired during 1958 and 1959, or for the construction or acquisition of which a contract is entered into during 1958 or 1959, by reducing the useful life of such property for income-tax purposes; to the Committee on Ways and Means.

By Mr. SCUDDER:

H. R. 12274. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

By Mr. SCHWENGEL:

H. R. 12275. A bill to amend the Internal Revenue Code of 1954 to provide for rapid amortization of depreciable property acquired by small businesses; to the Committee on Ways and Means.

By Mr. SIKES:

H. R. 12276. A bill to amend the Tariff Act of 1930, as amended, to define the products covered by schedule 13 thereof to include all fibrous structures, cellulosic and noncellulosic, except as provided herein; to the Committee on Ways and Means.

By Mr. TEAGUE of Texas (by request):

H. R. 12277. A bill to increase the rates of non-service-connected death pension to certain widows and children of deceased veterans; to the Committee on Veterans' Affairs.

By Mr. THOMPSON of Texas:

H. R. 12278. A bill to amend the price support and acreage allotment provisions of law with respect to rice; to the Committee on Agriculture.

By Mr. UDALL:

H. R. 12279. A bill to authorize assistance to States and local communities in remedying inadequacies in teachers' salaries, school facilities, and equipment; to the Committee on Education and Labor.

By Mr. WILLIAMS of Mississippi:

H. R. 12280. A bill to amend the Civil Aeronautics Act of 1938 in order to authorize

free or reduced rate transportation for retired employees of air carriers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ENGLE:

H. R. 12281. A bill to authorize the Secretary of the Interior to provide an administrative site for Yosemite National Park, Calif., on lands adjacent to the park, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BOLLING:

H. R. 12282. A bill to authorize the construction of a Federal office building in Kansas City, Mo., and for other purposes; to the Committee on Public Works.

By Mr. SEELY-BROWN:

H. R. 12283. A bill to provide that the Secretary of the Interior shall develop and carry out an emergency program for the eradication of starfish in Long Island Sound and adjacent water; to the Committee on Merchant Marine and Fisheries.

By Mr. SIMPSON of Pennsylvania:

H. R. 12284. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from the gross estate for the value of property passing to children; to the Committee on Ways and Means.

By Mr. STAGGERS:

H. R. 12285. A bill to promote the safety of employees and travelers upon common carriers by railroad engaged in interstate commerce by requiring such carriers to maintain tracks, bridges, roadbed, and permanent structures for the support of way, trackage, and traffic in safe and suitable condition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROOSEVELT:

H. J. Res. 596. Joint resolution providing for the construction by the Department of the Interior of demonstration plants for the production, from saline or brackish waters, of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses; to the Committee on Interior and Insular Affairs.

By Mr. ANFUSO:

H. Con. Res. 322. Concurrent resolution requesting the President to call for a convention or conference of the youth and youth leaders of all countries of the world in order to obtain their views and opinions on specific problems; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts memorializing the President and the Congress of the United States to enact legislation changing the method of computing the basic pay for members of the Armed Forces of the United States; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FASCELL:

H. R. 12286. A bill for the relief of Mrs. Sue Pyle; to the Committee on the Judiciary.

By Mr. LATHAM:

H. R. 12287. A bill for the relief of Dionisia Loumakis; to the Committee on the Judiciary.

By Mr. MUMMA:

H. R. 12288. A bill for the relief of Lamrini Kouvelis; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

601. By Mr. MOORE: Petition of the American Legion, Department of West Virginia, opposing any lowering of income limitations, any reduction in Federal pensions, the elimination of veterans' housing programs and any lump-sum payments against future veterans' claims and against freezing the number of beds now available in veterans' hospitals and against the merging of the Veterans' Administration programs with Federal social security; to the Committee on Veterans' Affairs.

EXTENSIONS OF REMARKS

Repeal of Federal Transportation Taxes

EXTENSION OF REMARKS

OF

HON. RICHARD L. NEUBERGER

OF OREGON

IN THE SENATE OF THE UNITED STATES

Wednesday, April 30, 1958

Mr. NEUBERGER. Mr. President, for several years I have urged that the first of all Federal taxes to be eliminated should be the wartime Federal excise taxes on travel and transportation, which are so harmful to the Western States. Unlike other excises, the transportation tax not only adds a single percentage increase to the cost of the particular item on which it is levied; rather, it enters several times into the cost of producing, distributing, and selling all manufactured items in this country, and it does so proportionally to the distance that these items must be transported. Thus, again, unlike other excises, it is not only regressive but also specifically discriminatory against areas, such as Oregon, which are located so far from the major industrial and population centers of our Nation that transportation costs constitute a disproportionately heavy element in the cost of everything we buy and sell.

Because the unfairness of this particular tax against my State has long occupied my attention and efforts in the Senate, I have been delighted with the push now being given to the repeal of the Federal transportation excise by the Surface Transportation Subcommittee of the Committee on Interstate and Foreign Commerce, under the able leadership of the junior Senator from Florida [Mr. SMATHERS] and the distinguished senior Senator from Washington [Mr. MAGNUSON] and other members of that committee.

I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an exchange of correspondence between the junior Senator from Florida [Mr. SMATHERS] and me and an illuminating editorial from the Portland Oregonian of Thursday, April 24, 1958, endorsing the repeal of the Federal transportation excise tax.

There being no objection, the correspondence and editorial were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
April 24, 1958.

The Honorable RICHARD L. NEUBERGER,
United States Senate,
Washington, D. C.

DEAR DICK: On February 24 Senator MAGNUSON, myself, and other members of the Interstate and Foreign Commerce Committee introduced an amendment intended to be proposed to H. R. 7125, excise tax legislation presently pending before the Senate Finance Committee, the purpose of which is to repeal the 3-percent excise tax on freight and the 10-percent excise tax on transportation.

These excise taxes were imposed during the war period, as you know, to conserve the transportation facilities for the war effort. Since the purpose of these taxes has long since been served, I am convinced their prompt repeal would provide the necessary stimulus to business activity which is so badly needed today. The excise tax on freight, with its multiple aspects, is a drag on healthy economic growth. These taxes differ from the ordinary excise tax in that they apply to almost every conceivable type of consumer goods from baby foods on up to automobiles, and they impose an undue restriction on almost every segment of our economy as well as the transportation industry.

Hearings which I have held as chairman of the Surface Transportation Subcommittee of the Interstate and Foreign Commerce Committee for the purpose of determining the cause of the deterioration of our railroad industry have just been concluded. One recommendation which was made consistently, intended to be helpful not only to the transportation industry but to other segments of our economy as well, was the repeal of these excise taxes. I believe that by taking prompt action to bring about their repeal, business activity can be promoted and hope that you share my views.

I invite you to join with Senator MAGNUSON, myself, and other members of the Senate Interstate and Foreign Commerce Committee in urging that prompt and favorable action be taken on the amendment which we have introduced to bring about the repeal of these taxes. I sincerely trust that you will be able to do so.

An expression of your views with respect to this matter will be very much appreciated.

Sincerely yours,

GEORGE SMATHERS,
United States Senator.

UNITED STATES SENATE,
COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
April 28, 1958.

HON. GEORGE SMATHERS,
United States Senate,
Washington, D. C.

DEAR GEORGE: Thank you for your letter of April 24, concerning the proposal for the repeal of the Federal transportation excises being urged by you, Senator MAGNUSON and other members of the Committee on Interstate and Foreign Commerce. I am more than happy to assure you that you can count on me to give you all possible assistance toward accomplishing the repeal of these taxes at the present session of Congress.

Since 1956, as you may remember, I have repeatedly urged the abandonment of these transportation taxes, because they are highly regressive in general, and because they are particularly discriminatory against areas such as Oregon, which must bear the burdens of heavy transportation costs in everything we buy and sell in the more populous markets of the eastern industrial States. On several occasions I have introduced amendments to repeal the transportation taxes in connection with other tax bills, but the Finance Committee has not so far thought the situation appropriate for consideration and adoption of such amendments in the Senate. You may recall that earlier this year we had a very constructive colloquy on the floor of the Senate on this subject.

That is why I am very glad that you, as a member of the Committee on Finance, and also as chairman of the Surface Transportation Subcommittee, are taking the lead to push for the abandonment of these excises now. I was disappointed that President Eisenhower, in his recent statement of proposals for Federal railroad policies, did not recommend the repeal of the transportation excises. However, I certainly hope that a total repeal and not only a partial reduction can nevertheless be enacted at the present session of the Congress.

Be sure to let me know whenever I may be of any assistance in the efforts of you and your colleagues of the Surface Transportation Subcommittee, when this issue comes before the Senate.

With best personal regards,

Sincerely,

RICHARD L. NEUBERGER.

[From the Portland Oregonian of April 24, 1950]

FIRST AID TO RAILROADS

The case for repeal of the transportation excise tax is so strong that Secretary of Commerce Sinclair Weeks' recommendation that it be considered only as part of a general tax revision is surprising.

What greater, immediate stimulus could common carriers receive than relief from a restrictive tax which gives private truck fleets and leased or chartered trucks and barges a 3-percent advantage over them? Repeal of the freight tax appears from this viewpoint a better aid to the harassed railroads than Mr. Weeks' proposal that the Government guarantee $700 million in loans to the roads.

Perhaps all Federal excise taxes should be reviewed to determine what effect they are having on the business recession. A reduction in the 10-percent excise tax on automobiles, for instance, might be just the incentive needed to revive the lagging automobile market and give the whole industrial complex a boost.

Some excise taxes undoubtedly are necessary as revenue producers. The transportation taxes, however, were never designed to raise revenues. They were adopted in wartime to discourage use of railroads and other transportation facilities when these were needed for full prosecution of the war. The purpose now should be not to discourage but to encourage use of common carriers by both passengers, who must pay a 10-percent tax, and shippers, who pay 3 percent of their freight costs.

Most excise taxes are paid equally by all Americans, but not the transportation tax, which hits disproportionately those living in the West and other districts distant from the large population centers, who already are burdened by higher freight rates. Senator RICHARD L. NEUBERGER has determined that Oregonians who ship a carload of canned fruit to Pittsburgh pay nearly four times as much Federal transportation tax as do middle westerners who make similar shipments to the Pittsburgh market. The same inequity applies to manufactured articles sent to Oregon from the East.

Not only does the transportation tax divert common-carrier business to shipper-owned or leased trucks and barges, but it causes shippers able to do so to send freight over Canadian transcontinental railroads, which have no excise tax to worry about. Thus the country as a whole, not only the West and South, is hurt.

A majority of the Senate Commerce Committee, as well as of a subcommittee which has made a study of railroad problems, has gone on record in favor of repealing the 3-percent freight tax and 10-percent passenger tax. The administration could help bring about this vital improvement in the tax structure by recommending immediate action instead of further delay.

Polish Independence Day

EXTENSION OF REMARKS

OF

HON. AIME J. FORAND

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1958

Mr. FORAND. Mr. Speaker, I would like to call the attention of this body to the anniversary of Poland's Constitution Day, which for 167 years is being celebrated on May 3.

Free Poland's Constitution Day was May 3, and it is still observed in the hearts of the people within the country, and throughout Polish communities the world over.

It has become a tradition for Members of the United States Congress to commemorate on the floor of their respective Houses Poland's National Day on May 3, to evoke links of friendship between both Nations, and to stress United States interest in the fate of Poland. Members of the United States Congress, who visited Poland lately, unanimously agree that although the Polish Government is Communist—the Polish people are not. American visitors are impressed by the friendly feelings of the population toward the United States of America. This attitude is not surprising to me. I have known many people of Polish ancestry for many years in my own State of Rhode Island and I have always found them to be of honest integrity, peace loving, and possessing great Christian virtues. Many of my closest friends, whom I respect very much, are made of the same fiber as the people encountered by my colleagues in Poland.

The people of Poland, in spite of ruthless Communist subjugation on the Stalin pattern, have maintained their patriotism and moral resistance. Their feelings and beliefs did not flinch under Communist indoctrination and terror. This also applies to the much exposed young generation today.

The Poznan revolt and the events of October 1956, which took place under popular pressure, have shown the resistance of the Poles against Soviet rule and their aversion to every form of communism. Ideological slogans, like "Polish road to socialism" proclaimed as a new program by the Gomulka regime are regarded by the average Pole merely as tactical moves, Communist style.

I can fully realize that the country finds itself in a compulsory situation toward Soviet Russia. The suppression of the Hungarian freedom uprising by Soviet troops, practically without any reaction of the Western Powers, remains as a threatening memento.

It is useful to remember that any country subjected to communism is considered by Soviet Russia as virtually conquered for the Soviet bloc with all consequences deriving therefrom. This means, in practical terms, that any effort on behalf of the people of that country to replace the Communist system of government by a democratic one, through free voting expressing the popular will, is regarding as a hostile interference in the omnipotent right of the Communist Party to rule the country. And, therefore, as an act of aggression against Soviet Russia and other member states of the bloc. The use of Soviet troops to extinguish the Hungarian freedom uprising constitutes an evident proof of Soviet policy methods.

It is my contention, Mr. Speaker, that somehow, what we are saying today will reach the ears of our friends in Poland, and will help to sustain their hope of freedom. We wish them well in their continued fight to throw off the yoke of communism.

Social Security Legislation

EXTENSION OF REMARKS

OF

HON. ROBERT J. McINTOSH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1958

Mr. McINTOSH. Mr. Speaker, yesterday I introduced legislation to make changes in the Social Security Act, which, in my opinion, are very necessary at this time.

The first bill, H. R. 12503, would lower to age 62 the minimum retirement age at which both men and women may start receiving full benefits. The second important provision of the bill would eliminate the requirement that an individual attain 50 years of age in order to be eligible for disability-insurance benefits.

The purpose of the second bill, H. R. 12504, is to clarify the meaning of the term "disability" so as to overcome the strict administrative interpretation that has been given to the social-security disability provisions.

The third bill, H. R. 12505, would liberalize the provisions of the act on outside earnings and would increase from $1,200 to $1,800 the amount that may be earned annually by individuals receiving social-security payments.

Everyone is well aware that our social-security system is far from adequate to meet present-day living costs. Although we have made much progress in the 23 years since the original enactment of social-security legislation, we still have a long way to go in improving and liberalizing our system. The changes

recommended in the bills I have today introduced are conservative and merit the early attention of the Congress. Persons living on social security have been forced to lower their standards of living, and I am hopeful that the Congress, when it studies proposals to improve our social-security system, will also give consideration to the need for increasing present benefits.

Social Security for Adopted Children

EXTENSION OF REMARKS
OF
HON. RICHARD H. POFF
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 30, 1958

Mr. POFF. Mr. Speaker, I have introduced a bill, H. R. 12194, to amend the Social Security Act to authorize insurance benefits for a dependent adopted child effective upon the entry of the final order of adoption.

Under current law, such benefits do not accrue until 3 years after the date of adoption. I am told that the 3-year period was incorporated in the law as a precaution against abuse by those who might adopt children for the sole purpose of increasing the family's social-security benefits. In my judgment, this is an unrealistic danger and an unnecessary precaution.

Under the adoption laws of most States, the child is admitted to the home of its adoptive parents under an interlocutory court decree which grants conditional custody for 1 years. During that year, frequent supervisory visits by constituted State authorities are required. If the adoptive parents fail to exercise proper parental influence, fail to demonstrate appropriate parental devotion, fail to make adequate provision for the child's physical, mental, and social welfare, or fail in any other particular to meet the requirements of the State adoption laws, the interlocutory decree is vacated and the child is remanded to the custody of its natural parents or the child-placement agency as the case may be. On the other hand, if all statutory requirements are met, the interlocutory decree is merged by the court with a final order of adoption. Effective with the date of entry of the final order, the adoptive parents stand in loco parentis to the child and assume all legal rights and obligations incidental to and incumbent upon natural parenthood; and the child assumes all the legal rights and obligations of a natural child. The child becomes an heir-at-law, and in most States, the child is required by statute, as soon as he reaches the legal work age, to support a disabled parent, whether natural or adoptive.

Mr. Speaker, the rigid eligibility criteria and the exacting regulatory provisions of State adoption statutes preclude the possibility of abuse of the social-security program by greedy adoptive parents, and surely the 1 year period is sufficient to resolve the question of good faith.

I submit that it is and should continue to be the policy of Government to encourage rather than discourage the humane act of adoption of dependent children. The Federal Government recognizes the social validity of that policy and gives it positive effect in the internal revenue laws under which an adopted child is eligible for a dependent's income tax exemption of $600 in the taxable year in which the final order of adoption is entered.

I am advised by the Director of the Bureau of Old-Age and Survivors Insurance that the passage of this legislation "would add no appreciable cost—less than 0.01 percent of payroll—to the program." Indeed, very few workers approaching the retirement age of 65 and even fewer workers already retired will adopt young dependent children who would be covered by this amendment. As a practical matter, the amendment would affect primarily orphans or semi-orphans adopted by grandparents or older collateral kindred.

I hope it will be possible for the Committee on Ways and Means to give this legislation its early consideration.

Polish Constitution Day

EXTENSION OF REMARKS
OF
HON. GEORGE H. FALLON
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 30, 1958

Mr. FALLON. Mr. Speaker, the 3d of May marks the 167th anniversary of the Polish Constitution of 1791, which every Pole, throughout the world, cherishes as the symbol of the Polish fight for freedom and nationalism. All freedom-loving peoples of the earth join with the Polish people in hallowing the document as a famous moment in the history of man's striving for liberty and equality.

The American people sympathized with the Polish people in the late 18th century and indirectly shared in the establishment of the Polish constitutional monarchy. Many of the immortal patriots of the Polish struggle had fought alongside the American revolutionists. The flame of liberty kindled in the American colonies spread with them to Poland. The American Constitution provided a model, in many respects, for the Polish Constitution. When the news reached America of the action of the Polish patriots, George Washington, our own great leader in revolution, war, and peace, said to a friend:

> Poland * * * appears to have made large and unexpected strides toward liberty, which * * * reflects great honor on the (Polish) * * * king.

As our forefathers two centuries ago, we extend our sympathy to the Polish people, who are today held in bondage by the Red army. May the Polish people once again celebrate this memorable day in peace and freedom.

The Plight of Our Railroads

EXTENSION OF REMARKS
OF
HON. JOHN H. DENT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 30, 1958

Mr. DENT. Mr. Speaker, I would like to address my remarks today to the Members of Congress who are vitally affected by the present plight of our American railroads.

Legislation is now pending to relieve the Nation's railroads of some of the restrictions heretofore, perhaps necessarily, imposed on them by the Congress as a result of which they find themselves in serious straits, particularly as to their ability to compete under present conditions.

Much water has gone over the dam since the railroads were rich and powerful both financially and politically.

Today we have to recognize the facts, and the facts are such that both management and labor are deeply concerned over the railroads ability to survive under present conditions.

The proper defense of our country, the maintenance and expansion of its productive capacity and the economic well-being of our people require the sound maintenance of at least the existing network of national railroads. They are not now being properly maintained. The Pennsylvania Railroad alone admits that essential maintenance in terms of money of close to $200 million has been permitted to go undone. What this has already meant in terms of disruption of commerce and public inconvenience was illustrated by the almost total collapse of the Pennsylvania system for several days at the end of February this year and again in early March.

Over and beyond the damaging amount of deferred maintenance already accumulated, the Pennsylvania Railroad proposes to discontinue all heavy repair work on freight and passenger cars, to discontinue 12 percent of its normal railroad renewal program and one-third of its normal tie replacements.

The employees of the railroads, for the most part excluded from the improving benefits of unemployment insurance, have been the most immediate and most serious sufferers from the railroad crisis. In the last 6 months the Pennsylvania has laid off 18,600 employees. Men with 20 years and more of railroad service have exhausted their unemployment benefits under the railroad retirement act and, with their families, are now the public concern of the railroad communities. And the Pennsylvania now announces the impending layoff of 3,000 more. The plight of these employees is also the immediate and pressing concern of Congress.

Spokesmen representing over 25,000 railroad employees urges prompt Congressional action to revive the railroads.

For years the people of western Pennsylvania have been talking about the overregulation that has made the Nation's railroads the poor relatives in our

industrial economy. For the past year the whole country has been talking about this alarming situation. And for the past few months, since the start of hearings by a Senate subcommittee, under the able leadership of the distinguished Senator from Florida, the Honorable GEORGE A. SMATHERS, the talk has intensified.

Almost every newspaper in this great land has urged the Government to take action before bankruptcy overtakes some of our leading railroads and turns this recession into a full-fledged depression. Thousands of well-authenticated news articles and editorials have appeared, pointing to the deteriorating situation.

Despite this universal call for action, the White House has procrastinated. Three years ago the famous Cabinet committee report was published, but nothing came of it. The Secretary of Commerce recently, on two occasions, postponed scheduled appearances before the Smathers committee—the last time being March 31.

With the Congress eagerly awaiting administration proposals, and looking for some semblance of leadership, the Secretary last week finally acted, but he only tossed an anchor to a drowning man. The administration proposals are five watered-down recommendations that sound noble but mean little.

The mountain has labored and brought forth a mouse.

This recession is real—make no mistake about that. Unemployment is so widespread in my area of western Pennsylvania that we think in terms of depression, rather than recession. John L. Lewis once made a good distinction between the two terms when he said: "When the man next door loses his job, it's a recession. When you lose yours, it's a depression."

One of the quickest and surest ways to get the national economy back on its feet is to permit the railroads—our second largest industry—to earn the money they need to call back furloughed employees and buy the billions of dollars worth of materials they need to rehabilitate their plants and equipment.

It is not only the railroad industry that is suffering. All the industries they buy from are suffering. I am worried about these railroad people, and the unemployed railroad suppliers as people. Because so many railroads are losing money, more railroad maintenance workers have been furloughed. Track that should have been renewed has not been laid. Because those new rails were not purchased, more steelworkers are without jobs. Because those railroad and steelworkers have been furloughed, their planned purchases of automobiles, washing machines, refrigerators, and television sets have been postponed. So more workers are jobless, and the vicious circle grows while the administration does nothing.

Surely the plight of the railroads is not a partisan issue. It is true that Senator SMATHERS, who has taken the lead in getting something done about the deteriorating railroad situation, is a Democrat. But the New York Herald Tribune agrees with him. Let me quote from an editorial appearing in that Republican newspaper on April 24:

> No other single national asset is more vital to the security and the future growth of the United States than its 221,000 miles of railroads, the largest system in the world.
>
> Were enemy paratroopers dropped to destroy it, the Army would be called out to prevent it.
>
> Nevertheless, it is now being destroyed, just as effectively as if paratroopers were demolishing it.

Speaking of the White House proposals, the editorial continues:

> All this is needed.
>
> But much more is needed.
>
> What is needed, above all, is the creation of a national transportation policy. Here are some of the urgent needs of such a policy:
>
> It should combine all the regulatory agencies into a single Department of Transportation.
>
> The entire concept of regulation should be changed. Instead of being based on the obsolete concept of monopoly, it should be aimed at creating the maximum possible growth and efficiency.

The editorial concludes:

> An adequate railway system is absolutely indispensable, as World War II proved, to national defense.
>
> Without it, a growing nation faces economic strangulation.
>
> Let's quit strangling ourselves.
>
> Let's put the railroads on the track—on new tracks, with new wheels.

To which I would like to add, amen.

In an editorial of the same date, entitled "Crumbs for the Crumbling Railroads," the Cleveland Plain Dealer, a politically independent newspaper, had this to say:

> Once again the Nation's railroads have received a roundhouse, and we don't mean the kind used for the care and feeding of locomotives.
>
> This was a punch—of pure disappointment.
>
> It came from an administration which for 6 years has talked sympathy for rail ills. But the cure as set forth in Commerce Secretary Sinclair Weeks' recommendations to Congress, sound more like sugar pills than penicillin.

The editorial went on to say:

> The closest Weeks came toward getting at the heart of this thing was when he urged revision of Federal ratemaking policies to encourage more service and price competition while providing adequate minimum regulation.
>
> Nothing specific, of course. Only a broad generalization that something should be done—sometime, somewhere.

Again I add, amen.

I have seen similar strong editorials, extremely critical of the weak-kneed White House proposals, in such newspapers as the New York Times, the Pittsburgh Post-Gazette, the Wall Street Journal, the Philadelphia Bulletin and the New York Journal of Commerce. But nowhere have I been able to find favorable comment.

Just as the White House has vacillated with a wavering wait-and-see policy during this depression, as millions of men plod the streets in a vain search to find a job, so has the administration's feeble and timid approach failed to offer a prescription that would cure the ills of the tottering railroad industry.

The situation is frightening. Just last Friday the Nation's two largest railroads reported combined losses for the first quarter of this year of more than $32 million. How long can this go on? Must we wait until these roads are bankrupt before we act?

It is readily apparent that we cannot look to the White House for help in solving this serious situation.

It is apparent, too, that if the industry—and the vitally interested public—is to get any relief, the leadership will have to come from the Congress. In the near future we will have the recommendations of the Smathers committee. I trust they will reject the caution and timidity of the administration's recommendations. And when we get the report, let us not then start long hearings on this side of the Hill. The time for study is over. Now is the time for action.

The latest figures from the Pittsburgh Press show that the 18,600 unemployed railroaders in Pennsylvania far exceeds that of any other State. I note also that Ben Fairless, in testifying before the Smathers subcommittee, said that railroad purchases of steel had been cut in half and that more than 20,000 steelworkers were unemployed because of this cutback. I do not know what proportion of the 20,000 are Pennsylvania unemployed, but it must be at least one-third. Therefore we already have accounted for better than 25,000 of the Pennsylvania unemployed. All directly attributable to the deteriorating plight of the railroads.

The point is this, no State in the Union has as much to gain from a solution of the railroad problem as the Commonwealth of Pennsylvania.

A very interesting angle on this subject is residual oil. It is seldom considered as being of interest to the railroads and yet the importance of residual oil has a great bearing on the loss of income and labor work days.

For instance, between residual oils and refined waste some 50 million tons of coal is replaced with this import. Setting aside the millions of man-hours and loss of income to mine labor and management the figures on railroad losses are astounding.

At an average carloading of 60 tons of coal the rails lost approximately 83,000 carloadings of freight last year and will lose even more this year.

The average tonnage freight is $3.50 per ton making a loss in railroad revenue of $175 million for 1 year.

One can imagine the millions of man-hours and paycheck dollars lost by labor.

Sometimes one wonders whether we have taken enough time to evaluate this problem both internally and externally.

Evidently some of our communities are awakening to the danger to both the community and the country.

In closing and under leave granted, I submit for insertion in the RECORD an editorial, typical of the many editorials in my local newspapers, that reflects the serious consideration every community is giving this problem and the resolution unanimously adopted by the City Council of New Kensington similar to

resolutions passed by the cities and towns in my District.

The editorial and resolution follow:

[From the Vandergrift (Pa.) News of February 28, 1958]

THE RAILROAD'S PLIGHT

It is difficult to feel sorry for any person who has brought a host of troubles on himself through shortsighted, greedy policies. That is why the railroads are today having so much trouble presenting their case to the public. They asked for it. They got it. And now they are suffering.

Railroads are essential to our present economy. Particularly in a time of war they are essential, as no other overland means of moving freight has proved economically feasible. But the railroads are being choked by a lack of profits, and, when and if the point of no return is reached, only one alternative will remain. That is Government operation of the freight arteries.

The unfortunate part about the suffering of the railroads is that, unless something is done, all of us will suffer. The fact that railroads at one time were monopolies and misused their power is no longer revelant. What was done to curb the railroads' misuse of power no longer applies, yet the Interstate Commerce Commission is still hamstringing the railroads as if they were monopolies.

When the railroads were new, the Government subsidized their building. But the men who actually constructed the roadbeds used the taxpayer's money for dividends and graft rather than for building or improvement of the rails. Then a mad scramble began, with powerful groups fighting to control important roadways. Eventually power concentrated in the hands of a few, and these few gave rebates to favored customers, upped the price to midwestern farmers when crops were good, even indulged in stock watering and manipulation to such a shocking degree than an aroused public finally put a stop to the nonsense.

Once Government control was established, about the turn of the century, those in charge failed to keep pace with the times. Private automobiles have taken over 90 percent of the Nation's passenger traffic. The other 10 percent must be divided between trains, buses and airplanes, and the trains are the losers. At one time losses in passenger service could be made up in profit from freight, but today even the freight profit is dwindling.

Profits are down because of two reasons. First, the railroads were not farsighted enough to keep up with technological advancements. Second, Government regulations do not allow them to follow normal good business practices. Railroads are forbidden to bid for mail, as trucks do. They must maintain duplicating, unprofitable lines. They are taxed and taxed from every side. They are not allowed to raise rates. And all the while they maintain and pay taxes on their roadways, and build their own stations, they watch their competitors being subsidized by the Government.

So, if the railroads asked for their present troubles, who is the loser? We can't say they made their bed and they should lie in it.

For if we do, we suffer too. The only thing the railroads need now is the chance to compete on equal footing. That fact was brought out at recent Congressional hearings. Now it's up to Congress to chart a sensible course midway between absolute free competition and Government regulation.

Whereas the railroad industry, which has served as the backbone of the Nation's transportation system during times of war and peace, faces a crisis and threatens to have serious and far-reaching effects on the economy of the United States; and

Whereas the effects of the railroad's plight has resulted in a steady decline of employment with thousands of railroad workers unemployed in western Pennsylvania alone; and

Whereas the railroads have been large users of steel, aluminum, and glass and the cutbacks in purchases have meant curtailments in these various industries which are vital to this area; and

Whereas the sound financial condition of railroads is a prerequisite to the industrial development and future industrial progress of New Kensington, Westmoreland County, and Commonwealth of Pennsylvania: Now, therefore be it

Resolved, 1. That the Mayor and City Council of the City of New Kensington go on record as commending the purpose of the current hearings before Congress and urge that every effort be made to reestablish the competitive position and financial health of the railroad.

2. That copies of this resolution be forwarded to Senator GEORGE SMATHERS, chairman of the Subcommitee on Surface Transportation of the Senate Interstate and Foreign Commerce Committee, Washington, D. C.; to the members of this committee; and to Senators JOSEPH S. CLARK and EDWARD MARTIN, and Representative JOHN H. DENT.

Rural Mail Delivery Service

EXTENSION OF REMARKS
OF
HON. ROBERT J. McINTOSH
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1958

Mr. McINTOSH. Mr. Speaker, I have today introduced a bill—H. R. 12824—to provide for the extension of rural mail delivery service. The purpose of my bill would be to extend or establish such service in order to provide a postal facility, as nearly as practicable, to the entire rural population of the United States. The bill would authorize the Postmaster General to establish new rural delivery mail routes, or to extend or modify existing routes, in order that postal service will be available to every residence, farm, or business situated on an improved road, so long as the new route or the extension, as the case may be, will serve an average of one family for each mile of its length, including retraces.

The rural delivery service is presently serving more than 35 million American citizens. The RFD carriers, 6 days a week, travel more than 1.5 million miles over our highways, roads, and byways in order to place this complete postal service in the rural mail boxes serving more than one-fifth of our population. This important arm of our Postal System is currently served by 32,000 rural mail routes. The patrons of these routes are provided a complete mail service, including the collection and delivery of all classes of mail, together with a complete financial service, such as the purchase of stamps, money orders, and so forth.

It is interesting to note that the annual operating cost for this network of mail routes is about $209 million, which constitutes less than 7 percent of the total Post Office Department budget. The fact that one-fifth of our population is served by but 7 percent of our total postal costs highlights the feasibility of extending this service to those who presently do not enjoy it. The availability of this postal service provides a stimulus to business; it is an aid in disseminating educational material in the form of books, periodicals, and other publications. Moreover, it would serve to make complete the important network of communication for all our citizens.

In my opinion, Mr. Speaker, it is only reasonable that our rural areas should be entitled to the services of our Post Office Department just as city dwellers are. My bill would accomplish this objective. The legislation merits careful consideration, and I am hopeful that the bill will be accorded an early hearing.

Andrew Johnson, Man of Indomitable Courage and Incorruptible Integrity—an Address Delivered at the Dedication of the Andrew Johnson National Monument, Greeneville, Tenn., in Connection With the Completion of the Restoration of His Home, by Carroll Reece, the Representative From Andrew Johnson's Old District

EXTENSION OF REMARKS
OF
HON. B. CARROLL REECE
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1958

Mr. REECE of Tennessee. Mr. Speaker, the following is an address I delivered at Greeneville, Tenn., April 26, in connection with the dedication of the Andrew Johnson National Monument:

On January 3, 1935, I had the honor to introduce in the House of Representatives a bill to acquire the Andrew Johnson homestead as a national monument. The bill, after amendment, passed the House; passed the Senate; and was approved by the President, August 29, 1935. The bill, in its final form, provided not only for the acquisition of the homestead proper, but likewise for that of the tailor shop as well as for the burial place of Johnson to be combined as a national monument.

So you can understand, this is a gratifying occasion for me today. The dedication of the house and tailor shop of Andrew Johnson, with tomb on yonder hill, draws us, as it were, around the hearth fires of remembrance and makes us, the sons and daughters of Tennessee, which Johnson loved and where he now sleeps, feel as one family, bound together in the bonds of fraternal kinship and spiritual affiliation.

It is well that we have these visible monuments to remind us of an illustrious life. Man is, and always has been, greatly dependent upon symbols, the outward and visible tokens of his inspiration and his reverence for the past. That is why men build beautiful churches; that is why they erect splendid memorials to commemorate those who have gone before and have deserved well of their fellow men; that is why they seek out the birthplaces and homes of great men of the past, that they may be preserved for future generations. That is what we are doing here today.

As we gather to dedicate as a national shrine—this home, this tailor shop, this beautiful cemetery where he requested to be buried—we are moved not only to reflect

upon the record of an illustrious life, but we can also have the satisfaction of saying to ourselves: Here this man lived; here he labored; within these walls he dreamed and meditated and worked out his philosophy of life; here his character was formed; here he worked out the pattern of his career; here he determined to devote his life and his energy—regardless of cost to himself—to the Constitution and the Federal Union.

So it is good that we should gather here today amid these scenes, recalling a life of which every Tennessean, every American, regardless of party or traditional affiliation, is now proud, and in a feeble way make amends for the lack of appreciation that was shown him during his lifetime. Even to this day, there is no memorial—not even a bust—of Andrew Johnson displayed in the Nation's Capitol, and this despite the fact he is the only President who also served in the House, in the Senate, and as Vice President, and then again elected to the Senate after serving as President.

Like the garment which, long after its wearer has divested himself of it, yet retains in its folds the lines and lineaments of the owner's figure, so this homestead and this humble tailor shop still form the mold of Andrew Johnson; and we shall ever prize and cherish them.

As one reviews the story of that stormy and tumultuous life, one is reminded of the perspective afforded by a vast mountain chain, serrated, range upon range, with towering peaks, with few and far the quiet valleys between. Our own Great Smokies might well constitute a magnificent illustration of what I have in mind.

Johnson's whole life was composed of just such violent contrasts; he rose to towering heights of moral grandeur and political triumph; he plumbed the depths of political defeat and abysmal personal humiliation.

His successor in the Senate, David M. Key, described his mental operations as follows: "The very unequal distribution of advantages doubtless appeared to him in the aspect of a wrong. A restless and longing mind, shackled and imprisoned, is not apt to be always reasonable and just when it discovers, in the pathway through which its aspirations lead, obstacles which seem to be insurmountable, and beholds beyond them those who have been favored by fortune."

As one reflects upon his life, three salient characteristics strike the mind instantaneously, with the swiftness of light: First, the implacable, unconquerable courage of the man; second, and more important, in those stormy times in which he lived, his incorruptible integrity; and, third, his complete, sacrificial devotion to duty as he saw his duty. The life of Andrew Johnson should teach us all a vital lesson—a lesson those of us who have journeyed far enough along life's pathway to see honest effort ripen into human achievement have already observed—that hard work, high courage, unfaltering energy and indestructible integrity will, in the end, bring success over all obstacles.

Shakespeare has Mark Antony say in the hour of his disillusionment:

"My fortunes have corrupted honest men."

Never, never, never in this world, could Andrew Johnson have been corrupted; such a thing was impossible in his nature. What a priceless endowment. What an imperishable tribute. What a heritage to his countrymen. What an example for men in public life in these trying times.

During his impeachment trial, his chief defense counsel offered a compromise which, if accepted, would have resulted in immediate acquittal and Johnson indignantly refused it: "I regard the proposal as dishonorable and insulting. Before I will sign an order contrary to law and against my conscience, and be driven by coercion to that end, I'll suffer my right arm to be torn from its socket. I denounce the course you advise me to pursue, for I will not purchase my acquittal at the cost of my integrity. It is my pleasure to accept your resignation."

In the long perspective of time the true Andrew Johnson slowly but surely emerges. Bit by bit, the mud drops off; the old insults and vilifications have died down.

Andrew Johnson is the greatest martyr and unsung hero in American history, a thing former President Truman, doubtless, had in mind when he recently declared that he was "the most mistreated and maligned man who ever occupied the White House."

But an interesting little sidelight upon the innate prestige and majesty of the Presidency, by whomsoever it may be temporarily occupied, and the ultimate dependence upon it, by Congress no less than by the public at large, is furnished by the late Harry Thurston Peck in his book, Twenty Years of the Republic:

"When President Johnson was at the very ebb of his popularity in 1867," wrote Dr. Peck, "and when House and Senate were over-riding his vetoes and treating his recommendations with contempt, he once said to a personal friend: 'Even now if I really wish anything very much indeed, I can get it done'. In other words, if Johnson, as President, demanded something of Congress as absolutely imperative to the Nation's interests, Congress would give him what he asked for."

There is something, it seems to me, heartening about this incident. It seems to bring reassurance that, no matter how strained our political passions may become, the heart of the Republic still beats strongly, or, to change the metaphor, the timbers may creak a bit in stormy weather, but the Ship of State still rides serenely on. May it be ever thus. As Henry Wadsworth Longfellow, still the most universally beloved of American poets because he kept his finger ever on the American pulse, so beautifully put it at the very time Andrew Johnson was struggling to preserve the Union—and Johnson probably read the poem:

"Sail on, O Ship of State.
Sail on, O Union, strong and great.
Humanity with all its fears,
With all the hopes of future years,
Is hanging breathless on thy fate.
We know what Master laid thy keel,
What workmen wrought thy ribs of steel,
Who made each mast, and sail, and rope,
What anvils rang, what hammers beat,
In what a forge and what a heat
Were shaped the anchors of thy hope.
Fear not each sudden sound and shock,
'Tis of the wave and not the rock;
'Tis but the flapping of the sail,
And not a rent made by the gale.
In spite of rock and tempest's roar,
In spite of false lights on the shore,
Sail on, nor fear to breast the sea.
Our hearts, our hopes, are all with thee,
Our hearts, our hopes, our prayers, our tears,
Our faith triumphant o'er our fears,
Are all with thee—are all with thee."

How Andrew Johnson would have echoed every word of that.

It is not my purpose to review Johnson's career in detail. You are familiar with its main outlines—how could you live in Greeneville and be otherwise? I shall attempt merely a brief summary of that career insofar as such summary may serve to throw light upon the mental, moral, and spiritual development of the man. For today, amid these scenes of his early struggles, it is the man rather than the statesman which concerns us.

Born in Raleigh, N. C., on December 29, 1808, the younger son of Jacob and Mary McDonough Johnson, he faced a world with more than his share of handicaps. His father was a bank porter and a sexton in Raleigh, but he was described as an honest man, loved and respected by all who knew him. An honest man. How one's thoughts leap to the future of the infant born on that December day of long ago. It is pleasant to know that this honesty was not only inherent in the future President of the United States but was likewise a legacy bequeathed by a father who had nothing else to leave. One of the duties of Jacob Johnson's simple life was to toll the bells for those who had passed on. While thus engaged one day in the year 1811 he collapsed from exhaustion and a few days later he died. Johnson's biographer, Lloyd Paul Stryker, thus comments: "The boy Andrew, at the age of 4, was thus left fatherless, penniless, and friendless."

"Childhood," continues the same biographer, "Andrew never knew, youth passed him by. At the age of 10 necessity took him roughly by the hand and apprenticed him to one Selby, a tailor in his native town. Poverty is a grim and cruel master. He teaches his lessons with long hours, sour looks, and hard knocks. Andrew Johnson had a thorough knowledge of this tutor. Many years later he told his fellow Congressmen: 'If being poor was a crime * * * I should have to plead that I was guilty; that I was a great criminal; that I had been born a criminal; and that I had lived a criminal a large portion of my life. Yes, I have wrestled with poverty, that gaunt and haggard monster. I have met it in the day and night. I have felt his withering approach and his blighting influence.'"

An unschooled tailor's apprentice at the age of 10, where was there any hope for the future? But, happily for the sons of men, Providence is prepared to intervene when least it might be looked for. There was in Raleigh in those lean and bitter years a gentleman whose influence upon the poor apprentice was to make history. Dr. William G. Hill, the town physician, was one of those born philanthropists whom nature seems to produce at exactly the right moment. He would come to the tailor shop where the boy worked and read to him and his fellow apprentices masterpieces of English literature—by preference, the great orations of British statesmen. The mind of the boy took fire like flax from the spark of a tinder. Here was a new, and undreamed of, world. Here was a vast, limitless horizon offering boundless exploration, boundless riches. There was one volume in particular. The title of this incendiary book was "The American Speaker." It contained some of the greatest forensic efforts in the English language. The orations which struck home were those of Charles James Fox and the younger Pitt. It was by pouring over them that the boy slowly and painfully learned to read and spell. Could a future orator and statesman have a better exercise book? One is inevitably reminded of another boy over in Kentucky, at this time, also painfully learning his letters, only, unlike the young Lincoln, Johnson had not yet learned the mysterious art of writing and ciphering "to the rule of three."

In 1826, Johnson, with his mother and stepfather, decided to try to mend their fortunes by moving to Tennessee and, after some wandering, he settled here in Greeneville. Tailoring was the only trade he knew, and here he opened this little shop.

The family is described by an early biographer, John Savage, as arriving in town in "an old wooden cart drawn by a worthless horse (which) carried all their worldly goods." Again, one thinks of the Lincoln family in its wanderings. Mr. Stryker who wrote brilliantly of Johnson says:

"Dust-laden, on a Saturday afternoon they arrived at their destination. It could not have been a dramatic entrance and yet there was one who noted it with approval. Andrew, if he observed at all a little knot of giggling girls standing by the roadside, doubtless turned hastily away, recalling his travel-worn and unimpressive equipage.

There was, however, in that feminine group 17-year-old Eliza McCardle; she had seen Andrew Johnson as he passed in his creaking cart, dust-laden and travel-worn as he was. She liked him and then and there to her friends she confessed that fact." "It was," remarks Mr. Stryker dryly, "an un-Victorian method, but this was 1826. Eliza was 17 and Johnson was less than 2 years older, but on the 17th of May, 1827, by Mordecai Lincoln, a magistrate of the town and an uncle of Abraham Lincoln, they were married."

That marriage was the turning point, the golden milestone, of Johnson's life as he would unquestionably assure us, could we evoke him into our midst today from where he sleeps over yonder. Eliza McCardle was the daughter of a Scotch shoemaker and her opportunities for education had been greater than those of her young husband. She took him mentally in hand. She taught him to write; she taught him arithmetic. The familiar scene has come down to us of the young tailor sitting cross-legged on his bench while his wife read to him. Again to quote Mr. Stryker, "As a tailor he was debarred from equal association with the 'aristocratic coterie' ruling the community, so he spent his evenings and late nights in company with Eliza and his British statesmen."

And so the busy years passed, with gaining a livelihood and acquiring an education going hand in hand. Five children were born of Andrew's and Eliza's marriage, and Johnson was assured of the greatest solace of his life—a happy home. It never failed him. To it, and to the loving embrace of a remarkable woman, who thoroughly understood him, who never failed him, Johnson could always turn. It was the sheet anchor by which he was enabled to ride out every storm.

It was not long before Johnson's natural aptitude for a public career made itself manifest. Indeed, from the days he had learned to read and spell sitting, as it were, at the feet of Burke and Fox and the younger Pitt, it would seem as if he had been shaped for no other purpose. He was drawn to it by an overpowering instinct. His first venture into politics was in 1829, when he was elected an alderman. Reelected the following year, in 1831, he was chosen as mayor, and the one-time tailor's apprentice was on his way. He served, respectively, in the lower house of the State legislature and then in the State senate. In 1843, he began the first of five consecutive terms as Congressman. Returning home, he was elected governor of Tennessee in 1853, and 2 years later, reelected. By the year 1857, the great issue unionism, of the slaveholding agricultural South versus the antislavery and industrial North, was being ever more tightly drawn; the state of the Union appeared ominous indeed. The following year, the leader of the newly formed Republican Party, William E. Seward, was openly to proclaim an irrepressible conflict. Fortunately, at this juncture, Andrew Johnson was elected a Senator from the State of Tennessee. His colleague was John Bell, later to be an unsuccessful presidential candidate on the Constitutional Union ticket in the fateful year 1860.

Southerner and slaveholder though he was, there never was any question as to Johnson's position: he was, first and last, absolutely, inflexibly, eternally for the Federal Union. There was never a flicker or shadow of doubt in his mind: that mind was four-square; for him, the issue was made up, and his choice was irrevocable. That he was a southerner and a slaveholder made, to his mind, not the slightest difference. In an interesting article in the New York Times magazine of March 16 last, foreshadowing the ceremonies being held here today, the author, Pierce Fredericks, remarks:

"The gradual rehabilitation of (Johnson's) memory is progressing. It will reach a new climax next month when the Department of the Interior opens his home in Greeneville, Tenn., as a national shrine. The timing seems particularly appropriate. Most of the mud slung at Johnson resulted from his notion that the southern Negro problem was not to be solved overnight. From the perspective of 1958 it would appear that there was a great deal to be said for his point of view."

One thing alone was paramount, as expressed in the immortal words of his political idol, Andrew Jackson: "Our Federal Union. It must and shall be preserved."

On December 18, 1860, and the following day, Johnson delivered in the Senate of the United States what was undoubtedly the greatest speech of his career and, I think, the greatest speech ever made on the floor of the United States Senate.

The only comparable speech was another made by him in the Senate on February 5 and 6, 1861.

These two speeches constitute a magnificent utterance of faith—faith in America, faith in his countrymen, abiding faith in the Union he was sworn to preserve "against all enemies, foreign and domestic." The impact on the country and upon the Government was unbelievable. His analysis and discussion of the great constitutional issues involved sounded more as if they had come from the lips of John Marshall than from the lowly tailor of Greeneville, Tenn. He spoke extemporaneously. He stood there among the great men of the times and amazed them with his analysis of the Constitution and the principle of government which must be preserved if the Union was to survive.

Lincoln had already been elected. South Carolina was about to secede from the Union. The atmosphere in Washington was tense as if charged with electricity. Johnson rose from his seat in the Senate.

"Sir," he exclaimed, addressing the Chair, "I will stand by the Constitution of this country as it is, and by all its guaranties. I am not for breaking up this great confederacy. I am for holding on to it as it is, with the mode and manner pointed out in the instrument for its own amendment. It was good enough for Washington, for Adams, for Jefferson, and for Jackson. It is good enough for me. I intend to stand by it, and to insist upon a compliance with all its guaranties, North and South."

Senator Morton, an arch radical from Indiana, was a bitter opponent of Andrew Johnson and voted for his impeachment. Yet when Johnson died and resolutions of respect were offered in the Senate, Morton arose to pay tribute. Confessing that Johnson was a man with remarkable traits of character, Morton not only eulogized him but also read excerpts from Johnson's great speeches which Morton said he had taken pains to hunt up. Then commented the Senator from Indiana: "Those were brave words to be uttered by Andrew Johnson under the circumstances. I admired and honored him at the time; I do so now, and ever shall. He was a brave man, and he encountered risks and subjected himself to dangers of which we of the North knew scarcely anything. Perhaps no other man in Congress exerted the same influence as Andrew Johnson on the public sentiment of the North at the beginning of the war."

Unquestionably, these two speeches of Johnson's did more to clarify and crystallize the thinking in the North on the questions involved than the word or actions of any other one man.

The terrible war came, and when the legislature of Tennessee finally voted to leave the Union, Johnson stood adamant as one of the eternal hills in his refusal to follow his State into secession. When all other southern Senators withdrew, Johnson alone remained. The enormous importance of his stand was at once recognized by President Lincoln, who in the second year of the war appointed him military governor of Tennessee.

By the irony of fate the eastern portion of the State, which was strongly pro-Union and whence Johnson himself came, remained under Confederate control until the summer of 1863; and Johnson actually began his work of reconstruction in western Tennessee after Grant's capture of Fort Henry and Fort Donelson and the subsequent flight of the Confederate State government to Memphis. I shall not attempt to enter into a discussion of his course as a military governor; suffice to say that in circumstances of peculiar difficulty in which he was forced to exercise arbitrary power, Johnson acquitted himself with great courage and wisdom and, with the collapse of the Confederate armies in Tennessee, was able to bring about the restoration of civil government and restore Tennessee into a practical working relation with the Union. At Johnson's request, Lincoln exempted Tennessee from the Emancipation Proclamation because, adhering to his deep convictions on States rights, Johnson wanted Tennessee to free the slaves within its own border.

Meanwhile he paid a bitter price for his loyalty:

Harried day and night, in hourly danger from ambush, with a price on his head, he had been forced to leave his family behind the Confederate lines here. Their home was seized and they would have starved but for the food smuggled to them by loyal mountaineers. Patriotism sometimes exacts a high fee.

With the approach of the campaign of 1864, Lincoln decided to appeal to the country on a National Union ticket. This meant that loyal Democrats were invited to support the administration which, in turn, meant that a pro-Union Democrat would be invited to be Lincoln's running mate, and Johnson was the obvious choice. The President was triumphantly reelected and on March 4, 1865, Andrew Johnson became Vice President of the United States. The awful tragedy of the President's assassination the following month placed Johnson in Lincoln's chair and one of the grimmest chapters of United States history began.

As Johnson entered the Presidential Chair Senator Key describes the emotions of the South:

"I remember well the alarm of the people of the South when the sad news was borne to them of President Lincoln's assassination. Mr. Johnson's denunciations of those who had opposed the Federal Government, and the punishment and penalties he had invoked and threatened, justified the gravest apprehensions. But when he came to be President; when his enemies had laid down their arms and furled their flag, and after the power to pardon as well as to punish had passed into his hands, satisfied, as he must have been, that the great mass of the southern people had been honest, though mistaken, as he believed, in the motives which had impelled their action, all his bitterness and acrimony toward them were dissipated. The man sank himself out of sight, and the President of the powerful Nation shielded his late foes by clemency, though the liberal policy he exercised toward them contributed powerfully to lose him the support of the party which had placed him in office. He who could exercise such magnanimity under such circumstances had a great heart and unflinching fortitude. Those who think Mr. Johnson was cold and very selfish never understood his inner nature.

"In many respects he was strange and peculiar so that it is no matter of surprise that many who did not fully comprehend him had an unfavorable estimate of some of the qualities of his mind and heart."

Immediately after taking the oath of office in the old Ebbitt Hotel, upon being no-

tified of Lincoln's death, a small delegation of radical Senators headed by Senator Thad Stevens called upon him and proposed a course of harsh action, later referred to as carpet bag rule, toward the South which they expected him to follow. Johnson's reply was:

"I shall carry out Lincoln's policies as I understand them. I am sorry." When he uttered those words Johnson know the opposition which he was to encounter in Congress.

As President he was standing by his duty as he saw it regardless of threats and opposition, just as he had done as a United States Senator. It was there that the radicals resolved to contrive his impeachment and have him succeeded by a man who would do their bidding.

It is not my purpose, even if time were not lacking, to enter into that dark and somber record. As I said earlier, it is not the statesman we are considering primarily today, but the man. I shall, therefore, content myself with the brief but admirable summary as set forth in the pamphlet issued last year by the Department of the Interior.

"Johnson lacked Lincoln's prestige as a victorious war President, and he did not have Lincoln's political finesse in handling opposition groups. His liberal policy was soon frustrated by Congress. Seeking to regain political control of the country and curtail the powers of the Presidency, which had increased during the war period, the leaders in Congress, known as radicals, denied seats to newly elected Representatives from the Southern States. This prevented the natural combination of northern and southern Democrats and insured radical control of the legislative branch. With radical influence extending to two-thirds, thus destroying the effect of the President's vetoes, Congress enacted its own reconstruction program. This featured military rule of the Southern States, enfranchisement of the Negro, and disenfranchisement of the Confederate veterans. On the whole, the program proved a failure. Based on force, it collapsed in 1877 with the end of bayonet rule."

The struggle between a resolute Executive and equally unyielding Congress led almost inevitably to impeachment.

The radicals had only been biding their time. The issue was joined on the Tenure of Office Act, which limited the power of the President to remove officials whose appointments had been approved by the Senate. In 1867, in defiance of this act which he regarded as unconstitutional, President Johnson removed from office a disloyal member of his Cabinet, Secretary of War Edwin M. Stanton, who was conspiring with the radicals for his impeachment.

Johnson was then impeached by the House of Representatives. The trial was held before the Senate from March to May 1868. The final vote was found to be one short of the two-thirds necessary for conviction, and Johnson was acquitted. This is the only time in our history that a President has been impeached. The Tenure of Office Act, modified during Grant's administration and repealed in part in 1887, was declared unconstitutional by the Supreme Court in 1926. And, thus, Johnson was at last vindicated by the Supreme Court. After the fateful years of the Presidency, Johnson returned to his home here, his courage unshaken, his head bloody but unbowed. He continued his interest in political affairs and, after an unsuccessful candidacy he was chosen Senator in 1874. On March 5, 1875, he took his seat once more in the Chamber he had quitted 13 years before. The session lasted merely a few weeks and Johnson left the scene which had witnessed so many triumphs and defeats. Before the Senate adjourned he had made one more memorable address in which he displayed all of his old fire and eloquence. On March 22, 1875, he delivered a severe attack on President Grant whom he could not forgive for having declined the appointment as Secretary of War to succeed Stanton, and on the administration's policy in Louisiana, and closed with the plea in which his spirit and life's philosophy may be said to be forever enshrined:

"Let peace and prosperity be restored to the land. May God bless this people; may God save the Constitution."

May these words linger in our own minds and hearts as we turn over today this hallowed dwelling, this humble but precious workshop, this cemetery where his head lies pillowed on the Constitution, to the people of the United States and their posterity as a national monument to America's great commoner, Andrew Johnson.

Law Day, U. S. A.

EXTENSION OF REMARKS
OF
HON. PETER W. RODINO, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1958

Mr. RODINO. Mr. Speaker, May 1, 1958, having been designated as Law Day, U. S. A., by Presidential proclamation, the governing body of the School of Law of Seton Hall University has appropriately urged its faculty and student body to carry out and support the objectives of the proclamation.

Under leave to extend my remarks in the RECORD I include herein the greeting addressed to the principals of schools under Catholic auspices in New Jersey by Rev. Thomas M. Reardon, regent, and Miriam T. Rooney, dean of the School of Law of Seton Hall, together with the text of the Presidential proclamation:

To the Principals of Schools Under Catholic Auspices in New Jersey, Greeting:

The enclosed proclamation of Law Day U. S. A., by President Eisenhower is an historic document. It marks the first time that official recognition has been given to the tremendous importance our great common law system has upon our lives. Please read, or otherwise inform all students about it on May 1, 1958, and, if possible, explain something of the history of the common law, from its formulation by the priest-judges in the Middle Ages to our own day, and point out how essential it is to the development of true liberty.

This request is made upon the recommendation of the president of the American Bar Association, Charles S. Rhyne, Esq., who believes that one of the best ways of overcoming the current widespread disrespect for law is to make our legal system better understood. The fields of traffic-safety laws, crimes of violence by youthful offenders, and the attempt to settle international disputes by war instead of law, he mentions as particularly flagrant areas of disrespect at present. The first day of May was chosen designedly to emphasize the need to strengthen law instead of force.

Seton Hall University School of Law supports this nationwide program strongly. As the first and only law school under Catholic auspices in New Jersey, it is undertaking to ask the cooperation of all other schools under Catholic auspices in the State in making our great legal system better understood and appreciated by our citizens generally.

At the beginning of the month dedicated to our lady, it also urges that as many as possible say a prayer for the restoration of our law in Christo, thereby joining with the court criers who, before requiring those who speak in court to call God to witness to the truth of what they say, have, day after day for centuries never failed to say, in one form or another: God save our country and this court.

A brief note to the dean of Seton Hall Law School, Newark, N. J., or to President Rhyne of the American Bar Association, 1155 East 60th Street, Chicago, Ill., reporting the way in which your school has observed the first Law Day, U. S. A., May 1, 1958, would be much appreciated.

(Rev.) THOMAS M. REARDON, *Regent.*
MIRIAM THERESA ROONEY, *Dean.*

THE PRESIDENT'S PROCLAMATION: LAW DAY, U. S. A.

THE WHITE HOUSE,
February 3, 1958.

A PROCLAMATION BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

Whereas it is fitting that the people of this Nation should remember with pride and vigilantly guard the great heritage of liberty, justice, and equality under law which our forefathers bequeathed to us; and

Whereas it is our moral and civic obligatiton as free men and as Americans to preserve and strengthen that great heritage; and

Whereas the principle of guaranteed fundamental rights of individuals under the law is the heart and sinew of our Nation, and distinguishes our governmental system from the type of government that rules by might alone; and

Whereas our Government has served as an inspiration and a beacon light for oppressed peoples of the world seeking freedom, justice, and equality for the individual under law; and

Whereas universal application of the principle of the rule of law in the settlement of international disputes would greatly enhance the cause of a just and enduring peace; and

Whereas a day of national dedication to the principle of government under law would afford us an opportunity better to understand and appreciate the manifold virtues of such a government and focus the attention of the world upon them:

Now, therefore, I, Dwight D. Eisenhower, President of the United States of America, do hereby designate Thursday, May 1, as Law Day. I urge the people of the United States to observe the designated day with appropriate ceremonies and activities; and I especially urge the legal profession, the press, and the radio, television, and motion-picture industries to promote and to participate in the observance of that day.

DWIGHT D. EISENHOWER.

Proposal for a World Youth Convention

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1958

Mr. ANFUSO. Mr. Speaker, the battle of ideas and the effort to influence the minds of men is of greatest importance today. In the ideological struggle now going on in the world it is imperative that we apply boldness and imagination, if we desire to refute Communist propaganda whose primary aim is to confuse the minds of people everywhere.

In the interest of world peace and the survival of mankind, it is our task to get the truth across to the nations of the world, to keep them informed and alert, and to build greater international amity and understanding.

In order to help develop a bold and imaginative program on our part, I am suggesting that the United States take the initiative in calling together an international convention of youth and youth leaders who have demonstrated an interest in science, scientific progress, and their application toward peaceful uses. It is my conviction that youth representatives of Iron Curtain countries be likewise included in this world youth convention, so that they too may have the opportunity to see for themselves that we desire peace and not the destruction of humanity.

For this reason and to achieve this aim, I am today introducing a concurrent resolution authorizing and requesting the President to issue a call for an international convention or conference of youth and youth leaders of all countries of the world, which is to be held in the very near future. The time and place of such convention is to be left to the discretion of the President.

The purpose of this international youth convention would be to obtain the views and opinions of world youth on the following and related problems:

First. The development of science for peaceful uses, rather than for war or for destructive purposes.

Second. The need for agricultural, industrial, and commercial development of the underprivileged and underdeveloped countries of the world, and how youth can be helpful in promoting this growth.

Third. Seek specific ways and methods to raise the standard of living in all countries, including health and education standards.

Fourth. Seek specific ways and methods to provide an incentive and a future for youth everywhere, including greater opportunities for education, an appreciation of scientific knowledge, and a desire to cooperate with the youth of other nations toward better international understanding.

My resolution also provides that this youth convention should set up specific recommendations for an international designed to encourage the youth of the world to take up scientific projects and research for peaceful uses and of benefit to all mankind, so that the present and future generations may be able to live in peace and without fear of destruction.

I should like to add this one stipulation: When and if such a convention is held, we must take every precaution to make certain that the delegates of all countries without exception be given full opportunities to express their views on the problems to be considered.

It is my belief that the convocation of an international youth convention would give us the opportunity to take the leadership in a stroke of world-wide propaganda for the cause of freedom. It would enable us to prove beyond any doubt to the undecided and the uncommitted peoples of the world that we are genuinely seeking peace, that we are sincerely interested in the peaceful application of science for the benefit of mankind.

I think that the youth of these nations, through their representatives at this international convention, would understand our earnest desire to live in peace and to eliminate all fear of human destruction.

In short, a bold step of this kind on our part would help to put the Soviet Union on the defensive in the eyes of freedom-loving and peace-loving peoples all over the world. I urge the Congress to take fast action on this proposal and to request the President to put it into practice. We stand to gain a great deal by quick action.

I Believe in the United States of America

EXTENSION OF REMARKS
OF
HON. HAMER H. BUDGE
OF IDAHO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 30, 1958

Mr. BUDGE. Mr. Speaker, under leave to extend my remarks, there follows an address by the distinguished dean of the Michigan delegation, the Honorable CLARE E. HOFFMAN, representing the Fourth District. The address was given on Tuesday, April 29, 1958, at the Michigan Congressional Dinner Association Executives of Michigan at the Statler Hotel, Washington, D. C.

The address follows:

I BELIEVE IN THE UNITED STATES OF AMERICA

The honor of appearing before you tonight is due to the fact that my term of service in the House is longer than that of any of the other present Michigan Members, either Democrat or Republican.

Placed in the position of speaking for the Members of the House, nothing that may be said should be construed as in any way partisan.

In years gone by, the two great parties, Democrat and Republican, and their leaders have had in mind but one objective, the welfare of the people, the security of the Republic.

Party methods may have varied. Some of our policies may have been characteristic of the party to which we owed allegiance.

There was a time when he who advocated a high protective tariff or spoke in favor of and worked for a tariff for revenue only or for free trade, by his words and his actions labeled himself as a member and adherent of one of the two great parties.

But, to a great degree that day of demarcation has gone.

In a month or two on the Hill a real fight will be waged on the extension of the Reciprocal Trade Act. Members of both parties will be found on both sides of that issue, as they have been and are found from day to day on opposite sides of many issues.

No longer can the individual Member's party alinement be determined by scanning the record of the rollcall votes.

What has been said does not mean, however, that the future will not have need for the two-party system. Each major political party of today is split by deep, sincere convictions on issues which will become more important as the future unfolds.

On more than one occasion, on a teller vote, in the House, the Speaker, who hails from Texas, the majority leader who comes from Massachusetts—both Democrats—have walked down the aisle, one supporting a nay, the other a yea vote.

A similar situation exists on the minority side of the aisle, where no great surprise is evidenced if minority leaders vote contrary to what the press has stated to be the administration's viewpoint. Nor do Members on either side blindly follow their chosen leaders on a sometimes basic issue.

Many of us believe that a two-party system is vital if we are to have sound government and many believe that a new political alinement is coming—an alinement under which the so-called liberals and progressives in both parties may unite, while the conservatives, or as they are sometimes disparagingly referred to, reactionaries, may be found in opposition.

But be all this as it may, it may truthfully be said that as long as the people, by secret ballot, select their representatives, those representatives will reflect the wishes, the desires, and the convictions of the people themselves.

If, in the future, the people are misgoverned, the fault will lie not with the women and the men they send to Congress, but with the people themselves—the people who, because of their lack of vigilance and the nonexercise of their voting privilege, have surrendered their right to govern.

To put it in a few brief words, this is the people's Government and, be it good or bad, the responsibility for what it does or fails to do rests upon the shoulders of the people themselves.

It is altogether too much to expect the agent to disregard the wishes of his principal; the servant to act contrary to the interests of the master.

So, we reach the conclusion that, this being the people's government, a government established by our forefathers, its efficiency, its durability, and its desirability having been demonstrated by time and experience, the future welfare of our people and the security of our Nation depend not upon the action of the Congress but upon what you, and others in similar situations, think and do.

This Government of ours will continue to make progress and to succeed—to guarantee opportunity for prosperity, the enjoyment of freedom, as you—this because each of you is an outstanding individual, a leader in your community—and those among whom you live—assume and exercise your responsibility.

The Members of Congress are but your representatives, your servants.

This is not an attempt to shirk or to shift responsibility. If, speaking for all Members of Congress, one thought may be expressed, it is this:

Regardless of party affiliations, and however devious may seem the path, each of us sincerely desires to carry out the wishes of the people he represents insofar as they do not conflict with his convictions of what is best for the Republic.

If he fails, then—as time rolls on, in November of each even-numbered year—the people have opportunity to attempt to select a better servant. Once again, the immediate responsibility is yours.

FAITH IN THE UNITED STATES OF AMERICA

A previous speaker expressed his faith in Michigan. He gave some of the reasons upon which he based that faith.

Permit me to express my confidence in our Nation. To give some of the reasons for my faith in the United States of America—for my loyalty to the Flag and to the Republic for which it stands.

First, the Founding Fathers who established this Government of ours knew what tyranny and depression were—their effect

upon a people. Our forefathers knew the value of liberty, of security, of opportunity.

And because our forefathers knew of the things to which reference has been made, they were willing not only to sever all homeland ties, but to courageously face the unknown, to endure whatever hardship might be necessary, to establish here in a new land a new and an unprecedented form of government.

Today, to some a trip to the moon presents no more of a mystery, or a hardship, or impossibility of attainment, than did the situation confronting Columbus when he sailed west. At least, we know there is a moon. Columbus thought the world was round—not flat. He had never dreamed of an America.

It is almost impossible for us today to visualize the hardships which our forefathers faced, the sufferings which they endured, the sacrifices which they made—not only that they might have a better government, but that those who came after might enjoy the blessings which they sought.

That they built not only wisely, but for endurance, as well as for success, when they divided the powers of the Government which they established into three separate and distinct branches, has been demonstrated time and time again.

The progress which has been made under the Constitution, to which some seem to refer apologetically, has astonished an envious world.

Today, we have no reason to be ashamed, or humiliated, because of the achievement of any other nation or nations. True, Russia launched the sputnik. But what was it? A showpiece, built at the sacrifice of the Russian people of many a blessing enjoyed by the humbiest of our citizens.

Today, those in whom we have every reason to have confidence have told us time and again that we have no reason to fear the military might of any other nation.

And who is there among us who would become the subject of the greatest military power on earth, if, with it, went the loss of liberty, a denial of the blessings which we now all here enjoy?

DO SOMETHING—NO MATTER WHAT

Today's situation calls to mind my memories of Kipling's description of the Bandar-log—the monkeys of the animal world.

All other animals seemed, as described by Kipling, to have a definite place, a definite purpose—but the monkeys were continually running about, chattering, drifting from place to place, finding something new to do but never finishing anything they undertook, although all the time hurling missiles of some kind in the path of whatever animal they might encounter.

Today, a vocal few seem obsessed with the idea that, because the Constitution is old, it has outlived its usefulness as a guide—that there is some power in legislation which will enable it to solve all our problems, real or fancied—ignore all of nature's laws, perhaps cause the earth to turn from the east to the west to greet a rising sun.

From day to day, we discover a new fear. With it, a new panacea.

We forget the great truth uttered by President Franklin D. Roosevelt on March 4, 1933, when he said:

"This great Nation will endure as it has endured, will revive and will prosper. So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself: nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance."

Let us forget our fancied fears, adhere to the principles which have brought us so far along the road of progress and contentment. Let us quit seeking quack remedies.

The rapid and tremendous increase in the public debt, our inability to meet necessary current expenditures, indicates we are following a dangerous course.

On July 30, 1932, President Franklin D. Roosevelt gave us some sound advice, among other things saying:

"Revenues must cover expenditures by one means or another. Any government, like any family, can for a year, spend a little more than it earns. But you and I know that a continuation of that habit means the poorhouse."

And again in October of 1932, he called attention to the fact that—

"Now, the credit of the family depends chiefly on whether that family is living within its income. And this is so of the Nation. If the Nation is living within its income, its credit is good.

"If, in some crisis, it lives beyond its income for a year or two, it can usually borrow temporarily on reasonable terms.

"But if, like a spendthrift, it throws discretion to the winds, is willing to make no sacrifice at all in spending, extends its taxing to the limit of the people's power to pay and continues to pile up deficits, it is on the road to bankruptcy."

Apparently, many have forgotten that the Federal Government has no dollars except as it acquires them through taxation.

In October of 1932, President Roosevelt, at Pittsburgh, advised us that—

"Taxes are paid in the sweat of every man who labors because they are a burden on production and can be paid only by production. If excessive, they are reflected in idle factories, tax-sold farms, and, hence, in hordes of the hungry, tramping the streets and seeking jobs in vain.

"Our workers may never see a tax bill, but they pay in deductions from wages, in increased cost of what they buy, or, as now, in broad cessation of employment."

Today's immediate problem grows out of unemployment—of what some term a depression, others a recession.

As a remedy, many proposals have been made, most of which are based upon the thought that those who have should assume the care of and provide for, temporarily at least, the needs and the desires of those who have less. For the unfortunate, that we must do; but those who are able should at least make some effort to help themselves.

Perhaps the remedy for one of today's problems was given us by President Franklin D. Roosevelt on September 9, 1931, when he said:

"This depression is today's problem. We cannot and must not borrow against the future to meet it. We must share now out of what we have, but not out of what we expect to have some day in the future."

That advice is as sound today as when given.

But limitation of time brings us back to the basic issue. So, permit me to add that, for the average, healthy, and mentally competent individual, opportunity is all that anyone is justified in seeking.

Dependency is a fool's paradise, and will ruin not only he who accepts it but, ultimately, all of us.

Chew that one over—digest it—and, if there be a substitute for individual responsibility, for free enterprise, for the greatest possible degree of individual liberty consistent with the general welfare—let us have it, citing first, however, a proven example in the world's history. The world's junkyard is filled with the wrecks of nations which sought prosperity and enjoyment through socialism or tyranny.

Viewed in the light of tradition and of history, judged by experience, under the Constitution, under the Stars and Stripes—not under a one-world flag—measured by the world's standards, we are the most powerful nation on earth. Our people—as individuals and as a whole—have more of everything man considers enjoyable and good than do the people of any other country.

None of this is due to accident. It all exists because those who founded this Government thought wisely, planned well. Those who followed adhered to true principles—the good Lord was merciful to us and blessed us far beyond what we have earned.

This is our Government. The Members of Congress will, sincerely and to the best of their ability, attempt, through legislation, to translate your desires into action. We are, however, no more than your servants.

This is the people's Government. As you and your associates at home use your ability, exercise your judgment, and actively participate in the selection of your representatives, the future of this Nation will be determined.

The responsibility is yours—the word "yours" means the individuals who have opportunity to go to the polls. As that opportunity and responsibility is used and assumed, so the future welfare of our people and of our Nation will be determined.

Thank you and God bless you.

Communications: 20th Century Ideas in Motion

EXTENSION OF REMARKS

OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Wednesday, April 30, 1958

Mr. HUMPHREY. Mr. President, recently I had the pleasure of addressing the Department of Audio-Visual Instruction—DAVI—of the National Education Association, at its 1958 convention in Minneapolis.

In this address I discussed certain ideas which have a direct reference to legislation now pending before the Congress, and I ask unanimous consent that the text of this address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

COMMUNICATIONS: 20TH-CENTURY IDEAS IN MOTION

(Address by Senator HUBERT H. HUMPHREY, Before the 1958 Convention, Department of Audio-Visual Instruction (DAVI), Minneapolis, April 23, 1958)

It is always stimulating to meet with men and women for whom ideas are fresh, vivid, and living things. It is my good fortune to have the opportunity to discuss with such a group as this the problems and the importance of getting good ideas into effective motion.

This is the reason for existence and the motivation after all, of all teachers. Getting ideas translated into action is also the goal of us who are in public life. And each of us takes tremendous pride in achieving that goal, in our own way.

For anyone who works with ideas, these have been particularly challenging times. Somehow, our great Nation has been given the impression of a giant in chains, our tremendous strength somehow impotent. Yet seldom has there been more of a ferment of ideas, nor a more restless, seeking spirit among our people. But our ideas seem to sputter, flare up, and fade away before they can be translated into affirmative action. As a nation, we just don't seem to be able to get off the ground, like the early Vanguard.

Remember a few short weeks ago—that graphic symbol of frustration and enchained intelligence—the Vanguard rocket. There it sat, a magnificent idea made concrete, choking on its launching pad with some minor

fuel malfunction or other, while overhead whirled two Soviet sputniks—very much in motion—unchallenged by the most sophisticated scientific community on the face of the earth.

This international humiliation was ended, as we all know, when another idea or complex of ideas known as the Explorer satellite system, vaulted into space.

A rocket on a launching pad has a lot of potential. An idea on the launching pad of an intellectual's mind has a lot of potential. But it is the push, the thrust, that we can get behind the rocket, and the idea, that is so very critically important.

Putting ideas—good ideas—into motion takes a great deal of energy, decision, and skill.

We are not short on ideas in this country. Far from it. This is one of the blessings of this democracy, that everyone feels free to think up new ideas, and we have a bubbling of opinion and thought that is very healthy and useful.

But to translate the best of these ideas into motion and action, there must be a matching decision and a full use of the wealth of techniques of communication.

Believe me, the Soviet Union under the leadership of the extremely shrewd and capable Khrushchev understands the power of the idea in motion.

Perhaps no one has better stated the contrast betwen the vigorous use of ideas (including false ideas) by the Soviet leaders, and our own unaccountable failure to rise to the occasion recently, than the cartoonist Herb Block of the Washington Post.

I think you would agree, incidentally, that this cartoon is a superb demonstration of the picture that speaks a thousand words. It needs no explanation. It is humorous, bitterly humorous. In a few lines Block has expressed the frustration and exasperation of millions of thoughtful Americans.

I can assure you that I understand how the President or Mr. Dulles must feel when they open their morning paper and get a bang in the eye like the one Herb Block delivers every few days or so.

My office wall is festooned with cartoons like this one by another fine artist, Scott Long of the Minneapolis Tribune. Mr. Long can make quite a point with a few brush strokes, too. You might say that he can trim a subject better than the Senator HUMPHREY in his cartoon. Ray Justus, Scott's able colleague on the Minneapolis Star, also has a real impact. I cannot let this opportunity go by to mention that Scott Long received well-deserved recognition recently, for this superb demonstration of visual shorthand.

This is the newspaper clipping about Scott's award by the journalism fraternity Sigma Delta Chi for the outstanding cartoon of the year. The cartoon originally appeared in the Minneapolis Tribune the day after Little Rock, and was widely reprinted around the country.

There is an example of how to crystalize, or distill an idea, get a solid push behind it, and create a major impact on public opinion.

One of the major underlying causes of the tragedy of Little Rock was, I fear, that the ugly situation developing was not met with sufficient determination at an early enough time. Timing, in political affairs, as well as in audiovisual productions, is extremely critical. Timely decisions, and the determination to put them into effect, are among the first responsibilities of leadership in a democracy like our own.

Many felt long before Little Rock that there were ways and means of meeting and preventing the saddening spectacle that developed. Many feel today, that with timely decisions and determination to press forward, there are ways to cope, and cope effectively, with the powerful propaganda drive of the Soviet Union, with this very serious recession, and with the onrushing problems of our expanding population.

We are looking, then, for that thrust that gets us off the ground. All the rich and diverse talents and resources of this democracy await the vital forward impulse that can be released only by the topmost political leadership of the Nation, and particularly by the man who holds the vast powers of the American Presidency.

Someone must turn on the switch to set the American dynamo humming. Khrushchev challenges us to compete. Our first decision must be to accept the challenge in the realm of ideas, as we accepted the military challenge of the Soviet Union first made over 10 years ago.

You can't run a footrace, you know, if you are forever bending down to tie your shoelaces.

To paraphrase Lord Palmerston, the great British foreign minister of the early 19th century, ideas are stronger than armies. If they are founded on truth and justice, they will in the end prevail, as he said, "against the bayonet of infantry, the fire of artillery, and the charge of cavalry."

The Soviets have adopted Palmerston's point of view with a vengeance, except that they have conveniently neglected that fine print about truth and justice. We, I fear, are still hypnotized by hardware. Vitally important as it is to maintain parity in weapons with the Soviet Union, what great folly it will be if we do not recognize that military force is but one area of competition.

Now let us assume—and let us devoutly hope—that someone will at least turn on the switch. Let us assume that we are determined to do something.

Now comes the second great task of political leadership: Putting the massive power of the United States behind the right ideas.

A democratic leader has sometimes been compared with an orchestra leader, to get some idea of the diversity which he must weld into unity. Surrounded as I am with men and women steeped in the audiovisual production tradition, I am tempted to compare the democratic leader with a producer. In a sense, the leader in a democracy is like the producer of a motion picture, a television program, a radio broadcast, a sound-slide series. He is trying to persuade people to do something. And to help him in his task, he is truly fortunate in our country to be able to call upon the skills of many people, many specialists, many talents. Like the producer, his job is too big to do by himself. He must, however, select the basic idea, furnish the motive power, and then prepare to follow through, to supervise, encourage, and stimulate his team of specialists.

The producer must find the right idea—the right story, or concept. He knows that the finest of technicians and the most superb talent will give him nothing more than a mediocre production, unless he has an important idea to work from.

Similarly, the democratic leader must spend much time and energy in selection of his program and policy. That is basic. From all the deluge of advice and entreaty, he must select the most promising, judge it against his own intelligence and experience and training, and make that primary decision: This is the program behind which I will throw all my resources and energy.

Just as in a film, a telecast, or radio broadcast—just as in a lecture in a schoolroom—it is absolutely vital that what is chosen to be said be important. So much, so very much, of what goes on film, over television and radio, in the newspapers is simply frivolous, petty, and unimportant. There is a tragic waste of fine talent and creative energy in the field of communications in America, due to poor ideas and concepts.

Most of the bad pictures, the bad television shows, and the public policies of the Nation which fail, have had lavish productions—crews of writers, squadrons of technical personnel, shoals of money. They are bad, most of them, because the basic idea chosen was a bad one—mistaken, shallow, unimportant. There is too much fanfare and not enough substance.

How difficult it is to pick that right idea, amidst the bombardment from all sides. But how important. For the producer, it is the opportunity for a smash production, fame, possibly fortune.

For the democratic leader it can be the opportunity for greatness.

George Allen, the new Director of the United States Information Agency, recently said something like this: All the radio transmitters, motion picture productions, and television shows in the world cannot substitute for or replace intelligent basic policy.

In other words, you can't get by very long on words and pictures alone. You can't make a bad policy good without changing the policy itself.

But again—let's assume that we decide not only that we are going to get an action program under way, but we have even selected a good, sound program. Now comes the how part—technique, the choice of the medium of communication.

The democratic leader must think about his audience, his target. He is now full tilt in the field of communication. What is the best way to get his program going? Is his target the chairman of a Senate committee? Is it the Washington press corps? Is it the home constituency?

His audience may be the people of the country directly, as was so often the case with President Franklin Roosevelt, in his radio fireside chats. It may be the people of Southeast Asia. It might be American farm families, or small-business men, or big-business men; it might be the impoverished young intellectual of India.

In the field of public policy, it is my opinion that audiovisual techniques do not yet play the role they someday will. In his choice of medium, the democratic leader still relies for the most part on the news release, the speech, the press conference.

I might point out that I am trying something entirely new for me tonight, in using audiovisual materials in an address of this kind, and I am grateful for the kind assistance so freely offered to this rank amateur in the audiovisual field.

While we in Government are still slow in taking advantage of all the possibilities of the audiovisual field, some of the new habit patterns of Americans are being recognized—particularly the incredible amount of time devoted to watching television. The live news interview on television has become a fixed institution for the "trial balloon" on public policy. Even the wire services are now beginning to watch these shows for their morning stories.

TV is having a yet unmeasured impact. We are all familiar with the exciting experimental work being done in the Nation's now 31 educational television stations, often in conjunction with the audiovisual departments of school systems, colleges and universities. Not only are these cooperative undertakings performing a magnificent job of putting ideas in motion, but they are fruitful training grounds for the young men and women whose future tasks will include the interpretation of American life and policy abroad.

Television, film and audiovisual materials in general are becoming vitally important in the communication of ideas in all of the advanced nations of the world, while radio for years has been the possession of the most peasant economy. The United States has not, however, begun to exploit audiovisual techniques as instruments of foreign policy to anywhere near the extent that is possible. As television set ownership rises, as motion pictures and slide projectors spread into the

have-not areas of the world, a growing opportunity is given us to get our ideas across.

Some steps have been taken in this direction. When Marion Anderson completed her triumphant tour of Asia, the film produced by Ed Murrow for CBS, See It Now, was reproduced in more than 100 copies for distribution overseas. But, in general, the fact continues to be overlooked that with the simple, honest portrayal of American life that can be found in the best of our documentary films—many of the ideas of America can break through the hundred language and distance barriers that effectively block the real America from the world's view.

How much can be said about the mind and the heart of America in the kind of artistry represented by such works as The Strange One, with its portrayal of the patient work of a social worker in a home for delinquent boys, or the beautiful conception of the impact of technological America on the boy from the bayou country in Flaherty's Louisiana Story, the stark beauty of this scene of levee building in Pare Lorentz's The River.

And how much of the American conscience and drive toward the reform of evil is reflected in this brief sequence on slum-dwellers, from The City.

We must do much more of this kind of work in our overseas information program.

It is true that we have built up rather a substantial number of film libraries overseas—1 in each of more than 200 information centers in 78 countries. And the USIA motion picture or information officer attached to the center offers a rather varied usage of our films. Audiences will range from those in regular commercial theaters all the way to groups who have trudged in from a radius of 10 miles in the jungle or desert. Some 7,000 projectors of its own are used by the Agency in the less developed areas, as well as over 300 mobile motion-picture vans equipped with their own electric generators.

The schools in many countries are using our motion pictures, and apparently in some places have even made them an integral part of the school curriculum. Government agencies, especially in agriculture and health, frequently borrow the USIA films. Civic clubs, religious groups, labor and professional groups, youth organizations—the kinds of groups that use films in our own country—are given access to the USIA films. Practically all of the more than 1,000 titles are also available for use on any TV stations overseas.

Many times, in the best audiovisual tradition, the USIA people make an effort to combine, or as they say "interlock," mediums—to broaden or to sharpen the impact. A USIA exhibit can be, and often is, later given a form of permanence with the use of the motion-picture camera—just as Marion Andersons' visit to Southeast Asia was recorded for later film showings.

About 40 percent of the films in the overseas program are acquired through a regular and systematic screening of the output of educational, documentary, cultural, and industrial films. For other films USIA contracts with private companies for documentary and newsreel type films. Still another group is produced by USIA overseas in 44 countries, in an effort to clothe the message in the local language and settings.

Some intensely interesting work has been done in the less developed areas, where films were tailored specifically for local needs and problems. Incidentally, the first overseas production done for USIA was performed by a group of American university film production units, under USIA contract, including the University of Minnesota's in Iran.

The USIA use of audiovisual materials, along with their use by the International Cooperation Administration, has clearly stimulated a desire in the less developed countries to make use of such materials in their own self-improvement programs. My friends in USIA assure me that many people from the audiovisual ranks which you represent have served with great distinction abroad in the many governmental programs of planning and producing audio-visual materials for rapid mass learning.

But are we doing enough? One way to measure this is to look at what the Soviet competition is doing in the field.

The Central Committee of the Communist Party of the Soviet Union contains a propaganda and agitation section (Agitprop) which receives its orders directly from the presidium of the central committee, the highest body in the Soviet world. The closely interwoven structure of the Communist Party and the Soviet Government insures that for propaganda purposes there is no distinction between the two.

The cost of current Soviet bloc propaganda activity is incalculable, but a few indexes are available. For example, it is estimated that each year the Soviet program spends considerably more on jamming the Voice of America alone than the United States does on its total overseas information program. Incidentally, it has also been estimated that the Sixth World Youth Festival last year in Moscow—the purpose of which was almost exclusively propagandistic—cost more than $150 million. Again more than the entire United States information effort.

It is known that in 1957 an average of 2,254 program hours per week went out over the Communist international broadcasting network. (This can be compared with 750 hours a week on the Voice of America.) The Soviets published approximately 25 million books in Free World languages during the first three quarters of 1957 and also published more than 110 foreign language periodicals circulating in Free World areas. The cost of activities such as these and of other activities of the thousands of local chapters of the Communist Party and front groups must be staggering. No, I do not think we are doing enough in the use of audiovisual materials in our overseas information program. Congress has a serious responsibility to make more funds available for this purpose. And the administration can surely show more imagination and initiative in encouraging the fuller participation of the thousands of talented figures and craftsmen throughout America who could contribute so much to a broadly expanded program.

Not only could we have a Voice of America. We could, with sufficient planning, produce an enormousful effective visual program. We could say: Here is America. Here we are, with our faults as well as our virtues. Here is the real America of striking vigor, flashing imagination, bursting creativity. Here, we could say, is an America struggling to find the answers, an America earnestly seeking to do what is right, an America not at all reflected in the gangster movies, the technicolor musicals, and all the westerns that have ever galloped across the screens of Europe and Asia and Africa.

Let me emphasize once again, that without something to say, that is, without a policy to implement, doubling and even tripling the USIA budget would largely be a waste of time. Furthermore, it is safe to say that dollars alone will not provide an effective program of audiovisual production for our information program overseas.

The scientists assure me that dollars alone will not produce creative thought and important discoveries. They stress, again and again, that the truly creative person is a relative rarity, and that very careful programs must be designed which are entirely without reference to the massive expenditures of funds.

A million dollars could be plunged into the production of one motion picture, and frequently is, in the entertainment industry. That same million could be dedicated to a program of encouragement and incentive to the struggling audiovisual producers around the country, and might produce startling results.

There are gifted individuals, in college and out, throughout the country—experimenting on shoestrings, struggling to advance the art of visual communication, working on budgets of $500 or perhaps $5,000—producing stimulating, honest, sometimes beautiful, films and filmstrips for perhaps 1 or 2 percent of the cost of a Hollywood entertainment film. Just think what they could do with just a few thousand dollars to work with.

Financial worries that affect the typical educational TV station, for example, cannot help but diminish the creativity and effectiveness of their work. I see no reason why governmental units at the local, State, and national level should not participate in the financing of these operations, in the public interest.

Senator WARREN MAGNUSON, I believe, is to begin hearings tomorrow on a bill to provide financial assistance to States which have been unable to move as yet into the field of educational television.

Other proposals are already being given serious attention. In title X of S. 3187, which I am proud to sponsor with Senator LISTER HILL, we have proposed a program which I believe would go a long way toward advancing the art and technique—and the habits of use—of audiovisual materials for serious (as opposed to more entertainment) purposes.

Essentially, under title X we would provide $5 million for the first year, and $10 million for each of the next 4 years to promote research and experimentation in the audiovisual field.

There would be grants-in-aid to public and nonprofit agencies and individuals, to be approved by a national advisory council on new educational mediums. Contracts would be authorized for projects of research and experimentation in audiovisual instruction. A central exchange and library of audiovisual materials would be maintained, including materials produced abroad.

Program units would be organized and made available to State and local educational agencies.

All of these activities would be coordinated under an institute for research and experimentation in new educational mediums within the United States Office of Education.

Such a broad program of encouragement would strongly supplement the pioneering work which has already been done by the Ford Foundation and other nonprofit foundations and organizations, which has been so important in the steady progress of the past decade in audiovisual production and use.

The Senate has held extensive hearings on this bill, and I am very hopeful indeed that our Committee on Labor and Public Welfare will favorably reput the bill to the Senate floor sometime in May. On the House side, similar progress is being made on a matching bill.

With such a two-pronged effort—that is, encouraging creative experimentation on the one hand, and providing in effect a market for audiovisual productions through such agencies as USIA—the whole field of audiovisual work can be enormously stimulated.

This would be good for our Nation. It would make us more articulate in our dealings with the rest of the world. It would also intensify the broad educational effort we are now making, by multiplying the number of students which can be reached by superior teachers. This, in turn, would give impetus to our effort to regain the initiative in our struggle with the Soviet system—a struggle which demands, and will continue to demand, the most intensive planning, coordination, and perseverance.

Only through the vigorous and imaginative use of all the mediums of communication can an administration expect to convince the country that it must make the sacrifices necessary to meet the multiple Soviet challenges and to avoid the catastrophe of either war or Soviet domination. And only through an equally vigorous use of communications mediums—founded soundly on intelligent policy, of course—can our leaders expect to rebuild the confidence and unity of the West and shatter the glib confidence of the Soviet leadership.

But even should we succeed in ending the arms race, in reducing the crushing burden of armaments and the overhanging threat of catastrophe from nuclear weapons, we must still be prepared to face a generation of struggle to win the minds and hearts of the peoples of Asia and Africa. Let us hope that we will have the determination to enter the contest seriously, the intelligence to formulate wise policies, and the trained men and women to put them into effective action.

Of all the powerful ideas at work in the world, none has more strength than the world's yearning for peace—and not simply the absence of war, but peace with progress.

We must identify ourselves vigorously, simply and directly, with this great idea, in terms of positive progress toward better housing, more jobs, more food, and for dignity and freedom for the men and women who have had nothing for so long.

Ideas, you see, are in motion—powerful ideas that are sweeping away old political institutions, breaking through the encrusted traditions of five centuries. Nationalism, and fierce nationalism at that, is an idea and a movement among the Asian and African peoples that must be recognized and taken into the most serious consideration by American policy planners. The idea of equal opportunity and nondiscrimination on the grounds of religion or color is another powerful idea that is upsetting the old order. The peoples of colored skin in this world are in the majority, and it has long since become evident that they will no longer tolerate the inferior status we of the West have assigned them for these five centuries of Caucasian domination.

The magnificent conception of international organization for peaceful purposes is still another tenacious and vigorous idea important in our world—and very much in motion. Steadily, in the face of the huge buildup of weapons of mass destruction, men and women of vision and purpose are working to strengthen the economic, social, and cultural organizations that are some of the brightest hopes in an often bleak international picture. The idea that all peoples should be free of the age-old scourge of disease is being magnificently carried forward—in malaria control programs, in the attack of trachoma, tuberculosis, and scores of other plagues.

Still another idea powerfully at work in the world, but one which our Government regretfully has not yet adopted, is that food and fiber are great national treasures, and can be vital instruments of foreign policy. Mr. Khrushchev is the first of the Soviet leaders to recognize this fact, and in the face of our own leadership's indifference to the opportunity to use food intelligently and wisely, the Soviet leaders are surging forward in an effort to overtake us in food and fiber production. American food and fiber abundance is not something we should be ashamed of, but an asset of incalculable value.

Finally, the idea of providing the kind of education that will permit individuals to realize their full intellectual potential, the idea of ensuring that gifted young people will not be denied higher education opportunities simply because of a lack of family finances, is gathering real momentum. In our history we have steadily widened the opportunity for education for everyone. But it is only recently that we have come to realize the great gaps in our educational structure. It is nothing short of tragic—for the individuals and for our Nation—that we have not devised a system that would provide the 150,000 or so young high school graduates with very superior ability who do not now go on to college each year for lack of funds, the opportunity to develop their potential through higher education.

I think we are going to take steps to meet this challenge. As long ago as January of 1957 I proposed legislation to provide direct scholarships and loans for 40,000 such young people. This year, I was privileged to join with Senator LISTER HILL in introducing the national defense education bill about whose title X we have had some discussion earlier. We have even succeeded in encouraging the administration to make a similar, though far smaller, request of Congress. Clearly we are going to have concrete, positive legislation in this field this year, and the impact on the intellectual level of our Nation may be astonishing over the coming decades.

Finally, it is important to point out that were there no Soviet Union, were there no Nikita Khrushchev, were there no overhanging threat of nuclear warfare, we would still live in a world of incredible problems and dangers, and opportunities. Surely it is shortsighted to be forever reacting instead of acting, to be forever holding back instead of forging boldly ahead with our own ideas. This is a world in constant flux, ever changing, constant only in its inevitable change.

The task of encouraging and training the young people of our Nation to assume political, economic, and technical leadership is of nobility and intense importance. You teachers, and you specialists in the visualization of the idea, deserve the warmest support and encouragement of the Nation. I can only assure you that there are many in the Congress of the United States who share my conviction that the profession of teaching must somehow receive the social and financial rewards that have for so long been denied to educators.

This is just another idea that I hope to get into motion.

Meanwhile, while our society, not yet in its full maturity, does not yet recognize in more concrete terms the critical importance of the teaching profession to the strength and economic health of our Nation, let me assure you that never has the prestige of the teacher been higher. Never, it seems to me, have the prospects been brighter for the participation by educators in major policy decisions of our Government. This is a long and important stride forward, I believe, and bodes well for the future welfare of our own, and of the world's people.

SENATE

THURSDAY, MAY 1, 1958

Rev. Walter B. Freed, D. D., pastor, Luther Place Memorial Church, Washington, D. C., offered the following prayer:

Almighty God, Thou who art the Father of all men and the Lord of nations, let Thy righteousness rest upon Thy servants, to encourage them to good, and to discourage them from evil. Come to our boisterous and stormy selves, where strong and stubborn wills hold sway, and still us with the calm steadiness of Thy presence until self is forgotten and Thou alone art Lord.

Cast out, O God, from our hearts and minds the fears and contradictions which tend to make us cowards and weaklings; and help us to comprehend, through the clear eye of faith, a destiny for Thy peoples which is in keeping with Thy holy will and divine purpose. Endow us with the grace of patience, so as to deal gently with those who may oppose us, while at the same time keep us loyal to convictions that are just.

In moments when decisions fraught with extended consequences are to be made, allow the light of Thy truth, O God, to shine into our minds until selfishness and prejudices are exposed and we are compelled to act because of a motive divine. In places where we are weak, make us strong in our reliance upon Thee; and where we are strong, use our strength to Thy honor and glory: through Jesus Christ, Thy son, our Lord, who liveth and reigneth with Thee and the Holy Ghost, ever one God, world without end. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, April 30, 1958, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 228) authorizing the printing as a House document of the pamphlet entitled "Our American Government. What Is It? How Does It Function?" in which it requested the concurrence of the Senate.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 228) authorizing the printing as a House document of the pamphlet en-

titled "Our American Government. What Is It? How Does It Function?" was referred to the Committee on Rules and Administration, as follows:

Resolved by the House of Representatives (the Senate concurring), That, (a) with the permission of the copyright owner of the book Our American Government—1,001 Questions on How It Works, with answers by WRIGHT PATMAN, published by Scholastic Magazines, Inc., there shall be printed as a House document the pamphlet entitled "Our American Government. What Is It? How Does It Function?" In addition to the usual number there shall be printed 2,000 copies for use and distribution by each Member of Congress.

(b) As used in this concurrent resolution the term "Member of Congress" includes a Member of the Senate, a Member of, and a Delegate to, the House of Representatives, and the Resident Commissioner from Puerto Rico.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Under the rule, there will be the usual morning hour, for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements made in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938, RELATING TO COURT PROCEEDINGS

The PRESIDENT pro tempore laid before the Senate a letter from the Chairman, Civil Aeronautics Board, Washington, D. C., transmitting a draft of proposed legislation to amend the Civil Aeronautics Act of 1938, as amended, in order to (1) assure for the Civil Aeronautics Board independent participation and representation in court proceedings, (2) provide for review of nonhearing Board determinations in the courts of appeals, and (3) clarify present provisions concerning the time for seeking judicial review, which, with the accompanying paper, was referred to the Committee on Interstate and Foreign Commerce.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the national executive committee of the Legion of Guardsmen, Inc., at Pittsburgh, Pa., opposing any reduction in strength of the National Guard; to the Committee on Armed Services.

A resolution adopted by the staff and sister governing body of St. Mary's Hospital, Huntington, W. Va., opposing the payment of cost of hospital, nursing home, and surgical service for persons eligible for old-age and survivors insurance benefits by the Federal Government, through the social-security system; to the Committee on Finance.

A resolution adopted by the Chamber of Commerce of Moorpark, Calif., favoring the enactment of legislation to repeal the telephone excise tax; to the Committee on Finance.

RESOLUTION OF COMMON COUNCIL OF CITY OF PLATTSBURGH, N. Y.

Mr. JAVITS. Mr. President, I present for appropriate reference a resolution adopted by the Common Council of the City of Plattsburgh, N. Y., favoring the enactment of legislation to authorize the United States Army Corps of Engineers to make a survey of a navigable inland waterway from the port of New York into Lake Champlain. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

OFFICE OF THE CITY CLERK,
Plattsburgh, N. Y., April 18, 1958.

At a regular meeting of the Common Council of the City of Plattsburgh, N. Y., held April 17, 1958, the following resolution was adopted:

"Whereas the common council has been informed of present legislation before Congress (to authorize the U. S. Army Corps of Engineers to make a survey of a navigable inland waterway from the port of New York into Lake Champlain), with ultimate connection with the St. Lawrence River in Canada: such bill now before the House Public Works Committee being known as House Joint Resolution 519; and

"Whereas during recent years the exploitation of mineral resources in the Province of Quebec has increased so rapidly this vast source of potential tonnage will be added to the commerce generated by the port of New York at the southern terminus, and by the future potential of the Hudson and Lake Champlain Valleys, it is felt the entire State of New York, as well as the communities affected, would be benefited by such a survey: Now, therefore, be it

"*Resolved*, That the Common Council of the City of Plattsburgh, N. Y., hereby requests United States Senator JACOB K. JAVITS, United States Senator IRVING M. IVES, and Congressman DEAN P. TAYLOR to lend their support and efforts toward the obtaining of necessary authorization from Congress to initiate the investigation of this project; further

"*Resolved*, That a certified copy of this resolution be transmitted also to Hon. JOHN A. BLATNIK, chairman, Subcommittee on Rivers and Harbors, Public Works Committee, United States House of Representatives, Washington, D. C., for his information and files."

RESOLUTION OF REPUBLICAN CONVENTION OF HENNEPIN COUNTY, MINN.

Mr. THYE. Mr. President, I have received a resolution from the Republican convention of Hennepin County, which reads in part:

On Saturday, the Republican Convention of Hennepin County adopted the following resolution calling for enforcible world law.

I ask unanimous consent that the resolution be printed in the body of the RECORD and referred to the appropriate committee.

There being no objection, the resolution was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

MINNEAPOLIS, MINN., *April 29, 1958.*

The Honorable EDWARD J. THYE,
United States Senate,
Washington, D. C.

DEAR SENATOR THYE: On Saturday, the Republican Convention of Hennepin County adopted the following resolution calling for enforcible world law:

"Whereas the Republican Party is in full accord with President Eisenhower's conclusion that 'There can be no peace without law'; and

"Whereas the General Assembly of the United Nations has already voted that a charter review conference 'shall be held at an appropriate time': Now, therefore, be it

"*Resolved*, That the Republican Party pledges its leadership to work through the Government of the United States in cooperation with other nations, directly and through the United Nations, to reach agreement on a workable system of enforcible world law, consistent with American principles of individual liberty, and universal disarmament with effective inspection safeguards to assure the peaceful and just settlement of disputes between nations;

"We further urge the President to appoint a commission to study the changes in the United Nations Charter which would be appropriate to this goal so that the United States will have sound proposals to offer when the charter review conference is held."

At least 500 delegates heard this resolution discussed, and when the vote was taken there were not more than a dozen "noes."

Adding my own personal opinion, I believe that no issue is more urgent today than the need for world law and universal disarmament. Questions of unemployment, inflation, taxes, and farm prices become insignificant when compared to the threat of atomic war.

Sincerely yours,

RODNEY D. DRIVER.

P. S.—I am sending similar letters to President Eisenhower and Congressman JUDD.

RESOLUTION OF VETERANS OF FOREIGN WARS, ST. PAUL, MINN.

Mr. THYE. Mr. President, I have received a resolution from the Veterans of Foreign Wars of St. Paul, Minn. I ask that the letter and resolution be printed in the RECORD.

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
DEPARTMENT OF MINNESOTA,
St. Paul, Minn., April 28, 1958.

Senator EDWARD THYE,
Senate Office Building,
Washington, D. C.

DEAR SIR: At a recent meeting of the Council of Administration of the Department of Minnesota, Veterans of Foreign Wars, a resolution was submitted protesting the policy of the Veterans' Administration in continuously reviewing cases of disabled veterans with the purpose of reevaluating their claims. After a thorough discussion of the situation, during which many individual examples of inequities were cited, the resolution was adopted and I was requested to contact you for your assistance.

There have apparently been many cases reviewed where the individual veteran was

awarded a service-connected disability compensation without being required to furnish detailed evidence. He has continued to draw his compensation for 10 or 15 years and now is being required to furnish additional proof of service connection. That proof, in many cases, could have easily been produced at the time the original rating was determined but was not obtained since it was not demanded or needed. At this late date, evidence is very hard to obtain since witnesses may have died, moved away, or have forgotten what happened. In the absence of additional proof, the disability compensation is being discontinued.

This practice would seem to be very unfair and without question has resulted in individual inequities. We realize that errors in judgment exist and that they should be corrected, whether the decision is favorable or unfavorable to the veteran, but we do feel that there should be some logical deadline beyond which no further question is raised as to service connection.

The enclosed resolution seems to be a fair solution to the problem and we ask that you institute or support legislation along the lines suggested.

With best regards, I am,

Yours very truly,

LOWELL J. EASTLUND,
Adjutant, Department of Minnesota,
Veterans of Foreign Wars.

RESOLUTION REQUESTING MAINTENANCE OF THE 1945 RATING SCHEDULE AND ASKING THAT SERVICE CONNECTION NOT BE SEVERED EXCEPT IN CASE OF FRAUD

Whereas there has been a continuing review of cases of disabled veterans by the Veterans' Administration, which has been disadvantageous to thousands of veterans, reducing compensation payments to them; and

Whereas other thousands of veterans have suffered severance of service connection without proper physical examination: Now, therefore, be it

Resolved by the Council of Administration of the Department of Minnesota, Veterans of Foreign Wars of the United States, in meeting assembled at Minneapolis, Minn., on February 15, 1958, That Congress be asked to take action maintaining and confirming the rating schedule of 1945, unamended, as the basic rating instrument of the Veterans' Administration for all service connected disabilities; and be it further

Resolved, That Congress be further urged to take such action as will prohibit the Veterans' Administration from severing service connections which have been in effect for 10 years or more without proof of fraud.

RESOLUTION OF ST. PAUL POST NO. 8, AMERICAN LEGION

Mr. THYE. Mr. President, I have received a resolution from the St. Paul Post No. 8, American Legion, which refers to an important factor in the matter of GI loans. I ask that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

ST. PAUL POST 8, AMERICAN LEGION,
St. Paul, Minn., April 29, 1958.

Hon. EDWARD J. THYE,
United States Senator from Minnesota,
Senate Office Building,
Washington, D. C.

DEAR SENATOR THYE: The following resolution was adopted by Post No. 8 of the American Legion in regular meeting assembled on April 21, 1958:

"Whereas Federal legislation now in effect guaranteeing the payment of real-estate loans by private lenders was enacted to assist veterans to obtain home loans at low rates of interest; and

"Whereas private lenders have at present and for many months in the past refused to make such loans or to make money available to veterans for same, or who make the payment of exorbitant loan charges a condition of obtaining said loan; and

"Whereas periodic raising of the interest rate on same not only has failed to induce such lending but in fact defeats the purpose of the legislation itself: Now, therefore, be it

"*Resolved by Post No. 8,* That the Department of Minnesota, American Legion, urge the Congress of the United States to amend GI loan legislation presently in effect by providing for a separate governmental agency to loan money directly to otherwise qualified veterans who are unable to obtain GI loans from private lenders in their community, wheresoever situated; and by enacting the necessary legislation to establish said agency."

We urge you to take every means at your command to implement the conditions set forth in this resolution.

Veterans of our wars are being deprived of their rights by local lending institutions throughout the Nation although those rights are clearly set forth in legislation. We as a post of the American Legion feel that the only way that those rights can be guaranteed is for the Congress of the United States to threaten to set up or to set up a lending agency because the commercial ones refused to comply with the law.

We, of course, anticipate your full support in this matter given in the same way as it has been in the past and we shall look forward to your reply to this letter.

Respectfully,

JOHN K. DONOHUE, *Adjutant.*

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. BIBLE, from the Committee on the District of Columbia, without amendment:

H. R. 7568. An act to amend the District of Columbia Police and Firemen's Salary Act of 1953 to provide that service in the grade of inspector and the grade of private in the Fire Department of the District of Columbia shall be deemed to be service in the same grade for the purpose of longevity increases (Rept. No. 1512).

By Mr. BEALL, from the Committee on the District of Columbia, with amendments:

H. R. 7300. An act to amend section 15 of the District of Columbia Alcoholic Beverage Control Act (Rept. No. 1511).

STUDY OF FACTORS IN CONSTRUCTION OF HELIPORT IN THE DISTRICT OF COLUMBIA—REPORT OF A COMMITTEE

Mr. BEALL. Mr. President, from the Committee on the District of Columbia, I report an original joint resolution (S. J. Res. 167) directing the Commissioners of the District of Columbia to cause a study to be made of all factors involved in the construction of a heliport within the District of Columbia, and I submit a report (No. 1510) thereon.

The PRESIDENT pro tempore. The report will be received and the joint resolution will be placed on the calendar.

The joint resolution (S. J. Res. 167) directing the Commissioners of the District of Columbia to cause a study to be made of all factors involved in the construction of a heliport within the District of Columbia, was read twice by its title and placed on the calendar.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. BIBLE, from the Committee on the District of Columbia:

Richard R. Atkinson for appointment as a member of the District of Columbia Redevelopment Land Agency.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MARTIN of Pennsylvania:

S. 3732. A bill to amend the Internal Revenue Code of 1954 so as to increase the percentage depletion rates for coal and lignite; to the Committee on Finance.

By Mr. POTTER:

S. 3733. A bill to amend title XV of the Social Security Act to provide for payments of unemployment compensation thereunder to veterans discharged after 1958 to the same extent as such payments are made to civilian employees of the United States; to the Committee on Finance.

(See the remarks of Mr. POTTER when he introduced the above bill, which appear under a separate heading.)

By Mr. BEALL:

S. 3734. A bill to amend the District of Columbia Teachers' Salary Act of 1955 (Public Law 243, 84th Cong., ch. 569, 1st sess.), approved August 5, 1955, and for other purposes; and

S. 3735. A bill to amend the charter of the National Union Insurance Company of Washington; to the Committee on the District of Columbia.

By Mr. BIBLE:

S. 3736. A bill to amend the District of Columbia Stadium Act of 1957 to require the stadium to be constructed substantially in accordance with certain plans, to provide for a contract with the United States with respect to the site of such stadium, and for other purposes; to the Committee on the District of Columbia.

By Mr. MAGNUSON (by request):

S. 3737. A bill to amend title 10, United States Code, section 2481, to authorize the United States Coast Guard to sell certain utilities in the immediate vicinity of a Coast Guard activity not available from local sources; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. KENNEDY:

S. 3738. A bill to amend the National Labor Relations Act, as amended; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. KENNEDY when he introduced the above bill, which appear under a separate heading.)

By Mr. McNAMARA:

S. 3739. A bill for the relief of Hermine Elmon Papazian; to the Committee on the Judiciary.

By Mr. BEALL:

S. J. Res. 167. Joint resolution directing the Commissioners of the District of Columbia to cause a study to be made of all factors involved in the construction of a heliport within the District of Columbia; placed on the calendar.

(See the remarks of Mr. BEALL when he reported the above joint resolution, which appear under the heading "Reports of Committees.")

By Mr. THYE (for himself and Mr. HUMPHREY):

S. J. Res. 168. Joint resolution authorizing the President to issue a proclamation calling upon the people of the United States to commemorate with appropriate ceremonies the 100th anniversary of the admission of the State of Minnesota into the Union; to the Committee on the Judiciary.

(See the remarks of Mr. THYE when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. JAVITS (for himself, Mr. CLARK, Mr. HENNINGS, Mr. LANGER, Mr. PROXMIRE, Mr. NEUBERGER, and Mr. MORSE):

S. J. Res. 169. Joint resolution to propose an amendment to the Constitution of the United States relating to the jurisdiction of the Supreme Court; to the Committee on the Judiciary.

(See the remarks of Mr. JAVITS when he introduced the above joint resolution, which appear under a separate heading.)

ONE HUNDREDTH ANNIVERSARY OF ADMISSION OF MINNESOTA INTO THE UNION

Mr. HUMPHREY. Mr. President, on behalf of myself, and my colleague, the senior Senator from Minnesota [Mr. THYE], I submit a concurrent resolution cordially extending the congratulations and best wishes of the Congress of the United States to the State of Minnesota upon the occasion of the 100th anniversary of the admission of Minnesota to the Union.

Today, May 1, is the first day of Minnesota's anniversary month, the period during which the State has planned extensive centennial festivities, culminating in the celebration on May 11 of the actual date of Minnesota's entrance into the Union.

I am very much pleased and honored to offer this resolution honoring the great State of Minnesota. Later this month I intend to address the Senate at greater length concerning the history and accomplishments of Minnesota.

I hope we may have immediate action by the Senate on the concurrent resolution, which I now send to the desk.

The PRESIDENT pro tempore. The concurrent resolution will be read for the information of the Senate.

The concurrent resolution (S. Con. Res. 86) was read as follows:

Resolved by the Senate (the House of Representatives concurring), That the congratulations and best wishes of the Congress of the United States are hereby cordially extended to the State of Minnesota upon the occasion of the 100th anniversary of the admission of the State of Minnesota into the Union.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Minnesota for the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

Mr. THYE subsequently said: Mr. President, I had given thought to introducing a joint resolution on the subject of the 100th anniversary of the admission of Minnesota into the Union. I communicated with the Library of Congress in order to obtain information about the proper wording of a joint resolution, in order that such a resolution might be placed officially and promptly before the President of the United States, because the official date of Minnesota's centennial is May 11, 1958. I shall be an official delegate from the Senate to the centennial celebration in Minnesota, as I know my colleague [Mr. HUMPHREY] will be.

I have prepared a joint resolution in accordance with the suggestion made by the legislative drafting service, and the information I have obtained from the Library of Congress; and in introducing the joint resolution, I have included the name of the junior Senator from Minnesota as a cosponsor. The joint resolution reads as follows:

Resolved, etc., That the President of the United States is authorized and requested to issue, on or before May 11, 1958 (the 100th anniversary of the date on which the State of Minnesota was admitted into the Union), a proclamation calling upon the people of the United States to commemorate with appropriate ceremonies the one hundredth anniversary of the admission of Minnesota into the Union.

So, Mr. President, I introduce the joint resolution on behalf of myself and my colleague, the junior Senator from Minnesota [Mr. HUMPHREY]. It is set forth in the language which the Library of Congress informed me would be proper for such a measure.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 168) authorizing the President to issue a proclamation calling upon the people of the United States to commemorate with appropriate ceremonies the 100th anniversary of the admission of the State of Minnesota into the Union, introduced by Mr. THYE (for himself and Mr. HUMPHREY), was received, read twice by its title, and referred to the Committee on the Judiciary.

AMENDMENT OF SOCIAL SECURITY ACT, RELATING TO PAYMENT OF UNEMPLOYMENT COMPENSATION TO CERTAIN VETERANS

Mr. POTTER. Mr. President, I introduce a bill for appropriate reference.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3733) to amend title XV of the Social Security Act to provide for payments of unemployment compensation thereunder to veterans discharged after 1958 to the same extent as such payments are made to civilian employees of the United States, introduced by Mr. POTTER, was received, read twice by its title, and referred to the Committee on Finance.

Mr. POTTER. Mr. President, this is a measure for servicemen, including those in the peacetime Army, so that they will receive the same unemployment benefits civilians now receive. The jobless ex-serviceman is at a disadvantage compared with those who remained in civilian employment. By serving in the Armed Forces he sacrifices wage credits entitling him to unemployment benefits. He cannot build up civilian job experience. And certainly his wages as a serviceman do not permit him to accumulate savings to tide him over a period of unemployment following discharge.

Our system of unemployment insurance is an important bulwark of the economy. It provides purchasing power for the individual during periods of unemployment. Unless my bill or similar legislation is passed, ex-servicemen will have no basis for qualifying under programs now being considered by Congress for paying extended temporary unemployment compensation.

About 81 percent of wage and salaried jobs in the Nation are currently covered by Federal or State unemployment insurance laws. This includes roughly 2.4 million Federal civilian employees.

In fiscal 1958 and 1959 it is expected that 850,000 individuals who entered service on and after February 1, 1955, will be discharged. During the next 3 years approximately 600,000 will be separated yearly. None are covered by present unemployment insurance legislation.

This program has been endorsed by the following organizations:

President's Commission on Veterans' Pensions.

Federal Advisory Council on Employment Security.

Interstate Conference of Employment Security Agencies.

The four major veterans' organizations by resolution passed at their conventions.

I might explain that the program for ex-servicemen would be administered in substantially the same manner as unemployment insurance for Federal civilian employees. The latter is administered by States under agreements with the Federal Government. Claims are processed under the unemployment insurance law of the State to which their wages are assigned. The bill prevents duplication of benefits by prohibiting payments for the period covered by mustering-out pay or other terminal leave payments, and by an education, training, or subsistence allowance.

A companion measure has been ordered reported by the House Ways and Means Committee.

AMENDMENT OF CODE, RELATING TO SALE OF CERTAIN UTILITIES BY THE COAST GUARD

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend title 10, United States Code, section 2481, to authorize the United States Coast Guard to sell certain utilities in the immediate vicinity of a Coast Guard activity, not available from local sources.

The purpose of the proposed legislation is to provide authority for the Coast Guard to sell utilities and services to the same extent and under the same conditions as the military departments. With this authority, existing utilities and water services in many instances

would be extended to isolated inhabitants, in many cases servicemen, whose close association with the Coast Guard is highly desirable.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3737) to amend title 10, United States Code, section 2481, to authorize the United States Coast Guard to sell certain utilities in the immediate vicinity of a Coast Guard activity not available from local sources, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF NATIONAL LABOR RELATIONS ACT, AS AMENDED

Mr. KENNEDY. Mr. President, I introduce for reference to the appropriate committee, a bill which covers four additional problems in the labor field. This bill is complementary to the bill I introduced earlier this year. If this bill is enacted, I believe it will bring about very desirable improvements in labor-management relations. The bill proposes straightforward changes in existing law; and I believe they will command the support of all who are genuinely interested in industrial stability and the welfare of working men and women.

Very briefly, Mr. President, this bill would accomplish four purposes:

First. The first item is limited to the special problems which unions in the building and construction industries have encountered under the Taft-Hartley Act. This proposed amendment to existing law would permit certification without election of unions representing employees engaged in the building and construction industries, provided the employer is primarily engaged in this industry, and provided further that the employees concerned are already normally represented by the labor organization. This would have the effect of legalizing existing agreements in the building and construction industries relating to union security, and it contains appropriate protective provisions.

Second. Section 302 of the Labor-Management Relations Act would be amended by exempting from present restrictions on payments to employee representatives, payments to trust funds established by building and construction unions for the purpose of establishing apprenticeships or other training programs. This exemption would likewise be limited to employers primarily engaged in the building and construction industries.

Third. The next amendment is designed to eliminate from the Taft-Hartley Act a provision which has been universally recognized as a union-busting provision. This provision of my bill is one of those recommended by some of us in 1954, when proposed amendments to the Taft-Hartley Act came to the floor of the Senate. This part of my bill would remove from the act the prohibition against voting by economic strikers, and would make clear that employees engaged in a lawful strike shall not during such strike be denied the right to vote by reason of having been replaced during such strike.

Fourth. Finally, the bill would close a serious loophole in existing law, by forbidding the nefarious operations of labor-management middlemen. The bill amends section 302 (a) and (b), so as to make it unlawful for an employer directly or indirectly to bribe or attempt to influence by surreptitious means the course of his labor relations.

The bill also would make it a crime for anyone to accept a bribe in an effort to influence employees in the exercise of their collective-bargaining rights.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3738) to amend the National Labor Relations Act, as amended, introduced by Mr. KENNEDY, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

AMENDMENT OF MUTUAL SECURITY ACT OF 1954—AMENDMENTS

Mr. JAVITS submitted amendments, intended to be proposed by him, to the bill (S. 3318) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, which were referred to the Committee on Foreign Relations, and ordered to be printed.

AMENDMENT OF RULE RELATING TO CLOTURE—PRINTING OF SENATE REPORT 1509 WITH INDIVIDUAL VIEWS

Mr. MANSFIELD. Mr. President, I ask unanimous consent, on behalf of the Senator from Missouri [Mr. HENNINGS], that the printing of the individual views contained in the report (S. 1509), submitted by him on yesterday from the Committee on Rules and Administration, on Senate Resolution 17, amending the cloture rule, be approved.

The PRESIDENT pro tempore. Without objection, it is so ordered.

GLEN CANYON RESERVOIR (S. DOC. NO. 96)

Mr. HAYDEN. Mr. President, I ask unanimous consent that there be printed as a Senate document, and as a supplement to Senate Document No. 77, a letter from the Governor of Arizona, together with a statement made by the Arizona Interstate Stream Commission and the Arizona Power Authority, dissenting from a portion of the First Annual Report of the Secretary of the Interior on the Colorado River Storage Project, which was printed as Senate Document No. 77 on January 16, 1958.

The total cost of the document will be $69.72.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Is there objection to the request of the Senator from Arizona? The Chair hears none, and it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MARTIN of Pennsylvania:

Address delivered by him at annual Washington City dinner of Pennsylvania State Chamber of Commerce, Washington, D. C., April 29, 1958.

By Mr. SALTONSTALL:

Exchange of correspondence between the President and Mr. Maxwell Rabb of April 23, 1958, and April 24, 1958; and an editorial entitled "Nearly Anonymous," published in the Boston Herald of April 26, 1958.

NOTICE OF HEARING ON CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. JOHNSTON of South Carolina. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Monday, May 12, 1958, at 10 a. m., in room 424, Senate Office Building, upon the following nominations:

Walter H. Hodge, of Alaska, to be United States district judge, division No. 2, district of Alaska, for the term of 4 years.

Frank Aloysius McKinley, of Hawaii, to be fourth judge of the first circuit, circuit courts, Territory of Hawaii, for the term of 6 years.

Albert C. Wollenberg, of California, to be United States district judge for the northern district of California, vice Michael J. Roche, retired.

At the indicated time and place persons interested in the above nominations may make such representations as may be pertinent. The subcommittee consists of the Senator from Mississippi [Mr. EASTLAND], chairman, the Senator from Indiana [Mr. JENNER], and myself.

ADDRESS BY SENATOR RUSSELL ON ACCEPTANCE OF GEORGE WASHINGTON AWARD BY AMERICAN GOOD GOVERNMENT SOCIETY

Mr. TALMADGE. Mr. President, on the evening of April 30, 1958, the American Good Government Society presented the George Washington award to two distinguished United States Senators—Senator RICHARD B. RUSSELL, of Georgia, and Senator WILLIAM F. KNOWLAND, of California. In responding to the presentation of the award, Senator RUSSELL made an outstanding address. I ask unanimous consent that his address be printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR RICHARD B. RUSSELL, OF GEORGIA, IN ACCEPTING THE GEORGE WASHINGTON AWARD BY THE AMERICAN GOOD GOVERNMENT SOCIETY, STATLER HOTEL, WASHINGTON, D. C., APRIL 30, 1958

It is not possible for me to express the depth of my appreciation for the meaningful honors awarded me here tonight. They are accepted with the utmost humility.

An awareness of my own limitations bars the inclination to vanity that the praise and honors of this evening would otherwise evoke. Had my recommendations been requested, I would have chosen others for this award.

To the society, and particularly to those responsible for initiating the honors tendered, I can only say a deeply felt "thank you." The fact that you feel that my activities through the years have contributed to good government as we would define it is adequate compensation for many hours of toil. The special recognition extended me this evening is indelibly impressed on my memory and will serve as an inspiration to me for the remainder of my life.

It is pleasing to have so many of my friends here to share this experience. Many have traveled from Georgia to do so. But for the friendship and the confidence you have so freely given and expressed, this significant honor could not have come to me. I am deeply grateful for your many manifestations of loyalty throughout the years and particularly for your presence this evening.

I think it safe to assume that most of us here tonight are political fundamentalists. The religious fundamentalists like to emphasize the exact words of the Holy Writ. Political fundamentalists stress the importance of supporting the Constitution as it is written.

George Washington was a political fundamentalist. He believed that the Constitution meant exactly what it said. Summing up his views in his Farewell Address to the American people, he said:

"If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed."

With prophetic vision, he thus rebuked those who might ever assume that the ends justify the means and warned us against them.

By adhering to constitutional government, in a relatively short period of time we have achieved world leadership. We have builded the greatest civilization in all of human history. We have developed what we call the American way of life in which all of our people not only maintain their liberties but enjoy the highest standards of living that the world has ever known.

For many years now, we have heard the voices of those who insist that the American Constitution is outmoded. Others take the position that this sacred document is a sort of political accordion, to be expanded or contracted with the changing moods of men who temporarily hold power. Time will not permit us to conjecture on what would have resulted if we had accepted these views. But the lessons of history clearly depict the fate of other great civilizations who placed their trust in a government of men rather than adhering to written laws.

It is evident that the effectiveness of constitutional law as a system of restraints on governmental action and as a means of protecting the rights of the individual depends entirely on the recognition and application of those basic doctrines which find their origin in our national charter.

Two of the most important of these doctrines are federalism and the separation of powers.

The doctrine of federalism includes many elements. For the purpose of my brief comments tonight, the element I have primarily in mind is the division of sovereign power between the National Government and the States. This division was long controlled by the simple rule that the National Government is one of delegated power for enumerated purposes while the residual or undelegated powers remain in the States or the people.

To my mind, a primary test of good government involves an awareness of the importance of maintaining the balance between National and State legislative powers intended by the framers of the Constitution.

Various pressure groups are constantly working in behalf of national legislation which violates the intended division of legislative functions between the National and State governments. As we have observed over the last quarter of a century, legislative encroachment by the National Congress is particularly aggressive in times of economic distress. Emergencies of a temporary nature have caused the States to permanently lose many powers that are properly theirs. The lessons of past experience should be borne in mind today.

I am a disciple of the Jeffersonian school. The more that I study government, the more confirmed I become in the faith that the best and most economical government is that which is locally conceived and locally administered.

As a devout believer in the rights of the States and of local self-government, I have deplored and opposed the constant widening of national power in fields which properly belong to the States and their subdivisions.

The other constitutional doctrine that has become distorted is the doctrine of separation of powers. The Founding Fathers were determined to prevent the corrupting and tyrannous effects of undue concentration of power. They sought to safeguard against one big government. They were familiar with the axiom which history had proved before Lord Acton that "all power corrupts and absolute power corrupts absolutely."

They knew that the personal liberties of the individual could not be protected in a government of men. They therefore wisely sought to assure that their descendants would forever live under a government of law. Thomas Jefferson expressed this determination when he declared: "In questions of power, let no more be said of confidence in man, but bind him down from mischief by the chains of the Constitution."

The very genius of our system of government is found in the careful division of power to govern the people. These powers were distributed between the executive, the legislative, and the judicial branches of the Central Government. To assure the perpetuity of the American system, the founders established the most marvelous system of checks and balances ever devised by the minds of men.

This sound concept has been seriously impaired in recent years.

Too often, the Congress has been content merely to consider legislation initiated in the executive branch of the Government.

The willingness to delegate too much of Congressional responsibility to executive agencies, quasi-judicial commissions and boards has also contributed to the erosion of legislative power.

It is needless to say that any segment of the executive branch is all too willing to expand any powers that are delegated.

I freely concede that in the complex society of today the Congress cannot legislate with the preciseness and particularity that was formerly attainable. However, it is possible to establish more definite and precise statutory standards to delegated power. A great benefit from clearer standards would be a reduction in the number of employees of Government who are now doing battle with our citizens as to the effect and scope of delegated powers.

Even more serious than legislative deviations has been the recent encroachments on the rights of the States and on the prerogatives of the legislative branch of the Government by the judicial branch of the Government. Recent decisions of our highest court have contributed more to demeaning the rights of the several States and to centralizing the power of Government than has legislation by the National Congress.

A series of decisions have wiped out a number of rights and privileges which the States have exercised since the birth of our Republic. Under the cloak of judicial interpretation, the judiciary has assumed powers which undoubtedly belong to the legislative branch of the Government. The personal predelictions of those enjoying life tenure on the Federal bench have taken supremacy over precedent as established by the decisions of learned and able lawyers and judges.

The tendency of the Supreme Court to rely upon psychology rather than legal precedents and to legislate rather than interpret is a cause of great concern. Judge Learned Hand has long been recognized as one of the ablest of our judges. He has had more judicial experience than all of the members of the present Supreme Court combined had had to the time of their respective appointments. No one could view any judicial situation more objectively. Judge Hand recently referred to the trend to make the Supreme Court a third legislative chamber. If the Founding Fathers had ever believed that the Court would undertake to exercise legislative power, they would certainly have required the members of that body to go before the voters for periodic review as in the case of the members of the legislative branch.

The continuing practice of unrestrained judicial review not only establishes judicial supremacy over the other two divisions of Government; unchecked, it creates a judicial tyranny. The 9th and 10th amendments to our Federal Constitution, designed to limit the powers of the Federal Government and protect the rights of the States and of the people, were once the keystone of our system. The series of decisions to which I refer would cause one to believe that these provisions were no longer valid and binding parts of the Constitution.

The whittling process on the powers of the States by these decisions has gone so far as to threaten to reduce the several States to mere geographical boundaries or administrative areas of Federal departments.

There is at least a partial remedy for this situation. The appellate jurisdiction of the Supreme Court is subject to regulation by the Congress. An informed electorate does not pass upon the selection of Federal judges, but they can choose representatives who will consider the wisdom of limiting the jurisdiction of the court.

A great organization such as the American Good Government Society can serve as an anchor to windward in these trying times. While pressure groups seek to strike down precedents and traditional concepts and the clamor is loud for change for the mere sake of change, this organization remains dedicated to a Government of law rather than the rule of men.

I shall long remember and be grateful that my efforts have merited your approval.

POLISH CONSTITUTION DAY

Mr. IVES. Mr. President, the coming Saturday, May 3, will mark the 167th anniversary of the Polish Constitution. On that occasion, let us pause to note this Polish national holiday and applaud its survival, for in Poland on that day Constitution Day will be observed in the

hearts of the Polish people, even though their Communist masters would have this noble tradition liquidated if they could. There can be no question about it: The government of Poland is Communist; the Polish people are not.

The Polish Constitution of 1791 was inspired by the ideals of the American Declaration of Independence and the French Proclamation of the Rights of Man and Citizen. It is a document which will live long after the nightmare of communism has passed from the Polish homeland.

The Poles are our friends, and we are theirs. We who enjoy the blessings of liberty must join in the hope that not too much time shall elapse before the Polish people, staunch lovers of liberty and battlers for freedom, as they have repeatedly proved themselves to be, will be able to celebrate their Constitution Day openly and in fact, as they will celebrate it this coming Saturday, within themselves.

Mr. SMITH of New Jersey. Mr. President, the coming Saturday will mark the 167th anniversary of Polish Constitution Day, as has already been stated by my distinguished colleague, the Senator from New York [Mr. IVES]. On May 3, 1791, the Polish nation adopted a constitution eloquent with the love of liberty and inspired by the ideals of the Declaration of Independence. Through the years, the people of Poland have struggled bravely to preserve the principles of the document adopted on that occasion.

Since 1953, Poland has lain under the heel of Soviet communism; but that tyranny has not been able to eradicate the stubborn love of liberty from the hearts of the people. Their attachment to the principles of their historic charter of 1791 was reaffirmed by the Poznan uprising of 1956.

Today, Poland's existence is precarious. The threat of Russian force is ever present, as is the memory of the brutal suppression of Hungary's freedom uprising. Nevertheless, the Polish people continue to maintain their courage, patriotism, and moral resistence.

Mr. President, it is our fervent hope that in Poland the chains of oppression will weaken until they are burst asunder under the impact of the spirit of freedom, and that once again we may proudly welcome this courageous nation into the ranks of the free.

Mr. MARTIN of Pennsylvania. Mr. President, 167 years ago the Polish Parliament, by unanimous vote, enacted the constitution on May 3.

This historic document was inspired by the ideals of the American Declaration of Independence.

It was the first constitution on the Continent of Europe to proclaim equal justice for all, with social, political, and religious freedom.

It is revered and honored by the courageous people of Poland as the charter of their liberties, even though their beloved land is held captive by Soviet imperialism.

In every city and town where Americans of Polish birth or ancestry make their homes, May 3 will be celebrated in commemoration of Poland's Constitution Day.

These celebrations serve to remind us that the people of Poland, robbed of their sovereignty and suffering under tyranny and dictatorship, keep alive the spirit of independence.

Their love of liberty and their confident hope of eventual liberation sustain them in moral resistance to Communist indoctrination and terror.

This anniversary calls upon us to renew our pledge of friendship for Poland, a friendship which goes back to the American Revolution, when Polish heroes shed their blood in the cause of our freedom.

It is an appropriate time to make known to the people of Poland that we are wholeheartedly dedicated to the cause of their freedom, and that we join them in prayer that their land may soon regain her rightful place of honor among the free nations of the earth.

Mr. SALTONSTALL. Mr. President, May 3 will mark the 167th anniversary of the Polish national holiday, Constitution Day. Historically, the Polish people have been one of the leading national groups who have fought not only in their own nation, but in other countries of the world, to achieve liberty and self-determination for all men. General Pulaski was one of the most brilliant and courageous leaders in our own fight for liberty.

The constitutional principles laid down 160 years ago have had a profund effect on the Polish people over the years, and, although the constitution itself has not survived, the principles which prompted its founders to write it have. In preparing their own constitutional document, the Polish people were inspired by the ideals of the American Declaration of Independence and also by the French Proclamation of Rights.

Poland has in years past been dominated by foreign powers as it is dominated by the Soviet Union today. But so strong has been the desire of the Polish people for freedom and self-determination that they have each time in the past thrown off the yoke of imperialism and reasserted their own national independence.

We here in the United States who seek brotherhood, dignity, and self-determination for all men pay tribute to the Polish people on this Constitution Day, and wish for them a return to the principles and ideals which motivated the writing of their constitution. These ideals have become a permanent part of the Polish culture and heritage.

Mr. BUSH. Mr. President, the 167th anniversary of Poland's Constitution Day will be observed on Saturday next, May 3, in the hearts of the people living within that unfortunate country, and throughout Polish communities in the world.

I am confident that the spirit of freedom, reflected in the constitution enacted by the Polish Diet in 1791, still lives in Poland.

Mr. President, many of the citizens of Connecticut are of Polish descent, and among them are many whom I regard as close personal friends. A warm-hearted generous people, they keep alive the traditions of the land of their ancestors while yielding to none in their devotion to the American way of life. I send to them my greetings on the coming occasion of Poland's Constitution Day, and know I speak for all the people of Connecticut in expressing the hope that one day the people of that unhappy land will be freed from the yoke of Communist imperialism.

I ask unanimous consent that a memorandum prepared by the Polish American Congress be printed in the RECORD following these remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

POLAND'S KEY POSITION IN CENTRAL EASTERN EUROPE

The subjugation by Soviet Russia of the formerly free and sovereign countries of central eastern Europe after World War II proved to be, as time went on, one of the main sources of international tension. A direct consequence of this shift of power was the division of Europe, totally artificial from a historical, cultural, and economic point of view, and detrimental to the very idea of a united Europe.

The demarcation line dividing Europe is based solely on Soviet power policy considerations with the purpose to serve further expansion of international communism.

Thus the ideological conflict between communism and the Free World was brought nearer to Western Europe and therefore to the United States of America, resulting in a state of cold war in the relation between East and West.

Poland, by her geographical situation, number of inhabitants, and natural resources, forms a key position in central eastern Europe.

As a general rule United States foreign policy has in the past concentrated its main interest on Germany and Russia, and less attention was paid to the countries situated between those two powers.

This attitude was largely responsible for the fact that wartime agreements, such as Teheran and Yalta, were concluded with the U. S. S. R. in disregard of Poland's vital interests as well as of the other eastern European countries.

Similarly the idea of finality with regard to European nations under Soviet hegemony which found some adherents in the United States of America, and was expressed by certain American writers—curiously enough on the very eve of the events in Poland and Hungary in 1956 which contradicted flagrantly this assertion—showed underestimation of the importance of Poland and other captive nations as potential factors of security and peace in Europe.

CONDITIONS IN POLAND AND UNITED STATES ECONOMIC SUPPORT

The people of Poland, in spite of ruthless Communist subjugation on the Stalin pattern, have maintained their patriotism and moral resistance. Their feelings and beliefs did not flinch under Communist indoctrination and terror. This also applies to the much exposed young generation.

The Poznan revolt and the October events of 1956, which took place under popular pressure, have shown the resistance of the Poles against Soviet rule and their aversion to every form of communism. Idealogical slogans, like "Polish road to socialism" proclaimed as a new program by the Gomulka regime are regarded by the average Pole merely as tactical moves, Communist style.

It is fully realized that the country finds itself in a compulsory situation toward Soviet Russia. The suppression of the Hun-

garian freedom rising by Soviet troops, practically without any reaction of the Western Powers, remains as a threatening memento.

Under these circumstances but a slim restricted margin is left for the development of direct relations with the West and the United States in particular.

It seems, therefore, profitable to the United States to take advantage of every possibility to give the people of Poland moral encouragement by proving interest in their fate through concrete facts such as economic support recently granted. Although this might represent a calculated risk, it is in line with psychological and political necessities, considering the feelings of the Polish people who looked to America for economic support.

SOVIET INSISTENCE THAT THE STATUS QUO IN CENTRAL EASTERN EUROPE BE RECOGNIZED BY THE UNITED STATES

Soviet recent successes in intercontinental missiles and sputniks are being exploited by the Kremlin to obtain final recognition of its domination over the countries of central eastern Europe.

In his address of December 20 last, delivered to the Supreme Soviet Khrushchev asked the West "to recognize the status quo—that is the situation characterized as it is by the existence of Socialist and capitalist states."

His language became violent in Minsk, on January 22, when he replied to President Eisenhower's proposal, that "in the interest of peace and justice the right of free choice of the captive nations be discussed at the summit conference."

In the subsequent exchange of letters and memorandums with the United States and the Western Powers, the Soviet Union took a menacing attitude with regard to every proposal to place on the summit agenda the problem of the captive nations. The U. S. S. R. termed such a request as an insulting interference in the domestic affairs of those countries, in spite of the fact that this request was motivated by agreements and treaties binding the Soviet Union.

It is evident that Soviet Russia reserves for herself the exclusive right to exercise control over these countries using the respective Communist parties as docile instruments of action.

It is useful to remember that any country subjected to communism is considered by Soviet Russia as virtually conquered for the Soviet bloc with all consequences deriving therefrom. This means in practical terms that any effort on behalf of the people of that country to replace the Communist system of government by a democratic one, through free voting expressing the popular will, is regarded as a hostile interference in the omnipotent right of the Communist Party to rule the country. And therefore as an act of aggression against Soviet Russia and other member states of the bloc. The use of Soviet troops to extinguish the Hungarian freedom rising constitutes an evident proof of Soviet policy methods.

Judging from a wider perspective of possible future developments in other parts of the world—this shows a real menace of international Communist infiltration.

The obstinacy with which the Soviet Union opposes any discussion of problems relating to the captive nations and insists so strongly now on the sanctioning of the status quo finds additional explanation in the following consideration:

The Poznan revolt of 1956, followed by subsequent developments in Poland and the Hungarian uprising are proofs that the countries behind the Iron Curtain are in fact a weak spot in the Communist empire. The more so that the repercussions of these events were far reaching as far as the Soviet bloc is concerned, and their influence strongly felt in the Communist parties abroad.

United Nations Organization's reactions to brutal methods applied by Russia to Hungary, although expressed by resolutions, which were without practical consequences, had a negative effect on Soviet propaganda. The Kremlin is therefore anxious to close once and forever the Hungarian chapter.

In addition to that the Soviets try to obtain a complete disinteressment of the Western Powers, and United States of America in particular, with regard to the countries submitted to their influence.

In this way the U. S. S. R. would acquire a totally free hand in their action against all efforts of the people to gain more independence.

From our American point of view even tacit acquiescence to Soviet maneuvers aiming at the sanctioning of Moscow-sponsored Communist domination of formerly free and sovereign countries—would alienate the people of those countries and be detrimental to the United States of America from a moral, political, and military point of view.

OREGON PETITIONERS WITH RESPECT TO ADVERTISING OF ALCOHOLIC BEVERAGES

Mr. NEUBERGER. Mr. President, I have received many petitions and letters from organizations and individuals in Oregon expressing their interest in the bill introduced by the Senator from North Dakota [Mr. LANGER], S. 582, which would prohibit the interstate transmission of material advertising alcoholic beverages.

Since hearings on this measure have just concluded, and the Interstate and Foreign Commerce Committee will now begin its deliberations on the bill, I ask unanimous consent to read into the RECORD the names of Oregon residents and organizations who have written me urging support of S. 582. These are as follows:

Mrs. L. E. Allumbaugh, Eugene, Oreg.; Mrs. Frank H. Bennett, of Forest Grove, Oreg., who sent a petition; Mrs. John Blass, Medford, Oreg.; Mrs. R. J. Brood, Medford, Oreg.; Miss Elizabeth Burr, Medford, Oreg.; Mrs. Charles Cornell, of Springfield, who sent a petition signed by members of her church board; Mr. V. Dennis, Portland; Mr. Elling Johnson, Roseburg, Oreg; Mrs. E. R. Martin, Portland; Mrs. Sarah M. Meyer, Eugene; Mrs. D. A. Minick, Gaston, Oreg.; Mrs. T. M. Pallett, Forest Grove, Oreg.; Mrs. Geneva M. Schwan, Medford; Mr. and Mrs. S. B. Torvend, Silverton, Oreg.; Mrs. Arthur H. Tucker, Portland; and the Reverend D. K. West, minister of the First Presbyterian Church in Medford, Oreg.

The following individuals and organizations expressed support for S. 852 and also indicated their interest in favorable action on Senate bill 593, introduced by me, or Senate bill 4, introduced by the able Senator from South Carolina [Mr. THURMOND], which would ban alcohol from the airlines:

Miss Elizabeth Braden, Nelscott, Oreg.; Miss Necia E. Buck, of the Oregon Woman's Christian Temperance Union in Corvallis, Oreg.; Miss Theda B. Condron, Corvallis, Oreg.; Mrs. Harry Dunlap, president, and Mrs. H. J. Bushue, secretary, who sent a petition signed by members of the Woman's Society of Christian Service of the Pleasant Home Methodist Church in Gresham, Oreg.; Mrs. C. E. Oldham, McMinnville, Oreg.; Mr. and Mrs. G. O. Sanden, Medford, Oreg.; Miss Jean Schlappi, president of the Woman's Society of Christian Service of the Community Methodist Church, Seaside, Oreg., who sent a petition; and Mrs. Thera Womer, Monmouth, Oreg.

I should also like to make special mention here of the very deep interest in S. 582 expressed by the Oregon Woman's Christian Temperance Union, which sent a petition signed by over 1,600 residents of our State who favor enactment of S. 582.

LAW DAY

Mr. SMITH of New Jersey. Mr. President, today, May 1, has been proclaimed as Law Day, the first day so titled in our history. Certainly it is fitting that such an occasion should be observed in a Nation whose very society and structure rest upon the philosophy of the rule of law.

Because our system of law is nonrigid and flexible, we have been able to adjust to most of the great stresses of the past 170 years without damage to our fundamental beliefs and culture. Surely this is the hallmark of a free and mature land.

Because we so deeply understand that common acceptance of principles of law among nations is the surest means for obtaining lasting peace, the attainment of such a goal is also one of the basic aims of our foreign policy. We therefore, have an opportunity on this day to express our gratitude for the blessings which the rule of law has bestowed on us thus far, and our hope that the nations of the world in the coming years will eventually come to agree on the common principles which give promise of promoting peace and justice for all.

In this regard, I ask unanimous consent that an editorial entitled "To World Peace Through World Law," which appeared in the New York Herald Tribune of today, May 1, be printed in the RECORD, at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TO WORLD PEACE THROUGH LAW

"Justice is spontaneous respect, mutually guaranteed, for human dignity, in whatever person it may be compromised and under whatever circumstances, and to whatever risk its defense may expose us."—Proudhon.

"Equal justice under law" is chiseled in stone above the Supreme Court Building. It is a fitting motto, not only for the Court, but for the whole American Nation. For it is the law which bred us, led us, and fed us.

Today is Law Day, the first in our history, so proclaimed by President Eisenhower. He did so at the urging of Charles Rhyne, the 45-year-old North Carolinian who is president of the American Bar Association. Ever since he took office last summer, in a London meeting where he dedicated the American bar's monument to Magna Carta on the historic field of Runnymede, Charles Rhyne has devoted his time to spreading a single concept: world peace through world law.

It is a noble concept. Many has groped, imperfectly, toward it from the beginning

of time. It finds expression in the Decalogue of Moses. Leviticus tells us, "Ye shall have one manner of law, as well for the stranger as for one of your own country." Three centuries before Christ, Aristotle defined it in Athens: "The law is reason free from passion." Christ himself preached it in his Sermon on the Mount. Five centuries later the Romans spoke it in the Institutes of Justinian: "The precepts of the law are these: to live honorably, to injure no other man, to render to every man his due."

From this Judaic-Greco-Roman seed came the stirrings which expressed themselves at Runnymede when the English nobles forced King John to sign this pledge: "No freeman shall be taken, or imprisoned, or disseized, or outlawed, or exiled, or in any way harmed, nor will we go upon or send upon him, save by the lawful judgment of his peers or by the law of the land." Kings were tyrants long after that, but the flames of Runnymede spread; Sir Edward Coke could fling in the face of James I these words: "The King ought not to be under man, but under God and the law."

And when other lawyers came together in a new world, to proclaim a new nation conceived in liberty, they drew their propositions largely from Aristotle's "natural law" and from Blackstone's commentaries on the English common law. "I pray God these principles may be eternal," wrote Thomas Jefferson. And as the new Nation emerged, a great Chief Justice, John Marshall, by the force of his decisions and his strength of mind, left a legacy of living law—of growing law, adaptable to vastly changed situations—which is still today our strength as it is our refuge.

Only as the whole world comes to accept a rule of law, and agree on its common principles, will there be hope for a lasting peace. The progress is slow; nevertheless it exists. President Eisenhower himself appealed to such a concept in opposing the British-French attack on Egypt. Moreover, his use of the U. N. to stop that attack has now borne some fruit in a peaceful settlement by Egypt of the claims of the canal stockholders, embodied in a formal legal contract. The now-pending United States proposal in the U. N. for international inspection of the Arctic is an attempt to extend the concept of international law. Significantly, it has such appeal that Secretary General Dag Hammarskjold momentarily stepped out of his role of impartial referee to make an eloquent appeal for the Soviet Union to accept it. The moral force of all humanity is a rising pressure for a rule of law.

Of course, the Soviet Union has a legal code of sorts, more honored in the breach than in the observance. Khrushchev in his famous speech against Stalin's crimes talked much about the "Socialist legality" which he said Stalin violated by imprisoning and executing men without trial, by decrees which bypassed the courts. No Communist has much respect for legal codes. And already Khrushchev is beginning to attack his political opponents in Stalinesque phrases; their lives or their freedom may soon be at hazard. All this flows from the two most glaring defects in Soviet law: (1) no provision for the election and legitimate succession of state rulers, which causes an inevitable and endless power struggle; and (2) no habeas corpus to provide universal protection against arrest and punishment without jury trial.

Our own law, and the Supreme Court itself, must fight off recurring attacks. Nevertheless, as in desegregation, we continue to move toward the ideal set by Solon long ago: "That city is the best to live in, in which those who are not wronged, no less than those who are wronged, exert themselves to punish the wrongdoers."

ROCKEFELLER PUBLIC SERVICE AWARDS

Mr. SMITH of New Jersey. Mr. President, yesterday I had the privilege of attending the sixth annual presentation of the Rockefeller public service awards, which were made to nine outstanding career employees of the Federal Government. The awards were established in 1952 by a grant from John D. Rockefeller III, and are administered as a national trust by Princeton University's Woodrow Wilson School of Public and International Affairs. It was announced yesterday that Dr. Harold W. Dodds, president emeritus of Princeton, has been appointed chairman of the selection committee.

At the ceremony here in Washington, both Mr. Rockefeller and Dr. Robert F. Goheen, president of Princeton, stressed the basic purpose of the awards, namely, to recognize valuable public service by civilians in the executive branch and to establish incentives for their continuance and advancement through the opportunity for the off-the-job study.

Because of the importance of this program in helping topflight Government personnel keep abreast of the latest developments in their field, I ask unanimous consent to have printed in the body of the RECORD at this point in my remarks the names of the Rockefeller public service award winners for 1958 and the Federal departments they represent.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

NINETEEN HUNDRED AND FIFTY-EIGHT ROCKEFELLER PUBLIC SERVICE AWARD WINNERS

Dr. Churchill Eisenhart, Chief, Statistical Engineering Laboratory, National Bureau of Standards, Department of Commerce.

Mr. James B. Engle, Office of Western European Affairs, Department of State.

Dr. Karl R. Johannessen, Chief Meteorological Consultant and Technical Adviser to Air Weather Service, United States Air Force.

Dr. Robert H. Johnson, Secretary, Special Staff, National Security Council.

Mr. Stanley Lebergott, analyst, Office of Statistical Standards, Bureau of the Budget.

Dr. James R. McNesby, senior research scientist, free radicals section, National Bureau of Standards, Department of Commerce.

Mr. William R. Mickelsen, head, special problems section, propulsion chemistry division, Lewis Flight Propulsion Laboratory, Cleveland, Ohio; National Advisory Committee for Aeronautics.

Mr. Paul W. Rose, Director, United States Operations Mission to Nepal, International Cooperation Administration.

Dr. Joseph E. Upson, research geologist, United States Geological Survey, Department of the Interior.

SENATOR KENNEDY'S ADDRESS AT ROCKEFELLER PUBLIC SERVICE AWARDS PRESENTATION

Mr. SMITH of New Jersey. Mr. President, the principal speaker at the Rockefeller public service awards luncheon was the distinguished junior Senator from Massachusetts [Mr. KENNEDY]. In his remarks, he forcefully stated the need for broader opportunities for the continued training of key career personnel in every department of the Federal Government.

As he pointed out, industry has already come to realize the importance of a Rockefeller type of program in the training of career executives as a kind of intellectual retooling to extend their skills and broaden their outlook:

It is high time that we offered this kind of opportunity to our most talented, promising, and devoted career servants—to benefit those who receive its grants, to benefit those who strive for it, to benefit all of the career service, the Congress that makes so many demands upon it, and the public that so often wrongfully abuses it.

I ask unanimous consent that the text of Senator KENNEDY'S address at the Rockefeller public service awards presentation be printed in the RECORD at this point in my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR JOHN F. KENNEDY, OF MASSACHUSETTS, AT THE ANNUAL PRESENTATION OF THE ROCKEFELLER PUBLIC SERVICE AWARDS, WASHINGTON, D. C., WEDNESDAY, AFTERNOON, APRIL 30, 1958

I am greatly honored to participate in this annual presentation luncheon for the Rockefeller public service awards. My sense of privilege is heightened by the distinction of these annual awards, by the distinction of this program and those responsible for it and by the distinction of those recipients whom we honor today.

The opportunity which has now been granted to them is, I am certain, unprecedented in their lifetime—and it will never be offered again.

It is not, however, an opportunity for mere personal enrichment. We are confident that in the year ahead they will benefit in such a way as to benefit us all in the years to come. We are confident that they will bring new vision, new wisdom, and a new stimulus back to the musty halls of Washington officialdom as the result of their observations and learning during the coming year.

* * * * *

I know that these recipients whom we honor today will bring some learning back with them—that they will be better fitted to meet the challenge of our age. Certainly our Government and our people have never stood so acutely in need of developing in full the talents of our ablest public servants. We have long been accustomed to the practice of elevating talented scholars in the public service. * * *

But a growing disdain for public service in our Nation as a whole and in our colleges in particular has been coupled with a trend for increasing complexity of national problems. We must secure the services of the best minds of our Nation—and expand the horizons of those career servants who have demonstrated their distinction—if we are to cope with the staggering burdens of discouraging and puzzling problems that now confront us. This is no time for overspecialized public servants who are unable to ride easily over broad fields of knowledge. * * *

On the contrary, we need career servants especially trained to meet the critical issues of our time—issues which have become both so immense and so complex that the experts disagree and the laymen throw up their hands. Think, if you will, of the technical competence necessary to enable one to make an informed judgment on the desirability of suspending atomic tests, on the necessity of establishing missile bases abroad, on the effort worth devoting to reaching the moon, on the disposition of our agricultural surpluses,

on the stabilization of the world's currencies and a whole host of other problems. Some of our problems are so familiar that we have almost taken their existence for granted—we have in effect despaired of ever ending mental illness or social tensions or juvenile delinquency or business cycles. * * *

The fact remains that the American people lack the information and training necessary to make an informed judgment on many of these issues; and we in the Congress, ill housed and ill staffed, are not much better equipped to deal with them effectively. We are dependent upon alert, informed, resourceful, and objective guidance from our civil servants. If they, too, lack the necessary opportunities for training and growth, then we will be reduced to the "blind leading the blind"—or, to put it more precisely in the case of our most difficult issues, the bland leading the bland.

I do not say that a year in college will work miracles for our public servants. * * *

But it is no exaggeration to say that whether or not the Battle of Waterloo was won on the playing fields of Eton, the struggle in which we are now engaged will be won or lost in the classrooms of America. * * *

And what should be of concern to us today is that there are so few who are to be given this opportunity—that even these awards are available only because of the foresight and philanthropy of John D. Rockefeller—and that this program is one of a limited duration.

The Rockefeller Foundation and family have recognized—perhaps more than any comparable group—the usefulness of what the economists like to call "seed capital." They have pioneered in the establishment of new projects and programs—not as permanent monuments but as pilot projects. They have established task forces or initiated ventures in order to demonstrate what can and should be done by the rest of the Nation. These undertakings have stimulated our awareness and action in a number of fields—in medicine and public health, in education, the arts, and elsewhere.

But certainly one of their finest contributions has been to the strengthening of our career public service. The awards and training program we honor today is built in a sense upon a similar precedent which the foundation set a generation ago. Under the auspices of the National Institute of Public Affairs, the cream of our college talent was attracted to Washington and to an internship in Government service. Those interns today hold top positions in the Government, or in educational, industrial or professional activities closely identified with it.

That experiment was successful—its value to the whole Nation became apparent—and the idea first conceived by the foundation was adopted by the Government as its continuing responsibility. The junior management training and executive development programs administered by the Civil Service Commission and the various departments have enlarged upon this original and decisive model of the Rockefeller Foundation. And the result has been the most imaginative program of recruitment ever devised in this country for creating a strong backbone to the professional career service.

Today we witness another successful program, established by Mr. John D. Rockefeller III, in association with Princeton University. This program, too, has blazed a trail for the public service—and this program, too, deserves to be adopted by the Federal Government.

In a sense, the Rockefeller public service awards have a double purpose: The first is to provide a reward for merit and to recognize distinguished service. This aim has already been reinforced within the Government by the Presidential awards to distinguished civil servants begun this year.

But the second aim has not yet been secured, though it lies within reach—and that is to spotlight the needs for continued training of career servants—to emphasize the value of their maintaining up-to-date competence, renewing their relationships with the scholars and researchers who are in their field of specialty extending the frontiers of knowledge—to take men in middle life, who have gone far in a relatively narrow field, and broaden their outlook, then to use them in positions of still broader scope and responsibility. Given new incentives, for advancement, a new environment, an opportunity for a fresh exchange of ideas and constructive criticism, these men have been enabled to move out of the ruts of routine. Their contribution to the public good is greater—and at the same time our Government has retained the services of highly and often expensively trained public servants.

This concept of additional training and experience for the advanced career man is not unique, of course. It is not a new device to ease the lot of bureaucrats or spend the taxpayer's money. Lawyers, doctors, and other professional men avail themselves of private opportunities to recharge their batteries, so to speak.

The tradition of the sabbatical in the field of education—for intellectual retooling and extension of skills and research—is now well established. In industry, too, there is a growing recognition that men in middle life can benefit enormously from the change and pause of an educational environment. In my State the School for Industrial Management at MIT, and the program of advanced management at Harvard, have been foremost in contributing to these new developments in executive training. The Bell Telephone Co. and the University of Pennsylvania are associated in a program of liberal education for its higher executives. Indeed, most large industries are now actively considering new ways by which the rich resources of our educational institutions can be mobilized for the broadened training of career executives.

Yet the record in our Government is a spotty one, to say the least. The Foreign Service, the military services, and a few departments do have limited authority to send personnel to universities for tours of training and advanced education. Yet there are many departments which cannot, under current law, enrich their personnel standards, and stimulate their most promising men and women, through providing this kind of educational leave and training. The Rockefeller awards have made it possible for only a few.

The value of this program is now undeniable. Those whom we honor today, to be sure, are an exceptional few—but there are potentially many, many more. We cannot expect the Rockefeller program to do the job alone—or forever. It is high time that the Congress adopted this Rockefeller program, also. It is high time that we offered this kind of opportunity to our most talented, promising, and devoted career servants—to benefit those who receive its grants, to benefit those who strive for it, to benefit all of the career service, the Congress that makes so many demands upon it, and the public that so often wrongfully abuses it.

It is high time that we acted—that we nourish the seed first planted in this program so many years ago. And I know of no more appropriate year to act than 1958—the year which marks the 75th anniversary of the civil service. Here is the ideal backdrop against which Congress should act. Training is the only broad area of public personnel administration for which this Congress has not passed any legislation. Yet we are, as I indicated earlier, on the brink of action.

Through the leadership of the able Senator JOE CLARK, the Senate has passed S. 385. It is a training bill which gives the broad authority required by most agencies and permits its flexible administration. The main features of the bill have been supported by the President, the Bureau of the Budget, the Civil Service Commission, and the personnel directors of most agencies.

I am hopeful that the Senate and House can soon reconcile their differences in a sensible compromise—and that Mr. Rockefeller's seed capital can give momentum to a sustained and flexible training program in our Government.

The enactment of such a program will mark a turning point, in my opinion, in the attitude of the Government toward the intellectual capacity of its employees. In recent years we have scoffed at intellectuals in Government, isolated them, refused to finance their research. We drove them out of the career service or discouraged them from ever entering. And today the Soviets have seized the initiative in intellectual achievements and prestige, with telling results—not because they captured German scientists but because we neglected American scientists. Because Mr. Wilson wasn't interested in basic research as to why certain chemical substances turned green—and now we're finding out too late why certain nations turn Red. Did anyone else in history ever think the best way to prepare for a crucial battle was to blow his own brains out?

Today we need new ideas, new techniques, statesmen, politicians, and civil servants willing to take the lead in new fields. We are moving ahead along a knife-edged path which requires leadership better equipped than any since Lincoln's day to make clear to our people the vast spectrum of our challenges.

The question is whether a democratic society, with its freedom of choice, its breadth of opportunity, its range of alternatives, can meet the single-minded advance of the Communists.

Our decisions are more subtle than dramatic. Our farflung interests are more complex than consistent, our crises more chronic than easily solved.

Can a nation organized and governed such as ours endure? That is the real question. Have we the nerve and the will? Have we got what it takes to carry through in an age where, as never before, our very survival is at stake, where we and the Russians have the power to destroy one-quarter of the earth's population, a feat not accomplished since Cain slew Abel? Can we carry through in an age where we will witness not only new break-throughs in weapons of destruction—but also a race for mastery of the sky and the rain, the ocean and the tides, the inside of the earth and the inside of men's minds?

In the words of Woodrow Wilson: "We must neither run with the crowd nor deride it—but seek sober counsel for it—and for ourselves."

COMMUNIST ECONOMIC THREAT

Mr. SMITH of New Jersey. Mr. President, on Monday, April 28, Mr. Allen Dulles, Director of the CIA, delivered a challenging address to the United States Chamber of Commerce on the Communist economic threat. In commenting on Mr. Dulles' remarks, the Washington Evening Star, in an editorial in yesterday's issue, stated:

In view of the nature of the Communist system, Mr. Dulles * * * has not exaggerated in declaring that Soviet economic progress constitutes the most serious challenge the United States has ever faced in time of peace.

The editorial goes on to point out that such a warning is intended in no way to discount the equally enormous threat implicit in the Kremlin's armed power and scientific advances. It is, however, a sober reminder of the imperative need to meet the Communist cold war on all fronts, a reminder directed especially, as the Star states, at "all those Americans who seem recklessly intent upon scuttling our foreign-aid and reciprocal-trade programs."

Mr. President, I ask unanimous consent that the editorial entitled "The Red Economic Threat," from the April 30 issue of the Washington Star, commenting on the meaning of Mr. Dulles' remarks, be printed in the RECORD at the conclusion of my statement.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE RED ECONOMIC THREAT

If the Soviet Union were a land of liberty, there would be no occasion for Allen Dulles' warning about its economic growth. Instead, the world would have reason to welcome and cheer the development as something that could help to promote human betterment and a prospering international peace of freedom and justice.

Far from being a bulwark of liberty, however, the Soviet Union is a totalitarian tyranny run by a handful of power-hungry and intensely secretive conspirators whose ultimate objective is to communize mankind and win dominion over the entire globe. Naked armed force, deceit, treachery, infiltration, subversion—these are among the weapons they have used, and still use, to attain their ends. Anyone who thinks otherwise had better ponder the fate of Hungary and all the other captive lands behind the Iron Curtain.

Accordingly, in view of the nature of the Communist system, Mr. Dulles, Director of our Central Intelligence Agency, has not exaggerated in declaring that Soviet economic progress constitutes the most serious challenge the United States has ever faced in time of peace. In making this point, he has not discounted the enormous threat implicit in the Kremlin's armed power and scientific advances, but Khrushchev and company—in his judgment—want to avoid a shooting conflict and to win global domination with such weapons as trade, aid, and infiltration carried out in Asia, Africa, South America, and free Europe. In short, as he sees the situation, "it is most probable that the fateful battles of the cold war will, in the foreseeable future, be fought in the economic and subversive arenas."

Mr. Dulles has drawn a somber picture of how well equipped the Kremlin is for such battles. Thus, although American productive capacity still is far ahead in many respects, the Soviet economy is growing at a rate roughly twice that of ours. Moreover, since it operates under a despotism that does not have to seek parliamentary support or worry much about public opinion, it can be readily geared to policies of international infiltration and subversion. Moscow has made effective use of it, for example, in Egypt, and in places like Syria and Yemen, where Russia's trade and aid must be viewed as an investment in disorder calculated to make trouble for the forces of freedom. Similarly, the Kremlin's stepped-up drive for commerce with Western Europe might easily become—if it succeeds—a formidable weapon of economic warfare.

Of course, as Mr. Dulles and others have pointed out, the men of the Kremlin cannot entirely ignore the wants and discontents of the masses of the U. S. S. R. As education spreads among those masses, and as the Soviet economic machine continues to grow, the Moscow dictatorship should feel mounting popular pressures to put that machine to work to liberalize and improve domestic living conditions. But this possibility, though real enough, is likely to materialize—if ever—only at a very slow pace.

Meanwhile, in terms of the next decade or two, the United States and the Free World at large must reckon most seriously with Soviet internal and external economic expansion. For the threat implicit in it, as Mr. Dulles has warned, is at least as great as the threat implicit in the Kremlin's military might, and it should sober all those Americans who seem recklessly intent upon scuttling our foreign aid and reciprocal trade programs.

SATURDAY EVENING POST ARTICLES BY SENATOR McCLELLAN

Mr. KNOWLAND. Mr. President, in this week's Saturday Evening Post there appears an excellent article written by the Senator from Arkansas [Mr. McCLELLAN], the distinguished chairman of the Senate select committee, dealing with the subject matter of the current investigation of the coercion and corruption which have taken place in some of the labor organizations, and the consequent abuse not only of the public, but of the membership of labor organizations.

I hope not only that every Member of the Senate and the House will have an opportunity to read the first article, which appears this week, and the second article, which will appear in a subsequent issue, but I hope as many of the American people as possible may read the articles. I think when they have done so they will recognize the problem, and join with some of us who have felt this session of Congress should not adjourn without giving needed help both to the rank and file of American labor and to the American public.

MEET THE PRESS INTERVIEW WITH SENATOR ANDERSON CONCERNING ADMINISTRATION'S NUCLEAR WEAPONS POLICY

Mr. PROXMIRE. Mr. President, last Sunday the distinguished Senator from New Mexico [Mr. ANDERSON] appeared on the television panel show Meet the Press. His performance was one of the most brilliant and significant by any public figure in recent years.

This was the interview in which the great Senator from New Mexico sharply challenged the administration's lack of a single sensemaking, affirmative nuclear weapons policy. He brought to the American people his own remarkable knowledge and understanding of this immensely critical problem of human survival.

Mr. President, this interview has already been the subject of consideration at the President's press conference. It will be discussed for months to come wherever throughout the world people concerned with the preservation of the human race in the nuclear age convene.

I ask unanimous consent, Mr. President, that the transcript of this tremendously significant interview, which is, of course, not now available in print, be printed in the RECORD following my remarks.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

MEET THE PRESS, SUNDAY, APRIL 27, 1958

(Produced by Lawrence E. Spivak)

Moderator: Ned Brooks.

Guest: Senator CLINTON P. ANDERSON, Democrat, from New Mexico.

Panel: William S. White, United Features Syndicate; John Finney, New York Times; Richard Wilson, Cowles Publications; Lawrence E. Spivak.

The ANNOUNCER. Our guest, ladies and gentlemen, is CLINTON P. ANDERSON, ranking Senator on the Joint Atomic Energy Committee, and a member of the Senate Space Committee. Ready for this spontaneous, unrehearsed conference are four of America's top reporters. Please remember their questions do not necessarily reflect their point of view. It is their way of getting behind the headlines.

Here is the moderator of Meet the Press, Mr. Ned Brooks.

Mr. BROOKS. Welcome once again to Meet the Press.

For some weeks past, three major problems have dominated the front pages: the testing of nuclear weapons, the conquest of outer space, and the recession.

Our guest today, Senator CLINTON ANDERSON, Democrat, of New Mexico, has important connections with all three of these problems. He is the ranking Senate member and the former chairman of the Joint Atomic Energy Committee of Congress. He is the chairman of a subcommittee on outer space, and he recently was appointed to the new blue ribbon Senate committee which next week begins hearings on a long-range space program.

Senator ANDERSON is a member of the Senate Finance Committee now studying the cause of the recession and how to put it into reverse.

In Democratic Party affairs he has long occupied an active and influential position. He was Secretary of Agriculture for 3 years under former President Truman and he is now serving his second term in the Senate.

Seated around the press table today, ready to interview Senator ANDERSON, are Richard Wilson, of the Cowles Publications; John Finney, of the New York Times; William White, of United Features Syndicate, and Lawrence E. Spivak, our regular member of the Meet the Press panel.

Now, Senator, if you are ready we will start the questions with Mr. Spivak.

Mr. SPIVAK. Senator ANDERSON, the Chairman of the Atomic Energy Commission, Mr. Strauss, has told the American people that these tests which are coming up are important for us so that we can learn more about cleaner bombs and build defensive weapons.

Now don't you agree that these are important objectives for us and that it would be a mistake to stop testing before we achieve them?

Senator ANDERSON. I do not agree that it would be dangerous to stop testing before we achieved them. I think we know now far more than the Russians do about clean bombs and I think if the Atomic Energy Commission really believed the story about clean bombs they would have some clean bomb tests in this series of tests. I think the number of clean bomb tests will be relatively small in proportion to the number of testings. I think that is the real way to try it out.

Mr. SPIVAK. Well, why do you think they are testing, just for the fun of it?

Senator ANDERSON. Oh, no, they are anxious to develop—and properly so—a complete family of small-sized weapons. We are having remarkably good success. We are doing wonderful things. I would say we are prob-

ably ahead of anyone else in the number of the tiny weapons we have which are going to be important, and I think that this country is doing a fine job of testing.

I merely say that I wonder if the results are worth the costs.

Mr. SPIVAK. You evidently made your conclusion on that because you want to stop testing, don't you?

Senator ANDERSON. I want to take the Russians up when they make a bluff. The Russians say they want to stop testing immediately. I would take them up and call them at once and say "Well, you ran your show and we will run ours and when we finish ours we will both stop testing."

You would find out something pretty quickly. You would find out if the Russians are prepared to stop testing, which I do not believe they are because I think they want small weapons too. If they were prepared to do it then we would know something about the size and complexity of their stockpile. We would have some idea of how it was constituted and we might learn something for ourselves.

Mr. SPIVAK. Senator, as a member of the Atomic Energy Committee, you know something about our stockpile and I imagine you have some hints about what the Russian stockpile is.

Do you think we are far ahead of them? We have been wrong in almost every other estimate we have made on military matters where the Russians are concerned.

Senator ANDERSON. I think it can be fairly accurate that we are substantially ahead of them. We have ways of knowing just how much plutonium production they have had and they have ways of knowing how much we have. I think they can calculate our stockpile with amazing accuracy and I think we can calculate theirs.

Mr. WHITE. Senator ANDERSON, there are reports today that Secretary of State Dulles is retreating from his earlier position and is now proposing agreement with the Russians to stop these tests, and Admiral Strauss, of the Atomic Energy Commission, is remaining adamant about stopping them. Does what you have said earlier indicate that you support Mr. Dulles' present line here and would you be prepared to stop them if the Russians are not bluffing?

If, in fact, we said we would stop them and they stopped them, would this be good for us?

Senator ANDERSON. I don't know what Secretary Dulles' line is, but I would be inclined to say from his previous testimony that I would support him. I think the discovery that we could detect a small, underground explosion in Nevada 2,350 miles away has changed the picture. It has given some support to those people who have said that 20 stations inside Russia would give us a complete picture of whether they were or were not testing, and I think that Secretary Dulles, if he has changed his position, has changed it very wisely because I am afraid world opinion would have to agree that it is possible to detect the test.

Mr. WHITE. Senator, is it fair to say that there are 2 issues here, and that 1 issue is a matter of public opinion? That is the almost universal desire to stop these tests; and another issue is military opinion. I asked that question because I have been told that the military people in general believe it would be dangerous to us to stop these tests even if the Russians agreed on the line, as they have explained it, that the Russians can afford to contemplate a so-called dirty bomb and we cannot?

Senator ANDERSON. We can afford to contemplate it, Mr. White. As a matter of fact, this is not a matter that I can prove because every time you try to prove it, you run up against this wall of executive communications, but I believe I am very reliably informed that there has been a quarrel between the State Department and the military for a long time over the type of bombs. I believe our State Department does want cleaner bombs, but I believe the military is steadily stockpiling dirtier bombs and I think any investigation would show that.

They not only are supporting them, they have pulled bombs out of the stockpile and inserted something which makes it dirtier.

Mr. WHITE. Why, Senator?

Senator ANDERSON. Because they want dirty bombs and that is the best evidence in the world of what they are trying to do. We talk clean on one side, and we stockpile dirty on the other side. I don't think it makes much sense.

Mr. WHITE. Why do our military people want dirty bombs?

Senator ANDERSON. They want it effective. You don't have bombs in order to have Fourth of July explosions. You have them for destructions.

Mr. WHITE. Is the clean bomb not going to be effective?

Senator ANDERSON. Well, what will a clean bomb do?

Mr. WHITE. I ask you, sir.

Senator ANDERSON. I don't know what it is going to do. It would be all right if you are going to have very limited warfare and if you can be sure you can just pinpoint a target, but if atomic war starts, in the opinion of the men like Curt LeMay for example, who plays his war game before the joint committee, and I think makes a wonderful case for it, he points out war is going to be destructive and if you are going to be engaged in destructive war, you better have the instruments of destruction.

Mr. FINNEY. Senator, I am a little bit confused. Would you stop testing without some agreement to inspect, to make sure there was no attempt to cheat?

Senator ANDERSON. No; I would not. But the Russians have said they are willing to have inspection. What we were always told was that you couldn't find it out and that is why this 2,350-mile limit was so important, because we have been told you couldn't hear it 200 miles away.

Dr. Teller and Dr. Lawrence were rushed to the White House to tell the President that you could not detect one if you did it in the right fashion. I think I know what they proposed. I don't believe it has been announced, but it is very similar to what we did in Nevada. Then the word comes out that you can detect it 2,350 miles away and I believe it will show they detected it 3,000 miles away and it completely destroyed the whole argument.

Mr. FINNEY. In other words, you believe it is possible to set up an effective inspection system that would be foolproof?

Senator ANDERSON. Well, I don't know just how foolproof "foolproof" is, but I think it would be completely effective. That is all that I could say. I don't say something couldn't come along with a new gadget that would test a very small weapon but I don't think anything useful would come out of that size test. I think anything in the neighborhood of 1 kiloton can be detected.

Mr. FINNEY. That is 1,000 tons TNT, you think we can inspect?

Senator ANDERSON. And this is a mighty small bomb as you well know.

Mr. FINNEY. How many stations would we have to have within Russia and within the United States to carry out such ban?

Senator ANDERSON. We haven't worried about the United States as yet because we wouldn't care how many they would have, I wouldn't think, but a professor at Princeton testified before the Disarmament Committee—he has been writing some articles and he said 22 stations would be enough. That would put them every 250 miles.

Mr. FINNEY. You heard Hans Bette who has been acting as special adviser to Dr. Killian and President Eisenhower on this. He recommends a substantially larger number of stations within the Soviet Union, doesn't he?

Senator ANDERSON. I don't know. I didn't hear that part of his testimony if he did, but I think 22 would be sufficient. Twenty-five would certainly be ample.

What if we had 50, it certainly wouldn't cost anything like shooting off 1 missile down at Cape Canaveral.

Mr. WILSON. Senator, I wish you would talk to just one point in connection with what you said previously. I think you said something which caused me to believe you didn't think there was such a thing as a clean bomb.

Senator ANDERSON. There is no such thing as a completely clean bomb. I don't wish to quibble about words, but maybe it is 95 percent clean or 96 or 97 percent clean, but just remember if we would shoot a large multi-megaton bomb, it would be far dirtier than the bomb we discharged over Japan at the end of the World War.

Mr. WILSON. I just wondered if you thought we were sort of pursuing a will o' the wisp and carrying this——

Senator ANDERSON. They can be made fairly clean, and almost completely clean, but not entirely clean. Something has to be there to kick it off.

Mr. WILSON. Senator, I wanted to ask you about—you are a member of several committees, two committees which have a very direct connection with the future of space exploration and space control. I wondered if you yourself have any clear and concise ideas of the steps we should take in this whole field in the immediate future?

Senator ANDERSON. Well, I think we ought to decide what our objective is first of all. If it is a stunt, then a stunt is what we have chosen because we are going to send some sort of a weapon to the moon. If it is military work, then of course we must keep on developing some sort of military devices. If it is long-range exploration, then we should be developing nuclear propulsion because no spaceship can go to the moon and come back, in my opinion, without nuclear propulsion and that opinion is backed up by many scientists so we ought to decide what our objective is.

If it is just a stunt, it doesn't matter much what we do; we have chemical engines for the stunts now.

Mr. WILSON. That is what I am trying to get at, sir.

From your study of the things so far, what do you think we should do?

Senator ANDERSON. I think we should look for long-range exploration. I am afraid if we put all our hopes and aspirations on the stunt that just before we are ready to try it, Russia will put one on the moon and we are not going to be too happy about that, but long-range propulsion of devices through the sky, long-range exploration of other planets is possible. It can be done, I think, only by nuclear propulsion and we ought to take a great lead in that field.

After all, we developed the first atomic bomb, the first hydrogen bomb, the first atomic submarine, why not the first spaceship? We are not going to have the first atomic airplane apparently. Why not the first atomic spaceship.

Mr. WILSON. I notice Dr. Killian places very little emphasis upon the propulsion of these vehicles by nuclear power. Do you think he is wrong in that?

Senator ANDERSON. Yes; I think it just goes to show how far wrong a good man can go. I think he is a very fine person, but the bill which he sent to the Congress didn't contain a single word about nuclear propulsion and made you think it was designed only to make sure that the space work stayed in the hands of the people who make chemical propellants and conventional types of rockets. I admit there is nobody having any nuclear fuel for sale but just

the same it is an important thing if you are going into the space age.

Mr. WILSON. Of course Dr. Killian doesn't have any interest in chemical fuels per se. I wouldn't think.

Senator ANDERSON. No; but all the people who have worked with him feel we should go ahead on chemical fuels because they are well developed, and they are.

Mr. WILSON. They are too traditionally minded in your opinion, then?

Senator ANDERSON. I think they have lost sight completely of what the future might be. You could, to be sure, send some sort of a device to the moon with a chemical rocket but you couldn't bring it back. The thrust that it takes to get there is tremendous. There is no atmosphere around the moon. Therefore, if you are going to land a party on the moon, you have to have something to hold it back as it comes in for landing and once it lands, then you have to take off. And while you come back to the earth, you have to take an orbital speed of some 66,000 miles an hour on the earth and catch up as you are coming in. It is a pretty difficult task and you will have to have nuclear power to do it. You have to have the thrust of the nuclear engine.

Mr. SPIVAK. Well, Senator, the Atomic Energy Commission with the approval of the President feels that these tests are very important. Now, are they talking through their hats?

Senator ANDERSON. No, no. The tests are very important if you want to keep on developing more and more and more of these small devices and I think it is a fine thing. But I do say that if we were to stop testing, we have laboratories at Livermore and Los Alamos that must have notebooks full of very wonderful things. So let them work for some years on what they have already developed. I think we would have all the things we need to do for a long time to come. And maybe they would have some time to do some work on atoms for peace. What has happened to atoms for peace? You don't hear a word about it any more.

Mr. SPIVAK. And they go on working on things without testing them? They say that testing is a very important part of that job.

Senator ANDERSON. It is important; but I say, having already developed as far as we have, we can go on with a multitude of ideas without tests. What do you suppose they do between tests? They work on devices all the time.

Mr. SPIVAK. And you say it is impossible for the Russians to carry on secret tests?

Senator ANDERSON. I think it is; I say very frankly.

Mr. SPIVAK. How do you know that if they have been secret? They might have been carrying on secret tests for quite some time. You wouldn't know if they were really secret.

Senator ANDERSON. The proposal was that we have inspection stations inside of Russia. I don't say that Russia announcing it wasn't doing something would mean anything to me or to you either, and I wouldn't pay any attention to that sort of agreement. But if Russia says, as I have understood they have said, that they are willing to allow inspection, then I know we can find out.

Mr. SPIVAK. You say we are testing for small weapons. Aren't we going to test another H-bomb, too? Hasn't that been announced? Aren't we going to test another H-bomb in August?

Senator ANDERSON. Yes, and it is pretty dirty. You see, that is what is holding it up. There is a very substantial amount of fission product connected with that test and it is going to be put at the tail end and maybe something will happen by that time so it can be postponed still farther, but we don't get any real announcement of the purpose of most of these tests and, therefore, I don't know whether it is going to be held or not. But if we do test one it will probably be tested under such circumstances——

Mr. SPIVAK. What do you mean you don't get any real announcement? Isn't that the job of your committee to find out what is going on?

Senator ANDERSON. We get a list, but the purpose of the test comes to us in the evaluation after the test.

Mr. SPIVAK. Well, Senator, as I understand it, foreign scientists have been invited to come to these tests in August and they are going to be told something about the power of these tests and how clean they are. Don't you know anything about it?

Senator ANDERSON. Oh, yes; we find that out too; but what I am trying to say is the power of the test doesn't mean anything about its composition or what they are trying to find out by it. They may have left out a very important element to see whether they can have a bomb without that element in it. And that is important to the Atomic Energy Commission. It is important to the future cost of the weapons program.

I only say I don't think it is quite as important as the present situation of world unrest over this question of testing.

Mr. SPIVAK. Senator, I would like to get this straight. If the Russians said tomorrow "We are prepared to sign an agreement to stop testing, to stop production and to destroy all our bombs and to accept whatever inspection system you want, would you be prepared to go along with them on that?

Senator ANDERSON. I think I would have great worries about what the land armies of the Russians could do in the domination of the world. I had hoped that if we reached a program of the gradual reduction of stockpiles we leave some residue of atomic weapons in the hands of the United Nations to try to enforce the peace. I think the Russian land armies could overrun a great deal of Europe immediately and therefore I would have some reservation on what they would say about the complete destruction of everything.

Mr. SPIVAK. Suppose they hid a large supply of atomic bombs?

Senator ANDERSON. I think they could hide a large quantity of them. I think it is possible to make small weapons that can be hidden. I don't know what detection device we would have for that. Therefore I would like to take it by steps and try first of all this termination of tests upon an agreed-upon basis for inspection to accompany it. I thought the administration was not hostile to that.

Mr. SPIVAK. I don't quite understand your program. You don't trust them. Why would you go ahead on a basis where what you do, if you are honest, you do, and you know you do it, but you are never sure of what they do.

Senator ANDERSON. Oh, yes; you do. That is exactly what I have said. If we had a basis of inspection so we could tell, and we can detect and I am sure we can detect, then I would know we might safely go ahead on that part of the program.

Mr. SPIVAK. But you say you can't detect if they hide them?

Senator ANDERSON. That is another story.

Mr. SPIVAK. A very important story.

Senator ANDERSON. That is the second stage of it. You are talking about what we are going to do about the destruction of the stockpile and I say I am very dubious on the destruction of stockpiles until I know whether they can be hidden away. I think now they can be.

Mr. WHITE. Senator ANDERSON, in view of this profound division within the Government about whether we should or should not stop these tests, and in view of the fact that Admiral Strauss of the Atomic Energy Commission is in the forefront of those opposing halting these tests, would you vote to confirm his nomination if the President reappointed him or would you oppose him?

Senator ANDERSON. Well, I would think that that would be a question that would come up very much later and have a wholly different aspect to it.

Admiral Strauss stated very plainly before the Disarmament Committee that he was opposed to the individual parts of the program, but willing to accept it all. I think we would have many long discussions as to his attitude on that and on public power if his name came before the committee again.

Mr. WHITE. Turning away from that, Senator, but still on matters of personnel, there have been many suggestions made in the last few months that Dr. Robert Oppenheimer should be recalled to the Government service in view of the crisis about this weapon.

Do you have any thoughts on that? Do you think he should be? Do you think his services should be used in any way or not?

Senator ANDERSON. Yes, I have said that I think he should be given an opportunity to serve. I don't think that you can conceal from Dr. Oppenheimer some of the things that he himself has developed. I think that his work was exemplary when he was at Los Alamos in connection with the bomb. I think he was foolish after he got away from there, but I wouldn't be at all concerned when he was put in his position of responsibility.

Mr WHITE. You would like to see his clearance restored or whatever the term is?

Senator ANDERSON. I would like to have him put on a program like thermonuclear research in the development of power where we are not going to have any great amount of secrecy anyhow and where his remarkable brain could be used for the benefit of this country. It would not bother me in the slightest.

Mr. FINNEY. Senator to turn from the question of testing to the question of production of weapons, is our production of plutonium adequate for the military requirements for these new small, tiny weapons that you talk about?

Senator ANDERSON. It may be today. It couldn't possibly be in a few years from now. Our plans are wholly inadequate on plutonium.

Mr. FINNEY. Why are they inadequate? What is the stumbling block, the bottlenecks, here?

Senator ANDERSON. It is in the Atomic Energy Commission, I think, without any question. The Joint Committee has been pushing for additional plutonium production. Some members of the Atomic Energy Commission have been pushing for it. Some feel we should let plutonium production develop in Europe and buy it back from them. I do not and many others do not.

Mr. FINNEY. To go off on the atoms-for-peace program for a moment, you and other Democrats up on the Hill have been urging for some time that the Government ought to be spending a lot of money for constructing atomic-power reactors and that we can't look to private industry to do that job alone. What's the hurry? We have a lot of conventional, cheap power in this country. Why do we have to go out and spend hundreds of millions of dollars to erect atomic-power plants?

Senator ANDERSON. From the standpoint of conventional power in the United States, we have plenty of time and plenty of devices for doing it. We do have some responsibility for world leadership in this field. We have industrial firms who would like to sell equipment abroad. That would provide employment for American workmen. Many of us feel it is a very essential development. It isn't important from the standpoint of current need today. It is much more costly than conventional fuel.

Mr. WILSON. Senator, as one of the Democratic leaders of Congress, I wondered if you thought there was a possibility that the Democratic Party has done itself some real political damage by crying wolf about the sputniks and about the business recession. Aren't you in some risk of being the "gloom and doom" boys again?

Senator ANDERSON. I don't know. I don't think we have done ourselves any harm in calling attention to what happened on sputnik. Personally, I have had a great many things to say about the fact that there was a program organized many times to try to give us the first satellite. That program was shelved. We objected to that.

On the question of the financial aspects, certainly if people haven't found out by now there is a recession, then there isn't much we can do about it.

Mr. WILSON. Let's go back to the sputnik question. We have 2 or 3 in the air now and perhaps we will have more before very long. Doesn't that make some of the fears that some of you Democrats expressed last fall look a little ridiculous today?

Senator ANDERSON. It is like a woman wearing a hat. The first time down the street, it looks good on her, but if she is followed by 3 or 4 women wearing the same style hat, it is not quite so hot.

The Russians got theirs up first and that primacy counted tremendously in the opinion of the people of the earth. If you just follow what happened when Russia put theirs up compared to what happened when we put ours up, you know they got all the best of that argument.

Mr. WILSON. Well, are we in military danger, or risk, today?

Senator ANDERSON. No; I don't say we are in military danger from the sputnik. I think we lost a great deal in psychological values all over the earth, by what we didn't do and could have done.

Mr. WILSON. Let me take you to one final question on the recession. You have studied it a great deal. Is it prevalent in New Mexico?

Senator ANDERSON. No; it is not.

Mr. WILSON. Is it a spotty recession which only affects a few areas of the country?

Senator ANDERSON. I think so. It varies certainly in areas. Certainly the unemployment in Detroit is not matched in my home community because we have, I think, the second largest per capita Government payment in the Union, Virginia only, exceeding us.

Mr. SPIVAK. The President has asked for an amendment to the Atomic Energy Act, so they can give our allies some of our know-how. Do you think he is going to get that amendment?

Senator ANDERSON. He may get it. It will be substantially modified. Very substantially modified, and the Department has already substantially modified it by withdrawing several parts of it.

Mr. SPIVAK. Are you personally in favor of giving him the right to exchange secrets with our allies?

Senator ANDERSON. I think I am more in favor of dealing bilaterally with England at the present time. I am worried about who gets to be the third, the fourth, and the fifth atomic power.

Mr. SPIVAK. Would you give information to England, knowing Bevan, who is very anti-American and very pro-Soviet may be the next Foreign Minister?

Senator ANDERSON. Yes; I would. I realize the danger, but I would.

After all, through the long years the British have been our most reliable allies.

Mr. BROOKS. Gentleman, I think I will have to interrupt. I am sorry, but I see that our time is up.

Thank you very much, Senator ANDERSON, for being with us.

The ANNOUNCER. Goodby for Senator CLINTON P. ANDERSON and Meet the Press.

Mr. NEUBERGER subsequently said: Mr. President, I concur in the statement made earlier today by the junior Senator from Wisconsin [Mr. PROXMIRE] about the very able presentation made last Sunday by the junior Senator from New Mexico [Mr. ANDERSON] on the network program Meet the Press.

I had the privilege of viewing and listening to Senator ANDERSON at that time. I think what he said about nuclear testing, fallout, and dirty bombs has more than been upheld and ratified by the very significant and alarming disclosure today by leading scientists about the amount of radiation and the potential perils which exist in outer space.

GREAT AMERICANS AWARDS TO DR. JONAS E. SALK AND RICHARD K. MELLON

Mr. MARTIN of Pennsylvania. Mr. President, the Chamber of Commerce of the United States last Monday night honored seven as great living Americans. As Pennsylvanians we are extremely proud that two of that list were Pittsburghers—Maj. Gen. Richard K. Mellon, a great civic-minded man, and a prominent banker and industrialist, and Dr. Jonas E. Salk, the developer of the successful polio vaccine.

I ask unanimous consent that a statement appearing in the Pittsburgh Post-Gazette of April 29 be printed in the body of the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Two Pittsburghers, Dr. Jonas E. Salk, developer of the successful polio vaccine, and Richard K. Mellon, prominent banker, were honored last night by the Chamber of Commerce of the United States as "Great Living Americans."

The awards to Dr. Salk and Mr. Mellon and five other prominent Americans were presented at the 46th annual meeting of the chamber of commerce in Washington.

Inaugurated last year, the awards are made annually by the chamber to American citizens who, by their own initiative, self-reliance, and ambition have made notable contributions to human progress.

PRESENTED BY TALBOTT

This year, the awards were presented by Chamber President Philip M. Talbott at a leadership recognition dinner.

Dr. Salk was named for his achievement in medicine, notably the development of successful vaccines against poliomyelitis and influenza. He is professor of preventive medicine at the University of Pittsburgh. Dr. Salk, tied to his laboratory work here, was unable to attend.

The award to Mr. Mellon was made for his personal leadership in the rejuvenation of the city of Pittsburgh. Chamber officers said his dedication awoke a new sense of civic pride in the business citizens of his community. Mr. Mellon is chairman of the board of the Mellon National Bank & Trust Co., of Pittsburgh.

OTHERS SIMILARLY HONORED

Also honored were Dr. Wernher von Braun, for missile research; Allan B. Kline, president of the American Farm Bureau Federation, for his leadership in the effort to free the farmer from Government intervention; J. Edgar Hoover, Director of the FBI, for his work in detection and control of crime and subversion; Calla E. Varner, principal emeritus of Central High School, St. Joseph, Mo., for her devotion as a teacher; and Charles F. Kettering, director and research consultant for General Motors Corp., for his foresighted devotion to basic research.

KHRUSHCHEV'S CHALLENGE—ADDRESS BY ALLEN W. DULLES

Mr. MANSFIELD. Mr. President, on April 28 one of the most significant addresses of our time was delivered by Mr. Allen W. Dulles, Director of the Central Intelligence Agency, to the 46th annual meeting of the Chamber of Commerce of the United States. I think it would be well worth the time not only of businessmen, but of all our people, to read the remarks which Mr. Dulles made on that occasion. He has given us a good deal to think about. He has brought before us the economic significance of the Soviet Union as it exists today. He has brought us face to face with a dimension which I think we in the Congress, and the American people as a whole, have not been aware to the extent we should.

Mr. President, because of the extreme significance of the address delivered by the Director of the Central Intelligence Agency, Allen W. Dulles, I ask unanimous consent that it be printed at this point in my remarks, along with sundry news stories and editorials covering the same subject.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Is there objection to the request of the Senator from Montana?

There being no objection, the address, articles, and editorials were ordered to be printed in the RECORD, as follows:

KHRUSHCHEV'S CHALLENGE

(Address by Allen W. Dulles, Director of Central Intelligence, to the 46th annual meeting of the Chamber of Commerce of the United States, Washington, D. C., April 28, 1958)

The subject for your meeting today Dimensions of the International Peril Facing Us, is a particularly appropriate one for the Chamber of Commerce of the United States. With its membership of 2½ million businessmen, your organization occupies a key position of influence in our Nation's approach to international as well as domestic problems.

It is also a timely subject for you to be considering. Today the Soviet Union, though its very vocal leader, Khrushchev, is directly challenging the United States in the fields of industrial development and foreign trade and aid as well as in military matters. The other day he remarksed, "To the slogan that says 'let us arm,' we reply with the slogan, 'let us trade'."

The economic challenge is a dual one. They are setting goals for their own domestic production to compete directly with our own and to quote their words, "to get ahead of us in the economic race." The other phase of their challenge is through their foreign economic penetration program.

I shall discuss both of these challenges. But before doing so, I shall analyze briefly the development of Soviet policy over recent years, as this, I feel, helps to explain why they have turned to the economic and industrial field to promote their long range international policies.

In the immediate postwar period, Stalin relied on military and paramilitary action and the military threat as the chief weapons for the advancement of Soviet aims.

It was with military force that the Soviet took over and established their control in the European satellites and repressed the democratic forms of government which tried to find root immediately after the war. It is with military occupation force and the threat of force that they still hold their position in central Europe.

Then in Iran, in Greece, and at Berlin in the early postwar years, it was force and the threat of force that was used in the attempt to break down the Free World defenses. Through the Marshall plan and our growing military preparedness following Korea, this threat was contained in the West; but China was overrun by the Communists and Northern Vietnam taken.

These and other military and subversive maneuvers alerted the Free World to the dangers of Stalin's policies. Our countermeasures tended to make them counterproductive. Stalin was posthumously discredited by Khrushchev. Stalin's programs were generally repudiated by his successors who literally trembled at the risks he had taken at a time when the Soviet had no atomic capability to match our own. It is well, however, that Khrushchev's ruthless repression of liberty in Hungary with Soviet troops should stand as a reminder to us that Stalinist tactics may at any time be revived if the Soviet Union feels its vital interests are affected.

Today we face the subtler policies of Nikita Khrushchev. Will they be more or less effective than the Stalin policies in achieving the overall aims of international communism?

Of course, I do not mean to discount the seriousness of the Soviet military threat or its challenge in the scientific and technical fields on which advanced weapons systems depend. But as I see it, under its present policies, the U. S. S. R. does not intend to use its military power in such a way as to risk general war. They have a healthy respect for our retaliatory capability.

Furthermore, the Soviet success with sputniks and in the field of ballistic missiles has well alerted us to the military danger and our missile and other programs are receiving top priorities. We must, however, be ever watchful of the Soviet emphasis on the military applications of science and technology in order to anticipate any attempts at a breakthrough which would change the balance of military power.

Barring such a possibility, it is most probable that the fateful battles of the cold war will, in the foreseeable future, be fought in the economic and subversive arenas.

To understand the seriousness of the Soviet economic threat, it is essential to understand the Soviet economic and industrial base on which they are developing their economic penetration program.

Since 1928 the Soviet Union has developed rapidly from a predominantly agricultural and industrially underdeveloped country to the second largest economy in the world. Forced draft industrialization, emphasizing heavy industry, was carried out by Stalin to prevent, to quote his words, another beating of backward Russia by the more economically advanced capitalist countries. Forced draft industrialization continues in Russia today, and now the emphasis is more positive; namely, to meet Khrushchev's goal of catching up and surpassing the United States in per capita production within the shortest possible historical period of time. This theme is being used not only as internal propaganda but also to propagate the Soviet faith abroad.

Comparison of the economies of the United States and the U. S. S. R. in terms of total production of goods and services indicates the U. S. S. R.'s rapid progress.

Whereas Soviet gross national product was about 33 percent that of the United States in 1950, by 1956 it had increased to about 40 percent, and by 1962 it may be about 50 percent of our own. This means that the Soviet economy has been growing, and is expected to continue to grow through 1962, at a rate roughly twice that of the economy of the United States. Annual growth overall has been running between 6 and 7 percent, annual growth of industry between 10 and 12 percent.

These rates of growth are exceedingly high. They have rarely been matched in other states except during limited periods of postwar rebuilding.

A dollar comparison of U. S. S. R. and United States gross national product in 1956 reveals that consumption—or what the Soviet consumer received—was less than half of total production. It was over two-thirds of the total in the United States. Investment, on the other hand, as a proportion of gross national products in the U. S. S. R., was significantly higher than in the United States. Furthermore, investment funds in the U. S. S. R. were plowed back primarily into expansion of electric power, the metallurgical base, and into the producer goods industries. In these fields, it was over 80 percent of actual United States investment in 1956, and in 1958, will probably exceed our own. Defense expenditures, as a proportion of gross national products in the U. S. S. R., were significantly higher than in the United States; in fact about double.

Soviet industrial production in 1956 was about 40 percent as large as that of the United States. However, Soviet heavy industry was proportionately larger than this overall average, and in some instances the output of specific industries already approached that of the United States. Output of coal in the U. S. S. R. was about 70 percent of that of the United States, output of machine tools about double our own and steel output about half.

Since 1956, Soviet output has continued its rapid expansion. In the first quarter of 1958, Soviet industrial production was 11 percent higher than a year ago. In comparison, the Federal Reserve Board index shows a decline of 11 percent in the United States.

According to available statistics, in the first quarter of 1958, the Sino-Soviet bloc has for the first time surpassed the United States in steel production. The 3 months figures show that the U. S. S. R. alone turned out over 75 percent of the steel tonnage of the United States.

A recession is an expensive luxury. Its effects are not confined to our own shores. Soviet propagandists have had a field day in recent months, pounding away at American free enterprise.

Every Soviet speech, magazine article, or radio broadcast beamed to the underdeveloped nations plays up and exaggerates our economic difficulties. The uncommitted millions are being told by the Communists, "See, we told you so. Crises and unemployment are inevitable under capitalism. Communism is the only true road to social progress." Our economy is giving the Communists a propaganda target as damaging and I trust, as transitory, as their own sputniks.

Continued Soviet industrial growth has had a counterpart in increased trade with the Free World. Over the past 2 years, their trade with the West has been moving ahead far more rapidly than it has within the bloc itself. About 70 percent of the U. S. S. R.'s increase in nonbloc trade in 1957 was with the industrial nations of Western Europe and, under agreements such as that just concluded with Germany, will expand still more.

Recent speeches by Soviet leaders—Khrushchev, Mikoyan, and Deputy Foreign Minister Zahkarov—stress the U. S. S. R.'s desire to expand trade with the Free World. Mikoyan, for example, said that the U. S. S. R. is confident that with the establishment of normal trade relations a significant forward step will be taken along the road leading to the establishment of cooperative relations between the Soviet Union and the United States. This month, Zahkarov told the United Nations' Economic Commission for Europe that Western trade ministers should devote their energies to bringing about a long-run increase in East-West trade.

Soviet capabilities to export petroleum and metals—aluminum, tin, zinc, and ferroalloys—is increasing. The U. S. S. R. is already a supplier in a few traditional Western metal markets. Over the years, the U. S. S. R. may well become a major source of many such industrial necessities to Western Europe.

This seems particularly likely if Khrushchev's 1972 commodity goals prove to be realistic.

Take, for example, petroleum. By 1972, the Soviets plan to produce as much crude oil as we in the United States do today. Even allowing for substantial increases in domestic consumption, they could export about 2 million barrels a day. Today, all of Western Europe consumes about 3 million barrels a day.

A start has already been made on the pipeline needed to bring the crude oil from the Ural-Volga Basin to the Baltic.

Soviet ability to use trade as a weapon to advance its political aims will increase in a direct ratio to their success in realizing their economic goals.

For example, once they have penetrated Western European markets to the extent that these markets become substantially dependent on Soviet industrial raw materials, they will have available a new and formidable weapon of economic warfare. By withholding supplies, by capriciously raising prices, or by dumping commodities, the Soviets in effect will have a seat at the council table of the great industrial nations of Europe.

During the Suez Canal crisis, we saw a brief glimpse of Soviet capabilities to grant or withhold economic favors through the forms of its own petroleum exports. The increase in sales of metals and petroleum to Free World countries, which moved sharply upward in 1958, is not an economic flash in the pan. It is a reflection of growing Soviet industrial capacity.

Further, their governmental setup is well adapted to waging economic as well as political warfare. They have no budgetary controls when it comes to diverting funds to particularly urgent national policies. There need be no prior consultations with parliaments or the people.

This, briefly described, is the Soviet economic base and foreign-trade program, as we analyze it today. It is to this base that Moscow is adding its foreign economic penetration deals designed to wean to its camp the uncommitted and newly developing areas of the world.

It is important at the outset to note that Soviet credits and grants are not limited to those countries where there is an early prospect of acceptance of Communist doctrine.

Of the $2 billions of development and military aid extended by the Sino-Soviet bloc over the past 3 years—and this is exclusive of intrabloc aid which is a substantial drain on Soviet economy—large sums have gone to countries which are not now in the Soviet camp.

Let us get down to cases: In Egypt the Communist Party was outlawed at the time of the bloc's original military aid offers in 1955. Despite repeated crackdowns on Communist elements within the country since that time the U. S. S. R. concluded a major $175 million economic-aid program with Egypt in 1957.

Communist influence in Syria has been reduced following its membership in the

United Arab Republic in February of this year—even to the point where Khalid Bakdash, the leading Arab Communist, fled the country. But the U. S. S. R. is going ahead with its $170 million economic-aid program and continues to supply arms under agreements worth $100 million. The magnitude of this and other military programs raises the question as to who may be the eventual user of these arms.

The list of examples can be extended. Afghanistan is a monarchy. The Imam of Yemen is an absolute ruler. Both are recipients of large Soviet aid programs.

Soviet bloc economic penetration of Yemen provides a striking instance of the use of trade and aid as an investment in disorder.

Yemen is strategically located at the entrance to the Red Sea from the Gulf of Aden. It commands one entrance to all Suez Canal traffic; the oil moving westward, as well as goods moving from Europe to the east.

Soviet overtures were appealing to the Imam because the bloc was willing to supply him with arms, while the West would not. Arms in Yemini hands on the scale contemplated can only create more trouble in the Middle East. They will fan the Imam's dispute with the British and with local Sultanates over the borders of the Aden protectorate.

The Soviets were quick to sense the opportunity to create disorder by giving aid to Yemen. They moved quickly. In less than 2 years, this small country of some 4 millions of people has been granted $80 millions in credits. Additional offers of over $20 million are currently outstanding. Arms valued at $30 million have been delivered. A Soviet and Czech military mission of some 65 advisers is currently in Yemen for training assistance.

Even the Red Chinese have joined in with an offer of a loan of $15 million. If all proposed projects are carried out, the Communists will play a key role in Yemen's economic, as well as military, development.

The Communists have no interest rate problems. They have no legislative restrictions. The U. S. S. R. has developed an attractive package credit deal—long term loans, generally for 12 years; 2½ percent interest rates; repayment in surplus commodities, and room for bargaining on prices. They have devoted much effort to the native language training of the technicians they send with their aid to the newly developing nations.

Though the Communists eschew capitalist types of business organizations in their own country, they make liberal use of them abroad.

One of the most important of these is the Bank of China. It is a primary source of funds to the 12 million Chinese in Southeast Asia. These loans, controlled from Peiping, often require appropriate gestures of support to the Communist regime in China.

Branches of the bank throughout the East promote the export and sale of Chinese Communist goods in the area. They also collect a vast store of economic and political information, both openly and by clandestine means.

In Paris, for its European business, the Soviet use a commercial bank called the Banque Commerciale pour l' Europe du Nord. It often serves as agent for effecting sales of Soviet gold in London and on the Continent and is the means through which Soviet credits are transferred to the satellites. It also maintains a widespread system of correspondent relationships with banking institutions throughout Europe and in this hemisphere and is one of the chief instruments for the financing of Soviet trade with the West and for obtaining information on trade opportunities.

In Latin America, there are a number of Communist front or bloc associated organizations actively campaigning for closer commercial ties with the bloc. In Brazil, one of these has been offering to import and sell Russian automobiles at ridiculously low prices. When this fell through, it offered to import a complete auto factory from the U. S. S. R. While neither offer may have been serious, they had considerable propaganda value.

On a worldwide basis, the Soviet Union presents itself as eager to do business on terms attractive to the customer.

Moscow's foreign aid program has particular appeal in the undeveloped countries because Russia until so recently was an undeveloped country itself. For some reason the recently liberated countries seem to feel that the Kremlin has found a new and magic formula for quick industrialization which is the hallmark of becoming a modern state to many of these countries. They recognize American economic and industrial leadership in the world but they feel that the democratic process of economic development may be too slow.

Soviet propaganda charges that it took the West 150 years to achieve industrially what the Soviets have built in a generation. In the newly developing countries, the drive for economic betterment has become a crusade, not always based on reason.

Also these countries feel that we in the United States are far ahead of them and that while they may aspire eventually to an economy something like that of the Soviet Union, they cannot, in the foreseeable future, hope to reach the high standards of living of this country.

Factors such as these give a particular appeal to overtures from the Soviet Union. They are not able to see the invisible strings which are tied in with Soviet offers nor do they understand the subtle implications of Soviet subversive penetration which is a part of every economic package.

Each time that I prepare a summary of any phase of Soviet activities, whether it be in their domestic industrial development, their foreign economic exploitation activities, or their military defense preparations, I am impressed by the efforts which the Soviets make to keep secret the details of their operations.

If their motives in the military, industrial, and economic field are, as they claim, peaceful and defensive, why should this be the case? Why are we not entitled, before we accept their protestations regarding peaceful coexistence, to ask that there should be a franker disclosure of their activities—something comparable to the disclosure made by the free countries of the world?

For example, before their recent offer of a suspension of nuclear testing, they themselves had just completed a series of nuclear tests, concentrating a great number of tests in a short period of time. For example, 3 tests occurred with a single 2-day period in an unprecedented burst of activity. This was done behind a cover of secrecy except for announcements that our Government itself made of the Soviet tests. But, by and large, their activities in nuclear testing remain quite unknown particularly in those countries which are being filled with Soviet propaganda against testing.

The nature of their military aid programs such as I have described above have, by and large, been keept as secret as the Soviet could manage. An even tighter veil of secrecy is kept around almost all phases of their military establishment.

The details of our own aid programs as well as of defense expenditures and military production, with few exceptions, are available to the world through our newspapers. In contrast, the Soviets release only the annual ruble total of what they call defense spending.

It is our best estimate that the announced Soviet defense budget as published to the world actually covers little more than half of the rubles they are now putting into military activities.

As long as this secrecy remains a cardinal tenet of Soviet practice it is extremely difficult to accept Soviet protestations of a desire for peaceful relations as expressing their real intentions.

It is true, and it is an encouraging sign, that exchanges of visits are being arranged, particularly in the cultural, technical, and academic fields. This may well help to a better mutual understanding but that understanding will be very incomplete until it is broadened to a point where the barriers of secrecy are removed. It is this very secrecy which makes meaningful agreements so difficult to reach.

One answer to Khrushchev's challenge to us should be a renewed challenge to them, as in the President's open-sky proposal, to put an end to secrecy which breeds suspicion and doubt.

Undoubtedly one of the reasons for secrecy is to hide from the world some of the problems which the Soviet Union faces.

In the analysis I have given above, I have stressed their very real achievements, their growing power, and their rapid rate of progress. These factors we must not underestimate. However, the realization of many of the goals they have set depends on resolving some very real obstacles to success.

For example, Khrushchev has repeatedly promised his people startling improvements in the quality of their diet. The realization of these dreams rests on a precarious agricultural base, whose crops over large areas, as we saw in 1957, are vulnerable to serious drought. Further, Khrushchev has brought the antigeneticist Lysenko back into favor, a theorist whose plant- and animal-breeding ideas are regarded as nonsense by all competent Western scientists.

They are now engaged in a massive reorganization of the control of their industry and this move toward decentralization has built-in, long-run dangers for any dictatorship such as that of the Kremlin today.

The myth of collective leadership has been abandoned and there are signs today of a reversal to a harsher line with consequences of a far-reaching nature. Khrushchev, despite his gregarious characteristics, as he assumes new positions of power and eliminates his rivals, becomes more and more an isolated and lonely figure.

As they enter into the field of international trade on a major scale they lack a convertible currency. They must rely on the device of settling international balances in sterling or dollars. In essence, most of their trade must remain on something approaching a barter basis. The ruble is not an international currency and within wide ranges its value is a matter of speculation, varying from the official rate of around 20 cents to a purchasing value of around 10 cents, as a quoted value for ruble notes in the Swiss market of only a few cents. But, of course, this latter rate is due to the fact that ruble currency can neither be legally imported into nor exported from the Soviet Union.

Possibly today the most acute problem facing Khrushchev is that of meeting the growing demands of the Russian consumer for a greater share in the overall production of the Soviet Union. With a gross national product of around 40 percent of our own, they put into the military sector a national effort roughly comparable to our own, leaving only a modest share for consumer goods.

If the Kremlin responds to popular pressures, they will be forced to give more and

more to the consumer. This trend has already started. The Russians have somewhat improved living standards and the national output of such consumer goods as TV sets and washing machines has been stepped up. Some former armament plants are now producing civilian goods.

All this may help to develop a society where people will have more opportunity to satisfy the individual yearning for a fuller life. Economic betterment, added to the massive educational system they have already installed, may help to build up generations of people more and more inclined to question the basic tenets of a totalitarian philosophy and less willing to tolerate the autocratic forms of government under which they are living.

Under Khrushchev there has been, undoubtedly, some relaxations of the old Stalinist police system, but every two steps in advance seem to be followed by one step backward as they wrestle with the problem of reconciling a measure of freedom with the stern line of Communist doctrine and discipline.

The fact that the leadership of the U. S. S. R. faces these very real problems is, however, no excuse whatever for complacency on our part. During and since the war, their leadership has faced even more serious problems and has surmounted them. The economy of the Soviet Union has momentum and versatility and, while I predict that their people will undoubtedly press for an improvement of their lot, some real concessions can be made to them without fundamentally altering the general tempo of their present industrial and military programs.

Certainly here we have the most serious challenge this country has ever faced in time of peace. As this challenge is very largely based on the economic and industrial growth of the Soviet Union, it is one which concerns very directly the business leaders in our country.

[From the Washington Star of April 30, 1958]

THE RED ECONOMIC THREAT

If the Soviet Union were a land of liberty, there would be no occasion for Allen Dulles' warning about its economic growth. Instead, the world would have reason to welcome and cheer the development as something that could help to promote human betterment and a prospering international peace of freedom and justice.

Far from being a bulwark of liberty, however, the Soviet Union is a totalitarian tyranny run by a handful of power-hungry and intensely secretive conspirators whose ultimate objective is to communize mankind and win dominion over the entire globe. Naked armed force, deceit, treachery, infiltration, subversion, these are among the weapons they have used, and still use, to attain their ends. Anyone who thinks otherwise had better ponder the fate of Hungary and all the other captive lands behind the Iron Curtain.

Accordingly, in view of the nature of the Communist system, Mr. Dulles, Director of our Central Intelligence Agency, has not exaggerated in declaring that Soviet economic progress constitutes the most serious challenge the United States has ever faced in time of peace. In making this point, he has not discounted the enormous threat implicit in the Kremlin's armed power and scientific advances, but Khrushchev and company, in his judgment, want to avoid a shooting conflict and to win global domination with such weapons as trade, aid, and infiltration carried out in Asia, Africa, South America, and free Europe. In short, as he sees the situation, "it is most probable that the fateful battles of the cold war will, in the foreseeable future, be fought in the economic and subversive arenas."

Mr. Dulles has drawn a somber picture of how well equipped the Kremlin is for such battles. Thus, although American productive capacity still is far ahead in many respects, the Soviet economy is growing at a rate roughly twice that of ours. Moreover, since it operates under a despotism that does not have to seek parliamentary support or worry much about public opinion, it can be readily geared to policies of international infiltration and subversion. Moscow has made effective use of it, for example, in Egypt, and in places like Syria and Yemen, where Russia's trade and aid must be viewed as an investment in disorder, calculated to make trouble for the forces of freedom. Similarly, the Kremlin's stepped-up drive for commerce with Western Europe might easily become—if it succeeds—a formidable weapon of economic warfare.

Of course, as Mr. Dulles and others have pointed out, the men of the Kremlin cannot entirely ignore the wants and discontents of the masses of the U. S. S. R. As education spreads among those masses, and as the Soviet economic machine continues to grow, the Moscow dictatorship should feel mounting popular pressures to put that machine to work to liberalize and improve domestic living conditions. But this possibility, though real enough, is likely to materialize—if ever—only at a very slow pace.

Meanwhile, in terms of the next decade or two, the United States and the Free World at large must reckon most seriously with Soviet internal and external economic expansion. For the threat implicit in it, as Mr. Dulles has warned, is at least as great as the threat implicit in the Kremlin's military might, and it should sober all those Americans who seem recklessly intent upon scuttling our foreign-aid and reciprocal-trade programs.

[From the Washington Star of April 30, 1958]

CIA CHIEF'S ECONOMIC WARNING—DULLES SEES NATIONAL SECURITY FACTOR IN RED'S INDUSTRY-TRADE OFFENSIVE

(By Doris Fleeson)

Allen W. Dulles, Director of the Central Intelligence Agency, has added the supremely important dimension of national security to a debate which many economists and politicians have long been trying to get off the ground.

It is the debate about the future shape of the American economy, what it gives promise of being and what it ought to be in order to keep this country ahead of the Russians.

Mr. Dulles has now warned in a speech to the annual meeting of the United States Chamber of Commerce that Russia's economic offensive is replacing its warmaking threat as the most serious challenge this country has ever had to meet in time of peace. The new threat is made possible, he explained, because of the steadily growing Soviet economy.

That growth, Mr. Dulles emphasized, is proceeding at a rate roughly twice that of the economy of the United States.

There is nothing new in this for informed observers. Senator PAUL H. DOUGLAS of Illinois and his colleagues of the Joint Economic Committee said the same thing a year ago. But Mr. Dulles landed on the front pages and forced an attention which both Government and the people today seem reluctant to accord to any warning except the purely military.

The harsh truth is that even before the recession, the American economy had been all but standing still. Testimony before the Joint Economic Committee has suggested normal growth goals for the gross national product of $460 billion this year, $475 billion next year and $490 billion in 1960.

The present figure is below $425 billion.

The Full Employment Act of 1946 was the last significant Federal planning legislation in the economic and social fields. It also was the only element of his domestic Fair Deal that Harry S. Truman managed to get on the statute books.

Much watered down from the Truman version, it asserts that the national policy shall work toward full employment. Since the country is expanding in many striking ways, including population, this stated goal should meet the challenge of Soviet expansion if it is achieved.

Allen Dulles, brother of the Secretary of State, does not expect that the Russians will risk general war, but he pointed to many areas in the economic field where it is scoring against this country.

He attached the stinging label of "expensive luxury" to the recession and warned that Soviet advances were not a flash in the pan. Conceding that the Russian people would undoubtedly demand improvement in their lot, he said it could be had without impairment of present Soviet military and industrial progress.

Liberals of both parties—Senators DOUGLAS, KEFAUVER, CASE, and others—have protested strongly the idea that the United States could halt on any plateau, however high it might seem. They are welcoming the support of the CIA Director but they also admit a practical dilemma.

While the Federal Government certainly cannot do it all, the only force able to mobilize the machinery, public and private, to do it, is the White House. No sign exists today the White House has the will to act in this field.

[From the Christian Science Monitor of April 29, 1958]

CIA CHIEF BARES SOVIET TRADE THREAT

(By Neal Stanford)

WASHINGTON.—When Soviet Premier Nikita S. Khrushchev the other day boasted to United States Ambassador Llewellyn E. Thompson, Jr., that "we will bury you" in an industrial-output race, he was not jesting.

Washington officials for months have been taking the threat of Soviet economic competition with increasing seriousness. But it has taken a frank, blunt public talk by Allen W. Dulles, Director of the Central Intelligence Agency, before the annual convention of the United States Chamber of Commerce, to really publicize the danger.

Allen Dulles, who is not to be mistaken for his more publicized brother, John Foster Dulles, Secretary of State, does not often talk off the record—much less on. So when he opened up before the chamber with this theme of Soviet economic expansion, it was something of an experience.

GROWTH RATE CONTRASTED

The U. S. S. R.'s rapid economic progress, he asserted, poses the most serious peacetime challenge the United States has ever faced. The rate of Soviet economic growth now is roughly twice that of the United States, he declared. And the United States business recession isn't improving the American position, he added wryly.

Allen Dulles, who is top American intelligence officer, publicly sided with those in Washington who are saying that general war is unlikely, that the real danger and threat are "in the economic and subversive areas."

It is not only the prospect of the U. S. S. R. industrially overtaking the United States that alarms Washington, but more specifically the expectation of what Moscow will do with its enlarged industrial productivity when it starts taking over various markets in Europe, Asia, South America, and elsewhere.

TRADE TIES THREATENED

As Mr. Dulles warned American business leaders, with the Soviet economic base expanding so fast, particularly in the production of petroleum, steel, and machine tools,

United States trade relations with Western Europe could be seriously threatened.

The United States could see its markets abroad visibly shrinking. Then, continued Mr. Dulles, if these markets should become substantially dependent on Soviet industrial raw materials, the Soviet leaders "will have available a new and formidable weapon of economic warfare."

As he explained: "By withholding supplies, by capriciously raising prices, or by dumping commodities, the Soviets in effect will have a seat at the council table of the great industrial nations of Europe."

Lest any of his audience believe that Soviet productive growth was a temporary phenomenon, Mr. Dulles added: This is no "flash in the pan." Moscow is stepping up its sales to Free World countries and also providing economic and military aid to many other nations—Egypt, Syria, Afghanistan, Yemen, for example.

It is not the economic race, per se, between the United States and the U. S. S. R. that disturbs Messrs. Dulles, Nixon, and Dillon, et al., but the foreign economic penetration aspect of that challenge.

Mr. Dulles disclosed that in the first quarter of 1958, "the Sino-Soviet bloc has for the first time surpassed the United States in steel production." The United States recession can explain this condition but it cannot correct it. As Mr. Dulles said: "A recession is an expensive luxury"; not only does it relatively help the Soviets in East-West relationships, but Soviet propagandists are having a field day with it.

Both the Soviet Union's rapid industrial expansion and the American recession have persuaded more and more recently liberated countries that somehow the Soviets have discovered a new and magic formula for quick and sustained industrialization.

These countries do not deny American current leadership but what they want to copy is Moscow's rapid industrialization. In fact, the United States high living standard, the product of its high industrialization, is more often than not a deterrent to these countries in their aspirations. For whereas they feel they may aspire to the living standards of the Soviet Union in time, they cannot picture ever reaching the hign standards of living in the United States.

In analyzing the Soviet industrial threat, Mr. Dulles did not overlook certain advantages falling to the Soviets because of their political structure. "Their governmental setup," he explained, "is well adapted to waging economic as well as political warfare. They have no budgetary controls when it comes to diverting funds to particularly urgent national policies. There need be no prior consultations with parliaments or the people.

WARNING TO CONGRESS

According to Allen Dulles, the U. S. S. R. has no intention of using its present military power, vast as it is, in any way that would risk a general war. "They have a healthy respect for our retaliatory capability," was his explanation.

But they also have a keen appreciation of the other ways by which Soviet influence and control can be extended—economic and subversive. And it is in these fields, Mr. Dulles is persuaded, "the fateful battles of the cold war, in the foreseeable future, will be fought."

The speech was in effect a warning to Congress and the Nation of the growing Soviet economic threat by the administration spokesman best qualified to describe it.

[From the Wall Street Journal of April 30, 1958]

EXPENSIVE LUXURIES

"A recession," said Allen Dulles in a speech the other night, "is an expensive luxury."

The Director of the Central Intelligence Agency meant several things by this remark. For one, the recession provides a field day for Soviet propagandists. More tangibly, it happens that while United States industrial production in the first quarter of this year was down 11 percent from a year ago, Soviet industrial production was up by the same percentage in the same period.

Mr. Dulles mentioned some other alarming-sounding comparisons. The Soviet economy is growing at a rate roughly twice that of the United States economy, and so, it can be inferred, might catch up with or even overtake the American economy before too long—especially if we continue to allow recessions to hold us back.

This concern over Soviet economic growth is by no means confined to Mr. Dulles. Some people go much further than Mr. Dulles did in his speech and suggest that it should be public policy to keep far ahead of the Soviets and, among other things, make very sure we never indulge in the luxury of a recession.

Before subscribing to that view, however, a few things should be noted. The Soviet economic base is much smaller than ours and so it is not surprising that it grows at a faster rate; that is what usually happens when an economy starts building from a low level of output. Also, it would be a mistake to suppose that violent economic dislocations are unknown in the Soviet Union or that there is no such thing as recession; as far as living standards are concerned, the Soviet people are and have been not in a recession but a deep depression.

Still, granting that the Soviet economy is growing, what is it proposed that the United States should do about it?

The typical "liberal" view is that the American economy should constantly expand from year to year, with never any interruption. The recent Rockefeller report, for example, selects a rate of growth of 5 percent a year—a pretty high rate in view of the size of this economy—as a desirable goal.

The next question is how you make the economy grow at such a rate. A large impetus, according to the liberal persuasion, must be increased Federal spending for all kinds of social projects as well as for essentials like defense.

It should not need explaining—but apparently it does—that this sort of program provides neither real economic growth nor a preventive against recessions. Forced-draft expansion for expansion's sake, regardless of demand and spurred by Federal extravagance, will create a weirdly distorted economy (the Soviets have such). It will be accompanied by inflationary excesses which will sooner or later have to be corrected by a real recession if not a resounding crash.

Thus to meet the Soviet "challenge" those who advocate unlimited expansion by Federal decree would take us much further along the statist road. And it would not end with centralization of economic authority; political liberty cannot long remain unimpaired in a statist economy.

The danger here is not an abrupt collapse of our free institutions. It is that we will gradually undermine them out of the mistaken fear that otherwise the Soviets will outstrip us. Perhaps not even so gradually, at the rate Federal spending is already increasing.

The real answer to the Soviet economics "challenge," if that is what it is, is to break out of this statist encirclement before we are trapped. If this country had limited Government and sound Federal fiscal and monetary policies, no American would have to lose sleep about the future of the economy.

To adopt the theories of the statists in order to prevail against the archstatists is the one "expensive luxury" the United States cannot afford.

CONTRASTING FACTORS IN REPORTS ON 1958 RECESSION

Mr. NEUBERGER. Mr. President, I desire to bring to the attention of the Senate a very significant facet of the so-called recession or depression of 1958.

Business sections of the press for April 30 reported the fact that General Motors profits for the first quarter of this year dropped 29.4 percent, and that United States Steel Corp. earnings fell off 46 percent during the same period.

By contrast, the earnings of American Tobacco Co. went up 22 percent in the first quarter of this year, as compared with the first 3 months of 1957.

This must be significant. I am not an economist or a psychologist, so I cannot professionally assay the full meaning of these reports, but they must be an indication of something, Mr. President.

For 1958, to date, the earnings of the world's largest manufacturer of automobiles and the world's largest producer of steel are far off from last year. Yet, American Tobacco, one of the biggest sellers of cigarettes, is far ahead of earning for 1957.

Does this mean that people have money only for soft goods, such as cigarettes, and not for durable goods, such as automobiles and other merchandise into which steel is fitted? Does it mean that the tensions and anxieties of our times are creating men and women who must spend their limited finances first on a drug like cigarettes and on more stable items only after that?

I pose these questions, in presenting these facts to the Senate. I do not attempt to interpret such figures, but merely to report them.

Still more ironic, on the day when the bright earnings picture for American Tobacco was released, the American Cancer Society issued its bulletin, volume VIII, No. 2, which discloses that "lung cancer could be largely prevented by abolishing the use of tobacco."

SEASONALLY ADJUSTED UNEMPLOYMENT STATISTICS

Mr. CLARK. Mr. President, I am seriously concerned by the lack of candor on the part of the Secretary of Commerce with respect to the figures on unemployment which were released the day before yesterday.

I deplore the fact that at his press conference yesterday the President of the United States, perhaps inadvertently, compounded the lack of candor of the Secretary of Commerce.

What I have reference to, Mr. President, is that the administration yesterday gave only the gross figures on the changes in unemployment and failed to give the seasonally adjusted figures.

Mr. President, any high school student of economics knows that the gross figures on unemployment are relatively meaningless. Unemployment is normally highest during the early months of the year, then goes down in the spring, rises again in June, declines throughout the rest of the summer and part of the fall, then rises again to its January peak.

I suggest it is therefore deceptive, Mr. President, to rely on gross figures. Since the Secretary of Commerce did not see fit to make the seasonally adjusted unemployment figures public, I should like to do so through the CONGRESSIONAL RECORD. In order to get the adjusted figures for each month it is necessary to multiply the estimate of the actual unemployment by a percentage figure which reflects the normal departure of that month from the average of all the months of the year.

When that is done, the seasonally adjusted unemployment figures compare with the unadjusted figures as follows:

	Unadjusted total	Seasonally adjusted total
December 1957	3,374,000	3,422,000
January 1958	4,494,000	3,932,000
February 1958	5,173,000	4,570,000
March 1958	5,198,000	4,800,000
April 1958	5,120,000	5,172,000

These figures show a large increase in unemployment each month. It went up 510,000 in January; 638,000 in February; 230,000 in March; and 372,000 in April.

What did the President of the United States say about the seasonally adjusted figures? He said they "would not be quite as favorable" as the unadjusted figures. I suggest that an increase of 372,000 in unemployment is a large increase. It is not favorable at all. It is definitely unfavorable.

The President said further that "the implication of those figures" is that "the decline is flattening out." I suggest that the contrary is the fact. The decline between March and April was greater than in the previous month. Unemployment during that period rose from 7 percent to 7.5 percent of the labor force.

I am seriously critical of a national leadership which calls an increase of 372,000 in unemployment for 1 month a "flattening out." I am not one who would like to be a prophet of gloom and doom. Quite to the contrary. I am optimistic about the long-range economy of the country. But I think the people of America are entitled to the facts—the truth, the whole truth, and nothing but the truth. They did not get it yesterday from the Secretary of Commerce or the President.

In my own Commonwealth of Pennsylvania 1 of every 9 workers is looking for a job—and not finding it. Five hundred and nine thousand are unemployed in my Commonwealth, and, what is most tragic, 43,000 have exhausted their benefits, and they and their families are for the most part suffering the humiliation of public relief. We are approaching a rate of 20,000 workers a month exhausting their unemployment benefits.

That does not frighten me; I am not panicked; but I am seriously concerned lest the American people be misled as to the facts with respect to this recession. I think there is an obligation on the Congress, as well as the administration, to see to it that the facts are made publicly available.

The figures which I have quoted are from a high and reputable Government source, and cannot be controverted. As we look forward to determine what action to take to help in this situation, I hope that from now on we shall not have any distortion of the facts relating to our economy.

REV. FREDERICK BROWN HARRIS AND CONSERVATION OF NATURAL RESOURCES

Mr. NEUBERGER. Mr. President, all of us in the Senate are proud of our eloquent Chaplain, the Reverend Frederick Brown Harris.

The May 1958 issue of American Forests magazine pays tribute to one of the major interests of our Chaplain—the conservation and wise use of the bounty placed here on earth by the Creator. Dr. Harris is himself a fervent and dedicated conservationist.

A moving sermon by Dr. Harris, entitled "Whose Land Is It?" is reprinted in the May number of American Forests, as well as a splendid and vivid biographical sketch of the Chaplain of the Senate, written by Miss Betty Kindleberger, of the staff of American Forests magazine. The title of Miss Kindleberger's article honoring Dr. Harris is "Preaching Conservation."

The author quotes our Chaplain as declaring, "There can be no genuine patriotic consecration without conservation." To that noble thought, virtually all Senators should subscribe.

Because many issues now before the Senate involve the question of natural resources, the material about our illustrious Chaplain, who was for so many years the pastor of the Foundry Methodist Church here in Washington, ought to be of vital interest to us all. Therefore, Mr. President, I ask unanimous consent that these articles from the May issue of American Forests be printed in the CONGRESSIONAL RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the American Forests of May 1958]

PREACHING CONSERVATION

(By Betty Kindleberger)

There can be no genuine patriotic consecration without conservation. This is the firm belief of Dr. Frederick Brown Harris, the distinguished clergyman who daily inspires the United States Senate with his invocations. "Every intelligent citizen must be interested in conservation," he declared, "and we must alert and alarm the people to the devastated and desecrated land to stop waste."

Dr. Harris preaches this conservation philosophy, when the pressures of his senatorial duties are somewhat relaxed, through articles for magazines and newspapers, many of which are reprinted by dozens of publications including the CONGRESSIONAL RECORD. These articles, actually sermons, are exceptionally eloquent, and each is based on a Biblical text, giving rise to the thought that conservation of resources is not really a new philosophy.

In Sanctity of the Open Spaces (the sermon Dr. Harris wrote for National Wildlife Week 1957 was taken from Isaiah 5: 8—"Woe unto them that join house to house, that lay field to field, till there be no place where one may be alone in the midst of the earth.") he portrayed our modern civilization as grasping and devouring. "The bleak and barren goal of a creeping process of acquisition, oblivious to any realization of stewardship of the land on which man lives, has never been expressed more vividly than in this ancient warning. Here is glimpsed a danger as old as the prophet Isaiah and as new as today's expanding subdivisions, shattering the verdant frames surrounding the human hives called cities. Above the crash of murdered trees, as axes and bulldozers ravish the shady countryside, as blueprints are spread over green fields, sounds this stern alarm out of vanished yesterdays."

The plight of the city of Jericho thousands of years ago was recalled by Dr. Harris in "Tainted Waters." The health of this ancient, prosperous city was once threatened by a polluted water supply. " 'Behold,' cried the members of the city council, 'Behold, the situation of the city is pleasant but its waters are tainted.' That is the accusing consciousness now in America the beautiful, as we look out upon many of our broad streams, or gaze down at swift currents from some point of vantage along a spanning bridge: Our waters are tainted."

Dr. Harris lamented in that sermon: "Industrialism has its price. Factories take their toll. In every bustling city beauty and health are sacrificed on the altar of commercialism. * * * But no pollution which accompanies so-called civilization is more sadly tragic than the contamination of our rivers. * * * As a city expands and its marts of trade increase and its manufactured products pour forth in greater volume, so often a once proud river, the joy of the pioneer who reveled in the lordly loveliness of the site, becomes a polluted sewer of contamination in which even fish scarcely can live. Thus the very springs of the city's life are poisoned. * * *"

In an effort to help waylay the inroads of civilization upon an unspoiled woodland right in the city of Washington, D. C., Dr. Harris penned Spare That Tree. In that article he declared, "the groves were man's first temples. Whenever and wherever woody reservations owned by the people are threatened by the juggernaut of traffic, ethical and spiritual concerns are involved, for which the Nation are ever symbolized by its spires against the sky. * * *"

These brilliant sermons on conservation, however, are only a small portion of Dr. Harris' literary accomplishments. He has been writing articles on many subjects for 10 years, including a weekly column for the Washington Star, but they all point to the greatness that is America and counsel everyone to raise his sights for the betterment of all.

Dr. Harris' daily invocations to the Senate are no less inspiring. In a published volume of these prayers Vice President RICHARD E. NIXON wrote, "In the usual order of business of the United States Senate, the invocation is often the best speech of the day. As a matter of fact, in the prayers of the Chaplain, rather than in the hectic day-to-day clashes of debate, we can see the greatness of America, because in the invocations the faith is expressed which brings us all together, whereas the debates often tear us apart."

That everyone in the Senate appreciates the devotion and efforts of this Chaplain, is apparent from the numerous remarks made about him in the Senate Chamber and recorded in the CONGRESSIONAL RECORD. As Senate Chaplain he ministers to the spiritual needs of all Members of the Senate and their families, which include varying religious creeds. And through this representative group of Americans his spiritual inspiration is felt throughout the country. As Senator PURTELL remarked, "Dr. Harris could be called a nonvoting member of our group who, while elected by no constituency, serves all constituencies."

Dr. Harris has served as Senate Chaplain since 1942, except for 2 years during the 80th

Congress. Besides his duties already mentioned, Dr. Harris is constantly deluged with a stream of visitors. Some come seeking advice, while others come to give it. Then there are the crackpots with which everyone in public office must contend. Curiously, requests to open the Senate are the most frequent. Some actually plead with Dr. Harris for the opportunity, sincerely believing they have a worthwhile message, while others are the save-the-world variety. At one point, Dr. Harris had 17 such requests.

Dr. Harris is in demand as a speaker, and spends much time traveling about the country to fulfill these requests.

Incidentally, while serving as Senate Chaplain and writing numerous articles, Dr. Harris served as full-time minister for the Foundry Methodist Church in Washington. After serving that congregation with distinction for over 30 years, he retired from that position 2 years ago.

Dr. Harris has received many honors for his work through the years, including four awards from the Freedom Foundation, his latest being this year. The citation for this award sums up the high regard in which he is held by all who have come in contact with him. It reads as follows:

"With esteem and affection to an American whose prayers, sermons, and editorial works have lifted the hearts of multitudes—

"With regard and honor to him whose thoughts, far vision, and steadfast faith move all whom he touches to patriotism and love of country—

"With matchless service to the cause of free men, he makes known the strength of prayer and iron will in language beautiful in his prayers in the Senate of the United States. Truly one who desires freedom for all under God, and asks nothing for himself."

[From the American Forests of May 1958]

WHOSE LAND IS IT?

(By Dr. Frederick Brown Harris)

"And messengers came to David saying, 'Whose is the land?' "—II Samuel 3: 12.

Here is a question mark lifted above what to the Israelites was the Promised Land. Certain contentions with regard to the possession of the land had been raised. Out of those old, unhappy far-off days comes echoing down the crowded centuries the query, Whose land is it? Into that ancient controversy we need not go. Suffice it to say that in the argument which grew out of this question the quarreling parties forgot that the chief stake in the land was God's.

However, it is ours in this meditation simply to take this question asked of King David and lift it high above the plains and mountains and rivers of this vast promised land called America. Whose land is it?

As we contemplate the glorious sweep of America, throned in might and beauty between the oceans, and raise the question, Whose land is it? surely the place to begin in any adequate reply is at the climax of the famous hymn, "My Country, 'Tis of Thee": "Long may our land be bright, with Freedom's holy light, Protect us by Thy Might, Great God, our King." We are reminded that the chief fact regarding this privileged land is that it belongs to God.

You simply cannot explain and interpret America without God. Not only America as an idea, but her very land is God's. Of course, there is a real sense in which that can be said of all lands—"The earth is the Lord's and all that is therein."

America also belongs to us as trustees who temporarily possess it, who walk its soil, who cross its plains, who climb its mountains, who sail its lakes and rivers, who explore its wilderness. We who have inherited it * * * must regard it as holy ground, whose beauty is to be reverenced, whose forests are to be guarded, whose soil is to be preserved, whose rivers are to be unpolluted, whose primitive wildernesses are to be unspoiled, and whose wildlife is to be protected. The unpardonable sin is to sacrifice our patrimony on the altar of commercialism which cares for nothing but greedy personal aggrandizement.

Alas, that already disregard for what happens to the land has wrought tragic irreparable havoc. Wanton disregard of the people's rights in forests and rivers and mountain majesties has brought its tragic harvest in dust bowls, land erosion, privately channeled water power, desecrated park areas, and poisoned rivers.

What we call our civilization, if uncurbed, will prove a creeping blight whose symbol is the bulldozer. Big trees must go down before big business. Crystal rivers must be contaminated with disgusting waste rather than to pay the cost for sewage disposal. Public land must be exploited by devious undercover schemes for private gain.

Get-rich promoters with predatory feet go forth to despoil the sanctuaries of the wilderness. Men who loudly advocate arming against foreign foes, for dollars become vandals of the very land of which they hypocritically sing, "I love thy rocks and rills, thy woods and templed hills." Whose land are they defiling? Yours and mine.

Every American has fabulous possessions. Literally, this is a land where every man is a king. Do you realize that your real estate holdings are enormous? Do you know that as an average American you own an undivided interest in the public lands of the United States equal to nearly 3 acres? That is the equivalent of a dozen generous-sized suburban lots. In addition to that, you have valuable property in State and county lands. As an American you are part owner of 460 million acres of Federal land—more than twice the size of Texas, or four times as large as California.

The managers who administer the vast interest of all these grazing, scenic and forest areas are your employees. They guard your interests.

Before it is too late, the attempts to exploit and mar the public lands, the property of every American, must be exposed and halted. Nature's masterpieces must be left untouched and unspoiled. The royal people who own these treasures must make it plain to covetous eyes that these crown jewels are not for sale. America needs prophets to thunder as Nehemiah did centuries ago to the land despoilers of his day, "Behold we are the servants of that large and fat land Jehovah's great goodness hath given our fathers."

It also belongs to those who come after us. There is a striking sentence in the Old Testament, "The fathers have eaten sour grapes and the children's teeth have been set on edge." That is an unforgettable way of saying that what the fathers do today will affect their children and their children's children. If we are not vividly conscious of our role as trustees of the future, then for some temporary expediency we may adopt policies in the present that will rob the generations following of the birthright it was intended should be theirs. We have no right to pilfer and misappropriate the capital of those who will take over the land when we leave it.

A very wise conservationist, with his eyes on binding mistakes of the past when the future decisions were made before the future had a voice, suggests that a 3-year wait for most proposed development projects is not long compared to the eternity our descendants shall otherwise have to live with any mistakes we make out of premature commitments. At every conference when get-on-with-the-work advocates are clamoring for immediate action, with a bulldozer parked just outside the committee room, there ought to be brought in an empty chair to represent those who will have to live with today's decisions when they arrive in the years to be.

We are living now within the limits of the shortsightedness of yesterday. We represent those who will inherit the good earth a thousand years from now. The coming generations have a right to do the things which delight us for our little day—things of which we can rob them if we are prodigal, especially in our bumper-to-bumper existence, in our herded lives. We must shout from the housetops of our swarming cities that for us and for all the long future the vast parks and forests and the scenic cathedrals we call wilderness must be inviolate as we hold them in all their glory for those distant feet we hear coming along the future's broadening way.

THE REST OF THE WORLD SHOULD LEARN FROM INVEST-IN-AMERICA WEEK

Mr. WILEY. Mr. President, earlier this week, it was my pleasure to stress the celebration at the present time of the fourth annual Invest-in-America Week.

While it is a good thing for us to invest in material wealth, in corporations, and in land, there is something else more important than that, and that is to invest in the confidence that we Americans have—invest in the understanding of our system of free enterprise; invest in our concept of freedom of worship; invest in our idea of trial by jury; invest in the knowledge of our constitutional system of checks and balances.

We have had occasionally to realize that there is a great deal of unsettled thinking in this country. Some persons wish to disturb the balance which our Founding Fathers provided in our system of government, including a free and independent judiciary; a legislative branch to make the laws, and an executive branch to enforce the laws. They would like to unsettle that balance and distribute power a little differently. That is not investing in America.

Today, particularly because we are now engaged in celebrating the fourth annual Invest-in-America Week, I wish to speak of what is occurring in this country and also abroad.

In a telegram President Eisenhower has congratulated the invest-in-America program for its efforts "to reaffirm our belief in the power of work, savings and investments to create new business and better job opportunities for all our citizens."

In other words, our citizens should invest in this great Nation, which has been the wonder of the world, because the people of America have shown individual enterprise and have had confidence in themselves, which enabled them to forge ahead.

Tomorrow, Friday afternoon, it will be my pleasure to join with members of the Washington Board of Trade in acting as hosts to a reception, which will serve to climax this week's observance.

There will be present officials of the executive agencies, including Mr. Edward Gadsby, Chairman of the Securities and Exchange Commission, Mr. Julian Biard, Under Secretary of the Treasury for Monetary Affairs, Mr. Albert Cole, Administrator of the Housing and Home Finance Agency, together

with members of the Senate and House Banking and Currency Committees, the Senate Finance Committee, and House Ways and Means Committee, as well as civic leaders interested in this program.

One of the most vital aspects of the Invest-in-America Week concept is that everyone can own a share and should own a share in America.

That means owning one's own insurance policy, having one's own bank account, owning a security, owning one's home, or any other sound method of having a real stake in this country.

This concept of the masses of people owning resources, is something unique in this world. In the Old World, ownership of resources was limited to but a few—ownership of land, of securities, and of any real financial stake. Many of our forebears came to America because in the Old World they were not supposed to be good enough to own land.

I am pleased to say, however, that in the years of recovery, in postwar Europe, the American concept of peoples' capitalism has begun to sink in.

In countries where once only the elite did the investing, today, literally hundreds of thousands of ordinary citizens are beginning to invest.

Naturally, let me again sound, as I have previously done, a word of caution which I have always stated: The last thing I, or anyone else wants, is reckless speculation, at home or abroad, because that can lead only to harm and suffering. But sound investment is certainly to be desired.

I was interested to read, therefore, in the April 25 issue of the Christian Science Monitor, a most enlightening article, describing the increasing amount of stockownership by large numbers of the German people. To anyone familiar with the former traditions of Germany, this news comes as a most welcome development. For, we must remember that not only were there severe class divisions in the old Germany, but Germany went through the nightmare of inflation in the 1920's, a nightmare which destroyed public confidence in securities, particularly fixed-income securities such as bonds. We welcome, therefore, the increasing role of peoples' capitalism in West Germany and elsewhere in Western Europe.

The miracle of West German recovery—a miracle of hard work—is now reflected in the miracles which can be wrought by masses of ordinary West Germans, owning shares in their country's future.

I send to the desk two items which provide an interesting parallel picture of United States and European investment.

The first consists of three articles which appeared in last Monday's Philadelphia Inquirer describing the celebration of Invest-in-America Week in that great city, and throughout the Nation.

It is only logical that the Inquirer, a great newspaper in its own right, has given this fine prominence to the observance this year, as in previous years. Why? Because the City of Brotherly Love, the city which is the birthplace of American liberty, was likewise the birthplace of the "Invest-in-America Week" concept.

Secondly, I send to the desk the Monitor article, describing the growth of open-end investment companies in West Germany and elsewhere in Europe. These companies' mutual funds are, of course, but one relatively small phase of German security ownership. They symbolize, however, the dramatic innovation in investment which is, today, transforming West Germany.

I ask unanimous consent that these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer of April 28, 1958]

FETE SPONSORED BY LEADERS FOR "INVEST" WEEK

Financial and business leaders of Philadelphia will sponsor the opening lunch of Invest-in-America Week today at the Drake Hotel. The speaker will be Walker L. Cisler, president of Detroit Edison Co. and chairman of the 1958 observance of national Invest-in-America Week.

Except that Philadelphia will have the national chairman, the luncheon will be duplicated in scores of cities throughout the Nation.

In many respects the observance planned for Invest-in-America Week here in Philadelphia this year could be taken as a model of how such a week is planned.

Today, for instance, is Freedom To Invest Day, sponsored by the investment community here and throughout the Nation.

On Wednesday Labor and Industry Day, will be observed, with a Rotary Club luncheon at the Bellevue-Stratford to be addressed by Edward T. McCormick, president of the American Stock Exchange.

Thursday will be Women Investor's Day. A group of women's organizations will sponsor a dinner at the Warwick Hotel. It will be addressed by Robert Dechert, General Counsel for the Department of Defense.

Youth of America Day is set for Friday. Maj. Gen. Anthony J. Drexel Biddle, Jr., will address a dinner at the Broadwood Hotel sponsored by Junior Achievement of Delaware Valley.

Oliver G. Willits, chairman of the board of Campbell Soup Co. and local chairman of the week, also announced the following groups were cooperating in observance of Invest-in-America Week and had in some cases held meetings to plan their participation: newspapers, 30 area insurance companies, the Philadelphia Board of Realtors, banks, savings and loan associations, schools, radio and television stations, the American Association of Industrial Editors, the Restaurant Association of Philadelphia, and the Hotel Association of Philadelphia.

He cited the following other examples of cooperation:

A number of Philadelphia companies have set up window displays or made space available in their windows for posters. The Reading and Pennsylvania Railroads have placed posters on their trains. National Transit-Ads has placed 500 car cards on the PTC and Red Arrow Lines. General Outdoor Advertising Co. has given 13 billboards, and Philadelphia Transportation Co. is using a streamer on more than 1,250 cars.

PHILADELPHIA GROUP STARTED INVEST IN AMERICA

More than 50 cities throughout the Nation today will begin observing Invest-in-America Week, a movement that has grown from a 1-day symposium held in this city in October 1949.

In the summer of 1949, Alexander Biddle, executive vice president of the Philadelphia-Baltimore Stock Exchange, was busy with plans to bring a better understanding of the role of the stock market when he came across an editorial in Investment Dealers' Digest.

TO FOCUS ATTENTION

The editorial was written by Eliot H. Sharp, editor of the magazine. It suggested an Invest-in-America Week to focus attention on just what the economic system, under which we enjoy our high living standards, is all about.

"Such a week," Sharp said, "would be devoted to telling—in advertising, news stories and feature articles in the press, the magazines and over radio and television—just how this country has been built to its present eminence, just how the faith of millions of investors has made possible the Nation's unparalleled industrial plant. It would tell of how America savers also had helped build our municipal plant, of how they have helped finance the Nation itself."

Biddle and a group from the Philadelphia exchange and the Consumer Advisory Council of the Philadelphia Chamber of Commerce, in cooperation with the eastern Pennsylvania group of the Investment Bankers Association of America, in October 1949, organized a 1-day symposium followed by a series of lectures for women on the general theme, invest in America.

COMMITTEE FORMED

In the meantime, the Philadelphia Invest-in-America Committee had sponsored a temporary national committee and the publication of an Invest-in-America primer for groups that wished to observe the week.

Finally, in 1954, the National Invest-in-America Committee was incorporated on a national basis and the first meeting of the incorporators was held here in Philadelphia on April 15, 1954. That year there were 13 cities chartered to observe the week.

CERTAIN TYPES OF SAVING CAN GIVE ECONOMY BOOST

(By Royal H. Plenty)

Should you save your money or spend it? Is this a good time to encourage people to invest in America or should we, as President Eisenhower has suggested, urge them to go out and buy goods?

These are not easy questions to answer. On the threshold of Invest-In-America Week they seem almost heretical. Yet the questions should be answered.

From the standpoint of the individual, I believe it is always to his benefit to save as much as he comfortably can. A home, security, a college education for his children, retirement, a trip to Europe—many of the important material and cultural things of life are awarded almost exclusively to the saver.

Viewed from the standpoint of what is best for the economy, the answers are more difficult.

The reasoning of those who would have you buy now is simple, and clear. If enough of us would go out and buy new cars, for instance, the auto companies would have to step up production. This would mean the men laid off in that industry would be called back to work. They would then be able to start buying again, causing other industries to step up output and more unemployed to be recalled.

But when a farmer buys a tractor, he provides at least as much stimulus to the economy as the man who buys an automobile. The farmer, however, is making an investment. Thus increased investment in tools, machinery and plants would do as much for the economy as increased consumer spending.

The catch is that the average person, unlike the farmer who buys a tractor, cannot invest directly in tools and factories. He must make his investment through a savings

account, his insurance premiums or by buying stocks or bonds.

This means there is more to investing than just saving. It also means the investor has an obligation. He owes it to the Nation to see that his funds are invested in a manner which will be most beneficial to the economy. In other words, he should place his funds in such a way as to stimulate spending.

How can the investor be certain that his funds will be invested in a manner to aid the economy? It is typical of our economic system that the investor can generally do this by seeking to serve his own best interest, by seeking the greatest return on his capital for the amount of risk he wishes to take.

By buying stock in a new firm, for instance, the investor would be creating new jobs as well as a demand for new tools and equipment. Here the profits could be large, but the risk is great.

A more conservative investor might purchase the bonds of a company that is building a new plant. His earnings will be smaller on his investment, but he will have contributed to the building of the new plant. If enough people are willing to buy bonds, they become easier to sell and encourage other firms to issue bonds and undertake new projects.

Finally, you can put your money in an institution which will invest it for you. An insurance company or a bank might invest it in corporate securities, home mortgages, and Government bonds. A savings-loan association will use the funds primarily for home mortgages and Government bonds. If an institution has trouble investing funds profitably, it tends to lower the interest rate it pays you. In that case you serve both yourself and the economy by seeking a better rate elsewhere.

During the depression, one large Philadelphia bank stopped paying interest on savings accounts to discourage depositors. It lost only a small portion of its accounts. Its depositors were savers, but not investors.

This Nation needs savers who are investors. Not only must the old plants and tools be replaced, but new ones must be added to supply the rising population, to produce the new products being developed by our research and to increase productivity. Our standard of living can only continue to rise if some of us are willing to forego the consumption of goods today so that we can produce the machinery and factories needed for tomorrow.

[From the Christian Science Monitor of April 25, 1958]

GERMAN MUTUALS VIE FOR SAVINGS

(By Philip W. Whitcomb)

FRANKFURT.—The stock picture of the good middle class German when he was young used to show him as going on long walks in the woods, with a mouth organ or accordion; taking his refreshments within earshot of a good band as he grew older; and at all ages putting all the money he could get his hands on into a savings bank.

Woods and gardens are outside the scope of the present note, but there is something of interest to say regarding savings. The belief of the small German investor that he must never put his money anywhere except in a savings bank is beginning to crumble slightly. Last year the five German mutual funds, all only recently founded, gathered in a total of $85 million from the little investor, nearly trebling the amount they had received in the previous 12 months.

CREDIT GIVEN

Part of the credit for this daring leap of the small investor into what he had previously regarded as high finance must go to the Federal Government's ruling on April 16, 1957 that mutual fund certificates would not be subject to property tax levies. Partly because this added to their security, but chiefly because it proved that Bonn regarded this type of investment seriously, the new ruling stimulated certificate sales.

The usual advantages of mutual funds had, of course, been offered to the German investors: wide distribution of risk, issuance of certificates in small denominations, and no worry as to which company to select for purchases of common stock—the same freedom from worry which had been the great appeal of the savings banks.

An added attraction, in a country where the investor may find his money being nibbled away by tiny percentage charges of various kinds, was that the German commercial banks undertook to hold the mutual fund certificates on deposit without charging any fee.

BEST ADVERTISEMENT

But the best advertisement received by the mutual funds in 1957 was probably the fact that several of the five paid 8 percent on their certificates. It is true that the average of declared dividends on common stock in Germany in 1957 was 8.95 percent, but this figure, of course, does not take account of the purchase price when above or below par. Further, official statistics show that the average return on all common shares was only 4.8 percent.

German mutual funds have been in existence only four years, their establishment having been brought about by the leading commercial banks partly as an experiment. About 40 percent of public subscriptions go to Concentra Fonds, managed by the Deutscher Investment Trust. The second largest is Investa Fonds, of which the total approaches $20 million. Allgemeine Deutsche Investment has issued about $18 million worth of certificates.

ENTHUSIASTS VIE WITH BRITISH

German enthusiasts for such investments talk of equaling the British rate within from 5 to 10 years. By this they mean that the present German per capita investment in mutual funds of about $1.70 can be made to equal that of Britain, where the per capita rate is $24.

The situation in Switzerland (over $90 per capita) is exceptional, as the true owners of Swiss mutual funds include a large number of persons residing in other countries. The United States per capita mutual fund investment rate, said to be $72, is regarded as completely impossible for Germany where the gap between minimum living costs and average salaries is not a large one.

American investment techniques, however, arouse great interest.

One American company now has opened an office in Germany, offering investment methods which may soon be copied by one or two of the German funds.

Facilities for installment purchase are of course much greater than those offered by the German companies, but the possibility which has most surprised German investors is that subscribers to the American fund may choose their own shares and pay by installments.

The American newcomer at present sells only to non-Germans, but has announced that arrangements will be made later to sell to Europeans.

There is an American angle, too, in a new type of debenture just issued, for a total of $12 million, by Esso AG, which is fully controlled by Standard Oil Company of New Jersey. Another $12 million will be issued later. At 3 percent below par (by the Dresdener Bank, and Brinckmann, Wirtz & Co.) with interest at 7 percent, the issue was a great success. Amortization begins in 5 years, the full maturity period being 15 years.

SECURITY SALES TOTALED

More than $1,300 million worth of securities were sold in Germany in 1957. This was more than in the best previous year since the war, 1955, and a fifth more than in 1956, when there had been a slump in security sales.

It should be noted, however, that 1956 had been better for the sale of common shares, and that the 1957 sales were more than 70 percent in debentures and bonds.

During the first postwar years German industrial companies had paid a very high interest in order to borrow capital. Even at the beginning of 1957 it was necessary to offer 8 percent on debentures. But by September it was possible to float the German Shell issue at par value at 7.5 percent interest. The Esso issue at 7 percent shows that this tendency continues.

NOTICE OF CONSIDERATION OF WIDOWS' PENSION BILL

Mr. JOHNSON of Texas. Mr. President, I should like to give notice that if Calendar No. 1516, H. R. 358, is not passed on the call of the calendar today, I shall call it up by motion following the call of the calendar. It would increase the monthly rate of pensions payable to widows and former widows of deceased veterans of the Civil War, Spanish-American War, Indian War, Mexican War, the Boxer Rebellion, and the Philippine Insurrection; and would also provide pensions to widows of veterans of the Confederate States of America during the Civil War.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that I may speak for 7 or 8 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSON of Texas. Mr. President, I wish to reserve my right to object. I informed the Senator from New York [Mr. JAVITS] that following the calendar call he could make any statement he desired to make, and that we would transact only morning business during the morning hour, with statements limited to 3 minutes. If he has no objection to the Senator from South Carolina proceeding, I have no objection, but I do not wish to break faith with the Senator from New York. I do not wish to ask other Senators to stay here for speeches prior to the call of the calendar.

Mr. JAVITS. I certainly will not object to my dear friend from South Carolina addressing the Senate. I wonder if I may ask unanimous consent that I be recognized immediately following the conclusion of the call of the calendar.

Mr. JOHNSON of Texas. I would have no objection to that. However, I think it would be better procedure for the Senator to file his name at the desk. I would rather that be done.

Mr. JAVITS. I withdraw my request.

LOYALTY DAY—THE COMMUNIST MENACE

Mr. JOHNSTON of South Carolina. Mr. President, Loyalty Day is a good time for us to dwell on things American and to count our blessings.

We can be thankful for our constitutional system of government, thankful for the sacrifices of the patriots who founded the Republic, thankful to all who, down through the decades, labored to keep our democratic institutions sound and intact.

We need to note well that the liberties we enjoy are not guaranteed to us forever but must be sustained by each new generation. This is the trust and responsibility of citizenship: preserving democracy in our land, passing on to those who come after us a government that embodies the hopes and dreams of the Nation's founders.

This, indeed, is the highest duty of citizenship: preserving and protecting our free institutions and the democratic values which have brought America from an infant republic to a great world power.

It is with justifiable pride that we can reflect that American liberties and independence have been a source of inspiration to peoples everywhere. The mantle of leadership has been our rich inheritance just as it is our continuing responsibility. But, as we contemplate our situation in this year of our Lord 1958, we recognize we are confronted with a formidable foe that would destroy all for which we stand.

For an understanding of what is communism we have the precise and complete definition of no less an authority than J. Edgar Hoover, head of the Federal Bureau of Investigation, who in the opening pages of his Masters of Deceit, an able exposé of this menace, states:

> Communism is many things: An economic system, a philosophy, a political creed, a psychological conditioning, an educational indoctrination, a directed way of life. Communists want to control everything: Where you live, where you work, what you are paid, what you think, what streetcars you ride (or whether you walk), how your children are educated, what you may not and must read and write. The most minute details, even the time your alarm clock goes off in the morning or the amount of cream in your coffee, are subjects for state supervision. They want to make a Communist man, a mechanical puppet, whom they can train to do as the party desires. This is the ultimate, and tragic, aim of communism.

After this illuminating definition of communism, Mr. Hoover then continues:

> These statements are confirmed, day after day, by documented reports from areas where Communists have already taken over: Hungary, East Germany, Bulgaria, Poland, Rumania, Czechoslovakia, Red China, and other areas.
>
> When you read such reports, do not think of them as something happening in a far-off land. Remember, always that it could happen here and that there are thousands of people in this country now working in secret to make it happen here.
>
> But also, thank God, there are millions of Americans who oppose them. If we open our eyes, inform ourselves, and work together, we can keep our country free.

Mr. President, this is a vivid and stirring message from the man who has done so much to fight the Communist conspiracy on the home front. We would do well to take his warning to heart.

Vigilance has always been the price of liberty. We must be on guard against this menace which actually seeks the enslavement of the whole world. At the very time America observes Loyalty Day, it is a sad thought that thousands upon thousands of people are prisoners of the Communists in Siberia and elsewhere, and equally depressing is the realization that whole countries have been transformed into slave states through Communist tyranny.

Realism compels the admission that the world today is largely set off into two rival camps, the Free World and the Communist group. The issue is clearly drawn: Freedom against Communist tyranny.

Marx, Engels, and Lenin have stated clearly and emphatically that world conquest is the ultimate goal of communism. Historical pauses, periods in which the Communists consolidate their gains, are so to speak, "par for the course." This is all from the party manual. All of this has been reaffirmed in strong, unmistakable language by Khrushchev and other Kremlin spokesmen in recent days.

Our policymakers will be jeopardizing our national interest if they do not assess Soviet policies for what they are in this pause period—a breathing spell in preparation for new aggressions, whether raw aggression through overt military action or indirect aggression through subversion and infiltration in countries marked for liquidation and absorption into the Communist orbit.

In our time, America cannot be too vigilant to the menance of communism. The Red conspiracy assumes many forms; it is a many-headed monster. Its insidious propaganda seeps in virtually everywhere. The Reds are everlastingly on the job seeking to destroy belief in American principles and institutions.

The disciplined legions of the Kremlin are fanatics in their cause. We must turn them back with equally strong faith in Americanism. Our country was built on freedom and free institutions. Because we had a climate of freedom and championed free enterprise, America has grown from the small beginnings of 13 Colonies to our present status as leader of the Free World. Because of our constitutional government, we have spiritual, moral, and economic strength. We are a Nation of 170 million people, possessing the greatest productive might of any nation in the world, and we enjoy religious, personal, and economic freedom.

A sharp and profound difference between America and the Soviets is that we are dedicated to a belief in the Almighty, entreat the blessings of our Creator, and guarantee to every citizen freedom of worship.

Communism, on the other hand, is based on a denial of God. It is atheistic and materialistic; its teachings deny to man a soul. Consequently it strips him of any dignity or right and feels warranted in any exploitation, no matter how vicious, to further its cause.

Mr. President, I cite these important truths so that we will be ever mindful of the nature of the struggle in which we find ourselves caught on loyalty day, 1958. It is a good time for us as individuals and as a people to rededicate ourselves anew to those tried and proved principles which conceived America and brought her to her present eminence in history.

So I suggest that this is an ideal time for us to pledge again our loyalty to our God, our Nation, our State, our community, our neighbors—the things we hold precious and invaluable beyond price—and to progress the hope that one day the priceless boon of freedom will be granted the enslaved peoples who are presently condemned to the living death of Communist tyranny.

ADDRESS BY PHIL KLUTZNICK BEFORE FEDERATION OF JEWISH SOCIETIES OF OMAHA

Mr. HRUSKA. Mr. President, on Sunday, April 27, the Federation of Jewish Societies of Omaha commemorated the 10th anniversary of the founding of the State of Israel.

It was a notable occasion, attended by approximately 500 people, fully one-third of whom were leading citizens other than members of the Jewish community.

Under the able chairmanship and leadership of David Blacker an outstanding program was presented following the banquet.

Highlighting the evening was an address by Phil Klutznick, of Park Forest, Ill., president of B'nai B'rith, and a former United States alternate delegate to the United Nations.

Mr. Klutznick is one of the creators and builders of Park Forest, Ill., now a community of some 35,000 inhabitants. More recently he has taken the lead in the proposed preplanned community to be built on the site of the Biblical city of Ashdod on the Mediterranean Sea. It is an ambitious plan, embracing not only a second seaport for Israel, but a city which is designed for an ultimate population of from 125,000 to 135,000 inhabitants. It is being planned for the foreseeable needs of the next 25 years in terms of sites and locations for residences, industry, commerce, parks, resort area, utilities of all kinds, markets, transportation, and so on.

I take pride in the fact that Mr. Klutznick and I were classmates at the Creighton University Law School from which both of us were graduated. For years both he and I engaged in the general practice of law in Omaha with our respective law firms.

The substance, the spirit, and the inspiring presentation of his speech made all of his numerous friends in the audience very happy at the proven achievements of Phil Klutznick as a student and advocate of freedom, humanitarianism, and democracy at its best.

Mr. President, I ask unanimous consent that there be printed in the RECORD the text of Mr. Klutznick's address.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY PHILIP M. KLUTZNICK, PRESIDENT, B'NAI B'RITH, ISRAEL 10TH ANNIVERSARY CELEBRATION, OMAHA, NEBR., APRIL 27, 1958

We are here to mark the 10th year of the founding of a democracy. We are here as Americans—some of us Jews, some of other religious persuasions—to recognize and help celebrate the drama and the destiny of the State of Israel, a land 7,000 miles away. Yet, a land very close to us in many ways.

We share an exalted moment consecrated to the triumph of a people's redemption. We do so in a spirit untrammeled by any false dichotomy, and united by a passion for justice and ethics in human behavior.

We are assembled for a special purpose—and yet, perhaps, not as special as ap-

pears at first glance. For the significance of our celebration tonight is more than the birthday of Israel's independence. Its meaning is rooted in the universality of certain historic truths.

One of the great fallacies in a discussion of Israel is to regard her as a case of special pleading. That this concept has gained currency is understandable. Surely the catastrophe which overtook the Jewish community of Europe—the slaughter of 6 million—was a crime almost beyond human comprehension.

The idea that for this reason alone, Israel must be protected and nourished is a self-conscious and defensive attitude, and a conclusion restrictively narrow. The case for Israel is not unique. It cannot be and it must not be separated from the struggle of democratic forces everywhere to make real the freedom which men seek. This is its true place in the perspective of the mid-20th century. It occurs to me that this indivisible fraternity of freedom places in bold relief the very goal which Americans and certainly American Jewry have set for themselves and have pursued these many years. Our deep affection for our own Nation is enhanced by our understanding and devotion to our Jewish heritage—a heritage which holds high the inviolability of man's right to be free, and in that freedom to chart his destiny.

It is in this spirit that we gather to celebrate Israel's 10th birthday. It is good that we do so in Omaha. I have a wanderer's gratitude for the boon of revisiting surroundings and recapturing friendships of my earlier years. There is vivid in my memory the vigorous days of three decades ago when rebirth for Israel was a challenging prospect illuminated only by hope and faith, and when many of us in Omaha labored for its fulfillment. Set athwart the bountiful plains of the Midwest, Omaha stands as product and symbol of a venturesome and explorative America in the early decades of our own nationhood. This is a community rooted in the pioneer's search for the elemental truths of dignity and freedom, and in his love for God's good soil. It is both understandable and wholesome that this tradition of the American Midwest finds its close kinship with the dedicated people of Israel.

Israel is the creature of human tenacity. The agonies and ordeals that have beset her small band of unconquerable people on their march to nationhood have few parallels in contemporary history. Israel was born in strife and bloodshed. Since her momentous independence day, her history has been a story of crisis heaped upon crisis. Her existence has been challenged by armed belligerency, her survival by the crushing vise of economic boycott. The remarkable strength of her human resources has been constantly diverted from the economic and social growth she so desperately needs in order to bolster her security. To add to these oppressive complications, the fate of Israel has been stirred since her birth in a caldron of bubbling international politics. She has indeed tasted the toil and trouble of this bitter brew.

Because of all this there are some who say: What hope for Israel? What chance is there for a people who are often called upon to toil with rifles slung across their shoulders? Whose tiny domain is ringed by enemies sworn to destroy them? What future is there for a speck of a nation forced to spend much more than it earns—a nation sustaining itself by gifts and loans?

These are men of little faith. They confuse the facts when they use slide rules and mathematics to measure human values. In the turbulence of recent years there were moments when, in the quiet of my own reflections, I conjured the vision of an Israel once here, gone again. This is intolerable and unthinkable. It would spread an indelible blot on the Free World and make wretched the honor of our generation. To Jewry throughout the world it would be a horrifying experience which, piled upon the tortures of recent generations, would threaten to destroy the very heart of a people.

I am under no illusions. On her 10th anniversary the path of Israel's future is pitted with troubles. The anxieties of a divided world are visited upon her. But I state this simple conviction: In spite of toil and trouble Israel is here to stay.

She will persist in her imperishable destiny as a lusty, thriving member in the family of free nations. She will persist because free people, as we Americans, cannot tolerate the destruction of a democratic people seeking for themselves what we sought and found for ourselves.

If I speak out of hope and sentiment, and a cherished notion that the Biblical prophecy of my people was fulfilled that glorious day 10 years ago, I am nonetheless supported, not by sentiment, but by history.

A few generations ago another nation was founded as an experiment in democracy. She was born in calumny and disrepute. For years her survival was in doubt. There were critics then, too. They spoke disapprovingly of the fact that she was poverty stricken, supporting herself by loans from foreign nations. They said that this new country—the United States of America—could not endure.

The political parallels between the first decade of our Nation and that of Israel tell me that the doubters who question Israel's future share the same blind spot which distorted the view of their forebears during our Revolutionary era. They fail to grasp the quality of the pioneering spirit which erupts to give birth to a democratic way of life. They do not perceive the quality of Israel's people, whose high spirit of adventure, rooted in concepts of human freedom, are this century's counterpart of the pioneers who pushed the frontiers of our own Nation westward.

There is a parallel of purpose—and of faith, toil and blood—that characterizes Israel's creation and that of our own land. There is, in both human dramas, the similarity of men driven by insecurity and persecution, and yet attracted by the frontiers of a new civilization. In each case men uprooted themselves from all parts of the world to realize an ideal. In each case there were pioneers who conquered and reclaimed God's earth from primeval devastation or human neglect. In each case they liberated themselves by bitter struggle from the shackles of colonialism. In each case they established a government which ruled by the consent of the governed, and they defended it against adversary and peril until it achieved its place of recognition in the international family of nations.

This reality stirs the American mind to our historical traditions. For it seems to me that each succeeding generation of Americans has had its rendezvous with the history that created us. We remember too, that the founders of our Nation might have failed in their creation of the American dream had they been forced to stand alone in defense of their convictions. The sanctified idealism that provoked the rebellious courage of Bunker Hill and Valley Forge might easily have foundered on a sea of unrealized hopes save for the timely aid of warmhearted and freedom-minded friends, most notably the people of France.

This history has been a motivating force for succeeding generations of Americans. Our international relations have been characterized by our desire to help others secure for themselves the blessings of freedom that are now ours. In the Monroe Doctrine, which strengthened the struggle for freedom of Spain's American colonies, in our military campaigns to secure for Cuba her right to be free and independent, in the open door policy to liberate China from economic exploitation, in Woodrow Wilson's 14 points, in our willingness to hasten self-government for the Philippines, in our Marshall plan and in our foreign aid and point 4 programs to bolster the economies of free nations, and latterly, in the Truman and Eisenhower doctrines, in all of these we find the thread of remembrance that has given us our character as a Nation and a people.

This, in my judgment, explains why, against the dictates of military wisdom and in the face of adverse political pressure, our country could not help but be midwife at the birth of the State of Israel.

I venture to guess that a generation from now, an historian, examining the political cross-currents that led to the creation of Israeli statehood and the achievements of her first decade, will conclude that the friendship of the American people was the indispensable and most abundant source of Israel's strength outside her borders. If our historian is perceptive, he will also find the reason why. There is a simple answer—an answer that has been with us longer than our Republic. It is the spirit that was cradled in our formative days of the 1760's and 1770's. It is the credo which, through all these years, has molded our national character. That spirit has so colored American life and American thought that we would have had to turn on our history, and deny our character as a Nation, to have invoked a negative unconcern against another people seeking no more for themselves than the freedom and security we have for ourselves. It could not have been otherwise—and America still be America.

I am somewhat confounded by those who denounce Israel's right to exist by interpreting her statehood as a kind of treacherous achievement of power politics at the expense of other Middle Eastern groups. These critics bring to mind the story of the man who was newly naturalized as an American citizen. When he had completed his oath, the officiating judge asked him: "Have you any comment?"

"Indeed I have, your honor," the new citizen replied. "This is a great country—except there are too many aliens in it."

Is Israel's independence an act alien to modern Middle East history? Did she insert herself as a volatile force in an area of political stability? Her borders embrace 8,045 square miles; her population is nearly 2 million—about one-half have arrived since 1948 as immigrants from Europe and North Africa and as evictees from Arab lands.

Jordan has three-fourths the population of Israel, but she has four times the land area to accommodate them. The Hashemite Kingdom of Jordan became an independent monarchy in 1946—some 2 years before Israel's independence.

Jordan's future may be related to her federation with Iraq. You can fit all of Israel into the land area of Iraq 20 times over. The population ratio, by comparison is 3½ to 1. Iraq was a British mandate until 1932.

Lebanon is half the size of Israel; her population is a half-million smaller. Lebanon was a French mandate carved out of Syria in 1920. This was a case of partition created largely by religious differences. Lebanon became an independent republic in 1944—only 4 years before Israel.

Saudi Arabia has 4 times more inhabitants than Israel—but her land area is 110 times larger. She was founded as a monarchy in—and here we go 'way back—1926.

The United Arab Republic is 10 years younger than Israel. Since her character is still largely undefined, let us consider the statistics of her partner states. Syria is nine times the size of Israel; her population is only twice as large. Syria was set up as a French mandate after World War I—even as

Palestine was ruled by the British. Syria was proclaimed independent in 1943, which made her 5 years older than Israel as a politically independent nation.

Egypt was the oldest in independence among the major Arab nations. Her population is 12 times greater than Israel's, her land area 48 times greater. When Israel was established 10 years ago, Egypt had been a constitutional monarchy 26 years old. When Egypt became a republic—Israel was already 3 years old.

When one speaks of land areas there is always an apologist to say, "But so much of Arab land is desert." No less true of Israel and she seeks and succeeds in its reclamation.

It is not merely Israel who is the Johnny-come-lately, but the whole Middle East is a Johnny-come-lately in terms of political independence. If we are to consider matters realistically, Johnny really hasn't arrived yet. For the Middle East cannot be truly independent as a political force until it establishes itself as an economic force. To quote Dr. Max Lerner: "Independence is liberty—plus groceries."

The misfortune of the past 10 years is that it has produced both a tragedy and a paradox in the Middle East. The tragedy lies in the pattern of intransigent behavior which has made of modern Israel, not the catalyst for a productive, viable Middle East that her capabilities suggest, but the rallying point for a stubborn Arab hostility. This nurtured hostility is so pervading in character that it has sucked dry the high promise of industrialization, increased education and sanitation and similar dimensions of progress for all the peoples of the Middle East. The effect has been to produce a vacuum—which an alert and predatory Soviet Union has tried desperately, and somewhat successfully, to fill.

The paradox is that the free West, and not the least our own Government, on the one hand is aware of Israel's vibrant qualities and, on the other, is not unmindful of Soviet aspirations to thwart them. Yet we too often seem to occupy ourselves with a diplomacy of doubt—inconsistent with our own purposes.

I have had enough of a taste of Government service to recognize the luxury of critical appraisal when it is uncomplicated by any commitments of responsibility. It is much less taxing, believe me, for private citizens such as you and I to define the issues and suggest what should, and shou'd not, be done. The functions of the President and Secretary of State make their roles exceedingly more difficult. We express hope; they must formulate decisions which are necessarily far-reaching in their significance and serve to make history. Sympathetically recognizing this, I am nonetheless persuaded that the decade of turbulent events in the Middle East, and their accumulated indecisiveness, suggest there is still very much need for the free West—and, again, not the least our own Government—to formulate a manageable and marketable diplomacy that will more clearly distinguish friend from assailant, that will help cope with tensions by rooting out their cause, and that will serve best our collective self-interests.

The swift pace of changing events forbids us to be dogmatic about policies; we must be dogmatic about principles. If there is need for fluidity in our negotiations, there is a corresponding need for firmness in our objectives. And finally, there is no intrinsic evil in buying expediency—provided we do not shortchange ourselves out of long-range goals or barter away our former courage by failing for example to affirm for the United States the doctrine of free navigation for the ships of all flags through the Straits of Tiran and the Gulf of Aqaba. There was morality and vigor in Mr. Dulles' action. Our Government sustained the doctrine with resolute firmness. This forthrightness in adherence to honorable international tenet has already demonstrated the effectiveness of living by moral principle.

I would urge that the same quality of initiative and decision be observed by our Government with respect to the pernicious and impudent boycott which the Arab League states have instituted, not against Israel which is reprehensible in itself but against American citizens and business firms—and, in one particularly obscene instance, against American servicemen—on specious religious grounds. Here is an act of intimidation against the people of the United States that would collapse under the weight of its dreary insolence if the Government of the United States, responsive to our national dignity and to the need for protecting the equal rights of all American citizens, would substitute a resolute constancy for capitulation in keeping with the resolution of the United States Senate.

Should we hesitate to speak loudly for American dignity out of fear that Israel, a companion to Western aspirations of peace and of freedom for the world might gain some benefit thereby, to the annoyance of her enemies? Where is the morality in that? Our own history has proved that considerations of morality and ethics are not unwholesome to political behavior. Unfortunately in international diplomacy as elsewhere in life there are slaves to false expediency who act as if the spiritual values must be ignored because they somehow complicate matters. The wonderful thing about morality, as someone has said, is that it is a true thing—as sure as mathematics.

A rather successful diplomat named Disraeli once explained his simple formula for diplomacy. He said, "The secret of success is constancy to purpose." I'm inclined to believe that Israel's ability to survive is a practical expression of this principle. Certainly there has been "constancy to purpose" in Israel's efforts to negotiate a peace settlement with the Arab States. I am encouraged—and not all surprised—by Mr. Ben-Gurion's recent declaration of willingness to journey to Cairo and hash out problems with President Nasser, if such an invitation is made to him in good conscience. Meanwhile, there has also been a "constancy of purpose" in the efforts of Arab leaders to thwart any possibilities of peace negotiations in order to feast on the fruits of appeasement which we, the free West, appear to offer them by our own lack of constancy and the purposelessness it creates.

In view of past performances—the character of their inconsistencies and the conflict in their achievements—the time has come, it seems to me, to shore up our tactics of diplomacy. We cannot deny to ourselves that the State of Israel is a product of our own making, that the legality of her nationhood springs from the resolves of the international community as they were balloted in the General Assembly of the United Nations more than 10 years ago. If we mean it when we say that the survival of Israel is an integral part of American foreign policy, let us back up our words and do openly, and with full heart, those things which will help Israel not only to survive, but to become viable and truly independent.

This does not mean that we should do less for those Arab States which are prepared to accept our concepts of peace, justice and mutual understanding. Nor does this mean that I blindly believe it an easy course to pursue. It does mean that in our diplomacy we should cease trying to be something we are not. America believes in fair play, justice and peace at all times not just when it is convenient.

The Middle East needs Israel. By Middle East standards—in fact, by any standards—Israel is a miracle of industrialization and agrarian ingenuity, of sanitation, of education, of modernization that can match the needs and complexities of the 20th century. Her prospects are for greater growth within her own present borders. Thus, Israel must serve her usefulness to the Middle East as the fulcrum for that tremendous push toward economic expansion that awaits this long-neglected area.

This is not a one-way street. Conversely, Israel needs prosperous neighbors. It is true that Israel is a westernized nation which has cast her lot with the anti-Soviet bloc. But it is basic that she cannot separate herself from her environment, that her own political and economic growth are inextricably bound with the growth of her neighbors.

Must this hope for a productive Middle East be denied because of hostility between Arab and Jew? I honestly think not. Friendship between Arab and Jew is not only desirable; it is both logical and historic. Arab and Jew are Semites, a fact that is of great social and political significance in the Middle East. There is an older and more honorable history of friendship and mutual benefit from collaboration than the contemporary history of dispute and separatism.

If firmer steps are not taken, in and out of the United Nations, to halt the economic boycott and acts of belligerency directed against Israel, and to strengthen the genuine forces of democracy and Western freedom in the Middle East to insulate that vital area from further Soviet trespasses, then the tensions of the past decade will persist—and the dilemma of the Middle East with them.

We have plenty of time to negotiate. But we have no time to try to carry water on both shoulders.

In our first decade as an experiment in democracy the United States was confronted with a vital question. The issue was not what her duty was to the rest of the world but whether the rest of the world would let her live. The same burning question now confronts Israel at the completion of her first decade. It is a challenge to our own Nation which for historic and natural reasons found aid, sympathy and strength among freedom lovers abroad in our own struggle for liberation. Israel asks no more.

Perhaps these have been much too solemn words to usher in a birthday. But we must be realists in this solemn era of history. We celebrate the 10th anniversary of modern Israel with a recognition of the past, its agonies and its glories; with a review of the present, its travails and its challenges; and with high promise for the future, a promise born of hope and conviction that, having survived the intolerable demands of the past, Israel's succeding birthdays will come in brighter days of less tension and turmoil.

Here, in this secure and friendly community of Omaha, a monument to the progress of pioneers, we are inspired to send to our friends of freedom 7,000 miles away a message of solidarity. We utter our belief in the inevitability of a better world imbued with the principles of peace and brotherhood, in which the joys of liberty, tranquility and human dignity will be shared by all.

Blessed was the day 10 years ago.

Blessed be the morrow that it may bring complete fulfillment of the promise of that day.

VICTOR COHN, WINNER OF ALBERT LASKER MEDICAL JOURNALISM AWARD

Mr. THYE. Mr. President, Mr. Victor Cohn, science writer for the Minneapolis Tribune, recently was named a winner of the Albert Lasker Medical Journalism award for outstanding reporting on medical research and public health during 1957. Mr. Cohn earned this distinction for his series of articles on the need for a children's mental illness treatment center in Minnesota.

This award is being presented to Mr. Cohn at a luncheon in New York today. I ask unanimous consent, Mr. President, that a Minneapolis Tribune article announcing this awards luncheon be printed in the RECORD at this point in my remarks, together with telegrams which I have sent to Mr. Cohn and the other Lasker award winners.

There being no objection, the article and telegrams were ordered to be printed in the RECORD, as follows:

[From the Minneapolis Morning Tribune of April 28, 1958]

TRIBUNE'S COHN WINS MEDICAL WRITING AWARD

Victor Cohn, Minneapolis Tribune science writer, Sunday was named winner of an Albert Lasker Medical Journalism award for outstanding reporting on medical research and public health during 1957.

Cohn won for his series on the need for a children's mental illness treatment center in Minnesota, published from January to April 1957 in the Tribune.

Mrs. Franklin D. Roosevelt will present his award at a luncheon Thursday in Ambassador Hotel, New York.

Other winners are Earl Ubell, science editor of the New York Herald Tribune, for his Will You Have a Heart Attack? series, and Lois Mattox Miller and James Monahan, roving and senior editors of the Reader's Digest, for their articles on filter-tip cigarettes.

Cohn and Ubell, cowinners in the newspaper division, will share $2,500. A similar prize will be awarded the magazine winners.

Cohn was cited for "creative and inspiring reporting on the gaps in Minnesota's mental hospital system and how these should be filled * * * and for his accomplished reporting of all facets of the fight against major killing, crippling diseases through the pages of a pre-eminent midwestern newspaper."

A Tribune writer since 1941 (with an interruption for military service), Cohn won the Westinghouse award for distinguished science writing in 1951 and Sigma Delta Chi reporting awards in 1951 and 1955.

He is the author of a book, 1999: Our Hopeful Future.

MAY 1, 1958.

Mrs. MARY LASKER,
Care of Albert & Mary Lasker Foundation Awards Luncheon, Ambassador Hotel, New York, N. Y.:

I extend my greetings and congratulations to you, the Lasker Foundation, and all participants in today's luncheon. Your unselfish gifts of time, money, and effort are widely known and greatly appreciated by all of our citizens who have an interest in medical and scientific research. You are creating a heritage which will be reflected in terms of improved health, curtailment and elimination of disease, and a happier life for all. My kindest regards and best wishes.

EDWARD J. THYE,
United States Senator.

MAY 1, 1958.

VICTOR COHN,
Care of Albert & Mary Lasker Foundation Awards Luncheon, Ambassador Hotel, New York, N. Y.:

Please accept my sincere congratulations on your award from the Lasker Foundation for outstanding reporting on medical research and public health. You have performed a great service to the public and in particular to those of us who are constantly at work in an attempt to conquer disease and affliction in whatever form it may take. My kindest personal regards.

EDWARD J. THYE,
United States Senator.

MAY 1, 1958.

EARL UBELL,
Care of Albert & Mary Lasker Foundation Awards Luncheon, Ambassador Hotel, New York, N. Y.:

Congratulations on your Lasker Foundation award. Your work is much appreciated by those of us who are concerned with disease and affliction and who are making every attempt to improve the health of our citizens. My kindest regards.

EDWARD J. THYE,
United States Senator.

LOIS MATTOX MILLER and JAMES MONAHAN,
Care of Albert & Mary Lasker Foundation Awards Luncheon, Ambassador Hotel, New York, N. Y.:

Please accept my congratulations as recipients of the Lasker Award. Your articles on filter-tip cigarettes are famous and have done much to spur research into the effects of smoking and its relationship to disease. My kindest regards.

EDWARD J. THYE,
United States Senator.

DEATH OF JUDGE EDWARD FOOTE WAITE

Mr. THYE. Mr. President, the people of the State of Minnesota are proud of their State's juvenile court system, which was founded in the early years of this century. The man who devoted his time to the establishment of this system was Judge Edward Foote Waite, whose life work and recent death were the subject of an article and an editorial which recently appeared in the Minneapolis Star. In tribute to the contributions made by Judge Waite to the youth of our State and Nation, I ask unanimous consent, Mr. President, that the article and editorial be printed in the RECORD as part of my remarks.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the Minneapolis Star of April 28, 1958]

RETIRED JUDGE ACTIVE TO END—WAITE, 98, DIES, BUT NOT HIS WORK

(By Al Woodruff)

There was no end of an era with the death of Judge Edward Foote Waite Sunday.

Rather, the Minnesota juvenile court system has been marked permanently and indelibly by the man who founded it nearly a half-century ago.

Death came quietly at 4:30 p. m. Sunday for the 98-year-old judge who had remained active in civic affairs from his retirement in 1941 until shortly before he suffered a stroke March 26.

Even as late as early March he was a familiar figure as he quick-stepped his way around the city hall and courthouse or perched on a stool in the drugstore catercorner from the municipal building to drink coffee and chat with civic leaders.

It was back in 1911 when Judge Waite was first appointed to the district court bench in Hennepin County. He had been a municipal judge since 1904.

Three days of each working week, Judge Waite devoted to juvenile court hearings. In 1921 he began a 10-year stint on the district bench full time. In 1931 he returned full time to the juvenile court bench.

Minneapolis municipal and Hennepin County district judges will be honorary pallbearers at the services, 3 p. m., Wednesday at Plymouth Congregational Church. District court will close for the services.

Burial will be in Lakewood Cemetery. Friends may call at Werness Brothers Chapel after 6 p. m., today. Memorials are preferred to the Elliot Park Neighborhood House and the United Negro College Fund.

Judge Waite's legal career began at night law school at Columbia University (now George Washington University) Washington. He had graduated from Colgate College in 1880 prior to his legal training. While attending school Waite supported his invalid mother.

It was in 1888 that Waite came west to Minneapolis as an investigator for the Federal Pension Office dealing with claims for Civil War pensions. He was, successively, Minneapolis chief of police, municipal and district judge and Assistant United States District Attorney.

Judge Waite's juvenile court philosophy is still in force today. As he put it, "It is not merely a judicial machine, but a peculiar institution which must have a great deal of public confidence, since most of its work must be done in quiet."

But Judge Waite, likewise, was no wrist-slapper. When the need for severity was apparent, he acted promptly and decisively.

His work was not limited to the bench. A prolific writer, he rewrote the Minneapolis Children's Code and developed a model law on juvenile court that has been adopted in many States.

Since his retirement, Judge Waite had devoted much time to the question of racial relations and prejudices. He summed up much of his attitude with the statement that the fundamental crying need is for people to put out of their minds prejudices growing out of such accidents as race, religion and creed.

His civic activities and community group memberships were nearly as long as his legal career. He had served as president of the Working Boys Band, as a member of the executive committee of the National Conference of Charities and Corrections, the Elliot Park Neighborhood House board of directors, and was past president of the Minnesota Conference on Social Work.

He was a member of Khurhum Lodge, No. 112, A. F. & A. M., and Scottish Rite.

He had worked actively for the Campfire Girls, Big Sisters, the Urban League, National Conference of Christians and Jews and the local State and national bar associations, and the Community Chest.

Waite Park Elementary school is named for him.

His religious work likewise was as arduous as his judicial career. He attended Plymouth Congregational church for 69 years and had held nearly every major position of responsibility in the congregation.

He is survived by a niece, Maria Montana, singer and music teacher with whom he shared his home at 2009 Queen Avenue S., another niece, Mrs. Grace Wynn, Oakland, Calif., and two nephews, W. J. B. Waite of Oakland, and J. K. Waite, Seattle, Wash.

Mrs. Waite died in 1935. They had one son who died at an early age.

[From the Minneapolis Morning Tribune of April 29, 1958]

JUDGE EDWARD F. WAITE

In his later years, Judge Edward F. Waite sometimes offered a wry explanation of the deep regard in which the public held him. "If you stay around long enough," he would say, "people begin to think you are important."

But Judge Waite was much too modest to perceive that people respected him, and loved him, because of his qualities of greatness. When he died Sunday at the age of 98, it was not his advanced years that marked him as a distinguished citizen; it was the distinguished public service with which he filled those years.

Perhaps he will be best remembered for his pioneering contributions to the juvenile court system in Minnesota. Because of his

work in this field, he became known throughout the Nation. But in the Minneapolis community we shall remember him, too, as a staunch and courageous champion of human rights. To this role he brought much more than a keen legal mind; beyond that there was a profound concern for human values.

Judge Waite could not tolerate injustice; a denial of civil rights aroused his fighting instincts; the problems of minority groups he made his own. Thus he imparted strength and steadiness to the mayor's council on human relations in its early years. His opinions on all matters relating to civil rights were eagerly sought. The chain of events initiated by the United States Supreme Court's school segregation decision in 1954 fascinated him. Well along in the nineties at the time of that decision, he found it a fresh challenge to his incredibly active mind.

Judge Waite's modesty was real, not feigned. Of the many tributes paid him, he once remarked: "They won't hurt me if I don't inhale them." He was not one to be pampered or to ask for special consideration. Even after he had passed 90, he would rather walk a dozen blocks than "impose" upon a friend for a ride. He deferred graciously to others, but he asked no deference for himself.

The spirit of independence was deeply ingrained in him. His almost puckish sense of humor was revealed often. Reversing the usual procedure, for years he made it a practice to send out cards to close friends on his own birthday. In these cards he testified to the satisfaction that came with long life and staunch friendships. And with lighthearted verses, he ticked off the passing years.

Judge Waite's life was as useful as it was long. Within him there was a spark of kindly concern for his fellow man which burned until the very end. Few Minnesotans have played as well as he the role of distinguished citizen, few have earned as much genuine affection. Countless Minnesotans will think of him often with tenderness and admiration. He will be greatly missed.

THE PROBLEM OF THE "FLY-OVER"

Mr. SYMINGTON. Mr. President, whatever else may be said about the world at this time, we are living in the air age.

Growing congestion in the lower atmosphere may be one of the factors causing more and more people to think in terms of outer space.

Regardless of developments incident to the latter, there is no question of the increasing problems and importance of safety precautions and controls in connection with the flights of both commercial and military aircraft.

With characteristic clarity, the junior Senator from Minnesota [Mr. HUMPHREY] has written an article entitled "The Problem of the 'Fly-Over.'" It appears in the May issue of the magazine Flying.

Mr. President, I ask unanimous consent to have the article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PROBLEM OF THE FLY-OVER

(By Hon. HUBERT H. HUMPHREY, United States Senator from Minnesota)

On the morning of Memorial Day, last year, thousands of our Minneapolis citizens watched from Sunset Memorial Park Cemetery as four jets in perfect formation roared overhead in a salute to our war dead. The crowd thrilled to the skill of the pilots and the beauty of the sleek planes flashing by.

Then, seconds later—disaster, as the formation began to roll to the left. A valiant pilot died, 9 civilians were injured, 4 homes set aflame, and 2 of the jet planes were destroyed. An enemy bomb might not have wrought so much havoc, unless it were atomic.

The long-distance phone lines from Minneapolis to my office were busy the rest of that day and on subsequent days. I took what action was possible—called upon the Defense Department to forbid low level flights over congested areas; did my best to comfort and aid my constituents in their fear and distress, and resolved to seek, as one individual might, some effective answer to prevention of repetition of such tragedies.

The problem, as I have since pondered it and sought related opinion of those who have more expert aviation knowledge than myself, appears to be amenable to solution, provided public understanding can be achieved.

The first step is to explain to all well-meaning and patriotic organizations and individuals that requests to the military for fly-by's at public events well may set the stage for trouble. Inevitably the request calls for flight over some spot where people are congregated and at an altitude which provides a closeup demonstration of the performance of air crews and planes. Such requests are perfectly understandable and almost always motivated by the highest patriotic and civic spirit. But I do not believe they would be made so frequently, if the makers understood all that might be involved.

In discussing the whole subject with pilots, I find the following to be the case. If the military unit commander refuses outright to order a formation to participate in a local civic or national patriotic celebration, he is on the spot from a public relations standpoint. This is a very real problem for him and his outfit, since he is charged with responsibility for making his personnel a welcome and cooperating element of the community. He cannot explain to an entire populace, with any hope of conviction, that even the greatest of precautions may prove unavailing if his jets are at an altitude or in alinement which tolerates no hope of escape from disaster, should some mechanical failure or human error ensue. Numerous pilots placed in such untoward situations have sacrificed themselves in attempting to spare people on the ground but a proud airman cannot cite his own danger as an excuse for not flying in celebrations or over congested areas at low level. So a commander well may be in a dilemma when a request for a fly-by hits his desk—especially since he usually is in complete sympathy with the people and the motives behind the request.

As far as the air crews who do the flying are concerned—they undertake any mission upon which they are ordered; and maneuver as instructed. Theirs not to reason why. Theirs only to put on a demonstration which most adequately illustrates the capability of the planes and themselves.

From a public viewpoint, it is certainly praiseworthy to seek knowledge and understanding of the nature and significance of airpower. Nor is this easy of achievement. Demonstrations have played a great part in the educational process. I think it would be merely an easy but certainly an unconscionable way out to ban all demonstrations. Not only our national security but our trade and commerce is largely committed to the air age. It is not a thing to be avoided. We can't move away from the air age. We have to learn to control it and live with its problems as well as utilize its advantages. I have noted example after example where communities originally located airports far from their boundaries with the idea of avoiding noise or overhead traffic—and immediately expanded toward the airport as if drawn by some irresistible magnet. Whether in individual living or in national affairs, we can run only so far from our problems and then we must turn and face them. In the matter of aerial demonstrations, I suggest we turn and face the problem now, before our hands are forced by further tragedies.

First, let us do all in our power to expand public understanding of the proportions of the problems involved in requests for military air demonstration, either local or national.

Second, let the military take utmost precautions to confine demonstrations to areas where traffic both aloft and on the surface can be assuredly controlled.

These two general principles involve many details as to acceptable altitudes, precision flight experience of participants, location of watching audiences in relation to the flight track of demonstrating aircraft, and kindred considerations. My studies of the subject lead me to believe that, if it is given the expert attention it deserves in the Defense Department and the understanding it requires from a public standpoint, the possibility of tragedy can be eliminated and the educational value preserved and enhanced.

Every accident suffered leaves a trail of personal anguish, above and beyond the actual loss of life itself, and, in the last analysis, is a loss to all the people and to the land itself.

As is natural, we who hold political position are frequently asked to use our good offices in support of requests for aerial demonstrations. Usually we, like the unit air commander, are in hearty sympathy with the motives behind the requests; and certainly we want to serve our constituents to the best of our ability. After all, they elect us and won't continue to do so if we do not serve them. But I doubt that they would want us to serve blindly or aid in laying the groundwork of tragedy in our own home communities. So perhaps we too, like the defense officials and the organizations which request aerial demonstrations, must consider more carefully all consequences before we place the weight of our offices behind such projects.

And thus, in the cooperation and thoughtfulness of all hands, we shall find the right answer to this problem of the when, where, and how of the aerial demonstration.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, now that morning business has been concluded, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PAYNE in the chair). Without objection, it is so ordered.

Under the order previously entered, the Senate will now proceed to the call of the bills and other measures on the calendar to which there is no objection, beginning with Calendar No. 1431—Senate bill 666—which will be stated.

BILL PASSED OVER

The bill (S. 666) to remove wheat for seeding purposes which has been treated with poisonous substances from the "unfit for human consumption" category for the purposes of section 22 of the Agricultural Adjustment Act of 1933, was announced as first in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. TALMADGE. Mr. President, I ask that the bill go over as not being proper calendar business.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

ALY WASSIL

The bill (S. 1507) for the relief of Aly Wassil was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Aly Wassil shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

SABINA SKALAR

The bill (S. 2564) for the relief of Sabina Skalar was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Sabina Skalar shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon the payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the appropriate number from the appropriate quota for the first year that such quota is available.

NICHOLAS CHRISTOS SOULIS

The bill (S. 2638) for the relief of Nicholas Christos Soulis was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Nicholas Christos Soulis shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

LETTERIA MORGANTI

The bill (S. 2794) for the relief of Letteria Morganti was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Letteria Morganti, the fiance of John Charles Morganti, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months, if the administrative authorities find (1) that the said Letteria Morganti is coming to the United States with a bona fide intention of being married to the said John Charles Morganti and (2) that she is otherwise admissible under the Immigration and Nationality Act. In the event the marriage between the above-named persons does not occur within 3 months after the entry of the said Letteria Morganti, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Letteria Morganti, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Letteria Morganti as of the date of the payment by her of the required visa fee.

KARL WEINHEIMER

The bill (S. 2841) for the relief of Karl Weinheimer was considered ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Karl Weinheimer may be issued a visa and be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act.

JEAN KOUYOUMDJIAN

The Senate proceeded to consider the bill (S. 2665) for the relief of Jean Kouyoumdjian, which had been reported from the Committee on the Judiciary with amendments, in line 3, after the word "of", to strike out "paragraphs (9) and" and insert "paragraph"; and in line 5, after the word "be", to insert "issued a visa and be"; so as to make the bill read:

Be it enacted, etc., That notwithstanding the provisions of paragraph (19) of section 212 (a) of the Immigration and Nationality Act, Jean Kouyoumdjian may be issued a visa and be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such act. This act shall apply only to grounds for exclusion under such paragraphs known to the Secretary of State or the Attorney General prior to the date of the enactment of this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WILLIAM F. PELTIER

The bill (S. 2146) for the relief of William F. Peltier was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purposes of the act of October 20, 1951 (65 Stat. 574), authorizing payments to certain disabled veterans for the purchase of automobiles, William F. Peltier, a totally disabled veteran of World War II who lost a hand as the result of a service-incurred injury, shall be deemed to have filed his application for the benefits of such act prior to October 20, 1956.

HENRYK BIGAJER AND MARIA BIGAJER

The bill (H. R. 7057) for the relief of Henryk Bigajer and Maria Bigajer was considered, ordered to a third reading, read the third time, and passed.

HARRY J. MADENBERG

The bill (H. R. 7508) for the relief of Harry J. Madenberg was considered, ordered to a third reading, read the third time, and passed.

ARTHUR LEROY BROWN

The Senate proceeded to consider the bill (S. 165) for the relief of Arthur LeRoy Brown, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 6, after the word "of", where it appears the first time, to strike out "$10,000" and insert "$5,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Arthur LeRoy Brown of Purvis, Miss., the sum of $5,000. The payment of such sum shall be in full satisfaction of his claim against the United States (1) for compensation for personal injuries and property damage sustained by him, and (2) for reimbursement of hospital, medical, and other expenses incurred by him, as a result of an accident which occurred near Camp Shelby, Miss., on February 26, 1942, between a United States Army vehicle and a vehicle owned and operated by the said Arthur LeRoy Brown: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PAUL THURY

The Senate proceeded to consider the bill (S. 400) for the relief of Paul Thury, which had been reported from the Committee on the Judiciary with an amendment on page 2, line 3, after the word "Act", to strike out "in excess of 10 per centum thereof", so as to make the bill read:

Be it enacted etc., That the Secretary of the Treasury is authorized and directed to

pay, out of any money in the Treasury not otherwise appropriated, to Paul Thury, of Parkston, S. Dak., the sum of $200. The payment of such sum shall be in full satisfaction of his claim against the United States for compensation for losses sustained by him on his corn crop for 1955, such loss having resulted from an error, by a representative of the Department of Agriculture, in the measurement of the corn acreage which was allotted the said Paul Thury pursuant to the provisions of the Agricultural Adjustment Act of 1938, as amended: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 2617) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended, was announced as next in order.

Mr. TALMADGE. By request, I ask that the bill go over.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

The bill (H. R. 4640) to amend the Civil Service Retirement Act with respect to payments from voluntary contributions accounts, was announced as next in order.

Mr. TALMADGE. Mr. President, over, as not proper calendar business.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3195) to authorize certain retired personnel of the United States Government to accept and wear decorations, presents, and other things tendered them by certain foreign governments, was announced as next in order.

Mr. CLARK. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

TAN TAT GEEN—CONCURRENT RESOLUTION RECOMMITTED

The concurrent resolution (S. Con. Res. 84) withdrawing suspension of deportation in the case of Tan Tat Geen was announced as next in order.

Mr. HRUSKA. Over, Mr. President.

Mr. CLARK. Mr. President, on April 21, 1958, Senate Concurrent Resolution 84 was reported favorably by the Committee on the Judiciary and was placed on the Senate Calendar. Subsequent to that action the Immigration and Naturalization Service addressed a letter to the Vice President asking that the recision of the deportation previously ordered in a previous case be withdrawn.

I ask unanimous consent that Senate Concurrent Resolution 84 be recommitted to the Committee on the Judiciary.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

RELIEF OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 83) for the relief of certain aliens was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation pursuant to the provisions of section 244 (a) (5) of the Immigration and Nationality Act (66 Stat. 214; 8 U. S. C. 1254 (c)):

A-10150440, Herrmann, William Ernst.
A-1607807, Latva, Karl Assari.
A-2752014, Nagae, Toshiyoshi.
A-2183058, Ritchie, Anna.
A-2429881, Rotzer, John.
A-2476554, Akelaitis, Anthony Peter.
A-5591361, Brisbeno-Cerano, Pablo.
A-2154168, Gerard, Thursa Bashey.
A-4296775, Philippou, Michael.
A-5077628, Abrams, William.
A-1884341, Billeck, Mike.
A-1223150, Franzone, Peter.
A-8765622, Ramos-Alonzo, Valentin.
A-4753944, Souza, Manuel Francis.
A-1024497, Strk, Ilija.
A-4317593, Vir, David.
A-8844394, Waulke, Samuel S.
A-5940048, Wienski (Wiensky), Nicholas.
A-5858232, Contreras-Munoz, Jose.
A-5969807, Cehringer, Henry Charles.
A-5472840, Derymonjian, Oskan.
A-4285329, Heeney, William Michael Francis.
A-4765082, Liedo, Jaime Cano.
A-5987889, Pietzak, Joseph Adam.
A-5093624, Anthonis, Frank.
A-3090457, Butler, Anna Lucretia.
A-4335159, Gugenhan, Frederick.
A-4011582, Luper, Max.
A-3007376, Orosco, Nabor.
A-1199762, Thompson, Arthur Fisher.
A-4792609, Tima, Emery James.
A-5418531, Kuch, Bronislaw.
A-2746556, Nunez-Arreguin, Francisco.
A-4539823, Sailer, Johann N.
A-1852300, Valdastri, Joseph.
A-10139136, Weiner, Benjamin.
A-2807195, Burnett, John Lionel.
A-1229447, Echevarria, Felipe.
A-5048277, Geller, Samuel.
A-5052632, Israel (Izrael), Joseph.
A-5511254, Soliano (Saliano), Salvatore.
A-5592838, Sonneborn, Herbert Joseph.
A-1895860, Tellez-Lara, Salvador.
A-5967610, Toy, Nee.
A-4656191, Wantroba (Watroba), Thomas.
A-4717588, Zukowski, Antonina.
A-4282074, Krawczuk, Peter.
A-2471862, Miszer, Ignatz.
A-8925175, Rich, Martha Lucille.
A-4926883, Leonelli, Eldo.
A-10255683, Ross, Maurice.
A-1899483, Bravo, Lucio.
A-3073370, Consiglio, Anthony.
A-4495275, Evans, Julia.
A-6151475, Lowenthal, Philip Herman.
A-2053517, Aalto, George.
A-8890731, Constante-Fregoso, Rogilio.
A-10458255, Espinosa-Delgado, Miguel.
A-3818164, Jugloff, Theodore Louis.
A-1453355, Naftaniel, Nick.
A-10155976, Sederes, James George.
A-3339304, Brini, Pasquale Luigi.
A-2129962, Flores, Lino B.
A-2157328, Suarez, Ysidro, Jr.
A-4760319, Ho, Chu Hum.
A-6038920, Liedtke, Fred.
A-2481240, Puretz, Leo.
A-3411085, Tornello, Michael.
A-6487465, Valenti, Rocco.

WAIVER OF CERTAIN PROVISIONS OF THE IMMIGRATION AND NATIONALITY ACT

The joint resolution (H. J. Res. 528) to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens was considered, ordered to a third reading, read the third time, and passed.

EERO JUNO VALKONEN

The bill (S. 292) for the relief of Eero Juno Valkonen was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Eero Juno Valkonen shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

CAROLINA M. GOMES

The bill (S. 1782) for the relief of Carolina M. Gomes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Carolina M. Gomes, who lost United States citizenship under the provisions of section 404 (b) of the Nationality Act of 1940, may be naturalized by taking, prior to 1 year after the date of the enactment of this act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, an oath as prescribed by section 337 of such act. From and after naturalization under this act, the said Carolina M. Gomes shall have the same citizenship status as that which existed immediately prior to its loss.

PEDER STRAND

The bill (S. 1975) for the relief of Peder Strand was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Peder Strand shall be held to meet the requirements for physical presence set forth in section 316 (a) (1) of that act and may be permitted to file his petition for naturalization in accordance with the requirements of section 334 of that act: *Provided*, That such petition is filed not later than 1 year following the date of the enactment of this act.

MRS. HILDEGARD PORKERT

The bill (S. 2497) for the relief of Mrs. Hildegard Porkert was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Mrs. Hildegard Porkert shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

LEOBARDO CASTANEDA VARGAS

The bill (S. 2997) for the relief of Leobardo Castaneda Vargas was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Leobardo Castaneda Vargas. From and after the date of enactment of this act, the said Leobardo Castaneda Vargas shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have issued.

APOLONIA QUILES QUETGLAS

The bill (H. R. 2935) for the relief of Apolonia Quiles Quetglas was considered, ordered to a third reading, read the third time, and passed.

MARIA DITTENBERGER

The bill (H. R. 8239) for the relief of Maria Dittenberger was considered, ordered to a third reading, read the third time, and passed.

MICHAEL ROMANOFF

The bill (H. R. 8348) for the relief of Michael Romanoff was considered, ordered to a third reading, read the third time, and passed.

FRED G. CLARK

The Senate proceeded to consider the bill (S. 1248) for the relief of Fred G. Clark, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 6, after the year "1948", to strike out "upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available" and insert "and to have met the physical presence and continuous residence requirements of section 316 of that act, notwithstanding his temporary periods of absence from the United States in the employment of the United States Armed Forces: *Provided*, That he file a petition for naturalization not later than 1 year following the date of the enactment of this act," so as to make the bill read:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Fred G. Clark shall be held and considered to have been lawfully admitted to the United States for permanent residence as of August 10, 1948, and to have met the physical presence and continuous residence requirements of section 316 of that act, notwithstanding his temporary periods of absence from the United States in the employment of the United States Armed Forces: *Provided*, That he file a petition for naturalization not later than 1 year following the date of the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOSEPH H. CHOY

The Senate proceeded to consider the bill (S. 2940) for the relief of Joseph H. Choy, which had been reported from the Committee on the Judiciary with an amendment, in line 6, after the word "April", to strike out "10" and insert "5"; so as to make the bill read:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Joseph H. Choy shall be held and considered to have been lawfully admitted to the United States for permanent residence as of April 5, 1941, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

KATINA LECKAS AND ARGERY LECKAS

The Senate proceeded to consider the bill (S. 3007) for the relief of Katina Leckas and Argery Leckas, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 1, after the words "United States", to insert a colon and "*Provided*, That no natural parent, by virtue of such parentage, shall be accorded any right, status, or privilege under the Immigration and Nationality Act.", so as to make the bill read:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Katina Leckas shall be held and considered to be the natural-born minor alien child of John Leckas, a citizen of the United States.

SEC. 2. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Argery Leckas, shall be held and considered to be the natural-born alien child of John Lekas a citizen of the United States: *Provided*, That no natural parent, by virtue of such parentage, shall be accorded any right, status, or privilege under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

The Senate proceeded to consider the joint resolution (H. J. Res. 527) to facilitate the admission into the United States of certain aliens, which had been reported from the Committee on the Judiciary, with amendments, on page 1, after the enacting clause, to strike out "That, for the purposes of sections 203 (a) (3) and 205 of the Immigration and Nationality Act, the minor child, Chan Yak Shing, shall be held and considered to be the natural-born alien child of Peter Chin, also known as Chan Jung Dot, a lawfully resident alien of the United States"; at the beginning of line 8, to strike out "Sec. 2. For" and insert "That, for"; on page 2, at the beginning of line 3, to change the section number from "3" to "2"; at the beginning of line 8, to change the section number from "4" to "3"; at the beginning of line 13, to change the section number from "5" to "4"; after line 17, to strike out:

SEC. 6. For the purposes of sections 101 (a) 27 (A) and 205 of the Immigration and Nationality Act, Kim shun Fong shall be held and considered to be the natural-born alien minor child of Thomas L. Fong, a citizen of the United States.

And, on page 3, at the beginning of line 1, to change the section number from "7" to "5".

The amendments were agreed to.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time, and passed.

RELIEF OF CERTAIN ALIENS

The Senate proceeded to consider the bill (S. 952) for the relief of certain aliens, which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 6, after the name "Lazaris", to insert "and", and in the same line, after the name "Kiritsiz", to strike out "and Harilaos F. Ikonomou", so as to make the bill read:

Be it enacted etc., That, for the purposes of the Immigration and Nationality Act, Konstantin M. Moutsos (also known as Milton K. Moutsos), Vasilios Jetos, Loucas Zuppas, George Nerantzis, Dimitrios Lazaris, and Kimon Kiritsiz shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LASZLO KALMAR

The Senate proceeded to consider the bill (S. 2340) for the relief of Laszlo Kalmar, which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 6, after the word "Act", to insert "be issued a visa and", and, at the beginning of line 10, to insert "Public Health Service, Department of Health, Education, and Welfare", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of paragraph (6) of section 212 (a) of the Immigration and Nationality Act, Laszlo Kalmar may, if he is found to be otherwise admissible under the provisions of such act, be issued a visa and be admitted to the United States for permanent residence, under such conditions and controls as the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, deems necessary to impose. A suitable or proper bond or undertaking, approved by the Attorney

General, shall be given by or on behalf of the said Laszlo Kalmar in the same manner and subject to the same conditions as bonds or undertakings given under section 213 of such act. This act shall apply only to grounds for exclusion under paragraph (6) of section 212 (a) of such act known to the Secretary of State or the Attorney General prior to the date of the enactment of this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PETER LISZCZYNSKI

The Senate proceeded to consider the bill (S. 2950) for the relief of Peter Liszczynski, which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 3, after the word "the", to strike out "provision of section" and insert "provisions of sections"; in line 4, after the numeral "(1)", to insert "and 212 (a) (7)"; at the beginning of line 11, to strike out "this exemption" and insert "these exemptions", and, in the same line, after the word "to", to strike out "a ground" and insert "grounds"; so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of sections 212 (a) (1) and 212 (a) (7) of the Immigration and Nationality Act, Peter Liszczynski, may be issued a visa and admitted to the United States if he is found to be otherwise admissible under the provisions of that act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of said act: *Provided further*, That these exemptions shall apply only to grounds for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HERTA WILMERSDOERFER

The Senate proceeded to consider the bill (S. 3019) for the relief of Herta Wilmersdoerfer, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 8, after the word "Act", to insert a colon and "*Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act:", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of paragraphs (1) and (4) of section 212 (a) of the Immigration and Nationality Act, Herta Wilmersdoerfer may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act: *Provided further*, That this act shall apply only to grounds for exclusion under such paragraphs known to the Secretary of State or the Attorney General prior to the date of the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2861) to extend for an additional 4-year period the provisions of the National Wool Act of 1954, was announced as next in order.

Mr. CLARK. Over.

The PRESIDING OFFICER. The bill will be passed over.

FREE IMPORTATION OF CERTAIN ARTICLES FROM FOREIGN COUNTRIES

The bill (H. R. 9655) to permit articles imported from foreign countries for the purpose of exhibition at the Oregon State Centennial Exposition and International Trade Fair to be held at Portland, Oreg., to be admitted without payment of tariff and for other purposes was considered, ordered to a third reading, read the third time, and passed.

Mr. MORSE. Mr. President, the bill (H. R. 9655) which has just passed the Senate, was introduced on the House side by Oregon's very capable and effective Congresswoman, EDITH GREEN. As soon as this bill becomes law, it will be of tremendous help to the State of Oregon in connection with the Oregon State Centennial Exposition and International Trade Fair to be held in Portland in 1959.

This bill will permit exhibit articles imported from foreign countries to be admitted without the payment of tariff. I congratulate Congresswoman GREEN and express appreciation to the members of the Senate Finance Committee for the speed with which this bill was handled.

While I am on the subject, I wish to take this opportunity to applaud the efforts of Governor Robert Holmes, the officials of the Oregon State Centennial Exposition and Trade Fair, and the people of Oregon for their endeavors to bring to the exposition the products and tangible evidence of achievements of people from all parts of the world and from all areas of our Nation. This exchange of knowledge will cover a great many areas of human endeavor and is bound to bring lasting benefits to the State of Oregon and our Nation.

In these times of crisis and seemingly all-pervading atmosphere of distrust, perhaps the people of Oregon can in some measure open the door to mutual trust among people throughout the world. Perhaps that mutual understanding and confidence which, apparently, cannot be established through diplomatic channels, can be accomplished through the atmosphere of common understanding that will be created as a result of the Oregon Exposition.

The action of the Senate Finance Committee and of the United States Senate on H. R. 9655 will contribute much to the success of the Oregon Centennial Exposition and International Trade Fair.

BILLS PASSED OVER

The bill (S. 1356) to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes, was announced as next in order.

Mr. TALMADGE. Over, as not proper calendar business.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3632) to amend Public Law 85–162 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes, was announced as next in order.

Mr. CLARK. Over.

The PRESIDING OFFICER. The bill will be passed over.

ACCEPTANCE OF STATUE OF CHARLES MARION RUSSELL TO BE PLACED IN STATUARY HALL

The Senate proceeded to consider the concurrent resolution (S. Con. Res. 80) accepting the statue of Charles Marion Russell, presented by the State of Montana, to be placed in Statuary Hall.

Mr. MURRAY. Mr. President, in connection with the Charles M. Russell resolution which is now being considered, I am happy to state that in October the State of Montana will be represented in Statuary Hall by a statue of Charles M. Russell, Montana's great cowboy artist. Also during October a fine collection of Charlie Russell's original paintings and illustrations will be displayed in the National Museum of Fine Arts.

I am pleased to note a growing appreciation for Charlie Russell as a man and as an artist, who accurately pictured an exciting era in American history.

The current issue of True magazine carries an excellent article about him, along with reproductions of some of his pictures. I should like to point out that in addition to the wonderful museum of Russell art in Helena, referred to in the article, there is also a museum in Great Falls with a fine collection of his work.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the article from True magazine, by Huntington Smith, entitled "Oilpaint and Warpaint."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OILPAINT AND WARPAINT

(By Huntington Smith)

Long after Charlie Russell achieved fame as one of the greatest painters of the Old West, he still wrote letters to friends he had known while riding the range. In one of these letters he said: "If the buffalo would come back tomorrow, I wouldn't be slow shedding to a breech clout, and it's a cinch you wouldn't get homesick in a skin lodge."

Russell's West had long since vanished when he wrote those lines, but he lived in it still. In 1880, just before his 16th birthday, he left a comfortable home in St. Louis headed for Montana. He never returned except as a visitor. He painted the West from the inside, and he loved everything he painted.

On the roundups he carried a box of water colors in his bedroll. He sketched and painted on box lids, tobacco tins, blue-lined tablet paper and anything else that came to

hand. He gave his pictures away or traded them for drinks. Today a Russell painting brings as much as $20,000. He always kept a ball of beeswax in his pocket, out of which he modeled enchantingly life-like little figures of horsemen and animals, then crushed them back into the ball again so he could make another. He never gave a hoot for money or success.

Despite the reckless scattering of his early work there are some 2,500 of his paintings in existence, plus 70 bronze subjects, any number of pen-and-ink drawings, letters, and a few small precious clay figures which survived his prodigal unconcern. Two museums, in Helena, Mont., and in Claremont, Okla., now hold many of his best works and a third large collection is owned by the Carter foundation in Fort Worth, Tex.

In 1864, when Russell was born, St. Louis was still haunted by memories of the fur trade. Plainsmen in buckskin still got drunk in the bars; soldiers were coming and going to the Indian wars; great steamboats tied up at its docks and it was the greatest mule market in the world. Charlie had a healthy taste for so-called low company, and he hung around the waterfront and the mule barns, drawing everything he saw. His father tried to interest him in the family business of brick manufacturing, but it was no use; the boy was hell-bent to go west.

His parents were kindly people who were at wits end over the behavior of their son. He hated school and wouldn't study. He played hookey and ran away from home. He was sent to a military school in New Jersey, where he did little except march off demerits. Back home next year, aged 14, he was entered in an art class in hopes that would keep him happy, but he walked out after 3 days because the instructor, dissatisfied with his drawing of a plaster foot, hadn't yet told him what was wrong with it.

"Besides, I wanted to draw something alive," Charlie said. That class was almost the sum total of his formal art schooling.

Once he saved up $64 out of his allowance and odd-job money, hoping to accumulate enough for a start west. But his mother found the cache in a bureau drawer and put it in the bank for him. This dirty trick was the last straw. There were more storms and scenes, until the exhausted elder Russells gave in. They arranged for him to make a trip to Montana with a friend of his father's.

Montana was on the upbeat in 1880. The cowmen had run the Indians off; the nesters hadn't yet run the cowmen off; there was a stage station called Ubet, and another town called Beef Straight. Creeks were named Dead Man and Whoop-up—and lived up to their names. But Charlie managed to gain a reputation for being ornery even in this wide, free and uproarious land. His father's friend was a sheepman. Promptly manifesting the instincts of a true cowboy, Charlie hated sheep and let most of them get away.

Before long, he struck out on his own with two old work horses—riding one and packing his bed on the other. He found haven in the mountain cabin of Jake Hoover, whose deep outdoor knowledge and sensitive understanding were just what the rebellious boy needed. Hunting and riding traplines with Jake, he learned enough about the anatomy and habits of wild creatures to last him a lifetime of painting.

"Jake was a skin hunter but he wasn't wasteful; he sold all the meat he couldn't use to ranchers," said Russell, who never could bear squandering the lives of animals.

In the spring of 1881, the foreman of the Judith roundup needed a night horse wrangler, and "Kid" Russell was hired to nighthawk the cavvy of 400 horses needed to mount 75 hard-riding men. One of the cowmen with the roundup asked about the new hand and was told it was that kid who drew pictures so real.

"Well, if it's that Buckskin Kid I'm betting we'll be afoot in the morning," grumbled the cowman. But they weren't afoot, and Russell rode for the outfit for 11 years.

Though celebrated as the cowboy artist, Russell himself never claimed to be either an artist or a cowboy. In art he called himself an illustrator. On the range he was a night wrangler, watching over the horses in the spring, the beef herd in the fall.

"I am not what the people think a cowboy should be. I was neither a good roper nor rider," he said modestly. But to be placed in charge of a beef herd at night, when a stampede could cost the owners tens of thousands of dollars in lost weight, was the peak of responsibility.

In the eighties the Plains Indians were no longer on the warpath but they were far from tame. They roved the country in hunting parties, occasionally throwing a scare into some rancher; they camped on the edges of towns when a Fourth of July celebration was going on. Russell and his scalawag friend, Teddy Blue, never passed up a chance to visit them. There were attractions in the Indian camps.

"We were starving for the sight of a woman," Blue wrote after passing the safe age of 70. "Some of these young squaws were awful good looking, with their fringed dresses of soft deer or antelope skin that hung just below the knees—that was all they wore, just the dress—and their beaded leggings and wide beaded belts. Oh boy, but they looked good to us."

In the fall of 1888, Russell took it into his head to visit the Blood Indians, relatives of the Blackfoot Tribe, in Canada. He stayed 6 months, living as one of them. While with the Bloods, Russell acquired his Indian name, Ah-Wah-Cous, meaning antelope. Little else has been revealed. Most white men who lived any length of time with the Indians were sufficiently Indianized themselves to be uncommunicative after their return to civilization. Charlie Russell transmuted some of what he knew into his paintings, but he kept the rest to himself.

He painted Indians as he painted cowboys, with detailed knowledge and complete accuracy. Once someone called him for a supposed error; an Indian belonging to a certain tribe had been pictured wearing the beadwork characteristic of another tribe.

"Well he couldn't help it, because that was the tribe his wife belonged to," was Russell's rejoinder.

Another time a cattleman friend was visiting him in his studio while he worked. Without looking around Russell said, "Tell me a brand that would be on a horse coming from Mexico." The cattleman, who knew Mexico, described one. Russell painted it. He never pictured a brand on an animal that wasn't real. Some critics questioned whether such exactitude had much to do with art, but today his work is doubly valued because it is a gold mine of authenticity for historians, writers, and anyone else seeking to recreate the bygone West.

In 1889 some of the outfits Russell worked for moved their herds north of the Missouri to Milk River. He went with them, but 1892 was his last year of regular range work. The country was changing and so was he. He painted and drifted and drank, some sort of a ferment working in him. Cowpunching being a seasonal occupation in the main, most of the boys were out of a job during the cold months. One winter Russell was holed up with a broken-down prizefighter, a laid-off roundup cook, a slightly unlucky gambler, and other desperadoes in a shack which they christened the Red Onion. Next winter he threw in with a similar combine which a local editor dubbed the Hungry Seven. Charlie painted his arm off to feed and likker them.

Despite all these monkeyshines he was becoming known. One of the best of his early oils had been reproduced in Harpers' Weekly, and a few of his sketches had been published. But he and money just couldn't seem to get along. When cash customers were found who were willing to pay him $5 or $10 for a picture he referred to them as suckers, not so much in a spirit of ingratitude as of apology. The saloon men in Great Falls were among his earliest admirers and promoters. One time one of them sang his praises to a wool buyer from Boston who ordered two pictures. When asked how much he wanted, Russell told the man he wanted $50. Thinking Russell meant $50 apiece, the man handed over a check for $100. Russell took the check, but he told friends that it ate at his conscience for years afterwards.

In 1895, when Russell was 31, he met and married a girl named Nancy Cooper, whom he met at a supper one night at a saddlemaker's in Cascade, Mont. His proposal was typical Russell.

"Nancy," he said, "don't you want to throw in with me? I think I can scrape up enough grub to feed us both for a while." The girl, mistaking the proposal for a proposition, stalked away from the puzzled cowboy. It wasn't for quite a while that Russell learned what the matter was, and when he found out he walked straight up to the girl and said, "Hell, no. I want you to marry me." She did; and, as Will Rogers remarked long after, the last Russell painting had been traded over a bar.

"Mame," as he always called her, had courage and commonsense and a fierce belief in her husband's greatness; and she set about to get what his pictures were worth. Early in their life together they had an appointment with Montana's millionaire mining magnate, Senator Clark. Nancy resolved to ask $350 from such a prospect. "You won't get it," Charlie scoffed—but she did.

Toward the end of his career he was paid $30,000 for a mural in the home of an oil man. When the check came he squinted unbelievingly and asked his wife to read the figures to him.

"Why Mame, that's dead men's prices," was his awed comment.

Some of his old pals never were reconciled to "that damn woman." Among them was old John Mathewson, the freighter, whose huge, horsedrawn wagon convoys that supplied northern Montana in Territorial days live on in Russell's great painting, The Jerkline.

"John was dirty and so hairy that his tangle of whiskers hid most of his face except his eyes. He knew all about horses and mules and freight wagons, but nothing about the inside of a house," said Russell's ranching partner, Con Price. One night when Nancy was away, John came to visit the artist in the comfortable, unpretentious home in Great Falls.

"This is a hell of a wickiup for you to be living in," he said reproachfully. He was thrown for a loss by the bathroom. When Charlie offered to show him how its equipment worked, Mathewson refused, cursing freely, and made for the back yard.

In 1903 the Russells decided it was time to storm New York. They had a good deal of trouble getting together a portfolio of water colors to show to editors and publishers, because Charlie kept giving them away. But in time they arrived in Manhattan, and took a room at a small hotel called the Park View, which, as Charlie said, "didn't have no view of no park." He hung his oils in a little basement studio, while Nancy trudged around with the portfolio. The trip was no great success financially, but Charles Marion Russell was on his way.

As critics now see it, he reached his peak in the years 1905 to 1915, painting 65 major canvases in that golden decade, and branching out into bronzes besides. The little ball

of beeswax was paying off. The climax was 1911, when 25 pictures were shown to New York in a one-man exhibition. This brought worldwide recognition and a series of one-man shows, including one in London in 1914. As he blossomed into a reluctant social lion he learned to submit to formal evening parties, even formal evening attire. But through all the wining and dining he clung to his personal symbols: cowboy boots and a French halfbreed sash.

Russell was far from the simple child of nature the legend pictures him. It took an old, blunt-spoken cowman, Con Price, to put his finger on that. "Charlie was a great artist and left a very loving memory behind him, but I often wonder if any of us knew what was down inside the man. As only one among thousands that knew and loved him, I feel I knew very little about his nature. His pictures and work only tell a very small part about him."

Russell liked nearly everybody, but he could take ferocious dislikes on occasion. Whereas most men of the West were matter-of-fact about horses, treating them as something to be used, he loved his horses and kept them to the end of their days. He was so sensitive to the sufferings of animals that he never went hunting for pleasure, because it was no pleasure to him. Yet he accepted and understood the Indians, who were sometimes merciless.

New York City to him was always "the big camp"—too big, and it had "too many tall tepees." Revisiting Chicago as a famous artist in 1916, he recalled how lonesome he had been on his first trip 32 years earlier as a cowboy armed with a punch pole, riding on top of a cattle car above a load of steers.

"The whole world has changed since then but I have not," he wrote. "I'm no more at home in a big city than I was then, and I'm still lonesome."

He hated automobiles, and always referred to them as "skunk wagons," derisive Indian name for those early gas buggies. He had no use for so-called progress or for modern inventions.

"He called the automatic rifle 'a God damned diarrhea gun'—and I wonder how he'd have spelled it," chortles his latest biographer, J. Frank Dobie. He would sometimes explode into sentiments like:

"To hell with the booster,
The world is no longer free.
The worst old-timer I ever saw
Looks damn good to me."

Charlie Russell died in 1926 at the age of 62. His funeral was horse drawn. No one dares think what might have happened if he had been carried to his last resting place in a gasoline-powered vehicle.

He painted the West in glowing sunrise colors, which grew brighter as he grew older and as his mastery grew. Once he exclaimed to an interviewer: "Say, did you ever go out in the hills in Montana or New Mexico or Colorado in Indian summer? If you can see color you know there are not fine enough colors in the tubes to exaggerate them."

One of his great late pictures is called The Romance Makers. It shows a party of mountain men—the buckskin-wearing first comers of the West—riding out over a virgin prairie. The mountain men were not always pretty people, as no man knew better than Russell: they could scalp an enemy or relish a feast of raw buffalo entrails with as much gusto as an Indian. But the painting shows only the freedom of life and the freshness of morning.

Russell himself was a romance maker, one of the greatest who ever lived.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 80) was agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the statue of Charles Marion Russell, presented by the State of Montana, to be placed in the Statuary Hall collection, is accepted in the name of the United States, and that the thanks of the Congress be tendered said State for the contribution of the statue of one of its most gifted and colorful citizens, noted for his artistic skill; and be it further

Resolved, That a copy of these resolutions, suitably engrossed and duly authenticated, be transmitted to the Governor of Montana.

PLACEMENT OF STATUE OF CHARLES MARION RUSSELL

The concurrent resolution (S. Con. Res. 81) to place temporarily in the rotunda of the Capitol a statue of Charles Marion Russell, and to hold ceremonies on said occasion was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the State of Montana is hereby authorized to place temporarily in the rotunda of the Capitol a statue of the late Charles Marion Russell, of Montana, and to hold ceremonies in the rotunda on said occasion; and the Architect of the Capitol is hereby authorized to make the necessary arrangements therefor.

PRINTING OF PROCEEDINGS IN CONNECTION WITH ACCEPTANCE OF STATUE OF CHARLES MARION RUSSELL

The concurrent resolution (S. Con. Res. 82) to print the proceedings in connection with the acceptance of the statue of Charles Marion Russell, late of Montana, was considered, and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring). That the proceedings at the presentation, dedication, and acceptance of the statue of Charles Marion Russell, to be presented by the State of Montana in the rotunda of the Capitol, together with appropriate illustrations and other pertinent matter, shall be printed as a Senate document. The copy for such Senate document shall be prepared under the supervision of the Joint Committee on Printing.

SEC. 2. There shall be printed 3,000 additional copies of such Senate document, which shall be bound in such style as the Joint Committee on Printing shall direct, and of which 100 copies shall be for the use of the Senate and 1,200 copies shall be for the use of the Members of the Senate from the State of Montana, and 500 copies shall be for the use of the House of Representatives and 1,200 copies shall be for the use of the Members of the House of Representatives from the State of Montana.

PRINTING OF REVISED EDITION OF THE ELECTION LAW GUIDEBOOK

The resolution (S. Res. 296) authorizing the printing of a revised edition of the Election Law Guidebook was considered and agreed to, as follows:

Resolved, That a revised edition of Senate Document Numbered 116 of the Eighty-fourth Congress, entitled "Election Law Guidebook", be printed as a Senate document.

ONE HUNDRED AND FIRST AIRBORNE DIVISION ASSOCIATION MEMORIAL

The joint resolution (H. J. Res. 451) authorizing the 101st Airborne Division Association to erect a memorial in the District of Columbia, was considered, ordered to a third reading, read the third time, and passed.

PRINTING OF ADDITIONAL COPIES OF SENATE REPORT NO. 1387 ENTITLED "ADMINISTERED PRICES—STEEL"

The Senate proceeded to consider the resolution (S. Res. 285) to print for the use of the Committee on the Judiciary additional copies of Senate Report No. 1387 entitled "Administered Prices—Steel," which had been reported from the Committee on Rules and Administration, with an amendment, in line 2, after the word "Judiciary," to strike out "four thousand" and insert "three thousand three hundred," so as to make the resolution read:

Resolved, That there be printed for the use of the Committee on the Judiciary 3,300 additional copies of Senate Report No. 1387, 85th Congress, 2d session, entitled "Administered Prices—Steel."

The amendment was agreed to.

The resolution, as amended, was agreed to.

RESOLUTIONS AND BILL PASSED OVER

The resolution (S. Res. 287) authorizing a study of the textile industry of the United States was announced as next in order.

Mr. TALMADGE. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 6908) to authorize modification and extension of the program of grants-in-aid to the Republic of the Philippines for the hospitalization of certain veterans and for other purposes, was announced as next in order.

Mr. CLARK. Over, as not being proper calendar business.

The PRESIDING OFFICER. The bill will be passed over.

The concurrent resolution (S. Con. Res. 62) to request the President to use his best efforts to bring about a meeting of representative citizens from all the North Atlantic Treaty Organization nations to examine ways to promote greater cooperation among those nations, was announced as next in order.

Mr. TALMADGE. Over, as not proper calendar business.

POSTHUMOUS AWARDS OF CONGRESSIONAL MEDALS OF HONOR

The Senate proceeded to consider the bill (S. 1225) to authorize the award posthumously of Congressional Medals of Honor to Chaplain George L. Fox, Chaplain Alexander D. Goode, Chaplain Clark V. Poling, and Chaplain John P. Washington, which had been reported from the Committee on Armed Services,

with an amendment to strike out all after the enacting clause and insert:

That the President is authorized to award posthumously appropriate medals and certificates to Chaplain George L. Fox, of Cambridge, Vt.; Chaplain Alexander D. Goode, of Washington, D. C.; Chaplain Clark V. Poling, of Schenectady, N. Y.; and Chaplain John P. Washington, of Arlington, N. J., in recognition of the extraordinary heroism displayed by them when they sacrificed their lives in the sinking of the troop transport *Dorchester* in the North Atlantic in 1943 by giving up their life preservers to other men aboard such transport.

SEC. 2. The medals and certificates authorized by this act shall be in such form and of such design as shall be prescribed by the President, and shall be awarded to such representatives of the aforementioned chaplains as the President may designate.

SEC. 3. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to authorize the award posthumously of appropriate medals to Chaplain George L. Fox, Chaplain Alexander D. Goode, Chaplain Clark V. Poling, and Chaplain John P. Washington."

Mr. JAVITS subsequently said: Mr. President, I notice from reading the report on this bill, which is a magnificent tribute to 4 very brave men whose memory will live for as long as our country endures, namely, the 4 chaplains who went down with the *Dorchester* in one of the most heroic acts of all time in American history, that the chaplains are not identified by faith.

By the strange stroke of providence when they made the supreme sacrifice their faith illustrated to a remarkable degree what we call brotherhood in this country, in behalf of which many organizations, including the National Conference of Christians and Jews, the National Catholic Welfare Conference, and other church organizations and worldwide services, and a host of other organizations, are spending so much energy and money to convey the message to the American people.

I believe the RECORD should show that these chaplains represented three great faiths. Two were Protestant, one Catholic, and one Jewish.

To honor this concept of common sacrifice in a cause common to all men of all faiths, the highest decoration in our country's list of decorations is being awarded posthumously. It is fitting that the RECORD should show that they represented three great faiths in our country, in order that their consecration may stand not only as a contribution to the country, but to the brotherhood of all mankind, regardless of faith.

LAURANCE F. SAFFORD

The Senate proceeded to consider the bill (S. 1524) for the relief of Laurance F. Safford, which had been reported from the Committee on the Judiciary, with an amendment on page 1, at the beginning of line 6, strike out "$150,000" and insert "$100,000," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to Laurance F. Safford, out of any money in the Treasury not otherwise appropriated, the sum of $100,000, in full satisfaction of all claims against the United States in connection with cryptographic systems and apparatus invented and developed by him while serving on active duty in the United States Navy which have been held in secrecy status by the United States Government: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INCORPORATION OF CONGRESSIONAL MEDAL OF HONOR SOCIETY OF THE UNITED STATES

The Senate proceeded to consider the bill (S. 1857) to authorize the incorporation of the Congressional Medal of Honor Society of the United States of America, which had been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause and insert:

That the following-named persons: Maj. Gen. David M. Shoup, United States Marine Corps, Virginia; Joel T. Boone, Washington, D. C.; Samuel I. Parker, New Jersey; Nicholas Oresko, New Jersey; Luther Skaggs, Maryland; Rufus G. Herring, North Carolina; Nathan Gordon, Arkansas; Joseph J. McCarthy, Illinois; Pierpont M. Hamilton, California; Daniel W. Lee, Alabama; Walter D. Ehlers, California; David E. Hayden, California; William R. Huber, California; Robert S. Kennemore, California; Jackson C. Pharris, California; William J. Crawford, Colorado; Hugh C. Frazer, Washington, D. C.; Robert E. Galer, Washington, D. C.; Edouard V. M. Izac, Washington, D. C.; Leon W. Johnson, Washington, D. C.; Keith L. Ware, Washington, D. C.; John C. Latham, Connecticut; Homer L. Wise, Connecticut; Charles P. Murray, Georgia; Robert E. Gerstung, Illinois; Jake Allex Mandusich, Illinois; John L. Barkley, Kansas; Charles E. Kelly, Kentucky; John D. Bulkeley, Maryland; Justice M. Chambers, Maryland; Lawson P. Ramage, Washington, D. C.; Charles A. MacGillivary, Massachusetts; Everett P. Pope, Massachusetts; Russell E. Dunham, Missouri; Arthur J. Forrest, Missouri; M. Waldo Hatler, Missouri; Carl L. Sitter, North Carolina; Max Thompson, North Carolina; Francis X. Burke, New Jersey; Thomas J. Hudner, New Jersey; Samuel M. Sampler, New Jersey; Charles Henry Willey, New Hampshire; Frank L. Anders, North Dakota; Ernest Childers, Oklahoma; John R. Crews, Oklahoma; Jack C. Montgomery, Oklahoma; Robert D. Maxwell, Oregon; Gino J. Merli, Pennsylvania; Oscar Schmidt, Pennsylvania; Thomas Eadie, Rhode Island; Charles H. Coolidge, Tennessee; Carlton W. Barrett, Virginia; Raymond G. Davis, Virginia; Paul F. Foster, Virginia; James R. Hendrix, Virginia; John Mihalowski, Virginia; Louis H. Wilson, Virginia; Orville E. Bloch, Washington; Robert E. Bonney, Washington; Einar H. Ingman, Wisconsin; Herschel W. Williams, West Virginia; and their successors are created and declared to be a body corporate of the District of Columbia, where its legal domicile shall be by the name of the Congressional Medal of Honor Society of the United States of America (hereafter referred to as the "corporation") and by such name shall be known and have perpetual succession and the powers, limitations, and restrictions herein contained.

COMPLETION OF ORGANIZATION

SEC. 2. A majority of the persons named in the first section of this act are authorized to complete the organization of the corporation by the selection of officers and employees, the adoption, amendment, and revision of a constitution and bylaws not inconsistent with the provisions of this chapter and the doing of such other acts as may be necessary for such purpose.

OBJECTS AND PURPOSES OF THE CORPORATION

SEC. 3. The objects and purposes of the corporation are as follows:

(1) To form a bond of friendship and comradeship among all holders of the Congressional Medal of Honor.

(2) To protect, uphold, and preserve the dignity and honor of the medal at all times and on all occasions.

(3) To protect the name of the medal, and individual holders of the medal from exploitation.

(4) To provide appropriate aid to all persons to whom the medal has been awarded, their widows or their children.

(5) To serve our country in peace as we did in war.

(6) To inspire and stimulate our youth to become worthy citizens of our country.

(7) To foster and perpetuate Americanism.

POWERS OF THE CORPORATION

SEC. 4. The corporation shall have power—

(1) to sue and be sued, complain and defend in any court of competent jurisdiction;

(2) to adopt, alter, and use a corporate seal;

(3) to choose officers, managers, and agents as the business of the corporation may require;

(4) to charge and collect membership dues;

(5) to adopt, amend, apply, and alter a constitution and bylaws not inconsistent with the laws of the United States of America or any State in which the corporation is to operate, for the management of its property and the regulation of its affairs;

(6) to contract and be contracted with;

(7) to take and hold by lease, gift, purchase, grant, devise, bequest, or otherwise any property real, personal, or mixed, necessary or convenient for attaining the objects of the corporation, subject, however, to applicable provisions of law of any State, (a) governing the amount or kind of real and personal property which may be held by, or (b) otherwise limiting or controlling the ownership of real and personal property by, a corporation operating in such State;

(8) to transfer, lease, or convey real or personal property;

(9) to borrow money for the purposes of the corporation and issue bonds or other evidences of indebtedness therefor and secure the same by mortgage or pledge subject to applicable Federal or State laws; and

(10) to do any and all acts necessary and proper to carry out the purposes of the corporation.

PRINCIPAL OFFICE; TERRITORIAL SCOPE OF ACTIVITIES; RESIDENT AGENT

SEC. 5. (a) The principal office of the corporation shall be located in Washington, D. C., or in such other place as may later be determined by the board of directors but the activities of the corporation shall not be

confined to that place and may be conducted throughout the various Territories and possessions of the United States.

(b) The corporation shall have in the District of Columbia at all times a designated agent authorized to accept service and process for the corporation; and notice to or service upon such agent or mailed to the business address of such agent shall be deemed as service to or notice on the corporation.

MEMBERSHIP RIGHTS

SEC. 6. (a) Any person who has been awarded the Medal of Honor is eligible for membership in the society.

(b) Honorary memberships shall not be granted.

(c) Each member of the corporation shall have the right to one vote either in person or by proxy on each matter submitted to a vote at all meetings of the members of the corporation.

GOVERNING BODY; COMPOSITION; TENURE

SEC. 7. (a) The governing body of the corporation is its board of directors which during the year 1958 will comprise the following: President, David M. Shoup; executive vice president, Joel T. Boone; secretary-treasurer, Samuel I. Parker; first regional vice president, Nicholas Oresko; second regional vice president, Luther Skaggs; third regional vice president, Rufus G. Herring; fourth regional vice president, Nathan Gordon; fifth regional vice president, Joseph J. McCarthy; sixth regional vice president, Pierpont M. Hamilton; who currently hold such offices in the Congressional Medal of Honor Society of the United States of America.

(b) Thereafter the board of directors of the corporation shall consist of such number (not less than nine), shall be elected in such manner (including the filling of vacancies) and shall serve their terms as may be prescribed in the bylaws of the corporation.

(c) The board of directors may exercise, or provide for the exercise of, the powers herein granted to the corporation, and each member of the board shall have one vote upon all matters determined, except that if the offices of secretary and treasurer are combined and are held by one person, he shall have only one vote as a member of the board of directors. The board shall meet at least annually. The president of the corporation shall act as chairman of the board.

OFFICERS; POWERS; ELECTION; TENURE

SEC. 8. (a) The officers of the corporation shall consist of a president, executive vice president, secretary, treasurer, and six regional vice presidents as may be provided in the bylaws. The office of secretary may be combined with the office of treasurer and the combined offices may be held by one person.

(b) The officers shall have such powers consistent with this charter, as may be determined by the bylaws.

(c) The officers of the corporation shall be elected in such manner and have such terms and with such duties as may be prescribed in the bylaws of the corporation.

DISTRIBUTION OF INCOME OR ASSETS TO MEMBERS; LOANS

SEC. 9. (a) No part of the income or assets of the corporation shall inure to any member, officer, or director as such, or be distributed to any of them during the life of the corporation or upon its dissolution or final liquidation, nor shall any member or private individual be liable for the obligations of the corporation. Nothing in this section, however, shall be construed to prevent—

(1) the payment of bona fide expenses of officers of the corporation in amounts approved by the board of directors; or

(2) the payment of appropriate aid to persons to whom the Medal of Honor has been awarded, their widows or their children pursuant to the objects of the corporation.

(b) The corporation shall not make loans to its officers, directors, or employees. Any officer or director who votes for or assents to the making of a loan to an officer, director, or employee of the corporation and any officer who participates in the making of such loan shall be jointly and severally liable to the corporation for the amount of such loan until the payment thereof.

NONPOLITICAL NATURE OF CORPORATION

SEC. 10. The corporation and its officers and directors as such shall not contribute to or participate in, directly or indirectly, local or national political activity or in any manner attempt to influence legislation.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 11. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

PROHIBITION AGAINST ISSUANCE OF STOCK OR ISSUANCE OF DIVIDENDS

SEC. 12. The corporation shall have no power to issue any shares of stock or declare or pay dividends.

BOOKS AND RECORDS; INSPECTION

SEC. 13. The corporation shall keep correct and complete books and records of account. It shall also keep minutes of the proceedings of its membership and of the board of directors or committees having authority under the board of directors. It shall also keep at its principal office a record giving the names and addresses of its members, directors, and officers. All books and records of the corporation may be inspected by any member or his agent or attorney for any proper purpose at any reasonable time.

AUDIT OF FINANCIAL TRANSACTIONS; REPORT TO CONGRESS

SEC. 14. (a) The financial transactions of the corporation shall be audited annually by an independent certified accountant in accordance with the principles and procedures applicable to commercial corporate transactions. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(b) A report of such audit shall be made by the corporation to the Congress not later than March 1 of each year. The report shall set forth the scope of the audit and shall include a verification by the person or persons conducting the audit of statements of (1) assets and liabilities; (2) capital and surplus or deficit; (3) surplus or deficit analyses; (4) income and expenses; and (5) sources and application of funds. The report shall not be printed as a public document.

USE OF ASSETS UPON DISSOLUTION OR LIQUIDATION

SEC. 15. Upon final dissolution or liquidation of the corporation and after discharge or satisfaction of all outstanding obligations and liabilities the remaining assets of the corporation may be distributed in accordance with the determination of the board of directors of the corporation and in compliance with the bylaws of the corporation and all Federal and State laws applicable thereto.

TRANSFER OF ASSETS FROM PRIOR CORPORATION

SEC. 16. The corporation may acquire the assets of the Congressional Medal of Honor Society of the United States, Inc., a body corporate organized under the laws of the State of New York, upon discharge or satisfactorily providing for the payment and discharge of all of the liabilities of such State corporation and upon complying with all the laws of the State of New York applicable thereto.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 17. The right to alter, amend, or repeal this act is expressly reserved.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to incorporate the Congressional Medal of Honor Society of the United States of America."

TAKA MOTOKI

The bill (S. 2984) for the relief of Taka Motoki was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Taka Motoki, the fiance of Clyde K. Crisler, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Taka Motoki is coming to the United States with a bona fide intention of being married to the said Clyde K. Crisler and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named persons does not occur within 3 months after the entry of the said Taka Motoki, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Taka Motoki, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Taka Motoki as of the date of the payment by her of the required visa fee.

WAIVER OF CERTAIN PROVISIONS OF THE NATURALIZATION ACT

The Senate proceeded to consider the joint resolution (H. J. Res. 553) to waive certain provisions of section 212 (a) of the Immigration and Naturalization Act on behalf of certain aliens, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, after line 10, to strike out:

SEC. 2. Notwithstanding the provision of section 212 (a) (6) of the Immigration and Nationality Act, Nachum Pfeifenmacher may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That unless the beneficiary is entitled to care under the Dependents' Medical Care Act, a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.

And, in lieu thereof, to insert:

SEC. 2. Notwithstanding the provision of section 212 (a) (6) of the Immigration and

Nationality Act, Nachum Pfeifenmacher and Sheu Shei Lan may be issued visas and be admitted to the United States for permanent residence if they are found to be otherwise admissible under the provisions of that act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That, unless the beneficiaries are entitled to care under the Dependents' Medical Care Act, a suitable and proper bond or undertaking, approved by the Attorney General, be deposited in each case as prescribed by section 213 of the Immigration and Nationality Act.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

FREE IMPORTATION OF ARTICLES FOR EXHIBITION PURPOSES

The joint resolution (H. J. Res. 556) to permit articles imported from foreign countries for the purpose of exhibition at the California International Trade Fair and Industrial Exposition, Los Angeles, Calif., be admitted without payment of tariff, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

EXEMPTION FROM DUTY OF CERTAIN PISTOLS AND REVOLVERS

The bill (H. R. 1126) to amend the Tariff Act of 1930, to exempt from duty pistols and revolvers not using fixed ammunition was considered, ordered to a third reading, read the third time, and passed.

RATE OF DUTY ON HARPSICHORDS AND CLAVICHORDS

The bill (H. R. 5208) to amend paragraph 1541 of the Tariff Act of 1930, as amended, to provide that the rate of duty in effect with respect to harpsichords and clavichords shall be the same as the rate in effect with respect to pianos was considered, ordered to a third reading, read the third time, and passed.

FREE IMPORTATION OF RELIGIOUS VESTMENTS AND REGALIA

The bill (H. R. 7516) to amend the Tariff Act of 1930 so as to permit the importation free of duty of religious vestments and regalia presented without charge to a church or to certain religious, educational, or charitable organizations was considered, ordered to a third reading, read the third time, and passed.

TEMPORARY SUSPENSION OF DUTY ON CERTAIN ALUMINA AND BAUXITE

The bill (H. R. 9917) to continue the temporary suspension of duty on certain alumina and bauxite was considered, ordered to a third reading, read the third time, and passed.

FREE IMPORTATION UNDER BOND FOR EXPORTATION OF ARTICLES TO BE REPAIRED

The bill (H. R. 9923) to amend the Tariff Act of 1930 to permit temporary free importation under bond for exportation of articles to be repaired, altered, or otherwise processed under certain conditions, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

FREE IMPORTATION OF GUAR SEED

The bill (H. R. 1011) to make permanent the existing privilege of free importation of guar seed was considered, ordered to a third reading, read the third time, and passed.

SUSPENSION OF DUTIES ON CERTAIN LATHES

The bill (H. R. 10792) to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing was considered, ordered to a third reading, read the third time, and passed.

FREE IMPORTATION OF PERSONAL AND HOUSEHOLD EFFECTS

The bill (H. R. 11407) to extend for 2 years the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 358) to increase the monthly rate of pensions payable to widows and former widows of deceased veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection.

Mr. CLARK. Over.

Mr. FREAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Pennsylvania withhold his objection?

Mr. CLARK. I am glad to do so.

Mr. FREAR. I did not understand who objected.

Mr. CLARK. It was the feeling of the calendar committee that inasmuch as the bill calls for an appropriation of $12 million, it should not be handled on the call of the calendar, but should be taken up on motion at the proper time.

Mr. FREAR. Does the Senator from Pennsylvania think it will cost any less at that time than it would now?

Mr. CLARK. I anticipate that at that time other Senators who do not happen to be in the Chamber at the moment, and whose judgment may not agree with that of the calendar committee, will have an opportunity to be heard.

The PRESIDING OFFICER. Is the objection renewed?

Mr. CLARK. Objection is renewed.

The PRESIDING OFFICER. The bill will be passed over.

Mr. FREAR subsequently said: Mr. President, did the Chair announce that the bill would be passed over, or passed to the foot of the calendar?

The PRESIDING OFFICER. As the Chair understood the request, it was that the bill be passed over, as not being proper business to transact on the call of the calendar.

Mr. CLARK. Mr. President, it is my understanding that the bill was passed over, and not passed to the foot of the calendar.

I invite the attention of my friend from Delaware to the fact that the majority leader stated earlier in the day that he hoped to be able to take the bill up on motion before the conclusion of today's business.

Mr. FREAR. Can the Senator from Pennsylvania give any assurance that that will be done?

Mr. CLARK. All I can do is to relay to my friend from Delaware the statement of the majority leader. I have implicit faith in the majority leader.

Mr. FREAR. If I did not have, I would be denying something that I would not be willing to deny.

SUSPENSION OF IMPORT DUTIES ON CERTAIN COARSE WOOL

The Senate proceeded to consider the bill (H. R. 2151) to suspend for 3 years the import duties on certain coarse wool, which had been reported from the Committee on Finance, with amendments, on page 2, line 5, after the word "the", to strike out "three year"; in line 7, after the word "act", to insert "and ending at the close of June 30, 1960"; and, after line 8, to insert:

SEC. 3. Section 101 (c) of the Customs Simplification Act of 1954 (Public Law 768, 83d Cong.) is amended by striking out "March 1, 1958" and inserting in lieu thereof "January 1, 1969."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended, so as to read: "An act to provide for the temporary suspension of the import duties on certain coarse wool, and to provide additional time for the Tariff Commission to review the customs tariff schedules."

FREE IMPORTATION OF AMORPHOUS GRAPHITE—BILLS PASSED OVER

The bill (H. R. 2783) to amend the Tariff Act of 1930, to provide for the free importation of amorphous graphite was announced as next in order.

Mr. CLARK. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

Mr. FREAR subsequently said: Mr. President, returning for a moment to Calendar No. 1518, House bill 2783, which was passed over on objection by the Senator from Pennsylvania, I ask unanimous consent that instead of the bill being passed over, it be passed to the foot of the calendar.

Mr. CLARK. Mr. President, the bill was passed over at the request of another Senator. I shall be glad to advise

my friend from Delaware, off the floor, who that Senator is.

Mr. FREAR. The Senator from Delaware knows who that Senator is. The Senator from Delaware is trying to secure his presence in the Chamber. I do not believe that he would have any objection, because the bill has been amended.

Mr. CLARK. I am happy to amend my request and ask that the bill be placed at the foot of the Calendar, in order that we may indulge our friend from Delaware.

The PRESIDING OFFICER. The bill will be placed at the foot of the calendar.

ALLEVIATION OF UNEMPLOYMENT CONDITIONS—BILL PASSED OVER

The bill (S. 3683) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas was announced as next in order.

Mr. TALMADGE. Over, as not being proper calendar business.

The PRESIDING OFFICER. The bill will be passed over.

Mr. CLARK. Mr. President, I wish to state for the RECORD that I am happy to note that this bill, in which the distinguished present occupant of the chair [Mr. PAYNE] played a major part, will be taken up on motion in the near future for careful consideration by the Senate. I hope it will be taken up next week.

I agree with my friend from Georgia that this is not calendar business, but I did not want my silence to be taken as an indication of any lack of enthusiasm for the bill, an enthusiasm which I know the present occupant of the chair shares.

CONCESSIONAIRE LEASES

The bill (S. 3371) to amend the act of August 25, 1916, to increase the period for which concessionaire leases may be granted under that act from 20 to 30 years was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 3 of the act entitled "An act to establish a National Park Service, and for other purposes," approved August 25, 1916, as amended (16 U. S. C. 3), is amended by striking out "20 years" and inserting in lieu thereof "30 years."

GRANTING OF PUBLIC LANDS TO A STATE

The bill (H. R. 5149) to provide that whenever public lands have been heretofore granted to a State for the purpose of erecting certain public buildings at the capital of such State, such purpose shall be deemed to include construction, reconstruction, repair, renovation, and other permanent improvements of such public buildings, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN LANDS IN SHILOH NATIONAL MILITARY PARK, TENN.

The bill (H. R. 4115) to authorize the conveyance of certain lands in Shiloh National Military Park to the State of Tennessee for the relocation of highways and for other purposes was considered, ordered to a third reading, read the third time, and passed.

Mr. MORSE. Mr. President, I wish to speak briefly on House bill 4115, which was reported by my colleague, the Senator from Oregon [Mr. NEUBERGER], on behalf of the Committee on Interior and Insular Affairs. The bill seeks to authorize the conveyance of certain lands in Shiloh National Military Park to the State of Tennessee for the relocation of highways, and for other purposes.

I have checked the bill very carefully. The Federal Government will undoubtedly receive benefits far in excess of the value of the land. At the present time, highways are running through the national park and creating traffic hazards and danger to the safety of the people traveling through the park.

The bill calls for the transfer of land to the State on the edge of the park, which the State will use for highway purposes or, with regard to such land as may not be covered by the highway, for recreational purposes, thereby serving the interests of the Federal Government in relationship to the Federal park.

Mr. President, I am satisfied that the taxpayers of the country will get good value for the property concerned, and the bill therefore does not violate the Morse formula.

CONSUMMATION OF DESIRABLE LAND EXCHANGES

The bill (H. R. 2170) to authorize the Secretary of the Interior to consummate desirable land exchanges was considered, ordered to a third reading, read the third time, and passed.

ACQUISITION OF CERTAIN LANDS TO THE FORT FREDERICA NATIONAL MONUMENT

The Senate proceeded to consider the bill (S. 1818) to direct the Secretary of the Interior to acquire certain lands as an addition to the Fort Frederica National Monument, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, line 6, after "(49 Stat. 1373)", to insert "as amended"; on page 2, line 5, after the word "Monument", to insert "or interest in land"; and in line 7, after the word "lands", to insert "or interest in lands"; so as to make the bill read:

Be it enacted, etc., That the first section of the act entitled "An act to provide for the establishment of the Fort Frederica National Monument, at St. Simon Island, Ga., and for other purposes," approved May 26, 1936 (49 Stat. 1373), as amended, is amended by striking out "100 acres" and inserting in lieu thereof "250 acres."

SEC. 2. The Secretary of the Interior is authorized and directed to acquire by purchase, condemnation, or otherwise, subject to the acreage limitation contained in the aforementioned act, the site known as the Bloody Marsh Battle memorial monument located on St. Simon Island, Ga., together with such additional land, including the marshland across the river to the west of Fort Frederica National Monument, or interest in land, as in the judgment of the Secretary of the Interior might be desirable for the protection of such national monument. Such lands or interest in lands, acquired by the Secretary pursuant to this act shall be made a part of the Fort Frederica National Monument.

SEC. 3. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts, not to exceed $20,000, as may be necessary to carry out the provisions of this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXECUTION OF CONTRACTS WITH INDIAN TRIBES

The bill (S. 2592) to amend the law relating to the execution of contracts with Indian tribes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 2103 of the Revised Statutes (25 U. S. C. 81), is amended (i) by deleting from the paragraph numbered "Second" the words "be executed before a judge of a court of record, and", and (ii) by deleting all of the paragraph numbered "Sixth."

TRANSFER OF CERTAIN PROPERTY AND FUNCTIONS TO THE SECRETARY OF THE INTERIOR

The bill (S. 2594) to transfer certain property and functions of the Housing and Home Finance Administration to the Secretary of the Interior, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That all right, title, and interest, including contractual rights and reversionary interests, held by the Federal Government in and with respect to project ALAS–50080 heretofore administered by the Housing and Home Finance Administrator, are hereby transferred to the Secretary of the Interior. All of the powers, duties, and responsibilities of the Housing and Home Finance Administrator under the purchase and sale contract executed on October 1, 1946, by the United States, represented by the Acting Commissioner of the Federal Public Housing Authority, and by the Hoonah Indian Association, and transferred to the Housing and Home Finance Administrator by Reorganization Plan Numbered 3 of 1947 (61 Stat. 954), are hereby transferred to the Secretary of the Interior. There is also hereby transferred out of the fund entitled "Office of the Administrator revolving fund (liquidating programs)" established in the Office of the Administrator, Housing and Home Finance Agency, under title II of the Independent Offices Appropriation Act, 1955 (68 Stat. 272, 295), as amended, an amount equal to gross receipts from the project transferred by this section.

SEC. 2. For the purpose of liquidating such project the Secretary of the Interior is authorized, within the limits of funds available under section 3 of this act:

(a) To make any surveys of the land on which the project is located that may be needed to vest titles in the individual purchasers of housing units, or to bring the housing project within the Hoonah townsite.

(b) To finance transfers to the individual purchasers of housing units of any interests in the lands on which the housing units are located that may be vested in others.

(c) To refund to individual Indians any payments made by them for housing accommodations which they did not receive.

(d) To pay to individual Indians the fair value, as determined by the Secretary of the Interior, of any land which they conveyed to the Hoonah Indian Association for the use of the project in return for housing accommodations which they did not receive.

(e) To make any repairs or improvements to individual housing units that may be needed to permit the disposition of such units to individual Indians.

(f) To acquire by purchase or eminent domain any lands or interests in lands that are needed for streets and alleys within the project, and to dedicate such lands for public use; and to acquire by eminent domain any interests in land the acquisition of which is authorized to be financed under subsection (b) of this section, and to convey such interests to the purchaser of the individual housing units involved.

(g) To allocate equally to the individual housing units the $240,000 purchase price which the Hoonah Indian Association agreed to pay to the United States, to credit against the allocated purchase price for each unit all payments on principal heretofore made with respect to such unit, and to cancel any portion of the remainder of the debt on any unit that exceeds the value of the unit (as determined by the Secretary) decreased by the sum of all payments on principal heretofore made with respect to such unit.

(h) To release from the mortgage securing the debt of the Hoonah Indian Association any individual housing unit upon payment of the uncanceled portion of the debt allocated to it.

SEC. 3. All funds transferred to the Secretary of the Interior pursuant to section 1 of this act and all funds hereafter collected from the project transferred by section 1 shall be established in a revolving fund in the Department of the Interior and may be used to carry out the purposes of this act, including administrative expenses.

CONVEYANCE OF CERTAIN LAND TO THE LUMMI INDIAN TRIBE—BILL PASSED OVER

The bill (H. R. 7681) to authorize the Secretary of the Interior to convey certain land with improvements located thereon to the Lummi Indian Tribe for the use and benefit of the Lummi Tribe was announced as next in order.

The PRESIDING OFFICER. The Senator from Oregon has entered an objection to the bill. It will be passed over.

Mr. MORSE. Mr. President, House bill 7681 authorizes the Secretary of the Interior to convey certain land with improvements located thereon to the Lummi Indian Tribe for the use and benefit of the Lummi Tribe.

I am not clear about the bill at this time, Mr. President, and I shall ask that it go over to the next call of the calendar.

Probably the bill is all right, but there is a question which concerns me. The property is worth several thousand dollars. It was purchased by the Federal Government in 1941 for $300, and the Federal Government has spent several thousand dollars for building improvements. This property was used as an Indian school by the Indian tribe concerned. The school has been disbanded, and the Indian children are now taken by bus to a consolidated school nearby.

I have no objection, Mr. President, to the property being conveyed to the Indians for recreational purposes, because of the Federal interest which is concerned, but there is nothing in the bill to protect the taxpayers from having the tribe sell the property the next day for a service station location or for any other commercial use. I point out that we cannot start a procedure whereby the Senate will transfer Federal property to Indian tribes to be used by the Indian tribes for non-Indian purposes.

If an amendment could be accepted which would make clear, as the Secretary of the Interior states in his letter, that the purpose of the transfer is to have the property used for recreational purposes by the Indians, and that if, as, and when the Indians cease to use the property for that purpose it will revert to the Federal Government, I would have no objection. What I am objecting to is what I think is a lack of clarity in the bill at the present time, and a lack of protection of the taxpayers against a transfer of property to an Indian tribe which would give the Indian tribe complete authority to proceed to sell it the next day for commercial purposes.

This is a small matter, but such action would constitute a precedent if the bill were to pass in its present form. Therefore, until I can agree upon a suitable amendment with the Senator from Washington [Mr. JACKSON], who is not in the Chamber, I shall object to the bill until the next calendar call.

The PRESIDING OFFICER. The bill will be passed over.

Without objection, the comments of the Senator from Oregon pertaining to Calendar 1522, House bill 4115, and Calendar 1530, House bill 8958, will be inserted in the RECORD at the proper place in the RECORD, prior to final action on the measures, and the objection of the Senator from Oregon to Calendar 1527, House bill 7681, will be noted when the bill is called.

PREPARATION OF ROLL OF PERSONS WHOSE ANCESTORS WERE MEMBERS OF OTOE AND MISSOURIA TRIBE OF INDIANS

The bill (S. 3138) to authorize the preparation of a roll of persons of Indian blood whose ancestors were members of the Otoe and Missouria Tribe of Indians and to provide for a per capita distribution of funds arising from a judgment in favor of such Indians was announced as next in order.

The PRESIDING OFFICER The Chair is advised that there is an identical bill, H. R. 8524, before the Committee on Interior and Insular Affairs.

Without objection, the Committee on Interior and Insular Affairs is discharged from the further consideration of the bill, and the Chair lays before the Senate the House bill, which will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 8524) to authorize the preparation of a roll of persons of Indian blood whose ancestors were members of the Otoe and Missouria Tribe of Indians and to provide for a per capita distribution of funds arising from a judgment in favor of such Indians.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the House bill. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H. R. 8524) was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 3138 is indefinitely postponed.

CLEARANCE OF TITLE TO CERTAIN INDIAN LAND

The bill (H. R. 5624) to clear the title to certain Indian land was considered, ordered to a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN INDIAN LAND TO THE DIOCESE OF SUPERIOR, WIS.

The bill (H. R. 8958) authorizing the Secretary of the Interior to convey certain Indian land to the diocese of Superior, Superior, Wis., for church purposes and to the town of Flambeau, Wis., for cemetery purposes was considered, ordered to a third reading, read the third time, and passed.

Mr. MORSE. Mr. President, I should like to make a brief statement with reference to House bill 8958, authorizing the Secretary of the Interior to convey certain Indian land to the diocese of Superior, Superior, Wis., for church purposes and to the town of Flambeau, Wis., for cemetery purposes.

We are dealing with Indian tribal land in this case. It is the wish of the tribe that their land be disposed of in this manner. In my judgment, their wish carries out Federal Indian policy. They need this legislative sanction.

In my judgment, Mr. President, there is no violation of the Morse formula in such a transfer. The RECORD, therefore, should show I have no objection to the passage of the bill.

DESIGNATION OF BENEFICIARY OF EQUITABLE TITLE TO LAND ADDED TO ROCKY BOY'S INDIAN RESERVATION, MONT.

The bill (S. 2530) to designate the beneficiary of the equitable title to land purchased by the United States and added to the Rocky Boy's Indian Reservation, Mont., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the land acquired by the United States pursuant to section 5 of the Act of June 18, 1934 (48 Stat. 984), title to which was conveyed to the United States of America in trust for the Chippewa, Cree, and other Indians of Montana, and thereafter added to the Rocky Boy's Indian Reservation, Mont., by proclamation signed

by the Assistant Secretary of the Interior on November 26, 1947, is hereby designated for the exclusive use of the members of the Chippewa Cree Tribe of the Rocky Boy's Reservation, Mont.

RESTORATION TO TRIBAL OWNERSHIP OF CERTAIN CEDED LANDS ON INDIAN RESERVATIONS

The Senate proceeded to consider the bill (H. R. 8544) to provide for the restoration to tribal ownership of all vacant and undisposed-of ceded lands on certain Indian reservations, and for other purposes, which had been reported from the Commitee on Interior and Insular Affairs with an amendment on page 1, after line 6, under the subhead "Reservation and State—Approximate Acreage", in the third line, to strike out

Crow, Montana..... 5,480.95

and insert

Crow, Montana..... 10,260.95

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

ACCELERATED RECLAMATION CONSTRUCTION PROGRAM

The resolution (S. Res. 299) for an accelerated reclamation construction program was announced as next in order.

Mr. HRUSKA. Over.

Mr. TALMADGE. Over, as not proper calendar material.

The PRESIDING OFFICER. The resolution will be passed over.

AMENDMENT OF SECTION 2 OF RULE XXII OF THE STANDING RULES OF THE SENATE

The resolution (S. Res. 17) to amend section 2 of rule XXII of the Standing Rules of the Senate was announced as next in order.

Mr. TALMADGE. Over, Mr. President, as not proper calendar business.

The PRESIDING OFFICER. Objection is heard. The resolution will go over.

FREE IMPORTATION OF AMORPHOUS GRAPHITE

The PRESIDING OFFICER. The Senate will now return to the consideration of the bill (H. R. 2783) to amend the Tariff Act 1930, to provide for the free importation of amorphous graphite. The bill was previously placed at the foot of the calendar.

Mr. FREAR. Mr. President, I have been unable to contact the Senator who had objected to the consideration of the bill. Therefore, I shall adhere to his request that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

That completes the call of the calendar.

Mr. JAVITS obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from New York yield to me so that I may suggest the absence of a quorum?

Mr. JAVITS. I yield for that purpose.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CHURCH in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCREASE IN PENSIONS PAYABLE TO WIDOWS AND FORMER WIDOWS OF DECEASED VETERANS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 1516, H. R. 358.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill, H. R. 358, to increase the monthly rate of pensions payable to widows and former widows of deceased veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment to strike out all after the enacting clause and insert:

That the Veterans' Benefits Act of 1957 (Public Law 85-56) is amended:

(1) In section 431, strike out the figure "52.50" and insert the figure "$65."

(2) In subsection 432 (a), strike out the figure "$54.18" and insert the figure "$65", and strike out the figure "$67.73" and insert the figure "$75."

(3) Section 432 is amended by adding at the end thereof the following new subsection:

"(e) For the purpose of this section, and section 433, the term 'veterans' includes a person who served in the military or naval forces of the Confederate States of America during the Civil War, and the term 'active, military or naval service' includes active service in such forces."

(4) In section 433, strike out the figure "$48.77" and insert the figure "$73.13."

(5) In subsection 434 (a), strike out the figure "$54.18" and insert the figure "$65", and strike out the figure "$67.73" and insert the figure "$75."

(6) In section 435, strike out the figure "$48.77" and insert the figure "$73.13."

(7) In subsection 436 (a), strike out the figure "$54.18" and insert the figure "$65", and strike out the figure "$67.73" and insert the figure "$75."

(8) In section 437, strike out the figure "$62.31" and insert the figure "$73.13."

SEC. 2. This act shall be effective from the first day of the second calendar month following its enactment.

Mr. JOHNSON of Texas. Mr. President, the Committee on Finance, to whom was referred the bill—H. R. 358—to increase the monthly rates of pension payable to widows and former widows of deceased veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, has considered the same and reported it favorably with amendments.

The bill, as passed by the House, proposed to increase the two rates of pension payable to widows of Spanish-American War and pay a single rate of $75 per month, with proportionate increases for children.

The bill, as reported, will apply only to the widows of advanced ages. It will increase the Spanish War, Civil War, and Indian war widows' pension rate of $54.18 to $65 per month in case the widow is 70 years of age or over. If the widow was the wife of the veteran during the period of his service, the rate of $67.73 per month will be increased to $75 per month. Under this bill the pension rates will continue to be uniform for these groups. The bill includes proportionate increases for children. The average age of the widow married to the veteran during the period of his service is 80 years. The Mexican War widows' rates of pension of $52.50 per month were increased to $65 per month. There are four widows on the roll.

The bill, as amended, provides for a pension to the widows of veterans who served in the military or naval forces of the Confederate States of America during the Civil War at the same rates as are provided for widows of the Union forces. It is estimated that 2,600,000 Union veterans and 600,000 Confederate veterans served during the Civil War. Today there are approximately 4,000 widows of Union veterans on the pension rolls. It is estimated that if 1,000 widows of Confederate veterans could possibly qualify for benefits the cost would be approximately $750,000.

It is my understanding that the Senator from Louisiana [Mr. LONG] is the author of the amendment providing for pensions for the approximately 1,000 widows of Confederate veterans.

The bill was unanimously reported by the Committee on Finance. There is much interest in it, and I hope the Senate will act on it unanimously.

At the suggestion of the Senator from Delaware [Mr. FREAR], I should like to add that there are approximately 84,000 Spanish War widows on the roll and about 4,000 of those widows were the wives of veterans during their periods of service. There are approximately 2,500 children on the roll. There are 4,000 Civil War widows on the roll today and 646 children drawing pension. As to the Indian war widows, there are 1,000 widows and 15 children on the roll. The bill includes the widows of veterans who served in the military or naval forces of the Confederate States of America during the Civil War under the same terms and conditions and at the same rates as provided for widows of veterans of the Union forces.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended, so as to read: "An act to increase the monthly rates of pension payable to widows and former widows of deceased veterans of the Spanish-American War, Civil War, Indian war, and Mexican War, and provide pensions to widows of veterans who served in the military or naval forces of the Confederate States of America during the Civil War."

Mr. SMATHERS. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I wish to express my deep appreciation to the Senator from New York for his courtesy.

STUDY OF TEXTILE INDUSTRY

Mr. CLARK. Mr. President, now that the hour of 2 o'clock has arrived, I ask unanimous consent that the Senate proceed to the consideration of Calendar 1497, Senate Resolution 287, so as to make the resolution the unfinished business. The resolution authorizes a study of the textile industry of the United States.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 287) authorizing a study of the textile industry of the United States, which had been reported from the Committee on Interstate and Foreign Commerce with an amendment, and subsequently had been reported from the Committee on Rules with an additional amendment.

JURISDICTION OF THE SUPREME COURT

Mr. JAVITS. Mr. President, on behalf of the Senator from Pennsylvania [Mr. CLARK], the Senator from Missouri [Mr. HENNINGS], the Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. NEUBERGER], the Senator from Wisconsin [Mr. PROXMIRE], and myself, I send to the desk a joint resolution proposing an amendment to the Constitution of the United States relating to the jurisdiction of the Supreme Court. I ask that the joint resolution be appropriately referred.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 169) to propose an amendment to the Constitution of the United States relating to the jurisdiction of the Supreme Court, introduced by Mr. JAVITS (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. JAVITS. Mr. President, I ask unanimous consent that the joint resolution lie on the desk until the close of business on May 5, in order to give Senators an opportunity to cosponsor it, if they so desire.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, the Judiciary Committee has just reported what I consider to be a bill to curb the Supreme Court. The bill is a combination of a bill introduced by the junior Senator from Indiana [Mr. JENNER], S. 2646, and amendments to his bill submitted by the Senator from Maryland [Mr. BUTLER].

The bill is momentous in its implications; it is analogous to the Court-packing bill of 1937 and can be considered a raiding bill on the Supreme Court's jurisdiction.

Both the Senator from Indiana and the Senator from Maryland have addressed themselves to the provisions of their respective measures, and the Senator from Missouri [Mr. HENNINGS] has issued statements on the bill. They have had wide publicity, and, as a lawyer, I believe this is the time, in a considered and deliberate way, that this measure, which has been ordered reported by the Committee on the Judiciary, thereby giving it the likelihood of coming before the Senate and being debated, be made the subject of information and elucidation to the country; and that opposition to it, which I express, may also have the same discussion and consideration which the proponents of the measure have had so far.

If the bill shall be enacted, it will constitute a grave threat to the independence of the judiciary, particularly in fields of individual civil rights—a threat at least as grave as the Court-packing plan of 1937, which was so justly under fire at that time.

The bill, as ordered reported by the Committee on the Judiciary, will have the following results: Section 1 would remove the power of the Supreme Court to review cases from the States involving the admission of attorneys to the bar. It would do so notwithstanding the fact that constitutional rights of individuals may have been jeopardized. The implications of this provision strike at the heart of the constitutional balance of power.

Section 2 of the bill would amend section 102 of the Revised Statutes dealing with contempt of Congress. It relates to questions which witnesses are asked but fail or refuse to answer, when the questions are pertinent. While the bill leaves jurisdiction in the Supreme Court to review such cases, it removes the power of the court itself to determine an essential element of the crime of contempt by establishing a conclusive legislative presumption of pertinence, thereby raising serious constitutional problems. As the Senator from Missouri [Mr. HENNINGS] has pointed out, the procedure provided for reviewing pertinency within the Congressional committee itself which has asked the questions is of little protection in view of the safeguards intended by the Constitution.

Section 3 of the bill incorporates the language of S. 654, dealing with the enforcement of State statutes concerning subversive activities. This relates to the so-called Nelson case. What it does, in essence, is to allow the States to enact laws without running afoul of the prohibition against acting in a sphere reserved to the United States, through Congress; to enact laws dealing with a subversion against State governments, or the threat to overthrow them by force, as well as against the Federal Government, which was the kind of law passed in Pennsylvania, but which the Supreme Court struck down in the Nelson case.

The provision contained in the bill ordered reported by the Committee on the Judiciary is much narrower than the previous proposal of the Senator from Maryland [Mr. BUTLER]. Indeed, I have been and remain quite convinced, as a sponsor of the measure introduced by the Senator from New Hampshire [Mr. BRIDGES], which was in effect adopted as the committee substitute, that it should receive Congressional consideration; but I have serious doubt about incorporating this measure in a bill whose main and apparent purpose is an indictment of the Supreme Court on other grounds—that is, to deal with the constitutionality of statutes.

I wish to make that very clear, because we should not be blinded by the fact that one provision in the bill can obscure the vast, fundamental implications of the bill itself, which I consider to be most serious to the national interest and to the structure of government under the Constitution.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. CLARK. It is my understanding that the section of the bill to which the Senator now refers deals with the Nelson case and the rights of the States to enforce statutes which make subversion a State offense. This section merely states that it is the policy of Congress to permit such legislation which the Supreme Court in the Nelson case held to be unenforcible because Congress had intended to occupy the field. Is that correct?

Mr. JAVITS. That is exactly correct. I may say to my colleague, first expressing to him my deep appreciation for his studied attention to the subject which we are discussing today, that the Supreme Court there was not dealing with what is contained in the other provisions of the bill before us, to wit, constitutionality or unconstitutionality under the Constitution of the United States, but rather it was dealing with established law and with the States occupying the area which the Federal Government also occupies.

Bear in mind that the Federal Government, through Congress, could allow the States to act fully within the Constitution, and therefore, in a sense, the Court was inviting Congress to do so, if it chose to act. Therefore, by this section of the bill, Congress is accepting the invitation.

Mr. CLARK. That, I think, the Senator believes might be arguable. But there is no reason why Congress should not deal with it; and if the Supreme Court misinterpreted the intent of Congress in the Nelson case, then it is the intention to make that clear.

Mr. JAVITS. I do not believe that in the Nelson case the Supreme Court misinterpreted the sense of Congress. The Supreme Court had a right to say that Congress could provide otherwise; and the area covered by the Congressional mandate in the Smith Act being apparently inclusive, it could be assumed that Congress intended it to be so. If Congress had a contrary intention, it would have expressed it.

So rather than misinterpret—although I am not quarreling with the words; I think this is a very important question of substance—the Supreme Court pointed to the limitations, and what it did was to invite Congress, if Congress chose, to take some action.

Mr. CLARK. I quite agree with the Senator. I merely raised the question to emphasize his point that the question of State statutes against subversion has no place in the bill. As the Senator from New York has so well said, it amounts to a curbing of the Supreme Court in a way which I believe to be most unwise, if not, indeed, unconstitutional.

Mr. JAVITS. I thank the Senator. That is exactly the position which I shall endeavor to set forth in some detail. My colleague has stated it magnificently within the principle involved.

We have now covered section 2 of the bill, which deals with procedures in so-called contempt of Congress cases where there is involved the pertinency of a question asked of a witness by a Congressional committee.

Section 3 of the bill, which deals with the Nelson case, my colleague and I have discussed.

Section 4 of the bill is illustrative of the entire approach of the bill to the Supreme Court. What it does—and this is really quite extraordinary in legislation—is actually to cite by title two Supreme Court cases, and to say that Congress finds that the distinction made by these cases in a particular field of law is a distinction which Congress finds highly undesirable, which it did not intend, and therefore that Congress, according to the measure, specifically revises the applicable statutes, and in so doing, in my opinion, cuts into constitutional protections which have been asserted by the Supreme Court, time and time again, in freedom of speech cases.

It seems to me that if anything shows what we are really dealing with, it is section 4. It reads in part:

SEC. 4. (a) The Congress finds that the distinction made by the Supreme Court of the United States in Yates against United States, Schneiderman against United States, and so forth, between advocacy of the forcible overthrow of the Government as an incitement to action and advocacy of such overthrow as mere abstract doctrine is, as Mr. Justice Harlan characterized it, "subtle and difficult to grasp"; that the construction put upon section 2385 of title 18 of the United States Code by the Supreme Court is one never intended by the Congress; that such construction is impractical of application, and infuses into this criminal statute a degree of uncertainty and unclarity which is highly undesirable; and that legislative action to clarify and make certain the intent of this criminal statute is therefore required.

Then it proceeds to make statutory changes. It certainly seems to me that when cases are specifically mentioned, and even the name of a dissenting judge is cited, one who expressed what the drafters of the measure now wish to express in legislation, we cannot more directly serve notice on the Supreme Court that it change its decisions. It is that fundamental point of the bill which I shall discuss in some detail in these remarks.

The implications seem to me to be clear. I think the time to stop this dangerous trend is now. Criticism is healthy, but much of it in the bill is based upon a misconception of the nature of the Constitution of the United States and the function which the Court performs in interpreting it.

One ground of complaint against the Court appears to be that in deciding constitutional questions it refuses to be bound solely by precedents which some have felt are in accord with their own political philosophy. I think this is really the basis of some of the pros and the antis in connection with this particular bill, which I might point out could easily become one of the great battlegrounds of this Congress, and, indeed, of history.

The fundamental question, I believe, is: Should legal philosophy be compatible with changes in the social development of the country; or must legal philosophy follow what we lawyers call stare decisis, following precedent after precedent, and making—if anything—only the most minuscule deviations from the established precedents?

Strangely enough, even the advocates of that position in connection with this proposed piece of legislation and similar ones, both in their statements to the Congress and also in their statements to the country, do not follow it, for in connection with the case of *Brown* v. *Board of Education* (347 U. S. 483 (1954))—the school segregation case—many Members of the Senate, some of whom have voted for the bill in committee, so far as we are informed, complain because the Court's decision in that case did not follow the precedent established in *Plessy* v. *Ferguson* (163 U. S. 537 (1896)). Yet the Yates and Schneiderman cases are complained of in the bill, and the bill attacks the precedents established by them, because it is said they follow the "clear and present danger test" first developed in *Schenck* v. *U. S.* (249 U. S. 47), decided 40 years ago.

In short, the bill means that the Supreme Court is to be told that it will follow the fundamental philosophy of those who wish the bill passed, and perhaps even the fundamental philosophy of a majority of the Senate, if it should meet with the favor of a majority of the Senate, or else ways and means will be found to bring the Court to the position where it will do so, to wit, by depriving it of its appellate jurisdiction in respect to constitutional matters; and in order to make sure that the Court has no misunderstanding whatever, a section of the bill actually does deprive the Court of its right to review the questions of admission to the bar, to practice law, in the case of lawyers in the various States.

So the Supreme Court will be left in no doubt by the more artful provisions of the bill which purport to change the law, and will be given clear notice of the naked proposition that the Congress can deprive it of such jurisdiction if it wishes to do so, and that the Congress is actually doing that in respect to one legal area.

Mr. President, three of the proposals set forth in the bill go directly to informing the Supreme Court what is and what is not constitutional, rather than to have the Supreme Court tell Congress. Although this does not amount to court packing, it is court raiding, if the Supreme Court should accept it, which I doubt very much. It would make the Court subservient to the Congress, and would destroy the Court's essential function under the Constitution.

Mr. President, what I am now about to say is even more germane to the issue. If, on the other hand, the Court does not accept, but holds major parts of this bill, if enacted into law, also to be unconstitutional—which in my opinion is far more likely; in other words, if the Court will have the spirit to stand up for its rights under the Constitution—then there may be an aggravated pitched battle with the Congress, and the stage will be set for the next step, namely, an effort to deprive the Court of additional appellate jurisdiction, which the Congress has the power under the Constitution to do, just as Congress had the power, in 1937, to add justices, and thereby to pack the Court. In other words, an effort then would be made to show that the Congress has the power, both under the express words of the Constitution itself and also under a decision rendered by the Supreme Court immediately after the Civil War, to deprive the Court of the power to determine whether a law passed by the Congress is constitutional. For this reason, I regard the effect of Senator BUTLER'S version of Senator JENNER'S bill to be no less pointed in the same direction, to wit, that of taking away the appellate jurisdiction of the Supreme Court to decide upon the constitutionality of State or Federal laws or actions.

Mr. President, I know that a great many persons are dissatisfied with one decision or another of the Supreme Court, mainly with one decision or another in the field of subversive activities. I am very well aware also of the fact that it may be that if all those who disagree with specific individual decisions rendered by the Court in that field in the past few years were to join together, they might constitute a majority of the people of the country. But, as is so often true in American public life, I entertain the gravest doubts that the same group of people would wish to see the Supreme Court made subservient to the Congress in terms of its ultimate function in the American form of government. To make it subservient to the people is one thing; but to make it subservient to the Congress is to make it subservient to a coordinate branch of the Government,

whereas under the Constitution the Court is supposed to operate independently of that branch, and, under the Constitution, the Court is supposed to be the final arbiter.

In that respect, I think the people will want the Supreme Court to remain unimpaired and to take actions compatible with the Constitution and with the conditions existing in the country, as regards public opinion and influence. That is very important, because I conceive it to be my duty as a lawyer—regardless of whether I am a Senator—to draw the attention of the people of the country particularly to this situation, for if we lawyers do not do so—if we do not do so because it is unpopular in some quarters—then, in my opinion, we shall have abandoned one of the finest traditions of our profession, which is to make sure that the weak, the oppressed, the unpopular, those whom the public may wish to run out of town on a rail, enjoy the same fundamental human rights and constitutional rights which we expect to have conferred upon every citizen. We have learned the hard way that only in that way can the individual be protected; and that goes for every individual, including those who now may be highly dissatisfied with many of the Court's decisions.

Mr. President, I have already pointed out that only one part of the bill—that in reference to the Nelson case—deals with a subject which is in the traditional pattern of the coordinate powers as between the Supreme Court and the Congress, thus giving us guidance as to which way to go; and then we shall determine—if we adopt the particular section in regard to the Nelson case—that is the way we shall go.

But the other three parts of the bill do no such thing. On the contrary, two of them endeavor to force the Court to accept legislation which it has already clearly indicated to be unconstitutional. In one case—a case involving admission to the bar—the Court, in *Schware* v. *Board of Bar Examiners* (353 U. S. 232 (1957)), said very clearly that it is unconstitutional "even in applying permissible standards" for officers of the State to exclude an applicant where there is "no basis for their finding that he fails to meet these standards, or when their action is invidiously discriminatory." The question of violation of due process was directly decided by the Court, which held there was a violation of due process under the 14th amendment, and that the Supreme Court could give relief.

In the case of *Konigsberg* v. *State Bar of California* (353 U. S. 252 (1957)), the Court reversed a California judgment on the ground that the refusal to admit a bar applicant was "a denial of due process and equal protection of the laws because it was both arbitrary and discriminatory."

Mr. President, in view of that language it seems clear that by taking away the Court's appellate jurisdiction in respect of these bar admission cases, Congress would surely be raiding the Court, contrary to all historical precedents, except those in the much-condemned Reconstruction period which followed immediately the Civil War, when jurisdiction was taken away from the Court in the case of a particular matter to which I shall refer in a moment.

In that section of the bill seeking to deal with the Court's construction of the Smith Act and the application under it permitting convictions, the bill would seek to direct the Court to find constitutional what it has already held to be unconstitutional as to the individual; for the bill directs that there may be a conviction on the ground of abstract advocacy of the overthrow of the Government by force even without incitement to action.

The Court has already said, in construing the original law relating to incitement, that there had to be an advocacy to incite to action rather than assertion of abstract doctrine. The Court said, in construing the Smith Act:

> We should not assume that Congress chose to disregard constitutional danger zones so clearly marked.

It seems to me what the Court is trying to make us understand very clearly is that if we should attempt to pass a law which would punish as a crime advocacy of an abstract doctrine, the Court would have to hold it unconstitutional under the first amendment.

The bill reported by the committee has the intention of doing exactly that; but even its own language may not accomplish it. I shall explain the reason for saying that, because it is serious in itself. What it is doing is inviting a struggle between the Supreme Court and the Congress on this fundamental issue.

This is what the bill says, in endeavoring to change the law:

> Without regard to the immediate probable effect of such action, whoever knowingly or willfully advocates, abets, advises, or teaches the duty, necessity, desirability, or propriety of overthrowing or destroying the Government of the United States or the government of any State, Territory, District, or possession thereof, or the government of any political subdivision therein, by force or violence, or by the assassination of any officer of any such government; or.

Question: Does that do what the sponsors of the bill want? The answer is "No"; to the contrary, all the Court would have to say would be that it changes nothing, or if it does change something, then it is unconstitutional.

I shall state my reason for saying that. The bill proposes a change to reach beyond the immediate probable effect of such action; but the Court has already said it is not necessary that there be incitement to immediate action in the advocacy of overthrow of government by force. So long as there is incitement to action, whether immediate or in the future, then the Court has held that the Smith Act applies. So if all this provision of the bill does is say that the Court shall disregard the question of immediacy, it means nothing. The Court can say, "We have already disregarded immediacy."

On the other hand, if the Court should go along with the intention of the provision, and say that advocacy as a mere abstract doctrine can be prohibited by Congress, the Court must strike it down because it has already said that criminal sanction of advocacy as an abstract doctrine cannot stand up under the Constitution.

All we are inviting the Court to do is say that this change is unconstitutional. What we are doing is ourselves engaging in an effort to involve the Supreme Court in such a conflict so that the only other recourse would be to deny the Supreme Court appellate jurisdiction in constitutional-law cases.

In the section of the bill dealing with the question of pertinency under the Watkins decision, there too the Court is being asked to accept what may well be an unconstitutional application of the law to the individual on an "or else" basis, the quotation "or else" being, "We will take away your appellate jurisdiction in these constitutional law cases," for the Court has already said pertinency is essential to due process under the 14th amendment. A witness who is under compulsory subpena is entitled to due process. This is what the Court said:

> The first amendment may be invoked against infringement of the protected freedoms by law or by lawmaking—such an investigation into individual affairs is invalid if unrelated to any legislative purpose. That is beyond the powers conferred upon the Congress in the Constitution.

What the bill provides is that if the question of pertinency is raised, the decision by the committee as against a witness shall be conclusive. It seems to me the Supreme Court is making crystal clear that if an act is unconstitutional, no committee can absolve the unconstitutionality, or wash it away, by itself finding otherwise.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MORSE. I congratulate the Senator on the speech he is making today, because I think it is long overdue. Senators should, on the floor of the Senate, especially those of us who are lawyers, come to the defense of our constitutional system, which includes the citadel of constitutional liberties, located just a stone's throw away from where the Senator from New York and I are speaking at the present time—the United States Supreme Court.

I have not completed my study yet of the action taken by the Judiciary Committee of the Senate, as carried in the press the last couple of days, but it has gotten me completely lost by the action it has taken. I think it is rather unfortunate if we have reached such a position in America that we are trying to turn the Senate of the United States into a super-Supreme Court simply because someone may not like the results and effects of protecting the constitutional rights of free men and women by that branch of our Goverment which is responsible for protecting those rights, namely, the United States Supreme Court.

Here is one Senator who is not going to panic on this issue. I am going to take a long look at any proposal coming

before the Senate or the House of Representatives that seeks, in effect, to reverse the United States Supreme Court.

I am glad to interrupt the Senator from New York at this point to issue this warning to the American people: You had better be on guard, because we are going through another one of those relapses in American history which are almost cyclical. If one will trace the record of so-called periodic criticisms of the Supreme Court, he will find they seem to occur in cycles. But I am still going to stand, I may say, with the great Chief Justice from the State of Virginia, John Marshall, in the celebrated Marbury against Madison case, in which I think he enunciated an unanswerable conclusion and a sound statement of constitutional power; namely, it is for the Court, and not for the Senate or the House of Representatives, to determine the constitutional rights of the American people.

Let me say to my colleagues in the Senate, and to those who are seeking legislation which would have the effect of reversing the Supreme Court of the United States, the burden of proof is going to be upon them, so far as the senior Senator from Oregon is concerned, to show that we have a Supreme Court that, in effect, is transgressing on the great constitutional guaranties of a free people.

I congratulate the Senator from New York, because, from my interpretation of his speech, and I hope I am not reading into it something that is not there, he and I share the point of view that the legislative branch of the Government ought to recognize, under the Constitution, the limits of the legislative functions of the Congress of the United States, and that the inherent power to protect the constitutional rights of the American people vests in the Justices who occupy that temple across the street.

If the proponents of these attacks on the United States Supreme Court want really to face up to the issue which they raise, let them propose a series of constitutional amendments in accordance with the amending processes of the Constitution, to see how far they will get with the American people. I do not intend to remain silent in the Senate when I observe tactics which, in my opinion, amount to attempts to amend the Constitution by indirection, by focusing attention on some particular decision and seeking to enact legislation which would overrule the decision. I say that, whether it be the Mallory case or any other case.

I think the decision of the United States Supreme Court in the Mallory case was right, because basic in the Mallory case is not a question of the Federal rules at all. Behind the Mallory case is the question, as I said on the floor of the Senate some weeks ago, of due process. As one who can always be counted upon to support efficient police administration, let me point out to the American people that one of the aspects of the struggle for freedom has been the struggle against police tyranny. The unanswerable fact is that if we do not keep the police working within the framework of protective guaranties, we shall have police tyranny.

I am one person who does not propose to vote for legislation which would give the police, under the so-called concept of reasonableness, the power arbitrarily to determine what they think is reasonable in detaining people after arrest and denying to them certain precious guaranties and safeguards; namely, the immediate notification to which they are entitled that they have a right to be represented by counsel and, second, the immediate notification that anything said can be used against them later in the trial which may ensue.

In fact, I happen to believe, Mr. President, that when the hand of the law is placed upon an American, be he guilty or innocent, and that hand carries the concept, "You are detained under arrest," immediately there ought to flow to the benefit of the arrested person, guilty or innocent, the basic protections of due process which, in my judgment, are the backdrop of the Mallory decision.

I think much confusion has been stirred up not only by Members of Congress but by editors who have not analyzed the Mallory case and what is behind it. I think much confusion has been stirred up because the person in question was a rapist. But he was also a person of very low mentality. If there is anything those of us who have worked in the field of criminal-law administration know, it is that persons of very low mentality are the very ones who need to be protected, because they are highly emotional. The records are replete with proof that many confessions obtained from such persons are confessions not of acts committed but confessions made out of fear and emotional disturbance.

Thank God we have a United States Supreme Court which ruled in the Mallory case that the police cannot arrest a person and hold him for hours without giving him such basic protections and then subsequently have a conviction stand. I pay tribute to the United States Supreme Court for the decision in the Mallory case.

Mr. JAVITS. Mr. President, I wish to express my gratitude to the senior Senator from Oregon, as well as to his colleague, the junior Senator from Oregon [Mr. NEUBERGER], who has joined me on the bill, to the Senator from Pennsylvania [Mr. CLARK], to the Senator from Missouri [Mr. HENNINGS], to the Senator from North Dakota [Mr. LANGER], and to the Senator from Wisconsin [Mr. PROXMIRE].

I think perhaps that is the best way of answering the first question which was asked of me. I have spent some time on this matter. I worked on it while the committee was in the process of its deliberations. I have come up with a legal analysis and a set of conclusions which go exactly along the lines the Senator from Oregon first spoke of; that is, we must practice what we preach and we must be our brother's keeper in that respect.

We do not expect the Supreme Court to invade our prerogatives. We should examine searchingly into whether we are invading the prerogatives of the Supreme Court, and thereby the fundamental structure of government and the fundamental safeguards of our people.

I have analyzed this matter, I think to my satisfaction, so I know where I stand and why I am arguing so strongly against the bill.

I am willing to accept the view of the Senator from Oregon, that we are asked to make the Congress a super Supreme Court. That is the argument.

The Senator from Oregon is a very gifted lawyer. We all know that. So is the Senator from Pennsylvania. So are others of my colleagues. Perhaps by having worked on this matter, so that I was ready to speak the day after the committee acted, I may represent a little spark of action and then pass the baton to all my colleagues who can undoubtedly do the job infinitely better. This is a responsibility of every one of us—of every lawyer and of every man who feels deeply on this subject.

I hope it will not be felt for a moment that I have marshaled all the arguments or done all the legal research. Perhaps I have not touched on the fundamental, basic core of the situation. I invite—indeed, I urge my colleagues, distinguished Senators such as the Senator from Oregon and the Senator from Pennsylvania—to consider this matter, as I have tried to consider it, and to proceed further, certainly with all of my aid and applause and the free gift of everything I have done. Whether I say it on the floor or have it considered in my office, in an effort to build the argument, I freely offer it all.

I think we are faced with a fundamentally critical situation in which we may do real harm to the American system. Wittingly, or unwittingly, we may do real harm. This question as to the Supreme Court has been in the offing for a long time. It has been brewing for the past few years. Now I think it has come to full flower, and I think it is time to deal with it in a major way.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. CLARK. I want to thank my friend, the Senator from New York, for the kind words he has said about me. I wish to commend the Senator for the splendid speech he is presently making and for the amount of research it is obvious to me, as a lawyer, he has engaged in before presenting his views.

I have not had an opportunity to make a similar study, but I intend to do so. Judging from what the Senator from New York has said so far, it would seem to me to be pretty clear that the legislation reported by the Committee on the Judiciary does two things which to me, at least, seem to be quite unwise and also unnecessary.

First, the legislation pushes forward an unfortunate totalitarian tendency in this country, which tendency to me, at least, seems to brush aside the Bill of Rights and the fundamental liberties on which this country was founded, when unpopular decisions are at issue. Secondly, it makes a futile effort to usurp constitutional privileges which are not inherent in the legislative body at all,

which are a priceless heritage of the American people as embodied in the Bill of Rights, the first 10 amendments to the Constitution of the United States. That effort will inevitably fail in the courts if it does not fail in the Congress. I hope that we shall be able to have a full and free debate on the issue before action is taken.

I am happy to see that my friend, the Senator from New York, has initiated the debate. I am glad the Senator has come up with a constitutional amendment, which I am happy to cosponsor, which will protect the fundamental and underlying jurisdiction of the Supreme Court of the United States by giving it constitutional sanction, whereas it heretofore has had only legislative sanction. I hope the amendment will get very careful consideration and that in the end the Senate of the United States, acting by a majority, will conclude that the point of view which protects our essential liberties is a far wiser and sounder point of view than that which attempts in the passion of the moment to overrule unpopular decisions.

I suggest, Mr. President, that the distinguished Senator from Oregon, the distinguished Senator from New York, and my friend, the Senator from Wisconsin, who are present in the Chamber, are the real conservatives in this fight, and that those who attempt to set aside basic constitutional principles of human liberty are the radicals.

Mr. JAVITS. I thank the Senator.

Mr. MORSE. Mr. President, will the Senator from New York yield to me in order that I may make a comment to my friend from Pennsylvania?

Mr. JAVITS. I yield.

Mr. MORSE. Let me say to my friend from Pennsylvania that we liberals call ourselves constitutional liberals That is the highest type of conservatism. It is sound conservatism. I now wish to welcome some of my political conservative friends. "Come on in; the water is fine." We will welcome them on this great issue, because they should be standing with the constitutional liberals in protection of the jurisdiction of the United States Supreme Court.

Mr. JAVITS. I thank the Senator.

In view of the Senator's most interesting remarks, I ask unanimous consent that the joint resolution which I have introduced lie on the table until the close of business today, in order to enable additional Senators to become cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. CLARK. I ask the Senator if he will not amend his request and ask that the joint resolution lie on the table until the close of business on Monday. I hope that many Senators who are not present today, and who will read this colloquy in the RECORD tomorrow or Monday, will be sufficiently interested to join in sponsoring the joint resolution.

Mr. JAVITS. Mr. President, I amend my request accordingly.

The PRESIDING OFFICER. Without objection, it is so ordered. The joint resolution will lie on the table until the close of business on Monday.

Mr. JAVITS. Mr. President, I should like to state now for the RECORD that should the present Judiciary Committee bill be brought up for action on the floor of the Senate, I would propose my joint resolution to amend the Constitution as a substitute for it. I point out that the language I have submitted has undergone the most careful legal analysis. About 10 years ago it was passed upon by the American Bar Association, the Association of the Bar of the City of New York, and other bar associations of New York, and was adopted by them. It was permitted to lie on the table, as it were, all this time, because apparently there was no pressing reason why it should be brought up. But I believe that now we are faced with the clear alternative, either of regularizing and establishing beyond question, and without being subject to action by the Congress, the right of the Supreme Court, or proceeding with some such legislation as is here proposed by the Judiciary Committee.

Under our American system, for 170 years, with very few exceptions, there has been no serious challenge to the right or the wisdom of the Supreme Court being the final interpreter of the Constitution and the rights and powers it sets forth The struggle for judicial supremacy in this limited field of constitutional interpretation was fought and won, it was hoped for all time, by the decision in *Marbury* v. *Madison* (1 Cranch 137 (1803)).

In that case John Marshall said:

> The Constitution is either a superior, paramount law, unchangeable by ordinary means, or it is on a level with ordinary legislative acts, and like other acts, is alterable when the legislature shall please to alter it.
>
> If the former part of the alternative be true, then a legislative act contrary to the Constitution is not law: if the latter part be true, the written constitutions are absurd attempts, on the part of the people, to limit a power, in its own nature illimitable.
>
> Certainly all those who have framed written constitutions contemplate them as forming the fundamental and paramount law of the Nation, and consequently the theory of every such government must be, that an act of the legislature, repugnant to the Constitution, is void (p. 177).

It is nothing new that the Supreme Court is attacked in this historic conception. It has been attacked before. The most recent example was the Court-packing plan of President Roosevelt; but even in that instance, although the number of justices was to be increased, there was no attempt to destroy the fundamental fabric of the Court's power to act.

It is true that shortly following the Civil War such a successful attack was made. It arose in a case entitled "Ex Parte McCardle, in 1867."

While an appeal was pending to the Court involving constitutional rights, Congress, apparently in fear of an adverse decision, withdrew the power of the Court to hear the case upon appeal. This withdrawal, accomplished over Presidential veto, represented the unilateral will of one branch of Government on a grave constitutional issue. The Court reluctantly conceded it has no power to review—*Ex parte McCardle* (6 Wall. 318 (1867); 7 Wall. 506 (1868)). That action is not a model which history holds up for emulation, and yet now we again see a strong effort being made to sow the seeds of destruction of the place which the judiciary holds in our delicate balance of powers.

It seems to me that action is the very action which should be called to our attention, because it is a warning as to how much power we have, and therefore a warning against our using it in a manner inimical to the best interests of the constitutional structure of government. As I have said, that action is not a model which history holds up for emulation, but it is a model which I think it is extremely important for us to recall today.

Although not completely mutually exclusive with the bill which was ordered reported from the Judiciary Committee, my joint resolution is in direct opposition to its spirit and in one area the resolution is in direct conflict with the specific provisions of the bill. As I have said, one of the most important provisions of the pending bill seeks to withdraw jurisdiction from the Supreme Court over appeals relating to the admission of members of a State bar. This is aimed apparently at two cases *Schware* v. *Board of Bar Examiners* (353 U. S. 232 1957)) and *Konigsberg* v. *State Bar of California* (353 U. S. 252 (1957)). Both of these cases concern constitutional rights under the 14th amendment. The 14th amendment, which is so heavily involved in this discussion, by its very nature is a limitation on State action. The due process and equal protection clauses are intended to be a moderator, a governor on State action. The logic of this removal of jurisdiction provision and the assertion of unrestricted State powers in the field of admissions to the bar would seem to lead inevitably to withdrawal of appellate jurisdiction in all cases relating to State laws or actions or licenses or privileges granted by States involving the Constitution. Indeed, that was the very intendment of the legal arguments made on the floor of the Senate last year as they involved the school integration decision of the Supreme Court.

I would assume that faced with this issue no one would concur in so wide an assault on so precious a constitutional right. Yet, why should prospective lawyers be the only persons deprived of the protection of the 14th amendment and the due process clause it contains? The answer is—and it is the principal imperfection of the Judiciary Committee bill—is its foot-in-the-door potential.

Once we start on this road, everyone who has a complaint will seek to gather together a Congressional majority and seek to enforce the complaint by taking away the appellate jurisdiction of the Supreme Court in all constitutional law cases, and making the Congress, and the Congress alone, as is the custom in countries without a written constitution, the sole and only arbiter of the limit of its powers.

My amendment would prevent the withdrawal of such jurisdiction where constitutional rights are involved, as they were in both the Schware and Konigsberg cases.

With respect to the provisions amending specific statutes, there can be of course no quarrel in theory—legislative power belongs to the Congress and must be exercised with the best light available in the public interest.

That, indeed, is true of the particular provision of the bill relating to the Nelson case.

But each of these subjects involves many questions which deserve careful and separate treatment. By lumping the other provisions together and dictating to the Court what it shall and shall not find constitutional, the bill is, in effect, a motion of censure of the Supreme Court and must be so interpreted in the context of its development and the debate which has already been occasioned. The one thing which these amendments have in common is they deal with decisions of the Supreme Court with which some Members disagree, and one case with which they disagree so violently that they seek to prevent the Supreme Court from considering even constitutional questions in that entire field of law—that of bar admission.

I think the bill of Senator JENNER and its amendments should fail on their merits, but I also think that we should not lose sight of what is really at stake. Basically, what is the intendment?

I impugn no one's motives. I credit the sincerity, patriotism, and solicitude for the public interest of the principal sponsors of the bill, and of every Member on the Judiciary Committee who voted for it as highly as I do my own. I say that advisedly, without question.

Basically the bill, even though not so intended, attacks the traditional function of the Supreme Court. By joining these provisions together the sponsors are handing down a bill of particulars of an indictment of the Court. The ramifications cut so deep that I believe the issue must be sharply drawn, and in its resolution we must try to put an end to the danger for all time. That is why I submitted a proposed constitutional amendment in the joint resolution introduced by me. We must try to put an end to the danger for all time.

If today we violate the traditions of our history and Government in one class of cases, who shall say that tomorrow we shall not take away other or all constitutional cases from the Supreme Court.

The American people have a great deal of thinking to do. They must decide, and we must decide, whether we prefer to leave the final decision on the construction of the Constitution in the Congress, in the President, or in the Supreme Court.

I remember, when I served in the other body, that some of the ultraconservative Members would spring to arms as quickly as would the most advanced liberals, whether the issue was popular or unpopular, if it involved the fundamentals of the Constitution of the United States. They knew what they were doing. The Constitution is as dear and important and vital to them as it is to the most progressive liberal in the United States. Therefore, Mr. President, there is no division between liberals and conservatives, and no divisions between parties. The Court has been attacked and defended by people of all shades of opinion at one time or another, sometimes because of its conservatism and sometimes because of its liberalism.

Mr. President, the greatest traditionalism and the greatest conservatism indicate that we should keep what we have, what we have found to be good, and that we should follow the established practice of 155 years, and leave the Court where it is. That is my conviction, and that is the fundamental purpose for which the members of the bar, as a body, must fight.

The Court has served us well as the defender of the individual against unlawful government authority. Let us not impair its usefulness in an hour when it may be more vital than ever.

Mr. President, this is Law Day. It happens that the bill was ordered reported by the committee the day before Law Day. It seems to me that this day emphasizes and underlines that we want a government of laws, not a government of men. Contrary to the impression of many who are not students of government, our kind of republic, based upon fundamental democratic principles, requires great discipline. It is discipline we are talking about today. For example, theoretically Congress could sit on its hands and not appropriate a penny, and the whole Government would go out of business. Theoretically, the President could sit on his hands and not enforce any laws, and the whole Government would go out of business. There is no power on earth that can make us act or make him act.

It is this internal discipline which makes the whole machine work. So I ask: Do we want to break down all that self-discipline because some of us— perhaps including myself—are dissatisfied with some Supreme Court decisions? Is it not our highest duty in the exercise of self-discipline, in this real work of our Government, to stand by these fundamental institutions?

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement prepared by me which represents my legal analysis of the need for my resolution.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT

Concededly, the Constitution does not expressly state that the Supreme Court shall be vested with the power to declare legislative action unconstitutional. As one learned lawyer has put it:

"Clearly, there is no express statement giving the Court appellate jurisdiction on all questions concerning constitutionality of legislation and thus giving the power to declare acts of Congress void. But it is generally admitted that this jurisdiction and power are to be implied. Otherwise Congress would have acquired the same arbitrary power that Parliament had, and the consistency of its legislation with the provisions of the Constitution would have been purely a matter of the conscience and commonsense of Congress. Very clearly, the Constitutional Convention did not intend any such situation as that." (Tweed: Provisions of the Constitution concerning the Supreme Court of the United States, 31 Boston ULR (1951), at pp. 7–8.)

Even the late Mr. Justice Jackson, who defended the Court-packing plan before he was appointed to the Supreme Court, admitted that it was probable that many, and certain that some, members of the Constitutional Convention appreciated that the judiciary clause would spell out a power in the Supreme Court to pass on the constitutionality of Federal legislation (The Struggle for Judicial Supremacy, 1941, p. 4). He also admitted that most lawyers believed that the implication was clear; others, that it was at the very best ambiguous; and that

"In any case political evolution has supplied the omission, and the course of history has established that power in the Supreme Court" (id., p. 5).

In the 1937 report of the Judiciary Committee of the Senate rejecting the Court-packing plan (Rept. No. 711, 75th Cong., 1st sess.) the power is more clearly stated. In its report the committee said (at pp. 17, 18):

"The assertion has been indiscriminately made that the Court has arrogated to itself the right to declare acts of Congress invalid. The contention will not stand against investigation or reason.

"Article III of the Federal Constitution provides that the judicial power 'shall extend to all cases in law and equity arising under this Constitution, the laws of the United States, and treaties made under their authority.'

"The words 'under this Constitution' were inserted on the floor of the Constitutional Convention in circumstances that leave no doubt of their meaning. It is true that the Convention had refused to give the Supreme Court the power to sit as a council of revision over the acts of Congress or the power to veto such acts. That action, however, was merely the refusal to give the Court any legislative power. It was a decision wholly in harmony with the purpose of keeping the judiciary independent. But, while carefully refraining from giving the Court power to share in making laws, the Convention did give it judicial power to construe the Constitution in litigated cases. * * * In other words, the framers of the Constitution were not satisfied to give the Court power to pass only on cases arising under the laws but insisted on making it quite clear that the power extends to cases arising 'under the Constitution.' Moreover, article VI of the Constitution, clause 2, provides:

" 'This Constitution and the laws of the United States which shall be made in pursuance thereof * * * shall be the supreme law of the land. * * * '

"Language was never more clear. No doubt can remain. The pretended law which is not 'in pursuance' of the Constitution is no law at all."

The role which the Supreme Court has rightfully played in our scheme of government has been that of interpreter of our Constitution. In the carrying out of that appropriate function it is essential that the Court be free and independent. This, too, was recognized at an early stage. In The Federalist (vol. 2, p. 100, No. 78) it was said:

"The complete independence of the courts of justice is peculiarly essential in a limited Constitution. By 'a limited Constitution' I understand one which contains certain specified exceptions to the legislative authority, such, for instance, as that it shall pass no bills of attainder, no ex post facto laws, and the like. Limitations of this kind can be preserved in practically no other way than through the medium of courts of justice, whose duty it must be to declare all acts contrary to the manifest tenor of the

Constitution void. Without this, all the reservations of particular rights or privileges would amount to nothing."

More recently the matter has been put as follows by one of the outstanding jurists of our time, Judge Learned Hand. He said (The Contribution of an Independent Judiciary to Civilization, Jurisprudence in Action, 1953, at p. 230):

"A constitution is primarily an instrument to distribute political power; and so far as it is, it is hard to escape the necessity of some tribunal with authority to declare when the prescribed distribution has been disturbed. Otherwise those who hold the purse will be likely in the end to dominate and absorb everything else, except as astute executives may from time to time check them by capturing and holding popular favor. Obviously the independence of such a tribunal must be secure * * * and yet, granted the necessity of some such authority, probably independent judges were the most likely to do the job well."

I do not mean that the Supreme Court should be sacrosanct—should be above criticism. It never has been and never will be. It was particularly subject to attack during the administration of Jefferson, Jackson, Lincoln, and Franklin D. Roosevelt. It will continue to be subject to criticism, and I do not quarrel with that condition.

Professor, now dean, of the Harvard Law School, Erwin N. Griswold, has aptly stated the issue now before us (Reorganization of the Federal Judiciary, hearings of the Committee on the Judiciary, 75th Cong., 1st sess., 1937, at p. 64):

"The present controversy will have served a real purpose if it leads the public to understand that the function of the Justices in many cases is not merely to read and apply the plain meaning of clear language, but is rather to define the scope of constitutional standards by the exercise of judgment and discretion.

"It should not be otherwise. It is essential that judges exercise judgment and discretion. That is what judges are for. It would have been very unfortunate if the Constitution had been rigid and specific in all terms."

And one of our greatest Chief Justices, Charles Evans Hughes, has said (Pusey, Charles Evans Hughes, p. 692):

"The supreme exercise of the judicial power of the United States is in maintaining the constitutional balance between State and Nation and in enforcing the principles of liberty which the Constitution safeguards against arbitrary power. This is an extraordinary demand upon judicial intelligence, but it is an integral part of our system, and the duty imposed upon our judges cannot be escaped. We cannot perform this duty in a narrow, technical spirit. Our dual system requires recognition of appropriate State power as well as Federal power. It demands freedom for State authority to meet local needs. It demands opportunities for experimentation and progress. We must ever keep before our minds the illuminating phrase of Marshall, 'that it is a constitution we are expounding.' That Constitution was made, as Justice Mathews observed, 'for an undefined and expanding future, and for a people gathered and to be gathered from many nations and many tongues.' We should be faithless to our supreme obligation if we interpreted the great generalities of the Constitution so as to forbid flexibility in making adaptations to meet new conditions, and to prevent the correction of new abuses incident to the complexity of our life, or so as to crystallize our notions of policy, our personal views of economics, and our theories of moral or social improvement. We should be equally faithless to our duty if we failed to remember that it is an American Constitution we are expounding. It is permeated with American ideals, infused with an American conception of liberty.

"We cannot take the great phrases of the Constitution and disregard their historic background and fundamental purposes. These purposes were so expressed as to permit a broad range for new methods and achievements, but they were expressed in limitations. These limitations were imposed so as to safeguard rights believed to be fundamental. * * * The extent of these fundamental rights is a subject of perennial debate. But that they exist is a postulate of our system that cannot be ignored. They are limitations, as I have said, in the interest of liberty, requiring a measure of freedom of opportunity which even a legislature must respect."

No one can seriously disagree but that it is the appropriate function of the Supreme Court of the United States to interpret the provisions of our Constitution in the light of changing time and conditions. Many of those who now criticize decisions of the Court do so in large part because the Court is devoting more and more attention to the field of civil liberties. Twenty years ago the hue and cry raised at that institution was based upon its failure to expand the rights of the people through social legislation. Yet at that time the value of the Court's contribution to the rights of the individual to liberty were recognized. The Judiciary Committee of the Senate in its report, to which I have previously referred, said (at pp. 19–20):

"These leaders (Patrick Henry and James Madison) who were most deeply imbued with the duty of safeguarding human rights and who were most concerned to preserve the liberty lately won, never wavered in their belief that an independent judiciary and a Constitution defining with clarity the rights of the people, were the only safeguards of the citizen. Familiar with English history and the long struggle for human liberty, they held it to be an axiom of free government that there could be no security for the people against the encroachment of political power save a written Constitution and an uncontrolled judiciary.

"This has now been demonstrated by 150 years of progressive American history. As a people, Americans love liberty. It may be with truth and pride also said that we have a sensitive regard for human rights. Notwithstanding these facts, during 150 years the citizen over and over again has been compelled to contend for the plain rights guaranteed in the Constitution. Free speech, a free press, the right of assemblage, the right of a trial by jury, freedom from arbitrary arrest, religious freedom—these are among the great underlying principles upon which our democracy rests. But for all these, there have been occasions when the citizen has had to appeal to the courts for protection as against those who would take them away. And the only place the citizen has been able to go in any of these instances, for protection against the abridgement of his rights, has been to an independent and uncontrolled and incorruptible judiciary. Our law reports are filled with decisions scattered throughout these long years, reassuring the citizen of his constitutional rights, restraining States, restraining the Congress, restraining the Executive, restraining majorities, and preserving the noblest in rights of individuals."

That was the view of able predecessors in the Senate 20 years ago. I submit that their judgment is as valid today as it was then; and that recognition of this viewpoint will come to those who seriously consider recent decisions of the Court in the light of the times in which we are living.

Let us take one example of the current criticism leveled at the Court—its decision in *United States* v. *Watkins* (354 U. S. 178 (1957)). In that case the Court reversed a conviction for contempt of Congress of a witness who had refused to testify in response to questions which he thought were intended to expose others to public obloquy because of their past beliefs, expressions and associations and which he thought did not lie within the proper scope of a Congressional investigating committee. The Court agreed with the witness. I do not read the decision as necessarily imposing serious limitations upon Congressional investigations. Rather, I read it as a reminder to the legislative branch to tighten up its investigative machinery, and to obey in its operation the time-honored rules to protect the individual against abuses of the power over him of the State. This is the import of the decision according to the following language from the opinion of the Chief Justice (at p. 215):

"We are mindful of the complexities of modern Government and the ample scope that must be left to the Congress as the sole constitutional depository of legislative power. Equally mindful are we of the indispensable function, in the exercise of that power, of Congressional investigations. The conclusions we have reached in this case will not prevent the Congress, through its committees, from obtaining any information it needs for the proper fulfillment of its role in our scheme of Government. The legislature is free to determine the kinds of data that should be collected. It is only those investigations that are conducted by use of compulsory process that give rise to a need to protect the rights of individuals against illegal encroachment. That protection can be readily achieved through procedures which prevent the separation of power from responsibility and which provide the constitutional requisites of fairness for witnesses. A measure of added care on the part of the House and the Senate in authorizing the use of compulsory process and by their committees in exercising that power would suffice."

The basic point seems to me to be not whether particular individuals agree or disagree with particular decisions of the Court, but whether there should continue to exist a "backstairs" method of influencing or avoiding decisions of the Court by depriving it of jurisdiction over cases in which some expect that future decisions will be "erroneous."

It is not for the Congress to arrogate to itself the function of interpreting the Constitution. To do so would be for the legislature to usurp the judicial function. This we want no more than we want the judiciary to usurp the legislative function.

But, even if my judgment should err in particular instances, it is to the people of the United States to whom both the judiciary and the legislature owe their fealty—and it is they, through the process of amending the Constitution, who, in the last analysis, should judge whether undesirable constitutional doctrine has been expounded. Only through that process, which though at times lengthy, yet by that very fact affording ample time for mature reflection on important issues, should the country make its will known on the supreme and underlying structure of government.

The constitutional amendment which I propose is included in that proposed 10 years ago with the backing of the American Bar Association, the Association of the Bar of the City of New York, and the New York County Lawyers Association. It was also endorsed by the late Owen J. Roberts, a former Justice of the Supreme Court of the United States (see Now Is the Time: Verifying the Supreme Court's Independence (35 ABAJ, 1 (1949))), despite the fact that he was generally against tinkering with the Constitution (id. at p. 4).

As I have pointed out, in 1937 the Committee on the Judiciary of the Senate reported adversely upon S. 1392 of the 75th Congress (known as the court-packing plan). The committee report concluded with the following language:

"It is a measure which should be so emphatically rejected that its parallel will never again be presented to the free representatives of the free people of America."

S. 1392 sought to reverse so-called reactionary decisions of the Supreme Court on constitutional issues of great magnitude and importance. Yet, a parallel to that bill is, in effect, being presented to the Senate now. It would finally deprive the Supreme Court of jurisdiction to review certain actions of the States in which constitutional rights of individuals had been asserted. Unlike the court-packing plan, this bill would have prevented a Supreme Court, thought by some to be too liberal, from upholding certain constitutional rights of individuals.

It comes from our Senate Judiciary Committee 20 years after the same Senate Judiciary Committee had taken the firm and definite stand that such types of bills should never again be presented to the free representatives of the free people of America.

The joint resolution which I sponsor is not new. Its identical provisions were included in a joint resolution introduced 5 years ago during the 83d Congress.

Let me point out what this joint resolution is not intended to and would not accomplish. It would in nowise alter the right of the Congress to legislate in areas over which it has legislative jurisdiction. Decisions of the Supreme Court interpreting tax legislation, labor legislation, railroad legislation, securities legislation, and legislation in the interest of national security—indeed any legislation—might still be changed by act of Congress. This power is an inherent legislative power which has always existed and been frequently exercised by the Congress. Its exercise will not be affected by my proposal.

It would in nowise impair the power of the Congress to adopt regulations of any activities falling within its constitutionally granted powers, and to determine and declare, where the Congress deems appropriate, that such regulations should or should not supersede State regulations of the same subject matter.

It would in nowise impair the power of the Congress to appropriately regulate the judicial machinery of the lower Federal courts. Article III, section 2, would still contain the words:

"In all other cases mentioned in the first paragraph of section 2 of article III of the Constitution, the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions, and under such regulations, as the Congress shall make."

Nor would it interfere with the discretionary exercise of the jurisdiction of the Supreme Court through the route of certiorari.

Indeed it is my view that the joint resolution would in nowise impair any appropriate function of the Congress.

What does the proposal do? It seeks to transfer to the people the power of Congress to take away from the Supreme Court jurisdiction to decide any constitutional question. Although, not completely free from doubt Congress probably has that power. The Supreme Court, as the interpreter of our Constitution, has itself recognized the existence of this power. (See Constitution of the United States of America, 1952, S. Doc. No. 170, 82d Cong., 2d sess., at pp. 614–615.) But despite the existence of this Congressional power, the Congress has recognized the appropriateness of the exercise by the Supreme Court of the power to declare statutes unconstitutional. With one exception, the Congress has, since the first judiciary act, vested in the Supreme Court appellate jurisdiction in cases involving the application and interpretation of our Constitution.

That one exception involved the McCardle case mentioned in which there was drawn in question the validity of the Reconstruction Acts following the Civil War. A Mississippi editor, held for trial before a military commission, applied for a writ of habeas corpus in accordance with an act of Congress. It was denied by the circuit court and an appeal, under existing statutes, was taken to the Supreme Court of the United States. In anticipation that the Court would hold it to be beyond the power of Congress to set up military tribunals in the several States at that time, Congress hastily enacted, over Presidential veto, a statute depriving the Court of jurisdiction. The Supreme Court accordingly dismissed the appeal. Those who sympathized with the Court and its assumed attitude toward reconstruction felt bitter resentment, and criticism of the Congress was widespread. But a majority of the Congress had its way on a political issue. I venture to say that had Congress permitted the Court to exercise its previously established jurisdiction over the case, the Nation would have been no worse off. Indeed the wounds of the Civil War might have healed more quickly.

History teaches us that during the 170 years in which we have operated under our Constitution there has been no real need for the provisions of article III, section 2, which vest in the Congress the power to make exceptions to the appellate jurisdiction of the Supreme Court over constitutional issues.

On the contrary, I submit, history teaches us that such a provision is unwise and inconsistent with our constitutional theory of government.

Why was it included in the Constitution at all? The answer is shrouded in doubt. A distinguished member of the bar of the State which I have the honor to represent, Harrison Tweed, has summarized the situation in the following language (Tweed: Provisions of the Constitution Concerning the Supreme Court of the United States, 31 Boston ULR 1 (1951), at pp. 10–11):

"It is extraordinary how little attention has been paid to these words either before or when they were written into the Constitution or at any time since then. There have been suggestions that they were intended to give Congress a regulatory rather than a restrictive power. But there seems to be nothing in the records of the Convention or in the Federalist to fully sustain the suggestion. It is true that Hamilton suggested in one of the Federalist papers that they were inserted because of the fear that under the power to review judgments of State courts, 'both as to law and fact', the Supreme Court might encroach upon the treasured right to trial by jury. But toward the end of No. 81 he indicated that the provision was inserted as a sort of compromise in order to assure approval of the article concerning the judiciary."

Certainly this presents no reason carrying any weight for the preservation of the provision. And there are other weighty reasons for its elimination. Let me return to my prior statement that this constitutional amendment is consistent with our theory of constitutional government. I am referring to our tripartite division of powers among the legislative, executive, and judicial branches of our Government, and, in particular, to the function which the Supreme Court performs in that system.

Mr. MORSE. Mr. President, I ask that my name be added as a cosponsor of the Senator's joint resolution.

Mr. JAVITS. I thank the Senator from Oregon, and I make that request also.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE EDUCATION OF YOUTH

Mr. MORSE. Mr. President, the problem of educating the youth of our country is one of the most serious confronting us today. The free nations of the world look to us for guidance in offsetting the activities of the totalitarian nations, and we must never overlook the fact that our efforts to guide the free nations can be no better than the degree to which our own people have trained their minds.

Since the advent of sputnik, we have had a tremendous ground swell of demand for expanded research and education in the field of science. This is all to the good, but we must not let it overshadow our research and studies that relate to man himself. That is why I feel that the program of the National Science Foundation is of utmost importance, particularly the often neglected aspect of the social sciences.

Therefore, Mr. President, I have written to the distinguished chairman of the Subcommittee on Independent Offices and General Government Matters, Senator MAGNUSON, giving him my views on the importance of obtaining adequate appropriations for the National Science Foundation.

I ask unanimous consent that my letter be inserted in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 29, 1958.

Hon. WARREN G. MAGNUSON,
Chairman, Subcommittee on Independent Offices and General Government Matters, Committee on Appropriations, United States Senate, Washington, D. C.

DEAR MAGGIE: You will undoubtedly recall our discussions over the past several years regarding the importance of adequate support of research and training in the sciences, and particularly the sciences dealing with man and his social environment.

In this connection, I should like to endorse strongly the full budgetary request of the National Science Foundation for fiscal year 1959. The House action reduced the appropriation from $140 million to $115 million. In view of the critical situation we face in scientific research and development, I believe that restoration by your subcommittee of the full amount of $140 million is amply justified.

I was unhappy to learn that of the $40 million requested by the Foundation and approved by the House for support of basic research, only $850,000 is assigned for support of the social sciences. As I stated on the floor of the Senate on February 4, 1958, I am convinced that the social sciences could properly spend 2 or 3 times this amount.

You may remember that last year, in discussing the National Science Foundation's budget for 1958, you and I agreed that it would be appropriate and desirable for the Foundation to spend, out of the total $40 million then appropriated to it, $1 million for its developing program in the social sciences. In view of the much larger sums being made available to the Foundation this year, I trust that your subcommittee will urge the Foundation to allocate at least $1,500,000 for research in the social sciences and that your subcommittee will also urge the Foundation to broaden and strengthen its program of social science fellowships.

I shall not attempt to repeat here the numerous arguments in support of the social sciences which I have presented to the Senate on recent occasions. (See CONGRES-

SIONAL RECORD of June 3, June 12 and August 26, 1957 and February 4, 1958). Suffice it to say that, as the New York Times noted in an editorial last fall, the wider lesson of the sputniks involves not only education in the field of missiles or the natural sciences alone, but also our ability to examine ourselves and our institutions and to improve our knowledge and methodology in the sciences dealing with man's social behavior. It is obvious to all thinking men that greater knowledge about ourselves is as urgent as knowledge about outer space. Information about cosmic phenomena is valuable, indeed, but we cannot afford to neglect our study of human behavior. It would be true folly to master our knowledge of outer space and, at the same time, remain ignorant of the inner man.

Undoubtedly the National Science Foundation has made progress in the social sciences, but this is only a meager beginning. I believe the evidence is quite clear that the Foundation could profitably spend at least $1,500,000 for support of significant social science research and at least $500,000 more for support of graduate fellowships in the social sciences. For the record, I am appending herewith my exchange of correspondence last summer with Dr. Alan T. Waterman, Director of the National Science Foundation.

I am very proud to have been associated with you in your efforts to promote the progress of all the sciences, including the sciences of man, through support of the programs of the National Science Foundation. You were among the first to recommend that the Foundation include a division of the social sciences. I hope that it will not be too long before the National Science Board establishes such a division and gives to the social sciences the appropriate support and recognition they imperatively require in this time of crisis.

Would you kindly include this letter in the printed record of the hearings on independent offices appropriation bill for 1959.

With best personal regards.

Sincerely,

WAYNE MORSE.

A MAJOR WEAPON AGAINST RECESSION: EXTENSION OF THE MINIMUM WAGE LAW

Mr. MORSE. Mr. President, we are confronted by two inescapable facts: A major recession and unimaginative, weak leadership. Furthermore, the recession is directly related to the failure of leadership. Unable to anticipate problems, the administration can hardly be expected to cope with them once they have developed. Typically, it reacts instead of anticipates. And, worse, it reacts like a snail, slowly and without a sense of direction.

RECESSION AND GOVERNMENTAL RESPONSIBILITIES

Not only has the administration failed to produce new policies in the fight against depression, but it has failed to utilize and strengthen existing laws. The President's program is limited to a plea for salesmen to sell harder and for the consumers to buy what they cannot afford. To blame the salesmen and the consumers is to shirk his own responsibility. The source of our economic difficulties is in the misguided policies of the administration.

Now that we are in the midst of a recession the administration has a major responsibility to lead the economy out of recession. This responsibility was clearly enunciated in the Employment Act of 1946, of which I had the honor to be a cosponsor.

It provided—and I quote the statement for the benefit of the President:

> The Congress hereby declares that it is the continuing policy and responsibility of the Federal Government to use all practicable means consistent with its needs and obligations * * * to promote maximum employment, production, and purchasing power.

That is the law on the books today.

EXTENSION OF THE MINIMUM WAGE

The way out of this recession is to build up the purchasing power of the consumer and to restore his confidence in the future. Confidence can only be accomplished through restoring purchasing power. This calls for firm actions, not pleas to buy, whether made by the President or a salesman.

A double-barreled attack with both tax cuts and public works is essential if the battle is to be won. But concentration upon these measures should not rule out the use of other means.

I have proposed that we extend the minimum wage to cover an additional 9.5 million men and women workers. Congress should reverse its practice of narrowing the scope of the Fair Labor Standards Act and should provide the protection that is the worker's right.

For 20 years it has been the policy of the Nation to guarantee a minimum hourly wage to as many workers as is practicable. Unfortunately, neither the President nor Congress has seen fit to honor the policy declaration of the Fair Labor Standards Act. While we had relative prosperity there seemed little need to extend the coverage of the act to the 20 million still unprotected workers. Now that we are in the midst of a serious recession I renew my plea of last year to extend the benefits of the law. I do so not simply as an antirecession measure, but as a matter of elemental justice.

MINIMUM WAGES AND THE RECESSION

Whenever we fail to guarantee a worker a minimum wage of even a dollar an hour, we risk the possibility of denying him the necessary purchasing power to satisfy his own needs and those of the economy. By providing employers the opportunity to pay substandard wages we encourage them to do so. By paying substandard wages we weaken the ability of the worker to buy his neighbor's goods and services. In turn, the neighbor is unable to buy and the vicious circle of depression begins. When we prevent one man from buying, we reduce the income of another and still another, until no one is able to buy.

No economy can prosper and grow with millions laboring at substandard wages; no democracy can long tolerate the degradation forced upon the individual by a wage insufficient for a living standard of health and decency.

It is true that many workers not covered by the minimum-wage law do, in fact, make more money than the legal minimum of $1 an hour. But once a recession gets under way great pressure is placed upon the employer to lower his wages. A shrinking market means layoffs or reduced wages for the employee. The more people who are covered by a minimum wage, the less is the temptation and the necessity of lower rates. The worker can continue to purchase and to stimulate the economy.

A SHOT IN THE ARM

An extension of the minimum-wage law coverage acts not only as a floor in maintaining demand, but it serves also to increase buying power. In a bill (S. 1267) which I sponsored last year, with the late Representative Augustine Kelley, more than 2½ million workers would receive increases in their wages. By simply requiring employers to pay the legal rate of a dollar an hour there would be hundreds of millions of dollars more with which to purchase the goods this country is so capable of producing. Could anything be more desirable when today the steel industry is producing at less than half of its capacity? Or when 8 percent of the work force is unemployed?

Unbelievable as it may seem, more than a million retail and service workers make less than a dollar an hour. More than 100,000 make even less than 75 cents an hour. If each of the 2½ million men and women with substandard incomes were to have their wages increased by just 10 cents an hour, they would have added $192 to their annual incomes. If each had 20 cents added, as indeed tens of thousands would, their yearly income would be boosted by $384. An increase of $192, or $384, is no mean amount to a man with a family who is laboring at less than a dollar an hour and is confronted by today's prices.

In terms of the national income, an increase of 10 cents an hour a worker would result in an additional $480 million a year to purchase the goods of depressed industries. An increase of 20 cents would mean $960 million a year. Out of that increase would come not merely a better life for the worker, but greater profits for the employer and the investor. Profits cannot be made without effective consumer buying power for goods and services.

But increases in wages have little effect upon the economy unless they are spent. We need have no fear that any increases in the wages of the exploited worker will be hoarded. Men and women who live on a subsistence level cannot afford to save. Every cent they make is spent just to keep going. A few hundred dollars more in the hands of these workers will be spent for the necessities.

THE EMPLOYER AND MINIMUM WAGES

I find it strange that some employers still regard the minimum wage as economically unsound. Their own experiences and those of the Nation ought to suggest otherwise. The adoption of the minimum wage in 1938 was a signal event, because it meant that we, as a Nation, were adding another cornerstone to the foundations of our economy. We were committing ourselves to the maintenance of a basic standard of living. Indirectly, we were developing and protecting the markets of the employer.

Today, with 55 percent of the workers covered by the Fair Labor Standards Act, it is imperative that we be fair to

the employers who are also covered by the law. The goods and services of the employer who must pay the legal minimum have to compete with those of the unscrupulous who pay substandard wages. The man who competes not by offering a better product but in exploiting workers is not a fair competitor. The employer who pays less than the legal amount is, in effect, being subsidized by his employees, his competitors, and the general public. Each of us may pay in a different way, but we all end by paying the exploiter. For the honest employer, it is through a loss in sales; for the employee, a standard of living below the standard of health and decency; and for society, the economic costs of low purchasing power and the social costs of degradation.

If the costs of the minimum wage are so great and so prohibitive as its opponents usually have argued, they must explain away a Department of Labor study in 1956 that no consistent price rises were found or could be attributed to a previous increase in the minimum wage.

For the sake of emphasis let me repeat that sentence because, to use a colloquialism, I think it knocks into a cocked hat the false argument of many of the opponents of the Fair Labor Standards Act. I say:

If the costs of the minimum wage are so great and so prohibitive as its opponents usually have argued, they must explain away a Department of Labor study in 1956 that no consistent price rises were found or could be attributed to a previous increase in the minimum wage.

The primary cost of extending the minimum wage to new groups is a reduction in the profits of the exploiter. Is that an unreasonable consequence?

PLIGHT OF THE UNPROTECTED WORKER

The imperative need of action in a recession is not the only reason for extending the minimum wage law. The fundamental reason for extended coverage is that millions of men and women need the protections of the law at all times. I cannot understand why we continue to discriminate among workers. The plight of millions who labor at substandard wages is a well-documented one in the hearings of the Committee on Labor and Public Welfare. I need only add here that workers who must work for low wages are forced to work overtime to compensate for the low wages. But few of those who must do this ever secure any time-and-a-half pay for their efforts. The bill I have proposed will, unlike that of the administration, make it possible for all those to be covered to enjoy also a 40-hour week and time-and-a-half benefits.

The policy of the country is clear on the matter of minimum wages. We are, in the words of the Fair Labor Standards Act, "to correct and as rapidly as practicable to eliminate * * * labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency and general well-being of the workers." These humanitarian ideals demand an emphasis upon inclusiveness, not exclusiveness. I doubt that any worker would wish to see his neighbors go unprotected. Why should we? It is against the self-interest of the worker and American standards of decency. The burden of proof ought to rest with those who would limit coverage, not those who favor its extension.

STATE LAWS AND COVERAGE

The real issue, today, is not whether to extend the law, for that has already been decided; rather, the issue is in finding the most practicable way.

Some have maintained that the chief responsibility is that of the States. But the States have not undertaken the job. One-half of the States do not provide wage protection for workers in the nonmanufacturing industries. Only 8 States and 3 Territories have minimum-wage laws which apply to both women and men. In 21 States the minimum-wage law applies only to women and minors, and in some States it applies only to women in specified industries. All in all, only 18 percent of the 20 million workers excluded from the Federal act are covered by the State laws.

The minimum-wage levels in the States that do have such laws are grossly inadequate. Alaska is the only jurisdiction which has standards which equal or surpass the Federal standards. Fewer than one-third of the States and Territories have wage provisions of 75 to 90 cents for retail, hotel, and restaurant workers. In 2 States, the minimum hourly rate is 25 cents, a wage so low as to be meaningless.

Mr. President, low-paid workers cannot expect protection from the State legislatures. The responsibility of the Federal Government is clear. But what can we expect from the administration?

ADMINISTRATION PROPOSALS

As usual, we find the President proclaiming pious intentions, while his underlings do what they please for special-interest groups. As a result, the obfuscation and feebleness of the President in this area, as in so many others, have little relationship to what the administration is doing. If the situation were not so critical, I might treat the administration with the satire it so richly deserves.

Although 20 million employees lack protection, the administration announced that its proposals would care for some 2½ million. And, then, as usual, it forgot to carry the fight. Or did it forget to? But, to compound its shortcomings, the administration then proposed to violate the letter and the spirit of the act, by failing to extend maximum hours and overtime pay to the additional workers who would be covered.

A 40-hour week and overtime pay are American institutions. How the administration can justify their limitation defies the imagination. It is asking nothing less than for already-deprived workers to labor overtime in order to make a go of it.

Is it not strange how the administration can be so imaginative, and even energetic, in devising means for resisting meaningful change and progress? We have a perfect illustration in its minimum-wage proposals. In order to restrict the coverage of the act, it has introduced a new criterion for determining eligibility. It has decided that the number of employees in a firm would be an appropriate test. Furthermore, it has been decided that a retail firm should have 100 employees, in order to be governed by the act. I suppose 100 was regarded as a nice round number. Whatever the explanation, the size of a firm has absolutely nothing to do with interstate commerce. Such a criterion is nothing less than absurd. It is nothing less than an effort to prevent further application of the law.

The bankruptcy of the administration's program is further demonstrated by the fact that of the 2½ million workers who might come under the act, only 400,000 would receive wage increases. If we judge the administration's proposal as being an antirecession measure, which of course the administration has never done, its proposal appears even more inane. If given a 10-cent-an-hour increase, these workers would add but $40 million to the annual national income, as contrasted to some $480 million under the Morse-Kelley bill.

CONGRESSIONAL LEADERSHIP

If we are to depend upon the States and the administration for constructive, persistent, and imaginative leadership in battling the recession, we shall need to wait a long time. It has not been provided. It is not being provided. And there is no good reason to expect that it will be provided.

The Congress will have to fill the void. But if it does, it must reverse certain attitudes and practices of this administration.

To continue to ignore some 20 million workers is manifestly illogical, unjust, and irresponsible. The time has come for forceful and responsible action on behalf of those who lack friends in the State legislatures, who lack friends in the administration, and who appear—up to now—even to lack friends in the Congress. The fact that clerks, salesmen, and other unprotected workers only lack political power is no reflection upon them, but is a reflection upon the politicians. Are we to continue to treat these men and women as servants who are to be remembered only when it is time to be served by them?

If anyone doubts the justice of extending the minimum wage, let him consider the recession. What justice has long demanded is now made necessary by this recession.

Mr. President, I wish to make very clear that I am urging Congressional action on a minimum-wage law over and above its service to the country by way of an antirecession effect. I am urging that amendments be made to the Fair Labor Standards Act because it is just and right that we be fair to the millions of workers who at present are not covered by that law. But today I am also urging that the administration take another look at this issue, to see whether it can now come along with a proposal to expand its Fair Labor Standards Act

proposal as an antirecession measure, as well.

Mr. President, it always makes me very happy when I can speak a word of commendation of the press; and it makes me particularly happy when I can speak a word of commendation of the editorial policy of the Washington Post.

Today, I am particularly pleased because of the appearance in today's issue of the Washington Post of an editorial entitled "Time for a Tax Cut." The editorial is one of the finest on the whole tax-cut issue that I have read thus far.

Mr. President, the brief speech I have made today on some of our recession problems included a reference to the tax-cut issue. Therefore, I ask unanimous consent that the editorial be printed in the RECORD immediately following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of May 1, 1958]

TIME FOR A TAX CUT

The new employment figure ought to end the indecision about a tax cut. Although the total number of unemployed persons declined slightly in the month ending April 15, the increase in employment did not reflect more than the usual seasonal gain. The actual rate of unemployment—the ratio of the number of unemployed persons in the labor market to the number of jobs—rose from 7 to 7.5 percent. This country, and the Free World, simply cannot afford such continued attrition of the American productive economy.

Despite President Eisenhower's noncommittal comments at his news conference yesterday, we think the time for action has arrived. There are, to be sure, some favorable items which can be cited: Savings remain high, consumer spending had held up reasonably well, housing starts and machine tool orders have increased and certain specific sales campaigns have shown good results. But one overwhelming fact remains: The economy is not expanding; it is still contracting, and the erosion has not been halted.

It is of course possible that the economy is beginning to right itself, and that within a few months it would be back on the upgrade even without a new stimulant. But this possibility is "iffy," and even if the optimistic estimates should turn out to be well founded, the question is whether the Government of the United States can afford to wait. We think it cannot. The goods and services which are not now being produced are irretrievably lost. At a time when American industrial production fell 11 percent, Soviet industrial production during the first quarter of this year rose 11 percent. This is a sobering comparison for Americans, and it is even more sobering in the reaction on other Free World nations which are beginning to feel the pinch of the recession in the United States.

The present consideration, it seems to us, ought to be not whether the Government should act, but how. We favor an across-the-board cut in income taxes of limited duration, such as proposed by the Committee for Economic Development, as the sort of measure most likely to produce the needed stimulus quickly.

A tax cut would be preferable to a massive program of public works which could not take effect soon—although more governmental spending, not for leaf raking but for programs to meet essential national needs, is certainly desirable. A reduction of income taxes also would be preferable at this time, from the standpoint of effectiveness and fairness, to any general tinkering with excise taxes which might open the door to a host of special-treatment pleas. Moreover, an income-tax cut could be so applied as to minimize the danger of additional inflation by resuming current rates when other governmental spending programs began to take hold.

The precise amount, duration, and coverage of a tax cut are properly matters for discussion—though we hope not too lengthy discussion. The CED has suggested a 20-percent general reduction lasting until March 31, 1959, at a cost (beginning 5 weeks ago) of $7.5 billion. It might be feasible to curtail the period of the cut somewhat so as to make it coincide with the calendar year 1958. The objective, in any case, is to have a cut that is both great enough and of long enough duration to make a major impact on consumer spending and hence on business investment and expansion.

What is essential in any tax-cut program is to avoid letting it become an excuse for shirking other national and Free World responsibilities. This will be a great test of the maturity and vision of Congress. It is important to put more Americans to work, but this is only one of the requirements before the country. It is also important to have Americans decently schooled, to have cities renewed, to provide the highways and other facilities commensurate with the demands of a growing nation. And if these are important, it is no less important to look to the health of the Free World—to expand trade, to maintain alliances and to assist in the economic development of independent countries.

Thus a tax cut cannot be allowed to preclude the additional governmental expenditures needed to meet the domestic needs of a great nation. Nor can it be allowed to detract from the necessary improvement of defense or from the expansion of development programs abroad. Any tendency to take an either-or approach in Congress, to view a tax cut as a substitute for schools or to retreat into economic isolationism at the expense of the remainder of the Free World, must be resisted emphatically as the narrowest kind of folly.

The aim must be to do all of these things: To support a higher rate of governmental spending domestically, to maintain and expand programs abroad and to give the economy the stimulus it needs to resume its growth. Only with such a purpose can the country expect to meet its responsibilities and to provide the expanded bases of production and consumption necessary for the next decade. The United States can recover from the effects of a temporarily unbalanced budget. What it cannot recover from nearly so readily is a prolonged period of sluggishness and economic shrinkage, of failure to keep active the dynamism so essential to the success of the competition in which the Free World is engaged.

For these philosophical and practical reasons we hope that President Eisenhower and the administration will conclude that the time has come for action without further costly waiting; and if the administration delays we hope that the leaders in Congress will themselves press considered tax-cut legislation. A tax cut surely will not be a miracle cure for the recession, but it is medicine of the right sort, and the patient is ailing.

Mr. PROXMIRE subsequently said: Mr. President, I had intended to present this editorial for printing in the RECORD, and join the Senator from Oregon in commending it. It is the clearest and most persuasive argument for prompt economic action by the Federal Government that I have read in a long time.

The point which this editorial makes most convincingly is that the Government of the United States cannot afford to wait. As the Post says, "The goods and services which are not now being produced are irretrievably lost. At a time when American industrial production fell 11 percent, Soviet industrial production during the first quarter of this year rose 11 percent."

The editorial points out that a tax cut should be temporary. It should be terminated as soon as the economy begins to recover. It is the one economic measure which can be put into effect immediately and which can have a prompt and vigorous effect in starting us on the road to economic recovery, which is such a military, as well as a human, necessity, for America today.

Mr. DOUGLAS subsequently said:

Mr. President, I understand that earlier in the afternoon the Senator from Oregon inserted in the RECORD an editorial from the Washington Post of this morning entitled "Time for a Tax Cut." I understand also that comments were made on the editorial by the Senator from Oregon and by the Senator from Wisconsin [Mr. PROXMIRE].

The editorial is rather significant, because it represents a decided shift in the thinking of this national newspaper. Some 3 months ago, when I first proposed a tax cut, the Washington Post was very critical of my proposal, and in March, when I proposed, on the floor of the Senate, a $5 billion tax cut, the Washington Post was in opposition.

The Washington Post, like many other fine newspapers, has the capacity to learn from experience, and it has evidently learned, and has now adopted a policy which I believe to be wise. There are more and more converts joining the ranks every day, and we welcome them with open arms. We do not examine their credentials. We will not mention unduly their past record. The door is wide open, and we will be very glad to have them come in and join the swelling ranks.

I ask unanimous consent that there may be printed at the conclusion of my remarks an article published in the Chicago American of April 26, 1958, entitled "Norwestern University Professors Support Tax Cut."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Chicago American of April 26, 1958]

NORTHWESTERN UNIVERSITY PROFESSORS SUPPORT TAX CUT

"The moderate recessions of 1949 and 1953–54 were not ended without the aid of substantial tax cuts, resulting from the Revenue Act of 1948 and from certain measures effective in 1954.

"Without prompt and substantial tax cuts now, there is great danger of cumulative damage from the rapid tapering off in plant and equipment outlays already scheduled, the exhaustion of unemployment insurance rights and the deterioration in the economic position of our trading partners abroad.

"We believe the first major policy step should be to cut Federal taxes by about $10 billion a year, effective immediately, the cut to remain in effect until recovery is assured. Any further delay will increase the

prospect that even a $10 billion tax cut will prove inadequate and that the present recession will become even deeper and more prolonged.

"If inflation turns out to be a problem in 1959 or 1960, appropriate measures can and should be taken at that time."

We endorse and support the above statement by 14 economists of Columbia University and the City College of New York, published April 14 in the New York Times.

In doing so we hope to make clear the substantial agreement among professional economists throughout the Nation that firm action is necessary to combat the current recession.

The way to increase output and reduce unemployment, as President Eisenhower has declared, is to bring about more buying. This cannot be done by exhortation. It can be done by reducing taxes so the purchasing power is increased. Further delay in appropriate governmental action is difficult to excuse.

Robert Eisner, F. M. Westfield, R. H. Strotz, C. M. Tiebout, Karl de Schweintz, Jr., R. C. Blitz, A. L. Marty, Kenyon E. Poole, R. W. Clower, H. F. Williamson, A. B. Mandelstamm; All Members of Department of Economics, Northwestern University.

Mr. MORSE. Mr. President, I wish to comment on what my good friend the Senator from Illinois has just said. He referred to the fact that the editorial published in the Washington Post this morning showed that the editors of the Washington Post learn from experience. That is a typically modest statement of the Senator from Illinois. I believe the editorial really shows that the editors are also capable of learning from a great educator and a great economist. I believe this is one of the greatest teaching jobs of many fine teaching jobs the Senator from Illinois has performed in his public life, and is comparable to the great work of teaching he did when he was a professor at the University of Chicago.

I believe the Washington Post editorial shows that the editors of the Washington Post studied the record made by the Senator from Illinois as set forth in the CONGRESSIONAL RECORD. In my book, as I have said so often, he is the greatest economist in Congress and one of the 10 greatest economists in the country today. I believe his position is unanswerable. Therefore the editors of the Washington Post have written this editorial.

I was one of the cosponsors of the amendment the Senator from Illinois offered, and also one of the cosponsors of the Yarborough-Proxmire amendment, providing for a tax cut. There has been a considerable amount of adverse editorial comment in my State about my fiscal irresponsibility, because I favored a tax cut and also favored a public works program.

It has been very interesting in recent days to see in my State also a shift of editorial opinion. As more and more of our newspaper editors recognize that the recession is much deeper than was first contemplated they are beginning to shift their position in regard to the tax-cut issue.

I have always been very proud of the fact that I was a good enough student to follow the teachings of a great teacher on this issue when I joined him as a cosponsor of the bill offered by the Senator from Illinois.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNIFIED CONTROL OF AIRSPACE

Mr. MONRONEY. Mr. President, I desire to call the attention of the Senate to a serious problem that faces American aviation. This is a problem that has existed for many years, but which has become increasingly critical until it culminated, as it was bound to do, in the recent midair collision of a military jet fighter with an airliner.

We have reached the point in this air age when dual control of our airspace is inviting disaster, both for the military aircraft and civilian aircraft of our Nation. The divided control resulted in this crash which resulted when a jet trainer on a training flight, piloted by a hooded pilot in the back seat and with a safety pilot in the front seat, crossed one of the busiest airlanes in the world, the east-west leg of the main airway over Las Vegas, Nev.

The pilot of the airline plane was on instrument flight control, and had been assigned the altitude of 21,000 feet to fly that leg of the transcontinental air highway. According to our information, the jet fighter plane, its trainee pilot under a hood, was flying at 30,000 feet. He was given orders by radio, not by the control tower, but by the officer in charge of his instrument training, to descend from 30,000 feet to 16,000 feet.

There is great overcrowding of the airspace over Nevada. I am told six-tenths of the airspace over Nevada is under military control and restricted. The jetplane, in making its simulated instrument landing, was brought across the 21,000-foot altitude which had been assigned to the United Air Lines plane. There was no contact between the control tower at Nellis Air Force Base and the control tower of the CAA at Las Vegas airport, although they were only 6 miles apart.

Furthermore, there was no communication with Salt Lake City and Denver, so that not even the CAA tower at Las Vegas knew that the 21,000-foot altitude had been assigned to the United Air Lines flight.

Those of us on the Aviation Subcommittee of the Senate Committee on Interstate and Foreign Commerce have long been concerned with the growing danger of midair collisions as a result of dual control of air operations and air space. One-half of the air traffic of the Nation is military; the other half is civilian; and the right hand does not know what the left hand is doing. Such a situation is almost as dangerous as a busy intersection at which the red lights were supervised by one agency and the green lights by another.

For 3 years we have been urging, threatening, and planning to create an aviation agency—an independent agency which would not be a subordinate, back-office branch of a Government office whose primary duty has nothing to do with aviation. An agency of such stature must have the right to control the air space of the Nation, so that both military and civilian air traffic can move with certainty and safety, once they are given assigned altitudes and flight plans, without danger of midair collision.

For years we have tried to coordinate military programs of the various services. All we have had is additional groups of coordinating committees and interdepartmental committees, which seem to spend more and more time in discussion and talk and never reach any program of action.

We have asked the staff of our committee, with the help of the aviation industry, to draft suggested legislation creating an overall modern aviation agency; we will propose an independent agency reporting directly to the President, and not organized as a subordinate branch of another Government department.

We contemplate that the agency will have representatives of the military aviation branches as a part of it, but that it will have a single civilian administrator, who will have the power, after adequate consultation, advice, study, and technical help, to make final decisions. Unless such power is granted soon, air travel is going to become dangerous.

We are about to see the advent of the jet age in civil air transport. Jet airliners flying at over 500 miles an hour, with a range of 4,000 miles, at an altitude of thirty to thirty-five thousand feet, will be crisscrossing this country in large numbers within the next year or year and a half. It is dangerous enough when propeller-driven airplanes, flying at 300 miles an hour, come in proximity to jet aircraft flying at from 500 to 1,300 miles an hour.

As Senators know, the instrument type of contol, in which the assigned altitude and the right to use airports is clearly defined, is used by the civilian airlines on all intercity flights.

It is not going to do any good to require one-half of our air traffic to operate under carefully regulated instrument flight conditions if we leave the other half, which is the military traffic, completely free from any regulation or even communication with the civilian side.

For that reason, Mr. President, I hope we shall soon have a bill drafted, which we can consider and on which we can have hearings. We should hear witnesses from all branches of aviation. I hope we can consider and pass a bill which will correct the dangerous situation which will be compounded when the modern jet airliners now on order reach the airlines of the Nation.

As I have said, it is difficult enough to operate propeller-driven airliners safely even under instrument conditions in the vicinity of military supersonic jet aircraft. In good weather the military

fly under visual conditions. That means the military pilots fly by eyesight.

Mr. President, the day of flying by eyesight passed when the jet air age arrived, because there is no one whose eyesight is so good or whose reactions are so fast that he can take corrective measures to avoid a collision when two planes, one flying at 500 miles an hour and the other at 1,200 miles an hour, are closing at a speed of 1,700 miles an hour.

We will have to go into the upper levels of the air, the levels where the jets fly, and control the airspace under conditions similar to the instrument control which we have today. We can no longer depend upon the visibility being good enough for the pilot of the jet aircraft to see what is ahead of him or to the side of him, because of the extreme speeds of these planes.

It is much later than we think, Mr. President. I hope we can expedite the drafting of some overall legislation, to get hearings started so that we can pass a bill and get started to work in a cooperative way.

The civilian side should not dominate the military side, and the military side should not dominate the civilian side of air transportation. Both must work as partners in the air in which we all live. If that is not done, we shall have an increasing number of casualties in both military and civilian air travel.

The Air Transport Association, most of the large airlines, and most public bodies dealing with aviation are aware of the problems. The time has come when we must take action. We must have a blueprint for safety in the air and a greater utilization of our air space under proper control, so that those who fly may take advantage of a great means of transportation without becoming accident victims, such as the two pilots in the Air Force plane or the fifty-odd passengers and crew on the United Air Lines plane.

I had the privilege of having lunch today with President Patterson of United Air Lines. Twice in the last few months, planes of his airline, which is a great airline, have been in midair collisions, both of which could have been avoided had we had proper air navigation facilities in force at the time. President Patterson told me that considering only the pilots and the crew of this airliner, ten children are orphans today because of the crash, which modern technical knowledge and modern control of the air space could have avoided.

Again I say, Mr. President, it is later than we think. The jet air age is upon us. If the air is to be safe, air traffic must be coordinated so that both users, the military and civilian, will be flying under the same type of flight rules. The air space must be under a single control, instead of the two tight, hermetically sealed compartments from which one cannot learn what the other is doing.

ADDRESS BY SENATOR KNOWLAND AT GOOD GOVERNMENT AWARD DINNER

Mr. HOBLITZELL. Mr. President, I ask unanimous consent to have printed in the RECORD the remarks of the distinguished minority leader, the Senator from California [Mr. KNOWLAND] at the Good Government Award dinner last evening in Washington.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR KNOWLAND, GOOD GOVERNMENT ASSOCIATION AWARD DINNER, WASHINGTON, D. C., APRIL 30, 1958

Mr. Chairman, my good friend and colleague in the Senate and one who is also receiving an award this evening, DICK RUSSELL, Senator BRIDGES, Members of the House, and fellow Americans, first of all I wish to express my very deep appreciation to this organization and to Senator BRIDGES for the presentation which has been made.

It has been a great privilege to serve in the Senate of the United States now for almost 13 years. And as I leave the Senate this year, I shall take back with me some wonderful recollections of the men with whom I have served, Democrats and Republicans alike, who have devoted themselves to the preservation of our constitutional system.

I leave Washington this year with some very firm convictions. One is that our American constitutional system is the greatest system that has yet been devised by man for the preservation of a free people, and if we of this generation are just half as wise as those men who gave us our Constitution and who helped to preserve it, we will see to it that we maintain our three great branches of government as coordinate and coequal.

As I have served here for 13 years, I must say to my colleagues in the Senate that in each of those years I have become stronger in my conviction of the importance of maintaining the rights of the States and limiting the power of the Federal Government.

Now this is no time for men or women of little faith. Our Nation would not have been born if people had not had a faith in our free processes and in the future of our common country. We would not have preserved the Union over the intervening years if there had not been people of faith to do so.

In the troublesome times in which we now find ourselves we should never be complacent nor defeatist. I cannot help but believe that what has preserved us as a Nation has been the fact that our people have recognized that what we have, we have gained because of divine guidance. I think all of us since our days in school have recollections of reading of Washington kneeling in prayer during the dark days at Valley Forge when lesser men would have given up the struggle. They have read of Lincoln kneeling during the dark period through which he passed, and through all of this period our Nation has been preserved because our people have recognized this divine guidance which has come to us as a people.

During recent years we have seen how over 900 million people have lost their freedom to the most godless tyranny the world has ever known.

We have an obligation to our generation and to future generations to preserve our free system. This is no time to sell America short. This is no time to weaken our defenses. For I do not believe that basically the men in the Kremlin have changed in the slightest their long-term objective to destroy human freedom everywhere in the world.

Both as an individual citizen of this Nation and as a Senator of the United States, I do have a deep and an abiding conviction that if only we of this generation will use the same courage, yes, and the same commonsense that motivated the men who sat at Philadelphia and, under what I believe was divine inspiration, gave us first our Declaration of Independence and later our Constitution of the United States, there are none of our great domestic problems, as great as they may be, that we as a free people cannot solve and there is no foreign foe we need ever fear.

DR. ROBERT HUTCHINGS GODDARD: FATHER OF MODERN ROCKETS

Mr. ANDERSON. Mr. President, there has just been published in the Saturday Review an article which demonstrates the truth of the old aphorism that a "prophet is not without honor, save in his own country." Just a few years after the Wright brothers' historic flight at Kitty Hawk, N. C., an American physicist, Dr. Robert Hutchings Goddard, started work on rockets which he believed could be made to soar into outer space. The missilemen of today owe an incalculable debt to Dr. Goddard, who died in 1945 at the age of 62.

He held some 200 basic patents at the time of his death and in 1919—nearly 40 years ago—stated the principle of multistage rockets that has become familiar to most of us today.

On March 16, 1926, he launched the first successful liquid-fueled rocket. With the help of funds from the Daniel and Florence Guggenheim Foundation, he fired rockets from the New Mexico desert in 1937. In his New Mexico workshop in 1941, Dr. Goddard built a liquid-fueled rocket which anticipated in almost every detail the German V–2 of World War II—the device on which the United States based much of its rocket development.

I might say, Mr. President, one of the interesting things is that these days if a man is a rocket expert people seem to feel he must have come from Germany. It is also interesting to note that the rocket which Dr. von Braun used in 1943 or 1944 was not only produced in almost exact detail in the United States prior to that time, but that Dr. Goddard tried hard to interest the American Government in it prior to the outbreak of World War II. Dr. Goddard published enough materials so that the information became available to other countries, and scientists of other countries used it to develop rockets. These experts are now brought to the United States, to tell us what to do.

Our own prophet could remain without recognition of his work.

Dr. Goddard's three decades of research cost about $200,000, or about one-tenth of the cost of a single intercontinental ballistic missile today.

Mr. President, the article is entitled "Mr. Smithson's Space Station." It refers not only to the fact that the Smithsonian Institution put up some of the money for the work which the Wright brothers did, but again, through its funds, made possible some of the work by Dr. Goddard.

I ask unanimous consent, Mr. President, that the article written by John Lear, from the Saturday Review of May 3, 1958, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MR. SMITHSON'S SPACE STATION

Space stations have become a significant variable in the future plans of American industry. The 8-foot steel-cone model built for the Air Force Office of Scientific Research by Litton Industries of Beverly Hills, Calif., and pictured on Scientific Research's cover this week (through the courtesy of Astronautics, journal of the American Rocket Society) is one of many earthbound prototypes. It is unusual only in that men and materials can be tested together within its vacuum. The men survive by wearing a special suit—the tailor's equivalent of a vacuum bottle—from which carbon dioxide, moisture, and body heat are drawn in exchange for ingoing oxygen. Neither this nor any other satelloid will be ready to go up tomorrow. Some time will pass before any interplanetary structure qualifies as a conservative real-estate investment.

When Mr. Smithson put up his money in England on October 23, 1826, the situation was far more equivocal. Space stations were sheer blue-sky speculations. But Mr. Smithson was a gambler. He bet compulsively, as some men wench, as others drink, as some lug typewriters on buses, trains, and airplanes. No documents survive to tell why he chose the longest shot of his life. Anyhow, the new world that he paid for space in seemed at the time to be a conventional two-dimensional surface with a chunk of unknown below. Not until 1958 did anyone clearly see that the property he ordered in his will actually extends in a fourth direction the whole way up through and beyond earth's atmosphere and has within its bounds a structure with every right to be called "Mr. Smithon's Space Station."

Were it not for Mr. Smithson's gamble, the new National Aeronautics and Space Agency which Congress is now considering on President Eisenhower's recommendation would lack a base of operations.

Mr. Smithson (his first name was James) would almost certainly have enthused over the outcome of the investment made in his name. The notion of gadding about the sky, sampling the northern lights, collecting meteorites and examining the texture of sunbeams, would trigger drool from his omniverous curiosity. Chemistry fascinated him in life, and he inherited wealth enough (but not a legitimate name) from the Scottish Percys and Henry VII's line to humor the enchantment. He roved the Continent of Europe with a portable laboratory, analyzing every new flower that bloomed in his sight and every new stone that lay in his path, experimenting now in search of Earth's origin, then in search of the nature of colors of vegetables and insects, and again in search of a better cup of coffee. No event was too unexpected, no circumstances too inhibiting to break his quest of the unknown. On one occasion he noticed a tear beginning to slide down a lady's cheek. Instead of offering his handkerchief, he picked up a crystal goblet, pressed it against her loveliness, caught the remaining half-drag of her emotion, submitted it to chemical reagents and discovered "microscopic salt * * * muriate of soda, and * * * 3 or 4 other saline substances."

Perhaps because of the degree of his dedication to pursuit of such investigations, Mr. Smithson never married. He left his fortune to a nephew and stipulated that if the nephew had heirs, the money should pass to them. Then came the gamble. If the nephew had no heirs, "I then bequeath the whole of my property * * * to the United States of America, to be found at Washington * * * an establishment for the increase and diffusion of knowledge among men."

Mr. Smithson died in 1829. His nephew also died heirless. On December 6, 1838, the United States Congress heard formal advice of the windfall's arrival in a message of state from President Martin van Buren. The fortune was in gold, half a million old-fashioned dollars' worth of it. But Congress was preoccupied. The panic of 1837 had hit its nadir. American industry's output was expanded beyond the immediate capacity of its markets (a spectacular exaggeration of the situation which exists today) and the canals weren't paying off (as the railroads aren't now). Besides, the profound domestic issue in American politics those days was States rights versus a strong federalism. A national bank had been beaten down as a threat of overpowering centralization. To many politicians an establishment owned by the United States and charged with increase and diffusion of knowledge among men could mean only one thing: a national university. Would not such a creation embody tacit acceptance of the Federalist principle rejected in the bank debate?

Van Buren left the White House, William Henry Harrison moved in and died there, John Tyler assumed the Presidency and completed his term. Congress wrangled on while canal bonds, in which Smithson's gold had been invested for safekeeping, depreciated scandalously. Finally 20 years after the chance-loving British chemist had written his will, the Congress quashed a last ditch States rights move to return the bequest to England. In 1846, President James Polk signed a law authorizing the establishment of the Smithsonian Institution.

Fortunately for us who are today making the first tentative explorations beyond earth's atmospheric envelope, an adventure infinitely more titillating in its excitements than the voyage of Columbus that gave Mr. Smithson a site for his property, the Smithsonian Institution rose in the midst of American science at a time when science was enjoying popular prestige. The hottest news of the day was Samuel F. B. Morse's patent on the telegraph, which derived from principles of electromagnetism discovered by the brilliant young physicist Joseph Henry. The Smithsonian board of regents commanded the membership not only of three United States Senators and three United States Congressmen but the Chief Justice of the Supreme Court and the Vice President of the Nation. Even more significant, the regents were able to summon as the institution's guiding secretary the electromagnetics scholar who ranked second to Ben Franklin in American science up to that day. Joseph Henry had indeed gone Franklin one better by flying a kite with wires that picked up electricity from the air in a cloudless sky, and it was truly said of this young man that he loved truth for its own sake.

In view of the work that satellite successors to the Explorer and the Vanguard are scheduled to do for science, there is a tinge of prophecy in some of the advice Henry inherited from the Congressional debate over the use of Smithson's money. John Quincy Adams had dreamed of lighthouses of the sky; that is to say, astronomical observatories. James P. Espy, of Philadelphia, saw valuable advantages in simultaneous meteorological observations all over the Union. Adams ridiculed Espy as the storm breeder and political opponents almost ruined Adams by imputing to him belief in lighthouses in the sky—a notion which today seems the sanest commonsense.

Joseph Henry not only believed in lighthouses in the sky; he tried to put them up there. He supported the historic balloon experiments of the Civil War, so added a third dimension to the battlefield—and, incidentally, came sufficiently close to Abe Lincoln to influence the creation of the National Academy of Science. Henry also initiated the first organized effort to chart happenings outside earth's atmosphere by methodically recording changes in the atmosphere itself as evidenced by the daily weather. Already the Institution was preparing itself for the name, Mr. Smithson's Space Station, though no one thought of it in those words.

Ten years is but a moment in the long story of man's curiosity. Before that moment had fully passed after Henry's death, an astronomer who followed him in the secretary's post had designed a bolometer—an especially sensitive type of thermometer—to measure the heat of the sun. Instead of registering degrees of temperature, this device recorded infinitesimal units which in time were called langleys in recognition of the bolometer's inventor, Samuel Pierpont Langley.

In studying the sun's heat, Langley had to use earth's atmosphere. In studying the atmosphere, he became convinced as early as 1891 that engines then in existence were powerful enough to lift a machine off the ground and fly it above the earth. Such was his stature that his mere statement of belief prompted a philanthropist to give the Smithsonian $142,000, the interest from investment of which was intended to finance research on atmospheric air in connection with the welfare of man. By 1893, Langley was further convinced that regular pulsations which he observed in the wind would enable a machine to fly against the wind.

In 1896, the Langley experiments in aerodromics culminated in the catapulting of a 13-foot-long steam-driven airplane from the top of a houseboat above a half mile of the Potomac River before the engine stopped and the plane fell. After a larger model, also launched by catapult, had flown three-quarters of a mile under its own power, Langley said confidently, "The great universal highway overhead is soon to be opened."

But when, at the outbreak of the Spanish-American War in 1898, the War Department expressed interest in the possibility of a plane that could do battle, Langley couldn't find an automobile engine builder in Europe who thought a plane could carry enough pistons to keep it aloft. The motor Langley had built for himself in the Smithsonian's own machine shop landed in the Potomac in 1903 "like a handful of mortar." Modern aircraft makers would write off such a mishap as due to "bugs" and proceed with other experimental models. Optimistic Langley had held the demonstration publicly, however, on the strength of his earlier successes, and newspaper editors of the time responded as hysterically as later ones did to the first failure of the Vanguard rocket. "Langley's Folly," the headlines screeched, and Langley went home on the night of the fiasco to hide his disappointment by telling fairy tales. Nine days later, the brothers Orville and Wilbur Wright, safe from critics among the lonely sand dunes of Kitty Hawk, flew only 120 feet compared to Langley's three-fourths of a mile. But a man was aboard their craft.

Langley died not too long thereafter, some say of grief. Behind him he left the man who had called his "aerodromics" to President William McKinley's notice in 1898. This convert to man's invasion of the air, Charles D. Walcott, became the Smithsonian secretary. And it was on his initiative that the institution was pushed so far out into the sky that it became Mr. Smithson's space station.

The airplane has been a commonplace for so many years now, and we are yet so unaccustomed to think seriously of waystations for space travel, that it is difficult to believe that space science was under way only 5 years after the first plane flight of the Wright brothers. Nevertheless, it is true that in 1908 an impetuous physics professor named Robert Hutchings Goddard was filling the basement of the Worcester Polytechnic Institute in Massachusetts with such strangling

billows of acrid smoke that he was formally requested to stop playing with those infernal rockets.

Though rockets had been in use for more than 700 years, Goddard was first to try to drive them high into the earth's atmosphere, to study the weather. No matter how fiercely his experiments stank, he persisted. By 1912, his mathematical calculations persuaded him that a relatively small amount of fuel could carry a heavily loaded vehicle far up into the sky if the rockets were properly built.

He experimented for 4 years, then ran out of money. His only remaining resource was his laboratory at Clark University. What he lacked in fund-raising experience, however, he made up in earnestness and enthusiasm. And he turned in a direction that had previously proved hospitable to earnest, enthusiastic young men. He wrote out his big idea and mailed it to Walcott, who, by one of those inscrutable coincidences that punctuate history, had already unwittingly engaged himself in the space travel business through another venture: the new National Advisory Committee for Aeronautics, which is today President Eisenhower's choice for America's civilian space agency.

Merely by way of example, Goddard mentioned in his prospectus to Walcott that it should be possible to fire a rocket that would reach the moon. If the cargo were 13.82 or less pounds of flash powder, the rocket's impact would be strikingly visible to observers on earth.

"This plan," he wrote dryly, "although a matter of much general interest, is not of obvious scientific importance."

Whether Walcott was affected by the weather or by the moon, he replied warmly. How much money did Goddard need? This response was so unexpectedly generous that the rocketeer cut his real requirements in half. He got the sum he named: $5,000. Later he got $6,000 more. So it was that on the picayune total of $11,000 of Smithsonian funds the science of modern rocketry was born.

Copies of the Smithsonian report of Goddard's work were available in the public libraries of Germany at the time Herman Oberth began to write his now famous book, The Rocket Into Interplanetary Space. Oberth discussed space flight as a practical possibility rather than the scientific curiosity Goddard considered it. The resulting space travel craze in Hitler's realm enlisted Wernher von Braun among the rocket aficionados. The rest of the story, from the V2's of Peenamunde to the manmade moons of Cape Canaveral, is now familiar to millions who, upon hearing mention of Mr. Smithson's Space Station, would ask: "Smithson? Which Mr. Smithson?"

ORDER FOR ADJOURNMENT TO MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in adjournment until noon Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ASSUMPTION BY THE SUPREME COURT OF THE ROLE OF THIRD LEGISLATIVE CHAMBER

Mr. JOHNSTON of South Carolina. Mr. President, law has sometimes been described as a mirror of history. Laws reflect man's struggle up from tyranny to freedom. Laws are the cornerstone of a republic—in their absence there is despotism.

Take away a rule of law and you have a frenzied Hitler, hurtling the world into war—remove the protection of law and you have the tragic persecution of a Stalin—make a mockery of law and you have the farcical trials of a Moa-ruled Red China.

Law—organic law, constitutional law, embracing the rights first wrung from an unwilling monarch back at Runnymede of memorable Magna Carta origin, is the basic framework upon which representative government is built.

Time and time again it has been said, and the truth has gained new luster in the retelling, that ours is a government of laws and not men.

Mr. President, it is well to keep this truth before us in this day when so many of our citizens have taken alarm at the grab for power by our Supreme Court as it has virtually annulled laws in rulings that have far exceeded that body's authority.

A constitutional crisis is in the making as the Supreme Court, in decision after decision, makes a shambles of established, ingrained law. So abusive has the Court become of the traditional separation of powers structure in our Government that one of America's most eminent jurists, for years hailed as an outstanding liberal, has declared the Supreme Court is assuming the functions of a third legislative chamber.

Striking out hard for the concept that the Supreme Court should champion the established law of the land instead of writing new law through Court decisions, Judge Learned Hand in a recently delivered lecture at the Harvard Law School on the Bill of Rights said:

> The authority of the courts to annul statutes (and a fortiori acts of the Executive) may and indeed must be inferred (although it is nowhere expressed), for without it we should have to refer all disputes between the "departments" and States to popular decision, patently an impractical means of relief, whatever Thomas Jefferson may have thought.
>
> However, this power should be confined to cases when the statute or order was outside the grant of power to the grantee, and should not include a review of how the power has been exercised * * * For a judge to serve as communal mentor appears to be a very dubious addition to his duties and one apt to interfere with their proper discharge * * * Moreover, it certainly does not accord with the underlying presuppositions of popular government to vest in a chamber, unaccountable to anyone but itself, the power to suppress social experiments which it does not approve.

In effect, to a layman, the distinguished senior jurist, regarded by the legal profession as one of the most able legal scholars in the land, is saying that the Supreme Court has far overreached itself and is taking unto itself powers that were never authorized by the Constitution or intended by the Founding Fathers.

An outstanding example of the Court's invasion of legislative functions was its decision outlawing racially separated schools, thereby failing to uphold the precedent of the Court where it had previously held that equal facilities were all that was necessary. That line of decisions extended over a period of 100 years. The Supreme Court substituted its judgment for that of a number of State legislatures and also for that of Congress.

The Supreme Court went so far in this opinion as to edict a time element for compliance by the people of what it ruled to be constitutional.

A practice, condition or custom is either constitutional or it is unconstitutional. Only a lawmaking body such as Congress has the power to include a time element for compliance with some new law or for ending failure to comply with some standing but yet unenforced measure.

A court is a body to determine whether compliance is being carried out or not. When a court goes into the field of changing the meaning of standing laws and decides the time element for compliance, it is then writing laws and not interpreting laws.

In the consideration of this issue it is important that we remind ourselves that Congress never passed legislation affirming that the 14th amendment to the Constitution implied and required nonsegregated schools.

The proposition that a court, through the issuance of an opinion, can cancel out the time-honored, time-developed social institutions of a nation is not only a capricious notion but a dangerous concept. By such a device courts could negate the habits, values, and social relationships of a country.

The law is the law because it represents the just equation of peoples' experiences, down through the decades; yes, down through the ages.

Laws find their mandate in consent voluntarily and expressly given to representatives of the people who are chosen for legislative tasks. It is the height of folly, nay, a malicious misadventure in government for courts, established to interpret the law, to arrogate to themselves lawmaking powers. Such usurpation by the courts is an invitation to legal recklessness that might easily lead to civic convulsions and the ruin of our democracy. An unwarranted, unreasoning extension of the courts' powers could well develop into a dictatorship of the judiciary, wrecking the social mores, customs, and democratic institutions of America.

The United States has witnessed, to its regret, the damage caused by the Supreme Court's invasion of States rights in its ill-fated desegregation opinion. That case happened to come up from my State.

This is an example of what happens when the Supreme Court embarks upon legal nullifications of constitutional safeguards that were built into the Constitution in the light of man's experiences of the ages. No court decision can so nullify constitutional guaranties, constitutional doctrines that have their authority in the birth of the Republic and their force in the living history of our Nation.

In case after case the Supreme Court has flouted established law as its flood of decisions has washed away the traditional safeguards which have been the constitutional protection of our citizenry.

States rights have been violated by the High Court's decrees; the Nation's efforts against Communists and subversives have been weakened; the internal security of the United States harmed; legislative bulwarks tumbled; society's rights against criminals surrendered, and a harvest of social tensions unnecessarily fomented in the Court's onslaught against constitutional safeguards.

Let us examine some of the cases where Supreme Court decisions have destroyed constitutional law and weakened our whole system of representative government.

A most interesting case is the Stephen Girard will case. It is entitled "Commonwealth of Pennsylvania against Board of Directors et al.; order No. 769, issued April 29, 1957; Commonwealth of Pennsylvania, appellant, against Board of Directors of City Trusts of the City of Philadelphia."

This was an appeal from the Eastern District of the Supreme Court of Pennsylvania. In a per curiam opinion, wherein the appeal of motion was dismissed, however, the Court, treating the papers filed with the appeal as a petition for certiorari, granted same.

Stephen Girard, by will probated in 1831, left a fund in trust for the "erection, maintenance, and operation of a college" for the education of "as many poor white male orphans between the ages of 6 and 10 years as the income from the trust shall be adequate to maintain."

The will named the city of Philadelphia as trustee.

The provisions of the will were carried out by the State after the opening of the college in 1943. Since 1869, the college, by virtue of an act of the State legislature, and the trust were administered by the Board of Directors of City Trusts of the city of Philadelphia.

In February of 1954, petitioners, Foust and Felder, applied for admission to the college. They met all the qualifications except they were Negroes. The board refused their admission. They petitioned the orphans court to direct their admission. The city of Philadelphia and the State of Pennsylvania joined in the petition of Foust and Felder.

The grounds of the petition were that the action of the board of directors was in violation of the 14th amendment to the Constitution.

The orphans court denied the petition and the decision of that court was affirmed by the Supreme Court of Pennsylvania, in 386 Pennsylvania 548.

The Supreme Court held that the board of directors operating Girard College, though acting as a trustee, was an agency of the State of Pennsylvania, and that the refusal to admit Foust and Felder was an act of discrimination by the State in violation of the 14th amendment to the Constitution—*Brown* v. *Board of Education* (347 U. S. 483).

The Supreme Court directed a reversal of the Supreme Court of Pennsylvania and remanded the case for further proceedings not inconsistent with its opinion.

Mr. President, in the Girard case the Court virtually sets itself up as having the power to draw a decedent's will by nullifying a will's plain provisions. It was Girard's will that poor, white boys between 6 and 10 should be the beneficiaries of his bounty. If the court can change white to mean colored, why can it not change male to female? What can prevent the Court from changing the ages from 6 to 10, from 10 to 20? Who can say the Court lacks the power to strike down the qualifying word "poor," so that even the rich or the undeserving might not also become the beneficiaries? Such overreaching, overstepping and variant exercises of judicial power not only defeats a testator's plain intent in his will, it invades the field of legislation. Such an exercise of power goes far beyond the normal process and reasoning applied to judicial interpretation or construction. In reality such an opinion is judicial destruction of a decedent's expressed testamentary powers under the law of wills and in the administration of estates and trusts.

The decisions of the Supreme Court in the Jencks, Nelson, and Girard cases nullify all precedents and renders the law of stare decisis of no effect whatever. Such decisions haunt the lower courts and counsel alike, for no one knows from day to day what the law is or might be tomorrow.

Mr. President, let us take a look at what the Supreme Court has done in cases affecting criminal offenses, bearing in mind that FBI figures show that since 1950 crimes have increased nearly four times as fast as the population.

Consider the Mallory case. The records show that on April 1, 1954, Andrew R. Mallory, colored, raped a defenseless woman in the laundry of her apartment house. Through good police work the 19 year old rapist was rounded up. He was convicted and his conviction upheld by the Court of Appeals.

In a unanimous opinion, written for the Court by Mr. Justice Frankfurter, the conviction was reversed and remanded. It is important to note that the Supreme Court did not find Mallory innocent. Never was there any suggestion from the High Tribunal that there was any doubt about the man's guilt. Instead Mallory was allowed to go free because the Court made a rule on a technicality in which the Court denied to the police the right to question a suspect before arraignment. The police had questioned the suspect and the questioning produced a confession, but the Court ordered Mallory to have a new trial. The very interesting aspect of all of this is that the Court in effect was "putting manners" on the police because it felt they had not been sufficiently technical in dealing with the defendant.

Although the Court ordered a new trial, that was the end of the matter for all practical purposes, for the Attorney General's Office, in dismissing the case, said that the position taken by the Court and the texture of its opinion practically made it impossible to develop a new case which held any reasonable chance of conviction.

Thus an admitted rapist, tried and convicted, walked free from jail. The return of this man to society, however, is only a small part of the total result for the procedures insisted upon by the Court, in the opinion of law enforcement officials, serve as barriers against the conviction of criminals.

In this connection it is interesting to recall the comment of Assistant Attorney General Warren Olney, Chief of the Criminal Division of the Department of Justice, as quoted in the Washington Star:

> The Mallory decision clearly demonstrates that a great many serious crimes will go unpunished, not because the truth cannot be ascertained, but because of the procedures that have to be followed to develop the facts.

Still quoting the Star:

> Mr. Olney said the Court is supposed to have its judgment rest on the best truth it can get but the Court will not listen to the truth for reasons that have nothing to do with the guilt or innocence of the defendant.

Further, Mr. Olney is quoted in the Star as follows:

> This opinion says in so many words that the police can't question a suspect after his arrest. The place where the impact of this decision will be greatest is in the gangster crimes. It is the real hardened professionals who will take advantage of this. The housewife who shoots her husband usually confesses to the first person who comes along. This decision won't affect her.
>
> But when dealing with criminal groups, police will be unable to question the hirelings who are caught first, about the higher-ups they want to reach.

On the same issue, Washington's Police Chief is quoted by the Star in these words:

> Chief Murray cited the rape of an 8-year-old northeast girl where 30 detectives have been at work rounding up possible suspects. Over 1,000 people have been questioned in the crime.
>
> "What good will it do to bring in a good suspect, question him and get a confession if this decision stands?" he asked. This decision says he must be arraigned immediately and not questioned after we arrest him.

And so a rapist was set free by grace of the United States Supreme Court. And in the opinion of penologists, criminologists, jurists, lawyers, and law enforcement officials, a great blow was struck against the legal system to bring criminals to a just accounting before the bar of justice.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled, "Help! Help!" published in the Washington Star of April 20, 1958.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HELP! HELP!

> A Solomon would stagger away, talking to himself and shaking his head, if called upon to explain what the Mallory rule means in the Nation's Capital today.
>
> It has been almost a year since the Supreme Court handed down its unanimous decision in the Mallory case—a ruling which threw out the confession of a convicted rapist and resulted in his release. Mallory had been held by the police for 7½ hours. The reason for the reversal was that he had not been arraigned "without unnecessary delay" as required by Federal rule 5 (a).
>
> We thought from the beginning that the Supreme Court's decision was unreasonable

in the circumstances of the Mallory case and that its meaning was unclear. Others disagreed, contending that the opinion was both proper and its meaning clear.

Now, almost a year later, comes the opinion of the United States court of appeals in the case of John Trilling, an eager-beaver safecracker. This appellate court is composed of nine able and conscientious judges. Yet they are in hopeless disagreement with respect to the meaning of the Mallory rule as applied to the Trilling case.

The division among the judges is cited here, not in any needling spirit, but to illustrate the massive confusion which prevails. Judge Danaher wrote what becomes the opinion of the court, affirming Trilling's conviction on one count in three indictments. Trilling, in three trials, had been found guilty under all of the indictments. Judge Danaher was joined in full only by Judge Burger, and we will return to Judge Burger later. Judge Bazelon, joined by Chief Judge Edgerton, would have thrown out all confessions and reversed the one conviction. Judges Washington and Fahy came to this same conclusion, but, perhaps significantly, they did not join in Judge Bazelon's free-wheeling opinion. Judge Prettyman was joined by Judges Miller and Bastian. He agreed with Judge Danaher as to the correctness of the one conviction, thus supplying a majority of the court on this point. But Judges Prettyman, Miller, and Bastian thought that all of the confessions were valid and that all of the convictions should have been affirmed.

This, then, is the prevailing state of the law in the District with respect to the Mallory ruling. How can any policeman, prosecutor, or trial judge be expected to know which end is up?

Let's get back to Judge Burger. In a brief statement he said he agreed reluctantly with Judge Danaher because he thought he was compelled to do so by the Mallory ruling. He would have preferred to join Judge Prettyman because what he said makes sense and ought to be the law. Then Judge Burger said this: "Rule 5 (a) should be reexamined by the rule-making process or by Congress."

To this we say "Amen" although we believe action by Congress is preferable. This community, in which the Mallory rule hits with full and crippling impact, is in desperate need of help. That help can best come through enactment of pending legislation which provides that mere delay in arraignment shall not serve to invalidate voluntary confessions. We earnestly hope the decision in the Trilling case will furnish the extra push needed to get the bill through Congress.

Mr. JOHNSTON of South Carolina. Mr. President, another revealing case is that of *Jencks* v. *United States* (353 U. S. (No. 3) 657,684).

The petitioner, Jencks, was convicted of perjury for falsely swearing in an affidavit filed with the National Labor Relations Board that he was not a member of the Communist Party nor was he affiliated with the party.

Two paid undercover agents of the FBI—Harvey F. Matusow and J. W. Ford—were the principal witnesses for the prosecution. These witnesses testified that they had made regular oral or written reports to the FBI on matters about which they had testified.

Jencks moved that the reports be produced in court for the inspection of the judge with a view to their possible use to impeach such testimony. The motions were denied by the trial court.

Jencks was convicted. The fifth circuit court of appeals affirmed the conviction and also the order of the trial court on the petitioner's motion for a new trial.

The party activity of Jencks preceded his union employment as a business agent for the International Union of Mine, Mill, and Smelter Workers in the New Mexico area.

The witnesses, Matusow and Ford, admittedly were active members of the Communist Party in New York and Mexico, respectively.

Matusow, of course, recanted and made himself out a liar for having named certain Communists as Communists, but the Senate Judiciary Subcommittee on Internal Security made a thorough investigation of the affair. I am a member of that subcommittee.

The distinguished junior Senator from Indiana [Mr. JENNER], in a speech reporting on the Jencks case and other related matters some time ago, had this to say about the Jencks recantation:

> We (the Subcommittee on Internal Security) learned that the so-called recantation had actually been cooked up by Red attorneys Witt and John T. McTernan before Matusow knew about it himself. We learned that Matusow, in a private, tape-recorded conversation with his Communist publisher, Albert Kahn, had said this about Jencks: "* * * it made him no less a Communist because he put a piece of paper down and said I'm no longer a member. As far as I am concerned, Jencks was still under Communist Party discipline." Nevertheless, a month later Matusow made his affidavit of recantation.

So what happened? The Supreme Court, speaking through Justice Brennan, declared Jencks could have access to the FBI files and in effect examine them to his heart's content. I do not have that right, even though I am a member of the Committee on the Judiciary.

Justice Clark in a vigorous dissent held that the investigative reports of the Government should be kept inviolate in accordance with the previous decisions of the Court.

I am glad he so held, because he knows a little something about the way records are kept in the Department of Justice and about what has been done in the past. He has been Attorney General of the United States, so probably he has more information on the subject than probably the other members of the Supreme Court have.

In the Jencks case, the Supreme Court struck down in one decision what had long been the rule of law and practice in all our Federal courts, that the reports and notes of the investigative officers of the Federal Government were removed from the pillage and search of criminals in an effort to avoid and evade conviction for a crime. It gave the Communists a free rein to go through all the prosecutor's files and papers without first providing that the judge should have power to separate the wheat from the chaff, the relevant from the irrelevant. The effectiveness of reports of detectives, police officers, and members of the FBI has been placed at the mercy of all criminals so far as preliminary detection, arrest, and final conviction are concerned. Prosecution in many cases had to be dropped.

Moreover, the longstanding rule and practice in all Federal jurisdictions were reversed. Something new and foreign to such practice is introduced in our criminal prosecutions thus rendering the many good and law-abiding citizens to the mercies of the criminal and his evil acts of violence, sedition, subversion, and the very destruction of society.

My reason for mentioning that is that if someone is being questioned by the committee, and it is necessary to examine the FBI files, the only member of the committee who can glance at the record is its chairman.

It is amazing, when one looks at such a file, to see all the hearsay against various persons which is placed in the file. A great deal of turmoil would be engendered if every bit of it could be made known and exposed to the world. I feel there would be a great many killings if the contents of those files could be made public, so that everyone would know what his neighbors had done. I fear that the next day we would see a great many newspaper headlines to the effect that so-and-so was killed last evening.

The President's Commission on Government Security, a distinguished group of lawyers, educators, public servants, and former members of the FBI, in its report filed June 21, 1957, commented upon the impact of the Supreme Court's decisions on the national security.

Chairman Loyd Wright, who is well known from coast to coast for his legal attainments and his liberal views, in his statement accompanying the report said:

> Judicial decisions rendered during the past year have required modification of the security programs, and apparently similar changes can be expected in the future. Both the legal profession and an informed citizenry have found causes for concern in the judicial delays that have left in doubt many of the basic issues of the security system.
>
> As this is written to meet a publication deadline, confusion has been compounded by the decisions of *Jencks* v. *United States*. When we are striving to survive the insidious attacks of the Kremlin seeking to destroy our government of law, it is disheartening that blind justice is unnecessarily blinded to realism. I respectfully urge the Congress that if we are to keep pace with our enemies who seek to infiltrate our Nation to subvert us, immediate legislation must be passed to negative the grave consequences that will flow from this confusing decision.

The Commission on Government Security in its comprehensive studies and findings takes cognizance of the relationship between the judiciary and the national security. The Commission in its majority report—a separate report was filed by the Honorable James McGranery, former Attorney General of the United States—said:

> It is fundamental that there should be no reasonable doubt concerning the loyalty of any Federal employee in any of the three branches of the Government. In the judicial branch, the possibilities of disloyal employees causing damage to the national security are ever present. As an example, Federal judges, busy with ever-crowded court calendars, must rely upon assistants to prepare briefing papers for them. False or biased information inadvertently reflected in

court opinion in crucial security, constitutional, Government, or social issues of national importance could cause severe effects to the Nation's security and to our Federal loyalty-security system generally.

There appears to be no valid reason why an employee of the judicial branch should not be screened, at least as to his basic loyalty to the United States. Certainly the judiciary proper and the public generally should have the assurance that the men and women who carry the administrative responsibilities of the courts or assist in the preparation of decisions are loyal, dependable Americans.

The Commission therefore recommends, as in the case of the legislative branch, that the judicial branch and the executive branch endeavor to work out a program under which adequate investigation or screening can be provided for all judicial employees.

Mr. President, upon review, the Court's record of decisions over the past several years is truly appalling. Perhaps it would not be amiss to recite, once more, the facts in the Steve Nelson case.

In this case the Commonwealth of Pennsylvania was the petitioner, and Steve Nelson was the respondent.

Steve Nelson, an acknowledged Communist, was convicted by the Quarter Sessions Court, of Allegheny County, Pa., of violation of the Pennsylvania Sedition Act. He was sentenced to serve 20 years and to pay a fine of $10,000 and costs, amounting to $13,000. The conviction was affirmed, on appeal, by the Pennsylvania Supreme Court (172 Pa. Super. Ct. 125 92A (2d) 431).

The Supreme Court of Pennsylvania held that the Smith Act of 1940—as amended in 1948—which prohibits the knowing advocacy of the overthrow of the Government of the United States by force and violence, supersedes the enforceability of the Pennsylvania Sedition Act. (377 Pa. 58; 104 A (2d) 133.)

By reason of the fact that many State attorneys general and other filed briefs, either pro or con, as amici curiae, certiorari was granted.

The principal question was whether a State might indict and punish when there is a Federal statute for a like offense. Does the Federal statute on a particular subject matter prevent a State from passing a valid and enforceable act? The Court ruled that the States were powerless to move to protect themselves against the Communist conspiracy because the Federal Government had preempted that right. Justice Reed, for himself and Justices Burton and Minton, dissented from the majority opinion, and said, in part:

It is quite apparent that since 1940 Congress has been keenly aware of the magnitude of the existing States legislation prescribing sedition. It may be validly assumed that in these circumstances this Court should not void State legislation without a clear mandate from Congress.

As a result of the Supreme Court decision in the Steve Nelson case, more than one State attorney general reported that they were compelled to turn loose numbers of Communists against whom action had been taken. Thus, the efforts of the Several States to cope with the conspiratorial efforts of the Communists within their jurisdiction were brought to naught.

The record is filled with evidence that the Supreme Court in recent years has indeed assumed the functions of a third legislative chamber, by voiding the traditional doctrine of States rights, assuming the powers of the Congress, and striking at the powers of the Federal Government to protect itself against the Communist conspiracy.

Mr. President, lawmaking is not the function of the judiciary. It is not by accident that the first sentence of the Constitution states:

All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

So there can be no doubt of the intent of the framers of the Constitution on this point, it is noteworthy that section 8 of article I of the Constitution declares:

The Congress shall have power * * * to make all laws which shall be necessary and proper for carrying into effect the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof.

Mr. President, what could be plainer? The framers of the Constitution were making it abundantly clear for all time that the lawmaking powers were vested in the Congress, and that no inherent powers were reserved to the courts. Such powers as were given to the President were for the execution of the laws enacted by the Congress.

Mr. President, we are confronted with the proposition that the Supreme Court has been in the lawmaking business, and has been usurping legislative functions, under the guise of judicial construction. We have seen that no such grant of authority was intended or given to the Supreme Court by the Fathers of Our Country. If the Supreme Court is to have more power legally, wider jurisdiction, greater authority, then the basic laws of the country will have to be changed and the Constitution amended. There is established procedure for changing the Constitution, and the issue will have to be taken to the States, in the form of a proposed constitutional amendment. It has been well said that the States are more than municipal corporations. In fact, article IV of the Constitution sets forth a perpetual guaranty of sovereignty, in these words:

The United States shall guarantee to every State in this Union a republican form of government.

Mr. President, in these days we do well to bear in mind that the men who were delegates to the Constitution Convention of 1787 had just risked their lives, liberties, and fortunes in the Revolutionary War. They were determined to establish a government of laws, not of men, wherein the rights and liberties of all were to be protected under a constitutional system based on three separate branches of the Government: Executive, legislative, judicial.

In his classic treatment, "The Spirit of Laws," Montesquieu wrote: "(In a Republic rulers) govern by fixed and established laws; while a despot governs according to his will and caprices without laws and rules." Impressively, he wrote: "In despotic states there are no laws, and the judge is his own rule." By contrast, he said in free states "there is a law, and where it is precise, the judge follows it; where it is not he tries to discover its spirit."

Judges, no matter how elevated their tribunal, must not attempt to make new laws by their judicial construction. Jurists have no warranty to tear up the Constitution. Clearly, no matter how skillfully phrased, no matter how solicitous in pretensions for the general welfare, no decision or decisions of any justice or justices are sufficiently grounded in constitutional authority to make a new law.

To this challenge of Supreme Court "dictated" law, the Congress must rally. Judicial despotism is just as repugnant to free men as is tyranny in any other form. It is our task to preserve the constitutional system that was won for us by untold sacrifice, paid for in patriot's blood, and established under the guidance of the Almighty.

I ask unanimous consent to have printed in the RECORD at this point a part of a report made by former United States Senator Herbert R. O'Conor to the American Bar Association in England last July 25, dealing with the Communist conspiracy.

In his report, Senator O'Conor included 15 cases decided by the United States Supreme Court which "directly affect the right of the United States of America to protect itself from Communist subversion."

Although I have dealt in detail with several of the cases included in the O'Conor report, I am submitting the entire list of 15 as commented upon by Senator O'Conor in his report.

The PRESIDING OFFICER. Is there objection?

There being no objection, the extract from the report was ordered to be printed in the RECORD, as follows:

THE CLEAR AND PRESENT DANGER

Modern history is filled with the wrecks of republics which were destroyed from within by conspiracies masquerading as political parties. The nine justices of the Supreme Tribunal of Germany refused to see that the Nazis were a conspiracy against the very existence of the German Republic. The Kerensky government of Russia thought it could tolerate and coexist with the Communist conspirators. The Communists responded to this toleration by disbanding the Constituent Assembly at bayonet point and destroying the newborn Republic of Russia. The Republics of Czechoslovakia, Poland, and China tried valiantly to coexist with the Communist Party in their midst, but were unable to do so.

We are spending more to equip and defend ourselves and our allies from Communist aggression than we ever spent to stop Japanese aggression. The Japanese found it difficult to purloin our military secrets, but the Communists have stolen many of our military secrets, including vital details of the American atomic and hydrogen bombs which were known to the traitors, Dr. Klaus Fuchs and Dr. Bruno Pontecorvo.

The cynical cruelty with which the Kremlin crushed the Hungarian patriots and executed their leaders is proof by deeds that "the spirit of Geneva" was always a tactic and a sham. Likewise, the admission of Mao Tse-tung in his recently published Peking speech

of February 1956 that the Chinese Communists completed the liquidation of 800,000 persons between October 1949 and January 1954, and the report published June 15, 1957, by the Senate Internal Security Subcommittee that, in fact, more than 15 million persons have been executed in Red China since 1951 proved the fatuity of those who argue that Red China should be admitted into the family of nations and recognized by our Government.

The Communists have conquered large areas of the world according to a carefully enunciated plan. In 1903, Lenin established communism with 17 supporters. In 1917, the Communists conquered Russia with 40,000. In 1957, the Communists are in iron control of 900 million people. Their advance since the end of World War II has been especially tragic.

The Korean war proved that aggression does pay because it was followed by Soviet advances in Tibet, Indochina, and Hungary. After Soviet tanks rolled into Hungary the Communists succeeded by clever propaganda in electing their first government by forms of democratic processes—in the state of Kerala, in India. To the Communists "peaceful coexistence" means Communist conquest without war.

COMMUNIST OBJECTIVES

The greatest asset the Communists have at the present time is not the hydrogen bomb, certainly not Soviet satellites, but world ignorance of their tactics, strategy, and objectives. The biggest need today for the free peoples is an awareness of the menace of communism and the ability to isolate the Communist line so that whoever utters it may be detected. One speech from the mouth of an important American innocent can be worth a truckload of New York Daily Workers in advancing the international Communist conspiracy. The current Communist line includes the following:

1. Repeal or weaken the anti-Communist legislation on the books, especially the Smith Act, the Internal Security Act, and the Subversive Activities Control Act.

2. Discredit and hamper the Senate Internal Security Subcommittee, the House Un-American Activities Committee, and State officials investigating communism.

3. Weaken the effectiveness of the FBI and reveal its sources of information.

4. Destroy the Federal security system.

5. Recognize Red China and admit her to the United Nations.

6. Oppose the possibility of the United States breaking off diplomatic relations with Soviet Russia.

7. Enlarge East-West trade, especially in items of short supply behind the Iron Curtain.

8. Revive the idea that the Communist Party is just another political party.

9. Use the recent shakeup in the Kremlin as a guise to revive a "Communist peace offensive," just as a previous shakeup in the Kremlin brought about the spirit of Geneva.

AMERICAN CASES ARE CITED

In the last 15 months, the United States Supreme Court has decided 15 cases which directly affect the right of the United States of America to protect itself from Communist subversion.

1. *Communist Party* v. *Subversive Activities Control Board:* The Court refused to uphold or pass on the constitutionality of the Subversive Activities Control Act of 1950, and delayed the effectiveness of the act.

2. *Pennsylvania* v. *Steve Nelson:* The Court held that it was unlawful for Pennsylvania to prosecute a Pennsylvania Communist Party leader under the Pennsylvania Sedition Act, and indicated that the antisedition laws of 42 States and of Alaska and Hawaii cannot be enforced.

3. *Fourteen California Communists* v. *United States:* The Court reversed two Federal courts and ruled that teaching and advocating forcible overthrow of our Government, even "with evil intent," was not punishable under the Smith Act as long as it was "divorced from any effort to instigate action to that end," and ordered 5 Communist Party leaders freed and new trials for another 9.

4. *Cole* v. *Young:* The Court reversed two Federal courts and held that, although the Summary Suspension Act of 1950 gave the Federal Government the right to dismiss employees "in the interest of the national security of the United States," it was not in the interest of the national security to dismiss an employee who contributed funds and services to a not-disputed subversive organization, unless that employee was in a "sensitive position."

5. *Service* v. *Dulles:* The Court reversed two Federal courts which had refused to set aside the discharge of (John Stewart) Service by the State Department. The FBI had a recording of a conversation between Service and an editor of the pro-Communist magazine Amerasia, in the latter's hotel room in which Service spoke of military plans which were "very secret." Earlier the FBI had found large numbers of secret and confidential State Department documents in the Amerasia office. The lower courts had followed the McCarran amendment which gave the Secretary of State "absolute discretion" to discharge any employee "in the interests of the United States."

6. *Slochower* v. *Board of Education of New York:* The Court reversed the decisions of three New York courts and held it was unconstitutional to automatically discharge a teacher, in accordance with New York law, because he took the fifth amendment when asked about Communist activities. On petition for rehearing, the Court admitted that its opinion was in error in stating that Slochower was not aware that his claim of the fifth amendment would ipso facto result in his discharge; however, the Court denied rehearing.

7. *Sweezy* v. *New Hampshire:* The Court reversed the New Hampshire Supreme Court and held that the attorney of New Hampshire was without authority to question Professor Sweezy concerning a lecture and other suspected subversive activities.

8. *United States* v. *Witkovich:* The Court decided that, under the Immigration and Nationality Act of 1952, which provides that any alien against whom there is a final order of deportation shall "give information under oath as to his nationality, circumstances, habits, associations, and activities, and such other information, whether unrelated to the foregoing, as the Attorney General may deem fit and proper," the Attorney General did not have the risk to ask Witkovich: "Since the order of deportation was entered in your case on June 23, 1953, have you attended any meetings of the Communist Party of the U. S. A.?"

9. *Schware* v. *Board of Bar Examiners of New Mexico:* The Court reversed the decisions of the New Mexico Board of Bar Examiners and of the New Mexico Supreme Court which had said: "We believe one who has knowingly given his loyalties to the Communist Party for 6 or 7 years during a period of responsible adulthood is a person of questionable character." The Supreme Court substituted its judgment for that of New Mexico and ruled that "membership in the Communist Party during the 1930's cannot be said to raise substantial doubts about his present good moral character."

10. *Konigsberg* v. *State bar of California:* The Court reversed the decisions of the California Committee of Bar Examiners and of the California Supreme Court and held that it was unconstitutional to deny a license to practice law to an applicant who refused to answer this question put by the bar committee: "Mr. Konigsberg, are you a Communist?" and a series of similar questions.

11. *Jencks* v. *United States:* The Court reversed two Federal courts and held that Jencks, who was convicted of filing a false non-Communist affidavit, must be given the contents of all confidential reports which were made by any Government witness in the case, even though Jencks restricted his motions to a request for production of the reports to the trial judge for the judge's inspection and determination whether and to what extent it hinted the reports should be made available.

12. *Watkins* v. *United States:* The Court reversed the Federal district court and six judges of the Court of Appeals of the District of Columbia, and held that the House Un-American Activities Committee should not require a witness who admitted "I freely cooperated with the Communist Party" to name his Communist associates, even though the witness did not invoke the fifth amendment. The Court said: "We remain unenlightened as to the subject to which the questions asked petitioner were pertinent."

13. *Raley Stern and Brown* v. *Ohio:* The Court reversed the Ohio Supreme Court and lower courts and set aside the conviction of three men who had refused to answer questions about Communist activities put to them by the Ohio Un-American Activities Commission.

14. *Flaxner* v. *United States:* The Court reversed two Federal courts and set aside the conviction of Flaxner of contempt for refusing to produce records of alleged Communist activities subpenaed by the Senate Internal Security Subcommittee.

15. *Sacher* v. *United States.* The Court reversed two Federal courts and set aside the conviction of Sacher of contempt for refusing to tell the Senate Permanent Investigations Subcommittee whether he was or ever had been a Communist.

The Communist Daily Worker described the effect of these decisions as follows:

"The Court delivered a triple-barreled attack on (1) the Department of Justice and its Smith Act trials; (2) the free-wheeling Congressional inquisitions; and (3) the hateful loyalty-security program of the Executive. Monday, June 17, is already a historic landmark. * * * The curtain is closing on one of our worst periods."

CONGRESSIONAL INVESTIGATIONS

The Watkins case decided that it is not pertinent for a Congressional committee, established for the investigation of un-American activities, to ask a witness to give information concerning persons known to him to have been members of the Communist Party.

The courts have repeatedly said: "The power to legislate carries with it by necessary implication ample authority to obtain information needed in the rightful exercise of that power, and to employ compulsory process for that purpose."

Although the Congressional investigations into communism by the House Un-American Activities Committee (which was a particular target of the Watkins opinion) and the Senate Internal Security Subcommittee (which was ruled against in the subsequent decision of *U. S.* v. *Flaxner*) may be considered as primarily the information type of inquiry, they have resulted in a considerable quantity of legislation. This includes the Smith Act, the Subversive Activities Control Act of 1950, the Internal Security Act of 1950, certain sections of the McCarran-Walter Immigration Act, the Immunity Act of 1954, and considerable State legislation, such as the United States Supreme Court-approved New York Feinberg and Maryland Ober laws. Congressional investigations have also resulted in repeated attempts to legislate the Communist Party into an illegal status. The repeal or the weakening

of these anti-Communist laws and committees is in the forefront of the program of the Communist Party of the United States.

Until the Watkins case, the Court had long held that the information function of Congressional committees properly extends the scope of inquiries far beyond immediate legislative considerations. In a unanimous decision which was considered for more than 2 years before its pronouncement, the Supreme Court said:

"A legislative body cannot legislate wisely or effectively in the absence of information respecting the conditions which the legislation is intended to affect or change; and where the legislative body does not itself possess the requisite information—which not infrequently is true—recourse must be had to others who do possess it."

Mr. HOBLITZELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE RAILROAD RETIREMENT SYSTEM

Mr. SMATHERS. Mr. President, over the past several months the Subcommittee on Surface Transportation of the Committee on Interstate and Foreign Commerce has devoted almost all of its time to an intensive study of the railroad industry. The subcommittee concerned itself with every facet of the railroad problem and carefully considered the many suggestions made as to the action which should be taken to strengthen the railroad industry's position in the overall national transportation field.

In its deliberations, problems of corporate management and the financial structure of the railroads were carefully studied. The subcommittee was also concerned with the welfare of the railroad employees who have devoted their lives to this great industry. Without question, these employees have played a great role and have made an outstanding contribution to the economic development of our country.

One of the problems which was of great concern to the subcommittee was the alarming decrease in railroad employment and its impact on the railroad retirement system. In 1921, for example, more than 2 million people were gainfully employed in the railroad industry. Today only a little more than 800,000 employees are on the rolls. One can readily understand the impact of declining rail employment on the actuarial soundness of the railroad retirement system. At one time more employees were coming into the industry than were retiring. Today fewer employees making contributions to the fund places in jeopardy the benefit payments being made to those already on the retirement rolls. These are retirees who had every right to rely on the security which this fund would give to them in their declining years.

These elderly citizens, many of whom reside in my own State of Florida, are finding it increasingly difficult to maintain a decent standard of living on the retirement incomes which they are presently receiving due to the constantly rising costs of living. Facing a problem of losing these benefits would have disastrous consequences not only on these elderly citizens but on the economic life of the communities in which they live. Yet this is exactly what will happen if railroad employment continues on the decline.

It is essential, therefore, that the actuarial stability of the railroad retirement fund be assured. Additional income to this fund is necessary to accomplish this purpose. Promoting the economic health of the railroad industry is essential if the industry is to continue to support the fixed charges to the fund. The problem which exists is a serious one in which an early solution must be arrived at in the interest of restoring economic balance as recommended by the Comptroller General of the United States in his December 1956 report to the Congress on "Significant Financial Aspects of the Railroad Retirement Board."

There are presently pending before the Congress two pieces of proposed legislation which I feel merit serious consideration. I refer to S. 1313 pending before the Senate Labor and Public Welfare Committee, of which the distinguished senior Senator from Oregon is the author; and H. R. 5551, introduced by Representative McCARTHY, the very able and distinguished gentleman from Minnesota, and which is present pending before the House Ways and Means Committee.

Among other things, S. 1313 would provide more liberal benefits to our railroad retirees, while H. R. 5551 would permit active employees to exclude from taxable income taxes imposed upon them under the Social Security, Railroad Retirement and Civil Service Retirement Systems.

Some of the principles embodied in these two pieces of proposed legislation, in my opinion, have considerable merit and should receive the prompt, careful consideration of the Congress. I cannot urge too strongly that both of these proposals be considered with the utmost speed.

There is general agreement on the conclusion that the railroad industry plays a vital role in the national defense and general economic welfare of our country. It is essential in the public interest that the economic health of this great industry be maintained. This can only be achieved to a maximum degree by insuring adequate protection of its employees and instilling their confidence once again in the actuarial soundness of the railroad retirement system.

A CAMPAIGN TO QUICKEN THE ECONOMIC PULSE OF THE COUNTRY BY STIMULATING THE MODERNIZATION OF HOMES

Mr. KNOWLAND. Mr. President, we cannot and should not depend upon Government alone to meet the challenge of the recession. It requires the efforts of all our people.

Of the 50 million homes in America, almost half, or fully 25 million, are at least 30 years old. Ten million are 50 years old or older. The very age of these homes indicates a tremendous need for improvements of one sort or another. It is obvious that the modernization of these homes would in itself constitute a great stimulant to business. Remodeling of even 25 percent of these homes would put large numbers of men to work, put money in circulation, and quicken the economic pulse of the Nation.

I invite Senators' attention to the fact that an important group of our citizens has organized for the purpose of persuading householders not to defer much-needed modernization, but to proceed with it now, without further delay.

I refer to the campaign, "Renew the Heart of Your Home," sponsored by the plumbing-heating-cooling industry through the medium of the Plumbing-Heating-Cooling Information Bureau.

The bureau represents all segments of the industry—labor, retail sales (the plumbing and heating contractor), distribution, and manufacturing. There is in this campaign, therefore, a national joint effort of labor and management to help themselves by helping others to do those things which will increase property values, provide greater comfort, and create a more healthful environment. In order more effectively to call attention to the magic which can be achieved in our homes by modernization, the industry has designated May as Plumbing-Heating-Cooling Month.

This great industry, employing more than 1 million workers, is second to none in its contribution to modern living. Without the sanitation supplied by the plumbing industry, our great cities would be uninhabitable. It is this industry which brings to our homes safe, potable water, and removes the waste water in such a manner that the pure water supply is not contaminated.

Equally significant is the contribution of the heating and cooling industry in providing a healthful and comfortable environment wherever men and women live, work, play, or worship.

It is fitting and proper, therefore, that this industry should call attention to the importance of its products and services in American life and that this industry should endeavor to raise all homes to a higher standard of sanitation and year-round control of the indoor environment.

Specifically, the goals of the industry are these:

First, modernization and remodeling of residential properties through improved plumbing, heating, and cooling facilities.

Second, participation with Government agencies, industries, national trade associations, and other groups to promote the rehabilitation and modernization of neighborhoods and communities through home improvement.

Third, to call attention to the need for care and maintenance of new homes to prevent their deterioration.

Fourth, by timely improvements to halt the spread of blight in residential areas. These are commendable ambi-

tions and worthy of the support of all Americans.

I commend the officers and directors of the Plumbing-Heating-Cooling Information Bureau, sponsors of the campaign "Renew the Heart of Your Home—Plumbing-Heating-Cooling" and the members of the industry throughout the United States.

I compliment them on their enterprise in organizing a joint effort which cannot help but result in stimulation of employment at all levels.

The President of the Plumbing-Heating-Cooling Information Bureau is William A. Landers, Oklahoma City, Okla.

The vice president is William A. Fitzpatrick, Dayton, Ohio.

The treasurer is Victor J. Killian, Winnetka, Ill.

The members of the board of directors of the Plumbing-Heating-Cooling Information Bureau include the following:

Stanley S. Backner, executive vice president, Universal-Rundle Corp., New Castle, Pa.

Paul B. Baird, manager, Standard Pipe Sales, Youngstown Sheet & Tube Co., Youngstown, Ohio.

Loren Bonnett, general sales manager, Eljer Co. Division of the Murray Corporation of America, Three Gateway Center, Pittsburgh, Pa.

John S. Booth, president, Irving D. Booth, Inc., 620 William Street, Elmira, N. Y.

Earl E. Brown, president, The Chicago Faucet Co., 2700 North Crawford, Chicago, Ill.

R. M. Candee, staff manager, Dealer Sales, Johns-Manville Corp., 22 East 40th Street, New York, N. Y.

Wm. T. Dodd, executive vice president, United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, 901 Massachusetts Avenue NW., Washington, D. C.

John M. Dunser, director of sales, Wolverine Tube Division, Calumet & Hecla, Inc., 17200 Southfield Road, Allen Park, Mich.

Wm. A. Fitzpatrick, general manager, M. J. Gibbons Supply Co., 601–631 East Monument Avenue, Dayton, Ohio.

P. J. Faherty, Buffalo Pipe & Foundry Corp., 136 North Union Street, Lambertville, N. J.

T. B. Focke, president, National-United States Radiator Corp., 221 Central Avenue, Johnstown, Pa.

Earl J. Gossett, chairman of board, Bell & Gossett Co., Morton Grove, Ill.

J. Milton Hagler, president, Tay-Holbrook Co., Inc., 165 Eighth Street, San Francisco, Calif.

Wilbur S. Hokom, president, A. A. Hokom Co., 400 North Beverly Drive, Beverly Hills, Calif.

Peter Keenan, president, Keenan Pipe & Supply Co., 2112 East 27th Street, Los Angeles, Calif.

Victor J. Killian, president, V. J. Killian Co., 933 Linden Avenue, Winnetka, Ill.

Herman Krakower, Plumbing Supply Co., Inc., Post Office Box 1282, Houston, Tex.

John M. Kohler, vice president, Kohler Co., Kohler, Wis.

W. A. Landers, president, W. A. Landers Co., 36 Northeast 28th Street, Oklahoma City, Okla.

E. B. Lent, president, Lent's Inc., 279 Fourth Street, Bremerton, Wash.

Warren A. Logelin, director public relations, Crane Co., 636 South Michigan Avenue, Chicago, Ill.

William Morris, executive vice president, Briggs Manufacturing Co., 6600 East 15 Mile Road, Warren, Mich.

Lawrence N. Peterson, president, L. N. Peterson Plumbing & Heating, Gloucester, Mass.

Robert J. Pierson, Jr., national sales manager, Home Products Division Rheem Manufacturing Co., 7600 South Kedzie Avenue, Chicago, Ill.

John M. Rhoades, president, J. M. Rhoades Co., 347 South Pineapple Avenue, Saratoga, Fla.

G. H. Roney, Dishwasher and Disposer Section, General Electric Co., Appliance Park, Louisville, Ky.

John E. Sommers, executive vice president, Noland Co., Inc., Post Office Box 974, Newport News, Va.

Howard L. Spindler, vice president public relations, American Radiator & Standard Sanitary Corp., 40 West 40th Street, New York, N. Y.

Joseph H. Spitzley, R. L. Spitzley Heating Co., 1200 West Fort Street, Detroit, Mich.

Morris Stein, president, Torrington Supply Co., Inc., 125 Maple Street, Waterbury, Conn.

Roy L. Stewart, Sr., vice president, Stockham Valves & Fittings, Box 2592, Birmingham, Ala.

Charles W. Thompson, president, Tallman Co., 6435 Maple Avenue, St. Louis, Mo.

Horace E. Wetzell, president, The Smith & Oby Co., 6107 Carnegie Avenue, Cleveland, Ohio.

Throughout the United States there have been organized active local committees to implement the national campaign. It is for these local committees as well as for the national campaign that I respectfully urge the fullest support of our citizens, of Government officials, and of the Nation's press, radio, television, and magazines.

It is hoped that officials in every town and city throughout America will cooperate in the commendable efforts being made in this field.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 86), congratulating the State of Minnesota upon the occasion of the centennial of its admission into the Union.

ADJOURNMENT TO MONDAY

Mr. SMATHERS. Mr. President, pursuant to the order previously entered, I move that the Senate adjourn until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock and 29 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Monday, May 5, 1958, at 12 o'clock noon.

NOMINATIONS

Executive nominations received by the Senate May 1, 1958:

IN THE ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3298. All officers are subject to physical examination required by law:

To be first lieutenants

Abel, Billy J., O72432.
Ackiss, Ernest L., Jr., O72433.
Adams, Robert B., O72565.
Adams, Tom, Jr., O72669.
Akin, Havis D., O72808.
Albers, James J., O72670.
Albrecht, Nelson O., O72566.
Albright, John E., Jr., O72567.
Ameel, Joseph B., O72810.
Anderson, James J., O72435.
Andre, Peter C., O72436.
Ashe, Oliver R., O72815.
Ashey, Clarence D., Jr., O73017.
Ayotte, Ronald J., O73122.
Bales, Donald G., O75142.
Barrett, Gilbert J., O72816.
Barry, Raymond D., O72573.
Basten, Lawrence E., O72438.
Beach, Edmund J., O72818.
Beisman, James J., O73125.
Bell, Charles H., O72677.
Benacquista, John J., O72575.
Bennett, Donald P., O74964.
Benoski, Joseph, Jr., O72440.
Bentley, Thomas N., O73021.
Berry, Fred C., Jr., O72323.
Blackham, Daryl K., O73128.
Bookout, Jerry P., O72824.
Boyer, Henry, Jr., O73022.
Brooks, George W., O72681.
Brooks, William C., Jr., O78243.
Brown, Arnold K., Jr., O77285.
Brown, Joseph G., O72580.
Brutscher, Baldwin L., O72444.
Buchanan, Paul J., O77289.
Burkett, Seth W., O72685.
Bush, Robert C., O72447.
Byrne, John M., O73136.
Byrnes, Graham F., O72451.
Callaway, Charles P., O77299.
Carlisle, Alan R., O72686.
Carnes, Julian H., Jr., O72687.
Carrington, Hugh C., O72582.
Carroll, George F., Jr., O77309.
Cashwell, James E., Jr., O73137.
Caster, Robert W., O72689.
Casto, Philip C., O72690.
Chamberlain, Charles M., O72583.
Chillcott, Dewey A., Jr., O77315.
Clements, Philip J., 2d, O72584.
Cluxton, Donald E., Jr., O72453.
Cohen, Sydney G., O72846.
Collier, Gary D., O72847.
Cooksey, David O., O72585.
Costello, Charles J., O72848.
Count, Elmer E., O72849.
Cowan, Robert E., O78267.
Crawford, Theodore A., O72694.
Dambrauskas, Vincent, O72459.
Daves, Phillip E., O72852.
Day, Edward A., Jr., O72461.
Delahunty, Thomas C., O72853.
Demick, Harold B., Jr., O72586.
Dirmeyer, Robert P., O77361.
Dismukes, James B., O77362.
Dister, Arthur C., Jr., O73092.
Dodd, Calvin G., O72856.
Dorough, Philip E., O72700.
Draper, Edwin L., O72858.
Durant, John J., O78289.
Durkin, Michael J., O72467.
Dutton, Howard M., O73029.
Elliott, Harlen O., O78292.
Finkle, Rodney T., O72591.
Fiora, Edward F., Jr., O78300.
Frazier, Kenneth M., O72708.
Freeman, Donald, J., O72709.
Freshley, Robert L., O78308.
Gable, John P., O72472.
Gallier, Gary L., O72473.
Gange, William B., O72875.
Garcia, Heriberto A., O78314.
Garrison, Melvyn V., O72710.
Glasson, Robert P., O73033.
Goldsberry, Verne W., O72475.
Gomes, Lloyd E., O72713.
Gould, Frank O., O72717.
Grabiak, Richard W., O72718.
Gray, Donald A., O77416.
Gudger, Robert M., O72885.
Gugel, Donald N., O77419.
Gunning, Edward G., O72721.
Gunsell, Richard M., O77420.
Halliburton, John R., O73153.
Harper, Henry H., O78339.

Harvey, Richard W., O72599.
Hay, James R., O78345.
Hazelip, Albert C., Jr., O72726.
Heinsoo, Heino, O77437.
Heiss, John L., 3d, O77438.
Hereld, Gerald P., O72601.
Herzog, David E., O72482.
Hess, John P., O72898.
Heyde, Jay A., O72730.
Hill, James R., O72483.
Hill, Vernon B., Jr., O72731.
Hodgson, William E., Jr., O72484.
Hoffpauir, Wray G., Jr., O72603.
Hoglan, Curtis F., O77453.
Hollowell, Emmett P., Jr., O72735.
Howell, Thomas R., O72736.
Hudman, George D., O72737.
Huff, Richard A., O77466.
Huff, Roy P., Jr., O72903.
Huskey, James E., O72494.
Hutchinson, Hugh F., Jr., O72738.
Islin, John A., O77475.
Joyce, Cecil L., O78373.
Kaufman, Gerald G., O72497.
Keenan, George E., O78387.
Kelley, Donald R., O73160.
Kelly, Donald E., O72610.
Kelly, Thomas L., O77500.
Kepler, Roger T., O72611.
Kierman, Leonard A., Jr., O72614.
Kilgallen, John E., O78385.
Knight, John K., O72745.
Korywchak, Frank, O72500.
Krane, Robert A., O72501.
Kyle, Norman R., O77516.
Labinski, Raymond J., Jr., O72747.
Labonge, Carl A., Jr., O73163.
Large, Ulysses S., Jr., O77520.
Lascola, Harry R., O72914.
Lawson, Warren G., O72503.
Levine, Seymour, O72750.
Lewis, Henry J., O72619.
Lilje, Donald H., O72918.
Lillich, Edward R., O72919.
Link, Thomas H., O72751.
Littlejohn, Roy, O72752.
Longacre, David H., O72753.
Love, James R., O72754.
Lozar, Alfred J., O72505.
Maccini, Francis L., O72621.
Macedonia, Raymond M., O72925.
MacPhail, William, Jr., O72756.
Mahaffey, Fred K., O72926.
Mait, Martin B., O77553.
Manning, Robert L., O72509.
Manzo, John M., O77555.
Marino, Andrew S., O72930.
Marlow, James W., O72510.
Marsh, Russell L., Jr., O78415.
Martin, Thurman O'N., O72758.
Masters, Robert D., O72760.
McGar, Robert D., O78424.
McGowan, Garrett E., O72515.
McKay, Gerald E., O72938.
McKellips, John L., O77573.
McMaster, Ronald R., O72516.
McNelis, David N., O78428.
Medley, George W., O72518.
Miller, Charles H., O73108.
Miller, Robert A., O72524.
Mixan, Edgar J., O73218.
Monteith, Gerald E., O77585.
Morris, Cornelius J., O72627.
Morris, Glenn S., O72766.
Morris, Richard A., O72628.
Muckenhirn, Charles F., O72949.
Murphy, Jerry C., O72527.
Murphy, John J., Jr., O73050.
Murray, Roland N., Jr., O72953.
Myer, Gerald J., O78434.
Myrick, Howard A., Jr., O78452.
Neal, Jerome B., O72528.
Newman, Frank R., O72629.
Nugent, Frank J., Jr., O73051.
Olchovik, Stanley, O74023.
Oliver, Mahatha M., O77610.
Openshaw, James A., Jr., O72530.
Osborne, Walton H., 3d, O72532.
O'Shaughnessy, James P., O72633
Owen, David T., O72770.
Payne, Robert W., O72535.
Pemberton, Thomas G., O72636.
Perry, Earl E., O72536.
Pfaff, Robert A., O72537.
Plugge, Donald W., O72540.
Poarch, Henry H., Jr., O72775.
Pohly, Glenn W., O72639.
Polak, Alexander P., O72966.
Priore, Fortunato R., O72971.
Pugh, George M., O77632.
Pybus, Fred R., 3d, O77634.
Quest, Joseph W., O77635.
Radford, James T., O73113.
Ramsey, John D., O72778.
Ramsey, Roger R., O72541.
Redd, Gail R., O72542.
Reed, Paul R., O72973.
Richardson, George A., Jr., O72974.
Richardson, William T., O77649.
Rinedollar, John D., O72977.
Robbins, Edwin E., Jr., O72781.
Roby, Robert L., O72783.
Rodina, Stanley L., O73186.
Rofrano, Paul P., Jr., O73187.
Rohland, Robert G., O72642.
Ropp, Richard F., O77657.
Roster, Nicholas J., O72545.
Rutkowski, Richard A., O72644.
Sagramoso, Daniel E., O73189.
Schaub, Arthur J., Jr., O72645.
Schelton, Carlton L., O72983.
Schmitz, Robert P., O77673.
Scott, Douglas W., O72548.
Seelinger, John A., O72785.
Shannon, John W., O72648.
Shippers, Ernon L., O72549.
Shockley, Henry A., O72786.
Sieminski, Edmund J., O72787.
Simpson, Robert W., O73193.
Sinclair, Waldo G., Jr., O72788.
Sinclaire, John, Jr., O78505.
Singletary, Ben B., O73194.
Smiley, Ronald H., O72790.
Smith, Edward P., O72653.
Smith, Richard L., O73197.
Smith, Robert G., O72550.
Snow, James A., O72791.
Staples, William B., O73080.
Stevens, Edward A., Jr., O72655.
Stroup, Glenn A., O77714.
Tanner, Walter D., O72795.
Taylor, Joseph W., O77724.
Taylor, William J., Jr., O78522.
Thompson, Douglas F., O72554.
Thompson, Robert S., O77733.
Tomberg, Ralph T., O78526.
Trigg, Jasper A., O73001.
Twilley, Leroy G., O73225.
Tyler, Thomas H., O77745.
VanGiesen, Robert E., O72557.
Walter, John S., O77761.
Ward, Thomas J., O73005.
Ware, Gilbert, O72802.
Waterman, Stephen, 3d, O73006.
Wegley, Frederick L., Jr., O73008.
Wemmering, Fred A., Jr., O72804.
Williams, Bruce H., O72561.
Williams, Thomas L., Jr., O78551.
Winne, Ross W., Jr., O73012.
Woliver, Clarence H., Jr., O77789.
Young, Gregor T., 3d., O78561.

To be first lieutenants, Medical Service Corps

Bass, Bobbie R., O73019.
Beach, Douglas J., O76819.
Dowery, Gordon K., O72701.
Early, Ralph T., O72468.
Erickson, Duane G., O75352.
Hahn, Jerry D., O76825.
Heinz, Robert F., Jr., O72481.
Lange, John H., O72912.
Van Straten, James G., O72558.

To be first lieutenant, Army Medical Specialist Corps

Olson, Marilyn C., R10169.

The following-named officers for appointment in the Medical Service Corps, Regular Army of the United States, in the grades specified under the provisions of Public Law 737, 84th Congress, subject to physical examination required by law:

To be lieutenant colonels

Cooley, George Morgan, O397504.
Morrow, Frank William, O337174.
Nagy, Ernest Adam, O321096.
Stillman, Frank Edwin, Jr., O324988.

To be majors

Butchkosky, John, O1001744.
Carr, Martin James, O2048244.
Madden, James Peerman, O1010623.
Newton, Arthur, O1543200.
Youngs, Edward Roy, O454989.

To be captains

Kaufman, Paul Isaiah, O1541461.
Kotchin, Stanley Paul, O1545916.
Maes, Henry Edward, O1583396.
Meads, William Jewett, O417323.

To be second lieutenants

Baxter, John Richard, O4059949.
Bissell, Donald Frederick, O4076438.
Daugherty, John Michael, O4071907.
Potin, James Bernard, O4048176.
See, Donald Harlan, O4027039.
Stubblefield, James Bert, Jr., O4071326.

The following-named officers for appointment in the Regular Army of the United States in the grades specified, under the provisions of Public Law 737, 84th Congress, subject to physical examination required by law:

To be lieutenant colonels

Buntyn, James Russell, O304712.
Carn, Robert Marion, O290265.
DeFrees, Lindsay Junius, O304233.
Drennon, Clarence Bartow, Jr., O285618.
Kemp, Roger Winfred, O324061.
Lockhart, Julian McMurry, O306661.
Matteson, Victor Edward, O307105.
Pettin, Charles Francis, O336355.
Powers, James William, O341842.
Price, John Weldon, O337686.
Taylor, Kenneth Guy, O316732.
Wright, William Perry, O326313.

To be majors

Adamson, Kenneth Edward, O334902.
Anderson, Richard Henry, O361954.
Arvin, Charles Robert, O351611.
Bigley, Frank, O418723.
Bondurant, Joseph Ray, O323867.
Brubaker, Jack Harold, O340839.
Byrne, Robert Joseph, Jr., O372375.
Fox, Richard Arnold, O1045431.
Hazam, Mitchell James, O446951.
Hodgson, John Andrew, O350516.
O'Connor, Edward Francis, O419529.
Rackham, Karl Mortimer, O414317.
Shambaugh, Wilson Roger, O1286017.
Shupe, Joseph Bernard, O384748.
Taylor, Leonard Burbank, O362926.
Wade, William Durand, O1165096.
Wells, Howard Borden, O385713.

To be captains

Barnes, George Gordon, O531820.
Bennett, Paul Martin, O519353.
Dierauf, Frank, Jr., O1060071.
Doherty, Philip Arnold, O1167809.
Feild, Terry Trimble, O453560.
Freeman, Arthur Lewis, O1120189.
Gaines, Melvin Rudolph, O1333200.
Gee, William Ralph, O1913456.
Gross, Earl Russell, O1170397.
Halligan, Arthur James, O1183870.
Hendry, James Benjamin, O2037984.
Ivey, Ashley, O1319212.
Jackson, Robert Hutchinson, O1634005.
Leddon, John William, Jr., O1648355.
Marcum, Robert Dale, O1018920.
Marden, Martin, O1320146.
Masterson, Joseph H., O1924620.
Miles, Francis Charles, O1341812.
Mohr, Phillip Joe, O2051516.
Morgan, David Cameron, O1302505.
Morley, Harrison Andrew, Jr., O2035963.
Munnelly, John Edward, O1688720.
Painter, Maurice, O1797699.
Peck, James Newton, O503805.

Post, Jack Harlan, O468857.
Proudfoot, George Francis, O1291003.
Rarick, David, O1120428.
Reece, Donald Phillips, O425009.
Rogers, William Bradley, O534187.
Schmid, William Kenneth, O455364.
Starnes, Carl Stanley, O948451.
Suechika, Ben, O935258.
Toole, Charles Edward, O1688646.

To be first lieutenants

Collins, Lonnie Lee, O4040296.
Glover, Alfred P., O4012170.
Graham, James Ralph, O2003829.
Graham, Jones Raymond, O2003830.
Hosford, Jerry Neal, O1890415.
Junot, Arthur Joseph, O2021122.
Markis, George Euthymios Gust, O4004935.
Miller, John Philip, O2021845.
Obermire, John Paul, O4017565.
Shallcross, George Whitaker, O973904.
Silvanic, George, O2268699.
Walker, Theodore Hughes, O1883719.

To be second lieutenants

Barrett, Jonathan Reed, 3d, O4063072.
Brown, Bernard Gurston, O4048227.
Bryant, James Carlisle, O4075380.
Buel, Charles Joseph, O4060111.
Burbery, John William, Jr., O4019643.
Burgoon, Kenneth LeRoy, O4057613.
Cahill, Thomas Aloysius, O4059872.
Campbell, Charles Burnett, O4076565.
Cleaver, George Alpheus, Jr., O4070153.
Cleveland, Arne Richard, O4077225.
Connell, Jerry Lee, O4071397.
Coughlin, James Lyons, O4066246.
Dilyard, Rex Emmet, O4061958.
Di Ruzza, Santi, O4052421.
Forgey, James Dudley, O4061649.
Freitas, Louis Hartwell, O4078095.
Fritz, Richard Louis, O4076246.
Garner, John Joel, Jr., O4049454.
Gessner, Stephen George, O4064593.
Hilmo, Orin Robert, O4046922.
Kysar, Alverado Franklin, Jr., O2272166.
Marmor, John William, O4049010.
Mattison, Charles Harrison, O1937914.
McGoff, Leo Francis, Jr., O1926169.
Parr, Ivan Walter, 3d, O4075659.
Reck, Max Vernon, O4060104.
Rembecki, Edward Xavier, O4047450.
Scott, John Robert, O1927497.
Skahan, Michael Neil, O4061853.
Snow, William Zaidee, O4033637.
Sparks, Donald Eugene, O4045661.
Toler, William King, O4047877.
Wagner, Stanley Gene, O4066802.
Watson, James Horace, O4062956.
Wilder, Allen Stanton, Jr., O4070416.

The following-named officers for appointment as chaplain in the Regular Army of the United States, in the grades specified, under the provisions of Public Law 737, 84th Congress, subject to physical examination required by law:

To be major

Read, Charles Edgar, O346925.

To be captains

Cronin, Edward Thomas, O2269693.
Ketchersid, Corbin William, O979868.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of title 10, United States Code, section 3291, as amended by Public Law 85–155, 85th Congress; title 10, United States Code, section 3294, as amended by Public Law 497, 84th Congress:

To be captains

Bowman, Betty O., ANC, N805645.
Elkins, John T., Jr., MC, O996645.
Goldsmith, Dorothy, ANC, N730912.
Hampson, Floyd F., Jr., DC, O4028267.
Hughes, Margaret E., ANC, N761108.
McCaleb, Lois M., ANC, N776333.
Neacy, Mary A., AMSC, R2500.
O'Brien, Mary R., ANC, N721206.
Painter, Mary E., ANC, N783337.
Wright, Helen E., ANC, N751250.

To be first lieutenants

Alexander, James S., MC, O2283945.
Bench, James D., DC, O2289781.
Berghorn, Bronson M., MC.
Berman, Donald A., MC, O2284670.
Bowser, Barry L., MC.
Duback, Richard T., MC, O2283881.
Farrington, John K., MC, O2284244.
Fike, Robert H., MC, O2284739.
Gentilcore, Gloria E., ANC, N901668.
Guss, Sheldon, MC.
Helfrich, Richard B., MC, O2288861.
Hendrix, Vernon J., MC.
Hoch, Margaret C., ANC, N804897.
Hunter, Ripley H., Jr., MC, O2284573.
Intile, Joseph A., Jr., MC, O4015609.
Johnson, Egon V., MC, O2284914.
Lee, Carolyn M., ANC, N901951.
Lipscomb, Charles R., MC, O2288850.
Lundberg, George D., Jr., MC, O2283911.
Scragg, William H., Jr., MC, O2284420.
Snyder, Richard J., MC, O2284563.

The following-named officer for appointment, by transfer, in the Medical Service Corps, Regular Army of the United States, in the grade of first lieutenant:

McKenney, William R., O70854.

The following-named cadets, United States Military Academy, for appointment in the Regular Army of the United States, effective June 4, 1958, upon their graduation, in the grade of second lieutenant, under the provisions of Public Law 737, 84th Congress, subject to physical examination required by law:

Philip William Ackerman
Ronald Kessinger Andreson
Stanley Bacon, Jr.
Peter Frederic Bahnsen 3d
Clark Jonathan Bailey 2d
Robert Eugene Baker
Vincent Barta
Richard Elmer Bauchspies
Anthony George Bauer
Hugh Albert Bauer
Ronald Lawrence Bellows
Adam Benjamin, Jr.
Robert Albert Bethmann
Jerry Wortham Betts
Paul Martin Bons
Arthur Guy Bottinger
David Warren Bourland
Frank Sayles Bowen 3d
John Hilton Bradley
Jack O'Brien Bradshaw
Joseph William Brandl
John Farmer Brinson, Jr.
Clarke McCurdy Brintnall
Daniel Pleasant Brockwell, Jr.
Dan Allan Brookhart
James Raymond Brooks, Jr.
Clyde Orville Brown, Jr.
Frank McCarthy Brown 3d
Glenn Allison Brown
Joseph Kevin Brown
Ronald Shelton Brunner
Dennis Russell Bruzina
John Charles Buchanan
William Saunders Buchly
Glenn LaMar Bugay
Lawrence Hoover Bullis
Robert Monroe Bunker
Edward Joseph Burke, Jr.
John Carlson Burke
Jerry Lee Burton
Peter Charles Byrne
Thomas Francis Cameron
Gerald Carl Capelle
Thomas Edgar Carpenter 3d
John Ward Carson
Robert Oliver Case
James Cameron Castle
Troy Dawson Chappell
Daniel Patterson Charlton
Paul Frederic Ciasullo
William Cibosky
Alan Brian Claflin
Robert Earl Clark, Jr.
David Arthur Clarke
William Phillips Clary, Jr.
Robert Maurice Clewell
Dale Sherwood Cockle
Raymond Isaac Coffey
Ronald Thomas Coleman
Willis Clare Collett, Jr.
Samuel Pickens Collins, Jr.
Terence Jurdan Connell
Nelson Owen Conner, Jr.
Cline Gerald Cook
William Troy Cooper, Jr.
David George Coury
Bo Franklyn Craddock
John Donald Crandall
Ben G. Crosby, Jr.
Nathan Harold Crow
Robert Edward D'Amore
John Michael Daley
Bernard Michael Davall
James Monteville Davis, Jr.
Joseph Mortimer Davis
Wayne David Day
Edward Vincent DeBoeser, Jr.
Joseph Mitchell DeChant
Donald Arthur DeJardin
John Richard Deely
Robert Degen
Charles Francis Densford, Jr.
William Alonzo Denson
David Ernest Depew
Douglass Stengrim Detlie
John Wellington Devens
Robert Allen Dey
Philip Victor DiMauro
Joseph Martin DiTommaso
Edwin Nelson Dodd, Jr.
Claude Belmont Donovan 3d
Robert Thomas Donovan
Edward Jackson Downing, Jr.
Melville Anson Drisko, Jr.
Stanley Edward Dus
John Mark Dykes
Michael Frederick Easley
William Augustus Edwards 3d
John Herbert Eliot
James Elmer Emmons, Jr.
John Garrettson Evans
Joseph Anthony Evans
Roy Tripp Evans 3d
Barry Phillip Eveleth
William Lafayette Fagg, Jr.
Gennaro John Faiola
Lorin Ballantyne Farr, Jr.
Melvin Howard Farrar
Claude Emmanuel Fernandez, Jr.
Robert Griffith Finkenaur, Jr.
Eugene Allen Fisher
Thomas Arthur Forman
Donald Miles Forney
Thomas Anthony Forster
Robert Roy Foster
William Wilkinson Foulkes 3d
Richard Gale Franklin
Francis John Franks
James Albert Frick
Robert Phillip Gall
William Guy Ganey
Richard Daniel Garlick
Richard Walter Geil
Louis Basil Gennaro
John David George, Jr.
Bill Cosmos Giallourakis
Leslie George Gibbings
William Percy Gillette 3d
Robert William Giuliano
Charles Williamson Glover, Jr.
James Allen Godbey
Victor John Gongola
Fred Wesley Goodenough, Jr.
Gordon Lee Goodman
Henry John Gordon
William Saunders Graf
Gary Perkins Graves
Richard Gordon Graves
Turner D. Griffin, Jr.
Rupert Edwin Grimm
Peter Jon Groh
Richard Newland Groves, Jr.
Norman Lee Gustitis
Edward Gordon Hale, Jr.
Fred Wesley Hall, Jr.
George Morgan Hall, Jr.
Harrell Glenn Hall, Jr.
James Balmer Hall

Bruce McClung Hamilton
James Harvey Hankee
Frank Michael Harlem, Jr.
William Lucas Harry
Thomas Henry Harvey, Jr.
Robert Michael Hattler
Paul William Haushill
LeRoy Robert Hayden, Jr.
Ashton Miller Haynes, Jr.
Kermit Mandes Henninger
Theodore Warren Hepner
Kenneth Stephen Herberger
John Daniel Herren
Peter Darcey Hidalgo
Robert Martin Higgins
John Rimmer Hill, Jr.
Orland Kitchell Hill
Richard Makoto Hirata
Walter Andrew Hitchcock, Jr.
John Francis Holecek
Terence Howard
Dale Eugene Hruby
Harry Jenkins Hubbard III
Ronald Ernest Hudson
George Clinton Huff
Norbert Alfred Hulsman
Robert Lincoln Hultzen
Larry Howard Hunt
Robert Ray Huskinson
George Ellery Hussey
Heyward Groverman Hutson
Paul Churchill Hutton III
John Louis Isaacson
Strube Jennings Jackson
Harvey Raymond Jahn, Jr.
Edward Joseph Jasaitis
Daryl George Jaschen
Homer Bentley Jenkins III
Bradley Jerome Johnson
Donald Wright Johnson
Herbert Richard Johnson
Hugh Paul Johnson
Alexander Johnston 3d
James Howard Jones
Lincoln Jones 3d
Robert Harry Julian
Joseph Jacob Katz
Thomas Joseph Kelly
James Joseph Kernan
Joseph Douglas Keyes
Mahlon Kirk
Martin Larry Kirkegaard
Roy Spencer Kirkpatrick
Richard Dean Kittelson
Paul Leonard Julius Klempnow
Richard Stanley Kloskowski
Gary Lee Kosmider
Brian Louis Koster
Harry Ray Kramp, Jr.
Frederick Walter Kulik
Leonard Joseph Kusek
David Schirmer Kyle
Kenneth Ervin Lager
George Newton Lancaster
Glenn Allan Lane
John Richard Larson
George Carr Lawton
Charles Elwood LeMere
Zigmont Jody LeTowt 3d
Julian John Levasseur, Jr.
Jerome Carter Lewis
Robert Edmund Lindquist
John Wesley Loffert
Kenneth Arthur Lohr
Thomas Crawford Looney
David Stuart Loughborough, Jr.
Joseph Charles Luman, Jr.
Joseph Anthony Lupi
Richard Thomas Lynch
John Howard Lynne
Harold Clifford Lyon, Jr.
Albert Douglas MacLeod
Arthur Frederick Mace
John Joseph Madigan 3d
Michael David Mahler
Paul Makowski
Thomas Peter Maliska
Lawrence Michael Malone
Duff Gerard Manges 3d
John Paul Manos
Willie Jon Marshall
Cary William Martin
Don Martin, Jr.
Alfred Rex Mason
Thomas Montgomery Mason
Billy Frank Mathews
Robert Neil Mathis
Robert James Matsumoto
Edward Whitehouse Matthews
Stanley Arthur Maxson, Jr.
Jack Campbell May
Frederick Flood Mayer
William James McCaffrey
James Wayne McCauley, Jr.
Leonard Raymond McCormack
Palmer McGrew
William Timothy McLean
James Patrick Mellin
Robert Arthur Melott
Will Garrison Merrill, Jr.
George Robert Michael
Bruce Philip Mignano
Frank William Miles
Charles Anthony Miller
Milton Lee Miller
Robert Hassler Miller
William Ray Miller
Peter Edward Millspaugh
Gerald Clarence Mitchell, Jr.
Dwain Thate Moentmann
Kenneth Harold Montgomery
Charles Sargent Moore
Olin Joel Moore
Robert James Moore
Hugh Whitford Morgan
James Bruce Morgan
Thomas Drexel Morgan
John William Morrison
Robert Gardner Moscatelli
William Ignatius Murphy
Samuel Leslie Myers, Jr.
Ramon Antonio Nadal 2d
Anthony Paul Nardi
Ola Robert Nelson
David Frank Nidever
John Anthony Nowak
Frederick Lewis Nuffer, Jr.
John Bert Nun
Gerald Leroy O'Barr
Garland Deloid O'Quinn Jr.
Dick Shaw Oberg
Karl E. Oelke
Edwin Irwin Ofgant, Jr.
Ronald Claude Olson
Roderic Edward Ordway
Thomas Linwood Orr
Charles Herbert Oxrieder
Bruce Stevens Packard
Joseph Albert Paes
Donald Joseph Palladino
John Lee Palmer
William Leo Parker
William Robinson Parks
William David Parsons
Garth Hayden Payne, Jr.
Max Galen Pearsall
James Wyatt Peck
Millard Leroy Pedersen
Benjamin John Pellegrini
Peter Austin Penczer
Alexander Julius Pensiero
Lawrence Francis Perreault
John William Peters
Walter Max Plaue
Robert William Pointer, Jr.
Davies Reed Powers
Karl Frank Prunitsch
Philip Alan Pryor
Herbert Charles Puscheck
James Harrison Ramsden
John Sylvester Rave
John Allen Raymond
Zane Kyle Rector
Loren Douglas Reid
Richard Francis Reidy, Jr.
John Francis Reilly
Richard Lamar Reynard
William Miles Reynolds
Robert Gardner Rhodes
Raymond Branch Riggan, Jr.
Michael William Riordan, Jr.
Donald James Roberts
Cloin Gentry Robertson
George Rogers Robertson
Kelly Edward Robinson
Louis Brand Rodenberg, Jr.
John Harrison Roe, Jr.
Garret Garrison Roosma
William Arnoux Roosma
Dennis August Rupprecht
Crosbie Edgerton Saint
Alan Blanchard Salisbury
John Bernard Sampson
Thomas Allen Sands
Eugene Johnson Scales
John Albert Schaffer
John Wilburn Schneider, Jr.
Paul Thomas Schonberger
Richard Christopher Schonberger
Gerald Paul Schurtz
Joseph Henry Schwar, Jr.
Douglass Alfred Sedgwick
James Edward Seltzer
William Edward Serchak
John Oscar Bagot Sewall
Joseph August Shea
Harry Lee Shedd, Jr.
William John Shepard 2d
William Arthur Shepherd
John David Shetler
John Henry Shimerda
Ronnie Dean Short
Cecil Lynn Shrader
Larry Lee Shull
Peter Shunk
George Warren Sibert
James Martin Sigler
Mariusz Stefan Sigurski
Richard Alwin Simmers
Anthony Alan Smith
Richard Lee Smith
Theodore Frank Smith
Thomas Keith Smith
Floyd Brown Spencer, Jr.
Lon Arnold Spurlock 2d
James Dunworth Stanton
Curtis Rudolph Stender
Thomas Edward Stevens, Jr.
Vernard McComb Stilson, Jr.
John Burton Stone
Frederick G. Stritzinger 5th
Carl White Sullinger
John Reynolds Sutherland, Jr.
David Willits Swanson
Robert Waldemar Taligren
Charles Edwin Teeter, Jr.
Otto Joseph Thamasett
Jude Joseph Theibert
Richard Earle Thomas
Thomas Morris Thompson, Jr.
James Noble Tilley, Jr.
Joseph Conrad Tirre, Jr.
Charles Nelson Toftoy
Raymond Forrest Rogers Tomlinson
Richard Francis Trabert
Robert Norton Tredway
Hugh Homer Trumbull, Jr.
Ronald Dean Turner
William Gilbert Townsend Tuttle, Jr.
Lloyd David Umbaugh
Townsend Allen Van Fleet
Paul Dudley Vanture
Clifford Daniel Victorine, Jr.
Roger Walter Waddell
William Joseph Wafer
Michael Paul Wagner
George William Patric Walker
James Edgerton Waller
Wallace William Ward
Francis Aloysius Waskowicz
Richard Brenard Webb
Edward Charles Weckel
George Gregory Wees
James Herbert Weis
Eugene Gibson Wentworth, Jr.
James Richard Wessel
James Russell Wildey
Donald Ray Williams
J. Barrie Williams
Neil Seymour Williamson, Jr.
James Stewart Willis, Jr.
Donald Eugene Wilson
Milton Russell Wofford
Branch Alvin Worsham, Jr.
Israel Wrubel

Sterling Wayne Wyatt
Michael William York
George William Yurick
Gerald Harwick Zimmer, Jr.
Barry Martin Zwick

The following-named distinguished military students for appointment in the Medical Service Corps, Regular Army of the United States, in the grade of second lieutenant, under the provisions of Public Law 737, 84th Congress:

Herek, Robert L.
Taylor, Edward J., Jr.

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of Public Law 737, 84th Congress:

Akam, George R.	Mattes, Richard W.
Alport, Gerald W.	Matthews, Robert C., Jr.
Aviliar, Frank M.	McAllister, Max F., Jr.
Baer, Harold R.	McGovern, Richard T.
Balaguer, Melchor C.	McGuire, Matthew W., Jr.
Bates, David E.	Mee, Gregory C.
Bechtold, William P., Jr.	Michael, John D.
Belinsky, Howard M.	Milliham, Richard D.
Brandt, John J.	Moll, Robert E.
Burns, Richard C.	Morosco, Bernard J. A., Jr.
Caddigan, James L., Jr.	O'Brien, Erin S.
Calello, Samuel C.	O'Brien, John J.
Cheek, Alton J.	O'Connor, Edward J., Jr.
Chesney, Ted S.	O'Donovan, Thomas E., Jr.
Clough, William S.	Perregaux, Paul A.
Coleman, Lynn P.	Pike, Randall L.
Connolly, John D.	Plasket, Richard L.
Cornell, Marcus C.	Powell, Colin L.
Cote, Paul R.	Press, Donald P.
Covell, Thomas G.	Putnam, John D.
Danilek, Donald J.	Redman, Peter
Dantzscher, David D.	Reinert, John E.
Denbow, Carroll E.	Reiser, Andre K.
Dodson, Charles R.	Rought, Barry G.
Egan, James E.	Ryan, Patrick S.
Elliott, Norman T.	Samoy, Raymond M.
Elwell, John E.	Sauer, Charles E.
Emigh, Edward W.	Saunders, James D.
Farquharson, William R.	Scanlon, John G.
Farrar, Raymond E.	Schmith, Albert T.
Feloney, John A., Jr.	Schooner, Murray J.
Fideler, Paul A.	Schreck, Joseph F.
Fischer, Richard W.	Seeburger, George W.
Frankoski, Joseph P.	Shaute, Joseph J., Jr.
Gamage, John F.	Sherrod, Dale E.
Gingras, Ronald W.	Shriver, Louis M., Jr.
Gottlieb, Richard M.	Skroback, Andrew E., Jr.
Gunderson, Peter G.	Smith, Duncan C.
Hardy, Rodney D.	Smith, Theodore H., III
Hatton, Christian P.	Stahlman, John W.
Haynes, Frederick M.	Sterling, Robert L.
Heizmann, William A., III	Stieber, Joachim W.
Henderson, Joe P.	Strother, James O.
Hennessey, Stephen P.	Taylor, Harry, Jr.
Higgins, Thomas F.	Thibodeau, Charles A., Jr.
Hoffman, Francis R.	Tipka, John W.
Hofmann, Robert M.	Trauthen, Donald R.
Holt, Samuel C. O.	Tschider, Richard A.
Honan, Joseph C.	Turgeon, Gareth M.
Hooper, Carl G.	Ulzheimer, Robert
Hopf, William H.	Van Steenbergen, Albert R.
Horniman, Alexander B.	Volpe, Michael
Huyssoon, John W., Jr.	Wagner, Elmer R.
Iacomino, Gennaro J.	Whitham, John E.
Jones, Rollin A.	Williamson, Donald R.
Kaye, Francis	Wilson, Douglas B., Jr.
Kremzar, Michael H.	Wilson, Richard A.
Krisko, John	Winchell, Albert B.
Kronkaitis, John	Withington, Robert J.
Locke, William W.	Wold, Pedar C.
Lucke, David B.	Yoder, Kenneth E.
MacGowan, Robert G. H.	Zambon, Robert S.
MacKenzie, David F.	
Mahoney, Thomas J.	
Malles, Marten D.	
Maniago, David P.	
Matos, Joseph A., Jr.	

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 1, 1958

The House met at 11 o'clock a. m.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MCCORMACK). The Chair lays before the House the following communication:

MAY 1, 1958.

I hereby designate the Honorable JOHN W. MCCORMACK to act as Speaker pro tempore today.

SAM RAYBURN,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Isaiah 43: 5: *Fear not, for I am with thee.*

O Thou who art the sovereign Lord of our life, ruling not by fear or force, but by the power of truth and winsomeness of an infinite love, may we give ourselves gladly to the leading of Thy divine spirit.

We rejoice that Thou art always seeking to minister to our needs, quieting our restlessness, healing our heartaches, comforting our sorrows, and cleansing us of our sins.

Help us to believe that Thou alone canst cast out our fears and haunting loneliness and open unto us the windows of light and hope.

Grant that the purpose and passion of our life during the day may be that of doing Thy will faithfully and gratefully.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 308. Concurrent resolution to provide for the printing of additional copies of hearings on reciprocal trade agreements legislation.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 10764. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1959, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. CHAVEZ, Mr. MAGNUSON, Mr. HOLLAND, Mr. MUNDT, Mr. YOUNG, and Mr. KNOWLAND to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 86. Concurrent resolution congratulating the State of Minnesota upon the occasion of the centennial of its admission into the Union.

TO PROVIDE ADDITIONAL FUNDS FOR THE EXPENSES OF THE STUDY AND INVESTIGATION AUTHORIZED BY HOUSE RESOLUTION 128

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 522) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the further expenses of conducting the studies and investigations authorized by House Resolution 128 of the 85th Congress, incurred by the Committee on House Administration, acting as a whole or by subcommittee, not to exceed $40,000, in addition to the unexpended balance of any sums heretofore made available for conducting such studies and investigations, including expenditures for the employment of experts, special counsel, clerical, stenographic, and other assistants, and all expenses necessary for travel and subsistence incurred by members and employees while engaged in the activities of the committee or any subcommittee thereof, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

Mr. LECOMPTE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. LECOMPTE. This is a privileged resolution?

The SPEAKER pro tempore. That is correct.

Mr. LECOMPTE. As such the gentleman has control of the time. I wonder if I may ask him to yield to me for a question.

Mr. FRIEDEL. I yield.

Mr. LECOMPTE. Mr. Speaker, will the gentleman tell us what is contained in this resolution and what is the situation with respect to the Special Subcommittee on Printing?

Mr. FRIEDEL. Mr. Speaker, this resolution calls for $40,000 for the Special Subcommittee on Printing of the House Administration Committee to continue their work. They have done a very good job. They have made many recommendations which will enable the Government to save hundreds of thousands of dollars. They will continue this work during the 2d session of the 85th Congress if we pass this resolution. This resolution was approved by unanimous vote, both in the subcommittee and in the full committee.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. FRIEDEL. I yield to the gentleman from Massachusetts.

Mr. MARTIN. What is the nature of the investigation they have made and contemplate making?

Mr. FRIEDEL. The Printing Subcommittee has not made a great deal of

fanfare, nor are they seeking publicity. They are making a thorough study which should save the Government a great deal of money when their recommendations are carried out.

Mr. MARTIN. Why could not the regular staff of the committee do this job?

Mr. FRIEDEL. The regular staff has ample work to do. There is a lot of research to be done. This is a special subcommittee that employs its staff members to do this work. Recent hearings by the subcommittee with GPO and GSA officials clearly pointed up the need for better coordination in the procurement and warehousing of paper which could obtain savings of hundreds of thousands of dollars annually. In the warehousing of paper alone, they pointed out how more than $200,000 could be saved.

Mr. MARTIN. What did they do, close a warehouse?

Mr. FRIEDEL. No, sir; on the cost of storage, and so forth. There was a lot of duplication and lack of coordination—as was developed by their study and hearings. We believe we have learned how considerable savings can be made.

Mr. LECOMPTE. Mr. Speaker, if the gentleman will yield, this resolution was considered by the Subcommittee on Accounts?

Mr. FRIEDEL. That is true.

Mr. LECOMPTE. And it had the unanimous approval of the subcommittee?

Mr. FRIEDEL. That is true, and also the unanimous approval of the full committee.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADDITIONAL CLERICAL EMPLOYEES, COMMITTEE ON WAYS AND MEANS

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 525 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, effective May 1, 1958, the Committee on Ways and Means is authorized, until otherwise provided by law, to employ 2 additional clerical employees to be paid from the contingent fund of the House at rates of compensation to be fixed by the chairman in accordance with section 202 (e) of the Legislative Reorganization Act of 1946.

Mr. LECOMPTE. Mr. Speaker, will the gentleman yield?

Mr. FRIEDEL. I yield to the gentleman from Iowa.

Mr. LECOMPTE. Will the gentleman from Maryland tell the House that the members of the Committee on Ways and Means unanimously asked for this resolution? That is true; is it not? And, as a matter of fact, it does not really add 2 employees, but converts the position of 2 messengers to the status of clerks.

Mr. FRIEDEL. That is true. The gentleman not only has asked the question, but has answered it.

Mr. MARTIN. Mr. Speaker, if the gentleman will yield, it increases the pay of each.

Mr. FRIEDEL. That is up to the chairman of the Ways and Means Committee. This resolution was sponsored both by the chairman of that committee and the ranking minority member of that committee.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADDITIONAL MAIL CLERK, OFFICE OF THE POSTMASTER

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 550 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, effective May 1, 1958, there shall be paid out of the contingent fund of the House, until otherwise provided by law, compensation for the employment of one additional mail clerk, Office of the Postmaster, at the basic salary of $2,100 per annum.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROMOTE MASSACHUSETTS WEEK MAY 18, 1958

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, what is the chief attraction of Massachusetts? Its bracing climate in the winter, or its wealth of lakes and beaches in the summer? True. But there is so much more.

Its impressive historical shrines where the spirit of American independence was born.

Harvard and Massachusetts Institute of Technology and the abundance of its colleges and research centers.

The high standards and the excellent reputation of its hospitals, that draw patients from all over the world.

The rich variety of its industrial complex that is pioneering in electronics, nuclear energy, and is a key factor in opening up the new horizons of the space age.

In this environment, where every facility is available, progress thrives.

Massachusetts has one of the best networks of transportation in the Nation. By train, plane, truck, bus, or car, there is swift and easy access to any point in the State and beyond.

Factory-trained workers with a high degree of skill, are a great inducement for new industries to locate in the Commonwealth. The vast raw material resources of Canada are close at hand. The port of Boston and Logan International Airport link Europe with the United States, offering unexcelled opportunities for trade and commerce.

Every American admires the contributions that Massachusetts has made to the industrial growth of our Nation. But that past is but a prelude to the dynamic future that is unfolding. New and diversified industries are establishing their modernistic homes here, attracted by the confident spirit of its people, and by the rich assets of enterprise, technical know-how, ample power, convenient plant locations, ready markets, and priceless cooperation all along the line.

Massachusetts leads the way toward a dazzling expansion of industry, trade, and commerce with possibilities unlimited.

STORY OF FREE ENTERPRISE

Mr. ALGER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, we hear today a lot of strained comparisons between our current economic situation and that of the 1930's. More properly, we hear comparisons between this year's economic picture and last year's record-breaking prosperity made by some who would like to convince us that we are heading back to the thirties.

All right, let us compare some other points, too. As Dillon Anderson pointed out in a recent speech, in 1938, after 5 years of desperate pump priming and crash Government programs, about 1 person in every 5 who wanted to work did not have a job. There were no television sets, no hi-fi's, no jet aircraft, no plastics of any consequence. Half of the automobiles in America in 1938 were over 10 years old and few people had seen or even thought about such things as the dishwashers, electric mixers, deep freezers, electric washers and dryers which grace millions of modest American homes today.

The changes since 1938 have been really stupendous, and almost entirely for the better. About all we have around today entirely unchanged since 1938 are politicians who are still promising that they can legislate away the unpleasant facts of life.

CONSTRUCTIVE LABOR LAW REFORMS

Mr. GRIFFIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GRIFFIN. Mr. Speaker, the recent effort on the part of the Republican leadership in the other body to secure passage of needed and constructive reforms in labor legislation succeeded at least in bringing forth important commitments from the Democrat leadership that such legislation would be considered in this session by the other body.

As I understand it, the appropriate committee in the other body will begin hearings Monday on legislative recom-

mendations made by President Eisenhower and others in this field, and it has been indicated that proposed legislation will be reported from committee to the floor of the other body by mid-June.

Mr. Speaker, it is obvious that hearings and debate in the other body on labor legislation will amount to nothing more than a waste of time and taxpayers' money unless the Democrat majority controlling the House Labor-Management Subcommittee reverses the position it assumed on March 5.

On that date, at the only meeting of that important subcommittee held so far this session, the Democrat members, by a straight party-line vote, flatly refused even to hold hearings on the President's labor proposals.

Mr. Speaker, the American public as well as the rank and file union members want, and expect, Congress to act this year to remedy obvious defects in our labor laws.

There can be no excuse for this inaction on the part of the House Labor-Management Subcommittee. At this point, it seems reasonable to conclude that the Democrat majority of that committee intends to deliberately block the way of any constructive labor law reforms during this session.

COMMITTEE ON BANKING AND CURRENCY

Mr. ALBERT. Mr. Speaker, on behalf of the gentleman from Kentucky [Mr. SPENCE] I ask unanimous consent that the Committee on Banking and Currency may sit today during general debate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CALL OF THE HOUSE

Mr. VAN PELT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 49]

Ashley	Gray	Montoya
Auchincloss	Gwinn	Morano
Breeding	Harden	Moulder
Buckley	Harris	Porter
Burdick	Harrison, Va.	Powell
Celler	Holland	Radwan
Chelf	Holt	Rains
Christopher	James	Rhodes, Ariz.
Cunningham, Nebr.	Jarman	Roberts
	Jenkins	Rogers, Tex.
Dawson, Ill.	Jones, Mo.	Scott, Pa.
Dies	Kilburn	Shuford
Dooley	Knutson	Sieminski
Edmondson	Lennon	Spence
Engle	McCulloch	Teague, Tex.
Gordon	McIntosh	Walter
Grant	Miller, Calif.	Williams, N. Y.

The SPEAKER pro tempore. On this rollcall 371 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

TEMPORARY UNEMPLOYMENT COMPENSATION ACT OF 1958

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 12065) to authorize temporary unemployment benefits for individuals who exhaust their benefit rights under existing unemployment compensation laws, and for individuals who were employed in noncovered employment.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 12065, with Mr. HAYS of Arkansas in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the gentleman from Arkansas [Mr. MILLS] had 1 hour and 7 minutes remaining and the gentleman from New York [Mr. REED] had 1 hour and 44 minutes remaining.

The Chair recognizes the gentleman from Arkansas [Mr. MILLS].

Mr. MILLS. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. KEOGH].

Mr. KEOGH. Mr. Chairman, I rise in support of the pending bill. Our Nation has reached the position of eminence and leadership that it has in the world today as a result of an immensely successful partnership, the partners of which are American capital and American labor. Each of the partners has brought his great resources and skills to a task that has produced the highest standard of living in the world. Neither partner can be successful standing alone. Just as one suffers so must the other and as one succeeds so shall the other.

In times of economic crisis such as we are facing today, it is folly to believe that the American workman can fall upon poor times without the same harsh realities being visited upon his employer. Since this is the case, I think it extremely unwise to view the pending bill with narrowness, to see only the plight of labor, because the plight of labor is the plight of business, too. The benefits which will be provided by the pending bill will help prevent loss of purchasing power by the unemployed, the first victims of the admitted recession, and will help to alleviate some of the misery that would otherwise be experienced by the unemployed. But, in addition, and importantly, the maintenance of purchasing power prevents the loss of a purchasing pool which supplies the funds to help keep the wheels of American industry and agriculture turning. The task to which we bend ourselves today is then not limited to the welfare of American labor. It affects the rest of the economy as well and is, therefore, properly a national problem which calls for Federal action.

It has been suggested by some that this bill in some manner discriminates against those States which are less industrialized than, say, the State of New York, and that the people of other parts of the country are being asked to bear a burden for which they will not receive commensurate benefits. To remove some of the doubt on that subject, permit me to cite a few statistics, with respect, especially, to New York State.

New York, today, accounts for 12.4 percent of the total of national covered employment, yet as of today, only 6.8 percent of the total unemployed who have exhausted their benefits are New Yorkers. Now when it is realized that New York State accounts for, and pays, approximately 18 percent of the total revenues flowing into the Federal Treasury, it will be appreciated that in supporting this bill New Yorkers are cheerfully, and graciously, and typically, being generous with the country. This bill is no different from any of the other great pieces of social legislation that have come before this Congress, many of which were theretofore without precedent and many having been attacked for the fact of their being without precedent, but many of which, once enacted into law, have become great legislative monuments fashioned by this great legislative body to which all of us, regardless of party or where we may come from, look back with pride and look forward with faith that they will endure to better enable America to meet the problems it must face in the future. New York, therefore, is willing today to tell you that it is desirous of being of assistance in this hour of economic crisis.

I should like to remind you of that of which I am sure you are all familiar, that is, the obvious interdependence of our economy. Perhaps it may be believed that it is possible for the industries of one State to suffer without the industries of another State being affected; that New Yorkers can be without work without Virginians or some others not being affected. This is not the case. Unemployment, like many diseases, is hard to confine. It may be true that today our employment in New York stands at 7.7 percent and only 4.4 percent in Virginia, but I can assure the Members of this House that that will not long be the case if something is not done to reverse the present economic decline, to restore confidence and to start us on the road to recovery; to provide the psychological impact that measures such as the pending bill will provide, that we may once again be on the broad highway of recovery.

The CHAIRMAN. The time of the gentleman from New York [Mr. KEOGH] has expired.

Mr. MILLS. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. KEOGH. Mr. Chairman, we have heard that the benefits that will be provided by the provisions of this bill will be described as a dole. The use of this term is intended, in my opinion, to supplant reasoning, and to prevent us from making comparisons between the benefits provided by this bill and other needed benefits conferred upon other segments of the economy. It is said that for the first time, as a matter of statutory right, citizens are being authorized to dip into the Federal Treasury for a stated sum. In my opinion, that is not the case. For example, what difference in fact exists between the sums that this

bill will provide for the aid of the unemployed and the sums which are today being provided for agricultural price-support payments and Soil Bank payments? Upon analysis it is revealed that both the unemployed and the farmer need help. Having supplied the farmers' needs, are we to ignore the needs of the unemployed? Just as it is necessary for the Federal Government to assure the existence of an efficient and modern merchant marine, so also is it necessary for the Federal Government in times of protracted unusually high unemployment to come to the aid of the State unemployment compensation systems and supply supplemental benefits.

If it is thought necessary to expend billions of dollars to acquire the weapons and power to defend ourselves against enemies from without, can it be any less necessary to spend what is necessary to defend ourselves against economic decline? Is it thought that any more potentially dangerous enemy can exist than economic weakness? I think not. By spending the minimal sums provided by this bill, we do no less than protect our investment on every other front. Not to spend them is to lose the war for economic supremacy by default.

I am authorized by the director of the New York system to say that New York would find no unusual problems as a result of title II of the pending bill. Claims could be processed promptly, equitably, judicially, and properly.

I urge that the pending bill receive the support of forward-looking progressive Members of this body, regardless of party, and regardless of sections.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. MILLS. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. ZELENKO] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. ZELENKO. Mr. Chairman, I urge the immediate passage of H. R. 12065. This legislation is vitally necessary for the economic well-being of the millions of American wage earners and of the balance of the American economy.

I have the honor to represent the 21st Congressional District of New York, a district where most of the people earn their living by working for others. I am unfortunately familiar with the distressing plight of the many of those who are presently receiving their unemployment insurance; of many others to whom these benefits are about to commence, and still another large group, those whose benefits are about to cease. It would be with a much lighter heart, if I could report that employment was rising and that wages were increasing. However, the opposite is true. It is needless for me to repeat the acknowledged fact that our economy is at present in a distressing state.

Those of my colleagues who also represent constituencies composed mainly of wage earners are also confronted with the urgency and the duty of relieving the plight of the many thousands of their people. They are solidly backing this great legislation.

Many of my colleagues who come from agricultural districts and to those representing areas where the people are fortunately of greater means, perhaps have not yet felt the full impact of the situation. I remind these colleagues that when necessity dictated and good Americanism required legislation which would benefit and protect the predominantly non-wage-earning portion of this country, they found us side by side with them. We now call upon them to heed our request to enact this bill into law at once.

There has been much talk by those who now oppose us that this is a dole, that this is socialism, and that this is politics. May I point out that these same persons said the same thing of social security, Federal deposit bank insurance, minimum wage, and any and all of the progressive legislation which was conceived by the liberal democratic mind and born in similar emergencies. We now hear from these very same advocates of retrogression that all of these other beneficial statutes have been and are worth while but that this one is different. This is a distinction without a difference. Let us hear no more wails from those who have just finished their seven-course dinners and live well and comfortably that this is creeping socialism.

It might be well to remind many of my colleagues that this administration has adopted much of the basic philosophy of Franklin D. Roosevelt and Harry S. Truman and has cloaked it in a new but nondeserving word, "liberal" Republicanism. I tell you now that the only thing that can be properly designated with such an adjective is "creeping" Republicanism. The administration is at a loss on what to do. It cannot handle its adopted liberalism as well as did the prior administrations. So it had been promising pie in the sky in the future. The only part of the pie in the sky that the wage earner can receive from this administration is the crust of its adherents. No matter what the headlines read, unemployment is increasing, unemployment insurance is evaporating, prices are rising. Even lean assistance now is more helpful than a fat promise of the future.

Let us not spend our time going into the nuances and technicalities of how to do it. Right now, in this legislation we have a method as good as we can devise in the emergency. It is the result of the diligent labor of those of our distinguished colleagues of the Ways and Means Committee who are fully familiar not only with the problem but with the means of solving it. Let us stop talking and start voting this legislation into law.

Mr. REED. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I am opposed to this bill and shall support what I hope will be a substitute for the bill to be offered later in the proceedings by the gentleman from Florida [Mr. HERLONG].

Along with every other Member of this body, I recognize the responsibility of a Member of Congress to the unemployed, to all taxpayers, as well as our responsibility to our States and to the Nation. This responsibility, of course, among other things, means that any legislation which passes here should be both administratively possible and practicable. Certainly, we should avoid passing a law which cannot be enforced efficiently or properly. Certainly, it should not include provisions which tend by their own nature to make it wasteful and destructive of our well-established insurance plan for the unemployed.

I suggest that this bill is completely unworkable administratively; that it cannot be made to operate with respect to title 2 in any honest way while accomplishing the purpose for which it is intended.

The Secretary of Labor, Mr. Mitchell, pronounced the proposal unworkable and impracticable, and he has had great experience administering unemployment compensation.

The distinguished Governor of Virginia, the Honorable J. Lindsay Almond, said that the bill turns unemployment compensation into a dole system, and so on.

The Florida Industrial Commission chairman says that the bill creates a dole that could wreck the unemployment-insurance program.

I like to think of unemployment compensation as one monument that good government has provided. I would like to see it protected. In my opinion the strength of unemployment compensation lies in the joint effort on the part of the State and the Federal Government. Anything which tends to break down that combined and cooperative effort will in my opinion wreak havoc with unemployment compensation permanently.

A principle of unemployment compensation in the minds of the workers, as I envisage it, lies in the fact that the employee recognizes that he has bought something; namely, job insurance; he has in unemployment insurance an asset which will benefit him whether he is well off or poor. It is money that will come to him as a result of a contract he has made by which insurance is paid to him under certain circumstances, the principal circumstance being that he is unemployed and is willing to work.

Because this bill creates a situation under which the Federal Government disregards completely the responsibility for the payment of anything by the individual or his employer as a condition under which he shall receive benefits from the Federal Treasury, I say to you that this bill will result in nothing but the collapse of unemployment compensation if this principle is adopted and carried out to what I am sure will be its ultimate conclusion; namely, the substitution of a dole for insurance. If this bill becomes law, then why should any employer, why should any employee want to rely on unemployment compensation? "Why," the employer will ask, "tax us when our unemployed will get a dole anyway?" "Why," the employee and the employer will say, "should we build up a fund for unemployment compensation benefits when

at the first signs of unemployment in the country the people down in Washington will take from the Treasury money to pay the claims and they will pay them without regard to whether the employers had paid the premium or not?

"Why should we burden our industry within the State of Pennsylvania, New York, Arkansas, or any other State by the imposition of a tax upon our employers to pay unemployment insurance when Washington will simply take that money out of the General Treasury and pay those claims irrespective of whether an insurance premium was paid or not?"

Mr. DORN of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. DORN of South Carolina. I would like to ask the gentleman a question. He is making a great contribution to this debate. Under the pending bill, if it is passed, would there not be a tendency on the part of the employer in the gentleman's district and in my district and in many other districts where you have employees affected by foreign imports, where these people are working part time, to lay them off and let the Government take care of them, rather than carry the many thousands they are carrying now in the hope that business will improve? I believe this bill will adversely affect those hundreds of thousands of workers who are working part time. They will probably be laid off and be put on the Government dole.

Mr. SIMPSON of Pennsylvania. I am sure one of the results of the enactment of this bill would be to provide a dole for people who are forced out of their present jobs by reason of unreasonable and excessive imports into the United States from low-wage countries. I could spend a long time on that subject but will not.

Mr. Chairman, I point again to the financial aspects of this proposed law. If we pass the bill here, a tax is levied against every person under our general taxing laws. The poorest employee within your Congressional District, the man who is eager to work and who takes a job to avoid going on relief, will be taxed and taxes taken from him and paid over to someone who is unemployed, this person who may be, relatively speaking, well off. How can one justify that within his own Congressional District? What justification is there for taxing one who today is working 25, 30, or 32 hours, more or less, a week, and using the money to pay people who may not need it?

Politically it is plain dumb. From the standpoint of financial responsibility, and our responsibility to this Nation, it is unwise, and I hope the Congress will not adopt anything of that sort.

Mr. Chairman, someone suggests that the administration's bill, which makes money available under certain circumstances to unemployed people, falls within this same category. That is not true, because under the administration's bill, and particularly under the proposal that will be offered as a substitute for this bill, by Mr. HERLONG, no money will be made available to any State for distribution to people who are unemployed unless the representatives of the people within that State ask for it. These local representatives in the State legislatures are the very people who preserve this dual system of responsibility, and unless they ask in a way provided by their constitution and their own laws for this money, the State will not get it or be taxed to pay it back. If that State, whether it be Pennsylvania, California, Kentucky, or any other State, gets the money from this fund that State will have to pay it back. Pennsylvania will pay back money spent in Pennsylvania received from the Federal Treasury and secured on the basis of a loan asked for by the State, as will any of these other States. In that way, Mr. Chairman, we preserve the responsibility of the States.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Pennsylvania.

Mr. DENT. I am seeking information more than anything else on this matter. What do you suggest that we do for the sixty-one-thousand-odd people in Pennsylvania whose benefits have run out as of the month of April?

Mr. SIMPSON of Pennsylvania. When Governor Leader came to Washington and was testifying along this line, he made the statement substantially that it was impractical to expect the present methods of handling unemployment compensation in Pennsylvania to handle noncovered cases, as required under title II. The Governor said we should hurry to make money available for the people whose compensation was exhausted. But, we should proceed in some other manner with respect to others needing assistance.

My suggestion with respect to this matter is that the committee should go into the subject and make a careful study and determine the financial responsibility of the National Government to those States by way, possibly, of a grant, to be matched by the States, in the event we discover that there is a demand and need on the part of the States for Federal aid in that area.

Mr. DENT. Mr. Chairman, will the gentleman yield further?

Mr. SIMPSON of Pennsylvania. Yes.

Mr. DENT. Then, would you suggest that we follow Governor Leader's suggestion in these matters?

Mr. SIMPSON of Pennsylvania. I suggest that we here pass a bill which makes available on a loan basis to the States, if the States see fit to request, money which would permit payment to those who are covered by unemployment compensation which has been exhausted. I suggest that a very careful survey be made of the States to ascertain the basis for need of Federal moneys to assist the States in meeting their obligations to needy persons on the basis of a method of contribution between the Federal Government and the States. I think there must be a contribution on the part of the States in order to assure responsibility in administration and distribution of the money.

Mr. DENT. Do you believe, then, in the principle, in the original concept of the unemployment compensation law?

Mr. SIMPSON of Pennsylvania. Yes, I believe in the original concept, which would provide an insurance fund, money paid by industry, money which in fact could go to the employee, by way of a wage increase, if not used to buy insurance policy protection for a stated number of weeks and months. The distinguished gentleman, a former member of the State Senate of Pennsylvania, was very active in preparing legislation which provided, in Pennsylvania, for covered unemployed individuals, I believe—subject to correction—the maximum benefit payments in the United States. And, I do believe in that, as does the gentleman.

Mr. DENT. I wondered, because, if I remember rightly, you and I served together some twenty-odd years ago when I was the original sponsor of the legislation. I am happy to note that you now believe in it more strongly than you did at that time, because at that time I believe you voted against my proposal.

Mr. SIMPSON of Pennsylvania. Well, the gentleman must have examined the record. If I did, I probably had reason for it.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Michigan.

Mr. GRIFFIN. I would like to offer the statement of another governor in response to the question asked by the gentleman from Pennsylvania [Mr. DENT]. When Governor Williams of Michigan testified before the House Committee on Ways and Means he was asked to suggest a proposal to help those whose unemployment compensation benefits were exhausted prior to the critical date or who were not covered by unemployment compensation. And Governor Williams of Michigan, on page 162 of the hearings, said this:

> Governor WILLIAMS. If the Congress were to ask me, I would be willing to suggest a 50–50 participation, the Federal Government 50 percent and the States, plus the local communities, whatever way they wanted to take up the other 50 percent.
>
> Mr. BAKER. Would you administer that through unemployment compensation channels or through State welfare channels? I am talking about these people who were not covered or were covered prior to January 1 and exhausted and will not get anything under any of these bills.
>
> Governor WILLIAMS. I would administer it under the welfare, sir, because I think this should be on a needs basis rather than on a particular number of dollars.

I find myself in general agreement with Governor Williams on this point.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I would like to close by saying that it is not correct to say that under this bill everyone who is unemployed would be covered and would receive the benefits provided under this bill. That is not the case, because in order to qualify you have got to establish a wage record within the terms of the law of the jurisdiction within which

you live. That is impossible in many instances. There is no administrator who can certify as to eligibility without employment records, completely unavailable. So the people who are the poorest, the ones who need the relief the most are the very people who would not get it, and the ones who need it the least, if I may put it that way, those who may be well off but whose unemployment compensation has been exhausted, are the ones most certain to get it. I think it would be irresponsible on our part to pass legislation of that kind.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Washington.

Mr. MACK of Washington. Mr. Chairman, I received a telegram this morning from the commissioner of the Washington State Employment Security Department and I should like to ask the gentleman a question concerning it. It reads:

OLYMPIA, WASH., *April 30, 1958.*
Representative RUSSELL V. MACK,
House Office Building,
Washington, D. C.:

Re H. R. 12065 (Mills) unemployment insurance extension proposal. Title I administratively feasible and should go into effect immediately. For some workers with only limited work attachment extended duration would exceed original entitlement. Title II administratively cumbersome. Securing wage data for 1957 or earlier would be difficult for such groups as agricultural, domestic, and casual workers. Payment to such groups would be time consuming and leave much room for error and possible fraud. Payments to be prompt would in many cases have to be made on basis of affidavit. Desirable to get money into hands of unemployed workers not covered by regular insurance programs but combining it with the unemployment insurance program would dilute the insurance principle we have fought so hard to maintain through the years.

PETER R. GIOVINE,
Commissioner, Washington State Employment Security Department.

Would the gentleman agree with that statement?

Mr. SIMPSON of Pennsylvania. I certainly would, yes. I suggest that if the committee had gone into the subject carefully and had the administrators of the various States appear before it, practically all of them would have said the same thing.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from West Virginia.

Mr. BAILEY. In the administration's approach to this type of legislation, I believe a person's qualifying date would have to be January 1, 1958. The depression or the recession, whichever you care to call it, in West Virginia is not of recent origin. It has been going on for a number of years.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, may I answer the gentleman this way, by saying that in the bill introduced by the administration, what the gentleman says is correct. But in the proposal which will be submitted here this afternoon, the beginning date goes back to June 30, 1957, if the State requesting the benefits of the bill chooses to go back that far.

Mr. REED. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Chairman, I voted to report this bill out of committee. I did so because I believed that the lengthening of the period when unemployment benefits are paid is essential under present conditions. But there are grave dangers in the bill concocted by the Democrat majority. I cannot urge too strongly that this Congress amend the bill.

I am particularly concerned with title II. True, those unemployed who have never been covered under the program need aid just as much as those who have been covered. A man can get just as hungry if he has been employed by the corner grocery store as if he had worked for General Motors.

If the bill which I introduced last year, which would have permanently extended the benefits of the system to employees of employers of one or more, had been enacted into law many of those intended to be benefited by title II would now be covered.

My proposal was designed to carry out a recommendation made by the President in both his Economic Report and his budget message. It would have brought nearly 2 million more workers under the system. But my proposed amendment was voted down in the Democrat-controlled Ways and Means Committee. Certainly we should at the earliest possible date enact permanent law covering this group.

But any program of this nature, to serve its purpose effectively, must be put into effect speedily in order to get payments into the hands of the unemployed as rapidly as possible. They need aid now. It would indeed be tragic if we here create such administrative difficulties as to delay even payments that are presently being made under the existing permanent system. This bill brings into the unemployment-insurance system several groups which were excluded from the permanent system because of the serious administrative difficulties involved in handling their claims. These groups include large numbers of seasonal and casual agricultural and domestic workers, as well as other types of seasonal and casual workers. Among these are students and housewives working part time. Even OASI, which has broader coverage than the regular unemployment-insurance system, eliminated some of the title II groups because of the administrative difficulties and costs involved.

Securing reliable, and in fact any, information as to when and where these types of workers were employed and how much they earned, can be extremely difficult. Some of these workers are constantly shifting employers, for many of their jobs are merely on a daily basis. Then, too, the cost of processing many of these claims would be excessive, including the cost of investigating the increasingly large number of claims which will undoubtedly not meet the wage and earnings requirements.

Such difficulties would be serious enough in a permanent program. Perhaps in periods of more normal employment the employment offices would have more time to work out the types of problems which will be raised by title II coverage. But to place such new and serious administrative problem now, for a temporary program only, upon offices already heavily burdened by increased claims under the regular program, would run the risk of seriously disrupting the whole system. A temporary program where speed is of the essence would certainly not appear to be the place to work out such serious administrative problems.

I would be the last person to argue that a temporary program of unemployment-insurance benefits is not needed. It is needed, and it is needed now. However, we should not, in our desire to be of help, enact measures which can well do more harm than good. In addition to the harm administrative difficulties could cause, this bill would graft upon an insurance program features which are not insurance at all.

The present system, like any insurance program, pays benefits only to those unemployed workers who have been a part of the insurance system all along. Title II would suddenly bring within this insurance system, for a limited period of time, a large number of people who have never been a part of the program and thus for whom no insurance premiums have been paid. And it would finance their benefits through outright Federal grants, instead of through the contributions by employers which are the fundamental basis of the existing system. To tie this kind of a system to an insurance program would result in weakening or perhaps even destruction of the permanent system.

I recognize that there is a real need for extending the protection of the existing unemployment-insurance program to many workers who now are entirely excluded. But it should be done on a permanent basis and with the usual unemployment-insurance features, not on this temporary measure.

If this group is to receive benefits, there should at least be some State participation, for under the bill now before the House it costs the States nothing and human nature is such that it is evident that for their own benefit the States will certify every possible individual for these free Federal grants. We must assure responsibility in administration.

There is truth in the question that has been asked here as to why, if we give Federal grants to one who has already received some unemployment benefits, we should forget about those probably more in need, who have never received any benefits.

This is why I also will favor the amendment to title I, as recommended by the President to have the Federal advances made in the form of a loan to the States rather than a grant.

I expect to vote also to eliminate title II, for much as we sympathize with those not covered, it would open wide the Federal Treasury and would be impossible to administer in fairness to the worthy unemployed—not to speak of fairness to that individual who seems to be forgotten by the Democrats of this Congress—the long-suffering American taxpayer.

Mr. REED. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, we have been listening now for 5 or 6 hours to the pros and cons of the arguments for and against this proposal. I had not expected to get into this argument at all. I have been pushed into it. I only expect to summarize, if I can, the con arguments on this bill.

I think we will all agree, whether we are for or against this proposal, that when the President sent up his bill to extend unemployment compensation payments, whether he realized it or not, he certainly opened a Pandora's box, out of which has come many problems that will create headaches for years to come. I think the best thing this Congress could do would be to close that Pandora's box and send it back to the President.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. MASON. No. I am not going to yield until I am through.

Now with that as a preliminary statement, I want to summarize the con arguments from the standpoint of the actual situation in the State of Illinois. I do that not because you people will be interested in the actual situation in Illinois, but because the actual situation in the State of Illinois is duplicated at least in 43 or 44 States, because there are only 4 or 5 States that are actually in need of the Federal Government's help in handling this unemployment situation in which we find ourselves. Those 4 or 5 States have a remedy if they want it. I was on the subcommittee 4 or 5 years ago that made that remedy possible. It was the Forand Subcommittee of the Ways and Means Committee. We were working on this unemployment-compensation problem, and we learned that the Federal Government is collecting three-tenths of 1 percent from the employers of the Nation had collected approximately $800 to $900 million more than was needed for administrative purposes and had spent that money for a lot of other things; collected it for a definite purpose, spent it for anything and everything. So our committee decided that something should be done about that, and we drafted legislation which was called the Reed bill. It was passed.

The Reed bill provided that the Federal Government shall set aside all in excess of what is actually needed for administrative purposes of this 0.3 percent in a special fund out of which the States could borrow if they needed to borrow at any time. It provided further that when this loan fund reached the $200 million mark, the Federal Government should then turn back to the States the excess over what it had needed for administrative purposes. That is what is being done, and $77 million were turned back to the States last year.

What is the situation in Illinois? The Governor of Illinois, testifying before the Committee on Banking and Currency a week or so ago said in substance, "Illinois does not need, Illinois does not want, and Illinois does not propose to have the Federal Government insert its long nose into Illinois on this unemployment-compensation business."

The manufacturers sent a representative to our hearing. He appeared before our committee and said the same thing, "Illinois does not need, does not want, and will not accept any help."

The Chamber of Commerce of Illinois sent a representative who testified before our committee to the same effect.

Now, why does Illinois not need and does not want this? Simply because Illinois has a surplus in its own fund of something over $500 million, enough to last Illinois for 2 or 3 years, if necessary. Besides that, Illinois today has only one-third the number of unemployed that have exhausted their unemployment insurance as they had in 1949 and 1950, when there was no national crisis, no national emergency. We have exactly the same number of exhaustees, as they call them, today as we had then, and the same number of unemployed in proportion to the number of employables.

Some of us, therefore, cannot see the national emergency. That is the situation in Illinois; that is the situation in 40 or more States of the Union. Why should we here pass legislation that does violence to the unemployment insurance compensation program in order to make possible some help for the 4 or 5 States that need help, when we have already taken care of their needs? That is a situation that I cannot see; and, as far as I am concerned, and I told our committee this, and I told the Rules Committee this, I am opposed to the President's program because there is no need for it. I am opposed to this program before us because it is not only unsound but I see no need for it. Illinois does not want it and does not need it. So I am going to vote for the lesser of two evils when the substitute is offered, but even if that lesser of two evils is adopted, I shall vote in the end against any bill.

Mr. FORAND. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. KARSTEN].

Mr. KARSTEN. Mr. Chairman, some 20 years ago the Congress passed the basic Federal Unemployment Compensation Act. That law was passed to deal with the problems of normal unemployment.

The legislation before us today has a somewhat different objective, in that it is designed to deal with the problems of abnormal unemployment. We hope that this abnormal unemployment is temporary. The legislation reported by the Committee on Ways and Means is not designed to supplant the basic Unemployment Compensation Act that was passed 20 years ago, but, rather, it is designed to supplement existing inadequate State unemployment compensation systems during this abnormal period.

Most experts agree that when the unemployment factor reaches 6 percent our economy is in trouble. With the unemployment factor currently at 7.5 percent, responsible leaders of both parties recognize the need for Federal action. Translating this statistic of 7.5 percent into human beings means we have 5,100,000 people out of work in this country today. The 5 million figure has not shown any substantial decline in recent weeks. As a matter of fact, it has remained rather static. Each month that we have these 5 million unemployed we lose million of dollars in purchasing power. Figures prepared by the Department of Labor and the Department of Commerce disclose that since last August we have lost in purchasing power $4.6 billion. Is there any wonder that we are in an economic recession at the rate we are losing purchasing power? In my opinion, it is no longer a question of, Shall we extend unemployment compensation benefits, but, rather, the question is, How shall we extend them?

The President in his message to the Congress last month expressed the view that the unemployed worker should be entitled to a longer period of unemployment compensation. The Secretary of Labor in his appearance before the Committee on Ways and Means implemented the President's suggestion. The Secretary of Labor, if I may be permitted to quote him, said:

> The current economic situation is, however, a matter of national concern. * * * The assistance which these benefits will bring to the individual and his family will by sustaining purchasing power also assist in bolstering the economy.

The bill before us today was written by the Committee on Ways and Means. All members of the committee had an opportunity and did contribute to the drafting of this legislation. It is not strictly a Democratic bill because it has support on both sides of the aisle. An examination of the report will indicate that it had the support of 13 Democrats and, I believe, 3 Republicans. This is a wholesome situation, Mr. Chairman, because it gives the bill an aura of bipartisanship, which is badly needed.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. The gentleman said that three Republican members supported the bill. Is the gentleman sure that the three Republicans who did not sign the minority report expressed approval of the bill presented by the committee? One of the members that did not sign the minority report just spoke on the floor of the House and expressed opposition to the bill as reported by the committee. Now, I understand the gentleman is counting him as being for it.

Mr. KARSTEN. The vote was 16 to 9.

Mr. BYRNES of Wisconsin. I think there is a distinction between whether

they voted to report a bill out of the committee and whether they approve the bill in its final form.

Mr. KARSTEN. I will not quibble over one member changing his mind. Even one member will give a flavor of bipartisanship.

Mr. BYRNES of Wisconsin. I wonder if the gentleman has even one.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Apparently that is evidence of what we have heard of, that there is tremendous pressure from the White House on the Republicans.

Mr. KARSTEN. I do not know about that, but even one member on that side supporting this bill would give it a flavor of bipartisanship.

Essentially the committee bill differs from the administration proposal in three respects. The first difference is in duration. The committee bill provides for a flat 16-week extension. Now, we did not just reach in the air and decide upon a 16-week extension. It was carefully thought out. Most economic experts are predicting that we cannot hope to see any substantial upturn in business or any substantial decline in unemployment until perhaps this fall. Assuming this bill goes into effect in June, the 16-week period will carry unemployment compensation until the beginning of the fall season, when the hoped for fall upturn arrives.

The second departure is contained in title II of this bill, which extends temporary unemployment benefits to persons not now covered under the various State programs. It is estimated that there are approximately 600,000 persons in this category at the present time. These people are just as unemployed and perhaps are more greatly in need than are those who are in covered employment.

Section 2 is perhaps the most controversial part of the bill. The opponents have variously described it as a dole or a Federal handout. Such terms, by their very nature, carry with them the implication of a needs test. In order to qualify for benefits under a needs test requires the virtual taking of a pauper's oath. Mr. Chairman, it is bad enough to have 5 million unemployed citizens in a country that is supposed to be prosperous, but it would be far worse to turn them into an army of 5 million paupers. Nothing could be more harmful to the dignity of the American working man or woman who by no fault of their own are not covered by State systems.

Many members of the Committee on Ways and Means, including myself, would like to have seen provisions included in this legislation to raise the standards, increase the benefits, and lengthen the duration that compensation payments could be made. Amendments in this connection were offered in the committee, and I supported them, but the majority of the members of the committee concluded that this is temporary-emergency legislation, and that it would not be an appropriate vehicle in which to incorporate permanent changes in the substantive law. It is my hope that when the Committee on Ways and Means, takes up social security legislation within the near future, we will go into the matter of improving standards and strengthen the Federal-State system of unemployment compensation.

Finally, the bill the committee reported differs in the matter of financing. The committee gave a great deal of study and thought to this matter. The administration proposal calls for a loan to be repaid by the States. The committee bill provides for a grant. In my opinion, it would be most unrealistic for Congress to attempt to write legislation today which seeks to tax employers 4 years from now to pay benefits to persons who are unemployed now. Furthermore, the inclusion of repayment provisions in legislation of this kind would greatly complicate the initiation of the program by the States. Many States would be reluctant to go into it. The governor might sign an agreement, but a year or two later the legislature might pass a resolution expressing different ideas. Finally, when we are in a period of recession, most of the classic laws of economics do not call for tax increases. Instead, they call for tax reductions. The committee, I believe, was wise in abandoning the repayment provision. The legislation before us represents the best efforts of the majority of the members of the Committee on Ways and Means. It provides a workable program that can be put into operation with a minimum of delay. I urge its favorable consideration.

Mr. REED. Mr. Chairman, I yield such time as he may require to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, the bill presently before us authorizes unemployment benefits for individuals who exhaust their benefit rights under existing State law.

At the present time there is a degree of unemployment higher than normal. This has naturally caused a greater drain on the State unemployment-compensation funds. In a few instances such State funds have become exhausted or are approaching that condition. It is because of this that legislation is now offered to provide against any contingency that would leave unemployed persons without the necessary assistance in the form of relief that was intended by the State unemployment-compensation systems of the several States.

Naturally, the distress that can result from extended or widespread unemployment should be provided against. The issue that confronts us therefore is not one of whether there should be any legislation to deal with the situation, but how should the condition be dealt with. President Eisenhower has recognized the necessity of doing something, and has made recommendations to the Congress. And, there can be no doubt that Congress is of the same opinion, and the only difference of opinion relates to the means to be adopted.

Before discussing the subject from the standpoint of how the problem should be solved, it is appropriate to point out that there is general approval of the President's plan to provide a program of public works that will give employment. This can be done by immediately proceeding with the construction of the vast national road-building program that has already been adopted by Congress. The construction of necessary Government buildings, extension of airports to meet the ever-growing need for increased aviation facilities, and, all the other Government and public facilities awaiting fulfillment.

In addition to building construction there is need of a great shipbuilding program. There is need for this from the standpoint of building our merchant marine up to present-day requirements to meet the severe competition it is called upon to face from up-to-date passenger, freight, and other types of commercial ships being built by foreign nations. It is equally important that ships, airplanes, and other defense facilities be provided to strengthen and make secure our national defense.

Furthermore, steps having been taken by Congress to provide incentives to a greater building of homes by private interests, additional financial assistance to small business, and, assistance in many other ways to encourage activity upon the part of private industry, including a widespread program of assistance to our depressed railroad systems. And also of great importance is the extension of financial aid to local governments by the Federal Government to enable such to construct schools and other types of municipal buildings and facilities.

It can be readily understood that all of these several approaches will provide work for the unemployed once construction gets under way. However, while all this can and will prove helpful in the days ahead, yet, there is a necessity to provide relief of an immediate character until the Federal Government, the local municipalities, and private industry get going in full swing.

In the multitude of suggestions that have been made as to the manner in which the immediate problem should be met, there are two that stand out more prominently than the others. I refer to the plan set forth in the bill presented by the House Ways and Means Committee—H. R. 12065—and the plan recommended by President Eisenhower.

The debate has brought forth differing views with respect to each. The result can very likely be a bill that will be in the nature of a compromise, by adopting some features of each and the rejection of others. I am inclined to believe that such could be the result without doing any damage to the main objective, and, could result in a bill that would prove highly beneficial and satisfactory.

As an indication of the existing different viewpoints, even within the committee that reported the bill now under consideration, it is to be noted that two very important and distinguished members of the committee—Messrs. BURR P. HARRISON, Democrat, of Virginia, and A. S. HERLONG, Jr., Democrat, of Florida—expressed their views in opposition to the committee bill as follows:

We disagree with the bill as reported for the following reasons:

1. Title I departs from sound and honored principles of unemployment compensation.

It grants a minimum of $985 million to the States without any obligation on the States to do anything for themselves, and this is done though the States have a reserve of nearly $9 billion in the unemployment insurance funds.

2. Title II departs from sound and time-honored principles in that—

(a) It is a direct grant program of a minimum of $485 million to the States, without the standard and normal requirement that the States shall match or contribute anything.

(b) It is a program purporting to relieve human distress as a result of unemployment, but it contains no requirement that the individual beneficiary show any need for relief.

(c) It contains no safeguards against fraud and abuse. The States, which distribute the money, have no incentive and the Federal Government, which puts up the money, has no machinery to police the fund and protect it from duplication, extravagance, or dishonesty.

BURR P. HARRISON.
A. S. HERLONG, Jr.

In addition to the above dissenting views expressed by the two distinguished members of the committee, we also have extensive supplemental views presented by five other distinguished members of the committee, namely CECIL R. KING, Democrat, of California; EUGENE J. KEOGH, Democrat, of New York; FRANK M. KARSTEN, Democrat, of Missouri; EUGENE J. MCCARTHY, Democrat, of Minnesota; and THADDEUS M. MACHROWICZ, Democrat of Michigan.

These Members of the House committee that reported the bill now before the House, have set forth in great detail their viewpoints. It is not possible to give in full the well-stated arguments presented by the above-named gentlemen as Supplemental Views in Report No. 1656, 85th Congress, 2d session, but the opening words of their views are sufficient to set forth the serious situation that they feel confronts us as a result of the insufficiency of provisions presently contained in the report bill. They say:

While agreeing with the program of emergency action approved by the committee, we believe the committee should have added other provisions designed to increase the weekly benefit amounts immediately available to the unemployed and to strengthen the Federal-State system of unemployment insurance through Federal minimum standards and other provisions designed to overcome permanently the tragic inadequacies of present State laws.

We believe that rather than wait for later enactment of Federal standards in regard to benefit amounts, the level of State maximums, the length of period for which benefits are available, eligibility, and disqualifications, they should have been included now so that unemployed workers who are suffering during this recession might have the immediate advantage of the remedies envisioned. In addition to assuring that these urgent improvements are in fact made, the imposition of Federal standards at this time would prevent future recurrences of the situation facing us today in which we find the State unemployment laws are inadequate to provide for the needs of the unemployed. In fact by doing nothing about minimum Federal standards today we are inviting the States to believe that the Federal Government will bail them out in the next emergency regardless of whether they improve their systems or not.

And, now we come to what is termed "Minority Views on H. R. 12065," found on page 31, of the committee report. This report is signed by distinguished members of the committee who for many years have given important and worthwhile service to that committee under both Democratic and Republican administrations, namely DANIEL A. REED, Republican, New York; THOMAS A. JENKINS, Republican, Ohio; RICHARD M. SIMPSON, Republican, Pennsylvania; NOAH M. MASON, Republican, Illinois; JOHN W. BYRNES, Republican, Wisconsin; ANTONI N. SADLAK, Republican, Connecticut; and THOMAS B. CURTIS, Republican, Missouri.

The views of these members have been set forth in great detail. Without my making specific reference to their report in detail it is sufficient to make reference to the opening and closing of such, as follows:

The signatories to these minority views are opposed to the bill, H. R. 12065, because its implications and inevitable consequences would constitute destruction of the existing effective Federal-State unemployment-compensation relationship. The bill would mean abandonment of the insurance principles of unemployment compensation with the substitution therefor of a dole system of handouts from the Federal Treasury without regard to the need of the individual. It would cause delay in the time in which private enterprise will provide the job opportunities necessary to an enduring solution of the unemployment problem. The bill would bring about the introduction of aggravated and irreconcilable discriminations with respect to benefit entitlement. We unequivocally denounce this legislative proposal as a reckless undeavor—politically inspired—to display the largesse of the Federal Treasury under the guise of social legislation.

* * * * *

Our conclusion is that the role that the Federal Government might properly assume in the existing situation would be to make Federal funds available on a repayable basis to those States which might elect such funds for the purpose of extending benefit duration under State laws.

I have given this matter full and careful consideration. I am definitely of the opinion that a need for legislation exists and that there is an obligation upon the Federal Government to give assistance in the matter. In this connection I am, however, of the opinion that it would be much wiser and produce a more equitable and a more sound fiscal policy to grant the relief to the States in support of their unemployment-compensation funds, with such extension in the benefit period as may be necessary, and, thereby bring the relief to be granted in conformity with the State laws that deal with the subject, and, which through the years have developed a procedure that enables relief to be given on basis outlined and determined by experience. But, in any event it will be my purpose to support legislation that will effectuate the worthy objective that is sought, realizing that while there may be honest differences of opinion as to the ways and means that should be adopted, yet the important and overall consideration must and should be to provide help in the situation with which we are now faced.

Mr. REED. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. SADLAK].

Mr. SADLAK. Mr. Chairman, after the extended debate yesterday and today I am convinced that Members of the House are almost ready to cast their vote. Therefore, I shall not go directly into the merits or demerits of the bill but should like to call the attention of my colleagues to one phase of the pending legislation because of the action taken in a special session of my legislature in the State of Connecticut.

Due to increasing unemployment which had attained the figure of 96,000 a special session of the legislature was convened with the idea of taking some action to come to the aid of those who had exhausted their unemployment benefits. Shortly after the legislature convened our Ways and Means Committee was summoned into session in order to deal with unemployment compensation on a national basis. Therefore, my legislature adjourned for a short time in the belief that quick action would be taken by the Congress.

Obviously, the rapid action by the committee and Congress is presently under way weeks after the end of the legislature's recess, and, unable to wait longer, the legislature went back into session and Connecticut extended their basic unemployment compensation benefits, which now, in addition to the 26 weeks, another temporary 13 weeks has been approved, making a total eligibility of 39 weeks.

My purpose in calling the attention of the House to that action is that if the pending measure, H. R. 12065, the Mills bill, is the bill that we shall perfect, then it is my hope that we should have an amendment to dovetail, to coordinate the action of my legislature with this bill, because the bill as now drawn provides for 16 additional weeks by grant and added to what the Connecticut Legislature has done, that could mean 26 weeks, plus 13 weeks, plus 16 weeks, which would make a total of 55 weeks.

It is my further belief that, if we here pass a bill providing for 16 weeks additional, every State should have uniform entitlement. The Connecticut statute will go out of existence when this bill becomes an act according to its new temporarily extended unemployment compensation statute. In other words, we should take into consideration the payments that have been made under the temporary unemployment compensation extension in Connecticut. That is to say, if Connecticut has made 1 or 2 or 3 or more payments, the total overall entitlement should be no more than 16 weeks. The State of Connecticut having made 1 or 2 or 3 or up to 13 payments, should be reimbursed from the Federal Treasury in that amount, so that, if we pass a 16-week bill, they would carry on the additional 3 weeks under the Federal act. With that in mind, therefore, at the proper time I will ask for the consideration of an amendment which will deal with this outlined situation. At this time I would like to read that amendment into the RECORD. It would amend section 102 (a) (2) by adding the following sentences to the end thereof:

This paragraph shall not apply to a State law temporarily extending the duration of unemployment compensation if such law expires by reason of the enactment of this act.

If any payments of unemployment compensation were made pursuant to such State law prior to such expiration, the Secretary shall certify to the Secretary of the Treasury for payment to the State, if it has an agreement under this title, a sum equal to the total amount of compensation so paid. The Secretary of the Treasury shall make payment to the State, in accordance with such certification, from the funds appropriated for carrying out the purposes of this act. The maximum aggregate amount of temporary unemployment compensation payable to any individual under section 101 (b) shall be reduced by the amount of extended unemployment compensation he received pursuant to the State law.

This amendment's adoption would then dovetail and coordinate the action which we have taken in the progressive State of Connecticut dealing with the unemployment situation. I think in all fairness and equity that this amendment should be adopted and added to the bill.

Mr. Chairman, in the event the Mills' bill will not be the one we will be perfecting, then it is my belief that the substitute bill which appears on page 7675 of the RECORD may require some slight change in section 101 (b) because as it is worded, as I interpret it presently, if we add the 50 percent to the existing laws then there must be some exclusions from the temporary unemployment compensation provided in Connecticut. Otherwise, if we consider what would be the situation in every other State we advance by 50 percent, then, in my State, which is presently 26 weeks plus 13 weeks and if we advance that by 50 percent, it makes a difference. It is a question of whether we take the basic eligibility weeks or whether we take the newly enlarged total weeks into consideration and use the 50 percent on that. Thus, observing what may transpire here this afternoon, Mr. Chairman, I hope the Committee will give me an opportunity to submit these amendments in order that we might in all fairness deal properly with the progressive action that has been taken in behalf of the unemployed in the State of Connecticut. The amendments are necessarily quite technical and may require additional revising but there will be opportunity to perfect and have them conform in the other body.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. REED. Mr. Chairman, I yield 4 minutes to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, I have sat through this debate and it has become more and more evident that H. R. 12065 as reported by the Ways and Means Committee disregards our established State unemployment insurance systems. Some States obviously have not brought their standards in line with the present cost of living but this bill does not deal with minimums or standards.

In particular, however, no one has shown here that title II is not administratively infeasible and subject to waste and fraud.

My State of Washington owing to a long drawn out curtailment of production in the lumber industry, together with cutbacks in defense industries, is a section of the Nation and one of the areas of the country with the highest unemployment. Because of this situation, I have especially wanted legislation in line with the needs of my State.

Accordingly, I wish to refer the telegram which was read earlier this afternoon by my colleague from Washington [Mr. MACK] and which seems to confirm the soundest arguments here; namely, that title II should be stricken from the bill regardless of any other action, that it would leave room for error and possible fraud.

I refer to the telegram:

It would be administratively cumbersome. Securing wage data for 1957 or earlier would be difficult for such groups as agricultural, domestic and casual workers. Payment to such groups would be time consuming and leave much room for error and possible fraud. Payments to be prompt would, in many cases, have to be made on the basis of affidavit.

Also, let me say I would find it against my grain to support legislation without the philosophy of need in it. I do not like the idea of a payment of public funds to other than the needy unless it is an insurance program where recipients have paid in and have benefits due them as a matter of right.

Now, I hope Members listened to the position of the commissioner of the Washington State Employment Security System as stated in the telegram read by the gentleman from Washington [Mr. MACK]. I think we should consider the administrator's views because officials of this type never had an opportunity to testify on this measure at any hearing, which they should have had.

Mr. REED. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, I like to look upon this legislation from the standpoint of its eventual effects on the economy of this country. I practiced medicine for a long time, and when I had a sick patient I usually tried to administer such treatment to him as would not only tend to tide him over his emergency, but would not interfere with the preservation of that man's physical and mental ability to proceed to carry on after he recovered from his acute illness. This bill if approved, will supply a temporary sedative to the man without a job but dangerously drain the source of economic health upon which he must depend for permanent employment in a nation financially sound and unencumbered by irredeemable indebtedness.

Mr. Chairman, the unemployed American workers want jobs—not doles that tend to reduce the value of their wages. In periods of economic adjustments, job holders separated through no fault of their own and whose unemployment insurance has expired, deserve and should have assistance to tide them over. Since each State has its own rules for administering its insurance program, the State is the logical unit of government to perform this function.

Most States have sizable reserves in their unemployment compensation funds. They are expected to be able to meet demands for months—in some States, for years. Unless this recession is unexpectedly prolonged, the majority of States' reserves are adequate to meet this period of emergency.

Administration of any public agency is admittedly more effective and more economical when performed locally. There is less waste and abuse when local government is responsible. Local responsibility is less assertive when spending Federal than when administering local funds.

For this reason, whatever the Federal Government does to cushion the shock of unemployment, it should require States' obligation to repay any advanced funds. If this requirement is made, the several States in order to protect their own credit, will come to Washington for additional funds only after they judiciously have exhausted their unemployment compensation reserves and continued unemployment demands additional moneys.

To me the bill before us is unsound, uneconomical, and unworkable.

First, the Federal Government, overobligated and debt-burdened, can find no funds with which to assume further obligations except as it takes from the wealth and the earnings of employed persons in the States in the form of taxes, and taxes, even now, are confiscatory.

Second, it is uneconomical because it relieves the States of their obligations, thereby weakening their will to stand alone and encouraging them to depend upon an all-too-near bankrupt Federal Treasury.

Third, it is unworkable in that it would destroy the solvency of unemployment compensation by including that great group of miscellaneous workers who are not entitled under the unemployment compensation law to participate. In fact, it would eventually reduce all unemployed people to the status of reliefers.

Fourth, it would federalize unemployment compensation, an exclusive function of the States since establishment of the system more than 20 years ago. The proponents of this bill seem determined to do just that. It is another bold attempt by socially minded promoters to use the present business slowdown as an excuse to usurp from the States another important local function of the national economy.

I am deeply concerned that jobs are not readily available to able bodied workers, especially those in my own State of West Virginia, but I am sure the people of my State want no more temporary, makeshift, debt-incurring experiments such as those that prevailed in the 30's and which failed miserably to accomplish the purpose of restoring stable employment.

I am in favor of legislation to extend unemployment insurance to those who have exhausted their normal coverage. I would like to see legislation to permit the States to request Federal loans if and when their unemployment funds approach exhaustion. I want the States to remain free from Federal dictation in the administration of this function. For those unemployed persons not now

covered by unemployment insurance, I would increase Federal matching funds to any State requesting such assistance for the purpose of relieving the temporarily unemployed through existing welfare agencies. This again puts the responsibility squarely upon the local authorities where it rightfully belongs and where financial ability is far more stable than is that of the Federal Government at this time or as it promises to remain in the future.

Mr. Chairman, I refuse to concur in any plan that would federalize the unemployment compensation. I cannot believe the Members of this House are oblivious to the ultimate breakdown of our economic system if this and other proposed deficit spending programs are authorized by legislation. We are responsible for the immediate needs of our people, yet we must not forget State administration can perform this responsibility without raiding the Federal Treasury that will likewise be held to account for the kind of economy we bequeath to posterity.

Mr. REED. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland [Mr. HYDE].

Mr. HYDE. Mr. Chairman, although it has been said many times, I think it is necessary to make it clear again that all the Republicans with whom I have talked, and the President, support extension of unemployment compensation. The issue, as I see it, seems to be largely a matter of method.

We are all interested in finding an answer, a cure, to our economic ills that will prevent recession, depression, and unemployment.

For this reason I was particularly interested in the remarks made by the gentleman from Rhode Island, [Mr. FORAND] and my friend the gentleman from Louisiana [Mr. BOGGS]. The gentleman from Rhode Island pointed out that when he was a young man, secretary to a Congressman, sitting in the gallery in the thirties, he listened to the same arguments from our side of the aisle against the remedies that were then offered by the New Deal, and suggested that those were the things that were necessary to be done today to deal with the recession or the depression.

My friend the gentleman from Louisiana [Mr. BOGGS] yesterday quoted from a writer in the Christian Science Monitor, a writer I also highly respect. The gentleman from Louisiana quoted the writer as saying that the Administration had failed to adopt the well-known, built-in remedies that experience has shown us will adequately deal with economic difficulty.

Mr. Chairman, I suggest that we look at some of the New Deal methods and some of those built-in remedies that have been suggested in the light of factual history. In 1938 before Hitler invaded Poland, the unemployed in this country, after 6 years of trying these suggested remedies to which the gentleman from Rhode Island called our attention, stood at 10,390,000, or 19 percent of the entire labor force. Incidentally an increase of 5 percent over the year 1937. Evidently those remedies did not do much to reduce our unemployment.

The major remedies suggested are increased Government spending and tax cuts. Let us look at these remedies in the light of factual history. First, Government spending. The Government expenditures in 1938 were $6,792,000,000. Today the Government expenditures are over $70 billion, or 10 times as much as they were in the last year before the war started—10 times as much—or, if you take a 50-cent dollar, 5 times as much. Are you suggesting that we are not doing enough Government spending today? If Government spending were the answer it would seem we would not be near anything resembling a recession or depression.

What about tax cuts? Evidently our friends who are advocating a return to New Deal methods were not advocating tax cuts in those days, for in that 6-year period from 1932 to 1938 taxes were increased from a minimum of 1.5 percent to a minimum of 4.5 percent, and from a maximum of 25 percent to a maximum of 79 percent. You increased taxes in those days as a depression remedy, now you want to cut taxes

Deficit financing, they say, is the answer. That is one of the built-in remedies. We have had deficit financing every year for the last 25 years, with the exception of 2 in my recollection. If deficit financing were the answer we would not be having a recession.

However, let us weigh the suggested remedies against a specific situation; let us look at the Washington metropolitan area. In the Washington metropolitan area there has been no drop in employment by the basic employer, namely, the Federal Government. A few have been laid off, but on a percentage basis it has been negligible. On the contrary, the total overall payroll, private and Government, has increased in the past year; yet the automobile dealers are suffering. A local furniture dealer has reported to a furniture manufacturer in my District that his sales dropped to one-half of what they were last year. Why? Because payrolls have dropped? No, they have increased. What is the reason for the drop in this area? Do we need more Government spending here where we are doing more of it than any other place in the world? The answer seems to be bad policies on the part of some segments of industry with respect to sales and pricing, probably caused by an inability to match wages with production. With respect to the furniture man it must be psychological. It is a buyers' strike.

Who is responsible for that?

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. REED. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. HYDE. Mr. Chairman, who is responsible for the psychological attitude, the buyers' strike, which caused a furniture dealer to lose one-half of his business in 1 year? I submit to my friends on the Democratic side of the aisle that you must take responsibility for that. For the last 6 years you have been crying depression and recession. So you must bear the major part of the responsibility for that mental attitude.

Now, you may inquire, What is the point? The point is I think we are doing a great disservice to our people to tell them that we have any built-in known remedy. All of our economists differ on what is the solution. It is a disservice to tell our people that we can assure the people that they will not suffer from unemployment. Nature itself does not give assurance against trouble; how can we mere human beings give that assurance in our human problems.

The other point is that the administration has used those remedies which the experts on both sides, politically and philosophically, recommend, namely, loosening of credit, stimulating and accelerating business in those areas where we have the opportunity to give immediate employment, and, lastly, by recommending a workable plan of unemployment compensation, as suggested by the President.

Mr. MILLS. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, I rise in support of H. R. 12065, the bill to provide a temporary extension of unemployment compensation benefits, which has been reported by the Committee on Ways and Means.

It is clear to me, Mr. Chairman, that the Congress must take quick action to deal with the current level of unemployment, both in the interest of alleviating the suffering that it entails and in the interest of restoring consumer purchasing power in a way that can improve the chances for a business upturn.

Over 5 million American workers are now unemployed, and the prospects of substantial improvement in this unemployment situation in the next 15 months are certainly not bright. It appears to me immaterial to argue, as some do, that unemployment was higher than this when the unemployment insurance program was first established in the 1930's. The point is that a country as wealthy as ours is in the year 1958 can afford a more generous sense of economic justice than we could have afforded in 1936.

The Labor Department estimates that, even with improving economic conditions over the next 15 months, close to half of the claimants under State unemployment insurance programs will not be able to find new jobs before they exhaust their benefits. This is a serious human problem, and not merely a matter of people not wanting to go back to work. Our State unemployment insurance programs are now geared to remove from the benefit rolls people who are not trying to get jobs. In many of our States there are not even general relief funds available to care for destitute families that include at least one employable person.

The human problem of unemployment is even more serious in those industries not covered by unemployment compensation, and in my opinion, the most important distinction between the bill now before us and the Eisenhower proposal is that this bill will make provision for those employees in uncovered industries. Under the Eisenhower proposal three-fifths of the jobless, who have already

gotten payments or will get payments, would get more payments, but two-fifths, or more than 2 million jobless, who have so far received not a penny of unemployment compensation, would get nothing whatsoever. I can think of nothing more grossly unfair than a Federal unemployment-compensation program which would help only those unemployed who have already received benefits, and would do nothing for the jobless persons who have not been fortunate enough to be covered by unemployment compensation.

Let us take an example of two persons in the same city—both of whom are unemployed and both of whom have a family to support. Let us assume that one of these men had been working in an industry covered by unemployment compensation, and that the other had been a worker in an uncovered industry. Under the Eisenhower proposal the first of these 2 would be entitled to 13 weeks of unemployment compensation in addition to the number of weeks already provided in his particular State, while the second person, also unemployed and with identical responsibilities to meet, would not receive a cent.

It is significant to note that the Census Bureau estimates that between February 1957 and February 1958 the percent of wage and salary workers unemployed in agriculture rose from 11 percent to 21 percent. This was the largest percentage increase in any of the broad industry groups; yet under the Eisenhower plan none of these unemployed would get any help whatsoever; nor would any employees of charitable institutions who are jobless be helped in any way; nor would any aid be given to any employee of a factory in the seasonal canning industry. I could go on and on citing groups of jobless who would not have the slightest chance of getting any help under the Eisenhower proposal.

The Ways and Means Committee bill is designed to treat employees in uncovered industries on the same basis as employees in covered industries so far as the 16-week Federal benefits are concerned. Each individual who is unemployed will have to establish to the satisfaction of the local employment service what his average wages were during the base period provided by that State's unemployment compensation law. A benefit will be calculated from this average wage rate in precisely the same fashion in which a benefit would be calculated for a worker in a covered industry. The unemployed person from a noncovered industry will have to meet all of the State standards for demonstrating that he is ready, willing and able to accept new employment. Even under the committee bill, however, this unemployed person from a noncovered industry will be entitled to receive only 16 weeks of benefits for total unemployment while the individual from a covered industry will be entitled to receive 16 extra weeks of federally financed benefits after he has exhausted his entitlement under the State program.

One of the prime purposes of unemployment compensation is to put some spending money into the hands of those who have none in times of unemployment, and for this reason, if for no other, we should take care of those who have not been in covered employment. From the time that unemployment begins, there are no monetary benefits to offset the loss of purchasing power.

I believe this bill is necessary legislation because existing State unemployment insurance programs are not satisfactory to deal with the problems generated by the present level of unemployment. In part, this deficiency in the State unemployment insurance programs arises from the lack of adequate Federal standards. As was indicated by Governor Williams of Michigan in testimony before the Committee on Ways and Means, these State programs are particularly vulnerable to unsympathetic interest at the level of the State legislatures. This is indicated, for example, by the fact that, whereas the typical State program in 1939 provided an unemployment benefit equal to 65 percent of average weekly wages in covered employment in the State, the maximum State benefits at the present time average only 44 percent of the average State wage.

Unfortunately, a bill providing Federal standards for State unemployment compensation programs would not deal with the present situation. Such a bill would require conforming legislation in the States, and a new improved program would not be available in time to deal with the present severe unemployment. Adding the matter of standards to the present bill would raise new legislative issues that would seriously jeopardize the passage of this emergency legislation. I believe that the matter of standards should be handled on a separate basis. A good deal of study would be required to devise a program with minimum Federal standards that would incorporate the best provisions that have been worked out in the various separate State plans. And a standards bill should be given a longer period of study in the committee than is possible under present circumstances. I will work within the committee to see that this necessary amount of study is provided for and that a long-range unemployment compensation bill is reported to this House.

Mr. Chairman, I would reemphasize that the need for legislation to extend unemployment compensation benefits is urgent. I believe the bill reported by the Ways and Means Committee provides the best answer for this need on an emergency basis, and I fervently hope that this measure will be adopted.

Mr. MILLS. Mr. Chairman, I yield 20 minutes to the gentleman from Florida [Mr. HERLONG].

Mr. HERLONG. Mr. Chairman, I am not the least bit happy over the fact that I find it necessary to rise in opposition to a bill introduced and supported by the distinguished chairman of the committee on which I am privileged to serve. Our chairman is at once a most personable, highly persuasive, tremendously powerful, and altogether capable individual. I have a deep and abiding respect, admiration, and affection for him. It is, I believe, quite understandable that I should regret that we do not agree on this issue—but the fact remains, we just do not. Just as I am sure his sense of duty impels him to follow the course he is following on this legislation, I am equally sure he understands when I say that I feel likewise impelled to speak up for what I believe.

I do not propose to engage in any oratorical display or demonstration. If this, or any other issue, must resolve itself into a shouting contest which usually generates much more heat than light, then count me out. I do not believe in and will not indulge in any kind of name calling. I respect your right to disagree with me, as I hope you will respect mine to disagree with those of you who favor the committee bill. I shall confine my remarks to what I hope will be a dignified discussion of the committee bill and one which I propose to offer as a substitute.

Mr. Chairman, I believe that even our distinguished chairman of the Committee on Ways and Means will concede that the committee bill is not in fact an unemployment compensation insurance bill in any respect. It is more in the nature of an unemployment relief bill—with the exception that it departs from the time-honored principle heretofore an integral part of relief bills which says that in order for a person to get relief from the Government, he must show need.

Mr. Chairman, the statement was made here yesterday that we should be honest about this whole matter and that the provision of the substitute which I shall offer that requires the States to repay amounts advanced to them by the Federal Government was just kidding the people; that as a matter of fact the Congress would come along in a few years and forgive any amounts the States might owe. I shall discuss that feature of my bill later, but let me say now that it seems to me honesty also would compel amendments in the terms of the committee bill. The title of the committee bill should be changed to that of an unemployment relief bill; it should be amended to include a "need" clause, and it should be administered by the machinery of the welfare department rather than by the unemployment compensation insurance department. This bill should not be used as an instrument to destroy, albeit unwittingly, what has been designed and working as a sound unemployment compensation insurance program.

Mr. Chairman, there is no question but that there is a need for extension of unemployment insurance benefits in some sections of our country. There are some areas where many people who have had a longtime attachment to the labor market have been laid off and are still unable to find work due to existing economic conditions. Many of them have exhausted their entitlements under their State laws. Surely in those areas the machinery should be set up so that they could continue to receive payments a while longer. I submit that the substitute I shall offer accomplishes that result. Moreover, it does it in a sound way, without making a complete mockery of the entire unemployment compensation system.

My proposal adheres to the principles upon which our unemployment compensation system is predicated, and it preserves the integrity of the State systems as well. It is identical in certain important features with existing law. It simply makes the existing law more flexible and better designed to meet the immediate economic situation.

My proposal says that any State which wishes to do so may enter into an arrangement with the Federal Government whereby funds are advanced to the State for the purpose of defraying, in whole or in part, the additional benefits that a State may provide for those individuals who had exhausted their State benefits under regular provisions of State laws. The amount of benefits for which Federal funds may be secured is an amount equal to 50 percent of the benefits that the individual had received under the regular provisions of State laws. It makes qualified all those who have exhausted their benefits since July 1, 1957, except that if the situation in a particular State would be better served by setting a later date, the State has the right to elect such a later date.

Another distinction between my proposal and the committee bill is that the funds advanced by the Government in my proposal are not an outright grant or gift as is the case in the committee bill. The State must ask for the money and provision is made for its repayment.

Now, how is the money repaid? A State may, within 4 years, pay back the amount advanced, without interest, from State funds generally, or it may be paid back from unemployment compensation reserves that the State has accumulated. The amount of money to the credit of the various States in the reserve fund naturally varies with each State, but I am told that as of the last of March the total amount in the fund was roughly $7.9 billion.

Now if, at the end of the 4-year period, the State has not replaced the money advanced to it, the Federal Government collects it from the employers in that State. How do they go about it? As you know, the Federal unemployment compensation tax is 3 percent of the total payroll of the employer on all wages paid by him up to $3,000 a year per employee. The employer, however, does not pay all that tax directly to the Federal Government. Instead, if the State has an approved unemployment-compensation system—and all of the States do—the Government allows the employer to take a credit of 90 percent of his Federal tax in order to pay the unemployment tax levied by the State. The remaining 10 percent of his tax, of course, he pays to the Government—and that money is used by the Government to pay the cost of administering the program. I am sure all of you know this, but I am refreshing your memory so as to show you how the Government goes about collecting from employers if the State has not, within the 4 years, returned the amounts advanced to it. If, as I said, the money is not returned by the State within the 4-year period, then the Government simply reduces the amount of credit it allows an employer from 90 percent of the 3-percent Federal tax to 85 percent. This means, of course, that the employer will pay to the Federal Government at a higher rate than he has previously paid. This excess is credited to the amount due by the State until the amount is paid off. If this excess does not pay it off in one year, then the next year the credit allowed to the employer is reduced another 5 percent the next year, and so on progressively at the rate of 5 percent a year until the advance is paid.

This is exactly the same repayment procedure as is provided for in title XII of the Social Security Act, which has been called variously the Mills Act, the Reed Act, and the Employment Security Administration Financing Act of 1954. This is the law, as you know, which provides for the present revolving fund of $200 million from which States may now get advances under certain conditions.

It has been suggested that the constitutionality of this method of repayment is questionable as it has never been tested because no State has gotten advances from the Federal Government under title XII of the Social Security Act. As a matter of fact there have been such advances. Alaska, which for the purposes of this act is a State, borrowed $3 million in the late summer of 1955. And for the benefit of those of you who think States might not return this money, I can tell you that late in 1956, Alaska returned the money. In January 1957 they borrowed $2,630,000 and February 1958 they borrowed $2,635,000 more. These loans have not yet been paid back, but Alaska has not defaulted yet either, because the 4-year period has not elapsed. To ease the minds of those of you who may be concerned because your State has a constitutional prohibition against borrowing money, I call your attention to the fact that within the last month the State of Oregon has secured an advance of $14 million under title XII and the Oregon State constitution prohibits the State from borrowing more than $50,000 except for the purposes of repelling invasion, putting down insurrection or for building and maintaining public roads. Obviously this type of advance does not come under any of those categories, so States which are generally prohibited from borrowing money not only can but have obtained these funds without question as to their authority to obtain them. The reason that this can be done, of course, is because under title XII as well as under my bill, and I repeat the repayment provisions are identical, the State in no manner pledges its faith and credit in the securing of the advance.

The argument has been made that if the States do not have to pay the money back, then Congress is not going to make them pay it, therefore the statement made by my distinguished chairman that the grants under my bill are just as much of a gift as his, must be true. In that connection I remind you that there have not been any defaults under present law—and if there are or should be, the same as under my bill, the Federal Government would proceed to collect from the employers of that State by requiring them to pay more than the present three-tenths of 1 percent direct to the Federal Government. Can Congress forgive this too? They can—but as a very practical matter we must remember that every State is not going to borrow money under this program, because every State is not in the same economic position. As a matter of fact, over two-thirds of the unemployment in this country today is concentrated in 9 industrial States. I am reasonably confident that the Representatives in Congress of States which have not borrowed any money under this program, are not going to vote to relieve the States or the employers in those States which have borrowed money from paying back what they borrowed.

Another argument has been made that if the States have to pay the money back, then why not just let them increase their taxes now, to pay additional benefits and they will not have to get any advances from the Government. The advantage of my proposal over that is that the same economic conditions which now call for longer duration of payments make it also a hardship on employers to have any additional tax levied on them at this time. What I propose is a method whereby funds may be extended to a State to induce them to extend benefit payments, if this seems warranted in the estimate of local conditions as judged by the various State authorities. This increase of benefits can be made without the imposition of an immediate higher tax. The cost of the provision of these additional benefits can be deferred, as pointed out, and there will be no additional increase in tax until 4 years hence, at which time, I believe we have good reason to hope that economic conditions will be such as to make it easier for States or employers as the case may be, to make the additional payment.

Now as to the further advantages of my proposal as against the committee bill. Basically it preserves the principle of insurance. You might say that it provides extended insurance. You cannot run an insurance system on the basis of putting up free Federal money for the risks insured against. England took this free-money road in 1921 through the extension of free federal money to the English unemployment trust fund. This extension of payments was repeatedly extended, finally culminating in the complete destruction of the British insurance system. It then became known as the English dole system. This, as you know, has broken down and they have had to go back to an insurance system.

Like all of you, I appreciate the plight of our many unemployed people who are a legitimate part of the labor market. I think everyone wants to make reasonable provision for them. Let us not, however, in our zeal and emotions of the moment attempt to assist them in such a manner as to undermine the very principles and administration of our existing State unemployment compensation program. Particularly let us not attempt to make provisions which will have a destructive impact when it is possible for us to make provision within the established framework of our State systems and in a manner that will assure the continuance of this State system

without continued encroachment of the Federal Government.

In our desire to do good, and we all want to do good, let us not be swept off our feet and end up by doing bad. You know that when a State agency is paying out Federal money that it does not have to pay back it is perfectly natural, without any reflection on any of the people who under the committee bill, would administer the program, that they are not going to be as careful about seeing that unauthorized persons do not get the money as if they had to pay it back. Especially is this true when there is no provision in the committee bill for policing the program.

By a loose administration of the committee bill at local levels, we could find ourselves in a position of having started out to try to help people who are unemployed—and end up by giving money, at the expense of people who are a legitimate part of the labor market, to people who just will not work.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HERLONG. I yield.

Mr. BYRNES of Wisconsin. I want to compliment the gentleman on his statement, and also on the proposal which he makes. It seems to me it is entirely consistent with the Federal-State relationship. It is entirely consistent with the concept and fulfills any Federal obligation that there may be in this particular area.

I congratulate the gentleman.

Mr. HERLONG. I thank the gentleman.

Mr. BOLAND. Mr. Chairman, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOGARTY] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FOGARTY. Mr. Chairman, on March 10, 1958, I introduced H. R. 11254 for supplementation of State unemployment insurance grants. This bill was intended to give protection to eligible workers for a period of 40 weeks at not less than one-half times their weekly earnings with a maximum weekly benefit based on two-thirds of the average State weekly wage. The additional cost was to be borne by the Federal Government. I shall continue to work for these improvements. However, realizing the urgency of the present situation and the need to find a method that will accomplish substantial protection at once to the million or more who are at this moment without the protection of unemployment insurance, I believe this Congress should forthwith enact H. R. 12065.

There are some who would have you believe the States alone should take care of those who have no protection against unemployment. With over 8 percent of the Nation's work force now idle, this is a problem which transcends State boundaries. The Federal Government cannot escape its responsibility for the unemployment-insurance program which it provided for the workers of this country 20 years ago. Many believe there would now be no Federal-State system of unemployment insurance had the Congress not acted in 1935. The Federal Government must not refuse ultimate guardianship of the system. When that system fails to meet the purposes for which established the National Government must act.

We have seen for many months the sharply rising numbers of unemployed workers. We have seen the large number who have exhausted benefits. We have heard that something may be done to put them to work. Neither the States nor the Federal Government have acted. The word from some quarters is wait and see. But the claims lines increase and more and more workers use up their benefit rights with no work in sight. This is an intolerable situation. What are we waiting for—the States to act? Only one State has called a special session to meet the urgent problem. It is evident the unemployed can expect no hope in the present emergency from that quarter. Their only hope is action in Congress.

The administration belatedly offered a feeble proposal, hardly more than a gesture to those who had exhausted State benefits That bill would have increased duration of benefits for each exhaustee by one-half his State duration up to 13 weeks. In some States this actually meant 3 to 5 weeks additional duration to workers at the minimum. For this great industrial Nation that would be nothing short of niggardly. Such a program would have done little to increase purchasing power or keep the beneficiary in the necessities of life, to say nothing of restoring confidence. Its architects had little understanding of what loss of income means to the worker and his family.

We are told by opponents of H. R. 12065 that supplementation is a dole, that any temporary supplement becomes permanent, and that it destroys the insurance principle. The accusations were even made against the administration proposal, weak as it was. When H. R. 12065 was approved by the Ways and Means Committee the same dole charge was leveled at it by the President, in spite of the fact the purpose of both bills was the same; namely, to provide temporary supplementation. These accusations are not new. They bear examination. The stigma of dole was used by these same sources when the Social Security Act was passed. No one took the label seriously then, certainly there is no need to do so now. Fear that temporary supplementation would become permanent as the opponents say it did in England and thus destroy the system of unemployment insurance is not borne out by the facts. Suffice it to say the British system has long since been on a sound actuarial basis.

H R. 12065 provides for outright grants to the States to cover the additional 16 weeks' compensation. The limited administration bill would have forced the States to reimburse the Federal Treasury for the cost of supplementation. In this respect H. R. 12065 frankly recognizes the responsibility of the Federal Government in the present recession. No individual State is held responsible for any part of the present failure of the economy within its boundaries simply because no State alone caused the recession its people experience. On the other hand no single State can prevent the recession from adversely affecting its people. This is a nationwide recession which has come home to roost in the administration's woods. Therefore, the cost should be borne by the Federal Government. To do otherwise would be to penalize those States such as my own which valiantly raised employment rates to the maximum and increased the wage base to $3,600. By so doing, Rhode Island's unemployment fund has remained solvent. The proposed additional cost could well have created a disastrous competitive burden on the employers of the States. The committee acted wisely, in my judgment, to repudiate the administration's method of reimbursement.

H. R. 12065 retains the insurance principle by providing the same tests of eligibility now in effect in each State law. A claimant for supplementation benefits must qualify on the basis of past earnings as distinguished from qualification under a means test. For those who have exhausted benefits a Federal grant for supplementation in no way interferes with the insurance principle contained in the eligibility tests which are basic to the actuarial considerations of contributions and benefits. These Federal grants will not destroy this relationship in any State law. There is nothing to fear from this source.

I strongly urge passage of H. R. 12065.

Mr. Chairman, an editorial in this morning's issue of the Providence (R. I.) Journal clearly and succinctly spells out the emergency nature of the present unemployment crisis. As this editorial states, the conclusion is inescapable that the unemployment situation is now more serious than at any time since the beginning of World War II. It should be apparent, therefore, that the problem requires immediate and forceful action—action which would be achieved by passage of the subject bill, H. R. 12065. Under leave to extend my remarks, I include the editorial to which I have referred from the Providence Journal of May 1, 1958:

THE UNEMPLOYMENT FIGURES DON'T LOOK VERY HOPEFUL

The announcement by Commerce Secretary Sinclair Weeks that unemployment decreased 78,000 from March to April is not so encouraging as it might appear offhand. In the same period of the 1949 recession, unemployment fell 151,000, almost twice as much. From March to April in the 1954 recession, unemployment decreased 259,000, or about 3½ times as much as this year.

Unemployment normally decreases from March to April. During each of the past 4 years, 1954–57, inclusive, the decline in unemployment was well over 300,000. In 2 of these years, 1954 and 1956, the drop exceeded a quarter of a million. The average decrease for the 4 years was 240,000.

The Nation's unemployment experience this year contrasts sharply with last year's figures. From January to April this year, unemployment shows a net increase of 626,000. During the same months of 1957, the net decline was 554,000.

The number of workers idle does not fully measure the loss in productive power. Last year, in February, the average work week in manufacturing industries was 40.2 hours. This year, in February—the latest official figures released—the average work week in manufacturing was 38.5 hours.

Mr. Weeks notes that employment increased 596,000 from March to April. In good times and bad, it always rises at this time of year. In the 1954 recession, for example, it increased 498,000 when the total civilian labor force was more than three million smaller than it is now. Of this increase in 1958, moreover, more than four-fifths was in agriculture. Nonagricultural jobs were only 110,000 higher.

The severity of unemployment can best be measured by the ratio of idle workers to the total civilian labor force. Despite the decrease of 78,000 from March to April this year, the ratio in April was the highest recorded in any month during the past 17 years. It actually increased from 7 percent of the labor force in March to 7½ percent. Last year, in April, the ratio was down to 4 percent.

The conclusion, of course, is inescapable that the unemployment situation in April, notwithstanding the 78,000 decline, was more serious than it has been at any time since the beginning of World War II. In these circumstances, it is little wonder that Mr. Eisenhower, in his latest press conference, said he could not regard the April drop in unemployment as indicating that the Nation is on the high road to recovery from the business recession.

Mr. REED. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Vermont [Mr. PROUTY].

Mr. PROUTY. Mr. Chairman, later on I may offer an amendment to H. R. 12065. This amendment will not violate the principle of States rights in any sense and, if agreed to, would require Federal participation only during periods when unemployment exceeds 4,012,000 or 5.9 percent of the total working force.

However, at this time I should like to address myself to those whose concept of unemployment compensation differs from mine.

Mr. Chairman, when we vote funds for various farm programs do we consider this charity? I think not. Such action is based on the theory that a stable and prosperous agricultural economy is essential to a sound general economy.

When we vote subsidies of one kind or another to private industry as we did last Tuesday, is this charity? Again the answer is "No." Such subsidies are justified in the belief that they are in the interest of national security and/or the welfare of the Nation as a whole.

Mr. Chairman, ours has developed into an almost completely interdependent economy. When any major segment of our society experiences serious and prolonged economic problems it is almost inevitable that eventually this will have adverse effects throughout the country.

It is for this reason that when general unemployment reaches abnormal heights I believe it becomes a national problem and one with which the Federal Government must be concerned.

Today more than 5 million Americans are unemployed. So, including the families of the jobless, probably 12 to 15 million individuals are directly affected by the present recession. But its effect does not end here. Local business interests are injured with a diminution of purchasing power in a community. And what perhaps is most serious of all is the fact that those who are employed are induced by fear of the future to restrict their purchases to minimum needs. In other words, unless confidence is restored in some degree a recession can snowball itself into a full blown depression. We should be very careful not to underestimate the psychological impact of the present recession upon millions of Americans for that is certain to prolong it.

Those who subscribe to a "let 'em eat cake" philosophy, who are opposed to any extension or increase in unemployment compensation seem to feel that every unemployed individual prefers it that way. In my judgment the logic of the situation would tend to invalidate such an opinion. For a substantial number of those without work are young people with growing families. By virtue of seniority rules they were the first to be laid off and will be the last to go back on the payrolls.

The Federal Government through various programs has made it possible and, in fact, has almost urged them to purchase new homes. Business has encouraged them to buy almost anything on a nothing down and up to a 3 or 5 years to pay basis.

As a result they are saddled with installment and other debts and it seems to me little short of ridiculous to suggest that any appreciable number of them are willing to face substantial personal losses in order to draw unemployment benefits.

Mr. Chairman, it is said our Federal-State unemployment insurance program was designed primarily to assist financially those who are involuntarily out of work for comparatively brief periods.

Undoubtedly this is true but, as I have explained, when there are significant down-turns in business and employment I think it is in the national interest that counteracting measures be taken.

Certainly one of the most obvious of these is to expand unemployment benefits and increase the weeks of coverage. Not only will this help those unfortunate enough to be without jobs, it will also assist materially in the maintenance of purchasing power within a local business community.

In and of itself such action probably will not end a recession but if, in addition to other measures, the purchasing power of unemployed workers can be sustained by protraction of benefits, the duration of a recession can be lessened and economic recovery accelerated.

One thing is certain. There is no faster method of getting money into a lagging economy than to channel it through the hands of those who have no alternative other than to spend it for the necessities of life.

It is for this reason that I hope to be able to offer an amendment which is similar in text to the bill H. R. 11634 which I introduced some time ago and which, generally speaking, represents a new approach to the question of unemployment compensation.

It should appeal to those who hold to the principle of State's rights in this field because, in my opinion, it will require no significant changes in State laws relating to unemployment compensation. But I do feel that the enactment of this bill would induce many States to amend such laws, on a voluntary basis, in a manner which will render them more consistent with current needs.

This amendment authorizes the Secretary of Labor to enter into agreements with the States. Under such agreements the Federal Government will provide increased benefits and extended coverage to unemployed persons during periods of high-level unemployment.

As defined in the amendment a "high-level unemployment period" is one which begins on the Monday following four consecutive weeks in each of which the Secretary of Labor has announced that unemployment within the groups covered by unemployment compensation exceeds 6.3 percent. Such a period ends on the last day of 4 consecutive weeks in each of which the Secretary of Labor has announced that unemployment within the covered groups is 6.3 percent or less.

Economists generally will agree, I think, that a serious economic recession does not exist until unemployment at the national level reaches 6 percent of the total labor force.

Therefore, my initial premise is that 5.9 percent of the total labor force is the maximum level of unemployment which can be considered within the bounds of normalcy; 5.9 percent of an estimated 68 million persons in the total labor force is 4,012,000. This last figure then represents the maximum numerical unemployment which can be tolerated without corrective measures.

But the ratio of the insured groups within the total labor force to the uninsured is 1.72 to 1. Using this ratio as a base it is logical to assume that on an average and at any given time 63 percent of the unemployed will be within the covered groups and 37 percent outside them.

If we apply these percentages to the 5.9 percent of the total labor force which as indicated above is 4,012,000 we shall find that 2,572,560 or 63 percent of the unemployed will be in the insured groups and 1,484,440 or 37 percent will not be entitled to compensation.

Two million five hundred and seventy-two thousand five hundred and sixty is 6.3 percent of the 43 million persons within the covered labor force and this explains my use of this percentage as the primary factor in determining high-level unemployment.

The number of unemployed within the groups covered by unemployment compensation has been made the basis for such a determination because these figures are much more accurate than those dealing with total unemployment. Moreover, they are available every week and are essential to the carrying out of the provisions of this bill.

The benefits provided by my proposal are as follows:

First. During high-level unemployment periods individuals who receive unemployment compensation under State law will receive Federal supplemental compensation equal to (A) 30 percent of the unemployment compensation received from the State, reduced by (B) any additional payments which such individual receives as a result of his unemployment—such as, for example, unemployment benefits paid by employers or labor unions.

Second. Individuals who after June 30, 1957, have exhausted their benefit rights under the applicable unemployment compensation law will be entitled to an additional 20 weeks of unemployment compensation to be paid by the Federal Government but in amounts which are identical with prevailing State rates. In other words, the 30 percent increase will not apply in the case of those who have exhausted their benefits under existing State laws.

Third. Compensation for the additional weeks will be payable during the remainder of 1958 without regard to any termination of the high-level unemployment period and without regard to the termination of the individual's benefit year. This provision was inserted on the theory that even if the present unemployment level is gradually reduced many individuals will have exhausted their benefits before jobs are readily available.

Fourth. After 1958, individuals will be entitled to a maximum of 16 additional weeks in a benefit year, but only after they have exhausted their benefit rights under the applicable unemployment compenation law and only for weeks beginning in a high-level unemployment period.

Mr. Chairman, I should like to point out that in terms of present national averages the 30 percent Federal supplement proposed in this bill will give those drawing unemployment benefits about 48¼ percent of their average weekly wages or 53.6 percent of average take-home pay.

The national average wage is $81.15 which, after deductions for taxes and social security, leaves a net average take-home pay of $72.93. The average weekly unemployment benefit is $30.11. An increase of 30 percent brings this up to $39.14. This is 53.6 percent of average take-home pay but 17½ percent less than the take-home pay of one employed only 3 days a week.

Mr. Chairman, in approving the Full Employment Act of 1946, I think Congress recognized that it has a responsibility to help maintain full employment and economic stability.

I am asking Congress to live up to that responsibility by enacting a program that will come into operation whenever unemployment reaches high levels.

In attempting to understand any compensation bill a great many questions come to mind. There are a number of basic ones such as, Who is to receive compensation? In what amount? Under what conditions does compensation begin and under what circumstances may it be terminated? A mere reading of technical language in the bill does not suffice to clarify these points for the average person, so I have prepared a series of questions and answers with respect to my bill H. R. 11634:

1. Question. There are many individuals who have already exhausted or will exhaust later in 1958 their State unemployment-benefit rights—to what would they be entitled under this amendment during 1958?

Answer. During 1958 these individuals could receive up to 20-additional weeks of compensation at the State rate whether or not high-level unemployment periods exist.

2. Question. What if an individual exhausts his State benefits late in the year 1958, say on December 1? Under this amendment would he get additional weeks of compensation only until the end of 1958?

Answer. Since this individual would have used only about 4 weeks of his 20-week extension, he could receive unemployment benefits for the first 16 weeks of 1959 if these weeks are high-level unemployment periods.

3. Question. What if a man exhausts his State-unemployment benefits on December 3, 1958, and then draws 4 additional weeks of compensation under this amendment? What happens to him in 1959 if he still is out of work and January, February, and March aren't high-level unemployment periods?

Answer. He would be unable to receive additional weeks of compensation during January, February, and March. He could, however, draw what was left of his 20 additional weeks during high-level unemployment periods occurring later in the year, provided his benefit year had not expired.

4. Question. What do you mean when you say, "provided his benefit year had not expired"? What is a benefit year?

Answer. In most of the States the benefit year is the 12-month period beginning with the date on which an individual has to file his first-unemployment claim. Therefore, when I said "provided" the worker's "benefit year had not expired", I meant in essence provided the worker hasn't been unemployed for more than a year.

5. Question. For the purposes of this amendment, when would a high-level unemployment period begin?

Answer. Whenever for 4 consecutive weeks more than 6.3 percent of those covered by unemployment insurance are without work.

6. Question. When would a period of high-level unemployment be terminated under the provisions of this amendment?

Answer. At the end of the fourth consecutive week during which 6.3 percent or less of covered workers are found to be unemployed.

7. Question. So there is no possibility of an individual getting the supplement 1 week, losing it the next, and drawing it again the third week?

Answer. That is correct. The amendment provides for at least a 4-week buffer between the time compensation ceases and the time it can be paid again.

8. Question. How much of an increase in the individual's weekly unemployment benefit is provided by this amendment?

Answer. The amendment would increase the weekly benefits of those drawing compensation by 30 percent.

9. Question. Whenever an individual draws State unemployment benefits under this amendment does he also receive supplemental compensation provided by the Federal Government?

Answer. Individuals drawing State unemployment benefits get the weekly Federal supplement only during periods of high-level unemployment.

10. Question. Am I correct in assuming that if there were no high-level unemployment periods in this country during the next 10 years no supplemental compensation would be paid under the provisions of this amendment?

Answer. That is correct.

11. Question. If a man is presently receiving each week $40 in State unemployment compensation and an unemployment benefit of $10 a week from his company or union, would he still get a 30-percent supplement provided by the Federal Government?

Answer. In situations of this nature the Federal supplement would be reduced by any amount an individual receives from his company or union. Therefore, in the instant case, instead of getting a Federal supplement of $12 weekly (which would be 30 percent of his State unemployment benefits), the individual would get $12 less the amount ($10) he is receiving from his company or union.

12. Question. Had this proposal been enacted into law in 1948, how many times would it have come into operation since then?

Answer. It would have been in effect for a brief period during 1950 but in no subsequent year until now.

13. Question. In terms of present national averages, if an individual receives State unemployment compensation plus the 30-percent Federal supplement, about what percent of his average weekly salary or take-home pay will he end up getting?

Answer. In terms of present national averages, those drawing State unemployment benefits and the Federal supplement will receive about 48¼ percent of their average salaries or 53.6 percent of their take-home pay.

Mr. Chairman, through this list of questions and answers I hope that I have clarified to some extent the provisions and purposes of the bill.

It is my feeling that what is needed during any significant economic downswing is to channel assistance in proportion to the extent of unemployment and to where the unemployed are.

Mr. MILLS. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. MACHROWICZ].

Mr. MACHROWICZ. Mr. Chairman, I rise in support of H. R. 12065 as reported by the committee, without amendment, despite strong feeling, shared, I am sure, by many Members in both parties, that it would be far better, if it were feasible at this time, to include Federal standards increasing weekly benefits of unemployment compensation and extending the number of weeks duration from now on.

Let me, first of all, correct some misleading impressions that were created yesterday and today by some Members who would lead you to believe that Governor Williams, of Michigan, the State probably hardest hit by today's recession, does not favor the committee bill. The gentleman from Michigan [Mr. GRIFFIN] said this morning that he agrees with the Governor. I know he will be interested in knowing what those views are. I received from him this morning a telegram from which I would like to quote:

Views attributed to me that I do not favor title II of H. R. 12065 are incorrect. I wholeheartedly favor extension of benefits to those provided for in title II. My previous testimony before House Ways and Means Committee contained endorsement for Federal participation in State general-assistance pro-

gram to help those not covered by unemployment insurance. I believe that title II adequately provides for some workers not now covered. I would still urge Federal grants for general assistance for those not covered by unemployment insurance or by title II of H. R. 12065.

There certainly can be no question as to where the Governor stands on this issue.

Several Members yesterday and today also complained that the committee bill was not administratively feasible. I remember no testimony before our committee that would sustain such charge. Certainly it was stated that there would be difficulties to be met in administering title II, but no one, to my knowledge, testified that it could not be done. But let me read to you further from Governor Williams' telegram to me, on this point, and remember that this is the State where most of these difficulties could be expected to arise. Here is what the Governor says on this point:

I believe that enactment of H. R. 12065, as reported from committee, is a sound proposal and I endorse its provision without reservation. Furthermore, I wish to state that both titles I and II have been determined by Michigan Employment Security Commission to be administratively feasible.

So it seems to me that this alleged administrative difficulty is just a smoke screen that some may use to kill any effective unemployment assistance program at this time.

Throughout the Nation workers are exhausting their benefit rights at the rate of more than 40,000 a week. It is estimated that during 1958 more than 2 million workers may exhaust unemployment compensation benefit rights under existing State laws. As they do so and in the absence of a pickup in employment, they and their families face the danger of dropping from the economic basement to the subbasement, losing hard-earned equities in homes, cars, household equipment, and other assets, along the tragic downward spiral to destitution where they can qualify for inadequate relief payments after they can pass a means test. In addition to the individual and family tragedies involved, this shrinkage of purchasing power by millions of American families means reduction of markets, backing up of inventories, and new pressure to curtail or shut down factories, shops, mines, steel mills, failures of retail stores, and a shrinkage of markets for farm products, both foods and fibers.

Mr. Chairman, in my State of Michigan the latest available reports show insured unemployment for the week ending April 12, 1958, to be 304,922, up 11,585 over the preceding week and up 210,319 over a year ago.

Initial claims filed for the week ending April 19, 1958, by newly laid off workers increased in Michigan 11,622 over the preceding week and were 33,961 above the same week 1 year ago.

The robins have come to Michigan but the recession continues to feed upon recession not only in Michigan but throughout our beloved country.

Mr. Chairman, under unanimous consent, I insert in the RECORD at the conclusion of my remarks a table showing similar figures for each of the 48 States.

Unemployment in Michigan for the week ending April 12 totaled 15.2 percent of the entire insured work force. Since then, I understand it has increased to well over 16 percent. The less industrialized State of Maine had 14.3 percent unemployment, Arkansas 11.2 percent, California 8.6 percent, Connecticut 8.1 percent, Indiana 8.2 percent, Kentucky 14 percent, Montana 10.5 percent, New Hampshire 11 percent, Pennsylvania 10.6 percent, Rhode Island 10.6 percent, Tennessee 9.2 percent, Washington 8.1 percent, West Virginia 13.6 percent.

Mr. Chairman, this is serious. This is the precipitous road from recession to depression, so easy to travel on the way down, so hard to climb back up.

The bill before us will at least slow down the descent to the pit of depression. If enacted, it will provide at least 16 additional weeks of unemployment compensation benefits at whatever the State rates may be to those millions who are unable to find suitable work and who can qualify either under existing State laws or under the provisions of title II of this bill which, it should be pointed out, are not wide open as recklessly alleged here yesterday by some Members, but are related to earnings made under the old-age and survivors insurance title of the Social Security Act, and to other available and reliable official records.

Of course, I would hope that, as the severity of the recession becomes better understood by the American people and by the Members of Congress, and as this bill follows the path of consideration and amendment through both Houses and in conference, it may be decided by majority vote to make admittedly needed permanent improvements in our unemployment compensation system by providing minimum Federal standards, to increase weekly benefit amounts to at least 50 percent of the individual insured worker's full-time weekly wages up to 66⅔ percent of the average wage in each State, and also to extend the duration to 39 weeks.

Mr. Chairman, I recognize the hard fact that the opponents of this bill, H. R. 12065, are now proposing to pare down the administration bill so that it would not even assure all insured unemployed workers a 50-percent extension of the number of weeks of benefits to which they may be entitled under existing State laws, but would make this conditional upon each State's decision whether or not to accept the advance of Federal funds for such purpose, to be repaid by 1963.

This is now not only a weak proposal, it is a broken reed that the unemployed in many States could not lean upon. It would be looked upon by employers in some States suffering chronic, large scale unemployment as a treacherous device for increasing their payroll taxes some years hence, putting them at an even greater competitive disadvantage with other States having lower payroll taxes.

The administration substitute as amended would be, in my opinion, a shameful and indefensible abdication and avoidance of our Federal responsibility to provide for the general welfare and to promote the free flow of commerce among the several States. Yes, Mr. Chairman, in these days when Communist expansionism is on the prowl and alert to pick up every economic and propaganda advantage within a matter of hours, adoption of such a substitute and amendments would be, in my considered judgment, a severe blow against our national economic strength and our national security.

Mr. Chairman, to adopt the administration substitute in the form urged by the opponents of H. R. 12065 would be to cut the spinal cord of our Federal Government, leaving the parts and members to flop and wriggle like the trunk and limbs of a beheaded animal. Twenty-three years ago the Congress decided that unemployment was a Federal concern; 21 years ago the Supreme Court affirmed that judgment in upholding the unemployment insurance title of the Social Security Act.

The responsibility upon the Members of this body today is indeed a great one and a serious one. We must do everything we can to put America back to work. That is the answer to this recession. That is the only possible answer to the economic crisis which faces the Nation today. It would give needed money to those who are most needy—money that would be used immediately for purchases which will help start again the wheels of our economy.

Our system of unemployment compensation benefits was conceived as a major stabilizer to buoy up our economy during recessions. If it has proved inadequate to do this, let us live up to our responsibility and supplement it by such action as is necessary. If we fail, we shall have to answer to our people. If we fail, we will be giving comfort to the enemy. Edmund Burke has once said: "The only thing necessary for the triumph of evil is that good men do nothing."

Mr. Chairman, I cannot believe that this great body of dedicated men and women want to be justly charged with doing nothing in this period of crisis. I believe that the proposed substitute to the committee bill will do nothing effective that the States could not already do under the authority they now possess. I have faith that the committee bill will be approved as the most fair and direct approach to a difficult and a complicated but serious problem.

The extreme terms of the minority committee views and of the opponents of the pending bill generally becloud the issues with a spate of slogans and a flood of crocodile tears about the future of State unemployment insurance programs. However, despite this, it is possible to subject the issues to rational analysis.

Parenthetically, let me state that I have been more than a little surprised at the expressions of concern being uttered by my colleagues of the minority party, by the National Association of Manufacturers, and by the National

Chamber of Commerce about the continued existence of the State unemployment compensation plans and by their great desire to protect them. As I recall, these gentlemen and organizations did not support the original unemployment compensation legislation, the Federal Compensation Tax Act, when it was first before this body in the social-security bill in 1935.

However that may be, in the question of the extension of benefits for persons who have exhausted their rights under State plans, it is hardly necessary to talk about the need of doing something. The administration proposal provided for an extension of duration which in most cases would have been 13 weeks compared with the 16 weeks under the bill. The need for this extension arises from the fact that the normal state duration periods make the assumption that if an individual really wants a job he can find new work in a period of high unemployment. There are simply not enough jobs available. This is emphasized by the fact that the Labor Department estimates of the cost of this bill assume that about between 40 and 50 percent of the workers becoming unemployed will fail to find new employment before their State benefits are exhausted.

The only real issue on this point is how do we pay for this extension. The administration bill actually proposes that this extension be paid for by future employers, and they tell us that this is the only payment method consistent with sound insurance principles. This is fantastic. What insurance company would provide additional benefits to existing policyholders and announce that these benefits will be paid for by an increase in the premium 3 years in the future? The fact is that a system of paying for present benefits by a future increase in the unemployment tax violates every sound insurance principle. The situation of a number of State funds is such that additional benefits cannot be paid for out of existing unemployment insurance reserves. If temporary unemployment compensation benefits are to be provided at all, it is obvious that Federal financing from general funds is necessary.

Not only does a Federal grant approach avoid undermining the insurance character of the unemployment tax, but it is the kind of step that was intended in a serious unemployment situation ever since the beginning of the unemployment insurance system. The original committee reports on the first social security bill made it clear that the unemployment insurance system by itself could not deal with severe and protracted depression. It was clear that additional action by the Federal Government would have to be taken in such circumstances to provide large scale public works, tax cuts, or even supplementary unemployment benefits. Dealing with unemployment by supplementing the unemployment compensation program has obvious advantages. Unlike the tax reduction bills recently introduced by several influential Republicans, these payments help people who are in need. Also the cost of this program will vary with the need for it. If unemployment should increase, this program will be invaluable. Or if conditions should become as good as the rosy picture painted by White House press releases, there should be only small outlays under this program.

The minority report of seven Republican members of the Ways and Means Committee agrees that the State compensation programs are not capable of dealing with protracted unemployment occasioned by economic recessions or depressions. The report continues, however, to develop the absurd theory that the existing State unemployment insurance systems have exclusive rights in matter of helping the unemployed. The theory seems to be that the Federal Government can do anything in an economic recession except help the unemployed. These jealous guardians of stand-pattism do not even appreciate the flattery of imitation. They argue that it would be fatal to provide in other industries the type of benefit extended in covered industries.

One hardly knows whether to take this seriously. Perhaps the real key to understanding this is that my Republican colleagues do not really think that supplementing existing unemployment compensation is a bad way of dealing with an economic recession. I suspect their fundamental position is that you should not deal with a recession at all.

Whether the actual payments, under a Federal program of extended benefits, are covered from the State unemployment-insurance funds or from Federal grants, the money comes from the ultimate consumer who bears the burden of prices. Even for the most zealous defender of the present unemployment-insurance system, it would be hard to establish that the tax on employers is not, in fact, passed along in prices and paid by the ultimate consumer.

On the other issue of providing benefits for workers not now covered by unemployment compensation, the fundamental case is the same. In times of higher than normal unemployment even the transitory casual laborers find that they cannot readily pick up a new job. Since 1957 the increase in agricultural unemployment has been more pronounced than the increase in unemployment in any other broad segment of industry. In view of the present unemployment conditions, which are more serious than any that we have experienced since 1941, it is regrettable that we did not in the past deal more seriously with this problem of the coverage of unemployment compensation. Now the severe human problem of unemployment is upon us in these areas that have been left uncovered. Here again the minority report seems to argue that the existing unemployment compensation programs have established exclusive rights in the field of helping the unemployed. The report again seems to argue that in this type of situation you can do anything else, public works or tax cuts, but do not help those suffering from unemployment.

I believe that I have already dealt with the fundamental issues in this bill, but I find that I have not touched upon what my friends across the aisle have advanced as the most important issue of all, Does this bill provide a dole?

This dole business is a piece of pure wordmanship designed to confuse. Wordmanship is the art of winning arguments without using logic. The equivalent of a home run in wordmanship is to pin on your opponent a word so horrible that even his friends will shun him as an intellectual leper. A recent example was the word "egghead." In the current debate the word "dole" is supposed to strike terror into the minds of potential supporters of the Ways and Means Committee bill.

The whole trick in this piece of wordmanship is the implication that a dole is a horrible thing because once the English tried a program of payments to the unemployed which was not wholly successful.

A brief history of the point would be appropriate. The British used their dole program in the early 1920's as the primary weapon in fighting unemployment of 20 to 25 percent of the labor force. Any student of fiscal policy would agree that a program of payments to the unemployed could not be designed to be the principal remedy for an unemployment situation this severe. Either the Government would find itself paying out nearly as much as the individuals were getting in their regular jobs, or else the aggregate amount of payments would be on too low a scale to deal with the massive unemployment problem. This is obviously the type of situation where large-scale public works and tax cuts are needed. The unemployment problem that we are dealing with at the present time is in the level of 8 percent of the labor force and this program should be of shorter duration than the unemployment problem that the British dealt with in the early 1920's.

Another historical fact that should be taken into account in using the British experience is the fact that in this period the British were engaged in a large-scale program of forcing down domestic prices in order to reestablish convertibility at the pre-World War I gold value of the British pound. As could be expected, a program of tight credit restraint, aimed at reducing prices, with 20-percent unemployment, does not generate business confidence. These are hardly conditions in which one would have expected an increase in job opportunities. The fact is that the cards were stacked against any unemployment program that the British might have utilized at that time.

Since we want to talk seriously about this matter, let us clear away the emotional fog generated by the word dole. The fact is that we have adopted many programs that involve paying doles under other names. We have to an increasing extent in recent years recognized the fact that the rigidity of our complicated economic system frequently leaves people with fixed costs to pay and without the current economic income to meet them and no immediate alternatives for getting the income. Our Government has frequently dealt with these problems by providing at least some in-

come to deal with these fixed costs. The whole program of agricultural price support is very clearly of this type. The Federal Government pays for a portion of the crop which is to be put into warehouses because the market does not want to buy this product at the going price. In unemployment compensation, we pay some people because in the immediate temporary circumstances the market does not want labor at the current wage rate. The fixed living costs of the man and his family, however, go on whether or not the public needs his labor, just as the fixed costs of the farmer continue whether or not the public is willing to buy all of the agricultural output at current prices. An even closer analogy to an unemployment payment is the system of soil-bank payments. It would not be unfair to observe that a farmer is not limited to 16 weeks or even 39 weeks of support payments.

These remarks in no way disparage the agricultural program, far from it, in fact, if you think of what unemployment compensation is, instead of the words used to describe it, then it is clear that unemployment payments and agricultural supports are the same kinds of things and they both deal with serious problems. These problems require a more sincere analysis than thinly disguised name-calling.

This bill itself is concerned essentially with providing a backstop for present economic conditions and a last resort to those who suffer most as a result of their existence. The nature of the bill is such that if employment conditions should, in fact, improve greatly, the benefits paid out under this bill will be very small. On the other hand, if business conditions continue to deteriorate, this bill will provide an automatically flexible instrument which will tend to offset the decline in consumer purchasing power. Economic forecasting is a sufficiently hazardous occupation that I have no intention of telling this House that things will collapse over the next 15 months. My argument is simply that present prospects for unemployment in this period are sufficiently alarming that our economy must be provided immediately with a program to deal with these problems if they develop which will prevent loss of purchasing power and suffering on behalf of the unemployed. I believe that H. R. 12065 will accomplish this purpose and should be enacted by the Congress.

Initial claims filed during week ended Apr. 19, 1958, and insured unemployment for week ended Apr. 12, 1958, continental United States

State	Initial claims				Insured unemployment					
	State and UCFE			Veterans	State and UCFE				Veterans	Total (excluding railroad)
	Number	Change from—			Number	Rate (percent)	Change from—			
		Last week	Year ago				Last week	Year ago		
Total	440,366	−15,442	+210,554	5,889	3,363,344	8.1	+49,037	+1,677,351	80,289	3,443,633
Alabama	4,763	−2,082	+2,184	114	47,599	8.3	+1,978	+24,136	2,048	49,647
Arizona	1,751	−621	+680	71	12,889	6.4	−819	+7,215	584	13,473
Arkansas	2,792	−1,403	+813	87	29,563	11.2	+4,315	+11,053	978	30,541
California	32,082	−7,575	+12,395	639	325,050	8.6	−430	+300,448	7,363	332,413
Colorado	1,569	−479	+699	50	14,121	4.3	−738	+7,962	753	14,874
Connecticut	7,685	−3,460	+3,273	23	62,915	5.1	+3,123	+42,095	964	63,879
Delaware	776	+15	+428	14	7,320	3.5	−92	+4,193	162	7,482
District of Columbia	967	−81	+394	40	9,106	1.9	−386	+3,910	555	9,661
Florida	7,126	+348	+4,165	222	34,778	4.5	+1,120	+21,884	1,190	35,968
Georgia	7,473	+208	+3,477	157	52,096	6.7	+3,122	+25,491	2,675	54,171
Idaho	487	−97	+242	24	6,805	6.1	−1,889	+1,582	376	7,181
Illinois	21,223	+1,978	+11,222	249	177,671	6.4	+5,367	+109,588	2,750	180,421
Indiana	13,536	−6,072	+7,349	242	93,120	8.2	+9,506	+56,373	2,964	96,084
Iowa	2,044	−379	+757	10	16,632	3.8	−1,428	+6,475	625	17,257
Kansas	2,007	−1,241	+531	44	19,601	5.2	−1,055	+9,068	666	20,267
Kentucky	5,226	−3,420	+1,974	121	67,029	14.0	+3,664	+30,421	2,238	69,267
Louisiana	4,382	+96	+2,269	87	30,018	5.2	+2,183	+14,056	978	30,996
Maine	3,429	+172	+2,047	38	29,749	14.3	−1,115	+17,602	537	30,286
Maryland	7,170	+209	+4,013	94	47,944	6.5	+1,952	+33,602	1,108	49,052
Massachusetts	16,794	−1,286	+5,679	100	123,837	7.9	−1,427	+66,412	1,809	125,646
Michigan	46,384	+11,622	+33,961	402	297,124	15.2	+11,585	+210,319	7,798	304,922
Minnesota	3,257	−1,899	+1,360	75	50,609	8.6	−402	+21,932	1,696	52,296
Mississippi	3,034	−610	+543	95	23,906	9.2	−15	+6,481	927	24,833
Missouri	12,453	+2,444	+7,904	67	64,521	6.5	+2,480	+33,418	1,783	66,304
Montana	825	−991	+91	39	12,993	10.5	−1,301	+4,311	327	13,320
Nebraska	660	−123	+9	9	9,388	4.2	−1,083	+1,968	341	9,729
Nevada	771	−202	+364	15	6,408	9.0	−33	+3,602	96	6,504
New Hampshire	2,515	+48	+1,095	24	15,991	11.0	+658	+9,052	214	16,205
New Jersey	21,387	+3,785	+10,096	145	152,974	9.7	+2,102	+77,830	2,082	155,056
New Mexico	1,162	−148	+327	44	7,334	4.7	−384	+3,000	375	7,709
New York	62,550	+900	+12,631	467	398,047	7.8	+6,049	+215,481	4,136	403,183
North Carolina	13,628	+617	+6,388	129	67,839	7.9	−4,079	+21,965	1,954	69,793
North Dakota	190	−135	+6	10	5,632	3.3	−720	+1,810	320	5,952
Ohio	31,190	−718	+21,873	335	222,803	8.4	+5,644	+157,758	5,321	228,124
Oklahoma	3,458	−718	+1,614	36	28,358	5.9	+582	+14,409	956	29,343
Oregon	3,856	−49	+1,303	67	31,915	8.5	−4,054	+16,596	1,286	33,201
Pennsylvania	47,553	+2,202	+22,656	316	346,770	10.6	+3,821	+179,908	3,618	350,387
Rhode Island	4,206	−568	+1,129	37	27,081	10.6	−524	+8,208	593	27,674
South Carolina	3,329	−246	+1,101	76	23,354	5.7	+844	+8,002	1,337	25,191
South Dakota	165	−100	+27	4	3,028	4.0	−468	+502	338	3,366
Tennessee	6,723	−2,897	+3,300	152	61,546	9.2	−164	+22,893	2,590	64,136
Texas	11,091	−333	+6,079	271	80,244	4.4	+2,488	+46,488	3,044	83,288
Utah	775	−491	+166	28	10,769	5.6	−1,126	+5,691	337	11,106
Vermont	516	−151	+185	16	6,110	8.1	−329	+3,297	238	6,348
Virginia	3,828	−964	+2,192	131	31,982	4.4	−57	+19,969	1,730	33,712
Washington	6,783	+53	+3,018	208	51,904	8.1	+662	+23,481	1,971	53,875
West Virginia	4,732	−713	+3,083	120	51,791	13.6	+2,443	+38,855	1,938	53,729
Wisconsin	5,607	−412	+2,979	142	53,151	6.2	−2,835	+29,334	2,058	55,209
Wyoming	350	−84	+190	7	4,429	6.8	+327	+2,314	163	4,592

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CEDERBERG].

Mr. CEDERBERG. Mr. Chairman, I appreciate the time to discuss this matter because I believe it is just about time that we set the record straight on a few issues. Certainly, we Republicans are interested in the unemployed workers in Michigan and want to do everything we can humanly and possibly do to be of assistance to these people who are unemployed. Now I respect the Governor of the State of Michigan and I respect his right to change his mind. But, he should at least in his telegram have been honest enough to repudiate his testimony before the Committee on Ways and Means because it is in direct contrast to the telegram that was read by my colleague, the gentleman from Michigan [Mr. MACHROWICZ]. I want to read this record again and certainly it cannot be misconstrued. Mr. Baker of the Committee on Ways and Means asks the question:

Mr. BAKER. Do you have a definite formula as to what to do about them?

That was referring to those who have exhausted their unemployment benefits.

Governor WILLIAMS. There are tens of thousands in my State.

Mr. Baker said:

Do you have a formula as to what to do about these people who have exhausted their benefits?

Governor WILLIAMS. If the Congress were to ask me—

Now, he is speaking as the Governor of the State of Michigan and not as the leader of the Democratic Party of the State of Michigan who evidently through their hierarchy must have inspired this telegram in which he switches his position because here is what he said:

Mr. BAKER. Do you have a formula as to what to do about these people who have exhausted their benefits?

Governor WILLIAMS. If the Congress were to ask me, I would be willing to suggest a 50–50 participation, the Federal Government 50 percent and the States, plus the local communities, whatever way they wanted to take up the other 50 percent.

Then the testimony goes on further:

Mr. BAKER. Would you administer that through unemployment compensation channels or through State welfare channels? I am talking about these people who were not covered or were covered prior to January 1 and exhausted and will not get anything under any of these bills.

Governor WILLIAMS. I would administer it under the welfare, sir, because I think this should be on a needs basis rather than on a particular number of dollars.

And there is no need basis in title II.

Mr. MACHROWICZ. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. MACHROWICZ. If the gentleman listened when I read the telegram, he would know that there was absolutely no difference between what he said then and now. He said in the telegram, "I would still urge Federal grants for general assistance for those not covered by unemployment insurance or by title II of H. R. 12065." All of us recognize that no matter how much we try, we will not be able to cover all even under title II. And to those he said he agrees there should be special grants for Federal assistance.

Mr. CEDERBERG. That is not what the Governor said at all, if I may beg the gentleman's pardon. He said, in response to Mr. Baker's question: "Would you put it under unemployment compensation or under State welfare channels?" He is talking about those who were not covered under any program or title II or who were covered prior to January 1 and exhausted their benefits. Let me read to you what the Governor said:

Governor WILLIAMS. I would administer it under the welfare, sir.

Now that is just about as plain as anything can possibly be. It is plain to read. Of course the Governor has the right to change his mind, but he ought to be honest enough to come in here and say I repudiate my statement before the Committee on Ways and Means made just 5 weeks ago.

Mr. MACHROWICZ. Mr. Chairman, will the gentleman yield further?

Mr. CEDERBERG. I yield.

Mr. MACHROWICZ. The gentleman recognizes that at the time the Governor made this statement, title II was not in the bill.

Mr. CEDERBERG. That is right—he got trapped—I will admit that.

Mr. MACHROWICZ. I disagree with your conclusion. And he still says that those who are not covered by this bill under title II should get a Federal grant.

Mr. CEDERBERG. We are talking about unemployment compensation and administering it under unemployment compensation. Let me read just a little here. He said:

Mr. BAKER. You would take it out of the insurance end of it?

Governor WILLIAMS. Yes, sir.

Now, how much plainer can you get it than that?

I want to say again I respect the Governor's right to change his position, but I feel that when he appeared before the Committee on Ways and Means he was appearing as Governor of the State of Michigan and probably taking as statesmanlike position as he could take, and yet I recognize now when this testimony is read back to him, he is probably getting some orders from Solidarity House and the hierarchy of the Democratic Party and has had to change his position. I say he ought to be honest and say, "So far as I am concerned, I repudiate my previous testimony."

The CHAIRMAN. The time of the gentleman has expired.

Mr. REED. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HOFFMAN].

THE REMEDY FOR THE MICHIGAN UNEMPLOYMENT SITUATION THROUGH THE ENACTMENT OF UNEMPLOYMENT COMPENSATION LEGISLATION

Mr. HOFFMAN. Mr. Chairman, early this morning it was my privilege, as it was that of other Republican Members of the Michigan Congressional delegation, to have breakfast with George M. Van Peursem, of Zeeland, Mich., who is the speaker of the Michigan House of Representatives; with John P. Smeekens, State senator from Coldwater, Mich.; and Walter G. Nakkula, a member of the Michigan State Legislature. These gentlemen, because of their ability and their long experience as Michigan legislators, are thoroughly familiar with the unemployment situation in Michigan, with the Michigan laws on unemployment compensation, and with conditions generally in Michigan.

Very generously, they later went to my office, and there dictated a summary of the actual situation as it exists in Michigan today, and of the program which has been adopted by the Michigan Legislature.

To those views, may I most respectfully request your attention.

By those gentlemen we were advised that Michigan has recognized the need for the establishment of an Unemployment Security Commission to cover unemployment-compensation benefits for a considerable period of time—and that, in 1939, the Michigan Legislature first adopted a program.

Program became effective in 1939—enacted in 1938—provided there would be benefits of $16 per week for 16 weeks. Since that time, we have increased our benefits to $20 per week in 1942; $28 per week in 1945; $32 in 1949; $35 per week in 1951; $42 per week in 1954; $54 per week in 1955—and, as late as 1957, recognizing the cost-of-living index, upped it to $55.

Michigan has been identified and recognized nationally because of the number of forward-looking amendments that have been periodically incorporated into our unemployment-compensation bills to meet the needs of the State—one of which includes an escalator clause to increase the benefits on the basis of the national figures on the cost of living.

During this same interval period of now 20 years, our benefits have been extended from the initial 16 weeks' program to the current 26-weeks' program.

The legislature, in the early hours of the 1958 session, recognizing the critical nature of the unemployment situation as was being experienced within Michigan, introduced a legislative proposal to further expand the duration of benefits to those participants of the Michigan unemployment-compensation program.

This emergency extension as passed in the Michigan Senate and sent to the House during early March of this year, provided for an additional 9 weeks of benefits—extending on an emergency basis the total duration of benefits weeks to 35. This action was prompted by the fact that Michigan today has some 36,000 unemployed who have exhausted their benefits—and it is forecast that a total of 70,000 such participants will have exhausted their benefits by May 30.

Let me here add that I have been advised that Michigan is now sending 20,000 unemployment checks to people from Tennessee. Apparently the idea is "Come up to Michigan and get our money and go down and enjoy themselves." My own opinion is that the figure is fantastic—cannot be accurate—I will endeavor to ascertain and report the fact.

Consideration of the latter legislative proposal was postponed as a result of Congressional deliberation on the administration's proposal to federalize the State's unemployment compensation programs which, historically, have been identified and recognized as a responsibility of the States.

As early as 1935, in a report to President Roosevelt as made by the Committee on Economic Security, on which Mr. A. J. Altmeyer served as chairman of the technical board, it is said on page 4: "We believe that the States should administer unemployment compensation."

This principle has been steadfastly advanced in numerous studies encompassing this same responsibility, and has never heretofore gained any favorable consideration by the Congress of the United States, although a number of proposals have been presented to the Congress for action.

This being an election year, we can understand why some candidates will outbid the opposition a little bit. But, if the practice is continued we will all find ourselves in hot water.

Mr. KNOX. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the former Speaker of the Michigan House who also served for many years as an able member of that body. For the good of the State I hope he may long continue to serve here.

Mr. KNOX. I would like to say, if this legislation had never been initiated in Congress, Michigan today would have the distinction of being the first State to enact legislation for additional unemployment compensation benefits and the unemployed who had exhausted their benefits would now be receiving additional weekly benefits.

Mr. HOFFMAN. I thank the gentleman.

Mr. KNOX. Mr. Chairman, I request unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Very briefly; I have only 10 minutes.

Mr. DINGELL. I should just like to set the gentleman straight on the bill pending in the Michigan Legislature. In the first place that provided for——

Mr. HOFFMAN. I cannot yield for a speech, I must finish my own.

Mr. DINGELL. Let me finish my remarks, if the gentleman please.

Mr. HOFFMAN. Mr. Chairman, I cannot yield further. Later I will yield to the gentleman if he requests.

We understand what some of the CIO fellows will be trying to do to the gentleman and it is a dirty trick after the gentleman and his father served them so faithfully and so well for so many years here in the House, but the minute some of the union officers find they cannot use a Member as a mouthpiece they throw him overboard. You Democrats and some Republicans should take warning.

Mr. DINGELL. Let me set the gentleman straight.

Mr. HOFFMAN. I cannot yield.

The CHAIRMAN. The gentleman declines to yield.

Mr. HOFFMAN. If I can get some more time I will be glad to yield. The gentleman will like this. I think it is, as I said, a dirty, mean, measly trick for them to throw the gentleman over after he has served them so faithfully and so well.

Looking again, it seems I have been yielding to the gentleman from Michigan [Mr. DINGELL], instead of to our colleague likewise from Michigan [Mr. LESINSKI], whose father also served as has the son with ability and sincerity. It is the gentleman from Michigan [Mr. LESINSKI], against whom the CIO has entered a candidate in the primary.

One cannot trust Reuther, Mazey, or any one of that small, tight, ruthless socialistic group, either out of or within your sight.

But our delightful colleague, the gentleman from Michigan [Mr. DINGELL], need not worry; if not next in line for opposition by a CIO official, he may be on the list—unless, of course, Reuther thinks it is not politically expedient.

But back to the statement of the speaker of the Michigan House and his two associates.

In the history of the Michigan Legislature, we have always met those problems which were presented by the economic and labor conditions of the State, promptly and effectively. We are determined that this total responsibility is one that is encompassed in the sovereign rights of the State, and should not, under any circumstances, be federalized.

Federalization of the unemployment compensation program, as is presently proposed before the Congress, would serve only to ultimately disregard in its entirety the tremendous progress which has been experienced by the individual States in recognizing and effectively combating a situation which, prior to 1938, represented a grave deterrent to the economic stability of the community.

The pattern which the Congress is proposing to establish is one which is conspicuously similar to that action experienced in the Parliament of the British Empire some 38 years ago, when the Crown extended all unemployment compensation benefits, irrespective of any "needs" consideration. The futility of the program as provided at that time by the Crown was resolved in a matter of less than 3 years, when the program, in its entirety, experiencing complete insolvency, created a dilemma the like of which the nation has yet to recover from.

The Michigan Legislature is prepared to act to extend the duration of benefits and would do so immediately were there any assurance that the Congress would not act in that area. On the other hand, the Michigan Legislature is not disposed to take any action to extend the duration of benefits so long as it appears the Federal Congress is disposed to act in that area.

The Michigan Legislature has developed a program under which duration of benefits would be extended on the basis of two considerations:

First, the length of time the beneficiary has been in the labor market; and

Second, the number of dependents which the beneficiary has.

That is one thing we still have in Michigan, Republican—not Walter Reuther—control of the legislature.

Mr. Reuther, or Governor Williams, I do not know which, testified before the committee the other day—it was the voice of Governor Williams, but the thought was Reuther's—a modern version of: "The voice is Jacob's voice but the hands are the hands of Esau." Though who is Esau I do not know.

The Michigan Legislature is prepared to act as early as May 15—in case the direction in which the Federal progress intends to go can be determined by that date.

Michigan, at the present time, pays the highest average benefit check of all industrial areas.

Our average benefit check is higher than the maximum benefit check paid in 32 out of 48 States.

We have actually in Michigan complied with the President's request that the average employee in the State, if unemployed, be entitled to approximately 50 percent of his wages.

We are the only State which has complied with the President's request in that area.

The current recessionary conditions prevalent within the United States, as are being discussed by the Congress at this time, must, of necessity, be recognized as encompassing only one phase of our total national economy. That phase, which has brought with it a tremendous degree of unemployment and a sharp curtailment in earning power, productivity accomplishment, and tax revenue receipts, is confined to the automotive industry and its principal supplier—the steel industry.

By and large, short of the steel industry and the automotive industry setbacks of the past 8-month period, all other phases of our economy have been progressing favorably under conditions normal to that economy, which we have recognized as wholesome during the 10-year period.

The automotive industry's demands on skilled labor talents have compelled this industry to restrict its productive facilities to approximately one-quarter of the States of this Nation. These, then, are the States which are currently experiencing the unemployment difficulties, the economic recession, while the remaining three-quarters of the States of the Union are progressing under favorable and normal progressive conditions.

It is our considered judgment that the current recessionary trends experienced in the States dedicated to automotive production are the direct product and the direct outgrowth of the Reuther ultimatum to industry of some 8 months ago, encompassing additional wage demands, fringe benefits, and share-the-profit program which, by his statement, were to be accomplished before the extension of a renewed union contract with the automotive industry.

General Motors has called his hand on that one. There is no strike now, not until they sell those 600,000 plus cars.

Kohler called Mr. Reuther and his goons. That is apparent to the public even though some on the McClellan committee strewed roses in his path. And again Reuther has been made to realize that occasionally he is a hot-air artist as well as a demagog.

Prior to the time of this ultimatum, the automotive industry had been experiencing a steady and progressive growth, and the consumer-buyer reaction had been sufficiently favorable to merit a total utilization of all automotive productive facilities.

Shortly after the Reuther demands were made known to the American public, a wave of concern surrounded this Nation which, during these ensuing months, has now curtailed the sale of automobiles to a point where productive facilities in the steel industry are operating at approximately 49 percent of capacity and the automotive industry,

including the manufacturers themselves and their allied and related suppliers, are operating at less than 40 percent of capacity.

We hold that this recessionary trend, isolated as it is to the automotive industry, is directly attributable to a planned program on the part of Walter Reuther to accomplish his objectives of totally socializing America.

Now, permit me to give my version of how this present situation came about. Reuther, as you know, is the successor to Homer Martin, which takes him back to the sit-down strikes of 1936 and 1937 and to the days when he and his brother were writing back from Russia while working there, to their comrades in Detroit to "Fight for a Soviet America."

Let me read you something. This is from Homer Martin, former president of the CIO, given on February 19, 1938:

> I don't know where they are going to get the money for relief and I don't care. "We are on a relief problem again." All I say is that we want it now and we are going to have it. They can worry about the money later.

How do you like that? Somewhat similar in thought to the statement of comrade Earl Browder the Communist, who said:

> We industrial unionists are going to take over the industries some day for three very good reasons:
> 1. Because we need them.
> 2. Because we want them.
> 3. Because we have the power to get them.

The man, Homer Martin, once one of Reuther's buddies but later liquidated by Reuther, in February 1937, referring to Douglas Aircraft factory at Santa Monica, Calif., said:

> If Douglas expects people to ride in his airplanes with a feeling of security, he should have good will in his plant.

In other words, if the American public want to ride in planes with safety they had better see the Communists.

November 27, 1937, Martin stated, at Rochester, N. Y.:

> The worker has a right to participate in the direction and functioning of industries and finance. Likewise, he must have the right to participate in government.

Did you ever hear anything more wicked?

Mr. MACHROWICZ. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Michigan.

Mr. MACHROWICZ. Would the gentleman advise the House if Homer Martin is now a member of the Republican Party?

Mr. HOFFMAN. I do not know about that. But Jimmy Hoffa is or was. You have Walter Reuther. They both ought to be in jail; you know that and so do I. I have just been advised that, while Martin once was a Republican, at present he is a candidate in a primary election as a Democrat.

And if you fellows would do your full duty, which you will not do, even though in full and complete control of Senate and House, Hoffa and Reuther should be. The Democratic Party has covered up for Reuther, perfumed him, and put a flower in his button hole. You went along with Reuther, Mazey, the Ferrazza brothers, and the UAW-CIO goons, not knowing what they were doing then, and some are going along with them now.

You cannot win an election in Michigan except in Wayne County, and perhaps Genesee County, without Reuther—the dollars he squeezes out of workers. Otherwise you cannot expect to win except by CIO financing and CIO direction—too high a price to pay, for they will get you in the end. Your party in Michigan has been doing that for the last 10 years. Just as sure as time rolls on, they will get you in the end—you and your colleagues are just too decent, too honest, too patriotic to go with them all the way when you learn their purpose.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. BARRETT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BARRETT. Mr. Chairman, I rise in support of H. R. 12065, the Temporary Unemployment Compensation Act of 1958 because I believe it will be most beneficial to every State in the Union. I know it will give relief to over 80,000 workers in our great State of Pennsylvania who have exhausted their unemployment-compensation benefits and will immeasurably help another 172,000 additional workers whose benefits will become exhausted before the end of 1958.

We all have talked and talked and talked about the current recession and a majority of us have our own ideas on how to again bring prosperity to this Nation. Many plans have been detailed and published in the newspapers throughout the country, but unless definite action is taken to put them into effect we have no hope for beating the recession.

It is very unfortunate that the workers of America must suffer and struggle through the period of uncertainty and unemployment that now exists in America. It is up to us, their Representatives in the Congress of the United States, to restore their hope and faith in us by enacting logical and sensible legislation to combat this business slump. Some say we are in a recession, but in my opinion we are heading for a full-fledged Hoover-type depression.

This bill before us today will fill a very acute need for individual families hurt by this recession. It will help sustain the purchasing power so necessary to our small-business men.

Pennsylvania has been very hard hit economically as has the Philadelphia metropolitan area. Hundreds, yes thousands, of people in Philadelphia are out looking for work every day, but to no avail because there are not any jobs available.

The branch offices of the State unemployment compensation division in Philadelphia are overcrowded from morning until night with applicants waiting to draw their benefits. Long lines of men and women form every morning when the offices open and there is no letup until closing. Many of these people are drawing their last checks and wonder as they leave the counter what tomorrow will bring inasmuch as they know they are not entitled to additional compensation benefits.

These are the people we must help. We must give financial assistance to those who many months ago withdrew the last of their compensation and we cannot forget those who shortly will exhaust their rights to benefits.

The bill before us will financially help these people so let us forget politics and pass it. Let us start the ball rolling to defeat the recession and restore our Nation's economy.

Our Governor and his administration urge that this bill be enacted into law. The Pennsylvania Federation of Labor favors its passage. All the unemployed men and women in Pennsylvania hope it will become law. What better or more proof must we present to prove that this is a good, sound, workable piece of legislation? None whatsoever.

Gentlemen, I urge your wholehearted support of H. R. 12065 and hope it will pass the House today or tomorrow.

Mr. MILLS. Mr. Chairman, I yield 3 minutes to the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Chairman, I rise in support of H. R. 12065.

About 600,000 employees throughout the United States have exhausted their unemployment insurance since the beginning of this year. It is estimated that current exhaustions run in excess of 50,000 each week. An additional 3½ million workers throughout the country are presently collecting unemployment insurance and many of these are facing the immediate exhaustion of their benefits. More than 2 million unemployed are not getting unemployment benefits and many are dependent upon charity for their support. The recent hearings before the Ways and Means Committee showed conclusively that the burden of public assistance has increased in most American communities in recent months. Personally, I feel that the Congress should face up to its responsibility and pass this legislation and disregard the administration spokesmen who say that the bill will be vetoed in its present form. It is our duty to provide for the needs of the people which the administration keeps ignoring.

I am sure we recall that administration spokesmen promised action if spring should fail to bring an upturn in economic activity. Well, the much awaited and hoped for spring upturn has not materialized, and we cannot permit suffering and misery to continue without acting on behalf of these people.

Insured unemployment is now at the 8 percent level, the highest since the big depression of the thirties. We must further recognize that in this case our grave unemployment situation is in a large part due to the unfortunate economic policies of this administration. The administration has refused to support the type of legislation that the people of this country need and instead has furthered high interest rates, tight money and a

tax policy that benefited the wealthy corporations.

Just 2 years ago, Congress was ready to pass effective legislation to aid depressed areas throughout the country. I fully believe that had this legislation been enacted, part of our present troubles would have been avoided. The administration sabotaged this legislation.

It is up to Congress to act quickly and forthrightly in order to prevent the suffering and misery and to reverse the economic downturn from which the country is now suffering.

The committee bill, H. R. 12065, providing temporary unemployment compensation payments for a period beginning 15 days after the approval of the act through October 31, 1959, constitutes a major step in our effort to alleviate the effects of the current recession. It provides for payments totaling 16 times the weekly benefit amount for all unemployed workers who have exhausted their benefit rights since June 30, 1957, and prior to June 30, 1959. It also provides payments to unemployed workers who have had sufficient earnings during the base period in noncovered employment or in both covered and noncovered employment to qualify for benefits in accordance with the laws of the State in which they were employed.

The supplemental payments shall be made from the Federal Treasury and are nonreimbursable by the States. This plan is intended to cover the current emergency only and is simply an extension of the State laws which have been in operation for the past 20 years.

It does not, as some of its critics assert, change or limit the laws of a single State, and payments can be made only in States which enter into agreements with the Federal Government. The State agencies will supervise and make the payments as agents of the Federal Government. Let me repeat for emphasis, that all these payments will be subject to the same limitations including both the amount and the eligibility that are now in effect in the various States, under the State laws, except that they provide for additional payments beyond the limitations set by the State laws and provide for payments to the unemployed workers who have earned substantial wages in noncovered employment.

In my own State of Kentucky, these wages must be $450 or more during the first 4 of the preceding 5 quarters with at least 8 times the weekly benefit amount earned during the last 2 quarters of the base period.

By no reasonable stretch of the imagination can these payments be considered a part of a relief program or a dole. They follow the sound basic insurance principles which have been followed for the past 20 years by all States and Territories now paying unemployment-insurance benefits. The payments are based on base-period earnings and the amount is computed on these earnings following the same formula now in effect in the various States.

For those workers whose earning have been in noncovered employment, the administrative problems to be overcome are not too different from the current problems faced by States such as Maine and Wisconsin who make extensive use of wage and separation reports in lieu of wage records. A major portion of these problems could be eliminated by providing for an agreement between the State agencies and the Social Security Administration which would allow the latter to provide the wage records to the State agencies of those unemployed workers who have been employed by small firms not now covered by certain States. Of the remainder, many will have W-2's showing their earnings for the past calendar.

The problem is similar to that in the case of claimants whose covered employers failed to make reports and payments of wages paid. In other words, a claimant's eligibility depends on his base-period earnings and not on taxes paid on such earnings. The Labor Department estimates that there are 600,000 unemployed workers with substantial base-period earnings on noncovered jobs.

The number of unemployed workers continues to increase as illustrated by the number of eligible claimants for the past 3 months. The current total at 3,443,600 is an all-time high.

	1957	1958
Feb. 16	1,808,000	3,200,800
Mar. 23	1,607,200	3,361,300
Apr. 13	1,526,100	3,443,600

The 1957 pattern follows the normal seasonal downward trend expected during the spring pickup, while 1958 totals reflect a contraseasonal upward trend this spring. This upward trend would be more marked except for the fact that the exhaustion of benefit rights is removing some 200,000 claimants from the rolls each month. In normal times, the number of exhaustees is much lower and their opportunities to obtain new jobs, now almost nonexistent, is much better.

In summary let me say, first, this bill does not depart from the insurance principle underlying unemployment compensation insurance; second, it follows the State laws in making the payments in each State and for that reason imposes no threat on the State systems; third, it adheres to the original principle of the unemployment insurance program that base period earnings shall be used to compute the benefit amounts, and the determination of eligibility; fourth, it is strictly an emergency measure and automatically expires October 31, 1959.

Mr. Chairman, I am hopeful that the legislation will pass in its present form. We must not ignore the needs of the country. This legislation should be enacted without any further delay and without any changes.

Mr. REED. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, I take this time because there has just come over the news ticker a statement by one of the leaders of the Democratic Party to the effect that President Eisenhower used deceptive figures in setting forth the unemployment statistics for April, and asserting that the recession is leveling off on the basis of these statistics; stating that the people are entitled to the facts about the economic situation and that they did not get them yesterday. Then he sets forth what the unemployment figures are, the actual figures against the seasonally adjusted figures, maintaining that these Department of Commerce figures were inaccurate because they had not been seasonally adjusted.

I have in my hand the statement from the Office of the Secretary of Commerce in which it makes very clear that the figures that are listed are not seasonally adjusted although they are related to the April figures of 1957. In the body of the statement it states that as a result the seasonally adjusted rate of unemployment rose to 7.5 percent. But here is the principal thing to which I wanted to call attention. Just who has been juggling figures? Here are the seasonally adjusted figures that the spokesman for the Democratic Party listed in his press release:

December, the adjusted figure, 3.4; January, the adjusted figure, 3.9; February the unadjusted figure, 5.17, but the adjusted figure was 4.5; March the unadjusted figure 5.198, or 5.2. The seasonally adjusted figure for March 1958, 4.8.

I leave it to the decision of the House what figure they have been hearing on the floor of the House day after day. It has been the 5.2 figure, which is the March and February unadjusted seasonal figure. Of course, in unemployment, the figure that is important is the seasonally adjusted figure. But it certainly has not been this administration that has been using the unadjusted figures, but rather the spokesmen who are trying to spread gloom and doom throughout the country. They just cannot stand the idea that there were 500,000 more people employed in April above March. Those are the facts; and also that there is a figure of 78,000 people who have gone off the unemployment rolls. Seasonally adjusted, of course, we cannot use that as a basis for predicting a great rise in our economy, but certainly it is an encouraging sign, and it was accurately stated not out of context. I set forth the full statement of the United States Department of Commerce:

Secretary of Commerce Weeks announced today that employment continued upward by 600,000 to 62.9 million in April, while unemployment—at 5.1 million—did not change significantly from the 5.2 million level reported for March.

Nearly all of the employment gain resulted from the customary spring pickup in agriculture and other outdoor activities. The increase in employment without a corresponding drop in unemployment occurred because most of the additional farm workers were housewives and students who had been previously outside the labor force.

Many previously unemployed men were rehired in seasonally expanding outdoor activities over the month, but these improvements were largely offset by further layoffs in other sectors and an unusually early influx of students into the labor market in search of jobs. As a result, the seasonally adjusted rate of unemployment rose to 7.5 percent.

These summary figures of the Bureau of the Census are being issued in advance of

the combined employment and unemployment release of the Departments of Commerce and Labor because these estimates were available at an unusually early date this month. The combined release, to be issued next week, will present a detailed analysis of the job situation, incorporating the statistics of the Bureau of Labor Statistics and the Bureau of Employment Security as well as those of the Bureau of the Census.

The summary estimates are shown in the following table:

Summary of estimates: March and April 1958 and April 1957

[Thousands of persons 14 years of age and over]

Employment status	Apr. 6–12, 1958	Mar. 9–15, 1958	Apr. 7–13, 1957
Total noninstitutional population	121,656	121,555	120,057
Total labor force including Armed Forces	70,681	70,158	69,771
Civilian labor force	68,027	67,510	66,951
Employed	62,907	62,311	64,261
In agriculture	5,558	5,072	5,755
In nonagricultural industries	57,349	57,239	58,506
Unemployed	5,120	5,198	2,690
Not in labor force	50,975	51,397	50,286
Seasonally adjusted rate of unemployment	7.5	7.0	4.0

Source: Bureau of the Census.

Mr. MILLS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I rise in support of the bill that is before the House for consideration. I have listened to quite a number of the speakers here on the floor, particularly from the other side of the aisle, in which they have claimed that the speakers on this side of the aisle have been prophets of gloom and doom.

I have in front of me on the desk the Wall Street Journal of Wednesday, April 30. If this be a Journal of doom and gloom, make the most of it. I want to read some of the headlines in this Journal which is usually considered the spokesman of business in America.

On page 5: "United States Steel First Quarter Net Fell to $1.04 a Share From $2.03 in 1957."

A notation is made that the company made no pension fund payment during the first quarter. If it had, the figure would have been 24 cents less than that.

On page 7: "Major Building Awards Fell 12 Percent, the Fourth Drop in a Row From 1957 Rate."

The next headline is as follows: "Analysts Blame New Car Slump on High Prices, Credit Excesses."

The next headline on page 8 is the following: "Mine Operators Hit Administration Plan for Price Props on Metals."

The next headline we read in the Wall Street Journal is this one: "Ohio Oil Profits, Sales Fell in First Quarter."

Then we pass over to page 10 where we find four items.

The first two: "Olin Mathieson Profits Fell Sharply in Quarter; Sales Drop Slighty" and "W. T. Grant Says Sales in First Fiscal Period Fell a Bit from 1957."

Then the next one: "Socony Mobil Earnings Fell Sharply in Quarter From Like 1957 Period."

The next one: "Atlantic Refining Sees Second Quarter Earnings Trailing 1957 Period."

Then we turn to page 11 where we find another headline as follows: "IBM Reports Its Decline in Orders Ended in March."

Then we turn to page 15 and we find another headline: "Eastman Kodak Profit Fell in 12 Weeks to March 23."

The next one is: "Skelly Oil Profits Fell Sharply in First Period From Like 1957 Quarter."

The next headline is: "Phillips Petroleum Says Quarter Net Fell; Cities Cut in Oil Output, Prices."

And so on, and you could go on through the Wall Street Journal and you will find only one or two optimistic items in the entire issue.

Oh, yes, here on page 19 we have another item: "Columbian Carbon Net in First Quarter Fell Sharply From 1957."

On page 21, there is this headline: "Cities Service Says Profit Fell Sharply in the First Quarter."

Well, I could go on through this issue and give you all the rest of the gloom and doom predictions which you find in the Wall Street Journal.

Here back on page 28, there is this headline: "GM Quarter Net Fell to 65 Cents a Share From 93 Cents a Year Ago."

A 33⅓-percent drop.

In the face of all these reports, how can some of the people on the other side of the aisle say that we are prophets of gloom and doom. We are merely recording what is happening in America today. When I was home during the Easter recess, and my District includes downtown Los Angeles, and the area east of Los Angeles which is the industrial section of that city, I found out that the people there, and I am not speaking just of the people who are unemployed, and incidentally we have the highest unemployment that there has been in many years, I am talking about the small-business man and the big-business man and the automobile dealers and the other people that I am talking about—they were interested in one subject and that was the subject of unemployment and what the Congress was going to do about it. I say it is high time that this Congress recognized the facts. You do not have to be a prophet of gloom and doom to read the thermometer or barometer and see that they are falling. So we are recognizing the facts of our industrial system. We are recognizing the fact that it is on the decline and that it has been going down steadily. Although there was a small increase in employment during the month of April, which just passed, it is not the kind of increase in employment which ordinarily occurs during this time of the year. So when anyone points to the figures of rising employment in April and does not point to the comparative rate for 1957 showing how employment ordinarily rises at this time of the year, it is entirely irrelevant.

So, Mr. Chairman, I am glad this committee has recognized these facts and has brought in a bill which will help to some extent to remove the doom and gloom that is in the homes of millions of people who are unemployed in America today, and those millions run closer to 6 million in my opinion than they do to 5.2 million which is the official figure. I want to bring up one point at this time which has not been considered, and it is a point that is very important. That is the number of employees in America who are working on a short week and who are working on short time. These people are not listed as being unemployed. But, in my own District, many industrial workers are working 3 days or 4 days a week and they are still listed as employed although they are unemployed for part of the week. The reduced purchasing power of part-time workers is also an important factor in the business recession, although it is not recognized in the unemployment figures as issued by the Federal Government.

Mr. MILLS. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Chairman, I rise in support of the bill, H. R. 12065. The more than 5 million workers who are unemployed and the more than 500,000 unemployed workers who have exhausted their benefits under existing legislation do not want to hear speeches or to receive press releases. They do not want to hear any threats of a veto of legislation which is designed to help them. They want affirmative action now.

Mr. Chairman, I have been appalled during the last 2 days to hear speeches stating that there is no need for this legislation, that there is no need for help. Looking through the record, I note that every State in the Union, except Vermont, has at least 1,000 people who have exhausted their benefits since January 1958. Four of five States have over 30,000 workers who have exhausted their benefits since January. The Secretary of Labor has stated that 500,000 have exhausted their benefits since the beginning of January, and estimates that in 1958, 2,300,000 will exhaust their benefits. In view of these facts, can anyone say there is no need for help from us at this time? I was very fortunate, indeed, Mr. Chairman, in the State Legislature of my State of New York to have been on the Joint Legislative Committee of Labor and Industrial Conditions. It was the concern and domain of this committee to study the unemployment insurance system in the State of New York. We have a pretty good system in our State of New York. Despite the resistance and the opposition of the chambers of commerce and the opposition of associated industries, we have gone forth and extended generous benefits to the workers. Yet, with every advance for the worker, we have some preclusions, we have had some resistance so that today instead of probably having 7 categories of exclusions, we have about 17. Imagine, in the State of New York, and I venture to say it exists throughout the United States, the workers who administer the unemployment insurance systems are not covered by unemployment insurance. It is ironical. They enjoy neither tenure or unemployment benefits. After 5 months of work these temporary employees are released and they do not receive unemployment insurance benefits from the very

State which administers it. That condition exists in almost every State of the Union. Postal employees who are on a temporary basis, substitutes who are working for 5 or 6 or 8 months on a temporary basis, find that when they are let go they receive no unemployment benefits from the Federal Government.

Title II of this bill is designed to take care of those people. This bill H. R. 12065 proposes to take care of those people and at the same time take care of those who have exhausted their benefits.

I would like to bring to your attention one news item that is of interest to me. I read the President's answers to questions put to him by the press this morning. He says it might be wise for himself and for some people to go back home and find out what is going on. I suggest that many of the Congressmen who live far away from home, and live in their ivory towers here in Washington go back to their neighborhoods and find out what is going on, to find out how many people are unemployed and what their problems are.

I live in the State of New York. My District is populated mainly by people who work and toil. In my Congressional office I interview 50 or 100 people every week. I see skilled employees, carpenters, plasterers, and plumbers saying, "I cannot support my family because work has stopped." I have seen temporary postal employees released to make way for civil-service employees, ask for jobs which they cannot get because there is no available work. Carpenters 59 years of age cannot qualify for social security because they are not yet 65 and they are not so disabled that they can qualify under disability sections. They cannot find gainful employment and if they did, they are usually rejected because of their advanced years.

I have seen mothers come in my office trailed by their children, having to go out and get menial work because their husbands are out of work and they must have food and milk. Have you seen these situations in your district?

I suggest you come down from your ivory towers and find out in your districts what is taking place.

Is this program administratively practicable? As far as feasibility of this bill is concerned, may I say this: The industrial commissioner of the State of New York says it is administratively feasible, and yet we have an unemployment system which includes all firms having one or more employees.

This result was not accomplished overnight.

Finally, after 10 years, we have adopted the principle that every employee who qualifies shall have the advantages of these benefits. Our New York system does not cover the casual employee. It does not cover the State employees. Many States still have a system which includes firms having four or more employees. Workers in firms having less than four employees are not covered in many States. It makes no sense. That is why I say that a uniform standard should be adopted by the Federal Government. We do not have it in this bill but it will come.

This program is a joint partnership between employees and employers. I was pleased to hear the gentleman from Louisiana [HALE BOGGS], state that this is a venture between industry and labor. In my Congressional office I have seen people come in with judgments. They have lost their jobs, they have lost their frigidaires, they have lost their automobiles and in addition to losing their chattels they have deficiency judgments against them. The worker has no car, no frigidaire, and the merchant has no customer.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield.

Mr. HOFFMAN. You say they have lost their jobs and they have lost their refrigerators. Do you know why?

Mr. SANTANGELO. Yes, because they are out of a job and you have done nothing about it.

Mr. HOFFMAN. Because you cannot ruin a business and pay them too.

Mr. REED. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Chairman, millions of Americans are watching this Chamber today. To most of them, in one way or another, the Congress of the United States is on trial.

All of us, regardless of personal views or partisan persuasion, can take comfort in the fact that whatever the conclusion of our deliberations, we are demonstrating here the goodness of our political system. There is no hindrance to free expression, thorough debate, or parliamentary probing. Faced with a controversial question of far-reaching impact, we are, in the best tradition of representative government, seeking a solution worthy of our high place in the American scheme of self-rule.

I want to say to colleagues on both sides of the aisle that I have heard from the people back home and I am proud of the right to represent them here today. Above all, let me assure those representing other sections of this great Nation that the 10th District of Indiana is neither isolated nor insulated from the country at large. It is typically American, and in this recession, it is experiencing its share of hardship, for much of its manufacture is intimately bound up with the automotive industry. But in recent weeks as we approached this very day, I have paid increasing attention to the returns in my District's public-opinion poll. Today the poll is closing with nearly 11,000 marked ballots on hand. Fully one-third of that number have been accompanied by letters or bluntly worded messages.

I would do the people of my area a disservice if I were to vote for the committee bill. They do not contend that nothing should be done for the unemployed, but they make plain that they—and I include most unemployed—do not approve a Federal dole, nor do they seek any other thinly guised form of political charity. They favor honorable employment for those wishing it, and they are properly concerned with the outlook of the neighboring family that has lost its livelihood. But against the temptations of tax-paid relief, they have said in effect: Do not let our Government lose direction in an hour of stress. Uncle Sam must stand firmly by those principles of moral integrity that will keep our country sound and solvent, today, tomorrow, and always.

Striving together in good faith, we of the Congress can contribute historically to national economic recovery. Toward that end we must devote our best efforts without deserting or betraying our responsibilities to constitutional government.

Mr. REED. Mr. Chairman, I ask unanimous consent that the gentleman from Maryland [Mr. DEVEREUX] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DEVEREUX. Mr. Chairman, I would like to call to the attention of the House that May 3 is the anniversary of Poland's Constitution Day, the Polish national holiday, which for 167 years has been celebrated on that date.

I have known many Polish people and admire their fortitude. It is my sincere hope that the people of Poland will continue their friendship with the citizens of this country.

Mr. REED. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, I think all of us recognize that we have unemployment in this country today, and the figures show a degree of unemployment that is higher than any of us condone. We also feel in our hearts, I am sure, each and every one of us, a desire to do anything reasonable, anything consistent, anything sound to relieve the situation of the unemployed; but as we approach the problem, Mr. Chairman, let us keep our heads.

We in the Congress, it seems to me, hold the responsibility to set some examples by our action and conduct here; and one example we must set is to act reasonably and responsibly. If we are going to act responsibly in this matter we cannot put the stamp of approval on the bill presented to us by the majority of the Ways and Means Committee. To adopt that bill would be irresponsible.

I am not going to ask anyone to take my word for it or the word of anybody who is on the committee and has heard the testimony; I would ask rather that you take the word and the authority of experts in the field. You are going to turn this program over to administration by State agencies, by State unemployment compensation administrators. If you are going to trust them to administer this program, trust them also then in their advice as to whether this program presented by the committee is a sound program.

These administrators have recently been requested to advise as to whether they can administer the program we are presenting to them, what would be entailed in it, what the problems would be. Word has been received from 38 of the State administrators, the very

people, mind you, whom you are asking to administer the program. What was the information? Six of the 38, 6 say that in their particular State they believe they can administer it, but in each case they say with difficulties, with serious difficulties, difficulties such as the additional personnel which is going to be difficult to get and train in the short period of time available; difficulty in acquiring new equipment which they must have in some areas; difficulty in getting new facilities in the way of floor space and office space. Six say that even with some of those particular problems they can cope with the situation and they can make it work.

Mr. Chairman, when we get back into the House I am going to ask unanimous consent to have the replies from all of these administrators put into the RECORD so you will have before you the complete statements made by those who say they can administer it and those who say they cannot. But 32 said they could not administer it. They said the difficulties and problems were insurmountable and we should avoid adopting the committee bill at all cost.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. REED. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BYRNES of Wisconsin. Mr. Chairman, the questions asked and the administrative opinions expressed by State employment security administrators on title II of H. R. 12065 are as follows:

ADMINISTRATIVE OPINIONS EXPRESSED BY STATE EMPLOYMENT SECURITY ADMINISTRATORS ON TITLE II OF H. R. 12065, 85TH CONGRESS, 2D SESSION

On April 29, 1958, Mr. William U. Norwood, Jr., president of the Interstate Conference of Employment Security Agencies, sent the following telegram to the administrators of the 51 member State agencies of the conference:

APRIL 29, 1958.

To All State Administrators:

Disregarding policy issues raised by both title I and II of H. R. 12065, this interstate conference poll, authorized by the executive committee, requests for Congressional use your administrative opinion by wire, Bill Curtis, on (1) workability of title II (which authorizes benefits for individuals employed in noncovered employment) as to promptness of payment, obtaining needed supporting records, and fraud; (2) impact on regular program. Replies will be quoted without identifying States. Urgently need your reply by noon (12:00 e. d. t.) tomorrow, April 30.

WILLIAM U. NORWOOD, JR.,
President.

Attached are the verbatim replies, without identification of State, thus far received from State employment security administrators:

"9. Benefits to noncovered wage earners cannot possibly be prompt. Many instances wage information will not be readily obtainable, especially instances of agricultural workers. In some cases it is presumed we will be required, if title II becomes law, to pay benefits on claimant affidavit entirely. Chance for fraudulent filing of course great. Passage of title II could have serious effect on insurance aspects of regular program.

"10. (1) Title II workable. Payments as prompt or better than UCFE, or any other wage request basis program. Would anticipate better results obtaining supporting records than UCFE because wage sources predominantly local. Can see no fraud problem. (2) Impact on program should be good. Will dramatize present deficiencies in coverage and tend to force corrective action.

"11. Leaving policy issues aside we believe that title II program of jobless benefits for noncovered workers would be difficult and costly to administer, with many payments delayed, with needed employment and separation data unavailable in many cases, especially from farmers and housewives, and with less control as to fraud and other abuses, thereby tending to discredit State jobless laws and administration.

"12. Unemployed persons eligible for benefits under —— law who have exhautsed benefits since April 1, 1957, to date, 14,430, or 11.6 percent of total drawing benefits. In order to withstand impact of unemployment —— is in favor of supplemental benefits. Provision to give benefits to persons not covered by —— law is contrary to basic principles of unemployment insurance and would associate unemployment insurance with general welfare program. Tremendous difficulties of administration would result in excessive delays in payment of benefits. Because of inability of establishing base wage, either accurately or promptly, seriously interfere with the operation of unemployment insurance program for covered workers and undoubtedly many persons would obtain benefits improperly or fraudulently which would be difficult to detect.

"13. Believe title II proposed bill covers matter properly within jurisdiction of public welfare field. Not unemployment compensation at all.

"14. Title II would impose most difficult operating problem in determining monetary eligibility. Anticipate substantial numbers overpayments and fraud. Impact on regular program would be great.

"15. ——— would find no unusual administrative problem as a result of title II, H. R. 12065. Claims could be processed promptly. Our request reporting system would provide necessary wage and employment information and fraud problems would be no different from those under current operations. Impact on regular program would be no different from that caused by any other increase in workload.

"16. Title II of H. R. 12065 unworkable in ———. Anticipate great difficulty in obtaining accurate wage data from noncovered employees. Lack of employer ability and incentive to cooperate in preventing unauthorized payments serious obstacle in preventing and detecting fraud. Attempt to expand present overtaxed facilities to administer title II bound to have deleterious effect on regular program.

"17. Believe title II highly impractical. Would require this quarterly reporting State to adopt request reporting from employing units, majority of whom could not be relied upon for accurate reporting. We feel only practical way to assure any reasonable promptness in making payments would be to take affidavits from nearly 100 percent of claimants. Door would be wide open to fraud and number of improper payments would be excessive. Increased load would be a strain on our present staff and equipment and no doubt would adversely affect normal program operations.

"18. State agencies have too many different programs already. In many places space and facilities are already insufficient. Anticipate procedural difficulty obtaining reports from noncovered employers, numerous inaccuracies and resulting delays. Lack of employer financial responsibility will remove principal deterrent to fraud.

"19. We are absolutely opposed to H. R. 12065 and any other bill for Federal supplementation of benefits. We believe that the coverage of noncovered employment will delay payment of claims. It will be almost impossible to obtain needed supporting records and this will tend to fraud. This bill has a tendency to weaken State programs and will eventually lead to federalization.

"20. Handling backlog of exhaustees and noncovered unemployed would create a difficult problem at commencement of program. However thereafter act would appear workable. Wage request States are in a fairly good position to handle this type of legislation in obtaining needed supporting records. Fraud obviously a problem but can be handled properly if sufficient funds are allowed for efficient policing. Space and machine production limitations may offer a considerable problem.

"21. Title II is entirely unworkable on following basis: (A) Added workload composed primarily of ineligibles will necessitate unreasonable expansion of staff, equipment, and quarters. (B) The obtaining of wage records in most instances will be a slow and costly process, and all benefit payments will be unreasonably delayed. The obtaining of such records in a primarily agricultural State will be impossible of achievement. In the absence of proper and valid wage record fraud will be rampant and uncontrollable. Administration of title II would entail expenditure of funds for expansion of staff, equipment, and quarters entirely unreasonable in terms of effective workload produced. By this we mean that eligible claims filed as percentage of total claims filed would in no sense justify such vast expenditures. Also, the low ratio of eligibility among claims filed would totally wreck public confidence in State U. I. agencies.

"22. Additions to State job insurance neither administratively feasible nor workable. Would seriously impair present State-Federal system.

"23. Obtaining wage information on agricultural workers and domestic servants will be impossible in the majority of cases as no record is kept about earnings. Obtaining wage information from others would be simplified if we could place a penalty upon the employer for refusing to reply to our request. If benefits are based on affidavits concerning wages the amount of fraud in this program will be a national scandal. We should not experience any difficulty in getting wage information on schoolteachers out of work during the summer months. In order to handle the additional claimants reporting to our offices it would require paying our present claimants every other week rather than weekly and would delay payments. The estimate of the administrative cost of title II is far below the actual money needed for this purpose.

"24. Re H. R. 12065 our opinion item 1 no legal authority to require employers to submit base period wage record. Such records would have to be obtained by request from employers or OASI. Response from employers on wage records would be slow, inaccurate, and in many cases such records would not be available or would not be furnished. Promptness of payments would depend on promptness of employers response and availability of trained personnel to handle program. Fraud would be far more prevalent than under regular program due to lack of means for policing this group of claimants and item 2 we anticipate considerable adverse criticism in the administration of this title; also, delay in processing of payment under regular program.

"25. Workability of title II doubtful. Promptness of payment hard to determine. We are an agricultural State and would receive large number of seasonal claims. We cannot predetermine how promptly payments could be made, but are sure there would be delay. We would need to nearly double our unemployment insurance and

local office staff. Fraud problems would be multiplied. Title II claimants would definitely interfere with regular program and overtax our present facilities.

"26. Regarding workability title II, H. R. 12065, irrespective of policy issue, in ———, because of coverage one or more only minor number workers excluded from normal coverage. Such noncovered employers have high business mortality rate and general lack of records. Other excluded coverage consists principally of agricultural workers of whom large segment is composed of interstate migrants. No possibility verifying earnings records. Processing benefit claims would be cumbersome, slow, and inaccurate with little safeguard against collusion and fraud. Payment of such benefits would establish precedents that would ultimately undermine entire employment-security system.

"27. (1) Workability of title II of H. R. 12065 as presently written exceedingly difficult due to problem in obtaining needed supporting records. The difficulty in securing wage records and other necessary information would be accentuated with respect to agricultural workers. Due to inadequate records and suddenness of program it would be difficult to make payments promptly and there would doubtless be a greater instance of fraud. (2) We estimate that due to sudden and heavy increase in workload, payments of benefits under the regular program would be slowed down to an extent not determinable at present.

"28. Promptness questionable and could affect promptness of State program. Difficult, time consuming, and very expensive to obtain needed supporting records and in numerous instances would have to take only claimant's unsupported statement. Considerably more opportunity for fraud and more conducive for claimant to attempt fraud than the conditions under which regular program is operated. Fraud detection in instances would be practically impossible. In many instances lack of proper supporting records and consequently no opportunity for necessary checking and investigation would have considerable impact on regular program. Public opinion would associate the proposed program with a giveaway and become critical with the present acceptance and good reputation of the regular program being destroyed. Could bog down operations of regular program to a damaging extent and delay regular program payments.

"29. Difficulty with proof of earnings would somewhat depend on stringency of Secretary's regulation but would appear almost insuperable at best in the case of agricultural and domestic workers. If regulations were relaxed sufficiently to facilitate obtaining supporting records, high incidence of fraud would be inevitable. Forty-five-day effective date impossible to meet because both local and central office space, staff, and equipment are presently inadequate to handle proposed program. Effect on regular program most deleterious mechanically and would destroy insurance aspect of regular program carefully nurtured since inception.

"30. Title II is workable. However, inclusion of agricultural and domestic labor will present administrative problems in obtaining wage data, reasons for separation and in application of law. With respect to these two groups promptness of first payment would undoubtedly not be assured to the same extent that it is under the regular program. Inclusion of the other exclusions will increase the claims load.

"This will not present any insurmountable administrative problems. Under wage request reporting system wage records should be obtainable with reasonable accuracy and promptness. Without experience there is no reason to believe that the incidence of fraud will be greater than under the regular program.

"Impact on regular program (exception noted above) will have no different effect than would any other increase in workload.

"31. It is our administrative opinion that: (1) Pattern of noncovered employment is such as to make prompt payment and the obtaining of needed supporting records under title II highly improbable. Title II would seem to present immeasurable opportunities for fraud. (2) Impact of title II on regular program would probably seriously impair efficient and effective administration as required by State and Federal laws and regulations.

"32. Delay inevitable in promptness of first payments, would encounter difficulty in gaining access to agricultural work records. Experience has shown no increase in fraud problem on previous increases in State coverage due to elections to coverage by State government and farm units. Administrative costs in an agricultural State would be extremely high and staffing difficult. Would necessitate a substantial increase in personnel and equipment to eliminate danger of injury to existing unemployment insurance program.

"33. I have already expressed to members of my State's delegation my opposition to H. R. 12065 and particularly to title II which I believe to be unsound and unworkable. My principal objection is that I believe it will tend to break down the unemployment features of the law by using the machinery of the Employment Security Administration to make payments which cannot be characterized in any way except as a dole. I favor H. R. 11697 and subsequent adoption of minimum standards on the subject.

"34. Title II would present many difficult problems in administration and for many claimants there would be considerable delays in payments. Difficulties encountered in securing supporting wage and employment dates would not be insurmountable with adequate administrative staff. See no reason why there should be high rate of fraud in view of basic honesty of most American people. There will be added problems in regular program but see no deterioration if adequate staff is made available.

"35. Title II would require additional staff of at least 50 persons. Payments would be delayed for lack of supporting records. Door opened wide to fraud. Regular program will be disrupted due to use of all personnel interviewing and securing pay records of all noncovered applicants.

"36. Provisions of title II of H. R. 12065 in our opinion will be difficult to administer but not impossible. Supporting records will be difficult to obtain. This will delay payment much longer than present payment. Fraud payments may be greatly increased. The present program will not be delayed by impact of this program.

"37. Payments would be long delayed because of extreme difficulty to obtain wage data, particularly with respect to agriculture and domestic employment. Fraud would be very difficult to control. Entire concept of unemployment insurance is being violated and in such a way as to destroy a heretofore good program.

"38. Workability title II: Promptness of payment would be adversely affected by necessity of obtaining wage and separation information from inexperienced claimants and employers. Difficulty expected in obtaining adequate supporting documents from claimants and employers. Possibility of fraud greatly increased by agency's inability to cross-match benefit payments against wages earned during claim period and inability to check wages reported by employers. Would affect unfavorably payments under regular program.

"39. Title II creates many administrative problems especially with respect to agriculture and domestic worker coverage problems with respect to other noncovered workers in title II not considered to be wholly insurmountable. Some delay in promptness of payments must be expected. Ability to obtain accurate supporting records for payments of benefits will be difficult in many instances. Fraud will likely increase due to lack of controls presently existing in established unemployment insurance program. Impact on employment service could be serious at first and continuing for estimated 2 months. Impact on regular unemployment insurance program will be limited if sufficient administrative funds are made available for additional staff, increased number of offices, itinerant points, visits to itinerant points, and training. Sufficient administrative funds must be available and not limited by unit times.

"40. Workability title II relatively impossible due to provisions of bill requiring compliance with State law involving the securing and determination of wage records that may be nonexistent or nonattainable which would preclude the possibility of any majority of prompt payments; delay in most payments estimated to be at least 6 months. Poll of farmers, and ranchers, and employers of domestics contacted shows prevailing absence of individual wage records and even total absence of dependable mediums for identification of workers. The problem is therefore not ways of processing claims rapidly and efficiently but how to do it at all. The alternative of accepting affidavits of claimants to establish wages already known from experience to be completely unreliable. W–2's frequently not issued. More frequently not kept, and lacking in all cases in detail needed for claims. Fraud and overpayments resulting from the above difficulties would reach proportions describable only as statewide pie in the sky. Not only that but the same difficulties would render most fraud virtually undetectable. No conceivable investigation machinery could handle one-tenth of the cases. Impact on regular benefit program and connected activities, which already strain our administration, would most certainly slow the taking and processing of regular claims and the payment of regular benefits to an extent that would destroy their effectiveness as a prompt remedy for the hardships of unemployment and would destroy the hard-earned acceptance now existing among the portions of the public we traditionally deal with, and would antagonize the new groups of employees of farm, and ranch, and domestic workers. These new antagonisms would render impossible for years any new forward looking legislative extension of our State program because of employer resistance to a program that is being completely disrupted and its whole concept changed by title II proposals.

"41. Promptness of payment to noncovered workers cannot be guaranteed. We estimate delay of several weeks in majority of such cases. Our opinion impossible to obtain needed payroll records of earnings during base period to compute claims for benefits, particularly agricultural and domestic workers, to assure validity of such claims. Lack of proper records will require payment of claims based upon affidavits from claimants as to estimated earnings during base periods. Such payments present potential hazard for improper or fraudulent claims. Cost of special payroll audits of noncovered employers and subsequent investigations to match earnings against those claimed in affidavits would be prohibitive. Our opinion is the inclusion of noncovered workers contemplated in title II would have adverse effect on regular program due to (1) substantial increase in workload which raises many new concepts and problems; (2) complexities of new program would require substantial training of present staff and addition of large number of new employees resulting in diversion of management and supervisory time of present trained workers;

(3) additional workload probably could not be absorbed without additional space, furniture, and other items; (4) widespread public information program would have to be undertaken.

"42. Re H. R. 12065 (bills) unemployment insurance extension proposal. Title I administratively feasible and can be put into effect immediately. For some workers with only limited work attachments extended duration would exceed original entitlement. Title II administratively cumbersome. Securing wage data for 1957, or earlier, would be difficult for such groups as agricultural, domestic, and casual workers. Payment to such groups would be time consuming and leave much room for error and possible fraud. Payment to be prompt would in many cases have to be made on basis of affidavits. Desire to get money into hands of unemployed workers not covered by regular insurance program by combining it with unemployment insurance program would dilute the insurance principle which we have fought so hard to maintain through the years.

"43. To administer title II would require requesting wage and employment information from noncovered employers. Neither the proposed act nor our State law authorizes us to enforce demand for such information from noncovered employers. Such employers furthermore may not have necessary information in absence of wage and employment records. Our law permits payment of benefits to covered workers based on worker's statement. This experience suggests that at least one-third of title II claims would be processed solely on claimant's statement, opening tremendous fraud possibilities. It would be difficult to adequately police this program to detect fraud by claimants or their collusion with employers. Further, noncovered employers have no incentive as do covered employers to police payments. Promptness of payment for regular and title II claimants would be adversely affected. Forty-five days for preparation of forms, obtaining additional space, recruiting and training additional employees, and purchasing or renting additional equipment presents an almost impossible deadline. Adding title II claimants and exhaustees to present load—approximately a quarter of a million and highest in history—would jump load to about 400,000. Nonpersonal and personal administrative costs will of necessity increase out of proportion to the load increase because everything would have to be in addition to present setup. We are now working at full capacity, both as to space and personnel, and 18 hours a day in our State office to maintain our record of prompt benefit payments. There is a minimum of at least 60 days under our bid-and-purchase system necessary to obtain supplies and equipment. In summary, we lack legal authority to enforce compliance by noncovered employers. The effective dates are unrealistic and impossible to meet. The potentiality for fraud and the difficulty of adequate policing could create a national scandal and bring the entire employment security program into disrepute. The impact upon our present program could be disastrous.

"44. Payment of benefits would be on same schedule as regular claims after wage credits are obtained. Chief problem would be with domestic and transient agricultural workers' wage credits. Example: Those who work short periods for many employers in different locations in State and across State lines. This constitutes high percentage on west coast. Obtaining wage detail would take much longer than minimum standard for regular program. Estimate average of 30 to 45 days. Many employers keep inadequate or no records as there is no requirement to keep such records for reporting purposes. Lapsed time on first payments would be increased by claimants' inability to give adequate work history including name and address of employers. Danger of fraud is great because many claims would need to be paid upon affidavit of claimant in cases of no reply from request for wage detail from employers. Restitution unlikely in cases of migrants. Administrative impact on regular program not too great except for large increase in staff, estimate initial claimstaking and determinations would be three times normal cost. Continuations and payments would require increased staff in proportion to increased workload. As to title I we see no difficulties in administration if program follows same pattern as UCFE on reimbursement. We are prepared to administer title I as soon as it may be effective.

"45. We have endorsed H. R. 12065. We believe that this bill is workable and that we can do a workmanlike job in administering it. There will be considerable impact on the program in terms of workload but analysis at the local office level indicates that we are well able to handle it.

"46. It is our opinion that title II of H. R. 12065 is workable but that serious problems would arise in administration. Difficulty would arise in obtaining some supporting records, payments would be delayed beyond the time required for our present program and there would be more opportunity for fraud to develop. Additional personnel would, of course, be required to prevent disruption of present program."

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Rhode Island.

Mr. FORAND. Will the gentleman identify the States?

Mr. BYRNES of Wisconsin. No; I cannot do that. I am sorry. I wish I could.

Mr. FORAND. All right.

Mr. BYRNES of Wisconsin. I may say this for the information of the gentleman that in making the survey they were advised that the individual opinions would not be publicized so that they would have full freedom to give an honest answer without any question of pressures they might otherwise be subject to.

Mr. FORAND. Anyone who makes a statement of that kind ought to be able to stand up and acknowledge it.

Mr. BYRNES of Wisconsin. Some of them have sent wires to their individual Congressmen and their identity is known.

Mr. FORAND. The RECORD should show them.

Mr. BERRY. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from South Dakota.

Mr. BERRY. I received a telegram that I put in the RECORD yesterday from our State chairman in which he says:

It would entail additional staff in South Dakota of from 50 to 100 people. If enacted it will be the first step toward destruction of State-Federal unemployment insurance program.

Mr. BYRNES of Wisconsin. I thank the gentleman. Mr. Chairman, I could go on and on. But, let me suggest that I would be on a much sounder basis to take the advice of these people whom the majority of the committee show confidence in by providing that they shall administer the program—I think I am on much sounder grounds to take their advice than the advice of the gentleman from Kentucky [Mr. PERKINS], or the gentleman from Michigan [Mr. MACHROWICZ], who says the proposed program is administratively feasible. Mark you this. These are the people who must administer it, and they are talking about how they can administer it, not nationwide but in their particular States.

Mr. Chairman, let us follow sound advice.

Mr. DINGELL. Mr. Chairman, I favor this bill. I will vote for it.

I do not discuss the features of the bill which are well explained in the report and by the various previous speakers.

This country and Detroit and the State of Michigan are in serious straits. Unemployment is running at the highest rate since the early 1940's. For example, Michigan has 450,000, or 16 percent, out of work. Detroit has 268,00, or 18 percent, unemployed. The Nation has 5,120,000 unemployed—seasonally adjusted to 7.5 percent—the highest in 16 years. This is up one-half of 1 percent from last month.

In the first quarter of 1958 auto production was down 25 percent from the same quarter of 1957.

The auto industry buys one-fifth of the Nation's steel, two-thirds of the rubber, one-seventh of the copper, aluminum, and fabric in the country.

Further layoffs were announced last week and are not shown in the statistics.

Other industries are hit. Steel operates at less than 50 percent of capacity. Russia outproduced us in steel for the first time in our history.

President Eisenhower yesterday said the slump is now expected to bottom out by late summer or fall.

Secretary of Commerce Sinclair Weeks said the same thing yesterday.

What is to happen to our hungry and unemployed during this period of waiting? Their expectation is set back from March to sometime still later—6 months later—and we do not know how much more. When will they go back to work? How are they to live until then?

The people of my State are leaving the unemployment compensation rolls at a record pace. Citizens of other States face the same bleak situation.

What are these people to do? One answer is that they go on welfare.

Let us look at that:

First, many are ineligible for welfare (a) because they have some small assets and savings; (b) because of relatives who are working; (c) because they have someone who is physically able to work although unable to find work, while sincerely trying to find employment; and (d) because of residence requirements or other technicalities.

Now what does this bill do?

It provides $1.47 billion. Where will it be spent? It primes the pump, it feeds the hungry, it helps the manufacturer, the merchant, the farmer, and those who need it most—the unemployed.

I hear talk of tax cuts, of public works, from the very people who oppose this bill.

Now many States are affected. Michigan is in a bad way, of course.

However, according to statistics of the Department of Commerce:

Seventy-odd major cities are classed as areas of substantial unemployment.

Forty-odd minor cities are to be added which have a substantial unemployment.

Thirty-seven of our 48 States are in this category of extreme hardship.

This is not Michigan's problem; it is everyone's problem.

Substantial unemployment in one area affects us all, and what was only called a recession by many now may be called a depression by them.

Even the President called this a depression in his press conference of a few weeks back.

After all, it is a recession when your neighbor is out of work. It only becomes a depression when you lose your job.

Now let us look at the two proposals:

The administration proposes to loan money on almost the same basis as the bill before us makes grants.

If one expenditure is socialistic so is the other, in precisely the same way and for the same reason.

We hear it is socialistic to spend money to make Federal grants to feed the hungry and the unemployed.

The same people who now cry socialism here, cried socialism when the original unemployment compensation legislation was before the Congress.

Most of the opponents of this unemployment compensation bill have always opposed this sort of legislation, so their present position comes as no surprise.

Their argument is that it is better to preserve our unemployed, their wives and children as hungry, needy capitalists, destitute and hopeless, free from the taint of anything so socialistic as a stomach full of food bought by the grants of our Federal Government.

I have heard no cries of socialism for giveaways of Federal money and property to other interests.

No one cried socialism when we voted to give two shipping companies a hundred million dollars this very week—or to give other subsidies to shipping.

No one cries socialism to grants to farmers for not planting under the Soil Bank program.

No one says farm subsidies are socialistic—indeed, we hear that farm subsidies are necessary to aid our economy by maintaining purchasing power. If this bill is socialistic, so are farm subsidies. Both help our people at a time of real need.

A number of opponents of this bill came to us for funds for public power and they never called that expenditure socialistic.

I heard a Member of this body from the Washington, D. C., area speak against this bill. He never called proposals to make grants to laid off Federal employees socialistic. He made speeches for that. He is one of the foremost advocates for all manner of Federal spending in the Washington area. Apparently, expenditures in this area are not socialistic but expenditures for grants to unemployed workers in other parts of the country are.

Opponents of this legislation have rarely been heard to raise their voice against bonanzas for the big periodicals, like Time, Life and Fortune, and the newspapers under the present postal laws.

Federal expenditures for grants to the unemployed who have exhausted their unemployment compensation is socialistic. But apparently it is not socialistic to allow:

Federal spending for rivers and harbors works.

Fast tax writeoffs.

Subsidies to airlines.

Federal loans to small business.

Federal aids, loans, and subsidies to commercial fishermen.

The proposed Federal grants, aids, and so forth, to the railroads.

Now 40,000 workers per week leave the unemployment compensation rolls every week by exhaustion of their entitlement. Over 2 million will exhaust benefits this year.

You can slogan about States rights, about socialism, about dole. Those arguments answer themselves. People are hungry.

There are people who are in need, or are hungry, who must have help. I propose to give that help, now.

Mrs. GRANAHAN. Mr. Chairman, it is a good idea to have a nice academic debate on what a perfect unemployment compensation program should include, or on Federal-State relationships in the operation of the program. But we in Philadelphia—and the people in all of our major industrial centers almost without exception—are facing not an academic situation but a real and tragic problem.

We have widespread unemployment and distress. What is the Government of this country going to do about it? Are we going to continue sitting and waiting for the prosperity "around the corner"? Or are we going to carry out our responsibilities under the Full Employment Act to help bring about maximum employment and general prosperity?

Pennsylvania has one of the very best unemployment compensation laws in the country. I think our period of payment is the longest of any State. Yet we have thousands using up their benefits and with nothing further coming in. We have other thousands not eligible for compensation, even though they are without jobs and unable to find jobs.

Let us not indulge in the luxury of arguing the academic merits of the perfect system. Instead, let us pass a bill which will promptly and effectively get help to those eligible unemployed who have used up their unemployment compensation benefits or to those who were never eligible for unemployment compensation because of the accident of the kind of employment they happened to have had before.

Reform of the unemployment compensation system is long overdue. Standards throughout the Nation should be more uniform. I think some of the States with backward standards are in effect enjoying a subsidy from the States which take their responsibilities more seriously.

In Pennsylvania, we can only go so far in improving our own standards—and we have the best in many respects—without endangering the competitive position of our industry. Thus steps must be taken to raise standards throughout the country to more realistic levels. We are dragged down by the low standards in effect elsewhere.

This bill today does not meet this problem, except indirectly by providing emergency Federal grants to all States to extend their present periods of unemployment compensation coverage and temporarily bring into the system unemployed persons normally not covered.

It has been called a dole. I don't care what words are thrown around. A worker who loses his job in a small business not covered by the unemployment compensation program is just as hungry and distressed—if not more so—as one who lost his job in a bigger firm and has now used up all of his unemployment compensation.

Our problem today in this bill is to help meet real distress. It is to help provide desperately needed purchasing power to those whose distress is pulling down the whole economy. This recession is feeding on itself in the sense that the lack of purchasing power in the hands of the unemployed is further reducing demand for goods and services, making for more unemployed. It is a vicious circle. Let's break the circle—the chain of distress—and help these people who are on the unemployment rolls buy food and other necessities.

That alone won't solve and end the recession. But it is a humane necessity that we act quickly to help those people while also seeking more effective solutions to the basic problem of a sick economy.

Mr. CHELF. Mr. Chairman, as I have said several times here on this floor, my people in the Fourth District of Kentucky are suffering from lack of employment and also from the fact that my little farmers who have something to sell are securing little in return and everything that they have to purchase has advanced sky high. These little farmers that Mr. Benson drove off the farms and into the cities—especially in Louisville at the General Electric plant and other fine companies—are now being laid off and, much to their sadness, there is actual heartache and privation for their families because they have no farm nor a job to which they can return in the little county from whence they came. This condition exists not only in the great Fourth District but in many, many areas throughout the State.

As a concrete example, I have a letter that I hold in my hand from my good friend, J. Snead Yeager, who is the secretary-manager of the chamber of commerce, Glasgow, Barren County, Ky. This letter was addressed to Congressman NATCHER and myself in the interest of a flood-control project. I quote:

> We have had a poor agricultural season and are receiving many families who have run out of jobs in the North who have come back home and need employment badly. We have about 14 counties in this immediate neighborhood who are desperately seeking employment for their people and we know of nothing that would give this locality a better shot in the arm than the construction of Barren River No. 2.

I could go on with many other examples which would show conclusively that this slump, sag, recession or depression has gotten out of control. Five hundred people out of jobs may not sound so bad to you, but in my town of 5,000 it is a panic not a slump. I also read from a wire received this morning from Goldie Lemon, who lives in my hometown of Lebanon, Ky.:

I strongly urge you to support H. R. 12065 for the benefit of our 500 members that are out of work in Lebanon since the Handmacher-Vogel plants have closed.

Not since the 1930's have I seen so many vacant store fronts and watched so many little-business men hit the wall financially.

We Members have been trying to come up with some feasible solution to this most difficult problem. The Congress, therefore, has enacted into law this year the Federal highway construction program; a bill that would have frozen the income of the farmer at last year's level and a rivers and harbors bill. Unfortunately, the President saw fit to veto not only the rivers and harbors bill but, also, the legislation freezing the farmers' income at last year's figure. The President came very close to vetoing the Federal highway construction bill which will put several billions of dollars into the actual construction of our vitally needed highway system for the protection of the lives of all our people. In addition, this legislation will create jobs, it will stimulate the steel mills, it will also help the cement, the lumber and many phases of our industry. I am happy to say that I have voted for each and every one of these measures, including a liberalized housing bill.

Mr. Chairman, in addition to the above group of bills that have been passed by the Congress at this session, I have been very much in favor of a decent tax cut for our overburdened citizens. As far back as January 18, 1954, I introduced a bill to increase the yearly income tax exemptions of a dependent from $600 to $1,200. Later, on March 20, 1955, I introduced H. R. 2569 which changed this exemption from $1,200 to $1,000; then on January 3, 1957, I introduced H. R. 590 which again sought to allow at least a $1,000 tax credit to our hard-pressed taxpayers. Later on I introduced legislation to reduce the $1,000 exemption down to $900. This is why I have been so persistent in my fight to reduce Federal taxes—a person earning less than $1,200 a year or $100 per month has absolutely no business paying any income tax either to the Federal Government, or a State government. A person simply cannot live on $1,200 a year—especially since inflation has cut the dollar value to 48 percent of its former purchasing power. Why have I then offered legislation to give the taxpayers a $900 exemption instead of the $1,200 exemption that I sought for them under my first bill? Well, I am realistic enough to know that, in order to secure any help at all at this session for all of our taxpayers—especially the little taxpayer—I will just simply have to accept that which can be obtained. Frankly, I had hoped to get an exemption of $1,200; that having failed, I introduced legislation seeking a $1,000 exemption; when I became convinced that the $1,000 exemption request was getting nowhere, I decided to introduce a bill authorizing an exemption of $900 instead of the present $600 income tax exemption allowed by law. In my previous bills, I also sought an $1,800 a year tax exemption for each dependent child—under 21 years of age—who is attending any recognized college, university, or other legitimate institution of learning. Upon realizing that this too was making no headway, I reduced it to $1,200 exemption. If I cannot get a whole loaf for the taxpayer, I am willing to accept a half or even a quarter of a loaf which is far better than nothing at all.

Mr. Chairman, at the present time, I am advised by the Bureau of the Budget that the estimated revenue for the present year is placed at $74.4 billion. They estimate that the expenditures during that same period of time will be $73.9 billion. In other words, they figure that there will be approximately one-half billion dollars in the green—not enough, some would say, to have a sufficient margin of comfort or cushion between income and outgo.

Everyone knows that an income tax reduction would give an individual more take-home pay. He could certainly buy more food and clothing which would help tremendously to reduce our surplus stocks of food, fiber, and other commodities now stored in surplus supply and which depress our present farm prices. Our people would then be in a far better position to purchase the necessities of life and not be forced to stand in breadlines as they are in many places at the present time. Mr. Chairman, we all make much of the fact that there is a possibility of the Federal Government going into the red but no one seems to be worrying about the little individual family—the breadwinner, the head of a household—going into the red, borrowing in order to feed, to house, and to clothe his children. I contend that if there is an income tax cut the Federal Treasury in the long run would receive the bulk of this money back in the form of excise taxes—which also should be reduced from their wartime level—to such an extent that nothing actually would be lost through the medium of the raise in the income tax exemption. It is my belief that by giving income tax relief especially to the little fellow—the farmer, schoolteacher, white collar worker, laboring man, little-business man, our elderly people, our retired folks—our entire economic structure would be strengthened because it will enable the little fellow to pay his debts and to spend more; all of which will put more money in circulation, create more buying power and, in the final analysis, help the economy of the Nation. Those of us from the farm areas predicted this trouble when Mr. Benson fought for "the sliding scale." Unfortunately we were so right.

Mr. Speaker, everybody wants an adequate Army, Navy, Air Force, Marine Corps, and Coast Guard. We must have it if we are to survive. No one in their right mind wants to cut our defense program to where we might be in danger of attack. Nevertheless, I am of the sincere belief that we can appropriate the necessary amount of money actually needed by our Defense Department for our protection and, at the same time, I believe that we can cut taxes by prudently reducing the President's budget. I know that cuts can be made, I know that they ought to be made wherever possible.

The fair thing to do is to give my bill a chance—if it is good it ought to be retained as a permanent law—if it fails it ought to be promptly repealed—it is just that simple.

We simply cannot pull out of this nosedive by sitting idly on the back of our laps singing—"I'll be glad when you are dead you rascal you." We need action—it is L. P. D., long past due. If the White House does not act the Congress will. Frankly what this country needs in addition to a tax cut, more employment, and other antirecession remedies, is for the Congress to stand up and start overriding some Presidential vetoes—then business will pick up in more ways than one.

Mr. HOLTZMAN. Mr. Chairman, while we were back home during the Easter recess I am sure the vast majority of us discovered that the most talked about subject was rising unemployment. The concern of the people over the current recession is reflected also in the mail we receive each day.

The figures on unemployment are well known to us all, and we know too that even with the slight upturn in seasonal employment at this time of the year, the situation is still critical, and millions of those in our labor force are unable to find any work at all. This, of course, has had a drastic effect on our economy. We must end the recession, and quickly, if we are to restore economic strength and continued growth.

For several years I have urged the President to call a nationwide conference of leaders of industry, labor and the Government with a view toward investigating ways and means of combating unemployment, and of meeting the problems of an expanding labor force. Unfortunately, the President has not seen fit to consider this proposal favorably.

The problem of utilizing our manpower to the fullest extent is still with us, and as a result of this waste of manpower our productive facilities have also suffered a decline.

The Congress has recently taken substantial steps to inject Federal assistance into any recovery program. We have approved a housing bill, a highway construction act, a public works bill, and at the moment we have before the House a bill which will be a tremendous help and will bring immediate relief to thousands of unemployed by extending the period for paying unemployment compensation, and by permitting the payment of such benefits to many who are not now covered under the unemployment insurance program. The adoption of this measure would provide a prompt and direct means of getting money into the hands of those who so desperately need it, and would certainly add to our consumer

purchasing power, thus giving a "shot in the arm" to our entire economic system.

These unemployed have lost their jobs through no fault of their own. Their efforts to secure new jobs have failed because of the general business slowdown, and they have in many instances exhausted the benefits to which they are entitled. Others who have suffered by loss of work are not protected by an unemployment insurance, and find that they do not qualify for any assistance from public welfare agencies because they are considered employable.

Our Government has long recognized the fact that unemployment is a problem which must be dealt with on a nationwide level. The individual States were unable to cope with the problem over the years, and for that reason the Federal Government enacted a national unemployment insurance law in 1935.

The tremendous increase in the cost of living during the past decade, combined at the present time with the critical unemployment situation, brings to light the necessity for improvement in the current system. The bill now before us will provide immediate assistance and will do much to alleviate some of the hardship and suffering caused by the present recession. We must act favorably, and without any further delay.

Mr. HIESTAND. Mr. Chairman, I have here the latest statistics from the Bureau of Census, which offer an interesting comparison, in the light of all the hue and cry that is going on here today. These figures compare the unemployment situation of the first quarter of 1949, the first quarter of 1950 and the first quarter of 1958. You will recall that we had what was later, and please note that I said, later, called a recession, in 1949–50.

The figures show that, in the first quarter of 1949, 4.3 percent of the female work force was unemployed. In the first quarter of 1950, 6.7 percent were unemployed. Now, in the first quarter of 1958 the female unemployment was exactly what it was in 1950, 6.7 percent.

Of the male work force, in the first quarter of 1949, 5.3 percent were out of work. In the first quarter of 1950, it was 7.4 percent and in the first quarter of 1958, the male jobless amounted to 7.7 percent of the male work force.

In the aggregate, unemployment in the first quarter of 1949 was exactly 5 percent of the total. In the first quarter of 1950, it was 7.2 percent. And yet, back in 1949 and 1950, we had little or nothing from the purveyors of gloom and doom. In the first quarter of 1958 it was 7.4 percent—two-tenths of 1 percent higher.

We had no bill before us back in 1949 or 1950, to put a large part of the population on the dole. I respectfully suggest that unless our economy today were fundamentally sound, all of this noise would really have caused a depression.

I emphatically support this amendment and urge its adoption.

Mr. DENT. Mr. Chairman, I want to give my views on this important legislation. Let us consider the specific points of interest:

First. Need of Federal aid in this matter: Moneys collected by the Federal Government from the pocket of the taxpayers, individual and corporate, makes it mandatory for the Federal Government to step into a situation as acute as this has become. For instance, in Pennsylvania alone we have over 60,000 persons whose compensation payments have run out. This is particularly alarming when you realize that we have a 30-week benefit period in our State. You can imagine the plight of other States with much shorter benefit periods and in many cases much lower benefit payments.

Second. The responsibility of Congress in this matter cannot be questioned or doubted by any reasonable person. First of all politics as usual should be disregarded. To an unemployed family man the Members of Congress all look alike whether Democrat or Republican. To this man and his family the problem of meeting the payments on his home and its contents, his car and his life insurance premiums, providing the necessities of everyday living, keeping his children dressed for school and the many items that today are part of the way of life, are not political, they are essential.

Third. You and I cannot shirk our plain duty by using slogans or catch phrases. Some say they oppose the legislation because it is a dole. Some say it takes away from the State some of their prerogatives. Some say the State can hold special sessions and do the job for themselves. Some say its too costly and that this is just a beginning and the end is not in sight.

Yes; we can easily find reasons to oppose, but let us look at it from the viewpoint of the family man who listened to all of the soft-soap salesmen on radio, television, and in our daily press. He did exactly what we wanted him to do. Have faith in America; buy, buy, and buy some more. He bought that new home with low downpayment; why, Congress, put that tidbit right in front of him with Federal housing legislation.

And, of course, he had to trade in now to get the new car of his dreams—bigger, better, and brighter. A television would keep his family at home and, of course, he had to save his wife's back and legs so the new modern kitchen with the automatic dishwasher, dryer, clothes washer, mixer, and all the rest of our modern appliances had to be installed.

Now do not get any ideas of being blameless as a Congressional body for this situation.

How many of us have taken to the platform and to radio and television our comparisons of the American way of life. I will venture most of us at one time or another have told our people about how many cars, refrigerators, stoves we have compared to Russia and the captive countries.

Remember, that the boobytraps set for a man and his family are many, and let us not try to cover up by saying a man ought to know better and maybe he should not take that vacation to sunny climates and foreign lands on the time-payment plan. Maybe he should not, but perhaps it should not be offered to him either.

Maybe we have too many "attractive nuisances" in our modern scheme of things.

One thing I am sure of—it would not do anyone any good to repossess many of the items I have mentioned. Another sure thing is that if the people who still have income become panicky because of the dispossess proceedings in their neighborhood the economy will go downhill so fast that the legislation before us today would not be a drop in the bucket compared to what we will have to pass later, and not much later.

Fourth. The whole idea behind unemployment compensation is basically what we are voting on. To create by governmental processes a stabilized economy in time of need. The need is here and the economy needs stabilizing. It is not a question of numbers of weeks or of where the money is coming from. If suddenly your child gets an attack of appendicitis or is struck by an automobile, you do not look for money, you look for a doctor and a hospital. We are in a sense doing the same thing. Let me just give one simple set of figures for your information. In mid-April, there were 509,000 Pennsylvanians unemployed, the highest level in 17 years. This was an increase of 21,000 over the previous month of March. At the same time, 308,844 Pennsylvanians received unemployment compensation. Add to this the fact that over 61,000 workers have run out of benefits under State law and you get a rather dismal and disheartening picture.

Relief rolls in our State have risen 25 percent. This is no small matter when you figure that relief in Pennsylvania will probably pass the $300 million figure for this biennium.

As a former member of the legislative branch of government in Pennsylvania these figures represent to me more than just cold statistics.

They point out a significant fact that many of us are overlooking in this emergency.

That fact, my friends, is best illustrated by adding the 308,844 figure to the 61,000 figure and we have a total of 368,844 persons covered by unemployment compensation out of a total unemployment of 509,000.

In plain words, Mr. Chairman, and Members of Congress, this unemployment that has hit us today is mainly production worker unemployment.

Many nonproductive employers are holding on to their present number of employees, some out of faith in the future, some out of a sense of responsibility to old clerks and help and some out of a conviction that we, the Congress of the United States of America, will do something to back up their faith and judgment.

The whole situation demands more than passing attention. This legislation will help but I agree with many of you when you say it won't cure the situation.

We must consider the whole gamut of governmental, industrial and business operators of our Nation. We must go into the details, the background, and the problems of internal and external pressures; the relationship of foreign aid and trade to our economy; the need

for amendments to the overall social-security laws; the effect of local State and Federal taxes on materials, production and distribution costs; the proper place of the Federal Government in the grants-in-aid-to-States programs; public works, national, State, and local; interest rates and their effect upon our economy; our military needs and programs; our health and welfare programs and all of the numerous activities that go into our present-day existence.

In order that all of us have a better understanding of what this bill does I want to put the following analysis into the record.

I am also presenting a complete 48-State and territorial coverage of unemployment compensation payments and other pertinent facts:

AN ANALYSIS OF THE PRINCIPAL FEATURES OF H. R. 12065 BY CONGRESSMAN JOHN H. DENT NOW UNDER DEBATE IN THE HOUSE

The purpose of H. R. 12065 is to pay from the Federal Treasury 16 weeks of temporary unemployment benefits to persons who have exhausted benefits since July 1, 1957, or who have been recently employed in certain employments now covered by State unemployment compensation laws. Payments would be made under agreements between the Secretary of Labor and the agencies administering the State unemployment compensation laws, for weeks of unemployment before November 1, 1959. The detailed provisions are outlined below:

1. Title I relates to those who have exhausted rights to benefits under State unemployment compensation programs (including Korean veterans and Federal employees). Title II relates to those who had noncovered employment. Title III relates to administrative details.

2. Weekly benefit rate under title I will be that rate payable to the claimant when he exhausted his benefits. Under title II the claimant's rights are computed on all wages (including amounts over $3,000) in a revised list of covered employments, pursuant to the applicable State unemployment compensation benefit formula. If State benefits become available later, the State benefit rate would apply thereafter, but all other provisions of title II would apply.

3. Duration of benefits will be for 16 weeks for all who qualify and are unemployed that long before November 1, 1959.

4. First payments under title I would be made for weeks of unemployment which begin after an agreement with a State is made, and on or after 15 days following enactment of the law. Under title II, there is a lag of 45 days, rather than 15 days, after enactment.

5. Termination of payments under both titles will be with the payment for the last week beginning before November 1, 1959 (i. e., week ending October 31).

6. Eligibility conditions are as follows:

(a) Under title I, those unemployed persons would be eligible who have had benefit rights under a State unemployment compensation law, under the UCV program (unemployment compensation for veterans, title IV of the Readjustment Assistance Act of 1952) or under the UCFE program (unemployment compensation for Federal employees, title XV of the Social Security Act), and who have exhausted those rights (as will be defined by the Secretary (after July 1, 1957, and filed a claim under this title before July 1, 1959.

(b) Under title II, any unemployed person would be eligible who has no State unemployment compensation benefit rights but would have such rights if all his work had been in covered employment, and who files a valid claim before July 1, 1959. Employment for this purpose is extended to include these normally excluded employments, among others: agricultural labor (except imported foreign labor), employment in domestic service, for religious and charitable institutions, for State and local governments and fishing. Employment with small firms would be included. The only employments still excluded are employment on foreign vessels away from the United States or for a Communist government or agency, work for family members, employment subject to the railroad retirement program, and employment as a student nurse, intern, insurance agent, or newsboy. Except for covering additional employments, eligibility is to be based on the same conditions as if the claimant were filing a new claim under a State unemployment compensation law.

7. Administration will be by State employment security agencies pursuant to regulations of the Secretary of Labor, but under terms of State unemployment compensation laws. Conditions of each State law would apply with reference to registration for work, filing of claims, being able to work and available for work, and other eligibility and disqualification provisions, subject to settlement of disputed claims through the regular State unemployment compensation appeal procedures. The principal exception is that the penalty for fraud is a fine of $1,000 or imprisonment for 1 year, or both.

8. Federal funds for benefit payments and for administration would be advanced to each State on a monthly basis from the Treasury on certification by the Secretary. No special tax is provided to raise the money, and no State matching or repayment is provided.

9. Puerto Rico and Virgin Islands, having no unemployment compensation law within the meaning of the Federal Unemployment Tax Act, would pay the 16 extra weeks only to the Korean veterans and Federal employees, under title I.

10. Agreements are to be made by the Secretary of Labor with State unemployment compensation agencies, pursuant to which those agencies would disburse the Federal money. Separate agreements cover title I and title II. A State could elect to handle both, either, or none. Any additional State benefits which become available after payment under either title have begun are to be paid first, before continuing the Federal payments.

Unemployment insurance under State laws, Jan. 1, 1958

States and Territories	Average weekly benefit paid for total unemployment, January–June 1957	Maximum weekly benefit	Average weekly wages in covered employment, 1956	Maximum weekly benefit as a percentage of average weekly wages		Duration of benefits	Percentage of claimants who exhausted benefits, July 1956–June 1957	Average employer tax rate, 1957 (percent of taxable payrolls)	Concurrent supplementary unemployment benefits allowed
				1957	1939				
United States	$28		$81				22	1.3	
Alabama	20	$28	65	43	87	11.7–20	36	1.1	Yes.
Alaska	37	$45 to $70	138	33	41	15–26	15	2.7	No issue.
Arizona	26	$30	81	37	61	10–26	20	1.3	Yes.
Arkansas	20	$26	55	47	95	10–18	33	1.1	Do.
California	29	$40	90	45	50	15–26	13	1.4	Do.
Colorado	28	$35	80	44	62	10–26	21	.5	Do.
Connecticut	30	$40 to $60	89	47	56	8.6–26	23	1.2	Do.
Delaware	31	$35	90	39	58	11–26	25	.8	Do.
Washington, D. C.	26	$30	77	39	59	11.5–26	35	.7	Do.
Florida	21	$30	67	45	81	5–16	42	.7	Do.
Georgia	22	$30	63	48	87	20	33	1.2	Do.
Hawaii	25	$35	62	57	85	20	19	1.0	No issue.
Idaho	28	$40	73	55	82	10–26	25	1.3	Do.
Illinois	29	$30 to $45	90	33	56	10–26	20	1.0	Yes.
Indiana	26	$33	85	39	58	5.6–20	38	1.0	No.
Iowa	26	$30	74	41	67	6.7–24	35	.5	Yes.
Kansas	27	$34	76	45	66	8.4–20	27	1.0	Do.
Kentucky	24	$32	71	45	60	26	26	2.0	Do.
Louisiana	22	$25	72	35	90	10–20	38	1.4	Do.
Maine	20	$33	66	50	74	26	16	1.6	No issue.
Maryland	27	$35 to $43	74	47	65	26	17	1.0	Yes.
Massachusetts	30	$35 and up	75	47	57	7.1–26	20	1.6	Do.
Michigan	34	$30 to $55	97	31	53	9.5–26	26	2.0	Do.
Minnesota	25	$38	79	48	62	18–26	20	1.0	Do.
Mississippi	20	$30	55	54	97	20	24	1.7	Do.
Missouri	22	$33	78	42	61	12.5–26	20	1.0	Do.
Montana	25	$32	75	43	60	22	20	1.3	Do.
Nebraska	25	$32	70	45	66	9–20	35	.9	Do.
Nevada	32	$37.50 to $57.50	86	44	57	10–26	21	2.0	No issue.
New Hampshire	23	$32	67	48	70	26	13	1.6	Do.
New Jersey	32	$35	87	40	55	13–26	26	1.7	Yes.
New Mexico	25	$30	74	41	73	12–24	22	1.2	No issue.
New York	30	$36	80	41	51	26	11	1.7	Yes.
North Carolina	18	$32	60	54	89	20	18	1.4	No.

Unemployment insurance under State laws, Jan. 1, 1958—Continued

States and Territories	Average weekly benefit paid for total unemployment, January–June 1957	Maximum weekly benefit	Average weekly wages in covered employment, 1956	Maximum weekly benefit as a percentage of average weekly wages		Duration of benefits	Percentage of claimants who exhausted benefits, July 1956–June 1957	Average employer tax rate, 1957 (percent of taxable payrolls)	Concurrent supplementary unemployment benefits allowed
				1957	1939				
North Dakota	$27	$26 to $35	$68	38	69	20	21	1.4	Yes.
Ohio	32	$33 to $39	89	37	54	9.2–26	16	.7	No.
Oklahoma	25	$28	76	37	61	6.7–26	41	1.0	Yes.
Oregon	31	$40	84	48	53	12.9–26	19	1.4	Do.
Pennsylvania	28	$35	78	45	60	30	17	1.5	Do.
Rhode Island	27	$30	70	43	70	7.0–26	30	2.7	Do.
South Carolina	21	$26	58	45	99	10–22	35	1.1	No issue.
South Dakota	23	$28	67	42	69	5.7–20	38	.9	No issue.
Tennessee	21	$30	66	45	78	22	33	1.7	Yes.
Texas	23	$28	75	37	65	8–24	38	.7	Do.
Utah	29	50 percent	74	50	70	15–26	19	1.3	Do.
Vermont	23	$28	68	41	66	26	17	1.3	Do.
Virginia	21	$28	66	42	74	8–18	31	.5	No.
Washington	30	$35	84	42	57	12–26	20	2.3	Yes.
West Virginia	22	$30	82	37	59	24	13	1.0	Do.
Wisconsin	30	$38	83	46	55	10–26½	40	1.1	Do.
Wyoming	29	55 percent to 55 percent plus $6	74	55	78	12–26	27	11	Do.

Workmen's compensation, Jan. 1, 1958

Jurisdiction	Temporary total disability		Death benefits		Maximum medical care		Workmen's compensation benefits for rehabilitation	Coverage of occupational diseases
	Intended benefits as percent of weekly wage	Actual maximum weekly benefit allowed	Maximum duration in weeks	Maximum total payments	Duration	Amount		
Alabama	55–65	$31.00	300	$12,400.00	6 months	$1,200	No	Limited.
Alaska	65	100.00		$9,000.00–15,000.00	4 years		Yes	Full.
Arizona	65	150.00	(1)				Yes	Limited.
Arkansas	65	35.00	450	12,500.00			Yes	Full.
California	61¾	50.00	250–312½	12,500.00–15,000.00			No	Do.
Colorado	66⅔	36.75	312	11,466.00	6 months	1,500	No	Limited.
Connecticut	60	45.00	(1)				No	Full.
Delaware	66⅔	35.00	400				No	Do.
District of Columbia	66⅔	54.00	(1)				Yes	Do.
Florida	60	35.00	350				Yes	Do.
Georgia	60	30.00	400		10 weeks	1,125	No	Limited.
Hawaii	66⅔	75.00	(1)	25,000.00			Yes	Full.
Idaho	55–65	28.00–48.00	400	12,000.00			No	Limited.
Illinois	75–97½	30.00–45.00	(1)	10,750.00–13,500.00			No	Full.
Indiana	60	36.00	400	15,000.00			No	Do.
Iowa	66⅔	32.00	300			1,500	No	Limited.
Kansas	60	34.00	(1)	12,500.00	120 days	2,500	No	Do.
Kentucky	65	32.00	400	12,000.00		2,500	No	Full.
Louisiana	65	35.00	400			2,500	No	Limited.
Maine	66⅔	35.00	300	10,000.00			No	Do.
Maryland	66⅔	40.00	500	10,000.00			No	Full.
Massachusetts	66⅔	35.00	400	10,000.00			Yes	Do.
Michigan	66⅔	35–57.00	450				No	Do.
Minnesota	66⅔	45.00	(1)	17,500.00			Yes	Do.
Mississippi	66⅔	25.00	450	8,600.00			Yes	None.
Missouri	66⅔	37.50	(1)	12,000.00			Yes	Full.
Montana	50–66⅔	28.00–42.50	500		36 months	2,500	No	Limited.
Nebraska	66⅔	34.00	325				No	Full.
Nevada	65–70	37.50–51.92	(1)				No	Do.
New Hampshire	66⅔	37.00	341	12,617.09			No	Limited.
New Jersey		40.00	350				Yes	Full.
New Mexico	60	30.00	550				No	Limited.
New York	66⅔	36.00	(1)				Yes	Full.
North Carolina	60	35.00	350	10,000.00			No	Limited.
North Dakota	80	31.50–45.50	(1)				Yes	Full.
Ohio	66⅔	40.25	416	12,000.00			Yes	Do.
Oklahoma	66⅔	35.00		13,500.00			No	Limited.
Oregon	50–75	30.00–66.92	(1)				Yes	Full.
Pennsylvania	66⅔	37.50	350				No	Do.
Puerto Rico	60	25.00	540	9,000.00			Yes	Limited.
Rhode Island	60	32.00	600				Yes	Full.
South Carolina	60	35.00	350	10,000.00			No	Do.
South Dakota	55	30.00		7,500.00–9,000.00	20 weeks	300	No	Limited.
Tennessee	65	52.00	(1)	11,000.00	1 year	1,500	No	Do.
Texas	60	35.00	300				Yes	Do.
Utah	60	35.00–47.25	313	10,200.70–12,552.65			Yes	Full.
Vermont	66⅔	30.00	330	9,900.00		2,500	No	Limited.
Virginia	60	30.00	300	9,000.00	60 days		No	Full.
Washington		28.85–56.77	(1)				Yes	Do.
West Virginia	66⅔	33.00	(1)			1,000	Yes	Do.
Wisconsin	70	49.00	400	13,000.00			Yes	Do.
Wyoming		30.00–46.15	(1)	7,000.00–13,000.00			No	None.
United States Federal employees	66⅔–75	121.15	(1)				Yes	Full.
Longshoremen	66⅔	54.00	(1)				Yes	Do.

[1] Workmen's compensation.

Mr. CURTIS of Missouri. Mr. Chairman, under permission to extend my remarks, I want to include some data in regard to the persons who are presently not included under the Federal-State unemployment-insurance laws as of April 1, 1958. These figures, of course, are approximation and are based upon the Department of Labor's statistics.

There are 3,500,000 people covered in unemployment insurance. The 1,700,000 people unemployed but not under covered insurance are composed of the following: 400,000 new entrants—this figure incidentally will probably rise to about 1 million by June; 500,000 persons who are disqualified under State employment for various reasons—no previous work history, malingering, fraud, and so forth; 100,000 employees with State and local governments; 180,000 agricultural—seasonal and casual workers; 160,000 domestics and employees of nonprofit organizations; 120,000 self-employed or unpaid family employees; 190,000 employed by employers of four or less employees.

It will be noted that 1 million of these 1,700,000 people not covered under State employment-insurance laws would not be included in title II of the Mills bill, and that the balance are persons who could not be covered primarily because of administrative difficulties.

I think it is also pertinent to point out that in the 1949–50 recession there were in March 1950, 1,918,000 unemployed people not claiming benefits under any public program compared to the 1,700,000 in March 1958. Just where were the sympathies of the Democratic Party leaders who are trying to put through title II of the Mills bill for these 1,918,000 people—200,000 greater than in March 1958? The answer, of course, is that was not and is not the question at all, either in March 1950 any more than it is in March 1958.

Mr. NEAL. Mr. Chairman, in passing the Herlong substitute for the leadership version of unemployment compensation legislation, the House rejected the policy of deficit spending as a means of correcting unemployment accompanying periodic adjustments of the national industrial and business activity.

In so doing, the Federal Government challenges the several States to assume their local obligation to the unemployed, whether covered by the State unemployment insurance programs or ineligible due to the failure of their employers to provide insurance, thus rendering them unable to participate.

The States need not further postpone action pending Congressional legislation. It now becomes clear that the Congress recognizes unemployment as a State responsibility amenable to Federal assistance in the form of loans if the need prompts a request therefor.

Mr. CRAMER. Mr. Chairman, I supported the Herlong amendment to the unemployment compensation dole bill—H. R. 12065—today in order to preserve the integrity of the whole unemployment compensation system; to retain the basics of the insurance system that has proven so successful throughout the country; and to prevent the Federal Government from going headlong into the welfare relief field that has by tradition been recognized as a responsibility of the States.

The proposal under title II of the bill, which was eliminated under the Herlong amendment, for a Federal grant to be doled out to all who are unemployed, although no contributions had been made to the compensation fund by them and with no possibility of establishing work records and standards which are essential to the administration of the program as it would relate to those who have no present coverage, was impossible to administer, would have been endless in cost, would have invaded the State welfare field, and had no place in a bill under the subject of unemployment compensation.

As was stated by the gentleman from Virginia [Mr. SMITH] at the beginning of the debate, the majority bill was one of the most dangerous bills, from the standpoint of furthering socialism in this country, that has come before the House in some time.

It is admitted that in some States the unemployment-compensation program needs extension, as in Florida where only 16 weeks is available when the time runs out. Of course, this is primarily a State problem and it is one that the Florida Legislature has never seen fit to come to grips with.

The Herlong amendment acknowledges primary State responsibility in this field; puts the bill on a voluntary rather than compulsory State basis; makes it a loan instead of a grant program; makes it retroactive to June of 1957 rather than January 1958 and preserves the integrity of the insurance concept as well as the trust funds established to administer the program consistent with the President's proposal, in the main, and I believe accomplished the desired result so far as Federal responsibility is concerned without running the risk of further Federal paternalism.

I include with my remarks certain editorials from newspapers in my District on this subject, which indicate public support of my position as well as the support of the chairman of the Florida Industrial Commission that administers this program:

[From the Tampa (Fla.) Times of April 22, 1958]

AFTER THE UPTURN

It would be unrealistic to brush off as inconsequential the impact of the national recession and the bad winter on Florida, yet the fact remains that Florida's economy has come through the miserable freezes and the first months of the recession in remarkably sturdy shape. Such is our confident appraisal of the economy, and we note similar views are held by Industrial Chairman James T. Vocelle, whose intimacy with employment and unemployment graphs gives his opinion more than ordinary weight.

Vocelle says the rate of unemployment has been about the same in Florida since January 1; it's measured at about 3 percent, half the Nation's 6 percent average. He believes that the effect of the national recession has "just about leveled off in Florida." He adds: "I am very much encouraged."

The industrial chairman, with due caution, does not go further than to see "encouraging" prospects. But businessmen will be watching the horizon for signs of an upturn, some of which—notably the return of tourists to catch the tail end of the season—are now in view. Meantime, the State can be thankful for new factors which have cushioned the blows of winter and recession.

The State can give thanks for the supporting tripod which makes its economy hard to upset. Industry has come to Florida in unprecedented volume, joining tourism and agriculture. The industrial plants have been of immense value in a winter which dealt severe losses to vegetables, cattle, nurseries and the tourist trade. New residents, too, many of them on pensions unaffected by business conditions, have helped stabilize the business level.

Time was, and not so long ago, when Florida could not have withstood so well the recent misfortunes.

There is consolation, too, in some healthy effects of the deceleration in the State's rate of development. Some say Florida has grown too fast, and a slowdown gives time to consolidate gains. In the citrus industry, the freezes not only raised prices but they also eliminated some marginal groves which experts say, candidly and without callousness, should never have been planted at all. Land values in undeveloped areas have become realistic, shaking out the speculators, leaving the solid investors and inviting more of them to put their money to work.

The point of upturn remains to be fixed, but as Florida slows for breath one thing seems sure: After the point is passed, Florida's wealth of resources assure an early surge of development, perhaps even more striking than the last 10 years of postwar boom.

EYE-CATCHING SALES

One of the brightest spots in Tampa's business picture continues to show itself in the weekly summaries of department store sales issued by the Sixth Federal Reserve District. In the last report, Tampa sales were up 33 percent over the same week a year ago. The city's showing was much better than Jacksonville's (up 7) or Miami's, (down 3), and was outranked only by Mobile and New Orleans. In the aggregate this year, Tampa has been leading the country; surely, such reports must be turning the eyes of northern capital in this direction.

[From the Tampa (Fla.) Tribune of April 23, 1958]

THUMBS DOWN ON THE DOLE

State industrial commissioner Jim Vocelle is a man who ordinarily thinks in terms of what's good government rather than what may be good politics.

He shows this trait in personally opposing the Democratic amendment to sweeten up the Eisenhower plan for extending unemployment benefits. Although he's a stanch Democrat, Vocelle has told Florida Congressmen that Eisenhower was right and the Democratic committee majority was dead wrong.

The President's plan would give a jobless worker who had exhausted his benefits a 50 percent extension of the payments period. The Federal Government would advance the money as a loan, to be repaid by the State.

The Democrats' proposal would double the period of unemployment pay and hand over the money as an outright gift. This, Vocelle pointed out, would change the businesslike unemployment insurance program to a straight Federal dole. And since Florida has relatively low benefits and low unemployment, the citizens of this State would be taxed to support unemployed in Michigan, Pennsylvania, and other industrial centers.

Vocelle's argument makes sense. We hope there are enough Members of Congress who also think first of good government to kill the dole bill. They might discover, when the recession pressures have faded away, that this will prove to be good politics, too.

Mr. BOLAND. Mr. Chairman, it is encouraging to all of us to learn that there has been a slight dip in the Nation's unemployment figures announced this week, but the issue here before us is one of maintaining at least subsistence level purchasing power for the countless number of families who have unfortunately felt the pinch of the current recession.

Some of the breadwinners in these families have been unemployed for nearly 26 weeks, the maximum number of weeks a person can draw unemployment benefit payments in my Commonwealth of Massachusetts. They have not been recalled to their jobs in the factories, and it is unlikely that they will be recalled in the next few months. Faced with a cutoff in unemployment benefits, these workers and their families will suffer great personal hardship unless benefit payments are extended for another 16 weeks. These people are

idle through no fault of their own. They would much rather work than draw unemployment benefits. We in the Congress must do something to help ease their burden, and the legislation before this body that has been recommended by the Ways and Means Committee will assist in resolving the problem.

This legislation will provide grants to the State and will not interfere whatsoever in the unemployment insurance standards of the respective States. Those unemployed who meet the State standards will be eligible for extended weekly benefits. And let me say to the critics of this proposal, this is no dole. We are just trying to stave off any possibility of undue hardship on these unemployed, and maintain purchasing power in their pocketbooks. One of the greatest stimulants to the economy in general is the maintenance of purchasing power. I agree with the distinguished gentleman from Arkansas [Mr. MILLS], chairman of the Ways and Means Committee, that history shows that whether Congress extends these payments in the form of a loan or a grant to the States, there will be no repayment. Under the administration proposal for a loan to the States, the respective States will have to increase their the employer's insurance tax to meet these loans. I am sure that the State legislatures will resist this action. The only recourse then left to the Federal Government would be to increase the Federal contribution from the present 3 percent tax. And I do not think that this will happen. So how can one say in justification that the grant proposal is a dole, but the loan proposal is not.

In closing, I want to say that I support the legislation recommended by the Ways and Means Committee and I certainly hope that it will be adopted by the House.

Mr. SHELLEY. Mr. Chairman, after having sat in session yesterday listening to the objections raised against this humanitarian measure, H. R. 12065, a nagging thought enters my mind. I am reminded of the immature, pathetic little Queen, Marie Antoinette, who at the start of the French Revolution learned that many of the people had no bread and naively suggested, "Let them eat cake."

I am not implying that all who are opposed to this measure are naive or immature. I am, however, strongly suggesting that some of the arguments I have heard against the bill are in my opinion farfetched, clutching at straws, alarmist, and certainly of little comfort to the more than 5 million unemployed persons in this country who have exhausted every means at their disposal and who continue to hear over their radios and read in their newspapers that we are not in a recession.

I refer specifically to the debate which included the fear that The Amalgamated and United Order of Hobos is being discriminated against because they have never worked and therefore would be, along with freshly graduated schoolchildren, ineligible for benefits because they too have never worked.

Everyone else, including retired millionaires and husbands of wealthy women, this critic warns us, would be engaged in a stampede with hands outstretched, to the office which would distribute checks to meet this emergency.

I do not find the remarks of this gentleman especially amusing. It is like a healthy visitor to a hospital patient on the critical list who jokes about death or the ineptness of doctors and nurses.

Remarks of this nature are neither constructive nor appropriate. And it is my opinion that quibbling over technicalities in the bill is like hesitating to bail a rapidly sinking boat for fear the pump might not work.

Mr. MADDEN, among other eloquent and compassionate Members of this body, has chosen a thought which the opponents of this measure have apparently overlooked or disregarded.

He has pointed out that the country is hovering very close to the dark days of 1930, 1931, and 1932.

Nobody maintains this bill is a cure-all—

He states—

but nevertheless its passage will give a message of hope to the millions of families who are worrying about food after their unemployment insurance terminates.

I feel that we owe the people at the very least a measure of hope. Hope that the Congress, we whom the people sent to Washington to represent them, would do just that, and in a manner a lot more concrete than prolonging the uncertainty of where the next check is coming from, if it will be forthcoming at all.

Hunger, worry, fear, and uncertainty are common to all men. It matters not what a man's politics are. It distresses me to see exhibited here in Congress the immediate reaction of one party in opposition to another when action, definite action to give this measure of hope for the future in terms of immediate cash for urgent necessities should be our most pressing concern.

Let the labor organizations propose or endorse this measure before us now and immediately the antilabor groups recoil in horror and warn of socialism.

Let any of us who are concerned with the people themselves whom we are pledged to represent, and the reactionary elements raise such objections as these by the gentleman from Virginia, [Mr. SMITH]:

It provides a dole for every person who is unemployed. It carefully refrains from any needs test. It does not make any difference whether you need the money or not, it is going to be dished out to you if you ask for it and if you are unemployed. Now, that is the only condition attached to this measure and nobody has denied that in the only hearings which have been held on this bill.

Now, let us see what will happen. I will give you a few examples of what can happen under this bill. Let us take a retired gentleman. We will say he is a millionaire; he has all the money he needs; his family has all the money it needs, and yet it was admitted before the Committee on Rules that that man could go and draw his unemployment insurance if he was retired * * *.

You could take a gentleman who is unemployed who has a very wealthy wife. All he has to do is to hold out his hand. All temporary and casual workers, such as domestics, farm labor, or workers in seasonal production can come in. Now, they do not have to be so particular about getting themselves another job. There are very few people that you can think of that are not taken care of in this bill.

There is one very important class that is discriminated against. Let us take the students, the boys and girls graduating from high schools and universities this year. They never have been employed. But, we are discriminating against them. They can graduate from school and starve to death, but they are not being taken care of at all. Then there is another class, the Amalgamated and United Order of Hobos. They never have worked. And, we are discriminating against them. They cannot get anything under this bill; but as to everybody else, all they have to do is to hold out their hands and your taxpayers and my taxpayers will have to put an unearned dole into their hands. Is that the kind of thing that this Congress was set up to do?"

Or this:

Mr. ALLEN of Illinois. That is my understanding.

In conclusion may I say, Mr. Speaker, that while we hear so much about the people starving, I have not received any letters to that effect. I spent a couple of weeks back in my District recently. I cannot conceive, having public assistance, unemployment compensation, social security, and all these measures—which, personally, I am happy we do have—that people are starving. We use such terms rather loosely around here.

Let me submit a letter I received this morning from my District in California. This man is not yet starving. You cannot work a typewriter and assemble your thoughts while you are starving, but he and his wife are living on $40 per week, after having already exhausted their savings and other resources.

SAN FRANCISCO, CALIF.

To Hon. Congressman JOHN F. SHELLEY,
Old House Office Building,
Washington, D. C.

DEAR SIR: I am not sure that you are familiar with the basic statistics of the present situation, in regard to those that are receiving the ultimate in unemployment insurance, thus the reason for this message.

The most anyone can receive in the State of California is $40 per week, as I am sure you know.

My wife and I live as conservatively as any couple can live under the present circumstances, after being unemployed for a little over 1 month we have gone through all of our savings and are now trying to live within our unemployment insurance, with the result that we arrive at the following statistics:

	Per month
Rent	$60.00
P. G. and E	11.00
Telephone	6.00
Drugs (soap, toilet articles, etc.)	26.00

All of these, I am sure you will agree are the bare necessities of present-day living.

Breaking the costs of these basic needs down to weekly expenses we have:

Rent	$15.00
P. G. and E	2.75
Telephone	1.50
Drugs, et cetera	8.50

Totaling $27.75 per week, allowing us $12.25 per week for food or $1.77 per day.

As you will note we did not mention clothing, medical expenses, transportation, recreation, reading matter, nor tobacco, plus a previously incurred debt.

What a terrible situation when people who are willing to pay taxes, income and various hidden taxes, when they can afford it, are reduced to conditions that are worse than being on the dole system such as the last depression.

My wife and I are fortunate in that we are only two people faced with an ultimate condition, what an appalling situation for those that have other mouths to feed and are not getting the maximum benefit.

One wonders just how long these unfortunate people will remain docile.

Your constituent,

ED. DAVIDS.

And may I take a moment to express my pride in the fact that this family in their present unhappy difficulties still have the compassion to include their concern for others:

My wife and I are fortunate in that we are only two people faced with an ultimate condition. What an appalling situation for those who have other mouths to feed and are not getting the maximum benefit.

And for the benefit of those who seemed concerned that unemployed retired millionaires will stand shoulder to shoulder with the dilettante husbands of wealthy women with palms outstretched, let me quote once more the final paragraph which raises a grave and disturbing question which is surely on the minds of more people than my San Francisco constituent:

One wonders just how long these unfortunate people will remain docile.

Mr. Chairman, my colleague, Mr. MCCORMACK, with whom I am proud indeed to be associated, has called with simple eloquence and great persuasion upon the progressive Members on the Republican side to join with us in a humanitarian act.

He recognizes this debate as the progressive outlook versus the status quo point of view. He is keenly aware of the need for urgency in the enactment of this legislation.

I am not adding my voice to those which have already been raised in defense of this measure just for the sake of hearing myself speak.

I am not maintaining that everything the progressive Members of the House have done or encouraged has been 100 percent right and everyone else is wrong.

I am adding my voice to this debate because it saddens and discourages me to see people with the authority and ability to meet and make decisions which affect the entire country and the welfare and the happiness of the people, dig in their heels and shy away from approving legislation which is frankly and openly of an emergency nature for reasons such as the following:

One Member, for example, deplores this measure because, he states, it could become a racket. He uses the example of the 52-20 Club and observes, as though he were the secretly proud parent of a mischievous boy, that some of the returning GI's simply did not have the incentive to go out to look for a job when they were receiving their 20 bucks. Big deal. Gentlemen, we are not concerned with GI's home from the war—who for my money deserved many times more than they received in readjustment time and a little money to go with it—but with men with families, debts and obligations who are desperately in need of work, primarily, unable to find it through no fault of their own, and money to tide them over.

The word "recession" is something the semantics experts can bandy around. Perhaps they can come up with another word which will not offend sensitive Republican ears. Whatever this period in our life can be called it spells more than 5 million men out of work. It spells economic disaster to millions of families. It spells another day gone by in debate over technicalities. It spells another day shot for the man who has exhausted his resources, and another night in which he must plan arguments which will persuade the landlord, the corner grocer, and the light company to let him ride just a little bit longer.

The administration tells us to put money into circulation. The paid-up bills of 5 million people would represent a staggering amount of money which would be put to practical and useful ends.

Let us not be a fire department which answers an alarm by saying they can't come right away unless its a really big fire and they'd also like to have assurance that the water used to fight it will be returned.

Let us remember instead that we are representing the people. They have sounded the alarm. In your own home a kitchen fire is a holocaust. There are more than 5 million houses throughout the country going up in very big flames.

Someone has asked what the Democrats' reaction would be if the administration's bill was the only one put forth. I would say that we should vote for that, in that case, but I want to make it very clear that I am wholly behind the bill as it came from committee.

I would not be against the administration bill if it were the only one submitted, but on the other hand I am not satisfied at all that this is the answer. It does not go far enough. There are too many technicalities.

I would consider it as something which is better than nothing at all. I would say that we should vote for it and then continue to work for more and better provisions for the people who are looking to us for help and leadership.

Mr. O'HARA of Illinois. Mr. Chairman, I have said many times from this well and in public addresses that I have devoted my life to fighting against discrimination. I have not been so much concerned in the targets of discrimination as in discrimination itself. It is discrimination that is the poison that destroys individuals and destroys states. It unbalances the mind, dethrones reason, and stupifies the thinking processes.

The substitute bill I can judge only on this basis. It is a bill of discrimination against the unemployed worker whose employment was with a company or firm employing less than the minimum number of workers. It says, in substance, that if you worked for an employer who had numerous workers you can receive aid in the time of your distress when through no fault of your own, but because of a sad economic situation, you were thrown out of your job. But you cannot receive any help at all if you did the same kind of work, and performed it well and faithfully, but your employer was a little fellow who had only a worker or two. That, Mr. Chairman, is discrimination in its lowest and cruelest form.

That is not discrimination alone against our Negro fellow Americans, although it will affect many thousands of them, because in these sad economic times unfortunately many of them are the first to be thrown out of employment. But it will not affect them alone, nor will it discriminate alone against anyone of a minority religion. It strikes at every worker in America, white, Negro, of all religions and of all kinds, whose misfortune was that their employer had been a little employer and not a great big employer or a giant corporation.

The issue is as clearcut as Toledo steel. It cannot be hidden in a cloud of fine language. There is no economic question involved. The issue is one strictly of being for or against discrimination. He who votes to give a helping hand to an unemployed fellow American who worked for a big employer and gives an icy stare to an equally fine American who worked for a little employer is voting for discrimination and nothing else. It will be interesting to note the alinement when the rollcall is taken. Mr. Chairman, for my part I shall be striking against the ugly head of discrimination.

Mr. VANIK. Mr. Chairman, as a member of the Banking and Currency Committee which is now conducting extensive hearings relative to relieving the current unemployment in the United States, and as a representative from one of the largest labor-surplus areas in the country, I feel particularly close to the related problem of the extension of Federal unemployment compensation benefits which is today before us for our consideration in the debate on H. R. 12065.

In my judgment there is no room for any controversy whatsoever over the basic principle that it is our responsibility to fill the breach with quick decisive action when our economic structure shows signs of deterioration and partial collapse. The Full Employment Act of 1946 is a mandate for action.

Supplementing the Federal Government's legal responsibility to provide full employment for its citizens is the corollary responsibility to provide tangible assistance when the wheels of our economy slow down and when thereby millions of persons become helplessly unemployed. It is with this purpose in mind that this bill authorizes at least temporary unemployment benefits for individuals who exhaust their benefit rights under existing unemployment compensation laws.

It is simple economic justice and commonsense to help offset the loss of purchasing power by unemployed workers, to restore idle productive capacity and to help relieve the toll of human misery and family life by continuing unemployment benefits.

In my city of Cleveland, Ohio, hundreds of able-bodied persons are exhausting State benefits each day. For these people who are eager to work, whose savings are depleted, whose bills

continue to mount, there is no place to turn—there is only despair. In good conscience we cannot fail them. We are legally and morally bound to come to their assistance with at least a continuance of the State benefits which are no longer available to them.

It is indeed regrettable that the proposal for direct Federal contribution was substituted by the loan proposal of the Herlong amendment. Many States will be reluctant to extend expired and expiring unemployment benefits under circumstances in which the funds will have to be repaid at a future date. Some States will make a loan and distribute the funds while others will refuse to act.

Mr. Chairman, can the unemployed of Ohio expect any relief from this proposal? I doubt it. A State administration which refuses to permit unemployed workers to receive supplemental unemployment benefits agreed to in private contracts between employer and employees is not likely to possess the basic humanity required to accept an interest-free loan from the Federal Government for this purpose. A State administration which defers in the courts the distribution of $10 million of urgently needed supplemental unemployment benefit funds in which the State has no interest is not likely to have much "heart" for the worker who thought he was protected with his supplemental unemployment-benefit contract.

There is no limit to the stupidity and irresponsible concept of social justice by the present Ohio administration. Supplemental benefits provided by private agreements are not supplemental at all—the State administration deducts the supplemental payment from the basic compensation award. In Ohio, it is also the longstanding policy of the Bureau of Unemployment Compensation to deduct Ohio National Guard drill pay from State unemployment benefits paid members of the National Guard who have lost their civilian jobs.

In view of the cruel indifference of the present Ohio administration to the realities of the unemployment problem, there is every likelihood that the present administration in Ohio will choose not to borrow unemployment-benefit-extension funds from the Federal Government. Nor are benefits likely to be extended in any other way. Under present management, Ohio is unfortunately distinguished among the States of the Union as being most likely to do nothing for its citizens in unemployment distress. It is indeed a pitiful situation.

Mr. ANFUSO. Mr. Chairman, I think most of us agree that unemployment compensation is a necessity at this time in helping to check the recession and in aiding the more than 5 million who are unemployed. It is over the degree of extension of these benefits that we do not see eye to eye.

The bill, as reported out by the Ways and Means Committee, seeks to provide temporary unemployment compensation to those who have already exhausted these benefits to which they are entitled, as well as to those who are not covered under the unemployment insurance law. Figures just issued for the month of April show that unemployment has not decreased to the extent as expected by the administration. Within a few weeks many college and high-school graduates will be entering the labor market, perhaps as many as 1½ million young men and young women.

It is quite clear that unless there is a successful effort to halt the current recession and to expand the economy of the country, we may shortly be faced with an unemployment of some 6 million persons. The bill reported out by the committee is such an attempt and will accomplish that purpose, namely, help to halt the recession and add to the purchasing power of the unemployed.

The cost of this program, as we already know, is estimated at $1.47 billion. I think it is erroneous to consider it a dole, as some of us unfortunately do, but rather to look upon it as an investment in an economy whose recovery we are seeking in the best and quickest way. Economic depression has a way of feeding upon itself. If we ignore the plight of the 5 million unemployed, we may be confronted with a much more serious situation in the near future which will require much more drastic steps.

By substituting the so-called Herlong amendment to the committee bill we are ignoring the plight of the unemployed in two major respects. In the first place, the unemployment compensation benefits are more limited as to the number of weeks and also because of the fact that the funds are in the nature of loans to the States, and some States will hesitate to proceed with this program if the funds are to be repaid.

The second and perhaps greater objection is the fact that under the Herlong amendment nearly 2 million unemployed workers will not be entitled to unemployment compensation because they work or have worked in noncovered or uninsured industries. In accepting this amendment we are actually discriminating against these 2 million unemployed and their families, which may mean perhaps as many as 8 or 10 million individuals. Is their degree of suffering any less than that of the other unemployed? This, to me, constitutes a clear case of gross discrimination.

Mr. Chairman, I am strongly opposed to substituting the administration bill for the much more liberal committee bill. The former is entirely inadequate. It is merely another holding act, a wait-and-see attitude. It will be of little help and it will solve nothing. Our failure to take adequate action now may cost us a great deal more later. I urge you to vote against the amendment and to support the bill, H. R. 12065, the measure as reported out by the committee.

Mr. LANE. Mr. Chairman, no economist can agree on one single reason as the cause of the current recession, or on one factor that will guarantee economic recovery.

The first victims of any slump are the unemployed.

Their predicament is immediate and clear.

For those covered by unemployment compensation, the benefits they receive are considerably less than the wages they once earned, and there is a definite limitation on the number of weeks that this insurance will provide them with some purchasing power.

For those not covered by unemployment compensation, the loss of a job means instant deprivation.

It is generally agreed in the Congress that we must extend, temporarily, the number of weeks to which an unemployed person is entitled to benefits as the first line of defense that will absorb the immediate shock of this recession.

When the jobs of over 5 million people disappear, we have a situation that affects not only the unemployed, but everyone in the Nation. The repercussions extend to all the world.

When 5 million people are forced to curtail their buying, then use up their savings, and finally fall back on the charity of relatives or the welfare provided by the community, you have 5 million personal tragedies and 5 million customers out of the market.

This is temporary legislation, but it also points up the fact that we have delayed in modernizing our unemployment-compensation system.

I hope that, apart from this emergency measure, we will proceed to enact permanent legislation that will extend coverage to include those who presently have no protection whatever when they lose their jobs.

H. R. 12065 provides up to 16 weeks of additional unemployment compensation for those who have exhausted their benefits, and the extension of coverage up to 16 weeks to those who did not come under any State or Federal unemployment-insurance program.

The unemployment-compensation laws of the States are adequate to meet the needs of normal unemployment, but they cannot cope with a situation like the present. When benefits are exhausted and there are no jobs available, how are these unemployed going to survive?

Even worse are the immediate hardships suffered by the 600,000 unemployed who had sufficient wages to qualify for benefits, but had the misfortune to work in noncovered employment. The discrimination operating against them demands correction.

The simple and expeditious way to provide aid is by a grant from the general funds of the Federal Treasury. Otherwise, there would be no relief in time to avert acute suffering.

This is temporary unemployment legislation designed to meet an emergency problem.

It would be self-defeating if it became mired in technicalities.

And it will give us a breather, during which we can explore and advance those fundamental changes that are required to modernize and strengthen our whole unemployment-compensation system.

If this bill is to succeed in its humane and economic objectives, it will have to be passed swiftly and without any crippling amendments.

In fact this bill, by reversing the loss of purchasing power, will help to regenerate the demand that will create jobs and thus stimulate economic recovery.

Among all the antirecession measures that have been suggested, the Temporary Unemployment Compensation Act of 1958 clearly merits top priority.

Mr. MILLS. Mr. Chairman, I yield the remaining time to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, at least there is one ground upon which we can all agree, and that is that we have a recession. There is also another ground that we can all agree on, and that is that there are about 5.2 million persons out of employment, with many hundreds of thousands of others who are only working part time. Another ground upon which we can agree is that, despite the reduction of 78,000 unemployed in recent months, if we take into consideration the time of the year and the employment factors involved at this time of the year, unemployment has actually increased 150,000 to 200,000, because between March and April there is usually a reduction in unemployment of from 200,000 to 300,000. The interesting fact remains that unemployment increase from March through April on a percentage basis is from 7 percent to 7.5 percent after adjustment for seasonal factors.

Now, shortly there will be a substitute offered for the committee bill. When that substitute comes up, those who vote for it will be voting not only for the loan idea, which in fact is not a loan; it is a grant; you and I know that the money will never be paid back. No State is going to pay back the payments made in accordance with the substitute bill if it becomes law. Furthermore, after 4 years this Congress will never see to it that an additional tax is imposed. Now, let us face realities. In practical effect, the substitute proposal is a grant just as is the proposal which came out of the Committee on Ways and Means. It has another name, but the effect is identically the same. Furthermore, the substitute proposal differentiates between those who are fortunate enough to be covered under State unemployment laws and those employees who are not fortunate enough to be covered. It discriminates against the latter class. It places an inequity upon them and imposes an injustice upon them. And anyone who votes for the substitute bill will be imposing an injustice upon hundreds of thousands of persons who are unemployed and whose only crime is that they are not covered by their State law.

This bill is not a relief bill. It is a bill aimed at trying to get our economy back on an affirmative basis again. It was only the other day this House passed a bill authorizing the construction of two superliners. The Government will give over $100 million to the two companies affected. I do not consider that a dole. That is connected with our merchant marine and our national defense. But I could charge that that is just as much a dole, if I wanted to do as those do who charge this bill is a dole.

I do not consider our payments to the farmers as a dole. That is connected with our national interest. On the other hand, those who oppose the committee bill on the ground that it is a dole, if they were completely honest, would take the same position with respect to the benefits that we give the farmers under our law. And they could do the same in connection with the subsidy that we give newspapers and magazines, if they were sincere. I do not consider that a dole because it is connected with the dissemination of information and an informed public opinion. We have to do that to some extent. If those who oppose this bill on the ground that it is a dole were honest, they would take the same position with respect to that. I do not claim that what we pay our airplane companies as subsidies is a dole, because it is necessary in connection with our national interest. Other policies come into operation. And yet those who oppose the bill from the Committee on Ways and Means would be honest it they took the floor and said that the payment of such subsidies were a dole and should not be made by our Government.

This morning the Washington Post, which is not a Democratic paper, came out for a tax reduction. That shows how alarmed they are. The Washington Post remembers, while they did not read it into their editorial, that President Eisenhower only last September urged the people "not to buy"—remember that?—as a means of meeting inflation. And in March he urged the people to buy.

There are hundreds of thousands of persons and they live in everyone's district who are going to watch this vote and they will be justified not only in watching it but in remembering it.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc.,

SHORT TITLE

SECTION 1. This act may be cited as the "Temporary Unemployment Compensation Act of 1958."

Mr. HERLONG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HERLONG: Strike out all after the enacting clause and insert:

"SHORT TITLE

"SECTION 1. This act may be cited as the 'Temporary Unemployment Compensation Act of 1958.'

"TITLE I—INDIVIDUALS WHO HAVE EXHAUSTED THEIR RIGHTS

"Payment of compensation

"Eligibility

"SEC. 101. (a) (1) Payment of temporary unemployment compensation under this act shall be made, for any week of unemployment which begins on or after the 15th day after the date of the enactment of this act and before April 1, 1959, to individuals who have, after June 30, 1957 (or after such later date as may be specified pursuant to section 102 (b)), exhausted (within the meaning prescribed by the Secretary by regulations) all rights under the unemployment compensation laws referred to in paragraph (3) and who have no rights to unemployment compensation with respect to such week under any such law or under any other Federal or State unemployment compensation law.

"(2) Except as provided in section 103, payment of temporary unemployment compensation under this act shall be made only pursuant to an agreement entered into under section 102 and only for weeks of unemployment beginning after the date on which the agreement is entered into.

"(3) The unemployment compensation laws referred to in this paragraph are:

"(A) Any unemployment compensation law of a State.

"(B) Title XV of the Social Security Act, as amended (42 U. S. C. 1361 et seq.).

"(C) Title IV of the Veterans' Readjustment Assistance Act of 1952, as amended (38 U. S. C. 991 et seq.).

"Maximum Aggregate Amount Payable

"(b) The maximum aggregate amount of temporary unemployment compensation payable to any individual under this act shall be an amount equal to 50 percent of the total amount (including allowances for dependents) which was payable to him, under the unemployment compensation law or laws referred to in subsection (a) (3) under which he last exhausted his rights before making his first claim under this act, for the benefit year with respect to which this last exhaustion occurred. The term 'benefit year' means the benefit year as defined in the applicable State unemployment compensation law; except that, if such law does not define a benefit year, then such term means the period prescribed by the Secretary.

"Weekly Benefit Amount

"(c) The temporary unemployment compensation payable to an individual under this act for a week of total unemployment shall be the weekly benefit amount (including allowances for dependents) for total unemployment which was payable to him pursuant to the unemployment compensation law or laws referred to in subsection (a) (3) under which he most recently exhausted his rights. The temporary unemployment compensation payable to an individual under this act for a week of less than total unemployment shall be computed on the basis of such weekly benefit amount.

"Application of State Laws

"(d) Except where inconsistent with the provisions of this title, the terms and conditions of the unemployment compensation law or laws referred to in subsection (a) (3) under which an individual most recently exhausted his rights shall be applicable to his claims for temporary unemployment compensation under this act and to the payment thereof.

"Agreements with States

"In General

"SEC. 102. (a) The Secretary is authorized on behalf of the United States to enter into an agreement with a State, or with the agency administering the unemployment compensation law of such State, under which such State agency—

"(1) will make, as agent of the United States, payments of temporary unemployment compensation to the individuals referred to in section 101 on the basis provided in this act; and

"(2) will otherwise cooperate with the Secretary and with other State agencies in making payments of temporary unemployment compensation under this act.

"State May Select Latter Date for Exhaustions Under State Law Which Qualify Under This Act

"(b) If the State so requests, the agreement entered into under this section shall

specify, in lieu of June 30, 1957, such later date as the State may request. In any such case, an exhaustion under the unemployment compensation law of such State shall not be taken into account for the purposes of this act unless it occurred after such later date.

"Amendment, Suspension, or Termination of Agreement

"(c) Each agreement under this act shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

"No Denial or Reduction of State Benefits

"(d) Any agreement under this act shall provide that unemployment compensation otherwise payable to any individual under the State's unemployment compensation law will not be denied or reduced for any week by reason of any right to temporary unemployment compensation under this act. This subsection shall not apply to a State law which temporarily extended the duration of unemployment compensation benefits, if such State law provides for its expiration by reason of the enactment of this act.

"Veterans and Federal employees

"In States Which Do Not Have Agreements, and So Forth

"SEC. 103. (a) For the purpose of paying the temporary unemployment compensation provided in this act to individuals—

"(1) who have, after June 30, 1957, exhausted their rights to unemployment compensation under title XV of the Social Security Act or title IV of the Veterans' Readjustment Assistance Act of 1952, and

"(2) in a State, if there is no agreement entered into under section 102 which applies with respect to the weeks of unemployment concerned,

the Secretary is authorized to extend any existing agreement with such State. Any such extension shall apply only to weeks of unemployment beginning after such extension is made. For the purposes of this act, any such extension shall be treated as an agreement entered into under this act.

"In Puerto Rico and the Virgin Islands

"(b) For the purpose of paying the temporary unemployment compensation provided in this act to individuals—

"(1) who have, after June 30, 1957, exhausted their rights to unemployment compensation under title XV of the Social Security Act or title IV of the Veterans Readjustment Assistance Act of 1952, and

"(2) in Puerto Rico or the Virgin Islands, the Secretary is authorized to utilize the personnel and facilities of the agencies in Puerto Rico and the Virgin Islands cooperating with the United States Employment Service under the act of June 6, 1933 (29 U. S. C. 49 et seq.), and may delegate to officials of such agencies any authority granted to him by this act whenever the Secretary determines such delegation to be necessary in carrying out the purposes of this act; and may allocate or transfer funds or otherwise pay or reimburse such agencies for the total cost of the temporary unemployment compensation paid under this act and for expenses incurred in carrying out the purposes of this act.

"Review

"(c) Any individual referred to in subsection (b) whose claim for temporary unemployment compensation under this act has been denied shall be entitled to a fair hearing and review as provided in section 1503 (c) of the Social Security Act (42 U. S. C. 1363 (c)).

"Repayment

"In General

"SEC. 104. (a) The total credits allowed under section 3302 (c) of the Federal Unemployment Tax Act (26 U. S. C. 3302 (c)) to taxpayers with respect to wages attributable to a State for the taxable year beginning on January 1, 1963, and for each taxable year thereafter, shall be reduced in the same manner as that provided by section 3302 (c) (2) of the Federal Unemployment Tax Act for the repayment of advances made under title XII of the Social Security Act, as amended (42 U. S. C. 1321 et seq.), unless or until the Secretary of the Treasury finds that by December 1 of the taxable year there have been restored to the Treasury the amounts of temporary unemployment compensation paid in the State under this act (except amounts paid to individuals who exhausted their unemployment compensation under title XV of the Social Security Act and title IV of the Veterans' Readjustment Assistance Act of 1952 prior to their making their first claims under this act), the amount of costs incurred in the administration of this act with respect to the State, and the amount estimated by the Secretary of Labor as the State's proportionate share of other costs incurred in the administration of this act.

"Repayments in Excess of Amount Owed

"(b) Whenever the amount of additional tax paid, received, and covered into the Treasury under subsection (a) with respect to wages which are attributable to a State exceeds the sum of the amounts described in subsection (a), there is hereby appropriated to the Unemployment Trust Fund for crediting to the account of such State an amount equal to such excess. The amount so credited shall be used only in the payment of cash benefits to individuals with respect to their unemployment, exclusive of expenses of administration.

"TITLE II—GENERAL PROVISIONS

"Definitions

"SEC. 201. For the purposes of this act—

"(1) The term 'Secretary' means the Secretary of Labor.

"(2) The term 'State' includes the District of Columbia, Alaska, and Hawaii.

"(3) The term 'first claim' means the first request for determination of benefit status under this act on the basis of which a weekly benefit amount under this act is established, without regard to whether or not any benefits are paid.

"Review

"SEC. 202. Any determination by a State agency with respect to entitlement to temporary unemployment compensation pursuant to an agreement under this act shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent.

"Penalties

"False Statements, and So Forth

"SEC. 203. (a) Whoever makes a false statement or representation of a material fact knowing it to be false, or knowingly fails to disclose a material fact, to obtain or increase for himself or for any other individual any payment under this act shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

"Recovery of Overpayments

"(b) (1) If a State agency or the Secretary, as the case may be, or a court of competent jurisdiction, finds that any person—

"(A) has made, or has caused to be made by another, a false statement or representation of a material fact knowing it to be false, or has knowingly failed, or caused another to fail, to disclose a material fact, and

"(B) as a result of such action has received any payment under this act to which he was not entitled,

such person shall be liable to repay such amount to the State agency or the Secretary, as the case may be. In lieu of requiring the repayment of any amount under this paragraph, the State agency or the Secretary, as the case may be, may recover such amount by deductions from any compensation payable to such person under this act. Any such finding by a State agency or the Secretary, as the case may be, may be made only after an opportunity for a fair hearing, subject to such further review as may be appropriate under sections 103 (c) and 202 of this act.

"(2) Any amount repaid to a State agency under paragraph (1) shall be deposited into the fund from which payment was made. Any amount repaid to the Secretary under paragraph (1) shall be returned to the Treasury and credited to the current applicable appropriation, fund, or account from which payment was made.

"Information

"SEC. 204. The agency administering the unemployment compensation law of any State shall furnish to the Secretary (on a reimbursable basis) such information as he may find necessary or appropriate in carrying out the provisions of this act.

"Payments to States

"Payment on Calendar Month Basis

"SEC. 205. (a) There shall be paid to each State which has an agreement under this act, either in advance or by way of reimbursement, as may be determined by the Secretary, such sum as the Secretary estimates the State will be entitled to receive under this act for each calendar month, reduced or increased, as the case may be, by any sum by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made upon the basis of such statistical sampling, or other method as may be agreed upon by the Secretary and the State agency.

"Certification

"(b) The Secretary shall from time to time certify to the Secretary of the Treasury for payment—

"(1) to each State which has an agreement under this act sums payable to such State under subsection (a), and

"(2) to each State such amounts as the Secretary determines to be necessary for the proper and efficient administration of this act in such State.

The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, from the funds appropriated for carrying out the purpose of this act.

"Money To Be Used Only for Purposes for Which Paid

"(c) All money paid a State under this act shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this act, to the Treasury and credited to current applicable appropriations, funds, or accounts from which payments to States under this act may be made.

"Surety Bonds

"(d) An agreement under this act may require any officer or employee of the State certifying payments or disbursing funds pursuant to the agreement, or otherwise participating in its performance, to give a surety bond to the United States in such amount as the Secretary may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this act.

"Liability of Certifying Officers

"(e) No person designated pursuant to an agreement under this act as a certifying officer shall, in the absence of gross negligence or intent to defraud the United States,

be liable with respect to the payment of any compensation certified by him under this act.

"Liability of Disbursing Officers

"(f) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this act if it was based upon a voucher signed by a certifying officer designated as provided in subsection (e) of this section.

"Denial of benefits to aliens employed by Communist governments or organizations

"SEC. 206. No person who is an alien shall be entitled to any benefit under this act for any week of unemployment if, at any time on or after the first day of his applicable base period and before the beginning of such week, he was at any time employed by—

"(1) a foreign government which, at the time of such employment, was Communist or under Communist control, or any agency or instrumentality of any such foreign government, or

"(2) any organization if, at the time of such employment (A) such organization was registered under section 7 of the Subversive Activities Control Act of 1850 (50 U. S. C. 786), or (B) there was in effect a final order of the Subversive Activities Control Board requiring such organization to register under section 7 of such act or determining that it is a Communist-infiltrated organization.

"Regulations

"SEC. 207. The Secretary is hereby authorized to make such rules and regulations as may be necessary to carry out the provisions of this act.

"Authorization of appropriations

"SEC. 208. There are hereby authorized to be appropriated, out of money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act."

Mr. HERLONG (interrupting the reading.) Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it may be printed in full in the RECORD.

Copies are available to the Members. It is the bill, H. R. 12244, that I introduced, and it has been explained.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. McCARTHY. Mr. Chairman, reserving the right to object, the gentleman says that it is available.

Mr. HERLONG. It is available at the desk.

Mr. McCARTHY. How many pages does the bill cover, may I ask the gentleman?

Mr. HERLONG. Fifteen pages.

Mr. McCARTHY. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HERLONG. Mr. Chairman, this amendment which I have presented in the nature of a substitute for this bill has been explained already on the floor of the House.

I will not take the time to comment on many things that have been said about the honesty of some of the proposals in the amendment as far as the repayment provisions are concerned except to say that I have a great deal more confidence in the integrity of our States than apparently some other people have.

This amendment says that any State which wishes to do so may enter into an arrangement with the Federal Government whereby funds are advanced to that State for the purpose of defraying, in whole or in part, the additional benefits that a State may provide for those individuals who have exhausted their State benefits under regular provisions of State law. It provides that these benefits will be paid at the same rate provided by the State law for a period equal to half of the time that they were entitled to be paid under the State law. It makes qualified all of those people who have exhausted their benefits since July 1, 1957, with the exception that if the situation in a particular State would be better served by setting a later date, then the State does have the right to select such later date.

It provides that the funds that are advanced by the Government to the States are not an outright grant or gift and the State must ask for the money and the bill makes specific provision for its repayment.

This money may be paid back in one of two ways. Either a State may within 4 years pay this money back without interest from State funds generally or it may be paid back from unemployment compensation reserves that the State has accumulated. If, at the end of a 4-year period, the State has not paid this money back which has been advanced to it, the Federal Government collects from the employers of that State by progressively reducing the amount of credit an employer gets on his 3 percent Federal unemployment compensation tax at the rate of 5 percent a year. In other words, today an employer pays to the Federal Government .3 of 1 percent of his payroll up to $3,000 per year per employee. At the end of 4 years, if the State has not paid this money back by one of these methods that I mentioned, the employer instead of paying to the Government the .3 of 1 percent, he would pay instead .45 of 1 percent and the additional .15 would be credited by the Government to that State's account until the account is paid. If this first year's additional tax which would be paid in 1963 does not cover the advances to the States, then the employer would pay an extra .6 of 1 percent instead of .45 of 1 percent and so on and progressively until the total amount is paid. This would not affect in any way the amount that is paid to the State unemployment compensation fund by the employer as that is a tax that is fixed and levied by the State and it is based on the individual experience rating of the individual employer.

This provision of repayment, as I have stated before, is exactly the same provision of repayment and was lifted bodily from title XII of the Social Security Act which, as I have stated, is the provision of law, as you know, which now provides for a revolving fund of $200 million from which the State may today get advances if their reserve fund is not sufficient to meet their normal requirements for 1 year.

Mr. Chairman, this amendment preserves the principle of insurance. You may say it provides extended insurance. It adheres to the principles upon which our unemployment compensation system is predicated, and it preserves the integrity of the State system.

I urge the adoption of this amendment.

The CHAIRMAN. The time of the gentleman from Florida [Mr. HERLONG] has expired.

Mr. MILLS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have now the issue before the Committee of the Whole that we had before the Ways and Means Committee.

A majority of the members of the Ways and Means Committee felt when they reported the bill H. R. 12065, in lieu of a loan and repayment system, that the loan and repayment system was nothing in the world but a camouflaged grant. The very people on the outside who would support this approach in lieu of the approval of the committee bill will be the very first people who will come to the Congress sometime between now and January 1, 1963, and demand that the Congress take back today's action and not provide for an increased tax on the employers if we accept this amendment. But aside from that, let us admit for the purpose of argument that there will be repayment. Let us see which plan it is that tends in direction of destroying the State systems. What is there about this system that we have in the States that smacks of insurance? It is the payment by the employer within the State to provide against the possibility of unemployment of his employees at some future time.

What does my friend's suggestion contemplate? That the State is to make a repayment in 1958, 1959 and 1960 to the Federal Government out of the State insurance funds that are today held in trust for the benefit of those who are now employed but will find themselves perhaps unemployed in some future year. It works just exactly like social security. We have $20 billion now. Can we say in all fairness, in justification of our act, that we are maintaining the insurance principle on old-age and survivors insurance if we dip into that $20 billion in order to accomplish the objective of increasing benefits this year without regard to the fact that that fund also is there for the purpose of providing benefits later on, to people who are not now retired? I ask you in all fairness, which system is it that offers the greatest possibility of destruction of the present insurance system? To me there is no answer but the amendment offered by the gentleman from Florida. If it is going to be repaid through this method of dipping into the funds, you are taking money that is there to insure somebody else's unemployment and not those who are unemployed today.

Then the gentleman says if the State does not repay out of that fund, we are going to tax the employers, beginning January 1, 1963. We do not know whether they will be the same set of employers that we have today. It may be that he can look into a crystal ball and say whether business then will be in better position to take on new taxes than business is today. I can reach only one

conclusion about this amendment. In the first place the possibilities are greater that it will not be repaid. In the second place, if it is repaid, that in and of itself tends more to destroy the insurance feature that exists with respect to compensation laws of the various States than does the program produced by your committee.

But, then, what are you going to do about the people who are left out entirely under this amendment? No proposal even for a 50–50 relief proposition in it.

Some have thought that would be better than the provisions of title II. But remember that at almost any time 35 percent of the unemployed do not come under any State unemployment system. Are we going to turn our backs on them? If we are looking at this situation on the basis of doing something to stimulate purchasing power in the hands of those who do not have it and perhaps to guard against misery and want, how can we turn our backs completely on the claim of any unemployed person?

Are we to take that position today? I do not believe this Committee will desire to do so and I hope this substitute is defeated.

I would like now to set forth a comparison of H. R. 12065 with the Herlong amendment:

(NOTE.—The text of this amendment appears to be identical to the text of H. R. 12243 [Mr. HARRISON], H. R. 12244 [Mr. HERLONG], H. R. 12245 [Mr. SIMPSON] and to the amendment printed in CONGRESSIONAL RECORD, p. 7675, Tuesday, April 29, 1958.)

I. IN GENERAL

The amendment printed in the RECORD has two titles.

Title I relates to individuals who have exhausted their rights. This title, except as noted below, follows (in general) the language and arrangement of title I of H. R. 12065.

Title II of the amendment contains general provisions which (except for section numbers and conforming changes) follow the language and arrangement of title III of H. R. 12065.

The amendment does not contain provisions comparable to title II of H. R. 12065.

II. POLICY DIFFERENCES BETWEEN H. R. 12065 AND PROPOSED AMENDMENT

1. Weeks of unemployment covered

Both H. R. 12065 and the proposed amendment apply only to weeks of unemployment beginning after the agreement is entered into (but not to any week of unemployment beginning before the 15th day after the date of the enactment of the legislation).

H. R. 12065 applies to weeks of unemployment beginning after the date the agreement is entered into and before November 1, 1959, if the first claim is filed before July 1, 1959.

Proposed amendment applies to weeks of unemployment beginning after the date the agreement is entered into and before April 1, 1959. (See p. 2, line 3, of H. R. 12243.)

2. Qualification based on when exhaustion of rights must have occurred

H. R. 12065 applies to individuals who exhaust their rights after June 30, 1957, and before July 1, 1959.

Proposed amendment applies to individuals who exhaust their rights after June 30, 1957, except that if the State so requests the agreement must specify such later date as the State requests. Since benefits cannot be paid for weeks beginning on or after April 1, 1959, the exhaustion of rights must occur before April 1, 1959. (See p. 2, line 4, and p. 5, line 3, of H. R. 12243.)

3. Maximum aggregate amount payable

H. R. 12065 provides a maximum amount of 16 times the last weekly benefit amount (including allowances for dependents) payable to the individual for a week of total unemployment under the law under which he last exhausted benefits.

Proposed amendment provides a maximum amount equal to 50 percent of the total amount (including allowances for dependents) payable to the individual, under the law under which he last exhausted benefits, for the benefit year with respect to which this last exhaustion occurred. (See p. 3, line 2, of H. R. 12243.)

4. Veterans and Federal employees

H. R. 12065 includes veterans and Federal employees in a State on the same basis as other employees in the State.

Proposed amendment permits the extension of existing agreements with a State to provide payments to veterans and Federal employees whether or not an agreement is entered into with respect to other employees. (See p. 6, line 4, of H. R. 12243.)

5. Repayment to Treasury

H. R. 12065 provides that the unemployment benefits and the administrative expenses under the bill shall be paid from the general fund of the Treasury.

Proposed amendment contains the language of the administration proposal under which the credits allowed under section 3302 (c) of the Federal Unemployment Tax Act will be reduced for each taxable year beginning on or after January 1, 1963, unless or until the Secretary of the Treasury finds (by December 1 of the taxable year) that there has been restored to the Treasury—

(1) the temporary compensation paid in the State under the bill (excluding amounts paid to veterans and Federal employees);

(2) the amount of costs incurred in the administration of the bill with respect to the State; and

(3) the amount estimated by the Secretary of Labor as the State's proportionate share of other costs incurred in the administration of the bill. (See p. 7, line 23, of H. R. 12243.)

(NOTE.—The amendment (see p. 5, line 20, of H. R. 12243) contains a specific amendment with reference to Connecticut. The policy, however, is identical to the policy of H. R. 12065 and conforms to the committee report on H. R. 12065.)

Mr. MARTIN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, we are debating a very important question. The substitute offered is similar, in many ways, to the proposal of President Eisenhower to bring aid and comfort to the jobless people of our country. The need for prompt action is obvious. This amendment can get that action, and if passed by the Senate, can become a law. We must not permit these people to do without the funds to eke out a living. Over a hundred thousand of folks on the unemployment rolls have reached the stage where they will soon have their claims canceled. That is a potent reason why we cannot afford to wrangle over features displeasing to the executive branch. We must be realistic. We must pass now a bill with a chance to become a law.

If the recession deepens, and I am sure there are none here who want that to happen, but if it should happen and the States find themselves unable to provide the relief funds, the Government stands ready to step in. Another bill can be passed which will not jeopardize our unemployment setup.

President Eisenhower is concerned over the problem. He wants a bill that is workable; he wants a bill that will help our deserving jobless.

The President is opposed to the Ways and Means Committee bill because he believes it to be unworkable, that it will bring delay and eventually cause harm to the unemployed setup.

We want no person to suffer in our country, but we also want to maintain the integrity of the law so that the more than 60 million people affected by this legislation can be given complete security.

This problem should not be determined on the basis of partisan politics. I am delighted to note that this amendment is offered by a Democrat. This should dispose of the suggestion that partisan politics enters into the picture, because we all recognize the needs. I have never heard anything to the contrary but that the gentleman who offers the pending amendment is a man of character and integrity, and throughout the years I have worked with him I have never known him to be accused of active partisanship.

Mr. Chairman, I cannot express too strongly the desirability of adopting this amendment. It means one step accomplished in the program against unemployment and distress, and we should take this initial step today.

We are in a recession, but let us not be panic stricken. The people of America are not the kind to cringe in an hour of emergency. They have faced graver problems and greater perils.

In my lifetime, I have gone through a number of recessions, but we have always overcome our difficulties, and we have gone on to higher heights than before. I believe we will do the same this time if we will forget about politics and devote our energies and best efforts to the problem.

One further word, if I may, Mr. Chairman. Over in the Kremlin there are people who hope for America to divide; there are people over in the Kremlin who would like to see this country go down into a deep recession. Why? Because they know that the Communists cannot take over America unless we have a division among our own people, when we are needlessly stampeded into a severe recession.

Mr. Chairman, we know that the President is not in favor of this committee bill. He has said so in public statements. I do not know what he will do if this bill should come to his desk. I would not want to make a prediction but I do believe if the Herlong amendment reaches him, he will sign it without much delay. Neither do we know what the other branch of our Government would do to the Ways and Means Committee bill. It could be delayed a long time.

Mr. Chairman, we are faced with realities. This is legislation offered by the gentleman from Florida that can become law. So why delay with words? Let us

not delay the workless people from getting this legislation promptly, or offer a mirage to others.

The relief problem of the States, if it gets out of hand, can be promptly met by another bill.

Mr. CHRISTOPHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it will be a pleasure for me to support the bill that has been brought to the floor by the Committee on Ways and Means. This administration is running true to form as it has always done and as Republican administrations have done as far back in history as I can read or remember.

The President wanted a gesture. The Committee on Ways and Means brought to the floor of the House a piece of legislation. The administration wanted to offer a skeleton. The Ways and Means Committee put meat on its bones so that people can eat.

I am for the committee bill and hope it prevails.

Mr. SADLAK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SADLAK: On page 3, line 5, strike out "dependents)" and insert "dependents, but excluding any temporary additional unemployment benefits)".

Mr. SADLAK. Mr. Chairman, I have another amendment and I would like to have the two of them considered en bloc.

The CHAIRMAN. Are these amendments to the amendment offered by the gentleman from Florida?

Mr. SADLAK. Yes.

The CHAIRMAN. The gentleman has two he wants considered together?

Mr. SADLAK. Yes.

Mr. MASON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MASON. Are these amendments to the substitute or the original bill?

The CHAIRMAN. The gentleman from Connecticut states they are amendments to the substitute offered by the gentleman from Florida. There is one other amendment to be reported. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. SADLAK: Page 3, line 10, strike out the period and insert the following: ": *Provided, however,* That the amount so payable shall be reduced by the amount of any temporary additional unemployment compensation payable to him under the unemployment compensation law of any State."

Mr. SADLAK. Mr. Chairman, when I spoke during general debate I outlined the amendment which I expected to submit if we were perfecting the bill, H. R. 12065. Since we now have the substitute amendment proposed by our colleague from Florida [Mr. HERLONG], which is encompassed in H. R. 12244, I desire to submit these two amendments in order to conform with the action which has been taken by the Connecticut Legislature.

I now ask that we take and coordinate our action here with the action which has been taken in Connecticut, which extended its 26 basic weeks an additional 13 weeks. I desire by this amendment to conform the substitute bill pending before us to the Connecticut statute, and I ask for support of the amendments.

Does the gentleman from Arkansas wish to comment on the amendments?

Mr. MILLS. Mr. Chairman, I was endeavoring to understand the intent of the amendment offered by the gentleman from Connecticut. Let me see if my understanding of what this amendment actually does is in accord with what the gentleman wants to do. By offering the amendment to the substitute on page 3, line 10, the gentleman would be limiting the maximum amount that might be payable in the State of Connecticut to less than what is provided on page 3 of the bill, because the State of Connecticut has recently implemented its own former duration period by an additional period of weeks. Is that what the gentleman proposes to do?

Mr. SADLAK. That is right. If you have the substitute there, I believe it says 50 percent above the existing formula. Since it was 26 and now 13 additional, it makes it 39, which would make it 50 percent of 39.

Mr. MILLS. The gentleman's amendment would prevent that?

Mr. SADLAK. Yes, to conform with the Connecticut statute.

Mr. MILLS. Mr. Chairman, I would certainly have no objection to the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. SADLAK].

The amendment was agreed to.

Mr. BOGGS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BOGGS. Mr. Chairman, I rise in opposition to the Herlong amendment.

Mr. Chairman, it seems to me that we must attempt to debate both the bill and the Herlong amendment in the proper perspective. It seems to me further, Mr. Chairman and members of the Committee, that if you accept certain fundamentals, then by every test of fairness and logic, every test of sound legislative criteria, you must accept the Mills formula and reject the Herlong formula.

Now, Mr. Chairman, addressing myself to the first proposition, that is, whether or not legislation is needed in this field at all.

I believe that except for people who generally disagree with the theory, practice and principle of unemployment compensation, most people on both sides of the aisle accept the necessity for extending unemployment compensation. I might say that certainly President Eisenhower has accepted that proposition. As a matter of fact, near the end of our recent Easter recess he chided those of us here for not having acted sooner on the program which he recommended.

In addition to that, practically all of the people who make a business of studying, of diagnosing, of analyzing our economic system, believe that this program is absolutely essential. As I pointed out on yesterday many of these economists feel that this is a minimum and a very bare minimum at that. As a matter of fact, since yesterday I noticed that the Washington Post here in Washington which heretofore had opposed any reduction in taxes, this morning endorsed a tax reduction program.

I cited on yesterday the economic indicators for the month of April. I cited the indicators for the month of March. I read what I thought was a very thoughtful piece written by Mr. White of the Christian Science Monitor. I mentioned the discussion of Mr. Nelson Rockefeller and his group of economists; Dr. Burns, the first chairman of President Eisenhower's group of advisers, and the Committee on Economic Development.

So, Mr. Chairman, I think we stand on rather firm ground when we say that most economists recognize the necessity for extending unemployment compensation. Now why do they say this? No. 1, unfortunately unemployment is not decreasing. Unfortunately, our rate of expansion has not kept up. Unfortunately, during the first quarter of 1958, for the first time Russian expansion equaled ours. That is because ours decreased so tremendously.

In addition to that, this is the first day of May. During this month and early next month our colleges and high schools will be putting into the labor force trained young men and women numbering about 1.5 million. So that unless there is some expansion in the economy it can very well be predicted that the number of unemployed will undoubtedly jump beyond 6 million come the month of June.

Looking at the other side of the picture, the Federal Reserve figures show that almost $50 billion in consumer credit is outstanding in this country. What does that mean? That means for refrigerators, dishwashers, gadgets of one type or another our people have gone into hock to the extent of $50 billion, and the studies further show that something over 50 percent of these people have nothing other than their wages, their pay, their salaries, to meet these installment payments. So if unemployment continues to grow and multiply, we face the dire prospect of billions of dollars in consumer items being turned back. You can imagine the type of situation this would create in credit institutions all over the United States.

So I think, Mr. Chairman, that if you will examine the nonpolitical statements of nonpolitical economists before the Joint Committee on the Economic Report, if you will examine the reports to which I have referred, you must come to the conclusion that in order to bolster our economy unemployment compensation must be extended. So we get down to one fundamental consideration and that is, how do we go about doing it?

As I understand the administration plan, and I presume that is the plan embodied in the bill of the gentleman from Florida [Mr. HERLONG], it says that we

shall say to the States that we will make certain advances to you over a period of X number of years over which period you can repay them.

But, what does this mean? You talk about discrimination. No. 1, it means that future employers must repay this money along with present employers. In addition to that, it says that if you work at one type of employment and you are unemployed, you will qualify for these benefits. If you work in another type, you will not qualify. Or to put it more simply, if you are employed by an employer who employs 4 or more people, then you will receive these benefits. If you are employed by an employer who employs less than 4 people, you will not receive the benefits.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I will be happy to yield to the gentleman.

Mr. HALLECK. That has always been true ever since unemployment compensation was enacted into law.

Mr. BOGGS. Evidently the gentleman does not accept my premise that this is an antirecession measure. This is the way I understand this matter. Does the gentleman have some other reason for voting for this?

Mr. HALLECK. Why, certainly, I do.

Mr. BOGGS. What is the reason?

Mr. HALLECK. It has to do with unemployment compensation.

Mr. BOGGS. Yes, and why do you have to deal with unemployment compensation? Because you have unemployment and you have unemployment because you have a recession.

Mr. Chairman, I must refuse to yield any further.

Mr. McCARTHY. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. McCARTHY. I think the question that should be asked of the gentleman from Indiana is that if this is just an unemployment-compensation bill, is he ready to support a permanent improvement of unemployment compensation?

Mr. BOGGS. Of course, the gentleman from Minnesota has made a very significant point. You know the strange thing about some of the people who are opposed to title II is—and I do not know whether this applies to my very dear friend the gentleman from Indiana or not—but some of the people who are shedding these crocodile tears today were opposed to unemployment compensation in its inception and have opposed it all along.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. HALLECK. I was here when the social-security legislation was enacted, and I voted for it.

Mr. BOGGS. I am happy to have that on the record. I commend the gentleman.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. McCORMACK. How did the gentleman vote on the motion to recommit which was to strike out the important part of the law?

Mr. MARTIN. If the gentleman will yield to me so that I may correct my distinguished friend from Massachusetts, the motion to recommit was the one that would liberalize social security.

Mr. McCORMACK. That is the biggest joke of the century.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I am very happy to yield briefly to the gentleman, but I would rather not get into this political thing, and I mean that.

Mr. BYRNES of Wisconsin. The gentleman has suggested that those who are opposing the committee bill are opposed to unemployment compensation. I wonder if the gentleman is saying, in effect, then, that the 32 administrators who say that the program, as presented by the committee, is a bad and unsound program are also against the programs they are administering in the States.

Mr. BOGGS. May I say to the gentleman, if I did the gentleman an injustice in making the suggestion, then I apologize to the gentleman. I think it may be said generally, though, that there has been more inclination on my side of the aisle, and as I said before I do not want to be political about this, to support this kind of program than there has been on the gentleman's side of the aisle.

Let me continue for a moment with reference to title II, if I may.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOGGS. Mr. Chairman, since I have yielded all my time, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

Mr. MASON. Mr. Chairman, I object, and if I had not been caught napping, I would not have permitted the extra 5 minutes which the gentleman has already used.

Mr. BOGGS. I thank the gentleman very much. I appreciate it.

The CHAIRMAN. Objection is heard.

Mr. McCARTHY. Mr. Chairman, I rise in opposition to the amendment.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield.

Mr. BOGGS. I wish the gentleman from Illinois, whom I dearly love and who is really one of the closest friends I have, had not said that because it did not do him any good. I had already finished but I would like to leave just one thought with you. If this program can be justified as an antirecession measure, and I know of no other way to justify it, then how in the name of all that is fair and just and equitable can you make a distinction between one type of employee and another type of employee?

When you vote against title II, that is what you are doing, and you are saying the man who had worked at a grocery store that employs 3 people will not qualify, but the man who had worked across the street in a store where they employ 5 people, will qualify. I hope we will not be led down that alley.

Mr. McCARTHY. Mr. Chairman, I can add a little to what the gentleman from Louisiana [Mr. BOGGS] has said. However, since reference has been made to the 30 administrators and their opposition to the committee bill, these 30 administraors, as far as I know, are more strongly opposed to the Herlong amendment. What they are in favor of is a permanent amendment of the unemployment compensation bill. That is what I am in favor of. We introduced legislation to accomplish that. We offered amendments in the committee which really set forth what President Eisenhower has been recommending to the States every year since 1953. We gave the members of that committee, and this includes the Republican members, a chance to vote on the question of permanent amendment of the unemployment compensation law. Those proposals were voted down. I consulted with the Parliamentarian today as to whether an amendment to establish national standards for permanent unemployment compensation would be in order and he says it would not be out of order.

This brings me to H. R. 12244. It is the intention to provide for temporary additional compensation and for other purposes. This, it seems to me, brings us to the very point in the bill, which is to provide for temporary additional unemployment compensation. If I listened to the argument made to us by Secretary Mitchell, it was argued that the unemployment which we have today is not normal or natural. This is something unusual. He says the unemployment compensation program should provide for what he would call normal unemployment. He said it did not intend to provide for the unemployment which we have now, which is unemployment resulting from a recession. If we push him one step further he would have to say that he would have to admit that these conditions arose outside of industries themselves, which now contribute to unemployment compensation. In other words, there is a social cause, arising from the general state of the economy. If he wants to stay with this argument, then he can take the next step and say that the responsibility for taking up the slack and taking care of this temporary unemployment is a social obligation and the cost should be borne out of the general revenue. This is what is proposed in the Mills bill, to take care of it out of the general revenue, and to take care of, not only those who have exhausted their benefits, but those who have not had coverage. This position should be supported and sustained by this Committee.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield.

Mr. BYRNES of Wisconsin. The gentleman suggested that the State administrators were opposed to the Herlong bill. I do not believe the gentleman meant to say that, because if he had read the compilation of their replies to the questionnaire which the chairman of the committee has, he certainly could not come to that conclusion.

Mr. McCARTHY. The administrators who testified before us——

Mr. BYRNES of Wisconsin. We did not have any before us.

Mr. McCARTHY. Some of them did speak for the administrators in the regular hearings and they did not support the Herlong bill.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. McCARTHY] has expired.

Mr. ROOSEVELT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Chairman, the able gentleman from Minnesota has amendments which are fundamental and farsighted. I can only wish they had formed the substance of the bill as originally reported.

It is a fact that the Federal concept of unemployment compensation originally was not in the frame of an emergency. Experience has proven its soundness and has indicated that the rate of compensation in ordinary periods can safely be advanced to the level suggested by the gentleman from Minnesota [Mr. McCARTHY].

Now, however, we are faced with the need of continuing compensation, or purchasing power, for workers who find that this is an abnormal period, or cycle, of unemployment.. They are still out of a job after 26 weeks of unemployment. Their plight cannot be ignored, for if it is the depression will indeed feed upon itself. The suggestion, therefore, that the purchasing power of these workers be partially sustained for another 13 weeks is just plain common sense for the sake of all of us—the whole economy. The evidence is clear cut that the cost of so doing can be borne 1 of 3 ways:

First. It can be left to the States to do. This we know to be impractical.

Second. The Federal Government can lend the money to the States. This we know to be an artful dodge for there is no Congress that will ever vote to try to get it back under any formula. So let us not kid ourselves or the people of the country.

Third. The Federal Government can and should pay, as a part of the program to meet and solve the temporary but emergency unemployment situation.

That is it in a nutshell. It does not violate States rights. It does conform to the facts. It is not a dole or a handout, except in the minds of those who refuse to recognize the duty of Government to those who want to work and cannot through no fault of their own. Payments at all times are based on proven rates of compensation so no objective person can put them in the same class as relief or public aid. The vital dignity of the worker is justifiably preserved.

This same logic is, of course, equally applicable to title II of the committee bill. The fact that some States have seen fit to ignore the plight of those arbitrarily eliminated from compensation coverage does not excuse us from our duty to them. An unemployed worker in a plant with less than four workers still has a drastic family problem. Their numbers are great enough to have great impact on the whole community. I shall not vote to forget them and I hope for their sakes and ours, too, that most of you will include them before we finish this job.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. HERLONG].

Mr. MARTIN. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. HERLONG and Mr. MILLS as tellers.

The question was taken and the tellers reported that there were—ayes 194, noes 95.

So the amendment was agreed to

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. McCORMACK] having assumed the chair, Mr HAYS of Arkansas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 12065) to authorize temporary unemployment benefits for individuals who exhaust their benefit rights under existing unemployment compensation laws, and for individuals who were employed in noncovered employment, pursuant to House Resolution 555, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

Mr. MILLS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 223, nays 165, answered "present" 1, not voting 40, as follows:

[Roll No. 50]

YEAS—223

Abbitt	Byrnes, Wis.	Gross
Abernethy	Carrigg	Gubser
Adair	Cederberg	Gwinn
Alexander	Chamberlain	Hale
Alger	Chenoweth	Haley
Allen, Calif.	Chiperfield	Halleck
Allen, Ill.	Church	Hardy
Andersen, H. Carl	Clevenger	Harrison, Nebr.
	Collier	Harvey
Andrews	Colmer	Haskell
Arends	Cooley	Hays, Ark.
Ashmore	Coudert	Hébert
Avery	Cramer	Hemphill
Ayres	Cretella	Henderson
Baker	Curtin	Herlong
Barden	Curtis, Mass.	Heselton
Bass, N. H.	Curtis, Mo.	Hess
Bates	Dague	Hestand
Baumhart	Davis, Ga.	Hill
Beamer	Dawson, Utah	Hillings
Becker	Dennison	Hoeven
Belcher	Derounian	Hoffman
Bennett, Fla.	Devereux	Holmes
Bentley	Dixon	Horan
Berry	Dorn, S. C.	Hosmer
Betts	Dowdy	Hull
Blitch	Durham	Hyde
Bolton	Dwyer	Jackson
Bonner	Fallon	Jennings
Bosch	Fascell	Jensen
Bow	Fenton	Johansen
Boykin	Fisher	Jonas
Bray	Flynt	Judd
Broomfield	Ford	Kean
Brown, Ga.	Forrester	Kearney
Brown, Mo.	Fountain	Kearns
Brown, Ohio	Frelinghuysen	Keating
Brownson	Gary	Kilgore
Broyhill	Gathings	Kitchin
Budge	Gavin	Knox
Bush	Glenn	Krueger
Byrne, Ill.	Griffin	Lafore
Laird	O'Hara, Minn.	Smith, Calif.
Landrum	Osmers	Smith, Kans.
Lankford	Ostertag	Smith, Miss.
Latham	Pelly	Smith, Va.
LeCompte	Pilcher	Springer
Lennon	Pillion	Stauffer
Lipscomb	Poff	Taber
McDonough	Preston	Talle
McGregor	Quie	Taylor
McIntire	Ray	Teague, Calif.
McIntosh	Reece, Tenn.	Tewes
McMillan	Reed	Thomson, Wyo.
McVey	Rees, Kans.	Tollefson
Mack, Wash.	Riley	Tuck
Mailliard	Rivers	Utt
Martin	Robeson, Va.	Van Pelt
Mason	Robison, N. Y.	Vinson
Matthews	Robsion, Ky.	Vorys
May	Rogers, Fla.	Vursell
Meader	Sadlak	Wainwright
Michel	St. George	Weaver
Miller, Md.	Schenck	Westland
Miller, Nebr.	Scherer	Wharton
Miller, N. Y.	Schwengel	Whitener
Minshall	Scott, N. C.	Whitten
Mitchell	Scudder	Widnall
Moore	Seely-Brown	Wigglesworth
Mumma	Selden	Williams, Miss.
Murray	Sheehan	Wilson, Ind.
Neal	Sikes	Winstead
Nicholson	Siler	Wolverton
Nimtz	Simpson, Ill.	Younger
Norblad	Simpson, Pa.	

NAYS—165

Addonizio	Flood	Norrell
Albert	Fogarty	O'Brien, Ill.
Anderson, Mont.	Forand	O'Brien, N. Y.
	Frazier	O'Hara, Ill.
Anfuso	Friedel	O'Konski
Aspinall	Fulton	O'Neill
Bailey	Garmatz	Passman
Baldwin	George	Patman
Baring	Gordon	Patterson
Barrett	Granahan	Perkins
Bass, Tenn.	Gray	Pfost
Beckworth	Green, Oreg.	Philbin
Bennett, Mich.	Green, Pa.	Poage
Blatnik	Gregory	Polk
Boggs	Griffiths	Powell
Boland	Hagen	Price
Boiling	Hays, Ohio	Prouty
Boyle	Healey	Rabaut
Brooks, La.	Holifield	Reuss
Brooks, Tex.	Holland	Rhodes, Pa.
Burleson	Holtzman	Rodino
Byrd	Huddleston	Rogers, Colo.
Byrne, Pa.	Ikard	Rogers, Mass.
Canfield	Johnson	Rooney
Cannon	Jones, Ala.	Roosevelt
Carnahan	Karsten	Rutherford
Celler	Kee	Santangelo
Chelf	Kelly, N. Y.	Saund
Christopher	Keogh	Saylor
Clark	Kilday	Shelley
Coad	King	Sheppard
Coffin	Kirwan	Sisk
Corbett	Kluczynski	Spence
Cunningham, Iowa	Lane	Steed
	Lesinski	Sullivan
Davis, Tenn.	Libonati	Teller
Dawson, Ill.	Loser	Thomas
Delaney	McCarthy	Thompson, La.
Dellay	McCormack	Thompson, N. J.
Dent	McFall	Thompson, Tex.
Denton	McGovern	Thornberry
Diggs	Macdonald	Trimble
Dingell	Machrowicz	Udall
Dollinger	Mack, Ill.	Ullman
Donohue	Madden	Vanik
Dorn, N. Y.	Magnuson	Van Zandt
Doyle	Mahon	Watts
Eberharter	Marshall	Wier
Edmondson	Merrow	Willis
Elliott	Metcalf	Withrow
Engle	Mills	Wright
Everett	Morgan	Yates
Evins	Morris	Young
Farbstein	Morrison	Zablocki
Feighan	Moss	Zelenko
Fino	Natcher	

ANSWERED "PRESENT"—1

Riehlman

NOT VOTING—40

Ashley	Grant	Kilburn
Auchincloss	Harden	Knutson
Breeding	Harris	McCulloch
Buckley	Harrison, Va.	Miller, Calif.
Burdick	Holt	Montoya
Cunningham, Nebr.	James	Morano
	Jarman	Moulder
Dies	Jenkins	Multer
Dooley	Jones, Mo.	Porter

Radwan	Scott, Pa.	Teague, Tex.
Rains	Scrivner	Walter
Rhodes, Ariz.	Shuford	Williams, N. Y.
Roberts	Sieminski	Wilson, Calif.
Rogers, Tex.	Staggers	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Dies for, with Mr. Walter against.

Mr. Harrison of Virginia for, with Mr. Montoya against.

Mr. Teague of Texas for, with Mr. Miller of California against.

Mr. Riehlman for, with Mr. Multer against.

Mrs. Harden for, with Mr. Staggers against.

Mr. Holt for, with Mrs. Knutson against.

Mr. Kilburn for, with Mr. Morano against.

Mr. McCulloch for, with Mr. Buckley against.

Mr. Jenkins for, with Mr. Ashley against.

Mr. James for, with Mr. Moulder against.

Mr. Williams of New York for, with Mr. Porter against.

Mr. Shuford for, with Mr. Sieminski against.

Until further notice:

Mr. Grant with Mr. Auchincloss.

Mr. Rains with Mr. Burdick.

Mr. Rogers of Texas with Mr. Cunningham of Nebraska.

Mr. Roberts with Mr. Dooley.

Mr. Breeding with Mr. Radwan.

Mr. Jarman with Mr. Scott of Pennsylvania.

Mr. Jones of Missouri with Mr. Rhodes of Arizona.

Mr. Harris with Mr. Wilson of California.

Mr. BARDEN and Mr. SIKES changed their vote from "nay" to "yea."

Mr. RIEHLMAN. Mr. Speaker, I have a live pair with the gentleman from New York [Mr. MULTER]. Had he been present he would have voted "nay." I voted "yea." I therefore withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. MILLS. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas, 372, nays, 17, not voting 40, as follows:

[Roll No. 51]

YEAS—372

Abbitt	Bates	Brown, Ga.
Abernethy	Baumhart	Brown, Mo.
Adair	Beamer	Brown, Ohio
Addonizio	Becker	Brownson
Albert	Beckworth	Broyhill
Alexander	Belcher	Bush
Allen, Calif.	Bennett, Fla.	Byrd
Andersen, H. Carl	Bennett, Mich.	Byrne, Ill.
	Bentley	Byrne, Pa.
Anderson, Mont.	Berry	Byrnes, Wis.
	Betts	Canfield
Andrews	Blatnik	Cannon
Anfuso	Blitch	Carnahan
Arends	Boggs	Carrigg
Ashmore	Boland	Cederberg
Aspinall	Bolling	Celler
Avery	Bolton	Chamberlain
Ayres	Bonner	Chelf
Bailey	Bosch	Chenoweth
Baker	Bow	Chiperfield
Baldwin	Boykin	Christopher
Barden	Boyle	Church
Baring	Bray	Clark
Barrett	Brooks, La.	Coad
Bass, N. H.	Brooks, Tex.	Coffin
Bass, Tenn.	Broomfield	Collier
Colmer	Hosmer	Pillion
Cooley	Huddleston	Poff
Corbett	Hull	Polk
Coudert	Hyde	Powell
Cramer	Ikard	Preston
Cretella	Jackson	Price
Cunningham, Iowa	Jennings	Prouty
	Jensen	Quie
Curtin	Johansen	Rabaut
Curtis, Mass.	Johnson	Ray
Curtis, Mo.	Jonas	Reece, Tenn.
Dague	Jones, Ala.	Reed
Davis, Ga.	Judd	Rees, Kans.
Davis, Tenn.	Karsten	Reuss
Dawson, Ill.	Kean	Rhodes, Pa.
Dawson, Utah	Kearney	Riehlman
Delaney	Kearns	Riley
Dellay	Keating	Rivers
Dennison	Kee	Robeson, Va.
Dent	Kelly, N. Y.	Robison, N. Y.
Denton	Keogh	Robsion, Ky.
Derounian	Kilday	Rodino
Devereux	Kilgore	Rogers, Colo.
Diggs	King	Rogers, Fla.
Dingell	Kirwan	Rogers, Mass.
Dixon	Kitchin	Rooney
Dollinger	Kluczynski	Roosevelt
Donohue	Knox	Rutherford
Dorn, N. Y.	Lafore	Sadlak
Dorn, S. C.	Laird	Santangelo
Dowdy	Landrum	St. George
Doyle	Lane	Saund
Dwyer	Lankford	Saylor
Eberharter	Latham	Schenck
Edmondson	LeCompte	Schwengel
Elliott	Lennon	Scott, N. C.
Engle	Lesinski	Scudder
Everett	Libonati	Seely-Brown
Evins	Lipscomb	Selden
Fallon	Loser	Sheehan
Farbstein	McCarthy	Shelley
Fascell	McCormack	Sheppard
Feighan	McDonough	Sikes
Fenton	McFall	Siler
Fino	McGovern	Simpson, Ill.
Fisher	McGregor	Simpson, Pa.
Flood	McIntire	Sisk
Flynt	McIntosh	Smith, Miss.
Fogarty	McVey	Smith, Va.
Forand	Macdonald	Spence
Ford	Machrowicz	Springer
Forrester	Mack, Ill.	Stauffer
Fountain	Mack, Wash.	Steed
Frazier	Madden	Sullivan
Frelinghuysen	Magnuson	Talle
Friedel	Mahon	Taylor
Fulton	Mailliard	Teague, Calif.
Garmatz	Marshall	Teller
Gary	Martin	Tewes
Gathings	Matthews	Thomas
Gavin	May	Thompson, La.
George	Meader	Thompson, N. J
Glenn	Merrow	Thompson, Tex.
Gordon	Metcalf	Thomson, Wyo.
Granahan	Michel	Thornberry
Gray	Miller, Md.	Tollefson
Green, Oreg.	Miller, N. Y.	Trimble
Green, Pa.	Mills	Tuck
Gregory	Minshall	Udall
Griffin	Mitchell	Ullman
Griffiths	Moore	Vanik
Gross	Morgan	Van Pelt
Gubser	Morris	Van Zandt
Gwinn	Morrison	Vinson
Hagen	Moss	Vorys
Hale	Mumma	Vursell
Haley	Murray	Wainwright
Halleck	Natcher	Watts
Hardy	Neal	Weaver
Harvey	Nicholson	Westland
Haskell	Nimtz	Wharton
Hays, Ark.	Norblad	Whitener
Hays, Ohio	Norrell	Whitten
Healey	O'Brien, Ill.	Widnall
Hébert	O'Brien, N. Y.	Wier
Hemphill	O'Hara, Ill.	Wigglesworth
Henderson	O'Hara, Minn.	Williams, Miss.
Herlong	O'Konski	Willis
Heselton	O'Neill	Wilson, Calif.
Hess	Osmers	Wilson, Ind.
Hill	Ostertag	Winstead
Hillings	Passman	Withrow
Hoeven	Patman	Wolverton
Hoffman	Patterson	Wright
Holifield	Pelly	Yates
Holland	Perkins	Young
Holmes	Pfost	Younger
Holtzman	Philbin	Zablocki
Horan	Pilcher	Zelenko

NAYS—17

Alger	Hiestand	Scherer
Allen, Ill.	Krueger	Smith, Calif.
Budge	McMillan	Smith, Kans.
Burleson	Mason	Taber
Clevenger	Miller, Nebr.	Utt
Harrison, Nebr.	Poage	

NOT VOTING—40

Ashley	Holt	Radwan
Auchincloss	James	Rains
Breeding	Jarman	Rhodes, Ariz.
Buckley	Jenkins	Roberts
Burdick	Jones, Mo.	Rogers, Tex.
Cunningham, Nebr.	Kilburn	Scott, Pa.
	Knutson	Scrivner
Dies	McCulloch	Shuford
Dooley	Miller, Calif.	Sieminski
Durham	Montoya	Staggers
Grant	Morano	Teague, Tex.
Harden	Moulder	Walter
Harris	Multer	Williams, N. Y.
Harrison, Va.	Porter	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Morano for, with Mr. Kilburn against.

Until further notice:

Mr. Walter with Mr. Auchincloss.

Mr. Harrison of Virginia with Mr. Dooley.

Mr. Buckley with Mr. Cunningham of Nebraska.

Mrs. Knutson with Mr. Radwan.

Mr. Teague of Texas with Mr. Scott of Pennsylvania.

Mr. Staggers with Mr. Williams of New York.

Mr. Roberts with Mrs. Harden.

Mr. Miller of California with Mr. Holt.

Mr. Multer with Mr. Burdick.

Mr. Moulder with McCulloch.

Mr. Dies with Mr. Rhodes of Arizona.

Mr. Porter with Mr. James.

Mr. Shuford with Mr. Jenkins.

Mr. COLLIER changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

Mr. MILLS. Mr. Speaker, I offer an amendment to the title of the bill.

The Clerk read as follows:

Amendment offered by Mr. MILLS: Amend the title so as to read: "To provide for temporary additional unemployment compensation, and for other purposes."

The amendment was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MILLS. Mr. Speaker, I ask unanimous consent that Members desiring to do so may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

REPORT FROM COMMITTEE ON APPROPRIATIONS

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight, May 2, 1958, to file a report on an appropriation bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

ONE HUNDREDTH ANNIVERSARY OF ADMISSION OF THE STATE OF MINNESOTA

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent for the immediate consideration of a resolution (S. Con. Res. 86) congratulating the State of

Minnesota upon the occasion of the centennial of its admission into the Union.

The Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the congratulations and best wishes of the Congress of the United States are hereby cordially extended to the State of Minnesota upon the occasion of the 100th anniversary of the admission of the State of Minnesota into the Union.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

Mr. JUDD. Reserving the right to object, Mr. Speaker, and of course, I shall not object, I want to join my colleague from Minnesota in support of this resolution. I have introduced a somewhat similar resolution calling upon the President to issue a proclamation memorializing the 100th anniversary of the admission of the State of Minnesota to the Union. Naturally we are grateful for this action by the House in adopting a resolution congratulating the State of Minnesota on its centennial celebrations.

Mr. O'HARA of Minnesota. Mr. Speaker, further reserving the right to object, and I shall not object, I join my colleague, the gentleman from Minnesota [Mr. BLATNIK], and I wish to associate myself in the interest of the centennial celebration of our great State of Minnesota.

I assure the gentleman that in reserving the right to object I had no intention of objecting.

Mr. WIER. Mr. Speaker, reserving the right to object, I ask unanimous consent to extend my remarks and I congratulate the gentlemen.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. McCARTHY. Mr. Speaker, we appreciate the courtesy of our colleagues in joining us in commemorating the centennial of the admission of the State of Minnesota into the Union. On May 11, 1858, the Minnesota Territory became a State, and the 32d star was added to the American flag. At that time there were 152,000 people in the State. Today there are 3,313,000. Our total manufacturing payroll exceeds $1 billion. Our wholesale and retail businesses pay over $750 million in wages. We have a total farm income in excess of $600 million. According to the latest census on manufacturing, Minnesota ranks first among the 48 States in, first, volume of iron ore shipped; second, butter manufactured; third, sweet corn produced for processing; fourth, manufacture of calendars and calendar pads; fifth, production of window and door frames; sixth, manufacture of hoisting machinery; seventh, production of linseed oil. Minnesota's South St. Paul livestock market is the second largest in the world. The city of Minneapolis is the nerve center of the flour-milling industry. Both Minneapolis and Rochester are world-renowned for their superior medical facilities. A few square miles of northern Minnesota, the Mesabi, Cuyana, and Vermillion ranges, produce most of the Nation's iron ore, and provide the economic lifeblood for the great port city of Duluth. The mining companies are presently spending more than a billion dollars on new plants and facilities for the processing of taconite ore. Careful conservation practices and reforestation are adding to Minnesota's timber stand at the rate of 16 percent a year.

Nor is Minnesota oblivious to the human needs of her citizens. In total expenditures for higher education Minnesota ranks 7th in the Nation. It occupies 6th place in per pupil expenditures for public school education. Minnesota provides pensions for her older citizens which are 30 percent above the national average. She was the first State to establish a hospital for crippled children and one of the first to draw up a children's code, establishing the responsibility of the State toward dependent children.

Minnesota is a miniature United Nations. Members of many races, among them Yankees, Irish, Germans, Scandinavians, Poles, and Finns, have played a part in the unfolding of the saga of Minnesota. Her culture has been enriched and vitalized by a blending of their separate traditions and racial traits. Minnesota today looks toward the future with confidence in the ability of her sons and daughters to face up to the new and awesome responsibilities which they must bear as citizens of the nuclear age. Rich in resources, material and human, she points with pride to past accomplishments and envisages another 100 years of service to the ideals of human freedom and progress.

Mr. MARSHALL. Mr. Speaker, it is fitting that the Congress should send its official greetings to the State of Minnesota on the occasion of its 100th anniversary of admission into the Union.

When our State came into full partnership in the Union on May 11, 1858, it was already a thriving, progressive territory, rich in resources and richer still in the enterprise of its people.

The story of Minnesota's growth and development is really a story of the spirit. More than its resources, the thrift and hard work of its sturdy pioneers mark the reason it thrived and grew into a State of rich and varied opportunities.

All of its settlers—the Yankees, the Germans, the Irish, the Scandinavians—shared a deep-rooted respect for the land from which they wrested their livelihood. The descendants of these settlers still farm the land and work the factories with the same determination to make a home and a way of life out of the resources God has given them. They have preserved the same genius for thrift and hard work.

A hundred years is not a long time in the history of man. But the history of a State is the story of millions of men who lived there in a hundred years, each adding to the great heritage we are commemorating this year.

We are proud to be a part of this great country and are grateful to our colleagues for joining today in officially commemorating our entrance into the Union. I am sure that the people of my District and all of the people of Minnesota join in appreciation of this act.

We hope, too, that all of you will visit us during the centennial year to share more personally in this patriotic celebration to demonstrate our genuine gratitude to the United States as a proud member of the Union.

Mrs. KNUTSON. Mr. Speaker, pursuant to unanimous consent granted Congressman FRED MARSHALL, I am honored to join my colleagues from Minnesota in hailing the 100th anniversary of statehood for our beloved Land of the Sky Blue Waters.

The most valuable product of Minnesota was, in 1858, as in 1958, the people who made her great. These were of many nationalities, many religions, and of many walks of life. They sought to build a home in the virgin vastness of the North. That is what they seek today.

This occasion is memorable not only for Minnesota but for the entire country—a milestone in our development from the hard-won settlements of pioneers. No State has a history greater than our own. We yield to none in what we have done for the people who have chosen to become citizens of Minnesota. Our education system ranks high in the Nation. Our farming communities contribute toward its wealth and stability. Hundreds of great men and women from Minnesota have blended their enduring contributions by pouring their great gift into the bloodstream of the Nation.

Again I say that it is not Minnesota's wheat or Minnesota's mines which will write her glories on the pages of the capitol book of tomorrow. That honor exists only for the people. I have intentionally refrained from mentioning the name of any one man or woman because it is the family in the sod house on the prairie and the family in the house on the farm who teams with university professors and men of God in a vast work of mutual cooperation.

It is a hundred years since Minnesota began as a State. We, of today, are kin to those who founded the Land of the Sky Blue Waters. We are not distant from them or they from us. A century is only a second in the mind of God.

Mr. QUIE. Mr. Speaker, I would like to add my remarks to the resolution which has been introduced by the gentleman from Minnesota.

This year, Minnesota observes the 100th anniversary of its statehood. This is truly a banner year, not only for the North Star State, but for the entire Nation which has, on many occasions, recognized the contributions Minnesota has made to the spiritual, cultural, and economic heritage of our people.

This year, Minnesota is sparing no effort to mark this anniversary with pageants of color. Already one of the most famous tourist States of the Nation, Minnesota this year is readying an inspiring, colorful chain of festivals and major events to commemorate her entrance into the Union.

Communities in the First Congressional District of Minnesota will participate in such events by scheduling beautiful observances of the centennial.

Many events will take on a national importance. Statehood week in May will highlight visits by ambassadors,

ministers, and titled persons from foreign nations. Traditional events will be further heightened by special centennial pageants.

In short, the thousands of Americans who every year visit Minnesota for its tourist attractions, will be treated to a flurry of centennial events they will long remember. As a Representative from one great district of Minnesota, I would like to extend an invitation to every Member of the House to visit beautiful Minnesota during this centennial year. I am sure that the scenic beauties you see and the special centennial events will prompt frequent trips to the State.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota [Mr. BLATNIK]?

There was no objection.

The Senate concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute in order to ask the majority leader the program for tomorrow and next week.

Mr. McCORMACK. There is no business tomorrow. I will ask permission later to adjourn over until Monday.

On next Monday there will be the Consent Calendar. There are two suspensions, H. R. 11414, the Public Health Service Act, which was under consideration about 2 weeks ago. Also S. 3050, increasing the allowance for rural carriers.

There will be the Private Calendar on Tuesday.

There is an urgent deficiency appropriation bill for 1958.

There is H. R. 12009 to increase appropriations for the Atomic Energy Act.

S. 728, to acquire additional property in the Capitol grounds.

There are rules out on those two bills.

I expect rules to be reported out later. I know there is a request for a rule on the bill H. R. 11078, the small boat safety bill; and H. R. 10459, the Export-Import Bank bill. No rules have been reported out on these last two.

Any further program will be announced later.

Of course conference reports may be called up at any time.

There will be no record votes on Monday, Tuesday and Wednesday on account of primaries in the States of Ohio, Indiana and Alabama.

Recognizing that Indiana is quite a distance from the Capital, as well as Ohio and Alabama, and the difficulty of men getting back the next day when they are at home in connection with primary contests or in connection with activities concerned with primaries, it would be unfair to call them back the next day. So in case of any record votes on these days, the leadership on both sides have agreed, with the consent of all members, that any roll calls on Monday, Tuesday and Wednesday, will take place on Thursday of next week.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADJOURNMENT TO MONDAY, MAY 5

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

Mr. ENGLE. Mr. Speaker, reserving the right to object, and I shall not, I take this opportunity to inquire of the majority leader regarding the Alaskan Statehood bill, H. R. 7999, which has been pending before the Rules Committee a period of some 10 months. No rule has been granted. Although we would like to proceed in an orderly way under a rule, this legislation has a preferential status under clause 20, rule 11, and under direction of the House Committee on Interior and Insular Affairs I feel obliged to exercise the preferential status and call the bill up. I would, however, like to do so in harmony with the plans of the leadership, and I rise to inquire whether or not Wednesday, the 14th of May, would accommodate itself well to the legislative plans of the leadership?

Mr. McCORMACK. I think the gentleman has been very patient in connection with the matter of the request for a rule from the Rules Committee. With no criticism whatever, if action is to be taken this session by both branches of the Congress the bill will have to be brought up in the very near future. I had been hopeful that the Rules Committee long ago would have reported out a rule. I hope they will do so within the next week or 10 days, because it means that the bill would be brought up under more orderly conditions, with the dignity of Rules Committee action, and the better parliamentary situation which would obtain under a rule. The gentleman is certainly within his rights, but I feel sure that should there be an indication that a rule would be granted he would not mind waiting another 2 or 3 days, although I hope the Rules Committee will act before the 14th.

Mr. ENGLE. I am inclined to be patient about it, and if a rule were to be granted we would be glad to work out the time; otherwise I would like to call the bill up on Wednesday, the 14th of May. The Members are entitled to notice.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from Massachusetts.

Mr. MARTIN. I wish to inquire if the gentleman intends to bring up the Hawaiian statehood bill along with that for Alaska.

Mr. ENGLE. No, just Alaska.

Mr. MARTIN. Why discriminate against Hawaii?

Mr. ENGLE. The Alaska bill is the only one reported out. The Hawaiian bill has not been voted on.

Mr. MARTIN. But the committee could get it out very easily.

Mr. ENGLE. We have been working on it, but there are some difficulties confronting us.

Mr. McCORMACK. I am sure the gentleman from Massachusetts [Mr. MARTIN] is glad to cooperate in having this bill called up on May 14.

Mr. MARTIN. I would feel better if Hawaii were coupled with Alaska.

Mr. McCORMACK. I understand the gentleman would like to call up both.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE HONORABLE WILL M. WHITTINGTON

Mr. SMITH of Mississippi. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD in connection with the 80th birthday of the Honorable Will M. Whittington, and that all other Members desiring to extend their remarks on his life, character, and public service may do so at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. SMITH of Mississippi. Mr. Speaker, Sunday, May 4, marks the 80th birthday of my distinguished predecessor in the Congress, the Honorable William Madison Whittington. Mr. Whittington served in this body for 26 years and achieved the universal respect of his colleagues as one of the outstanding legislators of his day.

There is no way to express the great esteem for his services felt by the people of the Mississippi Delta. They know him to be the father of the flood control program that is the lifeblood of our region. The vast economic progress that has been made in the Mississippi Delta since Mr. Whittington came to Congress in 1924 is in good part due to his efforts. Without protection from the floods of the Mississippi and its tributaries, no such investment in material and human wealth would be possible.

A similar debt of gratitude is due him by people throughout the United States, for Mr. Whittington was the principal author of every flood control bill enacted during the period 1928–1950. As he said on the floor of the House in 1950:

> You will pardon me for saying this, but I have had something to do with the writing of every flood-control bill on the statute books. I am not a young man any longer. My eyes are toward the setting sun. I want to provide for the protection of the people in the State where I live, but will never ask my Government or your Government to provide for the district that I live in unless comparable relief is extended to every other Congressional district in the United States.

The first major flood-control legislation which Judge Whittington sponsored in the Congress was the Act of 1928, which followed the disastrous Mississippi flood of 1927. Although this act has been modified from time to time and of necessity will be modified in the future to meet changing conditions, the basic authorization still holds in effect. Thanks to the program which was authorized in 1928, there has been no major flood on the lower Mississippi since that time. Further floods can be prevented if the original program is prosecuted to the fullest and given adequate maintenance through the years.

The success of the Mississippi program made possible the Flood Control Act of 1936, which was written and guided through Congress by Mr. Whittington. This law for the first time established flood control as a Federal activity on a national basis. It established the policy of Federal investigation and improvement of waterways for flood control under the jurisdiction of the Department of the Army, under the direction of the Secretary and the supervision of the Chief of Engineers.

From this national policy has come, of course, not only the protection of the lives and property of our citizens from floods but many other vital byproducts. Most of our great hydroelectric projects would have been impossible without the foresight exhibited here. When the history of waterways development and conservation is written, the Flood Control Act of 1936 will rank as one of the major legislative milestones of our country's history.

Mr. Whittington was the author of perhaps a dozen other major flood-control laws during his service in Congress. The best known of these, of course, are the Flood Controls Acts of 1938, 1941, 1944, 1946, 1948, and 1950. Each new law marks significant new areas of worthwhile Federal activity in the waterways field.

Although Will Whittington was recognized as the Congressional authority on flood control, he played an important part in other legislative issues before the Congress during his service. As a representative of one of the great cotton-growing areas of the Nation, he had an active part in agricultural legislation. The Full Employment Act of 1946 was made into an acceptable piece of legislation which has an important effect upon our present efforts to achieve a sound economy thanks primarily to his influence.

In keeping with the tradition of great Mississippi leaders beginning with Jefferson Davis and extending through L. Q. C. Lamar, John Sharp Williams, and Pat Harrison, Mr. Whittington supported sound principles for American leadership in international affairs and was an eloquent advocate of liberal foreign trade policies. Although highly successful in his own personal business affairs, he has never deserted the basic principles of the Democratic Party in his outlook on basic issues.

On behalf of the people of the Mississippi Delta and his former colleagues in the Congress, I want to extend to him our heartiest best wishes on this occasion of his 80th birthday. It is a great privilege to extend this tribute to one who has made such a great contribution to his State and his country.

Mr. McCORMACK. Mr. Speaker, I wish to extend my warmest and most sincere congratulations to an old colleague and friend, Will M. Whittington, on the occasion of his 80th birthday. This distinguished legislator from Mississippi spent 13 faithful and fruitful terms in Congress. His achievements during those 26 years were of incalculable value to his district, his State, and his country. He compiled a record in this House which remains the envy of every man who aspires to the heights of public service.

Assuredly, Judge Whittington's name will always be associated with the great flood-control legislation enacted during the past half century. From 1937 through 1946 he served as chairman of the House Flood Control Committee and under his guidance the Mississippi River plan was repeatedly reviewed, modified, and improved. This, plus his leadership in the general flood-control program through which the Government came to recognize flood damage as a national problem, earned for him the well-deserved title of "Father of Flood Control."

His activities were not restricted to this field. The major credit for the passage of the Government Coporation Control Act in this House belongs to Will Whittington. In 1946 he carried the greatest burden in helping to bring forth, and assure passage of, the Employment Act of 1946. He, more than anyone else, was responsible for the authorization in that law of the Council of Economic Advisers. These enactments, and many others, are eloquent memorials to his services.

But we, who toiled with him in this body for so many years, remember him not only for his legislative achievements but also for the genuine courtesy of his manner. To us he personifies that courtliness for which southern gentlemen are justly famed. I wish Will Whittington many more years of life and happiness.

Mr. DAVIS of Tennessee. Mr. Speaker, I should like to join with my esteemed colleague FRANK SMITH, of Mississippi, in wishing for his predecessor in the Congress, the Honorable William M. Whittington, all of the happiness possible as he celebrates his 80th birthday on Sunday, May 4, next.

No man, who has served the House of Representatives has left a more profound imprint upon the national life of his country than has Judge Whittington.

As chairman of the Committee on Public Works, he continually amazed me with his eminent grasp of the overall water resources problem, the question of flood control, and the protection of our rivers and harbors. No detail seemed to escape him. On many occasions all of us witnessed his marvelous ability to correct men who were testifying before the committee on matters in which they had but one responsibility, against the great multitude of facts which the chairman had to keep in his mind. Veritably he knew the history of every stream, large and small, in the United States.

As author of the Flood Control Act of 1936, he placed for the first time flood control on a national basis. Through the direct control of the Corps of Engineers, he became known as the author of all fundamental flood control legislation. In subsequent years his bright mind brought into law the changes made necessary by the passing of time.

Judge Whittington is a man of very strong character, with an integrity unimpeachable. His word has always been his bond. He has been successful in business to a very marked degree.

At 80 he will be about the youngest man mentally and physically for those years that I have ever known. His devotion to his family, and the devotion of his children and his charming and cultured wife to him is refreshing. He speaks of Mrs. Whittington with a glint in his eye and a ring in his voice as Miss Anne Ward. Their long association has been one of complete happiness, and neither of them will ever realize the blessings they have brought to so many in so many places.

Mrs. Davis has always felt that Judge Whittington and Miss Anne Ward are two of the finest and most helpful influences we have ever had in our lives and she joins me in all of the good wishes we can bundle together for more years of activity and happiness on the Judge's birthday, and that the two of them may continue to enjoy the full blessings of life which they have already experienced and to which they are so justly entitled for many long days ahead.

Mr. ABERNETHY. Mr. Speaker, over the years Members of this body come and go. Some are long remembered and leave behind a record of service and accomplishments for the good of mankind that will live like stone monuments to their memory. One of those is the Honorable William M. Whittington who reached his 80th birthday on May 2. Mr. Will, as we all know him, had no equal in his chosen field, that of flood control and the improvement of our rivers and harbors. Today American commerce is enjoying good harbors and miles upon miles of navigable rivers, all because of the long service of this great man. Because of his service there are thousands of others who are tilling fertile farms and living in homes secure from dangerous flood waters which in previous years washed away their lands and destroyed their homes and business houses. He was concededly the greatest authority on flood control ever to serve in the Congress of the United States.

Since his retirement from the Congress a few years ago, he has continued to be the same busy man. It is pleasing to know that he is enjoying good health and living his usual active life.

On reaching this great day in his life, his 80th birthday, it is a pleasure to join with my colleagues in extending congratulations and wishing him many more years of active living, good health, and happiness.

Mr. COLMER. Mr. Speaker, I desire to join with my Mississippi colleagues in felicitating the Honorable Will M. Whit-

tington, a former and long-time Member of this House from Mississippi, on the occasion of his 80th birthday yesterday.

Will Whittington was a Member of this body when I came here in 1933. My friendship with him grew and profited until his retirement some 6 years ago.

In the quarter of a century that I myself have served in this House, I can truthfully say that in all of that service I never knew a Member who was more consistently dedicated to his work as a legislator. Moreover, I might add that in all of those years I have never known a Member who was more studious of the legislative proposals or devoted more hours to the job of legislating itself. In fact, he was a veritable encyclopedia on the contents and proposals of not one, but all bills pending.

His meticulous analysis of the various legislative proposals was amazing indeed.

Will Whittington was not only a man of knowledge and industry, but more than that, he was a man of high and unimpeachable integrity and character. So, Mr. Speaker, on this the 80th anniversary of the birthday of former Congressman Will M. Whittington, I should like as his long-time friend to salute him and his charming and intelligent lady; and to wish for them many more years of useful life in behalf of their community and Nation.

Mr. WHITTEN. Mr. Speaker, I am pleased to join with my colleague, Hon. FRANK SMITH, and other Members, in paying tribute to Hon. Will M. Whittington, former Congressman from Mississippi. I join with them in wishing him a most happy 80th birthday, and for both him and Mrs. Whittington many years of happiness.

Mr. Speaker, the Honorable Will M. Whittington is an outstanding man. His long years of service in Congress were devoted to hard work which, coupled with real ability, made him not only an outstanding representative from Mississippi but a national figure. While a specialist in the field of public works, by reason of his ability and his industry, Mr. Whittington was well informed on all matters in the Congress, as much so as any Member it has been my privilege to know.

Congressman Whittington ranks with the great men in Mississippi history who have served in the Congress. Truly, whatever our local, national and international problem may be, improvements to our own country which were brought about largely through his efforts are a monument which will last through the centuries.

Mr. Whittington is blessed with a wonderful wife and fine family, all of whom have many friends here. Mrs. Whittington, a most charming, intelligent and capable person in her own right, has been a great and major factor in the success that this fine couple has achieved in life.

Again, Mr. Speaker, we are pleased to join in these expressions of appreciation to Congressman and Mrs. Whittington; and we join in wishing them many happy years to come.

Mr. WINSTEAD. Mr. Speaker, I would like to join with others here today in congratulating the Honorable William M. Whittington, a distinguished fellow Mississippian, on the occasion of his 80th birthday, and in paying tribute to him as an outstanding Mississippian and one of the ablest, most honest, and courageous men who ever served in the Congress.

Mr. Whittington was first elected to serve the people of Mississippi in the 69th Congress, and remained in the House for the succeeding 26 years. At the end of this time he voluntarily resigned from Congress, but he has maintained his interest and active participation in the affairs of our State and Nation since his retirement.

Mr. Whittington enjoyed the friendship, esteem, and respect of every Member of Congress who served with him, and he has carried with him into his retirement the admiration and high regard of all of us. He was not only a man of unusual ability, but one who devoted his time and energy to the task at hand, finding no time to waste but ample time to counsel and advise with fellow Members, both young and old, on matters in which they were interested or needed help. It was my privilege to serve with him for several years, and our association was always most pleasant and his counsel most helpful. His career and notable contributions to the laws of our country remain as an example and inspiration to all of us. I sincerely wish for him many more years of happiness and contentment.

A DAIRY BILL TO PROTECT THE CONSUMER, THE FARMER, AND THE TAXPAYER

Mr. REUSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

THE SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, I have today introduced for appropriate reference H. R. 12297, a bill to provide a program of direct payments to support the income of dairy farmers. The bill would permit dairy products to sell at reasonable prices to consumers, would assure fair overall income to family-sized dairy farmers, yet would cost taxpayers considerably less than the dairy price support program.

The bill puts into legislative form principles developed by Dean Rudolph K. Froker of the University of Wisconsin's College of Agriculture, and Prof. Harlow W. Halvorson of the university's department of agricultural economics. I am particularly grateful to Professor Halvorson for his invaluable assistance in working out the details of the bill.

NEED FOR EXPANDING MARKETS

H. R. 12297 is an effort to apply the Brannan plan to dairy products. The Brannan plan has already been applied to wool with considerable success. I believe that it can work as well for dairy products and for many other farm commodities.

Consumers need some relief from the ever-increasing cost of living. H. R. 12297 gives them that help by rejecting the high prices of both the price-support program and of the producers' combines which would be legalized by various self-help plans. Instead, H. R. 12297 would let the dairy farmer expand his market by lower prices and at the same time assure him of income adequate for his family needs.

The text of H. R. 12297 follows:

Be it enacted, etc.—

SHORT TITLE

SECTION 1. This act may be cited as the Dairy Income Support Act.

DEFINITIONS

SEC. 2. For the purposes of this act—

(1) The term "Secretary" means the Secretary of Agriculture.

(2) The term "milk producer" means any person engaged in the production of milk for market.

(3) The term "cream producer" means any person engaged in the production of cream for market.

(4) The term "market" means to dispose of by voluntary or involuntary sale, barter, or exchange, or by gift intervivos, in interstate or foreign commerce or in a manner which affects interstate or foreign commerce.

(5) The term "manufactured milk" means butter, nonfat dry milk solids, cheese, and other manufactured dairy products.

(6) The term "cream" means farm-separated cream.

(7) The term "parity price" of manufacturing milk or of cream means that defined in section 301 (a) of the Agricultural Adjustment Act of 1938, as amended: *Provided*, That in the computation of prices received by farmers, there shall be included the income-support payments provided by this act.

(8) The term "payment period" means a period of a calendar year, quarter, or month, as prescribed by the Secretary, which is used for the purpose of computing the amount of support payments to which a milk or cream producer is entitled under this act.

(9) The term "agricultural stabilization committee" means a county committee elected under section 8 (b) of the Soil Conservation and Domestic Allotment Act.

(10) The term "person" means an individual, partnership, corporation, association, trust, estate, or any other business entity.

INCOME SUPPORT PAYMENTS

SEC. 3. The Secretary shall make income support payments to producers with respect to milk marketed for use as manufactured milk, and with respect to cream marketed in any manner, of no less than 80 or more than 100 percent of the "parity price" per unit of such milk or cream for the payment period, less the average national domestic market price per unit for such period, multiplied by an amount equal to the quantity of the milk marketed by the producer for use as manufactured milk (determined on the basis of the percentage of the total quantity of milk received by the plant, handler, or pool to which the producer delivers his milk which is used for manufactured milk) or the quantity of cream marketed, as the case may be.

APPLICATIONS—PAYMENTS

SEC. 4. Support payments shall be made on the basis of applications submitted by milk producers and cream producers, and producers' cooperatives, to their agricultural stabilization committee. The Secretary may by regulations require handlers, processors, and other persons to make available such of their records and other information as he may find necessary to enable him to make the support payments required by this act.

LIMITATIONS ON AMOUNT

SEC. 5. The aggregate amount of support payments to any person under this act in any calendar year may not exceed $2,000, except that, for the purposes of this section, support payments made to a producers' cooperative shall be deemed to have been made to the members thereof in amounts equal to the amount which they received by reason of such payments.

RESTRICTIONS ON EXPANSION OF PRODUCTION

SEC. 6. The Secretary may issue regulations requiring, as conditions to the receipt of support payments, that milk producers or cream producers restrict the expansion of their milk or cream production to the extent he determines necessary in the public interest.

ADJUSTMENTS FOR GRADE, ETC.

SEC. 7. Appropriate adjustments may be made in the support payment for milk or for cream for differences in grade, quality, location; for compliance by the applicant with official conservation and civil defense programs; and for other factors.

SUPPORT PAYMENTS THROUGH CCC

SEC. 8. The Secretary shall make the income support payments provided for herein through the Commodity Credit Corporation and other means available to him.

ADVANCE ANNOUNCEMENT

SEC. 9. The Secretary shall announce the estimated parity price, the estimated percentage, and estimated average national domestic market price, to be used in determining income support payments for milk and for cream under section 3 as far in advance of the beginning of each payment period as practicable, on the basis of the latest information and statistics available to him.

FINALITY OF DETERMINATIONS

SEC. 10. Determinations made by the Secretary under this act shall be final and conclusive, so long as the scope and nature of such determinations are not inconsistent with the provisions of the Commodity Credit Corporation Charter Act. The facts constituting the bases for any income support payment, or the amount thereof, authorized to be made under this act, when officially determined in conformity with rules and regulations prescribed by the Secretary, shall be reviewable only by the Secretary.

EFFECTIVENESS OF PROGRAM

SEC. 11. The Secretary shall, by regulations, provide for the time at which and the areas in which sections 3 through 10 shall take effect, except that such sections shall be in effect in all areas on the first day of the sixth month which begins after the date of the enactment of this act.

MARKETING ORDERS

SEC. 12. Before sections 3 through 10 of this act become effective in an area, the Secretary shall amend all marketing orders for milk or cream issued under section 8c of the Agricultural Adjustment Act, reenacted by the Agricultural Marketing Agreement Act of 1937, affecting such area, by increasing class I and II premiums or otherwise, to the extent appropriate in the light of the enactment of such sections.

HOW THE LAW WOULD WORK

It will be noted that the bill provides for income support payments to dairy farmers based on their output of manufacturing milk, and based on the difference between the parity price of manufacturing milk and the actual market price. Fluid milk would continue to be subject to the minimum price requirements of existing milk marketing orders.

Here is an example of how H. R. 12297 would work:

Farmer Jones ships 100,000 pounds of milk during a given period—month, quarter, or year—to plant X, which uses 70 percent of its milk for manufacturing purposes—making butter, cheese, powdered milk, and so forth.

Farmer Jones is therefore entitled to income support payments on 70,000 pounds of milk. The other 30,000 pounds goes into fluid milk subject to milk marketing orders.

The parity price for manufacturing milk during this period is determined, using the existing parity formula, to be $4 a hundredweight. The average market price is $3. The difference is $1 a hundredweight.

Under H. R. 12297, Farmer Jones would be entitled to a payment for the period of not less than 80 percent nor more than 100 percent of $700—the $1 difference between the parity price and the market price, multiplied by the 700 hundredweight.

ADVANTAGES OF INCOME PAYMENTS

Professor Halvorson has set forth the advantages of the income support payment approach over price support methods:

(a) Consumers would get the benefit of large supplies at lower prices.

(b) Income transfers to farmers out of Treasury funds would be borne by the general public more nearly in accordance with ability to pay principles.

(c) Situations in which high quality products were moved into Government storage and lower quality products were left for consumers would be avoided.

(d) There would be little or no interference with the marketing mechanism and no reduction in sales promotion activity by sellers of farm products.

(e) Program costs could be more readily determined and controlled.

(f) Extensive Government disposal efforts at home and abroad could be reduced, and relief measures could be appraised with less consideration to the price support aspects. Some problems of export dumping would be avoided."

According to Professor Halvorson, applying income support payments only to manufacturing milk, leaving fluid milk subject to marketing orders, would have this effect:

Prices would be maintained where little price response is likely (fluid milk), and would be reduced where demand is more responsive to lower prices (butter, cheese, powder, etc.).

CEILING OF $2,000 TO A PRODUCER

In order to confine the benefits of the program to the family-sized farmer, H. R. 12297 limits the payment to any one milk producer in any one year to a maximum of $2,000.

In order to prevent excessive milk production, farmers participating in the program would have to agree to certain limitations on expanding their production. Unlike other dairy bills, however, there would be no compulsory production controls on farmers.

The Secretary of Agriculture would determine the appropriate level of income payments within the limits of 80 percent to 100 percent contained in H. R. 12297. The Secretary would be empowered to pay a slightly higher percentage to farmers who complied with approved conservation programs—such as under the Agricultural Conservation Program and the Conservation Reserve of the Soil Bank, and approved civil defense programs—(such as the Wisconsin program for standing ready to furnish shelter to city people evacuated in an emergency.

FINANCED AS GENERAL TAXATION

H. R. 12297 would be financed by general taxation, rather than by any special taxes on consumers of dairy products, or on dairy farmers.

The annual cost to the taxpayers of the program set forth in H. R. 12297 has been computed by Professor Halvorson, on the basis of 1957 figures, at $232 million at the 80-percent level, to $444 million at 90 percent. These estimates compare with an average cost for the last 3 fiscal years for dairy price-support program of about $400 million annually—1955, $414 million; 1956, $397 million; 1957, $379 million. During most of this period, support prices have been at 82 percent of parity.

COST OF ONE PROGRAM

Expanded sales of dairy products, through lower prices to the consumer, will in themselves improve dairy farmers' income. To the extent that this occurs, it will reduce the cost of the program to the taxpayers below Professor Halvorson's estimates. This assumes, of course, that processors and distributors pass on to consumers the full benefit of dairy product price reductions.

Although I am a city Congressman, I believe that a constructive dairy program is essential to all. We in the city need dairy products at prices we can afford. We need prosperous farmers to buy the goods we produce in the cities. We need to keep the tax burden at a minimum consistent with these ends. I believe H. R. 12297 accomplishes all three purposes. I hope that it will be considered on its merits.

CONGRESSMAN THOMAS J. O'BRIEN, GREAT AMERICAN

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, the 80th birthday of Hon. THOMAS J. O'BRIEN of Illinois, distinguished and outstanding Member of the House for more than a quarter of a century, is a very inspiring event to me.

Congressman TOM O'BRIEN has held many high positions in his long, useful life. He has been honored time and time again by many groups and organizations and by his party by selection to high posts of duty and responsibility.

In all of these distinctive callings, TOM O'BRIEN has measured up to the very highest standards. He is a great leader and a great American.

His sharp, penetrating mind seems to me to have become even sharper as he goes along in life and, thank God, at 80, he is a stirring example of a lively, enterprising octogenarian, for whom life indeed has begun at 80.

Congressman O'BRIEN's public contributions have been many and marked and

are well known to Members of the House. He has been an exceptional, valuable Member, as well as an exceptionally popular one, conspicuous for his loyalty to his convictions and his friends.

Congressman O'BRIEN has been notably successful in getting things done for his District and his State. He commands the deep respect of every Member of the House for his ability, for his forthrightness, and patriotism. He is beloved and admired by his colleagues. So long as America can develop men of his stamp and caliber, endowed with physical stamina, energy, dedication, and ability to serve our country unselfishly, we will be assured of truly devoted public servants in the Nation.

I can well understand that, after all his years and wealth of experience and many friendships and great honors, TOM O'BRIEN should be deeply touched by the encomiums and evidences of esteem and affection that he has received on his birthday. It is fitting that he should know that these expressions are heartfelt, that they come from those who honestly esteem and love him and highly prize his fellowship and his friendship and wish for him, from their hearts, continued good health and long service in the House and every measure of happiness.

I take great pleasure and pride in congratulating my valued and dear friend, TOM O'BRIEN, on his 80th birthday, and commending him for his outstanding contributions to his District, State, and Nation. May God grant him choicest blessings of future well-being and happiness.

ANNOUNCEMENT

Mr. WILSON of California. Mr. Speaker, I was unavoidably detained on business at the Pentagon when rollcall No. 50 was called. Had I been present I would have voted "yea" on that rollcall.

THE LATE ALVIN T. FULLER

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I was deeply grieved to learn this morning of the sudden passing of Alvin T. Fuller, a former Governor of Massachusetts, and a friend of long standing. He and his wife were close friends of my late husband and myself and we deeply valued their friendship. He was a true friend of the people of Massachusetts and took a great interest in their welfare. He was a very able businessman, he was an extremely brilliant Member of Congress and an outstanding Governor of Massachusetts. He combined businesslike qualities with humanity in his running of the Commonwealth of Massachusetts. He was never too busy to discuss legislation and State and Federal problems. He was dearly beloved for his kindness by thousands and thousands of persons and also for his generosity. I know of no two persons in the Commonwealth of Massachusetts who were more generous with their time and their money than the late Alvin T. Fuller and his gracious, lovely wife. He was blessed with a very fine family—and my heart grieves for them.

Mr. McCORMACK. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, I am very sorry to hear of the death of Alvin T. Fuller, who was really one of our great Americans and who, as the gentlewoman from Massachusetts said, was an outstanding public official. He was Governor of the Commonwealth of Massachusetts during the period that I served in the Massachusetts State Senate. He was a very charitable man, in addition to being a fine public official. More than that, he was a good man. He also had in his wife a very charming lady who was his guide and inspiration. I extend to Mrs. Fuller and her loved ones my profound sympathy in their bereavement.

Mrs. ROGERS of Massachusetts. I am sure the entire Congress of the United States would like to extend sympathy to Mrs. Fuller and her dear ones. May the good Lord comfort them. Governor Fuller's passing is a tremendous loss to our country today, when we need persons especially of his character and great stature, persons that put the country ahead of themselves.

May God rest his soul in peace.

ADMISSION OF MINNESOTA TO STATEHOOD

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent that all members of the Minnesota delegation may extend their remarks immediately after the passage of Senate Concurrent Resolution 86 commemorating the 100th anniversary of the admittance of Minnesota to Statehood.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

WILLIAM J. "BILL" DONALDSON

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

THE SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, a very important part in the deliberations of any legislative body—and this particularly applies to the Congress of the United States—are the correspondents of the various news services who constitute what is termed the Press Gallery. We all know them, we respect them. We realize their importance in reporting the news and creating a sound public opinion as a result of reporting the news of the deliberations of the Congress to the people of the United States. We all know that each and every one of them functions in a sense within their own organization under the Superintendent of the House Press Gallery, our good friend, William J. "Bill" Donaldson.

It is a pleasure for me on this day, May 1, to rise in the House to pay my tribute to this fine gentleman who has given so many years of outstanding service to the press of the country and also to the Congress of the United States. Today, May 1, is the 45th anniversary of Bill Donaldson taking over his duties. In that connection there is only one Member of the body who was in the House of Representatives when Bill Donaldson took over his duties for the first time as Superintendent of the House Press Gallery, and that is Speaker RAYBURN, who began his service 2 months previously.

Since Bill Donaldson became Superintendent, membership in the House Press Gallery has grown from a mere handful to almost 1,000 accredited correspondents. Since 1912 he has attended every national political convention and has helped direct service for correspondents covering them. He is highly esteemed and in fact beloved by all, not only Members of the House but the correspondents who constitute the Press Gallery of the House and of the Senate. We congratulate Bill Donaldson on this 45th anniversary and sincerely hope that he will enjoy countless years to come and many similar anniversaries in the active service of the correspondents constituting the House Press Gallery.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I am glad to yield to the distinguished minority leader.

Mr. MARTIN. Mr. Speaker, I am glad to join the majority leader in expressing congratulations and best wishes to Bill Donaldson upon this anniversary day. Bill has always been thoughtful, courteous, and helpful. He is beloved by all. I hope he will continue in his position for many years to come and enjoy good health and prosperity.

Mr. McCORMACK. I thank the gentleman.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like to say "Amen" 1 million times to what the distinguished majority and minority leaders have said about Mr. Donaldson. He has been endlessly kind, endlessly helpful. I do not know what we would do without him. Long life and happiness to him.

Mr. McCORMACK. I thank the gentlewoman.

OUR INTEREST IN LATIN AMERICA

The SPEAKER pro tempore (Mr. ALBERT). Under previous order of the House the gentleman from Florida [Mr. SIKES] is recognized for 20 minutes.

Mr. SIKES. Mr. Speaker, an obscure dispatch published recently in the press came as a shock to many of us who are vitally interested in Latin American

affairs. The dispatch stated that President Carlos Ibáñez, of Chile, had abruptly canceled his plans for a state visit to the United States.

The official reason given for this hasty action was that pressing official business in Chile made it impossible for the President to come to the United States. But the general belief in Chile, borne out by the statement of a Chilean Cabinet member, is that the real reason for President Ibáñez's decision was displeasure and alarm over the possibility that the United States Government will reimpose its tax on copper imports. A recommendation to this effect was made to this Congress last week by the Secretary of the Interior.

Chile is the world's largest exporter of copper. Copper is the very lifeblood of that country. Declining world prices for the metal already have worked havoc with Chile's faltering economy. The placing of a United States excise tax on imported copper would cut still further the income of the Chilean Government and the Chilean economy. It is not surprising, therefore, that Chile is aroused by what it considers to be an unfriendly act of the United States Secretary of the Interior.

Chile is not the only country in Latin America that is in economic trouble. The other big exporters of metals—Mexico, Peru, and Bolivia—are suffering from low world prices and menaced by a further loss of income by our threat to impose duties on imported lead and zinc.

Many of the 10 coffee exporting countries are verging on crises as the result of an oversupply of their product on the world market. Argentina faces the prospect of being completely destitute of dollars by the end of the year.

One could go down the list and find that nearly all of our sister American Republics are in serious economic difficulties of one kind or another. And while it is only natural that we in the United States are concerned primarily by our own problem of recession, we cannot afford to lose sight of the dangerous situations developing among our neighbors.

The economic troubles of these neighbors of ours are giving local Communists a chance to step up their anti-American agitation, and they are taking advantage of it. At the same time, the Communist nations have decided that this is the opportune moment to get into Latin America with trade and loans.

An Argentine mission bought $27 million worth of goods from Iron Curtain countries only a few weeks ago. Chile has started to sell copper wire to countries of the Soviet bloc and is negotiating the sale of nitrates to Red China. The Soviet Union is making a campaign for diplomatic and trade relations with Brazil and is offering to buy coffee from Colombia. El Salvador is flirting with the sale of coffee to countries of the Soviet block. Moscow has offered trade and credits to hard-pressed Uruguay. I do not need to tell the Members of this House that these developments are ominous for the interests of the United States as well as those of Latin America.

These developments are taking place among countries that are not only our neighbors, but also our friends. We look to them for backstopping on our international policies in times of peace. We rely heavily on them for critical materials in time of war. Although some of them falter at times, they aspire, along with us, to the same goals of freedom, democracy, dignity of the individual, and peace with honor.

United States companies have more than $8 billion invested in Latin America. And these friendly countries normally are among our greatest markets, buying each year some $3.5 billion worth of exported products of our farms and factories. They now are having to curtail their buying from us, because of the difficulties I have mentioned. This curtailment is contributing to our recession.

In order to buy more from us, Latin America must sell more to us. It's just as simple as that.

We cannot afford to let any country in Latin America slip into the economic clutches of the Soviets, as some countries in Asia and Africa have done. Nor can we afford to let deepening crises open the door wide to Communist domination from within.

The best interests of the United States demand that, in our consideration of trade restrictions and appropriations for assistance, we give earnest consideration to the needs of our loyal friends in Latin America.

THE FACTS ON THE RECIPROCAL TRADE AGREEMENTS ACT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 30 minutes.

Mr. BAILEY. Mr. Speaker, as you well know, the issues involving treaties, tariffs and trade relations are intricate.

Most Members of the Congress do not have the time at their disposal to acquire the facts necessary to vote intelligently on the proposal now before us to renew and extend the existing Reciprocal Trade Agreements Act.

It is with this thought in mind that I have asked for time to include in today's proceedings all the pertinent facts relating to this quite controversial matter. In this connection, I am aided by Dr. David M. Clark, professor of business and economics at Idaho State College.

I would like at this time to read into the RECORD my correspondence with Dr. Clark, which carries his formal permission to use the very excellent contribution he has made to this question:

IDAHO STATE COLLEGE,
Pocatello, Idaho, April 23, 1958.

Hon. CLEVELAND M. BAILEY,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN BAILEY: Thank you so much for your kind letter of April 19, 1958, in reference to my brief on "The Coming Controversy in Congress Over the Extension of the Trade Agreements Act and the Approval of the United States Membership in the Organization for Trade Cooperation—With a Background Review."

It would be a great honor to have this statement included in the CONGRESSIONAL RECORD, and it would be greatly appreciated if you would make the necessary arrangements. I would also appreciate receiving a copy of the pertinent issue of the CONGRESSIONAL RECORD.

Respectfully yours,

DAVID M. CLARK,
Assistant Professor of Business and Economics.

THE LEAD AND ZINC CASE CAN TOUCH OFF A SHARP DEBATE IN CONGRESS

(By David M. Clark)

The recommendations of the Tariff Commission in the pending lead and zinc escape-clause investigation, if not in favor of the lead and zinc industry, will precipitate a bitter battle in Congress over the effectiveness of the escape clause in the Trade Agreements Act.

If the unanimous decision rendered by the 6 members of the Tariff Commission (3 Democrats and 3 Republicans) for relief for the lead and zinc industry as a result of the Commission's first investigation in 1954 is to be considered as a precedent, in all probability the Commission will vote again for relief in the present investigation.

However, the fly in the ointment is that the President, under the authority invested in him under the present Trade Agreements Act, may turn down the recommendations of the Tariff Commission. In that event the protectionist forces in Congress will do everything possible to have some teeth put into the administration of the escape clause by an amendment to the Trade Agreements Act to the effect that recommendations of the Tariff Commission in escape-clause cases be submitted to Congress for approval or disapproval instead of to the Executive or to make the recommendations of the Tariff Commission mandatory or binding on the Executive.

The President on August 20, 1954, rejected the recommendations of the Tariff Commission in the first lead and zinc investigation with the following statement:

"After a thorough review of the lead-zinc problem, I am convinced that a serious question exists as to the magnitude of the direct benefits that could be expected from the recommended tariff increases. * * * There is a real question as to whether the tariff action would have important consequences in reopening closed mines. Moreover, the increase in the tariff would most likely depress the prices of these metals outside the United States.

"Since the benefits to be derived from the increases of the tariff on lead and zinc are so uncertain, I am not prepared to seek them at the expense of the serious adverse consequences that would follow for our international relations. Lead and zinc are important to several key countries."

If such a reason were to be given this time in denying tariff relief for the lead-and-zinc industry, the "fur will fly" in Congress, charging the administration of "sacrificing the lead-and-zinc industry on the altar of international diplomacy."

Besides the overall ineffective administration of the escape claues there will be several other issues that will be debated in connection with the extension of the Trade Agreements Act which is due to expire on June 30, 1958.

Congressman SAM RAYBURN, Democrat from Texas and Speaker of the House of Representatives, recently predicted that "blood, sweat, and tears" will be required to steer an extension bill through Congress without major damage (what he meant by damage, crippling amendments to the administration's bill).

Senator GEORGE W. MALONE, Republican from Nevada and member of the powerful Senate Finance Committee, said, speaking of the extension of the Trade Agreements Act,

"This session will be one of the toughest in 50 years."

WHAT IS THE ESCAPE CLAUSE?

The Trade Agreements Act of 1951 established a statutory escape-clause procedure.

Briefly and simply, it provides, that, if an industry believes that due to a lower import duty, on the particular product in question brought about as a result of a concession granted in a trade agreement, is causing increased imports in such quantities as to cause or threaten serious injury to the domestic industry producing like or directly competitive products, upon application, the Tariff Commission shall promptly conduct an investigation to determine the extent of such injury.

The Tariff Commission may find after its investigation that there is injury or that there is no injury; it may, if it is self-evident that no injury is involved, decide not to conduct an extensive investigation in the first place.

If the Tariff Commission should decide that relief is justifiable (in the form of increased import duties or import quotas, or both) either by a unanimous or split decision, its recommendations are sent to the President for his approval or disapproval.

So far the majority of the recommendations of the Tariff Commission have been rejected by the President.

In all fairness, it can be said, that the reasonable and moderate protectionist groups are not against the basic philosophy of the trade-agreements program. What they seek is an effective administration of the escape clause.

PRESIDENT EISENHOWER'S MESSAGE TO CONGRESS

President Eisenhower in his special message to Congress on January 20, 1958, requesting a 5-year extension of the Trade Agreements Act said:

"A country cannot expect to sell abroad if it will not buy abroad and that it cannot expect to avoid the economic and political consequences if it tries. * * *

"We must recognise, the growing capacity of the Soviet Union in the economic field. * * * Their advances in technology and industrialization together with their continuing repression of domestic consumption, enable them to supply better than ever before, the machinery, manufactures, and other goods which are essential to the economic life of many countries.

"The Soviet capacity to export is matched by its capacity and willingness to import. It is increasingly offering to import the surpluses of non-Communist states. In this way it seeks to tie such states to the Soviet orbit and to exploit the trade difficulties of the Free World. * * *"

The extension of the act is "essential to our national economic interest, to our security, and to our foreign relations."

The President requested authority to reduce tariffs in any of the following ways: by 5 percent each year for 5 successive years; by a similar total amount over a 3-year period as long as no annual reduction exceeds 10 percent; by trimming ad valorem rates—those figured in so much percent of the invoice value; and specific rates—those duties levied on the basis of so many dollars or cents per pound, units, etc.—by a 3 percentage point with no cut in any one year larger than 1 point; or reducing duties now above 50 percent ad valorem down to that figure with no more than one-third of the total reduction in any one year.

Also authority for the President to raise tariffs in cases where United States industries prove injury because of imports, by 50 percent above 1934 levels, instead of the generally lower 1945 levels as now provided by law.

The President who rarely uses the word "must" in dealing with Congress, said the program "must be enacted."

BACKGROUND—COMING CONGRESSIONAL BATTLE

In order to fully appreciate the stiff battle that lies ahead in connection with the extension of the Trade Agreements Act, we must go back and review just what happened in Congress in 1955.

The Trade Agreements Extension Act of 1955 was passed for a 3 year period after a 5-month legislative battle. In its final form as sent to the President for signature it was a considerably modified compromise bill as compared to the original administration version. In fact without the compromise amendments the bill was apparently doomed to failure in the Senate. What was the stage setting and the miscalculations of the administration surrounding this bill?

When the 2d session of the 84th Congress convened on January 5, 1955, the first bill put into the hopper was the bill to extend the Trade Agreements Act for another 3 years.

It carried the full endorsement of the White House, the opposition Democratic Party in Congress and the metropolitan press. It also carried the proud title H. R. 1. As it started on its way through the legislative machinery practically everyone expected it to pass Congress with flying colors. One writer at the time remarked in connection with a blitzkrieg approval in Congress of H. R. 1, "the skids are already greased." In this perfect stage setting just what hit H. R. 1 in its long and rocky road through Congress?

The voting performance in the House of Representatives despite the gag rule (a rule which can be proposed by the Rules Committee in the House. If its use is approved by the House, a minority is prevented from taking charge of procedure or getting before the House a bill the majority does not want to consider) and the 29 amendments made to H. R. 1 in the Senate Finance Committee, revealed beyond doubt the growing pressures in the United States and in Congress for a more protective policy on foreign trade.

The administration strategists and particularly the Nation's press as a whole failed completely to realize or for some reason disregarded the shift that had taken place in the Nation's economic pattern, particularly in the South, which has transformed many traditionally free-trade Democrats into moderate protectionists.

Another important factor which played a part on the scene was the increasing flood of foreign imports from countries that had regained their post-war economic health.

Still another underestimation of the situation was the trend in Congress to reassert its constitutional authority to regulate our tariffs and foreign commerce. (Art. I, sec. 8 of the Constitution says: "Congress shall regulate our foreign commerce and the laying of duties on imports.") In delegating the authority to the President to negotiate trade agreements with foreign countries in the Trade Agreements Act, without the approval of Congress, Congress, in fact, abdicated its authority under the Constitution.

Perhaps the changing economic pattern in the United States and the growing prosperity of producing nations abroad have contributed most to the trend away from the trade program launched by Secretary of State Cordell Hull during the depression period in 1934. The original Trade Agreement Act of 1934 was essentially an export promotion measure.

Nations that were devastated by World War II had rebounded, largely because of American financial aid, to a point where many of them are in better financial health now than they were when the war began. It is one of history's ironies that their natural search for markets should inevitably bring them into competition with the Nation which helped them most.

Nevertheless, the irony exists. The economic philosophy that "all industries have to face competition" did not stem the rising tide of protectionist sentiment in Congress.

The industries and the legislators who represented them in Congress argued that it is one thing to face competition from industries with the same wage scale of, for example, $1.50 to $2 an hour; and another to face it from industries such as Japan's with a wage scale of 19 or 20 cents an hour.

H. R. 1 expressed the free trade philosophy of the administration. On the other side were the protectionists who felt that charity begins at home and cried aloud that American industries should be protected from what they termed "unfair law-wage competition from abroad."

So legislators reacted in the only way that was left open to them, which was to amend the bill.

H. R. 1 was finally squeezed through the House after a personal appeal by President Eisenhower.

Whereas the South had long been an impregnable stronghold of low tariff sentiment, the House vote indicated a growing fear in that region over the impact of imported goods on domestic manufacturers (particularly textiles).

When the bill reached the Senate, from the very first day it was obvious that even greater difficulties awaited the bill in that body.

The end result of the public hearings as the Senate Finance Committee prepared to go into executive session to whip the bill into shape to send it to the Senate floor created an atmosphere which was best described by Senator HARRY F. BYRD, Democrat, from Virginia, and chairman of the Senate Finance Committee, "This is the roughest situation I've seen on a bill of this magnitude since I've been here." (Senator BYRD has been in the Senate since 1933, a year before the original Trade Agreements Act was enacted).

Basically, the reasons for the bill's difficulties at that time were: the mass of testimony complaining of injury, either real, immediate or potential to many industries if the present trade policies were to be continued; a conviction that other countries were getting the best of the bargain under the reciprocal trade program and a deep-rooted suspicion that State Department negotiators were selling American business down the river.

The testimony weighed heavily on Members of Congress who are elected to represent their constituents. Therefore, when constituents complain in such volume, Members of Congress also complain.

All major obstacles to the bill on the Senate floor were removed only when the White House announced that the administration would accept the 29 compromise amendments made in the Senate Finance Committee.

As the Senate prepared to give final approval to the bill, Senator BYRD issued the following statement:

"We must all recognize that world conditions have changed since the reciprocal-trade program was inaugurated in 1934. Since then the industrial wage scale in the United States has been increased much more rapidly than in other countries who export to us. It is likewise a fact, that under the United States foreign-aid program the industrial plants in exporting nations, especially textiles and chemicals, have been rebuilt and modernized without cost to such nations. For these reasons the Senate Finance Committee adopted certain safeguards."

PRESSURE GROUPS—THE PRESIDENT IN A "SPOT"

Pressure will be brought to bear on the President from many sides: By the Department of State on the overall international and economic front.

By foreign countries such as, for example, Mexico and Peru, to the effect that if the United States increases import duties on lead and zinc, the dollar exchange they would ordinarily receive to use in the purchase of American manufactured goods will be diminished by hundreds of millions of dollars a year. (Mexico for example imports about $840 million a year of United States products, while the United States buys from Mexico only $400 million worth of merchandise.)

They will argue if mining activities are curtailed, unemployment will result; thus creating a fertile field for communistic propaganda.

They will also threaten retaliation, that is, if the United States increases import duties, they in turn will increase import duties into their countries on American products. They will be supported by the Department of State, large American export interest (such as heavy machinery, trucks, airplane, mining, construction and railroad equipment manufacturers) and Americans who have large investments abroad in mining operations, branch plants, etc.

By American producers and manufacturers who are being injured from import competition. They will theaten that unless they can be assured of effective relief under the escape clause they will bring pressure on their respective Senators and Congressmen to vote against the extension of the Trade Agreement Act and to have the authority to raise or lower import duties returned to Congress.

This, of course, would bring about a return to logrolling (the process by which one legislator helps other Members get their pet bills passed and they do the same for him) which would not be a desirable situtions as far as the United States overall foreign-trade policy is concerned.

The job of coordinating and pinpointing the pressure tactics of these interests will be largely done by two Washington-based committees—The Nationwide Committee of Industry, Agriculture and Labor on Import-Export Policy, in behalf of increased protectionism and the Committee for a National Trade Policy, in behalf of trade liberalization.

OUTLOOK

The debate on the extension of the Trade Agreements Act will provide one of the hottest legislative fights of the year, splitting both parties down the middle.

There is no doubt that the "Protectionist Forces" in Congress are in the mood to perform major surgery on the Trade Agreements Act this session.

The Trade Agreements Act will be probably extended, but not for 5 years as requested by the Administration, but for 1 or 2 years at the most.

SOME OF THE ARGUMENTS PRO AND CON THAT WILL BE PROPOUNDED IN THE "EXTENSION OF THE TRADE AGREEMENTS ACT DEBATE"

The principal arguments of the administration and the groups in favor of a more "liberalized" or "freer" trade policy revolve pretty much around one or more of the following points.

1. We need larger export markets to absorb productive capacity in excess of our own requirements. We can only sell more abroad by buying more abroad unless we propose to continue giving foreign nations this additional purchasing power in the form of aid.

2. Foreign nations whose production is less diversified than ours need to import more goods from us, and can only earn the necessary dollars if we buy more from them.

United States exports in 1957 amounted to approximately $20.8 billions, while imports amounted to only $12.8 billions, which represents a "Dollar or Trade Gap" amounting to $8 billions, or a surplus of exports over imports amounting to $8 billions.

3. The extension of the Trade Agreements Act is necessary in order to accomplish our foreign economic policy objectives, namely:

(a) To promote the economic strength of the United States by expanding foreign markets for the products of our factories, mines, and farms; insuring ready access to overseas sources of supplies needed by our economy; permitting the Nation to take reasonable advantage of the economies which flow from specialization in production throughout the world; improving conditions for United States citizens to invest and do business abroad.

(b) To promote the economic strength of the rest of the Free World. A prosperous world brings economic advantages to our own country. Foreign economic growth is necessary for the establishment and maintenance of stable, peaceful, and friendly societies abroad.

(c) To build and maintain cohesion in the Free World, through the North Atlantic Treaty Organization and the Baghdad Pact, through the Organization of American States, through a variety of other organizations and treaties, the United States has undertaken to work with friendly countries in building our common economic strength and in defending ourselves against Communist aggression. These ties have not been and could not be purely political or military. Without adequate economic support they would be weak and unreliable.

4. Foreign trade is one of the most important business activities of the United States. It is estimated, for example, that the families of at least 4½ million American workers, or about 7 percent of our labor force, gain their livelihood from foreign trade.

5. The American economy is becoming more and more dependent on foreign sources of supply.

6. If all tariffs were to be raised, the United States might be able to develop domestic substitutes for many of the items it imports, but it might also have to develop some substitutes for non-Communist allies.

7. The rapid economic progress of Russia greatly necessitates the need for the United States to accelerate the further reduction of import tariffs. Russian gains in productivity are rapidly increasing her ability to offer attractive trade opportunities to the countries of Europe, Asia, Africa, and Latin America.

The United States must counter opportunities to trade with Russia by offering opportunities to trade with the United States. The countries of Europe, Asia and Africa that are trying to develop their economies need the chance to earn foreign exchange with which to buy capital equipment and to strengthen their currencies. If they are barred from trading with the United States, they will trade with Russia and will become increasingly dependent upon Russia.

The protectionist forces will present more or less the following arguments:

1. The United States is not a high tariff country. Out of some 45 nations and trading areas of the world whose average duties are capable of measurement the United States ranks eighth from the lowest.

2. The United States through the Trade Agreements Act has reached the bottom of the barrel in negotiating further reduced import duties with foreign countries.

Aside from the fact that the protective level of the United States tariff has already been reduced by at least 75 percent in the past 24 years; the fact also should not be ignored that from 55 percent to 60 percent of all United States imports are and for over 40 years have been free of import duty.

Thus the United States is not, as charged by some, an illiberal trading country. Moreover, the United States makes much less use of the nontariff restrictions and trade barriers such as import quotas, exchange controls, bilateral trading arrangements and embargoes, than do other countries in the world.

3. Our present foreign trade policy is not truly in the national interest. Our foreign trade program places the interests of a few privileged industries ahead of the interest of the country as a whole.

4. Some of the strongest export interests and advocates of a freer foreign trade policy, especially wheat, wheat flour, and cotton are beneficiaries of protection not only in the form of import duties but also by a highly restrictive import quota.

Under the import quota only about one-tenth of 1 percent of our domestic wheat crop can be imported—about one-fiftieth of 1 percent of our domestic production of wheat flour—and cotton is restricted to less than 1 percent of domestic production.

Export interests should have no special claim on the Government.

5. Exports are no more in the national interest than continuity of domestic production or continuing employment at good wages in domestic industries that are exposed to unfair low-wage import competition. The growing unemployment problem will be stressed and will magnify fears of injury from cheap imports.

We have farflung domestic interests which because of sharp tariff cuts made during the years of prosperity and under the brisk business of a seller market, are not exposed to a type of import competition that is unfair without proper regulation.

6. Under the Trade Agreements Act, a large number of industries in the United States are being asked to give away a portion of our domestic market with the hope, but with no assurance, that we can develop compensating markets in other lands. This might be a noble move on our part, but it is only common sense, that it is unwise to place our industries in jeopardy solely in the name of nobility.

7. The fact is that European wage rates average only to about 20 to 25 percent of those paid in the United States. In many countries, such as Japan, the differential is even greater. Since the cost of any manufactured product is largely labor, this means that, without equalizing tariff protection, we must be 4 or 5 times as efficient, or productive, to compete. That is a tremendously high hurdle, and while we pride ourselves on our productivity in most cases we just aren't that good.

8. Foreign imports are sharply accelerating America's rising unemployment and the slump in business. It is estimated that at least 335,000 workers are jobless today because of import competition.

9. The ineffectiveness of the administration of the escape clause will be stressed and every effort will be made to shift to Congress the President's power to veto the Tariff Commission's decisions.

TRADE AGREEMENTS ACT

With the passage of the Trade Agreements Act of June 12, 1934, the power to negotiate trade agreements on a bilateral basis with foreign nations was given by Congress to the executive branch.

Under the terms of the original act the President was authorized to reduce or raise existing tariff rates on any articles (then or subsequently covered by foreign trade agreements) up to 50 percent for a period of 3 years. This authority has been retained by the President through subsequent renewals of the act by Congress.

In 1945, an additional reduction of 50 percent in United States import duties was made possible through a further delegation of tariff-setting authority to the President. In cases where concessions had been made

up to the limit of 50 percent provided in the original act, these could be reduced another 50 percent, amounting to a total of 75 percent from the rate of duty in effect prior to 1934.

In 1951 the United States Congress added certain safeguards to the Trade Agreements Act.

A provision strengthening the escape clause was inserted into the act so that concessions resulting in threatened or actual damage to American industry could be modified or withdrawn, and the duty increased up to 50 percent or a quota imposed to prevent injury.

Another provision added was the peril point procedure which requires the Tariff Commission to submit to the President a report establishing a maximum limit beyond which concessions contemplated under proposed foreign trade agreements would threaten serious injury to competitive domestic industry.

Since the United States adherence to the General Agreement on Tariffs and Trade in 1947, trade agreements are now negotiated on a multilateral basis instead of on a unilateral basis.

INTERNATIONAL TRADE ORGANIZATION (ITO)—GENERAL AGREEMENTS ON TARIFFS AND TRADE (GATT)—ORGANIZATION FOR TRADE COOPERATION (OTC)

In 1940 the United States joined with other nations to expand the bilateral trade agreements negotiated under the Trade Agreements Act into a multilateral system through the creation of a proposed International Trade Organization, an adjunct of the United Nations.

The charter of this International Trade Organization was signed by the representatives of fifty-odd nations, including the United States, in Habana, Cuba, in March of 1948. This document came to be known as the Habana Charter. In addition to broad tariff reductions, many of its provisions pledged the signatories to carry out sweeping reforms in trade policies, quota, and currency restrictions, etc.

Pending the ratification of this agreement by the signatory nations, representatives of some 20 nations met in Geneva, Switzerland, in 1947 and adopted a General Agreement on Tariffs and Trade (generally known as GATT). Many of the provisions of the International Trade Organization Charter were incorporated in GATT, under the belief that the ITO would be ratified, and GATT would be incorporated into it.

The United States Congress in 1950 failed to ratify United States adherence to the ITO.

Nevertheless, GATT continues to exist.

The GATT is now a multilateral trade agreement among 35 trading nations, including the United States (representing 80 percent of world trade). Under GATT reciprocal tariff reductions are negotiated among the contracting parties.

One of the major differences between the general agreement and the United States policy was eliminated in 1955 when the participating countries gave the United States a broad waiver to impose import quotas unilaterally on agricultural products as required by United States law (sec. 22, Agricultural Adjustment Act). Under the ground rules of GATT import quotas are outlawed.

In 1954, representatives of the United States and the other participants in the General Agreement on Tariffs and Trade began a review of that agreement in order to simplify and strengthen it and also to establish more effective facilities for its administration. The review was completed in 1955. One of the results of the review was the negotiation of an agreement to establish an Organization for Trade Cooperation (OTC) to administer the general agreement. To date the GATT has no regular administrative machinery, and neither has Congress approved United States membership in the OTC.

WHAT ARE SOME OF THE MAJOR ARGUMENTS FOR THIS COUNTRY'S MEMBERSHIP IN GATT AND OTC?

1. By becoming a member of the Organization for Trade Cooperation we would thus demonstrate to the Free World our active interest in the promotion of trade among the free nations. We would demonstrate our desire to deal with matters of trade in the same cooperative way we do with military matters in such regional pacts as the North Atlantic Treaty Organization, and with financial matters in the International Monetary Fund and in the International Bank for Reconstruction and Development. We would thus cooperate further with the Free World, in the struggle against Communist domination, to the greater security and the greater prosperity of all.

Such action would serve the enlightened self-interest of the United States. As a member of the Organization for Trade Cooperation we could work more effectively for the removal of discriminatory restrictions against our exports. We could help establish conditions favorable to convertibility of currencies. We could further the expansion of markets abroad for the products of our mines, our farms, and our factories. We could assist in the development of conditions conducive to the international flow of investment capital so urgently needed to expand production throughout the Free World, especially in its underdeveloped areas.

Failure to assume membership in the Organization for Trade Cooperation would be interpreted throughout the Free World as a lack of genuine interest on the part of this country in the efforts to expand trade. It would constitute a serious setback to the momentum which has been generated toward that objective. It would strike a severe blow at the development of cooperative arrangements in defense of the Free World. It could lead to the imposition of new trade restrictions on the part of other countries, which would result in a contraction of world trade and constitute a sharp setback to United States exports. It could result in regional realinements of nations. Such developments, needless to say, would play directly into the hands of the Communists.

2. The dominant power of the United States coupled with its right to withdraw from GATT at any time are sufficient guaranties that United States rights and interests will not be overlooked by other members of GATT even though this country has no more voting strength than smaller nations.

3. Under the old system of bilateral trade agreements, each dispute arising between the signatories was immediately injected into the political arena, whereas under the multilateral approach commercial problems relating to GATT and tariff matters are discussed and settled in a separate forum, outside the normal channels of diplomatic relations.

4. The proposed OTC would be exclusively an administrative organization. It could not add to United States obligations under the General Agreement on Tariffs and Trade. It could not abridge the powers of the Congress with respect to customs or import duties. It could not make tariff concessions or modify in any way the United States tariff structure.

OTC would not be supranational in any respect. It could not impose obligations on its members. Its methods would be persuasion. It could not impair in any way the sovereignty of the United States.

WHAT ARE SOME OF THE MAJOR ARGUMENTS AGAINST THE UNITED STATES MEMBERSHIP IN THE GATT AND OTC?

1. Our membership in GATT resulted from an unconstitutional delegation of Congressional power to the executive branch of the Government. The Constitution of the United States provides in article 1, section 8, that "the Congress shall have power to lay and collect taxes, duties, imposts and excises." "To regulate commerce with foreign nations." Therefore the executive branch had no right to negotiate tariff reductions under the Trade Agreements Act. Tariff administration should, therefore, be taken out of the hands of the President and the Department of State and returned to Congress where it belongs under the Constitution.

Under the present unauthorized arrangement the GATT supersedes Congress in regulating our foreign commerce, a state of affairs which can only be remedied by the withdrawal of the United States from GATT as now constituted.

2. The General Agreements on Tariffs and Trade, whether under the present system of administration, or under the proposed Organization for Trade Cooperation, represents an international body having authority over United States tariffs and in fact would sit in judgment on United States foreign trade policies. Decisions of that Organization could override acts of Congress and Presidential proclamations pertaining to our tariffs and our foreign commerce. Therefore, United States sovereignty would be weakened.

If GATT should make a decision that would override an "act of Congress"—what would be our reaction? So far, the formal decisions have been in our favor. The possibility of adverse decisions should be carefully weighed by Congress before giving approval to the United States membership in GATT–OTC.

3. Despite the fact that the United States is the most powerful nation in the world economically, it has only one vote in GATT—the same as less economically important nations. This is unfair to the United States.

4. The President is again asking Congress to approve GATT without examining its trade rules through a back-door maneuver of requesting Congress to approve United States membership in the OTC, the purpose of which international organization is to administer the GATT. Congress to date has never ratified GATT.

5. In August 1955, the American Bar Association at its annual meeting approved the following resolution:

"*Resolved*, That the bill, H. R. 5550, authorizing the President to accept membership in the Organization for Trade Cooperation is hereby disapproved on the grounds (a) that the Reciprocal Trade Agreements Act of 1934 (Tariff Act of 1930, sec. 350) confers no such power on the President and (b) that neither the President nor the Congress has the legal authority under the Constitution to delegate the regulation of our commerce with foreign nations to a foreign controlled group, and the committee on customs law is hereby authorized on behalf of the American Bar Association to present these views to the Congress, and that the president of the American Bar Association be authorized to select a representative to appear before the proper Congressional committees."

It is doubtful, therefore, whether GATT has any legal status so far as the United States is concerned. It should be recalled that the pact has never been ratified by Congress. In fact, Congress has repeatedly stated that its extensions of the Trade Agreements Act must not be construed as an approval or ratification of GATT.

6. The State Department, which is the negotiating arm of the Executive in making reciprocal trade concessions under the framework of GATT, are too prone to make commitments that have the effect of binding Congress, not constitutionally, but by moral obligation. They should, therefore, not be entrusted with loose and undefined

powers that the present authority in the Trade Agreements Act gives them, and such as OTC would enable them to carry out.

7. The continuance of exchange restrictions, import license requirements, and import quotas, not only violates the spirit and basic "ground rules" of the general agreement, but proves that GATT has been ineffective.

8. In its annual report released July 12, 1955, the "contracting parties to GATT" advised the United States and other industrialized nations to concentrate on manufacturers, leaving the production of food and of raw materials to underdeveloped nations. This is international socialism at its best.

9. GATT is the sole surviving progeny of the discredited Habana Charter of the International Trade Organization (ITO), an early postwar venture in global economic planning. Twenty-two GATT articles come almost verbatim from the ITO charter. The Habana Charter, it is true, went far beyond what GATT now modestly purports to be; it covered all manner of economic activities including full employment, restrictive business practices, the international flow of investment capital, and conditions of economic and social progress and development as well as the reduction of trade barriers. In fact, however, GATT contains the active germs of all the powers ITO tried to employ.

Despite its broader scope, ITO's objectives were stated in exactly the same words as those of GATT:

"Recognizing that their relations in the field of trade and economic endeavor shou'd be conducted with a view to raising standards of living, insuring full employment and a large and steadily growing volume of real income and effective demand, developing the full use of the resources of the world and expanding the production and exchange of goods."

This is not surprising in view of the fact that GATT was drafted during secret conferences in the summer of 1947 at Geneva by the same group of people who were then revising the ITO charter. They set up GATT as a stopgap measure to be in effect until the participating nations could obtain authorization for the broader ITO from their respective legislative bodies. Many organizational provisions of ITO are now contained in the OTC charter.

Since many objected to its semisocialistic slant, Congress allowed ITO to die in committee when it was submitted for approval, and ITO has long since been a thing of the past. Surprisingly enough, GATT in spite of its dubious ancestry has survived and flourished.

JAPANESE TEXTILE VELVETEEN IMPORTS

The SPEAKER pro tempore (Mr. ALBERT). Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I want to remind the House that the Japanese made concessions recently saying that they would punish their textile exporters of velveteens for the excess transshipment of velveteens during the past year under their voluntary agreement. But they did not answer my question and the question of the various Government departments and the textile industry as to what they would do regarding not sending so many yards of velveteens under their quota next year. The Census Bureau and Department of Commerce figures show that admittedly the Japanese shipped into this country 600,000 yards up to December of last year above their quota. They say it was transshipped from another country by textile manufacturers and the Government had nothing to do with it. But still the goods came into this country. Other figures from the Commerce Department show that the yardage was 800,000 over the agreed Japanese voluntary arrangement. I am praying and hoping that the Merrimack Mills at Lowell, Mass., in my district, and other mills in the velveteen industry may continue in business and that the Japanese will not send their full quota for 1958 into this country. I asked that Japan subtract the excess yardage of velveteen over their quota this year from the 1958 quota in order that the Merrimack Mills, a manufacturing plant of nearly 150 years of age, may be saved. It is a horrible thing to see a great American industry killed because of lack of assistance.

SUMMER FELLOWSHIP PROGRAM FOR SECONDARY-SCHOOL TEACHERS

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I would like to include a recent news article which appeared in the Woburn (Mass.) Daily Times, explaining how one industrial company is giving a helping hand to our secondary-school teachers.

Mr. Speaker, the company's program, which is comparatively simple and inexpensive, strikes directly at an area of our educational system which has been of deep concern to us recently. It involves providing a grant for one or more selected secondary-school teachers to take advanced courses of study during the summer months at little or no expense to themselves.

This program of aid to the teaching profession is being carried out by the Atlantic Gelatin division of General Foods, in Woburn, Mass.

At a time when our national educational system is being closely examined and our great teacher shortage is becoming more and more acute, I feel this program merits attention by us, by local communities throughout the country, by other industrial companies, educators, and the American press.

Clement H. Watson, general manager of the Atlantic Gelatin Co., calls it the summer fellowship program for secondary-school teachers."

As I understand it, Mr. Watson's parent organization, General Foods, after 2 years of testing the program at the Jell-O plant at Le Roy, N. Y., is expanding this high-school teacher grant to 12 more of its plant communities—stretching from Maine to the State of Washington. The program will be in effect in these communities this summer.

The need to improve the quality of teaching in our secondary schools has been apparent for some time, and recent world events have emphasized it more. There is a shortage of teachers for many reasons, but the Committee for the White House Conference on Education has indicated that it is mainly due to low pay.

Industry, of course, cannot be expected to underwrite an increase in salaries for public high-school teachers, but by finding a way to increase opportunity and add incentive to the job of teaching, perhaps industry can help make teaching more attractive to competent people and contribute to the general upgrading of instruction at this level.

It is a source of personal satisfaction to me to know that an industry in my particular district has taken leadership in so practical a method of helping high-school teachers obtain further education for the betterment of themselves, the students, and the school system of Woburn, Mass.

I sincerely hope this direct and inexpensive program will come to the attention of industry and communities all over the Nation so that thousands of our high-school teachers may receive the benefits of further training. This, I believe, would help raise our educational standards significantly.

The Woburn Times article referred to is as follows:

[From the Woburn Daily Times of March 26, 1958]

ATLANTIC GELATIN GRANTS $1,000 WOBURN HIGH FACULTY SCHOLARSHIP

A summer extension course fellowship grant of $1,000 has been offered by the Atlantic Gelatin management to Woburn High School faculty members for the calendar year 1958, according to an announcement by Thomas J. Driscoll, chairman of the Woburn school committee.

Mr. Driscoll said that Clement H. Watson, general manager of the Atlantic Gelatin division of General Foods, had made the grant available in behalf of the local company. The general purpose of the fund is to make possible further study by high school teachers during the summer months which would be of value to the students, the high school teachers, the Woburn school system, and hence the community.

The Woburn school committee at its meeting Monday night accepted with thanks the grant from Mr. Watson and Atlantic Gelatin. Superintendent of Schools Dr. J. Frank Hassett is now taking the grant under advisement and studying the most practical means of administering the fund to optimum high school teacher advantage for the coming summer months.

"It is felt," Mr. Driscoll said, "that this new fund will encourage members of the high school faculty to complete additional summer studies beyond certification requirements."

The school committee chairman added that Mr. Watson had offered the money to the committee with no strings attached.

In making the offer, Mr. Watson indicated a hope that the grant would help to provide some incentive for competent high school teachers in Woburn to remain in their profession as well as to reduce the financial burden on such teachers who wish to advance themselves during the summer months.

"It's my conviction," Mr. Watson said, "that help to education at the secondary level is an important need that has been too little recognized."

Mr. Watson told the committee that the grant was not without precedent. Such a fellowship program, he said, had been carried out successfully in Le Roy, N. Y., the home of G. F.'s Jell-O desserts, and Kankakee, Ill., where the company operates two plants and a distribution center.

He submitted testimonials from the superintendent of schools in Le Roy, showing the success of the high school teacher fellowship program in that town.

UNITED STATES TRADE AND AID PROGRAMS SHOULD BE MORE REALISTIC

The SPEAKER pro tempore. Under previous order of the House, the gentleman from West Virginia [Mr. BYRD] is recognized for 10 minutes.

Mr. BYRD. Mr. Speaker, as we approach another showdown on foreign trade and foreign aid, economic conditions at home must of necessity be kept in sharper focus than at any time in the past. For as long as I have been a Member of Congress there has been an alarmingly high rate of unemployment in the State of West Virginia, and I have protested all along that this consideration was being subordinated to the interests of the rest of the world.

It is a bitter experience for an unemployed coal miner or railroad worker to be informed by a national administration that a curb on foreign residual oil imports cannot be forthcoming because it would deprive a foreign state of an outlet for its product. Likewise, it is most distasteful to read that the United States is making upward of $4 billion available to peoples in the far corners of the world while many of our own citizens must do without proper food and clothing. It is particularly ironic that more than twice the cost of a proposed distressed area program which, time after time, has been rejected for hard-pressed communities of this country, is sent each year to Communist Poland and Communist Yugoslavia.

Unless our trade and aid programs are approached in a more realistic manner, the American taxpayers will be saddled with tremendous fiscal burdens too great for them to bear. Now that economic distress is so prevalent in the United States, and while other areas are beginning to feel the hardships that have prevailed in West Virginia for almost a decade, perhaps relief will at long last be forthcoming. I am hopeful that this attitude will summarily be expressed by Congress regardless of any new appeals that may be expected to come from the White House and other sources.

Surely the American worker will finally be taken into consideration when the bill to extend the Reciprocal Trade Agreements Act reaches the floor of the House of Representatives. He has been patient and he has been tolerant, but there comes a time when he cannot longer be indifferent to job insecurity caused by the dumping of cheaply produced foreign products on United States domestic markets. Bituminous coal mining in West Virginia and in most other producing States is in serious decline. With this decrease in output is an accompanying acceleration of unemployment on railroads, in industries which supply the mines, and in dozens of allied businesses.

Congress can help reverse the downward trend in coal production by strengthening the national defense amendment to the reciprocal trade agreements law. The effect would be to hold by law a level of oil imports already agreed upon by the Office of Defense Mobilization, the White House, and Congress itself as the maximum level at which oil shipments may be admitted to the markets of this country without imperiling the national security.

While even that amount is entirely too high to permit normal operations at Appalachian mines, the formula has nevertheless been accepted—at least as a temporary measure—and will provide some hope for our beleaguered people.

I urge that Congress write the formula into law, and that—in addition—amendments be included to give protection to the pottery, glass, chemical, and other American industries threatened with extinction by competition from goods manufactured in countries where standards of living and wages are far below those established here.

With the general economy at a near distress level, perhaps we can also look forward to a less extravagant foreign-aid program this year. My own feeling is that the countries which have become our wards must be given to understand that the United States cannot and will not continue to dole out billions of dollars abroad in a period when so much unemployment prevails at home. Had our grants over the past 10 years not been made so freely, the recipient nations might very well have made more economic progress through determined bootstrap efforts.

Last week I was surprised, though nevertheless delighted, to read an announcement in the newspapers to the effect that the Government of the Belgian Congo had offered securities on the American market through an investment group in this country. Under this plan, which gives the individual the opportunity of investing his money if he chooses, there are no strings attached to the United States Treasury. It is a down-the-middle business transaction arranged by the Belgian Congo for the construction of native housing and other facilities as a part of a 10-year program for economic and social development.

Before the International Cooperation Administration and other taxpayer-financed institutions undertake to ship additional billions of dollars overseas for the miscellany of gratuitous projects that foreign governments have come to expect of us, the Congo endeavor should be studied closely in order to learn why similar programs cannot be initiated elsewhere. The Congo has a population of almost 13 million and an area about one-third that of the United States. It has an abundance of natural resources. Yet it is no better endowed than many other countries which have developed such a ravenous appetite for United States largess to the exclusion of self-help.

Mr. Speaker, our own economic condition demands that we begin to close some of the valves controlling the flow of taxpayers' dollars to the capitals across the seas. In so doing, we can actually contribute to the overall improvement of affected nations, for it is a truism that subsistence easily acquired provides no stimulus to ambition or industry—whether on an individual or a national basis.

[From the Pittsburgh Post-Gazette of April 16, 1958]

BELGIAN CONGO IN FIRST UNITED STATES FINANCING

An investment banking group headed by Dillon, Read & Co., Inc., today is offering to the public $15 million Belgian Congo 15 year 5¼ percent external loan bonds at 98½ percent to yield approximately 5.40 percent to maturity.

This financing represents the first public offering of Belgian Congo securities in the United States. The Government of the Belgian Congo intends to use proceeds for construction of native housing, including related utilities and public buildings and facilities, as a part of a 10-year plan for economic and social development of the Congo.

Under this plan, estimated to cost nearly $1 billion, it is anticipated that capital expenditures for construction of native housing and related facilities will total about $96 million and provide for about 40,000 dwellings.

The Congo, only colony of the Kingdom of Belgium, has an area approximately one-third that of the United States and a population at December 31, 1956, of approximately 12,951,000, of whom 12,844,000 were natives. The Congo is rich in natural recources, including an estimated 103,340,000 kilowatts of potential hydroelectric energy but its economic development is still in an early stage.

The bonds will not be redeemable for 10 years except for a semiannual sinking fund beginning October 1, 1963, which is calculated to retire 95 percent of the issue prior to maturity. Commencing April 1, 1968, the bonds will be redeemable at the Congo's option at prices scaling from 101⅓ to 100 for the last 2 years.

The bonds are direct obligations of the Congo, and principal and interest will be payable in United States dollars at the office of Dillon, Read & Co. The Congo has never defaulted on any debt obligation held by the public.

Among those associated with Dillon, Read & Co., Inc., in the underwriting are:

Blythe & Co., Inc.; The Dominion Securities Corp.; Eastman Dillon, Union Securities & Co.; Goldman, Sachs & Co.; Hallgarten & Co.; Ladenburg, Thalman & Co.; Lazard Freres & Co.; Merrill Lynch, Pierce, Fenner & Smith; White, Weld & Co.; Bear, Sterns & Co.; Dominick & Dominick; Hayden, Stone & Co.; Lee Higginson Corp.; Carl M. Loeb, Rhoades & Co.; Model, Roland & Stone; R. W. Pressprich & Co.; Reynolds & Co.; Riter & Co.; L. F. Rothschild & Co.; Salomon Bros. & Hutzler; Shields & Co.; Swiss American Corp., Wertheim & Co.

Mr. NEAL. Mr. Speaker, will the gentleman yield?

Mr. BYRD. I shall be very glad to yield to my distinguished colleague.

Mr. NEAL. Did I understand the gentleman to say that the oil importers themselves agreed to limit the amount of residual fuel oil that is and has been coming into the United States during the past year?

Mr. BYRD. I said that the Office of Defense Mobilization, the White House, and the Congress itself had agreed upon a level of oil imports. I did not say anything about the importers themselves.

Mr. NEAL. It is my understanding that there was a limitation, an agreement, on the amount of fuel oil, I mean ordinary fuel oil, and crude oil that would be permitted to enter this country; but it has been my impression that there has been no restriction at this time placed on residual oil which we must recognize is one of the greatest and

most serious competitors of coal as a fuel. I only hope that the quota set by ODM will be sufficient insofar as permitting fewer barrels of crude oil to enter this market, and that it also will apply to residual fuel oil. I thank the gentleman.

Mr. BYRD. I think the gentleman is about correct. I am very grateful for his observation. I believe he will agree with me that the control and regulation of these imports by voluntary efforts on the part of importers have not worked out too satisfactorily in the past.

Mr. NEAL. That I think was well demonstrated in the remarks of the gentlewoman from Massachusetts regarding the importation of Japanese textile goods.

Mr. BYRD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include related matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia.

There was no objection.

POLISH CONSTITUTION DAY

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Illinois [Mr. SHEEHAN] is recognized for 5 minutes.

Mr. SHEEHAN. Mr. Speaker, Saturday, May 3, marks the 167th anniversary of Poland's Constitution Day. Each year on this historic occasion, commemorating the enactment of one of Europe's early democratic instruments, I am happy to join the Polish people and their friends in this noteworthy celebration. The cause of liberty and justice is fortified throughout the world when, on this date, Polish people reaffirm their loyalty to the tenets of freedom set forth in their beloved constitution of May 3, 1791.

On Saturday, May 3, we honor the freedom-loving men and women of Poland who achieved enactment of the document which was designed to insure Polish independence.

The common bonds of liberty, loyalty and decency unite our country with the Polish people and nation. We pay special tribute to the millions of Polish-Americans who have aided in the development and strength of these United States and to Western civilization. We honor the sons and daughters of Poland who distinguished themselves in science, governmental reform, in music, the arts and literature.

We remember the Poles who gave their lives to the fight for freedom in their homeland and abroad in the 167 years since adoption of the Polish Constitution. We honor the memory of those gallant Poles, Count Casimir Pulaski and Thaddeus Kosciuszko, who contributed so greatly to American independence in the Revolutionary War. The heroic exploits of the Polish Allied contingent in Italy, France, Germany, Holland, and north Africa during World War II are a thrilling chapter in military history. And it is with heavy heart that we recall the brutality suffered by the brave people of Poznan in June of 1956.

Despite the horrors of oppression and enslavement, the Poles have managed to preserve the spark of freedom. The intensity of their desire for liberty inspires the world and bolsters the spirits of oppressed people wherever atheistic communism dominates or threatens.

The Polish Constitution of 1791 is a significant cornerstone in Poland's history and Europe's progress toward governmental reform. Poland became a limited monarchy. The constitution established absolute religious toleration and guaranteed religious freedom. It eliminated many class discriminations and made available to the people privileges and rights formerly enjoyed by only the gentry. Parliamentary representation was given to the towns, and further reforms were provided.

The freedoms thus gained by the Poles were short lived. Within a few years, Russia, Prussia, and Austria had seized parts of the land and enslaved the people. During the next 125 years, Polish language and culture all but disappeared. After World War I, a new and independent Poland was born. For 21 years the Polish people labored to rebuild a nation out of the ruin and division that had resulted from foreign domination.

Polish liberty disappeared again in September 1939, when Nazi Germany invaded from the west and Soviet Russia from the east. But though the tyrants' heels were once more pressed into the soil of freedom-loving Poland, the Poles characteristically refused to submit without a fight.

Soviet Russia's duplicity in its dealings with the Polish underground government, after Russia joined the West in June 1941, are recalled with revulsion. Forty thousand of the Polish underground and 210,000 of its recruits, betrayed by Soviet encouragement and promises of help, were slaughtered by the Nazi enemy in the Warsaw uprising of 1944.

The world now knows that thousands of Poles were liquidated by the Russians in the Katyn Forest and other massacres during World War II, and that thousands more were jailed or deported by Russia. I will always be proud that I was the Congressman who introduced the first resolution in the 82d Congress to call for a Congressional investigation of the facts of the Katyn Forest massacre, and I will always be proud of having been awarded the Polonia Restituta by the Polish Government in Exile.

Betrayed again by the Teheran agreements, and by the Yalta Conference agreements of 1945 which provided for a coalition government containing Communists, Poland today is still under the heel of a godless leadership. But Soviet Russia has failed to impose its will on the brave Poles. Despite ruthless Communist tactics, the Polish people have courageously maintained their patriotism and moral resistance. The Poles' respect for their constitution of 1791 was only strengthened in 1953 when the Soviets imposed on them a Communist "constitution" similar to those of all other people's republics.

Members of Congress who have visited Poland recently report that, while the Government is Communist, the Polish people are not. The Polish population is not being swayed by Soviet anti-West propaganda. The Poles, according to these sources, remain friendly and responsive to America.

The Poznan uprisings of June 1956 and the bloodless revolution of October of that year, though far from successful, have gained for Poland a measure of freedom and independence from Communist domination. I am heartened by reports of better economic conditions, easing of some controls, the ending of collectivization of agriculture, reopening of some small shops, and the granting of a larger number of passports for Poles who seek to come to America. It is encouraging to learn that today there is more freedom of the press, speech, and religion than before the 1956 revolts.

The Communist leaders of Poland have witnessed Polish resistance, and these concessions to the peoples' demands are evidence of the uneasy position the Red masters occupy today.

The American Government has taken cognizance of this turn of events. In considering a 1957 request for economic aid, our Government recognized that whatever aid was granted must be actual aid to the Polish people, and not to the Communist regime. Our Government made economic loans of $95 million in 1957 and $98 million in February of 1958. This is the first American aid to Poland of any kind in 10 years.

I fervently hope that this American assistance will serve the cause of peace and freedom, that it will in some measure make life more pleasant for the Poles, that it will give them some of the necessities of existence, that it will ease the agonizing weight of Communist oppression.

On the occasion of Polish Constitution Day, I join with Americans of Polish descent and with the friends of Poland throughout the world in an earnest prayer that Poland will eventually overcome the Communist tyranny and will rise again to become and remain forever a free nation.

PERSONAL ANNOUNCEMENT

Mr. SCOTT of Pennsylvania. I ask unanimous consent to address the House for 1 minute.

THE SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I was unavoidably delayed through no fault of my own during rollcalls 50 and 51 because my plane, which was scheduled to arrive in time, was stacked up over Washington. If I had been present, I would have voted for the passage of the unemployment-compensation bill. I voted to report it out from the Rules Committee.

SMALL BUSINESS CAPITAL BANKS ARE NEEDED TO SUPPLY EQUITY AND LONG-TERM DEBT CAPITAL, NOT COMMERCIAL BANK CREDIT

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my re-

marks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, the Honorable J. Lindsay Almond, Jr., Governor of Virginia, has sent me a copy of a letter which he addressed to the Honorable BRENT SPENCE, chairman, Committee on Banking and Currency of the House, on the subject of a proposed system of small business capital banks, such as is provided for in H. R. 10345.

The Governor in this letter takes the position that no such new banking system is needed and says that the officials of the Virginia Bankers Association are of like opinion. And he says that the reason for this is that at present the banks and other suppliers of credit are in a position to make available the needed credit where it is justified.

The fact of the matter is that the small business capital bank system is very badly needed to supply venture capital for small business, not the kind of credit which the commercial banks can supply. I have written Governor Almond pointing this out and indicating to him more clearly what the purpose of H. R. 10345 is.

I believe that the Members may be interested in the contents of Governor Almond's letter, as well as my reply to him. These letters are as follows:

COMMONWEALTH OF VIRGINIA,
GOVERNOR'S OFFICE,
Richmond, April 23, 1958.

Hon. BRENT SPENCE,
Chairman, Committee on Banking and Currency,
Washington, D. C.

DEAR MR. SPENCE: I recently received a request from the Honorable WRIGHT PATMAN to write you, as chairman of the Committee on Banking and Currency, my views concerning H. R. 10345, the small business capital bank bill.

Since receipt of his letter, the subject has been discussed with a number of our State officials and they, in turn, conferred with a group of prominent bankers and officials of the Virginia Bankers Association.

It is the consensus of those who participated in these conferences that no new banking system, as contemplated in this bill, should be created by the Congress to provide a source of equity and long-term loan capital for small business enterprises. It was their opinion, in which I concur, that banks and other suppliers of credit are in position to make such advances of credit wherever there is reasonable expectation that the applicants can fulfill their commitments.

Sincerely yours,

J. LINDSAY ALMOND, JR.

APRIL 28, 1958.

Hon. J. LINDSAY ALMOND, JR.,
Governor, Commonwealth of Virginia,
Richmond, Va.

DEAR GOVERNOR ALMOND: Thank you for sending me a copy of your letter of April 23, to the Honorable BRENT SPENCE, chairman, Committee on Banking and Currency of the House.

In this letter you indicate your opinion, and the prevailing opinion of the officials of the Virginia Bankers Association, is that no small business capital banks, such as provided for in H. R. 10345, should be set up, for the reason that banks and other suppliers of credit are in a position to extend justified credit.

It is not the purpose of the proposed small business capital banks to extend credit of the type which commercial banks can extend. On the contrary, the purpose is to make available to small firms venture capital—equity capital and long-term loan capital. In other words, the purpose of H. R. 10345 is to fill a gap in the capital market, not a deficiency in the banking system. Thus it is intended to meet a need which all serious students of the American business system have been saying—for at least two decades—must be met, if small business is to continue to play a major role in this system.

It has been my experience that most commercial bankers recognize the problem. For example, when Mr. William F. Kelly testified before our Small Business Committee on behalf of the Credit Policy Commission of the American Bankers Association, on November 22 last year, he put it this way:

"The banks, as this committee knows, are not set up, they are not capitalized, they are not organized for the purpose of providing equity capital, and they are certainly not organized for the purpose of providing long-term loans."

Let me add that Mr. Kelly also said that small businesses' demands for credit of the type that the commercial banks can supply is being substantially met. In any case, the purpose of the small business capital banks provided for in H. R. 10345 is to give small firms access to capital of a type which the commercial banks cannot supply under present law—either Federal or State—and which commercial banks are not suited to supply and would not wish to try to supply.

The small business capital banks would strengthen, and bring about a rebirth and expansion of small firms in the local communities. The result would be beneficial to the commercial banks, because there would be an increased demand for bank services and an increased demand for the type of credit which the banks can supply.

I wanted to bring these considerations to your attention, so that you may be sure of the purpose of my bill.

Sincerely yours,

WRIGHT PATMAN.

GOV. DENNIS J. ROBERTS ASKS FOR CREATION OF SMALL BUSINESS CAPITAL BANKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, the distinguished and beloved Governor of Rhode Island has recommended to Congress that we pass H. R. 10345, a bill to help small business get access to equity capital and long-term loan capital. In a statement to the House Committee on Banking and Currency on April 24, Governor Roberts said that 98 percent of Rhode Island business is small business, and that he would welcome "any measure which will strengthen the competitive position and encourage growth of small business."

I know that all of the Members will want to study Governor Roberts' statement. He brings out several facts and analyses about the problems of small-business financing which are not generally known. His statement is as follows:

STATEMENT OF GOV. DENNIS J. ROBERTS, OF RHODE ISLAND, TO THE COMMITTEE ON BANKING AND CURRENCY OF THE HOUSE OF REPRESENTATIVES, APRIL 24, 1958—SUBJECT, H. R. 10345, THE SMALL BUSINESS CAPITAL BANK BILL

Inasmuch as approximately 98 percent of Rhode Island business is small business, I welcome any measure which will strengthen the competitive position and encourage growth of small business. I believe that H. R. 10345 would help to accomplish this result.

The hearings before your select Committee on Small Business last year brought out a number of significant points, which I believe to be representative of the problems of small business in Rhode Island. The difficulty of small business in obtaining needed capital, and particularly long-term capital funds, was plainly demonstrated.

For example, the findings of the Department of Commerce survey of small business financing indicated that of the firms surveyed, 19 percent of established firms, and 28 percent of newer firms were unable to obtain the full amount of outside funds desired. This survey also showed that less than 10 percent of loans obtained were for 3 years or more, and that of those firms unable to obtain desired loans, over 50 percent of established firms and about 35 percent of newer firms sought relatively long-term capital investment for periods of 3 years or more.

The difficulty of small business in obtaining the long-term capital funds required for modernization and expansion is further aggravated by the fact pointed out by Mr. Barnes of the Small Business Administration: That small business is typically subject to relatively large fluctuations in earning power.

A growing small business which has reason to expect that its earnings will vary considerably from year to year is likely to need equity capital rather than loans. For a corporation, this means the sale of capital stock. The great advantage to small business of such equity capital as compared to a loan, is that, while equity capital expects a good average return, this return is realized from profits, and does not impose additional fixed charges, as loans do.

The importance of better sources of equity capital for small business was effectively brought out in the testimony of Mr. Edward T. McCormick, president of the American Stock Exchange, among others.

A small business which is able to finance capital expansion with equity capital such as capital stock is in a favorable position to weather temporary setbacks in earnings, where a similar business obtaining loan funds for expansion may be forced into bankruptcy or receivership at the first serious setback, as the result of substantial fixed charges for debt service and a financial position which would tend to restrict the power to borrow additional funds. With the likelihood of fluctuating earnings, therefore, it often may not be prudent or sound for a small business to take on substantial additional fixed charges for debt service, even though average earning power and growth potential are good.

Small business generally, if it is to survive the intense competition of its larger competitors, must be in a position to take full advantage of the most modern techniques, equipment, and facilities available. This requires a greater availability of appropriate types of long-term capital funds than exists today, particularly for smaller business.

It is my feeling that the proposed bill is definitely a step in the right direction, and

would serve to increase availability of long-term loans to small business—for which there is a real need.

In my opinion, however, section 502, covering provision of equity capital, should be strengthened to include provisions for immediate and direct furnishing of equity capital. As this section now stands, it merely provides for lending on debenture bonds, convertible to stock at the option of the lender.

If the nature and financial position of the business requires equity capital rather than loans, it would seem that a small business investment association should be permitted to purchase capital stock in the first instance, where the earnings and growth potential of the business would justify such an investment. A prudent businessman might well hesitate to assume substantial bonded indebtedness, even initially, if he knows that equity capital is what he really needs.

If the proposed bill were amended to permit immediate and direct purchase of capital stock in appropriate cases, smaller business would be given the opportunity which they generally lack today—the opportunity to obtain long-term financing in the form most suitable to their own particular requirements.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DORN of New York (at the request of Mr. MARTIN), indefinitely, on account of official business.

Mr. HESS, for Friday, May 2, on account of official Government business.

Mr. TEAGUE of Texas (at the request of Mr. BROOKS of Texas), for the balance of the week, on account of official business.

Mr. STAGGERS (at the request of Mr. BAILEY), for today and the balance of the week, on account of death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mrs. ROGERS of Massachusetts, for 5 minutes, today.

Mr. BYRD, for 10 minutes, today.

Mr. SHEEHAN, for 5 minutes, today, on the Polish Constitution and to revise and extend his remarks.

Mr. CURTIS of Missouri, on Tuesday next, for 1 hour.

Mr. MACK of Washington, for 20 minutes, on May 5.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. ZELENKO (at the request of Mr. REUSS) and to include extraneous matter.

Mr. FORAND.

Mr. BROWN of Missouri and to include extraneous matter.

Mr. DAGUE.

Mr. BYRNE of Illinois in two instances and to include extraneous matter.

Mr. MULTER (at the request of Mr. ALBERT) and to include extraneous matter.

Mr. REECE of Tennessee and to include part of the final report of the Alexander Hamilton Bicentennial Commission.

Mr. MILLS, to revise and extend remarks made by him today in Committee of the Whole and to include extraneous matter.

Mr. O'KONSKI.

Mr. MCVEY.

Mr. SCUDDER.

Mr. CURTIS of Missouri, the remarks he made in the Committee of the Whole today and to include extraneous matter and a table.

Mrs. KNUTSON.

Mr. YATES.

Mr. FLYNT in two instances, in one to include remarks made by the gentleman from Arkansas [Mr. HARRIS].

Mr. MACK of Washington and to include extraneous matter.

Mr. CRAMER and to include extraneous matter.

Mr. VAN ZANDT at the request of Mr. TEAGUE of California).

Mr. MINSHALL (at the request of Mr. TEAGUE of California) and to include extraneous matter.

Mr. HILL (at the request of Mr. TEAGUE of California) and to include extraneous matter.

Mr. LIBONATI (at the request of Mr. MCCORMACK).

ADJOURNMENT

Mr. LIBONATI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 53 minutes p. m.) the House, pursuant to its previous order, adjourned until Monday, May 5, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1869. A letter from the budget officer, Federal Home Loan Bank Board, transmitting one copy each of standard form 143 for the period ending March 31, 1958, for the Federal Home Loan Bank Board, and the Federal Savings and Loan Insurance Corporation, pursuant to the Bureau of the Budget Circular No. A-34, dated July 25, 1957; to the Committee on Appropriations.

1870. A letter from the Chairman, Civil Aeronautics Board, transmitting a draft of proposed legislation entitled "A bill to amend the Civil Aeronautics Act of 1938, as amended, in order to (1) assure for the Civil Aeronautics Board independent participation and representation in court proceedings, (2) provide for review of nonhearing Board determinations in the courts of appeals, and (3) clarify present provisions concerning the time for seeking judicial review"; to the Committee on Interstate and Foreign Commerce.

1871. A letter from the Board for Fundamental Education, transmitting the audit and annual report of the Board for Fundamental Education for the year 1957 (the audit was prepared by George S. Olive & Co., independent certified public accountants), pursuant to Public Law 507, 83d Congress; to the Committee on the Judiciary.

1872. A letter from the Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to amend the act entitled 'An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes,' approved August 30, 1954"; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FRIEDEL: Committee on House Administration. House Resolution 522. Resolution to provide additional funds for the expenses of the study and investigation authorized by House Resolution 128; without amendment (Rept. No. 1679). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 525. Resolution providing for the employment of two additional clerical employees for the Committee on Ways and Means; without amendment (Rept. No. 1680). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 550. Resolution authorizing the employment of one additional mail clerk, Office of the Postmaster of the House; without amendment (Rept. No. 1681). Ordered to be printed.

Mr. WILLIS: Committee on the Judiciary. H. R. 8419. A bill to amend title 28 of the United States Code relating to actions for infringements of copyrights by the United States; with amendment (Rept. No. 1682). Referred to the Committee of the Whole House on the State of the Union.

Mrs. PFOST: Committee on Interior and Insular Affairs. H. R. 6274. A bill to provide that the Secretary of the Interior shall accept title to Grant's Tomb in New York, N. Y., and maintain it as the General Grant National Memorial; without amendment (Rept. No. 1683). Referred to the Committee of the Whole House on the State of the Union.

Mrs. PFOST: Committee on Interior and Insular Affairs. H. R. 8980. A bill to authorize an exchange of lands at Hot Springs National Park, Ark., and for other purposes; with amendment (Rept. No. 1684). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALBERT:

H. R. 12289. A bill to amend the Soil Bank Act; to the Committee on Agriculture.

By Mr. BROOKS of Louisiana:

H. R. 12290. A bill to authorize the attendance of the United States Marine Band at the 59th annual convention of the Veterans of Foreign Wars of the United States, to be held in New York, N. Y., August 17-22, 1958; to the Committee on Armed Services.

By Mr. BROWN of Missouri:

H. R. 12291. A bill to divest the Secretary of Agriculture of any legislative authority to fix prices on milk and dairy products; to direct the Secretary of Agriculture to call a national dairy producers' constitutional convention whereby bona fide dairy producers may formulate their own self-financing programs for stabilizing milk prices at fair and equitable levels; and to create a regulatory commission to protect the public interest in the production and marketing of milk; to the Committee on Agriculture.

By Mr. CELLER:

H. R. 12292. A bill to amend subsections (b), (c), and (d) of section 294 of title 28, United States Code, relating to the assignment of retired judges to active duty; to the Committee on the Judiciary.

H. R. 12293. A bill to establish the Hudson-Champlain Celebration Commission, and for other purposes; to the Committee on the Judiciary.

By Mr. DOLLINGER:

H. R. 12294. A bill to amend the Trading With the Enemy Act, as amended, so as to provide for certain payments for the relief and rehabilitation of needy victims of Nazi persecution, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. POLK:

H. R. 12295. A bill to promote the safety of employees and travelers upon common carriers by railroads engaged in interstate commerce by requiring such carriers to maintain tracks, bridges, roadbeds, and permanent structures for the support of way, trackage, and traffic in safe and suitable condition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. REUSS:

H. R. 12296. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

H. R. 12297. A bill to provide a program of direct payments to support the income of dairy farmers; to the Committee on Agriculture.

By Mr. ROBISON of New York:

H. R. 12298. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood contol, and for other purposes; to the Committee on Public Works.

By Mr. SANTANGELO:

H. R. 12299. A bill to prohibit the charging of a fee to view telecasts in the home; to the Committee on Interstate and Foreign Commerce.

H. R. 12300. A bill to amend the Social Security Act and the Internal Revenue Code so as to increase the benefits payable under the Federal old-age, survivors, and disability-insurance program, to provide insurance against the costs of hospital, nursing home, and surgical service for persons eligible for old-age and survivors insurance benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. SCHERER:

H. R. 12301. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

By Mr. WITHROW:

H. R. 12302. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

By Mr. ASPINALL:

H. R. 12303. A bill to amend the Revised Organic Act of the Virgin Islands; to the Committee on Interior and Insular Affairs.

By Mr. BROOKS of Louisiana:

H. R. 12304. A bill to amend title 10, United States Code, with respect to the promotion of Reserve commissioned officers of the Air Force, and for other purposes; to the Committee on Armed Services.

H. R. 12305. A bill to clarify the status of members of the National Guard while attending or instructing at National Guard schools established under the authority of the Secretary of the Army or Secretary of the Air Force as the case may be, and for other purposes; to the Committee on Armed Services.

H. R. 12306. A bill to clarify the deferred or exempt status of persons who enlist in a Reserve component of the Armed Forces; to the Committee on Armed Services.

By Mr. BYRNE of Illinois:

H. R. 12307. A bill to repeal the retailers and manufacturers excise taxes and the excise taxes on facilities and services; to the Committee on Ways and Means.

By Mr. FULTON:

H. R. 12308. A bill to amend the Veterans' Readjustment Assistance Act of 1952 to make the educational benefits provided for therein available to all veterans whether or not they served during a period of war or of armed hostilities; to the Committee on Veterans' Affairs.

By Mr. GEORGE:

H. R. 12309. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

By Mrs. GREEN of Oregon:

H. R. 12310. A bill to establish a people's program for peace, to provide for investments in peace through the United Nations, to permit deductions from personal income taxes for payments made thereto and for other purposes; to the Committee on Ways and Means.

By Mr. HARRIS:

H. R. 12311. A bill to amend the act of September 7, 1950 (relating to the construction of a public airport in or near the District of Columbia) to remove the limitation on the amount authorized to be appropriated for construction; to the Committee on Interstate and Foreign Commerce.

By Mr. McDONOUGH:

H. R. 12312. A bill to amend title I of the Social Security Act to provide that the first $50 per month of an individual's earned income shall be disregarded by the State agency in determining his need for old-age assistance; to the Committee on Ways and Means.

H. R. 12313. A bill to amend the National Housing Act to increase the permissible loan-to-value ratio and maturity in the case of mortgages covering rental housing designed for elderly persons, and to establish a special revolving fund to be used by the Federal National Mortgage Association in purchasing such mortgages; to the Committee on Banking and Currency.

By Mr. MATTHEWS:

H. R. 12314. A bill to authorize the sale and transfer of acreage allotments and marketing quotas, and for other purposes; to the Committee on Agriculture.

By Mr. PATTERSON:

H. R. 12315. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

By Mr. SCUDDER:

H. R. 12316. A bill for the purpose of creating new jobs, giving greater stability to and improving existing jobs, and stimulating business during the next 18 months with resultant expansion of the national economy in the years to come, by amending the Internal Revenue Code of 1954 so as to allow more rapid depreciation for property constructed or acquired during 1958 and 1959, or for the construction or acquisition of which a contract is entered into during 1958 and 1959, by reducing the useful life of such property for income tax purposes; to the Committee on Ways and Means.

By Mr. STAUFFER:

H. R. 12317. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

By Mr. WESTLAND:

H. R. 12318. A bill to amend title I of the Social Security Act to provide that the first $50 per month of earned income may be disregarded by the State agency in determining an individual's need for old-age assistance or disability assistance; to the Committee on Ways and Means.

By Mr. VAN ZANDT:

H. R. 12319. A bill to promote the safety of employees and travelers upon common carriers by railroad engaged in interstate commerce by requiring such carriers to maintain tracks, bridges, roadbed, and permanent structures for the support of way, trackage, and traffic in safe and suitable condition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BURDICK:

H. J. Res. 597. Joint resolution to authorize and request the President to proclaim July 4, 1958, a day of rededication to the responsibilities of free citizenship; to the Committee on the Judiciary.

By Mr. JUDD:

H. J. Res. 598. Joint resolution requesting the President to issue a proclamation memorializing the 100th anniversary of the admission of the State of Minnesota into the Union; to the Committee on the Judiciary.

By Mr. ALLEN of Illinois:

H. Con. Res. 323. Concurrent resolution commemorating the centennial anniversary of the Lincoln-Douglas debate which was held in Freeport, Ill., on August 27, 1858; to the Committee on the Judiciary.

By Mr. TAYLOR:

H. Con. Res. 324. Concurrent resolution proposing the recognition of the village of Whitehall, Washington County, N. Y., as the birthplace of the United State Navy; to the Committee on the Judiciary.

By Mr. HILLINGS:

H. Res. 556. Resolution expressing the sense of the House of Representatives in favor of continued testing by the United States of nuclear and thermonuclear devices; to the Joint Committee on Atomic Energy.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOLLINGER:

H. R. 12320. A bill for the relief of Norma Hildred O'Neal; to the Committee on the Judiciary.

By Mr. HILLINGS:

H. R. 12321. A bill for the relief of Robert F. Dollinger; to the Committee on the Judiciary.

H. R. 12322. A bill for the relief of Bernard Gene Terry; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H. R. 12323. A bill for the relief of Katherine Duggan; to the Committee on the Judiciary.

By Mr. ZELENKO:

H. R. 12324. A bill for the relief of Meryem Tayga Garifullaoglu; to the Committee on the Judiciary.

By Mr. BOLLING:

H. R. 12325. A bill for the relief of Mary W. Greene; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Address by Hon. Edward Martin, of Pennsylvania, at Annual Washington City Dinner

EXTENSION OF REMARKS
OF
HON. EDWARD MARTIN
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES
Thursday, May 1, 1958

Mr. MARTIN of Pennsylvania. Mr. President, the Pennsylvania State Chamber of Commerce, at its annual Washington City dinner last Tuesday evening, honored me with a citation. I ask unanimous consent that my reply to the remarks by Mr. H. B. Bartlett, vice president of the State chamber, in awarding this citation, be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY HON. EDWARD MARTIN, OF PENNSYLVANIA, AT DINNER OF PENNSYLVANIA STATE CHAMBER OF COMMERCE, APRIL 29, 1958

Mr. Chairman and my fellow Americans, I cannot tell you how much I appreciate the honor you have conferred upon me tonight.

I cannot find words adequate to express the feeling in my heart at this moment.

Let me assure you that I feel proud and humble. I am overwhelmed by your kindness and profoundly grateful.

To each of you, thank you so very much.

I want to say, in all sincerity, that the greatest privilege I have enjoyed in a long lifetime has been the opportunity to serve the people of Pennsylvania.

For more than half a century I have been entrusted by my fellow citizens with many responsibilities in military and civilian capacities.

Now that I am approaching the end of my public career I can only hope that in some small way my service has been useful and constructive.

It may be appropriate on this occasion to discuss briefly the philosophy of government which has guided my course through the years.

It is a philosophy of government based on the fundamental principles which made our country great and strong.

I believe that the private enterprise system is the foundation of our economic strength and progress.

It is a system which gives encouragement and incentive to initiative, self-reliance, courage, and personal responsibility.

The philosophy of government in which I believe would strive for a sound currency and would protect the value of the dollar against the destructive force of inflation.

It would operate, as far as possible, on pay-as-you-go basis, avoiding excessive taxation and the crushing burden of an ever-increasing national debt.

It would restrict the activities of the Central Government within the limit of the powers granted by the Constitution.

It would prevent Federal encroachment upon functions which are properly the exclusive responsibility of the State and local levels of government.

It would keep government out of all forms of competition with private enterprise.

It would strike down every attempt to replace Americanism with a socialistic system to direct, control, and regiment the lives of the people.

I believe that many of the dangers that confront the United States today have been brought upon us because we have departed from those fundamental principles of good government.

For nearly a year the Finance Committee of the United States Senate has been conducting an investigation into the fiscal and monetary situation of this Nation.

Extensive hearings have been held, with testimony from the leading authorities on governmental finance.

The preponderance of evidence shows that one of the great dangers is inflation, and the resulting erosion of the dollar.

Another source of danger is the failure of productivity to keep pace with constantly increasing wages.

This has had an inflationary effect on the prices of everything we buy.

It has imposed severe hardship on millions of Americans by cutting in half the value of savings accumulated by years of industry and thrift.

A third danger grows out of the fact that people are demanding more and more from government.

Organized pressure groups demand appropriations for their pet projects, for new and expanded functions of government, for sectional advantage and for every conceivable form of spending.

Some do not hesitate to threaten political reprisals unless their proposals are given immediate and favorable attention.

Let me point out that in this session of Congress bills have been introduced, in the Senate alone, calling for brand new Federal expenditures of about $77 billion over the next 5 fiscal years.

This is in addition to the regular Federal budget, which by itself totals about $74 billion for fiscal 1959.

If any substantial part of these proposals should be enacted it would mean increased taxes or more deficit financing.

The Government has no other way to pay its bills.

The dangers I have outlined assume more alarming proportions in this time of recession and extensive unemployment.

They should serve as a warning against hasty and ill-considered remedies—which may prove more costly in the long run by bringing on more inflation.

They prove conclusively that there is no easy or painless solution to our economic problems.

No action by the Government will bring economic recovery overnight as many seem to think.

Progress in this country depends far more upon what people do for themselves than anything the Government does or can do for them.

The dangers we face today should be the immediate and personal concern of everyone here tonight.

You are the leaders of business and industry in our great Commonwealth.

You are vitally interested in building the economic strength of our State and Nation.

Therefore I urge you to take a more active part in government. I believe no businessman should ignore or neglect that responsibility.

And furthermore, it would advance the cause of good government if more businessmen would interest themselves in politics—not merely from a partisan standpoint, but as a patriotic contribution to the public welfare.

We can curb inflation, we can reduce the excessive cost of government, we can avoid deficit financing, if the determination to do so is strong enough to overcome the pressure for selfish advantage.

The point I want to make most emphatically is that this is no time to abandon sound principles.

In the growth and development of our country there have been many changes. But the principles upon which it was established are fixed and everlasting.

To overcome the dangers which confront us today we must first strive to make every American sturdy, hardy, and self-reliant, with faith in the future of our country, and faith in our form of government.

Law Day

EXTENSION OF REMARKS
OF
HON. JOHN J. FLYNT, JR.
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 1, 1958

Mr. FLYNT. Mr. Speaker, today, May 1, 1958, has been proclaimed Law Day by the President of the United States. As a Georgia lawyer and as the son and grandson of Georgia lawyers, I was taught from birth a reverence for the law and the Bill of Rights.

As a former active participant in the work of the Georgia Bar Association, it was my privilege to observe among the members of the legal profession many of the most able and scholarly men it has been my privilege to know. It is, therefore, my sincere hope that those Americans who will today express their respect for the codes, the standards and the traditions of our legal system will simultaneously acknowledge the capabilities of the members of our legal profession who so conscientiously and tirelessly administer that system, and who have so consistently contributed to the stability and the progress of our country.

Had this Nation discarded the English common law when it declared and fought for its independence in the 18th century, it might well have lost its freedom before the end of the 19th century.

If, today, the American people decide that they should discard the traditional judicial interpretations of the United States Constitution and embark on an untried course of judicial legislation and depart from the doctrine of judicial precedent, they might well lose their freedom before the end of the 20th century.

It is my hope and belief that the American people are becoming more and more aware of those standards and those traditions of the law that elevated their Nation to greatness.

It is my hope that today, Law Day, when we honor our system of jurisprudence, we shall remember that it is a system which has been tried and proved to be the best in the history of the world.

Labor's Day

EXTENSION OF REMARKS
OF
HON. EMMET F. BYRNE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 1, 1958

Mr. BYRNE of Illinois. Mr. Speaker, under unanimous consent, I insert the following article that appeared in the Southtown Economist, an outstanding community newspaper in Chicago, on Sunday, April 27:

LABOR'S DAY

Members of the International Brotherhood of Electrical Workers have just won a pay boost of 25 cents an hour. Starting June 1 they will receive $3.90 an hour.

Older members of the union recall that the new hourly wage was the total daily wage about 30 years ago. Quite obviously, labor has come a long way since.

Factories now find it necessary to provide huge parking lots for the cars of their employees. Until labor came into its own, only the head of the company came to work in an automobile.

Much of the credit for labor's prosperity is due the late Henry Ford. During the days when workingmen were being paid $3 a day, Ford, without any prompting, established a minimum wage of $5 a day for his thousands of mechanics. He proved that high wages is good business, and before long other large employers adopted his philosophy.

As always, however, the so-called white collar worker has been left behind in the current trend toward fatter paychecks. He is unorganized and he has to take what is offered him or do without.

As I read this, I could not help but marvel at the progress America has made in raising the living standards of labor in the past 50 years. To pinpoint or personalize this a bit, I wish to mention my father who has been dead 25 years. He pioneered the labor movement in Chicago in the days of Samuel Gompers. For 31 years he was an active member of the International Brotherhood of Electrical Workers, Local 9. I remember my father telling me that his first pay check from the city of Chicago was $60. I am proud of my father's contribution to the labor movement. However, I am relieved that he does not know the dangers confronting the rank and file members of organized labor today in light of the recent revelations of the Senate's Subcommittee on Labor Racketeering. The conduct of certain of the unscrupulous leaders coupled with actions exemplifying greed and avarice, most assuredly endanger and jeopardize the many benefits labor has fought for and won during the last few decades.

I have been receiving letters and communications from my constituents urging that the unworthy labor leaders be penalized and removed from their high positions in the unions. Some letters express concern on the part of the rank and file union members and state that they are embarrassed and humiliated over the leadership in some of the unions. They state that as mere rank and file they can do nothing but look to Congress to act for them by putting across legislation which will clean up certain unions and provide machinery which will deter and prohibit dishonesty and coercion.

It is truly a precipitous period in labor's history. Congress should take positive steps to remove the threat to some of the millions of labor members whose future and economic welfare are in danger because certain leaders have not kept their faith and confidence but have badly abused and misused their office.

In such dangerous times it is essential that no legislation is enacted which is going to be detrimental to labor, so therefore, very thorough and careful consideration must be given to the needs of labor. The labor movement has contributed a great deal to America's progress, security, and economic welfare. We want to help them, not hurt them. This matter is not one in which hasty action can be taken which will prove unwise and completely detrimental to labor.

Maxwell M. Rabb, Secretary to the Cabinet

EXTENSION OF REMARKS
OF
HON. LEVERETT SALTONSTALL
OF MASSACHUSETTS
IN THE SENATE OF THE UNITED STATES
Thursday, May 1, 1958

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD two documents which testify to the extraordinarily effective job which Maxwell Rabb of Boston has done as the first secretary to the President's Cabinet. The first of these is an exchange of correspondence between the President and Mr. Rabb. The President's letter reveals the high regard which he has had for Mr. Rabb's work.

The second is a very complimentary editorial from last Saturday's Boston Herald, which makes special note of the anonymity with which Mr. Rabb has performed his duties.

There being no objection, the correspondence and editorial were ordered to be printed in the RECORD, as follows:

The White House today made public the following exchange of letters between the President and the Honorable Maxwell M. Rabb, secretary to the Cabinet.

The President's letter follows:

APRIL 24, 1958.

DEAR MAX: The prospect of your departure from the White House staff in the near future is one which I accept only because I appreciate how unstintingly you have given of your time and energy to your work for more than 5 years. It has been a truly large service that you have rendered—not only to me but to the members of the Cabinet, your other associates, and the Nation. Now that personal reasons require your return to private life, I must comply with your request to terminate your duties in mid-May.

I share your belief that the strengthening of Cabinet procedures in recent years is a significant step to more efficient conduct of the business of government. As you review in years to come the many complex problems that have almost constantly engaged our attention, your awareness of the role of the Cabinet in solving them should give you a very rewarding feeling. Particularly have the guidance and stimulus that you added to the preparation of matters for Cabinet discussion helped to insure a firm foundation for the policies shaped there.

I am grateful also for your tireless devotion to the cause of better understanding of each other among the many individuals and groups comprising our Nation. Through personal example and encouragement to others, you have made a contribution which I regard as being of the highest type any person can make. In this you will, I trust, find a very real and lasting satisfaction.

A letter of resignation and its acceptance customarily has an air of finality that in this instance is unacceptable. Your willingness to be of assistance in the future is something I shall not fail to remember and put to good use.

My thanks and best wishes go to you, along with my complete confidence that the future will be full and satisfying for you and your good family.

With warm regards.

Sincerely,

DWIGHT D. EISENHOWER.

Mr. Rabb's letter follows:

APRIL 23, 1958.

MY DEAR MR. PRESIDENT: It is with deep regret that, because of personal considerations, I must submit my resignation as secretary to the Cabinet, to be effective, if convenient to you, in mid-May.

I shall always be proud to have had the privilege of serving in the Government of the United States under your inspiring leadership. The more than 5 years that I have had the honor to be associated with you have been memorable years, filled with deep personal pleasure and satisfaction.

It has been impressive to observe at close range your quiet and effective resolution of so many challenging problems, your determination to create in this country a moral climate in which discrimination will have no part, and your affirmation of America's traditional humanitarian concern for the refugee who seeks asylum from oppression and persecution.

Particularly am I grateful, as the first secretary to the Cabinet, that there is growing national recognition of the importance of your pioneering contribution in the area of public administration where you have changed the Cabinet from what was a somewhat haphazard, inconclusive conclave into an effective, vital coordinating body.

If, from time to time in the future, I can be of assistance to you, I hope you will call upon me.

Faithfully yours,

MAXWELL M. RABB,
Secretary to the Cabinet.

[From the Boston Herald of April 26, 1958]

NEARLY ANONYMOUS

Maxwell M. Rabb has held one of the most sensitive posts in the Federal Government for half a decade. Yet he has made few headlines. His single envelope in the Herald morgue is a slim one.

This is because Mr. Rabb has wanted it that way. His job has required him to be inconspicuous. He has inherited the mantle of the anonymous assistants whom F. D. R. introduced into the Government and who have become an increasingly vital part of each succeeding administration.

Mr. Rabb's best known service has been as secretary to the Cabinet, a new post created by the Eisenhower administration for the purpose of bringing more organization and direction to Cabinet meetings. Under his expert guidance, the Cabinet has perhaps become more of an action agency than it has ever been in the past.

The secretary himself has not had Cabinet status. He has headed no great department

of Government, has made none of the ultimate decisions. But by operating in the background as an organizer, a smoother-out, a prodder, and a suggester he has helped the Cabinet to realize its highest potential as a coordinating agency.

In addition, Rabb has served as the President's principal adviser on minority affairs, working on everything from Negro integration to Hungarian refugee problems, and has been associate counsel to the President on various legal matters. And in these capacities, too, he has remained discreetly in the shadow, producing results but no publicity.

The decision of this anonymous assistant to leave public service, at least for the time being, must be a cause of genuine regret to the President and to the country. Mr. Eisenhower spoke with obvious feeling when he praised the "truly large service" which the quiet Republican from Massachusetts has performed.

The public service can use more like him.

Rhode Island Independence Day

EXTENSION OF REMARKS
OF
HON. AIME J. FORAND
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 1, 1958

Mr. FORAND. Mr. Speaker, again on May 4, Rhode Island will again be celebrating the anniversary of its freedom. It was 182 years ago today that the brave people of Rhode Island declared their independence from their mother country, Great Britain.

With the passage of time, many events are overlooked or failed to be recorded and personal sufferings are not related. But, these brave people endured such inequities with a strong determination and the taste of freedom in their mouths. True to the tradition of democracy the people imposed their will upon the legislators to act, and speedily, to rid themselves of the rule of a tyrannical ancestor. It was on the 4th of May 1776 that the Rhode Island Assembly adopted the resolution renouncing allegiance to the British King. This act was the initial spark of freedom that fired the Congress of the United States to take similar action 2 months later.

Rhode Islanders have always been noted for their individual initiative and independence. The people of the State have stood together when they thought their cause was just. Rhode Island was the first of the 13 colonies to declare complete independence of Great Britain, and the last to ratify the Federal Constitution, refraining until it felt that certain injustices had been corrected.

Colonial resentment found expression in a series of incidents, many of which occurred in Rhode Island. As early as 1764 Newporters climaxed a riot with crewmen of the British schooner *St. John* by firing upon the vessel with cannons. The following year a Newport mob, angered by impressment of American seamen, seized and burned the British vessel *Maidstone*. Most famous of these incidents to Rhode Islanders was the burning of the British revenue schooner *Gaspee*.

The colonial spirit of independence was the rock on which Britain's North American empire was finally wrecked. Accustomed for more than a generation to little or no taxation, and to almost complete freedom in the management of their internal affairs, the colonists were disposed to resent every British attempt to strengthen colonial administration.

As in the past Rhode Island will celebrate its Third Annual Heritage Week featuring pageants, ceremonies, and exhibits honoring our historic inheritance. The Heritage of Rhode Island is a continuing thing, a patrimony passed on from generation to generation. New honors, new accomplishments, new discoveries—all are based upon that devotion to liberty and integrity that was implicit in the founding of our State. The many industries that make Rhode Island renowned today had their beginnings in the humble crafts of our early settlers. The culture of Rhode Island is the contribution of those made welcome by this State's tradition of freedom and conscience.

Many illustrious names are woven into the fabric of Rhode Island history, from Roger Williams to the ancestors of our beloved Senator THEODORE F. GREEN. These and many more have helped to make our Nation strong and secure and have contributed to its economy and culture.

We are proud of our State.

A Bill To Get the Government Out of the Milk Business

EXTENSION OF REMARKS
OF
HON. CHARLES H. BROWN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 1, 1958

Mr. BROWN of Missouri. Mr. Speaker, I have today introduced a bill which I sincerely hope will be part of any omnibus farm legislation that might come before the Congress this session.

It is a dairy bill written in fact, if not in words, by the dairy farmers of southwest Missouri, after many give-and-take meetings at the grassroots last fall.

This is a bill to get the Government out of the milk business, to encourage milk producers themselves to formulate their own self-financing programs for dealing with their own problems, and to enable producers to formulate those programs, without interference from Government, processors, or distributors.

This is a dairy program of the dairy farmers, by the dairy farmers, and for the dairy farmers—a bill to restore free enterprise to the enterprisers, subject only to the public interest.

We have had some 20 years experience with Government agricultural programs, written in Washington, administered from Washington, in the name of the Federal Government. In all fairness, much has been accomplished. Farmers have learned to work together for their common good. They've seen what happens when they overproduce an economic market. They've learned the value of stabilization. But changing conditions in agriculture and controversial administrative policies in recent years have either reduced the effectiveness of the Government programs or revealed their inherent weaknesses.

Yet, when the Congress sits down to revise or update the programs, we are beset on all sides with confusing advice from divided and divergent sources. The feuding farm associations seldom, if ever, agree.

One farm group tells us to do one thing, another tells us to do another, and still another group differs with the first two. The food processors have their pet suggestions. The consumer groups want their interests provided for. The Congress becomes a referee, not a policy-making body.

And where is the farmer? He is back home milking cows, trying to make a living.

The political arena in Washington is no place to devise a sound and practical program for dairy farmers. Members of Congress are to represent the public interest—the interest of all the people. We cannot dissolve ourselves into a board of directors to formulate policies and prices for dairy producers. The dairy producers must do it themselves, outside of Washington.

Let us say to the people who produce the milk for the Nation's ever-increasing population: Milk is your business, not ours. You know more about it than the Congress, the Secretary of Agriculture, and the President of the United States. You are fully capable of handling your own business; and we want you to take full charge of your own destiny. Formulate your own programs. Determine your own prices. All we ask is that you provide us with an adequate, orderly, and stabilized flow of milk and dairy products at fair and equitable prices. Therein lies the public interest. And, just as Government has commissions to doublecheck public utility firms to make sure that they operate in the public interest at fair and reasonable rates, we are creating a Federal Milk Commission to doublecheck milk prices. It will be a quasi-judicial body, as nonpolitical as human beings can be, and certainly free of any obligation to pursue any particular political philosophy of any political party in power.

With these tools, and within this framework, the Congress will be saying to milk producers—write your own program. Put your own price tags on your products, and prove to the Federal Milk Commission that your prices are fair and equitable. Go to it with the blessings and good wishes of the Congress of the United States.

Mr. Speaker, this is what the milk producers of southwest Missouri—speaking through me, their elected Representative—are trying to say in this dairy bill.

We ask the Congress to do these things:

First. Divest the Secretary of Agriculture of any legislative authority to fix prices on milk and dairy products.

Second. Direct the Secretary of Agriculture to hold a national referendum whereby bona fide dairy producers vote on whether or not they want to get together in regional conventions, and subsequently a national convention, to formulate their own programs.

Third. Provide the means by which bona fide dairy producers can elect their own delegates to such conventions and formulate their own programs.

Fourth. Authorize dairy producers, through their own duly elected officials, to impose upon themselves any stabilization fees or assessments or quotas they vote on themselves to assure the success of any program they might devise.

Fifth. Assure them that any accumulated surpluses in the Commodity Credit Corporation will not be dumped on the domestic market to jeopardize the success of their new programs.

Sixth. Loan them enough working capital, during the first 2 years of operation only, to give them a running chance at success.

Seventh. Create a Federal Milk Commission to review any price schedules established by the elected officials of the dairy producers to make sure that such prices are fair and equitable, based on cost of production plus reasonable profit.

The Federal Government, under this bill, is not asked to purchase any temporary surplus production of milk and dairy products. The dairy producers want to handle it themselves. Let us give them a chance to do it.

There is no parity price support program in this bill. Dairy producers feel that they can devise better methods of computing fair and equitable prices. Let us give them a chance to try it.

There is no Government price fixing in this bill. Dairy producers are fed up with having their prices fixed in Washington by the Secretary of Agriculture. They think they will be happier and better off if they determine their own prices, and submit them to a Federal Milk Commission for approval. Let us give them a chance to try it.

This is Government's chance to get out of the milk business; and, if Government inventories of dried milk and butter are the expensive and aggravating problem that the Secretary of Agriculture says they are, we should jump at the chance to give dairy producers the chance they deserve to formulate their own programs, without Government dictation or interference, except in the legitimate public interest.

Mr. Speaker, I ask the Congress to read this bill. It is simple. It is based on historic principles of self-determination by democratic processes. It is a foundation upon which can be built a new, sound, and workable program for 1½ million disillusioned people—the dairy producers of America. I urge each Member to give the bill, its purposes, and its methods thoughtful consideration.

The language of the bill is as follows:

A bill to divest the Secretary of Agriculture of any legislative authority to fix prices on milk and dairy products; to direct the Secretary of Agriculture to call a National Dairy Producers' Constitutional Convention whereby bona fide dairy producers may formulate their own self-financing programs for stabilizing milk prices at fair and equitable levels; and to create a regulatory commission to protect the public interest in the production and marketing of milk

Be it enacted, etc.—

SHORT TITLE

SECTION 1. This act may be cited as the "Milk and Dairy Products Act of 1958."

DEFINITIONS

SEC. 2. For the purpose of this act, the term—

(1) "Dairy producer" means a person or corporation who produces milk in a State and makes sales of such milk throughout the year which are sales in interstate or foreign commerce or which directly burden, obstruct, or affect interstate or foreign commerce.

(2) "Milk products" means cheese, butter, and nonfat dry milk.

(3) "Secretary" means the Secretary of Agriculture.

(4) "Commission" means the Federal Milk Commission established by section 9.

NATIONAL REFERENDUM

SEC. 3. (a) The Secretary shall arrange for a referendum in which bona fide dairy producers shall (1) vote on whether they favor or oppose the holding of a national convention of dairy producers as authorized in this act, and (2) vote to determine which of the individuals who have been proposed for consideration as provided in subsection (d) are to be delegates to the regional conventions held preliminary to the national convention. Each county in the United States shall have at least one polling place for the referendum.

(b) Each dairy producer shall be entitled to one vote in the referendum conducted under this section.

(c) There shall be 1 delegate to the regional convention for each 500 dairy producers in a county, except that in any event each county where there are more than 50 dairy producers shall have 1 delegate.

(d) To be eligible for consideration as a delegate to a regional convention a person must be a bona fide dairy producer and must be proposed for consideration by a petition to the Secretary signed by at least 50 dairy producers or by at least one-third of the dairy producers in a county in the case of counties in which there are fewer than 100 dairy producers.

REGIONAL CONVENTIONS

SEC. 4. (a) The Secretary shall divide the United States into 15 regions, each of which shall have approximately equal milk productions. The Secretary shall provide for holding a regional convention in each such region. He shall provide that at each such convention the delegates shall—

(1) divide into committees and study groups to formulate resolutions for consideration at the national convention;

(2) adopt such resolutions as they desire to propose before the national convention; and

(3) elect, from among their number, 15 persons to be delegates to the national convention.

(b) The Secretary shall pay the compensation, in accordance with the Classification Act of 1949, of such attorneys, accountants, and other experts as he determines may be necessary at each regional convention. Each delegate to a regional convention shall receive compensation at the rate of $12 per diem for each day they serve at the regional convention and each such delegate shall receive his travel and subsistence pay in conformity with the Standardized Government Travel Regulations.

NATIONAL CONVENTION

SEC. 5. (a) The Secretary shall provide for holding a national convention in the city of Chicago, Ill. The delegates at such convention shall be the persons elected at the regional conventions pursuant to section 4.

(b) At the national convention the delegates shall—

(1) study the various problems confronting the dairy industry in the United States,

(2) formulate and adopt a constitution whereby dairy producers shall elect their own officials and operate their own self-financing stabilization programs to provide the Nation with an adequate, balanced, and orderly flow of milk and dairy products at fair, equitable, and stabilized prices.

(c) The constitution and the program formulated at the national convention shall be submitted to a referendum of dairy producers who voted in the referendum conducted under section 3. If, in such referendum, a majority of the dairy producers voting indicates that they wish the constitution and the program to become effective, such constitution and such program shall become effective.

(d) The Secretary shall pay the compensation, in accordance with the Classification Act of 1949, of such attorneys, accountants, and other experts as he determines may be necessary at the national convention. Each delegate to the national convention shall receive compensation at the rate of $12 per diem for each day they serve at the national convention and each such delegate shall receive his travel and subsistence pay in conformity with the standardized Government travel regulations.

AUTHORITY OF DAIRY PRODUCERS

SEC. 6. (a) If, in carrying out any program which has become effective under section 5, it shall be necessary for dairy producers through their duly elected officials to have authority to impose on all producers marketing assessments or fees for the purpose of enabling the producers to stabilize prices of milk and milk products, such fees or assessments are hereby authorized and shall be deducted by milk handlers from payments made to the dairy producers.

(b) No program shall become effective which provides for marketing allotments or controls unless and until the terms and conditions of such allotments or controls are explicitly approved by a majority of dairy producers in a national referendum.

COMMODITY CREDIT CORPORATION

SEC. 7. (a) While a program adopted under this act is in effect, the Commodity Credit Corporation, notwithstanding section 201 of the Agricultural Act of 1949, may not support the price of whole milk, butterfat, or the products of such commodities.

(b) During each of the first 2 fiscal years in which a program adopted under this act is in effect, the Commodity Credit Corporation shall loan to the dairy producers such sums, not in excess of $200 million in each year, as the elected officials of the dairy producers estimate will be needed for working capital. The sums so loaned shall be repaid, with interest at a rate to be determined by the Secretary of Agriculture but not less than the cost of money to the Commodity Credit Corporation for a comparable period.

(c) During the time a program adopted under this act is in effect, the Commodity Credit Corporation, notwithstanding section 407 of the Agricultural Act of 1949, may not sell any milk products in its stocks within the United States.

LAWFUL PRICES

SEC. 8. In the event a program adopted under this act provides for establishing price levels paid to dairy producers for their milk, the prices shall be considered lawful if they do not exceed levels which will result in an adequate, balanced, and orderly flow of milk and milk products to the market at fair, equitable, and stabilized prices, determined as provided in section 12.

FEDERAL MILK COMMISSION

SEC. 9. (a) There is hereby established as an independent agency in the executive branch of the Government an agency to be known as the Federal Milk Commission which shall be composed of five members appointed by the President, by and with the advice and consent of the Senate. The President shall designate one of the members to act as chairman. Not more than three members of the Commission shall be members of the same political party.

(b) The terms of office of members of the Commission shall be 5 years, except that—

(1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and

(2) the terms of office of the members first taking office shall expire, as designated by the President at the time of appointment, one at the end of 1 year, one at the end of 2 years, one at the end of 3 years, and one at the end of 4 years, after the date of their appointment.

Any member of the Commission may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

(c) Each member of the Commission (other than the chairman) shall receive compensation at the rate of $20,000 per annum; and the chairman shall receive compensation at the rate of $20,500 per annum.

(d) The principal office of the Commission shall be in the District of Columbia, but the Commission or any duly authorized representative may exercise any or all of its powers in any place. The Commission shall hold such meetings, conduct such hearings, and receive such reports as may be necessary to enable it to carry out the provisions of this act. Three members of the Commission shall constitute a quorum thereof.

(e) The Commission shall have authority, subject to the provisions of the civil-service laws and the Classification Act of 1949, to appoint and fix the compensation of such officers and employees as are necessary in the exercise of its functions.

PRICE SCHEDULES

SEC. 10. (a) Under such rules and regulations as the Commission shall prescribe, the elected officials of the dairy producers shall file with the Commission, within such time and in such form as the Commission may designate, and shall keep open for public inspection, schedules showing the lawful prices at which milk and milk products are to be established under the program adopted under this act.

(b) Unless the Commission otherwise orders, no change shall be made by the dairy producers in the level at which the price of milk or any milk product is to be established, except after 30 days' notice to the Commission and to the public. Such notice shall be given by filing with the Commission and keeping open for public inspection new schedules plainly stating such new prices. The Commission, for good cause shown, may allow such changes to take effect without requiring the 30 days' notice herein provided for by an order specifying the changes to be made and the time when they shall take effect.

(c) Whenever any such schedules of new prices is filed, the Commission shall have authority, without formal pleading, but upon reasonable notice, to enter upon a hearing concerning the lawfulness of such prices; and, pending such hearing and decision thereon, the Commission may suspend, but not for a longer period than 5 months beyond the time when the new schedule would otherwise go into effect; and after full hearings, either completed before or after the new price has gone into effect, the Commission may make such orders with reference thereto as would be proper in a proceeding initiated after it had become effective.

(d) At any hearing involving an increase in prices, the burden of proof to show that the higher prices are not unlawful shall be upon the elected officials of the dairy producers.

UNLAWFUL PRICES

SEC. 11. Whenever the Commission, after a hearing had upon its own motion, finds that the price therefore established and in effect is unlawful, the Commission shall determine the highest level of price which would be lawful and shall establish the same by order.

DETERMINATION OF LAWFUL PRICES

SEC. 12. (a) In determining whether a price is lawful, the Commission shall ascertain the price which will return the cost-of-production, determined as provided in subsection (b), plus a reasonable profit.

(b) The cost of production shall be determined on the basis of an audited cost-accounting survey of the actual production costs of at least 100 dairy herds in each region established by the Secretary under section 4, selected according to accepted statistical methods to represent a reasonably adequate sample of class I and non-class I producers. In determining such costs—

(1) all costs of production on the farm shall be considered which are properly assignable to milk production;

(2) farm-grown feed shall be assigned a cost of not less than 85 percent of the wholesale market price of such feed in the area; and

(3) hired and family labor shall be assigned a cost computed on the basis of wage rates for comparable work in milk manufacturing and processing plants in the area.

(c) The reasonable profit referred to in subsection (a) shall be a return to dairy producers on invested capital equal to the average return on the net worth earned by milk manufacturers and handlers during the preceding fiscal year.

(d) The Commission is further authorized to make audited cost-accounting surveys of production costs experienced by colleges and universities in handling test herds in each of the regions established by the Secretary under section 4, such surveys to make due allowances for per-cow production of test herds compared to national per-cow production averages.

INVESTIGATIONS BY COMMISSION

SEC. 13. (a) The Commission may investigate any facts, conditions, practices, or matters which it may find necessary or proper in order to enable it to carry out its duties under this act.

(b) For the purpose of any investigation or any other proceeding under this act, any member of the Commission, or any officer designated by it, is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, contracts, agreements, or other records which the Commission finds relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States or at any designated place of hearing. Witnesses summoned by the Commission to appear before it shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

(c) In case of contumacy by, or refusal to obey a subpena issued to, any person, the Commission may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, contracts, agreements, and other records. Such court may issue an order requiring such person to appear before the Commission or member or officer designated by the Commission, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found or may be doing business. Any person who willfully shall fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, contracts, agreements, or other records, if in his or its power so to do, in obedience to the subpena of the Commission, shall be guilty of a misdemeanor and upon conviction shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than 1 year, or both.

(d) The testimony of any witness may be taken at the instance of a party, in any proceeding or investigation pending before the Commission, by deposition at any time after the proceeding is at issue. The Commission may also order testimony to be taken by deposition in any proceeding or investigation. Such depositions may be taken before any person authorized to administer oaths not being of counsel or attorney to either of the parties, nor interested in the proceeding or investigation. Any person may be compelled to appear and depose, and to produce documentary evidence, in the same manner as witnesses may be compelled to appear and testify and produce documentary evidence before the Commission, as hereinbefore provided. Such testimony shall be reduced to writing by the person taking deposition, or under his direction, and shall, after it has been reduced to writing, be subscribed by the deponent.

(e) Witnesses whose depositions are taken as authorized by this act, and the person or officer taking the same, shall be entitled to the same fees as are paid for like services in the courts of the United States.

RULES OF PROCEDURE

SEC. 14. All hearings, investigations, and proceedings under this act shall be governed by rules of practice and procedure to be adopted by the Commission, and in the conduct thereof the technical rules of evidence need not be applied. No informality in any hearing, investigation, or proceeding or in the manner of taking testimony shall invalidate any order, decision, rule, or regulation issued under the authority of this act.

JUDICIAL REVIEW

SEC. 15. Any person affected by an order issued by the Commission in a proceeding under this act may obtain a review of such order in the United States Court of Appeals for the District of Columbia by filing in such court, within 60 days after the order of the Commission, a written petition praying that the order of the Commission be modified or set aside in whole or in part. A copy of such petition shall forthwith be served upon any member of the Commission and thereupon the Commission shall certify and file with the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, modify, or set aside such order in whole or in part. No objection to the order of the Commission shall be considered by the court unless such objection shall have been urged before the Commission in the application for rehearing unless there is reasonable ground for failure so to do. The finding of the Commission as to the facts, if supported by substantial evidence, shall be conclusive. If any party shall apply to the court for leave to adduce addi-

tional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the proceedings before the Commission, the court may order such additional evidence to be taken before the Commission and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Commission may modify its findings as to the facts by reason of the additional evidence so taken, and it shall file with the court such modified or new findings, which if supported by substantial evidence, shall be conclusive, and its recommendation, if any, for the modification or setting aside of the original order. The judgment and decree of the court, affirming, modifying, or setting aside, in whole or in part, any such order of the Commission, shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of the United States Code, as amended (U. S. C., title 28, secs. 346 and 347).

SEC. 16. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act, not to exceed $5,000,000.

Minshall Opinion Poll

EXTENSION OF REMARKS
OF
HON. WILLIAM E. MINSHALL
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 1, 1958

Mr. MINSHALL. Mr. Speaker, early in April, it was my privilege to mail an opinion poll to the voters of Ohio's 23d District. This is the fourth year that I have polled this suburban area of Cleveland on the vital issues before the Congress and each time the response has been excellent. A tremendous voter interest was shown as over 16,000 returned the questionnaire which present some of the questions of current interest before the 2d session of the 85th Congress.

In addition to completing the questionnaire, over 5,000 people also sent in additional letters and comments amplifying their views on the various issues. I am pleased with this response for it shows the great interest which the residents of this Congressional District have in their Government.

Following are the results of the poll with an accompanying newsletter which were mailed to all voters receiving the questionnaire:

CONGRESSIONAL BRIEFS

April traditionally marks the midway point of a Congressional session. This time last year only two major pieces of legislation had been passed, the President's Mid-East doctrine, and the annual extension of corporation and excise taxes. Acting at a faster, election year tempo, this session's accomplishments include passage of a $1.9 billion housing bill, a highway-construction measure, and a pay raise for military personnel. In conference between the House and Senate is the postal pay raise and postal rate increase bill. Action is yet to come on foreign aid, extension of Reciprocal Trade Act, statehood for Alaska and Hawaii, pay increase for classified employees, and numerous other measures. About half of this session's appropriation bills, which usually are about 20 in number, have already passed the House. Six of these have also passed the Senate, and four have been signed into law. The President's much discussed Defense Department reorganization bill is presently being heard by the Armed Services Committee and is in for some rough sledding, but will be passed with modifications. One thing is certain and that is: Politics will be the keynote during the remainder of the 2d session of the 85th Congress. With the Democrats in control of the Congress and the Republicans in the White House, no holds will be barred.

RECESSION

I reported in my January newsletter that we could meet today's challenges quickly and wisely without being foolhardy in our appropriations. The recent mail load also indicates that many share that opinion, and that there is no need for us to go hog wild in our spending. Leading economists have just recently reported that our economic tailspin seems to have leveled off, and although the outlook is much rosier, you can be sure that if things are not what they should be by the end of June, Congress will take definite action, most likely in the form of tax relief.

HAVE PASSPORT, WILL TRAVEL

All indications are that 1958 will be one of the biggest travel years on record, and the rush will start in earnest in June, so if you are thinking of traveling abroad this summer, be sure to apply for your passport in plenty of time. The new look—if you wish, you can now have your passport picture made in color, and you can smile without violating the regulations.

DID YOU KNOW?

It's only peanuts. We spent only about $3½ million for research development and procurement in connection with our missile program from 1945 to 1952. During the same period $116 million was spent by the Government in supporting the price of peanuts. Weather note: Usually mild Washington had over 40 inches of snow during the past winter—nearly 10 inches more than fell in Cleveland.

MINSHALL OPINION POLL

Returns to my most recent questionnaire arrived back in this office by the mailsackful. This is the fourth such poll I have sent out, and again the results were most gratifying. Nearly 16,000 were returned, and an unusually high percentage of people also sent additional letters and comments. The percentage of return is much higher than in other Congressional Districts conducting similar polls. I am highly pleased with this response for it shows the great interest that residents of the 23d District have in their Government. It is regretted that staff limitations will not permit an individual reply, but you can be sure that all answers were read and much appreciated. Thank you for your many generous comments and your wonderful cooperation.

It is interesting to note that answers to questions we asked again this year showed very little change in thinking. For example, in comparison to the 1957 poll, a very slight difference is noted between Federal aid for school construction, the air raid shelter program, and foreign trade. There was, however, a 12 percent shift in favor of foreign aid.

I shall continue to thus sample the opinions of my constituents from time to time for I feel there is no better way to find out what the majority of people are thinking, and of course having the benefit of your views is invaluable to me in representing you in the Congress of the United States.

The results of the 1958 opinion poll follow:

	Percent		
	Yes	No	No opinion
1. Do you approve of the proposal to put pay TV on a trial basis?	23	67	10
2. Do you favor a protective tariff or quota on imports of foreign goods which compete with our own business?	62	31	7
3. Do you believe we should continue our foreign aid program which calls for the expenditure of $3,900,000,000 in military and economic aid to our allies in free countries during the next fiscal year?	50	45	5
4. Are you in favor of removing the Federal Government's present regulatory control over prices which producers can charge for natural gas?	26	65	9
5. Do you feel a need exists for some form of Federal assistance to encourage scientific education?	52	41	7
6. Would you favor a $20,000,000,000 national air-raid shelter construction program?	16	72	12
7. Do you favor increasing social security benefits with corresponding increases in individual and employer contributions?	82	30	9
8. Would you favor furnishing nuclear weapons to our NATO allies in Western Europe?	49	37	14
9. In an effort to meet the national economic situation, please indicate which of the following Federal actions you think should receive prior attention:			
1st choice: Accelerate our present public works program (highways, public buildings, etc.).			
2d choice: Income tax reductions.			
3d choice: Increase our housing program.			
4th choice: Reduce credit restrictions.			
5th choice: Initiate a massive public-works program.			
6th choice: No Federal Government action required.			
10. Do you favor Federal aid for local school construction?	45	51	4

For a Free Poland

EXTENSION OF REMARKS
OF
HON. PAUL B. DAGUE
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 1, 1958

Mr. DAGUE. Mr. Speaker, no American who prides himself on his dedication to the patriotism embodied in our Declaration of Independence can remain insensible to the high principles contained in the Polish Constitution as enacted in 1791. For 167 years free people everywhere have paused to pay their tribute to those staunch patriots whose action is commemorated each year on May 3 as Poland's Constitution Day.

The brutal arrogance with which the Communist dictators have undertaken to trample underfoot the rights of this free people has met with unwavering resistance from within the Polish Republic as well as the strongest condemnation from without. And the belligerent attitude of the masters in the Kremlin toward any movement to slacken the chains on this

gallant people has shown how utterly insincere is their protestation that they stand for peace.

Happily, there are increasing signs that Poland is moving forward step-by-step to the realization of her rights as a sovereign state and it is most gratifying that the United States has shown a readiness to assist such movements. In addition we shall continue to make available substantial evidences of our concern for Polish economic stability and the right to work out their destiny without interference from neighboring aggressors.

Alexander Hamilton Bicentennial Commission

EXTENSION OF REMARKS
OF
HON. B. CARROLL REECE
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 1, 1958

Mr. REECE of Tennessee. Mr. Speaker, on yesterday Senator KARL MUNDT, Chairman of the Alexander Hamilton Bicentennial Commission, submitteed the final report of the Commission. I feel Senator MUNDT's introductory statement and a part of the report should appear in the RECORD as follows:

INTRODUCTION

There is no question but that the program of the Alexander Hamilton Bicentennial Commission was a success. Quietly and without undo fanfare it succeeded in its prime objective—making the achievements and great contributions of Alexander Hamilton better and more favorably known to all America and at the same time bringing about, in some measure, a reawakening of American belief in and understanding of the sound principles upon which our Nation was established.

From the outset the Commission sought to achieve its aim through lasting accomplishments—the stimulation and publication of new books on Hamilton and his times, the editing and publication of a truly definitive edition of Hamilton's papers and through more complete understanding of Hamilton and the formative period of the Nation in the schools and colleges. As the Commission's report shows, these hopes were turned into realities.

Because of its small staff and limited funds it was clear from the beginning that that Commission's function must be to plan and to stimulate others to carry out the plans. As a result of this decision, successful efforts were made to enlist the active support of men and women in many fields, of whom a considerable number served as members of the Commission's several advisory committees.

The Commission takes special pride in several of its accomplishments. It brought about the publication and subsequent widespread distribution of the Basic Ideas of Alexander Hamilton, edited by Dr. Richard B. Morris of Columbia University and published by Pocket Books, Inc. This 451-page volume, selling at 35 cents, for the first time made available a wide selection of Hamilton's writings at a price within the reach of all Americans.

Establishment of the Commission, without question, had much to do with the decision of the Rockefeller Foundation and Time, Inc., to provide funds for Columbia University to undertake the editing for publication of a definitive edition of Hamilton's papers, a work now in progress. The Commission cooperated in this work to the greatest possible extent, its "Treasure Trove" search for Hamiltonia bringing to light many documents vital to the work.

Another achievement for which the Commission takes modest credit was its Alexander Hamilton Exhibition which was set up, with the cooperation of the Treasury Department, in the Treasury Building in Washington. This exhibition which contained the finest and largest collection of Hamiltonia ever assembled was viewed by more than 70,000 visitors. The Commission is deeply grateful to the many individuals and institutions whose loans of material made the exhibition possible.

The Commission is pleased to report that in spite of the fact that the total of $200,000 it received in appropriated funds during its lifetime was less than was needed to do a complete job that it nevertheless was able to return to the Treasury a part of this sum, even though small, in keeping with its determination to conduct the Hamilton Bicentennial on a strict economy basis as Hamilton would have wished.

It is fair to point out that the Government of the United States actually profited substantially because of the Commission. The Post Office Department has estimated that it earned a net profit of upwards of $800,000 through sales to collectors of the highly successful Alexander Hamilton Bicentennial commemorative 3-cent stamp, sales for which no postal service was rendered. This net profit accrued to the general fund of the Treasury.

The Commission's scholarship program in which more than 200,000 high-school students actively participated did much to refocus attention on Hamilton and his era, the formative period of the Nation. Added to this were the many lectures in colleges on Hamilton and his times inspired by the Commission's activities and the added emphasis given the man and the period in countless courses of instruction.

Special thanks on the part of the Commission are due the Government agencies which cooperated in making the bicentennial year a success, especially to the Department of State, the Treasury Department, the Department of Defense, the Department of the Interior and the United States Information Agency. The Commission also expresses its appreciation for the cooperation of the many governors, mayors, and other public officials who gave assistance to the program and to the thousands of individuals and organizations who took part.

It is the belief of many Americans that a permanent memorial to the work of Alexander Hamilton should be erected in the National Capital. In support of this belief the executive committee of the Alexander Hamilton Bicentennial Commission at its final meeting in Washington on April 24, 1958, adopted unanimously a resolution recommending such a proposal to the Congress. The resolution read:

"*Resolved*, That the Alexander Hamilton Bicentennial Commission recommend to the Congress the design and erection in the District of Columbia of a suitable memorial to the work of Alexander Hamilton in the founding of the United States, the memorial to be in keeping with the weight and measure of his accomplishments, for these reasons among others, that—

"1. No man did more to establish the United States than did Alexander Hamilton in bringing on the Constitutional Convention, in perfecting the Constitution of the United States through clarifying the problem, in obtaining ratification of the Constitution, and in establishing the Federal Government thereunder—and that without Hamilton, had the United States been formed at all, the Union formed would have been considerably different from what it is and might well have fallen apart for the lack of adequate strength in the Federal Government;

"2. The Federalist, by Hamilton, with help from Madison and Jay, is the greatest commentary on the Constitution and its underlying principles, a commentary that articulated and balanced the American political system so well that it became the basis of constitutional interpretation by the Supreme Court for the first century and a half of the Republic;

"3. A fitting physical memorial to the work of this great man would establish a strong and enduring link between the beginning of this Nation and its institutions and its posterity."

I could not bring this personal statement to a close without expressing my warm appreciation to my fellow Commissioners for their contributions toward making the bicentennial a success and to the members of the Commission's staff who worked tirelessly to the same end.

KARL E. MUNDT,
Chairman, United States Senator from South Dakota.

The Alexander Hamilton Bicentennial Commission was established by Senate Joint Resolution 140, passed by the 83d Congress and approved by President Eisenhower on August 20, 1954, as Public Law 601, chapter 770.

The joint resolution, as adopted, read as follows:

"*Resolved, etc.*, That there is hereby established a commission to be known as the "Alexander Hamilton Bicentennial Commission" (hereinafter referred to as the "Commission") which shall be composed of 19 Commissioners as follows: The President of the United States, the President of the Senate, and the Speaker of the House of Representatives, all ex officio; and eight persons to be appointed by the President of the United States, four Senators to be appointed by the President of the Senate, and four Representatives to be appointed by the Speaker of the House of Representatives.

"SEC. 2. It shall be the duty of the Commission to prepare plans and a program for signalizing the 200th anniversary of the birth of Alexander Hamilton. In preparing such plans and program the Commission shall give due consideration to any plan or plans which may be submitted to it, and to take such steps as may be necessary to coordinate and correlate its plans with those prepared by State or civic bodies. If the participation of other nations in the commemoration is deemed advisable, the Commission may communicate to that end with the governments of such nations.

"SEC. 3. The Commission shall select a Chairman and a Vice Chairman from among its members, and may employ, without regard to the civil-service laws or the Classification Act of 1949, such employees as may be necessary in carrying out its functions.

"SEC. 4. The Commissioners shall serve without compensation, but may be reimbursed for expenses incurred by them in carrying out the duties of the Commission.

"SEC. 5. When the Commission has approved a plan of celebration it shall submit it, insofar as it relates to the fine arts, to the Commission of Fine Arts for its approval.

"SEC. 6. The Commission shall, on or before March 1, 1955 make a report to the Congress in order that further enabling legislation may be enacted.

"SEC. 7. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this joint resolution.

"SEC. 8. The Commission shall expire upon the completion of its duties, but in no event later than January 11, 1958."

In its report to the Senate, filed with the joint resolution, the Senate Judiciary Committee said in part:

"Alexander Hamilton was born on the island of Nevis in the British West Indies on January 11, 1757. It was in the American Revolution that Alexander Hamilton stood with Washington and Franklin in developing the basis of what is today our great Federal Republic. Hamilton was the fertile mind and organizing genius of President Washington's administrations. For this great work he has been described as the architect of the American Union. Hamilton represented the conservative mind in its most brilliant and useful form. His devotion to the free press, to free speech, and to the institutions of free men is too little appreciated. The finest monument that could be erected to Hamilton would be an adequate edition of his writings. Such an edition would not be merely a monument to Hamilton—it would be a genuine and enduring contribution to the Nation which he labored so ardently to create. The committee is of the opinion that the works of Hamilton would be particularly appropriate in this era of world history, when many countries throughout the world are struggling with the problem of self-government or trying to find a proper formula to use in adopting for themselves the self-government best suited to their environment, capabilities and abilities, and the making available to those people the complete works of Alexander Hamilton will serve not only this Republic, but the world. The committee believes that this resolution is meritorious and therefore recommends favorable consideration of Senate Joint Resolution 140."

Pursuant to the law the Speaker of the House of Representatives, on August 21, 1954, appointed the following Representatives as members of the Commission:

Hon. FREDERIC R. COUDERT, Jr., of New York.

Hon. THOMAS E. MARTIN, of Iowa.

Hon. PETER W. RODINO, Jr., of New Jersey.

Hon. JOHN J. ROONEY, of New York.

Mr. MARTIN was elected to the United States Senate in the November 1954 election. The Honorable CARROLL REECE, of Tennessee, was named to replace him by the Speaker of the House of Representatives early in the first session of the 84th Congress.

The President of the Senate, on November 17, 1954, appointed the following Senators to be members of the Commission:

Hon. HARRY FLOOD BYRD, of Virginia.

Hon. THOMAS C. HENNINGS, of Missouri.

Hon. IRVING M. IVES, of New York.

Hon. KARL E. MUNDT, of South Dakota.

The President of the United States, on January 11, 1955, the 198th anniversary of Hamilton's birth, appointed the following persons as members of the Commission:

Lt. Gen. Milton G. Baker, of Pennsylvania.

Edward R. Burke, of Maryland.

Mrs. Marie Brown Coffin, of the District of Columbia.

George M. Humphrey, Secretary of the Treasury.

Laurens M. Hamilton, of Virginia.

John A. Krout, of New York.

Clark Haynes Minor, of New York.

Mrs. Robert P. Patterson, of New York.

On February 1, 1955, at the call of the Secretary of the Treasury, the Alexander Hamilton Bicentennial Commission met in the Secretary's office in the main Treasury Building in Washington for the purpose of organization. Senator KARL E. MUNDT was elected Chairman, and Representative FREDERIC R. COUDERT, Jr., was elected Vice Chairman pursuant to the terms of the law. Mr. W. Randolph Burgess, Under Secretary of the Treasury, was named Secretary of the Commission, and Mr. Robert A. Dillon, of the Treasury Department, was named Assistant Secretary.

An executive committee of five members was established, consisting of the chairman, the vice chairman, and three to be appointed by the chairman. Mr. Burgess was made an ex officio member. The chairman named Mr. Burke, Mr. Hamilton and Representative Rooney to serve with him and the vice chairman of this committee.

The executive committee of the Commission met on February 7, 1955, in the office of Senator MUNDT and appointed J. Harvie Williams, of the District of Columbia, Director of the Commission, and Dr. Frank Monaghan, also of the District of Columbia, historian of the Commission. They were directed to prepare a report for the Commission on plans and a program for signalising the bicentennial of Alexander Hamilton in the year starting January 11, 1957, in accordance with the law creating the Commission.

The next few months were devoted to developing and outlining a program for the year-long bicentenary. On September 12, 1955, the Commission formally recommended to the Congress that the 200th anniversary of the birth of Alexander Hamilton be signalized as follows:

A. By memorial meetings and exercises throughout the year 1957, beginning on January 11:

1. A joint session of the Congress.

2. Proclamations by governors and joint sessions of State legislatures.

3. Appropriate public ceremonies in cities and communities especially concerned with the public achievements of Alexander Hamilton and with the important events of his life in the struggle for the establishment of the Republic.

4. Appropriate ceremonies on the anniversaries of particular events such as the Battle of Yorktown; the Annapolis Convention; the Constitutional Convention at Philadelphia; the New York Convention at Poughkeepsie; appointment as Secretary of the Treasury; his reports on the mint on manufacturers, and on the establishment of a Bank of the United States; the Whisky Rebellion; appointment as major general of the Army; the duel with Burr, etc.

B. By publications:

1. An authoritative and comprehensive edition of Hamilton's papers.

2. Stimulate the reissues by publishers of out-of-print works on Hamilton and his contemporaries.

3. Encourage the publication by established publishing houses of a popular biography of Hamilton and of a volume of selected Hamilton writings. These two volumes should be designed for widest possible distribution—both for libraries and schools, and for the general public in a less expensive pocketbook edition.

4. Preparation and stimulation of special articles in historical journals, popular magazines, etc.

C. By activities in the field of education and public affairs:

1. The institution of a national essay contest in the schools, colleges, and universities of the Nation.

2. Oratorical contests in educational institutions and elsewhere.

3. Encourage the adoption of Hamilton as a special topic for nationally established discussion groups.

4. Special lectures on Hamilton and his times in colleges and universities having endowments or available facilities for such lectures.

D. By commemorative exhibitions of Hamilton portraits, manuscrips, documents, and other memorabilia, at the Library of Congress, the National Archives, the Treasury of the United States, public art galleries, museums, public libraries, and elsewhere.

E. By special exhibits and displays under the auspices of local historical societies and other historical, learned, civic, and patriotic societies, and professional and business associations.

F. By stamps and coins: Appropriate special coins, stamps, medals, etc., should be issued on January 11, 1957, and the appropriate other occasions in connection with the Hamilton bicentennial.

This program was in accord with the Commission's decision to devote its efforts to the stimulating of many activities by others, rather than to undertake directly their organization. This policy served to economize funds appropriated by the Congress and was in keeping with the well-known views of Alexander Hamilton.

It is gratifying to report that with few exceptions the Commission's objectives were achieved, as explained elsewhere in this report.

The Commission's small staff worked steadily and effectively to perfect plans for the bicentennial celebration, in close cooperation with the Commission's executive committee.

Advisory committees, 17 in all, were set up to aid the Commission in the many fields in which activities were planned. These advisory committees were: Armed Forces and Coast Guard; Banking and Finance; Commerce and Industry; Constitution and Law; Contests and Awards; Education; Exhibits and Displays; Historians; Libraries and Museums; Medicine and Public Health; Patriotic Societies; Political Economy; Public Relations; Rhetoric and Public Address; Special Events, Symbols, Medals, Stamps, and Coins; and Veterans Organizations. Leaders in the many fields accepted membership on these advisory committees. A full list of committee members will be found at the end of this section of the report.

In addition, the Commission established a special Committee on Birthplace and Boyhood Home, headed by Commissioner Laurens M. Hamilton, to coordinate bicentennial observances in the Leeward and the Virgin Islands. Other members of this committee were Richard Parkhurst, president, Mystic Terminal Co., Boston, Mass.; Hon. Fred A. Seaton, Secretary of the Interior, and Hon. Walter A. Gordon, Governor of the Virgin Islands, both members ex-officio; Capt. Henry Balsley, USN retired, St. Thomas, V. I.; Mrs. Douglas Armstrong, St. Croix, V. I.; J. Robertson Ward, Antigua, British West Indies; Dorr E. Newton, St. Croix, V. I.; Cyrus F. Judson, Jr., Alcoa Steamship Co., New York, N. Y., (deceased); Mrs. Cyrus F. Judson, Jr., New York, N. Y.; Mrs. Lee Karwick, Caribbean Tourist Association, New York, N. Y.; and Erwin Balluder, Pan American World Airways, New York, N. Y.

One of the first tasks of the Commission staff was to enlist the cooperation of national, State, and local organizations in many fields to assure widespread participation in the bicentennial celebration. Because of the highly economical basis on which the Commission was operated throughout its lifetime, the efforts of its staff were directed toward the stimulation of activities by others rather than actually organizing and sponsoring them itself.

As a result of this necessary policy the Commission was never able to keep an accurate check on the many and varied types of Hamilton observances conducted throughout the United States. However, enough information was obtained to indicate clearly that Hamilton observances, in one form or another, were held in hundreds of communities from coast to coast; that many magazines and newspapers carried special articles on Hamilton and the bicentennial observance; that there were a substantial number of television and radio programs having to do with Hamilton; and that thousands of public schools and several hundred colleges and universities gave special attention to the bicentennial. In addition, exhibitions of Hamiltonia and Americana of the

Hamilton period were held in many cities and communities throughout the United States under the auspices of local groups.

A substantial number of these historical exhibitions were stimulated by the Commission through the American Association for State and Local History and the Manuscript Society. These 2 organizations, numbering upward of 3,700 historical societies, museums, libraries, and private collectors of historical material, were among the first to pledge support to the Commission. Each of them set up a special committee to cooperate in the bicentennial.

Columbia University, the successor to Kings College, Hamilton's alma mater, quite naturally took a leading part in bicentennial observances throughout the year. The Association of the Alumni of Columbia College named a special Alexander Hamilton Bicentennial Committee headed by James Madison Blackwell, New York attorney. This committee planned and carried through arrangements for the 11th annual Hamilton dinner held on May 1, 1957. At this dinner Dr. Grayson Kirk, president of the university, received Columbia's Alexander Hamilton Medal for Distinguished Service.

In addition to Mr. Blackwell, the special committee included Elliott V. Bell, Douglas M. Black, Benjamin J. Buttenweiser, Bennett Cerf, Clifton Fadiman, Oscar Hammerstein 2d, Roscoe C. Ingalls, John A. Krout, Ward Melville, Edmund A. Prentis, Arthur Hays Sulzberger, William T. Taylor, and Richmond B. Williams.

Through correspondence and personal visits, the Commission enlisted the support of many National, State, and local organizations in varied fields. Cooperation with the Commission was pledged by such outstanding groups as the American Bankers Association, the American Bar Association, the American Medical Association, the American Dental Association, American Historical Society, Manuscript Society, National Education Association, the League of Business and Professional Women, the American Society for State and Local History, the American Legion, and Veterans of Foreign Wars.

Among others are American Booksellers Association, American Farm Bureau Federation, American Hotel Association, American Institute of Architects, American Library Association, American Municipal Association, American Pharmaceutical Association, American Political Science Association, American Association of University Professors, Boy Scouts of America, the Council of Bishops of the Methodist Church, Kiwanis International, League of Women Voters, Loyal Order of Moose, National Association and Council of Business Schools, National Council of Farmer Cooperatives, National Savings and Loan League, and Rotary International.

Others included the Daughters of the American Revolution, the Society of the Cincinnati, the Sons of the Revolution, the Sons of the American Revolution, the National Federation of Republican Women, the National Newman Club Federation, the American Legion Auxiliary, the National 40 and 8, the Chicago Coin Club, and the Milwaukee Numismatic Society, along with a substantial number of State bankers' associations and State bar associations. In addition, many educational groups cooperated and worked with the Commission.

The national organizations cooperated closely with the Commission in the setting up of the various advisory committees, recommending names of outstanding individuals for appointment.

Letters were sent to each of the 3,700 members of the American Association for State and Local History and the Manuscript Society asking cooperation with all phases of the work of the Commission, including sponsorship of local celebrations and exhibitions—many such were held—and especially in the Commission's treasure trove search for Hamiltonia (described elsewhere in the report). The Commission letters enclosed covering letters from the special committees set up by each organization to work with the Commission.

The Department of State cooperated closely with the Commission both during the planning period and during the year of the bicentennial celebration. At the request of Senator MUNDT, the State Department early advised all Embassies and major consulates of the impending celebration and, a short time later, requested them to confer with the governments to which they were accredited in an effort to find in archives and other depositories any Hamilton materials in connection with the Commission's treasure trove search. As a result, a substantial number of documents and other memorabilia were brought to light and forwarded to the Commission. Especially beneficial results were obtained in France, Great Britain, the Netherlands, and Denmark.

Plans for close cooperation between the Department of Defense and the Commission were worked out some months before the bicentennial year began. Members of the Commission staff met at the Pentagon with public relations officials and officers of all branches of the armed services, plus the Coast Guard, and outlined the aims of the Commission. Promises of assistance were given by the Pentagon, promises which were more than carried out in performance during the bicentennial year.

On January 11, 1957, the opening day of the bicentenary, President Eisenhower's proclamation was read at formations in every United States Military Establishment around the world. It was posted on all bulletin boards and was broadcast, along with data on the bicentennial, over the worldwide network of the armed services radio. Throughout the year notable events of the bicentennial were thus brought to the attention of armed services personnel.

In addition, frequent reference to the bicentennial was made in the various publications of the armed services. The United States Army brought D Battery of the 5th Field Artillery, the unit Hamilton organized in 1776, to New York for the opening day ceremonies there. Bands, color guards, and military units were provided at various times throughout the year for ceremonies in Washington, New York, Chicago, Nevis, St. Croix, and other cities and communities where special observances were held.

The stimulation of lectures on Hamilton's contributions to the establishment of the Nation, and suggestions that special library exhibits be set up, that courses of reading be established, and that Hamilton's work be emphasized in classes in history, economics, political science and public speaking were recommended to colleges and universities by the Commission's Advisory Committee on Education. This Committee, which was headed by Dr. Henry M. Wriston, president emeritus of Brown University, included a distinguished group of college and university presidents in its membership.

As its first step in this phase of activity, every college and university in the United States and its Territories and colonial possessions was asked for information as to endowed lectures under its control which might be used for special Hamilton addresses. This inquiry showed that upwards of 900 such lectures were in existence.

Following up on this information, Dr. Wriston wrote all institutions of higher learning with such lectures urging them to arrange for special addresses on Hamilton and his times in the course of the bicentennial year, set up Hamilton exhibits in their libraries, and emphasize Hamilton's work in appropriate classrooms. A large number of these institutions followed these suggestions.

One of the earliest activities to be set in motion by the Commission was preparation for its scholarship program, described in full elsewhere in this report. Outstanding educators, especially in the public speaking field, were enlisted to work out, in cooperation with the Commission staff, detailed plans for this program. Educators in every State took part in this activity, which took substantially more than a year of preparation.

Stimulation of the writing and publication of books and magazine articles, newspaper editorials, etc., called for a substantial amount of effort on the part of the Commission's staff. (These activities are described elsewhere.) In addition, through the cooperation of the Association of Radio and Television Broadcasters, information on the plans for the bicentennial was sent to every television and radio station in the United States. Similar information was sent newspapers and major magazines. Members of the Commission's advisory committee on public relations were most helpful to the staff in carrying out the public relations phase of the preliminary program.

In the course of the period of preparation the Commission built up an extensive mailing list. Most of those on this list, which included all advisory committee members, received copies of the various reports which the Commission submitted to the Congress, as well as news releases and other material of special interest.

Following is the membership of the Commission's advisory committees:

Advisory Committee on Armed Forces and Coast Guard: Gen. Mark W. Clark, Charleston, S. C.; Gen. J. Lawton Collins, United States of America, retired, Washington, D. C.; Adm. Louis Denfeld, United States Navy, retired, Washington, D. C.; Adm. William F. Halsey, United States Navy, retired, New York, N. Y.; Rear Adm. John B. Heffernan, Washington, D. C.; Gen. George C. Marshall, Leesburg, Va.; Adm. Chester W. Nimitz, United States Navy, retired, Berkeley, Calif.; Adm. Merlin O'Neill, United States Coast Guard, retired, Coster, Md.; Gen. Lemuel Shepherd, United States Marine Corps, retired, Washington, D. C.; Gen. A. C. Wedemeyer, United States Army, Boyds, Md.

Advisory Committee on Banking and Finance: Mr. Claude L. Benner, Wilmington, Del.; Mr. Victor M. Birely, Washington, D. C.; Mr. C. Francis Cocke, Roanoke, Va.; Mr. H. Frederick Hagemann, Jr., Boston, Mass.; Dr. Devereux C. Josephs, New York, N. Y.; Mr. James S. Kemper, Chicago, Ill.; Mr. Laurence F. Lee, Raleigh, N. C.; Mr. William A. McDonnell, St. Louis, Mo.; Mr. F. Raymond Peterson, Paterson, N. J.; Mr. Albert C. Simmonds, Jr., New York, N. Y.; Mr. John J. Sullivan, Denver, Colo.; and Mr. Dean Witter, San Francisco, Calif.

Commerce and Industry: Hiland G. Batcheller, Pittsburgh, Pa.; Fred C. Crawford, Cleveland, Ohio; Stephen M. Dubrul, Detroit, Mich.; Benjamin F. Fairless, New York, N. Y.; Hon. James A. Farley, New York, N. Y.; Robert M. Gaylord, Rockford, Ill.; Hon. Ed Gossett, Dallas, Tex.; Howard Hall, Cedar Rapids, Iowa; F. O. Prior, Chicago, Ill.; Henry G. Riter, III, West Orange, N. J.; Ernest G. Swigert, Portland, Oreg.; Hon. Sinclair Weeks, Secretary of Commerce; and James C. Worthy, Chicago, Ill.

Advisory Committee on Constitution and Law: Hon. Walter M. Bastian, United States Court of Appeals, District of Columbia Circuit; Mr. Thomas M. Burgess, Colorado Springs, Colo.; Mr. George A. Finch (deceased), Washington, D. C.; Mr. E Smythe Gambrell, Atlanta, Ga.; Mr. Allen T. Klots, New York, N. Y.; Mr. Cloyd Laporte, New York, N. Y.; Mr. William Logan Martin, Birmingham, Ala.; Mr. David F. Maxwell, Philadelphia, Pa.; Mr. Herbert G. Nilles, Fargo,

N. Dak.; Mr. Alfred J. Schweppe, Seattle, Wash.; Mr. J. Cleo Thompson, Dallas, Tex.; Mr. Charles H. Woods, Tucson, Ariz.; Mr. Lloyd Wright, Los Angeles, Calif.

Contests and Awards: Dr. Bower Aly, chairman, University of Missouri; Prof. A. Craig Baird, State University of Iowa; Dr. F. Kenneth Brasted, president, University of Dallas; Hon. Samuel M. Brownell, superintendent of public schools, Detroit, Mich.; Dr. Thorrel B. Fest, University of Colorado; Prof. Annabel Dunham Hagood, University of Alabama; Prof. Bruno E. Jacob, National Forensic League; Mr. Rodney Kidd, director, the University of Texas; Dr. George McCarty, College of William and Mary; Prof. Richard D. Morris, Columbia University; Prof. Theodore F. Nelson, St. Olaf College; Mr. Robert Schacht, University of Wisconsin; and Dr. Lloyd Schram, University of Washington.

Advisory Committee on Education: Dr. Henry M. Wriston, president emeritus of Brown University; Dr. Margaret Clapp, president, Wellesley College; Dr. Arthur Coons, president, Occidental College; Dr. Donald J. Cowling, president emeritus of Carleton College; Dr. Theodore A. Distler, executive director, Association of American Colleges; Dr. Elmer Ellis, president, University of Missouri; Dr. Daniel Z. Gibson, president, Washington College; Dr. Rufus C. Harris, president, Tulane University; the Reverend Theodore M. Hesburgh, president, University of Notre Dame; Dr. Grayson Kirk, president, Columbia University; Dr. Katherine McBride, President, Bryn Mawr College; The Reverend E. J. O'Donnell, S. J., president, Marquette University; and Dr. J. E. Wallace Sterling, president, Stanford University.

Advisory Committee on Exhibits and Displays: Mr. Herbert J. Sanborn, Library of Congress; Mr. King Rich, Albert Frank-Guenther Law, Inc., New York, N. Y.; and Leonard C. Rennie, Washington, D. C.

Advisory Committee on Historians: Prof. Leland D. Baldwin, University of Pittsburgh; Prof. Gerald Capers, Tulane University; Dr. Thomas C. Cochran, University of Pennsylvania; Prof. Albert B. Corey, State historian, Albany, N. Y.; Prof. Louis Gottschalk, The University of Chicago; Prof. Wood Gray, George Washington University; Dr. Louis M. Hacker, Columbia University; Dr. Bernhard Knollenberg, Chester, Connecticut; Prof. Gilbert L. Lycan, Stetson University; Mr. David Mearns, chief of manuscripts, Library of Congress; Prof. John C. Miller, Stanford University; Prof. Broadus Mitchell, Rutgers University; Prof. Richard B. Morris, Columbia University; Mr. Vrest Orton, Weston, Vermont; Prof. E. P. Panagopoulos, San Jose State College; Dr. Boyd C. Shafer, executive director, American Historical Association; Dr. S. K. Stevens, executive director, Pennsylvania Historical and Museum Commission; and Mr. Milton Halsey Thomas, Columbia University.

Libraries and museums: Mr. Paul M. Angle, Chicago Historical Society; Mr. James T. Babb, librarian, Yale University Library; Dr. Paul H. Buck, director of libraries, Harvard University; Mr. Jack Dalton, librarian, Alderman Library, University of Virginia; Mr. Edward G. Freehafer, director, New York Public Library; Mr. Clifford C. Gregg, director, Chicago Natural History Museum; Mr. Richard Logsdon, director of libraries, Columbia University; Mr. Stewart Mitchell, director, Massachusetts Historical Society; Mr. James J. Rorimer, director, the Metropolitan Museum of Art, New York, N. Y.; Dr. Ralph R. Shaw, Graduate School of Library Service, Rutgers University; Mr. John Walker, director, National Gallery of Art; and Mr. Hermann Warner Williams, Jr., director, the Corcoran Gallery of Art.

Advisory Committee on Medicine and Public Health: Dr. E. Vincent Askey, Los Angeles, Calif.; Dr. Luis H. Bauer, New York, N. Y.; Dr. John W. Cline, San Francisco, Calif.; Dr. Edwin S. Hamilton, Kankakee, Ill.; Dr. Elmer Hess, Erie, Pa.; Dr. George F. Lull, Chicago, Ill.; Dr. Walter B. Martin, Norfolk, Va.; Dr. E. J. McCormick, Toledo, Ohio; Dr. Dwight H. Murray, president, American Medical Association; Dr. Torald Sollman, Cleveland, Ohio.

Advisory Committee on Patriotic Societies: Miss Gertrude S. Carraway, honorary president general, Daughters of the American Revolution; Maj. Gen. U. S. Grant 3d., United States Army, retired, Washington, D. C.; Col. Catesby ap Catesby Jones, Richmond, Va.; Mrs. Carroll D. Kearns, president, National Federation of Republican Women.

Advisory Committee on Political Economy: Dr. James Washington Bell, chairman, secretary of the American Economic Association; Hon. Lewis W. Douglas, New York, N. Y.; Dr. Ferdinand A. Hermens, Notre Dame University; Mr. Evron M. Kirkpatrick, American Political Science Association; Dr. Harold Metz, Washington, D. C.; Dr. Ralph Robey, Dalzell, South Carolina; Dr. O. Glenn Saxon, Yale University; Mr. Lucius Wilmerding, Jr., Princeton, N. J.; Dr. Arnold J. Zurcher, professor of political science, New York University.

Advisory Committee on Public Relations: Mr. Howard W. Calkins, New York, N. Y.; Mr. Julian Goodman, National Broadcasting Co.; Mr. Robert F. Hurleigh, Mutual Broadcasting System; Mr. Garth P. James, Charlotte Amalie, St. Thomas, Virgin Islands; Mr. Edward M. Kirby, Washington, D. C.; Mr. Theodore F. Koop, Columbia Broadcasting System; Miss Llewellyn Miller, New York, N. Y.; Miss Ann Scott Morningstar, New York, N. Y.; Mr. Bryson B. Rash, Washington, D. C.; Mr. Donald Robinson, New York, N. Y.; Mr. G. W. Johnstone, National Association of Manufacturers.

Advisory Committee on Rhetoric and Public Address: Prof. W. Norwood Brigance, chairman, Wabash College; Prof. A. Craig Baird, State University of Iowa; Prof. Donald L. Clark, Columbia University; Prof. Marie K. Hochmuth, University of Illinois; Prof. Wilbur S. Howell, Princeton University.

Advisory Committee on Special Events: Rev. Alexander Van Cortlandt Hamilton, Norwalk, Conn.; Mr. Conrad L. Wirth, Director, National Park Service.

Advisory Committee on Symbols, Medals, Stamps, and Coins—Philatelic Matters: Mr. H. L. Lindquist, chairman, National Federation of Stamp Clubs; Mr. Richard S. Bohn, president, Association for Stamp Exhibitions, Inc., New York, N. Y.; Mr. Claude Cartier, New York, N. Y.; Mrs. Louise Boyd Dale, chairman, the Philatelic Foundation; Mr. Jules Glaenzer, New York, N. Y.; Mr. Robert L. Graham, Jr., attorney, Philatelic Congress; Mr. Peter G. Keller, executive secretary, American Stamp Dealer's Association; Mr. John Steinway, New York, N. Y.; Lt. Gen. Cornelius W. Wickersham, governor, Collector's Club, New York, N. Y.

Advisory Committee on Symbols, Medals, Stamps and Coins—Numismatic Matters: Mr. Harold S. Bareford, New York, N. Y.; Mr. Earl B. Barnes, president of the Society of Medallists, Indianapolis, Ind.; Mr. Vernon L. Brown, the Chase Manhattan Bank; Mr. Louis Eliasberg, Baltimore, Md.; Mr. Sawyer McA. Mosser, secretary, the American Numismatic Society; Mr. Leonel C. Panosh, president, American Numismatic Association; Dr. Louis C. West, president, the American Numismatic Society.

Advisory Committee on Veterans Organizations: Mr. Clyde A. Lewis, Plattsburgh, N. Y.; Mr. Lyall T. Beggs, Madison, Wis.; Hon. Louis A. Johnson, Washington, D. C.; Hon. Raymond J. Kelly, Chicago, Ill.; Mr. John R. Quinn, Los Angeles, Calif.; Mrs. Laurence J. Murphy, Union, N. J.; Mr. Louis E. Starr, Portland, Oreg.

Address of Hon. Oren Harris, Chairman, House Committee on Interstate and Foreign Commerce

EXTENSION OF REMARKS

OF

HON. JOHN J. FLYNT, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1958

Mr. FLYNT. Mr. Speaker, on yesterday, the chairman of the House Committee on Interstate and Foreign Commerce, our colleague, Hon. OREN HARRIS, of Arkansas, delivered the principal address to the annual meeting of the administrative law section of the Bar Association of the District of Columbia.

His remarks were well received by those in attendance who comprised one of the largest groups to attend an annual meeting of the administrative law section.

It gives me a special pleasure to include his address in the CONGRESSIONAL RECORD today, under leave to extend:

It is a pleasure to be here this evening at the invitation of the administrative law section of the Bar Association of the District of Columbia to meet with you who are practitioners in the field of administrative law.

As chairman of the House Committee on Interstate and Foreign Commerce, which has initiated the legislation creating a majority of the independent regulatory agencies as well as other agencies having delegated legislative powers to promulgate rules and judicial powers to determine rights or privileges of persons under law, I, naturally, have an equal interest in the administrative processes.

Further, as chairman of this committee's special Subcommittee on Legislative Oversight, I, obviously, during the past year more specifically have been seeking, as you have been, to arrive at a fair judgment evaluation of these administrative processes and of the execution of laws by these administrative agencies. In such connection I am aware of the various proposals which have emanated from the administrative-law sections of the different bar associations to meet some of the problems with which our Legislative Oversight Subcommittee has been concerned, and, indeed, am appreciative of the helpful comments and suggestions which have been made to us by such of your officers as Chairman Valentine Deale and past chairmen Smith Brookhart and Donald Beelar.

It is in view of your interest in the subject, and more particularly in view of my strong belief that you who practice before these administrative agencies have responsibility, as do those of us who created them, to see that they faithfully execute the laws, that I am prompted to say some things to you tonight that I think should be said and to discuss with you tonight the origin and purpose of our Subcommittee on Legislative Oversight, what it has done, and what it expects to do.

I am glad to have this opportunity not only to discuss this problem but to express some personal viewpoints on the subject as I see it. As a matter of fact, in my own opinion, this speech is 1 year late.

I should like to make it perfectly clear that I do not claim to know all the answers or that I am capable of solving all the problems. Furthermore, I do not believe that because of the far-reaching importance to

the public welfare that there is any place for self-centered egotistical viewpoints, or for a half-truths technique.

I should like to make it perfectly clear that I have no intention of destroying or discrediting the independent regulatory agencies necessary for the American people. We want to make them stronger—not weaker. I have no intention of character assassination or of pursuing any course other than with justice and fair dealing.

I feel strongly on the subject of compliance with the law and the public disclosure of any corruption or maladministration or wrongdoing. From my experience I think I know something about investigations and in this instance the committee will continue to determine the policies of the work and no dubious methods will be used in developing information as has occurred in the past—which I have deplored.

The action of the committee since its reorganization is well known. The alleged misconduct of commissioners in one agency has been thoroughly developed and you, of course, know the result of the investigation of the channel 10 case in Miami, Fla. Contrary to some public claims, the committee had very little in its files on other matters pertinent to the investigation, and that mostly consisted of information from other committees of the Congress and newspaper clippings, information which long since had been made public.

I am encouraged and glad to report that the staff is working hard in developing information toward carrying out the purposes of the investigation. We feel we have an excellent staff with Bob Lishman as our counsel and I have no doubt as to the final results.

ORIGIN OF SUBCOMMITTEE

Under the rules of the House of Representatives, all proposed legislation, messages, petitions, memorials, and other matters relating to certain specified subjects are referred to a standing committee. The subject matter under the jurisdiction of such standing committee is specifically spelled out in the rules. In addition to this legislative duty, however, under the Legislative Reorganization Act of 1946 and the rules of each body, each standing committee of the Senate and the House of Representatives is given the added responsibility of exercising continuous watchfulness of the execution by the administrative agencies concerned of any laws, the subject matter of which is within the jurisdiction of such committee. This direction and responsibility is set forth under section 136 of that act under the caption, "Legislative Oversight by Standing Committees."

This Legislative Reorganization Act of some 12 years ago, however, contains certain provisions applicable to the standing committees of the Senate which do not apply to the standing committees of the House. It has been customary, therefore, at the start of each Congress, commencing in 1947, for each standing committee of the House to introduce a resolution which, when passed by the House, gives the standing committee the necessary authorization, power, and funds to carry out these legislative and investigatory responsibilities.

During the discussion on February 5, 1957, at the time the House was considering this routine resolution concerning the activities of our Committee on Interstate and Foreign Commerce which bears the number 99 in the 85th Congress, Speaker RAYBURN took the floor to say:

"I trust that the gentleman will set up a subcommittee * * * to see whether or not the law, as we intended it, is being carried out or whether a great many of these laws are being repealed or revamped by those who administer them."

To this, I replied that this matter had been discussed within the full committee and it was recognized that under the Legislative Reorganization Act of 1946 the committee must exercise watchfulness over the administration and execution of any law by any agency within the jurisdiction of the committee.

On March 6, 1957, I appointed the special Subcommittee on Legislative Oversight consisting of 11 members.

On March 11, at the unanimous direction of the full committee, I introduced House Resolution 191 asking for an appropriation of $250,000, for the purpose of carrying out this responsibility. On April 11, the resolution passed and the subcommittee undertook its organization.

PURPOSE OF SUBCOMMITTEE

The purpose of the subcommittee has been expressed in very succinct language with which I am sure you are familiar:

"To examine the execution of the laws by the administrative agencies, administering laws within the legislative jurisdiction of the committee, to see whether or not the law as the Congress intended in its enactment has been and is being carried out or whether it has been and is being repealed or revamped by those who administer it."

Inherent in this statement of purpose is a dual approach: (1) Whether the law has been and is being faithfully executed by the agency in the public interest or whether it is being repealed by the agency through lack of enforcement; and (2) whether the agency is revamping the law through interpretation by rule or internal procedures to enlarge the area of regulation beyond that intended or to administer the law through procedures not intended by the Congress.

I assume from study of your bar association's proposals that it is the latter approach with which you have been more concerned, but our subcommittee necessarily is as much interested in any inadequacies of administration as in overzealous or onerous administration.

In making such examination our studies devolved around eight major heads as follows:

1. Review and analysis of the laws and amendments, and intent of the Congress when enacted;

2. Area of the field regulated by each law, changing circumstances and growth of the field since enactment;

3. Consideration of the legislative standards in the law to determine whether they can be drafted in more precise terms with the view of reducing administrative discretion;

4. Consideration of rules and regulations issued by the agency under the discretionary delegations, reconciliation with statutory standards and legislative intent, manner in which rules have been applied in practice;

5. Administrative interpretations and practices apart from formal rules and regulations, public notice of such interpretations and practices, extent to which in fact administration is by internal interpretations as distinct from published rules;

6. Judicial decisions on the administration of the law by the agency, the statutory standards, rules and regulations, and administrative interpretation; enlargement of area of regulation supported by the decisions;

7. Enforcement of statute, rules, and regulations;

8. Organization of agency with especial attention to its independence.

ACTIVITY TO DATE

With the determination of these purposes and avenues of exploration for achieving these purposes, the subcommittee proceeded to the acquisition of personnel, which, following the adjournment of the Congress, was engaged in doing the necessary staff work. Owing to the limited funds appropriated and to the limits of time in achieving a substantial portion of this tremendous objective, this work initially was and so far has been confined to six regulatory agencies administering laws, the subject matter of which is within the jurisdiction of our committee.

When we returned to the second session of this Congress and prepared to hold hearings on what had been developed by the staff, we discovered that its work had been confined chiefly to activities of the Federal Communications Commissioners, concerning whom it made certain charges of misconduct. Owing to the circumstances surrounding the staff release of these charges as well as the nature of the charges, and the clamor of the press and the communications industry, the subcommittee felt that there should be no delay in providing an opportunity for those whose record or conduct was involved to challenge the accuracy of such charges in hearings at an early date.

Accordingly, on February 3 the subcommittee initiated hearings on the Miami channel 10 case, which continued through March and into April. All aspects of this case and charges of misconduct were gone into thoroughly, and everything that had been developed by the staff and was left in the files after their famous midnight ride, was presented. A report on this phase of the subcommittee's study was issued on April 4.

These hearings on the conduct of members of the Federal Communications Commission revealed that over the years a pattern had developed of questionable conduct on the part of some of the members of the Commission and on the part of some members of industry and industry organizations who are subject to Commission regulation. The questionable propriety of some of this conduct, in the subcommittee's opinion, has seriously undermined public confidence in the Commission and thus affected adversely the administration of law by the Commission. To whatever extent such public confidence has been shaken, it must be restored.

In the restoration of such confidence, the Commissioners may help themselves greatly, if they will. In the restoration of this confidence, the industry which has gone far beyond what it should have done, can do much, if it will. So too, do you who practice before these Commissions have a responsibility in maintaining of public confidence, as do we on this subcommittee. We already have made certain recommendations for remedial legislation—and I am sure there will be more. I have introduced a bill covering these recommendations which will be considered in the near future.

These recommendations go farther than just to some of the questions of Commission conduct, and enter into the problems of pressures and undue influences upon the Commissioners.

The present Communications Act prohibits ex parte contacts on the part of any person who has participated in the presentation or preparation for presentation of adjudicatory cases before hearing examiners. It is clearly evident from the record on the Miami channel 10 case that several ex parte contacts on behalf of two principal contenders for the license were made or attempted to be made, by persons who had participated in the case before the examiner. This, with all other such matters, has been referred by the committee to the Department of Justice for appropriate action.

The Communications Act, however, does not cover ex parte contacts with the Commissioners or Commission staff by persons other than those who participated in the presentation before the hearing examiner. The Miami channel 10 hearings indicated that there were such persons who made ex parte contacts. It is important that the Commission, as well as competing parties, be protected by law from any attempt at off-the-record influencing of the Commission decision in such cases, and the bill I have introduced would cover this situation.

In passing, it may be appropriate to note that our committee files now contain indication that such ex parte contacts have

been made in a number of other comparative television cases. Since such contacts are prohibited by law, even though the Commission itself may have taken no action with respect to the parties making them, it is interesting to conjecture what may be the legal status of the licenses which were granted in such instances. The law, of course, has been made by the Congress. It is understood by the Commission and should not be winked at by it or any enforcement agency.

PROGRAM AHEAD

I am sure that you appreciate that the subcommittee feels that, unfortunately, its complete attention seems to have been concentrated upon only one aspect of the study that was originally contemplated. It is important, of course, that this aspect be fully considered and the situation which gives rise to the possibility of improper conduct should be cleaned up by legislation and otherwise. Nevertheless, in the long-term future, the larger aspects of the subcommittee's investigation cannot be ignored. Indeed, it is just as appropriate today as it was a year ago to consider whether the laws themselves properly are being administered; whether times have changed and the laws need amendment; whether the laws themselves can be more explicit with less discretionary power to the Commissions in issuance of rules and regulations; whether, and the extent to which, the Commissions have enlarged the area of regulation; and so on.

We are proceeding to develop these other items of study to the end of meeting the purposes of our examination of these agencies, though perhaps not by the same route as we originally had planned. Having recently flown from Washington to Tokyo via Copenhagen and the North Pole over a route not much longer than that via our west coast; and having returned from New Zealand, after flying over the South Pole, via Honolulu and our west coast to Washington, although in the future I visualize a competing route which will go from here via South America and Antarctica to New Zealand, I cannot but be especially aware of the fact that goals may be achieved through different routes.

We are carefully studying the extent to which agencies arrogate unto themselves policymaking authority by extending the field of regulation. For example, it is obvious that certain communications devices and certain types of securities have come into existence which were not conceived of at the time of the enactment of the laws. It is also obvious that certain laws were silent as to such matters as rate or security regulation, but certain jurisdiction over these fields has been indirectly exercised through other statutory provisions relating to issuing of certificates or approval of contracts and agreements. It is also obvious that certain agencies in the issuing of certificates or the granting of exemptions, have changed their rules or interpretations so greatly that they are today in exact reverse position from that held a few years ago.

Such administrative interpretations, generally supported, sometimes rejected, by the courts, may reflect to great degree changing circumstances and conditions from those existing at the time the statutes were enacted. Whether this extension or revision of the field of authority, however, should be arrived at unilaterally by the agencies, with the help of the courts, or be the result of Congressional action, is a matter with which we are concerned.

We are also studying the enlargement of the agencies' jurisdiction by the courts, even in instances where this has been done against the agencies' wishes, as well as upon their urging. There are many individual examples which leap to mind, but the far-reaching effect of the so-called Pittsburgh decision, in which the regulatory agencies are told to consider the implications of the antitrust statutes as well as the statutes under which the agencies have been established is not fully apparent.

We are studying whether legislative standards cannot now be written into the law or be drafted in more precise terms than in existing law to cover such standards as the agency may use in its processing of cases before it. Certainly it would appear that from the experience gained over the years this might be a feasible objective. To determine whether such statutory standards now can be drafted means a study of whether an agency by rule has set up standards for the processing of cases and how it actually has been processing such cases in the light of these standards. This means a study of some decisions which have been rendered.

Parenthetically, I might observe that this does not mean a review of the cases themselves but a study of the cases only to determine whether patterns may exist. I make such parenthetical observation because, contrary to some impression that may have been given you last fall by members of the staff, it has not been and is not now our intent to review individual cases as to whether or not the proper decision itself was made. There are proper procedures in each statute by which applicants can pursue their rights if they feel they have been violated in the agency decision. Our review is for the purposes of determining what legislative correction, modification, expansion, or other amendment such studies show should be made in the public interest and of determining whether present law is being properly administered. Of course, in the study of the cases there well may be certain matters coming to the fore that will require specific attention.

Another case study for purposes of determining whether clearer legislative standards may be written is that having to do with exemptions from regulations in contradistinction to that having to do with the processing of applications for cases within the regulatory field. It is just as clear that administrative practices here and the experience of the years should lead to the establishment of standards by the agency if not in the statute.

At the same time, of course, we are continuing with our consideration of the independence of the agencies. In the hearings so far, there has been some attention to the identification of the regulatory agency with those whom it regulates. The question of independence is broader than this, of course, and encompasses the freedom from restrictive action by the executive department as well as by Members of the Congress. In such connection we are studying the effect of the Reorganization Acts of 1950 which concentrated more power in the Chairman of the many Commissions and provided for his designation by the President. There are collateral questions of the extent to which the agency budget or personnel should come within the purview of the Bureau of the Budget or the Civil Service Commission.

Finally, I cannot refrain from briefly commenting upon the bar proposals which provide generally for more formal procedures and greater uniformity of procedure among the various agencies regardless of the subject matter within their jurisdiction. At this juncture I can see no gain in creating new standing committees in the Congress or a new overriding executive agency having dominance in this field. I believe there is a grave question whether too much formalizing of procedures and insulation of the Commissioners from their staffs through making a commissionership in effect a judgeship is in the public interest. The theory, of course, of the independent regulatory agency is that the Commissioners there are acting in the public interest, on behalf of the public, and for the protection of the public. A recent trend to have them sit as judges on a record in which the applicant is represented by counsel and the public by the staff of the Commission seems to me to do violence to the very principles and purposes under which the Commissions were created. The Commissioners, not the staffs, are charged with administering the law in the public interest.

With the general proposal to overhaul the Administrative Procedures Act, however, I am in full agreement, although I am not certain that my solution would be the same as that proposed by your legislative committees. Our hearings to date already have indicated the need for changes in administrative procedures as they apply to one agency. I assume that the same consideration will apply to others.

Of course, in the evaluation of any recommendations for modifications of administrative procedures, the major question is whether the proposed modification is in the public interest. One of the great difficulties, of course, in streamlining procedures, in expediting cases, in the securing of early decisions, is that to some degree such accomplishments perforce may diminish the workload on you who specialize in practice before these agencies. I am sure, however, that it is your desire as well as ours that there be improvement in these procedures wherever examination shows that this is desired.

I believe in this connection I can best close by quoting the words of your past chairman, Donald C. Beelar, in a recent Federal Bar Journal article in which he refers to the preamble to the Canons of Professional Ethics, which reads:

"In America, where the stability of courts and all departments of Government rests upon the approval of the people, it is peculiarly essential that the system for establishing and dispensing justice be developed to a high point of efficiency and so maintained that the public shall have absolute confidence in the integrity and impartiality of its administration."

And Mr. Beelar says:

"No difference should exist between those in private practice or in government practice on the above quoted objective of achieving a high integrity in agency processes in better service to the public."

I have appreciated being with you tonight before an understanding—yes, even a tolerant—audience because there are none who have a greater duty and obligation to stand in the role of protectors of the public interest than do you who have day-to-day contacts with the administrative agencies through your practice before them. I am certain that as you attorneys and members of the bar faithfully perform this role and as we in the Congress adequately discharge our legislative responsibilities, we shall have, and continue to have, administrative agencies that properly and fully execute the laws that have been entrusted to them for administration in the public interest.

Polish Constitution Day

EXTENSION OF REMARKS

OF

HON. WILLIAM E. McVEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1958

Mr. McVEY. Mr. Speaker, on May 3, people of Polish ancestry throughout the world will observe the 167th anniversary of the enactment of the famous Polish Constitution of 1791. At this time, I believe it is fitting that we pause to reflect upon the sacrifices made by the

people of Poland in an effort to maintain the principles embodied in that historical document.

Although Poland has been subjugated many times since the adoption of her constitution, her people have maintained their patriotism and moral resistance. The events of October 1956 and the Poznan revolt clearly illustrate the resistance of the Polish people to Soviet control and their aversion to communism. They realize that Communist concepts of economy and industrial planning have brought them to the brink of disaster. Their desire for liberty is strong and will eventually lead them to victory over their oppressors.

I wish to take this opportunity to pay tribute to the noble people of Poland, who, by reason of their fortitude and love of freedom, are a source of inspiration to oppressed people everywhere. I look forward to the day when Poland will have obtained complete independence.

Porkless River and Harbor Bill Is Favored

EXTENSION OF REMARKS
OF
HON. RUSSELL V. MACK
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 1, 1958

Mr. MACK of Washington. Mr. Speaker, the Portland Oregonian, one of the most substantial and influential newspapers on the Pacific coast, favors enactment of a river and harbor flood-control bill by the present Congress, but it wants one with the pork omitted from it.

A recent Oregonian editorial said:

GET THE PORK OUT

The Congressional dilemma among Democrats is whether to separate the pork from the beans in the omnibus rivers and harbors bill vetoed by President Eisenhower, or to let the veto stand so they can denounce the Republican administration in the coming elections.

Only a major revolt against the President by Republicans would assure repassage of the same bill over his veto. This is unlikely.

The $1,500 million authorization bill, similar to one vetoed last session on about the same grounds, contains many items which have been studied and approved by the Army Corps of Engineers, including the Yaquina and Siuslaw Harbor projects in Oregon. These, the President would approve.

But it contains others slipped in by Congressmen without adequate factfinding. Some pork was put in the bill in exchange for members' votes for other projects, hence is difficult to delete. But the dirty work should be done, and the bill redrafted.

It is first necessary to authorize projects before funds can be appropriated. These projects are not recession stoppers. But they are sound, long-range investments which should not be tied up by Congressional politicking another year.

Mr. Speaker, the river and harbor-flood control bill recently passed by Congress and vetoed by President Eisenhower authorized 140 new river and harbor-flood control and beach erosion projects. These 140 projects, it was estimated, would cost $13,409,000.

The President objected to 28 of the 140 projects on the ground that some had not been adequately surveyed, that others had been declared economically unsound by the United States Army Engineers, the Secretary of the Army and the Budget Bureau and that some others did not provide for adequate local cost sharing where heavy benefits went to private landowners instead of to the public.

The President in his veto message recommended that of these 28 objected-to projects that 10, estimated to cost $179 million, be deleted from the bill entirely and that the other 18 be modified to conform with recommendations of the Army Engineers, the Budget Bureau, or the Secretary of the Army with a saving of about $25 million to taxpayers.

The recommendations made by the President in his veto message thus would eliminate the "pork" from this bill with a saving of about $201,635,000 to taxpayers.

I have introduced in the House a "porkless" bill that conforms to the President's views. If enacted by Congress, my bill is assured of the President's approval.

My bill and the vetoed bill in addition to the specific new projects carries an additional authorization of $913 million for river basin developments to which no objection has been made.

The total cost of all projects in my bill, therefore, is about $1,473,874,000 compared to about $1,675,000,000 in the vetoed bill.

Polish Constitution Day

EXTENSION OF REMARKS
OF
HON. HERBERT ZELENKO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 1, 1958

Mr. ZELENKO. Mr. Speaker, on May 3, the Polish national holiday, the anniversary of Polish Constitution Day of 167 years ago, will be celebrated. Although the Government of Poland is under the iron heel of communism, the hearts and minds of the Polish people are governed by their belief in God and their burning will to be free. It will be just a question of time before Poland will rise again, as it has in the past, to throw off the yoke of the oppressor. Let us fervently pray that when this is done their freedom will be everlasting and eternal. Mere hope and talk on our part is not sufficient. We Americans must indicate by our every thought, word, and deed in whatever way possible, that we will render whatever assistance is necessary to the Polish people to enable them to regain their rightful heritage.

Indelible in the hearts and minds of the American people are the glorious deeds of those great Polish freedom fighters, Pulaski and Kosciusko, and others who in our own struggle for freedom fought side by side with our ancestors.

We salute our Polish brethren, the great Americans of Polish descent and their brethren in the homeland at this time, and we join with them in the prayer that before long we shall see a rededication of Poland's Constitution Day, this time under a free government.

To Restore Employment to Those Who Are Now Out of Work and To Guarantee Permanency of Existing Jobs

EXTENSION OF REMARKS
OF
HON. ALVIN E. O'KONSKI
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 1, 1958

Mr. O'KONSKI. Mr. Speaker, I send to the desk for appropriate reference a bill which will:

First. Create jobs for American working men and women now unemployed.

Second. Add stability to and improve existing jobs.

Third. Stimulate business with resultant expansion of the national economy in the years to come.

Certainly, there are no more important tasks facing this session of the Congress.

BILL IS OF VITAL IMPORTANCE TO EVERY MAN, WOMAN, AND CHILD IN THE UNITED STATES

Because of the extreme importance of the subject matter of this bill to every citizen of the United States, I urge sincerely that Members of Congress study very carefully provisions of the bill, and my statement thereon in relation to the depreciation schedules set up in bulletin F.

IMMEDIATE ACTION BY THE CONGRESS IS URGENT

Once Members of Congress have had the opportunity to study this matter, Mr. Speaker, it is my hope that the appropriate committees will find it possible to hold immediate hearings so that the bill may be considered thoroughly and passed without undue delay.

Our Nation, its workers and its businesses need this legislation. I am convinced that no other measure here proposed or under committee consideration will do the all-important job of creating jobs as quickly, as surely, and as soundly as will this bill.

WHAT THE BILL DOES

Mr. Speaker, briefly the bill does simply this. It proposes to reduce substantially the periods during which capital investments may be depreciated for tax purposes if they are made or contracted for over a specified period of 18 months.

For the accelerated depreciation to apply, it would not be necessary that the projected capital investment become a finished reality in the 18-month period.

The depreciation benefit would accrue if the contract for such an investment was made during that period even though the normal completion or delivery date should fall thereafter.

THE BILL IS RETROACTIVE TO JANUARY 1, 1958

It is proposed likewise that the provisions of the bill be made retroactive to cover capital investments made or contracted for since January 1, 1958.

The reasons for the retroactive feature are obvious. As long as the bill is retroactive in its application, anticipated capital investment will not be delayed pending the final approval of the bill.

WHAT IS SCHEDULE F?

This schedule contains tables of the numbers of years of useful life of capital investments as now computed by the Bureau of Internal Revenue.

Members of Congress should keep these figures before them constantly in considering this legislation and study them in relation to my statement on the bill and the bill itself.

THE BILL COVERS ALL CAPITAL INVESTMENTS

The Internal Revenue schedule to which I have referred, sets up depreciation periods for capital investments based on the estimated life of the product of the investment, be it buildings, machine tools, farm equipment, or any of the hundreds of other items covered by the broad term of capital assets.

This bill would apply to all of them so that its advantages would accrue to all on exactly the same basis.

TEN MILLION JOB SOURCES

The provisions of this bill would be applicable to farmers and to small and big business alike.

It has been estimated that there are some 6 million farmers in the United States.

There are some 4 million businesses of every size and description.

Thus, when we pass this bill we will be making it possible for these 10 million business units to put more poeple to work almost at once.

SPECIFIC PROVISIONS OF THE BILL

The bill, Mr. Speaker, proposes these changes in the depreciation schedule for capital investments made or contracted for in the specified 18 months' period:

First, the depreciation period for any capital investment now based on up to and including a 15-year estimated useful life would be reduced by one-half.

Second, that portion of the estimated life on any capital asset exceeding 15 years would be reduced by two-thirds.

THE IMMEDIATE EFFECT OF THIS BILL

Let us see what this bill would do.

First. It would encourage the 10 million job-producing units in this country to do now what they may have anticipated for the future and open up financing to enable them to do it.

Second. It will create now hundreds of thousands of jobs for people who do not have jobs.

Third. It will act as a guarantee of greater security and improvement in existing jobs.

WHO WOULD BE THE MOST ENTHUSIASTIC ABOUT THIS BILL?

It is perfectly obvious that the most enthusiastic supporters of this bill would be the men and women who want and need jobs, and the men and women who run the 10 million business units which could provide those jobs.

Their enthusiasm would be shared, too, by the men and women who now have jobs because they would benefit through improvement in and greater stability of the work they are now doing.

All American taxpayers should support this bill because here is a way to cure the present recession and expand the national economy without costing the taxpayers a single penny.

EXAMPLES OF HOW DEPRECIATION WOULD BE FIGURED UNDER THIS BILL

For a farmer: A new tractor could be depreciated within 5 years instead of 10 years; a threshing machine would be depreciated within 7½ years instead of 15 years; a corncrib could be depreciated within 12½ years instead of 30 years.

For the small factory owner: Tools and dies could be depreciated in 1½ to 2 years instead of 3 to 4 years; heavier machinery and tools could be depreciated in 7½ to 9 years instead of 15 to 20 years.

For heavy industry: A new plant of average construction could be depreciated in 16 years instead of 40 years.

For rental housing: Homes, apartment buildings, and office buildings of average construction could be depreciated within 16 years instead of 40 years.

For transportation systems: The beneficial effect of this bill on our dilemma-ridden railroad system would be tremendous. Because they could depreciate it more rapidly, it is my best judgment that the railroads would immediately acquire hundreds of millions of dollars' worth of new equipment. Of course, the bill would also be applicable to other forms of transportation.

For wholesale and retail establishments: This bill would provide an incentive for wholesale and retail stores to carry out now the renovation programs—new store fronts, new fixtures, and so forth—that they may need and have been anticipating in the future.

WHY THIS IS THE BEST LEGISLATION THE CONGRESS COULD PASS TO PUT PEOPLE BACK TO WORK TODAY

This legislation has many advantages over public-works programs.

Public-works programs are selective. The people they would employ would, at best, be only a fraction of those who need jobs.

Public-works projects would help in only certain scattered areas. Generally speaking, they would take a long time to get under way.

In addition, under this bill workers would be more likely to get jobs in their own communities rather than having to move to an area in which a public-works project is planned because this bill will put 10 million business units in the United States in a position to act the very hour the legislation is passed using their own capital instead of taxpayers' money.

THE ADMINISTRATION HAS TAKEN SOUND STEPS

Mr. Speaker, the Congress has moved with admirable courage and speed to take those steps it has been possible to take up to this time to cure our economic ills. They have been constructive steps, and I am sure that all of us have approved of the motives behind them.

But here is a new, an additional, and a wholly businesslike approach that will complement the program that is already under way. And again, I repeat, this bill would not cost the taxpayers a penny.

PERMANENT JOBS CREATE NEW TAX SOURCES

It is true, Mr. Speaker, that this bill would have the effect of postponing some tax revenues.

But, at the same time, it is altogether possible—yes, even probable—that the end result of stepped-up capital investments would, over the long pull, create even greater tax revenues in the future.

I believe that this would be the case.

There is every reason to believe that this would be the case because these, Mr. Speaker, would be lasting and permanent jobs growing out of the creation of new, permanent, and lasting capital assets to add to the wealth of the Nation and to expand our economy over the years to come.

This, then, Mr. Speaker, is the best way to create jobs.

It is the best way to add stability to existing jobs.

It is the private-enterprise way.

It lets America's 10 million business units solve the problems of our economy without costing the taxpayer a penny.

Because this is the best way, let us get the job done just as quickly as the legislative process can be completed.

Hon. William J. Lindsay

EXTENSION OF REMARKS

OF

HON. ROLAND V. LIBONATI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1958

Mr. LIBONATI. Mr. Speaker, it is with deep regret that the citizens of the metropolitan area of Chicago, and the State of Illinois, learned of the recent death of the Honorable William J. Lindsay, 79, former judge of the superior court of Cook County for 30 years, retired since 1953.

He was born in Aurora, Ill. He attended the East Aurora High School and Grinnell College, Iowa, where he captained the baseball and football teams. After his graduation he taught mathematics and athletics at Iron Mountain, Mich., and at Englewood High School in Chicago. He attended Chicago Kent College of Law and, after graduation, taught law there from 1917 to 1927.

He was a stanch and active Democrat and was selected as the Democratic candidate for State's attorney in 1928. He was recognized as one of the greatest jurists of his time. And numbered among his many students are the outstanding lawyers at the bar today.

Judge Lindsay will be remembered for the many celebrated trials over which he presided. He was a brilliant and considerate jurist. He was rigid and

strict in court decorum, fair in his applications of the principles of law, and thorough in his knowledge of procedures and evidence.

Entering his courtroom, the citizen knew that the dignity of the law and its honest application would be upheld. He instilled in everyone great respect for the judiciary and confidence in its institutions. His great contribution to the people of Cook County in the high service that he rendered to his fellow man will never be forgotten.

He tempered justice with mercy and, in his fairness, made one feel proud of having known him. Those who came before him respected his high qualities as a judge and his humane understanding as an honest man.

It is with deep feeling that the Congressmen of Illinois extend to his widow, Teresa, and his daughter by a previous marriage, Mrs. Mary McCormick, and his three grandchildren, their heartfelt condolences.

Law Day, U. S. A.

EXTENSION OF REMARKS
OF
HON. EMMET F. BYRNE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 1, 1958

Mr. BYRNE of Illinois. Mr. Speaker, I would like consent to extend my remarks in the RECORD about Law Day, U. S. A.

As a lawyer, I am particularly glad to see Law Day, U. S. A., recognized.

One shudders easily to think what, who, or where we would be without our United States Constitution. This truly was a milestone in the evolution of our government by law.

As citizens of responsibility and as duly elected representatives of the people, we must constantly keep before our people the idea that laws are for their protection as individuals and not for their exploitation. Law is our servant and not our master.

As we view the world and conditions throughout this universe, we realize that we must continue to supplant the law of force with the force of law. The world has grown to be dangerous, and we are aware that there would be no survival for us without law.

The United States and Russia have pierced the frontiers of outer space and we are engaged in a race which is comparable to none ever undertaken before. This race imposes a bold task upon the minds and hearts of men and calls for daring and courage. Are we going to extend law to the new frontier? This is truly a great question.

In the years to come, I have full confidence that we all are going to witness great accomplishments on the space frontiers. However, in our accomplishments ahead, I hope earnestly that our contributions will be recognized not only by language but more by the spirit in which we perform these wonders: A spirit of unmistakable adherence to the principles of law and order, recognition of our Creator. These qualities are the things that made us recognized as a government under one God and of the people, by the people, and for the people. These are the things that gave us the position we have today, and the world has looked at us with wonder. The quest must go on, and in it the process of law is an integral part.

Statement of Secretary of Agriculture Ezra Taft Benson Before the House Committee on Agriculture

EXTENSION OF REMARKS
OF
HON. WILLIAM S. HILL
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 1, 1958

Mr. HILL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the statement made by Secretary of Agriculture Ezra Taft Benson to the Committee on Agriculture:

STATEMENT OF SECRETARY OF AGRICULTURE EZRA TAFT BENSON BEFORE THE HOUSE COMMITTEE ON AGRICULTURE, MAY 1, 1958

I am pleased to discuss with you the dairy situation, and particularly the various dairy stabilization bills introduced by Members of of House of Representatives with a view to helping dairy producers.

It is most appropriate for this committee to consider the problems of the dairy industry and possible solutions. From the standpoint of numbers of farmers engaged in selling dairy products and the income derived therefrom, dairying is one of the important segments of agriculture. The dairy enterprise ranks second as a source of income to farmers, being exceeded only by beef cattle.

The importance of the industry has long been recognized by the Department and much constructive action has been taken to assist dairy farmers. We recognize, of course, that numerous problems remain to be solved, even though in 1957 cash receipts to farmers from sales of dairy products totaled $4,643,000,000, the highest on record.

ACTIONS TAKEN TO ASSIST DAIRY PRODUCERS

The Department of Agriculture is helping the dairy industry to achieve more efficient production and marketing through research and education and through promotion and merchandising programs.

For years the Department has made great efforts to achieve increased efficiency in milk production through improved breeding, better feeding, and other desirable farm practices. We have sought ways and means of producing and marketing at lower costs. We have helped to develop and encourage new and expanded outlets for dairy products.

We recommended and the Congress enacted in 1954 the Agricultural Trade Development and Assistance Act, Public Law 480, to move surpluses into constructive use. Under this law we have moved a very large quantity of dairy products. This program has not only been of benefit to the dairy industry; it has also won much good will for this country.

Under title I of this law we have programed the export movement of dairy products equal to about 1.4 billion pounds milk equivalent, with a value of $71.8 million. We are using a substantial amount of foreign currency to develop markets abroad for our dairy products.

We should note that unless action is soon taken to extend Public Law 480, dairy producers will lose some of the benefits which otherwise would be derived from extension of title I of Public Law 480.

Under title II of this law we have programed for donation to various governments a total of $76.5 million of butter, cheese, and nonfat dry milk. These donations have been made for famine and emergency relief as provided by the law.

Under title III we have also donated very large quantities of dairy products to private and other eligible welfare agencies. A small quantity has been moved through barter. We have donated under title III a total of around 1.6 million pounds of nonfat dry milk, 337 million pounds of butter and butter oil, and 516 million pounds of cheese.

We are improving the nutrition of many schoolchildren under the special milk program. This program, now in its 4th year, is currently being undertaken under legislative authority for the use of $75 million of CCC funds. It is operating in all the 48 States, the District of Columbia, Alaska, and Hawaii. A total of 1.8 billion half pints of milk were consumed by children under the program last year. The program has made it possible for many more children to drink more adequate quantities of milk. It has also contributed substantially to the effective operation of the dairy price support program.

We are also donating large quantities of dairy products for distribution to schools under the national school lunch program, to eligible institutions, and to needy persons in this country.

During the past fiscal year: 46 million pounds of butter, 32 million pounds of cheese, and 24 million pounds of nonfat dry milk were donated to the national school-lunch program; 9 million pounds of butter, almost 16 million pounds of cheese, and 16 million pounds of nonfat dry milk were donated to eligible institutions; 12½ million pounds of butter, 72 million pounds of cheese, and 83 million pounds of nonfat dry milk were donated to needy persons in the United States.

We have also made large quantities of surplus butter, cheese, and nonfat dry milk available for increased use by veterans' hospital patients and military personnel. A total of 23 million pounds of butter and nearly 2 million pounds of cheese have been transferred to the military agencies during the past 5 years. These transfers increased consumption of dairy products by military personnel and veterans' hospital patients over and above their normal use.

Under another special program, for which the Department pays part of the cost, the United States Armed Forces have more than doubled their consumption of fluid milk. In 1957 the military personnel used about 560 million pints of milk more than they would otherwise have consumed. This program comes under provisions of the Agricultural Act of 1954 which not only authorizes purchase of fluid milk in carrying out the mandatory dairy price support operations, but also provides that CCC stocks of dairy products may be transferred for increased use by the Armed Forces.

Consumption of milk by veterans' hospital patients also has been increased.

We have made excellent progress during the past year under the accelerated brucellosis program. At the present time approximately one-third of all of the counties in the United States, including all of 11 States and Puerto Rico, have qualified as modified-certified areas. This means that the incidence of the disease does not exceed 1 percent of the cattle and 5 percent of the herds. If the program is continued at the present rate, it is expected that around 90 percent of the States will be certified by 1960.

Major efforts in our current dairy production research involve: (1) The national cooperative dairy herd improvement and sire proving program; and (2) breeding, nutrition, herd management, and physiological research. In our current utilization research program we are emphasizing: (1) Research into preparation of improved dry whole milk, particularly as to keeping qualities, improvements in flavor, reconstitutability and reduction in bulk; (2) fundamental research on cheese to obtain better quality and reduced costs of production; and (3) developing new and expanded uses of other dairy products.

Our research on marketing problems of the dairy industry is being directed particularly at market expansion for dairy products. We are studying market potentials and seeking more effective methods of presenting dairy products for purchase by consumers. We are surveying consumer buying habits, preferences and other factors affecting purchases.

We are also studying factors bearing on costs and efficiency of marketing dairy products. These range from simple measurements of the farm-to-retail price spreads on a number of products to detailed engineering studies of various processing and marketing operations. New developments such as the shift from handling milk on farms in cans to handling it in bulk tanks may necessitate changes in the structure of the industry. Some of the Department's research is aimed at helping the dairy industry adapt its structure to such new developments.

In summary we are taking all the sound and constructive steps available to increase the use of dairy products. We are continuing to cooperate closely with the dairy industry in promotion and merchandising programs. We have urged the continuation of the Public Law 480 programs and also the programs designed to increase the consumption of fluid milk by children and military personnel. We are carrying out research and field education efforts to make more efficient the handling and marketing of milk and other dairy products. Butter, cheese, and dry milk continue to be donated to the school lunch program, to charitable institutions, and to needy persons not only for the purpose of reducing surpluses, but also as a means of developing and strengthening markets. Dairy products will be exported in increased volume when this can appropriately be done. Efforts will be continued to encourage the development and expansion of domestic and foreign markets for dairy products for the long-time benefit of our dairy farmers.

PROVISIONS OF THE DAIRY STABILIZATION BILLS

Self-help efforts, as distinct from Government programs, are to be encouraged and aided. Self-help is in the American tradition—and a far more healthy, progressive, prosperous agriculture flows from individual planning, self-reliance, and self-help than can ever be achieved through dependence on Government.

The self-help principle in its broad sense is a most desirable objective for the dairy industry. Yet I find it necessary to recommend against the enactment of legislation such as embodied in H. R. 10043, H. R. 9743, H. R. 10060, and other bills which have been presented as self-help measures. Much as I regret the need for this decision, there are compelling reasons.

The reasons lie in the principal provisions of the bills. They are not truly self-help measures.

1. These bills would create in the Department of Agriculture, as an independent agency and instrumentality of the United States, a Federal Dairy Stabilization Board. The Board would consist of 15 milk producers or officers of dairy cooperatives appointed by the President from nominees selected on a regional basis by milk producers. The Secretary of Agriculture would be an ex officio member without vote. The Board could use employees and services of any Federal agency. Or it could set up its own staff outside the civil-service system.

2. These bills would require the Secretary of Agriculture to appoint a Federal Dairy Advisory Committee of 12 members. They would represent manufacturers, processors, handlers, and distributors of milk and its products, consumers, other agricultural commodities or programs, and other interests directly concerned with the operation of the act. The committee would confer with and advise the Board concerning the dairy stabilization program.

3. These bills would give to the Board almost unlimited authority to acquire facilities and to acquire, process, store, sell, donate, advertise, and otherwise handle milk and dairy products.

4. These bills would authorize and direct the Board to stabilize prices of milk and butterfat to producers and to determine and announce price support levels. The Board would take into consideration such factors as the declared policy of the act, the importance of milk and dairy products to the health and general welfare of the Nation, and the estimated supply and demand situation for milk and its products. Other factors would be the support level for feeds; the cost of producing, processing, and marketing milk and dairy products; relative prices of other foods; hourly returns for labor; and the need for and reasonable relationship between the prices that farmers receive and pay.

5. These bills would authorize and direct the Board to carry out price support through purchases of milk, butterfat, or other dairy products. They would give to the Board the same broad authority that CCC now has to sell, donate, or barter any dairy products acquired by it, in domestic and foreign outlets, and for use by the armed services, in school lunches, and for welfare uses.

6. The Board could transfer to CCC, or dispose of for CCC account, quantities of dairy products equal to imports of dairy products and the increased production of milk and butterfat resulting from diversion from production of other commodities under control programs. CCC would be required to pay to the Board the full cost of such products. United States Government agencies would be required to cooperate with the Board in the disposal of dairy products acquired by the Board by barter, exchange for foreign assets or currencies, and in the use of foreign currencies in connection with relief distribution, or procurement activities.

7. Whenever the Secretary of Agriculture determined, after public hearing, that the Board's operations had resulted, or would result, in unreasonably high prices to producers, he must prescribe a support level and recommend action by the Board. If the Board did not take such action, the Secretary could petition the United States Court of Appeals for a decree directing the Board to take such action or to cease and desist from other action.

8. The Board could borrow money from anyone, pledging dairy products as collateral or without security. CCC would be required to loan to the Board, without security, amounts requested by the Board up to $350 million outstanding at any one time.

9. The Board would be required to determine marketing assessments to cover cost of price supports, except costs due to imports and crop diversions. Whenever marketing allotments were in effect, the Board could establish different assessment rates for producers' sales within allotments and sales in excess of allotments. The first buyers of milk and butterfat from producers would withhold the assessments from prices paid producers and would pay the assessments to the Commissioner of Internal Revenue. There would be appropriated, for use by the Board, sums equal to the assessments collected. Marketing assessments also would be collected on imports of dairy products, for use by the Board.

10. These bills would require the Board to put into effect a marketing allotment program for any marketing year when the marketing assessment would exceed a given figure, such as 25 cents per hundredweight of milk. The Board would allocate bases to individual producers, taking into consideration historical production, trends, and other factors. It would allocate the available markets to producers annually and would issue marketing certificates to producers covering their marketing allocations.

11. A referendum would be held to determine whether dairy farmers favor a dairy stabilization program as provided in these bills or a price support program as provided by the Agricultural Act of 1949. If producers approved the dairy stabilization program the Board would be required to support prices to producers for milk and butterfat for the marketing year beginning April 1, 1959, at 90 percent of parity. The marketing assessment would be 25 cents per hundredweight of milk or milk equivalent. In computing the support level for manufacturing milk, the Board would be required to use the July 1946–December 1948 average ratio instead of the lower last 10-year average ratio of manufacturing milk price to all milk price. Thereafter the Board would set the support levels and the assessment rates. The Board's stabilization program would be subject to subsequent referendum to determine whether it should be continued or discontinued, if 10 percent of the producers petitioned for such referendum.

12. The Board's operations would be exempt from taxes, antitrust actions, and other laws applicable to Government contracts.

13. These bills would suspend dairy price support operations by the Secretary during the Board's operations.

SERIOUS QUESTIONS INVOLVED

These bills represent an effort by representatives of dairy producers to develop a self-help program under which a large part of the cost of dairy price support operations would be transferred from the Federal Government to the producers. Self-help objectives, I repeat, are meritorious and warrant careful consideration. However, there are several provisions in these bills which raise important questions regarding delegation of authority and responsibility, the lack of limits on price support level, and administrative feasibility.

Broad authority with respect to dairy price support operations would be vested in an independent board of producer representatives. If producers initially voted in favor of the stabilization program, the Board would determine the level of support and the amounts of assessments on producers' sales of milk and butterfat after the first year. Producers would have further opportunity to approve or disapprove the Board's actions only if 10 percent of the producers petitioned for another referendum.

The Board could act without the approval of either the Secretary of Agriculture or the President. Moreover, the guiding standards in these bills are very broad. Except for the first year, they do not specify any maximum or minimum limit on support level. It appears advisable for the Congress to continue to determine the criteria and maximum support levels for agricultural commodities.

A second question is whether the authority and responsibility for agricultural price supports should be divided. The Secretary of Agriculture now has the responsibility for operating a consistent and balanced agricultural program. These bills would give

an independent board authority to conduct programs for dairy products. It is believed that the coordination of the farm program as a whole would be best accomplished by continuing a unified authority and responsibility for price support operations for all commodities.

The provision for review, recommendation, and petition by the Secretary of Agriculture for court action—to require the Board to take the recommended action or to cease and desist from other actions—would be impracticable. The time involved in hearings and court procedures would be excessive. An unsatisfactory relationship might develop between the Secretary and the Board with respect to authority and responsibility for price support operations.

Furthermore, it is not advisable that questions between Federal administrative agencies and officials regarding administration of Federal laws and programs be taken to and resolved in the courts.

The stabilization program would go into effect if a majority of the producers voting in the referendum favored it. Under some of these bills the Secretary would be directed to consider the vote of any cooperative association of milk producers bona fide engaged in marketing milk, butterfat, or dairy products for producers as the vote of the producers in such cooperative. Other self-help dairy bills do not provide for such method of voting but require individual voting.

If producers voted in favor of the stabilization program, the support level for the first year would be 90 percent of the parity price for butterfat and 90 percent of the parity equivalent price for manufacturing milk. The base period would be the 30-month (July 1946-December 1948) average ratio of 88 percent between the price of manufacturing milk and the price of all milk, instead of the last 10-year average ratio now used, which for 1958 is 81.2 percent. Based on the March 1958 price of all milk, different percentages of the parity equivalent price of manufacturing milk as computed by the present method and the proposed method are as follows:

	Present method (basis 10-year average)	Proposed method (basis July 1946–December 1948 average)
Parity price of all milk at wholesale per hundredweight	$5.02	$5.02
Ratio of manufacturing milk to all milk prices (percent)	81.2	88.0
Parity equivalent of manufacturing milk per hundredweight:		
100 percent	$4.08	$4.42
90 percent	$3.67	$3.98
75 percent	$3.06	$3.31

Butterfat parity is not altered by the proposals. Based on March 1958 parity data, 90 percent of the parity price of butterfat would be 67.9 cents per pound as compared with the support price of 56.6 cents per pound announced for the current marketing year.

Thus, if producers voted in favor of the program, the following increases would be required over the 1957–58 support level:

Manufacturing milk: 73 cents per hundredweight, or 22 percent.

Butterfat: 9.3 cents per pound, or 16 percent. After deduction of the prescribed 25-cent assessment for the first year, the net support level would still be above the 1957–58 support level by 48 cents a hundredweight, or 15 percent, for manufacturing milk, and a somewhat lower percent for butterfat (depending upon how the butterfat assessment rates were computed). The effect of the increased support level would be to further encourage milk production. The higher support level would result in approximately corresponding relative increases in prices to consumers for milk and its products. This would decrease consumption.

It is apparent, therefore, that with similar production and marketing conditions a substantial increase in purchases of dairy products would be necessary to make the higher support level effective. This could result again in the accumulation of large stocks of dairy products, since the Board, operating as a Federal agency, would be confronted with the same problems of international trade and relationship as would be encountered under the present type of program.

The present method—computing the parity equivalent of the price of manufacturing milk by administrative determination—is preferable to fixing by law a method that requires the use of a relationship that existed 10 years or more ago. Moreover, the present method of using the latest 10-year average relationship allows for trends and is consistent with the modernized parity provisions of existing legislation.

It appears preferable for Congress to continue to leave to administrative determination the actual level of support within prescribed ranges rather than to prescribe specific levels of support for specific years.

The bills would require marketing allotments on sales of milk and butterfat by individual producers if the marketing assessment would exceed 25 cents per hundredweight of milk. The apparent purpose of such allotments is to make it possible to establish relatively high assessment rates on overquota sales. The objective is to tax the surplus out of existence. This provision warrants careful consideration.

Much study has been given to the feasibility of a dairy allotment program by the Department of Agriculture, the dairy industry, and farm organizations. Very difficult administration problems would be involved. These are associated with seasonal variation in milk production and seasonal distribution of individual producer's allotments. Such allotments would be necessary in order that first buyers of milk and butterfat would know, when they paid for such milk and butterfat, the quantities on which they must deduct the differential assessment on overallotment milk and butterfat. These sums must be remitted monthly to the Commissioner of Internal Revenue. Because the experience with crop allotments has not been highly satisfactory, we are sure that such controls on dairy producers would be even less acceptable and successful in controlling output of dairy products. The Department questions the advisability of legislation that would require milk and butterfat allotments.

The bills would, in effect, exempt producers of milk and butterfat from self-financing dairy support operations attributable to imports of dairy products and to diversions from the production of other agricultural commodities resulting from such Federal production control measures as acreage allotments.

With respect to imports, section 22 of the Agricultural Adjustment Act, as amended, provides authority to restrict imports of dairy products to prevent their interference with the dairy price support program. With respect to diversion, there is no satisfactory basis for measuring the effects of crop acreage allotments, quota, and related programs on the production of milk. There are too many offsetting and immeasurable influences.

Milk production is influenced by numerous factors. These include the relative farm prices of milk, butterfat, and other commodities (including those subject to acreage allotments or marketing quotas), feed prices, supplies and quantities under loans, and technological developments in both crop and livestock production. It would be virtually impossible to determine with reasonable accuracy what part of the total milk production, or of the price-support purchases, should be attributed to each factor.

The self-help principle in its broad sense is a desirable objective for all agriculture. Reaching this goal calls for a better adjustment between production and consumption, more efficient production and marketing, more freedom from Government regulations and interference, and less dependence upon Government price supports and related programs.

It would appear, however, that several major policy considerations must be resolved before a definitive position can be taken with respect to this type of legislation. Such questions which the Congress should decide include:

1. The desirability of giving very broad authority on price support and related operations to a commodity board not directly subject to control by the legislative and executive branches.

2. The desirability of providing similar authority to other commodity groups. If so, there would be the need to set up a superboard to coordinate the decisions of the various independent commodity boards.

3. Since the granting of broad authority to agricultural commodity boards to fix minimum prices would be a reversal of the policies agriculture had advocated for over half a century on certain nonagricultural services, what should our position be with respect to these other controls? These include costs of services farmers buy, such as freight rates, truck transportation rates, electricity, etc.

4. What should be our policy with respect to providing adequate protection to the general public under the commodity board setup?

5. If a dairy board is set up, should the Secretary of Agriculture have veto power over its actions? In evaluating this policy consideration should be given to the following:

a. Which actions should be subject to veto?

b. Who would reconcile differences between the Secretary and the board?

c. Who would have responsibility for the decisions made?

d. To what extent would divided authority affect efficient operations?

e. To what extent would veto authority permit the Secretary to reconcile the price-support actions of the various commodity boards?

f. To what extent would a double review of every major action result in duplication of personnel?

6. How will the plans be financed to the extent the assessment does not cover costs? This question arises because while the various plans claim to be self-financing all call for the borrowing of large sums, such as $350 million from CCC with no provisions for repayment. If the plan is not successful and builds up a substantial deficit so that farmers vote to return to the present price support method in order to avoid paying high assessments, what happens to the unpaid obligations to CCC?

7. Because a single commodity board is not subject to the same overall commodity responsibility with respect to international relations as a Government agency, this commodity board approach on disposal operations could undo in the international field much of the good being done through other efforts.

CONCLUSION

The dairy industry already is using the self-help principle.

Many dairy farmers are helping themselves by producing milk more efficiently through better breeding, better feeding, culling, quality improvement, and other practices. They

are also striving to improve the marketing of their milk and butterfat through cooperative actions. A major feature of the current revolution in the dairy industry is the establishment of modern, efficient processing plants, and the development of dairy products in packages more appealing to consumers. More effective merchandising by individual distributors is being supplemented by group advertising and promotion of milk and its products. This is financed by farmers through voluntary deductions from the prices they receive for milk and butterfat.

Emphasis on increasing consumption of milk and its products in the regular commercial market channels offers the best solution to the dairy problem. It is estimated that if all households that are low on calcium were to raise their consumption to the recommended level, milk consumption would go up about 9 percent. This is roughly double our current annual purchases of dairy products for support purposes. Not only would it wipe out the surplus—it would call for a substantial increase in production.

Mr. Chairman, I shall be very happy to respond to such questions as you may have.

Let Us Act Quickly for the Good of Retired Federal Employees

EXTENSION OF REMARKS
OF
HON. WILLIAM C. CRAMER
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 1, 1958

Mr. CRAMER. Mr. Speaker, the two bills (S. 72 and H. R. 607) that provide additional benefits for retired civil-service employees have passed their respective bodies of Congress. A conference on the bills has been asked and the members of the conference committee appointed. It is my hope that these conferees will promptly report out an agreement on which the House and Senate can act and which the President will approve and I have constantly been in touch with some of the conferees on this matter.

I have long endeavored to enact legislation that will bring about cost-of-living relief to these people who have served their Government in many capacities over a long period of years and who have planned for and contributed to a reasonably comfortable community life. I think the provisions being studied in conference are badly needed and, to some extent, provide the additional income these people so justly deserve. Both in the 84th and 85th Congress I have introduced similar legislation affecting retirees which fully indicates my belief and concern in their welfare. The west coast of Florida is one of the great retirement sections of the United States and many of our fine residents are from the ranks of retired civil employees. The action proposed in these two bills before the conferees is extremely important to the future of these retirees and their retirement communities. I hope that every effort will be made to obtain a conference report at the very earliest opportunity.

I trust that the bill will be reported out soon, that it will provide an amount approximating S. 72 and will provide an increase that will thus adequately compensate for the increased cost of living that so markedly affects the standard of living of these retirees on fixed incomes. This was the intended purpose of my bill and I trust the conferees will consider this factor, of increased cost of living, the principal and motivating element in their deliberations, there being adequate funds in the trust fund to provide an increase in conformity with this principal and still retain the actuarially sound integrity of the fund.

Child Health Day, Cystic Fibrosis, and a Call to Action

EXTENSION OF REMARKS
OF
HON. COYA KNUTSON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 1, 1958

Mrs. KNUTSON. Mr. Speaker, today, May 1, is Child Health Day. Every year since 1928, the President of the United States has issued a proclamation declaring May 1 Child Health Day.

In 1916—12 years earlier—Julia Lathrop, the first head of the Children's Bureau, wrote to the Secretary of Labor:

> May Day has a long and pleasant tradition among all English-speaking children. It might well be chosen by their elders as a day which should be not only a festival but also year by year a celebration of some increase in the common store of practical wisdom with which the young life of the Nation is guarded by each community.

In 1933, President Franklin D. Roosevelt—in his first May Day proclamation—supported the slogan: "Mothers and babies first."

Nine years later, in 1942, Child Health Day initiated a campaign for immunization against diphtheria and smallpox. Another year medical and dental examinations for children entering school for the first time were emphasized.

For the past weeks, you have heard me on several occasions tell you about the disease called cystic fibrosis. Mr. Speaker, cystic fibrosis is a vicious disease. It strikes 7,000 newborns every year, and 5 Child Health Days later, half of these boys and girls have died. A cystic fibrosis victim at the age of 20—in 1958—has about the same additional life expectancy as the average person at the age of 100. Almost 100 percent of the cystic fibrosis children die before they have a chance to die of something else.

On this Child Health Day, 1958, let us resolve to stop cystic fibrosis' child-killing spree. Research can do a lot for these youngsters. I have received letters from several doctors during recent weeks and they all agree that we know very little about the disease. Dr. Justin Andrews of the National Institutes of Health, when asked, in February of this year, about how much has been done, researchwise, to date, in the area of cystic fibrosis, testified: "Not very much."

I hope that next year, on Child Health Day, I can report to you progress made in the meantime to wipe out cystic fibrosis.

A few days ago, I inserted into the CONGRESSIONAL RECORD extracts from the many letters I have recently received urging acceleration and expansion of our national cystic fibrosis research programs. Our hearts will tell us that we must declare war on cystic fibrosis.

Short Term Amortization of New Capital Assets

EXTENSION OF REMARKS
OF
HON. HUBERT B. SCUDDER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 1, 1958

Mr. SCUDDER. Mr. Speaker, today I introduced H. R. 12316, a bill identical to S. 3718 introduced by Senator CAPEHART earlier this week.

I firmly believe the enactment of this bill is the stimulant our economy needs to promote more jobs and encourage greater capital investments.

The principal objective of this legislation is to provide for a short-term amortization of new capital assets. What greater boost does the small-business man need at this time than to enable him to invest in necessary building, equipment, and machinery which can be depreciated over a shorter period of time. The effects of a program of this type would increase employment immediately and provide greater stability to the working force of the Nation.

Passage of this legislation would be a great stimulant to the entire country. It would encourage initiative and the expansion of business and industry without costly Federal subsidization of so-called temporary programs which, through experience, we have found to drag out into permanent Federal projects competing with private enterprise.

In my district alone, this bill would aid the farmer, the fisherman, and the lumber industry and many small businesses.

The farmer would be able to invest in new machinery which could be depreciated within a 5-year period as contrasted to a 10-year period now provided by law for some types of farm machinery.

The fisherman would be encouraged to invest in new boats and equipment and in costly repairs and renovation of the same.

Where the lumber industry is concerned, the benefits would be twofold. Allowance for short-term depreciation on building units both for industrial and private uses would create a greater market for lumber. The demand for lumber products together with the advantage of short-term depreciation on capital assets would be the adrenalin this industry needs.

I could enumerate by the hundreds businesses such as wholesale and retail establishments, transportation systems, heavy industry, rental housing, small

factories, and the like, that would discover in this legislation the boon they have been searching for.

In all my years of public service I have been one of private enterprise's strongest advocates. I have seen our country grow because of the initiative and farsightedness of those who also believe in this precept. In this day and age of growing socialism when the small-business man and the large one alike need the added incentive and encouragement, in my opinion this bill is that shot in the arm that can snap us out of a lethargic state and an overemphasized reliance on the Federal Government.

Polish Constitution Day

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 1, 1958

Mr. MULTER. Mr. Speaker, Saturday, May 3, is one of the most significant landmarks in Poland's history—the anniversary of the constitution of May 1791. The drafting and the adoption of that document by the Great Diet (or Parliament) 167 years ago was a real turning point in the history of the Poles. By it they effected a peaceful revolution in their form of government without resorting to the violent and terrifying measures characteristic of the French Revolution. By the adoption of that liberal and progressive document Poland's leaders led their countrymen from the feudal path of the Middle Ages to the broad, democratic highways of modern times.

That constitution restrained the authority of the monarch, and introduced ministerial responsibility in government. The intricate and obstructive features of the old system and many class distinctions associated with it were eliminated. A bicameral legislative body with full legislative authority was created. Economic and social barriers between the nobility and the townsmen were broken down. The townsmen recovered their judicial autonomy and were admitted to many higher offices. Religious toleration was established and the peasantry was taken under the protection of the law. The constitution thus abolished the worst abuses from which Poland had been suffering for centuries. As has been justly observed:

> Through the abolition of the most crying political evils of the old regime * * * and granting of increased freedom of action to the middle and lower classes, the constitution marked a great advance upon all previous attempts at reform in Poland.

But this democratic document aroused the ire of Poland's enemies, who fearing that through this document Poland might regain her former strength, hastened to fight her and bring about the eventual partition of Poland. As we all know, before the unfortunate Poles had any time to enjoy the benefits of their new constitution their country was parceled out among the autocrats of Austria, Prussia, and Russia. Having lost their independence, all Poles became subjects of alien governments in their own homeland. Still, they managed to keep alive the spirit of their national independence—drawing spiritual sustenance from the principle enunciated in that constitution. At the end of the First World War they all happily witnessed the defeat of their oppressors, and they rejoiced at this opportunity to regain their independence.

A strange coincidence is that May 3 comes in the midst of the 15th anniversary of the heroic uprising in the Warsaw ghetto—April 19 to May 16, 1943—which is being solemnly observed in the Jewish communities the world over.

We should pause today to remember the heroic resistance 15 years ago of the Jewish community of Warsaw to one of the most inhuman and brutal persecutions in the history of mankind. After the Second World War the horror of the systematic Nazi program to destroy the Jewish community in Europe was revealed. The problems of the postwar era have made us forget the valiant stand the Jewish communities made to resist the Nazis, but we should remind ourselves of the suffering of the Polish Jewish community least we forget one of the darkest pages of human history.

The aim of the Nazis was the extermination of the Jews in Poland. The numerous pronouncements of the Nazi leaders during the first 3 years of occupation made that aim unmistakably clear.

The Nazi pattern for dealing with the Jews consisted of four consecutive stages: First, depriving the Jews of civil rights; second, driving them out of the economic life, thus making it impossible for them to sustain themselves; third, segregating them in ghettos where they would perish of famine and disease; fourth, destroying those who had survived the previous stages. The last stage was begun in the spring of 1942.

The increasing number of daily acts of persecution left no doubt that the Nazis were engaged in a savage campaign of extermination against the many thousands of Jews who were considered unfit even to work as slaves for the Nazi regime. The Warsaw Jewish community died heroically resisting the Nazi persecution. The underground Jewish organization in Poland made it clear in its messages to the Free World that it was anxious to offer resistance to the Nazis, but it had no arms or ammunition. Arms were finally obtained with the assistance of the Polish underground movement with which the Jewish organization had maintained continual contact. The underground and various labor Zionist groups organized a Jewish defense corps. It first took the field against the Nazis in Warsaw in January 1943. A full-scale resistance effort did not get under way until sometime in April and the fighting continued well into May. The fight between the Jews and Germans ended in the complete eradication of the Warsaw ghetto and other Polish ghettos. It was a daring, if futile, action for the Jews to undertake against the overwhelming superiority of the enemy.

Patriotic Poles and Jews together fought the Nazis for days and inflicted heavy German loses. After their victory, the Nazis proceeded to liquidate the ghetto. On April 21, 1943, SWIT, the clandestine radio of the Polish underground broadcast a message:

> The last 35,000 Jews in the ghetto at Warsaw have been condemned to execution. Warsaw again is echoing to musket volleys. Women and children defend themselves with bare hands. Save us.

These were the last words.

Out of the martyrdom of Polish Jewry has risen a reborn Jewish homeland. Five years after the Warsaw crime the independence of Israel was proclaimed. The vision behind the establishment of Israel was inspired by the Nazi terror. Israel opened her arms as a refuge and haven where Jews from every land might come to live in dignity and freedom.

Today once more the fate of the Poles is tragic. In their country today more than 25 million Poles are not even permitted to celebrate this constitution day. We of the Western democracies join all Americans of Polish ancestry in this celebration and heartily express our hope that soon all Poles will again be able to observe freely and without fear in their beloved homeland the anniversary of their constitution day and all that this means in terms of human freedom and political justice.

Polish Constitution Day

EXTENSION OF REMARKS
OF
HON. SIDNEY R. YATES
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 1, 1958

Mr. YATES. Mr. Speaker, the revolutionary spirit of the 18th century has had profound impact in many countries. New ideas were taking roots in the Western World, liberal and progressive ideas seemed to be spreading in all directions. In this country our Revolution produced the Declaration of Independence and the constitutional form of government. In France the cry for liberty, equality, and fraternity led to the French Revolution, and in Poland the spirit of equality and tolerance, and also the urge to revamp the governmental machinery led to the adoption of the May constitution in 1791.

That constitution attempted, for the first time, to introduce a responsible cabinet type of government in that part of Europe. Monarchical authority was considerably curtailed, and that of the people's representatives was enhanced. The Polish peasantry was relieved from the arbitrary authority of local feudal landlords and placed under the protection of the law. Even more significant than these changes was the guaranteeing of religious freedom to all citizens of the country. Today we are happy to join freedom-loving Poles everywhere in the celebration of this anniversary, the 167th anniversary of the adoption of this great epoch-making document, the Polish Constitution of May 1791.

The Polish Constitution Day

EXTENSION OF REMARKS
OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1958

Mr. VAN ZANDT. Mr. Speaker, the unhappy Poles have had their ups and downs in their long and eventful history. Their annals are full of glorious deeds and sad tragedies. And the constitution of May 3, 1791, marks a glorious day in Polish history. Late in the 18th century Poland was prey to her greedy neighbors. In 1872 she had already lost considerable territory to Austria, Prussia, and Russia by the first partition. Poland herself was not strong enough to prevent that tragic event. Her weakness and helplessness had become too obvious to the Poles, and many enlightened patriots among them had been trying to devise means whereby the country's governmental machinery would be improved and strengthened by the solid support of the populace. As early as 1788 a committee was formed for the specific purpose of drafting a constitution. The completion of this exacting task took long, but when completed early in 1791, it was regarded as the crowning achievement of a band of liberal, wise, and patriotic statesmen.

That historic constitution as adopted on May 3, 1791, was an epochmaking document, a great landmark in Poland's history. The governmental machinery was modernized and brought up to date by the inclusion of many liberal and progressive features. The King's authority was limited, though he still retained many of the prerogatives of his position. His executive power was to be shared with a council of six guardians of the laws, made up of the primate and the heads of five departments. This council may be regarded as the forerunner of cabinet government in that country. Roman catholicism remained the official religion of the country, but the regime became tolerant of other sects. The nobles retained many of their privileges, but townsmen became eligible for some of these privileges formerly reserved to noblemen. Agreements signed between peasants and their landlords came within the purview of the law. There was the legislature of two chambers elected on the basis of larger electorate. In short, by the constitution of May 3, 167 years ago, Poland moved from an unlimited autocracy to a limited monarchy. In its day this was considered a phenomenal advance, to be accomplished without bloodshed. It was the most advanced governmental reform in central and eastern Europe.

We all know too well what followed the adoption of this liberal instrument. Poland's enemies, fearing that the birth of liberal ideas in Poland may spread to their lands, and also anxious to rob unhappy Poland of what was left to her citizens, made war on Poland. Before the constitution was put into force, Poland found herself under attack. Against the superior forces of her enemies she could not long resist. In the end she lost out. The second partition followed in 1793. The constitution of May became a dead, defunct document. Soon after that Poland was no more; she was parceled out among her three powerful neighbors—Austria, Prussia, and Russia—and for more than a hundred years Poland lived only in the hearts and minds of suffering Poles. But they never gave up the hope of regaining their national independence and reviving the spirit of the constitution of May. From then on, from the time of the adoption of that constitution on May 3, that day has become a Polish national holiday. I am happy to join liberal and patriotic Poles in the observance of that great holiday, the Polish Constitution Day.

APRIL 16, 1958.

Mr. CHARLES BURKE,
Polish American Congress, Inc.,
Washington, D. C.

DEAR MR. BURKE: This is to acknowledge your letter of April 15. I shall be pleased to join with my colleagues in commemorating Polish Constitution Day, May 3, 1958, in observance of the 167th anniversary of the event.

With best wishes, I am,
Sincerely yours,

JAMES E. VAN ZANDT.

POLISH AMERICAN CONGRESS, INC.,
Washington, D. C., April 15, 1958.

The Honorable JAMES E. VAN ZANDT,
House Office Building,
Washington, D. C.

MY DEAR CONGRESSMAN VAN ZANDT: May I draw your attention to the approaching anniversary of Poland's Constitution Day, Polish national holiday, which for 167 years is being celebrated on May 3.

This act of wise statesmanship, enacted by the Polish Diet in 1791 in Warsaw, by unanimous solemn vote, brought about important political, social, and educational reforms destined to strengthen the Polish state at a time of threatening dangers from imperialistic neighboring powers.

Men who undertook the task to guide the Polish nation on the path of social progress belonged to the most enlightened brains of 18th century Poland. They were inspired by the ideals of the American Declaration of Independence and influenced by the French proclamation of the rights of man and citizen.

The principles laid down in the May 3 constitution survived while Poland was struggling for independence and were referred to in the constitutional laws of the reborn Polish state after World War I.

Free Poland's Constitution Day was May 3, and it is still observed in the hearts of the people within the country, and throughout Polish communities in the world.

The imposing on Poland in 1953, under Soviet directives, of a constitution on Communist pattern, similar to that of all other peoples republics, did but reaffirm the attachment of the Poles to their historic charter of 1791.

It became a tradition for Members of the United States Congress to commemorate on the floor of their respective Houses Poland's national day on May 3, to evoke links of friendship between both nations, and to stress United States interest in the fate of Poland.

Members of the United States Congress, who visited Poland lately, unanimously agree that although the Polish Government is Communist, the Polish people are not. American visitors are impressed by the friendly feelings of the population toward the United States of America. As a matter of fact, the Western trend in Poland has not been eradicated in spite of great efforts of Communist propaganda to discredit the Western democracies.

The commemoration of the May 3 constitution by the United States Congress will undoubtedly find a favorable response among the people in Poland.

Your support of the cause of Poland on that occasion will be greatly appreciated by the Polish American Congress.

I take the liberty to enclose for your attention a memorandum listing a few items of actual interest concerning Polish problems.

Yours sincerely,

CHARLES BURKE,
Washington Representative, Polish American Congress, Inc.

POLAND'S KEY POSITION IN CENTRAL EASTERN EUROPE

The subjugation by Soviet Russia of the formerly free and sovereign countries of central eastern Europe after World War II proved to be—as time went on—one of the main sources of international tension. A direct consequence of this shift of power was the division of Europe, totally artificial from a historical, cultural and economic point of view, and detrimental to the very idea of a united Europe.

The demarcation line dividing Europe is based solely on Soviet power policy considerations with the purpose to serve further expansion of international communism.

Thus the ideological conflict between communism and the Free World was brought nearer to Western Europe and therefore to the United States of America resulting in a state of cold war in the relations between East and West.

Poland, by her geographical situation, number of inhabitants and natural resources, forms a key position in central eastern Europe.

As a general rule United States foreign policy has in the past concentrated its main interest on Germany and Russia, and less attention was paid to the countries situated between those two powers.

This attitude was largely responsible for the fact that wartime agreements, such as Teheran and Yalta, were concluded with the U. S. S. R. in disregard of Poland's vital interests as well as of the other Eastern European countries.

Similarly the idea of finality with regard to European nations under Soviet hegemony which found some adherents in the United States of America, and was expressed by certain American writers—curiously enough on the very eve of the events in Poland and Hungary in 1956 which contradicted flagrantly this assertion—showed underestimation of the importance of Poland and other captive nations as potential factors of security and peace in Europe.

CONDITIONS IN POLAND AND UNITED STATES ECONOMIC SUPPORT

The people of Poland, in spite of ruthless Communist subjugation on the Stalin pattern, have maintained their patriotism and moral resistance. Their feelings and beliefs did not flinch under Communist indoctrination and terror. This also applies to the much exposed young generation.

The Poznan revolt and the October events of 1956, which took place under popular pressure, have shown the resistance of the Poles against Soviet rule and their aversion to every form of communism. Ideological slogans, like "Polish road to socialism" proclaimed as a new program by the Gomulka regime are regarded by the average Pole merely as tactical moves, Communist style.

It is fully realized that the country finds itself in a compulsory situation toward Soviet Russia. The suppression of the Hungarian freedom rising by Soviet troops, practically without any reaction of the Western Powers, remains as a threatening memento.

Under these circumstances but a slim restricted margin is left for the development of direct relations with the West and the United States of America in particular.

It seems therefore profitable to the United States of America to take advantage of every possibility to give the people of Poland moral encouragement by proving interest in their fate through concrete facts such as economic support recently granted. Although this might represent a calculated risk it is in line with psychological and political necessities, considering the feelings of the Polish people who looked to America for economic support.

SOVIET INSISTENCE THAT THE STATUS QUO IN CENTRAL EASTERN EUROPE BE RECOGNIZED BY THE UNITED STATES OF AMERICA

Soviet recent successes in intercontinental missiles and sputniks are being exploited by the Kremlin to obtain final recognition of its domination over the countries of central eastern Europe.

In his address of December 20 last, delivered to the Supreme Soviet, Khrushchev asked the West "to recognize the status quo—that is the situation characterized as it is by the existence of Socialist and capitalist states."

His language became violent in Minsk, on January 22, when he replied to President Eisenhower's proposal, that "in the interest of peace and justice the right of free choice of the captive nations be discussed at the summit conference."

In the subsequent exchange of letters and memorandums with the United States of America and the Western Powers, the Soviet Union took a menacing attitude with regard to every proposal to place on the summit agenda the problem of the captive nations. The U. S. S. R. termed such a request as an insulting interference in the domestic affairs of those countries, in spite of the fact that this request was motivated by agreements and treaties binding the Soviet Union.

It is evident that Soviet Russia reserves for herself the exclusive right to exercise control over these countries using the respective Communist parties as docile instruments of action.

It is useful to remember that any country subjected to communism is considered by Soviet Russia as virtually conquered for the Soviet bloc with all consequences deriving therefrom. This means in practical terms that any effort on behalf of the people of that country to replace the Communist system of government by a democratic one, through free voting expressing the popular will, is regarded as a hostile interference in the omnipotent right of the Communist Party to rule the country. And therefore as an act of aggression against Soviet Russia and other member states of the bloc. The use of Soviet troops to extinguish the Hungarian freedom rising constitutes an evident proof of Soviet policy methods.

Judging from a wider perspective of possible future developments in other parts of the world—this shows a real menace of international Communist infiltration.

The obstinacy with which the Soviet Union opposes any discussion of problems relating to the captive nations and insists so strongly now on the sanctioning of the status quo finds additional explanation in the following consideration:

The Poznan revolt of 1956, followed by subsequent developments in Poland and the Hungarian uprising, are proofs that the countries behind the Iron Curtain are in fact a weak spot in the Communist empire. The more so that the repercussions of these events were far reaching as far as the Soviet bloc is concerned, and their influence strongly felt in the Communist Parties abroad.

U. N. O.'s reactions to brutal methods applied by Russia to Hungary, although expressed by resolutions, which were without practical consequences, had a negative effect on Soviet propaganda. The Kremlin is therefore anxious to close once and forever the Hungarian chapter.

In addition to that the Soviets try to obtain a complete disinterestment of the Western Powers, and the United States of America in particular, with regard to the countries submitted to their influence.

In this way the U. S. S. R. would acquire a totally free hand in their action against all efforts of the people to gain more independence.

From our American point of view even tacit acquiescence to Soviet maneuvers aiming at the sanctioning of Moscow-sponsored Communist domination of formerly free and sovereign countries—would alienate the people of those countries and be detrimental to the United States of America from a moral, political, and military point of view.

SENATE

MONDAY, MAY 5, 1958

Rev. Frank Jordan, pastor, Memorial Methodist Church, Thomasville, N. C., offered the following prayer:

O, eternal God, infinitely greater than our highest thoughts about Thee: humbly and gratefully we acknowledge Thee to be the creator of all, and the father of our spirits. If we take the wings of the morning, or send a missile to the uttermost reaches of space, even then shall we know Thou dost sustain universe upon universe. If we look within the darkest recesses of our souls, Thy presence will be discovered, for Thou hast made us in Thy spiritual likeness. If we listen for the still, small voice, we shall know, even in the tumult of these days, that Thy wisdom and Thy power have the final word. Thanks be to Thee that Thou art not only creator and father of our spirits, but also the lord of history and ruler above all human sovereignties.

Grant that these, Thy servants, burdened with the responsibilities which have been placed upon them, may know they are sustained by the prayers of Thy people of every faith and creed. O Thou who hast given strength for every task, we remember in particular before Thee this day one appointed to the Senate, who today enters upon his duties. May he always seek to do justly, to love mercy, and to walk humbly before Thee. Grant him light on every new path he takes, and the confidence to believe that in returning to Thee for guidance, he will find the right ways illumined before him. What we ask for one, we ask for all, that each Member of this assembly and all other members of our Government may be responsive and responsible instruments of Thy good spirit. This we ask in the name of him whom we love and would ever seek to serve, Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 1, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On May 1, 1958:

S. 884. An act to provide for the transfer of certain lands to the State of Minnesota;

S. 1118. An act to facilitate the administration and development of the Whitman National Monument, in the State of Washington, by authorizing the acquisition of additional land for the monument, and for other purposes;

S. 2037. An act to amend the act of June 28, 1946, authorizing the performance of necessary protection work between the Yuma project and Boulder Dam by the Bureau of Reclamation; and

S. 3120. An act to amend the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, to provide additional allotments for farms in the Tulelake area, Modoc and Siskiyou Counties, Calif., for the 1958 and 1959 crops of wheat, and for other purposes.

On May 5, 1958:

S. 1031. An act to authorize the Secretary of the Interior to construct, operate, and maintain four units of the Greater Wenatchee division, Chief Joseph project, Washington, and for other purposes.

EXECUTIVE MESSAGES REFERRED

As in executive session.

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H. R. 12065) to provide for temporary additional unemployment compensation, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 12065) to provide for temporary additional unemployment compensation, and for other purposes, was read twice by its title and referred to the Committee on Finance.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Commit-

tee on Finance and the Labor Subcommittee of the Committee on Labor and Public Welfare were authorized to meet during the session of the Senate today.

SENATOR FROM NORTH CAROLINA

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ERVIN. Mr. President, I present the credentials of the Senator-designate from North Carolina, the Honorable B. EVERETT JORDAN.

The PRESIDENT pro tempore. The credentials will be read.

The credentials were read by the legislative clerk and ordered to be placed on file, as follows:

STATE OF NORTH CAROLINA,
GOVERNOR'S OFFICE,
Raleigh.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that pursuant to the power vested in me by the Constitution of the United States and the laws of North Carolina, I, Luther H. Hodges, the Governor of said State, do hereby appoint B. EVERETT JORDAN a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the death of Senator W. Kerr Scott, is filled by election, as provided by law.

Witness, His Excellency, our Governor Luther H. Hodges, and our seal hereto affixed at Raleigh, N. C., this 19th day of April 1958.

By the Governor:

LUTHER H. HODGES, *Governor.*
[SEAL] THAD EURE, *Secretary of State.*

Mr. ERVIN. Mr. President, the Senator-designate is present, and ready to take the oath of office.

The PRESIDENT pro tempore. If the Senator-designate will present himself at the desk, the oath of office will be administered to him.

Mr. JORDAN, escorted by Mr. ERVIN, advanced to the Vice President's desk, and the oath of office prescribed by law was administered to him by the President pro tempore, and was subscribed by him.

[Applause on the floor and in the galleries.]

COMMITTEE SERVICE

On motion of Mr. JOHNSON of Texas, and by unanimous consent, it was

Ordered, That Mr. JORDAN be assigned to service on the Committee on Post Office and Civil Service, and the Committee on Public Works, to fill existing vacancies thereon.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour, and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

CERTAIN CONSTRUCTION AT MILITARY INSTALLATIONS

A letter from the Secretary of Defense, transmitting a draft of proposed legislation to authorize certain construction at military installations, and for other purposes (with an accompanying paper); to the Committee on Armed Services.

REPORT ON MILITARY PRIME CONTRACTS WITH BUSINESS FIRMS IN THE UNITED STATES FOR EXPERIMENTAL, DEVELOPMENTAL, AND RESEARCH WORK

A letter from the Assistant Secretary of Defense, Supply and Logistics, transmitting, pursuant to law, a report on military prime contracts with business firms in the United States for experimental, developmental, and research work (with an accompanying report); to the Committee on Banking and Currency.

CONSTRUCTION OF BRIDGES OVER POTOMAC RIVER

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to amend the act entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes," approved August 30, 1954 (with an accompanying paper); to the Committee on the District of Columbia.

REPORT OF FOREIGN CLAIMS SETTLEMENT COMMISSION

A letter from the chairman, Foreign Claims Settlement Commission of the United States, Washington, D. C., transmitting, pursuant to law, a report of that Commission, for the period ended December 31, 1957 (with an accompanying report); to the Committee on Foreign Relations.

REPORT PRIOR TO RESTORATION OF BALANCES, FARMERS' HOME ADMINISTRATION

A letter from the Acting Secretary of Agriculture, transmitting, pursuant to law, a report prior to restoration of balances to the appropriation "Salaries and expenses, Farmers' Home Administration, 1957," as of March 31, 1958 (with an accompanying report); to the Committee on Government Operations.

AUDIT REPORT ON SMALL BUSINESS ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Small Business Administration, for the period August 1, 1953, through June 30, 1957 (with an accompanying report); to the Committee on Government Operations.

AUDIT REPORT ON ABACA-FIBER PROGRAM

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the abaca-fiber program administered by General Services Administration, for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Government Operations.

AMENDMENT OF SECTION 31 OF ORGANIC ACT OF GUAM

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend section 31 of the Organic Act of Guam, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

PROJECT PROPOSAL UNDER SMALL RECLAMATION PROJECTS ACT OF 1956

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, on a project proposal in the State of Utah, under the Small Reclamation Projects Act of 1956; to the Committee on Interior and Insular Affairs.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Three letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

ADMISSION OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications of certain aliens found admissible into the United States (with accompanying papers); to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, without amendment:

S. 3186. A bill to extend for 1 year certain programs established under the Domestic Tungsten, Asbestos, Fluorspar, and Columbium-Tantalum Production and Purchase Act of 1956 (Rept. No. 1513).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 2511. A bill for the relief of Maria Garcia Aliaga (Rept. No. 1517).

By Mr. O'MAHONEY, from the Committee on the Judiciary, without amendment:

S. J. Res. 168. Joint resolution authorizing the President to issue a proclamation calling upon the people of the United States to commemorate with appropriate ceremonies the 100th anniversary of the admission of the State of Minnesota into the Union (Rept. No. 1516).

By Mr. BUTLER, from the Committee on the Judiciary, with an amendment:

H. R. 3679. An act for the relief of the E. B. Kaiser Co. (Rept. No. 1514); and

H. R. 5355. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment on certain claims of the United Foundation Corporation of Union, N. J. (Rept. No. 1515).

By Mr. NEUBERGER, from the Committee on Interior and Insular Affairs, with amendments:

S. 3051. A bill to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes (Rept. No. 1518).

INCREASED FUNDS FOR COMMITTEE ON THE JUDICIARY—REPORT OF A COMMITTEE

Mr. EASTLAND, from the Committee on the Judiciary, reported an original resolution (S. Res. 300) to increase the amount of funds for the Committee on the Judiciary, which was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on the Judiciary is hereby authorized to expend from

the contingent fund of the Senate, during the 85th Congress, $10,000 in addition to the amount, and for the same purposes specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session.

The following favorable report of a nomination was submitted:

By Mr. McCLELLAN, from the Committee on the Judiciary:

Osro Cobb, of Arkansas, to be United States attorney for the eastern district of Arkansas.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LANGER:

S. 3740. A bill for the relief of Maria Rita Mathieu; to the Committee on the Judiciary.

By Mr. ELLENDER (by request):

S. 3741. A bill to facilitate administration and management by the Secretary of Agriculture of certain lands of the United States within national forests; to the Committee on Agriculture and Forestry.

By Mr. BUTLER:

S. 3742. A bill to amend title XI of the Merchant Marine Act, 1936, in order to provide mortgage and loan insurance for the construction, reconstruction, or reconditioning of vessels in shipyards in the continental United States; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. BUTLER when he introduced the above bill, which appear under a separate heading.)

By Mr. DIRKSEN:

S. 3743. A bill for the relief of Cynthia Elizabeth Jefferson (Mimi Kurosaka) and Sylvia Elise Jefferson (Junko Tano); to the Committee on the Judiciary.

By Mr. KUCHEL:

S. 3744. A bill for the relief of Yankee P. Tsang; to the Committee on the Judiciary.

By Mr. WILEY (for himself, Mr. GOLDWATER, and Mr. DOUGLAS):

S. 3745. A bill to provide that the Secretary of the Navy shall make available for deposit certain moneys received by him from the sale of vessels stricken from the Naval Vessel Register into a special account in the Treasury, to be expended by the Corregidor Bataan Memorial Commission for the purpose of carrying out the provisions of the act of August 5, 1953; to the Committee on Armed Services.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. ANDERSON:

S. 3746. A bill to amend the Mineral Leasing Act of February 25, 1920, in order to increase the minimum rental provided for a lease under such act; to the Committee on Interior and Insular Affairs.

By Mr. KEFAUVER:

S. 3747. A bill to increase the maximum per diem allowance for maintenance expenses of United States judges while on official business away from their official stations; to the Committee on the Judiciary.

(See the remarks of Mr. KEFAUVER when he introduced the above bill, which appear under a separate heading.)

By Mr. RUSSELL (for himself and Mr. SALTONSTALL) (by request):

S. 3748. A bill to amend title 10, United States Code, to revise certain provisions relating to the promotion and involuntary retirement of officers of the Reguar components of the Armed Forces; to the Committee on Armed Services.

(See the remarks of Mr. RUSSELL when he introduced the above bill, which appear under a separate heading.)

By Mr. MORSE (for himself and Mr. NEUBERGER):

S. 3749. A bill for the relief of Milan Boric; to the Committee on the Judiciary.

By Mr. POTTER:

S. 3750. A bill to amend the Fair Labor Standards Act so as to include employees of employers engaged in operating taxicabs; to the Committee on Labor and Public Welfare.

By Mr. KENNEDY:

S. 3751. A bill to provide standards with respect to the election of officers of labor organizations; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. KENNEDY when he introduced the above bill, which appear under a separate heading.)

By Mrs. SMITH of Maine:

S. 3752. A bill to authorize the modification of the existing project for improvement of Josias River, Maine; to the Committee on Public Works.

RESOLUTION

Mr. EASTLAND, from the Committee on the Judiciary, reported an original resolution (S. Res. 300) to increase the amount of funds for the Committee on the Judiciary, which was referred to the Committee on Rules and Administration.

(See resolution printed in full when reported by Mr. EASTLAND, which appears under the heading "Reports of Committees.")

AMENDMENT OF MERCHANT MARINE ACT, 1936, RELATING TO MORTGAGE AND LOAN INSURANCE FOR CERTAIN VESSELS

Mr. BUTLER. Mr. President, I introduce for appropriate reference, a bill to amend title XI of the Merchant Marine Act, 1936, in order to provide mortgage and loan insurance for the construction, reconstruction, or reconditioning of vessels in shipyards in the continental United States. This bill would provide United States Government mortgage and insurance guaranty for foreign ships built and/or repaired in American shipyards.

Each year we spend billions of dollars in American money on foreign aid. Obviously, some parts of these funds have been utilized to restore foreign shipping fleets depleted during World War II. Foreign flag shipping has steadily increased in recent years and the foreign shipbuilding industry is economically healthy.

No legitimate reason exists as to why we should not invest some of the money we might otherwise donate for foreign aid to guarantee mortgage and insurance on foreign ship construction in American yards to promote additional business for our own shipbuilders and our own shipyard workers. This is basic salesmanship, it seems to me. As a matter of fact, the guaranty is the least costly approach. It may not cost us anything at all. The United States Government guaranty on American ships constructed in American yards has been used only on one default. This aspect of maritime financing has always been profitable to the Government, and I see no reason why it could not be more lucrative.

Foreign shipping interests have evidenced considerable interest in having their vessels built and repaired here in the United States. The mortgage and insurance situation has been a great deterrent to the acquisition of some of this business. It, no doubt, is at least partly responsible for many cancellations of contracts held by American yards recently. I am informed that the industry is greatly concerned over these cancellations.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3742) to amend title XI of the Merchant Marine Act, 1936, in order to provide mortgage and loan insurance for the construction, reconstruction, or reconditioning of vessels in shipyards in the continental United States, introduced by Mr. BUTLER, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

EXPENDITURE OF CERTAIN MONEYS BY CORREGIDOR BATAAN MEMORIAL COMMISSION

Mr. WILEY. Mr. President, on behalf of myself, the Senator from Arizona [Mr. GOLDWATER], and the Senator from Illinois [Mr. DOUGLAS], I introduce, for appropriate reference, a bill to provide that the Secretary of the Navy shall make available for deposit certain moneys received by him from the sale of vessels stricken from the Naval Vessel Register in a special account in the Treasury, to be expended by the Corregidor Bataan Memorial Commission for the purpose of carrying out the provisions of the act of August 5, 1953. I ask unanimous consent that a statement prepared by me regarding the bill may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 3745) to provide that the Secretary of the Navy shall make available for deposit certain moneys received by him from the sale of vessels stricken from the Naval Vessel Register into a special account in the Treasury to be expended by the Corregidor Bataan Memorial Commission for the purpose of carrying out the provisions of the act of August 5, 1953, introduced by Mr. WILEY (for himself, Mr. GOLDWATER, and Mr. DOUGLAS), was received, read twice by its title, and referred to the Committee on Armed Services.

The statement presented by Mr. WILEY is as follows:

CORREGIDOR BATAAN MEMORIAL COMMISSION

The Corregidor Bataan Memorial Commission was established by the Congress in August 1953.

The present members of the Commission are: Hon. Emmet O'Neal, Chairman, of Kentucky; Senator Alexander Wiley, of Wisconsin; Senator Paul H. Douglas, of Illinois; Senator Barry Goldwater, of Arizona; Representative James E. Van Zandt, of Pennsylvania; Representative James P. S. Devereux, of Maryland; Representative Armistead I. Selden, Jr., of Alabama; Mr. John William Haussermann, of Ohio; Mr. Frank Hewlett, of Utah.

The task of the Commission is to have designed, and constructed on Corregidor Island, a memorial to commemorate the sacrifices and the services of all who served under the American flag in the Pacific Area during World War II. As such it will be a lasting tribute to the successful efforts of the 4 million veterans of all services which resulted in restoring freedom and democracy in the Pacific.

President Ramon Magsaysay on August 24, 1954, created a similar Commission in the Philippines known as the Philippines National Shrines Commission, to cooperate with the American Commission. The present chairman of that Commission is the Philippine Secretary of Defense, the Honorable Jesus Vargas.

A design for the memorial was selected in April 1957, after 43 architects had competed for a first prize of $10,000. The winning architectural firm was Naramore, Bain, Brady & Johanson, of Seattle, Wash.

The jury of award which selected the winning design was composed of Fleet Adm. Chester W. Nimitz, USN, of Berkeley, Calif.; Gen. Walter Krueger, USA (ret.), of San Antonio, Tex.; Gen. George C. Kenney, USAF (ret.), of New York City; Mr. Pietro Belluschi, dean of the School of Architecture and Planning, Massachusetts Institute of Technology; Vice Adm. William O. Hiltabidle, USN (ret.); Arthur Brown, Jr.; William Gehron; William J. H. Hough; Lee Lawrie; Frederick V. Murphy; John W. Root.

The Philippines National Shrines Commission has formally accepted the winning design. It has elicited much praise from various people and groups, including the National Fine Arts Commission, Washington, D. C.

The consulting and advisory architect to the Commission is Mr. John Harbeson of the firm Harbeson, Hough, Livingston & Larson, of Philadelphia. Mr. Harbeson is recognized as one of the outstanding architects of America.

The Chairman of the Commission, the Honorable Emmet O'Neal, has stated that in addition to being a memorial to the servicemen who served in the Pacific, it will also accomplish two other highly important purposes:

"1. It will be a symbol to every Filipino who sees it—and they will be numbered by the hundreds of thousands—of the understanding and appreciation in the United States of the Gethsemane they endured through 4 long years in order to stand bravely and fearlessly by the side of an occidental nation.

"2. The most significant point of all—the memorial will become so strong a symbol of the power of free peoples banded together against despotism and tyranny that it will inspire all peoples to struggle against those enemies of democracy constantly seeking to enslave the body and mind of the individual. As such a fount of inspiration it will become a living memorial to encourage the Filipinos and other oriental nations to work unceasingly in the cause of democracy and freedom."

The 6 Members of Congress who are members of the Corregidor-Bataan Memorial Commission are introducing a bill to authorize the Secretary of the Navy to make available to the Commission a sum of approximately $7,500,000 received by him from the sale of obsolete Naval vessels as scrap steel.

A number of obsolete naval vessels are now being planned to be sold for steel scrap. They include the battleships: *California, Colorado, Maryland, Tennessee,* and *West Virginia.* In addition there are nine cruisers: the *Augusta, Chester, Louisville, Minneapolis, New Orleans, Portland, San Francisco, Tuscaloosa,* and *Wichita.* All served in World War II.

The purpose of the bill is to make the final scrapping of these old warships serve a dedicated and meaningful purpose in that the proceeds of their scrapping, and also a token amount of their steel, will be used to construct the Pacific War Memorial. The Chairman of the Commission voiced the opinion that all the thousands of veterans will see the completed memorial as a memorial of their service spent on distant lands and on distant seas. The use of these old battleships and cruisers will thus be seen by them as a dedicated instrument to assist in creating their memorial.

The Commission has received expressions of support and agreement regarding the Pacific War Memorial from many distinguished military men; these include General of the Army Douglas MacArthur; Fleet Adm. Chester W. Nimitz, Gen. Jonathan Wainwright who surrendered the American forces on Corregidor, Gen. Walter Krueger, USA (ret.), who commanded the Army forces in the Pacific during World War II, and Gen. Walter Kenney, who commanded the Army air forces in that area.

INCREASED PER DIEM ALLOWANCE OF UNITED STATES JUDGES

Mr. KEFAUVER. Mr. President, I introduce for appropriate reference a bill to increase from $15 to $25 the per diem allowance for expenses of United States judges while away from their regular posts on official business.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3747) to increase the maximum per diem allowance for maintenance expenses of United States judges while on official business away from their official stations, introduced by Mr. KEFAUVER, was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. KEFAUVER. Mr. President, throughout the Nation the Federal court dockets are overcrowded. Particularly in some of the larger cities, the courts are far behind in their work. The district judges and other court personnel, although they work overtime, are unable to keep abreast of the cases on the dockets.

There is a crying need for the authorizing of the appointments of more Federal judges, both in the district courts and the courts of appeals. I hope that in the near future legislation will be enacted to remedy this condition, because the increase in Federal courts' business has been substantial in the past few years.

But I am advised that, pending that time, one thing which could be done to alleviate the condition substantially and lessen congestion would be to enable more judges to be transferred to try cases in the larger cities, particularly where the dockets are unusually crowded.

The present law provides a maximum of $15 for the expenses of judges when they are away on official business. All of us know that in many places in the country it is impossible for a person to secure a hotel room, to have adequate meals, and otherwise to maintain himself in the position which would be expected of United States judges on $15 a day. Many judges, feeling that it is a financial liability to accept assignments away from home on that basis, are reluctant to accept such assignments. The bill merely authorizes the payment of $25 a day, in the event the necessary expenses amount to that much.

The change has been recommended by special committee which studied the salaries of judges and Members of Congress, and which was headed by Mr. Bernard Segal, a distinguished attorney of Philadelphia. The bill has been recommended also by the American Bar Association, the Judicial Conference, and the Department of Justice. The cost would not be very much, but the increased allowance would assist immeasurably in alleviating the crowded dockets in the Federal courts. I hope the bill will receive early and favorable consideration.

AMENDMENT OF CODE RELATIVE TO REVISION OF CERTAIN PROVISIONS REGARDING PROMOTION AND INVOLUNTARY RETIREMENT OF CERTAIN OFFICERS

Mr. RUSSELL. Mr. President, on behalf of myself, and the Senator from Massachusetts [Mr. SALTONSTALL], I introduce by request, for appropriate reference, a bill relating to the armed services. The introduction of the bill is requested by the Department of Defense, and the draft is accompanied by a letter of transmittal explaining the purpose of the bill. I ask that the letter of transmittal be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 3748) to amend title 10, United States Code, to revise certain provisions relating to the promotion and involuntary retirement of officers of the regular components of the Armed Forces, introduced by Mr. RUSSELL (for himself and Mr. SALTONSTALL), by request, was received, read twice by its title, and referred to the Committee on Armed Services.

The letter presented by Mr. RUSSELL is as follows:

THE SECRETARY OF DEFENSE,
Washington, April 1, 1958.

DEAR MR. PRESIDENT: There is inclosed a draft of proposed legislation "To amend title 10, United States Code, to revise certain provisions relating to the promotion and involuntary retirement of officers of the regular components of the Armed Forces," together with a section analysis thereof.

This proposal is a part of the Department of Defense legislative program for 1958 and it has been approved by the Bureau of the Budget. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of the proposed legislation is to enable the Armed Forces to meet more effectively the objective of a Regular Officer Corps of the highest quality in all ranks by: (1) according increased recognition and incentive for outstanding ability and competence; (2) more closely relating the retention of officers after 20 years of service who are serving in the permanent grades of lieutenant colonel and colonel, commander and captain to the requirements of the services, including the degree of contribution or productivity of the officer and the needs of the

service rather than solely to a guaranteed number of years of service; and (3) providing for selection of rear admirals for advancement from lower half to upper half instead of having such advancement depend merely upon seniority, as heretofore.

The proposed legislation is an important part of an integrated program of the Department of Defense to achieve and maintain a Regular officer force of the highest quality. As a part of this program the Department has recently submitted to the Congress proposed legislation to effect a modernization and improvement in the present system of compensation for the uniformed services. The Department of Defense recognizes, however, that neither increase of pay alone nor a change in the pay system can accomplish the above-mentioned objective unless our officer personnel laws and regulations are equally responsive to the changing needs of the military services.

It is emphasized that the proposed legislation is not intended to cause, and will not be used for, the involuntary removal of Regular officers from the active list solely because of a reduction in the actual or authorized personnel strength of the service concerned. Rather it is intended that the removal of Regular officers from the active list will continue to be authorized only for the reasons and under the procedures and limitations now provided by law for such removal and as further provided by the proposed legislation.

Within the framework of existing law, the military services have been and are now vigorously carrying out sound, progressive, personnel programs and administrative measures designed to make career service more attractive and to improve further the quality of the career officer structure. Measurable progress has resulted from these programs and every effort will be continued to consolidate and improve the gains already made.

There remains, however, a need for added flexibility in some of the statutory provisions presently controlling the promotion, retention, and involuntary retirement of Regular officers.

Accordingly, the proposed legislation would amend title 10, United States Code, and would, in general, effect the following major changes in existing law:

ALL SERVICES

A. Lieutenant colonels and colonels; commanders and captains; selection for continuation on active duty

This bill provides that the Secretary of the Department concerned may convene a Secretary's board of at least five general or flag officers to review the records of those officers on the active list serving in the permanent grade of lieutenant colonel or colonel, commander or captain, as the case may be, who have completed at least 20 years' total commissioned service, to select officers for continuation on the active list.

The Secretary of the Department concerned will determine in advance the number of officers serving in the particular grade under review that the board may recommend for continuation on the active list in that grade. The board would recommend officers for continuation in the number specified by the Secretary; however, the number specified by the Secretary could not be less than 90 percent of the number of officers who are eligible for consideration for continuation on the active list of that grade. As is noted in item "B" below, this percentage limitation is not applicable to twice passed over lieutenant colonels and commanders, colonels and captains.

If the Secretary approves the report of the Secretary's board, he may cause the retirement of any officer not recommended by that board for continuation. Such retirement shall be on the first day of any month set by the Secretary, but not later than the first day of the seventh month after the date of the approval by the Secretary concerned. The proposed legislation also provides that such Secretary's boards may be convened not more often than once each year with respect to each grade, and further, that each officer selected for continuation in the approved report of the selection board shall not again, thereafter, be subject to consideration of the question of continuation on the active list while serving in the same grade in which he was serving when considered by the Secretary's selection board.

B. Lieutenant colonels and colonels; commanders and captains; discretionary retirement after being twice considered but not recommended for promotion to next higher grade

This bill provides that the Secretary of the Department concerned may also direct the board convened under "A" above to consider and recommend for retirement officers on the active list serving in the permanent grade of lieutenant colonel or colonel, commander or captain, as the case may be, who have (a) completed more than 20 years' total commissioned service; and (b) have failed twice or more of selection for promotion to the next higher permanent grade.

The Secretary of the Department concerned will determine the number of officers serving in the particular grade under review that the Secretary's board should recommend for retirement. The board will recommend lieutenant colonels and colonels, commanders and captains for retirement in the number specified by the Secretary: *Provided*, however, with respect to officers in the grade of colonel or captain (USN), the number specified by the Secretary shall not be more than 20 percent of the number of colonels and captains to be considered for retirement by such board.

Each officer recommended for retirement will, if the recommendation is approved by the Secretary, be retired on the first day of any month set by the Secretary but not later than the first day of the seventh month after the date of the approval by the Secretary concerned.

The above provisions as to special Secretary's boards for continuance or retirement will be permissive and in the discretion of the service concerned. With respect to the "two-time passover" provision, for example (item "B" above), should the Secretary concerned desire to continue all such officers on the active list to meet the needs of the Service, no board need be convened and such officers could be retained until they have reached the periods of service otherwise specified in law for their retirement.

C. Criteria for selection for promotion in all ranks

This bill provides with respect to permanent and temporary promotions in all services that the primary criteria for selection for promotion shall be ability and efficiency.

ARMY AND AIR FORCE

A. Permanent promotion up to grade of colonel—permissive selection of 5 percent below primary promotion zone

This bill provides authority to select for promotion up to the permanent grade of colonel "best qualified" officers from below a primary promotion zone; such selection to operate as a passover only for those officers who are in the primary promotion zone and who are not selected for promotion. The proposed legislation also provides that the numbers of officers so selected from below the primary promotion zone may not exceed 5 percent of the total number the regular selection boards are authorized to recommend for promotion to the grade concerned.

Navy and Marine Corps are not affected by this provision, since such authority to promote from below the primary promotion zone already exists by law for those services.

B. "Best qualified" system for promotion to grades above captain, Army and Air Force

This bill provides that promotions to permanent grades above captain, Army and Air Force, would be made only on a "best qualified" basis; and that the number prescribed by the Secretary for recommendation for promotion must be at least 80 percent of those listed for consideration for the first time.

Navy and Marine Corps are not affected by this provision, since existing law already requires use of the "best fitted" system by the Navy and Marine Corps.

NAVY AND MARINE CORPS ONLY

The proposed legislation provides for revision of present law governing the selection of rear admirals for continuation on the active list. Rear admirals must be considered for continuation by a regular selection board in the fiscal year in which they complete 5 years of service in grade. Those who are selected for continuation on the active list will become entitled to the pay and allowances of a rear admiral (upper half). Those who are not selected for continuation will be retired at the end of the fiscal year in which they were considered, provided they have completed 30 years of commissioned service. This provision is comparable to provisions of existing law relating to the retirement of brigadier generals who are not selected for promotion to the grade of major general. As a special provision, terminating on July 1, 1965, the Secretary of the Navy is authorized to require selective elimination of captains in the Navy or colonels in the Marine Corps in a larger percentage than is authorized for the other services. This authority is necessary to deal with the present critical situations in officer promotions in the Navy and Marine Corps. Separate legislation was submitted in 1957 for this purpose and was introduced in the House of Representatives as H. R. 8068. In effect, the inclusion of this special provision will permit the principal personnel actions contemplated in that proposal.

COST AND BUDGET PRICE

No cost estimates have been submitted by the services, as the costs of this proposal are dependent upon future determinations by the Secretary concerned regarding the extent to which the discretionary authority contained in this proposal should be exercised.

Sincerely yours,

DONALD A. QUARLES,
Deputy.

SECTIONAL ANALYSIS OF A BILL TO AMEND TITLE 10, UNITED STATES CODE, TO REVISE CERTAIN PROVISIONS RELATING TO THE PROMOTION AND INVOLUNTARY RETIREMENT OF OFFICERS OF THE REGULAR COMPONENTS OF THE ARMED FORCES

Section 1 amends title 10, United States Code, as follows:

Clause (1) (A) adds section 1294 to title 10. Section 1294 provides that the Secretary of a military department may convene one or more boards, each consisting of at least five officers in grades above colonel or captain, as the case may be, to review the records of those officers on active duty serving in the permanent regular grade of lieutenant colonel or colonel, or commander or captain, as the case may be, who have completed at least 20 years' total commissioned service, to select officers for continuation on active duty. The board shall recommend officers in specified categories for continuation in the number specified by the Secretary. However, the number specified by the Secretary for officers who are eligible for consideration for continuation on active duty, other than those who have twice failed of selection for

promotion, may not be less than 90 percent of those officers. The number specified by the Secretary for colonels or captains who have twice failed of selection for promotion may not be less than 80 percent of those officers. If the Secretary approves the report of a board, he shall retire each officer not recommended for continuation. Such retirement shall be not later than the first day of the seventh month after the date of the approval by the Secretary. The section will also provide that boards may be convened not more often that once each fiscal year; and further, that each officer selected for continuation in the approved report of the selection board, except an officer who has twice failed of selection for promotion, shall not again be eligible for consideration for continuation on active duty while serving in the same grade in which serving when previously considered by the selection board.

Clause (2) amends section 1401 to provide a retired pay formula for officers retired under section 1294.

Clause (3) (A) amend section 3297 to provide that recommendations for promotion in the Regular Army shall be based upon ability and efficiency.

Clause (3) (D) adds new section 3300a to provide that—

(1) When Regular Army captains or majors are considered by a selection board for promotion, the board shall recommend officers, whom it considers best qualified, in the number specified by the Secretary of the Army for promotion;

(2) the board may remommend not more than 5 percent of that number from captains or majors, whom it considers best qualified, not in the promotion zone furnished by the Secretary to the board; and

(3) captains or majors not in the promotion zone who are on a promotion list above an officer recommended for promotion may not be considered as having failed of selection for promotion.

Clause (3) (F) adds new subsections (b) and (c) to section 3305 to provide that a selection board may recommend for promotion to colonel, from Regular Army lieutenant colonels whom it considers best qualified who are not in the promotion zone furnished by the Secretary of the Army to the board, not more than 5 percent of the number specified by the Secretary under section 3305 (a) for promotion from officers in the zone.

Clause (4) amends section 3442 (c) to provide that selections for temporary promotions to commissioned officer grades in the Army shall be based upon ability and efficiency.

Clause (5) amends section 5707 (1) to provide that recommendations for promotion or continuation on the active list of the Navy shall be based upon ability and efficiency.

Clause (6) (A) amends section 6371 (a) to provide that line rear admirals not restricted in the performance of duty are eligible for consideration for continuation on the active list in the fiscal year in which they complete 5 years of service in grade. Under present law these officers are not considered for continuation until they have at least 5 years of service in grade and 35 years of total commissioned service.

Clause (6) (B) amends section 6371 (d) to provide that a rear admiral who is not selected for continuation on the active list may not be retired until he has completed 30 years of total commissioned service.

Clause (6) (C) adds a new subsection (f) to section 6371 to provide that after July 1, 1960, a rear admiral of the unrestricted line will not be entitled to the pay and allowances of a rear admiral (upper half) unless he is selected for continuation on the active list under section 6371 (a); if selected, he is entitled to that pay in accordance with section 5507. Under present law (sec. 5507), an unrestricted line rear admiral automatically becomes entitled to upper-half pay when the number of unrestricted line rear admirals who are junior to him equals or exceeds the number senior to him. This present provision would continue to govern the date from which upper-half pay would be payable to officers selected for continuation, but new section 6371 (f) would prevent a nonselected officer from ever receiving upper-half pay.

Clause (6) (D) amends section 6372 (a) to provide that line rear admirals restricted in the performance of duty and rear admirals in the staff corps shall be retired on June 30 of the fiscal year in which they complete 5 years of service in grade, unless they are selected for retention on the active list (on a year-to-year basis) under section 6372 (b). However, the retirement of officers who have not completed 30 years of total commissioned service would be deferred until they complete that service, and officers serving in the grade of admiral or vice admiral would not be subject to retirement under this section until the termination of their temporary appointments in those grades. Under present law, staff corps and restricted line rear admirals are retired on June 30 of the fiscal year in which they complete at least 7 years of service in grade and at least 35 years of total commissioned service, unless selected for retention (on a year-to-year basis) under section 6372 (b); there is no special deferment of retirement for officers serving in 3- or 4-star grades.

Clause (6) (E) adds new subsection (e) to section 6372 to provide that after July 1, 1960, a restricted line or staff corps rear admiral will not be entitled to the pay and allowances of a rear admiral (upper half) unless he has been selected for retention on the active list. Under present law rear admirals in these categories automatically become entitled to upper-half pay when their contemporaries of the unrestricted line become so entitled. New subsection (e) would not change the date from which upper-half pay would be payable to an officer selected for retention but would prevent a nonselected officer from ever receiving upper-half pay.

Clause (7) (A) amends section 8297 to provide that recommendations for promotion in the Regular Air Force shall be based upon ability and efficiency.

Clause (7) (E) adds new section 8300a to provide that—

(1) when Regular Air Force captains or majors are considered by a selection board for promotion, the board shall recommend officers, whom it considers best qualified, in the number specified by the Secretary of the Air Force for promotion;

(2) the board may recommend not more than 5 percent of that number from captains or majors, whom it considers best qualified, not in the promotion zone furnished by the Secretary to the board; and

(3) captains or majors not in the promotion zone who are on a promotion list above an officer recommended for promotion may not be considered as having failed of selection for promotion.

Clause (7) (G) adds new subsection (b) and (c) to section 8305 to provide that a selection board may recommend for promotion to colonel, from Regular Air Force lieutenant colonels whom it considers best qualified who are not in the promotion zone furnished by the Secretary of the Air Force to the board, not more than 5 percent of the number specified by the Secretary under section 8305 (a) for promotion from officers in the zone.

Clause (8) amends section 8442 (c) to provide that selections for temporary promotions to commissioned officer grades in the Air Force shall be based upon ability and efficiency.

Section 2 is a savings provision to provide that a change or revocation of an election of an annuity under section 1431 (b) of title 10, United States Code, made within 5 years of retirement under section 1294 of that title, is effective notwithstanding section 1431 (c) of that title, if it is made within 5 years before the officer would normally have been retired.

Section 3 is a savings provision to provide that officers who are entitled to the pay and allowances of a rear admiral (upper half) on July 1, 1960, will remain so entitled regardless of whether they have been selected for continuation or retention on the active list.

Section 4 provides for phasing in the provisions for earlier retirement of rear admirals of their earlier consideration for continuation or retention on the active list. It provides that for a period of 1 year after the effective date of the act, an unrestricted line rear admiral will not be subject to consideration for continuation on the active list unless he will complete at least 6 (instead of 5) years of service in grade during that year; and a restricted line or staff corps rear admiral will not be subject to retirement unless he will complete at least 6 (instead of 5) years of service in grade during that year. This is to equalize opportunities for selection for continuation or retention and to preclude too heavy attrition among rear admirals in the first year of operation. It requires the deferment of the restriction on receipt of upper-half pay until July 1, 1960, as provided in section 1 (6) (C) and (E).

Section 5 provides that before July 1, 1965, the Secretary of the Navy may specify numbers under section 1294 of title 10 for continuation on the active list of officers of the Navy and officers of the Marine Corps without regard to the minimum percentages prescribed by that section.

Section 6 provides that the act becomes effective July 1, 1958.

STANDARDS WITH RESPECT TO THE ELECTION OF UNION OFFICERS

Mr. KENNEDY. Mr. President, I introduce, for appropriate reference, a bill to establish minimum public standards with respect to the election of union officers. This is a critical area, and I am very pleased to say that on the basis of information available to me, most trade unions, both local and international, conduct their elections in an exemplary democratic fashion. However, there has been evidence that some few unions have not conducted their affairs in a democratic manner, and since free secret elections are the cornerstone of the democratic union movement, it appears appropriate that public safeguards be established.

My bill would require every labor organization to elect its constitutional officers at least every 4 years either by a secret ballot among the members of good standing, or at a convention of delegates chosen by secret ballot and in accordance with the union's constitution and bylaws. The bill provides safeguards such as due notice to the members of the time and place of election, a reasonable opportunity to nominate candidates, and freedom from coercion or restraint. The bill also requires that ballots used in a secret election shall be preserved for 1 year after the elections, and, in the case of a convention, the credentials of the delegates shall also be retained for 1 year.

The bill enables union members who feel that their democratic voting privileges have been abrogated to appeal to

the Secretary of Labor within 4 months after the election, provided that they have exhausted any remedies available to them under the constitution and by-laws of the union, and, provided that they have not received a final decision on their complaint within 3 months after invoking their constitutional rights. If, after speedy investigation of the complaint, the Secretary finds probable cause to believe that a violation of the provisions of this bill had occurred, he shall, without disclosing the identity of the complainant, bring a civil action against the labor organization to set aside the election. If the United States District Court agrees with the Secretary, that there has been a substantial violation of the provisions of the bill, then he shall void the election and order the Secretary to conduct a new one, after which the Secretary shall certify the new officers as being duly elected.

This bill, Mr. President, is a modest proposal, and I am confident will not be invoked, if it is enacted, in very many instances. However, it does provide a fundamental safeguard to American working men and women without undue interference in the internal affairs of what I believe are essentially private institutions—that is American trade unions. The remedies which this bill provides are direct and expeditious—they seek not to punish but rather to correct so that where they had been deprived, American trade unionists may assure that their votes mean something in the conduct of their own affairs.

I hope the Subcommittee on Labor will give careful consideration to this bill for it represents what I consider to be a simple, direct approach to what I am convinced is not a large problem but one which is fundamental to a correction of some of the abuses which have been disclosed in the last year or so.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3751) to provide standards with respect to the election of officers of labor organizations, introduced by Mr. KENNEDY was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, TO CORRECT UNINTENDED BENEFITS AND HARDSHIPS—AMENDMENT

Mr. SALTONSTALL. Mr. President, on behalf of myself, and my colleague, the junior Senator from Massachusetts [Mr. KENNEDY], I submit, for appropriate reference, an amendment, intended to be proposed by us, jointly, to House bill 8381, the so-called technical amendments bill, now pending before the Senate Committee on Finance, which would extend the time within which certain employee pension trusts may comply with technical requirements of the Revenue Act of 1938, the Internal Revenue Code of 1939, and the Internal Revenue Code of 1954. Our proposal would have very narrow application, since only pension trusts which had been ruled qualified by the Commissioner of Internal Revenue prior to July 1, 1943, and which for the years subsequent to 1942 had actually been operated in accordance with the provisions of the 1939 and 1954 codes, come within its purview.

In 1933 the Springfield Union Publishing Co., of Springfield, Mass., established an employees' pension trust known as the Springfield Union Employees Beneficial Fund, and the Republican Publishing Co., also of Springfield, established a pension trust known as the Republican-Daily News Employees Beneficial Fund.

These two pension funds, operating pursuant to noncontributory pension plans under which employees receive full pay upon retirement have, in fact, been paying pensions to retired employees of the employer corporations since 1938.

At the present time 62 former employees of the 2 newspapers are being paid weekly pensions from the funds of the 2 trusts, while the 2 corporations currently employ about 700 full-time employees, all of whom are covered by the pension plans involved.

The amendment which my colleague from Massachusetts and I offer is designed only to permit the funds in which these 700 employees have such a vital stake to conform to the technical requirements of the internal revenue laws.

The PRESIDENT pro tempore. The amendment will be received, printed, and referred to the Committee on Finance.

JURISDICTION OF THE SUPREME COURT—ADDITIONAL COSPONSOR OF JOINT RESOLUTION

Under authority of the order of the Senate of May 1, 1958,

The name of Mr. HUMPHREY was added as an additional cosponsor of the joint resolution (S. J. Res. 169) to propose an amendment to the Constitution of the United States relating to the jurisdiction of the Supreme Court, introduced by Mr. JAVITS (for himself and other Senators) on May 1, 1958.

PRINTING AS A SENATE DOCUMENT PROCEEDINGS AT UNVEILING OF BUST OF ALBEN WILLIAM BARKLEY (S. DOC. NO. 98)

Mr. HAYDEN. Mr. President, last Tuesday, April 29, 1958, the Senate recessed for a short period during the morning hour to enable its Members to participate in the proceedings at the unveiling of the bust of Alben William Barkley, of Kentucky, Vice President of the United States for the 41st term. I am certain that I speak for all of us when I say that it was gratifying to be enabled through those proceedings to demonstrate in some small measure the high esteem in which we held our beloved former colleague. I think it is fitting that the record of our tribute to "the Veep" be preserved and made available to the American public. Accordingly, I ask unanimous consent that the proceedings at the unveiling of the bust of Alben William Barkley be printed with illustrations as a Senate document.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Is there objection to the request of the Senator from Arizona? The Chair hears none, and it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Statement prepared by him entitled "Serious Limitations of President's Antarctic Proposals."

Statement prepared by him entitled "Poland's Constitution Day—A Reminder of Freedom-Loving People's Refusal To Be Dominated."

Statement prepared by him, entitled "The Milwaukee Journal and the Nation Salute the Fulbright Exchange of Scholar Program."

By Mr. PROXMIRE:

Address delivered by Senator MANSFIELD on April 21, 1958, before the 1958 Campaign Conference for Democratic Women.

Article entitled "Do Installments Peril the Economy?" written by Senator O'MAHONEY and published in the New York Times.

By Mr. BRICKER:

Statement by the Secretary of Commerce relating to unemployment statistics.

SERIOUS PROBLEMS CONFRONTING NATION'S RAILROADS

Mr. LANGER. Mr. President, I should like to talk briefly about one of the most serious of the many economic problems our Nation faces today. We have all witnessed cuts in production and employment in recent weeks, and we have heard directly from constituents of cases of personal hardship that have resulted from this recession in business activity. We have also heard many proposals made for reversing this downward drift. But by and large, we have seen developing a wait-and-see attitude toward such problems—the assumption being that natural correctives will eventually begin to take hold. Yet I submit that there is at least one major area where a wait-and-see attitude can only aggravate present deterioration—simply because the conditions that have brought this about are largely the result of actions by Congress and the executive agencies. I speak of transportation, and I refer specifically to the increasingly serious situation confronting the Nation's railroads.

I do not think I need remind Senators that steep declines have been registered in railroad traffic and earnings in recent months. Freight carloadings are now running at a fantastic 20 percent behind last year. A major industry cannot suffer business losses of one-fifth or more without taking drastic steps to economize. To make ends meet, the railroads have had to slash outlays for maintenance, for operating materials and supplies, and for essential capital improvements. Deep cuts have been made in the number of workers on the payroll.

These are ominous trends that deserve more than passing attention. Their culmination is a current development, but

the trends themselves are part of a long-range pattern. Recent carloadings, for instance, have barely topped 500,000 a week—only slightly more than half the postwar highs set in 1946. By this January, layoffs had whittled the number of railroad workers down to 886,000—a drop from more than 1,400,000 at the end of War II. This is almost unbelievable. In just the brief postwar period a full half-million railroad men have lost their jobs. Rail employment today is even below the lowest point set in the depression years. To find a lower mark, it is necessary to go back 60 years—all the way to 1898.

It is, of course, true that much of the decline in railroad employment is traceable to technological improvements in the operation of the railroads. But the current situation represents far more than that. Layoffs in railroading, and reduced railroad buying from the numerous industries that supply the carriers, contribute to hardships throughout the economy. It is a contagion that feeds on itself and spreads inexorably among others.

I do not think we can sit idly here in Washington and allow this condition to deteriorate further. My own State of North Dakota is as vitally interested in sound railroads as any other State, even though its main business is farming; perhaps I should say, especially because its main business is farming. Agricultural output is of no value to anyone—either to the farmer or to the rest of the Nation—without efficient transportation to consumers and other markets. This is all the more true when great distances separate the producer from the user, as in the case of the States on the Great Plains and beyond.

We are also directly affected because last year the seven railroads serving my State had local payrolls of more than $32 million and contributed more than $5 million in local tax payments for the support of our Government units.

If the worsening railroad circumstances were the carriers' own fault, I would not urge that we take action on their behalf, but would consider them the unfortunate victims of change and progress in this dynamic country. But we cannot shrug the matter off so readily. We hear the glib charge that the railroads are laggard in improving their plant and services; yet the record shows they have spent more than $13 billion since World War II for these purposes. In fact, in terms of total investment in facilities and equipment, railroads are the Nation's second largest industry—a fact by no means lost on our capital goods producers.

In spite of these efforts at helping solve their own problems, however, the railroads have seen a steady decline in their passenger business and in their share of the freight moving between our cities. They handled two-thirds of intercity freight volume right after World War II; today, they handle less than half the traffic. The difference has gone to rapidly expanding trucklines, bargelines, pipelines, and airlines. The reason in part are that the Nation has found sound uses for a highly diversified transportation industry—not only for carriers such as railroads, which offer mass hauling at low unit costs, but also for carriers offering individualized services, flexibility, and speed. Yet it is also obvious that the competitive struggle for traffic among the various carriers has been waged under unequal and inequitable conditions.

I will refrain from going into detail on the grave imbalances created by Government aid to the construction of highways, waterways, airports, and air navigation facilities. Whether commercial users of these publicly provided facilities pay charges adequate to compensate the Government for such vast expenditures in their behalf is a basic question. It is clear, however, that the rail carriers who must provide their own roadway and, in addition, pay huge sums in taxes on these facilities, are at a great disadvantage in trying to compete.

Not only have Government spending policies hurt the railroads. Government has gone beyond this and applied taxes in such a way as to further stack the cards against these essential carriers. And then, as though this were not enough, it has so surrounded the railroads with regulatory redtape as to prevent them from using their natural competitive advantage of low-unit-cost hauling in seeking traffic. The Interstate Commerce Act, now 70 years old, launched Federal regulation over the industry's rates and charges, safety requirements, and working conditions. But this basic law was enacted in the days when transportation was largely railroads, and railroads were transportation. The two were synonymous. What a different situation we have today.

Congress through the years has sought to bring each new form of transportation under the jurisdiction of the Federal agencies, and the result has been a veritable crazy-quilt of practices. Of all the carriers, the railroads remain the most tightly restricted. The efforts of Government to extend regulation over all of transportation, so that the burdens and responsibilities fall equally on each, have failed. Private and exempt hauling has mushroomed to such an extent that Federal rate regulation today applies to only one-third of intercity freight traffic moving over the highways and to less than one-tenth of that on the inland waterways.

I believe many things could and should be done to remedy these glaring defects in the relationship of Government to the various carriers, and to bring about some measure of competitive equality within the industry. I do not suggest ending regulation, but I do suggest that we simplify it. If the railroads are indeed at an ultimate crisis, let us give them the ultimate chance to work out their own future.

Let us strike some of the shackles from them.

Let us give them greater freedom to price their services, greater freedom to discontinue hopelessly losing services, and the freedom to enter highway hauling and other forms of transportation.

Let us take a close look at whether carriers that benefit from Government spending are paying charges commensurate with these benefits.

And let us put an end to destructive taxation of our essential common carriers.

In this last respect, I speak of the Federal excise taxes on transportation—the 10 percent levy on passenger tickets and the 3 percent tax on freight charges. Of all the contradictory things the Federal Government has done within the sphere of transportation, no one item seems to me more contradictory than the continued drain imposed on the traffic of common carriers by these taxes. On the one hand we in the Congress have declared it to be the national transportation policy that a strong and vigorous system of common carrier transportation be maintained, rightly holding it to be in the nation's interest to have for-hire carriers available to everyone for the shipment of anything anywhere in the country.

On the other hand, Congress passed measures during World War II applying taxes to for-hire transportation that have almost proved the undoing of these essential carriers. How? Simply by encouraging travelers and shippers alike to resort to their own private vehicles for transportation. The 3 percent freight tax, for example, applies only to for-hire carriage, not to that performed in a man's own vehicles. And this 3 percent extra levy on the public carrier's charges, though it may seem small, is enough of a difference to induce many a large manufacturer to buy his own fleet of trucks or barges.

The real evil of this levy, however, is that it penalizes the small shipper—farmer and businessman alike—who cannot afford to buy his own vehicles and who must, therefore, depend on our great common carriers for efficient service. Not only is the customer of common carriers discriminated against by having to pay this tax, but he faces another, less obvious burden. As traffic volume is diverted from the common carriers by the tax, charges on remaining traffic must be raised even further to support the public carrier's operations.

The western shipper is also unduly burdened by the freight tax, as is anyone else far distant from markets. The longer the haul, the higher the tax bill—and the harder it is for the distant shipper to compete in the same market with those nearby.

Being neighbors of Canada, we in North Dakota also have occasion to witness another type of traffic diversion brought about by this unjust tax. Because the Canadian Government has been wise enough to refrain from placing such a burden on commerce, businesses route transcontinental shipments by way of Canadian lines wherever possible in order to evade the American levy. Thus we see traffic moving on lines a few miles to the north that would otherwise go by American railroads.

Farmers have a particular grievance with this tax, too. It is estimated that shippers of farm produce pay almost one-fourth of the annual $480 million collected from the freight levy alone. It is a tax on production, levied as many

as five times along the processing chain. There is no question but that the levy adds substantially to the cost-price squeeze in agriculture and widens the spread in prices between the farmer and the consumer.

I urge that we take action at the earliest possible moment to remove this dead weight on commerce. The other day 13 members of our Committee on Interstate and Foreign Commerce recommended the immediate end of these taxes to provide an essential new stimulus to the economy. I join them in urging immediate consideration of this step.

In conclusion, I want to repeat that I feel many things should be done to help the railroads solve their worsening problems and to spur economic activity generally. I think we here might take as our guideline in this regard a recent editorial by the New York Times:

The public interest demands that the railroads not go out of business—

This great newspaper said.

Yet government, representing the public, fails year after year, hearing after hearing, to advance a positive program; it continues a policy of negation through regulation. If the railroads are really doomed by progress, then why not try letting them, for once in their long history, have their own way, their last chance to compete as they will in a free-enterprise system? If this took them along the road to suicide, then at least government would not be to blame

POLAND'S CONSTITUTION DAY

Mr. LANGER. Mr. President, for 167 years Poland has celebrated her constitution day on May 3. Since May 3 fell on Saturday this year and we were not in session, I now ask unanimous consent to have printed in the CONGRESSIONAL RECORD, a letter from the Polish American Congress, together with a statement entitled "Poland's key position in Central Eastern Europe."

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

POLISH AMERICAN CONGRESS, INC.,
Washington, D. C., April 15, 1958.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

MY DEAR MR. LANGER: May I draw your attention to the approaching anniversary of Poland's Constitution Day, Polish national holiday, which for 167 years is being celebrated on May 3.

This act of wise statesmanship, enacted by the Polish "Diet" in 1791 in Warsaw, by unanimous solemn vote, brought about important political, social and educational reforms destined to strengthen the Polish State at a time of threatening dangers from imperialistic neighboring powers.

Men, who undertook the task to guide the Polish nation on the path of social progress, belonged to the most enlightened brains of 18th century Poland. They were inspired by the ideals of the American Declaration of Independence and influenced by the French proclamation of the rights of man and citizen.

The principles laid down in the 3d May constitution survived while Poland was struggling for independence and were referred to in the constitutional laws of the reborn Polish State after World War I.

Free Poland's constitution day was May 3d, and it is still observed in the hearts of the people within the country, and throughout Polish communities in the world.

The imposing on Poland in 1953, under Soviet directives, of a "constitution" on Communist pattern, similar to that of all other "peoples" republics—did but reaffirm the attachment of the Poles to their historic charter of 1791.

It became a tradition for Members of the United States Congress to commemorate on the floor of their respective Houses Poland's national day on May 3d, to evoke links of friendship between both nations, and to stress United States interest in the fate of Poland.

Members of the United States Congress, who visited Poland lately, unanimously agree that although "the Polish government is Communist—the Polish people are not." American visitors are impressed by the friendly feelings of the population toward the United States of America. As a matter of fact the western trend in Poland has not been eradicated in spite of great efforts of Communist propaganda to discredit the western democracies.

The commemoration of the 3d May constitution by the United States Congress will undoubtedly find a favorable response among the people in Poland.

Your support of the cause of Poland on that occasion will be greatly appreciated by the Polish American congress.

I take the liberty to enclose for your attention a memorandum listing a few items of actual interest concerning Polish problems.

Yours sincerely,
CHARLES BURKE,
Washington Representative,
Polish American Congress, Inc.

POLISH AMERICAN CONGRESS, INC.,
Washington, D. C.

POLAND'S KEY POSITION IN CENTRAL EASTERN EUROPE

The subjugation by Soviet Russia of the formerly free and sovereign countries of Central Eastern Europe after World War II proved to be, as time went on, one of the main sources of international tension. A direct consequence of this shift of power was the division of Europe, totally artificial from a historical, cultural, and economic point of view, and detrimental to the very idea of a United Europe.

The demarcation line dividing Europe is based solely on Soviet power-policy considerations with the purpose to serve further expansion of international communism.

Thus, the ideological conflict between communism and the Free World was brought nearer to Western Europe and, therefore, to the United States of America, resulting in a state of cold war in the relations between East and West.

Poland, by her geographical situation, number of inhabitants, and natural resources, forms a key position in Central Eastern Europe.

As a general rule, United States foreign policy has in the past concentrated its main interest on Germany and Russia, and less attention was paid to the countries situated between those two powers.

This attitude was largely responsible for the fact that wartime agreements, such as Teheran and Yalta, were concluded with the U. S. S. R. in disregard of Poland's vital interests as well as of the other Eastern European countries.

Similarly, the idea of finality with regard to European nations under Soviet hegemony which found some adherents in the United States of America and was expressed by certain American writers—curiously enough, on the very eve of the events in Poland and Hungary in 1956 which contradicted flagrantly this assertion—showed underestimation of the importance of Poland and other captive nations as potential factors of security and peace in Europe.

CONDITIONS IN POLAND AND UNITED STATES ECONOMIC SUPPORT

The people of Poland, in spite of ruthless Communist subjugation on the Stalin pattern, have maintained their patriotism and moral resistance. Their feelings and beliefs did not flinch under Communist indoctrination and terror. This also applies to the much-exposed young generation.

The Poznan revolt and the October events of 1956, which took place under popular pressure, have shown the resistance of the Poles against Soviet rule and their aversion to every form of communism. Ideological slogans like "Polish road to socialism" proclaimed as a new program by the Gomulka regime are regarded by the average Pole merely as tactical moves, Communist style.

It is fully realized that the country finds itself in a compulsory situation toward Soviet Russia. The suppression of the Hungarian freedom rising by Soviet troops, practically without any reaction of the Western Powers, remains as a threatening memento.

Under these circumstances but a slim restricted margin is left for the development of direct relation with the West and the United States of America in particular.

It seems therefore profitable to the United States of America to take advantage of every possibility to give the people of Poland moral encouragement by proving interest in their fate through concrete facts such as economic support recently granted. Although this might represent a calculated risk it is in line with psychological and political necessities, considering the feelings of the Polish people who looked to America for economic support.

SOVIET INSISTENCE THAT THE STATUS QUO IN CENTRAL EASTERN EUROPE BE RECOGNIZED BY THE UNITED STATES OF AMERICA

Soviet recent successes in intercontinental missiles and sputniks are being exploited by the Kremlin to obtain final recognition of its domination over the countries of central eastern Europe.

In his address of December 20 last, delivered to the Supreme Soviet, Khrushchev asked the West "to recognize the status quo; that is, the situation characterized as it is by the existence of Socialist and capitalist states."

His language became violent in Minsk, on January 22, when he replied to President Eisenhower's proposal, that "in the interest of peace and justice the right of free choice of the captive nations be discussed at the summit conference."

In the subsequent exchange of letters and memorandums with the United States of America and the Western Powers, the Soviet Union took a menacing attitude with regard to every proposal to place on the summit agenda the problem of the captive nations. The U. S. S. R. termed such a request as an insulting interference in the domestic affairs of those countries, in spite of the fact that this request was motivated by agreements and treaties binding the Soviet Union.

It is evident that Soviet Russia reserves for herself the exclusive right to exercise control over these countries using the respective Communist Parties as docile instruments of action.

It is useful to remember that any country subjected to communism is considered by Soviet Russia as virtually conquered for the Soviet bloc with all consequences deriving therefrom. This means in practical terms that any effort on behalf of the people of that country to replace the Communist system of government by a democratic one, through free voting expressing the popular will, is regarded as a hostile interference in the omnipotent right of the Communist Party to rule the country. And therefore as an act of aggression against Soviet Russia and other member states of the bloc. The use of So-

viet troops to extinguish the Hungarian freedom rising constitutes an evident proof of Soviet policy methods.

Judging from a wider perspective of possible future developments in other parts of the world—this shows a real menace of international Communist infiltration.

The obstinacy with which the Soviet Union opposes any discussion of problems relating to the captive nations and insists so strongly now on the sanctioning of the status quo finds additional explanation in the following consideration:

The Poznan revolt of 1956, followed by subsequent developments in Poland and the Hungarian uprising, are proofs that the countries behind the Iron Curtain are in fact a weak spot in the Communist empire. The more so that the repercussions of these events were far reaching as far as the Soviet bloc is concerned, and their influence strongly felt in the Communist Parties abroad.

UNO's reactions to brutal methods applied by Russia to Hungry, although expressed by resolutions, which were without practical consequences, had a negative effect on Soviet propaganda. The Kremlin is therefore anxious to close once and forever the Hungarian chapter.

In addition to that the Soviets try to obtain a complete disinterestment of the Western power, and United States of America in particular, with regard to the countries submitted to their influence.

In this way the U. S. S. R. would acquire a totally free hand in their action against all efforts of the people to gain more independence.

From our American point of view even tacit acquiescence to Soviet maneuvers aiming at the sanctioning of Moscow-sponsored Communist domination of formerly free and sovereign countries—would allienate the people of those countries and be detrimental to the United States of America from a moral, political, and military point of view.

Mr. THYE. Mr. President, on May 3, people of Polish ancestry throughout the world observed the 167th anniversary of the enactment of the Polish Constitution of 1791. I say observed rather than celebrated. There is little celebrating in Poland today.

The Polish Constitution, adopted in 1791, was inspired by our own Declaration of Independence. Both historic declarations represent instruments in the march toward freedom. And yet what different roads they have traveled. Both are based on the recognition that man is endowed with certain inalienable rights and that for the protection of these rights, government is created from among those and by those who are to be governed.

Since the time when these two great documents of freedom were put forward more than a century and a half ago, freedom has been continually challenged by those who would establish the laws of men over the laws of God and authoritative government over government by and through the consent of the people.

During these 167 years, Poland has faced many a crisis. The courageous people have suffered many reversals. They have suffered by cruel dictatorship and from tyranny. Now Poland suffers from the shackles of cruel and godless Russian communism.

Down through the years, however, the courage of the Polish people has never faltered. It might be said that some battles have been lost. But in the end, the fight for freedom and independence will be won.

We all know of the heroic uprising in Poznan in June of 1956. The events of October of 1956 also illustrate the resistance of both Poland and Hungary to Soviet domination. Both the Poznan uprising and the Hungarian revolution shattered completely the theory of Communist Russia's domination over the countries of central and eastern Europe. The workers—the people—showed how completely, how fiercely, they reject Soviet Communist domination.

Today, as I speak before the Senate, Poland still lies under the heel of Russian domination. Geographically, Poland is surrounded by the military might of communism. It is only because of this fact that a Communist government is still in control. Because man was created to be free, because faith is stronger than the sword, and because right will triumph over evil, the destiny of Poland is the destiny of a nation in freedom.

The Government of Poland is Communist; the people are not. May that day come soon when the people and their country will march forward together in freedom.

Mr. PAYNE. Mr. President, last Saturday, May 3, marked the anniversary of Poland's Constitution Day, a Polish national holiday which has been celebrated for 167 years. To the freedom-loving people of the great Polish Nation this day is comparable to our Independence Day, because it signifies the beginning of important political, social, and educational reforms destined firmly to implant the heritage of freedom and democracy which the Polish people have exemplified for many generations.

Few nations in the history of the Western World have struggled so valiantly as has Poland for the establishment of democratic and free institutions. As a consequence of geographical position and other factors, Poland has been threatened since time immemorial by giant imperialistic neighbors who through the centuries have overrun this heroic nation and attempted to snuff out the flame of freedom. They have never succeeded. Although the Polish people have not always been able to withstand the military forces of their larger neighbors, they have never succumbed to the spirit of totalitarianism; they have never lost their faith, respect, and desire for liberty.

Following a brief historical moment of freedom and independence after World War I, Poland became one of the first victims of Nazi tyranny in 1939. The entire Free World was struck by the courage of a government which would not sacrifice principle for a political understanding with either Hitler or Stalin, and by the heroism of a people who fought bravely against overwhelming odds. Defiance to the forces of tyranny never died despite many years of occupation, and the entire Polish Nation rose up against the conquerors the moment it could do so without risking complete annihilation.

The story of Poland since World War II is indeed well known to all of us. It contributes one of the most tragic pages in the history of our times. Generations of effort and sacrifice to the cause of freedom by the Polish people have not yet achieved their goals. Poland remains subjugated by a modern tyranny more complete and devastating than any ever recorded in the annals of human history. Yet, as witnessed in Poznan in October 1956, and subsequently, the Polish people continue to hope and work for a day when they will achieve the full product of their noble heritage—freedom and independence.

It is only fitting that we recognize the efforts of this great people by joining with them to commemorate this anniversary of their Constitution Day. It is with heavy hearts that we take cognizance of their present plight, but it is with hope and determination that we dedicate ourselves to a future which will witness the rebirth of independence and freedom in Poland and in all other enslaved countries of the world.

Mr. DIRKSEN. Mr. President, on behalf of the Senator from Connecticut [Mr. PURTELL], I ask unanimous consent that there be printed in the RECORD a statement prepared by him on the subject of Polish Constitution Day.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE CONSTITUTION OF 1791: A TRADITION OF LIBERTY AND HOPE

(Statement by Senator PURTELL)

Saturday, we commemorated the anniversary of the Polish Constitution of 1791. Since that time, Poland has undergone many national misfortunes, but none perhaps greater than conquest by Soviet imperialism after World War II. In this past decade Poland, like her sister states of Eastern Europe, has been compelled to accept Communist tyranny and all its evil works. In so doing the Polish people have unwillingly submitted to the most cruel and inhuman oppression ever imposed upon one nation by another.

The dynamic events of 1956, however, proved to the Free World that the Poles had resisted their oppressor and also had successfully resisted the corroding effects of his political doctrines. The Poznan riots and the upsurge of discontent in October 1956 demonstrated to the entire world that communism in Poland was bankrupt, and only by placing a Communist in power who understood Polish national sensitivities could the Polish Communists prevent their house from tumbling down.

It will soon be 2 years since the Communist regime of Gomulka had come into power. The character of the regime has not radically changed. It is still Communist in thought and action. But Poland has consolidated that small measure of independence which it had won from Moscow. Nonetheless, Poland is still between the hammer and the anvil and will do doubt continue to be in the immediate future. Soviet power surrounds her borders. As a consequence the Polish people have been placed in a highly delicate situation, and for them the stakes are high; indeed, their survival as a nation.

The Polish people are, however, a resourceful, courageous, and imaginative people. I feel sure that they will face up to the situation in the present and in the future in accordance with the interests of the Polish nation. Great traditions of liberty are rooted deep in Polish history. The constitution of 1791 is but one manifestation. And in the last analysis these great traditions shall sustain and inspire the Polish people

in their quest for freedom and genuine independence which they as a nation so richly deserve.

At the base of the great struggle which the Poles are making toward the day of eventual freedom is their deep religious spirit which has preserved them through this most disheartening error.

In Hartford, Conn., on Sunday, Mr. President, the Polish American Congress of the District of Connecticut assembled at the Bushnell memorial nearly 1,000 persons, representing 278 Polish societies in my State, to celebrate the anniversary of the Polish Constitution. The spirit of Poland was there, too, and prompted the members of the congress to pass resolutions repudiating the Polish Communist regime and urging continued pressure for ultimate Polish freedom.

Sons and daughters of Polish descent in the United States and throughout the world are joined by men and women of the Free World in a determined effort to speed the day when this most significant and historic anniversary may be observed in a homeland risen from the shackles of Communist oppression and standing once more unbowed in the sweet air of freedom.

Mr. McNAMARA. Mr. President, May 3 is a memorable day in the annals of human history. On that day, 167 years ago, the Polish Diet enacted one of the truly great documents of our Western civilization—the constitution of 1791.

On this May 3, liberty-loving Poles inside and outside their now subjugated country celebrate their national holiday and the anniversary of the constitution of 1791.

We of the Western World who share a common humane and democratic tradition with the Polish people join with our friends in commemorating the events of May 3, 1791.

We salute the statesmanship of the Polish patriots of yesterday, and we salute the courage of the Polish patriots of today who—through all the suffering and privation of Communist domination—keep alive that spirit of freedom that has always been the special hallmark of the Polish nation.

Poland is not free today. But someday—with the help of God—Poland will be free. It is only fitting that on the occasion of this anniversary of the Polish Constitution of 1791 we in the United States again reaffirm our friendship for the Polish people, and express our conviction that the day will come when we can again welcome Poland among the free nations.

Mr. YOUNG. Mr. President, our own Constitution was but 2 years old when on May 3, 1791, the first Constitution of Poland was enacted—a constitution which, like our own, proclaimed the principles of religious toleration, the secret ballot, and freedom of thought. It gives me great pleasure to speak in commemoration of the 167th anniversary of that historic occasion.

The principles of free Poland's Constitution are still observed in the hearts of Polish people everywhere. Indicative of this are the actions of the Polish people in my own State of North Dakota. They are among the very best citizens we have. Nowhere can one find more industrious people or more loyal Americans than in the Polish communities of North Dakota. Their love of freedom and their love of their heritage have greatly enriched our State.

Despite the Communist subjugation of their country, the Polish people have not yielded the principles embodied in the constitution adopted by their forebears on May 3, 1791. Communist indoctrination has not altered their feelings and beliefs. The Poznan revolt and the events of October 1956 make it clearly evident that, although the Polish Government is communistic, its people will not acquiesce in that type of rule.

The people of Poland are to be commended for their love of freedom and their courage to fight for it.

Mr. FREAR. Mr. President, last Saturday, May 3, marked the 167th anniversary of the Polish Constitution.

Great historic documents are the genuine expressions of noble ideas conceived and formulated by men of vision and foresight. Such documents make landmarks in national histories, and leave their permanent impression on national institutions. Our Declaration of Independence and this constitution of 1791 reflect the liberal and progressive character of Poland's leaders in the late 18th century. At that time, when Poland was partitioned, despoiled, and practically nonexistent as a political entity, patriotic Polish leaders produced the constitution of 1791, which was, and still remains, a landmark in Poland's modern history. With its broad and liberal provisions, such as the establishment of religious freedom, the elimination of class distinctions, introduction of ministerial responsibility, and the provision for mandatory, periodic reforms at specified intervals, that historic document ushered in a new era in Poland and also in central and eastern Europe. That constitution signaled the beginning of limited, constitutional monarchy and the establishment of democratic principles in that part of Europe.

Even now, 167 years after its drafting and adoption, the ideals of that document still retain their validity and vitality. In commemorating that constitution, we humbly pay tribute to all the brave Poles who suffered untold sacrifices for the realization of their national ideals—freedom, liberty, and independence.

Mr. SYMINGTON. Mr. President, Saturday was the 167th anniversary of the adoption and promulgation of one of freedom's greatest documents—the Polish National Constitution.

This instrument, forged during a period of national crisis, was the bridge which ushered Poland from the political darkness of the Middle Ages into the democratic enlightenment of modern times. It is still noteworthy for its liberalism and democratic ideals.

As a result of adopting the constitution, the Polish people were welded together and the crisis passed.

In the decades since that time, however, Poland has had many dark and trying hours.

Often, as now, her people have been subjected to the kind of tyranny they originally overthrew.

Still the flame of democratic independence burns in the hearts of the Polish people. Such ideals must be cherished and encouraged so that their very vitality may act as the catalyst for action leading to freedom.

Therefore, Mr. President, on this anniversary of Poland's first successful effort to achieve liberty under law, I join millions of Americans in paying tribute to her courageous people and wish them Godspeed toward a new and better day of freedom.

Mr. PROXMIRE. Mr. President, last Saturday, May 3, was a day of honor for a people who occupy a key position in the vital struggle between the Free World and the Communist satellite empire. It was Polish Constitution Day, and people of Polish nationality proudly observed this day throughout the Free World. In their homeland, the Polish people just as surely observed it in their hearts even though their Communist masters would like nothing better than to see this tradition ended.

The Polish Constitution of 1791 was inspired by the best Western ideals of freedom and self-government, and was one of the first constitutions on the continent of Europe to proclaim equal justice and social, political, and religious freedom for all. These principles are just as much a part of the Polish national heritage as they are of our own. And even though these principles are tragically violated by the oppressive Communist rulers of Poland, they still live strongly in the hearts of the Polish people. All Americans are wholeheartedly with the Polish people in their hopes and prayers that these principles shall live again as the guiding principles of a true Polish Government.

Mr. President, I had the privilege and pleasure of visiting Poland last fall, and I would like to say that I returned with the feeling that I had seen the most drastic Communist failure on record. An American newsman in Warsaw, who knows today's Poland well from many, many months of service in Poland, told me that if free elections would be held tomorrow the Communists would not get one vote in a hundred.

Everything I saw, and everyone with whom I talked in Poland, made it clear why this is so. There was an atmosphere of depression and discouragement everywhere. The reaction I got as an American visitor was astonishing. The people of Poland were allowed to speak freely to me—this degree of freedom has been won by the Catholic Church and the people—and they told me—almost with one voice—that they love America and the American people, they loathe their Russian oppressors, and they feel the Communist system is pitifully inefficient—that it will not work and cannot work.

Faced with the massive military power of Russia—which they know full well would be upon them should they follow their desire to revolt—the valiant Polish people have not found a solution for their tragic dilemma. But they know the solution is not to submit to communism, and they will never willfully do so.

In our own country, Americans of Polish descent have shown the same spirit in the great contributions they have

made to our national heritage. In my own State there is a very highly respected and admired group of citizens of Polish extraction. Wisconsin is proud of them and proud of the contributions they have made to our State's economy and culture; just as Americans everywhere are proud of the example the valiant Polish people are presenting in their homeland to the rest of the Communist satellite empire by their proud and defiant refusal to yield their spirits to their Communist captors.

It is the wish and prayer of all Americans that the Polish people, and all people everywhere, may someday live in a world at peace—a world governed by the principles of the Polish Constitution of 1791.

Mr. BEALL. Mr. President, Saturday, May 3, was Polish Constitution Day. The Senate was not in session on Saturday, and I am taking the first opportunity to join the many friends of the Polish people in celebrating the anniversary of the promulgation of the Polish Constitution of 1791.

Another famous instrument of that period comes to mind: the American Declaration of Independence of 1776, which proclaimed that man was "endowed with certain inalienable rights and that for the protection of these rights governments are instituted among men, deriving their just power from the consent of the governed." The Polish Constitution closely follows this idea.

Polish blood has been shed for America. Some of the great names in American history are Polish names. Kosciusko and Pulaski were great leaders in our Continental Army. In World War I, 300,000 Polish-Americans served in defense of their adopted country. In World War II, more than 900,000 served. As Polish patriotism contributed to the security of our country, Polish stability added in its development. Our Polish citizens cultivated our soil, constructed our railroads, developed our coal, iron, and copper mines, and contributed to the expansion of our industry. The Polish people are peaceful, loyal and law-abiding.

The anniversary of the Polish Constitution Day is an appropriate occasion for all Americans to express appreciation to our Polish-Americans for their contributions in the defense and development of our great country. It is also an opportune time to assure Americans of Polish decent that we join in their prayers for their enslaved relatives and friends in Poland.

Today, Poland languishes under the heel of an old enemy, Russia. Employing new methods of totalitarianism, the Soviet Union has sought to enslave not only the bodies but the minds and hearts of the Polish people. The new tyranny imposes upon that unhappy nation a dictatorship government maintained by Soviet-dominated police. It forces the Polish economy into the pattern of Soviet needs to the impoverishment of the Polish people. Worst of all, it assails the minds and souls of the people of Poland with a Communist philosophy.

On the 167th anniversary of the Polish Constitution, a burning desire for freedom remains a prime quality of the Polish people. They will continue their dedication of resistance to oppression.

I join with the Americans of Polish descent and the friends of Poland throughout the Free World in looking forward to happier days when the Polish people will have overthrown alien domination, when their God-given rights to think and act as they desire are protected by their own free elected government.

RUSSIAN VETO OF AMERICAN PROPOSAL FOR ARCTIC INSPECTION

Mr. SMITH of New Jersey. Mr. President, Russia's 83d Security Council veto last Friday shattered hopes which the American proposal for Arctic inspection had aroused throughout the world for a major breakthrough in the disarmament stalemate.

Nevertheless, over the weekend there came quick and encouraging proof that our diplomacy has not yielded to discouragement, but is continuing constructively and aggressively to seek all reasonable means to lasting peace.

On Saturday morning the Soviet Government received an identical statement from the British, French, and American Ambassadors in Moscow which removed Russian objections to summit preparations by agreeing to separate meetings between the Soviet Minister and the three Ambassadors. I ask unanimous consent that the text of this tripartite statement be printed in the body of the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TRIPARTITE STATEMENT

Following is the text of an identical statement presented to the Soviet Government today by the British, French, and United States Ambassadors in Moscow:

"The Governments of the United States, United Kingdom, and France have noted with regret that the Soviet Government, in its aide memoire of April 26, has rejected their proposal for joint meetings between the three Ambassadors and the Soviet Foreign Minister to begin the preparatory work for a summit meeting and, in doing so, has raised an unnecessary obstacle in the task of carrying this work forward. As the Soviet Government points out in its aide memoire, no progress has been made toward agreement on the range of questions to be dealt with nor in determining what questions offer prospects for agreement.

"The three powers have not changed their view that progress could be made more rapidly by joint meetings rather than by a series of separate interviews. Since they desire to move ahead with the work itself, however, and in view of the fact that the Soviet Government agrees that the Ambassadors will discuss substantive issues, they are prepared to meet the Soviet Government's preference for separate interviews. Their acceptance of this procedure, however, does not prejudge in any way the composition of any future meetings. Following the discussion of the agenda for a summit meeting as proposed in the tripartite statement of April 24, the three Ambassadors will be prepared to discuss the matter of a date and place of a foreign ministers' meeting and what countries should be invited to be represented at this meeting.

"The three Ambassadors, therefore, stand ready to meet the Soviet Foreign Minister for this purpose."

Mr. SMITH of New Jersey. Mr. President, also on Saturday the United States made another imaginative and dramatic proposal to further world peace by offering to open Antarctica to all nations for the conduct of scientific and other peaceful activities.

In a special message accompanying the proposal, President Eisenhower declared that—

> The United States is dedicated to the principle that the uninhabited wastes of Antarctica shall be used only for peaceful purposes. I am confident that our proposal will win the wholehearted support of the peoples of all the nations directly concerned, and indeed of all other peoples of the world.

I ask unanimous consent that the President's statement be printed in the body of the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE PRESIDENT

The United States is dedicated to the principle that the vast uninhabited wastes of Antarctica shall be used only for peaceful purposes. We do not want Antarctica to become an object of political conflict. Accordingly, the United States has invited 11 other countries, including the Soviet Union, to confer with us to seek an effective joint means of achieving this objective.

We proposed that Antarctica shall be open to all nations to conduct scientific or other peaceful activities there. We also propose that joint administrative arrangements be worked out to insure the successful accomplishment of these and other peaceful purposes.

The countries which have been invited to confer are those which have engaged in scientific activities in Antarctica over the past 9 months in connection with the International Geophysical Year. I know of no instance in which international cooperation has been more successfully demonstrated. However, the International Geophysical Year terminates on December 31, 1958. Our proposal is directed at insuring that this same kind of cooperation for the benefit of all mankind shall be perpetuated after that date.

I am confident that our proposal will win the wholehearted support of the peoples of all the nations directly concerned, and indeed of all other peoples of the world.

Mr. SMITH of New Jersey. Mr. President, the specific American proposal was made to Russia and the 10 other nations which are participating in the International Geophysical Year activities in Antarctica. The plan requests a treaty which would not infringe upon the legitimate Antarctic territorial claims of this or any other nation, but would make it possible to continue the "fruitful scientific cooperation" of nations in the service of mankind.

Like the Arctic inspection proposal of the previous week, this plan is another sincere effort to reduce areas of possible serious international misunderstanding. I ask unanimous consent to have printed in the body of the RECORD at this point in my remarks the full text of the United States proposal, which was contained in a note to the foreign ministers of each of

the 11 nations by the American ambassadors.

There being no objection, the text of the note was ordered to be printed in the RECORD, as follows:

TEXT OF THE NOTE DELIVERED BY THE UNITED STATES TO THE GOVERNMENTS OF THE 11 NATIONS PARTICIPATING IN THE INTERNATIONAL GEOPHYSICAL YEAR ACTIVITIES IN ANTARCTICA: ARGENTINA, AUSTRALIA, BELGIUM, CHILE, FRANCE, JAPAN, NEW ZEALAND, NORWAY, THE UNION OF SOUTH AFRICA, THE UNION OF SOVIET SOCIALIST REPUBLICS, AND THE UNITED KINGDOM

EXCELLENCY: I have the honor to refer to the splendid example of international cooperation which can now be observed in many parts of the world because of the coordinated efforts of scientists of many countries in seeking a better understanding of geophysical phenomena during the current International Geophysical Year. These coordinated efforts of the scientists of many lands have as their objective a greatly increased knowledge of the planet on which we live and will no doubt contribute directly and indirectly to the welfare of the human race for many generations to come.

Among the various portions of the globe where these cooperative scientific endeavors are being carried on with singular success and with a sincere consciousness of the high ideals of mankind to which they are dedicated is the vast and relatively remote continent of Antarctica. The scientific research being conducted in that continent by the cooperative efforts of distinguished scientists from many countries is producing information of practical as well as theoretical value for all mankind.

The International Geophysical Year comes to a close at the end of 1958. The need for coordinated scientific research in Antarctica, however, will continue for many more years into the future. Accordingly, it would appear desirable for those countries participating in the Antarctica program of the International Geophysical Year to reach agreement among themselves on a program to assure the continuation of the fruitful scientific cooperation referred to above. Such an arrangement could have the additional advantage of preventing unnecessary and undesirable political rivalries in that continent, the uneconomic expenditure of funds to defend individual national interests, and the recurrent possibility of international misunderstanding. It would appear that if harmonious agreement can be reached among the countries directly concerned in regard to friendly cooperation in Antarctica, there would be advantages not only to those countries but to all other countries as well.

The present situation in Antarctica is characterized by diverse legal, political, and administrative concepts which render friendly cooperation difficult in the absence of an understanding among the countries involved. Seven countries have asserted claims of sovereignty to portions of Antarctica, some of which overlap and give rise to occasional frictions. Other countries have a direct interest in that continent based on past discovery and exploration, geographic proximity, sea and air transportation routes, and other considerations.

The United States for many years has had, and at the present time continues to have, direct and substantial rights and interests in Antarctica. Throughout a period of many years, commencing in the early eighteen hundreds, many areas of the Antarctica region have been discovered, sighted, explored, and claimed on behalf of the United States by nationals of the United States and by expeditions carrying the flag of the United States. During this period, the Government of the United States and its nationals have engaged in well-known and extensive activities in Antarctica.

In view of the activities of the United States and its nationals referred to above, my Government reserves all of the rights of the United States with respect to the antarctic region, including the right to assert a territorial claim or claims.

It is the opinion of my Government, however, that the interests of mankind would best be served, in consonance with the high ideals of the Charter of the United Nations, if the countries which have a direct interest in Antarctica were to join together in the conclusion of a treaty which would have the following peaceful purposes:

(a) Freedom of scientific investigation throughout Antarctica by citizens, organizations, and governments of all countries; and a continuation of the international scientific cooperation which is being carried out so successfully during the current International Geophysical Year.

(b) International agreement to insure that Antarctica be used for peaceful purposes only.

(c) Any other peaceful purposes not inconsistent with the Charter of the United Nations.

The Government of the United States is prepared to discuss jointly with the governments of the other countries having a direct interest in Antarctica the possibility of concluding an agreement, which would be in the form of a treaty, for the purpose of giving legal effect to these high principles. It is believed that such a treaty can be concluded without requiring any participating nation to renounce whatever basic historic rights it may have in Antarctica, or whatever claims of sovereignty it may have asserted. It could be specifically provided that such basic rights and such claims would remain unaffected while the treaty is in force, and that no new rights would be acquired and no new claims made by any country during the duration of the treaty. In other words, the legal status quo in Antarctica would be frozen for the duration of the treaty, permitting cooperation in scientific and administrative matters to be carried out in a constructive manner without being hampered or affected in any way by political considerations. Provision could likewise be made for such joint administrative arrangements as might be necessary and desirable to insure the successful accomplishment of the agreed objectives. The proposed treaty would be deposited with the United Nations, and the cooperation of the specialized technical agencies of the United Nations would be sought. Such an arrangement would provide a firm and favorable foundation for a continuation of the productive activities which have thus far distinguished the International Geophysical Year; would provide an agreed basis for the maintenance of peaceful and orderly conditions in Antarctica during years to come; and would avoid the possibility of that continent becoming the scene of international discord.

In the hope that the countries having a direct interest in Antarctica will agree on the desirability of the aforesaid high objectives, and will work together in an effort to convert them into practical realities, the Government of the United States has the honor to invite the Government of ——— to participate in a conference for this purpose to be convened at an early date at such place as may be mutually agreeable.

Accept, Excellency, the renewed assurances of my highest consideration.

ADDRESS BY THE VICE PRESIDENT BEFORE AMERICAN NEWSPAPER PUBLISHERS ASSOCIATION

Mr. SMITH of New Jersey. Mr. President, at the annual dinner of the American Newspaper Publishers Association in New York City on April 24, Vice President NIXON delivered an excellent address on the economic situation. His speech helped clear the air of the sound and fury about depression and doom which is being promoted by those who would play politics with the present recession.

He declared unhesitatingly that "There will be no depression." Our economy is basically sound. The Government has effective means to cushion a downturn and stimulate an upturn. The administration has already applied some of these means, and stands ready to use others if necessary. Massive new spending programs are not needed to do the job.

What is needed now is the responsible cooperation of business and labor with government to correct the imbalances which have crept into the economy. This done, we can fix our sights on the goal of attaining the level of economic growth necessary to meet our future domestic needs and keep pace with Russia's total economic competition.

Mr. President, I ask unanimous consent that the Vice President's address be printed in the body of the RECORD at this point in my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY THE VICE PRESIDENT OF THE UNITED STATES AT THE ANNUAL DINNER OF THE BUREAU OF ADVERTISING, AMERICAN NEWSPAPER PUBLISHERS ASSOCIATION, NEW YORK, N. Y., APRIL 24, 1958

In recent months Mr. Khrushchev has thrown down a bold and boisterous challenge to the United States in the area in which we have considered ourselves unbeatable—the productivity of our economy. He has said:

"We declare war on you in the peaceful field of trade.

"You are not being threatened with ICBM's but with peaceful competition in consumer goods.

"We will prove the superiority of our economic system over yours.

"Your grandchildren in America will live under socialism."

And just 3 days ago in Moscow, in speaking to the American Ambassador of the Soviet Union's economic achievements, he said, "Look out, Mr. Thompson, we are stepping on your tail."

This statement would seem to be a presumptuous boast when we consider that the United States today produces almost three times as much as the Soviet Union. But these sobering facts must be kept in mind.

The Soviet economy has made formidable strides in the first 40 years of the U. S. S. R.

The Soviet economy is growing faster than ours.

The Soviet Union, because of its autocratic control over its people, can concentrate its lower productive capacity in those areas of the world struggle which will best serve its objective of world domination.

Finally, we must recognize that economic competition between the Free World and the Communist world may well decide the world conflict.

The position we must take, therefore, is clear.

We are well ahead of the Soviet Union economically today.

But the only way to stay ahead is to move ahead.

We cannot afford to stand still.

Our Nation's security requires that the American economy produce as efficiently and as abundantly as possible.

In this context let us examine the characteristics of the current economic downturn in the United States and the actions which may be justified to reverse it.

Let us first dispose of two fallacious appraisals of our present economic situation.

To those who claim that we are headed for a great depression, the answer is that the present economic downturn is under no circumstances comparable in character to the depression of the 1930's.

In 1929 literally millions of people were dealing with inflated and imaginary values.

The economy then did not have the cushioning effect of certain social welfare laws and monetary policies which are available today.

We can state this one conclusion categorically. There will be no depression in the United States. This is true both because of the basic strength of our economy and because it is backstopped by the determination of the national administration to use every proper governmental action to stop a prolonged recession and to help stimulate early resumption of a high rate of economic activity.

Mr. Khrushchev's claim that our economic downturn is proof of the inherent weakness of a free economy is another conclusion which will not stand examination.

A normal economic system, just like a normal human body, does not and should not run at full speed all the time.

There are times when it must slow down so that needed changes can be made and bad habits and faulty practices corrected.

If these needed changes are made, the system will be stronger at the end of the corrective period than before it began.

In examining the characteristics of the present slowdown we find that it is a result of some normal shifts in the economy, plus some bad habits that got out of hand in recent years.

Let us look at one development which can be characterized as a normal shift.

We emerged from World War II with a great many wornout plants, too small for our growing population, and obsolete in terms of current technology.

There was a rush to expand and modernize.

As a result, in many cases, capacity has outrun current demand.

The inevitable consequence has been, therefore, a slowing of business investments in new plants.

Such changes as this are normal. They reflect change and growth in a free economy. They give us no cause for concern.

But there are factors which contributed to the downswing which stem from evils which should be corrected. If they are not corrected, our economy will not be strong enough to meet the challenge presented by the Communist world.

In this category we must place inflation at the top of the list.

Inflation robs the aged of their savings.

It is an automatic pay cut for those on fixed salaries.

It is a tax on life insurance policies.

It leads to consumer resistance and rebellion.

It would be a mistake to try to stimulate economic activity without also trying to curb inflation. Otherwise, in the action we take to combat our present troubles, we are simply buying more trouble later on.

A related evil is the cost-price squeeze on business. While business profits were relatively good on the whole last year, a disturbing note was that many firms reported higher volume and lower earnings.

There was talk of profitless prosperity.

This type of squeeze usually leads to postponement of planned business expansion.

It means that something is radically wrong when, with all of our new plants and processes, costs go up rather than down.

When we examine the reasons for skyrocketing costs, we discover a third major weakness which contributed to the present economic downturn.

We have been getting soft in a period of easy sales. Many businesses have enjoyed a sellers' market for 15 or 20 years.

That means that almost an entire generation has not known the discipline of persuasive selling and adequate service. We have become a nation of order-takers, rather than salesmen.

The same can be said of our work habits. The current joke about substituting a work break for a coffee break was not just conjured out of thin air.

Wage increases not based on increase in productivity became the rule rather than the exception. Consequently, even with all of our improved plants and modern processes, productivity did not rise as expected, and in some instances even declined.

This brings us then to the problem at hand. What should Government policy be with respect to the present recession?

We should not interfere with normal change. But we must help to correct the evils of inflation, profitless prosperity, and low productivity. The correction of these evils will be a powerful stimulus both for business investment and consumer buying.

We must, however, be vigilant in distinguishing between normal changes and corrections and the spiraling downswing that feeds on itself. If there are substantial signs that a decline may snowball, then Government must step in and stimulate the economy.

But normal corrective action is the preferred choice; massive intervention should be used only as a last resort.

Let us examine the actions the Government has taken up to this time in the light of these principles.

We have recognized that changes in our economy are inevitable, but that human suffering which may occur as a result of such changes should be alleviated as much as possible.

That is why the administration has asked the Congress to provide Federal aid to the States in extending the coverage of unemployment compensation where the benefit period has expired.

We have accelerated normal Government spending for those things we need, and we have directed that spending where possible into areas where economic dislocation has had its greatest effect.

We have expanded the supply of credit, having in mind the necessity for caution because of the continuing threat of inflation.

We hope that these actions will be all that will be required to give the economy the help it needs. There are substantial indications that this may be the case.

I realize that there are some traditional economists who contend that under no circumstances should the Government do more than it has. They say that we should let the economy go through the wringer if necessary so that it can rid itself of its unhealthy characteristics.

But let us recognize once and for all that the time is past in the United States when the Federal Government can stand by and allow a recession to be prolonged or to deepen into depression without decisive Government action.

Since the days of the great depression, the Government has developed a vast capacity in many areas to break a slide and to stimulate the economy. We no longer accept the finality of the operation of blindly cruel economic forces where millions would be left without work, without the ability to feed, house and clothe their families.

In addition to the human and economic costs involved in such a situation, there are international costs which almost exceed comprehension.

When the editors from many of the great newspapers abroad visited Washington last week, one of the questions asked most often was whether we were going to have a depression in the United States and what the prospects for recovery were.

Every time the United States economy suffers even a slight shock there are reverberations in the economies of free nations throughout the world.

A major or prolonged downturn in the United States would have catastrophic effects on not only our own country but on our friends abroad.

The greatest gainers from such an event would be Mr. Khrushchev and his cohorts in the Kremlin.

This brings us to what further action by the Federal Government might be considered if necessary to stimulate an economic recovery.

Two courses are generally debated—a massive new Federal spending program, and a tax cut.

I believe that there is no question but that the use of massive spending for new Federal activities to combat the current recession should be rejected.

Acceleration of spending on existing programs can have the relatively quick effect the economy needs at this time. But by the time spending on the massive new programs which are being urged as antirecession measures began to make itself felt, the economy would already be on the way to recovery on its own, and the new spending would only contribute to more inflation.

Another objection to new spending programs is that they would have an inevitable tendency to make Government larger and stronger, and private enterprise smaller and weaker. It is significant to note that in the Senate alone, 9 bills labeled as antirecession measures call for $38 billion in new spending over the next 5 years.

As the President put it very bluntly when I was discussing the problem with him last week, the recession should not be used as an excuse for adopting massive new spending programs of the type that would give little, if any, stimulation to the economy at this time.

Such programs should be approved only if they meet the test of qualifying as a proper function of the Federal Government.

We must also be on guard against what appear to be relatively small, new programs, because by nibbling away we will eventually find we have ballooned our way into a massive spending program. That is why the President's veto of the pork barrel rivers and harbors bill was justified, and why similar bills of that type should receive the same treatment. A spending binge now can only lead to a hangover of debt and inflation later.

This leaves us with the other alternative—the tax cut.

As I have stated previously, I believe that, if further action should be required to stop the downturn and stimulate an upturn, a tax cut, rather than spending, is the fastest, the best, and surest method to accomplish this result.

However, a tax cut will not do the job unless it is the right kind. It must be designed to put money in the hands of investors and job creators, as well as consumers.

It will not do the job if it is used simply to provide a popular political handout in an election year. It can succeed in its purpose only if it is designed to stimulate more production and more jobs for the American people.

In considering what further action the Government should properly take to stimulate the economy, we must bear in mind some fundamental principles:

If the economy can come through the present downturn without additional massive Government intervention on either the tax front or the spending front, this would be desirable because of the inevitable deficit that either of such actions would bring.

Our objective must be for our economy to be stronger when it comes out of the present situation than when it went in.

Too great a reliance on the crutch of Government support will leave the economy with the same weaknesses at the end of the recession as it had at the beginning.

We must not act in a way which appears to solve our present problem but which undermines our future growth.

There is too much of a tendency in some business quarters to say let the Government bail out the economy.

Government can help but the primary responsibility for recovery must be assumed by American business and labor, and the other vital forces which make up the private sector of the American economy. As Dr. Arthur Burns said in Chicago last month, "There is nothing wrong with our economy that could not be corrected by vigorous business enterprise."

What is the responsibility of business in the present situation?

We have heard a great deal of talk lately in which the American people are urged to buy. This is sound, but a necessary counterpart for such a program is that American business must recognize that this is a buyer's market and act accordingly. New products, increased advertising, lower prices can have a dramatic effect on consumer psychology.

In this connection, I was interested to note that several publishers to whom I talked in Washington observed that their national advertising was down as much as 40 percent in the first quarter, while their local advertising has held up reasonably well.

I can think of no more short-sighted action than this on the part of national advertisers. The very people who have most at stake in the survival of our free economy should be betting on its growth rather than hedging on its possible failure.

America's labor leaders also have a great responsibility in the present situation.

The labor leader has a responsibility to fight for the best interests of labor union members.

Obviously union members would like to have higher wages.

But they also want jobs.

When higher costs price their product out of the market, they are out of a job.

Wage increases which are not based on increased productivity means higher prices, lower sales, and fewer jobs for union members.

A round of this type of wage increases would inevitably have a depressing effect on the economy at this time.

The restraint I ask is in no sense anti-union.

On the contrary, what we need is a return to the wage policies that have been traditional in the American labor movement. The pattern of spectacular competitive wage increases leading inevitably to higher prices is relatively new in American labor. It arose after 1946 because of special postwar conditions.

It is time to return now to the healthier, sounder approach which made American labor the greatest trade union movement in the world.

Let us return now to our basic premise.

The American economy is sound.

The practices which are bad should be corrected.

The Government stands by to cushion a downturn and to stimulate an upturn but always with the primary responsibility for maintaining the sound dollar which is the only foundation on which real economic progress can be based.

I would not want to conclude my remarks without a word of faith.

We hear much today of the great strength of the Soviet Union. I have never been one to discount this strength. It would be fatal to underestimate it. But in recognizing the threat of the Communist revolution, let us not forget the promise of the American revolution.

Those who have doubts as to the dynamic strength of the American revolution need only look beyond our great accomplishments in the past to some of the new economic frontiers we have before us.

It has been estimated that in the next 10 years America needs to spend:

Twenty billion dollars for electric power.

Twenty-two billion dollars for hospitals.

Thirty-one billion dollars for public and private schools.

The almost astronomical amount of $250 billion for residential and nonresidential construction and urban renewal.

To meet these domestic needs, together with the increasing costs of our programs for national security, we should set as our goal not the present rate of growth of our economy of 3 percent but the higher rate of 5 percent recommended by the Rockefeller report. This would project an increase in our gross national product from $434 billion today to $707 billion in 1967.

This goal to some may seem unrealistic.

It will never be achieved if we adopt a standpat, status quo attitude toward our economy.

It will never be attained if we wrap it in a socialistic straitjacket.

It will be achieved if we face the future with vision, determined to tap all of the great resources which are at our disposal.

Government must play a substantial part in achieving these goals.

Our tax system must be revised so that it will encourage rather than curb new initiative, ingenuity, enterprise and energy.

Small business must be encouraged and stimulated so that it can continue its invaluable service of pumping new blood and new ideas into our free enterprise system.

We must recognize and develop the full potential of millions of our fellow citizens who are now denied adequate opportunity for education and employment because of their minority position.

We must follow the President's leadership in developing a new program for agriculture rather than adopting the unworkable political approach of freezing America's farmers in an obsolete rigid system which can only lead to a dreary cycle of surpluses, controls, and depressed farm income.

We must have vision to develop an enlightened and far-reaching program for foreign trade if we are to have adequate markets for the increasing production of our growing economy.

But recognizing as we do that Government has its part to play, we must never forget one fundamental principle: What distinguishes the American revolution from the Communist revolution is that we believe the most productive source of national progress is private rather than government enterprise.

All of our Government policies must, therefore, be designed to encourage and stimulate individual Americans to make their maximum contributions to the realization of the Nation's potential. This can be done only in a climate of freedom of enterprise.

We have no doubt whatever as to the soundness and resiliency of our free enterprise system. As in the past, we expect to come out of the present recession with a stronger and more robust economy which will exceed in production the historic records made during the past 5 years.

Our answer to Mr. Khrushchev then is that we accept his challenge for economic competition, confident of the outcome where free men are pitted against slaves.

But in the great tradition of our own American Revolution, we hasten to add that the American dream is not to conquer the world but to defend the right of any people to be independent of foreign domination; not to enslave men but to free them.

We challenge the Communist world to compete not only in the economic sphere but in justice, in mercy, in kindliness, in respect for the things of the spirit, in real concern for the welfare of the poor and the unfortunate of the earth.

We offer total peaceful competition with supreme faith and confidence that we shall win.

APPELLATE JURISDICTION OF THE SUPREME COURT OF THE UNITED STATES

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial from the April 19, 1958, edition of the Saturday Evening Post, and an article from the April 12, 1958, issue of National Review magazine, both of which concern the present consideration of legislation relative to the appellate jurisdiction of the Supreme Court. These viewpoints, in my judgment, go far in refuting the criticisms which have been directed at the so-called Jenner bill and my amendments.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

LAWMAKING ISN'T THE SUPREME COURT'S JOB

Senator HENNINGS, of Missouri, was doubtless right in feeling that Congress ought to do a lot of thinking before adopting anything like Senator WILLIAM JENNER'S bill to restrict the jurisdiction of the Supreme Court over certain selected matters. However, it ought not to require too much study to convince Congress that some action is necessary if it is to retain its position as a supposedly equal partner in our tripartite Federal system. The reason why Congressional action to curb the Court is even mentioned is that the Court is setting itself up as a sort of third legislative chamber, and, as such, has felt free to impose its ideas upon the other branches of the Government.

Judge Learned Hand, formerly of the United States court of appeals, in his recent lectures at Harvard, declared that "If we do need a third chamber it should appear for what it is, and not as the interpreter of inscrutable principles." He added that for him "it would be most irksome to be ruled by a bevy of platonic guardians, even if I knew how to select them, which I assuredly do not. If they were in charge I should miss the stimulus of living in a society where I have, at least theoretically, some part in the direction of public affairs."

The platonic guardians have attempted to tell a committee of Congress how it may not interrogate a witness, a ruling which has seriously hampered necessary investigatory procedure. They have decreed that a State may not pass a law to deal with subversives because the Federal Government is presumed to have a monopoly in the field. According to them, a State must admit to the practice of law an applicant who refuses to tell the bar examiners whether or not he is or has been a member of a Communist conspiracy. And they have turned loose convicted Reds on narrow technical grounds.

Surely the legislature is bound to consider how to restore balance to the Federal system of checks and balances. For, as Abraham Lincoln warned in his first inaugural address, "if the policy of the Government upon vital questions affecting the whole people is to be irrevocably fixed by decisions of the Supreme Court * * * the people will have ceased to be their own rulers."

To limit the Court's jurisdiction may not be the way to restore Congress to its rightful and constitutional authority, but there can be no doubt of the right of Congress to do so if it pleases. The late Justice Owen Roberts many years ago raised the question: "What is there to prevent Congress taking away, bit by bit, all the appellate jurisdiction of the Supreme Court of the United States? I can see nothing * * * in view of the language of the third article of the Constitution."

The third article of the Constitution defines the jurisdiction of the Court, both original and appellate, and adds this very important qualification: "with such exceptions and under such regulations as the Congress shall make." If any branch of the Government yearns for the role of platonic guardian, the Constitution says it should be Congress.

This is a constitutional question which should—but probably won't—be debated without reference to one's feelings about investigations or civil rights. Judge Hand hesitates to prescribe a remedy for the trouble. He rightly dreads the confusion that would arise if a final decision on the constitutionality of statutes could not be made by anybody. But the learned judge, who might well be on the higher court himself, plainly regards the errors of lawmakers and of the people as less menacing than the rise of judicial dictatorship, however benign. So should we all.

THE NEW YORK TIMES DEBATES AN ISSUE

The New York Times is the most influential newspaper in this country, quite probably in the world. Its unparalleled journalistic apparatus brings to its columns a massive news coverage that constitutes a basic documentation of our age. It is our only national newspaper; and it is international also, for its audience, like its coverage, is worldwide. There are other papers, here and in Europe, with larger circulations than the Times by far; but there is none that has a circulation of such weight. Every morning the Times lies on the breakfast table or office desk of every Member of Congress, every important official of the executive branch, the higher judges, the ministers and correspondents of all foreign nations, the elite of the communications world, editors, college presidents, writers, preachers, professors.

The New York Times, that is to say, is a great power in the land, one of the formative factors in our Nation's policy and character.

That influence it could never have attained but for a reputation for honesty, fairness, moderation.

In fact, the Times, while enjoying that reputation and reaping its abundant harvest, has, in its editorial columns, become scandalously irresponsible. The fact of its irresponsibility is not widely noticed precisely because of the contrary presumptions—because of its putative fairness. So that its readers do not bring to a reading of the Times their critical defenses, thus permitting to the Times the kind of outrageous abuse of its clientele that, in any lesser enterprise, would forever discredit it.

We undertake to prove our point by a painstaking examination of a typical recent editorial on a current controversy. We intend to prove that in editorializing on the Butler and Jenner bills the Times uses smear, prejudice, oversimplification, slogans, and packaged thought, in lieu of fair analysis.

We are not questioning, on this occasion, the specific stand that the Times takes against this bill. We differ with that stand, but we know that there are many thoughtful citizens, including not a few conservatives, who oppose the Jenner-Butler proposal. We direct attention, not to the position taken by the Times, but to its way of handling itself, of debating the issue.

Herewith a breakdown of the editorial JENNER-cum-BUTLER.

"Since Senator JENNER's extremist bill to limit jurisdiction of the Supreme Court has been running into trouble, his brother-in-arms Senator BUTLER has come up with a proposal to accomplish the same ends by different means."

With what a casual air the rhetoric sets the mood. There they are JENNER and BUTLER, the roughneck, weapon-swinging fanatics, sneaking through their extreme measures on the Bolshevik axiom that the end justifies the means. Now, the Times knows (but does not remind most of its readers who do not know, or have forgotten) that the Jenner bill, even in its original form, which went considerably further than the Butler substitute, received the vote of half of the large Judiciary Committee, all of whose members are experienced lawyers, many of them with judicial service. The Times also knows (but does not tell its readers) that the Nation's foremost constitutional scholar, Prof. Edward S. Corwin, while refraining from an endorsement of the original Jenner bill, endorsed its motivation and called for just such an approach as the Butler substitute proposes—in a letter to the New York Times. And the Times knows (but does not remind us) that the dean of the country's liberal jurists, Judge Learned Hand, devoted last year's Holmes lectures at Harvard (reviewed a month ago in the Times' book section) to a critique of the Warren Court's self-constitution as a superlegislature citing as misdeeds many of the decisions the Butler and Jenner bills propose to correct.

"Instead of imposing blanket restrictions on the Court's appellate jurisdiction, as Mr. JENNER would do, Senator BUTLER would merely reverse a few of the decisions that he and Mr. JENNER don't like."

The original Jenner bill proposed not blanket restrictions but defined and enumerated restrictions. The Times, of course, knows (but does not tell us) that it is not Senator JENNER, but sections 1 and 2 of article III of the Constitution that, for better or worse, put the appellate jurisdiction of the Supreme Court into the hands of Congress.

Reverse a few of the decisions that he and Mr. JENNER don't like? Correct—but only on the supposition that a majority of the Congress, representing the will of the majority of the American people, don't like them either. JENNER and BUTLER are not proposing a coup d'état. They are proposing legislation, which, as legislators, it is presumably their privilege and duty to do, according to their own lights, and with reference to the desires of their constituencies. The fact that Senators Butler and Jenner, Justice Hand, and Professor Corwin oppose a few decisions that the Times favors, does not mean that, as legislators and critics, they should keep silent; or does it?

"The preeminently sensible [decision] in the Cole case limiting Government dismissal of employees as security risks."

"Sensible." That is, what sober, responsible citizens (like the Times' editors and everyone else except such wild men as Senators JENNER and BUTLER) would approve. James Madison, known as the Father of the Constitution, declared an unqualified removal power to be solely an executive power." That was in 1789. Until the Cole case, this view prevailed unchallenged with respect to executive officers appointed without legally fixed terms. Extending this principle even to civil-service employees, Congress in 1946 and repeatedly thereafter, gave to agency heads the right, in their absolute discretion, to fire persons whose continued service, in their absolute discretion, was contrary to the national interest.

"He would also put States into the antisedition business, which by rights and by court decision belongs to the Federal Government."

Imaginative fellow. BUTLER—proposing something no one ever dreamed of before, to put the States into the antisedition business. Yet the Times knows (but does not tell its readers) that until the Steve Nelson decision of 1956 the States have always been in the antisedition business; and that by the Nelson decision the Court struck down antisedition laws at that moment on the books of 42 States; and that the sponsor of the Smith Act (at issue in the Nelson case) had himself expressed, on the floor of Congress, the explicit Congressional understanding that the act would not supersede State laws in the same field. The first and only court decision that ever in the Nation's history suggested that sedition was not properly a State concern was this same decision, the Nelson case, that the Times refers to in a perfect (but hidden) logical circle as an argument for itself.

"He would overturn the Watkins decision, which set some proper limits to the powers of Congressional investigating committees."

The Times knows (but does not tell us) that the new—and unprecedented—doctrine of the Watkins decision was not a definition of proper limits in the sense of protecting a witness' constitutional rights or blocking a usurpation of judicial power, but a judicial declaration of how Congress should proceed in its own business of legislating, of which it is by section 1 of article I of the Constitution made the sole repository. In the series of Supreme Court decisions on investigations starting in 1821, Congress' power was never questioned before Watkins, nor was the right of Congress itself to decide whether and how investigations were related to the legislative process. Now tradition may conceivably have been wrong until June 1957. But to think otherwise would not seem enough to place one beyond the bounds of rational mankind.

"Not surprisingly, Senator JENNER is supporting the Butler amendment to his own bill."

Not surprisingly? Senator JENNER travels from a bad measure to a less bad one. Why is that not surprising if one assumes the worse the measure, the more likely Senator JENNER is to support it. We do not understand—except that there is a connotation in the rhetoric injurious to Senator JENNER and that, for the Times, is sufficient reason.

"There is a chance that despite the efforts of Senator HENNINGS, a sturdy and unobtrusive fighter for civil liberties."

Ah, the tragic lot of these austere heroes of the liberal pantheon. Tirelessly working in the cause of liberty against rising despotism, albeit so modestly that the public scarcely knows their names, much less their daily sacrifices.

"The Judiciary Committee, hardly noted in recent years for its liberalism."

Define liberalism as siding with the Times. Which the committee did, by the way, in overwhelmingly endorsing the President's nomination to the Supreme Court of those outstanding illiberal gentlemen Earl Warren and William Brennan.

"The bill deserves death."

Of course. As with all things outlawed, murderous, only execution—not just a negative vote, disapproval, rejection—can satisfy the demands of the higher justice.

As last items in the list, a most eloquent omission. Not a word, in the editorial, of the Konigsberg case, singled out as the primary

issue in the Butler substitute. Here too the Times cannot be unaware that 95 percent of American lawyers, whatever their views on the other matters, consider Konigsberg, in which the Court dictated to the States the terms on which lawyers should be admitted to the State bars, an arrogant and intolerable usurpation.

We repeat that our purpose here is not to argue in favor of the Jenner-Butler bill. There are serious arguments against the bill, but they are not to be found in the Times. Here there is no analysis, or evidence (on the contrary, there is palpable suppression of evidence). There is no discussion, or debate. There is no examination of the theoretical argument that one branch of Government is encroaching upon the rights of others. There is merely aggressive and question-begging rhetoric; an endeavor to thrust the entire issue, so serious for the future of the Nation, beyond the limits of debate.

The Times rhetoric is thus in its essence totalitarian. Those who differ with the Times are not merely mistaken, but enemies of the people, whose opposition is to be met with a rhetorical purge. The Times thereby repudiates the conception of the discussion process that is the dividing line between a free and a despotic society.

If it chooses so to conduct its affairs, let it do so; but let it surrender, or be forced to surrender, its pretensions.

The article, from the New York Times of March 29, 1958, follows:

"JENNER-CUM-BUTLER

"Since Senator JENNER's extremist bill to limit jurisdiction of the Supreme Court has been running into trouble, his brother-in-arms Senator BUTLER has come up with a proposal to accomplish the same ends by different means.

"Instead of imposing blanket restrictions, on the Court's appellate jurisdiction, as Mr. JENNER would do, Senator BUTLER would merely reverse a few of the decisions that he and Mr. JENNER don't like. They happen to include some of the most important civil liberties decisions made by the Court in recent years, including the pre-eminently sensible one in the Cole case limiting Government dismissal of employees as security risks to those holding sensitive jobs. Instead of concentrating the Federal security risk program on those areas where there may be a genuine question of national security, Maryland's senior Senator would expand it by law—just the opposite of what is needed. He would also put States into the anti-sedition business, which by rights and by court decision belongs to the Federal Government; and he would overturn the Watkins decision, which set some proper limits to the powers of Congressional investigating committees.

"Not surprisingly, Senator JENNER is supporting the BUTLER amendment to his own bill. There is a chance that despite the efforts of Senator HENNINGS, a sturdy and unobtrusive fighter for civil liberties, the measure might get out of the Judiciary Committee, hardly noted in recent years for its liberalism. If it does, the bill deserves death on the floor of the Senate."

THE LABOR TRUST

Mr. BUTLER. Mr. President, it is my deep conviction that Congress in time must amend the antitrust laws so that they will apply to monopolistic practices of labor unions. Section 6 of the Clayton Act has long provided an immunity for labor unions when they engage in acts which the Congress would not condone for any other group.

The perfection of fair and adequate legislation which will protect the public interest and yet not hamper labor unions in their proper activities is a challenging undertaking. I have been devoting a great deal of thought to this problem and hope to be able to devise a formula that will protect rank-and-file members, management, and the public at large against the unbridled monopolistic power of some labor leaders.

Recently I had an opportunity to read a thoughtful address by John A. Barr, chairman and president of the Montgomery Ward & Co., given before the Indiana University chapter of Beta Gamma Sigma at Bloomington, Ind., on May 17, 1957. Mr. Barr's address is directed to this problem. I ask unanimous consent to include in the RECORD at this point Mr. Barr's comments for the benefit of all my colleagues who may also be considering appropriate legislation to deal with a critical national situation.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TEXT OF ADDRESS GIVEN BEFORE THE INDIANA UNIVERSITY CHAPTER OF BETA GAMMA SIGMA, BLOOMINGTON, IND., MAY 17, 1957

Labor unions have experienced rapid growth in the United States during the past 25 years. Directly or indirectly this development has affected all segments of our business economy, and has created a number of problems. One of the more important problems is the development of a labor monopoly which threatens both the health of our economy and the preservation of our liberty.

To appreciate the status of unions in today's economy requires some understanding of the major role the Government has played in the development of the union movement.

During the first 100 years of its existence, the Federal Government tolerated union organization without either encouragement or suppression. The passage of the Sherman Act in 1890, which prohibited unions as well as businesses from imposing any restraint on interstate commerce by an agreement, contract, or trust, marked the beginning of an era of mild restraint on labor.

This era of restraint began to crumble in 1926 when Congress granted to railroad labor a statutory right to organize without interference or coercion from their employer. It received its deathblow in 1932 when, by the Norris-La Guardia Act, Congress effectively freed labor from the limitations of the antitrust laws and prohibited the Federal courts from issuing injunctions in labor disputes.

During the following 3 years a revolutionary change in the Government's attitude toward labor was perfected. During this period the administration in Washington fostered an assumption that the depression following 1929 was caused by a maldistribution of income and purchasing power, and that this condition could and should be corrected through collective bargaining. Although this assumption unquestionably was based upon considerations of practical politics rather than principles of sound economics, it, nevertheless, was adopted and used as the excuse for establishing a governmental attitude of actively encouraging the unionization of workers.

Although implemented by a number of statutes, administrative acts, and judicial opinions, this attitude of encouragement was expressed most clearly and forcefully through the Wagner Act, enacted by Congress in 1935.

The Wagner Act placed upon employers a legal obligation to bargain collectively with any union chosen by a majority of their workers. The Wagner Act guaranteed to workers the right to organize, and made it a violation of law for an employer to interfere with, restrain, or coerce his employees in the exercise of this right.

Those, in my opinion, were sound and proper requirements. I strongly believe that workers should have the right voluntarily to form and join unions, and to bargain collectively with their employer. And I have no objection whatsoever to those rights being guaranteed by Federal or State law.

But the Wagner Act, like the Norris-La Guardia Act, was a one-sided statute. Both gave important rights and privileges to unions, but they imposed no balancing obligations upon unions. Under the Norris-La Guardia Act, unions were free to form huge monopolistic combinations of labor, and to interfere with and restrain interstate commerce without legal restriction, regardless of how serious the penalty to the public and to the national economy might be; and the Federal courts were prohibited from enjoining any union activity, regardless of how lawless it was. Under the Wagner Act, employers were prohibited from interfering with union organization while union leaders were free to coerce workers without restraint.

In effect, the development of strong unionism was regarded as so important to the public welfare that not only were union leaders encouraged to monopolize the Nation's labor force without effective legal restraint, but it came to be regarded as reactionary, or perhaps even unpatriotic, to question the unprincipled methods which unions used.

Labor hailed the Wagner Act as its Magna Carta, and unions were alert to take full advantage of the privileged status granted to them. They grew to be large and wealthy and to wield great political as well as economic power.

Finally, in 1947, the people became sufficiently aroused to demand that some corrective action be taken. The result was enactment of the Taft-Hartley Act. The Taft-Hartley Act preserved to workers all of the rights which had been granted by the Wagner Act, and attempted to correct some of the minor abuses which had arisen during the previous 12 years. The Taft-Hartley Act did not change the trend of union development or significantly deter the growth of union power. Save for exceptions which are not significant to this discussion, we continue to operate today under the principles established by the Wagner Act in 1935.

By their terms, both the Wagner Act and the Taft-Hartley Act condemn the inequality of bargaining power between employees who do not possess full freedom of association * * * and employers who are organized in the corporate or other forms of ownership association, and both stress the objective of restoring equality of bargaining power between employers and employees.

An employer of many laborers obviously has more bargaining power than any one of his employees. When workingmen were not free to bargain collectively, some employers took unfair advantage of this superior economic power and exploited their workers. Congress recognized, or at least is purported to, that the answer lay in establishing a balance of power between employers and unions so that true collective bargaining might function.

This was a sound principle for settlement of the fundamental conflict between labor and capital which continually poses a threat to our welfare. In fact, it may be the only fair and sound basis for settlement. Just as a balance of power between nations encourages fair dealing and discourages war, so a balance of power between an employer and his employees encourages fair wages and working conditions, and discourages strikes.

Congress, in any event, knew that to be successful in the public interest, bargaining must be between parties whose economic

strengths are approximately equal. Consequently, Congress, in both the Wagner Act and the Taft-Hartley Act, expressed an intention to equalize the bargaining power of workers and their employers.

The fact is, however, that these acts have failed to accomplish this objective.

The dominant bargaining power now sits on the labor side of the bargaining table. We now have single employers forced to bargain with unions which represent not only the collective strength of their own employees, but, through combination with other unions, also represent and control hundreds of thousands of other employees, including the employees of their competitors, their suppliers, and their customers.

Any employer may reasonably be expected to consider and weigh the collective strength of his own employees in the bargaining process. This would be true collective bargaining. This would be the equality of bargaining power which Congress sought to establish by the Wagner Act.

But no employer can reasonably be expected to match the collective strength of all employees who belong to the large national unions. When unions, through combination, are permitted to represent and control not only the workers of one employer, but also the workers of that employer's customers, competitors, and suppliers, they have the power to dictate, rather than bargain for, wage rates and other terms of employment.

This bringing to bear on single employers the collective economic strength of the workers of many employers is expressed in the form of general strike funds, sympathy strikers, secondary boycotts, struck work and hot cargo restrictions, and picket line prohibitions. These, in turn, are fostered and given substance by combinations of local unions into national unions which represent the workers of many employers, by agreements between different unions, and by agreements between unions and employers. Since the purpose of these restrictions, agreements, and combinations is to control the supply and wages of labor and the conditions under which labor is to be performed, it may properly be called a labor monopoly or a labor trust.

Monopolies have long been recognized as iniquities in our economy and were held to be unlawful by the courts as long ago as 1602. The reasons were that they tend to stifle competition and therefore to increase unreasonably the price of the article or service monopolized, they tend to result in deterioration of the quality of the monopolized commodity or service, and they tend to create unemployment.

The inevitable tendency of all private monopolies is to increase the price of the product or service monopolized beyond the level which would prevail under conditions of free competition. The labor monopoly is no exception. As the labor monopoly forces higher wage rates without a corresponding increase in production, the producer must increase the price of his product. As the price of a product increases, less of that product is sold. As sales fall off, production is curtailed. As production is curtailed, unemployment is increased and fewer things are available for consumption. This result is neither in the public interest nor in the interest of the workers themselves. A few workers profit by the higher wages they receive. However, this profit is at the expense of their fellow workers who are forced into unemployment and at the expense of the great majority of our people who must pay higher prices and have fewer things.

A few years ago combinations of industrialists sought to control the marketing of certain products, thus enabling them to determine the amount to be sold and the selling price. Congress destroyed these trusts by enactment of the Sherman Act. Today combinations of labor leaders seek to control the marketing of human labor, thus enabling them to determine the amount of work to be done and the wages which must be paid for it. Congress is permitting this trust to continue.

The effectiveness of this monopoly is greatly strengthened by the plan of unions to gain absolute control over workers through union shop contracts. A union shop contract, as you know, is an agreement between a union and an employer which makes it compulsory that workers join the union and maintain their union membership in good standing in order to work in the plant covered by the contract.

The function of the union shop is to furnish the element of control which is essential to complete monopoly. As the worker's job depends upon his membership in good standing in the union, the union has complete control over the worker. The worker loses his freedom of independent action. He dares not work for a wage less than that dictated by the union. He dares not do more work or better work than the union tells him to do. He dares not work when the union tells him to strike. He dares not violate any of the many rules and policies which the union may declare. If he should, he loses his union membership and, consequently, his job. He not only loses his job but also his right to work in all other union shop plants.

If the unions are permitted to attain their goal of making the union shop universal, a man who is denied membership by a union, or who for any reason loses his union membership, will have lost all opportunity to work—at any trade, anywhere.

The union shop agreement, which places a condition of union membership and support on a man's right to work, is one of the most undemocratic institutions ever to get a foothold in America.

The right of a man to engage in any of the common occupations of life without the imposition of unreasonable or burdensome restrictions is one of the fundamental liberties recognized by the Declaration of Independence and guaranteed by the Constitution. As stated by Justice Charles Evans Hughes:

"It requires no argument to show that the right to work for a living in the common occupations of the community is of the very essence of the personal freedom and opportunity that it was the purpose of the 14th amendment to secure."

In fact, it may fairly be said that the right to work is coextensive with the right of life itself, because most of us must work for a living, and anything that denies us the right to work places life itself in peril. As Shylock said in the Merchant of Venice, "You take my house when you do take the prop that doth sustain my house; you take my life when you do take the means whereby I live." And, as more currently stated by Mr. Justice Douglas, of the Supreme Court:

"The right to work, I had assumed, was the most precious liberty that man possesses. * * * It does many men little good to stay alive and free and propertied if they cannot work. To work means to eat. It also means to live."

Unions often argue that when a majority of employees in a plant select a union as their representative the democratic principle of majority rule requires that all employees should be compelled to join and support that union.

But majority rule is not the characteristic which distinguishes democracy from dictatorship. We need not go back far in our memory to recall a man named Hitler and another called Mussolini who unquestionably were supported by a majority of their people.

Democracy is distinguished by the toleration and protection of minority opinion. The right to disagree with the majority party is the very essence of freedom.

Union leaders use union-shop contracts to entrench themselves in power and to assure themselves complete control over particular groups of workers, just as dictators use secret police and armies for the same purposes. Both have the power to, and do, liquidate minority groups.

Several years ago many employers required their employees to sign contracts in which the employee agreed not to join a labor union. These yellow-dog contracts are now outlawed by statute, and rightfully so. But now we have the yellow-dog contract in reverse, with employers signing contracts with unions which require that employees do join a union. Is not one just as abhorrent as the other?

Workingmen are entitled to their government's protection against being coerced into a union against their will, just as the government protects them in their right to join a union of their choice. The right to join implies a right not to join. Congress should not continue to guarantee the one right without also guaranteeing the other.

The development of a labor monopoly in our midst has been permitted. This is a national monopoly which must be dealt with at the national level. The selfish interests supporting it are strong and powerful. No company alone, and not even the governments of our sovereign States, can effectively stem this tide of labor power which has been building for 25 years. It has been nurtured by the Federal Government, and it now must be remedied by the Federal Government.

The antitrust laws of the country prevent employers from combining among themselves to shut off or lessen the supply of an article which they produce. But the law does not prevent the employees of different employers from combining through unions in a manner which is equally iniquitous to the general welfare. Not only are unions permitted so to combine, but they are permitted to make the combination completely effective through the technique of the union shop agreement.

Most of the proposals for treating with this problem accept the existence of the monopoly but seek to control it. That approach is not sufficient. We cannot prevent the formation of the monopoly. That already has occurred. And it has been permitted to grow too strong for mild restraints to be effective. The need is for action which strikes at the root of the problem, not at its branches.

As one of the Nation's leading business papers has editorially commented:

"After Frankenstein created the monster, he was unable to prevent it from destroying him. But he needn't have created it. And if he had been a bit foresighted, he would have dismantled it."

Dismantlement of the monster of labor monopoly will require a Sherman Act for labor, as we now have a Sherman Act for business. This must be an antitrust law so framed as to assure a balance of power between an employer and the collective strength of his own employees in the bargaining process. It must prohibit restraint of commerce by the combination of unions representing the employees of different employers, and by such devices as secondary boycotts, "hot cargo" clauses, picket lines prohibitions designed to control the transportation of goods, and the like. It must prohibit restraint of commerce by restrictive agreements or understandings between unions and employers, as well as between unions which represent the employees of different employers. It must protect the right of employees to form and join unions, and to bargain collectively, but it must prohibit compulsory unionism.

In other words, just as Congress had power to, and did, destroy the sugar trust, the tobacco trust, and the oil trust of 60 years ago, it has the power to, and should, destroy the labor trust of today.

We should not be deceived into believing that support of labor's monopoly power with its destruction of individual liberty and freedom is liberal or progressive. Our leaders in government, in education, in business, and in agriculture must recognize that the true liberal, the true patriot, is he who fights to preserve the individual liberty of our citizens and he who fights to destroy the ugly head of monopoly wherever it may arise.

INFLATION, TAXES, AND DEPRECIATION

Mr. BUTLER. Mr. President, recently the distinguished Secretary of the Treasury, Robert B. Anderson, stated:

The surest way to maintain our Nation's strength in these critical times is to provide our economy with the necessary capital to explore new areas of science, to buy the plant and equipment needed for efficient use of our working force, and to maintain sufficient flexibility to move quickly in response to changing conditions.

Our high-speed American economy requires tremendous amounts of capital to keep going, and to keep up to date.

Mr. President, I heartily endorse these statements by the Secretary of the Treasury. When our income-tax laws were formulated, they were designed to provide a tax on true income. Every business must provide for the ultimate replacement of capital facilities as they are worn out. Funds so set aside are, of course, not income. In a period of constant prices with no inflationary pressures, the amounts set aside through the accumulation of depreciation reserves enables industry to replace its wornout plant and facilities. In recent years with the tremendous inflation which has taken place, industry has found it impossible to replace wornout plant and equipment with the sums accrued through depreciation. In order merely to maintain its capacity, it has been forced to reinvest earnings which have already been taxed at rates up to 52 percent.

This problem, unfortunately, is not generally understood. It constitutes a serious impediment to the expansion of our economy. More modern and efficient facilities are the only means to meet our increased defense needs without lowering the American standard of living.

During the hearings before the Senate Antitrust and Monopoly Subcommittee of the Committee on the Judiciary, Mr. Robert C. Tyson, the chairman of the finance committee of the United States Steel Corp., discussed this problem. I ask unanimous consent to include extracts from Mr. Tyson's statement at this point in the body of the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

In judging the cost-profit relationships of United States Steel there is another consideration of vital importance to economic health which is gradually coming to be understood by more people. I refer to the fact that income nowadays, especially for companies heavily invested in long-term facilities, must perform a new and additional function over and beyond its traditional role. This new function is to cover after taxes the depreciation deficiency which exists before taxes.

I start with the indisputable fact that, because of inflation, to construct or purchase new plant or equipment today costs a vastly greater number of dollars than the plant or equipment being replaced cost 20 or more years ago. Yet the depreciation on these old plants is required for tax purposes to be based on the relatively small number of dollars paid for them long ago. As a result the depreciation currently allowed is quite insufficient to equal what has to be paid out when the old facilities are modernized or replaced. In the case of United States Steel and for many other companies, the addition to regular depreciation on old facilities of 5-year amortization on that portion of new facilities certified as necessary for the national defense has approximated temporarily a truer total of wear and exhaustion on all facilities based on current dollars. The inclusion of 5-year amortization in United States Steel's costs has not resulted, as some of our critics have misleadingly contended in the past, in an overstatement of wear and exhaustion, realistically considered. It has served instead to prevent a more serious understatement of depreciation cost.

Few people realize the extent of the deficiency in depreciation. United States Steel has calculated the number of dollars of wear and exhaustion that would have been needed in each year since 1939 to equal in each year's dollars the portion of the buying power originally expended which was used up in the year's production.

In every year since 1939, the wear and exhaustion recorded—including amounts not allowed for tax purposes as accelerated depreciation for the years 1947 to 1952—failed to equal that needed for recovery of buying power. The 17-year aggregate deficiency was $904 million. The Federal income tax paid, as a result of treating this deficiency and the accelerated depreciation as income for tax purposes, aggregated $608 million, or 22 percent of the taxes paid. The $608 million for United States Steel and analogous amounts for all other companies, big and little, may be regarded as the hidden taxation of capital as it turns over through depreciation or, alternatively, as a hidden increase in the tax rate on true income. From the latter viewpoint it is highly inequitable, because it results in a higher rate for those industries or companies which require relatively heavier investment in longer-term facilities than the average for all industry.

Short of correction of the tax injustice the depreciation deficiency is destined to become more serious. Thus United States Steel's wear and exhaustion recorded for 1956 was $278 million, or about $67 million short of the $345 million needed for buying power recovery. Included in recorded wear and exhaustion is $140 million of 5-year amortization which will decline and virtually disappear after 1958.

As that happens the depreciation deficiency will actually increase and income will seemingly increase. Since taxes will increase by over half the decline in amortization, a curious and serious situation will result: At the very time that the business appears to have greater income the cash with which to conduct it is diminished; and cash is what is required to cover the ever-mounting costs, to supplement the inadequate depreciation permitted, and to meet the expanding working capital requirements in a period of continuing cost inflation. The prospect is that the portion of reported income that must be regarded as phantom income, because it is required merely to maintain the business under conditions of continuing inflation, will increase.

As basic costs continue to be forced upward management's problem becomes especially acute with respect to covering the depreciation deficiency because it takes $2, either from cost reduction or from customers in the prices they pay, to yield $1 toward meeting the depreciation deficiency. This is because tax law refuses to treat the depreciation deficiency as a cost. Thus, I have just noted the prospective disappearance of $140 million of amortization from our recorded wear and exhaustion. If such amortization had not been available in 1956, United States Steel's depression deficiency would have been increased from about $67 million to about $175 million. Such a deficiency is equivalent to more than $6 per ton of finished steel shipped in 1956, and to have $6 per ton after taxes requires $12 per ton in the price of steel.

I am sure that the more one studies this inflation-wrought deficiency in depreciation the more convinced he will become that part of what is conventionally labeled as income cannot be regarded as income in the former and traditional sense because it is actually required to cover realistic depreciation cost if the company is just to keep even, let alone expand. This in turn means that he who would inveigh against a reported profit margin, which is already low when compared with margins in past years of similar operating rates, had better think twice about it lest he find himself in reality demanding that the Nation's job-creating tool of production be eroded away and the incentive to provide new ones undermined.

Mr. BUTLER. Mr. President, more recently the 1957 annual report of the General Electric Co. makes a further contribution to our understanding of this problem. A special section is devoted to the subject of inflation and taxes. I found it of such interest that I ask unanimous consent to include it at this point.

There being no objection, the special section of the report was ordered to be printed in the RECORD, as follows:

INFLATION AND TAXES

The effects of substantial inflation in price levels over the last two decades as they affect material and employment costs are well known; in general, one United States dollar in 1957 purchased less than half of the goods and services it would purchase in 1939. Of great importance—especially because it is less evident—is the way inflation affects the capital of a business enterprise. The erosion of capital through inflation is more insidious than the direct effect on current costs, because it is less generally understood.

Prudent business management must recognize this capital erosion, and set aside the additional funds necessary to continue a business in operation. Such funds must presently be provided from reinvested earnings, that is, earnings after taxes and dividends—because the income tax laws do not generally recognize the inflation situation. In other words, income taxes must be paid on the capital lost through inflation, which makes the problem of maintaining a company's capital doubly difficult.

The seriousness of this situation has been recognized to some extent for current assets by the last-in first-out method of accounting for inventories, which the company adopted in 1955. For fixed assets, however, there is no recognized counterpart of the LIFO method. This probably is because these assets have a longer life and, therefore, consideration of the problem has been deferred for a greater period of time. However, the longer that the action on this problem—and tax relief in some form—is put off, the more difficult and serious it will become.

Other countries, faced with more rapid inflation than the United States, have found it necessary to change their tax laws in various ways to prevent the liquidation of businesses through the payment of income taxes on the capital eroded by inflation. It would

appear that the situation has progressed far enough in the United States that all share owners should be aware of its existence.

In the case of General Electric Co.'s plant and equipment, for instance, it is estimated that, without any further increases in present price levels, it would take about $2.4 billion to replace existing plant and equipment as it wears out, compared with the $1.5 billion in original cost which may be deducted for tax purposes as a depreciation allowance. This difference of about $900 million must, because of existing tax laws, be provided from present and future reinvested earnings. The $900 million is not for any expansion or increase in productive capacity. It represents only the amount which must be provided—over and above depreciation allowances—to maintain the company's existing production capacity. To obtain this amount from reinvested earnings means that a much larger amount—at least twice as much—must be earned from operations to have $900 million left after taxes and dividends have been paid. Any future increases in general price levels will, of course, further accentuate this problem.

ORDER DISPENSING WITH CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the calendar, under the rule, be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

ACTION OF INTERNATIONAL WOODWORKERS IN EXTENDING PRESENT WAGE CONTRACT IN LUMBER INDUSTRY WITHOUT SALARY INCREASES

Mr. NEUBERGER. Mr. President, I believe the RECORD should contain particular note of the fact that the International Woodworkers of America have extended a contract for 45,000 of their members without seeking a pay increase.

Labor is very often blamed both for the current recession and for inflation. Yet this great organization of men and women employed in the lumber industry has forsaken a pay raise—despite the grim increase in the cost of living—in order to make some contribution to economic stability in an industry already hard hit by adversity. The woodworkers are affiliated with the AFL-CIO.

Lumber has been depressed for 3 years, a depression due in major measure to the impact of the administration's tight-money policies on home-building. Leaders and members of the woodworkers unselfishly have tried to do their part in resuscitating a depressed industry, by abandoning their demands in 1958 for an increase in wages. This is an example not only of unselfishness, but also of labor statesmanship of the highest order. It calls for idealism and sacrifice.

In the past, I have called attention to the fact that the international president of the woodworkers, Al Hartung of Portland, one of my constituents, receives a salary of only $9,000. I cited this to the Senate at a time when the $50,000-plus pay of certain labor leaders was being studied by the McClellan committee.

So that further enlightened positions of the international woodworkers may be observed by my colleagues, I ask unanimous consent to have printed in the RECORD an article from the New York Times of May 4, 1958, entitled "Woodworkers Union Drops Bid for Pay Raise—Will Extend Pact."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WOODWORKER UNION DROPS BID FOR PAY RISE—WILL EXTEND PACT

PORTLAND, OREG., May 3.—The International Woodworkers of America took note of the recession yesterday and offered to extend a contract without pay increases for 45,000 of its members.

The union made its proposal after holding out stanchly for a 25-cent-an-hour pay increase since negotiations began 2 weeks ago.

Management was caught by surprise by the union proposal, but its negotiators accepted the union's offer with praise.

The two sides agreed to extend until next year a contract that would have expired June 1. They also agreed to a September 16 meeting to discuss wage negotiations if economic conditions warrant.

Local unions and individual companies still must accept the plan. Both sides said that this should be merely a formality.

Affected are 45,000 woodworkers in Idaho, Montana, Oregon, Washington, and California. They represent more than a third of the membership in the 127,000-man union.

The union said in a statement that its decision was reached with difficulty in the face of widespread unemployment among its western members. The purpose, the union said, is "keep as many of our people working as possible and give our industry the opportunity to concentrate on meeting the prevailing market conditions."

The union said members were "faced on the one side with a continuous increase in the cost of living, accompanied by a decline in take-home pay."

But it cited "less demand and lower prices for the products we produce, which has resulted in a great amount of unemployment among our members."

A management spokesman said the union stand was a realistic and statesmanlike approach to the economic problems which are affecting the lumber industry.

Lumber production and prices have been slumping severely for months.

Base pay ranges between $1.85 and $1.92½ an hour.

TIME FOR A TAX CUT

Mr. YARBOROUGH. Mr. President, I note with regret that the administration, despite the continued faltering economic situation, is still employing terrapin tactics.

Several weeks ago, on March 14, we moved in the Senate to reduce income taxes for all Americans by raising exemptions from $600 to $800. This move was blocked principally on the basis that we should "wait and see." Well, we have mistakenly waited, and what have we seen?

We have seen a steadily worsening economic situation.

Had we passed the tax cut proposed by Senators PROXMIRE, MORSE, MANSFIELD and me in March, I am confident that we would have been seeing some improvement in the employment picture. Economists tell us consumer spending will whip recession and a tax cut means more consumer spending.

The act would increase for the remainder of this year the personal income tax exemption of every individual from $600 to $800 at the annual rate. It is a moderate measure, which would reduce the total of income tax liabilities only $5 billion even if it were in effect a full year. Even though moderate, it yet is substantial, because the tax reduction is about equal to the drop in wages, at the annual rate, which occurred between the fourth quarter of 1957 and the first quarter of 1958. It is a flexible adjustment, a temporary increase in exemptions which would not be continued past the end of the year if the recession is reversed. It is a method of tax reduction which can be timely, and avoids the complexities and delays of writing a new rate schedule. The proposed increase of exemptions is broadly based, and provides the greatest tax relief to the great body of the consuming public. It would relieve several million people of income taxes, and provide tax reductions that are highest for the low-income groups. The reduction would amount to 10 percent or more of the income tax of all persons in the first income tax bracket.

A tax reduction is timely now. The total of wages and salaries has been declining, while the personal income tax rate has stayed high. Consumer prices have been increasing faster than in any month since July 1956, or in any extended period since 1951, and consumer debt has increased about the previous year's level, and savings have declined in recent months.

On Thursday May 1, the Washington Post published an excellent editorial on this subject. I ask unanimous consent to have printed at this point in the RECORD the text of the editorial.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TIME FOR A TAX CUT

The new employment figures ought to end the indecision about a tax cut. Although the total number of unemployed persons declined slightly in the month ending April 15, the increase in employment did not reflect more than the usual seasonal gain. The actual rate of unemployment—the ratio of the number unemployed persons in the labor market to the number of jobs—rose from 7 to 7.5 percent. This country, and the Free World, simply cannot afford such continued attrition of the American productive economy.

Despite President Eisenhower's noncommital comments at his news conference yesterday, we think the time for action has arrived. There are to be sure, some favorable items which can be cited: savings remain high, consumer spending had held up reasonably well, housing starts and machine tool orders have increased and certain specific sales campaigns have shown good results. But one overwhelming fact remains: the economy is not expanding; it is still contracting, and the erosion has not been halted.

It is of course possible that the economy is beginning to right itself, and that within a few months it would be back on the upgrade even without a new stimulant. But this possibility is "iffy," and even if the optimistic estimates should turn out to be well founded, the question is whether the Government of the United States can afford to wait. We think it cannot. The goods and services which are not now being produced are irretrievably lost. At a time when American industrial production fell 11 percent, Soviet industrial production during the first quarter of this year rose 11 percent. This is a

sobering comparison for Americans, and it is even more sobering in the reaction on other free world nations which are beginning to feel the pinch of the recession in the United States.

The present consideration, it seems to us, ought to be not whether the Government should act, but how. We favor an across-the-board cut in income taxes of limited duration, such as proposed by the Committee for Economic Development, as the sort of measure most likely to produce the needed stimulus quickly.

A tax cut would be preferable to a massive program of public works which could not take effect soon—although more governmental spending, not for leaf-raking but for programs to meet essential national needs, is certainly desirable. A reduction of income taxes also would be preferable at this time, from the standpoint of effectiveness and fairness, to any general tinkering with excise taxes which might open the door to a host of special-treatment pleas. Moreover, an income tax cut could be so applied as to minimize the danger of additional inflation by resuming current rates when other governmental spending programs began to take hold.

The precise amount, duration, and coverage of a tax cut are properly matters for discussion—though we hope not too lengthy discussion. The CED has suggested a 20-percent general reduction lasting until March 31, 1959, at a cost (beginning 5 weeks ago) of $7.5 billion. It might be feasible to curtail the period of the cut somewhat so as to make it coincide with the calendar year 1958. The objective, in any case, is to have a cut that is both great enough and of long enough duration to make a major impact on consumer spending and hence on business investment and expansion.

What is essential in any tax-cut program is to avoid letting it become an excuse for shirking other national and free-world responsibilities. This will be a great test of the maturity and vision of Congress. It is important to put more Americans to work, but this is only one of the requirements before the country. It is also important to have Americans decently schooled, to have cities renewed, to provide the highways and other facilities commensurate with the demands of a growing nation. And if these are important, it is no less important to look to the health of the free world—to expand trade, to maintain alliances, and to assist in the economic development of independent countries.

Thus a tax cut cannot be allowed to preclude the additional governmental expenditures needed to meet the domestic needs of a great nation. Nor can it be allowed to detract from the necessary improvement of defense or from the expansion of development programs abroad. Any tendency to take an either-or approach in Congress, to view a tax cut as a substitute for schools, or to retreat into economic isolationism at the expense of the remainder of the free world, must be resisted emphatically as the narrowest kind of folly.

The aim must be to do all of these things: to support a higher rate of governmental spending domestically, to maintain and expand programs abroad, and to give the economy the stimulus it needs to resume its growth. Only with such a purpose can the country expect to meet its responsibilities and to provide the expanded bases of production and consumption necessary for the next decade. The United States can recover from the effects of a temporarily unbalanced budget. What it cannot recover from nearly so readily is a prolonged period of sluggishness and economic shrinkage, of failure to keep active the dynamism so essential to the success of the competition in which the free world is engaged.

For these philosophical and practical reasons we hope that President Eisenhower and the administration will conclude that the time has come for action without further costly waiting; and if the administration delays we hope that the leaders in Congress will themselves press considered tax-cut legislation. A tax cut surely will not be a miracle cure for the recession, but it is medicine of the right sort, and the patient is ailing.

PURCHASE OF RESOURCES OF KLAMATH INDIAN RESERVATION—SOUTHEASTERN OREGON

Mr. NEUBERGER. Mr. President, today I presented to the Senate, on behalf of the Senate Interior Committee, the report which recommends passage of the Klamath Indian Reservation purchase bill, S. 3051. Soon the Senate will discuss this vital issue and, I trust, adopt the measure which I introduced back in January by the request of Secretary of the Interior Seaton and his associates in the Interior Department.

On the eve of this debate, I desire to include in the body of the RECORD three salient and pertinent editorials from three leading Oregon newspapers. They are "To Forestall Endless Litigation," from the Oregon Journal of Portland of April 30, 1958; "Klamath Solution Near," from the Oregonian of Portland of April 30, 1958; and "Time Growing Short on Klamath Issue," from the Eugene Register-Guard of Eugene of April 29, 1958.

I would commend to my colleagues the urgent tone of all three editorials concerning the need to protect the timber, wildlife, and watershed values of the Klamath reservation from exploitation and clear-cutting. I am pleased that the Oregonian editorial pays tribute to the leadership which has been shown on this vital question by Under Secretary of the Interior O. Hatfield Chilson, who has presented the administration viewpoint with ability and fairness.

In addition, I would like to join in the commendation contained in the Journal editorial for the fine public-service broadcasts and telecasts undertaken in Oregon by Tom Lawson McCall of station KGW-TV, who also serves as executive secretary of the capable and dedicated Oregon legislative interim committee on Indian Affairs of our State.

Mr. President, I ask unanimous consent that these three capable editorials appear in the body of the RECORD, for the information of Members of the Senate.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Portland (Oreg.) Journal of April 30, 1958]

TO FORESTALL ENDLESS LITIGATION

Unanimous approval of an amended Seaton bill by the Senate Interior Committee Tuesday gives rise for more hope than has been held before that Congress will do something to forestall the disastrous results in Oregon threatened by the present Klamath Termination Act.

Some Senators have been won over by inclusion of the $90 million ceiling in the bill to pay off the Indians. Previously, they objected to voting for a measure without a price limit. Total timber assets in the Klamath Reservation have been appraised at $119 million. (The Seaton bill gives first chance at purchase of the timber to private operators but under conditions which leaves doubt that any would bid. If none does, the Federal Government would buy it.)

The $90 million is $2,500,000 less than would be needed to pay the 77.3 percent of Klamath Indians who have voted to leave the tribe, but Senator RICHARD L. NEUBERGER, who has taken the lead in pushing the Seaton bill, believes that this can be found in the sale of pockets of timber that won't go into a sustained-yield program.

It is possible that some Senators have been impressed by the argument that, unless the present Klamath Termination Act, which would throw the whole block of Klamath timber on the open market on a fire-sale basis, is changed, endless litigation against Uncle Sam will result.

Klamath Indian leaders interviewed by Tom McCall for his channel 8 Viewpoint program Sunday, were in general agreement that if they are forced to sell the timber at fire-sale prices, they will sue the Federal Government. And the history of Indian suits is that they last a long time and that in the end Uncle Sam pays heavily. Perhaps in the Klamath situation, money will be saved over the long pull if full justice is done to the Indians now.

Oregon's stake in this is not only full justice to the Indians but the continuation of sustained-yield management of the Klamath timber, which is not provided for in the present act and the end of which could throw our timber economy out of kilter.

[From the Portland Oregonian of April 30, 1958]

KLAMATH SOLUTION NEAR

The unanimous vote of the Senate's Interior Committee Tuesday for the Seaton bill, introduced and backed by Senator RICHARD L. NEUBERGER as a substitute for his own earlier bill, is the first big step toward orderly termination of Federal trusteeship for Indians of the Klamath Reservation.

If the bill is accepted by Congress, the 77.3 percent of the Klamaths who voted to withdraw from the reservation will be paid in cash. Those remaining will keep that part of the reservation forest allocated to them, which will be administered under a private management trust.

The unanimous vote may be attributed to a compromise committing the Government to pay not more than $90 million for tribal timber. The market value of the 4,300 million board-feet of ponderosa pine on the reservation has been set at $121 million.

To pay about $56,000 each to the 1,649 Indians who voted to withdraw, in this week's election, will require $92,572,000. But the difference can be made up, it is believed, in the sale on bids to private buyers of "fringe" segments of timberlands not essential to sustained yield management of the bulk of the great pine forest. This will also provide timber in smaller lots for smaller lumber operators.

The bill sent to Congress by Secretary of Interior Seaton with approval of Secretary of Agriculture Benson will first offer the 11 sustained yield units, until January 1, 1961, to private bidders—but with requirement of sustained yield management. What is not purchased in this manner will be bought out of the $90 million authorization and will become a part of the national forest. A large area of the Klamath Marsh, worth $407,000, will be dedicated to the Federal Fish and Wildlife Service as a game and fish management area.

No one considers this an ideal arrangement—least of all the Western Pine Association and the National Lumber Manufacturers Association which oppose Federal

ownership and urge long-time marketing of the timber to private industry.

But under the 1954 Termination Act, the timber would have to be sold immediately on a depressed lumber market and without sustained yield. Either amendment of the act, or postponement—which many Members of Congress oppose—is necessary to prevent a fire-sale dumping of timber which would cripple the industry, threaten the Klamath Basin's water supply, imperil wildlife values and deprive the Indians of fair prices.

This newspaper believes the backstop of Federal purchase of the bulk of the reservation is the only logical answer to a complex problem. Congress should lose no time in adopting this legislation which can be credited largely to the hard work of two men: Senator NEUBERGER, who passed up a desired appointment to the Agriculture Committee rather than abandon the Klamath legislation in the Interior Committee, and Assistant Secretary of Interior Hatfield Chilson, spokesman for the administration.

[From the Eugene (Oreg.) Register-Guard of April 29, 1958]

TIME GROWING SHORT ON KLAMATH ISSUE

The developments on the Klamath Indian Reservation are getting to the crucial stage, with the vote of tribal members on Sunday to determine how many would leave tribal status and how many would elect to stay on the reservation.

As predicted by the Interior Department management specialists, 77 percent of the tribe voted to become independent citizens and will, in one form or another, receive 77 percent of the assets of the Klamath Reservation. The remainder will get benefits from a trust-type of management of the lands which remain unsold.

At present, unless Congress acts to amend it, the Klamath Indian Termination Act of 1954 will take effect as soon as Congress adjourns. The vast ponderosa pine stands will be sold to bidders without cutting restrictions. The sale must be completed by August 13, 1960. (This will involve some 3 billion board-feet of timber, with 77 percent of the tribe leaving reservation status.)

There are, in the opinion of this newspaper and many other people, several things wrong with the procedures under the 1954 Termination Act. But two of them are most important. Dumping this timber on a depressed lumber market will do the economy of Oregon harm, and the Indians will be treated poorly in that they will not receive their just share from the tribal assets.

A recent study indicates that the appraised value of the timber is $121 million. The tribal vote indicated that withdrawal of members will affect about $90 million worth of the timber.

Before Congress now is the Seaton bill, which would amend the Termination Act, by providing that private bidders for the vast timber stands must agree to manage it on a sustained-yield basis. It would give private bidders first choice for the timber.

But, in case private bidders failed to take all the timber on this basis, the bill provides for the Federal Government to purchase it at the appraised value and place it under the supervision and management of the United States Forest Service. In this way, it assures not only proper management of these huge forest resources but it also assures the Klamaths, who are withdrawing from tribal status their just share of the reservation assets.

The Seaton bill, the administration proposal presented by Interior Secretary Fred Seaton, has obtained bipartisan support in Congress, including that of Senator RICHARD NEUBERGER, of the Indian Affairs Subcommittee. Senator NEUBERGER has backed the Seaton bill, in deference to his own which called for outright Federal purchase of the tribal assets, because he believes it stands a better chance for passage in Congress.

But the Senate Interior Committee, its Indian Affairs Subcommittee, and others in Congress have been subject to a barrage of protests by national lumber organizations which oppose the Seaton bill. They apparently base their opposition on a premise that they don't want the Federal Government to own any more timberlands. This would indicate they don't believe private lumber people would want to purchase the Klamath timber if it must be operated on sustained-yield basis, particularly when it calls for paying the appraised value of the timber.

However, if the Indians are to be treated fairly, there appears to be no other way out with the deadline rapidly approaching for termination to be consummated.

We have heard no one contend that the Seaton bill is a perfect solution to this most difficult problem. The Indian Affairs Subcommittee of the Senate is trying to refine it now. But it is the only solution we have seen yet that would protect the lumber economy of Oregon and that would be as fair as possible to the Indians in this rush program to termination.

With summer drawing near, Congress has little time remaining in which to act on this vital matter. We hope local people will let Senator NEUBERGER know that they support him in his efforts to get the Seaton bill through Congress.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

Mr. MANSFIELD. Mr. President, what is the unfinished business?

The PRESIDING OFFICER. The Parliamentarian informs the Chair that Senate Resolution 287 is the unfinished business. It will be laid before the Senate at 2 p. m.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 1459, H. R. 4640 be made the pending business.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 4640) to amend the Civil Service Retirement Act with respect to payments from voluntary-contributions accounts.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Post Office and Civil Service with amendments.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT OF WILDERNESS SOCIETY ON WILDERNESS PRESERVATION BILL

Mr. NEUBERGER. Mr. President, because of different interpretations on provisions of S. 1176, the wilderness preservation bill, I have placed in the RECORD material from various groups interested in the proposed legislation so that these differences may be clarified. I have received a copy of a letter from Mr. Howard Zahniser, of the Trustees for Conservation, to the distinguished chairman of the Senate Interior and Insular Affairs Committee, which explains the multiple-use concept of public land as affected by the proposed legislation. I ask unanimous consent to have the letter printed in the RECORD in connection with my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TRUSTEES FOR CONSERVATION,
San Francisco, April 28, 1958.

Hon. JAMES E. MURRAY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MURRAY: Another sponsor of the wilderness bill has brought to my attention a copy of the April 21 letter from the American Forestry Association which calls this legislation a threat to the multiple-use concept of national-forest management. It is suggested that this misunderstanding be corrected, and I am glad to summarize the facts with regard to the wilderness bill.

Of course it is either misunderstanding or misinterpretation, because the wilderness bill rather than being a threat to, is actually an expression of, the multiple-use concept. It is, in fact, based on an understanding that wilderness preservation in the national forests can be part of a multiple-use program, and the revised bill which the American Forestry Association letter criticizes makes this explicit, particularly in the last paragraph of section 1 (b) and in the basic first sentence in section 3, which deals with use of the wilderness.

A MULTIPLE-USE MEASURE

The wilderness bill gives no one any vested right, not even any special privilege, in the areas of wilderness that it proposes to safeguard in the national forests, national parks, wildlife refuges, or elsewhere. These areas, the bill declares, shall serve the public purposes of recreational, scenic, scientific, educational, conservation, and historical use and enjoyment by the people.

The bill declares, in phrases written in the Forest Service, that "in establishing thus a national wilderness preservation system to include units within the national forests it is further declared to be the policy of Congress to administer the national forests with the general objectives of multiple use and sustained yield, and in order to carry out this policy the Secretary of Agriculture is accordingly directed to administer the national forests on a multiple-use basis so that the resources thereof will be used and developed to produce a sustained yield of products and services, including the establishment and maintenance of wilderness areas, for the benefit of all the people of this and future generations."

That is the last paragraph of section 1 (b). It pertains to national forest areas, with which the American Forestry Association is specially concerned. The basic topic sentence of section 3 on Use of the Wilderness is as follows:

"Nothing in this act shall be interpreted as interfering with the purpose stated in the

establishment of any national park or monument, national forest, national wildlife refuge, Indian reservation, or other Federal land area involved, except that any agency administering any area within the National Wilderness Preservation System shall be responsible for preserving the wilderness character of the area and shall so administer such area for such other purpose or purposes as to preserve also its wilderness character."

Surely these quotations demonstrate pointedly that this legislation is not for any single use or any special group. It is truly a multiple-use wilderness preservation measure. A copy of the full text of the revised bill is enclosed. Complete reading will show that the bill has this character throughout.

NO HELP TO SPECIAL INTERESTS

Legislation that might be proposed by any public-interest group or any of the special interests to which the American Forestry Association refers, if patterned after the wilderness bill, could hardly help any would-be exploiters hew out their coveted portions of the public lands, as the Forestry Association seems to fear. Enactment of the wilderness bill will discourage rather than invite any such legislation.

Nor is the National Wilderness Preservation Council to be established by the wilderness bill a publicity group to propagandize the public at taxpayer expense. The best assurance as to this is a reading of the bill, of course. Briefly, however, it can be pointed out that the Council will comprise five bureau heads who will be administering different kinds of lands for various purposes, but in such a way as to preserve their wilderness character, and along with these land administrators will be the Secretary of the Smithsonian Institution and three citizens to be appointed by the President. The Council is to be a central repository of files, a nonexclusive clearinghouse for exchange of information, a maker and sponsor of surveys, and a central source of information. It provides a focus for the multiple kinds of interest that include wilderness.

AN INSTRUMENT OF COOPERATION

The American Forestry Association's letter should not be allowed to convey the impression that the wilderness bill has had a disruptive or divisive influence among conservation organizations. Quite the contrary, it has been the instrument of uniting them with regard to an aspect of conservation on which there had not previously been developed the unity of sentiment that there now is. In its February 1958 issue of American Forests, the American Forestry Association, through its editor, took credit because in opposing the wilderness bill it had, and I quote, "opposed every single other conservation organization in the country."

Nor has there been violent controversy with other than conservation organizations, with trade associations, public agencies, or industries. On the contrary, the proponents of the wilderness bill have had—and have—the good will of the representatives of these groups, and the criticisms received have been constructive for the most part, and helpful. These criticisms, as well as those earlier made by the American Forestry Association, have also been heeded by sponsors of the bill in its revision and clarification. While we can hardly hope to have complete agreement on such a program as this, it does seem that we have minimized controversy and have in the wilderness bill an instrument of cooperation.

The United States Chamber of Commerce in a March attack on the wilderness bill included misunderstandings or misinterpretations similar to these present ones, and these were answered by Sigurd F. Olson, president of the National Parks Association, in a letter to Senator HUBERT H. HUMPHREY which was published in the CONGRESSIONAL RECORD for April 3 on pages 6187–88. Mr. Olson listed a dozen mistakes in the Chamber of Commerce attack and provided a dozen corrections. Because these are so pertinent in the present circumstances and because Mr. Olson's letter is so clear and forceful, I am enclosing a copy of it also.

It seems to me that neither the United States Chamber of Commerce nor the American Forestry Association needs to go to these extremes to champion lumber or other economic interests in opposition to this proposed measure. We who are advocating it and have helped develop it are ourselves doing our best to see that it damages no other interests. There is indeed not a single area included in the proposed protection of this measure that is now available for logging. Commercial interests are not threatened by this legislation, but rather are respected in a program that seeks to preserve some 2.2 percent of our land in its natural condition as part of an overall policy that provides for our economic and other recreational needs, too.

We should like to emphasize as strongly as we can that the wilderness bill is a measure designed to fit into our other national policies. A prime objective is compatibility.

Sincerely yours,

HOWARD ZAHNISER,
Washington Representative.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FREAR. Mr. President, I ask unanimous consent that the order for quorum call be rescinded.

The PRESIDING OFFICER (Mr. MORTON in the chair). Without objection, it is so ordered.

VETO OF MEASURE PROVIDING A 1-YEAR FREEZE ON FARM PRICE SUPPORTS

Mr. NEUBERGER. Mr. President, I have received two communications urging me to support Senate action to override the presidential veto of the measure calling for a 1-year freeze on farm price supports which I would like to call to the attention of my colleagues. One is a telegram signed jointly by the presidents of three Democratic clubs in Umatilla County, Oreg. Umatilla County is in the heart of the wheat country and the membership of the Democratic clubs in the county include many wheat farmers. As local organizations, I might say they are sensitive to local opinion and they voice, when they speak, a grass roots opinion.

The other communication, Mr. President, is a statement prepared by Mr. Floyd Root, of Wasco, Oreg., the president of the National Association of Wheat Growers.

We continue to hear that the trend in farm prices is steadily rising; however, little mention is made of the fact that loss of vegetable and fruit crops this winter and a cycle rise in cattle and hog prices as a result of herd depletion during drought years in the Great Plains may well indicate that the current increases in farm prices are of a temporary nature.

I ask unanimous consent that these two informative communications be printed in the RECORD at this point.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

PENDLETON, OREG., *April 15, 1958.*

Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

Our respective Democratic clubs in Umatilla County requested we urge you to override the President's veto on the farm-freeze resolution. Lower prices on wheat will result in losses of over one and a half million dollars of income to Umatilla County growers. Reduction of farm income is inconsistent while attempting to stimulate the rest of the economy in this recessional crisis. Lower costs of wheat foods to consumers will not result by further reduced price supports.

WILLIAM TEMPLE,
President, Pendleton Democratic Club.
WILLARD STRATTON,
President, West End Democratic Club.
ROBERT SCHUBERT,
President, East End Democratic Club.

STATEMENT BY THE NATIONAL ASSOCIATION OF WHEAT GROWERS SUPPORTING AN OVERRIDE OF THE PRESIDENTIAL VETO OF THE FARM FREEZE RESOLUTION, APRIL 1958

(By Floyd Root)

The National Association of Wheat Growers strongly protests the veto by President Eisenhower of the measure passed by Congress in March calling for a 1-year freeze on farm price supports. If the veto stands, it will mean that price supports on wheat for the 1958 crop will be sharply reduced by an average of 22 cents per bushel. The reason that we are protesting lowering the loan rate to this extent is not that we favor high fixed price supports for wheat, but rather that our experience leads us to believe this action will in no way solve the wheat surplus problem of the United States.

The 1958 wheat crop is estimated nationally at 1,200,000,000 bushels. This will be an increase in production of approximately 250 million bushels over the harvest of the last 2 years. However, the increase is not due to higher price support or a higher price in the market, but to the best overall weather conditions which the United States wheat producing areas have had during the past 10 years.

Lowering price supports by 22 cents a bushel at a time when the Department of Agriculture is carrying a surplus of more than 750 million bushels of wheat, can only result in the market following the support price on down. This will mean that all the farmers in the United States who grow wheat will collectively lose approximately $260 million due to the action of the Secretary of Agriculture.

It is an inconsistent policy for the administration to be responsible for reducing income by this large an amount to one segment of the population while working vigorously with other segments to stimulate the economy and reverse the recession. In these times of increasing farm costs, lowering the price of wheat only accentuates the cost-price squeeze, and accelerates the movement of people off the farms, which in turn adds to the national unemployment and increases the need for additional relief and welfare funds. If the income of the wheat farmer could be increased he would in turn start buying some much needed equipment. This would lead to more employment in our factories and would help our present unemployment problem.

It is most unrealistic to lump together all farm commodities when the farm problem is considered. With some commodities, lower

prices to the farmer will reflect lower prices to the consumer. Such may be the case with food products which have an elastic demand. The United States Department of Agriculture has determined, however, that the price of wheat has little effect on the price of bread. At the present time, there is less than 4 cents worth of wheat in a large loaf of bread costing about 31 cents. You can see why wheatgrowers have a feeling of bitterness toward statements to the effect that lower farm prices mean lower food prices. As far as wheat is concerned, a 22-cent per-bushel reduction in the loan rate at this time means a loss of $260 million to the wheat farmer which will be absorbed by the processors and bakers in an expanded profit margin and will not benefit the consumer.

We feel it is also inconsistent for the Secretary of Agriculture to urge lending agencies to expand credit to farmers and allow them to go further into debt. Wouldn't it be better for the farmer to obtain his income in the market place even if it is dependent, due to surpluses, largely upon the Government-loan rate?

The officials of the Department of Agriculture would readily recognize that lowering the loan rates on the 1958 wheat crop will not reduce the wheat production this year due to the excellent weather conditions in the High Plains area of Kansas, Texas, Oklahoma, and Colorado. It is questionable that in future years lower prices will decrease the production of wheat because in the commercial wheat areas there are few alternative crops. At the present time there are no alternative crops which will produce anywhere near a profitable return on wheatland.

The National Association of Wheat Growers does not favor high fixed price supports, but we know that as far as wheat producers are concerned flexible price supports are also not the answer to the problem. Therefore, we respectfully request your support for overriding the Presidential veto to allow the continuation of price support for the 1958 wheat crop at the same level as for the 1957 crop, as a temporary measure until a long-range wheat plan can be developed.

Mr. SYMINGTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President——

The PRESIDING OFFICER. The Senator from Massachusetts.

UNEMPLOYMENT COMPENSATION LEGISLATION

Mr. KENNEDY. Mr. President, two events of the past week pointed up again what should have been abundantly clear sometime ago: that our present unemployment insurance program is in critical need of prompt revision and modernization. The first event was the release by the Department of Commerce of the preliminary employment figures for April. The second was the passage by the other body of the administration's emergency program for a temporary extension of benefits.

The preliminary employment statistics do not justify the optimism expressed by the President. At a time when seasonal factors alone customarily create employment for an additional 200,000 to 300,000 workers, unemployment has declined by less than 80,000. We can expect no more seasonal declines—only a tremendous increase in unemployment this summer when present students in high schools and colleges reach the labor market. Most expert observers now agree that unemployment will remain over the 5 million mark for an indefinite period of time.

Last week's action by the House demonstrates the general interest that our present unemployment insurance system is inadequate to meet this crisis. Jobless workers are exhausting their benefit rights at the rate of about 40,000 a week. Some 2 million other workers have never received benefits since losing their jobs, either because they were not covered by the program or because they were disqualified under the present patchwork of State eligibility requirements. Those who are at least fortunate enough to be receiving benefits are forced to provide for themselves and their families on an average benefit of $28 a week.

Let me say to the Senate that statistics of the Bureau of Labor Statistics show a single woman, living on a minimum standard of living in the city of New York, has a living cost of $51.50 a week.

The Senate must act on this problem without delay. We have already passed public works measures which should help create jobs at some future date. We are talking about a tax cut, to provide more take-home pay to our Nation's wage earners. But, as yet, we have done nothing whatsoever to bring relief directly to the more than 5 million men and women who are the real victims of the present recession—those who are most urgently in need of our consideration—those who will, without question, be spending, not saving, every additional dollar made available to them.

Essentially, two proposals will be before the Senate—the administration's program, as amended by the House—and the bill which I have introduced along with 17 other Senators. It has been suggested that my bill is complex and controversial—and that the easiest, quickest step would be to pass the administration's proposal. But I trust that the Senate of the United States will not, in order to save a few days of study and give the appearance of action, rush into this kind of patchwork paint job while ignoring the dangerous flaws in the basic structure of a system which must handle heavy unemployment for months and years to come.

Both the administration bill and the bill I have introduced recognize the need for prompt Federal action, and the inability of meeting this nationwide problem through State action. Both recognize the stimulus to our economy which will result from any step moving funds into the hands of unemployed workers, and particularly those who have exhausted their benefit rights. But in every other aspect the administration bill is wholly inadequate to remedy the defects of a wholly inadequate system. It does nothing for those receiving no benefits at all from a lack of coverage or an arbitrary disqualification. It does nothing for those States unwilling or unable to accept its harsh repayment provisions. It does nothing to increase the low benefit levels of those now receiving less than one-third of normal earnings.

It is an interesting fact, Mr. President, that at the end of the 1930's, when the program was first put into effect, the average benefit paid was nearly equal to two-thirds of the wage. Now such a benefit is equal to less than one-third of the wage.

The administration bill does very little to help those now eligible to draw benefits for as little as 5 or 10 weeks.

This is no time for a jerry-built stopgap scheme that ignores the real defects in our present system. It is time for the Senate to provide permanent nationwide standards in benefit levels, duration of benefits and coverage.

I believe it is time for the Senate to provide national minimum standards along the lines the President since 1953 has recommended that the States adopt, but which, in spite of considerable effort on the part of some States, no State has yet adopted.

I believe it is time for the Senate to adopt permanent nationwide minimum standards in benefit levels, duration of benefits and coverage—changes which are long overdue and which will provide effective relief in today's crisis.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. MANSFIELD. I should like to obtain some information on some matters which have been disturbing me lately, and I should appreciate receiving the information from the distinguished Senator from Massachusetts.

When did the Senator from Massachusetts and his colleagues introduce the unemployment compensation continuation bill?

Mr. KENNEDY. Let me say to the Senator that we took two actions. The first was in 1954, 6 months after the President made his first recommendation. We offered an amendment on the floor of the Senate, which received about 30 votes, but did not receive a majority. The amendment would have provided that nationwide minimum standards as to duration and amount be written into law.

Then 2 months ago a bill was offered.

Mr. MANSFIELD. Can the Senator give the exact date?

Mr. KENNEDY. It was offered in February.

Mr. MANSFIELD. In mid-February?

Mr. KENNEDY. It was offered in the first half of February.

Mr. MANSFIELD. And the Senator was joined by some 16 or 17 colleagues in sponsorship of the bill, was he not?

Mr. KENNEDY. Yes. The cosponsors included the Senator from Maine [Mr. PAYNE] and Senators from this side of the aisle.

Mr. MANSFIELD. May I ask the Senator when the administration proposal, so-called, was presented to the Congress for its consideration?

Mr. KENNEDY. I believe the administration proposal was first introduced after our proposal. I cannot give the Senator the exact date, but I should say that the administration proposal was made around the 17th of March.

Mr. MANSFIELD. In other words, the proposal introduced by the distinguished Senator from Massachusetts was introduced a month prior to the introduction of the administration bill?

Mr. KENNEDY. The Senator is correct. I will say to the Senator that this is a matter which has been before the Senate and in the minds of Senators for 4 years. I hope the Senate will not act to pass the bill which passed the House, which is an unsatisfactory bill, and which I think will provide no genuine relief, when we have an opportunity to really grasp the nettle and do something about providing minimum standards of duration and benefit for those who, through no fault of their own, are out of work, who are seeking work and cannot find it.

This is a matter which has been left undone since the 1930's. I hope the Senate will meet its responsibility by providing that every State must pay benefits equal to 50 percent of the worker's wage, up to two-thirds of the average wage, for the duration of 39 weeks.

APPRAISAL OF CURRENT TRENDS IN BUSINESS AND FINANCE

Mr. HOBLITZELL. Mr. President, I present an article from the Wall Street Journal of today entitled "Appraisal of Current Trends in Business and Finance." I ask unanimous consent that it be printed in the body of the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

APPRAISAL OF CURRENT TRENDS IN BUSINESS AND FINANCE

More and more comment on taxes nowadays points toward the idea that this is a good time to reform the Federal tax laws in permanent ways rather than to make a stopgap change of a so-called antirecession nature. Curiously enough, furthermore, such true reforms could in many cases have a real antirecession effect.

Perhaps most obivious in the list of taxes that should be reexamined are the excise taxes. It is remarkable how many of them are laid on the very products and services which are suffering most from recession. Among them are levies on tires, radios, and television sets, home appliances of all kinds, including refrigerators and air conditioners, automobiles and their parts and accessories, moving-picture admissions, and railroad and other travel.

The reason why such products are now taxed has been mostly forgotten. Many of them were included in the excise list in the last two war periods because it was then considered advisable to discourage their consumption, purchase, or use. And even some on which a tax had been levied before World War II, and which might therefore be regarded as more normal targets for excises, found their tax rates multiplied in wartime to keep them from getting too popular.

Of course, abandoning these rates, or even reducing them, at this time might be very difficult because the Government has come to depend on them in order to operate in the style to which it has become accustomed. But in this weekly column today no effort will be made to solve that problem, beyond a few hints on how the problem might be approached in a more ideal world than any of us are likely to live in. Briefly, it should be approached through a reduction in Government expenditures, followed immediately by a lowering or elimination of antirecovery taxes. Among the first of the latter to be attacked are excises which were imposed in wartime to keep consumption down.

The second structure of rates which might well be attacked in a more ideal world would be the individual income levies. They start too high and they run too high. Though it does seem advisable that as many as possible of the Nation's citizens be aware of the cost of the Government, a rate system which starts at one-fifth of every dollar earned above $600 or $700 a year seems unduly harsh.

Equally unwise, though for different reasons, is the progression of rates to astronomical levels that take more than nine-tenths of every dollar above $200,000. These destroy the incentives of some people and titillate the greed of others. Those who want to live in a really princely fashion, and can command the price, get paid enormous sums several times their actual disposable income. Many others simply refuse to bother to go after any additional income once they get to the brackets where Uncle Sam takes half or more of each dollar.

The full costs of this kind of thing cannot be measured. It is because of the high rates that the tax laws are so complicated. If the rates were lower, the search for loopholes wouldn't be so eager. This fact gives employment to many smart men who help others figure out ways of keeping down their taxes, and it also brings about many distortions in the reasons why business is down. Perhaps the most ironic phrase connected with tax administration is the one which specifies that certain transactions, in order to come under one or another tax umbrella, must have a business purpose. The law has actually put a premium on doing business for other than business purposes, and thus needs to state in so many words it didn't mean to do that.

The third field is that of the corporate tax. This one is perhaps not directly quite as harmful as the other levies because it is more nearly—though by no means wholly—uniform in its application. Also, it is treated by the corporations as merely another cost which they can pass on to their customers. On the other hand, the tax does tend to act as an incentive to careless spending, as when corporate officials make decisions on the ground that Uncle Sam will pay half of it. And of course it is added to the price of everything.

In this field the method of application of the tax as well as its rates could stand reexamination. Depreciation rules are a particularly good target for such study because they have a direct impact on the kind of spending which lies at the heart of both long-term economic growth and short-term recoveries from recessions.

These stem principally from business investment. Such investment may have as its purpose the building of plants and equipment which will produce existing types of goods or services at lower costs and prices, and which will replace older plants and equipment, even if they are not worn out but are merely becoming obsolete from a cost standpoint. In these cases new groups of consumers may be reached who previously were unable to buy the products.

Or new business investment may be undertaken in order to produce goods previously not on the market at all, and for which no known demand has existed, but which the enterprisers think they can sell—as has happened in the past with autos, television sets, electric refrigerators and hundreds of other things. In either case new economic activity is generated.

The impact of depreciation rules on this process is that they affect its cost. If depreciation deductions from taxable income are rapid, the cost of a capital outlay can be recovered fast and the money is available soon for a new similar outlay and the discarding of the old plant or machine, even if not worn out. The further depreciation rules are advanced from the old idea of making business taxpayers keep equipment until it is actually worn out, the more active will tend to be the growth of the Nation's business and the shorter the recessions and so on. The main requirement, of course, should be that the rules be uniform and not be written as special grants for special groups, or special years.

GEORGE SHEA.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 1818. An act to direct the Secretary of the Interior to acquire certain lands as an addition to the Fort Frederica National Monument;

S. 2183. An act to amend the act of August 2, 1956 (70 Stat. 940), providing for the establishment of the Virgin Islands National Park, and for other purposes; and

S. 2937. An act to provide equitable treatment for producers participating in the soil bank program on the basis of incorrect information furnished by the Government.

The message also announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 2151. An act to suspend for 3 years the import duties on certain coarse wool; and

H. R. 11019. An act to permit articles imported from foreign countries for the purpose of exhibition at the Kentucky State Fair, to be held at Louisville, Ky., to be admitted without payment of tariff, and for other purposes.

LAW DAY, U. S. A.

Mr. CARROLL. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial published in the Denver Post of April 30, 1958, entitled "Law Day, U. S. A.: A Call for Bold Thinking."

I sincerely hope that every Member of the Senate and of the House will read the editorial. It was written by a very distinguished lawyer and leader of the Colorado bar, a philosopher, scholar, and Democrat. He is my long-time friend and counselor, Mr. Phillip Hornbein, of Denver, Colo.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LAW DAY, U. S. A.: A CALL FOR BOLD THINKING

(EDITOR'S NOTE.—This year while Communists are celebrating May Day as the anniversary of their rise to power, Americans will be celebrating May 1 as Law Day—dedicated to the idea that freedoms rest on rules of law rather than rules of men. Following is one of several guest editorials on Law Day prepared for the Post by civic leaders.)

(By Philip Horbein)

To the people of many countries "law" signifies only oppression and tyranny. But for Americans, law is the means by which our basic rights and liberties are recognized and protected.

These fundamental rights include the freedom to express our ideas and opinions, no matter how divergent they may be from prevailing beliefs. The Bill of Rights, which consists of the first ten amendments to the Constitution, defines and guarantees our liberties, but they exist independently of governmental recognition or approval. In the language of the Declaration of Independence, "all men are endowed by their Creator with certain unalienable rights." Since these rights are not founded upon any governmental grant, they may not be abridged or denied by the Government. They are the heritage of all free men, whatever their race, creed or color.

Under our Constitution there is no such thing as a political crime. We have the right to criticize and oppose our Government, so long as such opposition does not take the form of engaging in war against the United States or adhering to our country's enemies. This was not the case when our land was ruled by the British. Then, any criticism of the king, or of his government, could be construed as treason and punished accordingly. That is undoubtedly why the Founding Fathers, who were themselves rebels against constituted authority, did not provide for any loyalty test as a condition for American citizenship. They must have believed that loyalty cannot be constrained or coerced, but burgeons naturally when government is just and beneficent.

This view has proven correct. Our Nation has become great because its people have remained free. Our progress has never been impeded by the fetters of orthodoxy or conformity. Fresh ideas, novel theories have always been permitted to compete on their merits with established doctrines.

Out of a diversity of beliefs we have forged true national unity. This method is essential to our democratic form of government. A totalitarian government cannot brook criticism or opposition. But a representative government depends for its vitality upon the constant scrutiny and criticism of its policies and actions by a free citizenry.

We look to the courts for the protection of our freedoms, but the concurrence of the American people is required if we are to maintain intact the liberty which was secured by the blood and lives of our Nation's founders. For not every suppression of freedom can be relieved by a court of law. An individual's freedom to express unpopular opinions may be effectively repressed through fear of ostracism or economic reprisal from his fellow citizens.

The free and open discussion of vital issues is likely to be curtailed whenever there exists a pervading spirit of conformity or a popular demand for orthodoxy of thought. That is why the ultimate responsibility for the preservation of our freedom rests upon each one of us. No matter how odious to us may be another person's ideas, it is our duty to fight with all our strength to defend his right to be heard.

Our Nation is today faced with a challenge of greater magnitude than that of any in our history. Now, more than ever, it is imperative that we maintain to their full vigor the basic freedoms which have enabled us in the past to meet and surmount every threat of national disaster.

Today's problems call for bold thinking and venturesome ideas, which can originate only when there is complete freedom of thought, inquiry, expression and discussion. It should be the task of all of us to create an atmosphere of opinion which will not only tolerate, but will encourage, the unrestricted exercise of these fundamental rights.

NUCLEAR TEST POLICY AND ATOMS FOR PEACE

Mr. ANDERSON. Mr. President, there has been some correspondence and discussion in newspapers and over the radio during the past few days and weeks on the subject of clean and dirty bombs, on the subject of the amount of notice being supplied to the Joint Committee on Atomic Energy, and on various other subjects relating generally to the defense of this country and its attitude toward Atoms-for-Peace.

I have decided to take some time this afternoon to discuss the subject. I hope I shall not indulge in any unwise language with reference to any individual. I believe I shall not violate any regulations with respect to restricted data. However, I do not propose to have any individual write a letter which in effect four times calls me a liar and not try to test the truth of what has been written about me.

The purpose of my speech this afternoon is to correct some misunderstandings, deliberate or otherwise, relating to the current question of nuclear tests.

First of all, I believe I should define again my position on testing. In the past I have suggested that weapons testing be continued, but that there should be a restriction on the amount of fission products released into the atmosphere. I have supported the idea of testing while we were in need of developing better weapons. I have praised, without exception, the work being done in the great laboratories at Los Alamos and Livermore.

I believe I am correct in saying that from the standpoint of years of service I am the oldest member of the Joint Committee on Atomic Energy to have witnessed atomic tests within the continental United States. I went to Las Vegas, Nev., in 1951, and I believe I was the only member of the Joint Committee on Atomic Energy who was present at those atomic tests. I have followed with the greatest interest every test and every development of weapons from that date to this.

Mr. President, many years ago I stood in one of the laboratories and put my hand on a type of weapon which seemed destined soon to emerge from that laboratory. Now, some 5 or 6 years later, that weapon has begun to move into the stockpiles of the Nation. I have watched every step of its progress with enormous interest.

I was active in the hearings of the Joint Committee on Atomic Energy last year when it dealt with the subject of radioactive fallout. I was trying to follow the testimony as accurately and as carefully as I could. Mr. President, one great national publication, in printing a picture of the hearing, said I had followed the testimony close enough to correct the arithmetic of one of the scientists. A person does not listen casually to discussion if he is able, on the basis of his attentiveness, to correct the arithmetic of one of the prominent scientists of this country.

I realized then, as I went through the hearings, that there might be a future threat to the population, but no immediate threat. I shall quote from item 6, page 3 of the Joint Committee Report on Radioactive Fallout—Its Effects on Man:

EFFECTS OF FUTURE TESTING

There were differences of opinion on how to forecast the consequences of future testing. The differences hardest to reconcile appear to be those concerning biological effects of radiation. Pending a resolution of differences, it would appear from the information presented that the consequences of future testing over the next several generations at the level of testing over the last 5 years could constitute a hazard to the world's population. It is very difficult, if not impossible, to forecast with any real precision the number of people that would be affected.

The Special Subcommittee on Radiation was careful not to hazard a guess, because there were all sorts of estimates before the committee, ranging from small numbers to very large ones, indeed.

The material which I have just quoted is from the "Summary-Analysis of Hearings on the Nature of Radioactive Fallout and Its Effects Upon Man, issued in August 1957 by the Special Subcommittee on Radiation of the Joint Committee on Atomic Energy. So far as I know, no member of the Joint Committee has taken exceptions to this, and, so far as I know, neither has the Atomic Energy Commission.

I have recommended an agreement with the Russians on the maximum amount of fission products which may be released into the atmosphere. That was not my original idea. Dr. Wright H. Langham, one of the scientists who testified at the hearing, suggested it. I had not put it into written form, but I thought if we were to have testing, there should be some limit to the amount of radioactive particles and the amount of fission material which could be put into the atmosphere. I suggested earlier that this might balance the amount of fallout which every year decays in the atmosphere and thus loses most of its dangerous effect. I still believe it would be a good idea. I think only in that way can the possibility of the future effects of fallout be discounted, because if we know we are putting dangerous materials into the atmosphere, but that they have a tendency to decay from the atmosphere, and if a balance can be achieved between them, then I think something will have been done for the benefit of future generations.

The amount would approximate perhaps, a total of 10 megatons a year.

My original thought was that 4 megatons might be allotted to the Russians, if they wanted it, 4 megatons to the United States, and 2 megatons to be allotted to any other country that might be developing nuclear weapons. Great Britain now has such plans. If Great Britain can achieve substantial atomic capability, and if other countries can also, then the amount of fallout may vastly exceed a safe level.

Mr. SYMINGTON. Mr. President, will the able Senator yield?

Mr. ANDERSON. I yield.

Mr. SYMINGTON. Can the Senator from New Mexico tell us how much radiation is in the atmosphere today?

Mr. ANDERSON. About 50 megatons, prior to the Russian series last fall and winter.

Mr. SYMINGTON. I thank the Senator.

Mr. ANDERSON. We put into the atmosphere a very substantial amount of that in one of our tests. As a matter of fact, I think the record will show that, in one test, we put more fission products into the atmosphere than was put into the atmosphere by the recent series of tests conducted by the Russians. I think that fact illustrates the necessity for achieving some sort of coordination among all the countries, because it does not do any good for us to cut down on our tests while the Russians continue theirs. So far as I know, all the recent tests conducted by the Russians were dirty tests; they were not clean tests judging—as we do—from our detection methods.

Mr. SYMINGTON. Mr. President, will the distinguished Senator yield further?

Mr. ANDERSON. I yield.

Mr. SYMINGTON. When the Senator says that the United States put more radioactive material into the atmosphere in one particular test than perhaps resulted from all the tests by the Russians does he mean in a particular bomb explosion, or in a series of tests?

Mr. ANDERSON. In a series of tests. I could probably limit it to one test, if I desired, but I think it is much better to say it was in a series of tests.

I want the Senator to understand, as I want the people generally to understand, that I am not now and have not been critical of the amount of fission products developed. We learn by doing. We did not know until after certain tests that there could be a fallout pattern very dangerous to all the world. More recently it was thought worthwhile to explore calling the Russians' unilateral bluff about stopping tests. I know that that can be misunderstood. I know people will say, "You do favor the suspension of tests." No; that is not my thought. I believe the Russians have been getting away with murder, diplomatically, in the past few years. I think they have done so time after time. I think it is grossly wrong for the Russians to be able to say, "We are willing to suspend tests, but the United States will not."

I believe if we called their bluff and said clearly, "You have conducted your spring series of tests. We will now conduct our summer series, and when that is over, we will try a test suspension with you for a period of 1, 2, or 3 years," the Russians would not be ready to accept such a proposal.

I do not believe the Russians have the same capability we have in the family of small nuclear weapons.

I believe our scientists have done magnificent work. I believe they are entitled to great credit for dreaming up the kinds of weapons which they desired, and which the laboratories have supplied. I think the Russians would be in deep jeopardy, and that we would have very little to lose, in the negotiation on the main details of a particular test suspension.

I believe we cannot be so rigid as the Atomic Energy Commission apparently has been on this question, nor can we use propaganda which is not supported by the facts. In a democracy, the facts always come out, sometimes at the wrong time.

On the clean bomb question, which the Atomic Energy Commission implied was the main purpose of our current tests, I do not believe the Commission is supported by the facts. I intend so far as the borders of propriety and security will permit, to deal with that subject this afternoon. I intend to leave plenty of opportunity for the chairman of the Atomic Energy Commission to take a little bit of secrecy from some of these matters. I think it would be most interesting in proving whether I have been correct in the statements I have made. I shall refer to the matter by page, so that there will be no misunderstanding as to what I mean. Of course, the United States wants to develop clean bombs, but their use may be sometimes limited. Our current tests do not have them, in any great degree, as their primary purpose.

Later I shall refer briefly to the statement of the President on this subject. I want it very clearly understood that what I say is not intended to be and will not be in criticism of him. He depends upon those who advise him. Let us hope that the advice has always been correct. But I shall try to indicate that the advice may not be completely correct in every instance.

On Saturday afternoon, May 3, a letter from the Chairman of the Atomic Energy Commission was given to the press. I think the people of the country might have an interest in knowing how sportsmanlike was the conduct on this particular occasion. I have in my hand the envelope in which was contained the letter sent to Hon. CARL T. DURHAM, Chairman of the Joint Committee on Atomic Energy, by the Chairman of the Atomic Energy Commission, Lewis L. Strauss. It was signed by Admiral Strauss on May 3.

Representative DURHAM was in North Carolina on May 3, and the Chairman of the Commission, who will have plenty of opportunity to correct me if I misstate the facts, called Representative DURHAM in North Carolina to read the text of the letter to him. He tried that reasonably early on Saturday morning and reached him by 2 p. m.

Subsequently, a copy of the letter was sent to Representative DURHAM, not at the place where most of the communications to the Chairman of the Joint Committee go, namely, to the offices of the Joint Committee on Atomic Energy in the Capitol, but to Mr. DURHAM'S office in the United States House of Representatives Office Building. The man who delivered it had explicit instructions not to leave the letter at the Joint Committee office, but to leave it at Mr. DURHAM'S office, although it was then known that Mr. DURHAM was not there; and that if he was not there, the letter was to be put into the mail slot. So at 2:40 o'clock Saturday afternoon, the letter was delivered through the mail slot to Mr. DURHAM'S office.

Shortly thereafter, the wheels of propaganda began to roll, and about 4:30 o'clock p. m. official press distribution of the letter was made.

Mr. President, for some time there has been a working understanding between the Joint Committee on Atomic Energy and the Atomic Energy Commission that the Joint Committee will be given at least 24 hours' notice of such releases. I wish to call attention to the fact, however, that in this instance not only was there not 24 hours' notice, but no copy was received by the Joint Committee until Monday morning. What was the purpose in making very sure that the members of the Joint Committee would not see that letter?

The Joint Committee was not open after 2:30 that afternoon; but staff members on the Joint Committee were in contact with the legislative office of the Atomic Energy Commission frequently during Saturday morning, and as late as 3 o'clock in the afternoon. If there had been any desire to inform the Joint Committee, it could have been informed.

No, Mr. President; the letter was released in this fashion in an effort to make sure that the admiral had to himself the front pages of the Sunday newspapers.

What did he say in the letter? He said the newspapers were pressing him, to know about the charges made by Senator ANDERSON.

He said, "In the course of the program"—referring to a television broadcast—"the Senator referred to known weapons tests, and, according to the transcript, stated, 'We do not get any real announcement of the purposes of these tests.' "

I am reading from the letter.

He was then asked, "What do you mean, you do not get any real announcement? Isn't that the purpose of that committee—to know what is going on?"

To this, the Senator is reported as replying, "We get a list, but the purpose comes to us after the test."

Then the Chairman of the Atomic Energy Commission went on to state his version of the facts.

I do not intend to adopt his technique, although if I did, I could have some fun with the first sentence—I refer to his statement:

The facts are, Mr. Chairman, as you will recall, that there was a meeting in executive

session before your committee on January 21, on this subject.

Mr. President, if I were to follow his technique, I could say that is an absolute lie; there was not a meeting of the Joint Committee on Atomic Energy that morning. There was not even a semblance of a meeting of the full committee.

However, I do not care to do that; there was a meeting of the Military Applications Subcommittee, not a meeting of the full committee. Therefore, I agree that there was a committee meeting on January 21.

Mr. Strauss said in his letter, "The Senator was present."

That is correct; but I was not present throughout the whole meeting. I was present during a good portion of it. I was also at another meeting. The Joint Committee on Atomic Energy keeps a record of those who come and go, and when they come and when they go. The meeting started at 10 o'clock. I entered at 10:30, as I understood that Dr. Norris Bradbury, Director of the Los Alamos Laboratory, would be present. I wanted to be there, not only as a courtesy to him, but, also, because I wanted to know about the tests.

Mr. President, the minutes of the Joint Committee on Atomic Energy are secret, and will be kept secret. But any time the Chairman of the Atomic Energy Commission wants to develop the extent to which the purpose of the tests was revealed before the Joint Committee, I suggest that he have a group take a look at page 35 of the minutes of January 21; and there he will find, in 8 lines, a description of all the tests except one. He will find that a certain number of tests were to involve new ideas, a certain number were to involve developmental ideas, and a certain number were to be proof tests. If that tells the purpose of the testing of an individual weapon, it is beyond my comprehension. I am willing to let that record speak for itself.

I merely say there are members of the Joint Committee on both sides of the aisle; and page 35 of the minutes of January 21 is available to everyone. I admit that, subsequently, material came into the office.

Sometime in February, there came to the office a letter from the chairman of the Atomic Energy Commission about making some additional studies as to the tests themselves. I think it would be interesting to examine that letter, to see how much in detail it went into the specific purposes.

Then, sometime in March, the Los Alamos Laboratory submitted a report on the tests it was going to conduct. I have this morning again examined the record. I was not in the office day and night from that time to this, but, according to the record we keep, no member of the Joint Committee on Atomic Energy, either a Member of the Senate or a Member of the House of Representatives, has examined the report which came to the Atomic Energy Committee from the Los Alamos Laboratory as to the tests which were to be conducted by them.

I say that to show only that I do not believe the junior Senator from New Mexico was particularly derelict in the performance of his duty. The Joint Committee receives from the Commission vast quantities of material dealing with reactors all over the world and tests made by various persons and clearances given to various individuals, with details as to the granting of access permits and the withholding of access permits. If any member of the Joint Committee were to attempt to read all the literature which comes to it from the Atomic Energy Commission and from other sources, that would be about all he could do. The staff of the committee, of course, provides briefs and summaries of material from time to time for the information of the members.

But I say frankly that I never saw the Los Alamos statement, and I never knew of its existence until the statement was made by the able chairman of the Atomic Energy Commission.

I say, also, that if I had known it, I probably would have been misled by the list of tests which the chairman says he sent to us on April 9. I wish to read his exact words:

> Finally, a complete list of all the shots for the current series, together with pertinent information on each, was sent to the Joint Committee by me on April 9.

Mr. President, I wish to say there are many persons who are entitled to have a look at that list. I wish the chairman of the AEC could find a witness who would come before a Senate committee and would say that on that list there is a detailed explanation, or even a suggested explanation, of the purpose of the tests. There is, to be sure, a name for each of the tests. There is, to be sure, an indication of who proposed it. There is, to be sure, some indication of the yield of the tests. But I have gone over it again this morning; and I do not find anything that deals with the purposes of the tests, unless it be that the occasional use of the word "clean" is the answer. If that is the answer, then I would certainly be glad to know it, because on the basis of the use of the word "clean" in the list of tests, no one can say that the primary purpose is to have 40 percent of them conducted for the development of "clean" weapons; and I would be happy to have anyone examine the list and see how the percentage runs. I say it is a rather surprisingly low figure.

The next point he brought up, to prove how unreliable I was, was when he quoted from me, as follows:

> The Senator said on this broadcast, "I think if the Atomic Energy Commission really believed the story about 'clean bombs,' they would have some 'clean' bomb tests and a series of tests."

Mr. President, I have ordered a copy of the transcript; and I hope to listen to my own voice, someday. I do not believe that is exactly what I said; but I am satisfied that it is close enough, so there is no point in arguing about it.

What is the story in regard to the clean bomb tests? I shall only say, as to the source of the clean bomb tests, that we are having some tests made in the Pacific. No statement, so far as I know, has accurately indicated what percentage of them was clean. There has been a statement about 40 percent of them, but there is a difference between the statements.

I read with much interest the report of the recent press conference held by the President of the United States. I do not know exactly how to handle this matter, because the release is headed by the words, "Under White House rules, the President must not be quoted directly." But I certainly got the impression that he felt that at least 40 percent of these tests had as their principal purpose to get cleaner bombs.

In the statement which the Chairman of the Atomic Energy Commission issued—the one he issued in most delightful fashion on Saturday—we find the following:

> There will also be a number of detonations, to observe the effect of explosions on military structures and materials. Except this latter category, which strictly speaking is not for weapons development, some 40 percent of the tests are related, directly or indirectly, to the development of weapons with greatly reduced radioactive fallout, that is to say, so-called clean bombs.

Senators will notice the difference of language. I can hardly tell how to refer to this document, because it must be paraphrased before any part of it is quoted, but I find words that mean 40 percent of these tests have as their principal purpose an effort to get cleaner bombs.

In another place the chairman says some 40 percent are related "directly or indirectly" to that objective. There is a vast difference between the phrase "directly or indirectly" and the phrase "their principal purpose."

Therefore, I think it would be well if the National Academy of Sciences, to which the Chairman of the Atomic Energy Commission refers in so timely a manner, could get clearance to examine the purported statement of purposes and see if a possible 40 percent of the forthcoming tests is for the development of clean bombs. I think it would be most interesting if such a finding could be made. I do not question that some of the tests are for the development of clean weapons, but I do not believe that my language should be quoted in one place, and the term "directly or indirectly" used in another place.

Now, the third matter: Again I quote from the letter: "In the broadcast the Senator is quoted as saying 'the military have pulled bombs out of the stockpile, and inserted something which makes it dirtier.' "

"The facts are," says the chairman, "that atomic bombs are only taken from the stockpile for purposes of routine inspection or for modification or improvement. No 'material' is inserted," the letter continues, "in bombs for the purpose of increasing the amount of fission products or to add to the total fallout."

Did I ever say "for the purpose of making them dirtier?" The dirt is a byproduct. There is a purpose, a worthy purpose, in what is inserted. But I do not say, and I did not say, that was inserted

for the purpose of making the bomb dirtier. I said the military "inserted something which makes it dirtier."

The chairman also implies that I meant that "material" was inserted. I do not think I said "material." I said "something is put in."

Let us take a look at this dirty bomb story. There is a statement which was issued in a news item of a press conference that the admiral had, on Face the Nation, in which he said, "No bombs are taken out of the stockpile for the purpose of making them dirtier, which was the way I construed the statement that was made last week."

If one is permitted to construe another person's statement the way he wishes he had made the statement, one can prove or disprove almost anything. I was hopeful he would take the statement I made, and not the statement he wished I had made.

But the able news writer from the New York Tribune, Mr. William Lawrence, said:

> Can we get it a little more precise now? Were bombs made dirtier in the process of reexamination or whatever it is you do to a bomb?

Admiral Strauss said, according to the transcipt:

> Well, I don't know what you mean by making them dirtier.

There has been a lot of conversation about clean and dirty bombs.

The Chairman of the Atomic Energy Commission does not know what the word "dirty" means.

> If you mean—

Says he, and this is most interesting, because he inserted language—

> Whether the total fallout was increased—

And he had to correct himself, because he would have put himself in trouble—

> The total worldwide fallout was increased by something that was done to the bombs, the answer is "No."

Let me ask the Chairman of the Atomic Energy Commission to state whether or not the local fallout would be increased?

I am familiar with the testimony to which he refers. It was given by a most eminent scientist. It appears on page 54 of the minutes of January 21, which are labeled "Top Secret" all over.

General Starbird, Director of the Atomic Energy Commission's Military Applications Section, testified at the meeting. Finally, Dr. York, at that time Director of the Livermore Laboratory, and a qualified witness, if anybody could have been, made a statement.

If the Chairman of the Atomic Energy Commission can use that statement to say that the total worldwide fallout was not increased by something done to the bomb, and say then the answer is "No," he also should introduce the rest of Dr. York's statement that related to the subject as to whether it might become dirtier locally. I think a little frankness there would be helpful, and it might straighten out the question of who is telling the truth.

Dr. Libby, a member of the Atomic Energy Commission—and I want to keep these matters current so nobody can say I am going into past history—made a statement at Amherst College April 30, 1958. I assumed he released it and stands on it. Dr. Libby said:

> A further very important reason for continuing the testing is that we are in process of learning how to reduce fallout from our weapons so their use in war would not necessarily bring the scourge of local fallout.

Apparently Dr. Libby does not regard local fallout to be beneficial to the people on whom it is falling. I do not, either. That is why I wish when Dr. York was quoted all that Dr. York said might have been quoted. I continue:

> I think there is absolutely no doubt that fallout from surface-planted nuclear weapons which receive * * * of their energy from fission reaction is one of the two great threats of atomic war.

That is not my testimony. That is the testimony of the scientist member of the Atomic Energy Commission. He said:

> It is estimated an attack on this country could well cause millions of deaths in this way unless we have adequate civilian defense plans for local fallout, which at present we do not have.

I only suggest this is a matter which can very easily be taken care of. It is not hard to find out whether the testimony on local fallout was given to the Joint Committee while I was present. I had a right to know it as well as any other member. I also suggest the Chairman of the Atomic Energy Commission knows it just as well as I do.

The clever use of his words to the press, and his adding of a phrase and putting in the words "worldwide fallout" show he not only knew it, but retained a very good recollection of it.

In this letter the final question is:

> What has happened to atoms-for-peace? You don't hear a word about it any more.

Then he lists the great studies, files of reports and communications. I grant there are many reports and communications, but what is needed most is the realization of the fact that we are talking about atoms-for-war, and not atoms-for-peace.

We have before the Joint Committee at the present time a bill proposed by the administration to permit this country to share its nuclear secrets with other nations, and we have had weeks of hearings upon the proposal.

Does that mean simply nuclear secrets? No. I believe permission would be given to supply nonnuclear parts of weapons. Only nonnuclear parts? No. I believe we can give instructions as to how to make the complete bomb. Merely instructions as to how to make the complete bomb? No. We can supply some special nuclear material for weapons purposes.

Many of us question whether that is atoms for peace. I said in a committee meeting, and I repeat, I think it is a do-it-yourself kit. We give them the nonnuclear parts, the plans, the diagrams, and the explanation, and then a little special nuclear material in case they cannot figure it out for themselves. Then we say, "This is atoms for peace."

I say there can be a program of atoms for peace. It involves the development of atomic power. I do not believe I can give all the exact status, but I know the program is dragging in certain parts of the world. The development of cooperation with EURATOM has been dragging so badly that the able junior Senator from Rhode Island [Mr. PASTORE] has recently written to the Atomic Energy Commission to point out they must get their proposal before the Joint Committee very soon if they expect any action to be taken during the present session of Congress.

I do not expect any action on the proposal at all, because we are so busy with atoms for war, considering whether the effect of what we do is to supply atomic warheads to Germany, and what we shall do with every little individual idea that comes along which relates to war. We do not seem to get much action on the basic program.

I have been distressed, Mr. President, that there has not been much said about atoms for peace in the development of the peaceful conquest of outer space.

Not long ago an eminent German scientist, who is now a resident of the United States and doing fine work, Krafft Ehricke, spoke to the Press Club. I was very much impressed by what he had to say, because in almost the very first sentence of his speech he referred to the necessity for nuclear propulsion. I will quote one sentence from him.

> However, more than the bare minimum of space flight capability cannot be obtained with chemical propellants as we know them.

If we are to have the peaceful conquest of outer space, it must be with the use of nuclear propulsion. I do not observe any emphasis on nuclear propulsion. In all the requests for millions and millions of dollars, I do not see people who are worried about that field. We do spend our time watching atoms for war. We watch them every day.

In the press conference of the chairman of the Commission there was a constant reference to the possibility that some of the opposition to testing might be organized. Nobody, I presume, actually was called a tool of Russia, but there was a pretty strong implication if one wanted to look at it.

It is very difficult to understand how all these people could be interested in this movement.

Mr. President, I thought there had been a little change in the position of the State Department in recent months. I thought the State Department looked with a little favor on just the suspension of tests, not the whole package. I think I saw a statement by the Federation of American Scientists which is of interest to many people. That federation contains thousands of good scientists. Not too many of them are now connected with the program, to be sure, but they are people who are willing to work. They believe something should be done. There are several thousand of them.

Is this an organized effort? Is it organized from outside the United States? The AEC chairman in this broadcast talked about a 60-cent stamp which was

on some mail he had received, and he said:

I think at the bottom of the disturbance there is a kernel of very intelligent, deliberate propaganda. I can't put my finger on it. I can't identify it. But we see that a great deal of money is being spent on it.

Yes; very intelligent, deliberate propaganda. Thus he seeks to become the modern apostle of McCarthyism.

I say to Senators there is nothing in the activities in which I have engaged that is any part of an organized effort from outside the shores of the United States. I think the Chairman of the Atomic Energy Commission could have done better if he had not dragged that subject in, particularly if he knew that on the same day of his interview there would be a statement from the Federation of American Scientists.

I desire to read to the Senate at this time the statement of the Atoms For Peace Committee, Federation of American Scientists:

On January 28, a bill (S. 3165) was introduced which would amend the Atomic Energy Act of 1954 as previously amended. It is the understanding of the Atoms for Peace Committee of the Federation of American Scientists that the primary purpose of S. 3165 is to facilitate cooperation of the United States with certain of its allies in the field of atomic weapons. Obviously, such cooperation is intended to further the security of the United States and of other free nations. With the recent striking advances of the Soviet Union in the fields of atomic weapons and missiles, the problem of security must be of primary concern to all thinking people. We question, however, whether the solution proposed here will, in fact, add to the security of the United States.

It is generally recognized that an atomic stalemate now exists in the sense that total war would, in all likelihood, result in the mutual destruction of the major powers engaged in such a war. Both Russia and the United States possess enormous destructive power. The principal element of American military policy is to build up and to protect a nuclear retaliatory force of sufficient strength to deter the Russians from initiating a total war. However, this policy can, at best, maintain a precarious balance of fear. Any irrational act may upset this balance and the very fear itself leads to irrational behavior. In the meantime, the potential destructive power grows at an ever expanding rate. How long can the world survive under these circumstances? This is not the road to "security" as that word has in the past been understood.

Atomic scientists warned, in the fall of 1945, that an atomic arms competition would threaten the whole human race. The Federation of American Scientists has consistently maintained, since then, that true security could only be obtained through international control of atomic energy through worldwide, enforced, disarmament.

It was not possible to agree on steps toward disarmament when the United States had a monopoly of atomic weapons. Nor has it been possible to reach agreement since the Russians and later the British developed atomic weapons. Still, agreement on this issue must continue to be our primary goal. Only through disarmament can we achieve true security. Indeed, this would appear to be the only path to survival for the United States, for democracy, and perhaps even for the human race.

England and Canada were our wartime partners in the atomic-bomb project. Without their help it is doubtful that the bombs would have been built before the war ended. The British have developed atomic power and atomic weapons without our assistance. Our future is so closely tied to theirs, our ideals and our defense, that it would seem sensible to cooperate with these two nations in all phases of activity in atomic energy. If, upon due consideration, the Congress decides that cooperation with them will improve our military position and will not compromise the chances of reaching agreement in the future on world disarmament, then this committee believes that appropriate action may be taken under section 121 of the existing act of 1954, as amended, and that no further amendment is necessary to effect this purpose.

We take quite a different attitude toward cooperation with other nations in the field of atomic weapons because other nations do not at present have atomic weapons or atomic weapon production facilities. Recalling that the primary policy objective must ever be the quest for world disarmament, we are convinced that such disarmament will become more difficult to achieve as more nations become possessed of atomic weapons. And furthermore, it would appear to be obvious that as more nations come into possession of atomic weapons, the more precarious will become nuclear stalemate.

For years there has been a common uneasiness in governmental and scientific circles lest the ownership of nuclear weapons should become too general. Small-scale international conflicts and internal rebellions are not uncommon, and are likely to be fairly frequent for a long time. It is unthinkable that we should give nuclear weapons to a party to such a conflict. Examples abound where military material which we have furnished to help our defense position has been used to further other purposes of the recipient nation. Our gifts and loans of aircraft and explosives have often been used in this way against nations with which we have no argument. There is every reason to believe that the same thing would happen with nuclear weapons which we might provide. Even an attempt to limit transfer of the weapons to countries not prone to such conflicts must fail, because no country is completely free from tensions which could lead to them.

Therefore, we do believe that any step which would assist other nations in obtaining atomic weapons should be taken only after the most careful and extensive consideration of all its implications. We believe that the Congress and the people should not delegate their responsibility in such matters to the administration.

In summary then, we believe that any and all agreements with other nations which concern the gift or sale of nuclear weapons material and/or the exchange or restricted data concerning them should be made under the existing regulations of section 121 of the Atomic Energy Act of 1954 as amended which requires positive action of the Congress as well as action by the administration. We are strongly opposed to sections 2, 4, 7, and 8 of Senate bill S. 3165 which would, in effect, permit the administration to make such arrangements without debate. The proposed amendment appears to be unnecessary viewed even from the narrowest military interpretation of security. It seems to us that its passage would be an irrevocable step which is likely to jopardize our long-range goal of true security through disarmament.

HERBERT KOUTS,
Chairman, Atoms-for-Peace Committee, Federation of American Scientists.

Before I conclude, I believe that there are ways that the Congress, if it desires, can check the accuracy of statements I have made today, and statements I have made previously. I believe it would be possible, without involving the national security too deeply, for the Armed Services Committees of the Congress to ask the military to let them look at the stockpile records which are kept in Washington, and also the records kept at the Armed Forces special weapons project headquarters. I think I know what is on some of the cards. I think they will reveal that weapons have been drawn from the stockpile, then modified, or "improved," if the Chairman of the Atomic Energy Commission prefers that word; and that, if those improvements were to become effective, there might be a change in the amount of fallout—local fallout, not worldwide fallout.

That is a very simple question. It strikes me that this is a subject we would like to investigate, and I should be very happy to see it investigated. I think it would be possible to direct the investigators to the very people in Washington who keep the records, and to the people who keep the records at AFSWP headquarters. I think it would be possible to determine the type of room in which they are kept, and that some people who looked at them might find that they had not been dreaming when they were in that room looking at them.

It would be a tragedy if this country should constantly talk about clean weapone, and, at a later date, we should come to the realization that we had not been spending all our time on clean bombs. The testimony given at the President's press conference was to the effect that 40 percent might be designed for cleaner bombs now—I do not use the exact words. If 40 percent be designed for clean bombs, then 60 percent must be for the purpose of dirtier bombs. That was all I was trying to say in the beginning. We produce dirty bombs while we talk clean bombs.

On the question of atoms for war, when the administration announced its atom-for-peace program highlighted by the President's address to the United Nations in 1953, the idea caught the imagination of the people of the world. It seemed to offer an escape from the horrors of nuclear war. It was an appealing slogan.

But what has happened in the 4½ years since that announcement? Has the promise of developing the atom for peaceful purposes been fulfilled in the eyes of the world?

I say that those possibilities have not been accomplished. I recognize that more than 50 bilateral agreements for peacetime exchange of information have been made. But most of those agreements are paper agreements and are not backed up by substance.

I recognize the fact that the International Atomic Energy Agency has been established and one of our former colleagues, formerly chairman of the Joint Committee on Atomic Energy, is director of that agency. He served on the joint committee with great distinction. But this is an organizational structure and I know of no solidly defined program for this international agency.

Possibly one of the most important areas in which atoms for peace have

failed have been in the field of developing full-scale atomic reactors for the production of electrical energy. Atomic Energy Committee hearings held in the fall of 1957 brought out the repeated complaint from industry representatives that there was no clear-cut program in this field, short range, long range, domestic or international. All of these witnesses called upon the Atomic Energy Commission to formulate and place before them a well-defined electrical energy-producing atomic program. There is a dire need in the community of European nations for additional electrical power sources. They are anxious to develop atomic power stations. But our lagging program at home has made us incapable of exporting to them the technology to build atomic power reactors in competition with the British.

If we had advanced our atoms-for-peace program in the field of reactor technology, as advocated in the Gore-Holifield bill, we would have been far along the road to exporting successful atomic-power reactors to the power-hungry European nations. These nations need electric power much more than they need atomic-hydrogen weapons.

It has been reliably reported to me that the Budget Bureau has cut the heart out of the research and development program in the forthcoming fiscal 1959 authorization list of projects.

All of these deficiencies which I have stated, and there are many more, have made a mockery out of the great conception of atoms for peace. The denial of the funds to build power reactors and to prosecute other peacetime projects in the atomic-energy field by the Atomic Energy Commission and the Budget Bureau will make a further mockery of this great slogan.

We are now faced in 1958 with a draft of legislation of tremendous importance to the human race. We are not faced with a challenging program for peacetime use of the atom. No such program has been presented.

But, instead, we are faced with a major piece of legislation backed by Mr. Strauss and Mr. Dulles and the administration, the purpose of which is atoms for war.

Mr. Dulles showed, by his testimony, that he was not aware of the scope of permissible action in the Atomic Energy Commission legislation. It was evident, however, that Mr. Strauss understood the language, because he had written a very clear exposition of the dangers in a letter in December 1957, which was fortunately brought to my attention, and which I presented at one of the hearings.

I was quite surprised, then, to have Mr. Strauss appear before the joint committee and take a completely opposite position in March 1958, to the position he took in his letter of December 1957.

As I said before, we are faced with atoms-for-war legislation, and I will try to explain to my colleagues some of the provisions of this legislation which prove that the administration is apparently willing to take additional chances of having an atomic war, but are not willing to develop a vigorous program which would insure that atoms would be used for peace. The President has proposed the sharing of the atomic-hydrogen-bomb data and components with foreign countries. His legislative proposal, which is now before the Joint Committee on Atomic Energy, would make it possible for us to create atomic-hydrogen-bomb capability in other nations. I believe that letter from Admiral Strauss of last Saturday would certainly so indicate.

The legislation makes it possible for us to transfer the component parts of atomic-hydrogen weapons. The legislation permits the transfer of U–235 and plutonium for the purpose of making the heart of atomic-hydrogen weapons. The legislation permits the transfer of weapon-design information so that other nations may have the blueprints necessary to construct both nuclear and nonnuclear parts of bombs. The legislation permits the transfer of weapon delivery systems for atomic-hydrogen weapons.

Included in this category could be atomic cannons, missiles, planes, and submarines.

I believe that I have proved that the administration has advocated an atoms-for-war program in their 1958 legislative submission. But the legislation goes further.

The legislation takes away from the Congress its present power to restrict the transfer of atomic weapons and atomic-weapon information to other nations and places that important power in the hands of the Chairman of the Atomic Energy Commission, the Secretary of Defense, and the President. The recommendations of the two former appointed officials, when approved by the President, could transfer atomic-hydrogen weapons without the consent of a majority of the Congress.

I wish to note that Admiral Strauss wears three hats. If the matter were to be referred to the National Security Council, Admiral Strauss, as an adviser of the National Security Council, could prevail upon the Council to approve it. If it were submitted to the personal adviser on atomic-energy matters to the President, then the Admiral, who is the personal adviser to the President on atomic-energy matters, could tell the President it was all right. If it were referred to the Atomic Energy Commission, then Admiral Strauss, who is the Chairman of the Atomic Energy Commission, could give his approval to it. In place of three votes by one man, I would rather provide a two-thirds vote by Congress. It takes a two-thirds vote to override a veto. If the administration should enter into such an agreement with another country, the agreement would be referred to the Joint Committee on Atomic Energy. It could lie there for 30 days. If the committee disapproved of it, it would take a joint resolution of Congress to disapprove the agreement. That joint resolution would have to be signed by the President. If the President vetoed it, it would take a two-thirds vote of both Houses of Congress to override the veto. That is not the case with an ordinary treaty. In the case of an ordinary treaty the Senate must ratify it by a two-thirds affirmative vote. In connection with an atomic-energy agreement, both Houses of Congress would have to disapprove it with a two-thirds negative vote. This is a very serious thing so far as the standing of Congress is concerned.

So we see that the administration advocated an atoms-for-peace program in 1953 but in 1958 they seem more interested in sending atomic and hydrogen bombs to European nations than in developing the technology for assisting them to convert the atom for peacetime uses.

I say that we should have a technology program at home which would enable us to make effective an atoms-for-peace program and would make it possible for us to export peacetime atomic equipment instead of atomic-hydrogen weapons.

We are made to appear as warmongers in the eyes of the other nations because of our failure to really develop atoms for peace and because of our stupidity in answering the propaganda charges of Khrushchev. The real answer to Khrushchev will be the development of a program of atoms for peace and not for the extension of atomic-hydrogen weapons to irresponsible nations.

Mr. President, only a few days ago a representative of one of the great manufacturing companies in this country, which is engaged in atomic energy business, came into my office and tried to explain some of the difficulties his company was having. He said they were about to lose two very important orders from other countries, orders which the company thought it had obtained. They saw American workmen being deprived of their opportunity to work. They saw American industry being deprived of its chance to participate in the peacetime atomic program.

I wondered what we were doing on the floor of the Senate trying to pass unemployment compensation legislation in order to remedy the defects in our own industrial system, when at the same time we were not willing to trust our own people to do this job in the peaceful uses of atomic energy.

I do not care to trust this entire responsibility in the hands of one man, particularly when I know what that one man has said about my own responsibility in a field in which I have tried hard to know precisely what I was talking about when I made my statements.

Mr. SYMINGTON and Mr. CHURCH addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Mexico yield; and if so, to whom does he yield?

Mr. ANDERSON. I yield first to the Senator from Missouri. I know he has been trying to address some questions to me. Therefore I am happy to yield to him first.

Mr. SYMINGTON. I thank the very able Senator from New Mexico. I wish to clear up certain points in my mind. Does the Senator feel we should have a different approach to the question of weapons and other countries?

Mr. ANDERSON. Different from what?

Mr. SYMINGTON. Different from what it has been up to now.

Mr. ANDERSON. I should like to ask the Senator from Missouri whether he is talking about what we have or what we propose to have?

Mr. SYMINGTON. About what is proposed.

Mr. ANDERSON. Yes; I do. I stand with the chairman of the Committee on Armed Services, the Senator from Georgia [Mr. RUSSELL]—and I hope I am not misquoting him—when he said he did not believe in giving all these secrets to other countries, because we have no way of guaranteeing the stability of those nations.

I do not worry so much about giving these secrets to England. Of course, I realize that I received an awful scorching when I said that on a television program the other day. England has been our most trusted ally. However, I must say that once we start to add to the list of countries, and when we get to the fourth or fifth or sixth nation, there is a great possibility of including an unstable government, and therefore there does appear a threat.

The Senator from Missouri is a true defender of America. No man has done more for the defense of America than has the Senator from Missouri.

I merely call attention to the possibility that if we give our designs and blueprints to a sixth nation, for example, somewhere far off—and I am not going to name the nation, because I am not trying to cause more trouble for Mr. Dulles than he already has—then there is raised the chance that a change in the nation's government may very well bring into power a government friendly to the Soviet Union, and in that way present a grave threat to our own defense.

If they had received our blueprints and our designs, there would be nothing to prevent them from starting to make a missile, for example, which would counteract our own weapon. I do not believe it is the right thing for our country to do.

Mr. SYMINGTON. Mr. President, will the Senator yield further?

Mr. ANDERSON. I yield.

Mr. SYMINGTON. I was much impressed with my colleague's presentation, and, of course, these questions are being asked strictly in effort to obtain information for the public. I know the distinguished Senator agrees with me there has been a great deal of unfortunate secrecy with respect to some of the programs incident to atomic energy, because public opinion in this country must make the final decisions. May I ask the Senator if he sees any danger. if we give to other countries information on the peaceful uses of atomic energy, which they could utilize for making weapons?

Mr. ANDERSON. Not if it is for electric power or for the development of a reactor. I believe the technology of reactors is pretty well known.

I cannot prove what I am about to say, and I must be very careful with every word I say, because Mr. Strauss nit-picks everything I say; but I believe the Atomic Energy Commission has released a good deal of information on reactors, and there has been a promise that it will release the rest of it. Therefore I see no possibility that that information will prove to be of any danger to this country.

Mr. SYMINGTON. If, for example, we give to another country material which could be used in a peacetime reactor, if there were some filching of that material, could it be used for the manufacture of weapons?

Mr. ANDERSON. Yes; unless there was inspection. I would hope that we would not give any such material unless we made sure of inspection. I do not believe it is possible to do it today, because our bilateral agreements provide for inspection. Therefore, I believe we are safe. If we are not, then we are not safe on anything.

I do not like to believe we would not trust people to the extent that we would not be able to say to India, for example, or some other country, "We want to lift from your backs a burden you have carried for generations." If we cannot do that, then democracy has not meant much in our country. My father came to this country as an immigrant. He came to this country because it offered tremendous opportunity to him. It offered to him a chance to leave behind the conditions he had known as a farmer in Sweden. I say if we cannot go to the people of the world and say, "We have something that will lift the burden off your backs," then I think the billions of dollars we have spent on atomic energy will have been spent in vain.

Mr. SYMINGTON. I agree with the Senator from New Mexico, and believe the American people are coming to understand what the splitting of the atom really means. The Senator believes, in other words, that we should concentrate in making atoms for peace, rather than atoms for war. Is that correct?

Mr. ANDERSON. Yes. I say again that I do not propose, and have not proposed, and I am not proposing, that we weaken ourselves militarily. If I did not believe that providing certain information now would be an advantage to the United States in every respect, I would not be in favor of it. There is room for some difference of opinion on that question, and honest men may differ with respect to it. I only say that when men do differ, they should not drag out the possibility, as the chairman of the Atomic Energy Commission has done, that this proposal may be sponsored from some other quarter and might be a part of an official campaign.

I simply remind Senators that the same AEC Chairman who is officially recommending the giving away of our atomic secrets to European countries was, only a few years ago, opposed to giving isotopes to Norway for peaceful medical purposes. I say it is a strange world we live in when we consider how quickly these things can change around.

The Senator from Missouri and I served under a former President of the United States, who is a great friend of both of us. Can the Senator from Missouri imagine what would have happened if Harry Truman or David Lilienthal had proposed the transfer of nuclear secrets to other countries? Can he imagine what would have happened if President Truman had publicly proposed giving to other countries the blueprints for the non-nuclear parts of the bomb and a do-it-yourself kit to make the rest of the bomb? The Senate would not have had room enough for all the people who would have wanted to come forth and denounce him.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. ANDERSON. I am happy to yield to the Senator from Iowa.

Mr. HICKENLOOPER. I sat in a meeting under President Truman where that very thing was proposed by Mr. Truman and his Secretary of State and I had something to do with stopping it at the time.

Mr. ANDERSON. I sat in a meeting of the Cabinet where the matter of sharing secrets with other countries came up, and I can state unequivocally that the decesion in that meeting was not to share them. I do not question the accuracy of the statement of the Senator from Iowa. Regardless of politics, he has been a very valuable member of the Joint Committee.

Mr. HICKENLOOPER. I assure the Senator from New Mexico that the meeting was held, and that the proposal was made, as can be corroborated by individuals who were present.

Mr. ANDERSON. I can only say to the Senator from Iowa that I thank him for protecting the then President of the United States from the sort of thing the Chairman of the Atomic Energy Commission has proposed.

Mr. SYMINGTON. Mr. President, will the Senator further yield?

Mr. ANDERSON. I yield.

Mr. SYMINGTON. Does the very able Senator from New Mexico believe the United States should not proceed with the tests planned for this spring?

Mr. ANDERSON. I have said repeatedly that we should proceed with the tests which are planned for this spring. I have never said otherwise.

Mr. SYMINGTON. I wanted the record to be clear.

Mr. ANDERSON. I have always said that since the Russians have conducted their series of tests, the United States should be permitted to conduct its tests. Then we should try the Russians out, to see if they are bluffing or not. I think they are bluffing.

Mr. SYMINGTON. I understood that to be the Senator's position, even before his interesting presentation today.

Mr. ANDERSON. If I have not already made it clear, I appreciate the Senator from Missouri raising the question now.

Mr. SYMINGTON. An interesting and informative article entitled "Cleaning the Bomb," written by Warren Unna, was published in this morning's Washington Post and Times Herald. Before asking the Senator several questions, I should like to read from the article. It reads, in part, as follows:

On Wednesday afternoon, Senator ANDERSON said his study of the AEC's schedule of the forthcoming Pacific tests indicates "the test series will be 100 percent dirty." He

based his dirtiness criterion on the President's repeated announcement that the big bomb "is now something in the order of 4-percent dirty."

Mr. ANDERSON. I think Mr. Unna was possibly misunderstood in that statement. He certainly has been an accurate reporter of things pertaining to the Atomic Energy Commission. I would be the last one to claim otherwise.

In this particular instance, it was a press report which was being repeated. The statement I made—I do not know what to call it—referred to a report of what happened at the White House. I am not trying to attribute any words to the President. But in the reported conversation, it was stated that someone said that the hydrogen bomb is something in the nature of 4 percent dirty.

If this happens to be attributed to anybody, by the same token, if 4 percent is the difference between a dirty and a clean bomb, then not one test in the forthcoming series will be clean; all of them will be dirty.

I do not think the figure of 4 percent is necessarily a good yardstick of dirtiness.

I have tried to make it very clear that my statement is not designed in any way to be critical of the President's announcement.

Mr. SYMINGTON. I am asking these questions primarily because so many persons are confused about the question of clean and dirty bombs.

Later the article quotes some scientists:

Further they say that since the "superbomb" is so tremenduos that even a 96 percent "clean"—or 96 percent fusion—bomb still leaves a very "dirty" 4 percent of fission to contaminate the pulverized earth particles which are sucked up into the bomb's fireball.

As I understand it, inasmuch as all bombs have a certain amount of fission materials in them, all tests to be made, will have some dirtiness in them.

Mr. ANDERSON. I think so. That, again, is a statement by Warren Unna, who is a reliable reporter.

Mr. SYMINGTON. So his statement is entirely consistent with the position now taken by the Senator from New Mexico?

Mr. ANDERSON. I think it is a very fine article. If we assume a bomb having a capacity of several megatons, and 4 percent dirtiness, it would have many times more fission products than the bomb product of Nagasaki or the bomb product of Hiroshima.

So while they are called clean bombs, to my liking I would not want to have one exploded in my backyard, and certainly not in my neighborhood.

Mr. SYMINGTON. As I understand it, the Senator from New Mexico, based on his knowledge and experience, believes that what has been done to the bombs in the stockpile has made them dirtier, whereas the Atomic Energy Commission says the bombs were not taken out in order to make them dirtier. Nevertheless, as a result of what is called modernizing them, the bombs ended up by being dirtier.

Mr. ANDERSON. I have tried to say as well as I can, and still stay within restrictions, that whatever was done to the bombs, was not done solely for the purpose of making them dirtier. I said that what was done to them made them dirtier.

If the Committee on Armed Services could get the authority to go to the storage site and ask for the card index to the bombs—and every bomb has a number—and could then look at some bombs, the storage site people would tell them exactly what was done to the bombs. Then it would be possible to determine whether the bombs were made dirtier; and if that device were to be used in their detonation, the Senator could draw his own conclusions. We could also release from security page 59 of the top secret hearings of the Joint Committee on Atomic Energy on January 21. I think it would be apparent.

I do not contend, and I have not contended, that something is done solely for the purpose of making bombs dirtier. On the contrary, I have commended the military personnel and the persons connected with the Atomic Energy Commission, epecially the wonderful people who were in the laboratories at Los Alamos and Livermore, for coming up with ideas which permit the greater utilization of certain types of bombs. What I had in mind was, in my opinion, an important military consideration. I think it is an extremely important procedure which is being undertaken.

I only say that if someone tries to tell me it has not taken place, I will advise them to come with me to the spot where it has taken place and is taking place today.

Mr. SYMINGTON. I congratulate the distinguished Senator from New Mexico upon his presentation this afternoon. He is an American patriot. I am certain his thinking in this matter has in it nothing but devoted interest to the United States.

Mr. ANDERSON. I thank the able Senator from Missouri. I hope I will measure up to his appraisal in the future.

Mr. KEFAUVER. Mr. President, will the Senator yield for an observation and a question?

Mr. ANDERSON. I am happy to yield to the Senator from Tennessee.

Mr. KEFAUVER. I join with the Senator from New Mexico in his expression of a little misgiving in placing so tremendous a responsibility in the hands of one man, the chairman of the Atomic Energy Commission, Admiral Strauss. Like the Senator from New Mexico, for a considerable time I have had some question about the full reliability of Admiral Strauss. I think it is not surprising that Admiral Strauss is a little devious and a little less than frank in presenting the facts in the controversy which has developed between him and the Senator from New Mexico and other members of the Joint Committee on Atomic Energy.

I had experience with Admiral Strauss sometime back, and I found him to be, in my opinion, considerably less than frank.

In the course of his testimony before two Congressional committees and his testimony before the Court of Claims of the United States in the District of Columbia, he gave three variations or versions of his knowledge of the part played by one Adolph Wenzell, who had served in the dual role of financial adviser to the Dixon-Yates firm or combination, and consultant to the Bureau of the Budget.

I know the Senator from New Mexico is fully familiar with the different versions of the testimony given by Admiral Strauss before the Congressional committees and the Court of Claims.

Mr. ANDERSON. Certainly I am familiar with the testimony he gave before the joint committee and the testimony he gave before the Judiciary Subcommittee, and I read with great surprise the testimony he gave before the Court of Claims, at which time he was under oath, of course—which always is helpful.

Mr. KEFAUVER. I wish to say that after his testimony at the hearing, it is very difficult to reconcile the discrepancies, in my opinion.

It will be remembered that Mr. Wenzell played a dual role. At one time he represented the Dixon-Yates combination, and at the same time he was an adviser to the Bureau of the Budget—to such an extent that the Atomic Energy Commission, through its counsel, and the Government of the United States canceled the contract; there is now pending a suit brought by the Dixon-Yates firm against the Government of the United States, in connection with that cancellation. The cancellation was brought about by that conflict of interest on the part of Adolph Wenzell.

I believe it is important, and of interest in connection with the question of who is to be believed in this controversy or in any others in which Admiral Strauss might be engaged, to look at his testimony on those three occasions.

First, when he was testifying on November 6, 1954, before the Joint Committee on Atomic Energy, and before—I take it—the full implications of Mr. Wenzell's role were known, Mr. Strauss denied having any knowledge of the subject. I read now from page 249 of the hearing when the matter was being investigated by the Joint Committee on Atomic Energy:

Representative HOLIFIELD. I did not state my question as clearly as I should have, I am afraid. This idea of proposing the erection of a private utility plant, was that conveyed to you by Mr. Dodge of the Bureau of the Budget?

Mr. STRAUSS. That is my best recollection, Mr. HOLIFIELD.

Representative HOLIFIELD. I believe that is true. Do you know if Mr. Dodge was advised by a consultant who is now employed by any of the Dixon-Yates utility companies?

Mr. STRAUSS. I have no knowledge of any consultants that Mr. Dodge may have had, or whether he had any.

The next time Mr. Strauss testified was when he appeared before the Subcommittee on Antitrust and Monopoly, of the Judiciary Committee, at which time I was presiding as acting chairman.

On December 5, 1955, after Mr. Wenzell's role had been fully revealed by exhaustive investigation and hearings, Mr. Strauss testified, as appears on page 1132 of part II of the hearings entitled "Power Policy—Dixon-Yates Contract":

Mr. STRAUSS. I would like my answers to your questions this morning to be as fully responsive as it is possible to make them. It now appears that the Mississippi Valley Generating Co. contract may be subject of litigation in the courts, and therefore the possibility that answers to some questions could prejudice the interest of the Government will be a consideration that I am sure we both wish to keep in mind. There are two points with respect to the history of the transaction which I think I ought to mention to avoid any misunderstanding and they are these:

The opinion of our General Counsel, which has been made public, states that it appears that Mr. Wenzell, while having a conflicting private interest, acted as—and I am quoting—"one of the principal advisers of the Government in the negotiation and formation of the terms of reference upon which the contract was based."

That is the end of the quotation.

Another way of stating this would have been to say that Mr. Wenzell was "the principal adviser to the Government on one of the essential elements in the negotiation and formation of the terms of reference upon which the contract was based."

Senator KEFAUVER. You have that in quotation marks, Admiral. Is that——

Mr. STRAUSS. No; it is not and, properly speaking, it should not be in quotes. I think that is a good point. That is my own language, Senator.

Senator KEFAUVER. Yes, sir; all right.

So the Senator from New Mexico will see that before that time Mr. Strauss testified he had no knowledge that Mr. Wenzell was a consultant. That was what Mr. Strauss said when he testified before the Joint Committee. But now, as the testimony stands, we find that on December 5, 1955, Mr. Strauss said, "That is my own language, Senator."

Just before that he said, "Mr. Wenzell was the principal adviser to the Government on one of the essential elements in the negotiation and formation of the terms of reference upon which the contract was based."

Then he went on to say, "That is my own language, Senator." And then I said, "Yes, sir; all right."

Mr. President, I was not fully satisfied with just what position Admiral Strauss was going to take when he got before the Court of Claims. So—as appears on the following page, page 1134—I asked him this question, in an effort to find out just what he was going to say when he appeared before the Court of Claims:

Senator KEFAUVER. I am just trying to find out—and I think it is very important from the Government's viewpoint—whether the Atomic Energy Commission is going to try to defend the Government against liability under the contract or whether you are for the contract.

Mr. STRAUSS. Senator, you are indulgent in allowing me to consult with counsel, and the reason I did that was because of a statement that I made earlier that I am quite anxious to avoid anything on this record that will be prejudicial to the interests of the Government.

It is obvious that in any testimony that I give or that an officer of the Commission gives, it would be for the purpose of protecting the interests of the Government.

Senator KEFAUVER. Then you are going to defend the position that the contract is no obligation of the Government?

Mr. STRAUSS. I am going to defend the position taken by the Commission and its General Counsel, testifying however, only with respect to the facts and not with respect to opinions, Senator.

That was on December 5, 1955, after the Commission had recommended that the contract be canceled; and I believe the contract had been canceled, and then the Dixon-Yates group sued the Government of the United States; and it will be recalled that Admiral Strauss had said that Mr. Wenzell was a principal adviser, and Admiral Strauss had said that he was going to defend the position of the Government.

But when Mr. Strauss testified before the Court of Claims, in the District of Columbia—and this appears in docket No. 479–55, at page 1479; at that time Mr. Cahill was the attorney for the Government—after reading Admiral Strauss' testimony before the Judiciary Committee, Mr. Cahill must have been as surprised as anyone else was by Mr. Strauss' testimony at that time, as follows:

Question. As his testimony in this record shows, Mr. Wenzell's last visit to Washington was April 3, and you have told us previously that it wasn't until June that the Atomic Energy Commission notified Dixon-Yates that it was ready to begin negotiations on the contract. Now if you will accept my statement as true, about Mr. Wenzell's dates, I will repeat my question.

To the best of your knowledge, did Mr. Wenzell have anything to do with the negotiation of the contract?

Answer. To the best of my knowledge; no.

So, first, Mr. Strauss testified that he did not even know Mr. Wenzell was there; second, he testified that Mr. Wenzell was one of the principal advisers in the formation of the contract; and, third, he testified that, to the best of his knowledge, Mr. Wenzell had nothing to do with the negotiation of the contract. I submit there is no way of reconciling the testimony on those three occasions. To put it mildly, he has certainly been less than frank.

Having served many years in the House of Representatives and many years in the Senate with the distinguished Senator from New Mexico, I wish to say that I know of no person in or out of public life who tries to be so accurate, frank, and forthright in statements and records as does the Senator from New Mexico.

Comparing the Senator's record with the testimony of Admiral Strauss—three different versions with the same set of facts, on a matter important to the United States Government—it is not very hard for me to draw a conclusion as to which statement I want to believe.

Mr. ANDERSON. I thank the Senator.

I shall conclude by reading from the Face the Nation broadcast of last Sunday, in which William H. Lawrence said:

Admiral, a moment ago you said to me that I would have to take my choice between your categorical denial and Senator ANDERSON's categorical assertion.

Admiral STRAUSS. I don't know of any other alternatives.

Mr. LAWRENCE. Well, it really is kind of a basic problem here in this field.

Admiral STRAUSS. I am curious as to the motive for the statement.

He need not be curious as to the motive for my statement. I went through the Dixon-Yates fight along with the Senator from Tennessee. I helped to start it. I helped to finish it. It took a long time, but finally we were able to establish the facts. To resolve the present controversy may take a long time, but the facts are not too difficult to determine.

If anyone has any doubt as to the interest of the military in increasing radioactivity, I refer him to two letters, one from the Secretary of Defense of March 26, 1955, and one from the Acting Chairman of the Atomic Energy Commission of October 10, 1956, to the Secretary of Defense.

I do not say what was done was improper. Everything may be proper. I only say what happened was no great shock to them.

The Dallas Morning News of April 29 contained an editorial entitled "Let's Get Facts, Senator." It states that what I have asserted is rather serious because what I obviously mean is that either the President is deceiving the public or the military is disobeying the President. I have never said that; but let me read the words in the editorial:

As national policy, and indeed world security, are involved, Senator ANDERSON should have raised his question in the Senate instead of in a spur-of-the-moment interview.

Again I say, if the people who are curious about this will look at page 59 of the top-secret proceedings of January 21, 1958, they may discover that this was not the first time I raised the question. This is not the first time I have made a statement about a conflict between the Defense Department and the State Department. It might be interesting if the statement were picked out. I am sorry that the chairman of the Atomic Energy Commission has so constantly wanted to prove how dishonest and unreliable I have been. I submit to him he can find answers to many of his questions in proceedings to which he has a right to refer.

STUDY OF TEXTILE INDUSTRY

During the delivery of Mr. ANDERSON's speech,

The PRESIDING OFFICER (Mr. CLARK in the chair). The hour of 2 o'clock has arrived, and the Chair lays before the Senate the unfinished business, which will be read.

The LEGISLATIVE CLERK. A resolution (S. Res. 287) authorizing a study of the textile industry of the United States.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside,

and that the Senate proceed to the consideration of Calendar No. 1459, House bill 4640, to amend the Civil Service Retirement Act with respect to payments from voluntary contributions accounts.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the remarks in connection with the unfinished business and Calendar No. 1459 be printed in the RECORD following the speech of the Senator from New Mexico [Mr. ANDERSON].

The PRESIDING OFFICER. Without objection, it is so ordered.

NUCLEAR TEST POLICY AND ATOMS FOR PEACE

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. CHURCH. I should like to commend the Senator, before he leaves, for the very fine statement he has made, and for the careful and studious attention which he has given to the whole field of atomic energy since nearly the very beginning, and to tell him I admire the independence he has always shown, and the courage with which he maintains his convictions. In the posture he has assumed, it is my opinion he is rendering a great public service to the people of the United States.

Mr. HICKENLOOPER. Mr. President——

Mr. ANDERSON. I think the Senator from Iowa, who obviously wants to comment on what I have been saying, ought to have the floor.

The PRESIDING OFFICER. The Chair would be glad to recognize the Senator from Iowa, except that the Senator from Idaho has been already recognized.

Mr. HICKENLOOPER. Mr. President, I am glad to have the Senator from Idaho take the floor, but it was my understanding the Senator from Idaho asked the Senator from New Mexico to yield for a question, and that the Chair recognized him for that purpose. Then I understood I was recognized.

The PRESIDING OFFICER. The Chair regrets to advise the Senator that the Senator from Idaho some time ago asked to be recognized as soon as the Senator from New Mexico had completed his comments. He had called the attention of the Chair to his desire to have the floor.

Mr. HICKENLOOPER. I did not know it was a rule of the Senate that a Member could in advance make a private arrangement with the Chair to be recognized at a certain time.

The PRESIDING OFFICER. It is not a rule of the Senate, but the Senator from Idaho requested the floor before the Senator from Iowa did.

Mr. CHURCH. Mr. President, I am glad to yield.

Mr. HICKENLOOPER. If the Senator wants to retain the floor and yield to me for a brief statement, I shall be happy to let him protect himself.

The PRESIDING OFFICER. Does the Senator so request?

Mr. CHURCH. I am glad to yield to the Senator from Iowa for such purposes as he may desire. I am sure we will not be overly delayed.

The PRESIDING OFFICER. Is there objection to the request? Without objection, it is so ordered, and the Senator from Iowa has the floor.

Mr. HICKENLOOPER. Mr. President, I deeply regret the situation that has given birth to the controversy which has come out on the floor of the Senate today and which has occasioned the remarks of the Senator from New Mexico; but I could not remain silent in view of some of the insinuations which have been uttered not alone about the program of atomic energy, but about the integrity of the Chairman of the Atomic Energy Commission.

I have been associated with the atomic energy in the Senate, and as a member of the Joint Committee, and of the special committee which drafted the act before the Joint Committee was established. That association covered some 12 years. I have attempted during those years to keep as close a watch over the development of atomic energy as has been possible within my limited capabilities. I feel, at least, whether anybody else shares the feeling, that I have acquired some historic knowledge and background in this whole field.

In the first place, with regard to the individual, Chairman Strauss, of the Atomic Energy Commission. He was appointed a member of the Commission when it was first established. He served a period of several years on the Commission. Eventually he resigned.

Insinuations have been made on the floor of the Senate today that he is not a man of character or integrity. Mr. President, I categorically and emphatically deny that charge. I do not believe there is a man in Washington of higher character, integrity, or devotion to public service than Lewis Strauss, Chairman of the Atomic Energy Commission. I have seen him operate as an official of the Government. I have seen him meticulously and carefully stick to the facts through the years when some deviation might have tempted those with moral characters not so strong.

I do not like to take issue with my good friend, the Senator from New Mexico, who has devoted long and arduous effort to the work of the Joint Committee. However, the Senator from New Mexico a moment ago made the statement, as I understood it, that Lewis Strauss objected to giving away of isotopes to Norway for peaceful purposes.

Mr. ANDERSON. If the Senator will yield, I believe I said for medical purposes.

Mr. HICKENLOOPER. For medical purposes. Either way is all right. I am sorry if I have misquoted. The RECORD will show.

I was a member of the committee at that particular time, and I was somewhat involved in that particular rumpus. The only transfer of isotopes to which Lewis Strauss objected was a transfer of isotopes which could be used to trace the flow of metal in high-speed steel, which definitely had a military potential, at a time when such a transfer was forbidden by law.

In fact, Lewis Strauss was the father of the transfer of isotopes in quantities of thousands to various countries in the world for medical and peaceful purposes. His objection was to the transfer of a particular isotope which could be used, for instance, in developing new and more heat resistant sleeves for jet motors. That was his atttiude, and the record will so show.

I desire to dispel the idea that Chairman Strauss has ever been against dissemination of isotopes to the world for peaceful purposes. He has been a leader in radioactive research. He was a leader even before the Commission was established. He has devoted his own personal money and time to advancing this science.

Again I say I am very sorry this controversy has arisen, because with the cloak of secrecy which must be thrown around certain aspects of atomic energy, in order to prevent a potential enemy or an actual enemy from learning certain things which we do not want him to learn, a full exposure of the record cannot be had.

I heard the broadcast of the Senator from New Mexico a week ago last Sunday, and I have been glad to hear the Senator's statement today. I say in all friendship and in all kindness that I was shocked by the broadcast of a week ago last Sunday. While I am sure the Senator did not mean it that way, the connotation I obtained from the broadcast was that the Senator was saying we were deliberately—and I add these words, "almost fiendishly"—taking bombs out of a stockpile in order to make them dirtier. I am quite sure the Senator did not mean that. I know he did not mean it, judging from his statement today. Probably a careful analysis of the words would disclose the Senator did not say that. As I have said, that was my impression from the televised broadcast, when I did not have the script before me, and could not look over the words he had used.

I said to myself and to my wife, when that program was over, "What will the nations of the world think of us? Will they think we are the diabolical fiends some nations say we are?"

I am happy, for that reason, to have this discussion today on the floor, and to have the matter cleared up. I can only say in all honesty and frankness, that what I have stated was the original connotation I got from the broadcast of a week ago last Sunday.

I also want to say that as a member of the Joint Committee for many years, having had access to information, and having sat through countless meetings, I know it has indeed been a consuming objective of the Atomic Energy Commission to make atomic bombs as free from fallout as science and technology will permit. The Commission has been making progress. Progress is being made today. With each new series of tests something new is learned not only in the interest of the defense of this country and of the Free World, but in the interest

of humanity and the lessening of any potential danger in the future from the use, at least on our side, of atomic weapons.

I repeat, Mr. President, I am sorry the controversy has arisen. Based upon my own knowledge, I say that the present Atomic Energy Commission has made great forward strides. It made substantial strides for a period of time prior to the time Chairman Strauss became again a member of the Commission and its Chairman.

Some able men have served on the Atomic Energy Commission. There have been some members with whose progress and vigor I have been personally very much dissatisfied, but there have been others who have been devoted public servants and who have, in spite of certain obstacles and objections, brought about progress in this field.

Today, Mr. President, the only thing of major importance which is a safeguard for freedom in the world is our power to deter and to make unprofitable adventures by some other country in the field of war. If we destroy that power, if we fall into the trap which Russia would like to prepare for us, if we inhibit, slow down, or stop our advancement in the atomic field, which means in all fields, and leave the field of military power not only to the present stockpiles of bombs in Russia, but to Russian manpower on the land mass of Europe, we shall indeed face a day of sorrow, in my opinion, for the United States, for our allies, and for the Free World.

I think a good job is being done, Mr. President; indeed a splendid job.

People disagree, certainly. There are differences of opinion as to what should or should not be done in particular circumstances. I have been one who has maintained throughout the years his opinion on certain subjects.

I told the Senator from New York the other day that some years ago I sat in a meeting in which it was proposed that American atomic secrets be given away to a foreign country. There was a very formidable gathering of high public officials at that meeting. I was opposed to the proposal at that time, and ever since then I have been reluctant to agree to such a proposal. I am opposed today to unlimited sharing.

I do not agree that the legislation proposed will go anywhere near that far, but I am cautious indeed on that score.

There is disagreement, and I honor people in their disagreement. Others perhaps are right. I may be wrong. I feel that we have a program which should go ahead in harmony, and that if there is any feeling on the part of the people of the country that our atomic program is falling apart at the seams, it should be dispelled. In my judgment, our program is not only not falling apart at the seams, but we are making increasingly greater progress industrially, biologically, and militarily in the program. We are making increasingly greater progress year by year, and it is that progress and strength which indeed make the United States the leader in the peaceful uses of the atom all over the world. We today are the leaders in the military ability to use the atom as a deterrent against war.

Mr. ANDERSON. Mr. President, will the Senator from Iowa yield briefly?

Mr. HICKENLOOPER. I yield.

Mr. ANDERSON. I wish only to say, as I started to say a moment ago, that I would not want the Senator from Iowa to be on the floor at the same time I was on the floor without expressing again my appreciation to him, as a member of the Joint Committee, for his constant attendance at committee meetings, for the objectivity with which he approaches the problems coming before the committee, and for the generally fine job he has done during the past 12 years on the Joint Committee on Atomic Energy.

Frequently we forget to pay tribute to Senators on the other side of the aisle who have worked hard and consistently in furtherance of the program. I can testify to the fidelity, the constant attendance, and the hard work of the Senator from Iowa, and I am happy to do so on this occasion.

Mr. HICKENLOOPER. I thank the Senator from New Mexico very much. I have enjoyed my association with him over the years. I value his opinion and his judgment. We have not always agreed upon every subject which has come before the committee. We have agreed in perhaps 8 out of 10 instances, which is a very high percentage. When we have disagreed, either it has been a fundamental disagreement, or a disagreement because of attitude, or something of that kind. No one has been more zealous in digging out the facts, getting under the rug, behind the chairs, up in the attic, and down in the basement, in the atomic energy program, than has the Senator from New Mexico. He has as complete and vast a knowledge of the details of the operation of the program as anyone could have.

It always distresses me when I find myself in disagreement with the Senator from New Mexico. I know we have disagreed in a most cordial and mutually respectful manner in the past. On 2 or 3 subjects today we happen to be in disagreement. We disagree in the same spirit. I assume that in the future there will be occasions when we shall again disagree. I have always said that if a person agrees with me 100 percent on everything, either he is a fool or I am. I do not expect 100 percent agreement, nor do I discredit another because he does not agree with me. I can only express my own feeling and give my own testimony.

I believe that the program is good. I believe it is progressing; and I believe we should approach it in that attitude, for the security and good of the United States.

ORDER FOR ADJOURNMENT

Mr. CHURCH. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Idaho [Mr. CHURCH] has the floor.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a quorum call?

Mr. CHURCH. That will not be necessary. I thank the Senator.

Mr. ANDERSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEHOOD FOR ALASKA—WE MUST HAVE IT NOW

Mr. CHURCH. Mr. President, many years ago a poet stood on America's last frontier. With wonderment he watched the Arctic lights turn the sky to fire, he listened to the crack of the glacier as it yielded to the sea; he heard the sounding water of mighty rivers, and he felt the loneliness of this virgin land.

He knew what manner of men it would take to possess such a land. And he gave voice to the need of Alaska when he wrote:

Wild and wide are my borders,
Stern as death is my sway,
And I wait for the men who will win me—
And I will not be won in a day;
And I will not be won by weaklings,
Subtle, suave, and mild,
But by men with the hearts of vikings
And the simple faith of a child;
Desperate, strong, and resistless,
Unthrottled by fear or defeat,
Them will I gild with my treasure,
Them will I glut with my meat.
Send me the best of your breeding,
Lend me your chosen ones,
Them will I take to my bosom,
Them will I call my sons.

It is our good fortune, Mr. President, that we still have among us countrymen who, like the pioneers of the old West, stand ready to dare the challenges of the frontier. Such were the men and women who first answered the call of the Yukon, and such have been the people who have settled in Alaska through all the years that have followed. During our lifetime, they have been the living embodiment of a great American tradition—the westward migration.

Mr. President, today I would speak for these people. They are our fellow Americans. But in this Chamber they have no spokesmen of their own. For nearly a century the land they have settled has been Territory of the United States, and long have they sought to make it our 49th State. I plead their case in the anxious hope that the Senate will attend it well.

There are compelling reasons why we should do so.

Regularly, by our votes, we have levied taxes on the people of Alaska. Yet, no Alaskan may vote here to determine what their taxes are to be, nor how their money should be spent. Last year alone, we gathered into the Federal Treasury

more than 45 million Alaskan dollars.[1] A king's ransom, Mr. President. Indeed, it would have seemed a treasure beyond the wildest imagining of George III, when Parliament sought revenue from the American Colonies, by imposing upon us the hated Sugar, Stamp, and Townsend Acts.

Taxation without representation was perhaps the primary grievance of our forefathers against the English King. Surely the historic principle that lit the fires of the American Revolution requires no advocate on this floor.

Nevertheless, Mr. President, in the treatment we have given our fellow citizens of Alaska, we have long violated this principle. Heavily do we tax them, even as we have resisted their many petitions for representation. And as long as we continue to deny statehood to Alaska, that long do we stand guilty of denying to our own, what we once claimed of right for ourselves—that long we best not gaze upon the historic countenance of George III, lest we see in his eyes the reflection of our own image.

Still, Mr. President, taxation without representation is but one of many grievances that our brothers in Alaska could properly charge against us. Were they given to rebuke, they could draft so potent an indictment, so extensive a bill of particulars, as to arouse the conscience of every man among us who believes in majority rule, in representative legislatures, and in government by consent of the governed.

Here, for example, are a few of the charges Alaskans could direct against us. As Thomas Jefferson once wrote in our own Declaration of Independence, let the "facts be submitted to a candid world":

We, the people of Alaska, as history bears us witness, do hereby charge the Congress of the United States with having exercised sovereign jurisdiction over us for nearly a century, while denying to us the prerogatives of free men, in that—

We have been denied any vote in the House of Representatives of the United States, and have had neither voice nor vote in the United States Senate.

We have been denied the right to select electors to cast our vote for President or Vice President of the United States.

We have been denied the power to elect our own Governor, who is commissioned to us by appointment of the President of the United States, in manner reminiscent of crown colonial administration in the American Colonies prior to the Revolutionary War.

We have been denied the selection of our own judiciary, to whom has been given the adjudication and enforcement of the laws that govern us.

We do further charge the Congress of the United States with having demanded and received from us, nonetheless, the loyal and unstinting performance of all of the duties of citizenship that are rightfully imposed upon those entitled to its privileges, in that—

We are fully subject to the laws of the United States, and such penalties as may accrue from their violation, and liable for the payment of such taxes, excises, and fees, as are imposed upon the citizens of the various States, by the Congress.

We are wholly subject to conscription into the Armed Forces of the United States, even as those who have had representation in the shaping of our military and foreign policies, and in the enactment of the selective service laws.

We do further charge the Congress of the United States with the enactment of laws which have discriminated unfairly against us, such as:

The notorious Jones Act, originally passed by the Congress in 1920, which, in effect, conferred monopoly control over the sea lanes between Alaska and the United States, with the result that we were compelled to pay exorbitant freight and handling charges on merchandise imported and exported, so that the natural development of our economy was sorely handicapped.

For 40 years Congress denied to us the benefits extended to the States of the Union in the matching-fund provisions of the Federal Highway Acts; and for nearly that long we were denied our share in the formula apportionment of forest highway moneys; and we still have been granted no part in the Interstate Highway program, excepting our part of the payment of the excises imposed by Congress to finance it—all this despite the acknowledged fact that Alaska has been, and remains, more needful of roads than any State.

Finally, we charge the Congress with having unreasonably retarded the wholesome development of self-government in Alaska, in that—

The United States has retained ownership and possession of more than 98 percent of Alaskan lands, with the result that the tax base for financing local and Territorial government has been unduly restricted.

Lastly, our many petitions for redress of these, and other grievances, have either been ignored by the Congress, or treated with cavalier indifference, or subjected to unjust and intolerable delay, including, above all others, our many statehood petitions for that which is our rightful inheritance, admission into the great American Union.

Mr. President, if we were accountable to some higher tribunal, what would be our defense against these charges? Could we plead that we hold the Alaskan Territory free of any obligation to grant the rights of self-government to the people there? I think not. By the express terms of the treaty through which the United States acquired Alaska, our Government solemnly pledged that the inhabitants of the Territory "shall be admitted to the enjoyment of all the rights, advantages, and immunities of citizens of the United States, and shall be maintained and protected in the free enjoyment of their liberty."

There is no other way to interpret this language except in the context of our whole national tradition. From the beginning, lands acquired by the United States, and subsequently established as incorporated Territories, have always been destined for statehood. Alaska has been an incorporated Territory for nearly 90 years.[2] It has served the longest apprenticeship for statehood in our history. Therefore I submit, Mr. President, that we cannot rest our defense upon the plea that statehood was not intended for Alaska.

Can we plead that Alaska, though destined eventually for statehood, is not yet ready? What are the facts?

The Constitution of the United States does not specify what conditions must be met to qualify a Territory for statehood. Article IV, section 3, states simply:

New States may be admitted by the Congress into this Union.

But the Congress itself, by precedent and practice, has applied three historic tests in passing upon the eligibility of an incorporated Territory for statehood. These test have been, first, that the inhabitants of the proposed new State are imbued with, and are sympathetic toward, the principles of democracy as exemplified in the American form of government; second, that a majority of the electorate desire statehood; and, third, that the proposed new State has sufficient population and resources to support State government and to provide its share of the cost of the Federal Government.

It can hardly be doubted that the people of Alaska have satisfied the first of these requirements. Alaskan institutions, homes, schools, laws, and people are as typically American as in any State of the Union. The patriotism of Alaskans—their loyalty to their country—has been indelibly written in the blood of battle by Alaskans who wore our uniform and fought in our ranks through two world wars. Alaska was the only part of the American Continent invaded by the Japanese, and wartime conditions in Alaska were more exacting and severe than on the mainland of the United States. Yet, at all times during World War II, the support given to the Armed Forces of this country by the populace of Alaska, together with their stability and unflagging morale, were ever beyond reproach. As to the first historic test for statehood, there can be no question but what Alaska qualifies.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. NEUBERGER. I have asked the able Senator from Idaho to yield at this point particularly because, having served in Alaska and in the nearby Yukon Territory during much of World War II, I know from personal experience the truth of what the Senator from Idaho is pointing out to the Senate when he emphasizes the great patriotic contribution made by the people of Alaska to the defense of North America and the rest of the Free World in World War II.

I commend the Senator from Idaho for his very excellent speech in general. It

[1] Senate Report No. 1163, 85th Cong., 1st sess., by the Senate Committee on Interior and Insular Affairs, Providing for the Admission of the State of Alaska into the Union, p. 12.

[2] Justice White: "That Congress, shortly following the adoption of the treaty with Russia, clearly contemplated the incorporation of Alaska in the United States as a part thereof, we think plainly, results from the act of July 20, 1868, concerning internal revenue taxation, c. 186, section 107, 15 Stat. 125, 167, and the act of July 27, 1868, c. 273, extending the laws of the United States relating to customs, commerce and navigation over Alaska and establishing a collection district therein. 15 Stat. 240. And this is fortified by subsequent action of Congress, which it is unnecessary to refer to.

"Indeed, both before and since the decision in *Downes* v. *Bidwell* (182 U. S. 244 (1901)), the status of Alaska as an incorporated Territory was and has been recognized by the action and decisions of this court." *Rassmussen* v. *United States* (197 U. S. 516 (1905)).

seems to me that his address is especially timely now, because of the hope that the other body is about to consider the Alaska statehood bill, which likewise has been reported favorably to the Senate.

The Senator from Idaho and I share the privilege of representing, in part, States in the Pacific Northwest. He has made one of his dominant interests statehood for Alaska. I think he deserves special commendation for doing so.

Nobody who lives in Alaska votes in Idaho. Unfortunately, nobody who lives in Alaska votes in any election which has effect in the United States. Under the circumstances, if the Senator from Idaho is ever a candidate for President or Vice President of the United States, which I hope he will be some day, the people of Alaska cannot vote for him for those offices in the situation which prevails today. Still, the people of Alaska have to pay all the Federal taxes which are imposed upon all other citizens of the United States.

I wish to ask the Senator about 1 or 2 other matters. Those who oppose statehood for Alaska say that Alaska is not contiguous to the 48 States. Is it not true that Oregon and, let us say, California, two great States of the Pacific seaboard, were not contiguous to the existing States of the Union when they were admitted to membership in the Union?

Mr. CHURCH. That is true not only of California and of Oregon, which the Senator so ably represents, but also of Nevada. None of those States was contiguous to the rest of the United States at the time of their admission to the Union. As a matter of fact, judged by any historic test, contiguity has never been introduced as an element of relevance in the past history of the country, whenever the question of the admission of a new State came before Congress.

Mr. NEUBERGER. If it had been introduced with respect to California and Oregon, I doubt that President Lincoln would have been able to overcome the objection to having the State of Washoe, now Nevada, admitted to the Union, so that it could participate in the Union cause during the Civil War.

Mr. CHURCH. I thank the Senator for his observation. I only add to it that if many of the other considerations now being raised as objections to Alaskan statehood were treated with any seriousness earlier in our history, this country would not have extended any farther than the Alleghenies.

Mr. NEUBERGER. The Senator is absolutely correct. Is it not true that Alaska today, by any feasible method of travel, whether it be by air, steamship, or automobile on the Alaska Highway, is far closer to any other part of the United States than were the States of the Pacific coast at the time they were admitted to membership in the Union, particularly California and Oregon.

Mr. CHURCH. I intend to treat with that very subject a little later in my address. I am grateful to the Senator from Oregon for bringing it up and pointing it out at this time, because it demonstrates that distance is meaningful, if it is at all meaningful in the shrunken world in which we live, only if we consider it in terms of effective distance; and the effective distance between Alaska and this Capital is so much shorter than was the effective distance between Washington and California, Oregon, and Nevada at the time of their admission to the Union as to make the comparison laughable. Indeed, we are within instantaneous communication with Alaska by radio or telephone, and can travel there in a matter of only hours; whereas, in earlier years, weeks and months were required to reach the west coast from the United States proper, after California, Oregon, and Nevada had been admitted to the Union.

Mr. NEUBERGER. I call one further matter to the attention of the able Senator from Idaho, whom I regard as the foremost champion of Alaska statehood. I served during a substantial part of World War II in the Yukon Territory, which is a part of Canada, and is across the international boundary from Alaska and shares the Yukon River Basin with Alaska. Today 25,000 people in the Yukon Territory have a full voting member in the Parliament at Ottawa. By the same token, some 200,000 residents of Alaska have no voting representation in the United States Capitol at Washington, D. C. Yet we constantly hear in the Senate and in the other body a lecturing of our friends in the British Empire about self-government and democracy. This is another example of what Emerson meant when he said, "What you do speaks so loudly that I cannot hear what you say."

Mr. CHURCH. I thank the Senator for his observation. I am particularly grateful to him for having pointed out the last illustration, concerning the Yukon Territory, because one of the things which deeply disturbs me, in the delay by Congress session after session, year after year, to act upon the question of statehood, is that it may well be evidence of a lack of vitality in our American democracy. I like to think that American democracy is just as vital and alive today as it was in the last century, as it was at the time when Washington first assumed the Presidency.

I think we should make it clear to our allies, and to the world at large, that we still believe in democratic principles; that we still regard the extension of liberty as a worthy national goal. I can think of no better way to do this than by granting statehood to the people of Alaska, for that will end colonial status there and will demonstrate to the world that we still mean what we say, that we are still a vital people, and that we still pursue, in line with our past national traditions, the objective of extending statehood to American citizens in incorporated Territories, when they meet our lawful historic requirements.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. KNOWLAND. I have listened with interest to the remarks of the Senator from Idaho. I concur in most, if not all, of what he has said about the criteria for statehood which have been established historically. I agree with him that Alaska has measured up to the standards which have been historically set.

I simply add that I think Hawaii has also. Both the Alaska bill and the Hawaii bill have been on the Senate Calendar since last August, so we do not have the problem we confronted a week ago with respect to the offering to a bill of amendments which had not had adequate committee consideration.

I certainly stand ready to cooperate fully with the majority party whenever they shall be prepared to bring before the Senate the Alaskan statehood bill. Then I hope and believe that immediately following consideration of that bill, the Senate should consider the bill for Hawaiian statehood. I want the Senator from Idaho to know that he will have substantial support on this side of the aisle as soon as the majority is prepared to move to the consideration of the Alaska statehood bill—and I think it should stand on its own merits—and then, immediately following that, the Hawaii statehood bill, which also should stand on its own merits. I am certain that both bills measure up to the standards which the Senator from Idaho himself has set forth. I hope the Senate can take action on both bills very shortly.

Mr. CHURCH. I thank the distinguished minority leader. I know he has been a sincere champion of statehood for both the Territory of Alaska and the Territory of Hawaii. I know that if the Alaska bill comes before the Senate, he can be counted upon, as can many of his colleagues on the opposite side of the aisle, to give support to the statehood cause.

Mr. KNOWLAND. Mr. President, will the Senator further yield?

Mr. CHURCH. I yield.

Mr. KNOWLAND. The minority leader was privileged to be in Alaska at the time the constitutional convention was being held to draft a State constitution. Certainly I agree with the Senator from Idaho that the background of the people of Alaska, their school system, their interest in the free way of life, and the whole proceedings of their constitutional convention would do credit to any State of the Union; and I think Alaska is destined to be one of the great States of the Union, just as I feel Hawaii is, also.

Mr. CHURCH. Mr. President, I appreciate the contribution which has been made by the distinguished minority leader.

I wish to say that with respect to the patriotism of the Alaskans, with respect to the identity of Alaskan culture with the culture of the 48 States of the Union, and with respect to the war record of Alaskans in supporting the United States in times of great crisis, there simply can be no question that Alaskans measure up to, and pass, the first of the three historic tests which the Congress has applied when considering the admission of new States.

Mr. KNOWLAND. Mr. President, will the Senator from Idaho yield further to me?

The PRESIDING OFFICER (Mr. CARROLL in the chair). Does the Senator from Idaho yield to the Senator from California?

Mr. CHURCH. I am happy to yield.

Mr. KNOWLAND. The suggestion which sometimes is made that only the Alaskan statehood bill be taken up by the Senate causes me concern, because if the Senate were to take up the Alaskan statehood bill, that action might appear to constitute a reflection on the people of Hawaii, who have the same fine qualities. As the Senator from Idaho knows, the Territory of Hawaii has also served a substantial apprenticeship as a Territory; the people of Hawaii have contributed actually more in taxes which have gone into the Federal Treasury than have the people of Alaska; the people of Hawaii have a substantially larger population than that of Alaska; and the people of Hawaii have also had what they believe, and what I think a great many Senators and Representatives believe, to be rather firm commitments, in the past, when Hawaii first became a Territory of the United States and was organized as a Territory, that Hawaii would be admitted to statehood.

Although some persons may believe that, for a number of these reasons, the Hawaiian statehood bill should first be considered by the Senate, I will not quibble over that point, because I have always believed that when one of these Territories is admitted to the Union, the other will be admitted.

It seems to me, however, that a reflection would unnecessarily be cast on the people of Hawaii, if the Alaskan statehood bill were taken up by the Senate and, I would hope, were passed on its own merits, and if the Hawaiian statehood bill—which was reported by the same committee in the same day—were left "on the vine," so to speak, without action by the Senate.

Of course, we cannot control what is done by the other body, although I hope it will be prepared to pass both bills. But I certainly would not want the world to receive the impression that there was any discrimination against the people of Hawaii because of leaving the Hawaii statehood bill on the calendar, whereas the Alaskan statehood bill was taken up and passed.

Mr. CHURCH. Mr. President, the distinguished minority leader and I have found so much common ground this afternoon that I am sorry we now find an area of disagreement.

I wish to make it perfectly clear that I am as strongly in favor of statehood for Hawaii as I am in favor of statehood for Alaska. I am one of the cosponsors of the Hawaiian statehood bill, and I intend to support it vigorously in every way I can.

But I have entertained, and do still entertain, a disagreement with the distinguished minority leader with respect to what constitutes the best parliamentary strategy for achieving statehood for either Territory. It has been my feeling in the past, and it is my feeling now, that the cause of statehood can best be advanced by having the Senate proceed to the consideration of the Alaskan statehood bill, without any understanding with respect to the Hawaiian statehood bill, for the reason that any such understanding—whether it contemplated a joinder of the two bills on the floor of the Senate, or whether it contemplated successive consideration of the two bills, with the Alaskan statehood bill to be considered first, to be followed by the Hawaiian statehood bill—unnecessarily would have the effect of combining the opponents of statehood for either Territory, and thus of uniting them against either bill. It seems to me that is not a strategy that is best designed to serve the interests of statehood.

Mr. KNOWLAND. Mr. President, will the Senator from Idaho yield again to me?

Mr. CHURCH. I shall yield in a moment; first, I should like to finish stating my point.

It has been my feeling, all along, that if the Senate proceeds to the consideration of the Alaskan statehood bill, there will be a real likelihood, after these many years, that the Alaskan statehood bill will be passed during this session—and passed by both Houses, not only by the Senate. After all, the Hawaiian statehood bill was passed by the Senate in 1954, after both Alaskan statehood and Hawaiian statehood were joined in one piece of proposed legislation. The Senate passed the bill, and sent it to the House of Representatives. But there the bill died; no action has been taken on it since then.

Therefore, in view of that experience, it is my feeling that there would be a better chance to obtain statehood for Alaska if the Senate proceeded with the Alaskan statehood bill alone. When that bill is passed by both Houses, and when Alaska becomes the 49th State, then I have no doubt about the taking of action on the Hawaiian statehood bill, for then the barrier will have been broken, and then it will follow, as the night follows the day, that Hawaii will be admitted to the Union.

Therefore, as a matter of strategy, I respectfully disagree with the distinguished senior Senator from California. I feel that the Senate should proceed with consideration of the Alaskan statehood bill, without any strings attached.

Mr. KNOWLAND. Mr. President, will the Senator from Idaho yield?

Mr. CHURCH. I am happy to yield.

Mr. KNOWLAND. Of course, on this subject matter there is always room for an honest difference of opinion. However, I believe there are two points of view which should be kept in mind: First of all, I think we are less likely to be confronted with a motion that the two bills be combined if there is assurance that the Hawaiian statehood bill will be taken up immediately after consideration of the Alaskan statehood bill.

Without such assurance, I believe it is very likely that it will be moved that the Hawaiian statehood bill be made the second title of the Alaskan statehood bill. Personally, I would not wish to see that done; I believe it better to let each one stand on its own merits, and I have so stated both publicly and privately, both here on the floor of the Senate and elsewhere.

Second, I believe there is another argument which could be made. The Senator from Idaho has mentioned the possibility of combining the opponents of these measures. Let me say there is the probability of combining the supporters of these bills, for I believe it is possible to combine the supporters of the Alaskan statehood bill and the supporters of the Hawaiian statehood bill, in the interest of having both bills considered on their own merits by both Houses of Congress, by obtaining assurances that those who perhaps would wish to see the Hawaiian statehood bill considered first, would be willing to have the right-of-way yielded to the Alaskan statehood bill, in order to have it considered first on its own merits, if they had assurance that the Hawaiian statehood bill would also have a chance to be considered on its merits.

At this time, when there is so much world observation of what is done in this country, it would be most unfortunate if there were created the impression that the Senate was discriminating against Hawaii, perhaps because of the racial background of the people of Hawaii—although they themselves have demonstrated their good citizenship, and although in time of war the people of Hawaii have fought in the armed services of our country and have made outstanding records there—and perhaps because of the fear of a filibuster, and that therefore the Senate was permitting the Hawaiian statehood bill to die on the vine, so to speak, and not receive consideration. If such an impression were created generally, great damage would be done to the prestige of the United States, both at home and abroad.

Under those circumstances, I hope both statehood bills will be considered by the Senate on their own merits, so that at least the Senate will demonstrate that it does not propose to discriminate against either of these great Territories.

For that reason, I hope the Senator from Idaho will join us in insisting that if the Alaskan statehood bill is considered by the Senate, immediately thereafter the Hawaiian statehood bill shall be considered by the Senate.

Mr. CHURCH. Mr. President, I appreciate very much the contributions the distinguished minority leader has made to the debate.

Mr. THYE. Mr. President, will the Senator from Idaho yield to me, so that I may concur in the remarks which have been made by the distinguished minority leader?

Mr. CHURCH. I am happy to yield, if I may do so with the understanding that at the conclusion of the remarks of the Senator from Minnesota, I may reply to both Senators. Mr. President, I so request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. THYE. I thank the Senator from Idaho.

Mr. President, I fully concur in the remarks the minority leader has made in regard to both Hawaii and Alaska, and also in his remarks about having both the Hawaiian statehood bill and the Alaskan statehood bill considered by the

Senate at the same time or as close together as possible legislatively.

I believe the Senate should consider both the Hawaiian statehood bill and the Alaskan statehood bill. I believe they should have been considered some years ago.

I have supported the proposals that both of these Territories be admitted to the Union, as States.

I definitely believe that by considering both statehood bills at the same legislative session, the Senate will strengthen the legislative position of both bills. Although it may be true that under such circumstances the opponents of both bills would be able to join forces, it likewise would be true that the proponents of both bills would be able to join forces. As a result, if both the statehood bills were considered at the same legislative session, much strength would be given to the move for statehood for both Alaska and Hawaii. Therefore, I believe both the statehood bills should be considered at the same session, rather than to have the Senate consider the Alaskan statehood bill individually.

So I most certainly strongly urge that the Congress give consideration to statehood. I believe such consideration is overdue and we should act on it before the adjournment of this session.

Mr. CHURCH. I appreciate very much the remarks of the distinguished Senator from Minnesota. I may say the position which both the Senator from Minnesota and the Senator from California have taken is consistent with what seems to me to be the position of the administration, for spokesmen high in the councils of the administration have also asked that some arrangement be made that would tend to link the two bills together.

Mr. THYE. If the Senator will permit an interruption, I was going to say I was in support of Alaska and Hawaii being admitted as States of the Union prior to this administration, in fact, while President Truman was President. Therefore, it is not this administration that has influenced my thinking. What has influenced me is the fact that the two Territories should be brought into the Union as States.

Mr. CHURCH. I am sure that is so, and my acquaintance with the Senator from Minnesota is such that I have no doubt he makes up his own mind on all issues. I commend him for having been for statehood long ago, under the Truman administration, as well as now.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CHURCH. I should prefer to finish the statement on which I had launched, on the completion of which I would be happy to yield again to the Senator from California.

Mr. KNOWLAND. If the Senator will permit, I merely wished to point out that on April 1, 1954, the Senate passed H. R. 3575, for admission of Hawaii and Alaska to the Union. The vote was yeas 57, nays 28. An analysis of those voting "yea" was, Republicans, 33, Democrats, 23, Independent, 1. Voting against it were 9 Republicans and 19 Democrats. Not voting were 5 Republicans and 6 Democrats. So the bill had bipartisan support. The distinguished Senator from Minnesota, as well as the minority leader and the Senator from South Dakota, were all recorded as having voted in favor of it.

I merely point that out to show this question is not new. It has been before the Senate for many years.

Mr. CHURCH. Yes, it has indeed been before the Congress for many years. I think it would be a great mistake to treat the question as a partisan issue. The vote to which the Senator from California has referred demonstrates that statehood has had the support of substantial numbers of Senators on both sides of the aisle. That is how I shall treat the question this afternoon on the floor of the Senate.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. CHURCH. I am happy to yield.

Mr. CASE of South Dakota. Supplementing what has been said with regard to voting for statehood, I have been for statehood for both Hawaii and Alaska, am for it now, and shall continue to favor it. I shall vote for a bill dealing with statehood, whether the vote comes for each singly, or for both.

It might also be pointed out that the national platforms of both major political parties have repeatedly favored statehood for Hawaii and statehood for Alaska. The practical problem of how to accomplish the objective is a real one.

My recollection is that a great many Territories were admitted into the Union in pairs, or as a result of resolutions whereby more than one Territory was dealt with, or under some sort of understanding that other Territories would be treated likewise. My own State of South Dakota was admitted in 1889. I think three other States were admitted into the Union the same year.

One of the practical problems involved is that in the House of Representatives if a bill deals with one State, under the rule of germaneness a second State may not be added to the bill. In the Senate, however, a second State can be added to the bill. It may be that the only way we can insure consideration of both Territories is to join them together in a bill in the Senate.

Unless the bill presented by the committee to the House provided for the admission to statehood of the two Territories, then the House rules would not permit adding to the bill a provision for statehood for another Territory.

Mr. CHURCH. Before the distinguished Senator from South Dakota came to the floor, I had alluded to the fact that in 1954 the Senate of the United States did join the Alaskan bill to the Hawaiian bill in the manner suggested by the Senator; and the bill in that form went to the House, where it died. I have indicated my own personal belief that the strategy best designed to break through the barrier which has paralyzed the Congress these many years is to proceed to the consideration of the Alaskan statehood bill without any understanding regarding the Hawaiian statehood bill, because I believe there will be an excellent chance for both bills at this session of Congress, if we act first only on the Alaskan statehood bill. I realize we are in honest disagreement as to strategy. I do not propose to make my case for Alaskan statehood on partisan grounds this afternoon. I only feel that the course which would seem to offer the best chance of success would be to proceed to the consideration of Alaska statehood without strings attached, because once Alaska statehood is obtained, Hawaiian statehood is assured.

Mr. CASE of South Dakota. One reason why I am now present in the Chamber is that I learned the Senator from Idaho was addressing the Senate. The Senator had been kind enough to send me an advanced copy of his speech. I had read it. I was interested in the presentation which was indicated in his advance copy. I particularly liked the doctrine he espoused of what I may term the manifest destiny of the United States for westward growth and expansion. The inclusion in the Union of such outstanding Territories as Alaska and Hawaii would be in keeping with the growth of our country and with the spirit which has always found it to be beneficial to move in a westward direction, to develop those areas and bring to them the blessings which accrued to the States which had previously become members of the Union.

I was also impressed by the table which the Senator had prepared, which is perhaps similar to tables which have been prepared before, but which called particular attention to the population factor. Both Alaska and Hawaii have a population much greater than had most of the Territories which were added to the original Thirteen Colonies. I think my own State had a population of about 380,000 at the time it joined the Union in 1889. It was about the third or fourth, in terms of population, among the Territories which came into the Union as States. I think a majority of the Territories which were admitted as States had a smaller population. Ohio, for example, came into the Union with a population of only 42,000. Is that correct?

Mr. CHURCH. Approximately 60,000. The State of Illinois came into the Union with a population of only 34,000.

Mr. CASE of South Dakota. Yes. So the population argument which some persons urge with respect to the Territories presently being considered for admission into the Union, it seems to me is amply answered by the history of what happened. I hope we will not get into a stalemate over procedures. The minority leader, the Senator from California, made a valid point when he stated that in the present state of world affairs, we should not let the impression go abroad that we are discriminating against Hawaii because of any possible racial question, either as such discrimination might be inferred from a failure to join the Hawaiian statehood bill to the Alaskan statehood bill, a failure to have an understanding that it would be considered, or a failure to consider it first. Whatever the question might be, it seems to me it would be unfortunate if the Senate should act upon only the

statehood bill for Alaska at the present session.

Mr. CHURCH. I appreciate the participation in the debate of the distinguished Senator from South Dakota, whom I have come to regard as my friend, and for whom I have high respect.

I, too, have had misgivings as to the proper strategy to follow with respect to the statehood question. However, I feel the position I have stressed, that statehood for Alaska ought to be considered independently, is sound. I have been much fortified in that position by the concurrence of the elected representative in Washington from Hawaii itself. That elected representative is most interested in Hawaiian statehood, yet he felt so strongly that the interests of Hawaiian statehood would be best served by proceeding to consideration of the Alaskan statehood bill that on February 5, 1958, he wrote me a letter on the subject. I ask unanimous consent that the entire text of the letter be printed in the body of the RECORD, but before its inclusion I should like to quote a pertinent paragraph. Mr. JOHN A. BURNS wrote to me as follows:

As perhaps you know—from the meeting with Senator JOHNSON last week—I have taken the position in what I hope is enlightened self-interest that nothing should interfere with success in the consideration of Alaska, S. 49. To this end, I am perfectly willing and have so advised my constituents that—if necessary—I would remove Hawaii from consideration. I do not think this will be necessary since it is understood that action on Alaska will be completed before Hawaii is brought up. I want statehood.

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). Is there objection to the request of the Senator from Idaho?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 5, 1958.

The Honorable FRANK CHURCH,
Senator from Idaho,
Senate Office Building,
Washington, D. C.

MY DEAR FRANK: Thank you very much for your letter of January 28, 1958, enclosing a copy of a letter written to the members of the Democratic policy committee of the United States Senate, as well as expressing your hope that favorable action on S. 49 and S. 50 may be achieved in this session.

As you know, it is my considered opinion that your presentations on behalf of Alaska-Hawaii statehood have been most helpful. The arguments you use are distinctly convincing, as well as brilliantly put. Your letter of January 28 fully accords with your past activities on behalf of statehood.

As perhaps you know—from the meeting with Senator JOHNSON last week—I have taken the position in what I hope is enlightened self-interest that nothing should interfere with success in the consideration of Alaska—S. 49. To this end, I am perfectly willing and have so advised my constituents that—if necessary—I would remove Hawaii from consideration. I do not think this will be necessary since it is understood that action on Alaska will be completed before Hawaii is brought up. I want statehood.

Your continuing able and vigorous support is most necessary to the success of statehood for both Hawaii and Alaska. I know that it will continue and that it will be of inestimable value.

Thank you again for your great courage and sincere conviction, as well as your great brilliant presentations.

Warmest personal regards and may the Almighty be with you and yours, always and in all ways.

Sincerely,

JOHN A. BURNS.

Mr. CHURCH. Mr. President, it is the feeling of the elected representative of the Hawaiian people that the interests of statehood for Hawaii may well be best advanced by a consideration of the Alaskan statehood bill in such form as to best assure its passage. That is why I feel we should proceed one by one, without arrangements or understandings with respect to the other.

I surely respect the position taken by the Senators who have spoken, and I understand this is an area in which there can be an honest difference of opinion.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. KNOWLAND. I was not quite clear as to what the Senator said, since I was carrying on a brief discussion with respect to a resolution which Senators hope will be taken up. Did the Senator from Idaho mention that the Delegate from Hawaii had written a letter to him relative to the statehood matter?

Mr. CHURCH. I have just asked that the letter be printed in the RECORD.

Mr. KNOWLAND. Did the Delegate from Hawaii say he was not interested in statehood for Hawaii coming up for consideration at the present session of Congress?

Mr. CHURCH. Oh, no.

Mr. KNOWLAND. In other words, the Delegate from Hawaii was merely willing that the Alaskan statehood bill have precedence on the calendar?

Mr. CHURCH. I believe a fair interpretation of the letter, the full content of which will appear in the RECORD, where it can be examined by all interested persons, would be that the Hawaiian representative felt the most important thing which could happen at this session of Congress would be the enactment of a bill to provide statehood for both Alaska and Hawaii.

Mr. KNOWLAND. I concur with him in that belief.

Mr. CHURCH. Yes. But he also felt that if it proved necessary, in the best interests of the Alaskan statehood bill, to consider that bill entirely separate and apart from the Hawaiian statehood bill, he would favor proceeding to the consideration of the Alaskan statehood bill, because he felt that once Alaskan statehood had been provided by the Congress, the ultimate interests of Hawaii would be protected and Hawaiian statehood would follow.

Mr. KNOWLAND. The letter will speak for itself. I should be a little surprised to discover that the Hawaiian Delegate waived his rights to have statehood for the Territory of Hawaii considered at the present session immediately following consideration of statehood for Alaska. I wanted to clarify the matter for the RECORD.

Mr. CHURCH. I would not regard the letter or any statement contained therein as a waiver, and I would not want to have the letter so construed. I think the letter will best speak for itself. I have asked that it be printed only for that purpose.

I feel that in substance the letter supports the general position I have taken with regard to the strategy which should be followed in the interest of statehood for both Territories.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for one question?

Mr. CHURCH. I am happy to yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Does the Senator from Idaho see any objection—and, if so, what is the objection—to having some understanding that if one statehood bill is considered and passed, the second bill will receive consideration shortly thereafter? That would give some basis for a vote by any Senator against joining the two. Without such assurance, many Senators will be tempted to vote to join the two, to insure consideration of statehood for both Territories.

Mr. CHURCH. As I have stated, it seems to me we have already had the experience of proceeding that way. In 1954 precisely that was done. The two bills were joined together in the Senate. The bill as it passed was in that form and went to the House, where it died. The result was that neither Territory was granted statehood. Therefore, it seems to me we ought to pursue a different strategy.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. KNOWLAND. That is exactly what the Senator from South Dakota, as I understand, is talking about. The Senate did join the two bills for statehood in 1953, though actually the shoe was on the other foot. At that time there was a move to join the Alaskan statehood bill to the Hawaiian statehood bill, since Hawaii at that time had priority consideration.

In order to avoid the joining together, as the Senator has pointed out—and there are some perfectly reasonable arguments for not doing so—the best way to keep the two bills from being joined is to have an assurance that once Alaskan statehood is voted on and granted those Senators who may favor statehood for Hawaii and not for Alaska, or who may favor statehood for both Territories, will have an opportunity to cast a vote for statehood for Hawaii. In order to avoid the tandem operation, to which the Senator has referred, we are seeking to get some assurances.

As minority leader, I know that if assurances are given, it will be far easier for me to talk with some on this side who may feel more strongly that Hawaii should have precedence, for the reasons I have stated, and to say to them, "Do not seek to join the two bills; we have assurance that once we have voted on statehood for Alaska and have passed the bill we shall then immediately take up the bill to provide statehood for Hawaii."

Mr. CHURCH. I can only say to the distinguished Senator from California that I shall vote for statehood for Alaska, and I shall vote for statehood for Hawaii. I have as much interest in the admission of Hawaii as a State as I have interest in the admission of Alaska as a State.

I have already indicated my reasons for believing the Senate ought not to proceed on the basis of any given understanding. It happens, unfortunately, that there are Members of the Senate who oppose statehood for Alaska who do not oppose statehood for Hawaii. It happens that there are Members of the Senate who oppose statehood for Hawaii who do not oppose statehood for Alaska. In view of that fact, and in view of the experience we had in 1954, it seems to me we have a better chance for action—and it is action we sorely need—and a better chance to avoid another failure in the present session of Congress, if we proceed to the consideration of the bill to provide statehood for Alaska without understandings and without strings attached, and then consider the Hawaiian statehood bill on its own merits.

As I have said, the Senator from California made some able arguments in support of his position. I have tried to indicate the reasons for my position. I am glad that, although we may have some disagreement as to strategy, we stand together in support of statehood for both Territories.

Mr. President, we have already examined the evidence, and we have seen from it that, as to the first historic test for statehood, there can be no question that Alaska qualifies.

What of the second test? Do the majority of the Alaskan people desire statehood? In 1946, 12 years ago, a general referendum was held in Alaska on the question. It resulted in a 3-to-2 majority in favor of statehood. A decade later, in 1956, the people of Alaska again passed upon the issue of statehood by ratifying a proposed constitution for the new State, this time by a majority of more than 2 to 1.[1] Only last year, the members of the Territorial Legislature, the elected representatives of the Alaskan people, passed unanimously a joint resolution calling for statehood by March 30, 1957.

In order that it may be perfectly clear, on the evidence, that Alaska fully meets the requirements of the second historic test for statehood, I ask that the official tabulations in the referendums to which I have referred, together with the text of the joint resolution, be printed at this point in the body of the RECORD:

There being no objection, the tabulations and joint resolution were ordered to be printed in the RECORD, as follows:

APPENDIX A

ALASKANS VOTE FOR STATEHOOD

1. Referendum on statehood, general election, October 1946:

For statehood	9,634
Against statehood	6,822

2. Ratification of the State constitution, primary election, April 1956:

For ratification	17,073
Against ratification	8,060

3. Vote on the Tennessee plan, primary election, April 1956:

For the plan	14,957
Against the plan	9,427

4. Joint memorial passed unanimously by the Senate and House of the Legislature of the Territory of Alaska, January 1957:

"ALASKA SESSION LAWS, 1957—HOUSE JOINT MEMORIAL NO. 1

"To the Honorable Dwight D. Eisenhower, President of the United States; the Honorable Fred Seaton, Secretary of the Interior; the Committee on Interior and Insular Affairs of the United States Senate; the Committee on Interior and Insular Affairs, United States House of Representatives; the Congress of the United States:

"Your memorialist, the Legislature of the Territory of Alaska, in 23d session assembled, respectfully represents:

"Whereas statehood in the American Union on a basis of full equality has long been an aspiration of the people of Alaska, believing in government of, by, and for the people; and

"Whereas the people of Alaska have, for a long time past, demonstrated their ability and fitness to assume the full rights, obligations, and duties of citizens of the United States, and now desire to form themselves into a state, as the people of all other territories have done before them; and

"Whereas the people of the United States, committees of the Congress of the United States, and the national platforms of both our major political parties have called for the early admission of Alaska to statehood; and

"Whereas the Territory of Alaska has now written and adopted a constitution for the proposed State of Alaska, by overwhelming majority, and has elected a representative and senators to the Congress of the United States, as provided by the Constitution: Now, therefore,

"Your memorialist, the Legislature of the Territory of Alaska respectfully prays that the Congress of the United States, at its present session, adopt legislation admitting Alaska as a State of the Union and seating its duly elected representatives.

"And your memorialist will every pray."

Mr. CHURCH. Mr. President, this leaves us to deal with the third, and last, test for statehood, traditionally applied by the Congress. Does Alaska have sufficient population and resources to support State government and to provide its share of the cost of the Federal Government?

What of Alaska's population? In 1916, when the first Alaskan statehood bill was introduced in Congress, the population of Alaska was about 60,000. By 1950, the census of that year showed the civilian population to have nearly doubled. It stood at 108,000 people. Between 1950 and 1956, Alaska's population grew to 161,000, an increase of 48.6 percent. Today it is larger still. Alaska has shown a greater percentage population growth than any State in the Union for 17 years.

These figures become even more significant when we compare them with the known population of other Territories at the time of their admission to the Union. California had 92,000 inhabitants, Oregon about 50,000, Illinois only 34,000. My own State of Idaho had 88,548 inhabitants when it was admitted to statehood on July 3, 1890. Indeed, when we compare Alaska's civilian population alone with the entire population, civilian and military, of the other Territories, on their admission dates, it will be found that Alaska's population is now greater than the population of 21 States, when they were taken into the Union. Moreover, if we consider the whole population of Alaska, including the military component, it is currently estimated to be 212,500. Some of 25 of our States had fewer people when Congress granted them admission.

In view of these facts, Mr. President, it would hardly become us to maintain that Alaska is not yet entitled to statehood because she has too few people. The evidence is just the other way around. To prove it, I ask unanimous consent to include in the RECORD, at this point, the figures of the United States Census Bureau, showing the respective populations of each State upon admission to the Union.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

APPENDIX B

STATES IN ORDER OF THEIR POPULATION AT THE TIME OF ADMISSION

Figures taken from material furnished to the Senate Committee on Interior and Insular Affairs by the Legislative Reference Service, printed as Appendix C, Senate Report 1163, 85th Congress, 1st session, page 99.[1]

Illinois	34,620
Nevada	40,000
Arkansas	52,240
Oregon	52,465
Ohio	60,000
Wyoming	62,555
Indiana	63,897
Missouri	66,586
Kentucky	73,677
Louisiana	76,566
Tennessee	77,262
Florida	87,445
Nebraska	88,530
Idaho	88,548
California	92,597
Kansas	102,338
Alabama	127,901
Montana	142,924
Colorado	150,000
Minnesota	150,092
Mississippi	150,092
North Dakota	190,963
Iowa	192,214
Michigan	200,000
Wisconsin	210,596
Texas	212,592
Arizona	216,639
Vermont	241,000
Washington	273,000
Utah	276,749
Maine	298,335
New Mexico	338,470
South Dakota	348,600
West Virginia	376,683
Oklahoma	1,414,177

[1] But see also, S. Rept. 315, 82d Cong., 1st sess., p. 44, for varying estimates.

[1] At the same time that the people of Alaska ratified their superb State constitution, they gave additional evidence of their hope for speedy action on statehood by the approval of an ordinance authorizing the people of the Territory to elect two "Senators" and a "Representative" to proceed to Washington and there work for statehood, and to assume, with the concurrence of the Congress, the seats in the House and Senate which would be created by admission. This plan had been successfully used by 7 territories, in their own efforts to achieve statehood. These territories included Tennessee, Michigan, Iowa, California, Minnesota, Oregon, and Kansas. The men chosen at the subsequent election are known as the "Tennessee Plan" Senators and Representative.

Mr. CHURCH. This leaves us with but one remaining question to answer, in applying the traditional tests for statehood to Alaska. Does Alaska possess sufficient resources to support State government and to provide its share of the cost of the Federal Government?

For those who really know Alaska, it seems preposterous to question her capacity to support statehood. Only those who still retain a mental image of Alaska as a land of tractless tundra, swamps, and ice, inhabited by Eskimos in igloos, regard this question as one to be treated seriously. People who held the same frozen image of Alaska once objected to the American acquisition of the Territory over 90 years ago. Our great Secretary of State, William Seward, who seized the opportunity to purchase Alaska from Imperial Russia for $7½ million, was subjected to raucous ridicule. "Seward's folly! Seward's icebox," the critics scoffed.

There may have been excuse, 90 years ago, to regard Alaska as a frozen, desolate outpost over which the American flag would flutter in lonely and bitter polar winds. In 1867 there may have been some excuse for regarding the Alaskan purchase as a waste of $7½ million. It is too much to expect all men to be as knowledgeable and far-seeing as was William Seward. But to retain the same frozen image of Alaska today is quite inexcusable.

In the past 50 years alone, Alaska has produced canned salmon of a value 280 times as great as the purchase price of the Territory. In furs produced, Alaska has paid for itself 19 times over; and in copper, 47 times over. For 50 years, the value of Alaskan gold has equaled the price we paid for the entire Territory, every seven months. Taken all together, the wealth we have realized in odd corners of "Seward's icebox" has already been 425 times greater than the purchase price paid by the United States to the Russian Czar.

But the exciting thing, Mr. President, is that this is only the beginning. Vast new resources are being discovered in Alaska. We now know there are immense fields of oil and gas in Alaska that have barely been tapped. During the recent month of March 1958, revenue to the Territorial government from oil leasing fees amounted to $71,000. The potential value of these resources, once developed, staggers the imagination.

Far from being an icebox, Alaska is in truth a treasure box, to which our country will turn, in growing degree, for minerals, timber, and raw materials to feed the needs of our industry in the years ahead. There are 136 million acres of standing timber in Alaska, forest lands that dwarf those of any western State. The Department of Interior estimates that the falling water in Alaska has a potential installed capacity for generating over 8¼ million kilowatts of hydroelectric power.

Alaska is by no means a poor relation. We have treated her that way, to be sure. By governing her from afar, by denying her statehood these many years, by allowing her less than 2 percent of Alaskan land for a tax base on which to support all local and Territorial government, we have shackled the economic development of Alaska in the most constrictive way. Yet, despite all this, the straitjacketed economy of Alaska has had the vitality, without a sales tax, and without a property tax, except in incorporated cities and districts, to provide a surplus in the Territorial budget of some $11 million over appropriated expenditures, during the past 8 years. This was accomplished while the Alaskan people bore their full share of the cost of maintaining the Federal Government in Washington.

Let us banish forever the illusion that Alaska is an empty land, traveled by dog sled, where the Aurora Borealis furnishes the only color to loom above an endless blanket of snow. Alaska means "The Great Land," and it is that indeed. It alone is a fifth the size of the whole United States. Its climate is comparable, not with that of Antarctica, but with that of Scotland and Scandinavia. Such a climate, bracing in its effect, has given rise in these countries to several of the most advanced civilizations in the western world, whose populations have achieved living standards comparable with our own. These bustling and productive countries are a mirror to Alaska's future.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CHURCH. I am very happy to yield to the distinguished Senator from Wisconsin.

Mr. PROXMIRE. First, let me say to the Senator that I have read every word of his excellent speech. I think it is an outstanding effort. It is logical, brilliant, and persuasive.

I should like to say that the point the Senator from Idaho has made is an important one, as I have found from a study of the debates on the subject over the past 10 years, and I have found that precisely that point was made against Alaskan statehood, namely, that its climate is inhospitable and makes it impossible for Alaska to be developed in a manner in which most States have been developed. I should like to nail that argument once and for all by quoting the words of a man who is an outstanding authority on Alaska, and who served as Governor of Alaska from 1939 to 1953. He is Ernest Gruening.

Mr. CHURCH. Mr. Gruening was not only a great Governor of Alaska, but he is also a great American in every sense of the word.

Mr. PROXMIRE. I agree completely with the Senator. At page 462 of Mr. Gruening's book The State of Alaska, he says:

> Due to the Japan current, which skirts the entire Pacific coastal area, its cities and towns, containing the greater part of Alaska's population enjoy milder winters than the northern parts of the United States. Ketchikan's and Sitka's winter temperatures approximate those of Washington and Philadelphia, respectively, Juneau's those of New York City, and are higher than those of Boston, Detroit, Chicago, Omaha, and Denver. The winter temperatures of the Anchorage area are higher than those of northern New England, Wisconsin, Minnesota, the Dakotas, Wyoming, and Montana. Even Nome, less than a hundred miles below the Arctic Circle, has winter temperatures higher than those of the provincial capitals of Winnipeg and Regina just north of the United States-Canada boundary.

As a Senator from Wisconsin, I should like to say it is very insulting to my State to have it said that an area which is as cold as the State of Wisconsin is ineligible on that particular ground for admission to the Union.

The very happy analogy which the distinguished Senator from Idaho has used with respect to Norway and Sweden is on the beam, so to speak, because Norway and Sweden occupy approximately the same position vis-a-vis the North Pole as does Alaska. I believe they lie on the same parallel.

I wish to say further that there are no finer people and no stronger people and no more able people than the Scandinavian people. I was delighted to hear the distinguished Senator from New Mexico [Mr. ANDERSON] say on the floor only a short time ago that he is the son of a Swedish immigrant farmer. The great qualities he has demonstrated are typical of the outstanding qualities of the Swedish people.

I again wish to congratulate the able Senator from Idaho, whom I have wanted to interrupt 2 or 3 times during the course of his great speech in order to congratulate him on the valuable contribution he is making to Alaskan statehood.

Mr. CHURCH. I appreciate the statement of the distinguished Senator from Wisconsin. I believe it ought to lay at rest once and for all the objections which have been raised based upon misconceptions as to the climate of Alaska, I hope it will.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. CARROLL. I also wish to join in commending the very able Senator from Idaho on his very clear speech. More than 10 years ago we began working on Alaskan statehood under the great Governor of Alaska, Mr. Gruening, who has come to Washington, together with Bob BARTLETT. We thought it would be only a matter of a year or 2 or 3 years before Alaska would be granted statehood. Among the historic, political, and economic reasons which have been given so brilliantly by the junior Senator from Idaho one important point should not be overlooked. It is that the Delegate from Hawaii advocates that the Senate pass first the bill granting statehood to Alaska. Why? As the able Senator from South Dakota [Mr. CASE] has said, the promise of statehood is contained in the platforms of both political parties. We do not know the reason why statehood has not been granted up to this time. At least the junior Senator from Colorado does not know the reason. All we know is that for 10 years the ball has been bounced back and forth from one party to another. There is one way of fixing the responsibility, and that is by disposing of one bill at a time. That is why I believe the presentation by the junior Senator from Idaho ought to clear up for all time the question of statehood for Alaska, and that we should move ahead with statehood for Alaska. After

we have done that, I shall be perfectly willing to take the position I took 10 years ago, although I did not know then the reasons for it would be so ably presented on the floor of the Senate today by the distinguished junior Senator from Idaho.

The Senator from Idaho has made a great contribution to an issue which has been burning in the hearts and minds of the people of Alaska, to my knowledge, for 10 years, and which is an issue that has been shunted about on the floor of the Senate and on the floor of the House for a long time. I believe we should meet the question head on. If we do, it will be largely attributable to the very fine presentation this afternoon by the junior Senator from Idaho.

Mr. CHURCH. I thank the Senator from Colorado very much for his generous remarks. I am sure I have played only a minor part in this effort, but I am happy to know that I have the concurrence of the Senator from Colorado with respect to the strategy which ought to be followed in connection with the statehood issue, because his whole public record demonstrates that he is an ardent champion of democratic principles. When the time comes to vote I am sure the people of Alaska and of Hawaii will be able to count upon the distinguished Senator from Colorado for his support.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. CHURCH. I yield to the Senator from Massachusetts.

Mr. KENNEDY. I believe the Senator from Idaho has helped greatly to clear up an issue which has lain so long buried under the snows of ignorance. I wish to congratulate him not only on the facts contained in his speech, but also on the manner in which he has been presenting the facts.

I share his high regard for the former Governor of Alaska, Mr. Gruening, and my good friend, Delegate BOB BARTLETT.

One argument which is heard in some places, especially in the larger States, is that one-half of the population of the country lives in 9 States, and they have 18 Senators, and that the other half of the country lives in the remaining 39 States, and they have 78 Senators. It is further argued that if Alaska and Hawaii were to become States in the Union, approximately one-half of the people of the country would have 18 Senators, and the other half of the population would have 82 Senators.

A State like Massachusetts, for example, would lose a Representative, and other areas would gain in representation.

This may be a narrow view, but nevertheless it is a view held by many people—perhaps it might have been set to rest by the Connecticut compromise—and it is a view which is continually being stated and argued. I should like to know what the Senator from Idaho, who speaks so eloquently on this subject, thinks of this question and this view.

Mr. CHURCH. The Senator from Massachusetts is to be commended for raising the question on the floor of the Senate, because it is a very pertinent question. It is the kind of argument which should be brought out on the floor of the Senate. It should be brought into the open. It is the kind of argument which is frequently heard in the cloakrooms, but not on the floor of the Senate, where the light of publicity should be focused upon it.

In response to the Senator from Massachusetts, I should like to say that that very issue was raised in the Constitutional Convention and caused somewhat of a crisis. At Philadelphia there were among the Thirteen Original States differences in population, differences in size, differences in wealth, and differences in economy, as well as in religion. At the Constitutional Convention, each State was striving to find a formula which would give to it the optimum advantage.

The delegates to the Constitutional Convention found that formula. Had it not been found, there would have been no Constitution, and the Federal Government would never have been created; the Union would never have been established. The formula was simplicity itself, and it has served very well for all these years. The formula was found in letting the people be represented according to their numbers in the House of Representatives, and letting the people be represented by their States in the Senate, a House of States.

I can only say to the distinguished Senator from Massachusetts, who is one of the great political figures of our time, that if we had always stated the measure of admission of a new State by the particular circumstances of an existing State, we would never have admitted any new States. If the measure of statehood had been the population of New York, for example, how long would we have waited for Idaho to be admitted, or Nevada? Forever, I think.

Mr. KENNEDY. I think what the Senator has said is that it is unfair to apply this test now to Alaska, when it has not been applied to other States since the time of the Constitutional Convention. It seems to me that another argument, besides that, is that if we should begin to apply such a test 170 or 180 years after the Constitution was first devised and should apply it only in the case of Alaska, it would be unfair, whether the system when it was agreed to was wise or unwise. As the Senator so rightly has said, there would not have been a Constitution if the principle had not been agreed to. Now we are continuing to pay the price of the constitutional agreement. It is worth the price to all of us, just as it was worth the price to include Delaware and Rhode Island in the Union.

Mr. CHURCH. The price we have had to pay is this great land of ours, which stretches from sea to sea. I suppose if there was any work of authentic political genius in the Constitutional Convention, it was the work of the delegates in coming to agreement upon a formula by which all the States, large and small, States as large in population as New York and Pennsylvania, and as small in territory as Delaware and Rhode Island, could live together. That formula was adhered to, and the gates were thrown open to our expansion. Now the Nation itself has come to embrace a great continent. Now is not the time to turn back on the principle. It is our inheritance. It has been a great blessing to all of us over the years.

Mr. KENNEDY. I think one of the delegates to the Convention said that Delaware was composed of 3 counties at low tide, and one county at high tide. Such a statement has never been made about Alaska.

I associate myself with the Senator from Colorado [Mr. CARROLL] and the Senator from Wisconsin [Mr. PROXMIRE] in expressing appreciation for the very brilliant speech being made by our colleague, the distinguished Senator from Idaho.

Mr. CHURCH. I thank the Senator from Massachusetts.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. ANDERSON. The Senator's comments with reference to Scotland and Scandinavia are appreciated by me. I have not as many contacts with Scotland as I have with Scandinavia, but I appreciate his comments concerning the situation.

We had some difficulty over the question some years ago. I was the author of a motion to tie together statehood for Alaska and statehood for Hawaii. But I remind the Senator from Idaho, and I remind all other persons, that Hawaii had its chance to achieve statehood first without any interference from the Democrats on the committee. The motion would have excluded Palmyra from the boundaries of the State. Some of us had been through a long, bitter, and sometimes disappointing fight on the question of what was called tidelands. There was, of course, not an acre of tidelands involved, but there were involved submerged waters, Territorial waters, and how far the boundaries of the new State should go. Some of us saw that if Palmyra and various other islands were included within the area of the State of Hawaii an empire of thousands of miles in each direction would thereby be created, which would therefore probably give to the State, as against the rights of the Federal Government, the control of the Territorial waters.

We tried for days to get the island of Palmyra removed from the Hawaii statehood proposal. Not many persons remember the matter too well, but it will be found in the minutes of the Committee on Interior and Insular Affairs.

I suggested that the bill might be passed with Palmyra eliminated. The record will show that there was considerable opposition to it.

A statement was made later which would have shoved Palmyra down the throats of certain people who did not want it. But throats have a way of closing up and refusing to let things be shoved through them. The device by which the Senator from New Mexico tried to prevent the shoving of Palmyra down his throat was the device to tie the two bills together.

I staunchly support statehood for Alaska. I was a member of a group

of Senators who visited Alaska. We visited it under the chairmanship of the late Senator Butler of Nebraska. We saw every conceivable type of problem which Alaska might have. We visited with everyone under the sun who had an opinion to express on statehood. I think every member of the committee came home more strongly persuaded than ever that Alaska had made a case.

Now there has been added to all the other resources of Alaska the possibility of the great development of oil. It may well be that every budgetary problem raised in the hearings concerning Alaskan statehood will be solved by that one resource alone.

Alaska has hundreds of other resources. I watched one day the swift current of a great river. I asked, "Why does not someone develop the current of this river?" The answer was that there were so many more wonderful rivers in Alaska that Alaskans could not be bothered with one so small.

We in New Mexico would have got on our knees and thanked God for a generation if that amount of water had been put on the arid lands of our State. But Alaska treated it as simply one more among the wonderful rivers which abound in that area.

The junior Senator from Idaho many times has impressed himself on the Senate. I have gone through his address. I commend it, and I commend him. Many of us cannot expect to be in the United States Senate for too many more years. When one passes the age of 60, he begins to realize that there might be, someday, a limitation on the length of his service.

The Senator from Idaho is 33. He will be able to look forward to the flowering of what will be accomplished by the passage of the Alaska statehood bill. I believe as firmly as I believe in anything that Alaska will become a great industrial empire. I believe as firmly as I believe in anything that Alaska will surpass many of the States in population by the 1970 census. I believe Alaska will prove to be one of our great storehouses, not only of wealth for the people of Alaska, but of wealth and strength for the whole Union.

I am very happy, indeed, that the Senator from Idaho has made his fine argument today in behalf of statehood for Alaska.

Mr. CHURCH. I thank the Senator from New Mexico for his very helpful and constructive remarks. I feel that nothing can suffice so well in thawing out the frozen image which so many Americans have of Alaska as a trip to Alaska, to see what is really there. That is why committees of Congress, not alone in this session, but in many preceding sessions, which have investigated the facts, which have traveled to Alaska, and which have conducted exhaustive and thorough hearings on the question, have again and again recommended to Congress that Alaska is qualified for, and is entitled to statehood, and have endorsed bills for statehood, only to see them die in one House or the other.

So I appreciate the remarks of the distinguished Senator from New Mexico, to whom so many of us look for counsel and guidance. I say to him that if climate is a consideration, and if Alaskan climate is very much similar to that of Scandinavia, the civilization which has been developed in Scandinavian lands shows the possibilities which the future holds for Alaska. In the light of our whole experience, once statehood is granted to Alaska there will be a sudden blossoming, flourishing, and development of her economy. That has been the experience in other States, once there has been an end to Territorial government and statehood has been granted. That, I am certain, will follow inevitably once statehood is granted to Alaska.

Mr. President, that Alaska should, in this pattern, become a flourishing center of American civilization ought to be inevitable. But Congress holds the key. If we fail, during this session, to take action on the pending Alaskan statehood bill, we shall be displaying once again the same myopia which afflicted Alexander II when he decided to sell us "the Great Land" for a pittance. Long have we chained this land by preserving it a Territory, and treating it as a colony. Far from being unable to support statehood, this young giant, once statehood is granted, will be loosed from the very chains that hobble him, and set free to work and to build.

The Alaskan statehood bill will grant to the new State 103,350,000 acres of public land now held by the Federal Government, so that the tax base of Alaska will be broadened, and plentiful State revenues will be assured. The new State will also be entitled, in order to further supplement its revenues, to 70 percent of the net proceeds from the seal furs from the Pribilof Islands, which will amount to more than $1 million annually; to 5 percent of the proceeds from the sale of Federal lands, for the support of public schools; to 37½ percent of the net proceeds from Federal timber sales, again for the support of public schools, during the first 10 years of statehood, and 25 percent thereafter; and to 90 percent of the net amounts realized from mineral leases and from the profits of the Federal coal mines, of which 37½ percent is earmarked for use for roads and educational purposes.

Provisions comparable to these, Mr. President, were contained in the enabling acts by which many of the Western States were admitted to the Union. Such provisions helped to account for the rapid growth and development that invariably followed statehood. So it will be with Alaska.

All the evidence is before us. It is clear and compelling. Alaska meets and passes each of the historic tests of qualification for statehood.

This is not simply my personal conclusion, Mr. President, but it is the conclusion of investigating committees of both Houses of Congress. Not only is it the conclusion of these committees, which have reported the Alaskan bill during this Congress, but it also has been the conclusion of many predecessor committees that have conducted hearings on the question of Alaskan statehood in successive Congresses for many years past. The list is impressive, Mr. President, and I ask unanimous consent that it be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

COMMITTEE ACTION ON ALASKA STATEHOOD BILL

Eightieth Congress: H. R. 5666: Reported to the House, by the Committee on Public Lands, April 14, 1948 (H. Rept. 1731).

Eighty-first Congress: H. R. 331: Reported to the House, by the Committee on Public Lands, March 10, 1949 (H. Rept. 255). Passed by the House, March 3, 1950. Reported to the Senate, Committee on Interior and Insular Affairs, June 29, 1950. (S. Rept. 1929).

Eighty-second Congress: S. 50: Reported to the Senate, by the Committee on Interior and Insular Affairs, May 8, 1951 (S. Rept. 315).

Eighty-third Congress:

S. 50: Reported to Senate, by the Committee on Interior and Insular Affairs, February 24, 1954 (S. Rept. 1028).

H. R. 2982: Reported to the House, by the Committee on Interior and Insular Affairs, June 26, 1953 (H. Rept. 675).

Eighty-fourth Congress: H. R. 2535: Reported to the House by the Committee on Interior and Insular Affairs, March 3, 1955 (H. Rept. 88).

Eighty-fifth Congress:

S. 49: Reported to the Senate, by the Committee on Interior and Insular Affairs, August 29, 1957 (S. Rept. 1163).

H. R. 7999: Reported to the House by the Committee on Interior and Insular Affairs, June 25, 1957 (H. Rept. 624).

Mr. CHURCH. Mr. President, if Alaskan statehood is rejected here, it cannot and will not be upon the ground of nonqualification under the historic tests. Indeed, Mr. President, this fact is no longer seriously controverted. Rather, the opponents of Alaskan statehood, like the small boy who sees himself losing a game, are asking us to abandon the historic tests, and to adopt a new set of rules, strange to our own history and tradition.

Thus it is that we are solemnly told that Alaska should be barred from statehood because she fails to meet the test of contiguity. We are asked to accept the proposition that a new State must border upon old States. How extraordinary!

Did California border upon any State when admitted to the Union? Indeed, she was separated by a thousand miles of towering mountains, sun-baked deserts, and stretching prairies. Months of travel were required to reach her, and mortal danger, posed by brooding, untamed Indian tribes, faced those with the pluck to brave the journey. California-bound Americans had the hard choice of traversing a continent which was, for the most part, more unknown than the interior of Africa is today or of trusting their lives to the stormy reaches of two oceans and the arduous passage around Cape Horn.

In the 1860 Republican national convention, which nominated the man who was to become America's greatest President, the delegation duly chosen by the State of Oregon was out of reach of Chicago, and so was unable to attend the proceedings there. The Oregon delegates had to be represented by proxies,

one of whom was Horace Greeley, of New York. Yet Oregon's noncontiguity, remote though she was, had not prevented her admission to the Union.

When the State of Nevada was admitted to the Union, she was contiguous only to California and Oregon. Between Nevada and the rest of the Union there stretched the reaching deserts and rugged mountain ranges of the West.

In short, Mr. President, in the past Congress has ignored contiguity as a condition of statehood. As raised against Alaskan statehood, it is more of an artifice than an argument. Indeed, there are within existing States areas that are, in a strict sense, noncontiguous with the Union. There is the so-called Northwest Angle of Minnesota, touched only by Canadian soil. The Northwest Angle is sparsely populated, but its people are full-fledged citizens. They perform the duties and exercise the rights of American citizens without let or hindrance, and their noncontiguity has not adversely affected either their patriotism or their good sense.

In existing States there are still other areas that are noncontiguous with the Union. Shall we, for this reason, deprive the thousands of Americans on Long Island of their vote? Shall we strike from the rolls of the Nation the people of the San Juan Islands of Washington State? Shall we question the citizenship of the descendants of the Nantucket Island boatmen who rowed George Washington across the Delaware in that thrilling episode of our first struggle against absentee rule?

To return to an earlier era, shall we suggest on the Senate floor that the State of Louisiana should not have been admitted to the Union because Louisiana was noncontiguous in 1810? Louisianians, we recall, then spoke French; and their legal system was then, and is now, based upon the civil law, rather than the common law. But the State of Louisiana was a wise investment in Union-building.

Mr. President, I concede that I have carried the argument of noncontiguity to the limits of the ridiculous, and beyond. Many of the examples I have given do not entail distances as great as that between Seattle and Ketchikan. But contiguity must be measured in terms of effective distance. The effective distance between California, Oregon, and Nevada, and the rest of the Union, in 1867 was measured by weeks and months. In our era of air travel, Alaska can be reached in a matter of hours. By telephone or radio communication, Alaska is no farther from this Chamber than the cloakroom behind us. It matters not how we measure the effective distance; Alaska is nearer to us today than Philadelphia was to the Nation's Capital when Thomas Jefferson took his oath of office in this very building. When noncontiguity is advanced as an argument in opposition to Alaskan statehood, the argument simply founders on the facts of 20th century life.

Mr. President, we have now examined every substantive argument I know of, worthy of serious consideration, raised to justify the postponement or denial of statehood for Alaska. We have seen that Alaska is entitled to statehood by every test founded in precedent and tradition. We have also seen that the newly improvised objection of noncontiguity is specious, if not fatuous.

These facts have been well known for years, Mr. President. This is why the appropriate committees of the Congress, those that have repeatedly investigated the statehood question, those that have held long and thorough hearings, have again and again endorsed the Alaskan statehood bills, and recommended their enactment to the Congress. But again and again Congress has allowed these bills to die.

Why?

Is it because one or the other of our great political parties opposes Alaskan statehood? Oh, no. Both the Democratic and Republican Parties have long been officially committed to statehood for Alaska. When the national election years roll around, it has become ritual for both parties to include a plank endorsing statehood for Alaska in their respective platforms. These party pledges should be made of record here. I ask unanimous consent to include them at this point in my remarks.

There being no objection, the pledges were ordered to be printed in the RECORD, as follows:

MAJOR PARTY PLATFORMS ON ALASKA STATEHOOD

DEMOCRATIC PLATFORM, 1956

Territories and dependencies—Statehood for Alaska and Hawaii

We condemn the Republican administration for its utter disregard for the rights to the statehood of both Alaska and Hawaii. These Territories have contributed greatly to our national economic and cultural life and are vital to our defense. They are part of America and should be recognized as such.

We of the Democratic Party therefore pledge immediate statehood for these two Territories.

We commend these territories for the action their people have taken in the adoption of constitutions which will become effective forthwith when they are admitted to the Union.

REPUBLICAN PLATFORM, 1956

Territories and dependencies—Statehood for Alaska and Hawaii

We pledge immediate statehood for Alaska, recognizing the fact that adequate provision for defense requirements must be made.

We pledge immediate statehood for Hawaii.

DEMOCRATIC PLATFORM, 1952

Alaska and Hawaii

By virtue of their strategic geographical locations, Alaska and Hawaii are vital bastions in the Pacific. These two Territories have contributed greatly to the welfare and economic development of our country and have become integrated into our economic and social life. We, therefore, urge immediate statehood for these two Territories.

REPUBLICAN PLATFORM, 1952

Statehood

We favor immediate statehood for Hawaii.

We favor statehood for Alaska under an equitable enabling act.

We favor eventual statehood for Puerto Rico.

DEMOCRATIC PLATFORM, 1948

We urge immediate statehood for Hawaii and Alaska; immediate determination by the people of Puerto Rico as to their form of government and their ultimate status with respect to the United States; and the maximum degree of local self-government for the Virgin Islands, Guam, and Samoa.

REPUBLICAN PLATFORM, 1948

We favor eventual statehood for Hawaii, Alaska, and Puerto Rico. We urge development of Alaskan land communications and natural resources.

Mr. CHURCH. What, then, Mr. President, can account for the reluctance of Congress to honor the pledge we have given the American people, through the platforms of our two parties? Is it because the American people are against statehood for Alaska, and we, their elected representatives, are resolved to uphold the popular will?

Why, Mr. President, the very question is a laughable absurdity. As in so many things, the American people are well ahead of their Government where Alaskan statehood is concerned. They have favored it overwhelmingly for many years. The most recent Gallup poll on the subject shows the American people favored Alaskan statehood by 73 percent to 6 percent, with the remainder undecided, or by a ratio of 12 to 1. Ever since 1946, Professor Gallup has polled popular sentiment on Alaskan statehood, and the lowest ratio he ever found was five to one in favor. His results are so decisive as to leave no room for quibbling. I have accumulated all of the polls he has published, and I ask unanimous consent that they may be included at this point in the RECORD.

There being no objection, the polls were ordered to be printed in the RECORD, as follows:

[From the Washington Post of March 2, 1958]

PUBLIC STRONG FOR ALASKA

(By George Gallup, director, American Institute of Public Opinion)

Since 1946, the Institute has regularly asked: "Would you favor or oppose having Alaska admitted as a State in the Union?"

Here are the highlights of the trend in sentiment since World War II:

[In percent]

	Favor	Oppose	No opinion
1946	64	12	24
1950	81	8	11
1953	78	10	12
1955	82	9	9
1956	74	10	16
1957	71	8	21
Today	73	6	21

Mr. CHURCH. Mr. President, so preponderantly do the people we represent favor Alaskan statehood, that our continued failure to grant it can only be regarded as a deliberate flouting of the popular will. It is one thing to resist the sudden whim or caprice of the people, but it is quite another to persist in obstructing a valid judgment of the people, well rooted and long held. To do this is to do violence to the principle of representative government itself. For if we fail to represent the will of the people, whose will are we left to represent?

Whose will, Mr. President, has caused the prolonged paralysis in Congress blocking Alaskan statehood? Why has

the bill languished on the calendar, though committees of both the Senate and the House had reported it ready for action, from the opening day of the session? What are the real reasons we are confronted once again with the old, familiar statehood shuffle? You will hear the reasons, Mr. President, not on this floor, but in the cloakrooms.

A Senator from a densely populated State objects to admission of sparsely populated Alaska, because two Alaskan Senators will give too much representation to the Alaskan people. He reasons, somehow, that overrepresentation, even if it were so, is worse than no representation at all.

Another Senator is fearful that his State's voice will be diluted, just a little, if the total membership of the Senate is increased from 96 to 98, on questions of special interests to it, whether economic, social, or political.

Still another Senator looks to the transient interest of his party, and fears that its position may be slightly weakened by the addition of a State with a history of adherence to the other party.

Another Senator, less wedded to partisan politics, questions statehood as a vehicle for giving more representation to views too liberal or too conservative.

Actually, Mr. President, these objections are not several, but one. A single thread runs through them all. Each reflects the reluctance of Congress to share its prerogatives, or to extend the legislative franchise. Each suggests a different rationalization for preserving the status quo.

These very same arguments for preserving the status quo have been with us from the time of our national origin. Had we heeded them in the past, the United States would still be comprised of the thin tier of 13 States which stretch along the Atlantic coastline of our mighty continent. Had our predecessors in these halls required, for a new State, some kind of exact equality with an existing State, then each of the existing States would have had a different measure to demand, and our country would never have grown beyond the cradle of its birth.

How long, Mr. President, would the State of Nevada have had to wait for statehood, if the condition of her admission had been made a population equal to that of Pennsylvania? For a long, long time—perhaps forever.

The wealth of a nation depends as much upon its land as upon its people. What if the size of Rhode Island had been made the test of representation in the Senate? This Capitol Building would not be large enough to contain the Senators. My State of Idaho would be entitled, by area, to 138 Senators. Texas to 440. And we should be providing for 966 in the Alaskan statehood bill.

These preposterous propositions demonstrate the absurdity of attempting to find criteria for new States in the particular circumstances of existing States.

They also demonstrate how far we go astray when we forget our own history. The issue of resolving the many, varied claims to representation in the Congress presented the crisis of our Constitutional Convention.

There, at Philadelphia, the population and the regional interests, the political and the social interests, the conservative and the liberal interests, battled for ascendancy.

There, at Philadelphia, the resolution of the issue was a stroke of political genius—the bicameral legislature, consisting of a House of Representatives and the Senate, a House of States.

No statute could be enacted without the concurrence of both bodies, where the people would be protected, through their States, in the Senate, and through their numbers, in the House. This historic formula has served us too well for us now to turn our backs upon it. When it was reached in Philadelphia, the way was cleared for the framers to empower the Congress to admit new States, and the gates were thrown open for our country to expand westward toward her manifest destiny. Those who say that the westward march is over are now telling us that ours is a finished country, and that the Union is complete.

But it is not so. Our country is not complete as long as hundreds of thousands of American citizens, in our two incorporated Territories of Alaska and Hawaii, are barred entry, and wait upon the doorstep of our Union for the rights which are their legacy.

The Constitution's built-in capacity for growth has made our Union big and rich and strong and great. The statehood principle nurtured us from precarious infancy, through robust adolescence, to vigorous maturity. The statehood principle, far from outliving its usefulness, is the touchstone by which we can now affirm to an anxious world that we are still true to our traditions, that we still regard the extension of liberty as a national goal.

Statehood has been the mortar with which we have cemented together not an empire but a nation. While we were building one country strong and true, State by State, vast empires were spread over much of the rest of the world. All through the 19th century, the leading powers of the western world, Great Britain, France, Germany, and other countries clustered about them in Europe, established far-flung colonies, in the rich, underdeveloped areas of the world. Proud and powerful were these empires, Mr. President, pretentious with their pomp and pageantry, while our Republic came of age. Such was the course of the 19th century.

But empires are built upon the sands. Empires rest upon a denial of basic rights to men, and the will of men who would be equal cannot long be denied. So, in our own time, we have seen the empires crumble around the world, like icebergs in the spring. Even as we refused to remain the colonial subjects of George III, so legions of other men in Asia and Africa, have, after our own example, asserted their right to life and liberty.

In 1776, we proclaimed an idea that has fired the hearts of men, ever since, who would be free. It is ideas that shake the world. In all the years that followed we remained true to that idea, by extending the rights of statehood, full and equal participation within the Union, to our Territories which met, one by one, our historic tests.

But no new State has been added for nearly 50 years. Can it be that we have lost faith in our own inheritance? Can it be that we have forsaken the key to the prowess and prestige we enjoy as a Nation? Can it be, Mr. President, that ours, too, will be the error of the Roman senate, which sapped the vitality and strength from the Roman Republic, refusing to extend the right of franchise, until government became a mockery, empty of principle, and ready for plucking by the Caesars?

God willing, let the answer be "No."

This is not a time for negation. It is a time for reaffirmance.

If, in the days of our infancy, we could ignite a flame of freedom so bright as to shine like a beacon around the world, then now, in the days of our greatness, we must do no less.

We do less so long as we withhold the bounty of statehood from Alaska.

We do less as we allow yet another day, yet another hour to pass without action on the bill to admit Alaska to the Union.

The world is watching.

The hour is late.

Mr. YARBOROUGH. Mr. President, will the distinguished Senator from Idaho yield to me?

Mr. CHURCH. I am happy to yield to my good friend, the Senator from Texas.

Mr. YARBOROUGH. Mr. President, I wish to commend the very able and distinguished Senator from Idaho for the beauty of his words and the strength of his logic in a speech which in my opinion will rank as one of the greatest speeches delivered in either House in either of the 1st or the 2d sessions of the 85th Congress.

I recall that last year, as the Senate was approaching consideration of the Hells Canyon Dam measure, the distinguished Senator from Idaho made a speech on that bill; and his speech was so strong in its appeal that the ramparts of the opposition crumbled and were demolished. The Senate reversed its previous position; whereas the year before the Senate had defeated the Hells Canyon bill, the Senate then passed the bill.

I am hopeful the moving oration which the distinguished Senator from Idaho has delivered today will similarly stir the Senate into action, and will lead to passage of the Alaskan statehood bill. Certainly the Senate should vote for that bill, for when the Senate votes for statehood for Alaska, the Senate votes for the American people.

So long as an area is a Territory, it may be sold or traded or bartered away. But once a Territory becomes a State, then, in the language used by Chief Justice Chase in the case of White against Texas—

> This is a Union, an indissoluble Union of indestructible States.

Thus it is, Mr. President, that when Alaska is admitted to the Union, the indestructible boundary of the United

States of America will have been moved from Puget Sound to Little Diomede Island, only 2 miles removed, across the Bering Straits, from Asia. Our flag will fly there; and all the great area of Alaska will be as much a part of our indestructible Union as the Senate Chamber is today. Then we shall have given notice to the world that all of Alaska, including Little Diomede Island, is forever a part of this Union.

Mr. President, shall we continue to make the people of Alaska petition for admission to statehood? No, Mr. President.

The distinguished Senator from Idaho has beautifully described the exploits of the American people as they crossed the sandy wastes of the deserts of the West and as they crossed the frozen mountains of the State which the Senator from Idaho so ably represents in the Senate.

So, Mr. President, I hope the Congress will admit Alaska to statehood, so that Alaska will become the 49th star in the flag.

The distinguished Senator from Idaho has made another outstanding speech. In the course of his speech, he has made an argument which I believe is worthy of comment for a moment, namely, the population status of Alaska. We have heard it stated—not only in the cloakrooms, but in many other places—that Alaska does not have a population sufficient to warrant its admission to the Union as a State. However, the distinguished Senator from Idaho has shown that at the present time the population of Alaska is more than 200,000. The Senator from Idaho also has stated that at the time of its admission to the Union, Texas had a population of 200,000. However, Mr. President, that figure is somewhat in error, due to the fact that no census was taken of Texas until after its admission to the Union. The census of 1850 showed the population of Texas to be 212,000. However, it is estimated that at the time of its admission to the Union, the population of Texas was approximately 145,000. Texas had been a Republic for 10 years prior to its admission as a State, but at the time Texas won its independence, after great exertions and the loss of much precious blood, Texas had a population of only 30,000 souls.

The strength of a people, the greatness of a people, is not measured alone by mere numbers, but by the essential character of the people. In my opinion, Alaska has the kind of people which are a credit to this great Nation and which will add to the greatness of America.

It is said that Texas is opposed to Alaskan statehood because it is the largest State of the Union, and that some people in Texas object because, Alaska being twice as large, Texas will lose this distinction. Furthermore, it is said that each Senator's vote will count less and admission of Alaska would give each Senator proportionately less influence.

The matter of influence does not worry us, because when Texas came into the Union she was an independent nation. We did not have to argue and beg for admission for many years. In the bargaining negotiations Texas was given the right to divide. Texas, any time it so desires, can divide into five States, and have 10 Senators on this floor. That permission was included in the compact of annexation.

I am sure our people are not jealous of mere size. We are anxious to see added to our flag a star representing a State that by 1970 will surpass many other States. It is a great country and is destined to be one of the greatest States of the Union.

Great credit is due the Senator from Idaho for bringing this matter to the attention of the Senate today. I am moved by his address. I hope the Senate can act in moving toward this great act of justice to the American people.

Mr. CHURCH. Mr. President, nothing I shall say this afternoon will compare in eloquence to the statement which the junior Senator from Texas has just made from his desk. I have often had the experience, when listening to the junior Senator from Texas, of feeling my heart pound a little harder and my pulse beat a little faster. I can only say to him that the greatness of Texas is not in its size, but in its men, and one of the great Texans of our times is the junior Senator from Texas, RALPH YARBOROUGH. I so appreciate the contribution that he has made to the cause of Alaskan statehood in the Senate this afternoon.

Mr. YARBOROUGH. I am grateful for these most generous words from my friend. I have not deserved them. It is his wonderful oration that will cause the Senate to move forward and act.

Mr. CHURCH. I thank the Senator.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CHURCH. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I congratulate the Senator for having made a magnificent speech. I, of course, warmly and enthusiastically agree with the sentiments he has expressed. It was a brilliant speech, and certainly exceedingly well delivered.

One of the most significant developments of the speech, as I listened, was the fact that the Senator so well ended, at least to my satisfaction, the argument that it is necessary to tie statehood for Hawaii and statehood for Alaska together. The Senator did that very well by emphasizing the fact that the Delegate from Hawaii, a man dedicated to statehood for his own Territory, who certainly speaks for the great interests of the Hawaiian people, has asked that statehood for these two Territories be considered separately.

I should like to say also that the Senator dealt lightly but effectively with the issue of colonialism, and the fact that by giving Alaska statehood we can end any charge that we are holding this massive Territory, with its great resources, as a colony. I think that is especially pertinent because Alaska is so close to Siberia and Russia. I believe that that fact should put an end, in the eyes of the world, to the argument which is made.

Finally, the urgency with which the distinguished Senator from Idaho has dealt with this entire problem is extremely important. It is important because I think the American people are realizing more every day that the Russian economy is gaining on us. They are exploiting their resources. By, virtually every index of economic measurement, whether it be steel production, cement production, electric power production, or otherwise, they are developing much more rapidly than we are. That is true even if we allow for the fact that we are now in what we fervently hope will be a temporary recession. I stress that point because Alaskan resources are tremendous, and they are not now being developed, a fact which the Senator from Idaho has so well emphasized.

One figure which he dwelt upon in his speech related to the fact that there are 8¼ million kilowatts of potential electric power in Alaska. Figures which have been made available to me by my staff show that New York State now has about the same amount. There are approximately 8.6 million kilowatts of utility power in the entire State.

So I think the potentialities for electric power in Alaska, which is the basis for so much industrial growth, are immensely important. Alaska possesses great mineral resources, and a marvelous climate, which we have heard commented upon. Those facts indicate how important the speech of the Senator from Idaho is.

I conclude by stressing that we must not overlook the urgency of the problem. It would be a great mistake if the Congress were to adjourn in 1958 without acting to make Alaska a State.

Mr. CHURCH. I thank the Senator from Wisconsin. I am always refreshed when he stands with me in a cause. I still remember very vividly an experience I had in India during the war. I was driving across the Punjab toward New Delhi, and stopped at an Indian cantonment. I had lunch that day with an Indian sergeant, who spoke English fluently. He wanted to talk about the future of his country. I could tell by the light in his eyes that he was a revolutionary, in the sense that George Washington was a revolutionary when he stood up for our rights against absentee rule.

I knew from my experience that day that he was but one of millions of Indian people whose cause would never be denied. He wanted to talk to me about America. In the course of the conversation I came to realize that the one great asset this country has in the continuous struggle with tyranny which characterizes our times is that America is not a colonial power to be feared by the uncommitted people of the world, who will hold the balance of power for years to come, amid the colonialism which so taints our Western allies.

The United States did not become extensively involved in colonialism. To the extent that we did engage in it, we have rectified the situation by granting to the Philippine people full independence. Nothing we did in Asia had so

great an impact upon the people of the Orient, and nothing did so much to restore their belief in America and to enhance our prestige as the manner in which we gave independence to the Philippines and established living proof that we were not a colonial power.

The Senator from Wisconsin puts his finger on the core of the problem. Why the urgency now? The reason for urgency now is the fact that much of the world still regards Alaska as a kind of colony of the United States. How much good we would do ourselves in the uncommitted areas of the world if we were to grant statehood to Alaska and admit its people to the full rights of citizenship in our Union and full participation in our Government. By such an act we would demonstrate that we still live by the traditions of American history, and that our democracy is still vital and alive.

That day in India when I sat at lunch with the Indian sergeant, he talked with me about Thomas Jefferson. He talked about the Declaration of Independence. He talked about Abraham Lincoln. He saw in the American experience a way of life and a future for all the people in Asia and Africa who had been colonial subjects.

There is a reason for urgency of great moment to the United States because of its posture in the world at large. There is urgency with respect to the entire free world.

Statehood for Alaska signifies a great deal to us in America, to the people of Alaska, and to free people everywhere in the world. That is one of the reasons why I think we should postpone action no longer. We should move ahead in our best tradition, and grant statehood to Alaska, thereby putting the 49th star in the American flag.

Mr. THYE. Mr. President, the distinguished Senator from Idaho has delivered a most impressive address, with great eloquence. May it have the effect upon the majority leadership of determining upon a legislative schedule which will enable us, as legislators, to give consideration to the legislative proposals to admit Alaska and Hawaii into the Union as States.

Now, Mr. President, I desire to comment on another subject.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

ONE HUNDREDTH ANNIVERSARY OF ADMISSION OF THE STATE OF MINNESOTA INTO THE UNION

Mr. THYE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Joint Resolution 168.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The LEGISLATIVE CLERK. A joint resolution (S. J. Res. 168) authorizing the President to issue a proclamation calling upon the people of the United States to commemorate with appropriate ceremonies the 100th anniversary of the admission of the State of Minnesota into the Union.

Mr. THYE. Mr. President, Minnesota will celebrate its centennial on May 11. The resolution was reported by the Senator from Wyoming [Mr. O'MAHONEY] from the Committee on the Judiciary this afternoon. The majority leader and the minority leader have both informed me they have no objection to the passage of the joint resolution.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (S. J. Res. 168) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the President of the United States is authorized and requested to issue, on or before May 11, 1958 (the 100th anniversary of the date on which the State of Minnesota was admitted into the Union), a proclamation calling upon the people of the United States to commemorate with appropriate ceremonies the 100th anniversary of the admission of Minnesota into the Union.

ADJOURNMENT

Mr. THYE. Mr. President, if there is no further business to come before the Senate, in accordance with the order previously entered and the instructions of the majority leader to me as acting minority leader, I now move that the Senate stand adjourned until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 37 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Tuesday, May 6, 1958, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 5, 1958:

IN THE ARMY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 3962:

To be generals

Gen. Willard Gordon Wyman, O12356, Army of the United States (major general, United States Army).

The following officers under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in rank as follows:

Lt. Gen. Bruce Cooper Clarke, O16063, Army of the United States (major general, United States Army) in the rank of general.

Brig. Gen. Paul Arthur Mayo, O18621, Army of the United States (colonel, United States Army), for appointment as Chief of Finance, United States Army, as major general in the Regular Army of the United States, and as major general in the Army of the United States, under the provisions of title 10, United States Code, sections 3036, 3442, and 3447.

To be major generals

The following-named officers for appointment in the Regular Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3284 and 3307:

Maj. Gen. Raymond Wiley Curtis, O16784, Army of the United States (brigadier general, United States Army).

Maj. Gen. Edward Gilbert Farrand, O16788, Army of the United States (brigadier general, United States Army).

Maj. Gen. Charles Richard Hutchison, O16796, Army of the United States (brigadier general, United States Army).

Maj. Gen. Bertram Arthur Holtzworth, O16804, Army of the United States (brigadier general, United States Army).

Maj. Gen. Olaf Helgesen Kyster, Jr., O16830, Army of the United States (brigadier general, United States Army).

Maj. Gen. William Jordan Verbeck, O16852, Army of the United States (brigadier general, United States Army).

Maj. Gen. Ralph Wise Zwicker, O16878, Army of the United States (brigadier general, United States Army).

Maj. Gen. Raymond Earle Bell, O16897, Army of the United States (brigadier general, United States Army).

Maj. Gen. David William Traub, O17110, Army of the United States (brigadier general, United States Army).

Maj. Gen. Garrison Barkley Coverdale, O17143, Army of the United States (brigadier general, United States Army).

Maj. Gen. Paul Amos Gavan, O17160, Army of the United States (brigadier general, United States Army).

Maj. Gen. Samuel Leslie Myers, O17180, Army of the United States (brigadier general, United States Army).

Maj. Gen. William Mattingly Breckinridge, O17210, Army of the United States (brigadier general, United States Army).

Maj. Gen. Wilhelm Paul Johnson, O17229, Army of the United States (brigadier general, United States Army).

Maj. Gen. Carl Ferdinand Fritzsche, O17234, Army of the United States (brigadier general, United States Army).

Maj. Gen. Thomas Lilley Sherburne, Jr., O17293, Army of the United States (brigadier general, United States Army).

Maj. Gen. Robert Henry Wienecke, O41569, Army of the United States (brigadier general, United States Army).

The officers named herein for promotion as Reserve commissioned officers of the Army under the provisions of the Reserve Officer Personnel Act of 1954, Public Law 773, 83d Congress:

To be major general

Brig. Gen. Aloysius Maximius Brumbaugh, O225777, United States Army Reserve.

Brig. Gen. Richard Cook, O107835, National Guard of the United States.

Brig. Gen. James Calvin Frank, O289683, United States Army Reserve.

Brig. Gen. Stuart deJong Menist, O337970, United States Army Reserve.

Brig. Gen. James Clarence Mott, O176119, United States Army Reserve.

Brig. Gen. William Henry Naylor, O265997, United States Army Reserve.

Brig. Gen. Henry George Nulton, O205635, United States Army Reserve.

Brig. Gen. Almerin Cartwright O'Hara, O328935, National Guard of the United States.

Brig. Gen. William Childs Purnell, O183312, National Guard of the United States.

Brig. Gen. Maxwell Cook Snyder, O242582, National Guard of the United States.

To be brigadier generals

Col. Frank Aloysius Alameda, O300304, Adjutant General's Corps, National Guard of the United States.

Col. Robert Daniel Charlton, O235009, Adjutant General's Corps, National Guard of the United States.

Col. Charles Leon Davis, O335351, Artillery, National Guard of the United States.

Col. Martin Henry Foery, O370696, Infantry, National Guard of the United States.

Col. Edward Malcolm Friend, Jr., O310219, Infantry, United States Army Reserve.

Col. Warren Crumley Giles, O349122, Armor, National Guard of the United States.

Col. Harold Friend Harding, O263728, Artillery, United States Army Reserve.

Col. Joseph Edward Heinrich, O255083, Signal Corps, United States Army Reserve.

Col. Richard Henry Hopkins, O245902, Artillery, National Guard of the United States.

Col. Raymond Forrest McNally, Jr., O294487, Quartermaster Corps, United States Army Reserve.

Col. Benjamin Franklin Merritt, O244836, Artillery, National Guard of the United States.

Col. Richard Henry Neddersen, O349427, Infantry, United States Army Reserve.

Col. Philip William Smyth, O381934, Adjutant General's Corps, National Guard of the United States.

Col. Frederick Robert Stofft, O273771, Adjutant General's Corps, National Guard of the United States.

Col. Walter Thomas Stone, O293049, Artillery, National Guard of the United States.

Col. William Walter Watts, O917499, Signal Corps, United States Army Reserve.

Col. Mahlon Stewart Weed, O231252, Infantry, National Guard of the United States.

Col. Robert Gentry White, O171250, Adjutant General's Corps, National Guard of the United States.

Col. Collin P. Williams, O305510, Armor, National Guard of the United States.

Col. Weston H. Willis, O289949, Artillery, National Guard of the United States.

The officers named herein for appointment as Reserve commissioned officers of the Army under the provisions of title 10, United States Code, section 593 (a):

To be major generals

Col. James Francis Berry, O1046356, Adjutant General's Corps, National Guard of the United States.

Col. Charlie Fitch Camp, O396661, Adjutant General's Corps, National Guard of the United States.

Col. George Maguire Haskett, O414493, Adjutant General's Corps, National Guard of the United States.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 5, 1958

The House met at 12 o'clock noon.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. McCORMACK). The Clerk will read the following communication.

The Clerk read as follows:

MAY 5, 1958.

I hereby designate the Honorable JOHN W. McCORMACK to act as Speaker pro tempore today.

SAM RAYBURN,
Speaker of the House of Representatives.

PRAYER

The Reverend Jon K. Smedberg, Emmanuel Episcopal Church, Rockford, Ill., offered the following prayer:

Oh God, who has made of one flesh all nations of men to dwell on the face of the whole earth and did send His blessed Son to preach peace to them that are far off and to them that are nigh, grant that all men everywhere may seek after Thee and follow Thee. Pour Thy spirit on all flesh, bring the nations into Thy fold, and hasten Thy kingdom, through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Thursday, May 1, 1958, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H. R. 1126. An act to amend the Tariff Act of 1930 to exempt from duty pistols and revolvers not using fixed ammunition;

H. R. 2170. An act to authorize the Secretary of the Interior to consummate desirable land exchanges;

H. R. 2935. An act for the relief of Apolonia Quiles Quetglas;

H. R. 4115. An act to authorize the conveyance of certain lands in Shiloh National Military Park to the State of Tennessee for the relocation of highways, and for other purposes;

H. R. 5149. An act to provide that whenever public lands have been heretofore granted to a State for the purpose of erecting certain public buildings at the capital of such State, such purpose shall be deemed to include construction, reconstruction, repair, renovation, and other permanent improvements of such public buildings, and for other purposes;

H. R. 5208. An act to amend pargaraph 1541 of the Tariff Act of 1930, as amended, to provide that the rate of duty in effect with respect to harpsichords and clavichords shall be the same as the rate in effect with respect to pianos;

H. R. 5624. An act to clear the title to certain Indian land;

H. R. 7057. An act for the relief of Henryk Bigajer and Maria Bigajer;

H. R. 7508. An act for the relief of Harry J. Madenberg;

H. R. 7516. An act to amend the Tariff Act of 1930 so as to permit the importation free of duty of religious vestments and regalia presented without charge to a church or to certain religious, educational, or charitable organizations;

H. R. 8239. An act for the relief of Maria Dittenberger;

H. R. 8348. An act for the relief of Michael Romanoff;

H. R. 8524. An act to authorize the preparation of a roll of persons of Indian blood whose ancestors were members of the Otoe and Missouria Tribe of Indians and to provide for per capita distribution of funds arising from a judgment in favor of such Indians;

H. R. 8958. An act authorizing the Secretary of the Interior to convey certain Indian land to the diocese of Superior, Superior, Wis., for church purposes, and to the town of Flambeau, Wis., for cemetery purposes;

H. R. 9655. An act to permit articles imported from foreign countries for the purpose of exhibition at the Oregon State Centennial Exposition and International Trade Fair to be held at Portland, Oreg., to be admitted without payment of tariff, and for other purposes;

H. R. 9917. An act to continue the temporary suspension of duty on certain alumina and bauxite;

H. R. 9923. An act to amend the Tariff Act of 1930 to permit temporary free importation under bond for exportation of articles to be repaired, altered, or otherwise processed under certain conditions, and for other purposes;

H. R. 10112. An act to make permanent the existing privilege of free importation of guar seed;

H. R. 10792. An act to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing;

H. R. 11407. An act to extend for 2 years the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders;

H. J. Res. 451. Joint resolution authorizing the 101st Air Borne Division Association to erect a memorial in the District of Columbia;

H. J. Res. 528. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens; and

H. J. Res. 556. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the California International Trade Fair and Industrial Exposition, Los Angeles, Calif., to be admitted without payment of tariff, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and joint resolutions of the House of the following titles:

H. R. 358. An act to increase the monthly rates of pension payable to widows and former widows of deceased veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection;

H. R. 2151. An act to suspend for 3 years the import duties on certain coarse wool;

H. R. 8544. An act to provide for the restoration to tribal ownership of all vacant and undisposed-of ceded lands on certain Indian reservations, and for other purposes;

H. J. Res. 527. Joint resolution to facilitate the admission into the United States of certain aliens; and

H. J. Res. 553. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens.

The message also announced that the Senate had passed bills and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 165. An act for the relief of Arthur LeRoy Brown;

S. 292. An act for the relief of Eero Juno Valkonen;

S. 400. An act for the relief of Paul Thury;

S. 952. An act for the relief of certain aliens;

S. 1225. An act to authorize the award posthumously of appropriate medals to Chaplain George L. Fox, Chaplain Alexander D. Goode, Chaplain Clark V. Poling, and Chaplain John P. Washington;

S. 1248. An act for the relief of Fred G. Clark;

S. 1507. An act for the relief of Aly Wassil;

S. 1524. An act for the relief of Laurance F. Safford;

S. 1782. An act for the relief of Carolina M. Gomes;

S. 1818. An act to direct the Secretary of the Interior to acquire certain lands as an addition to the Fort Frederica National Monument;

S. 1857. An act to incorporate the Congressional Medal of Honor Society of the United States of America;

S. 1975. An act for the relief of Peder Strand;

S. 2146. An act for the relief of William F. Peltier;

S. 2340. An act for the relief of Laszlo Kalmar;

S. 2497. An act for the relief of Mrs. Hildegard Porkert;

S. 2530. An act to designate the beneficiary of the equitable title to land purchased by the United States and added to the Rocky Boy's Indian Reservation, Mont.;

S. 2564. An act for the relief of Sabina Skalar;

S. 2592. An act to amend the law relating to the execution of contracts with Indian tribes;

S. 2594. An act to transfer certain property and functions of the Housing and Home Finance Administrator to the Secretary of the Interior, and for other purposes;

S. 2638. An act for the relief of Nicholas Christos Soulis;

S. 2665. An act for the relief of Jean Kouyoumdjian;

S. 2794. An act for the relief of Letteria Morganti;

S. 2841. An act for the relief of Karl Weinheimer;

S. 2940. An act for the relief of Joseph H. Choy;

S. 2950. An act for the relief of Peter Lisczynski;

S. 2984. An act for the relief of Taka Motoki;

S. 2997. An act for the relief of Leobardo Castaneda Varga;

S. 3007. An act for the relief of Katina Leckas and Argery Lekas;

S. 3019. An act for the relief of Herta Wilmersdoerfer;

S. 3371. An act to amend the act of August 25, 1916, to increase the period for which concessionaire leases may be granted under that act from 20 to 30 years;

S. Con. Res. 80. Concurrent resolution accepting the statue of Charles Marion Russell, presented by the State of Montana, to be placed in Statuary Hall;

S. Con. Res. 81. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of Charles Marion Russell, and to held ceremonies on said occasion;

S. Con. Res. 82. Concurrent resolution to print the proceedings in connection with the acceptance of the statue of Charles Marion Russell, late of Montana; and

S. Con. Res. 83. Concurrent resolution for the relief of certain aliens.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication, which was read:

MAY 5, 1958.

The honorable the SPEAKER,
House of Representatives.

SIR: Desiring to be temporarily absent from my office, I hereby designate Mr. H. Newlin Megill, an official in my office, to sign any and all papers and do all other acts for me which he would be authorized to do by virtue of this designation and of clause 4, rule III of the House.

Respectfully yours,

RALPH R. ROBERTS,
Clerk, United States House of Representatives.

COMMITTEE ON THE JUDICIARY

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the Judiciary Committee subcommittees may have permission to sit during general debate in the House on tomorrow, Wednesday, and Thursday.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

DESIGNATION OF WEEK BEGINNING OCTOBER 13, 1958, AS NATIONAL OLYMPIC WEEK

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 586.

The Clerk read the title of the House joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

Mr. KEATING. Mr. Speaker, reserving the right to object, the gentleman from Georgia has done an outstanding job as chairman of the subcommittee of the Committee on the Judiciary which has been handling these bills relating to holidays and designation of certain various events to commemorate. I have no intention to object to the gentleman's request because I favor this resolution, but I think it would be desirable if the gentleman from Georgia would tell us what this is all about.

Mr. FORRESTER. Mr. Speaker, what this does is simply to endorse the holding of these Olympic games. It does not bind the Government in any respect whatsoever. As a matter of fact, it simply gives those who are sponsoring this movement a little impetus to get out and raise some funds because this will be operated through private funds and not 1 cent from the Treasury of the United States. We are moving in the interest of time to get this bill passed so that they can begin the job of raising the money through private sources.

Mr. KEATING. And it will be done by the President issuing a proclamation in regard to this matter?

Mr. FORRESTER. That is exactly right.

Mr. KEATING. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the joint resolution, as follows:

Whereas the XVII Olympic Games of the modern era will be held in Rome, Italy, August 25 to September 11, 1960, with winter games to be held at Squaw Valley, Calif., February 19 to March 1, 1960; and

Whereas the Pan American Games will be held in Chicago, Ill., August 27 to September 7, 1959; and

Whereas these games will afford an opportunity of bringing together young men and women representing more than 70 nations, of many races, creeds, and stations in life and possessing various habits and customs, all bound by the universal appeal of friendly athletic competition, governed by rules of sportsmanship and dedicated to the principle that the important thing is for each and every participant to do his very best to win in a manner that will reflect credit upon himself or herself, and the country represented; and

Whereas the peoples of the world in these trying times require above all else occasions for friendship and understanding, and among the most telling things which influence people of other countries are the acts of individuals and not those of governments; and

Whereas experiences afforded by the Olympic and Pan American Games make a unique contribution to common understanding and mutual respect among all peoples; and

Whereas previous Olympic and Pan American Games have proved that competitors and spectators alike have been imbued with ideals of friendship, chivalry, and comradeship and impressed with the fact that accomplishment is reward in itself; and

Whereas the United States Olympic Association is presently engaged in assuring maximum support for the teams representing the United States at Chicago, Squaw Valley, and Rome; and

Whereas a week set aside by this Nation for a rededication to the amateur ideal could accomplish great good in encouraging good will for these games: Therefore be it

Resolved, etc., That the President of the United States is authorized and requested to issue a proclamation designating the week beginning on the 13th of October, 1958, as National Olympic Week and urging all citizens of our country to do all in their power to support the XVII Olympic Games, the VIII Olympic Winter Games, to be held in 1960, and the Pan American Games to be held in 1959, and to insure that the United States will be fully and adequately represented in these games.

With the following committee amendment: Page 3, line 3, delete the words "and to insure" and insert in lieu thereof "so."

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STORY OF FREE ENTERPRISE

Mr. ALGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, Sunday's papers claim St. Louis Cardinals' Stan Musial has run into a fearful slump—he is batting only .509. "Slump?" you say? Well, by the same logic that some folks around here are crying about a recession, Old Stan is definitely on the skids. Last week he was batting .553.

However, baseball fans are a commonsense lot. They know that no player, even a performer of Musial's demonstrated capability, could maintain that early pace indefinitely. Long observation has taught them that something nearer .350 constitutes superlative performance, and that Musial is one of the game's truly great hitters. In assessing a ball player's merit, the fans have some norm—the .350 neighborhood for batting averages—against which an individual's record may be compared and judged.

So it is with economics. The norms are there, though some may choose to ignore them, preferring to seek political advantage in crying doom.

Let us get away from the wailing wall long enough to assess where we stand. In some areas of our economy the picture is not quite so bright as last year—a record year. Is this a slump? Using some good period as a norm—say, 1947-49 equals 100—manufacturing sales stand today—March—at 151; wholesale sales equal 143; retail sales equal 149; considerably better in every case. Is this a slump? Only if compared to last year's giddy pace. Was 1947-49 a normal period? Well, a well-known political figure stormed into national office then by assuring the American people that "they never had it so good." Ironically, he is among those now shout-

ing that today's better figures constitute a recession.

Would it not be comical if politicians managed baseball teams? The Musials would be benched, and tiddlywinks would take over as our national game.

POLISH CONSTITUTION DAY

Mrs. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Mrs. CHURCH. Mr. Speaker, I rise today, since the Congress was not in session on May 3, the anniversary of Poland's constitution of 1791, to join all freedom-loving Poles and their friends throughout the world in celebration of this significant national day of Poland. It is an honor to associate myself with those commemorating in solemnity and hope this 167th anniversary. All freedom-loving people, in fact, unite in prayer that the day will soon come when the people of Poland may again express their love of their country and their devotion to freedom as free citizens in a free country.

The historical ties between Americans and Poles, based on a common devotion to freedom and national independence, cannot be severed. Today, we renew this mutual faith and our strong bonds of friendship and proclaim that we shall never be reconciled to the bondage of the Polish people.

The constitution of May 3, one of the world's great documents dedicated to the cause of liberty, symbolizes the spirit of the Polish people—a spirit which cannot be forever denied or suppressed. Of this there is no doubt. The cause of freedom will prevail again in Poland. A nation that has produced such men of stature and courage as Kosciusko and Pulaski will never be willing permanently to forgo that part of its inheritance which is an unquenchable desire to breathe again the sweet air of liberty.

On this memorable occasion, I wish also to pay tribute to all Americans of Polish descent who have made so vital a contribution to the strength and spirit of this country. I join with them in their prayers for Poland's return to the family of free nations. This is indeed a day to rededicate ourselves to the principles of liberty, justice, and human dignity.

REREFERENCE OF CERTAIN BILLS

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services be discharged from further consideration of the bills H. R. 12018—ASPINALL, H. R. 12055—SAYLOR, and H. R. 12129—O'BRIEN of New York, to authorize the Secretary of the Navy to acquire certain lands on the island of Guam, and that these bills be referred to the Committee on Interior and Insular Affairs. It is the sense of the Committee on Armed Services that these bills properly come within the scope and jurisdiction of the Committee on Interior and Insular Affairs.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

CONSENT CALENDAR

The SPEAKER pro tempore. This is Consent Calendar Day. The Clerk will call the first bill on the Consent Calendar.

STATE OF NEW YORK

The Clerk called the bill (H. R. 7738) for the relief of the State of New York.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

SMALL BOAT SAFETY

The Clerk called the bill (H. R. 11078) to promote boating safety on the navigable waters of the United States, its Territories, and possessions; to provide coordination and cooperation with the States in the interest of uniformity of boating laws; and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that this bill be stricken from the calendar. I do so at the request of the chairman of the Committee on Merchant Marine and Fisheries.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

VIRGIN ISLANDS NATIONAL PARK

The Clerk called the bill (S. 2183) to amend the act of August 2, 1956 (70 Stat. 940), providing for the establishment of the Virgin Islands National Park, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of August 2, 1956 (70 Stat. 940), entitled "An act to authorize the establishment of the Virgin Islands National Park, and for other purposes" is hereby amended by striking section 3 therefrom.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SOIL BANK PROGRAM

The Clerk called the bill (H. R. 10114) to provide equitable treatment for producers participating in the Soil Bank program on the basis of incorrect information furnished by the Government.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Senate bill (S. 2937) to provide equitable treatment for producers participating in the Soil Bank program on the basis of incorrect information furnished by the Government, an identical bill, be considered in lieu of the House bill.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the Senate bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Soil Bank Act is amended by adding at the end thereof the following new section:

"COMPENSATION FOR INCORRECT INFORMATION FURNISHED UNDER 1956 PROGRAM

"SEC. 127. In any case under the 1956 program in which a producer, in reliance, in good faith, on incorrect or incomplete information furnished to him by an authorized representative of the Secretary, entered into an acreage reserve or conservation reserve contract, or took action with the intention of entering into such a contract, and the producer is not entitled to receive under the provisions of the program the payment which was stipulated in the contract, or which would have been stipulated if a contract had been entered into, the Secretary is hereby authorized, whenever he deems it desirable in order to provide fair and equitable treatment to such a producer, to compensate such producer for any loss suffered by him as a result of action taken for the purpose of participating in the program."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H. R. 10114, was laid on the table.

FORT FREDERICA NATIONAL MONUMENT

The Clerk called the bill (H. R. 6472) to provide for the acquisition and addition of certain lands to Fort Frederica National Monument, in the State of Georgia, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Senate bill (S. 1818) to direct the Secretary of the Interior to acquire certain lands as an addition to the Fort Frederica National Monument, a similar bill, be considered in lieu of the House bill.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the Senate bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the first section of the act entitled "An act to provide for the establishment of the Fort Frederica National Monument, at Saint Simon Island, Ga., and for other purposes," approved May 26, 1936

(49 Stat. 1373), as amended, is amended by striking out "100 acres" and inserting in lieu thereof "250 acres."

SEC. 2. The Secretary of the Interior is authorized and directed to acquire by purchase, condemnation, or otherwise, subject to the acreage limitation contained in the aforementioned act, the site known as the Bloody Marsh Battle memorial monument located on Saint Simon Island, Ga., together with such additional land, including the marshland across the river to the west of Fort Frederica National Monument, or interest in land, as in the judgment of the Secretary of the Interior might be desirable for the protection of such national monument. Such lands or interest in lands, acquired by the Secretary pursuant to this act shall be made a part of the Fort Frederica National Monument.

SEC. 3. There are hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, such amounts, not to exceed $20,000, as may be necessary to carry out the provisions of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H. R. 6472, was laid on the table.

EXTENDING AUTHORITY OF SECRETARY OF AGRICULTURE TO EXTEND SPECIAL LIVESTOCK LOANS

The Clerk called the bill (H. R. 11424) to extend the authority of the Secretary of Agriculture to extend special livestock loans, and for other purposes.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That section 2 (c) of the act of April 6, 1949, as amended (12 U. S. C. 114–8a (c), is further amended by striking out in the second sentence thereof "1959" and inserting in lieu thereof "1961."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING SECTION 1461 OF TITLE 18, UNITED STATES CODE

The Clerk called the bill (H. R. 6239) to amend section 1461 of title 18 of the United States Code, relating to the mailing of obscene or crime-inciting matter.

The Clerk read the title of the bill.

Mr. ASPINALL. Mr. Speaker, at the request of the gentleman from New York [Mr. SANTANGELO] who is necessarily absent at this time, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

CLAIMS ARISING OUT OF ACCIDENTAL RELEASE OF BOMB FROM AN AIR FORCE AIRCRAFT

The Clerk called the bill (H. R. 11406) to remove the present $1,000 limitation which prevents the Secretary of the Air Force from settling certain claims arising out of the accidental release of a bomb from an Air Force aircraft on an authorized noncombat training mission over and near Mars Bluff, Florence County, S. C., on March 11, 1958.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the $1,000 limitation contained in section 2733 (a) of title 10, United States Code, shall not apply with respect to claims arising out of the accidental release of a bomb from an Air Force aircraft on an authorized noncombat training mission over and near Mars Bluff, Florence County, S. C., on March 11, 1958.

SEC. 2. With respect to claims filed as a result of the accident described in the first section of this act, the Secretary of the Air Force shall, within 30 months after the date of the enactment of this act transmit to the Congress a report setting forth—

(1) each claim settled and paid with a brief statement concerning the character and equity of each such claim, the amount claimed, and the amount approved and paid; and

(2) each claim submitted which has not been settled, with supporting papers and a statement of findings of fact and recommendations with respect to each such claim.

SEC. 3. No part of the amounts awarded under this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING TITLE 18, UNITED STATES CODE, SECTION 3651

The Clerk called the bill (H. R. 7260) to amend title 18, United States Code, section 3651, so as to permit confinement in jail-type institutions or treatment institutions for a period not exceeding 6 months in connection with the grant of probation of a one-count indictment.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That title 18, United States Code, section 3651, is amended by adding a paragraph after the first paragraph of that section reading as follows:

"Upon entering a judgment of conviction of any offense not punishable by death or life imprisonment, if the maximum punishment provided for such offense is more than 6 months, any court having jurisdiction to try offenses against the United States, except in the District of Columbia, when satisfied that the ends of justice and the best interest of the public as well as the defendant will be served thereby, may impose a sentence in excess of 6 months and provide that the defendant be confined in a jail-type institution or a treatment institution for a period not exceeding 6 months and that the execution of the remainder of the sentence be suspended and the defendant placed on probation for such period and upon such terms and conditions as the court deems best."

Mr. KEATING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, H. R. 7260 is designed to give Federal judges wider discretion in sentencing those convicted on a 1-count indictment or on only 1 count of a multiple-count indictment.

Under existing law the court may sentence a person convicted of 2 or more counts of an indictment to a short period in prison on 1 count and place him on probation for a longer period on the other. Where a person is convicted of only one count, however, the court must either impose imprisonment for a definite term or suspend sentence.

Experience has shown that a combination of both confinement and probation is often desirable. A period in prison impresses on the prisoner the fact that the law is not broken with impunity. Probation, on the other hand, affords the supervision and guidance which so often can lead to rehabilitation.

H. R. 7260, sponsored by the Judicial Conference, would authorize Federal district courts to confine a person convicted of one count of an indictment in a jail-type or treatment institution for not to exceed 6 months and then to place him on probation for the balance of his sentence. This split sentencing will give judges the necessary latitude to deal with each case in the best interest of the public as well as the defendant.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT

The Clerk called the bill (H. R. 10504) to make the provisions of the Longshoremen's and Harbor Workers' Compensation Act applicable to certain civilian employees of nonappropriated fund instrumentalities of the Armed Forces, and for other purposes.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the act of June 19, 1952 (66 Stat. 139; Public Law 397, 82d Cong.; 5 U. S. C. 150k–1), is amended to read as follows:

"SEC. 2. (a) The Longshoremen's and Harbor Workers' Compensation Act (33 U. S. C. 901–950) shall apply with respect to the disability or death resulting from injury, as defined in section 2 (2) of such act (33 U. S. C. 902 (2)), occurring to a civilian employee of any nonappropriated fund instrumentality described in the first section of this act, subject to the following provisions of this section:

"(1) For the purposes of this act, the term 'employee' in section 2 (3) of the Longshoremen's and Harbor Workers' Compensation Act shall include only—

"(A) those employees of such nonappropriated fund instrumentalities as are employed within the continental United States and

"(B) those United States citizens or permanent residents of the United States or a Territory who are employees of such nonappropriated fund instrumentalities outside the continental limits of the United States.

"(2) For the purposes of this act (the term 'employer' in section 2 (4) of the Longshoremen's and Harbor Workers' Compensation Act shall include each of the nonappropriated fund instrumentalities described in the first section of this act.

"(3) For the purposes of this act, only that part of section 3 (a) of the Longshoremen's and Harbor Workers' Compensation Act which precedes the first comma shall apply.

"(4) The Secretary of Labor is authorized—

"(A) to extend compensation districts established under section 39 (b) of the Longshoremen's and Harbor Workers' Compensation Act or to establish new districts to include the areas outside the continental limits of the United States and

"(B) to assign to each such district one or more deputy commissioners as the Secretary deems advisable.

Judicial proceedings under sections 18 and 21 of such act with respect to any injury or death occurring outside the continental limits of the United States shall be instituted in the district court within the territorial jurisdiction of which is located the office of the deputy commissioner having jurisdiction in respect of such injury or death (or in the United States District Court for the District of Columbia if such office is located in such district).

"(b) In case of disability or death resulting from injury, as defined in section 2 (2) of the Longshoremen's and Harbor Workers' Compensation Act (33 U. S. C. 902 (2)), of an employee who is not a citizen or permanent resident of the United States or a Territory, employed outside the continental limits of the United States by any nonappropriated fund instrumentality described in the first section of this act, compensation shall be provided in accordance with regulations prescribed by the Secretary of the military department concerned and approved by the Secretary of Defense or regulations prescribed by the Secretary of the Treasury, as the case may be.

"(c) The liability of the United States or of any nonappropriated fund instrumentality described in the first section of this act, with respect to the disability or death resulting from injury, as defined in section 2 (2) of the Longshoremen's and Harbor Workers' Compensation Act (33 U. S. C. 902 (2)), of any employee referred to in section 2 (a) or 2 (b) of this act, shall be determined as provided in this act. Such liability shall be exclusive and in the place of all other liability of the United States or such instrumentality to the employee, his legal representative, spouse, dependents, next of kin, and any person otherwise entitled to recover damages from the United States or such nonappropriated fund instrumentality on account of such disability or death in any direct judicial proceedings, in a civil action, or in admiralty, or by proceedings whether administrative or judicial, under any workmen's compensation law or under any Federal tort liability statute."

SEC. 2. The amendment made by the first section of this act shall apply only to an injury, defined in section 2 (2) of the Longshoremen's and Harbor Workers' Compensation Act (33 U. S. C. 902 (2)), occurring on or after the effective date of such amendment, and any disability or death resulting from such injury.

SEC. 3. The amendment made by the first section of this act shall become effective on the 120th day following the date of enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HUNGARIAN REFUGEES

The Clerk called the bill (H. R. 11033) to authorize the creation of record of admission for permanent residence in the case of certain Hungarian refugees.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That any alien who was paroled into the United States as a refugee from the Hungarian revolution under section 212 (d) (5) of the Immigration and Nationality Act subsequent to October 23, 1956, who has been in the United States for at least 2 years, and who has not acquired permanent residence, shall forthwith return or be returned to the custody of the Immigration and Naturalization Service, and shall thereupon be inspected and examined for admission into the United States, and his case dealt with, in accordance with the provisions of sections 235, 236, and 237 of that act.

SEC. 2. Any such alien who, pursuant to section 1 of this act, is found, upon inspection by an immigration officer or after hearing before a special inquiry officer, to have been and to be admissible as an immigrant at the time of arrival in the United States and at the time of his inspection and examination, except for the fact that he was not and is not in possession of the documents required by section 212 (a) (20) of the Immigration and Nationality Act, shall be regarded as lawfully admitted to the United States for permanent residence as of the date of his arrival.

SEC. 3. Nothing contained in this Act shall be held to repeal, amend, alter, modify, affect, or restrict the powers, duties, functions, or authority of the Attorney General in the administration and enforcement of the Immigration and Nationality Act or any other law relating to immigration, nationality, or naturalization.

With the following committee amendment:

On page 2, line 6, after the words "at the time of", insert the word "his."

The committee amendment was agreed to.

Mr. KEATING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, action by Congress in behalf of the valiant freedom fighters of Hungary is long overdue.

I have pressed, since the beginning of the 85th Congress, for legislation to authorize permanent-resident status for deserving Hungarians admitted to this country as parolees. It is heartening to to see that the Committee on the Judiciary's Subcommittee on Immigration has at last reported a bill which should receive the support of every Member of Congress.

H. R. 11033 is substantially similar to provisions embodied in H. R. 4205 and H. R. 11167, bills sponsored by the administration and introduced by me which are still pending before the Immigration Subcommittee. While I naturally favor the language of my own bills, I give my full and sincere support to H. R. 11033, for I believe that it can effectively accomplish what I have been working for.

The purpose of this bill is to provide for retroactive adjustment of the immigration status of Hungarian refugees who were paroled into the United States after October 23, 1956. Change of status would, of course, depend upon whether the refugee was qualified for admission under all requirements of the Immigration and Nationality Act. The only requirements waived by the bill are those for passport and visa. Thus, under this bill, upon the expiration of 2 years from the date of the refugee's arrival in this country, his status becomes that of any other immigrant except for the fact that he has no passport and visa. If, after examination, he is found to be admissible he shall be regarded as lawfully admitted for permanent residence as of the date of his arrival.

This bill would affect 31,738 Hungarians paroled into the United States after the revolution of October 1956. The Immigration and Naturalization Service has done an efficient job of keeping itself well-advised of the history and whereabouts of these immigrants. It has conducted over 3,000 investigations of allegations of a derogatory nature. As a result, 74 principal parolees and 43 members of their families have been returned to Austria. Further examination, upon expiration of the 2-year residence requirement, will provide adequate assurance that only desirable future citizens will be granted permanent resident status.

Mr. Speaker, when these courageous freedom fighters rose up against their oppressors, the free nations of the world rejoiced and wished them well; but they fought alone and were finally crushed by the overwhelming force of Soviet troops. When they fled for their lives, President Eisenhower extended a hand of welcome and comfort in behalf of the citizens of this Nation.

These people have lived among us for almost 2 years, learning our ways and contributing their own talents to our national wealth. But they can never become citizens unless Congress makes it possible for them to adjust their status to permanent residents.

There is no better way for the United States to reassure those who yearn for freedom from oppression than to extend the blessings of American citizenship to those who have fought so valiantly for the very ideals upon which this Nation was founded.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SETTING ASIDE CERTAIN LANDS IN OKLAHOMA FOR THE CHEYENNE AND ARAPAHO INDIANS

The Clerk called the bill (H. R. 6090) to set aside certain lands in Oklahoma for the Cheyenne and Arapaho Indians.

The Clerk read the title of the bill.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDING SECTION 1292, TITLE 28, UNITED STATES CODE

The Clerk called the bill (H. R. 6238) to amend section 1292 of title 28 of the United States Code relating to appeals from interlocutory orders.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1292 of title 28 of the United States Code is hereby amended by insertion of the letter (a) at the beginning of the section and adding at the end thereof an additional subparagraph lettered (b) to read as follows:

"(b) When a district judge, in making in a civil action an order not otherwise appealable under this section, shall be of the opinion that such order involves a controlling question of law as to which there is substantial ground for difference of opinion and that an immediate appeal from the order may materially advance the ultimate termination of the litigation, he shall so state in writing in such order. The court of appeals may thereupon, in its discretion, permit an appeal to be taken from such order, if application is made to it within 10 days after the entry of the order: *Provided, however*, That application for an appeal hereunder shall not stay proceedings in the district court unless the district judge or the court of appeals or a judge thereof shall so order."

Mr. KEATING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, this bill, which is sponsored by the Judicial Conference of the United States, can go a long way toward reducing the time and expense involved in certain legal proceedings and in alleviating to some extent at least the problem of crowded court calendars and overburdened Federal judges.

Under present law Federal courts of appeals have jurisdiction to hear appeals only from final orders of the district court, except in certain defined cases. A final order is one which disposes completely of the case. All that is left is the carrying out of the judgment or decree. This means that an appeal from a decision made during the course of a long-drawn-out trial must await the end of the proceedings even though, if it could be taken immediately, endless days of litigation might be avoided.

This bill would make possible the final disposition of an issue which could control the result of a lawsuit as soon as the issue was raised. Congress has already recognized the desirability for such a procedure in certain cases by providing that interlocutory or nonfinal orders may be appealed in receivership, admiralty, and patent cases as well as in proceedings for injunctive relief.

H. R. 6238 would apply primarily to antitrust and conspiracy cases, noted both for their length and complexity. Other types of cases in which interlocutory appeals under this bill would be proper are set out in the report.

It should be emphasized that enactment of this measure will not open the door to a flood of appeals from nonfinal orders. It has built-in safeguards, which will actually prevent numerous and groundless appeals to our appellate courts. Before an appeal can be taken under this bill, the district court must certify in writing that the order involves a controlling question of law and that an immediate appeal may materially advance the ultimate determination of the case. In addition to this, the appellate court must concur that the circumstances warrant such an appeal.

Neither would this bill encourage dilatory tactics, for it is expressly provided that there will be no stay of the proceedings in the district court unless a stay is ordered by either the district court, a judge of the court of appeals or by the court itself.

Mr. Speaker, this is a bill which deserves the support of every Member of Congress, but especially of those desirous of modernizing our court procedures to reduce the workload of our courts as well as unnecessary delay and expense to litigants.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

CANAL ZONE CODE

The Clerk called the bill (H. R. 11549) to provide for the preparation of a proposed revision of the Canal Zone Code, together with appropriate ancillary material.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Governor of the Canal Zone is hereby authorized to have prepared a revision of the Canal Zone Code, approved June 19, 1934 (48 Stat. 1122), as amended, and upon completion thereof to submit the same to the Congress for enactment.

SEC. 2. The Governor is further authorized to have compiled and prepared such ancillary material as may be appropriate for inclusion in a revised edition of the Canal Zone Code, for ultimate printing and publication by the Government Printing Office as a public document, including, but not limited to, a compilation of, or summary references to, treaties, executive agreements, and general laws of the United States applicable in or relating to the Canal Zone or the Panama Canal, together with revised reference tables and a revised index.

SEC. 3. In order to carry out the purposes of this act, the Governor of the Canal Zone may engage, by negotiation without advertising, the services, to be performed under his general supervision, of a qualified firm of law revisers and, in addition, may appoint an advisory committee to advise and assist him without compensation in a preparation of such revision of the Canal Zone Code and of such ancillary material.

SEC. 4. There are hereby authorized to be appropriated for the Canal Zone Government such amounts as may be necessary to carry out the purposes of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RULES OF PRACTICE AND PROCEDURE IN THE FEDERAL COURTS

The Clerk called the bill (H. R. 10154) to empower the Judicial Conference to study and recommend changes in and additions to the rules of practice and procedure in the Federal courts.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 331 of title 28 of the United States Code, as amended, is further amended by inserting therein immediately after the fourth paragraph and before the fifth paragraph thereof an additional paragraph reading as follows:

"The Conference shall also carry on a continuous study of the operation and effect of the general rules of practice and procedure now or hereafter in use as prescribed by the Supreme Court for the other courts of the United States pursuant to law. Such changes in and additions to those rules as the Conference may deem desirable to promote simplicity in procedure, fairness in administration, the just determination of litigation, and the elimination of unjustifiable expense and delay shall be recommended by the Conference from time to time to the Supreme Court for its consideration and adoption, modification, or rejection."

With the following committee amendment:

Page 2, line 7, strike out "rejection." and insert in lieu thereof "rejection, in accordance with law."

The committee amendment was agreed to.

Mr. KEATING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, it is vital to the just and efficient administration of justice that rules of practice and procedure be as simple and as fair as possible. Only in this way can unjustifiable delay and expense in litigation be kept at a minimum.

Under existing law the Supreme Court is responsible for prescribing rules of practice and procedure in civil and criminal actions in our Federal district court as well as in other proceedings. This places a heavy burden on a Court already overburdened with the adjudication of cases. It has neither the organization nor the personnel required to meet its responsibility.

H. R. 10154 is specifically designed to meet this situation. It would authorize the Judicial Conference of the United States to conduct a continuous study of the operation and effect of rules of practice and procedure. Based on its studies, the Conference is then to recommend to the Court those changes and additions to the rules which it believes will promote the fair and expeditious administration of justice.

Enactment of this measure will in no way remove the Court's rulemaking responsibility. It simply removes the burden of initial study and investigation. While the Judicial Conference may recommend changes under this bill, the Supreme Court may approve or disapprove any recommendation. The final approval will be made by Congress to whom the Court must submit its proposed changes just as it must today. The existing requirement that no amendment shall become effective until

90 days after it has been reported to Congress will remain in effect.

Mr. Speaker, this bill should have the immediate approval of Congress. Not since 1946 have the Federal rules of civil and criminal procedure been subjected to a thorough reexamination. The last major revision of the rules was effected in that year. The Supreme Court then had the assistance of an advisory committee composed of outstanding members of the legal profession which was retained on a continuing basis until 1956.

Enactment of H. R. 10154 will insure that the rulemaking process is performed on a continuing basis by a permanent and well-established body. It is contemplated that the Judicial Conference, which is made up entirely of members of the judiciary, will seek the aid of advisory groups comprised of capable practicing lawyers who are working with the rules every day. In addition, such groups would include law-school professors, State judges, and legal scholars.

By enactment of this bill to subject the rules of procedure to continuous reexamination by the Judicial Conference, we can reduce the danger that our judicial procedure might become unworkable or outmoded, alleviate the burden upon the Supreme Court, and promote the fair and expeditious administration of justice.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUSPENDING IMPORT DUTIES ON CERTAIN COARSE WOOL

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2151) to suspend for 3 years the import duties on certain coarse wool, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 5, strike out "3-year."

Page 2, line 7, after "act" insert "and ending at the close of June 30, 1960."

Page 2, after line 7, insert:

"SEC. 3. Section 101 (c) of the Customs Simplification Act of 1954 (Public Law 768, 83d Cong.) is amended by striking out 'March 1, 1958' and inserting in lieu thereof 'January 1, 1959.' "

Mr. MILLS. Mr. Speaker, there are two amendments adopted by the Senate in this bill. One amendment reduces from 3 years to 2 years the period of suspension in the bill. The second amendment extends until January 1, 1959, the date for the submission of the report by the United States Tariff Commission on its comprehensive study of tariff classification laws, pursuant to section 101 of the Customs Simplification Act of 1954.

Mr. Speaker, as may be recalled, the purpose of H. R. 2151, in the form in which it passed the House of Representatives in the early part of this session, was to suspend for a period of 3 years the import duties on certain coarse wools imported under bond for use in the manufacture of rugs and carpets and certain other products.

The Senate amended this bill in two respects. First, instead of providing for a suspension for 3 years on the subject duties, the bill was amended to limit the effective period of the suspension to June 30, 1960, beginning, as did the House bill, on the 60th day after the date of enactment. In other words, the bill in effect would now provide for a suspension of the duties for a period of 2 years instead of 3 years, as was the case under the House bill.

Second, the Senate added a provision to extend until January 1, 1959, the date for the submission of a report by the United States Tariff Commission on its comprehensive study of tariff classification laws pursuant to section 101 of the Customs Simplification Act of 1954, as amended. Your committee received a letter from the Chairman of the United States Tariff Commission which was identical to a letter received by the Senate Finance Committee from the Chairman of the Tariff Commission requesting this extension of time for the submission of the subject report. The letter stated that, while the Commission had completed the major portion of the study, the pressure of other work has been such that more time will be needed to complete the study if it is to receive the attention which such a project deserves. The letter further stated:

As matters now stand, there is every reason to believe that the completed study can be submitted to the Congress and to the President well ahead of the convening of the next Congress in January 1959.

The foregoing were the only amendments made in the Senate, with the exception of a conforming change in the title of the bill.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, this legislation as it passed the House of Representatives suspended for a period of 3 years certain import duty applicable to wools used in the manufacture of carpet. The Senate has amended this legislation to provide that the period of the suspension shall be for 2 years. In addition, the Senate has amended the bill so that the United States Tariff Commission will have until January 1, 1959, to submit to the Congress its report with respect to tariff reclassification required under the Customs Simplification Act of 1954. I have concurred in urging the House to accept these Senate amendments.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas [Mr. MILLS]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

The title was amended so as to read: "An act to provide for the temporary suspension of the import duties on certain coarse wool, and to provide additional time for the Tariff Commission to review the customs tariff schedules."

ARTICLES FOR EXHIBITION AT THE KENTUCKY STATE FAIR ADMITTED WITHOUT PAYMENT OF TARIFF

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11019) to permit articles imported from foreign countries for the purpose of exhibition at the Kentucky State Fair, to be held at Louisville, Ky., to be admitted without payment of tariff, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

On page 4, after line 5, insert:

"SEC. 7. Any article which is imported from a foreign country for the purpose of exhibition at the International Trade Exhibition to be held at St. Paul, Minn., from May 7, 1958, to May 18, 1958, inclusive, by the Minnesota Centennial Festival of Nations, or for use in constructing, installing, or maintaining foreign exhibits at the International Trade Exhibition, upon which article there is a tariff or customs duty, shall be admitted without payment of such tariff or customs duty or any fees or charges under such regulations as the Secretary of the Treasury shall prescribe. Each provision of sections 1 to 6, inclusive, of this act shall apply with respect to the International Trade Exhibition and all rights and privileges extended by such sections and all duties and obligations imposed thereby and each and every requirement thereof shall extend to the Minnesota Centennial Festival of Nations, which shall be deemed, for customs purposes only, to be the sole consignee of all merchandise imported under the authority of this section."

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in explanation of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, the purpose of H. R. 11019, in the form in which it passed the House of Representatives, was to permit the entry, free of duty, of articles imported for exhibition at the Kentucky State Fair to be held at Louisville, Ky., from September 4 to 13, 1958.

In the United States Senate an additional section was added to this bill so as to provide for the entry, free of duty, in a similar manner, of articles imported for exhibition at the International Trade Exhibition to be held at St. Paul, Minn., from May 7, 1958, to May 18, 1958, inclusive, by the Minnesota Centennial Festival of Nations.

The only other amendment made to the bill in the Senate was conforming change in the title of the bill.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, I have concurred in urging House agreement to

the Senate amendments to H. R. 11019. It will be recalled that the House-passed version of this legislation authorized the duty-free entry of articles for exhibition at the Kentucky State Fair to be held in September of 1958.

The Senate has amended this legislation so as to accord a similar duty-free privilege with respect to articles to be exhibited at the International Trade Exhibition to be held in St. Paul, Minn., this month.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas [Mr. MILLS]?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

The title was amended so as to read: "An act to permit articles imported from foreign countries for the purpose of exhibition at the Kentucky State Fair, to be held at Louisville, Ky., and the International Trade Exhibition, to be held at St. Paul, Minn., to be admitted without payment of tariff, and for other purposes."

SUSPENSION OF DUTIES ON METAL SCRAP

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 10015) to continue until the close of June 30, 1959, the suspension of duties and import taxes on metal scrap, and for other purposes.

The Clerk read the title of the bill.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, as is pointed out in detail in the committee report, the purpose of H. R. 10015, as amended by the Committee on Ways and Means, is to amend section 2 of Public Law 869, 81st Congress, as amended, to continue for 1 year—from the close of June 30, 1958, to the close of June 30, 1959—the suspension of duties on certain metal scrap. The bill contains the existing proviso that the suspension shall not apply to certain types of scrap, which is specifically named, such as lead scrap, zinc scrap, and tungsten scrap. I would like to emphasize that the bill, as reported, also provides that the suspension shall not apply to any article provided for in section 4541 of the Internal Revenue Code of 1954.

The temporary suspension of the duties on imports of metal scrap provided under present law to June 30, 1958, makes free of duty imports of metal scrap including such principal types of scrap as iron and steel, aluminum, magnesium, nickel, and nickel alloys. As I have said, H. R. 10015 would continue this suspension through June 30, 1959. The suspension of duties as provided under present law and its proposed extension under this bill are of no significance with respect to the tariff treatment of imports of tin and tinplate scrap, because imports of such scrap, along with imports of tin in other unmanufactured forms, would not be subject to duty or import taxes in any case.

Section 2 of the bill, as reported, provides that this suspension shall not apply to any article provided for in section 4541 of the Internal Revenue Code of 1954. In general, section 4541 of the Internal Revenue Code of 1954 imposes an import tax on certain copper-bearing ores and concentrates, other articles of which copper is the component material of chief value, and other articles containing 4 percent or more of copper by weight.

Scrap of the various nonferrous metals, whether imported or of domestic origin, may be considered for most purposes simply as relatively small components in the total United States supplies of the respective metals, although some manufacturers depend wholly on metal scrap as a source of raw material.

The Committee on Ways and Means received favorable reports on the bill from the Departments of the Treasury, State, Interior, Defense, Commerce, and Labor. A favorable report was also received from the Director of the Office of Defense Mobilization.

The Committee on Ways and Means was unanimous in urging the enactment of H. R. 10015.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, as explained by the distinguished chairman of the House Committee on Ways and Means, this legislation on which the House has just taken favorable action would continue through June 30, 1959, the duty suspension on certain metal scrap. Under existing law the suspension is scheduled to terminate on June 30, 1958. The bill further provides that the suspension shall not be applicable to articles provided for in section 4541 of the Internal Revenue Code of 1954, such as copper-bearing ores and concentrates.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first sentence of section 2 of the act of September 30, 1950 (Public Law 869, 81st Cong.), is hereby amended by striking out "June 30, 1958" and inserting in lieu thereof "June 30, 1959": *Provided*, That this act shall not apply to lead scrap, lead alloy scrap, antimonial lead scrap, scrap battery lead or plates, zinc scrap, or zinc alloy scrap, or to any form of tungsten scrap, tungsten carbide scrap, or tungsten alloy scrap; or to articles of lead, lead alloy, antimonial lead, zinc, or zinc alloy, or to articles of tungsten, tungsten carbide, or tungsten alloy, imported for remanufacture by melting.

SEC. 2. The amendment made by the first section of this act shall not be construed to affect in any way the application of Public Law 38, 82d Congress, to copper scrap.

With the following committee amendments:

Page 2, line 4, strike out section 2 and insert:

"SEC. 2. This act shall not apply to any article provided for in section 4541 of the Internal Revenue Code of 1954."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to continue until the close of June 30, 1959, the suspension of duties on metal scrap, and for other purposes."

A motion to reconsider was laid on the table.

AMENDING SECTION 314 (C) OF THE PUBLIC HEALTH SERVICE ACT

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to vacate proceedings under suspension of the rules held 2 weeks ago on the bill (H. R. 11414) to amend section 314 (c) of the Public Health Service Act, so as to authorize the Surgeon General to make certain grants-in-aid for the support of public or nonprofit educational institutions which provide training and services in the fields of public health and in the administration of State and local public health programs.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HARRIS. Mr. Speaker, I move to suspend the rules and pass the bill H. R. 11414, with amendments.

The Clerk read the bill, as follows:

Be it enacted, etc., That the last sentence of subsection (c) of section 314 of the Public Health Service Act, as amended (42 U. S. C. 246 (c)), is amended by inserting "(1)" immediately after "available", and by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and (2) an amount, not to exceed $1 million to enable the Surgeon General to make grants-in-aid, under such terms and conditions as may be prescribed by regulations, for provision in public or nonprofit schools of public health accredited by a body or bodies recognized by the Surgeon General, of comprehensive professional training, specialized consultive services, and technical assistance in the fields of public health and in the administration of State and local public health programs, except that in allocating funds made available under this clause (2) among such schools of public health the Surgeon General shall give primary consideration to the number of federally sponsored students attending each such school."

SEC. 2. The amendment made by the first section of this act shall be applicable only to the fiscal years beginning July 1, 1958, and July 1, 1959.

The SPEAKER pro tempore. Is a second demanded?

Mr. NEAL. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Arkansas [Mr. HARRIS] will be recognized for 20 minutes and the

gentleman from West Virginia [Mr. NEAL] for 20 minutes.

Mr. HARRIS. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, this bill—H. R. 11414—was called up under suspension 2 weeks ago, but due to the situation existing at that time it was not completed. In the interim there has been some discussion with reference to clarifying amendments which would make the bill more acceptable.

The reason for request this morning to vacate the proceedings of 2 weeks ago is for the purpose of offering amendments to the bill in order that it will be more acceptable and, as we believe, more in the public interest.

The subcommittee held hearings on the bill. It was considered by the subcommittee and reported to the full committee. The full committee reported the bill. In view of the necessity which we think is in the nature of an emergency it is called up under a suspension of the rules with the amendments which will be fully explained by members of the committee.

Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. WILLIAMS], chairman of the subcommittee.

Mr. WILLIAMS of Mississippi. Mr. Speaker, the reason for calling this bill up under suspension of the rules has already been stated by my chairman. The purpose of the legislation before us now is simply to earmark $1 million for grants-in-aid to schools of public health.

The Subcommittee on Health and Science held hearings on this legislation, and I may say that the legislation has the warm support of all of those who are concerned with public health matters. I think in all fairness, though, I should state to the House that the witnesses who appeared before the committee on behalf of the Department of Health, Education, and Welfare did express some reservations with regard to the timing of this important legislation. The Department, of course, itself acknowledges the great need of schools of public health and the important services rendered by these schools in training public health personnel for Federal, State, and local health programs. The Department, however, points to a provision contained in Public Law 911 passed by the 84th Congress that requires the Surgeon General to call a conference during the second half of 1958—that is this year—to assist the Surgeon General in appraising the effectiveness of the public health training program provided for in that law.

Congress recognized the urgent need for additional public health personnel and provided in Public Law 911, of the 84th Congress, for an emergency 3-year Federal traineeship program.

The Department evidently feels that enactment of this bill at this time might prejudice the chances of seeking more far-reaching legislation at a later date, but I want to assure the Department and the Members of the House that the Committee on Interstate and Foreign Commerce is completely aware of the great responsibility which it has with regard to the training of adequate numbers of public health personnel.

Any recommendation that the Surgeon General's conference might make will certainly receive the prompt and careful consideration of our subcommittee to the end that necessary legislation will be enacted.

However, the needs of the schools of public health are so immediate and so great that postponement of the enactment of this bill would work great hardship on these schools and would jeopardize continued operation of Federal, State, and local public health programs.

The record is replete with testimony of the shortage of public health personnel. I would remind the House that a recent study shows that 30 percent of all local health officer positions are vacant at the present time and we must look to the schools of public health to produce the needed qualified personnel.

For these reasons the committee, after careful consideration of the question of timing raised by the Department of Health, Education, and Welfare, decided that this legislation should be enacted at this time. The committee felt that this legislation provides a bare minimum of support for schools of public health, and that the recommendations of the Surgeon General's conference will go considerably beyond the provisions of the bill presently under consideration.

Since the committee reported this legislation, certain questions have arisen on the part of members of the subcommittee and members of the full committee, as well as other Members of the House, as to a formula for allocating these funds.

Another question was raised with reference to the placing of a time limitation on this act in order to permit Congress to review the action by the conference which was set up under Public Law 911.

In view of the fact that these questions were raised, the committee has gotten together and has reported two amendments to the bill to take care of those objections which were raised. One of these amendments in so many words provides that in allocating funds made available under this bill, the Surgeon General shall give primary consideration to the number of federally sponsored students attending such schools. The gentleman from West Virginia [Mr. NEAL], I am quite sure, will discuss that provision in greater detail later in the debate.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS of Mississippi. I yield to the gentleman from Arkansas.

Mr. HARRIS. In view of the fact that the gentleman is discussing one of the amendments which the committee members considered, I think it would be advisable to insert at this point a tabulation showing the number of students in the present year and those sponsored in the various institutions, 11 schools or institutions in all. It is that tabulation the gentleman has in mind with reference to the formula and in considering the allocation of the funds here.

Mr. WILLIAMS of Mississippi. That is exactly right. Mr. Speaker, I ask unanimous consent to insert that table at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The tabulation referred to follows:

All schools	Federally sponsored	State sponsored	Total
California	71	12	126
Columbia	31	15	86
Harvard	51	11	99
Johns Hopkins	44	3	116
Michigan	80	23	130
Minnesota	67	6	128
North Carolina	71	27	122
Pittsburgh	39	6	90
Puerto Rico	36	26	68
Tulane	22	1	39
Yale	21	1	43
Total	533	131	1,056

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

Mr. HARRIS. Mr. Speaker, I yield the gentleman 3 additional minutes, because I think at this point we can clear up the amendments so that everyone will understand them.

Mr. WILLIAMS of Mississippi. Mr. Speaker, it might be stated also at this point that at the present time there are some 533 federally sponsored students in these 11 schools of public health and that these schools are training these students at a total cost to the schools over and above the scholarship fund provided by the Federal Government of some $2,324,413 in the years 1957 to 1958. The purpose of this bill is not to take care of the entire amount of subsidy that the Federal Government is enjoying in these schools but actually to take care of at least a part of it pending report from the general conference on this subject which is expected in January of next year.

Mr. HARRIS. The other amendment that the gentleman was about to refer to has to do with the limitation?

Mr. WILLIAMS of Mississippi. Yes.

Mr. HARRIS. Will the gentleman explain that one in section 2?

Mr. WILLIAMS of Mississippi. The second amendment to the bill provides that this act shall be in effect for the next 2 years. It has a 2-year limitation. The committee feels that would be a proper and sufficient time to permit the Congress to consider recommendations of the conference I have mentioned heretofore.

Mr. HARRIS. Is it not true that in conference with those who are interested in this program they, too, agree that the 2-year limitation will permit the program to go ahead through such time as the conference report referred to will be received by the Congress, at which time the committee can consider what further action on a broad general policy will be necessary.

Mr. WILLIAMS of Mississippi. The chief proponents of the legislation, of course, were anxious that it be made 3

years. However, under the circumstances they were more than happy to go along with the 2-year limitation on this program. So far as I know, there is no opposition to the bill now inasmuch as these amendments have been offered to clarify certain portions of it.

Mr. HARRIS. Is it not true that the amendment offered here would strike out on line 2, page 2, the words "the support of" and on line 3 the words "educational institutions which provide" and insert therefor the words "for provision in" on line 2 and on line 3 following the words "nonprofit" include "schools of public health accredited by a body or bodies recognized by the Surgeon General."

Is that the language change that was made?

Mr. WILLIAMS of Mississippi. That is the language change that was made, of course, and it changes or modifies to some extent the philosophy of the bill and brings it more in line with the general feeling among many of us.

Mr. HARRIS. The purpose is to overcome the objection that the original language was thought by some would be allocating this sum for the support of the institution.

Mr. WILLIAMS of Mississippi. That is correct.

Mr. HARRIS. And this language seeks to allocate the funds for the support of the program carried on by the institution.

Mr. WILLIAMS of Mississippi. This allocates the fund for a specific, limited purpose.

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

Mr. NEAL. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, previous gentlemen have pretty well described the changes that we have made in the wording of this bill. When the bill was originally proposed, language contained in the bill would have been construed or could have been construed to mean that the Federal Government could support directly schools of higher education. To my mind, to directly empower by such language support of public and private schools is going far beyond that precedent that we should set here. Now, it was very definitely shown in the testimony that these 11 schools of public health deserve a great deal of help. They are operating in a field of activity that is almost individual, and in so doing, because of the fact that their students are limited in number, they find it almost impossible to meet the cost of their programs.

One of the reasons why I think we are justified in approving this particular legislation is that the Federal Government is providing more than half of the students that attend these public health schools, and in so doing is providing nothing further than tuition. And that, of course, falls far short of the cost of educating these much-needed public health servants, doctors, nurses, sanitarians, and so forth. So we feel that the change of wording in this law will give the Public Health Surgeon, the Surgeon General, sufficient power, in his discretion, to allocate these funds to the various schools in regard to their qualifications for doing specific and special types of training in regard to the number of students they are going to provide for. So I have no objection to the passage of this bill as it is amended. And, really, due to the fact that we are depending so much today on activities that promote the general health, I think we are thoroughly justified in wholeheartedly recommending and accepting this legislation.

Mr. PELLY. Mr. Speaker, will the gentleman yield?

Mr. NEAL. I yield to the gentleman.

Mr. PELLY. Mr. Speaker, the gentleman will recall that when we were considering the same legislation before, I asked a question which was not answered, namely, as to whether any of these educational institutions had facilities which were segregated. The gentleman said he did not know. I wonder if the gentleman would permit me to inquire of the chairman of the committee whether these institutions which would get grants are segregated, or are discriminating against anyone because of race?

Mr. HARRIS. The gentleman may read the list of the institutions that would be covered and he would have the information that I think he is seeking.

Mr. PELLY. Mr. Speaker, I will say to the gentleman that I have read the list and I made inquiry of the Library of Congress. They were able to inform me that none were, with the possible exception of Tulane University. They did not know nor was that information given out.

Mr. HARRIS. If there is any such procedure in any of these institutions, I do not know of it.

Mr. PELLY. Would not the gentleman think that it would be the responsibility of the Department of Health, Education, and Welfare to limit any grants to those institutions that were not segregated so that the funds would be spent in accordance with the rulings of the Supreme Court?

Mr. HARRIS. If the gentleman wants my personal opinion, I would say no, because I do not think the Department of HEW should be interfering with the administration of any of these institutions in matters of this kind. I think the gentleman will find that these institutions are carrying on this and other programs without criticism in this field.

Mr. PELLY. I realize that there may be no criticism, but I thought in this connection that at least those of us who do not agree with the distinguished gentleman might have some assurance of the kind that I mention.

Mr. HARRIS. All the assurance I can give the gentleman is past performance, and I do not think you can beat it.

Mr. PELLY. My purpose was this. I did not expect to get that information on the floor, but I want to say that I should expect that that is the way the Department of Health, Education, and Welfare would act, and I expect to inquire of them. If they do not act that way, I shall protest.

Mr. HARRIS. I think the gentleman has a right to make any protest he wishes, but I would say this in order to relieve the gentleman of any worries or fears he might have regarding an important program of this kind, that the students themselves have the prerogative of selecting the institution they wish to attend. And certainly if there were any such problem, the students would not choose an institution that would cause them any difficulty.

Mr. PELLY. I think the gentleman would agree with me that if a student were in the vicinity of one of these institutions, it would not be very practical for him to go a good distance away to another institution.

Mr. HARRIS. The gentleman is in error there. They do go considerable distances, some of them clear across the country, for this purpose, and rightly so. I do not think the gentleman has any justifiable complaint at all; I will say that frankly.

Mr. PELLY. Mr. Speaker, I am not complaining. I was just seeking information and I thank the gentleman.

Mr. NEAL. Mr. Speaker, I think the anxiety of the gentleman is perhaps a little farfetched. The fact of the matter is that these students come not only from the United States but from the Caribbean area, and from some of the Spanish-American countries to take these courses. There may be some slight deviation, of course, as the students come from various other countries.

The International Cooperation Administration, I think, assigns about 25 percent of the students and, of course, most of these people go out and become teachers in various fields throughout the world. I do not believe the question of segregation would in any way enter into this matter.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. NEAL. I yield.

Mr. HARRIS. I should like at this point, with the permission of the gentleman, to compliment the gentleman from Mississippi, the chairman of the subcommittee, and the other members of the committee including the distinguished gentleman from West Virginia [Mr. NEAL] who is now addressing us for their very fine and conscientious work on this most important problem. The gentleman from Pennsylvania [Mr. RHODES], the author of the bill, recognized this problem some time ago and thought that something should be done about it. We fully realize that the Congress has directed a conference to make a report on this and other subjects, and we also realize there is an emergency here. This report will not be presented until sometime next year. It is due in January. If there is not some interim relief given, then many of these schools are going to be deprived of the services that they should render to the public-health program on the Federal level, the State level and on the local level. I want to compliment the members of the committee who gave such thorough study to this problem and who have come up with this recommendation for this interim relief.

Mr. NEAL. Does not the gentleman believe that a thorough study of the

needs and the conditions throughout our own country and the countries which we are serving now in many capacities—it will be quite essential to have available institutions of reputable and accepted qualifications to train health personnel to go into the field which is not only of great importance to our own people in this country and to people wherever our International Cooperation Administration and our other agencies of Government are in operation throughout the world?

Mr. HARRIS. I thoroughly agree with the gentleman and I, certainly along with other Members, intend to give this problem our consideration after the report of the conference to which I have referred is received, and it is the intention then that the committee will make a thorough investigation and study of the problem with the view to try to provide the kind of program that would be acceptable and which is so badly needed.

Mr. PELLY. Mr. Speaker, will the gentleman yield?

Mr. NEAL. I yield.

Mr. PELLY. I want to say that the support of this legislation by the distinguished gentleman from West Virginia [Mr. NEAL] means a great deal to me because I think he has given this a great deal of thought. As far as I am concerned, I intend to support this legislation, particularly on the basis of his recommendation.

Mr. NEAL. I thank the gentleman. As I stated before, my greatest objection to the original language in this legislation is that it would lay the field open for Federal participation in the operation of educational institutions. I think it is a field that we should look into very carefully and be certain that we are not establishing a precedent for Federal participation in the field of general education.

Legislation enabling Federal agencies to operate educational institutions should never be approved until its needs have been thoroughly studied.

Mr. PELLY. I want to say to the gentleman I share his views regarding the dangers of Federal aid to education and I am glad to know, in this instance, he feels there would be no such danger.

Mr. NEAL. I thank the gentleman.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. NEAL. Mr. Speaker, I yield 4 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Speaker, when this bill was before us 2 weeks ago, I was one of the Members who objected to its passage at that time. I did not like to be in the position of appearing to oppose more adequate and more comprehensive training of public health officers, because there is no field that is of more interest to me personally, or is of greater importance to our country as a whole. Our public health training institutions are vital also to many other countries throughout the world. They are depending on these 11 American schools of public health to train the qualified doctors and other personnel being sent to the United States for that purpose from their countries.

Furthermore, I had authored the bill 4 years ago that transferred the Indian medical service to the Public Health Service, thereby increasing the demand for persons trained in this field. There is no question about the need for expansion of this specialized training.

Also I did not like to be in the position of appearing to oppose needed grants to the public health school of the University of Minnesota in my own State.

But, Mr. Speaker, there were other issues involved that are so fundamental that I felt obliged, nevertheless, to oppose the passage of the bill in the form in which it was originally brought to us.

In the first place, this same distinguished Committee on Interstate and Foreign Commerce had sponsored legislation passed 2 years ago which gave a mandate to the Department of Health, Education, and Welfare to hold a conference the last half of this year to study and make recommendations on this very problem. The Department could not hold it earlier, under the language of the act, so it cannot be blamed for the delay or the emergency. It seemed to me unwise to pass general and permanent legislation, without any time limitation, that would prejudge the results of that conference. The placing of a 2-year limitation on the bill makes it a temporary measure, until the report of the conference can be received and studied. That takes care of that objection.

The most serious objection to the bill was its broad language which could establish a whole new philosophy or pattern for providing Federal aid to education in this country. The original bill said the Surgeon General could make grants-in-aid "for the support of public or nonprofit educational institutions which provide comprehensive professional training, specialized consultative services, and technical assistance in the fields of public health." I could not find a precedent for this sort of language anywhere. For example, the various acts which have authorized the Federal Government to assist in providing vocational training in public high schools and similar institutions do not authorize grants for the support of the institutions furnishing such training. Rather, they make grants to finance the provision by those institutions of training in the specialized field of vocational education.

The Federal Government has repeatedly made grants for scholarships or teaching fellowships in a given field, or for research projects, or for professors or laboratories or schools doing work on a special problem. That is the proper way to do it.

But the original language of this bill would have authorized the Federal Government to subsidize the general running expenses of a school if only it provides comprehensive professional training in the public health field. The grants could even be used to write off deficits of prior years. This would be Federal aid with a vengeance. I am not suggesting that those in the committee who sponsored the bill had any such thing in mind. I am sure they did not. Nevertheless the language was so broad as to permit for the first time in our history, Federal grants-in-aid to be used for general support of educational institutions rather than to assist such institutions in providing a particular type of specialized training. I suggested some simple changes in language which easily corrected the situation. Some of the representatives of the institutions who were calling on me saw immediately the necessity for making these changes. There is a world of difference between general subsidy of an educational institution's budget, and grants-in-aid limited to enabling the institution to provide a specific type of training.

So the bill as modified will authorize the Surgeon General to make grants-in-aid "for provision in public or nonprofit schools of public health accredited by a body or bodies recognized by the Surgeon General of comprehensive professional training—in the fields of public health," and so on.

May I express my appreciation to the chairman and the other members of his committee who have worked on this bill, for their readiness to accept the suggested changes in language, so that this apparently innocent bill will not establish a precedent that would rise to plague us in all sorts of legislation in the future in this particularly delicate matter of the proper relationships and distribution of responsibilities between the Federal Government and the State and local governments, in the all-important field of education.

The SPEAKER pro tempore. The time of the gentleman from Minnesota [Mr. JUDD] has expired.

Mr. HARRIS. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RHODES], the author of the bill.

Mr. BENTLEY. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Pennsylvania. I yield to the gentleman from Michigan.

Mr. BENTLEY. I congratulate the gentleman.

I wonder if the gentleman can tell me briefly approximately the share that the University of Michigan will get if this bill is enacted.

Mr. RHODES of Pennsylvania. I yield to the chairman of the committee to answer that.

Mr. HARRIS. There are 11 schools, of course, that have public health training facilities.

In the 1957–58 year the University of Michigan has 80 federally sponsored trainees, 23 State-sponsored trainees, a total of 139. The additional 36 are private students who pay their own way.

The proposal contained in this bill would give a proportionate share of the $1 million additional funds allocated out of a total of 533 federally sponsored students which, as you can see, would be probably around 14 percent.

Mr. BENTLEY. I thank the gentleman.

Mr. Speaker, I ask unanimous consent to insert at this point the text of a telegram from Mr. Henry F. Vaughan, dean

of the School of Public Health of the University of Michigan.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The text of the telegram referred to follows:

My long years of association with public health affairs in Michigan as health commissioner of Detroit for 22 years, as member of the Michigan State Board of Health for 20 years, and as dean of the School of Public Health at the University of Michigan for 17 years impresses me with the urgent need for favorable action on H. R. 11414 which under suspension rules requiring two-thirds majority for passage will be before the House on Monday, May 5. Passage of this bill will bring approximately $100,000 to the University of Michigan to support our program. Our school trains most of the physicians, dentists, engineers, nurses, and others who serve the State, county, and city health departments in Michigan. Nearly 90 percent of our graduates join public health agencies as directors or staff members. Since we have great need for personnel in our health departments throughout the State, support of this character is paramount to supplement and replace financial support which normally comes through the Michigan Legislature. For example, we are short at least 10 health officers in Michigan outside of Detroit. In Detroit, of 385 budgeted positions for nurses in Detroit department of health, only 180 are now filled. Please give your favorable vote to this bill on Monday.

Mr. BENTLEY. I want to say again that I support the gentleman from Pennsylvania on this legislation which I think is very important and necessary. I want to say that I support it very much at this time.

Mr. RHODES of Pennsylvania. I thank the gentleman.

Mr. Speaker, this bill H. R. 11414 is a meritorious proposal and as the distinguished chairman has well stated, it is also emergency legislation. The purpose of the bill is to amend section 314 (c) of the Public Health Service Act to earmark an authorized appropriation, not to exceed $1 million annually for each of 2 years, to be allocated by the Surgeon General to the accredited schools of public health. These funds will be used by the schools to help offset the annual deficits they now incur in the training of public health personnel, sent to the schools by the various agencies of the Government.

I wish to commend the distinguished chairman of our subcommittee, the gentleman from Mississippi [Mr. WILLIAMS] and the distinguished chairman of the full committee, the gentleman from Arkansas [Mr. HARRIS] for their diligent work in behalf of this legislation, which is of such great importance to the health of our people.

I would also like to pay tribute to our distinguished colleague, the gentleman from West Virginia [Mr. NEAL], for his outstanding contribution in the work of our subcommittee and for his keen interest in the cause of public health. His high principles, his devotion to the well-being of our people, and his knowledge of health and medical matters have made him an invaluable member of our committee. His fairness and consideration of his colleagues have earned for him the respect and admiration of all who are privileged to serve with him.

Mr. Speaker, to meet certain objections that have been raised, new language has been agreed upon which I believe will make this bill acceptable to all Members. I appreciate the cooperation that has been exhibited in helping to reach this understanding and agreement. There was no difference in our thinking that these schools are performing a vital public service and that they are staffed by a group of outstanding authorities in the field of preventive medicine, devoted to the important training of pubic health specialists.

In February 1957 the gentleman from West Virginia [Mr. NEAL] and I were named by the chairman of our committee to attend the annual meeting of the Association of Schools of Public Health. We had the opportunity to meet with the deans and directors of these institutions providing specialized training in the field of public health and to discuss with them their current problems and responsibilities.

In my report to the chairman, dated March 6, 1957, I called attention to the financial needs of these schools in supplying the increasing demand for public health physicians, dentists, engineers, hospital administrators, nurses and other related positions. It said, in part:

In discharging its responsibilities in the field of public health, the Federal Government relies to a considerable extent on the teaching and research activities of the schools of public health, and it, therefore, has a direct interest in the adequate functioning of these schools * * * The large numbers of foreign students who attend schools of public health in the United States makes these schools important centers for our international health programs which are an integral part of our foreign policy.

The report concluded:

We believe these schools are playing an important role in promoting the health and welfare of our people and people of foreign nations, and that, therefore, their problems are worthy of careful study by this committee and its Subcommittee on Health and Science.

Shortly thereafter, I introduced H. R. 6771, to provide this urgently needed assistance to schools of public health to enable them to carry out their great responsibilities in this important field. A companion bill has been introduced in the Senate. It has the bipartisan sponsorship of the chairman and four members of the Labor and Public Welfare Committee.

There are 11 schools of public health in the United States. Six are private institutions—Yale University, Johns Hopkins University, Columbia University, Harvard University, Tulane University, and the University of Pittsburgh. Five are publicly supported—University of Minnesota, University of North Carolina, University of Michigan, University of California, and the University of Puerto Rico.

Schools of public health train doctors, nurses, engineers, and other professional health workers in the identification of diseases and health hazards affecting the community, in the location of their causes, and in the development of methods of control.

They deal with such problems of the modern age as the prevention and control of radiological hazards, accidents in homes and factories, on the highways and in the air, the chronic diseases such as mental illness, cancer and heart disease which have increased with the lengthening life span of our population, the other special problems of the aging and those involving the health of mothers and children. Industrial health, school health, and the health protection of our Armed Forces are very much the concern of the schools in educating specialists for duty in these areas.

Mr. Speaker, our subcommittee was fortunate in having as witnesses in support of this legislation the most outstanding experts in the Nation in the field of public health. In addition we received written communications urging its approval from the State health officers of 32 States—Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississipi, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, South Carolina, Utah, Washington, West Virginia, and Wisconsin. The health officers of Alaska, Hawaii, Puerto Rico, and the Virgin Islands also wrote in support of this legislation.

This legislation is also endorsed by a broad cross section of organizations actively concerned with public health work, including the American Dental Association, the American Public Health Association, the American Municipal Association, the American Hospital Association, the Association of State and Territorial Health Officers, the Association of Schools of Public Health, the AFL-CIO, the American Parents Association, the National Advisory Committee on Local Health Departments, the National Congress of Parents and Teachers, the National Council of Churches of Christ of the United States of America, and by the presidents of the universities and the deans of the 11 schools of public health.

Mr. Speaker, official data supplied to the committee shows that the State universities and private institutions supporting schools of public health are, in effect, subsidizing the public health training for the entire Nation.

During the current academic year 717, or 68 percent, of the 1,065 students enrolled at these 11 schools of public health are sponsored by some agency of government—Federal, State, or local. The governments pay the tuition of these students, but tuition on the average covers only 11 percent of the basic teaching budgets of these schools.

The tuition paid by all government agencies for these 717 students amounted to $495,000. The cost to the schools of training these students amounted to $3,622,000. This means a deficit for this year of $3,127,000 for these 11 schools of public health—a financial burden to subsidize public health training for the Nation which these schools can no longer afford to carry alone.

A total of 533 of the 717 students are sponsored by the various agencies of the Federal Government. The deficit resulting from the Federal Government's paying tuition only, rather than the actual costs of training these students, amounts to $2,324,413 in the 1957–58 academic year.

Mr. Speaker, it is obvious that the $1 million authorized in this legislation will not solve the financial problems of these schools, since it is less than one-half of the deficit resulting from the training of federally sponsored students and less than one-third of the deficit of all governmentally sponsored students. It would, however, enable the schools to fill teaching positions, vacant for lack of funds, thus making possible an increased enrollment and a greater number of graduates needed to fill existing vacancies in public health positions in many communities. It would also help the schools to improve and expand their teaching in the new and vital areas where health problems are on the increase in our modern society—such problems as mental illness, cancer, heart disease, radioactive hazards, health problems of the aged, childrens' diseases, and in the field of civil defense.

Quotations from some of the distinguished witnesses testifying in support of this bill will serve to dramatize its importance to the public health of the American people.

Our distinguished House colleague, the gentleman from Rhode Island, Representative JOHN E. FOGARTY, chairman of the Appropriations Subcommittee having jurisdiction over public health and related matters:

This is an important measure, bearing directly and vitally on the health and strength of the United States. I endorse H. R. 6771 most strongly, and urge you to throw your full support behind it. I am confident that you will do so, when a careful study of the facts reveals to you, as it has to me, how urgently the country needs this legislation.

Dr. Ernest L. Stebbins, president of the Association of Schools of Public Health, chairman of the American Preventive Board of Medicine, and dean and director of the Johns Hopkins University School of Hygiene and Public Health:

The schools of public health are comparable to the military academies in that the schools of public health train leaders for public service. At the present time these schools are in a sense subsidizing the Federal Government by providing education which costs far in excess of the payments that are made for these students.* * * We believe that the enactment of this legislation will be a deciding factor in maintaining this country in a position of leadership in the field of public health.

Dr. Leona Baumgartner, commissioner of health of New York City:

I am frequently called out to other States for public-health meetings. Every place I go, I get exactly the same story. * * * We all need additional trained public-health workers, and to get them we need to train more workers in this highly specialized field, and the only place the people are going to get the training is in these schools of public health.

Dr. Herman E. Hilleboe, commissioner of the New York State Department of Health and president of the Association of State and Territorial Health Officers:

The protection of the public health is a joint Federal-State, and local responsibility, and those of us in the States and localities cannot do our jobs without trained personnel. It seems to me that Federal support of schools of public health will help us materially to improve our public-health training program on a nationwide basis. I wish to emphasize particularly that these schools of public health are an integral part of the public-health structure upon which our national security in no small part depends.

Dr. Berwyn F. Mattison, executive secretary of the American Public Health Association:

There has never been a time in the past decade when our list of vacant (public health) positions did not exceed our list of qualified applicants * * * increased facilities have not kept pace with increasing demands for trained personnel * * * the American Public Health Association heartily endorses the Rhodes bill and we believe the additional support proposed * * * for schools of public health will aid in training more professional workers in this field. It must be recognized that shortage of such skilled workers is preventing the full application of modern science and technology to the end that we prevent needless suffering, disability, and death.

Dr. Gaylord M. Anderson, dean of the University of Minnesota School of Public Health:

The work that every one of these 11 (public health) schools is doing for the entire Nation, the work that they are doing for the Federal Government, is helping to train personnel to be employed in this country and to be employed outside of the country in public-health work. * * * Without such assistance (from the Federal Government) the schools of public health cannot even continue their present programs and certainly cannot expand to meet the needs of the future which will be greater not only in magnitude but also in complexity. It is for these reasons that I strongly support H. R. 6771 and urge its passage as a matter of real importance to the health of the Nation.

Dr. Detlev Bronk, president of the Rockefeller Institute and the National Academy of Sciences:

It would be a truism to say that healthy men, women, and children are the basic national resource. Because of that it seems to me inconceivable that we as a Nation would not give first priority to the spiritual and physical health of our people, both for the continued vitality of our country in peaceful pursuits and in the building of our national defenses where we certainly need men and women who are healthy and able to meet the challenge of the present and the future. * * * I hope that the National Government will recognize a responsibility to give leadership and through the schools of public health you can give that leadership toward the improvement of the health and welfare of our people without, I am convinced, in any way impairing any sense of local responsibility.

Dr. Eugene P. Campbell, Chief of Public Health Division, International Cooperation Administration:

An ICA objective is to promote and develop an increased measure of independence from the United States in the matter of public health training. Considering, however, that the United States with 170 million people has 10 schools of public health, and the other American Republics with about 180 million people have only 4 schools, it appears that there will continue to be a demand on the part of South Americans for training in the United States for many years to come. Likewise, in view of an even greater scarcity of training facilities in the heavily populated areas of south Asia, Far East, and Africa, there will be a continuing demand from ICA and other sponsors of foreign participants for training in the United States.

Brig. Gen. M. S. White, Director of Medical Staffing and Education, Office of the Surgeon General of the Air Force:

There have been approximately * * * 200 officers who have attended schools of public health since 1952 that I am aware of in the 3 services. * * * They furnish the only means we have of providing that 1 year of specialized training that will qualify our men as specialists in aviation medicine.

Dr. Charles L. Wilbar, Jr., secretary of health of Pennsylvania:

In my experience, the greatest single detriment to the conduct of a modern, efficient public-health department * * * has been the shortage of well-trained and well-qualified professional and technical personnel. The demand for such personnel by governmental and voluntary health agencies greatly exceeds the supply * * *. It would seem to me to be fitting and proper that Federal tax funds be used to support these renowned graduate schools of public health to help provide the necessary funds for public-health training, which is urgently needed if we are to have, in the United States, a supply of public-health professional leaders who are able to keep our Nation in the forefront of the modern practice of public health and preventive medicine.

Dr. Thomas Parran, dean of the University of Pittsburgh School of Public Health and former Surgeon General of the United States Public Health Service:

The 11 schools of public health have an importance in our society far beyond their numbers, the numbers of their graduates, or the size of their budgets. They are the keystone to the whole public health structure of the country—Federal, State, local. It is in these schools that the present public health leaders of the country have been trained; it is in these schools that the future public-health leaders of the country must be trained. The schools serve the foreign policy of the United States, since 25 percent of their students come from other countries and return home in positions of administrative and professional responsibilities in their ministries of health and universities * * *. The schools of public health in this country are unique among institutions of higher learning * * *. They train persons for the public service to work in public programs which are financed under basic Federal law by joint Federal-State budgets.

Mr. Speaker, schools of public health are essentially naticnal schools, since students in the last academic year came from 47 States, the District of Columbia, 5 Territories and possessions, as well as from 64 foreign countries.

Graduates of these schools serve primarily in official public health agencies—Federal, State, local, foreign, or international—as health officers, public health nurses, engineers, or other public health specialists. Other graduates teach at medical schools or schools of public health, conduct research, are employed by voluntary health agencies,

serve in hospitals, or engage in other activities in the public health field.

Schools of public health take on the characteristic of service academies when we realize that of the graduates during the years 1950–55, over 70 percent are employed by Federal, State, and local health departments, and 22 percent by voluntary health agencies. This national characteristic of the schools is further emphasized by the fact that only 25 percent of them are employed in the State where the school is located, while 50 percent are employed in other States, and 25 percent in foreign countries.

The Federal Government, in recognition of the need for more trained public health personnel, already provides aid for training in schools of public health. This is done directly under various Federal training programs and also indirectly through grants to the States for health purposes. Most of the aid takes the form of support for individual students.

An appreciable amount of teaching assistance has been made available to the schools from various units of the Department of Health, Education, and Welfare, including the National Institutes of Health. However, it should be pointed out that this aid is in the form of categorical grants for teaching in specific fields, and is of no help to the schools in strengthening other parts of their total programs.

Of the direct Federal programs providing aid for training, one of the most important is the public health traineeship program, a 3-year program inaugurated in 1956, providing graduate or specialized public health training for professional health personnel engaged in public health programs. Other direct training programs include those of the National Institutes of Health, the Atomic Energy Commission, the Office of Vocational Rehabilitation, and the International Cooperation Administration. In addition, the Public Health Service and the three branches of our Armed Forces send selected officers to the schools to meet their own needs for trained personnel.

Federal funds for research have already been provided and all of the schools are conducting important investigations which add new knowledge in the cause and prevention of diseases and other health hazards. However, research funds cannot be used for teaching salaries nor for general teaching operations. The schools' great need is for unrestricted funds which each can apply to the particular parts of its teaching program that have been weakened by insufficient financing.

Mr. Speaker, as our population has grown, so has grown the need for trained public health personnel. There is an increasing shortage of public health physicians, nurses, and sanitary engineers. In 1956 30 percent of the vacancies in local health officer positions went unfilled. New demands for public health specialists are being made, taxing the already inadequate financial capabilities of our schools of public health.

The present unmet demand represents, in part, a backlog of training requirements. At the same time, the potential needs and benefits of public health services are greater than ever before. Influencing factors are the continuing increase in our population, the establishment of new local health units, the recruitment program of the public health profession, and the trend toward increased public support for public health services. More general understanding and acceptance of professional education standards can be expected to keep the demand at a high level for many years to come.

As people begin to fully understand the advantages and the economy to the community of employing qualified personnel for public health programs, the demand for trained people increases. The demand for research workers in public health has also increased considerably as Congress has recognized the need and has increased appropriations for public health research. The present and prospective output of the schools of public health cannot meet these many demands without assistance, as contemplated in this legislation.

Our greatest national resource is a healthy population. Even in these days of missiles and nuclear weapons, our basic strength is in our people, whether they be in the armed services, working in defense plants, on the farm, or in the home.

Military experts have speculated about the chaos which would be the result of germ warfare techniques of an enemy aggressor. The deadly effects of radioactive fallout from nuclear explosions of the enemy could kill millions of our people, contaminate our water and food, crippling if not destroying our ability to resist. More localized epidemics of disease caused by sabotage could neutralize key defense installations and leave us vulnerable to attack.

These types of situations, horrible as they are to contemplate, must not be ruled out of the realm of possibility when we consider the ruthless nature of international communism. If we were faced by such crises, public health personnel would be in the front line of our defense. Trained public health specialists in all fields should therefore be considered as an integral part of our Defense Establishment.

Mr. Speaker, public health also has a prominent role in our foreign policy. Under the point 4 and technical assistance programs, hundreds of trained public health specialists have given of their professional skills to disease-ridden peoples in the far off corners of the globe. These devoted Americans are truly grassroots diplomats of healing and mercy, winning the gratitude and loyalty of peoples of the uncommitted areas of the world. Under the program of ICA, hundreds of students of foreign nations attend American schools of public health each year, taking back with them the most modern medical techniques to improve the health standards of their people.

The President, in his state of the Union address, emphasized the importance of such programs when he said:

> Another kind of work of peace is cooperation on projects of human welfare. For example, we now have it within our power to eradicate from the face of the earth that age-old scourage of mankind, malaria. We are embarking with other nations in an all-out 5-year campaign to blot out this curse forever. We invite the Soviets to join with us in this great work of humanity.
>
> Indeed, we would be willing to pool our efforts with the Soviets in other campaigns against the diseases that are the common enemy of all mortals—such as cancer and heart disease.
>
> If people can get together on such projects, is it not possible that we could then go to a full-scale cooperative program of science for peace?

Mr. Speaker, whether we view the need for the training of public health personnel from a domestic health standpoint, from a defense standpoint, or from a broad foreign policy standpoint, the answer is the same. Schools of public health are important to our Nation. Their financial needs are pressing. They train these specialists for every level of government in carrying out the joint Federal-State-local responsibilities in the field of public health. They need and deserve financial assistance to help offset the deficits they incur in furnishing this important public health training. The approach provided for in H. R. 11414 is a simple and direct method of meeting the needs of the schools of public health in fulfilling the increasing demands for trained public health specialists. I hope that it will be approved.

Mr. HARRIS. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Speaker, I know of no piece of legislation that has come before the House this year that renders as much service to the country as does the pending legislation. I happen to live in the city or town of Chapel Hill where one of the first of these institutions was located in 1933. It was set up primarily to train personnel for public health work for rural communities in the South and Southeast. It has grown to such an extent that it renders service not only to the rural communities but to communities throughout the world. A question was asked here as to where these students come from. The students come from all parts of the world to the school of public health at University of North Carolina at Chapel Hill.

It was first supported and set up on the basis of three counties; then the State government, with the participation of the Federal Government in the early days, supported this institution.

I do not recall how many have been turned out but they have gone into health departments throughout the South and Southeast. We could not operate our Public Health Service facilities in those States unless we have trained personnel which has been provided through this facility at Chapel Hill, N. C.

I hope this pending legislation will be adopted. I certainly feel it renders a great service to the country at large.

Mr. HARRIS. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Speaker, representing the Third Congressional District of

the State of Minnesota, wherein lies the University of Minnesota, I want to take this opportunity of conveying to the chairman of the Committee on Interstate and Foreign Commerce and to the members of that committee, the appreciation, I am sure, and the thanks of the University of Minnesota for the efforts of the chairman and the committee in bringing this bill to the House floor for action here today.

May I say that the University of Minnesota has done a remarkable job in this particular field. They have a great and outstanding leader in public health in the person of Dr. Anderson who also has been associated with the Federal Government in this public health and sanitation work.

So I want to lend my support and hope that this legislation will be immediately passed.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Arkansas that the rules be suspended and the bill be passed.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The SPEAKER pro tempore. Without objection the title is amended, as follows:

A bill to amend section 314 (c) of the Public Health Service Act, so as to authorize the Surgeon General to make certain grants-in-aid for provision in public or nonprofit accredited schools of public health of training and services in the fields of public health and in the administration of State and local public health programs.

There was no objection.

NATIONAL SEASHORE PARK, NORTH CAROLINA

Mr. BONNER. Mr. Speaker, on last Tuesday I placed in the RECORD addresses made at the dedication of the National Seashore Park in North Carolina.

I ask unanimous consent to place at this point in the RECORD an address made by Raymond R. Guest at the occasion of the unveiling of a plaque to the memory of his grandfather, Henry Phipps, whose family gave 2,700 acres of land toward the creation of this park.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The matter referred to follows:

TRANSCRIPT OF REMARKS OF RAYMOND R. GUEST AT THE OCCASION OF THE UNVEILING OF THE PLAQUE TO THE MEMORY OF HIS GRANDFATHER, HENRY PHIPPS, AT CAPE HATTERAS, N. C., ON APRIL 24, 1958

Your Excellency Governor Hodges, Mr. Secretary, distinguished guests, ladies and gentlemen: My wife and I are very happy to be at Cape Hatteras today and I myself am particularly pleased to have been selected by my large family to represent them on this auspicious occasion.

We came here about thirty years ago attracted by the recreational facilities and I can tell you that we enjoyed them to the utmost. We loved the place, we loved the people and I believe we still have some good friends here.

As the years went by, however, we began to think that we should give this property, where we now stand, to the great State of North Carolina in an attempt to assist the State in achieving its dream of having some day a national recreational park along this beautiful seashore. Accordingly, we presented these 700 acres at the point of Cape Hatteras to the State of North Carolina to hold until it could join with our Federal Government in creating such a park.

As you all know, this State and the Mellon family gave with enormous generosity from their funds and my family were happily able to give an additional 2,000 acres of land. Now, thanks to these and to the gift of time and devotion by many others, this dream has come true.

Ladies and gentlemen, my family played its part in creating the Cape Hatteras national recreational area with great pleasure and we take, with you, the deepest satisfaction in knowing that for generations to come millions of people will come here to enjoy the unspoiled beauty of the outer banks not only from North Carolina but her sister States.

MAINTENANCE INCREASE FOR RURAL CARRIERS

Mr. MURRAY. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3050) to increase the equipment maintenance allowance for rural carriers, and for other purposes.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 609 (a) of the Postal Field Service Compensation Act of 1955 (69 Stat. 128; 39 U. S. C. 1009) is amended to read as follows:

"SEC. 609. (a) In addition to the compensation provided in the Rural Carrier Schedule, each rural carrier shall be paid for equipment maintenance a sum equal to (1) 10 cents per mile for each mile or major fraction of a mile scheduled, or (2) $3.50 per day, whichever is greater. In addition to the allowance provided by the preceding sentence, the Postmaster General may pay such amount as he determines to be fair and reasonable, not in excess of $2.50 per day, to rural carriers entitled to additional compensation under section 302 (c) of this act for serving heavily patronized routes. Payment for such equipment maintenance shall be made at the same periods and in the same manner as payments of regular compensation."

SEC. 2. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

SEC. 3. The amendment made by the first section of this act shall take effect on the first day of the first pay period which shall begin more than 30 days after enactment of this act.

The SPEAKER pro tempore. Is a second demanded?

Mr. REES of Kansas. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection a second will be considered as ordered.

There was no objection.

Mr. MURRAY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, S. 3050, with the proposed amendment, will conform to the recommendations of our committee, as reported on H. R. 6371 on July 25, 1957, and with an amendment subsequently recommended by our committee.

With the committee amendments, this legislation will increase the present rural carriers mileage allowance from 9 cents to 10 cents a mile, or $3.50 per day, whichever is greater, and authorize an additional allowance bringing the daily equipment maintenance allowance up to a maximum of $6 on heavily patronized routes.

This increase is fair and reasonable and is needed to cover the increased costs incurred by rural carriers to maintain vehicles used in the performance of their duties. During the hearings held on H. R. 6371, it was demonstrated that the present 9 cents per mile equipment maintenance allowance, which was established July 1, 1951, is inadequate for rural carriers to meet the increased costs for oil, gasoline, tires, and repairs of all kinds. These increased costs affect the rural carriers nationwide.

When it was determined that the best way to provide the rural carriers with an increased allowance would be to take House action on S. 3050, I requested the current views of the Post Office Department and the National Rural Letter Carriers' Association.

Mr. Speaker, I would like to read into the RECORD at this point the reply I received from the Postmaster General and from the president of the National Rural Letter Carriers' Association:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., April 18, 1958.

Hon. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: You have requested the views of the Post Office Department concerning proposed legislation providing an increase in the equipment-maintenance allowance for rural carriers, which is scheduled for consideration by the House of Representatives next week.

The Post Office Department recommends enactment of legislation along the lines approved recently by your committee, increasing the equipment-maintenance allowance to 10 cents a mile with a $3.50 per day minimum.

I trust this is the information you desired.

Sincerely yours,

ARTHUR E. SUMMERFIELD,
Postmaster General.

NATIONAL RURAL LETTER CARRIERS' ASSOCIATION,
Washington, D. C., May 1, 1958.

Hon. TOM MURRAY,
Chairman, House Post Office and Civil Service Committee, House Office Building, Washington, D. C.

DEAR CHAIRMAN MURRAY: The National Rural Letter Carriers' Association is pleased to be informed of your intention to offer a motion before the House to suspend the rules for immediate consideration of S. 3050 with amendment to provide the increases approved and reported by the House Post Office and Civil Service Committee.

The need of this legislation to increase the equipment-maintenance allowance paid to rural carriers has been well substantiated. The loss resulting from the required vehicle expenditures in excess of the present allowance set in 1951, highlights the need for corrective legislation.

We commend you and fully approve of your planned action in the hope that it will lead to early passage of the bill. We trust that all Members of the House may see fit to support your motion.

Sincerely yours,

RAY L. HULICK,
President.

Mr. Speaker, I know of no opposition to this measure. It is certainly meritorious legislation. Unquestionably the maintenance allowance for rural carriers should be increased by the 1 cent, along with the minimum allowance of $3.50 per day for all rural carriers except those on heavily patronized mounted routes where the minimum will be $6 a day. The cost of this legislation is $5,900,000 per year.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from California.

Mr. ROOSEVELT. Mr. Speaker, first I should like to make it clear that I am certainly not opposed, in fact, I heartily support the bill now before the House. But in view of the extreme need for the legislation which is now in conference regarding an increase of pay for postal employees and other matters that are in conference, I should like to ask the distinguished Chairman of the committee if he could at this time give the House some understanding of the situation so that we may be able better to respond to the inquiries of some of those who are vitally interested.

Mr. MURRAY. Mr. Speaker, I will say to the gentleman that the legislation involving a pay raise for postal employees and also an increase in postal rates is still in conference. The conferees have met on several occasions and they expect to meet again this week. We have made some progress, but we have not resolved all differences yet.

Mr. ROOSEVELT. Does the gentleman feel, because of the extreme urgency of the matter, that there is some hope of agreement within the immediate future?

Mr. MURRAY. I certainly hope so.

Mr. ROOSEVELT. I thank the gentleman; I sincerely hope that we may have progress at the earliest possible time.

Mr. REES of Kansas. Mr. Speaker, I yield such time as he may desire to the gentleman from Michigan [Mr. CEDERBERG].

Mr. CEDERBERG. Mr. Speaker, I rise in support of this legislation. As one member of the subcommittee who worked on it I feel that we have had justified in our hearings the request by the rural carriers for an additional equipment allowance. This bill, as was explained by the distinguished chairman of our committee, provides our carriers 10 cents per mile and a $3.50 minimum, or a $6 maximum. I do not believe it is necessary to take up the time of the House further with this bill. Everyone, I am sure, understands it. The need is apparent.

However, inasmuch as I have a few minutes, I should like to take the time to reply to the distinguished gentleman from California [Mr. ROOSEVELT] regarding the conference to which he referred. It seems to me that there has been altogether too much politics played with the economic well-being of our postal workers. Here in this bill is an example of a compromise between our two bodies. The original Senate bill called for 11 cents a mile and a minimum of $3.50. The House bill called for a $4.00 minimum and 10 cents a mile. The bill we have before us provides for 10 cents a mile and a $3.50 minimum. Everybody gave a little bit, everybody is happy. I think we ought to have a real meeting of the minds in this conference and come out with an equitable rate bill and an equitable salary bill. There are differences of opinion, but I know of nothing that we do here that is not the result of some compromise.

I offered an amendment to the bill last year to increase salaries 7½ percent. I am convinced that an overwhelming majority of the employees would have been very happy to have that 7½ percent for 1 year now instead of wondering exactly what is going to happen. So that I hope we can reach some kind of a reasonable agreement.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from California.

Mr. ROOSEVELT. Mr. Speaker, I join the gentleman in his hope that we may have an equitable compromise. It seems to me that the one danger we face is that if we put this thing off long enough, then if there is a possibility of a veto, and if there is a veto, there will not be enough time to do anything about it. We should stop playing politics. We ought to pass what the Congress thinks is a fair and equitable bill. The President may give his views upon it, or he may sign it. But at least we should not leave these postal employees, as well as the classified employees who are also waiting upon this legislation, wondering whether their Representatives in Congress are ever going to do anything about it.

Mr. CEDERBERG. You recall that last year we took action in plenty of time, but the final action was not taken until a few days before we adjourned, knowing full well that a veto was coming. But, everybody went home and said, "I did my best for you."

Mr. ROOSEVELT. That is right. Let us not go home and do the same thing this time.

Mr. CEDERBERG. That is right.

There is another problem, of course, and that is the problem of trying to write off $300 million or $400 million postal deficit as a postal service. But, I want to say, I will follow the chairman of my committee in that regard because I think he knows more about postal legislation than anybody in this body.

The SPEAKER. The gentleman has consumed 4 minutes.

Mr. REES of Kansas. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Speaker, I rise in support of the bill with the provision of the 10-cent-per-mile allowance for equipment maintenance. I strongly endorse this increase. I also should like to most emphatically associate myself with the views expressed by the gentleman from Michigan [Mr. CEDERBERG]. I commend the comments made also by the gentleman from California [Mr. ROOSEVELT]. I hope he will use his prestige to influence those within his own party to expedite a resolution of the problem of the rate increase and the pay increase. I hope above all that we will not permit the apathy if not actual hostility of certain Members of the Congress to a reasonable rate increase to stand as a hopeless roadblock to a pay increase which is needed. It seems to me it is a matter of the highest responsibility that we meet both of these problems in view of the fact that now, by action of the other body, the two have been tied together. I share the hope that action will be taken expeditiously for the good of the postal service and out of fairness and justice to the employees.

Mr. REES of Kansas. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. HENDERSON].

Mr. HENDERSON. Mr. Speaker, I rise in support of the legislation that is before the House this afternoon. It is legislation which is badly needed. In my own district in southeast Ohio this legislation is needed to a far greater extent possibly than in some other portions of the country because of the nature of the terrain and the nature of the roads we have in that section of the country. I have talked with a great number of our rural carriers in the 15th District of Ohio who have demonstrated that this legislation is necessary. Certainly, in view of the rising costs in the operation of motor vehicles, an increase of 1 cent is well warranted.

I wish to take this opportunity to commend the Committee on Post Office and Civil Service and its chairman and ranking minority member for bringing this legislation to the floor at this time, and I commend them for their very tireless efforts with the other body to effect a compromise which will make this legislation a reality in the very near future.

Mr. MURRAY. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas [Mr. BREEDING] may extend his remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BREEDING. Mr. Speaker, I should like to state at this time my intention to support the measure presently before us which calls for what I consider to be a justifiable increase in the equipment-maintenance allowance of rural carriers.

This Senate-approved legislation, which I hope will be passed by this body today, takes recognition of the rural carriers' adverse economic position with respect to equipment-maintenance allowances.

I think that Mr. Ray L. Hulick, president of the National Rural Letter Carriers' Association, crystallized the purpose and desirability of this legislation when he told the House Committee on Post Office and Civil Service that the rural letter carrier cannot meet present-day operating costs on a 1951 allowance.

The rural letter carrier, Mr. Speaker, is charged with the responsibility of purchasing, maintaining, and operating an adequate vehicle for the performance of the duties of the position. I understand that he cannot be reimbursed for actual expenses, even though they exceed his allowance, and the deficit is an actual dollar assessment against his salary.

Reportedly, on many routes the rural letter carrier is actually subsidizing the Federal Government by operating at an approximate annual deficit of $150. Higher annual operating losses have been reported on many other rural routes.

Mr. Speaker, rural letter carriers operate mobile post offices which serve one-fifth of the entire Nation. With the costs of the rural carrier's basic equipment—autos, tires, gas, repairs, licenses, and insurance—constantly climbing, and with his equipment-maintenance allowance remaining fixed and constant, the rural carrier finds himself in a severe economic squeeze.

In order to insure that the some 35 million rural and suburban patrons of the rural letter carrier continue to receive the same superior postal service to which they have become accustomed, I urge that the House act favorably on this legislation designed to grant a measure of economic relief to the rural carrier by modestly increasing his equipment-maintenance allowance.

Mr. REES of Kansas. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Speaker, in approving this particular piece of legislation, I should like to say I think the Congress, if it fails to bring forth and pass a sufficient raise in salaries of the underpaid group of Federal employees, it will be very derelict of duty. Undoubtedly, three-fourths of the postal and Federal employees now receive wages and salaries less than that required to meet the present-day standard of living.

This Congress, it seems to me, owes legislation that will at least bring the salaries of that group up to the present cost of living.

Mr. REES of Kansas. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. BOW].

Mr. BOW. Mr. Speaker, I rise in support of this legislation.

The rural carriers of America, and particularly of the 16th Congressional District of Ohio, comprise one of the finest groups of men I have ever known. They are devoted to their duty and are generally beloved by their patrons on the rural routes.

This small increase we are giving them today will partially compensate them for their additional expenses brought about by inflation. I sincerely hope that if there is no other adjustment for them that the next Congress will again give careful study to their problem.

Mr. Speaker, I join with the gentleman from Michigan [Mr. CEDERBERG] in deploring the fact that politics have again entered into the consideration of the increase of salaries for postal workers. Since I have been a Member of Congress, as you well know, I have supported all of the postal employees pay increases which have come before the House. I still think they are underpaid; and I am fearful that the bill, if reported out of the conference committee, will not fully compensate this great number of Government employees in the Post Office Department.

In the last Congress, Mr. Speaker, we passed a postal pay raise late in the session. It then went to the other body, and was delayed there until the last days of the session, with full knowledge that a Presidential veto would undoubtedly kill the bill, for Congress would have adjourned and there would be no chance to override the veto.

Mr. Speaker, prior to the adjournment of that Congress I urged prompt action on the bill and publicly stated that I would vote to override the veto if it came. But, because of political shenanigans, I never had a chance to fulfill that pledge.

It seems to me we may be facing somewhat the same situation today. There has been delay upon delay in the conference committee, and I can foresee the possibility of the bill not being agreed upon until it would be too late to override a veto if it should come.

Mr. Speaker, it is unfortunate that thousands of fine American citizens employed by their Government should be deprived of their just rights in order to make political capital for people who have a lust for public office. I am pleased that we are, in a small way, making some progress in the adjustment and proper payment of rural carriers, but I am dismayed and saddened that the Democrat leadership continues to play politics with so important a matter as the livelihood of our postal employees.

Mr. REES of Kansas. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, S. 3050, with the proposed amendment, provides a fair and reasonable increase in the equipment maintenance allowance which is needed by our rural carriers. This legislation is identical in effect to H. R. 6371, as approved by our committee.

This legislation will, as the chairman of our committee has indicated, increase the present rural carriers mileage allowance from 9 cents to 10 cents a mile or $3.50 per day, whichever is greater, and authorizes an additional allowance bringing the daily equipment maintenance allowance up to a maximum of $6 on heavily patronized routes.

The need for this increase in the present equipment maintenance allowance, which was established July 1, 1951, is apparent. Costs for oil, gasoline, tires, and repairs have all increased over the intervening years at a significant rate.

The committee was unanimous in its feeling that the additional expenditure of approximately $5.9 million per year is amply justified in order to provide the rural carriers with equipment-maintenance allowances which will enable them to meet the increased costs they incur in providing vital mail service.

As has been pointed out, this legislation, with the proposed amendment, has the approval of the Post Office Department as well as the National Rural Letter Carriers Association.

I sincerely believe this legislation is worthy of prompt approval.

Mr. REES of Kansas. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. STAUFFER].

Mr. STAUFFER. Mr. Speaker, I endorse this legislation. I think it is very necessary. I have contacted many rural letter carriers who have been really behind the eight ball on their allowance.

I thoroughly endorse this legislation.

Mr. VURSELL. Mr. Speaker, I rise in support of S. 3050 that will give a much needed and deserved increase to the rural mail carriers of our Government.

This is a very modest increase in mileage of 1 cent a mile in their service to the people. I am glad to support this legislation.

Mr. THOMPSON of Louisiana. Mr. Speaker, I wholeheartedly support this legislation which will provide for an increase in the equipment maintenance allowance paid rural letter carriers. I state this support both for myself and on behalf of my colleague, the gentleman from Louisiana, JAMES E. MORRISON, ranking member on the Committee on Post Office and Civil Service, who has authorized me to speak for him today on this bill. Mr. MORRISON has long been cognizant of the problem of the Nation's rural carriers in attempting to operate and maintain their vehicles on an equipment allowance set in 1951. During the first session he introduced a bill, H. R. 6209, which would have accomplished substantially what will be provided by passage of this legislation today.

Rising costs both for replacement and daily operation have outstripped the amount received as reimbursement for providing the vehicles to do the job. The rural delivery service places a traveling post office at the mail box of more than 35 million citizens of rural and suburban America 6 days of each week. It is an invaluable service and is recognized as an important function of the postal establishment. The men and women who perform these daily tasks, though dedicated to doing the best possible job under all circumstances, can no longer be expected to bear the burden of cutting into their salaries to pay the vehicle costs which exceed their present reimbursement.

The committee amendment to the bill does not meet every need in properly adjusting allowances paid for this service. It represents the best solution, however, which could be worked out at this time. I would like to commend the Committee on Post Office and Civil Service for its work on this bill, and I commend The National Rural Letter Carriers' Association, who have dealt with all concerned with this problem in a true spirit of cooperation. In their work on this legislation they have unquestionably represented the best interests of their membership who need the benefit of the pending bill, and have done so by presenting sound factual data which clearly substantiates the urgent need for enactment.

The committee amendment provides an increase in the present mileage allowance of from 9 cents to 10 cents per mile or a minimum of $3.50 per day, whichever is greater.

Mr. Speaker, for Representative MORRISON and myself I urge that the House act favorably on this legislation with the committee amendment.

Mr. CRAMER. Mr. Speaker, I am pleased to concur with the statements of the gentleman made here today in

support of S. 3050, a bill essential to the effective operation of the rural-carrier system of this country. There is no doubt that this service has continued in the fine traditions of the postal service at the expense and direct cost to those men who serve in this capacity. The program of mileage and per diem allowances, which will be increased by the bill before us, will permit them to better serve and to more properly meet the demands placed upon the rural-carrier service. There is no doubt in my mind that the bill allowing additional expenses for rural-route carriers will go far to meet the rise of expenses that follow the cost-of-living pattern today.

Just as the passage of this bill is important to rural carriers, I believe it vitally important to many other segments of postal employees and the several branches of Government that other action be promptly taken by the Congress. I would first mention the present bill to raise the pay of postal employees. Now in conference along with the rate-increase bill, and having remained there since March 19, it is imperative that the members of the conference act quickly to report out a measure that will assist these faithful Federal employees so deserving of a cost-of-living wage increase. I hope that many Members of the House will join with me in this appeal to the conference committee to act promptly and present a bill to both bodies of Congress that can be quickly approved and bring about the only sound answer to more efficient and fiscally sound operation of post offices throughout the country as well as being the answer to the economic worries of these employees, worries that are very real.

Another of the measures that presently is awaiting Congressional action is the bill S. 72 to benefit civil service annuitants. These retired people are hard put to it to live on fixed incomes based on retirement provisions of many years ago. They do not fit the increased cost of living today and it is incumbent upon us to meet this problem with passage of a measure for their benefit. I have this problem brought to my attention quite forcibly since I represent what is probably one of the largest retirement areas of the country—the Tampa-St. Petersburg-Clearwater section of the west coast of Florida. Again we find that this bill has been in conference—first asked on April 2 and finally agreed to on April 22—and is in position of waiting to be reported out. I hope that the conference committee will act at an early date and enable us to pass legislation for the benefit of these deserving retirees who must not be forgotten in the days of leisure that they have so well earned.

Still another branch of Federal employees awaits our action to bring into line their salaries as they serve the people of the United States. I speak of the classified employees and the proposals now in committee to make their pay more commensurate with the jobs they are doing. I, personally, can see no reason we cannot act to expeditiously present a program, acceptable to the administration and this Congress, that will properly be a boost to the morale and living conditions of those who so faithfully serve the Government each day.

As we act, and I sincerely hope it is favorably, on this measure for the assistance of rural mail carriers increasing expense allowances, I hope that we will also set about promptly and judiciously adjusting the other problems of retirement and pay raises that I have mentioned. We are shirking our duty with delay.

Mrs. GRANAHAN. Mr. Speaker, on Monday of this week the House of Representatives passed S. 3050 with committee amendment to provide an increase in the equipment maintenance allowance paid to rural letter carriers. The Senate accepted the amended bill on Tuesday. It should become law within the next several days.

It was my privilege to serve as chairman of the subcommittee which originally considered this legislation. Hearings were opened on June 25, 1957. On that date the National Rural Letter Carriers' Association appeared and presented a well-drawn, sound, factual case which clearly demonstrated that the legislation was merited and fully justified. This association is to be commended for its valuable testimony at that time, which through the presentation of actual cost cases permitted the subcommittee to recognize the urgent need for an increased allowance. The bill introduced by Mr. PORTER, of Oregon, H. R. 6371, was unanimously approved by the subcommittee despite the opposition of the Post Office Department. It was referred to the Committee on Post Office and Civil Service and subsequently unanimously reported.

H. R. 6371 provided for 10 cents per mile with a daily minimum allowance of $4, plus additional allowances, which could be authorized by administrative action for carriers serving heavily patronized routes. Unfortunately the legislation was not considered during the first session despite the recognized need for an upward adjustment in these mileage allowances, and despite the interested efforts of myself and many others to expedite consideration. The Senate therefore acted before the House and passed S. 3050 providing for 11 cents per mile and a $3.50 daily minimum.

I feel that the 11 cents per mile was unquestionably justified on some routes, just as the higher daily minimum in the House bill was justified. The administration, however, would not support enactment of a higher rate and a compromise became necessary if this deserved group of employees should not longer be denied a more realistic reimbursement for the costs of delivering United States mail.

The major costs borne by rural carriers have increased on an average as follows: automobiles, 30 percent; gas and oil, 18 percent; tires, 30 percent; repairs, 75 percent; license and taxes, 42 percent; and insurance, 27 percent. These increased costs clearly demonstrated that the present 9 cents per mile allowance set in 1951 is inadequate.

The legislation which has cleared the Congress will provide a considerable measure of relief to these carriers. It will especially aid those carriers on routes of short mileage whose fixed costs such as depreciation and insurance are closely the same as those carriers on routes of long mileage. This will be possible through a new feature in law to provide a daily minimum of $3.50 for all routes. The subcommittee and the full committee supported this feature of a daily minimum in recognition of the fact that a minimum was necessary, and we did so even though any daily minimum was originally objected to by the Post Office Department.

I know the problems of rural carriers. I know the value of the great service they render. More than 1,500 rural carriers in the Commonwealth of Pennsylvania daily render a complete postal service to almost one and one-half million of our citizens. Civil servants who daily perform such an important task should not be expected to bear a portion of the cost from their salaries. That is exactly what the situation has been.

The total cost of this legislation for the fiscal year of 1959 is estimated to be $5.9 million. In these days when increased expenditures must be carefully considered and weighed, it is my pleasure to inform the House that the bill passed to increase these mileage allowances is amply justified.

The compromise on the amounts provided in the various bills was a realistic approach. I am pleased that S. 3050 was accepted by the Senate and trust that it will be speedily approved. I sincerely believe that in approving this legislation we have rendered a real service to the rural carriers who are so faithfully serving their Government and the public.

Mr. PORTER. Mr. Speaker, the House in passing S. 3050, a bill to increase the rural carrier equipment maintenance allowance from 9 cents to 10 cents per mile or to $3.50 per day, whichever is greater, has acted to correct a financial injustice which is presently imposed on this loyal group of postal employees. This meritorious and needed legislation has been of vital concern to me. I introduced a bill (H. R. 6371) in the House on March 26, 1957, which provided essentially what is provided in the legislation that passed the House this week.

The subcommittee, of which I was privileged to be a member, carefully considered all the testimony presented on the legislation. Overwhelming evidence made it abundantly clear, even at the time of these hearings in June 1957, that rural carriers were being required—in effect—to subsidize the Government in the delivery of rural mail. Costs of operation had exceeded the allowance paid to such an extent that it was actually taking of their salary dollars to cover the required expenditures to provide the vehicle to do the job. Factual, substantiating data clearly established the need and justification for an increase in mileage allowances. Despite this obvious conclusion, the Post Office Department opposed this legislation last year.

Our subcommittee carefully considered the testimony and facts presented at the hearings on this legislation. The apparent need of an increased allowance

resulted in my bill being favorably reported to the full committee. On July 25, 1957, the bill was unanimously approved and reported by the Committee on Post Office and Civil Service.

It is unfortunate that the House did not have the opportunity to act on this legislation earlier. However, I commend the distinguished Chairman of the Committee [Mr. MURRAY] and the leadership of the House for expediting consideration at this time.

The need of higher allowances was also indicated in hearings held during the current session before a subcommittee in the Senate. The antipathy of the Post Office Department to this financial plight of the rural carriers was gone this year, and testimony presented in the Senate was an acknowledgment than an upward adjustment in these allowances was necessary. As a result of the hearings in the Senate, a bill was reported which reflected more liberal provisions than that reported by our committee last year. The Senate accepted S. 3050 as reported by the Committee on Post Office and Civil Service and in that action transferred responsibility for prompt action to the House.

Many of my colleagues in the House as well as myself favored the more liberal provisions of the Senate bill. The points of difference in the two bills had to be resolved and the only sensible solution was to seek an intermediate point of acceptable agreement. Concessions were necessary. The bill which cleared the House and was accepted by the Senate was, in my opinion, the very best that could be had at this time.

Mr. Speaker, I would like to commend the officers of the National Rural Letter Carriers' Association for their tireless and successful efforts to blend the differences of thinking and opinion which existed in regard to this legislation. In representing this large group of postal employees they have ably demonstrated that they are not too bigoted to accept reasonable compromise, when it becomes clearly evident that such action is necessary. They have rendered a service to the Congress by assisting in uncovering the facts so necessary to permit us to act wisely on legislation. They have further rendered a service to their membership, and have acted in their best interest by facing up squarely to the realities of the moment. Their judgment in recognizing the necessity of the compromise between the two bills should result in the rural carriers of this Nation receiving an increased mileage allowance in the near future.

It is my hope that the President will not delay signing the measure. These increased allowances are necessary to help these employees more nearly meet the present-day costs of delivering rural mail to the 35 million postal patrons of the rural free delivery.

Following passage of S. 3050 by the House on Monday of last week, I received the following telegram:

> On behalf of the rural carriers of the Nation, we wish to express our sincere appreciation for your efforts in connection with the equipment allowance bill which passed the House today. We are deeply grateful for your able assistance in the House passage of this meritorious and needed legislation.
>
> RAY L. HULICK,
> *President, the National Rural Letter Carriers' Association.*

I want the rural carriers of the Nation to know that it was a pleasure to work with their organization, with the Committee on Post Office and Civil Service, and with my colleagues in the House in the interest of legislation to correct their financial plight, and to relieve them from personally bearing undue expenses to perform a valuable government service.

The SPEAKER pro tempore. The question is, Shall the rules be suspended and the bill passed?

The question was taken; and the Speaker pro tempore announced that in his opinion two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

A similar House bill H. R. 6371 was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. MURRAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection?

There was no objection.

RAILROAD LEGISLATION

Mr. POFF. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. POFF. Mr. Speaker, last week the House passed a bill to help unemployed workers covered by the Unemployment Compensation programs administered by the States. Railroad workers are not covered by those programs and will receive no benefit from this legislation. The Railroad Unemployment Compensation program, financed by a special tax and administered under the auspices of the Federal Government, deserves the immediate attention of Congress, and I trust that the Committee on Interstate and Foreign Commerce will promptly report a bill for the benefit of the unemployed railroad worker. During the month of March, the Roanoke office of the Railroad Retirement Board, which has jurisdiction over an area extending from the Shennandoah Valley and Lynchburg west to Smyth County, Va., reported 1,860 idle railroad workers drawing unemployment compensation benefits; in the month of April, the figure was 2,263. These figures include workers furloughed from the Norfolk and Western, Virginian, Southern, and Chesapeake & Ohio Railroads. They and their families suffer the same hardships as the families of any other unemployed workers, and in good conscience, this Congress cannot treat them with less concern.

Mr. Speaker, I am also concerned about the legislative stalemate on a number of bills to amend the Railroad Retirement Act. Although scores of such bills have been pending in the committee since the 85th Congress convened in January 1957, not a single significant measure has been passed since August 7, 1956, the effective date of the 10-percent increase in retirement and survivor annuities, pensions and insurance-lump-sum benefits. On the other hand, Congress this year has already passed a 6-percent increase for retired military personnel and legislation for the benefit of certain retired civil-service workers. Under what moral or legal justification can Congress continue to ignore the railroad worker? Have we forgotten that the railroad worker and his employer finance and own the Railroad Retirement Fund and that Congress and the Railroad Retirement Board are trustees only? Petitions bearing the names of thousands of anxious railroad workers all over the Nation, both active and retired, are gathering dust in the committee's files. They demand and deserve action and not empty promises about what may be done next month or next year.

Another matter of great importance to both the employed and the unemployed railroad worker is the bill to repeal the 3 percent and 10 percent excise taxes on the transportation of freight and passengers.

During the war, the Federal Government levied excise taxes on many commodities and services loosely described as "luxuries." Many of these taxes were imposed not so much as revenue measures but as regulatory devices. Taxes on products made of materials which were of strategic importance to the mobilization effort were designed to discourage the purchase and thus the manufacture of such products. Because of troop movements and the transportation of the munitions, weapons and hardware of warfare, it became necessary to curtail all but essential civilian transportation. Remember the question, "Is this trip really necessary?" screaming from posters in bus, railroad and airplane terminals? It was decided that a tax on the transportation of freight and passengers would discourage nonessential civilian travel and transportation, and in 1942 a tax of 3 percent was imposed on freight and in 1943 a tax of 15 percent on passengers. In 1954 the tax on passengers was reduced to 10 percent.

Now that the wartime transportation crisis is gone, the justification for these taxes is gone. Instead of a policy of restriction, our Government must adopt a policy of stimulation for the transportation industry which is now threatened with a financial crisis of its own. I called attention to this problem on the House floor on March 17. Last week, a Senate subcommittee recommended repeal of these excise taxes.

According to the budget estimate, the freight tax is expected to yield $230 million and the passenger tax $487 million in fiscal year 1959. However, the repeal of these taxes would not mean a $717 million revenue loss. Repeal would mean increased earnings for the carriers, on which the 52 percent corporate income tax rate would apply.

Indeed, some fiscal authorities have predicted that, by reason of stimulation of business and increase in employment, repeal of the transportation taxes would ultimately result in an increase in Government revenue.

It must be remembered that these taxes apply only to transportation for hire. Big industries which can afford to do so can avoid the freight tax by purchasing their own trucks and barges; small shippers cannot. Moreover, since the tax is applied as a percentage of total freight charges, the short-haul shipper enjoys an advantage over his long-haul competitor.

The consumer is one of the principal victims of the tax. The commodity he buys sometimes passes through several different for-hire transportation stages. At each stage the freight tax is imposed and the pyramid grows ever larger.

As I have already stated publicly, and as I have said in all of my correspondence since the legislation was first introduced, I favor the repeal of these taxes under the conviction that repeal would stimulate business, relieve the unemployment problem, eventually increase Government revenue and help to stabilize the transportation industry which is so vital to America's welfare, both in peacetime and wartime.

TENACITY OF THE POLISH PEOPLE

Mr. PRICE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, the test of a nation, many times in history, has been its endurance under pressure. In the minds of many of the people of Poland, this May 3, there will be memories of national glory and freedom, memories of a nationality dwelling in liberty, a society self-governing and seeking social progress in its own way. Every citizen of Poland who remembers May 3 is his national holiday, his country's Constitution Day, will make his contribution to the eventual restoration of his native land.

All of us know the realities of the present situation. The Soviet Union served notice by sending its troops into Hungary that it would smash down any attempt to raise the banner of independence among the peoples of central Europe. The new master of the Kremlin, Khrushchev, has failed to agree that the summit conference he demands should deal with the question of freedom of choice for the captive nations. Our requests for such discussions are treated by the Soviet Union as an interference with the domestic affairs of those the Communists dominate.

But if we recognize the reality of naked force, the power exerted at least temporarily in Poland by the Soviet Union, let us not fail to recognize the other reality—the tenacity of the Polish people under alien intrusion.

The constitution of 1791, the 167th anniversary of which is celebrated this week, was approved in a time of great crisis and struggle. It was drafted and adopted by enlightened minds of a remarkable century, stirred to visions by the American Revolution and the ideals of the French Revolution.

Only a few short years later, as history is counted, Poland underwent partitions that appeared to have wiped her out as an independent nation. Yet she endured. She was revived more than a century later—and her constitution of May 3, 1791, was used as a point of reference in her constitutional documents of the revival.

The Polish people today, by the 1956 demonstrations in Poznan and elsewhere, have a measure of self-determination that would not have been expected. Those in this House who have had the privilege of knowing her people, in recent years, know that her rulers may be Communists but that her farmers and workers and businessmen are not.

I suggest, Mr. Speaker, that it will not be a miracle when in the fullness of time Poland once again is wholly free; it would be more startling to consider that her freedom is forever lost. It would be wholly out of character for the Polish people to abandon their sense of nationality, their desire for full independence, or their religious fervor and we may well have confidence that today, as in the generations past, they will prove again that ultimate strength and victory rest with them.

RECIPROCAL-TRADE PROGRAM

Mr. DORN of South Carolina. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN of South Carolina. Mr. Speaker, the American Legion is against extension of the present so-called reciprocal trade program. The national executive committee of the American Legion assembled last week in regular meeting at Indianapolis, Ind., and unanimously adopted a resolution strongly opposing injury to domestic American industries essential to American defense and our economic well-being. This is the first time in the 39-year history of the American Legion that they have found it necessary to take a position on our foreign-trade policy. This is a significant event.

The American Legion represents a cross section of the entire United States, a cross section of our laboring people, a cross section of our industry, and farmers. The American Legion has always taken a strong stand for national defense. The Legion believes in a strong America. They realize that America cannot continue to be the arsenal of democracy, the heart and core of the free world if our essential industries are to be destroyed by a flood of imports from low-wage foreign countries.

Proof is pouring in from all over the country about severe injury to the textile industry, chemical industry, independent oil, coal, plywood, watch, machine tool, glassware, sewing machine, and many other vital industries. The creation of these industries close to the periphery of Russia, at the expense of our own, will weaken the free world and will place these industries in closer proximity to enemy air, sea, and ground forces.

I commend the American Legion for taking this forthright step in the interest of our national security. Mr. Speaker, let me read to you this splendid resolution as adopted by the American Legion at Indianapolis last week:

Whereas certain American industries, labor, and segments of our agriculture, essential to our defense and the economic welfare of this country, are being injured by the provisions and administration of the Reciprocal Trade Act; and

Whereas the continuance of this act and its administration will seriously effect the defense of the United States, and

Whereas we are becoming more and more dependent upon industry, agriculture, and raw materials located near Communist-dominated countries and in easy reach of potential enemy army, navy, and air forces: Now, therefore, be it

Resolved by the national executive committee of the American Legion, in regular meeting assembled in Indianapolis, Indiana, on April 30, and May 1 and 2, 1958, That the American Legion urge the Congress to enact legislation and the United States Government to adopt a foreign-trade policy that will prevent the injury to or liquidation of industries essential to the defense and the economic welfare of this country.

POLISH CONSTITUTION DAY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. DINGELL] is recognized for 2 hours.

Mr. DINGELL. Mr. Speaker, I am most happy to note that the House is at this time being presided over by a distinguished Member of this body, a very dear and close personal friend of mine, a distinguished American of Polish ancestory, who was born in Poland and served in the Polish Army in World War I. He is serving his First Congressional District of Michigan and the people in our State of Michigan with distinction and honor.

I would like at this time to salute my dear friend and colleague, the gentleman from Michigan [Mr. MACHROWICZ], who is presiding at this time.

I ask unanimous consent that all Members who may desire to do so may have 5 legislative days in which to revise and extend their remarks on this subject.

The SPEAKER pro tempore (Mr. MACHROWICZ). Is there objection?

There was no objection.

Mr. DINGELL. Mr. Speaker, today is a very happy date. It is the 5th of May. May 3, the day which we celebrate today, is the anniversary of the Polish Constitution of May 3, 1791.

As an American of Polish antecedents, I take great pride in this day and in the Polish Constitution, May 3, 1791. It is a written expression of the Polish people of every faith, and their firm belief in

freedom and in the dignity and equality of man. It is the first expression of its kind in Eastern Europe.

The 18th century, Mr. Speaker, was an age of revolutions. New ideas were fermenting and developing and were spreading through the Western World, especially during the last half of the century. In this country the American Revolution resulted in the Declaration of Independence and the constitutional form of government. In France the clamor for liberty, equality, fraternity let loose a flood of revolutionary ideas which had no bounds. And in Poland, in spite of the weight of three alien oppressors, a new spirit of freedom again made itself manifest. Toward the end of the century it expressed itself in the constitution whose anniversary we celebrate today.

The Polish Constitution of 1791, drafted and adopted on May 3 of that year placed for the first time in the history of Poland, or in Eastern Europe, a real check on the absolutism of monarchy. The irresponsible council form of government which had plagued Poland for centuries was cast aside, and ministerial responsibility and guaranteed written pronouncements of freedom for all of Poland's citizens were introduced in its place. Intricate and obsolete features of the old unwieldly system were abolished, and class distinctions among citizens were reduced. Personal privileges formerly enjoyed only by the few were extended to the broadest point in the history of Poland. Townsmen received privileges which had formerly been enjoyed only by the nobility, and peasants were placed under the protection of the law for the first time. Religious freedom was guaranteed to all.

All these features represented a decided advance over anything yet known in eastern or central Europe. Thus the Polish Constitution ushered in a new age not only for the Poles, but also for all east Europeans, and indeed for all men. Today, on the 5th of May, we join with the Poles everywhere in commemorating the 167th anniversary of the adoption of that historic document, for embodied in it is the living Polish faith in freedom and independence, thus contributing a major contribution to the heritage of the people of the West; and I add that the expression of the Polish people's faith in the freedom and independence of all men was manifest in the remarks of great Poles like Kosciusko and Pulaski. When they came over to this country to fight for America's freedom they were asked: "Why do you leave your homes so many thousands of miles away to come to fight for our freedom?" Their reply was characteristic: "We fight for your freedom and for our own."

To the patriotic people who suffer alien oppression, just as their ancestors suffered after Poland's partition among her greedy neighbors, this Constitution Day is of profound significance. It means a reaffirmation of their faith, in indeed our faith, in the eventual permanent achievement of political liberty, civil rights, and national independence by Poland and by men of all nations.

It is a day of renewed hope for all those whose freedom has been suppressed, and a day of warning for the Communist tyrants who have suppressed it. I gladly join the Polish-Americans and other Americans and the Polish people themselves, suffering under Communist domination, in the celebration of this great anniversary of Polish Constitution Day.

At this time, Mr. Speaker, I am glad to yield to my distinguished friend and colleague, the gentleman from Michigan [Mr. CEDERBERG.]

Mr. CEDERBERG. Mr. Speaker, I want to join my colleague, the gentleman from Michigan [Mr. DINGELL] in paying tribute to this Polish Constitution Day.

Certainly the Polish people who come to this country have been among our foremost citizens. I know of no more devoted group of people than the Polish citizens who came here and who have made themselves great Americans.

I think too, and I say this in all sincerity, of the fine Members of this body of Polish extraction. Though we may differ sometimes, yet on points of deep significance no one can ever question the patriotism of these fine gentlemen who serve in our Congress. I believe in particular that the gentleman from Michigan [Mr. DINGELL], should be complimented for bringing this to the attention of the American people at this time, and I want to join with all Members who have Polish people in their districts in saying that we recognize the great achievements of the Polish people in this country and we hope great things for Poland itself, and that through the years we may find her people in a position to take an even firmer stand toward the West and be able to express themselves in a great wave of freedom which will mean a great deal to the entire world. I know of no people who are more freedom loving than the Polish people.

Mr. DINGELL. I thank the distinguished gentleman. At this time, Mr. Speaker, I yield to my very distinguished friend, the gentleman from Illinois [Mr. KLUCZYNSKI].

Mr. KLUCZYNSKI. Mr. Speaker, ever since it has been my privilege to represent the Fifth Illinois District, I have never missed the opportunity to express my thoughts with respect to the anniversary of the Polish Constitution Day, which is May 3. A large number of Members have spoken on the subject, year in and year out.

May 3 was the 167th anniversary of Polish Constitution Day and once again, let us remind the entire Free World that, although Poland its brave and gallant people are still enslaved by the regime of a Communist dictatorship, the spirit of the democratic May 3 constitution is still alive. Although suppressed for years under Stalin's tyranny, even the present Warsaw regime makes mention of the fact that this constitution exists.

One hundred years ago, Adam Mickiewicz, the great Polish poet and patriot who lived in exile in Paris, in his Words to the Immigration, published in the People's Tribune had this to say about the May 3 constitution:

> The Polish cause will once again come up before the world's tribunal, not through any other way but by means of a general political thunderstorm. Did not we have in the past one common act, one written law, the spirit of which we ought to deeply penetrate? This was not a law that resulted from the brainwork of a single clever human being, but it was taken from the hearts of a great mass of people. Not only does it stand out black on paper, but it lies in the memory and desires of generations. It is an existing law, deep rooted in the past which yet will develop in the future. We do have the constitution of May 3.

It is strange and worthwhile to record, continues Mickiewicz, that since 1791 Europe saw so many constitutions, widely discussed, admired, clever ones and yet forgotten. France alone digested over a dozen. The Italians, the Germans, and the Spaniards had sworn to adhere to them. They cursed them and now they poke fun at them and despise them. Only one constitution, that of May 3 is being respected, the one of the Polish nation. There are 2 elements, 2 spirits in the constitution of May 3. One of them is the foreigner, the Frenchman who came from Paris. It was he who in the course of the 4-year Sejm stirred up long discussions without end, discussions of the essential rights, the division of authority, discussions as to the time element involved and the constitution's effectiveness and its future reform. In one word it was the whole rhetoric chatter that was so well used by Moscow's partisans. But there is another element in the May 3 constitutiton which survived tupes and Ruosso's theories—the national element, the child of old traditions fed with the needs based upon the desires of the nations. This element could not be wiped out by tenths of years of slavery. And that is why it is so true and a beautiful thing to say that the constitution of May 3 is a political testament of old Poland. Mickiewicz in his conclusion went on to say this:

> Another wish of the propaganda of liberty is not expressed in contemporary political language, but it can be felt in this constitution. One of its articles says that "everybody coming on Poland's soil shall be a free man." This article alone reaches much further into the future than all other European constitutions.

Mr. Speaker, in speaking on the same day on this same subject for a number of years, I have stressed the democratic character that this constitution embodied. I have mentioned the historical background surrounding the events that led to the ratification of the May 3 constitution and I have shown how our own Declaration of Independence had inspired the Poles to adopt their most democratic charter of all times. I would like to conclude by saying that I have one wish, one that does not apply to the freedom-loving people of this country of ours, but to all people back in Poland enslaved by a regime that calls itself the people's democracy of Poland. That wish which comes from the bottom of my heart and from all the men I represent here, is for a speedy return to an independent, sovereign, and free Polish Republic.

Mr. Speaker, I yield to my distinguished friend from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Speaker, I ask unanimous consent to extend my remarks

at this point in the RECORD, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BENTLEY. Mr. Speaker, it is my pleasure to join many of my colleagues in the House today in calling attention to the 167th anniversary of free Poland's national holiday, otherwise known as Poland's Constitution Day. At a time when a definite possibility exists of keeping Poland apart from a position of complete subservience to Moscow, it is indeed appropriate that we take advantage of every opportunity to encourage the Polish people and their government in their efforts to make continued progress toward whatever degree of limited independence they may find feasible.

It was my privilege to pay a brief visit to Poland only a little over a year ago. As limited as my stay in Warsaw was, I learned enough to convince me that the Polish people are continuing their historic resistance to communism, especially the Soviet variety. The present Polish Government, while still a Communist regime in name, has on several occasions in the recent past demonstrated an attitude of independence from those policies dictated by the Kremlin. I believe it is almost certain that without the economic assistance, in the form of good business loans, which this Government has furnished and is continuing to furnish to Poland, Gomulka would not have been able to remain in power. The only possible alternative at this time would be a Soviet-controlled puppet, a development which would help neither the Poles nor ourselves. I have supported, therefore, this program of economic assistance to Poland and shall continue to do so as long as the possibility exists of maintaining the limited degree of independence which the Poles now enjoy.

They today represent our only possible foothold behind the Iron Curtain. If we are unprepared or unwilling to support, as events at the time of the 1956 Hungarian uprising clearly proved, a policy of liberation by revolution, it is obvious that we must of necessity attempt to support movements of liberation by evolution. Since Poland offers not only the best but the only chance for success in this direction at this time, and since the question of liberation is a cornerstone of our foreign policy, I feel we have no alternative but to do as we are now doing with respect to Poland.

At this point, I wish to include the text of an article entitled "Why Russia Has Poland Trouble," which appeared in the April 12 issue of the Saturday Evening Post. This article very effectively presents a picture of the present situation in Poland:

WHY RUSSIA HAS POLAND TROUBLE

(By James P. O'Donnell)

"The gentle French dreamer Fourier predicted
That one day the oceans would run with lemonade.
Our leaders drank the sea water,
And they shouted: 'It tastes like lemonade.'
Then quietly they crept to their homes
To retch and vomit."

(Comment on communism by Polish Communist poet, Adam Wazyk)

WARSAW.—It's late winter, Warsaw, and cold outside. In one spacious midtown square, where the rough cast-iron statue of Dzerzhinski glowers down on shivering passers-by, it always seems 10° colder. Dzerzhinski, the ice-cold revolutionary, is a half-forgotten ghoul today. But once he was a dread name that made even Lenin and Stalin wince.

Why Dzerzhinski, and why here? The Poles are loath to admit it, but Bolshevik Feliks Dzerzhinski was born a Pole. He was the first secret police chief of the Cheka, which became the OGPU, which became the NKVD, and now is the MVD. This ugly statue, like the nearby skyscraper Palace of Culture, is a gift from the Soviet people to the Polish people. In the same sense that the wooden horse was a gift from the Greeks to the people of Troy.

This monster monument is as popular in Warsaw as would be a memorial to Oliver Cromwell in Dublin, General Sherman in Atlanta, Ga., or Benedict Arnold at West Point. If there is any form of humanity patriotic Poles despise more than Russians, it is Poles who do the dirty work for the Russians—Dzerzhinski a generation ago or Marshal Rokossovsky just yesterday.

In the sullen, restless climate of opinion in Poland there are many elements and emotions neither clear nor simple. It would be false to try to make them so. It is best to begin this report with an accent on simple glandular hatred, the historical Polish hatred of all things Russian except vodka, come Cossack or come commissar.

To miss this simple truth is to miss everything. It boils up in every discussion, has provoked one recent explosion and threatens another. Often it hits the visitor in the face like a spanking breeze off the Vistula. Recently, trying to mend some prestige fences, the Soviet Ministry of Culture sent to Warsaw one of the best plays in the Moscow repertory, a modern problem drama by the poet Mayakovsky. Up went the opening curtain, revealing the fine living room of a well-heeled Moscow citizen—leather-bound books, a warm fireplace, a TV set and a resplendent new electric refrigerator. Peals of mocking laughter swept the Warsaw first-night audience. When the perplexed Russian director came out front to discover what had gone wrong this time, the haughty Poles were only too keen to tell him:

"Today, we may be too poor to afford that icebox, but we are civilized enough to know it belongs in the kitchen, not the parlor."

Almost all Polish jokes about the Ivans have this lace-curtain fringe, variants on the basic theme that the Russian pig is unwanted in the Polish parlor.

As an American reporter, only in Turkey have I ever before met such violent revulsion against the Russians as a people, a popular vocabulary in which the words "Soviet," " Russian," and "Communist" are a single anathema. The Poles, the Irish of the Slavs, are much more volatile and loquacious than the Turks, and Turkey at least lies outside the Soviet sphere of influence. But geography keeps Poland within the sphere, semi-demi-free. This is the terrible danger. Poland is a satellite wobbling on its own axis, propelled by an intense desire to seek a national orbit of its own, to explode itself into freedom.

In the Polish rebellion of October 1956, what radio Warsaw called Our Springtime in October, the wrath of the people demanded, and got, the removal of the pseudo-Pole Marshal Rokossovsky as commander in chief of the Polish army. Students and workers in Warsaw almost toppled Dzerzhinski too. They scaled the pedestal and smeared his hands with paint, blood red. The despised statue, like the whole Communist regime in Poland, teetered, but it did not fall. Why it did not fall is already part of the modern legend of Warsaw.

The time was early November 1956. The whole world had tuned in on the turbulent October in Warsaw, the stirring and heartlifting spectacle of a captive people clanking loose many of their shackles. Suddenly, world attention and Soviet malice were directed south, to the more dramatic and bloodier revolt of the Hungarians.

In those days, Warsaw and Budapest were quivering on almost the same frequency—it was sympathetic vibration. The rebellious spirit of Posnan and Warsaw had inspired the Magyars to try to go farther, faster. During the whole Hungarian upheaval the telegraph and telephone lines from Budapest to Warsaw remained in full operation. Polish reporters—three of whom fought with the Hungarians—filed the fullest running stories. Poland was first to hear the bad news from Budapest, when it finally turned bad.

As Soviet tanks moved on that bitter November 4th to crush the Hungarian freedom fighters, all Warsaw seethed with frustrated fraternal fury. By midnight a menacing crowd had assembled downtown, determined to do something, anything, to let off steam. They started to warm up by chanting patriotic songs laced with virulent anti-Soviet slogans: "Russian SS," "Ivan Go Home," "Katyn, Katyn, Katyn"—in memory of the 10,000 Polish officers murdered in Poland's Katyn Forest, in 1940, by the Soviet secret police. Soon the idea of toppling Dzerzhinski was broached. As one group moved on the statue, another set off to get crowbars and battering rams to storm the Soviet Embassy.

About midway between these two magnets of popular wrath stands a small Roman Catholic church. Word of the crowd's daring but hare-brained purpose was relayed to the archepiscopal palace of Stefan Cardinal Wyszynski, himself just out of prison. A cool churchman in a nation of born hotheads, the awakened cardinal hopped quickly out of bed, slipped into his red-piped cassock, was driven hastily to the church, and began saying one of the most unorthodox low masses in ecclesiastical history. (The time was now 3 a. m.) This symbolic and mollifying act, by a cardinal with a native knowledge of Polish psychology, managed to deflect and calm the maddening crowd. By such a thin thread did fearful decisions hang in the balance, and the thread is still thin today. Luckily, the cardinal is still as cool.

Recently I stood with a group of Warsaw students in front of the statue of Dzerzhinski. It impressed me as an awkward object for anyone to topple. But engineer students of Warsaw Polytech hastened to assure me to the contrary. After a measured study of stress and strain, they have decided the weak spot is in the ankles. These Warsaw students—there are 27,000 in the capital city—use their slip sticks and logarithm tables for more than academic homework. It is inspiring, but more than a bit frightening, to realize with what crazy courage these young Davids gaze straight into the eyes of the Soviet Goliath.

While the rest of the world marvels at the triumph of Soviet technicians in launching the sputniks, and Khrushchev boasts of shooting the moon, it is time perhaps to take a good inner look at this nagging satellite problem right on the ground. Poland is not on the moon. And today more than engineers ponder the question: "How strong are Dzerzhinski's ankles?"

Which is another way of asking: "How long can Gomulka last?" For 18 swiveling months now, this plucky little Communist has been defying all the laws of political gravity, still aloft as the boss of a bankrupt Communist party and state apparatus, buoyed up by the known anti-Communist

sentiments of 95 percent of the Polish people. Washington is coy about underwriting him, Moscow hesitates to shoot him down.

When a plodder becomes a tightrope walker, the suspense can be nerve-racking. Wladyslaw Gomulka was born to be lonely. Today he still walks alone, the tightrope over a chasm, and the end of the act may well be sudden and tragic. When he looks around today in Warsaw at his own 9-man politburo, he sees the faces of 6 men who betrayed him once before—when Stalin ordered his purge in 1948—the craven faces of men waiting for the cock to crow a second time. He speaks for the Poles on one issue only, sovereignty, a curious compact blessed by a Roman Catholic cardinal. Gomulka, coming out of jail, met the Polish people on the march toward national freedom. Both made a deal in the middle of the road. Poland today is a halfway house, but the middle of the road is a perilous place to build a house.

Poland today is half slave, half free, a twilight paradise for those who enjoy paradox, but a dismal day-to-day purgatory for the Polish people themselves. On the economic front, which many regard as critical, things are not much better—or worse—than in 1956; which is to say, they are desperate.

Poland is still a police state, but with the cops at the moment engaged in arresting their former chiefs and bringing them to trial, in a legal manner, for "crimes against the people," which were exactly that. Atheist communism is still the official state doctrine, but the state has thrown open school doors for voluntary instruction in the Catholic religion. Let the church, as Gomulka put it dourly, "go its doctrinaire Roman way." The press is still hobbled, but the censor spends most of his time blue-penciling anti-Russian and pro-American nuggets that wily Polish journalists and cartoonists work all day to slip into their copy.

Elections are still rigged, but Western reporters covering last year's Sejm (Parliament) election called it the most honest phony election ever held in Communist Eastern Europe. Marxist-Leninism is still the official economic religion of the state. Yet the Ministry of Agriculture is busily engaged in dismantling collective farms—fewer than 1,700 of some 12,000 remain—and this year the Polish peasant has more freedom to plant what crops he chooses than many peasants in Western Europe. Freedom of speech, which for several giddy months was universal, is still substantial. Nobody today can mount a soapbox in Constitution Square and denounce Gomulka, Khrushchev, or even John Foster Dulles. This must be done in a cafe or cabaret, and before fewer than 100 listeners.

What, then, is Gomulkism? Certainly it is something new under the sun. When this stubborn Pole was wafted back into power in October 1956, his cheeks still pale with the pallor of Stalinist prisons, many in the Western World welcomed Gomulka as a second Tito. But this analogy is in many ways false. Poland is enveloped in Soviet military power, like the ham in a sandwich.

First and foremost, there is geography. The rebel Tito twitted Stalin from the relatively safe side of the Iron Curtain, from outside the post-1945 stamping grounds of the Red army. Gomulka's Poland lies right across the supply lines of the powerful Red army in East Germany. Politically, Tito at home is the most orthodox and leftist of Marxist-Leninists, running a tight, personal satrapy perhaps more monolithic today than big brother, the Soviet Union. Finally, there is the utter contrast in character. Tito is a blend of the Balkan bandit with the peacock strut of a Mussolini and the wassailing ways of a Hermann Goering. Gomulka is a frank, plodding, almost ascetic man. Nor is Gomulka's Poland today a tyranny. Citizens and writers complain openly about restraints on freedom, itself a real freedom.

In terms of world communism today—that secular religion—Tito is only a schismatic, taking advantage of his own geography, whereas in the colorless but courageous Gomulka we may be seeing the emergence of an authentic Communist heretic. Viewed in this light, many of the paradoxes of Poland today, many of Gomulka's seeming strange actions, are not so much strange as agonizing. What is often forgotten is that this man Gomulka is not a Pole who just happened to be a Communist. He is a lifelong Communist who happens to be a Pole, and sat 10 years in 4 Polish jails for his beliefs. What makes Gomulka interesting, indeed, what makes him possible at this stage of history, is precisely his communism.

What is unique in Gomulka's career is that he is the only prominent Communist in the Soviet sphere who had the anathema of heresy hurled at him by Stalin himself (1948), survived by the skin of his teeth, and returned to a position of power. Hence the high drama of his violent dialog with Khrushchev and company. Gomulka, Gomulka, for that was a name that belonged in the same East European dead-letter box with the Czech Slansky, the Hungarian Rajk, the Bulgarian Kostov—those long-gone East European martyrs.

Yet there he stood. Wladyslaw Gomulka is the wily cat of the Communist movement, who has used up only 7 of his 9 lives. He is also the true example of Nikita Khrushchev's parable: "A man takes on the dignity of the job to which he is elected." In October 1956, heretic Gomulka had just been elected by the terrified Polish Politburo to tell the visiting Moscow cabinet the facts of life about Soviet imperialism. Gomulka took off both gloves and threw them down as gantlets.

The full text of Gomulka's philippic has never been published, but enough is known in Warsaw today to make it one of the most damning indictments of Soviet rapacity ever uttered. Khrushchev himself, earlier that same year, had denounced Stalinism, but with dialectical precision he was most careful to portray Stalin not as a product of the Soviet system, but as a perverter of it. Nor was there any mention of Stalin's crimes beyond the borders of the U. S. S. R. On this crucial point. Gomulka turned Khrushchev's flank. He argued that as far as the Polish nation was concerned, Stalinism was not a perversion of the system, it was the system itself and for several hours he read from his long cost-accounted list of crass Soviet violations of Polish sovereignty:

The U. S. S. R. had cheated Poland out of her 15-percent share in German reparations, promised at Potsdam, but carted off to Russia.

Soviet factory and industrial removals from Polish Silesia, claimed as German assets, were flagrant industrial piracy.

Forced exports were a third form of plunder. Millions of tons of coal, Poland's most precious national wealth, had been paid for by Moscow at $3 a ton when the world price had risen to $20.

Soviet trade officials had invented rubber rubles, a two-way stretch allowing Russia to buy cheap and sell dear in Poland.

The Polish 6-year plan, written in Moscow, distorted Polish heavy industry to serve the Soviet war economy. Polish plants had to produce steel plate for North Korean tanks, hence no cranes were available for the rebuilding of Warsaw.

Stalinism had brought utter madness to the Polish countryside. Soviet designs were forced on Polish tractor plants, as if Polish small holdings could be farmed like steppes. Poland's once-rich fields become bread factories to feed the mouths of the resident Red Army, while Poles in towns and cities had to import grain from Canada.

And finally, crimes against humanity: Russia's "little Berias" had taken over the Polish police, kidnaped, jailed, and murdered tens of thousands of Polish citizens in purges ordered by the paranoid Stalin. The prominent victims of this terrorism included Stefan Cardinal Wyszynski, the Deputy Commander in Chief of the Polish Armed Forces, Marian Spychalski, and Gomulka himself—then Deputy Premier, now first secretary of the party. Gomulka ended the confrontation scene on a note of eloquent modesty: "Our Polish cup has been filled to the brim, and over."

Gomulka stood up to Khrushchev with his back to the wall, and for a while it looked as is there was no wall there. But at least there were 28 million Poles there, like Gomulka himself filled from head to toe with a ferocious patriotism. It was Khrushchev who was forced to flinch. After this act of supreme courage is it likely that Gomulka, who won such a showdown victory over Moscow in 1956—"Accept the Polish road to socialism or accept chaos"—would willingly betray his own victory? It is not likely. Having crossed the Rubicon, what then made Gomulka hesitate to continue to march?

Realism and fear, fear of the iron Soviet shadow. As one pro-Gomulka member of the Polish politburo put it, "We have no Himilayas." Gomulka himself, in a grim appeal for steady nerves, warned his people, "One false step and Poland will be crossed off the map of Europe." Everyone knew he was not talking of an invasion by the Swiss. Since October 1956, Soviet policy toward Poland has been shrewd and even sinister, but it has not been mysterious. The short-term policy has been to tolerate this heretic to prevent out-and-out anti-Communist upheaval. The long-term policy is to export Gomulka just enough rope so he can hang himself.

In this dreadful game of chess, being played over the prostrate body of the Polish nation, our Western response has been feeble and confusing. Common sense could have told us one thing about Gomulka. A hero does not bug out in the very next battle. If Gomulka has been bending his neck and sometimes his knee in the direction of Moscow, someone is twisting his arm. That someone is Khrushchev. Meanwhile our Western statesmen see a man wrestling with a bear, a bear we know is our mortal enemy, so from time to time they send the man peanuts. Poland has been given less aid than Fascist Spain, medieval Jordan, or even Nasser's Egypt.

Today it may already be too late to save the Gomulka experiment. It is dismal to record the ebbing of the high tide of real freedom this country reached in October 1956. Most symbolic, since a free press could have been the megaphone for broaching other reforms, has been the remuzzling of the press. And most ironic, because it was the very journal that sparked his own ascent to power, was Gomulka's decision to ban Po Prostu (Plain Speaking) for plain speaking. To avoid giving offense to the Soviets, Gomulka has taken to censoring his own speeches, and now releases trimmed versions through the official news agency, properly called PAP.

The drama of Po Prostu was perky while it lasted. In the bad old Stalinist days, Po Prostu had been just another turgid party-line weekly, circulation 20,000. It was edited by a group of young Communist students and intellectuals, an elite trained and subsidized by the regime. Slowly—and this was the true beginning of the October revolution—the editors became patriotic and angry young men, the enraged ones. Circulation shot up to 150,000 as they turned their searchlights into the dark corners of the Polish national house. When Gomulka came to power, these young hotshots looked like his boys, and as exciting as if the editors

of the Harvard Crimson had taken over Pravda.

But with more courage than discretion the muckraking editors kept the searchlight burning. After a short honeymoon with the new regime, they went after Gomulka's failure to purge known Stalinists, his soft talk on the Soviet Union, the mummery in the Polish Parliament, crooks and plunderers in the national industries, universal black marketing, the national spree of drunkenness, wild inflation, the paralysis of production. Their last crack, in the issue that never hit the streets, was a true Parthian shot: "For Stalinist chaos, Gomulko has substituted pure Polish chaos."

The sad sequel shows perhaps the true mood of today's Poland, where the angry young men—called "Revisionists"—are left to gasp like mackerel on the strand, their brave ideas mouthfuls of air. When Po Prostu was closed down in October 1957, the protests did not approach the intensity and fervor of the "bread-and-freedom" revolt that swept the major cities of Poland in 1956. It was only a straw blaze. This time the disgruntled auto workers at the Zeran plant did not march into downtown Warsaw. They are keeping their hidden arms for another day. Sydney Gruson, New York Times correspondent in Warsaw, wrapped up the whole story in one sharp lead: "The same week that Po Prostu was banned, the price of butter shot up 25 percent and all Poland grumbled. But only a handful of students protested the banning of the crusading journal." Freedom without bread or freedom without butter on the bread is not enough.

The Polish national mood today is neither wrath nor hope, but almost universal frustration. This is not so much hostility to Gomulka as glum realization that he and Poland are caught in a bind. In Warsaw student cellar cabarets, which a year ago were alive with brilliant political skits, the atmosphere today is weary and cynical. Most students have turned to American jazz and bop—"See you later, deviator"—imported French existentialism, and some droll skits of their own, including a gal philosophy student who does a mock strip tease while reciting pages from Spinoza's Ethics. Late in the evening, a student dressed as a clown comes on stage pulling a seeming endless rope. Asked if the rope has any end, he replies, "No, it's been cut off." A student next to me translates: "He means it's been cut off—like our Gomulka revolution."

But the story is not so simple as that. To any outsider coming here with experience of other Communist regimes—the Soviet Union, East Germany, Czechoslovakia, Yugoslavia—the very air is different. The Poles may be leashed, but they have freedom to bark. Moreover, four major reforms remain to this day intact—the liberation of the Roman Catholic Church, the defanging of the secret police, the return of the land to the men who till it, the Polish Army under Polish command. These are not trifles.

Consider Polish communism's retreat in the battle with the church for the minds of Poland's youth. True, a priest is not yet free to preach that communism is the opium of the people, but he can preach the eighth commandment—"Thou shalt not bear false witness against thy neighbor"—an effective way of saying the same thing. On Corpus Christi, Polish colonels now march the troops to mass, banners high proclaiming the Virgin Mary "Queen of Poland." And, in the hearts of this most Catholic of peoples, she is.

Polish peasants—still 60 percent of the population—are working today like demons to dismantle the collectives, plow under the state farms and build again their own fences around their rewon land. This was one of Gomulka's most daring gambles. He restored capitalism to the countryside, hoping to save socialism in the cities.

The third sweeping reform was the curbing of the secret-police spooks. No one in Poland today fears that knock on the door. By throwing away this instrument of persuasion, Gomulka, the Communist, abandoned what many people regard as the true fulcrum of Communist power. Since the economic history of man began, there have been but two known ways to get a rather donkeylike mankind to do a full day's work—the carrot or the stick, free or slave labor.

Gomulka, to loud popular hosannas, tossed away the stick, but he just did not have many carrots to go round. This is really what brought the Polish landslide toward liberty to a crunching halt. With strikes no longer a crime against the state, the public transport workers of Lodz soon voted to strike. They wanted to raise their wretched $9 for a 60-hour week to the national level of $11. But this, in turn, would have touched off a general round of wage increases not matched by production increases, hence an even wilder inflation. Gomulka resorted to desperate remedies. He broke the strike, then turned round and slapped a 15 percent national tax on vodka consumption, creating a special fund to aid the Lodz workers. The workers' response was sardonically voiced by one of them: "Now when I throw a roaring drunk off my tram, he beats his breast and says he was just drinking for my social security."

In the West it is often asked whether Gomulka is moving to the left or to the right. From close up in Poland, it merely looks as if he is moving warily in a vicious circle. To his right are the old Stalinists, now called "Conservatives," not exactly House of Commons types. To his left are the "Revisionists," a blanket term for intellectuals ranging from left-Communists still arguing over the beard of the prophet Marx, to fallen-away Communists eager to move a long way toward social democracy. Most revisionists want their former idol Gomulka to compound his heresy—put the state above the party, put the Parliament above both state and party, take this idea from Mao, that from Tito, ignore Moscow. Maybe, proposed Communist Deputy Julian Hochfeld in all candor, it might be wise to wipe out the present Communist Party and form two new ones, so there could be livelier elections and debates.

After some months' hesitation, Gomulka decided he must continue to govern through the instrument of the party. This may have been an instinctive reflex out of his own past, but it was mightily reenforced by his knowledge that Moscow would never tolerate a dismantling of the Polish Workers' Party (Communist). Yet as an instrument of power this party was just about bankrupt, and the people knew it. Watching Communists trying to operate without the bloodhounds of the secret police is like watching the New York Yankees trying to play baseball without bats.

At the top, including the majority of the Politburo and most of the ministers, are several old Stalinist nostalgics—called the Natolin group—whom Gomulka did not quite dare sack. What restrains them from mounting a putsch against the Gomulka new deal is their memory of October 1956, and the Polish people's memory. They would hang from lampposts.

At the bottom of the party, the rank and file, the situation is utterly laughable. Before 1945 the true card-carrying membership of the Polish Communist Party was about 20,000. In the next 12 years it swelled to 1,200,000. Gomulka has started a weeding-out process to locate the true believers. That should get the number down well below 20,000.

In the middle, as in all totalitarian parties, are the apparatchiks, the alleged backbone of the party. In Poland this type is best represented by the bully boys who become district secretaries, regional managers, and sometimes mayors. These are the worst scalawags of all, today acting like hermit crabs in search of new shells. Born with two left hands, ever since they lost their power to flog the citizenry they have taken to milking them.

Even a random reading of the Polish press, social items that slip past the censor reveals the mayor of Krakow up on a charge of running a hot-car racket; the chief architect of Posnan selling public housing to his pals at Miami rates; the director of the meat-processing plant in Elblag and the party secretary of Gdansk running black-market resort restaurants; the Motoimporti branch of the Ministry of Foreign Trade raffling off all imported motorcycles; the mayor of Olsztyn (Allenstein) cornering the dairy market and opening up a string of milk bars; the deputy mayor of Szczecin (Stettin) arrested as the chief of a holdup gang. The wife of a minister in Warsaw controls a bevy of what in wicked capitalist countries are known as call girls. Restoring capitalism in Poland someday should not be too difficult. The Communist Party faithful are already leading the parade.

This gargantuan graft is but part of the Gomulka inheritance. Worse by far is the distortion of the fragile Polish economy. The Soviets, in their 12 years of economic tyranny in Poland, bled their anemic ally like vampires from the Dracula country. Cleverly, Russian experts linked almost every Polish factory, as supplier or supplied, with the master plan for Soviet industry. Ships the Poles have been building on the Baltic are designed for Russian engines and Russian waters; the textile industry of Lodz today gets its cotton out of Egypt via Russia; the Zeran auto plant was modeled on the Soviet Pobeda factory, and must get its parts from the East; the URSUS tractor plant produces giant tractors with Russian tank engines; the giant and cost-crazy steel complex at Nowa Huta—New Steel Town, near Krakow—gets 70 percent of its iron ore not from Sweden, which would be better and cheaper, but from Krivoi Rog in the Soviet Union. The imperialism, in short, was built in. Every time Moscow wants to bring pressure on Warsaw the iron ore shipments to Nowa Huta just do not arrive.

Two can play at this game. We Americans can help stymie the blackmail. Here indeed is a clue to the kind of American aid that would be most effective, most welcome to the Polish people, and which does not involve vast sums. We have as much obvious interest in shoring up the Gomulka experiment as Moscow has in undermining it. When they attempt to wring political concessions from Poland by holding up iron ore, or cotton, or grain, we can ship these items quickly and cheaply. In this kind of economic warfare, we and our now prosperous Western European allies have most of the blue chips; we should be better at it than the Soviets. This is probably the only effective way to save the Gomulka regime—the alternative is an explosion that every sane observer here dreads.

History seldom offers ideal choices. To argue that Poland is still Communist or that Gomulka is not a white vest democrat may be to miss the main chance. As far as today's Poland is concerned, it is a bit like standing on our lofty Western bank, and telling a drowning man how much we deplore his gulping so much water. It would be a blot on the American record if that struggling Pole did drown.

In addition to the limited degree of material assistance which we can furnish to Poland, however, there remains the necessity to encourage the Polish people themselves and continually remind them that we are interested in

their future and are hopeful that they can achieve full independence and self-determination. That is why it is important to take public note of anniversaries such as Constitution Day. I know that all of us in Congress express the sincere and earnest wish that the time will soon be at hand when the people of Poland themselves will be able to celebrate this anniversary freely in their own country. By evoking memories of friendship between our two nations and by stressing the interest of the United States in the fate of Poland, I believe that we will find a favorable response among the people of Poland and that our support of the Polish cause will hasten the coming of full freedom for Poland and for all other captive peoples now behind the Iron Curtain of Communist totalitarianism.

Mr. DINGELL. I thank the gentleman from Michigan and may I say I am happy to recognize and to state he is one of the distinguished friends of the Poles in Poland and here in this country.

At this time I yield to the very distinguished gentleman from Michigan, a very good friend of mine [Mr. McINTOSH].

Mr. McINTOSH. Mr. Speaker, I appreciate this opportunity to associate myself with the fine remarks of the gentleman from Michigan [Mr. DINGELL]. I certainly commend him for taking the time to bring to the attention of the House and the country this anniversary of an important landmark in the development of constitutional governments for free men.

It is very appropriate that the distinguished gentleman from the First District of Michigan presides over the House at this time.

I thank the gentleman again for this opportunity.

Mr. Speaker, I am pleased to join in this observance of Polish Constitution Day.

Poles are a proud people and take keen pride in their great deeds and superb accomplishments. They are known not only as sturdy and skillful workers; not only as gallant warriors and brace fighters; but they are also distinguished as accomplished masters in the arts and the sciences, and as uncompromising champions of human causes. The names of famous Poles who have gladly staked their lives for human freedom and independence, and for the betterment of the human lot, is legion. They have, as individuals as well as a nation, struggled hard and for long periods for their freedom and independence. This was particularly true during the last decades of the 18th century when their very existence as a nation was grievously threatened by their powerful neighbors. They seemed to be hopelessly arrayed against the combined forces of Austria, Prussia, and Russia. And they were not even powerful enough to cope with any one of them singly. But they had confidence in the abilities and in their resolution to resist brute force by orderly, organized strength. With that in view, Polish leaders set out to remodel and reshape the governmental machinery of the country. And by 1791, a constitution, a great instrument, was ready for adoption. On May 3 of that year it was adopted, and today is the 167th anniversary of the adoption of that historic document.

That constitution was a remarkable document in that through it Poland became a limited monarchy, a constitutional democracy. The powers of the King were sharply curtailed, and he was to share his executive authority with a council. The privileged nobility was to lose many of its privileges, and its ranks were opened to the townsmen. The peasants' relations with their landlords were to be regulated by law, and thereafter they were not to be subjected to the arbitrary powers of their landlords. Religious freedom was established, even though Poland remained officially Roman Catholic. By this constitution the governmental machinery of Poland was liberalized, became far more democratic and was characterized as a progressive government. Unfortunately, however, there was no time to try the constitution, for Poland's enemies did not wait; they attacked and invaded Poland, and they succeeded in dividing the country among themselves and putting an end to her independence.

But the end of national independence did not mean the end of the spirit of Poland's freedom. For more than 100 years Poles awaited for the resurrection of their new state in 1918. Then the spirit of the constitution of 1791 was revived and lived in free Poland. Since 1939, that spirit has again gone into hiding, in the bosoms of patriotic Poles. The last time it came into the open was in June of 1956 in the orderly protests and demonstrations by Polish workers in Poznan. This was clear proof that the spirit was very much alive, and the authorities could not ignore its force by trying to suppress it. Fortunately through such orderly protests the Polish people regained some rights, and also secured certain concessions from the authorities. Fortunately, also, since then the situation in Poland is not as bad as it is in other Soviet satellite countries. Even under a modicum of relation, however, Poles in their own country are not allowed to celebrate this great anniversary, the anniversary of the Polish Constitution of 1791. We in the Free World gladly do so, and on this occasion, I am glad to join freedom-loving Poles in this celebration, on the anniversary of the Polish Constitution Day.

Mr. DINGELL. I thank my distinguished friend from Michigan. At this time, it is a pleasure for me to yield to my very dear friend from the First District of Michigan [Mr. MACHROWICZ].

Mr. MACHROWICZ. Mr. Speaker, I also wish to commend the gentleman from Michigan [Mr. DINGELL] for having taken this time to remind the Members of this House of a very memorable date in the history of the world, the signing of the Constitution of Poland, on the 3d of May 1791, a constitution which has been generally recognized as one of the most democratic instruments in the history of the world, a constitution which says in its first sentence that "All rights in this constitution are derived from the people and only from the people," a constitution which was enacted about the same time as our own Constitution and which in so very many ways is similar to ours.

It is really tragic to have to note that the great freedom-loving people of Poland have actually been under slavery for most of the time since that memorable year, 1791. It was my great privilege and pleasure only a year ago to be in Poland as a representative of the United States Congress at the International Trade Fair. I want to tell the Members of this Congress that it was a great pleasure and a great privilege for me to learn by my experience there that despite the many years of Communist tyranny the people of Poland today are still anti-Communist and are still looking forward to the day when full freedom will be restored to them. I believe it is important that we here in the United States, in speaking and thinking of Poland, remember that we must differentiate between the people of Poland and the Government of Poland, which is Communist, but which does not express the will or the hopes of the people of Poland. I sincerely hope that we in the United States will continue to give whatever help we can to this people which has so patently demonstrated its desire to continue their fight until full freedom is restored. The economic aid given by this Government to Poland in the last year has strengthened the hope and the willpower of the people to resist communism, and I sincerely hope that we will in the future continue to do the things that are necessary to keep this people in strength and keep them in the spirit that they are in now until eventually the day of freedom may be restored to them.

Mr. DINGELL. I thank the distinguished gentleman and I would like to associate myself with his remarks.

Yesterday I had occasion to attend a dinner in the district of my good friend from Michigan, the Honorable THADDEUS MACHROWICZ, and I had the opportunity to hear a distinguished citizen of Michigan, Mr. Jim Anderson, speak on the subject of a trip to Poland taken by himself and by the distinguished gentleman representing the First Congressional District of Michigan [Mr. MACHROWICZ]. I was very interested to hear of the particular problems which the people of Poland face, which these two distinguished Americans saw on their trip.

Mr. Speaker, at this point I am honored to yield to the distinguished gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Speaker, I rise to associate myself with the remarks made by the distinguished gentleman from Michigan [Mr. DINGELL], and with the the remarks of my other colleagues on both sides of the aisle who have spoken today in observance of Polish Constitution Day. I particularly want to commend the gentleman from Michigan [Mr. DINGELL], for taking this time and focusing the attention of Congress and of the American people to this important historic event.

Mr. Speaker, I have made a more lengthy statement on this subject at another point in today's RECORD. I thank

the gentleman from Michigan for yielding.

Mr. DINGELL. I thank the distinguished gentleman, my good friend from Michigan [Mr. GRIFFIN] for his excellent remarks.

At this point, Mr. Speaker, I am happy to be honored to yield to the distinguished gentleman from New Jersey [Mr. DELLAY].

Mr. DELLAY. Mr. Speaker, it is with deep sincerity and full feeling of giving encouragement to the Polish people that I join my distinguished colleagues in saluting those who must live for the present under an imposed communistic government though as a people their very existence is a repudiation of communistic ideology and their feelings toward communism can be best described by saying that they are suffering in the same fashion as we Americans would if in their place.

Poland today may be a captive nation and an unwilling victim of ruthless communistic subjugation but there has never been any system devised by mankind that can reach beyond the physical being and hold in subjugation the spirit of his mortal body or that of his soul.

While we may hesitate at the violent action necessary to tear down the Iron Curtain at present there should be no reluctance to help in any other fashion that can be devised without aiding and abetting the communistic rulers of Poland. Outside the Iron Curtain we must oppose and prevent any Moscow-sponsored communistic domination of presently free and sovereign countries. We must in addition be unrelenting in our fight to release from communistic domination those nations that formerly enjoyed freedom and sovereignty. Yes, let us bring cheer and continued hope to the Polish people by words of encouragement but let us make them have real meaning by supporting them with deeds.

Mr. DINGELL. I thank my good friend from New Jersey.

Mr. Speaker, all of us are aware of the fact that the people of Poland are not Communist; that, indeed, they are church-going, God-fearing people, whose whole tradition and whose whole history is one of opposition not only to foreign oppressors but to dictators and to the vicious system of communism which presently rules and besets them.

I think we are all aware of the fact that these same people have been among the foremost champions of liberty and freedom in the history of the world, and indeed, their efforts in opposing invasions and in defeating invasions from the East, invasions of the Tartars' invasions of the Armenians and Turks, invasions of the Russians, have kept free Western civilization that we know alive through many, many difficult centuries. It is with great sadness that we know of the hardships which beset this brave people. But I think it is equally important that we should recognize the fact that we in America have a great responsibility to this once free people to see to it that the spark of freedom which burns in the breasts and hearts of Polish men and women remains alive; and that we can do this best by seeing to it that American assistance goes, not to the Communist Government which rules them, but to the people, in such a way as to keep this spirit alive.

I was very much interested to hear a speech yesterday which described the sufferings of the people since the war. It was shocking to me to hear that the Russians had built a railroad to move goods and supplies that they had stolen from the Polish people out of Poland into Russia at the conclusion of the last war. I think we all recognize that the present Government of Poland, though Communist in name and in fact, is nevertheless a substantial improvement over any other Communist government in eastern Europe. I think Americans are uniformly aware of the fact that while we cannot trust Mr. Tito, to whom we give aid, we can certainly place great faith in the integrity and the love of freedom of the Polish people, which they have proved through so many centuries of oppression.

Mr. Speaker, at this time I am honored to yield to the distinguished gentleman from New Jersey [Mr. CANFIELD] who is my very dear personal friend.

Mr. CANFIELD. Mr. Speaker, just a few weeks back Mr. Khrushchev was addressing a crowd in a town near Budapest. Nearing the end of his speech, he paused and, with a a satisfying grin, asked the question:

"How is the Hungarian wine these days?"

A middle-aged woman stepped from the crowd and said:

"Mr. Khrushchev, there is no wine in Hungary these days."

To me, this courageous women was speaking symbolically. In her mind were thoughts of the freedom that is no more behind the Iron Curtain. She could have been the mother of a teenaged freedom fighter who had been mowed down by Soviet tanks some months ago.

As we meet here today in the House of Representatives to commemorate a glorious moment in the history of Poland, the 167th anniversary of the adoption of the famed May 3 Polish Constitution, I cannot help but wonder what Poles may be saying about their lot as a Communist-ruled satellite nation under the Kremlin.

Everything in the Polish tradition and background leads this people to reject communism and when those of Polish birth or ancestry who make up the more than 6 million now living in the United States write relatives and friends in the old country they seek to keep alive their historic thirst for freedom.

An American writer recently said:

> The essential character of the Poles living among us has never changed. Fleeing from impoverishment and oppression, most Polish immigrants have come to America endowed with two precious possessions; an astounding capacity for hard work and a flaming love for the freedom denied them in their homeland.

Polish-Americans have played devoted roles in the securing and maintaining of American freedoms and it is proper to recall that when we entered World War I, the astounding total of 40,000 Polish names was on the roll of the first 100,000 to enlist.

Last Wednesday, I was privileged to present to President Eisenhower a very beautiful 20 by 80-inch watercolor painting of Lasienki Park in Warsaw. The artist was 65-year-old Tadeusz Nartowski, of Stettin, a friend of Casimir Silski, Passaic, N. J., attorney. Mr. Nartowski, who barely ekes out an existence in Stettin, sent a note wishing the President "success in his labors for peace and justice." The painter also sent me, through Mr. Silski, a watercolor painting of our own Capitol, which was fashioned from a colored post card sent the artist by his Passaic friend. It is now on display in the lobby off the Chamber.

I hope that on some May 3 in the not far off future, in a Poland that is again free, there can be a program in Lasienki Park that will thrill and inspire. I would like to be among the audience in that famed amphitheater shown in the Nartowski painting. On the stage across the lake I would delight in seeing and hearing the famed Arfa Girls Polish Chorus from Passaic, N. J., in my District, singing the songs they sing so well of America and Poland. Some choice remarks by my good friends and Polish language teachers, Congressman ANTONI SADLAK, of Connecticut, and Congressman JOHN DINGELL, of Michigan, would be much in order. Then, to top the day off, a baseball game between the St. Louis Cardinals and the pick of Warsaw, in which Stan Musial—Polish—would make some free-swinging accommodations.

Mr. DINGELL. Mr. Speaker, I would like to pay tribute to the distinguished gentleman from New Jersey [Mr. CANFIELD], an outstanding American and a fine Representative of his District. He is a close friend of mine and a good friend of the Polish people in this country and in their homeland across the sea.

Mr. CANFIELD. May I ask my able colleague and good friend, as he views this watercolor painting by the Polish artist from behind the Iron Curtain, fashioned as it was from a colored postcard sent to him by a constituent of mine of Polish extraction; does he not think this painting is very well done?

Mr. DINGELL. I think it is a splendid painting. I thank the gentleman for his valuable contribution to today's special order.

Mr. CANFIELD. Mr. Speaker, I shall be very proud to hang this fine painting in my office here on Capitol Hill. I propose tomorrow morning to write a letter to Mr. Nartowski to tell him of this event and what it means to all of us.

Mr. DINGELL. I thank the distinguished gentleman.

Mr. Speaker, at this time it is, indeed, an honor and a privilege for me to yield to one of the senior statesmen of the House of Representatives, a dear friend of mine and a dear friend of my father, a man for whom I have the most intense personal affection and the highest personal regard, a man who is uniformly regarded by all his colleagues here in the House of Representatives as one of the most able and distinguished Representatives, the gentleman from New York [Mr. REED].

Mr. REED. Mr. Speaker, the Polish people love liberty not alone for themselves but for others seeking to rid themselves of tyranny. The American people are fully aware and deeply appreciative of the help they received from the Polish patriots in the American struggle for independence. There is no doubt in the minds of the American people that Poland will again be a free and independent nation. The spirit of freedom will still prevail.

Many years ago when the Turkish armies had surrounded Vienna, the patriotic Austrian citizens were watching from the top of St. Stevens Cathedral, the enemy troops closing in on the city wall. Suddenly in the moment of despair, they saw on the horizon vast numbers of troops marching in perfect order with flags flying coming to their relief. Who were their deliverers in the crucial hour of their need? They were the Polish troops led by John Sobiski. He and his troops scattered the enemy of the Austrians. Later the abandoned enemy cannons were melted and molded into huge bells weighing tons, and mounted to the top of the cathedral tower to ring out the message of hope and liberty to the Austrian people. Austria is again free, prosperous, and happy. The spirit of liberty does not die but is immortal in the human breast. Let us all rejoice that Poland will again be free.

Mr. DINGELL. I thank the distinguished gentleman. I heard this story from my father as he heard it from his father many, many times, with great happiness.

I would like to say were my father here he would be honored to have the contribution of the distinguished gentleman from New York [Mr. REED].

At this time it is my pleasure to yield to the distinguished gentleman from Illinois [Mr. LIBONATI].

Mr. LIBONATI. Mr. Speaker, it is with a heavy heart that we greet this day celebrating the writing of a historical document, in itself the life—hope and dying suppressed desire of millions of the Polish people of all hemispheres and especially in Poland itself. The fire of freedom of mankind eminates from the historically worded official documents of its leaders who through the generations by reflection of their oratory and writings reflect the thinking and desires of the people.

This historical document in its every passage reflects the complete freedoms that are treasured in a country whose people, now dominated by the enemy of civilization and liberty, rule its boundaries.

The Polish people, suppressed as they may be physically in their persons, mentally feed the flames of freedom to be realized in the future, by celebrating this day in their birthright to live as free men under this great document.

We should profit by this experience of Poland and venerate our form of Constitution with its protection of inalienable rights—which each American takes for granted.

Poland lost its identity as a nation but lives in its desires to become free. We must carry on for the freedom of Poland—a true republic seeking the blessings of God and the supporting strength of the United States of America.

Mr. DINGELL. Mr. Speaker, at this point it is a pleasure to yield again to my distinguished friend and colleague from Michigan, a man known by his constituents not only as a great friend of Polish Americans in this country but the people of Poland themselves [Mr. RABAUT].

Mr. RABAUT. Mr. Speaker, it is a great pleasure for me today to see my colleage from my adjoining district, Congressman MACHROWICZ, in the chair. Of course, referring to the gentleman who has secured the time to commemorate Polish Constitution Day, Congressman DINGELL, no one who has been here a number of years could think on this occasion of anyone other than his late father who so often addressed the House on occasions similar to this.

I must go to my committee now, and I ask permission to extend my remarks at this point.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. RABAUT. Mr. Speaker, May 3 of each year is celebrated in this country as Polish Constitution Day. For many years we have brought to mind the Polish Constitution which was enacted on May 3, 1791. On that date the Polish Diet with its wise statesmanship and leadership brought about important political, social and economic reforms that helped the Polish State reaffirm it's independence at a time when it was threatened by neighboring imperalistic powers. Poland has a long and glorious history which her people do well to celebrate at this time. It is also fitting that we in this country should join with them in their celebration. The Polish people have contributed much to this country in many ways. She sent us her heroic son Thaddeus Kosciusko, who as a professional soldier and strategist became one of Gen. George Washington's most valuable field commanders.

Although Poland is under the domination of the Kremlin at the present time, it is appropriate that those of her people who have escaped communistic domination should celebrate Polish Constitution Day. It is the hope and prayers of all in the Free World that the people of Poland and the other dominated and oppressed nations will be free again of Kremlin domination. A nation that has given the world such people as Kosciusko, Pilsudski, and Paderewski will not tolerate domination by atheistic communism, but, with the help and prayers of the Free World, will break the chains that dominate her and again take its seat with the democratic nations of the world and contribute, once again, as she has so in the past, to the development of mankind in a free and prosperous world built on the principles of justice and freedom for all men.

On this day, Polish Constitution Day, we in the United States send greetings to the people of Poland and should remind them that faith in God and freedom never die. I am sure that it is only a matter of time, and I hope and pray that it will be soon, that the brave and liberty-loving people of Poland will again regain their complete freedom and independence.

Mr. DINGELL. Mr. Speaker, I thank the distinguished gentleman from Michigan [Mr. RABAUT] for his splendid contribution to this special order today.

I would like to thank all Members of the House, Mr. Speaker, for their valuable contributions and for their assistance in recognizing this important day in the annals of free men. I would like to pay a high tribute to each and every one of them for having helped to remember a day of which all free men are proud.

Mr. KEATING. Mr. Speaker, May 3 is a sacred day for all lovers of freedom. On that day in 1791, the Constitution of Poland was adopted. This should, therefore, be a happy occasion for the Polish people and their friends. But it is not, because today the noble people of Poland once more groan under the yoke of an oppressive tyrant.

Characteristically, the citizens of Poland today remain firmly dedicated to the cause of freedom and liberty. Their will to be free remains strong.

This courageous adherence to the principles upon which the Polish Constitution was founded cannot and will not be stamped out, no matter how great the oppression, no matter how severe the tyranny.

The Polish Constitution is a great landmark in man's age-old struggle for democracy. It is ranked among the unmatched documents of human progress, along with the Declaration of Independence and the Magna Carta. It was achieved because men were willing to work, fight, and die in the name of freedom.

That spirit continues to motivate the descendants of the leaders of 1791 today. The religious fervor of the people, coupled with their long tradition of national aspiration for liberty, has made them stanch opponents of their present Soviet overlords. Resistance, for many Poles, has become an everyday, built-in part of their lives. It is exhibited in their steadfast adherence to the church, in the refusal of large segments of the peasant population to join collectives, in continued escapes to the West, and in the rebellious criticism of the Communist regime which appears at the slightest opportunity.

These qualities, which have preserved the Polish people throughout history, have luckily been brought in great quantity—and quality—to this country. In my own home city of Rochester, N. Y., fine citizens of Polish descent are leaders in all manner of endeavor, in all professions. Their rich cultural and spiritual backgrounds have contributed much to Rochester, and to all communities where they have settled. They are fine Americans in every sense of the word. Their prayers on this occasion are directed to their countrymen still barred behind the Iron Curtain. They are prayers of hope and prayers of confidence. They are confident because they recall the immortal words of the redoubtable Stanislas Staszic: "Even a great nation may fall, but only a worthless one can perish."

Mr. Speaker, Poland, though fallen, has decidedly not perished. The moral

and spiritual vigor of the people remains firm. Their will to be free remains unshaken. We hope and pray that the end of tyranny and the rebirth of freedom will soon be a reality.

Mr. McCORMACK. Mr. Speaker, of all the participants in the last war, none suffered so much and lost so much as the people of Poland. They were the first to be victimized in that war, and today, more than 18 years later, they remain the helpless victims of wartime and postwar world events. Having fought valiantly and, for a while almost alone, against the invaders both from the west and from the east, and having sacrificed their regained independence, the Polish people had a right to hope for the restoration of their freedom at the end of that world conflict. Instead, in victory they gathered in a bitter harvest of defeat. More than a third of their country was annexed by their professed big brother and ally, the Soviet Union, and what was left to them was turned into a large prison house.

But even in the face of these tragic events the people of Poland are not likely to be deflected from the goal they have set before them, a goal which embodied the great Polish Constitution of 1791. They had always sought freedom, liberty, and national independence from alien rulers. That is what they all want today. They do not want to bow their heads to foreign oppressors. They want neither the powerful protection of the Soviet Union nor the blessings of the Soviet system. They are rightly and justifiably proud of their glorious heritage.

That heritage, more than anything else, is the mainstay in the determination of the Polish people to regain their independence. They need not brood over sad events of recent years; instead, they seek and find inspiration in the great and noble deeds of their forefathers.

Among these deeds, the drafting, the adoption, and the promulgation of the constitution of 1791 constitutes a striking landmark, a milestone, in Poland's long and eventful history. This constitution was conceived at a time when Poland's greedy neighbors were on the verge of partitioning Poland for a second time among themselves. With that democratic and constructive document the Poles hoped to strengthen themselves and be better prepared for the imminent struggle. By that constitution Poland became a constitutional monarchy. A liberal parliamentary system was introduced and ministerial responsibility was established. The electorate was enlarged and certain privileges formerly enjoyed by the few were made available to the many. The peasantry was brought under the protection of the law, and the prerogatives of the landlords were sharply curtailed. Though Poland remained officially Roman Catholic, religious freedom to other sects was guaranteed.

Most of these provisions represented sweeping political and social innovations for Poland. The promulgation of this constitution was a symbolic assertion of Poland's determination to link her fortunes with the enlightened and progressive West. And all liberal leaders of the West were delighted to have Poland as an outpost of democracy in Eastern Europe. They all praised the Polish Constitution as a liberal, progressive, and constructive document embodying the spirit of the age. Today is the 167th anniversary of that constitution.

It is a real tragedy that the Polish people cannot commemorate this anniversary in their homeland. To the patriotic Poles who today suffer under alien oppression, just as their ancestors did before the adoption of this constitution, the celebration of this anniversary is of profound significance. It means a reaffirmation of their faith in the eventual achievement of political and civil liberty, and national independence. I am glad to be able to join in the celebration of that significant anniversary, the Polish Constitution Day.

Mr. MARTIN. Mr. Speaker, sons and daughters of Poland will observe the anniversary of the adoption of the Polish Constitution on May 3. This is the traditional Polish holiday, and it will inevitably reawaken the dreams and aspirations of freedom and independence, not only in the minds and hearts of the people of Polish blood, but of liberty-loving people everywhere.

It is 167 years since the Polish Diet, by unanimous and solemn vote in the city of Warsaw, adopted a constitution which inaugurated far-reaching political, social, and educational reforms which were destined to strengthen the Polish state at a time of threatening aggression from imperialistic neighbors. It is appropriate to note that those who were responsible for the adoption of the Polish Constitution were inspired and influenced by the ideals of the American Declaration of Independence.

The forceful imposition of a so-called constitution of Communist doctrine by the Soviet Union upon the people of Poland in 1953 has never supplanted, in the thoughts of the Polish people, the real charter of Polish independence adopted on May 3, 1791. This document is still the sacred memory and the symbol of people of Polish blood wherever they may be.

We may take heart today in the knowledge, which has been so well expressed by those who have visited Poland, that "the Polish Government may be Communist, but the Polish people are not." The people of Poland are captives of their present government. They will never be content until they have once again established their freedom and independence.

Poland has suffered a tragic history. Their Moscow-dominated Government is not Poland's first experience with oppression and tyranny. It has been throughout its lifetime the victim of conquest by stronger and larger neighbors. But the heart and spirit of Poland have never been conquered by its oppressors. The spirit of liberty has survived through the ages and it prevails just as strongly today. This spirit and this hope will eventually be triumphant.

Mr. BARRETT. Mr. Speaker, on the 3d of May the people of the United States joined with the Poles everywhere in the world to observe the 167th anniversary of the signing of the first Polish Constitution. It embodies the living spirit of Polish independence and love of liberty. It has also been one of the major milestones in mankind's struggle for political freedom and an inspiration to all liberty-loving people.

The American people have always had a warm concern for the welfare and rights of the Polish people because of our common inheritance. Both Poland and the United States are children of the 18th century age of enlightenment. The vision of the French and English philosophers excited the patriots of both countries to cast off the chains of tyranny and the restrictive influence of a feudal past. The new ideas of Locke, Montesquieu, and the French philosophers enflamed the men of the Western World. The first effect of the movement was the Declaration of Independence under which banner the American people fought the Revolutionary War. Polish patriots fighting on the side of American independence carried the enthusiasm of the American Revolution back to Poland to stimulate their countrymen to throw off oppression.

For only a short period in their history have the Polish people known national unity and independence. The autocratic giant of the East, the Soviet Union, a more ruthless and cruel oppressor than czarist Russia, has now absorbed the Polish nation into a ring of satellites under the pretext of liberation. The presence of the Red army prevents the Polish people from celebrating the anniversary of the May 3 constitution in their homeland. In his heart, however, Constitution Day has a profound symbolic significance for every Pole. The remembrance of the valiant deeds of the patriots of 1791 fills him with the hope that Poland will once again be free. We know that the countrymen of Kosciuszko and Pulaski, of Chopin and Paderewski, of Pulsudski and Anders, can never be permanently enslaved.

Mr. GREEN of Pennsylvania. Mr. Speaker, today is the 167th anniversary of the adoption of the Polish Constitution, a document that ranks with the grandest expressions of the principles of liberty and freedom that have ever been indited.

The topography and location of Poland have been important factors in the shaping of her destiny. Her fertile plains with not natural frontiers made her an easy victim for Prussian and Russian aggressiveness.

At the end of the 16th century, Poland was a great European power. In 1772, however, her predatory neighbors agreed to partition the country. Valiantly, under the leadership of Thaddeus Kosciuszko—a hero in our own struggle for independence—the Poles fought for the restoration of their independence. Hopefully, on May 3, 1791, a constitution considered to be one of the world's great documents of freedom was adopted. But, tragically, their efforts were to be in vain for in 1793 and 1795 successive partitions of Poland by her neighbor crushed her hope for independence.

Although Poland was occupied throughout the 19th century, this sub-

jugation was not taken supinely. Insurrections were frequent throughout the century, for Poland never lost hope of regaining freedom. But, it was not until World War I, partly due to the efforts of President Wilson, that an independent Polish state became a reality.

For 20 years, Poland was a respected and proud member of the world community. Rapid progress was made in economic, social and cultural endeavors. Her foreign policy aimed at establishing friendly relations with her neighbors. Unhappily, however, the Polish Republic was not to long enjoy the benefits of freedom.

In 1939, Poland was again the victim of aggression. A Nazi-Soviet pact partitioned the country once again; and the war that followed found Poland struggling against both Nazi and Communist tyranny. The valor of the Polish resistance was an inspiration to the allied cause. Tragically, Poland did not enjoy the fruits of victory; for she was to face a new enslavement by the Soviets and their Polish puppets.

Today, on the anniversary of Polish Constitution Day, the Polish people are still under the rule of the Communists. However, there is a rising tide of discontent. Evidence of this was shown during the Poznan riots and the Warsaw rebellion of 1956. These uprisings loosened somewhat the Communist chains that have shackled the Polish people. Shouts of, "We want bread—and freedom," in the streets of Poland were a heartlifting sight for the Free World. These demonstrations show that the Communists have failed to extinguish the desire for freedom in Poland.

Today, on the anniversary of Polish Constitution Day, it is appropriate that the American people express their hope that the Polish people will someday be emancipated from the terror of Red rule.

I am sure that a nation with such a glorious history and with such patriots as Pulaski, Paderewski, and Kosciuszko, cannot forever be held in subjection.

Mrs. BOLTON. Mr. Speaker, today we are privileged to commemorate Poland's national holiday, which has been celebrated by her people and friends for 167 years. In the constitution of May 3, 1791, the people of Poland wrote a document which has won wide acclaim as an achievement in creative statesmanship. The authors were inspired by the ideals of our own Declaration of Independence, and influenced by the French proclamation of the rights of man and citizen.

The principles laid down in the May 3 constitution survived while Poland was struggling for independence, and were cited in the constitutional laws of the reborn Polish State after World War I. Its tenets were observed until the armies of two dictators—Hitler and Stalin—enforced the brutal partition of Poland in 1939. Today, the terrible force of international communism continues to maintain that despotic rule.

Although forbidden to outwardly celebrate Constitution Day, the people of Poland still observe May 3 in their hearts. Imposition on Poland of a Communist constitution in 1953, similar to that of all other peoples republics, only reaffirmed the attachment of the Poles to their historic charter of 1791.

In an effort to enslave the Polish people, the Soviet Union has asked the West to recognize the status quo in central Europe, something which we have consistently refused to do in the absence of free elections. The Poznan revolt of 1956 is proof that the Polish people will not forever accept Communist repression and domination.

Can we ever forget the nation which was first to resist Hitler's aggression, and was an original signatory of the Declaration of the United Nations on January 2, 1942? Can we forget that the Polish Constitution—which was adopted only 2 years after our own—was inspired by the same faith in freedom?

Wherever freedom is suppressed, as in Poland, it is a threat to our liberties. Let us therefore dedicate this day to the Polish people, looking forward again to the time when they will be free to join us in its celebration.

Mr. VANIK. Mr. Speaker, today we join the people of Poland and Americans of Polish descent to commemorate the 167th anniversary of the Polish Constitution. Adopted in 1791, the Polish Constitution was inspired by the American Declaration of Independence. It is fitting and proper that we remember each year this sister document of freedom which symbolizes with our own the will of man to achieve liberty for himself, his family, and his community.

While the people of Poland have been less fortunate than we in preserving their freedom in their homeland, they have persevered in their efforts to regain liberty each time it was taken from them by war and political partition. In addition to their brave resistance to tyranny at home they have sent to our own country their sons and daughters who have made a major contribution in our own struggle to maintain the institutions of democracy. Americans of Polish descent who live in Cleveland as well as in every other American community have been stable, prudent, and reliable citizens. They have contributed in every line of endeavor. They have been a part of the greatness of our country.

It is to be hoped that a relaxation of artificial barriers which exist in Europe will permit greater travel and communication between citizens of the Free World and Iron Curtain countries. Communism cannot long survive the free exchange of ideas which would result.

Mrs. GRIFFITHS. Mr. Speaker, Polish Constitution Day has been celebrated on May 3 for 167 years by the people of Poland and throughout the Polish communities in the world. The adoption of a constitution on May 3, 1791, marks a glorious day in Polish history. By this constitution Poland moved from an unlimited autocracy to a limited monarchy; and this was accomplished without bloodshed. It was the most advanced governmental reform in central and eastern Europe of the time.

But before this liberal document could be put into effect Poland found herself under attack. Against the overwhelming forces of her enemies she could not long resist and in the end she lost out and the constitution of May became a dead document. For more than a hundred years Poland lived only in the hearts and minds of Poles; however, they never gave up the hope of regaining their national independence and the principles embodied in that historical document.

In their country today more than 25 million Poles are not even permitted to celebrate this Constitution Day but their desire for liberty is strong and will eventually lead them to victory over their oppressors.

We must take this opportunity today to express our hope that soon all of the noble people of Poland will again be able to observe freely and without fear in their beloved homeland the anniversary of their Constitution Day. The Poles, by reason of their fortitude and love of freedom, are certainly a source of inspiration to all freedom-loving people everywhere.

Mr. MADDEN. Mr. Speaker, I am glad to join with the other Members of Congress in commemorating the anniversary of the charter which gave Poland liberty and self-government. Unfortunately, conditions in Poland are not as they were when this great charter of freedom was signed and promulgated. Poland, along with other nations of Eastern Europe has fallen under the heel of a vicious form of colonialism—Soviet international communism.

Freedom is an essential basic to the progress and spiritual well-being of mankind. The Polish people have long realized the value of freedom and boldly demonstrated their belief throughout a turbulent history.

We in America have read many times of the special contribution to our fight for freedom in the Revolutionary War by Gen. Casimir Pulaski and Gen. Thaddeus Kosciuszko. Adopted in 1791, the Polish Constitution was inspired by the American Declaration of Independence. Both of these historic declarations represent great historical instruments in the march of freedom. Both of them are based upon the recognition that man is endowed with certain inalienable rights and that for the protection of these rights government is created from among those and by those who are going to be governed.

During the last 167 years, Poland has faced many a crisis. This courageous nation has suffered many reversals. The Polish people have suffered severely from tyranny and cruel dictatorship. In these recent years, Poland suffered from the shackles of cruel and godless Russian communism. In the not too far distant future, I believe a virile, courageous, powerful Poland, under the direction of God, will once again be a bulwark of freedom in Eastern Europe.

As one of the great countries of the world, as one of the most courageous nations of the world, and as a noble and godly people, Poland must again become an independent nation. The legions of Communist Soviet Russia must eventually withdraw from Polish soil. Poland must be governed by the Polish people, in freedom and in independence of any foreign domination.

Today, on this anniversary, Poland still languishes under the heel of Soviet communistic domination. Geographically, Poland is surrounded by the military might of Communist Russia. It is only because of this fact that a Communist government is still in control in Poland. The first blow, however, has been struck. The meaning of this is crystal clear. Communism cannot survive much longer in Poland.

On this anniversary today the American people, as well as free people everywhere, extend their hand of friendship to the people of Poland, because man was created to be free, because faith is stronger than the sword, and because right will triumph over evil, the destiny of Poland is the destiny of a nation in freedom. Before many more anniversaries are celebrated, we hope Poland and its courageous people will be independent and in freedom will be marching hand in hand with the United States of America and with the people in freedom everywhere. God-fearing men, believing in their standing for the right, will always prevail over tyranny and evil. Poland will someday win and again be an independent, free nation.

Mr. O'HARA of Illinois. Mr. Speaker, so much are men and women of Polish blood a part of the American fiber that annually on May 3 we join in celebration of Polish Constitution Day in a spirit very like that with which we celebrate our own Fourth of July. I regard it as fitting on this occasion to make mention of a great American, who during a long and distinguished public career has reflected honor and glory on Chicago, the city of his nativity, and upon Poland, from whence came his forebears. I am referring to the Honorable THOMAS S. GORDON, who at the expiration of his present term is voluntarily and to the deep regret of his colleagues retiring from the Congress.

I speak as one who has enjoyed the warm friendship of this distinguished statesman for many years, as one associated with him in the city hall of Chicago when he was city treasurer and before he came to Congress, and more recently associated with him as a member of the Committee on Foreign Affairs. In every post of responsibility where he has been placed, this outstanding Polish-American has conducted himself with honor, and no matter how exalted the post his has always been the attitude of sweet humility. Humility is the measure of greatness. Men of stature are always humble because in them is the keen sense that man derives his strength from divine gift and purpose.

As chairman of the Committee on Foreign Affairs, Congressman GORDON has made a mighty contribution to the building of an ever stronger Free World to meet the challenge of a power that would enslave it. Especially to the people of Poland must it have been most heartening, and promising of better days ahead, that in the veins of the chairman of the powerful Committee on Foreign Affairs flows the blood of Poland.

It is men like Congressman GORDON and Congressman JOHN C. KLUCZYNSKI, another renowned native son of Chicago whose forebears came from Poland, who prove that the spirit of 1791, when the Polish Constitution was adopted, still lives not only in the hearts and minds of the people of Poland, but in the hearts and minds as well, of the sons of Poland who are vibrant parts of our American democracy.

We are prone to take our personal and national freedom for granted in America, but today we pause to recall that the Polish people have neither kind of freedom. This is the 167th anniversary of the Polish constitution, which symbolized both personal national freedom and the birth of modern Poland. It inaugurated a system of government that has remained an inspiration to the Polish people down to this day. Indeed it is a particularly strong inspiration today, because the Polish people live under a Communist dictatorship subject to Soviet domination.

The inspiration of the 1791 constitution is an inspiration both of personal liberty and national independence. It broke through the topheavy government of the past and let the people be represented in a parliament which they were to elect every second year. The monarchy was strictly limited. The Ministers of the government were made responsible to Parliament. Class distinctions were abolished and religious freedom established. But invading Russian armies quickly stamped out these flames of defiant liberty.

But soon the sun will break through the mists. Soon again will freedom come to the men and women and children of Poland. Soon again will Poland be a sovereign nation, governed by those elected by the men and women of Poland to carry on in the spirit of 1791 and with the ideals and spiritual concepts that always have been part of the priceless Polish heritage. However long it may be, however dreary may be the days of waiting, we in the House of Representatives of the Congress of the United States today on this anniversary of the Polish constitution send to the people of Poland, with deep sincerity and dedication, the assurance that we will not fail them and that always we shall be standing by their side. Constantly shall they be in our prayers and the subject of our tireless effort.

Mr. ANFUSO. Mr. Speaker, freedom-loving people everywhere will pause today to celebrate Polish Constitution Day in honor of the 167th anniversary of the adoption of the Polish Constitution. This document, originally enacted by the Polish Diet in 1791, helped to bring about many social, political, and educational reforms which strengthened the Polish nation.

As such, the Polish Constitution of 1791 became one of the first democratic documents in Europe and is regarded as a milestone in the development of the concept of human freedom in our times. The principles enunciated in that historic document have survived while Poland was struggling for independence.

Today, as Poland still struggles for the liberation of its people from Communist oppression, those principles of freedom are still alive in the hearts of the people within Poland and their kinsmen living abroad. In this struggle the eyes of the people of Poland are turned toward the United States and the Free World for encouragement, for sympathetic understanding, for moral support.

For many years it has become customary for the Members of Congress to commemorate this event in Poland's glorious history with suitable remarks on the floor of the House. This year we again declare our warm friendship for the Polish people and our solidarity with their aims and desires for early liberation of their tormented and ravaged country and people.

We in the United States are well aware that the people of Poland are not Communist, despite the fact that the present government foisted upon them is Communist. The love for America in the hearts of the Polish people cannot be easily eradicated, just as their love for freedom cannot be eradicated. The American people have always supported the cause of a free and independent Poland and will continue to do so until that goal is achieved.

On this anniversary we extend our heartfelt greetings and sincerest wishes for the early realization of that goal. May the people of Poland know the full meaning of genuine liberty real soon.

Mr. RADWAN. Mr. Speaker, Polish Constitution Day is a great national holiday for the Poles. That constitution, which was adopted in Poland 167 years ago on May 3, marked a significant break with autocratic past and ushered in a new era for the Poles. That instrument introduced a responsible form of government in Poland, under which the peasants regained certain of their rights under the law, religious toleration was guaranteed to all sects in the country, a legislature of two chambers was established, the privileges of the nobility were reduced, and the monarch's authority was drastically curtailed and brought under control. Thus, Poland attained quietly and without revolution what France tried to achieve through revolution and bloodshed.

The Polish Constitution of May has left a profound impression upon the Poles and upon the other peoples in Europe. As a liberal document, it stands high in the list of progressive constitutions, one embodying the true spirit of our age. I am glad to join in the observance of the 167th anniversary of the Polish Constitution Day.

Mr. ASHLEY. Mr. Speaker, Saturday, May 3, will mark the 167th anniversary of the adoption of the Polish constitution and at this time I would like to make a brief statement in commemoration of that date. Judged by any set of liberal and democratic standards the Polish constitution of 1791 was a great instrument of reform and freedom.

Since that time the history of Poland has been one of suffering and subjugation, but even in her darkest days the Polish people have never despaired in their determination to regain their independence and liberty.

Although she has known three partitions totaling 135 years of bondage, Poland has not only been valiant in her own struggle against oppression and tyranny but her men have battled for freedom the world over, and Americans owe their

heritage of liberty in part to such heroes as Kosciusko and Pulaski.

Nourished by decades of resistence the Polish people have evidenced in their uprisings an ever-burning desire for freedom. The bloodless Polish revolution of October 1956 marked a new and promising era in the history of that old and brave nation which with tremendous courage undertook to disengage herself from the Soviet yoke of tyranny.

I am tremendously proud of the people of Polish descent in my district. They are a wonderfully fine people and have contributed a great deal to the cultural and civic life of Toledo.

Poland's national interests as well as her cultural and spiritual ties with Western civilization are irreconcilable with Communist designs for world domination and events of the last year continue to bear out that the ideal of freedom and political democracy is still a potent inspiration to the Polish people.

We of the Free World pay tribute to them today by extending a hand of friendship and encouragement to the people of Poland and expressing the fervant hope that Poland may soon again emerge from the heel of despotism to celebrate in peace and freedom this great holiday.

Mr. FOGARTY. Mr. Speaker, all liberty- and freedom-loving people join in celebrating the 167th anniversary of the Polish Constitution—the first written constitution in Europe. I am honored and privileged to have the opportunity to take part in this commemoration and to salute the Polish people of my State of Rhode Island as well as those throughout the length and breadth of this Nation.

No nation on God's earth has been subject to the brutality which has been the unhappy lot of Poland. Poland, the country first to offer resistance to Nazi aggression, an original signatory of the Declaration of the United Nations, an ally of the United States in World War II, has been deprived of her independence and national sovereignty by Soviet Russia. Freedom has been completely suppressed. The school system, youth organizations, trade unions, universities and colleges have been made part of the Soviet machine. Hundreds of thousands of people have been arrested and deported with the brutal crushing of Poland's freedom.

Here is a nation ravaged by all the things that we profess to despise. Here is the very symbol of the sacrifice demanded by totalitarian philosophy. Poland has been a religious nation. Her churches are famous throughout the world. All of us who have known Americans of Polish stock know that they are people who serve their God. The establishment of the constitution of Poland which we commemorate today, is testimony of the desire of the Polish people to set up a democratic state, a state in which the authority of government is derived from the consent of the governed.

The Polish people are a people who believe as we do, that every man has the right to worship his God according to the dictates of his conscience. They will accept no domination in this sphere just as they will freely accept no domination in the sphere of the type of government which has been imposed on them. That they have been forced to accept this domination remains a source of great sorrow to all free peoples.

The cause of Poland is as sacred today as when the sons of freedom first took up the sword to avenge their nation's honor. The cause of Poland is a monument to freedom and honor today, just as it was when the people of Poland fought from the garret and the cellar, from the forests and swamps to break the hold of the enemy to whom those brave people offered death rather than surrender.

The future freedom of the Polish people will surely come. We know that because we know something of the spirit of Poland and we know it will not be trampled underfoot forever. We know that Poland will one day be free—if only she can survive her present terrible enslavement—and we know that she will survive it for we know her will to survive it.

We must, however, let her know that she does not fight alone. We, in America, must pray for her and incessantly work for her eventual freedom. Let men who cry "peace" also cry "justice"—the two are inseparable. Let the voices of honest men everywhere shout their loyalty to the cause of brave Poland and we can have justice. Those who pay lipservice to peace, yet ignore the plight of our sister country in distress, do a disservice to that goal which they claim to seek. May the day soon come when valiant Poland can throw off the shackles of her oppressor and take her rightful place once more among the family of free nations.

Mr. MAY. Mr. Speaker, on May 3, many of us joined with the Polish people in commemorating Poland's Constitution Day. One hundred and sixty-seven years have passed since the Polish Diet brought about important political reforms which have meant much to the growth of Polish democracy.

Today in Poland it is not possible to live in the freedom which these wise Polish statesmen envisioned. A philosophy, foreign to the people of this Nation, has been imposed upon them by the weight of Soviet arms. Half of their nation have been taken outright into the Soviet Union. The presently existing situation is an intolerable one, not only for the Polish people who are forced day in and day out to serve under the Communist regime, but for all freedom-loving peoples throughout the world. Wherever and whenever liberty is extinguished, grave danger for the freedom of others necessarily results. The Poznan riots, the Hungarian rebellion, strikes in Eastern Germany have all been led by working men and women—the very people whom the dictatorship of the proletariat purports to serve.

There can be little doubt but that we as leaders of the Free World have a duty and an obligation to this brave and oppressed people. We must seize every positive opportunity to encourage the traditions of faith and freedom in Poland where they have not been forgotten despite the vigorous efforts of the Kremlin to stamp them out. The road to freedom is not an easy one and it will be fraught with many frustrations. We must not permit ourselves or our Polish friends to become discouraged.

I join with many of my colleagues in commemorating the anniversary of Poland's Constitution Day in the hope that in the future, May 3 will be not only the cause for commemoration of an act of wise statesmanship, but a day of celebration of true independence.

Mr. KEARNEY. Mr. Speaker, Saturday, May 3, marked the 167th anniversary of Poland's Constitution Day. It was a day set aside to pay tribute to one of history's noble documents, a formulation of political, social, and educational ideals similar in spirit to those in our own Constitution and Declaration of Independence.

The principles laid down in the constitution of May 3, 1791, survived while the young Polish nation was struggling for independence. But in the years since the signing of the Polish Constitution, Poland has been called upon to endure a series of national disasters experienced by few other nations in modern history—foreign invasions, the tragic partitions and disappearance on two occasions from the map of Europe. However, the darkest pages of Polish national history have been illumined by the will for freedom of her people, a hatred of foreign tyranny and a valor in defense of their national culture and identity of such splendor as to win for them the continuing admiration of all free men.

Today reports from Poland give us a gloomy picture of a nation half-slave, half-free. The people of Poland appear to have reached the bitterest extremities of frustration with a government which represents them completely only in its insistence on its sovereignty. The attempt has been made to erect the framework of governmental machinery based on the quicksands of reluctant concessions from the Soviet Union, in the shadow of Russian military might, and implemented by promises from the Soviet Union which they realize full well may at any time be denied or withdrawn entirely.

Her economic situation is desperate. The policy of middle of the road communism is tenuous at best. With her borders in jeopardy on all sides and in an atmosphere which combines economic chaos with external pressure, the very existence of the Polish nation is precarious.

On this Polish Constitution Day we desire to give a reaffirmation of the traditional friendship of the American and Polish people and to assure our Polish friends that our sympathies are with them as they work for the reestablishment of their country as an independent force in world affairs. We are pledged to make the return to Poland of its national freedom a moral responsibility and a firm goal of our foreign policy.

Mr. GORDON. Mr. Speaker, on May 3, 1791, a constitution was formulated that established a firm foundation for the democratic development of Poland. The Polish Constitution was expressed in

explicit terms, demonstrating the people's beliefs in national liberty and independence, preserving them for posterity within the framework of a legal document.

The history of Poland is replete with the gloom of oppression. Nonetheless, these valiant people have kept alive the light of hope for peace and freedom. The people of Poland have long suffered at the hands of foreign tyranny; and, were it not for their great fortitude and consuming love of freedom, even their ideals might have capitulated.

The long struggle for freedom and independence continues today under the most trying conditions. After a decade of ruthless Soviet domination, Poland has moved in the direction where lies some promise of greater freedom and prosperity. Even a limited success in Poland will stimulate new hope among the captive nations. Poland is a symbol of hope. The United States policy must help to make that hope a reality.

The regime of Gomulka which came into power in late 1956 after a showdown with Moscow is definitely nationalistic rather than Soviet controlled. It represents a large degree of Polish independence. The Roman Catholic Church, under the able leadership of Stefan Cardinal Wyszynski, has indicated that its support of the Gomulka government is in the interest of religion and the nation. The cooperative efforts of the church to the government are understandable, under the circumstances, and are made with the hope of a stronger and more independent Poland sometime in the future. Many of the religious freedoms which were taken away have now been returned through the patient and untiring efforts of their beloved and patriotic cardinal.

The Gomulka government inherited a Poland in desperate economic straits. Looted and exploited by Stalinism, the Polish people have endured years of hardship. Starvation and economic dislocation were and continue to be prevalent.

When Poland and the United States first explored the possibilities of economic negotiations in the fall of 1956, there was some fear among us that we would be aiding a Moscow controlled country. The United States was confronted with an immediate choice: to aid Poland, or to refuse. After carefully weighing the many circumstances involved, our Government decided to come to Poland's aid. Behind United States policy was the hope that the regime of Gomulka, independent of Moscow domination, could be strengthened and thus bolster the people's progress toward a more complete existence.

The furnishing of surplus agricultural products and the granting of aid in the form of loans have alleviated starvation and encouraged individual industrial enterprises. As a result of this assistance, the policy of the Polish Government has permitted more freedom of decision and enabled more consumer goods to be made available to the public than ever before.

Apart from the sincere gratitude for our economic assistance at the time of dire need, the Polish people also have a profound respect for the American tradition of humanitarianism. They know that we sincerely seek friendship, not hostility. They know also how their relatives and friends who left Poland found happiness and freedom in our land.

Before any economic agreement with Poland was consummated, I had constantly urged that our vast stores of surplus agricultural products should be used for hungry people in whatever land they might live. When Poland indicated to our authorities her urgent needs, I fully supported the use of surplus agricultural products for Polish relief. It was my belief, reinforced by subsequent events, that this aid on the part of the United States would have favorable repercussions in Poland that could do much to hasten the march toward freedom and security.

We now see the wisdom of our decision to stretch out the helping hand of America to the people of Poland. Also, we may see the effects of our decision to help people begin to free themselves from the fetters of communism. We cannot expect this process to produce results overnight. I am convinced, however, that if we pursue patient and understanding policies, Poland will again be the democratic country for which its great constitution has been a cornerstone. We must now help the people of Poland build the edifice of democracy.

Polish Constitution Day is much more than the celebration of the adoption of a document. Just as our own Constitution must be implemented and wisely applied, so must the constitution of Poland. Happily, we in the United States have been blessed with many things, including our precious liberty. It is our fundamental duty to see that this great blessing of liberty can be achieved and enjoyed elsewhere. It is our fervent hope that the Constitution of Poland will have achieved the future which it promised.

Mr. DOLLINGER. Mr. Speaker, I am pleased to have the privilege of joining with my colleagues in commemorating the adoption of the Polish Constitution. The date of its adoption, May 3, 1791, is an outstanding one in the history of European peoples, for Poland's Constitution was one of the first to be based on democratic principles; it is closely patterned after our own. Class distinctions were abolished, and absolute religious freedom was assured.

Poland's freedom was short-lived, for invading Russian armies overthrew the government and enslaved the people. For the short period between the two World Wars, the courageous, indomitable, democracy-loving people of Poland were permitted to enjoy the freedom for which they had sacrificed so much. Then once again, tragedy overtook the nation, and it was forced to become a Russian satellite.

We know that Russian domination ruined Poland's economy and destroyed the people's incentive to work. But never did the people lose their hope for freedom; they resisted the collectivization foisted upon them, they remained united in their hatred of communistic oppression, they refused to submit to their oppressors and to accept the teachings of communism. The bravery of the Polish people and their willingness to fight for their ideals and beliefs, even though defeat is certain, are evidenced by the Poznan uprising and the revolution of 1956. Their unswerving devotion to the cause of liberty, their many sacrifices in the name of democracy, have been an inspiration to all oppressed people everywhere, as well as to the more fortunate who are permitted to enjoy freedom.

It is to be hoped that the day is not far off when the people of Poland will be blessed with true freedom and complete independence. In the meantime, Poland deserves our moral support, our interest in her survival, as well as any assistance we can give her in her struggle for freedom from bondage.

Mr. BYRNE of Pennsylvania. Mr. Speaker, modern history of the Poles is marked with great deeds of gallantry and heroism, of suffering and untold sacrifices. And their more recent history may be summed up in misery and misfortune. Through no fault of their own, they have suffered and endured more hardships than almost any other national group in Europe. Being smaller than their powerful neighbors, in the west and in the east, they have not been able to withstand the periodic onslaughts against them by their powerful foes. In 1772 when Austria, Prussia, and Russia appropriated a large part of Poland in the first partition of Poland, the helpless Poles could not prevent that tragedy. From then on, however, Poland's leaders resorted to every means of strengthening the country so as to be able to meet future attacks successfully. They decided to overhaul Poland's governmental machinery, to make it liberal, democratic, and bring it up to date. With these lofty ideals in mind the constitution of 1791 was drafted and adopted on May 3 of that year.

This document marks a new epoch in Poland's history. By its adoption, Poland stepped out of the middle ages and into modern times. The powers of the king were curtailed, and Poland became a constitutional monarchy. The monarch was to share his executive authority with a council, and even in matters of personal prerogatives he could not act without the consent of that council. There was a legislature of two chambers, which was to meet regularly at stipulated times, and it had to revise the constitution periodically. The nobility lost most of its special privileges, and the townsmen were allowed to share other privileges with nobility. Peasants were protected against the arbitrary power of their landlords. Religious freedom was guaranteed. Judged even by today's standards, the constitution was a liberal and democratic document. Its adoption and promulgation was hailed in all parts of Europe, particularly by the prominent liberal leaders in the west. At about the same time, of course, it was bitterly denounced by Poland's inveterate enemies, and they prepared themselves for the kill. Unfortunately, they succeeded in the execution of their evil designs; a few years after the

adoption of this constitution, Poland was parceled out among the three autocratic powers—Austria, Prussia, and Russia—and, of course, she ceased to exist as an independent entity.

But the spirit of independence and freedom was not dead among the Poles. Nor was the spirit of the constitution of 1791. At the end of the First World War when they regained their independence, the spirit of that constitution was reinstated in Poland. And today, when Poland's genuine freedom and independence is gone, Poles still cling firmly to their spiritual heritage. In celebrating the 167th anniversary of the adoption of that great constitution, they affirm their undiminished and undying faith in their heritage. I am indeed glad to join them in the celebration of this great anniversary, the Polish Constitution Day.

Mr. ENGLE. Mr. Speaker, on the 3d day of May in the year 1791 one of the first democratic constitutions in Europe became a reality. It was a dramatic climax to a document that was patterned after the ideals of our own Declaration of Independence and inspired by a group of enlightened men in the Polish Diet. By this mighty stroke of the pen an end was put to the invidious class distinctions and to the religious intolerance that brought untold misery and suffering to the Polish people. This step forward into freedom endured for less than a year—but the mark it left in man's irrepressible fight for independence will endure forever.

It was not until the end of World War I that Poland was again able to build an independent state based upon the democratic ideals embodied in the 1791 charter. It held on to that freedom for 21 years and in 1939 lost it again—first to the Germans and then to the Russians.

But man's urge for freedom is an indestructible element. As a captive nation under Soviet domination, the people of Poland have never lost their invincible spirit. In 1956, in the face of the overwhelming force of their oppressors, the rank and file of Poland took the lead in an uprising to demonstrate the total bankruptcy of Communist policies. It is a credit to their great courage and tenacity that the Polish people have been able in the last 2 years to wrest from the Soviet Government some measure of independence.

This year again the Free World is paying tribute to Polish Constitution Day—in expressions of sympathy and esteem for the men and women of Poland who have never accepted their subservient state. I hope these expressions are not mere platitudes. I hope they are manifestations of a genuine concern and interest, and that neither political nor diplomatic expediency will provide sufficient cause for any of us to waver in giving aid and comfort to the people of Poland in their pursuit of freedom.

Mr. OSMERS. Mr. Speaker, it is a great honor and privilege for me to represent many Americans of Polish descent.

Without exception they are outstanding in industry and in their loyal devotion to American principles and ideals.

I have always had the deepest admiration and respect for these fine people. Their contributions to the American scene are a tremendous source of inspiration.

On the 167th anniversary of Polish democracy it seems appropriate to note the long and honorable history of the Polish people and their descendants in America. Since their earliest arrival at Jamestown, their courage and love of liberty have been important factors in the formation of our Nation.

In 1791 the Polish people established a constitutional monarchy under a liberal constitution which adopted many of the principles of the French and American Revolutions. Democracy and freedom, however, were abruptly snatched from the Poles by her power-greedy neighbors. From 1795 till 1918 the Polish state disappeared from the map of Europe, but the Polish nation did not disappear. Except briefly during the two World Wars the history of Poland has been one of partition and tyranny. Yet the freedom-loving Poles have never accepted the dismemberment and subjection of their country and have taken every opportunity to fight for the restoration of their independence. Many of them have even fought for the freedom of other nations.

On September 24, 1608, the small ship *Good Speed* sailed up the James River. Among its passengers were a handful of strong, rugged artisans, who, along with Capt. John Smith, labored in the woods with their axes, making a clearing and setting up the first factories in the new world. To this group Smith later gave credit for saving the colony of Jamestown and in effect for insuring that America would develop as an English-speaking nation. Yet oddly enough these artisans were not Englishmen, but were the earliest Polish immigrants to this country.

A few years later the Poles set another precedent in their adopted land. At the time of the election in Virginia of the first legislative body in America, only natives of England were to be allowed to vote. With justifiable indignance, the Poles successfully staged America's first strike—laying down their tools until they were granted full equality with the other colonists. Economic gain was not the primary motive, but rather the establishment of the principle of universal suffrage.

The number of Poles in our country and their American-born descendants have grown rapidly from the small handful of artisans in Jamestown. Today they total nearly six million.

But the essential character of these people has never changed. Endowed with an astounding capacity for hard work and a love for freedom that has been denied to them in the motherland Polish immigrants have chosen to join others in their fight for independence. In the American Revolution, for example, the muster rolls of the Continental Army reveal at least a thousand "ski's" and wicz's" and other unmistakably Polish names Among them were two spectacular young volunteers, Tadeusz Kosciuszko and Casimir Pulaski. Both possessed a love of liberty knowing no national borders, and saw America's struggle for freedom as their own. Kosciuszko was the first foreign officer to arrive here, sailing at his own expense to offer his services to General Washington even before the Declaration of Independence had been signed. His career as a cavalry leader sent him through the Carolinas and gave him a significant role in driving the British from Charleston.

Both Kosciuszkö and Pulaski fled to America after unsuccessfully resisting the dismemberment of their country by Russia, Prussia, and Austria. But Pulaski fled only after more than 4 years of brilliant and bitter struggle. He offered both his services and his sizable fortune to America, and without waiting for official recognition, he plunged into battle. During Washington's hasty retreat at Brandywine Pulaski was credited with saving much of the army by slashing rearguard raids. It was after the battle that Congress quickly bestowed upon him a generalship, making him "Commander of all the Horse."

During the hard winter at Valley Forge, Pulaski led raids through the British lines, returning with captured food and supplies for the starving, immobilized troops. He even formed the independent cavalry corps that became known as the Pulaski Legion, spending his own fortune to equip it.

Kosciuszko survived the war and returned to his war-torn native land to continue the struggle for its independence. But Pulaski lost his life on the American battleground at Savannah.

In later years, many battle-hardened Polish exiles distinguished themselves in the Civil War. And recent generations of Polish-Americans have played as outstanding a role as did their predecessors in early days. Forty thousand Poles enlisted at Wilson's first call for volunteers in World War I; 300,000 served as American soldiers and sailors in World War I. And in the Second World War, more than 550,000 American Poles joined the armed services.

The native-born generation of Americans of Polish parentage have been increasingly active in community and national activities since the late 19th century. They have remained conscious of their Polish ancestry yet identify themselves with American society, growing more and more prominent in literature, scholarship, music, and art. Since the Second World War they have assisted many refugees and displaced persons in becoming an integral part of the American life they and their ancestors have enjoyed and enriched for over 300 years.

The Poles brought to the United States young and sturdy laborers who were willing and eager to use their hands, hearts, and brains in the service of a growing America. These people brought with them not only the crafts and folklore of their country but also a spiritual strength which has contributed to the religious growth of America. Individually as well as collectively they have left their influence upon their adopted

country. In the science and arts we note such outstanding Polish Americans as Paderewski, Hoffman, Artur Rubinstein, Leopold Stokowski, Jan Kiepura, Gene Krupa, to name only a few. In the field of sports Polish names have become familiar as stars and big-leaguers—Stan Musial, Ed Lopat, for example.

Today Americans of Polish descent can be justifiably proud of their people who have never given up the fight for freedom of their own land, but have gladly sacrificed their lives for others to gain that same precious possession. Many still have relatives and loved ones suffering under Communist tyranny in Poland. Let us join with these fellow Americans today in prayer that centuries of tireless struggle for freedom will soon be rewarded by complete and permanent independence for this unwilling Soviet puppet. The strength of character, faith, and ability of the Poles have been an important element in America. Poland's exiles have proven themselves as citizens of the highest quality. It is our hope that the day will come when Poles everywhere can turn proudly to a motherland that is as free and as strong as are her people.

Mr. FARBSTEIN. Mr. Speaker, Poland's long and turbulent history is crowded with great deeds, heroism and bravery as well as with suffering and misery. These acts of valor and fortitude tell the story of a long chain of events which guarantee an honored and distinguished place for the Poles in European and world history. The empire which their first king, King Bodeslav the Great—anno Domini 992–1052—established, was the first formidable barrier in eastern Europe against the onrushing Asiatic hordes from the east. In the 17th century Poland's King John Sobieski—1674–1696—the bravest of the European rulers of his time, saved Europe from the hitherto undefeated Ottoman Turks, by inflicting a crushing defeat upon them at the very gates of Vienna in 1683. These signal services rendered by the Poles to the west are not overlooked or forgotten.

In addition to such services in the battlefields, Poles have also been pioneers in eastern Europe as political and social reformers. The constitution which the Polish Diet—or parliament—adopted in May of 1791 marks a great political landmark in Polish and east European history.

As a result of the first partition of Poland in 1772 the Poles had lost more than half of their country but they lost none of their national spirit of freedom and independence. Late in the 1780's the presence of a new spirit was felt all over Poland, and many Polish leaders were fully conscious of its presence. This was the new spirit of reform, change, and progress, which expressed itself in many constitutional changes. The Diet, which assembled on October 6, 1788, was made up of various elements, and the constitution of 1791 was really the handiwork of a group rich in men of integrity and intellect and fervent patriotism. It has often been asserted, perhaps justly, that whatever talent Poland had at that time had gathered within this group of patriots.

That memorable document drafted by these patriots, and adopted on May 3, represented a definite and decisive advance over anything yet attempted in that part of Europe. What the French revolutionists tried to attain in a national bloodbath, the patriots of Poland sought to attain quietly and peacefully. By this Constitution Poland became a limited, constitutional monarchy. Ministerial responsibility was introduced; the intricate and obstructive features of the old system were abolished, and many class distinctions were eliminated. The towns were given administrative and judicial autonomy, and a measure of parliamentary representation. Personal privileges formerly enjoyed by the gentry alone were made available to all townsmen. The peasantry was placed under the protection of the law. Religious freedom was guaranteed.

Judged in the light of present-day ideas of freedom, and compared with the long list of contemporary civil rights, the constitution of 1791 might not be considered liberal, but in those days it was an advanced instrument of democratic government. It won the admiration of that great English liberal leader, Edmund Burke, and it also brought down upon its framers the fury of those powers who were getting ready for the second partitioning of Poland. Unfortunately, before the constitution came into full force, Poland's enemies carried out their evil designs. In 1793 Poland was reduced to a third of her original size; another and final partition in 1796, put an end to Polish independence by partitioning the remainder among Austria, Prussia, and Russia.

But the end of Polish independence fortunately did not mean the end of the spirit of independence among Poles. The noble spirit survived the vicissitudes of more than a hundred years, and finally found fulfillment in Poland at the end of the First World War. In 1939 it went into hiding again, and as usual it found safe refuge in the hearts and souls of the Polish people, where today it is safely lodged and patiently awaits better and brighter days.

At the end of the last catastrophic war it was hoped that the Poles, who certainly lost as much and perhaps more than any other national group during the war, would have an opportunity to regain their independence, to rebuild their war-torn country, to live in peace and of course follow the course of their national destiny according to the dictates of their national interests. But the postwar world did not offer these opportunities.

Postwar Poland has been governed by its Moscow-trained and Moscow-oriented Communist rulers. It is not an independent country, but one of Soviet Union's satellites. Its population of some 25 million is held down by the presence of Soviet might. The omnipresent and omnipotent state security police preserve an outward order.

Until recently the country was sealed off from the West. We in the Free World heard of periodic purges, uprisings and cruel suppressions, often long after the events. It was impossible to get current news. But the Poznan uprising of June 28, 1956, brought certain reforms.

It was a large and effective protest by the workers about their working conditions and wages. The protest was expressed on such a large scale and was so spontaneous that it was difficult for the authorities to hide it. The Poznan revolt was the first massive sign of widespread unrest.

In response to the drama of Poznan the Polish Communist leaders showed some signs of independence from Moscow. At least for a time they pretended to act as Polish patriots. The result was encouraging; since mid-1956, Poland has been enjoying a quasi-autonomous, partly free, half-docile status as the largest European satellite of the Soviet Union. As soon as the West learned of the dismal economic plight of the Poles, the Polish Government asked the United States for financial aid. We could not refuse to aid the unfortunate Poles. Thus far close to $100 million worth of credit has been granted to Poland, and she has already purchased foodstuff in this country worth more than $75 million. We are even willing to extend further credit, or make outright grants, always hoping thereby to strengthen Polish independence from Moscow with aid from the Free World.

It is true that the Gomulka regime is not to our liking; nor is it one the Poles themselves would choose, but they know, and we know, that they have no choice unless it be a choice between what they have and something worse.

The fate of all Poles in Poland is not a happy one under Communist regime. There they are working desperately hard to rebuild Poland, but they do not enjoy much of the freedoms for which they fought bravely and died. Under the stern Communist tyranny they cannot celebrate the 167th anniversary of their great constitution, the constitution of May 1791. But in the Free World we gladly join Americans of Polish descent in the celebration of this great landmark in Poland's history and we hope that the mild reforms following the Poznan uprising will pave the way for even greater independence in the future.

Mr. BECKER. Mr. Speaker, about the time our own beloved country was in the process of formation, Poland in 1791 drew up her constitution. And for something like 167 years has struggled to maintain it and the protection it guarantees to her freedom-loving people. This has been an almost insurmountable task in the face of continuous aggression on all sides up through the years, even today when she is under the bondage of communism. But this has not dimmed her ideals, her love of freedom and her continued struggle for independence.

On this May 3 in commemorating with Poles the world over this significant date, we do so with a feeling of kinship for these people, whose history somehow intertwines with our own. Because in our struggle for independence some 200 years ago, her patriots pledged themselves with our own cause, and men of the stature of Kazimir Pulaski and Thaddeus Kosciuszko fought side by side with our Founding Fathers.

Therefore, it should have special meaning to us in the United States and, so, I am glad to have the privilege to pay tribute to the spirit of liberty that remains in the hearts of freedom-loving Poles throughout the world today. And, I join in prayer with many others that this freedom is not too far off in the future.

Mr. EBERHARTER. Mr. Speaker, It gives me great pleasure to join with my colleagues in the commemoration of the 167th anniversary of the enactment of the Polish Constitution on May 3, 1791. At the same time it is with deep sadness that I realize that the majority of those people to whom May 3 has most significance must celebrate this anniversary in secret because of their oppression by a ruthless political group.

Polish Constitution Day has a special poignancy for Americans because both our country and Poland founded a democratic form of government at the same period of history. Undoubtedly the Poles would not have lost their liberty had they had the protection of two great oceans as we have had.

In addition to our great sympathy for the Polish nation and its struggles, our recognition of Polish Constitution Day is vitally important because it is one of the few ways open to us to express our encouragement and our recognition of the tremendous odds under which the Poles now exist. We have the utmost admiration for these people, noted since the Middle Ages for their bravery. During World War II Poles participated in some of the most gallant actions of the Allies. These actions assume greater valor when one remembers that these people could not fight under their own flag. That this bravery has survived—even under cruel oppression—is forcefully demonstrated by the Poznan uprisings and the refusal to accept collectivization of the farms.

No one can know the destiny of the Polish people but it is plain that they occupy a unique position in the world today. Because of their geographic location, and even more important, their long history as a democratic nation and their valiant fighting spirit, they may well be the key with which the free nations of the world might hope to unlock the yoke of oppression fastened over Eastern Europe since World War II.

Mr. SADLAK. Mr. Speaker, on May 3 of this year the courageous people of Poland will celebrate the 167th anniversary of the adoption of the Polish Constitution.

The Polish Constitution of May 3, 1791, was a constitution drawn by patriots in the shadow of disaster. It was born in an atmosphere of rebellion against oppression and injustice. It brought about important political, social, and educational reforms destined to strengthen the Polish State at a time of threatening dangers from imperialistic neighboring powers. The constitution was imbued with the same spirit which inspired our own forefathers in the cause of American freedom.

The imposing on Poland in 1953, under Soviet directives, of a constitution on Communist pattern, similar to that of all other "peoples" republics, did but reaffirm the attachment of the Poles to their historic charter of 1791.

An analysis of the present conditions in Poland leads to the conclusion that no real or substantial improvement can be achieved within the framework of a Communist system. This system which destroys both freedom and initiative in the spiritual, intellectual, and economic sphere, is particularly unsuitable in Poland, for Polish civilization has produced a type of man who can only work, produce, and create in conditions of freedom.

The people of Poland, in spite of ruthless Communist subjugation on the Stalin pattern, have maintained their patriotism and moral resistance. This is not only true of the Poles but of all the freedom-loving countries who have been enveloped by the cruel and devastating oppression of communism. Let the Soviet troops leave Poland and all the now-captive European countries. Let the Poles and the Hungarians, the Lithuanians, and the Bulgars decide for themselves the form of government they think suits them best; this would be sure to be a fully fledged and virile, political, economic, and cultural democracy. Such is the shape of things to come, and come they will. It is desirable, however, for them to come about without convulsions and bloodshed. It is up to the Western Powers to raise the matter at the forthcoming conference at the summit in the interest of that peace to which Mr. Khrushchev pays no more than lipservice.

Poland and the captive countries of Europe are now determined not to let themselves be turned Communist and are equally determined to extend their political and economic rights.

In spite of its cruel experiences in the past and in the present, the Polish nation has maintained its vitality. The nation is young in its structure; its biological strength is increasing. In its soil it has natural resources sufficient to expand its economic potential. The Polish spirit never has and never will be crushed. It lived on and it continues to live on today and will live on as long as there are Poles.

Poland, though it differs with the Soviet Union politically, still depends on Moscow for its daily bread.

That is why any help from the West is so important and it is good news the United States is about to extend it for the second time in 8 months. Last July, $95 million was made available to Warsaw in credits and surplus crops. Now a similar agreement involving an equal amount of money is ready to be concluded.

Every year Poland comes closer and closer to the freedom they love and want so much. It is a genuine pleasure for me to once again join the 7 million Americans of Polish extraction, and the many more millions of well-wishers throughout the world in sending our praise, our faith, and our prayers.

Mr. CURTIS of Massachusetts. Mr. Speaker, the anniversary of Poland's Constitution on May 3, 1791, should be recognized by freedom-loving people everywhere. Especially is this true in America, whose own Constitution was promulgated at nearly the same time, antedating that of Poland by only 3 years.

The people of Poland and the United States then shared a common purpose to seek freedom and justice under a constitutional form of government, and today still share their belief in liberty, freedom, and democracy.

Sons of Poland have been welcomed to America, have become leading citizens, and have enriched our land both by their activities and by the proud traditions and culture which they brought to our shores.

It is well that this day be recognized in the Halls of Congress. America regrets that the Polish people have been forced under the cloud of Communist domination, and looks to the day when Poland will have a new birth of freedom.

Mr. RODINO. Mr. Speaker, the Poles have endured many hardships and have sacrificed more than many European nations for their freedom, but unfortunately they have not been justly or properly rewarded for their efforts. Today they find themselves once again enslaved in their homeland by totalitarian communism. Even in misery and misfortune, however, they look back to their happier and glorious days, and seek inspiration from the past. One of their sources of inspiration has been the great constitution of May 3, 1791.

That constitution made Poland a constitutional monarchy under a government of the responsible cabinet type. Many ancient class distinctions and privileges were wiped out, the central government was strengthened and the peasantry was brought under the protection of the law. What is perhaps even more significant for those days and for that part of the world was the fact that this constitution guaranteed religious freedom. In this and in many other respects, the Polish Constitution of May 3, 1791, was in the vanguard of democracy's advance into central and eastern Europe. The adoption of that constitution in 1791 constitutes one of the brightest and significant landmarks in Poland's entire history. Today in commemorating the 167th anniversary of its adoption, we are paying our respects to the memory of its architects, great champions of Western democracy. I am indeed glad to observe the celebration of this historic event.

Mr. LESINSKI. Mr. Speaker, as we observe the 167th anniversary of Poland's Constitution Day of May 3, we in America would do well to review the history of Poland and the lesson it teaches.

Throughout the centuries, the Poles were constantly struggling against oppressors from all sides—oppressors who tried to impose their ways of life upon the Poles. As you may recall, subsequent to the adoption of the Polish Constitution on May 3, 1791, a constitution which was heralded as an expression of intelligence and political moderation, the Russians who had been the primary aggressors through the centuries again invaded Poland and there was commenced a series of partitions designed to

destroy the Poles as independent and individual people. The partition of January 23, 1793, marked the end of Poland as an independent state. Polish nationalism, however, was strong and in the ensuing years the Poles were continually struggling for full freedom. In the meanwhile the country was developing—a university was opened, education advanced and industry began to spring up on a large scale. In 1831 the struggle for freedom erupted into a disastrous war in which an overwhelming Russian Army subdued the freedom fighters. As a result of this struggle, the Poles were deprived of the constitutional rights, all achievements were nullified by confiscation and severe sentences, material and cultural gains in the form of movable property were carried off to Russia. But the Poles do not give up easily and they continued to rebel. As a result of other uprisings, in 1869 the Polish University of Warsaw was transformed into a Russian university and the Polish language was forbidden in schools. Teaching of Polish was forbidden and there was a great increase in illiteracy, the figure rising to 82 percent of the total population.

It was not until after World War I that Poland came into being as a state again. Today, although she has a semblance of an independent state, certainly more so than a number of other satellites, she is still faced with enemies who would destroy her existence.

History shows us that the Poles have a fierce and never-ending desire for independence and freedom, which we have seen evidenced in recent times. I am certain that they will continue their fight until such time as they realize their dream of liberty and independence.

As we reflect on this history, we Americans should alert ourselves to the perils faced by the free world and maintain a constant vigilance against any domination by those who try to impart their thinking and way of life upon all people of the world, for there are those among us, as there were in Poland who would by subversion and other means seek to destroy our way of life. Let us on this occasion reaffirm our adherence to the principles of liberty and freedom for all and our determination to maintain our Nation's place as a strong and competent leader among the free nations.

Mr. PHILBIN. Mr. Speaker, once again this great representative body pauses to commemorate Polish Constitution Day and extend our congratulations and heartfelt best wishes to the struggling, oppressed Polish people.

Freedom is an indivisible entity and a nation cannot live half slave and half free. It is impossible, of course, for any nation to enjoy self-expression and individual liberty for its citizens when its representative institutions have been overpowered by tyranny. Persecution, mass murder, and unspeakable cruelty have been visited upon the Polish people by the Communists. Yet their spirit is undimmed; their zeal for religion and freedom undiminished.

They stand, as they always have stood, as a noblest symbol of loyalty, indomitable will, unflinching determination to regain their precious liberties for which throughout the years they have made such unutterable sacrifices of blood and treasure.

Nothing has deterred these great people from their unswerving purpose to stand firm for their religious ideals and political principles. Neither Nazi fury nor Soviet persecution have been able to extinguish or diminish the fierce light of liberty that flames in their hearts.

Though they are bound firm by Soviet shackles, they never will surrender their heritage, their individuality, their irrepressible will to be free men and women.

It is well and fitting that our Nation should continue to encourage and assist them in their struggles for liberation, liberty, and peace. The Polish people never have been and never will be subdued by Soviet tyranny. They are not and never will be Communists. They may be physically enslaved, but they will never be spiritually subdued, and their aspirations for freedom will live as long as there is breath in their bodies.

The Soviet experiences with Poland must be very discouraging from the Soviet standpoint since it illustrates the impossibility of conquering a people intent upon achieving the recapture of their free institutions and individual liberties. Nowhere in the Soviet chain of satellites is there a weaker link from the Soviet standpoint than in Poland. The spirit of these indomitable people has been unquestionably transferred into the hearts and minds of other satellite people. Thus, the entire Soviet satellite system rests more and more on political quicksands likely to topple it down at any moment. This situation constitutes impressive evidence of the essential weakness of the Soviets which is constantly giving them serious problems of administration and control over the hapless victims.

In the long run, this will be a fatal organic weakness which will, in time, cause the collapse of the Soviet dominion of subject peoples and insure the restoration of freedom in many small nations.

This is not the only sign of weakness that is appearing in the Soviet political and economic armor. Though the Communist Government mounts a considerable and threatening military force and has effected scientific advancements in military areas that must necessarily give us concern, the underlying pattern of the Soviet struggle, the very foundation of its entire system day by day show marked weaknesses.

Despite great suffering and sacrifices by the Russian people, the social and economic conditions of the country are not any better, but perhaps even worse, than they were under the Czarist regimes. The food supply is inadequate and does not permit subsistence levels in many areas let along decent human standards.

Housing is backward and inadequate and, in many places, primitive.

Home comforts and conveniences are virtually nonexistent except for the privileged classes of the Soviet bureaucracy.

Clothing is scanty and expensive; the public services outmoded and ineffective.

The transportation and communication systems are totally inadequate to serve the national welfare, or to contribute to the reasonable, economic development.

The educational system notwithstanding extravagant claims for it made by American Communists and their sympathizers, is antiquated, backward and confined to limited areas and limited groups. To be sure the Soviets have sacrificed butter for guns and have rockets and satellites and have been building huge military organizations.

But glaring deficiencies exist in the entire system. Raw materials are inadequate, steel and oil products way below requirements, food, manufacturing and supplies incapable of sustaining any prolonged war.

The Soviet leaders are well aware of these weaknesses. They well realize that one blow at the free world or the United States, however devastating, would not enable them to win a war, that it would be followed by complete destruction of their nation. This realization, coupled with the growing strength of our Nation and the free world, is the best insurance against war and the best hope for peace that the world now has.

It is all the more reason why we should bargain from a position of strength and flatly reject overtures and propaganda moves designed through appeasement to secure further diplomatic concessions that will strengthen the Soviet in the eyes of world opinion and enable them to build up their strength.

It is not a very satisfying future prospect to recognize that we will have to live in a world plagued by Soviet bluster, bluff, propaganda, and threats. But it is our only choice save all out war, and certainly no responsible leader would knowingly be willing to invite or cause a world conflagration with its extensive loss of life, property, and devastating effects on civilization.

It may test our patience to continue the war of nerves which is foisted upon us by the Soviet, but this ordeal is far to be preferred to outright war, although we must make it unmistakably clear to the Kremlin masters that we will resist to the end with every resource and weapon at our command their efforts to interfere with the security of our Nation or violate the territory or rights of liberty-loving peoples in the free world.

Until the Soviet is willing to bargain honestly, sincerely, and in good faith, there will be little opportunity for real lasting peace. But the mills of the gods are grinding exceedingly fine these days, and we are justified in entertaining the hope that the time may not be too distant when the Soviet will be willing to bargain for peace on some rationalized, practicable basis that will open up the way to the liberation of enslaved peoples in Poland and other oppressed nations and bring disarmament and universal peace to the aggrieved and worried world.

Should the time come when universal peace can be established on the basis of justice and equity for all peoples, men of good will can again take up the mighty struggle for human advancement that the Communist conspiracy has aborted.

It will be in that union of free spirits that modern scientific inquiry, manufacturing genius and farsighted business and political leaders can map out and carry forward that constructive program for human betterment which will not only expand the horizons of American liberty and economic strength and welfare, but will redound to the improvement and progress and betterment of the lot and status of peoples all over the world.

As I said before, under these conditions, a millenium would ensue more beneficial than any advancement mankind has made in the past, and I am convinced that is a fact. Before this great result can be secured, the Soviet will have to abandon its aims for world domination and world enslavement, and express by its actions rather than its propaganda statements, its real determination to join with peace-loving nations in the great, historic struggle for human advancement.

And there is another condition precedent to the consummation of this dream and hope for world peace and world welfare, and that is the recognition by the Soviets of the legitimate relations and political aspirations of millions and millions of people throughout the world who believe that spiritual values are prerequisite to the satisfactory solution of human problems, that without faith and confidence in the Divine Maker the activities of man along materialistic, mechanistic lines will be feeble and ineffectual. When the world, including the Soviets and our own country and all other nations are willing to reject and renounce materialism as a philosophical, political, and economic doctrine and mobilize instead the ideals that prompt and activate the spiritual nature of man, there can be no alleviation of the cynicism, distrust, greed, and lust for power and prestige which currently seem to have taken hold of much of the world.

It is in these respects that the Polish experiences contribute greatly to the epoch-making struggles for human freedom that are now taking place, because there is epitomized in the Polish situation and the history of the Polish people and their present, unyielding struggles against communism, the expression of those values of the spirit which alone can bring lasting freedom and peace to the world.

Hail then to the Polish Constitution and to the patriots and heroes and people of Poland. Long life to this great, historic nation and its noble people. Let us join with them today in rededicating ourselves to the cause of human liberty. Let us pledge anew our loyalty to their cause and our willingness to encourage and assist them along the stern pathways to liberation and to recapture of their precious liberty.

Mr. KEAN. Mr. Speaker, it is a particular pleasure for me to join today with other friends of the Polish people in celebrating the 167th anniversary of the adoption of the Polish constitution, for Julian Ursyn Niemcewicz, the second husband of my great, great grandmother, was one of the framers of that forward-looking document.

In fact, the New International Encyclopedia, published in New York in 1923, characterizes Niemcewicz as the "framer of the constitution of the 3d of May 1791." Verification for this characterization is not possible from a study of the few reference books available in this country, or from the many Niemcewicz letters which are preserved in our family, for they were written at a later date. Thus, the letters do not shed any light on his activities in 1791. However, there is no question that he did have a most important part in bringing about this memorable Polish Constitution.

Therefore, a brief résumé of the activities of this Polish patriot does seem to be in order at this time.

Julian Ursyn Niemcewicz was born in 1757 at Skoki, Lithuania. He came from a noble Lithuanian family. After graduating from cadet school in Warsaw in 1777 he served for a time as adjutant to Prince Czartoryski, commander of the armed forces in Poldolne.

In 1788 he was elected to the Polish Diet. He played an important role as a representative and as a playwright, for he was an author as well as a statesman, in preparing public opinion and the Diet for the reforms contained in the constitution.

In this critical period immediately preceding the constitution he was an outstanding and active representative; one of the leaders of the general liberal and reformatory movement. His comedy, Return of the Representative, written in 1790, and successfully performed on the Warsaw stage throughout 1790 and 1791, contained artistic propaganda for the principles of the coming reforms. During the years 1790 and 1791 Niemcewicz delivered several speeches in behalf of the peoples rights, which later were incorporated in the May 3 constitution.

Especially strong was his contribution to those clauses of the constitution which aided commoners, for article III of the constitution merely ratified the rights which had been granted to the commoners by an act of the Diet passed only a month before, in April 1791. Niemcewicz took a leading role in the campaign for this act, which aimed to grant to the commoners at least some of the privileges hitherto enjoyed by the gentry alone. He delivered a fiery speech in its support in which he said:

> How frequent are the instances when people whom we qualify as those without noble birth have saved and glorified their countries. No one knows the father of Washington or whom Franklin considers to be his grandfather, yet everyone knows and will always know that Washington and Franklin liberated America.

Bernard Newman in his Story of Poland has this to say:

> The constitution of May 3, 1791, is a remarkable document, for it preceded the French constitution by several months. Nor were rivers of blood necessary to bring it into existence; its details were argued logically and clearly, and such privileges as had to be renounced were renounced voluntarily. A new principle of government was proclaimed. Hitherto the absolute freedom of the privileged citizens had been considered the ideal state; it was now replaced by a wider goal of the common good.

After the passage of the May 3 constitution, Niemcewicz campaigned for its strict enforcement. Some of the Polish magnates, such as Rzewuski and Potocki, openly opposed the constitution, refused to take the oath of allegiance and fled to Jassy, the Russian military headquarters. Niemcewicz was among the members of the diet who wholeheartedly seconded the motion to punish those who refused to take the oath of allegiance. The diet passed the motion, but it was never enforced. In January 1792, Niemcewicz himself moved to punish those who violated the constitution.

Finally, through pressure from the greedy nations surrounding Poland, he and other patriots who had been the supporters of the May 3 constitution were forced to leave the country. He joined Kosciuszko in 1794 as his adjutant, was wounded and taken prisoner by the Russians with his chief in 1794, at the battle of Maciejowice. He was imprisoned in the fortress of St. Peter and St. Paul, but was not idle during his imprisonment, and while there translated Pope's Rape of the Lock and Gray's Elegy. Released by the Emperor Paul in 1797, he came to the United States with Kosciuszko as his aide. Here he met and married Susan Livingston Kean, the widow of John Kean, my great-great grandfather. He settled in Elizabethtown, N. J., and became an American citizen. Niemcewicz was a close friend of George Washington, Alexander Hamilton, and Thomas Jefferson, with whom he corresponded extensively.

However, in 1807, when the situation in Europe raised the hopes for restoration of Poland, Niemcewicz left his comfortable life in his adopted land and returned to Warsaw. Here he became the Secretary of the Senate as well as a member of the Supreme Council of public instruction.

When Poland came under Russia's control he was retained in office by Alexander I, but having taken a most active part in the Russo-Polish War of 1830, was forced into exile. From that time on he took no active part in politics, but devoted himself primarily to the writing of plays and historical poems, many of which, set to music, became very popular. He died in Paris in 1841 and is buried there.

It is fitting and proper that on this day when we are celebrating the events of May 3, 1791, his memory be not forgotten.

In the home where I was brought up, may be found many of his relics and those of Polish history of that time, so that it might be said that since earliest childhood I was surrounded by objects connected with a free Poland. In fact, our family homestead is still named Ursino—the name given to it by Niemcewicz in memory of his ancestral home in faroff Poland.

Today, for the 19th year, Poland stands under the yoke of a cruel despot. But though the clouds still are dark the light of ultimate victory shines behind them. While the present Polish Government is Communist, the Polish people are not.

Poland must and will be free again and stand in its rightful place as one of the great nations of Europe. For more than 200 years, in spite of partitions, in spite of attempts at suppression, the great

spirit of the Polish peoples has stood firm. Poland has remained a nation even when it was under the heels of the oppressor.

Why, we may ask, have attempts to wipe out Poland proved unsuccessful? For the answer, we only have to look at our friends and neighbors of Polish origin who live among us to understand the strength of the Polish people.

Law-abiding and industrious, Americans of Polish descent have made a real contribution to the American scene and the American way of life. We do not have to go back to Kosciuszko and Pulaski, glorious as were their deeds, to find cause to celebrate today. We only have to point to our neighbors and friends of this virile race who are justly proud of their ancestry.

They add glory to the Polish race and on this special occasion all Americans should join with them in offering a silent prayer that the day be not too far off when that great people in central Europe may again take their rightful place among the free nations of the world.

Mr. DEROUNIAN. Mr. Speaker, May 3 is a fitting day to salute the Polish people of the present and the past. This is the anniversary of a highly significant event in Polish history, the anniversary of the adoption of the Polish Constitution of 1791. It is remembered as "one of the greatest achievements in Polish history" by all the friends of this long-suffering nation.

But the constitution of 1791 is more than a memory of history; it is the banner under which the Polish people have fought oppression and resisted being swallowed up by her stronger neighbors. It is a symbol of the indomitable will of the Polish people who have through the decades held with stubborn pride and resolution to their sense of Polish nationalism. The efforts of Russia to stamp out the nationalism of the Polish people have served only to stimulate the passionate desire for self-determination of the Poles, and to strengthen the historic ties of Poland with the Western World. The Byzantine tradition of Russia is foreign to the Polish people. Tyranny and subjugation of the individual to a supreme state have always been hateful to the Polish people.

One again Russia rules Poland. The Soviet Union, under the pretext of establishing a people's democracy, has destroyed all political, religious, economic, and other freedoms in Poland. After the Second World War the Polish Nation was remade in the image of the Soviet Union. The puppet regime has cooperated continually in carrying out a sovietization program of the country. Outspoken opponents of the Warsaw Government's program have been shipped off to concentration camps in the Siberian wastes.

The American people extend their sympathy to the enslaved Poles. We shall continue to reaffirm the bonds of friendship which have bound together our two peoples since our Revolutionary days. This old friendship and current sympathy does not mean that the American Government should strengthen the present Polish Government in any way, either by exchange of cultural groups or by foreign aid. To aid the Communist Government of Poland would only perpetuate the distress and agony of the Polish people. As long as the Red Army patrols the barbed-wire fences surrounding the nations of Eastern Europe, the Communist Government in Warsaw will never fall nor grant genuine freedom to its people.

Mr. BOLAND. Mr. Speaker, late in the 18th century Polish leaders tried hard to save Poland from impending troubles, and especially from foreign invaders. One of the grandest moves made by them was the drafting and the adoption of a progressive and democratic constitution. They firmly believed that by such measures people's confidence in the Government would be restored, and thus Poland would be strengthened. Liberal leaders in the parliament—Diet—decided in 1788 on the drafting of a constitution. They completed their task and presented it to parliament early in 1791. There on May 3 of that year, King Stanislaus swore allegiance to the new constitution, and exhorted the deputies to accept it as the "last means of saving their country" from external dangers and from internal weakness. It was adopted and to this day remains a great landmark in Polish history.

That constitution converted Poland into a limited monarchy, with ministerial responsibility and biennial parliaments. The old unanimity rule in parliament and other intricate and obstructive machinery of the previous system were thrown overboard. Class distinctions were done away with. The towns received full administrative and judicial autonomy, as well as a certain measure of parliamentary representation. The personal privileges of the gentry, such as possession of land and access to office in the state and in the church, were thrown open to the townsmen. The peasants were placed under the protection of the law, and their serfdom was mitigated, preparatory to its gradual abolition. Religious toleration was also established. In short by this constitution and by a single act of its rulers, Poland moved from one age to another, from the Middle Ages to the modern times.

At the time, this constitution was considered a very liberal and advanced document, one embodying enlightened and progressive ideas of a new age. Its adoption in Poland made that country an advanced post of future democracies in that part of Europe. It was hailed by all liberal thinkers and was hoped that its effect will be profound on other countries.

Unfortunately before the constitution was put into full force, Poland's enemies were ready to make war on Poland. Poland could not withstand her formidable enemies, and subsequently lost her independence. But the spirit of the constitution of 1791 lived on, and it was resurrected fully at the end of the First World War. Unhappily it is again forced to lie buried in the hearts of patriotic Poles who suffer under Communist tyranny. In celebrating the 167th anniversary of that constitution, we echo their genuine feeling, and hope that soon they also will have the freedom to celebrate this historic anniversary in their beloved Poland.

Mr. ZABLOCKI. Mr. Speaker, yesterday, the Americans of Polish descent in the metropolitan area of Milwaukee commemorated the 350th anniversary of the landing of the first Polish settlers at Jamestown, Va., and the 167th anniversary of Poland's Constitution Day.

It was my pleasure to participate in the program arranged for that occasion by the General Casimir Pulaski Council of Milwaukee.

Today, we are commemorating those two important anniversaries in the halls of Congress. It is proper and fitting that we do so, and I am delighted to join with my distinguished colleagues in paying tribute to the sons and daughters of Poland who, ever since that first landing at Jamestown in 1608, have contributed so much of their talents and energies to the development of the American Continent, and to the growth of our great Nation.

Under leave to extend my remarks, I would like to include at this point in the RECORD the text of my remarks at the program sponsored yesterday by the General Casimir Pulaski Council of Milwaukee.

I am pleased to be able to join you today in commemorating the adoption of the Polish Constitution of May 3, and in reflecting upon the contribution which the people of Polish ancestry have made to the development and progress of our Nation.

It is proper and fruitful for us to engage in such commemorations. They give us a better understanding of our heritage, and they help us to appreciate the principles which should guide us in our endeavors through the years to come.

I am particularly pleased that we have this opportunity to recall the part which people of Polish ancestry have played in the early history of America, and of our Nation.

In our daily activities we come in contact with many persons bearing Polish names who came to the United States during the last 50 or 70 years. The majority of Americans of Polish ancestry probably belong to that group: the group consisting of first- and second-generation Americans.

This should not be taken to indicate that the participation of immigrants from Poland in the growth and development of the United States is confined to the last few generations. The very opposite is the case. The entire history of our Nation, and the record of the early colonization of the New World, contain ample evidence that men and women of Polish blood contributed their toil and talents to the settlement of North America, and to the birth and development of our great Republic.

We should remember this fact and, to this end, our thoughts turn today to the small British sailing vessel, named *Mary and Margaret*, which crossed the Atlantic Ocean and docked in Jamestown, Va., 350 years ago.

Aboard this ship, which was bringing provisions and settlers to Jamestown, were five Poles, specialists in industry, who came to the New World to lend

their talents, and their energies, to the task of developing the American Continent.

Fortunately, history has preserved the names of those five Polish men who docked in Jamestown on October 1, 1608.

The small group was headed by Michael Lowicki, originally a Polish nobleman, who organized the group in London. Accompanying him were Zbigniew Stefanski, from Wroclawek, a glass production specialist; Jan Mata, from Krakow, a soap producer; Stanislaw Sadowski, from Radom, skilled in the production of clapboards and building lumber; and Jan Bogdan, from Kolomyja, a shipbuilding expert.

From old records we have learned that these five Polish experts built the first glass furnace on the American continent, organized the production of soap, pitch, clapboards, and other building materials, and contributed greatly to the success of the early English colony at Jamestown.

These facts should be remembered by all of us, and we should take pride in them. We should be equally proud of the countless other men and women who came to this land from Poland in the decades and centuries that followed the settlement at Jamestown, helped to conquer the wilderness, and to build the American Nation upon this continent.

The names of many of those men and women are long forgotten, but the fruits of their labors are here for all of us to enjoy. They are a part of our great American heritage.

Our heritage is made up of many things—of customs and traditions brought here from other lands, of the political and social institutions which were born abroad and developed here, and of the material progress which our Nation has achieved through the rare blending of our natural resources with the know how and energy expanded in developing them.

As we consider our way of life, we become aware of the extent to which our institutions are modeled after principles developed long ago in Europe. Many of the immigrants brought to this land not only their meager personal belongings, their skills and their trades, but also their personal experience with social and political institutions. All this enriched our society, and facilitated the progress of our Republic.

In thinking about these matters, we recall Poland's ancient pariamentary tradition, and Poland's famous constitution of May 3, 1791.

That constitution, adopted peacefully by the Polish nation while their country was faced with a deadly threat to its freedom and independence, stands even today as a model of a liberal, parliamentary constitution.

These, then, are some of the contributions which people of Polish ancestry made to the progress of this Nation. They date back to the landing of the small group of Poles at Jamestown 350 years ago, and they have continued ever since. They include the efforts that our people spent in the new world, in fighting for American independence, and in developing the natural resources of this land. They also include the customs and traditions which they brought here, as well as the achievements of Poles on other continents which had a constructive impact on our own way of life.

We should be justly proud of these things. And we should also remember that the success of the United States has been due in no small measure to the farsighted, liberal policies that our Nation has followed in welcoming people, ideas, and capital from other lands.

These three—ideas, human resources, and captial—added to the rich natural resources of the American continent, produced our abundant way of life.

In recent decades, some of our policies and attitudes have changed. We have erected certain barriers between our country and the rest of the world, and we have imposed strict quotas on immigrants coming to our shores—quotas which often discriminate against the people of Poland and of other eastern European and southern European countries.

There is no reason for this discrimination. It does not appear equitable to have immigration quotas based on the number of persons of different origins who are living in the United States, with the result that some countries have quotas which are not used, while other peoples are severely restrained in their hopes to come to the United States. Our quota system should be revised and brought into closer harmony with the realities of our present age. I am confident that future immigrants from Poland can contribute as much to further progress of our country as did the Polish immigrants of earlier years.

There is one more thought that I would like to leave with you, for I am certain that we all share the same affection and concern for the land of our forefathers, Poland.

During the last year and a half, direct Soviet domination over Poland has been somewhat relaxed, and the Gomulka regime restored certain liberties and privileges to the Polish people. Nevertheless, Poland today still remains under the control of a Communist regime. Poland is not, by any means, an independent nation.

Our Government has decided to take a calculated risk for the sake of helping the people of Poland. After lengthy negotiations which began last October, our Government reached an agreement with the Poles 2 months ago. Under the terms of that agreement, Poland will be able to purchase $73 million worth of our agricultural commodities for their local currency—Polish zlotys—under Public Law 480. In addition, $25 million will be extended to Poland in the form of a line of credit, administered by our Export-Import Bank in Washington. With that credit, Poland will be able to buy additional agricultural commodities, raw materials, and various types of machinery. The credit will be repayable in dollars, at 4½ percent.

Frankly, I am still apprehensive about the outcome of this matter, although I feel that our Government has followed the only sensible course which we could take in this instance. The course represents, as I have already stated, a calculated risk. In these perilous times, however, I believe that it is wiser to risk our assistance on the chance that it may drive a deeper wedge between Poland and Russia, than it would be to sit quietly and timidly watch Poland's progress toward greater independence disintegrate under economic pressures.

This is a time of trial, and of hard decisions. As we reflect upon the perilous adventures of those Poles who came to this continent in 1608, and consider the imposing contribution of Polish people to the development of our free Nation, may we draw from their experience the strength necessary to meet the challenge of our present age. And may we go forward into the future with hope, determination, and courage, bringing honor to their memory and to our own generation.

So help us God.

Mr. OSTERTAG. Mr. Speaker, this past Saturday, May 3, marked the 167th anniversary of Poland's Constitution Day. On May 3, 1791, the great patriots of that nation won many significant concessions from the monarchy for greater freedom through the instrument of a new constitution. Today, when the Poles are struggling to regain many of their former freedoms, I wish to join with many Polish-Americans and freedom-loving Poles everywhere in recalling this historic achievement in Poland's history.

The Polish nation has not been able to enjoy freedom during many of the 167 years since it obtained this constitution. But, it is obvious that the desire for freedom has not lessened among the Polish people. The Poles have been deceived, betrayed, and oppressed by the Russians during much of the time since 1791, just as they are today. But the evidence continues that the Poles will never accept willingly this Russian domination. The riots touched off at the Poznan Fair in 1956 and the subsequent demands by the people for more freedom from their Communist government all are indications of that.

By keeping alive the memories of great achievements for freedom in Polish history, friends of Poland are strengthening the cause for Poland's return to its former freedom.

Mr. ROONEY. Mr. Speaker, Saturday, May 3, marked the 167th anniversary of the Polish Constitution, a great constitution adopted a few years after our own and patterned after ours. It was one of the first European constitutions based on democratic and progressive principles. Today we jealously guard the privileges and rights granted to us under our American Constitution, and lament the fact that the Polish people have lost all the rights, privileges, and independence bestowed upon them 167 years ago, and as the result have become an enslaved nation.

Despite all the sufferings of invasions, partitions, and occupations, Polish courage and patriotism has never faltered. The undaunted stands of the Polish people in the face of tyrants and aggressors on many occasions have been illustrations of courage unexcelled in history.

We cannot forget Poland's recent tragic past. The Nazi attack on Poland on September 1, 1939, was the first application of the blitzkrieg. Soon thereafter Poland was under complete German rule and her people forced to go underground to resume their valiant fight for freedom. In a series of tragic events, the Nazi domination over Poland fell into the hands of the Soviet tyrants and additional atrocities were heaped upon her people.

It is apparent that the vast majority of Poles are wholeheartedly opposed to Soviet domination of Poland's foreign policy, to Communist dictatorship as a form of government, and to the teachings of Marx, Lenin, Stalin, and Khrushchev. The new tyranny is more subtle, persuasive, and stronger than any Poland has ever been called upon to endure. The people are restrained by a dictator government maintained by a Soviet-dominated secret police and Soviet armed forces. The Communist rule has brought economic ruin and worst of all, it constantly assails the minds of the religious people of Poland with a pagan Communist philosophy.

The path to Polish freedom still appears to be a long and hazardous one, but those of us who know the Polish people have no doubt that this is the objective they will never cease to seek. On this 167th anniversary of the Polish Constitution a burning desire for freedom remains foremost in their hearts and minds. There is ample evidence of unrest and discontent in Poland and a growing demand for major reforms. Our goal must be to help the Polish people to win the right to free elections and an end to their present captive status. They look to the freedom-loving countries of the world and particularly to America for moral and economic support. Continued interest and help on our part will hasten the long-awaited day of complete Polish liberation.

Mr. Speaker, in conclusion I wish to take this opportunity to express the fervent hope that the enslavement of Poland will not long endure and that the alien Communist domination will be overthrown. When the day comes again that Poland is free, the celebration of her constitution day will be one in which all freedom-loving people will share and rejoice.

Mr. KEOGH. Mr. Speaker, once again the anniversary of Poland's Constitution Day has passed with the Polish nation bereft of its free identity. There is, of course, the fiction of an independent Poland with its own parliament and premier, chief executive and diplomatic corps. But Poles, at home and abroad, know this for what it is—a cruel mockery of a great free tradition.

The Polish Constitution, which is commemorated each May 3, came into being in an era of lawmaking by peoples newly liberated through their own efforts from oppression and tyranny. Enacted in 1791, it was a contemporary of our own Constitution, and its principles drew on the pronouncements of our Declaration of Independence and the French Proclamation of the Rights of Man and Citizen.

Poland is an example of that grim and bitter truth of history—that liberty is not finally won, but must be defended again and again, and when its defenses are overwhelmed, must be retaken in good time. The original Polish Constitution served as the charter of a free government for a relatively short period. Its fate was to become a dormant instrument through many following years, until its basic elements were revived in the constitutional laws of the new Polish nation created after World War I.

It was a special tragedy of World War II and the diplomatic maneuvers which followed that the brief candle of its independence was extinguished by the stifling obstinate imperialism of the Kremlin. Years have passed since the establishment of the fictional free Poland. While time does not dilute the bitterness of the mistreated as long as the mistreatment continues, it may soften the memory of the observer and dull his sense of outrage at the original injustice.

That, Mr. Speaker, is why freedom-loving Poles throughout the world hope their friends everywhere will recognize, as we do here today, that the Polish people have not been submerged in complacent acceptance of their status quo in their homeland. They hope those who share their devotion to liberty will not equate the present regime, with its mere pretense of assertiveness toward Moscow, with the temper of the great majority of Poles living under that regime.

We must not permit the impression to gain headway in this country that Poles are just Communists who may not be quite as bad as the Kremlin Communists. Such relaxation of Soviet structures as may have been permitted in captive Poland in recent years came about not because of a spontaneous moderation in the Communist regime, but because the Polish people, most of whom share our abhorrence of communism in any form, had made plain that their free spirit had not been crushed.

It is important, therefore, that we never acknowledge what is not, and what cannot become, a fact—the irretrievable assimilation of the Polish nation into the Russian Communist slave empire. At every opportunity, we should make known to the Polish people that we look forward with them to an inevitable new birth of freedom for them, and for all other people who now must hide their convictions under the threat of death which is implicit in every act and word of their Communist taskmasters.

Mr. PATTERSON. Mr. Speaker, there are many great events in Poland's long and uneven history. It is literally studded with heroic deeds and great achievements in every field of human endeavor. Eminent and gifted Poles have secured a distinguished place for Poland in the history of world civilization. In the arts and sciences, in warfare, and in peace-making, and also in the science of government Poles have proved their capabilities. The Polish Constitution of 1791 clearly demonstrates that Polish leaders made a contribution not only as liberal reformers, but also statesmen with vision and foresight.

The constitution of 1791 was drafted and adopted in order to meet an imperative need. Reforms had to be introduced into the governmental machinery in order to bring it up to date, to make it work more effectively, and through reforms it was hoped to restore popular confidence in the government. This constitution was also expected to strengthen Poland against her inveterate and implacable foes—Austria, Prussia, and Russia. That document seemed at that time a true bill of rights for the Polish nation. The king's powers were reduced, and a government with ministerial responsibility was established. King's authority was to be shared with a council; even in matters of prerogatives the king could not act alone. The electorate of the parliament was considerably enlarged, and numerous privileges formerly enjoyed by the small upper classes alone were, by this constitution, made available to other classes. Certain rights of the peasantry were restored and the peasants were brought under the protection of the law. And, above all, freedom of conscience was guaranteed and religious toleration was established.

Today, so many years after that epochal event and after so many advances in all forms of democracy, this document may seem somewhat obsolete and outmoded. But at the time, it was regarded as a forerunner of later liberal constitutions, particularly in central and eastern Europe. In many respects it was a pioneering document and therein may be found its real significance. For that reason the 167th anniversary of its adoption in Poland was celebrated on May 3. I was indeed glad to join all fredom-loving and patriotic Poles everywhere in the celebration of this great anniversary, Polish Constitution Day.

Mr. RHODES of Pennsylvania. Mr. Speaker, I join in this recognition of the 167th anniversary of Poland's Constitution Day.

The Polish Constitution of May 3, 1791 reflected the spirit of liberty in the hearts of the Polish people that has refused to die, despite repeated periods of oppression and enslavement. Their courage and will to resist tyranny, exhibited on many occasions in the history of central Europe, was again brought to world attention by the uprising of Polish workers at Poznan in June 1956.

On the eve of the 15th anniversary of the death of the great Polish patriot, Ignace Jan Paderewski, they staged a heroic demonstration against poor working conditions, lack of food, and reduced living standards. By their action, they focused the public opinion of the world on the failures of Communist rule in Poland and forced changes in basic governmental policies.

It is proper that we in America honor the Polish people in their long fight for freedom. We remember the great contributions of the Polish heroes in our War of Independence, Count Casimir Pulaski and Thaddeus Kosciusko. We remember their courageous defense of

their homeland against Hitler's armored might, and the distinguished record made by Polish allied troops in the later stages of World War II.

On this historic occasion in Polish history, I join those Americans of Polish descent in anticipation of the day when Poland will throw off the bonds of Communist rule and return once more to a free government as set forth in their constitution of 1791.

Mr. CELLER. Mr. Speaker, last Saturday, May 3, was the 167th anniversary of one of the most significant democratic documents in the history of Europe. That day marked the anniversary of the enactment by the Polish Diet in 1791 of the Polish Constitution. That document, inspired by American democratic principles, effected democratic reforms which have been a source of strength to the Polish nation and its people for 167 years. Despite many problems, those democratic principles still burn in the hearts of the people of Poland today.

Despite Soviet subjugation, the Polish people remain true to the ideals and principles contained in that historic document. Living proof of the faith and devotion of the Polish people to democratic ideals is clearly evidenced by the Poznan revolt and the October events of 1956. These instances are indicative of the hostility and antagonism of the Polish people to Red dictatorship. They clearly indicate that while Soviet Russia may dominate the Polish nation, it cannot dominate the minds and hearts of the Polish people.

I believe that even though aid to Poland may be a calculated risk, our Government should take advantage of every opportunity to lend moral encouragement to the people of Poland. This may be in the form of economic support, but support it must be. It is my belief that we cannot afford to let such a great devotiton to democratic principles wither and die.

An American expression of interest and concern for the Polish people can be a beacon to all peoples of subjugated nations that America remains true to democratic principles just as the Polish people do today after 167 years.

Mr. REUSS. Mr. Speaker, on May 3 the freedom-loving people of Poland and their millions of friends and compatriots in the United States and throughout the world celebrated the 167th anniversary of the Polish Constitution.

Perhaps celebrate is too joyful sounding a word for this occasion in 1958, when Poland and her people are ruled by a Communist government and are dominated and oppressed by the might of the Soviet Union. Yet I am sure that the constitution of 1791 was celebrated sincerely, if quietly, by the people of Poland this year in rededication to the principles of liberty, self-government, and the rights of man, and as a symbol of the day when Poland will again be free.

In their long history, the Polish people have had little opportunity to enjoy freedom in their homeland. They have been the victims of conquest, partition, invasion, and subjugation across the centuries. Yet the Polish people have constantly and courageously struggled to attain liberty. Despite their sufferings, Polish patriotism has never faltered.

Mr. Speaker, as we in the Congress of the United States give recognition today to the valiant spirit of the Polish people, let us also pledge to do everything in our power to keep the fires of liberty alive in Poland, to broaden and expand the contacts and friendships between the American people and the Polish people, to encourage a breaking away by Poland from Kremlin control.

Mr. FRIEDEL. Mr. Speaker, contemporary events always tend to obscure earlier ones, and, irrespective of the importance of the latter, often they are relegated to relative insignificance. This happens so frequently that sometimes events of cardinal and even decisive importance are almost forgotten and buried in our memory. This is particularly true in the case of certain events in Polish history. We are so seriously concerned with the present fate of the Poles, and so fully preoccupied with current events of great importance that we sometimes think of Poland only in terms of a large concentration camp behind the Iron Curtain effectively sealed off from the Free World. That unfortunate fact is of course true; some 25 million unhappy Poles are virtually imprisoned in their homeland, and there they enjoy precious few of the freedoms for which they and their ancestors fought so gallantly and fearlessly.

Yet there are greater and brighter aspects of modern Polish history which should not be forgotten. Great names and lasting achievements abound in Polish history. Their enlightened leaders have fought for human freedom. They have sometimes fought almost alone for the preservation of European civilization. In 1683 when the conquering Turks were advancing into the heart of Europe, and were at the gates of Vienna, Poland's King John Sobieski came to the rescue of the beleaguered city, successfully drove off the Turks, and once and for all eliminated future Turkish threats to western Europe. The Poles made their signal contributions in our War of Independence in the person of Thaddeus Kosciusko—1746–1817—and Casimir Pulaski—1748–1779. Besides being gallant fighters for freedom, Poles have shown great talents in the science of government, as well as other walks of life. By their constitution of 1791 they proved to be pioneers of political reform in eastern Europe. That constitution became a great landmark in Poland's history, and today is its 167th anniversary.

The significance of that document is sometimes overlooked because before it was put into full force Poland was invaded and soon lost her independence. The real importance of that constitution, however, lay in the attempt of its framers to introduce a responsible cabinet type of government in that part of Europe. Monarchical authority was considerably curtailed, and that of the peoples' representatives was enhanced. The Polish peasantry was relieved from the arbitrary authority of local landlords and was placed under the protection of law. Even more significant than any of these changes was the guaranteeing of religious freedom to all sects. Unfortunately, these rights and freedoms have been lost to the Poles since those days, except for the relatively happy period of Polish independence in the two decades following World War I. We are happy to join freedom-loving Poles everywhere in the celebration of this momentous occasion and fervently hope that soon the people of Poland will again be able to celebrate this anniversary in genuine freedom.

Mr. FEIGHAN. Mr. Speaker, May 3, 1953, marked the 167th anniversary of Polish Constitution Day. This year, just as in past years, appropriate ceremonies commemorating this historic event are taking place in many cities and communities of the United States. Members of Congress are privileged today to take part in such ceremonies here in the House of Representatives. Our able colleague from Michigan, Mr. JOHN D. DINGELL, following in the footsteps of his illustrious father, is to be congratulated for arranging for special orders with the leadership so that other Members of Congress could have their views spread upon the public record.

This year Polish Constitution Day has a very special meaning. As negotiations are now under way at the diplomatic level for the holding of another summit conference, the case of Poland today warrants the careful consideration of all thinking men.

It will be recalled that the Polish Constitution of May 3, 1791, in its basic elements, was patterned after the American Declaration of Independence and our Constitution. On several occasions in the recent past, I have singled out article 5 of that constitution as worthy of review in light of the present world situations and particularly in view of the present plight of the Polish nation. Article 5 of the constitution reads as follows:

> All power in civil society should be derived from the will of the people, its end and object being the preservation and integrity of the state, the civil liberty, and the good order of society, on an equal scale and on lasting foundation.

From this reading it is clear that the founding fathers of the modern day Polish nation intended that all power in civil society should be derived from the will of the people. This guaranty has as much if not more meaning to the people of Poland today as it did to those Polish patriots who enunciated the basic constitution in 1791. Today the Polish people are denied this basic right of civilization. This right is denied them by the alien power which now controls their civil affairs and which remains in control only by virtue of the military presence of the Russian Army.

In the springtime of 1956 the Polish people expressed their contempt for their alien occupier of Poland by a series of popular demonstrations and uprisings. This spirit of discontent with alien rule swept through most of central and eastern Europe and was climaxed by the

Hungarian freedom revolution. A similar national freedom revolution in Poland was averted by the Russian despots through their intermediary, Gomulka, who then took on the disguise of a Polish patriot and went through the well-staged motions of speaking up to the Russian leaders on behalf of the Polish nation. With the passage of time the true character and role of Gomulka and his small clique of collaborators has been unmasked by the continuing demands of the Polish people for true liberty and freedom and genuine national independence.

The Russian leaders seek a conference at the summit with the Western Powers in order to wring from the leaders of free men the recognition of a status quo. Khrushchev has, on innumerable occasions during the past year, taken the position in public speeches that as a precondition to such a summit conference, the Western nations must agree to the recognition of a status quo. He has sharply defined this to mean that there can be no discussion about the internal affairs of the once free and independent nations of central and Eastern Europe. This is the price the Russians are asking for a summit conference in which they will seek to extract additional concessions from the West and thus set in motion an inevitable trend which will lead either to world war III or a worldwide victory by the Russian Communists by what they call peaceful coexistence. The Russian leaders need a recognition of the status quo in order to give them time to consolidate their empire. The spirit of nationalism which is on a rapidly rising wave behind the Russian imposed Iron Curtain, has created grave problems for the Kremlin and thrown tremendous stress upon the machinery of control which the Kremlin uses to hold its modern-day empire together. There are signs that the stresses and strains of nationalism are rapidly outdistancing the capabilities of the Russian controlled mechanisms. As this ideological conflict enters into a critical stage the Russian leaders now seek the assistance and cooperation of the leaders of the United States, Great Britain, and France, together with other free countries, in their struggle against the desire of Poland and all the other non-Russian nations to be free and independent. This is what motivates the Russian leaders to seek a so-called conference at the summit. This will be their basic objective when and if such a summit conference takes place. It is important to note that the Russian leaders can win their objective without formal agreement to such a proposal by the leaders of the free nations. If a summit conference is convened under an agenda which fails to include the future status of the subjugated nations of central and Eastern Europe, the Russians will have won de facto recognition of a status quo. The failure of the West to support the people of Poland and other non-Russian nations in their desire to establish a government whose powers shall derive from the will of the people will be regarded by all thinking people as tacit agreement to the Russian proposal for a status quo.

There are overriding reasons why the leaders of the United States must insist upon a discussion of the future of Poland and the other enslaved countries at any summit meeting. The Atlantic Charter, which set forth the war aims of the Western Powers and which was endorsed by Stalin, guaranteed governments expressive of the will of the people for all of the liberated territories, and denounced any and all territorial aggrandizement. The Declaration of Liberated Territories of 1944 gave further guarantee that the Government of Poland would be representative of the freely expressed will of the people. Our own security and future as a free and independent nation depends upon our ability to bring about the fulfillment of these guaranties.

The only position the leaders of the United States and other free nations can take in preparations for another summit conference is to insist that the first point to be taken up at such a conference is the case of Poland and the other non-Russian nations which today suffer under the enforced control of the Kremlin. It is only by the removal of foreign rule of vast areas of Europe and Asia followed by the introduction of free and representative governments that we may remove the political tensions which now grip the world.

It is my hope on this Polish Constitution Day that the leaders of our Government will stand fast by our solemn wartime commitments which, if realized, will give real life and meaning to the Polish Constitution which today stands as the hope and aspiration of all the Polish people.

Mr. McDONOUGH. Mr. Speaker, May 3 marks another anniversary of the adoption of the Polish Constitution which was adopted in 1791, just 2 years after the adoption of our own Constitution of the United States.

The May 3 anniversary is observed by people of Polish ancestry throughout the world who join in spirit with the people of Poland in a prayer for the restoration of Polish independence.

This May 3 is the 167th anniversary of the enactment of that first Polish Constitution which proclaimed the principles of religious toleration, the secret ballot, and freedom of thought.

The Polish people have struggled through the ages against tyranny and oppression. They have displayed courage, patience, and fortitude in their struggle to regain their independence.

As a nation dedicated to the principles of liberty and individual freedom, the United States maintains the right of Poland to independence and will never be reconciled to Poland's subjugation by Soviet Russia.

The people of the United States on this May 3 join with the people of Poland and those of Polish ancestry in renewing the prayer for Poland's independence, and for individual liberty for the people of Poland.

In the past, the struggle of Poland against tyranny and oppression has been triumphant. May the struggle for freedom and liberty today be victorious with the reestablishment of Poland as a free nation.

Mr. HOLLAND. Mr. Speaker, May 3 is the anniversary of Polish Constitution Day. On this occasion of the celebration of that glorious day in Polish history, I would like to send my best wishes to all Polish-Americans. Unfortunately, however, the land of your ancestors will not be openly celebrating this anniversary because the long-suffering Polish people are temporarily under the iron rule of the Communists.

I say "temporarily" because periodically, in the past, Poland has been occupied by aggressive neighbors, but she has always managed, eventually, to free herself from the conqueror. Her love of liberty and justice has always prevailed over despotism.

Today, also, despite slave labor and genocide and other cruel devices practiced by the Communists to keep the Polish people under subjugation, the desire for freedom still exists in their hearts. Tangible evidence of this hope for freedom was shown in the recent Poznan and Warsaw uprisings.

I wish to take this opportunity on this anniversary date to express my confidence that the present oppression of Poland will not last. It is our faith and hope that Poland's love of liberty, justice, and freedom will again prevail over tyranny.

Mr. FULTON. We wish to join with our good Polish friends and relatives of the Polish people in this country in celebrating May 3 as Poland's Constitution Day. On this date 167 years ago, democratic rights and religious freedom for all Poland's people were established by the constitution.

We people in America remember the freedom of the Polish people, and urge our good friends and relatives in Poland to keep up their faith and good spirit in their brave efforts to regain their freedom. We have not forgotten the accomplishments of Poland under its constitution of 1791, and we take this opportunity to extend the hand of friendship to the people of Poland, and assure them of our sincere interest in the cause of freedom, independence, and justice. We compliment the Polish people on this the anniversary of the Polish Constitution, and send them our best wishes.

Mr. FLOOD. Poles are one of the most gifted, industrious, and courageous peoples of Europe. They have a long and glorious history, and their contribution to western civilization in the arts and science, in statesmanship, and in military leadership, has been great. They have also made a significant contribution in the art of governmental institutions. This last point is clearly borne out by the liberal and progressive constitution which they adopted on May 3, 1791.

That constitution expressed the true spirit of the age. The powers of the monarch were curtailed, and a real check was placed upon the exercise of his authority. Autocratic government was cast aside and in its place ministerial responsibility was introduced. Many intricate and obsolete features of the old and unwieldy system were abolished, and class distinctions were reduced. Per-

sonal privileges formerly enjoyed by the few were made available to all townsmen, and the peasantry was placed under the protection of the law. Religious toleration was established and religious fredom was guaranteed. These advanced features of the constitution represented a decided advance over anything yet known in central and eastern Europe.

The annual commemoration of the Polish Constitution Day provides a fitting occasion for all those who believe in freedom and independence to pay tribute to the memory of the men who forged that inspiring document, and also to those brave souls who through the years have sacrificed their lives so that the ideals embodied in the constitution of 1791 might take firm roots and live on.

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I am happy to include an excellent editorial commemorating the Polish Constitution Day on May 3, which appeared in the Lynn (Mass.) Item on May 3, 1958.

The editorial follows:

POLISH CONSTITUTION DAY

Few people realize that the first democratic constitution to be adopted by a European country was that promulgated as law by the Great Parliament of Poland on May 3, 1791, just 167 years ago today.

Greater Lynn residents of Polish birth or descent—one of the fine, solid segments of our population—are joining today in formal recognition of the anniversary, as suggested in a proclamation issued by Governor Furcolo.

The observance takes place in an atmosphere of hope that Poland soon will again take its rightful place among the free nations of the world, no longer under the atheistic domination of Communist Russia. It is noteworthy that when restrictions were eased slightly in Poland recently, its people immediately turned to the West to renew bonds of friendship and to appease their enforced intellectual hunger.

The original Polish Constitution was adopted only a few years after our own.

This document, incorporating many of the liberal social reforms initiated by the writings of Stanislas Staszic and educator Hugo Kollataj, guaranteed rights and priviliges unheard of in Europe. It proclaimed the rights of man. It declared that the state existed to serve the people. It enabled all Polish citizens to hold public office, and it abolished serfdom.

It was not coincidental that this work reflected the highest ideals of the Western World. From its early beginnings, about 965, the Polish state was linked closely with western Europe. Its highly developed culture, in the early 16th century, was representative of the best of the European renaissance. This was the heritage which gave the world such notable figures as General Kosciusko, Count Pulaski, Henryk Sienkiewicz, Joseph Conrad, Chopin, Paderewski, and Mme. Marya Sklodovska Curie.

Mr. QUIE. Mr. Speaker, this month marks the 167th anniversary of the enactment of a document which has profound significance for all of us who appreciate the priceless heritage of freedom under a government of law.

One hundred and sixty-seven years ago, the Polish Diet met at Warsaw and enacted, by unanimous vote, a constitution for the Polish people which became at once a charter of their liberties and a document of vital importance for all peoples.

Drawn at a time when Poland was being threatened by imperialistic countries, this constitution carried principles which survived while Poland was struggling for independence and which were embodied in the constitutional laws of the Polish State which emerged after World War I.

Today it can be said that while Poland's government is Communist its people are not. The tenets of the original constitution are cherished in the hearts of Polish citizens within the borders of this unfortunate nation, and are remembered by everyone who is deeply concerned with the freedom and rights of man.

Reports from Poland indicate that communism has made no gains over deep-rooted Polish love of liberty and patriotism, due, in large measure, to the clear memory of the precepts carried in the original constitution of Poland.

Now is the time, I believe, to take notice of the enactment of this great document and to reaffirm our friendship for the people of Poland.

Surely, people who produced such an inspiring document as this can never be subjected in spirit by a force as detrimental as communism.

Try as they might to eradicate the tenets of constitutional government, the Communists cannot rub out the bright light of liberty which was kindled in Poland in 1791.

That light will burn long after the torch of communism has been extinguished.

This is a fitting opportunity to note the tremendous contribution our Polish Americans have made to our country.

There is scarcely an area of our national life where Polish-Americans are not prominent. They have brought to these areas qualities of self-reliance, indomitable courage, patriotism, and a love of work—indispensable attributes for our ever-growing, ever-expanding population.

These qualities, long regarded as synonymous with the Polish spirit, are now a very real part of our American fiber.

These qualities were at work in our earliest settlement at Jamestown. Poles were very much in evidence there. Poles helped to clear the forests, to build up the industries in their adopted country, exhibiting their great willingness to dedicate their minds and muscles to building up the mightiest country on earth.

Poles not only worked to further our liberty. They fought and, in many cases, died to preserve it. The story of the American Revolution is not complete without chapters devoted to the bravery and vision of Pulaski and Kosciuszko who fought at the side of General Washington. There are many hundreds of other Polish names on the muster rolls, too, names of men who fought for American liberty at Saratoga, Brandywine, and Charleston, to mention just a few of the engagements.

After the Revolution, Poles discarded their weapons for other tools. They participated in all levels of activity in peacetime, from the grueling hard work of early factories to the splendid contributions to our spiritual and cultural heritage from pulpits and teachers' rostrums.

These dedicated, dependable Americans participated in every struggle for liberty in which our country engaged. It has been pointed out—and should be cited again—that more than 40,000 Polish-Americans volunteered in World War I and that a total of 300,000 served in all the armed forces during that conflict.

More than 550,000 served in World War II—and thousands more participated in the Korean conflict.

No reference to Polish-American contributions can be complete without telling how they bettered our American culture. A list of Polish-American musicians, authors, painters, sculptors, and architects could fill these pages. We might well consider the artistry of Artur Rubinstein and the eminence of Leopold Stokowski, to mention only two leaders. America would be far poorer without these men and the men Polish citizens whose contributions have enriched our lives.

It is well for us to remember the names of leading Polish-Americans. But it also is essential that we pay tribute to the many thousands of people of Polish extraction who are not famous in the sense of the word—but who are serving their communities, States, and Nation. These people are part of the real flesh and bone that is America.

If there is one word that typifies their contribution to America, it is "dependability." It is a great word. Polish-Americans can be depended on to render great service to America. They can be depended on to produce the many hours of work that is needed by modern America. They can be depended on to furnish the leadership for our cultural and scientific advances. They can be depended on to work and fight for continuance of our American Republic.

I cite Polish-Americans today for their enviable record of dependable service to the Republic.

Mr. Speaker, I congratulate them on this anniversary of the enactment of the constitution of their native land—and I join with them in the prayer that soon Poland will again be a free neighbor in the association of nations.

Mr. HASKELL. Mr. Speaker, it is a privilege for me to say a few words today about the celebration of a great event in the history of Poland. On Saturday, May 3, the Polish people throughout the world celebrated the 167th birthday of the Polish Constitution. To the people of this great country the significance of the constitution in 1791 lies in the fact that it was an end and a beginning in the historic progress of their country.

For the people of Poland, the significance of May 3 is a significance of the spirit, for on this day they draw renewed inspiration of the promise of freedom and justice which was inscribed in the constitution more than 160 years ago.

Most Americans have been deeply troubled by what has taken place in

Poland since the war. We in this country had hoped that out of the smoldering ruins of the conflict, a new Poland would arise—strong, prosperous, and independent. Instead, we have seen an unscrupulous Soviet imperialism make a mockery of this hope. We have seen the rights of human beings trampled upon with utter cynicism. We have seen solemn international agreements treated as scraps of paper. The Communists have cut off the Polish nation and its traditional ties with the West. They have held up to ridicule and scorn patriots who were fighting the Nazi hordes, and in many instances, have gone so far as to deprive these patriots of their liberty and even their lives. They have sought to undermine the work of the church, which has long fought for the rights of the people.

We in America are proud of the millions of Americans of Polish background who have put their strength, skills, and independence into American industrial expansion. That we, as a Nation, have reached such great heights of material power is due in no small measure to their unstinting efforts.

Americans of Polish descent helped to explore, to settle, and to build this Nation, and in the same manner, have also helped to defend it. From Kosciusko and Pulaski of Revolutionary War fame, through the Korean conflict, thousands of citizens of Polish extraction have written pages of an unbroken record of devoted services in the defense of this Nation.

I cannot believe that Poland, who shares the religious, social, and political heritage of the West, is now forever lost to the West. I can only hope, as I am sure you do, that Poland will surely emerge from the shadows of totalitarianism and resume her rightful place among the leading states of the Western World, that she will move forward with us and other peaceful nations toward common goals of national independence, international security, and continuing human progress.

Mrs. DWYER. Mr. Speaker, on Sunday, May 4, 1958, the Federation of Polish Organizations, of Elizabeth, N. J., sponsored and arranged a most impressive celebration of Polish Constitution Day.

More than 400 people attended the interesting and colorful affair at Polish Falcons Hall in Elizabeth. I believe that a detailed summary of the commemoration would be of interest to many of our colleagues.

The color guard for the program included: The Legion of Polish-American Veterans, Post No. 91, and the Ladies' Auxiliary; Polish Army Veterans, Post No. 57, and the Ladies' Auxiliary; Polish-American Army Veterans Club of Joseph Pilsudski; and the Polish Combatants, Circle No. 6, of Elizabeth.

Commissioner of Health Jacob W. Krowicki, president of the Elizabeth Federation of Polish Organizations, delivered the opening address.

Master of ceremonies for the day was Mr. Stanley Pelkowski, chairman of the Polish Constitution Day Committee.

Mrs. Amilia Wozniak sang the national anthems of Poland and the United States.

The Reverend John Pietrzykowski delivered the invocation, substituting for the Reverend Joseph Smolen, pastor of St. Adalbert's Church and chaplain of the federation.

Members of the Polish Immigration Club, under the direction of Mr. Stanley Nimczyk, president, performed Post-War Portrayal, depicting Miss Theresa Pluta as Poland with chains on her hands and Adam Jodlowski at her feet as a fallen soldier.

The Honorable Steven J. Bercik, mayor of Elizabeth, delivered an address.

Several Polish songs were sung by St. Cecilia's Choir of St. Adalbert's Church under the direction of Prof. Albert Wozniak.

A recitation, entitled "Jankiel's Concert," was given by members of the Polish Youth Circle, and the champagne music of Mr. Mikolajczak's orchestra was enjoyed.

Attorney Leo B. Wojcik, past president of the federation, also addressed the gathering.

Garland No. 408, of St. Elizabeth's Society, Group No. 793, Polish Women's Alliance, presented Polish dances entitled "Polka Belongs to Me" and "The Mountaineers," under the direction of Mrs. Antoinette Bialkowska. Miss Michelle Zielasko danced a ballet.

Mr. Walter Zachariasiewicz, executive secretary of the Polish Immigration Committee of New York, and vice president of the Polonia Congress, addressed the celebration.

Boy and Girl Scouts recited The Marriage of the Flags, American and Polish.

The benediction was offered by the Reverend Joseph Sapeta, of St. Hedwig's Church. The closing was marked by the singing of the Polish National Hymn, Nie Rzucim Ziemi, by the entire group.

In addition to Mr. Pelkowski, chairman of the Constitution Day Committee, other members included: Mrs. Mary Machos, vice chairman; Mrs. Marion Wedzilowicz, secretary; and Mr. Jacob Krowicki, Mr. Karl Lenard, Mr. Adam Zbikowski, Mr. Bronislaus Slowinski, Mr. Thaddeus Trzcinski, Mr. Stanley Niemczyk, Mr. Walter Kaczmarski, Mr. Joseph Hoynowski, Mr. Albert Sieratowicz, Mr. Thaddeus Gora, Mr. Victor Davidowicz, Attorney John T. Soja, Mrs. Jean Krok, Mrs. Stella Zajack, Mrs. Grace Sniezek, Mrs. Caroline Kielbasa, Mrs. Antoinette Bialkowska, Mrs. Helen Pomykalo, Mrs. Kiczek, Mrs. Clara Jablonska, Mrs. Ludmila Raczynska, and Mrs. Helen Dudek.

Honorary chairmen of the committee were: Rev. Joseph Smolen, pastor of St. Adalbert's Church; Rev. Joseph Amlicki, pastor of St. Hedwig's Church; and Rev. Edward Kozlowski, pastor of St. Theresa's Church.

The text of the address which I was privileged to give follows:

REMARKS OF REPRESENTATIVE FLORENCE P. DWYER, REPUBLICAN, SIXTH DISTRICT OF NEW JERSEY, AT THE ANNUAL OBSERVANCE BY THE FEDERATION OF POLISH ORGANIZATIONS OF POLISH CONSTITUTION DAY AT THE POLISH FALCON HALL, ELIZABETH, N. J., MAY 4

Thank you very much for inviting me to join with all of you today to celebrate an occasion which means a great deal in the never-ending history of man's fight for freedom.

Polish Constitution Day marks a high point in the life of one great nation. Only a few short years after an infant United States was born, thousands of miles away, the people of Poland—several of whom played leading roles in securing American freedom—succeeded in establishing their own constitutional system which guaranteed their rights and secured their liberties as free people.

Since that time, many more men and women and children have come to this new land, bringing with them the memories and traditions of a freedom that was worth fighting for, and by their devotion to that freedom adding new strength and vigor to the freedom they searched for here.

It has long been recognized that the American people are a composite, so to speak, of all the nations of the world—probably to a greater degree than any other people in history.

An average American citizen in 1958 may well have ancestors whose birthplaces number 2 or 3 or even more different countries, principally in Europe but also throughout the rest of the world. Beyond that, however, we have all been deeply influenced in our beliefs and our attitudes by the fact that we have as neighbors and friends people whose roots go back to many nations and participate in many traditions.

The dynamic quality of American life, the ever-opening opportunity and the growing frontiers have often been credited to this wonderfully varied and diverse national inheritance of ours.

We who live in Elizabeth and in Union County have known at firsthand the truth of this fact. We have watched and been a part of an impressive period of growth and development just in the last 10 years. New opportunities have opened up, new jobs created, new public and private facilities have been provided which have helped make our lives richer and better in many ways.

The responsibility for this progress must go to the people who live here. And no city in America can claim a greater or more varied population of the sons and daughters of the foreign born than Elizabeth. We number among our people many from Italy and Lithuania, from Germany and Greece, Ireland and England, from too many countries to mention here.

But no nation has contributed more to Elizabeth and to its progress and prosperity and to its fine civic spirit than has that great Eastern European nation of Poland—whose Constitution Day we celebrate here.

Indeed, among our city's many claims to fame is the fact that more people of Polish ancestry live among us than in any other city of comparable size in the United Statec.

All we need do is look around us to appreciate what Poland, through her sons and daughters, has meant to the city of Elizabeth. Our politics, our schools, our business, industrial, and sports activities, and our religious and cultural life have all been enriched and strengthened because so many people from that great country chose to make their new homes here.

For me, who have been privileged to represent in the Congress of the United States this city and this county and all its people, the experience has been greatly rewarding. I have learned to appreciate more than ever the contributions you have made, your sense of personal and civic responsibility, your loyalty and patriotism, your concern for your neighbor and his welfare.

I am deeply grateful for the opportunity to join you here today and to add my voice to the many others proclaiming once again the greatness of Poland and the heritage of freedom and liberty which still struggles for life in these difficult days.

It has been said that the history of Poland as a nation has been dominated by its geography. It would be more accurate, I believe,

to recognize that the truly dominant factor in Polish history has been the spirit of its people.

Nevertheless, her geographical location has greatly influenced the events which themselves have shaped the map of Poland and of all eastern Europe down through the centuries.

Early in history, the Polish people accepted Christianity from Rome. With it, they developed in eastern Europe a deep and pervading western culture. As the stronghold in the East of western civilization, Poland withstood for centuries the onslaught of barbaric hordes from the East. Tested under fire almost continuously, Poland grew strong and by the 16th century was the largest state in all Europe.

Throughout the succeeding centuries, the influence of Poland spread. Her advanced political development, her impressive cultural achievements, and the aristocratic sense of good taste that has come to be associated with all her people, whether princes or peasants, came to influence deeply the developing standards of Europe.

During these same centuries, however, Poland's neighbors were growing in size and in strength—and with their new strength came aggressiveness against Poland. Prussia, the militaristic heart of a future Germany, bordered on the west, Austria pressed in from the south, and the giant Russia loomed up in the east.

Russia in particular was the mortal enemy of Polish freedom. With religious differences embittering the many other differences, Russia constantly violated Polish frontiers and invaded Polish territory. On all sides, the story was repeated and Poland found herself pressed far beyond her strength. Thus, the tragic story of Poland's partition was begun.

Caught within the huge jaws of her aggressive neighbors, Poland was gradually removed off the map of Europe. For more than a hundred years after 1815, Poland was not to appear in European history as a political or geographical unit.

But Poland was not dead. In 1791, her people's spirit of freedom had brought forth a great constitution. In many respects like the Constitution of the United States, the Polish Constitution was a living document of freedom and democracy. Its strong idealism weathered the utmost misfortunes of the Polish people and its memory helped sustain the Polish spirit.

So strong was that spirit of freedom—for which its people everywhere are justly famed—that Poland rose again as an independent nation after World War I.

Tragically, Poland's independence was doomed to be short lived. The ruthless dictators of Communist Russia and Nazi Germany overran that proud nation during World War II. And since that time, Russian armies have imposed upon the Polish people a form of government repugnant to all their traditions.

The spirit of Polish resistance has not and will not die. We have watched with awesome pride the raw courage of the Poznan riots, and we have applauded as Poles have won, bit by painful bit, each new concession from their Moscow-imposed and Communist-directed government.

The courage and fortitude and love of freedom displayed by the Polish people under the most difficult conditions deserves the encouragement and support of the American people. Our own Government, I am sure, will do everything possible to help strengthen those forces in Poland now at work toward further liberalization and ultimate freedom. These efforts deserve all our patient, understanding support.

Meanwhile, however, Poland continues to influence the rest of the world—through her culture, her traditions of freedom, and most of all through the people she has sent into every corner of the world. They are a gallant and courageous people, a gifted people whose intellectual, artistic, political, and cultural contributions have been honored everywhere and which continue to inspire others by a universal beauty and genius.

Clearly, the despots and dictators of the world will never dominate the Polish soul.

Mr. OSTERTAG. Mr. Speaker, this past Saturday, May 3, marked the 167th anniversary of Poland's Constitution Day. On May 3, 1791, the great patriots of that nation won many significant concessions from the monarchy for greater freedom through the instrument of a new constitution. Today, when the Poles are struggling to regain many of their former freedoms, I wish to join with many Polish-Americans and freedom-loving Poles everywhere in recalling this historic achievement in Poland's history.

The Polish nation has not been able to enjoy freedom during many of the 167 years since it obtained this constitution. But it is obvious that the desire for freedom has not lessened among the Polish people. The Poles have been deceived, betrayed, and oppressed by the Russians during much of the time since 1791, just as they are today. But the evidence continues that the Poles will never accept willingly this Russian domination. The riots touched off at the Posnan Fair in 1956 and the subsequent demands by the people for more freedom from their Communist government all are indications of that.

By keeping alive the memories of great achievements for freedom in Polish history, friends of Poland are strengthening the cause for Poland's return to its former freedom.

LABOR LEGISLATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Arizona [Mr. RHODES] is recognized for 60 minutes.

Mr. RHODES of Arizona. Mr. Speaker, last week the other body, in a unanimous vote, approved legislation governing the financial records of union welfare and pension funds. On its face, this was a highly commendable action and certainly our own Committee on Education and Labor should consider similar legislation immediately. However, the past performance of this committee seems to promise little in the way of action in this or any other field of labor legislation.

I would repeat a statement I made May 1 when I addressed the annual convention of the Lithographers' National Association, in Phoenix, Ariz. I said:

> In my opinion, no general labor legislation will pass the Congress this year.

This was no casual statement, but one based upon personal experience with those in this House who control such things.

My experience consists first of participation in frequent colloquies in the Education and Labor Committee with its chairman, the distinguished gentleman from North Carolina, on the subject of legislation to regulate union welfare and pension funds. These colloquies, and there have been several in the past 4 years of Democrat control of the Congress, followed almost identical patterns. In each of them, I would remind the chairman of the great work on this subject started by the committee in the Republican 83d Congress, and ask when the committee intended to proceed. The answer was always very encouraging. After thus-and-so was out of the way, we would proceed. In the 84th Congress, thus-and-so never got out of the way. In the first session of this Congress, a start was made with the employment by the committee of an expert in this field, Mr. Martin House, of New York. There were even some hearings held. Then, all activity stopped, even though much work remained to be done to prepare legislation for the floor. Why did it stop? I do not know. The ways of the gentleman from North Carolina have been as inscrutable as the Sphinx for the last year. When union welfare legislation is mentioned he becomes as skittish as the fish which inhabit the streams of North Carolina. In fact, I have often wondered if the progress of this legislation through Congress may have been halted by something as simple as a fish hook, or if the force impeding its progress is more sophisticated. Only the gentleman from North Carolina himself can end my quandary.

Adding to the puzzlement is the fact that the gentleman from North Carolina has refused to refer union welfare fund legislation to a regular or special subcommittee. At first I thought he did this so he could push the matter personally. His record of inactivity at least indicates the possibility that the opposite was the case.

However, I will predict that in spite of the dismal record of the past, some sort of union welfare and pension bill will pass the House this year. It will not be after thorough hearings, nor because the Democrat members of the committee really desire it, but because it is a political necessity for the Democrats to have some bit of labor reform to brag about. This is it.

There will still be no general labor reform this year. I say this as a result of another experience. This second experience I have had, leading me to doubt that the barren record of the Education and Labor Committee will be improved, consisted of my observation of the attitude toward general labor legislation of the four Democrat members of the Subcommittee on Labor-Management Relations. The chairman of this subcommittee is the distinguished gentleman from Kentucky [Mr. PERKINS].

I might say, Mr. Speaker, that I have notified the gentleman from North Carolina and the gentleman from Kentucky of my intention to make a speech on the floor and to mention their names. However, I note that neither of them is on the floor.

More than 2 months after this session began, the first meeting was called by the chairman to consider what would be brought before it during this session of Congress, and to decide upon a procedure for handling it.

When I went into that meeting, Mr. Speaker, I was convinced that no one, regardless of party affiliation, could oppose legislation designed to end the

many abuses to rank-and-file union members which had been bared during the long and sensational hearings before the Labor Rackets Subcommittee of the other body.

I was shockingly mistaken.

I moved that the subcommittee schedule hearings as soon as possible to consider the program presented by President Eisenhower last January. There were 7 votes cast on my proposal, 4 against it and 3 for it. The 4 opposition votes were those of the members of the Democrat Party which professes to champion the workingman. The votes in favor of proceeding were cast by Republicans.

The minority pointed out, Mr. Speaker, that ever since Taft-Hartley became law the Democrats have pledged themselves publicly to its repeal or revision. Even so, they voted against even considering it.

Their only explanation in committee was that they did not want to "open up Taft-Hartley at this time."

The reason given by the distinguished majority leader on this floor 3 weeks ago was that such consideration would encourage attempts from the Republican side of the aisle "and some others" to obtain antilabor legislation.

One is left with the question:

Who are the "some others" the majority leader is afraid of?

There are only two parties represented here, Mr. Speaker. Could it be that the distinguished gentleman from Massachusetts fears antilabor views within his own ranks?

Certainly he should not be afraid of such legislation from this side of the aisle.

Despite the boasts of Democrats to the contrary, the Republican Party historically has championed the workingman.

To prove this statement, I shall review the accomplishments of the Republican Party in the field of legislation to benefit working people.

The Republican Party established the first 8-hour day.

It created the Bureau of Labor and raised it to Cabinet rank.

It demanded as early as 1896 a Federal law guaranteeing everyone the right to join unions and to collective bargaining.

The Republican Party enacted legislation protecting railroad workers' rights to union membership.

The Republican Party passed the only workingmen's compensation law to survive.

The GOP enacted the Railway Labor Act, the Davis-Bacon Act, and the Norris-La Guardia Act of 1932.

Under this administration, a Republican Congress and President created the Department of Health, Education, and Welfare, expanded and liberalized social security, gave 4 million additional workers unemployment-insurance coverage, expanded the vocational-rehabilitation program, increased railroad-retirement benefits, and instituted pay raises for Federal workers.

You will note, Mr. Speaker, that I have listed accomplishments for working people, not for organized labor, or unorganized labor. Too many times, we are inclined to think of unions as being synonymous with labor. This fact is not so dangerous as the penchant for many people, even Members of this body, to consider union officers synonymous with unions, and the word of these officers to be the word of all of labor. This misconception has been assiduously cultivated by some union bosses. Their preeminence in the Democrat Party is largely due to this distortion, fostered by themselves.

I certainly don't believe that what is good for General Motors is necessarily good for America, but neither do I believe that what is good for Walter Reuther is necessarily good for labor, either organized or unorganized. I think that the vast majority of working people agree with me, and are tired of being regarded by the Democrat Party hierarchy as puppets who will be delivered to them at the polls by the so-called labor leaders. What Democrats very obviously do not know, and should have learned by now, is that the rank-and-file workingmen, union or nonunion, have an intelligence which cannot be swayed by the tactics of sidewalk pitchmen.

This was proved conclusively when Walter Reuther poured millions of his members' dollars into Ohio in an attempt to defeat the late Senator Bob Taft. It was proved by President Eisenhower, who polled the great percentage of union votes despite the heavy expenditures and exhortations of Reuther and similar labor bosses.

It will be proved again next November when the workingman goes to the polls to vote for the party which has done the most for him.

How does the general public feel about all of this?

The American public has not forgotten nor is it likely to forget the crimes and abuses of union members by labor bosses, exposed on television, radio, and in newspapers for more than 2 years. There is a growing insistence for legislation to protect the people and their jobs from such depredations in the future.

They will find it difficult to swallow statements to the effect that their elected representatives just have not had the time to consider the bills introduced by Republicans at the behest of President Eisenhower for their benefit.

They are aware that in the other body it took nearly 4 months for the leadership to bring a single bill out of committee. They know that to date the Democrats in this body have bottled up or beaten back every attempt Republicans have made to obtain corrective legislation.

The Democrat leadership in the other body is now, which much fanfare, holding hearings on general labor legislation. They would have the American people believe that general labor reform will be enacted in this session of Congress. These actions cannot be squared with the activity of the same Democrats in quashing amendments offered by Republican Senators to the union welfare and pension fund bill. These amendments were designed to correct abuses of both labor and management—many of them were desired by both labor and management.

This poses an interesting question. If the Democrats and labor leaders were so afraid of those amendments last week, why are they less fearful now? Part of the answer lies in the fact that there is probably not enough time remaining to pass a general labor law in this session. But the real ace in the hole is the complete assurance that any general labor legislation will remain bottled up in the House Subcommittee on Labor-Management Relations.

Therefore, the Democrats of the other body may now chameleon-like change their colors, and try to stand before the American public and the workingman as the champion of labor reform, knowing full well that labor reform has no chance to pass the House. This is the most amazing downgrading of the intelligence of the American people ever attempted by the leadership of a great party.

The American people in general, Mr. Speaker, and the workingman in particular, know that legislation is needed urgently in many fields.

To me, Mr. Speaker, there are many areas in which Congress could, if it would, help union members, management and the general public through corrective labor legislation. Many bills and amendments already have been introduced and others still are in the process of preparation.

To me the most important job which we could do would be to do away with the "no man's land" which now exists in labor law. These are areas of labor management relations which are declared to be outside of the jurisdiction of the National Labor Relations Board, but which under the preemption doctrine announced by the Supreme Court are denied to the States.

Various measures have been suggested to solve this problem, which any lawyer will tell you is a tough one. Congress could pass a law allowing States to act in areas which the National Labor Relations Board declares outside its jurisdiction. There are many objections to this solution, the most valid one being that it gives the National Labor Relations Board power to dilute a law passed by Congress, merely by declaring that it will not take jurisdiction of certain matters.

Another suggested solution is to empower the National Labor Relations Board to cede jurisdiction of certain cases to the States. The Board now has the authority to cede cases if the law of the State is consistent with the National Labor Relations Act. The suggestion would be to allow cession of jurisdiction even though State law is inconsistent with Federal law. The main objection to such a proposal lies in the fact that no attorney would be able to advise his client as to the law which might apply in any given case. The application of the law would depend on whether the National Labor Relations Board chooses to retain jurisdiction of the case or to cede it to a State tribunal.

Another possible solution is to permit State courts or labor tribunals to have concurrent jurisdiction with the Na-

tional Labor Relations Board in any matter in which the State law to be applied is consistent with the National Labor Relations Act. This suggestion has the merit of allowing the parties to choose their tribunal on the basis of where the speediest remedy might be obtained. It also has the advantage of certainty in the law which would be applied, and would therefore allow an attorney to advise his client without indulging in a guessing game. This solution would also have the effect of encouraging States to enact labor legislation similar to the National Labor Relations Act, and to set up tribunals for the administration of labor disputes.

If this solution is enacted into law, the matters in which the States are granted concurrent jurisdiction should probably be limited in scope, so that cases with a true interstate flavor, either because of their magnitude or because they represent disputes between national firms and national unions, would be tried by the National Labor Relations Board.

Another suggested solution is to define Federal jurisdiction more explicitly, and to cede expressly other labor disputes to the States. This solution sounds easy, but trying to define the proper scope of Federal jurisdiction over commerce would take a legal Einstein.

It is my hope that some solution will be found to this knotty problem, and that my colleagues will bury their suspicions of each other and will proceed to enact legislation in this area which will benefit chiefly both small labor and small management.

Another subject which needs attention is the "blackmail picketing" in which many unions indulge. This practice has also been called organization from the top. Such situations occur when a union decides to organize a certain plant but is unable to interest any large segment of the employees in such a proposal. It also might occur after a union has lost an election in a plant, and tries to force another election or capitulation by placing pickets around the plant. When a large segment of the employees cannot be recruited to the side of the union, it becomes evident that attempts at union organization are nothing short of putting the pressure on the boss. In other words, in order to avoid the application of picketing, secondary boycotts, and the other well-known weapons of union organization, it is the hope of the union that the boss himself will sign a contract, and will in effect force the recalcitrant employees to join the union. Such coercion directed against the will of the individuals concerned, should not be tolerated.

Most of the proposals for labor legislation deal with regulation of internal affairs of the unions, aimed at protecting the rights of the individual workers. There have been cases in which union welfare funds have been raided, and other cases of outright embezzlement from the general treasury funds of unions. In my opinion most of these matters are for the States to regulate.

However, where illegal activities occur at the top echelon of national unions, the jurisdiction to examine and punish is not clear. Therefore, I would favor a simple measure, making it clear that the States have jurisdiction to act in such matters. In this instance I differ with some of the proposals which ask that such crimes be classified as Federal crimes. I feel the laws of the States are adequate to handle such crimes if the jurisdiction is definitely placed in the hands of the States. We have enough Federal crimes and Federal laws without enacting one we do not need.

An amendment I favor would be the removal of representative elections from the hands of the National Labor Relations Board. I would either cede jurisdiction over such matters to the States, or would set up a separate Federal body with jurisdiction only to determine whether a petition for an election contains a sufficient number of bona fide signatures of employees, and to determine that elections carried on pursuant thereto are fair and without coercion. This board would then certify the results and unless either party files exceptions amounting to an unfair labor practice accusation, the certification would be final. Naturally, if an unfair labor practice is alleged the matter would be heard by the National Labor Relations Board under the regular procedure. This would have the effect of removing many time-consuming duties from the Board, and allow it to speed up its work by concentration on unfair labor practice matters.

The administration also recommends legislation to help insure the free and democratic operations of unions, and secret ballot election for union officers.

It is my impression that most union constitutions actually provide for democratic processes to be used. In practice, however, many of these fine principles break down, due to the lack of interest in union affairs by many of the rank and file members, and the unwillingness of the average member to stand up to a labor boss and demand his rights.

Management can be of tremendous help to its employees who are members of a union if it convinces employees it believes in the principle of collective bargaining and does not resent the presence of the union in their shop.

Trade unionism has, by and large, been good for our system of free enterprise. It has been a check and balance against the natural predatory instincts of many human beings who find themselves in the position of being employers. The function of government is to sit in the middle of the teeter-totter, and make sure that the predatory instincts of labor do not engulf management, and to make sure that the predatory instincts of management do not do violence to the rights of labor. A labor union which is dedicated to improving the working conditions of its members, and in seeing to it that those members get a fair share of the products of their labor is a fine institution.

In the past few years, however, we have seen another kind of labor activity grow up which I feel is detrimental to the cause of labor.

Many labor leaders have construed the mandate to improve the working conditions of their members as an excuse to enter all sorts of fields. You find labor leaders arguing in favor of a certain theory of supports for agricultural commodities which theory, incidentally, is designed to cause higher food costs for the union member to pay. You find labor leaders in the State of Arizona for instance arguing in favor of building steam plants to generate power for the Tennessee Valley Authority. Most of all, you find labor leaders up to their ears in the political area, trying to elect candidates who in their opinion are friendly to labor. They, of course, reserve the right to define who is friendly to labor and who is not, and the criteria they use is sometimes rather startling. In fact, one sometimes wonders whether or not some labor leaders are not better members of a certain political party than they are labor leaders. One sometimes wonders if certain labor leaders are not more dedicated to principles which, philosophically, are socialistic than they are to the principle of fair compensation under the free enterprise system.

This brings me to another possible field of legislation which might be enacted. Such legislation would limit the activities of unions in the political field, particularly where union funds are used. Where a person has to belong to a union to hold his job, as he does in some States where compulsory unionism is recognized, it is obviously unfair for his dues to be used to elect candidates whom he does not personally support. I do not know very many members of unions who have abdicated their rights to vote and to select candidates of their own choosing to the officials of their union. In effect, however, by the use of the money of the members, some members, in order to put bread on the family table are required to stand idly by and see their own money used to support candidates whom they personally oppose.

Another blot on the escutcheon of the labor-management relationship is collusion between employer and labor leader. One of the administration's recommendations would make it a felony for a union leader to accept or an employer to pay any remuneration whatsoever, except the pay which the labor leader might draw as an employee. A more stern proposal is that which would place unions and their activities under the antitrust laws, so that collusions and combinations in restraint of trade whether they be between unions or between unions and employers, would be declared illegal. This would end the situation which occurs too often in which labor and management get together on a joint wage increase and price increase which hurts no one except the consumer. The consumer has no representation at the bargaining table, and it may be necessary for the Government in its position in the middle of the teeter-totter to take some action to protect the interests of the great silent majority of Americans.

In all these fields, Mr. Speaker, legislation is required. Whether my specific views and recommendations are acceptable is unimportant by comparison to the actual need of something corrective.

But I repeat what I said in Phoenix last week. Unless the inactivity of majority Members in both Houses ends at

once, the long and expensive hearings before the McClellan committee will have been in vain.

And the inactivity—planned or not—can serve but to continue the enslavement of many of our 17 million union members by thugs, musclemen, and Marxists.

In this House, Mr. Speaker, this responsibility rests primarily upon but four men—the majority members of the Subcommittee on Labor-Management Relations.

They know wherein their responsibilities lie.

Mr. HIESTAND. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Arizona. I yield.

Mr. HIESTAND. I wish highly to commend the gentleman from Arizona for his very profound and complete statement; and also for the fairness of the statement and the attitude the gentleman takes toward these problems. I am very much impressed. After all, we are discussing a major problem in the United States—one which is growing and one which is, indeed, threatening because of the increased power of the labor monopoly. The gentleman has mentioned that he has had difficulty having hearings by his committee on labor legislation. I did a little digging. I found there were some 125 bills introduced in the 85th Congress by Democrat Members on labor subjects pertaining to various phases of labor legislation including the amending of the Taft-Hartley law, the Davis-Bacon Act, the Fair-Labor Standards Act, the Longshoremen and Harbor Workers' Act, equal pay for women, Fair Employment Practices Act, and welfare funds.

Apparently, the trouble is that the management, the leadership of the Democratic Party, does not want labor legislation. It becomes obvious that members of the committee do; it becomes obvious that Members of the House do; and it is obvious that Members of the other body have wanted legislation, but the leadership insists that at this session of the Congress they must not have labor legislation barring, of course, the one measure which passed the other body the other day providing for the survey and surveillance of welfare funds. If that be true, we are facing a serious problem. There can be some measures enacted at this session without a long series of hearings.

I have in mind a bill which I introduced, H. R. 10531, which would provide a bill of rights for the worker. The other party has loudly acclaimed it is a friend of the worker, and yet they refuse to do anything about it. Here is a measure that would insure the return of control of the unions to the workers. That is exactly what so many people are screaming for. It would also secure supervision over these welfare funds that have been so pilfered and so abused. I suggest that if the management of the other party really wishes to do what it professes to do, it could do something for labor legislation at this session.

I commend the gentleman for his statement. I think it is a very meritorious one.

Mr. RHODES of Arizona. I thank the gentleman for his fine contribution.

I take great pleasure in yielding to a gentleman with whom it has been my pleasure for the past 6 years to serve on the Committee on Education and Labor, the gentleman from Montana [Mr. METCALF].

Mr. METCALF. Mr. Speaker, I thank the gentleman.

It has been a great pleasure for me to serve with my colleague on the Committee on Education and Labor. Many times we have worked together for advancement of the labor cause, and other times we have been at odds. I have the highest regard for his ability and his approach.

Mr. RHODES of Arizona. The gentleman knows that regard is mutual.

Mr. METCALF. I think so. I have the highest affection for the gentleman.

I want to recall to the gentleman the hearings we had in the 83d Congress when we were both new members of the Committee on Education and Labor. That was a Republican-controlled Congress, and the very able chairman, Mr. McConnell, who has since left this body, presided at the hearings. We brought up many of the questions that the gentleman has raised today, and finally were unable to come out with a bill for labor-management relations in that Congress. It is a very complex field, as the gentleman knows. We had hundreds of pages of testimony in that hearing. So these things have to be approached one at a time. We are coming up with welfare legislation. I assure the gentleman that as another member of the committee I will cooperate with him entirely in trying to meet the responsibility that this Congress has in passing legislation for the control of union welfare funds, both for unions and for management.

I know the gentleman and I would disagree on such things as what he calls "compulsory unionism" and the miscalled right-to-work law. I would like to see the fundamental law amended so that section 14 (b) of the Taft-Hartley Act would be deleted and we would not have any fights such as we will have in Montana this year to have a State right-to-work law. But those matters should be thrashed out in committee, and I know the gentleman would approach such legislation just as I would, after hearings, to determine what should be done.

Mr. RHODES of Arizona. If the gentleman would let me interrupt a moment, I think his disagreement and mine on the right-to-work law would be in the realm of States rights. My State happens to have a right-to-work law and we think it works quite well. I certainly would fight with every resource at my command to keep Congress from repealing section 14 (b), which would have the effect of repealing our right-to-work law. On the other hand, there may be States where it would not work so well, and in those States the people should have the right to say whether they want such a law or not. That is my position on the right-to-work legislation.

Mr. METCALF. I know we would probably take a different position. I only mentioned it because the gentleman mentioned it. I want to assure the gentleman and members of his party on the committee that I feel we should and can do many things for labor in the remaining days of the session. We should pass the union welfare legislation. There has been in the subcommittee on which I serve a minimum-wage extension, which is more important to the rank and file of labor than any other piece of legislation, and not one that concerns the unions very much, because most of the unions have higher wages. I feel that all of these complex things should be handled one at a time. I wonder if the gentleman would agree with me that some of this general labor legislation is not and should not be considered a part of the union welfare legislation.

Mr. RHODES of Arizona. If I understand the parliamentary situation correctly there could be no amendment offered to the union welfare fund bill as it passed the Senate to the National Labor Relations Act which would be germane; it could not be done on the floor; it might be done in the committee. I would have hoped it would have been possible for us to bring out one bill which would include amendments to the National Labor Relations Act that might be required, in addition to the union welfare portion of the bill. I agree with the gentleman that as far as the present situation is concerned it is much too late in this session to bring out a comprehensive bill on general labor legislation. That is not my fault; I have tried very hard to get the Subcommittee on Labor Management to hold hearings so such a bill could be brought up.

Mr. METCALF. It is not my fault either.

Mr. RHODES of Arizona. That is correct; it is not the fault of the gentleman from Montana.

I would point out, however, that there are certain minimal requirements which I believe we should get out of the subcommittee on which we could have adequate hearings; for one, the union busting provision of Tart-Hartley, which has caused the situation existing in the O'Sullivan Rubber case. I think there is no doubt that we have had enough evidence so we can proceed to repeal that part of the act, and I was surprised that the leadership of the gentleman's party in the other body did not take that action.

I think also we could strike a blow at the no-man's land situation so that we could make more certain the division of jurisdiction between the States and the Federal Government in this field. I think this could be done in this session if we start now, but it is obvious to me that nobody except perhaps the gentleman from Montana, and the members on the Republican side of the Committee on Education and Labor are interested in proceeding, yet the American public, the laboring men, the people in organized labor want something done about it.

Mr. WIDNALL. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from New Jersey.

Mr. WIDNALL. I, too, would like to commend the gentleman from Arizona for his very fine, temperate, and timely speech on some of the most difficult problems that face Congress.

In view of the very vicious attacks that have been made on business and some of the deliberate misrepresentations that have been made as to statements by business leaders and by officials of the administration, I think the following colloquy that took place between Mr. Reuther and me in the House Committee on Banking and Currency is well worth calling attention to. These statements were made on April 30 of this year. I quote from the hearings:

Mr. WIDNALL. Mr. Reuther, as I was listening to your fine talk, I could not help but think, when we characterize this as an automobile depression, that maybe Charlie Wilson might have been right when he said what was good for General Motors was good for the country and what was good for the country was good for General Motors. Would you care to comment on that?

Mr. Reuther replied:

You know, I got to know C. E. Wilson very well, and I still have great respect for him as a person. I have disagreed with some of the governmental policies that he recommended. I think that what Mr. Wilson was saying, in effect, was that the economic well-being of all groups is inseparably tied together and you cannot really make progress in a vacuum. I think that at the time he said that he put the Government second when he should have put General Motors second, but I think the basic idea he was expressing was sound, that General Motors certainly cannot be prosperous unless America is prosperous, and I think that is very true. I happen to share that point of view.

I think that makes very interesting reading in view of some of the very vicious attacks that were made at the time Mr. Wilson made that statement.

Mr. RHODES of Arizona. I thank the gentleman from New Jersey. I also commend to the gentleman's reading the statements made by Mr. Reuther before the Labor Rackets Committee in the other body. Reading the statements and the pronouncements made there by Mr. Reuther it was very difficult to remember that this was the gentleman who was in charge of the sit-down strikes in Michigan some few years ago, that this was the president of a union whose strikes have often been tinged with violence, and that this was the man who was educated, in part, in the Soviet Union.

One of the things which has made a lot of us wonder about this gentleman is his ability to speak like the all-American boy, but act in such an entirely different manner.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, will be gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Pennsylvania.

Mr. SIMPSON of Pennsylvania. I have had the opportunity over the weekend, I would say to the gentleman from Arizona, to read an article appearing in the current issue of the Saturday Evening Post, to be continued in the next issue, written by the chairman of the select committee of the other body now investigating improper activities in the labor and management field.

I commend the gentleman from Arizona for the intensive work he has engaged in so far as this area of legislation is concerned. I assume that the gentleman is familiar with the type of article to which I have referred, namely, an article setting forth the ways in which unwise labor legislation has permitted individuals to assume great power and to exercise over the good, the responsible, the sound, the honest worker, complete control with respect to their money and their jobs, the particular labor leaders having been proven to have actually preyed on the honest workingman, to create a condition of fear in the minds of those individuals. Now, I ask the gentleman, in what way, or is there a way, in which the Federal Government can correct that trouble? I am led to believe that there is, that there are laws that should be enacted. The distinguished chairman of the committee in the other body, in fact, sets forth the fact that Congress owes a distinct duty to the economy of our country and to the average man, the man who values his union, even as you and I, the man who wants permanency of employment, and I repeat, the Congress presumably has an obligation to provide a safe place for that man to work.

Mr. RHODES of Arizona. I thank the gentleman from Pennsylvania for his contribution and for his very searching question. The question, as I understand it, is "What can we do mainly to return the unions to their members and help the members to protect themselves against the predatory tactics of some of the union bosses?"

Mr. SIMPSON of Pennsylvania. Yes. Is that the field in which the gentleman's thinking is now directed?

Mr. RHODES of Arizona. It is one of the fields in which my thinking is directed, but I would say to the gentleman from Pennsylvania that my own personal philosophy is that in many instances these are matters for the States to handle rather than for the Federal Government. I feel strongly that the Federal Government, in preempting the whole field of labor legislation, has acted wrongly and in many instances the States themselves would be better equipped to take care of the rights of the individual workers than would the Federal Government.

Mr. SIMPSON of Pennsylvania. The gentleman referred to the fact that there is possibly some similar legislation from the other body which conceivably is bottled up in a subcommittee of the gentleman's committee in this body. Does the gentleman there refer to the type of legislation which would tend to correct these improper practices of labor unions against workingmen?

Mr. RHODES of Arizona. Of course, I refer to any labor legislation which has been referred to this subcommittee. Let me say to the gentleman, in the only meeting which this subcommittee has had the members on the Democrat side voted not to consider any labor legislation whatsoever because they were afraid of the membership of the House. They were afraid there would be crippling amendments adopted. I might say one of the Democrat members came right out and said flat-footedly he hoped some time they would be able to amend the Taft-Hartley Act with the kind of amendments they want. He implied that they do not regard this Congress as that type, even though their party is in the majority.

Mr. SIMPSON of Pennsylvania. I regret that the information the gentleman gives is discouraging to those of us who really want to do something to assure for the union member a security in connection with his union membership, which he does not have, based upon the evidence that is being presented before the select committee in the other body. I was extremely hopeful that we might in this current session of the Congress pass legislation which would give the workers of the country the protection they so obviously do not have from this type of labor leader.

Mr. RHODES of Arizona. I am sure the disappointment of the gentleman is shared by the majority of the working people of the country, and well it might be, because the platforms of both parties promised labor reform in 1956, and if platforms mean anything, then certainly a Congress controlled by the Democrat Party should bring out labor reform. It has been promised the working people; it has been promised management.

Mr. SIMPSON of Pennsylvania. I thank the gentleman.

Mr. RHODES of Arizona. Everything has been done except fulfillment of the promise.

Mr. SHEEHAN. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Illinois.

Mr. SHEEHAN. Mr. Speaker, I want to compliment the gentleman from Arizona for bringing to the attention of the Congress and the people this very important subject. I might say I agree thoroughly with you when you say there will be no general labor reform this year, because I do not think the gentlemen of the opposition party, the Democrats, want any labor reform. I wonder why they would not be for bringing out those measures which Mr. KNOWLAND and President Eisenhower advocated in the Senate last week; reforms limited at improving the well-being and the rights of the rank-and-file union members, because I think the gentleman will agree with me that as the McClellan committee has shown, the rank-and-file union members need a lot of protection. Is that not right?

Mr. RHODES of Arizona. That is absolutely correct.

Mr. SHEEHAN. I might also ask the gentleman, who has had a lot of experience on this particular committee, this question: Knowing that in 1952 and 1956 practically all of the Democrat Members running for Congress continuously kept telling the people they were for the revision, the complete abolition, practically, of the Taft-Hartley Act, does the gentleman from Arizona know of any committee hearings that have been scheduled in his committee to do away with the Taft-Hartley Act

according to the Democrat Party platform promises?

Mr. RHODES of Arizona. None whatsoever. The hearings would have to be in the Labor-Management Subcommittee, and as I pointed out, there has been only 1 meeting of that committee, which was called 2 months after the session began. There has been no bill considered of any nature whatsoever in that committee.

Mr. SHEEHAN. How long has the gentleman been a member of the Education and Labor Committee?

Mr. RHODES of Arizona. Ever since I have been in Congress, which is 6 years this year.

Mr. SHEEHAN. Now, during the past 6 years has your committee seriously considered amendments to do away with the Taft-Hartley Act as the Democrat Party promised?

Mr. RHODES of Arizona. In the 83d Congress, as the gentleman from Montana pointed out, there were exhaustive hearings toward revising and amending the Taft-Hartley law. The committee did come out with a bill which was voted to be reported by the committee but which was never reported. It was toward the end of the session and there was no chance for any action.

As far as the 84th and 85th Congresses have been concerned, there has been no action whatsoever by the Democrat-controlled Congresses to do anything to Taft-Hartley.

Mr. SHEEHAN. And the gentleman would point out that the 83d Congress was under the control of the Republicans, is that not right?

Mr. RHODES of Arizona. That is right.

Mr. SHEEHAN. I would ask the gentleman this question. I am sure he understands that last week when this series of amendments was considered, which were introduced by Mr. KNOWLAND, and as I understand, had the sanction of Mr. Eisenhower and the Department of Labor—the real intent of these amendments was to protect the rights of the rank-and-file members and not to do anything at all to hurt the cause of union labor, is that not right?

Mr. RHODES of Arizona. That is absolutely right. In fact, some of the more controversial amendments, such as compulsory union membership, were not brought out. They were not even introduced on the floor of the Senate.

Mr. SHEEHAN. Therefore it seems to me that the burden now lies right on the Democrats' shoulders for not bringing out some legislation to protect the rank-and-file union workers from the abuses that were brought out by the McClellan committee, and unless this Congress brings out some legislation to help protect the rank-and-file workers, certainly the country is going to know who the friends of labor are.

Mr. RHODES of Arizona. There is no doubt about it. In fact, I might say to my friend from Illinois that I predict that he is going to see the greatest shell game on the other side of the Capitol in the next few weeks that he has ever seen in his life. It is going to consist of the leadership of the other party trying to get off the hook because they did not adopt the amendments offered by the Senator from California, Mr. KNOWLAND. They say they are going to bring out a general labor bill. They may do it. They may pass it in the other body. But they will pass it in the full knowledge that the Subcommittee on Labor-Management Relations in the House has done nothing, that there is not time left for it to do anything of a comprehensive nature, and that even if there were the time, the Democrat Members have no inclination toward labor reform.

Mr. SHEEHAN. Mr. Speaker, I concur heartily in what the gentleman has said. I want to compliment him for his frankness and ability to look the situation in the face.

Mr. RHODES of Arizona. All that the majority party in the other body is doing is to create window dressing which they hope will fool the American public.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Wisconsin.

Mr. LAIRD. The gentleman from Arizona in his 6 years' service on the House Committee on Labor and Education has gained a reputation for his friendliness and fairness for the working man in the United States. I would like to commend him for the fine statement he has made here on the floor of the House today and for his efforts during the past 6 years to protect the interest of the public and also the rights of the individual working man.

Mr. Speaker, I should like to ask him a question with regard to a situation that has developed in my home District. During office hours last year which I conducted throughout my Congressional District, a group of men belonging to the teamsters union called on me. They asked how they could vote themselves out from under the control of the Dave Becks and the Jimmie Hoffas. During their visit I explained to them the Wisconsin labor law. They petitioned for an election under the State labor law and voted overwhelmingly to withdraw from the teamsters union. They have set up an independent union because they did not want anything to do with the Jimmie Hoffas or that type union leadership. They have organized an independent union.

Two weeks ago, when I was home, they called to my attention that the teamsters union had hired goons who were following them on their milk routes throughout Wausau, Wis. Pressures were being exerted on their customers to stop doing business with them.

I find now that if they want to bring an unfair labor practice charge, they have no place to go because they are in so-called no-man's land the gentleman from Arizona referred to in his statement.

What possibility is there, what chance have we in this session of Congress to get some legislation on that particular subject?

Mr. RHODES of Arizona. Mr. Speaker, I wish I could be more hopeful. As I announced in my colloquy with the gentleman from Montana, I believe it would be possible and feasible for the Committee on Education and Labor to bring out a very simple bill that would settle the question of this no-man's land, at least for the time being, awaiting the time when a more sophisticated bill might be passed.

Mr. LAIRD. The gentleman from Arizona has introduced such legislation and I have introduced such legislation. I believe the gentleman introduced the administration proposal on this subject?

Mr. RHODES of Arizona. The bill which I introduced did deal with that subject. If the Republican Party were in control of the Congress, I could tell the gentleman whether or not the bill would come out. The vacillations of some of the members of our committee on the other side of the aisle, those who are in a position to bring legislation up or not, have been such that I cannot, with any great degree of particularity, tell the gentleman whether or not the door will still be on the committee room tomorrow.

Mr. LAIRD. Mr. Speaker, I certainly want to commend the gentleman for his efforts to bring out legislation for consideration by the Congress to protect the rights of the individual workingman. Whether he is a union member or whether he is not a union member, certainly it is important in this country of ours that his individual rights not be jeopardized by a group of unscrupulous labor bosses.

Mr. RHODES of Arizona. I thank the gentleman from Wisconsin for his contribution, and for the fact that he has always been very zealous in protecting the rights of the working people of his district and of this country.

Mr. CUNNINGHAM of Iowa. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM of Iowa. I would like to ask the gentleman this question, but first I wish to congratulate him and thank him for the effort he is making in behalf of labor. Is not the gentleman the author of a bill now pending before the Committee on Education and Labor, which would correct the injustice good labor men are suffering in the so-called O'Sullivan Heel case?

Mr. RHODES of Arizona. That is true.

Mr. CUNNINGHAM of Iowa. I will say to the gentleman about 2 months ago I personally wrote a letter to the chairman of the subcommittee of the Committee on Education and Labor asking him if he would not hold hearings on that bill, and to this day I have not even received a reply to my letter.

Mr. RHODES of Arizona. I am sure the gentleman will not receive a reply.

Mr. Speaker, I yield to my friend, the gentleman from California, with whom I have served on this committee for 6 years.

Mr. HOLT. I thank the gentleman. As the gentleman knows, I have been absent from the city on official business in my district trying to get the other half of that Birmingham hospital property for a school, with which the gen-

tleman is familiar. I just got back to the city today. I take it things are just about where they were when I left.

Mr. RHODES of Arizona. Yes; as the gentleman from California has often said, "This is where he came in."

Mr. HOLT. Yes, this is where I came in. I do want to allay the gentleman's fears in one department though. I just passed the committee room and the door is still on. Whether it will be there tomorrow, I cannot say, but it was still there today.

Mr. RHODES of Arizona. Can the gentleman assure me that anything, no matter how commonplace, will certainly happen in the future in our committee?

Mr. HOLT. No; I cannot, because our committee is a very peculiar committee. I wonder if the so-called 80 liberal Democrats who signed that liberal manifesto made any headway with the chairman of our committee or made any concrete attempt to get hearings before our subcommittee because I notice there has been some comment by some of the folks on the other side of the Capitol.

Mr. RHODES of Arizona. I know of no progress that anybody has made with the chairman of the committee to have any hearings.

I yield to the gentleman from Montana [Mr. METCALF].

Mr. HOLT. I, too, yield to my very good friend, the gentleman from Montana.

Mr. METCALF. As one of the signers of the so-called manifesto mentioned by the gentleman from California, I want to assure him I would like to have some hearings on labor-management relations, and I also want to assure my colleague on the subcommittee that I will attempt to vote out another labor bill for extension of coverage of the minimum wage. With his assistance I think we can get that bill out.

Mr. HOLT. I am sure the gentleman will have my assistance because I believe a bill of some type should be voted out. I imagine the gentleman and I have different viewpoints as to the type of legislation. The gentleman from California [Mr. ROOSEVELT] and I held quite extensive hearings in the Western States toward that end. Perhaps we can join forces in getting the Democratic leadership of the labor committee to hold some kind of hearings because I think we will be derelict in our duty to the people of America, if we do not do so.

Mr. METCALF. I was under the impression that we held adequate hearings. I will vote for more hearings too.

Mr. HOLT. Not of the subcommittee. I am talking about the Labor-Management Subcommittee and the full Committee on Education and Labor.

Mr. METCALF. I am not on the Labor-Management Subcommittee.

Mr. HOLT. The gentleman shares the responsibility of the full committee to have some kind of hearings.

Mr. METCALF. I am with you on that. I have already assured the gentleman from Arizona on that.

Mr. HOLT. I thank the gentleman.

Mr. RHODES of Arizona. I yield to the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. I thank the gentleman from Arizona. In view of the colloquy which has gone on here for the past few minutes, can the gentleman tell the Members of the House—are the rules under which the Committee on Education and Labor operate different from the rules under which all the rest of the committees and the standing committees of the House operate?

Mr. RHODES of Arizona. Oh, we have the most amazing set of rules you ever saw.

Mr. AVERY. I was intrigued by this because you know—or you may not know—I am a member of the great Committee on Interstate and Foreign Commerce. When a bill comes to our committee, it is not a subcommittee chairman who determines whether or not hearings are to be held, but it is the general chairman of the committee who determines that. I was under the illusion that that was true of all committees of all standing committees under the direct supervision of the chairman. Now, that is not the case, I take it with the Committee on Education and Labor.

Mr. RHODES of Arizona. The gentleman is correct, partially. A bill which is referred to the committee is subject to the chairman of the full committee unless he refers it to a chairman of a subcommittee.

In the case of general labor legislation he has referred all bills to a subcommittee, created for labor-management measures. As to the union welfare and pension fund, which is not specifically covered in the jurisdiction of the various subcommittees, the chairman has not referred it to a subcommittee. We on the Republican side have asked him several times either to hold hearings or to create a special subcommittee to hold hearings. The answer we got was, "Well, some day we may do this," or "After thus and so, then we will proceed with that." The time is getting late and nothing is done.

Mr. AVERY. If I could paraphrase the gentlemans' response, the rules are not unlike the rules of other committees. After all, the chairman does have the responsibility of the legislation that is considered and recommended by that great committee.

Mr. RHODES of Arizona. That is correct.

Mr. AVERY. I would like to ask one more question. Several references have been made this afternoon to the various so-called bills of rights for the laboring men, as were presented to the Senate by the Senator from California, Senator KNOWLAND. Can the gentlemen tell me whether or not most of those proposals have been covered in bills introduced in the House?

Mr. RHODES of Arizona. Most of them have.

Mr. AVERY. And then it would appear likely that if such legislation would secure favorable consideration in the other body it would be proper for the Committee on Education and Labor to hold hearings on these various subjects right away, in order to have a determination on this side.

Mr. RHODES of Arizona. Yes; it would be possible. In fact, that is exactly what the minority Members have tried to get the majority Members to do. I say, theoretically it is possible. Actually, without the aid of an expert at brainwashing, I cannot see any possibility that the Democratic Members could change their attitudes so completely as to do such a thing.

Mr. AVERY. I thank the gentleman for his response. It boils down to this, that if there was any inclination on the part of the majority party controlling that committee to proceed with consideration of these matters, they could do so immediately?

Mr. RHODES of Arizona. That is correct.

Mr. PELLY. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Arizona. I yield.

Mr. PELLY. Since everyone seems to be for labor, I would like to put in a plug for a piece of legislation that I think is going to be heard starting tomorrow, and I hope the Members will give it consideration. It is a bill for the safety of the longshoremen and harbor workers, under the chairmanship of Mr. WIER, and the hearings are to be held. I think it is supported by the administration, and I further hope it will be passed. So I expect when the time comes and there is a vote that everyone here who has spoken today will be for that bill.

Mr. RHODES of Arizona. The gentleman has always been very zealous in taking care of the working people of the country.

Mr. GRIFFIN. Mr. Speaker, I rise to commend the distinguished gentleman from Arizona [Mr. RHODES] upon the searching and comprehensive statement he has made here today. As a fellow Republican member of the Labor-Management Subcommittee, I am personally acquainted with his efforts and the efforts of the Republican minority to make progress toward constructive reforms in labor legislation.

I was present on March 5 at the only meeting the Labor-Management Subcommittee held so far this session. The gentleman from Arizona [Mr. RHODES] offered a motion that the subcommittee begin hearings on portions of the President's labor reform program. As the gentleman has reported, the three Republicans on the subcommittee—Mr. KEARNS, of Pennsylvania; Mr. RHODES, of Arizona; and Mr. GRIFFIN, of Michigan—all voted for the motion. The four Democrat members of that subcommittee were all present and all voted against the motion.

Mr. CRAMER. Mr. Speaker, I congratulate the gentleman from Arizona [Mr. RHODES] for pointing out to the House and the people of this country where the responsibility lies for not legislating to protect the funds and the fundamental rights of the laboring man, the labor union member, as well as the people of this country in general.

It is obvious because of the unprecedented and continuous pressure of labor bosses even those who were brought into ill repute before the McClellan

committee recently because, largely, of their misappropriation of funds belonging rightfully to the union members, that the majority now in control of Congress has not the intestinal fortitude to stand up for what is obviously right—right for America and right for America's organized breadwinner. The McClellan committee came out with its report, a report supported by and resulting from investigation by a committee on which the majority party has majority membership, and called for legislative action. This report was wholeheartedly endorsed by the President and Secretary of Labor Mitchell—as being in the best interests of labor as well as the people of the country and management as well. Still, the other body refused to vote the major portions of these recommendations—obviously fearful of the power which is partially exerted by the very leaders excoriated in the report. If broad legislation is not enacted as recommended by the committee, I submit that this inaction itself will prove beyond a doubt the assertions of so many informed writers in America's newspapers that no adequate labor legislation—even in this field—will be forthcoming from Congress so long as it is under present majority leadership even though the action recommended is not anti-union-membership, but only anti-racketeering-bossism which is equally condemned by union membership and by all American citizens. The hue and cry that "more time is needed to study the proposals" will not be an acceptable answer for the people, including labor members this November—for the gentleman from Arizona has clearly shown no desire to seriously consider this legislation exists at this time—particularly in the House under majority controls—on this urgent matter.

The SPEAKER pro tempore. The time of the gentleman from Arizona has expired.

GENERAL LEAVE TO EXTEND REMARKS

Mr. RHODES of Arizona. Mr. Speaker, I ask unanimous consent that all Members may have permission to revise and extend their remarks, if they desire to do so.

The SPEAKER pro tempore. Is there objection?

There was no objection.

A "PORKLESS" RIVER AND HARBOR FLOOD CONTROL BILL

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Washington [Mr. MACK] is recognized for 20 minutes.

Mr. MACK of Washington. Mr. Speaker, I introduced in the House of Representatives last week a porkless river and harbor-flood control bill—H. R. 12193—to replace the one—S. 497—which contained too much pork and was vetoed by the President.

I take this time to point out how my bill—H. R. 12193—deletes $201,635,000 of pork from the vetoed bill and thereby will save American taxpayers a fifth of a billion dollars.

The vetoed bill contained 140 projects which the United States Army Engineers estimated would cost $1,675,510,000.

My bill contains 130 projects which the United States Army Engineers estimate will cost $1,473,874,500 or more than $200 million less than the vetoed bill.

RIVER BASIN PROJECTS

The largest item in both bills, the vetoed one and mine, is increased authorizations for nine river basin projects. The nine river basin items in both bills are identical. The cost of these river basin authorizations is $913,409,000. There is no controversy over these items. The President has no objection to them. All nine basin projects have the unanimous approval of all members of the Public Works Committees of both Houses.

MATTERS IN CONTROVERSY

All of the controversy in the river and harbor flood control bills relates to new river and harbor and flood control starts or modifications.

The vetoed bill contained, in addition to the basin projects, authorization for 131 other navigation, flood-control, and beach-erosion projects. My bill, H. R. 12193, contains 121 of these projects. I have deleted from the bill 10 of the projects that were in the vetoed bill. These 10 projects would cost $179,262,000, most of which were vetoed because they had been inadequately surveyed and were opposed by the Army Engineers, the Secretary of the Army, or the Budget Bureau, which agencies had studied these projects and recommended against their approval.

In addition to the 10 projects which I delete, my bill modifies 14 other projects to conform to recommendations of the Army Engineers, the Secretary of the Army, or the Budget Bureau. All of these modifications which my bill proposes were recommended by the President in his veto message.

The modifications I propose are mostly those in the Mack substitute proposed at the time the vetoed river and harbor flood-control bill was under debate in the House. A recommital motion to modify these projects was defeated in the House, 234 to 167.

The modifications proposed in my bill, H. R. 12193, for these 14 projects will save taxpayers $22,373,000.

SAVES 27 PERCENT

In addition to the authorization of nine basin projects, estimated to cost $913,409,000, the vetoed bill proposed to authorize 131 other projects, estimated to cost $762,100,500.

My bill, H. R. 12193, deletes 10 of these 131 projects and modifies 14 others, as recommended by the President, thereby reducing the costs involved in the vetoed bill by $201,635,000, thus reducing its estimated costs of these 131 projects to $560,465,500.

I point out that this saving of $201 million to taxpayers represents a reduction of 27 percent in the estimated cost of projects authorized other than basin projects.

A saving of $201 million on new and modified projects, 27 percent of the amount in the bill for these new and modified projects, represents, I submit, the elimination of a great deal of "pork" and will make the bill more palatable to Congress and the country.

NO MAKE-WORK BILL

To claim that this bill is an antirecession measure is mostly "hogwash," to employ a much overused word.

This is an authorization bill, not an appropriation bill. It is most unlikely that any money will be appropriated by Congress for any of the projects in this bill, except two of the basin projects prior to July 1959, and most unlikely that any money actually will be spent on construction work on any of these projects, except on two river basins, prior to January 1, 1960. By that time, which is 18 months in the future, the so-called recession long since will have become past history.

The Mack bill—H. R. 12193—which I introduced last week, has the complete approval of the President. It meets every one of the objections to this legislation which he raised in his veto message.

If the Mack bill is passed, which I sincerely feel it should be, and promptly, I am certain it will be approved by the President and soon become a law.

Of the 140 projects in the vetoed bill, which it is estimated will cost $1,675,510,000 there are 116 which have the complete and unanimous approval of the House, the Senate, and of the President. These are all good, sound, and acceptable projects, approved by all agencies and almost everyone.

My bill asks the deletion or modification of 24 unacceptable projects over each of which there is great controversy as manifest in the House debate on this bill and again manifest by the President's veto. The unacceptable 24 projects as deleted or modified have a total estimated cost of $201,635,000.

It does not make sense that Congress should jeopardize the authorization of these 116 sound and good projects in order to get a bill obtaining 24 other questionable projects of the pork barrel type.

Since my introduction of H. R. 12193, many other Members of Congress have introduced identical bills. Other identical bills to H. R. 12193 introduced are:

H. R. 12235, by Mr. CRAMER.
H. R. 12267, by Mr. BROOMFIELD.
H. R. 12268, by Mr. BYRNE of Illinois.
H. R. 12275, by Mr. SCUDDER.
H. R. 12298, by Mr. ROBISON of New York.
H. R. 12301, by Mr. SCHERER.
H. R. 12302, by Mr. WITHROW.
H. R. 12309, by Mr. GEORGE.

I urge the chairman of the House Public Works Committee to call a meeting and hold a hearing on these bills promptly and to get a river and harbor flood control bill to the floor that can be passed quickly and which is assured of prompt Presidential approval. Nothing is to be gained by dilly-dallying.

I append to my statement a list of all the projects in my bill, with the estimated cost of each: First, those which have Presidential approval; second, the 10 projects in the vetoed bill which I delete; and third, the 14 projects which my bill modifies:

SUMMARY OF H. R. 12193

RIVERS AND HARBORS

Section 101: Navigation projects (51):	
Salem Harbor, Mass.	$1,100,000
Boston Harbor, Mass.	720,000
East Boat Basin, Cape Cod Canal, Mass.	360,000

Bridgeport Harbor, Conn	$2,300,000
New York Harbor, N. Y	1,678,000
Baltimore Harbor, Md	28,161,000
Herring Creek, Md	110,000
Betterton Harbor, Md	78,000
Delaware River Anchorages	24,447,000
Morehead City Harbor, N. C	1,197,000
Intracoastal Waterway, Jacksonville to Miami, Fla	(1)
Port Everglades Harbor, Fla	6,683,000
Escambia River, Fla	61,000
Gulfport Harbor, Miss	(1)
Barataria Bay, La	1,647,000
Crefuncte River and Bogue Falia, La	48,000
Pass Cavalo to Port Lavaca, Tex	413,000
Galveston Harbor and Houston ship channel, Tex	17,196,000
Matagorda ship channel, Tex	9,944,000
Port Aransas-Corpus Christi Waterway, Tex	6,272,000
La Quinta Channel, Tex	(1)
Freeport Harbor, Tex	317,000
Mississippi River, levee and drainage damages	2,476,000
Mississippi River at Alton, Ill., commercial harbor	246,000
Mississippi River at Alton, Ill., small boat harbor	62,000
Mississippi River at Clinton, Iowa:	
Beaver Slough	241,000
Report on damages	147,000
Mississippi River between St. Louis, Mo., and lock and dam 26	5,802,000
St. Anthony Falls, Minneapolis	(2)
Minnesota River, Minn	2,544,000
Vermilion Harbor, Ohio	474,000
Ohio River at Gallipolis	66,000
Licking River, Ky	(1)
Saxon Harbor, Wis	393,500
Two Harbors, Wis	66,000
Port Washington Harbor, Wis	1,760,000
St. Joseph Harbor, Mich	(1)
Old Channel of Rouge River, Mich	101,500
Cleveland Harbor, Ohio	927,000
Toledo Harbor, Ohio	859,000
Irondequoit Bay, N. Y	1,835,000
Santa Cruz Harbor, Calif	1,612,000
Yaquina Bay and Harbor, Oreg	19,800,000
Siuslaw River, Oreg	1,693,100
Port Townsend Harbor, Wash	387,000
Bellingham Harbor, Wash	83,700
Douglas and Juneau Harbors, Alaska	1,394,000
Dillingham Harbor, Alaska	372,000
Naknek River, Alaska	19,000
Cook Inlet, Alaska	5,199,200
San Juan Harbor, Puerto Rico	6,476,800
Total	157,798,800

Section 101: Beach erosion (14):

East River to New Haven Harbor, Conn	$12,000
Saugatuck River to Byron River, Conn	229,000
Fire Island Inlet, N. Y	2,724,000
Atlantic Coast of New Jersey	6,755,000
Delaware coast from Kitts Hummock to Fenwick Island, Del	28,000
Palm Beach County, Fla	222,500
Berrien County, Mich	226,000
Manitowoc County, Wis	50,000
Fair Haven Beach State Park, N. Y	114,000
Hamlin Beach State Park, N. Y	404,000
Humboldt Bay, Calif	38,200
Santa Cruz County, Calif	516,000
San Diego County, Calif	289,000
Waimea Beach and Hanapepe Bay, T. H	20,000
Total	11,627,700

[1] Maintenance.
[2] Modification.

Section 102: Provisions to reimbursement on beach erosion projects.

Section 103: Provision for maintenance and operation of bridge over Algiers Canal, La.

Section 104: Water hyacinth control with local contribution requirement increased to 50 percent.

Section 105: Provides that preliminary examination reports on navigation projects be no longer required in review or survey studies and applies to previous authorizations.

Section 106: Modifications in improvement of Apalachicola Bay, Fla.

Section 107: Modification in improvement of Pascagoula Harbor, Dog River Cutoff, Miss.

Section 108: Provides for conveyance of upper Fox River, Wis., project structures, appurtenances, etc., to the State of Wisconsin.

Section 109: Modification of the Calumet-Sag navigation project, Illinois and Indiana.

Section 110: Rock River Dam between Sterling and Rock Falls, Ill., convenance of structures, etc., to the State of Illinois.

Section 111: Provisions for payment of the cost of remedial work.

Section 112: Authorizes specified navigation surveys.

Section 113: Title I may be cited as "River and Harbor Act of 1958."

FLOOD CONTROL

Section 201: Routine provisions governing flood-control projects.

Section 202: Routine provisions governing flood-control projects.

Section 203: Flood-control projects (56):

(NOTE.—Authorizations in section 101 and and section 203 conform to recommendations of Secretary of the Army, the Chief of Engineers, and the Bureau of the Budget. Where specifically noted, the project authorization of S. 497 has been amended to provide for proper authorization.)

Littleville Reservoir, Mass	$5,090,000
Mad River Dam and Reservoir, Conn	5,430,000
Hall Meadow Brook Dam, Conn	1,960,000
Naugatuck River Dam, Conn	1,780,000
Susquehanna River Basin, N. Y. and Pa	88,862,000
Mohawk River, N. Y. (proviso that works at Rome, N. Y., are not to be constructed until economically justified)	2,069,000
Pantego and Cucklers Creek, N. C	413,000
Hendry County, Fla., authorization amended to follow recommendations of the Chief of Engineers	3,172,000
Tombigbee, Warrior, and Alabama-Coosa Rivers, Miss. and Ala., authorization amended to follow recommendation of the Chief of Engineers	14,445,000
Alabama River at Montgomery, Ala	1,300,000
White River backwater project, Arkansas (proviso added to define extent of local cooperation required)	1,613,000
Boeuf and Tensas Rivers and Bayou Macon Basin, Ark. (proviso added to define extent of local cooperation required)	631,000
Wolf River, Tenn	1,932,000
Bayou Chevreuil, La	547,000
Purgatoire River, Colo	16,628,000
Markham Ferry project, Oklahoma (proposed amendment to section 3 of 1954 act, opposed by Department of Justice, is eliminated)	(1)
Pecos River, N. Mex. (authorization amended to follow recommendations of the Chief of Engineers)	1,792,000
Rio Grande, N. Mex. (authorization amended to follow recommendations of the Chief of Engineers)	$3,103,000
Rock and Green Rivers, Ill	6,996,000
Eau Galle River, Wis	6,690,000
Mississippi River at Winona, Minn	1,620,000
Mississippi River at St. Paul, Minn	5,705,000
Minnesota River at Mankato, Minn	1,870,000
Saylorville Reservoir, Iowa (proviso added to define extent of local cooperation required)	40,000,000
Kaskaskia River, Ill. (proviso added to define extent of local cooperation required)	23,000,000
Root River, Minn	796,000
Bad River, Wis	917,000
Kalamazoo River, Mich	5,358,000
Grand River, Mich	9,825,000
Saginaw River, Mich	16,085,000
Owasco Outlet, Auburn, N. Y	305,000
Sun River, Great Falls, Mont	1,405,000
Cannonball River, N. Dak	434,000
Floyd River, Iowa	8,060,000
Black Vermillion River, Kans	850,000
Gering and Mitchell Valleys, Nebr	1,214,000
Salt Creek, Nebr	13,314,000
Shell Creek, Nebr	2,025,000
Ruffy Brook and Lost River, Minn	632,000
Saline River, Ill. (authorization amended to follow recommendations of Chief of Engineers)	5,272,000
Upper Wabash River, Ind	45,500,000
Brush Creek, W. Va	917,000
Meadow River, W. Va	708,000
Lake Chautauqua and Chadakoin River, at Jamestown, N. Y	4,796,000
West branch of the Mahoning River, Ohio	12,585,000
Sandy Lick Creek, Pa	1,188,000
Chartiers Creek, Pa	1,286,000
Monroe Reservoir on Salt Creek, Ind	4,359,000
Sacramento River, Chico Landing to Red Bluff, Calif	1,560,000
Eel River, Calif	707,000
Weber River Basin, Utah	520,000
San Diegnito River, Calif	1,961,000
Bruces Eddy Dam and Reservoir, Idaho (detail planning only)	1,200,000
Sammamish River, Wash	825,000
Chena River, Alaska	9,727,000
Cook Inlet, Alaska	60,000
Total	391,039,000

Section 203: Increased basin authorizations (16):

Connecticut River Basin	$24,000,000
Savannah River Basin	44,300,000
Central and southern Florida	40,000,000
Old and Atchafalaya Rivers	28,200,000
St. Francis River Basin	35,674,000
Red-Ouachita River Basin (Sherwood and Broken Bow Reservoirs, Ark. and Okla., eliminated (estimated at $56,245,000).)	53,235,000
White River Basin (Increased monetary authorization reduced by $12 million and Lone Rock and Gilbert Reservoir projects are eliminated (estimated at $57 million).)	45,000,000
Upper Mississippi River Basin	21,000,000
Missouri River Basin (sec. 203)	200,000,000
Missouri River Basin (sec. 207)	200,000,000
Sacramento River Basin, Calif	17,000,000
San Joaquin River Basin, Calif	13,000,000
Kaweah and Tule River Basins	26,000,000
Los Angeles River Basin	44,000,000
Santa Ana River Basin	8,000,000
Columbia River Basin	112,000,000
	913,409,000

[1] Modification.

Section 204 provides for the Oroville Dam and Reservoir project, Feather River, Calif.

Section 205 provides for adjustments in lands or interests in lands for Grapevine Garza-Little Elm, Benbrook, Belton, and Whitney Reservoir projects, Texas, etc.

This is section 206 of S. 497.

Section 205 of S. 497 relating to water resources has been eliminated.

Section 206 authorized specified flood-control surveys.

Section 207 provides increased monetary authorization of $200,000,000 for Department of Interior in the Missouri River Basin. Computed with section 203 table of increased monetary authorizations.

Section 208 provides that preliminary examination reports on flood-control projects be no longer required in review or survey studies and applies to previous authorizations.

Section 209: Title II may be cited as "Flood Control Act of 1958".

Project summary

Navigation projects	$157,798,800
Beach-erosion projects	11,627,000
Flood-control projects	391,039,000
Increased Basin authorizations	913,409,000
Project total for bill	1,473,874,500

Projects not included (10)

Hull Creek, Va	$269,000
Galveston Bay at Texas City, Texas	6,166,000
New Bedford, Fairhaven and Acushnet, Mass	15,490,000
Narraganset Bay, R. I. and Mass.	16,180,000
Greenville Harbor, Miss	2,530,000
Gilbert and Lone Rock Reservoirs, Ark	57,000,000
Missouri River Damages	412,000
Sherwood and Broken Bow Reservoirs, Ark. and Okla	56,245,000
Gila River Basin, Arizona	1,670,000
Buchanan, and Hidden Reservoir, California	23,400,000
Navarro Mills Reservoir, Tex.[1] (modification of local cost).	
Section 205. Water resources [2]	
	179,262,000

[2] Not included in number of projects.

Projects modified by H. R. 12193 (19)

	Federal cost	
	S. 497	H. R. 12193
LaQuinta Channel, Tex	$954,000	(1)
Alton small-boat harbor	101,000	$62,000
Port Washington Harbor, Wis.	2,932,000	1,760,000
Irondequoit Bay	1,938,000	1,865,000
Mowhawk River, N. Y	2,069,000	[2] 2,069,000
Hendry County, Fla	[3] 3,172,000	3,172,000
Tombigbee River	19,711,000	14,445,000
White River Backwater	2,380,000	1,613,000
Boeuf and Tensas Rivers	1,212,000	631,000
Pecos River, N. Mex	2,066,000	1,792,000
Rio Grande, N. Mex	3,152,000	3,103,000
Saylorville Reservoir, Iowa	44,500,000	44,000,000
Kaskaskia River	23,000,000	[4] 23,000,000
Saline River, Ill	5,970,000	5,272,000
Red-Ouachita Basin	53,235,000	53,235,000
Sherwood-Broken Bow	[5] 56,245,000	
White River Basin	57,000,000	45,000,000
Gilbert and Lone Rock	[6] 57,000,000	
Total	223,302,000	201,019,000

[1] Maintenance.
[2] Reduced by $240,000 if works at Rome, N. Y., are found to not be economically justified at some future date.
[3] Federal cost will be increased by an undetermined amount upon determination of amount of local cooperation.
[4] Federal cost will be reduced by $4,500,000 if local proviso for cost sharing is met.
[5] $56,245,000 is Sherwood and Broken Bow cost carried in table of projects eliminated. Amount is not included in this table total.
[6] $57,000,000 is Gilbert and Lone Rock cost carried in table of projects eliminated. Amount is not included in this table total.

H. R. 12193 carries the necessary modification language to provide for the above reductions. Without the H. R. 12193 amended language, the amount shown in the S. 497 column is the amount objected to by the President in his veto, not the difference of $22,373,000.

H. R. 12193 modifications result in net reduction of	$22,373,000
H. R. 12103 eliminations result in net reduction of	179,262,000
Total reduction through modifications and eliminations	201,635,000

Mr. BALDWIN. Mr. Speaker, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from California.

Mr. BALDWIN. During the Easter recess it was my assignment as a member of a two-man subcommittee of our committee to proceed to California and to inspect flood damage that occurred in California some 3 weeks ago. During the floods of about 3 weeks ago California suffered about $32 million of flood damage.

There are a number of basin projects in California partially completed at this time that are dependent for further construction upon the passage of this or a similar bill. It seems to me that it is absolutely essential the chairman of the Committee on Public Works meet the situation and call a committee hearing to act upon this or some similar bill so that this situation can be resolved during this session. There is no reason on earth that this problem cannot be resolved during this session if the chairman of our committee will take the initiative to do so.

Mr. MACK of Washington. I agree with the gentleman from California. Unless hearings are called and unless a new bill is brought out the party in power rightfully will be blamed for failure to obtain action on this legislation.

Mr. GEORGE. Mr. Speaker, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Kansas.

Mr. GEORGE. Is it not a fact that the reason we are in trouble is the majority party of our committee insisted on putting in some projects that had not been properly cleared by the Army engineers?

Mr. MACK of Washington. That is correct.

Mr. GEORGE. In other words, the people the Congress has to rely on for technical information as to whether a project is feasible and desirable and can be built economically. That information had not had time to clear. Is that true?

Mr. MACK of Washington. There are projects in this bill that never have been before the Chief of Army Engineers, before the Secretary of the Army, or before the Budget Bureau. Those are the reviewing agencies on all projects. Until they make a report to Congress, Congress should take no action upon a particular project.

Mr. GEORGE. It occurs to me a Member of Congress who is not willing to wait and clear his project in proper order through the Army engineers, and after an O. K. by the Army engineers, then by a study of the Bureau of the Budget, is imposing something on the majority of the Congress which destroys worthwhile projects, and because his party is in power and can run over the minority or can substitute fiction for fact and say it is desirable but not be able to prove it because our technical advisers have not told us it was feasible, it occurs to me that the President of the United States has no other course but to veto such legislation.

Mr. MACK of Washington. I think the President was justified in vetoing this bill because of the inadequate survey of the projects to which the gentleman refers.

Mr. GEORGE. Those Members who have insisted on their projects being included in this omnibus bill are ostensibly, by the way they have operated, the ones who have destroyed the effectiveness of the bill that we passed and in effect have killed the rivers and harbors bill unless the chairman of the committee sees fit to let us take action on the gentleman's bill or a similar bill.

Mr. MACK of Washington. I think the committee should meet promptly and bring forth a new bill.

Mr. CRAMER. Mr. Speaker, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Florida.

Mr. CRAMER. I congratulate the distinguished ranking minority member of the Rivers and Harbors Subcommittee, on which I have the privilege of serving, for bringing this matter to the attention of the House at this time. I want to congratulate him further for introducing a bill which I think goes as far as we could possibly go in an effort to conform to the President's objections and at the same time try to include all projects that can be included in conformity with those objections. I joined the gentleman in introducing such a bill that eliminates the "pork" and I hope the Congress will take action on it. May I say to the gentleman that he has spent many, many months in the last 3 years on this subcommittee, as have the other members, in an effort to bring out a bill that can become law. I wish to congratulate him and I would like to say at this time that there is no question but what the gentleman is in favor at all times of good public works projects. I want to commend him and the minority members, also the majority members who are likewise for public works projects. The difference of opinion as exemplified by this bill as compared with the bill reported out by the majority is that the minority feels that some standard should underlie on a national basis, the approval of these projects by the Public Works Committee and by the Congress. Does the gentleman not think that is the fundamental issue involved?

Mr. MACK of Washington. Certainly. Every Member of the Congress should abide by the same rules. We should not put projects in a bill that have not conformed to the standards set up over the years to safeguard the taxpayers' money and to obtain economically sound projects. By observing these tested standards we avoid pork-barrel projects getting in a bill.

Mr. CRAMER. I ask the gentleman further if that were not the method fol-

lowed by the Public Works Committee, Congress, and the President, would it not be true that certain areas of the country would receive favorable treatment compared to others being conversely discriminated against?

Mr. MACK of Washington. Certainly.

Mr. CRAMER. I wish to bring this to the attention of the gentleman. I am sure he is well aware of it and can comment on it if he wishes to. I have here a copy of Committee Print No. 16, an analysis of the veto of the omnibus rivers and harbors bill, S. 497, which was printed for the use of the Committee on Public Works and intended as rebuttal of the President's veto message. Does the gentleman know of any instance where the Public Works Committee has authorized the promulgation or printing of such a report?

Mr. MACK of Washington. I do not.

Mr. CRAMER. Does the gentleman feel, then, without the majority consulting the minority and thus giving the minority an opportunity equally to support the President's veto if they choose to do so, that this is a rather irregular procedure on the part of the committee of Congress?

Mr. MACK of Washington. I believe minority members should have been notified what was being done and provided an opportunity to express their views.

Mr. CRAMER. Will the gentleman yield further to give me an opportunity to make brief remarks concerning some of the rebuttal that was contained in that majority statement?

Mr. MACK of Washington. Certainly.

Mr. CRAMER. In regard to paragraph 1, this is in the nature of a surrebuttal of the rebuttal of the President's veto in which, in paragraph 1, I direct the gentleman's attention that there is an argument as to exactly how much was in the bill, the majority, the Democrats, saying $1,577,000,000, the President saying $1,700,000,000, and I ask the gentleman if this is not true, that the President included in his objections, as should the majority have done in the bill, the amount of all the projects that were objected to, such as these reservoirs and multipurpose projects such as Sherwood Reservoir on Mountain Fork and Lone Rock in the total amount of the bill, which was not done on the part of the majority in computing the cost of the bill but which would have to be spent in the future.

Mr. MACK of Washington. Those projects were authorized but no monetary value placed on them. They could be constructed without the monetary value being stated, so the amount or estimated cost should have been, in my opinion, included by the committee in report.

Mr. CRAMER. That was the position the minority took on that, and that runs to the percentage involved in regard to the objections of the President, the majority saying 5.5 and the minority saying 22 percent or a total of $350 million is in controversy. I believe the minority and the President are obviously correct in their approach and the effort of the majority to belittle the amount in controversy did not fool the President as it failed to fool the minority.

Mr. MACK of Washington. The only group of projects in controversy at all are those that provided for new starts and modified projects. The deletions proposed by the President and which I have included in my bill represent 27 percent cost of that type of project. A 27-percent savings on $700 million on that type alone certainly is worth making for the taxpayer.

Mr. CRAMER. The gentleman is eminently correct. And in regard to paragraph 3, which still goes to that point and other points with reference to the President's objections, in that the projects discussed did not conform to standards set up, is it not true that the standards the President asked to be observed are the standards approved by the Jones subcommittee that studied multipurpose projects and that now the majority wishes to go back on the standards which Congress itself set and the executive branch accepted in the form of directive A–47?

Mr. MACK of Washington. The standards were set up originally by the Truman administration in 1952 in a directive known as A–47 of the Budget Bureau, which laid down the formula for figuring benefits of a project and the formula for the amount of contributions to be made by local interests. The vetoed bill completely violated the objectives of the Army engineers, the Bureau of the Budget, and the Secretary of the Army as far as directive A–47 was concerned.

Mr. CRAMER. In the majority report rebuttal on subparagraph 3–1, they, in effect, admit that what the President objects to, the reduction of local contributions, is exactly what they have done, as they did on the Tombigbee, as an example, reducing the $6-million local contribution to $1 million.

Mr. MACK of Washington. The committee ignored the standards set by the Truman Director of the Budget in 1952 on that project and several others.

Mr. CRAMER. Further with regard to subparagraph 3–3, discussing the Lone Rock Reservoir and the Sherwood and Broken Bow Reservoirs, the majority admit that an intricate formula for the evaluation of power which had to do with the incremental method was substituted for the formula approved in A–47 and the result of changing the formula which the majority admits is a complicated and intricate matter was that the local contribution would be decreased and the Federal contribution increased by an amount of about $14 million on one project alone, contrary to the standards previously accepted. Incidentally, these projects are some of the ones included as authorization but which were not included as cost items by the majority as I previously discussed.

Mr. MACK of Washington. This is another case in which the Bureau of the Budget in the Truman administration laid down the formula which the Army Engineers followed but which was ignored by the committee in reporting the vetoed bill.

Mr. CRAMER. Mr. Speaker, I am sure the gentleman recalls the discussion on the floor with regard to the question whether or not one of these projects which, as a result of the action of the majority of the committee, in effect resulted in the Federal Government being legislated out of court. That was the Markham Ferry Reservoir project in Oklahoma. The President in effect said that we should not change the rules in the middle of the game to affect adversely the United States interests in litigation and that is exactly what the minority said on the floor of the House in the debate. I ask the gentleman whether or not that is correct.

Mr. MACK of Washington. That is correct. It produced an effect on a matter now in litigation detrimental to the interests of the United States Government.

Mr. CRAMER. The majority in rebuttal say that this proviso in the bill does not affect the merits of the case pending in the court but at the time of the debate on the floor of the House, there was a letter from the Attorney General indicating the opposite to be true; is that not true?

Mr. MACK of Washington. That is correct.

Mr. CRAMER. Of course, I do not have the opportunity to go into every item of rebuttal that was made, but these are indicative of the fact that in every instance the majority admits that each item objected to is, in effect, a deviation from established standards but the majority attempts to justify that deviation for some of its own reasons that results in favored treatment. I think the President's veto was well taken, and that the Congress should go ahead and enact this bill to protect the good projects that are in it, in which we are all interested.

I can further construe some of the language of the majority analysis in reference to the President's objections as reflecting on the fundamental integrity of the President, such as where the majority disputed the President's quoted figure of $1,700,000,000 as the cost of the bill, together with other instances, and the understanding of the President and the executive branch of the Government of this bill, such as where the committee majority says that the judgment of the majority of the committee is superior to that of the President on the matters under discussion, and also where the majority denies that its action would prejudice the Government's standing in litigation. I believe that this method of bringing out a majority report or analysis of the President's veto, as to its form and content as it reflects on the President's fundamental honesty and discretion, is below the dignity of a Congressional committee. As to its intended wholly partisan political objective, it is an extremely unfortunate and improvident precedent of treatment of a veto message. This is particularly true when such a report is issued as an official committee print and document without consultation with the committee and without the knowledge of the minority—without even the courtesy of an advisement or an invitation to the minority to file its views. This action augurs an ill wind for this bill and for its impartial consideration—for saving those good projects that make up the bulk of the

bill and as are included in my bill and the bill of the gentleman from Washington [Mr. MACK]—both of us being friendly to the sound public-works projects. The responsibility for enacting a good bill and thus passing an omnibus rivers and harbors bill in the 65th Congress rests squarely on the shoulders of the majority leadership and the majority party. Ample time remains for Congress to consider such a bill—and the President's veto will be no excuse in those districts where good projects are located—for the people in those areas are intelligent enough to know where the responsibility lies.

Mr. MACK of Washington. I have read a great many newspaper editorials from all parts of the country that indicate that the newspapers almost everywhere applaud the President's courage in vetoing the rivers and harbors flood-control bill. Most of these editorials called the bill "a pork bill."

Mr. PELLY. Mr. Speaker, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Washington.

Mr. PELLY. Mr. Speaker, I hesitate to inject a personal interest in this discussion, which has been very interesting, but I should like to recall to the gentleman that I urged him to include, when he introduced a new bill, a certain project in the State of Washington, the Sammamish Watershed project. I should like him to confirm that this was one of the projects which did meet the formula that the President approved, and ask him whether he did not include that in his bill?

Mr. MACK of Washington. The gentleman's project is a very meritorious one. It is included in my bill. There is no objection to this project. The President also approves it.

Mr. PELLY. I know it is very much needed.

Mr. Speaker, I ask unanimous consent that I may revise and extend my remarks and also that the gentleman from Michigan [Mr. BROOMFIELD] and the gentleman from California [Mr. SCUDDER], and any others who may care to do so, may extend their remarks on this subject in the RECORD following mine.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. BROOMFIELD. Mr. Speaker, I would like to take this opportunity to praise my distinguished colleague, the gentleman from Washington, for his untiring efforts in seeing to it that the best interests of our Nation are served in providing a clean rivers and harbors omnibus bill for consideration by this Congress.

I am indeed proud to cosponsor a clean rivers and harbors bill devoid of objectionable projects as introduced by the gentleman, and I am especially proud to note that he is a native of my own home State of Michigan.

As a former newspaper reporter, editor, and publisher, he is well acquainted with the need for facts in consideration by Congress of the rivers and harbors program of our Nation. As a veteran of Congress and as president of the Northwest Rivers and Harbors Congress, he is well aware of the implications of these projects upon our Nation and its economy. His eloquent statement is loaded with facts—facts which should be noted by every Member of Congress and every interested citizen of our Nation.

A fifth of a billion dollars is not a small sum of money. But more than money is involved in this issue. This is a question of whether Congress should be permitted to change the ground rules in the middle of the game, and whether particular communities and States should be singled out for particular consideration at the expense of the rest of the areas in our Nation. There is no reason why all the people of our Nation should be forced to foot the bill out of their pockets for projects which are of questionable value or in which local participation is inadequate. Most of our States are capable of handling their own affairs. Many of our States resent any interference by the Federal Government in their affairs. Federal participation in some of these projects is actually opposed by the local communities which would benefit from them.

The contention that the omnibus bill vetoed by the President is an antirecession measure somehow fails to impress me. This bill would not appropriate a single cent of money to build these projects or put a single man to work on their construction. Even if money were appropriated, it still would be a matter of many months and possibly years before actual work could get under way on these projects. Financing, engineering and local participation still would have to be cleared out of the way.

If Congress is really interested in antirecession in this direction, there is plenty of work to do. The huge backlog of approved projects for which funds have not yet been appropriated would provide hundreds and even thousands of jobs in a very short time.

It is important that Congress be permitted to take action on the 116 projects over which there is no controversy and no quarrel. At least the first step will be out of the way toward making these projects become realities in the future. Then we can get down to the business of disposing of the controversial projects one at a time.

The gentleman from Washington has made a strong case for fiscal responsibility in the authorization of Federal public works projects. I hope that all will take note and carefully consider his sage words.

Mr. SCUDDER. Mr. Speaker, I desire to join with my colleague, the gentleman from Washington [Mr. MACK], in requesting that the Congress enact legislation so as to authorize the many seriously needed projects throughout our country.

We have been in controversy during the past 4 years in trying to arrive at a just and equitable rivers and harbors authorization bill. The disagreements in committee and on the floor are somewhat minor when you consider the great importance of the one-hundred-and-thirty-odd good projects on which there is a meeting of minds. The bills, which several Members have introduced, will provide for the authorization of $1,473,874,500 of projects. This is a figure which is $201,635,500 less than the bill vetoed by the President.

The projects to which the President objected were also objected to by the minority while the legislation was before the Public Works Committee. We also objected to other projects that did not meet the recommendations of the Army Engineers and the Bureau of the Budget.

I trust that the committee will give this legislation an early hearing and pass the same. If and when the projects in dispute may be able to show a proper criteria, they again will be given consideration. But I can see no reason why some one-hundred-and-thirty-odd important projects throughout the country should be held up because of a disagreement on the very few projects that will not stand up in accordance with past prerequisites.

It is my opinion that if we do not act quickly, many areas will face destruction because of the dispute over the borderline projects. I have in mind one project in my District on the Eel River in California where the lack of protection work has already caused great losses. If this erosion is not stopped quickly, a whole valley and a city of some 3,500 people may be washed away.

I urge the Congress to take favorable and quick action in the passage of this measure which will be assured of a Presidential signature.

EQUAL PROTECTION FOR FISHERMEN AND LOBSTERMEN UNDER PUBLIC LAW 212

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Maine [Mr. COFFIN] is recognized for 20 minutes.

Mr. COFFIN. Mr. Speaker, section 6 of the Clayton Act constitutes a charter of rights for farm and labor groups to exist and operate for purposes of mutual self-help without being subject to the charge that they are illegal conspiracies under the Federal antitrust laws.

I am today introducing a bill amending the Clayton Act, Public Law 212, to include the fishing industry as well as farm, labor, and horticultural organizations in the groups enumerated in section 6. In the wake of recent Federal indictments of the Maine Lobstermen's Association, its president, Leslie Dyer, and a number of dealers in Maine, it is clear that if there is any discrepancy in the antitrust laws which offers greater protection to one individual or to one group in our society than to another, this gap must be closed.

I do not contend necessarily that fishermen are not now given the same rights and the same protection as others. However, we know that even though the law is written with an intent to treat all individuals and groups exactly the same, inequities may nevertheless arise from unevenness of enforcement and through interpretation. The first step, however, is to examine the law itself to insure that equal protection is assured. I have made a very careful study of the antitrust laws as they affect our fishermen and mem-

bers of the fishing industry. I am introducing my amendment to reinforce their rights and privileges. I am continuing this study and I shall, wherever practicable, insist that fishermen be mentioned in any antitrust statute which fails to name them along with other groups having certain rights to organize and operate under the Federal antitrust laws.

In the course of this study, I have consulted staff members of the House Judiciary Committee and with other experts. In my effort to arrive at a sound and fair judgment, I have checked with the Attorney General to ascertain his interpretation of the present antitrust laws and their application to fishermen. In reply to this request, Mr. Victor Hansen, Assistant Attorney General in charge of the Antitrust Division of the Department of Justice, has sent me a very clear and comprehensive letter.

I know, Mr. Speaker, that our lobster industry in Maine does not seek any special privileges. It does not seek immunity for actions which would make other groups—labor, farmers, or horticultural organizations—liable to prosecution under Federal law. Mr. Hansen's letter raises some questions, however, as to whether other laws, in addition to the Clayton Act, need to be clarified in the interest of guaranteeing equal protection to fishermen. I am reviewing this matter very carefully. Meanwhile, I wish to insert the full text of Mr. Hansen's letter at this point in the RECORD.

MAY 1, 1958.

Hon. FRANK M. COFFIN,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN COFFIN: This will acknowledge the receipt of your letter of April 17, 1958, inquiring whether fishermen are accorded the same protection as farmers under the Federal antitrust laws.

Section 6 of the 1914 Clayton Act provides that "nothing * * * in the antitrust laws shall * * * forbid the existence and operation of labor, agricultural, or horticultural organizations, instituted for * * * mutual help, and not having capital stock or conducted for profit. * * * Nor shall such organizations, or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws."

Section 6 of the Clayton Act does not immunize from the reach of the Sherman Act all acts of agricultural cooperatives, but grants to them a very limited exemption to make agreements with members for carrying out the legitimate objectives of the organizations. There is nothing in the section to exempt such organizations or their members from accountability where they depart from their normal and legitimate objectives. This statute recognized and sanctioned the legal existence and operation of such organizations, but, at the same time, made clear that the Sherman Act would apply to activities having no direct or necessary relation to the legitimate objects of the group (*United States* v. *King* (250 F. 908 (D. Mass., 1916)); see also *United States* v. *Borden Co.* (308 U. S. 188 (1939)) and *Duplex Co.* v. *Deering* (254 U. S. 443 (1920))).

While fishermen as a special group are not by name included in section 6 of the Clayton Act, they are covered by the statute to the extent they are organized as a labor group, or are affiliated with a labor union, or are involved solely in a labor dispute (*Local 36 of International Fishermen & Allied Workers of America* v. *United States* (177 F. 2d 320; C. A. Cal., 1949)).

Because section 6 was limited to organizations not having capital stock and because it did not expressly sanction certain cooperative marketing activities, the Capper-Volstead Act was enacted in 1922. This statute provided that agricultural producers may "act together in associations, corporate or otherwise, with or without capital stock", for the purpose of "collectively processing, handling, and marketing products." This statute expressly sanctions marketing cooperatives having capital stock, permits common marketing agencies, and authorizes contracts and agreements necessary to collective processing, handling, and marketing of their products.

Almost identical language was employed with respect to fishermen in the Fisheries Cooperative Marketing Act of 1934. Fishermen were authorized to act together in associations, corporate or otherwise, with or without capital stock, in collectively catching, producing, preparing for market, processing, handling, and marketing their products.

The precise bounds of these statutes have not been fully marked out by administrative or judicial decisions. However, it is clear that these statutes do not grant a complete immunity to such organizations under the antitrust laws. Both statutes have been interpreted in the same manner by the courts, and whatever rights farmers may have under the Capper-Volstead Act have been granted to fishermen under the Fisheries Cooperative Marketing Act.

Under the Capper-Volstead Act, agricultural cooperatives are not shielded from antitrust prosecution when they act in illegal concert with noncooperatives. *United States* v. *Dairy Cooperative Association* (49 F. Supp. 475 (D. Ore. 1943)); *United States* v. *Borden Co.* (308 U. S. 188 (1939)). Furthermore, while such cooperatives may legally acquire a monopoly position in a market if obtained solely through cooperative purchasing and cooperative selling, they cannot seek to monopolize the market through predatory practices, misuse of otherwise legitimate devices, or coercion upon nonmembers. *United States* v. *Borden Co.*, supra; *Cape Cod Food Products* v. *National Cranberry Association* (199 F. Supp. 900 (D. Mass. 1954)).

These same legal standards have been applied to fishermen's cooperative associations in interpreting the Fisheries Cooperative Marketing Act. *Hinton* v. *Columbia River Packers Association* (131 F. 2d 88 (9th Cir. 1942)); *Manaka* v. *Monterrey Sardine Industries, Inc.* (41 F. Supp. 531 (N. D. Cal. 1941)); *Local 36 of International Fishermen's Union* v. *United States, supra.*

Thus, under both statutes, there is no attempt to proscribe the mere gathering together of farmers or fishermen into a cooperative association, even if with monopoly power in a market; but, any attempt by such associations to exert leverage by combining with outsiders, by engaging in predatory anticompetitive practices, or by imposing restrictions upon customers or nonmembers would be outside the scope of the immunity granted.

Based upon this analysis, I would conclude that there is no distinction in the kinds of associations that farmers and fishermen can form under these limited exemptions from the antitrust laws, and that the activities of agricultural associations under these laws are judged by the courts in the same manner as those of fishermen's organizations. The only area of possible difference is to be found in section 6 of the Clayton Act; and the metes and bounds of such distinction, if any, remaining after enactment of the Capper-Volstead Act and the Fisheries Cooperative Marketing Act, have not been definitely settled.

Aside from these statutes, Congress provided in the Cooperative Marketing Act of 1926 that agricultural producers and their associations might legally acquire and exchange past, present, and prospective pricing, production, and marketing data. This provision, as applied to agricultural cooperatives, should be interpreted as limiting the use to which such information can be gathered and exchanged, in the light of related court decisions as to the legitimate objectives of such associations under the Capper-Volstead Act. While there is no similar express legislation applicable to fishermen, it can be argued that the exchange of such information is implicitly authorized to carry out the legitimate objectives of the Fisheries Cooperative Marketing Act.

Another agricultural enactment conferring limited antitrust immunity is the Agricultural Marketing Agreement Act of 1937, which provides machinery whereby the Secretary of Agriculture may, after notice and hearing, issue an order or enter into a marketing agreement with processors, producers, and others concerning the handling of agricultural products. These agreements ordinarily relate to certain specified products in designated areas, and the concomitant antitrust immunity is strictly limited by the agreement in scope and duration. There is no identical legislation relating to fishermen.

If there is any doubt that fishermen are not entitled to the same statutory treatment accorded to farmers under section 6 of the Clayton Act, and if equal treatment is intended, then this section could easily be amended to include organizations of the fishing industry. But this would not require legislation as proposed in S. 3530 and H. R. 11628 which grants to fishermen absolute immunity from the antitrust laws. The sole purpose of Congress in enacting section 6 was to dispel any doubt as to the legality of combinations of workingmen and farmers into organizations for mutual help, but it was not to immunize such organizations from prosecution if they engaged in illegal activities. Legislation which would grant a greater immunity to fishermen than to farmers would constitute special industry legislation, and would open the door to demands for similar exemption by many other industries.

Sincerely yours,

VICTOR R. HANSEN,
Assistant Attorney General, Antitrust Division.

SEVENTIETH ANNIVERSARY OF INTERNATIONAL ASSOCIATION OF MACHINISTS, AFL-CIO

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Washington [Mr. PELLY] is recognized for 20 minutes.

Mr. PELLY. Mr. Speaker, May 5, 1958, is a day of great significance to thousands of men and women in the State of Washington who are members of Washington's International Association of Machinists because today they join with machinists from coast to coast and throughout the Nation in observing the 70th anniversary of the founding of their great labor organization. In my home city of Seattle and throughout my State, as in other sections of the country the lodges of IAM will hold special meetings and it seems to me fitting and proper for those of us in the Congress of the United States to join in recognizing and honoring this branch of organized labor which not only has brought great benefits to its own members but likewise has contributed greatly to overall community civic betterment

and to the standard of living of all the people of America.

One point that should be stressed, it seems to me, on this anniversary is the progress during the intervening 70 years, evidenced by the fact that in 1888 when the IAM was founded in Atlanta, Ga., the original 19 machinists who met in a locomotive pit held their meeting secretly. Today a member of a machinists lodge does not have to hide his membership. Indeed he or she is proud of it and with reason.

Another point of special interest is that the going wage 70 years ago of those founding members was 15 cents an hour. In other words, the incentive to be a producer and craftsman was a missing element. The calling of a machinist then was lowly; today that trade carries with it—or should do so at least, the emblem of pride, thanks to organization.

Today, 70 years later, IAM is one of the largest and most respected organizations in the world. Its contribution to raising the living standards of our Nation has been tremendous. Its ethics and adherence to the principles of democracy and financial integrity might well be emulated by other groups—those of Government and business. The achievements of its members in community and civic service have been a model of good citizenship.

In 1888, when 19 courageous and farsighted men formed this union, our Nation consisted of only 38 States. Since then the United States has made great strides and unions like the International Association of Machinists have played an important part in that progress.

Today, IAM members man the machine shops and tool rooms in all basic industries and in most related industries in the United States, Canada, Hawaii, Alaska, Puerto Rico, and the Canal Zone. Think of that.

IAM members install and maintain the machinery and build the tools, dies, jigs, and gages that keep production going in industries ranging from tobacco and textiles to lumber and brewing.

The IAM is also the largest union of aircraft and missile workers, as I have special reason to know, and is also the largest union of airline ground-service employees, one of the largest unions of railroad employees, largest union of auto and truck mechanics, largest union in the business machine industry, largest union in the machine tool industry, and one of the largest unions of Government employees.

Today, the IAM I am told, has nearly a million members organized into some 2,100 local lodges across the continent. There are also 168 districts and 239 ladies auxiliaries. The union holds collective bargaining agreements with 15,519 employers, more than any other union in the world.

The president of the International Association of Machinists, as Members of Congress surely know, is one of our Nation's truly outstanding citizens. He has served on many important commissions appointed by the President of the United States, including the White House Conference on Education and the President's Commission on the Health Needs of the Nation. As a vice president of the American Federation of Labor and Congress of Industrial Organizations, and as chairman of the AFL–CIO's committee on ethical practices, Mr. Hayes has won the respect of the Nation. And may I observe that when certain Members of Congress indulge themselves, as they occasionally do, in an uncomplimentary way about labor leaders, the name Al Hayes is never used and stands for integrity, good citizenship, and esteem such as is rarely accorded leadership in any field.

In my own State of Washington, the International Association of Machinists has achieved great prominence in many fields. The union's nearly 50,000 members in Washington have helped to create some of our Nation's most important defense weapons at the Boeing Airplane Company, at the Puget Sound Naval Shipyard and at other installations in my District.

At Boeing, where the IAM has bargained for employees since 1936, the skill of IAM members helped produce the famous B–17 and B–29 bombers, the work-horses of World War II, and later the B–52, which now serves as one of the Free World's major bastions against aggression.

At Boeing right now, IAM members are building the 707, our country's first jet airliner, scheduled to go into commercial service this fall, and the famous Bomarc missile.

Mr. Speaker, in the field of community service, IAM members at Boeing have also led the way. Years ago, when I was active in Community Fund Work, they, together with Boeing management, formed the first community-wide Good Neighbor Fund as a means of supporting worthy community projects. They made a tremendous success of it; so much so that the city of Seattle adopted the Good Neighbor Fund on a city-wide basis.

The Puget Sound Naval Shipyard at Bremerton in my District also has been served by members of the IAM since the days of World War I. Then, as during World War II, the skill of IAM members won for the yard repeated citations for efficiency. Soon, we hope union members at Puget Sound will be working on modern nuclear propelled naval vessels.

I am proud of the thousands of other IAM members I have the pleasure of serving—the auto mechanics, cannery workers, machine shop crews, and the men who man Washington's commercial shipyards. I have never ceased to feel that it is a great honor to represent these union workers, and I have enjoyed working with their leaders in both general programs for the public good and in specific assignments to see that industry in my District receives a fair share of Government and private contracts to keep our skilled workers fully employed.

So today, I and others throughout the Nation, pay tribute on this 70th anniversary to these men and women and to the hundreds of thousands of other IAM members from coast to coast. I join with them in paying homage to the courageous little group of founding members who formed this great union and to the other pioneers who fought against great odds to build this organization into a strong and proud union, a tower of integrity and a model of democracy. And finally, let me add a sincere word of praise for President Al Hayes and the IAM leadership as it stands today. I am proud to pay my respects to this great labor organization.

Mr. RHODES of Pennsylvania. Mr. Speaker, Monday, May 5, 1958, marks the 70th anniversary of the founding of the International Association of Machinists, now affiliated with the AFL–CIO.

The IAM, founded on May 5, 1888, by 19 machinists who met secretly in an Atlanta, Ga., locomotive pit, has now grown to one of the largest labor organizations in the world. It now has collective bargaining agreements with more than 15,000 different firms in the United States, Canada, Hawaii, Alaska, the Canal Zone, and Puerto Rico. It has nearly 1 million members in its 2,094 local lodges. The international president of the IAM is A. J. Hayes, one of America's outstanding leaders in the fight for clean and effective trade unionism.

The IAM has made notable contribution in helping to raise the living standards for its members, in producing the planes, guns, missiles, and other tools of defense, and in advancing the cause of humanity and economic justice in our land.

Mr. Speaker, it is a privilege to extend congratulations to the officers and members of the IAM on this 70th anniversary of its founding.

GENERAL LEAVE TO EXTEND REMARKS

Mr. PELLY. Mr. Speaker, I ask unanimous consent that any other Members desiring to pay tribute and acknowledge the 70th anniversary of the International Association of Machinists may extend their remarks following my remarks.

The SPEAKER pro tempore. Is there objection?

There was no objection.

DEFENSE REORGANIZATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mr. McCORMACK] is recognized for 10 minutes.

Mr. McCORMACK. Mr. Speaker, the other day I had a colloquy with the gentleman from New Hampshire [Mr. BASS] concerning the need for reorganization in the Department of Defense. I expressed my personal view that the world situation in 1958 is as different from that of 1948 as though they were separated by a thousand years. The explosion of science has accelerated the development of weapons to a point which causes a constant threat to the safety of our country. At the same time the scientific developments have reduced the size of the earth to relatively small dimensions. I make the unequivocal statement that certain governmental reorganizations are essential to our survival and I believe this is the common

opinion of thinking people throughout the Nation.

On May 2, 1957 I addressed the House on the subject of "The 1958 Budget." The theme of my remarks was that the military budget was unnecessarily large in that there is great overlapping, duplication, and waste within and among the military services with respect to common supply and service functions. I pointed out areas which are common to the military services which can readily be combined with resultant economy and efficiency. I also mentioned that the military services had $111 billion worth of personal property, $53 billion in the supply systems and approximately $10 billion in the stock funds alone. Recent figures compiled by the Government Operations Committee of the House show that the personal property holdings of the services have increased by several billions of dollars this past year.

There have been so many Congressional investigations of the overlapping, duplication, and waste in the supply and service fields that I am sure there can be no disagreement with respect to the statement. The Bonner, Hébert, Riehlman, and Johnson committees have all reported on this fact. Both Hoover Commissions have supplied factual information to support this conclusion. The President himself has often made remarks along this same vein.

I was rather surprised, therefore, to find that the President's reorganization bill had no specific recommendations with respect to improving a situation that should be relatively simple and noncontroversial. It seems axiomatic to me that if there are unified operations, as there must be, in the various theaters in wartime there should be unified supply and service activities to adequately support the commands and in an economical, efficient, and effective way.

The Congressional hearings which led to the passage of the National Security Act of 1947 show conclusively that the advocates of an independent Air Force stated that it was not their intention to set up separate quartermaster, engineering, signal, and other supply and service functions since they intended to continue to obtain this support from the parent organization, the Army, which had supplied them well during World Wars I and II.

In implementing the National Security Act to establish the Department of the Air Force, agreements were reached between the Chief of Staff of the Army and Air Force, General Eisenhower and General Spaatz, respectively, that supply and service support for the new department would come from the Army where practicable.

Despite the law, the legislative history, and the Eisenhower-Spaatz agreement, the Air Force proceeded to establish its own supply and service functions. In my opinion a true enforcement of the law would have prevented this independent action by the Air Force and conversely would have caused the necessary integration of the supply and service functions of the Army and Navy.

I hope that the committee will report a bill which will give the authority to operate or cause to be operated these common supply and service functions in the most economical, efficient, and effective manner depending upon the circumstances in a particular area.

From a study of the President's reorganization bill and a review of the organization chart that has been made thereunder, I am inclined to believe that the supply and service angle has been neglected. I hope that the President and his assistants will fully explain their position with respect to this vitally important matter. To my mind and without in any way jeopardizing our defense there is a great possibility for economy and efficiency along these lines.

A STATE BANKER LEARNS WHAT IS IN THE FINANCIAL INSTITUTIONS BILL, S. 1451, AND SWITCHES FROM SUPPORT TO OPPOSITION

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, as we all know, bankers in all parts of the country have been urging us to pass the financial institutions bill, S. 1451. The Members have been urged repeatedly and constantly to do everything possible to see that the Committee on Banking and Currency reports the bill to the House, and that the House passes the bill. Sometimes I think that there must be no bank in the United States that has not been pleading for passage of this bill.

MOST BANKERS DO NOT KNOW WHAT IS IN THE BILL

The wires, letters, long distance telephone calls, and the visits which I have received from bankers—both from my District and from other parts of the country—have long since revealed to me, however, that about 98 percent of the bankers who are working for passage of this bill do not actually have the slightest idea what is in the bill. My experience with these bankers has been that they usually know about one or two items, sometimes three items, which they think comprise the whole substance of this bill; and, even so, all of the bankers do not know about the same items. More than that, I have found that the bankers who have communicated with me frequently have an inexact or erroneous understanding, even of those things in the bill which they have heard about.

But the features of the bill about which the individual banker has some impression almost always seem to that banker good and appropriate, and he thinks they would be beneficial to his business. Though you find that their support for the bill, when you have talked with them for a while, is not nearly so strong and so adamant as you would first think from their wires, their letters and their first statements.

CAMPAIGN MANAGERS HAVE NOT INFORMED THE BANKERS

The truth is that this campaign for passage of the financial institutions bill, S. 1451, has been directed throughout from the central headquarters of the American Bankers Association, although the various State banker associations have also been recruited to work for the bill. It has not been a very impressive lobby. There has been much agitation but, on the whole, it has been crude. The American Bankers Association has jerked the wires to set off an avalanche of pleas from its banker members without bothering to inform the bankers what is in the bill.

Recently, I received a letter—dated April 30—which the president of a State bank in Nebraska wrote to his Congressman. This banker is somewhat more informed about the financial institutions bill, S. 1451, than most of the other State bankers. The reason is that he wrote me a letter about some minor point, and I sent him a compilation of the substantive amendments which this bill contains. "After reading this," the banker now writes, "I wonder why any State banker would support this bill."

This banker further remarks that while the American Bankers Association and the Nebraska Bankers Association have been soliciting their members to support the bill:

> The associations have sent out but little information and base their plea largely because the bill is needed to renovate and remove obsolete and antiquated sections of the present Banking Act.

CONGRESS HAS BEEN MISLED TOO

I can well understand this banker's resentment at being kept in the dark. Indeed, his treatment in this respect is no different from that which has been accorded Members of Congress. The committee of bankers who wrote the bill presented it as being merely a recodification bill, and they never got around to telling Members of Congress what they actually put into the bill—and have not done so even to this day.

It has only recently been discovered that this bill would actually overhaul and redirect the banking laws, including such things as repealing the Federal usury law and rendering ineffective the State laws which are intended to prevent the bankers from exacting exorbitant interest charges.

We now have a count of the substantive changes in present law which S. 1451 would bring about. After the House Committee on Banking and Currency completed its hearings on this bill, the distinguished chairman of that committee, the gentleman from Kentucky [Mr. SPENCE], had the staff prepare a compilation of the substantive amendments in the bill, to the extent that these have so far been discovered and identified. According to this compilation, S. 1451 contains no less than 117 amendments which change in a practical and substantial way the application or the nature of the present banking laws. This count of 117 changes in law, which are the equivalent of 117 different bills, does not include several hundred repealer provisions in the bill which may or may not

effectuate substantive changes in law—as to these, nobody really knows.

LETTER FROM AN INFORMED BANKER

I believe that the Members will be interested in the letter from the State banker in Nebraska to which I have referred. Since I do not wish, however, to do anything that might subject this banker to unnecessary embarrassment or reprisals, I think that it will be preferable to withhold his name. Consequently, I will offer for the RECORD the body of this letter, but without the banker's name, and without also the name of the Member of the House to whom the letter was addressed. The letter is as follows:

APRIL 30, 1958.

DEAR CONGRESSMAN ———: The American Bankers Association and, lately, the Nebraska Bankers Association have been soliciting member support for the financial institutions bill. Strangely, the associations have sent out but little information and base their plea largely because the bill is needed to renovate and remove obsolete and antiquated sections of the present banking acts.

It has been my pleasure to receive, from time to time, various editions of the CONGRESSIONAL RECORD from you. These contain information which I prize highly, and you might be surprised to know that I never fail to digest the complete RECORD. In these publications I found remarks on the above bill by Congressman WRIGHT PATMAN that I, as a banker and former bank examiner, could accept. I wrote to Mr. PATMAN and obtained from him a booklet entitled "Substantive Changes in Law Incorporated in Financial Institutions Act."

After reading this I wonder why any State banker would support this bill in its present form.

To my way of thinking the legislation that is needed for the benefit of banking is to have one Federal supervisor of banks in place of the present Comptroller of the Currency, Federal Deposit Insurance Corporation, and the Federal Reserve System, all of whom maintain supervisors and corps of examiners for banking supervision. One Federal supervisor could coordinate and work in conjunction with the various State supervisors, and I feel banking as a whole would benefit.

I am, therefore, opposed to this bill.

I am sending Congressman PATMAN, a copy of this letter; and with all good wishes, I am,

Respectfully yours,

———, ———.

FAILURE RATE OF BUSINESSES AT POSTWAR PEAK

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I am inserting herewith two interesting articles appearing in the New York Journal of Commerce on page 1 today:

FOCUS OF PURCHASING—FAILURE RATE AT POSTWAR PEAK

(By J. Roger Wallace)

The recent sharp rise in the business failure rate to a new postwar peak reflects the impact of the general economic slowdown and, in itself, is somewhat ominous from the standpoint of general business recovery.

The oncoming of economic slowdown frequently has been heralded well in advance by a sharp rise in the rate of business failure. When recession comes, the failure rate naturally tends to accelerate.

Although failures do not lead on business recovery, as they do on business decline, it is interesting to note that recovery does not get very far without some slackening in the failure rate.

From the standpoint of commodity prices, increases in business failures tend to result in more distress merchandise being thrown on the markets, thereby exerting pressure on the entire price structure.

NEAR PREWAR LEVELS

During March, on the basis of preliminary data, the seasonally adjusted annual rate of business failures was 62.5 per 10,000 concerns (see accompanying chart). The rate continued high during April.

The March rate of 62.5 compared with the 1939 average rate of 69.6 and the 1940 rate of 63.0. During the recession years of 1949 and 1954, the rates averaged 34.4 and 42.0, respectively.

The March seasonally adjusted annual failure rate of 62.5 per 10,000 concerns is equivalent to 1 failure for every 160 firms on an annual basis.

Such a high rate of failures in itself is deleterious and constitutes a drag on business. With the risk so great, venture capital tends to become cautious.

Significantly, the rise in the business failure rate has been accompanied by a decline in new incorporations. During March the number of new incorporations totaled 11,670, the smallest number for that month since 1954.

INVENTORIES AFFECTED

In many instances business failures necessitate forced liquidation of inventories to satisfy creditors.

Hence, as the rate of business failures rises the pressure to reduce total business inventories is increased. At the present time total inventories are very large relative to current total business sales.

There is a distinct tendency, even before a business folds up, to reduce stocks as much as possible. Frequently, as in the case of retail establishments, prices are pared sharply to attract customers.

GOING IS TOUGHER

There are numerous and varied reasons for business failures. Many are due to incompetence and lack of sound business judgment. At the same time, it must be recognized that the cost-price squeeze and heightened competition have made it increasingly difficult "to make a buck."

During the war and early postwar years, the business failure rate was extremely low. Goods were scarce and frequently commanded "premiums."

As goods have become increasingly plentiful, the problem has been to find customers.

With disposable income declining, and with consumers squeezed between high food costs and a rising percentage of income going to necessitous consumer services, the market for goods is being subjected to steady shrinkage. This rather elementary fact appears to be escaping many economists.

The pressure to move goods and stay in business, despite the decline in consumer income, is reflected at the present time in the widespread price cutting at the retail level on those types of goods on which consumers can postpone purchases more or less indefinitely.

Apparently, this pressure also has begun to affect prices of some goods at the manufacturer level.

FAILURES MAY RISE

Reducing prices at the expense of margins for profit enhances the difficulty of staying in business, particularly for the smaller and generally less well-financed firms. This is true whether or not a firm is engaged in some phase of commodity production or distribution.

Recent data shows the distribution of failures by type of enterprise as follows: Retail trade 53.5 percent, manufacturing and mining 16.8 percent, construction 14.3 percent, wholesale trade 9.0 percent, and commercial service 6.4 percent.

Underneath the attached chart, which cannot be reproduced in the RECORD, is the following:

The business failure rate has risen substantially since the early postwar period, reflecting mounting competition and the cost-price squeeze. The present rate is only moderately below that in the late 1930s. Forced liquidation of inventories, with attendant impact on prices, follows many business failures.

PEAK FAILURES FORECAST

WASHINGTON.—Federal officials expect a record total of about 85,000 business bankruptcies this fiscal year.

And during the coming bookkeeping year, starting July 1, they anticipate an even bigger total—95,000 cases.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GROSS (at the request of Mr. HOEVEN), until further notice, on account of business in the district.

Mr. CUNNINGHAM of Nebraska (at the request of Mr. ARENDS), through Wednesday of this week, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. COFFIN, for 20 minutes, today and to revise and extend his remarks.

Mr. PORTER (at the request of Mr. ULLMAN), for 60 minutes, on Wednesday next.

Mr. PELLY, for 20 minutes, today.

Mr. MCCORMACK, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. ALGER and to include extraneous matter.

Mr. LAIRD and to include extraneous matter.

Mr. MCDONOUGH in two instances and to include extraneous matter.

Mr. PILLION.

Mr. JENSEN.

Mr. GRIFFIN.

Mr. EVINS and to include extraneous matter.

Mr. BALDWIN and to include extraneous matter.

Mr. HOSMER (at the request of Mr. HENDERSON) and include extraneous matter.

Mr. ENGLE (at the request of Mr. ALBERT) and include extraneous matter.

SENATE BILLS AND CONCURRENT RESOLUTIONS REFERRED

Bills and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 165. An act for the relief of Arthur LeRoy Brown; to the Committee on the Judiciary.

S. 292. An act for the relief of Eero Juno Valkonen; to the Committee on the Judiciary.

S. 400. An act for the relief of Paul Thury; to the Commitee on the Judiciary.

S. 952. An act for the relief of certain aliens; to the Commitee on the Judiciary.

S. 1225. An act to authorize the award posthumously of appropriate medals to Chaplain George L. Fox, Chaplain Alexander D. Goode, Chaplain Clark V. Poling, and Chaplain John P. Washington; to the Commitee on Armed Services.

S. 1248. An act for the relief of Fred G. Clark; to the Committee on the Judiciary.

S. 1507. An act for the relief of Aly Wassil; to the Committee on the Judiciary.

S. 1524. An act for the relief of Laurance F. Safford; to the Committee on the Judiciary.

S. 1782. An act for the relief of Carolina M. Gomes; to the Committee on the Judiciary.

S. 1857. An act to incorporate the Congressional Medal of Honor Society of the United States of America; to the Committee on the Judiciary.

S. 1975. An act for the relief of Peder Strand; to the Committee on the Judiciary.

S. 2146. An act for the relief of William F. Peltier; to the Committee on the Judiciary.

S. 2340. An act for the relief of Laszlo Kalmar; to the Committee on the Judiciary.

S. 2497. An act for the relief of Mrs. Hildegard Porkert; to the Committee on the Judiciary.

S. 2530. An act to designate the beneficiary of the equitable title to land purchased by the United States and added to the Rocky Boy's Indian Reservation, Mont.; to the Committee on Interior and Insular Affairs.

S. 2564. An act for the relief of Sabina Skalar; to the Committee on the Judiciary.

S. 2592. An act to amend the law relating to the execution of contracts with Indian tribes; to the Committee on Interior and Insular Affairs.

S. 2594. An act to transfer certain property and functions of the Housing and Home Finance Administrator to the Secretary of the Interior, and for other purposes; to the Committee on Banking and Currency.

S. 2638. An act for the relief of Nicholas Christos Soulis; to the Committee on the Judiciary.

S. 2665. An act for the relief of Jean Kouyoumdjian; to the Committee on the Judiciary.

S. 2794. An act for the relief of Letteria Morganti; to the Committee on the Judiciary.

S. 2841. An act for the relief of Karl Weinheimer; to the Committee on the Judiciary.

S. 2940. An act for the relief of Joseph H. Choy; to the Committee on the Judiciary.

S. 2950. An act for the relief of Peter Liszczynski; to the Committee on the Judiciary.

S. 2984. An act for the relief of Taka Motoki; to the Committee on the Judiciary.

S. 2997. An act for the relief of Leobardo Castaneda Varga; to the Committee on the Judiciary.

S. 3007. An act for the relief of Katina Leckas and Argery Lekas; to the Committee on the Judiciary.

S. 3019. An act for the relief of Herta Wilmersdoerfer; to the Committee on the Judiciary.

S. Con. Res. 80. Concurrent resolution accepting the statue of Charles Marion Russell, presented by the State of Montana, to be placed in Statuary Hall; to the Committee on House Administration.

S. Con. Res. 81. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of Charles Marion Russell, and to hold ceremonies on said occasion; to the Committee on House Administration.

S. Con. Res. 82. Concurrent resolution to print the proceedings in connection with the acceptance of the statue of Charles Marion Russell, late of Montana; to the Committee on House Administration.

S. Con. Res. 83. Concurrent resolution for the relief of certain aliens; to the Committee on the Judiciary.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 24 minutes p. m.) the House adjourned until tomorrow, Tuesday, May 6, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1873. A communication from the President of the United States, transmitting amendments to the budget for the fiscal year 1959, involving increases in the amount of $261,215 for the legislative branch and a decrease in the amount of $685,000 for the Airways Modernization Board (H. Doc. No. 378); to the Committee on Appropriations and ordered to be printed.

1874. A letter from the Comptroller General of the United States, transmitting a report on the audit of the abaca fiber program, administered by the General Services Administration, for the fiscal year ended June 30, 1957, pursuant to the Government Corporation Control Act (31 U. S. C. 841) and section 4 (e) of the Abaca Production Act of 1950 (50 U. S. C. 541) (H. Doc. No. 379); to the Committee on Government Operations and ordered to be printed.

1875. A letter from the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to authorize certain construction at military installations, and for other purposes"; to the Committee on Armed Services.

1876. A letter from the Assistant Secretary of Defense (Supply and Logistics), transmitting reports on Army, Navy, and Air Force prime contract awards to small and other business firms for work in the United States for the first 8 months of fiscal year 1958, pursuant to Public Law 268, 84th Congress; to the Committee on Banking and Currency.

1877. A letter from the Chairman, Foreign Claims Settlement Commission of the United States, transmitting the seventh semiannual report of its activities as of December 31, 1957, pursuant to section 9 of the War Claims Act of 1948, as amended, and of the International Claims Settlement Act of 1949, as amended; to the Committee on Foreign Affairs.

1878. A letter from the Comptroller General of the United States, transmitting the first report on the audit of the Small Business Administration, for the period August 1, 1953, through June 30, 1957, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67); to the Committee on Government Operations.

1879. A letter from the Acting Secretary of Agriculture, transmitting a report prior to restoration of balances to the appropriation "Salaries and expenses, Farmers' Home Administration, 1957," pursuant to the act of July 25, 1956 (31 U. S. C. 701–708), and Bureau of the Budget Circular No. A–23, dated June 21, 1957; to the Committee on Government Operations.

1880. A letter from the Assistant Secretary of the Interior, relative to the receipt of a project proposal relating to the Centerville-Deuel Creek Irrigation Co., Centerville, Utah, pursuant to section 10 of the Small Reclamation Projects Act of 1956; to the Committee on Interior and Insular Affairs.

1881. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to amend section 31 of the Organic Act of Guam, and for other purposes"; to the Committee on Interior and Insular Affairs.

1882. A letter from the Director, Alaska Department of Fish and Game, Territory of Alaska, relative to a policy statement on land withdrawals by the Alaska Fish and Game Commission, Territory of Alaska; to the Committee on Interior and Insular Affairs.

1883. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952 (8 U. S. C. 1254 (a) (5)); to the Committee on the Judiciary.

1884. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens who have been found admissible into the United States, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

1885. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to Public Law 863, 80th Congress; to the Committee on the Judiciary.

1886. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of May 1, 1958 the following bill was reported on May 2, 1958:

Mr. CANNON: Committee on Appropriations. H. R. 12326. A bill making urgent deficiency appropriations for the fiscal year ending June 30, 1958, and for other purposes; without amendment (Rept. No. 1685). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted May 5, 1958*]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FORRESTER: Committee on the Judiciary. House Joint Resolution 586. Joint resolution to authorize the designation of the week beginning on October 13, 1958, as National Olympic Week; with amendment (Rept. No. 1686). Referred to the House Calendar.

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H. R. 9627. A bill to authorize the Secretary of the Interior to convey certain lands in Alaska to the city of Ketchikan, Alaska; with amendment (Rept. No. 1689). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORRESTER: Committee on the Judiciary. House Joint Resolution 479. Joint resolution to designate the 1st day of May of each year as Loyalty Day; without amendment (Rept. No. 1690). Referred to the House Calendar.

Mr. COOLEY: Committee on Agriculture. H. R. 11399. A bill relating to price support for the 1958 and subsequent crops of extra long staple cotton; without amendment (Rept. No. 1691). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. PFOST: Committee on Interior and Insular Affairs. H. R. 8211. A bill to authorize and direct the Secretary of the Interior to quitclaim to Joseph G. Pettet all right, title, and interest of the United States in and to certain lands in the State of Montana; without amendment (Rept. No. 1687). Referred to the Committee of the Whole House.

Mrs. PFOST: Committee on Interior and Insular Affairs. H. R. 2689. A bill to provide for the conveyance of all right, title, and interest of the United States in and to certain real property to Stella Vusich; with amendment (Rept. No. 1688). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, pursuant to the order of the House of May 1, 1958, the following bill was introduced May 2, 1958:

By Mr. CANNON:

H. R. 12326. A bill making urgent deficiency appropriations for the fiscal year ending June 30, 1958, and for other purposes.

[Introduced and referred May 5, 1958]

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H. R. 12327. A bill to amend title IV of the Housing Act of 1950 (college housing) to authorize loans to educational institutions for the construction, rehabilitation, alteration, conversion, and improvement of classroom buildings and other academic facilities; to the Committee on Banking and Currency.

By Mr. BONNER:

H. R. 12328. A bill to amend title 10, United States Code, section 2481 to authorize the United States Coast Guard to sell certain utilities in the immediate vicinity of a Coast Guard activity not available from local sources; to the Committee on Merchant Marine and Fisheries.

By Mr. COFFIN:

H. R. 12329. A bill to amend section 6 of the Clayton Act (38 Stat. 731) to include within its terms organizations of persons engaged in the fishery industry; to the Committee on the Judiciary.

By Mr. HOFFMAN:

H. R. 12330. A bill to amend the National Labor Relations Act, as amended; to the Committee on Education and Labor.

By Mrs. KNUTSON:

H. R. 12331. A bill to require the Surgeon General to undertake a special research program with respect to cystic fibrosis; to the Committee on Interstate and Foreign Commerce.

By Mr. McMILLAN (by request):

H. R. 12332. A bill to amend the act of August 9, 1955, relating to the regulation of fares for the transportation of school children in the District of Columbia; to the Committee on the District of Columbia.

H. R. 12333. A bill to authorize the Board of Commissioners of the District of Columbia to buy tickets from certain common carriers operating in the District of Columbia and to sell these tickets at reduced prices to school children; to the Committee on the District of Columbia.

By Mr. OSMERS:

H. R. 12334. A bill to amend section 1461 of title 18 of the United States Code with respect to the mailing of obscene matter, and for other purposes; to the Committee on the Judiciary.

By Mr. PHILBIN:

H. R. 12335. A bill to provide for the issuance of a special postage stamp to commemorate the 50th anniversary of the inception of the credit union movement in the United States; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Virginia:

H. R. 12336. A bill to prohibit the removal to district courts of the United States of actions commenced in State courts under State workmen's compensation laws; to the Committee on the Judiciary.

By Mr. TEAGUE of California:

H. R. 12337. A bill to amend the Civil Service Retirement Act to provide that time spent in hospital treatment of a service-connected disability shall be creditable service under that act; to the Committee on Post Office and Civil Service.

By Mr. TELLER.

H. R. 12338. A bill to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans; to the Committee on Education and Labor.

By Mr. GWINN:

H. R. 12339. A bill to provide for the establishment of a Commission on Government Competition With Private Enterprise; to the Committee on Government Operations.

By Mr. UDALL:

H. R. 12340. A bill to provide for the exchange of lands between the United States and the Navajo Tribe, and for other purposes; to the Committee on Interior and Insular Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Senate of the California Legislature, requesting passage of H. R. 7576 relating to civil defense; to the Committee on Armed Services.

Also, memorial of the Senate of the California Legislature, relative to implementation of the Federal Flood Insurance Act of 1956; to the Committee on Banking and Currency.

Also, memorial of the Senate of the California Legislature, relative to legislative jurisdiction over Federal lands; to the Committee on Government Operations.

Also, memorial of the Senate of the California Legislature, relating to airspace control; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Senate of the California Legislature, relative to the 1956 Social Security Amendments Act; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Connecticut memorializing the President and the Congress of the United States relative to proposing an amendment to the Constitution of the United States, relating to the taxation of the income of the resident of one State by another State; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H. R. 12341. A bill for the relief of Vitalis H. Song; to the Committee on the Judiciary.

By Mr. BALDWIN:

H. R. 12342. A bill for the relief of Florentina Laurente; to the Committee on the Judiciary.

By Mr. CHENOWETH:

H. R. 12343. A bill for the relief of Maria Pontillo; to the Committee on the Judiciary.

By Mr. DOLLINGER:

H. R. 12344. A bill for the relief of Lum Sum Git (also known as George Git Lum); to the Committee on the Judiciary.

By Mr. SHELLEY:

H. R. 12345. A bill for the relief of Emanuel Sylvester James; to the Committee on the Judiciary.

By Mr. UTT:

H. R. 12346. A bill for the relief of Edward S. Downs; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

602. By Mr. MARSHALL: Petition of Ed Kladt, Pine River, Minn., president of the Sixth Congressional District of Townsend Clubs, and others, urging adoption of H. R. 7086, the Townsend plan bill; to the Committee on Ways and Means.

603. By Mrs. ST. GEORGE: Resolution of Rockland County, N. Y., Board of Supervisors, advocating the observance of a National Arbor Day; to the Committee on the Judiciary.

604. By Mr. VORYS: Petition signed by 12 residents of Columbus, Ohio, requesting that Congress immediately enact and enforce unequivocal legislation prohibiting the use of any chemical in any phase of food production, processing, or marketing unless said chemical, through controlled, recorded, scientific research covering the equivalent of at least three generations of mankind, has been proven beyond doubt to be harmless to man, beast, and soil; said legislation to include the regulatory provisions in the Delaney bill, H. R. 7798, introduced in the House of Representatives, May 28, 1957, and not to exclude any of the types of chemicals named in the second paragraph of this petition; to the Committee on Interstate and Foreign Commerce.

605. By the SPEAKER: Petition of H. E. Becker and others, Columbus, Ohio, requesting passage of House bills 1008, 4523, 4677, and 5974, pertaining to the Railroad Retirement Act; to the Committee on Interstate and Foreign Commerce.

606. Also petition of Rev. and Mrs. Walter P. Booth, Ogdensburg, N. Y., relative to a redress of grievance, and requesting relief; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Serious Limitations of President's Antarctic Proposals

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Monday, May 5, 1958

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement which I have prepared in relation to the President's Antarctic proposals.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SERIOUS LIMITATIONS OF PRESIDENT'S ANTARCTIC PROPOSALS

President Eisenhower last Saturday announced a most significant and historic proposal for an 11-nation treaty to preserve Antarctica as a continent for research and to prevent its becoming a battleground.

The announcement was sent to all the countries now engaged in Antarctic scientific work as a part of the International Geophysical Year, including the seven territorial claimants there.

I ENDORSE THE SPIRIT, BUT QUESTION IMPLICATIONS

At the present time, I should like to commend the high spirit in which the United States has made these proposals, a spirit of good will and conciliation of what might prove to be a most quarrelsome problem.

The White House announcement is in keeping with our President's continuing deep interest in using science for peace.

The proposal is also one of the most significant examples of generosity on the part of one nation to other nations of the world.

The United States, as I have stated many times before, has done more actual work in exploration and discovery in Antarctica than all the other nations combined. The United States has clearly established her rights to territorial claims over wide areas of the Antarctic continent, rights which we have thus far not asserted specifically.

WE HAVE DONE MOST OF EXPLORATION

The Antarctic consists of some 5½ million square miles. Of that vast area, nearly 75 percent—around 4 million square miles—have been seen by United States eyes alone.

So, in offering to enter into the type of treaty described by the President, we are being most generous, indeed perhaps overgenerous, for it is we who have made most of the sacrifices to date and it is we who possibly have the most to lose.

Yet we are basically interested in cooperation with nations, not quarrels, in minimizing of East-West disputes, rather than widening them, in harmony within the Western World, not disunity, if we can feasibly attain these goals, without undue risk to our own interests.

DON'T GIVE UP A SQUARE INCH AT PRESENT

At the same time, I should like to state emphatically, as I stated on February 13, on the Senate floor, as recorded in the CONGRESSIONAL RECORD, pages 2039 and 2040, that the United States had best look to the preservation of its own flag interests—I emphasize its own flag interests—before it now or ever relinquishes title to as much as a single square inch of Antarctica.

It should be noted that, under the proposal, all territorial claims in Antarctica would remain in their present unresolved status. No new claims would be permitted.

The White House pointed out that the United States has direct and substantial rights and interests including the right to file territorial claims.

NEED FOR CAUTION CITED

In drafting the treaty suggested by the President we must use a particular large degree of caution. There are many factors which the United States must consider before it enters into any agreement of this nature.

1. First of all, we regard treaties as inviolable.

However, one of the nations which is involved in the Antarctic treaty proposal is Soviet Russia.

Time and again, this nation has shown her contempt for obligations established under treaties and international agreements.

We have no assurance that the Government of Russia will respect our rights under this treaty any more than she has respected her past commitments.

Are we therefore to write ourselves into a trap of Soviet making?

I trust not.

In any event, I certainly would not commit myself to a treaty even before it has been written; much less before all of its ramifications are understood.

I am glad that the Senate Committee on Foreign Relations has heard testimony on this subject.

To my way of thinking, we must find out a great many more facts, as must other interested committees of the Congress.

WHY HAVE WE NOT AERIALLY PHOTOGRAPHED ANTARCTICA?

2. As one reviews the record of America in the Antarctic, one sees, once again, that it is a record marked by great deeds of valor on the part of outstanding explorers of many nations. I am glad to say that American heroes have written some of the most outstanding chapters.

But as I read that record, too, I also note this fact: The United States has—I say very bluntly—been seriously negligent in not determining exactly what there is of value in the Antarctic.

Despite all of the scientific work we have carried out, we still do not have anything beginning to resemble complete data on two counts:

(a) We have never completed an aerial photographic survey, with adequate ground control points, of all of Antarctica; and

(b) We do not have thorough geological surveys of the rock outcroppings on the continent.

And so we are in the dark as to the mineralogical and other values of these 5½ million square miles. Why?

Why, I ask, have we spent tens of millions in Antarctica without these most fundamental types of reports and charts?

It seems elementary, but I know of no intelligent bargainer who would ever give up so much as a single inch of real estate, to which he is entitled, if he didn't know what was on and under the real estate.

And so I am opposed to the United States relinquishing a square inch of the continent, at least until we know exactly what we are relinquishing.

VALUE OF MINERALS CHANGES

Even then, the fact of the matter is that minerals which may appear to be inaccessible or which may appear to be uneconomic to extract, as of 1958, may be both accessible and economic to extract a few years hence. So why write them off as valueless?

Who would have predicted 20 years ago that a substance known as uranium would be important?

And all the other miracle metals which have come to the fore in the war and postwar decade show that we had best go very slowly in determining if any mineral is undesired, so to speak.

WE HAVE WASTED EXPERIENCE OF MANY EXPLORERS

3. Another ironic fact about our record is that some of the American heroes who have made greatest contributions to Antarctic exploration are not now engaged in Antarctic work.

I am not going to attempt an analysis of individual case histories involved. But I say that it is strange, indeed, that some of the great men who have devoted virtually their lifetimes to braving the elements and advancing the interests of our country's flag in Antarctica are not now engaged in this work.

We are wasting their precious experience, and I should like to know why.

WHY ARE WE GIVING UP OUR STATIONS?

4. A further disquieting fact is that the United States is going to turn over some of its scientific stations to other countries.

Naturally, I welcome IGY or other scientific cooperation, but I ask: "Is the Government of the United States so poor, are the people of the United States so disinterested, that we cannot afford even to maintain our own stations? In all of the $40 billion budget for the defense of the United States, is there not enough money to be found to at least continue the stations which we have established?"

NEEDLESS DUPLICATION OF UNITED STATES AGENCIES

5. The United States, although it has a record for many years of work in Antarctica, still has no clear-cut, coordinated policy or program of its own in Antarctica.

At the present time, there are 14 separate agencies of the Government, interested or conducting studies in this region. There is without doubt considerable duplication of effort on the part of these several organizations. There is almost certainly a high degree of administrative overlap and confusion.

In other words, Mr. President, we as a Nation really don't know where we stand. We are, on the one hand, offering to establish an apparently sensible program of international utilization in Antarctica, while on the other hand, our own national policies lack direction and coordination.

That is why I have proposed S. 2189—to coordinate our policies through a Polar Commission.

I have spoken on many occasions concerning our Government's unfortunate drifting policies in Antarctica. I have repeatedly urged that we establish a special commission to administer and direct our Nation's Antarctic program.

Only 2 weeks ago, Mr. President, I told my colleagues in the Senate that time was running out with regard to our Antarctic program. Now, however, it appears we will have an extension of time by virtue of the proposed treaty. This time should be used to "get our own house in order," so that we will be able to move forward with a coordinated United States crystalized Antarctic policy.

LET EARLY SENATE HEARINGS BE HELD

Therefore, I urge once again that action be taken on my own and other bills calling for the creation of the Richard E. Byrd Commission. I respectfully request that the Senate Education and Labor Committee schedule hearings on this vitally important bill in the immediate future, so that this Congress will not adjourn without some concrete action.

A great many of the Members of the Congress have been deeply interested in this subject. Without, in any way, underestimating the contributions of others I should like to single out, in particular, the notable work of the chairman of the House Committee on Interior and Insular Affairs, Congressman ENGLE, who has introduced a companion bill, H. R. 7869, and the work of my colleague, the junior Senator from South Dakota [Mr. CASE].

As I indicated recently on the floor of the Senate, it appears—speaking very frankly—that Polar Commission legislation will be dead for the 85th Congress unless speedy action is taken by both Senate and House committees.

Let the speedy action come.

Let us not waste the time which providence has granted us. If we delay action this time, Mr. President, we may not be granted another chance.

CONCLUSION

All in all, the President's 11 nation proposal is a highly motivated program. But it has considerable limitations and is a long way away from being a United States antarctic program for our own flag purposes.

Effect of Installment Buying on the Economy

EXTENSION OF REMARKS

OF

HON. WILLIAM E. PROXMIRE

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, May 5, 1958

Mr. PROXMIRE. Mr. President, one of the outstanding economic statesmen in this country is the junior Senator from Wyoming [Mr. O'MAHONEY]. Yesterday an article appeared in the New York Times, written by Senator O'MAHONEY, entitled "Do Installments Peril the Economy." This article considers the explosive danger to our economic system of the Nation's hugh payment debt. It is a remarkably wise and perceptive analysis.

I ask unanimous consent, Mr. President, that this article be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DO INSTALLMENTS PERIL THE ECONOMY?—A CONGRESSIONAL SPECIALIST ON CREDIT DISCUSSES THE NATION'S HUGE TIME PAYMENT DEBT AND ITS POSSIBLE EFFECTS ON THE RECESSION

(By JOSEPH C. O'MAHONEY)

WASHINGTON.—Now that the recession is officially here, we may finally get an answer to the troublesome question of whether installment credit has gotten too high. It is no secret that Americans' installment debt, or the amount of money people still owe for things they have bought on time, has risen spectacularly in recent years—from about $9 billion in 1948 to a peak of more than $34 billion last December.

I hope that the answer to this question is not a dramatically catastrophic one; I hope that repossessions and failures to meet time payments won't snowball the economic downturn by dumping used consumer goods onto a declining market. Time will tell, but clearly that possibility is with us, for consumer credit can curl our economic hair.

To combat the recession, Washington advisers call for a restoration of confidence. It must be remembered that confidence and credit are not synonymous. A credit system which is extended to the breaking point, by no down payments and eons in which to pay, will destroy confidence and ruin sound government.

A clue to the danger we face lies in the fact that installment spending for consumer durables—the big things like cars, refrigerators, TV sets—began dropping in January and may well be contributing to the recession. It is my personal hunch that this is the proof that people had overextended themselves on installment purchases and have had to retrench; it also serves to reinforce my feeling that now is an important time to take a keen look at the wholly installment segment of the economy and to act to prevent future excesses.

The fact that many antirecession moves are being aimed at the consumer to stimulate buying does not affect this situation. Certainly in an economy that is already sick, it does not help to stimulate it with phony buying—purchases without any cash payment by people whose income and jobs are in jeopardy. Efforts to stimulate sound installment purchases, using, for example, extra income from an excise-tax cut as a downpayment, are all to the good, of course, but such buying would in no way be dampened by sound consumer credit regulation anyway.

In recent years, several of my senatorial colleagues, Republicans as well as Democrats, have shared apprehension over the installment credit situation. We have watched the growth of this form of money lending, and we know that it alone was largely untouched by the anti-inflation credit restraints exerted by the Federal Reserve Board until very recently on the other major sectors of the money market. We also know that installment credit, based on steady employment and payrolls rather than tangible collateral, may prove to be built on quicksand in a declining economy.

Now I, for one, feel strongly that a healthy consumer credit market is essential to our mass-production economy and the well-being of our people, and that it is a national responsibility to see that it is soundly based. Therefore, before I discuss the dangers in the present situation and what ought to be done to correct things, let me make plain just how important installment credit is as a force for growth in the economy.

When the average person steps into his gleaming new car to drive into the country, the chances are he will be traveling in a vehicle he calls his own but which, in fact, belongs to the seller. As he whirls along the highways, he views clusters of new homes from which television aerials spring like trees in a grove; to most of them a debt tag is attached. And if this average driver were to step into any of these houses, he would find all kinds of luxurious items—dishwashers, clothes dryers, furniture, even the jewelry in madam's bureau—in use and unpaid for, bought on time.

Homes equipped with inventions for taking the drudgery out of housework, speedy automobiles, the gadgets of modern living, even world tours on a pay-later basis—all these, and more, sold on credit, have helped raise to record proportions the total output of the American economy.

Nothing illustrates this better than the automobile industry. The 4,000 automobiles manufactured in this country in 1899 were sold only to the very rich. When they were brought within the reach of the common man, first by Henry Ford and his concept of mass production, and then by installment selling, the total output was fantastically multiplied.

As car sales increased, the whole national economy benefited. New markets were made not only for steel and copper and zinc, but for glass, for fabrics, for rubber and a vast multitude of commodities without which the automobile could not be made. New jobs were created not only for those operating the machine tools on the production line but also for those who built the tools and supplied the raw materials which go into every car.

Clearly, the rise of the installment credit technique for increasing retail sales has been as important as the general use of commercial credit in the healthy expansion of our fundamental production and distribution capacity.

After all, business cannot be conducted on a cash basis.

Generally, however, the credit which makes economic growth possible is the confidence of society that those who borrow money have the assets to repay the loan. In most lending operations, the assets of the borrower—blue-chip securities, real property, the inventory or stock of a corporation, and the like—are put up as collateral for the loan. They are the guarantee to the lender that, come what may, he can get most of his money back out of the possessions already owned by the borrower. This commitment also tends to make the borrower more cautious.

In this fundamental respect installment credit is different. Here the confidence of the lender rests upon the belief that the borrower will have the assets to pay up in the future, when the time comes to pay the installments. The only collateral posted by the buyer is the article he is purchasing and this is not really his, since in most cases, he buys on a conditional sale and title does not pass to him until his final installment payment is made.

In substance, then, credit for a time purchase is granted by the lender in the faith that the buyer's income will remain steady enough to meet regular payments for 12, 24 or even 36 months; his security is the article sold—the television set or automobile or washing machine—which drops enormously in value the minute it leaves the retail store. No lender of commercial credit—say, mortgage money—accepts so ephemeral a guaranty for his largesse.

For this very reason, the risk taken by the installment credit lender is greater than in most other business loan operations. His interest charges, naturally, are likely to be greater, too.

And this leads me to stress the noteworthy fact that installment credit was unrestricted by the tight money policy pursued by the Federal Reserve Board for more than 2 years as a weapon to discourage inflation. The instrument for tight money policy is the power of the Federal Reserve Board to raise or lower basic interest rates, that is, to set a minimum price on the cost of borrowing money. Many commercial borrowers could and often have deferred new funding operations when the high cost of money made the transaction too expensive to be profitable.

The installment buyer does not measure things that way. Here we have an individual driven by the desire (self-generated or inspired by zealous salesmen) for some new possession. He pays little or no attention to the rate of interest he is paying or whether it might be absurdly high in relation to the cost of the article or his need for that article.

His sole concern is whether the monthly payments seem to fit within his income, and, of course, he presumes his income will not shrink in the coming months.

This lack of buyer-resistance to high interest rates at the consumer-goods level has in effect negated the tight money policy in this sector of the economy; installment credit has remained easy money. By the same token, installment credit is untouched now that the tight money policy has been dropped. Psychologically, the relaxed monetary atmosphere may tempt installment sellers to offer even easier terms—smaller down payments and longer time periods—but this probably will not add appreciably to the already swollen installment credit lists.

Consumer credit is now a far larger sum than all the cash in circulation. It is, in my view, a sum so enormously important in the Nation's economy that the question of its soundness (i. e., the probability that all the huge debt will be repaid in full) becomes a national issue.

Has the consuming public overextended itself?

This is a frightening question. Let us look for a minute at the reasons why it arises especially in the consumer credit field.

1. By and large, the individual consumer determines for himself how much debt he can carry. Most installment sales retailers and their finance companies make no real effort to find out whether the buyer about to sign an installment contract might already have a dangerous percentage of his pay check committed to other credit purchases. Even if they find a big commitment, the chances are they will go ahead with the new conditional sale anyway.

2. In many instances, the financing, because of the risk, is at usurious interest rates. The usury laws apply to loans of money. Since installment credit results from the sale of goods, legal ceilings on interest rates are lacking and the uninstructed purchaser pays rates that are in higher brackets than he often realizes.

As an example of this, let me cite a recent credit offer made by a very reputable retail store. A housewife who wishes to make a major purchase may agree with the store's credit people that she can afford monthly payments of, say, $20. The store then grants her credit to purchase 10 times that amount of goods, or $200 worth. Each month, she pays her $20 plus a service charge of 1½ percent on the remaining balance; but she is also entitled to maintain her debt to the store at $200 and make $20 worth of new purchases each month to be paid for later. If she does this, she continues paying 1½ percent a month on the balance—for an annual interest rate of 18 percent.

3. The rise of the credit finance company, although a worthy institution in many ways, presents another difficulty. Today, a great deal of installment credit money is loaned, not by the seller of the article, but by a separate company in business solely to lend money. In effect, these credit companies pay the retailer for the article you purchase; you pay the credit company. Under this system, the company, seeking to make a profit on its operation, charges a very high interest rate.

Recently, a Federal Reserve Board study of consumer installment credit found that automobile dealers pass on to finance companies more than 95 percent of the debt on the cars they sell, and that retailers in other fields pass on nearly half of their customers' debts.

4. More important that the high interest rate is the fact that the system relieves the retailer of any responsibility for the soundness of his sale. And this, in turn, is an open invitation for the irresponsible, fast-talking, fly-by-night dealer.

Senator A. S. (MIKE) MONRONEY, chairman of a subcommittee of the Senate Interstate and Foreign Commerce Committee on automobile marketing practices, declared during hearings last year that "it was freely admitted that many destructive sales tactics were practiced by the fringe of the industry, and that while only a small percentage of the trade engaged in gyp methods, phony advertising, packed prices and misleading offers, these things had a demoralizing effect on the automobile industry as a whole." Even the ethical majority is being badly squeezed because dealers must pay cash for their stock and sell on credit, with diminishing profit margins.

The automobile industry is not alone in offering what can only be described as wildly unsound credit terms, but it presents some striking examples: "1958 model; no fixed downpayment; your old car is all you need to offer; drive home the No. 1 deal—even if you still owe on your present car."

Even in 1955, according to the Federal Reserve, 30 percent of those credit buyers of new cars who had also bought the traded-in car on credit had debt still outstanding on the car they traded in. It is doubtless true that many individuals are capable of taking on new debts before retiring old ones, but when this becomes a practice it would certainly seem to be a warning of difficulties around the corner.

5. The final element I want to stress is that the installment purchaser represents a segment of society at the bottom of the income scale. He is among those most likely to be laid off when jobs get scarce, and least likely to have any financial reserves. Into this group fall the young people from 18 to 24 who are caught up in the desire to possess the conveniences and luxuries of the present era—and have no first-hand knowledge or recollection of the great depression after 1929.

So, in sum, this is our situation: by the latest figures available, there is a little more than $33 billion in credit outstanding, backed largely by faith in steady employment at a time when unemployment is rising, assumed largely by people who never knew the great depression, unregulated by the Federal Government because its users pay no attention to interest rates, and uncontrolled by normal market caution because the sellers (or lenders) take no responsibility for the soundness of the loans.

Up to now, there seems to have been little concern, either in the Government or private business, for the dangers inherent in all this. For example, the United States Chamber of Commerce reported recently to the Federal Reserve Board that of approximately 4,000 businessmen who replied to a questionnaire, about 50 percent thought consumer credit might be too high for safety, and yet 70 percent opposed any Federal regulations because ours is a time of peace.

The Federal Reserve Board itself, having recently completed an exhaustive study of the consumer credit situation at the request of the President, concluded that regulation or control was not needed, even though its Chairman, William McC. Martin, previously had agreed that standby control powers might be advisable. The Board seems to have been persuaded by such hoary arguments as: "Self-regulation is a sufficient protection against abuse," "The people should have the right to spend their own money as they please," and, finally, "The law of supply and demand will take care of any excesses."

In other words, this kind of problem isn't the Government's business except in time of war. Why shouldn't it be, if maintenance of a stable economy is—and it is—the Government's business?

What should the Government do, particularly now that it is realized that Soviet Russia is waging economic war against us? What kind of control or regulation should we have? The answer is simple—reestablishment of the legal authority behind the old World War II regulation W. This authority would enable the Federal Government to require a minimum downpayment on any installment purchase, based on a percentage of the selling price, and a maximum length of time in which the debt must be paid off. The fact that the monthly payments would be higher—over a shorter period—would make the buyer more keenly aware of the debt he was assuming. Also, the requirement of some downpayment would be an effective brake on many an irresponsible consumer (and on the salesman tempting him) because it would force him to have some hard cash on hand.

These devices would quickly put installment credit on a basis that the Nation could know was sound. They might, at least initially, curtail installment purchasing. But those who argue that, in a declining economy, nothing should be done that might cut down consumer buying, I would say simply this: Regulation W restraints need not lead to a measurable reduction in consumer purchasing if the installment credit market is already soundly based. If, as I suspect, the base is weak, it is far better for the national economy to cut back in an orderly fashion to a healthy market than to go on to a catastrophic collapse of a phony market.

Obviously, few factors are more important to the economic stability of the country than the continued ability of the installment debtor to meet his debt. In the past few months there have been distressing signs that installment credit collections are becoming more difficult. We are told that banks are beginning to find a higher ratio of delinquency among debtors.

These are symptoms of trouble, or termites eating away at the basic support of our economic structure. It is the clear job of Congress to study the situation and pass legislation that will give the Government the power it needs to step in.

At this stage, I am personally uncommitted on the question of whether the Government's power to issue credit regulations should be mandatory or permissive; whether the power should be granted to the Federal Reserve or to some other agency. This can be determined after hearing the experts and assessing the attitudes of those who would administer the controls. I am also not prepared to state just what the terms should be, whether one-fifth to one-third down and 15 months to pay, as under the final stage of regulation W, or some other combination.

In any case, I can only hope that the present recession does not cause the market supported by installment credit to collapse before Congress can enact a protective law.

In candor, I do not think such a catastrophe is impending unless we refuse to act. Delay can be disastrous. I believe even the threat of it should force immediate action to save the great American consuming public from the blandishments of irresponsible supersalesmen and from the excesses of its desires for the luxuries of modern living. On the basis of past experience, I am sure that Congressional interest in this vital matter will be nonpartisan.

These are not times of peace and prosperity. They are times of scientific, military, and economic conflict on a level mankind has never before experienced. The cold war in which we are engaged, especially with a domestic recession in progress, can be more dangerous than any of the brush wars some of our military men talk about. The survival of the system of private ownership is the issue of our time; we cannot afford to risk its stability.

We Can Cure Our Economic Ills by Effective Action in Using Good Sound American Common Sense

EXTENSION OF REMARKS

OF

HON. BEN F. JENSEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1958

Mr. JENSEN. Mr. Speaker, the best advice to all public servants is that you cannot fool the American people, and that doing the right thing and the best thing for the people over the long pull is always the best politics. Far too often political expediency is practiced by public servants, irrespective of its results on the future welfare of all the people, especially in an election year.

If a Member of Congress, for example, is swayed by the flood of letters from the many pressure groups who generally think only of the immediate welfare of their own segment of our population, then he is bound to be in trouble with many other people in different vocations. The only answer is to study the overall, longtime effect of proposed legislation to determine whether it is good or bad legislation, and does it or does it not square with the principles which have made America big and fine and strong and free. Then after making such a study, vote your honest convictions, which you can defend before your constituents face to face.

In my remarks in the House on last January 20—see CONGRESSIONAL RECORD, page 687—I urged that Congress reduce the budget by at least $3 billion, and then give an across-the-board reduction in income taxes. Had Congress done that we would by now have had the recession whipped. But no, the Democrats in control of Congress embarked on a pump-priming, reckless spending spree full speed ahead, which has scared the individual and business with money in the bank to the end that they are holding onto their dollars, which now will do little to cure unemployment. We should have learned a lesson from the last pump-priming spree which took place between January 1933 and Pearl Harbor. After spending 47 billion tax dollars, there were still according to the records 11,369,000 Americans unemployed, or about the exact number as were unemployed 7 years previous. Then came Pearl Harbor and over 12 million Americans were soon put to work, in uniform, and hundreds of thousands never returned. In 1945 World War II ended and shortly thereafter the unemployment rolls again began to mount; and again, at the time our boys were sent to war in Korea, approximately 5 million Americans were unemployed; and again millions of Americans were put to work, in uniform, and thousands of them never returned.

Now it may be that we have been on the brink of war several times during the past 5 years, but the facts are that not one American mother's son is being shot at any place in the world today and there is more money in our banks today than at any time in the history of our country. Why? For the very simple reason the owners of those dollars are fearful of what this liberal Congress might do, and they have good reason for their fears as they know what liberal Congresses have done in the past, but I say in all sincerity that there is nothing so wrong with our economy that good American common sense cannot cure, for certainly all this Congress has to do is to begin now, even at this late date to prove to the people with money to spend, that they can safely spend for themselves and families and for business expansion.

You ask how can it be done? I say just as many other conservative Members of Congress and most thinking Americans are saying today, which is that by the simple procedure of Congress beginning from this day to the very last day of this session prove conclusively to the American people that this Congress is primarily interested in keeping our United States Treasury solvent, and the people's personal investments protected.

The people know that since this session of Congress has already spent over $2 billion more than should have been spent up to this time, little if any tax relief can be expected or hoped for, but they certainly have a right to demand that this spending spree be brought to a halt in order at least that another burdensome tax increase will not be imposed upon them.

The thing that will give people employment and keep them employed, and thus save this Democrat controlled Congress from their own follies, is for them to act promptly to return confidence to the people as I here recommended. By so doing, private spending will replace this ineffective Federal pump-priming spending which must all sooner or later be paid back with compound interest, or else repudiation with its resulting aftermath, socialism.

Yes, Congress must do that and more to make sure of the people's confidence in their Government. Before this session comes to a close, legislation must be passed to curb the powerful union bosses who have so unjustly imposed on their own members, and on many Members of Congress, such unreasonable demands do do their bidding, or else, and which to a major degree has caused this recession and the loss of employment and frightened the people from spending their own dollars. Congress years ago had the courage to adopt an antimonopoly law and that law has kept business corporations from becoming too large and powerful and that law has proven to be good for all the people. Let us now have the courage to do likewise in respect to the huge powerful labor unions. I am sure most of the union members would welcome such a law today. We must not, we dare not fail in our responsibility as representatives of the people in this critical hour regardless of all pressures brought upon us daily just to please a few at the expense of the best future welfare of all.

Senator Hill Speaks on 25th Anniversary of TVA—An Example of Democracy in Action

EXTENSION OF REMARKS

OF

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1958

Mr. EVINS. Mr. Speaker, 25 years ago the Congress sent to the President for his signature the legislation establishing the TVA which has since resulted in one of the Nation's most remarkabel achievements and the creating of one of its greatest assets—not merely in material terms but also in terms of the influence it has had on the attitudes of the world toward our Nation and toward our concept of democracy. One of the fathers of that legislation is the Honorable LISTER HILL, the distinguished senior Senator from Alabama. In the May issue of the Progressive, Senator HILL in a very fine article eloquently recounts the story of this legislation. I commend this article to all my colleagues, and believing that it will add to a better understanding of the ideals and significance of this great national asset, I insert it in the CONGRESSIONAL RECORD under unanimous consent. The article follows:

TVA: DEMOCRACY IN ACTION

(By Senator LISTER HILL)

Twenty-five years have passed since the historic legislation creating TVA was enacted, and a new generation of Americans has grown to maturity. A generation is time enough to test the truth of an idea and the strength of a concept. It is also time enough for people to forget what life was like before that concept was built into our Nation's life.

An anniversary is a time for remembrance and for recognition. It is a time for reappraisal. For me TVA's arrival at the quarter-century mark is a moment of special poignance, and of peculiar obligation. My obligation to remember and to reappraise is a deep and personal one, for I was one of the sponsors of the legislation which created TVA, and of all the members of the conference committee appointed to adjust the differences between the two Houses in 1933, I am the only one who is today a Member of the Congress. I am the only one who has had the privilege of participating year by year in legislation affecting TVA, first from my seat as a member of the Military Affairs Committee of the House, later as a member of the Appropriations Committee of the Senate. Alone of all the witnesses when the President signed the act in 1933, I have seen the dreams we wrote into the statute become reality. Dreams of a better future, of a widening economic opportunity for the people, and faith that a new kind of agency of Government could help to provide it—all these are captured in the charter we wrote for TVA.

This is a good time to tell the new generation why TVA was established, and what it has accomplished. Once more a troubled world is reminded that vision is required lest the people perish, and that the great imperative of government is to offer hospitality to dreams and then to find ways to translate them into effective works. It is a good time to give to every American a sense

of pride in the vitality and the strength of TVA, and to explain, if we can, why this agency has been able to survive atacks and neglect, why it continues today valiantly planning for the future, its spirit unbroken, facing its relentless adversaries with courage, faithful to the vision written in its statute.

It is important for the new generation to know that this dream of the unified development of all the resources of a great river basin for the people's benefit was not borne out of sectional interest nor parochial concern. It was born because statesmen from the Great Plains, from the mountainous West and the industrial East, saw this Nation as one and indivisible, and knew that the country they loved and served would be strong only as each region grew in strength. The great and indomitable George Norris, of Nebraska, was the leader in the Congress. A valiant band worked with him. TVA is shaped in their image, indelibly marked with their integrity, their moral purpose, and their vision of a Federal program which would never forget the people for whom it was enacted. Its survival, its growth, its strength today is their memorial.

Let me remind this new generation what life was like in the region when TVA was created. There was a great river, its tributaries rising high in the mountains of North Carolina, Tennessee, and Virginia. It flowed south through the foothills of Tennessee, turned west to meander across the sunbaked fields of Alabama and of Mississippi, swung northward to meet the Ohio in Kentucky, then to join the mighty Mississippi on its course to the gulf. It was a moody and inconstant river, changing from season to season: an angry flood in spring and winter, a sluggish trickle in summer and autumn when shoals and sandbars held it almost useless for navigation. In flood and in drought, racing or heavy with summer's languor, in every season the river was dark with the precious cargo it carried—the fertile soil of the valley, to be wasted in the sea.

For generations that soil, the priceless heritage of the people, had washed away. This was an agricultural area, one of the oldest in the Nation, an area of small farms, growing the cash crops for which the climate was ideal but which left no cover to protect the ground as it lay, bare and unfrozen, helpless against the pelting winter rains. Once majestic forests had been denuded, a sacrifice to avarice, to ignorance, and to hunger. So the rains were unimpeded. They took the soil to the river, and the river carried it to the sea, and every year the brown scars of erosion grew wider and deeper over the landscape. Every year more farms were abandoned. Every year fewer jobs became available, and the youth of the land was exported along with the soil and the timber. Every year the people had less hope and less faith in the future. In 1933 the people of this region had an average income only 45 percent of the national average, in spite of the wealth of resources with which nature had endowed it.

This was the region before TVA. This was the problem facing the Congress. And a heritage from World War I provided an opportunity. Then, when German submarines had halted the shipments of nitrates from Chile, the Government had built facilities for munitions production at Muscle Shoals in northern Alabama, and construction of a dam across the Tennessee was begun to supply the power required for operation of the nitrate plants. The war was over before the project was completed, and Congress had to decide what to do with the idle properties. The general assumption was that the properties were "surplus" to the Government's requirements, and should be sold. To most people the question before Congress in the early twenties was relatively simple—how to dispose of the properties most advantageously.

In the beginning only a few men had the vision to see that the properties were not surplus to the needs of the Government at all, that they were an asset which could provide the beginning of a new approach to an old problem. The fight, first to keep those properties in the hands of the Government, and then to devise a method to promote their effective use, went on for more than a decade. I came to Congress in the midst of that debate, and I shall be forever grateful that I have had a part in this great struggle throughout my whole career in public service. Twice bills to provide for Government operation of the properties at Muscle Shoals were adopted by the Congress. Twice they received a Presidential veto. It was not until 1933, under the dynamic leadership of Franklin D. Roosevelt, that the statute creating TVA was approved by Congress, the properties at Muscle Shoals were turned over to the new agency, and the President who had expanded the scope of the original proposals with his vision and his dreams signed the enabling legislation. A great concept started along the road to realization.

Twenty-five years have passed since that day. Today the Tennessee River is no longer a menace and a problem. It has been put to work for the people. A series of majestic dams has transformed it. Now a chain of lovely lakes—its bars and shoals have vanished—and commerce moves in stately sequence over a modern water highway. Last year more than 2 billion ton-miles of freight was carried on the river, in contrast to less than 33 million ton-miles which moved, mostly in short hauls, in 1933. Grain comes down from the upper Mississippi, oil and sulfur move up from the gulf, automobiles, trucks, steel, and coal are carried for unloading at thriving river ports on the Tennessee. From the Great Lakes to the gulf the products of other regions come to new markets in this valley, and the river serves the people.

The new generation has grown accustomed to the interregional exchange of goods. And it is spared the terror of floods. Today the people know that when the rains come and the water rushes down in angry torrents, the same dams which control the river to create a navigation channel will stand watch through all the days and all the nights of peril, silent guardians of their safety. This is the only United States river so controlled, the only river where, under a single management, a whole system of dams and reservoirs can be mobilized in harmony to protect the people and their property.

The new generation has never known what it was like before TVA, how anxious watchers gathered on the river's banks, how desperate families moved their household goods to the hills. They do not know how often this uncertain river held the lives and health and well-being of the people in jeopardy.

The new generation does not know what life was like before transmission towers rose high from valleys and mountains to carry the lines that bring to the people power generated at these multipurpose dams and in gigantic, modern steam plants built by TVA. It was a different kind of region then. In 1933 there were only 225,000 residential electricity consumers in the entire area where power from TVA now reaches more than 1,300,000 domestic consumers, and they used small amounts of electricity in their homes and almost none at all on their farms. Only 3 percent of the farms, just a few near towns or cotton gins, were connected for electric service. All over the region the countryside was dark at twilight. Today more than 95 percent of the farms use electricity in their homes and in their barns.

The river is serving the people throughout its length today because of the act of Congress which created TVA. That is not all. The forest resource is coming back, the cycle of devastation reversed. Since TVA began, almost half a billion pine seedlings have been planted and are growing to maturity. Slowly the scars of erosion are healing. Where acres were brown and barren, now pastures lie green beneath the sun and the landscape is more beautiful, the land more productive.

Today this region has started the long road back to robust strength and abundant productivity. This is a record for every American to view with pride. There is nothing like it anywhere. This is the record which profoundly moves me as I recall the day when TVA began. This is the record which makes me salute the management of TVA on this anniversary. For in this region their performance has outstripped our dreams. This does not often happen. Every legislator grows weary with awareness of great concepts which grow meager in execution, of noble ideas corrupted in administration. TVA is different. The new generation should find out why. I cannot give a simple answer, but I believe that part of the magic lies in the kind of statute Congress drafted. We did a better job than we knew.

We were uncertain, as we strove to create this new agency to deal with old problems. Reluctant rivers had been improved for navigation from the beginning of the Nation. The problem of vanishing resources had been with us a long time. But always rivers and resources, problems and opportunities had been considered piecemeal. In TVA we tried something new and bold. The heart of the great concept lies in the fact that for the first time in the history of Federal legislation Congress accepted the unity of nature. In this one river basin the interrelationship of land and water, of trees and pastures, of men and nature, received statutory recognition. This was a more startling innovation than it sounds. For then and now the traditional organization of the Federal establishments divides responsibility for the resources of a river and its basin among a dozen bureaus and departments, each with a single purpose, a different head, working under separate statutes. We gave TVA responsibility to inaugurate a total program committed to the full development of all nature's resources for all the people.

At the same time we tried to build a bulwark against the steady tide of centralization. Even then we knew too many decisions were made in Washington on the basis of papers and reports; too much was decided by remote control. The experts were too far from the problems, the administrators too far from the people. So we told the Board of TVA to make its headquarters in the region, close to the work to be undertaken. We made it an independent agency, corporate in form, removed as far as possible from centralized control in Washington. We gave the power of decision to the men in the field.

We wanted TVA to be efficient, and we accepted the basic principle of modern management, still rarely recognized in Government. We gave authority commensurate with responsibility and we determined to judge by results. By law we freed the agency from the rigidities of the classified civil service. We told the Board to select its own employees, but barred for all time political considerations in appointments. We authorized the Board to buy or condemn the land and the equipment required in its program, and to sell whatever proved to be surplus. They could enter into contracts, and sue and be sued.

All these characteristics have proved to be essential—the unified approach, the location in the region, the accountability which is the counterpart of independence, the stern rejection of political manipulation. All have been vital to TVA's success. But greater than any one of those, I believe, is the fact that somehow the overriding purpose of the statute was clear on every page. It was clear in the legislative history of more than a dozen years. These administrative innovations were not to be ends in themselves, nor were the projects and the programs they would facilitate be objectives in themselves. Every undertaking was seen as a means to widen the economic opportunity and promote the well-being of the people. That is of course the ultimate objective of every Government program, but the purpose for which projects are built is too often obscured by the projects themselves. Construction becomes an end in itself. Somehow, in some way, some ingredient in the formula we devised for TVA has kept the overriding purpose sharp and clear. Every report from TVA reveals it. It is clear every time a witness from TVA testifies before a committee of the Congress. It accounts for the notable efficiency and the high morale of the staff of TVA. They never forget the purpose of their labor.

It was an act of faith when, after so many years of effort, Congress placed the destiny of this new agency in the hands of the three men chosen for the Board. That faith proved to be contagious, and early in its history TVA took the steps which have made the people of the region a part of the great program. It mobilized their energies for a total assault on the forces of resource devastation. It was an act of faith in the people when TVA rejected such alluring proposals as the recommended purchase of great tracts of forest land, all abused and some abandoned, in order that a gigantic program of reforestation might be inaugurated on Government-owned land. It was an act of faith when TVA declined to begin the acquisition of vast acreages of wornout cropland that it might be devoted, unhampered by the need to support farm families, to experimentation in the application of the new fertilizers to be produced as Muscle Shoals. It chose the slower, the harder way. TVA determined that the people who in the period of their private ownership become trustees of the Nation's resources should themselves take part in the program.

A new epoch in Federal administration began. The experts got out of their offices, away from their papers. They went to the people, and the people joined them in a great demonstration program. Farmers joined and showed their neighbors what would happen to the land and to their incomes as they began to use the new kinds of fertilizers produced by TVA as tools to change the management of their farms. Owners of woodlots and forest joined. Slowly the demonstrations spread over the valley and farther—demonstrations in tree planting, in selective cutting, in sawmill operations; demonstrations in fertilizer use, in new farming practices, in the development of recreational areas.

Today the average income of the people has risen from 45 percent to 63 percent of the national average. There are more jobs for the new generation. There are jobs in cheese factories and in poultry processing plants because the land has been turned from soil-exhausting to soil-conserving crops. There are jobs in the forest products industries, 50,000 of them, because tall trees stand on land that was barren in 1933, and the people plant and they plan for a stronger forest resource in the future, investing their private funds in their faith. Last year alone new private investment in wood-using industries in the valley reached a total of more than $43 million.

There are new kinds of jobs in new manufacturing establishments. There are jobs because of the development of the magnificent recreational resource which has already attracted private investment of more than $60 million, as TVA has divested itself of area after area, and turned over to the people, for public and private development, the land adjacent to the beautiful manmade lakes. In this region, as nowhere else, the people have participated in a Federal program inaugurated to promote their well-being. They have taken risks. They have had faith. They have shared the dream.

The people have had a major part in the development of the great regional power system. With the exception of direct sales to agencies of the United States and a few large industries, TVA is a wholesaler of power. Today 151 distribution systems with a total investment of almost $600 million deliver the power to the consumer. All are locally owned and managed, two privately owned, the rest rural cooperatives or municipal systems. In contracts with TVA these distributors agree to charge the rates established to promote abundant use, and to dispose of revenues in such a way as to achieve the objectives in the statute. In the beginning their participation in the program was an act of faith, too, for when TVA's resale rates were announced in 1933 no one knew what revenues those rates would provide. The experts of the private companies serving the area said the people would not use the power the dams would produce. The people of this region have proved them wrong. The high use, low rate pricing policies which the private power companies had been too timid to risk turned out to be sound. At low rates, the volume of sales did rise, and increased revenues resulted. It was a demonstration that the public interest could be served without the financial ruin predicted by the private power companies.

I am proud when I survey the financial record of TVA. My colleagues of 1933 would be proud if they could know that, from the beginning, revenues from power sales have covered all the costs of operation, including depreciation, and in addition have provided for the Government, the owner, a return which has averaged 4 percent on the investment. I am proud to know that over $400 million from proceeds has been reinvested in the system, enhancing the Government's investment without requiring appropriation, and that $240 million has been paid to the Treasury in cash. But I am proud that TVA has never forgotten why it was created. It was created to serve the people, all the people of the United States, to demonstrate what happens to a region and to a power supplier when power is used as a tool to develop the economy of a region, to raise the standard of living of the people.

TVA was not conceived as a military project. But today TVA is in the forefront in the development of atomic weapons, missiles, vital light metals, and new chemicals. Almost three-fourths of TVA's power output goes to defense and defense-related industries. More than half—a staggering 30 billion kilowatt-hours in 1957—goes to the Atomic Energy Commission plants at Oak Ridge and Paducah. These plants alone use twice as much electricity as New York City, and more than is used by all the homes, businesses, and industries in each of 41 States.

The triumph of TVA is not recorded in the excellent financial reports, or in its contributions to the Nation's defense. It is recorded in the homes and farms of the region—in the installation of stoves and washing machines, refrigerators and freezers, milking machines, pumps, water systems, and hay driers. It is recorded in the increased use of electricity by the people, not only in the region it serves but all over the Nation. The symbol of TVA is not a balance sheet, no matter how impressive. The symbol of TVA is revealed when the lights go on at nightfall all over the region. They shine from barns, and kitchens, and parlors, deep in the coves and high on the hillsides.

When President Roosevelt sent his special message to the Congress urging prompt enactment of the TVA legislation, he said, "If we are successful here we can march on, step by step, in a like development of other great natural territorial units within our borders." We have been successful here. While we have not yet marched on to the creation of other valley authorites, we are moving step by step in the improvement of Federal administration of resource development. TVA has had an important impact on other Federal programs. I hear echoes of TVA when plans are now submitted to the Congress on a river basin basis, when coordinating committees are established in the field as the central agencies of Government and try to achieve the shadow of the unified approach without the substance. I see a trace of TVA when the potential recreational value to the people is included in the benefits expected to be realized from construction of new Federal projects, and small watersheds are brought to our attention. I note with satisfaction improvement in the land purchasing procedures of some Federal agencies as they adapt TVA experience to their requirements. I am aware of better personnel practices as a result of TVA's development of its independent merit system, and I see modest efforts to follow its pioneering in the adoption of effective and honest procedures of collective bargaining. I see the results of TVA's achievement when I read the advertisements of the fertilizer companies, as they begin to provide the farmer with new and better plant food for his land. I find it in the lowered rates for electricity charged by private companies today.

The spirit of TVA echoes around the world. I hear the echo from India, from Iran, from Uganda, and from Wales. Everywhere, as free men plan their future, they know their destiny depends upon the effective development of all of nature's resources for the benefit of all the people. To them TVA is a pace setter and a symbol of hope. Its past is open for examination and for analysis. Its future lies in the hands of the new generation.

Unemployment Statistics

EXTENSION OF REMARKS
OF
HON. JOHN W. BRICKER
OF OHIO
IN THE SENATE OF THE UNITED STATES

Monday, May 5, 1958

Mr. BRICKER. Mr. President, I ask unanimous consent that I may have printed in the CONGRESSIONAL RECORD an article just released by the Secretary of Commerce concerning unemployment statistics.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STATEMENT OF SECRETARY OF COMMERCE SINCLAIR WEEKS

Senator JOSEPH S. CLARK is reported in the press today as accusing me of releasing deceptive April unemployment statistics on Tuesday.

He is absolutely wrong. The facts clearly disprove his reckless charge of distortion.

The figures were the regular official monthly estimates of the Census Bureau, honestly collected and honestly released in the same way as they have been for the past

15 years. Because the sample was increased in 1956, it is even more accurate than in previous years.

Moreover, my release on Tuesday most certainly did state that the seasonally adjusted rate of unemployment rose from 7 percent of the labor force in March to 7.5 percent in April and gave reasons for this rise.

The fact overlooked by the Senator is that 600,000 more people were at work in April—to a total of 62.9 million—and 78,000 fewer people were unemployed.

Instead of playing politics with the plight of the jobless, Senator CLARK should feel as glad as I do that thousands are returning to work. He should join those of us who are doing all we can to stimulate increased employment.

Poland's Constitution Day

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Monday, May 5, 1958

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement prepared by myself, entitled "Poland's Constitution Day—A Reminder of Freedom-Loving People's Refusal To Be Dominated."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

POLAND'S CONSTITUTION DAY—A REMINDER OF FREEDOM-LOVING PEOPLE'S REFUSAL TO BE DOMINATED

As we all realize, Saturday, May 3, when the Senate was in recess, marked the 167th anniversary of the foundation of constitutional government in Poland. I join many of my colleagues in paying tribute not just on that occasion, but throughout the year.

This anniversary serves to point out the vital importance of Poland in the current struggle between East and West. Although forcibly allied politically with Russia, the overwhelming proportion of the people of Poland are stanchly allied spiritually with the nations of the West.

The same spirit of independence and love of freedom which was responsible for the drafting of the Polish Constitution 167 years ago, still burns brightly in the hearts of the citizens of Poland today. The people of Poland aspire to freedom and democracy. We sympathize with and support these legitimate aspirations, and we are endeavoring to assist these noble people in coming closer to the day when they may once again live under the provisions of their own cherished constitution.

Recent actions by our Government and by private United States organizations have offered encouragement to the spirit of freedom in Poland.

One example of this encouragement was the grant—which I have previously commended—by the Ford Foundation. It establishes a program of scholarly and cultural exchange with Poland and other East European nations. These funds will enable research scholars, professors, and experts in many fields from Poland to visit the United States and nations of Western Europe. Funds from the first allocation are enabling 40 Polish scholars to study in the United States. Many of these individuals are even now studying and doing research at our leading universities. Similarly, this grant will allow United States citizens to study in Poland.

Another purpose of the program is to finance the purchase of American and West European textbooks, periodicals for distribution to Polish educational institutions.

Likewise, as Senators well know, our Government has entered into an agreement for a long-term loan of $95 million for the purpose of purchasing wheat, fats, cotton, and mining equipment, thus assisting in strengthening the economy and health of Poland and lessening her dependence on Soviet Russia.

These and other types of assistance, such as the hoped-for resumption of CARE shipments, are, I believe, in the best interests of the United States and the Free World. However, we must never let it be misinterpreted as a support of Communist domination over Poland. Conversely, we must make it known to the world that we are supporting the hopes and the heartfelt desires of the Polish people that they may continue to weaken the chains which unfortunately exist between their nation and the totalitarian authority in Russia.

The goals of the people and the people of the United States are parallel. As symbolized by Kosciusko and Pulaski and other deathless leaders, both peoples believe in freedom—both believe in the dignity of the individual—both believe in independence and self-determination.

When the people of Poland hold out their hands in friendship and supplication to us, we would be betraying our common ideals if we were to ignore them.

On Saturday's occasion of the anniversary of the Polish Constitution and today and every day, we salute the people of Poland who are continuing the struggle for their worthy objectives.

We also salute the more than 7 million patriotic Americans of Polish extraction of the United States, including, of course, the vast Polish-American segment which has contributed so much to my own State.

We further make known our solemn pledge to continue to offer all possible encouragement to the Polish people in order that the day may soon come when they may once again enjoy the liberties for which brave Poles have sacrificed so much in so many uprisings, including the Poznan revolt, throughout Poland's history.

Nuclear Power for the Navy

EXTENSION OF REMARKS
OF
HON. JOHN F. BALDWIN, JR.
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 5, 1958

Mr. BALDWIN. Mr. Speaker, the fascinating and heartening story of the development and prospects of our nuclear powered Navy has been recounted in an article in the May 1958 issue of United States Naval Institute Proceedings. The author is our own colleague and member of the Joint Committee on Atomic Energy, the Honorable CRAIG HOSMER, of California. However, as noted in the byline, the Congressman writes in his capacity as a commander in the Naval Reserve, rather than as a Member of this body. He obtained much of his background material for the manuscript during a recent tour of active training duty with the Navy.

I am sorry that it is not possible to reproduce in this RECORD the informative illustration of a typical naval nuclear propulson plant referred to in Commander HOSMER's article and accompanying it in the proceedings.

The article follows:

NUCLEAR POWER FOR THE NAVY
(By Comdr. CRAIG HOSMER, USNR)

Fast becoming a reality is a powerful new nuclear-powered United States Navy—a Navy backboned by atomic-bomb-carrying 85,000-ton supercarriers, fast-striking guided-missile cruisers and destroyers, and specially designed submarines for high-speed attack, hunter-killer, radar-picket, guided-missile, and other new missions.

Already more than $2 billion have been spent or programed for research, development, and construction of such a Navy. The following table sets out what is on hand and what is on order. Another $500 million a year for at least 8 years ahead will be needed to bring it into full being.

It began in 1948 with a small but ambitious joint Navy-Atomic Energy Commission program aimed at submarine nuclear propulsion and later expanded to include design and development of a full spectrum of naval nuclear propulsion plants for new naval construction from small submarines to the largest aircraft carriers.

By early 1954 the basic question of feasibility of naval nuclear propulsion was affirmatively answered by successful completion of all critical tests of the *Nautilus* land-based prototype plant. That answer made possible continuous cruising at top speeds, unlimited cruising, radii, and practically absolute freedom from fuel logistics. It has revitalized the role of seapower and geopolitics.

At the beginning of naval reactor development 10 years ago, even the most imaginative nuclear propulsion enthusiasts hardly foresaw such a future. Nor did even the most practical amongst them envisage the full scope of difficulties ahead. Neither the technical problems nor their solutions were well understood. In fact, many of the problems were not even known.

The task was to devise a safe, reliable plant within naval space and weight limitations. It began with an examination of various possible reactor cycles. Gas-cooled reactors were discarded as involving too much space and too many technical problems. Other types were in turn rejected for various reasons. Finally left as promising to meet naval requirements were but two: a reactor utilizing liquid sodium as its coolant, or one utilizing pressurized water.

Liquid sodium seemed to offer the best approach because it permitted high steam temperatures and pressures, with consequent greater efficiency. But the physics and chemistry of liquid sodium were little known and insurmountable development problems might be encountered. Although pressurized water involved lowering steam temperatures and pressures, more was known of the characteristics of water. That could mean fewer problems of basic research and faster development of the plant.

Decision was made to pursue both approaches and preliminary design began. So dissimilar are the physics and chemistry of water and sodium that in effect two simultaneous but essentially independent projects were involved. Both were carried successfully through land prototype and shipboard installation stages.

Liquid sodium leakage problems appeared in the *Seawolf's* land prototype plant which were not in themselves insurmountable. However, they were considered in combination with other factors in an eventual decision favoring the *Nautilus'* pressurized

water type reactor system as the accepted approach to practical naval nuclear propulsion.

The men who carried on the work had no experience or rules of thumb to guide them. No power reactor had ever been designed before. They had no science of reactor technology to apply to the job. They created it as they went along.

From the beginning they applied a "can of worms" description to their work, for each component and function of a nuclear power plant, from the reactor vessel through the turbine and all auxiliaries, are wholly interrelated and interdependent.

Naval nuclear ships and reactors

Ship	Purpose	Builder	Completion	Reactor [1]	Remarks
SSN571 *Nautilus*	Attack	Electric Boat	Sept. 30, 1954	S1W	Land prototype, Arco, Idaho.
				S2W	1st nuclear-powered ship.
SSN575 *Seawolf*	do	do	Mar. 20, 1957	S1G	Land prototype, West Milton, N. Y.
				S2G	Preliminary account for limited service.
SSN578 *Skate*	do	do	Dec. 3, 1957	S3W	Twin screw, conventional hull.
SSN579 *Swordfish*	do	Portsmouth	1958	S4W	Do.
SSN583 *Sargo*	do	Mare Island	1958	S3W	Do.
SSN584 *Seadragon*	do	Portsmouth	1959	S4W	Do.
SSGN587 *Halibut*	Guided missile	Mare Island	1959	S3W	Hull modification for Regulus.
SSRN586 *Triton*	Radar-picket	Electric Boat	1959	S3G	Land prototype, West Milton, N. Y.
				S4G	Twin screw and twin reactor.
SSN585 *Skip Jack*	Attack	do	1959	S5W	Single screw, *Albacore* hull.
SSM588 *Scamp*	do	Mare Island	1960	S5W	Do.
SSN589 *Scorpion*	do	Electric Boat	1960	S5W	Do.
SSN590 *Sculpin*	do	Ingalls	1960	S5W	Do.
SSN591 *Shark*	do	Newport News	1960	S5W	Do.
SSN592 *Snook*	do	Ingalls	1960	S5W	Do.
SSN593 *Thresher*	do	Portsmouth	1960	S5W	Do.
SSGN594 *Permit*	Guided missile	Mare Island	1961	S5W	Fiscal year 1958 program, Regulus.
SSGN595 *Pollack*	do	Portsmouth	1961	S5W	Do.
SSGN596 *Plunger*	do	Unassigned	1961	S5W	Do.
SSN597 *Tullibee*	Attack	Electric boat	1961	S1C	Land prototype, Windsor, Conn.
				S2C	Fiscal year 1958 program, small hull.
SSGN(P?)598	Polaris	do	1960 (?)	S5W(?)	Fiscal year 1958 supplemental.
SSGN(P?)599	do	do	1960(?)	S5W(?)	Do.
SSGN(P?)600	do	Mare Island	1960(?)	S5W(?)	Do.
CLG(N)9 *Long Beach*	Guided missile	Bethlehem (Fore River).	1960	C1W	2 reactors.
CVA(N)65 *Enterprise*	Supercarrier	Newport News	1961	A1W	Land prototype, Arco, Idaho.
				A2W	8 reactors.
DLG(N)	Frigate			D1W	AEC Knolls Laboratory assigned lightweight design.
				D2W	Not yet authorized.

[1] In naval reactor code 1st letter indicates ship type, numeral indicates precedence in design series, 2d letter indicates developer: W, Westinghouse; G, General Electric; C, Combustion Engineering. All are of pressurized, water-cooled, water-moderated types except S1G and S2G, cooled by liquid sodium and moderated by beryllium.

For example, raising turbine exhaust temperature or back pressure in a conventional plant is felt primarily in fuel economy. Such a reduction in thermal efficiency in a nuclear plant affects each of its complex components. The necessary increase in heat output requires size, capacity, and weight increases in the condensate, feedwater, and heat-generating systems and equipment. Size of the reactor, steam generator, coolant system and auxiliaries is increased. Proportionate increases in radiation shielding must follow. These in turn affect the size, design, and characteristics of the hull into which the plant is to be placed, or, as a practical matter, thrust back upon the plant designer the necessity of selecting every characteristic of design in relation, not only to each function and component of his plant, but in relation to hull space and weight limitations as well.

Development of the two original naval nuclear reactor plants, and to only a slightly lesser extent today's plants, involves creation not only of the total concept, but individually of each of its components. It demands tremendous and concurrent basic research into unexplored fields of the new science. Maximum assurance that all parts individually will work and that they will work as a unit when coupled together, and function with a high degree of safety, dictates what might otherwise be wasteful overdesign and overtesting.

Few, if any, off-the-shelf items exist which can be incorporated into nuclear plants. Canned pumps are but one entirely new concept brought into being to make nuclear power possible. Prolonged successful effort to develop as complex a component as this often has to be discarded when efforts fail to develop another which is interdependent. Fresh starts must be made on the problems of both.

Reactor design develops the need to know undiscovered properties of common substances under conditions of reactor chemistry and irradiation. Requirements are generated for rare metals and alloys concerning which the full spectrum of chemistry, physics, and metallurgy need be researched and industries found or formed to produce them in quantities required. For example, such diverse enterprises as the Carborundum Co., National Distillers Corp., Wah Chang Corp., and National Research Corp. had to be persuaded to engage in large-scale zirconium production.

Not only has the naval nuclear reactors program faced mountainous technical problems, but it has been burdened from the beginning with a continuing necessity to seek answers to a variety of nontechnical questions affecting its ultimate success.

Wholly new and workable administrative and funding relationships, to be discussed later in detail, had to be evolved and must be continuously perfected between the Navy and the AEC, amongst naval personnel in and outside the reactors program, and between the Government reactors group and industry.

As operations expand, new personnel must be brought in; techniques must be developed for their rapid specialized training; and new facilities established for the basic research, design, and engineering functions involved in the work. Progress from design to construction of plants involves large-scale training of industry personnel. The design and construction of new ships for the new plants brings in a whole new group for specialized instruction; manning those ships brings in another.

During the process a basic philosophy on security of information had to be evolved, continuously adapted to an ever-increasing body of knowledge, and the mechanics of implementing it amongst public and private groups engaged in the program kept efficiently in motion. The approach has been to distinguish between specific designs and dimensional characteristics which are classified, and technology as such which is unclassified. Communicating the latter has involved the writing of up-to-the-minute technical handbooks by scientific personnel engaged in the work concurrently as they do it. Six such handbooks have been published and another eight are currently in preparation.

Another essential task of those engaged in the program has been to translate difficult scientific concepts into information meaningful to the layman. It is fundamental to obtaining policy decisions from legislative and executive leaders of Government underlying financial support of the naval nuclear program. It is also vital to the public, which in a democracy ratifies those decisions at the polls.

The foregoing enumerations barely hint at the multiple technical and nontechnical problems involved in the naval nuclear reactors program from the beginning and which will continue to plague it for years ahead. Yet they are ample testimony to the outstanding devotion and qualities of the officers and civilians who carry it forward. Within 6 years from the start they produced the basic pressurized water nuclear propulsion plant which is now standard for all new nuclear naval vessels.

The plant arrangement shown approximates that developed for submarine propulsion, and it will vary only in details for the supercarrier with four dual reactor powerplants, and the cruiser *Long Beach* and submarine *Triton*, each with dual reactors.

The naval nuclear propulsion plant consists of a nuclear reactor core contained in a pressure vessel; a primary coolant system utilizing fast-flowing pressurized water to remove the heat generated by nuclear fission in the core and transfer it via a steam generator to the secondary, or steam system; a steam machinery plant for propulsion and auxiliary electric power generation; and radiation shielding.

The reactor consists of a pressure vessel housing a core of enriched uranium fuel encased in a protective metal, such as zirconium, which passes heat to the coolant; a moderator, in this case the coolant itself, to slow down neutron emissions to efficient fission speeds; and rods of a neutron absorbing metal such as hafnium, together with machinery to insert and withdraw them from the core, to control rate of fission and thus amount of heat produced.

The primary coolant system consists of one or more loops, each having one or more coolant pumps; a steam generator (boiler); a pressurizing vessel; and connecting piping with appropriate valves.

Since the coolant water becomes radioactive in passing through the reactor core, shielding is required around the portion of the plant containing the coolant in order to protect personnel from radiation. A separate reactor shield surrounds the pressure vessel. It affords sufficient protection against radiation from the reactor core to allow access to the reactor compartment when the reactor is shut down. All shielding designs incorporate enough protection to meet civilian radiation exposure tolerances established by the AEC.

The steam produced in the separate secondary circuit by the steam generator is nonradioactive, and the steam propulsion machinery need not be shielded. This machinery and the necessary auxiliaries for electric power are arranged in a conventional way in the engineroom. However, arrangements within the reactor compartment must of necessity be strongly influenced by considerations of accessibility in relation to radiation and the continuous necessity of removing heat even after the reactor has been shut down. The latter phenomenon, known as radioactive decay heat, results from the constant breakdown of radioactive materials even under normal conditions.

Penetrating to all parts of naval nuclear powerplant design are intensified requirements for ruggedness, reliability, and easy maintainability dictated by safety, the extreme endurance of nuclear plants, and higher average sustained ship speeds.

These various special nuclear plant considerations also complicate the work of designers of hulls into which they will fit. Gone are the days when minor weight allocation errors can be overcome by pumping fuel between tanks. Crew living and working spaces must be allocated with radiation hazard in mind. Stacks are eliminated, but vertical free spaces must be arranged for removal and renewal of reactor cores. Stowage space for consumable supplies and ammunition must be enlarged to take full advantage of the ship's longer range cruising capabilities. Many other specialized considerations are involved. A byproduct of tackling them has been experimentation with novel hull configurations that may substantially increase speed/power ratios of future ships.

Another byproduct of naval nuclear propulsion has been the evolution of a unique, hybrid military-civilian research and development organization that may well set administrative patterns for successful missile research and development and any similar future large-scale Government projects. Without it, there would probably be no nuclear powered naval ships in existence today.

Its antecedents are in the Atomic Energy Act of 1946 assigning responsibility for research and development in the theory and production of atomic energy, including processes, materials, and devices related to such production, to the newly created Atomic Energy Commission.

Soon after passage of the act, Navy communications to AEC began setting out potential nuclear propulsion requirements in connection with the submarine program as defined by a small, cross-sectional group within the Bureau of Ships. AEC's response, in part, was to turn back to the very BuShips' group that generated the requirements for manpower assistance in meeting them.

By 1949 the Commission's activities in this field were sufficient to justify inclusion of a Naval Reactors Branch in its Division of Reactor Development established that year. Also by that year it had become apparent in BuShips that the activities of the cross-sectional group were sufficiently unique and unconventional to warrant special treatment. A period of organizational experimentation began, culminating in formal establishment in 1955 of BuShips Code 1500 designated as the Nuclear Propulsion Division and headed by a new Assistant to the Chief of the Bureau for Nuclear Propulsion.

Code 1500, however, did not mean a separate Navy reactors program paralleling the AEC's program, because Code 1500 had by this time also developed into the Commission's Naval Reactors Branch, unofficially referred to as the headquarters organization by both Navy and AEC. Naval officers ordered to the program report to both AEC and Bureau of Ships. Navy and AEC civilian employees are utilized interchangeably. Rear Adm. H. G. Rickover, United States Navy, is both Assistant Chief of the Bureau of Ships for Nuclear Propulsion and Chief of the Naval Reactors Branch, Division of Reactor Development, United States Atomic Energy Commission. So complete is the Navy-AEC integration in this two-hat organization that neither AEC nor naval personnel need switch headgear during the course of their work.

Possibly the only persons who can distinguish the military from the civilian characteristics of headquarters organization are the Government accountants who must assess its cost of operations between the AEC and the Navy. Even here the line of demarcation is often blurred; but, in general, nuclear research and development costs, including construction of land prototype powerplants, are paid for by AEC, while the Navy pays for research and development on steam parts of the plants and construction of nuclear ships. During the current fiscal year 1958, research and development money amounts to around $86 million from the Commission and around $11 million from the Navy. The prototype aircraft-carrier propulsion plant has consumed the lion's share of these current funds.

Inherent in the headquarters organization setup is a flexibility and freedom in both administrative and funding action essential to rapid progress in complex scientific operations. This has speeded civilian as well as naval reactor development. No new group had to be organized from scratch to develop the $110-million civilian pressurized water reactor at Shippingport, Pa. Naval Reactors Branch, long experienced in that type of reactor, was assigned the job and went to work without delay. Additionally, the organization's dual nature avoids duplication of effort and facilities, such as purchasing offices, inspection groups, and so on. For example, purchase of nuclear cores on competitive bidding for which the Navy pays is done through AEC purchasing offices.

The organization is unique in a number of other respects and bears substantially the image demanded by its strong-minded chief and founder, Admiral Rickover.

In discussing the qualifications of some 90 officers and civilians assigned to headquarters, Rickover told the Joint Atomic Energy Committee:

"By qualification I do not mean, necessarily, their technical ability, but their desire to work long hours and to be dedicated to the job as well. We adopted the procedure of getting only young people. If we get in people with more experience, it takes too long to have them unlearn the bad things they know. We haven't got time for that. We don't try to get top-flight scientists. A lot are top-flight scientists by reputation only. We can't afford to have people around who have reputations who don't work hard. We would rather have people who work hard and don't have reputations."

New recruits for headquarters organization come from a number of engineering and scientific schools which recommend their best graduates. After a series of 5 interviews, about 1 in 4 is accepted. A similar procedure applies to naval officers. Some 40 engineering duty officer applicants are screened annually and 4 or 5 finally accepted. Several Naval Reservists selected have stayed on in headquarters as civilian employees on completion of their duty tours.

Once selected for headquarters duty, officers as well as civilians are given at least 6 months' special training at schools and on projects, followed by assignments on the basis of ability, not rank, and irrespective of military or civilian status. "The best qualified man gets the job," Rickover states, "and in my opinion it is the only way you can run any kind of technical organization."

The organization also operates on a principle of retaining major control rather than assigning substantial areas of responsibility to contractors. This in effect draws contractors into an integration with headquarters which expands the naval nuclear propulsion program from the "two hat" Navy-AEC concept to a "three hat" Navy-AEC-contractor concept. Headquarters control extends even as far as employment decisions on contractor personnel. "Anyone responsible for a reactor program," Rickover explains, "must take on the problem of seeing that his contractors hire the right sort of people and train them. Unless he does, he is in for trouble."

The centralized method of headquarters operation eliminates considerable redtape and memorandum writing. It permits quick decisions. But it violates generally accepted sound management criteria by overburdening key personnel with a large volume of both technical and nontechnical minor decisions. Justification for it is claimed not only from the inherently complex design interrelations within the powerplant itself, but in another circumstance explained to the Joint Atomic Energy Committee by Commander R. V. Laney, United States Navy:

"Each naval reactor project has a specific end in view. It is intended to be installed in a definite ship at some definite time. Because the building time for a ship and that for a reactor and the reactor plant components are different, the ship is partly built when the reactor and reactor equipment are still being designed. Its characteristics, its length, beam, its speed—all are determined, frozen. The task is very sharply defined, and there is a very high premium on success. The reactor designer must conceive, develop, design, and produce a reactor, which, when delivered to the ship, will fit into the reactor vessel which it has never seen before. That reactor vessel is resting in a ship which is a stranger, and the reactor, the vessel, the pumps, the heat exchangers, and the intricate control equipment must, the first time they operate in unison, operate correctly, so the ship will have the necessary amount of power to produce the speed for which she was designed."

Projects such as Laney describes, together with necessary basic research, are presently carried on under close headquarters organization control at 3 development centers, 2 (Bettis Plant and Knolls Laboratory) operated for AEC by contractors and 1 privately managed.

The Commission maintains Bettis Plant at Pittsburgh, operated by Westinghouse Electric, employing some 1,300 scientists and engineers, and Knolls Atomic Power Laboratory at Schenectady, operated by General Electric and employing another 500. Combustion Engineering, Inc., operates its own center near Windsor, Conn., employing approximately 200.

The centers, together with headquarters personnel, and close to 1,000 scientists and engineers on contractor payrolls, total nearly 3,000 highly skilled technicians at work on naval nuclear propulsion. Another 250 to 300 BuShips personnel engage in closely interrelated work.

Today bringing a new reactor concept into being takes about half the 6 years needed to

produce the original *Nautilus* and *Seawolf* plants. A year is consumed by preliminary analysis and design studies to fix the essential nature of the project; another year is needed for detailed design and analysis, including mock-up critical experiment in the physics, chemistry, and metallurgy of the reactor. During the third year engineering construction and installation of the core, components, and machinery completes the work.

Throughout such a project weekly lists of critical items delayed, in trouble, or needing help is submitted by the development center to headquarters for priority attention. Detailed monthly reports on each phase of the project assist overall coordination. All major design and technical decisions in a program are made by agreement among the principals, that is, AEC, the Navy, and the development center. If there is strong dissent from any party, it is talked through until essential agreement is reached. Lesser technical decisions which derive from major ones, extending even to the contractor level, are made in somewhat the same way by being referred back to headquarters, the principal technical source of direction.

This pattern of vertical relationships between the development centers, contractors, and headquarters in its capacity as the AEC's Naval Nuclear Reactors Branch, does not, however, pertain to its intra-Navy relationships as Code 1500. These are substantially horizontal, particularly with the Preliminary Design Branch and with the Hull and Machinery Design Branches of the Bureau of Ships, where discussions are informal and close.

In general, Code 1500 is responsible for research, development, engineering, and installation of an entire nuclear plant of a new type. Reactors for subsequent plants remain a Code 1500 responsibility, but repeat machinery now comes under cognizance of BuShips Machinery Branch, the same as machinery for conventional ships. This shift back to conventional from task group administrative procedures as the program progresses from its research and development to production is a wise one.

Just as the development of naval nuclear propulsion created demand for special ships to utilize it, so has it created demand for specially selected and trained men to man them. The intricacies involved inevitably drew BuShips into this field as a technical adviser to the Bureau of Naval Personnel. Large numbers of submariners have received the training and already some 200 men and 12 officers are being trained in anticipation of commissioning nuclear-powered surface ships.

Nuclear ship enlisted personnel are selected by forces afloat, but in accordance with strict standards of intelligence, ability, and conduct. So outstanding is this group that about 6 percent are further selected each year as officer candidates—20 times the overall Navy rate. Officers submit to a series of comprehensive interviews by Admiral Rickover and others before final acceptance for training.

Following selection both officers and men undergo 6 months' intensive schooling in physics, mathematics, and various nuclear subjects, followed by another 6 months' further study and practical operation of prototype plants at the National Nuclear Reactor Test Station, Arco, Idaho.

Officers are more intensely trained than enlisted men. All officers must, and a number of enlisted ratings do, qualify as nuclear plant chief operators before completing the course. Qualification establishes proficiency in all phases of reactor operation, particularly in everything pertaining to safety. It requires at least 1,000 hours practical work on a prototype plant and is said to be several times as difficult as qualifying for submarine command.

In addition to regular training, prospective commanding officers are assigned several months' duty at headquarters organization and in the development centers. Each is placed in contact with the designers and developers of the powerplant destined for his command and acquires the same intimate knowledge of its capabilities as the men who created it.

The policy of building a land prototype of each naval nuclear plant type pays dividends, not only during development, but during the careful and meticulous training program as well. Crews go aboard ship fully experienced in operating a plant identical to the one which they must safely control to protect the lives of themselves and their shipmates. These factors, as well as care in design, are responsible for the excellent safety records of presently operating nuclear submarines.

The advent of naval nuclear propulsion has, indeed, brought about as major a change in naval men, material, and methods as it has in concepts of naval tactics. It has placed on naval policy planners the difficult burden of allocating available naval funds to costly commitments for seapower in being to meet the crises of today and at the same time carrying forward the bold nuclear research, construction, and training programs needed to meet the crises of tomorrow.

But if Congress appropriates hoped for funds, by 1966 the Nation will have in being 5 or 6 superflattops, half a dozen guided missile cruisers, the beginning of a destroyer fleet, and some 45 submarines, all nuclear powered.

The substantial shift over from steam to naval nuclear power will have been made during a brief 18 years, compared to more than 50 years needed for the shift from sail to steam.

Carl R. Terzian, of Los Angeles, Appointed United States Good Will Ambassador by State Department

EXTENSION OF REMARKS

OF

HON. GORDON L. McDONOUGH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1958

Mr. McDONOUGH. Mr. Speaker, Mr. Carl R. Terzian, of 3460 South Sycamore Avenue, Los Angeles, Calif., an outstanding young man who resides in my district, has been selected by the International Educational Exchange Service of the Department of State to go on a 4-month good-will mission to Australia and Southeast Asia to work with university students as they participate in local, national, and international political affairs.

Mr. Terzian, who is just 22 years of age, is the only student selected to make this trip, and the Department of State made their selection believing that Mr. Terzian's helpful efforts will encourage the young people of the areas he visits to play a greater role in strengthening the Free World. Mr. Terzian will leave to make his trip from Los Angeles on June 18.

I am personally acquainted with Carl Terzian, and I congratulate the Department of State for this excellent appointment of such a capable young man to represent the United States of America on this mission.

Mr. Terzian is a former student body president at the University of Southern California where he graduated last June with magna cum laude honors in political science. As an undergraduate, he was elected a senator at large and was twice listed in Who's Who Among Students in American Universities. He was called 1 of the 10 most outstanding student leaders in the Nation last year, and the most outstanding member of Theta Chi fraternity's 123 national chapters. He is a member of more than two dozen honorary and national organizations, including Phi Beta Kappa, Phi Kappa Phi, Phi Eta Sigma, Pi Sigma Alpha, Phi Alpha Theta, and Blue Key. Currently Mr. Terzian is completing work on a graduate degree in political science.

Mr. Terzian has also been active in community, church, and charity activities in Los Angeles.

Polish Constitution Day

EXTENSION OF REMARKS

OF

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1958

Mr. GRIFFIN. Mr. Speaker, the Ninth Congressional District of Michigan, which I have the honor to represent, includes thousands of fine Americans of Polish descent. I am very pleased to join with them and with my colleagues in Congress in observance of the 167th anniversary on May 3 of Polish Constitution Day.

The Polish Constitution of 1791 was designed to reduce the autocratic powers of the monarch without impairing the necessary authority of the central government. Under that document, the Polish Government was transformed to a limited, constitutional monarchy. The constitution eliminated certain class distinctions and class privileges and added guaranties of religious freedom for the Polish people.

Down through the years, the Polish Constitution has remained a cherished declaration of belief in justice and free expression.

Despite almost constant encroachment and domination by hostile powers, Poland has a long and glorious history. It outlasted the rule of czarist, Hapsburg and Hohenzollern empires, and it will also outlast enslavement by Soviet international communism.

Although Poland still is a prisoner of the Soviet system, the Polish people have proved during the Poznan uprising in June 1956, and in the bloodless revolt of October 1956, that they are not willing prisoners of Soviet communism. The spirit of freedom and liberty continues to burn brightly in the hearts of the Polish people.

More than 7 million Americans of Polish descent throughout our country are joining with Polish people all over

the world in the observance of Poland's Constitution Day. The people of Poland have a right to be proud of their tremendous achievements against great odds, and of their recent progress along the difficult path to liberty.

It is our sincere hope and prayer that the brave Polish past will be a source of constant encouragement which will lead to a brighter Polish future.

Two Polish heroes, Pulaski and Kosciusko, helped America to win our own cherished freedom, and our Constitution later became a model for the Polish constitution. Throughout all the years of our freedom, Polish brain and brawn have contributed mightily to our literature, science and art, as well as to our farms and factories.

In 1939, after just a few years of independence, Poland made the world's first stand for liberty against the onslaughts of naziism. Shortly after Poland was overrun by war machines of Germany and Russia, Winston Churchill said, "The heroic defense of Warsaw shows that the soul of Poland is indestructible and she will rise again like a rock."

For the long-suffering people of Poland, Constitution Day is a day of hope. For us in America, it is an appropriate occasion to pay tribute to the freedom-loving people of Poland who continue their brave and determined effort to lift the heavy yoke of Communist oppression and to restore their proud mantle of freedom.

Politics and Foreign Policy—Address by Senator Mansfield

EXTENSION OF REMARKS

OF

HON. WILLIAM E. PROXMIRE

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, May 5, 1958

Mr. PROXMIRE. Mr. President, the relationship between politics and foreign policy is always troublesome to patriots. No American who loves his country wants to play politics with its safety. But there are differences between the parties on foreign policy which ought to be recognized, and the American people have a right to choose among the alternatives which are open to them in the field of foreign relations.

One of the most statesmanlike and judicious statements I have seen on this subject is the address made by the distinguished junior Senator from Montana [Mr. MANSFIELD] before the 1958 Campaign Conference for Democratic Women. The Senator draws a clear distinction between endangering the welfare of the country by attacking the opposition for partisan advantage, and debating the issues and offering viable alternatives. One is the course of partisan recklessness and the other the course of partisan responsibility.

The address to the Democratic women is the kind of wise and lucid analysis of the problems of foreign policy we have come to expect from the Senator from Montana. I congratulate him on it.

Mr. President, I ask unanimous consent that the address, entitled "Politics and Foreign Policy," delivered by the Senator from Montana before the 1958 Campaign Conference for Democratic Women, be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

POLITICS AND FOREIGN POLICY

As I look around the room I see the faces of very good Americans. I also see the faces of very good Democrats. They are the same faces. As a matter of fact, I cannot detect a single American in the room who is not a very good Democrat or a single Democrat who is not a very good American. The company could not be nicer.

As Democrats we want a victory at the polls in November and we are going to win a victory. As Americans we want to secure America in a peaceful world and we are going to get that kind of America and that kind of world.

We have not won the victory at the polls, yet. We have not got a secure America or a peaceful world, yet. To achieve both requires the ablest thought and the most dedicated work of which we are capable. To achieve both requires competent, concerned, and consistent leadership. I am confident Democrats are capable of that kind of thought and that kind of work and that kind of leadership.

I want you to have this thought on foreign policy in mind before we plunge into the 1958 political campaign. As Democrats, I know that you will work and work hard to defeat Republicans and to elect Democrats. As Americans, however, I call upon you to cooperate, to cooperate responsibly with all Americans regardless of party in the search for the peace that will give us a secure nation in a secure world.

In an election year, cooperation with the opposition on any issue is not easy. It will be difficult for Democrats and with good reason. We have seen in the past an irresponsible opposition grow so reckless as to ignore the needs of the Nation on foreign policy. We have seen members of that opposition seize on international difficulties as the occasion to cast vile slurs upon the integrity and the patriotism of our great party and the tens of millions of Americans who have supported the party through the years.

The temptation is there to reply in kind. It is an understandable temptation but I urge you not to yield to it. I urge you not to follow the ugly precedent set a few years back by the opposition in its desperate search for political victory. We want, as I said, a victory in November. But I say to you in equal earnestness that if we can win only by deliberate distortion of the truth, by willful destruction of the personal reputations of our opponents, by ruthless sacrifice of the Nation's position in the world, then we do not deserve a victory.

We are going to win but we are going to win on the issues. Foreign policy is one of those issues. To cooperate responsibly with the opposition on foreign policy, as I have urged, is not to bury this question. It means, simply that we do not distort the question for party advantage. It means that we act with restraint, bearing in mind at all times that what we say and do here is heard round the world. It means that we do not slander the character, we do not, by innuendo or otherwise, cast doubt on the personal integrity or the patriotism of any member of the opposition simply because we may disagree with him, simply in order to win votes.

In short, we stick to the issues in foreign policy. Believe me, there are issues in this matter. The American people are entitled to a full discussion of them in the months ahead. Let me, in the remainder of these brief remarks, try to summarize some of these issues as I see them.

This administration is trying to sell the American people on the idea that there is peace in Korea, in Formosa, and Vietnam in the Far East. It is not very modest, either, about claiming credit for this peace. I tell you that there is no peace in those areas, and the administration knows there is no peace. What there is, is a tenuous truce. It was won not by any magic of this administration but by the bloody sacrifices of thousands of Americans and others and by the expenditure of billions upon billions of dollars.

We made the effort in the Far East—in Korea particularly—because Americans, Democrats and Republicans alike, believed it was necessary to make it for our own security and freedom. The Republicans will try to tell the American people that Korea was a Democratic war but look back through the records of 1950. You will find that the intervention in Korea was just about the only act of the Truman administration that Republicans fully and wholeheartedly endorsed. As a matter of fact, they were so enthusiastic about it many of them even wanted to carry the war into China. That is where Americans would be fighting now if the Democrats had not restrained this Republican enthusiasm.

The job of peace in the Far East is not yet finished. This administration has had 5 years to do it but it has merely sat with its eyes closed on the brink, propped up by American military commands on 24-hour alert within sight of the coast of China and by aid to others of a billion or more a year. This is called peace and the American people are asked to thank the Republican administration for it.

That is one issue of foreign policy. There are others. There is the whole question of foreign aid and its maladministration. One of the things we need to find out and find out soon is whether the aid program is supposed to serve the ends of foreign policy or to provide a dumping ground for voluntarily or involuntarily retired Republican politicians and surplus colonels.

The world has changed drastically since the days of the Marshall plan. But except for the pressures that have been exerted by Congress to reduce expenditures and to improve methods, this administration goes on in foreign aid as though everything has remained the same. It has passed out arms from Cuba to Japan, throughout the world, with inadequate thought to the ultimate effects of these weapons. It has gone on giving away aid when it is clear that other countries and our own people would both be better off if we would put an equivalent effort into helping these countries become self-supporting.

That, too, is an issue of foreign policy on which Republicans and Democrats differ. There are others. We have not yet got stability in the Middle East despite the so-called Eisenhower doctrine. This administration has tilted with windmills in that region. It has toyed with autocratic and dictatorial movements and nations, while it overlooks with almost snobbish disdain countries like Lebanon and Israel which are struggling to keep the concept of freedom alive in an area that reeks of terrorism, militarism, and conspiracy.

That, too, is an issue on which Republicans and Democrats differ and there are others. We Democrats do not believe that public relations are a substitute for intelligent policy, that generalities on peace are the actualities of peace. We do not believe that this country is remotely secure so long as the weapons of mass destruction continue to pile up throughout the world.

We Democrats do hold that peace can be achieved and that it is going to be achieved by a leadership which, first of all, believes peace is possible and, second, is willing to work day and night, 7 days a week, to get sound and equitable agreements for its preservation.

Let me say, finally, Democrats in Congress will cooperate responsibly with leadership of that kind, regardless of its party label. By the same token, I know that all Democrats are going to work to see that this Nation gets that kind of leadership.

El Portal Acquisition for Yosemite

EXTENSION OF REMARKS
OF
HON. CLAIR ENGLE
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 5, 1958

Mr. ENGLE. Mr. Speaker, one of the most populous places in my State, and certainly the most populous in my district, is not in a city as you might expect, but in the upper end of Yosemite Valley, in the heart of Yosemite National Park. As many of you know, it is a beautiful valley of green meadow and forests surrounded by mile-high cliffs and waterfalls unequaled anywhere else on earth. It is a jewel in the crown of our scenic resources. I think it is the most valuable piece of real estate anywhere. The price does not matter because it is not for sale. It was set aside for all the people for all time back in 1864, by President Abraham Lincoln.

Although we are happy that Yosemite Valley is within the exterior boundaries of the State of California, I am not saying what I have said merely to praise my State, for Yosemite Valley belongs to the world. A million people come each year to visit this place. Future years are going to bring still more. If these future visitors are going to get anything like the experience we have the opportunity to enjoy in that valley today, we must be very careful about how we use the vital 7 square miles of the floor of that valley. Nothing much is likely to happen to the cliffs and waterfalls, but these cannot mean much if we let harm befall the place where people will want to drive, walk, rest, and look in the course of their Yosemite days and nights.

The National Park Service is greatly concerned about retaining the park experience in Yosemite Valley, and in not letting the lure of the valley, and the throngs that lure brings there, destroy the very thing the people came to see. The Park Service, and conservation groups outside the Government, have been studying long and carefully the means of rescuing for the Yosemite visitor the meaning of Yosemite Valley to that visitor, and of relocating certain facilities and activities that will get in the way of the people who come there to see the valley, and to experience something they can find nowhere else on earth.

Theirs is an enormous task, beset by many difficulties, and I believe they have found the answer. The solution is to make sure that a very minimum of their most valuable real estate is preempted by the machinery of running the park. Warehouses, garages, shops, heavy trucking, and housing for the employees who operate them—and who year in and year out are but a few minutes from a chance to see Yosemite Valley almost anytime they want to—should make way for the park visitors who are coming in increasing numbers.

If this machinery is to be relocated, it needs a place to go. Not an isolated place, but space accessible to the main artery of transportation that must serve these facilities. The National Park Service now has the opportunity to acquire and develop just such space at El Portal, 14 miles down the all-year highway from the present location. With this property acquired, an orderly movement of this machinery can be begun, and a major conflict for space will be resolved.

I believe, the key to the solution is the acquisition of this property at El Portal, to be used and administered by the National Park Service in accordance with the program I have outlined to assure the protection and enjoyment of our world-famous Yosemite Valley.

Accordingly, I have introduced herewith H. R. 12281 and hope that it will move forward as promptly as possible, before this long-sought and widely supported opportunity is lost.

The Milwaukee Journal and the Nation Salute the Fulbright Exchange of Scholar Program

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Monday, May 5, 1958

Mr. WILEY. Mr. President, one of the very finest United States foreign policy programs, which I have been pleased to support from its very inception, has been the international educational exchange program, as originally authorized by Public Law 584, of the 79th Congress.

This outstanding program, which helps us and helps our friends so effectively, rightly bears the name of the man who conceived and brought it into being, and encouraged it step by step, our distinguished colleague from Arkansas [Mr. FULBRIGHT].

Many splendid tributes have been paid to the program, both on the floor of the Congress, in the newspapers and magazines of this Nation, and in other mediums.

I was pleased to note, however, in the Tuesday, April 29, issue of the Milwaukee Journal, one such editorial salute which deserves particular reference because it sums up so well the program's tremendous achievements.

The editorial was entitled "Thirty-three Thousand Fulbright Scholars," and I shall reprint it shortly.

Previously, I have pointed out on the floor of the Senate just what this program means in the exchange of scholars in so many fields—in the humanities, in the social sciences, in the physical and natural sciences, and in other miscellaneous fields of endeavor. I am glad to say that each week brings news of additional scholars from my own State going abroad, or additional scholars coming from abroad to my own State; particularly to the University of Wisconsin.

BASIC ACCOMPLISHMENTS

In House Document No. 164, published last April, the State Department, in its report on the 1956 operations of the program, summed up the program's achievements in five basic categories:

First. The constructive personal influence of grantees.

Second. The fostering of interests in the United States abroad—interest in our history, our literature, our culture.

Third. The practical exchange of knowledge and skills.

Fourth. The fostering of English language training and the general breaking of language barriers.

Fifth. The raising of educational standards.

At the present time, I will not attempt to develop any 1 of these 5 themes, each of which could be written upon at great length.

EXCHANGE OF HEALING SPECIALISTS

But I would like to point out a few illustrations of what the program has meant in just one aspect of the exchange of knowledge and skills. In this instance, I refer to the exchange of knowledge and skills in the healing arts.

I do so because, on this very day, I am commenting on another phase of science for peace.

I do so, too, because the President of the United States, Dwight D. Eisenhower, in his sixth state of the Union message so wisely referred to the tremendous opportunities available to this Nation through means of a joint attack by the scientists of the world against the scourges which afflict mankind.

1956 TO 1957 STATE DEPARTMENT SUMMARIES

And so, after the Milwaukee Journal editorial, I ask unanimous consent that several additional items be printed, which illuminate this Fulbright category of exchange of knowledge and skills.

The first consists of excerpts from the 1957 Fulbright program summary, as printed in House Document No. 164.

Included in these few paragraph excerpts are a few figures from an overall table of statistics for 1957, showing how healing experts have been exchanged.

The second consists of excerpts from a previous State Department report, that for 1956, entitled, "Swords Into Plowshares." This excerpt shows how Fulbright experts in rehabilitation of the handicapped have nobly aided the cause of therapy abroad.

But this is only the beginning. More needs to be done.

More will be done.

I say this in this particular week, when the handicapped committee of the People-To-People program is meeting here in Washington on this very Wednesday, to be followed on Thursday by a meeting of the President's Commit-

tee on Employment of the Physically Handicapped.

GREAT INTANGIBLE VALUES

I point out that this exchange of healing and research experts is but one small phase of the overall Fulbright program. It is one of the tangible phases of an operation which has brought incalculable benefit, both tangibly and intangibly.

I ask unanimous consent that all of these items be printed in the RECORD.

There being no objection, the items referred to were ordered to be printed in the RECORD, as follows:

THIRTY-THREE THOUSAND FULBRIGHT SCHOLARS

When the first Fulbright scholarships were awarded just 10 years ago, they went to 65 Americans and 36 foreigners. It was a modest beginning for a program that since has led to the largest international educational exchange in history.

The program was founded August 1, 1946, when the 79th Congress passed Public Law 584, originated by Senator J. WILLIAM FULBRIGHT, Democrat of Arkansas, for the promotion of international understanding. Two years of patient spadework followed before the program started to roll.

By the fall of 1947, the first two educational exchange agreements had been signed. The Fulbright Act, as it came to be known, authorized the sale of American military surplus goods to foreign governments for their own currencies, with the understanding that part of the funds would be set aside to finance educational exchanges. The program later was augmented by Congress with further financial support.

As of this year, approximately 33,000 people have received Fulbright grants, including some 4,000 in 1958. They include Americans for whom the program has financed graduate study, advanced research, university lecturing or teaching abroad, and foreign citizens for whom it has provided travel funds so that they could come to the United States to study, teach and train.

Fulbright scholarships this year are being exchanged between the United States and 31 other countries. Since the program's inception, 39 different countries have participated. Senator FULBRIGHT said recently that he hoped there eventually would be Fulbright scholars in the Soviet Union and that Russian scholars would come here under the program.

Extending the program to Russia would be in keeping with the stated purpose of the act: "To promote a better understanding of the United States in other countries and to increase mutual understanding between the people of the United States and the people of other countries."

In just one decade the Fulbright Act has done much to widen the range of international contacts between scholars and teachers. In its second decade it could become a potent force for understanding between the United States and Russia.

EXCERPTS ON EXCHANGE OF MEDICAL RESEARCHERS AND TECHNICIANS

EXCERPT FROM REPORT ON THE OPERATIONS OF THE DEPARTMENT OF STATE UNDER PUBLIC LAW 584 (85TH CONG., 1ST SESS., H. DOC. NO. 164, P. 3)

* * * * *

C. Exchange of knowledge and skills

The nature of the activities authorized by the Fulbright Act and the requirements that these pursuits be carried out at or in connection with a school or institution of higher learning has meant that the program is conducted in an atmosphere of scholarship and academic advancement. As far as gains in international understanding are concerned, it has been found that associations between Americans and their foreign colleagues in the same field of interest become lasting ones. Furthermore, cooperation between them is advancing the frontiers of knowledge to the mutual benefit of all. A few examples will show the broad range of their study and research projects:

* * * * *

A physician from California conducted research in Italy on an improved vaccine for smallpox. Subsequently, he was asked by the Ministry of the Interior to visit Italian pharmaceutical firms to help them get started in producing the refined vaccine. He was asked to address the second European biological standards meeting in Rome last June to make the final recommendations on the safety, purity, and potency of smallpox vaccine, which would form the basis for all European manufacturers for release of smallpox vaccine and its testing by state agencies.

* * * * *

A neurologist from Kansas collaborated with the Belgian director of the Neurological Service and Laboratory of Neuropathology of Bung Institute in Antwerp, in research on sclerosis. Their findings have since been reported in medical journals in Belgium, France, and the United States.

An American doctor from Massachusetts General Hospital was requested by the Vellore Christian Medical College in India to strengthen its anesthesia department and help train Indian doctors in this field. He also gave generously of his time to the clinical work of the hospital and made a lecture tour to Indian medical centers.

Excerpt from 1956 report on the operations of the Department of State

FIELDS OF STUDY AND TEACHINGS

Fields	American grantees	Foreign grantees	Total
Medical sciences:			
Dentistry		12	12
General	4	101	105
Gynecology and obstetrics		12	12
Nursing	2	10	12
Occupational therapy	2	1	3
Pediatrics	1	5	6
Pharmacy		5	5
Psychiatry		8	8
Public health		2	2
Surgery, general		14	14
Other specialties	17	52	69

EXCERPT FROM SWORDS INTO PLOWSHARES (ISSUED JULY 1956, P. 34)

A new venture in international understanding—The story of the educational exchange program authorized by the Fulbright Act of 1946

* * * * *

2. Social Rehabilitation

Both American and foreign grantees have helped to introduce American techniques for the rehabilitation of the handicapped. One young woman returned to organize Belgium's first center for reeducation of cerebral palsied children. Aided by an eminent Belgian neurologist, who also visited the United States, she is pioneering in a field in which Belgium was far behind.

Similar work has been carried out in Norway by American specialists. The Norwegian Association for Aiding Cerebral Palsied Children noted, "There was no possibility of obtaining specialists in Norway for this particular field. We shall always be grateful to the Fulbright Foundation for its help in finding just those people who had the right instinct, imagination, and initiative to break new ground in this discipline in Norway." Occupational therapy, introduced into Italy by an American grantee, has resulted in the establishment of training centers in four Italian cities. The demand for trained therapists by Italian hospitals has since shown a marked increase.

The Errors of Hawaiian-Alaskan Statehood

EXTENSION OF REMARKS

OF

HON. JOHN R. PILLION

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1958

Mr. PILLION. Mr. Speaker, the bill proposing statehood for Alaska is presently scheduled to be acted upon in the House on May 14.

On February 14, 1955, I made a statement on the subject of statehood for Alaska and Hawaii before the House Committee on Interior and Insular Affairs.

This statement contains a summary of most of the arguments on this complex problem. It is inserted for the purpose of reference and to give the Members of Congress an opportunity to more fully and leisurely examine into the facts and validity of the statehood bills.

THE ERRORS OF HAWAIIAN-ALASKAN STATEHOOD

The controversial problem of statehood for the Territories of Hawaii and Alaska continues to challenge the wisdom of this Congress. My remarks shall pertain to the bill, H. R. 2535, which proposes to grant statehood to both Territories and is now under consideration by this committee.

THE IMPORTANCE AND THE FINALITY OF STATEHOOD

This momentous issue of statehood compels us to give our most serious attention to its consequences. We are confronted with a measure that has vast implications relating to the internal affairs of this Union. We must also concern ourselves with the finality of whatever decision we may make.

No other problem will, as vitally, affect and shape our future as statehood. The seriousness of this subject is transcended only by our struggle to survive the Communist holocaust.

The various domestic and foreign problems of this Congress which relate to finance, defense, health, and foreign aid, are of extreme importance. Yet, if we find ourselves in error, our mistakes can readily be rectified by Congressional action or by the flexibility of executive power. With one exception, even our Constitution and its amendments may be amended to conform with changing conditions or attitudes. The most recent example of this change is the repeal of the 18th amendment.

The one exception to the right to change our Constitution applies to the present proposal. Article V of our Constitution provides that no amendment may be made to this clause: "and that no State, without its consent, shall be deprived of its equal suffrage in the Senate."

The principle that no State can secede from this Union is established. The corollary principle that this Nation cannot divorce any State from this Union or restore it to the status of a Territory is equally accepted. Thus, the grant of statehood becomes an irrevocable act.

The finality of our decision as to statehood gives us cause to approach this matter, not with a lighthearted generosity, but rather with a somber realization and precaution that any mistake will burden us for the life of this Republic.

THE EMOTIONAL, IRRELEVANT, AND MINOR ISSUES

There have been so many issues injected into this debate that it has become difficult to see the forest for the trees. Almost every conceivable argument has been presented pro and con to a degree that has confused and confounded rather than enlightened those who may be interested.

This appears a suitable time to attempt to clarify and place the arguments into their true political perspective. The leading arguments in favor of statehood which are grouped together here as being either emotional, irrelevant, or of minor consequence are (a) Americanism and military service, (b) the psychological impact of statehood upon the Asiatic peoples, (c) the references to precedent in favor of statehood, (d) partisan political considerations.

THE EMOTIONAL APPEAL OF AMERICANISM AND MILITARY SERVICE

Every informed person will acknowledge the courage and sacrifices of the Hawaiian veterans in both World War II and the Korean conflict. This Nation is eternally indebted to them and in an equal degree to all other American veterans who fought so gloriously in those wars.

The proponents of statehood have cited individual cases of heroism on the part of Hawaiian soldiers. They have made comparisons of the Hawaiian casualties and the numbers in military service as against the casualties and the number of servicemen from the United States as a whole.

The Alaska Statehood Committee has published this claim:

> In two World Wars and in Korea they have fought in number exceeding the national per capita average, and by so doing have written a war record second to none in the Nation.

The Library of Congress has furnished the following table of inductees for World War II:

State	Population, 1945	Draftees in World War II
New Hampshire	459,000	32,430
Montana	477,000	35,453
Idaho	507,000	38,612
Hawaii	460,000	28,008
Alaska	79,000	3,482

Hawaii had 8,769 additional enlistees. No figures are available for other States.

These figures do not substantiate claims of superiority in the number of citizens from Hawaii and Alaska who served in World War II.

The statements regarding casualties and bravery cannot support the inference that these soldiers were more loyal and more brave than the veterans from the other areas of this country. I defend all segments of this country from the innuendo that any group or area of our people have a monopoly upon patriotism or bravery. There is no scientific thermometer that can measure the warmth of devotion for this great country.

The sacrifices on the battlefield do not constitute legitimate political, economic or social premises for the admission of these Territories to statehood. These highly emotional appeals could have been, most properly, left out of this debate.

THE IRRELEVANCE OF FOREIGN PSYCHOLOGICAL IMPLICATIONS

The proponents of statehood claim that statehood would create good will for the United States in the Pacific area and would avoid for us the stigma of colonialism.

The question of statehood is solely and wholly a domestic problem of our internal affairs. It is a strange theory that would permit foreign opinion to influence or decide the conduct of our domestic affairs. The Communist line of charging us with colonialism cannot be increased in volume nor will it be softened by any act of compliance.

We should not fear to disappoint those enemies. Our foreign friends need no explanations.

The psychological impact of statehood upon foreign peoples is irrelevant and deserves no consideration here.

The height of irrelevancy was attained by a former Governor of one of the Territories. He advanced as an argument in favor of statehood the delectation of visitors, the sweetness of Hawaiian music, and the rhythm of its dance. Certainly, the muscular gyrations of the hula dance is far afield from the crux of the statehood problem. This sentimentality borders upon the frivolous.

THE PRECEDENTS FOR STATEHOOD

The proponents for statehood rely extensively upon the use of precedent to lend validity to their claims.

The Northwest Ordinance was adopted under the Articles of Confederation in 1787. This act, providing for the admission of that territory to statehood, is cited as precedent and as the source of the inherent right to every Territory to become a State. This precedent is invalid for the following reasons:

First. The Articles of Confederation has been superseded completely by the constitutional provisions relating to the admission of new States.

Second. The Northwest Ordinance was limited in its application to the Northwest Territory.

Third. The framework of the Confederacy, the division of powers, and the scheme of representation was totally different from our present constitutional government.

References by the Supreme Court to incorporated Territories as inchoate and embryo States are mere dicta and an attempted intrusion into the field of Congressional legislative authority and responsibility.

The admission of other States is referred to as precedent for the admission of Hawaii and Alaska upon the basis of equal representation in the United States Senate. The last State to be admitted was Arizona on February 14, 1912.

Following the admission of this 48th State, the 17th amendment was adopted by final ratification on April 8, 1913. The mode of selection of Senators was altered from that of choice by the State legislatures to that of election by popular suffrage. This change of election of Senators has resulted in representation by the Senators of the people of the States as individuals in substitution for representation by the Senators of their respective States collectively and in their corporate capacities.

The 17th amendment created a new concept of senatorial representation. No State has been admitted under these fundamentally altered conditions.

Thus, the admission of other States furnishes no valid precedent for the admission, today, of Territories upon the same basis of representation in the United States Senate.

PARTISAN POLITICAL IMPLICATIONS

The Democratic Party platform contains a plank favoring immediate statehood for both Hawaii and Alaska. The Republican Party platform favors immediate statehood for Hawaii and statehood for Alaska under an equitable enabling act. However, no responsible Republican Party spokesman has, as yet, given us an adequate detail explanation of the meaning of the term "equitable enabling act."

In the 1952 elections, the Republican Party retained control of the Hawaiian Territorial Legislature by the election of 8 Republican Senators to 7 Democrats. In the House there were 19 Republicans elected to 11 Democrats.

In the same year, Alaskan Republicans won the Alaskan Senate by seating 11 Republicans and 5 Democrats. In the House, there were 20 Republicans elected to 4 Democrats.

Based upon these returns, it was predicted that in the event of statehood, Hawaii would elect 2 Republican Senators and that Alaska would possibly elect 1 or 2 Republican Senators.

Two years ago the Republican administration attempted to pass the bill giving statehood to Hawaii and kill the Alaskan statehood bill. This writer opposed the immediate admission of these States either severally or jointly. The Republican Party subjected itself to the charge of attempting to gain partisan political advantage in its attempt to support the Hawaiian statehood bill alone.

In 1954, the political picture reversed itself. The Hawaiian Legislature was won by the Democratic Party for the first time in the history of that Territory. The Democratic Party swept both houses overwhelmingly. The Democrats won a 9-to-6 majority in the Senate and a 22-to-8 majority in the House.

A similar sweep was gained by the Democrats in the Alaskan Territorial Legislature. There, the Democrats gained control of the Senate by winning 12 seats to 4, and in the House 21 seats to 3.

Another political factor is the successive drop in the plurality of the Re-

publican Delegate from Hawaii. The Republican pluralities for that office are as follows:

Year:	*Republican plurality*
1948 (approximate)	52,000
1950 (approximate)	31,000
1952 (approximate)	9,000
1954 (official)	890

Based on the 1954 election returns, it appears that, in the event of statehood, Alaska would surely elect 2 Democrat Senators and Hawaii would be likely to elect 2 Democrat Senators.

It is most obvious that the passage of the joint Hawaiian-Alaskan statehood bill by the Congress would place the Republican Party in a difficult position. The President would be placed in a political dilemma. By approving statehood for both Territories, he would risk the probability that these 2 Territories would return 4 Democrat Senators. If he vetoes statehood, he assumes the political onus of defeating a measure of popular favor.

Partisan politics is a transitory consideration. This issue ought to be decided upon American principles having a true political validity. The solution should pass the test of what will be permanently just for the peoples of both majority and minority parties of the whole Nation.

GOVERNORS' CONFERENCE REJECTS STATEHOOD

At the hearing before this committee on February 4, 1955, the impression was left that the governors' conference endorses statehood for both Hawaii and Alaska. This is not so.

Resolutions were adopted by the governors' conferences, for 6 years from 1947 to 1952, favoring statehood for Hawaii and Alaska.

On March 2, 1953, the writer addressed communications to each of the 48 governors indicating the prospective loss of voting power for the people of each State in the senatorial and presidential elections upon the grant of statehood to Hawaii and Alaska. No claim is made that the subsequent failure to endorse statehood is due to these communications.

At the 1953 governors' conference, a resolution favoring Hawaiian statehood was presented. This resolution failed to receive a favorable report. No resolution for either Hawaiian or Alaskan statehood was presented at the 1954 conference. The governors, perhaps, perceived the prospective loss of representation to the people of their respective States. Failure to approve statehood resolutions, under these circumstances, can be fairly construed to constitute rejection.

COMMUNISM, A MAJOR CONSIDERATION IN HAWAIIAN STATEHOOD

The extensive communistic influences in Hawaii continue to present an alarming condition for both Hawaii and the United States. A careful study of the facts does not give hope that communistic power is on the wane. Communism remains a potent force permeating the economic, political, and social structures of this Territory.

The New York Herald Tribune of June 23, 1953, reported a labor strike by the ILWU on June 22, 1953, in Hawaii. The facts, as reported there, are as follows:

Twenty-four thousand employees on the island went on strike in a mass protest against the conviction of Jack Hall and six other conspirators convicted of plotting to teach and advocate the violent overthrow of the United States Government.

Two thousand of these employees are stevedores, members of the International Longshoremen's and Warehousemen's Union—ILWU—who refused to load military cargo for Korea. Eighteen thousand out of nineteen thousand ILWU union workers on the sugar plantations joined in this strike. One thousand of these men refused to strike. Four thousand out of five thousand pineapple workers also joined the strike. One thousand of these men refused to strike.

Now, these men went on strike not because of any legitimate labor dispute, but in protest against the conviction of these Communists for the advocacy of treason and revolution.

The fact that 1,000 men in the sugar industry and 1,000 men in the pineapple industry refused to join this strike is proof that it was possible to refuse to join in this dastardly demonstration of Communist close order drill.

Those who refused, a pitiful minority of 2,000, demonstrated their courage and Americanism. The same cannot be said for the other 24,000. The refusal to load military cargo for Korea borders upon sabotage.

If these men went on strike because of threats or pressures, then a condition exists in Hawaii so dangerous that Hawaii should not be granted statehood at this time. If they went on strike willingly because of their sympathy for the Communist convicts and the Communist movement, then this type of citizen does not deserve statehood. This country can well do without their voice and their vote in Congress.

This same union, ILWU, called another strike as recently as last December 1954, while members of this Territorial Subcommittee were attending hearings in Hawaii.

The International Longshoremen's and Warehousemen's Union, ILWU, has a membership of 25,000 and dominates unionism in that Territory. Its president is Harry Bridges who is one of the top three Communist leaders in this country. Jack Hall is the Hawaiian spokesman for Harry Bridges and the leader of that union there.

The unions in Hawaii controlled or infiltrated by Communists have a membership of about 30,000. The names of the Communists and those persons closely related to the Communist Party who occupy positions of power in the unions, union locals and the top organization of the ILWU are contained in the hearings of the House Un-American Activities Committee for the year 1950.

These hearings regarding Communist activities in Hawaii are contained in 3 volumes and contain a startling revelation of the infiltration of communism into both the ranks of unionized labor and in the political parties. These volumes are proof that the Communist Party controls the ILWU, lock, stock, and barrel.

By means of union devices such as closed shops, union stewards and grievance committees, it is possible for the Communists to control the employment, layoffs, firings, and hiring of labor. This control, and the use of cadres of union officials and Communist stooges to propagandize, persuade and coerce, gives the Communists a tight control over the ideology and political action of its members. The individual laborer does not have a chance to earn a living or to keep from being maimed by a premeditated industrial accident unless he complies.

It is a political axiom that each employee can be counted upon to deliver three votes in a political election. If the ILWU can order 24,000 men to go out on a Communist sympathy strike sabotaging United States military transport, can there be any doubt that they can deliver 50,000 votes to their political choice?

These political objectives of the Communist Party are reported in these hearings. They are:

First. Communists support statehood, page 1559, part 2, of the hearings.

Second. Development of a following in the Democratic Party to back Communist causes, page 1570, part 2, of the hearings.

Third. Establish legislative caucus to act as pressure group on Democratic Party for Communist objectives, page 1570, part 2, of the hearings.

The fact that statehood for Hawaii is supported by the Communist Party and the ILWU does not per se make this cause wrong or undesirable. However, one can be sure that their support for statehood is not actuated by the same motives for good government as those who sincerely believe that statehood is a just cause. The support of the Communists is based upon their self-interest in advancing the Communist cause and that cause alone.

Can there be any doubt that the Communist Party and the ILWU would not make an all-powerful drive to elect two United States Senators in the event of statehood? And it makes no difference to them whether they bear the Republican or Democratic label. By statehood, we not only open the door for 2 Communist influenced United States Senators, but we actually invite 2 Soviet agents to take seats in the United States Senate.

On June 19, 1953, Jack Hall, ILWU regional director and Communist Party leader, was convicted of violation of the Smith Act along with six other defendants. A 1954 publication of the Hawaii Statehood Commission cited these convictions as proof of the unalterable and aggressive opposition of the people of Hawaii to communism. The record of the 1954 election completely refutes this statement.

In the race for the office of mayor of the city of Honolulu, Frank F. Fasi, the Democratic candidate was opposed by Neal Blaisdell, the Republican candidate. During the campaign Frank Fasi charged that Blaisdell was courting ILWU support.

On October 15, 1954, the leading newspapers carried the charge by Frank

Fasi, the Democratic candidate, that the big issue of this campaign is whether a candidate for mayor can be elected without the support of the Communist leaders in Hawaii.

The Honolulu Star-Bulletin, which is an outstanding newspaper of the highest standards, reported on November 1, 1954:

He (Fasi) has struck out at Governor King and the ILWU leadership.

On November 3, this same newspaper carried the following front-page headline:

ILWU sample ballot supports Blaisdell.

During this campaign, the Republican candidate did not once deny these charges or repudiate and reject ILWU support. The following legal maxim certainly applies to this situation:

When one owes a duty to speak, silence implies consent.

The electorate of Hawaii answered Mr. Fasi's issue by proving that a mayor cannot be elected without the support of Communist leaders. Perhaps, the ILWU support was unsolicited. However, there can be no question that the ILWU support was given with Mayor Blaisdell's knowledge and was accepted without repudiation by him of the ILWU leaders or the Communist principles.

The Honolulu Star-Bulletin made a survey of the Hawaiian election of November 1954 and reported its findings as follows:

The ILWU endorsed 71 candidates. Of these, 58 won, a batting average of 81 percent.

In the senate, 5 ILWU candidates won out of 6 candidates endorsed in contests for 7 seats. There are a total of 15 seats in the senate.

In the house, 22 ILWU-supported candidates won out of 28 endorsed. There are 30 seats in the house.

In the county, 32 ILWU-supported candidates won out of 38 contests which includes Neal Blaisdell, Republican mayor of Honolulu.

The 1954 election was a complete victory for the ILWU and the Communist Party. They can now exercise either control or a considerable influence over both houses of the legislature and the mayor of Honolulu. This victory is made more impressive by the fact that the ILWU political influence can be exerted in both Republican and Democratic Parties.

Mr. Jack Hall not only directed the ILWU political activities but also claimed full credit for the victories of the Republican mayor of Honolulu and the Democratic victory in both Houses of the Hawaii Legislature. Mr. Hall even offered his advice for the full use of the political power gained by that election.

The secretary of the former mayor made a practice of greeting Harry Bridges at the Honolulu Airport when that distinguished Communist arrived there. He sent the Honolulu municipal band to money-raising affairs held to defray the legal defense of the Communists.

The Hawaii Statehood Commission claims that statehood would enable Hawaii to deal more effectively with communism and the ILWU. On the contrary, statehood would free the Communists and the ILWU from United States control and jurisdiction. They now have the power and could immediately proceed without Federal interference to socialize and communize that State.

The atmosphere in Hawaii is one of tolerance, appeasement and encouragement for communism. The burden of proof that it can eradicate communism properly rests with the people of Hawaii. That proof has not been presented. If there is a reasonable doubt as to an extensive communistic economic and political control in Hawaii, then the party to suffer thereby is the United States. The people of the 48 States are entitled to the benefit of possible doubt. Statehood should be rejected now and deferred for an appropriate time when communism no longer threatens the well-being of either Hawaii or the United States.

The 1954 election issues, the political maneuverings and the election results serve as a stop, look, and listen warning to us.

THE POLITICAL POWERS OF STATEHOOD

Man's struggle for liberty never stops. That goal is gained in the degree of acceptance of the proposition that all sovereign power rests with the people. Constitutional government is an instrumentality for carrying out this concept of freedom.

Under our system of constitutional representative government, sovereign power can be placed into three broad categories. First, the power inherent to the people. This power can be generally described as all sovereign power that remains after constitutionally conferring such political powers to the States and the Nation as are needed for the attainment of their purposes. Second, the power granted to the Federal Government. In a broad sense, this power is limited to the enumerated political powers granted to the Federal Government under our United States Constitution. The third category is the power reserved to the States. This consists of all the residual political power constitutionally conferred by the people and not granted to the Nation.

In the present discussion, we are concerned with the second and third categories of political power. An analysis of statehood reveals a dual concept.

First. Statehood would grant to the Territories the same sovereign and political powers as possessed by other States to conduct the affairs of these areas without Federal supervision or control.

Second. Statehood would grant to the proposed States the power of representation in the Federal Government.

THE POLITICAL POWER TO CONDUCT THE AFFAIRS OF THE STATE

Statehood is not essential for the grant of power to the Territories to enact laws relating to its property, affairs, and government. Congress has entire dominion, National and local, over Territories. It may transfer full legislative powers with respect to local affairs to legislatures elected by the Territories.

Both Alaska and Hawaii now possess general legislative power for these purposes. The major exception in Alaska is the power to legislate over public lands, fisheries, and subsurface resources. Although Congress has reserved the right to disapprove Territorial legislation, no law passed by either Territory has ever been disapproved by Congress.

The executive power could very well be transferred to the Territories. There could be no serious objection to any necessary extension of judicial powers for these Territories.

However, neither of these Territories appears to seriously want these powers. No reasonable proposal or request has been made to Congress for the reorganization or an extension of the jurisdiction of the Territorial courts.

There appears to be no sincere desire upon the part of the Territories to elect their own governors and to assume executive power.

While this committee has, over the course of years, considered many bills relating to the control of fisheries, minerals, and public lands, it has not yet approved any overall proposal to grant such power to Alaska. On the other hand, neither Territory has ever presented to Congress a comprehensive bill of particulars for an extension of legislative power to enable it to govern its own affairs.

The complaints made by these Territories of a lack of power to administer Territorial matters can be interpreted in either of two ways. Either this committee has failed to give adequate consideration to their needs for additional power or the Territories have failed to present and press for a comprehensive program designed to obtain for them the necessary power to govern. This writer believes that the latter alternative prevails.

It would appear that the concern of the proponents of statehood lies not in their desire or need for additional power to conduct the affairs of the Territories but rather in their drive for representation in Congress and in the election of a President.

THE POLITICAL POWER OF REPRESENTATION IN THE FEDERAL GOVERNMENT

The history of government is, in essence, a recital of the distributions of power. We are concerned here with an equitable apportionment of legislative and executive power. Statehood would transfer a share of these powers to the proposed States. Their participation in the Federal Government would consist of (a) the right to be represented in the United States Senate by two Senators, (b) the right to participate in the election of a United States President, (c) the right to be represented in the United States House of Representatives.

ORIGINAL BASIS FOR SENATORIAL REPRESENTATION

The problem of equitable representation in the United States Senate continues to plague this country since May 1787, when the Constitutional Convention convened.

The historical struggle has been between the smaller States desiring representation on a basis of equality for States, as corporate sovereign entities, and the larger States seeking representation in proportion to population. The plan of giving each State two Senators conforms

to the pattern of a federation of States while representation in proportion to population conforms to the framework of a national government.

We are concerned, today, with the question of the political justice and wisdom of equality of representation for newly admitted States in the United States Senate. The plan of equality of senatorial representation by States was adopted for the protection of the States from encroachment by the Federal Government. In furtherance of this purpose, the provision that the Members of the United States Senate be chosen by State legislatures was enacted.

I cite the following statement made in the Constitutional Convention by Delegate Wilson of Pennsylvania:

> The leading argument of those who contend for equality of votes among the States is that the States as such being equal, and being represented not as districts of individuals, but in their political and corporate capacities, are entitled to equal suffrage.

Alexander Hamilton, supporting the adoption of the Constitution, stated in the Federalist Paper No. 62:

> It (referring to appointment of Senators by State legislatures) is recommended by the double advantage: of giving to the State governments such an agency in the formation of the Federal Government as must secure the authority of the former and may form a convenient link between the two systems.

It seems clear that the plan of representation in the United States Senate was implemented by the provision that the States in their corporate capacities as States and as an organic whole be secured in that right of equality by the grant to them as States to choose their Senators by vote of the State legislatures. The provision for election of Senators by the State legislatures was an integral part of the compromise by which two Senators were provided to the States. The Convention would never have agreed upon this principle of Senate representation if that right had not been secured by this mode of selection, that of choice by legislatures.

The 17th amendment of our Constitution, ratified on April 8, 1913, destroyed the reason for the provision that each State shall be entitled to two seats in the United States Senate.

STATEHOOD BASICALLY SHIFTS SENATORIAL AND PRESIDENTIAL REPRESENTATION FROM THE 48 STATES TO HAWAII AND ALASKA

Reduced to fundamental terms, statehood for Hawaii and Alaska grants representation in the United States Senate and in the election of the President. In the Senate, they would be represented by 4 Senators out of a prospective total of 100 Members. In the electoral college, they would be represented by 7 votes out of a prospective total of 535 votes.

The representation proposed for these Territories will be taken from the present representation possessed by the people of the 48 States and shifted to the people of these 2 Territories. This transfer of sovereign power seriously and correspondingly reduces the right of suffrage of the peoples of the 48 States in the United States Senate and in the election of the President.

REDUCTION IN THE SENATORIAL REPRESENTATION OF THE 48 STATES

The admission of Hawaii and Alaska under the present constitutional provision will entitle their residents, 628,437 combined, to 4 seats in the United States Senate. The average representation would be 1 Senator for each 157,000 inhabitants. The people of the 48 States, having a population of 152,572,000 represented by 96 Senators, today enjoy the average representation of 1 Senator for each 1,589,000 persons. Thus, Hawaii and Alaska would become entitled to representation in the United States Senate 10 times greater than the average representation of the people of the 48 States. Each voter will have approximately 33 times the power of the vote of the people of California in the United States Senate, 27 times the power of the vote of the people of Illinois, 32 times the power of the vote of the people of Pennsylvania, and 47 times the vote of the people of New York.

A comparison of the voting power of the voters of Hawaii and Alaska combined with that of the people of the 48 States in the election of United States Senator is contained in schedule A of the accompanying table:

TABLES COMPARING THE PROSPECTIVE VOTING POWER OF THE AVERAGE HAWAIIAN-ALASKAN VOTER IN THE ELECTION OF UNITED STATES SENATORS AND A UNITED STATES PRESIDENT WITH THE VOTING POWER OF THE VOTERS OF THE 48 STATES

METHOD OF COMPUTATION

Schedule A: Population of Hawaii and Alaska (combined) is 628,437 with 4 Senators; 1 Senator for 157,000 residents. Population of Alabama is 3,061,000. One Senator for 1,537,500 residents; 1,537,500 divided by 157,000 equals 9.8 representing the average voting rights of the residents of Hawaii and Alaska as compared to 1 vote for the voter in Alabama in the election of the United States Senate.

Schedule B: Presidential electors for Hawaii and Alaska (combined) will be 7, or 1 for each 89,700 residents. Presidential electors for Alabama is 11, or 1 for each 278,000 residents; 278,000 divided by 89,700 equals 3.1 representing the average voting rights of residents of Hawaii and Alaska as compared to 1 vote for the voter of Alabama in the election of a United States President.

State and Territory	Population, 1950 census	Number of presidential electors	A: Voting power of average Hawaiian-Alaskan voter versus 1 vote for voters of other States for— United States Senate	B: Voting power of average Hawaiian-Alaskan voter versus 1 vote for voters of other States for— United States President
Alaska	128,643	3		
Alabama	3,061,743	11	9.8	3.1
Arizona	749,587	4	2.4	2.1
Arkansas	1,909,511	8	6.1	2.6
California	10,586,223	32	33.7	3.6
Colorado	1,325,089	6	4.2	2.4
Connecticut	2,007,280	8	6.4	2.8
Delaware	318,085	3	1.0	1.2
Florida	2,771,305	10	8.8	3.0
Georgia	3,444,578	12	10.9	3.2
Hawaii	499,794	4		
Idaho	588,637	4	1.9	1.6
Illinois	8,712,176	27	27.8	3.6
Indiana	3,934,224	13	12.5	3.4
Iowa	2,621,073	10	8.3	2.9
Kansas	1,905,299	8	6.1	2.6
Kentucky	2,944,806	10	9.4	3.3
Louisiana	2,683,516	10	8.5	3.0
Maine	913,744	5	2.9	2.0
Maryland	2,343,011	9	7.8	2.9
Massachusetts	4,690,514	16	15.4	3.2
Michigan	6,371,766	20	20.3	3.5
Minnesota	2,982,483	11	9.5	3.0
Mississippi	2,178,914	8	6.6	3.0
Missouri	3,954,653	13	11.3	3.4
Montana	591,024	4	1.9	1.6
Nebraska	1,325,510	6	4.2	2.4
Nevada	160,083	3	.5	.6
New Hampshire	533,242	4	1.1	1.5
New Jersey	4,835,329	16	15.6	3.3
New Mexico	681,187	4	2.2	1.9
New York	14,830,192	45	47.2	3.6
North Carolina	4,061,929	14	12.9	3.2
North Dakota	691,636	4	2.2	1.9
Ohio	7,946,627	25	25.2	3.5
Oklahoma	2,233,351	8	7.1	3.1
Oregon	1,521,341	6	4.9	2.8
Pennsylvania	10,498,012	32	32.8	3.6
Rhode Island	791,896	4	2.5	2.2
South Carolina	2,117,027	8	6.7	2.9
South Dakota	652,740	4	2.0	1.8
Tennessee	3,291,718	11	10.5	3.3
Texas	7,711,194	24	24.5	3.5
Utah	688,862	4	2.2	1.9
Vermont	377,747	3	1.2	1.4
Virginia	3,318,680	12	10.5	3.0
Washington	2,378,963	9	7.6	2.9
West Virginia	2,005,552	8	6.3	2.8
Wisconsin	3,434,575	12	10.9	3.1
Wyoming	290,529	3	.9	1.1

The representation in the United States Senate for Hawaii and Alaska is acquired by a corresponding reduction of the present power of representation of the people of the 48 States in that body today. The right of suffrage equal to that of 6,356,000 persons is taken from the 152,572,000 residents of the 48 States in varying percentage amounts and is transferred to the 628,437 residents of Hawaii and Alaska.

Statehood will give Hawaii and Alaska 4 votes in a Senate of 100 Members, or one twenty-fifth of the membership, although their combined population is only one two-hundred-and-forty-seconds of the population of the 48 States. This grant of one twenty-fifth of the membership in the United States Senate dilutes and diminishes by that fraction the representation in that body of the people of the 48 States.

POLITICAL POWER IN THE PRESIDENTIAL ELECTION A MAJOR CONSIDERATION

The disproportionate advantage of Alaska and Hawaii would also apply in the presidential elections. Upon admission, these States would have a total of 7 electoral votes, an average of 1 electoral vote for each 89,776 inhabitants. The 152,572,000 people of the 48 States with a total of 531 electoral votes are entitled to 1 electoral vote each for an average population of 287,300. Thus, the voter in Hawaii and Alaska would have an average voting power in the election of a United States President 3.2 times greater than the average vote of the voter in the 48 States.

The comparison of the voting rights of the voters of Hawaii and Alaska combined with that of the people of the 48 States in presidential elections is contained in schedule B of the accompanying table.

The electoral vote of 2,011,100—7 electoral times 287,300 average population for 1 electoral vote—persons will be taken from the 152,572,000 residents of the 48 States and transferred to the 628,437 residents of Hawaii and Alaska. The disfranchisement of the residents of the 48 States applies not only to the executive branch but also applies to the judicial branch of our Government because the appointing power to the judiciary lies with the President.

The total electoral vote will be temporarily increased to 538 by the 7 electoral votes of Hawaii and Alaska. After the 1960 census, the House of Representatives would be reapportioned to reduce the temporary membership of 438 to 435. With the Senate increased to 100 members, the electoral college would be permanently increased to 535 members.

Although the combined population is only one two-hundred-forty-second of the population of the 48 States, Hawaii and Alaska combined would enjoy one seventy-sixth, or seven five-hundred-thirty-fifths of the total voting strength of the 48 States in the election of a President. The right of suffrage of the 48 States in this respect is diminished by that fraction.

THE DILEMMA OF STATEHOOD

Congress is confronted with the unpleasant alternatives of continuing to withhold statehood and Federal representation for the Territories of Alaska and Hawaii or to grant statehood under terms that would unduly reduce the Federal representation of the people of the 48 States. Under present provision of the Constitution, a difficult choice must be made between the following alternatives:

A. By the denial of statehood:

First. Shall 499,794 citizens of Hawaii and 128,643 citizens of Alaska continue to be denied representation in the United States Senate and be limited to representation in the United States House of Representatives by a nonvoting Delegate? and

Second. Shall these citizens continue to be denied representation in the executive and judicial branches of the Federal Government by the lack of suffrage in the election of a President? or

B. By the grant of statehood:

First. Shall the citizens of the 48 States be disfranchised to the extent of one twenty-fifth of their representation in the United States Senate and shall that share of representation—possessed on an average by 6,357,168 citizens of the 48 States—be transferred to the 628,437 citizens of Hawaii and Alaska? and

Second. Shall the citizens of the 48 States be disfranchised to the extent of one seventy-sixth of their electoral college voting rights in the election of a President and his appointment of the judiciary and shall that share of representation—possessed on an average by 2,011,100 citizens of the 48 States—be transferred to the 628,437 citizens of Hawaii and Alaska?

It is my conviction that neither alternative can wisely and justly solve this subverting dilemma.

POSSIBLE SOLUTIONS IN PROPOSED CONSTITUTIONAL AMENDMENTS

There have been a number of joint resolutions introduced in the House of Representatives proposing constitutional amendments to deal with the problem of statehood.

One group proposes to empower Congress to determine whether the newly admitted State shall have either no representation in the United States Senate, or 1 Senator or 2 Senators. While the intent of this resolution is laudable, the political pressures upon Congress would probably prevent a nonpartisan consideration of this determination.

The second group would provide for the admission of States by the same procedure that is required for an amendment to the United States Constitution. This proposal appears to be a procedural and not a substantive amendment. It would serve to erect an almost insurmountable barrier to statehood. The proposal has the advantage of placing the final decision of statehood in the State legislatures which represent the people affected more closely than either House of Congress. It offers no cure for the weakness of disproportionate representation.

The third, a resolution, House Joint Resolution 208, introduced by this writer, proposes a limitation upon representation in the United States Senate for newly admitted States. It would establish an inflexible standard of representation in the United States Senate on a basis proportionate to population. By its provisions, any State hereafter admitted, upon attaining a population of one-half of the average population represented by each Senator—1950 census: 794,646—would become entitled to 1 United States Senator. Upon attaining a population of 1½ of the average population represented by each Senator—1950 census: 2,383,938—it would become entitled to 2 United States Senators.

JUSTIFICATION FOR HOUSE JOINT RESOLUTION 208—PROPORTIONATE POPULATION REPRESENTATION IN UNITED STATES SENATE FOR NEWLY ADMITTED STATES

The Senate, today, in terms of power derivations, accountability and representation, constitutes another House of Representatives. Since the reason for equality of senatorial representation no longer exists, there is no further need for this constitutional provision. The only other tenable apportionment for the exercise of senatorial power is that of representation proportionate to population.

The proponents for statehood contend that Hawaii has a larger population than a number of States. They contend that it would be unfair to limit their senatorial representation as a condition to statehood. An adequate answer to this contention is that while article V of the Constitution prohibits depriving any State of its equal suffrage in the Senate, this protection does not apply to Hawaii and Alaska since they are not States and cannot be deprived of a power they do not now possess. It has been suggested that the present senatorial representation be rearranged. This is neither practicable nor constitutionally possible, since this protection of Senate suffrage is not amendable.

The farsighted statesmen who drew our Constitution were very careful to make this Constitution flexible enough to allow an amendment for the admission of States without the representation of 2 Senators.

The clause of article V of the Constitution, that no State, without its consent, shall be deprived of its equal suffrage in the Senate, carries a double connotation.

First. The Constitution cannot be amended to deprive any State of equal suffrage in the Senate, without its consent.

Second. The Constitution cannot be amended to deprive a State of its power to consent to be deprived of its equal suffrage in the Senate.

The farsighted vision of a possible gross inequality of representation in the Senate is confirmed by a study of the deliberations of the Constitutional Convention. In the considerations of the provision of article IV, section 3, that new States may be admitted by the Congress into this Union, the Convention deleted, by a 9-to-2 vote, a proposal to the effect that new States be admitted on the same terms with the original States.

The Constitution affords ample authority to justify an amendment to equalize, per population, senatorial representation for States to be admitted.

STATEHOOD POSSIBILITIES FOR DISTRICT OF COLUMBIA, PUERTO RICO, GUAM, VIRGIN ISLANDS, SAMOA

No one can accurately foretell what lands and peoples may seek statehood in future decades. The holdings of the United States, in addition to the trusteeship of the trust islands in the Pacific, are the incorporated Territories of Hawaii and Alaska, the vague Commonwealth status of Puerto Rico, the unincorporated but organized Territories of the Virgin Islands and Guam, and the unincorporated and unorganized possession of American Samoa.

The residents of these Territories all enjoy United States citizenship excepting those in Samoa who are classified as nationals.

The people of each of these possessions and the people of the District of Columbia aspire to statehood. The Virgin Islands hints for a Delegate to the House of Representatives. Delegates to both Houses of Congress have been proposed for the District of Columbia.

Each of these political entities are edging toward statehood. In the coming half century, Congress will be called upon to decide their fate without any principle to guide it in relation to representation in the Senate and the electoral college. Certainly, the determination should not rest upon the political expediencies that may exist at that time.

House Joint Resolution 208 would provide Congress with an equitable basis for the consideration of statehood and remove the problem of representation from the strains of party politics. It would establish a just and inflexible standard of equal application to all States here-

after admitted. It would lessen the clamor for statehood where it is sought primarily for the political powers inherent in two seats in the United States Senate.

OTHER ASPECTS OF STATEHOOD—ECONOMIC DEVELOPMENT

The proponents of Alaskan statehood claim that statehood would advance the economic development of Alaska. This hope does not conform to historical fact.

Hawaii and Alaska have had Territorial status for about the same length of time. Yet, Hawaii has progressed at a far more rapid pace, economically, than has Alaska. Hawaii's economy compares quite favorably with that of the States. It is not the political status that accounts for the differential in the rate of their economic growth. The growth of Hawaii can be principally ascribed to favorable physical characteristics, the temperate climate and her arable lands.

THE VOTE IN ALASKA

The office of Delegate is the highest elective office in Alaska. The total vote cast for that office in the 1954 election was 26,999. This compares with the latest estimated civilian population of 132,000. No attempt will be made to analyze the reason for the meager ratio of vote to that of population.

When compared to Congressional Districts which cast from 150,000 to 200,000 votes, the voting differential is startling. This vote sharply and clearly shows up the fantastically excessive disproportionment of allowing 2 Senators to be elected by the choice of 27,000 voters.

LOSS OF INDIVIDUAL LIBERTIES, THE GROWTH OF NATIONAL POLITICAL POWER, THE REDUCTION OF STATES RIGHTS

The past 25 years can be noted for the vast and alarming growth and concentration of power in the National Government. A parallel concentration continues to take place in the executive branch of our Government. These increasing concentrations of power coincide with a reduction of powers of the States, the loss of sovereign rights and liberties of the people and the deprivations of the legislative powers and responsibilities of Congress.

Statehood for these Territories would accentuate the inequalities of senatorial representation. It would tend to strengthen the national concept and weaken States rights. It would increase the pace of nationalization of local government services and concentrate power in the Federal Government and in the executive branch.

There is no standard of measurement of political power. There is, however, a standard for the measurement of the exercise of power. This standard is the percentage of the national product siphoned off by our Government. The following table illustrates the increase in the Federal absorption of our national production:

Government expenditures and gross national product

[Dollars in billions]

Calendar year	Gross national product	Government expenditures					
		Amount			As a percentage of gross national product		
		Total	Federal	State, local	Total	Federal	State, local
1929	$104.4	$10.2	$2.6	$7.5	9.8	2.5	7.3
1930	91.1	11.02	2.7	8.2	12.1	3.0	9.1
1940	100.6	18.4	10.08	8.3	18.4	10.0	8.3
1950	285.06	61.2	40.9	20.2	21.5	14.4	7.1
1953	364.8	102.5	78.05	24.4	28.1	21.4	6.7

The above table indicates that Federal spending of our national production increased from 2.5 percent in 1929 to 21.4 percent in 1953. An increase of more than eightfold. In the same period, the spending by States decreased from 7.3 percent to 6.7 percent of our national production.

The founders of our Constitution envisioned a Government of limited national power. The residuary power of the States was conceived to be far greater quantitatively than the powers granted to the Federal Government. The grant of two Senators to each State was based upon these assumptions. Appointment by legislatures was devised to safeguard this objective.

The above table proves that the exercise of Federal power, 21.4 percent of production, is more than 3 times the exercise of State power, 6.7 percent. This shift from State power to Federal power coincides with the alteration of our mode of selection of Senators from that of the legislatures to that of popular suffrage.

The equitable measure of representation for a dominant National Government is that of representation in proportion to population. That is the only possible protection of the majority of the people against the preponderant power of a minority of the people.

Statehood, by increasing the power of the minority, will tend to break down our two-party system. It leads to blocs and coalitions based on sectional and popular interests. The function of party organization to compromise between sectional and national interests is bypassed.

Instead of considering legislation in accordance with sound principle, excessive power encourages the consideration of legislation by political expediency and the pressures of the electorate. Theories are evolved afterward to accommodate acts of political expediency.

The senatorial powers to be assigned by H. R. 2535 will not lie dormant. The powers of senatorial representation granted to these two Territories invite their abuse by reason of the fact that these powers are not coupled with corresponding and balancing accountability and responsibility.

For example, Alaska, with 2 Senators, would possess one-fiftieth of the power to determine the expenditure of more than $60 billion per year. That share of power to spend is $1,200,000,000. Yet Alaska's responsibility for the collection of the amount to be spent, $60 billion, as represented by her Federal taxes, is only $48 million, or more than 1,000 times less than the total national expenditure. Alaska's 2 Senators would be accountable to a population of 132,000—27,000 votes—although her 2 Senators would enjoy the senatorial power possessed on the average by about 3 million people of the Nation.

REPRESENTATION IN THE UNITED STATES HOUSE OF REPRESENTATIVES

This problem poses a number of unpleasant alternatives. The present bill would increase the Members of the House by three seats allotted to the Territories. The membership of the House is increased from 435 to 438 Members. Although the membership of the House is to be increased, the increase is made not because of any advantages or need to increase the size. In fact, the present limitation of 435 Members was a careful decision as to the maximum desirable membership. The proposed increase by three seats is provided in this bill for the purpose of accommodating the proposed new Members. It is intended to anticipate the necessity for reducing the Representatives from other States if the membership is permanently limited to 435 Members.

Hawaii bases her claim to 2 Representatives upon the United States census population figure of 499,794. The latest estimate of her population would indicate that after 1960 her representation would probably be reduced to one Representative. Yet the membership of the House is being permanently increased by 2 seats to accommodate Hawaii's proposed Representatives and 1 seat to accommodate Alaska's Representative, although, as of today, Hawaii is only entitled to 1 Representative.

If H. R. 2535 is amended so that the increase of membership in the House is temporary and will be reduced to 435 after the 1960 census, then the additional representation from Hawaii and Alaska will be included at the expense of representation from some other State. That reduction will probably be at the expense of those States who have failed to increase their population in pace with the national rate. The States that have shown a loss of population between the 1950 census and the July 1, 1952, estimates are:

State:	*Loss in population*
Maine	22,000
New Hampshire	1,000
Vermont	7,000
Iowa	13,000
North Dakota	17,000
West Virginia	36,000
Tennessee	32,000
Mississippi	15,000
Arkansas	65,000
Oklahoma	9,000

If the membership of the House is retained at 435 by an amendment in the House or Senate, then we commit ourselves to reducing the representation of other States by either 2 or 3 seats to be allotted to these Territories.

The Federalist Paper No. 58 warns us against a multitudinous representative assembly. Excessive numbers leads not to democratic processes but, on the contrary, to government by the few.

The latest United States census population estimates—1954—for these Territories are:

Alaska, civilian	132,000
Alaska, military	50,000
Alaska, total	182,000
Hawaii, civilian	467,000
Hawaii, military	55,000
Hawaii, total	522,000

Due to our military bases, the ratio of military personnel to the civilian population is far greater in these Territories than exists in the other States. The military personnel consists of citizens and inhabitants of the 48 States. Yet, the census makes no differentiation but adds the military population to the civilian in computing their entitlement to representation. This method violates the intent of amendment 14, section 2, of our Constitution.

Article II, section 2, of the proposed Hawaiian constitution provides:

> No person shall be deemed to have gained or lost residence simply because of his presence or absence while employed in the service of the United States.

Thus we find that both Federal civilian and military personnel are excluded from the right of suffrage by this section. Yet their numbers are added to establish a base for Hawaii's entitlement to representation in the United States House of Representatives.

This section would appear to constitute an abridgement and denial of the right to vote. If so, then amendment 14, section 2, provides that the basis of representation shall be reduced in proportion. This writer suggests the desirability of Congressional action to conform the apportionment of representation in Hawaii and Alaska with the requirements of amendment 14, section 2, of the United States Constitution.

The Alaska Statehood Committee reports that Alaska is politically impotent in Washington because it has no voting representative in either House of Congress.

During this writer's short tenure here, both Hawaii and Alaska have had the benefit of the finest, most capable, and diligent Delegates. They would bring honor to any constituency. They have distinguished themselves by outstanding service to this Nation and to the Territories they represent.

Most Representatives are limited to serving on one standing committee of the House. These committees vary considerably in the volume and importance of the legislation referred to them. The distinguished Delegates from Hawaii and Alaska enjoy the unique advantage of membership on three major committees: Agriculture, Armed Services, and Interior and Insular Affairs. The Delegate from Alaska, in addition, serves on the Merchant Marine and Fisheries Committee.

Their service on these committees gives them the advantage of an association with fellow committee members which no other Representative enjoys. This opportunity enhances their influence and power.

The great mass of decisions made by Congress are made without a vote. The influence upon legislation in Congress cannot be measured by the right to vote. It is not a pleasant task to vote in opposition to measures which have adverse political repercussions for a fellow Member of the House. It is not conducive to political good fellowship. The distinguished Delegates are saved from this necessity. When balanced out, the disadvantages of the lack of a vote are far outweighed by the advantages accruing to the Delegates.

CONCLUSIONS AND RECOMMENDATIONS

The following conclusions and recommendations are respectfully submitted to this committee as an equitable disposition of this problem:

First. Statehood for Hawaii ought to be deferred until she has unquestionably eliminated communistic influences in her political, economic, and social structures.

Second. Statehood for both Hawaii and Alaska should be deferred pending the adoption of an appropriate constitutional amendment to provide for representation in the United States Senate on a basis proportionate to population.

Third. If statehood is to be granted upon the basis of equal representation in the Senate, then admission should be approved by three-fourths of the States pursuant to a constitutional amendment providing for the admission of States by the same procedure that is now required to amend our Constitution.

Fourth. Congress should immediately grant to each Territory the autonomy of statehood with full power of self-government in such form as may be recommended by the Territories.

The autonomy would include (a) complete executive power with the right of election of Governor; (b) full legislative power over all Territorial affairs, including public lands, fisheries, and subsurface resources; and (c) exclusive judicial jurisdiction.

Fifth. The enactment into Federal statute of such reasonable restrictions, comparable to limitations in their proposed constitutions, as may be recommended by the Territories to safeguard individual liberties and to insure a republican form of government.

Sixth. The immediate and outright grant to Alaska of specifically described public lands to be selected by the Territory from vacant, unappropriated, and unreserved lands, not to exceed 20 million acres.

Seventh. Grants of $7 million each year for a period of 5 years to defray the cost of governmental services assumed from the Federal Government.

This solution would strengthen and unify this Nation in the years to come. It would help preserve the rights of the States and the liberties of our people. The cause of justice and freedom would be advanced.

Washington Report

EXTENSION OF REMARKS
OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1958

Mr. ALGER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following weekly newsletter of May 3, 1958:

Legislative activity January 7 through April 30 in the House totals 217 hours of debate, 2,488 pages of CONGRESSIONAL RECORD proceedings, 3,045 measures (bills) introduced, and 348 measures passed.

The transcript of the S. M. U. meeting of John Gates, former Communist Daily Worker editor, and Herbert Philbrick, former FBI counterspy, is now a part of the CONGRESSIONAL RECORD. Members of Congress and people throughout America should enjoy the questions and answers.

Some unanswered questions remain. For example, (1) How does an atheist tell right from wrong? (2) How can democratic socialism retain the features of our constitutional form of government, as Gates says (the mixing of oil and water)? (3) Do others besides Gates believe the American labor movement to be the home of new American radicalism? (4) Is the American labor movement, whose leaders push liberal free-spending, even unconstitutional legislation, now the result of earlier Socialists who think like Gates? (5) By what philosophy of government are now justified the many legislative bills sponsored by the AFL-CIO (as, for example, this week's socialized dole)? In AFL-CIO pressure on Congress can be found the answers to (a) the refusal of the House Democratic leadership to even hold hearings on labor legislation, long pending and pigeonholed, and (b) the Senate's refusal last week to pass any legislation curtailing labor's monopolistic position. Will success crown Senator BILL KNOWLAND's valiant efforts to lead the fight for a workingman's bill of rights? The extortion of money from union workers' pay checks by the power-hungry labor leaders, he labeled an example of collective bludgeoning.

Maybe the dilemma in Congress is best expressed by David Lawrence in summarizing labor's monopolistic position and legislative influence. "It looks now as if only by the election of enough new Members of Congress—committed to legislation that abolishes the labor-union monopoly—will there ever be any chance of getting relief from the wage-price spiral and inflation?"

The Temporary Unemployment Compensation Act of 1958 was a real shocker, but this story had a happy ending. It had two parts: Title I, "To authorize temporary unemployment benefits for individuals who exhaust their benefit rights under existing unemployment compensation laws;" and title II, "For individuals who were employed in noncovered employment." Background (to digress): Employers pay a 3 percent tax on each employee's first $3,000 of income, 2.7 percent going to the State, 0.3 percent to the Federal Government (for administrative

expense). The State pays benefits (determining amount and number of weeks) to those covered when they are unemployed. When the States' funds build up, the respective States usually limit the further payment by employers into the fund; but the Federal Government continues to receive its 0.3 percent. So the Federal fund built up to almost $900 million. The money was being spent on general expenses. Congress then limited the fund to $200 million, the rest then being returned to the States. The bill brought to the House was quite different from the administration's recommendation on which hearings were held. In title II States would be given money outright to distribute to all unemployed a sum equal to 16 times whatever the State law permits if the person was covered by unemployment insurance. Argument for was simply that the unemployed need money and should be paid by the Government. Arguments against were: (1) No bearings on substitute bill; (2) no "need" formula for dispensing money—anyone could receive it, millionaires or hobos; (3) outright "socialized dole;" (4) "temporary" legislation is seldom temporary; (5) States have $9 billion unemployment compensation on hand, the Federal only $200 million; and (6) complete violation of States' rights. A substitute bill as an amendment to strike out title II precipitated the crucial vote. A coalition of Republicans and Southern Democrats passed the House, 223 to 165 (40 not voting), this joining of conservatives a most heartening development. The substitute bill made borrowing optional to the States and permitted repayments in three ways. In final passage, the vote was 370 to 17 (42 not voting). I opposed it because I think this field is and should remain a State matter.

Urban renewal, the cleaning up of slum and rundown areas, is a problem throughout our Nation's communities. No one, surely, can disapprove the rehabilitation. It's just a matter of how best to do it to get the job done. Numerous cities are busily engaged in urban renewal right now—some on their own, some with Federal aid. Dallas' current interest has prompted my preparing a rather thorough study for the use of the mayor, city council, Downtown Businessmen's Association, and others interested in how best to solve this difficult problem. It is my hope that a careful study of the facts will be made before the referendum. Dallas received nationwide recognition in its "Little Mexico" project, the first major urban renewal project in the Nation without Federal aid.

The West Indies

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1958

Mr. HOSMER. Mr. Speaker, it was my pleasure to attend the inauguration of the Parliament of the new West Indies nation on April 22 as a member of the official delegation from the United States Congress consisting, in addition, of the gentleman from Michigan [Mr. DIGGS], the gentleman from Kentucky [Mr. ROBSION], and the gentleman from New York [Mr. POWELL].

On our return from the ceremonies at Port-of-Spain, Trinidad, we dispatched the following letter to West Indies Prime Minister, the Honorable Sir Grantley Adams, K. T., C. M. G., Q. C.:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C.

The Honorable SIR GRANTLEY ADAMS,
K. T., C. M. G., Q. C.,
Prime Minister, the West Indies,
Red House Port of Spain, Trinidad.

DEAR MR. PRIME MINISTER: We, the undersigned, wish to express our deep appreciation of the warm reception and the honor which you accorded in receiving and introducing us to the members of your cabinet on that historic occasion when you were first convening. On our return to Washington, we felt called upon to report in detail to the House of Representatives our vivid impressions with regard to the West Indies and its leaders. We enclose herewith a copy of the CONGRESSIONAL RECORD of April 24 recording these remarks which are to be found on pages 7292–7295. We are sending additional copies of the CONGRESSIONAL RECORD to Mr. Walter Orebaugh, the American consul general, in order that he may make them available to the members of your cabinet and legislature.

The remarks which we have made for the RECORD reflect our appreciation of the reception accorded us as representatives of the United States and our own impressions of the statesmanship so evident to us while we were in your beautiful country. They do not, however, reflect fully the warmth of friendship which we each and everyone feels as the result of this experience.

We understand that an invitation has been transmitted to the West Indies to send representatives to Washington to explore ways and means wherein the United States may assist in meeting some of your economic needs. We look forward to that visit and trust that when the delegation is here, we shall have the pleasure of becoming better acquainted.

We look forward to watching the political and economic development of the West Indies and shall read with interest the progress of your government within the next few months as well as in the years to come.

You and your people have many close friends in our country. Therefore, you may rest assured that we welcome you to Federation status and will follow your progress toward democratic statehood.

Most sincerely,

CHARLES C. DIGGS, Jr.,
Congressman from Michigan.
JOHN M. ROBSION, Jr.
Congressman from Kentucky.
CRAIG HOSMER,
Congressman from California.
ADAM CLAYTON POWELL, Jr.,
Congressman from New York.

An informative article regarding the beginnings of self-rule in the West Indies written by Robert R. Brunn appeared in the Christian Science Monitor shortly following the inauguration. It was as follows:

SELF-RULE BEGINS IN WEST INDIES

(By Robert R. Brunn)

PORT OF SPAIN, TRINIDAD.—Government by the people of the West Indies became a reality April 22, and they stood massed along the streets of Port of Spain under a scorching sun to cheer.

Great Britain in the person of a radiant Princess Margaret inaugurated the newly elected Parliament. She drove through exuberant crowds to the Red House, the legislative chamber.

And from now on, the representatives in the federal assembly, headed by Prime Minister Sir Grantley H. Adams, who were jammed into the tiny chamber with scores of visiting officials, are in the driving seat.

PEOPLE PREPARED

They expect to move forward although it will take courage. Yet this has been shown before in the formation of this newest of all nations to be. It took 10 years of what Sir Grantley described, in replying to the Princess, as "patient study, negotiation, conference, debate, and action."

It is argued by many here that the people of the new island federation have only the haziest notion of the implications of their political move away from colonial status. This may be so in terms of political sophistication.

But standing in front of the Red House, bespangled and bannered in white, blue, and orange before the ceremony, this seemed unimportant. For the boys perched like crows in the saman trees and gaudily dressed ranks of citizens under bright umbrellas on the sidewalks were cheering one thing—the twin ideas of national entity and freedom and racial equality. They know what these are.

And inside the Red House, symbolically enough in one row of visitors, sat Aly Khan of Pakistan, Boahene Yeboah Afari of Ghana, and two American Negro Congressmen, ADAM C. POWELL, Jr., of New York, and CHARLES C. DIGGS, of Michigan.

CABINET SELECTION

All eyes were on Princess Margaret with her diamond tiara and shimmering white gown studded with gold and crossed by a dark blue order ribbon. But on this national holiday minds were on the future. A senate has been established with representatives from each island. Elections have chosen the senators.

Next comes careful policy in choosing a cabinet. Sir Grantley, himself from Barbados, apparently took meticulous care to have a wide geographic spread. Last weekend four ministries were assigned to the Windward Islands, two to the Leeward, two apiece to Jamaica and Barbados, and one to Trinidad. These last three are the big islands, the leaders of the federation, if you will.

But if this nation, plunked into the blue-green sea covering thousands of miles, is to be federated, all must be valued as the Trinidad Guardian put it: "The main thing was to get together the best working and supporting team that was possible in the circumstances."

Sir Grantley had no easy task in forming his government. The most prominent West Indian politicians, such as Norman Manley, Sir William Alexander Bustamente of Jamaica, and Eric Williams of Trinidad were not interested in federation office. He was naturally limited to his own Federal Labor Party. Considering the tight division in the senate with the Federals having a probable 24 seats to the opposition Democrats (Democratic Labor Party) having 20, some wonder if a coalition government might not have been better. But it was too late and Sir Grantley moved ahead.

TIME ELEMENT LOOMS

This political split in the senate raises the question whether the government will be able to stand for the 5 allotted years after which the federation will become a full-fledged dominion.

Sir Grantley has an unsafe margin, even if all the members lived on the same island.

As it stands, ministers and senators traveling out of the West Indies for any period of time put the government in political danger. Moreover, there are two fluid Federal votes nominally pledged to Sir Grantley but quite uncertain over the long pull. Another question facing the senate will be that of amendment of the federal constitution. Already the vague nature of Governor General

Lord Halles' role, as outlined, is being criticized.

The cry is going up that these powers must be clearly specified so that this 5-year interim period will test the federation. It will be the usual struggle facing any new union—how much power to give the central government. And when the constituent states are islands, some of them mere specks in the Caribbean, the problem is further complicated. Yet the hurrahs that drifted through the Red House's open windows were promising that nationalism is a resistless force.

A sample of the hopeful reception giving the newest of the world's legislative bodies by the press of the United States was found on the editorial page of the Washington Post and Times Herald on inauguration day. The editorial said:

PARLIAMENT IN BIRTH

The sun is shining with special brightness today in Port of Spain, Trinidad. This buoyant little island is the seat of government of our newest neighbor, the West Indies Federation, and today marks the formal opening of the federation's first legislature. Presiding at the festive occasion will be Princess Margaret, whose last visit to the island of calypso in 1955 was a rousing success. Thus, amid pomp and playful song, the long-cherished dream of federating the 13 British-administered islands in the Caribbean will draw close to full realization.

The Federation's first prime minister will be Sir Grantly Adams, an Oxford-educated moderate from Barbados, who was chosen by a narrow margin last Friday. (Barbados, incidentally, is an island which has boasted its own representative institutions since 1627). Sir Grantley, a member of the Federal Labor Party, will need all his energy and skill to knit into union the widely separated and proudly individual cluster of islands. Some of the immediate problems facing the new government will be the forging of a customs union and the development of a common citizenship which will permit free movement between the islands. The long-range challenge will be to meliorate the poverty which afflicts so many of the islands and to develop fully the rich resources of the area, which include bauxite, asphalt, cocoa, sugarcane, bananas—and many enviable lures for American tourists.

To be sure, the federation is not yet fully self-governing. But according to the timetable set in London, the 3 million subjects in the West Indies will arrive at dominion status in about 5 years. Surely the birth of a new parliament is a proud moment for Great Britain and for the hemisphere. Strong ties of legend and history link the United States to the West Indies—an area which Columbus explored, George Washington visited, and in which Alexander Hamilton was born. The progress of the new federation will be followed with affection and interest in the United States.

Hardwood Plywood

EXTENSION OF REMARKS
OF
HON. MELVIN R. LAIRD
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Monday, May 5, 1958

Mr. LAIRD. Mr. Speaker, on Thursday, April 24, the gentleman from Oregon [Mr. PORTER] took the floor and for a solid 40 minutes took after my distinguished colleagues from the Pacific Northwest, the gentleman from Washington [Mr. MACK] and the gentleman from Oregon [Mr. NORBLAD] on the problem created by the imports of plywood. I took the floor to advise the gentleman from Oregon [Mr. PORTER] of the difference between fir and hardwood plywood. In so doing, I mentioned the Friday shutdown of the Roddis Plywood Corp., a large producer of hardwood plywood in my district. The very next day one Tom Blake called the Roddis Plywood Corp. and talked to Mr. Don Gott, Marshfield sales manager of the Roddis plant. Mr. Blake was very mysterious in identifying himself to Mr. Gott. He asked if the plant was being shut down on Friday and if the company used or sold imported plywood. Mr. Blake was told that the company was shut down on Friday, April 18, the cause being the lack of orders. Mr. Gott immediately called me and informed me of the call and his concern over Mr. Blake being unwilling to properly identify himself. I decided to find out just who Mr. Blake was and what interests he represented. I found that Mr. Blake is associated with the law firm of Sharp & Bogan. Sharp & Bogan are the attorneys for the Imported Hardwood Plywood Association, the Japanese Plywood Trade Promotional Committee, of Tokyo, Japan, and other groups which are interested in increasing the imports of plywood from Japan. Quite obviously, Mr. Blake was representing the importers and the members of the Japanese Plywood Trade Promotional Committee when he called the Roddis Plywood Corp. It seems that the lobbyists for the plywood importers and this Japanese committee, are worried about the situation and will employ any means to obtain information which they hope they can use for the purpose of injuring this American industry. An industry by the way which has been adversely affected by an increase of Japanese plywood shipments of over 6,000 percent since 1952.

Mr. Speaker, I read into the RECORD at this point a letter received from Mr. Don Gott of the Roddis Plywood Corp.:

RODDIS PLYWOOD CORP.,
Marshfield, Wis., April 25, 1958.

The Honorable MELVIN R. LAIRD,
House of Representatives,
Washington, D. C.

DEAR MEL: Confirming our conversation of this morning the Marshfield mill did close down Friday, April 18, for the 1 day. It is quite obvious that when shipments exceed a slowup of orders received, adjustments must take place to have the flow of orders coincide with the flow of shipments. This is true in any business.

While there are a few other elements besides the Japanese import situation which create this readjustment the information which I obtained from Philadelphia this morning is certainly considered the present and future problem. If you recall, I indicated that our manager of the Philadelphia operation told me by phone this morning that Japanese three-fourths inch full-length basswood lumber core, 1–1 grade, in select red birch, is delivering Philadelphia at 41 cents per square foot. This compares to our delivered price for rotary natural birch at 63 cents, Philadelphia, and select red birch at 76½ cents, Philadelphia. This, plus the influx of cheap Lauan from Japan, will create more serious conditions, if allowed to continue, than shutting down for 1 day last week. Lumber core plywood, as you know, is our bread and butter at the Marshfield mill in the plywood field. I shall keep you advised as to future developments on price and product information from Japan.

With sincere regards, I remain,

Cordially,

RODDIS PLYWOOD CORP.,
DON GOTT,
Marshfield Sales Manager.

On April 28 the gentleman from Oregon [Mr. PORTER], with no prior notice to me, inserted in the CONGRESSIONAL RECORD a correction of my remarks of April 24. This is, of course, not in accordance with normal House procedure. The House on April 29 gave me unanimous consent to correct the RECORD and I will insert at this point the statement I made on April 29.

SHUTDOWN OF RODDIS PLYWOOD PLANT

Mr. LAIRD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. LAIRD. Mr. Speaker, on page 7284 of the CONGRESSIONAL RECORD of April 24, 1958, in the exchange between the gentleman from Oregon [Mr. PORTER] and myself, an error was made. In the paragraph in the middle of the page, I stated:

"The largest hardwood plywood plant in the world is going to be shut down on Friday."

This sentence should read:

"The largest hardwood plywood plant in the world was shut down last Friday."

I regret very much that the error was made in the day of the shutdown of the Roddis plywood plant as the plant was shut down on April 18, 1958, and not April 25, 1958.

I did not have the many letters which I have received about this shutdown before me on the floor of the House on April 24, 1958, and I had assumed the shutdown was to take place on April 25, but in reading over the correspondence in my office, the shutdown date was April 18, 1958. Irrespective of what Friday the plant was shut down, it remains that the management has informed me that it was necessary to reduce hours in this plant because of a reduction in orders. I am advised that these orders have been reduced not because of the lack of consumption of hardwood plywood but because of the increase of Japanese imports. In correspondence from the management of the plant, it is impossible to estimate with any degree of finality whether additional shutdowns will be necessary. However, it is important to bear in mind that several of the plants in my District are operating on a regular schedule of reduced hours.

I ask unanimous consent that the permanent RECORD be corrected.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

This statement would have been made on April 28 if it were not for the fact that I was speaking in Wisconsin on that date.

Sharp & Bogan, lobbyists for the plywood importers, are mailing out some very interesting propaganda these days. In a letter dated April 20, 1958, they spell out their high-powered lobby technique very thoroughly. Mr. Sharp in his letter urges the recipients to write their Congressmen but tells them emphatically not to send any of his canned material. Under unanimous consent I insert at this point in the RECORD the letter of Mr.

Sharp dated April 20, 1958, and the attached enclosures:

SHARP & BOGAN,
Washington, D. C., April 20, 1958.

GENTLEMEN: As you know, our firm represents the Imported Hardwood Plywood Association in its effort to defeat the enactment of the hardwood plywood restrictive quota bills now pending in Congress. These bills would cripple the import trade and require serious curtailment of the operations of many manufacturers who utilize imported plywood in the manufacture of doors, furniture, and other products.

One of your suppliers of imported hardwood plywood has asked us to furnish you with copies of a communication which, if you see fit, is for the information of your employees. The purpose is to induce them, if possible, to write letters to their Senators and Congressmen in opposition to the plywood quota legislation. Enclosed you will find copies of the communication and we should be glad to furnish additional copies if you can make use of them. If you need additional copies, either call, write, or wire us and we will dispatch them to you immediately.

The House Ways and Means Committee is now in executive session on the Reciprocal Trade Act and various quota bills, including plywood. It is important that as many letters as possible be sent to the Members of Congress within the next 2 to 4 weeks.

You will undoubtedly realize the importance of immediate action. Adoption of this legislation will have a direct effect upon the business of your company and the welfare of your employees, as well as the importers on whose behalf we are acting.

Yours very truly,

SHARP & BOGAN,
JAMES R. SHARP.

If you are employed in a door plant, furniture plant, or any other place of business that uses, ships, or handles imported plywood, your job is being threatened by import restrictions.

What's happening in Washington right now is more than just a general news item to you. It will determine whether you and your fellow workers can continue to hold your jobs, because those jobs are being threatened by what Congressman PORTER, of Oregon, has called a campaign of massive misinformation.

The well-heeled lobby that is trying to throttle plywood imports is threatening the very existence of your company—which means the very existence of your job. One California door manufacturer with his Congressman said that if these imports are stopped, "We are out of business." A Tennessee distributor wrote that if these imports are stopped, "We lose 40 percent of our business." Furniture makers, boat manufacturers, trailer-body producers, home-construction companies, and many others have said that if imports stop "our costs go up and our sales go down."

And what they are all talking about is your job.

Of course, to the Nation as a whole, this problem of imports is more important than your job. President Eisenhower and all the Democratic leaders have said that increased trade is vital to our own economic growth, to the strength of our alliances, and to the defeat of the Soviet economic offensive. Increased trade is not charity—it is good United States business, it is buying and selling that helps us as much as it helps our friends.

So, remember that in protecting your job you are also protecting the national interest, the peace and prosperity of America and the free world.

But these imports which are so essential to your job and so beneficial to the Nation, are they hurting other American workers? The powerful propaganda lobby fighting imports says they are. But the facts say no. And the unbiased Government experts who have investigated the effect of these plywood imports have ruled that they are not hurting the American plywood industry. (If you want more details, see the attached fact sheets.)

How can you protect your job? You are being threatened by a powerful and well-financed lobby, but you have the power to beat them.

YOU HAVE THE POWER OF THE PEN

1. Write your Congressmen and tell them to vote for a liberal trade bill and against any plywood import restrictions. Tell them, in your own words, how important this trade is to your job, your company, your community, the Nation. Don't send any of the attached material, but use any of the facts or arguments that are of interest to you.

Your Representatives should be addressed:

The Honorable ———, House Office Building, Washington, D. C.

Your Senators (remember there are two for your State) as:

The Honorable ———, Senate Office Building, Washington, D. C.

And if you can, send a carbon copy of your letters to the Washington representatives protecting this trade and your job:

Sharp & Bogan, attorneys, 1108 16th Street, NW., Washington 6, D. C.

2. Write a letter to your local newspaper, explaining the importance of this import trade to you and your community. Public interest and newspaper support are powerful weapons on the side of the truth.

YOU ALSO HAVE THE POWER OF ORGANIZATION

1. If you are a member of a union, tell your union officials to support this fight against import restrictions.

2. Your local clubs (Kiwanis, Lions, others) should be enlisted in the fight.

3. Don't forget your wife's organizations, such as the League of Women Voters, which can be most effective.

If you want to keep your job, to grow with the company, to share in its prosperity, you're going to have to fight to protect that job. And you're going to have to fight now. The next month will be decisive, because Congress is now drafting the trade program for the next few years.

Write your letters now. Get your organizational support now. Protect your job and the national interest, now.

THE PLYWOOD HOAX

The propaganda program of the Hardwood Plywood Manufacturers Committee has been described by at least one Member of the Congress as a campaign of massive misinformation, an economic hoax.

This well-financed lobby has sought Congressional support for plywood import quota bills by claiming that:

1. Plywood imports are hurting the Douglas-fir plywood industry.

2. Plywood imports are made with Soviet lumber.

3. Plywood imports have shut down 28 hardwood plywood plants.

4. International diplomacy has denied relief to the United States industry.

These statements are not true. They are, at best, economic nonsense, and at worst, malicious distortion.

A summary of the facts should prevent any Member of the Congress or the public from being taken in by this plywood hoax.

THE TRUTH ABOUT PLYWOOD IMPORTS

Over 98 percent of the plywood imported into the United States is made from hardwoods, less than 2 percent from softwoods. All the plywood from Japan, the principal supplier, is hardwood plywood. More than 80 percent of the United States plywood industry, on the other hand, produces only softwood plywood, chiefly Douglas-fir.

There has been a substantial increase in imports of hardwood plywood over the past 7 years. Between 1951 and 1955 total imports of plywood increased by almost 800 percent, from 74 million to 628 million square feet. Imports from Japan alone increased almost 3,300 percent from 13 million to 429 million square feet.

Yet in 1955, after an exhaustive investigation, the United States Tariff Commission found in a unanimous opinion that imports of hardwood plywood were not injuring the United States hardwood plywood industry, or even threatening any injury to that domestic industry.

Since 1955, the increase has continued, but at a much slower pace. Total imports rose from 628 million feet in 1955 to 847 million feet in 1957, an increase of only 35 percent. Japanese plywood increased from 429 million feet to 686 million feet in 1957, an increase of about 60 percent.

Why did the unanimous Tariff Commission find no injury, in the face of such a great increase in imports? Because, in the Commission's own words, the imports were "supplemental to the domestic supply of hardwood plywood"; because "the availability of imports has helped to develop new markets" for plywood of all kinds; because "the great expansion in the production of flush doors would not have been possible if producers had been dependent entirely on domestic plywood"; because "domestic supplies would not have been adequate."

With this brief background, let's examine the newest claims in the great plywood hoax, which are for the most part the same claims already investigated and rejected by the Tariff Commission:

1. The softwood plywood hoax

The claim is made that the current economic difficulties in the Douglas-fir plywood industry are caused by imports. This is not true, it cannot be true. Douglas-fir is a softwood, used principally for cement forms and subsurface construction in homes, buildings, and furniture; while imports are of hardwood, used almost primarily for natural-finish decorative surface doors and panels. The Tariff Commission in its report pointed out that softwood plywood and hardwood plywood are not competitive, but are used for entirely different purposes.

Moreover, imported plywood costs at least $35 more per thousand square feet at the wholesale distributors' level than Douglas-fir plywood, despite the lower wages paid abroad. While one-fourth inch, AD-grade, Douglas-fir plywood has been selling from $64 to $72 per thousand square feet at the wholesale level, imported Japanese plywood of the same grade has been selling for between $101 and $112. To say that Douglas-fir plywood, used for forming and subsurface construction purposes at $72 a thousand feet, can be displaced by imported exotic panels selling for more than $100 is pure economic nonsense.

This cold fact, that imported plywood is substantially more expensive than Douglas-fir plywood of similar grade, is met by the domestic propagandists with the claim that the average price of all imported plywood, f. o. b. Japan, is lower than the price of Douglas-fir plywood. This not only ignores the costs of ocean freight, 20 percent duty, etc., that go into the United States price of imported panels, but also compares an average of dissimilar products. It is like averaging the price of Fords, Edsels, Mercurys, and Lincolns to prove that Lincolns are cheaper than Cadillacs. Comparing similar products, of the same grade and thickness, imported plywood panels are at least 40 to 50 percent more expensive than Douglas-fir.

Every year from 1951 through 1957, Douglas-fir plywood production has shown a steady growth from 2.9 billion square feet to 5.8 billion square feet in 1957. In the first 12 weeks of 1958, Douglas-fir plywood production increased 14.1 percent over the same period in 1957, reaching the highest levels in history.

II. The Russian lumber hoax

The report that the Japanese are using Soviet lumber in producing their plywood originated with a union official on the west coast and has been repeated by several Members of the Congress. Basis of the story was no more than a news report that Japan had agreed to purchase a quantity of Russian coniferous logs. Coniferous, of course, means softwood, and no one has attempted to explain how the Japanese can convert Russian softwood into hardwood. Moreover, the news report itself explained that the logs were to be used in Japan for pulp and construction.

Not one foot of Russian lumber goes into any of the hardwood plywood shipped to the United States from Japan. This has been certified by the United States Embassy in Japan after a carefully conducted investigation. It has also been certified by the Japanese Government and the Japanese Plywood Manufacturers Association, and the United States customs officials have reported that they have found no Japanse plywood shipped to the United States containing Russian softwood or any other kind of softwood.

This Russian lumber story was made of whole cloth. It is being continuously repeated as another aspect of the plywood hoax, although proven utterly false.

III. The hardwood plywood hoax

When the plywood import quota bills were introduced in the Congress last year, the principal claim offered in support of the legislation was that 28 named hardwood plywood plants had allegedly been shut down by import competition, since the time of the Tariff Commission report.

This was the original plywood hoax. An investigation of these 28 mills, conducted in large part by former employees of the FBI, most of them former special agents, revealed that 9 plants among the 28 named had not shut down at all but were still operating, 3 had been demolished by fire, 3 had never existed, 2 were named twice on the list, at least 1 produced container plywood (a type which is not imported at all), 1 was closed before there were any significant imports, 4 were consolidated with their parent companies resulting in greater production, 2 failed because of undercapitalization, and the few remaining were closed for a variety of reasons, including labor trouble, depletion of timber stands, etc.

Hardwood plywood sales were down in 1957, as they were in the recession of 1954. This is a natural consequence of a sharp decline in housing starts and in industrial production, including furniture and other finished items using plywood. Hardwood plywood is also facing intensive competition from the mushrooming particle board industry in the United States and from increasing uses of hardboard and other sturdy but inexpensive building boards. Yet despite this, over the past 3 years, 1955–57, United States hardwood plywood shipments were 15 percent higher than in 1954, and at least 12 percent higher than the prior 3-year period 1952–54.

In an industry dominated by a few giants, as is the United States hardwood plywood industry, it is inevitable that some of the small marginal producers will be unable to keep pace with the large integrated manufacturers. Many of the smalls are losing out to the bigs, and the financial reports of the bigs show that they are not only competing successfully but are expanding their hardwood plywood capacity to fill growing demands in this market.

IV. The injury hoax

The claim has been made that international diplomacy has denied the United States hardwood plywood industry the relief it needs from import competition. This is not true. Imports have not been curtailed simply because the Tariff Commission unanimously found that plywood imports were not injuring the domestic industry.

There are some cases where a domestic industry, having proven its claim of import-caused injury before the Tariff Commission, has been denied relief because of what the President believed to be the broader national interests. It is at least understandable that such an industry might be heard to complain. But the United States hardwood plywood industry has not been denied relief because of diplomacy or Executive discretion in the light of broad national policies. Instead, the Tariff Commission found the industry was not being hurt by imports. Unless and until such injury can be shown, there is no basis for any kind of import restriction, either legislative or executive.

THE NEED FOR PLYWOOD IMPORTS

Imports of hardwood plywood have created more American jobs than they ever could conceivably threaten. As the Tariff Commission reported, domestic supplies not have been adequate to permit the growth in the United States door manufacturing industry. Many door manufacturers have written to tell their Congressmen that if these imports are stopped, we are out of business. Substantial segments of our furniture, boat-building, trailer-body and other industries would be similarly affected. These represent thousands of American jobs directly dependent on imports of the industrial raw materials processed and consumed in American plants.

In addition, since these imports provide dollars that make Japan a major market for United States goods, and the world's best cash customer for the products of America's farms, additional thousands of jobs in our export industries and on our farms are likewise dependent on maintaining this flow of imports.

CONCLUSION

It is a sound and an established principle that import restrictions should be avoided except where Congressionally established procedures have been followed and a clear need for relief has been shown. The facts here show no need for import restrictions, whether by quota or otherwise. The expert body created by the Congress to investigate such claims has found no injury caused by imports. If circumstances have changed since that decision, there is no warrant for legislative action until the domestic industry has first established its case before the Tariff Commission in a new investigation.

This letter of Mr. Sharp's, with the enclosures, is of particular interest because an examination of Mr. Sharp's statement conclusively demonstrates the source of the material for the speech of April 24 of the gentleman from Oregon [Mr. PORTER]. Indeed, Mr. Sharp and the gentleman from Oregon use the same similes, as in the mention of averaging the price of Fords, Edsels, Mercurys, and Lincolns in making a point relative to the softwood and hardwood plywood prices. This statement leads me to believe that much, if not all, of what the gentleman from Oregon [Mr. PORTER] had to say, must come from Sharp & Bogan, the Washington attorneys who represent the Japanese plywood users and Japanese producers. The insertion in the CONGRESSIONAL RECORD of April 28 clearly comes from these lobbyists.

Know Your Congressman—Legislative Record, Duties and Responsibilities of Congressman Gordon L. McDonough

EXTENSION OF REMARKS
OF

HON. GORDON L. McDONOUGH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1958

Mr. McDONOUGH. Mr. Speaker, it is the desire of all Members of Congress to become intimately and personally acquainted with all of the people they represent and likewise for the people they represent to know their Congressman.

This is not always possible, as much as the Congressman and the people he represents try to become personally acquainted.

However, through correspondence, the press, radio, TV, and other means of communication, all Congressmen try to inform their people what they are doing; the bills they sponsor, introduce and promote; the committees they are assigned to; the major issues they have voted for; and their duties and responsibilities.

In order to properly inform the people of the 15th District, I am submitting the following summary of my legislative record, my duties and responsibilities, and some of the important bills I have introduced and promoted.

MAJOR ISSUES CONGRESSMAN M'DONOUGH HAS SUPPORTED AND VOTED FOR

The McDonough record speaks for itself. But the record of achievement in legislation initiated by him is but a small part of the total record of accomplishment built by the consistent and vigorous efforts of the Congressman from the 15th District in behalf of his constituency.

He has supported legislation to establish a strong adequate national and civilian defense to meet any enemy attack.

He has urged legislation to outlaw the Communist Party in the United States and to combat communism both within the United States and abroad.

He stands firmly opposed to the admission of Red China to the United Nations.

He has consistently supported new and improved veterans' hospitals and necessary increases in pensions for service and non-service-connected veterans and war widows and dependents.

He has supported lower downpayments on new homes and liberal loans for alterations and repairs of existing homes, and for slum clearance under housing legislation.

He has supported increased social security payments that would provide adequate pensions to our senior citizens.

McDONOUGH believes in economy in Government through elimination of waste, extravagance, and duplication of services. He also believes in providing maximum service to our citizens for every dollar spent by Government.

He believes in tax reduction, if such reduction can be achieved while we at the same time maintain our national defense and meet the technological chal-

lenge of the Soviet Union in the field of scientific achievement.

LEGISLATIVE RECORD OF CONGRESSMAN GORDON L. M'DONOUGH

The record of achievement attained during his term of service to the people of the 15th Congressional District is outstanding. It is a record of action rather than words—of accomplishment rather than promises. It is the result of his consistent efforts to act and work in the best interest of all the people in his District as well as for the Nation.

During the six complete Congresses in which McDONOUGH has served, he has introduced the following major bills which have resulted in ultimate action and public law.

Now let us have a look at the McDONOUGH record.

California ownership of tidelands: A bill to establish the title of the States to tidelands areas was introduced by McDONOUGH in the 79th Congress. His fight to establish California's ownership of tideland property which is so important to the citizens of our State culminated in enactment of Public Law 31, 83d Congress, which recognized California's ownership of tideland property.

Los Angeles post office expansion: A bill for the expansion and remodeling of the Terminal Annex Post Office was introduced by McDONOUGH in the 80th Congress. The improvement and extension of facilities at Terminal Annex which included an additional floor on the building was necessary as this post office handles the bulk of ingoing and outgoing mail for the Los Angeles area, and the tremendous population increase in the Los Angeles area since World War II resulted in a corresponding increase in the mail load handled at Terminal Annex. The expansion and remodeling of Terminal Annex has been completed as a result of Public Law 238, 81st Congress, and efficient mail service in the Los Angeles area has been maintained.

Federal buildings for Los Angeles: Congressman McDONOUGH introduced a bill in the 80th Congress for the construction of a new customhouse and Federal office building to meet the increased need in the Los Angeles metropolitan area, and to afford greater service and convenience to the public. Congressional action providing approval of this building was completed July 19, 1956, and construction on the new Los Angeles customhouse and Federal office building will soon be under way.

Los Angeles harbor improvements: Los Angeles Harbor is one of the largest harbors in the United States, and with constantly increasing commerce, facilities for the loading and unloading of vessels must be expanded with channels extended and enlarged to provide more space for vessels and to assure adequate channels for larger vessels to make port at Los Angeles.

Congressman McDONOUGH introduced bills to improve the east basin of Los Angeles Harbor by dredging and enlarging, and to improve the west basin including the removal of a drawbridge, and these harbor improvements were authorized in Public Law 641, 84th Congress.

He also obtained reimbursement to the city of Los Angeles for funds which had been expended on the east basin harbor improvement for necessary immediate work prior to the Congressional authorization.

Air pollution control—smog: Recognizing the serious threat of smog to the health and welfare of every citizen of Los Angeles, McDONOUGH introduced a bill in the 84th Congress to provide for research by the Federal Government into the causes of air pollution, its control and prevention.

The Federal program for research on air pollution now in progress under the direction of the Department of Health, Education, and Welfare was inaugurated with enactment of Public Law 159, 84th Congress.

Marina Del Rey project: The McDonough bill introduced in the 83d Congress provided for authorization of the Marina Del Rey small craft harbor, a project urgently needed to supply a base for the United States Coast Guard Air-Sea Rescue Unit, and which also will provide additional small-craft facilities and a useful recreation area. Authorization for this project was included in Public Law 780, 83d Congress. Congressman McDONOUGH's vigorous efforts also obtained the following appropriations for the Marina Del Rey project: $25,000, Public Law 163, 84th Congress; $355,000, Public Law 641, 84th Congress.

Repeal of taxes: Congressman McDONOUGH introduced legislation in the 80th Congress to repeal the excise tax on theater admissions. Partial repeal of the admission excise tax was enacted under Public Law 324 of the 83d Congress and Public Law 1010, 84th Congress.

Veterans: In the 79th Congress, McDONOUGH introduced a bill to extend National Service Life Insurance for 5 additional years thereby assuring life-insurance benefits for all men in service which otherwise would have terminated. The extension of National Service Life Insurance was established under Public Law 118, 79th Congress.

McDONOUGH introduced a bill in the 83d Congress to extend the 3-year presumption of service connection to veterans in all types of tuberculosis. This bill was designed to bring relief to many veterans with types of tuberculosis other than pulmonary, which were contracted as a result of service. The 3-year presumption of service connection was extended to veterans in all types of tuberculosis under Public Law 241, 83d Congress.

Armed services: The McDonough bill introduced in the 82d Congress fixed the personnel strength of the United States Marine Corps to assure full efficiency of the corps, and also gave the Commandant of the Marine Corps a place on the Joint Chiefs of Staff. This was accomplished with the enactment of Public Law 416, 82d Congress.

Air Force Academy: A bill to establish an Air Force Academy to provide the highly specialized training necessary to provide competent and efficient officers for the United States Air Force necessary for the defense of our Nation was introduced by McDONOUGH in the 81st Congress. The United States Air Force Academy, now located in Colorado, was authorized with enactment of Public Law 325, 83d Congress.

Post Graduate Naval Academy in California: The McDonough bill to establish an additional Naval Academy in California and his fight to improve and extend facilities for the technical training of officers for the United States Navy resulted in establishment of the Post Graduate Naval School at Monterey, Calif., December 22, 1951.

United States flag: McDONOUGH introduced House Joint Resolution 167 in the 80th Congress to assure that the flag of the United States always shall receive proper respect and be placed in its proper position by providing that no foreign or supra-national flag shall be displayed in a superior position or in place of the flag of the United States.

This protection of the flag of the United States was established with enactment of Public Law 107, 83d Congress.

Scientific research: In the 80th Congress, McDONOUGH introduced a bill to provide a research program to develop economical methods to convert sea water to fresh. This program is of vital importance to Southern California, as a practical economical method which will convert sea water to fresh for industrial, agricultural, and domestic use would help solve the all important problem of continuous adequate water supply to meet continuing needs of an increasing population and industry. This bill also provided for establishment of demonstration plants.

The research program now in progress by the Federal Government to convert sea water to fresh was initiated under Public Law 448, 82d Congress.

McDONOUGH also introduced a bill in the 80th Congress to provide for Federal research into the causes and treatment of multiple sclerosis. This program was initiated under Public Law 835, 84th Congress.

Recognition of the American schoolteacher: A bill introduced in the 82d Congress by McDONOUGH provided for the issue of a special postage stamp honoring our American schoolteachers who receive so little recognition for the service they render to our Nation.

The special stamp honoring the American schoolteacher was issued July 1, 1957.

Equal rights: A bill introduced by McDONOUGH in the 82d Congress provided naturalized citizenship rights to all immigrants having the right to permanent residence in the United States, and provided quotas for Asian and Pacific peoples. The provisions of this bill were included in Public Law 414, 82d Congress.

M'DONOUGH BILLS UNDER CONSIDERATION BY 85TH CONGRESS

House Joint Resolution 61: A resolution to revise the Status of Forces Agreement regarding jurisdiction of foreign nations over American servicemen stationed within those nations, or the withdrawal of the United States from the Status of Forces Agreement.

H. R. 1193: A bill to increase the pension of Federal and postal employees under the Civil Service Retirement Act.

H. R. 4797: A bill to establish a Federal policy concerning the termination, limitation, or establishment of business-type operations of the Government which may be conducted in competition with private enterprise.

H. R. 1176: A bill to exclude from gross income for income tax purposes all amounts up to $2,400 per annum received as annuities, pensions, or retirement benefits.

H. R. 4403: A bill titled the Self-Employed Individuals' Retirement Act which will extend social security retirement coverage to attorneys, dentists, and other self-employed individuals not covered by the present Social Security Act.

House Joint Resolution 4: A proposal to amend the Constitution of the United States to provide that no treaty or international agreement shall nullify or abrogate any of the civil rights guaranteed to citizens of the United States by the Constitution.

House Joint Resolution 62: A proposal to amend the Constitution of the United States to guarantee equal rights for women.

H. R. 3635: A bill to allow certain small business corporations an exemption of $25,000 for income-tax purposes, and to provide that the combined normal tax and surtax rate of 38 percent shall be applicable to corporations having taxable incomes of less than $50,000.

H. R. 331, H. R. 1175, H. R. 1177, H. R. 1178, H. R. 1182, H. R. 1198: Bills to repeal the excise tax on admissions to rodeos held for charitable purposes; the excise tax on purses, handbags, and certain other leather articles; the excise tax on admissions to motion pictures; the excise tax on cosmetics and toilet preparations; and the tax on certain other events conducted for charitable purposes.

H. R. 1195: A bill to permit the taxation by local, State, county, and city governments of the private interest in personal property and work in process, and inventories of material acquired by the Federal Government for military security and the national defense but in possession of contractors with the Federal Government. This bill is of vital importance to Los Angeles County tax revenue.

H. R. 5391: A bill to provide that the Secretary of Commerce shall furnish weather reports to certain air pollution control agencies. These weather reports would assist in the important research now in progress to determine the causes of smog and methods for its control and elimination.

H. R. 6459. A bill to allow a deduction for income tax purposes of certain expenses incurred by a taxpayer for the higher education of a dependent.

H. R. 9686: A bill to create a United States Foreign Service Academy to provide an efficient trained force for the Foreign Service of the United States.

H. R. 10179. A bill to protect the right of the blind to self-expression through organizations of the blind.

H. R. 12312: A bill to amend the Social Security Act to allow a person receiving State old-age assistance to earn $50 per month without any reduction in the amount of assistance received.

H. R. 12313: A bill to provide Federal funds up to 98 percent of the cost of cooperative housing projects to be occupied by elderly persons only at low rents under a cooperative nonprofit plan, and authorizing the FHA Commissioner to advance up to $100 million on 50-year mortgages for this purpose.

IMPORTANT DUTIES AND RESPONSIBILITIES OF CONGRESSMAN GORDON L. M'DONOUGH

Congressman McDONOUGH is chairman of the 30-member California Congressional delegation in which all the Congressmen from California work together in behalf of many issues of great importance to our State. California's Congressional delegation is the second largest—New York is first—in the House of Representatives.

Very few of the larger State delegations meet together as bipartisan bodies to consider and act upon problems of general interest to their respective States. The California delegation, however, has done so for many years, and acting as a unit, the delegation has made notable contributions to the solution of California problems.

As chairman of the delegation, Congressman McDONOUGH appoints committees of the delegation to deal with problems of particular interest to California. Committees have been appointed by McDONOUGH on agriculture, air-pollution control, forest-fire prevention, resource development, and California industry.

A successful undertaking of the delegation was that relating to the granting of permission by the Mexican Government for service by an American airline between Mexico City and Los Angeles. It had been agreed by the two Governments some years ago that such service would be introduced, but the necessary formal permission as contemplated under the agreement had never actually been granted by the Mexican Government. In February 1957, the California delegation conferred as a group with officials of the Department of State and the Civil Aeronautics Board concerning the matter and expressed strongly its desire that energetic steps be taken to complete the matter. Within a few weeks, the granting of the necessary permission was announced.

An important problem which also engaged the attention of the delegation was the proposed closing of the naval hospital at Corona, Calif. The proposed closing would involve a severe limitation on the availability of medical care for service personnel, and with the delegation interest in the matter, the closing was postponed.

Among other duties as chairman of the California delegation, Congressman McDONOUGH appeared before the House Committee on Appropriations when it held hearings on public works matters in the 1957 session to introduce the presentation by California witnesses of the California requests for appropriations for flood-control projects.

Besides his duties as chairman of the delegation, he is also active in district affairs, and is regarded as an effective representative of his constituency. For several years he has sought the construction of a new customhouse and Federal office building for Los Angeles, and this project has made progress in the face of many difficulties, and should be under construction this year.

He has also been for many years an energetic supporter of general Los Angeles and southern California interests such as forest-fire prevention and flood control, and played a major part in the creation of the Playa del Rey small-boat harbor and recreation development, as well as in the initiation of Federal aid for air-pollution research and the conversion of sea water to fresh water.

BANKING AND CURRENCY COMMITTEE

McDONOUGH is a ranking member of the powerful and important Banking and Currency Committee which has jurisdiction over the Federal Reserve Board, the Federal Home Loan Bank Board, the Export-Import Bank, the International Bank for Reconstruction, the International Finance Corporation, all legislation concerning the financing and rehabilitation of homes, and military housing.

HOUSING SUBCOMMITTEE

He is also a ranking member of the House Subcommittee on Housing which has made a specific and detailed study of the need for all types of housing throughout the United States, which includes multiple housing, individual homes, slum clearance, and rehabilitation, and reconstruction of blighted areas in the cities throughout the Nation.

JOINT SENATE AND HOUSE COMMITTEE ON DEFENSE PRODUCTION

He is also a member of the Joint Senate and House Defense Production Committee, which has the responsibility of making a continuous study of the programs authorized by the Defense Production Act and of reviewing the progress achieved in the execution and administration of these programs for the defense of our Nation.

SELECT COMMITTEE ON ASTRONAUTICS AND SPACE EXPLORATION

He is a member of the Select Committee on Astronautics and Space Exploration, a new committee of the House which has the duty and responsibility to pioneer the study of interplanetary travel and communication, and outer space exploration. This committee will conduct a thorough and complete study and investigation with respect to all aspects and problems relating to the exploration of outer space and the control, development, and use of astronautical resources, personnel, equipment, and facilities.

VOTING RECORD AND ATTENDANCE

With the multiple duties and responsibilities required by the foregoing committee assignments and delegation responsibilities, Congressman McDONOUGH has one of the best records for being present and voting on important and vital issues debated and voted upon in the House of Representatives.

He is also a member of the Inter-Parliamentary Union by appointment of the Speaker and approval of the House.

He was a United States delegate to the 46th conference of the Inter-Parliamentary Union, which was held in London in September 1957, which 700 delegates from 46 countries attended.

SENATE

TUESDAY, MAY 6, 1958

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal God, Thou knowest our frame and rememberest that we are dust. Our baffled minds cannot encompass the complexities of this vast and varied world; but Thy patience outlasts all our dullness of apprehension and all our stupid choices. Pressed by the practical problems which crowd our hours and cry for solution, we would keep clear in our vision and faith the eternal things amid the tempests of the temporal. Amid the din of today's struggle with forces of darkness, keep our spirits steadfast, our hearts courageous, our motives pure, and our confidence in the final victory of justice and righteousness undimmed. We ask it in the Name above every name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, May 5, 1958, was dispensed with.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following bills and joint resolutions, and they were signed by the President pro tempore:

S. 1818. An act to direct the Secretary of the Interior to acquire certain lands as an addition to the Fort Frederica National Monument;

S. 2183. An act to amend the act of August 2, 1956 (70 Stat. 940), providing for the establishment of the Virgin Islands National Park, and for other purposes;

S. 2937. An act to provide equitable treatment for producers participating in the Soil Bank program on the basis of incorrect information furnished by the Government;

H. R. 1126. An act to amend the Tariff Act of 1930 to exempt from duty pistols and revolvers not using fixed ammunition;

H. R. 2170. An act to authorize the Secretary of the Interior to consummate desirable land exchanges;

H. R. 2935. An act for the relief of Apolonia Quiles Quetglas;

H. R. 4115. An act to authorize the conveyance of certain lands in Shiloh National Military Park to the State of Tennessee for the relocation of highways, and for other purposes;

H. R. 5149. An act to provide that whenever public lands have been heretofore granted to a State for the purpose of erecting certain public buildings at the capital of such State, such purpose shall be deemed to include construction, reconstruction, repair, renovation, and other permanent improvements of such public buildings, and for other purposes;

H. R. 5208. An act to amend paragraph 1541 of the Tariff Act of 1930, as amended, to provide that the rate of duty in effect with respect to harpsichords and clavichords shall be the same as the rate in effect with respect to pianos;

H. R. 5624. An act to clear the title to certain Indian land;

H. R. 7057. An act for the relief of Henryk Bigajer and Maria Bigajer;

H. R. 7508. An act for the relief of Harry J. Madenberg;

H. R. 7516. An act to amend the Tariff Act of 1930 so as to permit the importation free of duty of religious vestments and regalia presented without charge to a church or to certain religious, educational, or charitable organizations;

H. R. 8239. An act for the relief of Maria Dittenberger;

H. R. 8348. An act for the relief of Michael Romanoff;

H. R. 8524. An act to authorize the preparation of a roll of persons of Indian blood whose ancestors were members of the Otoe and Missouria Tribe of Indians and to provide for per capita distribution of funds arising from a judgment in favor of such Indians;

H. R. 8958. An act authorizing the Secretary of the Interior to convey certain Indian land to the Diocese of Superior, Superior, Wis., for church purposes, and to the town of Flambeau, Wis., for cemetery purposes;

H. R. 9655. An act to permit articles imported from countries for the purpose of exhibition at the Oregon State Centennial Exposition and International Trade Fair to be held at Portland, Oreg., to be admitted without payment of tariff, and for other purposes;

H. R. 9917. An act to continue the temporary suspension of duty on certain alumina and bauxite;

H. R. 9923. An act to amend the Tariff Act of 1930 to permit temporary free importation under bond for exportation, of articles to be repaired, altered, or otherwise processed under certain conditions, and for other purposes;

H. R. 10112. An act to make permanent the existing privilege of free importation of caur seed;

H. R. 10792. An act to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing;

H. R. 11407. An act to extend for 2 years the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders;

H. J. Res. 451. Joint resolution authorizing the 101st Airborne Division Association to erect a memorial in the District of Columbia;

H. J. Res. 528. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens; and

H. J. Res. 556. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the California International Trade Fair and Industrial Exposition, Los Angeles, Calif., to be admitted without payment of tariff, and for other purposes.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Labor Subcommittee of the Committee on Labor and Public Welfare was authorized to meet today during the session of the Senate.

Mr. FREAR. Mr. President, I ask unanimous consent that the Subcommittee on Fiscal Affairs of the Committee on the District of Columbia be permitted to meet this afternoon. I have contacted the acting minority leader. I believe he offered no objection.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDENT pro tempore. If there be no reports of committees, the nominations on the calendar will be stated.

DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

The Chief Clerk read the nomination of Richard R. Atkinson for reappointment as a member of the District of Columbia Redevelopment Land Agency for a term of 5 years, effective on and after March 4, 1958.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEY

The Chief Clerk read the nomination of Osro Cobb, of Arkansas, to be United States attorney for the eastern district of Arkansas for a term of 4 years.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour, for the introduction of bills and the transaction of other routine business. In that connection, I ask unanimous consent that statements be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Connecticut; to the Committee on the Judiciary:

"Senate Joint Resolution 9

"Resolution concerning application to Congress to call a convention for proposing an amendment to the Constitution of the United States

"*Resolved by this assembly,* That pursuant to the provisions of article V of the Constitution of the United States, the Legislature

of the State of Connecticut applies to the Congress to call a convention for the purposes of proposing an amendment to the Constitution of the United States preventing the taxation of the income of the residents of one State by another State; be it further

"Resolved, That the secretary of the State cause copies of this resolution to be sent to the President of the United States Senate, the Speaker of the United States House of Representatives, and to the respective clerks of the several State legislatures.

"ROBERT A. WALL,
"Legislative Commissioner.
"JOHN L. GERARDO,
"Clerk of the Senate.
"JOHN WASSUNG,
"Clerk of the House."

A joint resolution of the Legislature of the State of California; to the Committee on Banking and Currency:

"Senate Joint Resolution 12

"Relative to implementation of the Federal Flood Insurance Act of 1956

"Whereas the many flood disasters in the history of this State and particularly the recent disasters in this State have proven that relief measures on the local level can never be entirely effective; and

"Whereas relief from the enormous loss occasioned by floods concerns every citizen whether directly or indirectly affected by such floods; and

"Whereas the Federal Flood Insurance Act of 1956 offers promising possibilities for the development of a satisfactory national program of flood relief; and

"Whereas it appears that with further study and education any problems in the administration of this act could be resolved; and

"Whereas California has always freely participated in every project to provide necessary relief to its people in times of great flood disasters: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Congress of the United States is memorialized to provide funds to reactivate the Federal Flood Insurance Administration and to orient its activities in accord with the principles developed by that agency during its year of active operation from 1956 to 1957, and provide funds for the payment of such subsidies by the Federal Government as may be necessary to the operation of the flood insurance program; and be it further

"Resolved, That the secretary of the Senate is directed to transmit copies of this resolution to the Vice President of the United States, the Speaker of the House of Representatives, and to each Member of Congress representing California."

A joint resolution of the Legislature of the State of California; to the Committee on Government Operations:

"Assembly Joint Resolution 9

"Relative to legislative jurisdiction over Federal lands

"Whereas legislation is pending in the United States Congress to permit Federal agencies to restore to States certain jurisdictional authority now vested in the United States over federally owned or operated land areas; and

"Whereas this proposed legislation would declare it to be the policy of Congress that the Federal Government shall retain only such measure of legislative jurisdiction over federally owned or operated land areas within the States as may be necessary for the proper performance of Federal functions; and

"Whereas it is the sense of the Legislature of the State of California that, to the extent consistent with the purposes for which the land is held by the United States, the Federal Government should not retain any legislative jurisdiction within federally owned or operated areas which might be exercised by the States, and particularly that the Federal Government should not retain any legislative jurisdiction with respect to qualifications for voting, education, public health and safety, taxation, marriage, divorce, annulment, adoption, commitment of the mentally incompetent, and descent and distribution of property, normally exercised by the States; and

"Whereas one measure pending in the Congress which will accomplish the objectives set forth in this resolution is S. 1538, introduced by Senator MCCLELLAN: Now therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to enact S. 1538, or similar legislation, relating to the legislative jurisdiction of the United States over Federal lands; and be it further

"Resolved that the Chief Clerk of the Assembly be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to Senator MCCLELLAN, and to each Senator and Representative from California in the Congress of the United States."

A resolution of the Senate of the State of California; to the Committee on Interstate and Foreign Commerce:

"Senate Resolution 10

"Resolution relating to air space control

"Whereas in recent months the Nation has been shocked by a series of tragic aircraft accidents resulting in the loss of many lives, culminating in the collision on April 21 of a military jet plane and a civilian airliner near Las Vegas, Nev., with the loss of 49 lives; and

"Whereas these accidents are apparently due to the concentration of air traffic within the narrow confines of air lanes; and

"Whereas the problem has been made more acute by the appropriation of large areas of the air space for the operation of military aircraft; and

"Whereas the problems caused by the great increase in air traffic, both civilian and military, and in the speed of aircraft have not been met by our present methods of air space control and regulation: Now, therefore, be it

"Resolved by the Senate of the State of California, That the members of this senate respectfully memorialize the Congress of the United States to consider the subject of air space allocation and control and take whatever action is necessary to alleviate this problem; and be it further

"Resolved, That the secretary of the senate is directed to send copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States, and to the Civil Aeronautics Administration.

"I hereby certify that the above resolution was unanimously adopted by the Senate of the State of California at the 1958 second extraordinary session of the legislature.

J. A. BEEK,
"Secretary of the Senate."

A resolution adopted at a rally of Lithuanian-Americans in New York City, N. Y., on February 23, 1958, relating to Lithuanian independence; to the Committee on Foreign Relations.

Resolutions adopted by the 67th Continental Congress of the National Society of the Daughters of the American Revolution, April 14–18, 1958, relating to the protection of the Constitution of the United States, and so forth; to the Committee on the Judiciary.

A resolution adopted by the Board of Supervisors of the Los Angeles County (Calif.) Flood Control District, favoring the enactment of legislation to continue Federal flood-control work in the Los Angeles area; to the Committee on Public Works.

THE GROWTH OF FARMER COOPERATIVES—RESOLUTION

Mr. CARLSON. Mr. President, at a meeting of the Committee of Kansas Farm Organizations last week in Topeka, Kans., there was adopted a resolution in regard to farm problems.

This committee is representative of every farm organization in Kansas, and I ask unanimous consent that the resolution be printed as a part of these remarks and be referred to the Senate Committee on Agriculture and Forestry for consideration.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Joint resolution to reaffirm national policy to aid and encourage the establishment, operation, and growth of farmer cooperatives as an effective and proven means of helping farmers help themselves to achieve a free, expanding, and prosperous agriculture

Whereas farming has been and will continue to be affected by rapid changes growing out of tremendous scientific and technological developments that not only generate enlarged production but greatly increase the farmer's need for off-farm services of all kinds in such areas as assembling, processing, packaging, transporting, and selling his products and securing the tools, materials, and farm-business services incident to efficient production; and

Whereas farmers as individual business units are finding it increasingly difficult to cope with their marketing and purchasing problems arising from the growing concentration in industries serving agriculture which has resulted in large, well-integrated businesses having extensive resources, a considerable degree of bargaining power and mass consumer outlets requiring large amounts of uniformly graded and packaged products; and

Whereas over 50 years of experience has demonstrated that farmer cooperatives are capable agencies within the framework of the American system of private enterprise through which farm people can achieve the bargaining position they must have to secure the highest possible returns consistent with economic conditions for products sold; acquire tools, materials, and services needed for production at reasonable costs; and obtain effective representation of their affairs to nonfarm interests; and

Whereas it is becoming increasingly clear that further integration of farming operations through cooperatives will be required in the future if farmers are to preserve the gains they have made and press forward to new levels of achievement; and

Whereas the Congress in a succession of legislative enactments over the years has set a policy favorable to the establishment, operation and growth of farmer cooperatives; and

Whereas, it is deemed desirable to set forth such policy in one statement: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is declared to be the policy of Congress to encourage and assist the organization, efficient operation and growth of farmer cooperatives engaged in marketing farm products, purchasing

farm supplies and supplying business services to farmer patrons, as an effective and proven means of helping farmers help themselves to achieve a free, expanding and prosperous agriculture.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ALLOTT, from the Committee on Interior and Insular Affairs, without amendment:

S. 59. A bill directing the Secretary of the Interior to convey certain property in the State of Colorado to William M. Proper (Rept. No. 1519).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, without amendment:

S. 3468. A bill to provide for the construction and improvement of certain roads on the Navaho and Hopi Indian Reservations (Rept. No. 1524); and

H. R. 6940. An act to authorize the Secretary of the Interior to reimburse owners of lands acquired for developments under his jurisdiction for their moving expenses, and for other purposes (Rept. No. 1520).

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, with amendments:

S. 3199. A bill to amend section 2324 of the Revised Statutes, as amended, to change the period for doing annual assessment work on unpatented mineral claims so that it will run from August 15 of one year to August 15 of the succeeding year, and to make such change effective with respect to the assessment work year commencing in 1959 (Rept. No. 1521).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with amendments:

S. 2215. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Spokane Valley project, Washington and Idaho, under Federal reclamation laws (Rept. No. 1522).

By Mr. HAYDEN, from the Committee on Appropriations, with amendments:

H. R. 12326. An act making urgent deficiency appropriations for the fiscal year ending June 30, 1958, and for other purposes (Rept. No. 1523).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUSH:

S. 3753. A bill to provide that the Secretary of the Interior shall develop and carry out an emergency program for the eradication of starfish in Long Island Sound and adjacent waters; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. BUSH when he introduced the above bill, which appear under a separate heading.)

By Mr. GOLDWATER (for himself, Mr. HAYDEN, and Mr. ANDERSON):

S. 3754. A bill to provide for the exchange of lands between the United States and the Navaho Tribe, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. GOLDWATER when he introduced the above bill, which appear under a separate heading.)

By Mr. BEALL:

S. 3755. A bill to extend the period within which approval may be given to public building projects under the Public Buildings Purchase Contract Act of 1954; to the Committee on Public Works.

(See the remarks of Mr. BEALL when he introduced the above bill, which appear under a separate heading.)

By Mr. RUSSELL (for himself and Mr. SALTONSTALL) (by request):

S. 3756. A bill to authorize certain construction at military installations, and for other purposes; to the Committee on Armed Services.

(See the remarks of Mr. RUSSELL when he introduced the above bill, which appear under a separate heading.)

By Mr. DOUGLAS:

S. 3757. A bill for the relief of Robert Castaneda; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 3758. A bill for the relief of Kenneth V. Tysdal; and

S. 3759. A bill to provide further means of securing and protecting the right of persons within the jurisdiction of the several States to the equal protection of the laws and other civil rights guaranteed by the Constitution or laws of the United States; to the Committee on the Judiciary.

(See the remarks of Mr. HUMPHREY when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. BEALL:

S. 3760. A bill for the relief of Alkon Lakubovicz; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina:

S. 3761. A bill to establish certain requirements with respect to the employment of barbers and beauticians in or under the executive branch of the Federal Government; to the Committee on Post Office and Civil Service.

By Mr. HENNINGS:

S. 3762. A bill for the relief of Ekaterine G. Hronopoulos; to the Committee on the Judiciary.

ERADICATION OF STARFISH IN LONG ISLAND SOUND AND ADJACENT WATERS

Mr. BUSH. Mr. President, I introduce, for appropriate reference, a bill to provide that the Secretary of the Interior shall develop and carry out an emergency program for the eradication of starfish in Long Island Sound and adjacent waters.

The infestation of Long Island Sound by starfish threatens the doom of a $90 million industry in the States of Connecticut and New York which gives direct employment to about 9,000 persons. The industry itself is spending $10,000 a week to combat this menace, but has been unable to develop successful control measures unassisted. The bill I have introduced would authorize an appropriation of not to exceed $1 million to enable the Secretary of the Interior to develop and carry out a vigorous emergency program for eradication of starfish, and thus enable the oyster-growing industry to survive.

Mr. President, I ask unanimous consent that a memorandum discussing the need for this program be printed in the RECORD, following these remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the memorandum will be printed in the RECORD.

The bill (S. 3753) to provide that the Secretary of the Interior shall develop and carry out an emergency program for the eradication of starfish in Long Island Sound and adjacent waters, introduced by Mr. BUSH, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The memorandum presented by Mr. BUSH is as follows:

PREPOSAL FOR FEDERAL AND STATE AID TO THE SHELLFISH INDUSTRY IN CONTROLLING STARFISH IN LONG ISLAND SOUND

INTRODUCTION

This memorandum presents the financial aid needed by the oyster industry in 1958 from Congress to combat starfish in Long Island Sound. The program is projected to include possible assistance from the States of New York and Connecticut. The industry is spending over $10,000 per week in the sound to exterminate the starfish on their grounds.

THE PROBLEM

During the summer of 1957, the greatest crop of starfish in modern times was produced in Long Island Sound. The quantity of stars increased 10 times from spring to fall. These animals have grown rapidly and are now large enough to consume sizable oysters. Scientists and industry people alike agree that the starfish are distributed all over the sound. A number of growers have been trying desperately to protect their beds with little or no success. Because of the distressed condition of many of the planters resulting from lack of seed and storm losses of oysters, they have been unable to carry on the fight. The few companies who are fighting have their beds overrun almost immediately from stars moving from their neighbors' grounds, who are financially unable to fight them.

Furthermore, vast quantities of stars are over the bottoms which are not under lease. No control measures are being practiced on these grounds.

THE CONSEQUENCES WITHOUT AID

Unless starfish are dealt a death blow before they destroy the remaining oysters on the beds, thereby completely destroying any chances of a "set" this summer, it will spell doom to a $90 million industry in the States of Connecticut and New York, with an annual production potential of close to $10 million. Furthermore, Rhode Island and Massachusetts, whose oyster farmers are dependent on Long Island for seed also are faced with disaster.

Under normal conditions the State of Connecticut alone issued annually an average of 309 boat licenses to work State natural beds. In 1957 and up to the present, not a single license has been issued by the State for taking of seed from natural grounds.

About 9,000 persons in New York and Connecticut are directly dependent on the oyster industry for their take-home pay. This does not include other allied industries, such as, shipbuilding, marine hardware supplies, engines and fuel, and many others whose business, to a large extent, is contingent upon a thriving oyster industry.

Long Island oysters and seed are shipped to all parts of the country. Oyster seed from Connecticut is the source of 89 percent of oyster production in New York, Rhode Island, and Massachusetts. It cannot be stated too strongly, that this seed business is the cornerstone of a far reaching and diversified industry with its roots firmly embedded in the cool and fertile waters of Long Island Sound.

Starfish in Long Island Sound are destroying the raw material on which this great industry depends. Adequate and prompt control measures will restore the capabilities of this area to provide substantial employment.

WHAT IS BEING DONE AND WHAT IS SUGGESTED

It has been pointed out that industry is spending over $10,000 per week in control measures. This is about the maximum that

can be expected of them. The State of New York marine division of the conservation department has requested an appropriation from their legislature so that they can aid in the control program. The Connecticut Shellfish Commission is developing a similar proposal for their legislature.

The industry strongly urges Congress to appropriate a minimum of $1 million for this project to control these enemies. Coupled with State efforts and the activities of the industry, there can be every reason to expect a sharp improvement in conditions as soon as the program really gets under way. It is standard practice for the Government, through the Department of Agriculture, to engage actively in pest control when farmers as a group are faced with mass destruction of their crops. Our underwater farmers are faced with precisely the same conditions. A plague of starfish to Long Island farmers is comparable to the fire ant plague to land farmers in the South.

Emergency action must be taken if the industry is to survive in Long Island Sound. We are positive that an emergency fund, coordinated with State efforts, will bring satisfactory results.

Item budget needed

Dredging for starfish on a large scale by means of many boats with special attention to protection of natural beds—starfish purchased at a standard price	$500,000
Liming of public grounds, use of lime and other proven chemical methods to destroy starfish on shellfish beds	500,000
Federal funds needed	1,000,000

ADMINISTRATION

The expenditure of funds should be through the office of the Regional Director, United States Bureau of Commercial Fisheries, Gloucester, Mass. Since this is not a research function, it should not be placed in the Shellfish Research Laboratory, except insofar the their staff may provide technical advice.

DURATION

This is a crash program to meet an extreme emergency. Funds should be appropriated for 1 year only. It will be obvious within 12 months after the program starts what results are obtained.

EXCHANGE OF LANDS WITH NAVAHO TRIBE

Mr. GOLDWATER. Mr. President, on behalf of myself, my colleague, the senior Senator from Arizona [Mr. HAYDEN], and the Senator from New Mexico [Mr. ANDERSON], I introduce a bill, and ask that it be appropriately referred.

I ask unanimous consent that the bill be printed in the RECORD, preceded by remarks I have prepared on it.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement and bill will be printed in the RECORD.

The bill (S. 3754) to provide for the exchange of lands between the United States and Navaho Tribe, and for other purposes, introduced by Mr. GOLDWATER (for himself, Mr. HAYDEN, and Mr. ANDERSON), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The statement presented by Mr. GOLDWATER is as follows:

STATEMENT BY SENATOR GOLDWATER

The bill which I have just introduced is essential to the ultimate completion of the Glen Canyon unit, which is a principal feature of the Colorado River storage project authorized by the act of April 11, 1956. For purposes of the Glen Canyon Dam, Reservoir, powerplant, and the construction and operating townsite of Page, Ariz., it is necessary to utilize approximately 53,000 acres of land within the present boundaries of the Navaho Indian Reservation in northern Arizona and southern Utah. The proposed legislation provides for the acquisition from the Navaho Tribe of all of its right, title, and interest, save for mineral rights, to the required area. In exchange, there would be transferred to the tribe, to become a part of the Navaho Reservation, an area of equal acreage to be selected from a block of public lands in the McCracken Mesa area in San Juan County, Utah, which block of public lands lies to the north and west of the portion of the present Navaho Reservation in San Juan County, Utah, and abuts the reservation's boundaries within that county. Mineral rights to this area would, however, be retained by the United States. Thus, minerals would be excluded from the exchange.

The public lands in the McCracken Mesa area in Utah are covered by oil and gas leases and the area is considered to have important oil and gas possibilities. The area affected within the reservation, on the other hand, is not considered to be mineral in nature except for the known existence of some low-grade copper.

By the exclusion of mineral rights from the exchange, difficult questions of equivalent value that would otherwise be presented by an equal acreage exchange are avoided. Moreover, the retention by each party of mineral rights permits the continuation of the existing oil leases in the McCracken Mesa area and leaves unaffected the distribution, in accordance with the Mineral Leasing Act, of any revenues received by the United States from mineral leases in that area, a distribution in which the State of Utah will therefore continue to share in accordance with the revenue distribution formula of the Mineral Leasing Act.

The Glen Canyon Dam is under construction in Arizona, 8 miles south of the Utah State boundary. The reservoir will extend up the Colorado River approximately 185 miles and up the San Juan River some 72 miles. The lands within the exterior boundaries of the Navaho Reservation required comprise two parcels. One parcel, referred to in section 2 (b) of the proposed legislation as parcel A, is made up of an area surrounding the dam site on the east or left bank of the Colorado River, which is the site of the left abutment both of the dam itself and of the highway bridge now being constructed in connection with Glen Canyon. This parcel will, in addition, constitute the construction and operating townsite area. The other parcel, referred to as parcel B, required for reservoir purposes, consists of a strip of land along the northerly boundary of the reservation below elevation 3,720 paralleling the Colorado River to its confluence with the San Juan and thence paralleling the latter stream to the upper limit of the reservoir, some 72 miles above the confluence of the San Juan with the Colorado River. The greater portion of the area required is in the State of Utah.

The area within the reservation was selected as the townsite only after consideration of possible alternative sites on the opposite side of the river. By reason of conditions of soil and topography at the selected site, it was considered that costs of developing that site would be substantially less than if the construction and operating headquarters were to be located elsewhere. The townsite, which has been designated as "Page, Ariz.," in memory of the late John C. Page, Commissioner of Reclamation during the period 1937–43, will, it is estimated, have a population of some 10,000 people, including construction forces, necessary supporting personnel, and their dependents, at the height of the estimated 7-year construction period. A permanent population following construction of approximately 4,000 people is forecast by the Bureau of Reclamation.

With the approval of the tribe, in the interests of expeditious construction, the use and occupancy of the lands within the Navaho Reservation required for the Glen Canyon Unit was granted to the Bureau of Reclamation by order of the Secretary of the Interior dated March 22, 1957. This action was taken under authority of the Right-of-Way Act of February 5, 1948 (62 Stat. 17, 25 U. S. C., sec. 323). For the permanent administration of the project and in order to remove a major impediment to the transition of the townsite area to the status of a self-governing community under local law, a more complete acquisition of the tribe's title, as is provided for in section 2 of the proposed legislation, is desirable.

By agreement with the Navaho Tribal Council, determination of just compensation by the Secretary, as provided for under the 1948 Right-of-Way Act, is being held in abeyance pending Congressional consideration of exchange legislation. Enactment of such legislation will obviate the necessity for further proceedings under 1948 act.

The Navaho Tribe has cooperated fully with the Department and its Bureau of Reclamation in connection with arrangements for use of tribal lands for the Glen Canyon unit. As compensation for such lands, the tribe is willing to accept the transfer to it, in exchange, of surface rights to an equal acreage of lands in the general area of McCracken Mesa, Utah, as provided for in the proposed legislation. The tribe realizes, of course, that legislation is required to consummate such transfer.

It is my fervent hope that this legislation can be expeditiously handled by the committees in the Senate, as well as the House. This is legislation that should be passed before we adjourn this summer. It is vital to the welfare of the Navaho Tribe in Arizona, Utah, and New Mexico, and it is vital, as well, to the Bureau of Reclamation in its construction of the Glen Canyon Dam.

It is my sincere pleasure to be joined in this proposed legislation by my colleagues, the senior Senator from Arizona [Mr. HAYDEN], and the junior Senator from New Mexico [Mr. ANDERSON].

The bill (S. 3754) introduced by Mr. GOLDWATER (for himself, Mr. HAYDEN, and Mr. ANDERSON) is as follows:

S. 3754

Bill to provide for the exchange of lands between the United States and the Navaho Tribe, and for other purposes

Be it enacted, etc., That—

(a) The Secretary of the Interior shall, in consideration of and as just compensation for the transfer made by section 2 of this act as well as for the use and occupancy of the lands therein described under terms of the right-of-way granted March 22, 1957, by the Secretary pursuant to the act of February 5, 1948 (62 Stat. 17), transfer to the Navaho Tribe so much of the block of public lands (exclusive of the minerals therein, but inclusive of all range improvements constructed thereon) described in subsection (c) of this section, as shall constitute a reasonably compact area equal in acreage to the lands transferred to the United States under section 2, and the lands so transferred shall constitute a part of the Navaho Reservation and shall be held by the United States in trust for the Navaho Tribe and shall be subject to all laws and regulations applicable to that reservation. The owners of range improvements of a permanent nature placed, under the authority of a permit from or agreement with the United States, on lands transferred pursuant to this sec-

tion shall be compensated for the reasonable value of such improvements as determined by the Secretary out of appropriations available for the construction of the Glen Canyon unit, Colorado River storage project. To the extent that the Secretary is unable to transfer, from the lands described in subsection (c), lands equal in acreage to the lands transferred to the United States under section 2, because of the existence of valid rights in other parties than the United States (other than the rights described in subsec. (d) of this section) he shall transfer to the Navaho Tribe such other available public lands (exclusive of the minerals therein but inclusive of all range improvements thereon) in reasonable proximity to the Navaho Reservation and to the lands described in subsection (c) as the tribe, with the concurrence of the Secretary, may select and as may be necessary to transfer to the tribe equal acreage in exchange for the lands transferred under section 2, and those lands so transferred shall be treated in the same manner as other lands transferred pursuant to this section.

(b) Subject to valid, existing rights, in addition to other requirements under applicable laws and regulations, mineral activities affecting the land transferred pursuant to this section shall be subject to such regulations, which may include, among others, a requirement for the posting of bond or other undertaking, as the Secretary may prescribe for protection of the interests of the Indians. Patents issued with respect to mining claims on the lands transferred pursuant to this section shall be limited to the minerals only, and for a period of 10 years after the effective date of this act, none of the lands described in subsection (c) of this section shall be open to location and entry under the general mining laws.

(c) The block of public lands (which lies to the north and west of the portion of the present Navaho Reservation in San Juan County, Utah, and abuts the reservation's boundaries within the county) from which the transfer under this section is to be made, is described as follows:

SALT LAKE MERIDIAN

Township 38 south, range 23 east, sections 26, 33, 34, and 35.

Township 38 south, range 24 east, section 28; section 29, east half; sections 31, 33, 34, and 35.

Township 39 south, range 22 east, sections 13, 24, 25, and 35, those portions lying east of Recapture Creek.

Township 39 south, range 23 east, sections 1, 3, 4, and 5; sections 8 to 15, inclusive; section 17; sections 18 and 19, those portions lying east of Recapture Creek; sections 20 to 31, inclusive; sections 33, 34, and 35.

Township 39 south, range 24 east, section 1; sections 3 to 15, inclusive; sections 17 to 24, inclusive; sections 26 and 27, those portions lying north and west of the present Navaho Indian Reservation; sections 28, 29, 30, 31, and 33; section 34, that portion lying north and west of the present Navaho Indian Reservation.

Township 39 south, range 25 east, sections 5, 6, 7, 8, and 18.

Township 40 south, range 22 east, section 1; sections 11, 12, 13, 23, 24, 25, and 26, those portions lying east of Recapture Creek and north of the present Navaho Indian Reservation.

Township 40 south, range 23 east, section 1; sections 3 to 15, inclusive; sections 17 to 23, inclusive; section 26; sections 24, 25, 27, 28, 29, 30, 34, and 35, those portions lying north and west of the present Navaho Indian Reservation.

Township 40 south, range 24 east, sections 3, 4, 5, those portions lying north and west of the present Navaho Indian Reservation; section 6; sections 7, 8, 18, and 19, those portions lying north and west of the present Navaho Indian Reservation.

(d) The transfer hereinabove provided for shall also be deemed to constitute full and complete satisfaction of any and all rights which are based solely upon Indian use and occupancy or possession claimed by or on behalf of any individual members of the Navaho Tribe in their individual capacities or any groups or identifiable bands thereof to any and all public lands in San Juan County, Utah, and all such rights to such lands are hereby extinguished from and after January 1, 1963. The tribe is hereby authorized to adopt such rules and regulations as it deems appropriate, with the approval of the Secretary, for residence and use of the lands transferred pursuant to this section: *Provided*, That the tribal council shall give preference until January 1, 1963, in granting residence and use rights to: (1) those Navahos who, prior to the effective date of this act, have used or occupied the transferred lands, and (2) those Navahos who, prior to the effective date of this act, have used or occupied other public lands in San Juan County, Utah.

(e) Upon application of the Navaho Tribe, the Secretary shall grant to the tribe, to be held in trust by the United States for use of tribal members grazing livestock upon the lands transferred under this section, a nonexclusive easement, of suitable width and location as he determines, for a livestock driveway across the public lands in sections 21, 22, 23, and 24, township 39 south, range 22 east, and in section 19, township 39 south, range 23 east, Salt Lake meridian, to connect with United States Highway No. 47. Use of said nonexclusive easement shall be in accordance with regulations prescribed by the Secretary and future uses and dispositions of the public lands affected shall be subject to said easement.

(f) The transfer of lands to the Navaho Tribe as provided in this section shall not affect the status of rights-of-way for public highways traversing such lands which rights-of-way shall remain available for public use including the movement of livestock thereon.

SEC. 2. (a) There is hereby transferred to the United States all the right, title, and interest of the Navaho Tribe in and to the lands (exclusive of the minerals therein) described in subsection (b) of this section. These lands shall no longer be Indian country within the meaning of title 18, United States Code, section 115, and they shall have the status of public lands withdrawn and being administered pursuant to the Federal reclamation laws and shall be subject to all laws and regulations governing the use and disposition of public lands in that status. The rights herein transferred shall not extend to the utilization of the lands hereinafter described under the heading "Parcel B" for public recreational facilities without the approval of the Navaho Tribal Council. No permit, lease, license, or other right covering the exploration for or extraction of the minerals herein reserved to the tribe shall be granted or exercised by or on behalf of the tribe except under such conditions and with such restrictions, limitations, or stipulations as the Secretary deems appropriate, in connection with the Glen Canyon unit, to protect the interests of the United States and of its grantees, licensees, transferees, and permittees, and their heirs and assigns. Subject to the mineral rights herein reserved to the tribe as aforesaid, the Secretary may dispose of lots in townsites established on the lands transferred under this section, together with improvements thereon, under such terms and conditions as he determines to be appropriate, including provisions for payment for the furnishing of municipal facilities and services while such facilities and services are provided by the United States and for the establishment of liens in connection therewith, but no disposition shall be at less than the current fair market value, and he may dedicate portions of lands in such townsites, whether or not improved for public purposes and transfer the land so dedicated to appropriate State or local public bodies and nonprofit corporations. He may also enter into contracts with State or local public bodies and nonprofit corporations whereby either party may undertake to render to the other such services in aid of the performance of activities and functions of a municipal, governmental, or public or quasi public nature as will, in the Secretary's judgment, contribute substantially to the efficiency or the economy of the operations of the Department of the Interior in connection with the Glen Canyon unit.

(b) The lands which are transferred under this section are described as follows:

PARCEL A

The following tract of unsurveyed land situated in Arizona: Beginning on the easterly bank of the Colorado River at a point where said easterly bank is intersected by the south line of section 9, township 40 north, range 8 east, Gila and Salt River base and meridian; thence upstream along the said easterly bank of the Colorado River to a point where said bank intersects the east line of section 16, township 41 north, range 9 east, Gila and Salt River base and meridian; thence south along the east line of sections 16, 21, 28, and 33 of said township 41 north, range 9 east, to the south line of said section 33; thence west along the south line of said section 33 to the east line of section 4, township 40 north, range 9 east, Gila and Salt River base and meridian; thence south along the east line of sections 4 and 9 of said township 40 north, range 9 east, to the south line of said section 9; thence west along the south line of sections 9, 8, and 7 of said township 40 north, range 9 east and along the south line of sections 12, 11, 10, and 9 of said township 40 north, range 8 east, Gila and Salt River base and meridian to the point of beginning.

PARCEL B

The following tract of land in part unsurveyed situated in Arizona and Utah: Beginning at a point where the east line of section 16, township 41 north, range 9 east, Gila and Salt River base and meridian intersects the north boundary of the Navaho Indian Reservation in Arizona; thence upstream in Arizona and Utah along the north boundary of the reservation to a point where said north boundary intersects a contour line the elevation of which is 3,720 mean sea level (United States Coast and Geodetic Survey datum), said point being at approximate river mile 72.7 on the San Juan River above its confluence with the Colorado River, and also being near the east line of township 40 south, range 15 east, Salt Lake base and meridian; thence generally southwesterly within the Navaho Indian Reservation along said contour line the elevation of which is 3,720, to the point where said contour line intersects the east line of section 16, township 41 north, range 9 east, Gila and Salt River base and meridian; thence north along said east line to the point of beginning.

(c) The Secretary and the tribe may enter into such agreements as are appropriate for the utilization, under permits or easements, of such tribal lands, in the vicinity of Rainbow Bridge National Monument, as may be necessary in connection with the carrying out of any measures undertaken to preclude impairment of the monument as provided by section 1 of the act of April 11, 1956 (70 Stat. 105).

(d) As used in this and in the preceding section of this act, the term "minerals" shall not be construed to include sand, gravel, or other building or construction materials.

Mr. BENNETT subsequently said: Mr. President, today the Senator from Arizona [Mr. GOLDWATER] has introduced, on behalf of himself and other Senators,

a bill to permit the Navaho Indians to exchange land which they will lose because of construction of the Glen Canyon Dam, with the resulting reservoir, for 53,000 acres of land in San Juan County, Utah.

The bill culminates over 2 years of negotiations, in many of which I was personally involved. On February 8, 1957, 73,600 acres in San Juan County were withdrawn by the Secretary of Interior, for ultimate transfer to the Navahos. However, the withdrawal was so irregular and erratic that most of the best rangeland and nearly all of the water in the area was included. This would have worked a great hardship on stockmen who have grazed their cattle in the area for a century. Consequently, I asked the Secretary to send a personal representative to inspect the area and to see at first hand the bad effect which the gerrymandered withdrawal would have on grazing operations in the county, and to confer with white stockmen who had not previously been consulted.

In May of 1957, Elmer Bennett, Solicitor of the Department of the Interior, together with a representative from my staff and a representative from the staff of Governor Clyde, made an inspection trip to the withdrawal area. It is a tribute to the reasonableness both of the Department and of the Navahos that the earlier withdrawal was revoked on July 3, 1957. Another withdrawal was then made with revised, more compact boundaries, and relocated directly adjacent to the present northern boundary of the Navaho Reservation in Utah.

I hope that Congress, and particularly the States that will benefit from the upper Colorado storage project, will fully appreciate the sacrifice which the San Juan County stockmen are being called upon to make, by means of this bill, for the sake of the Glen Canyon Dam. They are asked to give up choice grazing land and water rights many miles from the dam. The operations of some of them may be completely wiped out. Others will have their overall operations severely limited, with considerable resulting loss of income. Because of the great economic losses which the stockmen must endure, when the bill is before the Interior Committee, I intend to offer an amendment to compensate the stockmen fully.

The bill, as presently drafted, will compensate the stockmen only for range improvements of a permanent nature. The bill does not authorize compensation for the great reductions in the base value of ranching operations that will be directly caused by the proposed exchange. My amendment would correct this inequity.

I am informed that the Department of the Interior fully recognizes the justice of compensating the displaced and partially displaced ranchers. However, under existing law there is no provision whereby such compensation may be given. Quite clearly, the stockmen have special equities which entitle them to compensation analagous to that given for military withdrawals under 43 United States Code 315 Q. When the livestockmen established their grazing operations in the area, they had no reason to believe that the land would be required, in effect, for reservoir use, particularly when the dam and actual reservoir are many miles removed from the area. Moreover, those who benefit from the Glen Canyon Dam, rather than the stockmen, should pay for it.

Mr. WATKINS. Mr. President, will my colleague yield to me?

Mr. BENNETT. I am happy to yield.

Mr. WATKINS. I call the attention of my colleagues to the fact that a number of years ago the Congress passed an act which authorized the Secretary of the Air Force to negotiate with permit holders on Bureau of Land Management lands which were taken by the Air Force for use for bombing ranges and similar purposes.

Mr. BENNETT. Yes, I am familiar with that law.

Mr. WATKINS. Is that the one to which my colleague refers?

Mr. BENNETT. Yes.

When the amendment is offered, it is my intention so to identify the precedent, as to make it perfectly clear that the amendment depends on the precedent in the case of lands taken for military withdrawals, and for which compensation has been granted.

Mr. WATKINS. Let me say, further, that I believe Congress was wise in authorizing the Air Force to negotiate settlements with those who were required to give up their permits, which they had held for many, many years, for the use of land upon which they had established their sheep business. I believe a similar authorization should be made in the case of other agencies, at the time when similar situations develop.

It seemed to me unfair when, a number of years ago, after some permit holders had had their permits canceled simply because the Air Force took over their lands prior to the passage of the act, they were not given any compensation. I introduced private relief bills, which now are pending, and, I assume, have been sent to the Court of Claims, providing compensation to such permittees on the basis of the same equitable principle, because of the cancellation of their permits.

Mr. BENNETT. I think it is wise to try to solve the problem before a similar situation is created in San Juan County.

Mr. WATKINS. We have another precedent; I believe the Senate recently passed a bill to compensate further the persons whose lands have been condemned for some of the water projects.

In addition to compensation for the property taken—and that compensation is based on the actual fair market value of the property at the time of the taking—it is proper and fair to permit the Secretary of the Interior to negotiate, in connection with the reclamation projects, for compensation to the dispossessed landowners for their actual cost of moving. That would be in addition to the price for the property taken for the project. That is the same principle as the one which applies to the matter my colleague is calling to the attention of the Senate.

Mr. BENNETT. Yes; I think the principle is basically the same.

Mr. WATKINS. I agree with most of what my colleague has been saying.

Although the facts relating to the canceling of permits under discussion are not identical with those relating to the bill the Senate recently passed, I shall be glad to join my colleague in offering an amendment to authorize the Secretary of the Interior to negotiate a settlement with these permittees for the cancellation of their permits for the use of public lands now needed for exchange purposes in connection with the construction and operation of the Glen Canyon Dam and Reservoir.

Mr. BENNETT. Mr. President, I thank my colleague for his comments. Let me say that it is my intention to offer the amendment. Even so, I think the solution which has been worked out by the Department with respect to this land exchange is probably the best possible solution under the circumstances, provided the persons who otherwise would suffer can be compensated.

EXTENSION OF TIME FOR APPROVAL OF CERTAIN PUBLIC BUILDING PROJECTS

Mr. BEALL. Mr. President, I introduce, for appropriate reference, a bill to extend the period within which approval may be given to public building projects under the Public Building Purchase Contract Act of 1954. The act of 1954 amended the Public Buildings Act of 1949 by specifying a 3-year period for approval of projects. The bill which I am now introducing would change the period to 5 years instead of 3 years.

This bill would permit construction of much needed public buildings which have already been planned and on which preliminary work has been done.

This would include the 20-story Federal building planned for the city of Baltimore, which, according to carefully designed plans, would be an important part of that city's dramatic redevelopment of its central business district, to be known as Charles Center, a total of 22 acres to be rebuilt, and which when completed, will make the entire Nation proud of the city of Baltimore. The Federal building is a key structure of this great Charles Center redevelopment, and the construction of this much needed building will give employment to many persons now unemployed, and will be a stimulant to numerous trades and businesses in this part of the country.

Mr. President, my bill would of course apply to other buildings in other States which have been planned but which have not yet been finally approved.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3755) to extend the period within which approval may be given to public building projects under the Public Buildings Purchase Contract Act of 1954, introduced by Mr. BEALL, was received, read twice by its title, and referred to the Committee on Public Works.

CERTAIN CONSTRUCTION AT MILITARY INSTALLATIONS

Mr. RUSSELL. Mr. President, by request, on behalf of myself, and the Sen-

ator from Massachusetts [Mr. SALTONSTALL], I introduce, for appropriate reference, a bill to authorize certain construction at military installations, and for other purposes. This bill is requested by the Department of Defense and is accompanied by a letter of transmittal explaining the purpose of the bill. I ask unanimous consent that the letter of transmittal be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 3756) to authorize certain construction at military installations, and for other purposes, introduced by Mr. RUSSELL (for himself and Mr. SALTONSTALL), by request, was received, read twice by its title, and referred to the Committee on Armed Services.

The letter accompanying Senate bill 3756 is as follows:

THE SECRETARY OF DEFENSE,
Washington, May 1, 1958.

Hon. RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation "To authorize certain construction at military installations, and for other purposes."

This proposed legislation is a part of the Department of Defense legislative program for 1958, and the Bureau of the Budget advises that there is no objection to its presentation to the Congress. The Department of Defense recommends that it be enacted.

This proposed legislation would authorize additional military construction that is urgently needed by the Department of Defense at this time, and would provide additional authority to cover deficiencies in prior construction authorizations. The appropriation of money required for construction is provided for in the budget of the United States Government for the fiscal year 1959.

This legislation consists of titles I, II, III, and IV, covering authorization required by the Departments of the Army, Navy, and Air Force, and the Department of Defense, respectively; and title V covering general provisions relating to this legislation.

This proposal would authorize new construction totaling $1,684,361,000, of which $347,028,000 is for the Department of the Army; $301,062,000 is for the Department of the Navy; $986,271,000 is for the Department of the Air Force; and $50 million is for the Department of Defense. This proposal would also provide additional monetary authority to correct deficiencies in authorization for projects authorized under previous laws totaling $47,238,000, of $13,630,000 is for the Army; $15,825,000 is for the Navy; and $17,783,000 is for the Air Force. Therefore, the total in this proposed legislation of new authorization plus additional monetary authority for projects previously authorized amounts to $1,731,599,000.

This proposal would also repeal as of July 1, 1959, all authorizations, with certain exceptions, for military construction that are contained in laws enacted prior to August 4, 1956. This repeal will continue in effect the policy established in the fiscal year 1956 Military Construction Authorization Act (Public Law 161, 84th Cong.) and continued in the fiscal year 1957 and 1958 acts, of repealing longstanding authority that has not been exercised by the military departments. It is believed that the continuation of this policy will result in a construction program which will reflect more accurately the current needs of the Department of Defense.

Sincerely yours,

NEIL MCELROY.

PROPOSED CIVIL RIGHTS ACT OF 1958

Mr. HUMPHREY. Mr. President, I am about to introduce a bill, and I ask unanimous consent that I may speak on it in excess of the 3 minutes allowed under the order which has been entered.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and the Senator from Minnesota may proceed.

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill entitled "Civil Rights Act of 1958," and ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The introduction of this measure does not indicate that I have modified in any way my enthusiasm for, or cosponsorship of, Senate bill 3257, introduced on February 12, 1958, by a bipartisan group of 16 Senators. On the contrary, I am firmly convinced that Senate bill 3257 is a constructive new approach to the problem of school desegregation and that its provisions for technical and financial assistance to local school districts would foster compliance with the historic decisions of the Supreme Court handed down on May 17, 1954.

Mr. President, I am hopeful that the Senate Judiciary Committee will shortly hold hearings on all bills to protect the constitutional right of equal protection. I believe it is desirable to place before the committee an alternative method of effectuating this great constitutional guaranty.

Mr. President, the chief difference between the bill I am introducing today and Senate bill 3257 is that this new bill confers powers only on the Attorney General, without any provision for participation by the Secretary of Health, Education, and Welfare in local desegregation efforts or grants by him to local school districts. This bill represents a revised version of the old part III of the civil-rights bill (H. R. 6127), considered last year by the Congress, but contains all the improvements suggested during the course of last summer's debate.

Like the Civil Rights Act of 1957, this new measure creates no new substantive rights but merely perfects the procedure by which those rights may be vindicated. Similarly, it is an effort to use civil rather than criminal remedies in effectuation of these rights. In short, the bill seeks to enlist the powers and influence of the Attorney General in a determined attack upon denials of civil rights because of color, race, religion, or national origin.

While this bill would allow the Attorney General to seek injunctions against any civil-rights violations based on racial or religious grounds, he may do so only after a signed complaint has been filed and an investigation by him indicates the existence of illegal practices. The Attorney General therefore will have no roving commission but must await the filing of signed complaints.

In other respects, the bill adopts some of the administrative practices developed by the dozen-odd State commissions against discrimination now functioning so effectively in our Northern States.

Mr. President, I shall now proceed to give a section-by-section analysis of our bill indicating the differences between it and last year's part III of H. R. 6127 and between it and title VI of S. 3257.

ANALYSIS OF THE BILL

Section 1. Section 1 of our bill requires the Attorney General to make a prompt investigation of any signed complaint filed with him charging that any person acting under color of law has engaged, or is about to engage, in an act that would because of color, race, religion, or national origin either (a) illegally deny to or deprive any individual or association of any right guaranteed by the Constitution or any Federal statute, or (b) interfere with, violate, or invade such right.

The direction of the Attorney General to investigate relates only to rights denied or interfered with by an officer or agent of the Federal or any State government acting under color of law. It does not apply to conspiracies or acts of private individuals unless they act in concert with such officer or agent. It is, therefore, within the generally accepted limits of Federal power. But it would apply, for example, to prison officials, *U. S.* v. *Walker* (216 F. 2d 683) and members of a sheriff's posse, *U. S.* v. *Trieweiler* (52 F. Supp. 4).

Individuals or associations, whether or not they are members of a particular racial or religious group, who are threatened with invasion of their rights because they have opposed the denial of or interference with the rights of others, would likewise be entitled to file complaints under this section with the Attorney General.

Section 2. If, as a result of the Attorney General's investigation, he finds "probable cause" to credit the allegations of any complaint filed with him pursuant to section 1, he is required by section 2 to endeavor "by informal methods" to persuade those responsible for the illegal denial of or interference with rights to cease and desist from such practices. The Attorney General would likewise be directed to exercise these informal persuasive efforts where the complaint itself was not substantiated but the investigation undertaken by the Attorney General disclosed "similar" denials or interference. Sometimes a particular complainant who charges illegal discriminatory acts by State officials is unable to substantiate his complaint, but an official investigation uncovers a discriminatory or illegal policy affecting other members of the racial or religious groups involved. In these situations the Attorney General's jurisdiction to endeavor to eliminate the illegal practice continues.

The Attorney General would, therefore, be attempting to eliminate unlawful practices in the same fashion as Federal administrative agencies like the National Labor Relations Board or the Federal Trade Commission or State commissions against discrimination. The Attorney General might, therefore, negotiate with local school boards on segregation issues, with local registrars on voting

issues, and with other State officials on other issues in the performance of his duties.

Section 3. If, however, the Attorney General is unable by the informal methods described in section 2 to eliminate the illegal practices, he is authorized, but not directed, to bring a civil action in the Federal courts in the name of the United States for an injunction or other preventive relief, but not for damages or a penalty. The purpose of this section is therefore the same as section 131 of the Civil Rights Act of 1957, namely, to enjoin and prevent civil rights violations, not to prosecute criminally after they have been committed.

The Attorney General would thus be empowered to sue civilly to enjoin segregation in public schools. This task is too important to be left to private individuals exclusively.

Section 4. This section encourages any person complained of to discuss candidly the charge against him without a fear that admissions he makes may be used against him in a later formal proceeding by forbidding disclosure of such admissions. Similarly, in order to prevent reprisals against persons filing complaints, the Attorney General is forbidden to identify the complainant, unless he deems such disclosure necessary to the proper performance of his duties.

Section 5. This section authorizes, but does not direct, the Attorney General to bring the civil suit described in section 3 upon the request of the duly constituted authorities of any State agency, whenever they allege that they are being hindered in their effort to assure equal protection of the law to everyone without racial or religious distinctions. Such hindrances from local mobs can then be enjoined. That the Attorney General has power in such situations is indicated by the recent case of *Brewer* v. *Hoxie School District* (238 F. 2d 91 (C. A. 8, 1956)).

Section 6. To insure uniformity of law enforcement and to assist in the prompt and orderly effectuation of national policy, this section authorizes the Attorney General to intervene in any civil rights litigation based on racial or religious discrimination, brought by a private litigant, with all the rights of a party thereto. The Attorney General would also be authorized to seek compliance with any lawful order issued by a court as a result of such litigation.

Section 7. This section confers jurisdiction upon the district courts of the United States over proceedings instituted by the Attorney General pursuant to this act. The court would be required to exercise such jurisdiction without requiring that any party thereto shall have first exhausted any administrative or other remedies provided by other laws. This section is identical with section 131 (d) of the Civil Rights Act of 1957.

Section 8. This section is identical with section 131 (e) of the Civil Rights Act of 1957. It reaffirms the right of counsel in contempt proceedings and directs the court to assign counsel to any defendant in such proceedings who requests them upon showing that he is financially unable to provide such counsel. The defendant's right to a fair hearing in such contempt proceedings is also spelled out.

Section 9. This section is identical with section 151 of the Civil Rights Act of 1957. It incorporates the same compromise on jury trial in criminal contempt. The provision similarly does not apply to contempts committed in the presence of the court.

Section 10. This section makes it clear that the act does not impair any existing right or remedies or prevent private suits to vindicate constitutional or other rights.

Section 11. This is the conventional separability clause.

Section 12. This section gives the title of the proposed act.

DIFFERENCES BETWEEN BILL AND PART VI OF S. 3257

There are several important differences between this bill and part VI of S. 3257, as follows:

First. Part VI authorizes the Attorney General to bring civil suits but only with respect to deprivations of the right of equal protection of the law by reason of race, color, religion, or national origin. This bill applies to all rights, guaranteed by the Constitution or the laws of the United States that are denied or interfered with because of race, color, religion, or national origin.

Second. Part VI authorizes the Attorney General to institute a civil action to vindicate the right to equal protection only when the Attorney General certifies that the individual or group threatened with the denial of such right is unable for any reason to seek effective legal protection of such right. This bill requires no such certification but leaves the bringing of such a suit to the sound discretion of the Attorney General.

Third. Section 602 of part VI authorizes the Attorney General to seek injunctions against any person or groups preventing or hindering Government officials from according the right of equal protection of the laws without regard to race, color, religion, or national origin. This bill authorizes injunction suits by the Attorney General upon the request of such officials whenever they allege that they are hindered by any person or persons in giving or securing any right guaranteed by the Federal Constitution or Federal statutes because of color, race, religion, or national origin.

Fourth. Part VI contains no provision like section 2 of this bill, authorizing the Attorney General by informal methods to persuade persons responsible for illegal practices to cease and desist from illegal acts.

Fifth. Part VI contains no provision, like that contained in this bill's section 4, requiring the Attorney General to keep confidential admissions made by respondents and, whenever possible, the identity of the complainant.

Sixth. Part VI contains no provision like that in section 8 of this bill, on furnishing counsel to persons charged with contempt or on the rights of such persons in such proceedings.

Seventh. Part VI contains no provision, like that in this bill's section 9, specifying a jury trial in certain types of criminal contempt cases.

DIFFERENCES BETWEEN BILL AND PART III OF H. R. 6127

Part III of H. R. 6127 debated last summer by the Senate is markedly different from this bill.

H. R. 6127 would have supplemented existing civil rights statutes—title 42, United States Code, page 1985—making it a civil wrong (a) to prevent a Federal officer from performing his duties; (b) to conspire to obstruct justice or to injure a person attempting to vindicate rights to equal protection; or (c) to conspire to interfere with the right and privileges of citizens of the United States. New powers would have been conferred upon the Attorney General to bring a civil action to enjoin acts in violation of these old civil rights laws. This bill allows such equitable actions by the Attorney General whenever a complaint is filed of an illegal denial of or interference with any Federal right or privilege on racial or religious grounds. The illegal acts are described more generally in this bill in an effort to include all of such acts.

Mr. President, this bill is a systematic and comprehensive effort to confer power upon the Attorney General to enjoin violations of any Federal right or privilege denied or interfered with because of color, race, religion or national origin. Unlike H. R. 6127, it also authorizes civil actions against mobs hindering Government officials from according rights without racial or religious distinctions and against similar interference with the execution of court orders protecting such Federal rights. Unlike H. R. 6127, it provides for the filing and investigation of complaints, directs the Attorney General by informal means to eliminate illegal practices, requires him to keep confidential admissions made during the process of settlement and the identity of complainants, allows intervention by him in any private civil rights litigation and finally seeks to clarify the law and procedure as to civil and criminal contempts arising from a violation of a court order in such litigation.

Mr. President, I think all of these items should be considered in hearings on civil rights bills which I hope will be held by the Subcommittee on Constitutional Rights. The issue of civil rights has by no means passed into legislative oblivion merely by the passage of the Civil Rights Act of 1957. The people of the United States have a right to know that civil rights are under constant scrutiny by the Congress with a view toward further constructive legislative action.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3759) to provide further means of securing and protecting the right of persons within the jurisdiction of the several States to the equal pro-

tection of the laws and other civil rights guaranteed by the Constitution or laws of the United States, introduced by Mr. HUMPHREY, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That whenever the Attorney General shall receive a signed complaint that any person or persons has engaged in, or is about to engage in, any act or practice under color of law that would illegally deny or deprive any individual or group of individuals or association of his or its right to equal protection of the laws or to any other right guaranteed by the Constitution or the laws of the United States, or would interfere with, violate, or invade such rights, because of color, race, religion or national origin or because he or it has opposed such denial or interference, the Attorney General shall promptly cause an investigation to be made of such complaint.

SEC. 2. If the Attorney General after the investigation described in the first section shall find that probable cause exists to credit any complaint filed pursuant to such section or any other similar denial or interference disclosed by such investigation, he shall endeavor by informal methods to persuade the person or persons responsible for such denial or interference to cease and desist from such illegal acts.

SEC. 3. If the Attorney General shall determine that he is unable by the informal methods described in section 2 to eliminate the illegal denial or interference, he may institute for and in the name of the United States a civil action or other proper proceeding for preventive relief, including an application for a permanent or temporary injunction, restraining order, or other order. In any such proceeding hereunder, the United States shall be liable for costs the same as a private person.

SEC. 4. The Attorney General shall not make public any admission or other statement by the person or persons complained of made in the course of the informal efforts described in section 2. He shall not disclose the name of the person signing the complaint described in the first section unless he deems such disclosure necessary for the proper performance of his duties.

SEC. 5. The Attorney General is hereby authorized upon written request of the duly constituted authorities of any State or Territory, or subdivision, agency, or instrumentality thereof, to institute the legal proceeding described in section 3 whenever such authorities allege that any person or persons are preventing or hindering, or threatening to prevent or hinder, or conspiring to prevent or hinder, such authorities from giving or securing to any individual or group of individuals or association his or its right to equal protection of the laws or to any other right guaranteed by the Constitution or the laws of the United States because of color, race, religion, or national origin or because he or it has opposed any denial of or interference with such rights. The Attorney General is further authorized to institute for and in the name of the United States a civil action or other proper proceeding for preventive relief, including an application for a permanent or temporary injunction, restraining order, or other order, against any person or persons preventing or hindering, or threatening to prevent or hinder, or conspiring to prevent or hinder, the execution of any court order protecting any right guaranteed by the Constitution or the laws of the United States from denial or interference by reason of color, race, religion, or national origin.

SEC. 6. Whenever a suit is brought in the district courts of the United States seeking relief from a denial of or interference with the right to equal protection of the laws or of any other right guaranteed by the Constitution or the laws of the United States because of color, race, religion, or national origin, or because of opposition to such denial or interference, the Attorney General is authorized to intervene in such action with all the rights of a party thereto and to seek compliance with any lawful order issued by such court.

SEC. 7. The district courts of the United States shall have jurisdiction of proceedings instituted pursuant to this act and shall exercise the same without regard to whether the party aggrieved shall have exhausted any administrative or other remedies that may be provided by law.

SEC. 8. Any person cited for an alleged contempt under this act shall be allowed to make his full defense by counsel learned in the law; and the court before which he is cited or tried, or some judge thereof, shall immediately, upon his request, assign to him such counsel, not exceeding two, as he may desire, who shall have free access to him at all reasonable hours. He shall be allowed in his defense to make any proof that he can produce by lawful witnesses and shall have the like process of the court to compel his witnesses to appear at his trial or hearing, as is usually granted to compel witnesses to appear on behalf of the prosecution. If such person shall be found by the court to be financially unable to provide for such counsel, it shall be the duty of the court to provide such counsel.

SEC. 9. (a) In all cases of criminal contempt arising under the provisions of this act, the accused, upon conviction, shall be punished by fine or imprisonment or both: *Provided, however,* That in case the accused is a natural person the fine to be paid shall not exceed the sum of $1,000, nor shall imprisonment exceed the term of 6 months: *Provided further,* That in any such proceeding for criminal contempt, at the discretion of the judge, the accused may be tried with or without a jury: *Provided further, however,* That in the event such proceeding for criminal contempt be tried before a judge without a jury and the sentence of the court upon conviction is a fine in excess of the sum of $300 or imprisonment in excess of 45 days, the accused in said proceeding, upon demand therefor, shall be entitled to a trial de novo before a jury, which shall conform as near as may be to the practice in other criminal cases.

(b) This section shall not apply to contempts committed in the presence of the court or so near thereto as to interfere directly with the administration of justice nor to the misbehavior, misconduct, or disobedience of any officer of the court in respect to the writs, orders, or process of the court.

(c) Nor shall anything herein or in any other provision of law be construed to deprive courts of their power, by civil contempt proceedings, without a jury, to secure compliance with or to prevent obstruction of, as distinguished from punishment for violations of, any lawful writ, process, order, rule, decree, or command of the court in accordance with the prevailing usages of law and equity, including the power of detention.

SEC. 10. Nothing in this act shall be construed as impairing any right guaranteed by th Constitution or laws of the United States or any remedies already existing for their protection or enforcement nor shall anything herein prevent any person or association from seeking to vindicate any constitutional or statutory right by any lawful means.

SEC. 11. If any provision of this act or the application of such provision to any person or circumstance shall be held invalid, the remainder of this act or the application of such provision to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

SEC. 12. This act may be cited as the "Civil Rights Act of 1958."

AMENDMENT OF TARIFF ACT OF 1930, RELATING TO MARKING OF IMPORTED ARTICLES AND CONTAINERS—AMENDMENT

Mr. PURTELL submitted an amendment, in the nature of a substitute, intended to be proposed by him, to the bill (S. 2240) to amend the Tariff Act of 1930 with respect to the marking of imported articles and containers, which was referred to the Committee on Finance, and ordered to be printed.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT, RELATING TO PAYMENTS FROM VOLUNTARY CONTRIBUTIONS ACCOUNTS—AMENDMENTS

Mr. JOHNSTON of South Carolina submitted amendments, intended to be proposed by him, to the bill (H. R. 4640) to amend the Civil Service Retirement Act with respect to payments from voluntary contributions accounts, which were ordered to lie on the table, and to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MURRAY:

Statement by Montana Congressional delegation in opposition to right-to-work legislation.

By Mr. NEUBERGER:

Article entitled "The Struggle Without End," written by CHARLES O. PORTER, relating to freedom from totalitarian control, published in the New Leader of April 14, 1958.

THE SECRET MANIFESTO OF THE CIVIL LIBERTIES UNION

Mr. TALMADGE. Mr. President, much attention and publicity have been given to a statement by a group of 100 so-called representative lawyers, declaring it a duty to recognize decisions of the Supreme Court as the supreme law of the land.

That statement was first published in the December 1956 issue of the American Bar Association Journal, and was reprinted in the CONGRESSIONAL RECORD in January 1957. It was not until April of this year, however, that the identity of its sponsors and the circumstances surrounding its preparation were made public in the publication of hearings held by the Internal Security Subcommittee of the Senate Committee on the Judiciary.

In order to set the record straight about the questionable motives and background of the initiators of this statement, a noted member of the Georgia bar and a recognized authority on constitutional law, Hon. R. Carter Pittman, of Dalton, Ga., has written an article, which he has submitted to the American Bar Association Journal, setting forth all the facts which now have been brought out about this matter.

Mr. Pittman's article is most revealing; and I ask unanimous consent, Mr. President, that it be printed herewith in the body of the RECORD.

I also ask unanimous consent, Mr. President, to have printed following it in the body of the RECORD, Mr. Pittman's article giving the true definition of "the law of the land," as it appeared in volume 6, No. 2, of the Journal of Public Law of the Emory University Law School, of Atlanta, Ga.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THE SECRET MANIFESTO OF THE CIVIL LIBERTIES UNION, SIGNED BY 100 "REPRESENTATIVE" LAWYERS

The December 1956 issue of the American Bar Association Journal published an article entitled "Recent Attacks Upon the Supreme Court: A Statement by Members of the Bar." In a foreword Hon. George Wharton Pepper, a respected and aged attorney of Philadelphia, stated that he was submitting it for publication and bringing it to public attention for a "representative group of American lawyers" whose names were affixed to it.

Both before and since publication by the Journal, it was reproduced in many newspapers throughout the Nation, in many State and local bar association journals and, in January 1957, was printed in the CONGRESSIONAL RECORD.

That statement was an attempt to answer statements, speeches, and articles by numerous constitutional authorities, Members of Congress, newspaper editors, and others critical of the Supreme Court and charging the Court with usurpation of power.

Among the doctrine propounded in the statement, that appeared peculiar to many, was the following:

"The privilege of criticizing a decision of the Supreme Court carries with it a corresponding obligation—a duty to recognize the decision as the supreme law of the land as long as it remains in force."

That doctrine seemed peculiar because it purports to take the Court from under the Constitution and put it over the Constitution. It reduces the Constitution from the dignity of a founding charter, commanding faithful support by all, including judges, to an expedient to be used by any with the naked power to command. Sociology, chance, caprice, or the will of judges, not elected by the people or amenable to their will, were thus made paramount over the Constitution—and the people too.

That strange doctrine challenges the fundamental principle that forms the basis of all republics, which requires all laws to be made by or with the consent of the people.

Decisions, decrees or edicts have never been accepted or enforced as "the supreme law of the land" anywhere except in totalitarian lands. Government by consent of the governed, under laws enacted by their representatives elected for such purpose, is the very definition of a republican government of laws. Government without the consent of the governed is the very definition of a despotism.

The mystery as to the influences that brought about the preparation and formulation of the amazing statement seems to have remained secret until February 1958. The publication of the hearings of the subcommittee of the Judiciary Committee of the United States Senate around April 1, 1958, first made it public.

The second signer of that statement was Mr. Ernest Angell, of New York City. On February 27, 1958, Mr. Angell testified before the Internal Security Subcommittee of the Senate against imposition of any curbs on the Supreme Court. On page 214 of part II of the hearings Mr. Angell took the position that the Supreme Court may make the law of the land, not by the process of legislating but by the process of declaring. He contended that the Court may not only make law, but that it may convene itself into a constitutional convention and change the Constitution itself "in the sense of adaptation." Mr. Sourwine, counsel for the Senate committee, inquired:

"In other words, it is merely changing the meaning of the Constitution in accordance with the Supreme Court's findings, according to the social atmosphere of the country?"

To which Mr. Angell replied:

"Social atmosphere, practical necessities of the society, business demands, the growth of industry beyond the capacity of a single State unit effectively to control it—there are many reasons for adaptation."

On page 215 Mr. Angell evidenced great pride in the statement, mentioned above, saying with becoming modesty:

"I had a hand in initiating it."

On page 126 he continued:

"The circulation was originally undertaken from Senator Pepper's office in the summer of 1956 after it had been prepared. At that point, being then, well, I forget whether it was 89, or some such age, nearly that, he became ill and couldn't go to his office regularly. The devolvement happened upon me as one of the original starting group, and I sent out the statement to this larger group after some 30 or 40 of us had already indicated our approval of it. When the letters of approval, all of them in writing, had come in from slightly over a hundred lawyers, we then put it out as a public release and statement. It appeared in the American Bar Association Journal."

The questions by Mr. Sourwine and answers of Mr. Angell continue:

"Mr. SOURWINE. It was widely printed?

"Mr. ANGELL. Yes; it was very widely printed. We produced it in whole or in part in a great many newspapers around the country and in full in a number of local bar associations.

"Mr. SOURWINE. You drafted the statement?

"Mr. ANGELL. I had no part in drafting the statement. It was done by a man who is a scholar in constitutional law, one of the original group whom we drew in one of the small conferences with Senator Pepper.

"Mr. SOURWINE. Who was the drafter?

"Mr. ANGELL. Prof. Paul Froyen [sic], of Harvard Law School, who in his younger years had been a secretary to one of the Justices of the Supreme Court. I have forgotten now which one.

"Mr. SOURWINE. His name is well known?

"Mr. ANGELL. Yes; he is recognized as an outstanding scholar.

"Mr. SOURWINE. I thought it was of considerable interest to develop that."

Many others agree with Mr. Sourwine that it was "of considerable interest to develop that."

At the beginning of his testimony Mr. Angell introduced himself as a lawyer with a New York City address, saying:

"I appear on behalf of the American Civil Liberties Union, of which I am chairman of the board of directors."

Martindale's Legal Directory reveals some extraordinary information about this "representative group of American lawyers," to which Senator Pepper referred. One hundred and three names were affixed to the statement. The school affiliations of only 95 could be found. While the graduates of Harvard Law School represent perhaps less than one-twentieth of 1 percent of all the lawyers in America, 32 out of the 95, or more than 33⅓ percent of the representative group were Harvard men. By way of contrast, the school furnishing the next largest number was Michigan with 7.

Certainly not more than one-tenth of 1 percent of the lawyers in America are professors. However, Martindale's reveals that 21 percent of the 95 in this representative group were of the cap and gown variety.

Thus it unmistakably appears from Martindale's and the voluntary assertions of Mr. Angell that the good name and high reputation of Hon. George Wharton Pepper who, at the age of 89, was so ill and infirm that he couldn't go to his office regularly, was used as a front by the American Civil Liberties Union and a dubious segment of the Harvard Alumni Society to lead the editors of the American Bar Association Journal, the members of the American Bar Association and the generality of the American people into the belief that an impartial, and indeed a representative group of more than 100 American lawyers was bold to proclaim that the Supreme Court of the United States may not only make the law of the land, but may make the supreme law of the land.

The February 1958 issue of the American Bar Association Journal carries an article by Hon. Alfred J. Schweppe, of Seattle, Wash., former dean of the law school of the University of Washington, a constitutional lawyer of national repute and one of the editors of the Journal, which demonstrates authoritatively and conclusively that the Supreme Court of the United States has no power to make the law of the land much less the power to make the supreme law of the land.

Since the true authorship and the sponsorship of the so-called statement by a so-called "representative group of American lawyers" has been kept secret from the American people for almost 2 years, this disclosure and exposure of the secret is made with the hope (vain as it may prove to be) that the press, that was so generously free to those who promulgated the statement, will feel free to demonstrate a decent respect for the rights of the American people to know the whole truth. If the people want to pardon or sanction a deception they may do it, but the press is not free to do it for them.

R. CARTER PITTMAN.

DALTON, GA.

[From the Journal of Public Law, vol. 6, No. 2, Emery University Law School, Emery University, Ga.]

THE LAW OF THE LAND [1]

(By R. Carter Pittman) [2]

(Role of the Supreme Court symposium, No. 8)

Montesquieu said in his Spirit of Laws that in a republic, rulers govern by fixed and established laws while a despot governs according to his own will and caprice without laws or rules. Again he said, "In despotic

[1] Much of the material contained herein appears also in an article by Mr. Pittman in 19 Ga. Bar J. 309 (1957).

[2] Attorney, Dalton, Georgia; author, The Colonial and Constitutional History of the Privilege Against Self-Incrimination in America, 21 Va. L. Rev. 763 (1935) and other works.

governments there are no laws; the judge himself is his own rule." But in free states, he asserted, there is a law, and where it is precise, the judge follows it; where it is not, he tries to discover its spirit.

The fundamental difference between a despotism and a republic is how the law of the land is made or in whom legislative power is vested, in what the law consists and how it is enforced. On every side one hears that a decision of the Supreme Court of the United States is the law of the land and must be obeyed by everyone whether he or she was a party to the case or not. Politicians assert the doctrine and call out troops to enforce it. Newspapers and periodicals simplify, distort and perpetuate it. Pulpits echo it, and our children are taught it. Nothing like it has ever been heard in America before. It would seem that declamation has stolen a march on history and found something new.

It was to settle the question as to who should make the law that Charles I and the Earl of Strafford forfeited their heads in the Puritan revolution and that Lord Chief Justice Jeffries died in London Tower in the glorious revolution.

It was to settle forever all questions as to who should make law that the very first sentence of our Constitution was made to say:

"All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and a House of Representatives."

It was to settle that question that section 8 of article I of the Constitution reiterated in its last clause that "The Congress shall have power * * * to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof."

It was to settle that question that every power of the President beyond the execution of laws of the Union enacted by the Congress was spelled out in the Constitution by words so plain that anyone who can read English and knows a smattering of American history can understand.

Section 2 of article III of the Constitution "extends" the judicial power to "cases in law and equity, arising under this Constitution, the laws of the United States, and treaties made, or which shall be made, under their authority." Article VI of the Constitution defines "the supreme law of the land" as: "This Constitution, and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made under the authority of the United States." Thus article VI repeats the words of article III in order that the judicial department could never make a valid claim that its decisions in "cases" are "the supreme law of the land." Section 2 of article III "extends" the "judicial power" to other defined "cases" and "controversies," depending upon laws of nations—or of States—not relevant here. But for that extension the courts would have been limited, exclusively, to judging cases involving "the law of the land." Since article III limits Federal jurisdiction to cases, a decision in a case becames the law of the case, binding only upon the parties thereto—not "the law of the land," binding upon everyone.

It was to keep Federal courts from making law under the guise of finding law that the framers of the Federal Constitution, unlike the framers of our State constitutions, withheld from the Federal courts jurisdiction of cases and controversies arising under common law.

A republic is a government in which all laws are established by the immemorial customs of the people or are made by representatives of the people in legislative assemblies. If laws may be established or made by men not elected for such purpose by the people, whatever that government may be called, it cannot be a republic.

Writing in January 1775 in Novanglus, No. 7, a treatise on government, John Adams said:

"If Aristotle, Livy, and Harrington knew what a republic was, the British constitution is much more like a republic than an empire. They define a republic to be a government of laws, and not of men."

By 1787 the principles of republican government had been so fully discussed in newspapers, in pamphlets and in general works on law and government that the ordinary American layman fully understood that the legislature makes, the judiciary interprets and the executive executes the law in all republican governments. From 1750 until 1791, a favorite subject for discussion in America was government. Microfilms of newspapers of those years reveal thousands of pages devoted to that subject. During these years more of the common people became expert in the science of government than at any other time in our history.

The following is a portion of a typical essay on government, copied from the front page of the Virginia Gazette of September 20, 1783 (4 years before the Constitutional Convention). The Virginia Gazette copied it from the Maryland Gazette of an earlier date. It reveals a deep understanding of the place of the law and the judge in a republic and is sadly prophetic too:

"In republican governments, and limited monarchies, many more laws are necessary than in despotic ones: The reason is that in the two former justice is almost mechanical, the judge must apply the letter of the law, from which his judgment must not, nay cannot dissent. He must have either a law, or an established precedent for all his opinions; but in the latter he must consult his own feelings, and gratify his own inclinations in his decisions. In republican governments, and limited monarchies, we must look to the laws for our happiness and safety; but in despotic ones, depend upon the knowledge and integrity of the judge. In the first and second, we have the delegated voice of the whole body politic in favor of a legal decision; but in the third, only the opinion and caprice of a single member of the community, to depend upon for justice.

"Republican governments will only be supported while they support justice; because being the most expensive, in order to obtain superior advantages, which if not visible the propriety of adopting another form will be manifest."

Everyone understood in 1787 that the new government, constructed by the Constitution, was to be a republic. The people were so adamant on the point that a guaranty of perpetual republican government in the States was thought appropriate to be inserted in the Constitution itself. So section 4 of article IV of the Constitution was made to say:

"The United States shall guarantee to every State in this Union a republican form of government, and shall protect each of them against invasion; and on application of the legislature, or of the executive (when the legislature cannot be convened) against domestic violence."

Thus the Union of States guarantees to every State of the Union that the form of its government shall remain republican, and pledges that the republican State governments shall never be invaded from without. The same section leaves the United States powerless to use Federal troops for any other purpose within a State unless called for by the legislature, or by the executive, when conditions are such that the legislature cannot be convened.

A government in which laws may be made by any man or body of men other than those who must obey those laws, or by their representatives in assembly, is a despotism.

The first paragraph of the Georgia constitution repeats that which many American State constitutions likewise repeat:

"All government, of right; originates with the people, is founded upon their will only, and is instituted solely for the good of the whole. Public officers are the trustees and servants of the people, and, at all times, amenable to them."[3]

That provision of fundamental law goes back to the Virginia Declaration of Rights just as does the preamble of the Declaration of Independence which was adopted 1 month after the Virginia Declaration.

The statement as originally written for the Virginia Declaration of Rights was in these words: "That all power is by God and nature vested in, and consequently derived from, the people; that magistrates are their trustees and servants, and at all times amenable to them."[4]

The idea that people may not be forced to obey laws except laws made by themselves or their own representatives is not an American idea—it is as old as liberty itself because without it there can be no liberty. The English colonists in America and in the West Indies insisted at all times under their charters, under the common law, and under their rights as Englishmen, that they could not be governed by any laws except those made by their own representatives. A century before the American Revolution the Attorney General of England held that the colonists could be governed "by such laws only as are made there and established by His Majesty's authority."[5] There was no substantial question raised about the correctness of that view in America until about 15 years before the American Revolution.

As long as the American colonists were governed only by such laws they were happy and tranquil citizens of the British Empire. The proposition that sovereignty rests in the people and that they are bound by no laws except those they have consented to by themselves or through their representatives was contended for at Runnymede. It was fought for in England during the Puritan Revolution at the very hour when our forefathers first boarded their little ships to come to America. The proposition that kings or courts, or star chambers or judges may make laws for the people was a favorite thesis of the Stuart kings and of Filmer.

Writing in 1659 on the principles and maxims concerning government which are asserted by those that are commonly called Levellers, Thomas Brewster outlined the contentions of the Levellers who remained in England to fight to the end in the Puritan revolution. He said in part:

"I. First, they assert it as fundamental that the Government of England ought to be by laws, and not by men; they say the laws ought to be the protectors and preservers under God of all our persons and estates, and that every man may challenge that protection as his right. * * *

"II. The Levellers' second maxim, or principle about government, is that all the laws, levies of moneys, war and peace, ought to be made by the people's deputies in Parliament, to be chosen by them successively at

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[3] Georgia Code Ann. § 2–101 (1948).

[4] 1 Rowland, The Life of George Mason 434 (1892).

[5] 10 Calendar of State Papers, 1677–1680 (Colonial), Nos. 1346–47, at 520–21 (Gainsbury & Fortescue eds., 1896). In general consult Russell, The Review of American Colonial Legislation by the King in Council 26 et seq. (1915); Jameson, Narratives of Early Pennsylvania 208 (1912); 2 Winthrop, History of New England 352 (1353); Winslow, New England Salamander, In 2 Massachusetts Historical Society Collections 137 (series 3, 1813).

certain periods of time; and that no council table, orders, or ordinances, or court proclamations [ought] to bind the people's persons or estates; it is the first principle of a people's liberty that they shall not be bound but by their own consent, and this our ancestors left to England as its undoubted right, that no laws to bind our persons or estates could be imposed upon us against our wills. * * *

"III. The Levellers assert it as another principle that every man of what quality or condition, place or office whatsoever, ought to be equally subject to the laws. Every man, say they, high and low, rich and poor, must be accountable to the laws and either obey them or suffer the penalties ordained for the transgressors; there ought to be no more respect of persons in the execution of the laws than is with God Himself if the law be transgressed."[6]

The Levellers were not levelers. One of the cardinal principles of the Levellers was that representatives of the people are bound "from abolishing propriety, leveling men's estates, or making all things common."[7] The name "Levellers," was given to them by the minions of arbitrary power in an effort to make them appear odious.[8]

Roger Williams, the founder of Rhode Island, was a Separatist and a Leveller and hence believed in and suffered for those principles of government that were fought for in the Puritan revolution, the glorious revolution, and finally in the American Revolution and that eventually became the basis and foundation of republican governments, sought to be perpetuated in our American constitutions. The Levellers in government were Separatists in religion. Since Roger Williams was both a Leveller and a Separatist, he was anti-Communist, anti-Socialist, and pro-God. In 1644 Williams wrote the Bloody Tenet of Persecution. His doctrine sounds so American and so familiar now:

"[I]n a free state no magistrate hath power over the bodies, goods, lands, liberties of a free people but by their free consents."[9]

Again:

"[W]e have formerly viewed the very matter and essence of a civil magistrate, and find it the same in all parts of the world, wherever people live upon the face of the earth, * * * I say the same, essentially civil, both from (1) the rise and fountain whence it springs, to wit, the people's choice and free consent, [and] (2) the object of it, viz, the common weal or safety of such a people is in their bodies and goods, as the authors of this model have themselves confessed."[10]

The concluding sentences of his treatise say:

"All lawful magistrates * * * are but derivatives and agents, immediately derived and employed as eyes and hands, serving for the good of the whole. Hence they have and can have no more power than fundamentally lies in the bodies or fountains themselves, which power, might, or authority is not religious, Christian, etc., but natural, human, and civil."[11]

Thus we see that the Virginia Declaration of Rights and the Declaration of Independence said nothing about sources of power that was not being said by Americans in America 150 years earlier.

After the House of Hanover came to the throne in England and after the American Colonies had grown in stature, and particularly after the French and Indian wars, the Kings and Ministers of England decided it to be sociologically proper to govern the American Colonies as ancient Rome had governed her conquered provinces. Colonies were unknown in the world for a thousand years before 1600. Geography stood still that long. England had to seek an ancient precedent because there was no other. Ancient Rome sought to justify arbitrary rule over colonists by asserting that her colonies were conquered provinces and the inhabitants not entitled to human freedom, or even to be consulted about their government. Ancient Rome established and practiced the civil-law rule that government by consent does not apply to a conquered people. Indeed, it was conquered people who became the slaves of Rome.

So it was that the ministers of George II and George III insisted that the American Colonies occupied the status of conquered provinces as in ancient Rome, to be governed at the will of kings and ministers by proclamations, instructions, judicial decrees and acts of a Parliament that did not represent Americans. That contention was answered in hundreds of state papers prior to the American Revolution. One of the most famous answers was written into the Fairfax Resolves by George Mason, who wrote the Virginia Bill of Rights and Constitution, and later the master first draft of the Federal Bill of Rights. The Fairfax Resolves was carried to Williamsburg by George Washington, where it became a model for the Virginia Resolves and later a model for the Resolves of the Continental Congress. Here are the first and second of those Resolves, adopted at a Fairfax County meeting, of which George Washington was chairman, in the town of Alexandria, Va., on the 18th day of July 1774:

"1. *Resolved*, That this Colony and Dominion of Virginia cannot be considered as a conquered country, and, if it was, that the present inhabitants are not of the conquered, but of the conquerors. That * * * our ancestors, when they left their native land, and settled in America, brought with them, even if the same had not been confirmed by charters, the civil constitution and form of government of the country they came from, and were by the laws of nature and nations entitled to all its privileges, immunities, and advantages, which have descended to us, their posterity, and ought of right to be as fully enjoyed as if we had still continued within the realm of England.

"2. *Resolved*, That the most important and valuable part of the British Constitution, upon which its very existence depends, is, the fundamental principle of the people's being governed by no laws to which they have not given their consent by representatives freely chosen by themselves, who are affected by the laws they enact equally with their constituents, to whom they are accountable, and whose burthens they share, in which consists the safety and happiness of the community; for if this part of the constitution was taken away, or materially altered, the government must degenerate either into an absolute and despotic monarchy, or a tyrannical aristocracy, and the freedom of the people be annihilated."[12]

American colonial records are full of state papers, published before the Revolution, in which our forefathers hammered home the same contention that they and their posterity were entitled to be treated as free men instead of slaves and that they were entitled to make the laws they should obey. "No taxation without representation" was merely a subsidiary slogan.

Against that background of fundamental principles settled by the American Revolution, is it any wonder that all of the constitutions of the separate States and the Constitution of the United States should provide explicitly, and in language so plain that it may not be misunderstood by anyone, that the people of America may be "governed by no laws to which they have not given their consent by representatives freely chosen by themselves"?

Most of those in the Constitutional Convention of 1787 had risked their lives, their liberties, and their fortunes in the Revolution that had come to a close 6 years earlier. They knew what they had fought for. They had taken up arms to decide not only who should govern but how they should be governed. Having suffered themselves and knowing the history of the suffering of their forebears and all mankind over the centuries in the struggle for freedom and dignity under the rule of law instead of the rule of men, always despotic, is it any wonder that our forefathers wrote into the Constitution of the United States the most important and valuable part of that for which they fought, which was the fundamental principle of the people's being governed by no laws to which they have not given their consent by representatives freely chosen by themselves? They made the Constitution say who should make the laws and how laws should be made. They intended that never again in America should they, or their children, answer the knock on the door to discover "the law of the land" standing at the threshold.

If a decision or decree or marshal of a Federal court had been intended to be "the supreme law of the land," our forefathers would have said so in article VI. A reason why the Constitution defined the "law of the land" was to exclude common law, judge-made law, or law that comes knocking on doors. Luther Martin of Maryland wrote that provision of the Constitution. He hated a government of men as much as John Adams, Mason, and Jefferson.

The same section that defines "the supreme law of the land" adds clarity in its last clause: "* * * and the judges in every State shall be bound thereby, any thing in the constitution or laws of any State to the contrary notwithstanding." So the plain and unambiguous words of the Constitution itself make the Constitution, acts of Congress and treaties made in accordance with the Constitution, supreme over the constitution or laws of any State. Nothing else could be supreme over the constitution and laws of any State.

The framers of the Constitution understood that courts exist to apply law—not to make law. In article VI they made all judges take an oath to support this Constitution above laws enacted by Congress, treaties, Supreme Court decisions or anything else that might pass for national law. If decisions are the supreme law of the land, judges appointed to office on account of their philosophy instead of their learning, and unrestrained by God or government, are free to roam at large, tinkering here, experimenting there, and destroying charters and landmarks everywhere. When the framers put judges under oath, gave them nonprecarious tenure and pay and freed them from earthly fears and wants, it was the best they knew to do. They hoped that free judges, owing their freedom to the Constitution, would support it against usurped power.

If there is one thing clear from the history of our people and from the plain words of the Constitution, it is the proposition that a decision of the Supreme Court of the United States is not "the law of the land." The word "law" is never used in the Constitution in a connotation that might justify the belief that anyone dreamed then that a judge might make law. The word "law" means law enacted by the representatives of the people or set forth in the Constitution itself or in treaties.

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[6] Dunham and Pargellis, Complaint and Reform in England, 679, 680–683 (1938).

[7] Petition to the House of Commons, September 11, 1648, in Woodhouse, Puritanism and Liberty, 338, 340 (1938).

[8] Dunham and Pargellis, op. cit. supra, note 4, at 680.

[9] Woodhouse, Puritanism and Liberty, 285 (1938).

[10] Ibid., at 288.

[11] Ibid., at 292.

[12] Rowland, op. cit. supra note 2, at 418–419.

In *Swift* v. *Tyson*, Mr. Justice Story said for a full bench that "in the ordinary use of language, it will hardly be contended that the decisions of courts constitute laws. They are, at most, only evidence of what the laws are. * * * They are often reexamined, reversed, and qualified by the courts themselves, whenever they are found to be either defective, or ill-founded, or otherwise incorrect."[13]

One of many examples of the restricted and precise meaning of the word "law" as used in the Constitution is in clause 3, section 9, article I: "No Bill of Attainder or ex post facto Law shall be passed." From Jeffries and Scroggs to Warren, no judge ever "passed" a law, without usurpation.

When the Congress was adopting amendments to the Constitution in 1789, the Members were just as careful in writing the first sentence in the Bill of Rights as the framers were in writing the first sentence of the Constitution itself. The first amendment says:

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

Thus freedom of religion, freedom of speech, freedom of the press, freedom of assembly and freedom to petition the Government for redress of grievances are predicated solely upon the proposition that only the Congress may make Federal laws. If the Supreme Court can make laws or if the President can make laws or if you can make laws for me or if I can make laws for you, there is no Bill of Rights, no Constitution, and no Republic, and all we have is a government of flesh, which is the very definition of a despotism.

Vattel's first maxim of interpretation is that "it is not allowable to interpret what has no need of interpretation. * * * To go elsewhere in search of conjectures, in order to restrict or extend it, is but an attempt to elude it."[14] The meaning is in the letter and plain words of our Constitution. The Constitution means exactly what it says.

Thirty-five years ago, the eminent historian of the Supreme Court, Charles Warren, wrote:

"However the Court may interpret the provisions of the Constitution, it is still the Constitution which is the law and not the decision of the Court."[15]

One hundred years before, Chief Justice Marshall said: "Courts are the mere instruments of the law, and can will nothing."[16]

The fifth amendment, with its due process clause, was adopted December 15, 1791. While it was binding upon the Federal Government only, it was never thought to forbid slavery in the District of Columbia or elsewhere. It took the 13th amendment to abolish chattel slavery in the District of Columbia as well as in the several States. On May 17, 1954, in *Bolling* v. *Sharpe*,[17] the Supreme Court held that the same due process clause of the same fifth amendment that did not forbid ownership of Negro slaves by white people in 1864, now requires that the children of the whites go to school with the children of the slaves. If separation of races in the schools of the District of Columbia was legal in 1791 and in 1865 and on May 16, 1954, and unconstitutional on May 17, 1954, what happened to change the law? If the law of the land was changed, then the Supreme Court has amended the Constitution and made a law in a manner forbidden by the Constitution.

The 14th amendment was adopted in 1868. It contains the same due process clause as the fifth amendment, as well as a clause providing for equal protection of the laws, both applicable to the States—not to persons. From 1868 until May 17, 1954, the Supreme Court held repeatedly that neither the due process clause nor the equal protection clause of the 14th amendment forbade the States to maintain separation of races in schools and elsewhere.

We hear much of *Plessy* v. *Ferguson*,[18] which was decided in 1896, holding that segregation of races is constitutional. We also hear from the apologists for the present Court that it was not by a unanimous bench of the Supreme Court. In *Gong Lum* v. *Rice*,[19] decided in 1927, the unanimous Court decided that neither due process nor equal protection are infringed by the separation of races enforced by law. That bench was composed of Chief Justice Taft and Justices Holmes, Brandeis, Stone, Van Devanter, McReynolds, Sutherland, Butler, and Sanford. If integration of races is now "the law of the land," the Supreme Court usurped the power to make it in a manner forbidden by the Constitution.

When the 14th amendment was under discussion before the Congress, those with level heads and a smattering of historical knowledge foresaw the day when some new Jeffries or Scroggs or Strafford might come along and use that amendment as an excuse to establish a judicial despotism in America. That was one reason why the last clause was added to that amendment. It reads:

"The Congress shall have power to enforce, by appropriate legislation, the provisions of this article."

That clause is just as constitutional as any other clause. It left nothing to chance, caprice or Warren. Why did the Supreme Court usurp from the people the power to change that amendment and from the Congress the power to enforce it? The Court blandly held that on all vital constitutional issues we must now look to modern authority—modern authority, moreover, which prophetically advocates the abandonment of our Constitution as "impractical and ill-suited for modern conditions."[20]

Like the infamous Lord Bute, Prime Minister under George III before the American Revolution, the Supreme Court has found that "the forms of a free and the ends of an arbitrary government are things not altogether incompatible."

Someone has said: "A people indifferent to its past will not long retain the capacity to achieve an honored history."

Charles I is a part of the past of our people. We are prone to think of him as a far-off king of a faraway country. We forget that he was America's King from 1625 until he was executed on January 30, 1649. No ruler in American history, or in the history of any people, by example or otherwise, influenced the making of our constitutions as much as did Charles I.

When the Long Parliament resolved to bring Charles I to trial on January 4, 1649, it declared that "the people under God are the original of all just powers."[21] The principal count in his indictment, returned on January 20,[22] was repeated 7 days later in his death sentence. Gruesome as it is, it should inspire awe and hence fit this time and place in American history. Here is a part:

"That he, the said Charles Stuart * * * being trusted with a limited power to govern by, and according to the law of the land, and not otherwise; and by his trust, oath, and office, being obliged to use the power committed to him for the good and benefit of the people, and for the preservation of their rights * * * out of a wicked design to erect and uphold in himself an unlimited and tyrannical power to rule according to his will, and to overthrow the rights and liberties of the people, and to take away and void the foundations thereof, and of all redress and remedy of misgovernment, which by the fundamental constitutions of this kingdom were reserved on the people's behalf in the right and power of frequent and successive parliaments, * * * he * * * levied wars against the present Parliament and the people therein represented. * * * For all which treasons and crimes this court doth adjudge that he, the said Charles Stuart, as a tyrant, traitor, murderer, and public enemy to the good people of this nation, shall be put to death by the severing of his head from his body."[23]

Sic semper tyrannis.[24]

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[13] 16 Pet. (U. S.) 1, 18 (1842).

[14] Vattel, Law of Nations, 244.

[15] Warren, the Supreme Court in United States History, 748 (1922).

[16] *Osborn* v. *Bank of the United States* (Wheat. (U. S.) 738, 866 (1824)).

[17] 347 U. S. 497 (1954).

[18] 163 U. S. 537 (1896).

[19] 275 U. S. 78 (1927).

[20] Myrdal, An American Dilemma 12 (1944), cited in *Brown* v. *Board of Education* (347 U. S. 483, 494 n. 11 (1954)).

[21] 7 Rushworth, Historical Collections 1383 (1721).

[22] Ibid., at 1396.

[23] Ibid., at 1418–1419.

[24] Motto of Virginia, adopted October 1779; translated: "Thus be it ever with tyrants."

TAX CUTS OR TAX FRAUD?

Mr. BUSH. Mr. President, day by day we hear discussions of a possible tax cut. Certainly all Americans would welcome an honest tax cut, one which would not rob them of the sound value of their savings and income. Fortunately, one can sense in the last 2 or 3 weeks a more cautious approach to this question, because more thoughtful people are realizing the grave danger that would accompany a substantial reduction in Government income at the very time we are substantially increasing our expenses.

In an editorial dated May 5, the Wall Street Journal deals with this problem under the heading "Tax Cuts or Tax Fraud." It points out that plunging our Government into a deficit which might approximate $12 billion or even $15 billion would likely have such a serious inflationary effect as to completely destroy any usefulness of a tax cut.

I believe many persons who earlier this year were loudly calling for a tax cut now realize that a cut of, say, $5 billion would likely not have very much effect upon the economy of a people whose annual income is measured at about $350 billion, and whose gross national product is measured at $434 billion.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as part of my remarks, the editorial from the Wall Street Journal of May 5. I trust that the Congress will not insist upon perpetrating a tax fraud upon the people of the United States.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal of May 5, 1958]

TAX CUTS OR TAX FRAUD?

All this talk of a tax cut, it seems to us, is bound to put all reflective minds in a cruel dilemma.

It is undisputable that the present tax load upon the American people is far too

high. Fully one-third of the whole economic effort of the people is consumed by the Federal, State, and local governments. A vast proportion of this is plainly sheer waste; that is, it goes to support governmental activities having nothing to do with the essential national defense or with the real welfare of the people.

It seems to us also indisputable that this weight is economically oppressive. There is much talk today of a recession, and one need only reflect on what the people could buy and enjoy for themselves if they had even a small part of these taxes to put to their own use. Beyond this immediate effect, although perhaps not so obvious to everyone, the weight of this tax load is a drag upon the future. Every dollar Government consumes now for nonproductive purposes is a dollar subtracted from the future economic strength of the country.

Nor is the weight of the tax burden the whole of the matter. Its structure is a jerry-built, mish-mash that distributes the burden inequitably and unwisely. The excise taxes are a crazy quilt; the design is not only senseless but is an actual penalty on many lines of business and many consumers. The rules for amortizing capital investment result in a distortion of investment and, coupled with inflation, sometimes amount to a hidden capital levy.

The method of levying direct taxes upon individuals is, if anything, worse. This is not altogether a matter of the inconsistencies, injustices, and complications in the law, although these abound. The steeply graduated income tax is fundamentally unjust because it multiplies the penalties upon the citizen the harder he works, the more he produces and the more he earns. It is economically unsound because it takes its biggest bite out of the future—the savings which must provide the capital tomorrow for a growing America.

So plainly, tax reform which would both reduce and redesign the tax structure is more than overdue. The words "tax cut" which now echo in the corridors of the Capitol are thus bound to have an appeal to the mind as well as the emotions.

And yet few of these politicians are talking about tax reform. They are talking about tax gimmicks. Some excise taxes, so we are told, must be cut on certain products just to help boost sales of these particular products; this is not reform but more political inequity. The plan is not to revamp plant amortization rates to make economic sense for all; it is to give temporary fast writeoffs in certain areas somebody thinks needs a little stimulation.

Some of these gimmicks are blatantly so. We have heard proposals to forgive a month's taxes or more, to have a 1 year's increase in the tax exemption, or otherwise to juggle the rates just to put a few more dollars briefly in people's pockets in the hope they might spend them fast. It would make as much sense for Congress just to pass a law and pass out $40 to everybody out of the Treasury.

This, by itself, is enough to put the stamp of fraud on most of the current tax-cut talk. But there is something else that makes it a dangerous fraud.

The simple fact is that the Government is now running a deficit of more than $3 billion. There is no plan whatever to reduce the Government's spending. Rather it is being increased, again under the guise of helping us out of this recession. And with this increased spending, the so-called tax cuts would increase this deficit many billions more. Some politicians have talked blithely of a $12 billion to $15 billion deficit each year.

And on this we had best not kid ourselves. If this is what a tax cut means it means no tax cut at all. It simply means that for the political effect of 40 pieces of silver for the taxpayers to jangle in their pockets they will pay many times over not merely in future taxes but in the theft from all values.

For it is a harsh fact, an unhappy fact, a discouraging fact, but a fact nonetheless that the Government has no way of creating the real money to pay for this tax cut it would bless us with. It can give the people dollar bills all right but in the end it must carve them out of the people's hides.

This newspaper has been a constant pleader for tax reform and tax cuts. So it may seem strange now when some politician talks of cutting taxes, or of making some adjustment in a structure we have long complained of, that we should not rush to it eagerly.

Well, we plead no less than before. We are still convinced that the size of the tax burden upon the people, and the way in which it is levied, does the country an injury that is no less grievous because its effects are hidden and slow. But we are also convinced that the tax burden cannot be removed until people are aroused enough to throw off some of the weight of Government spending which makes that burden so oppressive.

The people cannot have it both ways. We would welcome tax reforms and tax reductions. We can hardly welcome tax frauds.

UNITED STATES POLICIES AND PROGRAMS IN THE FAR EAST—STATEMENT BY ASSISTANT SECRETARY OF STATE ROBERTSON

Mr. SMITH of New Jersey. Mr. President, on Friday, May 2, the Assistant Secretary of State for Far Eastern Affairs, the Honorable Walter S. Robertson, delivered before the Foreign Relations Committee an outstanding statement on our Far Eastern military-assistance and economic-aid programs.

Secretary Robertson's remarks are such a valuable contribution to the coming debate on the mutual-security bill that, although they will eventually appear in the hearings of the foreign-policy study being conducted by the Foreign Relations Committee, I ask unanimous consent that they be printed in the RECORD at the conclusion of my remarks today.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Without objection, it is so ordered.

(See exhibit A.)

Mr. SMITH of New Jersey. Mr. President, the Assistant Secretary of State has presented a realistic picture of conditions in the Far East. Certainly, he admits, "the Far East today is obviously not all we would like to see. We are deeply concerned over certain developments such as those transpiring right now in Indonesia. But the general picture in the Far East today," he asserts, "represents a vast improvement over that obtaining 4 to 8 years ago."

The basic reason for this progress, he declares, has been the aid we have extended under the mutual-security program, backed up by trade opportunities under the Reciprocal Trade Act. Our military assistance has buttressed, in the interests of security and stability, the defensive contingents of our Far Eastern allies. Our economic aid, including technical assistance and capital help, constitutes the constructive part of our program, and is designed to assist the development of those nations, by enabling them to help themselves to stand more firmly on their own feet. In the interests of program efficiency, loans are replacing grants, where capital aid is concerned.

Our programs have pressured the Communists into giving up, for the moment, the use of force in the Far East; and we have strengthened the free nations in their struggle to remain independent.

This has been our epic in the Far East, Mr. President. This has been our effort and our triumph. The situation is still precarious, but we are winning.

Commonsense tells us that we must persevere with determination and patience, for if we cripple the mutual-security and reciprocal-trade programs now, "No one except the Communists would rejoice," declares Secretary Robertson, "for they stand poised and eager to step in when and where we step out."

MAY 2, 1958.

EXHIBIT A

STATEMENT BY THE HONORABLE WALTER S. ROBERTSON, ASSISTANT SECRETARY OF STATE FOR FAR EASTERN AFFAIRS, BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE, ON UNITED STATES POLICIES AND PROGRAMS IN THE FAR EAST

I wish to thank you for the opportunity to appear before this committee today to discuss our policies and problems in the Far East. Being well aware of the wide knowledge and understanding which members of this committee have of the area, I propose to confine my opening remarks to a general evaluation of where I think we stand in the Far East. By the term Far East, I mean that vast land and ocean area extending from Siberia all the way to the South Pacific and Indian Ocean, including Japan, Korea, China, the Philippines, Vietnam, Laos, Cambodia, Thailand, Burma, Malaya, Indonesia, Australia, and New Zealand. In this area live approximately 900 million people—one-third the population of the world.

It was only a few years ago that international communism, having acquired a huge central base of operations in Asia by overrunning the mainland of China, was carrying aggression directly against certain small free nations along or near its borders. Force, bluster, and naked threats were used by Communist China from 1949 to 1954 in a wide variety of military or paramilitary situations involving almost all free countries along its borders. We fought a bloody war to stem Communist aggression against the Republic of Korea. We helped shore up the defenses of Free China on Taiwan. We helped build up the military strength of free nations in Southeast Asia. For 4 years now the Communists have been deterred from outright military aggression.

But the Communists are masters of tactical flexibility. Recognizing that strong-arm tactics were being effectively opposed by the Free World and recognizing the success of our aid programs, the Communists have increasingly placed their accent since 1954 on so-called peaceful coexistence. You are all familiar with the hallmarks of this present coexistence campaign—good-will tours, offers of economic aid and technical assistance, trade fairs, cultural and sporting events—everything designed to conjure up a picture before the world of a friendly Soviet Union and of a Communist China wholly innocent of any designs on their smaller neighbors.

The purpose of this campaign is clear. It is aimed at inducing neutralism, weakening our alliances, and lowering the guard of those opposing Communist expansion. Meanwhile the Communists make no effort to hide their hatred of the United States.

Everywhere they are seeking to stimulate anti-United States feeling in Asia and mobilize opinion against the country which the Communists correctly recognize as being the chief prop and support of the Free World.

In all these undertakings, two facts stand out. One is that there is no evidence that Peiping and Moscow, whose military power is being steadily expanded, have discarded force as a means for gaining their goals. Communist resort to force is a decided possibility whenever and wherever, in Communist thinking, Free World countries are unprepared or unwilling to resist that force. The other outstanding fact is that there is no evidence of change in communism's declared objective of ultimate world domination. It is of the utmost importance that the Free World not be misled, by failing to understand this, into making basic policy concessions to the Communists in response to tactical maneuvers on their part.

There are a number of features about the free Far East which make it susceptible to Communist penetration. For example, most of the Far Eastern countries, having only won their independence since 1945, have had limited experience in self-government. Some of them, like Indonesia and Laos, are still grappling with grave problems connected with preserving that newly won independence. Their recent colonial past has also left a legacy of intense anti-colonialism and nationalism. While this may be advantageous in the sense that it operates against at least the more obvious forms of Communist encroachment upon these free countries, it is disadvantageous to the extent it obstructs regional and inter-regional cooperation and complicates economic development. Perhaps a more serious point of susceptibility to communism is occasioned by the fact that in the short space of 40 years the Soviet Union has been transformed from a backward agrarian country into an industrial and scientific giant. To peoples of less-developed nations seeking order, rapid growth, and industrialization, the examples of Russia and even of Communist China are not without appeal, provided one overlooks the great sacrifices in life and human values involved in Russia's and Communist China's industrial advancement. The Communists also exploit all the antipathies existing between various free Far Eastern countries and take advantage of the difficulties these countries have in finding adequate markets for their goods and capital for development.

Yet, for all these dissensions and susceptibilities, the non-Communist countries of the Far East have this key objective in common: They are trying to remain free—and this is basically where their aims and interests conjoin with ours. Like us, they have the basic national objectives of national independence, human liberty, better conditions of life, and, last but not least, peace—genuine peace. It is for this reason that these nations, even though half a world away from the United States and lying under the very shadow of the Communist empire, look to the United States for leadership and support.

For our part, we recognize that the survival and progress of each and every one of these countries in the Free World is of direct consequence to our own national security. It is accordingly the policy of the United States to help build up conditions of security, stability and economic progress in free Asia as rapidly as possible. Our overall policies may accordingly be summarized under two main headings: (1) Security and stability, and (2) improvement of conditions of life.

1. Security and stability: We have joined in security treaties which make clear that attacks or encroachments on free nations of Asia would be considered as endangering our own peace and safety and that we and they would act in the common defense. Together we have backed up these commitments with military power, which is the only language would-be aggressors understand. The free nations of the Far East now have more than one and three-quarters million men under arms. These forces, together with United States forces widely deployed across the Pacific, constitute the principal deterrent to aggression. They are essential to maintaining the peace.

Under the mutual defense assistance program the United States is currently providing around $650 million per year in military assistance to Far Eastern countries—that is, in supplying hardware and training—and almost an equal amount for defense support. This defense support bolsters the economy, helps control inflation and helps pay for the armies which certain small countries with weak economies could not otherwise afford. The bulk of this category of assistance goes to our hard-pressed allies in Korea, Taiwan, and Vietnam, for it must be remembered that it is against these areas that Communist China and its satellites pose their most direct military threat. Moreover these three countries—Korea, China, and Vietnam—being divided, one part free and the other Communist-dominated, are necessarily areas of direct challenge.

At the same time we are assisting free nations, whether allied or neutral, in achieving internal security and greater economic and political stability. Certainly there can be no real progress in satisfying mankind's aspirations for improved standards of living without first creating such conditions. I therefore trust the United States will continue to support the development of adequate local security and police forces, in providing them with equipment and training, and in supporting the economies of countries which must maintain security forces beyond their economic capacity to support.

2. Improvement of conditions of life: Behind the common defense shield that is thus being built up, and in the atmosphere of security and stability we are helping to create, all the free nations of Asia can today breathe more easily. They can turn their attention to the essential task of improving conditions of human existence, which they all recognize to be their number one long-term objective.

We thoroughly sympathize with this objective and are supporting it in the following ways:

We offer technical know-how, make grants and loans for development projects, sell our agricultural food surpluses for local currency and then reloan much of this money on a long-term basis. We exchange teachers and students and train scientists and technicians. We encourage private investment by American industry, and by the industries of other advanced Free World countries. We also endeavor to maximize the level of Free World trade through the promotion of liberal trade policies and the maintenance of a high level of economic activity.

Even if the Sino-Soviet bloc had not launched an economic offensive designed to subvert free Asia, I believe it would still be the policy of our Government to assist less developed countries in attaining economic health and growth, for, in this inter-dependent shrinking world, their economic welfare and ours are clearly related. The Communist economic offensive only makes our efforts in this field the more urgent. Moreover—to paraphrase President Eisenhower's recent message to Congress—if the purpose of Sino-Soviet aid to any nation were simply to help it overcome economic difficulties without infringing its freedom, such aid would be a welcome means of forwarding our own purpose of facilitating economic growth. Yet, as the President went on to say, there is nothing in the history of international communism to indicate this Soviet bloc aid is anything but another Communist means of trying to draw recipient countries away from the community of free nations and ultimately into the Communist orbit.

To counter this Sino-Soviet economic offensive while maintaining an adequate military posture vis-a-vis the bloc, we must have an adequate and effective mutual security program. This program is the backbone of our security position in the Far East. A number of countries are critically dependent upon United States assistance programs for military hardware, training, defense budget support and the like. It is quite understandable that these countries, as well as other free Far Eastern countries, are highly sensitive to any indication that the United States might lose interest in them by reducing its assistance programs or commitments to help them. No one except the Communists would rejoice were this to happen, for they stand poised and eager to step in when and where we step out.

Now I know that there is criticism regarding various features of our mutual assistance program. Some of this criticism I believe is entirely valid insofar as it points to things that we could and should correct. This we are striving to do. But we must nevertheless recognize that there are almost bound to be shortcomings and failings in an assistance program of this dimension. Our problem is to preserve patience and perspective, while doing everything at our command to keep the program as trim and efficient as possible in terms of our overall objectives. Surely it would be contrary to our interests to make serious cuts in our mutual-assistance program on the basis of those instances where there was or is inefficiency or where we appear to get less than face value for our money. Let us not forget that imitation is the sincerest form of flattery: The Communist economic offensive is a real tribute to the effectiveness of our aid programs.

Closely related to this question is the problem of our trade policy. Rather than speak in generalities, let me cite the specific case of Japan. Here is a country of greatest consequence to the United States. Commercially, it is our second largest market, purchasing in 1957 some $625 million more of United States goods from the United States than we bought from Japan. Strategically, it is one of the world's four major industrial complexes. Politically, it is a leader in Asia and is playing an increasingly important role in the economic advancement of free Asia. Our relations with Japan today are good and of great mutual benefit, but let us be under no illusions: Japan must trade to live. If the United States starts down the path of increased trade restrictions, then other countries will follow suit, and all this will have deep and far-reaching consequences. Having Japan's huge industrial-mercantile complex humming for Sino-Soviet account is something the Communists dearly seek. It would cause a significant, quite possibly a disastrous, shift in the world's power balance, and the secondary effects on the rest of Asia are not hard to imagine. This illustrates why it is so important that we take no step—such as failure to renew the Trade Agreements Act—which would be interpreted as a United States move away from liberal trade policy toward high protectionism.

And now for a few concluding remarks on where we stand in the Far East.

The best way to judge the merits of a policy is by its results. For 8 years now since the start of the Korean war, the United States has played an active role in the military, political and economic support of free countries in the Far East. What has been accomplished in that period?

The Far East in 1950 was a discouraging sight to all except the Communists who had just taken over the China mainland and were poised for further conquest. Korea

was attacked in June 1950 and for a long time during that critical year it was touch-and-go whether Korea could be saved from the massed organized Communist onslaught. Later in 1950, the Red Chinese invaded and occupied Tibet. Malaya and the Philippines were terrorized by elusive Communist groups operating out of the jungles; Indonesia had just suppressed a military coup sponsored by the Communists and was still fighting a guerrilla war. There was civil war, accompanied by alarming deterioration, in Indochina and Burma.

The Far East today is obviously not all that we would like to see. We are deeply concerned over certain developments such as those transpiring right now in Indonesia. But the general picture in the Far East today represents a vast improvement over that obtaining 4 to 8 years ago. Korea has made steady progress in rebuilding its war-shattered economy, combating inflation and getting ahead with economic development, while at the same time maintaining a large military establishment that has helped preserve the uneasy truce situation and the security of the Far East area as a whole. Japan has returned to the international community as a nation with a free economy equipped and prepared to contribute in a significant way to the economic growth of free Asia. The Republic of China remains a firm and effective ally and a standing challenge to the attempts of Communist China to fasten permanently its rule on the Chinese people. The recent Philippine elections supplied further evidence of that nation's strong democratic political institutions. While there have been some disturbing developments in Laos, as in connection with the formation last year of a coalition government with Communist participation, nevertheless the Royal Government has meanwhile recovered control of two provinces long denied to it by the Viet Minh and Chinese Communist support of the Pathet Lao. It is also noteworthy that Indochina and mainland Southeast Asia as a whole have developed a better capacity to maintain internal security and a far better understanding of the many-faceted Communist threat and a capability to withstand that threat. Today, neutrality rather than neutralism characterizes the foreign-policy position of certain nonallied Southeast Asian countries.

Over the past 10 years, Australia and New Zealand have played an increasingly useful and constructive role in Far East affairs. SEATO is a good going organization with headquarters in Thailand. I agree with Secretary Dulles that the recent SEATO meeting we attended at Manila was the best we ever had and augurs well for the future of that important organization.

I repeat that I do not wish to leave the impression that all is well in the Far East today. Our alliances could be stronger, our MSA program could be more effective; the relations between some of our friends are in urgent need of improvement; the Communist economic offensive could have serious results; and the Indonesian situation is far from reassuring. But I do believe there has been a turning of the tide in the Far East. This turn of the tide was the result of a lot of hard work and determination on the part of free nations under the leadership of the United States.

Persistence in our efforts will bring its rewards. Relaxation of our efforts will be at our peril.

OPPOSITION TO STATUS QUO OF REGULATORY AGENCIES—ADDRESS BY ANTHONY LEWIS

Mr. PROXMIRE. Mr. President, Mr. Anthony Lewis, who is one of the finest newspaper reporters in the Capitol, and who serves on the staff of the New York Times, addressed the Federal Trial Examiners Conference, on April 29, on the shocking failures and shortcomings of America's regulatory agencies.

Mr. Lewis is a responsible, careful reporter who has had a remarkable opportunity to judge regulatory agencies, through his assignments for the New York Times.

His speech is a bill of particulars against the status quo of our regulatory agencies. It is documented. It is authoritative.

Mr. Lewis is not satisfied with a convincing indictment. He has assumed the difficult task of making constructive suggestions to improve the regulatory process.

Mr. President, this clear-eyed, persuasive statement will convince any Senator who takes the time to read it, that it is time for Congress to act: To conduct the thorough-going investigation of our regulatory agencies that has been suggested by the distinguished senior Senator from Oregon [Mr. MORSE].

Mr. President, I ask unanimous consent that the speech be printed in the RECORD at this point, following my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS BY ANTHONY LEWIS TO THE FEDERAL TRIAL EXAMINERS CONFERENCE ON APRIL 29, 1958

My assumption is that you asked me here tonight to hear not pleasantries but some unpleasant truths. I am diffident about making this talk because I have no claim to any special knowledge about the administrative process. I am entirely lacking in expertise. The one thing I have done in the last few months is to talk to large numbers of lawyers who practice regularly before your agencies. I have been astonished to get from those lawyers an almost universally adverse judgment on the working of the administrative process. They are discouraged; I would even say bitter. And that goes regardless of party or position. Some men who came up through the agencies, whose every instinct would be to defend the administrative process, have turned strongly against it.

None of this is news to you. It would be hard to avoid realizing that there has been a significant loss of confidence in the regulatory agencies. Nothing has illustrated this more sharply, I think, than the recent order of the court of appeals here sending the Miami Channel 10 case back to the Communications Commission for a hearing on charges of improper influence. The Commission had suggested a remand with instructions simply to do whatever seemed appropriate. The court, in what seemed to me a most unusual order, told the Commission exactly what issues to investigate, what kind of hearing to hold, when to report back—practically everything except what room to have the hearing in. And then the court ordered that the Attorney General be invited into the proceeding as an amicus, presumably to keep an eye on the Commission. In my view that order plainly implies a lack of confidence in the Commission. And I think it is an indication of the trend of feeling among some judges and, as I say, among a great many lawyers.

What are the reasons for this loss of confidence in the administrative process? I remind you again that I do not speak with the kind of intimate knowledge that an audience of trial examiners has. I necessarily approach the problem from the outside, as newspapers always do, giving surface impressions. Forgive me for any unfairness as I list some of the criticisms that are being made of the agencies.

First, there is, of course, the charge of improper approaches by parties and Members of Congress in adjudicatory matters. Mr. OREN HARRIS' Congressional investigation has at least laid bare the existence of this evil. Putting aside the sad case of Mr. Mack, I myself was fascinated by the testimony of a former Communications Commission Chairman who said he was approached by various parties to a Boston television case. They didn't want to influence him or do anything wrong, this gentleman testified, they just wanted to tell him what fine fellows they were.

I think some of us have tended to become cynical about this business of ex parte representation, coming to believe it is an inevitable evil that just has to be lived with. It was a tonic in that regard to hear the oral argument in the court of appeals on the Miami case. The court was genuinely outraged at the whole idea of parties and Congressmen speaking privately to Commissioners in an adjudicatory proceeding. Some might regard the judges' tardy discovery of corruption as naive, but I found it a welcome expression of moral indignation.

Beyond the question of overt corruption there is what may be a more serious charge—that the final judges in the administrative process often have their minds made up before they consider the case. As one lawyer put it to me, "They don't need to be bought. They know the result they want to reach on almost any issue, and everyone else knows it, too." Of course that is an exaggerated statement, but there seems to be enough to it to worry a lot of people. Nothing gives a lawyer a sense of greater futility, I should think, than arguing to deaf ears. I watch oral argument quite regularly in the Supreme Court, and it is a fascinating process. We all know that the members of the Court have points of view—some of them very well established indeed. Yet, more often than not, I believe the oral argument of a case affects the result. The Justices appear open to persuasion; they want information and help from counsel. The complaint from some lawyers who practice before the regulatory agencies is that they are just going through the motions. One example that I must say bothers me is what happens to comparative television cases after the court of appeals reverses a decision of the Communications Commission. In two recent cases the court in quite strong language indicated that there seemed to be no rational way to apply the rules and come out the way the Commission had. On remand, the Commission voted exactly the same way—and I gather none of the lawyers had any particular hopes to the contrary. In no case has a television station actually on the air ever lost its license as a result of a court decision. The law of averages alone would suggest to me that a disinterested Commission, not deciding on the basis of previous commitments, would occasionally change its mind.

This allegation of the closed mind is related to another complaint—against the process of decision itself. You are familiar with these criticisms. They go essentially to the fact that those who decide the issues eventually are too remote from what should be the decisionmaking processes of trial and evaluation of the evidence. The parties try out their case before the hearing examiner. The issues are threshed out at length and a record built up. But then the final decision is made—the charge is—by men who have not read the record. And the failure of the judges to write their own opinions is even more bitterly criticized. As the critics see it, we have here a body which takes no responsibility to know the facts in a case or

to justify the rationale of the result. The critics would say that reduces the role of the commissioners or board members to nodding their heads—and with that separation of the judges from the process they lose the personal identification and responsibility that are the only real check on arbitrary decisions.

These are the most frequently heard criticisms of the administrative process. But there are two others of a broader character that must also be considered, I think.

The first amounts to a charge that too many agencies are just plain stodgy. After all, the men who had the great dreams about the administrative process saw it as a new, creative tool of government—flexible, ready to attack new problems, not held back by encrustations of tradition, really able to deal with the multiple difficulties of an industrialized society. With that ideal contrast what Prof. Samuel Huntington of Harvard had to say recently about the Interstate Commerce Commission:

"The Commission has * * * become a defender of the status quo. To this end it has maintained an outdated, formalistic type of procedure. It has been slow to introduce the most simple and accepted new techniques of modern management. * * * It has been slow to recognize and deal with obvious evils."

There are many examples of the lack of creative thinking in the administrative agencies. To remain with the ICC for a moment, surely the most serious problem facing the railroads for many years has been the decline in passenger revenue. And yet, as I understand it, the ICC has never even developed an effective and accurate accounting method to show the real cost of passenger traffic. Over at the Communications Commission, we have seen inept handling of the problem of channel allocations. One mixup years ago almost put frequency modulation permanently out of business. More recently, and even more importantly, we have seen the failure of the Commission over many years to allocate VHF and UHF television channels in such a way as to encourage more economically viable stations. I do not say the problems are simple. What problems of government are simple? I say only that there have been few signs of creative thinking toward their solution. Instead, the critics see administrative agencies that plod along, doing routine tasks in a routine way, bound by fictions and habits as hampering as those of the courts and apparently incapable of taking the bold action of a legislative character that the philosophers of the administrative process envisaged.

Which brings me to the last of these indictments. This is the charge that the agencies have become too identified with the industries they are supposed to regulate, so that the regulated have become regulators. It is said that board members, appointed only for a term of years, must inevitably look to the regulated industry for their future. If the member wants to be reappointed, he will almost certainly need the support of the industry. If he is not reappointed, his professional future almost certainly lies with that same industry. And so, the theory is, a kind of unspoken accommodation of views takes place.

I myself believe there is a good deal to this last charge—the identification of an agency with its industry—but I would not place it only on the personal need of commissioners for industry approval. That seems too simplified an explanation. I think the trouble is that in most cases a regulatory agency has responsibility for a particular, narrow segment of the economy. The board member has to mingle with leaders of the industry and get to know it. In such a situation anyone would tend to concern himself more and more with the special problems of the particular field, letting the broader concept of public interest slip into the background, not seeing the forest for the trees. The antitrust problem is a good example. Again and again the Justice Department finds itself at odds with the regulatory agencies about antitrust enforcement. The Maritime Board rejects antitrust considerations which seem important to the Justice Department in rate matters. The Communications Commission "loses" a letter from the Department objecting to a station transfer on antitrust grounds. The Power Commission disagrees with Justice about whether some pipeline amalgamation should be allowed. Over and over, the agency seems to be taking the view that it must protect its own industries against too stringent an application of the antitrust laws.

Now that I have given you this rather diffuse list of criticisms, let me discuss rather briefly a few reasons that may underlie the faults which are being found in the administrative agencies. At the start let me exclude political reasons. Some people say the problems are the result of one administration or another. Others say the problems have been there without regard to political considerations. I just do not know enough about the matter to venture political judgments.

One underlying reason I would suggest is that the agencies have aged without acquiring the usual accoutrements of age—respect, and wise traditions. The demerits of age—the delays and cautions of the courts—now do seem to be part of the administrative process. But where is the sense of tradition and pride that glorifies the courts? In part this failing can be traced to a lack of respect for the jobs themselves—a lack of sufficient prestige. If we have had some small men in administrative agencies, it is perhaps because those who have made the nominations regarded them as small plums. I think there is something wrong with asking a man here from the Middle West as a possible candidate for a commission whose work he knows—and then, when that vacancy turns out to be filled, fobbing him off to another agency about which he knows nothing. I think there is something wrong when we can have as chairman of an agency a man who goes around at social gatherings trying to set himself up in law partnership with men upon whose cases he is presently passing. As Prof. Louis Jaffe and others have pointed out, it is inconceivable that any judge would allow parties to a case to come in and tell him what fine fellows they are.

And along with this lack of pride and tradition is a lack of personal pride in one's own craftsmanship. A judge is an independent force. His opinions bear his name. He builds up a body of cases with his stamp. No office of opinions and review does his work for him. He is a figure in his own right. In the administrative agencies, I would guess, the lack of personal identification of board members with the process of decision underlies many of the procedural shortcomings.

So far I have been talking about the sins of the agencies. But I think it is of basic importance to recognize that they are not the only sinners. My own feeling is that a large proportion of the blame can be apportioned to Congress. Certainly the example set by Congress in recent years is no guide to the way the administrative process should work. To begin at the bottom, venality has not been a stranger at the Capitol. Why should the agencies be above deciding issues by preconceptions when Senators are not ashamed to take a leading part in matters in which they have a personal economic interest? Why should the agencies be expected to act swiftly and creatively on new problems when Congress is so hampered by inertia? What can impel the Communications Commission to try to deal rationally with the problem of pay television when a committee of Congress summarily orders it to forget years of hearings and not even hold a test? Nor is the executive branch immune to criticism for lack of vigorous, creative leadership.

Perhaps the underlying reason for our governmental failures is a decay in our political life. Louis M. Lyons, curator of the Nieman Foundation at Harvard University, spoke with accuracy last week of "the drabness of our contemporary public life." Many observers have recognized that we are living in an era when the people just don't seem to care. If we have an uncreative Government, surely it is because we have voters who are not interested in new ideas. It has been suggested that the reason for all this is that we have conquered the social problems that moved us to action in the past. The robber barons have been routed, it is said, and thus the zest has gone out of regulatory agencies. People are prosperous, and so the need for social reform has gone.

Prosperity may be a damper on political ferment. But I can only scoff at the suggestion—even speaking only of domestic affairs—that there are no more really challenging problems to solve. Take just one matter, the future of our cities. In the postwar period we have seen suburban growth sprawl over the landscape without regard to the most elementary planning concepts. The centers of our major cities are decaying. Transportation is a frightening problem. More and more highways are built to attract more and more cars that should be kept entirely outside downtown areas. As suburbs advance, no provision is made for open spaces—the parks, the streams, the recreational areas that make urban life bearable. Where are the Government programs to attack these problems? Just recently we have had an example of the shortsighted performance of Government these days. The decline of railroad passenger traffic has been, as I have said, a continuing phenomenon. Even more important than its effect on railroad revenues is its effect on our cities. Every planner tells us that we must have rapid transit and commuter service if we are to help urban traffic problems at all. Yet one proposal pressed upon us to help the railroads is to give them more freedom to abandon passenger traffic. We do not have the vision to see the further problems that "solution" will bring—and to find a more permanent answer instead.

I have probably wandered from my subject. Let me return now to the administrative agencies and mention some cures that have been suggested for their alleged ills.

The first, about which we have heard a good deal, is that Congress or the agencies themselves should promulgate a code of ethics. This, it is said, would eliminate influence peddling. Well, I am somewhat cynical about this proposal. Of course, it is fine to be on the side of morality. But no one should be fooled into thinking that a command to be honest is going to correct all the deficiencies of the administrative process. These deficiencies, as I have tried to indicate, go very much deeper than overt corruption. And I, myself, should think that the appointment of strong-minded commissioners would be a much surer guaranty of disinterested decisions than any code of ethics.

Some have suggested that members of the agencies be appointed for life, like judges. The idea would be: make them independent of pressures from industry and Congress—the unspoken as well as open pressures. But this idea seems to me to deprive the administrative process of one of the major reasons for its existence—the constant influx of new men and new ideas to meet new problems. I, for one, am not ready to entrust lifetime appointees with such rapidly changing problems as gas regulation or television techniques. Or, I should amend that to say that if appointments are to be for life, I see no reason not to go the whole way and turn the whole business over to the courts.

That is the third suggestion we hear—let the courts take over. Somewhat strangely, this proposal has support from two entirely different schools. There are some who never did trust the idea of administrative agencies and who prefer the more familiar atmosphere of the courts. There are others, veterans of the agencies themselves, who have become so discouraged with what they regard as an irrational, unresponsive process of decision that they would go for the radical cure of letting the courts handle at least the so-called adjudicatory aspects of agency business. Some persons have proposed a general administrative court. Others would give the regular Federal courts jurisdiction.

I am not enough of an expert to discuss with you people the very complicated pros and cons of these court proposals. But I have my doubts. Perhaps the very word "court" brings with it some tradition of disinterestedness, and to that extent it might be valuable to give the name of court to one or more agencies. But the difficulty is in knowing how to divide adjudicatory from legislative functions. At present, for example, it is regarded as adjudicatory for the Communications Commission to choose between competing applicants for a television channel. But it is legislative when the Commission removes that channel from one city and assigns it to another. Even if you could draw the line sharply, who is to carry on the agencies' policymaking activities after the supposedly judicial aspects have been assigned somewhere else? Some observers feel that these policy functions should be given right back to the executive branch—that the Commerce Department, for example, should make television channel allocations. But I am not at all sure that the already existing pressures would not then become overwhelming.

The one aspect of the court proposal that appeals to me is the idea of one governmental body concerning itself with many different industries and different problems. I do subscribe to the charge that expertise—concentration on 1 industry, 1 set of problems—has been damaging to the administrative process. I think it has made many agencies tend to identify with the regulated industry, to forget the broader concepts of public interest. In fairness I should add that the regulatory agencies are not, of course, the only examples of industry orientation in our Government. The Agriculture Department, for example, might be said to fall into the same category. And beyond the matter of identification with the regulated industry, I think confinement to a narrow area of problems tends to stifle the broad intellectual processes we need. A judge told me recently that the best part of his job was that he did not have only one kind of case. His court's great advantage, he said, was that it passed on wills and torts and criminal cases as well as administrative matters. He said the variety of cases produced a cross-fertilization of ideas that he regarded as essential.

For all these reasons I would look favorably on any device to broaden the purview of the administrative agency heads. One idea that has been suggested has been to combine some of the agencies. Another is to appoint roving commissioners who would sit with one agency for a certain time, then move to another. Objections will be heard, and there are valid ones. But I would sacrifice a good deal to get agency heads out of a single track of problems and out of a specialized relationship with one industry.

As I indicated earlier, I would favor procedural reform to emphasize the role of the individual commissioner or board member. I think he should have a sufficient staff of his own so that he can take the responsibility for his own opinions. There is nothing like drafting an opinion, and knowing it will appear in print under your name, to make a judge of any kind rethink his decision in a case.

I must say also that I would go for less regulation in general. I think sometimes that as a Nation we have become psychologically too adjusted to regulation. When I see the Supreme Court taking its time deciding whether the ICC should have given a different permit to a small trucker to haul goods between two cities, I just wonder whether we would not be better off letting anyone haul whatever he wants, subject only to safety regulations. Wouldn't it be fun to forget all the arguments about pay television and just let anyone go ahead who wants to, letting the fittest system of television survive the resulting donnybrook? I know this is a heretical thought, but I would not mind a touch of the robber baron here and there in our over-protected life. At least it would be more interesting.

Finally, I must return to the political lethargy of our country today. In the long run the only way to a fairer, more intelligent, more imaginative administrative process is to arouse the passion, the concern of our public for its Government.

CLAUDE L. DRAPER

Mr. PROXMIRE. Mr. President, on the last day of April the long and useful life of Claude Llewellyn Draper came to an end.

Most of that career he spent as a member of a public regulatory body, with a decade of service on Wyoming State commissions and a quarter of a century as a member of the Federal Power Commission.

But what distinguished the administrative career of Claude Draper was not its long tenure, but his willingness to press boldly and imaginatively for new concepts of public regulation in the interest of the consumer.

His decision in the New River case of 1931, holding that stream to be a navigable water of the United States, is a landmark in the history of the regulation of waterways.

When Mr. Draper was appointed to the newly reorganized Federal Power Commission early in the New Deal period public utility regulation was virtually paralyzed by the uncertainties stemming from the Supreme Court's decision in Smyth against Ames in 1898, which had had the practical effect of making the Court itself the ultimate arbiter of public utility rates. The FPC set out to get judicial approval of the prudent investment doctrine of ratemaking which Mr. Justice Brandeis had championed on the Court. This was achieved in 1944 in the Hope Natural Gas Co. case, when the Supreme Court upheld the Commission. Mr. Draper was supervising Commissioner in that case.

The Federal Power Commission in those days believed it was their job to defend the interests of the consumer, as the laws they administered said they should. Claude Draper continued to believe it, as did Leland Olds and Thomas Buchanan when they sat with him on the Commission. In a day when many commissioners seem to believe that they represent the industries they regulate, he will be remembered for that.

But more than that, his career will stand as a monument to integrity in the public service. With power to decide among the claims of massive interests, he walked unfaltering the path of rectitude. He wore his title "public servant" like a badge of honor.

THE EXULTANT BIRTHDAY FOR ISRAEL—NATION CELEBRATES ITS 10TH ANNIVERSARY

Mr. MURRAY. Mr. President, Israel has been celebrating its 10th anniversary as an independent nation, and the whole world has been stirred by the almost miraculous progress it has been making since it declared itself independent.

Since 1948, Israel has made impressive progress. Its population has tripled to over 2 million through immigration from 70 nations. Industry has zoomed from almost nothing to an annual output of more than $750 million.

Her actions and her conduct as a member of the United Nations, and her willingness to cooperate in relieving the tension in the Middle East, have been further evidence of her desire not only to provide security for the people of the State of Israel, but to serve as an integral part in helping to bring peace to the people of the world as a whole.

People of good will are looking forward with continued hope for the further growth of Israel and for its help in maintaining democratic principles of the Free World.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point in my remarks an editorial from the New York Times of April 24, 1958, describing the dramatic story of Israel's progress as a free nation.

Mr. President, I also ask unanimous consent to have printed in the body of the RECORD a stirring story of Israel's fight for freedom, written by Drew Pearson and published in the Washington Post and Times Herald of April 24, 1958.

There being no objection, the editorial and news article were ordered to be printed in the RECORD, as follows:

[From the New York Times of April 24, 1958]

ISRAEL'S TENTH

From the hills of Galilee to the sands of Aqaba, from the waters of the Dead Sea to the shores of the Mediterranean, a myriad of blue-and-white flags will be flying proudly today in celebration of the 10th anniversary of the independence of the State of Israel.

Conceived in idealism and born in fire, Israel has already accomplished the impossible. It has established itself as a free democracy on an ancient, rocky soil that had not known freedom for centuries. It has grown in strength and security though surrounded by hostile neighbors. It has created a new kind of civilization at this traditional crossroads of old civilizations. It has done so through the unconquerable strength of a pioneer spirit welling up from 2,000 years of tragic history.

The force of character, the courage in arms, the determination to survive, the will to create, that have marked the first decade of this extraordinary state combine to give assurance of its future. Militarily indefensible, economically unviable, politically impossible, it has yet managed to defend itself, to develop its economy, to establish its institutions. It has thrown open its doors to Jewish victims of oppression throughout the world, giving a new sense of dignity to those denied this basic human right in the

countries from which they came. The men and women who have built the State of Israel in these first 10 crucial years have plowed the soil, have planted forests, have created industries, have brought water to the desert, have constructed homes and towns and cities, have deepened ports, have opened mines; and in doing all this and more they have not failed to give attention to the most important factor of all in their national development: the education of their youth and the fusion of many kinds of people with diverse backgrounds into a vigorous and, eventually, a common culture.

They could not perform the miracles they have performed without help, nor without paying a fearful price. The help has come mainly from the United States, and it will be needed for a long time to come. The price has been the unwavering enmity of the Arab world, which failed in its attempt to throttle Israel at the start and which has not yet become openly reconciled to the fact that Israel is here to stay. The Arabs' reiterated hostility and refusal for 10 years to make peace gives Israel good reason for her constant posture of military readiness; but Israel herself has sometimes in the past seemed too quick on the trigger in an explosive situation that could engulf the globe.

The continuing state of tension between Israel and the Arab countries is obviously one of the most dangerous elements in the world today; and, by any objective appraisal of this situation, it makes no sense. If the Arab States would recognize the realities and negotiate a peace, and if in turn Israel would be willing to make concessions toward that end, the moral, political and economic benefits to all the people of the area would be beyond calculation. David Ben-Gurion, Israel's messianic Prime Minister, has told Parliament in his latest message that "we must make untiring and incessant efforts to find a way to the hearts of the peoples who are still hostile to us and bring about peace between the Jewish people and their Arab neighbors." The achievement of this goal must be the deepest hope of all of Israel's friends throughout the Free World who are congratulating her on this, her 10th anniversary.

[From the Washington Post and Times Herald of April 24, 1958]

ISRAEL SURVIVES YEARS OF TRAVAIL.

(By Drew Pearson)

This week marks the 10th anniversary of a little country founded in tears and built in travail—Israel. Twenty-four hours after it declared its independence 7 Arab nations attacked on 3 sides. King Farouk of Egypt was so sure of marching into its biggest city that he had a stamp printed featuring his picture. Underneath were the words "Tel Aviv."

Farouk and the Egyptian Army never got to Tel Aviv. The Israeli Army 8 years later would have got to Cairo had Mr. Eisenhower and Secretary Dulles not intervened.

The fiery determination that stopped seven Arab countries in 1948, and which routed the Russian-armed, vastly superior, Egyptian Army in 1956, is the secret of Israel. It's a nation built on the suffering of the exiled tribes of Israel, built in the dream, nurtured during 20 centuries, that someday the Jews would come back to a home of their own, built as a living memorial to the 6 million Jews burned in the gas chambers of Hitler.

All this is behind the dedication, the determination, the pioneering spirit that has made Israel.

You have to go there to understand it. You have to see the bulldozers pushing rocks, rocks eroded since the days of Abraham, millions of rocks pushed aside so that crops can be raised in little patches of clean soil underneath. Or boys and men and women painfully picking up the rocks and putting them on stone fences to line the little patches of soil being cultivated to feed the sons of Abraham.

THIS IS ISRAEL

And you have to see the trees—millions of trees—imported from similar climates in Australia, contributed by Jews from all over the world, carefully planted along the roadsides and the highways.

You have to see the irrigation works, the Yarkon project, no bigger at its headwaters than Rock Creek which ambles through Washington; one-fourth the size of the Schuylkill which runs through Philadelphia; one-thousandth the volume of the Hudson as it flows past Manhattan. Yet the headwaters of the Yarkon, every drop of water cherished like gold, spreads out over the Plain of Sharon and makes the Negev Desert bloom 50 miles away.

Or you have to see the farm settlements: refugees from Hitler living next to refugees from Nasser, along with refugees from Poland or from Algeria or Yemen. At first they have only one bond in common, their religion. They speak no common language, have been separated by the centuries. But they learn Hebrew and their children learn to know each other and to marry each other, and soon out of a melting pot of diverse nationalities has grown a close-knit, cooperating, thriving community. This is how Israel has grown.

Or you have to see the children—buoyant, beautiful children, as radiant and healthy as any in the United States; or the old people as they go down to bathe in the warm Mediterranean; the Moslems at their prayers; the Christians as they worship in the cathedrals of Jerusalem and Nazareth; the schools, the universities, the camels and the caravans, and the new railroad cars contributed by West Germany as a token of penitence for the soap factories of Hitler.

Or you have to see the hospitals, where men like Dr. Haim Sheba, pioneer new Near East medicine; where Arabs are given the same treatment as Jews; and where Egyptian wounded taken in Sinai, were nursed back to life. You have to know that doctors from Israel, though overworked, have been loaned to the new African Republic of Ghana and to the new Republic of Burma; and that the scientific discoveries for eradicating flies, mosquitoes, Near Eastern diseases have been made available to the Arab States.

DANGER OF WAR

On one side of Israel lap the blue waters of the Mediterranean, warm and friendly. On the other three sides are deserts and mountain ranges from which peer Arab guards, ever on watch, ever posing the possibility of border raids. Beyond them several million more Arabs vow vengeance, await the day when they can do what King Farouk and Colonel Nasser failed to do—conquer Israel.

So Israel on her 10th anniversary faces a greater crisis than ever—not immediate, but eventual.

From the Near East last September I reported the Kremlin timetable. It was: Unite Egypt and Syria; subvert Saudi Arabia and Jordan; overrun Lebanon; bring all the Arab states with their 70 percent of the world's oil reserves under Moscow and Nasser. That timetable is running on schedule. Egypt and Syria are joined. A new ruler has virtually taken over Saudi Arabia. Pro-Nasser riots are disrupting Lebanon.

All the problems of the Near and Middle East are tied up together. They cannot be solved separately.

This is the most complicated problem facing the Free World. It's a problem which carries the greatest potentiality for war. Yet there are some solutions, as this column will endeavor to point out in the near future.

VETERANS OF FOREIGN WARS LOYALTY DAY PARADE

Mr. PURTELL. Mr. President, on May 4 it was my pleasure to participate with thousands of my fellow citizens of Connecticut in the Loyalty Day parade in Danbury.

This most inspiring demonstration of loyalty to our country was, in my opinion, more impressive than ever before because thousands of our men and women and boys and girls of our veterans civic fraternal organizations and members of our Armed Forces paraded in the rain.

Even the bad weather failed to dampen the enthusiastic loyalty of the marchers and the spectators in this great annual demonstration promoted by the Veterans of Foreign Wars as a most effective answer to the May Day celebration of the Communists.

For 3 hours, Mr. President, the bands, the marching groups, and the colors of our Nation were paraded through this Connecticut city in an inspiring display of the kind of patriotism which has made America a great Nation and Connecticut a great State.

Mr. President, I cannot help but feel that all those who participated in this massive demonstration of loyalty to the United States of America helped to show to the world our determination to remain free and united.

It was a most edifying spectacle and one of which I am very proud, as a Senator from Connecticut.

Mr. President——

The PRESIDING OFFICER. The Senator from Connecticut.

PRESENTATION OF AWARDS BY ITALIAN GOVERNMENT AND BY THE ORDER OF SONS OF ITALY

Mr. PURTELL. Mr. President, Sunday evening, May 4, in Torrington, Conn., three citizens of my State were decorated by the Government of the Republic of Italy and were awarded the Star of Solidarity.

The recipients were: John Ottaviano, Jr., the treasurer of the State of Connecticut; Mr. Domenic Cocco; and Mr. Louis Sidoli.

The presentations were made during the convention banquet of the grand lodge of the Order of Sons of Italy in America in Torrington. These awards to three of our distinguished citizens point up the continuing and ever-strengthening bonds of friendship which exist between the United States and Italy. This friendship has been a most beneficial one because both nations have benefited greatly by this mutual exchange of respect and understanding.

The Order of the Sons of Italy in America also at the ceremony presented its 1958 distinguished citizen award to the Honorable Mildred P. Allen, secretary of the State of Connecticut, a most charming, gracious, and able public servant.

Mr. President, it was truly an evening devoted to international friendship and understanding, as the people of Italian parentage, who have contributed so much

to our Nation through one of their important organizations, honored this gracious lady for her many and outstanding contributions, and three American citizens were honored by the Italian Government for their contributions in the mutual interests of both countries.

Mr. President, it is heartening to know that America and Italy, which have so many common ties, are marching together shoulder to shoulder in unswerving determination to preserve the way of life of our common heritage.

PEACEFUL USES OF ATOMIC ENERGY

Mr. PASTORE. Mr. President, as chairman of the Subcommittee on Agreements for Cooperation of the Joint Committee on Atomic Energy, I ask unanimous consent that there be printed in the body of the CONGRESSIONAL RECORD, for the information of all Members of Congress, copies of the following documents:

Letter dated April 25, 1958, from AEC Chairman Strauss to Hon. CARL T. DURHAM, chairman of the Joint Committee on Atomic Energy;

Letter dated April 3, 1958, from AEC Chairman Lewis Strauss, to the President of the United States;

Letter dated April 11, 1958, from President Eisenhower to AEC Chairman Strauss; and

Amendment to agreement for cooperation between the Government of the United States of America and the Government of Sweden concerning the civil uses of atomic energy.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

UNITED STATES ATOMIC ENERGY COMMISSION,
Washington, D. C., April 25, 1958.

HON. CARL T. DURHAM,
Chairman, Joint Committee on Atomic Energy,
Congress of the United States.

DEAR MR. DURHAM: Pursuant to section 123c of the Atomic Energy Act of 1954, as amended, there is submitted with this letter:

1. Three copies of an amendment to the Agreement for Cooperation with the Government of Sweden, as amended, which was signed on January 18, 1956;

2. Three copies of a letter from the Commission to the President recommending approval of the amendment;

3. Three copies of a letter from the President to the Commission approving the amendment, containing his determination that it will promote and will not constitute an unreasonable risk to the common defense and security; and his authorization to execute the proposed amendment.

The amendment submitted with this letter would modify the Agreement for Cooperation signed by the Government of the United States and the Government of Sweden on January 18, 1956, which has been modified by an earlier amendment signed on August 3, 1956.

Article I of the proposed amendment would provide for the transfer of a net amount of 200 kilograms of uranium enriched up to a maximum of 20 percent in the isotope U–235, except as noted below. This uranium would be sold or leased by the Commission to the Government of Sweden for fueling defined reactor projects in Sweden. The Commission, at its discretion, may make a portion of the foregoing 200 kilograms available as material enriched up to 90 percent for use in a materials testing reactor capable of operating with a fuel load not to exceed 8 kilograms of contained U–235 in uranium. It is contemplated that most of the fuel to be transferred under the agreement, as amended, will be utilized in a materials testing reactor being purchased in the United States and to become operational in the fall of 1958 at the Studsvik Research Center, south of Stockholm.

The quantity of uranium enriched in the isotope U–235 transferred to the Government of Sweden for use as fuel in reactors will not at any one time be in excess of the amount of material necessary for the full loading of each defined reactor project plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of the reactor or reactors while replaced fuel elements are radioactively cooling or, subject to Commission approval, are being reprocessed in Sweden.

Article II of the proposed amendment would permit the transfer of quantities of special nuclear materials, including U–235, U–233 and plutonium, on an as-may-be-agreed basis, for defined research projects related to the peaceful uses of atomic energy.

Article III of the proposed amendment indicates that the parties affirm their common interest in the International Atomic Energy Agency and that the parties agree to consult with each other to determine in what respects, if any, they desire to modify the provisions of the Agreement for Cooperation in view of the establishment of the Agency.

Article IV of the proposed amendment incorporates several provisions which are designed to minimize the possibility that material or equipment transferred under the agreement will be diverted to nonpeaceful purposes.

The amendment will enter into force when the two Governments have exchanged written notification that their respective statutory and constitutional requirements have been fulfilled.

Sincerely,

LEWIS STRAUSS,
Chairman.

UNITED STATES ATOMIC ENERGY COMMISSION,
Washington, D. C., April 3, 1958.

THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The Atomic Energy Commission recommends that you approve the enclosed proposed amendment to the agreement for cooperation between the Government of the United States of America and the Government of Sweden concerning civil uses of atomic energy and authorize its execution.

The amendment has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, and is, in the opinion of the Commission, an important and desirable step in advancing the development of the peaceful uses of atomic energy in Sweden in accordance with the policy which you have established. This amendment would modify the agreement for cooperation signed by the Government of the United States and the Government of Sweden on January 8, 1956, which has already been modified by an earlier amendment signed on August 3, 1956. The agreement provided for the transfer of fuel from the Commission to the Government of Sweden for use in research reactors. The first amendment modified the agreement to permit the Government of Sweden to have in its custody, at any one time, up to 12 instead of 6 kilograms of contained U–235 in uranium enriched up to a maximum of 20 percent U–235, plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous use of the reactor involved. Article I of the proposed amendment would provide for the transfer of a net amount of 200 kilograms of uranium enriched up to a maximum of 20 percent in the isotope U–235, except as noted below. This uranium would be sold or leased by the Commission to the Government of Sweden for fueling defined reactor projects in Sweden. The Commission, at its discretion, may make a portion of the foregoing 200 kilograms available as material enriched up to 90 percent for use in a materials-testing reactor capable of operating with a fuel load not to exceed 8 kilograms of contained U–235 in uranium. Article I of the proposed amendment also provides that when any source or special nuclear material received from the United States requires reprocessing, such reprocessing shall be performed either in Commission facilities or in facilities acceptable to the Commission.

The quantity of uranium enriched in the isotope U–235 transferred to the Government of Sweden for use as fuel in reactors will not at any one time be in excess of the amount of material necessary for the full loading of each defined reactor project plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of the reactor or reactors while replaced fuel elements are radioactively cooling or, subject to Commission approval, are being reprocessed in Sweden.

Article II of the proposed amendment would permit the transfer of quantities of special nuclear materials, including U–235, U–233, and plutonium, on an as-may-be-agreed basis, for defined research projects related to the peaceful uses of atomic energy.

Article III of the proposed amendment indicates that the parties affirm their common interest in the International Atomic Energy Agency and that the parties agree to consult with each other to determine in what respects, if any, they desire to modify the provisions of the agreement for cooperation in view of the establishment of the agency.

Article IV of the proposed amendment incorporates several provisions which are designed to minimize the possibility that material or equipment transferred under the agreement will be diverted to nonpeaceful purposes.

Following your approval and subject to the authorization requested, the agreement will be formally executed by the appropriate authorities of the Government of the United States of America and the Government of Sweden and placed before the Joint Committee on Atomic Energy in compliance with section 123c of the Atomic Energy Act of 1954, as amended.

Respectfully,

LEWIS L. STRAUSS,
Chairman.

THE WHITE HOUSE,
Washington, April 11, 1958.

The Honorable LEWIS L. STRAUSS,
Chairman, Atomic Energy Commission,
Washington, D. C.

DEAR MR. STRAUSS: Under date of April 3, you informed me that the Atomic Energy Commission has recommended that I approve the proposed "amendment to the Agreement for Cooperation Between the Government of the United States of America and the Government of Sweden Concerning Civil Uses of Atomic Energy" and authorize its execution.

The recommended amendment has been reviewed. It provides for the transfer of a net quantity of 200 kilograms of enriched uranium to the Government of Sweden, and the Commission, at its discretion, may make a portion of the foregoing 200 kilograms available as material enriched up to 90 percent for use in a materials-testing reactor.

The proposed amendment will permit the transfer of quantities of special nuclear materials, including U–235, U–233, and plutonium, for defined research projects related to the peaceful uses of atomic energy on an "as may be agreed" basis rather than in limited quantities, as now provided in the existing agreement. It also indicates that the parties affirm their common interest in the International Atomic Energy Agency and that they agree to consult with each other to determine in what respects, if any, they desire to modify the provisions of the agreement for cooperation in view of the establishment of the Agency. Finally, the proposed amendment incorporates provisions designed to minimize the possibility that material or equipment transferred under the agreement will be diverted to nonpeaceful purposes.

Therefore, pursuant to the provision of section 123 of the Atomic Energy Act of 1954, as amended, and upon the recommendation of the Atomic Energy Commission, I hereby (1) determine that the performance of the proposed amendment will promote and will not constitute an unreasonable risk to the common defense and security of the United States; and (2) approve the proposed amendment to the Agreement for Cooperation Between the Government of the United States and the Government of Sweden enclosed with your letter of April 3; and (3) authorize the execution of the proposed amendment for the Government of the United States by appropriate authorities of the Atomic Energy Commission and the Department of State.

It is my hope that this amendment will enhance the very productive program of cooperation between the United States and Sweden in the peaceful uses of atomic energy.

Sincerely,

DWIGHT D. EISENHOWER.

AMENDMENT TO AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF SWEDEN CONCERNING CIVIL USES OF ATOMIC ENERGY

The Government of the United States of America and the Government of Sweden, desiring to amend the agreement for cooperation concerning civil uses of atomic energy between the Government of the United States of America and the Government of Sweden signed January 18, 1956 (hereinafter referred to as the "Agreement for Cooperation"), as amended by the agreement signed August 3, 1956, agree as follows:

ARTICLE I

Article II of the Agreement for Cooperation, as amended, is hereby amended to read as follows:

"A. The Commission will sell or lease, as may be agreed, to the Government of Sweden, uranium enriched up to 20 percent in the isotope U–235, except as otherwise provided in paragraph C of this article, in such quantities as may be agreed in accordance with the terms, conditions, and delivery schedules set forth in contracts for fueling defined research reactors and a materials testing reactor, which the Government of Sweden, in consultation with the Commission, decides to construct or authorize private organizations to construct in Sweden and as required in experiments related thereto; provided, however, that the net amount of any uranium sold or leased hereunder during the period of this agreement shall not exceed 200 kilograms of contained U–235. This net amount shall be the gross quantity of contained U–235 in uranium sold or leased to the Government of Sweden during the period of this agreement less the quantity of contained U–235 in recoverable uranium which has been resold or otherwise returned to the Government of the United States of America during the period of this agreement or transferred to any other nation or international organization with the approval of the Government of the United States of America.

"B. Within the limitations contained in paragraph A of this article, the quantity of uranium enriched in the isotope U–235 transferred by the Commission under this article and in the custody of the Government of Sweden shall not at any time be in excess of the amount of material necessary for the full loading of each defined reactor project which the Government of Sweden or persons under its jurisdiction decide to construct and fuel with United States fuel, as provided herein, plus such additional quantity, as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of such reactor or reactors while replaced fuel elements are radioactively cooling, are in transit, or, subject to the provisions of paragraph E of this article, are being reprocessed in Sweden, it being the intent of the Commission to make possible the maximum usefulness of the material so transferred.

"C. The Commission may, upon request and in its discretion, make a portion of the foregoing special nuclear material available as material enriched up to 90 percent for use in a materials testing reactor capable of operating with a fuel load not to exceed 8 kilograms of contained U–235 in uranium.

"D. It is understood and agreed that although the Government of Sweden may distribute uranium enriched in the isotope U–235 to authorized users in Sweden, the Government of Sweden will retain title to any uranium enriched in the isotope U–235 which is purchased from the Commission at least until such time as private users in the United States of America are permitted to acquire title in the United States of America to uranium enriched in the isotope U–235.

"E. It is agreed that when any source or special nuclear material received from the United States of America requires reprocessing, such reprocessing shall be performed at the discretion of the Commission in either Commission facilities or facilities acceptable to the Commission, on terms and conditions to be later agreed; and it is understood, except as may be otherwise agreed, that the form and content of any irradiated fuel elements shall not be altered after their removal from the reactor and prior to delivery to the Commission or the facilities acceptable to the Commission for reprocessing.

"F. With respect to any special nuclear material not owned by the Government of the United States of America produced in reactors fueled with materials obtained from the United States of America which is in excess of the need of the Government of Sweden of such materials in its program for the peaceful uses of atomic energy, the Government of the United States of America shall have and is hereby granted (a) a first option to purchase such material at prices then prevailing in the United States of America for special nuclear material produced in reactors which are fueled pursuant to the terms of an agreement for cooperation with the Government of the United States of America, and (b) the right to approve the transfer of such material to any other nation or international organization in the event the option to purchase is not exercised.

"G. Special nuclear material produced in any part of fuel leased hereunder as a result of irradiation processes shall be for the account of the Government of Sweden and after reprocessing as provided in paragraph E hereof shall be returned to the Government of Sweden at which time title to such material shall be transferred to that Government, unless the Government of the United States of America shall exercise the option, which is hereby accorded, to retain, with appropriate credit to the Government of Sweden, any such special nuclear material which is in excess of the needs of the Government of Sweden for such material in its program for the peaceful uses of atomic energy.

"H. Some atomic energy materials which the Government of Sweden may request the Commission to provide in accordance with this Agreement are harmful to persons and property unless handled and used carefully. After delivery of such materials to the Government of Sweden the Government of Sweden shall bear all responsibility, insofar as the Government of the United States of America is concerned, for the safe handling and use of such materials. With respect to any special nuclear materials or fuel elements which the Commission may, pursuant to this Agreement, lease to the Government of Sweden or to any private individual or private organization under its jurisdiction, the Government of Sweden shall indemnify and save harmless the Government of the United States of America against any and all liability (including third party liability) for any cause whatsoever arising out of the production or fabrication, the ownership, the lease, and the possession and use of such special nuclear materials or fuel elements after delivery by the Commission to the Government of Sweden or to any authorized private individual or private organization under its jurisdiction."

ARTICLE II

Article III (A) of the Agreement for Cooperation, as amended, is hereby amended to read as follows:

"ARTICLE III (A)

"Materials of interest in connection with defined research projects related to the peaceful uses of atomic energy undertaken by the Government of Sweden, including source materials, special nuclear materials, byproduct material, other radioisotopes, and stable isotopes, will be exchanged for research purposes in such quantities and under such terms and conditions as may be agreed when such materials are not available commercially."

ARTICLE III

The following new article is added directly after article V of the Agreement for Cooperation:

"ARTICLE V (A)

"The Government of the United States of America and the Government of Sweden affirm their common interest in the International Atomic Energy Agency and to this end:

"A. The parties will consult with each other, upon the request of either party, to determine in what respects, if any, they desire to modify the provisions of this Agreement for Cooperation. In particular, the parties will consult with each other to determine in what respects and to what extent they desire to arrange for the administration by the International Atomic Energy Agency of those conditions, controls, and safeguards including those relating to health and safety standards required by the Agency in connection with similar assistance rendered to a cooperating nation under the aegis of the Agency.

"B. In the event the parties do not reach a mutually satisfactory agreement following the consultation provided for in paragraph A of this article, either party may by notification terminate the Agreement. In the event this Agreement is so terminated, the Government of Sweden shall return to the Commission all source and special nuclear materials received pursuant to this Agreement and in its possession or in the possession of persons under its jurisdiction."

ARTICLE IV

Article VI of the Agreement for Cooperation, as amended, is amended to read as follows:

"A. The Government of the United States of America and the Government of Sweden

emphasize their common interest in assuring that any material, equipment, or device made available to the Government of Sweden pursuant to this agreement shall be used solely for civil purposes.

"B. Except to the extent that the safeguards provided for in this agreement are supplanted, by agreement of the parties as provided in article V (A), by safeguards of the International Atomic Energy Agency, the Government of the United States of America, notwithstanding any other provisions of this agreement, shall have the following rights:

"1. With the objective of assuring design and operation for civil purposes and permitting effective application of safeguards, to review the design of any (i) reactor and (ii) other equipment and devices the design of which the Commission determines to be relevant to the effective application of safeguards, which are to be made available to the Government of Sweden or persons under its jurisdiction by the Government of the United States of America or any person under its jurisdiction, or which are to use, fabricate, or process any of the following materials so made available: Source material, special nuclear material, moderator material, or other material designated by the Commission;

"2. With respect to any source or special nuclear material which is to be made available to the Government of Sweden or any person under its jurisdiction by the Government of the United States of America or any person under its jurisdiction and any source or special nuclear material utilized in, recovered from, or produced as a result of the use of any of the following materials, equipment, or device so made available:

"(i) Source material, special nuclear material, moderator material, or other material designated by the Commission;

"(ii) Reactors;

"(iii) Any other equipment or device designated by the Commission as an item to be made available on the condition that the provision of this subparagraph B 2 will apply—

"(a) To require the maintenance and production of operating records and to request and receive reports for the purpose of assisting in ensuring accountability for such materials; and

"(b) To require that any such material in the custody of the Government of Sweden or any person under its jurisdiction be subject to all of the safeguards provided for in this article and the guaranties set forth in article VII;

"3. To require the deposit in storage facilities designated by the Commission of any of the special nuclear material referred to in subparagraph B 2 of this article which is not currently utilized for civil purposes in Sweden and which is not purchased or retained by the Government of the United States of America pursuant to article II of this agreement, or otherwise disposed of pursuant to an arrangement mutually acceptable to the parties;

"4. To designate, after consultation with the Government of Sweden, personnel who, accompanied, if either party so requests, by personnel designated by the Government of Sweden, shall have access in Sweden to all places and data necessary to account for the source and special nuclear materials which are subject to subparagraph B 2 of this article to determine whether there is compliance with this agreement and to make such independent measurements as may be deemed necessary;

"5. In the event of noncompliance with the provisions of this article, or the guaranties set forth in article VII, and the failure of the Government of Sweden to carry out the provisions of this article within a reasonable time, to suspend or terminate this agreement and require the return of any materials, equipment, and devices referred to in subparagraph B 2 of this article;

"6. To consult with the Government of Sweden in the matter of health and safety.

"C. The Government of Sweden undertakes to facilitate the application of the safeguards provided for in this article."

ARTICLE V

Notwithstanding the provisions of the first paragraph of article VIII of the Agreement for Cooperation, the agreement, as amended, shall remain in force for a period of 10 years from the date this amendment enters into force, and shall be subject to renewal as may be mutually agreed.

ARTICLE VI

This amendment shall enter into force on the date on which each Government shall receive from the other Government written notification that it has complied with all statutory and constitutional requirements for the entry into force of such amendment and shall remain in force for the period of the Agreement for Cooperation, as amended.

In witness whereof, the undersigned, duly authorized, have signed this amendment.

Done at Washington, in duplicate, this 25th day of April 1958.

For the Government of the United States of America:

C. BURKE ELBRICK,
Assistant Secretary of State for European Affairs, Department of State.

LEWIS L. STRAUSS,
Chairman, United States Atomic Energy Commission.

For the Government of Sweden:

ERIK BOHEMAN,
Ambassador of Sweden.

Certified to be a true copy:

A. J. VANDER WEYDEN,
Deputy Director, Division of International Affairs, United States Atomic Energy Commission.

This amendment was initialed on March 26, 1958, by Edward G. Moline, Department of State, and Count Carl L. Douglas, Minister Plenipotentiary, Counselor Embassy of Sweden.

Mr. PASTORE. Mr. President, section 123c of the Atomic Energy Act of 1954 requires that no agreement for cooperation with any nation or regional defense organization shall be undertaken until the proposed agreement, or amendment, together with the approval and the determination of the President, has been submitted to the joint committee and a period of 30 days has elapsed while Congress is in session.

As indicated by Mr. Strauss' letter to Mr. DURHAM, the proposed amendment would provide for the transfer of a net amount of 200 kilograms of uranium enriched up to a maximum of 20 percent in the isotope U–235, except that up to 8 kilograms may be enriched to 90 percent U–235. All of the uranium will be used only for peaceful purposes, and it is contemplated that most of the enriched fuel to be transferred under the agreement will be utilized in a materials testing reactor now being purchased in the United States which is scheduled to become operational next fall at the Studsvik Research Center, south of Stockholm.

Last fall, five members of the joint committee, although I was not privileged to be one of them, visited Sweden for a day and a half, and inspected atomic energy installations in that country, including an underground research reactor, and received an excellent briefing on that country's plans for the peaceful uses of atomic energy. This amendment to the existing agreement for cooperation should constitute a good step in that direction, with mutual benefits to both our countries.

Article 4 of the proposed agreement incorporates several provisions which are designed to minimize the possibility of any of the nuclear material being diverted, and to assure that the material will be used only for peaceful purposes.

I should also like to take this opportunity to draw the attention of the Members of the Senate to a report recently published by the Joint Committee on Atomic Energy entitled "Report of the Members of the Joint Committee on Atomic Energy to the First General Conference of the International Atomic Energy Agency and Visits to Western Europe." This report contains valuable firsthand information obtained by the members of the joint committee concerning mutual efforts by the United States and the countries of Western Europe to develop the peaceful uses of atomic energy.

POLISH CONSTITUTION DAY

Mr. HUMPHREY. Mr. President, May 3 marked the anniversary of an historic occasion, Polish Constitution Day. One hundred and sixty-seven years ago, the Polish Diet, inspired by the American Declaration of Independence and by the French Proclamation of Rights, enacted the Polish Constitution.

Polish people everywhere still observe at least in their hearts, this anniversary as a reminder of the high hopes and noble ideals that their forefathers had for the future of their country. It is sad for us to reflect on the unhappy history of this brave nation—a history marked by futile attempts to regain their freedom and autonomy only to have the grim reminder of the crushing of the Hungarian revolt to force their acquiescence to Soviet imperialism. We can only pray, as do our Polish friends, that one day, the solemn faith of these courageous people will be rewarded. The people of Poland are brave and freedom loving—even as they suffer under the yoke of dictatorship. The people of Poland deserve and have the sympathy and respect of America. Their efforts for greater freedom will receive our support and friendship.

ANNA JARVIS, FOUNDER OF MOTHER'S DAY

Mr. MARTIN of Pennsylvania. Mr. President, next Sunday, in the peace and quiet of West Laurel Hill Cemetery, Philadelphia, an impressive service will be held to honor the memory of Miss Anna Jarvis, the founder of Mother's Day.

The service will mark the 50th anniversary of the first Mother's Day observance. It will be the 10th memorial service to be held at her grave since Miss Jarvis, passed away May 24, 1948.

A wreath of 50 white carnations will be placed on the grave in tribute to this gentle and kindly lady who found in-

spiration in her love for her own mother to suggest a special day to honor all mothers.

Through her untiring efforts the second Sunday of May has become a permanent and beautiful part of American life.

It is observed here and in many foreign lands as a day of reverent appreciation of the gentlest and loveliest—yet the most powerful—influence for all that is good in the world.

It is worthy of note also that in 1914, at the request of Miss Jarvis, the Congress of the United States, by joint resolution, gave recognition to the second Sunday of May as Mother's Day. Pursuant to that resolution, the day was proclaimed by President Woodrow Wilson in those troubled days of 1914 when the dark clouds of war were gathering over Europe.

The world is indebted to Miss Anna Jarvis, and it is most fitting that tribute be paid to her memory on the day that represents the realization of her dream.

No one can ever hope to repay the debt we owe our mothers for the blessings their love, their prayers, and their teachings have brought to us and the world.

As we pause to pay honor and homage to mother in our homes and in our churches next Sunday, let us recall the words of Abraham Lincoln:

All that I am or hope to be I owe to my angel mother.

Mr. President, I ask unanimous consent to insert at this point in my remarks an article on Mother's Day and its history, prepared by Miss Maude Olivia Hickman, president of Mother's Day, Inc., of Philadelphia, and also the program of the memorial service to be held next Sunday.

There being no objection, the article and program were ordered to be printed in the RECORD, as follows:

MOTHER'S DAY

The founder, Miss Anna Jarvis, born May 1, 1864, in Webster, W. Va., 1 of 11 children, only 4 living to maturity. The family moved to Grafton, W. Va., in 1865, where Miss Jarvis' early life was spent. After completing grade school, she entered Female Seminary in Wheeling in 1881, being graduated in 1884, and was immediately employed by the board of education as a teacher in the Grafton public schools where she taught for 7 years. The superintendent of schools said, "In all my wide experience as a teacher and superintendent, I have never known her equal as an efficient and capable teacher." Anna Jarvis was a woman of very keen intellect, broad vision, high ideals, and commanding personality and was a fluent, logical, and convincing speaker.

The real origin of Mother's Day dates back to the period immediately following the Civil War when Mrs. Anna Reeves Jarvis, the honored mother, organized the mothers of her community. The new organization wondered how their families would ever be reunited after the war was over. Mrs. Jarvis met this problem of family hatred after the close of the conflict by announcing a Mother's Friendship Day. A special invitation was given to every Union and Confederate soldier and their families. It was truly a wonderful sight to see the boys in blue and the boys in gray shake hands and say, "God bless you, neighbor; let us be friends again." Mrs. Jarvis, for a period of 20 years expressed her desire that someone, sometime would establish a day for mothers, both living and dead. It was this kind of work and works of a similar character that impressed her daughter to establish Mother's Day to perpetuate her mother's idea and make the day a memorial for all mothers.

About 1896 Miss Anna Jarvis came to Philadelphia, where her brother, Claude, was located in business, and became secretary of the literary department of Fidelity Mutual Life Insurance Co. After the death of her father, Granville E. Jarvis, in December 1903, the mother came to Philadelphia to reside with her son and daughters at 2031 North 12th Street. It was there 3 years later that Mrs. Jarvis died, May 9, 1905, at the age of 72. The following year, Miss Anna Jarvis asked friends to come to church the first Sunday in May to commemorate the anniversay of her mother's death. By 1907 she had acquainted John Wanamaker, the great merchant, with her plans to establish a Mother's Day. He thought the idea a good one and urged her to start the movement. By her untiring efforts, writing ministers of churches, mayors of cities, governors of States, the first official Mother's Day was founded on Sunday, May 10, 1908.

Anna Jarvis continued her zeal and efforts meeting Senators, Congressmen, and governors. The first to issue a State proclamation was William M. Glasscock, Governor of West Virginia, on May 8, 1910. Miss Jarvis never ceased her efforts, and in 1914, at her request, the second Sunday in May was named as Mother's Day. The resolution was passed by both Houses. President Woodrow Wilson approved and the Great Commoner, William Jennings Bryan, as Secretary of State, proclaimed it. In the President's proclamation which immediately followed, he ordered that, on the second Sunday in May, the flag should be displayed on all governmental buildings in the United States and in our foreign possessions. Later, Representative Heflin, of Alabama, author of the resolution said, "The flag was never used in a more beautiful and sacred cause than when flying above the tender, gentle army, the mothers of America."

Anna Jarvis traveled abroad extensively promoting Mother's Day until 46 foreign countries observe Mother's Day on the second Sunday in May. The dream of the mother had at last become a reality through the daughter, who always said her mother was the mother of Mother's Day and she the founder. She chose the white carnation as the emblem, being her mother's favorite flower and the emblem of purity and love. Then, too, she said, "Everyone would buy one" for they were selling for 10 cents per dozen. In a year or two, the prices for 1 started at 5 cents and continued to advance until now they sell for $1 and even more. She fought the commercialization always, for she founded the day as a religious and sacred day to remember and honor and revere our mothers, dead or alive. For this noble work, she was honored not only in America, but at the courts of foreign countries.

Miss Jarvis' last public appearance was in April 1943 at a church Mother's Club, honoring a sailor who sacrificed his life, but saved his ship, all officers and men in World War II. She was going blind and on November 3, 1943, she was placed by friends in a sanitarium in West Chester, Pa. Being totally blind, she died November 24, 1948, at the age of 84, the last of an illustrious family.

Miss Jarvis is buried beside her mother in West Laurel Hill Cemetery, Philadelphia. Upon her tombstone is a bronze plaque of her likeness, dedicated on Mother's Day, May 8, 1949.

MOTHER'S DAY, MAY 11, 1958, 50TH ANNIVERSARY—TENTH MEMORIAL SERVICE HELD BY MOTHER'S DAY INC., MISS MAUDE O. HICKMAN, PRESIDENT, FOR ANNA JARVIS, FOUNDER, WEST LAUREL HILL CEMETERY, PHILADELPHIA, PA.

PROGRAM

Fourth Naval District: Firing squad and buglers.

Invocation: Rev. J. Lawrence Carr, rector St. Andrew Centenary Methodist Church, West Philadelphia.

Pledge of Allegiance to the Flag: Boy Scout Troop No. 113, leader, Mr. H. Talley.

The National Anthem: Assemblage.

Welcome: Miss Maude O. Hickman.

Solo, The King of Love My Shepherd Is: By Charles Gounod; Soprano, Miss Ellen Summers German, St. John's Lutheran Church, Philadelphia.

Address: Dr. D. C. Evans, pastor, Old St. George's Methodist Church, Philadelphia (1707–1958).

Chorus, The Best Bouquet for Mother's Day: Pillar of Fire Children's Choir.

Wreath: By Allied Florists of Greater Philadelphia Inc.; Mr. Emil C. Esslinger, secretary, placing wreath of 50 white carnations on grave.

Benediction: Rev. J. Lawrence Carr.

Salute: Firing squad, Fourth Naval District.

Taps: Fourth Naval District.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Is there further morning business? If not, morning business is closed.

Mr. WATKINS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. WATKINS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUPREME COURT LAW CLERKS

Mr. STENNIS. Mr. President, along with a number of others, I have become seriously concerned about the question of law clerks to Supreme Court Justices and would like to find out just what part they play in, first, deciding which cases will be reviewed by the Supreme Court; second, doing the legal research for Justices on pending cases; and, third, participating, if at all, in the actual preparation of opinions of the Court. This question and my comments are not directed personally against either the members of the Court or the clerks themselves.

During the last term for which an administrative report is available—October 1955 term—1,644 cases were appealed to the Supreme Court. This means that the entire transcripts, court files, and briefs in this large number of actual cases had to be read and absorbed for the underlying issues to be understood. Of these, 82 cases were decided by the Court with full opinions by the individual Justices, and 12 opinions were prepared for the Court itself. In all, 1630 cases were disposed of by the Court.

The tremendous volume of work in reviewing these cases, as indicated by the above figures, could not have been done by the nine Justices during the term

time. To carry this volume of work it is absolutely necessary that they have professional help.

The only source of professional assistance is their law clerks. The volume of court business outlined above indicates that the work of these young men must have been of a substantial legal nature. They must have played an important part in determining which cases would be considered by the Court; resolution of the issues presented; and the expression of the Court's opinion.

These men could be occupying roles far more important than those occupied by many Under Secretaries and Assistant Secretaries whose appointments must be confirmed by the Senate. They could be making preliminary decisions in many instances as to whether or not certain landmark cases are to be heard by the Court. To the extent that they participate in shaping the work of the Court, they are deciding vital questions of national effect. Within the judicial branch, these are equivalent to policy-level decisions in the executive branch.

Anyone who performs such services for Supreme Court Justices occupies an important position in the American governmental structure. Four men, in most instances, by a preliminary decision determine whether or not a case will be reviewed by the Court. If less than four Justices vote for review that decision is final. In a great many cases less than a majority of the Court participate in the majority opinion. Thus, the grave responsibility of each individual Justice is shared by those who assist him in carrying on the work of the Court.

The volume of work imposed on the Court doubtless requires a part of the workload of each individual Justice to be performed in part through staff work. The question of whether there should be staff work is neither the issue nor the problem. The question is whether some professional qualifications should be imposed by law for the important post of law clerk. The American people have a right to expect that some safeguards are provided to assure that professional assistants for Supreme Court Justices are of the highest level of competence.

At the present time these positions have no qualifications of professional licensing, experience, or competence established by law; and the American people have no reason to assume that the professional assistance available to Supreme Court Justices is characterized by experience, achievement, or distinguished judicial service. What evidence there is available leads to a contrary conclusion.

It is generally known that these young men assist in the review of the records, and work on actual cases before the Court, although the extent of their actual participation in its functions is unknown. When one considers the volume of work done by the Court and the complexities of the many involved questions arising in the numerous cases, I am persuaded that the influence of the law clerk as to the disposition of cases is considerable. Still these positions are not defined. The qualifications are not prescribed, and the duties are not clear.

We know that these young men are paid from $5,535 to $6,500 a year. It is clear that such a salary range is small compared with those of other Government posts of similar responsibility and such a salary range is not designed to attract attorneys of top legal talent and experience.

From custom these posts have grown to be accepted. While not established by law, language of Judiciary Appropriations Acts has been drawn broad enough to pay for such services. These positions are authorized in general appropriations bills and the setting of salaries is authorized; but otherwise they are not established by law. Customarily, I understand, the term of such a position is usually 1 year, that the young law clerk is usually a very recent graduate from law school. He enters the actual practice of law probably for the first time after completing a 1-year term as law clerk.

The Congress has never prescribed qualifications for these employees, who assist the Justices of the Supreme Court. But with an increased realization of the necessity for such clerks, as well as the importance of the role they play in the work of the Court, the question now deserves, even demands, Congressional attention. There has been no reluctance to establish qualifications for employees and officials in the executive branch where tenure, salary, retention rights, retirement, and other vital details of Government employment are defined by law. Why should not this also be done for the judicial branch?

In, a recent article—December 13 1957—in U. S. News & World Report, a former law clerk to Justice Jackson, William H. Rehnquist, Esq., describes the role of these young men in the highest appellate tribunal. Particularly candid is the following quotation from that article:

> Most of the clerks are recent honor graduates of law schools, and, as might be expected are an intellectually high-spirited group. Some of them are imbued with deeply held notions about right and wrong in various fields of the law, and some in their youthful exuberance permit their notions to engender a cynical disrespect for the capabilities of anyone, including Justices, who may disagree with them.
>
> The bias of the clerks, in my opinion, is not a random or hit-and-miss bias. From my observations of two sets of Court clerks during the 1951 and 1952 terms, the political and legal prejudices of the clerks were by no means representative of the country as a whole nor of the Court which they served.
>
> After conceding a wide diversity of opinion among the clerks themselves, and further conceding the difficulties and possible inaccuracies inherent in political cataloging of people, it is nonetheless fair to say that the political cast of the clerks as a group was to the left of either the Nation or the Court.
>
> Some of the tenets of the liberal point of view which commanded the sympathy of a majority of the clerks I knew were: extreme solicitude for the claims of Communists and other criminal defendants, expansion of Federal power at the expense of State power, great sympathy toward any Government regulation of business.

I believe that the Senate should fully explore this problem and the situation of Supreme Court law clerks with a view to establishing minimum qualifications for holders of these important posts by law. The Congress should be in a position to assure the American people that a high degree of professional competence attends every incidence of the judicial function of our highest tribunal, the United States Supreme Court, for the decisions reached therein affect our country, its future and its 172 million people. The problem presents facts which Congress cannot afford to ignore. They point to a positive duty on the part of Congress to explore this problem fully. Because a statutory office requiring confirmation may be recommended as the solution to this problem, the Senate has a special duty and a special concern to clear up the many questions surrounding the role of the Supreme Court law clerk.

Mr. President, based on the foregoing facts, my specific recommendations are:

First. The full facts surrounding the entire situation must be developed.

Second. The extent of the need for this professional assistance must be fully developed.

Personally, I feel that a definite need does exist and that the need has far outgrown the idea of having someone fill the role merely on a 1-year basis.

Third. Clear-cut professional qualifications and other standards for the position must be established.

Fourth. We must determine whether or not Senate confirmation should be required for these positions of ever-increasing importance and influence.

Mr. President, I wish to emphasize that my remarks are in no way an attack upon the men who are serving as law clerks for the justices, nor upon the justices themselves. I have made it clear that I believe some professional assistants or staff assistants of this kind are absolutely necessary, in view of the increased volume of work the Supreme Court must carry during an active term.

My point is that it has become such an important and far-reaching office and position that it ought to be known what the role is of the law clerks that professional and other qualifications should be prescribed; that salaries and tenure should be prescribed in keeping with the importance of work, and I think, Senate confirmation of these highly important positions should be required.

I refer this matter to the committees which are concerned with it. I am a great believer in the committee system. The two primary committees I can think of which would be most concerned would be the Committee on the Judiciary and the Committee on Post Office and Civil Service. I call these remarks and this problem to the special attention of the members of those committees, as well as to the attention of all Members of the Senate and of Congress.

I yield the floor.

THE PULITZER AWARDS

Mr. FULBRIGHT. Mr. President, this morning's newspapers carry the announcement of the awards of the Pulitzer prizes. Prominent among these was the unusual award to both the Arkansas Gazette and its executive editor, Mr. Harry S. Ashmore.

I congratulate the judges upon their discrimination and fine sense of values.

Their choice in both these instances reflects great credit upon the oldest and leading newspaper in Arkansas.

I ask unanimous consent to have printed in the RECORD at this point an editorial appearing in this morning's New York Times, and also a copy of the citation by the selection committee.

There being no objection, the editorial and citation were ordered to be printed in the RECORD, as follows:

[From the New York Times of May 6, 1958]

PULITZER, 1958

In the distinguished list of Pulitzer awards, the ones for meritorious public service to the Arkansas Gazette and for editorial writing to its editor, Harry S. Ashmore, deserve special attention.

In the segregation crisis in Little Rock last fall, the Gazette consistently demonstrated in both its news and editorial columns the finest principles of American journalism. As the Pulitzer citation noted, the Gazette showed "the highest qualities of civic leadership, journalistic responsibility and moral courage" in the face of an attempt at mob rule stimulated by the highest authority in the State. This fine Little Rock daily, representing the forces of law and order and moderation in the South, has gained additional respect and admiration from the newspaper community and the Nation, in whose esteem it already stood high.

In the field of international news, the New York Times is naturally gratified to have received another Pulitzer award—its twenty-seventh—this one for the "admirable initiative, continuity and high quality" that characterized its foreign coverage during the year. We extend our congratulations to the other winners in the field of journalism, notably to Walter Lippmann on the occasion of his special citation for "the wisdom, perception and high sense of responsibility with which he has commented for many years on national and international affairs."

In the area of letters, two of the awards were posthumous: to Douglas Southall Freeman for his monumental biography of George Washington, and to James Agee for his sensitive novel, A Death in the Family, described by our reviewer last year as "an utterly individual and original book." A third went to Ketti Frings' dramatization of Thomas Wolfe's Look Homeward, Angel. Awards to Samuel Barber in music and Robert Penn Warren in poetry cause no surprise. Bray Hammond's work in economic history, Banks and Politics in America, is something out of the usual run of historical studies.

PULITZER PRIZE FOR THE ARKANSAS GAZETTE

CATEGORY

For disinterested and meritorious public service rendered by a United States newspaper, published daily, Sunday, or at least once a week during the year, a gold medal.

CITATION

Awarded to the Arkansas Gazette, of Little Rock, Ark., for demonstrating the highest qualities of civic leadership, journalistic responsibility, and moral courage in the face of mounting public tension during the school-integration crisis of 1957. The newspaper's fearless and completely objective news coverage, plus its reasoned and moderate policy, did much to restore calmness and order to an overwrought community, reflecting great credit on its editors and its management.

Pulitzer prize for Harry S. Ashmore, editor of the Arkansas Gazette.

CATEGORY

For distinguished editorial writing in a United States newspaper, published daily, Sunday, or at least once a week during the year, the test of excellence being clearness of style, moral purpose, sound reasoning, and power to influence public opinion, in what the writer conceives to be right direction, due account being taken of the whole volume of the editorial writer's work during the year, $1,000.

CITATION

Awarded to Harry S. Ashmore, executive editor of the Arkansas Gazette, for the forcefulness, dispassionate analysis, and clarity of his editorials on the school-integration conflict in Little Rock, Ark.

Mr. FULBRIGHT. Mr. President, I have known, for a long time, Mr. Ned Heiskell, the owner and for more than 50 years the editor of the Arkansas Gazette. Mr. Heiskell, a former Member of this body, is a man of highest character, a scholar, and a gentleman.

For more than 50 years he has directed the policies of the Gazette without fear or favor. He has devoted the Gazette to the public interest, and much of the very real progress which my State has made is due to the fearless integrity of Mr. J. N. Heiskell.

Mr. Heiskell, looking to the future of his newspaper, employed Mr. Harry S. Ashmore some years ago, outbidding a much larger and richer newspaper for his services. Mr. Ashmore, now only 41 years of age, has already made a great record as an editor and writer.

Mr. Heiskell has also brought into the business end of the paper Mr. Hugh Patterson, who is eminently qualified to continue the wise policy of the paper in the future.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the news story and the biographical sketch of Mr. Ashmore, published in the New York Times.

There being no objection, the article and biographical sketch were ordered to be printed in the RECORD, as follows:

[From the New York Times of May 6, 1958]

NEWSPAPER IN LITTLE ROCK WINS TWO PULITZER PRIZES

(By Harrison E. Salisbury)

Three of the 1958 Pulitzer prizes in journalism were awarded yesterday for coverage of last autumn's school integration crisis in Little Rock, Ark. Two of the three prizes were won by the same newspaper, the Arkansas Gazette, an unusual honor designed to record the high esteem felt by the awards committee for the excellence of this Little Rock newspaper's achievement.

The third prize was awarded to Relman Morin, an Associated Press reporter, for his coverage of integration violence in Little Rock.

AGEE NOVEL HONORED

The year's award for the best novel went to A Death in the Family by the late James Agee. Thus, the Pulitzer committee, like the National Book Awards Committee, passed up James Gould Cozzens' best-selling novel, By Love Possessed. The National Book Awards prize went to John Cheever's The Wapshot Chronicle.

The 1958 drama award went to Look Homeward, Angel, Ketti Frings' dramatization of the famous novel by the late Thomas Wolfe. None of Mr. Wolfe's novels ever received a Pulitzer prize.

The following prizes were awarded in journalism:

For meritorious public service: The Arkansas Gazette, Little Rock.

For international reporting: The New York Times.

For local reporting under deadline conditions: The Fargo (N. Dak.) Forum.

For local reporting under nondeadline conditions: George Beveridge, of the Evening Star, Washington.

For national reporting (two awards): Relman Morin, of the Associated Press, and Clark Mollenhoff, of the Des Moines Register and Tribune.

For editorial writing: Harry S. Ashmore, of the Arkansas Gazette.

Cartoons: Bruce M. Shanks, of the Buffalo Evening News.

News photography: William C. Beall, of the Washington Daily News.

Special citation: Walter Lippmann, of the New York Herald Tribune.

The prize biography was given to the late Douglas Southall Freeman's multivolume George Washington, which was completed after his death in 1953 by John Alexander Carroll and Mary Wells Ashworth. Dr. Freeman won a Pulitzer prize in 1935 for his biography of Robert E. Lee.

The history prize went to Bray Hammond for his Banks and Politics in America: From the Revolution to the Civil War. The poetry prize was awarded to Robert Penn Warren for Promises: Poems 1954–1956, and the prize for music went to Samuel Barber for the score of the opera Vanessa.

The announcement of 10 Pulitzer awards for journalism and 6 awards in arts and letters was made by Grayson Kirk, president of Columbia University. The awards are given by the trustees of Columbia on recommendation of the advisory board on Pulitzer prizes.

PRIZES ARE $500 AND $1,000

The awards in arts and letters are $500. Those in journalism carry a prize of $1,000. The prizes have been given since 1917 under the will of Joseph Pulitzer, publisher of the old New York World.

The double award to the Arkansas Gazette was made for its public service and editorial coverage of the explosive Little Rock integration crisis.

The newspaper was cited for "demonstrating the highest qualities of civic leadership, journalistic responsibility and moral courage."

"The newspaper's fearless and completely objective news coverage, plus its reasoned and moderate policy, did much to restore calmness and order to an overwrought community," the citation said.

Mr. Ashmore, executive editor of the Arkansas Gazette, was cited "for the forcefulness, dispassionate analysis and clarity of his editorials" on the integration situation.

A check of Pulitzer prize annals disclosed that the Arkansas Gazette was the first newspaper to win the public service prize and the editorial prize for its work on the same news story.

REPORT ON MOB CITED

In the third Pulitzer award growing out of the Little Rock crisis, Mr. Morin was cited for "his dramatic and incisive eyewitness report of mob violence on September 23, 1957, during the integration crisis" in Little Rock.

It was the second time Mr. Morin was honored by the Pulitzer committee. In 1951, he shared with five other reporters a Pulitzer award for coverage of the Korean war. Mr. Morin, long a foreign and domestic correspondent for the Associated Press, is now stationed in New York, assigned to special coverage.

Ordinarily only one prize is given for national affairs reporting. This year, however, a second prize was awarded. This went to Mr. Mollenhoff for a lengthy inquiry into labor union racketeering. Mr. Mollenhoff's stories were credited with assisting Congressional investigations into James R. Hoffa, Dave Beck, Frank Brewster and other Teamsters Union figures.

The New York Times, winner of the Award for International Reporting, was cited for "its distinguished coverage of foreign news, which was characterized by admirable initiative, continuity and high quality during the year."

This was the first time that the international reporting award was given to a newspaper staff, although collective staff awards have been made in other fields.

In 1941, the Times won a special Pulitzer citation "for the public educational value of its foreign news report, exemplified by its scope, by excellence of writing, presentation and supplementary background information, illustration and interpretation."

The special citation given this year to Mr. Lippmann was voted "for the wisdom, perception and high sense of responsibility with which he has commented for many years on national and international affairs."

TORNADO COVERAGE NOTED

The award to the Fargo Forum was given for its swift and vivid news and picture coverage of a tornado that struck the city June 20, 1957. The award to Mr. Beveridge was for his study of urban problems of Washington. The report was cited as having stimulated widespread public consideration of the situation.

Mr. Shanks' award was given for a cartoon depicting the dilemma of union members confronted by racketeering union leaders. The photography award to Mr. Beall was given for a picture of a policeman talking with a 2-year-old boy who wanted to get closer to a parade.

Mr. Agee's Pulitzer award was posthumous. He died 3 years ago at the age of 45 as he was completing A Death in the Family. The novel, published by McDowell, Obolensky, Inc., New York, is said to be to some extent autobiographical.

The Pulitzer prize for drama is made "for the American play, preferably original in its source and dealing with American life, which shall represent in marked fashion the educational value and power of the stage." The fact that the prize-winning play, Look Homeward, Angel, was adapted from a novel did not therefore bar it from consideration.

THREE ELECTED TO BOARD

Three new members were elected to the Advisory Board on Pulitzer Prizes. They are Erwin D. Canham, editor of the Christian Science Monitor; Kenneth MacDonald, editor of the Des Moines Register and Tribune; and W. D. Maxwell, editor of the Chicago Tribune.

They will replace Gardner Cowles, of Cowles Magazines, Inc., New York; Robert Choates, the Boston Herald; and John S. Knight of Knight Newspapers, Inc., Chicago. The members retire after serving 4-year terms.

Members of the 1958 advisory board, in addition to Messrs. Cowles, Choate, and Knight, were Dr. Kirk Barry Bingham, the Louisville Courier-Journal; Hodding Carter, the Delta Democrat-Times, Greenville, Miss.; Turner Catledge, the New York Times; Norman Chandler, the Los Angeles Times; J. D. Ferguson, the Milwaukee Journal; Benjamin M. McKelway, the Washington Evening Star; Paul Miller, Gannett Newspapers, Inc., Rochester, N. Y.; Joseph Pulitzer, Jr., the St. Louis Post-Dispatch; Louis B. Seltzer, the Cleveland Press; and John Hohenberg, professor of journalism, Columbia University Graduate School of Journalism, secretary.

HARRY S. ASHMORE

Harry Scott Ashmore is an apostle of change for the South. His views have met with a mixed reaction in his own territory, but yesterday they won him a Pulitzer prize.

The executive editor of the Arkansas Gazette was cited for his editorials during the school integration conflict in Little Rock last fall.

Many of his fellow citizens and fellow journalists credited him with a major share in restoring order in the torn community. But his front-page editorials aroused the wrath of white citizens councils.

Mr. Ashmore, 41 years old, is a southerner who preaches that the South must progress to keep pace with history. He said so in a recent book, "An Epitaph for Dixie."

Mr. Ashmore was born in Greenville, S. C. His two grandfathers served in the Confederate Army. He was a lieutenant colonel of infantry in World War II and later a Nieman fellow at Harvard University. He worked his way through Clemson College.

He was a reporter for the Greenville Piedmont and political writer and editor of the Charlotte (N. C.) News before going to Little Rock in 1947.

He was an adviser on civil rights and speech writer for Adlai E. Stevenson during the 1956 presidential campaign.

Mr. Ashmore helped establish the Southern Regional Reporting Service to give the Nation a clearer story of the integration problem. He also edited a book on The Negro and the Schools, financed by the Fund for the Advancement of Education of the Ford Foundation.

He married the former Barbara Laier of Boston in 1940. They have a daughter, Anne Ashmore, 12, who attends a Little Rock public school.

Mr. FULBRIGHT. Mr. President, I cannot take my seat without also paying tribute to the advisory committee of the Pulitzer award, for their wisdom in giving a special award to Walter Lippmann. As we know, he is a regular contributor to many newspapers, and I believe him to be one of the finest writers and wisest analysts we have in the journalistic field today. I congratulate the advisory committee on the wisdom of that award also.

STATEMENT MADE BY SENATOR JOHNSON OF TEXAS BEFORE THE SPECIAL COMMITTEE ON SPACE AND ASTRONAUTICS

Mr. ANDERSON. Mr. President, I have just returned from the first hearing of the Special Committee on Space and Astronautics. It was opened with the very fine statement by the able majority leader, the Senator from Texas [Mr. JOHNSON], who is chairman of the special committee. I ask unanimous consent that the statement of the majority leader may appear in the RECORD at this point, in order that Members of the Senate may know of the circumstances under which the committee began its work.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

OPENING STATEMENT BY CHAIRMAN LYNDON B. JOHNSON BEFORE THE SENATE SPECIAL COMMITTEE ON SPACE AND ASTRONAUTICS MAY 6, 1958

We are here today to begin consideration of legislation which will create a Federal agency with the specific responsibility of guiding the Nation in the exploration of outer space.

I believe it is entirely fair to say that seldom, if ever, has a Congress and an administration faced a more challenging task.

We are dealing with a dimension—not a force.

We are dealing with the unknown—not the known.

While the present is urgent, the real imperative is the future.

What we do now may very well decide, in a large sense, what our Nation is to be 20 years and 50 years and 100 years from now—and, of no lesser importance, our decisions today can have the greatest influence upon whether the world moves toward a millennium of peace or plunges recklessly toward Armageddon.

A decade ago the Nation and the Congress were faced with the very great challenge of instituting policy with regard to the new force of nuclear fission. Then, as now, questions of peace and war dominated our thoughts and discussions, but it is inappropriate and irrelevant to draw an extended parallel between these two eras.

The challenge of the atomic age, at the beginning, was to harness a vast destructive power to prevent its use in war.

The challenge of the space age, at the beginning now, is to open a new frontier to permit its use for peace.

Twelve years ago much of our attention was dedicated to choosing between civilian control or military control. I believe that choice is not really before us now. On all sides, there is wide agreement that while space adds a new dimension to the technology of weapons and the strategy of security, the ultimate opportunity of space is not that of final battleground. Free men have no intention of rattling sabers among the stars.

It is appropriate and heartening, I think, that we begin this work now on a base of unity and broad agreement rather than on a base of disagreement and contention. I see no reason why this spirit cannot be maintained.

The primary legislation before the committee is legislation drafted by the advisers to the Chief Executive. It has been introduced here, upon request, by myself and by the Senator from New Hampshire, Mr. BRIDGES.

I know, on the part of the sponsors and I believe on the part of the authors, there is full expectation that public examination and discussion of the terms of the legislation can contribute many strengthening recommendations.

Such constructive contributions will be welcome from any source.

I believe it is well to say, however, that this committee wishes to confine its deliberations to the issues which are most pertinent and most in need of immediate attention.

We could, of course, receive extensive and all but endless testimony about the possibilities and probabilities of outer space and what it may mean in a technical way. However, more than 6 months ago a committee of this Senate undertook an extensive and exhaustive study of that kind. The record of that study is published and the Senators are familiar with it. No substantial purpose would be served by devoting further time to repetition of such testimony.

Furthermore, there is in the House an eminent committee led by the distinguished gentleman from Massachusetts, Mr. MCCORMACK, which is holding hearings in the same field. We are not here to duplicate those hearings but to act in accordance with the facts which are presented to us.

One of the important features of our legislative system is that it provides checks and balances and assures that in the course of the legislative process there are a number of points at which proposals must be tested, and whatever is missed at one point will usually be found at another.

What is before us now is not a question of whether we should begin the orderly exploration of space but, rather, the question of how such exploration may best be directed and initiated. We are past the point of studying sketches. It is time to get the blueprints drawn and start pouring concrete for the foundation.

There is an obvious need within our Government for a structure and organization to give purpose, direction, and impetus to the

national effort. That is what this committee is here to consider and to recommend.

We cannot expect and do not expect to resolve this question for all time to come. Knowing as little as even our best minds know about space, it would be the height of vanity for us to suppose that we could—in an age not yet 12 months old—settle national policy for decades or centuries ahead.

On the contrary, our particular challenge—as I see it—is to devise a pattern which encourages rather than inhibits the full response of American initiative to the infinite challenges of outer space.

If we create the agency which the challenge requires, it will be unlike rather than like anything now existing in the Federal Government. Certainly, it will require the closest attention from the Congress in the years immediately ahead to make certain that this potential is fully realized. For that reason, we must also make provision for Congress to give permanent attention to this new enterprise.

Space, as I said, is a new dimension. Hence, it in no way detracts from or usurps the role of existing agencies or the programs or committees but, rather, it adds to and greatly expands the role of each. In fact, if our blueprints are proper and our building adequate, we should assure that after this period of transition there will be a diminished need for special agencies and special committees to deal with space.

Space affects all of us and all that we do; in our private lives, in our business, in our education, and in our Government. We shall succeed or fail in relation to our national success at incorporating the exploration and utilization of space into all aspects of our society and the enrichment of all phases of our life on this earth.

SMALL BUSINESS NEEDS BOLSTERING

Mr. JOHNSTON of South Carolina. Mr. President, yesterday I placed in the RECORD an Associated Press dispatch from New York City which shows that the net profits after taxes for nonfinancial businesses are running 33 percent behind similar earnings of 1 year ago.

Three out of four corporations are falling behind, and more and more such firms are now using red ink.

It is imperative that something be done immediately to bolster small business.

One of the most important links of the American economic system is small business. When we trace the history of the business and industrial giants of today, we will find they had humble origins.

Not only that, but we will also find that big business is dependent in a large measure upon small business as suppliers. Small business, healthy and flourishing, is essential to the prosperity and stability of our Nation. It is therefore with concern that I witness the increasing casualties in American small business.

Mr. President, Dun & Bradstreet reports that small businesses are being snuffed out in the United States at the rate of 306 a week, or upward of 16,000 a year. This is most regrettable not alone because of the human problems involved, but also because of the economic trend it confirms. In my own State of South Carolina small-business failures are up 607 percent for the past 6 years over the previous 6 years.

America cannot afford such a failure rate in small businesses. The loss measured in human and economic suffering is appalling. The spread of this economic virus can poison our whole economic system if we do not act positively to check its spread.

Since colonial times, small business has represented the ingenuity, courage, imagination, and hardihood of our people. Our country's growth was nurtured by multiple small businesses, visible signs of our people's confidence in the future growth and prosperity of our Nation.

South Carolina bears eloquent witness to the fruits of small business. South Carolinians, independent and self-reliant, have largely built their State's economy on small business, demonstrating creativeness and independence. It has been a story of determination in the face of obstacles.

Mr. President, it is understandable, therefore, that South Carolina is especially concerned with the plight of small business in the United States today.

From experience we know that things are not right, so far as small business is concerned. Changing conditions, the rapid increase of mergers, the concentration of economic power in industrial and business combines, high taxes, and lowering incomes—all of these work against the sound, broad base of the Nation's economic system, which has its most solid foundation in a healthy situation for small business.

It is apparent that our Government needs to take certain minimum steps immediately to protect small business and thus insure the broad, national base so essential to the health of our economy.

One of the first helps needed for small business is provision of an adequate credit fund so that small-business enterprises will not lack the moneys required for operating capital at a time when money is tight. I am aware, of course, that the Small Business Administration is authorized to make loans to small business and that a fund has been set up for that purpose.

It is apparent, however, that more needs to be done along this line. Small business has need of just more than emergency loans; it needs equity capital and long-term credit. Legislation to this end has been submitted to Congress, and I urge that it be given the speediest handling consistent with thorough consideration.

Another necessity on the credit front is that we must make absolutely certain that the time for handling the paperwork for small-loan applications is cut to an absolute minimum. When a small business needs money, it needs it in time to do the most good. We cannot tolerate a condition which would allow the patient to expire while help is delayed through redtape.

Small business should be permitted faster tax writeoffs for machinery purchased to modernize plants and bring the various businesses into the best competitive position with foreign countries which give their industries quick amortization. It is to our national advantage to have small business as efficient and productive as possible, and every reasonable incentive should be given it.

Mr. President, nothing should be left undone to see that small business gets a maximum share in Government contracts, military and "housekeeping" contracts alike. More emphasis and closer vigilance need to be exercised in the matter of "set-asides" for small business in all Federal procurement. Only in this way is small business given a "fair shake" to get its equitable share of Government business. At this time I call upon the Eisenhower administration to insist upon maximum placement of contracts with small-business firms as the procurement pace is accelerated in the closing weeks of the fiscal year.

I suggest a stepped up information program, so that every small-business man in the land will have the opportunity to know what is being done by and through the Government to aid him at this time. The widest possible distribution should be made of contracts available for bid, of loan procedures, of new products, and any and all information that will better equip the small-business man to ride out this period of recession. Too many times lack of information or direction has held back small companies from obtaining contracts or other work which they could have done.

In the same vein, I suggest that we consider the establishment of management, finance, and distribution clinics so that small business will have the benefit of the most up-to-date and efficient methods and operations in these several fields.

Similarly, we should be thinking about the promotion of research facilities so that small business may enjoy the fruits of research which plays such an important role in the realm of big business. The average small business operation cannot afford the luxury of research, but the total volume of small-business operations in our economy warrants an overall approach to cure this deficiency.

So, too, must we be thinking about small business getting the full benefits of the various vocational training programs throughout the land.

Not the least important task confronting us in our aim to assist small business is that of insuring a vigilant watch on mergers of big business and industrial combines. No one is against bigness as such, but we must be careful that the public interest is not trampled underfoot in the spread of merger fever that has swept the business community during recent years. The duty to be vigilant in this respect has been ever present, but existing economic conditions make it imperative that small business be protected against the inequities of overpowering competition.

These are matters which require immediate attention. I earnestly hope the administration will take steps to adopt these several suggestions so that small business will be constructively assisted at this time when the margin of success or failure is so narrow for thousands of small businesses.

ACCELERATED RECLAMATION CONSTRUCTION PROGRAM

Mr. ANDERSON. Mr. President, I ask unanimous consent that the Senate

proceed to the consideration of Calendar No. 1533, Senate Resolution 299.

The PRESIDING OFFICER. The resolution will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 299) for an accelerated reclamation-construction program.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution, which was read, as follows:

Whereas there is now urgent need for additional supplies of water for irrigation and related multiple purposes by the increasing population in the 17 Western States under the reclamation program; and

Whereas hearings and reviews by the Committee on Interior and Insular Affairs have demonstrated that these urgent needs can be met even in part only by speedy completion of Federal reclamation projects and the start of new construction in other areas; and

Whereas there is acute unemployment in many of the areas where these projects are under construction or planned, and also in the industries and services throughout the Nation that supply the materials and equipment for project construction; and

Whereas the sense of the Senate, expressed in Senate Concurrent Resolution 68 and Senate Resolution 148, is that construction of civilian public works should be accelerated, and that expeditious progress should be made in the conservation and development of the Nation's land and water resources; and

Whereas hearings before the Committee on Interior and Insular Affairs have demonstrated that many urgent water needs can be fulfilled, and the acute local and widespread unemployment can be met in part at least by new starts in the construction of additional authorized projects along with acceleration of developments already under way; and

Whereas the President of the United States on March 12 sent to the Congress $45,773,000 in supplemental appropriation estimates for fiscal year 1959 for reclamation projects under construction, and $25 million for a loan program under the Small Projects Act principally for rehabilitation of existing non-Federal irrigation projects, but abstained from recommending any new starts; and

Whereas the committee commends the President for recognizing in his supplemental estimates the urgency for providing additional funds for the upper Colorado River storage project (including $14 million for Glen Canyon Dam, $7 million for Navaho Dam, and $8 million for Flaming Gorge Dam, $7 million for Trinity division, Central Valley project, California, and varying amounts for other going construction projects); and

Whereas there are other critical areas in the West in addition to those included in either the original or supplemental estimates where the need is equally urgent for acceleration of reclamation construction especially with respect to so-called new starts of reclamation developments: Now, therefore, be it

Resolved, That it is the sense of the Senate that Federal reclamation project construction during the fiscal year 1959 should proceed that year at the rate of approximately $330 million (a 50 percent increase over the total of original and supplemental budget estimates, including limited additional funds for general investigations and advance planning) and that construction should be started on not less than 20 additional authorized projects, with preference to those developments where engineering has been completed and actual work can be begun promptly; and that consideration be given to prompt authorization of additional feasible reclamation projects that will contribute to the objectives of this resolution.

Mr. ANDERSON. Mr. President, in a moment we shall have a quorum call. But, first, let me say that I have reached an agreement with the minority leader that a small amendment can now be brought up.

I offer the following amendment: On page 3, in line 4, after the word "a", strike out "50" and insert in lieu thereof "40."

The PRESIDING OFFICER (Mr. CLARK in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, in line 4, after the word "a", it is proposed to strike out "50" and to insert in lieu thereof "40."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. ANDERSON].

The amendment was agreed to.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SEVENTIETH ANNIVERSARY OF FOUNDING OF INTERNATIONAL ASSOCIATION OF MACHINISTS

Mr. HUMPHREY. Mr. President, it is pleasant indeed to have an opportunity to take a few minutes away from the perplexing problems, national and international, which have marked this 2d session of the 85th Congress as one of the hardest working sessions in the history of the United States, to recognize a worthy institution in our great and free society, and to pay tribute to an organization which symbolizes that institution.

The institution is the free and democratic American labor movement and its natural companion—collective bargaining. The organization is the International Association of Machinists, one of the largest unions in that movement. The occasion is the 70th anniversary of that organization. For, just 70 years ago today in Atlanta, Ga., 19 railroad machinists secretly organized a local union which later became Local Lodge No. 1 of the International Association of Machinists.

During the past year or 15 months, we have been hearing and reading a lot about the labor movement. Most of what we have heard and read has been bad, as witness after witness has paraded before the Senate Select Committee on Improper Activities in the Labor or Management Field—often before the harsh lights and penetrating lenses of television—to testify to the sins of a relative handful of union officials who have been accused of betraying their trust, and as one after another of those accused officials has been subject to the crossfire questioning of committee members, committee counsel, and committee investigators.

I do not know of anyone who denies that much of the work of the select committee has been valuable, especially to the American Federation of Labor and the Congress of Industrial Organizations, which embarked immediately after the merger of the former AFL and CIO nearly 2½ years ago on a campaign to banish corruption, communism, and other corroding influences from its ranks. I know that I, and I consider myself as a friend of the union members of this Nation, believe that in many ways the work of the select committee has done much to assist the labor movement in its worthy aims in this regard.

Unfortunately, however, many of the improper activities which the committee has uncovered have been misunderstood by many, and, what is worse, deliberately misused by a few, to create within the mind of the general public a picture of wholesale graft and corruption within the labor movement as an institution.

That is why I welcome the occasion of the 70th anniversary of the International Association of Machinists as an opportunity to pay tribute not only to that particular organization, but to the greater labor movement which it portrays much more accurately than those unions which have been investigated during the past year or 15 months. I am proud that one of the great organizations in the State of Minnesota is the international machinists organization.

Labor is not, as so many people would like us to think, a tight little family of a few labor officials whose names are well known in the press and to the public. It is a vast and complicated family made of 190 national and international labor organizations. Not all of them are affiliates of the AFL–CIO. Each union, national or international, is made up of hundreds, or perhaps even thousands, of local unions and other organizations. For example, the International Association of Machinists alone has nearly 2,100 local unions organized in thousands of communities in the United States, its Territories and possessions, and in the Dominion of Canada. These local lodges vary in size from 25 members up to 4,000 and 5,000 members. Many of these lodges—that is the term to which they are customarily referred—have come together into district lodges on a geographic basis, such as a city and its suburban areas; on an industry basis, as in a large aircraft plant; or on a transportation-system basis, as on a railroad or airline.

In addition to these basic forms of organization, there are such other organizations with which local lodges may be affiliated, such as State and regional councils, industry conferences in such industries as aircraft, guided missile, and atomic energy. Each of these organizations occupies a well-defined position within the structure of the international union and each possesses a considerable degree of autonomy of operation; their basic function being to give the members a chance to formulate their needs and desires for collective-bargaining purposes and to keep the international

informed of and responsive to their needs and wishes.

A few blocks down Pennsylvania Avenue on the right-hand side of the entrance to the National Archives there is carved this bit of wisdom, "To know the future, study the past." To understand what the labor movement is and where it is going, let us glance briefly into the past of the labor union which is celebrating its 70th anniversary today. Let us try to see what made it grow for 70 years from 19 railroad machinists in Atlanta, Ga., to an organization of nearly a million members working in such diversified industries as business machinery, machine tools, aircraft, air transport, automotive repair, atomic energy, shipbuilding, ship repair, and any number of others.

First of all, it seems to me that an organization which has grown and developed so extensively in such a period of time must have filled a need.

What was the need?

The best way to gage it is to look into the mind of the man who sparked the action of his 18 companions on May 5, 1888, as it is revealed in his notes and writings. Tom Talbot—he was the man—was two things above all else. He was a skilled journeyman, and he was proud of his skills. Incidentally, that is something which could be well emulated in this period. And he was a husband and father solicitous of his family's well-being, with ambitions for his children's opportunities.

In 1888, Tom Talbot and his fellow machinists were not doing very well economically and in other ways.

American industry was already in the full bloom of mechanization and the managers of industry tended to look upon skilled machinists as mere tenders of machines. This was a blow to the dignity and pride of the craftsman, especially when his employer hired men with little skill and no training and made them his equals on the job. Also, because of the low esteem in which skills were held in a developing machine age, management paid little to their possessors, and 15 cents an hour was considered by employers as an adequate recompense for journeymen machinists.

As a person, Tom Talbot was dissatisfied. I use this gentleman's name, because in a way he symbolizes the item to which I wish to address myself today. He resented management's lack of appreciation of his hard-gained skills, and he resented wages so low that he could not provide adequately for his family. He was especially concerned that his son, who had ambitions for higher learning, would have to quit school at the end of the eighth grade and go to work. His reasons for wanting a union were very simple and basic. He wanted to protect the dignity and the quality of his craftsmanship, and he wanted to earn enough money so that his son might go to high school. Those were his personal reasons.

Other machinists of the time may have had different reasons; yet, somehow they all related back to those two things—pride of craftsmanship and the desire for a fair and equitable wage.

Because the newly organized union met a need common to men in the machinist trade everywhere in North America, it grew and prospered in numbers, in status within the growing labor movement and, gradually, in influence beyond the labor movement itself. By 1918 1 of every 8 union members in the United States was a member of the machinists' union.

This growth was slow and steady and it was made in the face of influential and, I regret to say, sometimes violent, opposition.

In 1901, for example, 50,000 machinists throughout the United States were forced out in a struggle to gain the 9-hour day in the metal trades industry. Within a dozen years of that strike the employers' organization against whom it had been waged boasted an arm of one-half million certified strikebreakers. Opposition was not confined to the ranks of employers who preferred to see their employees unorganized. In 1913, refusal by a group of New York machinists to install printing presses made in the plant of an antiunion employer, led to an 8-year injunction fight which ended in the historic Supreme Court decision in the case of Duplex Printing against Deering. Only the dissent of the famous team of Holmes and Brandeis promised labor eventual freedom from the bonds of the restrictive injunction in labor-management disputes.

During the 1920's the machinists' union, like most of its sister unions, fell victim to the successful open-shop drive of that decade, and membership fell from nearly 400,000 in 1918 to less than 100,000 in the late 1920's.

But the machinists had been building soundly and broadening the base of their membership and the scope of their services to their members. Originally, membership had been restricted to qualified journeymen machinists. But changing times demanded changing methods and the union was quick to respond to the requirements of change and progress. In 1903 specialists—single machine operators—were admitted to membership. Two years later, apprentices were admitted and in 1911 the hitherto all-male union opened the door to women.

Meanwhile the machinists had not been blind to the threat against all free institutions which had come into being in Russia in the Bolshevik seizure of power. In 1924, the machinists banished Communists from membership.

In this day and age it is well to take note of exactly what organizations in American life were the first to see the menace of totalitarian techniques and totalitarian power. The action of banishing Communists from membership, by the way, was taken at or about the same time by most of America's leading trade unions. Later on, as other specters of totalitarianism arose to threaten the free and freedom-questing peoples of the world, the membership ban was extended to include followers of such philosophies and those who aided and abetted them.

Throughout the first 40 years of its existence, the machinists' union, in good times and bad, along with other organizations in the labor movement, had been working to perfect the techniques of collective bargaining which stand today as one of the great bulwarks of our free enterprise system. It faced the opportunities of the mid-1930's with inner strength, with experience and with conviction, dedicated to that particular type of economic action which marks the American labor movement as different in major respects from the labor movements of other parts of the world. And those familiar with the goals and history of the American trade union movement realize that its most distinguishing mark is its dedication to perfecting and developing what we like to call our free way of life to the end that all of us may share equitably in its opportunities and its rewards.

I note again, Mr. President, that the American labor movement has not sought to take over industry. The labor movement has sought only to secure its fair share of the rewards of industry.

This, in very brief form, is the history of an American labor union. This is why it came to be, and how it grew to become one of the largest unions on the North American Continent.

Now the question is, What is it today? How does it practice the democracy on which it was founded? How does it serve the interests of its membership whose dues provide its resources and whose spirit gives it life?

It seems to me, in the light of the discussions which have taken place in the Senate, it is well to have a case study of a particular organization such as the one I am describing today.

I have already described the complicated and autonomous internal structure of the International Association of Machinists—its nearly 2,100 local lodges, its 164 district lodges, its councils, and its conferences.

Now let us see how a local lodge operates. Under the structure of the machinists' union, as in most other unions, the local lodge is the heart of the union's democracy, and the focal point of its primary activities. Under the constitution of the machinists' union, local lodge charters may be issued to a group of 35 or more members working in the same plant or shop or in a group of related small shops. The local enjoys a high degree of autonomy. Here the members elect their own officers once a year at the first regular meeting in December. There are two regular meetings every month, of which members are notified in ample time to make attendance possible. Here, also, the members discuss proposed demands to be submitted to their employer or employers for negotiation. Here they vote to accept or reject the employer's offers. And if negotiations are rough, here they decide as to whether they will invoke their basic right to strike for more favorable wages or conditions. And at the local lodge, too—under the constitution of the machinists' union—the members vote on proposed changes on their international's basic laws and cast their ballots every 4 years for their international's officers. I note this action is

taken at the local lodge level, and not at the highly selective convention level.

Since, under the modern system of industrial relations, collective bargaining is the primary function of a labor union, let us see how a group of machinists goes about the job of improving wages and conditions at their place of work.

Throughout the period since their last agreement was negotiated, the union, through its shop stewards and committeemen, has gathered a great deal of experience in the strengths and weaknesses of the existing agreement. Grievances have arisen and have been disposed of, indicating weak points or misunderstandings in the current agreement. On the basis of this experience the members have a good idea of what changes are necessary to plug existing loopholes. In addition, the members have been formulating in their own individual minds, the need for certain changes in wages—an increase to offset a rise in the cost of living, for example—another increase to give them a share in the increased productivity of the plant to which they feel, rightfully, that they have contributed. If there is a health and welfare plan—and there generally is these days—many of the members undoubtedly believe that an increase in the benefit schedule is essential to meet the rising cost of medical and hospital care. And so it goes with a series of specific matters relating to economics and working conditions in which each member has an individual stake.

The job of consolidating the sum total of the various individual experiences, desires, and requirements of the various members into one set of demands to be submitted to the employer, is given to a negotiating committee made up of members of the local lodge.

If the local union is large enough it may have its own paid and elected business representative. Or, it may be affiliated with a district lodge and have access to the services of a business representative employed by that organization. Backstopping this local structure, the international union has a staff of some 160 grand lodge representatives whose services are available when the locals want assistance in formulating bargaining demands and negotiating agreements. It also maintains a research staff to provide economic materials to local lodge negotiating committees. In the final analysis, however, the work of preparing the demands to be submitted to the employer is the job of the local lodge negotiating committee, which is directly responsible to the members who elected the committee.

When the proposed set of demands has been drawn up by the committee, it is taken before a meeting of the local lodge for discussion and ratification; and only after the proposed demands are accepted by the local lodge members, it is ready to be submitted to the employer. Then the work of negotiating is underway.

The negotiating committee assisted, perhaps, by a business representative or a grand lodge representative, keeps the membership fully informed at every important step during negotiations, and periodic meetings are held to consider and act upon specific demands of major importance.

If, at any time during negotiations, the members feel that they must give evidence of their determination to get certain specific demands, they come together in a specially called meeting to vote to seek the permission of the international to go on strike.

In order that a local may be able to exercise the right to strike, it must, first of all, take up its request with the appropriate international officials, who have a responsibility to the American economy and to American industry.

Under the constitution of the international, three-fourths of the members present and voting must vote in favor of a strike before it can be ratified. If the necessary majority approves the strike, a special form is prepared seeking the permission of the international. In addition to informing the international of the action of the membership in approving the strike by the necessary three-fourths majority—and, incidentally, under the machinists' constitution, the strike vote must be taken by secret ballot—the form also lists the specific issues involved. This form, properly filled out, is mailed in to the international headquarters and the question of whether or not to grant the local permission to strike is submitted by mail or telegram to the executive council of the international, which is made up of the international president, the general secretary-treasurer, and nine general vice presidents, representing various geographical areas of the Nation and the major trades involved. If a majority of the council approves, the international so notifies the local lodges and it is then assured of the support of the international. I again say I believe that this description of a union in action is necessary at this juncture of the discussion in the Congress relative to important legislation which we shall be called upon to consider at a later date.

When the union's negotiating committee and the employer are in substantial agreement on all major points, the entire proposed agreement is submitted to the membership of the local and discussed, and approved or rejected.

Thus at every step during the negotiating procedure, from the initial work of drafting the proposed demands to the final acceptance of a new agreement, the membership of the local is in full command. The only influence exercised by the international throughout the entire procedure is a rein on the membership on the question of a strike. Again I note that in instances in which such action is taken there must be a secret ballot. A majority of at least three-fourths must support the request to the international, or no strike action can be taken.

The same degree of autonomy and democracy which marks the control of the local membership in collective bargaining matters, is evident in all other phases of the union's activities. As I noted earlier, the members of a local lodge in the machinists' union elect their own officials annually in open meeting—a type of town meeting "democracy" which remains in very few of our institutions today. This same type of direct democratic control is carried as far as possible and practical to all other phases of the union's activities. The machinists seem to prefer direct to representative democracy, and they practice it at every possible opportunity.

For example, the supreme governing body of the international union is the grand lodge convention, which meets every 4 years. It was my privilege several years ago to attend one of such conventions. I believe it was held in Kansas City.

Each local lodge is entitled to at least one delegate to this convention, and additional delegates according to the number of members in the local union. These delegates, like the lodge officials, are elected directly by the membership. The convention, itself, is truly a convention of the delegate body; the participation of the international union officers being limited to accounting for their stewardship of the union's affairs during the past 4 years and chairing the convention. No paid international officer may be a convention delegate. The international officers may have the privilege of the floor only with the expressed consent of the delegates.

The convention hears, discusses, and recommends on proposals for changes in the international union's basic laws and policies. But its recommendations may not take effect until they have been approved by the full membership in a direct referendum. The convention has no authority, nor does it participate, in the election of the international union's officials. Rather, in the spring of the year following the convention, the union's international president, general secretary-treasurer, nine general vice presidents, members of the law committee, and delegates to conventions of the AFL–CIO and the Canadian Labor Congress are elected by general membership referendum. Balloting is held at the two regular monthly meetings of each local lodge during the month designated for elections or referendum voting. Ballots are tallied at the local lodge level and then sent in, together with copies of the tally sheet, to the international headquarters where they are again tallied and checked. The results of voting on referendum questions are published, lodge by lodge, in the union's official publication which is mailed directly to the residence of every good standing member. The results of elections of international officers are similarly published. The ballots are held at international headquarters for 6 months after the final count for use in the event of question or challenge.

Local and district union officers may be called to account for their administration of union affairs at any time during their tenure of office through the charge and trial procedure outlined in the constitution of the international union. That constitution also provides for the recall of international union officials in the event that a group of members feel that any one of them is not fulfilling his obligation properly.

Thus at every level of organization, from the committeemen who represent them daily in the shop to the interna-

tional president, the members of the Machinists' Union have a direct and continuing control over their officials.

The members of the union are as careful in their control of the union's financial affairs as they are in the making of its policies and the election of its officials. Accounts of local lodges must be audited quarterly by a commitee of rank and file members elected specifically for that purpose. They are aided by trustees who are elected by the local and have direct responsibility for its assets.

Local lodges also have available the services of a group of traveling auditors provided by the international union. These auditors have the right to check the books of any local or district lodge on their own initiative without invitation or advance notice. In the same manner, the books of the international are audited semiannually by a committee of rank and file members. The membership of this committee rotates every 6 months. The results of the audit are published in the union's official publication which is, as I mentioned before, mailed directly to the residence of every member in good standing.

Mr. President, I have seen this union democracy at work among the 16,000 Machinists' Union members in my own home State of Minnesota, and I know the kind of men and women who demand and practice this kind of democracy. That is why I am making these remarks today in the Senate. I have watched this union grow and I am proud that it has been such a strong force for democracy and good government and law and order in the State of Minnesota. The members of the union are alert and responsible citizens in the fullest sense of that word. They built the union primarily to further their own economic futures where they work, to be sure, but they did not stop there. The sociologists may talk about the economic man, the political man, the family man, and split us up into all sorts of categories and segments; but a man is a whole person, and the machinists' member, like any member of a labor organization, uses the union which has helped him achieve justice and dignity in his economic life to further his interest in other areas of activity, and he uses it to contribute to the welfare of the community—local, State, and National—in which he works and lives.

He uses it, for example, to educate himself and function intelligently in matters legislative and political. This may cause raised eyebrows in certain quarters, but it is a perfectly natural and proper function for an organization of working men and women. They have a great stake as citizens and workers in the kind of laws that are passed and the way they are administered. They have every right to know the record of the men who represent them on the city council, in the State legislature, and in Congress. When their union gathers information on the issues, and when it keeps tabs on their elected representatives, it is serving them not only as workers, but as citizens. This is democracy in action. We cannot have responsible government without an alert and informed electorate.

Anyone who thinks that union members are herded about in their political views by a few national union officials, just does not know union members the way I know machinists in Minnesota. They demand and they get from their local, district, State organizations, and international headquarters all the information they can on legislative issues, voting records and other indications of performance. On the basis of this information, they can make intelligent decisions on the issues and the candidates. They perform a great service for our Government by getting their fellow members and their fellow citizens, at large, to register and go to the polls on election day to fulfill their responsibilities as citizens. And I think that our democracy is better and stronger because of the political education programs of the machinists' union and the other unions in the American labor movement. Political and legislative action by labor unions is as old as the American labor movement itself, and we owe a lot of the strength of our society today to the leadership which the labor movement has given over the years to the establishment of such institutions as free public schools, social and labor legislation, and the direct election of Senators, just to mention a few. All of us have benefited directly from organized labor's interest and action in such matters.

Many of us in this Chamber know, from direct experience, the full social breadth of labor's interest. We know from personal contact with representatives of the machinists' union, for example, and from our work on various committees, of that union's interest in such matters as housing, small business, medical care, international affairs, farm legislation, as well as legislation directly affecting working men and women and their unions.

I believe it is about time that the American people heard again that the champions of public education from the very beginning have been the free trade union organizations of the Nation, the rank and file members, who took up the cause of public education and fought for it and worked for it and sacrificed for it from the very beginning of the educational system of our country down to this date.

I am proud to state in the Senate that the great machinists' organization in the State of Minnesota stands four square and firmly with that great farm organization in our State, the Minnesota Farmers Union, in support of an effective farm policy for our farm families. There is no division of interest. There is unity of interest and unity of purpose.

Beyond this broad interest in legislation, those of us who are concerned with international affairs know of the tremendous work that the American labor movement has been doing in combating the spirit of communism on the world scene. Through its representatives abroad, it is cooperating with the free labor movement in other countries to combat communism by rooting out the poverty and exploitation which provide the seed bed for that dank and noxious weed. I know from personal experience that the Machinists' Union has been in the forefront of this phase of American labor's service to freedom, and I understand that the Machinists' International representative will serve as the United States worker delegate to this year's session of the International Labor Organization in Geneva, Switzerland.

I wonder how many Members of Congress have spoken to the American people about the millions of dollars which free American trade unions have expended, of their own members' funds, not to elect Members of Congress, but to fight communism in Italy, France, and in every country of western Europe. I wonder how many Members of Congress have pointed out that hundreds of thousands of dollars have been contributed by American working men and women to fight communism in north Africa—in Morocco and Tunisia and Egypt—and in other areas of the world. As we expose those who have been guilty of misusing their powers and those who are guilty of corruption and racketeering—and I am in favor of exposing them and I am in favor of punishing them—let us also herald and proclaim and praise some of the men and women in the labor movement who have contributed their nickels and dimes and quarters and dollars to help the American Government in its mighty struggle against international communism throughout the world.

I say that very few organizations, if any, have done so much for the cause of freedom throughout the world as the American labor movement has done with the generous contribution of funds of its members, and by the extraordinary capable men and women who have been willing to go to far off places and lead the fight in the factories and in the shops, not in the pleasant surroundings of hotels and palaces and clubs.

I have been speaking so far about an organization and the nearly 1 million men and women who make it up. I want now to speak about one man. It is one of the great attributes of democracy, I think, that the democratic process produces leaders who are embued with the spirit of justice and freedom and who typify and reflect, to a great extent, the qualities of the men and women who raise them to office. Such a leader is the international president of the machinists' union, Al Hayes. I have known him for quite a few years now. I admire him for his personal qualities and for his personification of what is good about the American labor movement. Al Hayes is, first of all, an American. Then he is a machinist. He went to work to learn the machinist's trade as soon as he completed high school in his native city of Milwaukee. I understand that his early ambition was to become a lawyer, but economic circumstances dictated that his formal education would end at his high school graduation, although he did take some University of Wisconsin extension courses later. I wish no man hard luck, but I am rather glad that Al Hayes' ambition to become a lawyer was never realized. He would have been a good lawyer, I am sure of that, but if he had become a lawyer, his union and the country would have been denied his services

in his present position. And that, I think, would have been a loss.

Early in his working career, Mr. Hayes gave evidence of that interest in the problems of his fellow men and those qualities of organization and leadership which have brought him to where he is today. He had just embarked upon his career as machinist's apprentice when he became chairman of the apprentice boys' committee in the shops of the Milwaukee railroad where he worked. As soon as he had finished his apprenticeship, he became active in the local lodge of the machinists' union in which he held membership, and 4 years later he was president of the machinists' district lodge No. 7 which was made up of all machinists' locals on the Chicago & North Western Railroad system.

After 10 years in this capacity, he joined the staff of the international. Fifteen years later, in 1949, he was elected president of his union and he is now just completing his first year of his third term of office. Al Hayes' service to the labor movement has made him intimately familiar with every phase of activity in a labor union. But more important, I think, is his career of public service, for it is almost the trademark of a good labor union and a good union leader, that public service is inseparable from the economic functions of unionism.

His service to the Nation and the community may be summed up briefly in the positions which he holds in the Government and in civic organizations. He was a member of the National War Labor Board in its Chicago office during World War II. He served as Special Assistant on Manpower at the Department of Defense during the Korean crisis. He was a member of the President's Commission on the Health Needs of the Nation in 1952 and the President's Committee for the White House Conference on Education in 1955.

He is a trustee of the National Planning Association, and a member of the National Manpower Council of Columbia University, the President's Committee on the Physically Handicapped, and the National Citizens Council for Better Schools, to name a few of his current affiliations. He has just recently become a member of the executive committee of the Committee for International Economic Growth. He finds time for all this outside activity in addition to the demands of his office as president of his own union, and the extremely heavy responsibilities he bears as chairman of the AFL-CIO ethical practices committee. This breadth of interest, this dedication to the greater public good, is the true mark of a man and of the type of organization which helped produce him.

Many other Senators are privileged, as I am, to know and to work with Al Hayes and with other members and officials of the machinists' union. Others among us, I am sure, know the reputation of that organization. All Senators, I feel certain, will join me in wishing the machinists' union and the American labor movement many more years of progress and success.

This is not completely an unselfish wish, for we are all, in some measure, dependent upon the American labor movement for our future progress and well-being. The opportunity of working men and women to organize has given them in their economic lives the freedoms we hold so precious in our political lives. The process of collective bargaining has won for them a fairer and more just share of the fruits of their labors, and it has given to American industry the most orderly and the most just method of employer-employee relationship the world has ever known.

Standing in the dignity of free men and women, the organized workers of this Nation have combined their voices and pooled their efforts to win for their fellow man, here and throughout the world, the hope of a brighter future and a chance to fulfill the dream of freedom, justice, and plenty for mankind.

I have spoken as I have today because I sincerely believe that every American wants to understand better the operations of some of our great organizations. None of these organizations is perfect, because they are human institutions. But I sincerely believe it is all to the good that the CONGRESSIONAL RECORD shall have set forth within it at least the working apparatus, the constitutional provisions, and the functional operations of one of the great international trade-union organizations.

I have tried with a sense of fairness and objectivity to lay before the Senate a report on an organization which today celebrates its 70th birthday.

Mr. President, I yield the floor.

Mr. PROXMIRE. Mr. President, I join the distinguished Senator from Minnesota in his brilliant speech regarding the 70th anniversary of the organization of the International Machinists.

Mr. Hayes is a son of Wisconsin. He was born and educated in Milwaukee. Wisconsin is extremely proud of Mr. Hayes, and the magnificent record he has made in the labor movement. He is a fine example of a clean, honest labor leader who has placed his organization in the position of constantly representing not only labor, but the public interest.

Mr. JACKSON. Mr. President, I wish to associate myself with what has been said in the Senate this morning with reference to the distinguished head of the machinists' union, Mr. Hayes. I congratulate Mr. Hayes and the union on the occasion of its 70th anniversary. What stands out in my mind is the fact that under his leadership this organization has taken an interest above and beyond the matters which affect only the members of the union. The organization has taken a keen interest in national and international affairs. I have noted from time to time its support of the foreign policy of the United States, whether under this administration or previous administrations. I think it is the kind of leadership that comes with maturity and understanding.

I commend Mr. Hayes and the International Association of Machinists on the occasion of their 70th anniversary.

Mr. NEUBERGER. Mr. President, I desire to join in the congratulations and good wishes which Members of the Senate are extending today to the International Association of Machinists on the occasion of their 70th anniversary. In my State there are many machinist locals and brotherhoods whose members contribute greatly, with their mechanical skills and ingenuity, to our transportation industry, to logging in the Oregon woods, to our vital lumber production, which is the greatest in the Nation, and to manufacturing generally.

I have been in the homes of many of these men. They are people of high caliber. They have families. They take an interest in schools, churches, and in the civic life of their communities generally. They are people, as the Senator from Washington [Mr. JACKSON] pointed out, of maturity, patriotism, and idealism.

I also want to add these congratulations to the able president of the machinists, Mr. Al J. Hayes.

Several weeks ago I had the privilege of being a speaker at a banquet in New York, along with former Senator Herbert H. Lehman, who was one of our beloved colleagues, under the auspices of the League for Industrial Democracy, when Al Hayes received that organization's annual distinguished citizenship award. I wish to emphasize the fact that Mr. Hayes served as chairman of the ethical practices committee of the AFL-CIO. He had the courage, the fortitude, and the integrity to take the leadership on that committee in expelling the powerful and wealthy teamsters union from the AFL-CIO because of certain corrupt conduct which had been exposed by the McClellan committee. This single act cost the AFL-CIO approximately a million dollars in dues. But Mr. Al Hayes did not flinch from it, because he thought that was the course of duty, of honesty, and of ethical probity.

I desire to join in the congratulations to the International Association of Machinists on this eventful occasion.

Mr. CLARK. Mr. President, when the distinguished Senator from Minnesota was speaking a few minutes ago on the subject of the 70th anniversary of the founding of the International Association of Machinists, I was occupying the chair and was therefore unable to commend the Senator for the splendid address he then made.

Mr. President, I ask unanimous consent that what I am now saying may be printed in the RECORD immediately after the comments of the distinguished Senator from Oregon [Mr. NEUBERGER] which in turn have been ordered printed in the RECORD at an earlier part of today's proceedings.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

Mr. CLARK. Mr. President, it has been my good fortune to have been engaged in public life in Pennsylvania for the past 10 years. The International Association of Machinists, with its many local lodges and its fine State organization, has been observed by me to have participated in the business, labor, and productive part of the work of our Commonwealth in a way which cannot fail

to commend it to the attention of all good citizens.

The machinists are interested in politics, of course, but they are interested in politics because they are American citizens with varied points of view. They are interested in the labor movement, and they are a credit to the labor movement.

The Senator from Minnesota earlier pointed out how effective are the democratic representation procedures through which decisions of the machinists at the various levels, local to international, are made.

It has been my good fortune to know President Al Hayes, of the International Association of Machinists, for a number of years. I should like to confirm everything my colleagues said about the character, the judgment, and the essential and sound Americanism he displays, as well as his devotion to our democratic principles.

Mr. President, I should like to associate myself with the comments made by my colleagues in support of this fine organization, the International Association of Machinists, which is celebrating its 70th anniversary today.

Mr. MURRAY. Mr. President, I wish to associate myself with the remarks made by my colleagues in the Senate with reference to Mr. Hayes and the fine International Association of Machinists. The machinists have a local union in Montana, where I live. I have been acquainted with the officers and members of the union for many years. Those officers and members take an interest in local affairs. They have a high standing in the estimation of the local people.

I know of course in the Nation as a whole the organization stands very high, because of its integrity and because of the splendid relations it has with management.

Mr. ANDERSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Without objection, it is so ordered.

STUDY OF TEXTILE INDUSTRY

The PRESIDING OFFICER. The hour of 2 o'clock has arrived; and the Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A resolution (S. Res. 287) authorizing a study of the textile industry of the United States.

ACCELERATED RECLAMATION CONSTRUCTION PROGRAM

Mr. ANDERSON. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate resume the consideration of Calendar No. 1533, Senate Resolution 299.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of the resolution (S. Res. 299) for an accelerated reclamation construction program.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

Mr. ANDERSON. Mr. President, Senate Resolution 299, recommending an accelerated reclamation construction program, comes to the Senate with the unanimous recommendation of the Committee on Interior and Insular Affairs.

In brief, the resolution recommends consideration of a reclamation construction program approximating $330 million for fiscal year 1959, with not less than 20 new projects or units of projects to be started. Details are set forth in Senate Report No. 1500.

The resolution also recognizes the need for prompt authorization of additional feasible reclamation projects which will contribute to western water and land development, and urges that recognition be given to this need.

No criticism is made of the policies or programs of the administration in failing to recommend new starts. There is asserted the need for these developments not only to aid employment in the West but to advance water conservation.

The Interior and Insular Affairs Committee calls attention to its recognition that the final decision as to recommendations for appropriations will be made by the able Appropriations Committee of the Senate after detailed hearings and review of the status of each proposal.

The report specifically states that the resolution "in no way seeks to prejudice that consideration and action" by the Appropriations Committee.

The Subcommittee on Irrigation and Reclamation held hearings on the program on March 31, at which the distinguished Secretary of the Interior, Hon. Fred A. Seaton, was the principal witness.

Telegrams, or other communications, have been received from practically all the Governors of the 17 Western States, urging that the reclamation program be accelerated. New projects were recommended in most instances.

Virtually unanimously the Governors endorsed proposals for new starts of reclamation projects. Opposition to new starts by the Eisenhower administration appears to be the main bone of contention.

The committee recommends that new starts be made during fiscal year 1959 on not less than 20 projects, and that the overall program go forward at a rate approximating $330 million a year. Preference is suggested for initiating work on those developments where engineering has been completed to the point where contracts can be awarded and the unemployed put to work promptly.

Report No. 1500, Calendar No. 1533, sets forth the text of the resolution with explanatory paragraphs following. The preamble to the resolution cites Senate Concurrent Resolution 68 and Senate Resolution 148 as expressing the view that civilian public works should be accelerated especially in the field of water and land conservation.

A recapitulation of the totals in the program proposed shows an increased total of 40 percent over the total regular and supplemental estimated for reclamation construction for fiscal year 1959 instead of 50 percent as cited in the resolution. An amendment to correct the percentage has been sent to the desk.

Parenthetically, I may say that in March the President sent to the Congress supplemental estimates totaling $71 million for reclamation construction. This supplement brought the total estimates for construction to approximately $237 million from the original total budget recommendation of about $166 million.

The resolution commends the President for sending up the supplemental estimates but notes he abstained from recommending any new starts.

Insured unemployment in the 17 Western States in April ran as high as 13 percent in Montana. In other States the proportion was somewhat less, but in many areas unemployment presented and still presents critical local and national problems.

With construction to go forward at the rate suggested it is estimated that 50,000 workers will be given or assured jobs at the site of construction or in industries, in services, transportation, and so forth.

The reclamation program also contributes to purchasing power not only of the areas in which projects are located but throughout the country where goods are produced. National, State, and local tax bases are strengthened and the entire country benefits from land and water development projects.

Mr. ALLOTT. Mr. President, I should like to compliment my distinguished colleague and friend, the Senator from New Mexico [Mr. ANDERSON], for his remarks concerning this program. I mean those words in a real sense, not in the rather loose sense in which they are often employed on the Senate floor. It seems to me there is too little knowledge and understanding of the effects of reclamation and the part which reclamation plays in the life of the United States.

I remember that on one occasion my friend, the junior Senator from Arizona [Mr. GOLDWATER], mentioned the millions and millions of dollars the reclamation projects of Arizona had brought to the Federal Treasury by way of increased income-tax payments.

I believe there is a disposition on the part of some persons who are unacquainted with reclamation to view it as a sort of superexpensive boondoggling, or a process to bring more land under irrigation in competition with land which is already under irrigation or already under cultivation.

This is not true. This is the concept which those of us from the 17 Western States must fight. We have to explain reclamation and continue to explain it until the American people understand the real relationship of reclamation to the development of this Nation.

In the first place, most of the moneys expended for reclamation provide a return to the Government either by way of irrigation projects or by way of power projects. This is a fact which should not be forgotten.

For example, with respect to the Fryingpan-Arkansas project now pending in the House of Representatives, 88 percent of the total cost of the project will be returnable to the Federal Government, and the benefits to the Government and to the people of southeastern Colorado over a period of years will run into hundreds of millions of dollars.

With respect to the pending resolution, I cannot, in conscience, be anything but for it, completely and wholeheartedly.

There are several reasons for this, the first of which is that we cannot ignore the fact that business needs to be stimulated. In many parts of the country there is a need for employment. To my mind there is no sounder way to create employment than to lend money for reclamation projects. For the most part, such investment will be returned either by way of power revenues, or by irrigation. The return, in any event, will be manyfold in increased income taxes, increased business, and increased excise taxes resulting from the investment by the Government in these projects.

Mr. CLARK. Mr. President, at some appropriate point in his remarks will the Senator yield?

Mr. ALLOTT. I am happy to yield now.

Mr. CLARK. Can the Senator tell me in how many States reclamation projects are located?

Mr. ALLOTT. Subject to correction, I will say 17. I believe that is correct.

Mr. CLARK. I take it those are States largely, if not entirely, west of the Mississippi River.

Mr. ALLOTT. They are States west of the 100th Meridian.

Mr. CLARK. Where the normal rainfall is somewhat less than in other parts of the country, and where, as a permanent program, irrigation is necessary for successful farming. Is that correct?

Mr. ALLOTT. Partially so, as I shall explain. For example, there are parts of Oregon, California, Washington, and perhaps other reclamation States, where rainfall is sufficient to raise the necessary crops. Unfortunately, neither my State nor the State of the Senator from New Mexico [Mr. ANDERSON] is such a State. However, for the most part, the statement of the Senator from Pennsylvania is true. There are considerable areas in the reclamation States where rainfall is sufficient.

Mr. CLARK. I thank my friend for his explanation. I am sure he is quite correct.

As I understand the resolution, it calls for an expenditure of $330 million of Federal funds on reclamation projects. Is that true?

Mr. ALLOTT. That is correct.

Mr. CLARK. Perhaps we are fortunate in that in the Commonwealth of Pennsylvania there are no problems of this sort involving a shortage of rainfall and the need for irrigation. Yet I venture to say that somewhere in the neighborhood of 10 percent of the $330 million will come from the pockets of the taxpayers of Pennsylvania, who will not receive directly a single benefit from this resolution. Yet I shall vote for the resolution, and shall do so with pleasure, because it seems to me that it is in the national interest.

I have listened with great care to the comments of my friend from Colorado, with respect to the need for improving the employment situation and the need to create wealth by bringing under irrigation land which is now relatively barren. There is a need for increased power in our Mountain States. I am sympathetic with the objective of the resolution, and I believe that it is in the national interest, even though not 1 cent of the taxes which will come from my State to help pay for these projects will ever be returned to the State of Pennsylvania.

I hope my friend from Colorado and his colleagues—I note the presence in the Chamber of the distinguished Senator from Utah [Mr. WATKINS] and the distinguished Senator from South Dakota [Mr. CASE]—will be equally tolerant of the great need to increase employment and the great need to help depressed areas in the Commonwealth of Pennsylvania, when the area redevelopment bill reaches the floor within the next few days.

Mr. CASE of South Dakota. Mr. President, will the Senator from Colorado yield to me?

Mr. ALLOTT. First, let me reply briefly to the Senator from Pennsylvania.

I am very happy the Senator from Pennsylvania is present in the Chamber, because his presence affords us an opportunity, which we do not always have, to explain the real purposes and effects of reclamation.

There is one fundamental difference between reclamation and other public works programs. The cost of reclamation projects is largely repaid to the Federal Treasury. I am sure my friend from Pennsylvania understands the effect and the importance to his State of the dredging of rivers and harbors, and other public works which ordinarily are performed by the Army. Such projects are not reimbursable.

Mr. CLARK. The Senator is correct.

Mr. ALLOTT. For that reason I am happy to have this opportunity to talk with my friend and explain the situation to him. I appreciate his support and his clear thinking on the problem. I assure him that we have the same consideration for the acute situation which affects the people of his State.

I now yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, perhaps I can give a little reassurance to the Senator from Pennsylvania. One of the dams being built in South Dakota is known as the Oahe Dam. It is a very large dam on the main stem of the Missouri River. It is costing many millions of dollars to construct.

During the past two weeks a contract was let for some generators. As I remember, the contract was in the amount of approximately $9,800,000. It was awarded to the General Electric Co. It involved the purchase of some generator equipment. So some of the money spent for the conservation or storage of water to be used for irrigation goes back East. Certainly a $9,800,000 contract is a substantial contract, and should provide for some employment in the industrial centers of the East.

Mr. CLARK. I thank my friend from South Dakota for his very helpful remarks.

I should like to leave the colloquy with a thought with which I am sure he agrees. We must consider the national economy and the national interest. We cannot afford to have any bleeding wounds of long duration in the national economy or national interest. There is a real national interest in binding up such wounds and increasing wealth, whether such wealth be created in South Dakota or Pennsylvania. I am sure my friend from South Dakota will take the same sympathetic interest in our problems that we take in his.

Mr. CASE of South Dakota. I assure the Senator from Pennsylvania that I have been interested in certain public works projects which I think are a definite benefit to Pennsylvania. I merely wished to point out that some of the moneys expended for reclamation projects do create direct employment in the eastern area.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. WATKINS. I compliment the Senator from Pennsylvania for his very generous statement about looking after the national economy and being willing to support this type of resolution.

To what my colleagues have said, I should like to give an illustration showing how a project of this kind operates.

Many years ago the Salt River project in Arizona was authorized and constructed. It was one of the very first of the reclamation programs. Approximately $24 million was originally invested by the Federal Government in that project. Money was loaned to the people of that area, who signed a repayment contract.

Not many years ago the final payment was made on the original $24 million. In the meantime there had been additional loans for other features of the project. However, as a result of the $24 million which was originally loaned by the United States, during the period of the pay-off more than $500 million in income taxes was paid into the Federal Treasury from that area. This was made possible largely by the construction of the reclamation project, which brought good land, good water, and good people together.

Moreover, more than $1 billion worth of physical properties—buildings, lands, and developments in that area—resulted from the initial construction work on this project.

One of the fine things about such a project is that it never wears out, because it is self-renewing. The water resource continues to flow, not only during the first 50 years of the pay-off peri-

od, in which taxes are paid, but forever, or so long as the Nation lasts.

Mr. CLARK. Mr. President, if the Senator from Colorado will yield one final time, I shall not detain him longer or delay the adoption by the Senate of this very important resolution.

I should like to say to my friend from Utah that the arguments he has made in support of reclamation projects are so pertinent and so logical with respect to the area redevelopment bill which will soon reach the floor of the Senate, I am sure, that when the time comes I shall be able to count on him for his support of that bill.

Mr. WATKINS. I merely wish to point out that for many years prior to the enactment of the Reclamation Act, all of the United States, including Utah, and the other States out west which are in the reclamation area, voted for Federal flood control projects which were nonreimbursable for the most part. I am still in favor of a sound flood control program. However, the flood control projects must be sound. They should be efficiently engineered, and they should not fall into the category which has been referred to as pork barrel projects with all that that description implies. They should not be projects which are authorized as a political reward or for the purpose of electing or reelecting someone. They should be financially and economically sound. If they can meet those standards, they should be authorized and constructed. There is no reason why they cannot be, if they meet those standards.

I am happy to note that from the first project, which was for $150, voted some time after 1821, to remove an obstruction in a river in Connecticut, the program has grown to the point where Congress has authorized as much as $1,700,000,000, in one bill—a bill which the President vetoed, although there were in the bill many worthy projects and some bad ones. I was happy to join the minority leader in introducing a bill to authorize the sound projects in the bill which had been vetoed by the President.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. NEUBERGER. I should like to point out an instance to my distinguished friend from Pennsylvania. I am sure he realizes that I have joined with him in supporting urban redevelopment programs and housing programs and for assisting blighted areas, and for undertaking all the other projects in which he himself is so vitally interested. The basic fact remains that in 8 or 10 great manufacturing States of the East—and the Senator from Pennsylvania very ably helps to represent his Commonwealth, which is one of the great manufacturing areas—is concentrated much of the wealth of the country. The fact is also that the people living in the Western States, like New Mexico, Colorado, Utah, and Oregon, whether they are farmers or workers, buy many manufactured products from those 8 or 10 States in the East. They do it whenever they buy automobiles or electric appliances, including television sets and radios—virtually every mechanical implement that they use in their homes and businesses and on their farms.

Therefore it is certainly in the interest of States like Michigan, New York, New Jersey, Pennsylvania, Connecticut, and Ohio, where this manufacturing is concentrated, to have a great American hinterland where there are farms on reclaimed uplands as well as communities which are dependent upon those agricultural areas.

I have very much in mind the outstanding speech made by my good friend, the Senator from New Mexico [Mr. ANDERSON], in the year 1955—if I am not mistaken—and I should like to say that that speech is my Koran on reclamation projects—in which he emphasized how people living in irrigated areas and on reclaimed areas buy more than a billion dollars' worth of manufactured products which are produced in the great manufacturing States of the East, including the Commonwealth of Pennsylvania.

In addition, the Senator from New Mexico stressed something which has been emphasized many times by our good friend from Utah, who is likewise an able champion of reclamation projects, and that is the fact that on these reclamation projects are grown very few crops which are in surplus in the Nation. Most of the crops produced on these projects are those which are not necessarily in surplus and which are not apt to aggravate the agricultural problem which has plagued so many Secretaries of Agriculture, regardless of political party.

While I am on the floor, I should like to express my gratitude to the Senator from New Mexico, who has taken the lead in defending this program, and to his fellow members on the Committee on Interior and Insular Affairs, such as the Senator from Utah [Mr. WATKINS] and the Senator from Colorado [Mr. ALLOTT].

My State of Oregon shares to a relatively modest degree in these projects, but to a degree for which we are deeply appreciative and grateful in connection with the accelerated reclamation program.

One of them is the Talent division of the Rogue River project in southern Oregon where principally fruits will be raised. These are not an agricultural crop which qualifies for price supports and which comes under the soil bank. Therefore, it will not aggravate the agricultural surplus situation.

The other is the Crooked River project, of which I was one of the active sponsors when it was authorized several years ago. This will contribute greatly to upbuilding that vast central part of our State. I wish to say to our good friend from the Commonwealth of Pennsylvania that the farmers living on the Talent and Crooked River projects, and the people of the nearby communities who serve those farmers, will buy many hundreds of thousands of dollars worth of manufactured products which are produced in the Commonwealth of Pennsylvania, and will serve to help keep at work thousands of workers in that great Commonwealth.

Mr. ALLOTT. The Senator from Oregon has very well expressed an idea in which we all concur, and that is that the economy of the United States is no longer divisible; the interest of one part can no longer be separated completely from the interest of the other. It is that thought which the Senator from Oregon has expressed so well.

Mr. President, I should like to address myself to one or two points concerning the resolution to which I believe it is necessary to make reference at this time. These points concern my own State, and I believe, several things should be made clear in the RECORD at this time.

Page 5 of the committee report shows the Colbran, Paonia, Curecanti, and the Smith Fork unit projects. One of these, the Paonia project, which has a No. 1 priority, needs special attention, because the Paonia project was originally authorized back in 1939. Following the war, in 1947, some appropriations were voted for it. Enough money was appropriated to build a canal—the Fire Mountain Canal—to bring water down to the Paonia area, which is one of the great fruit areas of the country. Wonderful peaches are grown in that area. Since I do not see any of my friends from Georgia on the floor, I can say that those peaches are the finest in the world. I would probably say that even if my friends from Georgia were present. Since 1949 the farmers of that area have been paying for the construction of that canal and for its maintenance. However, the Paonia Dam, which would make that canal completely useful, is yet to be constructed. Therefore, it will be noticed that in the report which the committee filed—and I refer to the last column—it is specifically stated that this is not a new start, but is one to which, regardless of all other considerations, Congress and, I believe, the executive department, should address itself, and should do so immediately. It is in the same category, I am sure, in which the Senator from Utah [Mr. WATKINS] would place the Vernal project.

With further reference to the Paonia project, I said in committee that the failure to finish the project imposes a burden upon us for funds which should have been made available nearly 10 years ago. Of one thing there can be no doubt, and that is that Paonia is not a new project. For that matter it is not a new phase of an old project. To attempt to separate the canal from the dam, which would be used for impounding the waters in the project, would be like trying to separate a horse's tail from its head and saying they were two separate animals. This is a fact which is so apparent that it must be considered.

Mr. President, we need to move ahead with the other projects which are covered and are a part of the upper Colorado project, which has already been authorized. I believe if we are to consider the acceleration, as I believe we should, of any public-works projects, there is no better way, no sounder way, no more feasible way, and no more economical way, than by putting the money into reclamation projects which, in the main, will repay to the Government their

cost and which, over the course of the years, will pay to the Government in income taxes many, many times their cost.

The food supply and the population of the next few years will reverse, I think almost completely, the present situation which exists with respect to some of the surpluses.

Certainly we shall be hard pressed in 1970 if we do not increase our production to take care of a population of probably 200 million or 210 million which will then live within the United States.

Bearing this in mind, we cannot create these projects today or tomorrow. We cannot say, "Let there be light," and have light. There will be no light. We cannot say 10 years from now that we will construct these projects, and "Let there be reclamation." It does not work that way. It takes 8, 10, or 15 years to build such projects.

If we are to plan for the future of this Nation and for the Western States as a part of the United States, we must start these projects now in order to be ready for 1970.

Mr. CASE of South Dakota. Mr. President, the distinguished Senator from Colorado has well stated the general proposition that we shall need additional food production in the years ahead.

I notice in the hearings of the committee that Don Williams, the Administrator of the Soil Conservation Service, is quoted as having said that, in spite of the present temporary surpluses of some crops in 1957, we shall in our lifetime need every one of these acres to feed an estimated 220 million people by 1975.

The projects to which I shall address myself are those which are listed under the heading, "South Dakota," on page 5 of the committee report. One of them is described as South Dakota pumping-Missouri River. The program proposes $2 million.

The other project is listed as "Brule, Charlie Mix, Bon Homme," and the amount proposed is $2 million.

I may say that the three names, Brule, Charlie Mix, and Bon Homme are the names of three counties in South Dakota which lie immediately adjacent to reservoirs which are being constructed in the great chain of lakes stretching across from south and north of the Missouri River in South Dakota.

The Senator from Colorado has spoken of a project where there is a canal which lacks a dam. The projects I wish to speak of are those where there are dams and reservoirs, but which lack a canal or other means of utilization of the water stored.

The so-called Missouri River Basin program, which embraces several States from Montana clear down to the junction of the Missouri River with the great Mississippi River, will cost many hundreds of millions of dollars.

In South Dakota alone, the lakes which are being constructed will require approximately a half million acres of land. That land is being taken out of production or use in order to construct gigantic reservoirs which will store the water, and thus prevent the flooding of such cities as Sioux City, Omaha, Kansas City, and St. Louis. Furthermore, floodwaters will be kept off the fertile land of Iowa, Kansas, Missouri, and Nebraska. So a half million acres of South Dakota land will be flooded for all time for the purpose of providing flood protection for the cities, railroads, airports, and farmlands downstream.

At the time the program was proposed as a flood-control project primarily, the people of South Dakota were told that if they would provide a place for the storage of the flood water, they would be able to use the water. Thus far all that has happened has been that we have experienced having our bottom lands flooded. They have been flooded to keep the water off the downriver States.

Two dams have been completed. At the lower end is Gavins Point Dam, which has created a reservoir known as Lewis and Clark Lake, which is about 37 miles long. A little above that is the Fort Randall Dam, which has created a lake considerably more than 100 miles long. Somewhat above the center of South Dakota is the Oahe Dam, which is presently under construction, and which will back up water from the center of South Dakota to the center of North Dakota.

When the Missouri River Basin program was developed, the Corps of Engineers recommended these dams through the main stem of the river. The Bureau of Reclamation also recommended some of the Bureau's dams. But the Bureau of Reclamation dams included a program of utilization of some of the stored water for the purpose of irrigation or supplementary water to be placed on some of the land adjacent to the reservoirs, or reachable from the reservoirs. Up to the present, however, not 1 acre has been irrigated as a result of the Federal Government's activity along the main stem of the Missouri River. Yet the Federal Government will have invested in these dams more than a half billion dollars.

Gavins Point Dam, which is built, cost in the neighborhood of $70 million. Fort Randall Dam, which is built, cost about $180 million. Oahe Dam, which is under construction, will cost a little more than $300 million. So the Federal Government will have invested in these dams and reservoirs considerably more than $500 million. That is the expenditure to which the Government is committed. Much of it has already been made.

To be sure, one of the great benefits from the multiple-purpose dams is flood control which will inure to the great cities and areas of farmland downstream. One of the great benefits from the construction of these dams will be the creation of hydroelectric power, which will be sold, and which is being sold today, and from which the Federal Government is receiving hundreds of millions of dollars in repayment. In fact, the repayments in time to come from the sale of hydroelectric power will far exceed the amount spent by the Federal Government on the projects.

But one of the most beneficial aspects of the multiple projects will be the use of some of the water to irrigate some of the lands immediately adjacent to the reservoirs, more or less in compensation to the counties which have given up forever taxable values in the bottom lands which are covered forever by the stored floodwaters.

Since the Federal Government has its great investment already made in the dams; since the water is being stored in the dams; and since the benefits from supplementary water cannot be had until some pumping projects are instituted or some canals are provided, the program which I recommended to the Committee on Interior and Insular Affairs included two projects to start some of the minor irrigation work along the river. I say "minor" because in both instances the recommendation is for $2 million, which is a very small fraction of the more than $500 million which the Federal Government will already have invested in the dams and reservoirs.

For purposes of reference by the Bureau of Reclamation and others interested, I shall give a description of the two projects under the headings submitted in the report. The first project suggested in the report is South Dakota pumping-Missouri River.

When Mr. Glenn R. Sloan, who was the chief investigation engineer for the Bureau of Reclamation, made his report in 1944, at page 117 of his report, as shown in Senate Document 191 of the 78th Congress, 2d session, there was shown a list of the South Dakota pumping units. In order that there may be a clear understanding of the supplementary nature of pumping irrigation, I wish to read from a little table which appears at page 117. There are some 17 or 18 units distributed along the river in South Dakota below the dams which are classified as pumping projects.

The first one listed is the Chantier project, of 570 acres, obviously a very small project.

Oahe, 1,850 acres, again a small project.

La Franboise, 1,050 acres. That is on the west side of the river. Oahe is on the east side.

Pierre, 900 acres.
Vosseau, 3,310 acres.
La Roche, 2,720 acres.
Joe Creek, 6,560 acres.
Red Cloud, 1,850 acres.
Fort Hale, 2,100 acres.
Grosse, 650 acres.
Fort Randall, 900 acres.
Tower, 2,130 acres.
Greenwood, 4,210 acres.
Running Water, 1,640 acres.
Yankton, 2,390 acres.

I am sure all Members of the Senate who are familiar with irrigation projects will recognize that the projects I have mentioned, which range in size from 570 acres to 6,560 acres, with the bulk of them being in the neighborhood of from 1,600 to 2,100 acres, are what are called minor projects. Yet, Mr. President, they are very significant projects. They are scattered in the little bends or secondary benches above the old bed of the river. They are in the counties which have lost the tax land in the bottom valley of the great Missouri River. The farms immediately adjacent are in a rain-belt area where the rainfall amounts to anywhere from 11 inches a

year to as much, in some years, as 16 or 17 inches. In other words, when there is a full rainfall, amounting to perhaps 16, 17, or 18 inches, these areas produce crops. On the other hand, during the years when the rainfall amounts to only 12, 13, or 14 inches, a marginal situation exists there. These pumping projects will provide supplemental water which will stabilize the agricultural production in these areas. During the droughts in the 1930's, the Federal Government spent many millions of dollars in providing relief for those who lived in these marginal rainfall areas.

The purpose of these pumping projects, then, is to stabilize the existing agriculture, not particularly to put new lands under cultivation. The total number of acres I have mentioned is perhaps 30,000, for approximately 12 or 13 projects which are regarded as the most feasible. So, from the standpoint of total food or agricultural-commodity production, the increase would not be great; but the stabilization would mean a great deal; it would mean converting a marginal economy, for some of the farmers who live along the river, into a stabilized economy.

I have thought that one reason why my appeal on this matter was regarded favorably by the distinguished chairman of the subcommittee, the Senator from New Mexico [Mr. ANDERSON], was that he, himself, spent a great many of the years of his early life in South Dakota; and I am sure he can attest to the fact that close to the Missouri River, in the area from Lake Andes, north, through Geddes and Platte, and up to Chamberlain and Pierre, there is a marginal rainfall, year in and year out; and supplemental water would greatly stabilize agricultural production in that situation.

Mr. ANDERSON. Mr. President, not only can I agree with the Senator from South Dakota; but I can say to him that I was born along the James River, which is included in this project for possible consideration, and I believe the project would be very worthwhile.

Mr. CASE of South Dakota. Mr. President, I appreciate the comment of the Senator from New Mexico.

I have referred particularly to the small pumping projects which are included under the first heading carried in the report as South Dakota pumping-Missouri River.

The second project listed in the committee report is Brule, Charlie Mix, and Bon Homme, which locally is referred to as the B. C. B. project; the letters come from the names of the three counties. They lie immediately along the reservoir. A great portion of the land is above the damsite. Instead of being perhaps pumping projects, strictly speaking, these would be projects where an outlet canal forming a sort of a lateral to the main stem of the Missouri River would carry water for a distance of 5, 6, or perhaps 10 miles, and would make it possible for the fertile lands in the draws and in the lower benches along the river to receive benefit from the water stored.

Again, this would help stabilize the economy of the counties which have given up their taxable lands for the reservoirs, and would make the agriculture there a firm factor in the economy of those counties.

Mr. President, in order that I may show the local interest in this matter, I wish to read two paragraphs from an editorial written by Mr. Robert E. Hipple, and published in the Pierre Daily Capital Journal. Pierre is located at the very center of South Dakota, between the Oahe Reservoir and the Randall Reservoir.

In the editorial Mr. Hipple states:

> The Daily Capital Journal has been distressed for a long time by the fact that construction of authorized projects in South Dakota by the Bureau of Reclamation has not kept pace with construction in other States in the Missouri River Basin.
>
> There are a lot of excuses and explanations readily available, but the fact remains that the only irrigation project in this State which has been carried through to completion in the past 11 years is the Angostura project in Fall River County. This was the first one started in the entire Bureau program authorized in the Missouri Basin by the Flood Control Act of 1944.

Mr. President, at this point I should say, for the RECORD, that actually the Angostura project was authorized under the Water Conservation and Utility Act of 1939, and was initiated prior to the authorization of the Missouri River Basin program. It was a case in which relief labor was to be used in the construction of a supplemental water project. The land was acquired before the United States entered the war. Some equipment was acquired prior thereto; but the entrance of the United States into the war, in 1941, caused the suspension of the project. It was resumed after the passage of the Flood Control Act of 1944. So, more accurately speaking, no irrigation project which was initiated by the Missouri River Basin program, as authorized in the Flood Control Act of 1944, has actually been built; that is to say, the Angostura project was initiated and authorized prior thereto by several years.

In addition to the editorial expression in the Pierre Capital Journal, I should like, if I may, to obtain unanimous consent to have printed at this point in the RECORD, exhibit 1, which appears on page 89 of the committee report. It is a petition; and the report includes the names of the farmers who signed it, and a statement of their occupations and the number of acres of land they farm. The petition is in support of the B. C. B. project. I believe that this expression by the farmers themselves, over their signatures, should be persuasive and encouraging, because it indicates that this B. C. B. project is not primarily one proposed by a municipal group or chamber of commerce or someone who has an idea of exploiting the farmers, but it relates to a grassroots project which is wanted by the farmers themselves.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Dakota?

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

EXHIBIT 1

PETITION TO SENATOR FRANCIS CASE AND SENATOR KARL E. MUNDT, WASHINGTON, D. C.

We, the undersigned farmers and landowners residing in the proposed Geddes Irrigation District, comprising of some 10,000 acres within Brule, Charles Mix, Bon Homme project, hereby urge that you take the necessary steps to insure completion of all preliminary work necessary for the construction of the Geddes project at the earliest possible date. We feel that this work should progress with a minimum of "redtape" in view of its great need, and in view of the fact that Fort Randall Dam, with an ample supply of water, is located only 10 to 15 miles from the heart of the project. The welfare of the entire Geddes area will be greatly benefited by the completion of this project at the earliest possible date.

Name	Address	Occupation	Date
E. F. Blair	Geddes	Farmer, 240 acres	Feb. 21, 1958
W. G. Glaser	do	Farmer	Do.
Jos. Sanders	do	do	Feb. 24, 1958
Henry T. Blutsma	do	do	Do.
Carl Ahrens	do	do	Feb. 25, 1958
Ray Blair	do	do	Do.
William Paulis	do	Farmer, 500 acres	Feb. 28, 1958
Vern Creasey	do	Farmer	Do.
Urban Funke	do	Farmer, 320 acres	Do.
Bernard Knudson	do	Farmer	Do.
Ray Creasey	do	do	Do.
Ben Blenderman	do	Mayor	Feb. 22, 1958
Grover Long	do	Retired	Do.
James Dolejsi	do	Farmer, 160 acres	Feb. 25, 1958
Romus J. Mushitz	do	Farmer, 820 acres	Do.
John Knudson	do	Farmer, 400 acres	Do.
Leo Mushitz	do	Farmer, 1,440 acres	Do.
Maynard R. Bridges	do	President, Commercial Club	Mar. 5, 1958
Andrew Roinstad	do	Farmer, 57 acres	Feb. 22, 1958
Melvin Johnson	do	Farmer, 640 acres	Do.
James Pavel	do	Farmer, 280 acres	Do.
Anton Kortan	do	Farmer, 480 acres	Do.
Ignatius Masur	do	Farmer, 320 acres	Do.
Paul J. Overbroekling	do	Farmer, 400 acres	Do.
Leo Funke	do	Farmer, 160 acres	Do.
James Varuska, Jr.	do	Farmer, 640 acres	Feb. 24, 1958
Joe Dolejsi	do	Farmer, 160 acres	Do.
Harold Williams	do	Farm operator and printer, 80 acres	Do.
Clifford L. Hoffman	do	Farmer, 320 acres	Do.
Gus Brinck	do	Landowner, 480 acres	Do.
A. H. Meis	do	Farmer, 240 acres	Do.
Glen Myers	do	Farmer, 120 acres	Do.
Paul G. Wentland	do	Farmer	Mar. 3, 1958
A. Kalda	do	Landowner, 160 acres, hardware merchant	Feb. 24, 1958
Jaroslav Pavlis	do	Farmer, 320 acres	Do.
Emil Meis	do	do	Do.
Hubert J. Mohan	do	Farmer, 540 acres	Do.
Elmer Blair	do	Farmer, 320 acres	Do.
Guy A. Brown	do	Merchant	Do.
Albert Funke	do	Farmer	Do.

Name	Address	Occupation	Date
Glen Huggins	Geddes	Farmer	Feb. 24, 1958
Halvor Scott	do	Farmer, 480 acres	Do.
Anthony J. Jaeger	do	Farmer, 960 acres	Do.
William Steffens	do	Farmer, 350 acres	Do.
Frank A. Closson	do	Farmer, 320 acres	Feb. 25, 1958
Gilbert Holland	do	Farmer, 240 acres	Do.
Harold Pavlis	do	do	Do.
Richard Durham	do	Farmer, 800 acres	Do.
Roy Enos	do	Farmer	Feb. 26, 1958
Ray Augustine	do	do	Do.
Charles Varilek	do	do	Do.
Joe Rada	Armour	do	Do.
Albert Mansheim	Geddes	Farmer, 520 acres	Feb. 27, 1958
Robert Biddle	do	Farmer, 920 acres	Do.
Joseph L. Johnson	do	Farmer	Mar. 1, 1958
Clifford L. Johnson	do	do	Mar. 3, 1958
William Varilek	do	do	Do.
John A. Kortan	do	Farmer, 816 acres	Do.

Mr. CASE of South Dakota. Mr. President, in view of the great local interest in these supplemental water projects, and in view of the large investments the Federal Government has in the dams and reservoirs, I earnestly hope the recommendation embodied in Senate Resolution 299 will be adopted by the Senate, and that the Bureau of Reclamation will take cognizance of the resolution and will include, in whatever implementation it carries out, consideration for these two projects in South Dakota.

MONTANA PROJECTS IN ACCELERATED PROGRAM

Mr. MURRAY. Mr. President, I shall not presently take a great deal of the time of the Senate.

As chairman of the Committee on Interior and Insular Affairs, I wish to express my high commendation of the distinguished chairman of the Subcommittee on Irrigation and Reclamation, the Senator from New Mexico [Mr. ANDERSON] who has handled the resolution so effectively. The Senator from New Mexico has spent many hours of devoted work on the accelerated reclamation construction program and the resolution expresses the unanimous sense of our committee.

Montana is one of the States hardest hit by the recession and we need reclamation developments to give jobs and conserve for use our natural water and land resources.

The five projects listed on page 5 of Senate Report No. 1500 deserve consideration in the allocation of appropriations and speedy reports where needed. The projects listed are Helena Valley and the Fort Peck transmission line, which are under construction; East Bench, where a repayment contract is ready; Absoraka-Yankee Jim, where a report should be expedited; and Yellowtail Dam as soon as right-of-way problems with the Crow Indians are settled, which we hope will be soon.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. MALONE. All the projects included in the list are projects which have been approved and are ready to go ahead. It is merely a question of making money available so they can go ahead. Is that correct?

Mr. MURRAY. Almost all of them are ready to go ahead.

Mr. MALONE. They have been approved by the Bureau of Reclamation, have they not?

Mr. ANDERSON. I may say to the Senator from Nevada there are several projects which have not yet been authorized or approved. For instance, there is a project which was originally studied in the field and which has gone to the Bureau. Most of them have been approved by the Congress.

Mr. MALONE. But these projects have been approved by Congress in an overall bill, have they not?

Mr. ANDERSON. Only to the extent I just stated. At least one is pending before the House, but is expected to be approved there soon. Others are in various stages of approval or authorization.

Mr. MALONE. All they need is further investigation, so it can be determined how much money is needed.

Mr. ANDERSON. Some are ready to go ahead, some need further investigation, some have not been approved as yet, like that in which the Senator from South Dakota is interested. The Missouri River pumping unit has not been specifically approved, unless it is considered approved in the overall Missouri River Basin authorization.

Mr. MALONE. Just as in the case of the upper Colorado River Basin.

Mr. CASE of South Dakota. I think they are authorized projects.

Mr. MALONE. These projects have been authorized; the question now is as to the method of procedure?

Mr. MURRAY. There is a question of procedure. As has been stated, most all of them have been approved or authorized, and a few are in final stages of study, as I understand the situation. I wish again to say I believe the purposes and objectives envisaged by the resolution are of great importance to the people of the United States. I cannot think of anything more important than the acceleration of our reclamation and resource programs in the West. I am very much pleased that the Senator from New Mexico has taken up this matter and has given such careful study to the program. I wish to commend him highly.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. MANSFIELD. I join my distinguished colleague, the chairman of the Committee on Interior and Insular Affairs, in his commendation of the Senator from New Mexico.

In response to the question raised by the Senator from Nevada, it ought to be brought out that not all of these projects are authorized in the generally accepted sense but this is a sense resolution and relates to projects, practically all of which have been authorized. The idea is to bring about an acceleration in the program of investigations and advance planning, as well as construction, which will be in the best interest of the people of the United States.

I repeat, I associate myself with my colleague in commending the Senator from New Mexico [Mr. ANDERSON] for the fine work done by him in developing this program and presenting the resolution.

Mr. ANDERSON. Mr. President, the Senator from Colorado [Mr. ALLOTT] has temporarily stepped out of the Chamber. Prior to leaving, he asked me what the situation was as to the Frying Pan-Arkansas project in Colorado. He asked, "Is there anything significant in the fact that it is not in your list?"

In the temporary absence of the Senator from Colorado, I think I should say that failure to include the Frying Pan-Arkansas project in this list is not in any way to be regarded as indicating a desire on my part not to support fully the Frying Pan-Arkansas project.

I have supported the project in the past, in cooperation with my able friend, former Senator Millikin. I have presented it to the Senate several times. The reason why it is not in this list is that the Senate has disposed of it but the House has not acted. The Senate has at least twice passed the Frying Pan-Arkansas project. If it does not pass the House, the Senate will pass it again, and will pass it as many times as it is necessary to authorize the project. It is now before the House. I hope the House will act on it favorably, as the Senate has done on at least two occasions.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. ALLOTT. I wish to express my appreciation to the Senator from New Mexico for stating his views so forcefully on this subject. The Senator is correct; the Frying Pan-Arkansas project has been approved by the Senate at least twice—perhaps three times—without a dissenting vote. In this particular matter there would be no practical purpose served by including it in the list. However, I thank him for his assurances, so that the implication cannot be made that the Frying Pan-Arkansas project is in any sense ignored, overlooked, or bypassed.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the Senator from Utah.

Mr. WATKINS. As I understand the purpose of the resolution, it is to declare the Senate's interest in the reclamation program which should be adopted or be accelerated by action of the appropriations committees of the House and the Senate, particularly the Senate.

Mr. ANDERSON. That is correct. This is a Senate resolution only.

Mr. WATKINS. And it is directed largely to the Appropriations Committee of the Senate.

Mr. ANDERSON. That is correct. The Senator from Utah is entirely correct.

Mr. WATKINS. That is, at least with respect to the projects which have already been authorized and are legally entitled to proceed to the appropriation stage.

Mr. ANDERSON. That is correct.

Mr. WATKINS. I ask the Senator if it is not true, with respect to the Colorado River project, and probably to a certain extent to the Missouri River project, there has been passed a general authorization bill which authorizes, in the case of the Mississippi and Missouri River Basin, a large number of projects which have not been engineered and which have not been actually studied to the point where they are ready for construction, but the study has been going on year after year under that general authorization?

Mr. ANDERSON. That is correct. There was a hearing participated in jointly by the Committee on Public Works and the Committee on Interior and Insular Affairs. The question of these projects was discussed, because reclamation is involved in some of them. They are not being specifically authorized as they go along, but there was general authorization language in the original bill, such as that referring to the James River project, which the Senator from South Dakota [Mr. CASE] mentioned.

There is no language in the bill which authorizes the James River project, but the general authorization, under the Pick-Sloan plan, included all projects then contemplated, and some that have since been engineered. I would say, without any question, that all the Missouri River Basin projects were authorized in the early adoption of the plan.

Mr. WATKINS. With respect to the Colorado River storage project, which was adopted in 1956, there was specific mention of certain definite units of that overall project which were authorized.

Mr. ANDERSON. The Senator is correct. They were authorized and can be started with the approval of the Secretary of the Interior, with two exceptions, both of those being in the State of New Mexico. Specific authorizing legislation will be required for the Navaho project and the San Juan transmountain diversion project, because some problems over water are involved which will necessitate those projects coming back to the Congress. The others have been approved, subject only to the approving recommendation of the Secretary of the Interior.

Mr. WATKINS. I refer to the Vernal project in Utah, which was mentioned by the Senator from Colorado. That is one of the units of the central Utah project or a unit of the Colorado storage project.

Mr. ANDERSON. Precisely, and that has been fully authorized.

Mr. WATKINS. I wanted to call to the attention of the Senator from New Mexico the fact that it is a project which has been fully engineered, studies have been made, plans for construction have been completed, and the necessary work incident to entering into a contract whereby the people of the area will repay the cost of the project has largely been done.

Mr. ANDERSON. The Senator is correct.

Mr. WATKINS. The conservancy district has been organized, and I was advised only a few days ago that a contract has been negotiated and is practically ready for final signing by the conservancy district and the Secretary of the Interior. All the necessary studies have been completed, and the project will be ready to go ahead within 2 months if Congress appropriates the money for it so it can be proceeded with. That will also be true of quite a large number of other projects under the small-projects bill passed by the Senate a year or two ago.

Mr. ANDERSON. I agree.

Mr. WATKINS. The President recommended $25 million for use as a revolving fund for various projects which would be recommended by the States themselves through their governors and their State water and power boards, then by the Bureau of Reclamation, the Interior Department, and, in the final step, from the Secretary of the Interior to the Congress.

Mr. ANDERSON. The Senator is correct. Twenty-five million dollars has been provided.

Mr. WATKINS. A number of those projects, in various States, are ready. In my State at least five projects are ready. The program would include all those projects.

Mr. ANDERSON. I think, if the truth were known, the State of the Senator from Utah is a little ahead of others in that regard.

Mr. WATKINS. We have a great need for small projects in my State. The Vernal project and the others are ready to go. I wanted to be certain this resolution was intended to cover those projects in the recommendations to the Appropriations Committee for action.

Mr. ANDERSON. I am happy to give whatever legislative assurance is necessary on that score.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. LAUSCHE. Does the resolution recommend any projects the engineering studies on which have not been completed; or, if the engineering studies have been completed, the Engineers have declared the projects to be not financially feasible; or concerning which there has not been an agreement made as to participation by the local governments, with matching money?

I have in mind the recent veto of the President. The President vetoed the last public works bill because it provided for $350 million worth of projects which had not been adequately studied, or which were probably not financially feasible, or as to which there was not proper matching money available.

Mr. ANDERSON. I hope the Senator from Ohio will permit me a little leeway when I say I am not absolutely sure I am answering his question correctly. I am reasonably sure there is nothing of that nature covered in the resolution. I am advised I am correct in that assumption. If something should show up later on, I would not want to be held exactly to that assurance. I am absolutely sure there is nothing of the nature to which the Senator refers, namely, of items being recommended which have not been considered.

I wish to point out again what the Senator from Utah said a while ago. The President sent to Congress a supplemental budget request which included $25 million for a revolving fund for the Small Projects Act.

I was one of those who worked for a long time on the Small Projects Act, as did the able Senator from Utah, and the able junior Senator from Colorado. All the western Senators were interested in the Small Projects Act and were busy working on it.

The President finally said, "I will send to Congress a budget including $25 million for a revolving fund to cover projects under the Small Projects Act."

I do not know what those projects will be. That is why I cannot answer the Senator from Ohio explicitly. Nothing will be included except, as the able Senator from Utah pointed out, projects which have been first initiated by the States. The States must send the projects to the Department of the Interior for the Department's consideration. The Department makes its studies, using the State machinery to examine the projects. Then the projects are submitted to the Committees on Interior and Insular Affairs of the Senate and House of Representatives. If the Senate and House committees do not disapprove the projects within a limited period of time, the projects are approved.

Since I do not know what the projects are, I have to say to the Senator, in a desire to be perfectly honest, that some of the projects have not yet been approved.

Mr. LAUSCHE. I shall not object to the Senate's agreeing to the resolution. I shall vote for the resolution, but I shall do so with the understanding that the resolution does not recommend a number of projects which have been declared by the Engineers not to have been adequately studied, or not financially feasible, or which have been declared to be unacceptable because of unwillingness on the part of the local governments to match what the Federal Government puts up for building the project.

I believe the President was absolutely right in vetoing the last public works bill. I shall support the President in that regard. That bill contained $350 million worth of projects which fell within the vitiating categories I have just described.

I shall vote for the resolution now being considered, with that understanding.

Mr. ANDERSON. Mr. President, I am now in a position to assure the Senator from Ohio that the resolution does not contain that type of item.

The resolution has been amended. I ask that it be agreed to.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. ALLOTT. I think there is one item in the report which perhaps will be of interest to the Senator from Ohio. I desire to invite his attention to the text of the resolution, as shown on page 2 of the report, in the paragraph beginning:

Resolved, That it is the sense of the Senate * * * where engineering has been completed and actual work can be begun promptly; and that consideration be given to prompt authorization of additional feasible reclamation projects—

Such language means the projects must meet the criteria applicable to reclamation projects. They must be authorized by Congress. They must be approved by the Bureau of Reclamation.

I can say there is one project in the Colorado group which has not yet been declared to be a feasible project. I am sure the project will be declared feasible, but the work is not completed. We cannot do anything on that until such has been done.

Mr. LAUSCHE. I believe our thinking coincides on that subject. The Senator from Utah [Mr. WATKINS] a moment ago expressed in substance the same thoughts as those to which I have given voice. The studies have been made; the projects have been declared to be feasible; generally, from an economic standpoint, the projects are worthy of going forward. I think those are the projects we ought to support.

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). The resolution is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the resolution, as amended.

The resolution (S. Res. 299) as amended, was agreed to, as follows:

Resolved, That it is the sense of the Senate that Federal reclamation project construction during the fiscal year 1959 should proceed that year at the rate of approximately $330 million (a 40 percent increase over the total of original and supplemental budget estimates, including limited additional funds for general investigations and advance planning) and that construction should be started on not less than 20 additional authorized projects, with preference to those developments where engineering has been completed and actual work can be begun promptly; and that consideration be given to prompt authorization of additional feasible reclamation projects that will contribute to the objectives of this resolution.

The preamble was agreed to.

Mr. ANDERSON. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana to lay on the table the motion of the Senator from New Mexico to reconsider.

The motion to lay on the table was agreed to.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that there be printed in connection with the action on Senate Resolution 299 a statement which I have prepared on the resolution.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR RALPH YARBOROUGH ON SENATE RESOLUTION 299

I desire to commend the distinguished Senator from New Mexico [Mr. ANDERSON] for his leadership in bringing this resolution before the Senate. This would accelerate programs already authorized.

Three important projects in Texas are included under the resolution now under consideration. One is the San Angelo Dam project, another is the Mercedes division project, and the third is the Harlingen division, Cameron County project. Funds proposed for these projects are $5 million, $2.5 million, and $4.5 million, respectively.

The $4.5 million proposed for the Cameron County project is the first loan in history to be made under the Small Projects Act of 1956. Under terms of the application, the money will be repaid over a 35-year period. The loan is to finance improvement of irrigation facilities for some 39,000 acres of land.

The San Angelo project, sometimes called the three rivers project, is a $30 million development that will guarantee a permanent water supply in the Concho River Basin. It will create new tax values, stabilize income and insure such economic stability to a vast territory in west Texas as to make this permanent improvement an ultimate tax asset rather than a tax liability.

In its flood control and conservation features, this project is shown by the official reports to be one of the most beneficial dollarwise to be proposed in years.

During the 7 years of drought I flew over this area in planes many times and saw the parched land, the dry river beds, the unfarmed soil, the ranges without cattle, and the city of San Angelo, which was worried over its water survival. I have also flown over this area in periods of heavy rainfall with the rivers full, the water flooding the land, and priceless topsoil washing down the rivers.

This beneficial improvement will harness these waters of destruction and convert each rain to a shower of wealth. It will guarantee a permanent water supply to San Angelo and other areas of the Concho Basin.

This project assures prosperity in an area as large as several whole States in the Union. This is an investment, not a giveaway. It is a permanent improvement, not a temporary expedient. It is a wealth creator, not a wealth destroyer.

Two-thirds of the entire cost will be paid back by city water users and irrigation water users.

The construction of this dam will help bring to fruition Robert E. Lee's prediction when traveling over these areas of west Texas, then uninhabited. He said, "I hear the footsteps of the coming millions."

Because of these projects and the many other important reclamation projects envisioned under this proposal, I strongly urge passage of the resolution.

These projects are badly needed. This money so spent will be a capital investment. They will save water now going to waste; they will stimulate the economy of large sections of the country. This is money well spent, that will create wealth many times larger than the capital outlay here requested. And the employment furnished will stimulate recovery by furnishing jobs now, on projects already authorized.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills and joint resolution of the Senate:

S. 1062. An act for the relief of Maud Claer Wahl;

S. 1578. An act for the relief of Hovhannes H. Haidostian;

S. 1943. An act for the relief of Norma Josephine Hodges Dowd;

S. 2166. An act for the relief of John J. Griffin; and

S. J. Res. 168. Joint resolution authorizing the President to issue a proclamation calling upon the people of the United States to commemorate with appropriate ceremonies the 100th anniversary of the admission of the State of Minnesota into the Union.

The message also announced that the House had passed the bill (S. 3050) to increase the equipment maintenance allowance for rural carriers, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 8544) to provide for the restoration to tribal ownership of all vacant and undisposed of ceded lands on certain Indian reservations, and for other purposes.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 6238. An act to amend section 1292 of title 28 of the United States Code relating to appeals from interlocutory orders;

H. R. 7260. An act to amend title 18, United States Code, section 3651, so as to permit confinement in jail-type institutions or treatment institutions for a period not exceeding 6 months in connection with the grant of probation on a 1-count indictment;

H. R. 10015. An act to continue until the close of June 30, 1959, the suspension of duties on metal scrap, and for other purposes;

H. R. 10154. An act to empower the Judicial Conference to study and recommend changes in and additions to the rules of practice and procedure in the Federal courts;

H. R. 10504. An act to make the provisions of the Longshoremen's and Harbor Workers' Compensation Act applicable to certain civilian employees of nonappropriated fund instrumentalities of the Armed Forces, and for other purposes;

H. R. 11033. An act to authorize the creation of record of admission for permanent residence in the case of certain Hungarian refugees;

H. R. 11400. An act to remove the present $1,000 limitation which prevents the Secretary of the Air Force from settling certain claims arising out of the accidental release of a bomb from an Air Force aircraft on an authorized noncombat training mission over and near Mars Bluff, Florence County, S. C., on March 11, 1958;

H. R. 11414. An act to amend section 314 (c) of the Public Health Service Act so as to authorize the Surgeon General to make certain grants-in-aid for provision in public or nonprofit accredited schools of public health of training and services in the fields of public health and in the administration of State and local public health programs;

H. R. 11424. An act to extend the authority of the Secretary of Agriculture to extend special livestock loans, and for other purposes;

H. R. 11549. An act to provide for the preparation of a proposed revision of the Canal Zone Code, together with appropriate ancillary material;

H. R. 12326. An act making urgent deficiency appropriations for the fiscal year ending June 30, 1958, and for other purposes; and

H. J. Res. 586. Joint resolution to authorize the designation of the week beginning on October 13, 1958, as National Olympic Week.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred, as indicated:

H. R. 6238. An act to amend section 1292 of title 28 of the United States Code relating to appeals from interlocutory orders;

H. R. 7260. An act to amend title 18, United States Code, section 3651, so as to permit confinement in jail-type institutions or treatment institutions for a period not exceeding 6 months in connection with the grant of probation on a 1-count indictment;

H. R. 10154. An act to empower the Judicial Conference to study and recommend changes in and additions to the rules of practice and procedure in the Federal courts;

H. R. 11033. An act to authorize the creation of record of admission for permanent residence in the case of certain Hungarian refugees;

H. R. 11406. An act to remove the present $1,000 limitation which prevents the Secretary of the Air Force from settling claims arising out of the accidental release of a bomb from an Air Force aircraft on an authorized noncombat training mission over and near Mars Bluff, Florence County, S. C., on March 11, 1958;

H. R. 11549. An act to provide for the preparation of a proposed revision of the Canal Zone Code, together with appropriate ancillary material; and

H. J. Res. 586. Joint resolution to authorize the designation of the week beginning on October 13, 1958, as National Olympic Week; to the Committee on the Judiciary.

H. R. 10015. An act to continue until the close of June 30, 1959, the suspension of duties on metal scrap, and for other purposes; to the Committee on Finance.

H. R. 10504. An act to make the provisions of the Longshoremen's and Harbor Workers' Compensation Act applicable to certain civilian employees of nonappropriated fund instrumentalities of the Armed Forces, and for other purposes; to the Committee on Post Office and Civil Service.

H. R. 11414. An act to amend section 314 (c) of the Public Health Service Act, so as to authorize the Surgeon General to make certain grants-in-aid for provision in public or nonprofit accredited schools of public health of training and services in the fields of public health and in the administration of State and local public health programs; to the Committee on Labor and Public Welfare.

H. R. 11424. An act to extend the authority of the Secretary of Agriculture to extend special livestock loans, and for other purposes; to the Committee on Agriculture and Forestry.

H. R. 12326. An act making urgent deficiency appropriations for the fiscal year ending June 30, 1958, and for other purposes; to the Committee on Appropriations.

STUDY OF TEXTILE INDUSTRY

Mr. ANDERSON. Mr. President, I ask the Chair to lay before the Senate the unfinished business, Calendar No. 1497, Senate Resolution 287.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the resolution (S. Res. 287) authorizing a study of the textile industry of the United States.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

Mr. CLARK obtained the floor.

Mr. ALLOTT. Mr. President, may I suggest the absence of a quorum?

The PRESIDING OFFICER. The Senator from Pennsylvania has been recognized.

Mr. ALLOTT. Mr. President, I withdraw the request.

PROGRAM TO ALLEVIATE CONDITIONS OF UNEMPLOYMENT AND UNDEREMPLOYMENT

Mr. CLARK. Mr. President, within the next few days there will come before the Senate for debate, and I hope for passage, Calendar No. 1519, S. 3683, a bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas.

The bill, Mr. President, has been cosponsored by 40 Senators, 23 on this side of the aisle, and 17 of our Republican friends. The bill is similar to one which in 1956, during the 84th Congress, passed the Senate by a substantial majority. The bill has been rewritten by a bipartisan majority of the Committee on Banking and Currency, in the light of present conditions. The leadership in that bipartisan majority was taken by the distinguished Senator from Illinois [Mr. DOUGLAS] and the distinguished Senator from Maine [Mr. PAYNE].

The reasons that the bill should be supported by the Senate, as its similar predecessor was supported in 1956, are well summarized in the majority report, and I shall not dwell upon them this afternoon. I will say, however, that the bill meets the campaign pledges of both political parties in the national election of 1956. It implements—and indeed supplements—the Employment Act of 1946. It is in accord with the recommendations of the President, as set forth in his 1956 Economic Report in which he said:

> The fate of distressed communities is a matter of national as well as local concern.
>
> Again—
>
> Although these programs—
>
> Referring to some preceding action—
>
> have proved helpful, experience demonstrates that bolder measures are needed. To this end a new area assistance program is recommended for aiding communities that have experienced persistent and substantial unemployment.

A similar, briefer recommendation was made by the President earlier this year.

I should like to spend a few minutes in commenting on the minority views with respect to the bill, in the hope that my colleagues when they read the RECORD will have an opportunity to consider the rebuttal to the minority views before the bill is called up for floor action.

It is perhaps needless for me to state the very high regard in which I hold the chairman of the Committee on Banking and Currency and his distinguished colleagues on both sides of the aisle who signed the minority views. They are among our finest Senators, and I honor and respect their views, although I regretfully find myself unable to be in accord with them.

I suggest that the minority views misconceive the purpose of the proposed legislation. Much is made in the minority views of the fact that the area redevelopment bill would benefit only a small proportion of the many Americans who are at present unemployed.

Much is also made in the minority views of the fact that the area redevelopment bill could not become immediately effective, and therefore would not have an immediate impact on the present recession.

Both those comments are true. But it was never thought, either in 1956, when we were on a wave of some prosperity, or today, when we are not, that the bill would relieve temporary unemployment, or, indeed, be primarily an antirecession measure.

This bill is not primarily an antirecession measure. It will have important secondary antirecession effects, but the bill is primarily a bill to help bind up some social and economic wounds which have been bleeding for many long years. If nothing is done to heal those wounds, they will still be bleeding long after the current recession is over.

The bill is directly in accord with the obligations assumed by the Congress of the United States and by the President under the Employment Act of 1946. Congress declared then that it is the continuing policy and responsibility of the Federal Government to use all practical means to promote maximum employment, production, and purchasing power. The purpose of this bill is to do just that, and not merely to make a contribution to the solution of the present recession, important though such an objective is.

The minority views then proceed to comment that the bill is discriminatory because it would be effective only in certain areas of the country where there has been persistent and chronic unemployment, and would not be effective where men and women are out of work but have not been in that unhappy condition for so long a time.

I suggest to my colleagues that this argument is not well founded. If the bill is discriminatory, so is every other law enacted by countless Congresses, reaching back well over 100 years, designed to help distressed segments of our population.

We have just unanimously adopted a resolution which will expedite reclamation projects in areas where not only is there present unemployment, but where the full economic potential of the area—agricultural or industrial, as the case may be—has not been realized and cannot be realized without Federal assistance.

I had occasion to comment, in connection with that resolution, for which

I was happy to vote, that the very arguments which were made in support of it were equally applicable to the area redevelopment bill.

We have often enacted legislation in aid of our cotton farmers, our wheat farmers, our corn farmers, our Dust Bowl victims, our flood victims, and our city slum dwellers. If this bill is discriminatory, so were all the other measures to which I have referred.

I suggest that we are dealing today with a national economy; that there is a national need to take steps to bind up the bleeding wounds of chronic unemployment and economic underdevelopment, wherever they may occur; and that this bill, far from being, as the minority suggests, alien to our American way of life and to our Federal system and Federal policy, as laid down in the Employment Act of 1946, is in the great American tradition. Its objective is to help those communities which most need help, and to restore substantial areas of our economy to economic health.

The minority views then proceed to list a number of areas throughout the country which would be eligible for assistance under the provisions of the bill, and a number of areas which the table indicates would not be eligible for assistance. It may be that the table will be helpful to my colleagues in considering the proposed legislation. However, I suggest that the table may be misleading, because it does not show any area with a labor force under 10,000, and it ignores the 300 rural counties in which there has been persistent underemployment and low family income over a long period of time, and for which the bill makes provisions for assistance.

Next it is said that there is no justification for singling out a special group among the unemployed for special benefits on a purely arbitrary and artificial basis. I suggest that the bill does not single out special groups; nor is the definition under which need is determined by the bill arbitrary.

What the draftsmen of the bill have done is to prescribe standards for an administrator to follow, in determining which areas of chronic industrial unemployment and which areas of chronic agricultural underemployment and low income are most worthy of help.

It is said that the proposed legislation will be of no immediate help even to the relatively few areas which would be eligible for assistance. I said a few moments ago that there is some truth in that contention. However, we are not urging the enactment of the proposed legislation on the ground that it is an antirecession measure. It is a long-term policy to implement the Employment Act of 1946 and to afford help where years of experience have shown State and local resources to be inadequate to meet the need if we are to have a healthy national economy throughout the Nation.

It is said in the minority views that we are proposing to subsidize certain areas in order to bring into them industries in competition with industries in other areas which are not so subsidized. I believe almost every Member of the Senate will agree that ours is an expanding economy, and that the great hope of our free enterprise system is that, as invention proceeds, industries will spring up where none exist today. We need only to think in terms of the electronics industry, which has come so far since World War II, to understand that truth.

The result of this bill will be to help create in depressed areas industries which an expanding economy is making possible, so that all can share, without taking away from the more prosperous areas industries which those areas already have or which, because of their prosperous condition, they can acquire. That is particularly significant because the depressed areas have gone long without help, and it is to them that we need to address ourselves. The more prosperous areas are quite able to take care of themselves.

It is said in the minority views that there is no justification for taking 300 counties of low income and treating them as the only areas in which rural assistance should be given. I suggest that the minority is again operating under a misconception, and that a careful reading of the bill will disclose that while the 300 counties, representing 10 percent of the total of 3,000 counties in the country, constitute a ceiling under which the administrator must operate, there is no attempt made to tie the hands of the administrator. From among the 300 counties he is permitted to choose areas within a particular county, areas which overlap a particular county, and areas which consist of 2 or 3 or even more counties where assistance can be rendered.

Therefore I submit that that particular comment in the minority views is not entirely accurate.

It is said that the bill will open the way to political influence and that there is no limitation on the amount of funds which any one State may get. It is said that there are no applicable standards which the administrator can utilize in determining where he should give help and where he should not. Mr. President, I suggest that a careful reading of the bill will show that that criticism also is unjustified. In point of fact there is quite a similarity between the bill and the various acts in support of small business which have been passed from time to time by Congress. The method of administering the proposed act is quite similar to that provided in the law creating the Small Business Administration. I suggest that the Small Business Administrator has not been subjected to political demands to make a loan here or to refuse one there. That is because there have been prescribed standards which he must follow. In this bill that is so, too.

First, under the strict standards set forth in the bill, a determination must be made that a particular area, be it industrial or rural, is depressed. There must be a local plan. Local community leaders must come forward and ask for assistance from the Federal Government. They must provide a fair share of local capital before the plan can be approved. Safeguards are incorporated in the bill, just as in the Small Business Act, to determine which projects should be supported and which should not.

I suggest that there is no basis for the criticism that the bill would create any greater political difficulties or political favoritism than a half dozen other acts providing assistance to different areas of our economy which are presently being appropriately administered.

The minority views suggest that the Housing and Home Finance Agency is not the appropriate agency to administer the bill. I see on the floor the Senator from Maine [Mr. PAYNE], who is the one who suggested that the HHFA is the appropriate agency. I, for my own part, was ready and happy to agree with him. Because of its experience with the Community Facilities Act, with the urban renewal program, and with the public-housing program, there is no agency in the country better fitted than the HHFA to administer the Area Redevelopment Act, which does, indeed, contain a substantial section which deals with urban renewal.

Mr. President, it cannot be successfully contended that the Department of Commerce would be able properly to guide this agency, particularly in view of the philosophy of the present administration of the Department of Commerce. I have been glad to note that by no means all of my good friends across the aisle have felt that the Department of Commerce would be the appropriate agency to administer the proposed act. Similarly, the Department of Agriculture would not, in my judgment, be the proper agency to administer the rural side of this particular program, since the purpose, so far as rural counties are concerned, is to bring industry into those areas. In order to bring industry into such areas, it is necessary to have an agency which has some competence in the fields of urban affairs, of urban redevelopment and of community facilities. That agency, I submit, is, appropriately, HHFA.

It is said that the bill overlaps the community facilities bill which was recently passed by the Senate. I cannot take that comment or criticism very seriously, since the community facilities bill does nothing more than make low-interest loans available to localities and States for the building of city halls and waterworks and sewers and perhaps public schools, where those units of government are unable to borrow adequately in the private market.

The purpose of the bill is to bring private industry, with the aid of local capital, into industrially depressed and agriculturally depressed areas. It is also the purpose of the bill to make certain that such things as industrial water supply, industrial land, and industrial parks, roads, and highways can be built in advance of the bringing in of industry, in order to create the kind of atmosphere or environment which is needed to entice new industry into areas of substantially surplus unemployment or of low farm income.

Finally, the minority views state that the proposed legislation does not take proper cognizance of the efforts on the State and local levels to solve the problem of area redevelopment. It has been my good fortune to sit through the hearings of the Subcommittee on Production and Stabilization of the Committee on Banking and Currency. Even though I am not a member of that subcommittee, I sat through the hearings because the matter is of intense interest in my own State. The subcommittee took testimony throughout the 1st session of the 85th Congress. More testimony has been taken during this session of Congress. The record is here for all to read. I think anyone who will read the hearings with care—and I am sure my colleagues will do so—will come to the conclusion which I have reached, namely, that while State and local redevelopment corporations have made a substantial contribution to the diminution of unemployment in their areas, they do not have the resources, nor are the resources available anywhere except the Federal Government, to do the adequate job which is needed to provide a shot in the arm to the depressed industrial and agricultural areas so as to get them back on the road to full prosperity.

It has been my good fortune, also, to be the chairman of the Subcommittee on Small Business of the Committee on Banking and Currency. We are at present concluding hearings which were begun last spring and resumed 2 weeks ago, relating to the various problems of small business: whether there should be a capital bank, and whether the Small Business Administration should be continued, and the extent to which small business can be helped at the State and local levels. Scores of witnesses have come before the subcommittee. Many of them testified to the fine work being done by State and local development corporations. One of the best of these organizations is in the great State of Maine, where a substantial group of citizens has gathered together to bring help to small business in Maine, and to cause new business to locate in that great State.

Yet, I venture that my colleague across the aisle will agree with me when I say that that organization is fundamentally anemic. It is short of blood. It is short of capital. It is short of all the background and financial sponsorship which is really needed to put this kind of show on the road.

So I hope my colleagues will ponder seriously and long the desirability of having the bill passed at an early date; that they will give careful consideration to the report by the majority which, I believe, summarizes far more tersely than I have been able to do on the floor this afternoon the reasons for supporting the proposed legislation; and that before they become convinced by the minority views, written and signed by so many of our distinguished colleagues, they will do me the honor to consider my rebuttal.

Mr. PAYNE. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to the Senator from Maine.

Mr. PAYNE. Mr. President, the Senator from Pennsylvania, who has served with me on the Committee on Banking and Currency, has made, in my opinion, one of the most constructive statements in connection with the proposed legislation, which I hope will very shortly be considered by the Senate. His comments concerning the minority views very well spell out the deficiencies which also are in my mind in connection with the statement in those views.

It is my hope, as I know it is also the hope of the Senator from Pennsylvania, that Senators will weigh these matters very carefully when the bill is under consideration, realizing that every point which the Senator from Pennsylvania has set forth in his clear statement, which is very constructive, is true and is backed by evidence; that the bill is not an antirecession measure, but deals with long depressed areas, whose condition has been brought about by circumstances far beyond their control.

This is a means by which we can make a constructive effort toward rehabilitating such areas by providing the strength to which they are entitled, just as we have provided strength to nations outside the borders of the United States, and have helped them to get on their feet by the expenditure of far more money from the Treasury of the United States than the amount the proposed legislation modestly seeks.

The Senator from Pennsylvania has made a very real and constructive contribution by his remarks. I wholeheartedly concur in them.

Mr. CLARK. I thank my friend, the distinguished Senator from Maine, for his kind words and most helpful support. I yield the floor.

Mr. PASTORE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

STUDY OF TEXTILE INDUSTRY

The Senate resumed the consideration of the resolution (S. Res. 287) authorizing a study of the textile industry of the United States, which had been reported from the Committee on Interstate and Foreign Commerce with an amendment, and subsequently had been reported from the Committee on Rules and Administration with an additional amendment.

The PRESIDING OFFICER. The clerk will state the amendment of the Committee on Interstate and Foreign Commerce.

The LEGISLATIVE CLERK. On page 3, in line 2, after the word "exceed", it is proposed to insert "$25,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the amendment of the Committee on Rules and Administration.

The LEGISLATIVE CLERK. On page 2, in line 16, before the word "consent" it is proposed to insert "prior."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PASTORE. Mr. President, Senate Resolution 287 authorizes the Committee on Interstate and Foreign Commerce, or any duly authorized subcommittee thereof, to conduct a full and complete study of all factors affecting commerce and production in the textile industry of the United States, including, but not limited to, (a) the extent, nature, and causes of the decline in interstate and foreign commerce in textile mill products; (b) the decline in employment in the textile industry; (c) the effects of policies and programs of the Federal Government on the industry; and (d) the impact of commercial policies of other nations on the industry.

The resolution provides also for the expenditure of an amount not to exceed $25,000, to be paid out of the contingent fund of the Senate.

The resolution was approved unanimously by the Committee on Interstate and Foreign Commerce; and I know of no objection by the Committee on Rules and Administration to section 4 of the resolution.

I think the resolution itself can best be explained by a letter which was written by the chairman of the Committee on Interstate and Foreign Commerce, the distinguished Senator from Washington [Mr. MAGNUSON], to the chairman of the Committee on Rules and Administration, the distinguished Senator from Missouri [Mr. HENNINGS]. The letter very comprehensively and succinctly illustrates and explains the purpose of the resolution. As I understand, there has not been a comprehensive investigation of the decline in the textile industry. I think it is quite appropriate that such an investigation be undertaken now, and the Committee on Interstate and Foreign Commerce will conduct it, if the resolution shall be agreed to.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the letter which the Senator from Missouri [Mr. HENNINGS], the chairman of the Committee on Rules and Administration, received from the Senator from Washington [Mr. MAGNUSON], the chairman of the Committee on Interstate and Foreign Commerce. The letter is in support of Senate Resolution 287.

There being no objection, the letter was order to be printed in the RECORD, as follows:

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
April 21, 1958.

Hon. THOMAS C. HENNINGS,
Chairman, Committee on Rules and Administration, United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: Senate Resolution 287, now before your committee for consideration and action, would authorize the Committee on Interstate and Foreign Commerce to

spend not more than $25,000 between the date on which the resolution is agreed to and January 31, 1959, upon a study of all factors affecting commerce and production in the textile industry of the United States.

Pursuant to section 102 (j) of the Legislative Reorganization Act, the Committee on Interstate and Foreign Commerce has general jurisdiction over interstate and foreign commerce. It is a recognized fact that the entire domestic textile industry has been in a depressed and declining condition for several years. Many factors have been advanced as the causes of the decline, but there has never been an exhaustive and definitive study to clearly establish the nature of the industry problems in order to form a basis for corrective action.

Inasmuch as the textile industry is clearly involved in both interstate and foreign commerce, the Senate Interstate and Foreign Commerce Committee believes that it has the prime responsibility for ascertaining the nature of the industry's problems. The committee recognizes that in conducting its investigation, and in any legislative recommendations it may make, it must limit itself to the area of its own jurisdiction, but at the same time believes that it is important to consider the textile problem as a whole. A comprehensive report will undoubtedly be of great value to all committees of the Congress, the executive branch of the Government, and the industry itself.

While no exhaustive study of the textile industry has ever been undertaken, this committee did conduct limited inquiries covering particular problems in 1946 and 1948. The reports developed by these studies have proved of tremendous value and indicate that the investigation now contemplated will have extremely significant and beneficial results.

The committee intends to analyze in detail all aspects of the textile industry including, but not limited to, the effects of Federal programs, foreign competition, changing market standards and demands, impact of synthetic materials, transportation facilities, and condition of machinery. It is expected that the study will attempt to determine such matters as to what extent Federal programs and policies have been harmful to the industry, whether the adverse effects of such programs, if any, can be corrected, and the extent to which trade policies of other nations have contributed to the domestic textile decline, including consideration of means to increase the flow of American textiles in foreign commerce.

In view of the nature and importance of the textile problem, the committee believes that this request is very modest. In view of the pressing urgency of the very critical condition of the domestic textile industry it is hoped that your committee will be able to act promptly on the resolution.

Attached is a proposed budget for the investigation.

Sincerely yours,

WARREN G. MAGNUSON,
Chairman.

Mr. PASTORE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement made by Mr. Halbert M. Jones, of Laurinburg, N. C., the president of the American Cotton Manufacturers Institute.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY MR. HALBERT M. JONES, OF LAURINBURG, N. C., PRESIDENT OF THE AMERICAN COTTON MANUFACTURERS INSTITUTE

Our association pledges its full cooperation to the Senate Commerce Committee which will undertake an investigation of the ills of the textile industry.

It is our belief that the textile industry operates under conditions which are closely related to and affected by Government actions.

Therefore, it is our hope this inquiry will examine closely those problems besetting the industry as a result of specific Government policies.

For example, we hope considerable attention will be paid to the Government's cotton policy and its impact on the consumption of raw cotton and textiles.

Also, we are hopeful the inquiry will include an examination of our national world trade and foreign-aid policies and the effect these have on domestic and foreign markets for textiles produced in this country by American citizens.

We welcome the Senate's interest and concern in our industry and the opportunity provided not only to examine our problems but also to explore avenues which would enable our industry to make its maximum contribution to a prosperous national economy.

Mr. PASTORE. Mr. President, on Saturday, April 19, 1958, an editorial entitled "Congress Should Study the Textile Industry," was published in the Providence Journal, of Providence, R. I. I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONGRESS SHOULD STUDY THE TEXTILE INDUSTRY

A resolution by the Senate Interstate and Foreign Commerce Committee, authorizing it to make a complete and searching investigation of the causes of the decline in the textile industry, should be given prompt approval by the Senate. The resolution calls for a report of committee findings and recommendations by the end of January next year. Our own Senator JOHN O. PASTORE is acting chairman of the committee. The resolution was presented by another New England Senator, NORRIS COTTON, of New Hampshire. Naturally, it has the strong support of other New England Members of Congress.

It is high time that a thorough survey of the character outlined by the committee should be made by Congress. The scope of the investigation suggests that, when and if it is completed, the Government will have sufficient authoritative information on which to base a practical policy of relief for this troubled industry in which New England still has such a vital interest.

The rising tide of competitive textile imports has received serious consideration by the committee. The text of the resolution clearly indicates the factors which committee members believe are abetting this growing competition. Senator COTTON is convinced that tariff concessions, development of foreign textile industries with benefit of our foreign aid program, and the export subsidy which is used to move United States raw cotton surplus into overseas markets are contributing to the economic ills from which the textile industry now suffers.

Senator PASTORE wants these matters carefully studied. He also expects the committee to examine such other relevant matters as mergers, transportation, technology, and synthetics. He suggests, too, that consideration ought to be given to the trade and commercial policies of foreign nations which are also responsible for the increasing inflow of textiles from abroad.

The committee is not seeking to discredit either the reciprocal trade program or the foreign aid program. As a matter of fact, most of the sponsors of the resolution are on record as supporters of these programs. But they are gravely concerned about the consequences of the operation of these programs in the textile industry. If authorized by the Senate, the committee will seek to pinpoint their effect on the industry.

A particular virtue of the authorization asked by the Cotton resolution is the directive specifying that the committee must take recommendations for action. What those recommendations might be naturally will depend on what the investigation reveals. But Senator PASTORE has indicated some remedies that may finally be desirable to the committee.

His list includes Government loans, accelerated tax writeoffs as incentive for the industry to modernize its plants and equipment, careful channeling of Government orders to domestic plants that need them, and possible stimulation of textile exports through new national policies and new negotiations with foreign nations under the Trade Agreements Act.

The present condition of the textile industry is sufficient reason for the Senate to act favorably and promptly so that the committee can get to work. Its task is of direct deep concern to our textile industry. But the beneficial effect of committee recommendations on all industry in the New England area might be substantial.

Mr. SALTONSTALL. Mr. President——

Mr. PASTORE. I yield to the distinguished Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, as a cosponsor of Senate Resolution 287, I should like to add a few brief words in its support.

I think all of us realize that the textile industry is one of the largest and most vital segments of American industry. All of us also realize that for some years the textile industry has been in an unhealthy condition. Those of us from States in which textile-manufacturing firms are located have been working in many ways to help the industry. Some of the efforts have been successful, and some have not. Despite the successes we have had, the industry has in general continued to decline.

The junior Senator from New Hampshire [Mr. COTTON] and the junior Senator from Rhode Island [Mr. PASTORE] have performed a real service to the textile industry and to all of us who are anxious to see it prosper, by submitting this resolution, which calls for a full and complete study of the factors which affect the industry. Because I know of the careful and competent work done by our Committee on Interstate and Foreign Commerce, the most recent example of which is its investigation and report on the problems of the railroads—and I look forward with interest to studying that report—I am confident that in the present instance the committee will bring forth a report which will be invaluable as a basis on which to develop a program which will set the textile industry on the road to recovery.

In this connection, I urge the committee to move with all practicable dispatch to consider Senate bill 3592, which I introduced on behalf of myself and my colleague [Mr. KENNEDY], to establish a program of applied research and technical liaison to assist the woolen and worsted fabric manufacturing industry.

The woolen manufacturing companies within the textile industry have been especially distressed; and the program called for in Senate bill 3592 would be of immediate and significant assistance.

Senate bill 3592 provides that the Department of Commerce shall, first, initiate and support economic, applied scientific and technical research relating to the manufacture, utilization, and marketing of woolen and worsted fabrics; and, second, collect and foster and facilitate the dissemination and interchange of economic, scientific, and technical information relating to the manufacture, utilization, and marketing of woolen and worsted fabrics to and among all domestic manufacturers thereof.

The bill has been written in an effort to help the industry to help itself. In the face of heavy, low-cost, foreign imports, our domestic industry has had to struggle to keep its plants operating and has therefore been unable to engage in programs of applied research. Such programs could lead to production diversification, greater manufacturing flexibility, improved distribution and marketing practices. This research could equip the industry better to compete against the low-cost products of its foreign competitors.

I believe the resolution will, when agreed to, be extremely helpful, because the study for which it calls will show why the textile industry is depressed. Then it will be possible to consider what we can properly do to assist the industry as a whole.

I thank the Senator from Rhode Island [Mr. PASTORE] and the Senator from New Hampshire [Mr. COTTON] for submitting the resolution, and also for yielding to me.

Mr. THURMOND. Mr. President, will the Senator from Rhode Island yield to me?

Mr. PASTORE. I yield.

Mr. THURMOND. Mr. President, as a cosponsor of Senate Resolution 287, along with the distinguished Senator from New Hampshire [Mr. COTTON], the distinguished Senator from Rhode Island [Mr. PASTORE], and other Senators, I rise to speak in support of the resolution.

During the present session, Congress has been greatly concerned with the general economic recession. We are all well aware of the hardships it has caused.

Perhaps this situation may help us to have a better appreciation of the problems of the American textile industry. Like all business, the textile industry is adversely affected by the recession. However, to the textile industry, the recession is just one more episode in a period of business depression that has extended through the post-World War II period.

It is a long-term slump, with no end in sight.

Mr. President, we have seen employment in the textile industry decline by 345,000 jobs since World War II. We have seen 717 mills close their doors. In a 10-year period, the number of spindles in place in American cotton mills declined by 2,375,000. In 1957, employment in the textile industry was down by 6.2 percent from 1956, compared with 3.6 percent in other industry.

Last year, the earnings of American industry as a whole, expressed as a percentage of total sales, were 4.8 percent. Earnings in the textile industry were 1.9 percent of sales.

We have experienced a decline in the export of textile products, while textile imports have increased—by 1,000 percent, since 1947, in the case of cotton textiles; by 800 percent in the case of wool.

The textile industry has suffered from a Government policy which has encouraged the developmentof strong textile industries overseas. We have encouraged foreign producers to expand their output and to compete with the domestic textile industry.

These imports obviously represent a serious situation for the domestic textile industry. However, the fact that we are increasing our imports and reducing our exports does not tell the whole story, by any means. We are subsidizing the purchase by foreign governments of foreign textile products. Last year, with financing arranged through our foreign-aid program, foreign governments made textile purchases amounting to $95 million, of which only $7 million was spent for American textile products. The American textile industry is being taxed to help subsidize its competitors.

This situation is a matter of vital concern to the people of my State. Approximately 75 percent of all industrial jobs and 80 percent of industrial payrolls in South Carolina are in the textile and apparel industries. Since 1951, in South Carolina alone, textile employment has declined by more than 12,000 jobs—from 139,800 in February 1951 to 127,400 in March 1958. From March 1957, when South Carolina cotton mills consumed 203,058 bales of cotton, consumption fell to 193,253 bales in March 1958.

The reduction in the rate of cotton consumption intensifies the problem of the farmer. The loss of employment in the textile industry has its effect on every kind of business serving South Carolina consumers.

It has been brought home to us, in South Carolina, that a decline in the textile industry has a depressing effect on business of all kinds.

In my opinion, we cannot expect the American textile industry to regain its health unless we make some alterations in our foreign-trade and foreign-aid programs.

At the same time, I fully realize that other complex problems are besetting this vital industry. The problems of the textile industry overlap many other national problems. We must be concerned with the relationship of the textile mill to the American farmer. We must be concerned, too, with problems of labor and transportation, and with the status of research and development work being conducted on natural and synthetic fibers for which new uses are being found for their textile products. We must take a comprehensive look at the whole picture.

No doubt there are a number of specific ways in which Congress could give some relief to the textile industry. The committee should give careful consideration to the proposed enactment of legislative import quotas, and to proposed legislation to remove the power of the President to overrule the Tariff Commission.

We cannot expect that any single piece of legislation will work miracles in an industry which is so seriously depressed. We must develop a comprehensive program based on a thorough analysis of all of the causes of the decline of the American textile industry.

We need not direct our efforts at finding scapegoats. It should not be necessary to level accusations, for political purposes, at any political party or at any group of individuals within a political party.

Our purpose must be to look at the past only as prolog to the future. In our outlook, we must be completely constructive and objective.

Mr. President, as a member of the Interstate and Foreign Commerce Committee, I am confident that the members of the committee are unanimous in wishing to conduct a thoroughly constructive study, one that will produce a basis for legislation that will be of important and permanent benefit to the textile industry.

If this is done, we shall have made a large contribution to the welfare of the entire American economy.

Mr. President, it will be a pleasure for me to cooperate in every way I can with the subcommittee, under the fine leadership of the distinguished and able Senator from Rhode Island [Mr. PASTORE].

Mr. COTTON. Mr. President, I simply wish to say that, as the author of Senate Resolution 287, I made some general comments regarding the purpose of the resolution on April 14, the day it was submitted to the Senate.

I should like to express my own appreciation for the cooperation and work that has been done on the resolution first by members of the Interstate and Foreign Commerce Committee, whose States were particularly interested in textile problems, namely, the distinguished Senator from Rhode Island [Mr. PASTORE], the distinguished Senator from South Carolina [Mr. THURMOND], the distinguished Senator from Connecticut [Mr. PURTELL], and the distinguished Senator from Maine [Mr. PAYNE]. I should also like to say that other sponsors of the resolution were most helpful, as were many others interested in this matter. I deeply appreciate their cooperation.

If it is proper to say so, I should like to say I am sure the distinguished chairman of the Committee on Interstate and Foreign Commerce, the able Senator from Washington [Mr. MAGNUSON], needs no advice from a junior member of the committee, but if he decides to do what I hope he will do, name the ranking majority member of the committee, the Senator from Rhode Island [Mr. PASTORE], to head the investigation and act as chairman of the special committee, I for one will be greatly gratified and encouraged. I know that under his leadership we would have, not simply a

gesture, but a real, conscientious attack on the problem.

As a representative of the people of a State that has suffered greatly in the textile field, I shall be deeply interested in the progress of the investigation.

Mr. PASTORE. Mr. President, I move the adoption of the resolution.

The PRESIDING OFFICER (Mr. CLARK in the chair). The question is on agreeing to Senate Resolution 287, as amended.

The resolution (S. Res. 287) was agreed to, as follows:

Resolved, That the Committee on Interstate and Foreign Commerce, or any duly authorized subcommittee thereof, is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, to conduct a full and complete study of all factors affecting commerce and production in the textile industry of the United States, including but not limited to (a) the extent, nature, and causes of the decline in interstate and foreign commerce in textile mill products; (b) the decline in employment in the textile industry; (c) the effects of policies and programs of the Federal Government on the industry; and (d) the impact of commercial policies of other nations on the industry.

SEC. 2. For the purposes of this resolution, the committee, from the date on which this resolution is agreed to until January 31, 1959, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1959.

SEC. 4. Expenses of the committee under this resolution, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. PURTELL. Mr. President, as a cosponsor of Senate Resolution 287, I am, of course, pleased to know that the resolution has been unanimously agreed to today, and that the Senate has now authorized the committee to conduct a full and complete study of all factors affecting commerce and production in the textile industry of the United States.

I wish to express my pleasure and appreciation to the distinguished Senator from New Hampshire [Mr. COTTON] and the distinguished Senator from Rhode Island [Mr. PASTORE] for their efforts in seeing that this proposal was given timely consideration.

Not only is the textile industry a sick industry today, but so are the many small communities which depend upon textile activity. I can think of nothing in our whole economic picture which requires a better and fuller understanding or is more in need of investigation than the textile industry.

It is reassuring to know that we can tell our people back home in the textile areas that at least a full and complete picture will be shown of the textile industry, and the illnesses from which it is suffering, and I hope we may be able to enact legislation which will permit the industry once again to become a thriving segment of the Nation's economy.

Mr. PAYNE. Mr. President, I shall take but a few moments to express my gratification over the action taken by the Senate in unanimously agreeing to the resolution, which was submitted by my distinguished colleague, the junior Senator from New Hampshire [Mr. COTTON]. I happen to be one of the cosponsors. The reason why I shall not speak at length now is that several weeks ago I took ample time on the occasion when I spoke for about 2½ hours concerning the difficulties affecting the textile industry. Those difficulties have been pretty well documented.

However, I want to say my distinguished colleague, the Senator from New Hampshire, followed through on a very important phase of this activity in having the resolution agreed to.

I wish likewise to pay tribute at this time to my colleague, the Senator from Rhode Island [Mr. PASTORE], for he and I not only serve together in this body, and serve together on the Committee on Interstate and Foreign Commerce, where I have enjoyed working with him, but he and I also happen to be from an area of the country in which the textile industry has been particularly hard hit; and we also served as fellow governors of neighboring States when the problems of the industry were under discussion and consideration.

I join in the hope expressed by the junior Senator from New Hampshire [Mr. COTTON] that the Senator from Rhode Island [Mr. PASTORE] will be appointed chairman of the particular committee, because he has an intimate knowledge of the industry itself, and of the problems his State faces as well as the problems my State faces in this field. The committee certainly would get off to a proper start under the able, competent, and intelligent direction of one who really understands the problem and will work to try to come up with the answers.

Let me congratulate the Senator on the leadership he has displayed today in getting the resolution agreed to by the Senate. I hope we shall proceed with the work at hand, and perhaps come up with some of the answers which will provide help to the many thousands of people throughout the country who are affected by the decline of the textile industry.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

Mr. PASTORE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1459, H. R. 4640, so that it may become the unfinished business.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 4640) to amend the Civil Service Retirement Act with respect to payments from voluntary contributions accounts.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island.

Mr. KNOWLAND. Mr. President——

The PRESIDING OFFICER. The Senator from California.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

Anderson	Frear	McClellan
Barrett	Green	McNamara
Beall	Hayden	Morton
Bricker	Hennings	Pastore
Carlson	Hoblitzell	Payne
Church	Johnson, Tex.	Proxmire
Clark	Johnston, S. C.	Revercomb
Cooper	Kefauver	Stennis
Cotton	Kennedy	Talmadge
Curtis	Kerr	Wiley
Dirksen	Knowland	Williams
Dworshak	Kuchel	Young
Ervin	Lausche	
Flanders	Martin, Pa.	

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mr. MORSE], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

The Senator from Louisiana [Mr. ELLENDER] is absent because of a death in the family.

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senators from New York [Mr. IVES and Mr. JAVITS], and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The Senator from Indiana [Mr. JENNER] is necessarily absent.

The PRESIDING OFFICER (Mr. KERR in the chair). A quorum is not present.

Mr. JOHNSON of Texas. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. AIKEN, Mr. ALLOTT, Mr. BENNETT, Mr. BIBLE, Mr. BRIDGES, Mr. BUSH, Mr. BYRD, Mr. CARROLL, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. DOUGLAS, Mr. EASTLAND, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. HICKENLOOPER, Mr. HOLLAND, Mr. HRUSKA, Mr. HUMPHREY, Mr. JACKSON, Mr. JORDAN, Mr. LANGER, Mr. MALONE, Mr. MANSFIELD, Mr. MARTIN of Iowa, Mr. MONRONEY, Mr. MUNDT, Mr. MURRAY, Mr. NEUBERGER, Mr. O'MAHONEY, Mr. POTTER, Mr. PURTELL, Mr. ROBERTSON, Mr. RUSSELL, Mr. SALTONSTALL, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. SMITH of New Jersey, Mr. SYMINGTON, Mr. THURMOND, Mr. THYE, Mr. WATKINS, and Mr. YARBOROUGH entered the Chamber and answered to their names.

The PRESIDING OFFICER (Mr. KERR in the chair). A quorum is present. The question is on agreeing to the motion of the Senator from Rhode Island that the Senate proceed to the consideration of H. R. 4640.

Mr. JOHNSON of Texas. Mr. President, I have talked with the distinguished chairman of the committee who reported H. R. 4640, and with some members of the minority, both on and off that committee. I am informed that there is a considerable divergence of view with regard to the merits of the bill, and that the minority, at least, feels it should not be acted upon at this time.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I shall be happy to yield when I have finished my statement. In view of the importance of the proposed legislation, and in order to avoid taking the time of the Senate on a matter on which I would hope the members of the committee could be reconciled, I do not believe it to be in the interest of the Senate to proceed further with the consideration of the bill at this time.

Before the measure was called up, I had expressed the view that it would not be considered if it were opposed actively by the minority. Therefore, I do not propose to ask the Senate to proceed to the consideration of the bill. I shall shortly make a motion to take up another bill, but first I shall yield to the Senator from Delaware and to any other Senator who wishes to speak on the matter.

Mr. WILLIAMS. Mr. President, notice was given that this bill would be taken up in the Senate. I see no reason why it should not be taken up and disposed of. I do not believe it would take very long to dispose of it. The Senator from Kansas [Mr. CARLSON], the ranking minority member of the Committee on Post Office and Civil Service, is on the floor, and I understand that he has no objection to taking it up and debating it on its merits. Let us dispose of the bill. Why should it be left on the calendar? We have been here for 2 days expecting to take action on the bill. It seems to me it would be much better procedure to take up the bill now and dispose of it since we have been expecting for 2 days to act on it. The Senator from Kansas is on the floor, and I see no reason why we should not take it up and act on it in one way or another.

Mr. JOHNSON of Texas. I am glad to have the Senator's point of view. I would be glad to yield to the Senator from Kansas if he desires to express his view.

Mr. CARLSON. As I said before, I do not propose to oppose the bill, but I do believe that some changes should be made in it, and I also believe that the bill should have some study. If it is possible to amend the bill on the floor, that is agreeable with me. I would have no objection to proceeding with the consideration of the bill if the Senator from Delaware desires that the Senate do so. I would not oppose proceeding with the consideration of the bill, but I do believe that some amendments should be added to it.

Mr. JOHNSON of Texas. I understood the Senator from Kansas to say he feels it would not be the better part of wisdom for the Senate to consider the bill at the present time.

Mr. CARLSON. I would say to the distinguished Senator from Texas that it is poor policy to write legislation on the floor of the Senate. In my opinion, the bill should be amended in certain respects.

Mr. JOHNSON of Texas. I spoke to the Senator from Delaware about the bill yesterday, and I told him I had no desire to bring up the bill merely for the purpose of passing it or defeating it, if it is a controversial bill, and if it has not received the study that many Senators feel it should receive. I asked him whether he would insist on yea and nay votes in connection with it, but I did not get any assurance from him. I did feel, since the Senator from Kansas was prepared to take up the bill, and was prepared to proceed with its consideration, we could go ahead and act on it. It is now late in the afternoon. I was informed by the Senator from Kansas that he did not think we should proceed with the bill, and I have no desire to proceed with it. I hope to be able to talk with the chairman of the committee and the ranking minority member of the committee to determine whether the bill should receive further study.

If it is their desire that it go over, I shall not take it up again without ample advance notice. I postponed it yesterday to enable the Senator from Kansas to be present when we took it up, as I did not wish to begin debate until I was assured that the Republican minority was ready.

I do not have a position on the proposed legislation one way or another. I was involved in a hearing, and I expressed the hope that the bill would be taken up, if the Senator from Kansas did not object and if the Senator from Delaware did not object. I do not believe we will gain anything by fighting over a bill on which opinion is so varied.

I am prepared to ask the chairman, if I am given the opportunity, to have the bill go back to his committee for further study. I would propose that we not ask Members to come to the floor to answer roll calls at this late hour on a bill we do not insist must be considered.

Mr. WILLIAMS. I should like to say to the Senator from Texas that I did not know it was the policy of the Senate that we would take up for consideration only those bills upon which the majority leader had polled the Members and had gotten approval to proceed with the consideration. If so, that is a new procedure. When I was asked about it, I did not know that I was being polled for an opinion.

I might say that we are not too far in disagreement on the bill. If it were taken up, I would make a motion that it be recommitted to the committee, where it should have been kept in the first place until the committee had fully studied it. If the Senator from Texas has been advised by the chairman of the committee that the committee has not done its homework, and that they are willing to admit that they do not know what is in the bill, and are afraid to bring it up on its merits, let them say so. It is something that we should know if the committee is reporting proposed legislation with which they are not familiar and if they do not know what is contained in a bill they report. Certainly the Senate should know of such irresponsible procedure if it exists. Let us go ahead and debate the bill on its merits. I do not believe that we should merely sit back and say that just because someone may be for or against it we will not debate the bill. Congress and its employees have a right to know whether there is objection to the bill and upon what the objection is based.

I am ready to discuss the bill, and it will take very few minutes to explain my position and my opinion on it. I am confident that in a few minutes I could convince the Senate that this is bad legislation and should be defeated. I think the chairman and the majority leader know this and perhaps that accounts for the sudden change in procedure.

We have a right to hear from the chairman of the committee what he thinks is in the bill. If he does not know what is in the bill or what good it will do, I think he has been negligent as the chairman of the committee. I think that should be brought out. Then if the Senate believes, as I already do, that the committee has not given proper study to the bill and does not know what is in it—if they do not, I think they should not have reported the bill—the Senate can vote on my motion to send the bill back to committee. Frankly, I think that the sponsors of this legislation know what is in the bill but they have suddenly discovered that some of the rest of us also know.

Mr. JOHNSON of Texas. The Senator from Delaware is entitled to express his opinion, as is any other Member of the Senate or member of the committee. I do not necessarily share the Senator's opinion concerning the action of the committee.

When I was informed yesterday that it was extremely important that the ranking minority member of the committee be present before the bill was taken up, and that he wanted to be here, I consented to wait until he came. When I was informed that he was here and was ready to take up the bill, I had reason to believe, and so believed, that the Senate could act on the bill without much controversy. I thought the various viewpoints could be expressed, and the Senate could then decide between the conflicting positions.

When I came to the Chamber to respond to the quorum call, the Senator from Kansas [Mr. CARLSON] came to me and expressed his opinion that it would be unwise to act upon the bill as it is pending in the Senate. I said to the chairman of the committee today what I said to him yesterday. I have great confidence not only in him, but also in the ranking minority member of the committee, with whom I have served for many years in the House and Senate. I

said I did not propose to bring up at this hour a bill of this type about which there is great controversy, unless I had an opportunity to see if the different viewpoints could be reconciled.

Mr. President, I withdraw my motion to consider the bill, and I move that the Senate proceed to the consideration of Calendar No. 1543, Senate bill 3051.

The PRESIDING OFFICER. The bill will be reported by title for the information of the Senate.

Mr. WILLIAMS. Mr. President, may I ask the Senator from Texas if he has any intention of bringing up the bill at a later date?

Mr. JOHNSON of Texas. Not until I have given ample notice to every Senator of the minority who may be interested, and not until the chairman and the ranking minority member of the committee have gone over the bill further to see if a solution which will be in the national interest can be reached, and which will meet with the approval of the Senator from Delaware.

Mr. WILLIAMS. It was my understanding, in talking with both the chairman and the ranking minority member of the committee an hour ago that they were very anxious to bring up the bill. The chairman of the committee, especially, less than an hour ago said that he wanted to bring up the bill. So I am somewhat puzzled about what they found in the bill which has caused them suddenly to decide that they do not want to bring it up.

Mr. JOHNSON of Texas. Mr. President, may I have action on my motion?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

Mr. WILLIAMS. Mr. President, I should like to know if the chairman of the Committee on Post Office and Civil Service will give us——

The PRESIDING OFFICER. The clerk has not yet stated the bill by title.

ACQUISITION OF PART OF KLAMATH TRIBAL FOREST

The LEGISLATIVE CLERK. A bill (S. 3051) to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, the bill was reported unanimously by the Committee on Post Office and Civil Service. After it was reported, I sent to the desk and had printed a number of amendments. These amendments were discussed with Senator WILLIAMS. He knows full well what they do.

We are asked why we did not get an estimate of cost. From whom shall we get an estimate? The Civil Service Commission cannot give it to us, because the bill affects only legislative personnel. The Commission has no information upon which to make an estimate. They have told us so repeatedly. In my opinion the retirement system as it affects the employees of Congress is in a far better condition, so far as solvency is concerned, than the other retirement system, for a number of reasons. At the proper time this will be explained fully.

Another consideration is that Congressional personnel, including the Members of the Senate and House and the attachés, do not have any career status. If a Member of Congress loses his seat, his employees lose their positions. If the administration is changed from Democratic to Republican or from Republican to Democratic, one group or another must give up their positions.

Mr. JOHNSON of Texas. If the Senator from South Carolina is willing, I should like to have my motion acted upon.

Mr. JOHNSTON of South Carolina. I am willing to have the bill go back to the committee. I think the amendments I have lying at the desk should be included in the bill. They will clarify the bill. I think every Senator who is a member of the committee will agree that something should be done to correct the present situation. As to just how that should be accomplished, there may be some disagreement.

Mr. JOHNSON of Texas. I ask that the opinion of the Senator from Oklahoma [Mr. MONRONEY] be obtained, that the opinion of the Senator from Kansas [Mr. CARLSON] be obtained, and that the opinion of the Senator from Delaware [Mr. WILLIAMS], who devotes a great deal of work to legislation of this kind, be obtained.

I had stated to the Senators concerned that I preferred that the bill should not be taken up unless and until those Senators had reached agreement. When I came to the Chamber, the Senator from Kansas made it very clear to me that no agreement had been reached. I think it the better part of wisdom to have the Senate proceed to the consideration of another bill. I will attempt to work out with the chairman and the ranking minority member of the committee a plan to insure such consideration as the bill may require.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas.

Mr. WILLIAMS. Mr. President, if the Senator from Texas is now so desirous and willing to have the bill returned to the committee, and I understand the chairman of the Committee on Post Office and Civil Service does also, because they recognize that there are inequities in the bill, why not send it back to the committee? Why not bring up the bill and recognize that it is an imperfect piece of proposed legislation? Then the Senate can vote to send the bill back to the committee, where it belongs.

For the information of the rest of the Senate, I will point out some of the inequities in this bill. For instance, it has always been a principle of retirement, whether it be Government retirement or retirement in private business, that when a person retires he loses a part of his earning power.

The Senator from South Carolina, the chairman of the committee, said that I had approved his amendments to this bill as correcting the inequities. That is not true.

If this bill were passed, some Members of the Senate and House of Representatives could retire and draw retirement benefits substantially higher than their present Congressional salary. If that is what we are going to do, that is an entirely new principle. I should like to hear the Senator from South Carolina defend that principle.

There are employees working on Capitol Hill today who, if the bill were passed——

Mr. JOHNSTON of South Carolina. Mr. President——

Mr. WILLIAMS. I will yield the floor when I have finished. The Senator had the floor in his own right a moment ago. I ask that he wait until I have finished explaining some of these embarrassing points.

There are employees working on Capitol Hill today who, if the bill shall be passed, could retire the day after its enactment and get 25 or 30 percent more than their present salary. Since when should that formula of retirement be established?

For several weeks, we have heard great expressions of pity from the other side of the aisle for the poor workingmen and widows who are handicapped by the high cost of living. The Senate debated for months the wisdom of reducing the age limit for widows under the Social Security from 65 to 62. Finally, after much deliberation, the age limit was reduced to 62.

But what is proposed under the retirement bill before us is to enable Members of Congress and our employees having as little as 20 years of service, 5 of which were on Capitol Hill and 15 years anywhere else in the Government service, to retire at full retirement at the age of 50. That is a great departure from any system which has been provided heretofore.

The chairman of the committee says that they cannot get an estimate of cost from the Civil Service Commission. Certainly, no estimate can be obtained if you do not ask for it. An estimate cannot be obtained if it is not requested. The fact is the committee never requested an estimate from the Civil Service Commission; and no hearings were held on the bill.

The committee wrote the kind of bill it wanted, but they apparently did not care about the cost of the bill.

I had no trouble obtaining from the Civil Service Commission an estimate of the cost of the bill if enacted. I asked Mr. Ellsworth, the Chairman of the Civil Service Commission, what the provisions of the bill would cost if the benefits which are proposed to be received by the Members of Congress and the legislative employees were extended to all civil-service employees and on the assumption of increasing for all the employee contribution rate to 7½ percent.

Under the bill the contributions made by all the legislative employees and by the Members of Congress are changed to the 7½ percent rate. If this same formula of benefits were to be extended

to all civil service employees on the same basis as this bill proposes for Members of Congress and Congressional employees the cost to the Federal Government would be—according to the estimate which has been made by the Chairman of the Civil Service Commission—$830 million a year over and above the cost of the present civil service retirement system.

So, Mr. President, that is what the Senate is asked to vote on. The chairman of the committee knows that that is what the Senate is to be asked to vote on, and with this prospective cost exposed he dares not bring the bill up for a vote.

Frankly, I believe they are ashamed of the bill. Certainly they should be ashamed of it.

I should like to see the bill voted on, for I am confident that when it is brought to a vote, the Senate will return the bill to the committee.

Mr. President, I do not believe that any Member of the Senate has the nerve to vote for a bill which has the purpose of requiring his constituents to pay him more money if they vote to retire him from Congress by defeating him in an election, than he would receive if he continued to serve in the Congress. That is ridiculous. Yet under this bill, as reported by the Committee, several Members of Congress would receive retirement pay from the Government in excess of their present salary.

It is said that there is one little "safety catch" in the bill; namely, that one would have to be involuntarily separated from the service. Well, Mr. President, whoever heard of a Member of Congress who was otherwise separated from Congressional service? [Laughter.]

Mr. President, this bill should properly be labeled as a Congressional gravy train; and the intent was to ram the bill through the Senate with little or no explanation. But now that the facts have been exposed, those who favor the bill do not have the guts to ask the Senate to vote on it.

They wish to withdraw quietly from the scene.

Mr. JOHNSON of Texas. Mr. President, the Senator from Delaware knows better than anyone else does that no one has attempted to ram the bill through the Senate. Notice regarding the bill was given several days ago. Consideration of the bill was deferred until the Senator from Kansas [Mr. CARLSON] could come to the floor.

I had understood that the Senator from Kansas was willing to have the bill taken up.

I, myself, know little about either the merits or the demerits of the bill. I have not gone over the details of the report. I have not discussed it with anyone except the Senator from Delaware [Mr. WILLIAMS] and the Senator from Kansas [Mr. CARLSON], aside from a very brief statement which I made to the chairman of the committee.

I know of no opposition to the proposal to have the Senate vote on the bill.

However, in view of the objection which has been made and in view of the request of the chairman of the committee, I have withdrawn the request for consideration of the bill.

I hope the bill will be considered. I hope any defects in the bill will be pointed out by the Senator from Delaware to the committee. If the Senator from Delaware had pointed them out to me, I would have called attention to them. I asked the Senator whether he wished to have a yea-and-nay vote taken on the resolution, but he said he did not know whether he would wish to have a yea-and-nay vote taken on it.

I said to several Members on this side of the aisle that I had served long enough with the Senator from Delaware to believe that he would oppose the bill; and that when the bill was taken up, there would be yea-and-nay votes; and I said that if consideration of the bill would disturb the schedule of the Senate and would require the Senate session to continue late into the evening, I did not think that course of action should be followed.

I also stated that unless the bill could be made acceptable to the Senator from Delaware and the Senator from Kansas, I doubted the wisdom of having the Senate consider the bill. I doubted it then, and I doubt it now.

I believe further consideration of the bill should be postponed until tomorrow. The Senate will take up on tomorrow, I hope, only what we believe to be minor bills.

Mr. WILLIAMS. Mr. President, I appreciate the concern of the Senator from Texas for orderly procedure. I am perfectly willing to agree that the Senate vote on the motion to recommit, under an agreement that debate on each side be limited to 15 minutes. If that is done, it will be possible for the Senate to vote on the motion by 5:30 p. m.. So far as I am concerned, I shall be perfectly willing to agree to such limitation on debate.

Mr. JOHNSON of Texas. Mr. President, I would remind the Senator that the motion now before the Senate is on the question of having the Senate proceed to the consideration of Calendar No. 1543, Senate bill 3051.

Mr. WILLIAMS. But before some of us found out what was provided by House bill 4640, a motion was made to have the Senate proceed to the consideration of that bill, the so-called retirement bill. Why the sudden change?

Mr. JOHNSON of Texas. I attempted to ascertain the position of the Senator from Delaware on the bill. I did so as courteously as I could, and I did so on two or three occasions.

I was not in the Chamber when this situation developed. At that time I was out of the Chamber, presiding over a committee.

If the Senator from Delaware had told me earlier what he has just stated, I would have opposed the motion to have the Senate proceed to the consideration of the bill.

Now I am attempting to get the ranking minority member of the committee and the chairman of the committee together, in the hope that the bill can go back to the committee.

I assure the Senator from Delaware that the bill will not be taken up without ample advance notice to him and to all other Members of the Senate. I should think that would satisfy everyone.

Mr. JOHNSTON of South Carolina. Mr. President, I move that House bill 4640 be recommitted to the Committee on Post Office and Civil Service, for further study.

Mr. JOHNSON of Texas. Mr. President, I hope the Senator from South Carolina will not make that motion now.

The PRESIDING OFFICER (Mr. CHURCH in the chair). The Chair is advised that the Senator who moved that the Senate proceed to the consideration of House bill 4640 has withdrawn his motion.

At this time the question is on agreeing to the motion that the Senate proceed to the consideration of Calendar 1543, Senate bill 3051. That motion is debatable.

Mr. WILLIAMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Delaware will state it.

Mr. WILLIAMS. Would a motion to recommit House bill 4640 to the Committee on Post Office and Civil Service be in order at this time?

The PRESIDING OFFICER. Such a motion would not be in order at this time for the reason that the bill is not before the Senate.

Mr. WILLIAMS. Mr. President, I do not wish to delay the Senate. However, I overlooked placing in the RECORD certain computations which I asked the Civil Service Commission to make, showing how the bill would compare with existing law.

The computation made by the Commission shows how the present benefits compare with those which would be available if House bill 4640 were enacted into law.

The first example is for employees who would be separated from the service at age 50, after 25 years of service—at least 5 of which would be Congressional employment—at an estimated average salary of $10,000. Of course, if the average salary were $5,000, the figures in the computation would be one-half of the ones arrived at on the basis of an average salary of $10,000.

In the case of such an employee with an average salary of $10,000, the computation shows that under existing law he would be able to retire at age 62 with an annual annuity of $4,875, whereas if House bill 4640 were enacted into law, such an employee could retire immediately at age 50 and could draw $6,250 annually.

By the time such an employee reached age 62, he would have drawn $75,000 in cash from the retirement fund, and even then he could, for the rest of his life, from age 62 on still receive $6,250 annually, as compared with $4,875 annually under existing law.

In the second case, the computation shows that the employee would receive, under existing law, $5,125 annually, again payable when he reached age 62. If we assume that today he is age 50, and that he has served for 25 years, with

a minimum of 5 years of legislative service, this employee likewise would, under the provisions of the bill, receive $6,250 a year immediately; and after he retired, he could enter employment in private industry. But he would immediately upon retirement draw $6,250 a year, and would continue to draw it for the rest of his life.

Those examples show what would occur under the proposed Congressional gravy train.

Knowing that some of these glaring examples of benefits were about to be exposed to the Senate perhaps accounts for the sudden lack of enthusiasm on the part of the sponsors of the bill to press the legislation at this time.

Mr. CURTIS. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield to the Senator from Nebraska.

Mr. CURTIS. I may call to the attention of the Senator from Delaware several cases which show how the measure relates to the Members of Congress.

These figures were computed by a Government actuary who, in my opinion, is without equal.

Let us consider a Member of Congress of age 60, with 5 years of Member service and 5 years of service in the executive branch: Under present law, he is eligible to receive an annuity of $4,500 a year, at age 62, whereas, under the provisions of the bill which has been discussed during the last few minutes, he would become eligible for an annuity of $5,625 immediately. The actuarial value of the more liberal annuity provision would be $25,800.

That is computed, according to the 1949 table, the one that is generally used by insurance companies for annuity purposes, at 3 percent interest. That $25,800 increase in actuarial value is given to Members without any increase in contribution.

Another case, a Member of Congress, age 55, who has 15 years of Member service, and 15 years of service in the executive branch: Under present law, he is eligible for an immediate annuity of $13,627, whereas, under the bill, he would be eligible for an annuity of $16,875. The actuarial value of this increased benefit is $50,200.

I am sure there are features in this bill that were not known to anyone and that have not been developed by the exhaustive testimony of actuarial authorities.

Mr. WILLIAMS. I thank the Senator from Nebraska. His statement further supports the position I have taken, that this bill is nothing more than a so-called gravy-train. No hearings were held. No effort was made on the part of any member of the committee to get actuarial costs.

While many things happened with respect to this bill that nobody knew anything about, I have yet to find that it takes anything away from anybody. All the mistakes are against the taxpayers. I will say there is plenty in it for anybody who is mentioned in the bill.

Case No. 3 was that of a man who, with 25 years' service, age 50, same salary, would under existing law be eligible, at age 62, for benefits of $5,125. If the pending bill shall be passed, without waiting until he is 62, if he quits Government service, he goes immediately on the retirement rolls and gets $6,250.

Likewise, the fourth man would be entitled to benefits of $5,375 at the age of 62 but under the committee proposal he could retire at age 50 with a pension of $6,250.

It is stated often that we do not know whether we can afford to increase benefits under the Railroad Retirement Act or under Social Security, but when it comes to Members of Congress or employees on Capital Hill this bill pulls out all stops.

How about extending this to everybody who works for the United States Government? What will the taxpayers say about an additional $830 million extra annual cost?

The Chairman of the Civil Service Commission was not asked by the committee for any testimony on this bill. He did not refuse to furnish them an estimate of cost; he was not asked for any testimony. If he was, I wish the chairman would tell me, because I was told no such request was made.

We are told that if this bill is passed and its benefits are extended to all employees in the United States Government, and at the same time their contributions are raised to 7½ percent, it will cost the American taxpayers $830 million a year over and above what the system now costs.

I say again, it is a gravy-train. If this bill is motioned up at a later date, I serve notice that I intend to make a motion to refer it back to committee.

The extreme liberality of this bill cannot be justified.

Mr. JOHNSON of Texas. Mr. President, I rise to observe, for the benefit of my friend from Delaware, first, if he had made any such statement to me on any of the three occasions when I talked to him, we would not have moved to take the bill up.

Second, I have stood on the floor of the Senate several times and asked that measures be thoroughly considered before they are voted on—not only bills, but amendments. I have no desire to change that policy at this late date.

I was informed by the Senator from Kansas that this bill needed further hearings, and he did not think it should be considered. I immediately made my statement to the Senate. If I had been informed of his desire by the Senator from Delaware, I would have followed the course of conduct I have outlined.

I hope to have a meeting with the chairman and ranking minority member and evolve a procedure that will be satisfactory to every Member of the Senate in connection with this proposed legislation.

Mr. LAUSCHE. Mr. President, I shall support the motion of the majority leader. However, after discussions are had with the ranking minority member, if there is any question about the great lengths to which this bill goes, I shall subsequently support a motion to recommit it to the committee.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas, that the Senate proceed to the consideration of Senate bill 3051.

The motion was agreed to, and the Senate proceeded to consider the bill (S. 3051) to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes.

ORDER FOR ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today it stands in adjournment until 12 o'clock tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ATHLETES NAMED TO MINNESOTA SPORTS HALL OF FAME

Mr. THYE. Mr. President, in today's Washington Evening Star appeared a small news item under the heading "Minnesota Puts 17 in Hall of Fame." It is an Associated Press story, and the first sentence reads:

> Seventeen Minnesota athletic greats were named last night to a newly created Minnesota Sports Hall of Fame.

Many of the athletes are personal friends of mine. They were great athletes. Many more could be mentioned as athletes who at one time resided in or were born in Minnesota and then moved to other States.

It was a great pleasure for me to note, and to join in paying tribute to them, the names of some of the persons who have been recognized, because they are still living, and it is a great tribute to them:

Bernie Bierman, football coach; Tommy Gibbons, boxer; Frank "Moose" Goheen, hockey player; Bronko Nagurski, who is still living and is a personal friend of mine; Johnny McGovern, great football player.

I could mention the names of all the great athletes who were honored, but I ask unanimous consent that the small news article be printed in the body of the RECORD along with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of May 6, 1958]

MINNESOTA PUTS 17 IN HALL OF FAME

MINNEAPOLIS, May 6.—Seventeen Minnesota athletic greats were named last night to a newly created Minnesota Sports Hall of Fame.

Ten were present to receive the honor in person at a sports champions dinner honoring 1,958 State sports notables as part of Minnesota's centennial year celebration.

Golfer Patty Berg, only woman selected, was unable to attend. Six on the list are dead.

In addition to Miss Berg, the living members are:

Bernie Bierman, football coach; Tommy Gibbons, boxer; Frank "Moose" Goheen, hockey player; Bronko Nagurski and Johnny

McGovern, football players; George Mikan, basketball player; Fortune Gordien, discus thrower; Jimmy Johnston, former national amateur golf champion; Tommy Milton, auto racer; and Walter Hoover, onetime sculling champion.

Deceased members are Chief Bender, baseball pitcher, who was born on a Minnesota Indian reservation; Pudge Heffelfinger, Minnesota-born football player; Bob Dunbar, curler; Mike Gibbons and Mike O'Dowd, boxers; and Dr. Henry L. Williams, former Minnesota football coach.

INCREASED EQUIPMENT MAINTENANCE ALLOWANCE FOR RURAL CARRIERS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3050) to increase the equipment maintenance allowance for rural carriers, and for other purposes, which was, on, page 1, line 8, strike out "11" and insert "10."

Mr. JOHNSTON of South Carolina. Mr. President, the amendment of the House of Representatives to Senate bill 3050 is minor in character, but I should like to explain it. The matter has been cleared by both sides.

As passed by the Senate, the bill would have increased the mileage allowance for rural carriers to 11 cents a mile. The House amended it to 10 cents a mile, resulting in a saving of approximately $5,300,000.

I have talked with members of the committee. The matter has been cleared for action on the Senate floor.

Mr. President, I ask unanimous consent that a statement explaining the bill as amended be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHNSTON OF SOUTH CAROLINA

On March 31, 1958, the Senate passed S. 3050, to increase the equipment maintenance allowance for rural carriers. As passed in the Senate, the bill would have increased their mileage allowance from 9 cents to 11 cents and fixed, for the first time, a minimum daily allowance.

Yesterday, the bill was passed in the House with one amendment. The amendment reduced the mileage allowance from 11 cents to 10 cents. The chairman of the House committee introduced a letter from Ray L. Hulick, president of the National Rural Letter Carriers Association, dated May 1, 1958, indicating this reduction meets with the full approval of his association. Also introduced was a letter from the Postmaster General indicating approval of the action.

In view of this, I think the Senate has no alternative but to recede from its position and accept the bill as passed by the House. The bill as passed in the Senate would have cost $11,200,000 as against the House bill which will cost $5,900,000 annually.

As can be seen, this action on the part of the House reduces payments that will go to rural carriers by some $5,300,000 a year.

I wish to commend Senators YARBOROUGH and PROXMIRE, who sponsored S. 3050, for their perseverance in behalf of this greatly needed legislation. I regret, and I am sure they do, too, that the bill was not approved in its original form, as I believe the more liberal allowance contained in the Senate bill was completely justified. However, under the circumstances, we have no further choice in the matter at this time.

Mr. JOHNSTON of South Carolina. Mr. President, I move that the Senate concur in the amendment of the House of Representatives.

The PRESIDING OFFICER. The question is on the motion of the Senator from South Carolina.

The motion was agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, I may say that some of the members of the committee felt that the Senate was right, but, under the circumstances, we thought it best to accept the amendment of the House.

Mr. YARBOROUGH. Mr. President, in passing today S. 3050, a bill to increase the equipment maintenance allowance paid rural letter carriers, the Senate has acted to correct a financial injustice which has been suffered by this group of postal employees.

It was my pleasure to sponsor this merited legislation, together with my colleague, the Senator from Wisconsin [Mr. PROXMIRE]. The subcommittee, headed by the Senator from Idaho [Mr. CHURCH], and the full Committee on Post Office and Civil Service, under the able leadership of the Senator from South Carolina [Mr. JOHNSTON], deserve words of praise for expediting consideration of this legislation.

The National Rural Letter Carriers' Association, representing the Nation's rural carriers, also deserve credit for their untiring efforts in presenting factual data which substantiated the urgent need for enactment.

S. 3050, as passed, is not as liberal in its provisions as the original bill. It does, however, represent a compromise which we did work out in order not further to delay action. The compromise accepted today should assure this proposal becoming a law in the very near future.

STUDY OF SPACE AND ASTRONAUTICS

Mr. ANDERSON. Mr. President, under the leadership of the distinguished majority leader, Senator LYNDON JOHNSON, of Texas, there has been a meeting of the Senate Special Committee on Space and Astronautics, of which he is the chairman, to hear Dr. James Doolittle, who is vice president of the Shell Oil Co. and chairman of the National Advisory Committee on Aeronautics, in conjunction with Senate bill 3609.

This marks the beginning, as far as the Senate is concerned, of hearings which can be of enormous importance to the United States. Without attempting to go into details, I can surely say that some of us who have been serving on the Joint Committee on Atomic Energy are extremely interested in the hearings and the conclusions which the Congress and the country will finally reach. We have been attracted to the possibilities of space flight and to the possibility that manned vehicles can travel between the Earth and the Moon, Mars, and Venus, and the possibilities of interplanetary and interstellar travel are extremely attractive. We have had much testimony to the effect that a manned flight back and forth between the Earth and Mars, for example, can only be possible through the medium of nuclear propulsion, and we, therefore, have an extremely alert interest in who shall direct the research looking toward that eventuality.

As I shall probably say many times during the hearings, it is strange that the bill recommended by the President makes no mention whatever of nuclear propulsion. That fact alone will cause a great many people to stop and wonder whether we will orient our course toward ultimate success or certain failure. Once the hearings start, I hope to give undivided attention to that question. Therefore, I thought it might be well, on the opening of the hearings, to say a few words about previous problems, and specifically the problems of the bill which came from the Bureau of the Budget, in order that some of the points I raise may be in the minds of the members of the committee as they examine the testimony of Dr. Doolittle and those who will follow him on the witness stand.

On October 4, 1957, our illusion of scientific superiority was shattered, and the advent of the space age found us without policy or program. As a nation, we did much soul searching, and found that our own space exploration programs had been treated lightly at the highest levels, while the Soviets had been engaged in longtime planning and programing.

As early as 1955, the Soviet Union had established a Commission on Astronautics with specific responsibilities and power to direct scientific laboratories and research centers to work on outer space development. They had a program. They seemed to know where they were going. Now, almost 4 years after the founding of the Soviet Space Agency, the President has forwarded a message and a legislative proposal for the beginning of an astronautical program in the United States.

The proposal calls for the creation of a new outer space agency built around the present National Advisory Committee for Aeronautics. The Congress has responded promptly, and is now holding hearings. Of course, much more could have been done in these 8 months and earlier, under existing law, but this is now somewhat irrelevant.

In approaching outer-space legislation, we must first examine the reasons why and explain to ourselves and the public the need for appropriating funds for the development of satellites, space vehicles, and the later exploration of outer space. To date many reasons have been proffered, but I have seen few concise explanations.

The reason why is a dynamic composite of many things, all of which surround our destiny as a leader among nations.

The primary reason why we must have an astronautical program is to explore the vast unknowns of the universe and harvest its scientific information. The material value of such knowledge is difficult to measure, but we have learned over the centuries that knowledge once applied to practical usage pays dividends a millionfold. When Dr. Einstein wrote to President Roosevelt and suggested

what was to become the atom-bomb program, who would have anticipated today's widespread industrial and medical use of isotopes, atomic power, or ships that can sail the oceans for years on their original charge of fuel?

An outer-space program offers us much knowledge in meteorology, biology, and astronomy, and within these and the many sciences there is much we will learn. In a more material sense, man would learn about the resources on the moon and the planets with a view toward their use after we have exploited the scarce resources of this world. This much is certain, exploration of outer space will afford us the priceless opportunity of looking at our own planet in a detached but highly advantageous position—a position man has long dreamed about and now finds within his grasp.

We should also have a program for purely military reasons. Some have said that the planet could be controlled, in military terms, from outer space, but this may be an overstatement. The weight of opinion is that the main military value of satellites or space vehicles would be in reconnaissance. When we remember that the allied armies stopped before Monte Casino for 5 months because a single reconnaissance point supported the enemy forces, we can assess the magnitude. A reconnaissance point in space could monitor the positions of armies, aircraft, shipping and particularly the position of all missile launching and storage sites on Earth.

Recently the President's Scientific Advisory Committee, whose chairman is Dr. Killian, published a report entitled, "Introduction to Outer Space." This report spoke of the military applications of space technology in the same terms of communications and reconnaissance but it minimized the risk of actual bombardment from outer space. Since then Dr. Werner von Braun has taken issue with the report, stating that actual bombardment of the Earth is quite conceivable from space satellites and vehicles. We might well add then, another military usage—that of strategic bombardment.

But we have learned with our atom and hydrogen bombs that the possession of a highly advanced weapon system alone does not assure the peace. To plan the usage of outer space for military advantage alone merely broadens the armament race and emphasizes preparation for war. But, the Science of Astronautics offers much more. It can be an avenue to peace and international accord. Here the major powers of the world might work together, and plan joint scientific ventures. There is an esoteric quality to outer space exploration and once man's mind is lifted from his own planet and into the universe, he might well forget his hatreds and work for human knowledge and understanding.

These are the reasons why we should promote the science of astronautics in the United States and have a national program.

The Congress now must decide what kind of a program there will be—whether it will truly be under civilian or military control—its size and scope—and what policy will be set to guide the executive branch.

The President has proposed a civilian agency and is to be congratulated for his enlightened approach. His concept should be accepted, for the arguments in favor of real civilian control, particularly if we are to consider this work as an avenue to peace, are indeed strong. But the mere calling for a civilian agency is not enough, because in practice, the military could dominate this field if we do not spell out the scope and power of the civilian jurisdiction.

I understand that following the President's decision in favor of a civilian control, the Bureau of the Budget was asked to prepare draft legislation embodying his concepts. This legislation was prepared and forwarded to the Congress but there is substantial conflict between the President's purposes and the draft received by the Congress.

I need not remind Senators how many times the Congress has rejected the exact wording of drafts prepared by attorneys in the executive branch and referred to appropriate committees along with the Presidential messages. Surely no one would look upon our failure to do so now, if indeed we do revise the Bureau of the Budget bill, as evidence of discord on this subject.

In fact, the same situation prevailed with the Atomic Energy Act of 1954. The Congress and the Executive were of the same political party then, and there was an intimate working relationship on atomic energy matters. When the decision was made to amend the 1946 Atomic Energy Act and permit private industrial participation, attorneys in the executive branch of Government prepared a draft proposal. The then chairman of the Joint Committee on Atomic Energy, Representative Sterling Cole, decided that this proposal did not spell out the agreed upon objectives and the proposal was discarded. A vastly different draft was prepared in the Congress but it was soon accepted by the Executive as an administration bill.

I believe that the draft outer space bill which the Bureau of the Budget has prepared presents the same problem, and hope that my comments on some defects will be accepted as constructive criticism. To cure these defects, revisions are needed, and perhaps a completely new bill must be written. Specifically, the problems are these:

The Bureau of the Budget tried to modify the existing legislation under which the National Advisory Committee for Aeronautics operates and make it into a bill for the Outer Space Agency. But the two concepts of the NACA and the Outer Space Agency are not compatible. They are at variance because the present NACA is essentially a research study and service group. It was created to carry on research for the military aviation branches, for the Civil Aeronautics Authority and in some respects for aircraft manufacturers. The NACA has never worked on or directed a complete project such as building the *Nautilus* or an ICBM. It merely studies a small phase of a project and lends advice to the agencies responsible for the project itself. Hearings by the Joint Committee on Atomic Energy revealed that NACA does no hardware development work.

The new agency envisioned in the President's proposal would direct whole projects and use contract powers to a great extent. It would not be simply a study group.

The NACA works through committees. On top of the agency, there is a 17-man committee made up of Government representatives and men from private walks of life. In addition to the main committee, there are many subcommittees, often in excess of 20, which are also composed of industry and Government people, both military and civilian.

In the new agency where important contracts would be awarded, the public interest would seem to reject such ill-defined, comingling of Government representatives and private parties. The appointees from private life would serve without compensation and, despite the utmost discretion in appointments, the potential at one time or other for conflicting interests surely seems great.

In this regard, I am most distressed by one provision of the Bureau of the Budget bill. While the bill incorporates NACA into the new agency, the present NACA law, providing for a 17-member committee of which 10 are appointed from the Government and 7 serve without compensation from private life, was changed. In modifying this law the Bureau of the Budget attorneys reversed the representations and chose to have 9 persons, the majority of the committee from private life, and only 8 from the Government. We find, then, that the Bureau of the Budget not only failed to be concerned over the comingling of private and Government persons in an agency with the power to contract on specific projects but they also—and obviously with deliberation—placed the majority control of the agency in the hands of private persons. They would divest the Government of control over the most dynamic program of this century.

I believe that these draftsmen from the Bureau of the Budget should be called before a committee of Congress to explain why they deliberately chose to change this provision.

At the same time I would like to hear why their bill makes provisions for the acceptance of gifts by the agency from private sources.

I do not mean to impugn the integrity of the Bureau of the Budget representatives nor suggest improper motives. I believe, however, that explanation of their thinking could help the Congress understand why the jurisdiction over outer-space matters should not be controlled by appointed Government officials, confirmed by the Senate, rather than by private parties.

Even if there were not his odious characteristic of private control, I would be at a loss to understand how 17 men can be truly responsible for the conduct of such vital work. While it is true that the Bureau of the Budget bill has the 17-man committee deciding upon only 4

subjects, these 4 topics go to the very root of the agency's affairs. The 17-man Board would have referred to them all policy, program, budget, organization, and major personnel matters. With that much power of decision, they obviously would control the agency.

One of the major problems in the United States in our advanced scientific and technical programs has been our inability to fix responsibility for success or failure of projects. Only in programs such as Admiral Rickover's work on the nuclear Navy has the Government been able to pinpoint responsibility. We have a broad body of experience to teach us that if we are to launch successfully large-size satellites and space vehicles and to explore outer space, the Agency we create should be constituted in such a way that someone is responsible.

Many experts have testified on the use of atomic power for launching and propelling space vehicles. The evidence seems overwhelming that any vehicle of substantial size and range must depend upon some form of nuclear energy as its propulsive force. If we contemplate the ability to maneuver in outer space or have round-trip explorations of the moon and other planets, nuclear energy must play a part. In terms of launching vehicles, thrusts of over 1 million pounds suggest the use of nuclear power. Soviet technical authors have not ignored this prospect and most recent works discuss the uses of nuclear power on space flight.

We should not delude ourselves that we have anything to hide from the Soviets, for they are obviously many years ahead. Recently I was examining an interesting little booklet entitled "Application of Atomic Engines in Aviation." It was published last November by the military press of the Ministry of Defense of the Union of Soviet Socialist Republics and has recently been translated by the Air Force.

On page 166 of this booklet there is an interesting passage regarding the relative desirability of nuclear and chemical fuels for the propulsion of interplanetary vehicles:

> At present, thanks to the progress made in nuclear physics, to the development of a rapidly progressing science of atom power, and to the creation of an atomic industry, we have come close to the solution of the problem of making use of atomic energy in rocket engineering.
>
> However, even today, many scientists believe that the first interplanetary trip by man will not be made with nuclear but with conventional chemical fuel. Another and in fact, much larger group of contemporaries hold that interplanetary flights are impossible with conventional chemical fuel and that a more powerful source of energy such as nuclear energy would have to be used.

Then if one turns to page 179 of this Russian booklet under the heading of "Conclusions," he will find this interesting passage:

> The question as to the necessity and possibility of applying atomic energy in aviation has already been given a positive answer and solution. This is primarily demonstrated in the directives of the 20th Congress of the Communist Party of the Soviet Union, which indicate the need to develop atomic engines for transport purposes.

I do not think that there can be much doubt that the Soviet Union is going ahead full blast with the development of nuclear propulsion for space rockets. The material in this little booklet leaves very little doubt on that score.

Despite such evidence, not enough is being done in this country to develop the technology of nuclear power application. For several years now, there has been a modest program for the application of nuclear power to military missiles, but the program has been so impeded by budget limitations it cannot test promising ideas. Dr. Norris G. Bradbury, director of the Los Alamos Scientific Laboratory, has to cook his pot too far back on the stove.

Within the atomic energy program, there are major Government laboratories employing some of the best scientific and engineering talent in the land—men deeply dedicated to the public good. Less than 1 percent of all these scientists and engineers have even had the opportunity to study the role of nuclear power as applied to missiles, much less outer space. Few have even had access to the technical information on nuclear missile work. We may feel certain the Soviet atomic scientists and engineers have not been denied this opportunity, particularly when we consider that the Soviet Commission on Astronautics can place requirements on such laboratories as it chooses.

And yet, between the time of the Soviet sputnik and now, no one, outside the Congress, has called upon the Atomic Energy Commission to increase its effort, and no requirements have been placed upon them to conduct broad studies on outer space propulsion. The President's bill and message are completely silent on atomic power and it may be that little thought has been given to the subject.

Of course, no new legislation is needed to start studies of atomic power application now; in fact, by simple administrative order, it could have started yesterday and it could start today. Only modest appropriations would be required because all of the facilities exist and the people are already employed. There would be no expenditures for components or hardware—only for study time. It seems incomprehensible that the order has not been given to start 4 or 5 of the major Government laboratories on broad studies.

On May 1 Dr. James Von Allen at the University of Iowa reported in connection with International Geophysical Year—IGY—research that unidentified forms of radiation might exist in the form of a belt many hundreds of miles outside the earth's atmosphere. Newspaper stories on this suggest that this could prove to be a barrier to manned satellites and a temporary hazard through which space vehicles would have to pass. The discovery does not affect the probability of travel, but the discovery does point up the fact that the laboratories who have the most experience with radiological hazard, those of the Atomic Energy Commission, should be utilized to the utmost in outer space research.

The discovery also emphasizes the desirability of nuclear propulsion because one of the difficulties with nuclear propulsion is the necessity for shielding against radioactivity. If it is necessary to shield a space vehicle against the newly discovered radioactive belt anyway, we might just as well use the most powerful propulsive force we have available. We can well remember as we evaluate this, that the U. S. S. *Nautilus* has inside of it a source of radioactivity which could kill all the ship's occupants in a matter of moments. The laboratories of the Atomic Energy Commission learned how to permit men to live in this environment and, in fact, be free from radiation. The same Atomic Energy Commission laboratories can solve the problem of human health from radioactivity in outer space and from proximity to nuclear propulsion plants on space vehicles.

The Bureau of Budget draft bill is silent on the international aspects of astronautics. The omission is indeed strange when we think of this science as a force for peace and see the ample provision for military representation in the agency. Certainly the Congress will wish to assure itself that there are strong policy and substantive provisions on the subject and assure, at the very minimum, that the Department of State is informed of the activities of the agency so that it can approach international conferences intelligently.

The Bureau of the Budget's legislative proposal contains no section on patents. Its silence leaves patent awards in the hands of the new space agency. Since the Bureau of the Budget's bill provides for the majority of the board controlling the agency to be from private life, one would wonder what thought was given to protecting the Government's interest in the patent rights arising out of contracts for research and development of outer space components. I am sure most members of the Congress remember the many weeks of debate over the patent clauses of the Atomic Energy Act when a few of us insisted upon protecting the public interest in the atomic energy field with appropriate patent provisions. Any legislation the Congress now approves for space should have similar provisions.

At present, the National Advisory Committee on Aeronautics is required to come before Congress and obtain specific authorizing legislation before they can construct new facilities or expand existing ones. When the draftsmen at the Bureau of Budget incorporated the present NACA structure into their bill they deleted this provision.

When we consider that the United States has billions of dollars invested in laboratories and other facilities spread all over the United States, Congress should have the opportunity to see how existing facilities, particularly those at the Atomic Energy Commission and the Department of Defense laboratories, are being utilized before they permit the expenditure of funds on new laboratories and plants. I feel certain that Congress

will wish to make provision for authorizing legislation in any law on outer space which is enacted.

In 1946 when the first Atomic Energy Act was being considered, there was much controversy over military versus civilian control. The debate ended with a proposal by the late Senator Vandenberg providing for a military liason committee to the Atomic Energy Commission which would keep the military informed of atomic energy progress and through which the military could place requirements upon the Atomic Energy Commission. The wisdom of Senator Vandenberg's compromise has been proven, and the Atomic Energy Commission has more than fulfilled the most optimistic anticipations of the Department of Defense in terms of atomic weapons.

The Vandenberg provision worked, because it distinguished between the domains of the civilian and military agency. Under the Bureau of Budget proposal and within the NACA-type framework, military personnel would be so commingled in the agency that there would be no demarcation between its civilian and military character. This hybrid could be utterly confused in its purposes.

But even more important than this, is the problem of deciding what aspects of outer space should be under civilian control and what should remain within the military. Of late, we hear that most of the funds for space research would still go to military agencies even though a new civilian agency may come into being. For fiscal year 1959, the Budget Bureau had requested $480 million for a military space program and only $100 million for a civilian program. In fact, a one-time Presidential adviser recently stated that if most of the money is to be allocated for military space research, it might be better to just forget about creating a civilian agency. Apparently he thought that talk of a civilian agency in the administration is only so much window dressing to hide the true intention of continuing a purely military program.

Despite the fact that the President has forwarded a message and legislation to Congress, no civilian program has been outlined so far. Discussions to date indicate that under present plans, the bulk of outer space research and development would remain within the Department of Defense. This expectancy is fortified by the April 2 memorandum from the White House to the Department of Defense and the Presidential Advisory Committee on the subject. It said the civilian agency would be responsible for all space programs except those peculiar to or primarily associated with military weapons systems or military operation.

If the words of this memorandum are to supply the demarcation between civilian and military control, it would be a farce to call this a civilian program. So few things in modern life could not be described as peculiar to military operations that if the same test were used in the rest of our national affairs, we would have a military dictatorship.

The military viewpoint had its ultimate expression in the recent testimony of Maj. Gen. Bernard A. Schriever, who said that the development of space weapons must take priority over nonmilitary space exploration, and he inferred that a civilian agency could not supply the military with the weapons systems for outer space that it might need.

Of course, we have all seen that the civilian Atomic Energy Commission has been more than competent in supplying weapons to the military, and many of our international problems of late with hydrogen-bomb tests spring from this very success.

Mr. Simon Ramo, of the Ramo-Wooldridge Corp., a private company, recently said that 90 percent of the space program of the United States must remain under military control and direction for the security of the Nation. Mr. Ramo's comment is of great interest and might be indicative. Some years ago the Air Force found it lacked the management talent to administer the intercontinental ballistic missile program and assigned management of most of the Government's interest to the Ramo-Wooldridge Corp. The management of missiles has vested in the Ramo-Wooldridge Corp. for some years and the rate of progress and success has been somewhat questionable.

In drafting any new legislation, Congress might want to look at this arrangement, whereby a private company more or less acts as a Government representative, placing contracts for research and development and the procurement of components. I can fully understand why Mr. Ramo would object to a new agency which might exercise some control over the Government's funds and direct the Government's program. I can well understand his fear that before many months passed, he might have to deal with a tight-fisted civilian administrator.

In the enactment of any legislation, the Congress might well look for a proper definition of what should remain in the Defense Department and what should be in the civilian agency. I believe a clear definition is readily available. The Defense Department should retain jurisdiction over missiles which are fired from earth or its atmosphere and return to a target on earth in a ballistic flight. Anything which goes beyond this and into orbit or travels into outer space should go to the new agency. The record of the Department of Defense in developing satellites and mechanisms which go into orbit is hardly a record of success. They would be pressed to make a case that they have such an interest in this field that jurisdiction could not be given to a civilian agency. But even if they had progressed with their research and development we have the classic precedent of the Manhattan Engineering District and the Atomic Energy Commission where a fully matured program was transferred to a civilian agency and progress was accelerated rather than impeded.

I am convinced that no program worthy of the United States can possibly evolve out of the presently confused Pentagon. At the moment they have jurisdiction but we learn that no requirement has been fixed for a space vehicle. As you know, without a requirement, no Government work is being done in this area.

The draft legislation of the Bureau of the Budget provides for the new agency to report to the President annually. This is a strange provision because one would expect the President to be kept informed on what is taking place within his executive family. The channel in which reporting breaks down is between the executive branch and Congress. While it is called upon to appropriate billions of dollars of public money, Congress must often proceed with the scantiest of information. It would have been more thoughtful of the draftsmen to provide some reporting mechanisms to Congress but surely we can arrange in our committees to provide for a semiannual report to us.

The Bureau of the Budget's draft provides criminal penalties for disclosures of information and violation of the Space Agency's security regulations. We have learned that penal provisions of a substantive nature in new laws weaken the basic statutes like the Espionage Act of 1917 and the Atomic Energy Act of 1954 and confuse an already confused field.

In a more positive sense, I think the provision is unwise insofar as it accents security provisions rather than encourages the new agency to conduct its scientific and technical research to the fullest extent practicable in an atmosphere of free information exchange.

In the atomic-energy program we learned that the strongest of security measures and building forts around our laboratories did not halt scientific progress elsewhere in the world. The delusion cost us many millions, if not billions of dollars; and, as I look back upon it, I only wish that this money had been spent on basic research. If it had, the benefits which would have accrued to the United States would have been vast.

Mr. President, I have been generally critical of the legislation which has been sent to us; and, if I were to close at this point, I probably would have offered little of constructive value to guide us in the establishment of an astronautical agency. I may have told too much of what we should not do rather than what we should do.

Our national astronautical program should be far broader than anything contemplated today. I would provide for utilization of any appropriate governmental scientific or research facility through the placing of requirements or work directives by the space agency on the appropriate Government agency.

Within the atomic-energy program, a subject with which I am most familiar, an almost unlimited reservoir of scientific and engineering talent exists. The Atomic Energy Commission probably should not have jurisdiction over the outer space program as such, but the legislation should provide a mechanism whereby the space agency can place requirements on the major laboratory facilities of the AEC.

The Congress should establish the policy that this new agency not build new facilities or laboratories but that they

utilize existing facilities to the utmost. They can do this without sacrifice of jurisdiction by placing requirements on existing agencies. If we think this will be difficult to administer, appropriate liaison committees can be established along the lines of those in the atomic energy program which have been so successful.

The space agency itself should start as a small agency. Whether one man should be in charge or whether there is a three- or a five-man commission is a matter for further study, but the top leadership should be limited in number of certainly to no more than five and preferably to a lesser number. The people on top should be full-time Government administrators confirmed by the Senate and prohibited from having outside interests. If such deprives the agency of broad technical advice, provision can be made for such scientific advisory committees as are necessary.

Our statement of policy should call for international negotiations which seek international agreement to deny the use of outer space for military purposes and provide for mutual scientific cooperation.

We should seriously consider whether or not it is appropriate to graft the new Agency on to the existing framework of the NACA because of the great variance between what the new Agency must do and the long existing pattern of work in which the NACA is engaged. I feel that an entirely new agency should be established with power to place requirements for scientific study and work upon the NACA rather than work within its structure. Were we to take this approach we would also avoid the conflicts of interest inherent in the NACA committee structure where industry and military personnel are so much in command.

We must study the problem of inventions and discoveries and find language which protects the Government interest and yet equitably awards to inventors the exclusive right to profit from their work.

I am confident that each Member of Congress will take time to study this problem and if we do this, the proper agency structure and policy will evolve. We have learned a great deal in recent years on how and how not to prosecute scientific programs and undoubtedly we will be able to provide for a responsible and effective Government agency which will harness our very great resources in scientific and engineering talent.

When future generations consider the secrets of the universe as commonplace and when the domain of human reason reigns over outer space, many may look back upon this Congress and speak highly of its wisdom. Before many weeks pass, we will have the chance to inaugurate the effort which one day will be a priceless heritage to those yet unborn.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, May 6, 1958, he presented to the President of the United States the following enrolled bills:

S. 1818. An act to direct the Secretary of the Interior to acquire certain lands as an addition to the Fort Frederica National Monument;

S. 2183. An act to amend the act of August 2, 1956 (70 Stat. 940), providing for the establishment of the Virgin Islands National Park, and for other purposes; and

S. 2937. An act to provide equitable treatment for producers participating in the Soil Bank program on the basis of incorrect information furnished by the Government.

ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, pursuant to the order previously entered, I move that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 35 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Wednesday, May 7, 1958, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 6, 1958:

THE DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

Richard R. Atkinson, of the District of Columbia, to be a member of the District of Columbia Redevelopment Land Agency, for a term of 5 years, effective on and after March 4, 1958, a reappointment.

UNITED STATES ATTORNEY

Osro Cobb, of Arkansas, to be United States attorney for the eastern district of Arkansas, for a term of 4 years.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 6, 1958

The House met at 12 o'clock noon. The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

I John 3: 1: *Behold, what manner of love the Father hath bestowed upon us, that we should be called the sons of God.*

Eternal God, with glad and grateful hearts, we are offering our prayer unto Thee, for Thou art the source and inspiration of the beauty and blessedness of life.

We rejoice that Thou art always seeking to lead us to Thyself and to lift us out of the fear that makes us stand in weakness into a faith that enables us to walk in courage.

Inspire us with a vision and experience of true religion. We penitently confess that so often we want its consolations, without giving ourselves in consecration, and its delights without accepting its disciplines.

Grant that we may seek a more satisfying sense of Thy power which will make us equal to all our problems and perplexities, and all our trials and tribulations.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 168. Joint resolution authorizing the President to issue a proclamation calling upon the people of the United States to commemorate with appropriate ceremonies the 100th anniversary of the admission of the State of Minnesota into the Union.

STORY OF FREE ENTERPRISE

Mr. ALGER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, have you heard of the overeager volunteer fireman who sped recklessly to answer every alarm for fear the fire would go out before he had had an opportunity to help control it?

In full page newspaper ads, Delta Airlines is currently pointing up the vigorous business upsurge under way in the South.

ATLANTA.—Building permits in first 3½ months of 1958 over $7 million above first 4 months of 1957. Contracts for future construction in first 2 months up 8 percent. First quarter of the year (statewide) industrial expansion and additions go nearly $31 million over the mark for 1957's first quarter.

CHARLOTTE, N. C.—Bank debits for March in Charlotte topped last March by $5 million, while neighboring Greensboro and Raleigh report gains of $7 million and $3 million, respectively. Building permits eclipsed last year's mark.

MONTGOMERY, ALA.—Retail sales topped the first quarter of 1957, which had gone 7.3 percent over 1956.

And so it goes—glowing reports of business humming along at near record—or new record—levels from Birmingham, Charleston, Chattanooga, Columbus, Macon, Columbia, and elsewhere.

In the face of all this, I am confident that before the week is out in Congress we shall hear more cries of doom and foreboding, coupled with demands for emergency Government action to fight the recession. Of course, some of these antirecession programs were being demanded last year and considerably before that for entirely different reasons. Their sponsors need little pretext or excuse to start hollering for long-time favorite Government programs. And their cries may grow more strident, for this particular economic fire shows signs of sputtering out before they can get into action.

INEQUALITY IN PRESENT POSTAL LAWS

Mr. NEAL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. NEAL. Mr. Speaker, I have today introduced a bill which would correct an inequality in our present postal laws which deny to substitute rural mail carriers the benefits of their retirement.

As we all know, during the period from 1944 to 1955, a great many of our elder citizens did loyal service as members of the postal service because younger men had gone to the defense of the Republic.

Because so many of these men in uniform did not relinquish their civil service status, their replacements were considered as substitutes and, as such, did not come under the provisions of our retirement plans in the post office.

My measure is identical with H. R. 11165, introduced by the honorable gentleman from Georgia [Mr. FLYNT], and if either one is passed by this House the plight of a great many citizens as it affects their retirement will be greatly remedied.

It is a matter of correcting the law to credit these substitute postal employees with war service which would make them eligible for retirement benefits.

I am told by the Bureau of Departmental Operations of the Civil Service Commission that such legislation will clarify the situation as it deals with substitute personnel hired during a time of emergency to replace regular personnel.

DR. JOHN M. IDE

Mr. SEELY-BROWN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SEELY-BROWN. Mr. Speaker, as the Representative from the Second Congressional District of the State of Connecticut, I am proud to announce to the House that one of our residents has been chosen as one of the top 10 Federal Government career men by the National Civil Service League.

Dr. John M. Ide, a veteran of more than 15 years in Government work, was chosen on the basis of competence, efficiency, character, and continuity of service. He is serving as Technical Director of the Navy Department's Underwater Sound Laboratory at Fort Trumbull, New London, Conn.

Dr. Ide joined the Naval Research Laboratory when World War II became imminent. His 10 years' experience in the oil industry gave him the knowledge to tackle naval electronic problems and aid in the development of underwater loudspeakers, echo-ranging equipment, minesweeping devices, and homing equipment for small craft and Navy frogmen. Combined with sonar, microwave radar, sonobuoys, and direction finders, these developments offset the speed and snorkels of German U-boats and were major factors in their ultimate defeat.

Dr. Ide was named to the top civilian post of the Naval Underwater Sound Laboratory, near New London, Conn., in 1945. Some of his later developments, such as refinements of sonar, made it possible to fire the Polaris ballistic missile accurately from submerged submarines.

A member of a number of top-policy naval boards, Dr. Ide has participated in various phases of the International Geophysical Year, and is an active community worker in New London. All of us are justly proud of the recognition which has been accorded such an extremely able Connecticut resident.

TERMINATION OF LEAVE OF ABSENCE

Mr. MORANO. Mr. Speaker, about 10 days ago I was granted indefinite leave of absence to attend the inauguration of President Arturo Frondisi, of Argentina. I ask unanimous consent that the leave of absence be now terminated.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

RIVERS AND HARBORS PROJECTS

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS of Louisiana. Mr. Speaker, those who throughout the Nation are prone to refer to rivers and harbors projects as "log-rolling and boondoggling projects" should make a trip down the Red River Valley now from Denison, Tex., to the mouth of the river at the Atchafalaya River. The river is carrying the second flood in 2 years, and it is of course spilling over its bank and flooding lowlands on both sides of the river.

Local people are pouring forth a treasure in moneys which they are spending at the last moment and tired workers are fighting around the clock to minimize the damage and reduce loss of life.

Two badly needed Red River projects are in the recently vetoed omnibus flood control bill. Several other projects are in the interim flood-control law passed in 1946 and they should be started at once. Losses of property of course will run pretty high.

Thus far, the projects constructed by the Army engineers are functioning reasonably well; but more work is needed to complete the flood control program. I hope the Congress will give sympathy and support to the appeals which come from our people that we may forever stop these constant floods on the Red River.

WATERSHED PROTECTION AND FLOOD PREVENTION ACT

The SPEAKER laid before the House the following communication which was read and, with accompanying papers, referred to the Committee on Appropriations:

The Clerk read as follows:

MAY 2, 1958.

Hon. SAM RAYBURN,
The Speaker, United States House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture has today considered the work plans transmitted to you by Executive Communication 1841 and referred to this committee and unanimously approved each of such plans. The work plans involved are:

STATE AND WATERSHED
Georgia: Little Tallapoosa River.
Indiana: Prairie Creek.
Mississippi: Ellison Creek.
North Carolina: Mud Creek.
North Dakota: Swan-Buffalo Creek.
Oregon: Little Pudding River.

Sincerely yours,

HAROLD D. COOLEY,
Chairman.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first bill on the Private Calendar.

WESTERN UNION TELEGRAPH CO.

The Clerk called the first bill (H. R. 10094) for the relief of the Western Union Telegraph Co.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

QUITCLAIM INTEREST OF THE UNITED STATES TO CERTAIN LAND IN SMITH COUNTY, MISS.

The Clerk called the bill (H. R. 8842) to quitclaim interest of the United States to certain land in Smith County, Miss., and to terminate restrictions against alienation thereon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all right, title, and interest of the United States in and to the following-described land in Smith County, Miss., is hereby quitclaimed to the patentee named in the patent from the United States dated November 10, 1852, Joseph Fisher, his successors, and assigns: Lots 3, 4, 5, and the southwest quarter of section 4, and the southeast quarter of section 5, all township 10 north, range 14 west, St. Stephens meridian, containing 489.56 acres, more or less.

SEC. 2. Any restrictions against alienation contained in the patent described in section 1 of this act are hereby removed, effective November 10, 1902.

With the following committee amendment:

Page 2, line 3, strikeout "November 10, 1902." and insert "as of the date of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. WILLIE SOHER

The Clerk called the bill (H. R. 1393) for the relief of Mrs. Willie Soher.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Willie Soher, Oroville, Calif., the sum of $8,000.54. The payment of such sum shall be in full settlement of all claims of Mrs. Willie Soher against the United States arising out of overpayment made by her with respect to her income-tax liability for 1947: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SADIE LOBE

The Clerk called the bill (H. R. 1331) for the relief of Sadie Lobe.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Sadie Lobe, of Cleveland, Ohio, is hereby relieved of all liability to pay to the United States the sum of $22,348.50. Amounts aggregating such sum were paid to the said Sadie Lobe during the periods from July 1, 1938, to June 30, 1943, and from July 1, 1951, to September 16, 1954, as an employee of the Department of the Treasury in contravention of prohibitions against the payment of compensation to persons not citizens of the United States which were included in annual appropriations acts for such periods. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for all amounts for which liability is relieved by this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILMA D. MARSH

The Clerk called the resolution (H. Res. 513) providing for sending the bill and accompanying papers on H. R. 6350, "For the relief of Wilma D. Marsh" to the Court of Claims.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That the bill (H. R. 6350) entitled "A bill for the relief of Wilma D. Marsh", together with all accompanying papers, is hereby referred to the Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same in accordance with provisions of said sections and report to the House of Representatives at the earliest practicable date, making a determination of the validity of a marriage between one Doris Arlene Gardner and the Jimmie L. Dorser named in the bill (H. R. 6350), and giving such findings of fact including an analysis of the claim referred to in the bill, and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal and equitable against the United States.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TATEM MANUFACTURING CO. AND MERIDEN INDUSTRIES CO.

The Clerk called the resolution (H. Res. 519) providing for sending the bills H. R. 6358 and H. R. 6923 with accompanying papers to the Court of Claims.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That the bills (H. R. 6358) entitled "A bill for the relief of the Tatem Manufacturing Co." and (H. R. 6923) entitled "A bill for the relief of Meriden Industries Co.," together with all accompanying papers, are hereby referred to the Court of Claims pursuant to section 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same in accordance with the provisions of said sections, and report to the House of Representatives at the earliest practicable date, giving such findings of fact, including an analysis of the amounts included as the basis for the sums stated in the bills, and conclusions thereon, as shall be sufficient to inform the Congress of the nature and character of the demands, as claims legal and equitable, against the United States.

The resolution was agreed to.

A motion to reconsider was laid on the table.

JOHN J. GRIFFIN

The Clerk called the bill (S. 2166) for the relief of John J. Griffin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Labor is authorized and directed (1) to consider any claim filed within 60 days after the date of enactment of this act by John J. Griffin, of Charlestown, Mass., for compensation under section 5 (a) (21) of the Federal Employee's Compensation Act for facial disfigurement resulting from an injury sustained by him on August 15, 1941, while he was employed by the Department of the Navy as a laborer in the Boston Navy Yard, Boston, Mass.; and (2) to award to the said John J. Griffin any compensation to which he would have been entitled had he elected to make application for such compensation within the time provided therefor in section 303 (d) (1) of the Federal Employees' Compensation Act Amendments of 1949.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LT. COL. CHARLES A. HOLSHOUSER

The Clerk called the bill (H. R. 1493) for the relief of Lt. Col. Charles A. Holshouser.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 212 of the act of June 30, 1932, as amended (5 U. S. C. 59a), and the second sentence of section 2 of the act of July 31, 1894, as amended (5 U. S. C. 62), are hereby waived for the period beginning January 3, 1946, and ending November 30, 1954, both dates inclusive, insofar as they apply to Lt. Col. Charles A. Holshouser, Army of the United States, retired (Army serial No. O-252449), and he is hereby relieved of all liability to repay to the United States the sum of $12,708.97, which was erroneously paid to him by reason of the failure of the Veterans' Administration and subsequently the Department of the Army to reduce the amounts payable to him as a retired commissioned officer of the Army while he was employed in a civilian capacity as a Federal jail physician. In the settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be allowed for all amounts for which liability is relieved by this act.

With the following committee amendments:

Page 1, line 11: Strike "the sum of $12,708.97" and insert "any sums".

Page 2, line 1: Strike "was" and insert "were".

Page 2, line 5: Strike the period and insert at that point "; and he is further relieved of any liability to refund civilian compensation paid him by the Department of Justice between January 3, 1946, and May 31, 1955, inclusive, while employed as a Federal jail physician."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SECURITY FEED & SEED CO.

The Clerk called the bill (H. R. 2338) conferring jurisdiction upon the United States District Court for the Eastern District of Tennessee to hear, determine, and render judgment upon any claim arising out of personal property damage sustained by the Security Feed & Seed Co., of Johnson City, Tenn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the jurisdiction conferred upon the United States District Court for the Eastern District of Tennessee by subsection (b) of section 1346, title 28, United States Code, is hereby extended to a civil action, which may be commenced not later than 1 year after the enactment of this act, asserting any claim or claims of the Security Feed & Seed Co., Johnson City, Tenn., against the United States for money damages arising out of personal property damages sustained by them in a collision between their truck and a United States Army truck, which occurred on United States Highway No. 11-E, about 9 miles from Greeneville, Tenn., on August 9, 1951. Except as otherwise provided in this act, all provisions of law applicable in and to such subsection, and applicable to judgments therein and appeals therefrom, are hereby made equally applicable in respect of the civil action authorized by this act: *Provided, however*, That nothing in this act does or shall constitute an admission of liability on the part of the Government of the United States of America.

With the following committee amendment:

Strike out all after the enacting clause, and insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,000 to the

Security Feed & Seed Co., of Johnson City, Tenn., in full settlement of all claims against the United States. Such sum represents property damages sustained as the result of an accident involving a United States Army vehicle, which occurred on U. S. Highway No. 11–E, about 9 miles from Greeneville, Tenn., on August 9, 1951: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the Security Feed & Seed Co."

A motion to reconsider was laid on the table.

EDWARD R. STOUFFER

The Clerk called the bill (H. R. 2677) for the relief of former Staff Sgt. Edward R. Stouffer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $653.52 to former Staff Sgt. Edward R. Stouffer, of Hagerstown, Md., in full settlement of all claims against the United States. Such sum represents a refund of hospital and medical expenses sustained as the result of his wife being confined in the Kent General Hospital, Dover, Del., during the month of September 1955. Such confinement being necessary due to an emergency when her admittance was refused by the officer in charge on September 24, 1955, at the Dover Air Force Base Hospital: *Provided*, That no part of the amount appropriated in this Act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOMAS CLEMENTE GONZÁLEZ

The Clerk called the bill (H. R. 2934) for the relief of Tomás Clemente González.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Tomás Clemente González, who was injured on March 24, 1942, when struck in Guaynabo, Puerto Rico, by a United States Army truck. The payment of such sum shall be in full settlement of all claims against the United States on account of such accident: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5: Strike "$5,000" and insert "$500".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF KATHARINE FLOWER RUNYON, DECEASED

The Clerk called the bill (H. R. 4056) for the relief of the estate of Katharine Flower Runyon, deceased.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Katharine Flower Runyon, deceased, formerly of West Orange, N. J., the sum of $12,595.34. Such sum represents the estate tax paid by such estate which would have been refunded under the Technical Changes Act of 1953 if a claim for such refund had been filed within the applicable time limitations by the executors of such estate: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CESAR GARCIA

The Clerk called the bill (H. R. 4985) for the relief of Cesar Garcia.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to credit the account of Cesar Garcia, of Wilmington, Calif., in the sum of $751. Such sum represents the balance allegedly due the United States for overpayment of compensation paid him as a prisoner of war for the period of August 6, 1942, to January 10, 1945.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MAUDE L. SMITH

The Clerk called the bill (H. R. 5584) for the relief of Mrs. Maude L. Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Maude L. Smith, 617 Seneca Street, Seattle, Wash., the sum of $10,000. Payment of such sum shall be in full settlement of all claims of the said Mrs. Maude L. Smith against the United States on account of the death of her minor son, Kimball Smith, who was killed as the result of an accident involving a United States Post Office vehicle at East 95th Street and Sand Point Way, Seattle, Wash., on December 28, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6: Strike "$10,000" and insert "$3,500".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM LAVALLO

The Clerk called the bill (H. R. 5922) for the relief of William Lavallo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William Lavallo, Jersey City, N. J., the sum of $407.90. Such sum represents the amount of the judgment and costs for which William Lavallo was held liable on May 29, 1956, in the courts of the State of New Jersey as a result of an accident which occurred on September 8, 1955, and which involved a Government vehicle being driven by William Lavallo in the course of his duties as an employee of the Department of the Navy. Such sum shall be paid only on condition that William Lavallo shall use such sum, or so much thereof as may be necessary, to pay such judgment and costs in full: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, lines 5 and 6: Strike "in excess of 10 percent thereof".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARNIE W. LOHMAN

The Clerk called the bill (H. R. 6405) for the relief of Arnie W. Lohman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Arnie W. Lohman, Post Office Box 187, San Ysidro, Calif., the sum of $500 in full settlement of all claims against the United States. Such sum represents reimbursement of money paid out by him for which he was held liable by the Mexican authorities for hospitalization of Ramon-Rena-Velarde, a citizen of Mexico, who stepped out in front of a United States Customs vehicle driven by him when on official customs business in Tijuana, Mexico, on July 19, 1956.

With the following committee amendments:

Page 1, line 7, strike the period following "States" and insert: ": *Provided*, That the said Arnie W. Lohman shall be paid only that amount, not exceeding $500, which is equal to the amount which he was required to pay for the purposes hereinafter described; and *Provided further*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Page 1, line 9; After "hospitalization" insert, "and loss of wages occasioned by the accident".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK L. AND EVELYN M. BUSSMANN

The Clerk called the bill (H. R. 7058) for the relief of Frank L. and Evelyn M. Bussmann.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frank L. and Evelyn M. Bussmann, International Falls, Minn., the sum of $439. The payment of such sum shall be in full settlement of all claims of Frank L. and Evelyn M. Bussmann against the United States on account of an erroneous overpayment by them with respect to their Federal income-tax liability for the year 1951: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike "$439" and insert "$278".

The committee amendment was agreed to.

Mr. LANE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LANE: Page 2, line 1, strike "in excess of 10 percent thereof."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WINTFORD JESSE THOMPSON

The Clerk called the bill (H. R. 7752) for the relief of Wintford Jesse Thompson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Wintford Jesse Thompson, chief aviation electronics technician, United States Navy, the sum of $222.62. The payment of such sum shall be in full settlement of all claims of the said Wintford Jesse Thompson against the United States for reimbursement of the cost to him of registration fees, books, and equipment paid by him from his own funds on account of courses taken by him from the University of Tennessee, division of university extension, Memphis center, between the fall quarter, 1954, and the spring term, 1956. Reimbursement of such sum to the said Wintford Jesse Thompson has been denied by the Veterans' Administration on the ground that his failure to continuously pursue the training program he had initiated in 1950 under Public Law 346, 78th Congress, because of being transferred overseas by the United States Navy in 1952, was not for a condition which normally would cause interruption by any student: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOAQUIN A. BAZAN

The Clerk called the bill (H. R. 8046) for the relief of Joaquin A. Bazan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of sections 15 to 20, inclusive, of the Federal Employees' Compensation Act, as amended (5 U. S. C. 765–770), the Secretary of Labor is authorized and directed (1) to consider any claim filed within 1 year after the date of enactment of this act by Joaquin A. Bazan, of Washington, D. C., for compensation for disability resulting from an injury (as defined in such act) sustained by him on or about March 31, 1942, while in the performance of his duties as a senior foreman of laborers, United States Department of Agriculture, San Ysidro, N. Mex., and (2) to award to the said Joaquin A. Bazan any compensation to which he would have been entitled had such claim been filed within the time and in the manner provided by such sections.

SEC. 2. (a) Except as otherwise provided by this section, no back pay, allowances, or compensation for any period prior to the date of enactment of this act shall be deemed to have accrued by reason of the enactment of this act.

(b) If the Secretary shall determine that the only compensation to which Joaquin A. Bazan would have been so entitled if he had given such timely notice and had made such timely claim would have been for a period which ended prior to the date of enactment of this act, the said Joaquin A. Bazan shall be entitled to receive a single lump-sum payment equal to the total amount of the payments to which he would have been so entitled for such period.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the requirements of sections 15 through 20 of the Federal Employees' Compensation Act, as amended (39 Stat. 742), with respect to filing notice of injury and claim for compensation are hereby waived in favor of Joaquin A. Bazan and his claim for compensation for disability alleged to have resulted from an injury sustained while in the performance of his duties on March 31, 1942, as a senior foreman of laborers, United States Department of Agriculture at San Ysidro, N. Mex., shall be considered and acted upon under the remaining provisions of such act in the same manner as if such notice and claim had been timely filed, if such claim is filed within 6 months after the date of the enactment of this act: *Provided*, That no benefits except reimbursable medical expenses shall accrue by reason of the enactment of this act for any period prior to its enactment."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMPLOYEES, UNITED STATES NAVAL GUN FACTORY, WASHINGTON, D. C.

The Clerk called the bill (H. R. 8231) for the relief of certain employees of the Department of the Navy at the United States Naval Gun Factory, Washington, D. C.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) each of the following-named persons is hereby relieved of all liability to refund to the United States the amount of overpayments made to him by the Secretary of the Navy as a result of an error in the conversion of his position from the wage board system to the general schedule grades under the Classification Act of 1949, as amended, while such person was employed by the Department of the Navy at the United States Naval Gun Factory, Washington, D. C.: Ross W. Alexander, Washington, D. C.; Ernest R. Cunningham, Washington, D. C.; Robert W. Fauntleroy, College Park, Md.; Harry F. Grant, Bethesda, Md; Fleming T. Lee, Bureau of Ships, Department of the Navy; Edward R. Lilley, Jessup, Md.; Albert H. Lloyd, Washington, D. C.; Raymond R. Mills, Arlington, Va.; William H. Noll, Arlington, Va.; Thornton A. Phillips, Arlington, Va.; Gordon L. Riggles, Arlington, Va.; Howard Snipes, Washington, D. C.; David B. Arnold, Jr., Alexandria, Va.; Alfred N. Blosse, Marlowe Heights, Md.; James W. Carlton, Alexandria, Va.; Albert W. Carson, Hyattsville, Md.; Raymond F. Cornwell, Washington,

D. C.; Marion L. Dwiggins, College Park, Md.; Leslie W. Felton, Falls Church, Va;

Gwyn E. Gardiner, District Heights, Md.; Raymond F. Gates, Oxon Run Hills, Md.; William T. Hall, Hyattsville, Md.; Harry J. Hodges, Hyattsville, Md; Edward J. Jenkins, West Hyattsville, Md; George W. Killion, Fairfax, Va.; John E. Lee, Jr., Falls Church, Va.; George O. Link, Lanham, Md.; William E. Markham, Jr., Alexandria, Va.; J. Woodrow Milstead, Indian Head, Md.; Bruce B. Morris, Alexandria, Va.; George B. Mudd, Jr., Washington, D. C.; Leon W. Neal, Washington, D. C.; James R. Pritchard, Washington, D. C.; Myron G. Pursel, Washington, D. C.; Eugene C. Reinhardt, Jr., Washington, D. C.; Earl W. Roland, Alexandria, Va.; Harry E. Search, Garret Park, Md;

John Shaternick, Temple Hills, Md.; Joseph R. Sholtis, Alexandria, Va.; Ralph M. Simone, Capitol Heights, Md.; James F. Spence, Jessups, Md.; Wilbur J. Taylor, Landover Hills, Md.; E. Kenneth Trainor, Washington, D. C.; Dennis A. Viens, College Park, Md.; George E. Waesche, District Heights, Md.; Fred H. Wheeler, Wheaton, Md.; Herbert M. Jefferson, Washington, D. C.; John T. Lewis, Washington, D. C.; Kalman J. Acs, Washington, D. C.; Franklin P. Stanford, Silver Spring, Md.; Charles E. Springfellow, Falls Church, Va.; Steve Kravitsky, Seat Pleasant, Md.; Henry C. Carter, Washington, D. C.; Norman T. Queen, Washington, D. C.; Alexander T. Urquhart, Washington, D. C.; John W. Roebuck, Washington, D. C.; John W. Mobley, Washington, D. C.; John C. Miller, College Park, Md.; Russell M. Morgal, Hyattsville, Md.

(b) In the audit and settlement of the accounts of any certifying or disbursing officer of the United States full credit shall be given for all amounts for which liability is relieved by subsection (a) of this section.

With the following committee amendments:

Page 1, line 6, after "Navy", strike out "as a result of an error in" and insert in lieu thereof "resulting from".

At the end of the bill add:

"(c) If a person named in subsection (a) has refunded to the United States all or a part of the overpayment with which this act is concerned, the Secretary of the Treasury is authorized to pay, out of any money in the Treasury not otherwise appropriated, to that person the amount he repaid."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH R. BURGER

The Clerk called the bill (H. R. 8831) for the relief of Joseph R. Burger.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 18 to 20, inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended (5 U. S. C. 765–770), are hereby waived in favor of Joseph R. Burger, for compensation for disability allegedly caused by his employment in the Navy Yard, Charleston, S. C., on April 14, 1943, and his claim is authorized and directed to be considered and acted upon under the remaining provisions of such act, as amended, if he files such claim with the Department of Labor (Bureau of Employees' Compensation) not later than 6 months after the date of enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

S. A. ROMINE

The Clerk called the bill (H. R. 8833) for the relief of S. A. Romine.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 15 to 20, inclusive, of the Federal Employees' Compensation Act are hereby waived in favor of S. A. Romine, Charleston, W. Va., and his claim for compensation benefits on account of an eye injury sustained by him on October 15, 1937, while employed as a clerk at the post office, Charleston, W. Va., shall be acted upon under the remaining provisions of such act if he files such claim with the Bureau of Employees' Compensation, Department of Labor, within the 6-month period beginning on the date of enactment of this act. No benefits shall accrue by reason of the enactment of this act for any period before the date of its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. GEORGE HOLDEN

The Clerk called the bill (H. R. 8875) for the relief of Mr. and Mrs. George Holden.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of section 5 (a) (3) of the act of July 28, 1945 (Public Law 161, 79th Cong.), Mr. and Mrs. George Holden, Poplarville, Miss., shall be held and considered to have been receiving compensation under section 10 (E) of the Federal Employees' Compensation Act (on account of the death of their daughter Myrtle Holden) on July 28, 1945.

SEC. 2. No compensation shall be payable by reason of the enactment of this act for any period prior to the date of the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HERBERT H. HOWELL

The Clerk called the bill (H. R. 9181) for the relief of Herbert H. Howell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Herbert H. Howell, of Baton Rouge, La., the sum of $240. Payment of such sum shall be in full settlement of all claims of Herbert H. Howell against the United States for 94 hours of annual leave which he had accrued while employed by the Post Office Department but which he was prevented from taking because of administrative error: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdeameanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6: Strike "$240" and insert "$246.28".

Page 2, lines 1 and 2: Strike "in excess of 10 percent thereof".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DORMAN WILLIAM WHITTOM

The Clerk called the bill (H. R. 9608) for the relief of Dorman William Whittom.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of the War Claims Fund, to Dorman William Whittom, Anacortes, Wash., the amount certified to him under section 2 of this act. The payment of such sum shall be in full settlement of all claims of Dorman William Whittom against the United States for detention benefits under section 5 (a) through 5 (e) of the War Claims Act of 1948, as amended by the War Claims Act Amendments of 1954. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

SEC. 2. The Foreign Claims Settlement Commission shall promptly determine and certify to the Secretary of the Treasury the amount which would have been payable to Dorman William Whittom as detention benefits under section 5 (a) through 5 (e) of the War Claims Act of 1948, as amended by the War Claims Act Amendments of 1954, if Dorman William Whittom had filed a claim therefor within the period prescribed by law.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MITSUO ARITA

The Clerk called the bill (H. R. 9881) for the relief of Mitsuo Arita.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the Territory of Hawaii to hear, determine, and render judgment upon the claim of Mitsuo Arita, of Hakalau, Territory of Hawaii, for losses suffered when four airplanes which he owned were taken over by the United States Army Air Force at Honolulu or or about January 21, 1942, and retained until April 14, 1945.

SEC. 2. Suit upon such claim may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim, appeals therefrom, and payment of any judgment thereon shall be in the same manner as in the cases over which such court has jurisdiction under the provisions of sec-

tion 1346 of title 28 of the United States Code.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MIRKO J. PITNER

The Clerk called the bill (H. R. 4044) for the relief of Mirko J. Pitner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Mirko J. Pitner, the fiancé of Felicitas Matheis, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Mirko J. Pitner is coming to the United States with a bona fide intention of being married to the said Felicitas Matheis and that he is otherwise admissible under the provisions of the Immigration and Nationality Act (other than the provision of section 212 (a) (9) thereof. In the event that the marriage between the above-named persons does not occur within 3 months after the entry of the said Mirko J. Pitner, he shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Mirko J. Pitner, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Mirko J. Pitner as of the date of the payment by him of the required visa fee.

With the following committee amendment:

On page 2, at the end of line 1, change the period to a colon and add the following: *Provided further*, That this exemption shall apply, only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIA ALMA DIZON

The Clerk called the bill (H. R. 5084) for the relief of Maria Alma Dizon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Maria Alma Dizon shall be held and considered to be the minor natural-born alien child of Mr. and Mrs. Jose G. Dizon, citizens of the United States.

With the following committee amendments:

On page 1, line 6, strike out the language "and Mrs."

On page 1, line 6, after the name "Dizon," strick out "citizens" and substitute in lieu thereof "a citizen".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUGUST WIDMER

The Clerk called the bill (H. R. 7729) for the relief of August Widmer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (6) of the Immigration and Nationality Act, August Widmer may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissable under the provisions of such act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIA GIANNALIA

The Clerk called the bill (H. R. 7987) for the relief of Maria Giannalia.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Maria Giannalia, shall be held and considered to be the natural-born alien child of Joseph and Mary LaSusa, citizens of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FEDERICO LUSS

The Clerk called the bill (H. R. 10035) for the relief of Federico Luss.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of the Immigration and Nationality Act, the periods of time Federico Luss has resided and was physically present in the United States or any State since March 4, 1952, shall be held and considered as compliance with the residence and physical presence requirements of section 316 of said act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOVHANNES H. HAIDOSTIAN

The Clerk called the bill (S. 1578) for the relief of Hovhannes H. Haidostian.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Hovhannes H. Haidostian shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NORMA JOSEPHINE HODGES DOWD

The Clerk called the bill (S. 1943) for the relief of Norma Josephine Hodges Dowd.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That, for the purpose of the Immigration and Nationality Act, Norma Josephine Hodges Dowd shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BARBARA HOLLINGER

The Clerk called the bill (S. 1979) for the relief of Barbara Hollinger.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

FAVORING SUSPENSION OF DEPORTATION IN CASES OF CERTAIN ALIENS

The Clerk called the concurrent resolution (S. Con. Res. 67) favoring the suspension of deportation in the cases of certain aliens.

There being no objection, the Clerk read the bill, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months:

A-6013531, Conrad, John Eddy.
A-6854175, Khan, Young.
A-5609821, Lago, Manuel.
A-8024172, Romero-Garcia, Jose Esteban.
A-5919886, Karlquist, Karl Runar.
A-10375272, Ming, Dan Ah.
A-4994479, Schmidt, Anton.
A-4778249, Tapia-Palacios, Leandro.
A-7927373, Antoncich, Anthony Joseph.
A-5270094, Grammatikos, Nicolaos T.
A-4403972, Li, Ru-Chao.
A-6899735, Garcia-Travesi, Carlos.
A-3470764, Hicks, Prudence.
A-3535360, Ares, Leonide Ituarta.
A-5987407, Gavaletz, James.
A-8001256, Kim, Lim Hong.
A-9561104, Yan, Sang.
A-2482835, Ali, Manan Bin.
A-7083633, Lyras, Sozon.
A-8976987, Olvera-Gonzalez, Juan Manuel.
A-9836556, Tamm, Salme.
A-8996122, Jing, Yee Fong.

A-6859008, Ornelas-Alvarado, Carlos.
A-7390668, Fong, Ng Ben.
A-6590561, Lopez, Vincent Manuel.
A-5091348, Panzani, Natale.
A-3247674, Pellegri, Fert.
A-7266069, Wong, Henry.
A-10256415, Freund, Eva.
A-9652037, Muk, Fong.
A-2627821, Reinhardt, Fritz Willy.
A-9752493, Juan, Han Heng.
A-4735205, Sponza, Pietro.
A-4572014, Lorusso, Mauro.
A-2716669, Pena-Morales, Victor.
A-5753916, Gonzalez Campos, Francisco.

With the following committee amendments:

On page 2, strike out line 12.
On page 3, strike out lines 1 and 2.
On page 3, strike out line 4.

The committee amendments were agreed to.

Mr. CELLER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CELLER: On page 3, at the end of the concurrent resolution add the following number and name:
A-4276892, Yang, Fuh Yu.

The amendment was agreed to.

The Senate concurrent resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAUD CLAER WAHL

The Clerk called the bill (S. 1062) for the relief of Maud Claer Wahl.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Maud Claer Wahl shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that the further call of the calendar be suspended at this time.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

ONE HUNDREDTH ANNIVERSARY OF ADMISSION OF MINNESOTA INTO THE UNION

The SPEAKER. The Chair recognizes the gentleman from Minnesota [Mr. McCARTHY].

Mr. McCARTHY. Mr. Speaker, I ask unanimous consent for the present consideration of the joint resolution (S. J. Res. 168) authorizing the President to issue a proclamation calling for the people of the United States to commemorate with appropriate ceremonies the 100th anniversary of the admission of the State of Minnesota into the Union.

The SPEAKER. Is there objection to the present consideration of the Senate joint resolution.

Mr. JUDD. Mr. Speaker, reserving the right to object, and I shall not object, I join with the gentleman from Minnesota in approving this resolution.

The SPEAKER. Is there objection to the present consideration of the Senate joint resolution.

There was no objection.

The Clerk read the Senate joint resolution, as follows:

Resolved, That the President of the United States is authorized and requested to issue, on or before May 11, 1958 (the 100th anniversary of the date on which the State of Minnesota was admitted into the Union), a proclamation calling upon the people of the United States to commemorate with appropriate ceremonies the 100th anniversary of the admission of Minnesota into the Union.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. McCARTHY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the resolution just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CALL OF THE HOUSE

Mr. MARSHALL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 52]

Adair	Eberharter	Lafore
Ashley	Edmondson	Landrum
Auchincloss	Elliott	Lennon
Ayres	Engle	McCulloch
Bailey	Fallon	McFall
Barrett	Farbstein	McGovern
Baumhart	Forand	McGregor
Beamer	Ford	McIntire
Boggs	Frelinghuysen	Madden
Bolton	Fulton	May
Boykin	Garmatz	Miller, Calif.
Boyle	Gordon	Morgan
Bray	Granahan	Moss
Brownson	Grant	Mumma
Buckley	Gross	Nimtz
Burdick	Halleck	Porter
Byrne, Ill.	Harden	Powell
Byrne, Pa.	Harvey	Radwan
Chelf	Hays, Ohio	Rains
Christopher	Healey	Rhodes, Pa.
Clark	Hess	Roberts
Coad	Hillings	Robeson, Va.
Coffin	Holifield	Robison, N. Y.
Collier	Horan	Santangelo
Cunningham, Nebr.	Huddleston	Scherer
	Jackson	Scott, N. C.
Dennison	James	Scott, Pa.
Dent	Jarman	Scrivner
Denton	Jenkins	Selden
Dies	Jennings	Shelley
Diggs	Jones, Ala.	Shuford
Dorn, N. Y.	Jones, Mo.	Siler
Dorn, S. C.	Kilburn	Spence
Dwyer	Knutson	Stauffer
Steed	Walter	Wilson, Calif.
Teller	Williams, N. Y.	Wilson, Ind.
Vanik	Willis	Zelenko

The SPEAKER. On this rollcall 312 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON ARMED SERVICES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services have permission to sit this afternoon during general debate.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PRIMARIES IN THE STATES OF OHIO, INDIANA, AND ALABAMA TODAY

Mr. McCORMACK. Mr. Speaker, permit me to make this brief statement, that there are primaries in the States of Ohio, Indiana, and Alabama. I make this statement to explain why Members from those States may be home, because of those primaries.

URGENT DEFICIENCY APPROPRIATION BILL, 1958

Mr. CANNON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 12326) making urgent deficiency appropriations for the fiscal year ending June 30, 1958, and for other purposes; and pending that motion, Mr. Speaker, I wonder if I could agree with the gentleman from New York [Mr. TABER] on the time for general debate. Would it be agreeable to the gentleman from New York if we limited the time for general debate to 2 hours?

Mr. TABER. Mr. Speaker, that would be entirely satisfactory.

Mr. CANNON. I ask unanimous consent that general debate be limited to 2 hours, one-half of that time to be controlled by the gentleman from New York [Mr. TABER] and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 12326, with Mr. METCALF in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANNON. Mr. Chairman, with the possible exception of Waterloo and Gettysburg no battle in the history of the world has been so diagramed, investigated, analyzed and evaluated as the Japanese attack on Pearl Harbor, pre-

cipitating the last world war. It is not a pleasant subject and little can be found in that catastrophic defeat that is of much credit to American arms.

But the most discreditable feature of it, and Congress must shoulder its share of the blame, is that it need not have happened, and would not have happened if Congress had properly organized the Armed Forces, and if the Army and Navy had called a truce in their perpetual rivalry and cooperated in the face of the recognized danger of which both had been adequately warned.

A subcommittee of the Committee on Appropriations held hearings in which it was testified that at the time of the attack the Naval Commander, Admiral Kimmel and the Army Commander, General Short were not even on speaking terms. And the investigations by the Commission appointed by the President and by the joint committee of the House and Senate, showed that although both had been repeatedly alerted "over a period of weeks prior to the attack" they did not confer on the matter at any time.

At one of the most critical periods in the defense of the Nation, there was not the slightest cooperation between the Army and the Navy.

Had they merely checked and compared the official messages received by each, they could not have failed to have taken precaution which would have rendered the attack futile and in all likelihood have prevented the Second World War and the situation in which we find ourselves today.

The need for reorganization, for a unified command, was strongly emphasized in the findings of the Commission, which in its conclusions at the end of exhaustive hearings said:

1. Effective utilization of the military power of the Nation is essential to success in war and requires coordination of the operations of the Army and Navy.

* * * * * *

9. These commanders failed to confer with respect to the warnings and orders issued on and after November 27, and to adopt and use existing plans to meet the emergency.

* * * * * *

18. These errors of judgment were the effective causes for the success of the attack.

It was not Japanese superiority winning the victory. It was our own lack of cooperation between Army and Navy throwing victory away.

Sixteen eventful years have passed since that judicial determination was announced, and adopted and accepted by the Nation. And yet the Army and the Navy are as far apart and, if possible, more bitter in their interservice rivalries today than on that tragic eve of the greatest defeat in our history.

A greater air disaster menaces us today than any ever wafted across the seas from Nippon. Protected by powerful allies and behind the bulwarks of our two oceans, we slowly, doggedly, fought back from disaster, defeat, and disgrace. But today our allies are powerless to aid, and there are no longer any oceans. We could not hope to recover from an atomic Pearl Harbor.

The need for reorganization of the Armed Forces was recognized long before Pearl Harbor. And the effort to consolidate the Army and Navy Departments was vigorously urged as early as 1919 by many, both in the service and in the Congress, including the illustrious martyr to military bureaucracy, Gen. Billy Mitchell.

General Mitchell's judgment has been more than vindicated and the autocratic stupidity of the admirals who condemned him has been effectually repudiated. But while the Congressional Medal of Honor has been posthumously conferred on General Mitchell we are only today turning to serious consideration of the reforms which he advocated.

One of the finest things in all the brilliant career of General MacArthur, who was a member of the court martial that crucified Billy Mitchell, was his frank and open statement later in life that his opposition to the reforms advocated by General Mitchell was the "greatest mistake of my military career."

As early as 1945 General Marshall and General Eisenhower—then a mere general, with no thought of the Presidency—appeared before a Senate committee in behalf of unification of the services. And this morning's newspapers report that General Bradley yesterday testified before the House Armed Services Committee and urged reorganization. He called for a simpler, more direct command, insisting it was all the more necessary in view of the speed with which modern war would be waged. He did not have to remind us that we will fight the next war with exactly what we have when it starts and it will be over in a matter of days, if not hours. A unified command is imperative.

And the President himself. Who is better qualified, in training, experience and capacity than General Eisenhower, former commander of all the allied armies in Europe and for 5 years Commander in Chief of the Armed Forces of the United States?

I may, at times, presume to differ with him on agricultural matters because I am a farmer and he is not. But when it comes to military affairs involving the safety of the people and the survival of our form of government, he is a general—and I take off my hat to him with heartfelt alacrity.

And what about the obtuse admirals, who like the Bourbons never forget and never learn—never forget how the last war was fought and never learn how to fight the next war. It was my privilege some time ago to sit beside Admiral Halsey at a public dinner. The admiral cannot only command a fleet; he has a superb command of the English language and when occasion requires he is, in his rapid-fire use of sulfurous and expressive malediction, incomparable and without a peer.

Such an occasion arose during the campaign in the Solomon Islands in the Second World War. Infuriated by the lack of service cooperation, he threatened to strip Army, Navy, and Marine officers of their uniforms, brand stars on their rumps, and adopt loincloths as the uniform of the day to make them realize that they were all allies in one war. He later retracted perhaps, but that was his reaction to the need of the occasion.

Following the successful attack at Pearl Harbor, the Panama Canal was the next Japanese target. The President detached General Andrews from the General Staff and made him supreme commander at the Canal Zone "with complete responsibility." Attack was expected momentarily, but when the general arrived at the canal the Pacific admiral refused to even call on him and when General Andrews radioed asking him to attend and bring his patrol plans for coordination, the admiral answered that he took orders only from the Navy Department. When General Andrews then asked him to send his patrol plans for integration, he replied he had no intention of doing so because if he did every spy in the Canal Zone would know his plans. In an hour of supreme national danger he refused to cooperate.

When the Jap naval code was broken and when for some time we were reading all official messages from Tokyo to the Japanese fleet, much of this information came to the admiral at his Hawaiian headquarters. But none of it was passed along to the Air Force, either to General Martin, the commander directly concerned with the air defense of the island or to General Arnold, the Chief of the Air Force in Washington. In that extreme crisis there was no cooperation.

Rather than collaborate with the Army or the Air Force the Navy has always insisted on establishing its own facilities, and has deliberately duplicated military facilities at a waste of billions of tax dollars. The Navy insists on constituting itself as an entire and complete defense department. It, by itself, comprises the sea forces, the air forces—carriers, the land forces—marines, and the service forces. It duplicates every function of the entire Defense Department.

Just across the Potomac River in sight of the Capitol is the Army's Bolling Field, now the Air Force Field. And right beside it, with only a line between, the Navy insisted on putting in the Anacostia Naval Air Station. Each has its own fire department with its firemen and equipment. Only one is needed. Each has its own ambulance service and its own hospital staff. Only one is needed. Each has its own chaplain, its own recreation facilities, and its own mess service; Army libraries and Navy libraries, Army officers clubs and Navy officers clubs, Army steam baths and Navy steam baths, Army post offices and Navy post offices, and other duplications too numerous to mention.

There is a control tower for each field, a weather staff at each field, a communications staff at each field, and each field maintains its own ready crews and repair and maintenance organization. The cost of maintaining this useless and unnecessary duplication in this one instance alone runs into the millions. And there are similar instances all over the country. It is typical of the lost motion and utter wastage which would be saved if the President's reorganization plan

was adopted. The business and economic features of the plan of reorganization should be apparent to any schoolchild.

And the military and historic issues are just as plain. You do not win battles with divided commands. Imagine Napoleon sending a polite note pleading for cooperation at Austerlitz.

The President asks for this legislation and Congress should pass it and start this reasonable, sensible, long-delayed, much-needed revision at the earliest date possible.

And yet every conceivable species of propaganda imaginable is being used against it. The Naval Institute paid a free-lance columnist to write a book against it. They sent many Members of the House a copy of it last week, a volume of 126 pages. It seeks to disseminate ideas that were obsolete before the Spanish-American War.

The book is significant in that it shows to what length obstinate men will go to maintain their separate, individual, independent, ungovernable status. How can they logically in good conscience criticize the President's plan? There is really no sound argument against it. So, tongue in cheek, they say President Eisenhower is using reorganization as a red herring to divert attention from Secretary Wilson's mistakes. What mistakes? How absurd. It is an insult to the President to suggest such a motive.

And in the same vein, they claim the President's proposal would be merely a reiteration of law already on the statute books.

Of course that is not true but if it were true, the President is convinced it would straighten out some of the tangles down there in the Pentagon and he is a better judge and knows more about it than anybody else. Why not listen to him?

The Committee on Armed Services itself brought in a bill here in the 84th Congress which they conceded was nothing but authorization of ships already authorized. They made no bones about it and insisted on the House passing it and authorizing the same tonnage again.

But, now they complain that what the President asks he already has.

And then they say the President is intent on establishing a dictator—a man on horseback. Can you imagine a military dictator in the United States in the 20th century? How silly can they get?

But what sensible argument can they offer against this long needed and obviously necessary reform?

Newspaper commentators in yesterday's press summarize the issues in General Pate's testimony before the committee the day before. And inasmuch as his comments seem to have been emphasized in the news release, let us consider them categorically:

General Pate stated that he viewed with reservation elements of the proposal which relate to the unified commands. He stated that their purpose was not clear to him; so far as he knew, these commands are operating satisfactorily today.

Certain elements are not clear to the general. He cannot see through them; particularly as they pertain to the concept of unified commands. Let the Navy hold its corner and the Army hold its corner and fight for every bone in between. He states that the unified commands that exist today appear to him to be operating satisfactorily.

Addressing ourselves to the President's proposed plan for reorganization, we find clearly a need to improve the quality of direction and strength of support which is given to the unified commanders. This legislation is intended to clarify the following essential points:

First. To define the authority of the Secretary of Defense to establish and assign forces to unified or specified commands.

Second. To delineate clearly the chain of command from the Secretary of Defense direct to the unified commanders.

Third. To confirm the authority of the unified commanders to have direct command over all those forces assigned to the unified commands.

Fourth. To insure that unified commands are adequately supported by the services by clearly defining the logistic support responsibility.

Previously the chain of command moved from the Secretary of Defense direct to the Joint Chiefs of Staff to the executive agents and finally to the unified commands. This chain of command has proved cumbersome and unresponsive to the necessity that confronts us which is basic, the requirement for quick and decisive action. As a corrollary the same cumbersome chain of command and line of communication can be traced from unified commands to the Secretary of Defense.

The President's proposed plan also makes unequivocally clear the authority of the unified commander and would prevent any possibility of any of his component forces which constitute his unified command from being withdrawn for other service commitments without previous consultation with the unified commander and the Joint Chiefs of Staff. Under the present law this always remains a possibility. And still the general could not see just what the President was driving at.

General Pate also stated that the feature of the bill which causes him grave concern as Commandant of the Marine Corps—you see, the Marine Corps is talking here—is the proposal to repeal section 202 (c) (1), (2), and (3) of the National Security Act. These three subsections prohibit the transfer, reassignment, abolition, or consolidation of the combatant functions of the services.

As regards this objection, it must be said that "the proposal does not contemplate merger of the services any more than the Continental Air Defense Command, the Eastern Atlantic and Mediterranean Command, the Atlantic Command, the Strategic Air Command, the Caribbean Command, the European Command, the Alaskan Command, and the Pacific Command, all of which are in existence today, have tended to merge or destroy them," and also "the changes in the law which are proposed do not change the present statement of functions of the armed services. The crux of the discussions, therefore, is the question of the authority of the Secretary of Defense to eliminate overlapping in combat functions as may be required by changing circumstances. The advent of modern weapons has eliminated the clear distinction which could at one time be made between combat on land, combat at sea, and combat in the air."

There is no longer any marked distinction between combat on land or sea. The next war will be won or lost in the air.

"And, therefore, led to overlapping which is confusing and wasteful. The intent of the proposal is not to make a sweeping realinement of the services or their administration, but rather, in the national interest, to be able to make timely decisions in those areas which invite duplication and the unnecessary expenditure of resources. The Secretary of Defense should have the authority to abolish, consolidate, reassign or transfer functions insofar as and only insofar as is necessary for the Secretary of Defense to eliminate confusion and utilize in the most effective manner the resources made available by the Congress."

Members of the Committee on Appropriations will fully recognize the force of that statement.

Under the President's proposed plan there certainly is no thought of abolishing any traditional organizations. There is no thought of any major transfer of combatant functions.

More than adequate safeguards to prevent such things from happening are contained in the provisions of section 2 and section 3 (a) (4) of the President's proposal. It is immediately apparent that it is not the intent of the President or any member of the Department of Defense to abolish or do away with any existing institutions. Furthermore, it would not be possible under any interpretation of the proposed legislation. No substantial changes will be possible without the tacit or explicit approval of the Congress.

The Secretary of Defense would certainly not act in defiance of Congressional desires, and, further, Congress by direct legislation or by exercise of its appropriations authority could prevent any such powers from being exercised to the detriment of the security of the country.

Should, through some unforeseen circumstance, the Secretary of Defense arrogate to himself the role of dictatorship or take it upon himself to order such change, either now or in the future, he is under further control which would be exercised by the President and the representation and vigorous presentation which would certainly be made by each of the individual Chiefs of Staff.

As I have indicated, the proposed legislation explicitly preserves the existing service departments and their major constituents as in the case of naval aviation and the Marine Corps. These departments cannot be eliminated or changed in any substantial degree without explicit Congressional authorization.

On the face of it, what the proposed legislation does do is to make legislatively explicit the concept of close integration of service elements in unified commands to assure the most effective possible teamwork between all elements of our Armed Forces team.

And that is what we need most—teamwork. We needed it in the last war and we will certainly need it in the next war. We desperately need teamwork between all elements of our Armed Forces team.

This legislation is needed to eliminate overlap and duplication. National security is impaired to a degree in any instance in which there is unnecessary duplication in the entire spectrum of military effort extending all the way from research and development to the fielding and support of combat forces.

General Pate engaged in the following colloquy with a Congressman during the hearings on the reorganization plan:

CONGRESSMAN. And you think that in this bill we are probably writing too much organization into law; we are trying to probably throttle to some extent the functions of our military?

What a subtle question—so innocently put.

General PATE. Of course, Congressman, my philosophy differs considerably from this. I have found in my limited experience, as I increased in rank and responsibility and jobs, that the larger the job, the more I had to decentralize, and I think this is the reverse of that. Personally, I would like to see more decentralization to the departments, rather than concentrating it in the Department of Defense. That is my philosophy.

He would like to see the Army and the Navy further apart than they were in the last war.

That is what he said:

I would like to see more decentralization to the departments, rather than concentrating it in the Department of Defense.

The following may be taken to indicate the philosophy of decentralization and centralization as found in the President's reorganization plan:

The plan seeks perfection and streamlining of authority. The reorganization proposal does not provide a greater concentration of power—authority has been and is vested in the Commander in Chief and the Secretary of Defense. The plan seeks only to streamline the channels for passing authoritative strategic direction to the operating forces under the unified commanders—the swift passage of direction compatible with the demands of warfare today and tomorrow.

Responsible decentralization is present in the plan. Administration of the military departments remains decentralized under the Secretaries. The departments clearly continue to have the vast and important responsibilities associated with administration, personnel, training, research and development, procurement and supply, and the host of associated activities.

General Pate also took part in another colloquy with a Congressman during the hearings on the reorganization plan:

CONGRESSMAN. Do you think if this bill was written into law that it is going to assist the Marines and other services in reorganizing themselves, preparing themselves to meet the method of prosecuting a war tomorrow, or will it handicap it?

General PATE. I don't see that it helps in any way, Congressman. I see nothing that indicates that it would.

CONGRESSMAN. In other words, under existing law, by its authority, you can reorganize today to meet to the challenge tomorrow?

General PATE. Yes, sir. We can without reorganizing in the Marine Corps.

We certainly cannot disagree with the thought expressed by General Pate that he has all of the necessary authority to reorganize the Marine Corps or reconstitute its particular forces in any way that he feels is necessary to meet the challenge of tomorrow. Similarly there is no disagreement that the same principle applies singularly to the Army, Navy or Air Force.

There is, however, this very basic fundamental fact that has been repeatedly stressed by the President that we no longer can look upon our defense of this country in a unilateral concept, but we must consider our requirements for defense as one single basic scheme under single direction. The single direction is provided for in the President's proposed plan for reoganization and his direction and singleness of purpose comes from our highest military chiefs, acting in unity, under civilian control.

Our greatest need today is to provide a coordinated effort with all the military forces, the combat potential of this country, so that with singleness of purpose we may provide immediate reaction to any imminent danger and therefore insure the security of this Nation.

Mr. Chairman, this is not an academic discussion. A thousand years of civilization weigh in the balance.

Russia is out-arming us; out-producing us. Our production of steel is down a half. Our plants are slowing down and laying off men while over there they are working three 8-hour shifts, every 24 hours, and steel is pouring from their foundries in an ever-increasing volume.

A United States Senator who was in Russia this past summer—I sat and listened to him for an hour—says Russian hydroelectric development staggers the imagination. He photographed electric turbines more than three times the size of those at Grand Coulee—three times larger than any in the United States.

Russia has more men under arms than the rest of the world combined. She has something like 500 submarines, and will have 700 by 1961. Every time we produce 1 submarine they produce 3. And that includes atomic-powered underwater vessels. They are not sitting idly by while we develop nuclear submarines. They have always been right on our heels or just ahead of us. They are already working on atomic-powered missile-firing submarines.

Russia has demonstrated on the proving grounds intercontinental ballistic missiles with a range of 3,500 miles, and is expected to increase the range to 5,000 before the close of 1959. At 5,000 miles they can hit any spot in the United States. The next war will not be fought in no man's land, it will not be fought on the borders. Khrushchev has told us explicitly it will be fought here in America. Everybody in the United States will be under the gun.

Russia has never deviated from her openly announced purpose to take us over. She has told us and the world repeatedly, that communism cannot live in the same world with capitalism and they will bury us. She is today more uncompromising in her attitude than ever before and has just vetoed in the United Nations our timid efforts to conciliate and appease her.

Mr. Chairman, we cannot accept any compromise on the President's bill. Any compromise on this carefully thought out measure destroys it. And we will never have another chance.

It is high time we put an end to this insane bickering between the services, eliminated billions of wastage and begin to develop sufficient military strength to keep us out of war.

The only way to stay out of war is to be so strong they will not dare attack us. We may be losing that advantage. Let us not delay further this important step so urgently recommended by the Commander in Chief of the Army and Navy of the United States.

Mr. MOULDER. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Missouri.

Mr. MOULDER. Mr. Chairman, I certainly do commend and compliment the distinguished gentleman from Missouri. The gentleman has made a great speech, a brilliant, persuasive, and informative argument, showing the desperate need for reorganization and unification of our Armed Forces, which will provide a more efficient and powerful military defense for our country at lesser cost to the American taxpayers. This is one of the most important problems pending before Congress. I am in complete accord with the gentleman's statements and recommendations and I will support and vote for a reorganization plan along the lines and objectives as proposed by the President.

Mr. CANNON. I am in complete agreement with the gentleman.

Mr. TABER. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I have listened with great interest to that magnificent speech of the gentleman from Missouri. I have been working on appropriations for the armed services of one type or another for over 35 years, so I know quite considerable about the situation in the different armed services. I am forced to recognize that they need attention, I am forced to recognize that they need to be coordinated in such a way that they can be more effective, and that the officers and men who constitute the armed services can have a greater degree and feel a greater degree of responsibility to the people whom they serve and whom they protect.

It is my hope that the Committee on Armed Services will produce a bill which will incorporate the necessary features of what has been submitted to that committee and that we may in this session meet our responsibility and go so far as to pass such a bill.

The President—perhaps the greatest military authority in the world today—and those men, those devoted men who have held the real responsible positions in the armed services, be they in the Air

Force, the Navy, the Army, or the Marine Corps, have felt that something must be done to make their operations and their work better coordinated and more productive in the items of defense that the United States needs.

Now, I want to say just one word about the bill before us. The bill before us represents a number of items which are of a strictly deficiency character and which have been brought in here to meet the necessity of paying certain obligations. I do not believe there is anything in it that we could criticize or that we could do anything about at this time. I just felt I should say that much about it.

Mr. VURSELL. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, I hold in my hand the Congressional Directory of the 85th Congress, 2d session. On page 110 I read under New York State:

Thirty-sixth District: JOHN TABER, Republican, of Auburn, was born in that city May 5, 1880.

Mr. Chairman, this means that yesterday our Mr. Economy was 78 years old. He is now serving his 35th year in the House of Representatives. I am sure the membership agrees with me that JOHN TABER is universally recognized as one of America's all-time legislative greats. So, we accord him today a hearty salute along with our best wishes for health and happiness in the service he loves so much.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the distinguished gentleman from New York.

Mr. KEATING. Mr. Chairman, JOHN TABER's unrelenting fight against waste and extravagance of taxpayers' money and his unceasing efforts to promote economy in Government are legendary. He has earned well the title of "Watchdog of the Public Purse." JOHN TABER is best known nationally for his fight for economy.

He is best known among those of us with whom he works as one who is always ready to see the other fellow's viewpoint and as one who is always ready to lend a helping hand to a friend in Congress who needs his help. His able and friendly counsel are constantly sought and followed.

Mr. Chairman, I am very happy to have this opportunity to say these few words at this time in commemoration of our beloved colleague's birthday and to wish him many more years of devoted service and great happiness.

Mr. CANFIELD. Mr. Chairman, I yield to the gentleman from Missouri, the chairman of the Committee on Appropriations.

Mr. CANNON. Mr. Chairman, too much cannot be said in praise of the long and eminent service rendered by the gentleman from New York [Mr. TABER] in the House and in the committee reporting the pending bill. And it would be even more difficult to evaluate the far-reaching effect of that service on the Congress, and the country. He has been a bulwark of strength, wise in counsel when both strength and wisdom were needed.

He is not a man who yields to every breeze that blows. You always know where to find him. His sound advocacy of economy is not a mere political profession to be disregarded the first time he or his friends plot a raid on the Treasury.

It would be difficult to estimate the amount of money he has saved the taxpayers of the country but I can say positively of my own personal knowledge that it aggregates billions of dollars.

When his constituents sent him here they rendered a service to the Nation greater than they will ever realize.

He has not been afraid to take a position even though it might be unpopular, and he has had the courage to sustain it.

It is true that once in a rare while he has exhibited some slight response to the tug of party ties, but who of us has not?

And so, Mr. Chairman, I appreciate the privilege given me by the distinguished gentleman from New Jersey [Mr. CANFIELD] to express the heartfelt regard and appreciation and admiration I have so long entertained and the appreciation of the long association it has been my good fortune to enjoy with the venerable gentleman from New York. I hope he will serve another 70 years as the ranking minority member of the Committee on Appropriations.

Mr. CANFIELD. Mr. Chairman, I note in the Congressional Directory that the distinguished gentleman from Missouri [Mr. CANNON] became a Member of the House on March 4, 1923, the very same day JOHN TABER became a Member of this body.

Mr. Chairman, at this time I yield to the distinguished minority leader, the gentleman from Massachusetts [Mr. MARTIN], who came to the House 2 years later, on March 4, 1925.

Mr. MARTIN. Mr. Chairman, I am glad to join the gentleman from New Jersey in this birthday tribute to a great legislator and a great American. Through the years he has been a sturdy, unyielding champion of the cause of good, honest, efficient government. A terrific worker, with good judgment he has resolutely fought for economy in government. He has never wavered in his support of the ideals and convictions in which he believed. No man is more highly respected and honored than JOHN TABER. We congratulate him on his birthday and wish for him continued good health. May the Government in the years ahead continue to enjoy the benefit of his years of experience, his wise judgment, and his courageous leadership.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, I wish to join the gentleman from New Jersey and others who have paid tribute to the great service of the gentleman from New York [JOHN TABER]. We never have to wonder where he is, in the committee, on the floor, or away from Capitol Hill. He stands solidly by his convictions and he seeks only the public interest. He is utterly fearless. He is a servant of such great stature that I think the gentleman from New Jersey [Mr. CANFIELD] deserves much credit for finding out that yesterday was the birthday of our friend, in order that we might pay him tribute today.

Mr. CANFIELD. Mr. Chairman, I think my friend from Texas will agree, too, that when the gentleman from Missouri [Mr. CANNON] and the gentleman from New York [Mr. TABER] get together in behalf of any enterprise, they can do a terrific job.

Mr. Chairman, at this time I yield to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I have served on the Committee on Appropriations for 16 sessions. May I say that I hold the gentleman from New York in the highest esteem. He is a gentleman, a statesman, and a great legislator. It is an honor to serve with such a man, and I say in all sincerity that when I speak of the Honorable JOHN TABER, of New York, I say as we hear so many, many Members of Congress, regardless of party, say so often, "There is a man."

Mr. CANFIELD. Mr. Chairman, I yield to the distinguished gentleman from Texas [Mr. THOMAS].

Mr. THOMAS. Mr. Chairman, I join my colleagues in the many fine sentiments expressed, which have certainly been earned, in behalf of our colleague, Hon. JOHN TABER. I have worked with him many, many years. At no time have I ever found him to be anything but good and fine, honest and fair, and accurate. All of us make some mistakes, but his percentage of error is mighty, mighty low. I hope that he lives to be at least 104, Mr. Chairman. And may I also add I would like to be right along with him when he passes out. His service has certainly been outstanding. It can be said with all honesty and with all accuracy that he is truly one of the great men in American public life and has been one of the great ones for many, many years. The people of your great State and that great district ought to be commended for recognizing the fine, grand, intelligent man that JOHN TABER is and my guess is that they are not going to turn him loose for at least another 15 or 20 years. Good luck to you.

Mr. CANFIELD. Mr. Chairman, may I say to my friend, the gentleman from Texas that I, too, have been working on Capitol Hill for a long time—this being my 35th year. I cannot think of the Congress of the United States proceeding properly without our JOHN TABER.

Mr. Chairman, I am now glad to yield to our distinguished colleague, the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, I wish to state as one of the younger members of the House Committee on Appropriations I have grown to love and respect JOHN TABER more than any other Member in this body. There is no one for whom I have greater respect. When I came to the Congress as a new Member 6 years ago and had the privilege of becoming a member of the House Committee on Appropriations in my first term here, it was largely through the efforts of Mr.

TABER. I have certainly enjoyed my work on that committee and have learned to love and respect him as a great man. He will be accorded an important place in American history.

Mr. CANFIELD. I would say to my friend from Wisconsin that obviously the gentleman of whom he speaks has been a sort of father to him in the Congress of the United States—and he has been just that to me.

Mr. Chairman, I yield to the distinguished gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, I think the gentleman from New Jersey deserves a great deal of credit for bringing this to the attention of the House today because of the service that has been rendered by JOHN TABER. I have been honored and privileged to have served on the Committee on Appropriations for the past 12 years under his leadership and under the leadership of our distinguished chairman, the gentleman from Missouri [Mr. CANNON]. Especially during the past 4 years, the gentleman from New York [Mr. TABER] has served as ranking minority member of the committee which I have the honor of serving as chairman and certainly there is no fairer man I have ever had the privilege of working within this Congress than JOHN TABER. I have said this before, and may I repeat it again, there are men on the other side of the Capitol who, perhaps, have had more headlines in the newspapers for doing their share in preserving the economy of this country, but I have said it and I will say it again—no two men whether they be on this side of the Capitol or the other side deserve as much credit for keeping the economy of the country the way it is than JOHN TABER and CLARENCE CANNON, because, certainly, they have rendered yeoman service to our country all through these years.

Mr. CANFIELD. I thank the distinguished gentleman from Rhode Island.

Mr. Chairman, I now yield to the distinguished gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Chairman, I could not sit quietly here and allow the opportunity to pass without joining my colleagues in paying tribute to that grand gentleman from New York. He has been a real inspiration to me. I had the privilege of serving under him when he was chairman of the Committee on Appropriations and again since he has been ranking minority member. He presided over the committee with dignity, patience, and extraordinary ability. The same qualities have characterized his service as ranking minority member.

I know of no Member of the House who has rendered more outstanding service to the people of the country than has Mr. TABER throughout his long and honorable career here. I am happy to have an opportunity to stand here and publicly say to him how deeply and sincerely I appreciate his friendship, and how proud I am of the opportunity I have had to serve under his leadership. In my book he is truly one of the greatest men of our time and the service he has rendered here should never be forgotten by a grateful people.

Mr. TABER, I join your many friends in extending sincere felicitations upon the occasion of your birthday and in expressing best wishes for continued health and happiness for many, many years.

Mr. CANFIELD. I yield to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I would like to join in the kind expressions that have been made about our good friend, JOHN TABER, of New York State. It is unbelievable the amount of effort, energy, and intellect that the gentleman from New York and the gentleman from Missouri [Mr. CANNON] have devoted, not only to the work of the Appropriations Committee but to the work of the Congress and to the mutual good of our entire country.

A few years ago some man from his district called on me on the basis that he understood Mr. TABER differed with me on occasions on matters pertaining to agriculture. I told him I was not interested in talking to him; that any time JOHN TABER differed with me he would find the differences in the RECORD and in print. That is a tribute I can pay to him, that when he has differed he has differed loudly and many times effectively but always in the RECORD. But I would like to add to the fine tribute paid to our good friend from New York, while the differences between Mr. TABER and Mr. CANNON are things that frequently make headlines, there are hundreds of them where they do not disagree at all and when that happens we had better agree with them for they usually have their way.

Mr. CANFIELD. I thank the gentleman.

I yield to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, I want to pay my respects to my very warm friend, JOHN TABER, and wish him many happy returns on his birthday.

I have been very closely associated with Mr. TABER on the Appropriations Committee for many years, particularly in connection with the foreign aid program. That has been a most difficult program and we have worked together on the subcommittee which handled it since its inception. I have found him to be a most reasonable person, and by that I mean a person with whom you can reason. There is no use going to JOHN TABER with any proposition unless you have a good reason for your position. But when you can give JOHN TABER a good sound reason, you will find he will go along with you.

The United States owes a debt of gratitude to JOHN TABER and our able chairman, CLARENCE CANNON, for the very fine job they have done in holding down expenditures and promoting economy throughout the Government of the United States.

I take great pleasure in paying my tribute to him today and wishing for him many more years of useful service.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. VURSELL. Since I will have to leave the floor in a few minutes because of an appointment and turn the microphone over to my colleague here, I just want to say that the service, character, and integrity of JOHN TABER has been an inspiration to me since I came to Congress. It was an inspiration to read about him before I came here. We all know that when we lose a man like JOHN TABER, and we hope we will not lose him for many years to come, it is very difficult to replace such leaders who have shown their great ability and their great integrity in genuine everyday service to our country. Few if any Members of Congress in this generation have rendered as great a service to our country.

Mr. CANFIELD. I yield to the gentleman from Ohio [Mr. CLEVENGER].

Mr. CLEVENGER. Mr. Chairman, I, too, want to add a little word of tribute to the leadership of the minority on this side. There is one little change you have forgotten, the unkind criticism of some who have called him "Meatax JOHN" on occasion. I have found the gentleman from New York [Mr. TABER] just the opposite of that; so have the Members who have worked with him. He does not operate with a meatax even though that was the great cry of some of his enemies just a short time ago.

None of us ever saw him deny funds to any agency duly authorized by law that was behaving itself. It always got ample funds, but he could swing a right smart cleaver when they came to grab for Federal funds they should not have in their operation.

I esteem it, as I am about to sing my own swan song on the Appropriations Committee, I deem it one of the greatest privileges of my life to have been associated with JOHN TABER, and, incidentally, the gentleman from Missouri [Mr. CANNON] because I know that down underneath both of them are actuated by a desire to preserve the credit of the United States, grievously strained as it has been all of these years that I have been here. I think some of you get careless; you think somewhere there is a great inexhaustible supply of money that you can dip into. I just want to leave one little admonition with you: I want you to remember that we have been for 25 years spending money on a war basis, either hot or cold. I do not believe, strong as our Government is, that it can continue to take $7 billion a month out of its income for maintaining the rest of the world, nor that it is possible for our Nation as a nation to continue as it has. We have had some 24 new nations born in the last couple of years, and all of them seem to come to Uncle Sam with a nursing bottle. Some of them are maybe worse off than they were before they got this status as independent nations, but I suggest to you that if we are going to run out of money and resources to carry on these people now dependent upon us it will not be the fault of Mr. TABER or Mr. CANNON, because both of them are fully understanding of the danger to the economy of the United States and the world.

Mr. CANFIELD. Mr. Chairman, I yield to the distinguished gentleman from New York [Mr. DOOLEY].

Mr. DOOLEY. Mr. Chairman, I wish to thank the distinguished gentleman from New Jersey for calling to our attention the birthday of JOHN TABER. Those of us who are new in this body

have sought his counsel and advice and it has always been freely given. We wish him many more years of service.

Mr. CANFIELD. Mr. Chairman, I yield to the gentleman from New York [Mr. OSTERTAG].

Mr. OSTERTAG. Mr. Chairman, I should like to join the gentleman from New Jersey and others in paying tribute to a great American, JOHN TABER, on the occasion of his 78th birthday.

Ever since I have been a Member of the House of Representatives it has been my privilege to be associated with Mr. TABER on the Appropriations Committee. I am sure we all regard him, as the American people should and do, as a great American and one who has made an outstanding and tremendous contribution in the interest of good government. He has been a pillar of strength and a valued and devoted Member of Congress.

We all hope that on this occasion and for many such years ahead he will be privileged to serve the American people, because he is sorely needed in the House of Representatives. With best wishes for continued good health, I am glad to join with you in this tribute to him.

Mr. CANFIELD. Mr. Chairman, this has been a truly outstanding tribute to a great American. He is so entitled to it; it has been freely given, it has been wholesome. To most of us this will be an unforgettable day in our House of Representatives.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Alabama.

Mr. ANDREWS. Mr. Chairman, I would like to take this opportunity to express my appreciation to the distinguished gentleman from New York [Mr. TABER] for his courtesies to me in the work of our committee. I congratulate him on having reached his 39th birthday yesterday. He said he was not that old. I hope he lives with us another threescore years and ten. He is one of the most useful men in this House. As far as our distinguished chairman is concerned, I love him like a father. The greatest speech I ever heard made here in this Chamber was by Mr. CANNON several years ago, off the cuff, on Robert E. Lee. The subject of that speech was "Marse Henry." It would do you good to get that speech and read it if you have not already done so.

I hope we have these two distinguished leaders of the House, leaders of our Appropriations Committee, with us many, many years to come.

Mr. CANFIELD. I thank the gentleman.

Mr. Chairman, I yield now to the distinguished gentleman from New York [Mr. RIEHLMAN].

Mr. RIEHLMAN. Mr. Chairman, I thank my distinguished colleague, the gentleman from New Jersey [Mr. CANFIELD], for yielding to me to say a few brief words about my famous colleague and neighbor, the Honorable JOHN TABER.

It has been my privilege to represent the 35th Congressional District for nearly 12 years, a district which adjoins that of my outstanding colleague who resides at Auburn, N. Y. Before coming to Congress I had known and admired my good neighbor for the outstanding work he had performed with the Appropriations Committee. After my arrival here he was one of the first to welcome me, counsel and guide me as a newcomer. Although JOHN and I may not have always agreed on every issue, I have had the greatest admiration for his integrity, his ability, and for the great contribution he has made to his district and to this Nation of ours.

My colleague is not only an outstanding legislator, but is a great statesman, one dedicated to the welfare of this Nation.

I extend to JOHN my best wishes on his reaching another milestone in his life and wish for him and Mrs. Taber many more years of happiness.

Mr. CANFIELD. Mr. Chairman, I now yield to the distinguished gentleman from Ohio [Mr. BOW].

Mr. BOW. Mr. Chairman, I am delighted that the gentleman from New Jersey [Mr. CANFIELD] has so adequately expressed the sentiments of the Members of this House regarding two of our distinguished colleagues, the gentleman from New York [Mr. TABER] and the gentleman from Missouri [Mr. CANNON]. It is most generous of him to yield to me so that I may join in expressing my respect and deep regard for these two very fine Americans.

The gentleman from New York [Mr. TABER] has, in his very busy and arduous schedule, always been willing to take time to advise and counsel with me not only on the problems of appropriations but on matters of legislation and all areas of government. I shall always cherish the memory of his kindness and his sound advice that he has given me so generously throughout the years I have worked with him. As chairman of the Committee on Appropriations and as the ranking member of the committee he has made an outstanding contribution to our country.

If his sage advice had been followed throughout the years the great and staggering debts now upon the shoulders of the American people would not be there; neither would the people of the Nation be paying the staggering taxes which many claim now have brought about an economic decline.

Mr. Chairman, JOHN TABER is a great American, a real patriot, and a devoted friend. Knowing him has made life much richer for me.

The gentleman from Missouri [Mr. CANNON] has made many contributions to this Nation, not the least of which was made today in his address to the House regarding the President's reorganization plan for our Armed Forces.

I have naturally not been as close to the gentleman from Missouri [Mr. CANNON] as I have to the gentleman from New York [Mr. TABER], but I can say in all candor that while he has been chairman of the Appropriations Committee his courtesy and kindness to me as a minority member have been most gratifying.

I wish for both of these gentlemen long life and continued service in this House. I believe the tribute paid to the gentleman from New York [Mr. TABER] here today, on his birthday, is most deserving, and I am sure that all that has been said has come from the depths of the hearts of men who respect and love him.

Mr. CANFIELD. Mr. Chairman, I ask unanimous consent that all Members may have permission to insert their remarks at this point in the RECORD in reference to the gentleman from New York [Mr. TABER].

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. PELLY. Mr. Chairman, I should like to join with other Members in paying respect to our distinguished colleague the gentleman from New York [Mr. TABER].

It is acknowledged that our colleague's record in saving the taxpayers' money is second to none. Leadership in holding down spending and cutting out nonessential expenditures is not politically the easy way. My admiration for the gentleman from New York [Mr. TABER] therefore is the greater.

It is said a good banker is one who gets thanked by the applicant for a loan after that loan has been rejected. It is a great tribute to the gentleman from New York [Mr. TABER] that we hold him in such high esteem, when often he opposes our pet projects. He would doubtless have been a most successful banker, but it is fortunate for the people of America that instead he devoted his great ability to the finances of the Nation.

Certainly, of all Members of this House, our colleague could best be known as Mr. Fiscal Responsibility.

Mr. Chairman, may the ranking minority member of the Appropriations Committee, the gentleman from New York [Mr. TABER], whose 78th birthday was yesterday, long continue in the service to his country as a Member of this House.

Mr. FENTON. Mr. Chairman, I want to join with those who have already spoken in congratulating our colleague the gentleman from New York [Mr. TABER] on the anniversary of his birth.

I believe everybody knows of the fine work that he has given this country, as far as guarding the Treasury is concerned.

May he have many more years of activity and health.

Mr. SCUDDER. Mr. Chairman, I desire to express my appreciation for the long and useful service that has been rendered by the ranking member of the Appropriations Committee of the House, our good friend and respected colleague, JOHN TABER, of the State of New York.

I know of no man who has a keener grasp of the financial affairs of our country than he nor one who is more willing to explain the financial feasibility of a problem or more thoughtful or considerate in explaining why a project does not fall in the category for Federal assistance.

If we had more men with the fiscal outlook of JOHN TABER, I am sure that the financial condition of our country today would be in a much better state.

The many years of service that JOHN TABER has given to the people of the United States is also a reflection on the stability of the constituency that he represents. I wish for you, JOHN, many, many years of useful service and a continuation of good health.

Mr. WIGGLESWORTH. Mr. Chairman, I am happy to join in congratulations to our distinguished colleague, JOHN TABER, of New York, on his 78th birthday.

It has been my privilege to work shoulder to shoulder with him as a member of the Appropriations Committee for some 27 years. Those years have been momentous years for America.

They have included, among other things, the worldwide depression beginning in 1929, the Second World War, the Korean war, the problems arising during the 20-year period prior to 1953, and the recent problems involved in building our enormous military power in the struggle for world peace.

I know of no member of the House who has carried a greater burden of detail than he has during these fateful years.

He has made a very great contribution to the welfare of the Nation.

I join in wishing him continued success and satisfaction in the years to come.

Mr. EVINS. Mr. Chairman, I would like to join with my colleagues in extending congratulations to our distinguished colleague, the gentleman from New York [Mr. TABER], on the occasion of his 78th birthday. The members who have preceded me have generally served many years on the Committee on Appropriations with Mr. TABER. It has been my privilege to serve on the Committee on Appropriations with the gentleman from New York for only a few years, by comparison. However, I want to say that I, too, have the greatest admiration for Mr. TABER. He is a stanch and stalwart advocate of fiscal economy and he has consistently served the taxpayers of this Nation. As has been indicated, both our colleagues, Mr. TABER and Mr. CANNON, the chairman of the Committee on Appropriations, have been and are great public servants and have served the public interest well. It is my privilege to serve as a member of the Public Works Subcommittee on Appropriations with both Chairman CANNON and Mr. TABER, the ranking minority member of our committee. While I have at times not agreed with the gentleman from New York, I want to say that he is always fair and courteous and gives respectful hearing and consideration to the point of view of others. It has been a genuine pleasure to be associated with him. I admire him immensely for his integrity and I wish for him many happy returns on his birthday and trust that he will have many more years of useful service to his district and our Nation.

Mr. CANNON. Mr. Chairman, I think there must be some mistake here. Neither JOHN TABER nor I have opposition in the coming primary campaign. But we do appreciate these gracious remarks and will store them away and when we really need them in a hard campaign in which accuracy of statement is not so important we will have recourse to them.

Mr. Chairman, anybody who will look at the Congressional Directory will find that JOHN is at least 20 years older than I am and I object to being put in the same class. I demand a recount.

And I must also protest that statement made just after I had concluded a labored address—that some years ago I made a really good speech.

So, Mr. Chairman, for the present I reserve the right to object.

The CHAIRMAN. If there are no further requests for time the Clerk will read the bill for amendment.

The Clerk read the bill.

Mr. CANNON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. METCALF, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 12326, making urgent deficiency appropriations for the fiscal year ending June 30, 1958, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. CANNON. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. CANNON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

RESTORATION TO TRIBAL OWNERSHIP OF CERTAIN LANDS

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 8544, to provide for the restoration to tribal ownership of all vacant and undisposed-of ceded lands on certain Indian reservations, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, strike out:

"Crow, Montana ..... 5,480.95"

And insert:

"Crow, Montana ..... 10,260.95"

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. MARTIN. Mr. Speaker, reserving the right to object, will the gentleman explain the amendment?

Mr. ASPINALL. I will be glad to.

The 5,480.95 acres in the House-passed bill include only 120 of the approximate 4,900 acres of ceded land in the Huntley reclamation project. Those 120 acres were included by inadvertence at a time when the bill did not purport to apply to any ceded lands in the reclamation project. When the language of the bill was changed to apply to all ceded lands, but to defer the effective date of the restoration of ceded lands in a reclamation project until the reclamation withdrawal is canceled, the acreage figure was not changed to reflect that fact.

The amendment proposed will make the acreage figure in the schedule factually accurate by including the entire 4,900 acres of ceded land in the Huntley project.

I can advise my friend that it has been cleared through the proper channels with the ranking member of the House committee.

Mr. MARTIN. And it has been agreed to by the members of your own committee?

Mr. ASPINALL. The gentleman is correct.

Mr. MARTIN. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was now objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

APPROPRIATIONS TO THE ATOMIC ENERGY COMMISSION

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 553 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 12009) to amend Public Law 85-162 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking House minority member of the Joint Committee on Atomic Energy, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and pending that I yield myself such time as I may require.

Mr. Speaker, House Resolution 553 makes in order the consideration of H. R.

12009, a bill increasing the authorization for appropriations to the Atomic Energy Commission. The resolution provides for an open rule and 1 hour of general debate on the bill.

In accordance with section 261 of the Atomic Energy Act of 1954, authorization legislation is required for appropriations to the Atomic Energy Commission for plant or facility acquisition, construction or expansion. The bill, therefore, amends section 101 of the AEC Authorization Act for fiscal 1958 by authorizing an additional $35 million for projects 58–e–16, for construction of a land-based prototype of a nuclear propulsion plant suitable for installation in a destroyer type ship. It is to be constructed at West Milton, N. Y., the facility used for construction of the land-based prototype of the second nuclear submarine, the *Seawolf*.

By increasing the authorization for fiscal 1958, the Atomic Energy Commission anticipates that the project can be expedited by about 6 months without additional overall cost to the program if orders can be placed now for some of the components needed for the project.

The information and experience obtained in connection with the construction of this land-based prototype will be used in the construction of a ship to be built under the Navy's fiscal 1959 building program. This ship will be used to escort a fast carrier task force.

I urge the adoption of House Resolution 553.

Mr. Speaker, I reserve the balance of my time.

Mr. ALLEN of Illinois. Mr. Speaker, I know of no opposition to the rule, nor, as a matter of fact, to the bill itself. I reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. DURHAM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 12009) to amend Public Law 85–162 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 12009, with Mr. SISK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. DURHAM. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H. R. 12009 is a bill to amend Public Law 85–132, the Atomic Energy Commission Authorization Act for the current fiscal year 1958, to increase the authorization to the Atomic Energy Commission by an additional $35 million for construction of a prototype destroyer reactor plant.

The bill would only provide authorization to the Atomic Energy Commission and does not involve appropriations at this time.

This matter was considered during two hearings of the Joint Committee on Atomic Energy and the bill has been reported out unanimously by the Joint Committee, recommending favorable action by the Congress.

I refer all Members of the House to House Report No. 1618, the report by the Joint Committee on this bill, and to the record of the public hearing held on March 4, 1958. Copies of this report and hearing are available for consideration by all Members of the House.

Consideration of this bill is necessary at this time, in the opinion of the Joint Committee, in order that the Navy nuclear ship program may proceed on schedule. Admiral Rickover has testified before our committee that construction of this prototype could be expedited by about 6 months without additional overall cost to the program if orders could be placed at this time rather than waiting for the fiscal year 1959 budget. Therefore, the Joint Committee, after due consideration, has voted the bill out unanimously as an amendment to the fiscal year 1958 authorization act.

The Commission has followed successfully before the practice of building prototypes for new types of ships. I quote for the information of the Members of the House from page 4 of the Joint Committee report:

> This project would provide authorization for appropriations for construction of a land-based prototype of a nuclear propulsion plant suitable for installation in a destroyer-type ship. In the construction of the reactor for the *Nautilus*, a similar procedure was followed, in that a land-based prototype was first constructed at the naval reactor testing station in Arco, Idaho. Similarly, in the case of the second nuclear submarine, the *Seawolf*, which utilizes a sodium-cooled-type reactor, a land-based prototype was constructed at West Milton, N. Y. This reactor prototype will be constructed at the West Milton site, in the same sphere that was previously used for the sodium-cooled-reactor prototype. The committee believes that maximum use should be made of existing facilities and installations in order to reduce the cost of the project as much as possible.

This project will supplement the nuclear submarine program, where the *Nautilus*, *Seawolf*, and *Skate*, nuclear submarines, are now operating in the active fleet. A total of 22 nuclear submarines have been authorized to date, and more are anticipated in the fiscal year 1959 budget, so that I hope we will soon have at least 30 nuclear powered submarines in our fleet.

In order to meet the schedule in this program, this prototype should be authorized now, and therefore I urge all members to support H. R. 12009.

Mr. VAN ZANDT. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I urge all Members of the House to support H. R. 12009, a bill to authorize $35 million for construction of a destroyer reactor prototype plant.

This prototype constitutes still another step forward in the development of our nuclear-powered Navy.

I introduced a bill, H. R. 12059, which is identical to this bill, H. R. 12009, introduced by Mr. DURHAM, the chairman of the Joint Committee.

The Joint Committee on Atomic Energy voted unanimously in favor of this bill.

One field in which the United States clearly has excelled the efforts of our Russian competitors is in the area of nuclear propulsion of naval ships. All of you are familiar with the fantastic success of the U. S. S. *Nautilus*. The *Nautilus* is now operating on its second core, and with its second skipper, and the U. S. S. *Seawolf* and U. S. S. *Skate* are now in the active fleet. In addition, 19 more nuclear powered submarines have been authorized by the Congress and are in various stages of construction.

This bill provides for the first step in a similar program to provide for nuclear-powered destroyers. I would like to quote for the information of the Members of the House from the Joint Committee report—H. R. 1618—on this bill at page 3 concerning the description of this project:

> This project consists of a land prototype (D1G) of the destroyer nuclear propulson plant and related installations required for support and test operations of the plant. The prototype will consist of a section of a destroyer hull consisting of the reactor compartment with steam-generating equipment, including related controls and auxiliary systems. Steam produced will be used to operate the main propulsion plant. The prototype will be located at the AEC West Milton site. The hull will be installed in the sphere that was previously used for the submarine intermediate reactor (S1G) prototype. Maximum use will be made of existing installations to handle the increased electrical power and cooling water requirements.
>
> This plant is required to provide for development of the lightest practicable pressurized water reactor plant which can be effectively utilized in the Navy's nuclear powered destroyer, which is included in the fiscal year 1959 shipbuilding program. In order to meet the Navy's requirements for this ship, the D1G prototype must be in operation in 1960. The destroyer prototype will be used to evaluate the design and operation of the lightest weight pressurized-water plant attainable, using the latest technology in a reactor of advanced design. The reactor design will include advances in the areas of nuclear physics, heat transfer, reactor control, fuel element design and core life.

Further information concerning the mission and purpose of nuclear powered destroyers are described in the hearings and in the committee report, and I quote from page 5 of the Joint Committee report:

> The information and experience obtained in connection with the construction of this land-based prototype will be of immediate application in a ship contained in the Navy's fiscal year 1959 shipbuilding program (DLGN–1). The ship at various times has been referred to as a destroyer, destroyer leader, or frigate. Regardless of the name eventually selected for the ship, it should be emphasized that it will be markedly different from the ships called frigates during World War II. The latter were small, slow-speed ships employed as merchant convoy escorts and for various patrol missions.

The new ship will be much larger, of approximately 7,600 tons displacement, and will approach the size of a World War II light cruiser.

One of the missions of this ship will be to escort a fast carrier task force. For this purpose it needs adequate size to sustain high speeds in rough seas and to carry extensive equipment and armament needed to provide a first-class capability for antisubmarine and antiaircraft warfare purposes.

Nuclear-powered ships will be able to steam at high speeds for very long periods of time without refueling. Since such ships have no smokestacks, the placement and utilization of radar antennas can be optimized. Moreover, because the hull can be made more airtight without penetrations to supply combustion air to oil-fired boilers, better protection can be provided against fallout in the event of atomic warfare.

I urge all Members to support H. R. 12009, in order that there will be no delay in the further development of our nuclear Navy.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. VAN ZANDT] has expired.

Mr. DURHAM. Mr. Chairman, I have no further requests for time.

Mr. BAILEY. Will the gentleman yield me a couple of minutes, in order that I may ask a question of the gentleman from Pennsylvania?

Mr. DURHAM. I yield to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, the gentleman from Pennsylvania [Mr. VAN ZANDT] in presenting his argument for the passage of this legislation called attention to a base plant somewhere in New York State.

Mr. VAN ZANDT. At West Milton.

Mr. BAILEY. The gentleman mentioned the fact that it would have steam power generation. Does that mean it will open an opportunity for the use of some of the surplus coal in Pennsylvania and West Virginia?

Mr. VAN ZANDT. No. We would not use coal in the development of steam.

Mr. BAILEY. I just wanted to clear up that point, because when we speak of producing power by steam it is usually from the use of coal.

Mr. VAN ZANDT. In this instance we will use uranium. The heat from uranium will reduce the water to steam.

Mr. BAILEY. You will recall that at the end of World War II, when the Germans were sinking most of our oil tankers, the Congress provided by legislation for a study of liquid fuel, and you are aware of the fact that we set up an experimental station at Morgantown, W. Va., the Bureau of Mines, in connection with the West Virginia School of Mines. Four or five years ago we built new buildings and facilities and bought new equipment. One of the items of cost in hydrogenizing coal into high octane gasoline and lubricating oils is the fuel cost in creating 3,300° F. I am asking the gentleman from Pennsylvania if the Atomic Energy Commission might not be interested in this type of atomic reactor there to create the necessary temperature for which you now have to use original fuel in order that we may produce high-octane gasoline and lubricating oil from coal.

Mr. VAN ZANDT. If the gentleman from West Virginia does not object I would like to refer his question to the chairman of the committee and let the chairman answer.

Mr. DURHAM. Mr. Chairman, I know the interest of both these gentlemen in coal. They are probably better advised on this subject than I. This bill has nothing whatever to do with coal. It is a land-based prototype reactor for a naval destroyer plant.

Mr. BAILEY. It could very well mean everything to the coal industry if you can demonstrate that a reactor could convert coal into by-products that would be marketable. There is no market for the coal today, and it would be interesting to know if a reactor could do the work that we have to do now by expensive fuels to get the 3,300 degrees temperature we need.

Mr. DURHAM. I think at the present time that work is being carried out and I recall that during the war we built facilities to test all types of fuel, and the production of high octane gas and other products which could be obtained from coal.

Mr. BAILEY. That is fine, but the big boys who are instrumental in taking over the control of the Government a few years ago saw to it that no appropriations were made. We had to close our experimental plants.

I think experiments should be carried on through the use of atomic reactors to create the heat necessary to develop high octane gasoline, lubricating oil, and such things from coal.

Mr. DURHAM. I know at the present time AEC is carrying on experimental work in developing high temperature reactors which might have some applications to your problem.

Mr. BAILEY. I would like to say to the gentleman that these large stocks of coal are particularly subject to hydrogenation. We have this high sulfur content in our coal, but it is possible to separate the sulfur from it and sell it as a byproduct. There is too much of our acreage tied up there with resources for which there is no market. This is a way to use that resource.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman from North Carolina yield?

Mr. DURHAM. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. I may say to the gentleman from West Virginia that already the Atomic Energy Commission has several projects that involve the degassification of coal where irradiation is applied. We also have projects which involve fuel oil and oil in general.

In regard to the reactor that the gentleman suggests for the research plant in West Virginia, I think that the proper approach would be through the agency of the Government concerned to the Atomic Energy Commission.

Mr. BAILEY. Does the gentleman mean the Interior Department Bureau of Mines?

Mr. VAN ZANDT. Yes; I would say that the Interior Department Bureau of Mines should work out with the Atomic Energy Commission plans for the proper type of reactor needed.

Mr. BAILEY. I thank the gentleman for his information. I will see what can be done about it.

Mr. DURHAM. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I rise in support of the bill H. R. 12009 which is before us today. This actually authorizes the expenditure of $35 million to develop this destroyer reactor plant.

One of the reasons why I am in favor of this particular authorization is because I have a great deal of confidence in the man who is in charge of this particular program, Adm. Hyman Rickover. He is a naval officer who has over the years devoted himself to the development of marine type propulsion engines with the heat energy supplied by atomic fission. He is the successful builder of the *Nautilus* submarine and, of course, he is also the man who is most responsible, in my opinion, for the finishing of the largest single atomic reactor plant for the production of electricity in the world today. There are some large plants in England, but the plants there have two reactors in comparison to the one reactor at Shippingport, Pa.

The success that Admiral Rickover has had in bringing, first, the *Nautilus* submarine into being, which, in my opinion, will completely revolutionize naval warfare in the future will provide a new and distinctly unique weapon in that the submarine can stay under water for almost unlimited lengths of time without coming up for air. The propulsion power does not require oxygen as is required now by the diesel engines used in submarines; therefore, the amount of oxygen which it does have will keep a crew alive for many days and weeks.

In the building of this reactor here we are moving on top of the water into a type of plant which will be used for a military vessel. It will give to that military vessel certain unique qualities which topside naval craft do not have today. It will give it almost unlimited cruising range and, therefore, it will not be subject to the need for refueling and the costly support in terms of strategy which is required where a destroyer does have to repair to a sister vessel for its fuel. I believe that Admiral Rickover will produce in this field, as he has in the submarine field and in the Shippingport, Pa., reactor plant, where atomic fission produces electrical energy in the big plant there. So I am supporting this bill.

The urgency of it will also give us at least a half year of time saving in that moneys can be made available to pick up a lag which will occur if the authorization is not made.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Admiral Rickover appeared before the select special committee of which I am chairman in connection with outer space the other day. He made an outstanding witness

and made a profound impression upon myself and all the other members of the select committee. I have noticed the reference to him by the distinguished gentleman from North Carolina, chairman of the joint committee [Mr. DURHAM], the distinguished gentleman from Pennsylvania [Mr. VAN ZANDT], and also by the distinguished gentleman from California [Mr. HOLIFIELD], who now has the floor. I take it that each and every one of you and your committee have a profound respect and admiration for Admiral Rickover and his ability.

Mr. HOLIFIELD. I think that is a very accurate statement.

Mr. McCORMACK. He is an unusual gentleman, really a great leader?

Mr. HOLIFIELD. I would certainly say that.

Mr. McCORMACK. He has a captivating personality. They tell me that the laboratories under his direction—I think there are three of them at least—are run with a high morale among those associated with him, and with the greatest efficiency humanly possible.

Mr. HOLIFIELD. I believe that is true. This man is a very frank, outspoken man. He does not play on words. He never tries to lead you astray or evade answering, as you found out, no doubt, in his testimony before your committee. He speaks out very frankly and says what he thinks, and I think one of the great reasons why the Members of Congress have confidence in this man is because he speaks very straight and very frank and answers questions very bluntly sometimes. And, he therefore has not only the admiration of the Joint Committee, but he also has the admiration of the men in the laboratories and in the scientific field who recognize a real producer when they see one.

Mr. McCORMACK. While there is no such thing as an indispensable man, there is such a thing as the best man for a particular job. Certainly, Admiral Rickover qualifies as the best man possible for the assignment of the job that he has.

Mr. HOLIFIELD. I believe that there is no man that has the background of experience in the Navy and the background of experience in physics and in engineering and production in the field of atomic reactors as Admiral Rickover. I do not believe there is a man in existence that has that composite knowledge which is embodied in Admiral Rickover.

Mr. McCORMACK. Of course, unless some action is taken by the Navy, his period of service will expire in the not remote future, which would be most unfortunate, would it not?

Mr. HOLIFIELD. Well, I would just say this, that once before, due to the time of length of service, he was destined for retirement, and it became a matter of a great deal of interest to many of us who recognized the wonderful work he was doing in producing the *Nautilus*, and we gave all the support we possibly could to get his rank raised from that of captain to that of rear admiral. And, the time will come, I think, within about another year, in which he will have to receive another promotion or be forced into retirement. I think, in the national interest, this man should be given the commensurate rank which will enable him to stay in the service of the Navy and therefore devote his unique talents to the problems in the reactor field.

Now, I want to point out that this is not said from a basis of sentiment. It is said from the standpoint of my sincere belief that this man can render a service to the Nation far beyond the salary which he will receive as a naval officer. And, I might even go further and say that there is no doubt in my mind that there are many industrial companies in the United States that would pick this man up and pay him five times as much as the Navy is paying to have his service in their plants.

Mr. McCORMACK. I would say 10 times as much. He impressed me as a very dedicated man, an unusual gentleman, frank, as you have said; a rugged individualist, but a man who is a great leader and who, through his persuasiveness, and his sincerity, and his dedicated mind wields a team around him, that, in their devotion to him and his leadership, inures to the maximum benefit possible for our country. And, a continuation of him in his position would be decidedly in the national interest of our country.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from North Carolina.

Mr. DURHAM. Words are hard to find to do merit to Admiral Rickover in what he has accomplished. I do not think that the people think about him just as an Admiral now. His contribution to the Navy and the defense of this country at the present time, of course, is large, but his part in developing reactors for peaceful uses of this enormous energy, in my opinion, is a contribution that cannot be overestimated.

In regard to the procedure as to whether or not he should stay on the job he is in—which I hope he will—that decision should be made at an early date. This is because we have to plan our projects 1, 2, and 3 years in advance, and if it is not done almost immediately, the AEC and Navy plans will go off base in the development of reactors, not only for peaceful uses but for the defense of America.

I have the highest regard for him. I recall the days when he appeared before us appealing to us to do something, to get the Nautilus and Shippingport project in high gear. He was not heard very cordially at that time in some places in this city, but he never gave up. He stuck to it. He had the support of this committee and still has it completely.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Mr. Chairman, I would like to join the gentleman from California [Mr. HOLIFIELD] the gentleman from North Carolina [Mr. DURHAM] and the gentleman from Massachusetts [Mr. McCORMACK] in the tribute they have paid to a very distinguished American and naval officer, Admiral Rickover. As we all know, Admiral Rickover heads a large organization. His ultimate objective is to produce for the American people and the Navy a nuclear task force. He has indoctrinated his command with an esprit de corps that has made possible accomplishments that we considered almost impossible some years ago.

May I ask the gentleman from Califonit this question? Under existing law the 7-year service of Admiral Rickover as an admiral will expire next year, about June 30th of 1959. Unless he is promoted to the rank of Vice Admiral, he will have to retire from the Navy; is not that true?

Mr. HOLIFIELD. That is as I understand it. I know that the gentleman is a naval officer in the Reserve himself and is very familiar with that point.

Mr. VAN ZANDT. And is it not also true that if a poll were taken of our Joint Committee, which is composed of nine Members of the other body and nine Members of this House, that committee would vote unanimously for Admiral Rickover's promotion to vice admiral so that he could continue to carry on these projects and give the leadership to his men that would make possible the development of this nuclear task force?

Mr. HOLIFIELD. I agree with the gentleman that there would be 18 votes "aye" and no votes in the negative on such a question. One of the reasons I am supporting this bill today is because I know this man will be in charge of it. I also know that this is going to carry over past the period of time during which he might be retired, but I am in hopes that before that time comes he will receive this promotion so that he may finish this project that we are starting. If I did not think that he had a very good chance of getting this appointment to carry over, I would have some doubts in my own mind about voting for this bill today. It is my confidence in this man and his organization that makes me glad to support it.

Mr. DURHAM. Mr. Chairman, I have no further requests for time.

Mr. VAN ZANDT. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 101 of Public Law 85–162 is hereby amended by striking the figure "$222,230,000" and inserting in lieu thereof the figure "$257,300,000".

SEC. 2. Section 101 (e) of Public Law 85–162 is amended by adding at the end thereof a new subsection, reading:

"16. Project 58–e–16, destroyer reactor plant, West Milton, New York, $35,000,000."

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SISK, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill H. R. 12009) to amend Public Law 85–162 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes pursuant to House Resolution 553, he reported the bill back to the House.

The SPEAKER. Under the rule the previous question is ordered.

The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

ARE THE VETERANS OF WORLD WAR I TO BE PLACED ETERNALLY ON THE "MAYBE" LIST UNTIL THEY ARE EXTINCT?

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, on Thursday, April 7, 1958, Lewis Brake, the national commander of the Veterans of World War I, in a speech at Lima, Ohio, stated:

> The Government may not owe every veteran a living, but it does owe its life to the veteran.

Commander Brake continued by saying:

> With the passing of each day there are 320 fewer veterans of World War I.

He said he knew from personal experience as a veteran service officer in Illinois that many of the World War I veterans who die each day were in need of medical care, food, and clothing.

Mr. Speaker, Commander Brake's statement can be confirmed by hundreds of service officers throughout the Nation who have firsthand observation of the economic plight of the vast majority of the remaining 2,900,000 veterans of World War I whose average age is nearly 65 years. In addition Commander Brake's statement reveals that those veterans who are alive out of the 4,744,000 Americans who served in World War I are truly the forgotten veterans of the Nation. They are forgotten because this Congress and many previous Congresses have taken no action on numerous bills providing for pensions similar to those paid to the veterans of the Spanish-American War.

Mr. Speaker, in revealing the economic plight of the World War I veteran as he advances in years, it should not be forgotten that upon discharge he received a $60 separation allowance for the purpose of purchasing a suit of civilian clothes and an overcoat.

Later the World War I veteran received a so-called bonus; but, Mr. Speaker, it was designed as an adjustment of the $30 monthly pay the American doughboy received for his military service in 1917–18.

Having mentioned the $60 separation allowance and the so-called bonus, it should be emphasized that as far as the veteran of World War I was concerned there were no fringe benefits such as terminal-leave pay, unemployment-insurance benefits, or GI benefits in general as received by the veteran of World War II.

Let me stress the point Commander Brake made in his address at Lima, Ohio, when he said:

> The Government may not owe every veteran a living, but it does owe its life to the veteran.

This is a true statement, and, applying it to the veterans of World War I, the gratitude of the Nation is lacking because they have not been accorded equal treatment with veterans of other wars.

Mr. Speaker, at this time H. R. 972, H. R. 2201, H. R. 5011, H. R. 5054, H. R. 8425, and H. R. 10451 are pending before the House Committee on Veterans' Affairs, all of which provide a $100 monthly pension for veterans of World War I when they reach age 60, subject to certain income limitations.

In addition, H. R. 316, H. R. 2128, and H. R. 5272 are also pending before the House Committee on Veterans' Affairs, which provide a $100 monthly pension for World War I veterans at age 62. All of these bills have been pending in the 85th Congress for months, but no action has been taken or scheduled at this time.

Mr. Speaker, any one of the bills pending is a step in the right direction, and I sincerely hope we can get action on such legislation before the adjournment of this Congress. Any bill to be perfected by the House should provide for a monthly pension of at least $100 at age 65 or if the veteran is permanently or totally disabled. In addition, I think the bill should provide outpatient care for every veteran of World War I who is in need of medical treatment on the same basis as provided the veteran of the Spanish-American War.

In conclusion, let me quote from an editorial appearing in the April 26, 1958, issue of the Army-Navy-Air Force Register regarding "forgotten men":

> Congress sees fit to appropriate billions to be used in other ways. But what of the veterans of World War I? Are they going to be placed eternally on the "maybe" list until they are extinct? They are, indeed, the forgotten men.

REMARKS OF THE HONORABLE JOHN E. FOGARTY AT THE 75TH ANNUAL MEETING OF THE MARYLAND STATE DENTAL ASSOCIATION, AT THE LORD BALTIMORE HOTEL, BALTIMORE, MD., ON MONDAY EVENING, MAY 5, 1958

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address:

> Last winter when I had the opportunity of addressing the annual meeting of your parent organization in Miami I also had the pleasure of meeting your own Dr. Joseph P. Cappuccio, who as you probably know has roots in my own State of Rhode Island. Dr. Cappuccio comes from a well-known family in the town of Westerly, R. I. His mother and father are among the most respected people I have been privileged to know. His two brothers, Frank and Louis, enjoy a statewide reputation in the field of law and are considered to be two of the outstanding attorneys in our State. Dr. Cappuccio very kindly invited me to meet with you here at your 75th anniversary, and I somewhat eagerly accepted for a number of reasons.
>
> The first set of reasons has to do with my own particular view of the dental profession. I know your field, of course, from personal experience not only as a husband and father, but also as an individual who has benefited from the professional care I have received. As a Member of Congress, I can perhaps represent with a fair degree of accuracy the attitudes toward dental health of my own constituents in the State of Rhode Island. I also chair the committee in Congress which bears primary responsibility for the health appropriations of the Federal Government, and thus have gained some insight into both the past accomplishments and the future problems of your profession.
>
> The second set of reasons has to do with my own attitude toward annual meetings, especially those of a professional nature. Annual meetings are a time for interchange of knowledge, a time for solidifying professional and organizational relationships, a time for comradeship and relaxation, a time for rededication by the individual to the goals and principles of the group. And they are a time for looking ahead for definition of tomorrow's problems, and for consideration of how those problems can best be met.
>
> I would not presume to discuss or even to state what those problems may be; but I do have some thoughts to share with you observations and questions reflecting my views of dental health.
>
> In my 15 plus years in Congress, serving on a committee considering, among other things, the national support of medical and dental public health programs conducted through the Public Health Service, one thing stands out prominently in my mind. It is this: tremendous progress has been made in those years toward the concept of man as a single biological entity and not merely a conglomerate of parts. Associated with this has been progress toward a concept of the interdependence of all science that seeks to protect man in this increasingly complex environment that he has created. This unity, strangely enough, becomes more apparent even as the range of the problems and the number of approaches to their solution increases. Thus we see around us today a proliferation of specialties and subspecialties, of disciplines and subdisciplines. We see categorical programs, both public and private, and subcategories within each major group. And yet, with all this, as man's knowledge grows, the artificial boundaries tend to disappear.
>
> I have observed in the past few years that those who comprise the specialties and disciplines of the dental profession are gaining ever-increasing stature in the health field. Associations such as yours, as well as the smaller and larger ones in your field, share in bringing about this justly deserved measure of prestige. I am sure I need not remind you that recognition such as this is of a somewhat temporary and fleeting nature. The lasting image of your profession, I am sure you will agree, depends upon demonstrated competence and thoughtful leadership and quality service. If you find your image to be to your satisfaction today, it means that you must redefine your goals, set them at a higher level, and plan their achievement in the years ahead.

As I mentioned at the Miami meeting, the American dental profession has a peculiar added responsibility, especially when dentistry is considered as a categorical disease problem along with others such as heart disease, cancer, arthritis, and others. Most of the disease categories are represented nationally by voluntary health agencies, which, among other functions, help the profession in obtaining public understanding and support for needed activities. There is no voluntary organization for the dental profession, and I am sure that the American Dental Association recognizes this fact by acting both as the voluntary agency and the professional group. State, district, and other regional professional organizations should also give special emphasis to the inherent voluntary aspects of their respective roles.

Several questions come to mind in this connection. Do the people of Maryland know the nature, the extent, the importance of dental illness? Do they know what you have done, either as a group or as individuals, to improve the quality and distribution of trained individuals who can help them achieve better dental health? Apart from tooth decay, do they understand the meaning of dental illness? Have they been given every opportunity to be informed concerning the scientific evidence in support of fluoridation of public-water supplies, the topical use of fluorides, and other measures for the prevention of tooth decay?

Questions such as these suggest the rapid changes that have been taking place in dental practice. Just a few years ago, one had to be almost fatalistic about tooth decay and other types of dental diseases. In recent years, as advances in dental science have been applied in dental and public-health practice, we know that there is much that can be done. Even in the face of revolutionary advance in scientific knowledge, remnants of the fatalistic view remain. This view should be combated, primarily for the sake of the people who, if they understand, will find ways to support both your professions and your practices in order to achieve better total health for themselves and the members of their families.

Communication immediately suggests itself as one means of overcoming the fatalistic view; communication not only within your profession, but also between your profession and the people you serve. The soundest basis for this type of activity perhaps begins, as charity, at home. Once having established an effective means for communication within your organization, it becomes much easier to proceed to effective communication with those you serve. I am happy to know that the Maryland State Dental Association has established a fine professional journal of its own. I am sure that all of your members and, in turn, their patients will benefit from this very effective medium of communication. As I paged through the first issue of the Journal, I was impressed by the role that Maryland has played in the development of dental literature. In fact, I found that the first dental periodical, the American Journal of Dental Science, was edited and published here in Baltimore over a hundred years ago. Although that journal yielded to others, many of which similarly were published here, each made its own contribution to better understanding among the dental profession in Maryland and throughout the Nation. As the first issue of the new Journal states so aptly: "The altered conditions of the present day have been created by revolutionary developments that have come to the world during the past quarter of a century. Every social institution of service to mankind has been affected by the changes that have taken place in the social, scientific, economic and political attitudes of the people of the world. The Journal is coming on the scene at this opportune time to take its place and to do its part in the adjustments which must be made to fit dentistry to the demands of the modern era."

Now I should like to focus a bit more closely on some of the altered conditions and revolutionary developments referred to in that editorial. They have to do with the relationship between you, your profession, and the Government. This is a matter of deep interest and concern to me, and elements of that relationship have been revealed to me with increasing frequency as each year for the last 16 years I have considered the Public Health Service's dental program in terms of their appropriation needs.

I have found that there has developed in the dental field during this period of time a pattern of cooperation which assures rapid progress toward objectives which the Public Health Service and the dental profession share. I have found that the Service seeks in all of its activities to supplement and to complement, and not to duplicate or dictate. One measure of how well it achieves this goal is the degree to which it receives the support of your association, other State associations, and the national organization.

One program of the Public Health Service is concerned with developing methods for relieving personnel shortages in the dental field and extending services to patients. These studies include the educational resources for dentistry and dental hygiene, techniques for determining the efficiency of specific dental operations, and devices for better recording of dental services and needs. One of the studies in this program was conducted in my own State of Rhode Island, where over 5,000 children were followed for a 7-year period to see how the problems of accumulated and maintenance dental care were met in a specific segment of the population. The study provided evidence that dentists can be utilized more effectively if there are three dental asistants available to support every two dentists. It also showed that regular dental care, including application of topical fluorides, reduces the amount of teeth decay dramatically.

As a footnote to this problem of personnel needs, you may be interested to know that the House Interstate and Foreign Commerce Committee conducted a study of medical and dental schools, which included a summary of practicing dentists related to the population of each State. In Maryland, for example, we found that for the period included 1900 to 1955 the ratio stood at the lowest level in 1955: some 34 dentists per 100,000 population as compared with 36 in 1900 and 50 in 1930. The pattern I have cited for Maryland was generally repeated throughout all sections of the country. For the United States as a whole, the number of practicing dentists declined from 58 per 100,000 population to 46 in 1955. These facts are all the more serious today when more and more people are becoming aware of the need for more and better dental care.

The American Dental Association, through its Council on Dental Education, has taken a realistic view of the current and impending national shortage of dentists. Several steps have been taken and are being planned to meet this problem. One step has been in the establishment of new dental schools. Since 1946, seven new dental schools have been opened, and another four are currently being planned. Based upon the assumption that the number of dental graduates will increase to 3,360 by 1961 and continue at that level through 1975, and that the United States population will rise to about 221 million by 1975, the disparity between the number of practicing dentists and the number needed to regain 1930 levels will be even wider.

Another facet of your profession that can be supported to improve the level of dental care in this Nation is in the improvement and expansion of research facilities. A relatively new program, now in its second year, is giving asistance to dental schools under the Health Research Facilities Act. Under this program, nine grants in the amount of 938,000 were made to dental schools to aid in the construction of research facilities; in addition a few grants have been approved for combined medical and dental research facilities. This $90 million, 3-year program is limited to research construction. In the last session of Congress I introduced a broader bill under which $300 million would be available under a 5-year period of either teaching or research construction. Under this plan $40 million would be earmarked for dental schools. Legislation of this kind is badly needed, and I intend to continue to press for passage of this bill.

Another area of Public Health Service responsibility is in the support of research projects through grants. Since 1950, through the National Institute of Dental Research, dental schools and other non-Federal institutions have received research grants, and more recently, fellowships of various kinds. Two years ago, in the hearings held by the Appropriations Subcommittee, we found general agreement that the ultimate answers to the problem of dental disease must be found by research on etiologic factors, fundamental tissue changes, metabolism, heredity and epidemiologic techniques. We heard many good reasons for the expansion of the research grants program, stimulating the individual participation of dental schools, hospitals, and other scientific institutions.

We found that under the dental research grant program that then existed, it was possible to support only about one of every six projects that the National Advisory Dental Research Council recommended for approval to the Surgeon General. Consequently, in fiscal year 1956, only 45 projects were supported in some 22 non-Federal institutions. My committee in the House of Representatives recommended a five-fold increase to about $2.5 million for dental research for fiscal year 1957. The National Advisory Dental Research Council set up a special committee, in light of this new support, to encourage and stimulate research in neglected areas. In the 12 months that followed, the number of pending requests for research project grants increased more than 10-fold, and the number of projects supported rose from 45 to 240. We found that not only the number of grants increased, but there was also a very striking increase in the number of different types of institutions participating in the research program. Today, the number of research projects now supported is at about 300, distributed among 82 institutions in 32 States and three foreign countries. I am happy to see, too, that over 90 percent of the dental schools now have active research projects.

It seems clear that the increased opportunities which have been provided during the past 2 years will deeply affect the course of research in dental schools, and, in addition, also have a significant effect on the quality of dental education. Another benefit of this special effort is that presently available funds have been expended largely for the purpose of continuing, on a broader and firmer base, the support of individuals who had received grants in prior years. Thus investigators, for the first time, now benefit from the assurance of stability through long-range support.

Now I would like to turn for a moment to the dental research program conducted at the National Institute of Dental Research in Bethesda. In the past few months, I have found that dentists throughout the country are aware of this program and its future needs. I, and members of my committee, have received countless letters from members of your profession in practically every

State, urging construction of the Dental Research Building in Bethesda. Despite a lack of suitable laboratory facilities, the scope and variety of dental research there has grown appreciably. The committee has been particularly impressed by studies showing that many dental defects are hereditary, studies using the electron microscope indicating the precise way in which tooth decay attacks tooth enamel, and studies of the chemical composition of saliva in persons with and without dental caries.

It was somewhat distressing to the committee, therefore, to note that the administration's proposed budget for fiscal year 1959 omitted this project in spite of the fact that it had already been authorized by the Congress, that the final plans would be completed before July of this year, and in spite of the present high rate of unemployment and generally depressing economic outlook. In response to the need, expressed by the general public and members of your profession, the House Subcommittee on Appropriations has included $3,700,000 for construction of this greatly needed facility authorized by the 80th Congress.

In closing, I would like to leave you with this thought relevant to the Federal Government's role in all health programs. I sincerely believe that the primary responsibility for all activities designed to provide better health and care for people rests with States, communities, individuals, and their institutions and organizations, such as this one. We know, of course that there are important areas in which the State and local resources need and must be given appropriate Federal support. The primary burden of responsibility in considering these matters is to assure that the Federal Government does not usurp those functions which States and communities must carry out themselves. Although I see for the future a continued expansion of certain Federal health programs that can best be accomplished on a national basis, I shall continue to support only those Federal programs that maintain the freedom and integrity of individuals and groups of individuals, an imperative tenet for the growth and prosperity of our democracy.

EMANUEL CELLER: 70 YEARS YOUNG

Mr. KEATING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, this is a significant day in the life of the distinguished chairman of the Committee on the Judiciary. He has today reached the age of "twice 35" as he would like to have it put.

Those of us who are privileged to work—and fight—with MANNIE CELLER can attest that he can only be considered young, not old. He still works today with the prodigious energy, talent, keen wit, sharp tongue, active mind, and foresight which have marked his nearly 36 distinguished years as a member of this body.

MANNIE CELLER is many things to many people.

He is eternal champion of the underdog.

He is the implacable foe of monopoly and trust.

He is a stalwart supporter of Israel.

He is a raconteur par excellence, and phrase-coiner second to none.

He is a citadel of liberalism.

He is a great fighter for what he believes to be right.

He is a stanch partisan, in the finest sense of the word.

He is an author of no little talent.

He is a vigorous friend of minority groups.

He is a good politician in every way.

He is an ex-athletic star for Columbia University.

Mr. Speaker, this man's deeds speak in such a manner that they will never be forgotten by this Nation. The many statutes on our books—and, I am confident, the many still to come—will long stand as monuments to this tireless worker for justice and right.

Many times we have stood shoulder to shoulder and many times toe to toe. I can assure you I much prefer the Chairman as an ally than as an opponent.

Though we have often differed on principles and politics, I regard MANNIE CELLER as a good friend and revere him as a great leader for the causes he has so vigorously espoused during his outstanding career in the House.

I look forward to many more years of our cordial relationship, and am confident that although we will surely engage in many more verbal fisticuffs, the blows will always be fair and above-board, and the jabs and parries in the true tradition of this fine gentleman.

I salute MANNIE CELLER upon the completion of his seventh decade. He has compiled an enviable record of achievement, made innumerable friends, and always stood strongly for what he believed to be the true and right course. May he long continue to labor in our midst for the good of his beloved city of Brooklyn, his State, and his Nation.

GENERAL LEAVE TO EXTEND

Mr. KEATING. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. McCORMACK. Mr. Speaker, one of the treasured thoughts in my service in the House is my years of association with the gentleman from New York [Mr. CELLER]. A great legislator, always true to the ideals he believes in, he has contributed greatly to the legislative history of our country. He is not only a kind man, but he is a good man. I deeply respect the gentleman from New York. I entertain for him a close and lasting feeling of friendship.

On this day, the anniversary of his birth, I extend to my friend "MANNY" CELLER my congratulations, and my very best wishes for countless of similar future anniversaries.

America has been enriched by his contributions to progress made by our country during his years of service in the Congress of the United States.

Mr. LIBONATI. Mr. Speaker, EMANUEL CELLER, is a foe of injustice and has a genuine love for his fellow man; a valiant defender of laws for the protection of human rights; a man not duped by words but rises to action and boldly maintains his sacred principles of a higher justice consistent with the dignity of the human race. As a legislator, he has served his Natior well. The record is replete with his fine work—laws that contribute to the welfare of the masses. No creed or color of man lacks a defender in him. He has established himself as a spearhead of his people—carrying forth in every action, the peaceful philosophy of the beautiful ideals that spurred men to believe in one God; the foundation of the signal truth among mankind that arrogance, disunity, and factionalism in government leads to hate and suffering—if not war.

This great man knows not enmity—he envies only those who desire to serve men more. His analytical mind and brilliant understanding of the law sets him out as the glaring example of the true and honest advocate. He is the personification of straight thinking. The State of New York can well be proud of this great man—son of humility and gentility. It is with great feeling that the Members of the Congress accept him as one of its outstanding leaders in the 35 years that he has served with honor to his constituency and the people of this great Nation.

It is with sincere good wishes that we celebrate with him his seventieth birthday and hope that God will favor him with good health, great happiness, and blessings so meritoriously earned. And that he continue to serve his Nation to the glory of his name and the gratitude of its citizenry.

Mr. FARBSTEIN. Mr. Speaker, I rise to salute one of our most distinguished colleagues, EMANUEL CELLER of New York, who on Tuesday last celebrated his 70th birthday. I am honored to have this great privilege not only because of my personal friendship and admiration for MANNY CELLER, but because this is a man whom all of us can regard with respect, warmth and affection.

In every generation there are men who stand out above their contemporaries in service to their fellow man, in striking achievement over a long period of time. MANNY SELLER's public record, stretching back 35 years to the day when he first entered the House of Representatives, sets a goal of accomplishment which has few parallels. His efforts to make life a little better for the underprivileged and to provide minority groups with opportunities for productive careers on a more equitable basis testify to his unfailing sense of justice and fairness. He has constantly been working for a better society and a more advanced social order in which the civil rights of all men will be respected and no man will be made to suffer because of his color, creed, or place of birth. Over the years he has expanded the scope of his efforts to cover not only his beloved country but also the oppressed and homeless of other lands throughout the world. Certainly, his works in behalf of the Jewish people, who have been driven across the face of the earth, alone have earned for him a place on humanity's roll of honor.

I am very proud indeed to come from the same State and the same city and to serve under the same political banner as MANNY CELLER.

Anyone who has known him becomes immediately aware also of the fine human qualities which have endeared him to so many of us—his warm nature and ready friendship, his keen sense of humor, and the down-to-earth quality he imparts to every conversation.

I, in particular, have good reason to speak of this, for when I first met MANNY CELLER, I was a neophyte, fully aware of my shortcomings, and therefore fully appreciative of his kindly and considerate assistance and encouragement in any and all matters on which I consulted him.

In times such as these when the Nation faces economic recession and its fearsome consequences—consequences which will inevitably affect most seriously those in the lower income brackets—it is noteworthy that MANNY CELLER is to be found in the ranks of those working to protect the small businessman and the unemployed. But this is only one of his numerous activities. His work in regard to antitrust legislation and civil rights as well as his defense of the Supreme Court against the attacks of those who would weaken its power—all these add luster to an already star-studded record as one of the Nation's outstanding liberals.

It is in behalf of a better future, a better America, and a better world that I salute the venerable gentleman from New York having reached the ripe young age of 70 and still in possession of more physical vigor than many men half his age. He will, I hope, together with his charming wife, remember to invite me to another birthday party 10 years from now.

MACKINAC STRAITS BRIDGE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. KNOX] is recognized for 20 minutes.

Mr. KNOX. Mr. Speaker, I take this time to speak on the Mackinac Straits Bridge and call to your attention the celebration of Michigan Week. "It's Great To Live in Michigan" is a feeling that is uppermost in the thoughts of its citizens, and we are proud to sing its praises.

This week, May 4 through May 10, means much to the people of Michigan. Designated as Michigan Week, we are proud to acquaint the citizens of other States with Michigan's boundless advantages and abundant opportunities in industry, natural resources, agriculture, recreation, and culture.

Being a lifelong resident of Michigan's 11th Congressional District, I am pleased to be able to bring to you the story of the building of the Mackinac Straits Bridge—a candidate for designation as one of the wonders of the world. Its completion represents an outstanding engineering feat that has brought into being the physical attachment of what previously had been a topographical separation of the State and of my Congressional District.

The annals of the 19th century American history record for us the fact that in 1835 the Territory of Michigan threatened armed conflict with the contiguous State of Ohio in order to have the area that now comprises Toledo included in the Territory's boundary. Michigan's southern border was to extend due east from the tip of Lake Michigan, but surveyors of that day differed over whether Toledo belonged to Michigan or Ohio. History tells us that both antagonists held their troops in readiness, but Michigan lost the so-called War of Toledo without a shot being fired. Ohio, being a State, was accorded sovereignty over Toledo by an act of Congress with the concurrence of President Andrew Jackson. As a conciliatory act, Congress sought to appease the stalwart citizens of the Michigan Territory by awarding to the Territory land north of the Straits of Mackinac—land that was then thought to be of only incidental value as possible timberland.

Michigan citizens of the time were of the view that they had sustained a peace without honor in the War of Toledo when the Territory was ceded this area and many people believed the area to be unworthy of development. It was beautiful yes; but it did not appear to be very good for agriculture or industrial development. I am sure all of you will recall its beauteous description by Henry W. Longfellow in the Song of Hiawatha.

In the 120 years that Michigan has been a State the economic consequences of this natural geographical division of the State caused by the Straits of Mackinac have been accentuated. In the Lower Peninsula the population has grown in pace with the productive might of the automobile and other industries found there. Great industries have moved up from the Detroit River area in southeastern Michigan, and modern industrial plants are now found in areas which once were fertile farm lands. This has given to the State a diversified form of industry.

In contrast as one traverses the beautiful Mackinac Straits and the virgin territory of the Upper Peninsula he finds bustling communities amid rich woodlands. In this area has been found more natural wealth than contained in all the State of Ohio—allegedly many years ago the victor in the War of Toledo.

This area of enchanting primeval beauty which nature and the Congress bestowed upon Michigan, is a mecca for sportsmen. Here the hunter finds millions of acres to pursue his love of the sport; here the angler finds his reward.

Now this rich and beautiful Upper Peninsula of Michigan is linked to lower Michigan by the longest suspension bridge in the world. As a result a new era begins for both the top and the bottom of Michigan.

The genesis for the idea of a bridge across the Straits of Mackinac is obscure. Michigan's first State Highway Commissioner suggested a floating tunnel and asked engineers to make comments. In 1921 there was an alternative proposal to build a series of causeways and bridges beginning at a point near Cheboygan across to Bois Blanc Island, to Round Island, over the western tip of Mackinac Island, and then across the channel to St. Ignace. None of these proposals became realities, but in 1923 the Michigan Legislature established a ferry service across the Straits. Five years later the Michigan Highway Department reported that a bridge directly across the Straits would be feasible as a private toll facility. In 1934 a Mackinac Straits Bridge Authority was created to investigate the feasibility of a bridge and in 1934 the original island hopping plan was submitted to the Public Works Administration with a request for Federal assistance. The application was denied.

The late Gov. Chase S. Osborn, a resident of the Upper Peninsula and well versed in the difficulties of crossing the straits because of his need to travel to Lansing, did not give up on his determined efforts for a bridge. The Army Corps of Engineers was ordered to report on the location, preliminary estimate of cost, general feasibility, and necessity of a proposed bridge structure. The report of corps was favorable to a direct route from Mackinaw City to St. Ignace. Again in September of 1936 an application was made to the Works Progress Administration for a loan, and again a grant of funds was denied.

Not to give up, the highway department became vitally interested in the bridge project. Several routes were suggested and finally a straight line from Mackinaw City almost due north to a point in the southwest corner of St. Ignace was selected as a proposed bridge location. An engineering report called for the construction of a double suspension span, one of which would be the world's longest at 4,600 feet. Also called for was a causeway from St. Ignace, 4,200 feet south into shallow water. This causeway was completed in 1941, but the outbreak of World War II put an end to the work on the bridge by the Mackinac Straits Bridge Authority, and the legislature abolished the authority in 1947.

As a representative in the Michigan Legislature in 1937, I was given the opportunity to work with others who had expended every effort over the years to see the bridge across the straits become a reality. In 1949 Mr. Stewart Woodfill, known to most individuals as the genial host at the Grand Hotel on Mackinac Island, came to my office in Lansing. He informed me of his views of what could be done about linking the two peninsulas of Michigan. He expressed the conviction that the time had come for the move to be made to build the bridge across the straits. I arranged hearings for Mr. Woodfill before the senate and house State affairs committee. Mr. Woodfill was a persuasive salesman and did a wonderful job of espousing a noble cause. After completing this essential duty he quietly withdrew to the background, but always kept the bridge foremost in his mind and continued to work in a private capacity in its behalf. He interested a group of leading businessmen from all parts of the State to join with him in a

Mackinac Bridge Citizens Committee. The objective of this committee was to secure creation of another Mackinac Straits Bridge Authority to finance and to build a bridge after thoroughly investigating its feasibility. All who were interested in this project knew a tremendous job had to be done in order to sell the bridge project to the Michigan Legislature. Because I was then speaker of the house of representatives in the State legislature it was not possible for me to introduce legislation to create another bridge authority. However, such a bill was drafted and it was introduced by former State Senator William Ellsworth, of St. Ignace. After a lapse of time without action, it became apparent that this bill was stymied in the State affairs committee of the senate, and Senator Ellsworth requested that an attempt be made to have legislation introduced in the house. I called upon the then State Representative Edward Hutchinson to introduce a bill along with the cosponsors who were State representatives in the immediate area of the straits. This bill was divided in two parts. It provided for the creation of the Mackinac Straits Bridge Authority and appropriated $75,000 for a survey.

The authority was to report its findings to the legislature, in order that all the knowledge available to the authority would also be known to the legislature. The bill also provided that the dean of engineering of the University of Michigan should select three outstanding engineering firms of the United States and recommend them to the authority.

This legislation did not have an unchallenged course, but it was enacted into law in 1950. The distinguished membership of the Mackinac Straits Bridge Authority under this law included Prestiss M. Brown, chairman; Fred M. Zeder—now deceased; Charles T. Fisher, Jr.; George A. Osborn; Murray D. Van Wagoner; William J. Cochran; and Charles M. Ziegler. The authority entered into an agreement with the traffic engineering firm of Coverdale and Colpitts of New York City to determine estimated costs. A report showed that such a structure could be financed by selling bonds, the interest and principal on which would be paid out of tolls based upon those charged for crossing by ferry. The authority also met with the engineers—O. H. Ammann and D. B. Steinman, of New York City, and Glenn B. Woodruff, of San Francisco.

Following lengthy consultation the chairman of the authority brought the report to my office in Lansing, and I asked him if he and the engineers would be willing to make a verbal report to the Michigan Legislature. This was agreed upon and I immediately called a joint session of the legislature which was open to the public. The report was made and the bridge authority submitted to questioning from members of the legislature.

The following day legislation was introduced in the State senate to grant authority for the construction, the bill was acted upon favorably, and the right to proceed was granted to the bridge authority.

No political party built the bridge across the Straits of Mackinac. Both Republicans and Democrats supported the enabling legislation. Most of all, the people of Michigan made the bridge possible because their voices were heard and because their desire for a bridge was made known to the members in the legislature. Its existence is a proper source of pride to every citizen of Michigan regardless of his political affiliation.

Today the bridge is a reality—the last Michigan frontier has become more than ever the land of business opportunity, more than ever a land of recreational paradise. This is the first time in history that Michigan's two separate peninsulas are joined. The magnitude of the undertaking can be statistically related as follows: The bridge has an overall length of 26,444 feet of which 17,918 feet is of steel construction. It features a center span of 3,800 feet—the second longest in the world—two 1,800-foot side suspension spans and two 472-foot unloaded backstay spans. The total length of the suspension bridge, including anchorages, is 8,614 feet, making it the longest in the world. The bridge provides a minimum clearance height at the center of the main span of 148 feet for boat traffic. It carries a 48-foot roadway to accommodate 4 lanes of traffic with the opposing traffic being separated by a raised center mall 2 feet wide. The 2 outer lanes are each 12 feet wide; the 2 inner lanes are each 11 feet wide. Two 3-foot sidewalks for maintenance and emergency use are provided.

The steelwork was fabricated at the Gary, Ind., and Ambridge, Pa., plants of the American Bridge Co.

Merritt-Chapman & Scott Corp. constructed the substructure comprising the foundations, piers, and anchorages. The main tower foundations extend to a maximum depth of 206 feet below the lake level and 552 feet above the water. There are 2 main cables with a diameter of 24½ inches and 12,876 wires in each cable—with a diameter of 0.196 inch. The total length of cable wire used is 41,000 miles, sufficient to encircle the earth at the Equator 1⅔ times. The bridge was built to withstand the most severe weather blasts coming off the turbulent Great Lakes. It can take winds of 632 miles per hour. The highest winds in the straits recorded are 78 miles per hour. The bridge cost approximately $100 million. The average crossing time by ferry was 53 minutes, exclusive of waiting time, which has been known to be 16 hours. This excessive number of hours was during bird and hunting season, over weekends, and during the peak of the tourist season. Now motorists can cross the straits in 10 minutes. The bridge can handle 3,000 cars each way per hour, compared to the 500 cars handled by all the ferries at once.

The erection of the steel superstructure began on July 22, 1955, and was completed in October of 1957, opening to traffic November 1, 1957.

Bridge traffic for the first 6 months of operation was 265,127 vehicles, compared with 185,870 by ferries in the same period a year earlier. Revenue for 6 months was $1,058,158, compared with the ferry revenue of $796,285 for November 1956 through April 1957.

In writing in the November 1957 issue of Inside Michigan, Dr. David B. Steinman, the consulting engineer of the Mackinac Bridge, stated:

> The Mackinac Bridge is my crowning achievement—the consummation of a lifetime dedicated to my chosen profession of bridge engineering. * * * My staff and I are proud of our record of building the Mackinac Bridge within our estimate of cost and within our estimate of time. We have generously fulfilled all our promises and commitments. We have kept faith with the bridge authority and with the people of Michigan. The Mackinac Bridge may well be called the bridge that faith has built.

It might well be said that the Mackinac Straits Bridge has strengthened the faith of the stalwart people of this area of Michigan who have not adequately shared in the economic progress of the industrial age. Its people are industrious, patriotic, and capable. The opening of the bridge has opened new horizons for them and for the State of Michigan. It will greatly enhance the economy of the straits area. It will attract many thousands of people into this land and will shorten the path to industrial markets. The people of the 11th Congressional District have become aware of the potentialities of the bridge and of the better life offered by improved employment opportunities furnished by new industry. Today our communities in both the Upper and Lower Peninsulas are offering attractive inducements to industry to come to northern Michigan.

The tourist industry, an industry that formed the livelihood of many in this land of hunting, fishing, and recreation, also is preparing to meet the growing needs of the thousands of people who will travel from far and near to see the bridge that faith and perseverance have built.

The impact of new projects, along with the efforts of these hard-working citizens, are already showing results. This new avenue of faster transportation is bringing this area nearer the markets of the Nation. Research is rapidly contributing to the development of new products utilizing the resources of the area.

I am elated to bring you these facts about northern Michigan and the Mackinac Straits Bridge. It is great to live in Michigan.

OPERATION TRUTH — MISUSE OF STATISTICS UNDERMINES ECONOMIC CONFIDENCE AND HURTS CAUSE FOR REALISTIC RECESSION REMEDIES

The SPEAKER. Under previous order of the House, the gentleman from Missouri [Mr. CURTIS] is recognized for 60 minutes.

Mr. CURTIS of Missouri. Mr. Speaker, I take this time to discuss the misuse of statistics which undermines economic confidence and hurts the cause of realistic recession remedies. As has been the custom over the period of the past few weeks when various Members on my

side of the aisle have been taking the floor under special order to try to bring the facts on to the floor of the House, I have notified the other side that I was going to take the floor and have notified them of the subject matter of my discussion.

Mr. Speaker, a very strange thing occurred last Thursday, May 1, 1958. One of the Democratic spokesmen who is preaching doom and gloom around the country could not stand the fact that the number of employed people in the United States increased by almost 600,000 for the month of April over the month of March, from 62,311,000 employed to 62,907,000 and at the same time the number of unemployed decreased by 78,000 from 5,198,000 to 5,120,000. He stated in the CONGRESSIONAL RECORD, page 7821, May 1, 1958:

> Mr. President, any high-school student of economics knows that the gross figures on unemployment are relatively meaningless. Unemployment is normally highest during the early months of the year, then goes down in the spring, rises again in June, declines throughout the rest of the summer and part of the fall, then rises again to its January peak. I suggest it is therefore deceptive to rely on gross figures. Since the Secretary of Commerce did not see fit to make the seasonally adjusted unemployment figures public, I should like to do so through the CONGRESSIONAL RECORD.

The Democratic spokesman was then as good as his word. He placed in the CONGRESSIONAL RECORD at that point the unadjusted total unemployment figures and the seasonally adjusted unemployment figures for December 1957, January, February, March, and April 1958.

I want to call everyone's attention to the February and March 1958 gross figures and the seasonally adjusted figures. For February the meaningless gross figures were 5,173,000 unemployed; for March the meaningless gross figures were 5,198,000 unemployed. Now what were the meaningful seasonally adjusted figures? They were 4,570,000 unemployed for February and 4,800,000 unemployed for March.

Now I ask this Democratic spokesman, who also states, "I am not one who would like to be a prophet of doom and gloom," and other Democrats who have been joining in the doom and gloom thesis, just what figures he has used and he has heard and seen in the newspapers about unemployment for the past 2 months emanating from his Democratic cohorts? Five million two hundred thousand unemployed or 4,570,000 or 4,800,000 unemployed?

I think it is very clear to this entire country who has been guilty of deception in the use of unadjusted unemployment figures. Now I want to say further that the gentleman was equally in error in implying that the President of the United States and the Secretary of Commerce had not made it clear that the seasonally adjusted unemployment figures for April would show a worsening. I placed in the CONGRESSIONAL RECORD the same day, May 1, 1958, as the gentleman gave his statement, the Secretary of Commerce's full statement, along with the table of figures—see pages 7889 and 7890, CONGRESSIONAL RECORD. The seasonally adjusted rate is set out in the tables and it is referred to in the text.

There has been a great deal of misuse of the unemployment figures by the prophets of doom and gloom in the past few months, and a great deal of half statement and misstatements in their explanation of the figures. Indeed, it is this misuse and misinterpretation of these figures that earn for them the title of prophets of doom and gloom. Why else do they overstate the problem of unemployment constantly?

First of all, there has been a reluctance on their part to refer to comparable, unemployment figures in the 1930 depression and the 1949–50 and 1954 recessions. There has been an equal reluctance to refer to unemployment figures in percentage of employment. Of course, when the present figures are related to those of the past, it becomes apparent to the people that the present recession is comparable to 1949–50 and not comparable to the 1930s. In other words, the economic phenomena we are experiencing is a recession, not a depression. Meaningful figures and comparisons would defeat the purposes of the doom-and-gloom prophets.

Second, there has been an effort to make people believe that the unemployment figures do not really measure the full extent of the present unemployment. The prophets of doom and gloom like to point out the fact that many of the people who are employed are only partially employed, 2 or 3 days a week. Well, that is probably true to some extent—though a minor extent as we can judge from the national figure on salaries and wages, but if that is fair comment so is the other side of the coin fair comment. Many families have had 2 and 3 income producers in the same family. Some of the unemployment comes from a cutback in the number of income producers in the same family—not from a family having all income producers unemployed. And some of this cutback occurs normally as the competition for persons in the labor market declines. In other words, many of these extra income earners work when they can get wages and working conditions suitable to them and quit when the situation changes.

Furthermore, if unemployment statistics of 1958 are going to be challenged there is no question that the unemployment statistics of prior years are subject to even greater challenge. In other words, we have improved our statistics in this area considerably since 1938 when there were 10,390,000 unemployed with only 44,220,000 employed. We have improved the unemployment statistics considerably since the 1949–50 recession and the 1954 recession. Of course, there are limits to the accuracy and the usefulness of any set of statistics. These series of statistics can be improved even more. We all know that but it is completely unfair to try to make an economic condition out to be worse than it is, and worse than in prior years by casting doubt on the same series of statistics we have been using for so many years.

The prophets of doom and gloom have another trick in their bag to create an erroneous impression of the present economic phenomena. They make statements that we have on our rolls the highest number of people drawing unemployment compensation. It is true we have been breaking all records in this regard. But actually this is a figure from which we can derive considerable comfort rather than alarm. The reason we are breaking records is that since the depression of the thirties when practically none of the unemployed were on unemployment insurance we have constantly expanded unemployment insurance coverage so that today over 70 percent of the unemployed are covered by unemployment insurance. Of course, we are breaking records in this area and we should be happy that our expanded State programs are more responsive to our needs.

A further example of the misuse of statistics by the gloom-and-doom prophets was brought out on the floor last week during the debate on the emergency extension of unemployment insurance. A great deal of the crocodile tears shed on the floor were for the 1,700,000 who were not to be included under the President's proposal because they were not covered under unemployment insurance. I put in the May 1, CONGRESSIONAL RECORD—page 7899—a breakdown of this 1,700,000 figure. Let us take a look at it. It shows that 1 million of the 1,700,000 would not be covered by any of the proposals offered on the floor because it would not cover the 400,000 new entrants into the labor market who had no work records, nor would it include the 500,000 persons who had been disqualified for a variety of reasons, including fraud and malingering from participating in the State program. Furthermore, it would not include 120,000 self-employed or unpaid family employees. Then breaking down the remaining 700,000 who might have been helped we find that this group is largely made up of persons who have never been included for difficult administrative reasons: 100,000 former State and local employees, 180,000 seasonal and casual workers, agricultural workers in the main; 160,000 domestics and employees of nonprofit organizations; then finally there are the 190,000 employees of employers hiring 4 or less, part of whom might be helped. But this problem has been before the individual States for many years.

I want to go on to other areas where these underminers of economic confidence misuse and distort statistics. One of their favorite half quotations is in the small business area. They proclaim with great long faces that there have been more small business bankruptcies and failures than ever before. That just is not true. The years 1929, 1930, 1931, 1932, 1933, 1938, 1939, and 1940 all showed more small business failures than the year 1957 (table F–63, 1958 Economic Report of the President). Furthermore, they fail to point out that in 1957 where there were 12,547 failures of business under $100,000 that there were more new businesses incorporated that

year than any time before except 1956 and 1955 and that the percentage of small business failures to number of business corporations is still below the average over a period of many years. To illustrate, in 1949 there were 3,984,200 operating businesses. There were 85,491 new businesses incorporated. There were 8,708 business failures of companies under $100,000, making a percentage of failures in relation to new incorporations of over 10 percent. In 1957, there were 4,287,000 operating businesses and 136,673 new businesses incorporated and 12,547 failures of business under $100,000, which is a less than 10 percent ratio. The percentage is the meaningful statistic.

The gloom and doom boys are laying off the agriculture sector of our economy at the present time because a reference to its recovery which has now been going on for several months is entirely too bright a color to use in painting the picture of our economic condition they have in mind. But nonetheless their distortion of statistics in this area is recent enough for the public to remember. Farm mortgages are the highest in the history of the country, they wail. So they are, but so are the values of the land the farmer owns the highest in history. As a matter of fact, back in 1940 the farmers' mortgages amounted to 19 percent of the value of his holdings—debt, $6.6 billion; value of holdings, $36.6 billion. Today farmers' mortgages are only 9 percent of his holdings—debt, $10.6 billion; holdings, $1,180 billion—table F–68, President's Economic Report for 1958. What other segment of our economy can boast such remarkable and healthy progress? Furthermore, farm foreclosures are the lowest in our history.

The gloom and doom prophets like to point out that farm income has declined markedly in the past years, particularly in relation to national income. But they do not like to point out that farm income in relation to national income has been declining since 1789 as our country has industrialized and they do not like to face up to the fact that as we continue to industrialize this ratio will continue to decline. Furthermore, they do not like to admit that this decline will make better living and safer living for all of us. In fact, if the converse trend were coming about we would really have something to worry about. Nor do they like to refer to per capita farm income which has increased percentagewise more rapidly than nonfarm income—in spite of the recent decline since 1951—since 1934, the year the statistical series was started. The 1934 farm income was $165 per capita; the 1957 farm income was $970 per capita, an increase of 588 percent; while the national income as a whole rose from the 1934 $411 per capita to 1957 $1,756 per capita, an increase of 427 percent. So while the per capita income of the Nation was rising at a rate of 427 percent in these 24 years, the per capita farm income rose 588 percent—table F–64, 1958 Economic Report of the President—table E–19, 1957 Economic Report of the President. On this score they recently have taken to belittling this economic fact by stating that this includes off-the-farm earnings—the farmer's wife working in the cannery, and so forth. Well, most economists feel that one of the encouraging developments in both the rural and the industrial economics has been the movement of factories out to the rural areas where a man can continue to follow the rural way of life and still make adequate income. After all, when we are talking about the welfare of people it is per capita income and living that is important not so much the source of the per capita income. One basic reason behind the continued increase in per capita farm income even though total farm income has fallen lies in the fact that the number of people in farming has decreased so the money is divided up among fewer people.

The gloom and doom prophets, many of whom are also busy trying to stir up strife among our people, also like to point to the fact that corporations show an increase in profits. If these people want to avoid the title of prophets of doom and gloom and stirrers-up of strife, why do they not give the full story? Of course, profits have increased and so has the amount of capital invested in corporations increased. The meaningful figure is the ratio of corporate profits to investment. In other words, how much the investment dollar has earned. There is no statistical series that clearly reveals this figure but we can gain some idea of it by taking two series and comparing them—corporate profits after taxes in billions of dollars and gross private investment in billons of dollars. I will list the figures for 1939, 1952, and 1957: 1939, $5 billion profit, $9.3 billion gross domestic investment; 1952, $16.1 billion profit, $49.8 billion gross domestic investment; 1957, $20 billion profit, $64.4 billion gross domestic investment; 1939, ratio of total investment to total assets, 2.2 percent; 1952, ratio of total investment to total assets, 3.5 percent; 1957, ratio of total investment to total assets, 3.2 percent; 1948, ratio of total investment to total assets, 6.4 percent.

Ratio between physical assets and earnings: 1939, 2.4 percent; 1948, 11.2 percent; 1952, 6.4 percent; 1957, 6 percent.

It can be seen that the investment dollar has been earning steadily less even though the absolute figures of total earnings, of course, have increased as our economy has grown.

There are other gross misconceptions that the prophets of gloom and doom have been spreading around the country. I believe the most serious misconception of them all is the one that relates to remedies to meet the present recession. These prophets fail to mention that only one recession was solved through peacetime economics and that was the recession of 1954. This recession was likewise misrepresented to the people by these prophets of doom and gloom. Essentially the recession of 1954 was brought about by the closing out of the hot war in Korea. We cut back on the number of personnel in the armed services and the number of persons employed in defense plants and we had to find jobs for these people in the civilian economy. This was a shift from a war economy to a peacetime economy. It was accomplished without the need of massive governmental measures. Incidentally, the recovery was not helped too much by tax deductions. The 10-percent income-tax cut which is mentioned so often by economists today was largely balanced off by the social-security-tax increase by almost the equivalent amount as far as the lower and middle income people were concerned occurring at the same time.

The 1930 depression which still had 10 million unemployed at a period in 1940 was only eliminated by World War II. The 1949–50 recession, though it appeared to be on its way out was pushed completely and rapidly out by the Korean War of June 1950. The failure of the doom and gloom prophets to even refer to, let alone analyze, the effect of the Korean war on both the recessions of 1949–50 and 1954 coupled with their equal blindness to the effect of World II on the depression of the 1930's demonstrates beyond much question that they have no desire to look for real remedies for this recession. They are intent on frightening the people and they are well aware of the fact that ignorance is a very important weapon when it comes to scaring people.

So instead of analyzing factually the present economic phenomena so that we can help correct what is wrong the order of the day seems to be to resort to ballyhoo and emotionalism. When a person tries to talk in economic terms about unemployment and how to correct it there is always some demagogue who pops up to suggest that unemployment may be statistics to some, and particularly to the Eisenhower administration, but to the individual unemployed it is a serious thing. Of course it is a serious thing to the individual—indeed having any sizable unemployment is serious to the entire Nation, but the only way to help solve the individual's problem or the Nation's problems is to study the situation objectively. The surest way not to help the unemployed person is to resort to emotionalism and attack those who try to talk sense by trying to create the impression that only the emotionalist is endowed with the virtues of brotherly love and concern for one's fellowman.

I pointed out in several speeches why I felt this recession was to a large degree the result of our Federal tax structure. For years now we have had a situation where business decisions are being made more and more not on the basis of economic judgment, but rather on the basis of tax consequences. We have created a pinball type of operation where individuals and businesses are shooting for the 0 percent or the 25 percent tax rate and seeking to avoid the 52 percent or 91 percent trap. They are not paying attention to economics. The longer our tax structure promotes this kind of thing the more the basic structure of our economy is damaged.

One economist said to me the other day he did not think my analysis was so because the economy had done so well after World War II. He said we have had phenomenal growth. Indeed we

have, but the kind of danger I see is nothing spectacular. It takes time for the symptoms of cancer to show, and, in the meantime one can be seemingly healthy and strong. But by the time the symptoms are so noticeable that even the patient feels them it is too late for anything but a radical cure—and sometimes too late even for that.

We have done little or nothing in our economic studies to analyze the damage that inflation has done, not to the people on pensions and fixed incomes, although that has been tragic enough, but the damage to some of our basic economic structures. We have rendered immobile large blocks of capital investments—locked in investment, it is called—because if the capital is switched from one investment to another, and good economic health calls for mobility of capital as well as mobility of labor, a capital-gains tax is levied not on the realized true value alone but on the unreal value produced by inflation, which is 100 percent and more. We have levied a capital-gains tax of over 100 percent on all American industry through the action of inflation on the depreciation allowances permitted under our Federal tax laws for recouping the loss from capital goods wear and tear and obsolescence. We have damaged particularly our growth and smaller companies in this process. We have encouraged the financing of American business growth through debt financing as opposed to the healthier financing of equity investment. When some of us tried to rectify these situations we have been met by the same doom and gloom prophets and stirrers up of division among our people with the cry of tax benefits for the rich. How false. This is tax benefit to the lower income groups for many reasons. Primarily because healthy economic growth means jobs. And we must have this economic growth if we are to provide jobs for the 1 million new job seekers who come into the labor market each year. Incidentally, it requires around $15,000 of investment capital today to create 1 job. The number of mergers and acquisitions of the small, healthy, growing companies by their larger competitors has grown at an alarming rate, under this restrictive tax structure—far exceeding the rate of healthy economic merger and acquisition. These were mergers and acquisitions based primarily upon tax considerations.

I could go on pointing out other features that lie under this present recession and features that if remain uncorrected will continue to sap our economic growth and strength even as we go, as we will, from this recession to a further period of growth, but it will be a slowed down growth.

There still sits over in the Senate H. R. 7125, Excise Tax Technical Change Act of 1957, passed by the House in June 1957, after 3 years of intense study. It represents the first comprehensive revision of the excise tax structure since 1932, a bill consisting of 300 pages and vitally affecting our entire economy.

There still sits over in the Senate H. R. 8381, the Internal Revenue Technical Amendments Act, passed by the House in January 1958, after 2 years intensive study. A bill consisting of 100 pages and greatly affecting many aspects of our economy.

Both of these bills are designed to remove many of the inequities and impediments to economic growth that exist in our tax laws. It almost would be better if they had never been passed by the House. To sit in the Senate unacted upon, creates the uncertainty among our citizens and businesses who will be affected by them.

The Ways and Means Committee completed extensive hearings in February on many other measures designed to remove impediments to economic growth and stability embedded in our tax structure. Four bills, if acted upon promptly, alone would serve to stimulate our economy greatly at this time.

There was a fifth bill, but fortunately the Bureau of Internal Revenue took action so that Congress no longer needs to act. This was the bill to allow teachers to deduct as business expenses the cost of going to summer school and in other ways making themselves more proficient in the pursuit of their profession. This means jobs for the persons who teach the teachers and it promotes economic growth in the best and most basic way. Furthermore, it removes these teachers from the summer labor market competing for jobs.

The four bills are these:

First. H. R. 5735, my small-business tax bill designed to slow down the rate of uneconomic and tax inspired mergers and acquisitions of our good growth businesses by their larger competitors. Small businesses finance their growth by plowing back earnings. Small businesses have had to place upon the shelf many of their plans for growth and expansion under the tight-money situation because they could not get the financing necessary to go ahead. A good growing business cannot afford to remain still—it either grows or is bought up by a larger competitor. H. R. 5735 would permit any business, not just the corporate firm—after all, 85 percent of our small businesses are proprietorships or partnerships, not corporations—to take a business deduction for profits up to $30,000 which are plowed back into investment. Plowed back into jobs, if you please. Because small-business investment means growth, which means jobs.

Second. H. R. 8702, permits the small investor to invest in municipal and school bonds safely through diversification and so to get the same benefit from the tax exempt features of municipal and school bonds that the large investor presently enjoys. We need new markets for school and municipal bonds in order to finance the badly needed growth of community facilities and schools. This would expand the market for these bonds. It would break the wealthy investors present monopoly as well as benefit the smaller investor. This would create jobs immediately because school and municipal construction plans in being could go ahead.

Third. H. R. 8102 would permit the small investor to get diversification in real estate holdings. Again our tax laws are set up to benefit the wealthy investor. He alone has enough money to invest in real estate and get diversification which gives protection and security to his investment. H. R. 8102 would extend the investment trust principal to real estate holders. What does this mean? It means that fifteen or fifty or five hundred men in a small community could pool their investment to build much needed new buildings in their community and yet not be taxed twice as they presently would be under the corporate form. This would mean more jobs because the monopoly that the wealthier investor presently enjoys in the real estate investment market would be broken with more money coming in. This will produce more growth, more construction and therefore more jobs.

Fourth. H. R. 10904 permits a tax credit to parents and others who send their sons or daughters or any student to institutions of high learning. Twenty-five percent of the unemployed today are 25 years and younger. These are the very people who instead of being in the labor market might well be continuing their education or taking over jobs of some young person who would be continuing his education. This is a more workable program than any large scale Federal grant for scholarships and one that would immediately stimulate the economy. The mechanics of the scholarship program would take time to set up and could not be effective at the earliest until the school year beginning September 1959. H. R. 10904 would create more schooling at once. Again this would assist the labor market, but even more important it would be an investment in education which is by far the most stimulating and productive investment that can be made for economic growth and stability.

Let us get on with tax revision immediately. Relieve the uncertainty and make jobs now. Vast public works coupled with massive and unstudied tax reduction schemes are the dreams of the lazy and unanalytical.

Mr. HIESTAND. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to my colleague, the gentleman from California [Mr. HIESTAND].

Mr. HIESTAND. Mr. Speaker, I wish to congratulate the gentleman from Missouri on his very effective statement. It is effective and thorough because it is so well documented.

Mr. Speaker, I sincerely believe that the howlers of gloom and doom are beginning to realize that their attacks on the American economy may shortly backfire. If so, it will certainly damage those parties, individuals and groups, who are promoting the campaign. The harder they attack the economy, the more severe will be the reaction as the American public realizes the falseness of the attack and the motives of the attackers.

Never before in our history has the economy been subjected to such a vicious attack. Never before have prominent speakers, politicians, columnists, commentators, and cartoonists aided and abetted the perpetrators of such an attack.

Publicizing every detail, ever searching for statistical support, discouraging in every way and demoralizing the American businessman and the American worker, this has been done in an organized way. It simply must have been masterminded, when one studies the vast attacking machine and the timing of each attack.

So gigantic an attack needs scrutiny, and I suggest that the Congress of the United States might well investigate this great plot to deliver us into a depression.

Who are the chief attackers? The Democratic leadership. From the Democratic National Committee, the Americans for Democratic Action, the AFL–CIO's so-called educational branch, COPE, the labor monopoly generally, radical farm groups, radical economists, but particularly the leadership of both Houses of Congress.

There is no denying that the combined efforts of these leaders through the vast mediums of publicity have hurt. They have hurt severely and are in part responsible for our failure to recover more rapidly.

Whom have they hurt? Primarily the people out of jobs. Certainly small business has felt the impact and businessmen generally, who are the jobmakers, have become more cautious. It has been said that thousands of American businesses have plans for expansion and the creation of more jobs, have the financing ready to go, but are "just waiting" to see how things turn out before they give the go-ahead. When businessmen generally take that attitude, their tendency is to "get their house in order," tighten their belt, cut out jobs which are not absolutely essential but which were established "for the future"; thus these attacks, these discouraging and demoralizing attacks, have actually forced additional unemployment and the prevention of reemployment.

But why the attack?

Is it not obvious that the No. 1 motive is political? If the Democrats can string out and stretch out unemployment through October, they hope to gain seats in Congress and several governorships. This motive seems too obvious to merit further discussion.

Motive No. 2 would seem to be the gratification of the insatiable lust of the spenders. They have seized what must appear to them a golden opportunity, and have dragged out all the pet Government spending schemes of the past and a few new ones. Government spending did not cure the unemployment problem through the 1930's and it never will. Most of the spending schemes are for gigantic projects that will take a year or two even to put into work and can have little or no effect on unemployment anyhow, because the projects are far removed from the centers of unemployment. They are simply schemes for spending for the sake of spending.

And they are highly inflationary, as all Government spending is, since it distributes new money to add to the demand for goods without adding to production for sale, adding to the supply of goods. But many of these howlers believe in inflation. Beware the demagog who screams in behalf of the little man but votes against him, to rob him of the purchasing power of his dollar. Inflation, resulting in increased cost of living, is the most vicious form of invisible taxation.

Finally, it would seem that some of the howlers of gloom and doom are merely advocates of big government as such for its own sake. They were successful in building your Government to its gigantic proportions by clamoring crisis all the way from the midthirties through 1952. These big bureaus do not welcome cutbacks, even though they might have outlived the original cause of their organization. Once Government gets big it stays big, for we do not have enough votes in Congress to cut it down. Someday the taxpayer is going to turn. I sincerely hope it occurs before we become a completely socialistic state.

But for the present, I predict this campaign of crisis and gloom simply will not work. Our American economy is too solid and sound. It will level off and when a boom returns it will be a mild and well-controlled growth, for the American people have seen the folly of too rapid overexpansion. But sound economic growth is assured. Why will this happen? Because it has been proven in the past 6 months that all the howling of gloom and doom simply could not kill the dynamic spirit of the American free-enterprise system. Our economy is sound.

Mr. CURTIS of Missouri. I thank the gentleman.

Mr. MULTER. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. MULTER. I did not ask for time to ask the source of the statistics which the gentleman has referred to. I did not offer them the other day nor do I intend to challenge the statistics which the gentleman from Missouri has submitted to the House today.

Mr. CURTIS of Missouri. In the RECORD will appear the source of all of these figures. Incidentally, most of them, with the exception of a couple, were from the Economic Report of the President in January 1958, based upon Government statistics. The others are from the Economic Indicators, April 1958, which is put out, as the gentleman knows, by a committee of the House.

Mr. MULTER. I will ask the gentleman to point out one or two things.

Number one, while I do not intend to belittle in the least the very studious and carefully prepared statement the gentleman has presented to us, I would like to ask if he or any other Member of the House or anyone can show us a single hungry mouth that can be fed with statistics or analyses of statistics; and if so, I will ask permission to join the gentleman's party.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman let me answer that?

Mr. MULTER. Yes.

Mr. CURTIS of Missouri. I said, and I hope the gentleman listened, that the only way you are going to feed hungry mouths is to analyze what the problem is, then to study the statistics and not appeal to emotionalism while we are trying to study and analyze this thing.

Mr. MULTER. May I answer that, Mr. Speaker?

Mr. CURTIS of Missouri. Yes.

Mr. MULTER. The gentleman from Missouri and our other distinguished colleague from Pennsylvania in his statement also talked about the emotions, not appealing to the emotions but to get these statistics and analyze them and do the job.

The statements we have heard here on the floor this afternoon almost parallel word for word the statements that were made before the House Committee on Banking and Currency yesterday by representatives of the National Association of Manufacturers and the United States Chamber of Commerce, I assume purely by coincidence. But I have observed that the gentlemen on the floor here today while saying "Let us not be emotional about this" are constantly referring to the prophets of gloom and doom.

Mr. CURTIS of Missouri. That is right.

Mr. MULTER. We have heard that for a long time, we have heard nothing but that. Let me make just this comment on this business about prophets of gloom and doom about which we have heard so much. The gloom is with us and no one can deny that the gloom is throughout the country because of this recession, and when the voters are heard from in November they will lower the boom; and I further suggest that that boom will doom the gentleman's party because it is doing nothing to really combat the recession.

Oh, yes; suggestions have been made, the gentleman has made them, the United States Chamber of Commerce, the National Association of Manufacturers have said, "Let us cut taxes right across the board." Well, cutting taxes is not going to put a single dollar in the hands of the unemployed.

Mr. CURTIS of Missouri. That is right.

Mr. MULTER. Cutting taxes is not going to feed a single hungry individual. Cutting taxes across the board is going to give the big fellows more benefit than the little fellow who needs it.

I listened with a great deal of attention to statements about helping the little fellow, the small-business man, giving him more opportunity to build up with a tax cut, but these statistics in the economic indicator to which the gentleman has referred indicate that since 1951 wages have increased about 28 percent. In the same period, since 1951, dividend income has increased almost 36 percent.

Mr. CURTIS of Missouri. Now, wait a minute; I do not yield further.

Mr. MULTER. Some statistics——

Mr. CURTIS of Missouri. Mr. Speaker, I do not yield further, I refuse to yield.

The SPEAKER pro tempore. The gentleman from Missouri refuses to yield.

Mr. CURTIS of Missouri. I refuse to yield until I answer the gentleman's statement.

Dividends mean nothing unless they refer to capital investment. There is a great deal of authority to show that it

requires $15,000 of invested capital to employ one man today, and the fact is that the earnings per investment dollar have declined; and as to the definition I sought to give of the prophet of doom and gloom the gentleman is filling the definition very ably because he is talking one side of the statistic without presenting the meaningful full statistic, and this was only one incident that the gentleman referred to in his statement.

Mr. MULTER. Does the gentleman deny that the share of profits of big business has increased since 1951 disproportionately to wage increases?

Mr. CURTIS of Missouri. I will answer that. I say to the gentleman that I am very disturbed over the increase of big business in relation to small- and medium-sized business. This has occurred since 1940 and largely the result, I may state, of World War II and its aftermath, the whole picture of business in relation to wages. No; I would say to the gentleman that it has not been so disproportionate as the gentleman suggests; quite the contrary, the investment dollar has been earning less, not more.

Mr. MULTER. Let me ask the gentleman this: Do you suggest that we are stabilizing our economy when the proportion or ratio of unemployment does not increase any more this month than it did last month?

Mr. CURTIS of Missouri. No. I have already answered that by stating it is very clear that seasonally adjusted, which is the correct figure, we have had a further worsening. The only thing one can say about that is it is encouraging that 600,000 more people are employed. That seasonally is true. But it also shows there is some resiliency in the economy; furthermore, that the unemployed ranks have declined by 78,000. Although that is not as good as it should be seasonally, it is a figure that shows some encouragement. I hope the gentleman's friends whom I accuse of being the doom-and-gloom prophets, and I have documented it by showing their quotation of half statistics, will remember this in June, because, as everyone knows, in June we are going to have a lot of new people enter the labor market, about 800,000 high school and college graduates. The unemployment figure is going up seasonally, but seasonally adjusted it will not show anything like that at all.

Mr. MULTER. The gentleman does not anticipate it is going to be much better than it is today, does he?

Mr. CURTIS of Missouri. Yes; I do.

Mr. MULTER. The gentleman thinks there will be fewer people out of work at that time? Does the gentleman think there will be fewer people who have not run out of their unemployment insurance at that time?

Mr. CURTIS of Missouri. Yes.

Mr. MULTER. I hope the gentleman is right, but nothing seems to indicate that.

Mr. CURTIS of Missouri. The gentleman knows I am right but still goes on presenting figures that give only half the story. There you present a gloomy picture.

Mr. MULTER. The gentleman will agree with me that no matter what the figures are, something has got to be done to cure this situation? We cannot wait any longer.

Mr. CURTIS of Missouri. I have already suggested it. It is in the lap of your leadership in the House and Senate who do not do anything about it.

Mr. MULTER. The only suggestion I have heard from the gentleman was one of a tax cut.

Mr. CURTIS of Missouri. The gentleman misunderstood what I said. He misundertood most of what I said. I said "tax revision." The gentleman did not hear me say anything about tax cuts.

Mr. MULTER. I do not mean to misconstrue what the gentleman has said.

Mr. CURTIS of Missouri. I did not refer to tax cuts at all. I referred to tax revision to remove impediments to healthy growth and stability that lie embedded in the Internal Revenue Code.

Mr. MULTER. Does the gentleman think the little wage earner is going to be much better off because he gets a tax exemption of $100?

Mr. CURTIS of Missouri. Let me give the gentleman a specific illustration. Let us take a musician who is unemployed because of the cabaret tax. You remove that tax, which is a misnomer, it is a tax on any eating establishment that employs a musician, you remove that and it will put that musician to work. There are over 400 pages of examples such as this contained in H. R. 7125 and H. R. 8381, which will remove similar impediments and create jobs.

Mr. MULTER. On that the gentleman and I have been in agreement for many years.

Mr. CURTIS of Missouri. That is only one. There are hundreds of them.

Mr. SCHWENGEL. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Iowa.

Mr. SCHWENGEL. I should like to say that the gentleman from Missouri has made a very wonderful contribution here today. His statement has been learned, analytical, and certainly well documented. It has been an enlightening and forward-thinking statement. Not only has he gotten out a record of facts but he has presented the answers to some of these problems and I think he has laid down a real challenge. I want to commend the gentleman highly for his statement.

Mr. CURTIS of Missouri. I thank the gentleman.

Mr. SCHWENGEL. It is a very fine contribution because he gets at the problem involving some of these things that are confronting America today and he lays the blame where it belongs, that is, on the gloom-and-doom boys. We have heard evidence of that by following the exchange of remarks just now, so I want to say to the gentleman I join him in his desire to get at the bottom of some of these problems. One is the excise-tax question. That has been before us, it is not anything new, we have known about it for several years. There has been some division on that side. There is one instance at least, transportation. I have testimony about that in my files that the 3-percent tax is not a 3-percent tax many times, but a 12-percent tax and sometimes a 15-percent tax.

Mr. CURTIS of Missouri. If I may interrupt at that point, the transportation tax, I might say to the gentleman from New York, was put in there in World War II with the deliberate purpose of discouraging our people from using the transportation system. It was put in there as an impediment to economic growth, and the removal of that tax, of course, is going to remove the impediment.

I want to illustrate another thing. This is an example of where our tax structure is helping large business as opposed to the smaller one. A large vertical corporation can set up its own fleet of trucks to transport its goods and so avoid a great deal of the transportation tax, whereas your common carrier, the man who might have 10 or 12 trucks and is operating a trucking business, has to pay it, and we want to rectify that situation. Not only do we have an impediment to economic growth, but we are widening the gap between the small, minimum-size producer and the large producer.

Mr. SCHWENGEL. I would like to comment further on this problem of the small-business man, a question that you have raised. And, I think here again you have made a fine contribution. The gentleman knows that I have been making a special study along this line, and I have assigned this problem to a research staff of graduate students of the University of Iowa. They have made a very exhaustive study, enlisting the help of not only small-business men in the area but the talent within the university. Their findings have been very much in accord with the gentleman's findings here that are encompassed in the bills he introduced. As a result of their study, I introduced some bills that correspond very closely to the bill that the gentleman introduced and seeks to correct the injustice that you seek to correct. Small business does not want tax relief; they want tax equity; they want an opportunity to compete on a fair basis.

Mr. CURTIS of Missouri. Tax equity, is exactly right.

Mr. SCHWENGEL. Under the present law it is impossible. We have had bills before the committee, but, as I understand, no hearings have been held in the Committee on Ways and Means on the subject at all. And, I say to you on the other side, if you want to do something for the little fellow, there are several millions who have real problems who could be assisted economically by a fair tax base under which they can not only continue to exist, to grow and expand, but I think it would be a very helpful influence on our economy today.

Mr. CURTIS of Missouri. The administration has recommended tax revisions in the area of small business. They do not completely coincide with my recommendations, although in some instances they do. But, nevertheless, positive action in this area is the recommendation of the administration. Unfortunately, this Congress under the con-

trol of the Democratic leaders constantly does a lot of talking, but they do not act in these areas.

Mr. MULTER. Mr. Speaker, will the gentleman yield further?

Mr. CURTIS of Missouri. I yield.

Mr. MULTER. I am sure the gentleman knows, being a member of the Committee on Ways and Means, that the leadership in this House and in the other body were ready with a tax program, a tax reducing program, and the President said to them, "Please don't do it," and the Secretary of the Treasury said, "Please don't do it until you have consulted with us," and out of deference to the administration they made that agreement.

Mr. CURTIS of Missouri. I want to say to the gentleman that you are in error. I think what you are referring to—and I read it, too, although I do not know it to be so; I read it in the paper—was that there is an arrangement between our beloved Speaker and the Secretary of the Treasury on tax reduction, not tax revision. I think everybody agrees that tax revision is always timely and a constant thing we should always be undertaking. I tried to point out, this recession is traceable, in large part, to these obstacles to economic growth, and yet the Congress does not move in these areas when they are called to the attention of the Congress after adequate study. Three years of study on excise tax revision, the first revision since 1932. These bills have been sitting over there in the Senate since 1957, and still the Senate leader talks about what he is going to do for this recession.

Mr. MULTER. Is the elimination of the nuisance excise tax a tax reduction or a tax revision?

Mr. CURTIS of Missouri. A tax revision, because it removes an obstacle to economic growth. A tax reduction actually transfers purchasing power from the Government sector to the private sector. A tax revision leaves them about the same, because the Government recoups any loss in taxes, as we certainly would in the case of the cabaret tax.

Mr. MULTER. Is that not precisely what we are asking for when we ask for an income-tax cut of the wage earner?

Mr. CURTIS of Missouri. No. Economically it is much more complicated when you go through that process of tax revision.

Mr. HOLLAND. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Pennsylvania.

Mr. HOLLAND. I wonder if you would call this gloom and doom. I have just compiled statistics which came from my District. In my District I have 60,000 steelworkers who were employed in 1956.

As of today there are 31,000 employees; and of those 31,000, 15,000 are working less than 40 hours a week. That means that we have 29,000 who are totally unemployed and 15,000 who are working less than the usual 40 hours.

Mr. CURTIS of Missouri. I would be glad to answer the gentleman; no, I do not, if that is an accurate statistic, and I believe it is. That is not what I am talking about. I am talking about half quotations and I documented that by specific cases. There is no question that we have an economic problem, particularly in the steel area and in the automobile area. The latter is really the problem, and the steel area's problem, to a large degree, has been because of the automobile situation. Almost all of the problem is in consumer durables in the automotive industry.

All I am pleading for is this. Let us start talking about economic facts instead of fiction. What the gentleman has referred to is the very thing that has me concerned and rightly concerned. Anyone who quotes figures, such as the gentleman has quoted, I do not refer to him as a prophet of gloom and doom. Those people are trying to face up to the facts, the hard facts.

Mr. HOLLAND. In the State of Pennsylvania as a whole today there are 450,000 workers involved; that includes coal miners and others who are unemployed. In 1929 I was a glass manufacturer. We waited and waited for the Government to do something to get us back on our feet. I lost that glass factory.

Mr. CURTIS of Missouri. When did the gentleman lose it, in 1938 or 1939?

Mr. HOLLAND. I lost it in 1929. Your people are saying again exactly what was said in 1929 when the manufacturers were coming here for help: "Don't get excited, keep your feet on the ground, prosperity is around the corner." They are using the same expression today.

Mr. CURTIS of Missouri. Now may I say to the gentleman that he is joining the ranks of gloom and doom. He is not fairly or accurately relating the economic phenomena of 1958 to the economic phenomena of the thirties. They were entirely two different kinds, as the statistics clearly reveal.

Mr. HOLLAND. The gentleman can go back to the people in Pennsylvania who are out of work and talk about gloom and doom. He can go to the homes and see the kids who are hungry and talk to them about gloom and doom and do not get excited, that everything is going to be fine, just sit back and wait and wait.

Mr. CURTIS of Missouri. If the gentleman had listened to my talk he would know that I have already taken care of or tried to take care of that sort of comment. The gentleman has no monopoly of concern for the individual unemployed person. And as long as there is one person unemployed, of course, we are all concerned. But I am telling him that he will not solve this by emotionalism. The only way we are going to solve it is to get down and find out what facts we can find out, find out where the trouble is and seek a way to remedy it.

Mr. SHEEHAN. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Illinois.

Mr. SHEEHAN. Mr. Speaker, first of all I want to compliment the gentleman on his fine presentation of the facts and his effort to relate them to the situation as it is now, without dealing in emotionalism. That is what some Members of the House are doing and what some people are doing in the country. I know that the gentleman from Missouri is trying to correct that. The gentleman from Pennsylvania [Mr. HOLLAND] was apparently referring to Mr. Hoover's remarks about prosperity being around the corner. But if the gentleman wants to tell the whole truth, he will say that Mr. Roosevelt, when he was President, in six different instances from 1932 to 1939, in public speeches, told the country that the depression was over and that the Democrats were bringing back prosperity. Can the gentleman tell me how many unemployed there were on the average from 1932 to 1939?

Mr. CURTIS of Missouri. I do not know what the average figure was, but I know that in the period around 1940 there were 10 million unemployed. The figure for the top year, which was 1938, was a total of more than 10 million. And at that time there were only 43 million employed. Today we have 63 million people employed and the unemployed figure is around 5.2 million, seasonally adjusted.

Mr. SHEEHAN. I would like to ask the gentleman from Missouri, if he will yield further. He came to the Congress at the same time I did. We came here in January of 1951. We both ran for Congress all during 1950. I know I started campaigning for Congress in November of 1949. If you will look at the statistics of November 1949, December 1949, January 1950, and February 1950, and if you compare those 4 months with November 1957, December 1957, January 1958, and February 1958, in those 4 months the unemployment was more percentagewise in 1949–50 than today. But, do you remember the Democrats at that time telling the country what a terrible shape we are in?

Mr. CURTIS of Missouri. No; of course not.

The SPEAKER pro tempore. The time of the gentleman from Missouri has expired.

GENERAL LEAVE TO EXTEND

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. RHODES of Arizona. Mr. Speaker, the gentleman is to be lauded for a highly commendable statement. It is one which should be of interest to the millions of Americans who wonder about the many forecasts of catastrophe and the recommendations of fuzzy thinkers for curing every conceivable economic ill.

Walter Reuther is a classic example of this type. He spends most of his time in Washington hawking his warped economic theories. He is one of the loudest bleaters for greater spending as a means of ending the recession.

I consider it more than passing odd that Mr. Reuther applies a different and more sensible economic principle to his own union when its income drops. A story out of Detroit last week stated that the United Auto Workers were laying off staff employees and instituting wage cuts.

If Mr. Reuther were consistent, he would apply those same economic principles to his union that he would have Congress impose on the American public.

What he would do to put more money in his depleting treasury would be to raise salaries, hire more people and extend loans to everyone in Detroit. According to his reasoning, this would create greater spending and, consequently, greater production, calling for greater hiring.

Somehow, this not-so-distinguished economist does not think the recommendations he makes in Washington are sound enough to apply in his own union.

Mr. BASS of New Hamsphire. Mr. Speaker, you have given us a remarkably keen and comprehensive analysis of the present economic situation in this country. I congratulate my colleague on his fine and forthright statement, and wish to associate myself with his views in this problem.

The Banking and Currency Committee is currently conducting hearings on the general economic situation and several bills designed to combat this recession. It is my sincere hope that my colleague will find time in his busy schedule to come before my committee and give us the benefit of his sound views and recommendations when that committee will hear testimony from Members later this month.

HON. EMANUEL CELLER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. MULTER] is recognized for 30 minuutes.

Mr. MULTER. Mr. Speaker, I am prompted to comment at the moment that the Congress gets younger. Last week we had the happy privilege of participating in congratulating our distinguished colleague from Illinois [Mr. O'BRIEN] on his 80th birthday. This morning we had the distinct privilege of participating in congratulatory remarks concerning our distinguished colleague, the gentleman from New York [Mr. TABER] on his 78th birthday. Now, Mr. Speaker, I want to congratulate a man who is much younger.

Mr. Speaker, I take this time to extend our hearty felicitations and congratulations to our distinguished colleague from New York, the Honorable EMANUEL CELLER, upon his 70th birthday, which he celebrates today. I am sure all of us are happy that the Lord has spared Congressman CELLER these many years and we wish to him, if I may borrow from the tradition of my coreligionists until 120 years with happiness and health and all the good things of life so that he may continue to serve his country and the world as he had done so well through these many years.

He was elected to the Congress for the first time in 1922 and has succeeded himself in each election since, each time serving his community, his city, his State, and his country and the world with greater capacity and with more diligence and effectiveness and always earning the respect of his colleagues and of all those who know him. I think he has attained the very distinct honor of carrying his own District election after election, with the largest plurality accorded to any candidate standing for election to the United States Congress. I am pleased to say that he is an alumnus of the same high school that I attended many years after he graduated. He went on to Columbia University and received his arts degree and later his law degree. He was admitted to the New York bar in 1912. He soon made his mark in our community as a very able and distinguished lawyer.

It is indeed a pleasure and a privilege to be able to take this time to extend our hearty wishes to our very good friend and distinguished colleague who never left Brooklyn, according to the title of his book, while serving his fellow man in every sphere of endeavor, as scholar, lawyer, legislator, and statesman.

Mr. ROONEY. Mr. Speaker, will the distinguished gentleman yield?

Mr. MULTER. I yield to the distinguished gentleman from New York.

Mr. ROONEY. Mr. Speaker, I very much appreciate this opportunity to join the distinguished gentleman from New York in paying tribute here this afternoon to our distinguished colleague, the gentleman from New York [Mr. CELLER] on his 70th birthday. My dear and respected friend MANNIE CELLER, the author of You Never Leave Brooklyn, was born there on May 6, 1888, 70 years ago today. He has had a brilliant and distinguished career at the bar for the past 46 years since his graduation from Columbia Law School in New York City. He has served continuously in this body since March 4, 1923, having been successively elected to each and every Congress since the 68th Congress. As we all know, he is the highly capable, energetic, hard-working chairman of the important House Committee on the Judiciary. At his age of 70 years young, he just thrives on arduous work performed in the best interest of his country, his State and the people of the Congressional District he represents.

I consider MANNIE CELLER one of the kindliest men I have ever known. He has a heart of gold and is ever ready to champion a just cause. I am confident that I bespeak the thoughts of every single Member of this House, on both sides of the aisle, when I extend to MANNIE CELLER our heartiest congraulations and best wishes for many, many more years of happiness, good health, and continued fruitful service to the Congress and the people of the United States.

Mr. MULTER. I yield to the gentleman from New York [Mr. ANFUSO].

Mr. ANFUSO. Mr. Speaker, I wish to congratulate the gentleman for obtaining this time in order to afford us this opportunity of wishing well one of our most distinguished Members of Congress.

From where I sit Congressman CELLER has always looked and acted younger than any other Member in Congress. He has had a glorious career, and I am sure that his fullest ambition will be realized. He is chairman of one of the most important committees of the Congress. At times his loyalty to his country and to his constituency force him to clash with other Members who are expressing the same degree of loyalty to their constituency. But never once has he flared up or become personal in debate, in which he is most skillful. For that reason he is beloved by every Member here on both sides of the aisle. He is our dean from New York, and we from the same garden spot of the world we call Brooklyn love him and respect him for his leadership. MANNIE, we hail you on this the greatest day of your life and look forward to your inspiring leadership for the next 50 years.

The gentleman on my left has just suggested that Brooklyn has moved to Los Angeles. I want to assure the gentleman that because of Mr. CELLER's leadership, Brooklyn stays where it is. It is only the bums who have moved out there.

Mr. MULTER. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. DELLAY].

Mr. DELLAY. Mr. Speaker, I join in saluting our distinguished colleague, EMANUEL CELLER, on reaching this important milestone of his illustrious career. Mr. CELLER has served in our Congress for a period of 34 years. During this time, although he is a New Yorker, his program of activity has brought him to New Jersey on many occasions and he is probably as familiar with the problems peculiar to my District as his own city of New York. I want to take this occasion to voice my appreciation for the help and guidance he has taken time from his busy schedule to give me as a freshman Congressman.

Through his long and outstanding career EMANUEL CELLER has been a great humanitarian—he has been in the front ranks fighting for more liberal immigration laws, and last year authored civil-rights legislation and guided it to enactment—the first civil-right legislation to be enacted by Congress.

It has been very gratifying to me on many occasions to find EMANUEL CELLER fighting for various groups who have contributed to our country. He has been heard on many such occasions involving Italian Americans.

Not only do I salute him as a fellow Member of Congress, but I also bring him the good wishes from his many friends across the Hudson River in New Jersey.

Mr. MULTER. Mr. Speaker, I yield to the distinguished gentleman from New York [Mr. DOLLINGER].

Mr. DOLLINGER. Mr. Speaker, our eminent colleague, dearly beloved dean of the New York Democratic delegation, Hon. EMANUEL CELLER, is celebrating his 70th birthday today.

I know that all Members of Congress join me in extending to him our hearty congratulations and good wishes that he may enjoy many more years of happiness, good health, and all the best that life can bring.

Each passing year enhances the brilliance of his achievements, his unselfish devotion to his duties in behalf of our Nation, his efforts in behalf of the people of New York whom he represents, and his interest in improving the general welfare of mankind. He is truly a great man, a statesman, philanthropist,

and a leader in the preservation of justice.

I deem it a great privilege to have been associated with him in this great legislative body, to have had the opportunity to benefit by his example and guidance.

I wish for my dear friend, EMANUEL CELLER, a very happy birthday, and may he have many, many more.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, I join the distinguished gentleman from New York in extending my greetings to the dean of the New York Democratic delegation on this anniversary of his birth.

MANNY CELLER is not only a friend of mine and of all other Members of the House but also he is one of the ablest and most distinguished Members of this body. We hope he is with us for many years to come.

Mr. MULTER. I thank the gentleman for his remarks.

Mr. Speaker, I yield back the balance of my time.

GENERAL LEAVE TO EXTEND

Mr. MULTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks at this point in the RECORD immediately following my remarks on the same subject matter.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. TELLER. Mr. Speaker, I rise to join with my colleagues in extending my felicitations to Congressman MANNIE CELLER upon the occasion of his 70th birthday.

My colleagues have adverted to his distinction as a lawyer and as a devoted servant of the community. I have been made aware of these qualities, in a deeply impressive way, during my friendship with MANNIE CELLER. His sharpness of mind, his uncanny wit, and his unfailing sense of humor have been made well known to the Members of the House during the many years he has been a Member of Congress since he was first elected in 1922. He has had ample opportunity to influence the minds of the Congress and of the American people upon many significant public issues. The values to which MANNIE CELLER subscribes are those identified with the welfare of the people, and he has never walked away from a fight in the interest of the people.

All of this is well and nationally known, but I desire to speak of MANNIE CELLER as a personal friend and to acknowledge the deep influence which he has had upon me, as a friend and as a teacher. I well recall the sharp debate which took place in the last session over the civil-rights bill. As chairman of our Judiciary Committee, Congressman CELLER was in charge of the bill. Who will ever forget the unfailing graciousness, the patience, and the abiding sense of fairness which he demonstrated in that debate?

His statesmanlike and friendly participation in that debate knitted the membership of the House together, and when it was over, all of the Members of the House, both those who favored and those who opposed the bill, reaffirmed their friendship, admiration, and respect for this great man.

Long may he know peace and happiness, and continued membership in our House of Representatives.

Mr. BUCKLEY. Mr. Speaker, I am pleased to join with my colleagues in extending to the Honorable EMANUEL CELLER, heartiest congratulations on his 70th birthday.

I have been associated with him in the House of Representatives for many years and I know of the great contributions he has made to our Nation. I value his friendship. We have always found him cooperative, willing to aid all those who call upon him for assistance.

His talents and capabilities are outstanding. He is an able and astute legislator; as chairman of the important Committee on the Judiciary, his vast knowledge of the law and his fair and impartial treatment of all who appear before him, make him one of the great committee chairmen in the history of the House of Representatives. His active participation in philanthropic programs, community affairs, his interest in the welfare of mankind, all contribute to his great stature as a leader among men.

I wish for my dear friend EMANUEL CELLER many more happy birthday anniversaries.

Mr. KEOGH. Mr. Speaker, I am most happy to add my voice to that of the other Members in congratulations to the dean of the New York Democratic delegation, Hon. EMANUEL CELLER, on his 70th birthday.

I have been privileged to know MANNIE CELLER for more than a quarter of a century and have observed him in action in the Committee of the Judiciary and on the floor of the House, as well as in his native Brooklyn. Chairman CELLER combines many rare qualities and today at 70 is as vigorous as many men half his age.

He is known far and wide both here and abroad for his stanch support of minority groups. He has achieved an enviable reputation for his zeal in protecting these groups. His support of small business and his implacable stand against monopolies has made him famous through the United States.

May I extend to my colleague and friend, MANNIE CELLER, my fondest wishes for many more years of service to the people of Brooklyn and of the United States, and join with the other Members in wishing him well in all that he does.

RECIPROCAL TRADE POLICIES

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 5 minutes.

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, in all of the many thousand columns of the CONGRESSIONAL RECORD that have been devoted to giving the pros and cons on the renewal of our Reciprocal Trade Agreements Act, I fail to find any reference having been made to what effect our reciprocal trade agreements have had on changing our basic imports and exports.

In face of the tremendous propaganda campaign to sell the American people the idea that a continuation of our present reciprocal trade policies is necessary because they have brought about a great increase in our import business, I was agreeably surprised to learn that nothing like this has happened. In fact, a comparison of the prereciprocal trade period from 1900 to 1934 with the 24 years under the Reciprocal Trade Agreements Act, we find that the United States has lost ground, largely through repeated reductions in our import duties. Only five other nations have lower levels of import duties than the United States. In this connection, I desire to read into the RECORD a letter I have just received from Mr. John H. Henshaw, general export manager for the Pittsburgh Plate Glass Co., of Pittsburgh, Pa., which goes into detail both in volume of exports and in percentages and proves conclusively the fallacy of the proponents of a renewal of our trade agreements that America has benefited and will continue to benefit in the future from a continuation of this one-sided program of reciprocity.

Mr. Henshaw's letter follows:

PITTSBURGH PLATE GLASS CO.,
Pittsburgh, Pa., May 2, 1958.

Congressman CLEVELAND M. BAILEY,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN BAILEY: It has come to our attention that certain groups have endorsed renewal of the Reciprocal Trade Agreements Act because of their belief in the administration's propaganda to the effect that the Reciprocal Trade Agreements Act in the past has increased our foreign trade.

As a matter of fact a detailed investigation shows that increases in our foreign trade are natural and due to changing world economic and booming trade conditions and not attributable to GATT.

The following table of imports by 5-year periods from 1901 to 1956 inclusive seems to demonstrate conclusively that our imports have retained the same relation to our exports during all of the last 56 years:

Relation of imports to exports in 5-year periods from 1901 to 1957, inclusive

[Dollars in thousands]

Years	Imports	Exports	Percent of imports to exports
1901–05	$5,060,285	$7,389,125	69.2
1906–10	6,898,471	9,068,962	76.0
1911–15	8,710,901	12,644,058	68.2
1916–20	17,381,504	34,013,684	51.0
1921–25	17,113,740	21,985,133	77.8
1926–30	20,101,752	23,886,568	84.0
1931–35	8,521,448	10,125,973	84.0
1936–40	12,200,209	16,094,484	75.8
1941–45	17,333,360	48,426,067	35.8
1946–50	33,007,874	59,097,591	55.8
1951–55	54,155,543	76,651,173	70.6
1956	12,400,000	19,000,000	68.0
1957	12,978,100	20,809,700	62.3

From the foregoing table it would seem that the years 1936 to 1957, inclusive, have a mathematical average of imports to exports of 61.4 percent.

The mathematical average of the seven periods prior to 1934 amounted to 72.9 percent of imports to exports. It thus appears that the average percentage of imports to exports during the prereciprocal trade period is 72.9 percent and that the average post-reciprocal trade agreement is 61.4 percent. From these figures it is apparent that the high reductions in duties under the Reciprocal Trade Agreement Act have reduced the ratio of imports to exports by approximately 10 percentage points over the prior period. This would indicate to me that our export-import balance has been adversely affected by the Trade Agreement Act. Perhaps this will be useful ammunition in swaying some of your fellow Congressmen in the coming battle on the Reciprocal Trade Agreements Act.

Sincerely,

JOHN H. HENSHAW.

Once more, I find it necessary that I call the attention of my colleagues to the need for a sound basic economy, particularly if we are to assume the responsibility of leadership among the free nations. If we are to scrape the bottom of our Treasury in annual appropriations for foreign economic aid, it is absolutely necessary that we protect American capital invested in our various industries and the American jobs which we so badly need at the present time.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. MULTER (at the request of Mr. YATES), for 30 minutes, today.

Mr. KNOX, for 20 minutes, on today, and to revise and extend his remarks.

Mr. BAILEY, for 5 minutes, today, to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. RABAUT in two instances, in each to include extraneous matter.

Mr. LANE in two instances, in each to include extraneous matter.

Mr. BROOKS of Louisiana and to include extraneous matter.

Mr. PILLION and to include a statement.

Mr. VAN ZANDT.

Mr. ROGERS of Texas and to include an address by the Honorable OREN HARRIS made at Amarillo, Tex., on May 1, together with introductory remarks, which is estimated by the Public Printer to cost $243.

Mr. ZABLOCKI and to include extraneous matter.

Mrs. PFOST and to include extraneous matter.

Mr. ANFUSO (at the request of Mr. MCCORMACK) and to include extraneous matter.

Mr. CRETELLA (at the request of Mr. SADLAK).

Mr. HIESTAND in three instances and to include extraneous matter.

Mr. DEVEREUX (at the request of Mr. HENDERSON) and include extraneous matter.

Mr. RADWAN (at the request of Mr. HENDERSON) and include extraneous matter.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker.

H. R. 1126. An act to amend the Tariff Act of 1930 to exempt from duty pistols and revolvers not using fixed ammunition;

H. R. 2170. An act to authorize the Secretary of the Interior to consummate desirable land exchanges;

H. R. 2935. An act for the relief of Apolonia Quiles Quetglas;

H. R. 4115. An act to authorize the conveyance of certain lands in Shiloh National Military Park to the State of Tennessee for the relocation of highways, and for other purposes;

H. R. 5149. An act to provide that whenever public lands have been heretofore granted to a State for the purpose of erecting certain public buildings at the capital of such State, such purpose shall be deemed to include construction, reconstruction, repair, renovation, and other permanent improvements of such public buildings, and for other purposes;

H. R. 5208. An act to amend paragraph 1541 of the Tariff Act of 1930, as amended, to provide that the rate of duty in effect with respect to harpsichords and clavicords shall be the same as the rate in effect with respect to pianos;

H. R. 5624. An act to clear the title to certain Indian land;

H. R. 7057. An act for the relief of Henryk Bigajer and Maria Bigajer;

H. R. 7508. An act for the relief of Harry J. Madenberg;

H. R. 7516. An act to amend the Tariff Act of 1930 so as to permit the importation free of duty of religious vestments and regalia presented without charge to a church or to certain religious, educational, or charitable organizations;

H. R. 8239. An act for the relief of Maria Dittenberger;

H. R. 8348. An act for the relief of Michael Romanoff;

H. R. 8524. An act to authorize the preparation of a roll of persons of Indian blood whose ancestors were members of the Otoe and Missouria Tribe of Indians and to provide for per capita distribution of funds arising from a judgment in favor of such Indians;

H. R. 8958. An act authorizing the Secretary of the Interior to convey certain Indian land to the Diocese of Superior, Superior, Wis., for church purposes, and to the town of Flambeau, Wis., for cemetery purposes;

H. R. 9655. An act to permit articles imported from countries for the purpose of exhibition at the Oregon State Centennial Exposition and International Trade Fair to be held at Portland, Oreg., to be admitted without payment of tariff, and for other purposes;

H. R. 9917. An act to continue the temporary suspension of duty on certain alumna and bauxite;

H. R. 9923. An act to amend the Tariff Act of 1930 to permit temporary free importation under bond for exportation, of articles to be repaired, altered, or otherwise processed under certain conditions, and for other purposes;

H. R. 10112. An act to make permanent the existing privilege of free importation of guar seed;

H. R. 10792. An act to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing;

H. R. 11407. An act to extend for 2 years the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders;

H. J. Res. 451. Joint resolution authorizing the 101st Airborne Division Association to erect a memorial in the District of Columbia;

H. J. Res. 528. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens; and

H. J. Res. 556. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the California International Trade Fair and Industrial Exposition, Los Angeles, Calif., to be admitted without payment of tariff, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1818. An act to direct the Secretary of the Interior to acquire certain lands as an addition to the Fort Frederica National Monument;

S. 2183. An act to amend the act of August 2, 1956 (70 Stat. 940), providing for the establishment of the Virgin Islands National Park, and for other purposes; and

S. 2937. An act to provide equitable treatment for producers participating in the Soil Bank program on the basis of incorrect information furnished by the Government.

ADJOURNMENT

Mr. HOLIFIELD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 3 minutes p. m.) the House adjourned until tomorrow, Wednesday, May 7, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1887. A letter from the Administrative Assistant Secretary of Agriculture, transmitting a report on a violation of section 3679 of the Revised Statutes, as amended, involving an overobligation of an allotment of funds made by the Director of the Agricultural Estimates Division, Agricultural Marketing Service, Department of Agriculture, pursuant to section 3679 of the Revised Statutes, as amended; to the Committee on Appropriations.

1888. A letter from the Chairman, Committee on Agriculture, relative to executive communication No. 1241, dated April 22, 1958, relating to certain plans for works of improvement, pursuant to section 2 of the Watershed Protection and Flood Prevention Act, as amended; to the Committee on Appropriations.

1889. A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to provide additional facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States"; to the Committee on Armed Services.

1890. A letter from the Comptroller General of the United States, transmitting a report on the review of activities of the United States Army Signal Supply Agency (USASSA), Philadelphia, Pa., pursuant to

the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67); to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H. R. 8479. A bill to amend the Hawaiian Organic Act to lower the voting age of citizens of the Territory of Hawaii to 20 years; without amendment (Rept. No. 1692). Referred to the House Calendar.

Mr. FORRESTER: Committee on the Judiciary. H. R. 12293. A bill to establish the Hudson-Champlain Celebration Commission, and for other purposes; with amendment (Rept. No. 1693). Referred to the Committee of the Whole House on the State of the Union.

Mrs. PFOST: Committee on Interior and Insular Affairs. H. R. 7466. A bill to provide for the establishment of the Fort Pemberton National Monument; with amendment (Rept. No. 1694). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H. R. 12347. A bill to provide for continued delivery of water under the Federal reclamation laws to lands held by husband and wife upon the death of either; to the Committee on Interior and Insular Affairs.

H. R. 12348. A bill to amend section 17 (b) of the Reclamation Project Act of 1939; to the Committee on Interior and Insular Affairs.

By Mr. BALDWIN:

H. R. 12349. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

By Mr. BOW:

H. R. 12350. A bill for the purpose of creating new jobs, giving greater stability to and improving existing jobs, and stimulating business during the next 18 months with resultant expansion of the national economy in the years to come, by amending the Internal Revenue Code of 1954 so as to allow more rapid depreciation for property constructed or acquired during 1958 and 1959, or for the construction or acquisition of which a contract is entered into during 1958 or 1959, by reducing the useful life of such property for income-tax purposes; to the Committee on Ways and Means.

H. R. 12351. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mrs. CHURCH:

H. R. 12352. A bill to amend the Civil Service Retirement Act to provide equality of treatment with respect to widows and widowers under such act; to the Committee on Post Office and Civil Service.

By Mr. DEVEREUX:

H. R. 12353. A bill to provide that the Secretary of the Navy shall make available for deposit certain moneys received by him from the sale of vessels stricken from the Naval Vessel Register into a special account in the Treasury to be expended by the Corregidor Bataan Memorial Commission for the purpose of carrying out the provisions of the act of August 5, 1953; to the Committee on Appropriations.

By Mr. HOSMER:

H. R. 12354. A bill to make permanent the existing public assistance matching formulas provided by titles I, IV, X, and XIV of the Social Security Act; to the Committee on Ways and Means.

By Mr. McDONOUGH:

H. R. 12355. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the negotiated lease of certain excess real property; to the Committee on Government Operations.

By Mr. McMILLAN:

H. R. 12356. A bill to amend the act entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes," approved August 30, 1954; to the Committee on the District of Columbia.

By Mr. NEAL:

H. R. 12357. A bill to accord coverage under the Civil Service Retirement Act to certain temporary rural carriers who served in the period from October 23, 1943, to March 5, 1946; to the Committee on Post Office and Civil Service.

By Mr. PRICE:

H. R. 12358. A bill to provide for the securing of custody and disposition by the United States of missiles, rockets, earth satellites and similar devices adaptable to military uses, and for other purposes; to the Select Committee on Astronautics and Space Exploration.

By Mr. VAN ZANDT:

H. R. 12359. A bill to provide that the Secretary of the Navy shall make available for deposit certain moneys received by him from the sale of vessels stricken from the Naval Vessel Register into a special account in the Treasury to be expended by the Corregidor Bataan Memorial Commission for the purpose of carrying out the provisions of the act of August 5, 1953; to the Committee on Appropriations.

By Mr. VINSON:

H. R. 12360. A bill to authorize certain construction at military installations, and for other purposes; to the Committee on Armed Services.

By Mr. SPENCE:

H. R. 12361. A bill to promote the safety of employees and travelers upon common carriers by railroad engaged in interstate commerce by requiring such carriers to maintain tracks, bridges, roadbed, and permanent structures for the support of way, trackage, and traffic in safe and suitable condition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLT:

H. J. Res. 599. Joint resolution designating April 30 of each year as National Teachers Day; to the Committee on the Judiciary.

By Mr. WAINWRIGHT:

H. J. Res. 600. Joint resolution designating the last Friday in April of every year as National Arbor Day; to the Committee on the Judiciary.

By Mr. SMITH of Mississippi:

H. Res. 557. Resolution authorizing the printing of additional copies of the publication of the Committee on Public Works numbered House Committee Print No. 16, 85th Congress, 2d session, for the use of the Committee on Public Works; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAKER:

H. R. 12362. A bill for the relief of Lawrence W. Hsieh; to the Committee on the Judiciary.

By Mr. HAYS of Ohio:

H. R. 12363. A bill for the relief of Mrs. Alda Mackall Newton; to the Committee on the Judiciary.

By Mr. POFF:

H. R. 12364. A bill for the relief of Mrs. Viola Barksdale; to the Committee on the Judiciary.

By Mr. POLK:

H. R. 12365. A bill for the relief of the estate of Suck Pil Ra; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

607. Mr. DOOLEY presented a petition of the Garden Club of Larchmont, N. Y., relative to favoring the adoption of a National Arbor Day, which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Opposition to Right-To-Work Legislation

EXTENSION OF REMARKS
OF
HON. JAMES E. MURRAY
OF MONTANA
IN THE SENATE OF THE UNITED STATES
Tuesday, May 6, 1958

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the joint statement of the Montana Congressional delegation, Senator MIKE MANSFIELD, Representative LEE METCALF, Representative LEROY ANDERSON, and myself, in opposition to right-to-work legislation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

We unalterably oppose any so-called right-to-work legislation.

We do so for the following reasons:

1. The real purpose of right-to-work laws is to weaken unions and reduce the effectiveness of collective bargaining, thus decreasing even more the income of workers who already, particularly in our State of Montana, are suffering from the effects of the recession.

2. Imposition of right-to-work laws hurts farmers, small-business men, professional people, and other unsuspecting victims as well as members of labor by reducing workers' purchasing power and volume of business they create. These groups have been hurt badly already by the administration's devastating farm and hard-money policies.

3. Under democratic procedures the will of the majority should prevail. In 46,000 plant elections conducted by the National Labor Relations Board, on approval of negotiated union shop agreements, 97 percent

of the workers voted for the union shop. This overwhelming endorsement led Congress to the conclusion that further elections on this issue were a waste of time and money and so it removed a requirement that they be held.

4. The union shop does not restrict the right to work of those willing to share in the cost and effort of working together for mutual benefits.

America's prosperity—Montana's prosperity—rests in good measure on the gains agreed to by employers and employees bargaining together. Let's keep it that way. Let us all, instead of tearing down labor's and the Nation's gain, join in redoubled efforts to achieve full employment for American workers, develop our resources, expand our industries and thus create an abundance in which all America may share.

Senator JAMES E. MURRAY.
Senator MIKE MANSFIELD.
Representative LEE METCALF.
Representative LEROY ANDERSON.

Constitution Week

EXTENSION OF REMARKS
OF
HON. EDGAR W. HIESTAND
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 6, 1958

Mr. HIESTAND. Mr. Speaker, by Presidential proclamation dated August 30, 1956, the week beginning September 17 of each year was set aside as Constitution Week, a time for the contemplation and commemoration of the historic acts which resulted in the formation of our Constitution. This proclamation urges the people of the United States to observe that week with appropriate ceremonies and activities in their schools and churches and in other appropriate places.

The entire text of the proclamation is as follows:

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA—A PROCLAMATION

Whereas on September 17, 1787, after 4 months of debate, highlighted by sharp differences of view and by wise compromises, the outstanding leaders of our Republic, who were meeting in Convention at Philadelphia, signed the Constitution of the United States of America; and

Whereas the story of the framing, signing, and adoption of that epochal document constitutes one of the most significant chapters in the history of our country; and

Whereas it is fitting that every American should reflect upon the vision and fortitude of our forebears in creating a charter designed "to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty" for themselves and for the fortunate millions who were to follow them as citizens of this Nation; and

Whereas the Congress, by a joint resolution approved August 2, 1956, has requested the President to set aside the week beginning September 17 of each year as Constitution Week, a time for the contemplation and commemoration of the historic acts which resulted in the formation of our Constitution:

Now, therefore, I, Dwight D. Eisenhower, President of the United States of America, do hereby designate the period beginning September 17 and ending September 23, 1956, as Constitution Week; and I urge the people of the United States to observe that week with appropriate ceremonies and activities in their schools and churches, and in other suitable places. I also urge them at that time to give solemn and grateful thought to that eventful week in September 1787 when our Constitution was signed, delivered to the Continental Congress, and made known to the people of the country, thus laying the foundation for the birth of a new Nation.

In witness whereof, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

Done at the city of Washington this 29th day of August in the year of our Lord 1956, and of the independence of the United States of America the 181st.

DWIGHT D. EISENHOWER.

By the President:
JOHN FOSTER DULLES,
Secretary of State.

My purpose at this time is to remind the Nation and particularly our schools and colleges, of this significant and patriotic event. Since it occurs shortly after the fall term commences in September, such institutions may find it expedient to begin preparation before summer vacation begins.

Progress Report: Merrimack River Flood Control 22 Years Later

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 6, 1958

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include my statement on May 6, 1958, before the Subcommittee on Public Works of the House Committee on Appropriations, recommending an appropriation of $2,300,000 in the fiscal year 1959, for the Hopkinton-Everett flood-control project in the State of New Hampshire:

PROGRESS REPORT: MERRIMACK RIVER FLOOD CONTROL 22 YEARS LATER

(Statement of Hon. THOMAS J. LANE, of Massachusetts, before Subcommittee on Public Works of the House Committee on Appropriations recommending an appropriation of $2,300,000 in the fiscal year 1959 for the Hopkinton-Everett flood-control project, May 6, 1958)

Mr. Chairman, the Merrimack River, originating in mountain brooks, gathers volume and strength as it runs through southern New Hampshire and northeastern Massachusetts.

From mountain to ocean, it is 116 miles long, and drains an area of 5,015 square miles.

The population of the basin is more than 1 million concentrated in the industrial cities and towns that spread from the banks of the river.

Major floods in the Merrimack River Basin are caused by heavy rainfall covering large areas, in combination with rapidly melting snow cover.

The most destructive flood in the history of this river took place in March 1936, when the daily discharge at Lawrence, Mass., was 160,000 cubic feet per second, or 80 percent larger than the record flood of 1852.

The bill for damages came to $36 million.

Subsequent hurricanes, drenching the area with heavy rains that the river could not handle, brought additional floods. The industries and the people of this area suffered further losses, running into millions of dollars. The cost so far has been heavy.

Each spring we anxiously watch the swollen waters of the Merrimack, wondering if they will spill over their banks to flood homes and stores and factories, and asking ourselves: "When are we going to get protection and relief from this annual threat?"

Let's look at the progress report to see what has been accomplished in the 22 years since the disastrous flood of 1936, not to mention the lesser but still damaging floods that occurred during the intervening years.

The United States Army Engineer Division, New England, has had no illusions about the problem.

It was after a 1938 survey that: "The district engineer finds that a serious flood situation exists in the Merrimack Basin. The district engineer concludes that the only feasible method of obtaining comprehensive flood protection in this basin is by means of reservoir control. There are several combinations of reservoirs within the limits of economic justification which will eliminate nearly three-fourths of the annual flood damages."

And the Congress, theoretically, through the Flood Control Act which was approved on June 22, 1936, authorized the construction of a system of flood-control reservoirs in the Merrimack River Basin for the reduction of flood heights in the Merrimack Valley.

Efforts to build this intent into fulfillment were frustrated by the priority needs of World War II, general apathy, and technical delays.

Finally, in 1946, one dam was completed.

Nothing else in the way of actual construction has been accomplished during those 22 years, even though in the October 1956 issue of Industry, which is published monthly by the Associated Industries of Massachusetts, the Merrimack was described as potentially the most dangerous flood site in Massachusetts today.

As far as preliminary technicalities are concerned, they have been resolved.

New Hampshire, where the reservoirs will be built, had to be compensated for the tax money it would lose from the farms and homes that would be taken for the reservoir area, and for the highways that would have to be relocated.

Last year the Merrimack River flood-control compact was passed by the legislatures of the two States, providing for compensation by Massachusetts to New Hampshire, of 70 percent of the loss that will result through this construction.

The compact was approved by Congress and signed by the President.

The 1959 budget originally called for an appropriation of $1,200,000 to continue land acquisition, to initiate work on relocation, and to continue the engineering and design on this project.

The United States Army Engineer Division, New England, has made arrangements with the Governor of New Hampshire for his department of public works to handle the relocation of the four State highways affected by the construction of the dam and the reservoir. The State agency will also assist in the disposition of local roads. These highway studies and preliminary designs are well under way. Governor Dwinell has also appointed an advisory committee to coordinate and advise the Army Engineers in several problems affecting 2 or more State agencies and the 4 towns in the area.

The first property in the area has been purchased with funds made available for the acquisition of hardship cases.

The budget originally recommended for the year beginning July 1 the sum of $1,200,-

000. On March 13 the White House, with the endorsement of the Budget Bureau and the Corps of Engineers, recommended an increase of $200,000, bringing the revised estimate up to $1,400,000.

Under date of April 23, 1958, I was advised that the Merrimack River Flood Control Commission, "after conferring with the New England Division, Corps of Engineers, United States Army, and the New Hampshire Department of Public Works and Highways, and also taking into consideration the hardship cases in the Hopkinton-Everett area, recommend that the Congress appropriate the sum of $2,300,000 for fiscal year 1959, for the Hopkinton-Everett flood control project."

The New Hampshire Department of Public Works and Highways needs an additional $500,000 for highway relocations. An additional $400,000 is required to take care of land acquisition and to compensate for the hardship cases that result from these "ejectments." These needs justify a total appropriation of $2,300,000.

After 22 years, we are at last committed to definite and substantial action leading to construction of the Merrimack River flood-control project.

When the President and the Bureau of the Budget revise their estimates upward, this is evidence in itself that an accelerated rate of progress toward construction of this vital project is considered urgent.

The appeal of the Merrimack River Valley Flood Control Commission, whose members are in direct contact with the problem, reinforces that conclusion.

From my own knowledge and experience over the years in the long struggle to win Federal recognition and assistance for our flood-control needs, I believe that this project, now cleared for action, should go forward with all possible speed.

After 22 years of waiting, the people and the industries of this valley reasonably expect that the Congress will vote an appropriation of $2,300,000 to make certain that the Merrimack River flood-control project is at last on its way toward actual construction.

The Story of the Capitol

EXTENSION OF REMARKS

OF

HON. EDMUND P. RADWAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1958

Mr. RADWAN. Mr. Speaker, the current dispute over changes to the United States Capitol is one more index to the beloved place it has in our national affections. To all, it is a revered symbol of our democracy and hundreds of thousands visit it every year as a shrine. It is one of the few real links we have with the infancy of our Nation, recalling as it does the multitude of dedicated men and women who made the United States what it is. With praiseworthy diligence, thousands of our school children are brought here annually.

With the Capitol such an object of devotion and attention, it is strange that for years the average tourist and student has not had a reliable, handy history and guide to the building. Congress has seen this need and attempted to meet it, but the official publications have not been distributed widely enough to meet the need. Most of the historic buildings in metropolitan Washington have been adequately described, but the Capitol was not.

So I am happy to report that the long-felt need for a reliable, complete, and interesting guide to the Capitol is now available.

It is The Story of the Capitol, by Stephen V. Feeley, and is published by Henry J. Stewart, Inc. Both the writer and publisher are Buffalonians and old friends. Before coming to Washington as a newspaper correspondent, Mr. Feeley had made fine contributions to our regional western New York history from his original research. His new book on the Capitol has been praised by historians, educators, and Members of Congress. He brings out many new facts and anecdotes about the venerable Capitol, and he educates in an entertaining fashion.

The publisher is to be commended for assembling text and many pictures into a handsome paperback at reasonable cost.

The new book on the Capitol is available to Members of Congress at the stationery room, and I urge my colleagues to inspect it. They may wish to make it available to schools, libraries, and student groups in their districts. It is a notable contribution to American history, worthy of broad distribution and study.

Representative Charles O. Porter Writes on Freedom From Totalitarian Control

EXTENSION OF REMARKS

OF

HON. RICHARD L. NEUBERGER

OF OREGON

IN THE SENATE OF THE UNITED STATES

Tuesday, May 6, 1958

Mr. NEUBERGER. Mr. President, in speaking of international relations, since the beginning of the cold war, we have come to apply a brief name to that part of the world which is not under the domination of the governments in Moscow and Peiping, or under other Communist authority.

We call this non-Communist-dominated portion of the globe the Free World.

That is a beautiful phrase, evocative of the best traditions of our own history. No doubt it is an effective concept with which to counter the Marxist vocabulary in the worldwide ideological conflict of our times. However, its effectiveness in the long run will be directly proportional to its accuracy, in actually describing the nature of the society we would present as the alternative to that offered by communism. Its accuracy must be a matter of continuing and genuine concern to us, lest our claim of freedom is to be as hollow a slogan as the Communist's cynical and fraudulent use of democracy.

Do we in fact maintain such a genuine concern for freedom in the Free World? Absence of Communist control or domination over a nation in itself is not yet freedom. A nation whose government is independent of Soviet dictation is not by that fact free, for freedom is an attribute of the life of men and women, not of States. If we care about freedom, we must ask more than "Is this nation's government on the Soviet side or on ours?" We must ask "Can the people of this nation speak and write freely? May they travel, read foreign literature, practice a religion of their choice, criticize their government? Do independent courts protect them against arrest, detention, punishment by police agents without legal warrant? Most fundamentally, does their government recognize a legal, organized opposition, which has the right and the opportunity at regular intervals to assume the reins of authority by a public, civilian choice, in the peaceful interchange between 'ins' and 'outs' that is the essence of parliamentary democracy?"

These are the questions which have been raised, courageously and persistently, by Representative CHARLES O. PORTER, of Oregon's Fourth Congressional District, ever since he first came to Congress in 1957. He has raised them most recently in an article in the April 14 issue of the New Leader magazine, entitled "The Struggle Without End."

CHARLIE PORTER is dedicated to freedom in fact, and not only in phraseology. Upon his election in 1956, he happened to be at once confronted with a dramatic question of freedom in one small corner of the Free World, in the famous case of the disappearance in the Dominican Republic of Gerry Murphy of Eugene, Oreg., Mr. PORTER's own hometown. It is characteristic of him that he did not stop with making routine representations to the State Department on behalf of a constituent. He has made the cause of freedom in the Western Hemisphere his cause, heedless of the fact that it has initially been a lonely one in the face of indifference and even opposition. I agree with him that it is a good cause; and it is one which will prove increasingly critical as communism shifts from aggression to social and economic tactics in its competition with us, and as our proud claim of freedom will have to prove itself in affirmative accomplishments, not only in negative noncommunism, however despotic.

I ask unanimous consent, Mr. President, to have printed in the CONGRESSIONAL RECORD Representative PORTER'S outspoken article on "The Struggle Without End," from the New Leader of April 14, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE STRUGGLE WITHOUT END

(By CHARLES O. PORTER)

When I was in Bogotá, Colombia, in June 1957, I was asked at a university forum, "When do you expect to win your fight against dictators?" I replied in my limited Spanish, "Never, this is la lucha sin fin—the struggle without end."

A few weeks earlier, I had visited Costa Rica and discussed the same problem with that nation's remarkable President José Figueres (who is now completing his term of office). I spent some pleasant and informative hours as a guest at President Figueres's ranch. Its name is La Lucha Sin Fin, and the reference is identical. Figueres

has fought hard, long, and effectively for democracy in Costa Rica and elsewhere. Back in 1948, he personally led the first armed resistance to communism in this hemisphere.

My own involvement in this struggle began in December 1956, when a constituent of mine, a young man by the name of Gerry Murphy, disappeared in the Dominican Republic under circumstances which shrieked of murder by order of Dictator Trujillo himself. Representatives of the State Department and the FBI came to my office at my request. They told me of the Dominican explanation that a co-pilot had killed Gerry in a drunken fight and then committed suicide out of remorse. They said that stirring matters up would only bring out evidence of certain shortcomings on Gerry's part.

The Dominican explanation of Gerry's death was full of holes, and I felt that Trujillo had shown fantastic effrontery in offering it. I was aghast that our officials seemed willing to accept it. When I called Gerry's parents, who live in my hometown of Eugene, Oreg., they wanted me to go ahead and press for an investigation.

On February 28, 1957, I made my first speech as a Member of the House of Representatives. Police swarmed around the Capitol, and I had warnings that my life was in danger. My speech was an analysis of the known facts in the Murphy case, including the inconsistent and implausible explanation given by Trujillo's government. Two weeks later the State Department rejected the Dominican explanation and asked for further investigation.

The State Department also requested three times that Arturo Espaillat, former Dominican consul general in New York, who subsequently became Trujillo's Minister of Security, be made available for questioning and possible trial. This request was refused each time.

Soon afterward, because widespread unfavorable publicity in the United States and Latin America was causing the Dominican Government to lose tourists as well as respectability, Trujillo hired the famous New York lawyer and author, Morris Ernst, to investigate the related cases of Gerry Murphy and Jesus de Galindez, the Basque scholar who disappeared in New York in March 1956. I had admired Ernst as a keen, fearless lawyer and a foremost guardian of our civil liberties. Now, regretfully, I have my doubts about him, because he has refused to carry his investigation into the Dominican Republic itself and require full publicity there by TV, radio, and newspapers. He agreed to do this when he came to my office last fall. Now he writes me that he never agreed to it at all.

The Murphy-Galindez case is far from closed. John Frank, a Washington lawyer, was convicted in December 1957 as an unregistered Dominican agent who was mixed up in the affair. The Government has told me that more indictments are in prospect.

But there is a larger issue involved: the whole question of American policy in Latin America. The treatment accorded him by Washington in the past gave Trujillo every reason to believe that he could commit murder with impunity.

My mail, my visitors and my reception on 4 trips to Latin America in 1957 make it clear that I enjoy wide popularity on that continent. The reason for this is my work in the Murphy-Galindez case and my often expressed belief that the American people hate dictatorships and love democracy and that our foreign policy should reflect this fact.

My efforts are important to Latin Americans because they see in them the possibility that the United States will change its soft-on-dictators policy. I am receiving support from Latin American leaders who for years have risked their lives and fortunes so that their peoples might have better, more democratic conditions of life. I refer to men like Luis Munoz-Marin of Puerto Rico, Jose Figueres of Costa Rica, Ramon Villeda Morales of Honduras, Eduardo Santos and Alberto Lleras Camargo of Colombia, and Romulo Betancourt of Venezuela.

My warm reception by democratic leaders is itself a sign that our State Department should reverse its policies which lend respectability to police states and their chiefs. I have yet to find any member of the Department below the highest echelon, or any newspaperman who knows Latin America, who did not applaud my position, and in many cases, offer assistance.

Gen. Lemuel Shepherd, Chief of the Inter-American Defense Board, tells me that we don't deal sternly with Trujillo, Somoza, or Batista because we need them to help defend the Panama Canal. (As if they and their armed forces would be any help against supersonic air or missile attack.) Similarly, the State Department told me that we did not praise Colombia publicly for throwing off a dictatorship because Marcos Perez Jimenez, then still in power in Venezuela, might have decided not to let United States companies develop his country's oil resources.

I say we need a policy based on facts like these:

The United States is the leader of the Free World and must base its leadership on moral as well as material resources.

The American people believe in government by free elections and in courts which are fair.

In our struggle with international communism, we may have to ally ourselves with police states, such as Spain, for reasons of defense, but we do not have to allow them to identify their tyrannies with us and make it appear that we regard them with favor.

Political, social, and economic gains in non-Communist nations make them stronger allies of the West; hence, we should encourage their development, as we are doing to some extent already. The chief need is that we stand up and declare our faith in democracy over tyranny without implying that we believe ourselves to be perfect or that the advantages of democracy can be achieved quickly and without effort.

Last August, the State Department wrote me that juridical equality and nonintervention were the indispensable bases of our relations with Latin America. Nobody has any complaint about juridical equality. But nonintervention has been blown up beyond its original meaning of renouncing the use of marines or money to change governments.

Consider the State Department's response to my suggestion that we publicly call a spade a spade, a dictator a dictator. After citing the Charter of the Organization of American States, which happens to be a very prodemocratic document, it said: "It is the opinion of this Department that for the United States, by means of official proclamations, to characterize its neighbor countries as being dictatorships would now be viewed by practically all of the Latin American governments and peoples as an act of calculated and distinctly unwelcome intervention in their internal affairs."

I agree that the dictators would cry intervention, but the democracies and the nations striving in that direction would be encouraged. This is the kind of intervention that spells moral leadership and ultimate victory for those who believe in human rights.

The State Department went on to say that "for the United States to become a self-appointed official censor of existing governments in the Americas would soon have us in unwarranted difficulties with our neighbors." But we are already in unwarranted difficulties with nations which should be our friends. Nor is there any question of censorship involved. We would simply be saying out loud what we already know. Batista and Trujillo are dictators. They know it. All Latin America knows it. The State Department knows it. Let's say it so that the American people will know it, too.

Finally, the spokesman denied that any of our friends in Latin America feel that the United States has shown undue friendship for dictatorial governments. Again, the overwhelming evidence is to the contrary.

We gave medals to Perez Jimenez and Somoza, we send arms to Bastista even though he is using them against his people in violation of the agreement he signed with us, and we are giving military and economic aid to Trujillo. Why should men like these receive aid from us? Will they help us if the Soviet Union attacks us? I say negligibly, if at all. Is this aid helping to keep down internal subversion? I say no.

Opponents of dictatorship soon realize that the United States has identified itself with their oppressors. Inevitably, they will turn to the Soviet Union, whose agents are glad to form a popular front and hope to profit from the overthrow of the police state to set up their own brand of totalitarianism.

It is a struggle without end, but not a struggle without hope. The first step is to recognize that our leadership in the Free World must be based on moral principles. Liberty and justice for all means not only all citizens of the United States but all citizens of this one world we live in today.

War Memorial on Corregidor Island

EXTENSION OF REMARKS
OF
HON. JAMES P. S. DEVEREUX
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 6, 1958

Mr. DEVEREUX. Mr. Speaker, today, for many of us, the months and years appear to pass by with alarming speed. The days and weeks are not long enough to permit us to complete fully the many tasks and duties of our daily lives.

Sixteen years ago, Mr. Speaker, on May 6, 1942, I had more time on my hands than I knew what to do with. I was in a position of enforced passivity. I was a resident of a Japanese prisoner of war camp.

Today is, therefore, the 16th anniversary of the surrender by Gen. Jonathan Wainwright of the American and Filipino forces on Corregidor Island in Manila Bay.

All of you recall that unhappy event which may be said to have marked the low mark of the ebb tide of our struggle against aggression in the Pacific.

The tide may be said to have actually turned the next day because on May 7 our naval forces in the battle of the Coral Sea sunk the Japanese carrier *Shoho*, and on May 8 damaged the *Shokaku*, thus stopping the seaborne attempt to capture Port Moresby.

In less than a month there was no doubt the tide had started to flood when Admiral Nimitz and his ships won the Battle of Midway on June 6, one of the most decisive battles in naval history and the historic turning point in the Pacific war.

Even though the years since these epochal events have passed all too swiftly I am pleased to note that the Congress

has not been oblivious of the successful effort of over 4 million service men and women, and the sacrifice of a hundred thousand who died in defense of our liberties and freedom.

On August 5, 1953, there was enacted into law a bill to establish the Corregidor Bataan Memorial Commission. Serving on it are 3 Senators, 3 Congressmen, and 3 non-Congressional members. During my second term in this body I was proud to accept assignment to this Commission because I believed wholeheartedly that the American people would wish to recognize, by an appropriate form of a memorial, the sacrifices of their fellow countrymen who had achieved victory in the Pacific area in World War II.

Within this vast area and over a period of 4 long years, we suffered initial defeats at Pearl Harbor, Bataan, and Corregidor. But then we regained our freedom of the seas at Midway in June 1942; we held at Guadalcanal in February 1943; we broke through the Bismarks barrier in May 1944; and we reentered the Philippines in November 1944. General MacArthur announced the liberation of the Philippines on July 5, 1945. A month later the first atomic bomb was dropped on Hiroshima and victory came with the signing of the surrender documents on September 2 on board the battleship *Missouri*.

The victories leading up to the surrender were of course the result of the combined efforts of our industrial might, our leadership, and the valor and ability of the 4 million men who served in the Pacific area. But in battle there is frequently a time when victory lies in the balance and then the scales are tipped by the bravery of the individual—by the men who die to purchase that victory. It is for them that we are planning the memorial.

It will be a memorial to all the Navy, Marine and Air Corps aviators lost at Midway, but particularly to the crews of the 41 torpedo planes who skimmed low above the water straight toward the 4 Japanese carriers and into their own valley of death. Japanese fighter planes dived down to the attack and left unguarded the air above their carriers. But at this same moment two waves of our dive bombers arrived and found no Japanese Zeros on station to intercept them. Methodically each American pilot brought into his bombsight a carrier flight deck and, when the attack was over, four Japanese carriers were left burning and sinking. Seventy brave men went to gallant deaths in the torpedo planes but the Battle of Midway was won.

It will be a memorial to all the brave men who fought in the battle of Guadalcanal, but particularly to 1 battalion of soldiers and 1 battalion of marines who fought side by side during the crucial night action of October 25, 1942, on the south slope of Bloody Ridge with the vital Lunga airstrip at their backs. It was this brave band who bore the brunt of the last major effort of the Japanese to capture the airfield and drive the Americans into the sea. From immediately after dark until daylight the Japanese kept up their reckless assaults only to be thrown back with ever-mounting casualties. It was this small band of soldiers and marines who broke the last offensive of the enemy ground forces and insured the safety of Guadalcanal.

It will be memorial to all the soldiers who finally broke through the Bismark's barrier and opened the way back to the Philippines, but particularly to Pvt. Rodger Young, who fought on New Georgia in the Solomons. He knew how to move forward but not to retreat. His platoon, fighting in a deep jungle, was pinned down by intense machinegun fire and ordered to withdraw. Young, badly wounded, called out that he could see the Japanese position and crawled toward it. Wounded again, he kept moving forward, firing his rifle and hurling grenades until the enemy gun crew was killed. Rodger Young was awarded the Medal of Honor posthumously.

The tales of individual heroism during the capture of the Philippines are numberless. But there was Sgt. Jose Calugas, a Filipino mess sergeant serving with a battalion of artillery. During the defense of Bataan he saw that one of the guns on the left was not firing. He ran across a wide field raked by enemy machinegun fire to the position of the gun. There he quickly organized a new gun crew and had the gun in action when the enemy charged. For this act of extreme bravery, he was awarded the Medal of Honor.

It is to honor all of these heroes and all of the thousands who, from December 7, 1941, until September 2, 1945, formed the valiant group that won the battles under the leadership of Admiral Nimitz and General MacArthur. The fame of these leaders will be perpetuated in the history books. Let us perpetuate the bravery of the individuals by means of this memorial which in itself may become an important part of history.

One may ask what will be accomplished by the construction of a magnificent war memorial on Corregidor Island? We, the members of the Commission, believe it will accomplish three significant purposes.

First. It will be a symbol to every survivor of the Pacific war of the months and years of his participation in beating back an aggressor bent on conquest and tyranny. To such a veteran and to the families of those who did not survive it will be well-deserved recognition of each man's contribution—be it large or small—to the war in the Pacific, the greatest feat of arms in all recorded history; its only rival being the European war of World War II.

Second. It will be a symbol to every Filipino who sees it—and they will be numbered by the hundreds of thousands—of the understanding and appreciation in the United States of the Gethsemane they endured through 4 long years in order to stand bravely and fearlessly by the side of an Occidental nation.

Third. The most significant point of all, the memorial will become so strong a symbol of the power of free peoples banded together against despotism and tyranny that it will inspire all peoples to struggle against those enemies of democracy constantly seeking to enslave the body and mind of the individual. As such a font of inspiration it will become a living memorial to encourage the Filipinos and other oriental nations to work unceasingly in the cause of democracy and freedom.

The Commission has been fortunate in obtaining a beautiful and inspiring design for the memorial. During 1956 and 1957 there was held a nationwide competition in which 43 architectural firms participated in strict anonymity. A year ago a distinguished jury of award selected the design submitted by the Seattle firm of Naramore, Bain, Brady & Johanson. The jury of award was composed of Fleet Adm. Chester W. Nimitz, United States Navy; Gen. Walter Krueger, United States Army (retired); Gen. George C. Kenney, United States Air Force (retired); Mr. Pietro Belluschi, dean of the School of Architecture and Planning, MIT; Vice Adm. William O. Hiltabidle, United States Navy (retired); Arthur Brown, Jr.; William Gehron; William J. H. Hough; Lee Lawrie; Frederick V. Murphy; John W. Root.

The design has elicited many expressions of praise from many groups including the National Commission of Fine Arts. It was accepted unanimously by the Philippines National Shrines Commission established in 1954 by President Magsaysay to cooperate with the American Commission.

The Commission has studied several plans developed to raise the cost of construction. It has decided recently on a most fitting and appropriate one. The Department of the Navy is anxious to dispose of a number of obsolete naval vessels in order to reduce the heavy cost of their annual maintenance. The sum realized from the sale of about 29 warships would be relatively small—about 13 to 15 million dollars. Half of this amount would suffice to build the war memorial on Corregidor Island.

Why is this method of obtaining construction funds considered to be fitting and appropriate? Because many of these now obsolete naval vessels saw World War II service in the Pacific and thus became an intangible part of each man who served on board. To put it another way, each man left part of himself in the ship in which he served. He left not only that period of his life measured by his months and years of service, but also his valor and his fears, his hopes and disappointments. Thus each of the ships and the men who fought in them became a unit which paid their part of the price we all paid to purchase victory in the Pacific.

The thought now to dispose of these ships as scrap steel without any final meaningful purpose becomes repugnant. But dispose of them we must. Their annual maintenance costs, we recognize, are prohibitively excessive. Realism requires their eventual disposal, sentiment urges a delay. How best can we reconcile this matter?

A solution is to use part of the steel and bronze from these old war vessels in the actual construction of the memorial—a thousand tons could be so used; and in addition to make available

to this Commission funds not to exceed $7½ million from the proceeds of their sale as steel scrap for the purpose of proceeding promptly with the blueprint and construction phase of the memorial.

The thousands who served in these ships and particularly each of the 4 million veterans of the Pacific war will applaud such a decision on the part of the Congress. Token amounts of steel from Army and Air Force sources could be added to the steel from these war vessels to form a cohesive bond between today's efforts to insure security and peace with the efforts of the men whose deeds in the past we wish now to revere and memorialize. To the thousands of veterans who will one day stand before their memorial and recall the years of service they spent in distant lands and on distant seas, the use of these obsolete war vessels as an instrument to create their memorial will seem a highly appropriate and most fitting use.

My colleagues on the Commission, and I, have introduced a bill to accomplish this dedicated purpose. It is H. R. 12353. I earnestly seek your support of this bill if, in your judgment, it merits support when it reaches the floor.

My hope, Mr. Speaker, is that this memorial when erected on Corregidor will become a shrine dedicted not solely to the valor of those who served in our victorious armies and fleets, but to the search of mankind for ultimate peace and freedom throughout the world.

Adley Express Co. Story Is One Typical of Success in America

EXTENSION OF REMARKS
OF
HON. ALBERT W. CRETELLA
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 6, 1958

Mr. CRETELLA. Mr. Speaker, on April 12 I had the great pleasure of partaking of the ceremonies in observance of the 40th anniversary of the Adley Express Co. and the opening and dedication of its new magnificent maintenance terminal in Orange, Conn., in the Third District which I represent in this Congress.

The Adley Co. is one of the largest and most efficient freight networks in the Nation. Hard work and ingenuity have placed the Adley name on over 1,600 trucks which roll night and day over the highways of the Eastern United States through all kinds of weather. The company now has 24 freight terminals located in the main cities of the East, and its operation is often described by businessmen as one of the smoothest in the industry. The newly dedicated terminal is of ultramodern design and one which will contribute to the movement of raw materials and finished goods through freight arteries to the retailer and the consumer.

At the ribbon-cutting ceremonies, I noted that the story of the Adley Express Co. is one typical of success in America, and indeed it is. For the three Adley brothers, Dan, Mike, and Ralph, have shown their faith in the future and the economic growth of America.

Their beginnings in the climb to the pinnacle of success could not have been more humble. They were the children of Italian immigrants. A good part of their childhood was spent in an orphan asylum after the passing of their parents. With a minimum of financial means and a maximum of courage, imagination, and foresight, the Adley brothers started off with one truck and through the years built their business into the vast operation as it is known today. They are men of integrity, keen business acumen, and character. It is these characteristics which have helped to make the story of success come true and to bestow upon these men the admiration and respect they have today from the community. Dan, Mike, and Ralph Adley can take a good measure of justifiable pride in their business accomplishments and their many civic contributions. They count hundreds among their friends in the New Haven area, of which I am honored to be one.

The Adley story is one which serves as an inspiration to others who recognize that perseverance, teamwork, and unwavering faith in one's self have their reward. These men have truly earned their success and the congratulations and best wishes which have been heaped upon them by so many.

Afghanistan's Independence Day

EXTENSION OF REMARKS
OF
HON. CLEMENT J. ZABLOCKI
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 6, 1958

Mr. ZABLOCKI. Mr. Speaker, today marks the anniversary of the reestablishment of independence by Afghanistan and this occasion will be celebrated by the people of that distant land, and noted in many countries throughout the world.

It is proper that we take notice of this anniversary and turn our thoughts to that distant kingdom which, located in a very strategic position, is once again becoming the crossroads of Asia.

In the past few years, tremendous changes have taken place in Afghanistan. Afghanistan has been building new roads, irrigation networks, expanding airport facilities, training teachers, exploring mineral deposits, developing industrial activity, and improving its agriculture.

In the fall of 1955, I had the privilege of visiting Afghanistan with a study mission of the Committee on Foreign Affairs. Our study mission was impressed with the industry and self-reliance of the Afghans, and with their determination to improve their lot. In our report, the study mission noted that Afghanistan has tremendous potential for development. Recent reports indicate that the Afghans are making considerable progress in realizing that potential.

The United States is deeply interested in Afghanistan's efforts to develop its economy, and to maintain its full independence. To that end, we have been cooperating with the Government of Afghanistan, and assisting that nation through economic and technical assistance programs, in the realization of these objectives.

On June 26, the Prime Minister of Afghanistan, His Royal Highness Sardar Mohammed Daud, will arrive in Washington for a state visit. He will be welcomed in our Capital, and I am confident that his discussions with the leaders of our Government will lead to the strengthening of the friendly relations between his country and the United States.

I would like to take this opportunity to congratulate the people of Afghanistan upon this anniversary of the reestablishment of their country's independence, and to express the hope that, under farsighted and realistic leadership of their Government, they shall continue to advance their economic development programs, and enjoy full national independence.

Walter Reuther's Socialist Background

EXTENSION OF REMARKS
OF
HON. EDGAR W. HIESTAND
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 6, 1958

Mr. HIESTAND. Mr. Speaker, before I am once more chastised as a labor baiter or labor hater, let me make one point clear. I believe in voluntary organized labor. Having been an employee for many years; the years which saw the formation of much of the labor movement, I am of the opinion that organized labor has done much good.

When it comes to conspiracy, embezzlement, goon squads, and acid throwing, many thousands of honest, hard working union members want no part of it. I have received letters from hundreds of such Americans who back my stand on labor and my bill, H. R. 10351, the workers bill of rights, designed to help curb abuses of union power.

Just as strongly as I support voluntary organized labor. Just as strongly as I oppose corrupt union leaders and gangster labor tactics. Just that strongly, I also oppose socialism and Socialist leaders wherever they are found. One prominent Socialist leader is also a labor leader. I am referring, of course, to Walter Reuther.

About 2 years ago I called Reuther America's No. 1 Socialist. Nothing has happened since then to change my mind.

Reuther came out of the recent labor rackets hearing smelling like the proverbial rose. Whether that was by accident or design is another story. For the mo-

ment, review with me, if you will, just a part of Reuther's Socialist background.

This man is not a Johnny-come-lately to socialism. He is a third generation socialist. His grandfather, who came to the United States in 1892, has been described as a German Socialist Democrat. Reuther's father was a labor organizer and a known Socialist.

Walter and his brother Victor attended Wayne University in Detroit for 3 years. During this period they were associated with many red, pink, and racial movements on the campus.

Later, Reuther studied and lectured at Brookwood Labor College at Katonah, N. Y. This school received great renown as a center for Socialist, radical, and leftwing activities.

Walter and Victor went to Europe in 1933. They worked and studied in an industrial plant in Russia. On January 20, 1934, they wrote a letter to a friend in Detroit which has received considerable attention, though not nearly so much as it deserves. Excerpts from the letter are quoted below:

The daily inspiration that is ours as we work side by side with our Russian comrades in our factory, the thought that we are actually helping to build a society that will forever end the exploitation of man by man, the thought that what we are building will be for the benefit and enjoyment of the working class, not only of Russia, but the entire world, is the compensation we receive for our temporary absence from the struggle in the United States.

Mel, if you could be with us for just 1 day in our shop you would realize the significance of the Soviet Union. * * * Here are no bosses to drive fear into the workers. * * * I tell you, Mel, in all the countries we have thus far been in we have never found such genuine proletarian democracy.

We are watching daily socialism being taken down from the books on the shelves and put into actual application. Who would not be inspired by such events?

And finally, the Reuther brothers sign off with:

Carry on the fight for a Soviet America.

The letter is signed, "Vic and Wal."

In 1935, Communist Nationalist Students League for Industrial Democracy merged. This was done at a conference in Columbus, Ohio. Three Reuthers, the brothers Walter, Victor, and Roy, participated in this conference. Celeste Strack, representing the central committee of the Communist Party, vouched for them.

Walter Reuther was an active supporter of the Young People's Socialist League. On March 18, 1936, at a meeting of this organization Reuther was introduced as "Comrade Walter Reuther." He made a speech and then answered questions. One question put to him was, "Do you believe in religion and God or in science as a religion?" His answer was, "We do not believe in God, but that man is God."

This could go on and on. Reuther has denied being a Communist. He has never, to my knowledge, denied being a Socialist. Therefore, it isn't really necessary to document his background of socialism, except as a reminder.

The leopard has not changed his spots.

Fuel for Thought

EXTENSION OF REMARKS
OF
HON. WALTER ROGERS
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 6, 1958

Mr. ROGERS of Texas. Mr. Speaker, on May 1, 1958, the gentleman from Arkansas, the Honorable OREN HARRIS, addressed the annual meeting of the Panhandle Producers & Royalty Owners Association at Amarillo, Tex. His remarks were on a subject that is of vital interest to the entire Nation and its economy. The subject was one on which he is eminently qualified to speak. The tremendous acclaim with which it was received by those attending the meeting in Amarillo, Tex., together with my own appreciation of the outstanding talents of the gentleman from Arkansas, prompts me, under unanimous consent, to include his address in the CONGRESSIONAL RECORD to be preceded by the introductory remarks of Gen. Ernest O. Thompson, member of the Railroad Commission of the State of Texas:

INTRODUCTION OF OREN HARRIS BY ERNEST O. THOMPSON

Few men in our country, certainly few men in the United States Congress have had and do have as much to do with the commerce of our country as does our distinguished speaker here tonight, the Honorable OREN HARRIS, chairman of the Interstate and Foreign Commerce Committee of the House of Representatives, United States Congress.

OREN HARRIS is a lawyer, born in Belton, Ark., December 20, 1903. He holds a bachelor of arts degree from Henderson State College, Arkadelphia, Ark., class of 1929, and a bachelor of laws degree from Cumberland University, 1930. He was married to Ruth Ross May 9, 1934, has two children—Carolyn Marie and James Edward. He was admitted to the bar in Arkansas in 1930 and to the United States Supreme Court Bar in 1943. He served as deputy prosecuting attorney, Union County, Ark., 1933 to 1936, and prosecuting attorney, 13th judicial circuit, 1936 to 1940. He was elected to the 77th Congress in 1941 where he has served for 18 years ably and well, and as I said in the beginning, he is the present chairman of one of the greatest committees of the Congress. This is the same committee that was formerly presided over as chairman by the Honorable SAM RAYBURN, now Speaker of the House of Representatives of the United States Congress.

Congressman HARRIS is a member of the Arkansas Bar Association, was district governor of Lions International for Arkansas 1939 and 1940. He is a Democrat, a Baptist, a member of the SAE fraternity, a Mason, a Shriner, and member of the Knights of Pythias.

It has been my pleasure and privilege, at his invitation, to appear before his honorable committee several times. He generates and engenders real sincere interest in the work of the committee from and by every member of his committee of both parties. He is one of the best informed men it has ever been my pleasure to know and I am proud to present him to this meeting as a distinguished American, a true patriot, a real statesman, Chairman OREN HARRIS of the Interstate and Foreign Commerce Committee of the House of Representatives of the United States Congress.

ADDRESS OF THE HONORABLE OREN HARRIS, OF ARKANSAS, BEFORE THE ANNUAL MEETING OF THE PANHANDLE PRODUCERS AND ROYALTY OWNERS ASSOCIATION, AT AMARILLO, TEX., ON MAY 1, 1958

FUEL FOR THOUGHT

Mr. Chairman and my friends, you were extremely kind in inviting me to be with you for this occasion. I appreciate this opportunity of being with you and the privilege of being here in the district with my esteemed friend and colleague, WALTER ROGERS, your able and effective Congressman, of whom you are rightfully proud.

There were two reasons that I hastened to accept the courtesy of your invitation to be with you tonight.

In the first place I am always delighted to be with knowledgeable men like you and to increase my own understanding of some of our vital problems.

But, beyond that, I must confess I seized this as an opportunity for the presentation of some things that, in my opinion, badly need saying now. There are some things I have in mind that relate intimately to the health of our entire economy, for they concern the energy requirements of that economy.

I do not mean that they are important just to you who are producers and royalty owners associated with the production of oil and gas. You do have a direct and immediate interest in the problem but yours is not the only or even the dominant interest.

I am not thinking of this problem as being important only to you and to those who use the oil or the gas you produce. Your customers, that is, the consumers, do have a great stake in the problem, but the real import of it transcends even their interests too.

No; this is a matter that goes to the public welfare in its broadest possible interpretation. Fuel for Thought, about which I want to talk tonight, should claim the serious attention and consideration of every person in our Nation.

Conflicting claim

At the heart of what I want to discuss with you lies a big question: What can and should be done about natural gas for this Nation's growing needs?

There are some consumers, for example—and especially some self-appointed so-called spokesmen for consumers—who seem to have an easy though impossible formula. What they want is a superabundance of natural gas at exceedingly low and depressed prices. Seeing no conflict between these two desires—although there plainly is one—they are all out for rigid Government controls to drive prices downward.

Some producers, on the other hand, without quarreling about the desirability of expanded supply, see the price matter very differently. They would like better prices, not lower ones, for their output. Consequently, they would prefer having no controls of any kind on prices to keep them down.

As a Member of Congress, I have listened—and sympathetically, I trust—to the arguments from both sides. I have heard the consumers argue that their preferential position should be maintained. I have heard the producers argue that the very importance of this fuel to progress and prosperity makes it imperative to give them the preference. And I must admit that each side can in its own time make a very persuasive case for its claims and counter claims.

As other Members of Congress and particularly with our Committee on Interstate and Foreign Commerce, I deem it my duty to not become a champion of one segmented interest against another. I see only one course that I can in good conscience follow, and that is the course leading to general

rather than to particular or special interest. We should not plump for the consumers on the one hand or for the producer on the other. Our adherence should be toward a policy that will insure an impartial justice to everyone.

The need for solution

To obtain this objective, I introduced H. R. 8525, cosponsored by my colleague, Mr. O'HARA of Minnesota, which in our opinion is the embodyment of the fairest answer to the natural gas supply problem.

Having made an intensive study of the problem over the years, I was convinced when we introduced the bill it was necessary in the public interest.

Now, in this period of recession or slump, or whatever you might call it, my conviction has deepened and grown stronger.

When we introduced the bill last year, I saw it then as a balanced solution to the natural gas problem. It would give consumers a meaningful assurance of adequate future supplies along with a federally insured guaranty of a reasonable price. It would give the producers a degree of freedom from meaningless redtape at the same time that it would define for them clearly an area of unconfused operation. Without loosening the producers completely from controls, it would at least provide that the controls to be exercised on them would be realistic and practical.

My views toward this legislation are firmly held, without alteration. But what I want to say here is that recent events have given this bill an urgency even far greater than I had realized at the time of its introduction. It is needed now, not just to bring an end to the chaos produced by the court-directed effort to impose utility controls on nonutility gas industry but it is needed and immediately as an important contribution to the Nation's necessary fight against the effects of the downward trend in our economy.

The recession

Washington is filled with talk about this recession. Frankly, much that has been said on the subject—particularly from the White House—has appalled me.

We recall the President himself, saying back in January that the slump was bottoming out. Soon, he said, with beaming confidence, "business would be turning upward."

Well, March has come and gone. April has come and gone too. Still the recession persists and in many areas worsens. The problem stubbornly refuses to disappear simply on the basis that people in high places keep insisting that it really isn't here. Something else is needed.

To be sure a few localities and even some industries have thus far escaped the full impact of the business decline. Maybe they will continue to escape it though that seems increasingly improbable. But the economy in general has been at least temporarily staggered by the slump. And the people in the oil and gas producing industry in particular are undergoing what former Secretary of the Treasury Humphrey described as a "hair-curling" depression.

The Federal Reserve Board index of industrial production fell in a few months from 147 to its March level of 128, a drop of nearly 13 percent. Inevitably this has meant a sharp decline in the use of energy in industrial production. And that in turn has meant that those who provide the fuel for the energy have been hit and hit hard.

Slump in fuels

This does not hold only for you who are in the oil and gas business. Coal has felt the devastation too. The demand for coal in March 1958 was almost 11 percent below that of a year ago. Exports of coal have also declined. Here is a sick industry. It too had better take note and I am sure it is.

The demand for oil in March 1958 was only 0.3 percent above that in March 1957. Yet the normal postwar increase earlier had been averaging 5½ percent a year.

Domestic production itself has, of course, been even more badly hit than these figures for overall demand would indicate. In that area the imports flood has made an already bad picture even worse.

Mr. ROGERS, my esteemed colleague, has already covered this thorny problem of imports in his able address at noon. Let me add to his perceptive comments that it is my own conviction that it is high time for some constructive action on this thorny problem, and it should be resolved without resorting to legislation. But that approach doesn't appear too helpful.

But what I want to point out here is that imports in and of themselves now constitute only one part of the total problem of slump that confronts the petroleum industry.

Since the Phillips decision

Go back to mid-1954, the time when the Supreme Court so shockingly held in its Phillips decision that natural-gas production was subject to Federal Power Commission control. You'll find there the beginning of a trend—a most disquieting trend—that simply can't be attributed solely to the influence of imports.

Since that decision there has been a 25-percent decline in the number of exploratory crews actively engaged in seeking new oil and gas reserves. One out of every four are gone from the scene.

Admittedly, the decline cannot be attributed solely to the ill-advised split Court decision. Other elements have had their effect, too. But surely it's much more than coincidence that exploratory efforts fell off so sharply immediately after that decision.

A part of the incentive for discovery has been removed. Confusion and uncertainty had been imposed on the entire gas branch of the industry. Obviously, those who might otherwise have invested risk capital in the search for new gas supplies decided to hold off until the rules of the game could be clarified.

It's true that well-drilling itself continued for quite awhile to stay at high levels even after the Phillips ruling. People in the industry were continuing to prove up properties on which the exploration work had been done earlier. The drilling figures continued to give the appearance of health.

But, by the middle of 1956, much of this backlog that had been built up by the earlier exploration was worked off. The drilling rate turned downward and it has continued downward steadily ever since.

The total wells drilled in 1957 were 7 percent fewer than in 1956. Through the first 3½ months of 1958 the figure is down by another 13 percent. For the same period wildcat drilling, all-important in the finding of additional reserves, is down by 25 percent. If present drilling rates persist, the industry's completions this year will be down from 1956 by 20 percent.

These statistics, of course, only confirm what you yourselves have seen. You have watched drilling rigs and experienced personnel being transferred to foreign producing areas. You have been approached for jobs by the laid-off members of one-time drilling crews. You've heard others talk about deferring their drilling plans, and maybe you've deferred at least a few yourself. You have seen leasing activity fall off. You have witnessed the drilling industry grow sicker by the day.

What you've been seeing can be blamed in a large measure on the split Court pronouncement of June 7, 1954. The Supreme Court sowed the wind, and the petroleum industry has since reaped the whirlwind.

GROWTH AND NATURAL GAS

What is perhaps particularly tragic in all this is the fact that at least one segment of the petroleum industry—the gas segment—could have been growing even more than it has been in recent years.

It has grown, as a matter of fact, even though it has been put under wraps by forcing gas production into a straitjacket of controls. But it would have expanded even more, recession or no recession, were gas supplies available in increased quantities.

Think of the great market for natural gas that is currently going begging for supplies. Witness after witness who appeared before our committee during hearings on H. R. 8525 called attention to this situation. There are on the waiting lists of distributing companies in areas served by natural gas literally hundreds of thousands of potential customers. They are actually impatient for a service that is denied to them only because the supplies aren't available in assured quantities.

You hear many explanations for this recession that we're in. One of the soundest, surely, is that there has been a falling off in consumer purchases of durable goods. People go on buying eggs and bacon and cigarettes and clothes. But they've cut their purchases of automobiles and of the major appliances such as water heaters and ranges and clothes dryers.

Figure for yourself, then, what effect on the recession might come if those hundreds of thousands of would-be customers who want natural gas could get it. Calculate the number of gas furnaces that would be bought and installed, the number of gas water heaters, the number of gas stoves, the number of gas incinerators. Can anyone doubt that such buying would give an impetus to recovery?

Think of the employment that could be created by local distributing companies if only they had the gas supply to bring to these waiting customers. There would be new distributing systems built, and extensions of old ones. You'd have a vast and profitable market created by these distributors for both materials and labor.

Transmission companies would do their part, or more, in expanding their materials-and-labor market. Many of them already have their expansion plans engineered and waiting on the drawing board. In some cases construction of totally new lines waits only on the unmuddying of the waters of present Federal policy. Given the green light of an end to the existing chaos, these companies would proceed promptly to the execution of their many plans.

Additional gas wells would be drilled calling for increased oil country tubular goods and labor.

Certainly the sum total of the capital outlays that are being held up would exceed $1 billion a year. I submit that this would be an antirecession step that would cost the taxpayer nothing; that would be carried out entirely by private business funds; that has the endorsement of the administration and of Congress; that would provide lower energy costs; that would require hundreds of thousands of tons of steel pipe and oil country tubular goods; that would put thousands upon thousands of men back to work; that would be of benefit to the total economy.

Record of frustration

Why is it that this industry growth is being blocked out of our economy?

At the risk of repeating to you what you may already know, I'd like quickly to review the record.

When the Natural Gas Act of 1938 was adopted by Congress, practically everyone was quite clear about what it was intended to do. It prescribed a plan for the regulation of the utility business of pipelines that

transport gas interstate from the gas fields to the distributing companies. It did not prescribe any plan for regulating the business of nonutility producers and gatherers. In fact it stated most explicitly that its terms were not to be applied to production or gathering. It applied to transmission. It didn't apply to production.

On 11 separate occasions over a 16-year period, FPC's varying political complexions steadfastly held that the act meant just what it said. But the courts were another matter, and there certain unfortunate ambiguities in the original legislation offered a loophole for misconstruction.

When it became obvious, in 1948, that some court might sometime actually fall in with the strained interpretation of the law, Congress acted. So there could be no possible misunderstanding, it moved to make doubly clear that production and gathering were outside the scope of FPC rulings.

I was chairman of the House committee that drafted the amendment to the Natural Gas Act that later came to be known as the Kerr bill. That bill handily passed both Houses of Congress. But it was vetoed by the President.

Phillips decision and after

Then in 1954 what we had begun to fear might happen in the forties did happen. The Supreme Court on a 5–3 split held that the Natural Gas Act did, in spite of everything apply to production. For the first time in the peacetime history of this Nation a commodity was brought under Federal utility-type control.

In the year following, 1955, Senator FULBRIGHT and I together introduced what became known as the Harris-Fulbright bill. It was not, its numerous vociferous opponents to the contrary, a complete decontrol bill as the simpler Kerr bill had been before it. It provided—I think effectively—for an indirect control of prices by the FPC, but it did free the producers from all direct controls upon them.

Both the House and the Senate passed this bill after thorough study and prolonged debate. But once again a Presidential veto intervened. For reasons which had absolutely nothing to do with the merits of the legislation, the President withheld his signature.

Maybe the smart thing to have done at that point, at least as far as I am personally concerned, would have been to abandon the entire effort. Twice the Congress had spoken. Twice for extraneous reasons the Congress' actions were set at naught.

And yet, I couldn't rest easy in the face of my steadily growing conviction that the national welfare and even the national security were vitally involved here. I couldn't justify to myself standing idly by while a great industry was being throttled and the supply of a valuable resource was being choken off.

H. R. 8525

So it was that another effort is made by the pending bill, H. R. 8525. It marks a completely new departure in its approach to the central problem.

It is not a decontrol bill. Anyone who says it is either has not read the legislation at all or is deliberately set on misleading others about it.

It would give to the FPC direct control of the field prices of natural gas. But upon a realistic basis, not upon the basis of theories about utility control that cannot possibly be tailored to fit gas production.

For almost 4 years now the FPC has been trying, and trying valiantly, to work out some fair formula that might conceivably permit the regulation of field prices of natural gas. The Commissioners are by now completely willing to admit that it can't be done on a cost basis. Utility-type control, in their own words, is patently inappropriate and unworkable. The need for some other system is obvious, and the Harris-O'Hara bill provides it, along with a very complete set of safeguards to protect the consumer interest.

The principles incorporated in this bill have twice been recommended to Congress by the President. The Federal Power Commission, itself, has strongly recommended passage of the measure. It has received the support of the Director of the Office of Defense Mobilization, who testified that it is in the interest of defense requirements. The House Interstate and Foreign Commerce Committee has reported the bill favorably.

And yet, because of circumstances which again have no relation to the merits of this proposed legislation, the bill most certainly will not even get to the House floor for consideration this session barring some legislative miracle. It has been cruelly sabotaged. One man, thoughtlessly and naively, undertook an ill-advised appeal for political purposes. Again a faux pas has for the present thwarted a program badly needed in the general public interest because the carefully cultivated reaction to his letter has buried this essential legislation for the time being some 9 feet under.

Legislative miracle?

You may ask, does that mean I have despaired of action at this session? Not necessarily. I still cling to the hope, however faint, that with sufficient interest, effort and understanding of the imperative need of this legislation that there may be the legislative miracle that could revive the near-dead measure.

I am making no book on the possibility, and certainly I am offering no odds that it will occur. I am somewhat of a realist. As I see it now in the light of present circumstances and the time element, I have to be realistic enough to recognize that the chances are not at all bright.

And yet the logic of the situation seems to me overwhelmingly to call for revival of the program and its quick passage.

There was need enough for the bill before. On it rests the consumer's only present hope that there will in the future be adequate gas supplies at reasonable prices.

But now at a time of slump the need is actually pressing. The basic problem of gas supply and the growth of the gas industry has been complicated by the new problem of the recession.

There are scores of programs being proposed in Washington as partial antidotes to the slump. Whole handfuls of them are being acted on, not always with the consideration and the foresight they really deserve. And yet here is one that could make a tremendous contribution to recovery without the expenditure of a dime of Federal funds totally neglected. This bill, whose passage would unlease all of the constructive energy of the natural-gas industry again, remains on the shelf.

I can only hope, and fervently, that it will be taken from that shelf and examined on its merits rather than in light of a single badly written letter, or some other ill-advised act.

All that is needed, I am convinced, is for everyone to recognize the importance of this issue and to agree to what is eminently true—that this is must legislation.

If and when we can and will join in pushing for its passage in what is so clearly the public interest, the Congress will act. Of that I am certain. And I am confident that the next time such legislation, so carefully drawn for consumer protection will be approved all the way.

Industry action

And yet in view of the fact that it was an act by certain members of the industry given as the reason for killing the bill 2 years ago, and now by another act has all but killed the present effort, I cannot quite let it go at that.

I would, therefore, like to leave with you on this occasion some carefully guarded and considered words of advice. Constructive advice, I firmly believe.

Sooner or later something is going to have to be done with this problem. It cannot continue to remain in the chaotic and uncertain status. It is too widespread and affected by the public interest to such a degree that the welfare of the Nation will demand it. The longer it is postponed, the worse it will be for the welfare of the Nation.

If this proposed bill is revived at this session or even if solution of the pressing problem is postponed and considered at a later session, the industry is on trial. It will be watched carefully in every move it makes.

In all candor, you have been on trial before. To date I must say you haven't been doing too well for the last few years.

Let me suggest 2 or 3 things for your consideration. Perhaps by asking some fundamental questions deserves careful consideration, frank and honest answers.

In the first place, has the fuels industry become so highly competitive and self-centered as to breed frustration, envy, and strife within to the extent that it threatens the inherent principles under our American system and the service demanded by the American public? Healthy and vigorous competition, yes, strengthens this system we know but when we get to a matter of principle, I wonder if we recognize that through unity and coordination and understanding, it will prevail.

Within your industry, within the entire fuels industry, it is important to discontinue the infighting and to work together toward legislative policy so obviously in the interest of our total economy.

Furthermore, have you in the industry told your story fully and fairly to the American people?

Have you made known the facts—all the facts—about your operation?

Have you across the board been willing to stand up and meet the issue and battle it out in the good old American way with those, your enemy in principle, that would destroy or seriously hamper your future and the service that you can perform to the American public?

Or have you been letting internecine warfare create in the public mind an image of this great industry as a collection of self-seekers who have no regard for the public welfare?

You have a story to tell, a service to provide, a fundamental principle to preserve, a strong and effective industry and organization if unity of purpose on fundamentals could be effectuated.

You see, we are on the receiving end of your letters and your testimony on matters that concern the industry and we honestly find it most difficult at times to tell where the truth lies when royalty owners are pitted against producers or producers against refiners, or refiners against jobbers, etc.

The common ground

Finally, isn't there a common ground on which a great industry as is yours and the fuels industry can unite on principle—the common ground that is the welfare of the general public?

It is on this basis there should be unity. This should be the paramount concern. Otherwise, I am frank to say, we are going to see a great industry hard put to its survival, much less to prosper. We should remember and act on the solid adage that "there is no true profit in anything that results in a public loss."

My years of experience in Washington have convinced me that the oil and gas industry must undertake and pursue a sound course on this common ground and present facts and a fair interpretation of them.

I believe that the industry has an obligation to the public and to the Government to improve its public relations.

The opposition is working steadily and skillfully. Make no mistake about it. The need for giving the true and factual story is acute. Even while you sit here today, the net of a strangling regulation draws more tightly around you.

We must remember that in this long drawn out problem that at every step of the way, support for the cause of freedom has grown weaker.

The formula for success in combating this trend is quite simple: All that is needed is to present the facts fearlessly and fairly in combating vicious propaganda and then stand together for the common welfare, working together for a finer national economy. You will gain by it. Your children will gain by it. We will all have a greater and more prosperous future.

A Tribute to Mr. Arvid Lundell

EXTENSION OF REMARKS
OF
HON. LOUIS C. RABAUT
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 6, 1958

Mr. RABAUT. Mr. Speaker, under leave to extend my remarks, it is a great pleasure for me to say a word concerning a constituent of my district and my friend, Mr. Arvid Lundell. The purpose of my remarks is to make known his service to the Government. As president of the Colonial Broach and Machine Co., he brought his vast knowledge and business experience to his position as adviser to the Director of the Metalworking Equipment Division, Business and Defense Services Administration, United States Department of Commerce. His great knowledge of machine tooling from the smallest to elephant-size production was a valuable asset to the Government.

Mr. Arvid Lundell, of 799 Lochmoor Road, Grosse Pointe Woods, Mich., president of the Colonial Broach and Machine Co., New Methods Steel Stamps, Detroit Tap and Tool, and director of the Peoples State Bank, of Hamtramck, Mich., has completed 6 months of Government service in the capacity as adviser to the Director, Metalworking Equipment Division, Business and Defense Services Administration, United States Department of Commerce.

Mr. Lundell's vast and varied business experience made it possible for him to participate in the development of many vital mobilization programs of BDSA. Mr. Lundell spearheaded the M–day machine tool trigger program—the first phase of which was completed during his tenure with the Metalworking Equipment Division. This program is considered by most mobilization officials as one of the foremost and progressive of the Nation's mobilization programs.

The primary objective of the M-day trigger program is to buy essential time in producing the machine tools required for critical military end products. This is accomplished by placing with individual machine tool builders, a firm and definite contract that would permit the carrying out of the required production schedules on a practical and economic basis. This permits detailed planning of bills of materials, facilities, and production equipment requirements, subcontracting, and related production problems.

Approximately 91 machine tool builders have contracted to participate in the first phase of this program, covering approximately 15,298 general purpose machine tools having a value of about $233,882,000.

In the opinion of most mobilization officials, this program not only vastly enlarges the mobilization production potential of the Nation, but it also saves the Government millions of dollars through the comprehensive planning and programing that has been undertaken during a cold war period as contrasted to the problems and difficulties that would be encountered during similar programing under mobilization conditions.

Mr. Lundell also participated and was able to offer his industry experience in the development of the critical machine tool and elephant machine tool programs. These programs will enable the Metalworking Equipment Division, Office of Defense Mobilization, Department of Defense, and other appropriate Government agencies program intelligently to meet critical machine tool production areas under mobilization conditions. Recently, Mr. Lundell activated a Government program that had for its objective the channeling of surplus machine tools into the junior high schools, high schools, technical schools, colleges, and universities, to better train the youth of the Nation, and to provide dispersal of machine tools which would be of vital importance in the event of an attack upon the country. This program has been widely acclaimed by Congressional and educational leaders, and it is anticipated that it will strengthen the overall mobilization preparedness of the Nation through its aspects of expanding the opportunities of providing technical and practical training of the Nation's youth.

Mr. Lundell has taken an active interest in the executive reserve program of the Metalworking Equipment and Business and Defense Services Administration, and during the past 6 months has enlarged the Metalworking Equipment Division participation in this program so that as of the present it covers 51 reservists from approximately 16 States and the District of Columbia. Mr. Lundell, on his return to Detroit, will continue his participation in this program, and he has been assigned to direct and supervise the metalworking equipment program in the area.

On May 6, Mr. H. B. McCoy, Administrator, Business and Defense Services Administration, presented to Mr. Lundell on behalf of the Secretary of Commerce, a certificate of merit in recognition of his outstanding Government services during the past 6 months. In addition, the Secretary of Commerce gave Mr. Lundell a personal letter of congratulations. Mr. H. B. McCoy presented to Mr. Lundell a flag that was flown over the Capitol as a token in recognition of his services to the Nation, Business and Defense Services Administration, and the Department of Commerce. Mr. McCoy, in his own behalf presented a personal letter of congratulations.

Approximately 75 friends, business associates, and Government representatives attended Mr. Lundell's certificate of merit and flag presentation.

Again, Mr. Speaker, Michigan's leadership and know-how served the National Government.

Why Idaho Needs Continued Federal Aid Under the Library Services Act

EXTENSION OF REMARKS
OF
HON. GRACIE PFOST
OF IDAHO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 6, 1958

Mrs. PFOST. Mr. Speaker, through a printing error, a section of my statement supporting the appropriation of the full authorization for the Library Services Act for the fiscal year 1959 was omitted from the hearings of the Labor-Health, Education, and Welfare Subcommittee of the House Appropriations Committee. The section omitted reported the splendid progress made in the State of Idaho under the provisions of this act.

Because I am sure other Members of this body would be interested in the extent to which the Idaho Library program has been accelerated by the Library Services Act, under unanimous consent, I include my full subcommittee statement in the RECORD:

Mr. Chairman, I am here to ask the subcommittee to appropriate for the fiscal year 1959 the full $7,500,000 authorized by the Library Services Act, rather than the $3 million recommended by the President for this program. Only with the full authorization can we make any real progress toward the goal of the Library Services Act—to bring adequate library service to all of our people.

Few States would benefit more from the full authorization of funds than my State of Idaho. More than half of our population is without library service of any kind—about 70 percent of the people have mediocre local libraries.

In 1955, our State legislature recognized the need for more and better libraries by enacting enabling legislation to allow for larger library units and a more adequate tax basis. In 1957, the legislature appropriated money on a biennial basis, and its appropriations were based on the natural supposition that Idaho would received a Federal allotment each year of $72,729—the amount provided under a $7,500,000 appropriation. Not to give it to them is to break faith.

I wish you could see what giant strides have already been made in my State under the Library Services program to date. Rather than try to summarize the accomplishments, I would like to ask permission at this point to insert in the record a report prepared by Mr. Eugene D. Hart, the new State librarian. I am sure it will give you a lift in spirits to read it—as it did me:

"WHY IDAHO NEEDS CONTINUED FEDERAL AID UNDER THE LIBRARY SERVICES ACT

"The following facts show the current status of public library service in Idaho and

graphically show the need for continued Federal aid under the Library Services Act, as a stimulus to further library development and to provide library service to Idaho citizens in the missile age.

"Background information

"More than half of the population of Idaho is without direct library service of any kind. About 70 percent of the population has inadequate library service.

"In 1955, the need for better library service in Idaho was recognized when the Idaho Library District Enabling Act was enacted to allow for larger library units with a more adequate tax basis.

"In 1956, of the 48 States, Idaho ranked 46th in terms of per capita expenditure for public library service. Idaho expenditure per person was less than one-fourth of its neighboring States—Oregon, Washington, and Wyoming. More than one-half of Idaho's population, as compared with an average of one-fifth of the United States as a whole, had no local library service.

"In 1957, an analysis of library statistics in Idaho revealed the following facts:

"The 10 largest public libraries of Idaho served 29 percent of the population, received 76 percent of the income, and loaned 72 percent of the books circulated.

"Of the existing 71 public libraries, 29 libraries reported an annual income of less than $2,000; 20 libraries reported an annual income of less than $1,000; 7 of the smaller public libraries were open 3 hours or less per week.

"In 1957, the Idaho Legislature tripled the biennial appropriation for the Idaho State Library on the basis that Federal funds would be matched with the increased State funds to effect the following program:

"1. The State library would be staffed and administered by trained and experienced librarians.

"2. The State library would provide assistance, guidance, and advisory service to existing libraries.

"3. The State library would give the impetus and guidance necessary for expansion of direct library service in the State through the establishment of district, county, and multi-county library units.

"4. The State library would be a supplementary source of books and materials for other libraries in the State whose collections are relatively small; and would provide direct and mail library service to residents in the State having no other library facilities.

"5. The State library would administer Federal funds and make them available on a matching basis to Idaho libraries extending their services into the rural areas.

"6. The State library would be the focal point to which all Idaho libraries, library organizations, and interested citizens could turn for advice, assistance, and guidance.

"Accomplishments—1957 to date—as a result of Federal aid

"The following accomplishments may be reported to date:

"1. A State librarian and an extension librarian now head a staff of 8 full-time employees as compared with the previous staff of 4.

"2. More books have been purchased and processed in the past 6 months than in the entire previous biennium.

"3. A 2-day conference and workshop for the Idaho State Library Planning Committee was held in January 1958 with approximately 150 participants to plan for expansion and extension of library service throughout the State.

"4. An exhibition bookmobile stocked with 1,600 books has been purchased and is being used to demonstrate the possibilities of mobile library service in Idaho.

"5. A monthly publication, Library Gems, has been started. This is to provide a continuing medium of communication with respect to current library developments in Idaho.

"6. The State library has assumed responsibility for compilation of statistical information on Idaho libraries.

"7. The State library has joined the Pacific Northwest Bibliographical Center in order to provide more complete interlibrary loan service to the libraries and the citizens of Idaho.

"8. Federal matching funds have been allocated to three district libraries in Idaho at the rate of $1 Federal for each $1 district library funds to provide more adequate library service. Additional Federal funds are available to other newly formed district libraries as a further stimulus to the establishment of larger units of library service and for the promotion of rural library service.

"9. Eight educational films for the promotion of library service have been purchased and are available to public libraries, groups and organizations interested in promoting more adequate library service.

"10. A revision of the library laws of Idaho has been published.

"11. The State library is providing a substantially increased service to individuals, schools, communities, and small public libraries as a result of its increased funds and staff.

"12. The trained staff of the State library is providing technical assistance, advice, and guidance to local libraries and to groups working for more adequate library service or to establish library service where none presently exists.

"Future planning based on continued Federal aid to fiscal year 1961

"The following services are planned by the State library to expand and further promote public library development:

"1. Increased individual assistance and advice to small public libraries on book selection, cataloging, and weeding of collections. There are presently numerous such requests for help and advice which the State library has not yet been able to fulfill.

"2. Three 2-day regional workshops for nonprofessional librarians are to be held within the State to provide guidance in library procedures and techniques.

"3. The State library will provide greater assistance to library board of trustees in planning library buildings and developing more adequate service.

"4. The book and periodical resources of the State library will be increased materially as a source for supplementary materials from which local libraries, communities, and schools may borrow to supplement their own limited facilities. More educational films and audio-visual materials will be purchased for the use of local libraries and local citizens groups interested in promoting library service.

"5. The State library will continue to assist several counties now working actively to create library districts, and to provide Federal matching funds and other assistance as a stimulus for creating larger units of library service.

"6. Additional demonstrations of library service are planned to show the needs and benefits of adequate library service, and the gains accruing from cooperative efforts among smaller library units.

"Curtailing of Federal funds under the Library Services Act, would mean to Idaho—

"1. A decrease of the amount of Federal funds which could be used as matching funds to stimulate appropriation of local funds for the inauguration or increase of rural library service.

"2. A reduction of the staff of the State Library and consequently the service which could be extended to the residents of the State, to schools, and to local libraries.

"3. A limitation of State Library resources—books, periodicals, films, audio-visual materials and consultant service—to which local libraries now turn for special requests, reference materials, expensive and infrequently requested materials.

"Elimination of Federal funds under the Library Services Act, would mean to Idaho—

"1. An end to any type of financial assistance to local libraries, and to the stimulation for the establishment of additional libraries.

"2. Greatly curtail the assistance and guidance given to libraries and to citizens' groups by the State library.

"3. It would probably result in reduction of appropriations at the State and local levels for public library service and thus result in a setback to library development in Idaho, now just getting under way.

"4. The recent gains made in Idaho library development would largely be lost since some are still in the early formative state.

"5. It would be, in effect, a breaking of faith by the United States Congress with the State of Idaho which has anticipated the availability of Federal funds through 1961. The Idaho State Legislature in 1957 appropriated money on a biennial basis and its appropriations were based upon the anticipated revenues for a 2-year period. Withdrawal of Federal library funds at this time would negate the achievements and hopes of those who have worked so hard for library development in Idaho."

Since the report speaks for itself, I won't take up more of the time of you gentlemen here today. I will only say that not only for the welfare of the State of Idaho—but for the welfare of the entire country—I hope you can see your way clear to appropriate the full authorized amount of $7,500,000. We pride ourselves on being the most prosperous and progressive country in the world—the country which provides the most abundant living. Surely we can provide enough money to give all of our people access to a library at which they can borrow good books to read for enlightenment, for education, and for pleasure.

Loyalty Day 1958

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1958

Mr. VAN ZANDT. Mr. Speaker, in over 700 communities of the United States, the Veterans of Foreign Wars of the United States through their local posts sponsored Loyalty Day ceremonies.

On Saturday, May 3, 1958, I delivered the following speech at Ebensburg, Pa., in connection with the Loyalty Day program sponsored by the Lt. W. Garfield Post No. 4963, Veterans of Foreign Wars of the United States:

LOYALTY DAY 1958: SPEECH BY REPRESENTATIVE JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, AT THE LOYALTY DAY CEREMONIES, SPONSORED BY LT. W. GARFIELD POST NO. 4963, VETERANS OF FOREIGN WARS OF THE UNITED STATES, EBENSBURG, PA., MAY 3, 1958

Mr. Chairman, I consider it an honor to have been invited to join you in your annual observance of Loyalty Day.

As many of you know I am a next door neighbor and have visited Ebensburg many times in my capacity as a Member of Congress and as a veterans leader. On every occasion I have enjoyed mingling with you.

You who make up the membership of Ebensburg post No. 4963 of the Veterans of Foreign Wars are to be commended not only

for your accomplishments in the field of patriotism, but especially for today's parade, and for this evening's splendid meeting.

As a member of the Veterans of Foreign Wars I want to join you in giving our great organization the credit it is entitled to for launching an annual nationwide observance of Loyalty Day.

I can recall a period many years ago when the Veterans of Foreign Wars decided to establish an annual demonstration of loyalty on the part of real Americans as a counter-offensive to the May Day celebration of the Communists and their fellow travelers.

This year, as in previous years, from one end of the country to the other hundreds of communities are matching your Loyalty Day celebration with a similar observance.

In each instance you will find spearheading the observance, your organization and mine, the Veterans of Foreign Wars of the United States.

It is fitting that the Veterans of Foreign Wars play such an important role, because it is an organization composed of men who defended their country on the field of battle.

Today as veterans of various wars we refuse to compromise on the principles of true Americanism.

I am not going to confine my remarks solely to our veteran population. But to the contrary, what I have to say here tonight about Loyalty Day is directed to every liberty-loving American.

Loyalty Day, May 1, as a counter observance to the May Day celebration of the Communists, provides an appropriate occasion to lay stress on our blessings as a people.

Moreover, since loyalty is everybody's job, it presents an excellent time to point out the danger of subversive forces within, and the peril of international gangsterism without.

This two-pronged danger should influence intelligent citizens to work more resolutely for a strong united America wherein lies our hope for survival in a divided world.

Never has this Nation been under such a ruthless attack as that levied upon us by Soviet Russia in the form of a cold war. To meet this challenge to our national security we must at all times be vigilant and strong.

In this connection the important sources of our strength as a Nation comprise three major factors:

1. Religion and the Bible.
2. Schools and the education of youth.
3. Americanism and love of country.

From these three basic elements of true Americanism were derived the power and inspiration that built and preserved the Republic. Let us consider them.

First, it should never be forgotten that the vital factor in the moral integrity of an individual and a nation lies in the field of religion.

Our belief in Almighty God is now in a death struggle for survival against Soviet Russia which is dedicated to atheistic communism. This was reflected best by the Communist leader, Lenin, when he said that religion is an opiate of the people.

Recently Mr. Khrushchev said that 99 percent of all Russia is atheistic.

In contrast, Daniel Webster, in commenting on our forefathers who had left the persecutions and restricted opportunities of the Old World, said: "The Bible came with them and it is not to be doubted that to the free and universal reading of the Bible in that age men were much indebted for their right views of civil liberty."

Yes, Daniel Webster considered the Bible "a book which teaches man his own individual responsibility, his own dignity, and his equality with his fellow man."

You and I know that laws are never sufficient without a spiritual desire to comply with them. An adequate definition of spiritual values is difficult.

Yet we know what happens when men have proper respect for Almighty God.

Such men have a deep reservoir of moral strength. Such men are courageous, sincere, honest, patient, and capable of meeting adversity as they discharge their obligations as American citizens.

As I mentioned a moment ago, religion, now seriously challenged, has inspired the greatest leaders of our civilization, and clothed all mankind with the human dignity intended by God.

Since we know that western civilization and the Judeo-Christian religion are at stake, there is a pressing need for militant religion to meet the definite challenge. That means the necessity for rallying to the old slogan and battle cry of "loyalty to God and country," which, interpreted in the words of scripture and in the fine tradition of our civilization, is: "Render unto Caesar the things that are Caesar's, and unto God the things that are God's."

The second vital factor to be considered is our schools and the education of our youth.

It was realized by the Founding Fathers that the spreading of knowledge and wisdom among the body of the people was the major means of determining whether the rights and liberties of the Constitution and the Bill of Rights would be preserved.

But little did our Founding Fathers know there would in time arise in the ranks of educators and social scientists some, and I repeat some, who would attempt gradually to educate the basic philosophy of our Republic away. Teachers who would advocate alien ideologies and a one-world government.

This form of creeping socialism, which has often been used as a veiled protest against the American way of life, moved in upon the American educational system and the country in general in a sly and snefking manner.

For example, by 1949 resolutions petitioning Congress to consider world government had been adopted by 23 State legislatures, although others had earlier repudiated this movement.

But since 1950, after the Veterans of Foreign Wars, the DAR and other patriotic organizations had brought the true meaning of one-world government to the attention of the various State legislatures, 21 of the 23 States rescinded their previous action.

It should also be remembered that this idea of one-world government was, and is still, being taught in some schools.

Let me make it clear that there is no question of a teacher's right to accept, and as a citizen to promote outside the classroom, the premise that capitalism will, or should, be replaced by socialism or any of the numerous forms of world government.

But it is entirely different when teachers use their profession, when appearing before involuntary audiences of their pupils, to become agents, propagandists, and advocates of alien ideologies.

While this has been going on, many teachers neglected to instruct the youth committed to their care in the responsibilities of American citizenship.

In short, let me state frankly that people who are employed to teach the American philosophy of government along with the three "R's" are by no stretch of imagination supposed to advocate to students dreamland forms of government or other radical changes in our social order that would displace the American system which has made us free, prosperous, and mighty as a nation.

I warn all of you tonight to stop, look, and listen. Then think and act as you consider the education of American youth.

Ask yourself this question. Is the curriculum in the schools of the Nation based on historic American principles? What is taught of the meaning of freedom?

Are the young people learning anything about our American heritage and what it has given, and is giving today, to civilization?

Is there anything said about the Christian heritage?

What is being taught the millions of young future voters in our schools about the high duty of loyalty to country?

Frankly, we can render our country and our family no greater service than to insure that our children become loyal, thinking Americans.

Let us not forget that the philosophy of government which controls American youth will control this Nation and possibly the world.

We should also remember that reliable and well-informed sources tell us that cunning forces are working against us in the field of education.

We, of the Veterans of Foreign Wars, believe that the third and last great factor needed to inspire and strengthen us as a people is a double-barreled dose of good old-fashioned Americanism. It will give us a keener and deeper appreciation of our American system of government and those who founded and preserved it.

It will continue to inspire us to keep faith with those illustrious Americans who gave their lives on the altar of freedom.

After all, when we as Americans realize the true value of our blessings, then we will give full time to promoting an unadulterated type of real love of country.

All of these things are part and parcel of the broad field of true Americanism.

I say to you, true Americanism is the most effective antidote to godless communism and the ruthless cold war challenge of Soviet Russia.

By working together to protect, preserve, and to promote American ideals we repay our debt to the American way of life that has done more for more people than any form of government yet devised.

One of the most inspiring features of loyalty day parades such as your parade is the participation of proud Americans whose ancestry may be traced to foreign lands yet who appreciate the precious blessings they enjoy as American citizens.

Loyalty day definitely provides a time for us to examine and restate in terms of today's needs the rights and responsibilities of American citizenship.

Furthermore this will be stimulated throughout the year by an added emphasis on the education of youth, the religious foundation of the American way of life, and by individual and collective effort to learn more of the history and ideals of our great American heritage of liberty and freedom.

As I conclude let me leave this thought with you:

Today we are hearing a lot about the so-called wave of hysteria and fear resulting from the efforts to ferret out Communists and subversive elements in every walk of life.

Let us assure you that we have nothing to fear as a nation if every American worthy of the name will measure up to the high standards of citizenship as embodied in the type of Americanism exemplified by our forefathers and defended to this day on the field of battle by succeeding generations.

In short, these are perilous times, for the Soviet challenge to the American way of life was never more real or of a more definite threat.

Therefore as I conclude this Loyalty Day address let us heed the stern admonition of George Washington, that in times of dire emergency we should make certain that we put only Americans on guard.

Remarks of Hon. Thomas J. Lane, of Massachusetts, Before Knights of Columbus

EXTENSION OF REMARKS

OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1958

Mr. LANE. Mr. Speaker, I wish to include a part of my remarks as guest speaker at the annual communion breakfast of Father Gabriel Druillette Assembly, fourth degree, Knights of Columbus, held Sunday, May 4, 1958, at the Tavern, Gloucester, Mass.

This assembly is made up of members of the fourth degree Knights of Columbus from several cities and towns in Essex County, Mass., and the faithful navigator of this active and energetic organization is Russell W. Parks, of Gloucester, ably assisted by Rodolph J. Pelletier, of Peabody, who acted as master of ceremonies:

Greetings. In the peaceful spring of 1914, Russia was the largest nation in the world, as measured by area, and one of the most backward.

The majority of its people were barely existing; for them there had been scant change or progress during the preceding century.

Under the harsh rule of the Czars, enforced by the secret police, Russia became known as the land where the slightest dissent meant exile to Siberia.

The people outside of the gay and glittering palaces of the aristocracy, lived out their grim and hopeless lives, sustained by black bread and cabbage soup, and faith in a merciful hereafter.

Like the bitter cold and snow which come early to Russia, and leave late, the memory of Ivan the Terrible and his successors, lay heavy upon the land.

And the people were numbed by despair.

Except for the conspirators.

Hate and terror reap the wild harvest of revenge.

Here and there throughout feudal Russia, a few people organized underground cells of resistance. There was little they could do to convince the czars of the imperative need for social, economic and political reforms. In their desperation, they resorted to hit-and-run bombings and assassinations.

Some time before, in the musty halls of the British Museum, a harmless-looking theorist named Karl Marx, had painstakingly selected the data from history to support his claim that only through international socialism, could the people of this world free themselves from their misery.

Young and ambitious radicals like Nicolai Lenin, who had managed to escape from Russia before the secret police caught up with them, were scheming and quarreling in the garrets of various European capitals.

Lenin was the first to realize the propaganda possibilities of the revolutionary book written by Marx and to use it as a springboard to power.

With instinctive cunning, he sensed that the Russian people would grasp at any straw—any promise no matter how visionary it might be—that would offer some way out of the poverty and oppression under which they and their forefathers had suffered so long that it seemed eternal.

Lenin knew that he must prepare for the moment of opportunity.

Meanwhile, from his headquarters in Switzerland he directed the propaganda seeding, and the sporadic terrorism, of his agents operating from the Russian underground.

How long would he have to wait?

In early 1914, the world was at peace.

The Czar had brushed aside the request of moderate elements for some minor changes that would lead to an improvement in the government of Russia, and in the living conditions of its people. His control was absolute. He held all the cards as did all the Czars before him. Russia was regimented and that was it.

Then it began, with a remote and unrelated incident.

A Serbian student assassinated Archduke Francis Ferdinand of Austria-Hungary. This touched off stern reprisals that—through the chain reaction of alliances—brought on the tragedy of World War I.

Nations were fighting nations, and it happened with such suddenness that no one understood why it had to be.

A student had killed a member of the royal family.

But this was no reason for plunging most of Europe into a long and exhausting war, from which some nations have never recovered.

Imperial Russia joined Britain and France against Germany and the Austro-Hungarian Empire.

For a time, the Russians fought well, even though they were poorly equipped, poorly led, and had nothing to fight for.

Defeats on the battlefield, and increasing shortages of food on the home front were more than the stolid and long-suffering Russians could stand.

Even the czar had to recognize that the situation was critical.

Under pressure from some of his advisers, and from responsible elements, he gave way to a provisional government under Alexander Kerensky. It was hoped that the effort to build a parliamentary form of government would inspire the people to carry on the war with renewed vigor.

For victory would mean a new life for the people of Russia.

Most of the people, however, with the sacrifices of war added to the privations they endured in peace, were too weary to care about anything.

Kerensky tried to organize and firm up a government by moderate methods.

But the small band of Communists, led by the fanatics who returned to Russia as soon as they heard that the moment of opportunity was at hand, were not bothered by such scruples.

They knew what they wanted.

They were a tightly knit band.

And they were sure that reasonable men would be no match for the brute force, the lies, and the treachery which they employed to gain their ends.

In the confusion and the indecision which they skillfully promoted to paralyze the moderate groups, the Communists quickly seized the nerve centers of control.

The tragedy of 1917 is that a handful of conspirators were able to take over the great and sprawling nation that is Russia; to consolidate their power; and to subject the people to the iron-handed oppression of a Stalin whose brutality far exceeded the oppressions which have stained so much of Russian history.

Although its western frontiers are in Europe, the vast distances and primitive communications had separated Russia from the European community.

The Communists, fearing the influence of western ideas during the period when they were training their people to accept the new slavery, permitted a few diplomats and technicians to enter that land of mystery, but kept them under constant watch, and allowed them to travel only within a restricted area.

In spite of all the regimentation, and the formidable power they possess, the Russian Communists are not sure that the Russian people really love them.

They saw what happened in Hungary, where years of Communist indoctrination had failed to brainwash the yearning for freedom. At the first real chance, the Hungarians rose in revolt. After days of heroic fighting they had succeeded in winning their independence. Then the Russians summoned their leaders to a conference, from which they never returned. Having betrayed the popular leaders, the Russians then moved into the country with overwhelming force to crush the Hungarian people and enslave them again under a puppet regime, backed by Russian tanks.

This lesson has not been lost upon the Communists.

Although their goal is the establishment of a materialistic society in Russia, and then throughout the world, that will be completely subservient to them, they realize that they must employ different weapons, at different times.

First it is the bloody purge of the opposition within their own country and of deviationists within the party.

Then there is the Iron Curtain period during which they force their people, by enormous sacrifices, to build heavy goods industries, and military hardware.

This is followed by a "peace propaganda offensive," a cynical but adroit campaign to hypnotize the rest of the world and to promote the complacency which makes things so much easier for the Communists.

Now, under Khrushchev, they are copying from the American book on salesmanship.

To make people forget about Lenin, and Stalin, and the facts about communism in practice, Khrushchev is smiling for all the cameras, and frequently manages to work himself into a position where he is gently patting some youngster on the head when the flashbulbs light up the scene.

They have just sent a new Ambassador to the United States who must have memorized that book on How to Win Friends and Influence People.

Exuding charm, he started out immediately on a rugged social schedule, that had him visiting every top official in the American government, and having his pictures taken with them for distribution around the world, of course, and to prove that the United States and Russia are getting very chummy.

It took some weeks for our Government to wake up to the fact that through the agency of this Ambassador, specially trained for this assignment, the Communists were beating us at our own game.

And the logical question came up: Why don't we insist that our Ambassador to Russia be given the same public-relations opportunity over there, in return for the privileges enjoyed by their representative here? If they fail to cooperate, we should restrict the activities of the Russian Ambassador in the same way that the Russians limit ours.

This American reaction is logical and fair.

It illustrates, in a minor way, the difficulties experienced in working out any agreement with the Communists that they will honor.

Having rejected Christian morality because it interferes with their lust for power and their determination to dominate the lives of others, they have become a law unto themselves.

The Soviets have solemnly signed many treaties, and have subsequently broken their pledged word on most of them.

There is no room for mutality in their policy, which is based on one factor and only one factor; whatever is done, or undone, must always exploit others for the benefit of Soviet Russia—first, last, and always.

The Communists insist on a suspension of nuclear tests, and on the strength of this they fool many gullible people who have not yet learned the basic treachery of Soviet foreign policy.

When the United States speaks up for a system of mutual inspection to guarantee that any agreement will be kept on both sides, the Kremlin delays, injects new issues, or changes the subject.

Unfortunately, there are hundreds of millions of ignorant people in this world, and the Soviets are playing on their credulity. The Reds know that these simple and unsuspecting souls, without the training to observe, and compare, and separate the true from the false, are easy game for their never-resting propaganda barrage.

Did I say ignorant people?

At least they have an excuse.

But what about those who have had the advantage of an education, and still are taken in by the Communist line?

Or the officials in some nations who should know better because the record of Communist cruelty and betrayal is no secret who cling to the hope that the Communists will reform?

This leads us back to the question: Why does any human being become a Communist in the first place?

We can understand why some underprivileged people in backward countries who have never known anything but misery all of their lives, will be attracted by the Communist promises, because anything seems better than their present lot.

We are also aware of the radicals who could never get along with anybody, and who see communism as the short cut to positions of absolute power over their fellowmen.

There are also the self-seekers who, without a qualm of conscience, would jump on any bandwagon that seems to be going places.

Saddest of all are the idealists who believed the false promises of communism, and became so deeply enmeshed before they woke up, that it was too late to turn back.

The plans of Karl Marx called for an international revolution by the workers, and the abolition of private property.

This was supposed to lead to a "withering away of the state."

How has Communist Russia carried out this objective? It maintains the largest bureaucracy, and army, and secret-police force, in the peactime history of the world.

Marx proposed a leveling-out or the elimination of distinctions between cities and towns. In Russia today the cities are swollen by the influx of millions from the countryside who exist one family to a room.

Marx wrote of a future society where all would work according to their ability, and receive according to their needs. In Russia today, the gap between the standard of living enjoyed by the top bureaucrats, and the wretched condition of the peasants, mocks the Marxian dream.

According to him, exploitation of one human being by another was going to be eliminated. His Communist pupils, through the power of the state, have kept wages far down and prices up high. That's how they live lavishly, maintain a huge military machine to further their ambitions; and build the heavy industries to catch up with and surpass American production, not to provide consumer goods to improve the lives of their people, but military hardware to enslave the world.

This is not all. Never were so many people tortured and murdered and driven to exhaustion under cover of hypocritical slogans about the abolition of exploitation and oppression as in Soviet Russia during the 40 years of the Communist Party's tyrannical rule of that country.

Marx was convinced that socialism would bring a classless society.

If he could come back from the grave, he wouldn't recognize his theories as the Communists have put them into practice.

Under the guise of the great deceit, they have replaced the older upper class with a new one, their own.

Some Communists have detected the fraud, and a few have spoken out against it.

The most notable was Milovan Djilas, once Vice President of Yugoslavia, and President of its so-called Parliament. He was the right-hand man of Tito from the days when they were fighting as guerrillas against the Nazis. Being intelligent and sincere, he could not forever lie to himself. In time he realized "that communism corrupts those it gives power," turning them into bureaucrats exerting power solely for their own ends."

His conscience would not let him rest.

In 1954, he resigned from the party.

He began to speak and write in a manner that did not parrot the Communist line. He was warned, but he continued to speak his mind. Because he had been one of the top Communists, he was not liquidated. That would be too obvious. Instead, he was thrown into the silence of a prison.

Before this, he had been working feverishly to put his thoughts down on paper. The book he wrote was smuggled out of Yugoslavia, and was published in this country.

Fittingly, it was titled "The New Class."

He describes his growing distrust of communism, as he saw it operate, from a high position and from the inside.

"For what doth it profit a man or a group to gain the whole world and lose its soul?"

Torture, and murder, and grinding tyranny, are no excuse for building up the material power of a nation to serve the whims, or ambitions of a few.

Thousands of slaves died under the lash in the building of the Pyramids, but what happened to ancient Egypt?

The millions who toil for bread alone in the labor camps of Russia, and the millions more outside who are cruelly exploited by their Communist masters will not forever resign themselves to this death-in-life.

And what about the scientists, and writers, and artists, and engineers, and managers of industry? In its drive to become an all-powerful state, and the ruler of the world, the Communists must develop and encourage these skills. Here they run their greatest risk. For people of intellectual ability who are trained to think cannot help but compare the life in Russia with the life outside. The Soviets give the greatest honors and awards to these people, but their greatest need is for freedom in which to develop their talents. Some observers in the Western World count on this group, whose influence is increasing, to bring about a moderation in the rigid controls and the expansionist policies of Russian communism.

This may, or may not happen, sometime in the future, but it would be folly on our part to sit back and wait for communism to disintegrate from internal pressures.

Communism is gambling, cooly and cleverly, for nothing short of world domination.

The Russians have extended their control, and have increased their prestige among the uncommitted nations, at a small cost to themselves.

Communist propaganda is wide awake.

It is constantly harping on peace out of one side of its mouth, while stirring up trouable of all kind from the opposite corner.

It is not enough to point out that some of its charges are ridiculous.

They have a psychological impact that fools many people, and keeps the Free World on the defensive. They are designed to keep us so busy answering these accusations, that we have no time to put forward those constructive proposals that would appeal to world opinion.

The man who coined the phrase "cold war" sized up Russian policy in these 2 words.

The Communists are trying to wear us down by every stratagem short of war. Being realists, they are aware that we have the power to retaliate, which they could not knock out at one blow. Hence, their diplomacy is maneuvering for some trap to disarm us, while they secretly increase their own strength to the point where it would become overwhelming, and we would have no choice but surrender.

Our officials see through the twists and turns of Soviet policy to its central purpose.

We hope that the American people, and the people of the whole Free World, will never "be taken in" by any Communist offer, no matter how relaxing it may appear on the surface.

Communism never relaxes.

It is always probing for a weakness to exploit.

Remember how Hitler did it for awhile?

Then he became impatient and overreached himself, plunging most of the world into a long and destructive war that finally revealed his own weaknesses, and the defects of a totalitarian system that he had imposed on his own people.

It is doubtful if the Kremlin will repeat his mistake.

They will not resort to war until they are certain they can win it.

While they carry on a relentless campaign to confuse, divide, and paralyze the Free World, they are concentrating on the production of intercontinental ballistic missiles, and a huge submarine fleet. Under this plan, our cities could be devasted, and our allies would be cut off from our reinforcement and supply.

Basically, of course, the Communist menace depends on blackmail, and intrigue, backed by the means to destroy.

Allen Dulles, Director of our Central Intelligence Agency, has recently warned us that the steel production of the Communist bloc exceeded ours during the first quarter of 1958.

In 1917, Russia, as an industrial nation, was 50 to 75 years behind the rest of Europe.

Now it is in second place, and is making every effort to surpass the United States.

This backbreaking demand has taken its toll of the Russian people, who are beginning to groan and grumble under the load.

Khrushchev is not blind to this.

He may consider it expedient to work for some disarmament agreement that would result in a cutback of conventional armed forces. He needs more civilian manpower for agriculture and industry in order to provide the Russian people with more food and consumer goods, so that they will work even harder in the service of communism and its global objectives.

We must never forget that communism, being atheistic, demands complete and slavish obedience to the state.

Hoving no scruples, it is tricky.

The Communists look at other people, not as human beings endowed by their Creator with certain unalienable rights and responsibilities, and with a soul that is answerable only to God.

To them, people are just mechanical parts to be assembled, and run until they break down, when they will be replaced by other parts to serve the complex machinery of the state, and the new class that sits in the driver's seat.

Religion, democracy, humanism, reverence of God, respect for the dignity of man, kindness, and cooperation—all the values that

helped us to climb from the Stone Age to the present level of civilization—are threatened by this evil force.

What can you and I do about it?

As Americans of the Catholic faith, we must, in all our actions, work to promote the spiritual as well as the material strength of the United States, which is the champion of freedom.

It is necessary that we give greater support and encouragement to the education of our youth, so that mental and spiritual power shall build for us the strength that communism can never challenge.

It is our duty to help those peoples less fortunate than ourselves. Surely we can give some assistance to backward and undeveloped nations, particularly those that have recently won their freedom. Like infants just learning to walk, they are a little unsteady. If we give them just a small portion of our strength so that they may develop theirs, we will win their trust and confidence. For the greatest virtue of democracy is not merely the life-giving freedom and opportunity that it has created for us. It is, rather, in the generous spirit that would lend a hand to others so that they, too, will be able to earn these blessings.

When we speak of the United States and its resources, we mean more than its material progress.

More than its scientific farms and its amazing industries.

More than its government which is the agent of the people.

We mean its churches, and schools, and homes—and the American character that is developed by their example and their inspiration.

Here is the real strength for good of our new world.

I do not underestimate communism. It is powerful and dangerous. It is determined to enslave us or destroy us by one means or another.

But we have the greatest resource of all—our faith in God and in freedom.

If we truly live this faith, we shall seize the initiative, and we shall find the means to reach through to the Russian people.

That is the challenge and the responsibility.

As Knights of Columbus, we, too, place our faith in God, as we set out to discover a way of reaching our brothers in Christ who suffer behind the Iron Curtain.

There is no convenient compass, or road map, to guide us.

And the unknown obstacles in the way will prove to be many.

But, like Columbus and the pioneering spirit that he brought to America, we must, and will establish contact with the Russian people.

The secret fear of all Communists is that Russians and Americans will meet and discover their unity as human beings.

When that day comes, communism is doomed.

Michigan and Its Accomplishments

EXTENSION OF REMARKS
OF
HON. LOUIS C. RABAUT
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 6, 1958

Mr. RABAUT. Mr. Speaker, this is the time of the year that the people of Michigan set aside to publicize and make known the benefits of being residents of the Wolverine State. The people of Michigan have much to be proud of since during the long and glorious history of their State they have been blessed with an abundance of natural resources, human achievement, social and technical progress, and dynamic leadership.

When most people consider Michigan they automatically think of the automotive industry and justly so. Michigan is the automotive center of the world, but the automotive industry is by no means the only industry in our great State. Michigan contains over 12,000 factories with over one and a half million employees. Michigan, besides being the leading manufacturer of automobiles, also ranks first in the production of automotive trailers, grey iron, cutting tools, woodworking materials, breakfast foods and refrigerators. The State of Michigan is also one of the leaders in the production of metal stampings, drugs, refrigeration equipment, sporting and athletic goods, steel, furniture, chemicals, and paper. The Dow Chemical Co., one of the largest chemical producers in the world, has its headquarters in Michigan. Kalamazoo is known throughout the world as the "paper city." The industrial capital of the "arsenal of democracy" is Detroit, part of which I am privileged to represent. On a per capita basis, no other major city has an equal number of factory workers or as large a volume of manufactured products. Detroit's industry is also diversified. Besides the automotive industry it ranks first in pharmaceuticals, adding machines, foundry products, paints and heavy chemicals. Detroit also uses over 10 percent of the Nation's output of finished steel. No other major city in the United States has as high a proportion of its families living in single, detached homes. Detroit is also the healthiest city in the world. It has been the recipient of the National Health Contest three times and has the lowest death rate of any city with more than a million inhabitants. Detroit is the Nation's third ranking city in business and industry while remaining fifth in population.

But industry and commerce are not the only factors that make the people of Michigan proud of their State. In the field of agriculture Michigan ranks 10th or higher on production of the Nation's 20 major crops, although ranking only 22 in area. Michigan leads the country in the production of tart cherries, navy beans, celery, cantaloups, strawberries, and chicory. Michigan ranks second in the country in the production of plums, carrots, field beans, cauliflower, red clover seed, onions, blueberries, and is one of the leading commercial producers of apples. Wayne County, which includes Detroit and is the industrial center of the State, leads the other 83 Michigan counties in production of sweetcorn.

Besides being blessed with a great industrial capacity and an agricultural abundance Michigan is also a leading vacationland. Michigan has four times as much water covered area as any other State. Our neighboring State of Minnesota brags about having 10,000 lakes while we of Michigan make little of the fact that we have 11,037 inland lakes. Michigan also contains 36,350 miles of streams and 3,121 miles of Great Lakes shoreline.

Michigan is also a sportsman's paradise. More fishing licenses are sold annually in the State of Michigan than any other State. The finest trout fishing in this country is found in the streams of Michigan. The Wolverine State also leads the country in the number of State parks and campsites available to the public. Hunting is also a leading vacation feature offered in Michigan. The annual deer herd of Michigan, averaging 700,000 in number, is the largest east of the Rockies. Isle Royale National Park, Mich., is noted for having one of the largest remaining herds of great antlered moose in the United States. Furthermore, in the State of Michigan one is never more than 6 miles from a lake or stream. People from throughout the United States come to Michigan every year to enjoy the scenic splendor, grandeur, and hospitality that Michigan and its people offer the year round.

Michigan has also been a leader in the field of transportation. The story of the automotive industry and its development as a basic part of the American story and its great contribution of putting America on wheels has played a major role in the development of the vast transportation and highway systems that are an integral part of our social and economic life. One of the first cement highways in the world was built in Detroit in 1899. The Ambassador Bridge between Detroit and Canada is the world's longest international suspension bridge. International Bridge, one of the world's largest jackknife bridges, spans the American locks, St. Mary's Rapids and the Canadian locks at Sault Sainte Marie. The newest achievement in this field is of course the opening of the Mackinac Bridge at the Straits of Mackinac. The Mackinac Bridge is the longest suspension bridge in the world. Including anchorages, but excluding any approaches, its length is 8,614 feet. Including approaches the total length of the bridge is 23,195 feet, almost 5 miles. Michigan is particularly proud of this new engineering achievement. One of the most important aspects of the bridge that the people of Michigan are justly proud of is that the bridge itself was built without any Federal assistance. Linking the two peninsulas of the State the Mackinac Bridge will stand forever as a fitting monument to the people of Michigan.

Michigan is also America's largest inland water trade center. The Detroit River is the busiest waterway in the world and Detroit is the third largest port in the country in dollar volume of cargo handling. Detroit is the No. 1 port for trade with Canada, the United States best customer. The Detroit River also carries more tonnage than the Rhine, Thames, Seine, and Volga combined.

Michigan has also been a leader in the field of education. Michigan was the first State to assure every child the right to a tax-paid high school education. Michigan was also the first State to provide in its constitution for the establishment of a public library system. Michigan also leads all other States in the number of organized 4–H Clubs, with

well over 5,000 throughout the State. Michigan was the first State to organize school safety patrols over 25 years ago. The State has also been a leader in the field of juvenile welfare. The first State school in the Nation for neglected and dependent children was established in Coldwater in 1875.

Michigan has also shown the way in higher education. The University of Michigan, founded in Detroit in 1817 and moved to Ann Arbor in 1837, is regarded as the "mother of State universities" because of its leadership in the development of State-supported higher education. The University of Michigan is listed among the Nation's 5 or 6 leading universities. It is fourth in size among American universities and ranks first among State universities in the number of alumni listed in Who's Who in America. Among other achievements of the University of Michigan that we of Michigan are justly proud is the fact that it is the first university to be governed by a board of regents elected by the people; it is also the first university to admit women. The school of public health, established in 1941, was the first such school established in this country. The university center of Japanese studies is the only one of its kind in the United States. The University of Michigan law school ranks as one of the finest in this country and it has one of the foremost law libraries in the Western Hemisphere.

Michigan is also proud of its other major institution of higher learning, Michigan State University. Ranking as 1 of the 10 largest universities in the country, Michigan State University was founded in 1855, when it established the first agricultural college in the United States. The first commencement exercise in 1861 was canceled in order that the entire class could be excused to enlist in Howland's Engineers for service in the Civil War. Michigan State has also achieved many "firsts" on the field of education. The first building for the teaching of scientific agriculture in America was established at Michigan State in 1857. It was also the first land-grant college to admit women. In the field of scientific agriculture, the first hybridization of corn was done at Michigan State in 1877. In 1888 it established the first horticulturist laboratory in this country. It has also achieved many firsts during the last 40 years. It was the first college in the Nation to employ radio, having its first broadcast in 1924, and it also was the second college in the country to establish a fully equipped television station.

Michigan has also been a pioneer in the field of public health. This year the Michigan Department of Health celebrates its 84th year of service to the people of Michigan. During the long and dedicated history of the Michigan Department of Health it has helped bring about many changes to further the health and welfare of people everywhere. The department developed one of the first effective vaccines for protection against whooping cough and was one of the first States to remove tuberculosis from the welfare category and declare that payments for hospitalization was for the protection of the public health. Michigan also pioneered free X-rays for the detection of tuberculosis, and in October 1940 it had one of the first mobile X-ray units in the world. The famous Kahn test for syphilis was developed in the Michigan Department of Health laboratories. Michigan has some of the best water supplies in the Nation. Eighty percent of the population drinks water from supplies approved by the health department and not one case of typhoid fever has been traced to the water supply since 1934. Michigan is the leading State in providing community programs for the application of sodium fluoride solution to the teeth of children for the prevention of tooth decay. Michigan's program for the screening of children for defective vision and for improving visual environment was the first program of its kind to be undertaken on a statewide basis. Michigan is the only State in the country preparing and distributing antihemophilic globulin used in control of hemophilia. The Michigan Department of Health was the first State agency to distribute blood plasma to hospitals and physicians for civilian use. The first low-cost incubator for premature infants, now in use in every State and in 44 foreign countries, was developed by the Michigan Department of Health. Michigan also initiated the first State program of consultant service to hospitals on care of mothers and newborn babies. Michigan was the site of the first Governor's Conference on Mental Health. Held in 1954, the conference was the first concerted effort of the States to lay out a program to combat this serious social problem. Michigan has done much to improve the general health of all its people and it has contributed much to the betterment of the health and well-being of people everywhere.

Michigan has led the way in many other fields too numerous to mention, and the Wolverine State will continue to display the indomitable spirit and determination that has gained it a worldwide reputation. The people of Michigan are justly proud of their heritage and during Michigan Week they want to share this feeling with everyone. The people of Michigan have a proud and glorious past and they look to an even greater future as the Wolverine State continues to work for the betterment of all people.

Communistic Political Aspects of Statehood for Hawaii and Alaska

EXTENSION OF REMARKS

OF

HON. JOHN R. PILLION

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1958

Mr. PILLION. Mr. Speaker, on April 13, 1958, I made a television broadcast over the CBS network on the subject of statehood for Alaska and Hawaii. The following is the text of that broadcast:

Bills to admit Hawaii and Alaska as States will be acted upon by Congress very soon.

Hawaii would have 2 Senators and 2 Representatives.

I have said, in and outside Congress, that, in granting statehood to Hawaii, we actually invite four Soviet agents to take seats in our Congress. They will be carefully selected by Communist agents, cleverly following the Soviet party line, although always appearing to be merely liberal. I repeat this statement.

Most advocates of statehood have sincere motives. They believe in the right to vote.

The right to vote can be a misleading slogan.

Last month, 99 percent of the Russian voters voted for Khrushchev's candidates. These people exercised their right to vote.

But this isn't the effective political equality that we believe in.

The civilian population of Alaska is 160,000. The total vote, in the last 1956 election, was only 26,266.

Statehood would grant to this handful of citizens 2 Senators, 1 Representative, and 3 electoral votes, in choosing our President.

Alaska's 2 Senators and its excessive power, for example, would nullify the will of California's 14 million people, of Illinois' 10 million people, of Georgia's 4 million people, and of the voters in each of the other 48 States.

The voters in Alaska, with 3 electoral votes, would have 5 times the voting power of your vote and mine, in electing a President.

The framers of our Constitution founded a Republic, combining the best features of both Federal and national types of government.

The powers granted to the Federal Government were limited, reserving the residual sovereign power to the States and its people. The plan of two Senators to be selected by each State legislature conformed to the Federal nature of our Government.

There have been drastic changes in our Republic.

The President and the Senators are now elected directly by the voters.

The Senators are accountable only to their constituents and are no longer responsible for preserving the powers of their States. Their prime interest must lie in expanding national power to satisfy their areas with Federal funds.

The National Government has assumed powers wholly beyond the original concept of our Constitution.

Expenditures and taxes are a fair estimate of the exercise of political power.

The people of this country pay a total tax of more than $100 billion per year. The National Government takes 75 percent of this. The remaining 25 percent goes to support the State, local, and school governments. By this test, we have evolved from a Federal republic into a national democracy.

Twenty-five States, with a population of 31 million people, constituting only 18 percent of the Nation's population, control 50 votes and have the majority power in our Senate.

This imbalance of power is a prime factor in our huge Federal bureaucracy, its wastages, and the consequent huge Federal taxes. Every question in Congress, even defense, is tinted with practical politics.

I imply no criticism of the Members of the United States Senate. They are all hard-working, honorable gentlemen.

But, it is a paradox, that the harder they work, the greater our expenditures and taxes become, and the weaker our Nation.

The Senators, too, are the victims of this great and, perhaps, fatal weakness in our constitutional structure.

Statehood for Alaska and Hawaii is repugnant to the proper apportionment of representation for a national democracy. It violates our ideals of political equality. We cannot, of course, reapportion the Senate. But let's not make our condition any worse.

Now I shall attempt to establish the relationship between the Communist Soviet Government, the Communist Party of the United States, statehood for Hawaii and Alaska, the Supreme Court of the United States, and our Congress.

William Z. Foster is chairman of the American Communist Party. The Baltimore Sun of March 23, 1958, reports his plans, printed in the Moscow Kommunist magazine. This is the official bible of international communism.

His orders are to agitate for a peace crusade, create dissension among farmers, Negroes, and the unemployed.

He says that since 1955, there is no law to fear and his orders are, full steam ahead.

Mr. Foster has reference to the series of Supreme Court decisions since 1955. The Nelson case invalidated every antisedition law of the 48 States.

The Yates case states, in effect, that "we must be on the brink of a successful revolution, before the Federal Smith Anti-Sedition Act can be invoked."

The recent Supreme Court decisions have paralyzed all efforts to control Communist subversion.

These decisions were made despite the findings by Congress, by the President, by the FBI, and by the Attorney General, that the Communist Party is a subversive integral agency of the Soviet world conspiracy; that Communists owe their allegiance to the Soviet.

The Supreme Court's decisions even shackle the emergency powers of our President.

This is a fantastic and frightening state of affairs.

Statehood for Hawaii is a major objective of the Soviet conspiracy to which Mr. Bridges and his unions lend themselves.

We show you a photo of Chairman Charles Fujimoto announcing the program of the Hawaii Communist Party. He says, "We favor statehood." Period.

The Communist power in Hawaii emanates from two unions, the International Longshoremen's and Warehousemen's Union and the United Public Workers Union. Their abbreviations are ILWU and UPW.

Both of these unions were expelled by the CIO in 1950 on the ground that their policies follow the Communist Party and that Communists control these unions.

The ILWU has a membership of 25,000 in Hawaii. Harry Bridges, next to William Z. Foster, is the greatest force aiding American communism. He is the international president of this union. Louis Goldblatt, who was expelled from England as an international Communist agent, is secretary-treasurer.

Jack Hall, an identified Communist, is the regional director in Hawaii.

The UPW is headed by Henry Epstein who claims that its membership increased by 1,000 in the past 2 years to 3,000 members. Most of its officers are also Communists. They control the vital transport, waterworks, fire, and even the sheriff's department.

I show you an article in the October 1956 American Legion magazine by Victor Riesel. He is the courageous labor columnist who has done so much to protect the decent rank and file union members against labor racketeers and labor Communists.

One of these photos shows:

Harry Bridges drinking a toast with Mr. Molotov.

I quote from this article:

"Last Christmas week, Russia's top geopoliticians announced that the Kremlin considered Hawaii a colonial power. Last New Year's Eve, the Kommunist magazine stated that Hawaii and American Samoa must be liberated by revolutionary action.

"Comrade Khrushchev knows that the first phase of Harry Bridges' political and industrial infiltration is completed.

"His well knit disciplined voting machine can deliver 40,000 votes. It is the power on the island."

Mr. Bridges rules a Communist collectivized kingdom in Hawaii.

I now quote from the Hawaii Commission on Subversive Activities Report of 1955:

"The ILWU has established 16 book lending libraries. Their books are uniformly subversive, teaching race hatred, ridiculing religion, glorifying Russia and Red China and teaching military techniques for mass labor and political strikes.

"The ILWU uses 4 radio stations to broadcast their communistic propaganda, every day, in the English, Japanese, and Filipino languages.

"The ILWU expends more than a quarter of a million dollars a year for treasonable propaganda."

The ILWU of Hawaii operates in both the Republican and the Democratic Parties. It is just now reaching the peak of its power.

I show you reports of the 1954 elections by the two largest Hawaii newspapers, the Star Bulletin and the Advertiser.

The headings are: "Jack Hall Says Unions Get Credit for Victory," "Labor Backed Candidates Did Well in Isle Elections."

I quote from these reports:

"The survey shows the ILWU gave its endorsement to 71 candidates. A total of 58 were elected.

"In the house of the legislature, 28 out of 30 were endorsed; 22 of the backed candidates won."

Now in the last 1956 elections, the ILWU did better than in 1954.

I show you a clipping of the Star-Bulletin. The heading is "ILWU Backed Candidates Won in 26 of 28 Contests."

I show you a listing of all of the 15 senators and 30 representatives in the Hawaiian Legislature. The "x's" indicate ILWU endorsements.

Six out of 15 Senators are so endorsed.

Twenty-one out of 30 representatives were elected with the ILWU endorsement.

I show you this page of photographs from the Honolulu Star-Bulletin. It shows the agents of the ILWU and the UPW operating with the legislature in the Iolani Palace, the Capitol Building.

On November 8, 1956, Governor King forced the resignation of his attorney general for attending a testimonial dinner for Jack Hall. Governor King was not reappointed.

In the 1956 elections, William F. Quinn accepted the ILWU endorsement for senate. He is now the Governor, succeeding Governor King. I show you newspaper accounts of Governor Quinn tendering a public appointment to Jack Hall as a member of his traffic commission.

It is an accepted political fact in Hawaii that you can't receive the recommendation of the Interior Department for a Presidential appointment without the blessing of the ILWU.

I would like to pay special tribute to Dr. Lyle Phillips, to the Dillingham family, to former Governors Judd, King, and Stainback, to the Hawaii Residents' Association, for their courageous fight against communism in Hawaii, at great personal sacrifice.

The International Fishermen and Allied Workers of America is one of the largest unions in Alaska. It was expelled from the CIO in 1950 as being Communist controlled. The next day it joined Bridges' ILWU. It is Bridges' beachhead in Alaska, today.

Just as soon as statehood is granted, Bridges can and will send 100 organizers into Alaska. It will be "apple pie" to take over its politics.

The chain of command, the line of discipline will be completed from Moscow to Foster to Bridges, to Honolulu and Juneau, Alaska, then into our Congress.

By the way, Mr. Eugene Lyons, senior editor of the Reader's Digest magazine, has a fine article on communism in this same American Legion edition of October 1956.

The last poll in Alaska shows the people there voting 2½ to 1 against statehood. Certainly, we ought not impose statehood upon them against their will.

I thank you for your interest.

The Security of the Country Demands an Increase in Size of the Army

EXTENSION OF REMARKS
OF

HON. OVERTON BROOKS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1958

Mr. BROOKS of Louisiana. Mr. Speaker, on May 5 I appeared before the Appropriations Committee to urge approval of additional funds to increase the size of the Army to 925,000.

Special Subcommittee No. 1, of which I am chairman, has held extensive hearings on the adequacy of the strengths of the military services and the Reserve components. After hearing the testimony of our military strategists, all of which was taken in executive session under oath, I am convinced that the security of the country demands an increase in the size of the Army.

Certainly, world conditions do not justify our cutting the Army to 870,000 but rather indicates that we should increase it to 925,000.

So that all Members of the House may be informed on this important matter I am including the statement I made before the Appropriations Committee, the statement of Hon. CARL VINSON, chairman, Armed Services Committee, which was sent to the Appropriations Committee for insertion in the record, and a letter I have received from the Director of the Army Budget, Maj. Gen. David W. Traub, which shows the cost of increasing the size of the Army from 870,000, as recommended in the President's budget, to 925,000:

STATEMENT OF HON. OVERTON BROOKS OF LOUISIANA

Mr. Chairman and members of the committee, I wish to thank you for permitting me to appear before you today in support of an increase in strength of the United States Army to 925,000.

I regret that Chairman VINSON cannot be with you today, but I know you recognize that the full Armed Services Committee is holding both morning and afternoon sessions on the proposed reorganization of the Defense Department. In lieu of making a personal appearance I understand he has submitted a statement for the record which concurs in my views to the effect that the size of the Army should be increased.

At the outset I should tell you that shortly after the Congress convened the chairman of our committee appointed several subcommittees to conduct inquiries, on assigned subjects, concerning the state of the national defense. As chairman of Special Subcommittee No. 1, I was assigned the following

mission: "To conduct an inquiry into the adequacy of strengths of Army, Navy, Air Force, and Marine Corps, and Reserve components (including National Guard), to meet assigned missions for the defense of the United States, and to comply with treaty obligations. Soundness of a stable force concept for the foreseeable future. Analysis of the present combatant capabilities of armed services, including major combatant forces (aircraft, divisions, naval vessels, etc.). The capability of our Armed Forces to wage nuclear, conventional, limited and/or total war."

Subcommittee hearings were held on these important subjects in executive sessions, with all witnesses put under oath. We took testimony from the Chief of Staff of each service and the Chief of Naval Operations and the Commandant of the Marine Corps. In addition, we heard from the Assistant Chiefs of Staff for Operations in order to get the full picture insofar as material and equipment were concerned.

Now much of this testimony was of the highest security classification but I can say in this open session that the Chief of Staff of the United States Army is definitely of the opinion that the security of the United States is being impaired by the drastic reductions in the size of the Army.

When will this country learn that we should not pare down our Armed Forces to a point where it invites aggression?

Haven't we had sufficient experience following World Wars I and II to realize that we are now repeating these sad chapters in our history?

Are we all so complacent that we fail to recognize that the Soviet Union is watching these moves with the greatest of interest and satisfaction?

What has changed in world conditions which justify our taking this drastic action?

The Soviet Union still maintains over 2½ million men in its land forces, to say nothing of the millions under arms in its satellites. This force is not all needed for the defense of the Soviet Union. Is Russia keeping all of these 175 Soviet divisions in the field fully equipped with modern tools of war because it fears our 5 divisions in Western Europe may go on the march?

We have started the same old pruning business all over again. In 1956 we had a strength of over 1 million in our Army. In 1957 it was cut to 950,000. By July 1, 1958, it will be down to 900,000. And if that isn't enough, we plan to cut it to 870,000 by the end of this next fiscal year. By that time we will be down to 14 divisions. Mind you, I said 14 divisions.

Logistic and support forces are being decimated. The Strategic Army Corps is being riddled. We will have two divisions in Korea without a division in reserve—not a division for replacement.

Does time pass so quickly that we have all forgotten that our forces were almost pushed into the sea by the Chinese Communists in Korea in 1950? One of the reasons was that we had no replacements, no divisions in reserve.

The American soldier is the finest fighting man in the world but you can't expect the impossible of him. He is not a superman. He needs rest and relief and replacements for combat losses just like any other army in the field.

Of course, I recognize that we have built up a substantial force in Korea made up of Republic of Korea troops, but, even so, about 15,000 Korean Army troops will have to be used to fill up United States combat and logistical units which cannot otherwise be kept at full strength.

We cannot expect the Republic of Korea troops to carry the entire brunt of battle if the Chinese Communists again go on the march. If we do we will not be keeping faith with the thousands of Americans who laid down their lives between 1950 and 1953 in order to keep South Korea out of the hands of the Communists.

All of the leading military strategists who appeared before my subcommittee agreed that the possibility grows, day by day, that we may be reaching a stalemate insofar as an all-out atomic and hydrogen war is concerned. Both the United States and the Soviet Union are rapidly approaching the point where their arsenals will be bulging with weapons of such utter destruction that neither side will dare use them against the other for fear of retaliation. But this fear does not extend to conventional warfare and these same military strategists have urged us not to permit our Army, Navy, Air Force, and Marine Corps to be decreased to the point where they may, for all practical purposes, become impotent.

If we are to maintain our international commitments there is a point below which we cannot decrease our forces and, at the same time, provide for our own security. We have reached that point. It has become necessary for our Strategic Army Corps to become training divisions because each of these divisions are required to accept 6,000 trainees who are receiving basic training in order to keep the strength up to an acceptable level. This same Strategic Army Corps is the one which will be committed to battle immediately in case of an all-out war. So, if we do not change this plan we will do as we have done before—send partially trained men into the worst type of combat.

The Chief of Staff of the United States Army has stated unequivocally that we have had to reduce our support type logistic units in Europe to the point where they are only marginal. Any further reduction will be disastrous. Both General Norstad and General Gruenther have expressed the feeling that the ground forces in Europe at the present time are unduly weak.

Has this great country come to the point where we cannot afford to adequately support our troops deployed overseas?

Mr. Chairman and members of the committee, one of the matters stressed over and over again to my subcommittee by members of the Joint Chiefs of Staff was that we should have a stabilized force. We should put an end to the peaks and valleys which continue to occur in our military strength. If we would stabilize our forces we could make great savings and we could put an end to the personnel turbulence that characterizes an army that is going up or down. There would be lesser requirements for the intake of new people, lesser requirements for men who would be either trainers or recruits, so that out of the total force, in a matter of 1 or 2 years, the Army could anticipate much greater combat effectiveness. There would be fewer in training camps being trained or giving training and those men would therefore be in combat units for greater effectiveness.

General Taylor says that he could not begin to estimate the savings but he believes they would be great and certainly, in terms of combat effectiveness, there would be great savings.

The Chief of Staff of the United States Army has said that in his considered judgment he believes that the minimum size of the United States Army should be 925,000, and I submit to you that if we do not peg the size of the Army at that figure we are allowing budgetary considerations to override considerations of national security.

STATEMENT OF HON. CARL VINSON, CHAIRMAN, HOUSE ARMED SERVICES COMMITTEE

For the past 3 years I have watched the continuing reductions in our armed services with growing concern. The situation has deteriorated to a point where I can no longer remain silent. In my judgment the time has come to take a stand and that is the object of my appearance here today.

In order to have a clear perspective of our situation, let me briefly review the current situation with reference to our armed services.

In fiscal 1959 the Navy is programed at a strength of 630,000. With that manpower strength it will operate 864 active ships, of which 396 are warships. Included in this total are 14 attack carriers which, with their assigned carrier air groups, constitute a potent nuclear deterrent and, in addition, have an outstanding capability in the field of conventional war. Of course, the Navy is developing its family of missiles, as are the other services, and I think it quite likely that the *Polaris* submarine and its assigned missiles will prove to be the most important advance which we have made in the missile field.

I realize that the Navy has heavy responsibilities and probably desires to have greater numbers of both men and weapons. But, in the current balance of forces, I think our Navy is strong, highly efficient, and fully capable of discharging the missions currently assigned to it.

The planned manpower strength of the Air Force for fiscal 1959 is 850,000. With this manpower the Air Force will man 43 strategic air wings, 27 air defense wings, and 35 tactical air wings, for a total of 105 wings. In addition, the Air Force is in the process of activating units to man the various new missiles which will become operational beginning in 1959.

In addition to replacing our B–36's with B–52 jet bombers, a recent decision of the Secretary of Defense will add an additional number of B–52's over those previously planned. Limited procurement of the B–58 supersonic jet bomber is also scheduled for fiscal 1959.

I think all of us will agree that the great striking power of the Strategic Air Command, their high degree of training, and their ability to react within minutes, has been the greatest deterrent force which we have possessed in our military arsenal. Obviously the Soviet Union is well aware of that capability and of our determination to maintain it.

But I want to point out that if the Strategic Air Command is required to drop a single atomic or hydrogen bomb, or fire a single long-range missile with an atomic warhead—in anger—those weapons will have completely failed in their primary purpose—to deter a third world war.

This brings me to the principal reason for my appearance—the future of the United States Army.

On January 26, 1955, Secretary of Defense Wilson appeared before the House Armed Services Committee to discuss our military capabilities. For some time prior to his appearance I had been urging a national military policy which was based upon a stabilized-force concept. For 40 years I had watched the rise and fall in military strength and preparedness, and had witnessed the tragic results of our unwillingness to remain militarily strong. Each succeeding war found us unprepared, and at the close of each of those wars our military strength simply disintegrated in response to the public hue and cry. We remember only too well, that the outbreak of hostilities in Korea found us with one untrained battalion of ground troops which we could airlift from Japan to Korea and commit to the fight. What a tragic record for the Nation which claims to be the greatest on the face of the earth.

For a little while after Korea we were able to maintain a respectable military ground force, simply because Korea was

settled with a truce, not a victory. But then complacency again set in and history is again repeating itself.

At the end of fiscal 1955 we had an Army of about 1.1 million men. That force remained relatively stable until about a year ago. You will recall that in 1957 Secretary Wilson ordered a 100,000 reduction in all of the armed services. But the Army had to absorb half of that reduction. Rumors persisted that there would be other cuts. This prompted me to seek a conference with Secretary Wilson, and I talked with him at some length just before the first session of this Congress adjourned. He confirmed my fears that he planned a further cut in the Army. I did my best to try to hold the line for an Army of 950,000. In any event I hoped it would not be cut below 925,000. But we had scarcely returned home following the adjournment of the first session when another 100,000 cut was ordered. Again, the Army was ordered to absorb half of that cut. So, the Army is now going down to a strength of 900,000 by June 30 of this year. Then to further compound our difficulties a third cut of 100,000 has been ordered, with the Army again being required to absorb one-half of that cut.

Even Secretary Wilson concluded that he had gone too far and in response to the plea and obvious justification made by General Taylor, Army Chief of Staff, 20,000 were restored. So, we are now faced with an additional cut of 30,000 for the Army in fiscal 1959, from 900,000 down to 870,000.

When Mr. Wilson appeared before the House Armed Services Committee in January 1955, he agreed with my concept that we should maintain a stable military force. Here is what he said:

"The lack of reasonable stability in our military programs is a most wasteful and expensive practice. We cannot afford to revert to the feast and famine pattern of our past history, not just because of the effect upon our economy but primarily because we cannot take the military risks involved in such a policy. Development of a sound long term security requires that we design our forces so as to assure a steadily increasing efficiency, in step with scientific advances, but characterized by a stability that is not materially disturbed by every propaganda effort of unfriendly nations or wishful thinking on the part of ourselves or our allies."

The hearing which we conducted before the committee on that day will show that we discussed this particular point at great length. Secretary Wilson did not want to be confined to a finite number in discussing the future size of our Armed Forces. However, he was quite firm in saying that we should have a stable force and when we attempted to reach a mutual understanding as to how much those forces could vary and still be considered stable the figure that was generally understood to be acceptable was a variation of 5 percent. But what has happened during the intervening period? The Army is already in the process of absorbing a reduction in force of almost 18 percent, and if it is cut to 870,000 in fiscal year 1959, it simply means that we will have reduced the Army by approximately 24 percent since January 1955 when we were talking about stability of forces.

I am not at all certain just what I can do about this. But I am certain that I am in disagreement with it. As a matter of personal judgment, which is shared by a substantial majority of the House Committee on Armed Services, these Army cuts are too deep. They not only jeopardize the ability of the Army to discharge its roles and missions, particularly in the area of conventional warfare, they may make it impossible to do so.

Now let's analyze the situation confronting the Army.

The Army strength of 1.1 million at the end of fiscal 1955 enabled us to have 20 active divisions. A strength of 870,000 will produce 14 divisions by the end of fiscal 1959.

Of the 6 divisions then remaining in the United States, only 3 would be available for early deployment. The other 3 divisions and the armored combat command would be heavily involved in the training of replacements and would be incapable of early deployment.

With an Army of 870,000 men, we would still retain 8 divisions overseas, with 5 in Europe, 2 in Korea, and 1 reduced strength division in Hawaii. But these overseas commands would be required to accept an additional personnel strength reduction of about 20,000. The service and logistical support of those activities have already been reduced to the minimum. For instance, in Korea about 15,000 Korean Army troops must be used to fill up United States combat and logistical units which could not otherwise be kept at full strength. Yet, we are told that we must further reduce the Army.

We have our international commitments overseas. These cannot be reduced to any extent. The Army has a training and logistical base to support these overseas units and this base has been reduced to the minimum. As a result the declining strength has taken its toll in combatant and logistical support units for our deployed forces and our strategic Reserve forces in the units. We have reduced these support units until we are in a dangerous state.

Is there anyone who seriously contends that the Soviet threat has lessened any in view of the Soviet missile successes, the Communist penetration in the Middle East, and the current strength of Soviet military forces? I think we can only safely conclude that the threat is greater, not less.

The Soviet Army has a strength of more than 2½ million men. They have been completely re-equipped and modernized since World War II. Therefore, they have greatly increased mobility and firepower. It is common knowledge that they have a new family of missiles, new type artillery and small arms, new combat vehicles to include armored personnel carriers, medium tanks, amphibious vehicles and helicopters. We have done much less.

Our five divisions in Europe comprise the hard core of the NATO shield. Does anyone question the magnitude of the task which they face? In Korea our 2 divisions, with our allies, face Korean and Chinese forces of over 2½ million men. I am sure those divisions take no comfort from the withdrawal of Chinese forces back of the Yalu River. Like a pocket pistol, they are out of sight but immediately available.

The strategic Army forces maintained in the United States are necessary in the cold war to demonstrate to both our allies and our friends that the Army has the backup strength ready to reinforce the overseas forces if they are attacked, or ready to put out brush fire conflicts wherever they may occur. Continued reduction of these forces from their present understrength levels might well require the abandonment of our forward strategy and the dissolution of our system of collective security. These continued reductions are simply an invitation to renewed aggression on the part of the Communist bloc.

While Secretary Brucker is a good soldier and follows the directions of his Commander in Chief, both he and General Taylor have clearly indicated in their testimony before the House Armed Services Committee that the 870,000-man Army provided by the fiscal 1959 budget falls short of the kind of Army they feel that they should have. They have indicated that 925,000 and 15 divisions would be a desirable goal for the Army, and I support that objective. If the Army were given a strength of 925,000, we would be able to add one missile command in the Far East, and give some badly needed help to our combat and logistical support units.

Our new forces in Europe would be augmented by one air transportable missile command, and an increased number of combat and logistical support units.

Approximately 45 percent of the additional strength would be allocated to the strategic Army forces. This would provide for one additional division, one heavy missile command, and an increased number of combat and logistical support units.

Furthermore, it would increase from 3 to 4 of the number of divisions available for early deployment.

Mr. BROOKS, chairman of our Subcommittee No. 1, has held extensive hearings on the strength of our Army National Guard and Army Reserve and will report the recommendations of the House Armed Services Committee on this subject to you in greater detail. I simply want to point out that as the science of warfare progresses and warning time diminishes, it seems to me more important than ever that those Reserve forces should be maintained at their present strength, be adequately trained and prepared for early entry into combat.

The basic problem facing the Army is an inadequate budget. Even though the Army does sound planning and programing for a modern and well equipped force, adequate funds have not been available to implement these plans and programs. The Army suffers from inadequate strength and the inability to keep its forces modernized.

Of course, with the forces permitted by the limited budget, the Army has moved forward with its pentomic reorganization. But reorganization alone will not maintain a modern army nor give effectiveness to the reorganized units. They must have improved firepower, communications and mobility. But since the end of the Korean war the Army has had progressively less money to keep its forces modern. New ideas and increased technical skill have moved ahead, but the Army has simply lacked the necessary money to convert the ideas and skills into reality. New rifles, mortars, rockets, and other new weapons are available to improve the firepower of our ground forces. New lightweight cross-country vehicles, armored personnel carriers, self-propelled artillery, and tanks have been developed to meet the requirements of ground mobility on the atomic battlefield. But, the money simply is not available to procure them.

All of us realize the great importance of missiles and the more glamorous items in our defense arsenal. But I am fearful that the natural appeal of these new weapons is causing a disproportionate amount of material support to be diverted to them. This can only occur at the expense of our capability to wage conventional warfare.

For example, consider the tank. Since the end of the Korean war I believe we have produced about 8,000 tanks, and during the same period we have disposed of or sold to our allies about the same number of tanks. So, while there has been some improvement in the quality of our tank inventory, it has not increased in numbers.

I recognize as well as you that appropriated funds do not come from a bottomless pit, nor can we be unmindful of national solvency. But, on the other hand, I do not subscribe to the current practice of allocating an arbitrary number of dollars for defense and then requiring our military services to adjust themselves to that dollar limitation. That is precisely what is occurring today, and, in my judgment, it is almost disastrous to the Army.

I continue to believe that we must maintain the capability to fight any kind of war which is thrust upon us. All of us have the greatest pride in the capabilities of our Strategic Air Command, the support capabilities of the Navy's weapons, and the other deterrent weapons which are calculated to prevent an all-out nuclear war. They are achieving their mission and we must keep them sharp and ready. To the extent to which we succeed in this area we will have produced a nuclear stalemate, and those weapons will not be fired in anger. So, in my judgment, the most likely type of conflict which we face is conventional warfare rather than atomic warfare. But it is precisely in this field of military capability that we are becoming the weakest. It is this conviction which has prompted me to come before you today with recommendations which I believe to be required in behalf of the defense of America.

My recommendations are:

First, to maintain an active Army strength of 925,000 men for fiscal 1959.

Second, to maintain the Army National Guard at a strength of 400,000, and the United States Army Reserve at a strength of 300,000.

Third, to accelerate the modernization of the Army.

Of course, the attainment of these objectives would cost money. But it is my firm opinion that some readjustments, even within the projected fiscal 1959 budget, should be made, if necessary, in order to accomplish these objectives. While I would far prefer that our troops be fully equipped with modern weapons, I would reluctantly agree that it would be better to have an Army of 925,000 well-trained men, equipped with the best weapons available, than to have an Army of 870,000 being modernized on a piecemeal basis. If the conflict should come tomorrow we will fight with what we have on hand, not what we hope to procure in fiscal 1960.

I would not presume to tell you gentlemen who deal with this subject every day the precise amount of additional appropriations which would be required to implement my recommendations. For military pay for the active duty force of 925,000, I would estimate it to be approximately $138 million. Operation and maintenance funds would also be required and that could involve any sum up to $450 million, but I am sure that it could be accomplished in a reasonable manner with considerably less.

The maintenance of Reserve forces would require approximately $87 million more.

Modernization would depend entirely upon whatever internal adjustments could be made which would increase the program above the $1.6 billion presently scheduled.

Since the projected defense budget for fiscal 1959 is already in excess of $40 billion, I want to assure you that I would not make this request for an increase in funds for the Department of the Army unless I had the deep conviction that it was not only justified but required in behalf of our national defense. Let us not become so preoccupied with our new missiles and other glamorous weapons with all of their natural appeal, important as they undoubtedly are, lest we become unprepared to meet the most likely type of conflict which we will face. If we should be faced with brush fires and conventional warfare and find ourselves unprepared to meet such a challenge, that unpreparedness would undoubtedly force us to atomic warfare, the very thing we are trying to avoid.

DEPARTMENT OF THE ARMY,
OFFICE OF THE COMPTROLLER OF THE ARMY,
Washington, D. C., May 6, 1958.

Hon. OVERTON BROOKS,
Armed Services Committee,
House of Representatives.

DEAR MR. BROOKS: In response to your request to me today, the following appropriation increases are directly relatable to increases in and strengths of the Army from 870,000 to 900,000 and 925,000, respectively, for fiscal year 1959:

	End strength increase of from 870,000 to 900,000 (col. 1)	End strength increase of from 900,000 to 925,000 (col. 2)	End strength increase of from 870,000 to 925,000 (col. 3—cols. 1 and 2)
Military personnel, Army	$45,000,000	$72,000,000	$117,000,000
Operation and maintenance, Army	39,000,000	59,500,000	98,500,000
Cost of additional military personnel	(34,000,000)	(54,500,000)	(88,500,000)
Retain troop installations	(5,000,000)	(5,000,000)	(10,000,000)
Total	84,000,000	131,500,000	215,500,000
Increased man-years above the plan of reducing the Army from 900,000 to 870,000	15,500	24,800	40,300

You will note that the additional fund requirement for the 900,000 to the 925,000 man plan exceeds that for the 870,000 to 900,000 man plan. This is explained by reference to the difference in man-years above which indicates a faster phasing of personnel under the 900,000 to 925,000 man plan than under the 870,000 to 900,000 man plan. Thus the units to be organized from the additional personnel under the 900,000 to 925,000 man plan will be trained and available at an earlier date than if the input were accomplished more slowly.

The question might well be asked as to why the phasing in the 870,000 to 900,000 man plan was not planned as rapidly as in the 900,000 to 925,000 man plan. The answer lies in the fact that the dollar figures in this plan are the savings in reverse from the plan which phased the Army down to a strength of 870,000 from 900,000, and in this plan the Army was, with reason, retaining its men as long as possible, that is, phasing them out relatively slowly.

Sincerely,

DAVID W. TRAUB,
Major General, GS,
Director of Army Budget.

Devaluation Great Disaster Threat

EXTENSION OF REMARKS
OF
HON. EDGAR W. HIESTAND
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 6, 1958

Mr. HIESTAND. Mr. Speaker, on May 5 there was in the CONGRESSIONAL RECORD a very eloquent appeal for devaluation of the currency. Because it came from a successful businessman of considerable stature, and because he appeals for "sound money" and "to stop inflation and further dollar depreciation" but advocates the opposite, his speech calls for a reply.

I must take emphatic issue with his advocacy of the cause of raising the price of gold from its present price of $35 per ounce to $100 per ounce or in fact any other price. That, in my judgment, would, indeed, be one of the greatest disasters that could hit this country. I also take issue with him on several of his predicted results and certainly on the desirability of all the rest of them.

Here are his five distinct steps in the economic cycle which every nation at some stage has passed through, and the United States is no exception. They are:

1. Currency debasement.
2. The issuance of irredeemable paper money which is followed by great government and consumer credit expansion, leading to higher prices, higher costs, spiraling inflation, and a steady decline in the purchasing power of money.
3. When inflationary forces become too great to be controlled, a collapse of the economic structure built inflated prosperity.
4. Depression.
5. The return to sound currency which brings a drastic shakeout with attendant misery and suffering.

If he is correct in his analysis, why does he want us to follow in that tragic path? The very move he advocates is exactly the No. 1, debasement of the currency.

He even alleges a Russian threat of convertibility. We are all aware of rumors that the Russians have developed large gold reserves, but why indeed should they even consider making the ruble convertible? The whole history of the Kremlin masters is the exact opposite. They not only have devalued it many times, but even repudiated their own bonds. And what does he mean by convertible? Surely he does not imagine they would make the ruble convertible internally. Would not the Russian peasant hoard every gold ruble he could earn or steal? Can you imagine the Kremlin masters letting Russians have gold?

Or, what meaning can external convertibility have when there are no rubles outside of Russia? The gold with which Russia settles her balances is bullion, the same as all other international settlements, and at the United States price of $35. International settlements cannot be made in coin. They are book entries or gold bullion at $35 per ounce. And lastly, is there any reason at all why we should imitate the Russians, even if they should make the ruble convertible?

Mr. Speaker, make no mistake about it. I am in favor of making our dollar convertible. That would be a great step in strengthening our national economy. That would, indeed, establish a sound currency, the finest in the world. And I believe not only West Germany, but Canada, Switzerland, and other nations,

such as Holland, Belgium, and then Britain would soon follow us.

However, the gentleman advocates the direct opposite, almost complete debasement of the currency. He states that our gold reserves are "wholly inadequate." How would devaluation change this? We would simply have vastly more and smaller-valued dollars. The ratio as commodity prices rose would be the same.

Perhaps some people regard the Swiss franc, the deutschmark, or the Canadian dollar as more sound than the United States dollar, but if these people are more than a very few we would witness a large flight from the dollar into those currencies. Each of these currencies is highly regarded because these countries balance their budgets and refrain from wild and unrestrained spending projects beyond their means. The "premium" he refers to for the Canadian dollar is a misnomer. The Canadian dollar is an entirely different and independent currency and has nothing to do with the United States dollar. If it had been called a pound or a ruble it would have no different relation than at present.

And what does he mean by that crack about "our Nation caught without gold"? How could that possibly happen at present? We now can refuse to convert. Of course, under his plan of gold at $100 per ounce the pressure for our gold might be three times as great as at present. And if, as he advocates, it were "freely convertible" would it not rush out of this country faster than ever?

And he claims that devaluing the dollar would not only thwart Russia but at the same time arrest the depression, and he states the results would be 11 in number:

First, the immediate reopening of "closed and marginal gold mines," putting back to work thousands of miners. I agree, that would be a bonanza to the 3,000 people in the gold mining industry, but what a disaster to 170 million people of the United States.

Second. He claims an official devaluation of the United States dollar would strengthen the sagging price of all commodities, particularly farm products and nonferrous metals. I agree, possibly prices of lead, zinc, and copper may be "sagging," but when he talks about all prices, just where is the "sag"? Consumer prices now above 123.3 in the aggregate are at an all-time high. Food prices at an all-time high, 120.8. Housing, 127.5, rents, 137.1, transportation, 138.7, medical care, 142.3, personal care, 128.3, all at record highs, and wholesale prices in the aggregate, all commodities in March, 119.7, an all-time high. Farm products, 100.5, highest since 1952. Processed foods, 110.7. And farmers are doing all right. The April 15 figure, 266, for the consolidated Farm Price Index, higher than any time since 1952 in the middle of the Truman-Brannan downslide on farm prices.

But do we want our prices for food and everything jumped? Is that the way to cure the claimed recession? The savings of the millions of American people who have accounts in savings banks and savings and loan associations are at an all-time high. The people have the money, department store sales and consumer demand, except, of course, for automobiles and durable goods, are excellent.

With 186 percent increase in the price of gold, marking down the buying power of our present dollar to 34 cents would mark down the value of the prewar dollar all the way down to 16 cents. What folly. I do not defend subsidies, any of them, but if we subsidize one commodity, we simply put up its price in relation to the dollar or the basis of the value of other commodities. But gold is different. If we subsidize gold, we debauch the dollar in relation to all the thousands of other commodities. We upset the whole standard of all values. Why create this bonanza for a few to the disaster of the 170 million?

Third. I agree that "the high cost of labor has priced some manufactured products and to some extent our farm products, out of world markets." But I emphatically disagree that devaluation of the dollar "would quickly restore our competitive position." Do you not think that all of these nations with pegged currencies would very quickly follow us and devaluate their currencies by two-thirds? Of course. They did in 1934. Thus, would it "clear out our astronomical surplus of farm products—at a loss of over $2,000 million to Uncle Sam—and stimulate manufacturing, conceivably to boom proportions?" Is that what we want? It is tantamount to turning on the dollar printing presses, as was done with the French franc, the German mark, under Hitler, and all other currencies that have been devalued as a result of inflation. It is another step toward horrible disaster. And who pays for it? Those in the lower income group, especially those on fixed incomes, pensions, et cetera. To them it is real and stark disaster.

Fourth. "Corporations struggling with inflexible costs and diminishing volume," he says, "would quickly have a resurgence of buying" and "improving profit margins." That I deny emphatically. Anyone who has traveled around in these countries where the beautiful paper money runs into the 50 and 100 thousand francs, lira, cruzeiros or pesos, knows the disaster that those business firms have faced and struggled against. What he claims would happen did not happen all the way from 1933 until 1940 when war orders poured in. Devaluation itself simply did not do it. And it never will.

Fifth. Exports, he claims, would step-up as a result of devaluation. There again the immediate devaluation of the other currencies would put them in the same relative position. And as for "reduction in the billions of give-away money," that surely we would like to do, but how would this infamous measure help? Would not the demand triple to offset the shrunken dollar?

Sixth. "The intolerable burden of gigantic national debt—and taxes—would become bearable." Just how? The value of the dollar's interest we pay on the national debt would be less in purchasing power, but how about the disaster to the millions of widows, orphans, investment company stockholders, insurance companies, whose stockholders and policyholders run into the millions, and who are owners of United States bonds, also devalued automatically. Had he thought of that? Imagine the millions of people suddenly thrown on public welfare.

Seventh. Marking up gold to $100 per ounce would very possibly "create a Treasury surplus of around $41 billion," as he says, but how would it "permit a sharp reduction in taxes for many years to come"? Do you not think we would need three times as many dollars to run the Government, and tax our people three times as much?

Eighth. He suggests that the "increment created by the new gold price could be used to reduce our national debt." Yes, indeed, that could be done, but again, what of the disaster to the many millions of people holding United States bonds who put their savings into them at hundred-cent-dollars, only to have them paid back in 34-cent dollars. That is worse than Russia's repudiating the interest on her national debt. It is confiscation. And what is devaluation except confiscating the savers?

Ninth. "If not a single informed economist in the world believes the United States can measurably reduce its national debt until the dollar is devalued," God help our country. I have heard that before, and perhaps you have. But I suggest that is a sad commentary on the integrity of the American people. Only crooks disavow their honest obligations. Surely we have not sunk that low.

Tenth. "Restoration of full convertibility, both internally and externally," I agree is desirable and practicable. But how would it block the Russians? I see no possible connection. Furthermore, I do not believe the Russians have any idea of establishing a convertible ruble.

Speaking of Russia, who would benefit from the devaluation of the dollar in terms of gold? In addition to the gold-mining industry, obviously the countries with large gold production and holdings, especially the largest, Russia. One hundred dollars per ounce would nearly triple the valuation of her gold holdings in international trade. Ponder that one a moment.

Eleventh. This "hysterical grasping for straws to arrest the downward plunge in our economy," is, as far as I can see, only in the shoutings of those who would spin us into a real depression. The great American economy must be mighty sound and solid to have withstood the vicious attack of these gloom and doom howlers without disaster, and every day we are getting more and more signs of the leveling off. Perhaps at a little lower level than the extreme peak of 1957, but a sound and stable American economy.

As for his comparison with the 1930's, who can call that devaluation a success? As far as we can see, all it did was to raise prices drastically, stretch out the depression until 1940 when there were

approximately 10 million still unemployed. It destroyed the value of the insurance policyholder's assets, the value of the savings of investors in bonds of all kinds, and threw disaster right into the teeth of a great many families on fixed incomes, who suddenly did not have the price of food. Does he want us to repeat that type of a disaster?

Actually, the 50-plus measures the administration has taken to step up the economy and combat unemployment are now having effect. But they are becoming effective without the frantic and wild spending orgies for which the gloom and doom howlers are screaming.

Is not the way cut of this leveling off, or recession, if you wish to so call it, a sound working our way out by sane methods, rather than by wild, frantic panic gestures that can be ruinous?

Apparently, Mr. Speaker, the gentleman has given no thought to the financial chaos that would result from such devaluation. The banks would have to recapitalize immediately and they would have to put up more reserves with the Federal Reserve. Their capital now totaling some 18 billion and insured for roughly 1.8 billion would present problems. They would have to put up enough to keep their ratios in line and immediately, and from where could the money come? The purchasing power of the Deposit Insurance Fund would be only one-third of what it now is.

Fancy the consternation and chaos in the vast financial institutions of our land, insurance companies, investment trusts, mortgage companies, holders of fixed-price guaranteed bonds, debentures and especially land contracts and mortgages.

I do not know where this gentleman gets his information from inside Russia. What does he mean by "persistent reports from informed—Russian—sources"? Who are these sources? The intelligence services do not seem to have it. Could it be purposely pipelined out of the Kremlin to get us to destroy our currency? Maybe we have not debauched our currency as fast as Lenin predicted when he outlined the way to conquer a nation.

I suggest, Mr. Speaker, that about the worst thing we could do at this time would be to devalue the currency.

The Late Lorenzo Caputo

EXTENSION OF REMARKS
OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1958

Mr. ANFUSO. Mr. Speaker, today, Tuesday, May 6, is a very sad day in my life, probably the saddest since I first came to Congress in 1950. Today a very dear friend of mine, Lorenzo Caputo, is being brought to his eternal rest in New York. The Commandatore, as he was affectionately and respectfully called, was more than a friend to me—he was like a brother.

Lorenzo Caputo would have been 59 years old this month. He was born on May 27, 1899, in Italy, and came to this country in 1921 as a youth of 22. During those early years in the United States he had his share of difficulties in adjusting himself economically and in becoming assimilated in this great land of ours. He started out as an iceman, delivering ice from door to door to people of humble means. The friends he made in this early period he has never forgotten. Later he was in the pastry business, then in the jewelry business. In 1934, during the depression, he founded the Rite Fuel Corp., worked hard, almost around the clock, and made a success of it. Ten years later he established the Caputo Bros. Coal & Fuel Corp. Last year he became head of the Waterway Fuel Transportation Corp., which operates in New York Harbor.

These brief facts in the life of Lorenzo Caputo, however, do not tell the full story of the man, who he was, what he did, how he helped the community and his fellowmen. His religious and civic activities began almost from the day of his arrival in this country. In 1923, only 2 years after his immigration to the United States, he founded the St. Joseph's Society when his dear friend, Msgr. Ottavio Silvestri, was the pastor of St. Joseph's Patron Church. He and other stanch supporters helped Monsignor Silvestri build the church and its youth center. He was for many years in the forefront of every activity connected with the church and the society, and later became life president of the St. Joseph's Society. Even after he had moved to Douglaston, Long Island, in 1952, he would come every Sunday to his old beloved parish of St. Joseph's Patron Church. I was privileged and honored to take up the collection with him at the 12:15 p. m. mass.

As for his civic and charitable activities, he spared neither time nor effort nor money. He was president of the Federation of Pugliesi Societies of Greater New York and New Jersey. He was an honorary member of St. Anthony Society of Oceanside, Long Island. He was a fourth-degree Knight of the Bushwick Council, a member of the Holy Name Society, the Italian Charities of America, the Italian Board of Guardians, the Catholic Charities of Brooklyn, and others.

Lorenzo Caputo visited Italy many times and sought in every way possible to help his kinsmen. In 1948, he sent an ambulance to his hometown of Palo Del Colle, in the Province of La Puglia, where he was born. On other occasions he arranged for shipments of flour and medicines to help alleviate the distress of the poor and the needy, as well as to aid the cause of the Democratic Christian Party which he felt is best able to steer Italy into the direction of Western democracy.

Caputo was an implacable foe of communism, and was particularly anxious to see that it made no great inroads in Italy. He believed that if communism could be routed in Italy, it would strike a deathblow to it in other Western European countries. In 1954 he was awarded the Medal of Solidarity by the then Premier Alcide De Gasperi on behalf of the Republic of Italy for his fight against communism.

He was the recipient of other awards, the most cherished of which was the decoration of Knighthood of St. Sylvester in 1952 by Pope Pius XII. Lorenzo Caputo was a close friend of His Eminence, Marcello Cardinal Mimmi, Archbishop of Naples.

These are but a few facts and highlights in the life of Lorenzo Caputo. Men like him, with his tenacity and character, are not born every day. When such a man passes on, the whole community is shaken to its depths and feels the great loss. He was a pioneer and an adventurer in the great tradition of his forebear Christopher Columbus and in the spirit of the great founders of our country.

Lorenzo Caputo is survived by his dear wife Antoinette, by his 5 children, Frank, Pat, Jack, Angelo, and Beatrice—my adorable godchild—and by 9 grandchildren. He also leaves behind a sister, Mrs. Laura Schiraldi, and 4 brothers, Jack, John, Michael, and Joseph. To all of them and to his myriad of friends his death is a terrible and tragic blow.

Already his family and many of his friends are planning a memorial for Lorenzo Caputo in such a manner that he will live forever in the hearts and minds of those he left behind. Said his oldest son, Frank:

> He will never die. He will be an inspiration for all of us. He will guide us from heaven.

I find I have not the words with which to properly extend my condolences and my deepest sympathy to his dear wife and children and to the others of his family in this hour of their great bereavement. I, too, who had the great benefit of his friendship, will always cherish his memory. I shall always remember him for his sincerity and kindness, for his untiring efforts in behalf of many people less fortunate than he was. I am consoled, as I hope his family will be, by the thought that he leaves behind an honorable name and a monument of good deeds for his fellow men, of which they can be justly proud.

Mr. Speaker, I can think of no more apt prayer on this occasion than the famous Prayer of Peace of St. Francis of Assisi:

> Lord, make me an instrument of Thy peace.
> Where there is hatred, let me sow love.
> Where there is injury, pardon.
> Where there is doubt, faith.
> Where there is despair, hope.
> Where there is darkness, light.
> Where there is sadness, joy.
>
> O divine Master, grant that
> I may not so much seek
> To be consoled, as to console;
> To be understood, as to understand;
> To be loved, as to love;
> For it is in giving, that we receive.
> It is in pardoning, that we are pardoned.
> It is in dying, that we are born to eternal life.

SENATE

WEDNESDAY, MAY 7, 1958

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, with whom there is no shadow that is caused by turning, conscious that in the rough and rushing world there is upon us constantly the hot breath of malice and envy, of evil tempers and misunderstandings, in this quiet moment of devotion breathe on us, breath of God, fanning to flame our smoldering faith, that the dross which weights the wings of our spirits may be consumed. As those in whose unworthy hands have been placed the crying needs of stricken humanity, give us wisdom, give us vision, for the living of these days. May the thoughts of our minds and the sympathies of our hearts, the words of our lips and the decisions of our deliberations, be acceptable in Thy sight, O Lord, our strength and our Redeemer. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, May 6, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 67) favoring the suspension of deportation in the cases of certain aliens, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 1331. An act for the relief of Sadie Lobe;

H. R. 1393. An act for the relief of Mrs. Willie Soher;

H. R. 1493. An act for the relief of Lt. Col. Charles A. Holshouser;

H. R. 2338. An act for the relief of the Security Feed & Seed Co.;

H. R. 2677. An act for the relief of former S. Sgt. Edward R. Stouffer;

H. R. 2934. An act for the relief of Tomas Clemente Gonzalez;

H. R. 4044. An act for the relief of Mirko J. Pitner;

H. R. 4056. An act for the relief of the estate of Katharine Flower Runyan, deceased;

H. R. 4985. An act for the relief of Cesar Garcia;

H. R. 5084. An act for the relief of Maria Alma Dizon;

H. R. 5584. An act for the relief of Mrs. Maude L. Smith;

H. R. 5922. An act for the relief of William Lavallo;

H. R. 6405. An act for the relief of Arnie W. Lohman;

H. R. 7058. An act for the relief of Frank L. and Evelyn M. Bussmann;

H. R. 7729. An act for the relief of August Widmer;

H. R. 7752. An act for the relief of Wintford Jesse Thompson;

H. R. 7987. An act for the relief of Maria Giannalia;

H. R. 8046. An act for the relief of Joaquin A. Bazan;

H. R. 8231. An act for the relief of certain employees of the Department of the Navy at the United States Naval Gun Factory, Washington, D. C.;

H. R. 8831. An act for the relief of Joseph R. Burger;

H. R. 8833. An act for the relief of S. A. Romine;

H. R. 8842. An act to quitclaim interest of the United States to certain land in Smith County, Miss., and to terminate restrictions against alienation thereon;

H. R. 8875. An act for the relief of Mr. and Mrs. George Holden;

H. R. 9181. An act for the relief of Herbert H. Howell;

H. R. 9608. An act for the relief of Dorman William Whittom;

H. R. 9881. An act for the relief of Mitsuo Arita;

H. R. 10035. An act for the relief of Federico Luss; and

H. R. 12009. An act to amend Public Law 85-162 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 1062. An act for the relief of Maud Claer Wahl;

S. 1578. An act for the relief of Hovhannes H. Haidostian;

S. 1943. An act for the relief of Norma Josephine Hodges Dowd;

S. 2166. An act for the relief of John J. Griffin;

S. 3050. An act to increase the equipment maintenance allowance for rural carriers, and for other purposes;

S. J. Res. 168. Joint resolution authorizing the President to issue a proclamation calling upon the people of the United States to commemorate with appropriate ceremonies the one hundredth anniversary of the admission of the State of Minnesota into the Union;

H. R. 2151. An act to provide for the temporary suspension of the import duties on certain coarse wool, and to provide additional time for the Tariff Commission to review the customs tariff schedules;

H. R. 8544. An act to provide for the restoration to tribal ownership of all vacant and undisposed-of ceded lands on certain Indian reservations, and for other purposes; and

H. R. 11019. An act to permit articles imported from foreign countries for the purpose of exhibition at the Kentucky State Fair, to be held at Louisville, Ky., and the International Trade Exhibition, to be held at St. Paul, Minn., to be admitted without payment of tariff, and for other purposes.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 1331. An act for the relief of Sadie Lobe;

H. R. 1393. An act for the relief of Mrs. Willie Soher;

H. R. 1493. An act for the relief of Lt. Col. Charles A. Holshouser;

H. R. 2338. An act for the relief of the Security Feed & Seed Co.;

H. R. 2677. An act for the relief of former S. Sgt. Edward R. Stouffer;

H. R. 2934. An act for the relief of Tomas Clemente Gonzalez;

H. R. 4044. An act for the relief of Mirko J. Pitner;

H. R. 4056. An act for the relief of the estate of Katharine Flower Runyan, deceased;

H. R. 4985. An act for the relief of Cesar Garcia;

H. R. 5084. An act for the relief of Maria Alma Dizon;

H. R. 5584. An act for the relief of Mrs. Maude L. Smith;

H. R. 5922. An act for the relief of William Lavallo;

H. R. 6405. An act for the relief of Arnie W. Lohman;

H. R. 7058. An act for the relief of Frank L. and Evelyn M. Bussmann;

H. R. 7729. An act for the relief of August Widmer;

H. R. 7752. An act for the relief of Wintford Jesse Thompson;

H. R. 7987. An act for the relief of Maria Giannalia;

H. R. 8046. An act for the relief of Joaquin A. Bazan;

H. R. 8231. An act for the relief of certain employees of the Department of the Navy at the United States Naval Gun Factory, Washington, D. C.;

H. R. 8831. An act for the relief of Joseph R. Burger;

H. R. 8833. An act for the relief of S. A. Romine;

H. R. 8875. An act for the relief of Mr. and Mrs. George Holden;

H. R. 9181. An act for the relief of Herbert H. Howell;

H. R. 9608. An act for the relief of Dorman William Whittom;

H. R. 9881. An act for the relief of Mitsuo Arita;

H. R. 10035. An act for the relief of Federico Luss; to the Committee on the Judiciary; and

H. R. 8842. An act to quitclaim interest of the United States to certain land in Smith County, Miss., and to terminate restrictions against alienation thereon; to the Committee on Interior and Insular Affairs.

LEAVE OF ABSENCE

Mr. THYE. Mr. President, I ask unanimous consent that I may be excused from attendance on the sessions of the Senate for the remainder of the week and on Monday of next week, to attend the centennial celebrations which will take place in Minnesota. We will be fortunate in having some distinguished guests from several foreign countries attend the celebrations, including visitors

from Denmark, Norway, Sweden, Finland, and Iceland, who will be the guests of Minnesota during the centennial weekend.

The PRESIDENT pro tempore. Without objection, leave is granted.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Labor Subcommittee of the Committee on Labor and Public Welfare was authorized to meet today during the session of the Senate.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is to ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON OVEROBLIGATION OF AN APPROPRIATION

A letter from the Administrative Assistant Secretary of Agriculture, reporting, pursuant to law, on the overobligation of an appropriation in that Department; to the Committee on Appropriations.

TRAINING OF CERTAIN UNITS OF THE ARMED FORCES

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to provide additional facilities necessary for the administration and training of units of the Reserve Components of the Armed Forces of the United States (with accompanying papers); to the Committee on Armed Services.

PROPOSED SOUTHWEST FREEWAY AND REDEVELOPMENT OF SOUTHWEST AREA, DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners, Washington, D. C., transmitting a draft of proposed legislation providing that the Commissioners of the District of Columbia be authorized to use squares 354 and 355 in the District of Columbia and certain water frontage on the Washington Channel of the Potomac River for the proposed Southwest Freeway and for the redevelopment of the Southwest area in the District of Columbia (with accompanying papers); to the Committee on the District of Columbia.

FINANCIAL STATEMENT OF THE AMERICAN LEGION

A letter from the Director, The American Legion, Washington, D. C., transmitting, pursuant to law, a financial statement of that organization, as of December 31, 1957 (with an accompanying statement); to the Committee on Finance.

REPORT PRIOR TO RESTORATION OF BALANCES, BUREAU OF MINES

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report prior to restoration of balances, Bureau of Mines, as of March 31, 1958 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF ACTIVITIES OF ARMY SIGNAL SUPPLY AGENCY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of activities of the United States Army Signal Supply Agency, Department of the Army, dated May 1958 (with an accompanying report); to the Committee on Government Operations.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

FINANCIAL REPORT OF AMERICAN SOCIETY OF INTERNATIONAL LAW

A letter from the executive secretary, the American Society of International Law, Washington, D. C., transmitting, pursuant to law, a financial report of that society, covering the year ended December 31, 1957 (with an accompanying report); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the Senate of the State of Maryland; to the Committee on Armed Services:

"Senate Resolution 2

"Resolution protesting the denial of four freighter contracts to the Bethlehem-Sparrows Point Shipbuilding Yard

"The members of the Senate of Maryland have watched with grave concern the recent action of the Federal Government in awarding four contracts for constructing freighters to yards which submitted bids millions of dollars higher than that of the Bethlehem-Sparrows Point Shipbuilding Yard.

"The issue arises from contracts for (1) and (2) 4 American Export Lines freighters, which were awarded to yards in San Diego, Calif., and Camden, N. J. (3) 2 Moore-McCormick Co. ships, which went to a yard in Los Angeles, Calif., and (4) 2 other ships, which went to a yard in Chester, Pa.

"The cost of constructing the four freighters in San Diego and Camden will aggregate some $4 million more than if those contracts had been awarded to the Bethlehem-Sparrows Point yard.

"The action of the Federal Government was based upon Public Law 805, which has provisions by which the Federal Maritime Board and the Maritime Commission are to assure proper distribution of shipyard work, to protect the national interest. The law provides that with the approval of the President, shipbuilding contracts may be allocated to various areas of the country when it is deemed that such allocation will contribute to national defense, even if shipbuilding yards in these areas have not been the successful low bidders for the contract.

"On February 7, 1958, the President approved the awarding of the contracts to the yards in San Diego, Camden, Los Angeles, and Chester, presumably completing the Government's action on them.

"The Senate of Maryland deeply regrets this unfortunate excursion into false economics, under the specious guise of national interest. In common with most artificial tinkering with a competitive economy, it is vicious in its implications and if persisted in could be disastrous in its results.

"Four million dollars are needlessly and wastefully going down the drain. A small sum in current Federal financing, it yet comes from a Nation which is heavily taxed and which continues to go more deeply than ever into a public debt of staggering amount. We would not minimize the needs and problems of national defense and national security in pointing out that a healthy and solvent economy is a necessary basis for this Nation's continued military strength. We could become a second-rate power as well by internal bankruptcy as by external force.

"The Bethlehem-Sparrow's Point yard was low bidder by some $4 million on these contracts. Passing over the irony of calling for competitive bids and then ignoring them, we note that the contracts were given to other yards 'to protect the national interest.' Yet in trying to assure that other shipyards will have the skills and facilities necessary for shipbuilding, the Government has deliberately slapped down the shipyard which, to judge from the bids submitted, is the most efficient of all.

"The San Diego yard has never constructed a ship as large as these freighters. Its principal work to date has been building tunafish boats. Now, for the doubtful advantage of creating facilities and skills which never existed at San Diego, the famous facilities and skills at Bethlehem-Sparrows Point yard are deliberately permitted to languish. Perhaps we will see the final irony of the highly trained personnel at Bethlehem-Sparrows Point moving to San Diego for continued employment.

"Still another element in the situation is beyond our understanding. The Federal Government's General Accounting Office has ruled Bethelehem's bid to be 'nonresponsive.' Perhaps that has some meaning to the General Accounting Office; our own comment is that the Baltimore shipyards were magnificently responsive when called to the unprecedented shipbuilding tasks of World War II.

"If confirmation were needed for our criticism, it could quickly be found in the reliable press reports that American Export Lines, for which the four freighters are intended, is not pleased with having its ships constructed in two shipyards and has called a meeting of its board of directors to consider the awarding of the contracts.

"The members of the Senate of Maryland represent in this State's General Assembly 2¾ million people who are devoted citizens of the United States but who cannot understand the processes of the administrative branch of the Federal Government in the award of these contracts: Now, therefore, be it

"*Resolved by the Senate of Maryland*, That this body seriously questions the standards and procedures leading to the award of shipbuilding contracts to firms bidding millions of dollars over the low bidder; and be it further

"*Resolved*, That the Secretary of the Senate be instructed to send copies of this resolution to the President of the United States, the President of the Senate and the Speaker of the House of Representatives in the Congress of the United States, the Federal Maritime Board, the Maritime Administration, the General Accounting Office, the Bethlehem-Sparrows Point Shipbuilding Yard, the Maryland Port Authority, the Baltimore Association of Commerce and each member of the Maryland delegation in the Congress of the United States."

A joint resolution of the Legislature of the State of Maryland; to the Committee on Public Works:

"House Joint Resolution 27

"House joint resolution requesting the Congress of the United States to authorize the Army Corps of Engineers to make a survey of the Patuxent River in regard to flood control

"Whereas the Patuxent River flows through Prince Georges County, Howard County and Anne Arundel County in the State of Maryland; and

"Whereas at the present time, there is inadequate flood control of the Patuxent River; and

"Whereas because of the inadequate flood control, the possible flooding of the Patuxent River constitutes a threat to the health and

welfare of the people living in these three counties; and

"Whereas, the General Assembly of Maryland believes it is desirable that the Army Corps of Engineers make a survey of this situation with the idea of proposing corrective measures: Now, therefore, be it

"Resolved by the General Assembly of Maryland, That the Congress of the United States be requested to pass legislation authorizing the Army Corps of Engineers to make a survey of the Patuxent River in regard to flood control; and be it further

"Resolved That the Secretary of State be directed to send copies of this joint resolution, under the great seal of the State of Maryland to the President of the Senate, to the Speaker of the House of Representatives, and to each Member of the Maryland delegation in the Congress of the United States."

A resolution of the Senate of the State of California; to the Committee on Armed Services:

"Senate Resolution 32

"Resolution relating to civil defense

"Whereas there is before the Congress of the United States H. R. 7576 which establishes in part the Federal Government's responsibility in the matter of civil defense and contemplates funds for that purpose; and

"Whereas California has been the nationwide leader in developing an adequate civil defense and disaster program and the California civil defense program established in 1950 to operate during the period of world tension has been conceded to be the most advanced of any State and a model for all other programs including the Federal program; and

"Whereas the California program, recognizing that the duty of taking command in time of emergency would fall upon the Governor, provides for a civil defense staff within the Governor's office; and

"Whereas H. R. 7576 would require the staff of State civil defense agencies to be selected by the merit system; and

"Whereas the policy in California has always been to permit the Governor complete freedom in the selection of the personnel of his office, and further that the civil defense program is a temporary State function until such time as the Federal Government declares there is no longer a need or assumes its full responsibility for the conduct of such a program: Now, therefore, be it

"Resolved by the Senate of the State of California, That the Congress be urged to approve H. R. 7576 as a step toward full recognition of its responsibilities for an adequate nationwide civil defense program with the proviso that nothing in the act shall preclude California from continuing to select its staff in the same manner which it has followed successfully since 1950, and that necessary amendments be made in H. R. 7576 to assure that California will not be disqualified from receiving Federal funds for civil defense by reason of an arbitrary provision which would make it impossible to operate the program within the governor's office; and be it further

"Resolved, That the Secretary of the Senate be instructed to send copies of this resolution to the California Congressional delegation, the members of the Senate Armed Forces Committee; and to the directors of the civil defense agencies of the several States.

"I hereby certify that the above resolution was unanimously adopted by the Senate of the State of California at the 1958 budget session of the legislature.

"J. A. BEEK,
"Secretary of the Senate,
"State of California."

The petition of Joy Mason, of Paintsville, Ky., favoring the enactment of legislation to provide flood-control works; to the Committee on Public Works.

A letter, in the nature of a petition, from Ellen B. West, a citizen of the State of Georgia, relating to the passage of House bill 358, to provide pensions for widows and former widows of veterans of the Spanish-American War; to the Committee on Finance.

STRENGTH OF THE NATIONAL GUARD—RESOLUTION

Mr. JAVITS. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution of the King's County Chapter of the Catholic War Veterans, of Brooklyn, N. Y., seeking to maintain the strength of the National Guard.

There being no objection, the resolution was referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

"Resolution 32

"Whereas the Department of the Army is proceeding with plans to reduce the Army National Guard strength by approximately 30 percent for the fiscal year 1959; and

"Whereas the House Armed Services Committee, following 2 weeks of hearings, unanimously adopted Resolution 1—which provides for maintaining the strength of the Guard for the fiscal year 1959 at the current 400,000, for sufficient funds for an input of 55,000 non-prior-service men into 6-month training, and directed that the revised troop basis for the Army National Guard be developed with the approval of the States and Territories; and

"Whereas the proposed reduction will require the discharge of 1,700 full-time employees of the Guard and the elimination of 5,000 officers and warrant officers, the great majority of them highly trained in military skills; and

"Whereas the loss of these officers constitutes a writeoff of a valuable national resource and military skills at a time when the Pentagon is pressing for an increase in pay to attract and retain such competent personnel; and

"Whereas the proposed reduction would effect a wholesale elimination of units who are a vital part of the Nation's trained reserve force, and a writeoff of millions of dollars invested over the years in the training of these units, and would adversely affect the security of our country, especially in these uncertain times, and

"Whereas the economy of the communities where National Guard units would be eliminated will be adversely affected: Now, be it therefore

"Resolved, That the Kings County chapter, Catholic War Veterans go on record as opposed to reduction in the strength of the Army National Guard for the fiscal year 1959 and that the recommendations of the House Armed Services Committee—to maintain the strength of the Guard at 400,000 for the fiscal year 1959, to allow sufficient funds for the inpue of 55,000 non-prior-service men into 6-month training, and that any revised troop basis for the Army National Guard be developed with the approval of the States and Territories—be adhered to by the Department of the Army, and be it further

"Resolved, That copies of this resolution be forwarded to the State and national departments of the Catholic War Veterans for concurrent action."

The above resolution was unanimously adopted by the Kings County chapter, Catholic War Veterans at a regular county chapter meeting held at room 4, Boro Hall, Brooklyn, N. Y., on Friday evening, April 25, 1958, and is being forwarded for your information and guidance.

MARTIN J. O'REILLY, JR.,
County Commander.

LITHUANIAN INDEPENDENCE—RESOLUTION

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred, a resolution adopted by a Lithuanian rally, in New York, on February 23, 1958, seeking freedom for Lithuania, which today is enslaved by the Soviet Union.

There being no objection, the resolution was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED BY THE LITHUANIAN RALLY ON FEBRUARY 23, 1958

We, Lithuanian-Americans of Greater New York, loyal citizens and residents of the United States, gathered on February 23 of this year of grace 1958 at Webster Hall in New York, to commemorate the 40th anniversary of the restoration of the independent Lithuanian State after prolonged foreign domination.

Reemphasizing the indissolubility of our ties with the Lithuanian people, at present in Soviet bondage;

Recalling with gratitude the beneficial effect of the principle of self-determination, proclaimed by President Woodrow Wilson at the end of World War I, on the restoration of Lithuanian independence and the valuable support given by the Government, and the people of the United States to the restored Lithuanian State;

Voicing once more their indignation at and their protest against the aggressive acts of the Government of the Soviet Union, perpetrated in connivance with the infamous dictator of the Third Reich, which resulted in the suppression of Lithuania's independence and freedom and in her subjugation to ruthless Soviet colonial exploitation;

Mindful of the suffering of the captive Lithuanian people in the homeland and, especially, martyrdom of hundreds of thousands of Lithuanians deported to Siberia;

Noting that the unflinching determination of the Lithuanian people to regain their independence and freedom is as firm as ever;

Pointing out that one of the main aims of the recent Soviet campaign of ballistic blackmail is the acquiescence of the West in the status quo in central and eastern Europe and thus another victory for the Soviet communism in its forward thrust toward world domination;

Commending the view expressed by President Eisenhower in his letter to Premier Bulganin dated January 12, 1958, that the problem of captive European nations was of international concern, since the powers of Grand Alliance of World War II assumed a responsibility in this respect, and that there were compelling reasons for the discussion and the settlement of the eastern European question in the interest of peace and justice;

Resolve—

1. To thank the United States Government for its firm, morally just, and politically realistic stand concerning the right of the Lithuanian people to exercise their sovereign rights as an independent state as well as for the continued diplomatic recognition of Lithuania's independence by the United States.

2. To appeal to the President and the Congress of the United States to firmly pursue and promote the policy expounded in the President's letter to Premier Bulganin by stepping up the search for peaceful means for the restoration of independence and freedom of Lithuania and of other captive countries through an immediate withdrawal of the Soviet armed forces and agents from their soil and creation of conditions enabling the Lithuanian and other subjugated peoples to choose by means of free and unfettered elections the government and the system under which they wish to live;

3. To rededicate ourselves to the noble goal of Lithuania's independence and freedom and to renew our efforts to combat Communist expansion and Soviet imperialism;

4. To support all efforts of the Government of the United States aiming at the establishment in Europe and elsewhere of a peace with freedom and justice where moral law prevails.

JOSEPH TYSLIAVA,
President, Lithuanian American Council of Greater New York.

NATIONAL ARBOR DAY—RESOLUTIONS

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a resolution of the board of supervisors of Rockland County, N. Y., calling attention to the need for National Arbor Day.

There being no objection, the resolution was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolution 193

At a meeting of the Rockland County Board of Supervisors held in its chambers at the courthouse in New City, Rockland County, N. Y., on April 22, 1958, the following resolution was adopted:

"Whereas the New York State Committee for National Arbor Day has requested the board of supervisors of Rockland County to support legislation for a uniformly observed National Arbor Day on the last Friday in April; and

"Whereas this board does wholeheartedly concur in this request: Now, therefore, be it

"*Resolved*, That this board does hereby authorize and direct the clerk to communicate with President Dwight D. Eisenhower, Gov. Averell Harriman, and our representatives in Washington and Albany, urging that they support legislation fixing the last day in April as National Arbor Day."

I, Victor J. Mariani, clerk to the board of supervisors, of Rockland County, do hereby certify the foregoing to be a true copy of Resolution 193 adopted by said board of supervisors on the 22d day of April in the year 1958.

Witness my hand and official seal of said board of supervisors this 28th day of April 1958.

[SEAL] VICTOR J. MARIANI,
Clerk, Rockland County Board of Supervisors.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a resolution of the Board of Supervisors of Suffolk County, N. Y., calling attention to the need for National Arbor Day.

There being no objection, the resolution was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolution requesting legislation on both the National and State level setting aside the last Friday in April of each year to be observed as National Arbor Day

"Whereas Arbor Day has been observed in previous years on different days in April, due to lack of sufficient legislation on both the State and National levels; and

"Whereas this board believes that the last Friday in April of each year would be the most appropriate day to be set aside in commemoration of National Arbor Day: Now, therefore, be it

"*Resolved*, That this board hereby requests that appropriate legislation of both the State of New York and the United States be adopted setting aside the last Friday in April of each year in commemoration of National Arbor Day; and be it further

"*Resolved*, That the clerk of this board is hereby instructed to forward appropriate copies of this resolution to the State Assemblymen Price, Grover, and Huntington, and also to State Senator Barrett, and to United States Congressman WAINWRIGHT, and United States Senators JAVITS and IVES."

This is to certify that I, the undersigned, clerk of the board of supervisors of the county of Suffolk, have compared the foregoing copy of resolution or resolutions with the original resolution or resolutions now on file in this office and which was duly adopted by the board of supervisors of said county on the 28th day of April 1958, and that the same is a true and correct transcript of said resolution or resolutions and of the whole thereof.

In witness whereof I have hereunto set my hand and the official seal of the board of supervisors of the county of Suffolk, this 28th day of April, 1958.

RAYMOND R. MACLEAN,
Clerk of the Board.

CONCURRENT RESOLUTION OF NEW YORK LEGISLATURE

Mr. JAVITS. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD a concurrent resolution of the New York State Assembly, requesting consideration for the All-American Waterway connecting Lake Erie and Lake Ontario.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

Resolution 37

Concurrent resolution memorializing Congress to take action toward construction of an All-American waterway connecting Lake Erie and Lake Ontario

Whereas with the completion of the St. Lawrence Seaway, it will become possible for oceangoing vessels to penetrate the very heart of the American continent; and

Whereas the opening of this waterway may have a tremendous effect on the economic life of the State of New York and particularly on that section of the State which comprises the Niagara Frontier and which has historically been the American terminus of the vast inland Great Lakes traffic; and

Whereas the Welland Canal which now connects Lake Erie and Lake Ontario through the province of Ontario is, in the judgment of many informed people, of inadequate capacity to accommodate the potential volume of Seaway traffic; and

Whereas the shortest and most logical route to bypass the Falls of Niagara is the often discussed All-American route from Lake Erie or the Upper Niagara River across the county of Niagara to Lake Ontario; and

Whereas the construction of such waterway would not only shorten the distance between the lakes by many miles, but would also result in advantage to the State of New York, and to the whole country, resulting from the movement through the State of large volumes of ocean commerce: Now, therefore, be it

Resolved (if the Senate concur), That the legislature of the State of New York hereby respectfully memorializes the Congress of the United States to initiate whatever action may be needed toward construction of this important and necessary All-American waterway; and be it further

Resolved (if the Senate concur), That a copy of this resolution be transmitted to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States, and to each Member of Congress elected from the State of New York and that the latter be urged to do everything in their power to forward the purposes of this resolution.

By order of the Assembly.

HUSLEY B. BORKOWSKI,
Clerk.

In senate March 26, 1958.
Concurred in without amendment.
By order of the senate.

WILLIAM S. KING,
Secretary.

PROHIBITION OF ALCOHOLIC BEVERAGE ADVERTISING IN INTERSTATE COMMERCE—PETITIONS AND RESOLUTIONS

Mr. LANGER. Mr. President, I present a series of petitions and resolutions relating to the enactment of Senate bill 582, to prohibit alcoholic beverage advertising in interstate commerce. I ask unanimous consent that the petitions and resolutions be printed in the RECORD.

There being no objection, the petitions and resolutions were ordered to be printed in the RECORD, without the signatures attached, as follows:

JANUARY 1958.

Senator WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

We, the undersigned, members of Saron Evangelical Free Church, Cooperstown, N. Dak., would like to have action on the bills to outlaw liquor advertising on radio, TV, and in newspapers and magazines in interstate commerce. We hereby petition you to give your support to S. 582 and the Siler bill, H. R. 4835.

(Signed by Bert Johnson and sundry other citizens of the State of North Dakota.)

COOPERSTOWN, N. DAK., *January 25, 1958.*

Senator WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SIR: We the members of the Zion Lutheran Church wish to impress to you the importance of voting "yea" on the Langer bill, S. 582, and the Siler bill, H. R. 4835, to outlaw liquor advertising on radio and TV and in newspapers and magazines in interstate commerce. Do what you can to get these bills passed.

Sincerely yours.

(Signed by Carolyn Runde and sundry other citizens of Cooperstown, N. Dak.)

MOMENCE, ILL., *March 25, 1958.*

Senator WILLIAM LANGER,
The United States Senate,
Washington, D. C.

HONORABLE SIR: We wish to commend you in your untiring efforts to present the Langer bill (S. 582) to the Senate Committee on Interstate and Foreign Commerce.

We want to add our efforts and prayers to yours—that this menace of alcohol advertising in interstate commerce on radio, television and the press be prohibited. We believe alcohol beverage advertising is becoming more flagrant and harmful and that it is a sin to condone it in our land of the free and the home of the brave.

Sincerely,

MEMBERS OF THE WOMEN'S CHRISTIAN TEMPERANCE UNION.

(Signed by Mrs. Jessie Holmberg, and sundry other citizens of Momence, Ill.)

TACOMA, WASH.

Senator WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SIR: We the undersigned are in favor of the bill (S. 582).

Mrs. Violet Thompson, Mrs. Roy Mercer (Esther Mercer), Mrs. Karen Barbee, Mrs. N. R. McDonell (Constance McDonell), Mrs. Leo H. Heather (Kathryn N. Heather), Mrs. A. L. Hoff (Lillian), Mrs. Evelyn Johanson.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: We wish to thank you for introducing S. 582 to prohibit the transportation in interstate commerce of advertisement of alcoholic beverages.

(Signed by Miss Jennie Stacy, and sundry other citizens of the State of Missouri.)

DEAR SENATOR LANGER: We urge you to do all in your power to have the Langer bill, S. 582, brought before the Senate for action, to prohibit alcoholic beverage advertising.

(Signed by Edna C. Wilson, and sundry other citizens of Canonsburg, N. Dak.)

RECOMMENDATION

1. Whereas the alluring liquor propaganda is chiefly directed to mothers and the home, youth and servicemen, who need to be strong for the safety and protection of our Nation; and

2. Whereas the advertising of alcoholic beverages increases drinking which is the principle cause of our shocking wave of juvenile delinquency and other crimes, gambling, tragic highway accidents, broken homes, wrecked lives, poverty, diseases, huge losses to legitimate business, political corruption, and other deplorable fruits, and the sole cause of alcoholism; so the use of alcoholic beverages should not be promoted; and

3. Whereas the liquor industry spends $250 million annually in advertising and so achieves a vast influence over people, thus shaping their mode of life, and creating a tolerant attitude toward drunkness and a spirit of indifference toward all the temperance work; and

4. Whereas the advertising of other things considered injurious to health, morals, and society is prohibited by law and reinforced by public opinion, alcoholic beverages, the most dangerous and destructive of all, should not be permitted this privilege:

Therefore we, the members of Norwich Evangelical Lutheran Church and the members of the Norwich Evangelical Lutheran Church Ladies' Aid, do kindly request that you as our Senators use your vote and influence in behalf of H. R. 4835 (or S. 582 to Senators) to prohibit the transportation of alcoholic beverage advertising in interstate commerce and over the air.

(Signed by Mrs. Knut Lohn and sundry other citizens of North Dakota.)

THE CATHOLIC TOTAL ABSTINENCE UNION OF AMERICA,
Philadelphia, Pa., March 25, 1958.

Hon. WILLIAM R. LANGER,
United States Senate,
Washington, D. C.

HONORABLE AND DEAR SIR: Personally I favor Senate bill S. 582 of which you are the special pleader. The battalions of public relations folk employed by the liquor makers to sell their product by injudicious and deceiving advertising statements is abhorrent to religious leaders, social experts, welfare executives, and police officials who see the havoc of intoxication and drunkenness generally in our country, and so alarmingly increasing among youths even in elementary schools, who are enticed to drink over the radio, the television, billboards, and lately by so-called funnies executed by the public-relations workers. If the pitchers and batters of baseball would drink a few beers before games as is so boldly advertised by some 20 brewing companies to even the kids who watch the sport on television, the pitcher would seldom find the plate and the batters seldom hit the ball.

State laws forbid selling intoxicating liquors to minors. Will anyone in their right use of reason deny that all these forms of advertising is selling intoxicating liquors to minors. There is a difference between selling and buying, 'tis true, but inexperienced and thoughtless youth are being sold what they are forbidden by law to buy, and what not so many years ago, the American Medical Society stated should not be drunk at all.

To gain money by any form of deceit is a form of stealth. Save our youth from any form of gouging and the anxiety that is stirred in youth to buy intoxicating drink. Parents are besought and dinned to purchase what other youth is convincingly sold over television for their good. Parents are obliged to tell their youngsters "It is not good for you." I have no objection to any normal adult taking an intoxicating drink. But our union fosters total abstinence for those who desire it, or must have it.

Best wishes, sir.

Sincerely yours,

JOHN W. KEOGH, L. H. D.,
President.

CHURCH OF THE NAZARENE,
Fitzgerald, Ga., June 2, 1957.

Senator WILLIAM LANGER,
Washington, D. C.

DEAR SENATOR LANGER: The congregation of the Church of the Nazarene in Fitzgerald, Ga., wishes to go on record commending you for introducing bill S. 582—to prohibit the interstate transportation of alcoholic beverage advertising—into the United States Senate.

We are praying and hoping that you and others who are like minded will do all you can to get the bill pushed through. When alcoholic drinking becomes the order of the day among high-school groups, with many class parties, etc., ending in drunkenness and debauchery, it is high time to do something about it. Doubtless much of this has been brought on through the subtle means of advertising that reaches into our homes through periodicals, radio, and television.

Your bill is a good, sane approach to the problem, we feel. God bless you in your efforts.

Sincerely yours,

DOYLE C. SMITH, *Pastor.*
Mrs. E. Q. DOWNING, *Jr.,*
Secretary.

PETITION

To Our Senators and Congressmen:

With juvenile court judges, domestic court judges and police officials complaining of the part played by alcohol in the deterioration of our homes and in the delinquency of our children, we again most earnestly urge you to pass legislation taking alcoholic beverage advertising off the air and out of the channels of interstate commerce. No civilization can long survive which is destroyed from within by alcohol. The glamorous and deceptive advertising which becomes constantly worse, is drowning out the warnings of the home, the school and the church with disastrous results.

(Signed by Mrs. Richard Grosz, and sundry other citizens of North Dakota and Minnesota.)

RESOLUTION OF MINNESOTA POST NO. 8, THE AMERICAN LEGION, ST. PAUL, MINN.

Mr. HUMPHREY. Mr. President, the St. Paul, Minn., Post 8 of the American Legion recently adopted a resolution urging Congress to amend GI loan legislation to establish a separate governmental agency to loan money directly to qualified veterans who are unable to obtain GI loans from private lenders in their communities.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

ST. PAUL POST 8, AMERICAN LEGION,
St. Paul, Minn., April 29, 1958.

Hon. HUBERT HUMPHREY,
United States Senator from Minnesota,
Washington, D. C.

DEAR SENATOR HUMPHREY: The following resolution was adopted by Post 8 of the American Legion in regular meeting assembled on April 21, 1958:

"Whereas Federal legislation now in effect guaranteeing the payment of real estate loans by private lenders was enacted to assist veterans to obtain home loans at low rates of interest; and

"Whereas private lenders have at present and for many months in the past refused to make such loans or to make money available to veterans for same, or who make the payment of exorbitant loan charges a condition of obtaining said loan; and

"Whereas periodic raising of the interest rate on same not only has failed to induce such lending but in fact defeats the purpose of the legislation itself: Now, therefore, be it

"Resolved by Post 8, That the Department of Minnesota, American Legion, urge the Congress of the United States to amend GI loan legislation presently in effect by providing for a separate governmental agency to loan money directly to otherwise qualified veterans who are unable to obtain GI loans from private lenders in their community, wheresoever situated; and by enacting the necessary legislation to establish said agency."

We urge you to take every means at your command to implement the conditions set forth in this resolution.

Veterans of our wars are being deprived of their rights by local lending institutions throughout the Nation although those rights are clearly set forth in legislation. We as a post of the American Legion feel that the only way that those rights can be guaranteed is for the Congress of the United States to threaten to set up or to set up a lending agency because the commercial ones refused to comply with the law.

We, of course, anticipate your full support in this matter given in the same way as it has been in the past and we shall look forward to your reply to this letter.

Respectfully,

JOHN K. DONOHUE,
Adjutant.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on the Judiciary, without amendment:

H. R. 2763. An act for the relief of Hong-to Dew (Rept. No. 1526);

H. R. 4445. An act for the relief of the estate of Mr. Shirley B. Stebbins (Rept. No. 1527);

H. R. 6176. An act for the relief of Found George Baroody (Rept. No. 1528);

H. R. 6528. An act for the relief of Mrs. Lyman C. Murphey (Rept. No. 1529);

H. R. 6731. An act for the relief of Harry Slatkin (Rept. No. 1530);

H. R. 7203. An act for the relief of Dwight J. Brohard (Rept. No. 1531);

H. R. 7718. An act for the relief of Roy Hendricks, of Mountain View, Alaska (Rept. No. 1532);

H. R. 8039. An act for the relief of Edward L. Munroe (Rept. No. 1533);

H. R. 8433. An act for the relief of Capt. Laurence D. Talbot (retired) (Rept. No. 1534);

H. R. 8448. An act for the relief of Willie C. Williams (Rept. No. 1535);

H. R. 9012. An act for the relief of Alexander Grossman (Rept. No. 1536);

H. R. 9109. An act for the relief of John A. Tierney (Rept. No. 1537);

H. R. 9395. An act for the relief of Cornelia V. Lane (Rept. No. 1538);

H. R. 9490. An act for the relief of Sidney A. Coven (Rept. No. 1539);

H. R. 9514. An act for the relief of Valleydale Packers, Inc. (Rept. No. 1540);

H. R. 9991. An act for the relief of Felix Garcia (Rept. No. 1541); and

H. R. 9992. An act for the relief of James R. Martin and others (Rept. No. 1542).

By Mr. JOHNSTON of South Carolina, from the Committee on the Judiciary, with an amendment:

H. R. 1342. An act for the relief of Mrs. Helen Harvey (Rept. No. 1525);

H. R. 5424. An act for the relief of Thomas Helms and other employees of the Bureau of Public Roads (Rept. No. 1543); and

H. R. 7733. An act for the relief of Arnie M. Sanders (Rept. No. 1544).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MURRAY:

S. 3763. A bill to amend title II of the Railway Labor Act in order to extend the provisions of such act to certain employees of air carriers who perform their duties outside the United States, its Territories and possessions; to the Committee on Labor and Public Welfare.

By Mr. POTTER (for himself and Mr. ALLOTT):

S. 3764. A bill to amend title XV of the Social Security Act to extend the unemployment insurance system to ex-servicemen, and for other purposes; to the Committee on Finance.

By Mr. JACKSON:

S. 3765. A bill for the relief of Paul H. White; to the Committee on the Judiciary.

By Mr. KEFAUVER (for himself, Mr. DOUGLAS, Mr. LANGER, Mr. CARROLL, and Mr. HENNINGS):

S. 3766. A bill to amend the Internal Revenue Code of 1954 so as to provide for refund to the manufacturer of the excise tax on passenger automobiles if the manufacturer pays to the purchasers of such automobiles an amount equal to such tax; to the Committee on Finance.

(See the remarks of Mr. KEFAUVER when he introduced the above bill, which appear under a separate heading.)

By Mr. DIRKSEN:

S. 3767. A bill for the relief of James H. Starr; to the Committee on the Judiciary.

By Mr. MORSE:

S. 3768. A bill for the relief of Hing Man Chau; to the Committee on the Judiciary.

By Mr. BIBLE:

S. 3769. A bill to amend the act entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes," approved August 30, 1954; to the Committee on the District of Columbia.

By Mr. FREAR:

S. 3770. A bill to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City; to the Committee on the District of Columbia.

(See the remarks of Mr. FREAR when he introduced the above bill, which appear under a separate heading.)

By Mr. LANGER:

S. 3771. A bill to amend the public assistance provisions of the Social Security Act so as to enable States to establish more adequate general assistance programs; to the Committee on Finance.

(See the remarks of Mr. LANGER when he introduced the above bill, which appear under a separate heading.)

By Mr. BRIDGES (for himself and Mr. MCCLELLAN):

S. 3772. A bill to amend section 2 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes"; to the Committee on Post Office and Civil Service.

PRINTING AS A SENATE DOCUMENT MANUSCRIPT ENTITLED "A SKETCH OF MINNESOTA" (S. DOC. NO. 99)

Mr. HUMPHREY. Mr. President, on previous occasions of statehood centennials, the Senate has seen fit to authorize the printing as Senate documents of pertinent manuscripts bearing on the centennial celebration. In recent weeks as we have discussed and planned for the Minnesota Statehood Centennial, articles of interest and importance have come to my attention.

One in particular is an unpublished manuscript entitled "A Sketch of Minnesota," prepared by Russell W. Fridley, the director of the Minnesota State Historical Society. In length, balance of view, and sweep of history and interest, I believe it is an exceptionally fitting and appropriate subject for printing as a Senate document.

I have discussed this matter with the Joint Committee on Printing and received an estimate of cost from them. I have also discussed with the Rules Committee the importance of expediting Senate action and I received their approval for immediate consideration of this question on the floor. I have also cleared this with the majority and minority leaderships.

Consequently I send to the desk a Senate resolution which would authorize a printing of the manuscript I have just mentioned as a Senate document as well as the printing of 25,000 copies for the use of Minnesota Senators. I ask unanimous consent that the Senate consider this matter immediately.

The PRESIDENT pro tempore. The resolution will be read for the information of the Senate.

The resolution (S. Res. 301) was read, as follows:

Resolved, That the manuscript entitled "A Sketch of Minnesota," prepared by Russell W. Fridley, Director of the Minnesota Historical Society, shall be printed as a Senate document.

SEC. 2. There shall be printed 25,000 additional copies of such Senate document for use of the Members of the Senate from the State of Minnesota.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

AMENDMENT OF INTERNAL REVENUE CODE, RELATING TO EXCISE TAXES ON AUTOMOBILES

Mr. KEFAUVER. Mr. President, on behalf of myself, the Senator from North Dakota [Mr. LANGER], the Senator from Illinois [Mr. DOUGLAS], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Missouri [Mr. HENNINGS], and the Senator from Colorado [Mr. CARROLL], I introduce, for appropriate reference, a bill to amend the Internal Revenue Code of 1954 so as to provide for refund, to the manufacturer, of the excise tax on passenger automobiles if the manufacturer pays to the purchasers of such automobiles an amount equal to such tax.

The bill is designed to reduce the manufacturers' excise tax on automobiles. It stems from the series of hearings on administered prices in the automobile industry and their relation to automobile sales which were conducted by the Subcommittee on Antitrust and Monopoly, of which I have the honor to be chairman.

The present situation of the automobile industry is dark indeed. Production in the first 4 months of this year indicates that the annual rate of operation during 1958 will be the lowest we have seen in 10 years. Unemployment has been heavy in this industry alone in Michigan, and has been spreading rapidly throughout the country. Plants have been closed or employment in the automobile industry curtailed in Texas, Illinois, Ohio, Virginia, Missouri, Indiana, Delaware, New York, New Jersey, California, and in my own State of Tennessee. The effects of cutbacks in automobile production are clearly evident in the present reduced level of activity in the steel industry, in tires, in nonferrous metals, in the glass and textile industries, and others too numerous to list here.

The Subcommittee on Antitrust and Monopoly has heard several experts on many of the factors affecting automobile demand. A major factor in explaining reduced sales, according to these expert witness, has been the high prices of automobiles. All of the witnesses were in agreement that a reduction in the cost of automobiles to buyers would have a significant effect in raising sales. Representatives of the industry itself and other persons have urged the Congress to consider a reduction in the

automobile excise tax as one way to bring down the present high cost of cars to buyers.

I am convinced that lower automobile prices to the retail buyers would stimulate new car sales. What has bothered me, however, is the question of a positive mechanism to ensure that reductions in the excise tax will be passed directly and immediately to the ultimate purchaser. The bill which I propose has been designed to provide such a mechanism. I quote from the language of the bill:

> There shall be credited or refunded to the manufacturer * * * producer or importer * * * half of the amount paid by him under such section on his sale of any article which is purchased by the ultimate purchaser on or after May 1, 1958, if the manufacturer, producer or importer—
>
> (1) pays to the ultimate purchaser of such article, within 90 days after the date of purchase of such article by the ultimate purchaser, an amount equal to half of the tax paid by him on his sale of such article; and
>
> (2) furnishes proof, satisfactory to the Secretary or his delegate, of such payment to the ultimate purchaser.

I propose that the present excise rate remain in force, but that the manufacturer may receive a credit of one-half of his tax obligation if—and only if—he refunds the amount of such a credit to the ultimate retail buyers of his products. The buyer of a new automobile would receive this refund as a lump sum payment directly from the manufacturer—in this way there would be no possibility of his not getting the benefit of the tax reduction.

My belief in the desirability of this proposal has been reinforced by the testimony before the subcommittee of Dr. George Katona, director of the Survey Research Center, University of Michigan. Dr. Katona enjoys a well-deserved reputation as one of this country's foremost experts in the field of consumer psychology. He has pointed out that in the present sensitive state of the economy—with consumers and businessmen hoping for early recovery, but fearing further recession—some dramatic action by the Government is capable of having very beneficial results. My proposal involves an action of the general type called for by Dr. Katona. Each buyer of a new car would receive from the manufacturer, shortly after its purchase, a check representing a substantial lump-sum rebate. According to Dr. Katona, the psychological stimulus resulting from an action of this type would provide an additional stimulus to the overall economy.

In offering this proposal, I express the hope that the manufacturers of automobiles do their share to restore sales by reducing their list prices. On Tuesday, the able senior Senator from Illinois, one of the country's most distinguished economists, appeared as a witness before the Subcommittee on Antitrust and Monopoly. Making a suggestion similar to my own, the Senator said:

> In a free-enterprise economy, industry clearly cannot expect the Government to take all the antirecession measures. Here is a perfect example for the exercise of that "partnership" between industry and government which the present administration has been urging so strongly. It is an opportunity for government and industry to help the economy and help industry.

I have been thinking, in very general terms, of a reduction in the automobile excise tax from 10 to, say, 5 percent, and I hope this would be accompanied by a 5-percent cut in their own prices by the manufacturers. The Senator from Illinois spoke in terms of a 75-percent reduction in the excise tax down to 2½ percent and a price cut of 6 percent. These are mere differences in detail. The question of the precise extent of the tax cut and the associated price cut is less important than the principle involved—the fact that we are both advocating action by the Government and the automobile industry, each contributing a share to the pressing task of restoring prosperity to the American economy.

If action along these lines is taken by Government and management, organized labor in the automobile industry must also do its part by exercising restraint in its demands for higher wages and better working conditions. I should not like to think that a sincere effort to reduce prices, made by Government and industry, would be brought to naught by wage demands which would result in any significant increase in costs.

On the basis of evidence produced before the subcommittee, I am convinced that with the reduction of the excise tax I have recommended, the automobile industry could make a 5-percent reduction in price without any sacrifice of profits. As production rises, overhead costs per car will fall by at least enough to offset any effect on profits of the price cut.

Let me invite attention to the fact that my bill would make any excise-tax reductions retroactive to May 1, 1958. I believe that this is essential. Discussion of my proposal, or any other, will take time. During this time, prospective buyers of automobiles may be uncertain as to the course which the Congress may take. By making such cuts retroactive, we are telling customers, "You may buy your car now, with confidence that you will receive the benefit of any changes which the Congress may enact."

I cannot emphasize too strongly the importance of action in this session of the 85th Congress. Unemployment grows more serious with each passing day. Automobile manufacturing is perhaps the most pivotal industry of our economy. Declining automobile sales will create further unemployment not only in the automobile industry but throughout the economy. A program of positive action to revive automobile sales is one constructive approach to the whole problem of economic recovery. I am not introducing this bill lightly. My proposal rests upon a firm foundation of evidence concerning the relationship between price policies and industrial output developed by the Antitrust and Monopoly Subcommittee in hearings on administered prices extending over the past year.

I recognize that what I am proposing is a recommendation for action by Congress and a recommendation for action by private industry. As far as the Congressional action is concerned, I recognize that jurisdiction falls within the Senate Finance Committee and the House Ways and Means Committee. Our committee obtained its knowledge of the subject by hearings which examined the relationship between pricing policy and monopoly power.

It would be my hope that the appropriate legislative committees would give this proposal, and the amount of evidence we have accumulated, careful and prompt consideration. Whatever is done should be done quickly, so that an aura of indecision may be removed from a problem which requires decisive action.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3766) to amend the Internal Revenue Code of 1954 so as to provide for refund to the manufacturer of the excise tax on passenger automobiles if the manufacturer pays to the purchasers of such automobiles an amount equal to such tax, introduced by Mr. KEFAUVER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Finance.

AUTHORIZATION TO BORROW FUNDS FOR CAPITAL IMPROVEMENT PROGRAMS BY COMMISSIONERS OF THE DISTRICT OF COLUMBIA

Mr. FREAR. Mr. President, I introduce, for appropriate reference, a bill to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City. I wish to state that a companion bill has been introduced in the House of Representatives by Representative SMITH of Virginia.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3770) to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City, introduced by Mr. FREAR, was received, read twice by its title, and referred to the Committee on the District of Columbia.

AMENDMENT OF PUBLIC ASSISTANCE PROVISIONS OF SOCIAL SECURITY ACT

Mr. LANGER. Mr. President, I introduce, for appropriate reference, a bill to amend the public assistance provisions of the Social Security Act so as to enable States to establish more adequate general assistance programs. I ask unanimous consent that a statement, by me, relating to the bill, may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 3771) to amend the public assistance provisions of the Social Security Act so as to enable States to establish more adequate general assistance programs, introduced by Mr. LANGER, was received, read twice by its title, and referred to the Committee on Finance.

The statement presented by Mr. LANGER is as follows:

STATEMENT BY SENATOR LANGER

One of the most pressing duties facing us is helping the millions of our people who are not now entitled to any of the economic protection afforded under our Social Security Act.

During the late period of almost full employment hundreds of thousands suffered in silence, their plight hidden by our boom economy. These are the people who, in times of personal or general economic distress, qualify for none of the benefits available under our Social Security Act. They are not eligible for unemployment compensation and they cannot meet the qualifications established for aid under any one of the four categories of the public assistance section:

Aid to the aged;
Aid to the blind;
Aid to the physically handicapped;
Aid to dependent children.

Their only recourse has been the very, very limited general relief programs offered by some communities. No Federal financial aid, and in most cases, no State money, is available to them. The result is grossly inadequate programs unfair to both the needy and to the hard-pressed homeowners whose real estate taxes have been the only source of revenue available for financing general relief.

Naturally, this economic depression has been felt most deeply here, simply because there is no State or Federal program to act as a cushion for their economic distress. Reports from across the country indicate that county welfare offices are jammed. Relief rolls are swollen. Hundreds of thousands of desperate people are being turned away without any aid because either county funds are exhausted; or county rules and regulations prohibit such individuals from receiving assistance.

The current unemployment crisis has served to bring this problem into sharp focus. We must first realize that unemployment insurance cannot be made to cover all needs that arise as a result of unemployment.

And yet, general assistance is available in many communities today only to unemployable persons. Despite the fact that many destitute people in many communities are ineligible for general assistance, rolls have been climbing. Some States and communities have been forced to cut back on their funds for general assistance due to the likelihood of decreased tax revenues.

The amount being paid for general assistance is inadequate. The average monthly payment in January 1958 was $61 per case, which includes the average payment for both families and single persons. This average varies widely among States and localities. Statistics from the Social Security Administration show that the average monthly payment in some of the low per capita income States, ranged from $12.50 to $14.23 per month.

States, counties, and municipal finances have not, cannot, and should not be expected to meet this challenge and financial burden alone. The Federal Government has a moral responsibility to share the cost of financing on an equitable basis the cost of general assistance to the States and municipalities.

The National Institute of Social Welfare, George McClain, its president, with offices at 200 C Street SE., Washington, D. C., has for years been advocating that Congress enact a general assistance program to the public assistance section of our Federal social security laws. A fifth catagorical aid to be included along with the other four public assistance programs.

The board of directors of the American Public Welfare Association both in 1956 and 1957 formally set forth a Federal grant-in-aid for general assistance, as the first and most important legislative and assistance objective in the public welfare program. National councils of State and local directors of public welfare have repeatedly passed resolutions urging Federal grants-in-aid for general assistance cases. Voluntary national social welfare organizations have recognized this gross weakness in the national public welfare system and constantly endorsed a Federal grant-in-aid for general assistance.

A number of circumstances combine to make the general assistance problem a national one. We are faced, first of all, with the realization that our society has become more mobile each year. Much of the work force, particularly in the low-income and manual-labor bracket, attempts to follow the labor market, with little regard for State boundaries, let alone county lines.

On the other hand, we find States and counties clinging tenaciously to the archaic residence requirement dating back to Queen Elizabeth's poor laws in the matter of public welfare responsibility. Obviously, this mobile society of 1958 is completely incompatible with the static, rigid qualifications borrowed from 17th century England and yet, it is difficult to blame any one State or county for the harsh requirements. Their fear that a great influx of destitute people would be the result of local lessening of qualifications, thus severely straining local finances, I believe, is well founded.

In brief, we know that widespread suffering exists for a very great percentage of our people. We know, further, that there is widespread recognition of this problem by people on the State and local levels of Government. It remains only for Congress to recognize this as a national problem—and it surely is—then to proceed with a national remedy.

I therefore offer for this Congress' consideration a bill creating permanently a new title to the Social Security Act, to be known as the General Assistance Act of 1958, to amend the public assistance provisions so as to enable States to establish more adequate general assistance programs.

I earnestly hope that it will receive early and favorable consideration.

AMENDMENT OF MUTUAL SECURITY ACT OF 1954—AMENDMENTS

Mr. WILEY. Mr. President, as a cosponsor of the Mutual Security Act for the 1959 fiscal year, I submit an amendment to that bill, S. 3318, to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The purpose of the amendment is to provide permanent authorization for appropriations of "such amounts as may be necessary from time to time" or a selected, few activities.

The Congress has already wisely provided in other instances for such permanent authorizations. Thus, it has already done so in the instance of the Intergovernmental Committee for European Migration, in the instance of NATO civilian expenses, and in the instance of the Department of State administrative expenses in connection with the mutual security program.

It is now proposed to amend the Mutual Security Act of 1954 so as, likewise, to provide for such permanent appropriations for the technical cooperation program for the Organization of American States, escapee programs, ocean freight for relief shipments, the United Nations Children's Fund, and purposes under the Mutual Defense Assistance Control Act of 1951.

I should like to point out that in each of these instances the annual authorizations and appropriations have remained nearly constant.

I should like to point out that the Congress not only by its writing of the MSA authorization and appropriation laws each year, but also by the comments contained in the reports of the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs, and by the comments of individual Members of the Senate and House, has long since signified its high regard for these programs.

I have particular reference to the United Nations Children's Fund and the technical-aid program of the OAS, as well as the program of ocean freight coverage for humanitarian relief shipments.

The escapee-aid provisions and Battle Act provisions have, likewise, been the subject of favorable comment.

I send to the desk two items; the first is the text of the amendment itself; the second is a table which documents the stability of the annual authorizations and appropriations under each of these five programs.

I believe the amendment will be noncontroversial, and I further believe it will be incorporated without dissent in the version of the bill coming from the Senate Committee on Foreign Relations which my colleagues and I will support.

I ask unanimous consent, therefore, that both items be printed at this point in the RECORD.

The President pro tempore. The amendment will be received, printed, and appropriately referred; and, without objection, the amendment and table will be printed in the RECORD.

The amendment submitted by Mr. WILEY was referred to the Committee on Foreign Relations, as follows:

On page 10, strike out lines 12 through 14, and insert the following:

"(3) Amend subsection (b) to read as follows: 'Such amounts as may be necessary from time to time for contributions to the technical cooperation program of the Organization of American States'."

On page 13 strike out lines 10 through 11, and insert the following:

"(2) Amend subsection (d) to read as follows: 'There is hereby authorized to be appropriated such amounts as may be necessary from time to time for continuation of activities, including care, training and resettlement, which have been undertaken for selected escapees under section 401 of this Act'."

On page 13, strike out lines 12 and 13, and insert the following:

"(f) Amend section 406, which relates to children's welfare, to read as follows: 'There

is hereby authorized to be appropriated such amounts as may be necessary from time to time for contributions to the United Nations Children's Fund'.".

On page 13, strike out lines 19 through 21, and insert the following:

"(h) Amend section 409 (c), which relates to ocean freight charges, to read as follows: 'There is hereby authorized to be appropriated such amounts as may be necessary from time to time to carry out the purposes of this section'.".

On page 13, strike out line 22 and on page 14, strike out lines 1 and 2, and insert the following:

"(i) Amend the first sentence of section 410 to read as follows: 'There is hereby authorized to be appropriated such amounts as may be necessary from time to time to carry out the objectives of the Mutual Defense Assistance Control Act of 1951 (22 U. S. C. 1611)'."

The table presented by Mr. WILEY is as follows:

Table indicating stability of appropriations

[In millions of dollars]

Program	Requested fiscal year 1957	Appropriated fiscal year 1957	Requested fiscal year 1958	Appropriated fiscal year 1958	Requested fiscal year 1959
OAS technical aid	1.5	1.5	1.5	1.5	1.5
Escapees	7.0	6.0	5.5	5.5	8.6
Children's Fund	10.0	10.0	11.0	11.0	11.0
Ocean freight for relief shipments	1.4	2.5	2.2	2.2	2.1
Battle Act	1,175	1,175	1.0	1.0	1.0

Mr. MANSFIELD. Mr. President, I ask unanimous consent to proceed for 4 or 5 minutes in addition to the time allowed under the limitation.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. MANSFIELD. Mr. President, some 10 years ago the Congress passed the Economic Cooperation Act. At that time the Committee on Foreign Relations recommended to the Senate, after a most careful examination by the Brookings Institution, that the economic aid contemplated by the Marshall plan should be made the responsibility of a new agency. In the words of the committee report:

> The complex nature of the recovery program and the magnitude of the task to be performed called for the creation of a new and separate operating agency.

The report also noted that—

> The committee completely agreed with the Secretary of State that it would be unwise to place the agency in the Department of State. Such a move would impose on the Secretary responsibility for duties of an operational nature, not within the normal range of the Department's activities and might, as a result, impair the execution of its policy functions.

That decision to set up a separate operating agency for so-called foreign aid is 10 years old. In that year, 1948–49, Congress authorized a total of $7.89 billion for economic assistance.

Now, 10 years later, the amount requested by the administration for all kinds of foreign-aid appropriations is $3.9 billion; and of that amount, $2.6 billion is for mutual defense—military $1.8 billion, defense support $835 million—$625 million for the development loan fund, and the balance of about $781 million for all types of grant economic assistance multilateral programs, and so on.

I am submitting an amendment which, if adopted, would permit the military portions of the aid program to be made part of appropriations made directly to the Department of Defense. This is where the military programs belong if they are to promote the defense of the United States.

The administration this year has asked that the development loan fund be set up as a Government corporation. I expect to support that proposal of the administration, because I think it makes sense. Moreover, the proposal for a corporate organization of the development loan fund is consistent with the recommendations made last year by the Special Senate Committee To Study the Foreign Aid Program.

But I call attention to the fact, Mr. President, that if the military portion of the program is to be a part of the Department of Defense appropriation, as the administration itself recommended last year, and as I propose in my amendment submitted this year, and if the development loan fund is to be operated as a Government corporation, the only portions of the aid program still to be administered by the International Cooperation Administration will be those represented by proposed authorization in the amount of $781 million.

It seems to me, therefore, that the justification for maintaining a separate operating agency for foreign aid no longer exists. When the program was in the magnitude of $5 billion to $7 billion each year, there certainly was need for a separate agency. But today, when the economic grant portions, the technical assistance, and the smaller programs, including the Children's Fund, the Palestine refugee program, malaria eradication, and special Presidential funds admittedly for international political uses, total less than $1 billion per year, I can see no reason why the International Cooperation Administration should not be completely integrated into the Department of State. The day has passed when there was a need for separate country desks, separate personnel systems, separate Congressional liaison offices, separate security procedures, and so forth.

I am aware of recent progress which has been made in bringing the ICA under the direction of the Deputy Under Secretary of State for Economic Affairs.

I pay tribute to the outstanding contribution which has been made by the present Director of the ICA, Mr. James Smith, who has performed such fine and excellent work in such a short time, and to the Deputy Under Secretary of State for Economic Affairs, Mr. C. Douglas Dillon, for the outstanding work he has done since assuming that position.

This has been a move in the right direction. The only difficulty is that it has not gone far enough.

At the present time the Congress has insisted, as has the administration, that our aid activities abroad are to be coordinated and under the clear policy and operating direction of our Ambassadors. This coordination in the field came about only after Congressional pressure resulting from observations made by many Members of Congress who in the past have seen instances in which State Department representatives in the field have been overwhelmed by our foreign aid representatives. Happily, these difficulties have been overcome in large part.

But we still have a problem of coordination and overlapping functions in Washington. The problem is magnified by the existence of the semiautonomous International Cooperation Administration—staffed by able and conscientious and hard-working men and women.

The time has come for the Congress to insist that the foreign aid operations which remain in ICA be fully integrated into the Department of State. Such a move will unify all foreign policy and operating responsibility in Washington, it will put point 4 back into the Department of State, where Congress originally insisted that it be, and it will give ICA employees a sense of security which they do not now have.

I am fully aware of complaints that Congress is constantly pulling agencies up by the roots and replanting them. I do not have the proverbial "green thumb," but I know that there are at least some types of gardening projects in which success requires replanting. Failure to replant when the time is appropriate can sometimes be serious.

I submit, for appropriate reference, an amendment which, if adopted, would require that during the next year the administration take steps to integrate the operations of the International Cooperation Administration fully into the Department of State. This amendment will give the administration a year to complete the process. When the change has been made, I believe we shall have an administrative framework which will make sense. It will be possible to plan and to conduct aid programs in such a way as to give them their maximum impact on the conduct of our foreign policy. I ask unanimous consent that the amendment may be printed in the RECORD.

The PRESIDENT pro tempore. The amendment will be received, printed, and appropriately referred; and, without objection, the amendment will be printed in the RECORD.

The amendment was referred to the Committee on Foreign Relations, as follows:

On page 16, line 12, strike out "by changing section 537," and insert the following: "as follows:

"(a) Amend section 521, which relates to delegation of authority by the President, by adding the following: '(d) After June 30, 1959, the agency within the Department of State known as the International Cooperation Administration, established by Executive Order 10610, shall cease to exist and thereafter all functions conferred by law upon, or otherwise placed under the jurisdiction of the International Cooperation Administration, shall be administered under the direction of the Secretary of State in such manner as to assure that there shall be no duplication of administrative actions and that assistance policy decisions and other activities authorized by this act may be fully coordinated with other activities of the Department of State.'

"(b) Section 537."

Mr. MANSFIELD. In conclusion, Mr. President, I should like to state that the Senate, as well as the Congress, in 1953 unanimously voted to bring an end to the Mutual Security Administration and to transfer the functions of that organization to the Department of Defense and the Department of State. Shortly after the Congress agreed to the termination of the MSA, the President sent down a reorganization plan—No. 7 or No. 8, I forget which—to set up the FOA.

In 1954 the Congress again unanimously decided that the independent aid agency should be abolished and its functions taken over by the Department of Defense and the Department of State, but instead of that being done the administration, while abolishing FOA, set up in its place the present operation, the International Cooperation Administration, known as the ICA, on a semiautonomous basis. That is the status of the agency today.

I am pleased to note that in the past year, under the direction of the Secretary of State, Mr. Dulles, and the Deputy Under Secretary of State for Economic Affairs, Mr. C. Douglas Dillon, there has been a closer coordination between the ICA and the Department of State. I think in this respect the present Director of ICA, Mr. James Smith, should also be given great credit.

However, I think in the field of foreign policy we had better do away with the semiautonomous nature of ICA and transfer its functions to the Department of State and the Department of Defense, giving security to the employees who will be retained, in that way getting down to bedrock in the administration of a foreign aid program.

PURCHASING PROGRAMS FOR CERTAIN MINERALS—AMENDMENTS

Mr. MORSE (for himself, Mr. MURRAY, Mr. MANSFIELD, and Mr. NEUBERGER) submitted amendments, intended to be proposed by them, jointly, to the bill (S. 3600) to provide for certain purchasing programs for copper, lead, manganese, and zinc, and for other purposes, which were referred to the Committee on Interior and Insular Affairs, and ordered to be printed.

TECHNICAL CHANGES IN FEDERAL EXCISE-TAX LAWS—AMENDMENTS

Mr. FLANDERS submitted amendments, intended to be proposed by him, to the bill (H. R. 7125) to make technical changes in the Federal excise-tax laws, and for other purposes, which were referred to the Committee on Finance, and ordered to be printed.

PRINTING OF REVIEW OF REPORTS ON BAYOUS PETIT ANSE, TIGRE, AND CARLIN, LA. (S. DOC. NO. 70)

Mr. NEUBERGER. Mr. President, on behalf of the distinguished chairman of the Committee on Public Works, the Senator from New Mexico [Mr. CHAVEZ], I present a letter from the Secretary of the Army, transmitting a report dated March 25, 1958, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on a review of reports on Bayous Petit Anse, Tigre, and Carlin, La., requested by a resolution of the Committee on Public Works of March 24, 1954. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

PRINTING OF REVIEW OF REPORT ON MIAMI HARBOR, FLA. (S. DOC. NO. 71)

Mr. NEUBERGER. Mr. President, on behalf of the distinguished chairman of the Committee on Public Works, the Senator from New Mexico [Mr. CHAVEZ], I present a letter from the Secretary of the Army, transmitting a report dated April 16, 1958, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on a review of report on Miami Harbor, Fla., requested by a resolution of the Committee on Commerce, adopted July 10, 1945. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. KNOWLAND:

Statement made by him before the Labor Subcommittee of the Senate Committee on Labor and Public Welfare, May 5, 1958.

By Mr. FREAR:

The Keenan Fables, by Hon. MICHAEL A. FEIGHAN, Member of Congress from Ohio.

AMERICAN BANKERS ASSOCIATION SUPPORT OF RECIPROCAL TRADE AGREEMENTS PROGRAM

Mr. WILEY. Mr. President, this morning, I was pleased to receive from the American Bankers Association the text of a resolution, which had been adopted by that distinguished organization and had been transmitted to the Ways and Means Committee of the House of Representatives, for the purpose of backing up President Eisenhower's proposal for extension of the reciprocal trade agreements program.

Coincidentally, just last night, of course, the President renewed his heartfelt plea for this vital objective.

Promotion of mutually beneficial two-way trade is close to the heart of Dwight Eisenhower, as it should be close to every American's heart.

I emphasize mutually beneficial because my interest is in true reciprocity which promotes the mutual interests of both parties.

A great many amendments will, no doubt, be offered to the bill now being considered in the Ways and Means Committee. I hope those amendments will be considered with care and with caution, but in a spirit of reason and logic.

I hope we shall not disappoint our friends abroad, or disappoint our thinking people at home, all of whom are interested in true reciprocity.

Economic isolationism is as objectionable, if not more so, than political isolationism or military isolationism. Time has made any form of isolationism utterly obsolete.

I ask unanimous consent that the text of the press release from the association, and its enclosed policy statement, be printed at this point in the body of the RECORD.

One may not agree with the statement in its entirety; but it does, indeed, represent an overall, enlightened approach.

There being no objection, the release and resolution were ordered to be printed in the RECORD, as follows:

EXTENSION OF RECIPROCAL TRADE PROGRAM IS ADVOCATED BY AMERICAN BANKERS ASSOCIATION

WASHINGTON, D. C., April 30.—The American Bankers Association today advocated a 5-year extension of the reciprocal trade agreements program as "an important contribution to the economic well-being both of the United States and of the entire Free World."

"In view of the mounting economic and military challenge of the Communist nations, it would be extremely unfortunate if we were to allow domestic economic difficulties of a transitory nature to turn our foreign economic policy back toward economic isolationism," the American Bankers Association declared in a resolution transmitted to Chairman WILBUR D. MILLS, of the Ways

and Means Committee of the House of Representatives by President Joseph C. Welman, of Kennett, Mo. The resolution was adopted by the executive council, the association's governing body between conventions.

The American Bankers Association policy statement notes that "the pervasive interdependence of the economies of the Free World" has been emphasized by the recent economic decline in the United States.

"From the standpoint of our own industrial recovery, it is important that American private investment abroad continue to expand, for such investment increases the dollar purchasing power of foreign nations, thereby raising demand for products of American industries.

"It would be fallacious and dangerous for us to try to stimulate economic recovery in the United States by placing greater restrictions on the entry of products from abroad."

The text of the resolution, which was recommended unanimously by the association's economic policy commission and the advisory committee on special activities follows:

"RESOLUTION ON FOREIGN TRADE POLICY ADOPTED BY THE EXECUTIVE COUNCIL, AMERICAN BANKERS ASSOCIATION, APRIL 22, 1958

"Over the past several months, the economic decline in this country has emphasized the pervasive interdependence of the economies of the Free World. If long continued, the recession here would pose a serious threat to the economic stability of friendly nations abroad, because our foreign investment outlays and our imports and exports exert an important influence on the level of economic activity of these countries. In turn, if economic conditions abroad were to become unfavorable, this would intensify our own distress by reducing demand for the products of our export industries.

"Over the past 25 years much has been achieved in the way of developing a foreign economic policy that is truly in the national interest. Our efforts to reduce restrictive and discriminatory barriers to the expansion of world trade, our mutual-security program, our economic and technical assistance programs, and our encouragement of American private investment abroad, have strengthened our own Nation economically and politically and have enhanced the economic stability and military security of the nations of the Free World. Indeed, the present strength of the Free World can be attributed in large part to our foreign economic policy since World War II.

"In view of the mounting economic and military challenge of the Communist nations, it would be extremely unfortunate if we were to allow domestic economic difficulties of a transitory nature to turn our foreign economic policy back toward economic isolationism. From the point of view of our own industrial recovery, it is important that American private investment abroad continue to expand, for such investment increases the dollar purchasing power of foreign nations, thereby raising demand for the products of American industries. Broadening the market for American exports also requires that we continue to negotiate for the reduction of barriers to the international movement of goods and currencies.

"It would be fallacious and dangerous for us to try to stimulate economic recovery in the United States by placing greater restrictions on the entry of products from abroad. Such restrictions would serve to increase the impact of the current recession on other nations of the Free World and to depress further the demand for products of our own export industries. By broadening the market for our own products and stimulating world trade in general, we can make an important contribution to the economic well-being both of the United States and of the entire Free World.

"In view of the foregoing considerations: Therefore be it

"*Resolved*, That the executive council of the American Bankers Association go on record as approving the 5-year extension of the reciprocal trade-agreements program, and the related legislation necessary to its effective implementation."

FAIR TREATMENT OF MENOMINEE INDIANS

Mr. WILEY. Mr. President, as you know, the conference committee has now concluded its consideration of House bill 6322. The conference report will, of course, come up soon for our consideration. The purpose of this measure is to extend the time for submission of a plan for per capita distribution of the tribal assets of the Menominee Indians, as well as for final termination of Federal jurisdiction over tribal affairs.

In addition, the bill proposes to modify—unfairly, I believe—the provisions relating to reimbursement of termination costs to the Menominee Tribe.

Mr. President, at the time of consideration of the conference report, I intend to move to recommit the report to the conference committee, in order to have it correct the inequities in the measure.

The language of the bill should, I believe, be revised so as not to thrust upon the Menominee Indians a retroactive obligation for this year, for termination costs which heretofore have been provided by the Federal Government.

I have received from Stewart Honeck, attorney general for Wisconsin, and chairman of the Menominee Indian Study Committee, a telegram in which he urges full Federal reimbursement to the tribe for termination costs.

Furthermore, I have received a comprehensive statement from Mr. George W. Kenote, chairman of the Menominee Coordinating and Negotiating Committee. In his statement, Chairman Kenote makes these particular points: If termination plans are disrupted by a change in reimbursement policy, or are forced to completion without workable safeguards, the following problems are anticipated by the tribe:

First. Efforts may be made to encroach on the timber and other resources of the Menominee Tribe;

Second. The administrative machinery would not be sufficiently developed to enable the members of the tribe to protect its interests adequately; and

Third. The form of local government, following termination of Federal control, may not have been adequately formulated to serve best the interests of the tribe.

To acquaint my colleagues with the background of this situation, as well as to support a request for a change which I believe is just and reasonable in the bill, I request unanimous consent to have the telegram from Attorney General Honeck and excerpts from Chairman Kenote's letter printed at this point in the RECORD.

There being no objection, the telegrams and excerpts from the letter were ordered to be printed in the RECORD, as follows:

MADISON, WIS., *May 6, 1958.*

Hon. ALEXANDER WILEY,
United States Senate Office Building,
Washington, D. C.:

As you know, the Menominee Indian Study Committee has strongly urged the conference committee which met to resolve differences between H. R. 6322 and the Senate version sponsored by Hon. RICHARD NEUBERGER to recommend to the Senate that there be full reimbursement of funds expended by the Menominee Tribe for carrying out the purposes of the Termination Act. The Senate amendment originally offered by Senator NEUBERGER to impose half the termination cost upon the Menominee Tribe will serve to impose grave inequities and burdens upon the State of Wisconsin, upon the local units of government where the reservation is located, and upon the Menominee Tribe itself. I hope you will exert every proper influence within your authority to persuade the Senate to follow the study committee's recommendation as contained in the policy resolution dated December 6, 1957, communicated to the conference committee.

STEWART G. HONECK,
Chairman, Menominee Indian Study Committee.

KESHENA, WIS., *May 2, 1958.*

DEAR MEMBERS OF THE SENATE AND HOUSE OF REPRESENTATIVES: As chairman of the Menominee Coordinating and Negotiating Committee, I am making this personal appeal to every Member of the Congress in an effort to salvage a workable termination of Federal services program for the Menominee Tribe and the United States Government. I shall as briefly and concisely as possible justify this appeal.

The Coordinating and Negotiating Committee of the Menominee Tribe was established on November 7, 1957, to deal specifically with the tribal responsibilities with respect to termination of Federal services to the Menominee people, pursuant to Public Law 399, 83d Congress, as amended. When the Menominee Tribe, by vote, asked me to take a year's leave of absence from my position as Assistant Chief of the Branch of Law and Order of the Bureau of Indian Affairs, at considerable sacrifice, interruption of personnal plans and considerable heartache to family and myself, I undertook this task as soon as I could possibly get away from my other responsibilities. I have served those latter responsibilities faithfully for nearly 25 years, working thousands of hours overtime and many times around the clock without getting or ever expecting overtime pay. I have devoted the same effort to the Menominee termination problems. I have known the Menominee problems for many years and believe I understand my people and that I can accurately state their position.

They have long suspected the encroachment of outside timber interests upon their finest asset next to their children—their standing forest, which they have always cherished as a heritage. In the late 1880's and 1890's when they attempted to seek restoration and settlement of their swampland claims against the State of Wisconsin, they suspected duplicity when such efforts never came to fruition. Early in this century when a boom broke on the Wolf River and they lost a substantial amount of harvested timber to the river tides, they had a reason to suspect the cause—so far as I know they never collected on that loss. During the 1920's when a bill was introduced in the Congress without our consent to make a national park or forest of the reservation, they suspected the motive not without reason.

As recently as the early and mid-1940's, when they had finally won and were awarded clear title to the swamplands within the reservation, which contain some of our finest timber, they had good reason to suspect that certain outside timber interests still wanted their timber when those interests opposed the final settlement, which involved the United States, the State of Wisconsin and the Menominee Tribe and not the private timber interests. The United States paid the State a cash settlement and the tribe received clear title to the swamplands after about 90 years of dispute. We knew that timber interests were anxious to log the swamplands.

* * * * *

In Wisconsin there is perhaps the best example in the United States of what happens when the Indians have lost their timber and their land. In the 1920's when the timber interests moved out, they left, as an Indian grade-school student so aptly said in a classroom theme, A Cabin in the Stumps, and the State of Wisconsin inherited a relief and welfare load beyond proportions. The evidence is there yet: the naked land and the hungry hearts and stomachs of what is left of the humankind. Some may call the Menominees' slowness to get to termination as a dragging of feet; I see it as a real and natural hesitancy and fear of the future bred by real experience, and honest ignorance of a new scheme of things. I believe that we, who want to preserve our lands, can say with the English, "Our fathers' graves are here."

When I went to Menominee early this year, I found an adult-education program in progress to remedy that lack of experience and ignorance. As admirable as is its purpose, it was, and is, not getting a response I thought it ought to have and I made my personal investigation. I found that the large majority of the people were not able to absorb the material being brought to them; they were not able to translate it to real meaning because they had not had the base of experience or training necessary to understand the material and so had dropped out of the classes, which dealt on the forms and responsibilities of State and county government and business organization.

I found that the basis of the material being given to them was fixed in the Wisconsin law on governmental structure and the general law on business organization. I read all the available material developed and found no exposition of the impact or full meaning of Public Law 399 in all its implications with respect thereto. The people simply did not understand. The adult-education-program instructor has admitted to questioners that Public Law 399 is too complex for him to interpret. Tribal leaders had no real understanding of all its impact and implications; some of them admittedly did not know how to interpret its provisions, and not knowing its implications they did not know what questions to ask or how, intelligently, to pose questions. For instance, many of them took a December news release from the Bureau of Indian Affairs which implied that the Indian tribal government could continue to exist after termination, at its face value and saw nothing contrary in section 10 of Public Law 399. Many did not realize that under section 3 the interests of Menominee people can descend to non-Menominees. They believed that under other provisions of section 3 they could deny the alienability of certificates of beneficial interests due each enrolled member of the tribe; they did not understand the application of Wisconsin law to such interests after termination, pursuant to section 10 of the act. They could not be expected to. Neither the people nor their leaders are trained in law or business and have no real experience in law or in large business practices and, therefore, could not develop plans contemplated by the act. Nothing was brought to the tribal attorneys and they had no direction with respect to tribal wishes. I found doldrums of inaction because no one in the tribe knew how or what to do.

I must admit that after over 3 months of intensive study of the form of State, county, and town government in Wisconsin and all it involves, and of the various forms of corporate enterprise available to us, the coordinating negotiating committee has had a difficult time, adequately, to translate to the people recommendations or course of action. Without implying criticism, it is clear that the Bureau of Indian Affairs and the Department of the Interior have offered no recommendations. The Menominee study committee and the university staff assistants have made prodigious studies and have laid out perspectives, but have left decisions to the tribe without recommendations. There I see a weakness in the whole Menominee termination process. The Menominee people have been expected to make choices and decisions in matters that some attorneys and businessmen of my acquaintance admit they could not safely make themselves if they had the final choices and decisions to make. The Congress, the Government agencies, and the State people have simply expected too much too soon.

Now, I do not wish to imply that the capacity to learn is not there. Many of the better educated are making admirable progress and with some real experience with real problems can develop into real leaders under the new systems of government. A little more time will be necessary in the business enterprises. Business advisers and consultants have pointed out our inadequacies in the field of business management, particularly with repect to large corporate enterprise. We do not thoroughly understand finance, all forms of taxation, trust operations, investment, nor corporate organization and all it entails. In addition to the foregoing, the three most important reasons for business failures fit squarely on our shoulders, viz., "inadequate sales, competitive weakness, and too high operating expenses." This condition must be remedied before we get too far.

Recognizing these things, the tribe recently has decided upon the employment of the largest firm of corporation lawyers in Wisconsin, which firm has almost unlimited experience in Wisconsin corporate practice and business knowhow, to assist us and our tribal attorneys in perfecting a business organization in order that we can best protect and manage our economic resources as a credit to the tribe, the State, and the Nation. We of the Coordinating and Negotiating Committee have tirelessly explained the need for setting up our business enterprises under a trust form of management, so that we can take advantage of experienced management and knowhow through the formative years at least. The tribal membership has begun to reawaken and to move with us in a real effort to resolve the problems termination has brought to us. The voting on 3 important issues, namely, the form of local government to pertain after termination, the employment of special counsel indicated above, and a needful amendment of section 11 of the Termination Act to raise the stipulated age therein from 18 to 21 to comply with Wisconsin law (so that we can negotiate a single trust agreement with a Wisconsin trust bank for the administration and protection of minors' interests) showed overwhelming support. There are healthy indications that the tribe will go along with an overall trust form of management when we are ready to act upon the form of business organization to pertain after termination. It is my personal and considered opinion that we can reach termination in advance of the prospective statutory date to be established if no real setbacks are encountered. The action of April 30, 1958 of the Congressional conference committee on H. R. 6322 is a real and portentous setback.

The tribe has been conditioned to meet some real tests and problems, it has progressed to that point on the belief that the Federal Government would bear the substantial share of termination expenses, as spelled out in Public Law 715, 84th Congress. Knowing these people as I do, with all their fears, inexperience, and suspicion born of their past experience, I know that their reaction to the report of the Conference Committee on H. R. 6322, if adopted, will be noncooperation. I will stake my life's working reputation on that prediction. I will go to the people and try to overcome this reaction, but cannot promise favorable results. I hope that the Members of Congress will consider this appeal and take the following action:

1. Leave the date for submission of plans at February 1, 1959 (March 31, 1959, is preferable),

2. Leave the date for final termination at December 31, 1960, but

3. Restore the full reimbursement of termination costs provision, at least up to $275,000 as appears in the report of the Conference Committee.

I personally and unequivocably assure the Congress that we will work with all our remaining strength to meet these suggested provisions if adopted. The tribe has not been wasteful with respect to termination costs. The Coordinating and Negotiating Committee has been extremely careful with funds available to it, so that all its expenditures will stand scrutiny when examined. When this delegation now in Washington came in, our main objective was to sit down with representatives of the Indian Bureau and the Department of the Interior to get some understandings on termination progress and agreements on planning so that we could go back to the tribe reinforced with agreements. We expected no difficulty with respect to H. R. 6322. We did not know a conference date had been set.

In closing, I repeat that I took this task at considerable sacrifice, interruption of personal plans, and at considerable heartache to my family and myself to help my people out of a difficult situation. I have dedicated every effort to it and will so continue as long as needed. I sincerely hope that the Congress will abide in faith with us.

Respectfully submitted,

GEORGE W. KENOTE,
Chairman, Menominee Coordinating and Negotiating Committee.

VIEWS OF FORMER GOV. CHARLES A. SPRAGUE ON KLAMATH RESERVATION PURCHASE BILL

Mr. MURRAY. Mr. President, inasmuch as the Senate will soon debate Senate bill 3051, the Klamath Reservation purchase bill, I believe the pages of the RECORD should contain a fine article on this subject by ex-Gov. Charles A. Sprague, of the State of Oregon.

Mr. Sprague's article appeared in the Oregon Daily Statesman of Salem, Oreg., of which he is the editor, for May 2, 1958. It gives support to the Klamath purchase bill, which has just been reported favorably by the Senate Committee on Interior and Insular Affairs, of which I have the honor to be the chairman.

Although Mr. Sprague served as a Republican Governor of Oregon, his article pays tribute to the hard and effective work put forth in behalf of passage of Senate bill 3051 by our friend and colleague the junior Senator from Oregon [Mr. NEUBERGER].

I ask unanimous consent that the article by former Gov. Charles A. Sprague be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

(By Charles A. Sprague)

Washington, the National Capital, is just recovering from an unusually bad winter. Snow and cold hung on into spring, and rains and cool weather persisted. The cherry blossoms for which the city is famed were pretty well washed out this year, but the first of this week the dogwood, white and pink, and other flowering shrubs were blooming, and tall yellow tulips lined the walks leading to the White House entrance, like soldiers in files. Summer will not be far behind a foreshortened spring.

I wanted first to check with Senator NEUBERGER on his progress with the Seaton bill to modify the law on termination of Federal administration of the Klamath Tribe. This bill would change the present law which requires the management specialists to sell off at public sale, without conditions, assets of the tribe to satisfy the shares of those electing to withdraw (over 77 percent). The Interior Department bill offered by Secretary Seaton specifies that sales must be made at certain prices and purchasers must agree to manage the forest lands under sustained yield plans. If purchasers do not buy on these terms then the Government is to acquire the lands at those prices and they would become part of the national forests. Senator NEUBERGER dropped his own bill calling for direct Government purchase and is the principal backer of the Seaton measure.

Tuesday the Senate Committee on Interior and Indian Affairs met and gave its approval of the bill by a unanimous vote. This was a notable achievement for NEUBERGER. It lends hope that the Senate will pass the bill and that the House will follow with its approval. The bipartisan effort paid off. NEUBERGER worked on his colleagues of both parties, and had the full support of Senator ARTHUR WATKINS, Republican, of Utah. Hatfield Chilson, Under Secretary of the Interior, also was active in support of the bill.

If this measure becomes law the Klamath Indians will receive full appraised value for their assets. Management under a sustained yield program will prevent a rush to cut and market the fine pine timber on the reservation, which would have glutted the market and in the end left a timber barren over the old reservation. From a resource standpoint as well as from that of fair dealing with the Indians, this is one of the most important local measures to come before this session of the Congress.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LIMITATION OF APPELLATE JURISDICTION OF THE SUPREME COURT

Mr. HENNINGS. Mr. President, during the some 6 weeks of debate in the Committee on the Judiciary relating to S. 2646, a bill to limit and, in five areas, originally, to take away jurisdiction from the Supreme Court of the United States, there have been many comments by the proponents of the measure which was ordered reported by the committee, by vote of 10 to 5, as to the sentiments and views of one of the most distinguished jurists in the United States, a man whom I revered at a distance as a boy studying law. I have seen no reason not to continue to admire him, his views, his character, and his ability, for he is, as his name would signify, a learned man—Judge Learned Hand. Happily, the bill has been to some extent amended in the committee.

Since the proponents of the bill have suggested that Judge Learned Hand was in favor of this violent and rather radical departure from what I consider to be our traditional separation of powers of the Government of the United States, I should like to read the letter which I have in my hand from Judge Learned Hand so that it will appear in the RECORD at this point. The letter reads:

UNITED STATES COURTHOUSE,
JUDGE LEARNED HAND'S CHAMBERS,
May 5, 1958.

MY DEAR SENATOR: I have your letter of May 2 with its enclosure. Being still a United States judge, although retired, I should be unwilling to give any opinion on the constitutional questions raised by sections I, II, and IV of the proposed statute. I do not feel the same compunction, however, in expressing my opinion that such a statute if enacted would be detrimental to the best interests of the United States. It seems to me desirable that the Court should have the last word on questions of the character involved. Of course, there is always the chance of abuse of power wherever it is lodged, but at long last the least contentious organ of Government generally is the Court. I do not, of course, mean that I think it is always right, but some final authority is better than unsettled conflict.

I fear that this will not be much value to you, but for what it may be worth I am sending it.

Sincerely yours,

LEARNED HAND.

CURRENT RAILROAD PROBLEMS

Mr. SYMINGTON. Mr. President, quietly, but with his typical energy and efficiency, the distinguished Junior Senator from Florida [Mr. SMATHERS] has presided over a subcommittee of the Senate Committee on Interstate and Foreign Commerce which held hearings on the current problems of the railroads, and has now issued a report on this matter.

I am sure my colleagues will agree with me that the report is the type of statesmanlike job one would expect from the able Senator from Florida, and I congratulate him.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Call for Broad-Scale Rail Relief," published in the St. Louis Globe-Democrat of May 1, 1958.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE SMATHERS COMMITTEE REPORTS—CALL FOR BROAD-SCALE RAIL RELIEF

Recommendations made yesterday by the Senate Commerce Subcommittee propose far-reaching remedy to help the financially oppressed railroads of the Nation.

Chairman GEORGE SMATHERS said the bill outlined in his report is designed to avert a catastrophe in the transportation system. If adopted by Congress it should, indeed, accomplish that end. Certainly it would sturdily bolster the position of our crippled rail industry.

The subcommittee proposals embrace, in general, the sound suggestions of the President's railroad program, enunciated a week ago. But they go further, significantly further.

The Smathers group urges prompt abandonment of the 3-percent excise tax on freight and the 10-percent excise levy on passenger traffic. This undoubtedly should be done.

These imposts were drafted upon railroads during World War II, largely to discourage unnecessary travel. It is in the nature of a punitive tax, no longer justified at all.

The Senate subcommittee also seeks to limit the exemption now enjoyed by truckers of agricultural commodities. The administration advised only against expanding such exemptions.

Other areas in which the Smathers committee went beyond the Eisenhower program were in calling for a provision that would enable common carriers to set aside a construction reserve fund, as a means of obtaining tax deferrals on continuous, long-term improvement programs; a recommendation to permit realistic depreciation allowance on rail equipment; a suggestion that charges for carrying mail be put on a more equitable basis.

Students of the railroads' complex, fast deteriorating situation will find these proposals bear a stamp of fair and practical remedy.

We believe Congress should address itself to the additional relief plans, set out by the Smathers group, with dispatch and a sense of serious obligation.

As did the President, the Senate's subcommittee also urged creation of a $700 million federally guaranteed loan fund for railroads—$550 million for plant and equipment and $150 million for operation capital. The administration plan was for the same amount of loan guarantee, but for equipment and freight cars.

The Ike and committee plans both plumped for more flexibility, under Interstate Commerce Commission law, in cutting rates to meet competition of barges and truckers—for authority to abandon unprofitable train schedules—for a clamp-down on gypsy truckers.

These recommendations were sought by railroads in long hearings before the Smathers' group. They are supported by radically changed conditions that have clobbered railroads—basically essential to America's transportation system—through outmoded ICC regulation which puts them at disadvantage in efforts to meet trucking, barge and air competition.

No mention was made in the Smathers report of a use tax for transport on waterways, or in the air. Nothing was said about labor featherbedding or union demands which depress railroad fiscal stability.

These issues are real and need consideration. Perhaps a policy study group, which the subcommittee advised to survey transportation policies and report in 18 months, could go into these matters.

The Smathers committee program is more comprehensive and more in hard perspective than the President's recommendations. Both have put a significant pressure of public thought into the attack on the country's rail hazards.

Now let Congress roll up its sleeves and dig into the job. The needed relief schedule should be passed not merely for the railroads but for the Nation's economic health.

Mr. SYMINGTON. Mr. President, I ask unanimous consent that another editorial on the same subject, entitled "Relief for the Rails," published in the New York Daily News of May 2, 1958, be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RELIEF FOR THE RAILS

A Senate Surface Transportation Subcommittee (chairman, Senator GEORGE A. SMATHERS, Democrat, of Florida) came up Wednesday with an eight-point plan for helping the Nation's railroads.

The Smathers blueprint goes further than the Eisenhower Administration proposals made public last week.

Under this scheme, Federal excises on railroad freight and passenger transportation would be repealed. Up to $700 million in Government-backed loans would be made available to build or repair roadbeds, buy rolling stock, help pay operating expenses, etc. The Interstate Commerce Commission's grip on the railroads would be loosened to some extent.

The Smathers report also bluntly advises States and cities to reexamine the heavy taxes they have long levied on railroads, and with equal bluntness suggests that the railway unions taper off on the featherbedding.

We think Congress had better get busy considering this plan, with a view to early and favorable action.

Some of the railroads unquestionably are in bad trouble; and, as Senator SMATHERS warns, "if they go under, they will drag many others with them, all to the detriment of our overall economy."

Mr. SYMINGTON. Mr. President, I ask to have printed in the RECORD at this point as a part of my remarks another editorial on the same subject, entitled "Helping the Railroads," published in the New York Times of May 4, 1958.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HELPING THE RAILROADS

The report on the problems of our railroads and means of helping solve those problems which has been issued by Senator SMATHERS' subcommittee is to be welcomed as a step in the right direction. It recognizes that the economic conditions of our railroad system—particularly of some eastern railroads which are said to be threatened by bankruptcy—are extremely grave, and the report is more realistic than the recent administration proposals in this field.

It is a particular virtue of this report that it raises explicitly the widely discussed possibility that the railroad system of this country may collapse financially and require nationalization. And in raising this dire possibility, the report warns that if this should happen the Government will have to take steps to assure that railroads are run more efficiently and economically than at present, particularly with respect to the featherbedding practice of railroad labor.

But constructive and helpful as many of the specific recommendations are, the report itself does not go adequately to one of the key roots of the problem. Our system of railroad regulation has a long history, going back to the time when railroads enjoyed far more nearly monopoly advantages than they do today. Many of the ills of the railroads are due to the competition of the airplane, the truck, and the private automobile, yet our national transportation policy takes this actual competitive situation poorly into account.

The railroads must be helped to survive, because they still are and will be for the indefinite future a vital component of our transport system. But is it not time to take a new, comprehensive look at our national transportation facilities and to develop a new, integrated approach to Government regulation of these mediums? And in taking such a new look should not our bias be toward securing a system of regulations which will give the managers of these transportation mediums maximum freedom to run their affairs in the light of the now abundant competitive factors operating in the market for the movement of goods and persons?

Mr. SYMINGTON. Finally, I ask to have printed in the RECORD at this point as a part of my remarks an editorial entitled "Railroads on Relief," published in the Washington Post and Times Herald of May 5, 1958.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RAILROADS ON RELIEF

The Senate Surface Transport Subcommittee, headed by Senator SMATHERS, has produced a thoughtful and comprehensive program to give the ailing railroads both emergency and long-term relief. Although the subcommittee urges more in the way of loan guaranties and a broader liberalization of ratemaking rules than the administration favors, there is now the prospect of widely based bipartisan support for measures which the railroads really need quite desperately.

It is encouraging that the Smathers subcommittee, despite its lack of legislative jurisdiction over revenue matters, went beyond the administration to urge tax relief, both by elimination of the transportation tax and by liberalization of depreciation policies. We are inclined to agree with the administration, as a matter of principle, that such reforms should be considered along with other tax changes. But the recommendation of the Smathers group does not preclude this while at the same time it puts a needed special emphasis on a particularly acute situation.

It may be questioned whether the subcommittee's proposal for Government guaranty of loans to meet operating expenses, as well as to finance plant and equipment outlays, is altogether wise. Assistance in meeting operating costs ought not to be necessary if the tax changes, capital outlay loans and ratemaking reforms are well devised and promptly utilized. But the very fact that so extraordinary a measure of relief is seriously proposed after a careful, 3-month study is testimony to the truly grim situation which many Eastern roads, in particular, are facing.

In dealing with the short-term emergency aspects of the Smathers subcommittee proposals, Congress can afford to err on the side of generosity. It will want to examine with care the new, more competitive ratemaking climate, as between railroads and other forms of transportation, which would result from some of the subcommittee's long-range reforms. But in general we think transportation has suffered from too many built-in rigidities and that a large dose of freewheeling enterprise is in order.

RESIGNATION OF MAXWELL RABB AS SECRETARY OF THE CABINET

Mr. SYMINGTON. Mr. President, many of us regret Max Rabb leaving the White House staff.

Mr. Rabb has gone out of his way to be especially courteous and helpful to many of us on the legislative side of the Government, for which I know my colleagues as well as myself are very grateful.

I ask unanimous consent that an article on this subject, written by Andrew Tully, of the Scripps-Howard newspapers, and published in the Washington Daily News of April 26, 1958, be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RABB WORKED WELL BEHIND THE SCENES

(By Andrew Tully)

Max Rabb is quitting his two White House jobs and although his name may stump the average citizen, it is one that may well find itself in the footnotes of history.

As Secretary of the Cabinet and Associate Counsel to President Eisenhower, Maxwell Milton Rabb got few headlines.

Yet since 1953 his has been one of the most effective voices in recent years in the cause of civil rights.

Mr. Rabb's big job was the problem of the Nation's minorities.

He didn't solve it, but under his aggressive sponsorship the White House took some giant strides in that direction.

For one thing, it wiped out all remaining traces of segregation at military establishments. For another, it ended segregation in the District.

FROM SCRATCH

When Mr. Rabb took over his assignment, most Washington movie theaters either admitted no Negroes or seated them in special sections.

Mr. Rabb made no public announcements nor promises. Instead, he called in the theater owners and politely told them about the new administration's policy.

He went to New York and Hollywood and appealed directly to the industry's leaders.

There was considerable resistance, and some public hollering on the part of the industry.

But Max Rabb kept his mouth shut, except in private sessions with industry leaders, and within a little more than a year segregation in theaters had been ended without a court fight.

Meanwhile, Mr. Rabb was pushing the administration's immigration policies, mostly in after-hour sessions with Members of Congress.

The result was passage of the extremely controversial Refugee Relief Act of 1953—a bill opposed by some of the most influential legislators on Capitol Hill.

A FIRST

Max Rabb also will go down in the history books as the Nation's first Secretary of the Cabinet—President Eisenhower created the job shortly after he took office to help streamline Cabinet procedures.

Mr. Rabb will leave the middle of next month to join the New York law firm of Stroock, Stroock & Lavan.

But there's little doubt he'll be back in the White House from time to time. President Eisenhower made that plain in his "Dear Max" letter accepting Mr. Rabb's resignation, when he said he would "put to good use," his aid's offer to help out in the future.

THE CAMPAIGN AGAINST CANCER

Mr. ERVIN. Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD a statement prepared by myself upon the subject of the campaign against cancer.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ERVIN

We have just seen the close of a month-long campaign to raise money to fight can-

cer. Funds obtained will go to institutions where scientists and researchers have spent months, years, and even entire careers in painstaking, arduous efforts to find the cause of cancer.

I would like to commend all who contributed funds. I would particularly like to salute our scientists who continue their work in this field. Their task is most difficult because there may be, as some experts have indicated, as many as 700 kinds of cancer.

All mankind hopes for an early breakthrough.

A pure scientific approach to the problem is followed by some 10,000 dedicated specialists now doing cancer research. Unfortunately, there is a handful of men in the field who circumvent this approach.

I speak specifically of those who continue their attacks on cigarette smoking.

These are the men who make most of the headlines—men who are trying to "cure cancer through publicity." They are the ones who say flatly they know the cause of lung cancer—cigarettes.

As I have mentioned, scientists say that there may be as many as 700 kinds of cancer. Although they are hopeful of an early breakthrough, these same experts state that they do not know what causes cancer—any kind of cancer.

Why is it that while thousands labor to find the answer, a few point to cigarettes as the cause of lung cancer?

Is it because millions of Americans get relaxation and pleasure from smoking, and that these few men know any attack on cigarettes will provide headlines and headlines help fund drives?

We do not object to fund raising. We are for it. It will be money and scientists which will defeat cancer. But we do feel that a cure for cancer will come sooner if all research is truly scientific.

The key individuals behind most of the anticigarette publicity during the past few years have based their presentations and press releases primarily upon an alleged relationship between lung cancer and smoking statistics.

The truly objective researcher knows that statistics always require careful evaluation. This is the premise used by Dr. Joseph Berkson, head of the division of biometry and medical statistics at the Mayo Clinic, an internationally recognized medical statistician.

I should like to quote from a report prepared recently for the Journal of the American Statistical Association by Dr. Berkson:

"Cancer is a biologic, not a statistical, problem. Statistics can soundly play an ancillary role in its elucidation. But if biologists permit statisticians to become the arbiter of biologic questions, scientific disaster is inevitable."

Dr. Berkson has reference here to a statistical study carried out under the direction of Dr. E. Cuyler Hammond and Dr. Daniel Horn, director and assistant director, respectively, of the American Cancer Society's statistical research division. The study concerned the smoking habits of 188,000 men from 50 to 70 years old.

The statistical survey said that out of 7,816 observed deaths, there were 2,665 "excess deaths" among men with a history of regular smoking. In other words, the sample total showed that there would have been only 4,651 deaths if there had been no difference between the men who smoked and those who did not smoke.

Dr. Berkson says an examination of the Hammond-Horn analysis of the 2,665 excess deaths shows "that of the total estimated excess deaths attributed to regular cigarette smoking, only 13.5 percent were from lung cancer."

"In other words, the Hammond-Horn statistics show that only a small percentage of the excess deaths is directly attributable to lung cancer, whereas as much as 86.5 percent of these excess deaths were the result of other diseases that cannot be directly attributed to the effect of smoking on the lungs," Dr. Berkson states.

"The existence in the data of association between smoking and death rate from many categories of cause of death other than lung cancer, and indeed chiefly with these other categories," Dr. Berkson continued, "raises a serious challenge to the explanation that the statistical association observed between smoking and lung cancer has a direct causal basis. Some physical explanation must be found for the other associations, unless statistics are to be exposed to the charge of scientific irresponsibility.

"For myself, I find it quite incredible that smoking should cause all these diseases. It appears to me that some other explanation must be formulated for the multiple statistical associations found with so wide a variety of disease."

Dr. Berkson states one explanation for the increase in all the various categories is that "persons who are nonsmokers, or relatively light smokers are of a constitutional type that is biologically disposed to self-protective habits, and that this is correlated generally with constitutional resistance to mortal forces from disease.

"If 85 to 95 percent of a population are smokers, then the small minority who are not smokers would appear, on the face of it, to be some special type of constitution. It is not implausible that they should be, on the average, relatively longevous, and this implies that death rates generally in this segment of the population will be relatively low.

"When an investigation set up to test the theory, suggested by evidence previously obtained, that smoking causes lung cancer, turns out to indicate that smoking causes or provokes a whole gamut of diseases," Dr. Berkson declares, "inevitably it raises the suspicion that something is amiss."

Many of our dedicated scientists have indicated that something is amiss in this attack on cigarettes.

One such scientist is Dr. William Francis Reinhoff, Associate Professor of Surgery, Johns Hopkins Hospital, who states:

"I submit that we must demand evidence—and despite the millions of dollars poured into cancer research, there is no evidence, statistically or clinically, that confirms any association between cigarette smoking and lung cancer."

The scientific researcher knows that the history of medicine is punctuated with incidents in which the cause of a particular disease was positively accepted, on statistical evidence, by leading professionals in the medical field. All too frequently this statistical link was proved false when more extensive research was completed, and when an entirely unrelated cause for the disease was revealed.

It was just a few short years ago that cancer was linked with aluminum cooking dishes. Now scientists have proved this does not happen. Aluminum is quite inert and under the most rigid analysis aluminum ware does not in the slightest degree enter into any chemical reaction with foodstuffs.

From all indications, the publicity campaign which attempts to convict smoking without benefit of judge or jury—without the evidence of our best scientific minds—this distortion of statistics will grow more lopsided as time goes on.

Why? Because fund-raising has become a very necessary business—but also a very big business. The need to dramatize a story can color the actual facts of that same story. Because we all look forward to the time when this modern-day plague will be understood and eliminated, let us not hold back the real, unbiased scientists in their efforts, first, to find the cause of cancer and, second, the cure of cancer—let us not cloud research with symbols of fear.

WORLD TRADE IS LOCAL TRADE

Mr. THYE. Mr. President, the following statement appeared in this month's Greater Minneapolis magazine published by the Minneapolis Area Chamber of Commerce:

The Minnesota World Trade Association views with utmost importance the passage of legislation currently before Congress providing for 5-year extension of the Reciprocal Trade Agreements Act. The advent of the European common market, high unemployment at home, and simple, good sense make any other course unwise.

Let me interpolate at this point that I concur fully in that statement. I am in full support of the President's reciprocal trade agreement program, and I commend the Minneapolis Chamber of Commerce for having made this specific statement and for having taken a stand on the question.

This simple, good sense is well-documented in this issue of the Greater Minneapolis magazine devoted to the concept that reciprocal trade is an asset to the State of Minnesota. Articles written by leading businessmen in the Minneapolis area spell out the reasons why the board of directors of the Minneapolis Area Chamber of Commerce in January of this year endorsed the proposal for an extension of the Trade Agreements Act for a 5-year period.

I endorse these views, Mr. President, and I ask unanimous consent that these articles be printed at this point in the RECORD as part of my remarks, and that they be referred to the appropriate committee for consideration.

There being no objection, the articles were ordered to be printed in the RECORD, and referred to the Committee on Finance, as follows:

WORLD TRADE IS LOCAL TRADE

(By Harry R. Hall, executive vice president, Minneapolis Area Chamber of Commerce)

In January 1958, the board of directors of the Minneapolis Area Chamber of Commerce approved a recommendation of the Congressional action committee to endorse the proposal for extension of the Trade Agreements Act for a 5-year period. The chamber's policy statement on the Trade Agreements Act is:

"The Minneapolis Area Chamber of Commerce endorses a renewal for not less than 5 years, of the reciprocal trade agreement program, based on the following reasons:

"The Trade Agreements Act inaugurated in 1934 has been successful in promoting international trade throughout the world and resulted in record levels of exports and imports.

"United States exports, amounting to over $20 billion, is an essentional part of a thriving and growing United States economy.

"The Trade Agreements Act fosters private foreign investment through which United States receives nearly 25 percent of its imports.

"The rest of the world moves toward freer trade as evidenced by the European market concept.

"A 5-year extension of the Trade Agreements Act is needed to permit the United States to undertake the single most important foreseeable trade negotiation—that with the six common market countries on their common external tariff.

"The St. Lawrence Seaway will open up new opportunities for world trade in our area.

"According to United States Department of Commerce estimates, Minneapolis exports amount to over $50 million annually with annual imports of $25 million.

"Some 25,000 Minneapolis employees depend on import-export business for their livelihood."

Since the adoption of this official policy, the chamber's world trade study group of the congressional action committee has been working aggressively to gain support for this act. Detailed information on the position of the chamber was presented to the entire Minnesota Congressional delegation. The chamber's official letter of transmittal was read into the CONGRESSIONAL RECORD by Senator HUMPHREY. Both Senator THYE and Senator HUMPHREY and the three Representatives from the Minneapolis metropolitan area have committed themselves as being in favor of extension of the Trade Agreements Act.

The basic facts on the Trade Agreements Act were sent to the entire membership of the chamber, urging each member to make his position known to the proper Congressional officials. Copies of letters coming to the chamber office are indicative of strong support for this legislation.

The Minneapolis Area Chamber of Commerce served as one of the consponsors for the National Conference of Organizations on International Trade Policy held in Washington on March 27.

Max Rappaport, a member of the board, testified for the bill before the House Committee on Ways and Means.

This vigorous activity by this chamber committee illustrates the value of the organized action in working for the best interests of the community. The Trade Agreements Act may sound remote and unrelated to the average person, but it has a direct relation to jobs in the Minneapolis area. The purpose of the committee's action is to inform the public in general so that its importance can be related directly to the individual wage earner and its effect on the overall economy of the community.

The March issue of Economic Intelligence, published by the economic research department of the chamber of commerce of the United States, has a clearly stated discussion on alternatives to exports. It is given here in full to emphasize further the need for expression of opinion by local businessmen. The statement as published is:

"There are only a few possible ways to finance or offset the present $6 billion export surplus and any future surplus of United States exports above imports. The realistic alternatives are:

"(1) Foreign countries can raise their barriers against American products and reduce our exports to attempt to correct their external financial problems. This is most likely to happen if we raise our barriers against their products. This would increase any unemployment problems we now suffer and deny foreign markets to our most efficient producers.

"(2) Our foreign aid can be maintained or increased; that is, we can give away money which in effect does pay for some of our present export surplus and would help pay for any increased levels of United States production sold in foreign markets.

"(3) Loans to foreign producers or governments can be maintained or increased. The United States Government can loan dollars directly or indirectly by contributing funds to international lending agencies. However, unless loans are to be extended indefinitely they must, in the future, be repaid and other countries must be able to earn enough dollars for principal and interest charges. In fact, lending abroad now suggests that in the future it may be necessary for the United States to encourage an import surplus.

"(4) Private foreign investment is another way to help finance an export surplus. But if United States investment is to continue to make extra dollars available to foreign countries, there must be reasonable assurances that the earnings on such investments can be brought home and that this capital will not be permanently "locked-in" abroad or nationalized. Such conditions are possible only if the foreign countries can maintain satisfactory international financial balances—for instance, by exporting to dollar areas."

This issue of Greater Minneapolis is dedicated to a better understanding of the value of world trade to our local economy, with the sincere hope that this information will provide ideas to expand markets and job opportunities for more people.

WORLD TRADE'S YEAR OF DECISION

(The following report is condensed from a speech delivered at the Chicago World Trade Conference, February 28, 1958, by A. B. "Shang" Sparboe, vice president of Pillsbury's overseas division. Sparboe is a member of the foreign commerce committee of the United States Chamber of Commerce; director of the National Foreign Trade Council; member of the world trade advisory committee of the United States Department of Commerce; chairman of the export advisory committee of the Millers National Federation; and vice president of the Minnesota World Trade Association. His company is the world's largest exporter of flour and flour products.)

Since the beginning of time, the world always seems to have been dominated by some one strong country or a small coalition of strong countries. Invariably they had one thing in common: They always were the leading foreign traders of their period.

It is also a matter of record that the nations which dominated world affairs for the longest periods of time were not necessarily those with the largest populations, but rather those inclined to develop mutually satisfactory trade relations with other countries during time of peace.

Before we can deal adequately with the present hostility in some circles toward more liberal trading policies, we must understand "how come" there can be such serious conflicts in economic beliefs, which have no respect whatsoever for political, social, geographic or racial dimensions. A possible explanation is that we tend to look at such problems through three different pairs of eyes, representing those of a worker, taxpayer, and consumer. When a proposition is viewed as adversely affecting our own job, automatically we are opposed to it. On the other hand, if it affects only the "other fellow," we are inclined to raise our sights to see how we are affected as a taxpayer or consumer.

For example, let's take three mythical characters—Bill, Joe, and Mike. Bill makes wooden clothespins, and his job is threatened by imports, so it is perfectly natural for Bill to favor protection against clothespins from Sweden; whereas Joe, and Mike, as consumers, are opposed to raising the duties of clothespins, since this would raise their cost of living. Joe helps to manufacture bicycles, which makes him favor raising the duty on British bicycles, or perhaps establishing an import quota, to enhance his job. This time Bill, and Mike gang up on Joe, opposing anything likely to raise the price of bicycles, which they know they will soon have to buy for their youngsters. Mike is a bartender, and he doesn't care whether the people he serves beer work at jobs that are affected or not affected by imports, just as long as they come in for their beer. His attitude toward imports, duties, etc., is one of comparative indifference, but when compelled to take a stand, he tends to view such matters through the eyes of a consumer.

Now let's complicate this comparison of interests some more by introducing an exporter into the picture, who has a product that many foreign markets want, and a product that can readily be sold at a profit without any public subsidy. For perfectly obvious reasons, this exporter is strongly opposed to raising the duties on either Swedish clothespins or English bicycles, realizing that those countries will not have dollars to pay for his exports unless they earn the dollars from their exports to his country. Now how are we going to reconcile this four-way clash of interests?

As it is utterly impossible to give all four men their own way, it becomes a matter of determining the best compromise that will generate the greatest economic activity (jobs) along with the highest possible competitive profits and at the lowest possible costs to the consuming public, of which we all are a part.

In spite of the overwhelming evidence favoring not only continuation, but also maximum expansion of foreign commerce, there are those who persist in advocating contraction of foreign trade, relying largely on the emotional, yet completely erroneous, argument that this would save domestic jobs and even increase them.

What jobs? Such people very skillfully avoid mentioning that far more export jobs would thereby be destroyed. Surely it takes no intellectual giant to choose between a comparatively few unprofitable domestic jobs seeking protection against imports at extra cost to consumers, as against the export jobs that neither need nor ask the consumer for any such subsidy, but in addition, create profits.

Competent analysts venture the opinion that, even though all of our duties were eliminated entirely, it is very doubtful that 100,000 nonfarm domestic jobs could possibly be lost to imports; whereas four and a half million whole families look to our foreign commerce for their livelihood.

Fear of competition from abroad is not something peculiar only to Uncle Sam. Other countries suffer similar apprehension, even on a greater scale because of the low costs we so often have as a result of mass production and related advantages. If all countries get buck fever and set up fences, tending to create scores of small protected markets, all countries are bound to lose critically. What we really need is protection against the protectionists.

Failure of Congress to renew the Reciprocal Trade Agreements Act would be a complete tragedy for ourselves and other countries, and bring nothing but chaos to foreign commerce.

BRITAIN IS MINNESOTA'S SECOND LARGEST CUSTOMER

Heavy electrical equipment, plumbers' oakum, knitting machines, measuring instruments, spring-back binders, and whisky dispensers are just a few of the more unusual British products which find their way in volume into the great distributing center served by Minneapolis.

Eugene H. Harrison, British vice consul (commercial) who is attached to the British consulate in St. Paul, will tell you that Great Britain is Minnesota's second largest customer after Canada and that in turn it buys such commodities as meat products, electrical machinery, iron and steel products, wheat and wheat products, and soya beans from this area.

"The year 1956 saw us purchasing some $172 million worth of wheat products alone from this area. We sell to you many staple items such as men's footwear, tweeds, bone china, Scotch whisky, etc., but are also procuring business for unusual items such as the large order for electrical machinery

which we sold to the Garrison Dam, milling machinery, solder and even fish."

Some of the other unusual items Great Britain sold to this country include radio-isotopes, and thyroid powder. In 1957 the sale of British-made autos almost doubled. And within the past few years Britain sold Capital Airlines some $60 million worth of turbo-prop airplanes.

The British consulate in St. Paul offers a comprehensive service to businessmen in this area to promote what Harrison terms "two-way trade—United Kingdom-Minnesota."

"We are, to my knowledge, the only consular office in the Twin Cities with a vice consul working entirely on promotion of trade. I am willing to go anywhere in the area to discuss trade between our two countries and to give help to local businessmen in their endeavors to do trade with United Kingdom or British Commonwealth firms. Or to importers who wish to bring in anything at all from Great Britain."

As a result of previous discussions, several leading local firms have subsidiaries in the United Kingdom or made arrangements for manufacture under license there which Harrison says are now eminently successful.

Direct importing to this area from the United Kingdom has increased tremendously during the last 4 or 5 years, he said. Department stores, wholesale distributors, manufacturers' agents and even small individual firms are now importing regularly and finding that they are much more successful and making more money by importing directly than by buying from some east or west coast importers.

"In the way of promotion we are most active," Harrison said. "We give speeches to many local organizations, appear on TV and radio, and for the last 4 years we have put on a British exhibit at the Minnesota State Fair."

During May 7–18 the British Consulate is taking part in the International Trade Show (part of the Festival of Nations at the St. Paul Auditorium) which is part of the Minnesota Centennial. During the last week of May the consulate is cooperating with the Southdale Shopping Center the local British Motor Cars Corp, distributor for a British Week.

Harrison said that if Minnesota businessmen wish to import direct the consulate can give them general information about importing the British merchandise they want. It will provide from its records the names of suitable British manufacturers or trade associations for them to contact.

Or if the Minnesota businessman prefers, the consulate will transmit his requirements to the Board of Trade, London, so that British manufacturers can make offers direct to him. If the Minnesotan is planning a business trip to Britain the consulate can help with background information about business and general conditions in Britain. Or it will advise the board of trade so that they can make preliminary investigations for him.

What a consulate cannot do, Harrison pointed out, is to take orders from a businessman or firm for a British firm, or place orders on the American's behalf in Britain.

Foreign Commerce Two-Way Street for Archer-Daniels-Midland Co.

Wheat for India and whale oil from Peru. Coconut oil from the East Indies and soybean oil for Norway. Chemicals and foundry supplies for Spain and Italy and resins from the Congo.

For Archer-Daniels-Midland Co., which trades in these and hundreds of other commodities around the world, foreign commerce is a two-way street.

"Foreign trade is vital to Archer-Daniels-Midland Co. with its 150 plants and elevators scattered throughout the United States, and to our employees and our farm suppliers," says T. L. Daniels, president, who recently returned from a visit to Archer-Daniels-Midland Co.'s whaling operations in Peru.

"From abroad we must obtain the materials which we cannot produce economically in this country and we must sell abroad the products of our factories and the produce of our farms. In a sense, we are the salesmen for the American farmers and workers."

This Minneapolis company, one of the Nation's largest processors and merchandisers of agricultural commodities, has been engaged in foreign trade since its founding 56 years ago. It does business on every continent and its more than 1,000 products are sold in more than 60 countries.

Two years ago Archer-Daniels-Midland Co. embarked on an expansion of its foreign operations. Since then the company has established manufacturing facilities in six countries and has set up an office in the Netherlands to handle some of its global commodities transactions. An international division directs sales abroad of all Archer-Daniels-Midland Co. products except grain and wheat flour.

Archer-Daniels-Midland Co's. foreign expansion in the past 2 years has included extension of manufacturing operations to Europe and Latin America as well as the licensing of foreign companies to use Archer-Daniels-Midland Co's. technical know-how to make Archer-Daniels-Midland Co's. products.

One of the first Archer-Daniels-Midland Co's. moves abroad was the building of a formula feed plant in Mexico City. Later the company purchased an interest in another Mexico City feed plant.

Like all of Archer-Daniels-Midland Co's. foreign expansions, these were made in association with local financial interests.

These Mexico City enterprises illustrate the benefits United States capital and know-how can bring to underdeveloped foreign areas.

"Improved animal feeding is badly needed in Mexico," says Daniels. "The need for a modern feedstuff industry is linked closely with the advancement of better agricultural marketing and improved human nutrition. At present, Mexican nutritional levels are considerably below the United States average and need to be increased 50 percent. The Mexican diet is particularly lacking in dairy products and in proteins of animal origin."

Archer-Daniels-Midland Co's. overseas expansion was rapid in 1957. Acting each time in partnership with local businessmen, the Minneapolis company purchased an interest in a plant that manufactured resins and plasticizers at Zwolle, The Netherlands. With Dutch and German interests, a similar plant was built at Ruhle, West Germany.

In cooperation with a subsidiary of Petrofina, the world-wide Belgian oil company, Archer-Daniels-Midland Co. is constructing a chemical plant near Brussels. An interest was purchased in an existing chemical company at Bilbao, Spain, and production facilities there were expanded.

At Paita, Peru, Archer-Daniels-Midland Co. and Peruvian interests have built the world's most modern land-based whaling station. The station and three whale chaser vessels provide Archer-Daniels-Midland Co. with a dependable supply of sperm whale oil. The Minneapolis company is the world's largest processor of sperm whale oil.

The Peruvian whaling enterprise, unique in American industry, supplies crude sperm oil to Archer-Daniels-Midland Co.'s United States chemical plants, where it is transformed into oils and chemicals for scores of industries ranging from cosmetics to metalworking.

The other foreign manufacturing operations are substantial users of American agricultural products, such as soybeans. In some cases these farm commodities may undergo basic processing in Archer-Daniels-Midland Co.'s United States plants, thus providing jobs for American workers. Even when the basic processing is not performed in this country, the foreign plants extend the market for United States farm products.

"This worldwide trade, whether in finished products or raw commodities, is essential to the welfare of American workmen, farmers and industry," said Daniels. "It provides more jobs for the workers, broadened markets for farm produce and stability for industry."

He pointed out that the export market is vital to upper Midwest agriculture and as an illustration cited the tripling of United States exports of soybeans and soybean oil from about 50 million bushels in 1950 to nearly 150 million in 1957.

The Influence of Foreign Trade on Minnesota

(By Dr. Ernest G. Booth, manager, Minneapolis office of Field Services, United States Department of Commerce)

The pattern of Minnesota's economy is such that the maintenance of sound, thriving, international commerce by the United States contributes to its prosperity to an unusually important degree.

Minnesota is a large producer of major agricultural and industrial export commodities; its manufacturing industries depend upon imported raw materials; it is a key center of railway, inland waterway, and highway transportation, and it has extensive commercial and financial interests benefited by foreign trade.

The export trade of other States has a direct influence on the prosperity of Minnesota and it produces a wide variety of commodities which are sold throughout the country. As the other States prosper by export trade they become better customers for goods produced in Minnesota.

There are no statistics available which give exact figures covering exports of goods produced in Minnesota. Nevertheless, there is impressive factual evidence which indicates that exports play a vital part in the industrial prosperity of the State and are responsible for the employment of many thousands of workers in high wage industries.

In January 1958, over 131,000, or about 63 percent of the total number of Minnesota workers in manufacturing industries were employed in the major industries producing goods which the United States exports in greater quantities than it imports. A substantial number of additional workers were employed in other export industries. Many of the remaining industrial workers were employed in enterprises which are particularly dependent upon the local prosperity of the State.

For example, there are nearly 5,000 workers in industries producing bakery items, and over 6,000 are employed in the printing and publishing of newspapers. The demand for these types of products has been increased considerably by the purchases made by the many workers employed in Minnesota export industries.

Table I contains statistics which illustrate in a striking manner the importance to the welfare of the State of 11 leading Minnesota industries producing goods which the United States exports in greater volume than it imports. These industries produce meat products; electrical machinery; apparel and related products; primary iron and steel products; tractors and farm machinery; service-industry and household machines; dairy products; grainmill products; canned, preserved, and frozen foods; and construction and mining machinery.

In 1954 these industries employed nearly 81,000 Minnesota workers, who earned over

$322 million in wages and salaries. The aggregate value added by manufacture of their production was over $577 million. (Value added by manufacture is the total value of shipments, less the cost of materials, supplies, and containers, fuel, purchased electric energy, and contract work.)

Total United States exports of products of these industries were valued at $4.2 billion in 1954 and over $6.2 billion in 1956. Assuming that Minnesota shared in this national export trade proportionately to its importance as a producer, the value of exports of these commodities produced in Minnesota was somewhere in the neighborhood of $70 million in 1954 and over $105 million in 1956.

(This figure, and others given subsequently, covering the value of Minnesota exports and employment in production of export are rough estimates which give a general indication of magnitude. Estimates of exports are based on the assumption that Minnesota shared in United States exports in proportion to its relative importance as an employer of labor in the industry. Estimates of export employment are based on the ratio of estimated exports to total production.)

In addition to the 11 industries included in table I, there are many other industries in Minnesota which are on an export basis nationally and which make major contributions to the economic life of the State. These produce furniture and fixtures; transportation equipment; metal stampings and coatings; paperboard containers and boxes; industrial machinery; concrete and plaster products; toilet preparations; petroleum and coal products; metalworking machinery; vegetable and animal oils; and cutlery, hand tools, and hardware. Exports of these commodities probably added $15 to $20 million to Minnesota's exports reported in table I.

There are also many commodities manufactured in Minnesota which are used in the production of export goods. Among such products are machinery parts; automobile accessories and parts; electric motors; and chemical and allied products, together with machinery employed in the manufacture of exports. The production of such indirect exports probably provides employment for several thousand workers in the State.

Large United States exports of such commodities as iron and steel products, machinery and motor vehicles increase the demand for iron ore and substantially benefit Minnesota's great iron-ore mines, which supplied about 80 percent of the domestic iron ore in 1957. Exports of products which contain iron mined in Minnesota are valued at many millions of dollars. In 1957 Minnesota produced over 70 million tons of iron ore and its mines employed over 20,000 workers.

In evaluating the benefits of exports to Minnesota, it should be remembered that exports make it possible for a company to spread its overhead costs and thus increase the profitability of its domestic business. This margin of profit at times accounts for the difference between profit and loss on all operations, and affects the employment of all workers in the enterprise.

Minnesota is an important producer of a number of major export commodities. The statistics in table II illustrate the importance of exports to the following leading Minnesota farm products: Corn, oats, wheat, soybeans, barley, hog and hog products, dairy products, and eggs and egg products.

United States exports of these commodities were valued at $764 million in 1954 and over $1.36 billion in 1956. A large proportion of the United States production of several of these products is normally sold abroad. Furthermore, an important part of the production of crops used as livestock feed is exported in the form of meat products.

The total value of the Minnesota production of the commodities listed in table II was over $1.06 billion in 1954. Exportation of these commodities benefits a large proportion of the individual farms in Minnesota. Corn, oats, hogs, dairy products, and eggs are produced on approximately three-fourths of the farms in the State. Bread grains, flaxseed, and soybeans are also produced on a large portion of the farms.

Our export trade also increases the domestic market for Minnesota agricultural products. Industrial production for export in Minnesota and all other States adds importantly to the employment, wages, and purchasing power in the cities and towns where Minnesota farm products are sold, and directly increases the prosperity of Minnesota farmers.

In addition to the Minnesota enterprises which produce exports, a larger number have a very important stake in moving, storing, and financing such goods.

Together, the cities of Duluth and Superior, Wis., share the westernmost harbor of the Great Lakes, through which passes much of the trade between northwestern United States and Canada. A large part of Duluth's business activities consists of operating docks, harbor, and storage facilities to handle the foreign trade and the eastbound shipment of iron ore and wheat. The Twin Cities are located at the head of navigation on the Mississippi and also constitute an important international aviation center.

Therefore, aside from the actual exporting and importing firms, such Minnesota establishments as railway companies, steamship lines, motor-transport concerns, warehouses, banks, insurance companies, custom brokers, and companies engaged in towage, lighterage, and other harbor services, all profit in a substantial way from this foreign trade.

Several thousand Minnesota workers in nonmanufacturing enterprises thus are directly dependent upon foreign trade for their livelihood. These include railroad engineers, brakemen, switchmen and mechanics, truckdrivers, office workers, warehouse employees, longshoremen, and sailors.

In 1947 there were more than 9,000 Minnesota workers who received excess of $23 million in wages and salaries employed in certain nonmanufacturing industries for which statistics are available and a significant proportion of this employment is attributable to foreign trade. The figures are totals for the following industries: Trucking, special-product warehousing and storage, Great Lakes and oceanborne foreign trade, freight forwarding, packing, and crating, services auxiliary to water transportation, fire and marine insurance.

Practically every important industry in Minnesota is dependent upon imports to supply at least some of its essential raw materials. The principal large industries in Minnesota dependent upon imports are shown in table III. These industries in 1954 employed over 85,000 Minnesota workers, who received over $369 million in wages and salaries, and the total value added by manufacture was $740 million.

TABLE I.—*Principal Minnesota industries manufacturing commodities important in United States export trade*

[In thousands]

	Minnesota, 1954			United States exports	
	Number of employees	Wages and salaries	Value added by manufacture	1954 value	1956 value
1. Meat products	18,346	$80,672	$136,957	$60,800	$95,900
2. Electrical machinery	6,080	27,893	48,718	508,800	747,400
3. Apparel and related products	8,971	24,858	38,962	621,500	629,700
4. Primary metal industries	5,339	23,810	30,099	515,700	1,067,800
5. Tractors and farm machinery	5,404	21,586	41,228	403,900	417,600
6. Service industry and household machines	5,808	23,675	46,811	118,000	134,600
7. Dairy products	10,316	36,936	72,072	81,300	149,700
8. Grain-mill products	5,128	21,743	51,390	749,800	1,338,500
9. Canning, preserving, and freezing	2,328	6,841	17,722	271,600	370,600
10. Construction and mining machinery	2,959	13,741	21,627	447,500	786,600
Total	80,986	322,662	577,845	4,209,900	6,206,500

NOTE.—National employment in same categories: 4,537,276.

Source: Census reports.

TABLE II.—*Principal Minnesota agricultural products important in United States export trade*

	Minnesota		United States exports	
	Number of farms, 1954	Production 1954	1954 value	1956 value
Total number of farms	165,225			
Crops:				
Corn	126,101	$340,864,665	$130,363,000	$182,406,000
Oats	126,704	111,262,816	975,000	21,682,000
Wheat		22,325,272	350,022,000	694,465,000
Soybeans	55,921	96,378,492	132,319,761	177,611,846
Flaxseed	29,235	25,561,000	24,417,496	32,056,220
Barley	22,837	29,925,912	27,270,000	91,483,000
Livestock and products:				
Hogs [1]	97,329	[2] 172,275,595	101,000	532,000
Dairy products	115,021	198,700,310	81,329,000	149,777,000
Eggs	105,267	65,786,901	17,237,000	19,246,000
Total		1,063,080,963	764,043,257	1,369,259,066

[1] On hand.
[2] Sales.

Source: Bureau of the Census reports.

TABLE III.—*Selected Minnesota industries dependent in whole or in part on imported products, 1954*

[Values in thousands of dollars]

Industries	Number of employees	Wages and salaries	Value added to product in manufacture	Imports important to industry	Tariff applicable ad valorem equivalent imports for 1949
Machinery, except electrical	23,492	$99,930	$178,174	Copper (except fabricated), tin, chrome, asbestos, crude rubber.	Free
Electrical machinery	6,680	27,893	48,718	Nickel and alloys	8.9
Fabricated metal products	9,707	40,907	72,259	Zinc blocks, pigs, and slabs	7.8
Transportation equipment	6,852	31,165	63,452	Aluminum metal and alloys, crude	14.3
				Lead pigs and bars	8.5
				Antimony metal	3.0
				Mica, manufactured	17.9
Printing and publishing	10,450	85,808	138,625	Newsprint, tin	Free
Paper and allied products	15,428	71,226	173,960	Lead pigs and bars	8.5
				Antimony metal	3.0
Toilet preparations	1,141	4,251	50,658	Coconut oil from Philippines, lavender and spike-lavender oil, bergamot oil, rose oil or attar of roses, floral essences and concretes.	[1]Free
Leather and related products	1,809	5,307	8,070	Goat, kid, sheep, and lamb skins, raw	Free
				Quebracho extract	7.5
Confectionery products	1,035	3,094	5,863	Raw cane sugar	8.8
				Cocoa beans	Free
Total	85,384	369,581	739,770		

[1] Internal revenue tax.

Source: Census reports and U. S. Tariff Commission.

The various Minnesota industries using iron and steel and fabricated metals are dependent upon imports, since the United States has practically no nickel or chromite and inadequate supplies of tin, tungsten, manganese, copper, and other essential raw materials. Minnesota printing and publishing industries rely upon large imports of newsprints and a steady supply of imports of secondary importance.

Imported coconut oil and lavender bergamot, rose, and other essential oils are used by manufacturers of toilet preparations. A large portion of the raw materials used by the Minnesota leather industry is supplied by imports because the American production of various hides, skins, and other materials is insufficient. As the United States does not grow the cacao bean, Minnesota manufacturers of confectionery products depend on imports to supply chocolate; imports of sugar are also needed to supplement domestic supplies.

As the bulk of factories in the State must have imported raw materials, industrial activity, prosperity, and employment in Minnesota are dependent upon imports. The standard of living of Minnesota citizens also is raised by imports. A large proportion of the manufactured goods they consume contain imported raw materials; without imports these goods either would not be available or would be of inferior quality.

Imported manufactured goods of particular types and varieties supplement domestic products and also increase the welfare of Minnesota consumers. Furthermore, there are many food products which the United States either does not produce at all or does not produce in adequate quantities. Imports of such products as coffee, tea, bananas, and cacao meet the demands of Minnesota consumers and raise their standard of living.

FAILURE TO RENEW TRADE ACT WOULD BRING CHAOS

(By A. B. Sparboe)

A. B. Sparboe, vice president of Pillsbury Mills, Inc., a stanch supporter of world trade, told the World Trade Conference at Chicago that failure of Congress to renew the Reciprocal Trade Agreements Act would be a complete tragedy for ourselves and all other countries and bring nothing but chaos to foreign commerce.

"This truly is a year of decisions for foreign traders to make sure that the public is adequately informed about the grave risks from failing to support our international and political goals with correspondingly international economic policies," he said.

In testifying before the House Ways and Means Committee on the renewal of the Trade Agreements Act, Sparboe declared the reciprocal trade agreements program is the means through which the United States is able to participate in cooperative measures to expand international trade by reduction of tariffs and other trade barriers on a mutually advantageous basis.

International trade is not only a powerful weapon for peace, Sparboe pointed out, but it is essential to the continued expansion of the economy of the United States. For it benefits the consumer, spurs long-term economic growth and conforms to the spirit of a free enterprise economy.

The reciprocal trade agreements program as a basic segment of United States foreign economic policy faces two new challenges, he said: the Soviet economic offensive and the establishment of the European common market. These bring new urgency for maintaining effective negotiating power and making the extension of this act even more imperative.

While not as dramatic as the missile race, Sparboe said the Soviet economic challenge is no less real as expanding Soviet imperialism is taking the form of a centrally directed state-finance drive for economic penetration of the underdeveloped areas.

"We have seen it happening recently in Egypt and Syria, in the Middle East and in Indonesia, in the Far East. Unless checked, it would happen elsewhere in Asia, Africa, and Latin America.

"Millions of people, the oil of the Middle East, and the vast resources of Africa are in danger of being subverted or lost to the West. Attractive trade facilities are being offered—including barter. Moscow is sending trade missions to any country which will receive them, especially the countries uncommitted in the East-West struggle."

A rash of trade agreements between Communist nations and the Free World was concluded late in 1957, Sparboe said. Already this year, a Soviet trade representative offered Asian nations long-term trade agreements in all basic commodities. The Soviet bloc sold $2.1 billion worth of merchandise last year to the Free World, an increase of 70 percent in 4 years.

"It must be remembered that many of the countries friendly to the United States must trade to live. If they cannot trade with us on mutually agreeable terms, they will surely trade with others."

As to the European common market which became a reality on January 1, 1958, Sparboe said United States exports to the 6 European common market countries are running about $3 billion a year. Our private direct investment in these countries already totals over $1½ billion, with new direct investments (excluding reinvestment) taking place at an annual rate of about $250 million.

The threat of being shut out of traditional European markets by high tariffs is of acute concern to United States businessmen, he declared: Gradual elimination of trade barriers among the six common market countries, coupled with the maintenance of a common tariff against the outside world, will place American exporters to the area at an increasing disadvantage vis-a-vis their competitors within these countries.

"Many leading United States industries plan a partial shift from exporting to the area to investing within the area, by setting up branches or subsidiaries in Europe or by licensing processes to existing European firms. In this way, United States firms can produce for the common market area and at the same time avoid the tariffs which may be imposed against our exports to the common market countries."

American investment will be attracted also by the advantages of large-scale operations in a new market of 160 million consumers, Sparboe declared.

But, he added, a continuing flow of United States foreign investment abroad cannot take place indefinitely unless earnings from such investments can be withdrawn in dollars. The longer-run solution must lie in expanded trade and the United States must be willing to import on a sufficient scale to enable other countries to meet dividend, interest, and amortization requirements, as well as to pay for the goods they currently buy from the United States.

Both the initial and long-range loss to the United States economy can be offset only by effectively bargaining with the common market on a reciprocal basis, Sparboe said. Representatives of the European economic common market have stated: "The European economic community stands ready to negotiate reductions in the common tariffs provided other countries meet us halfway."

Criticism of the Reciprocal Trade Agreements Act, Sparboe said, has centered largely on the matter of serious injury to domestic industries by competitive imports. The extent to which American producers may be adversely affected by imports at a particular time cannot be precisely determined without a detailed analysis of the firms and product involved.

"While the producers who may be affected adversely by imports represent a relatively small segment of American production, they are none the less an important segment and the incidence of injury cannot be disregarded."

It is therefore vital, Sparboe declared, that a means for affording reasonable relief for injury to such producers be continued in the law. For this reason, he added, the Chamber of Commerce of the United States has stressed the need for the gradual and selective adjustment of tariffs, with provision for modification or withdrawal of concessions in order to deal with unforeseen developments seriously injurious to domestic producers.

"The chamber strongly urges that the Reciprocal Trade Agreements Act be renewed in a form to assure the effective achievement of its objectives. Not to do so will be at our own peril."

WORLD TRADE GROUP FAVORS 5-YEAR EXTENSION OF TRADE AGREEMENTS ACT

(By Paul C. Sharp, president, Minnesota World Trade Association)

The President's Reciprocal Trade Agreements Act, now under consideration, is an extremely vital issue, important to the national economy, national defense, and to the present and future welfare of each and every citizen.

Perhaps the importance of the extension of this Reciprocal Trade Agreements Act for another 5 years is recognized more fully by those directly associated with international trade. They are constantly confronted with the day-by-day exchange of goods between nations and the dire need for a continuation of these products in order to insure a sound economy and greater prosperity throughout the Free World.

The Minnesota World Trade Association is made up of some 250 members, all of whom are involved in international trade. They may be exporters, or they may be importers. They may be manufacturers of goods to be exported, or they may be insurance brokers, freight handlers, and banks. But whoever they may be, they can be considered as having a direct stake in the investment called international trade.

The association was established for very specific objects and purposes by the international traders of this area. It was formed to serve the interests of its members engaged in exporting, importing, and foreign investment. It was to be the means whereby there could be established a forum for the exchange of practical foreign trade information and experience among members and guests.

One of the important intentions of the association was to facilitate the expression of the members' views as a body on foreign trade legislation so that it could foster and encourage world trade, and a broader understanding of its importance to the United States and more specifically to this area and the State of Minnesota.

Recently the Minnesota World Trade Association unanimously passed a resolution favoring the 5-year continuation of the President's Reciprocal Trade Agreements Act. It was decided that any failure for renewal or any modification of the act or any shortening of the effective period of at least 5 years would be disastrous and would vitally affect the economy of our Nation.

This resolution expresses the overall opinions of all members of the association. It was brought to the attention of the senatorial and Congressional leaders of Minnesota so these Government representatives would be aware of the wishes of this organized group of business men and women who are closely associated with international operations.

As an organization we urge each citizen of the State of Minnesota to submit to Members of Congress which represent him the importance for the renewal of the Reciprocal Trade Agreements Act for at least another 5 years.

"Trade, not aid," is such a wornout phrase that its use can cause frustration among readers. Yet, we must all be extremely conscious of the important meaning it strives to portray. There is not one person, whether self-employed, or associated with a small or large organization, that irrespective of his position would escape entirely the ill effects of the defeat or modification of the Reciprocal Trade Agreements Act.

Anyone truly understanding the basic principles, and with the courage of their convictions, could not do other than support their Nation's future by insisting on the passage of the Reciprocal Trade Agreements Act for at least another 5 years.

There may be many persons who are interested to learn more about international trade. Meetings of the Minnesota World Trade Association take place the second Wednesday of each month. Guests are invited. Actual time and place is announced in advance or can be learned by contacting the secretary in care of the World Affairs Center at the University of Minnesota.

THIS COUNTRY CAN'T GO IT ALONE

(By Harry A. Bullis, chairman of the board, General Mills, Inc.)

The reciprocal trade agreements program of the United States has now more than become of age. The law was passed and approved on June 30, 1934. Agreements made under it have now been in effect for more than 21 years and the program has served the interests of our people very well.

In these uncertain times which are marked with difficulties in securing true world peace, the nations of the Free World should bear in mind Benjamin Franklin's admonition that they had better hang together, or they will hang separately. We in the United States do not have the margin of strength which can allow us to be indifferent to the needs of our allies.

Rather, we must strengthen and enlarge all trade economic bonds that may bind us together more firmly. History has amply demonstrated that the destinies of nations follow the course of trade. Thus our reciprocal trade agreements program is a crucial matter. It has become a cornerstone in our foreign policy.

It is our evidence that we intend to work, united and devotedly with the Free World, to develop a margin of economic strength over the Communist world. We cannot go it alone, nor can our allies prosper without us.

In the years since the mid-1930's we have accomplished a great deal with our foreign trade policy. Taking the period since the end of World War II, we have increased our imports from about $6 billion to almost $16 billion. Similarly our exports have increased because, as the record shows, when other countries are able to sell more of their products in the United States, they buy that much, and more, from us.

It is my conviction that a renewal of the Trade Agreements Act for a period of at least 5 years is essential to the well-being of all major sectors of our economic life. To that end, it must contain sufficient authority for tariff reductions, so that meaningful negotiations with other countries will be possible.

Furthermore, I am convinced that not only is a continuance of this reciprocal trade program essential to each of these sectors, but that without it, our total economy will suffer in its capacity for growth.

There are those who will say that extension of the act must be opposed because of the present economic recession. However, the present recession is largely concentrated in durable goods production where we are especially efficient, and where we have our important export power.

Therefore, in this period, the continuance of our foreign trade program becomes particularly urgent. While our general exports have fallen to some degree in recent months, we are fortunate that our business dip has not yet been more seriously reflected in the economies of our trading partners abroad.

We need only look back to the period following the enactment of the Tariff Act of 1930 to realize that restricting our imports in a period of recession makes certain the spread of recession around the world. We all know what that implies for our exports.

We need this Trade Agreements Act because we need our exports, particularly now. We should fight to the limit any claims from any quarter that we cannot afford a trade agreements program in a period such as this. The fact is that we cannot afford not to have a trade agreements program now.

General Mills exports flour throughout the world to some 90 countries. Livestock feeds are exported to Mexico, Central America, Cuba, Dominican Republic, Venezuela, Trinidad, Netherlands West Indies, Jamaica, El Salvador, British West Indies, Puerto Rico, Hawaii, and Alaska.

General Mills grocery products, including family flour, is exported to about 65 nations.

Special commodities such as wheat starches, proteins, vitamin concentrates, gums, are exported to Germany, France, Italy, Holland, Africa, South American countries, Korea, Philippines, and Canada.

Flour is the only one of these produced in Minneapolis. The others are made in plants in various sections of the Nation. In addition, General Mills Cereals, Ltd., a subsidiary, produces grocery products in Canada; Protex, S. A., another subsidiary, produces pharmaceutical intermediates in Mexico, and Habib-General Limited, in which General Mills has a 60 percent interest, produces guar gum at Karachi, Pakistan.

NAPCO HEAD SAYS: "WE CANNOT AFFORD TO SEE TRADE BARRIERS RAISED"

(By Max E. Rappaport, of Napko Industries, Inc.)

(From Mr. Rappaport's testimony before the House Ways and Means Committee on H. R. 10368 for extension of the reciprocal trade agreement.)

Minnesota in general, and Minneapolis in particular, has a great stake in world trade. Over 250 Minnesota firms exported in excess of $50 million worth of merchandise in 1957 to over 40 countries.

Approximately 55 percent of these exporting firms had fewer than 50 employees. Thus the export business represents both big business and small business in Minnesota—it represents people, over 51,000 people whose jobs depend on imports and exports.

These figures are extremely modest as they do not take into account any goods that go out of the country via the middleman. For example: a company manufacturing batteries, reports only its sales out of the United States. If a battery goes to a farm implement manufacturer or auto manufacturer and that tractor or automobile is exported—that battery is an export sales, but is not reflected in these figures.

A wide variety of products is shipped from Minnesota: calendars, flour, construction and farm equipment, extracts, shirts, dairy products, poultry, power mowers, tools, electrical machinery, paper and paper products, and a host of food products.

Over one-fifth of Minnesota's income is from agriculture and the farmer depends heavily on free trade. Since World War II, about one-eighth of our farm income has come from crops that were exported. Products of an estimated 60 million acres of farmland are sold abroad.

This is especially important when we remember that economists say that our farm woes come from an overproduction of from 5 to 7 percent. Regardless of how this farm produce moves into export markets, it is channeled away from the United States market and helps to stabilize the United States price of farm commodities. Our Minnesota farm organizations stand solidly behind the concept of freer trade.

Minneapolis, with approximately 25,000 employees depending on imports and exports for their livelihood, cannot afford to see trade barriers raised. Like other great cities, we have our own unemployment problem of the moment. As a business community we feel a responsibility in the matter of world trade that transcends the boundaries of our own city and even our State of Minnesota.

It seems unthinkable that we as a nation could move away from the concept of freer trade when the rest of the world is finally making progress in breaking down some of the tariff walls. We, who have said to the rest of the world: for an example of the same trade policy, look at our 48 States, essentially free of trade barriers. We, who have committed ourselves to the task of elevating the living standards of backward nations around the world. We, who have preached long and loud the equal rights of all men.

It is inconceivable that at this date we should pull back into our isolationist's shell and cut off other nations from our abundance. We know that Congress agrees some way must be found to make some of our abundance overflow to others. We suggest that there is no magic formula—either we must give American dollars to foreign nations in a greatly expanded foreign aid program, or else we must let them sell to us and earn our American dollars. These dollars will come back to us—there is no other place that they can go.

Without export business, employment at Napco Industries would be forcibly reduced by 20 percent. Both Federal Motor Truck Co. and the Northwestern Parts division, two of our divisions, sell extensively to foreign countries. In addition to our present foreign assembly operation in Turkey, additional licensing, assembly or manufacturing agreements are being negotiated with interests in Europe, the Middle East, the Far East and Latin America.

In the course of our selling abroad we find ourselves in competition with European, Asian, and South American business firms. These firms frequently have the advantage of lower labor costs as well as being adjacent to foreign markets. Their competition is therefore quite heavy. We also find that some of our competition is in effect subsidized by their governments for international trade, and we ourselves in the United States do not have any such advantages.

In spite of that, our experience is clear that our exoprts have increased even as our foreign competition has increased. The very fact that suppliers in Italy, England, France, Japan, and Brazil are able to supply our foreign customers with trucks and parts does not necessarily mean that we have lost business in the total aggregate.

Our conclusion is that with increased and free international trade and international competition there is increased activity for all. If other governments are able to earn dollars by selling to us, they are in a much better position to spend dollars and buy from us. We in the United States cannot live in a vacuum. Our company would die if it became isolated. We need to import from other countries and to sell to other countries. This means that we must enter the competition with full determination to be a part of the international business community.

This means we must recognize that other businesses abroad have a right to sell here in the United States just as we have a right to sell abroad. There is no substitute for this interchange of trade and services. It is for these reasons that we enthusiastically and energetically urge the Congress to enact legislation which will expand the opportunities for the reciprocal-trade program.

Let me point out that such international trade is not only directly beneficial to America's economic well-being, but also is beneficial to our political well-being as a nation.

My business calls for me to travel extensively abroad. I just returned from a trip around the world and believe that economic intercourse between our country and other nations is the soundest and finest basis for friendship between nations.

I am well aware personally that a reciprocal-trade program could have the effect of injuring some specific areas. These are few and far between, yet they are meaningful to the individuals and communities concerned. However, meaningful as they are, we cannot afford as a nation to cut off our noses to spite our faces. We cannot afford, for the sake of specific and rare dislocations, to sacrifice the economic and political well-being of the Nation as a whole.

It is my own feeling, therefore, that where the reciprocal-trade program does have the effect of injuring a specific business or community, the Congress should adopt as a national policy programs of helping to alleviate the dislocations, inconvenience, and injury. If the Nation as a whole is the gainer from reciprocal trade—then the Nation as a whole ought to share in the responsibility of taking care of the dislocations.

Airlines Have Important Role in World Trade

Airlines serving Minnesota or headquartered here play an important role in world trade. For besides "exporting" or "importing" people, they transport merchandise to and from this area in large quantities.

For example, Northwest Orient Airlines serves the Orient from the Minneapolis-St. Paul and Seattle-Tacoma gateways. It has daily service across the Pacific between these points with Tokyo with DC-7C equipment.

Tokyo is Northwest's base city in the Orient and it is one of the largest American firms based in Japan. From Tokyo, Northwest flies to Manila, Formosa, Okinawa, and Korea (Seoul). It is the only United States airline to serve Formosa and Korea. While not presently serving Hong Kong, Northwest hopes to resume service to the British Crown Colony.

Northwest has 410 employees based in the Orient, both Americans and Orient nationals. In addition, about 150 flight crew members based in the United States fly to the Orient with Northwest. In 1957 the company realized $12,715,972 in passenger revenue on its trans-Pacific "interport" flights. And that year Northwest incurred $11,084,951 in expenses outside the United States. This includes fuel loaded aboard planes in foreign countries, station expenses, wages, and maintenance.

Northwest and Capital Airlines carry freight and express from Minnesota for export to the east coast where it is picked up by such international airlines as Pan American and Scandinavian serving European and other countries. The reverse is true of imports from these areas.

From the Orient, Northwest flies in goods manufactured in Japan and other Far East countries. The volume of export and import air freight and express has been growing yearly. Northwest reports its volume in 1957 showed a 15 percent increase over 1956. An 18 percent increase for 1958 is predicted.

Braniff International Airways, which has its northern terminus here, also carries considerable air freight and express to Mexico, Central and South American countries, and vice versa.

Dollarwise, the greatest volume of exports and imports are the persons carried to and from other nations. These human cargoes pour American dollars into foreign countries enabling them in turn to purchase more American-made goods.

Other types of merchandise made in Minnesota carried by airlines for export include such things as hearing aids, electronic and electrical equipment, recording tape, parts and accessories for machines made in the State, insecticides, medicines and drugs.

Imports carried by air may be woolen gloves from Japan, cashmere sweaters from Scotland, German-made precision instruments, pyrethrum for insecticides, or art objects and religious articles.

Governor Freeman: "Exports Important Source of Income to State"

Gov. Orville L. Freeman in a recent speech at Stillwater, Minn., said that the adoption of a long-range program to foster international trade "is of direct vital concern to Minnesota, both at present and even more so in the future."

"Today," he said, "exports constitute an important source of income to both the industrial and agricultural segments of our State. At the beginning of the year more than 60 percent of the State labor force was employed in manufacturing industries producing goods which the United States exports in greater volume than it imports."

He pointed out that in 1954 the value of exports of manufactured commodities in this State has been estimated at $70 million. In 1956 the total had risen to an estimated $105 million.

"Exports are of special importance to our farm crop production, especially in the instance of wheat and soybeans—both major agricultural products in Minnesota. More than 55 percent of the Nation's wheat and 38 percent of its soybean crop was exported in fiscal 1956–57."

The Governor noted that soybeans in particular are an important export commodity for Minnesota. In Japan, he said, soybeans have become an increasingly important food commodity, and last year that country imported 33 million bushels.

"On our Orient trade promotion trip last year there were many indications that Asian nations are some of the best customers we have. We know, for instance, that an unparalleled Asian trade expansion has occurred during the postwar 1948–55 period. Exports to nations there were up 158 percent in that time, as compared to a national 27 percent export increase."

Last year alone, the Governor said, Japan purchased goods and services in this country worth over a billion dollars.

"One point many persons overlook when they see the expanding nature of our export trade is that in order to maintain this trade we must provide other countries with the necessary purchasing power through imports. Trade is but the lifeblood of a strong and vigorous economic heartbeat. If we curtail the flow in one direction, we automatically halt it in the other."

In the next decade, Freeman said, Minnesota will feel even more the need for a long-range export-import program with the opening of Duluth as an ocean seaport.

"We know that with the St. Lawrence Seaway and our expanding economy we have the potential to become a heartland rather than a hinterland, with Duluth as Minnesota's deep-water port to the world."

One of the great crises the United States faces today, he added, is the lack of a long-range international trade program which consistently promotes commerce between here and abroad.

"Failure to recognize that fact can have serious consequence in our National and State economy. Past experience has shown that in one case a restrictive trade policy added fuel to a depression which seared the minds of every man here, and in another case a trade policy which promoted commerce between nations aided materially in closing off a recession."

Governor Freeman said the adoption of the Hawley-Smoot tariffs in 1930 was "a tragic protectionist blunder" which raised barriers to foreign imports in this country and abruptly reduced foreign purchases in this country.

In 1954, however, as a result of 20 years of actively building foreign trade through the Reciprocal Trade Agreements Act, he said, a postwar high in exports provided the economic force to return the country to a wealth producing, expanding economy.

Minneapolis-Moline Export Business

The name Minneapolis—in bright red-lettered signs 10 feet wide, is seen on hundreds

of mammoth boxes going to 40 foreign countries. It is part of the name of one of the oldest industries in the city—Minneapolis-Moline.

For the company's export markets are reported growing in importance with orders at Minneapolis-Moline during the first 3 months of 1958 mounting to almost half of the 12-month sales in 1957.

For to grow more food, machines are in demand the world over to replace human labor, with 1 man and a machine doing the work of 50 men.

The company's newest tractors like the 5-Star industrial and farm models, the new hay baler, and the bigger grain Harvestors are finding eager buyers with many foreign Minneapolis-Moline distributors visiting the company's main offices in Hopkins during the past 2 months.

Abdul Hussein Hamsavi, Director of Information of Iran, which is adding sugarcane to its former basic wheat crop, called on J. Russell Duncan, new president of Minneapolis-Moline, a month ago. He was followed a week later by Sabet, partner in Sabet-Pasal, Teheran, which has bought large quantities of farm machines made in Minneapolis and Hopkins.

Government and business officials of the Republic of Colombia came to discuss the new 1958 machines made by Minneapolis-Moline. Colombia is increasing the developing of new agricultural area and promoting the use of machines. Formerly dependent on coffee, Colombia now grows vast acreages of cotton, corn, and vegetables. Minneapolis-Moline tractors, harrows, disks, cultivators, and the company's National Champion Corn Husker are on order for use in the rich Cauca Valley in the Andes.

The International Cooperation Administration is making possible the introduction of modern mechanized farming in many countries formerly limited to the ancient techniques, water bullocks or burros. Hydraulic equipment is gaining favor among farmers of the world who only yesterday cut grain with a sickle and threshed it by throwing it up in the air to allow the wind to blow the chaff away.

In Brazil huge Minneapolis-Moline self-propelled harvesters cut 14-foot swaths of standing grain, threshing it on-the-go and pouring 50 bushels at a time into trucks waiting at the end of the field. The "hired man" has gone to Rio. For the factories there, as in a dozen other countries which are developing their own industries, are drawing farm laborers off the land to the cities.

Even the nails, bolts and the lumber used in boxing Minneapolis-Moline tractors at Industrial Crating Co. on East Hennepin Avenue and Pierce Street are valuable exports. In Africa the boxes as well as the machines are highly prized.

Shipping farm machinery involves heavy charges for packing, transport to ports in the United States, ocean freight, stevedoring, import duties, and transport in the foreign country. Over half a million dollars were spent in 1957 for these services by purchasers of machines made in Minneapolis.

Among the problems of getting American farm machinery to the field in foreign countries is the widespread pilfering in most countries. Unless tractors and big grain combines are securely boxed, nimble hands remove batteries, tires, spark plugs, lights, even the wheels.

Another problem is the lack of local rail transport in many foreign countries. Boxed Minneapolis-Moline farm machinery has been known to wait for several months at the port until rail transport was available. Modern truck lines are extremely scarce, and are also, of course, inadequate in most countries.

But even with these problems and expenses, American farm machinery is competing successfully with European products. The basic reason is that, as at Minneapolis-Moline, American manufacturers are far ahead of foreign competition in design of labor-saving agricultural machinery.

In the case of tractors, foreign firms have a strong competitive position with government aid in extending long terms. But in the newer implements and in the big harvesting machines, foreign manufacturers are definitely far behind America in solving the numerous problems inherent in mechanization.

In fact, except for a year or two back in the 19th century, no tariff protection has ever been given to the American farm equipment industry.

Exporting Year-Round Business for Pioneer

Pioneer Engineering of Minneapolis, a division of Poor & Co., which manufactures heavy equipment for the construction industry, believes export business is good business.

President O. J. Ellertson, son of the founder, and former export manager, will give you at least four good reasons.

Export buying is a year-round business. It helps smooth out the peaks and valleys in production brought about by seasonal construction business in our own country.

It helps to bring dollars into this area, which means more productivity and more jobs for local people with steadier employment for all at the plant.

It makes possible a reciprocity in trade between the United States and foreign countries, enabling Pioneer to feel more sure that necessary scarce materials, such as manganese (with which steel is alloyed to make it withstand impact and abrasion), will be available when needed.

A broad foreign-trade business is one way in which the company can help keep the good will of Free World neighbors as a preserver of peace.

The export phase is a substantial part of business at Pioneer whose primary products are portable and stationary machines for producing and processing crushed rock and gravel and machinery for making blacktop, including machines for laying it on highways, streets, and parking lots.

In 1957 export amounted to about 30 percent of the company's business, including equipment shipped to Canada. Thus, export trade accounts for 1½ days' production out of every 5-day week. Exclusive of Canada, it is estimated that roughly 16 percent of the company's business in 1958 will be shipped as export, the bulk of it in Latin American countries.

Export trade to the construction industry is, however, a fluctuating business, according to Ellertson. Many countries want to buy from the United States but the high cost of the equipment coupled with the availability of American dollars for purchase presents an ever-changing pattern.

Many countries send emissaries to the United States to negotiate for purchase of equipment. In such quest the Bureau of Public Roads in Washington is frequently a great assistant in bringing manufacturer and foreign buyer together.

Last fall the Government of Iran, through efforts of the Bureau, were able to buy 10 large-size portable aggregate processing plants from the company. These plants are intended, one for each geographical district in Iran, to help that country develop and maintain its roadbuilding program.

In 1957, Venezuela proved to be a good market and through its distributor in Caracas, Pioneer was able to ship a record-breaking volume to that country. The equipment is very heavy and on his return from a recent trip to Venezuela, Carl R. Rolf, executive vice president, said it is beyond anyone's imagination how those people ever got some of the large equipment up the roads that only a jeep could traverse.

A few months ago the company shipped a large installation to Cuban mining interests, based on the recommendation of the American consultants on the job. Equipment has been shipped to Korea, the Philippines, Turkey, Arabia, Egypt, and other areas of the Middle East. To Greenland, Iceland, Findland, and the Scandinavias. Wherever the Free World has access to the moneys with which to buy, you find the market for Pioneer's foreign trade, Ellertson says.

Pioneer equipment is also helping our American contractors working abroad. Much of it has gone to defense projects such as those in Alaska, Greenland, Spain, and the Pacific. During World War II, Pioneer designed and built for the armed services the largest portable plants for the production of construction aggregates from whatever source of material was available.

These plants consisted of 14 units, all on wheels or crawler tracks, and required 11 flat cars per plant for shipment. These plants, now somewhat revised to utilize more electric power, and equipped with rubber-tired chassis, are still the only standard of the armed services. Plants of the nature described cost on the order of $235,000 for the complete setup.

They can crush, screen, and wash material and even manufacture sand when necessary, and they perform these operations to extremely severe material specifications at rates exceeding 200 tons of product per hour.

Founded in 1928 the company is now recognized as a leader in its specialized field. Present export manager is J. Miller Brown, currently on a business tour of some of the countries of South America. Both Ellertson and Rolf are actively interested in all phases of the company's export business.

Advertising and sales promotion in foreign areas consume a reasonable portion of the total sales-expense budget. Catalog brochures and other selling aids are produced in several foreign languages and are particularly extensive in Spanish and Portuguese.

Banks Help Finance Exports-Imports

Primarily the function of any foreign banking department is to finance the movement of goods and services from one country to another. There are many methods by which these services can be accomplished, one of the more important ones being the use of commercial letters of credit.

An import credit is nothing more than an instrument issued by a bank on behalf of its importing customer, in favor of the exporter abroad, promising that, if certain conditions are met, the shipper will receive payment for his goods regardless of the financial reliability of the importer.

A counterpart to the import credit is the export credit. An export credit is opened by the buyer abroad through his local bank and directed to the American exporter through a bank in this country. The same promise is given—that the exporter will receive his money after he fulfills the conditions of the credit.

Letters of credit may be either confirmed or unconfirmed, irrevocable or revocable. A confirmed credit has the promise of payment from both the opening bank and the exporter's local bank. An unconfirmed credit has only the opening bank's promise of payment. By giving notice to the banks involved a revocable credit can be canceled at any time prior to presentment of documents. An irrevocable letter of credit can be neither revoked nor modified in any way except by the consent of all parties. The conditions governing whether a credit is confirmed or unconfirmed, or whether irrevocable or revocable, are the same for export or import letters of credit.

Another important facet of financing international trade is use of a draft drawn either at sight or time. Generally, such drafts are drawn in conjunction with other documents such as negotiable ocean bills of lading, commercial invoices, consular invoices, insurance policies, certificates, etc. Although all of these documents are important, probably the most important is the negotiable bill of lading. This instrument conveys title and usually protects the shipper in that he can control the shipment until either payment or acceptance of his draft is made.

The foreign banking department of your Minneapolis bank can best assist you in securing payment or acceptance of drafts by using the facilities of its foreign correspondent banks. Should an exporter desire it, a foreign banking department can discount drafts, providing immediate funds to the shipper. Acceptance financing is becoming more important and increasing demands are being made on United States exporters for longer terms of payment, other than sight draft.

Trading one country's currency for that of another is an important contribution made by a foreign banking department to foreign trade. The principal currencies presently being traded are Canadian dollars, sterling, as well as funds from other free countries, in accordance with their regulations. Foreign exchange traders in Minneapolis are prepared to either buy or sell all marketable currencies.

Because of the exchange restrictions in many countries today, it is not always possible to sell against payment in dollars, and frequently other foreign currencies are offered in payment of goods and services, which may or may not be freely convertible to dollars.

A foreign banking department issues instructions abroad to make payment against the beneficiary's receipt, as well as being able to draw drafts directly on its foreign correspondents, thereby making the funds readily available to the beneficiary.

Your Minneapolis bank offers foreign services, in addition to those already mentioned. The securing of credit information through foreign correspondents regarding the financial reliability of potential buyers or sellers abroad. The securing of trade and market information to assist exporters in the development of their overseas operation.

Through a network of correspondents, it is able to secure names of suppliers for the importer. This same network of correspondents can furnish names of reliable representatives throughout the world to exporters interested in going into a new market.

An important contribution to world trade is foreign travel, providing dollar exchange to all countries which returns to our country in increased purchases of our exportable products. A foreign banking department assists in foreign travel by selling travelers checks and travelers letters of credit. Foreign currencies and regulations regarding its use are also available at this department.

Swedish Consul Seeks To Build up Service Here

(The following article by Paul Swenson, managing editor of the Minneapolis Star, published in the May issue of the American Swedish Monthly, gives an insight into the activities of the Swedish Consul General Gosta af Petersens.)

"The most challenging part of my job is to introduce third generation Swedish Americans to modern Sweden."

The speaker is a tall, slender gentleman of 47 years, whose friendly eyes and extended hand in 22 months have won the friendship of thousands in a consular district which is two and one-half times larger than his native Sweden.

And if Consul General Gosta af Petersens were to count the Swedish stock in this upper Midwest area (Minnesota, Wisconsin, North and South Dakota, and Montana), his tally would be far greater than the population of Sweden's capital, fair Stockholm.

These American grandchildren of Scandinavia speak no Swedish; they don't even have "Swenglish," that blending of Swedish and English sometimes found in England. But these Americans are not strangers to Consul and Mrs. af Petersens. They resemble their Stockholm cousins and they are giving the consul an experience in human relations he prizes highly.

"Nowhere have I come so close to American life. There is great satisfaction in dealing so informally, with frankness and openness of mind."

Building an information service in the vast upper Midwest (population 8 million) is a massive task, says the consul, and he adds quickly and gratefully that steps are being taken in Sweden to make this service more effective.

The story of Sweden is far from a new story in Minnesota; the difference is the growing size of the American audience, and fresh interest in the potential cultural and economic ties.

The first Swedish consulate was set up in Minneapolis in 1919 and Gosta af Petersens is the fifth to serve as His Majesty's representative here. The address, 912 Mount Curve Avenue, serves both as residence for the af Petersens and office for the staff of four persons.

Hundreds of Swedes and Swedish-Americans have come to the consulate and not least in importance has been the service to these people in legal transactions, securing passports and settling estates.

Last year more than $400,000 in estate properties were transferred from Swedish-Americans to their relatives in Sweden. There is a small trickle from Sweden to kin in America, but nothing comparable to the $394,000 average for each of the last 10 years which has moved from the upper Midwest to friends and families in Sweden.

Something new in Swedish foreign service will make its debut in Minneapolis this May when Prince Bertil of Sweden will formally open an exhibit of Swedish glassware during his visit to Minnesota's Centennial.

The exhibit will be housed in the basement of the consulate and will consist of more than 100 pieces from the Gullaskruv, Johanfors, Kosta, Orrefors, and Strombergshyttan glass works.

The exhibit will have both a cultural and commercial role, according to Consul af Petersens. Minnesota already is an important center for distribution of giftware. The glass display, he hopes, will be helpful to prospective dealers and distributors, in addition to telling a Swedish art story to consulate visitors.

The visit of Prince Bertil, his third to Minnesota, may well be the highlight of the consulate's 1958 efforts to tell Sweden's story.

Prospects for increased Swedish trade in the upper Midwest are bright. Opening of the St. Lawrence Seaway will bring the Swedish merchant fleet to the harbors at Duluth, Minn., and Milwaukee and Green Bay, Wis. Swedish products, ranging from automobiles to dainty table settings, will enter the American heartland market without costly transshipment at eastern ports.

In return, raw materials and finished products from the Ninth Federal Reserve district may find their way in Swedish bottoms to distant markets.

A typical customer might be the Swedish piano distributor who wished to exhibit Swedish-made instruments at the 1958 St. Paul Festival of Nations. The high cost of shipment via New York compelled the Swedish businessman to drop the idea. Consul af Petersens hopes that this story will have a happier ending when the seaway is ready.

But the exchange of ideas and cultures does not wait for completions of waterways. Exchange of professors, students and even farm youth is well established between Sweden and the University of Minnesota. There are exchange professors from Sweden at both the University of Minnesota and the University of Wisconsin.

Minnesotans are familiar with the student exchanges sponsored by the American Swedish Foundation. Consul af Petersens would like to see in the future scholarships available for the ablest students in the Swedish departments at Wisconsin and Minnesota Universities for a visit to Sweden to complete their studies.

Insurance Plays Vital Role in Foreign Trade

(By L. P. Foster, vice president, Marsh & McLennan, Inc.)

Foreign commerce would, for all practical purposes, cease to exist if marine insurance were not available.

While this is the oldest form of insurance of which there is any record, it is probably the least understood not only as respects the terms of coverage but more importantly the reasons for the necessity of such insurance.

It is obvious, of course, that the prime purpose of marine insurance is to protect and insure, not only the cargo carried by a vessel itself as well as protecting the vessel owner for liabilities to third parties that might be incurred.

To carry foreign commerce cargo-carrying vessels must be available, and shipowners must have facilities for protecting their investment. Without insurance there are few, if any, who would undertake the many risks that are involved in operating a vessel at sea. Exporters and importers who ship in such vessels must also be able to purchase insurance to protect their interest in the cargo.

In addition to protecting the shipowner and cargo owner, marine insurance also performs another very practical purpose. Credit and financing in foreign trade involves many problems. It is quite apparent, however, that in order to expedite the free interchange of goods proper credit and financing facilities must be available and marine insurance becomes a very important part of such facilities.

Documentation in connection with foreign commerce involves problems that are not usual to domestic shipping and to properly handle these transactions it must be necessary to have certain documentation which can be negotiated quickly and with assurance that all parties involved are properly protected.

This means, of course, that insurance is not only mandatory but there must be evidence of insurance as part of the documentation of a foreign commerce transaction.

With proper documentation not only are all interested parties assured that the property is protected but expeditious handling of the transaction and claim problems that may arise at destination are facilitated.

Many exporters in Minneapolis, through local insurance brokers, arrange marine insurance on their export shipments which provides coverage from the time their merchandise leaves their plant and while in transit by rail, truck, or water to the port of export, including coverage while on the ocean vessel and coverage after discharge until delivered to their customer at destination.

This continuity of coverage is provided under what is known as the warehouse to warehouse clause. All insurance companies who provide marine insurance have facilities not only at ports in this country but

throughout the world to handle losses that may occur while the merchandise is in transit.

In addition, the larger insurance brokers have insurance offices in most of the major ports of this country as well as some foreign offices to further assist clients in the adjustment of claims or other problems that may arise in connection with their export business.

Minneapolis insurance agents and companies have a real interest in marine insurance and most offices are equipped to handle this special coverage.

MINNESOTA CENTENNIAL

Mr. THYE. Mr. President, on May 11, 1858, Minnesota became the 32d State in the Union. It is with great pride and satisfaction that I call the attention of the Senate to this outstanding event in our history—a pride and satisfaction which I know is shared by my distinguished colleague [Mr. HUMPHREY].

It was on March 3, 1849, that President Polk signed the organic act establishing the legal entity which developed into the State of Minnesota. Ten years later, a smaller area—known as Minnesota—was admitted to the Union and began its first hundred years of growth and development.

The name "Minnesota" comes from the Indian word "Mini-sota," given by the Dakota Indians to that great tributary of the Mississippi, and means "sky-tinted water." From this came the familiar and beautiful song, The Land of the Sky-Blue Water.

The Minnesota Indians of historic times are dominated by four names: Dakota, Sioux, Ojibway, and Chippewa. Treaties with these Indians—and with Indians of other tribes—opened the territory west of the Mississippi to white settlers shortly after 1851. People flooded into the new territory so that within 9 years the population had grown from less than 5,000 whites to almost 160,000. Wheat came pouring in from the newly tilled farms. Lumbering became a major industry. Cities and towns sprang up on virgin forest and prairie lands. Farms were built from the raw land, while schools and churches carried the culture forward to the frontier of the West.

Within that first decade, the beginnings of civilization had been transplanted to this wilderness and on the date of this our centennial—May 11, 1858—Minnesota became a sovereign State.

In those beginning years, the great tide of immigration swept on. Busy steamboats puffed up the Mississippi, the Minnesota, and the St. Croix bearing new settlers and great consignments of cargo. River landings rustled with activity; Government roads were started. Many pioneers boarded boats at Galena, Denleith, and St. Louis. Others made the long journey in great prairie schooners, the covered wagons, driving their cattle before them.

Incidentally, my own parents went into the Dakota Territory in a covered wagon, so I am the offspring of pioneers.

Some hoped to make their fortunes in commercial or professional fields, but the majority arrived to take up land offered by the Government at a rate as low as $1.25 an acre, plus proof of occupancy and cultivation.

In an incredibly short time, pioneer homes began to dot the wilderness. Four years before the official birth of Minnesota, about 500,000 acres had passed into private hands; 2 years later more than 1 million had been transferred, and in the year of statehood, nearly 2,500,000 acres of land belonged to the early settlers.

A university—now our world-renowned University of Minnesota—was chartered in 1851.

From the start, the proposal to admit the Northern Territory to the Union brought about violent debate in the Halls of Congress, owing to the sectional feeling between North and South which increased in bitterness in the last decade before the Civil War. The enabling act was finally passed in 1857, and the jubilant Minnesotans proceeded to adopt a constitution and elect State officers.

Thirteen days after the formal admission of the State, the State officers took their oaths of office and the following week the legislature, now clothed with full powers, reconvened.

The first gubernatorial election in October 1859, following the actual admission to statehood, resulted in the selection of Alexander Ramsey, the old territorial Governor.

The new Commonwealth had scarcely time to draw the breath of statehood when the Civil War burst upon a people completely unprepared for such a calamity. The day on which news of the fall of Fort Sumter reached Washington found Governor Ramsey in the Capital. He at once hastened to the War Department and offered Secretary Cameron 1,000 men from Minnesota—the first offer of troops from any quarter after the fall of the Charleston fortress.

The day after the President's proclamation calling for troops, Acting Governor Ignatious Donnelly issued a call at St. Paul for the 1st Minnesota Regiment. The regiment was brought together so quickly that it was able to replace almost at once units of the Regular Army at the frontier posts and to reach the East in time to take part in the first battle of Bull Run. The heroic part that regiment later played at Gettysburg is familiar to all students of the greatest engagement ever fought on American soil—or the whole Western Hemisphere for that matter. Before the final muster-out at the close of the war, a total of 21,982 men had enlisted from the great State of Minnesota.

The war itself loomed scarcely larger in the eyes of Minnesotans than the terrible Sioux Indian uprising in the summer of 1862. The entire Sioux nation, resenting the stoppage of food and money allotments, turned against the white man. More than 1,500 braves took the warpath. Within a few days, more than 400 white men, women and children were massacred and many more taken prisoner. The rebellion was finally crushed. But the price had been a terrible one. The result was that the Sioux were finally banished from the State.

I shall not attempt, and could not trace, Mr. President, even in barest outline, the course of history of my State in modern times. Since the Civil War Minnesota has borne its part in 3 other wars—2 of them worldwide. Minnesota has, it may truly be claimed, made possible the opening up of the great northwestern empire—and it is an empire indeed—and thus has made an incalculable contribution to the development of the Union.

From that start 100 years ago, Minnesota has risen in population from 152,000 to 3,313,000.

Food manufacturing is the leading employer; Minnesota's food industry today ranks second in the Nation. Manufacturing in general provides 220,000 jobs alone—more than the original population and pays workers over a billion dollars a year in wages.

Minnesota has one of the prime agricultural regions in the Nation. Its agriculture stands firm and foremost, with fertile lands and rolling hills. The Minnesota farmer is truly one of the country's most important producers. The great livestock market at South St. Paul is the second largest in the world—more than a million dollars is paid each day to Northwest livestock producers.

From this beautiful and productive farmland, let us go to the scenic beauties of our upper region. The Superior National Forest, on the north shore region of Minnesota, is full evidence of nature's bounty. The lakes and still pines, the vast reaches of forest are much as our forefathers found them. Here is peace and quiet in one of nature's true theaters of beauty.

And up in this northern region lies the raw material that fills our Nation's iron ore needs. Hibbing's giant hull rust mine is still the largest in the world—a vast storehouse of strength for our Nation in this steel and mechanical age.

In total expenditures for education, Minnesota today ranks seventh among the States of the Union. It stands in sixth place in per pupil expenditure for public school education.

The Mayo Clinic at Rochester is world famed and that institution has spent on postwar construction alone something like $25 million.

There are only 7 States paying more per recipient in old-age pensions, 30 percent above the national average. Minnesota ranks seventh in child care—52 percent above the national average.

A recent survey of industrial firms indicates that industry may spend upward of $40 million in expansion in the St. Paul area alone during 1958 and 1959.

I could go on at some length to tell of the amazing progress our great State has made during its first 100 years. I believe it fair to say that Minnesota has contributed its share to the maintenance, security, and general development of the Union we all love, irrespective of section or party.

And I know that Minnesota's second century will bring progress undreamed of by those of us who are here today. Down the long hallway of the next hundred years, Minnesota will become the focal point of world trade and transpor-

tation—she will be one of the great air terminals of the age.

The future is limited only by the imagination. The star of the north will shine ever more brightly in the next century. I wish her Godspeed, in the name of her people and her country.

Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

DR. RALPH D. CASEY

Mr. THYE. Mr. President, recently, Dr. Ralph D. Casey, the head of the school of journalism at the University of Minnesota, announced his plans to retire in June of this year, after 28 years as director of one of the leading journalism schools in the Nation. In recognition of his contributions to the profession, a banquet was given in his honor last week. J. Russell Wiggins, editor of the Washington Post and Times Herald, and Dr. J. L. Morrill, president of the University of Minnesota, were the principal speakers at this testimonial dinner.

In further recognition of "Doc" Casey's leading position among journalism educators in the Nation and of his work in the profession of journalism, I ask unanimous consent, Mr. President, that a recent article which appeared in the Minneapolis Star be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOURNALISM IS WAY OF LIFE TO CASEY

(By Herm Sittard)

When Ralph Casey, cigarette in mouth, emerged from his stucco colonial at 2732 West River Road at 8:10 a. m. today, his day's work had already begun.

Casey climbed into his blue 1953 Olds for the 12-minute drive to his office on the University of Minnesota campus; but his work had started earlier as he scanned the morning papers while sipping coffee in bed. (An automatic timer—set for 7:10 a. m.—had started the Casey coffeemaker before he awoke.)

His work? Ralph D. Casey is director of one of the world's most distinguished schools of journalism and he lives with journalism around the clock.

For instance, if last night was like most other nights, "Doc" Casey—that's what his students call him—was up past midnight working at the ornate desk in his booklined den.

That den, by the way, once was a double garage at the back of the house. But "Doc" couldn't find enough room for his books and whathaveyou in other rooms of the house so he converted the garage to a king-sized den. Its shelves, and several tables, are stacked high with books, pamphlets, and newspapers.

When he arrived at his office in Murphy Hall on the campus this morning, "Doc" sat down in a similar setting—more books, more pamphlets, more newspapers. "Doc," you see, is one of those guys who never throws anything away.

But a couple of weeks ago his wife, Lois, put her foot down.

A neighborhood boy was collecting for a paper drive. Out of the Casey colonial went 25 years' accumulation of "Editor and Publisher magazine. (She checked first—the libraries had complete files.) Even so, this probably would not have happened except for one thing—"Doc" and Lois are selling their home.

He'll turn 68 next Thursday and he's going to retire in June—after 28 years as head of journalism at Minnesota.

In recognition of his contributions to the profession, some 300 persons will honor "Doc" tonight with a special banquet at the Leamington Hotel. On hand for the occasion will be newspapermen and representatives of radio, television, advertising agencies and the graphic arts industries, as well as journalism school, faculty, and students.

J. Russell Wiggins, editor of the Washington Post, will speak on freedom of the press and University President J. L. Morrill will talk about Ralph D. Casey and education for journalism.

Time was—and not so long ago either—when hardboiled editors grew their own reporters, as copy boys in the newsroom, and took a dim view (to put it mildly) of journalism schools.

But tonight's banquet will show how times have changed. Some of the Nation's most distinguished newsmen will be on hand to honor "Doc" Casey.

Journalism schools—and the fourth estate itself—have come a long way since "Doc" dusted off his desk in the basement of Pillsbury Hall on the university campus in the fall of 1930.

(Students took compulsory military drill on the parade ground across the street, where the Continuation Center is now, and wind blew the dust through the stone-arched windows of Pillsbury.)

Perhaps dust was Casey's alibi at some of the annual journalism-day ball-games between faculty and students. As umpire, "Doc" sometimes had difficulty with his horn-rimmed glasses. He'd identify a wild faculty pitch as a strike.

On one occasion, Charles Duncan, class of 1936, brandishing his bat, chased Casey into center field after "Doc" had called him out on three wild pitches. (Duncan is now dean of the University of Oregon journalism school.)

And he's been tough on jouralism students in the classroom, too. Casey and his associates judge a student's work by professional standards. He insists that newspaper know-how is learned by doing; so staffers and students alike try to duplicate actual news working conditions in the school.

Newspaper executives from five States are having a conference today at the university. As they walk down the main corridor of Murphy Hall they can't help noticing dozens of newspaper cartoons on exhibit.

What they don't know is that "Doc" Casey himself first broke into print as a cartoonist—he was a grammar school lad of 9 at the time—and still likes to doodle occasionally.

His father, a mining engineer, used to bring home out-of-town newspapers from his business trips. Ralph got interested in newspapers—as newspapers. New York Sunday editions acquainted him with early comic strips and cartooning.

At Lincoln High in Seattle, Wash., Ralph became high school correspondent for the Seattle Post-Intelligencer. He also became interested in Lois Osborne, who later became Mrs. Casey.

While he earned his journalism degree at the University of Washington he worked part time for the Seattle Post-Intelligencer; later became a full-time staffer for 3 years.

For the next 6 years he alternated between teaching (Universities of Montana and Oregon) and newspapering (the Post-Intelligencer and the New York Herald). Finally, in 1922, he began his permanent career in journalism education.

"Research" is an important word to "Doc" Casey. He established the first journalism school research division in the Nation in 1944. Ralph O. Nafziger, research director from 1944 to 1949, is now University of Wisconsin School of Journalism director. Robert L. Jones, the current research chief, succeeds "Doc" Casey as journalism director in July.

To recruit—and keep—a topnotch journalism faculty is no easy task, but "Doc" has been notably successful in this activity.

Less than 10 years ago the University of Minnesota and the University of Missouri Schools of Journalism tied for first place among the Nation's journalism schools. They achieved this distinction after a confidential questioning of news executives about professional performance of journalism graduates on their jobs.

Although he's understandably reluctant to name names, Casey takes real satisfaction in the success of his graduates. J-Alumni would mention graduates like Phil Potter, Washington correspondent of the Baltimore Sun; Charles Roberts, Newsweek Washington bureau; Sig Mickelson, CBS director of news and public affairs; and Harrison Salisbury, New York Times reporter.

Some 50 graduates now publish their own weekly newspapers.

It's something of a tribute to Casey's discernment that the faculty he assembled has been raided by other universities for their key personnel.

Kenneth Olson, recently retired head of Northwestern University's Medill School of Journalism, was at Minnesota earlier, so were Nafziger, Duncan, and Robert Desmond, former journalism department chairman at University of California at Berkeley, and Henry Ladd Smith, director of the communications school at the University of Washington.

Half a dozen of his present faculty associates have achieved national distinction in research. When he wants his staff to endorse a new policy (and this is not uncommon) "Doc" Casey buttonholes the men individually before the formal Tuesday morning meeting.

By the time the J-staff assembles round the rim of the copy desk in the editing lab, "Doc" has a pretty good idea of how his project will fare, should he call for a vote.

As a result, the journalism program at Minnesota reflects not only the skill of its faculty but Casey's own insistence upon three things:

Skill in the techniques of journalism, especially writing and editing.

A sound liberal arts education that enables the graduate to interview intelligently persons in any walk of life.

Development of a professional attitude toward the responsibilities of a newsman in a free society.

He also has refused to splinter his basic program into highly specialized divisions. His policies have paid off in graduates who write and edit skillfully for a variety of communication mediums.

In recognition of his work, the American Society of Newspaper Editors elected him a distinguished service member (1 of 3 educators so honored).

"Doc" has coauthored several books. One of these, Propaganda, Communication, and Public Opinion, earned him the Sigma Delta Chi (journalism fraternity) distinguished service award for 1946.

During World War II "Doc" was consultant to the Office of War Information. Twenty years ago he was in England for a year on a Guggenheim fellowship, studying political propaganda techniques. On top of all this, he served twice as president of the American Association of Schools and Departments of Journalism.

It's tough though, for a former student to interview "Doc" Casey. (He tries to stay about three jumps ahead of you.)

"You don't have to print this," Casey grinned guiltily. He paused to puff on his cigar, "but I was a public relations man once."

Professional newspapermen would razz him about this—and he knows it. Public relations men turn out lengthly handouts that corporation vice presidents like to read.

It should be noted—in Casey's favor—that his role outside the profession was shortlived (about 6 months). He wrote handouts about the Evergreen playground of the Northwest for the Seattle Chamber of Commerce.

The more tactful newsmen will refrain, perhaps, from mentioning this interlude as they dine with "Doc" tonight.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. NEUBERGER. I should like to say, in connection with the Senator's tribute to Dr. Casey, that Ralph D. Casey was a teacher at the University of Oregon School of Journalism prior to his going to Minnesota. I wish to join with the Senator from Minnesota in paying tribute to Ralph D. Casey. I know sufficiently of the quality and caliber of the School of Journalism at the University of Oregon, to which Ralph D. Casey contributed so much when he was a teacher there that I should not wish the opportunity to pass without sharing in the encomiums being paid to him.

Mr. THYE. I thank the Senator from Oregon. It was Minnesota's loss in the first instance when Dr. Casey went to Oregon, because Dr. Casey was a Minnesota boy. His family home is located just southwest of the Twin Cities. His brother was in the journalistic field there. I have known the family, and I have always been a great admirer of Ralph D. Casey. Then it was Oregon's loss in later years when we in Minnesota got our distinguished son back again.

Mr. NEUBERGER. I agree with that statement.

KENNEDY BILL FOR UNEMPLOYMENT COMPENSATION

Mr. NEUBERGER. Mr. President, as a result of its dependence upon the housing and other lumber-using industries, Oregon was one of the first States to feel the brunt of unemployment in this recession, it was also one of the first to find its unemployment compensation funds facing threatening difficulties in meeting its mounting unemployment claims. To meet the need without having to impose maximum payroll taxes on Oregons' industries and businesses at the depth of the recession, the Oregon State Unemployment Compensation Commission has borrowed $14 million from the Federal Government.

During the time this Federal loan will cover the commission's obligations, the commission must work out a program for repaying the loan over the next 4 years and prepare for future needs of the unemployment compensation fund. This study has now been initiated by an advisory council appointed by the commission.

I believe that Oregon's present experience illustrates some of the factors which must be considered in passing Federal legislation to extend unemployment benefits that will soon come before the Senate. For example, while an extension of eligibility is very important for workers who have already used up their 26 weeks of unemployment benefits, I think that an extension program should not be wholly in the form of Federal loans to the States, as suggested by the administration. This would merely place a further economic burden on business activity in precisely those States which have been hardest hit by the present recession. If additional Federal loans had to be repaid beyond the $14 million loan already taken out by the Oregon State Unemployment Compensation Commission, Oregon payrolls would no doubt have to be taxed at the maximum rate of 2.7 percent for years to come. For that reason, a Federal program to extend benefits should include direct Federal grants, which would help to equalize the adverse economic impact among the people of the 48 States. I also believe that any new Federal law must include realistic and progressive standards for its administration in the 48 States, as would be provided in the excellent bill sponsored by the junior Senator from Massachusetts [Mr. KENNEDY]. I am pleased to be a cosponsor of his bill.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial published in the East Oregonian, of Pendleton, Oreg., for April 10, 1958, discussing this problem. I commend the editorial to my colleagues.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

UNEMPLOYMENT COMPENSATION

That Federal loan of $14 million to the Oregon State Unemployment Compensation Commission permits a breathing spell. Nothing more. If the money had not been borrowed some 12,000 employers would have had to contribute a higher percentage of their payrolls to the State unemployment fund. Those 12,000 are employers who, because of their experience ratings, are paying less than the maximum of 2.7 percent of their payrolls to the unemployment fund.

The loan must, of course, be repaid to the Federal Government. The stipulations under which the loan was granted to the State provide, among other things, that it be repaid within 4 years.

Oregon's Governor Holmes asked for the loan because he considered a period of business recession in the State a poor time to ask 12,000 employers to dig up money which they had made no preparation to pay.

As aforesaid, it provides only a breathing spell. It will give the unemployment compensation commission time to work out a formula for repayment of the $14 million loan and, more important, to take a long look at unemployment compensation coverage, benefits, authority of the commission, rates of payroll taxation, etc. This task got under way last week with the first meeting in Salem of an advisory council of 14, appointed by the commission. The council is composed of 5 representatives each of industry and labor and 4 representing the public.

It is regrettable that the study the council will conduct has waited for so long. We do not know whether there has been a reluctance on the part of former governors, legislatures, or unemployment compensation commissions to get into it. We do know that it has been apparent for a long time that the structure under which the present payroll tax is assessed would not be adequate in a time of economic recession. It could be foreseen that what has happened this year—the paying out of more to the unemployed than was coming into the fund—would inevitably develop when employment was sharply reduced.

It is now apparent that something absolutely must be done in this field. Payrolls must be taxed to the extent that Oregon can build up a reserve for such economic conditions as we have this year. At the same time a thorough examination of coverage and benefits must be made. And if the present Oregon laws permits injustices the loopholes through which they are emerging should be plugged.

This is a big assignment the advisory council to the commission is undertaking. The 1959 legislature will either have to adopt the recommendations that come out of the council's study or have a program that will take the place of those recommendations. Another legislature cannot go home without having done something.

The PRESIDING OFFICER. Is there further morning business? If not, the morning business is closed.

AUTHORIZATION FOR APPROPRIATIONS TO THE ATOMIC ENERGY COMMISSION

Mr. NEUBERGER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1490, S. 3632.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3632) to amend Public Law 85-162 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER. Is there objection to the unanimous consent request of the Senator from Oregon?

There being no objection, the Senate proceeded to consider the bill.

Mr. NEUBERGER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ANDERSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ANDERSON. Mr. President, on yesterday, the House passed House bill 12009, to amend Public Law 85-162 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes. That bill is identical with Senate bill 3632.

I ask unanimous consent that the Senate proceed to the consideration of House bill 12009.

The PRESIDING OFFICER laid before the Senate the bill (H. R. 12009) to amend Public Law 85-162 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes, which was read twice by its title.

The PRESIDING OFFICER. Is there objection to the present consideration of the House bill?

There being no objection, the Senate proceeded to the consideration of the bill (H. R. 12009) to amend Public Law 85-162 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

Mr. ANDERSON. Mr. President, House bill 12009 amends Public Law 85-162, the Atomic Energy Commission Authorization Act for the current fiscal year 1958, to increase the authorization to the Atomic Energy Commission by an additional $35 million for construction of a prototype destroyer reactor plant.

This bill is identical to Senate bill 3632, which I introduced. House bill 12009 was reported unanimously by the Joint Committee on Atomic Energy, which recommended favorable action, and yesterday was passed by a voice vote in the House of Representatives.

The favorable statements made in the House are printed at pages 8154–8157 of the CONGRESSIONAL RECORD for Tuesday, May 6, 1958.

The bill would only provide authorization to the Atomic Energy Commission, and does not involve appropriations at this time.

This matter was considered during two hearings of the Joint Committee on Atomic Energy, and I refer all Members of the Senate to Senate Report No. 1465 or House Report No. 1618, the reports by the Joint Committee on these bills, and to the record of the public hearing held on March 4, 1958.

Consideration of this bill is necessary at this time, in the opinion of the Joint Committee, in order that the Navy nuclear ship program may proceed on schedule. Admiral Rickover has testified before our committee that construction of this prototype could be expedited by about 6 months, without additional overall cost to the program, if orders could be placed at this time, rather than to wait for the fiscal year 1959 budget. Therefore, the Joint Committee, after due consideration, has voted unanimously to report the bill as an amendment to the fiscal year 1958 authorization act.

This project will be under the direction of Rear Adm. Hyman G. Rickover, a man in whom the members of the Joint Committee place great confidence. Admiral Rickover will be forced into retirement next year unless he is promoted to vice admiral in the near future. Upon the basis of his record, I hope this promotion will be forthcoming soon.

In connection with construction of this proposed project, I should like to quote from page 4 of the Joint Committee's report:

> This project would provide authorization for appropriations for construction of a land-based prototype of a nuclear propulsion plant suitable for installation in a destroyer-type ship. In the construction of the reactor for the *Nautilus*, a similar procedure was followed, in that a land-based prototype was first constructed at the naval reactor testing station in Arco, Idaho. Similarly, in the case of the second nuclear submarine, the *Seawolf*, which utilizes a sodium-cooled-type reactor, a land-based prototype was constructed at West Milton, N. Y. This reactor prototype will be constructed at the West Milton site, in the same sphere that was previously used for the sodium-cooled reactor prototype. The committee believes that maximum use should be made of existing facilities and installations in order to reduce the cost of the project as much as possible.

This project will supplement the nuclear submarine program. The *Nautilus*, *Seawolf*, and *Skate*, nuclear-powered submarines, are now operating in the active fleet. A total of 22 nuclear submarines have been authorized to date, and more are anticipated in the fiscal year 1959 budget. So I hope we shall soon have at least 30 nuclear-powered submarines in our fleet.

In order to meet the schedule in this program, this prototype should be authorized now. Therefore, Mr. President, I urge all Members to support House bill 12009.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H. R. 12009) was ordered to a third reading, read the third time, and passed.

Mr. ANDERSON. Mr. President, I ask unanimous consent that Senate bill 3632 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, Senate bill 3632 is indefinitely postponed.

PROSPECT FOR DISARMAMENT—THE FIRST FACTOR

Mr. FLANDERS. Mr. President, for the past few years during the course of its sessions it has been my custom to deliver in the Senate a series of short contributions concerning the problems of our foreign relations. I am about to begin the third series, entitled "Prospect for Disarmament." The speeches will not take more than 10 minutes each; in fact, I think, rather, they will be shorter than that.

Mr. President, the Congress of the United States, like the people of the United States, has been deeply concerned with the necessity for arriving at disarmament under terms of a just and enduring peace. The Senate has shown its concern by the establishment of a subcommittee of the Foreign Relations Committee under the able chairmanship of the junior Senator from Minnesota [Mr. HUMPHREY], which has done excellent work in exploring the difficulties and possibilities of this crucial undertaking in human history.

"There is nothing sure but death and taxes," the old adage runs. Bombs, missiles, and satellites spell death. They also spell taxes. A recent analysis of the prospective acceleration of United States military expenditures between 1958 and 1970—if the arms race is not curbed—estimates that United States military defense spendings during this 12-year period may total $700 billion. Assuming an average population for the 12-year period of 160 million, that amounts to nearly $4,400 of expenditures for every man, woman, child, and newborn baby in the United States.

My main thesis is that disarmament is not simple, but that it likewise is not impossible. I would even say that the prospect can be hopeful. Not being simple would suggest that a brief talk like this would be inadequate to the occasion and that your speaker might better present a book of modest dimensions rather than these few words. However, much can be said in a condensed discourse.

First, let it be said that we cannot make the control of atomic weapons a main objective. Achievement of such control is at best a point on the road, to be passed on our way to complete disarmament. To pause there, thinking that in that spot we may eat, drink, and be merry is to misunderstand the dangers which surround us. The most that can be hoped for from an effective agreement for an inspected control of atomic weapons is that we will thereby gain experience and confidence for further negotiation. Having this conviction, I address myself to the main problem.

To attain disarmament under satisfactory conditions involves three factors. It involves persuading the American people to accept the necessary alternatives for war. It requires persuading the world of the honesty of our purposes and the intelligence of our means for attaining them. There is finally the necessity of persuading the Soviet Government to cooperate.

Please observe, Mr. President, that these are three concurrent requirements for disarmament. They are not successive steps. All three of them can, and must be, carried forward simultaneously.

The first factor is that of persuading the American people to understand what is involved in disarmament, and to back their understanding with action. We must, be carried forward simultaneously subject by itself. We have had approaches to it by way of the Kellogg treaties and the English-Japanese-American naval treaties. Such approaches are doomed to failure. Any approach is doomed to failure if it does not make provision for filling the vacuum which would be left if war were effectively outlawed. There would remain a necessity to compose differences between nations which now resort to a diplomacy based on arms and armament, or, finally, rely on an ultimate resort to armed conflict. We cannot eliminate warfare until we have filled the prospective vacuum with a satisfactory means of mediating between nations and until sanctions to make those means effective are provided.

I suggested that it would take a book to cover the topic herein discussed; but, fortunately for me, on this part of the topic the book has already been written. I would ask that my colleagues read and earnestly consider the book entitled "World Peace Through World Law," written by Grenville Clark and Professor Sohn.

This book is probably not perfect. The ideas set forth in it are the result of long study by men with lifelong experience in domestic government and international law, who are devoted to the construction of a world in which peace and justice shall prevail. The great task ahead is to persuade ourselves, the

American people, to accept the elements of supranational government which these authors so plainly show is a basic requirement for the necessary disarmament.

The Clark-Sohn study demonstrates the necessity for "world law against violence, limited to the field of prevention of war—a world law evolved from the political measures which mankind's experience over the centuries has shown to be essential to the maintenance of law and order."

Toward such world law and order, we are moving slowly—too slowly. Yet we are getting ready. Last year the Senate adopted by a voice vote a resolution asking for the establishment of a permanent United Nations police force. This is one of the requirements for the achievement of disarmament. It is a great undertaking to persuade ourselves, the American people, that we must get rid of our prejudices and must accept the inevitable changes if we wish to have our children live in a world free from the terror of modern armaments. Let us not falter in this persuasion.

In my next brief address, I propose to analyze the results of our endeavor to get the backing of the western and neutral worlds in our project for the achievement of a peaceful world. That these efforts have been on the whole unsuccessful is greatly to be regretted. It is, however, possible to examine the reasons for our lack of success, to redirect our course, and to build our future negotiations on the combined efforts of the non-Communist world. This, I shall endeavor to show.

ADDRESS BY PRESIDENT EISENHOWER AT REPUBLICAN NATIONAL COMMITTEE DINNER

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the text of the address delivered by President Eisenhower at the dinner given last night by the Republican National Committee in honor of Republican Members of Congress, as published in today's New York Times.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY THE PRESIDENT DELIVERED AT A DINNER GIVEN BY THE REPUBLICAN NATIONAL COMMITTEE IN HONOR OF THE REPUBLICAN MEMBERS OF THE SENATE AND THE HOUSE OF REPRESENTATIVES, HELD AT THE WILLARD HOTEL, WASHINGTON, D. C., MAY 6, 1958

Chairman Alcorn, fellow Republicans, fellow Americans who are tuned in with us here tonight, first, my cordial greetings to the distinguished Republican Members of Congress who are here tonight.

For all that you are doing, together with our Republican administration, to help build a just peace and to keep America and the rest of the Free World strong and secure—also, for your efforts to preserve our citizens' freedom and initiative by helping to hold our Government to its proper role—you have my congratulations and my most deep appreciation.

To every American, regardless of party, I want to speak frankly of these efforts tonight.

Our two major political parties differ, of course, on many domestic policies. But beyond these are programs of grave importance to our country and to the peace of the world. They demand our attention as Americans, without regard to partisanship.

One reason I talk of such programs on this occasion is because they are on the very edge of action in the Congress. As Americans, as Republicans, as Members of Congress, we must shortly reach decisions of far-reaching significance to ourselves and to our children.

First, a bit of background.

We must, every one of us, never forget that we have entered an era that is for our country entirely new. Inescapably we live in a time of great uneasiness, in a situation of balanced terror in the world.

Looming across the seas is the menace of Communist imperialism. It rejects every human value of significance in our civilization. It is tyrannical, insensitive to the needs of its own people, contemptuous of religious faith and human dignity and worth, and obsessed with the goal of dominating the world.

Preoccupied as we are with our daily pursuits, too easily we lose our awareness of this evil force. We know that, throughout all history, marauders have been at large in the world. But today modern science and technology have placed instruments of almost unlimited power at the disposal of an ideology implacably hostile to all who live in freedom.

In just over a decade the science of destruction has become transformed. Nuclear explosives, ocean-spanning missiles, aircraft of great range and speed, submarines launching nuclear-tipped weapons of tremendous range—such developments have vastly increased man's ability to destroy and to kill.

That, my friends, is the pivotal fact of our time. We simply cannot indulge in business-as-usual attitudes and self-serving practices of an era that is no more. Our national survival and human liberty are at stake in the way we form and sustain our national policies.

Of the many imperative needs these grave considerations impose, tonight I ask you to join me in considering three:

First is defense modernization, the plan which I sent to Congress a few weeks ago.

Here, in the missile-nuclear age, we ask ourselves:

Is it unity we shall have—unity in strategic planning—unity in military command—unity in our fighting forces? Shall we have the most efficient, least costly defensive system we can devise to counter the deadly menace to our country?

Or—are we willing to settle for less? Shall we cater to service prejudices at the expense of efficiency? Shall we divide rather than unify our military power? Shall we tolerate confusion, rivalries, and inefficiences in our Defense Department? Shall we tie the hands of our highest defense officials with restrictions adjusted to a military period that no longer exists?

Our choice is clear.

We must stand on the side of unity, efficiency, and flexibility—and this we must do in the interest of America's safety and solvency. And I believe that on this issue most Americans, regardless of party, stand with our plan.

Now let's look at the essentials of this proposed reorganization.

First, it unifies America's military planning.

Second, it makes sure that military orders move with the least possible delay.

Third, it integrates and therefore multiplies our battle power, no matter which services are involved.

Fourth, it gives our military leaders the professional assistance needed for unified planning and unified direction of our battle forces.

Fifth, defense research and development—amounting to more than $5 billion a year in the Defense Department—is put under one responsible official empowered to stop unnecessary duplication and to cut out service rivalries.

Sixth, defense dollars are, in modest degree, made more flexibly available so emergencies and new technological developments can be handled at once, with maximum efficiency.

Seventh, confusion and needless restraints in present law are cleared away in the interest of efficiency, economy, and clear-cut civilian control over our Armed Forces.

Eighth—and this is one for which I particularly stand—the separate publicity activities of the various military services are put under central direction to discourage their abuse.

From these changes we can expect very specific results: A stronger, more efficient defense—a less costly, more tightly directed defense—and every spring, come appropriation time, a more rational, less noisy defense.

These results I believe our citizens, regardless of party, are determined to achieve. I am going to keep on doing my best to get those results.

Now, as to the second imperative need, the simple fact is this: Just as a military service can no longer win major battles by itself, no nation, not even the United States, can isolate itself from its friends and be secure.

In that statement is the whole case for mutual security.

I, of course, know about the wide misunderstandings and the many misrepresentations concerning this program. But the truth is that military and economic assistance is just as much a part of our own security efforts as our outlay for our own military defenses.

Let's remind ourselves of a few facts.

In the first place, under this program we have military alliances with 42 nations. We have bilateral treaties with Korea, Free China, Japan and the Philippines. We have multilateral agreements through NATO, SEATO, and the Rio Treaty, and ANZUS. No sensible American would want any of those arrangements weakened or breached.

Thus, through mutual security, we have forged a Free World shield against Communist force. Our partners abroad have, in 7 years, put up $120 billion for their own and the common defense. To supplement that effort we have put up for them $20 billion.

This $140 billion means strength—and lots of it. It means airbases, naval bases, military installations of our own and our allies. It means soldiers, and ships, and planes. In no other way can we Americans generate from each of our security dollars as much defense for ourselves and for those who are joined with us against Communist imperialism.

Now in recognition of the soundness of the Free World's military defenses, the Soviets have lately turned more and more from military to economic assaults on Free World positions. So, while the need for military assistance remains—yet for all of us—the economic side of mutual security becomes day by day more essential to the common defense. That includes the security and freedom of every person listening tonight.

Since 1953 the Communists have signed almost 100 trade agreements with the less developed nations. They have loaned those nations some $2 billion, at interest rates enticingly favorable.

Now these developments are very significant.

Throughout the Asian and African continents, vast reserves of human energy and natural resources are opening up in a way that has not happened for centuries. Knowing this—knowing also the Soviet maneu-

vers I just mentioned—we must make a fateful decision.

Either we idly stand by and watch this tremendous force funneled into violence, dissolution of orderly government and Communist exploitation; or—we help channel it into better education and improved living standards, and thereby strengthen peace and freedom everywhere in the world.

So far as I am concerned—and here again I believe I speak for the great majority of Americans—we have no alternative but to give that help. America's goal is peace and human liberty, not just a precarious truce based on force.

Twenty cents a day is the average income in most of the regions I have just mentioned. There the trained Communist agent is always at work. I propose that we not strengthen his hand by holding back our own.

And parenthetically, I remind everyone that 80 cents out of every dollar that we spend for mutual aid does not go to foreign lands. It goes to work right here at home. That means hundreds of thousands of jobs for American workers. It means large outlets for American machinery, and iron and steel, farm goods, chemicals and motor vehicles.

And, to each of us, the cost of all this military and economic assistance is about one airmail stamp a day.

These programs augment our own security. They help in the economic development of the Free World, so that each country may have a better economic base to help carry its own military costs. Finally, they give to all these countries hope, they give them a sense of achievement, and a rising living standard that makes of them our sturdy partners in the defense of freedom.

Now, stating these same results, in a converse way, and in the form of a question:

What would it mean to us, aside from the loss of thousands of jobs, if this program were stopped or sharply reduced?

Here is what it would mean:

A disintegration of Free World positions of strength;

A loss of bases and consequent weakening of America's strategic air power, therefore a weakening of the major deterrent to war;

A surge forward of Communist influence throughout the world;

A forcing back of the American defense perimeter ultimately to our shores;

Finally, our defenses compromised, our military requirements tremendously increased, our country drifting into a garrison state—which could, if long continued, mean the loss of American liberty without the firing of a shot.

These, then, are some of the reasons why I feel so strongly about this invaluable program. So I ask you, and I ask every American, in his own best interest and for his country, to give America's mutual security his own all-out support.

Our third imperative need concerns world trade.

May I remind you of Mr. Khrushchev's recent remark. "We declare war upon you," he said, "in the peaceful field of trade."

Now I remind you of something else. America is the greatest producer in the world. We are also the world's greatest market. Unavoidably, the leadership in world trade lies with us.

Last year Free World exports amounted to about $100 billion. America's exports were $20 billion. This is more than all the consumer purchases of new automobiles, parts, and accessories in our country. It is more than all the furniture and household equipment bought by everyone in America. Farmers know something about world trade too. The products of 1 acre out of every 5 go overseas. Labor also understands this. World trade gives jobs to at least 4½ million Americans.

Now the other part of this question is imports. Last year imports were $13 billion. Ten billion dollars of this amount brought us foodstuffs, partially processed manufactures, and most of our tin, mica, and asbestos, as well as platinum, nickel, and newsprint. It helped to meet part of our needs for iron ore, petroleum, copper, raw wool, bauxite, and burlap. These raw materials keep our factory wheels turning. They keep our assembly lines moving. America cannot prosper without them.

Of course, we must be concerned about imports of certain kinds of manufactured goods. Last year we imported a total of $3½ billion worth of these goods. But we exported $10½ billion worth.

Now, certainly we must protect manufacturing industries from being crippled by imports. But those who for that purpose would resort to rigid quota systems or excessive tariffs had better give serious thought to our 3 to 1 interest in exporting these very same goods.

And we must remember this: America has no monopoly on trade problems. Our friends have problems too. Nor do we have a monopoly on the double-edged game of trade restrictions.

And so in trade too our choice is clear: We will have reciprocity, or we will have retaliation. And I wholeheartedly choose the former. In passing, may I remind you that 50 years ago reciprocity was eloquently supported by a great Republican President—William McKinley.

Now, how does all this relate to the Soviet menace?

This way: If in their new economic offensive the Soviets, by using trade and aid, can bring free nations one by one into their orbit, they will as surely have paved the way for Communist control of the world as if they had conquered those nations by force.

And if friendly nations are denied the chance to trade with the Free World, they will be driven to trade with the Communist world. To live they must trade. It's as simple as that.

So we are back to the same imperative need I advanced in regard to defense reorganization and mutual security. I have, therefore, asked the Congress to carry forward our reciprocal trade program for an additional 5 years. Here again I ask all Americans, regardless of party—I would like to make a personal request of each individual in this room—to give their needed support.

Now, fellow Americans and fellow Republicans, these programs we have discussed tonight challenge us to place the Nation's imperative needs above partisan goals. Of course, we salute those members of the opposite party who have supported these programs with a zeal equal to that of many ardent Republican supporters in this audience tonight.

But now, speaking for our own party, I hold that the more nearly unanimous our Republican support for these programs, the stronger will be our country, the more effective the Republican Party in its leadership, and the greater our pride in our party's service.

We Republicans can also feel a similar pride in our handling of the many other public issues that in recent months and years have been directly touching our citizens' lives here at home.

I am convinced that by now the American people know that republicanism is simply another way of saying "responsible government"—that it means constitutional government—that it means honest, dependable government.

Americans know also that republicanism means responsive government. Responsive government is one which will use and has used available resources as needed to counteract economic troubles, while taking care that, not some Federal bureaucracy, but rather private initiative and vigor, will be preserved as the mainspring of America's free economy.

Events of only the past 6 months are proof enough of this.

We have seen it in housing, where to accelerate construction we have, entirely aside from Federal Reserve Board activities, provided easier terms and increased funds for credit. We have also expanded the purchase, insurance and guarantee of mortgages, and stepped-up activities in urban renewal and college and public housing.

We have seen that proof also in public construction.

We have seen it in accelerated governmental procurement.

We have also seen it in our proposal to extend the unemployment insurance benefits of all workers who use up their regular benefits.

This sampling of actions evidences not only our party's positive response to economic needs; it also demonstrates responsibility, proportion and adherence to principle—the hallmarks of republicanism during all its years.

And now, my friends, let us not too easily forget that for the past 5 years there has been no war—that in early 1953 we removed stifling controls from our Nation's economy—that we initiated the greatest tax cut in history—that we have increased social security coverage—that we have managed the Nation's finances conservatively, to guard the value of the consumer's dollar—that we have reduced the number of Government employees by some two hundred thousand—and that we have set in motion a truly historic venture, returning to the States of responsibilities assumed too long and too often by the Federal Government in previous years.

Such are the concrete evidences of progress in the right direction. There are many, many more examples which should enlist support not only of our own party members but also the support of Americans everywhere who value such gains for themselves and for their country.

So it is responsive, responsible government at home—plus effective support for programs essential to America's peace and security. These, in a nutshell, are the Republican case before America.

With the able and dedicated leadership of our party's organizational machinery by my respected and close friend, Chairman Meade Alcorn—with concerted action by our Republican Members of the Congress—and with the enthusiastic effort of our party members throughout the land—and with the continuing help of independent voters and discerning Democrats—I am convinced that Republican prospects this year are indeed bright.

If we will but try—if we never forget the value of good, hard work—we are certain, with this record, to win next November. This is the sure road to a Republican 86th Congress.

For myself—you will find me standing beside you and with you. I shall do my best for every member of our Grand Old Party and for all others who with them are carrying forward the never-ending fight for peace, for security, for sound, sane, and progressive Government in America.

And thank you. Goodnight.

ACQUISITION OF PART OF KLAMATH TRIBAL FOREST

Mr. ANDERSON. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Senate bill 3051.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3051) to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

There being no objection, the Senate resumed the consideration of the bill, which had been reported from the Committee on Interior and Insular Affairs with amendments on page 3, line 9, after the word "than", to strike out "seventy-five" and insert "one hundred"; on page 4, line 1, after the word "conditions", to strike out:

Upon such reversion of title the lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the act of March 1, 1911 (36 Stat. 961), as amended.

And insert:

The conveying instruments for each sale pursuant to this subsection shall also provide for a reversion of title to the lands to the United States, not in trust or for Indian use, in the event a final judgment against the United States is recovered by the tribe based on inadequate sale price and the grantee does not within 60 days thereafter pay the judgment on behalf of the United States. If any title to land should revert to the United States pursuant to the preceding sentence, the full purchase price paid by the grantee, reduced by the amount, if any, by which the appraised value of the land at the time of conveyance to the grantee exceeds the appraised value of the land at the time of reversion of title to the United States, shall be returned to the grantee out of funds in the Treasury of the United States which are hereby authorized to be appropriated for that purpose. Upon any reversion of title pursuant to this subsection, the lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the act of March 1, 1911 (36 Stat. 961), as amended.

After line 23, to strike out:

(c) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before January 1, 1960, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to all or any part of the unsold units that in his judgment are suitable for administration as a part of the national forest system. Compensation for such taking shall be the realization value of the units taken as shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this act, as amended. Such lands shall become National Forest lands subject to the laws that are applicable to lands acquired pursuant to the act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsections (b) or (c) of this section shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this act.

And insert:

(c) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before January 1, 1961, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to as many of the unsold units or parts thereof as have, together with the Klamath Marsh lands acquired pursuant to subsection (e) of this section, an aggregate realization value of not to exceed $90 million, which shall be the maximum amount payable for lands acquired by the United States pursuant to this act. Compensation for the forest lands so taken shall be the realization value of the lands as shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this act, as amended. Such lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsection (b) or (c) of this section shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this act.

On page 7, line 16, after the numeral "1", to strike out "1960" and insert "1961"; on page 8, line 18, after the word "lands", to insert "pursuant to subsection (b) of this section"; on page 10, after line 2, to insert:

SEC. 6. No funds distributed pursuant to section 5 of said act to members who withdraw from the tribe shall be paid to any person as compensation for services in obtaining the enactment of said act or amendments thereto and any person making or receiving such payments shall be guilty of a misdemeanor and shall be imprisoned for not more than 6 months and fined not more than $500.

After line 9, to insert:

SEC. 7. Except as provided below the provisions of the act of August 13, 1954 (68 Stat. 718), shall not apply to cemeteries within the reservation. The Secretary is hereby authorized and directed to transfer title to such properties to any organization authorized by the tribe and approved by him. In the event such an organization is not formed by the tribe within 6 months following enactment of this act, the Secretary is directed to perfect the organization of a nonprofit entity empowered to accept title and maintain said cemeteries, any costs involved to be subject to the provisions of section 5 (b) of said act of August 13, 1954.

And, after line 20, to insert:

SEC. 8. Subsection (b) of section 6 of the act of August 13, 1954 (68 Stat. 718), as amended, is further amended by striking out "8 years" and inserting in lieu thereof "7 years."

So as to make the bill read:

Be it enacted, etc., That the act of August 13, 1954 (68 Stat. 718), is amended by adding a new section 28 as follows:

"SEC. 28. Notwithstanding the provisions of sections 5 and 6 of this act,

"(a) The tribal lands that comprise the Klamath Indian Forest, and the tribal lands that comprise the Klamath Marsh, shall be designated by the Secretary of the Interior and the Secretary of Agriculture, jointly.

"(b) The portion of the Klamath Indian Forest that is selected for sale pursuant to subsection 5 (a) (3) of this act to pay members who withdraw from the tribe shall be offered for sale by the Secretary of the Interior in appropriate units, on the basis of competitive bids, to any purchaser or purchasers who agree to manage the forest lands for not less than 100 years according to sustained yield plans to be prepared and submitted by them for approval and inclusion in the conveyancing instruments in accordance with specifications and requirements referred to in the invitations for bids: *Provided*, That no sale shall be for a price that is less than the realization value of the units involved as shown on the appraisal approved by the Secretary pursuant to subsection 5 (a) (2) of this act, which is hereby determined to be their fair market value if as much as 70 percent of the forest were offered for sale on a competitive market within the time limit provided in section 6 (b) of this act, as amended, without limitations on use. The terms and conditions of the sales shall be prescribed by the Secretary. The specifications and minimum requirements for sustained yield management to be included in the invitations for bids, and the determination of appropriate units for sale, shall be developed and made jointly by the Secretary of the Interior and the Secretary of Agriculture. Such plans when prepared by the purchaser shall include provisions for the conservation of soil and water resources as well as for the management of the timber resource under principles of sustained yield. Such plans shall be satisfactory to and have the approval of the Secretary of Agriculture as complying with the minimum standards included in said specification and requirements before the prospective purchaser shall be entitled to have his bid considered by the Secretary of the Interior and the failure on the part of the purchaser to prepare and submit a satisfactory plan to the Secretary of Agriculture shall constitute grounds for rejection of such bid. Such plans shall be incorporated as conditions in the conveyancing instruments executed by the Secretary and shall be binding on the grantee and all successors in interest. The conveyancing instruments shall provide for a forfeiture and a reversion of title to the lands to the United States, not in trust for or subject to Indian use, in the event of a breach of such conditions. The purchase price paid by the grantee shall be deemed to represent the full appraised fair market value of the lands, undiminished by the right of reversion retained by the United States in a non-trust status, and the retention of such right of reversion shall not be the basis for any claim against the United States. The Secretary of Agriculture shall be responsible for enforcing such conditions. The conveying instruments for each sale pursuant to this subsection shall also provide for a reversion of title to the lands to the United States, not in trust or for Indian use, in the event a final judgment against the United States is recovered by the tribe based on inadequate sale price and the grantee does not within 60 days thereafter pay the judgment on behalf of the United States. If any title to land should revert to the United States pursuant to the preceding sentence, the full purchase price paid by the grantee, reduced by the amount, if any, by which the appraised value of the land at the time of conveyance to the grantee exceeds the appraised value of the land at the time of reversion of title to the United States, shall be returned to the grantee out of funds in the Treasury of the United States which are hereby authorized to be appropriated for that purpose. Upon any reversion of title pursuant to this subsection, the lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the act of March 1, 1911 (36 Stat. 961), as amended.

"(c) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before January 1, 1961, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States

to as many of the unsold units or parts thereof as have, together with the Klamath Marsh lands acquired pursuant to subsection (e) of this section, an aggregate realization value of not to exceed $90,000,000, which shall be the maximum amount payable for lands acquired by the United States pursuant to this act. Compensation for the forest lands so taken shall be the realization value of the lands as shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this act, as amended. Such lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsection (b) or (c) of this section shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this act.

"(d) If at any time any of the tribal lands that comprise the Klamath Indian Forest and that are retained by the tribe are offered for sale other than to members of the tribe, such lands shall first be offered for sale to the Secretary of Agriculture, who shall be given a period of 12 months after the date of each such offer within which to purchase such lands. No such lands shall be sold at a price below the price at which they have been offered for sale to the Secretary of Agriculture, and if such lands are reoffered for sale, they shall first be reoffered to the Secretary of Agriculture. The Secretary of Agriculture is hereby authorized to purchase such lands subject to such terms and conditions as to the use thereof as he may deem appropriate, and any lands so acquired shall thereupon become national forest lands subject to the laws that are applicable to lands acquired pursuant to the act of March 1, 1911 (36 Stat. 961), as amended.

"(e) The lands that comprise the Klamath Marsh shall be a part of the property selected for sale pursuant to subsection 5 (a) (3) of this act to pay members who withdraw from the tribe. Title to such lands is hereby taken in the name of the United States, effective January 1, 1961. Such lands are designated as the Klamath Forest National Wildlife Refuge, which shall be administered in accordance with the law applicable to areas acquired pursuant to section 4 of the act of March 16, 1934 (48 Stat. 451), as amended or supplemented. Compensation for said taking shall be the realization value of the lands shown on the appraisal referred to in subsection (b) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose not later than the time limit provided in subsection 6 (b) of this act, as amended.

"(f) Any person whose name appears on the final roll of the tribe, and who has since December 31, 1956, continuously resided on any lands taken by the United States by subsection (c) of this section, shall be entitled to occupy and use as a homesite for his lifetime a reasonable acreage of such lands, as determined by the Secretary of Agriculture, subject to such regulations as the Secretary of Agriculture may issue to safeguard the administration of the national forest.

"(g) If title to any of the lands comprising the Klamath Indian Forest is taken by the United States, the administration of any outstanding timber sales contracts thereon entered into by the Secretary of the Interior as trustee for the Klamath Indians shall be administered by the Secretary of Agriculture.

"(h) All sales of tribal lands pursuant to subsection (b) of this section on which roads are located shall be made subject to the right of the United States and its assigns to maintain and use such roads."

SEC. 2. Nothing in this act shall in any way modify or repeal the provisions of subsection 5 (a) of the act of August 13, 1954 (68 Stat. 718), providing for and requiring members of the Klamath Tribe to elect to withdraw from or remain in the tribe, following the appraisal of the tribal property.

SEC. 3. The act of August 13, 1954 (68 Stat. 718), is amended by adding at the end of subsection 5 (a) (5) the following sentence: "If no plan that is satisfactory both to the members who elect to remain in the tribe and to the Secretary has been prepared 6 months before the time limit provided in subsection 6 (b) of this act, the Secretary shall adopt a plan for managing the tribal property, subject to the provisions of section 15 of this act."

SEC. 4. The first proviso of subsection 5 (a) (3) of the act of August 13, 1954 (68 Stat. 718), relating to distributions in $200,000 installments, is repealed.

SEC. 5. The second proviso of subsection 5 (a) (3) of said act, relating to Indian preference rights, is amended by deleting "any individual Indian purchaser may apply toward the purchase price all or any part of the sum due him from the conversion of his interest in tribal property" and by inserting in lieu thereof "any individual Indian purchaser who has elected to withdraw from the tribe may apply toward the purchase price up to 100 percent of the amount estimated by the Secretary to be due him from the sale or taking of forest and marsh lands pursuant to subsection 28 (b), 28 (c), and 28 (e) of this act, and up to 75 percent of the amount estimated by the Secretary to be due him from the conversion of his interest in other tribal property."

SEC. 6. No funds distributed pursuant to section 5 of said act to members who withdraw from the tribe shall be paid to any person as compensation for services in obtaining the enactment of said act or amendments thereto and any person making or receiving such payments shall be guilty of a misdemeanor and shall be imprisoned for not more than 6 months and fined not more than $500.

SEC. 7. Except as provided below the provisions of the act of August 13, 1954 (68 Stat. 718), shall not apply to cemeteries within the reservation. The Secretary is hereby authorized and directed to transfer title to such properties to any organization authorized by the tribe and approved by him. In the event such an organization is not formed by the tribe within 6 months following enactment of this act, the Secretary is directed to perfect the organization of a nonprofit entity empowered to accept title and maintain said cemeteries, any costs involved to be subject to the provisions of section 5 (b) of said act of August 13, 1954.

SEC. 8. Subsection (b) of section 6 of the act of August 13, 1954 (68 Stat. 718), as amended, is further amended by striking out "6 years" and inserting in lieu thereof "7 years."

Mr. ANDERSON. Mr. President, this is an important bill, and involves a substantial sum of money. I think there should be a quorum call before the bill is considered, if the acting minority leader has no objection.

Mr. THYE. Mr. President, as acting minority leader, I was going to suggest the absence of a quorum, but the distinguished acting majority leader indicates that he intends to do so.

Mr. ANDERSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NEUBERGER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NEUBERGER. Mr. President, five compelling reasons call for passage of S. 3051, which has been reported favorably by the Interior and Insular Affairs Committee and which is before the United States Senate today. They are these:

First. Unless the bill is enacted, some 3.5 billion feet of valuable pine timber will be dropped in less than 2 years on an already-sagging lumber market in the Pacific Northwest, with disastrous economic consequences.

Second. Such a bargain-basement timber sale would result in the stripping bare of one of America's greatest ponderosa pine forests, with attendant perils to watershed protection in southeastern Oregon. It also would deprive nearby national forests of nearly $50 million in timber revenues.

Third. In the absence of such legislation, a wildlife marsh used by nearly 80 percent of the waterfowl traveling the Pacific flyway would be destroyed.

Fourth. The bill is needed to assure a fair price for their property to the tribal members of the historic Klamath Nation of American Indians.

Fifth. Failure to enact this bill might be a permanent blot on our national policy affecting the Indian wards of the United States Government.

I could cite many additional reasons, but it seems to me these are sufficiently important and fundamental.

With the calling up of this bill, which I introduced on January 16, 1958, at the request of the Secretary of the Interior, we have reached the moment of a final decision on the long-debated Klamath Indian question—a question which was occupying the attention of Congress while I was still a high-school student in my native city of Portland, Oreg.

The very important piece of legislation that we are considering today is an amendment to Public Law 587 of the 83d Congress, known as the Klamath Indian Termination Act. This act was approved by the President on August 13, 1954. Last year it was amended by Public Law 85-132, which I introduced, in order to give us an additional period of time to study some of the unforeseen problems that had arisen in carrying out the original act. In my opinion, the measure now before us is of extreme urgency to the welfare of not only the Klamath Indians, the Klamath River Basin generally, and the State of Oregon, but also to the welfare of our country as a whole.

CONSERVATION VALUES AT STAKE IN BILL S. 3051

As my colleagues are well aware, I was not a Member of the Senate at the time this particular act relating to the termination of Federal responsibilities and settlement of the affairs of the Klamath Tribe was enacted. However, very shortly after my election, civic and official groups from all over the State of Oregon began urging that further consideration be given to certain questionable provisions of the original act. In

fact, conservation groups throughout the entire Nation requested the administration and the Congress to make some provision for the preservation of the great natural resources which they felt certain would be jeopardized, if the original provisions of Public Law 587 were carried out as enacted.

Let me go back for just a moment to acquaint my colleagues who are not fully informed on this particular situation with the background history of the Klamath Act. As early as 1928, the more progressive Klamath Indians were anxious to get possession of their share of the tribal wealth contained in the timberlands of the Klamath Reservation in Oregon, so that they might use it for capital for individual enterprise. This was initially reflected in the report prepared by the Institute for Government Research, commonly known as the Meriam report, developed back in 1928. At that time, they said that the question involved was one of how to preserve the property as a whole as a great national timber resource, and at the same time utilize the property for the advancement of its present Indian owners. They went on to say, as early as 1928, that the "intelligent progressive Indians, especially the Klamath, are anxious to have some plan devised whereby their interest in this great tribal resource may be utilized so that they can work with their own capital in advancing themselves." In the 72d Congress, S. 3588 was introduced by the late Senator Charles L. McNary, whose seat I have the honor to occupy. It would have provided for the incorporation of the Klamath Indian Tribe and would have made provision for the transfer of the Klamath property to a corporate entity under a trust patent, which could have been converted to a fee patent in the discretion of the Congress in not less than 50 years from the date of enactment. It would have provided that any member of the tribe, being a stockholder of the corporation, would have had the right to sell his shares of stock to the corporation.

KLAMATH ISSUE LONG BEFORE THE CONGRESS

In 1947, extensive hearings were held in Washington and later in Klamath Falls, Oreg., by a subcommittee of the Senate Committee on Public Lands of the 80th Congress in relation to Senate bill 1313, which had been introduced in the previous Congress by our State's distinguished Senators, Guy Cordon and WAYNE MORSE, of Oregon. Although the text of the two bills varied slightly, the titles were identical:

To remove restrictions on the property and moneys belonging to the individual enrolled members of the Klamath Indian Reservation in Oregon, to provide for liquidation of tribal property and distribution of the proceeds thereof, to confer complete citizenship upon such Indians and for other purposes.

At that time, our distinguished colleague, Senator ARTHUR V. WATKINS, was chairman of the subcommittee which held hearings in Washington and in Klamath Falls. It is my understanding that, as a result of these hearings, the subcommittee became convinced that the Klamath Indians were retrogressing under Federal trusteeship and that some form of termination of the trusteeship was necessary.

Between 1947 and 1953, there was a great deal of discussion about termination, and several more bills were introduced in the Congresses. However, nothing was done until the 83d Congress passed House Concurrent Resolution 108. This resolution stated that it was the policy of the Congress to terminate Federal supervision over Indian tribes as rapidly as circumstances would permit. In addition, House Concurrent Resolution 108 specifically named a number of tribes which the Congress felt were ready for immediate termination and directed the Department of the Interior to forward, by the following January, legislative proposals which would accomplish these terminations. The Klamath Indian Tribe of Oregon was one of the tribes so named.

By the time the Department submitted its legislative proposal for the Klamaths in January of 1954, the membership of the tribes had merged into two factions, neither with enough strength to assume distinct leadership. Nominal heads of these factions were members of the tribal council and the smaller governmental unit, the executive committee. Policy disputes became frequent, and when important policy matters came before the council, if there were disagreement, one of the groups often would walk out—leaving no quorum. This made it very difficult to obtain decisive tribal action on termination or other proposals placed before them. When hearings were held in the 83d Congress on the Department's proposal for termination, it was impossible for the committees of Congress to get any kind of clear-cut statement from the opposing factions as to what the tribe as a whole desired in a termination act. Finally, a series of conferences were held between the opposing groups—both represented by competent and able counsel—and the Bureau of Indian Affairs and the Senators and Congressmen involved. A compromise was evolved which was endorsed by both Indian groups. This later became Public Law 587.

TWO THOUSAND ONE HUNDRED AND THIRTY-THREE TRIBAL MEMBERS ELIGIBLE FOR PAYMENTS

For the benefit of those Senators who are not acquainted with Public Law 587—which we are seeking to amend today—I would like to briefly summarize the major provisions of that act.

First of all, the Government was obligated to close the rolls of the Klamath Tribe and thus fix the final membership entitled to share in the tribal property. This has been done, and there are 2,133 Klamath Indians on the final roll.

The next step was for the Department to hire some management specialists who would supervise the carrying out of the provisions of the Termination Act so far as tribal property was concerned.

First, the specialists were to cause an appraisal to be made of the tribal property showing its fair market value if sold under the provisions of the act.

Second, immediately after the appraisal of the tribal property, they were to give each member of the tribe an opportunity to elect to withdraw from the tribe and have his interest in the tribal property converted into money and paid to him.

Third, for those members who decided to remain in the tribe, the specialists were to prepare a plan for the management of the remaining tribal property.

In my opinion, the management specialists have done their job well and with fidelity to duty. I particularly desire to commend Mr. Thomas B. Watters, of Klamath Falls, who has been a tower of strength in seeking not only to represent the best interests of the Indians, but also to try to safeguard and protect the timber, watershed, and wildlife resources of this very valuable and strategic Indian reservation. Without Mr. Watters' counsel and guidance, I would be far less effective and helpful than I may have been in this situation as chairman of the Senate Subcommittee on Indian Affairs.

However, the 1954 Klamath Indian Termination Act contained what, in my opinion, was a fatal defect. This was a provision added at the 11th hour which permitted individual tribal members to withdraw from the Klamath organization and to receive their prorated share of tribal property. I was not a Member of the Senate in 1954. I do not know why this dubious and unwise provision was hastily inserted in the bill. I still fail to comprehend its acceptance by the Senate and the House, as well as the President.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. NEUBERGER. I am happy to yield to the distinguished Senator from Utah.

Mr. WATKINS. I was not present in the conferences which were held between the Indians, their attorneys, and members of the House Committee on Indian Affairs, which prepared that proposed legislation and held hearings on it. However, my recollection is that the Indians themselves wanted that provision in the act. A large number of Indians wanted to be on their own, have their own property, go their own way, and change their place of residence if they desired. They felt that that provision would give them greater freedom, and that they were far enough advanced to take care of their own affairs. They felt that if they could obtain their individual holdings in cash or property they could take their proper place in society, and in the ordinary economic affairs of the Nation, wherever they wanted to live.

I think that was the reason which activated them, but I am not absolutely certain. If it was not the reason, their reason would have been a good one.

Mr. NEUBERGER. I thank the Senator from Utah for his observation and explanation. In my opinion, the Senator from Utah is one of the best-informed men in the Senate, if not in the country, on the entire question of the problems confronting the American Indian.

I feel that this particular withdrawal provision in the law is at the root of

many of the difficulties which have caused the Senator from Utah and me to devote so much time and thought to the effort to solve the Klamath problem.

When the individual members were allowed to withdraw, there and then was created the problem of dissipating the entire resource in a very short time, in order to satisfy their withdrawal claims.

I am grateful to the Senator for his explanation of the background of the legislation, because I was not then a Member of the Senate.

Mr. WATKINS. Does the Senator recall that there were two factions in the Indian tribe itself? One group wanted termination in such a way that they could get their individual holdings in their own names, so that they could operate as they pleased, as other American citizens did. It seems to me that that was one of the big controversies. As I recall, at the time no one anticipated that more than 25 or 30 percent of the Indians would actually wish to withdraw. We were all amazed, when a survey was made, and the Indians made their election as to whether or not they wished to withdraw, to find that approximately 77 percent of them wished to withdraw.

Mr. NEUBERGER. The Senator from Utah anticipates me, because in the next part of my speech I intend to refer to the rather high percentage of Klamath Indians who elected to withdraw, which caused a situation that undoubtedly was not anticipated.

Mr. WATKINS. It seems to me it is a healthy thing to have the Indians take such a position, for the reason that, instead of being a people who wished to participate, in a collectivist fashion, in a tribal venture, they thought enough of American free enterprise and the spirit of American freedom to make them desire to manage their own affairs, and not have some tribal or local government tell them what to do with their property, which was held more or less in common with other members of the tribe. While the problem may be difficult and troublesome for us, and while it might cost the Government a little money to obtain the property, if private enterprise did not actually buy the units offered for sale, eventually the Government would have to buy the property under the terms of the bill. By property, of course, I mean the pine forest lands. I assume the Senator has been mentioning them.

Mr. NEUBERGER. I have been, and I intend to do so further. I share with the Senator from Utah the feeling and the hope that, with the passage of the bill and its being signed by President Eisenhower, the Indians themselves will receive a fair price, and that the Government will in turn come into custodianship of rich forest reserves which will increase in value many times.

Mr. WATKINS. I am sure the Senator is correct. At the same time, the Government would probably pay a much better price than private enterprise would be inclined to pay.

Mr. NEUBERGER. That may be true, although Under Secretary Chilson did tell us that he hoped at least some of the units would be purchased by private industry. I do not know whether he is right or wrong. I do know that it is a magnificent stand of timber, and it may be that perhaps some private operators will have the resources and the long-term capital to buy some of the units, as provided in the bill. Of course, if the units are not bought by private enterprise, then the Federal Government will be able to add them to its nearby National Forest lands.

Mr. WATKINS. That is what the bill provides, as I understand.

Mr. NEUBERGER. The Senator is correct.

Mr. WATKINS. I thank the Senator.

Mr. NEUBERGER. I thank the Senator from Utah for his assistance.

Mr. MORSE. Mr. President, will my colleague yield so that I may ask a question of the Senator from Utah?

Mr. NEUBERGER. I yield for that purpose.

Mr. MORSE. I should like to ask the Senator from Utah a question or two, for the purpose of making a legislative record on the proposed legislation. First, I should like to join my colleague in thanking the Senator from Utah for the asistance he has been to us time and time again in connection with Indian matters. I recall very well the consideration of the bill which was passed in 1954. I should like to check my recollection with that of the Senator from Utah, I should like to ask him if his recollection is the same as mine, namely, that the bill passed by the Senate at that time contained no withdrawal provision, but such a provision was added in conference. The bill passed by the Senate was recommended by the Bureau of the Budget and by the Department of the Interior. The Senator from Utah, who was chairman of the subcommittee then, did his best, as did those of us who cooperated with him, in trying to have a bill passed by the Senate which we thought would be helpful in the solution of the Klamath Indian Reservation problem. As I remember, it was not until the bill came back from conference that the withdrawal clause was contained in it.

I have never felt that the Senator from Utah or anyone else in conference was in any way responsible for the insertion in the conference report of a provision which would give the rise to perplexing problems we have faced since then. It was one of those matters into which, in my opinion, we did not go at the time because we did not know as the Senator from Utah has pointed out, what the probable results might be.

Would the Senator say that that is a fair statement of what occurred in 1954?

Mr. WATKINS. My memory has not been refreshed as to whether the bill went to conference. I have a recollection that the House inserted that provision, but I am not sure about it. As I remember, the House acted on it, and we finally accepted the House amendments, after we met with the Indian groups and the Indians had agreed to the program. As I say, I am not sure about it.

Mr. MORSE. I believe the Senator is right, that the provision was added in the House. The point I wish to make, for the purpose of the legislative history, is that it was added in the House, somewhat at the tail end of the session, about August 13, 1954, and that as the RECORD will show, there was no extended discussion on the floor of the Senate after the matter came to us from the House.

Mr. WATKINS. We wanted to do as much as we could for the Indians. After all, it was their property and their lives we were dealing with. Therefore we yielded as far as we could, in keeping with the policy which Congress had unanimously declared in the resolution to which the junior Senator from Oregon has referred. We tried to give the Indians as much their way as we possibly could and at the same time accomplish the overall purpose Congress had declared in its resolution.

I intend to speak on the subject shortly. This whole matter goes back many years, prior to 1954. When I first came to Congress, in 1947, request was made by the Senator from North Dakota [Mr. LANGER], of the Indian Bureau, for information with respect to the Indian tribes which were then ready for termination and were ready to take care of their own affairs. The Klamath Indians were on the list which was furnished by the acting Commissioner, Mr. Zimmerman. Even then hearings were held. This has been a matter of long study and has been before Congress time and time again.

Mr. MORSE. I should like to say to my colleague from Oregon that I appreciate his letting me me interrupt him, so that the Senator from Utah and I could make this record. Some publications have taken us very much to task for the 1954 law, and I thought that the history of how it all happened ought to be made part of the debate.

Mr. WATKINS. We tried to give the Indians as much as we could of what they wanted. They practically wrote their own ticket when it came to the question of how they were to get their property.

Mr. NEUBERGER. I was not a Member of the Senate in 1954; therefore, I have no recollection of what happened. However, I am informed by the staff of the Subcommittee on Indian Affairs that the withdrawal provision was added in the House; and that when the bill was returned to the Senate, the Senate accepted the House version of the bill, rather than go to conference.

Mr. WATKINS. That is correct.

Mr. NEUBERGER. That bill finally became the act which was signed by the President, and is known as Public Law 587.

Mr. WATKINS. I introduced the original bill of termination in the Senate, and then the House passed its own version after it was worked out in conference with the Indians. I thought the Senate committee had worked it out previously with the Indians, but in the meantime the Indians had changed their minds.

Mr. NEUBERGER. That has been known to happen, of course.

Mr. WATKINS. Not only in the case of this tribe, but other tribes also; and not only in the case of Indians, but now Indian people also.

Mr. NEUBERGER. Yes; and perhaps even more so in the case of white people.

I have not yet had satisfactorily explained to me why the 1954 act was "sweetened" by the inclusion of an extraneous per capita payment of $250 to each Klamath tribal member—every man, woman and child—thus perhaps softening Indian opposition to certain controversial aspects of the legislation.

WITHDRAWALS THREAT TO SURVIVAL OF TIMBER RESERVES

But what is past is prologue, and we now are confronted with a condition and not a theory. Yet only about a year after the termination act had been in operation, a Stanford Research Institute preliminary survey disclosed that some 70 percent of the Klamaths might elect to withdraw and seek a conversion of the resources into their prorated tribal shares. This supports the point of which we were reminded by the Senator from Utah. After this percentage became known, many leading groups in Oregon—church, civic, conservation, labor, school and press—suddenly realized the perils lurking in Public Law 587. Leaders of such groups came to me in some desperation, urging that I aid with stopgap legislation in order to prevent the abrupt and hasty exploitation of the timber and marshes of the reservation so as to satisfy the legal and valid claims of the withdrawing Indians. That was my introduction to the Klamath crisis—my baptism under fire, so to speak.

The recent election has confirmed these fears since 77 percent of the tribal members elected to withdraw, as the Senator from Utah pointed out a few moments ago. The main asset that must be disposed of to realize the funds to pay these withdrawing members is the Klamath pine forest. To comply with the act and to satisfy the percentage of withdrawing members, it threatens to drop over 3 billion feet of prime ponderosa pine timber on the market, particularly at a time when the Oregon lumber industry is already enduring a grim economic crisis. I have been advised by the Chief of the Forest Service that this glutting of the Northwest lumber markets could cost the United States Forest Service, over the next 10 years, millions of dollars in timber receipts on adjoining national forests. Of more importance, it threatens one of the finest yellow-pine forests in the West with destruction. It is our task here today to solve this dilemma. It is also our duty.

On May 9, 1957, I introduced S. 2047 to provide for the acquisition by the United States of all tribal lands of the Klamath Indian Tribe.

The senior Senator from Oregon [Mr. MORSE] was a cosponsor with me of S. 2047. This bill had as its goal the assuring of a fair price for the 2,133 enrolled members of the Klamath Tribe to whom these resources belong as their rightful heritage. It provided for the Federal purchase of the entire Klamath Indian Reservation. Included in this reservation of particular interest and value is a great pine forest of approximately 750,000 acres which would have been placed under the supervision of the United States Forest Service. The vast marsh of approximately 15,700 acres, used by some 80 percent of the birds traveling the Pacific flyway, would be made part of the refuge system of the Fish and Wildlife Service.

MARSH WILL BECOME WATERFOWL REFUGE

After a careful canvass of the situation prevailing in the House and the Senate, I came to the conclusion that the administration's proposal, which I introduced by request of the Secretary of the Interior on January 16, 1958, as S. 3051, and which we are here considering, had a somewhat better chance of enactment than my own outright Federal purchase proposal. I was advised that a number of persons were disturbed over the substantial sums required to buy the Klamath forest. It was stated that some private purchasers might be willing to purchase the forested areas and manage them on a sustained-yield basis. The administration's proposal embodied in S. 3051 provided for private purchase on this basis, and when the two bills were considered simultaneously by our Indian Affairs Subcommittee, I urged the committee to report S. 3051 with some slight amendments instead of my original bill. Both the Subcommittee on Indian Affairs, of which I am chairman, and the full Committee on Interior and Insular Affairs have reported this bill unanimously. The chairman of the full committee, the distinguished senior Senator from Montana [Mr. MURRAY] has cooperated with me to the utmost of his capacity and authority.

The principal features of the bill now before the Senate are as follows:

First. The Secretary of the Interior and the Secretary of Agriculture will jointly define the boundaries of the tribal forest which should be managed on a sustained-yield basis.

Second. The 23 percent of the Indians who elect to stay in the tribe will have their portion of the forest allocated to them, and that part will be subject to management in accordance with a plan that is satisfactory both to the Indians and to the Secretary. This is provided for by the present law and would not be changed by this amendment. The proposed management plan which has been proposed is a private trust and it provides for sustained-yield management.

Third. The portion of the forest that must be sold to compensate the 77 percent of the tribal members who have elected to withdraw will be offered in appropriate units for private purchase. These units will be offered at not less than the appraised value of what they would bring on the open market, but they will be subject to sustained-yield requirements that are enforcible for 100 years by a forfeiture and reversion of title in the event of a violation of the requirements.

Fourth. The Secretary of Agriculture will buy at the appraised value the forest units not purchased by private industry and which are suitable for National Forest Administration. All units that are not purchased by private industry or the Secretary of Agriculture will be sold by the Secretary of the Interior under the present termination act. The latter category will not be extensive.

Fifth. The Secretary of Agriculture is limited, however, to the purchase of forest units that have an aggregate value, together with the tribal marsh, of not to exceed $90 million. The maximum amount of property that will have to be sold on behalf of the withdrawing members is a little more than $92 million, and it may therefore be necessary for the Secretary of Agriculture to adjust the boundaries of the forest units slightly in order to stay within the $90 million limitation. I am assured by responsible Federal foresters that this can be done without imperiling in any way the sustained-yield operation of the vast bulk of the Klamath Ponderosa pine forest for at least the next century.

Sixth. The Secretary of the Interior will buy the waterfowl marsh at its appraised value of $407,000, and he will add it to the national sanctuary and refuge system of the Fish and Wildlife Service.

In summary, I believe that S. 3051 will accomplish two major objectives:

First. It will obtain for the Indian owners of the reservation who wish to dispose of their share a fair market value.

Second. It will assure the people of the United States that the timber, water, wildlife, and recreational resources of the reservation will continue to be managed wisely for the benefit of all the people.

To be realistic, we realize signing by the President of S. 3051 will not end forever litigation over the vast resources of the Klamath Reservation. Human nature never will permit that—alas. Still, without such a measure as this, it will be impossible to pay the Indians a fair price and to save the lumber economy of southeastern Oregon for permanent and enduring operation. In the absence of S. 3051, the Indians will be compelled to accept bargain-basement prices for their resources, and those resources will be hastily liquidated and exploited. That is the alternative, so I feel no compulsion to pretend that this measure is perfect or without frailties.

Yet, in my opinion, this bill is a genuine must. It has been recommended by the Secretaries of the Interior and Agriculture; it has been approved by the Bureau of the Budget, and it has the full backing of the administration. It has received months and months of study and consideration by the Committee on Interior and Insular Affairs, and I can assure Senators that it has been considered on a fundamentally bipartisan basis, under the leadership of the senior Senator from Montana [Mr. MURRAY]. I sincerely and strongly urge its enactment.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. WATKINS. I express my very deep personal appreciation and gratitude to the junior Senator from Oregon for the very fine cooperation and intense, efficient work he has done on this measure and the activities connected with it and for his efforts to bring about some sort of understanding.

When I first came to Congress in 1947, one of my first duties was as chairman of the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs. During the same year, I held hearings in Oregon. Much of the work had to do with the possible termination program.

I appreciate also the cooperation of the senior Senator from Oregon [Mr. MORSE] and former Senator Cordon of Oregon with respect to the Klamath Indians.

I found all along the line, among State, county, and Federal officials, especially the Indian Bureau and the Department of the Interior, and among Members of Congress, as well, a desire to help the Indians in the best possible way. We felt, after all had been said and done, that the time had come when the Klamath Indians ought to be on their own; in other words, they ought to have been far enough along in education and experience to take care of their own property, or at least to begin to take care of it. Almost 12 years have passed since the recommendation was made in 1947, and there has been a long history of activity.

The junior Senator from Oregon came to the Senate at the time when the control of Congress changed.

I appreciate the fine cooperative spirit which has been shown in trying to treat the Indians in the best possible way. I also compliment the Klamath community, including the county of Klamath, and the whole State of Oregon, as well. I think the program will accomplish much in the years ahead, and that it will be successful, although it does have the defect which the Senator from Oregon mentioned.

Mr. NEUBERGER. I thank the Senator from Utah for his generous comments about me. I know I speak not only for myself, but also for the senior Senator from Oregon [Mr. MORSE], when I thank the Senator from Utah for giving so unselfishly of his knowledge and wisdom on the subject, and for the time and energy which he has expended to help the people of Oregon and the entire Pacific Northwest to solve the question of the Klamath Indian Reservation while, at the same time, we have tried to preserve its resources for the economy of the entire Nation.

Mr. WATKINS. I thank the Senator from Oregon.

Mr. MURRAY. Mr. President, the bill which is now before the Senate, S. 3051, amending the Klamath Indian Termination Act of 1954, is one of the more important bills which have been reported from the Senate Committee on Interior and Insular Affairs during this session of Congress.

The bill has as its objective the solution of a very complex situation which has arisen because of the termination program enacted in the 83d Congress for these Indians—a program which I considered very unwise at the time it was adopted.

In 1947, I participated in hearings with respect to proposed legislation to end Federal trusteeship over this tribe of Indians in Klamath Falls, Oreg. I felt at that time that this group was not prepared for removal from the protection of the United States, and the committee apparently agreed with me because no legislation was enacted.

However, in the 83d Congress, following the adoption of House Concurrent Resolution 108, this tribe of Indians was selected for termination. The legislation which was enacted in 1954 to provide for termination was not perfect, and after its passage there began to appear very formidable problems in carrying out the law.

In 1956 I conducted hearings in Oregon on the subject of this program. We heard from many witnesses that the problems connected with the administration of the act were of such a character that some remedial legislation was essential in the 85th Congress if economic catastrophe were to be avoided in this section of Oregon.

At the outset of the 85th Congress I appointed the very able Senator from Oregon [Mr. NEUBERGER] as chairman of the Subcommittee on Indian Affairs. Within the space of a few weeks, the Senator from Oregon had introduced a bill to delay the Klamath termination program so that we on the Committee on Interior and Insular Affairs could have an opportunity to investigate fully the operation of the Klamath program with a view to reporting to the Senate proposed legislation which would correct the perilous situation the original law had created. That bill was enacted in 1957.

Now, after more than 2 years of study, investigation, and prolonged hearings on the Klamath situation, the Committee on Interior and Insular Affairs has reported to the Senate S. 3051, which, if enacted, will at last hold forth the hope that some order will be restored to this program.

A majority of the members of the Klamath Tribe has elected to leave tribal life and have its share of the vast forest sold off. If we permit such action to take place, one of the finest sustained-yield stands of ponderosa pine timber left in the United States may be lost forever. Under present law, we would be forced to sell almost 4 billion board-feet of timber at a time when timber prices are very soft. This could only result in the Indians getting less than their property is worth and might very probably create a boom-and-bust economic situation in southeastern Oregon.

Mr. President, I shall not speak at length on this subject. The printed hearings on the Klamath bills are on each Senator's desk. They are replete with testimony on the consequences of inaction in passing legislation to amend the 1954 act. Senate Report No. 1518 recites the background of this whole problem, and why we must pass the pending bill.

Not only were extended hearings held, but the subcommittee after careful study reported the bill unanimously. In addition, the matter was the subject of long discussion before the full committee. We heard no objections, but several members made suggestions which they believed would improve the bill. After exploration, the committee made some additional perfecting changes, and again the bill was approved by a unanimous vote.

I take great pride in the fact that the committee took the bill which was sponsored by the administration and labored in bipartisan cooperation to bring it before the Senate essentially as the administration requested it. The members of the committee deserve commendation for their hard work on the measure.

Finally, Mr. President, I congratulate the junior Senator from Oregon [Mr. NEUBERGER] on the excellent work he has done in behalf of the Klamath Indian Tribe and in the interest of conserving the Klamath forest for all of the people of this Nation.

Likewise, I commend the senior Senator from Oregon [Mr. MORSE] for the splendid work he has done in furthering this program.

Mr. LANGER. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. Does the Senator from North Dakota wish to have the floor in his own right, or does he wish to have me yield to him?

Mr. LANGER. I wish to speak for approximately 3 minutes on this bill

Mr. MORSE. I shall be through in 4 or 5 minutes.

Mr. President, I wish to congratulate my colleague, the junior Senator from Oregon [Mr. NEUBERGER], who is the chairman of the Indian Affairs Subcommittee, and I also wish to congratulate the entire Committee on Interior and Insular Affairs, for bringing before the Senate a bill which offers a solution to the complex problems which Public Law 587, of the 83d Congress, has presented. I also wish to congratulate the chairman of the committee, the senior Senator from Montana [Mr. MURRAY]; and I also offer my congratulations to the ranking minority member of the subcommittee, the senior Senator from Utah [Mr. WATKINS], for the great assistance he has rendered to those of us who have a vital concern in the Klamath Indian Reservation problems.

The solution promised by Senate bill 3051 is far better than the alternative of no solution. In this case, inaction would be tantamount to a catastrophe for the Klamath people and the economy of the area, and would threaten a vital natural resource which concerns the entire Nation.

Naturally, I am disappointed that the administration did not endorse Senate bill 2047 which was cosponsored by me, after the junior Senator from Oregon introduced the bill, as its author. That bill had bipartisan support in the State of Oregon. I am glad, however, that some of the principles of Senate bill 2047 were incorporated in Senate bill 3051 by the administration. However, the heart of the bill the administration has recommended—the provision which will permit sale, to large private timber companies, of the portion needed to satisfy withdrawing members—is the administration's own proposal.

The portion of the reservation which the nonwithdrawing Klamath Indians will manage for themselves will be offered under sustained yield and smaller

timber sales as they sell the timber to derive annual income. One of the compelling arguments for the enactment of this bill is that the forest, the watershed, and the land will be protected by sustained yield.

A second compelling argument for enactment of the bill is that the withdrawing Indians, as well as those who will stay in, will be protected from economic catastrophe. If the withdrawing members' timber were dumped on the market, not only would its value be reduced, but, in addition, the Indians who hoped to practice forest management on the balance of the property might be unable to sell their timber for a fair price on a glutted market.

Finally, this bill will insure that the adjacent public and private timber will not depreciate in salability and value, due to the dumping of Klamath timber. The committee report shows that the national forest alone might lose $50 million in revenue from the sale of timber in the event of a quick sale of all of the timber on the reservation.

This bill grants private industry a chance to bid on the timber and to buy 77 percent of this reservation. I agree with the Senator from Utah [Mr. WATKINS] that provision for sustained yield should be made, because the public interest will, by means of the bill, also be protected by the reservation in regard to a sustained-yield program.

I am pleased that the committee accepted the suggestion from some of us that the sustained yield provision governing such purchases be lengthened. I note that it is set at 100 years. The report on Senate bill 3051 states that the bill "offers private enterprise a full opportunity to acquire this valuable property, but requires its operation on a sustained yield forest management and cutting basis." Thus, it is evident that the bill contains a real safeguard—namely if private enterprise does not come forward, the Federal Government is authorized to add this land to the national forest, where sustained yield will certainly be assured.

I still believe the administration erred in not endorsing Senate bill 2047. I think the junior Senator from Oregon and the Interior Committee have brought out the best bill they could, under the circumstances. I realize that if Senate bill 2047 had been reported, the President might have vetoed it. I shudder to think of the calamity that would occur if Public Law 587 were not amended. In any event, history will record whether Senate bill 3051 is the proper solution. I believe it is a very good, workable solution.

I wish to commend my colleague [Mr. NEUBERGER] for the long hours of work he has devoted to this vital problem. I believe it is true that he expressed concern about Public Law 587 even before he came to the Senate. He held hearings in 1955, in 1956, in 1957, and again in 1958. He secured stop-gap legislation last year. He worked to devise Senate bill 2047; and, as I have said, this bill had strong support in our State. He has done everything possible, in my opinion, to find a fair and just solution to an exceedingly complex problem.

Today, he has brought before the Senate, with the cooperation of the Senator from Montana [Mr. MURRAY], the Senator from Utah [Mr. WATKINS], and other members of the Senate Committee on Interior and Insular Affairs, a Senate bill to meet a deadline which cannot be put off. I am sure the people of our State, the Indian people, and all others who are interested in conservation appreciate the serious effort he has made to resolve this very complicated and complex problem. I have supported his effort to secure the passage of the best bill there is a legislative chance of having passed and enacted into law at this session of Congress.

I would have preferred the original bill which my colleague authored, and which I joined in sponsoring, namely, Senate bill 2047. However, I am convinced that Senate bill 3051, which now is before the Senate, does not compromise any principle of sound conservation policy, but constitutes the type of compromise for which the legislative process calls for—not a compromise of principle—but a compromise of policies and administrative procedures which in this instance will give us, I believe, Mr. President, a bill that is workable.

So, Mr. President, I am very happy to support my colleague, the Senator from Montana, and the Senator from Utah, in urging that the bill be passed.

Mr. NEUBERGER. Mr. President, will my colleague yield to me?

Mr. MORSE. I yield.

Mr. NEUBERGER. I wish to thank my colleague for his very kind words about my efforts with respect to the Klamath Indian question. I wish to assure the Senate that all during this very difficult, trying, and prolonged period of attempting to reach a fair and equitable solution of this issue, I have had his full and complete cooperation. I am grateful for that cooperation.

Again, I wish to say that I know he joins with me in gratitude to two senior members of the Senate Committee on Interior and Insular Affairs, who have seen to it that the resources, the staff, the authority, and the prestige of the Senate Committee on Interior and Insular Affairs and, in particular, of its Indian Affairs Subcommittee, were geared to the attempt to do something about this question; I refer to the able senior Senator from Montana [Mr. MURRAY], the chairman of the Committee on Interior and Insular Affairs, and the senior Senator from Utah [Mr. WATKINS], the ranking minority member of the Indian Affairs Subcommittee, who possesses such long experience in this field.

Mr. MORSE. Mr. President, I certainly join my colleague in expressing appreciation to the Senator from Montana and the Senator from Utah.

I see that there is now on the floor of the Senate a very able Member of the House of Representatives, from the State of Oregon, Representative AL ULLMAN, in whose Congressional District the Klamath Reservation is located. I wish the RECORD to show that I deeply appreciate, as I know my colleague does, the cooperation which we have received at all times from Representative ULLMAN in regard to this very complex problem.

Let me say to Representative ULLMAN that we hope the Senate will pass the bill today, and will put it in his lap, so to speak, trusting that the best possible solution in regard to it will be worked out in the House of Representatives.

I think the RECORD should also show that Representative ULLMAN has been of great help to the Oregon Congressional delegation in our deliberations on this very difficult and complex problem.

Mr. NEUBERGER. And our cooperation with Mr. ULLMAN will continue when he makes every effort—and I am sure his efforts will be successful—to have the bill (S. 3051) passed by the House of Representatives.

Mr. ALLOTT. Mr. President, it is a pleasure to hear my good friends, the Senator from the great State of Utah [Mr. WATKINS] and the Senator from the great State of Oregon [Mr. NEUBERGER] speak with such accord on this very complicated Federal termination problem. Although I am a member of the Committee on Interior and Insular Affairs, I knew very little about this problem when it was first discussed in the full committee, several weeks ago. I had some grave doubts about this bill, when it was discussed at that time. I have since explored the matter, however, and am now aware of the need to amend the present act along the lines of Senate bill 3051.

Both the Senator from Utah and the Senator from Oregon have spoken about the complexities of Indian affairs, particularly as they relate to the Klamath Tribe, and have indicated the importance of the conservation of the great pine forest on the Indian reservation.

We know also of the importance of dealing honorably with the fine members of the Klamath Indian Tribe.

The efforts of the Congress, during the past several years, to help the Klamath Indian people acquire a new dignity, through the termination of the special Federal trust and at their own request is a good effort. Members of the present generation and of generations to come will be greatly benefited by this legislation. I believe that from a financial point of view this is a good investment.

The measure which we are considering today will protect for all the people of our Nation and for every following generation a mighty forest and a vast watershed. It will do justice to the Indian tribe and will relieve the Federal Government of its trusteeship responsibilities.

Our best national interest is represented here. The Senator from Oregon [Mr. NEUBERGER] and the Senator from Utah [Mr. WATKINS] have both worked hard to bring us an effective proposal, now represented by S. 3051. The Departments of Interior and Agriculture have proposed this as the best possible solution. It has the administration's support.

I personally wish to join my friends, particularly the senior Senator from Utah and the junior Senator from Oregon, in their support of this bill, and ask for its speedy passage.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. ALLOTT. I am happy to yield to the Senator from Oregon.

Mr. NEUBERGER. I am very grateful for the kind remarks the Senator from Colorado has made about my part in advancing the pending bill. Of course, I concur in what he has said about the role of the senior Senator from Utah.

To me, the Senator from Colorado displayed the highest type of statesmanship in this episode, because I realize he originally was opposed to the bill, or at least had some very serious doubts about it. After some of us had an opportunity to discuss it with him and show him what issues and problems were involved, he changed his mind, and he has been one of the most effective and loyal supporters of the bill.

I am sure the Senator will not mind if I take about 30 seconds to express appreciation to one of the good friends of the Senator from Colorado, Under Secretary of the Interior Hatfield Chilson. Mr. Chilson has been the member of the Interior Department who has been most occupied in presenting this very important proposed legislation to the Congress, although it involves a State which is 1,000 miles away from his own State, which is also the State of the Senator from Colorado. Mr. Chilson has always been cooperative and extremely effective in presenting to the members of the Committee on Interior and Insular Affairs the important reasons why this legislation must be adopted.

I know the Senator from Colorado shares with me that opinion of the work done by Under Secretary Chilson toward passage of S. 3051.

Mr. ALLOTT. Mr. President, I wish to express my appreciation to the Senator from Oregon for his comments about my fellow Coloradan. I share the sentiments of the Senator from Oregon. I may say that not only in this field, but in the whole field of public endeavor, Hatfield Chilson, in my mind, represents one of the finest types of public servants.

I may point out to my friends from Oregon that when this matter came before the full committee—I was not a member of the Subcommittee on Indian Affairs, of which the Senator from Oregon is chairman—it presented some very unusual aspects, which I think would challenge the inquiry and curiosity of any ordinarily prudent, intelligent legislator. I never at any time have been opposed to the bill. Perhaps the questions I asked on that day might have led to the impression that I was opposed to the bill. I have never been opposed to it. The first presentation of it simply raised questions. After spending some time studying the bill, although I realize the amount of time I have spent on it is very small as compared with the time spent on it by my friends from Oregon and Utah, I determined in my own mind that this was the only logical, fair, decent, and just way to accomplish the termination of Federal Government trusteeship and to be really honest and just with the Klamath Indian Tribe.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. ALLOTT. I am very happy to yield to the Senator from Utah.

Mr. WATKINS. I wish to join my colleague from Oregon in stating my appreciation for the kind remarks the Senator from Colorado has made about both of us in the activities we have carried on with respect to the pending bill. I think it is sometimes not realized by the public at large that this type of legislation is extremely important to many American citizens. I refer particularly to the Indians of the United States, in this case the Klamath Tribe. The pending bill will terminate a long history of guardianship by the United States of America. Although, under our law, the Indian people have been free for a long time, so far as individual liberty is concerned, the bill gives them full citizenship in the true sense of the word. When the bill is enacted they can control their property as well as their purse. That has not always been true in the past.

The Senate Committee on Interior and Insular Affairs is rather unique in that all its members come from the West and from areas where there are, in some States at least, large Indian populations. It has been a great pleasure to work with these western Senators, because nine-tenths of the matters that come before us are handled in a bipartisan manner.

Mr. ALLOTT. I think that is an accurate statement.

Mr. WATKINS. In regard to Indian problems, it is true. It is very interesting to work with them, because, after all is said and done, we are dealing with the future lives and property of Americans, and such problems should be dealt with in a nonpartisan manner.

Mr. NEUBERGER. Mr. President, if the Senator will yield, I wish to concur in what the Senator from Utah has said. There has been no partisanship in any way in the solution of this issue and problem, which I hope will be solved today with the passage of the bill. I doubt if Sherlock Holmes, with his famous magnifying glass, could have found partisanship in the handling of this issue.

Mr. ALLOTT. I agree with that statement. As the Senator from Utah has pointed out, the proposed legislation will have broad implications, not only with respect to the particular Indians involved, but with respect to the whole field of the Government's relations with the Indians.

I yield the floor.

Mr. LANGER. Mr. President, I have been listening with a great deal of interest to the discussion of the pending measure, and I must say I am disappointed. This entire matter was before the Senate 12 years ago. It was considered carefully. The Acting Indian Commissioner at that time, Mr. William Zimmerman, appeared before the full committee. At first he testified that of all the tribes in the United States, none of them were fit to have self-government. It was the only time in all my experience in the Senate when the committee decided to put a witness under oath. After he was placed under oath and the record was being made, he said there were 12 tribes already fit to have self-government, and at the very head of them he put the Klamath Tribe from Oregon. That was 12 years ago. Yet during all the intervening time practically nothing has been done. Today for the first time we have the opportunity to do something about it.

I mention this fact, Mr. President, because it is typical of the kind of treatment which the Indians of the United States have been receiving.

Four miles from the beautiful little city of Palm Springs, Calif., want and hunger and poverty are to be found in a little tribe of 300 Indians. The women of the tribe have to carry water from a joint well a quarter of a mile in order to do their cooking.

Similar conditions may be found in Arizona, where the Senator from Tennessee [Mr. KEFAUVER] and I went for the various hearings of the committee. A hospital in the vicinity of Tucson burned in 1947. The Department of Public Health had taken over looking after the health of the Indians a few months before, on the 1st of July. What was done? One of the agents of the Department was sent there. How long did he stay? He went from Washington to Tucson. He stayed on the Indian reservation 3 hours. Then what was his recommendation? He said that they might rebuild the hospital in 1959.

We called as a witness before our committee Dr. Salisbury, the head of the board of health of the city in Arizona where the hospital was located. He told the committee that before they were a year old, 17 percent of the babies died, and before the age of 21 was reached, more than half of the young Indians died.

We took the matter to the Senate floor, and, with the help of the Senators from New Mexico and Arizona, had it considered. Instead of waiting until 1959, within 3 weeks the Senate passed an appropriation of $250,000 to get the hospital started, and provided for a total of $2 million to complete it. The hospital is completed today.

Such an incident demonstrates that when a Senate committee is really on the job and is earnestly trying to work for the interests of the Indians, a world of good can be done.

The situation of the Seminole Indians is as I described it on this floor only a few days ago.

Today I wish to compliment Glenn Emmons, the present Commissioner of Indian Affairs, who in my opinion is one of the very first men to have charge of the Indian Bureau who has given it his full time, who has actively seen to it that the Indians are given the kind of treatment to which they are entitled.

Mr. President, regretfully—most regretfully—I point to the fact that a bill I introduced a year ago, to provide industry for the Indian tribes all over the country, still rests in the subcommittee headed by the distinguished junior Senator from Oregon.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. NEUBERGER. I should like to say for the benefit of the distinguished Senator from North Dakota that the subcommittee held very extensive hearings with regard to his bill, and his bill has been reported by the subcommittee to the full Committee on Insular Affairs. The bill was reported some 2 weeks ago, and it is presently before the Senate Committee on Interior and Insular Affairs, having been reported by our subcommittee.

Mr. LANGER. I thank the distinguished Senator. That is some of the best news I have heard in a long, long while. I am sure the action is due only to the hard work on the part of the chairman of the subcommittee, the junior Senator from Oregon.

Mr. NEUBERGER. I should like to say it was not necessarily due to my own hard work, but instead due to the hard work of the entire committee.

In fairness to the Senator from North Dakota, I should add that the bill was reported without recommendation, because it was felt such a piece of legislation as far flung in scope and as extensive and as monumental as that which the Senator introduced, should be decided upon only by the full committee. The bill has been reported from the Subcommittee on Indian Affairs to the full committee and is presently without recommendation, either favorable or adverse. That action was taken some 2 weeks ago.

Mr. LANGER. May I inquire when the full committee will consider the bill?

Mr. NEUBERGER. Of course, I do not know that. I cannot properly speak for the full committee, for the chairman, or for the staff. All I can say is that about 2 weeks ago the bill was reported to the full committee.

Mr. LANGER. Again I want to thank the distinguished Senator from Oregon.

Mr. President, the bill to which I have referred should have been passed long, long ago. The Indian Bureau was created in 1824. I hope Senators will think of that—1824, 134 years ago.

I have read the debates. At that time, long ago, it was said the Bureau was established in order to take care of the Indians of the United States.

When John Collier became Indian Commissioner there were 233,000 Indians on the rolls. Mr. Collier wanted more Indians on the rolls, so he looked around to find some more. He found 2,000 in Minneapolis and St. Paul. He found some more in New York. He found others in various places, such as graduates of Yale, Princeton, and other colleges. When he got through, there were 400,000 Indians on the rolls.

What is the situation with reference to the Indian tribes? I am sorry the distinguished senior Senator from Tennessee [Mr. KEFAUVER] is not present in the Chamber, because he was with me at the various hearings.

Senators will find in Montana one of the most disgraceful situations in the United States, so far as the Indians are concerned. Some Indians in Montana had a little coal mine from which they were trying to make a living. Senators may believe it or not, but the United States Government would not buy the coal from the Indians, to be used in the Federal buildings in the State of Montana.

We might even go a step further, Mr. President. We found a bad situation in the State of North Dakota. The Senate had passed a measure providing that Indian labor should be used in the construction of Garrison Dam, and some Indians traveled 100 or 200 miles to reach Garrison Dam, to help build the dam. When an Indian became sick, he was taken to the hospital at Garrison, and when he came out of the hospital a short time later, he was sent a bill. That was the first time an Indian from a reservation had ever received a bill. At the Indian reservation, the hospital service was free. The Indian, of course, promptly quit his job. So did many other Indians. They then went back to the reservation.

The policy of the Indian Bureau has been to ask the Indians on the reservations all over the country to go to various towns to work. What do we find? We went to Arizona and took testimony. We heard the leaders of various tribes testify. They sat with the Senator from Tennessee and me and asked questions, and helped with the interrogating of witnesses.

Indian women testified before us. They said their husbands at first would go off 100 miles to work, but would come back in 2 weeks. Pretty soon the husband would come back in a month. Pretty soon the husband would come back once in 2 months. Then the family was broken up. They said, "We want industry on the reservation, so that the husbands will be able to stay at home with the families."

That plea was universal, wherever we went, in the various parts of the United States. The idea of giving Indians work 100 or 200 miles away from home is simply no good. I think Glenn Emmons, as Indian Commissioner, has that viewpoint.

The only way to prevent such a situation is to establish industries on or near the reservation. Under the guidance of Mr. Emmons, already in seven places in the United States industries operated by private companies are training Indian help, so that sooner or later the Indians can operate their own industries on, at, or near the reservations. Carl Beck, of the Indian Bureau, did an outstanding job in that connection. I was sorry to see him retire a short time ago.

In addition to the 7 industries already operated, some under the Sperry Co., some under the Bulova Watch Co., and so forth, we find that the Commissioner of Indian Affairs is considering 2 other places, so that at least 9 tribes will have industries on, at, or near the reservation.

The situation is ridiculous. I happen to be chairman of the Refugee Subcommittee of the Committee on the Judiciary. We deal with refugees from all over the world. Consider the small country of Germany, and contrast it with the United States. Germany was defeated in the war, and was practically without a government. Millions of refugees poured in. Kurt Erhart, a professor of political economy, was appointed to deal with the situation. Eight million refugees have been integrated into the German economy. Each one has his own home. Each one has his own job. So Germany has taken care of 8 million refugees, but we in the United States, who in Fourth of July orations, boast about what a great country we have—the richest and finest—and express our pride in the United States, should be ashamed of the fact that since 1824 we have not been able to assimilate among our citizenry 233,000 Indians.

In one State in the Union, Indians are not even allowed to attend public schools. Only a short time ago, under the present head of the Bureau of Indian Affairs, some very fine regulations were adopted. If Indians attend public schools, the Indian Bureau pays a certain amount each month for each Indian child. If an Indian becomes insane, the State insane asylum under rules promulgated by Mr. Emmons, takes care of the insane man or woman and is recompensed in due time, by the United States Government.

I join my colleagues in saying that the bill we are now considering is one of the finest measures to come to my attention in a long time. I hope it will pass without a single vote against it. I hope it will become law, and that nothing but prosperity will result to the fine Indians in the State of Oregon, who in my opinion, will always owe a great debt of gratitude to the distinguished junior Senator from Oregon for pushing this measure.

Mr. WATKINS. Mr. President, the Klamath Termination Act of 1954 which we are seeking to amend today was a direct result of House Concurrent Resolution 108, 83d Congress, which was passed unanimously by both Houses of Congress. This resolution declared that it was a policy of Congress to terminate trust relationships with tribal groups and individual Indians as rapidly as circumstances with each would permit, and as rapidly as possible make the Indians within the territorial limits of the United States subject to the same privileges and responsibilities as are applicable to other citizens of the United States. This resolution further stated that the Klamath Tribe, as well as several others, was ready for termination and that the Interior Department should submit the appropriate legislation by the following January.

When the Senate Subcommittee on Indian Affairs, of which I was the chairman in the 83d Congress, began study of proposed termination legislation for the Klamath Indian Tribe, the committee files revealed that representatives of the tribe had journeyed to Washington to appear before committees of the House and Senate 15 times in the previous 40 years to discuss their status.

As early as 1930, hearings were held before the House and Senate committees on legislation providing for the final enrollment of Klamath Indians, and to permit incorporation of the Klamath Indian Tribe. Nine years before the

Klamath Act of 1954, legislation was drafted providing for the removal of restrictions on the property and moneys belonging to the individual enrolled members of the Klamath Tribe. Extensive hearings on this bill were held in 1946. Again in 1947 and 1948, hearings were held on bills proposed for a similar purpose.

Following the adoption of House Concurrent Resolution 108, the Department of the Interior submitted a bill as required in the resolution which would terminate the Federal trust for the Klamath Reservation.

On January 14, 1954, the tribal general council voted to adopt the draft bill in principle, subject to various modifications suggested at the tribal council meeting and yet to be worked out by the committee on legislation and the tribal executive committee.

Members of the advisory committee representing the Governor of Oregon attended the January 14, 1954, tribal general council meeting and cooperated generally with tribal officials in the deliberations on the matter of termination.

During the 1954 hearings two major factions of the tribe appeared before our committee and gave conflicting testimony. Some of them testified in favor of termination. There was no unanimity on the bill which was before the committee nor on what substitute measures would be acceptable. Following the hearings, however, the two major factions, each represented by competent counsel, held discussions with Department of Interior officials and with individual Congressmen and Senators.

As a result of these discussions a substitute bill was drafted and presented to the House Indian Affairs Subcommittee which was holding hearings on S. 2745. After the two Indian factions testified to the House committee that they endorsed the substitute measure the House adopted their recommendations and forwarded them to the Senate for concurrence.

I have given you this brief summary of events which led to Public Law 587 in order to show you that this law was not something that was hastily concocted during the 83d Congress, but rather the end result of years of negotiations and study. At the time this legislation was enacted I am sure that all Congressmen and Senators concerned were convinced that the termination of Federal supervision on these Indians was long overdue and that the Indians would have a much better future without Federal trusteeship.

Because of the complexities of this Federal supervision I am sure that none of us that were acquainted with the problem felt that Public Law 587 was a perfect law and that it would not require further amendments. We passed a number of termination acts—six I believe—during that session and we frankly contemplated that as the Department of the Interior started carrying out these acts, unforeseen problems would arise which might require modification. Several of these acts have been amended. One of the big problems which we did not foresee at the time of this act was the fact that such an overwhelming number of the Klamath Indians would want to withdraw from the tribe and have their tribal assets liquidated for them.

We heard testimony that possibly 20 percent or 25 percent might make such an election. Instead over 77 percent have elected to withdraw. As the Senator from Oregon has explained to you, this poses a very serious conservation and economic problem in western Oregon.

This problem has been carefully considered by Department of Interior and Department of Agriculture officials, both in Washington and in the field. The measure we have before us today is their best judgment of an appropriate solution. After careful review by the Interior and Insular Affairs Committee we have concurred in their recommendations.

It is my opinion that Public Law 587 should be amended along the lines of the bill before us. If this is not done I am afraid that this all-important termination might fail. Such a failure would reflect on the whole policy of termination and might ultimately cost the Federal Government many times the possible expenditures this act calls for. I am hopeful that by first offering this great forest to private industry that private industry will respond and purchase most of the units. This would save the Federal Government substantial money. However, I am convinced that if private industry is not willing to purchase this forest and manage it on a sustained yield basis, that it is in the national interest to conserve this great forest and make it a part of our national forest reserve.

Mr. President, I wish to make it clear at this point that in considering the bill the members of the committee and others who have been concerned with this matter, whom I have mentioned, have proceeded on the theory that whatever we pay the Indians for the land, if the United States Government becomes the purchaser, is a fair consideration. What we are doing should not be interpreted in any way as a move to take from the Indians property which may be worth more than we are paying for it. As a matter of fact, under present economic conditions, I believe the compensation provided, if the United States should be the ultimate purchaser, is the fair market price as of the present times under the circumstances in the particular area.

I wish to make that point clear, because sometimes in the past, when the United States has made a fair deal with the Indians, a generation or so later people have said, that, judging by the record made at the time, the Indians had been cheated, and the United States took advantage of the Indians. This time I know that cannot be truly said. I believe the junior Senator from Oregon and others who have been dealing with this matter will fully agree that the bill provides a fair compensation for the Indians.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. NEUBERGER. I wish to corroborate what the Senator from Utah has said about a fair price being paid. The appraisal of this great ponderosa pine forest was made by the western timber services, which had a contract with management specialists, who were appointed by the Department of the Interior. They are a responsible agency, with well trained and able personnel. I have discussed the matter with Mr. Earle Wilcox, forester for the management specialists, who has probably had more experience with the Klamath Reservation forests than any other living man. He believes it to be a fair price. Those to whom I refer are technically trained in this field and have had experience with the area in question. What they have said supports what the Senator from Utah has told the Senate.

Mr. WATKINS. In addition to what I have said about my colleagues, the junior Senator from Oregon and the senior Senator from Oregon, and other Senators, who have acted on this matter in the Committee on Interior and Insular Affairs and on the Subcommittee on Indian Affairs, I wish to say a word of commendation which is due to Commissioner Glenn L. Emmons, who has been very sympathetic in the consideration of all Indian problems. He has lived most of his life in the Indian country, and he knows the Indian people and their desires and ambitions. He knows how they have been treated in the past. I am sure he approaches a solution of Indian problems in a very practical and humanitarian way. Therefore I should like to commend him also. He is a man who has been very easy to work with, and he has been very cooperative.

I also wish to commend his assistant, Mr. H. Rex Lee, who has handled much of the detail in connection with the termination bills. I know Mr. Lee sometimes feels he is not appreciated. He is a front man, who works out in the field and meets with the Indians. At times they vent their wrath on him if they do not get exactly what they want. He has been made what might be termed, perhaps in not very dignified parlance, the goat. I have found him to be very sympathetic and very practical in his approach to these problems, and I wish to commend him.

Mr. Chilson, as has already been mentioned, comes from the area involved, and he knows the Indians. He knows their needs, and he tries to be very sympathetic and very much interested in their problems.

In conclusion, I wish to say a word for the Klamath Indians. I believe the Klamath Indian Tribe has great possibilities. I met with them in 1947, when a subcommittee spent a week in holding hearings and in visiting them and their forests and their institutions. I found at that time that practically all of them spoke the English language and understood it fairly well. We found that their young people were in school, and they were about as far advanced in education and training as any Indian tribe I have ever met; and I have met a great many of them. I believe that with this responsibility which now comes to them, with the right to take care of their own property and to manage their own affairs, they will grow in stature, and in

strength and in their contribution to this country. I believe that this is one of the greatest blessings that can come to an individual citizen, namely, the responsibility and the right to take care of himself. In fact, it is his duty to take care of himself so far as he can possibly do it.

In my judgment, we have been rather slow in giving more and more responsibility to the Indians to take care of their own affairs. I believe that now they will have to learn to manage their own affairs. Perhaps we will have to take similar action in the case of various other tribes at different times.

We have already terminated several small tribes in Oregon, and I believe that program is working very well. There are several small tribes in Utah and in Texas which have been terminated, and I believe the program is working successfully there also.

It is very difficult at times to convince many of our well-meaning friends, particularly those who have been organized in Indian associations, to understand what our motives are in placing responsibility on Indians and in giving them full control of their affairs. It is not with any desire whatever to make it possible for predatory interests to defraud them of their property or anything of that sort. I would be one of the first to try to throw around them every protection which might be necessary under the circumstances. However, in my short lifetime, I have found that people grow only with responsibility. It is not possible to supply them from the outside the ability to take care of their affairs; it can come only from within them. That philosophy applies to Indians as well as to non-Indian people.

I believe the Klamath Indians will have a great future if they proceed in the right way and are careful and prudent and cautious in the handling of their properties. I do not believe that anyone will deliberately try to cheat them, except possibly some who might want to do the same thing with non-Indian people.

There will be every opportunity for those who are not fully trained and who feel they are not competent to manage their own properties to obtain help. There is provision in the bill for guardianships for children and for the few Indians who cannot take care of their own property and manage their own affairs. Proper safeguards are included, and they will receive the protection of the laws of Oregon. They will be fully taken care of. I believe that a great many well-meaning people do not understand this; otherwise, they would not be making so many protests against the so-called termination program.

We find there are some Indians who are so well trained and who understand the complexities of modern life to the point that they do not want to have their trusteeship terminated, because to do so would impose upon them some of the responsibilities of citizenship, as well as the bestowal of blessings. I find that they are just like some of us. They like to get out of paying all the taxes they possibly can. They are clever enough to feel that if by reason of termination they have to assume the duties of citizenship and help to maintain the Government by paying taxes, they would be better off to remain under the guardianship of the United States. Then they will not have to pay taxes on their properties, although they might have to pay them on their incomes.

Mr. NEUBERGER. I thank the Senator from Utah for what he has said about the Klamath Indians and their caliber and citizenship. I believe and hope that to the challenge and responsibility which are involved in S. 3051, the Klamath Indians will respond.

I express my gratitude for the assistance we have received from Commissioner Glenn L. Emmons and Associate Commissioner H. Rex Lee for helping present the legislation to the Senate, developing it, and assisting in its progress to the stage where it is about to be passed here today.

Mr. WATKINS. I thank the Senator from Oregon. I hope the bill will be passed unanimously.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3051) was ordered to be engrossed for a third reading, was read the third time, and passed.

THE ROLE OF THE CHURCH AND COMMUNITY IN REARING YOUTH

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an address delivered by Peter N. Chumbris, counsel for the minority of the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary, and former counsel for the United States Juvenile Delinquency Subcommittee, before the Greek Orthodox Youth of America, at St. Nicholas Greek Orthodox Church, in Newark, N. J., on May 4, 1958, on the subject of Juvenile Delinquency.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE CHURCH AND COMMUNITY, ITS ROLE IN REARING YOUTH

(Remarks by Peter N. Chumbris, counsel for the minority, United States Senate Antitrust and Monopoly Subcommittee, and former counsel for the United States Juvenile Delinquency Subcommittee, before the Greek Orthodox Youth of America, Newark, N. J., May 4, 1958, at St. Nicholas Greek Orthodox Church)

Reverend Father Aloupis, ladies, and gentlemen of GOYA, Bishop Ezekial, of the Chicago diocese Greek Orthodox Church in North and South America, in his appearance before the United States Senate Juvenile Delinquency Subcommittee in 1956, stated:

"I would like to point out the importance of religious convictions and of faith in God to all our citizens. The older ones—and the younger ones—if the older person is not well orientated, if he doesn't have a good philosophy on life, if he doesn't have the principles and faith in a Supreme Authority, in God, then he is not able to guide a child. * * * I would like to urge all people concerned to a missionary work throughout the country for the revival of religious faith and principles and ideals. Also, it is not enough to teach a child.

"Morality cannot be followed without an example. You live the American way of life and the Christian way of life, the religious way of life only if you see it lived in others and in your elders whom you respect."

Bishop Bernard Sheil, of the Roman Catholic diocese of Chicago, at the same hearings, stated:

"The New York Times a few years ago made a very definite contribution when they queried 50,000 high-school students and they found that out of that 50,000 two-thirds of them had never heard of the Ten Commandments. That is rather a shocking thing, when you come to consider it, because here is the law of the ages that gives us the norm whereby we are able to judge of our actions, and yet two-thirds of that 50,000 had never heard that there was such a thing as the Ten Commandments."

As our Lord taught His disciples in His Sermon on the Mount, you, as parents or community leaders, should: "let your light so shine before men that they may see your good works and glorify your Father which is in Heaven" (Matthew 5: 16) and in so doing set the proper example for youth to follow.

At the outset, it would do well to state that the juvenile delinquency problem in the United States is considered the No. 1 social problem. It is most complex and there are many facets of delinquency. The correction of one facet alone will not solve the whole problem.

The Senate Subcommittee To Investigate Juvenile Delinquency which has been holding hearings throughout the United States since the fall of 1953, has written volumes upon volumes of reports on what might be termed the causes and cures of juevnile delinquency. I could not possibly begin to discuss the broad subject of juvenile delinquency within the time allotted, and therefore, my remarks will be confined solely to the role of the church and the community in rearing the youth.

However, to give you a picture of the extensiveness of this problem, I will refer briefly to the significant subjects covered in our hearings:

1. The lack of sufficient expert personnel and facilities to cope with the child that has delinquent tendencies or has reached the state of being a juvenile delinquent or a youthful criminal.

2. Even where there are trained workers and proper facilities, there is a lack of coordination, guidance, and accountability by a central administrative body. State and city youth commissions, if properly operated, could appreciably correct this.

Included in this category are mental hygiene services in schools, proper detention, correctional institution, juvenile court, juvenile police, probation, psychiatric, and family and youth guidance facilities in a given community.

3. The impact of narcotics, liquor or indecent literature on juveniles.

4. The impact of crime and horror comics, crime television shows, and crime movies on youth.

5. Runaway fathers who abandon and fail to support their children.

6. Students dropping out of school and are unable to obtain employment.

7. Slum areas and antisocial conditions that have tendencies to lead youth to delinquency.

8. Youth gangs especially in highly populated areas.

9. Lack of recreational and community centers for youth.

10. Overcrowded classroom conditions and lack of other educational facilities for the

youth. Handling of delinquent and incorrigible students in our public schools.

11. Lack of proper welfare and health services to certain youth and the families.

12. Lack of proper religious training in the home and in the community.

13. Lack of parental responsibilities and discipline.

14. Parents who are not qualified to cope with the delinquent propensities of certain youth and who need professional guidance.

15. Black market in baby adoptions.

16. Problems of Indians affecting their youth.

I invite questions in any of the above categories at the end of my remarks. [One hour of questions and answers on many of these topics followed at conclusion of the talk.]

Let us now look to the role of the church and the community in controlling juvenile delinquency. It has been apparent for some time that the mere spending of money or the existence in a community of adequate, although mutually exclusive, services dealing with juveniles does not necessarily mean that a complete and satisfactory job is being done. Therefore, it has been suggested that because of the obvious diffusion of authority among these types of services—public and private—it has become necessary for many cities to develop a plan whereby the activities of all of them can be fruitfully coordinated.

In several cities and States throughout the United States, there have been established effective commissions on youth which have brought together all agencies (both public and private) who are interested in youth, for the purpose of coordinating their efforts for a most effective plan in the proper development of our youth in a given community. In a plan of a city or a State commission on youth there should be a church panel. The suggested plan calls for Protestant, Catholic, Jewish, and Orthodox Christians to be members of that panel and preferably a minister, a priest, a rabbi, and a reverend father to be included.

1. The responsibilities of the church panel would be to study and act in the referral of juvenile delinquents to the care of religious leaders of the church of their choice.

At our hearings before the Juvenile Delinquency Subcommittee in Chicago, Dr. Robert Bell, president, Church Federation of Greater Chicago, stated:

"The youth service bureau, successor to the boys' court service, is a social agency within the social welfare department of the Church Federation of Greater Chicago. * * * We have conclusively demonstrated the value of casework techniques for the treatment of delinquent boys. We find that there is no substitute for individual attention, understanding, and Christian guidance. We find that early diagnosis and treatment can prevent delinquency. Through the years the youth service bureau has supervised well over 10,000 boys, 87 percent of whom have received satisfactory discharges from the court."

This is an illustration of what a church organization can do in the treatment of a boy who has been before the juvenile court and released to a church group. It also shows that proper casework in early diagnosis can prevent a boy from becoming a delinquent.

2. There should be increased use of church buildings particularly in underprivileged neighborhoods.

This is most important, since in many congested neighborhoods, there are no playgrounds or community centers available to the youth, and those churches that have gymnasiums or ground facilities, that can be used by the juveniles in that particular area, can do very much to build the morale and character of the youth of that area by throwing their facilities open to the youth of all religious faiths.

This type of activity has been done in the past but it should be done on a uniform basis as soon as possible throughout the country. A collateral illustration can be made in certain large cities where there are not sufficient playground facilities within a city department and the boards of education collaborated with the city playground department and made the school grounds available to the city and the city provided the playground instructors so that there would be sufficient playground facilities for the children. This program should be encouraged on a nationwide basis.

3. Increased use of expert recreational leadership in social agencies and public schools for the training of church leadership for this task.

We have learned from expert testimony in our hearings that the church leaders in charge of youth activities must be well trained and well qualified to guide youth; otherwise, the most effective part of the program will be lost.

4. That church groups should within their own church attempt to provide sufficient programing on a full-time basis that this may reach all of the youths of the community, irrespective of age or sex. And further, that the church should make every effort to reach those persons of their respective faiths and denominations who are not active and churchgoing members.

You have heard jokingly that a juvenile delinquent will often quote "I would rather be found dead than caught in a church recreational center or community center."

It is up to the churches to be certain that they reach this type of a juvenile delinquent and do as Dr. Bell stated earlier, correct 87 percent of those entrusted to their care.

A well-organized church youth program can be of immeasurable value to the youngster who feels isolated and lonely and who has a strong desire to be accepted as part of something bigger than himself. The Hollywood First Baptist Church of Hollywood, Calif., is a striking example of what a church can do by adopting a preventive approach to the treatment of juvenile delinquency. (This church also has a very good rehabilitation program for those young people, whether members of the church or not, who have committed unlawful acts.) Rev. R. Lindquist stated they have 27 different groups for boys and girls sponsored by the church, meet during the weekdays. Fifty percent of the membership of these clubs come from outside of the boundary of the church and the Sunday school and from the community at large. Such programs make a boy ask this question: "What is the angle in this? Why are you interested in me? Nobody has ever taken any interest in me before."

The matter of preventing juvenile delinquency begins for the church in offering good counsel to both the parents of the child as well as the child. Counseling for marriage by the pastor is most important, and each church should have a definite program set up along these lines for those who plan to marry.

Following the marriage and the birth of children, the couple should find in the counseling minister the hope they need in adjusting to the changing culture of establishing a home and assistance and understanding, the moral and spiritual factors so necessary for normal living and to help the child in acquiring this knowledge.

The churches as a group should be most interested in demanding that in every city there are competent and trained guidance clinics to aid those parents who need help in rearing their children.

The church and the community have a further responsibility in the overall problem of youth services in making their views and positions on community matters effectively known before other church and civic organizations and before the city councils and State legislatures as well as the Congress of the United States. This is most effective when these legislative and administrative bodies are concerned with new effective programs for the good of the community which must also provide funds to carry out those programs. With so many projects coming before State legislatures the program that is most effectively presented and the one that has the full support of the entire community will be the one that will be approved and funds provided to carry out such programs. Therefore, if the given community needs mental-health services, probation services, improved detention facilities, increased police services and so on, the church and the community must make its position known and properly presented to the given authorities to assure that the funds will be made available to carry out those programs. This, of course, means that the members of that church and the community, as individuals, must also exert similar efforts as the group is required to do.

During the course of the hearings in Pittsburgh, the council of churches was explaining the intensified efforts to curtail delinquency and to create programs to prevent children from falling into delinquent ways. An illustration was brought out where in Washington, D. C. in precinct No. 2, which was known as the precinct with the highest incidents of juvenile delinquency and crime, the church people, the community leaders and the business leaders conducted an intensified program of door-to-door campaigning to arouse the interest of parents in exercising a greater degree of control and responsibility over their children and urging them to do everything possible to assure that the children received the necessary instructions as to proper youthful behavior in the schools and in the neighborhood. This program bore fruit in that No. 2 precinct showed a remarkable decrease in juvenile delinquency behavior.

Another illustration was brought out in the Chicago hearings where residents from the Rothschild Foundation residential unit decided that they were not going to permit any youth delinquent behavior in that residential development. Bear in mind that this area was one of the worst slum areas, with a delinquency problem. The new residential unit had 8,000 families. In a 2-year period, not one case of juvenile delinquency was reported to the juvenile authorities. This is one of the most remarkable examples of what a community can do in curtailing juvenile delinquency.

Thomas Jefferson said: "Eternal vigilance is the price of liberty." Mothers now march against polio by door-to-door fund campaigning. Mothers and fathers can be eternally vigilant in a march against delinquency by a door-to-door and block-by-block contact with the parents of the neighborhood so that there is a mutual interest in seeing that their children are in a neighborhood of proper environment.

An aroused, alert and coordinated community can do most anything. Corrupt governments and despots have been overthrown; gangsters have been run out of town; gamblers and houses of ill-fame have been shut down. Cities have been saved from raging floods and disease infested areas have been cleared to save the people from plagues.

The murder of a student in a schoolhouse or the rape of a young girl in a hallway of the school is enough to make any red-blooded American community's blood boil.

Recent reports show a 21 percent increase in 1 year in juvenile-delinquency cases brought before the juvenile courts. Cases are not brought before the courts unless there is a serious violation.

But the most alarming thing is the high percentage of crime of violence against both

person and property committed by the 15- to 21-year olds.

We are not talking about stealing apples or breaking street-light lamps.

We are talking about crimes of violence and sometimes complete disregard for law and order in favor of the law of the jungle.

Therefore, if we want our children to be protected; if we want to assure ourselves that our own children will not be drawn in this spiderweb of delinquency and crime; then we as a church and as a community must join with other community groups in a house by house and block by block effort to make every resident an alert, aroused and constructive citizen in this fight against delinquency and return to Christian way of life for our youth. With such coordinated effort the public and private agencies will gain the support and funds needed to afford the proper facilities and trained workers through a centrally guided administrative body to wipe from the face of the map this raging disease and menace called juvenile delinquency.

CONSTRUCTION OF HELIPORT WITHIN THE DISTRICT OF COLUMBIA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1535, Senate Joint Resolution 167.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A joint resolution (S. J. Res. 167) directing the Commissioners of the District of Columbia to cause a study to be made of all factors involved in the construction of a heliport within the District of Columbia.

The PRESIDING OFFICER. Is there objection to the unanimous consent request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. BEALL. Mr. President, I ask unanimous consent that a statement explaining the purpose of the joint resolution be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BEALL

In this modern era in which we live, State and local governments are continually faced with the problem of planning ahead. We, the members of the Senate Committee on the District of Columbia, are no exception. This Senate Joint Resolution 167 is part of our planning.

The purpose of this joint resolution is to direct the Commissioners of the District of Columbia to cause a study to be made of all factors involved in the construction of a heliport within the District of Columbia. This is an original resolution from the Senate District Committee due to the request of the Commissioners of the District that we of the Congress should supply funds for them to carry on this study. This original joint resolution would accomplish this purpose.

In addition to the above stated purpose, the joint resolution would allow the Commissioners until June 30, 1959, to make a full report to the Congress of the results of the investigation and study, together with such recommendations as they deem advisable. It would also authorize the Commissioners to secure from any governmental agency information which may bear on the subject of heliports, and directs and authorizes these agencies to supply the information to the Commissioners of the District of Columbia.

There was no opposition presented to the resolution during the hearing. A Civil Aeronautics Administration representative indicated that planning now would be of great advantage in the future, due to the trend of building fixed wing airports farther away from the downtown centers.

The use of helicopters will undoubtedly become greater, and while the Washington National Airport can and does handle the comparatively light helicopter traffic that now exists in the National Capital area, the committee is of the opinion that the future will demand large and elaborate facilities within the downtown area. With the construction of Chantilly Airport and the present existing Friendship Airport, an obvious need for helicopter service into the downtown areas of the District of Columbia will naturally exist. Therefore I recommend to the Members of this body that this legislation be given your favorable approval.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S. J. Res. 167) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That (a) the Commissioners of the District of Columbia shall investigate and cause to be made a study of all factors involved in the construction of a heliport or heliports within the District of Columbia on a site or sites convenient to and in close proximity with the downtown Government and commercial areas of the District of Columbia.

(b) The Commissioners of the District of Columbia shall, on or before June 30, 1959, make a full report to the Congress of the results of the investigation and study provided for under this section, together with such recommendations as they deem advisable.

SEC. 2. The Commissioners of the District of Columbia are authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality of the Federal Government information for the purposes of this joint resolution; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information directly to the Commissioners of the District of Columbia.

SEC. 3. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this joint resolution.

AMENDMENT OF DISTRICT OF COLUMBIA ALCOHOLIC BEVERAGE CONTROL ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1536, H. R. 7300.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 7300) to amend section 15 of the District of Columbia Alcoholic Beverage Control Act.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceed to consider the bill which had been reported from the Committee on the District of Columbia with amendments on page 2, line 23, after "(e)", to strike out "In" and insert "Nothing contained in this section shall be construed as entitling a licensee to any preferential treatment or be construed as making inapplicable any provision in any other section of this act, in"; and on page 3, line 12, after the word "filed", to strike out "Nothing contained in this section shall be construed as entitling such licensee to any preferential treatment or be construed as making inapplicable any provision in any other section of this act."

Mr. BEALL. Mr. President, I ask unanimous consent that a statement explaining the purpose of the bill be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BEALL

The purpose of this bill is to amend section 15 of the District of Columbia Alcoholic Beverage Control Act. The passage of this bill would alleviate certain difficult situations which are created under the act whenever the zone in which certain licensees have their business locations is changed to a residential or first commercial classification.

Existing law prohibits the issuance of retailers' licenses, except of classes B or E, for any business conducted in a residential-use district as defined in the zoning regulations and shown in the official atlases of the Zoning Commission, as well as wholesalers' and manufacturers' licenses in residential or first-commercial-use districts. The present law also requires that every annual license shall date from the 1st day of February in each year and expire on the 31st day of January next after its issuance. This prohibits the renewal of a license and for all practical purposes the transfer of a license for the same place of business where the zoning of the premises in which the business operates is changed in the case of a retailer or wholesaler to residential and in the case of a manufacturer to a commercial- or residential-use during the life of the license.

At the present time the number of locations to which a license may be transferred is exceedingly limited and expensive, with the result in many cases a business possessing an Alcoholic Beverage Control license will be destroyed by the change of zoning, a result which was not believed contemplated by either the Alcoholic Beverage Control Act or the Zoning Act.

This legislation would overcome the effect of section 15 of the act in those cases where a license is in effect and the zoning of the property is changed to a more restricted zoning classification than the former zoning classification and would permit the continued operation of a licensed business. This legislation would be most equitable to those businesses that are being forced out of business in Southwest Washington and in the future to businesses which are faced with zoning changes due to local redevelopment. Zoning legislation was never intended to destroy existing private enterprise.

This measure has the approval of the Alcoholic Beverage Control Board and the Commissioners of the District of Columbia. The committee unanimously approved the bill, and I therefore recommend to you its immediate passage.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be

proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 7300) was read the third time and passed.

AMENDMENT OF DISTRICT OF COLUMBIA POLICE AND FIREMEN'S SALARY ACT OF 1953

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1537, H. R. 7568.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 7568) to amend the District of Columbia Police and Firemen's Salary Act to provide that service in the grade of inspector and the grade of private in the Fire Department shall be deemed to be service in the same grade for the purpose of longevity increases.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. BEALL. I ask unanimous consent that a statement on behalf of the Senator from Nevada [Mr. BIBLE] explaining the purpose of the bill be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The purpose of this bill is to amend the District of Columbia Police and Firemen's Salary Act of 1953, as amended, so as to clarify the language of existing law relating to longevity increases of officers and members of the Fire Department of the District of Columbia.

The present pay of an inspector in the Fire Department is $5,174, or $184 more than the pay received by a private, class 4, and both receive $129 longevity increases for each 5-year period of continuous service completed in a grade. As a result of the narrow spread between the pay of a private and the pay of an inspector, a private who has completed one 5-year period of service entitling him to $129 in longevity pay, upon promotion to inspector, receives an increase of $55 per year. Since the same principle prevails as to privates who may have received 2, 3, 4, or 5 longevity pay increases, the result of existing law is that a private with one or more longevity increases, when promoted to inspector, receives an increase in pay of $55 per year and loses the number of years of credit he had toward his next full 5-year longevity period.

Enactment of this legislation would have the effect of allowing each private promoted to the grade of inspector to receive a full $184 increase and, in addition, include his time in the grade of private in determining his longevity pay as an inspector. Total cost of this bill to the District would amount to $1,290 as of May 1, 1958.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H. R. 7568) was ordered to a third reading, read the third time, and passed.

PENALTIES FOR INTERFERENCE WITH UTILITY LINES, PANAMA CANAL ZONE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1351, H. R. 3604.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 3604) to amend section 831 of title 5 of the Canal Zone Code to make it a felony to injure or destroy works, property, or material of communication, power, lighting, control, or signal lines, stations, or systems, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

TESTIMONIAL DINNER IN HONOR OF AMBASSADOR FROM INDIA

Mr. HUMPHREY. Mr. President, it was my honor to participate in the planning of the testimonial dinner held in honor of the distinguished Ambassador from India, Mr. G. L. Mehta, at the Shoreham Hotel, Washington, on Wednesday, April 30, 1958. It was also my privilege to attend that testimonial dinner along with the large and heartwarming crowd of Ambassador Mehta's friends and admirers.

The evening was an unusual but appropriate honor for a distinguished statesman who was about to conclude his period of service here. I know of no Ambassador who has done more to generate understanding and good will of his nation than has Ambassador Mehta during his tenure in Washington. It has been an enriching and rewarding experience for me to know the Ambassador and to help, on occasion, on the great mutual tasks which face his country and ours.

The highlight of the evening was the speech delivered by the Ambassador himself, and I ask unanimous consent that the text of his remarks be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TEXT OF SPEECH DELIVERED BY MR. G. L. MEHTA, AMBASSADOR OF INDIA, AT THE TESTIMONIAL DINNER HELD IN HIS HONOR BY THE NATIONAL COMMITTEE AT THE SHOREHAM HOTEL, WASHINGTON, D. C., ON WEDNESDAY, APRIL 30, 1958

During the last 5 years and 7½ months I have been in this country, I have addressed numerous gatherings of different kinds and at various places. But this evening, I find it difficult to express in words what I feel; for, if I may paraphrase the poet, words like nature half reveal and half conceal the thoughts within. I am deeply touched by the signal honor that such distinguished citizens of this great country have done me on the eve of my return to my country. I can sincerely tell you that this has made me feel more humble, more conscious of your generous sentiments than ever. I do not know in what language I can express my deep gratitude for what has been said tonight and for all that has been done to make this occasion what it is. It is a memorable event in my life which I shall never forget.

I should like to take this opportunity of paying my tribute to Senator JOHN SHERMAN COOPER and the other distinguished Ambassadors who have preceded him and also to Ambassador Ellsworth Bunker for what they have done and are doing to interpret Indian aspirations to the United States and promote good will and understanding between the two countries. It is a recognition of the vital importance of India that Ambassadors accredited there are, if I may say so, selected with judgment and care by the United States Government. But I hope we may also take some credit for the fact that diplomatic representatives who have served there as well as officials working on technical programs have become so devoted to India. Despite our limitations and failings which some of our friends never fail to point out, we must have some good qualities to win the valuable friendship of so many persons accredited in one or other capacity to India. And, believe me, this is done without any attempt on our part at indoctrination, let alone non-ideological conversion.

During the time I have been in this country, I have had nothing but courtesy and kindness wherever I have gone. The people of this country are by nature friendly and informal and hospitable; and, above all, they are generous. But their friendliness has been due in no small measure to the growing awareness of the significance of India and of a genuine interest in and good will toward my country. This does not mean that people in the United States always agree with what we say or do any more than we agree with all the attitudes and policies of this country or of any other. Free countries do not necessarily or always agree with one another but that need not preclude mutual esteem nor deter cooperation for common purposes. What is essential is not identity of views but community of aims; not conformity and acquiescence but comprehension, patience, and tolerance. Surely, friendship if it is to be genuine and enduring should be capable of standing the strain of frankness on both sides. Misunderstandings arise as often because of a reluctance to discuss difference freely as owing to a tendency to magnify them out of perspective. Cordiality between nations rests, in the last analysis, on mutual respect. It is the mark of totalitarianism to insist on conformity within a nation or between countries; those who have democratic values recognize that freedom involves diversity. What we need for international cooperation are not satellites and camp followers but partners and friends working together on a free and equal basis.

To be in Washington at any time would be a privilege; but to represent a country like India for the last 5 years and more in such momentous times has been something of an onerous responsibility as well as an unusual opportunity. It has been a truly rich and rewarding experience. I have frequently stated that relations between India and the United States began when, in trying to discover India, Columbus stumbled upon America. We are, however, pre-Columbus Indians. I sometimes fancy that the tea chests which were thrown into the sea in Boston contained tea from India but I am told that that was not so. But by 1608, a company in Virginia was exporting iron ore to the East India Co. at 4 sterling pounds a ton. And Lord Cornwallis defeated at Jamestown became subsequently Governor General of India. So, we had many ties even two centuries ago. But to turn from mundane matters, cultural and spiritual contacts developed between our two countries over a hundred years ago when Emerson, Thoreau, Walt Whitman, and the Transcendentalists were influenced by Hindu philosophy and thought. Some of our great savants like Vivekananda and Poet Tagore

visited this country. During our national movement, we had the sympathy and moral support of people in this country including many responsible persons in Congress and in the administration. It was, therefore, only proper that the first diplomatic mission which was established by the national Government of India after independence was in Washington. And the first foreign country which our Prime Minister visited after taking office was the United States. For the last 10 years, our relations have grown closer in commercial, industrial, technical, and cultural spheres and the area of cooperation has steadily widened.

The United States has been a pioneer in formulating and working out the concept of aid by economically developed countries to those less fortunately placed. The Marshall plan and Point-IV program are outstanding illustrations of this concept. In pursuance of this policy, valuable assistance has been rendered to my country in its plan of economic and social development. Such aid given whether by way of loans, grants, surplus agricultural commodities or technical assistance has been a marginal but vital contribution to our endeavor for economic and social betterment. It is not merely the quantum of this aid that is important—although it amounts to nearly $1.2 billion—but the spirit in which it has been made available. It has not involved any political commitments or extraneous interference in domestic or foreign affairs. Responsible people in this country recognize that such aid as has been extended to India has by and large been effectively used and that India has a coordinated program of economic development which is being implemented through democratic processes. India's efforts and achievements in economic and social spheres are widely appreciated and public opinion is aware of the importance of India's development for stability in Asia and the cause of democracy.

This is neither the time nor the occasion to tell you all my impressions of the United States or deal with current international problems. But I wish to speak to you something which is uppermost in my mind about the most vital issue which concerns us—the issue of peace which in this nuclear age means nothing less than the survival of mankind. Now, what I want to say is not meant to provide facile solutions for our riddles. No one, indeed, has complete answers to our difficulties, there are no panaceas in politics. No one is entitled to adopt a superior posture or castigate others. No one can cast the first stone who has not cleansed his heart. We are all groping to find a way out of a complex and baffling situation. As Burke said, "We can never walk surely but by being sensible of our blindness."

The main danger in the international situation today is the unending, almost ruinous arms race between the great powers which unless it is controlled and eventually stopped by positive acts of statesmanship might lead to war and untold destruction. As Bertrand Russell said recently in addressing words to ordinary human beings—Americans, Western Europeans, Russians, Asians, and Africans, "We are all in peril, in deadly peril, ourselves, our children, our grandchildren—not our great grandchildren unless we are successful; for, if we fail, we shall have none. In comparison with this peril, all other questions are insignificant. What will it matter who was right and who was wrong when no human beings have survived?" There is hardly any sensible person in any part of the world who does not realize the disastrous consequences of a nuclear war. But it is tragic that when there is such unanimity about the imperative necessity of eliminating war and resolving disputes by peaceful means, a wide gulf divides the powers and prevents a meeting of minds. The result is that neither side is prepared to make any agreement or arrangement which would, in its view, substantially alter the balance of power based on nuclear weapons and missiles and military bases. This wide chasm is due to distrust and suspicion and fear. It is this mistrust that should be reduced, this acerbity that has to be diminished if the risks of a nuclear holocaust are to be eliminated. For, under the impetus of this mutual distrust and fear which both cause and are caused by the arms race, the objectives of diplomatic negotiations and differences between nations are lost sight of while bombs, warheads, rockets, and missiles tend to become ends in themselves.

The basic point, I suggest, is not the quantum and nature of armament but the deep cleavage which, however, cannot be bridged primarily by military means. "Saturation" appears to have been reached so that each side is capable of inflicting overwhelming damage on the other. There is, therefore, no point in accumulating further nuclear explosives. When one can utterly destroy one's enemy in a fortnight, I confess I do not see much point in piling up still more arms so that one can destroy him in a week. There can be no such thing as a limited nuclear war. Small wars will inevitably explode into big ones once atomic weapons of any size are used. The side that begins to lose—or believes it is losing—will use bigger and better (or worse) weapons. To seek to limit nuclear war and grade deterrents is, as someone has aptly said, like "controlling the temperature in hell with thermostats." Moreover, when there is an atomic stalemate, the deterrent ceases to deter since it is itself in a state of deadlock. Indeed, as past experience has shown, the security of one power may well mean insecurity for others; and deterrents themselves have, in the past, become a casus belli or a provocation. Even those who acknowledge that nuclear war would be a catastrophe still believe and declare that if it does take place, their own side could win it. So long as people believe that victory even at a terrible cost can be won, the risk of war remains. For, although arms are acquired to prevent wars, an arms race might through accident or design lead to hostilities. No one has described the awful balance of power today better than Winston Churchill who said that "Safety is the sturdy child of terror and survival the twin brother of annihilation." Even this balance of terror is not static because each side continuously tries to make itself stronger than the other, partly owing to fear and partly owing to a desire to get ahead. But absolute security in the present-day world is impossible of achievement and the search for "ultimate weapons" might lead to total annihilation when guided missiles might fall into the hands of misguided men. The whole issue of atomic tests is not primarily a technical problem, it is a moral question and should be considered as such.

Force has become so destructive that for all practical purposes its utility as the final instrument of diplomacy has been seriously impaired. Indeed, violence in a certain sense has reached a reductio ad absurdum; for the very possession of nuclear weapons seems to have paralyzed those who possess them since they cannot risk the consequences of their use. This was evident in the fall of 1956 in the Suez area and in Hungary. There is a Latin saying that "between the guns the law is silent." But the situation is now reversed: because of an atomic stalemate, the guns (or bombs or missiles) are silenced so that the law as expressed in the Charter of the United Nations and in diplomatic negotiations must speak.

The paramount need is, therefore, for sustained and sincere efforts to produce an atmosphere of mutual confidence. We should concentrate on our common interest of survival rather than on endless competition in producing more and more destructive weapons and faster and faster means of carrying them. "Let us by all means think for once not just in the mathematics of destruction" as George Kennan has said, "not just in these grisly equations of probable military casualties. Let us rather think of people as they are; of the limits of their strength, their hope, their capacity for suffering, their capacity for believing in the future." We are prone to conceive power in abstract terms, regard countries as entities and treat states as enemies. But let us not forget for a moment that the lives of countless men, women, and children are involved in this suicidal race of nuclear arms. We shall have to exist even before we coexist. We must assume the instinct of self-preservation on all sides. No country will be able to achieve world domination if there is going to be no world to dominate. Surely, it is extraordinary that an anxiety to see the human race survive on this planet should come to be regarded as visionary and impracticable. We are becoming one world in fear, let us strive to be one world in hope.

Man is conquering the air, harnessing the atom, mobilizing natural forces, reaching out to outer space. But while he thus seems to be acquiring power over almost everything, he does not appear to have conquered himself. He cannot, so it seems, overcome selfishness and vanity, envy and lust of power, hatred and fear. Yet as Emperor Asoka said on the morrow of his triumph as he surveyed the battlefield strewn with the dead and dying, "true conquest is the conquest of self." We should, as civilized beings, learn to think in terms of harmony instead of victory, equality rather than domination, goodwill and not rancor. What avails our reaching the cosmos if there is to be chaos around us? We shall not be able to attain our own particular heaven above unless we remove the hells from amidst us—dire poverty, disease and filth, ignorance and crime, fanaticism and strife.

There can, indeed, be no peace in the world unless there is peace in our hearts. This is no mystical incantation, no inscrutable religious injunction. It is plain common sense, a psychological fact which we cannot escape. "Real peace must always rest on peace of mind," observed Nietzsche long ago, "while the so-called armed peace as it exists now in all countries is the lack of peace of mind which does not trust itself nor its neighbor; and half from hatred, half from fear does not down its arms." How pertinent these words are even today.

As I recollect the awe-inspiring grand canyons which give a glimpse of eternity and speak silently of the transitoriness of life, or the radiant sunset on the Golden Gate which reflects a beauty that is immutable, or the rich colors of foliage during autumn in New England which illustrate vividly the continuous rebirth in nature, I have wondered how beautiful is this earth but how sad we make it because of our own follies and crimes. And yet, for the first time in human history, science has placed power and tools in the hands of men which can eradicate gross poverty and drudgery, can make possible a varied and healthy life, which can enable man to work and to enjoy leisure, and which has opened out new horizons for exploration and new frontiers of knowledge. Looking at this grim contrast between what the world can be if only we will it and to what disaster it might drift, I was reminded of what someone wrote to Abraham Lincoln during the Civil War in another context, "how vain to have the power of God and not to use it godlike."

How to infuse the goodwill and compassion and tolerance to make men use this power godlike? No "ism" will avail, no doctrine can show a shortcut. We want hearts warm

enough to end the cold war and heads cool enough to prevent a hot one. We want science with humanity, politics with conscience, power with love. The way to peace is a hard and dreary one beset with many disappointments and frustrations. Perhaps there has to be love and understanding between ordinary individuals even while statesmen and rulers grapple with conferences and argue about procedures and agenda. Perhaps, some simple, loving hearts have to change before the rest can follow. In a moving book, A Bar of Shadow by Laurens van der Post, John Lawrence, a brutally mishandled British prisoner of war, who wanted to forgive and save Hara, his Japanese jailer who had tortured him in prison, observes, "We may not be able to stop and undo the hard old wrongs of the great world outside, but through you and me no evil shall come either in the unknown where you are going, or in this imperfect and haunted dimension of awareness through which I move. Thus between us, we shall cancel out all private and personal evil, thus arrest private and personal consequences to blind action and reaction, thus prevent specifically the general incomprehension and misunderstanding, hatred and revenge of our time from spreading further." But when Lawrence found that Hara had been hanged before he could reach him and be reconciled, he cried in anguish, "must we always be too late?" And let us ask ourselves again and again, are we getting too late in our search for peace which has eluded men for centuries but which in this nuclear age has become the imperative of our very existence? Time will not be invited to international confabulations but time will not wait.

LAW DAY

Mr. HUMPHREY. Mr. President, May 1, 1958, was celebrated throughout the United States as Law Day. It was an inspired idea to celebrate it on May 1, for on that day, as part of the worldwide Communist May Day celebration, tanks and missiles and tens of thousands of regimented Soviet citizens paraded before the Kremlin, in Moscow. But while the adherents of Communism around the world joined in their May Day celebration, we in the United States devoted our thoughts to the law. Nothing more clearly symbolizes the difference between us and the Communists than their glorification of revolution and force and our dedication to law and peaceful change.

The leading article in the issue of Time magazine for May 5, 1958, was devoted to commemorating Law Day. The article, entitled "The Work of Justice," itself is an illuminating discussion of the state of the law in the United States and in the rest of the Western World. A special feature attached to the article deals with the life and career of Charles S. Rhyne, the distinguished young president of the American Bar Association.

I ask unanimous consent that the text of the two articles from Time magazine be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THE WORK OF JUSTICE

Green eyeshade under a crop of white hair, heavy shoulders bent over an ancient desk, the Harvard Law School's Dean Emeritus Roscoe Pound wrote slowly, pouring the wisdom of his 87 years into his speech for Law Day, United States of America: "The law is the highest inheritance the sovereign people has, for without the law there would be no sovereign people and no inheritance."

Three thousand miles away in San Francisco, Superior Court Judge Thomas Coakley looked thoughtfully at the ax-hewn pine timbers of the oldest courthouse in California, picked up a pencil and began to write: "In the days when this courthouse was built, the law was young and often painful on this frontier. We developed in 1854 what our pioneers recognized, as did their forebears in the East, there must be a respect for the law."

A CHANCE TO CELEBRATE

In thousands of United States cities and towns, other men dedicated to the rule of law made plans for carrying their message this week into the Nation's courtrooms, classrooms and club meetings. On a train bound for Manhattan, veteran Washington Attorney John Lord O'Brian opened his briefcase, took out the notes he had dictated for his Law Day speech. In St. Louis, a Negro law student named John Alexander Madison and a Negro policeman named Dred Scott Madison studied their parts for the Law Day reenactment of the historic trial of their great-grandfather, Dred Scott.[1] In Seattle, Attorney Ford Elvidge was "digging into books I haven't cracked in 40 years," looking up English legal history for his Law Day speech. In Charleston, S. C., veteran lawyer Robert M. Figg pondered the difference in meaning between communism's May Day and the United States' Law Day: "I take it this date of May 1 was not chosen naively. It gives us the chance to celebrate our own way of life, while some others who don't believe in law are celebrating their way."

In Washington the President of the United States worked on the Law Day speech he would deliver to a nationwide television audience. And the Chief Justice and Attorney General of the United States made ready to travel to Philadelphia and Independence Hall. There, in liberty's shrine on the eve of Law Day, Chief Justice Earl Warren and Attorney General William Rogers would join in nationally televised ceremonies with the man who conceived the idea of Law Day: Charles Sylvanus Rhyne, president of the American Bar Association, prime mover in the campaign to get the United States this week to reaffirm its faith in the forces of law for peace.

That crusade began for Charles Rhyne last summer when he was installed in the American Bar Association's presidency at the 80th anniversary convention in London. On Runnymede's historic meadow, Rhyne dedicated the America Bar Association's monument in commemoration of the sealing of Magna Carta. In Westminster Hall, Chief Justice Earl Warren and then Attorney General Herbert Brownell of the United States, Lord Kilmuir, Lord High Chancellor of Great Britain, and the lawyers of two continents joined in a session that was, in itself, one of the great landmarks in the history of law (Time, August 5).

[1] The reenactment was to be held in the same St. Louis courthouse in which the Dred Scott case was tried—it remains standing as a museum piece. The case actually began as a simple assault and battery action. Scott, a slave, was mistreated by his owner, eventually brought suit for his freedom and won a favorable verdict in the trial court. That verdict was reversed by the United States Supreme Court under Chief Justice Roger Taney, which held that because Scott was a slave he had no rights of citizenship, and therefore the courts lacked jurisdiction.

"DO WHAT IS RIGHT"

Since London, Charles Rhyne has traveled far and fast. His 9 months as president of the American Bar Association have taken him more than 100,000 miles to make 180 speeches in 38 States. Wherever he goes, whenever he speaks, he returns to his theme: world peace through world law.

"In ancient times," says Rhyne, "disputes between individuals were settled by brute strength in a fight. We have now largely progressed to a point where such person versus person disputes are settled under the rule of law in the courts. But the rule of the jungle still largely prevails as the ultimate decider of disputes between nations. We must now progress to the point where the rule of law is applied in the courts to the disputes of nation versus nation.

"For those who complain about the mystery of international law and lack of precedents, I suggest they reflect upon the famous jury charge of Andrew Jackson in his frontier court,[2] and then reflect upon the growth of domestic law to meet the needs of our people. International law can do likewise."

No one knows better than Lawyer Rhyne that the rule of law cannot be imposed on peoples of the world until they have learned to understand and respect it. He knows, too, that understanding and respect begin at home. He orginated the idea of the first Law Day as an opportunity for lawyers and laymen, too long carried headlong in the seething, exciting torrent of codes and laws, to take reflective inventory, to study and ponder the law's past and its present—from which it must derive its future.

"SUB DEO ET LEGE"

"Let all things be done decently and in order," said St. Paul to the Corinthians, and from the beginning, man's desperate struggling for order and justice has given force to the law. It gave force to the divinely inspired canons for human conduct of Moses; it gave force to the rule of the Hindu Manu, the Babylonian Hammurabi, the Roman Numa and the Greek Lycurgus; it gave force to the law as a human science in the Digest of Rome's Emperor Justinian; it gave force to the common law of England, based on principle, shaped by experience, controlled by reason.

That force survived and beat down the political absolutism of the 17th and 18th centuries, which held that the law was no more than the will of the sovereign. Sir Edward Coke immortalized Bracton's words—"Rex non debet esse sub homine, sed sub Deo et lege" (The king ought not to be under man, but under God and the law)—by flinging them in the furious face of absolutist James I. Then Coke fell to his knees in terror of losing his head—yet his doctrine lives today as the wellspring of the rule of law.

IF MEN WERE ANGELS

The American Revolution was a rebellion not to overturn that rule of law but to sustain it. Of the 56 signers of the Declaration of Independence, 33 were lawyers; of the 55 delegates to the Constitutional Convention, 34 were lawyers, steeped in the natural law tradition of Aristotle, Cicero and Aquinas and in the English common law, dedicated to Locke's proposition that sovereignty rests with the people, trained in the law by Coke's Second Institute.

What they sought was liberty under law, no less and no more than justice in a moral universe. It is self-evident, wrote Deist Thomas Jefferson in the Declaration of Independence, that all men "are endowed by their Creator with certain unalienable rights," that "among these are life, liberty, and the pursuit of happiness," and that "to

[2] Said Jackson to a backwoods Tennessee jury: "Do what is right between these parties. That is what the law always means."

secure these rights, governments are instituted among men." The guiding principle of the Constitution was explained in the Federalist: "If men were angels, no government would be necessary. In framing a government which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the governed; and in the next place oblige it to control itself."

In *Marbury* v. *Madison*, 15 years later, Chief Justice John Marshall, like Coke unarmed except for the force of law, determined the right of judicial review over legislative decision, gave breath and blood to the American precedent as "a government of laws and not of men." So it was also that at the testing time of the Republic, Abraham Lincoln was a man who knew two books: the Bible and Blackstone's commentaries on the law.

PRINCIPLES AND RULES

In his speech for Law Day 1958, Harvard's Dean Pound makes the careful distinction between law and laws. Says he: "The vital, the enduring part of the law is in principles—starting points for reasoning—not in rules. Principles remain relatively constant or develop along constant lines. Rules have relatively short lives. They do not develop; they are repealed and are superseded by other rules."

Pound's emphasis on principle marks something of a revolution in United States thought about the law. For many decades powerful opinion held that the law stemmed not from fundamental, rational principles but rather from the needs of the day. In the complexities of modern life it became fashionable to hold that principles are as changeable as those needs. The United States lawyer who best symbolized this view was Oliver Wendell Holmes—the Magnificent Yankee. No one had a greater love of the law than Holmes, who sat on the Supreme Court from 1902 to 1932. Although often in the minority, he was the inspiration of two generations of legal scholars who were in rebellion against a conservatism which used principle as a cover for old-fashioned rigidity, and in so doing too often placed chains upon change. Fundamental principle, sadly, became a casualty of the rebellion.

Now, serious thought in the law has come full circle. After the explosion of World War II, after a decade of cold war against communism in the awesome dawn of the space age, the single, most dramatic development in the law of the United States is the return to the idea of first principles.

"MOST STRIKING FACT"

"There is a distinct resurgence of the notion of morality in the law," says Illinois' Justice Walter Schaefer. Reports Indiana's Professor Jerome Hall in the current Virginia Law Review: "The most striking fact about current national developments is the rise of natural law philosophies almost everywhere." Writes Massachusetts' United States District Judge Charles E. Wyzanski: "We live in a world where so many revolutions are occurring simultaneously that we clamor for stable principles to which we can anchor faith. * * * And nowhere more than in the law is there a demand that we address ourselves to the subordination of the world of fact to the world of value. No one trained in the Anglo-American tradition, who paused to consider what law was as administered by Hitler's judges, or who has tried to grasp the essential theories of Soviet jurisprudence, could remain entirely satisfied with a positivist, empirical approach to this profession."[3]

[3] Wyzanski also tells a story: "About 1915, Mr. Justice Holmes invited a then young United States district judge, Learned Hand, to accompany him as he rode toward the Capitol to sit on the Supreme Court of the United States. As they approached their destination, the district judge left the carriage and, waving farewell, called out, 'Do justice, sir.' Sharply he was summoned back, 'Sonny, you don't understand my job; it is to apply the law.'" Learned Hand clings still to the Holmesian tradition. Says he: "The aim of law is the maximum gratification of the nervous system of man."

Says Mr. Justice Douglas: "In our scheme of things the rights of man are unalienable. They come from the Creator, not from a President, a legislature or a court." And the United States Supreme Court recently affirmed the little-noticed but profoundly meaningful decision of a Pennsylvania court in a morals case, which said: "Our Federal and State constitutions assume that the moral code which is part of God's order in this world exists as the substance of society."

PECULIARITY AND COMMONALITY

Upon this understanding of the principle of law stand the American Bar Association's Rhyne and many advocates of peace through a world rule of law. "Every human community that is regulated by laws and customs," said the second-century-B. C. Roman jurist Gaius, "observes a system of law which in part is peculiar to itself and in part is common to mankind." The peculiarities lie in the forms of laws and their enforcement. But the commonality—on which any system of world law must be built—rests in basic values, in the hunger of mankind for justice under the law and equality before it. "Peace is the work of justice," says an advocate of a world rule of law. And the peaceful settlement of disputes could come through a system of law, founded on what is common to the law of all communities. Says Rhyne: "The vital need for an adequate international system of law remains the greatest gap in the legal structure of civilization."

One approach toward filling that gap is through political organization, e. g., the United Nations. Yet the U. N., although valuable as a political forum, has been no conspicuous success in dispensing international justice, and its International Court of Justice has disposed of about one case a year for the last 12 years. An elaborate plan for strengthening the legal powers of the U. N. is found in World Peace Through World Law, a recently published book by Lawyers Grenville Clark and Louis B. Sohn. They urge revision of the U. N. Charter so as to provide for eventual total disarmament, an international police force, a vastly expanded system of world judicial tribunals.

There is, however, a growing body of opinion that the superstate idea, ignoring the brick-by-brick construction of any workable system of law, puts last things first. "May it not be," asks Dean Pound, "that universal law must precede the universal state? There is abundant evidence that there may be a generally recognized and accepted body of principles to which men are expected to adhere in their relations with others. * * * A world law may eventually lead to a world state when the world becomes prepared for it. But the essential thing is a world legal order—a world regime of due process of law."

RIGHTS WITHOUT FORMS

The very nature of a world regime of due process assumes that it would not appear overnight as a towering edifice, that it would be built step by difficult step, that it would embrace the principles that are common to nations and compromise the forms of laws which are peculiar. Almost ignored behind the headlines of world crisis is the fact that the United States in recent years has taken major steps in contributing to a world legal order.

Since 1951, for example, the United States has negotiated more than 40 status-of-forces agreements granting friendly nations primary legal jurisdiction over American servicemen overseas who commit off-duty, off-base violations of law. The host nations guarantee each GI the basic rights of United States justice (e. g., a fair trial), but not the United States forms for securing those rights (e. g., trial by jury). The status-of-forces agreements cover some 14,000 cases a year without bruising the United States sense of justice. They received dramatic confirmation last year in the case of Army Specialist Third Class William S. Girard, who killed a Japanese woman, was tried amid United States hue and hubbub in a Japanese court without a jury—and received the justice which was his unalienable right. In the status-of-forces agreements the United States thus respects the integrity of the laws of foreign countries without sacrifice to the basic principles of its own law.

In last year's Suez crisis, the United States, as rarely before in the history of nations, forsook the rule of power for the rule of law. At basic issue was Nasser's seizure of the Suez Canal, and United States Government lawyers were by no means sure that Britain and France had the stronger legal case. When Britain and France fell back on force, the United States supported Egypt against longstanding allies. "There can be no peace without law," said President Eisenhower. "And there could be no law if we were to invoke one code of international conduct for those who oppose us and another for our friends." Thus was international sanction given to one of the principles that the United States regards as a basic, unalienable right: equality before the law.

ECONOMIC MAGNA CARTA

But there are far more positive ways by which the rule of law can be extended to world affairs. Much of the turmoil in modern international relations comes from the fact that new nations, arising from the ruins of colonialism, require capital for their national development, but are afraid of the political dependence that goes with it. Lawyers ask: Why not an international agreement that sets down the political rights and the economic responsibilities of the borrowers? Last year, speaking at the International Industrial Development Conference in San Francisco, German Banker Hermann Abs issued a ringing call for economic order through law. Such order, said Abs, can be achieved only through "an international convention by which all contracting parties, both typical capital-export and capital-import countries, undertake to treat foreign capital and other foreign interests fairly and without discriminations.

"Such a convention, which I may call a Magna Carta for the protection of foreign interests, should provide for a special international court of arbitration, which would determine whether cases brought before it involve violation of principles. I could well imagine that in case of particularly serious violations, the court of arbitration will be entitled by the terms of the treaty to oblige the member countries to refuse new private or public loans and credits to the country in default."

THE UNIVERSAL INSTINCT

Through such efforts toward an orderly system that satisfies the principles held in common by most nations, a rule of law can be established that exerts its force even on the legal outlaws who this week celebrate May Day in their own way. More and more, as men of law become familiar with the legal systems of other nations, they find—often to their astonishment—that there are indeed basic common values. Impressive evidence of this fact is found by Assistant United States Attorney General George Cochran Doub through his experience in handling United States Government litigation in the

courts of western Europe. "We find that each legal principle we know seems available in the same or other terms in the civil law countries," says Doub. "And so, may I suggest that no country has a monopoly upon right or equity, and that the instinct of justice is universal?"

To lead the way toward a rule of law, to discover the principles basic to all freemen, to apply to those principles the lessons of experience and the guide of reason is the great task of lawyers. It was in that spirit and toward that end that the president of the American Bar Association conceived of Law Day, United States of America. "The atomic and hydrogen bombs," says Charles Rhyne, "have attuned the people of the world to an overwhelming desire for peace, which is probably stronger than any such desire in all history.

"Here a great opportunity will be won or lost—an opportunity to insure peace under law. We lawyers must write the necessary legal machinery. To do this we must evaluate world law and develop new international legal machinery to maintain essential national sovereignty, yet provide for the peaceful settlement of disputes between nations under the rule of law." So doing, the United States could build on the experience of the past and the possibilities of the present to insure a peaceful future.

FROM COTTON FARM TO BAR PRESIDENCY

As Charles Sylvanus Rhyne, at 45 the youngest president in the 80-year history of the American Bar Association, talks about law day, he loses the leisurely North Carolina cadence of his speech; his brown eyes glint behind plastic-rimmed glasses; he clenches his fist, and his knuckles turn white. Law day is, essentially, the expression of his feeling for the law. And the law has all the deeper meaning to Lawyer Rhyne because he became a man of law the hard way.

Charlie Rhyne was born on a cotton farm in rolling Mecklenburg County, a few miles from Charlotte, son of the most wonderful mother and father any child ever had. In the rare moments of relaxation allowed him by his breakneck schedule, he contentedly remembers his 3-mile walk along dirt roads to the school where Miss Dewell Marshall taught 11 grades in one room; he remembers falling asleep during the hour-long Presbyterian sermons of Preacher Greer and Preacher Walker; he remembers the fish fries on the Catawba River and the swimming hole at Uncle Henry Rhyne's. He remembers, too, the time he played hooky with a pal named Mel McQuarry. When Charlie got home, his father was waiting with a razor strop. Next morning at school the teacher started to give him a thrashing. Says Rhyne: "I argued as hard as I could that she shouldn't lick me because I'd already got my beating. I offered to pull down my pants to prove it, and she let me off. It was my first double jeopardy case."

HARD CASH

Charlie Rhyne's first view of the law in action came when he was 11 or 12. "A man who was a member of one of the big families of the county had his throat slit from ear to ear by his wife, an outsider," says Rhyne. "The feeling in the community against the girl was extremely adverse. The attorney who defended her was an old string-tie lawyer named C. W. Tillett. I begged my father into letting me go to the trial one day. Tillett engaged in flamboyant arguments, told the jury how it was self-defense, and the girl was freed. The fact that this girl got justice in a place where people didn't like her made a tremendous impression on me."

Rhyne's chances of following after Lawyer Tillett were dim indeed: his family simply did not have enough money to send him to college. After his farm years of milking, plowing, picking cotton, bush-haired Charlie Rhyne got a city job as a Western Union messenger boy in Charlotte. With $300 in savings in hand, he enrolled at Duke University. He had an early-morning newspaper route; he sold Bibles in West Virginia during the summer, and still ran out of money in his sophomore year and had to quit school. He hitchhiked West, dug storm sewers in Denver, earned some of his hardest-won dollars as a sparring partner in a local gymnasium until he was undone by a middleweight named Gentleman Ham Jenkins. After that he landed a job as a ranch hand in Wyoming's Jackson Hole country.

ON TO WASHINGTON

After another tour of digging sewers in Denver, Rhyne collected his savings and his wife, Sue, and headed back to Duke, where he completed his undergraduate course and entered law school (one classmate: a young Californian named RICHARD NIXON). He worked before school on a Durham Herald paper route, after school as a contractor's assistant, and in his spare time he got in a little work playing guard in scrub football games. But in an accident on his after-hours construction job, Rhyne mangled his right hand; the hand is still badly scarred, and the little finger is permanently stiff. Figuring that he could get a Government desk job requiring little use of the injured hand, he quit Duke, went to Washington with his wife, enrolled in the George Washington University Law School. Sue went to work as a clerk in the Hecht Co. department store, while Charlie worked first for the Agricultural Adjustment Administration, then with a hard-drinking trial lawyer, "who demanded that I work all night when it was necessary, and it seemed like it was necessary a lot of the time."

Rhyne got his law degree from George Washington in 1937, remained in Washington and hung up his shingle. Among his first clients were several cities fighting the price-fixing edicts of the National Bituminous Coal Commission. Rhyne lost the case, but it put him deep in the fields of municipal and administrative law, where he has remained. Through his single-minded devotion to work—"I've told Charlie often," says an old friend, United States Court of Appeals Judge Walter Bastian, "that he's going to be the richest dead man in the world if he doesn't stop working so hard"—Rhyne has come to be senior partner of a nine-lawyer firm that occupies an entire floor in a Washington office building. He is a recognized authority in the field of aviation law, has appeared many times before the United States Supreme Court, won a decision in the Phillips Petroleum case that oil and gas producers have been trying to reverse ever since with highly controversial natural-gas legislation.

INSTRUMENT FOR PEACE

Along with his work and his rise in the practice of law, Rhyne worked and rose in the American Bar Association. When he joined the American Bar Association in 1938, it was dominated by an inner circle of old guardsmen, most of them interested in the American Bar Association only as a legal spokesman for right-wing political conservatism. Charlie Rhyne became the leader of a group of young turks determined to convert the American Bar Association into an organization for working lawyers.

Perhaps the most significant of the rungs that Rhyne climbed to the top of the American Bar Association ladder was his chairmanship of the organization's international and comparative law section. It had long been a hapless sort of debating society, of interest only to a few professional types. Says Rhyne: "We tried to make it a lawyer's section instead of a professor's section." In the process, the boy from the North Carolina cotton farm became devoted to the idea that the rule of law as known in the United States could, in the most practical possible way, become a rule of law to bring peace to the world. And that idea has hallmarked the administration of Charles Rhyne as president of the American Bar Association.

Mr. HUMPHREY. Mr. President, it was my great privilege to speak at the Law Day dinner of Georgetown University, held at noon on May 1, at the National Press Club, here in Washington. The distinguished President of Georgetown, Father Bunn; several United States Senators, Representatives, and judges; and President Rhyne, of the American Bar Association, participated.

An award was made in absentia to the Honorable Ronald N. Davies, United States district judge for the district of North Dakota, who gained national prominence last fall, in the momentous Little Rock case; and an award was made posthumously in memory of the late Frank C. Nash, the former Assistant Secretary of Defense, a distinguished American who gave so much of his life to his country.

In my remarks, I tried to raise the basic question of how well we in this country are today carrying out our commitment to law through persuasion, rather than force. After mentioning certain disturbing events in recent weeks which seem to me disruptive of respect for the law, I went on to comment about some of the fundamental choices which I believe now face each of us as we attempt to operate within the framework of law.

I said that I was afraid that the habit of treating as conspirators those with whom we disagreed now went very deep in our public life.

Mr. President, I ask unanimous consent that excerpts from my speech in which I elaborated on the point I have just mentioned, be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the excerpts from the speech were ordered to be printed in the RECORD, as follows:

As I look at the torrent of mail, including hate literature, which comes into my office, as I travel in various parts of this country, as I read the newspapers about current racial conflict in the South and some northern communities as well, it seems to me that we are increasingly clouding all of the real issues at stake under competing smokescreens of conspiracy. The White Citizens' Councils in the South who are shouting most loudly and most extravagantly are always crying conspiracy and are waving documents to show that the unanimous decision of the Supreme Court in the school case was a part of an international Communist conspiracy.

But there is an equal danger on the other side. In the midst of their understandable grievances and frustrations, some spokesmen have at times, it seems to me, blanketed all southern opposition to desegregation as a conspiracy against the Constitution and against fundamental human rights—equally ignoring on their side the varying degrees of opposition, of understanding, and of possible cooperation which may still exist.

At times this almost seems to be a mutual determination to solidify differences, to freeze antagonisms, and to set up barricades against those compromises upon which progress usually depends. The result is that in this domestic cold war of ours in the human relations field, we are increasingly getting little more than propaganda and counter-propaganda. Somewhere in the process, law,

respect for the law, and above all, respect for the process of persuasion on which our law fundamentally depends—these are forgotten. The opportunity for persuasion, indeed, the necessity for persuasion, is lost in the meantime.

The role of the law as a catalytic agent in resolving human differences is forgotten. The role of the law as a teacher through the process of reason and choice is lost. It is almost as though we had picked up one of those inoperable aspects of our foreign policy—massive retaliation—and let it permeate our thinking so that in the civil rights field we are faced with demands for massive resistance against demands for massive enforcement of the law.

The people who talk this way, my friends, are simply reducing the whole argument to a battle fundamentally hostile to the legal process. They are in fact turning the debate into a competition between conspiracies—conspiracies against the spirit of our laws.

Yet the spirit of our laws is faith in human reason. "The principle of an aristocracy is honor," says Montesquieu; "of a tyranny, it is fear; of a republic, it is learning." Aristocracy is withering everywhere in this age of the common man, this age of mass production, industrialization, and the universal franchise. But tyrannies we have with us, and the only antidote to tyranny is still a republic of learning. As I read reports from the South I see alarming signs in many communities that we are heading into a kind of tyranny, that is, that in many southern communities the minority which supports the Supreme Court decision is being silenced by intimidation and force, and that the white South itself will be won over to compliance with the Constitution not by persuasion but by force.

How do we break this vicious circle? It is undoubtedly beyond the power or capability of any institution of government, or private group. It will take the combined initiatives of many people.

In the field of civil rights I am hopeful that the newly created Federal Civil Rights Commission, as it sets about its job of inquiry and appraisal, will be an important persuasive instrument for progress. The wide diversity of background of the Commission's members, combined with their common reputation for reasonableness and decency, should give the Commission great persuasiveness with the American people—if it will set its goals and chart its course.

But it is not the civil-rights field alone that is endangered by our current competing doctrines of conspiracy. As I have said, it is the whole fabric of American law and respect for the processes of reason and choice on which our law must rest. To restore and revitalize these processes it seems to me that lawyers have the first responsibility, or at least that lawyers and educators share it jointly. They by their profession are dedicated to the process of persuasion, to the idea of a republic of learning. By their conduct and example, by their fearlessness in the face of intimidation and their respect for the resolution of issues through peaceful reasoning, by their refusal to treat their adversaries as conspirators, by their insistence upon entertaining the ideas of their adversaries no matter how much their adversaries try to act like conspirators, perhaps they can create a new climate. If this spirit is radiated from the courtrooms and the schoolrooms of the country, the subversion of our republic caused by the doctrine of conspiracy may be checked.

However, beyond this defense of the process of persuasion is another dimension to the problem. We must take an active role in the whole process of persuasion, not just in demonstrating respect for the process itself. As Lincoln said, "In this and like communities public sentiment is everything. With public sentiment, nothing can fail; without it nothing can succeed. Consequently he who molds public sentiment, goes deeper than he who enacts statutes or pronounces decisions. He makes statutes and decisions possible or impossible to be executed."

President Eisenhower is right in stressing that the solution of any great issue such as desegregation depends on changing the minds and hearts of people. And of course, enforcement of the law is one good way of changing people's minds and hearts. People learn to drive on the right side of the street by obeying the law requiring them to drive on that side. But is he right in going no further than this?

He says he has told no one, "not even his wife" whether he thinks that the Supreme Court's desegregation decision is right or wrong. It is the law of the land, he insists, and that is that. But that is not enough for the President to say. For what controversial law was ever obeyed just because it was a law? Prohibition was not, nor was the Fugitive Slave law. The ultimate basis for the support of any law is the people's belief that it is right.

It is in this area that those of us who want to see the Constitution, as interpreted by the Supreme Court upheld and enforced, also have a job to do. Lawyers and educators cannot just cry law, when in part of the country there is no law that is accepted. A law—or court decision—is a teacher in that it asks of each of us a question: Is this a good, proper, just law? But the answer must come from us. In a republic the answer comes from "We the People." And on a fundamental question of law like this, it seems to me that the American bar has a responsibility that it cannot escape. In this regard, so far, it seems to me that it is we who have not been good to the law, it is we who are failing the law.

"The law will never make men free," Thoreau said; "it is men who have got to make the law free." I would add that it is lawyers and teachers of law who have got to persuade their fellow citizens to keep the law free.

ONE HUNDRED AND SIXTY-SEVENTH ANNIVERSARY OF POLISH FREEDOM

Mr. JAVITS. Mr. President, on May 3, Poles everywhere who yearn for the freedom of their country and the world marked the 167th anniversary of the Polish Constitution promulgated in 1791. Since that time, Poland has been truncated by its neighbors five times—in 1792, 1793, 1795, 1939, and, most recently, in 1945, when Poland was obliged to cede 69,980 miles of its eastern territories to the Soviet Union, and received, ostensibly in return, 40,000 square miles of former German territory east of the Oder-Neisse line. The noose around Poland's neck was drawn tighter in 1952, when the present People's Republic constitution was adopted.

But to the Poles, to stifle the breath of freedom is not to stifle the spirit of freedom. The Poznan riots of June 1956 and more recent manifestations of uneasiness by students and workers are evidence that the meaning of May 3 remains inscribed in the hearts of Poles, as in the case of seekers after liberty everywhere.

We join in the wish that Polish Constitution Day will soon be commemorated freely in Poland, as it is in other nations where the centuries-old struggles of the Polish people for freedom will never be forgotten.

THE MUTUAL SECURITY PROGRAM AND THE RECIPROCAL TRADE PROGRAM

Mr. HUMPHREY. Mr. President, another imaginative and constructive article on foreign and reciprocal trade has currently appeared in the AFL–CIO American Federationist.

I ask unanimous consent that the text of the article, which is entitled "Aid and Trade In Trouble," and was written by Hyman H. Bookbinder, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AID AND TRADE IN TROUBLE

(By Hyman H. Bookbinder, AFL–CIO legislative representative)

Two important battles are now shaping up in Congress. Upon the outcome of these battles may well depend the economic health of the entire free world and the success of our struggle against world communism.

The battles will be over our mutual security program and our reciprocal trade program. Foreign aid and trade is the popular phrase for these two vital aspects of America's foreign economic policies.

Our aid—or mutual security—program is up for its annual authorization by Congress. The $3.9 billion requested for next year would provide military, economic and technical assistance to nations all over the world which are not in the Soviet camp.

Our trade—or reciprocal agreement—program is up for a proposed 5-year renewal by Congress this year. First enacted in 1934, this program gives the President the power to negotiate lower tariffs and hence greater trade with other nations.

So important are these two programs—and so serious is the present threat to their continuation without crippling changes—that Washington was the scene in recent weeks of two most unusual gatherings. On one occasion more than 1,500 leaders of national organizations assembled to show their support for the mutual security program. A similar gathering brought together almost as many people in support of the reciprocal trade program.

What was unusual about these two conferences was that they brought together people from every walk of life and from both political parties. President Eisenhower addressed both conferences. And so did Adlai Stevenson. Former President Truman spoke out forcefully for the mutual security program. And there was the truly remarkable spectacle of having former Secretary of State Acheson and present Secretary of State Dulles speak out from the same platform in support of the same goals.

The AFL–CIO joined in support of both conferences, and many labor people participated in the important sessions. Business groups and farm groups—although not unanimously in support of these programs—were well represented. Religious, fraternal, peace, veteran and other groups were there.

But, as Adlai Stevenson pointed out, the tragedy is that the conferences were needed in the first place.

"It is a melancholy reflection upon our faltering position in a perilous world," he said. "Instead of planning for the future, we are still fighting battles we thought had been won in the past. * * * I deplore the need to reassure ourselves and a world grown dubious of our leadership that we are indeed leaders, that we are not seeking a way out but a way forward."

The conferences were held. The headlines were encouraging. Some new vigor was instilled in the efforts to retain good "aid and trade" programs. But the battles are far from won.

We must face up to the fact that the American people are not too sold on either of the programs. Many have fallen for the propaganda of the isolationists, the budget-balancers, and the high-tariff protectionists.

"Why pour more billions in foreign aid down the rathole?" these propagandists ask—implying that our billions in Marshall plan aid and Truman doctrine aid and our other assistance programs have not accomplished their objectives. But the facts prove otherwise.

"Let's stop the giveaway program." they shout in their appeal to the economy-minded, failing to point out how much more it would cost if America tried to do the impossible; that is, provide for adequate American military defense to take on the Soviet bloc all by ourselves.

"Let's worry about our own industries and workers first," they appeal in their efforts to establish higher tariff walls, conveniently forgetting the millions of American workers who are dependent on foreign trade for their jobs.

If the American people only knew the real story behind the mutual-security and the reciprocal-trade programs, they would surely support them. It is to be hoped that the Washington conferences will help get this understanding to the people back home.

Organized labor has devoted much study to both these programs, and there has never been any wavering in our support of them. There are some groups of workers who believe that the present trade program hits them too severely, but even they do not question the wisdom of the reciprocal-trade program generally.

At its meeting early this year, the AFL-CIO executive council adopted a resolution on foreign economic policy which clearly sets out the underlying philosophy behind our support of both aid and trade. It states, in part:

"The economic policy of the United States in the international arena must be attuned to the welfare and security of our own Nation and the economic requirements and aspirations of the peoples of the free world. Our leadership of the democratic forces of the world and our own national security require that in our economic policies the United States must not turn its back on the rest of the world.

"Americans must realize that we cannot build our own prosperity and security in economic isolation. In our economic no less than in our political decisions, we must recognize the growing interdependence of the people of the free world. Economic cooperation among the nations of the free world is essential to advance the welfare of humanity and to meet successfully the growing challenge of Soviet imperialism.

"The role our Nation will play in economic development of the free world will be determined in large measure during the present session of Congress when Congress considers two major issues—extension of the reciprocal-trade program and additional authorization for foreign economic aid."

How serious is the Soviet economic threat? Let the Communists themselves answer this question.

Speaking to a Moscow conference in 1952, the late Stalin declared:

"We can win the world peaceably. It will eventually turn upon West Germany and Japan. But the stupid, greedy West will hamper their foreign trade. Then we shall draw them into our orbit through overwhelming trade agreements."

Only last year Stalin's successor, Khrushchev, said even more frankly:

"We declare war upon you—excuse me for using such an expression—in the peaceful field of trade."

And this year a new Soviet-West German trade agreement is announced which provides for doubling trade between the two countries this year, with the Soviet Union shipping greatly increased quantities of oil, coal, cotton, and other similar goods to West Germany.

The nations of the free world wait to see whether Congress will renew our modest reciprocal-trade program. But they will not wait much longer. The Communists are shrewd negotiators. And they are making progress in the field of aid as well as trade.

The Communists are fairly recent participants in the field of economic assistance. But they have already reaped a rich harvest of propaganda success as well as closer political ties with a number of countries. Nations which for the first time see the possibility of economic growth will not sit idly by and watch their plans for essential projects wither on the vine. If the United States fails them, these countries will seek assistance wherever they can get it.

Increasingly, uncommitted nations are turning to the Soviet Union, which is apparently willing to provide underdeveloped nations with some help in the hope of drawing them into the Soviet political orbit. The State Department has recently estimated that in a period of less than 3 years the Soviet bloc has extended $1.9 billion in long-term loans or grants to nonSoviet countries. Almost all of this amount is in economic assistance, only about one-fifth in military assistance.

If the Soviets perform on these commitments, the political cost to the free world may be catastrophic.

Let us remember, however, that in this case the Communists are reacting to what the free world did first and is still doing. A report from the United Nations shows that the free world, in the last 2-year period alone, has extended about $5.5 billion in economic and technical aid to less privileged countries. Of this sum, the United States has contributed more than half. France, Britain, Australia, Canada, and the Netherlands have been among the other major donors.

The danger is that if we reduce or abandon our program now, the new Soviet help will take on particular significance.

The free world's desire to help less privileged nations is aimed, of course, at reducing the danger of Communist infiltration. But it is based primarily upon positive, humane considerations. We are sensitive to people's needs wherever they may be.

The bounty which nature has bestowed upon us cannot in good conscience be hoarded selfishly. In a world where billions go to sleep hungry every night how can we fail to make our food surpluses available? Moreover, there is an element of enlightened self-interest involved in the realization that in the final analysis we will continue to prosper as we make the whole world community prosperous.

Our entire foreign-aid program—including the bulk of it which is military assistance to our potential allies—costs the taxpayers only one quarter of what they spend each year for liquor and tobacco alone.

Instead of reducing the President's proposals for $3.9 billion for the entire mutual security program next year, Congress would be well advised to step-up the sum substantially in the nonmilitary areas.

A number of studies have clearly demonstrated that the United States should make available at least $2 billion yearly for economic development purposes—most of it in the form of long-term, low-interest loans.

But Congress has appropriated only $300 million for this year and has authorized only $625 million for next year for the important Development Loan Fund.

Compare this total of $925 million for 2 years with the half a billion in applications made to the Fund in the first 8 months of its existence.

This means that many projects urgently needed to provide the spark for economic growth in the underdeveloped countries simply cannot be undertaken unless we make more funds available or these countries can obtain the funds they need elsewhere.

The sad fact, however, is that this Congress may not even be willing to appropriate the amount now authorized in the basic legislation.

While we urge Congress to make the most liberal appropriations possible for the mutual security program in its present form, we also urge that increased consideration should be given to possibilities for channeling economic aid and technical assistance through the United Nations and its specialized agencies. Broad, multilateral assistance will minimize the understandable resistance to a rich uncle role on the part of Uncle Sam and will also help spread the burden of economic aid to other countries to the extent of their capabilities.

No country wishes to depend on assistance. In the long run, the countries now being aided must be helped to stand on their own two feet. To do so, they must be permitted to earn rather than to be given our dollars. In other words, they should be permitted to trade with us.

It is a tragic fact that some European countries which we helped so much to restore to economic health after World War II through the Marshall plan now find it difficult, because of our trade policies, to trade with us at the levels needed for economic stability.

There is nothing charitable about a liberal trade policy. America gains as much from it as do the nations with which we trade. In the final analysis, it means higher productivity and higher standards of living for all peoples.

Through international trade we obtain vitally needed raw materials and some manufactured goods which we can't or don't produce. And we are able to retain foreign markets for billions of dollars worth of products from our factories and farms.

We cannot afford ever to forget this very simple fact of economic life: international trade must be a two-way street. People all over the world want from us a wide variety of foods and goods. But they cannot buy from us unless they are able to sell to us. How else will they get the dollars?

Because we mistakenly thought years ago that foreign imports were causing our domestic economic difficulties, we set up terrifically high tariff barriers. In 1934 we realized how wrong we had been and have been working to undo the damage ever since. But progress has been slow and uncertain—with backward steps being taken every now and then.

The danger of new backward steps in 1958 is very serious. The current economic recession is being used as an excuse to cripple the program. With more than 5 million Americans out of work, the protectionists are declaiming that "this is certainly no time to increase imports and put still more people out of work," etc.

This is dangerous nonsense. If we want to worsen the recession, we should scuttle the reciprocal trade program and raise tariffs again.

What the protectionists forget is that there are 4,500,000 American workers whose jobs depend upon international trade. These are the men and women who manufacture the automobiles, machine tools and thousands of other American products that are sold all over the globe, the million farm workers who grow the foods we send abroad, the Americans who transport and distribute goods in international traffic, and the almost million workers who process materials which we import from abroad.

Shall we be indifferent to the job security of these 4,500,000 American workers?

The fact is that in 1934 the reciprocal trade program was adopted as an antidepression measure. And it did serve to find more customers for our surplus farm and industrial production. And in every recession since then, foreign purchases of American goods held up better than did domestic demand. It is true today.

Of course, we do have a serious recession. Appropriate action must be taken. But cutting trade is not the thing to do. The AFL–CIO and its affiliates are vigorously pushing a real antirecession program, including improved unemployment compensation, tax reductions, public works, school construction, extension of minimum wages, and similar measures.

Moreover, recession or not, the AFL–CIO has been advocating an addition to the reciprocal trade program which is aimed at helping workers who may, in fact, be hurt by any reduction in tariffs and increase in imports.

Based upon a recommendation of President David McDonald, of the steelworkers when he served on the Randall Commission in 1954, a trade-adjustment program has been developed which is aimed at providing some direct assistance to workers, industries, and communities that can demonstrate their difficulties are, in fact, the result of foreign imports.

This can and does happen occasionally, and it is unfair to expect a small segment of our economy to pay the price of a national trade policy. AFL–CIO economists have estimated that a trade-adjustment program would cost no more than $2 million a year.

The recession argument is also being used against the mutual security program.

"At a time when our own people are suffering," the argument is offered, "why spend billions to help other people?"

This argument is usually made by people whose record in support of social welfare measures is not very good. Here again it is conveniently forgotten by these propagandists that our mutual security program provides jobs to more than 600,000 Americans because about 80 cents of every dollar in the program is spent for American goods.

A cut in mutual security appropriations at this time, in addition to inviting serious risks in our international objectives, would only aggravate our economic difficulties at home.

Within the next 2 months Congress will complete action on these 2 vital programs. Opponents are active. The protectionist lobby is well organized and well financed. The isolationist crowd never lets up.

It isn't enough that the President, the leaders of both parties, and most national leaders in every walk of life support both the mutual security program and the reciprocal trade program. Especially in this election year, Congressmen are interested in what they think their constituents wish. AFL–CIO members must not let the anti's do all the talking and writing.

Economic self-interest and international obligations both combine to make the case for a liberal foreign economic policy today stronger than ever.

VALUE OF INCREASED APPROPRIATION FOR THE SCHOOL-LUNCH PROGRAM

Mr. HUMPHREY. Mr. President, if anyone had any doubt as to the value of the action the Senate took to increase the school-lunch appropriation provided by House bill 11767 to the total of $125 million, it should not be difficult to convince him by an examination of two letters which I have recently received from educational leaders in the State of Minnesota.

I ask unanimous consent to have printed at this point in the RECORD a letter from Mr. A. R. Taylor, director of the community school-lunch section of the Department of Education of the State of Minnesota; and a letter from Superintendent Robert Prickett, of Independent School District No. 440, Middle River, Minn.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

STATE OF MINNESOTA,
DEPARTMENT OF EDUCATION,
St. Paul, Minn., April 28, 1958.

Hon. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: Your keeping me informed regarding the status of the school-lunch appropriation outlined in H. R. 11737, putting it mildly, is very, very much appreciated. This information will be passed on to all of our Minnesota schools.

Your initiating the increased appropriation warrants a warm thank you in behalf of the 265,000 Minnesota youngsters participating daily in this program so vital to their physical and mental well-being.

More and more with the acceptance of the school-lunch program as part and parcel of our overall educational program is the growing acceptance of the program's impact on our agricultural economy.

Again expressing my personal appreciation and assuring you that it will continue to be a pleasure to give you information at any time, I am,

Sincerely yours,

A. R. TAYLOR,
Director, Community School Lunch Section.

MIDDLE RIVER COMMUNITY SCHOOL,
INDEPENDENT SCHOOL DISTRICT NO. 440,
Middle River, Minn., April 29, 1958.

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: Thank you very much for your letter of April 23, in which you inform us of the Senate passed bill to provide $125 million for the school lunch program.

As you know, we are now reduced to 5 cents from Federal and State funds per lunch. (This particular school is now receiving 10 cents per lunch because we are in the disaster area but this terminates at the close of the current school year. The 5-cent figure is correct for practically all of the schools in the State.) At this rate one has to charge 15 cents to 20 cents per lunch in addition. At 20 cents per child per lunch a family with three children in school pays $12 per month. Although this is a very cheap lunch in an area of continuous farm depression, and now the general depression, this represents a good deal of cash. Many cannot afford to participate—these are the ones who need it most, of course.

So I thank you very much for your efforts, and if it becomes possible to raise this figure at some future date the children of our State will benefit greatly thereby. In view of some surpluses combined with the present severe depression it would seem that this would be one good way to attack the problem, and at the same time build the health of our Nation.

Sincerely,

ROBERT PRICKETT.

Mr. HUMPHREY. Mr. President, in appropriating $125 million, an increase of 25 percent over the President's budget request for the school-lunch program, we have merely kept pace approximately with the expanding school population. I consider this investment of an extra $25 million one of the finest acts taken by the Congress during this session.

Senators and Members of the House can take great pride in their joint effort to provide a greater measure of good health and well-being for our children.

Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

A TRIBUTE TO MINNESOTA'S 100 YEARS OF PROGRESS

Mr. HUMPHREY. Mr. President, in April 1945, delegates from 50 nations gathered at San Francisco to found the United Nations. In arranging for their transportation across America, it was decided that they should take a variety of routes, in order that each representative might get a distinct and individual view of the various showplaces of our Nation. They saw our skyscrapers, our superhighways, our great canyons, our vast plains, and our mighty mountains. But to most of them, we are told, the most impressive sight of all was the rich heartland of the Middle West—acres upon acres of fertility, comprising an area of food and abundance unparalleled anywhere else in the world.

This week, Minnesota is celebrating its centennial, marking its first century as one of the States of the United States. We are doing it in a big way, because that is the way we do things in our State. Once more, we are going to have a number of very distinguished guests from some 20 foreign countries. Tomorrow, May 8, the Scandinavian delegation will be met in New York by Governor and Mrs. Freeman; Senator and Mrs. Thye; Mrs. Humphrey and myself; Mrs. Eugenie Anderson—Minnesota's contribution to American diplomacy, when she served as this country's ambassador to Denmark; Centennial Chairman and Mrs. Popovich, and other notables; and will leave Idlewild Airport for the trip to Minnesota.

Mr. President, the official order of precedence list released by the Minnesota Centennial Commission authorities gives an idea of the number and distinction of the honored guests who will be with us on that occasion. I ask unanimous consent that the list be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LIST OF PRECEDENCE, CENTENNIAL INTERNATIONAL GUESTS, MINNESOTA CENTENNIAL CELEBRATION, MAY 8–11, 1958

Her Royal Highness Princess Astrid of Norway.

His Royal Highness Prince Bertil of Sweden.

Their Excellencies Prime Minister of Norway and Mrs. Einar Gerhardsen.

Their Excellencies Prime and Foreign Minister of Denmark and Mrs. H. C. Hansen.

Their Excellencies Prime Minister of Finland and Mrs. Reino Kuuskoski.

His Excellency Ambassador of Denmark Henrik de Kauffmann.

Their Excellencies Ambassador of Sweden and Mrs. Erik Boheman.

Their Excellencies Ambassador of Yugoslavia and Mrs. Leo Mates.

Their Excellencies Ambassador of Greece and Mrs. George V. Melas.

Their Excellencies Ambassador of Finland and Mrs. Johan Nykopp.

Their Excellencies Ambassador of Iceland and Mrs. Thor Thors.

His Excellency Ambassador of Germany Wilhelm Grewe.

His Excellency Ambassador of Norway Paul Koht.

The Honorable Minister of Rumania and Mrs. Silviu Brucan.

The Honorable Minister of India and Mrs. H. Dayal.

The Honorable Odd Gronvold, the Lord Steward of Norway.

Mme. Ellinor Gronvold, Lady-in-Waiting to Princess Astrid of Norway.

Mr. J. Kajeckas, Chargé d'Affaires ad interim of Lithuania.

Mr. Tor Myklebost, head of the press section of the Norwegian Foreign Office.

Consul General of Norway and Mrs. Thorgeir Tobias Siqveland.

Consul General of Canada and Mrs. Gerald Anderson Newman.

Consul General of China Mr. Ta-tseng Ling.

Consul General of France Mr. Jean Beliard.

Consul General of Israel and Mrs. David S. Tesher.

Consul General of Italy and Mrs. Giacomo Profili.

Acting Consul General of the Netherlands and Mrs. W. H. Lambooy.

Capt. Ove Borlind, aide-de-camp to Prince Bertil of Sweden.

Dr. Anatol Dinbergs, counselor of Latvian Legation.

Counselor of the Swedish Embassy and Mrs. Kjell Oberg.

Press and Cultural Counsel of the Norwegian Embassy and Mrs. Frederik S. Wulfsberg.

Counsel of the British Embassy and Mrs. L. C. Glass.

Mr. Toshiro Shimanouchi, counselor of the Japanese Embassy.

Mr. Sean Ronan, consul of Ireland.

Mr. Enrique Suarez de Puga y Villegas, consul of Spain.

Consul of Sweden and Mrs. Gosta Ludvig Sebastian af Petersens.

Mr. Hassib El Abdullah, First Secretary of the Lebanese Embassy.

Mr. Erik Krog-Meyer, Secretary, Ministry of Foreign Affairs of Denmark.

Press Secretary of the Finnish Embassy and Mrs. Max Jakobson.

Press Attaché of Denmark and Mrs. Kai Johansen.

Mr. HUMPHREY. Mr. President, I read now from an editorial entitled "The Widening Borders of Minnesota," which was published on May 4, 1958, in the Minneapolis Sunday Tribune:

It is good to welcome royalty and official representatives from a number of (our) ancestral lands this week, for they represent the interrelationship of all men. Next Sunday, the anniversary day of statehood, John Foster Dulles will add further emphasis to that concept when he flies from Paris to the rededication ceremony at the University of Minnesota stadium.

Mr. President, I ask unanimous consent that the editorial be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE WIDENING BORDERS OF MINNESOTA

Statehood Week—the climax, though by no means the end, of Minnesota's centennial celebration—is under way. So numerous and important are the events that the week covers 10 days. Before it is over the Twin Cities area, where this part of the observance centers, will have experienced more official dinners and recognition ceremonies and commemorative speeches than have been crowded into a like period in Minnesota history.

A hundred years ago there wasn't much celebrating. A Congress divided on the slavery issue had kept Minnesota waiting for months for actual statehood. A constitution had been framed and accepted the previous year, a legislature and Congressmen and other State officials elected. The legislature had selected two Democrats to represent the new State in the United States Senate.

The Minnesota constitution was delivered to the President and Congress early in January of 1858 and Minnesotans expected prompt admission to the Union. But southerners kept Minnesota out until Kansas, with its proslavery constitution, could be admitted first. Minnesota's constitution, a hasty merger of two documents written by opposing political factions, was irregular enough. Kansas' Lecompton constitution had been drawn by a rump convention elected by proslavery votes alone.

The Senate passed the Minnesota statehood bill on April 7. The House put it over until May 4, the day the Kansas bill became law. But a lot of acrimony waited to get into the debate and the final House vote, which went 157 to 38, didn't come until May 11. And word didn't reach Minnesota, by telegram forwarded from Prairie du Chien, Wis., until May 13. Then Minnesotans quietly took up the duties of statehood.

That's pretty much what they have been doing ever since. But now they are ready to look back over the way they have come, to boast a little and to have some friends in for rejoicing.

Except for the relatively few Indians who remain, the Minnesotans came from many countries. It is good to welcome royalty and official representatives from a number of these ancestral lands this week, for they emphasize the interrelationship of all men. Next Sunday, the anniversary day of statehood, John Foster Dulles will add further emphasis to that concept when he flies from Paris to the rededication ceremony at the University of Minnesota stadium.

Minnesota narrowed its borders when it changed from a Territory to a State in 1858. But in a figurative sense it has been widening them since then. Its partnership in the Union was hard won. Now it joins in ever-growing measure in partnership with all the world.

Mr. HUMPHREY. Mr. President, the people of Minnesota will welcome these illustrious guests with the same warmth and hospitality with which they traditionally have welcomed guests. They will have the opportunity of visiting our industrial establishments and our countryside, in this heartland of America.

MINNESOTA RESOURCES

The story of Minnesota's first 100 years is the story of the development of the resources of this great heartland. It is a story of mankind's progress, set against the vast and wonderful works of nature. No other place on earth, perhaps, owes more to the gifts of nature than does Minnesota: For eons before Minnesota became a State, nature was at work preparing this stage setting for civilized man who was to make his first appearance 300 short years ago—first, as the fur trapper; then, the lumberjack, the farmer of the fertile fields, the miner, the dairyman, and, finally, the worker in today's diversified industries.

During that dim and misty period, before there was any life on this planet, uneven bulges of barren granite were covered with great volcanic lava flows, which later were mingled with the invading waters of the seas to lay the deposits of our rich iron ore. As the earth's crust cooled and shrank, great bulges and thrusts set up a mountain range reaching from southwestern Minnesota northeast into Canada, and left the dip destined to be the bed of Lake Superior.

Nature worked on patiently, disintegrating rocks into rich soil. Then, from out of Canada, came the ice—four times—covering all of Minnesota except its small southeast triangle. It moved down the valleys, scouring rock ridges, polishing knolls, shoving boulders. It unloaded tons of earth, and dug out our 10,000 lakes. Then, when the ice melted at the northern Red River exit, huge Lake Agassiz, which had occupied the northwestern part of the State, drained southward, through the bed in which the Minnesota River now flows—the river that gave our State its name.

It is hard for the visitor to Minnesota to believe that within less than a century, 54 million acres of forests, lakes, rivers, and untouched prairies have been converted into an organized area of industrial cities and rich farms, of great docks and great schools, of art centers and parks.

This is an area into which Belgium, Denmark, Luxembourg, the Netherlands, Liechtenstein, and 12,000 square miles of northern France could be placed.

It is a land whose place names tell the story of our history, of our love of the land and the water, and of the peoples of many countries who have come there to live together and work together. Our love of the land speaks out in the names of communities such as Blue Earth, Belle Plaine, Garden City, Goodland, Long Prairie, La Prairie, Sandstone, and White Earth.

Our pride in our waters is revealed in the names of hundreds of other communities, such as Buffalo Lake, Mission Creek, Granite Falls, Reads Landing, Two Harbors, Stillwater, and Pelican Rapids.

And the people who have come to us from many lands brought to Minnesota such Old World names for our cities and towns as Caledonia, Cologne, Danube, Milan, London, Montevideo, Santiago, New Brighton, New London, New Munich, New Prague, and New Ulm.

The Sioux, the Chippewa, and the Cree also gave us many of the beautiful names for our towns and our lakes—names like Minnetonka, Ojibway, Mesabi—meaning the giant range. They gave us the name of our State—Minnesota—meaning sky-tinted water, in the Sioux tongue.

EARLY EXPLORERS

The first white men in Minnesota, Radisson and Groseilliers, French trappers from Canada, arrived almost exactly 300 years ago. In 1679 came the man for whom Duluth is named, Daniel Greysolon, Sier du Lhut, to set up the standard of Louis XIV. About the same time, Father Hennepin, a Belgian priest, with two companions was sent by La Salle to make the first exploration of the upper Mississippi. Father Hennepin was the first to view the many scenic vistas of the upper Mississippi that lie within the borders of Minnesota, and was the first to write and publish a description of the country.

Then came more explorers determined to know and understand the physical world not yet mapped by man. Was it true, they asked, that the Mississippi led to China and Japan? Were there paths leading to the Great Khan of Cathay? In 1766 the French explorers were joined by Capt. Jonathan Carver, of Connecticut, the first British explorer to reach the State. After seeing Minnesota he wrote, 10 years before the American Revolution:

> There is no doubt but that at some future period, mighty kingdoms will emerge from these wildernesses, and stately and solemn temples, with gilded spires reaching the sky, supplant the Indian huts.

And so they came—men whose names are as varied as the names in our telephone books today: Perrot, Le Sueur, Thompson, Pike, Cass, Nicolet, Taliaferro, Beltrami, Schoolcraft, and many others. During this period the flags of France, of England, of Spain, and of the United States flew over this region in whole or in part. Gradually the map took shape, and as Theodore C. Blegen, dean of the graduate school of the University of Minnesota, has said:

> The curtain of mystery lifted: the kind of ignorance that caused our diplomats in 1783 to try to run a boundary west from Lake of the Woods to intersect the Mississippi was replaced by tested knowledge. * * * Cathay proved to be very far away, but men of will broke through the continent to the Pacific coast, and in doing so they found, and told the world about, an inland empire better than Cathay.

The American flag was first carried to Minnesota country by Lt. Zebulon Pike, sent by President Jefferson in 1805 to explore the Mississippi to its source. This young officer of the United States Army was only 26 years old at the time, and was later to win further fame as an explorer of the farther West, where the famous mountain peak in Colorado is named in his honor.

The first permanent American settlement in Minnesota was at Fort Snelling, at the point where the Minnesota River flows into the Mississippi. The fort was built by Col. Henry Leavenworth, who in the summer of 1819, led the 5th United States Infantry from Detroit to Minnesota to establish the United States authority and counteract the influence of the British fur traders upon the Indians.

Maj. Lawrence Taliaferro, the agent at Fort Snelling, taught the Indians to respect American authority, and succeeded in winning their friendship so that they gave up their British flags.

The American period in the history of the Northwest fur trade had not arrived. Minnesota became a part of the fur empire of John Jacob Astor and the American Fur Co., which in 1834 sent a young man named Henry Hastings Sibley to manage its business there. Sibley was to play an important role in shaping the destiny of Minnesota, eventually becoming the first Governor of the North Star State.

It is interesting to note that Negroes also figured in the early history of this fur trade. Pierre Bonza and his son, George, played, an important part in operations around the turn of the 19th century. In 1804, Pierre became an interpreter for the Northwest Co. on the lower Red River, and in 1820 his son acted as an interpreter for Gov. Lewis Cass at Fond du Lac, later achieving wealth and prominence as an independent trader at Leech Lake.

Next came the era of the oxcart and the settler. First were the Swiss and Scots from the Selkirk colony, followed by the American pioneers from the East, heeding the call of the great opening frontier of the Midwest:

> Come all ye Yankee farmers who wish to change your lot,
> Who've spunk enough to travel and change your native spot.

The opening of the land office at St. Croix Falls in 1848 brought the first great wave of newcomers—mostly lumbermen from Maine, farmers from the Mid-Atlantic States, tradesmen and craftsmen from the cities. The Americans were joined by new arrivals from other lands: France, Canada, England, Germany, Ireland, Norway, and Sweden. Something of the remoteness of these settlements is suggested by the fact that news of the national election of November 1848 did not reach St. Paul until January of the following year. Moreover, many necessities—even most of the fodder for their livestock—was brought from the outside by steamboat.

The spirit of the time is personified by the legendary logger, Paul Bunyan, of whom Carl Sandburg has written:

> Who made Paul Bunyan, who gave him birth as a myth, who joked him into life as the master lumberjack, who fashioned him forth as an apparition easing the hours of men amid axes and trees, saws and lumber? The people, the bookless people, they made Paul and had him alive long before he got into the books for those who read. He grew up in shanties, around the hot stoves of winter, among socks and mittens drying, in the smell of tobacco smoke and the roar of laughter mocking the outside weather. And some of Paul came overseas in wooden bunks below decks in sailing vessels. And some of Paul is old as the hills, young as the alphabet.

Prior to its being established as a Territory in 1849, the lands now lying in Minnesota had, at one time or another, been under the jurisdiction of the colony of Virginia, the Northwest Territory, the Territories of Louisiana, Indiana, Illinois, Michigan, Missouri, Iowa, and Wisconsin. The great and rapid development of the Territory was attributed to the opening of the Indian lands to settlement. The great seal of Minnesota, adopted when it became a Territory, tells the story of this era very succinctly. It shows an Indian mounted on his pony riding toward the setting sun. Behind him stands a settler at his plow.

The lands were acquired peaceably by treaty purchases from the Sioux in lower Minnesota and from the Chippewa in the north.

POPULATION GROWTH

Once the Indian lands were acquired, Minnesota was ready for rapid growth. An editorial in a St. Paul newspaper of 1854 boasted:

> Fence in a prairie fire. Dam up Niagara. Bail out Lake Superior. Tame a wolf. Civilize Indians. Attempt any practical thing; but not to set metes and bounds to the progress of St. Paul.

And how fast did Minnesota grow? The census figures tell the story. In 1850 there were 6,000 people there. In 10 more years there were more than 172,000. Most of the newcomers were native-born Americans—New Yorkers and New Englanders. But Minnesota was attracting people from other lands, too, and not indeliberately. In 1855 the Territory sent a commissioner of emigration to New York to persuade immigrants, as they got off the ships from Europe, to go to Minnesota. Pamphlets were written and sent to Europe to influence others to come and live in Minnesota. In 1850 there were only 12 Scandinavians and 147 Germans in Minnesota. Ten years later there were 12,000 Scandinavians and over 18,000 Germans.

The first Swede to arrive in Minneapolis was Nils Nyberg, who settled in St. Anthony in 1851, and was, for many years, referred to as "the foreigner." Something of the atmosphere of the times is revealed in the story which relates that one day, in the late 1850's, a yellow-haired, blue-eyed man wandered into the settlement. Tired and forlorn, he sat down on the street where Hennepin Avenue crosses Washington. Out from his blacksmith shop came Yankee John Wilson, but he could make nothing of the stranger's replies to his questions. He sent for Mousseau, the Frenchman, but the stranger stared dumbly when questioned in French. A German was sent for, but this, too, proved to be futile. John Broderick tried his Gaelic to no avail. A crowd gathered, but the strange young man was unable to understand any one of the languages common to the early Minnesota communities. At last, someone remembered the foreigner, Nyberg, and ran to fetch him. At the first Swedish words, the stranger smiled and leaped to his feet and, amid general rejoicing, the problem was solved.

The concern for a good education for all of its people, which still characterizes Minnesota today, is evident in its history as a Territory. In 1849, one of the first acts of the Territorial legislature was to adopt the McLeod education bill. In 1851, the legislature took steps toward establishing the State university, and a white 2-story frame building near Richard Chute Square was opened to 40 pupils by Elijah W. Merrill, a Methodist minister. In 1858, the year Minnesota became a State, the university moved to

its present site on the east bank of the Mississippi.

The rapid and successful development of Minnesota is revealed by the fact that it was a Territory for only 9 short years. The event we are celebrating this Sunday, the admission of Minnesota as one of the United States, took place on May 11, 1858.

FIRST YEARS OF STATEHOOD

The story of Minnesota as a wilderness, as a frontier, and as a Territory is an exciting one. No less so is its history as a State.

As an infant State it was concerned with war. It was the first to offer troops to fight for the Union in the Civil War. While engaged in this heroic effort, it found itself with a bloody Indian uprising within two borders. The Sioux, furious at the wrongs they had suffered, went on the warpath in 1862. The first outbreak occurred at the Redwood Indian Agency, and soon warfare swept through the fertile valley of the Minnesota for a range of 250 miles. These hostilities were ended when the Sioux were put to rout at Wood Lake by a band of volunteers led by Henry Sibley.

The period from the close of the Civil War to the end of the 19th century was for Minnesota—as indeed it was for the country as a whole—dominated by two major themes: industrial development and expansion of population.

The immigrant wave continued. The State's population increased tenfold. from 172,000 in 1860 to over 1,750,000 in 1900. The people continued to come from the East, from Germany, Norway, Sweden, Ireland, and the British Isles.

The State of Minnesota continued the policy it had adopted as a territory of seeking miners, craftsmen, and other skilled artisans from abroad. A board of immigration was established in 1867, which sent out literature, not only in English, but in German, Swedish, Norwegian, and Welsh. Once more, agents were sent to the eastern seaports, and even to Europe, to attract the people necessary to turn Minnesota's abundant gifts of nature into wealth. The spirit was expressed in a ballad:

> We have room for all creation and our banner is unfurled,
> Here's a general invitation to the people of the world.

The State's earliest industry, fur trapping, had been surpassed by lumbering in the early 19th century. But by the time it was ready for statehood, Minnesota was predominantly agricultural. Wheat was king in the sixties and seventies, thanks to the McCormick reaper, the Homestead Act, and the rich Minnesota prairie soil. Meanwhile, in the little town of Dundas, the Archibald brothers were pioneering a new method of making flour, developed by a French family named Le Croix. Sifters, blowers, and an intricate system of silk sieves produced flour that brought envious millers from the entire Northwest to watch the rollers, feel the machinery, and experiment with the mysteries of Rice County wheat. When the younger Le Croix took the secret of Dundas flour to Minneapolis, that city soon became undisputed world leader in the flour industry—a position it maintained for years.

Then the iron, which had lain in our great Mesabi, Vermilion, and Cuyuna Ranges for untold centuries, became the central force in the drama of Minnesota's industrial development. Into the mining areas labor agencies brought Slavs, Finns, Germans, Scandinavians, Latins, Greeks, English, and Celts. Praying and swearing took place in 20 different languages and dialects, but the very multiplicity of languages served as the flux which gradually made English the agreed-upon common medium of communication.

The Vermilion was the first to be discovered in the 1870's and 1880's. The Mesabi—the greatest range of iron ore in the United States—was not discovered, however, until 1890. This took place through the almost singular efforts of a heroic and courageous family, the Merritts, immortalized by the pen of Paul de Kruif as the Seven Iron Men. The last of these great giants, the Cuyuna, did not yield its hidden treasure until 1911.

At the same time that new industries were developing from the natural wealth of Minnesota they were nourishing and being nourished by another giant of the 19th century—the railroads. James J. Hill, the empire builder, was responsible for making the Twin Cities a great railroad center. Over his roads settlers went to the Red River Valley, the Dakotas, Montana, and the Pacific Northwest.

One incident in this railroad era may be of special interest. It seems that our city of Duluth first gained national attention in 1871 through a speech made in Congress by a Representative from Kentucky. As the story goes, in the closing days of the session, 2 railroad land-grant bills were up, and everyone knew that only 1 could be passed in the allotted time. The Kentucky Congressman somehow confused the railroads when he rose to defend his position. Frantically exaggerating the pretensions of poor little Duluth, he was so witty that the House rocked with laughter, and he continued to elaborate his theme until the time for the bill had all been consumed. It was only then he learned that the bill he had killed was the one he should have supported. The joke was on the Congressman, but Duluth could well laugh, too, for now its fame was spread throughout the country. The Congressman himself graciously admitted this at a banquet in 1890 when he said:

> Possibly the mention of the name "Duluth" may bring my own into recollection of millions long after I shall have moldered into dust, and everything else pertaining to my existence faded from the memory of man.

TWENTIETH CENTURY MINNESOTA

The growth of Minnesota in the 20th century is illustrative of the dynamic nature of the American economy. While remaining one of the leading agricultural States, Minnesota has developed diversified industries which provide 200,000 jobs that pay over $1 billion in wages. The number of farms has decreased somewhat in recent years, but individual units have increased in size and productivity. Our leading industry is food processing, in which we rank second in the Nation and first in the production of butter. Our second most important industry is machinery manufacturing, then paper and pulp, printing and publishing; followed by chemical products, ordnance, metal fabrication, transportation, and lumber and wood products.

Our future in Minnesota is largely dependent on how we use the resources that nature has bestowed upon us. Although much of the high-grade ore has been mined from the Mesabi, it is estimated that our taconite reserves will meet the Nation's requirements for iron ore for 150 years or more. The full utilization of these resources will require imagination and the investment of considerable capital. The new processing plant at Silver Bay is an example of the type of expensive installation necessary to extract iron particles from this stone harder than granite.

Our greatest resource, however, is our people—intelligent, alert, educated, and highly skilled. Their physical and mental abilities are the result of progressive programs in the fields of education and health. Minnesota ranks among the highest States in its expenditures for its public schools. Its health facilities, most notably the Mayo Clinic, have served as models for the world.

A LITTLE UNITED NATIONS

The people of Minnesota are proud of the story of their past and of their present, and are confident of their future. They are proud that it is a composite story which draws on the strength and skills of the Old World as well as of the New. They rejoice because in their work and in their schools and in their playing fields men and women of all the nations who have helped to build the State have come to know each other, and, finally, to trust each other.

In our lives together we have come to understand the profound meaning of those beautiful lines written by Stephen Vincent Benét:

> American muse, whose strong and diverse heart
> So many men have tried to understand
> But only made it smaller with their art
> Because you are as various as your land.
>
> * * * * *
>
> I think that I have seen you, not as one,
> But clad in diverse semblances and powers,
> Always the same, as light falls from the sun,
> And always different, as the differing hours.

We, in Minnesota, have had the privilege of living next door to the people of many lands—the French, the Scots, the Welsh, and the Englishmen; the sons and daughters of Germany and of Czechoslovakia; families from Poland and Russia; families of Slavic, Serbian, Croatian and Rumanian origin—yes, the people of the Ukraine, of Hungary, and Austria, and the Baltic States.

Our State family includes families from Portugal, from Ireland, and from Italy. We are rich in the traditions of the Dutch and the Danes, the Swedes and the Swiss, the Norwegians, the Finns,

the Belgians, the Greeks, the Japanese, the Chinese, and of Canada, our neighbor to the north, and Mexico, our neighbor to the south. We like to think of ourselves as a living example of what the United Nations can become, because we know from our own experience that men of all nations can work together for the common good.

Because of our own experience, then, these words from the preamble of the United Nations Charter have a special meaning for us:

> We the peoples of the United Nations—
>
> Determined to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind; and
>
> To reaffirm our faith in fundamental human rights, in the dignity and worth of the human person, in the equal right of men and women and of nations large and small; and
>
> To establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained; and
>
> To promote social progress and better standards of life in larger freedom, and for these ends; and
>
> To practice tolerance and live together in peace with one another, as good neighbors.

The spirit of the people of Minnesota draws not only upon the wealth of her various native stocks, but also upon the pioneer tradition which is convinced that nothing is impossible. We treasure such stories as one which is part of the history of Duluth—the city of promontories. Its famous harbor is cut off from the open lake by two narrow sandbars to form a perfect landlocked basin and channel. Back in 1871, they tell us, Duluth decided to dig an artificial entry to the lake through Minnesota Point, one of the sandbars, which extends some 6½ miles into Lake Superior. With such an outlet, its fishing boats could get out to the lake directly without having to travel the 7-mile stretch to the only natural entry near the Wisconsin shore.

Work had been started, with one steam shovel, when the city of Superior, across the bay, appealed to Washington to stop the operation. On a Friday in April came word that an Army engineer was on his way with the injunction. That night all Duluth shoveled and spaded. Saturday and Sunday they worked without pause. On Monday morning, the injunction arrived, but the canal had been dug, and the little tug, *Fero*, was steaming through, its whistle shrieking defiance.

Then there is the story of Winona, where lumbering and wheat shipping were closely tied in with the steamboat. When Winona's vital steamboat traffic was threatened in 1857 because the unruly Mississippi tried to plow a new main channel, drastic action was necessary. Steamboats, with officers none too friendly to the growing settlement founded by a rival captain, began to follow the new course of the river. But the village grimly met the emergency. In a carefully concocted scheme, the county officials went through the motions of voting to erect an elaborate stone courthouse, awarding the contract to one of their own people who started to get out the necessary stone from the Wisconsin bluffs. The first load, piled on a huge barge, met with an "unfortunate accident" at the entrance to the new channel. The barge was wrecked, its load of stone permanently blocked the new course of the river, and steamboats again swung into the Winona landings.

I rejoice in the fact that Minnesota is not a "melting pot", if the implication of the words "melting pot" means that the identity of the individual or of the nationality is submerged so that everyone comes out alike. Our challenge is to fuse diversities without destroying them—to create a sort of unity within diversity. It is based on the principle that every person needs the experience of belonging. A collection of individuals becomes a group only on the basis of shared experience. The beginning can be as simple as the sharing of food—a bowl of borscht for a Danish apple cake, Mexican tamales for Scotch scones, Armenian shishkebabs for the Kolace of Czechoslovakia, Swedish meatballs for genuine Italian spaghetti with meatballs, Hungarian cabbage soup for Chinese sweet and sour pork, German sauerbraten for the grape leaf balls of our Greek friends, Japanese suki-yaki for our native wild duck with rice. How abundantly our meals have been enriched by these "new flavors," which are now coming to be so commonly accepted that they are appearing in packaged form in our frozen food counters.

We have come to know each other in our cooperatives. It is to the Iron Range and its people of Finnish extraction that Minnesota owes its first object lesson in modern consumer cooperative procedure. Finns and Danes came to the State already schooled in the methods of cooperatives and convinced of the necessity for united effort. When, in 1917, the struggles of the small, independent Finnish storekeepers in the Iron Range and Duluth area became unendurable, delegates from 15 associations met together to start their first wholesale pool. Farmers of all nationalities in isolated rural associations, both producer and consumer, had realized the necessity of unification and legal protection because of the great disparity between the price of the crops they sold and the cost of the goods they bought.

FESTIVAL OF NATIONS

Our city of St. Paul is famous for the Festival of Nations, a feature of this year's centennial celebration, which had its small beginnings back in the depression days of 1932. At a time when thousands of people were out of work and, too often, I am afraid, the immigrant was resented, a group of St. Paul citizens, under the sponsorship of the YWCA's International Institute, came to realize the bigotry of the notion that there is a single pattern for Americanism to which immigrants from every country should somehow conform. They realized that Americanization is not merely a matter of learning certain precepts in an Americanization class, but a matter of living—free, healthy, happy living, secure not only in matters of food and shelter and clothing, but also in the knowledge of acceptance on equal terms in one's community. Year after year the festival has grown into one of St. Paul's cherished institutions.

But let us not imagine that this harmony of nationalities came automatically from the pure air we breathe in Minnesota. It has grown out of periods of struggle and misunderstanding—as all of our best human institutions have grown. In her wonderful book, Around the World in St. Paul, Alice L. Sickels has given the very human story of the headaches and heartaches which went on behind the scenes of the folk festivals. Having survived a depression, the 57-member committee for the festival held its January planning meeting in 1941 in a country at war. Mindful of the unfriendly demonstrations during and following World War I, the German, the Italian, and the Russian representatives were hesitant about participating. They wanted to participate but they said, "One or two might start something—then you will have a mob." "But," said a Czech, "not to have the Italians in the festival would be like Christmas at home with important members of the family missing." The Polish chairman said, "We're not merely projecting our wishful thinking, trying to prove that people of all nationalities can live together in peace; we're dramatizing the fact that they do live together happily in America and right here in our own city." Still the Italians hesitated until a high school lad of Italian parentage appeared one day with the statement, "Heck, I've danced in two festivals. All the kids in our dance group are Americans. Italian Americans, sure, but what of it? Everybody's something American, aren't they? What if they do boo us? They booed Mrs. Roosevelt, didn't they? Willkie got some rotten tomatoes. I guess we're no better than they are."

In the end, the Italian group was the largest one in the whole festival and they received a tremendous ovation. The idea behind the festival has always been that cultural heritage from the past, when disassociated from any current loyalty, is an asset instead of a cause for embarrassment. Commenting on its splendid results of one woman, who had been vehemently opposed to continuing the affair after Pearl Harbor, said:

> I was so completely wrong. * * * It was the most dramatic thing in my life. I don't think you know what the festival means to us old-stock Americans who just take this country for granted. We get more out of it than anyone else. To go ahead in wartime and include all those people whose mother countries were at war with us was a real test of democracy—especially when no one had anything to gain and everyone risked failure. It did something to me and to all the people of my committee.

SYMBOL OF BROTHERHOOD

As a member of the Senate's Foreign Relations Committee, I have long been concerned with finding better ways to insure the means of disarmament and of peace for which the people of our Nation—and all nations—so desperately long. And many times, as I sit at con-

ference tables where our problems with foreign nations are being discussed, I think on Minnesota's experiences and I take hope. If we are to achieve the kind of peace which we all so fervently seek, I believe we must understand that it, too, will not be an automatic or overnight process. For our story in Minnesota is one which demonstrates that peoples of all backgrounds can have their differences, but they can solve their problems, with patience, and firmness, and with the will to try to work together.

We speak often of the goal we share of seeking the brotherhood of man. It will take time. For what do we mean by brotherhood? I think it is well to be frank about it and admit that the word "brother" in the average family is no guaranty of unanimity, as most of us could testify. Indeed, in a healthy family situation, brothers have arguments—and often in their younger years, they come to blows—as the individual personalities develop. It grows—slowly and sometimes painfully—to the kind of self-respect which recognizes the rights of other individuals.

Mr. President, I give you the men and women and the children of Minnesota, for theirs is a proud heritage. They have learned in their daily lives that America is an idea which is being worked out in this country by the carriers of historic civilizations who have gathered here from every corner of the world. Democracy is the end toward which we aim and the process by which we move forward. Abundance has always been a very real part of the American dream. We know that there can be enough for everyone, and that, in a world with this potential, peace becomes possible and men and nations can progress by cooperation as well as by friendly competition. I give you the men and women of willingness and of will, who built the great State of Minnesota. They represent the people of the great and very human past, and of the great and very human American future.

Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

ECONOMIC CONDITIONS

Mr. HUMPHREY. Mr. President, the Wall Street Journal in recent days has been interviewing housewives, young married couples, retired people, farmers, executives and factory workers throughout the country in an effort to determine what is holding down consumer spending.

Here is what the Journal discovered:

A little more spending money and a lot more price reductions would spur consumer spending more than all the earnest campaigning by industry and Government to get Americans to buy now.

In this survey it was found that there was still a desire on the part of most everyone interviewed to buy one or more major items, but—

Only a few of those interviewed were actually planning to purchase goods now or in the next couple of months. Most commonly given reasons: too high prices, lack of ready cash, and an unwillingness, despite the many buy-now drives, to dip into savings or go into debt—even if this spending might have some beneficial effect on the Nation's economy.

As I have stated on numerous occasions, it is my firm opinion that we must give a boost to consumer purchasing power in order to halt this serious and continuing recession. This calls for a tax cut to put more money into the pockets of consumers—especially the lower and middle-income families who make up the great proportion of the population.

As the Wall Street Journal points out, people are not only short on cash, but they are fed up with the high prices on so many goods and services. This is a most amazing recession—while business drops and drops we still witness the cost-of-living rising steadily. This would seem to defy every law of economics in the land.

I ask unanimous consent, Mr. President, that the article from the May 6 Wall Street Journal be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONTRARY CONSUMERS—BUY NOW DRIVES DON'T INFLUENCE THEM THOUGH THEIR DESIRES ARE MANY—THEY TALK OF HIGH PRICES, LACK OF CASH—UNCERTAINTY LEADS MANY TO SHUN DEBT—IT'S A GOOD TIME TO SAVE

A little more spending money and a lot more price reductions would spur consumer spending more than all the earnest campaigning by industry and Government to get Americans to buy now.

Who says so? Consumers, who have got their eyes on all kinds of goods, from autos and hi-fi sets to homes and new summer suits.

In the past few days, Wall Street Journal reporters talked with housewives, young married folks, retired people, farmers, corporate executives, and factory workers in widely scattered parts of the country. They found almost all had a hankering to buy one or more major items; there was little evidence consumer buying desires had been saturated by the postwar spending splurge, a theory advanced by some economists to explain the recession.

But only a few of those interviewed were actually planning to purchase goods now or in the next couple of months. Most commonly given reasons: Too high prices, lack of ready cash, and an unwillingness, despite the many buy-now drives, to dip into savings or go into debt—even if this spending might have some beneficial effect on the Nation's economy.

WE'RE POSTPONING

"Personally," says Leslie Biebl, tall, sandy-haired program director of radio station WHK in Cleveland, "I feel one of the big causes of our economic trouble right now is that people have been pushed into buying what they're not financially ready for." Mr. Biebl says his family wants to buy a hi-fi set but "we're postponing it until we feel we can handle it without going into debt or our savings, possibly later this year."

A Dallas utility employee says he's holding off buying a dining room suite which he had tentatively planned to purchase this month. Now, he figures, it probably will be July or August before he buys it. "We just don't have the money," he explains.

Mrs. Mary Mahoney, a matron for the Hudson & Manhattan Railroad in New York City, tells a reporter she wants to buy a new refrigerator and more furniture "but I need some more money for a down payment so I won't go too heavily into debt."

"I need a car badly but I don't have the money to buy one," remarks John Wildt, a Miami auto mechanic. David Rose, a barber in the same city says he and his wife have put off buying costlier items. "I depend heavily on tips," he observes, "and they just haven't been there the past year or so."

Mrs. Irene Goodman, a San Francisco secretary, says she and her husband were talking earlier this year about buying a new car and maybe making some home repairs. "Now," she says, "we've decided it's a good time to save. Prices on everything are just too high and too unsettled."

TAX CUTS? PUBLIC WORKS?

These comments are fairly representative of the reactions of some 300 consumers picked at random and asked about their spending plans. Their views might be well worth noting, for many economic trend watchers say the American consumer and his spending habits will determine in large measure how long the recession continues and how severe it becomes. Just last week, the presidents of the 12 Federal Reserve banks told the Senate Finance Committee prompt tax cuts and more public-works outlays would be indicated if consumer spending is substantially curtailed.

Spending on personal consumption in the first quarter of this year was running at an annual rate of about $281 billion, estimates the President's Council of Economic Advisers. This would be up from a rate of $276.7 billion in the initial quarter of 1957 but down from the record $283.6 billion pace in the third quarter of last year and the $282.4 billion rate in the fourth quarter. Economists point out that figures for this year's first quarter are buoyed up by price increases and that notable changes have occurred in the pattern of spending, characterized mainly by an increase in spending on services and declines in outlays for the durable goods—autos, appliances, and such.

Many individuals' earnings have been cut, of course, through layoffs, reductions in overtime, and loss of sales commissions or bonuses.

In many other cases where consumers are cutting their spending, however, it's not because they lack ready cash. Americans, since the first of the year, have been stashing away savings at a swifter rate than a year ago. Savings in mutual savings banks, for example, rose $719 million, or 2.2 percent, in the first quarter, compared with a 1.4-percent rise a year earlier.

Prices clearly are deterring many folks from buying what they say they want. Most hope they'll get better deals later on, so they're holding off buying now.

"ONLY FROM NECESSITY"

Take John Wills, a young Gulf Oil Corp. engineer in St. Louis who's getting married in August. He's in the market for a complete set of household goods and appliances "but I'm not going to buy at present prices unless I'm forced to. I'll buy only from necessity."

A high-ranking Federal official in Connecticut declares: "I've put off buying a new car because they're overpriced."

John Schwaig, a 38-year-old sales engineer from a manufacturers' representative in Cleveland, says he's putting off buying a house and a second car. "I think Detroit is going to have to lower its prices this summer," says Mr. Schwaig, "and I think home prices also will come down within 6 months."

"We're hoping that prices will drop so we can buy some furniture," states a St. Louis housewife, Mrs. Teresa Lenharth. "We're also considering making porch repairs on our home. If cars were cheaper," she says, "we might consider buying a different one." Her present model: a 1950 Dodge. "People do without a lot of things because prices are too high," she muses.

One proposed route to lower prices, of course, is removal or reduction of Federal

excise taxes on cars, among other things. Though sentiment for tax cuts to cope with the recession has diminished in Washington, reductions still haven't been written off. Legislative talk of tax cuts very frequently includes reductions in excise, as well as personal, levies.

"BUY" BOOMERANG

President Eisenhower's call on consumers to buy, and the splurge of industry and community efforts to induce greater consumer spending fail to move, or impress, many potential buyers.

"Eisenhower's plan is good," allows Ralph Wagner, an Erie, Pa., salesman, "if he would just tell us where we get the money."

Frank Allebaugh, advertising account executive in Denver, puts it this way: "When the President says 'buy now,' it frankly scares the hell out of me. Ordinarily he isn't concerned whether I buy or not. When the President pleads for me to buy I immediately conclude that things are a lot worse than I thought they were."

Snaps Edith DeBlois, a Denver secretary: "I don't pay any attention to this 'buy now' stuff. Nobody tells me when to buy and when not to buy."

Observes Edgar E. Miller, a transplanted Tennessean who works as a Chicago bank guard: "If a man's agoin' to buy, he's agoin' to buy. And he doesn't need any campaign."

What irks a good many consumers is that there's much talk between retailers and manufacturers about price cutting—but seemingly few actual reductions.

ERSATZ SALES

Edward Stone, a civilian employee of the United States Navy's public works department in New York, says he's been shopping around for a washer and dryer and sometimes sees one on sale. But, he complains, "Some of these so-called sales aren't sales at all. They're nothing but attempts to make things look startling without really cutting prices. You can't believe what you read anymore," he avers. "You've got to do comparison shopping."

A Dallas oil company employee voices a similar complaint. He says he had hoped to buy a new car early this year but then decided against it when his wife became pregnant. After the various You Auto Buy Now campaigns started, he relates, "I went out to check the price of the car I was interested in. But I found the price hadn't changed any from the time I had asked earlier; so I concluded these car dealers aren't hurting bad."

Many consumers indicate they're in no mood to take on new installment purchases now because they're already carrying heavy debts.

A 33-year-old salesman of photograhic and art supplies in Cleveland says he and his wife have put off buying about $500 worth of furniture. "You know," he explains, "we owe more than $2,000 on our car, appliance and other furniture. We even owe some of our relatives." He figures it may be more than a year before he gets back into the market again.

Joe Neiser, an advertising man in Chula Vista, Calif., says he's still paying off last year's purchases. But when the payments are finished, he adds, he expected to buy a car to replace the present 8-year-old model.

Myron Messler, a Kansas City clerk, bought a house 2 years ago and acquired other goods on credit. "It takes everything I make to keep up the payments," he says. "I'm not worried about my job, but I don't see much chance of a wage increase this year; so I'm not buying anything else until I whittle down my obligations."

Some folks, fresh out of debts, show no inclination to take the plunge soon again.

Miss Alice Spence, Denver secretary, says she "would like to spend about $500 on a TV set, a hi-fi, and a new top for my MG car." But, she adds, "I guess I'll do without them for a while. I like the feeling of having no monthly payments too well."

A beauty-shop operator in Bartlesville, Okla., tells a newsman over a cup of coffee that she's putting off buying some new clothes, a washing machine, and other household items mainly, she says, "because I'm just about out of debt and I don't care to get back in again so deep."

Norman Friedman, a San Francisco radio repairman, says he doesn't expect to make any major purchases this year. "I just finished paying off my 1956 car and a living-room set," he notes. "What with all this talk of recession, it just makes me feel good to be free of debt. I think I'll enjoy it a while."

This attitude toward installment debt is reflected in the faster pace at which consumers are paying off their bills and their slowness in taking on new obligations. Installment credit outstanding dropped by $180 million in March, for the second straight month of decline. At the same time, the amount of new installment credit extended, after seasonal adjustments, amounted to $3,193,000,000, down from February's $3,235,000,000, according to the Federal Reserve Board. Even so, total installment credit stood at a lofty $33 billion at the end of March, up nearly $1.5 billion from a year earlier.

In some cases, of course, consumers have slowed their spending because they're not working or their job status is tenuous.

LIVING-ROOM LETDOWN

"I had planned to buy a living-room set for my apartment," relates Miss Alberta Eason, a jobless 21-year-old Detroit girl, "but there's no use making two or three payments and then coming home one day and finding it gone."

R. E. Davidson, New York Central Railroad engineer, says in St. Louis he's been "kind of thinking" about making a larger family room in his house and buying a hi-fi. But, says Mr. Davidson, job uncertainty is restraining him. "If they drop any more passenger trains," he observes, "they might drop some engineers, too."

"We sure wanted to get a new washer and dryer this year," remarks Mrs. Patricia Black in Portland, Oreg., "but I got laid off as a telephone company operator and my husband is going to college. We'll just have to let it slide now until we get back on our feet."

In many instances, short workweeks or loss of a second job has compelled workers to throttle their spending.

Two Detroit policemen, for example, say they have job security but the recession has wiped out weekend jobs they formerly held. One had planned to add a garage to his home; the other wants to turn his attic into another room. But both say now they cannot afford the renovations on their regular salaries.

TRADING THE TV

An office clerk at Pittsburgh's Jones & Laughlin Steel Corp. recounts that he and his wife had planned to buy new living-room furniture this spring and trade in the old television set. Then the company put many of its salaried workers on a 4-day week. "You can't do that kind of spending on a 4-day week," he says ruefully.

Some people, nevertheless, insist the recession is having almost no effect on their spending plans; they say they're not buying simply because there's nothing they think they need now.

Fairly typical is the comment of Owen A. Knapp, Los Angeles insurance agent who has a wife and three youngsters. "We don't really need anything, and if we do buy anything big, it will probably be a case of some sales idea intriguing my wife and her needling me about it."

Mrs. D. S. Bay, St. Louis housewife, recalls she and her husband, who works for an aeronautical mapmaking service, spent about $300 on carpeting and flooring last month and says she hasn't felt any necessity to restrict her purchases because of high prices, or job and debt worries.

"But I hate to make that remark," adds Mrs. Bay, "because I said the same thing during the last depression, and about 2 or 3 weeks later we began to feel it."

Mr. HUMPHREY. Mr. President, I also invite attention to a column of May 7 by Joseph Alsop in which he reports that the administration is gradually and reluctantly drifting into the position of having to sooner or later accept a major tax cut. Mr. Alsop notes that the pressure for a tax cut is steadily mounting, and that despite the rosy predictions being made from the White House even the President's economic advisers are deeply concerned over even a sharper economic downturn in the months ahead.

I ask unanimous consent that the column by Joseph Alsop be printed at this point in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

DRIFTING INTO IT

(By Joseph Alsop)

Reluctantly, unhappily, belatedly, the Eisenhower administration now seems likely to drift into acceptance of a major tax cut, almost for want of anything better to do.

The evidence for this forecast is largely circumstantial and atmospheric. But it is, nonetheless, rather convincing. Taking the items in order, there are the circumstances, first of all, that will make action to cut taxes decidedly difficult to avoid.

Some sort of tax bill must be offered this year, for the quite simple reason that some of the Korean-war-born taxes reach their automatic cutoff point on June 30. Unless legislative action is taken, the corporate profits tax will then drop from 52 to 47 percent; the automobile excise tax will be cut in half, and a whole series of other excises will also be reduced, including those on liquor and tobacco. A revenue loss of about $3 billion will be the result.

As a practical matter, the Congress will never permit these important reliefs to business without offering at least equal tax cuts to the mass of voters. Thus, the Eisenhower administration's wait-and-see approach to the tax problem will cease to be feasible by about the end of this month.

Instead of continuing to say they are going to wait and see, the President and his advisers are going to have to say either "Cut taxes" or "Don't cut taxes."

In either case, a bill will have to go through Congress. And even if the decision is to maintain existing tax levels, certain reductions will be almost unavoidable. With the automobile industry still in bad trouble, for instance, there will be a tremendous drive to drop the auto excise tax. Again, the plight of the railroads is grave, and there will be another powerful drive to drop the present taxes on passenger tickets and freight charges, even though they do not expire this year.

These practical considerations are bound to influence the White House and Treasury. Then, too, while the administration is being pushed toward the decision, the atmosphere in which the decision will be taken is also worsening.

Superficially, the argument about the right remedies (or lack of remedies) for the depression is still going on in the same old way. The most determined and effective champions of the opposing viewpoints are still the two men who fought the big battle over Government economic policy in the 1953–54 recession. Neither is any longer officially connected with the Government.

Arthur Burns, former Chairman of the Council of Economic Advisers, charged into town again last week, to warn that the depression is not "flattening out" as the President keeps saying; and to plead for prompt action to stimulate the economy. He followed close on the heels of former Secretary of the Treasury George M. Humphrey, who was peddling precisely the contrary opinions.

But Humphrey was no longer carrying conviction as he used to except with the President himself. Even Humphrey's successor at the Treasury, the able Robert Anderson, is talking nowadays much less about the fiscal dangers of a tax cut, and much more about the difficulties of getting Congress to vote the right kind of tax cut.

As for the Government economists, conspicuously including the Council of Economic Advisers, their faces are getting longer and longer.

Far from sharing the President's confidence that the economic curve is flattening out, they are frankly worried about a sharper downturn. One factor that is causing much worry is the clear possibility of some big, confidence-destroying receiverships, especially in the railroad industry. Another such factor is the prospect that the unemployment total will surge upward toward 6 million, again tending to destroy confidence, when the college year ends in June.

For all these reasons, although the White House and Treasury still quite plainly do not want a tax cut, sentiment is growing stronger by the day. The President himself has indicated that a tax cut is the best economic stimulant, if any stimulant must be given. Thus he will find it very hard to fight the drift if a sudden business upturn does not unexpectedly rescue him.

Meanwhile, unhappily, the stimulant is also losing effectiveness. For as Dr. Burns has said, a tax cut "is only a good device to fight a mild recession while confidence is still strong."

Mr. HUMPHREY. Mr. President, last week the Commerce Department reported that unemployment as of mid-April on a seasonally adjusted basis rose to the highest level in the postwar period—7.5 percent of the working force.

And the Wall Street Journal of May 5 adds to the discouraging economic indicators by reporting that its quarterly survey, based on early financial statements for the first quarter of 1958, reveals that corporate profits dropped 35 percent from a year ago. In the 1953–54 recession the deepest year-to-year decline for any quarter was only 10 percent. And the Wall Street Journal states:

Earnings seem likely to show little or no improvement in the current quarter.

I ask unanimous consent, Mr. President, that a tabulation comparing corporate profits for first quarters of 1957 and 1958, broken down by industry, as reported by the Wall Street Journal, be printed at this point in the RECORD.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

FIRST QUARTER PROFITS OF 552 COMPANIES DOWN 35 PERCENT FROM LIKE 1957 PERIOD

The column below shows earnings reported for the first quarter of 1958 and those for the like quarter of 1957 with percentage changes by groups. Where individual company reports cover 3-month periods other than calendar quarters, the nearest comparable periods have been used.

	Number	1st quarter 1958	1st quarter 1957	Change from year ago
Aircraftmakers	16	$27,059,000	$30,577,000	Off 11.5 percent.
Airlines	6	1,664,000	3,799,000	Off 56.2 percent.
Autos and equipment	24	215,167,000	448,581,000	Off 52.0 percent.
Building materials	28	52,278,000	82,223,000	Off 36.4 percent.
Chemicals	25	85,561,000	129,359,000	Off 33.8 percent.
Distillers	6	20,551,000	22,874,000	Off 10.1 percent.
Drug manufacturers	15	59,123,000	58,265,000	Up 1.5 percent.
Electrical equipment	11	68,538,000	87,876,000	Off 22.0 percent.
Farm equipment	7	10,466,000	27,188,000	Off 61.5 percent.
Finance companies	9	22,652,000	22,619,000	Up 0.1 percent.
Floor coverings	4	3,104,000	5,155,000	Off 39.8 percent.
Food products	20	47,750,000	46,544,000	Up 2.6 percent.
Mining and metals	20	60,423,000	117,010,000	Off 48.4 percent.
Movies and movie theaters	4	2,845,000	3,164,000	Off 10.1 percent.
Office equipment	9	29,702,000	29,225,000	Up 1.6 percent.
Petroleum products	23	523,176,000	770,584,000	Off 32.1 percent.
Printing and publishing	7	4,144,000	5,198,000	Off 20.3 percent.
Pulp and paper	19	33,499,000	44,359,000	Off 24.5 percent.
Radio and television	5	4,210,000	6,966,000	Off 39.6 percent.
Railway equipment	12	14,580,000	20,870,000	Off 30.2 percent.
Rubber and rubber goods	7	24,247,000	36,430,000	Off 33.4 percent.
Steel manufacturers	26	123,154,000	295,788,000	Off 58.4 percent.
Textiles	13	5,292,000	7,525,000	Off 29.7 percent.
Tobacco companies	12	47,439,000	36,046,000	Up 31.6 percent.
Tools and machinery	24	22,716,000	38,488,000	Off 41.0 percent.
Other industrials	114	150,085,000	195,645,000	Off 23.3 percent.
Total, industrials	466	1,659,405,000	2,572,338,000	Off 35.5 percent.
Railroads	46	32,124,000	146,794,000	Off 78.1 percent.
Utilities	40	180,724,000	162,703,000	Up 11.1 percent.
Grand total, companies	552	1,872,253,000	2,881,835,000	Off 35.0 percent.

Mr. HUMPHREY. Mr. President, the New York Times reports that its latest business activity index for the week ended April 26 fell to 175.5 from 176.9 in the preceding week. This is the lowest figure since the holiday week ended January 4 of this year, and the second lowest weekly figure since September 4, 1954.

I ask unanimous consent that the New York Times Economic Indicators of May 3, be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Economic indicators, week ended May 3, 1958

	Last week	Prior week	1957
Commodity index	84.2	84.1	88.5
Money in circulation	$30,518,000,000	$30,617,000,000	$30,499,000,000
Commercial-industrial-agricultural loans	$30,252,000,000	$30,662,000,000	$31,349,000,000
Steel operating rate (percent)	[1] 47.9	47.1	[2] 87.0
Steel production (tons)	1,293,000	1,270,000	2,226,000
Motor vehicle production	97,668	74,868	143,848
Daily oil production (barrels)	6,288,385	6,250,535	7,536,665
Freight car loadings	533,724	534,475	600,789
Electric power output, kilowatt-hours	11,206,000,000	11,107,000,000	11,310,000,000
Business failures	329	342	263

MONTHLY COMPARISONS

	April [3]	Prior month	1957
Employed	62,907,000	62,311,000	64,261,000
Unemployed	5,120,000	5,198,000	2,690,000
	March [3]		
Consumer Price Index	123.3	122.3	118.9
Industrial production	128	130	145
Personal income	$341,400,000,000	$341,700,000,000	$320,300,000,000
Construction contracts	$2,721,228,000	$1,344,900,000	$3,077,907,000
Manufacturers inventories	$52,100,000,000	$52,500,000,000	$53,300,000,000
	February [3]		
Money supply	$132,900,000,000	$132,100,000,000	$134,500,000,000
Imports	$950,000,000	$1,095,300,000	$993,000,000
Exports	$1,344,900,000	$1,510,900,000	$1,611,000,000

[1] Estimated.
[2] Not comparable because of lower capacity.
[3] Figures shown are subject to revision by source.

NOTE.—Statistics for commercial-industrial-agricultural loans, steel, oil, electric power, and business failures are for the preceding week and latest available.

Source: Commodity index and Consumer Price Index, based on 1947–49=100, are compiled by the Bureau of Labor Statistics. Industrial production is Federal Reserve Board's adjusted index of 1947–49=100. Manufacturers' inventories and personal income, at annual rate, are reported by the Department of Commerce. Construction contracts are reported by the F. W. Dodge Corp. Imports and exports are compiled by the Foreign Trade Division of the Department of Commerce. Money supply is total currency outside banks and demand deposits adjusted as reported by Federal Reserve Board. Business failures compiled by Dun & Bradstreet, Inc.

Mr. HUMPHREY. Mr. President, on April 29, the Commerce Department announced that unemployment as of mid-April totaled 5,120,000 which, seasonally adjusted, amounts to 7.5 percent of the working force, the highest percentage for any month since before World War II, except for one that was distorted by a coal strike.

This is but one more of a long series of indications that the present recession is becoming more and more serious while the administration sits back with its wait-and-see attitude.

I also invite attention to the hearings which are being held this week by the Joint Economic Subcommittee on Fiscal Policy in which a number of leading economists are testifying that our economy is still declining and that a prompt tax cut is needed.

I ask unanimous consent that a report on the hearings from the Journal of Commerce of April 29 headed "Business Termed Still Slipping" be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

ECONOMISTS FOR MORE UNITED STATES STIMULANTS—BUSINESS TERMED STILL SLIPPING

WASHINGTON.—Seven out of eight well-known private economists who appeared before the Congressional Joint Economic Committee agreed that the bottom of the recession has not yet been reached.

And 6 out of the 8 called for further Government action—in the form of either tax cuts or increased spending, or both—to turn the economy around.

STILL DECLINING

The panel of witnesses who appeared before the joint committee's fiscal policy subcommittee was unanimous in agreeing that the April statistics, when published, will show a further decline in business activity from the March level.

Gloomiest view of the long-run outlook was taken by Prof. V. Lewis Bassie of the University of Illinois, who said that prompt action by the Government would give the country "just a chance" to avert a serious further downturn later this year. "I do not think it is a very good chance," he said, "but it is a chance worth taking."

Most optimistic among the eight was William Butler, vice president of Chase-Manhattan Bank, who said he believed that April will prove to be the low point.

Mr. Butler, along with Martin Gainsbrugh of the National Industrial Conference Board, was against application of further Government stimulants at this time.

The panelists brushed aside a suggestion from subcommittee chairman PAUL DOUGLAS, Democrat, of Illinois, that purely seasonal increases in economic activity during the months immediately ahead might lull the Government and Congress into a dangerous do-nothing approach to the recession.

CAUTION URGED

Several expressed caution however, about interpretations of economic statistics in the months just ahead.

Housing economist Robinson Newcomb warned that an upturn in housing starts might merely be a result of building postponements during snowy February and March and added that increased highway expenditures, too, may be merely reflecting technical factors.

Nat Goldfinger of the AFL–CIO noted that employment should show a seasonal rise of more than 1 million in each of the next 2 months and that, therefore, any increase less than that should be a cause for pessimism rather than optimism.

PLANT OUTLAYS OFF

Mr. Gainsbrugh revealed that the conference board's survey of manufacturers' appropriations for capital spending will probably show a further decline when all the first quarter figures are in.

"The arithmetic of first quarter appropriations thus suggests the sobering possibility of a drop in manufacturers' capital goods spending which may continue at least into early 1959," he said.

Mr. Gainsbrugh urged tax changes—"special incentives relative to depreciation or to research and development"—but appeared by no means certain that such tax benefits would actually prove helpful.

"With a more favorable tax environment, perhaps investments spending could be stepped up," he said. Tax incentives "might speed up the shift from increasing physical capacity to further emphasis on modernization and cost saving."

Myron S. Silbert, vice president of Federated Department Stores, told the subcommittee that in the absence of any upturn—"which we cannot see at present"—total retail sales this year will run 3 to 4 percent behind last year with an even greater percentage downturn during July and August.

He noted that the normal growth in such sales from year to year is 3 to 4 percent.

SHOCKING FAILURE

The strongest attack on administration actions to meet the recession came from Prof. Paul A. Samuelson of the Massachusetts Institute of Technology, who said there has been a rather shocking failure on the part of the Government to recognize the seriousness of the situation.

Challenged by the ranking Republican on the subcommittee, Representative THOMAS B. CURTIS of Missouri, to explain this political attack, Professor Samuelson said that he believed that most academic economists have been shocked at official Government pronouncements on the recession. The March unemployment figures, when seasonally adjusted, were quite terrible, he said, despite administration statements to the contrary.

In other economic developments:

Senator HOMER CAPEHART, Republican of Indiana, proposed legislation allowing a speedup in depreciation on capital investments made during the next 18 months. Senator CAPEHART's bill would reduce by one-half, the time in which investments made during the coming 18-month period could be fully depreciated.

President David J. McDonald of the United Steelworkers called on the steel industry to lower prices as a stimulus to the economy.

AFL–CIO President George Meany forecast that unemployment will reach nearly to 6 million by June unless the administration goes in for more stimulation than it has so far.

FEARS DEPRESSION

Mr. Meany, after a meeting of the AFL–CIO general board, said the Nation is sliding into a depression.

The board issued a statement saying neither the Republican administration nor the Democratic Congress is living up to its responsibilities to halt the recession.

The board, made up of leaders of all AFL–CIO unions, said the Federal Government is bound, under the 1946 Employment Act to promote maximum employment, production, and purchasing power.

Yet, it said: "Little has been done. As a result, the Nation is threatened with a depression. Employment, production, and purchasing power have dropped month after month since the recession started last summer."

Mr. HUMPHREY. Mr. President, it should be noted that construction contract awards in March fell 12 percent from a year ago, and the cumulative total of contracts in the first quarter of this year shows a decline of 11 percent from a year ago.

I ask unanimous consent that an article reporting this drop in construction from the Wall Street Journal of April 30 be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MARCH BUILDING AWARDS FELL 12 PERCENT, FOURTH DROP IN ROW FROM 1957 RATE—ALL CATEGORIES DECLINED—BUT HOUSING SHOWED SMALLEST DIP IN DOLLAR VOLUME

NEW YORK.—Construction activity measured by F. W. Dodge Corp. contract awards fell 12 percent to $2,721,228,000 in March. It was the fourth consecutive monthly decline from levels of a year ago.

All major categories of construction declined, although housing showed the smallest drop in dollar volume. Continuation of higher rates of apartment and multifamily dwellings boosted the number of dwelling units slightly above the level of March last year.

The March results brought the cumulative total of contracts in the first quarter to $6,721,767,000, a decline of 11 percent from a year ago.

Thomas S. Holden, Dodge chairman, said bad weather last winter "has had some effect on contract awards but we don't know how much." He said award volume in the last 4 months was a mild dip and consistent with a recession economy though not alarming.

Mr. Holden said there are indications of a step-up in highway and housing construction and "I will be surprised if there is no upward trend in total awards in April and May."

Nonresidential construction fell 11 percent to $967,102,000 in March from the 1957 month. This category also showed the sharpest drop in the first quarter of 1958, declining 13 percent to $2,466,106,000. Much of the decline was accounted for by continuing and substantial decreases in manufacturing buildings, which fell 46 percent in the quarter and 36 percent in March. Commercial buildings also contributed to the drop, declining 11 percent in the quarter and 18 percent in March. Included in commercial buildings are stores and office buildings.

Housing units put under contract in the quarter fell 5 percent to 207,111, although dollar volume of the work fell 8 percent to $2,567,689,000. In March, residential contracts fell 3 percent to $1,070,556,000 despite a nearly 30 percent increase in the value of multi-family houses. This increase, however, raised the number of dwelling units in March contracts to 85,218, or 1 percent above March 1957.

The March housing performance was well above the preceding month on a year-to-year basis, the Dodge figures showed. In February, housing fell 17 percent in dollar volume and 14 percent in units from a year earlier.

Heavy engineering projects lagged 22 percent behind March 1957, and fell 12 percent to $1,687,063,000 in the first quarter. A Dodge official said the major decline in this group was pipeline and railroad construction work. Street and highway work, however, also declined slightly in the quarter and in March.

Mr. HUMPHREY. Mr. President, in a recent issue of the Washington Post and Times Herald there was published an excellent editorial calling for an immediate across-the-board cut in income taxes. In urging this step, the Post makes it clear that it does not consider it a cureall for the recession, but feels

that it is medicine of the right sort, and the patient is ailing.

I have for many weeks been among those urging a tax cut as a necessary measure to boost consumer spending, which has been declining for so many months.

In urging a tax cut, the Washington Post warns that such a step must not be allowed to serve as an excuse for shirking other national and Free-World responsibilities. Here is what the Post states:

> The aim must be to do all of these things: to support a higher rate of governmental spending domestically, to maintain and expand programs abroad, and to give the economy the stimulus it needs to resume its growth.

Mr. President, I ask just how much bad news on the state of the economy is required before this administration comes to realize that it cannot continue to sit idly by and wait and wait and wait? Unemployment this month went to a new high—7.5 percent—the highest level since before World War II. Production continues to drop, the gross national product to fall, manufacturers' sales and orders to slip, income to decline, and investments to drop, but still the administration says we must wait and see.

The time is long since past when we can afford to hold back. The entire resources of our country must be put to work to bring a halt to this tragic recession.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PENALTIES FOR INTERFERENCE WITH UTILITY LINES, PANAMA CANAL ZONE

The Senate resumed the consideration of the bill (H. R. 3604) to amend section 831 of title 5 of the Canal Zone Code to make it a felony to injure or destroy works, property, or material of communication, power, lighting, control, or signal lines, stations, or systems, and for other purposes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that an explanation of the bill be incorporated in the RECORD at this point.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

> The United States Criminal Code makes it a felony to willfully or maliciously injure or interfere with any communications line operated by the United States. This provision is geographically applicable to the Canal Zone but there is doubt whether it applies to offenses involving communications owned and operated by the Panama Canal Company in view of that Company's separate corporate legal status and the policy of the courts to construe criminal statutes strictly. The first objective of the bill, then, is to protect the public utility installations of the Panama Canal Company.
>
> Moreover, the United States Code provision that is limited to offenses involving communications facilities is not broad enough to afford all of the coverage desirable for the Canal Zone. Equally important are the protection and safeguarding of power, lighting, control, and signal lines, stations and systems. A second objective of the bill is to extend to installations of these types the penal law now applicable only to willful or malicious interference with communications facilities.
>
> Offenses of the type to which this bill is directed must now be prosecuted as misdemeanors under Canal Zone Code sections relating to petit larceny or malicious injury to property, telegraph, or telephone lines. The maximum punishment for these misdemeanors is 30 days imprisonment or a $100 fine or both. Although grand larceny may result in imprisonment for up to 10 years; this offense involves theft of property having a value of $50 or more. Thefts not involving this amount nevertheless may result in serious damage to or interference with Government facilities.
>
> The extension and broadening of the existing law against willful or malicious interference with public utility installations in the Canal Zone would also be applicable to offenses involving privately owned and operated facilities of the types dealt with in the bill. These private facilities are limited in number and kind but the committee was informed that they are vital to the governmental agencies performing essential functions in the Canal Zone and for that reason the statute would apply equally to offenses involving such private facilities.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

URGENT DEFICIENCY APPROPRIATIONS, 1958

Mr. MANSFIELD. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 1548, House bill 12326, which is the urgent deficiency appropriation bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 12326) making urgent deficiency appropriations for the fiscal year ending June 30, 1958, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations, with amendments.

THE ADMINISTRATION'S SO-CALLED VOLUNTARY OIL IMPORT PROGRAM—DODGING IMPORT QUOTAS AND TAXES

Mr. YARBOROUGH. Mr. President, there have been numerous examples in recent weeks of how the President's so-called voluntary oil import program is not working. Residents of Texas and other Southwestern States have been hit hardest by the flood of excessive oil imports, and several times I have urged the administration to correct this critical problem.

In recent weeks the administration, loaded with representatives of the big oil importers, have insisted that the so-called voluntary control program is working. The major importers are lining their pockets with hundreds of millions of dollars a year in excess profits from the cheap oil they have brought in, while those concerned with domestic production, from the worker up to the property owner, are paying the price of these excessive imports.

Tens of thousands of people—most of them families of oil workers—are finding the going rough under the 8-day monthly oil production allowable in Texas. The reason for the alltime low production in Texas is heavy oil imports under a so-called voluntary import program which is a sham and a cheat on the American people.

These are strong words, but I shall illustrate why they are accurate words and why I am justified in saying that this program is a sham and a cheat on the American people.

The so-called voluntary oil import program is a limitation solely upon the importation of crude oil, not upon products. How does the program work? Take the case of the Gulf Oil Corp. Under the import program, its quota is more than 10 percent of the total national import program. One would think that a quota so large would be adequate; but the Gulf Oil Corp. has found a way to import even more petroleum than allowed under its quota.

I read from the first page of the March 10, 1958, newsletter of the Oil and Gas Journal, as follows:

> An import development worth watching is Gulf's plans to bring in unfinished gasoline from Kuwait.
>
> Gulf is importing about 266,000 barrels of this product in March, plans to step this up to 12,000 barrels daily in April, and 25,000 barrels daily in May. The product is coming from a new Gulf processing plant in Kuwait.
>
> Internal Revenue has ruled the unfinished gasoline will pay import duty of only one-fourth cent a gallon, rather than 1¼ cents imposed on gasoline.

This is the way the "gimmick" works. It works only by reason of the fact that we have a Government which is in conflict with itself.

Under the Voluntary Imports Program, this product is considered the same as gasoline. The Voluntary Imports Program applies only to crude oil.

What happens when the question comes before the collector of customs? In 1955 a private ruling was obtained from the Bureau of Customs, to the effect that unfinished gasoline is subject to the crude-oil import tax—not the gasoline import tax. Rulings by Government bureaus have the force of law and should be public—not private. Some imports are called gasoline for purposes of avoiding the import quotas on crude oil, and the very same imports are called crude oil for purposes of paying much lower import taxes. Inconsistency is indefensible, but the fact that this is a private or secret ruling given in a letter

to one company constitutes a dangerous threat to our system of Government. Ours is a Government which believes in public decisions—not decisions made in secret.

I have received from the Treasury Department, Bureau of Customs, a letter dated May 6, 1958, which we have been able to obtain only with the greatest difficulty. The Bureau gave us a partial copy of the ruling with respect to the Gulf Oil Corp., but it would not write into the letter the name of the company which received the preferential and duplicitous treatment from the Government of the United States.

What does it amount to? Gulf now imports approximately 22,000 barrels unfinished gasoline a day. The tax differential on that quantity amounts to $9,240 daily, or about $3,300,000 a year, which the taxpayers of America are being fleeced out of by the ruling from the Bureau of Customs, which is in conflict with the ruling of the Voluntary Imports Program Administrator, Captain Carson.

This product is not both fish and fowl. It is either crude oil, and subject to the import quotas, or it is gasoline, and should be subject to the tax of 1¼ cents a gallon now placed on gasoline.

The 22,000 barrels daily importation is only the beginning. It was pointed out in the newsletter in the Oil and Gas Journal of March 10, 1958, that this is only the beginning.

The 22,000 barrels of gasoline now being brought in daily—and it is planned to bring in 25,000 barrels daily before the end of May—means the equivalent of more than 50,000 barrels of crude oil. Consider what 50,000 barrels of crude oil would mean to the Southwestern States—not only to my own State of Texas, but Kansas, Louisiana, Oklahoma, New Mexico and other oil-producing areas.

The Gulf Corp. can break any competitors. It can break all the independent oil producers by bringing in unlimited quantities of oil from its processing plant in Kuwait.

I have obtained finally a letter from Mr. D. B. Strubinger, Acting Commissioner of Customs, dated May 6, 1958. I read from the letter:

In response to your request there are quoted below pertinent portions of the Bureau's letter of June 13, 1955, file No. 418.114, pertaining to the classification of certain petroleum products. This information is being furnished with the understanding that it will be used for official purposes only.

I am reading, now, from the secret ruling in favor of the company which received the favorable ruling. The Department will not state to whom the favorable ruling was given, but the Oil and Gas Journal, in its newsletter, tells who got the favorable ruling.

Reference is made to your letter * * * relative to the classification and dutiable status of certain distillates or liquid derivatives of petroleum to be imported from Venezuela and Kuwait.

* * * * *

It has been reported that from time to time there are produced from the crude petroleum processed in the topping units located in Venezuela and Kuwait distillates which are not salable as finished products. The intention is to import these liquid derivatives of petroleum.

The statement has been made that the chief use of these materials is not gasoline or other motor fuel and that the principal reason therefor is the low research octane number. Each of the imported products, it has been reported, would require, and would undergo, further processing after importation, or blending with other materials, in order to convert them into gasoline or other motor fuel. The processing has been indicated as redistillation, stabilization, and reforming.

In other words, it is just a little topping or reforming operation, as it is called, in order to get gasoline into the country at the rate of one-fourth cent a gallon, instead of 1¼ cents a gallon.

Mr. President, I ask unanimous consent that the entire letter be printed in the RECORD at this point in my remarks. It is from the Bureau of Customs and is dated May 6, 1958.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TREASURY DEPARTMENT,
BUREAU OF CUSTOMS,
Washington, May 6, 1958.

Hon. RALPH YARBOROUGH,
United States Senate,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: In response to your request there are quoted below pertinent portions of the Bureau's letter of June 13, 1955, file No. 418.114, pertaining to the classification of certain petroleum products. This information is being furnished with the understanding that it will be used for official purposes only:

"Reference is made to your letter * * * relative to the classification and dutiable status of certain 'distillates' or 'liquid derivatives' of petroleum to be imported from Venezuela and Kuwait * * *.

"It has been reported that from time to time there are produced from the crude petroleum processed in the topping units located in Venezuela and Kuwait distillates which are not salable as finished products. The intention is to import these liquid derivatives of petroleum.

* * * * *

"The statement has been made that the chief use of these materials is not gasoline or other motor fuel and that the principal reason therefor is the low research octane number. Each of the imported products, it has been reported, would require, and would undergo further processing after importation or blending with other materials, in order to convert them into gasoline or other motor fuel. The processing has been indicated as redistillation, stabilization, and reforming.

"On the basis of a study of the properties of gasoline or other motor fuels being marketed in the United States at present, the conclusion has been reached by you that any material having an octane number by the research method (ASTM D908) of less than 65 is not generally usable in the United States as motor fuel. Reference was made to Bureau of Mines Report on Investigations 5041, entitled 'National Motor-Gasoline Survey, Summer 1953.'

"The questions are whether the products in question are entitled to entry free of duty under paragraph 1733, Tariff Act of 1930, as distillates, not specially provided for, obtained from petroleum (including gasoline), and whether such products are subject to import tax under the provisions of section 4521, Internal Revenue Code of 1954, as 'Gasoline and other motor fuel,' at the reduced rate of 1¼ cents per gallon, or as other liquid derivatives of crude petroleum dutiable at the reduced rate of one-fourth cent per gallon.

"In the court case cited by you, *California Oil Company* v. *United States* (C. D. 1442), the product in question had been described on the invoices as 'Blending Gasoline.' The court in that case held that the term 'motor fuel' as used in section 3422, Internal Revenue Code, was a designation by use and that the evidence amply established that it was not classifiable as 'motor fuel.' With respect to the term 'gasoline' in that same section of the Internal Revenue Code, the court indicated it was of the opinion that the legislative intent was, 'to confine or restrict the tax imposed upon 'gasoline' only to motor fuel gasoline, i. e., gasoline used in motor fuel; in effect making it a designation by use.'

"It has been noted that the Bureau of Mines Report of Investigations 5041, 'National Motor-Gasoline Survey Summer 1953,' shows from the surveys made in various areas that the minimum octane number by the research method (ASTM D908) of 'motor-gasoline' sold was 76.3.

"The Bureau is of the opinion that the 'Crude Kuwait Export Distillate,' 'Crude Venezuela Gasoline Blending Stock,' and 'Crude Venezuela Naphtha Cracking Stock' are classifiable free of duty under paragraph 1733, Tariff Act of 1930, as distillates, not specially provided for, obtained from petroleum. On the basis of the decision of the court in C. D. 1442 and the evidence of record indicating that the chief use in the United States of the products in question is not for motor fuel, it is also the opinion of the Bureau that these products, having an octane number by the research method (ASTM D908) of less than 65.0, are subject to import tax at the reduced rate of one-fourth cent per gallon under section 4521, Internal Revenue Code of 1954, as other liquid derivatives of crude petroleum, except lubricating oil and gasoline or other motor fuel.

"In order to insure that the merchandise will be so classified at each port at which it may be entered, this decision is being circulated to all customs collectors, appraisers, and comptrollers through the Customs Information Exchange."

Very truly yours,

D. B. STRUBINGER,
Acting Commissioner of Customs.

Mr. YARBOROUGH. I merely wish to point out, in connection with the letter, that the quoted part is taken from a letter to an unnamed oil company, which the Bureau declines to name, but which the Oil and Gas Journal identifies as Gulf Oil.

Under this strange two-headed ruling of the Government, the people who suffer are the taxpayers, and the producers of oil in America. In short, everyone suffers except the company which benefits from this hydra-headed ruling.

Mr. President, I call for a complete investigation of this oil import question by an appropriate committee of the Senate. I also urge at this time passage of my bill to raise the import prices on oil and on gasoline imported into this country. The bill I introduced some weeks ago provides for a duty of 84 cents a barrel on crude oil. That bill provides for a tariff of 2 cents a gallon on refined gasoline, and in that way it would apply fairly and equally across the board. It would not benefit a company to get one of those fish or fowl rulings, under which one bureau would call it crude oil and another would call it gasoline, even though it is the same product.

As I pointed out previously, the tariff would not stop the importation of foreign oil. It would not be a prohibitive tariff. We would not try to use it as a gimmick to completely stop the importation of foreign oil. There certainly should be, however, some recompense to our Nation for the fleets that we put on the high seas which protect these companies, and they ought to be willing to bear something for the protection they receive from the American flag.

Whether my bill to apply a fair tax on the oil receives favorable consideration or not, Mr. President, our Government owes to every citizen the duty of honest dealing. The Government asks certain requirements of business, which business must meet. Certainly the Government ought to operate in the open.

The Government owes an obligation to open and above-board dealing with its citizens and its taxpayers. It owes an obligation to pull these secret, most-favored company rulings out of the dark recesses of the bureau drawers in which they are hidden, and to let the American people see them. Let us have some fair dealings on the oil imports.

Woodrow Wilson once pleaded for open covenants openly arrived at in dealing with foreign nations. It is even more important that there be open covenants openly arrived at when bureaus and quasi-judicial agencies and various administrative agencies promulgate rules which have an effect on the life of the American people. All rulings should be out in the open.

Mr. President, I repeat my request that the matter be investigated by the appropriate committee of the Senate, to determine which governmental agency is in error, and whether one governmental agency knows what the other one is doing; whether the right hand knows what the left hand is doing. Let us tell Mr. Carson what the Collector of Customs is doing, and let us tell the Collector of Customs what Mr. Carson is doing. Let us have a government for all the people, administered alike for everyone.

These rulings are public laws, not private laws of a bureau. It is not a private deal between the Bureau of Customs and an oil company. All the American people are entitled to know what the situation is. All the American people are entitled to the information, and certainly it should not be kept secret in a letter. When I finally obtained this information from the Bureau of Customs in the form of a letter, the letter said, "This information is being furnished with the understanding that it will be used for official purposes only."

I am using it for official purposes, Mr. President; I am asking for an investigation of this inconsistent private decision making.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, May 7, 1958, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 1062. An act for the relief of Maud Claer Wahl;

S. 1578. An act for the relief of Hovhannes H. Haidostian;

S. 1943. An act for the relief of Norma Josephine Hodges Dowd;

S. 2166. An act for the relief of John J. Griffin;

S. 3050. An act to increase the equipment maintenance allowance for rural carriers and for other purposes; and

S. J. Res. 168. Joint resolution authorizing the President to issue a proclamation calling upon the people of the United States to commemorate with the appropriate ceremonies the one hundredth anniversary of the admission of the State of Minnesota into the Union.

ADJOURNMENT

Mr. MANSFIELD. Mr. President, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 50 minutes p. m.) the Senate adjourned until tomorrow, Thursday, May 8, 1958, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 7, 1958:

Arthur S. Flemming, of Ohio, to be Secretary of Health, Education, and Welfare.

IN THE REGULAR AIR FORCE

The following-named persons for appointment as permanent professors of the United States Air Force Academy, under the provisions of section 9333 (b), title 10, United States Code:

Col. Peter R. Moody, 8884A.
Col. William T. Woodyard, 4827A.

The following-named persons for appointment in the Regular Air Force, in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of title II, Public Law 737, 84th Congress (Armed Forces Regular Officer Augmentation Act of 1956), with a view to designation, under section 8067 of title 10, United States Code, to perform the duties indicated:

To be lieutenant colonel, USAF (Judge Advocate)

Robert R. Renfro, AO308939.

To be majors, USAF (Judge Advocate)

Charles L. Bauer III, AO1010343.
George G. Weston, AO377540.

To be majors, USAF (chaplain)

Frank H. Noll, AO649253.
Martin J. Stein, AO443949.

To be majors, USAF (Medical Service)

James E. Ewing, AO1543141.
Charles J. Stefka, AO2048497.
Stanley B. Westort, AO2049336.

To be captain, USAF (chaplain)

Samuel G. Powell, AO2255903.

To be captain, USAF (Medical Service)

Robert E. Lindner, AO2213731.

To be first lieutenant, USAF (Medical Service)

Dominic C. Scolaro, AO3002314.

The following persons for appointment in the Regular Air Force, in the grades indicated, under section 8294 of title 10, United States Code, as modified by section 1 of the act of April 30, 1956, chapter 223 (70 Stat. 119), with a view to designation, under section 8067, of title 10, United States Code, to perform the duties indicated, and with dates of rank to be prescribed by the Secretary of the Air Force:

To be captain, United States Air Force (Medical)

Paul F. Nugent, Jr., AO3041873.

To be captains, United States Air Force (Dental)

Robert H. Gilliam, AO3043769.
Joseph E. Maybury, AO2261609.
Harold E. Schutt, AO779237.
William J. Takacs, AO3043048.

To be first lieutenants, United States Air Force (Medical)

Elmer C. Carlson, AO3078135.
William R. Cowan, AO3078208.
John R. Eason, AO3075033.
George M. Dahnke, AO3078050.
Arthur N. Gabriel, AO3088521.
James E. Huston, AO2248483.
Tracy L. Kobs
Richard N. Lucas, AO3075231.
Amedeo L. Mariorenzi, AO3076100.
Robert V. O'Toole, Jr., AO3074981.
Herschel R. Phelps, Jr., AO3075229.
Allen D. Unvert, AO3074991.

To be first lieutenants, United States Air Force (Dental)

Robert Aronovitz	Karl H. Koenig
William C. Binzer	Donald B. Larson
Raymond T. Bond, AO3078503	Douglas M. Levy
	Edward K. Lew
John E. Carey	James E. Nadeau
Dante A. DeAngelo	Fernando A. Oliver
Jacques A. deLorimier	Howard A. Oser
Robert M. DuBois	James E. Richardson
Joseph S. Ellison	John S. Rushton
Llewellyn T. Flippen	Antonio M. Sanchez, AO3020985
Rodman R. Goltry	
Ben Harris	Harold J. Schaaff
Leonard G. Jewson	Richard P. Westin

The following-named persons for appointment in the Regular Air Force, in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 8291, title 10, United States Code, with a view to designation for the performance of duty as indicated, under the provisions of section 8067, title 10, United States Code:

To be captains, United States Air Force (Nurse)

Josephine V. Collings, AN762424.
Eileen Farrell, AN2214354.
Claire M. Garrecht, AN762338.

To be first lieutenants, United States Air Force (Nurse)

Helen Bruno, AN2214521.
Lilith J. Daniels, AN901836.
Margaret R. McGregor, AN2243841.
Dorothy R. Novotny, AN2243332.

To be second lieutenant, United States Air Force (Nurse)

Helen E. Hause, AN3075623.

The following-named persons for appointment in the Regular Air Force, in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of title II, Public Law 737, 84th Congress (Armed Forces Regular Officer Augmentation Act of 1956):

To be majors

Fay G. Adams, AO774451.
Sterling R. Alford, AO825075.
Arthur E. Allen, AO718207.

Carmon M. Anderson, AO547959.
William C. Anderson, AO718840.
Gustav R. Apai, AO795333.
Donald L. Barrett, AO771883.
Rodney R. Barto, AO671257.
John R. Bean, AO826854.
Joseph W. Bell, AO672749.
Roland L. Bell, AO860898.
Beasley W. Bennett, AO814224.
Karl Y. Benson, Jr., AO433451.
James L. Blackburn, AO664499.
John H. Blakelock, AO546157.
Frank A. Blase, AO827148.
Joseph C. Bogert, AO353342.
Stanley J. Boren, AO2056220.
Alan D. Briggs, AO815064.
George J. Busher, AO1702969.
Edgar M. Byers, Jr., AO670085.
William L. Byrom, AO586568.
Charles G. Campbell, AO421037.
Tilmon B. Cantrell, AO764217.
Eugene E. Carroll, AO722226.
Charles D. Centers, AO869394.
James S. Cherry, AO722557.
Raymond M. Christy, AO795910.
Leo J. Clark, AO586000.
Wallace C. Cline, AO429604.
Ellwood E. Collins, AO733533.
William H. Cooper, AO720445.
Robert A. Corrigan, AO401576.
Harold G. Cowan, AO735751.
David M. Crabtree, Jr., AO287848.
Harold L. Crispi, AO760794.
Charles R. Croner, AO737011.
Henry Dana, AO749831.
Charles H. Davis, AO1699303.
Sidney R. Davis, AO1994585.
Charles R. Dawson, AO718572.
Samuel P. Denmark, AO801674.
Joe D. Denson, AO673331.
Francis H. Dolan, AO771343.
Carroll H. Donnell, AO870419.
Ed Dotherow, AO582017.
Richard W. Dunham, AO825807.
Guy B. Dunn, Jr., AO718589.
Edward A. Dvorak, AO719836.
Charlie C. Eby, AO586062.
Walter E. Echelberger, AO586063.
Don F. Fair, AO2043125.
Roy L. Ferguson, Jr., AO822032.
James C. Fitzpatrick, Jr., AO857844.
James B. M. Fowle, AO756533.
Frederick W. Fowler, AO814283.
Leo G. Fradenburg, AO789987.
Andrew W. Freeborn, AO721926.
Wilson S. Freesland, Jr., AO799001.
Jack W. Gabus, AO434740.
Owen F. Gent, AO571766.
Clarence R. Glasebrook, AO708892.
William H. Grabowski, AO869803.
Edgar B. Gravette, AO432130.
John A. Green, AO870070.
Paul E. Grondin, AO718292.
Roger J. Groseclose, AO772349.
Brian S. Gunderson, AO886230.
Benjamin W. Hansen, AO776293.
Charles G. Hart, AO722242.
Henry C. Howard, AO869902.
Ralph C. Hutto, Jr., AO572116.
Joe M. Jackson, AO803014.
Lyle L. Jewell, AO830470.
Raymond E. Johnson, AO826987.
Glenn W. Jones, AO733657.
Austin A. Julian, Jr., AO716162.
John P. Kelly, AO649366.
Marion C. Kelly, AO720721.
John W. Kreitz, AO827009.
Milford C. Kronshage, AO774687.
Vinston E. Larson, AO880577.
Carlton L. Lee, AO432634.
Joseph W. Lentine, AO515157.
Edward J. Lodell, AO561529.
Earl L. Lupton, Jr., AO768149.
Charles W. Marshall, AO827873.
Ralph E. Martin, AO769883.
Robert C. Marx, AO719209.
Wallace G. Matthews, AO433879.
Gilbert E. Mayeux, AO559246.
William J. McGinty, AO2045085.
Vincent H. McGovern, AO825930.
Joseph M. McPhie, AO776849.
Joseph A. Mentecki, AO825671.
James W. Miller, AO715093.
Armand L. Monteverde, AO481199.
Albert L. Morgan, Jr., AO1105036.
Delmer L. Morgan, AO771491.
Allan L. Morrison, AO721840.
Alfred M. Neal, AO774734.
William S. Neighbors, AO549024.
Joseph W. Newby, AO870019.
Edward P. Noordyk, AO805964.
William M. Norton, Jr., AO389790.
James E. Ogle, AO549225.
Wilks E. Patterson, AO807780.
Ernest Perrez, AO723672.
Ralph L. Peters, AO1702897.
Fred A. Pierce, Jr., AO666813.
Frank J. Pietryka, AO582245.
Clair W. Potter, AO815757.
John V. Powers, AO575938.
James V. Prewett, AO775119.
Harold L. Price, AO437222.
Owen E. Radcliff, AO716242.
Charles S. Rathbun, AO545618.
William L. Ross, AO728738.
Bruce W. Rowlett, AO803469.
Richard S. Russell, AO792310.
Paul R. Ryland, AO719515.
Joseph C. Secino, AO812157.
James H. Seely, AO771551.
Jack Sides, AO763011.
Vernon O. Snead, AO874464.
William G. Sproull, AO775172.
Harold A. Strack, AO814433.
Irwin R. Stuhr, AO668157.
Jesse F. Swan, AO870588.
Paul H. V. Swanson, AO441042.
Eloy H. Trujillo, AO1702957.
Jimmey M. Tumbleson, AO813088.
Otto Wagner, Jr., AO719479.
Gilmer E. Walker, Jr., AO396494.
John R. Walker, AO720970.
William F. Weaver, AO585328.
James G. White, AO430005.
Robert D. Williams, AO827100.
Frank W. Wilson, AO579684.
R. M. Winn, AO663114.
John L. Wolffe, AO564664.
Peter P. Zwarych, AO827338.

To be captains

Charles R. Abel, AO1905026.
Joseph J. Agosta, AO1905339.
Mario A. Alfano, AO1910818.
Arthur J. Alley, AO1860091.
Clifford Allison, Jr., AO842656.
Laurence L. Allred, AO2089059.
Frank B. Amado, Jr., AO2031975.
Lyle D. Antrobus, AO2221713.
George W. Bailey, AO2074313.
Marion H. Baker, AO1912348.
Rodman W. Barnes, AO1907639.
William R. Barrett, AO774471.
Thomas C. Bass, AO840698.
Thomas J. Beardslee, AO1849910.
William H. Bennink, AO2066622.
Wallace S. Berg, AO1910829.
David H. Blakley, AO1863171.
Billy F. Blankenship, AO1910831.
Albert B. Blankinship, AO1903344.
Victor H. Bolado, AO1903826.
Thomas W. Boles, AO2091020.
Marvin A. Borgeson, AO1540448.
Edmond J. Borkowski, AO1850199.
Eugene C. Borowski, AO2221714.
Robert S. Bounds, AO1857447.
Clifford R. Bowen, AO1905783.
Howard L. Bowman, AO2221652.
Vernal L. Bracken, AO2015597.
Kenneth W. Breeding, AO943215.
Jack N. Brown, AO1850145.
John D. Brown, AO2085667.
Max A. Buettgenbach, AO816416.
Theodore W. Buhler, AO1855552.
Donald J. Burch, AO1866095.
George Burgess, AO2230698.
Robert L. Burns, AO943593.
Raymond A. Burri, AO938094.
Harry L. Bush, AO2221599.
Jack Bushling, AO1862924.
Henry C. Bussell, AO943377.
Robert C. Butts, AO1852905.
Gustave A. Canon, AO1912353.
Robert J. Capstraw, AO1855122.
Richard R. Caraher, AO2064748.
Thomas J. M. Cardwell, AO1846658.
William A. Carell, AO1859506.
Howard F. Carlson, AO2071116.
John H. Chapman, AO2099534.
James R. Clance, AO1910844.
Donald M. Clelland, AO2215009.
Allen R. Click, AO942009.
Jack G. Coblenz, AO2221770.
Kriebel N. Collins, AO2073483.
Laurence B. Compton, AO787121.
Kenneth H. Conley, AO946398.
John M. Connolly, Jr., AO1858925.
Charles B. Copas, AO1910849.
Daniel G. Corcoran, AO2221663.
Dominick J. Corea, AO1848080.
Paul P. Correll, AO2088886.
Ernest P. Couture, AO2094995.
Gordon E. Cowan, AO1854288.
Dayton C. Cramer, AO940687.
George R. Crane, AO2081002.
Solon R. Crouch, AO839357.
Enoch Crump, AO942072.
Robert C. Culp, AO2068957.
Arthur E. Darlington, AO1848963.
Benjamin W. Davies, Jr., AO1866147.
John E. Davis, AO2221605.
David H. Deans, AO1860080.
Francis J. Deuschle, AO1903504.
Arthur F. Diehl, Jr., AO946119.
Donald S. Dodge, AO2071453.
Harry B. Doolittle, AO1857236.
Bobby J. Dunagan, AO2221667.
John H. Duncan, Jr., AO2090005.
Norman E. Duquette, AO2221717.
Lawrence H. Duval, Jr., AO2221668.
Gerald J. Dye, AO1905206.
Clifford A. Eggleston, AO2221669.
Henry A. Egierd, AO1851690.
Walter Eiflein, Jr., AO 847042.
Robert C. Elliott, AO2089854.
Stewart E. Elliott, AO1910861.
James C. Engle, AO1853845.
Henry E. Erwin, Jr., AO2091928.
Travis R. Etheridge, AO2221718.
Douglas C. Evans, Sr., AO787130.
Quintin H. Evans, AO938268.
William E. Fagan, AO2064150.
Robert H. Farley, AO763133.
Leroy Faulkner, AO1857701.
Lawrence R. Fierro, AO942397.
Julian A. Fincher, AO1851109.
Delbert L. Fisk, Jr., AO784321.
Marvin L. Fluitt, AO838531.
George A. Fox, AO770625.
Robert J. Frisch, AO829841.
Hubert K. Funseth, AO1852686.
Bill J. Garrett, AO1907644.
Robert M. Garrison, AO942626.
Edward C. Gatz, AO943109.
John J. Gaudion, AO1853540.
Lee R. Gaynor, AO1852805.
Bryan E. Giesler, AO2221583.
John B. Gipson, AO1864405.
Carl R. Gipson, AO1912337.
William J. Gleason, AO2214863.
Donald T. Glenn, AO2075864.
James E. Graham, AO2081958.
Vernon F. Greene, AO1847545.
William I. Greener, Jr., AO722843.
William A. Gribble, AO939557.
Herman R. Griese, AO2089755.
Hays F. Griffin, AO1912355.
William C. Griffith, AO810359.
Edward J. Guider, AO842026.
Harold H. Haas, AO1863004.
William W. Hall, AO774138.
Robert M. Hammann, AO761240.
Henry L. Hammond, AO1849486.
Jim E. Hammons, AO1859510.
Royal M. Hanning, AO1856157.
Edward R. Harris, AO1851686.
Gilbert A. Hart, AO1912356.
Millard C. Hartley, Jr., AO1858931.
James H. Hartline, AO1907294.
Edwin J. Hatzenbuehler, Jr., AO1858990.
David J. Hay, AO2221614.
Jack R. Hay, AO1907531.
James W. Head, AO1907329.
James W. Heasman, AO2094013.
William M. Henderson, AO702044.
Buster A. Hickle, AO1903879.

John J. Hill, AO1849342.
Stephen D. Hillard, AO2101798.
Francis J. Hoffman, Jr., AO1851937.
Jack F. Hogan, AO1702879.
Clarence H. Hoggard, AO2221724.
James C. Holler, Jr., AO941948.
Frank J. Hollingshead, AO2214745.
Arnold S. Hooks, Jr., AO1856668.
Howard C. Horton, AO941626.
Vincent Huebinger, AO1856162.
Edward C. Huffman, AO1856397.
Eric W. Hutchison, AO722089.
Charles D. James, AO2214855.
Bruce D. Jennings, Jr., AO2087168.
Rudolph Joganich, AO1910892.
Richard E. Johnson, AO2221585.
William J. Johnson, AO776665.
Paul J. Johnston, AO2069030.
Hubert K. Jones, Jr., AO1903947.
Richard E. Jones, AO941034.
Calvin J. Kadous, AO1907612.
John F. Kalb, Jr., AO1854536.
Lawson L. Kamerman, AO947828.
Govind S. Karki, AO1860468.
Robert F. Keables, AO1910895.
Russell F. Kelly, AO2215134.
Bertha W. Kenly, AL1910896.
Albert E. Kern II, AO1853429.
Clarence E. Kerr, AO938735.
Clifford B. Kiah, AO788213.
Charles J. Killelea, AO1905650.
Frank H. King, AO1559207.
LeRoy J. King, AO1859129.
Ronald R. King, AO1852786.
Dale C. Kingsbury, Jr., AO945451.
Floyd W. Kirkland, AO1540527.
Ramon L. Koenig, AO2221730.
Richard F. Konaszewski, AO941576.
Eugene J. Kranake, AO1851828.
John M. Kresl, AO2221561.
Cyril R. LaFrancis, AO2098541.
Norman L. Lair, AO931584.
Donald L. Langhorne, AO1863873.
George P. Lavoie, AO2029233.
Wendell B. Lawrence, AO1863494.
Loren J. Layman, AO786136.
Norman S. Leas, AO1910908.
Anthony Leman, AO937516.
William P. Lemoine, Jr., AO1907564.
William E. Lewis, AO1851013.
William H. Lewis, AO740476.
Richard C. Lilygren, AO1904175.
Jesse P. Lindo, Jr., AO2221618.
Robert C. Lorenzen, AO929518.
Harry C. Long, AO940283.
Herbert N. Long, AO1862680.
Thomas R. Loosmore, AO1903415.
Clyde J. Lucas, AO1910911.
John H. Ludwig, AO1858998.
John M. MacCallum, Jr., AO1849956.
Floyd E. McCartie, AO1854857.
William M. Mack, AO942683.
Ernest Madril, AO2214995.
Alford M. Major, Jr., AO814104.
John A. March, AO2033161.
Carmen A. Marguglio, AO1910914.
Frank R. Marshall, Jr., AO714952.
Joseph A. Martini, AO2214782.
Rawlinson M. Massey, AO1854350.
James R. Maxwell, AO1686419.
William O. Mayfield, AO1849715.
Donald B. McBride, AO1849653.
Keith E. McClain, AO1857821.
Lewis E. McDonald, AO2057718.
Douglas C. McDougal, AO1848311.
Carl W. McKenzie, AO939152.
Eugene A. McKenzie, AO940578.
Bob McLucas, AO816905.
James A. Mellin, AO1905662.
Delvin H. Meyer, AO1848342.
John H. Miller, AO1852922.
William H. Montgomery, AO781019.
Eldon W. Morris, AO1849505.
Emerson E. Morris, AO1910920.
Robert L. Murdy, AO2214685.
Miles G. Murphy, AO2095681.
John V. Murray, AO1854853.
Fred B. Myers, AO1846669.
Aram J. Nahabedian, AO822062.
Robert A. Newhall, AO1849229.
Phillip A. Norton, AO2221738.
William E. Nunnery, AO939626.
Robert L. Okuly, AO940560.
Wayne H. Omo, AO823448.
Paul D. Orwoll, AO2215029.
Jack L. Parber, AO940729.
Grover P. Parker, AO769920.
LeRoy S. Paul, AO1910930.
John Paydo, Jr., AO1853811.
William F. Perry, AO1852042.
Joseph J. Phillips, AO1847509.
Howard J. Pierson, AO1865541.
Robert R. Pijanowski, AO1852989.
Delbert L. Pilcher, AO2098747.
George F. Pinney, AO1905304.
Joseph J. Plitnick, AO1905668.
Bill E. Polasek, Jr., AO1904618.
Charles F. Porter, AO1910934.
Roy Potochnik, AO2067969.
Theodore W. Quandt, AO2221696.
Donald P. Raymond, AO692888.
Ervin F. Rees, AO942782.
Sylvester G. Renner, Jr., AO1910937.
Walter A. Renelt, AO2221697.
John F. Rhemann, AO1859009.
Russell H. Rice, AO1858899.
John W. Richards, AO1903787.
Kenneth M. Richardson, AO2221698.
Roger M. Rickey, AO2069122.
Donald S. Robb, AO2088961.
William E. Robertson, AO945065.
Walter A. Robinson, AO1856046.
Richard R. Robison, AO1904037.
William A. Rogers, AO1854768.
Clarence R. Roper, AO1848805.
Donald M. Rowland, AO1858693.
James P. Rozar, AO1856995.
Daniel W. Russell, AO1850505.
James B. Sanders, AO1848642.
Menno R. Saunders, AO1866100.
George R. Savage, AO2221629.
Harry J. Savoy, AO1851093.
George W. Schatzman, Jr., AO1910940.
Ernest A. Scheerer, AO2033225.
Charles A. Schindler, AO940491.
Otto F. Schwanke, Jr., AO786187.
Leon C. Seale, Jr., AO2221751.
Edward G. Sedivec, Jr., AO942834.
Curtis S. Seebaldt, AO727270.
Charles E. Seiler, Jr., AO1903913.
Jimmy K. Self, AO1855802.
Robert L. Sellers, AO1855773.
Harris Sentir, AO944199.
James J. Shannon, Jr., AO1848632.
Robert E. Shrider, Jr., AO1864042.
Glenn R. Sloan, AO1865840.
Claris A. Smith, Jr., AO929903.
Eugene A. Smith, AO1859120.
Robert W. Smith, AO2092960.
Ronald W. Smith, AO558527.
Sammy E. Smith, AO1853129.
Nile A. Sorenson, AO1857576.
Melburn C. Spaulding, AO938627.
Kent C. Spears, Jr., AO2082151.
Jess F. Stanley, AO1910947.
Jack M. Steger, AO1856357.
Ted Steig, AO1865546.
Robert W. Steiner, AO1910948.
Richard H. Stevens, AO2084448.
Donald W. Stewart, Jr., AO2217606.
David L. Stiles, AO1855910.
Warren K. Stobaugh, AO1855417.
Hervey S. Stockman, AO691195.
Michael J. Sverha, AO2221704.
Mack D. Sweeney, Jr., AO1864558.
James W. Sweesy, AO876421.
Robert E. Tarrant, AO1866249.
Clyde T. Taylor, AO1855636.
Victor D. Taylor, AO769199.
Clifford J. Teegarden, AO1905965.
Will R. Thomas, Jr., AO2204716.
Leslie G. Tingle, AO1904638.
Robert E. Townley, AO944231.
William F. Truitt, AO932023.
Myron D. Ulrich, AO2221640.
Wayne D. Vogt, AO1910958.
Donald C. Wallace, AO954740.
James L. Walls, AO2221642.
Calvin C. Warren, AO1910961.
James Warrington, AO945516.
Michael G. Wassil, AO2056143.
Chester R. Wassom, AO1857107.
Ervin R. Watson, AO1696787.
Harold B. Watson, AO2221707.
Jerry F. Watson, AO935960.
Harvey C. Weaver, AO2221763.
Russell E. Weaver, Jr., AO1850861.
Eldon R. Weehler, AO2100218.
George L. Weiss, AO1858763.
Jack H. Welsch, AO2081666.
Charles O. Weltz, AO1860130.
Glenn H. West, AO784815.
Hudson T. West, AO1907568.
Jackson R. Whisnant, AO1912347.
Benjamin L. White, AO1858948.
Ernest J. White, AO1905652.
Kenneth J. White, AO2029968.
Stanley R. White, AO1859015.
Donald W. Whittingham, AO785542.
Albert L. Wile, AO1858958.
Jackson B. Williams, Jr., AO1910963.
James R. Williams, AO1853169.
John E. Williams, AO1848781.
Thomas C. Wilson, AO1857357.
William E. Wilson, Jr., AO1910966.
Warren J. Winters, AO1858520.
Victor H. Wirta, AO944739.
Joseph H. Wise, Jr., AO2217482.
Leon K. Wolfe, Jr., AO1854170.
Robert M. Wolliver, AO781489.
Robert S. Wood, AO2214885.
Robert F. Woods, AO2221711.
Glenn R. Wyrick, AO782097.
Charles Yoast, AO945106.
George J. Young, Jr., AO935787.
Louis D. Yuhas, AO2015155.
Charles J. Zemple, AO945155.
Nicholas F. Zunic, Jr., AO1853953.

To be first lieutenants

James W. Allbritton, AO2206571.
Norma A. Archer, AL3008659.
John F. Beran, AO3036344.
Daten O. Bourn, AO3038895.
Eric J. Brister, AO2211311.
Eugene B. Brock, AO3008667.
Ronald G. Burke, AO2209660.
Eugene M. Bushong, AO2237544.
Keith M. Cain, AO3039683.
Stephen C. Callahan, AO3011096.
Jerry L. Chipman, AO2211735.
James R. Clark, AO3039443.
Arlie R. Conner, AO2211209.
John T. Cornelius, AO3012796.
Walter D. Cooke, AO3009166.
John C. Cowan, AO3039371.
Henry E. Crampton III, AO3039372.
Gary D. Crawford, AO3039444.
Gordon I. Dahl, AO2211455.
Richard M. Dalton, AO2211428.
William L. Daugherty, AO2210668.
John O. Dellamorte, AO3038986.
John J. Denice, AO3030637.
Henry J. Dickman, Jr., AO2207755.
William H. E. Doole, AO2210574.
Stanley Doscher, AO3008679.
John J. Doyle, AO2210858.
John J. Duffy, Jr., AO2209798.
Holbrook B. Dupont, AO3038647.
Norman R. Edgar, AO3039449.
Donald E. Elliott, AO3008680.
Arthur D. Enty, AO2209800.
Eldon C. Ermel, AO2211356.
James L. Flood, AO3040081.
Daniel J. Foley, Jr., A3040082.
Paul K. Foley, AO3039531.
George C. Forstner, AO2211013.
William H. Fox, AO2210113.
Wayne M. Fullmer, AO3039309.
Elmer Funderburk, Jr., AO2210704.
Ernest G. Gilbert, A3008685.
Wallace D. Girling, AO3038583.
James A. Gravette, AO2206503.
Harold D. Gray, AO2211265.
Edwin L. Greenwood, AO2211351.
Harold L. Groves, AO3039264.
John W. Hale, AO3038762.
Jimmie R. Hall, AO2211070.
Hugh D. Hallidy, AO3038871.
Charles D. Ham, AO1905479.
James R. Harding, AO2211433.
Norman J. Harold, AO3039207.
Jackson D. Harper, AO3030883.
Basil V. Harrington, AO3038824.
Donald F. Heisel, AO3038963.

Bobby L. Henning, AO3039459.
Robert A. Hewston, AO2210006.
Benjamin F. Hill, Jr., AO3008699.
James O. Hivner, AO3038998.
William A. Hobgood, AO3039699.
Newton H. Hodgson, Jr., AO3038714.
David A. Hunt, AO3039585.
Thomas P. Hunt, AO2210420.
David D. Igelman, AO4018053.
Raymond F. X. James, Jr., AO2210328.
Robert E. Johnson, AO2211581.
Simon R. Jones, Jr., AO2211202.
LeRoy A. Joos, AO3038833.
Dale V. Kapka, AO3008705.
James M. Karth, AO3039538.
Kenneth L. Kerr, AO3039539.
Harold G. Kimball, AO2211984.
Carl W. King, AO3032952.
Earl R. King, AO2211972.
Peter A. Konneker, AO2211051.
Edwin J. Labadie, AO2211709.
William E. LaBranche, AO3038878.
Thomas D. Lambert, AO2209634.
Robert D. Larsen, AO2211368.
Ronald L. Laughlin, AO2211353.
Gerald L. Lawhon, AO3039397.
Sterling H. Lee, AO3039541.
Donald D. Leffler, AO3038181.
William P. Lemmond, Jr., AO2209984.
John C. Lewis, AO3039758.
Robert C. Lind, AO3032978.
Leland K. Lukens, AO3039010.
Carl A. Mansperger, Jr., AO2212070.
Ronald L. Markey, AO2211266.
Wendell H. Massengale, AO2207345.
Robert E. Matthew, AO3038880.
Dana L. Melroy, AO3033005.
Edward P. Merkle, AO3032816.
James R. Metcalf, AO2210905.
Robert D. Miller, AO3039663.
Andrew D. Mitchell, AO2211519.
Charles F. Moore, AO2211614.
Charles E. Morgan, Jr., AO3030237.
Delbert R. Motal, AO3039276.
Albert F. Muller, AO2210163.
Theil S. Naegle, AO2210939.
Robert W. Newcomer, AO3039153.
Alva B. O'Brien, AO2210468.
Paul R. Oeser, AO2210116.
John T. O'Neill, AO3039664.
William E. Overacker, AO2211291.
Eugene F. Paquette, AO3039605.
Richard N. Park, AO3039856.
Harry Pawlik, AO2210411.
Larry C. Pfeiffer, AO3026676.
Orlan T. Phillips, AO3009088.
Charles L. Pocock, AO2211304.
David L. Porter, AO3031181.
Albert A. Ramey, AO3026604.
Worthie M. Rauscher, AO3039917.
Edward S. Reed, AO3008740.
Norman E. Reed, AO3026631.
Lloyd Reeder, AO2210255.
Joseph W. Reynolds, AO2211305.
John D. Ritenour, AO3039096.
Clifford K. Roberts, AO2211641.
Gilbert A. Robertson, AO2211684.
John K. Robinson, AO2210388.
Wilbur L. Robinson, AO3008744.
Philip C. Rogers, AO2211616.
Stuart A. Roosa, AO3039337.
William O. Rothlisberger, AO3039479.
Arthur Sargent, Jr., AO2210003.
Gerald C. Schirmer, AO3039480.
Martin R. Scott, AO2209851.
John D. Shacklock, AO3039339.
Philip J. Sicola, AO3008751.
Gordon W. Smith, Jr., AO2210473.
Lee E. Smith, AO2211488.
John W. Snider, AO3038853.
Harry Solomon, AO2210527.
Marvin G. Spallina, AO3031305.
Marvin E. Speed, AO2210774.
Jon G. Speer, AO2209716.
Russell K. Sprague, AO3039087.
Richard M. Springer, AO2209674.
George F. Stewart, AO3032636.
Roland J. Stone, AO3038856.
Alfred F. Story, AO3039924.
George E. Strebeck, AO3039173.
Harry F. Strohecker, AO3038195.
John C. Sullens, AO2211913.
John E. Swafford, Jr., AO3008762.
Dorsey J. Talley, AO3039926.
Ralph C. Taylor, AO3038944.
Harold J. Thabet, AO2211774.
David W. Thomas, AO3039285.
Jack E. Thompson, AO3039245.
Ray G. Thompson, AO2211238.
Raymond E. Thompson, AO2211470.
Thurston A. Thompson, AO3008763.
William C. Thompson, AO2209951.
James V. Thorp, AO3040113.
James A. Tillotson, Jr., AO3026487.
John R. Tomlinson, AO3039928.
Marvin T. Travis, AO3030169.
James M. Tsuda, AO3039875.
Donald J. Tubb, AO2211976.
Hugh A. Turner, AO3039771.
Edward F. Tyndall, AO3038945.
Joseph H. Valley, Jr., AO3039355.
Robert E. Wallace, Jr., AO3040118.
Donald C. Williams, AO3039178.
John L. Winkler, AO3039289.
Donald K. Winston, AO3008770.
Don F. Winters, AO3039092.
Ronald E. Wortham, AO2210012.
Myron L. Wyman, AO3008771.
Jerry L. Yeager, AO2210578.

Distinguished officer candidate graduates to be second lieutenants

Thomas J. Brennan, Jr., AO3087761.
Hermann Haertel, AO3087802.
Richard J. Mustico, AO3087834.
Russell H. Pentz, AO3087845.
Daryl E. Tonini, AO3087881.

The following-named midshipmen, United States Naval Academy, for appointment in the Regular Air Force, in the grade of second lieutenant, effective upon their graduation, under the provisions of section 203 (e) Public Law 737, 84th Congress (Armed Forces Regular Officer Augmentation Act of 1956). Date of rank to be determined by the Secretary of the Air Force:

Richard Charles Abel
Jackie Conrad Accountius
Keith Eugene Aiken
David Crawford Anderson
David Phillips Arneson
Albert Louis Barbero
Robert Bingham Bargar
Bruce L. Barnheiser
George Thomas Bauer
Richard Lee Binford
Gerald Arthur Blake
Charles Patrick Boyle III
John Bruce Bradley
Ronald Ellis Brence
Edward Talbott Britton III
Harry Way Brown III
William Micheal Brown
John Robert Bruce
James Lawrence Buchanan II
Charles Gary Caldwell
John Harvey Cameron
John Reister Carter, Jr.
William Edward Cartwright
Donald Lee Carty
Ronald James Charrier
John Richard Chevalier
Robert Elsworth Christensen
Roy Emil Clason
William Kemp Clements
Bert Morse Concklin
Charles Albert Conley
Stuart Edward Craig
John Andrew Cresko, Jr.
Phillip Walter Criswell
Ricky Reynolds Davidson
James Burr Davis
John Henry Dean
Bernard George Demers
Don Lee Desselle
John Elias Dickson, Jr.
William Edward Diesing, Jr.
Pierre Albert Dillman
Harold Martin Donahoe, Jr.
Robert Eldon Doty, Jr.
Robert Holt Evans
Richard Leo Farnan
Earl Jasper Farney
William George Fohrman
Gary Stamler Flora
Malcolm Richard Fossett, Jr.
Peter George Friedman
John Philip Frustace
Alfred Francis Gaheen, Jr.
John Millard Gaither
Wayne Douglas Gardner
Wilfrid Elzear Gelinas
John Louis Gentile
Gordon Martin Gerson
Thom Beddome Giambattista
Michael Angelo Gigilo
Joel Sutton Gill
William Graham Gold
William MacArthur Grady
John Moore Granville
Robert Anthony Green
Alfred Thomas Grzybicki
Richard Otto Haase
James Alton Hagood
Howard Lynn Hall
Robert Langdon Haltermann
Ernest Patrick Hanavan, Jr.
John Daniel Haney, Jr.
Harry James Hansen III
Thomas Jackson Hardy
Paul Herbert Harrington, Jr.
Donald Walter Harris
Francis Keliinohoponoponi Hisaichi Hasegawa
Alan Loren Haynes
John Wayne Held
George Raymond Hennig
Carlos Augusto Hernandez
William Clarke Hillsman
James Dorset Hocker
James Rupley Hoerle
George Richard Holdeman
Barry Jack Howard
Dennis Robert Huff
Harry H. Hurst
Edward Neal Jackson
Henry Keith Jaeger
Mark Richard Jensen
Richard Edward Keefe
Thomas William Keifer
Harold Robert Kendall
George Edward Kenefick
Arthur Gustave Klos
Robert Shields Lackey
Frederick Williams Laing, Jr.
Carl Burt Larsen
Glen Dale Lerum
Jack Allen Libey
Stuart Leland Lustfield
Terrence Byrne Magrath
Edward John Malais
Maurice Harlow Manahan
Thomas Roger Manley
George Carlisle Mann, Jr.
Alex Anthony Martella, Jr.
Thomas Patrick Martin
John William Mason
Jason Francis Mayhew
George Roden McAleer, Jr.
Thomas Holt McCormick
Robert Michael McGugin
Paul Curtis McLellan, Jr.
John Allan McNamara
Charles Medlock, Jr.
William John Meisel
Philip Andrew Meurer
John Cunningham Miller, Jr.
Gary Harold Minar
Michael Andrew Moran
Wayne Allen Morris
Philip Roland Moulton
James Benedict Mullady
John Francis Nagel
Ralph Michael Neely
Donald Philip Norkin
George Donald Ojalehto
Nyal Eugene Palmer
Vincent Andrew Panaia
James David Paul
Roderick John Pejsar
Walter Charles Peters, Jr.
Charles Orsell Peterson
James Lee Pierce
Charles Thacher Pinkham
William Joseph Prout

Cleveland Lewis Puckette II
Ernest Leroy Pyle
Harold Wayne Reed
James William Reynolds
Leonard Farnsworth Reynolds
Arthur Kenneth Ridley
Victor Merrick Ripley
Maurice Keith Robinson, Jr.
Peter Stevan Roder
Thomas Bell Rosser III
Shannon Pierce Rowton
James Hyland Ryan
Byron Schriver, Jr.
Albert Phillips Simpson
William Albert Simpson
Alvin Venable Skiles III
Alexander Richard Slafkosky
George Marlin Sloan
Richard Leroy Slyder
Roger Walter Stallkamp
Francis Harbert Statton
Walter Frank Strybel
Joseph Lawrence Sutman, Jr.
Whitmel Blount Swain
Samuel Howell Swart, Jr.
Samuel Anthony Taylor
Randolph Manchester Teague
Thomas Theohary
Russell Albert Thom, Jr.
Roy Robert Thomas
Robert Allen Thornton
Richard Lloyd Tillman
Don Robert Timmer
James Charles Tipton
Lewis Franklin Todd
Laurence Albert Trudeau
Michael George Tulley, Jr.
Russell Elias Vreeland, Jr.
Clifford Neil Wade, Jr.
Sinkler Warley, Jr.
John Ingersoll Washburn
George LeRoy Watts
Stephen Wawak, Jr.
James Gordon Weatherson
John Thomas Wells, Jr.
Jean Ray Whittenberg
Edward Frank Williams
Robert John Wilson III
John Herbert Witzmann
William Arthur Wolff
Scott Alford Woods
David Latham Wright
Wilbur Dorris Wright
Richard Allan Yoder
Frank Kenneth Zemlicka
Daniel Harry Ziegler

The following-named cadets, United States Military Academy, for appointment in the Regular Air Force, in the grade of second lieutenant, effective upon their graduation, under the provisions of section 203 (e), Public Law 737, 84th Congress (Armed Forces Regular Officer Augmentation Act of 1956). Date of rank to be determined by the Secretary of the Air Force:

John Billy Abernathy
Larry Kenneth Asbury
James Henry Curtis Ballard
Robert Thomas Barker
Walter James Barnes
Richard Swinney Beyea, Jr.
William Nourse Bicher
Henry Edmund Bielinski, Jr.
James Clarence Bishop, Jr.
Charles Wilson Bond
Olen Aubry Brown, Jr.
William Farnham Brown
Richard John Buckalew
Jack Peter Bujalski
Charles Pearre Cabell, Jr.
Bernard Rogers Card
Sammy Howard Cardwell
Nicholas Thomas Carlson
Daniel Edward Carter
Thomas Francis Cartwright
James William Chapman II
Alan Carleton Chase
Theodore Eugene Childress
Thomas Hall Claffey
Kenneth Woodyard Clark II
Richard Keith Clements
Thomas Arthur Francis Conti
John Bailey Cook
James Franklin Corcoran
Francis Brian Crowley III
Bruce Bradley Davenport
Harold Augustus Davenport III
Thomas Hayden Davies, Jr.
Charles Hamilton Davis IV
Arvid Spencer Doucette
Michael Joseph Dugan
Jerome Dunn
William Harrison Dunning
Gary Gene Durkee
Robert Francis Durkin
Donald Raymond Edwards
Bradfield Fellowes Eliot
George Edward Ellis
Leland Gilbert Fay
John Charles Galen
Henry Pratt Gardner
Donald Richard Garrett
Lee Arthur Gaughan
Ernest Frank Geipel
Roger Charles Gietzen
Robert Lawrence Grete
Frank Joseph Guenther
Wayne Donald Hagberg
Jack Lloyd Halsey
Raymond Francis Hanson
Charles Clark Hansult
Ernest Frederick Hasselbrink
David Alan Hettinger
Jerry Noel Hoblit
Gross Edwin Jenison
Daniel Leon Johnson
Richard Sherwin Johnson
Michael Stratton Jones
William John Kelley
Hugh David Kevin
Robert Leroy Kirtley
George Octave Klotzbach
Josef Conrad Krankel
John Michael Kubiak
Ernest Robert Lenart, Jr.
David William Livingston
Lawrence Lonero
Edward John Lucci
William Preble Marshall
Robert Ignatius McCann
Donald Joseph McCullough
Joseph Daniel McElroy
John Hancock McKillop
Richard Henry McManigell
Robert Wolcott Meals, Jr.
William Christopher Melnik
Arthur Wilbur Meyer
Burton Tenney Miller, Jr.
Charles Wesley Mitchell
George Bernard Mitchell
Norman Herbert Monson
Merwin Lamphrey Morrill
Robert Lewis Tony Munger
Charles August Normington
Robert Eugene Olson
Richard Duane Osborn
Walter Mead Patterson III
Franklin Palmer Phillips
Glenn Kennon Phillips
Charles Bernard Porciello
Richard Reese Price
Louis Joseph Prime, Jr.
Jerome Francis Prochaska
Charles William Profilet
Robert William Puff
Phillip Harry Raign
Robert Edward Regut
Paul Gordon Rice, Jr.
George Sadtler Robertson III
James Lawrence Rossetto
Gerald Thomas Rudolph
Paul Gordon Ruud
James Martin Ryan
John Frederic Schaefer
Frederick John Schluter
John Gaspard Schroeder
Reginald Frederick Seiler, Jr.
Dennis Paul Sharon
Leo Edward Sheehan, Jr.
Robert Theodore Shellenberger, Jr.
William Walter Shely, Jr.
Stanley Allen Slater
Frank Mathias Smith
Leo Weber Smith II
Willis Aaron Smith, Jr.
Terry Dale Snyder
W. John Soper
William Scott Stambaugh
Larry Wendell Sutherland
Lawrence Robert Tharp
John Francis Tierney
Robert Edward Tierney
Edward Julius Timberlake III
Stanley Clarence Toney
Peter Burns Trainor, Jr.
Clifford Bruce Trott
David Campbell Turner
William Keppel Votruba
James Richard Wade
Richard Eugene Warner
Wayne Arthur Weiss
Donald Joseph Welch
Harold Jerry Mac Williams
Francis Milton Wright, Jr.
Daniel Joseph Yarr
Peter James Young
William Maxwell Young

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 7, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

II Thessalonians 3: 13: *But ye, brethren, be not weary in well doing.*

Eternal God, our Father, help us during this day to appreciate and understand more fully the wonder of Thy grace and goodness.

Thy love and mercy are like the sunshine and the rain, falling on the just and the unjust in impartial benediction.

May we be partners with one another in our quest of the more abundant life and in bringing its blessings to all mankind.

Give us calm and courageous hearts as we strive to build Thy kingdom of truth and righteousness on earth.

Hear us for the sake of our blessed Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 3050. An act to increase the equipment maintenance allowance for rural carriers, and for other purposes.

PRICE SUPPORT FOR THE 1958 AND SUBSEQUENT CROPS OF EXTRA-LONG-STAPLE COTTON

The SPEAKER. The Chair recognizes the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill H. R. 11399, relating to price support for the 1958 and subsequent crops of extra-long-staple cotton.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 101 (f) of the Agricultural Act of 1949, as amended, is amended by striking from the first sentence the words "shall be the same percent of the parity price as for the 1956 crop" and substituting in lieu therefor the following: "shall not exceed the same percent of the parity price as for the 1956 crop and shall be determined after consideration of the factors specified in section 401 (b) and the price levels for similar qualities of cotton produced outside the United States: *Provided*, That such level of price support shall be not less than 60 percent of the parity price."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUPPORT PRICE FOR LONG-STAPLE COTTON

Mr. RHODES of Arizona. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. RHODES of Arizona. Mr. Speaker, I wish to express my appreciation to the gentleman from Arkansas [Mr. GATHINGS], the gentleman from Oklahoma [Mr. BELCHER], and the members of the Cotton Subcommittee of the great Committee on Agriculture for taking action to help the long-staple cotton producers meet competition from foreign growers and from synthetic fibers.

Last year a bill passed the House and Senate freezing the support of long-staple cotton at the level for the 1956 crop, which was 75 percent of parity. However, the application of the parity formula has caused the support price on long-staple cotton to advance, and the resultant increase in price has been detrimental to the long-staple growers. This bill allows the Secretary of Agriculture to set the price support at between 60 and 75 percent of parity for long-staple cotton.

Long-staple cotton is the most versatile natural fiber. It has great strength, but it also has the quality required for the manufacture of fine fabrics. Much long-staple cotton is grown in Egypt and some is grown in Central America. Some long staple has been grown in the United States, particularly in the irrigated areas of New Mexico, Arizona, and California for many years. Recently, the growers have organized themselves into the Supima Association aimed at promoting the use of domestic long-staple cotton. The efforts of the association have been so successful that last year it was necessary to release some long-staple cotton from the strategic stockpile in order to meet the demands of customers.

The future of this segment of American agriculture is bright, if the price of the product can be held down to a point that is competitive with producers in other countries, and with synthetic fibers. I think it is worthy of note that the growers of long-staple cotton has "lifted himself by his own bootstraps" in that he has developed his own market, and has taken all the steps he can to insure that the price of his product is competitive.

The manner in which the Supima Association and the individual growers of long staple have gone about developing their industry commands our respect and admiration, as being in the best tradition of American free enterprise.

COMMITTEE ON RULES

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged resolutions.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

INTERNAL REVENUE CODE OF 1954

Mr. BAKER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr BAKER. Mr. Speaker, I have today introduced a bill to liberalize the depreciation provisions of the Internal Revenue Code of 1954. The liberalization would be a permanent change in our Federal tax structure and would provide that with respect to new capital assets acquired after May 5, 1958, the depreciation period would be equal to one-half of the useful life of the new property.

If enacted into law, this bill would bring about a deferment of tax liability as a consequence of stepped-up depreciation of deductions of an estimated $1.5 billion in the first full year that the bill was effective.

This tax deferment will not result in a revenue loss because the tax deferment with respect to an asset would terminate as soon as the cost of acquisition has been recovered. This proposal is of potential benefit to 8 million taxpayers, including individuals, sole proprietorships, partnerships, and corporations.

It would stimulate the buying of a tremendous amount of machinery and equipment and consequently the manufacturing of a tremendous amount of machinery and equipment resulting in a great stimulus to business and production.

It would apply to everyone who uses capitalized equipment. It would modernize plants and factories by reason of the installation of new and modern machinery and equipment. The present downward adjustment in the level of economic activity is one of the reasons that prompted me to introduce this bill. Of the three principal segments in our economy, business expenditures comprise the only segment that has shown a depreciable decline. The other two principal segments, namely governmental expenditures and consumer expenditures, have either increased or are holding a relative level position.

In my judgment, this liberalized depreciation treatment with its implications of more realistic capital recovery would serve to significantly strengthen the one segment of our economy that has demonstrated a declining influence.

Enactment of this bill will provide increased job opportunities for American workers; job opportunities that would not only mean more jobs but better jobs based on increased productivity; increased payrolls that would result from the effectiveness of this legislation would strengthen the balance between increased consumer spending and increased industrial productivity.

It was clearly proven in the tax revision hearings before our committee early this year that an urgent need has long existed in our Federal tax structure for a more adequate recognition of the essentiality of introducing practical realism in the tax methods whereby we allow farmers, self-employed individuals, small-business men and other investors to recover the cost of capital asset acquisition.

The scientific and technological progress in our free enterprise system can be meaningless or at best limited in its benefits if such progress is not readily attainable by all our producers. Application of these improved production techniques will not only assure a better life for every American, but would in addition guarantee our productive preeminence over Communist imperialism.

I urge careful and early consideration of this proposal to conform existing depreciation practices to the realities of our present day economy by the Committee on Ways and Means and by the House of Representatives.

STORY OF FREE ENTERPRISE

Mr. ALGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, back during the last war we all smiled over stories about the good dowagers who, after completing a study course in first aid, could hardly wait for a nasty accident to happen. Anyone within their reach who suffered a cut finger was apt to wind up with his arm in a sling.

Human foibles of this sort may be patiently borne, for there is no harm done anyone and the eager benefactress may feel herself a veritable Florence Nightingale.

It's like the story they used to tell about Winston Churchill. Strolling through Hyde Park shortly after his return from the Boer War, he came upon a wild-eyed demagog haranguing a listless and scarcely interested group, and denouncing the Queen in the strongest terms. A policeman was standing nearby calmly observing the scene, and Churchill asked him indignantly why the speaker hadn't been arrested. "Well,

sir," replied the bobby, "I figure it this way. Wot he's sayin' ain't 'urtin' 'er any and it may be doing 'im a lot of good."

Our first aid devotee would become dangerous only if she attempted to administer potent drugs or internal medicine. Heaven forbid she should attempt major surgery. Even the Hyde Park haranguer must be curbed short of fomenting actual rebellion.

So it is today. We can be tolerant of those who would treat our economic cut finger as a mortal wound, particularly in this election year. But let us restrain them short of drastic surgery, for the patient is recovering quite nicely, thank you.

MICHIGAN BEAN SOUP

Mr. BENTLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BENTLEY. Mr. Speaker, it is my pleasure to announce to the membership of the House that tomorrow, May 8, the Michigan Bean Shippers Association and the Michigan department of agriculture are providing free bean soup in the House restaurant for all Members of the House as well as the members of the press. The same thing is being done for the other body on the same day.

These actions are being taken in connection with the present week which is designated as Michigan Week, May 4 through 10, and sponsored by Greater Michigan, Inc., and the Michigan Economic Development Commission. Several activities in Washington have been and are planned for this week under the chairmanship of the gentleman from Michigan [Mr. FORD] including a visit of the Michigan apple, bean, cherry and dairy queens on Friday, May 9. Since I am discussing beans, I am glad to announce that Michigan's bean queen, Miss Judy Lonsway, of Freeland, Mich., is from my own Congressional District.

Michigan beans, as found in our historic bean soup in the House restaurant, is a commodity well known to all Members of the House through the recipe printed on the back portion of the House restaurant menu. I should mention that it is the only commodity in the House menu which is identified by the State of its origin. All of us from Michigan are extremely proud of this State product in which we lead the entire Nation. For example, in 1957 Michigan produced 3,526,000 bags of Navy (pea) beans or 96 percent of the total United States production. Michigan ranked first in total dry bean production or 24 percent of the Nation's production, 3,754,000 hundredweight bags valued at $28,155,000. Michigan produced 70 percent of the total Nation's cranberry bean crop or 40,000 hundredweight bags.

Latest official United States Department of Agriculture data reveals that the per capita consumption of dry edible beans in 1957 was 7.4 pounds for the civilian population of the United States. This is compared to 7.9 pounds in 1956, 7.3 pounds in 1955, the 1935–39 average of 8.8 pounds, and the 1947–49 average of 6.7 pounds. While still low in comparison with many other foods, the fact that per capita bean consumption in each of the last 3 years is above the 1947–49 average is encouraging. The fact that beans are high in protein and low in fat content makes them desirable in the modern diet and should encourage greater consumption.

No official estimate is made of 1958 consumption levels, but bean trade people generally indicate that sales of both canned and dry beans are up over last year, indicating greater domestic consumption. The combined economy and flavorful nutrition of beans in the face of generally rising food costs in the middle of a recession is a strong sales factor in favor of beans.

I seem to recall that a couple of years ago when, through the courtesy of the Michigan Bean Shippers' Association, all Members of the House were furnished with a 2-pound bag of No. 1 Michigan white beans, such as used in our bean soup, the enthusiastic response was overwhelming. It, therefore, amused me a few months ago to learn of some upstart efforts to substitute potato soup, even though potatoes are another one of the crops for which Michigan is justly famed. Since reverence for things of tradition is a well-known characteristic of the House of Representatives, such upstart efforts were properly rejected by an overwhelming majority of interested persons. I am confident that Michigan bean soup will continue to occupy its place of prominence in the diet of the House for many, many years to come. It is, therefore, only fitting that in celebration of Michigan Week, Members of the House are invited to enjoy tomorrow all the bean soup they are capable of consuming.

BILL TO IMPROVE OUR RECREATIONAL AND WILDLIFE RESOURCES

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I have introduced today a bill designed to amend the first four sections of the Fish and Wildlife Coordination Act of March 10, 1934, as amended by the act of August 14, 1946 (60 Stat. 1080). It also contains the addition of a related section to the Watershed Protection and Flood Prevention Act, as amended (68 Stat. 666, 70 Stat. 1088). This bill provides for a more effective integration of our fish and wildlife conservation program with Federal water-resource developments, and other purposes. It is my opinion that this proposed legislation will bring the Nation's natural resources into better balance.

The real need for these proposed amendments as contained in the bill which I introduced today became quite apparent to me after hearing Secretary of the Interior, Fred A. Seaton, deliver an excellent address before a meeting of the National Wildlife Federation at the Statler Hotel in St. Louis. During this address, Secretary Seaton pointed out that demands on recreational and wildlife resources are growing with incredible intensity. The statistics which he recited were quite significant. He indicated that the cities, roadways and industrial plants are taking about 1 million acres a year or an area larger than the State of Rhode Island. This coupled with the fantastic population growth of our country which indicates that by 1968 it may exceed 200 million emphasizes the necessity for long-range plans for the development and preservation of our natural resources. It is encouraging to note that since 1953 the Government has added almost 50,000 acres to the Federal wildlife refuges as part of the effort to meet future needs. Secretary Seaton indicated that the Department of Interior is investing nearly $57 million in sport fisheries and wildlife programs this year which amounts to about a 60-percent increase over the amount spent in 1953 for similar purposes.

The Department of Interior has approved the amendments which are contained in this bill. In its report to the Committee on Merchant Marine and Fisheries, the Department stated that these proposals are very much in the public interest. This bill will provide for more effective integration of a fish and wildlife conservation program with Federal water-resource developments. It will establish clearly the authority of project construction agencies to provide for the enhancement of fish and wildlife resources as an integral part of water project development. It will also continue and strengthen the present authority of these agencies to provide for the mitigation of damage to these important resources.

This bill if implemented by legislation will further the following purposes, to wit:

First. Provide authority for the withdrawal of public lands to provide areas for fishing purposes—present law contains such authority for hunting purposes. The proposed amendment would also provide for the development of access to hunting and fishing areas over public lands.

Second. Authorize the acceptance of donations of land and contribution of funds for furtherance of the purposes of this act.

Third. Clarify the application of the act to navigation and dredging projects, whether these are undertaken by the Federal Government or by non-Federal interests under permit from the United States Corps of Engineers.

Fourth. Authorize the acquisition of land by project construction agencies for fish and wildlife conservation purposes in connection with Federal water-project development, subject to review and approval of the Congress of such acquisition proposals for individual projects; this authority is particularly needed to carry out most fish and wildlife conservation measures.

Fifth. Make the act clearly applicable to previously authorized projects provided that the construction of these projects is not substantially completed.

Sixth. Simplify the procedures under which Federal project lands, that are found to be valuable for the national migratory bird program, can be assigned to State fish and game departments for management.

Seventh. Amend the Watershed Protection and Flood Prevention Act (68 Stat. 666, 70 Stat. 1088) to provide for the application of the principles of the Wildlife Coordination Act to the small watershed program, while leaving full control of the program with local groups in the Secretary of Agriculture.

In discussing the present Coordination Act and the measures necessary to make it an effective act, the Department of Interior has emphasized that this act has proved to be "of great benefit to the Nation in protecting and preserving our fish and wildlife resources; however, in carrying out our responsibilities under the act, we find that there is need for improvement in it. This view is shared by all of the State governors, whose fish and game departments also have opportunities for conservation activities under the act. Also the national conservation organizations and commercial fishing interests for several years have strongly urged the strengthening of the act."

A real appreciation of the necessity for these important amendments, as contained in this bill, to this act is shored up by some very revealing statistics contained in a report published by the Department of the Interior early in February of last year. This report indicates that approximately 25 million persons, 12 years of age or over, hunted or fished in 1955. This is 1 out of every 5 in that age group. These people spend approximately $3 billion, conservatively estimated, in their hunting and fishing activities. I believe these statistics help us to better understand the great significance of fish and wildlife resources in our economy and the life of our Nation.

Congress has given increased recognition to the fish and wildlife resources of this country through enactment of the Fish and Wildlife Act of August 8, 1956 (70 Stat. 1119). This legislation enhanced the position of fish and wildlife activities in the Federal Government and incorporated a declaration of policy by the Congress noting the importance of fish and wildlife resources to the national economy and food supply into the health, recreation, and well-being of our citizens. The act also stressed the need to maintain and increase these resources through proper development and management. Congress directed the Secretary of the Interior, among other things, to take such steps as may be required for the development of management, advancement, conservation and protection of the fisheries and wildlife resources, and to make such recommendations for additional legislation as deemed necessary. The amendments contained in this bill are certainly consonant with Congressional policy, and will provide for more effective integration of a fish and wildlife conservation program with Federal water-resource developments for the fuller enjoyment of our natural resources by all our citizens.

IRRESPONSIBLE GOSSIP

Mr. BECKER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BECKER. Mr. Speaker, 2 weeks ago I charged on the floor of the House that the Democrats were trying to create confusion and hysteria in the minds of the American people by misstatements, mistruths, and distortions. A former President was forced to apologize for one that he had made.

I listened to Paul Butler, the Democrat national chairman, Monday night on television, and heard him predict that the President of the United States would resign after the November elections. I charge that Paul Butler, if he is not the author of this gossip, has caused it to spread; that Paul Butler is fanning the flames in order to keep the smoke going. Nobody can say that President Eisenhower is going to resign in November. I predict also that Paul Butler will be forced to apologize, before the end of the year, to the American people, for that misstatement—or call it what you will.

THE AMERICAN PAVILION AT THE BRUSSELS FAIR

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. Mr. Speaker, Steve Hess is an American GI with our Army forces in Heidelberg, Germany. Recently Steve had a furlough and made a trip to Belgium to attend the Brussels Fair.

Inasmuch as there has been much discussion in the press of our country and also on the floor of this House regarding the relative merits and demerits of the American and Russian pavilions at this fair, I wish to read a postal card sent me by Steve Hess, dated just a few days ago. Steve says this:

> The American pavilion is quite impressive. Has the Russian building, which looks like a glass factory, beat by a mile.

Steve Hess majored in political science at Johns Hopkins University. He is a serious-minded researcher of the American scene. His appraisal of what he saw at Brussels pleases me, and should be reassuring to those who may have had doubts.

THE HONORABLE CLARENCE CANNON

Mr. THOMAS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS. Mr. Speaker, I marvel at the unlimited capacity for work that the gentleman from Missouri, Chairman CANNON, exhibits every day. It is almost unbelievable when we see him personally conducting hearings of one of the most difficult and important subcommittees. His zest for work and his ability increase daily.

He sits, day after day, directing those minute examinations on public works and many other tedious but highly important items. In addition, he keeps his hands on practically every detail of the entire Federal budget.

The House of Representatives owes him a great debt of gratitude for the very fine work he does. Certainly, the people of the great State of Missouri, and the Ninth District of Missouri he has represented so ably and long, are just as proud of him as all of us are, in the House of Representatives.

HOW ABOUT A PROGRAM TO GET INCOMES UP AND PRICES DOWN?

Mr. REUSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, the May 6 Wall Street Journal carries a story which makes clear, by a nationwide series of interviews, that the current recession is caused by consumers' failure to buy, and that their failure to buy is not due to lack of advertising and selling effort by business, as President Eisenhower seems to suggest, but to spendable income that is too low and prices that are too high.

These are exactly my own findings, and I am delighted to include the entire article:

> CONTRARY CONSUMERS—"BUY NOW" DRIVES DON'T INFLUENCE THEM THOUGH THEIR DESIRES ARE MANY—THEY TALK OF HIGH PRICES, LACK OF CASH; UNCERTAINTY LEADS MANY TO SHUN DEBT—"IT'S A GOOD TIME TO SAVE"
>
> A little more spending money and a lot more price reductions would spur consumer spending more than all the earnest campaigning by industry and Government to get Americans to buy now.
>
> Who says so? Consumers, who've got their eyes on all kinds of goods, from autos and hi-fi sets to homes and new summer suits.
>
> In the past few days, Wall Street Journal reporters talked with housewives, young married folks, retired people, farmers, corporate executives and factory workers in widely scattered parts of the country. They found almost all had a hankering to buy one or more major items; there was little evidence consumer buying desires had been saturated by the post-war spending splurge, a theory advanced by some economists to explain the recession.
>
> But only a few of those interviewed were actually planning to purchase goods now or in the next couple of months. Most commonly given reasons: Too high prices, lack of ready cash, and an unwillingness, despite

the many buy-now drives, to dip into savings or go into debt—even if this spending might have some beneficial effect on the Nation's economy.

"WE'RE POSTPONING"

"Personally," says Leslie Biebl, tall sandy-haired program director of Radio Station WHK in Cleveland, "I feel one of the big causes of our economic trouble right now is that people have been pushed into buying what they're not financially ready for." Mr. Biebl says his family wants to buy a hi-fi set "but we're postponing it until we feel we can handle it without going into debt or our savings, possibly later this year."

A Dallas utility employee says he's holding off buying a dining-room suite which he had tentatively planned to purchase this month. Now, he figures, it probably will be July or August before he buys it. "We just don't have the money," he explains.

Mrs. Mary Mahoney, a matron for the Hudson & Manhattan Railroad in New York City, tells a reporter she wants to buy a new refrigerator and more furniture "but I need some more money for a downpayment so I won't go too heavily into debt."

"I need a car badly but I don't have the money to buy one," remarks John Wildt, a Miami auto mechanic. David Rose, a barber in the same city, says he and his wife have put off buying costlier items. "I depend heavily on tips," he observes, "and they just haven't been there the past year or so."

Mrs. Irene Goodman, a San Francisco secretary, says she and her husband were talking earlier this year about buying a new car and maybe making some home repairs. "Now," she says, "we've decided it's a good time to save. Prices on everything are just too high and too unsettled."

TAX CUTS? PUBLIC WORKS?

These comments are fairly representative of the reactions of some 300 consumers picked at random and asked about their spending plans. Their views might be well worth noting, for many economic trend watchers say the American consumer and his spending habits will determine in large measure how long the recession continues and how severe it becomes. Just last week, the presidents of the 12 Federal Reserve banks told the Senate Finance Committee prompt tax cuts and more public-works outlays would be indicated if consumer spending is substantially curtailed.

Spending on personal consumption in the first quarter of this year was running at an annual rate of about $281 billion, estimates the President's Council of Economic Advisers. This would be up from a rate of $276.7 billion in the initial quarter of 1957 but down from the record $283.6 billion pace in the third quarter of last year and the $282.4 billion rate in the fourth quarter. Economists point out that figures for this year's first quarter are buoyed up by price increases and that notable changes have occurred in the pattern of spending, characterized mainly by an increase in spending on services and declines in outlays for the durable goods—autos, appliances, and such.

Many individuals' earnings have been cut, of course, through layoffs, reductions in overtime, and loss of sales commissions or bonuses.

In many other cases where consumers are cutting their spending, however, it's not because they lack ready cash. Americans since the first of the year have been stashing away savings at a swifter rate than a year ago. Savings in mutual savings banks, for example, rose $719 million, or 2.2 percent, in the first quarter, compared with a 1.4 percent rise a year earlier.

Prices clearly are deterring many folks from buying what they say they want. Most hope they'll get better deals later on, so they're holding off buying now.

ONLY FROM NECESSITY

Take John Willis, a young Gulf Oil Corp. engineer in St. Louis who's getting married in August. He's in the market for a complete set of household goods and appliances "but I'm not going to buy at present prices unless I'm forced to. I'll buy only from necessity."

A high-ranking Federal official in Connecticut declares: "I've put off buying a new car because they're overpriced."

John Schwaig, a 38-year-old sales engineer for a manufacturers' representative in Cleveland, says he's putting off buying a house and a second car. "I think Detroit is going to have to lower its prices this summer," says Mr. Schwaig, "and I think home prices also will come down within 6 months."

"We're hoping that prices will drop so we can buy some furniture," states a St. Louis housewife, Mrs. Teresa Lenharth. "We're also considering making porch repairs on our home. If cars were cheaper," she says, "we might consider buying a different one." Her present model: A 1950 Dodge. "People do without a lot of things because prices are too high," she muses.

One proposed route to lower prices, of course, is removal or reduction of Federal excise taxes on cars, among other things. Though sentiment for tax cuts to cope with the recession has diminished in Washington, reductions still haven't been written off. Legislative talk of tax cuts very frequently includes reductions in excise, as well as personal, levies.

"BUY" BOOMERANG

President Eisenhower's call on consumers to "buy," and the splurge of industry and community efforts to induce greater consumer spending fail to move, or impress, many potential buyers.

"Eisenhower's plan is good," allows Ralph Wagner, an Erie, Pa., salesman, "if he would just tell us where we get the money."

Frank Allebaugh, advertising account executive in Denver, puts it this way: "When the President says 'buy now,' it frankly scares the hell out of me. Ordinarily he isn't concerned whether I buy or not. When the President pleads for me to buy I immediately conclude that things are a lot worse than I thought they were."

Snaps Edith DeBlois, a Denver secretary: "I don't pay any attention to this 'buy now' stuff. Nobody tells me when to buy and when not to buy."

Observes Edgar E. Miller, a transplanted Tennessean who works as a Chicago bank guard: "If a man's agoin' to buy, he's agoin' to buy. And he doesn't need any campaign."

What irks a good many consumers is that there's much talk by retailers and manufacturers about price cutting—but seemingly few actual reductions.

ERSATZ "SALES"

Edward Stone, a civilian employee of the United States Navy's Public Works Department in New York, says he's been shopping around for a washer and dryer and sometimes sees one "on sale." But, he complains, "Some of these so-called sales aren't sales at all. They're nothing but attempts to make things look startling without really cutting prices. You can't believe what you read anymore," he avers. "You've got to do comparison shopping."

A Dallas oil company employee voices a similar complaint. He says he had hoped to buy a new car early this year but then decided against it when his wife became pregnant. After the various "you auto buy now" campaigns started, he relates, "I went out to check the price of the car I was interested in. But I found the price hadn't changed any from the time I had asked earlier; so I concluded these car dealers aren't hurting bad."

Many consumers indicate they're in no mood to take on new installment purchases now because they're already carrying heavy debts.

A 33-year-old salesman of photographic and art supplies in Cleveland says he and his wife have put off buying about $500 worth of furniture. "You know," he explains, "we owe more than $2,000 on our car, appliance, and other furniture. We even owe some of our relatives." He figures it may be more than a year before he gets back into the market again.

Joe Neiser, an advertising man in Chula Vista, Calif., says he's still paying off last year's purchases. But when the payments are finished, he adds, he expects to buy a car to replace his present 8-year-old model.

Myron Messler, a Kansas City clerk, bought a house 2 years ago and acquired other goods on credit. "It takes everything I make to keep up the payments," he says. "I'm not worried about my job, but I don't see much chance of a wage increase this year so I'm not buying anything else until I whittle down my obligations."

Some folks, fresh out of debt, show no inclination to take the plunge soon again.

Miss Alice Spence, Denver secretary, says she "would like to spend about $500 on a TV set, a hi-fi, and a new top for my MG car." But, she adds, "I guess I'll do without them for a while. I like the feeling of having no monthly payments too well."

A beauty-shop operator in Bartlesville, Okla., tells a newsman over a cup of coffee that she's putting off buying some new clothes, a washing machine, and other household items mainly, she says, "because I'm just about out of debt and I don't care to get back in again so deep."

Norman Friedman, a San Francisco radio repairman, says he doesn't expect to make any major purchases this year. "I just finished paying off my 1956 car and a living-room set," he notes. "What with all this talk of recession, it just makes me feel good to be free of debt. I think I'll enjoy it for a while."

This attitude toward installment debt is reflected in the faster pace at which consumers are paying off their bills and their slowness in taking on new obligations. Installment credit outstanding dropped by $180 million in March, for the second straight month of decline. At the same time, the amount of new installment credit extended, after seasonal adjustments, amounted to $3,193,000,000, down from February's $3,235,000,000, according to the Federal Reserve Board. Even so, total installment credit stood at a lofty $33 billion at the end of March, up nearly $1.5 billion from a year earlier.

In some cases, of course, consumers have slowed their spending because they're not working or their job status is tenuous.

LIVING ROOM LETDOWN

"I had planned to buy a living room set for my apartment," relates Miss Alberta Eason, a jobless 21-year-old Detroit girl, "but there's no use making 2 or 3 payments and then coming home one day and finding it gone."

R. E. Davidson, New York Central Railroad engineer, says in St. Louis he's been kind of thinking about making a larger family room in his house and buying a hi-fi. But, says Mr. Davidson, job uncertainty is restraining him. "If they drop any more passenger trains," he observes, "they might drop some engineers, too."

"We sure wanted to get a new washer and dryer this year," remarked Mrs. Patricia Black in Portland, Oreg., "but I got laid off as a telephone company operator and my husband is going to college. We'll just have to let it slide now until we get back on our feet."

In many instances, short workweeks or loss of a second job has compelled workers to throttle their spending.

Two Detroit policemen, for example, say they have job security but the recession has wiped out weekend jobs they formerly held. One had planned to add a garage to his home; the other wants to turn his attic into another room. But both say now they cannot afford the renovations on their regular salaries.

TRADING THE TV

An office clerk at Pittsburgh's Jones & Laughlin Steel Corp. recounts that he and his wife had planned to buy new living room furniture this spring and trade in the old television set. Then the company put many of its salaried workers on a 4-day week. "You can't do that kind of spending on a 4-day week," he says ruefully.

Some people, nevertheless, insist the recession is having almost no effect on their spending plans; they say they're not buying simply because there's nothing they think they need now.

Fairly typical is the comment of Owen A. Knapp, Los Angeles insurance agent who has a wife and three youngsters. "We don't really need anything, and if we do buy anything big, it will probably be a case of some sales idea intriguing my wife and her needling me about it."

Mrs. D. S. Bay, St. Louis housewife, recalls she and her husband, who works for an aeronautical mapmaking service, spent about $300 on carpeting and flooring last month and says she hasn't felt any necessity to restrict her purchases because of high prices, or job and debt worries.

"But I hate to make that remark," adds Mrs. Bay, "because I said the same thing during the last depression, and about 2 or 3 weeks later we began to feel it."

MILWAUKEEANS AGREE

Mr. Speaker, the testimony of the consuming public as given to the Wall Street Journal coincides with what my own constituents in the city of Milwaukee have been telling me. I have just completed my annual opinion questionnaire. More than 15,000 of the citizens I represent have taken the time to give me their views on the economic state of the Nation. Hundreds and hundreds have written that insufficient income and high prices are what is holding back the economy. For example:

Mrs. R. S. M., North 28th Street, Milwaukee:

We think it is high time to stop this inflation. Prices on meat, soap, canned goods and foods and other commodities are constantly advancing. We retired people on small pensions can hardly exist.

A. M., North 48th Street, Milwaukee:

The country is surely in serious trouble. The President asks people to buy now. With what? Thousands out of work, out of compensation too. You auto buy now, while the employers take advantage of the recession to lay off as many as they can.

H. J. H., West Vliet Street, Milwaukee:

When prices come down the public will buy and build. They are refusing to pay the crazy prices. That is the talk around here. When we see a good price, we buy, otherwise we don't.

O. E., North 25th Street, Milwaukee:

With 5 million people out of work, I feel it is about time we did something for our country. Furthermore, can you explain why our prices should be going up month after month when take-home pay is going down? I feel it is time for the Government to step in.

T. O. F., North 21st Street, Milwaukee:

We think that Congress should stop arguing about this depression and do something about it, not just tell people to buy now. We wish the people in Washington could visit these employment offices and see the men and women in line looking for work, some almost in tears, telling each other their troubles. They are behind in payments on their home, cars, doctor bills. How do you think these people feel when they are told that the unemployment benefit of $38 per week is finished, don't report next week. There is no more. What is wrong with our American Government that strong able bodies and willing people are asking for a small chance to perform some type of work but can't get it, but the cry in Washington is to go out and buy. With what? We wish someone up there could tell us what is wrong with our leader.

E. M., North Third Street, Milwaukee:

Would like to comment on the depression. I can't understand why I and millions of other working people are out of work and the cost of living keeps rising. Why? Couldn't there be a stop to the rise of cost of living, or is everyone going crazy. And couldn't there be a stop to this recession. I know the Government could if it wanted to. What do you think?

F. G., North 28th Street, Milwaukee:

I favor immediate action on continuance of unemployment compensation. This is vital, not to me, but to the younger generation who created the most debts and are the last to be hired. We need action and not any more words or opinions. Let's not kid ourselves about unemployment getting better. I worked at * * * for the past 17 years. We have never seen it so bad. The experts say the end is near. I think they are crazy. They draw a weekly or monthly salary. They can afford to be optimistic. They should talk to those who are now getting county relief instead of unemployment checks.

From a person signing his comment "American's Ideas":

What we all want is action quickly on important issues. There's just too much stalling, like on unemployment. I will say bring down prices at once; reduce taxes for the middle and low income people so that we may buy also. This is urgent, please.

Mrs. G., North Bremen Street, Milwaukee:

We in the lower class would sure be glad to see taxes drop right now, for things couldn't be any worse for us. My husband has only one more year to work, and I don't know how we will live as we couldn't save with nothing but hard luck. Taxes, taxes, taxes on small measly wages, and doctor bills, but the price of food beats it all.

HEED TOM, DICK, AND HARRY

Mr. Speaker, the testimony of these hundreds of witnesses from the grassroots seems to me a lot closer to the mark than the supposedly hard-headed opinions of such present architects of our present economic policy as President Eisenhower, Secretary of the Treasury Robert Anderson, and Secretary of Agriculture Ezra Taft Benson. For my money, the economics of Tom, Dick and Harry make more sense than the economics of Ike, Bob, and Ezra.

Every Economic Indicator that comes to me as a member of the Joint Economic Committee bears out the economic analysis of Tom, Dick and Harry. Personal income fell $3 billion in the first quarter of 1958. Spending on personal consumption in the first quarter was at the annual rate of $281 billion, down from $283.6 billion in the third quarter of 1957, and $282.4 billion in the fourth quarter. According to the Bureau of the Census, 38.1 percent of our families had money income of less than $4,000 in 1956.

Meanwhile, the cost of living index has crept up constantly for the last 2 years, and is today at an alltime high, 23.3 percent above the 1947–1949 level.

While savings are at a high level overall, the composition of savings as between individual families shows that savings by the great mass of consuming families is low indeed. The most recent Federal Reserve Board statistics indicate that 57 percent of our families have liquid asset holdings—United States Government bonds, checking accounts, savings accounts in banks, postal savings, shares in savings and loan associations and credit unions—of less than $500. Twenty-five percent of our families have no savings at all.

Meanwhile, consumer debt is at an all-time high of $43 billion.

President Eisenhower, in advising people to buy more with money they do not have, and at prices they cannot afford to pay, is not doing his statutory duty under the Employment Act of 1946 to present a program for achieving maximum employment, production, and purchasing power.

A CORRECTIVE PROGRAM

If the trouble with the economy is that purchasing power is too low, and prices are too high, it suggests that the way to correct it is to get incomes up and prices down. It is about time the administration stopped fighting against, and started fighting for, the following program:

First. Get incomes up.

(a) By moving to reduce income taxes mainly in the lowest income bracket where the greatest possible percentage of the reduction will be currently spent.

(b) By extending the duration, benefits and coverage of unemployment insurance, in a manner that will take effect as quickly as possible.

(c) By an immediate increase in social security in amounts of benefits, and in a reduction in the age at which one becomes eligible to receive them.

(d) By an adequate pay raise for Federal employees.

REDUCING PRICES

Second. Bring prices down:

(a) By a vigorous antitrust law enforcement at all levels.

(b) By shifting from the administration's farm program of flexible price supports and instead allowing food prices to find a level which consumers can afford to pay, meanwhile supporting the income of the family-sized farmer with direct production payments.

(c) By widespread reduction or elimination of excise taxes, coupled with firm commitments by manufacturers and distributors to pass on such reductions to consumers.

(d) By appointing a public agency to study and make public recommendations, which may then be accepted or rejected, concerning the justification for proposed price increases in those strong industries where administered prices are the most destructive, such as steel and automobiles. Such publicity can have the additional effect of stiffening the back of management against proposed above-standard wage increases which would outstrip productivity increases, or cause price increases.

Such a proposal has recently been made by one of the most sure-footed thinkers on economic matters in Congress, the Honorable WILBUR D. MILLS, chairman of the House Committee on Ways and Means, who said:

Since the President's statement (urging leaders of labor and business to base their wage agreements and prices on considerations of maintaining a stable dollar), I have been deluged by inquiries—and I am sure many of my colleagues have had the same experience—from business and labor leaders as to how they are to know whether their policies and actions are consistent with maintaining a stable price level. What kind of standards are they to use in providing the cooperation the President requests? What kind of machinery does the President have in mind for aiding responsible business and labor leaders in their efforts to comply with this mandate? One suggestion in reply to these questions is that the President might appoint an Economic Stabilizer with whom labor and management representatives might consult to determine whether proposed wage agreements and price changes are consistent with overall price-level stability. (Address, Tax Executives Institute, Inc., Shoreham Hotel, Washington, D. C., February 18, 1957.)

If President Eisenhower would inaugurate such a program, I can assure him that he would have widespread support. The longer he fails to do so, the more our economy is endangered.

THREE PROPOSALS TO HELP AVERT ALL-OUT THERMONUCLEAR WAR

The SPEAKER. Under previous order of the House, the gentleman from Oregon [Mr. PORTER] is recognized for 60 minutes.

Mr. PORTER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, yesterday evening I returned from the Eniwetok Proving Grounds in the Marshall Islands of the South Pacific Ocean, 6,700 miles from Washington, D. C. I spent 3 days there and 5 days traveling. The Hardtack series of atomic tests is now in progress there. It is the seventh such series conducted at this site.

I asked the Atomic Energy Commission to let me go and they promply had me designated an "Official Observer."

My interests in these policies are not new nor are they casual. My bill to suspend our tests, providing that other nations also suspend—Adlai Stevenson's proposal—was filed last July. My constituents, along with many other people, are much concerned about the direction of our nuclear weapons policies.

Many of us have stopped reacting to the clichés of all-out thermonuclear war. The numbness of our initial horror has become indifference or resignation or both. We know about the horrors of radiation. We know that a massive exchange of thermonuclear weapons will certainly end civilization and probably all human life on this planet. We know it could happen anytime—now, tonight, or tomorrow.

Ringing the fire-alarm bell is not enough. Where do you send the equipment to fight the fire? The nuclear and thermonuclear warheads are here to stay. We cannot agree them out of existence, no matter how hard we might try. We have to live with them and in spite of them. The three proposals I make here today are not new nor are they mine exclusively, but they do help answer, I believe, the questions as to where do we send the equipment and how do we act to avert the disaster which seems to be overtaking us and the rest of the world.

If you drew a line 4 inches long to represent the explosive power of our largest bomb in World War II, you would have to draw a line 80 miles long to represent on the same scale the explosive power of a 3-megaton thermonuclear bomb, a relatively small hydrogen bomb. This is more than a quantitative difference. Louis Halle's most timely book, Choice for Survival, which I had time to read on the long plane rides, puts it this way:

Here a difference of degree has, in its political effect at least, elevated itself into a difference of kind. The old problem of man's destructiveness in war acquires implications that are really of a new order of magnitude. For the first time in history the question of weapons is no longer secondary in the sense that, because weapons do not clearly determine the destructiveness of wars, they can be disregarded in dealing with the problem of limiting wars. For the first time there is a weapon which, if used, makes reasonable limitation impossible. This is a fundamental point to bear in mind.

The problem of weapons control or arms limitation is a problem of human behavior, political behavior, and we politicians are primarily responsible for a solution. Do we continue the arms race? I hope not. Do we surrender rather than risk catastrophic war? Of course not. For one thing, surrendering wouldn't do away with the risk of all-out war. Moreover, we are not prepared to give up our hard-won liberties. I admire the courage and respect the sincerity of the crew of the *Golden Rule*. These people are at least responding to the fire-alarm bell and in so doing making more people aware of the immediacy of the danger. They are not crackpots. I talked with them in Honolulu on my way to Eniwetok. Bill, the 15-year-old son of Governor Quinn of Hawaii, told me that the talk made at his high school by Bigelow, the captain of the *Golden Rule*, was inspiring.

Surrender, like bare agreements, is no answer. Pacifist policy would mean, as Halle points out, "devastation of the earth by rival war lords." Whatever the policy for averting war, we have to remain strong. We must deal from strength. The questions are how much strength and under what conditions.

REASONS FOR GOING TO ENIWETOK

My reasons for going to Eniwetok were stated in a press release that I included in the CONGRESSIONAL RECORD on Monday, April 28.

The first reason was:

I wanted to learn firsthand about these nuclear-weapons tests and the men in charge of them, and present for discussion to these men certain convictions of mine.

As I expected, I found able, devoted, and candid men in charge of Joint Task Force 7, the military unit charged with conducting the tests. Maj. Gen. A. R. Luedecke commands Joint Task Force 7 and is a soldier's soldier, competent and conscientious. From Texas, his Congressman is O. C. FISHER and he told me to give him, JACK BROOKS, and TIGER TEAGUE his regards. "I'm glad they're there," he told me, "and I hope they're glad I'm here." I am sure they have reason to be glad—glad that a man like Al Luedecke is in command of the 13,000 airmen, soldiers, and sailors comprising Joint Task Force 7.

The scientists at Eniwetok are under the direction of William Ogle, a capable and genial young man. He and his colleagues were friendly and straightforward in their answers to my inquiries. After my 3-hour conference with the top scientists and military men I met one of the scientists at the beach just before dinner. He told me, "I'd sum up our conference by saying we agree."

The second reason for my going was:

Even though I have been and am sharply critical of its policies and methods including its insistence on holding these tests, the Atomic Energy Commission wanted me to go.

I was given every opportunity to find out what I wanted to know and what I found out was generally most encouraging.

The third reason was:

My able friend and respected colleague, CHET HOLIFIELD, of California, chairman of the Radiation Subcommittee of the Joint Committee on Atomic Energy, and an experienced nuclear test observer, assured me that I would learn much of great value to me as a legislator in the atomic age.

The gentleman from California [Mr. HOLIFIELD] was, as usual, correct. I hope more of our colleagues will find it possible to make such a trip.

The fourth reason was:

I believe mankind today teeters on the brink of doom, thanks to the nuclear weapons inventions, and I believe that, as a United States Representative, I have both the duty and the opportunity to do whatever I can, however little, to help us survive as a free nation in a free world.

Maybe it is immodest, even presumptuous, to think that I, a freshman Congressman, can have much, if anything, to offer on these complex and vital issues. However, there appears to be plenty of room for me in this area and it may be

that this is the way to learn how to contribute someday, if not now.

In the news release mentioned earlier I listed seven firmly held convictions which I meant to test in the South Pacific. They were modified in some respects but in the main they were strengthened. I will take them up in order:

SEVEN FIRMLY HELD CONVICTIONS

First. We do not need any more or better nuclear warheads for national security because we have more than enough now to deter intentional attack.

Unchanged. I am, of course, referring to the all-out thermonuclear war, not to weapons for limited wars. AEC Chairman Strauss seems to agree that this is so in his interview with U. S. News & World Report, May 3, 1958. No very large weapons are being tested in the Hardtack series.

Second. Why go to a lot of trouble to develop a clean bomb when we have no assurance the Soviets would use such a weapon in war and the concept of a limited atomic war is a delusion based on wishful thinking.

Modified, in that I now believe limited war to be an alternative, the lesser—by far—of two evils, and that a device 90 percent cleaner under some circumstances might help us keep a small war from fireballing into an unlimited conflict. However, our bombs and techniques for using them are clean enough for this capability right now, so the Eniwetok scientists told me, and most military men tacitly agreed with this. One colonel attached to the AEC told me flatly that he, a paratrooper, could see no use for cleaner weapons. An Air Force major general told me that there was no need for a clean antimissile missile because no immediate fallout resulted from an air burst of our stockpile weapons.

Gen. Alfred Starbird, the able Director of AEC's Division of Military Applications, told me that we need a cleaner bomb so we can safely hit targets near our friends if need be.

Third. The large thermonuclear bomb, for example, fits into our supersonic bombers and has an explosive power equal to all the explosions in World War II, so why be concerned about a smaller bomb, especially when we have maximum deterrence now?

Modified, in that I can understand better now the importance of smaller weapons for fighting limited wars since these "brushfire wars" are primarily defensive and allow us to equalize the far more numerous armies of our opponents, a matter of importance if firepower is roughly dependent on manpower. Now that the Soviets have big bomb capabilities we may find our deterrent power "a wasting asset," according to Halle, who points out that the Soviets would be able to commit "a series of successive aggressions, each of which is, in itself, so limited or ambiguous that we do not feel ourselves justified in retaliating with the nuclear holocaust in which all would be consumed."

However, as in the case of the clean bomb, we don't need the Hardtack series. We have small weapons now, if Kissinger is correct in stating that we have a bomb equal to 100 tons of TNT or one-half of 1 percent of the power of the Hiroshima bomb. The tests would develop smaller and more rugged devices, but tests are not essential as a means of providing such weapons for our arsenal.

The chief reason for the Hardtack series is the development of smaller, more rugged warheads for our missiles and antimissile missiles. Cleaner and peaceful purposes are of relatively minor importance as reasons for these tests. The JTF 7 leaders believe SAC's manned bombers are doomed in 1 or 2 years, so the urgent task is to improve our missiles. However, they admit we have usable warheads right now for our missiles, including the ICBM.

Fourth. Peacetime uses for atomic explosions, the final reason for the tests after development of clean and smaller bombs, should be done underground to avoid fallout and should be carried out under international supervision.

Strengthened. The Eniwetok scientists were emphatic in recommending that the Nevada tests be opened to the public, everything but the black box itself. One of them, Dr. Gerald Johnson, has written a most illuminating and heartening article about the Rainier underground explosion in Nevada. His article will follow these remarks and I recommend it to you. It tells of the immense potential of peaceful blasts—for harbors, channels, underground water levels, power from heat held in salt beds or limestone, inexpensive production of isotopes, recovery of gas and oil, breaking up of low-grade ore.

Dr. Johnson mentioned a legislative job for Congress. Apparently legislation is needed to allow AEC to set up an operations group to work for a fee and to attend to matters of safety. This is the area wherein lie the promises, not the threats, of the atom. Here is where we need to seek publicity and international cooperation. Here are, truly, atoms for peace.

Fifth. Fallout from these tests, however small and innocent, and there is a real dispute among scientists about this, is both a trespass on other countries and an assault on all people, under Anglo-Saxon common law doctrines. We have no right to infringe on another's person and property even a little bit.

Strengthened. The AEC has gone to a lot of trouble to reduce the fallout from the devices used in these tests, even though the official AEC position is, as always, that the amount of fallout from all such tests has been "negligible."

Sixth. The real danger today is from an accidental or unauthorized nuclear explosion triggering the all-out war. A good many nuclear warheads exist, ready for instant detonation and all in the hands of frail, error-prone human beings such as you and I. It would be extremely difficult, in these tense times, to distinguish between an authorized and an unauthorized nuclear explosion and to determine the nature of the other nation's alert following such an explosion—whether it was defensive or offensive.

Unchanged. Scientists and military men alike at the operational level don't deride accidents or unauthorized actions as remote possibilities. They know better and they know that the danger increases as the decision time diminishes.

Seventh. Stopping the tests is only a first step toward effective disarmament and real peace. The mutual inspection procedures should be expanded as soon as possible to include conversion of nuclear warheads to peaceful uses and to the cutback of nuclear weapons production. Hard to do? Yes, but a lot easier than rebuilding the world after a massive exchange of nuclear warheads. Trust the Soviets? Of course not, but recognize their self-interest in survival.

Unchanged. By effective disarmament I meant arms control. Since evasion is hard to detect, we can never assume compliance. This means that we must, for a long, long time, maintain our capabilities for all out and limited nuclear war. This capability by itself will not cause war. The lack of it probably would. I am suggesting that we can maintain this deterrent capability without an arms race because of the unique and unprecedented power of this weapon.

THREE PROPOSALS

Now we come to the three proposals. The fire alarm bell has been rung and several premises stated and explained. Where do we go and what do we do to douse the atomic fireball menacing every one of us? Every parent can be pardoned for thinking of the future in terms of his hopes for the happiness of his own children. If we were faced a black-and-white choice, like giving up our seat in a lifeboat so that our child might live, our decision would be easy. But today, when the threat is plain, the action is not. Halle writes:

> We come to grips with none of the great problems of human society until we recognize that, unlike the problems in Euclidean geometry, they represent dilemmas—that is, they are not problems for which there are a set of complete answers, problems which can be absolutely solved by any reasoning or any device available to us, problems that have solutions devoid of evil. They are, instead, problems to be suffered, to be lived with, to be controlled, to be mitigated, to be gradually reduced to more manageable proportions—to be completely overcome, if at all, only in the fullness of time.

My proposals are simply that we stop the tests now, tear off most of the secrecy about atomic developments, and face up to the fact that stumbling into war is far more likely than is deliberate engagement by any nation's choice. An armaments race, a tight security program, and a persistence in denying human fallibility will, together or separately, tend to create the conditions conducive to the all-out thermonuclear war. More and better weapons, tighter and more inclusive hush-hush, and the same old error-prone human beings handling more and better weapons and enforcing hush-hush—where can such policies lead but to disaster?

Let me be specific about my recommendations. No sense in getting out the fire department unless there is a pretty good idea of where to send the equipment.

First, please, Mr. President, or you, my colleagues, if you choose to enact my bill, stop the tests now and arrange immediately for international inspection under United Nations auspices. The scientists at Eniwetok, who know our weapon needs intimately, agree that suspension under these circumstances is warranted. Of course it is not their bailiwick, any more than it is Dr. Teller's.

Mr. Strauss answered a question in U. S. News & World Report, May 2, 1958, as follows:

Question. Are you satisfied that the nuclear and thermonuclear weapons that this country possesses still are adequate for its defense?

Answer. It is my belief that the present stockpile of nuclear weapons and the continuing research and production program of the United States are soundly conceived from the point of view of national defense.

AEC Chairman Strauss is saying, in my view, that we have enough weapons in our stockpile for deterrence. We appear to the world reckless and aggressive. Our 13,000 men at Eniwetok and the people in the vicinity are in danger, how much we do not really know. The chief weather officer told me that this site never would have been chosen if they had known back in 1946 what they know now about the weather there. Accidents can happen, he told me, and that is why ships are ready night and day to evacuate our men. While I was there a test was called off because there was a 3 percent chance, so General Luedecke told me, that 3 roentgens from radioactive debris would fall on the personnel. In a way we are playing what might be called American roulette with these tests, putting in danger our own troops and people in that vicinity and endangering the composure of the whole world.

My second proposal is that we tell the world far more about our atom policies and programs. I have no reason to believe that the President will stop the Hardtack series now in progress, although this would be a tremendously effective gesture signaling to the world our change of policy. But perhaps the President might see fit to direct the AEC to tear off some of the secrecy shrouds so that the world could be encouraged, as I was encouraged on my trip, to learn for itself and through its own reporters that these tests are primarily for defensive weapons; that they provide for minimum fallout; that the men in charge are conscious of their great responsibilities and are taking every precaution for safety; that we are not reckless and that the tests do no mean that we are flexing our muscles boastfully.

I found no member of the press at Eniwetok and none has been there for this series. In June there will be Operation Pinion where 32 press representatives from several nations will witness one shot. In my opinion 10 to 20 press representatives should be there throughout the series. I was one of 40 visitors and 34 more visitors were scheduled. There are facilities for journalists and photographers. The rules now forbid possession of a camera, yet the General's aide told me he could not see the reason for this rule, nor can I. Our secrets are in the black boxes containing the devices. I was shown pictorial explanations of two of the tests. They were marked "Confidential," but neither Dr. Ogle nor General Luedecke could defend the classification.

The scientists are agreed that the tests in Nevada could be made completely public except, in some instances, with respect to the contents of the black boxes.

In his sermon April 13, 1958, Dr. Richard M. Steiner, minister of the First Unitarian Church in Portland, Oreg., said, after listing items kept secret by the AEC:

We have not been told so many things that it is impossible for any ordinary citizen of this country to arrive at a rational conclusion about the validity or necessity of continuing these experiments.

This represents an erosion of democratic principles that may in the long run be as destructive of our democracy as any Communist subversion, for the principle of democracy is that a nation is best governed by the will of the people, but the will of the people can be trusted only as the people themselves are informed. That is why we have universal education in this country, so the people may know, but the press is no longer free if our newspapers are unable to obtain or print the facts through the device of making pertinent information secret or top secret.

It is not, I believe, an exaggeration to say that the Atomic Energy Commission, which wields not only an enormous political influence in the world but wields an enormous economic influence in our own Nation, is beyond the reach of the people.

The AEC was recently reported to have said that not more than half of the 30 scheduled shots of the Hardtack series would be announced. The first one, a week ago last Monday, was not announced. The reason? To avoid "too much saber-rattling." Why should we ever rattle this saber? This kind of public flaunting of secrecy is an affront to the Nation and a measure of the arrogance apparently felt by this agency. It is a defiance of the people's right to know. The top scientists at Eniwetok told me they could see no reason why the purposes and results of each test—so far as they were known—could not be made public after each blast.

The AEC had another reason for not announcing each test. If we revealed the time and type of each burst, it said, the Soviets could test their capability of detecting our small-yield nuclear tests. This flabbergasted me completely. If we are concerned with stopping the arms race and establishing a feasible inspection system, and there is definite indication that the President is seriously considering action along these lines, then why not allow the Soviets to test their equipment? Nothing obliges us to disclose the number of kilotons of the device.

Halle's discussion of limited war stresses the need for an understanding public in the democracies. Limited war, he writes, is possible only where each side believes that the other side wants to keep it limited and where the other side has the ability and the determination to retaliate in kind for any expansion of the conflict.

An opponent must understand our intent and ability not to jump directly into all-out war or he may start with just that himself. Halle writes:

Finally, everything depends on the understanding and acceptance of such a policy by domestic public opinion in the democracies, which involves publishing it to the world.

My final proposal is that we face up to the fact that unauthorized or accidental nuclear explosions are inevitable, and by "we" I particularly mean the AEC and the Department of Defense, both of which consistently say or imply that such explosions are "remote possibilities." All that is involved is recognition that human beings are error prone and frail. If the probability of such explosions is more widely admitted and recognized, the ensuing panic will be far less and, more important, the triggering of the all-out war will more likely be averted.

In these days of tension we will be better off if we don't try to deceive ourselves about our ability to handle such weapons. Halle writes:

A perpetual alert must be kept up; there can be no relaxation, not even for a moment, not to brush a fly from one's nose. A slip on either side may be immediately fatal to both sides.

THE MOST VITAL PROPOSALS NOW

Those are the three proposals for action to reduce the gravitation of international politics toward all-out thermonuclear war. I could also mention the importance of not making these weapons more widely available and of building shelters, but these three seem the most vital right now:

First. Stop the tests because they represent the arms race.

Second. Inform the world about our atomic policies and program because we have no reason to be ashamed of the facts and our excessive secrecy has led and is leading to mistrust and anxiety throughout the world.

Third. Recognize that stumbling into unlimited war is far more likely in view of human frailty than entering into such a war through the intention of any nation's leaders.

Improving our educational system and our relationships with other countries are also extremely crucial goals, but these are matters to be attended to in the time we gain by changing our atomic weapons policies along the lines I have sought to indicate. For the last time I quote Louis Halle:

What we need is time, the postponement of disaster, and this is about all that our generation can expect to gain. Given time, however, we shall find that international power relations depend only secondarily on military potential. They depend primarily on the inner health of the national societies, their integrity, and ability to cope with their own problems, their cultural strength and attractiveness, the promise of their ideals and achievement.

On top of the water tower on Parry Island at Eniwetok are three lights to indicate whether the tests are on or off. The yellow light indicates that a test is on at Bikini, a green light at Eniwetok. A red light beside one of those lights or by itself means that the test or tests are canceled. The winds of the Pacific have been unfavorable for tests, even little

ones, lately, and on the three mornings I was at Eniwetok the red light went on at about 5 a. m.

What about the winds of public opinion in the United States and in the rest of the world? Are they unfavorable to tests, even little ones, which make our country appear what it is not and never has been? My hope is that the red light on that water tower, 6,700 miles from here, will one day soon be permanently lit, signifying our official recognition of the danger involved in this arms race—and that we have stopped, stopped before it was too late.

[From Engineering and Mining Journal of April 1958]

RAINIER BLAST OPENS NEW HORIZONS

(By Gerald W. Johnson)

The first completely contained nuclear detonation—code-named Rainier and fired in a long tunnel under a mountain at the Nevada nuclear test site on September 19, 1957—gave results which suggest many applications to mining. As more is learned from this detonation, and as more industrial groups become aware of the tremendous potentialities inherent in the technique, many other applications will become apparent. In considering such possible tasks the imagination is free to explore projects hundreds or thousands of times larger than have ever before been undertaken, and jobs which would not be feasible, economically or technically, if attacked by purely conventional methods.

Purpose of this report is, first, to give the results of the detonation and, second, to suggest various possible industrial applications.

Before describing the detonation in detail it seems appropriate to give some general conclusions from the test explosion:

Radioactivity was completely contained. It was not possible to locate any detectable leak outside the cavity produced by the explosion using the most sensitive known techniques. And, while the studies are not yet complete, it seems that the radioactivity is tightly bound in fused tuff and the possibility of ground water contamination appears remote. To this date there has been no indication of any contamination of ground water nor is it expected.

Seismic effects were minor. Few people felt any motion at all at 2.5 miles. However, it has been reported that some seismic signals attributable to the shot were recorded as far as Alaska, some 2,320 miles from the test site. Seismic effects were so small that it was concluded explosions at least 100 times more powerful can be fired at the Nevada test site without causing any noticeable effects to the nearest offsite populated areas 30 miles away.

ORIGINALLY A MILITARY PROJECT

Initially, the objective of the underground test was to develop a new technique for testing nuclear devices. This technique was intended to eliminate such offsite problems as (1) radioactive fallout, (2) blast or noise, and (3) interference with airline traffic. For such underground shots the testing obviously would not be subject to expensive delays due to unfavorable winds or other meteorological factors. At the outset it was clear that many experimental measurements, particularly those requiring massive shielding, could be more readily accomplished underground than on the surface or on towers. An important exception was the measurement of total energy release either by radiochemical or other methods, and from a technical standpoint this measurement requires further study and evaluation.

The principal operational questions were the tunnel design factors which would lead to effective containment of the radioactivity; the appropriate necessary depth of burial; the local and offsite seismic effects; and the probability of ground water contamination.

A selected device of a relatively low yield (equivalent to 1,700 tons of TNT) was fired in a 6-by-6-by-7-foot room at the end of a drift driven in the side of a mesa at the Nevada test site. Vertical depth of burial was 900 feet and shortest distance to the sloped surface was 800 feet. The geological structure consisted of a cap 200 feet thick of welded tuff, underlain by several layers of bedded tuffs. The first few hundred feet below the cap was lightly cemented; however, at the depth of the tunnel the structure was sufficiently strong that no timbering was required in tunnel except at portal.

The 1,900-foot adit terminated in a spiral designed to be self-sealing. The basic concept was that the tunnel would collapse opposite the point of detonation before the shock could transport any radioactive material around and out the tunnel. In addition the room entrance was plugged with sandbags and two steel barrier doors were placed at 575 feet and 1,225 feet from the shot point. The principal apprehension prior to firing the shot was the possibility of fissures developing which would permit escape of radioactive products into the tunnel or to the surface of the mesa.

A post-shot drilling program, under the general guidance of Dr. Lysle Shaffer, professor of mining at the University of California, was carried out by E. J. Longyear Co. The purpose was to explore the shot area and to obtain radiochemical samples of the material produced by the explosion. The drill rig was modified to permit remote operation in the event that high pressure regions were penetrated in the course of the exploration. One hole was drilled vertically from the surface directed at the point of detonation, and three holes were drilled from inside the tunnel, also through the region of detonation.

A drift is being driven at the present time back toward ground-zero to gather more detailed information on the present structure of the medium, and to gain experience in mining through such media.

RESULTS INDICATE MECHANICS

On firing the shot the tunnel collapsed out to a radial distance of 200 feet from the point of detonation—beyond that point for an additional 300 feet the tunnel was damaged but was passable. The remainder of the tunnel was essentially undamaged by the blast. All of the radioactive material was completely contained for none could be detected on the surface or in the tunnel.

Drilling from the top of the mesa revealed a cavity at a depth of 500 feet. From that point down to the center of detonation drill water circulation was lost and there was very little core return. Drilling from inside the tunnel revealed two general zones. The first was met at a radial distance from the point of detonation of 130 feet. In this zone there was very poor core return but the circulation of drilling water was maintained. This condition prevailed until the inner radioactive zone was reached at a radius of 55 feet. From this evidence it was concluded that the rock was crushed but relatively impermeable in the zone defined between the radial distance of 55 feet and 190 feet. Inside the 55-foot radius circulation was again lost leading to the conclusion that here the medium was crushed and very permeable to water.

Analysis of air samples collected from this inner region using radiochemical methods revealed that this region was freely connected with the cavity discovered 400 feet higher. Radioactive samples were recovered from the ground-zero area and analyzed for radioactivity, and each of the holes logged for temperature and gamma radiation.

The temperature log made 16 weeks after the detonation reveals that the temperature begins to rise above ambient (16.8° C.) at a radial distance of about 110 feet, reaching a maximum value of 45° C. at 55 to 60 feet, and then leveling off at about 35° C. toward the center. Subsequent logging in the lower holes confirmed the same general behavior except that regions having temperatures up to 90° C. were discovered. Generally, in the crushed permeable central region heat appeared to have moved more freely than in the external regions where the medium was crushed but relatively impermeable.

Radiation logs were completed about 20 weeks after the detonation. The principal use is to show the present location of the active material and to aid in reconstructing the sequence of events during the explosion.

From the radiochemical results, except for rare gases, it appears that practically all of the fission products were trapped in fused glassy tuff. From these measurements it was calculated that about 700 tons of the tuff near ground zero were melted initially by the explosion.

From the results of the core drilling, the temperature and gamma radiation logging, and the radiochemical analyses, it was possible to describe the mechanics of the explosion. At the moment of the explosion a cavity was produced with an inside radius of 55 feet. This was surrounded by a shell of fused material at 1200° to 1500° C. about 4 inches thick. The shell stood long enough for fused tuff to drip from the roof because droplets 5 to 10 millimeters in diameter which had frozen in free fall and also short "icicles" 2 centimeters long were recovered. The cavity soon collapsed and progressive caving proceeded to a height of 400 feet above the point of detonation.

Temperature fell rapidly to that of boiling water (94° C. at tunnel elevation) because of the dilution of cold rock falling from the roof and because of the presence of large amounts of water which then converted to steam and moved freely through the permeable region.

CIVIL APPLICATIONS LOOK GOOD

Observations that the explosion produced at least 200,000 tons of crushed readily permeable rock and 500,000 tons of crushed rock, all of which was free of radioactivity except in a specifically localized zone, raises the possibility of the following applications:

1. Production of artificial aquifers for replenishing water tables by exploding a device in dry river channels such that progressive caving would proceed to the surface. The underground reservoir thus produced would store water from spring and storm runoffs and subsequently feed the water to permeable subsurface strata.

2. Breaking up of low-grade ore deposits prior to leaching.

3. Exploitation of oil shales and tar sand oil deposits by loosening and heating to release oil directly.

4. Production of fill and riprap for road construction and other applications.

Many other practical useful applications will surely become apparent. And under auspices of the AEC, the University of California Radiation Laboratory is continuing its investigations in this field. The scope of the future program in this area is currently under study.

MEDICAL SERVICES TO THE ELDERLY, SICK, BLIND, AND HANDICAPPED

The SPEAKER pro tempore (Mr. O'BRIEN of New York). Under previous order of the House, the gentleman from

Massachusetts [Mr. McCORMACK] is recognized for 20 minutes.

Mr. McCORMACK. Mr. Speaker, on March 27, 1958, I introduced H. R. 11703 which will assure adequate, proper, yet minimum medical services to the sick senior citizens of this great country—the bedridden, the handicapped, and disabled of all ages, including crippled and maimed children. I believed, as did many of you on both sides of the aisle, that Congress, in its wisdom, had so provided such medical services to the elderly, sick, blind, and handicapped in 1956—the 84th Congress—by enactment of Public Law 880. I discovered early in 1957, as many of you have also learned, that in the closing days of the 84th Congress a provision was written into Public Law 880 which prohibits States from providing the adequate medical services intended by Congress for elderly, sick, blind, and handicapped adults and children.

For these reasons, I introduced during the first half of the 85th Congress H. R. 7238, which would have corrected the administratively costly, financially punitive, and the undesirable and inadequate medical services resulting from Public Law 880. In my address to you, Mr. Speaker, in this House on May 23, 1957, I stated that Public Law 880 interfered with the administration of medical care by the States, and that the Congress did not intend such an infringement on State's rights. Months of experience since July 1, 1957—the effective date of Public Law 880—have proven my charge of interference with administrative practice and abolition of the right of a State to choose its method of medical-service administration without severe financial penalties amounting to millions of dollars to be correct and accurate. My own Commonwealth of Massachusetts has been compelled to change its methods of providing medical services to the sick, aged, to the crippled and maimed children, and to the disabled and handicapped in order that Federal grants-in-aid to the amount of $8 million for medical services received by Massachusetts prior to the enactment of Public Law 880 would not be lost. The great State of Illinois is presently losing in excess of $4 million in Federal grants for medical services, which they had been told, and fully believed, that Public Law 880 would give to them. Dozens of other States have experienced, on a percentage basis, relatively similar financial losses, or, as in the case of Massachusetts, have been forced into a cumbersome, confusing, and costly method of administration so that such millions of dollars of Federal grants would be conserved and not lost.

Mr. Speaker, Public Law 880 is rendering a disservice to the millions of sick, aged, blind, disabled, and handicapped adults and children in our great country. It is more costly to administer, both to the States and to the Federal Government alike; it deprives hundreds of thousands of needy persons and families of proper and necessary medical supervision of medical services; and, in short, achieves an objective which contradicts the intent of Congress when enacted in 1956.

I stated in my speech of May 23, 1957, on H. R. 7238 that failure of the Congress to correct the unintended provisions of Public Law 880 would create anxiety, confusion, and uncertainty for hundreds of thousands of our sick, aged, and needy children. This anxiety, confusion, and uncertainty is exactly what has occurred in those States which have been compelled by the blind position, certainly, one difficult to understand, of the Department of Health, Education, and Welfare to adopt systems and methods of administration which are cumbersome and costly in order to secure the Federal grants-in-aid for medical care to which they are entitled under the basic matching formula established by Congress. Both Congress and the executive department have a moral, I repeat, a moral responsibility to correct this legislation. The simplest method of correction is the enactment of H. R. 11703.

In 1957 the Department of Health, Education, and Welfare vigorously opposed my bill H. R. 7238 at a hearing before your Committee on Ways and Means. The most strenuous reason advanced by them in opposing my legislation was testimony that the medical assistance provisions of Public Law 880 would not financially penalize any State. I again repeat and emphasize—the Department of Health, Education, and Welfare staff in testimony before your Committee on Ways and Means opposed H. R. 7238 on the premise that Public Law 880, as enacted in 1956, would not financially penalize any State. Your Committee on Ways and Means rejected that assertion of the Department of Health, Education, and Welfare and, under the leadership of our late great colleague from Tennessee, the Honorable Jere Cooper, and the present eminent chairman of that committee, the gentleman from Arkansas [Mr. MILLS], unanimously reported my bill H. R. 7238 to this body.

This bill was passed without opposition by this House of Representatives and the distinguished gentleman from New York [Mr. REED] gave a forthright and stirring address in support of this legislation.

H. R. 7238 was subsequently referred to the Committee on Finance of the United States Senate. Amazingly, the Department of Health, Education, and Welfare, in testimony before the Senate Finance Committee conceded—I again repeat—conceded that the medical care provisions of Public Law 880 would, in fact, financially penalize several States which had been providing adequate medical services and relied upon a continuance of the Federal grant-in-aid for such expenditures and hoped to extend and improve such medical services under the special medical matching formula established in Public Law 880.

The Department of Health, Education, and Welfare thereupon very tardily presented a substitute resolution for H. R. 7238. The Department further testified that it would be impracticable for any State to deviate from the vendor system of payment of medical charges in order to secure the Federal grants available under legislation for medical services enacted by this Congress in 1950 and still secure the special medical matching Federal grant-in-aid for medical services provided for in Public Law 880. Financial statistics and charts, designed to prove their assertions, all of which were basically premised in error and with little time at an executive committee session for thorough analysis, were presented to support the Department's assertions. Indeed, the Department, itself, further recognized the punitive financial features of Public Law 880 by formal procedural releases to State departments of public welfare permitting States to pay for certain medical and nursing services provided by the same supplier of such services by a split payment; that is, a portion of the cost was paid to the recipient to guarantee the grant-in-aid received prior to the enactment of Public Law 880 and a part of the payment was made directly to the supplier to additionally guarantee the Federal grant-in-aid under the special medical matching formula included in Public Law 880.

The Senate Committee on Finance thereupon reported the substitute proposal presented by the Department of Health, Education, and Welfare, and later, to iron out differences, it was referred to a committee of House and Senate conferees. The Senate conferees refused to yield on the measure as passed by the Senate. The House conferees, with great reluctance, accepted the Senate substitution of my measure, H. R. 7238. The reasons for enactment of this substitute measure, now Public Law 85–110, and the reluctance of this body in concurring with this substitute measure, are noted in the CONGRESSIONAL RECORD of July 10, 1957, wherein the addresses of my distinguished late colleague, the Honorable Jere Cooper, and the distinguished Congressman from New York [Mr. REED], and my own remarks appear voicing their regret and reluctance, along with my disappointment and reluctance to accept the Senate amendment and substitute legislation. Our acceptance of the Senate amendments and substitution was purely to permit a lesser financial penalty against some States which, in the absence of any amendment at all to Public Law 880, would have resulted in prohibitive losses to the economy of those States or the adequacy of medical services to the needy poor of those States.

What additional evidence do we need that the medical care provisions and amendments to Public Law 880, sponsored by the Department of Health, Education, and Welfare, were premised in error, developed in haste, and without proper review and study of both the financial sanctions blindly invoked upon States on the one hand, and the disservice, confusion, and anxiety created for hundreds of thousands of needy individuals and families on the other?

The actual facts today are that 32 States employ a system of payment which provides cash payments for medical and allied medical services directly to recipients and additional payments for such medical and allied medical services to the suppliers of medicine.

Certainly, in itself, two systems of payment should be abhorrent to this Congress. In my Commonwealth of Massachusetts, the additional cost of the extra checks for payment of such medical bills alone is $100,000, and the Federal Department of Health, Education, and Welfare pays 50 percent of this additional cost. This $100,000 is wasted money and duplicated as wasted expenditures in many other States.

The Department in its opposition to my bill of 1957, H. R. 7238, and in any opposition to my bill, H. R. 11703, as introduced on March 27, 1958, is, in fact, condoning and encouraging waste, cumbersomeness, and inefficiency in administrative procedures. In short, costs of administration will continue to go up and services in medical care will continue to deteriorate with needy people more confused, receiving fewer and inadequate services—a program of care certainly not intended by Congress. This condition is an illustration of arbitrary bureaucracy.

I am informed that H. R. 11703 has the strong support and endorsement of the American Public Welfare Association, an organization composed of all State administrators of public welfare and individual workers and board members associated with the public-welfare field. It has the further support of the American Dental Association. The American Hospital Association, the American Medical Association, and the American Public Health Association have for years endorsed and strongly advocated a universal vendor system of purchasing medical services and allied medical services on behalf of the needy sick poor.

Indeed, most Members of this body, in recognition of the disastrous calamity that medical catastrophe can visit upon us, have our own medical and hospital bills paid on our behalf by either nonprofit or commercial insurance companies from whom we purchase such health protection. Should we afford less protection to the needy and the helpless poor of our country? Or, equally undesirable and repugnant, should we do differently for our less fortunate aged, sick, blind, and disabled than we do for ourselves and our own loved ones?

H. R. 11703 is intrinsically and solely designed to guarantee adequate medical services to the poor of our Nation; remove the punitive financial penalties and costly assistance of administration made necessary by the present medical care provisions of Public Law 880 and the substitute bill presented by the Department of Health, Education, and Welfare in 1957, Public Law 85-110, and reduce administrative costliness, and at no added public assistance expenditures over present expenditures for actual medical services recommended by the Department of Health, Education, and Welfare.

The only issue in H. R. 11703 is the simplification of administrative practice and a more effective distribution of Federal funds for medical services to the needy poor. It rescinds an actual interference with State methods of assistance and accomplishes what Congress intended when it enacted Public Law 880 in 1956.

H. R. 11703 should be enacted into law.

MARGARET WAHLGREN, CHICAGO SPELLING BEE CHAMPION

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, on numerous occasions I have directed the attention of my colleagues to the many excellencies and outstanding achievements of the people of the Second Congressional District of Illinois. I think that I have made it very plain that there is no other district in all the land that quite compares.

Today I have further evidence to submit. On Friday night of last week the Chicago Daily News Spelling Bee was held to determine the Chicago public schools championship in spelling. There were many contestants because to be crowned the best speller in the public schools of Chicago is a tremendous honor. As her Congressman, I am very proud of Margaret Wahlgren who outspelled the pack and came out the winner, a real champion. Margaret is 13 and lives at 5615 Kenwood Avenue with her father, a distinguished Chicago attorney, and her mother. She is an 8B pupil at the Ray School in Hyde Park, Chicago, which is the school attended by my own sons in the years past. I am sure that my colleagues will join me in extending the congratulations of the House of Representatives of the Congress of the United States to Margaret Wahlgren and the Ray School.

On her way to the city championship, Margaret correctly spelled the following words: fireplace, fingernail, climate, campaign, faithfulness, interview, partial, repelled, toboggan, mutilation, idiosyncrasy, soldering, magistracy, vying, laconic, interrogative, gauging, malicious, enfranchise, perennially, gratuitously, compendium.

HOW A TRADE AGREEMENT IS MADE

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, the Department of State has issued a brochure under the title "How a Trade Agreement Is Made." It bears the date of February 1958 and has recently been distributed far and wide. This dissemination corresponds with the consideration by the Congress of the trade agreements extension bill of 1958.

The publication presents in detail the interdepartmental organization that initiates trade agreements, sets forth the several steps involved in preparing lists of items on which it is proposed to reduce the tariff, on the one hand, and on which concessions are to be asked from other countries, on the other; traces the public-hearings process, the setting up of negotiating teams to deal with foreign representatives, the actual process and considerations that guide the bargaining operations, and the final promulgation of the results by the President.

The Department is to be congratulated on the thoroughness of its job.

However, in making this exposition the Department was probably unaware of the thorough manner in which it also confirmed the many bitter complaints lodged against this very system by numerous domestic producers who have experienced the results of the organizational features described in the brochure and the airtight procedures pursued in making a trade agreement.

Intentional or not, the system almost completely shuts out all influences other than those of the executive power, which is enthroned atop of numerous interlocking and same-thinking subsidiary committees, which in their turn are also drawn, with minor exceptions, from the swollen and teeming executive departments: State, Treasury, Defense, Interior, Agriculture, Commerce, and Labor.

As well try to penetrate the inner precincts of a medieval palace through the concentric rings of guards as to undertake to produce the least effect upon the deliberations of these executive representatives. Their precautions against influence from outside the executive branch would all be appropriate with respect to subjects that fall exclusively under the functions of the executive but are out of place with respect to a subject on which no settled policy can be forespoken.

It becomes obvious that such devices as hearings before the Committee for Reciprocity Information—which is made up almost completely of executive departmental personnel—in preparation for trade agreements are nothing more than hollow concessions made to outward appearances. The executive personnel of the Committee for Reciprocity Information—a hearings agency—is the same as that of the Interdepartmental Committee on Trade Agreements—an operating group. Not only is this odd but reflects once more the prevalent attitude that domestic producers whose vital interests are involved should be told and not asked. Theirs is not to reason on the hows and whys.

If the document on How a Trade Agreement Is Made is read against the constitutional enumeration of the powers of Congress, where the responsibility for the regulation of foreign commerce and tariff making is placed unequivocally upon Congress, it becomes obvious that once the portals to the executive maze that leads to a trade agreement are entered Congress is soon lost to sight; and no one has yet been able to find or fight his way back. The dungeonkeepers of the Middle Ages would find the atmosphere familiar; and the marauders of the Arabian Nights would recognize a kindred world.

To men of the open day and sunlight the system is and should be abhorrent.

To men who sit on these inner committees are as bound in thought and conclusion as the members of a Russian Soviet; and this is alien to the American system.

How can this be?

The fact arises from a basic error of administrative concept:

What has happened is that the administration of a law governing an ever-controversial issue—tariffs and trade—has been treated since 1934 as if it had been moved into a settled arena, to be guided henceforth by an inflexible and undebatable formula; in this case, progressive and relentless tariff reduction under executive rule with but a shadow of recourse by those who are injured.

The procedure established could only be based on the assumption that the electorate once having spoken had relinquished its interest in the tariff and trade subject and left it to the President—meaning in effect the State Department—to do with as he saw fit. Judging by the executive procedures established to govern the trade-agreements program, the 73d Congress sitting in 1934 was apparently regarded as having spoken for all future Congresses as well. This is, of course, wholly out of keeping with the Constitution which contemplates changes in sentiment among the people and the expression of such changes through their elected representatives.

Procedures for making trade agreements under the legislation were characteristically set forth in an Executive order—No. 9832. This was in effect an act of waving goodby to representative government in this particular field.

Why?

It is because executive personnel of the departments who became almost the exclusive administrators are appointed by the Executive, owe their tenure, the future of their careers, their advancement, and all else that makes for loyalty, to the Executive. Their function is to carry out settled policy. Theirs is not a legislative or parliamentary field nor one in which the voice of the voters is registered.

Therefore, it is unrealistic to look to public hearings conducted by executive personnel and expect results significantly at odds with the ruling executive policy. Such personnel is not responsive to Congress; and the voice of Congress is lost in the intervening chasm.

It would be different if the administering bodies were creatures of Congress and responsible to Congress, as are some of the independent agencies. That is the distinction between the Tariff Commission, which is an agency set up by Congress to do the detailed and technical work of Congress, and the Interdepartmental Committee on Trade Agreements and its alter ego, the Committee for Reciprocity Information, which are not creatures of the Congress but arms of the executive. The Tariff Commission, under the present setup, is but an edentate body contantly frustrated by the President.

The nonresponsive effect produced by this system could still be overcome but for two practices that effectively lock the door to the reentry of Congressional influence.

First. Tariff Commission recommendations under the escape clause are sent exclusively to the President to do with as he likes. The escape clause represents the principal recourse against injury from trade agreements available to domestic producers. In rejecting such recommendations the President has but to sign a letter directed to the chairmen respectively of the Senate Finance Committee and the House Committee on Ways and Means. From this there is no appeal, and the President has since 1951, when the escape clause was first enacted, rejected about two recommendations for every one he has signed.

These rejections appear to be completely at odds with the successive Presidential assurances that no domestic industry would be hurt by the trade agreements program. This reassuring face is the one the executive has turned to the public while in the meantime the trade agreements machinery has continued to grind out its results quite oblivious of these assurances.

Second. In negotiating the General Agreement on Tariffs and Trade the State Department agreed to far-reaching "trade rules" that go beyond mere tariff reductions. These "trade rules", one example of which is renunciation of the use of import quotas (with some transitory exceptions), have the effect of interposing between Congress and its freedom to legislate certain international taboos that cannot be violated without breaking solemn international commitments.

The practical effect of the operation of the Trade Agreements system, including the organizational and procedural aspects of making agreements, has thus been to make a house of futility out of Congress so far as the regulation of foreign commerce is concerned.

At the same time and by the same process the electorate has perforce been effectively disfranchised in this field so far as its control over the government is concerned as contemplated under the concept of popular sovereignty. The Constitution has been amended de facto in complete disregard of the prescribed procedures.

"How a Trade Agreement Is Made" might just as appropriately be titled "How the State Department Through the Trade Agreements Legislation Drove Congress From the Hill."

The obvious remedy lies in legislation that would restore Congressional control, at the very minimum to the point of controlling the escape clause remedy. This could be accomplished by requiring that the Tariff Commission recommendations be sent to Congress for possible disapproval by joint resolution. In other words, the veto power over such recommendations should be shifted from the executive to the Congress.

The need for an escape clause action arises from errors committed in tariff negotiations by the executive under the system set up by the executive for making trade agreements.

Since the original power in the regulation of foreign commerce resides in Congress and the President exercises only delegated power, the Congress rather than the President should be the judge of whether the delegated power has been properly carried out. This would be accomplished in substantial part by giving to Congress the final word on escape clause recommendations.

If the President has reasons beyond the question of injury to a domestic industry for wishing to block a Tariff Commission recommendation he could present his reasons to Congress; and, if these were compelling, Congress would no doubt give heed to his plea.

May I add that he has not, nor did his predecessor in office during the life of the reciprocal trade agreements, approve an order of the Tariff Commission imposing a quota.

I listened to the President's speech last night, and I listened to what he had to say about the renewal of the reciprocal trade agreements. He made an outright plea that the safety of the Nation was involved in the extension of these trade agreements, and he talked about the critical materials that were necessary to be brought into this country. Does he think that the Congress is ignorant and the people of this country are ignorant? Does he not know that all of those articles that he mentioned, such as manganese, bauxite, and chrome are all on the free list? They are not involved in this.

The SPEAKER pro tempore. The time of the gentleman from West Virginia [Mr. BAILEY] has expired.

WHAT MAKES FARM REBELS?

Mr. HENDERSON. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. BOW] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOW. Mr. Speaker, once again the farmers of the United States are faced with the necessity of choosing whether they wish to operate under marketing quotas for wheat. As required by the law, the Secretary of Agriculture has announced the wheat referendum will be conducted June 20.

This year I would like to urge that every eligible wheat farmer make his arrangements to vote in the referendum.

In my own District we have a growing spirit of rebellion against the wheat law, symbolized by Dr. P. S. Whiteleather, whose farm was the scene of a recent mass meeting of wheat growers opposed to any Government interference in their operations.

Concerning this meeting, the Cleveland Plain Dealer published an editorial which I include herewith as a part of my remarks:

WHAT MAKES FARM REBELS?

The farm problem is complex. It is not all black and all white. It differs in various States. The only sensible way out of it is to get away from Government controls entirely, but as long as votes elect Members of Congress it appears to be politically impossible.

Secretary Benson has been seeking to free agriculture from as many Government controls as possible. He has been preaching a

return to the farmer's traditional attitude of independence. Perhaps the wheat rebels who prevented Federal crop surveyors from measuring the wheat acreage of a Columbiana County farm a few days ago, found encouragement in Mr. Benson's attitude.

Why shouldn't an American farmer be permitted to raise what he likes, when he likes, and as much as he likes, as he used to do? Isn't this what liberty means?

The reason is that Congress passed the Wheat Marketing Act, which does these things: It provides for a national referendum (requiring 60 percent approval) to see whether the farmers of America wish to go along with the plan. If they do (and western farmers always see to it that this is done) quotas are assigned to each farmer. If he stays within his quota (that is, does not overplant) he is eligible for price supports. If he exceeds it, but does not exceed a total of 15 acres, all he loses is the price support. But if his allotment is under 15 acres and he exceeds 15 acres he becomes subject to a penalty on every excess bushel harvested.

Since only those farmers who have an allotment of over 15 acres are permitted to vote in the referendum, many Ohio farmers cannot even express an opinion. They may be dead set against the whole idea, but if the national referendum passes they are forced to abide by the decision.

Indeed, there is little Ohio interest in the referendum. On six elections it never has given the plan a two-thirds majority vote. The Ohio vote on June 20, 1957, showed 3,042 for the quota system and 2,011 against, far less than the required percentage. The total vote was slightly more than half of the 1956 vote. Wayne County had 791 eligible farmers; only 68 voted. Lorain County had 175 eligible farmers—only 18 voted. Medina County, with 148 eligible votes, cast only 19 ballots.

Thus, it seems to us, it becomes clear why some Ohio farmers are rebelling against what they consider an invasion of their liberty.

We do not believe anyone has the right to interfere with Federal officers in the performance of their duty, however one may sympathize with the other point of view. The Federal crop surveyors assigned to measure Dr. Whiteleather's farm must go back and do so.

But one has every right to hope that a law which links small Ohio farms with the vast farms of the West, can be altered to the extent that present inequalities will cease to exist; that a State which has proved that it is something less than wholly pleased with such Government controls will not have them forced down its throat.

Mr. Speaker, the editorial refers to the failure of any appreciable number of Ohio farmers to vote in the annual wheat referendum. The Plain Dealer attributes the failure to vote to a lack of interest. I have letters from farmers indicating that many boycott the election as a protest. Many others complain that the referendum is insufficiently advertised, that it is difficult to vote, and that eligibility to vote is not clear. There are complaints also concerning the counting of the ballots.

It seems to me that if any farmer is opposed to the marketing program his best protest is to vote "No." If any farmer feels that his operations are unnecessarily curtailed by this law he should vote "No." Staying home never won an election, and this is in fact an economic election that determines how farms may be operated.

It seems to me that every effort should be made right now to publicize the election, the voting places, the eligibility of voters and all other pertinent information in every county and township.

Last year 22.6 percent of the farmers eligible to vote placed marketing quotas in effect on all wheat farmers. How much longer are the remaining 87 percent going to sit on their hands and let this go on? In only three States, South Carolina, North Dakota, and Minnesota, did a majority of those eligible go out to vote. In Ohio a mere 11 percent expressed themselves.

I have the greatest sympathy for those farmers who resent Government controls. I recognize also that there is little possibility the majority in Congress or the courts will take any action that will change the marketing quota law. The only alternative, then, is for farmers who oppose the law to express themselves. They have it within their power to overrule the minority that has enforced marketing quotas the past 6 years. This is the path farm rebels must follow if they want their rebellion to have effect.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SCHERER for May 8 and 9, on account of hearings of the Committee on Un-American Activities in New York City.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. MCCORMACK, for 20 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. SIMPSON of Pennsylvania (at the request of Mr. MARTIN).

Mr. IKARD.

Mr. MULTER (at the request of Mr. MCCORMACK) and to include extraneous matter.

Mr. CELLER.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2151. An act to provide for the temporary suspension of the import duties on certain coarse wool, and to provide additional time for the Tariff Commission to review the customs tariff schedules;

H. R. 8544. An act to provide for the restoration to tribal ownership of all vacant and undisposed-of ceded lands on certain Indian reservations, and for other purposes; and

H. R. 11019. An act to permit articles imported from foreign countries for the purpose of exhibition at the Kentucky State Fair, to be held at Louisville, Ky., and the International Trade Exhibition, to be held at St. Paul, Minn., to be admitted without payment of tariff, and for other purposes.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 1062. An act for the relief of Maud Claer Wahl;

S. 1578. An act for the relief of Hovhannes H. Haidostian;

S. 1943. An act for the relief of Norma Josephine Hodges Dowd;

S. 2166. An act for the relief of John J. Griffin;

S. 3050. An act to increase the equipment maintenance allowance for rural carriers, and for other purposes; and

S. J. Res. 168. Joint resolution authorizing the President to issue a proclamation calling upon the people of the United States to commemorate with appropriate ceremonies the 100th anniversary of the admission of the State of Minnesota into the Union.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 52 minutes p. m.) the House adjourned until tomorrow, Thursday, May 8, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1891. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "A bill providing that the Commissioners of the District of Columbia be authorized to use squares 354 and 355 in the District of Columbia and certain water frontage on the Washington Channel of the Potomac River for the proposed Southwest Freeway and for the redevelopment of the Southwest area in the District of Columbia"; to the Committee on the District of Columbia.

1892. A letter from the Administrative Assistant Secretary of the Interior, transmitting a report in connection with the restoration of balances withdrawn from the appropriation and fund accounts under the act of July 25, 1956 (31 U. S. C. 701–708), pursuant to the Bureau of the Budget Circular No. A–23, dated June 21, 1957; to the Committee on Government Operations.

1893. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases where the authority contained in section 212 (d) (3) of the Immigration and Nationality Act was exercised in behalf of such aliens, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RHODES of Pennsylvania: Committee on Interstate and Foreign Commerce. S. 86.

An act to provide for a research program in the field of weather modification to be conducted by the National Science Foundation, and for other purposes; with amendment (Rept. No. 1695). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORGAN: Committee on Foreign Affairs. H. R. 12181. A bill to amend further the Mutual Security Act of 1954, as amended, and for other purposes; without amendment (Rept. No. 1696). Referred to the Committee of the Whole House on the State of the Union.

Mr. THORNBERRY: Committee on Rules. House Resolution 559. Resolution for consideration of H. R. 9020, a bill to amend the Packers and Stockyards Act, 1921, as amended, and for other purposes; without amendment (Rept. No. 1697). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 560. Resolution for consideration of H. R. 10459, a bill to increase the lending authority of the Export-Import Bank of Washington, and for other purposes; without amendment (Rept. No. 1698). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 561. Resolution for consideration of H. R. 11518, a bill to authorize the construction of modern naval vessels; without amendment (Rept. No. 1699). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BAKER:

H. R. 12366. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to treat the useful life of new property as being a period equal to one-half of such useful life; to the Committee on Ways and Means.

By Mr. BLATNIK:

H R 12367. A bill to provide assistance to communities, industries, business enterprises, and individuals to facilitate adjustments made necessary by the trade policy of the United States; to the Committee on Ways and Means.

By Mr. BOGGS:

H. R. 12368. A bill to amend sections 367 and 1492 of the Internal Revenue Code of 1954 to facilitate reinvestment abroad of earnings from private foreign investments; to the Committee on Ways and Means.

By Mr. BROOKS of Louisiana:

H. R. 12369. A bill to provide additional facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States; to the Committee on Armed Services.

By Mr. CURTIS of Massachusetts:

H. R. 12370. A bill to amend section 328 of the Immigration and Nationality Act, to shorten the time required for naturalization in the case of men who have served honorably in the Armed Forces; to the Committee on the Judiciary.

By Mr. CURTIS of Missouri:

H. R. 12371. A bill to amend the act of March 10, 1934, to provide for more effective integration of a fish and wildlife conservation program with Federal water-resource developments, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. DOLLINGER:

H. R. 12372. A bill to promote the safety of employees and travelers upon common carriers by railroad engaged in interstate commerce by requiring such carriers to maintain tracks, bridges, roadbed, and permanent structures for the support of way, trackage, and traffic in safe and suitable condition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DOLLINGER (by request):

H. R. 12373. A bill to amend section 303 of the International Claims Settlement Act of 1949, as amended; to the Committee on Foreign Affairs.

By Mr. NORBLAD:

H. R. 12374. A bill to provide for the removal of the naval magasine at Port Chicago, Calif., to a site on the lower Columbia River, Oreg.; to the Committee on Armed Services.

H. R. 12375. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

By Mr. O'BRIEN of New York:

H. R. 12376. A bill to provide for the striking of medals in commemoration of the centennial anniversary of the birth of Theodore Roosevelt; to the Committee on Banking and Currency.

By Mr. SMITH of Virginia:

H. R. 12377. A bill to authorize the Commissioners of the District of Columbia to borrow funds for capital-improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City; to the Committee on the District of Columbia.

Mr. THOMPSON of Texas:

H. R. 12378. A bill to amend the act of August 12, 1955, Public Law 378, 84th Congress (69 Stat. 707), so as to provide that certain claims for losses sustained in the Texas City disaster which have not been settled may be settled by the Secretary of the Army; to the Committee on the Judiciary.

By Mr. ZELENKO:

H. R. 12379. A bill to promote the safety of employees and travelers upon common carriers by railroad engaged in interstate commerce by requiring such carriers to maintain tracks, bridges, roadbed, and permanent structures for the support of way, trackage, and traffic in safe and suitable condition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DELLAY:

H. Res. 558. Resolution to authorize the Committee on Interstate and Foreign Commerce to conduct an investigation and study of the textile industry of the United States; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURNS of Hawaii:

H. R. 12380. A bill for the relief of Buck Yuen Sah; to the Committee on the Judiciary.

H. R. 12381. A bill for the relief of Henry M. Anderson; to the Committee on the Judiciary.

By Mr. HYDE:

H. R. 12382. A bill for the relief of Alkon Iakubovicz; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

608. By the SPEAKER: Petition of A. R. Leger and others, Kearny, N. J., requesting passage of House bills 1008, 3974, 4523, 4677, and Senate bill 945, pertaining to the Railroad Retirement Act; to the Committee on Interstate and Foreign Commerce.

609. Also, petition of Charles S. Ballinger, Chattanooga, Tenn., relative to a redress of grievance, relating to the action of the Supreme Court on desegregation; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Near East Peace

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 7, 1958

Mr. MULTER. Mr. Speaker, on May 10, 1948, I inserted into the CONGRESSIONAL RECORD my views regarding a recovery plan for Palestine, stating that it was incumbent upon us as Americans to preserve peace in that area. Note, this was said before the new State of Israel was established.

Ten years later, almost to the day, Drew Pearson has written an article voicing the responsibility of the Christian and Moslem world to maintain peace in the Holy Land.

My article of May 10, 1948, and Drew Pearson's article which appeared in the Washington Post and Times Herald of May 7, 1958, follow:

A RECOVERY PLAN FOR PALESTINE

(Remarks of Hon. ABRAHAM J. MULTER, of New York, in the House of Representatives, Monday, May 10, 1948)

Mr. MULTER. Mr. Speaker, it was my happy privilege to participate in a conference in this city which started on May 7 and concluded last night, designated as an Emergency Conference To Propose a United States Policy for Palestine and the Middle East.

The conference was summoned by Senators Charles W. Tobey, Wayne Morse, and Dennis Chavez. Among its sponsors were many of our most outstanding citizens who came to Washington from all parts of the country for this purpose. Partisan politics had no part in its makeup or in its deliberations. The results of its activities will be released on Wednesday. At its concluding session I said to the conference:

"A REHABILITATION PROGRAM FOR THE MIDDLE EAST

"This conference has been called primarily to deal with an emergency which will be upon us with its full force in a matter of hours, if it is not actually upon us at this very moment.

"For many weeks I have been urging that the way to avert the grave consequences that can be seen by all except those who will not look, are some very simple expedients. They are:

"1. Announcement by our Government that as of May 16 it will recognize the Jewish

state in Palestine and deal with it as a sovereign power; and

"2. Implement that recognition by treating with the new state as a sovereign, including lifting the embargo on arms as to it, and invoking economic sanctions against its aggressors.

"Without in any way lessening my position in that regard, permit me to take a few minutes to comment upon a rehabilitation program for the Middle East.

"In our efforts to propose specific actions to halt the bloodshed, warfare, and destruction in Palestine, we dare not ignore the underlying realities which caused this emergency and made possible this upheaval. We must go to the roots of the crisis if we are to achieve a stable and lasting peace in the whole troubled area of the Middle East.

"By underlying realities, I mean the economic conditions of the region—the level of economic development, the type of economy, the standard of living, the extent of industrialization, and related problems. A survey of the economic conditions of the Middle East brings sharply into focus a single basic fact: With the exception of the Jewish areas of Palestine, all the countries of the Middle East suffer from extremely low standards of living and operate on an extremely low economic level.

"Predominantly agricultural, these countries have for centuries made no advance toward more efficient use of such resources as they have. Their methods of cultivation are the same as in Biblical times. Outmoded systems of land tenure have long since destroyed initiative among the rural populations. Inadequate irrigation and inefficient marketing systems result in low yields and much waste. The usual physiological factor accompanying such conditions is an increase of the population of the area. In the Middle East it is at the rate of 600,000 persons a year. This increase only aggravates the problem of existence, because natural and man-made limitations render it impossible to provide for the minimum needs of the people.

"Accordingly we find that disease, ignorance, and poverty afflict the vast majority of the peoples.

"The impact of the industrial revolution has already caused the almost complete decay of handicraft skills. The modern skills have not begun to take their proper place in their economy.

"What are the dangers for us and for the world inherent in such conditions?

"Until adequate steps are taken to improve the substandard conditions of life in this area, there can be no hope of peaceful stability or social and political progress. What we have learned to be true of Europe in this respect is tenfold more true in the Middle East. If we hope to reduce the threat of communism in that strategic area, we will have to set about providing for its development toward a better balanced, more self-sufficient economy capable of offering the downtrodden populations a relatively decent standard of living. We can work no miracles in a short space of time; too many centuries of neglect and disintegration lie behind the present stagnation.

"We can make an important beginning. We can help the people of that region to help themselves—a principle to which our Government has committed itself and undertaken to implement in the case of Europe. How much more critical are the needs of the Middle East? Regardless of what brought the condition about, when we recognize it, we must agree to improve it.

"We must offer to support a program for the greater use of already existing resources and for the diversification of production, both agricultural and industrial. In return for our technical and financial assistance, we must expect the willing cooperation of the governments whose countries benefit.

"Palestine provides a striking example of how the economic potential of the area—meager, sparse, and difficult to exploit as it appears at first glance—can be effectively turned into economic abundance. In the past two decades the intensive application of western-type initiative, capital, and industry by the Jews has revitalized the Palestinian economy and pointed the way toward resurrection of the entire desert area between Egypt and India. The Jews have reclaimed the land and made gardens bloom where there were bleak wastelands. Between 1923 and 1942 the cultivable area of Palestine was almost doubled; capital investment has increased 21 fold and the number of industrial enterprises sevenfold.

"Any program for the economic development of the Middle East will have to take into account the experience of Palestine. Specific factors were at work there which made progress possible. The Jewish community has technical skills that are essential to expanding production. Its social institutions, educational system, and democratic political structure are unique in the Middle East. They need not remain so. They must not remain so. They must be made the universal pattern of progress there.

"The economic developments in Palestine will affect the development of its neighbors. Their economies can complement one another in the interest of material progress for the whole region.

"This conference will not have done a complete job unless it goes on record as recommending that the United States call upon the Middle Eastern countries to convene for the purpose of drafting a plan for the economic development of the Middle East—an ERP, or, in this case, an MERP, a Middle East rehabilitation plan.

"Certain conditions should be attached to any United States loans and grants provided to finance such a program.

"First. Peaceful relations must be established among all the countries, including, of course, Palestine. The only area where there are the technical skills and the industrial potential available to begin the regional development is Palestine.

"Second. An economic union providing for the coordination of material resources and waterpower (especially of the Jordan Valley) among the Middle East countries.

"Third. Political and social reforms to permit the elevation of depressed populations of the area so that they may participate as healthy, literate, and civilized human beings in the regeneration of their region.

"The reasons which led our country to adopt the European recovery program apply with far greater force to the establishment of a Middle East recovery program. Such a project must be an integral part of any long-term planning looking toward permanent elimination of the turbulence spreading through that region.

"I join with you in praying for peace in Jerusalem, peace in Palestine, peace in all the world."

Near East Peace Christians' Duty

(By Drew Pearson)

The little State of Israel, now celebrating her 10th birthday, has accomplished miracles but faces grave problems ahead. These problems are not hers alone. They are the problems of the rest of the world from three points of view.

From a materialistic point of view, the problem of Arabian oil is vital to the West. Upon it depends the industry of France, England, and Western Europe.

From the point of view of peace, the Near East is the boiling pot most likely to erupt in war. It has erupted twice since VE-day.

From the humantarian point of view, we of the Christian world—even the Moslem world—have a moral obligation for the murder of 6 million Jews in Germany. Our minimum obligation is to ensure the Jews peace in the ancient land of their forefathers.

Most people have forgotten that it was during Hitler that anti-Jewish hatred was planted in the Arab world. Looking through the file of my old columns I find that on August 25, 1946, I published the secret testimony of Walter Schellenberg, chief of Hitler's SS foreign espionage, in which he told United States examiners how he had been ordered by Himmler in 1942 to pay the Grand Mufti of Jerusalem to stir up anti-Jewish prejudice. A flat $250,000 was paid by Hitler, $150,000 by Mussolini. Schellenberg further testified: "The mission carried along one-half hundredweight in gold coins, 20,000 in English pounds, and $10,000 in United States dollars."

OBLIGATION FOR PEACE

The public has also forgotten that Hitler's campaign of terror against the Jews started in 1933 and continued while we of the Christian world looked on, blasé and little concerned. We did nothing until other religions and other lands began to feel the imprint of his hate. And for at least a year after the war started, certain American diplomats tried to keep secret the gruesome reports which came into the State Department of Nazi concentration camps, the persecution, the starvation, the eventual transition to gas chambers and soap factories.

These are memories which we of the Christian world have forgotten. Jews can never forget. They constitute a reason why the rest of the world, including the Moslems (also descended from the Prophet Abraham), has a deep, unpaid obligation to the Jewish people.

The most complete way to make that restitution is to bring peace in the Near East. The Jews have already made great sacrifices to establish a homeland. What they need now is peace. Furthermore, we of the Christian world have an obligation to bring peace to that part of the world where He whose religious precepts we profess to follow first taught peace on earth, good will to men. We haven't followed it anywhere else in the world. We can begin at least where He taught.

From a monetary viewpoint, the Foreign Minister of Italy, Dr. Giuseppe Pella, suggested a constructive course toward peace when he conferred with John Foster Dulles in Washington last year. Pella recalled what most Americans have forgotten, that under the terms of the Marshall plan Western European nations soon must begin to pay off their Marshall plan loans. Pella proposed that this money be reinvested, jointly, to reconstruct and stabilize the Near East.

Mediterranean nations could join the United States in building irrigation projects and other public works to help both the Arab States and Israel to realize their interdependence, break down the barriers of prejudice, and bring peace.

THE TRUMAN PLAN

This is part of the idea Harry Truman was working on when he left the White House. Foreign Minister Pella would also extend cooperative French-Italian-American reconstruction aid to the Arabs of North Africa where French-Algerian bitterness has so disrupted the world.

Basically the two ideas are identical—the idea of outside nations cooperating with Near Eastern nations to get them in the habit of working together.

"Back in the days of the Greek and Roman Empires 60 million people lived in this area," Mr. Truman once told me. "Now there are about 25 million—all because of war, suspicion, and the destruction of the great irrigation works on the Tigris and the Euphrates."

Statement on Proposed Labor Legislation

EXTENSION OF REMARKS
OF

HON. WILLIAM F. KNOWLAND

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Wednesday, May 7, 1958

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there may be printed in the CONGRESSIONAL RECORD the statement I made before the Labor Subcommittee of the Senate Committee on Labor and Public Welfare last Monday.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF UNITED STATES SENATOR WILLIAM F. KNOWLAND BEFORE THE LABOR SUBCOMMITTEE OF THE SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE, MAY 5, 1958

Mr. Chairman, I appreciate this opportunity to testify in behalf of S. 3068, the legislation in labor union democracy which was introduced in the Senate on January 23. I want to repeat what I stated during the recent debate in the Senate, that there is no more important legislative matter that can come before the Congress this year than legislation which will assure the establishment and continuance of democratic processes in union affairs to the 18 million men and women who now belong, and to those in the future who will belong, to organized labor unions.

If we fail to live up to our responsibilities during this session of the Congress, after the Senate's select committee expending over a million dollars investigating union officers representing 14 percent of the entire union membership throughout the Nation, the uncontested evidence of widespread corruption, arrogance, and abuses in the operations of internal union affairs will stand as a permanent indictment of the record of the 85th Congress. The citizens, voters, and union members of America will be following, with great concern, the activities of the Senate in this field in the forthcoming weeks.

At the beginning of these hearings, I want to state that I have no desire to insist on the specific language of the legislation I have introduced. If the committee or the Senate can improve upon S. 3068, this should, of course, be done. Further, I am prepared to support any constructive legislation designed to remedy existing evils in the internal affairs of unions, or to carry out the recommendations of the Senate select committee.

I do want to point out that, in my judgment, there is an immediate and pressing need for legislation guaranteeing to union members in America the following minimum rights and protections.

1. The right periodically to elect union officials by secret ballot.

2. The right to recall union officers who misuse their positions of trust and responsibility.

3. Protection against arbitrary control of local unions by their national or international unions through trustees.

4. The right to amend or modify, revise, or repeal any provision of the constitution, bylaws, or rules of their unions.

5. The right to control decisions of their union officers concerning the collection or use of union funds.

6. The right to a voice as to strike activities of their union.

7. Protection against conspiracies between management and union officials against the interests of union members.

8. The right as workers represented by a union, to become and remain a member of that union without discrimination.

To assure the establishment of the democratic processes in union internal affairs, it is my strong belief that this objective can be accomplished with a minimum of Federal regulation and a maximum of membership initiative. This philosophy is in keeping with our traditional concepts of a limited Government jurisdiction over the activities of free men, and such principles are embodied in the legislation I have now pending before your subcommittee.

It has been discouraging and incomprehensible to note the criticism and opposition of the leaders of national and international unions to the constructive efforts being made to establish minimum guaranties of union democracy.

The Senate's select committee hearings have made clear and irrefutable principle of Government, that when special privileges and protections are extended to a special group, these must be balanced by adequate safeguards to prevent their abuse. Laws which do not contain such checks and balances, in reality retard, not promote, the aims and legitimate objectives of the groups they are designed to benefit.

The Taft-Hartley Act, approved over a Presidential veto by the Congress in 1947, was a major step forward in restoring a semblance of responsibility in collective bargaining controversies. Union membership has increase over three million members since its enactment, and labor disputes have been reduced in scope and number. Today, our citizens and union members demand that we take another constructive step forward and, by establishing a bill of rights for labor, guarantee that the democratic rights of our working men and women are protected by responsible authority.

It cannot be any longer contended that union organizations are purely voluntary associations and therefore exempt from internal supervision or regulation. Unions, in fact, although necessary to our society, are organizations which have been granted an extensive variety of Federal, State and local immunities and, therefore, stand forth in a privileged position:

1. They are exempt from our antitrust and monopoly laws.

2. They are exempt from taxation.

3. They have been declared, legislatively and judicially, as protected from the injunctive process in our courts.

4. They have been granted the rights of exclusive bargaining.

5. In the vast majority of collective bargaining units, they have been allowed to violate freedom of individual contracts under compulsory-membership agreements.

The economic power of organized unions has been accelerated through the enactment of law. We must now, through the enactment of law, make certain that with such power, responsibility goes hand in hand.

I would now like to explain the specific provisions of S. 3068.

1. ELECTION OF OFFICERS (SEC. 402)

As members of this subcommittee are aware, there is presently no requirement in our labor laws that democratic procedures be complied with in the election of union officers. Section 402 seeks to remedy this defect. Under its provisions, the membership would be assured of the right to choose their officers at least once every 4 years by secret ballot.

(a) To be eligible to serve as the officer of a labor organization, that officer must have been elected by popular vote of the union membership at an election held within the preceding 4-year period, and further that the voting at such elections shall be done through the medium of a secret ballot.

(b) The National Labor Relations Board will have the authority to receive petitions filed by any member or groups of members of the labor organization in question, or any nonemployer representative of such union members, alleging violations of the election provision, and the Board upon sufficient supporting evidence shall proceed in the matter as in the case of an unfair labor practice charge.

(c) If the Board discovers that under the petition the individual in question is serving illegally as an officer of the labor organization, the union in question, as long as it shall continue to maintain such an illegally elected individual as an officer, will be deprived of the privileges and benefits granted to it under existing law. Specifically, this will result in the loss of its certification under the National Labor Relations Act as the representative of such members, the exemption from Federal income tax laws under section 501 (a) of the Internal Revenue Code, and the exemption under the antitrust and injunction protections of various Federal statutes. The amendment also provides that the individual who knowingly serves as a union officer while ineligible to serve shall be subject to prosecution and, upon conviction, punishment and a fine, for the commission of a misdemeanor. There is also a provision to protect the right of individual union members to file a petition under this proposed law.

(d) The final provision in the pending amendment authorizes that wherever a union is deprived of its representation protections under existing law for being in violation of the election provisions of this amendment, another election for union representation of the employees may be held despite the prohibition in existing law which limits to 1 the number of such elections that can be conducted during a 12-month period.

2. REMOVAL OF OFFICERS (SEC. 403)

Labor unions are organizations formed by the voluntary action of workingmen and women. They are organizations established for the purpose of being of direct benefit to the membership. Under these circumstances, the membership is certainly entitled to control the activities of the union. Such activities are carried out by elected officials. Therefore, if, in the opinion of the membership, those officials are not properly carrying out their duties, a right to remove them must exist.

Many unions presently provide for the recall of officers. Others do not, or if they do, the mechanism is hazardous, not for the offending union officers but rather for the instigators of the recall procedure.

Section 403 of my bill would remedy this situation. It would provide a workable method by which the membership can recall officers for misconduct by submitting to the National Labor Relations Board a petition signed by 15 percent of their number. The NLRB would then conduct a recall election by secret ballot.

The Federal Constitution provides a means by which even so important an officer of our Government as the President may be removed from office for misconduct. Needless to say, inferior Federal officers, judges and Members of Congress may also be removed or expelled.

The recall procedure provided by the amendment is as follows:

(a) Upon a petition filed by 15 percent of the members of the labor organization, the National Labor Relations Board shall conduct an election by secret ballot of the membership of the union on the recall of official or officials named in the petition. The election shall be decided by a majority vote of the membership voting and if the official or officials voted upon are recalled, the Board shall declare such office vacant.

(b) Not more than one election for recall of any one officeholder can be held during any 12-month period.

(c) If a recalled union official continues to hold his office, the Board, on the petition of any union member, shall proceed, after investigation, against the union as in the case of an unfair labor practice.

(d) The Board is granted permission to delegate to public or private agencies its authority to conduct recall elections under this amendment.

(e) Where a union member is disciplined by his union organization so as to deprive him of his right to vote under the constitution and bylaws of his union or under the recall procedures set forth in this amendment, the Board can proceed on prima facie evidence against the union and if the results of the election were affected by the vote or votes suppressed, it shall set aside such election.

(f) Any individual who, after being recalled, continues to serve as a union officer is subject to prosecution, punishment, and fine for the commission of a misdemeanor.

(g) Any individual, group, or organization who willfully coerces an individual from initiating or participating in the recall procedures established by this amendment is subject to prosecution, punishment, and fine for the commission of a felony.

(h) Whenever a union permits a recalled union official, or an official convicted of a felony under article G to continue his office, the union upon determination of that fact by the Board shall be deprived of its protections of representation, income-tax exemption, and antitrust and injunction exemptions under existing laws.

3. INITIATIVE AND REFERENDUM ON INTERNAL AFFAIRS (SEC. 404)

Section 404 of my bill of rights for labor provides a means whereby 15 percent of the membership may initiate a referendum at which they may democratically vote on questions of importance to union members. Matters upon which such a referendum may be held include changes in the governing rules of the organization, decisions by union officials affecting financial activities of the union, and matters relating to the disciplining of the membership.

Collective-bargaining negotiations and matters authorized by the governing rules of the organizations are, however, exempt from the referendum procedure, as are those governed by the constitution, rules, or regulations of a national or international union to which the local is affiliated.

(a) Fifteen percent of the membership of a union may initiate a referendum at which they may vote to determine the will of the entire membership on questions of importance to the union.

(b) Matters on which such a referendum may be held involve changes in the governing rules of the union as well as decisions of the officers of the union which affect the financial affairs of the organization, certain activities of the union, and matters relating to the disciplining of the membership.

(c) A referendum would not be authorized to change or modify decisions made by a union representative during collective-bargaining negotiations, or those which are authorized by the governing rules of the organization or by law. Additionally, no referendum would be allowed among the membership of a local union alone on any matter governed by the constitution, rules, or regulations of a national or international union to which it is affiliated.

(d) A mechanism is provided to insure the enforcement of the will of the union as expressed in such referendum, whereby any violation of the referendum would be investigated as an unfair-labor charge as defined in section 10 of the National Labor Relations Act.

(e) Any member of the union or his representative may file a petition with the Board alleging noncompliance.

(f) Failure of a labor organization to comply with the results of a referendum would, under the amendment, result in the union's loss of existing privileges as the representatives of its membership under the National Labor Relations Act, its special position under the antitrust and injunction laws, and its income-tax exemption.

(g) Further, special criminal penalties are provided against individual officers of the union who fail to follow the results of a referendum or who coerce union members seeking to initiate Board action against such conduct.

This amendment in no way affects the laws of any State.

4. STRIKE BALLOTS (SEC. 405)

At present, the National Labor Relations Act contains no requirement that notification be given by a union to its members, employer, and to the NLRB of its intention to strike. Section 405 would impose such a duty. Under it, 30 days' notice would be required to all parties concerned.

Additionally, this section would provide a means whereby employees in the bargaining unit could vote to determine the will of the majority on the issue of whether or not to strike after the notice to strike had been given.

It is plain that in the ordinary case, where a union truly represents its membership, there would be no strike referendum. Only in the case where very real opposition to the decision of the leadership to strike existed can I conceive that a petition would be filed. And, it should be remembered, the filing of the petition would in no way affect the strike call. Only after the majority of the employees in the bargaining unit thereafter voted to reject the decision of the leadership would a strike be postponed.

Nor have privileges been extended in this section without corresponding protection against abuse. Section 405 has safeguards built into it. First of all, a decision by the majority against a strike would only postpone that strike for a 90-day period. Thereafter, the leadership could again resort to the strike procedure if they felt it to be in the interest of the union. A majority vote in favor of a strike could likewise not be challenged for a 90-day period and then only if 30 percent of the employees in the bargaining unit signed a new referendum petition.

It is my purpose, in including this section in my bill to strengthen the right to strike by returning the power to its proper sphere—those represented by the union—in a working partnership with the leadership of the union. I believe it is the American tradition to give all persons notice and an opportunity to be heard on all matters affecting them—especially where their economic livelihood is at stake. Section 405 accomplishes this purpose.

(a) This amendment would require the notification, by specified means, of the membership, the employer, and the Board, of a labor organization's intention to strike at least 30 days prior to the commencement of such strike.

(b) Upon the submission to the Board of a petition, signed by 15 percent of the employees represented by the union in opposition to the strike, a referendum would be held. A majority voting against the strike in such referendum would require its postponement for at least 90 days.

A vote in support of the strike would, on the other hand, prevent the filing of a new petition for a second referendum for an additional 90 days. Any such subsequent petition would also require the endorsement of at least 30 percent of the employees in the bargaining unit.

(c) Participation by an individual in an illegally called strike under this amendment would result in the loss by that individual of his employee status under the National Labor Relations Act.

(d) Violation by a union of an employee's right to vote in any duly called election or referendum under this section would, on a petition of the Board, be investigated and, if a determination was made that such rights had been violated, the provisions of section 10 of the National Labor Relations Act would apply as in the case of an unfair labor practice charge. If the findings of the Board supported the allegations of the member that his voting rights had been denied, the union would be ordered to desist from its action and, where the deprivation of the voting right had affected the results of an election, that election would be set aside.

(e) Any violations by a labor organization of the provisions of the amendment would result in the union's loss of its existing privileges as the representatives of the employees in the bargaining units under the National Labor Relations Act, its special position under the antitrust and injunction laws, and its income-tax exemption.

(f) Further, special criminal penalties are provided against individual labor union officials who violate the provisions of this amendment.

5. PROCEDURE (SEC. 406)

This section spells out who may file petitions under sections 403, 404, and 405. Only employees, union members, or their representatives have a right to do so. No rights are extended to employers under the foregoing provisions except the right to a strike notice.

6. TRUSTEESHIPS OVER LOCAL UNION AFFAIRS (SEC. 407)

A rank abuse uncovered by the select committee in its investigations was the use of the trusteeship device, by national and international unions, as a means to secure and perpetuate control over the activities and funds of local unions.

There are, no doubt, legitimate reasons for establishing trusteeships, just as there are legitimate reasons for the Federal Government, on occasion, to interfere with the internal affairs of a State. In the case of such Federal interventions, the interferences are permitted only during times of extreme crisis and then only until local authority can be restored. This, it seems to me, is a good rule to follow in the matter of labor-union trusteeships, and section 407 is calculated to accomplish this result.

(a) No trusteeship can be established unless it is authorized by the constitution, charter, or bylaws of the labor organization in question. And further that the funds and assets of the local union must be used exclusively for the benefit of the local union.

(b) No trusteeship can continue for a longer period than 1 year from the date of its establishment.

(c) Where a trusteeship has been established after officers of a local union have been removed, the trustees are authorized to conduct elections for new local-union officers.

(d) Upon violation of provisions of this amendment, members of the local union are authorized to bring court action in the Federal court of the United States for equitable relief to compel compliance and to enforce restitution of the funds and assets of the local union.

(e) Where officers of local unions are removed for the purpose of establishing trusteeships in violation of these provisions, or where a trusteeship continues in violation of these provisions, the individual who willfully participates in such action is subject to prosecution, punishment, and fine for the commission of a misdemeanor.

7. PROTECTION OF MEMBERS (SEC. 408)

The most precious gift afforded by a democratic government to its citizens is the right

to vote. While our own Federal Government does not have a perfect record on this score, there can be no doubt that it is attempting to insure that no American is coercively deprived of his right to go to the polls. Can we afford to do less for the laboring man?

Under section 408, any member of a labor union may petition the NLRB if he has been denied his right to vote in a union election.

(a) Any member of a labor organization may file a petition with the Labor Management Relations Board that he has been deprived, through actions of his labor organization, of his right to vote.

(b) The Board, upon the finding of prima facie evidence of the truth of such allegations shall proceed against the union as in the case of an unfair labor practice.

(c) Upon a finding by the Board that the voting rights of such members have been denied in violation of the constitutional bylaws of the union, it shall issue a cease-and-desist order against such action and shall invalidate the election if the results thereof could have been affected by the labor union's wrongful action.

(d) Any individual or group who willfully interferes with the right of a union member to petition the National Labor Relations Board under these provisions is subject to prosecution, punishment, and fine for the commission of a felony.

8. MONOPOLISTIC ALLOCATION OF TERRITORY AMONG LABOR ORGANIZATIONS (SEC. 409)

Section 409 would prohibit labor unions from monopolistic allocation of territories among themselves. As well as extending the right to all workers to join a union, we must likewise insure that they may join unions of their choosing.

We tolerate no general monopolistic allocation of markets in our society. There is no reason why we should do so in the labor field.

This section provides:

(a) Contracts or arrangements between two or more national, international, or multilocal labor organizations to divide or allocate jurisdiction for representative purposes on a geographical, territorial or area basis are declared illegal.

(b) Petitions alleging violations of this section can be filed with National Labor Relations Board and, the Board, upon prima facie evidence, can proceed as in the case of an unfair labor practice.

9. COLLECTIVE-BARGAINING AGREEMENTS FOR EXCESSIVE TERM AND WAIVER OF RIGHT TO STRIKE (SEC. 410)

Two of the most important provisions of any collective-bargaining agreement concern (1) the terms and conditions of employment, and (2) protection of the basic right of the employee to strike or refrain from such employment if the terms of employment are not satisfactory to the workers. Some agreements have bargained away these rights under the influence of "sweetheart" type arrangements between union officials and employers. When this happens the worker is subject to an almost involuntary servitude for the period of the contract. Of course, the worker may leave his employment, but then he risks his whole economic livelihood. In no event should he be required to do so.

For this reason, I believe that union members should have a voice which will permit them a measure of control over collective-bargaining agreements that may deprive them of benefits and privileges. Additionally, I do not believe the right to strike ever should be subject to surrender by management or the union in an agreement, where it has not been approved of by the membership.

This section provides:

(a) No collective-bargaining agreement for a period in excess of 2 years shall be effective beyond that period unless it has been approved by a majority of the members of the labor organization involved, voting by secret ballot.

(b) No provision of a collective-bargaining agreement which waives the members' right to strike shall be legal unless it also shall have been approved by a majority of the membership in a secret-ballot election.

This amendment is necessary to protect the interest of the employees from unscrupulous representatives of management or labor or both, who engage in a collusive agreement to sacrifice the workingman's labor for their own purposes.

10. ANTIDISCRIMINATION SECTION

Under section 9 (a) of the Labor Management Relations Act of 1947, the labor representative selected by the majority of the employees for the purposes of collective bargaining, is designated as the exclusive bargaining representative of all the employees in the bargaining unit. The present amendment provides that where a union organization is selected to be the exclusive bargaining representative in the plant or firm involved, this privilege will be conditioned on the union's opening up its membership to all of the employees in the bargaining unit if they should choose to join, and on the same terms and conditions which apply to the present members of the labor organization. This amendment is designed to eliminate an existing situation in certain unions where either employees are barred from taking membership in the union representing them, or where the union has in effect set up a class system of membership under which only a certain class of union members are permitted to vote and participate in its activities, but all of its members must pay the initiation fees and dues.

In order that this amendment might not be used by subversive elements, a provision is included that nothing in the pending amendment shall be construed to prevent any labor organization from denying membership to members of the Communist Party or members of organizations who advocate the overthrow of the United States Government by unconstitutional methods.

This amendment would prohibit any existing discrimination against employees on the grounds of age, sex, religion, nationality, or race. If unions are interested in eliminating discrimination practices in the United States, they should be favorably disposed to the pending amendment.

11. SANCTIONS AND PENALTIES (SEC. 412)

Up to this point, the bill I introduced has been drafted to establish a framework for union democracy. It is important, of course, to provide that the rights be protected against infringement and violation. Section 412 provides the penalties to accomplish this purpose.

Continued violation by a labor union of the rights protected under the foregoing sections could result in the union's loss of status as collective-bargaining representative under the National Labor Relations Act, and the union would forfeit its special position under antitrust and injunction laws, as well as its income-tax exemption.

The NLRB is authorized to issue orders to prohibit actions prescribed in the provisions of the bill which are found to be in violation thereof.

Special criminal penalties are also provided against individual officers of the union who willfully violated the provisions of this bill.

12. AMENDMENTS TO THE NATIONAL LABOR RELATIONS ACT (SEC. 2)

Section 2 of my bill would amend the Taft-Hartley law to bring existing provisions of the act into conformity with the union democracy provisions in S. 3068.

The first such amendment would make it an unfair labor practice to call or continue a strike in violation of the provisions of section 405, that is, without a 30-day notice of intention to strike or despite a majority vote against such strike. Employees who participated in such an illegally called strike would lose their status as employees under the labor act.

In order to preserve the right of employees to select a union of their choice, the present act is amended to permit a representation election during the extension of collective bargaining contracts. Industrial stability, under this amendment, would be preserved by the further requirement that existing collective bargaining agreements would not be affected by the outcome of such elections. These agreements would continue in effect for the remainder of their terms, unless mutually modified or terminated.

Where a union, for violation of the provisions of S. 3068, loses its representative status, another election is authorized, even though an election had been conducted within the previous 12-month period.

Finally under section 2, section 9 (g) of the National Labor Relations Act is amended to require the Secretary of Labor to make public financial and other information now required to be filed by labor organizations who seek the benefits conferred under the act.

13. AMENDMENT OF "SWEETHEART CONTRACT" PROVISION (SEC. 3)

The Taft-Hartley Act made it illegal for an employer to pay, or to promise to pay, money or anything of value to a labor official representing the interests of his employees. Receipt of such gifts or gratuities was also made illegal by the act.

The labor rackets hearings brought to light, however, violations of these prohibitions, resulting in so-called "sweetheart contract" situations. Such contracts, made use of go-betweens who entered into collusive working agreements with management or labor representatives for money or merchandise of value. These arrangements were invariably beneficial to employers and union representatives but detrimental to the membership involved.

The present amendment would fill this gap in the existing law. I do not believe either labor or management voice objections to the plugging of this loophole.

In conclusion I want to reiterate what I have said in my public remarks prior to this occasion. Neither the recommendations of the McClellan committee nor the legislation I have introduced in the Senate should be construed to constitute indictments against all labor officials. Many of these officials, past and present, have labored unceasingly in the best interest of their fellow working men and I know they will continue to do so. I believe in and support strong and free unions and I am convinced that despite the code of ethical practices of the AFL–CIO or other similar self-imposed regulations, well-intentioned union leaders are incapable of enforcing compliance with democratic practices in union affairs. Many distinguished and long supporting friends of labor itself have in the interest of labor's welfare joined in the demands for legislative reforms in union organizations.

The only ones who stand to gain by the enactment of union democracy legislation are union members themselves. Their relationship with their employers will in no way be affected. The only ones who will lose are those officials in unions where union democracy is not presently assured. I am frank to say, I do not understand how such aims and goals can be criticized in any degree as being anti-union. It has been and still remains my conviction that America grew strong, because of, not in spite of democratic traditions.

I want to end by reemphasizing that union democracy legislation needs to be approved at this session of the Congress. It should

provide for limited Federal intervention and encourage membership intiative; it should cover the fundamental democratic rights which free men and free societies have always enjoyed.

Latin America and the Trade Agreements Act

EXTENSION OF REMARKS
OF
HON. RICHARD M. SIMPSON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 7, 1958

Mr. SIMPSON of Pennsylvania. Mr. Speaker, the extension of the trade-agreements program has been advocated by many sincere people as a means of aiding other countries to strengthen their economies in this critical period of world tension. It is not generally recognized that if the Congress refuses to extend the Trade Agreements Act no existing tariff rate will be increased. It is also apparent that many well-meaning citizens do not appreciate that so many of our imports are items on the free list. No duty whatsoever is paid on these imports and certainly no Member of the Congress would suggest that we impose a duty on them.

A booklet prepared by the State Department has contributed to this confusion. It included this statement:

In our (hypothetical) tradeless world there is (would be) no coffee on your breakfast table, nor cocoa, nor tea. You can't (could not) buy chocolate or tapioca, or brazil or cashew nuts. Spices like pepper, cloves, and mustard have (would have) just about vanished from your pantry shelves. Olives, olive oil, lobsters, tunafish, sugar, figs, bananas, and dates are (would be) more expensive now, and sometimes your grocer doesn't (would not) have them at all.

On January 15 our colleague, the gentleman from West Virginia [Mr. BAILEY], showed that almost all of the items described in this booklet are on the free list. He said:

Nearly all the important products of commerce found in the compilation are on our free list. The question then arises what moved the State Department to list these products unless it could have made no impression and no case without doing so. The fact is that no further tariff reduction or liberalising of trade in these items could possibly increase our imports since there is no duty to be taken off. Among them are coffee, newsprint, tin, copper ore, bauxite—aluminum ore, cocoa beans, tunafish—frozen, bananas, tapioca, lobsters, and pepper.

On March 25 I included as an extension of my remarks an address by Dr. Leland I. Doan, the president of the Dow Chemical Co., before the Economic Club of Detroit. Dr. Doan also touched on this problem with particular reference to our imports from Brazil. He said:

Our imports from Brazil are second only to those from Canada, principally coffee and cocoa, which are on our free list. Yet since 1948 our share of the Brazilian market has receded from a little over 50 percent to less than 25 percent. Our exports to Brazil have in the meantime been falling for she has used the dollars earned for purchasing in Europe.

Brazil has multiple exchange rates ranging from 18.36 cruzeiros to more than 308 cruzeiros to the dollar. Further, the Government levies a tax of 10 percent on all foreign exchange and an additional surcharge of 25 cruzeiros per dollar on exchange used for importing wheat, coal, and publications.

If a high level of United States imports from a friendly country should insure its prosperity, then the economic conditions in Brazil should be excellent. Unfortunately the Brazilian economy has been afflicted with many ills, which American imports have not cured.

In 1954 the Minerals, Materials, and Fuels Economic Subcommittee of the Senate Committee on Interior and Insular Affairs made an exhaustive review of many of these problems. The subcommittee's report includes this comment with respect to Brazil on page 304:

Imports from Brazil to the United States are under no restrictions, and their volume has been high, providing the Brazilian economy with an ample flow of dollars. Formerly these dollars were spent in Europe, which enabled Europe to settle its adverse dollar balance with the United States. Today Brazil, in spite of our purchases, has had great difficulty in settling its own commercial dollar transactions with the United States and it has been unable to furnish the market it formerly provided to Great Britain and the Continent of Europe.

It employs import controls and many restrictive devices at the present time. Foreign investment is discouraged as Brazil has reaffirmed its position that no foreign capital would be welcome in developing her potential petroleum resources.

Brazil's insistence on virtually nationalizing the development of her natural resources has resulted in the ridiculous situation where the rationing of oil supplies is receiving serious consideration, as railroads are being converted to diesel power and automobile imports are increasing.

More recently, Finance Minister Aranha has issued new regulations to subsidize agricultural exports and to allocate all foreign exchange for imports.

Receipts from exports are channeled directly to the Bank of Brazil. Exporters of coffee and other agricultural products are to receive bonus payments in dollars or other currencies. The bank retains enough of the balance, about one-third, to cover Brazil's foreign-debt service.

The remaining foreign exchange is auctioned to the importers who bid for exchange under five categories ranging from most essential (i. e., aviation gasoline) to least essential (perfume). The auction system for exchange certificates has aroused bitter complaints among Brazilian importers. Aranha has insisted that this procedure must be followed and exports must be stimulated so that Brazil can secure the funds for industrial expansion.

This diversion of dollars to industrial projects has also given rise to inflationary pressures at home, and to discontented workers who are unable to purchase consumer goods. Such policies by underdeveloped countries are not conducive to the development of world trade, and there is little that the United States can hope to accomplish by a unilateral reduction of its own tariffs in curing these conditions, except to jeopardize its security position through becoming dependent upon foreign countries for critical materials without which we could not conduct a war.

Mr. Speaker, these conditions reported during the 83d Congress still persist, as indicated by two recent articles on the Brazilian economy by Leslie Gould, the financial editor for the New York Journal-American. Under unanimous consent, I include them at this point:

[From the New York Journal-American of April 7, 1958]

BRAZIL GROWTH IMPEDED BY GOVERNMENT POLICIES

(By Leslie Gould)

(This is one of a series on South America by Financial Editor Leslie Gould who just completed a 4-week trip around that continent.)

The biggest country in South America is Brazil. In land area. In population. In potential wealth.

The possibilities there are limited only by Government policies.

These policies, most of them hangovers from past administrations, have brought on an inflation, which today is getting, if not already, out of hand. These policies also have encouraged nationalism and socialism and hampered or prevented, as in petroleum, private development of the rich natural resources.

Brazil, even with its rapid industrialization, is still a one commodity economy—coffee. Coffee accounts for more than 60 percent of the foreign exchange producing exports. Cotton and cocoa account for another 25 percent.

TWO-CLASS NATIONS

Brazil also is a two-class nation—the poor and the rich. There is no middle class to speak of. This situation is true in most South American countries. The Argentine is the exception.

The present population is around 60 million and the next 10 years is expected to see it pass the 80 million count.

With its tremendous potential for supplying industrial raw materials, Brazil's increasing population can be developed into an equally tremendous consumer market.

Brazil is short in food, electric power and transportation, and the terrific inflation has hampered the correction of these deficiencies as well as retarded the development of the country's vast natural resources.

CRUZEIRO PLUMMETS

The cruzeiro, which was 64 to the dollar last July, recently dropped to a rate of 111 to the United States dollar. In 2 weeks this year it weakened from 94 to the dollar to the 111 rate. This latest weakness follows a period last year that had given some promise of stability.

The Brazilian financial situation is critical. Dollar reserves in the United States dropped in a year from $153 million to $32 million and the loss continues. All holdings of gold and foreign are down 30 percent.

Brazil's two major economic headaches are an oversupply of coffee and a drop in coffee exports, and failure of the nationalized petroleum industry to develop enough oil to meet the country's needs.

About $300 million a year of foreign exchange must go for oil imports. The sad part about this is that Brazil has the oil in the ground, but Petrobras—the Government monopoly—hasn't been able to get it out. The need is for a change in policy that will permit outside interests to come in and develop the oil, the same as neighboring Venezuela, which has one of the world's strongest and most stable currencies.

TOO MUCH COFFEE

Coffee is proving to be another drain. It does account for better than 60 percent of Brazil's foreign-exchange income, but because of overproduction the Government this year may be forced to buy in 8 million bags on top of 7 to 8 million bags now in Government warehouses.

Last year Brazil exported 14.3 million bags of coffee, off 2½ million bags from 1956. So far this year shipments have totaled 2,330,-

627 bags, off 1,699,990 bags from a year ago. In March, shipments were off 170,000 bags. This means a considerable drop in needed foreign exchange—mostly dollars.

While exports are down, Brazil's imports are up. Last year exports were down $60 million but imports rose 60 percent. The country still had a favorable trade balance, but the gap is narrowing.

BRAZILIAN CRUZEIRO

Cruzeiros per United States dollar (free rate): 1946, 20.90; 1947, 22; 1948, 27; 1949, 30.50; 1950, 33.35; 1951, 31.05; 1952, 33.75; 1953, 44; 1954, 58.50; 1955, 79.25; 1956, 86.50; 1957, 72.50; 1958, 107.

[From the New York Journal-American of April 9, 1958]

UNITED STATES GOLD POLICY HELPS REDS COMPETE IN SOUTH AMERICA

(By Leslie Gould)

(This is one of a series on South America by Financial Editor Leslie Gould, based on a just completed 4-week air trip around that continent.)

Brazil is where the Russians, under their new look, will contest the United States in the economic phase of the East-West cold war. The Argentine is the other big battleground, with Chile and Uruguay smaller targets.

Russia is dangling long-term credits, including needed dollars, and barter deals of oil equipment and other machinery.

The irony of these proposals is that these credits are made possible by the United States Treasury's $35-an-ounce fixed price for gold. This puts a firm floor under the world gold markets, no matter how heavy the offerings of metal.

OFFERING EASY CREDIT

Russia is a heavy seller of gold. These sales are the source of much of the money being used to carry on the economic phase of the Communists' cold war, as well as to finance subversive activities of its other agents.

The United States is at a disadvantage in meeting this kind of competition, for the Soviets are playing up to the Brazilian factions devoted to nationalism, as in oil development, and socialism. They also aren't missing the point that the United States will drop billions in aid to Europe and elsewhere around the globe, but will channel only a trickle of such funds to the countries south of our border.

The Russians also are offering credit on terms that cannot be matched on any business basis.

The real future for Brazil and the rest of the South American countries lies in development of their almost unlimited natural resources—certainly in Brazil—through private enterprise.

A great many top drawer American companies are in South America. The American private stake in all Latin America is around $9 billion. This gives the United States a big advantage over the Russians.

FAVORS TRADE WITH UNITED STATES

While the Communist, socialistic and nationalistic forces are strong in Brazil, the country basically favors doing business with the United States and putting greater emphasis on private enterprise.

Brazil, though, is facing a serious financial crisis, as evidenced by the flight from the cruzeiro and its fall in value. The inflation of the currency in the last 9 months has been almost 100 percent.

The country in the next couple of years has very heavy dollar financial obligations to meet, about $1 billion. Total dollar obligations are close to $2¼ billion.

INFLATION NO. 1 PROBLEM

This picture is complicated by the drop in coffee shipments and the price for the country's No. 1 export commodity, the recession in the United States as well as at home and the Government's red ink.

The biggest headache is the inflation, which up to last year was about 20 percent a year. In the latter half of 1957, this was temporarily arrested, but it is out of hand again.

Once this is solved, nothing can stop Brazil.

Mr. Speaker, we are fortunate in this case that imports from Brazil are complimentary to our economy and that they have not caused any harm to our producers. Certainly the Brazilians should have no concern with what Congress does with the Trade Agreements Program, as we will not impose a tariff on coffee. Yet, it is quite clear that the solution to the inflationary pressures which prevail in Brazil lies with the Brazilians themselves who must make it possible for private capital to develop their vast mineral resources.

The Senate report in 1954 and Mr. Gould's articles in 1958 both stress that foreign exchange presently used for oil imports could be saved by encouraging American oil companies with the technical know-how to come in and develop the oil which Brazil is fortunate to have but which its government monopoly has been unable to produce.

The solution to many of these problems requires a more hospitable climate for private enterprise and investment. The American taxpayer cannot solve all the world's problems by massive contributions of American aid nor can we sacrifice our own industries by a continuation of the present trade agreements program which has reduced American tariffs without securing any real compensating advantage for American producers selling abroad.

The Outlook in the Field of Immigration and Nationality Legislation in the 85th Congress

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EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1958

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the following speech I delivered before the Association of Immigration and Nationality Lawyers in Brooklyn, N. Y., Friday, May 2, 1958:

THE OUTLOOK IN THE FIELD OF IMMIGRATION AND NATIONALITY LEGISLATION IN THE 85TH CONGRESS

There are many who believe that any change at all in the Immigration Act of 1952 is so much pie in the sky. I do not count myself among those. Within the last year, through the enactment of Public Law 85–316 (act of September 11, 1957), together with favorable committee action on H. R. 11033, a bill to provide for creation of record of admission for permanent residence of certain Hungarian refugees, and H. R. 11874, a bill to record the lawful admission of certain aliens, who entered the United States prior to June 28, 1940, we see that change, little by little, a step at a time, is taking place.

I would like to discuss with this knowing audience these three pieces of legislation, one already existing law, the other two certain to become law, as I see it now, before the end of the session.

In discussing Public Law 85–316, I would like to list briefly both its advantages and its shortcomings:

1. The status of the stepchild is clarified by including him in the definition of "child born out of wedlock."

2. Illegitimate and legitimate children are now in the same status. However, it is to be noted that it does not help the illegitimate child in the event the father, in recognition of his responsibility, wishes to bring the child to the United States. It is the mother-child relationship that is paramount here.

3. A child adopted under the age of 14 years by intending immigrants or by United States citizens is considered to be a natural-born child for immigration purposes. However, such child must have been in the legal custody of the adoptive parents for at least 2 years.

4. Nonquota status is granted to first-preference skilled specialists for whom petitions were filed before July 1, 1957. However, because of this cutoff date, the first preference portion for immigration quotas has again become oversubscribed early this year, namely, quotas for Japan, the Philippines, Iran, and the subquota for Jamaica. I make the point that all skilled specialists whose services are urgently needed in the United States should be placed on nonquota visas. It is illogical for the law to state on one hand that a foreign skilled specialist can enter if his services are urgently needed, and then make him wait until a quota number is available. He is either urgently needed, or he is not.

5. The nonquota status granted to adopted children under the age of 14 is valid only through June 30, 1959. There should be, I believe, no time limitation since by adoption the child becomes a legitimate member of the family unit and there should be no restrictions on keeping the child with his adopted parents.

6. Waivers were granted to immigrants excludable on the ground of commission of crime or immoral conduct or affliction with tuberculosis, provided they come to the United States to join their nearest relatives. Similar waivers were granted to immigrants who in the past misrepresented certain facts while endeavoring to enter the United States.

7. Fingerprinting was waived in the case of nonimmigrant aliens, which has had a very salutary effect, as you know, on foreign relations.

8. The mortgages imposed on 16 immigration quotas under the Displaced Persons Act of 1948 and 1950, as well as under two special sheepherders acts, were removed, resulting in the full use of all immigration quotas.

9. The naturalization of minor adopted children of United States citizens stationed abroad was expedited.

10. The pending petitions for second and third preference quota visas were transferred to nonquota status. This provision alone, it is estimated, will bring to the United States by the close of this year over 27,000 people who are parents of United States citizens, spouses, or children who were previously admitted for permanent residence. However, the fourth preference (brothers and sisters of United States citizens, children of United States citizens over 21 years of age or married) remains heavily oversubscribed, notably in such countries as Italy, Greece, Poland, Turkey, and others. The action taken for the first three preferences should be applied to the fourth preference as well.

11. The provision permitting the issuance of 18,656 nonimmigrant visas not used under

the Refugee Relief Act of 1953, as amended, represents a welcome recognition by the Congress that the refugee problem still exists, but the number allocated is, of course, pitifully small to meet the need. There is no provision made for sudden emergencies which inevitably will arise in this conflict-torn world.

There are other provisions not as dramatic as these upon which I do not touch, but taken altogether, there is in this act an unarticulated acknowledgment of some of the inadequacies that existed in the 1952 legislation. But it is a good step forward and establishes a healthy precedent for further amendment.

In addition thereto, the Committee on the Judiciary has acted favorably on H. R. 11033, which provides for the retroactive adjustment of the immigration status of Hungarian refugees who were paroled into the United States subsequent to October 1956. This bill is on the Consent Calendar of the House, and I believe it will be acted upon favorably by the House at the next call of the Calendar.

The third bill to which I made reference, H. R. 11874, permits persons illegally in this country prior to 1940, either through illegal entry or through overstay of legal entry, to adjust their status to that of permanent residence. Existing law, as you know, permitted adjustments of these categories up to the year 1924. A 16-year period of grace will be added. How many will be favorably affected when this bill is enacted, no one knows, since we cannot know who is illegally here until he is caught; but we do know that in the year 1938, some 21,000 persons' status was adjusted. This rate has declined steadily until we find that in the year 1957, some 4,200 were thus recorded for permanent residence. It is estimated that perhaps with the enactment of this bill, some additional 10,000 to 15,000 will be recorded as permanent residents in the next fiscal year.

Perhaps I have been unduly long in dwelling on Public Law 85-316. But I view its enactment as a prelude to what can—not necessarily shall—but can follow. Hearings on my bill, H. R. 3364, are tentatively scheduled for the month of June. It is admittedly not the most propitious time for the holding of hearings. I shall come back to this point in a few moments. But I would like to make clear that the subject of an immigration policy for the United States is one that has been drowned by a deluge of words. There is none of us who has been intimately concerned with the liberalization of our immigration policy who has not, at one time or another, felt that whatever observations we can make have long since become trite and platitudinous. Emma Lazarus' inscription on the Statue of Liberty has been quoted so often that even the most ardent supporters of good immigration legislation must cringe at its sound.

Let us make no mistake; this is a danger. Too many of us get weary of the old subjects, tired of the old tune, not realizing, of course, that we must go on talking, must go on agitating, must go on sponsoring, because the remedy—the just and right remedy—has not as yet been supplied. This is precisely what has happened in the whole area of refugee relief. People grew weary of the refrain. Then we enter into a new phase of the battle: to battle the apathy that follows the weariness.

This is always the danger point: the flagging of enthusiasm that ends inevitably in retreat. And yet the fact of the refugee is an inescapable fact of contemporary history. Geographical partition produces refugees. Political divisions produce refugees. Supernationalist movements produce refugees. And, tired as we may be of the story, the refugee exists, and to turn aside in weariness will not erase the fact of his existence.

We ask ourselves the question now, how much further will the Congress go?

I am not clairvoyant and do not presume to know. But I do know what is unfavorable and what is favorable in the climate which could or could not produce changes in the immigration law. I know that approximately two-thirds of the Congress are against change; particularly, they are opposed to any change in the national origins system.

I know, too, that there will be a different argument used this time to uphold the national origins system. Spokesmen against change will move away from its heaviest emphasis on possible subversives, and even away from the argument of inability of southern Europeans to assimilate easily into our culture. The argument will shift to the facts of the economic decline. Emphasis will be placed upon problems of population. It will be pointed out that we already have a population of some 170 million; that in about 20 years the population of the United States will increase by some 60 million; that the pattern of large families will continue; that our schools are overcrowded, to put it mildly; that our hospitals are already inadequate for our growing population; that automation is and will continue at accelerating pace to displace American workers; that increased population—either through natural increase or through immigration—will increase demands which, in turn, will increase inflation because productivity will not catch up with such demands.

It will be argued that immigrants almost invariably settle in cities already populated beyond the point of comfort, adding to congestion and, hence, contributing to delinquency. It will be argued that immigrants do not settle on farms where population is decreasing.

These, I believe, will be the main burden of the refrain. These arguments will have to be answered and I maintain that all these assertions can be rationally met.

I would like to make one modification. I have seen growing evidence of the adoption of these arguments by former proponents of liberal immigration. I have been told that some groups would be willing to settle for the change from a 1920 census base to a 1950 census base, a redistribution of unused quotas, and a modification of some of the deportation provisions. They have based their conclusions on the arguments I have just given you. I have been advised that they will stop pressing for the departure from the national origins system.

What I cannot understand is the perfectly obvious flaw in this kind of reasoning. Assuming for a moment—and I, for one, do not make such assumption—that increased immigration is at this time against the best national interests, what in the name of sanity has that to do with discrimination in public law? If the United States admits, 2, 5, 25, or 250,000, must they not be admitted on an equality of selection? Must they not be admitted on criteria that apply to all peoples, regardless of race, color, or creed? We must be prepared to meet these arguments not with heat, but with light.

Much will depend upon the nature of the testimony given at the hearings. If the testimony in favor of change is of the same pattern of exhortation and generalization, as well as denunciation, then we will not succeed in effecting any change whatsoever, especially in light of the economic picture. The opponents of change will seize upon this opportunity to emphasize and reemphasize the dangers of added numbers to our census. The argument must be based on America's imperative need to be, above all, just to all people. The argument must be based on America's absorptive capacity. The argument must be lodged in facts and figures on America's new industry, on our decreasing pool of skilled and unskilled workers. The American image has been badly damaged upon our insistence on the retention of the national origins system.

I believe that what we have to seek to establish at this point is not so much an unrealistic increase in numbers permitted to enter the United States, but the reassertion in our immigration law of the American principle of equality of opportunity for all, regardless of race, color, or creed. I believe it can be shown that the rigid quota system applied to Europe, Asia, and Africa, yet not applied from the Western Hemisphere, has resulted in weaking the argument that some persons assimilate easily and others not at all.

Some 49,000 Mexicans enter the United States each year, as against approximately 210,000 from Europe, Asia, and Africa all together. I have seen no injury to America from the Mexican influx. nor has it been a subject for comment by any of our immigration restrictionists. I merely point this out to show the fallacy in the restrictionists' thinking when it is based on a pretended homogeneity of the American people.

You will agree that limits must be set; not all will agree as to what those limits should be. For my part, I seek to have established a total annual quota of 250,000. I have based this on the average number of immigrants actually admitted into the United States within the last decade. My new bill, in most aspects, is similar to the legislation introduced in the 84th Congress and known as the Celler-Lehman bill, but I have extensively revised the earlier bill in its two most significant areas.

In retaining the basic features of the Celler-Lehman bill, I am, of course, proposing the elimination of the discriminatory features of the present law. Under my proposal, there will be no discrimination based on national origin or race, and there will be no classification of United States citizens into two categories, native-born and naturalized. There will be no additional grounds for loss of United States citizenship by naturalized citizens except those that apply to native-born citizens.

All provisions of the present law which permit its retroactive application in deportation proceedings have been eliminated in my bill. Similarly, all of the unduly harsh provisions applicable now in exclusion proceedings have been humanized in my proposal. I have provided for a full and unlimited judicial review of administrative decisions made in all immigration and naturalization processes, including deportation and entry, and I have retained all the humanitarian provisions of the Celler-Lehman bill designed to prevent the separation of families. I have made the provisions applicable to suspension of deportation more human by eliminating the stiff restrictions of the present law in removing the requirement that suspension of deportation could be granted only if it would cause what the present law refers to as "exceptionally and extremely unusual hardship."

The revised features of my new bill pertain to what I believe is the heart of our immigration policy, namely (1) our quota system, and (2) jurisdiction over immigration.

The bill I am offering contains a new formula for the distribution of quota immigrant visas. This is a new formula devised for the first time since 1921, not based on national origins and not depending on any nose count of the United States population.

Wives, husbands, and minor children of United States citizens will continue to be admitted as nonquota immigrants, but I have added to the nonquota class parents of United States citizens and professors of academic schools.

In an attempt to make the new quota flexible in order to permit the United States

to adjust its intake of immigrants in enlightened self-interest to the fast changing political, economic, and social situation of the world, under my new proposal our annual quota will be distributed among five classes of immigrants without regard to national origin, race, or any results of the United States census, as follows: (1) family unification class, (2) occupational class, (3) refugee asylum class, (4) national interest class, and (5) resettlement class.

Within each of the five classes, no more than 15 percent of the annual allocation could be issued to inhabitants of any single country. Here is how the annual distribution of the overall immigration quota will be established: Each year the President of the United States, after consulting with the Secretaries of State, Commerce, and Labor, and with the Attorney General, would submit to the Congress, prior to March 1, the proposed allocation for each of the five classes, and Congress will have 60 days following the submission of the President's proposal to disapprove it by passing a concurrent resolution. If the proposal is not disapproved by the Congress, it would take effect on the first day of the fiscal year immediately following. If the Congress disagrees with the President, the allocation effective in the preceding fiscal year would automatically become effective.

In order to get the joint executive-legislative responsibility for the annual distribution of the total immigration quota started, I propose that the first presidential allocation plan shall reach the Congress within 6 months immediately following the enactment of my bill, and if agreement is not reached on this first presidential proposal, the total annual quota of 250,000 would be simply cut across the board so as to give each of the five classes 20 percent of the total. This interim allocation would, of course, be valid for the first fiscal year of operations, pending the submission of the next presidential proposal which, again, will be subject to Congressional disapproval.

My main purpose in proposing this flexible distribution of a permanently fixed annual quota is to permit the President to decide—on a year-to-year basis—with Congressional concurrence, whether it is desirable in any particular year to grant more immigrant visas to relatives of United States citizens or to, say, refugees, or to, perhaps, immigrants possessing special skills needed in the United States at that particular time, or to any of the other classes.

The 15-percent permanent limitation affecting the participation of any single country in the distribution of the fivefold allocation is, in my opinion, a sufficient guarantee that no unfair distribution of visas for the benefit of inhabitants of one particular country would be practicable.

The second revised feature of my bill affects the administration of the law. Under the present law, we have a two-headed system where officials of the Department of State issue visas to both immigrants and nonimmigrants abroad, while officers of the Department of Justice determine at ports of entry whether the holders of visas are admissible to the United States. This is an antiquated, cumbersome, and expensive system. It creates anxiety and uncertainty in the minds of the immigrants and nonimmigrants alike, and it causes friction between two governmental agencies operating independently in the same field and stepping on each other's toes.

Under my proposal, the entire administration of our immigration and nationality laws will be placed in the hands of a Director of Bureau of Immigration and Citizenship, who will be an Assistant Attorney General, subject to confirmation by the Senate. His officers, acting as immigration attachés, will be stationed at our consulates abroad and will issue immigrant and nonimmigrant visas after a finding is made that the recipient of a visa is found to be eligible actually to enter the United States.

In addition to simplification of procedures and elimination of dual standards, as well as uncertainty in the minds of immigrants or foreign visitors, my proposal will automatically open visa issuance to administrative review in the Department of Justice by the well-qualified and trusted Board of Immigration Appeals. The issuance of diplomatic visas will, of course, remain a function of diplomatic officers in the Department of State.

I believe that the administrative system which I propose will not only provide for a more efficient and more equitable issuance of visas abroad, but that it will also bring a great saving to the American taxpayer.

I have every reason to believe that the hearings on immigration will be both intensive and extensive. Twenty-eight Members of Congress have followed me in the introduction of this bill, which is in itself a most heartening fact. However, be it noted that the greatest majority of those who introduced identical legislation come from the heavily populated States. While it is reasonable to expect that these States, having benefited from immigration, would be most liberal in immigration matters, it is an indication of the educational work that must be done in the Midwest, Western, and Southern States.

If the proponents of liberalized immigration law do their homework, defer to reason and not passion, drop the name-calling which only serves to antagonize and strengthen the opposition, we can, through the forthcoming hearings, if nothing more, at least start the ball rolling toward an immigration law that will do honor to us and proclaim an effective and working democracy to those abroad.

Address by Hon. Walter Rogers Before Panhandle Producers and Royalty Owners Association, Amarillo, Tex., May 1, 1958

EXTENSION OF REMARKS

OF

HON. FRANK IKARD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1958

Mr. IKARD. Mr. Speaker, on May 1, Hon. WALTER ROGERS, my distinguished and able colleague from Texas, delivered an address to the Panhandle Producers and Royalty Owners Association at its annual meeting in Amarillo, Tex. This address covers a subject of great importance to our Nation:

ADDRESS OF THE HONORABLE WALTER ROGERS, MEMBER OF CONGRESS, 18TH DISTRICT OF TEXAS, BEFORE THE PANHANDLE PRODUCERS AND ROYALTY OWNERS ASSOCIATION MEETING, MAY 1, 1958, AMARILLO, TEX.

Mr. Chairman, members of the Panhandle Producers and Royalty Owners Association, and distinguished guests, it is always an honor and a privilege to be back home. And, I am especially honored on this trip to have brought with me a very distinguished gentleman who hails from the great State of Arkansas and who has made such an outstanding record in the field of statesmanship. He is my chairman on the Committee on Interstate and Foreign Commerce—the oldest committee in the Congress—and I am highly pleased that he is with us and will address us tonight on a subject that will be of great interest to all of you, and a subject on which he is thoroughly qualified to speak.

I am most happy to have this opportunity to discuss with you a matter that is of great concern to all of us and one that must be corrected without delay if we are to escape some telling effects on the general economy of the entire Nation.

All of you have been reading in the newspapers and hearing over the radio and television during the past few months the stories of recession and the many suggestions as to how the problem should be handled. I have received a sizable amount of mail on the subject. Some of these letters undertake to spell out the causes of recessions and the cures therefor; others condemn those who speak of a recession and insist that there is no economic setback; while others take the position that economic recessionary periods are part of life and that the thing to do is to make the best of it. Needless to say, I am most grateful to those who write, because it provides the opportunity for a clear-cut broad view of what the people are thinking, and it is out of this thinking of the people that answers to all of our problems must come.

Economics has always been somewhat of a mystery because of the human element involved. It is the inability to anticipate the future reactions of human beings that will always prevent economics from being an exact science. Economic ills that arise in the general trend of events must be dealt with as they arise. There is no one-shot cure, and there never will be. In order to mount an effective attack on the economic front, we must first find the cause behind the problem, and there may be many, many problems at the same time. It is one of those problems that I want to discuss with you today—a problem that, in my opinion, can be solved, and the solution of which will contribute much to the overall welfare of our country. I speak of the import problem as it affects the fuels industry. I say fuels industry, because although I refer to petroleum imports, I point out that these petroleum imports affect our entire fuels industry in this country.

Only recently I held several days of hearings on a number of bills that had been introduced that were designed to set up a new bureau, agency, Board, or whatever you desire to call it, for the research and development of coal resources. There seemed to be no objection to the adoption of such a program at Government expense. The only controversy that seemed to arise was the manner in which the program was to be administered. Some wanted to set up an entirely new and independent agency; others suggested placing the program under the present Bureau of Mines in the Department of Interior; while the Department of Interior, itself, recommended that a new agency be created inside the Department of Interior and answerable to the Secretary of the Interior. Some wanted the Government to operate the program as a Government installation, while others suggested a joint operation between Government and the coal industry. The administration supported the theory that the program should be administered under the direction of the Secretary of the Interior who would have the discretion of contracting much of the work to private enterprise on long-term contracts. The beginning cost was estimated at $2 million, but a realistic look would indicate that its cost would be a continuing one and could very easily absorb many times the $2 million figure in the first few years. We listened to a number of witnesses who outlined the economic distress that was gripping many of the coal areas of this country. At the conclusion of the testimony of each, I asked the question: "What is the major cause of this economic distress in

our coal fields?" Almost without exception the answer was: "Residual oil from imports." I then asked the witness "How much the cost of coal would need be reduced in order to compete with the residuals of this imported crude." The answer to that question was "that it would make no difference how much you reduced the price of coal, because the price of the residual oil would be dropped below it." Their position was that the residual oil was what you might call, economic gravy, and whatever price it brought over and above its transportation cost would be profit. Whether or not this is true, I am not here to say, but I am telling you what the import problem is in the coal fields. It is associated with your own problem because the residual oils, upon which they blame their economic troubles, is only a part of the imported crude that is causing yours. In addition you have another interest in this problem, becaues if the legislation to set up a research and development program to be paid for by the Government is passed, you will be required to pay part of the taxes to support that program.

At the same time that these efforts are being made to bring the Government directly into one segment of this fuel problem on the primary basis of the existence of distress economic areas in this country, a great number of the people on the eastern seaboard are being led to believe, by a subtle but very effective advertising program which borders on propaganda, that if it were not for petroleum imports many factory furnaces would grow cold and many people would be put out of work.

One major oil company, and I will not call it by name, is presently conducting an advertising campaign that must have been designed to convince the American public of a great and continuing need for petroleum imports. It was a representative of that same company who was testifying before the Interstate and Foreign Commerce Committee during the Suez crisis and insisting that the production of this State and this section of the country be increased to meet the needs of Europe and sections of our own east coast that had been using imported oil. I asked this witness at the time what, in his opinion, would be done with this increased production as soon as the Suez Canal was reopened. I had hoped that he would say that some degree of balance would be sought in order to maintain the economic situation created by the increased production from our own wells. However, he simply stated in effect that he could speak only for his own company and that they would expect to pursue in the future the same program that they had pursued in the past, and that was a sound import policy. What he failed to say was that he meant a sound import policy for his company. Whether or not such a policy would be a sound import policy for the country as a whole is a debatable question, but if I am allowed an opinion on the subject, I would suggest that experiences since the Suez crisis clearly indicate to me that the import policies that have been followed have not been for the best interests of the country. And, in other fields concerning natural resources, it is my opinion that our import policies have not been in keeping with what in the future we may well wish we should have done. I especially refer to many of the strategic minerals and metals which we might find ourselves unable to produce in needed quantities on short notice. We have permitted our needs to be met by foreign sources at the expense of domestic development. It is true that much of this policy was based upon a sound foreign-trade policy, but on the other hand, much of it was based upon an economic situation that permitted these minerals and metals to be produced at much less cost in foreign countries. Our activities in this regard could well prove us to be penny wise and pound foolish, although we hope that such will not turn out to be the case. I refer to the possibility that should a conflict break out, it would be a swift and devastating thing and we would not be given the time to prepare that we have had in previous wars.

Should our foreign sources of supplies be cut off overnight, our needs for strategic minerals and metals cannot be met by reserves that are in the ground, but will require from 6 to 18 months to produce.

It is true that we have a large stockpile, much of which came from foreign sources, but we cannot and must not depend on that alone. Our petroleum reserves are vast, but the next war, if we have one—and God forbid that we do—will not be won by petroleum reserves that are in the ground but untapped. It will be won by petroleum reserves that are available for immediate use. It will be won by strategic minerals and metals that are available.

On the economic side, and I feel that a sound and vigorous economy is an indispensable essential in a defense program, speaking not only from a military standpoint but from a political standpoint, in the eyes of the world, many of the ills that can flow from an unrealistic import policy affect us more directly. If we are to yield to the rest of the world on the foreign trade issues, we must be prepared to pay as a price our standard of living. This we are not going to be willing to do. Yet, that will be the final result, voluntarily or involuntarily, unless we search for and find a proper balance in this program. It was only a few years ago that some very able statisticians estimated that within a very few short years, the demand for petroleum products in this country would reach such proportions that we would be dependent upon imports; that our reserves were just simply not sufficient to even begin to meet the demand. The fact is that these statisticians were wrong twice. In the first place, they underestimated the demand for petroleum products. They estimated a daily demand in the United States much greater than productive capacity. The fact is that the daily demand increased much more than the estimates. The second mistake that was made by these statisticians was that they underestimated the ability and the know-how of the oil people in this country to search out and find petroleum products and to develop them. Contrary to the statisticians' reports, the increased demands found us not only not dependent upon foreign oil, although much had been discovered in foreign places, but in fact ready, able and willing to meet our own needs and to export petroleum and petroleum products. Yet, what is the reward that we are receiving for such enterprising activity? Tools are being stacked, businesses shut down, people thrown out of work, and the possibility of increased State taxes to absorb losses created by cutbacks in oil production.

I do not want to appear unrealistic in approaching this very serious problem. In fact, I think that I am most realistic when I take the position that the primary premise in this whole complexity is Mr. and Mrs. United States citizen. If they are not the primary premise, then what are we working for? What are we disturbed about? The fact is that they are and should always be the number one concern. I fully realize that foreign trade is an essential element in the welfare of all of us, but by the same token I also realize that foreign trade should be incidental to our economy and not the controlling factor thereof. Whether we undertake to find an answer through tariff controls or through a quota system, or through any other method, we must not permit any of our people to be blinded by a temporary economic advantage that will redound to the detriment of all. We must keep in mind at all times the welfare of the individual citizen of the United States, and when we fail to do this, we can expect to eventually suffer from the impact of the force that injures him or her, as the case may be. I think it is well to point out that our economic situation with relation to many different materials and items is such that tariffs may work in one case while quotas might be required in another. Each of these situations must be carefully weighed with relation to the particular circumstances surrounding it. It was this thinking that caused the Congress to adopt the so-called peril-point amendment in 1951 and subsequently in 1955 adopt the national defense amendment to the Trade Agreements Act. The Senate Finance Committee report in the 84th Congress stipulated in effect that the national defense amendment was adopted so that the President, "when a proper showing was made that the national security was threatened with impairment, could take whatever action was necessary to adjust imports to a level that would not threaten to impair the national security." The President's Cabinet Committee on Energy Supplies and Resources Policy had found and reported to the President that if the imports of crude and residual oils should exceed significantly the respective proportions that these imports of oils bore to the production of domestic crude oil in 1954, the domestic fuels situation could be so impaired as to endanger the orderly industrial growth which assures the military and civilian supplies and reserves that are necessary to the national defense.

When these imports in 1955 exceeded the 1954 ratio; when these imports in 1956 exceeded the 1954 ratio by double what they had exceeded it in 1955; and when these imports continued to grow larger and larger in 1957, the people of this country had the right to expect the President of the United States to act in accordance with the powers accorded him under the national defense amendment.

Percentagewise, this ratio had increased from a little over 16 percent in 1954 to over 21 percent in 1957. The President acted by appointing a special committee to investigate. This committee found that the national security was being threatened and recommended action. That action was a voluntary program on the part of the importers made up mostly of major American oil companies. Great effort was put into this gesture to make it suceed, but we all know, that noble as it might have been, it was doomed from the beginning. It had about as much chance of success as a voluntary conservation program in Texas would have had. We were whistling in the dark when we told ourselves that such a program would work. We knew in our own hearts that sooner or later we were going to be required to face up to the issue, and when I say, we, I am talking about the President of the United States as well as everyone remotely interested in the problem. It makes no difference how good a law might be, it is ineffective unless it can be enforced.

The time has now come for the issue to be faced and to be dealt with. It is in this session of the Congress that we must act on the extension of the Reciprocal Trade Agreements Act. Everyone, I feel, believes in reciprocal trade, but the big question that is in the minds of many is whether or not our foreign trade is reciprocal, when a vital segment on our economy is placed under the burden that it has been carrying these past several years with no effective action coming from the executive branch of the Government. It is patently obvious to me that the first step that must be taken if we are to bring about a cure or a hope of a cure, is to act through legislative processes to create an enforceable procedure of a protective nature. Much thought has been given to the problem and a vast amount of research has been done.

A proposal has been offered to the Congress in the nature of an amendment to the Trade Agreements Act. It was orginally introduced by our neighbor and good friend, the Honorable FRANK IKARD, of Wichita Falls, Tex., who presently serves on the Ways and Means Committee, which is the committee that has held extensive hearings on this subject. FRANK has done an outstanding job on this subject and is entitled to the thanks and acclaim of all the people of this country for a basic realistic approach to the problem. The proposed amendment is being supported by a number of other Members of Congress, some of whom have introduced the bill. I might say at this point that whether or not a Member of Congress is in support of a proposition does not depend upon whether or not he introduces the bill. The fact is that it might be a mistake for all members of the Texas delegation to introduce the same identical bill. This legislation affects people all over the United States, and it would certainly not be a good idea to create an original impression in the mind of some member far removed from the State of Texas that the proposal was primarily a Texas proposal.

What we want to do is to adopt some effective legislation and get it on the books. We are not looking for notoriety; we are looking for results. The proposed amendment would direct the President to limit imports of petrcleum to or below the ratios that existed between domestic and imported crude and all petroleum products as they existed in 1954. In other words, it would fix a definite guide for the President and not leave the question of threatened impairment to the discretion of the President. It would provide certain rules and guides for the limitation of the petroleum imports. The bill would vest the President with discretionary authority to allocate the import quotas among the several countries or areas from which our oil imports come. It would require the President to put up for bid each quota. Persons desiring to import petroleum or petroleum products could bid for the license to so do. It is contemplated that the highest bid for these import licenses would be the controlling factor, but discretionary authority is left in the President because the award of the import license is subject to approval by the President. The duration of the license would be at the election of the President and could be determined by him.

The question has been asked as to how the amounts to be imported would be determined. This would be done by a Bureau of Mines forecast of the daily average domestic petroleum production during the next calendar year. By applying the 1954 ratio between imports and domestic production to the Bureau of Mines forecast, an initial quota could be determined, and import licenses could be issued on that basis. Of coure, the quota could be adjusted for each quarter of the year in order to take in seasonal variances in consumption. Public notice would be issued as to the quota established and also that bids would be received. Should the forecast prove erroneous for any particular quarter, the bill allows proper adjustment to be made in the following quarter. It was felt that the licensing procedure as outlined would be fair, would be based upon the economics involved, and would be as free as possible from Federal Government control. It would also provide a safeguard against possible corrupt practices that are so reprehensible in the administration of many of these programs.

The bid basis would not only provide some additional income for the Government that would go a long way in defraying the administrative expenses involved, but it would also provide a quasi-bulwark against the economic advantages incidental to foreign oil.

There are other features of the bill that I will not undertake to discuss at this time because they have to do with certain emergency situations concerning petroleum, and there are other features that have to do with fluorspar. The points that I have mentioned are the ones that are necessary as a beginning to the solution of our problem. I would say that if this bill proves successful, it is my opinion that its provisions will be extended to include many other items in the natural resource field not now mentioned herein.

I would conclude by saying that this proposal is, in my opinion, basically sound and provides a possible early solution to a very knotty problem. It will go a long way toward enabling the independent to survive. Unless he does survive, we can not only look forward to the deterioration of the towns and communities whose economies are tied so closely with the fuel industry's, but we can expect a definite and speedy trend toward monopolism in this industry—a monopolism which you and I know the American people will not tolerate for long. The serious question is where do we go from the monopoly category. Some think that we would probably go to nationalization of the fuels industry. May I say that unless some action is taken on our present import problem that will produce the proper results, nationalization of the fuels industry during our lifetime could very easily become a probability rather than a possibility. Private enterprise could well hang in the balance. Let us all hope that we are successful in our efforts to control these imports.

The Kennan Fables

EXTENSION OF REMARKS

OF

HON. J. ALLEN FREAR, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Wednesday, May 7, 1958

Mr. FREAR. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD "The Kennan Fables," by Hon. MICHAEL A. FEIGHAN, Member of Congress from Ohio. "The Kennan Fables" originally appeared in the March 1958 issue of The Ukrainian Quarterly.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

THE KENNAN FABLES

(By Hon. MICHAEL A. FEIGHAN, Member of Congress from Ohio)

Last November and December the British Broadcasting Corp. featured George F. Kennan in a series of six lectures titled, "Russia, the Atom and the West." This series of lectures was spread over a 6-week period, the last one given just as the North Atlantic Treaty Organization was meeting in Paris in an emergency setting caused largely by the worldwide propaganda victory achieved by the Russian success in launching an earth satellite. This Russian feat led to wide speculation as to the military significance of the sputnik with consequent doubts as to the adequacy of NATO to meet the Russian claims of overriding superiority in the missiles field, including the intercontinental ballistic missile. This was the setting for the NATO Paris meeting just as it was the setting for the Kennan lecture series over BBC.

A reading of the Kennan lectures leaves one with the feeling that here is a modern-day Pied Piper of Hamlin. He produces what appear to be nice, easy solutions to very complex problems—much like the sweet note on a flute—but as he rushes his listeners into an angry surf he fails to give fair warning of the relentless undertow that will pull them far out to sea. There is also a touch of Aladdin and his lamp, the magic rug and Yogi the mystic in Mr. Kennan's London performance. Yes, there are even bits of Potemkin's sleight-of-hand, skillfully interwoven with some sentimental appeals to questionable objectives.

These lectures, now published in book form, are valuable as a key to what is wrong with the foreign policy of the United States and how it got that way. Mr. Kennan once occupied positions of high responsibility and trust in the United States Government. As Director of the Policy Planning Staff of the Department of State, he was in a position to lay down deep roots both as to policy and personnel sympathetic to its implementation. As Ambassador to Soviet Russia, his evaluation and impressions of the Moscow scene were used as authoritative guides in meeting day to day problems in our Government's dealings with the worldwide Russian problem. Such influence has left its mark and accounts in a major sense for the fact that today we do not have a carefully defined, positive and dynamic national policy toward the Soviet Union. In its stead, our approach to the problems created by Russian Communist imperialism is bogged down with misconceptions about the Russians and their new empire, contradictions, self-defeating concepts and the negativism which goes with marginal goals. All these handicaps to a sound national policy toward the Soviet Russians are evident in the Kennan lectures.

The Kennan discourse begins with a tribute to the Russians for what he describes as impressive economic success during the 10-year period since his "Mr. X" article was published. He concludes that the Russian success in launching an earth satellite is a dramatization of that program. The assumption he makes is that this success was a general end product of "impressive" industrial development and the result of Russian scientific and technological genius. Nowhere does he take into account the major role played by captured German scientists in developing the Russian earth satellite, a fact generally acknowledged in the free press. Also, he fails to point out the peculiar ability of the tightly controlled industrial capability of the Russian empire to put all its eggs in one spectacular basket. The Russians needed a sensational success in the field of science, and one which the Free World would be able to see and evaluate. Events of the past years such as The Marshall Plan, the resolute action taken at Berlin and in Korea, the East German uprising, the Hungarian freedom revolution, and the general political unrest in Eastern Europe had seriously blunted the wave of the future long claimed by the Russian Communists. It is altogether probable that the Kremlin leaders put all their eggs in the sputnik basket. Time will tell, but it is too early for us to equate the sputnik feat with Russian "impressive economic success."

In examining what he calls "The Internal Soviet Scene," Mr. Kennan sees only two problem areas from what he views as the political side. The first is the struggle at the top, in the Presidium and the Central Committee and the second is the intelligentsia as represented by "academic youth" and "cultural intelligentsia." As he sees it, the struggle at the top is caused by pressure from the "cultural intelligentsia" who are to a large extent outside the apparatus of the Communist Party. Thus he appears to be completely unaware of the fact that the greatest political problem within the entire Russian Communist empire is Nationalism. The powerful political drive of Nationalism

is caused by the ever-increasing demand of the non-Russian nations within the empire for recognition and complete independence of action from the bureaucracy of the Russian overlords. Even the Communist elements and the managerial class within the non-Russian nations have been swept up by this political movement. This movement begins with the masses of people who refuse to become Soviet citizens, as Mr. Kennan loosely refers to them. The non-Russian people of the empire are no less in tune with the era of Nationalism in which the world finds itself than the people of Asia or Africa. People the world over today want to be recognized for what they are and not what some imperialists call them as a blind for the continued enslavement of nations. In his fifth lecture, however, Mr. Kennan takes note of the force of Nationalism in the non-European world and sees it as "irresponsible new Nationalism."

In this connection it is important to note the drastic step the Russian Communist have been forced to take as a consequence of the drive of Nationalism within the Soviet Union. At no time during the 40 years since communism became the doctrine of the Russian imperialists have there been so many non-Russian figures on the Presidium or in key positions of the Central Committee. This trend began shortly after Stalin was liquidated and Khrushchev has given great emphasis to it during the past year. Yet, in the face of these facts which Kennen ought to know as a reputed expert on Russia, he sees the struggle within the Russian empire as no more than an effort of the "intelligentsia" to win a few concessions from the ruling clique at the top. His reference to "the Russian cultural world" as a positive factor moving toward "complete intellectual and cultural freedom" discloses a deep-seated ignorance of the Russian character and some 300 years of history.

The Kennan lectures more than anything else carry a plea for a recognition of the status quo, which is, of course, the underlying objective the Russians now seek through another summit conference. In his first lecture he concludes on the note that we should show greater detachment toward events taking place within the Russian empire. He holds that "their world is not our world;" which is a reserved plea for a world divided as it now is by virtue of Russian conquest and the police state. In this third lecture he advances the argument that we write off the captive nations of Central and Eastern Europe by adjusting ourselves to Russian domination of these nations. This also is a stated objective the Russians have for calling another summit conference. Here is what Kennan has to say on the subject: "There will simply have to be some sort of adjustment (to Russian occupation*) on the part of the peoples of Eastern Europe, even if it is one that takes the form of general despair, apathy, demoralization, and the deepest sort of disillusionment with the West." He states as an argument for this writeoff of the once free nations: "The failure of the recent popular uprisings to shake the Soviet military domination. * * *" Here again he fails to understand the genuine political and psychological victory won by the Hungarian freedom fighters and the concessions the Polish people have been slowly but surely wringing from Gomulka and his Russian masters. It is the pressure of nationalism exerted by people of the captive nations coupled with the same type pressure which is being exerted by the people of the non-Russian nations of the Soviet Union which offer the best chances for peace and an end to the present unnatural division of humanity. Anything we might attempt to do to slow down or reduce these pressures would constitute unwarranted interference in the internal affairs of those many nations. The roots of Kennanism within our Government have already reduced "Voice of America" broadcasting behind the Russian Iron Curtain to a faint and neutral whisper. There is far greater danger to our national security in broadcasting the theme of political evolution, which is a polite way of telling the enslaved people they must make accommodations to Russian occupation, then there is in the theme of individual liberty and national independence. There is little we as a nation can do to stop the new tide of human events which had been set in motion behind the Russian Iron Curtain, a tide which originates in the headwaters of nationalism. Our long range national interests and the cause of peace strongly urge that, at minimum, we take steps to associate ourselves with the coming victory of the non-Russian nations and people.

The second Kennan lecture suggests that the United States negotiate secretly with the leaders of the Kremlin, without regard to our NATO allies or the chartered role of the United Nations as an instrument for peace. He holds that NATO is too complex and inhibited to be useful in any negotiation with the Russians. This is the same line the Russians have been pushing ever since NATO came into being. He expresses the highly personal opinion that since the United Nations did not come into being until after the "predicaments" of the present were well along, therefore it should not be called upon to resolve such predicaments even though the peace of the world is at stake. To begin with he is historically incorrect in the assumption that the U. N. was created after these predicaments arose. The hard, cold facts are that the U. N. was created because of the prospect of the serious problems which now confront us and with the hope that they could be resolved peacefully on the basis of justice for all nations and people. It is also important to recall at this point that the Russians also maintain that the United Nations is unsuited to bring about peaceful solutions to world tensions. The Russians, like George Kennan, are doing their best to drag the United States into secret negotiations on a bilateral basis, a course certain to wreck the defense structure of the Free World and to put the United Nations out of business. The United Nations has not fulfilled all the hopes and expectations of the American people but it has served as a basis for uniting free people as in the case of Korea and in the case of Russian inhumanities in Hungary. Every time the United States has been party to secret negotiations with the Russians or any of their Communist henchmen, we have come out on the short end. Secret negotiations invariably lead to deals in which the interests of the common man are sacrificed to satisfy the vanity of the despot. The United States as a constitutional democracy is uniquely unsuited to the game of power politics but is ideally suited to the strategy of open covenants, openly arrived at.

The German people and their leaders were also struck a severe blow by Mr. Kennan in his BBC lecture series. Here is what he had to say on the question of a free and united Germany: "I wonder, in the first place, whether it is actually politic and realistic to insist that a future all-German government must be entirely free to determine Germany's military orientation and the obligations, and that the victor powers in the recent war must not in any way prejudice that freedom by any agreement among themselves." This obviously suggests that the Russians be allowed to limit the freedom of action of a united Germany to choose on which side of a divided world it will aline itself. This is so because of the finality Mr. Kennan attaches to the present division of humanity and the fact that the people of that part of Germany, free to chart their own course overwhelmingly chose the side of free men. As to East Germany, Mr. Kennan sees little desire on the part of the people there to adjust themselves quickly to the free institutions of the German Federal Republic as he dismisses their case in the following words: "The long period of Communist rule in East Germany will have left strong marks on the structure of life there." It is interesting to note in this connection that Kennan drags in the Gomulka promise to the Polish people "that the day the Americans leave Germany he will take up with the Soviet Government the question of the departure of Soviet forces from Poland." He fails, however, to disclose just how his Aladdin lamp will close the huge gap between Communist promises and performances which has contributed so much to the present critical division of the world.

Mr. Kennan has also concocted a bitter pill for the West Europeans, even though it is sugarcoated with mysticism. He sees that scene as one in which the people are detached from the stabilizing influences of their rich heritage, reaching out for new and vague values which he fails to describe. This thesis flies in the face of the reality that Western Europe is saving itself by a return to the old values, moral and political, which had been denied them by former leaders whose materialistic philosophy led them into the unrewarding game of power politics. It is true that American economic assistance programs lent a mighty helping hand in this process but the Western European people produced the leadership and moral fiber without which all of Europe would likely now be floundering in neutralism or attached to the Russian power bloc. Moreover, it was the determination of the European people to defend these old values which led to the establishment of NATO.

But this is not the way the self-designated historian, Mr. Kennan, sees the recent past. He sees the constructive purposes of the European recovery program "overtaken and swallowed up in the space of a mere 2 or 3 years by programers of military assistance based on a wholly different concept of the Soviet threat and of Europe's needs." This suggests that it was not really necessary for the Western European nations to construct a collective defense system or to keep it in a state of being comparable to the increasing Russian military threat posed in that area of the world. It seems he feels there is no geopolitical connection between the Berlin Blockade and Communist aggression in Korea and Vietnam. Nor does he sense the critical shift in the balance of power caused by the Communist conquest of China, a development which forced responsible Western leaders to create new situations of military strength capable of detering further Russian aggression and conquest. One can readily see that it is Kennan's limited conception of complex events taking place in the world arena which has led him into making proposals that have the ring of a wild-eyed, high-school sophomore.

After lengthy treatment of the unhappy prospect of atomic warfare, Kennan repeats his belief that possession of this weapon of defense by the United States did not prevent the Russians from overrunning Europe in 1948 or at any other time. He also argues that the Russians never wanted and do not now want a general war, therefore, they would not have moved to occupy all of Europe even if we did not have the atom bomb. Why then, it is fair to ask, did the Russians keep in being since the termination of the war, a massive military striking force and dispersed in a manner to give them a huge

*Author's insertion.

initial advantage had they chosen the course of sneak attack? The Western nations, particularly the United States, quickly dismantled their wartime Military Establishments. So rapid and complete was the disarmament that we were caught flatfooted and ill prepared when the Russian-inspired Communist war of aggression broke out in Korea. There never has been any threat of aggression from the West so what motivated the Russians to keep such a massive military striking force in being?

Mr. Kennan also advances the idea, contrary to the reasonable estimates of responsible leaders in the Free World, that the Russians are sincere in their claims for banning use of the atomic bomb, both as a military weapon and a diplomatic aid. He had this to say on the matter: "Surely everyone, our adversary no less than ourselves, is tired of this blind and sterile competition in the ability to wreak indiscriminate destruction." All sane men wish this were true but the realities of fact do not support this sweeping statement. Not quite 4 years ago the Russians launched a propaganda offensive in which they attempted to convince free people that the only alternative to an atomic war was what they called "peaceful coexistence." They used the same loose generalities peculiar to Mr. Kennan in explaining what they meant by "peaceful coexistence." The well informed on Communist doctrine knew that this was a tactic developed by Lenin to lull the non-Communist world to sleep, to cause free men to drop their defenses and thus to be easy prey to internal subversion and armed attack. More lately, Khrushchev announced that the first step necessary to "peaceful coexistence" was acceptance by the Free World of the status quo. By way of enforcing acceptance of this condition, Khrushchev threatened the people of Europe with the specter of atomic warfare unless they agreed. Even as Mr. Kennan was delivering the last of his lectures over the BBC, in which he pleaded the sincerity of the Russians, the Russians were engaged in delivering diplomatic notes to European members of NATO, the essence of which were thinly veiled threats that if they strengthened their defense capabilities they would be marked out for early treatment by atomic warfare launched from the Soviet Union by missiles. It is only fair to ask who is rattling the atomic bomb and who is threatening atomic warfare unless a settlement of differences is entered into, on terms dictated by the Russians? Mr. Khrushchev's recent demonstration of diplomacy by ultimatum can hardly be taken as proof of the peaceful intentions of the Kremlin leaders.

Mr. Kennan's greatest weakness lies in his inability or unwillingness to recognize that basic Communist doctrine calls for world conquest by any and all means. The Russian leaders reaffirmed this doctrine as late as last October by a manifesto issued in connection with the 40th anniversary of the Bolshevik revolution. This objective coincides with the centuries-long dream of the Russians, a fact which Mr. Kennan also refuses to accept. In speaking of the prospects for a political settlement in Europe he makes this startling observation: "I do not think we know what the Russians do want." He would have been in much better grace and surely more accurate had he said: "I do not think I know what the Russians do want." It is distinct disservice to thinking Americans to say that they do not know what the Russians are up to.

The BBC lecture series by Mr. Kennan leaves no doubt as to what he personally wants at this stage of world affairs. He wants a "clean slate." But he offers no practical formula for acquiring this much-desired state of world affairs. It would be quite unfair to criticize him for not coming up with such a formula because it would require the instantaneous wiping out of the long history of man and the immediate rebirth of all mankind. Mortal man does not have that power. It can be said for the Russians that they have been engaged for several centuries in the rewriting of history to their liking and more lately have been engaged in efforts to create a new type of man called Homo Sovieticus. We trust that Mr. Kennan will henceforth not engage in the same kind of activity.

These are the main trends of thought, as I see them, expressed in the Reith Lectures delivered by Mr. George Kennan. There is much marshmallow and honey interspersed between the lines, but this is the basic message he intended for his listeners.

There undoubtedly is confusion in the minds of a considerable number of people in Great Britain as to just who Mr. Kennan, former American career diplomat and now assuming the role of historian, represents. He does not carry any influence in the councils of either the Democratic or the Republican Party, the two major political parties. His "containment policy" was draped around the neck of the Democratic Party by the Republicans in the 1952 national elections, a maneuver which cost the Democrats the support of many millions of thinking Americans. He has never stood for public office in the United States, though it is said he did offer to do so if he could be assured of nomination with no opposition. It appears that he is rapidly losing what few public supporters he had through his newly assumed role as historian. A real disservice to Anglo-American relations will result if the BBC listeners assume that the proposals advanced in the Kennan lectures have any credibility on the American public scene.

In these circumstances, the British Broadcasting Corp. might well give thought to sponsoring another series of lectures titled "The Kennan Fables." This would clear the air and provide a basis of much good humor, because Mr. Kennan has forfeited the right to be taken seriously on the Russian problem.

SENATE

THURSDAY, MAY 8, 1958

Dr. Lawrence D. Folkemer, minister, Lutheran Church of the Reformation, Washington, D. C., offered the following prayer:

God of our forefathers, and our Father, who hast given us this good land for our heritage, we humbly beseech Thee that we may always prove ourselves a people mindful of Thy favor and glad to do Thy will. Bless our land with honorable industry, sound learning, and high morals. Save us from discord and confusion, from pride and arrogancy, from selfishness and narrow partisanship. Help us intelligently to defend our liberties, preserve our unity, and mold into one happy and consecrated people the many kindreds and tongues that make up our land.

Endue with the spirit of wisdom all those to whom, in Thy name, we entrust the authority of government, that there may be justice and tranquillity at home, and peace, understanding, and good will among the nations.

Direct and sanctify the deliberation of this body, this day, to the advancement of Thy glory and the safety and welfare of Thy people, that their decisions may rest upon the best and surest of foundations. In the spirit of Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, May 7, 1958, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 11399) relating to price support for the 1958 and subsequent crops of extra long staple cotton, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 11399) relating to price support for the 1958 and subsequent crops of extra long staple cotton, was read twice by its title and referred to the Committee on Agriculture and Forestry.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Labor Subcommittee of the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate today.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. JOHNSON of Texas. Mr. President. I ask unanimous consent that when the Senate concludes its deliberations today, it stand in adjournment until Monday next.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF URGENT DEFICIENCY APPROPRIATION BILL

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that it be in order for the Senate to proceed to the consideration of Calendar No. 1548, House bill 12326, the urgent deficiency appropriation bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I announce that we expected to have the Senate take up the depressed areas bill, after consideration of the urgent deficiency appropriation bill has been concluded. But we do not expect any yea-and-nay votes to be taken either today or Monday on that bill. I make this announcement so all Senators may make their plans accordingly.

I express the hope that the committees which are considering emergency legislation of extreme importance will avail themselves of the opportunity, both on Friday and on Monday, to make progress with those measures. I refer particularly to the Labor Subcommittee of the Committee on Labor and Public Welfare, as well as to other committees.

The Special Committee on Space and Astronautics is holding some very important hearings, and the Appropriations Committee has several subcommittee meetings scheduled.

The Senate is receiving appropriation bills from the House of Representatives, and it is important that the Senate act on those bills as promptly as possible.

Therefore, Mr. President, I wish to have all Senators know that we do not expect that any yea-and-nay votes will be taken either today or Monday on the depressed areas bill. We expect to have yea-and-nay votes taken on Tuesday on that bill, and we hope it may be possible for the Senate to take final action on the bill on that day.

It may be that the Senate will convene early on Monday.

I shall keep the minority leader informed of our hopes, plans, and anticipations, insofar as I am able to do so; and I express to all Members of the Senate my appreciation for their cooperation.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there is the usual morning hour today, and I ask unanimous consent that statements made in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT OF BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM

A letter from the Chairman, Board of Governors of the Federal Reserve System, Washington, D. C., transmitting, pursuant to law, a report of that Board, as of May 7, 1958 (with an accompanying report); to the Committee on Banking and Currency.

AMENDMENT OF CHILD WELFARE PROVISIONS OF SOCIAL SECURITY ACT

A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend and improve the child welfare provisions of the Social Security Act (with an accompanying paper); to the Committee on Finance.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the City Council of the City of Los Angeles, Calif., relating to foreign aid to certain countries; to the Committee on Foreign Relations.

The petition of Laura E. Short, of Brooklyn, N. Y., relating to a strong united America; to the Committee on Labor and Public Welfare.

STATIONING OF TROOPS AT CAMP DRUM—CONCURRENT RESOLUTION OF NEW YORK LEGISLATURE

Mr. IVES. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a concurrent resolution, adopted by the New York State Legislature, memorializing the Congress relative to the stationing of troops at the United States Army installation known as Camp Drum, in Jefferson County, N. Y.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

Resolution 215

Concurrent resolution memorializing Congress relative to the stationing of troops at the United States Army installation known as Camp Drum, in Jefferson County in New York State

Whereas in recent years the facilities of the United States Army installation known as Camp Drum in Jefferson County in New York State, have been utilized only during certain months of each year; and

Whereas the commanding general of the First Army and the commanding general of the Continental Army of the United States have recommended that training troops should be stationed at Camp Drum during the entire year; and

Whereas the above-mentioned commanding generals as well as many other Army officers who are familiar with the situation have stated that the above stationing of troops at Camp Drum would not only be beneficial to the morale of the officers and troops who are trained there but would also improve their training and efficiency; and

Whereas the carrying out of such recommendation would eliminate much shifting and transportation of troops and would not involve any increased expenditure of funds: Now, therefore, be it

Resolved (*if the senate concur*), That the Congress of the United States be and it hereby is respectfully memorialized to take such action as may be necessary to provide that the above-mentioned Camp Drum shall be utilized and kept in operation during the entire year, and be it further

Resolved (*if the senate concur*), That copies of this resolution be transmitted to the President of the United States, the Secretary of the Senate, the Clerk of the House of Representatives and the Secretary of the Army and to each member of Congress duly elected from the State of New York and that the latter be urged to exert every effort toward accomplishment of the purpose of this resolution.

By order of the assembly.

ANSLEY B. BORKOWSKI,
Clerk.

In Senate March 26, 1958.
Concurred in without amendment.
By order of the senate.

WILLIAM S. KING,
Secretary.

RESOLUTION OF CITY COUNCIL OF CHICAGO, ILL.

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the City Council of the City of Chicago, Ill., favoring the enactment of legislation to prohibit the sale and possession of knives known as switchblades.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolution adopted by the City Council of the City of Chicago, April 24, 1958

Whereas on June 20, 1956, this honorable body, at the request of our mayor, Richard J. Daley, passed an amendment to section 193–30 of the Municipal Code of Chicago, relating to the sale and possession of knives known as switchblades and, as to persons 18 years or under, prohibiting the sale to, and the carrying of, any knife 2 inches or longer concealed upon his person; and

Whereas many States have banned the sale and use of switchblades within their borders, but have no way of preventing the shipment of such knives into their States through interstate commerce or the mails; and

Whereas studies of the Chicago Youth Commission reveal that many young boys read advertisements for switchblade knives in comic books, and can send for them and receive them through the mails; and

Whereas these studies of the Chicago Youth Commission further reveal that there is a definite relationship between the rise of juvenile delinquency, and the possession and use by our young people of the deadly quality of this weapon known as the switchblade knife; and

Whereas there is now pending in the Congress of the United States a bill, introduced by Congressman SIDNEY R. YATES, which would ban the shipment of switchblade knives through interstate commerce and through the mails; and

Whereas the Uniform Crime Report just released by our Director of the Federal Bureau of Investigation, J. Edgar Hoover, reports a 9.1 percent increase in major crimes over the Nation in 1957, as compared to 1956, and further these figures show that youth under 18 accounted for 47.2 percent of these total major crimes; and

Whereas the Chicago Youth Commission and its advisory board feel that it would be in the best interest of the youth of our country and Chicago to ban the shipment of switchblade knives in interstate commerce and through the mails, and further that it would help in the enforcement of Chicago's ordinance introduced by Mayor Richard J. Daley in the best interest of the youth of Chicago: Now, therefore, be it

Resolved, That the City Council of the City of Chicago hereby memorialize the Senators and Representatives of the Congress of the United States to enact such proposal into law with all possible expediency; and be it further

Resolved, That this resolution be spread upon the records of the Journal of the Proceedings of the City Council, and that copies of this resolution be sent to the Senators and Congressmen from Illinois.

JOHN C. MARCIN, *City Clerk.*

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. STENNIS, from the Committee on Armed Services, without amendment:

H. R. 7645. An act to provide for the release of restrictions and reservations contained in instrument conveying certain land by the United States to the State of Wisconsin (Rept. No. 1551);

H. R. 8071. An act to authorize the Secretary of the Army to convey an easement over certain property of the United States located in Princess Anne County, Va., known as the Fort Story Military Reservation, to the Norfolk Southern Railway Co., in exchange for

other lands and easements of said company (Rept. No. 1550);

H. R. 9362. An act to provide for the conveyance of certain real property of the United States to Post 924, Veterans of Foreign Wars of the United States (Rept. No. 1549); and

H. R. 9738. An act to authorize the Secretary of the Navy to convey to the city of Macon, Ga., a parcel of land in the said city of Macon containing five and thirty-nine one-hundredths acres, more or less (Rept. No. 1548).

By Mrs. SMITH of Maine, from the Committee on Armed Services, without amendment:

S. 2266. A bill to provide a method for regulating and fixing wage rates for employees of Portsmouth, N. H., Naval Shipyard (Rept. No. 1545); and

H. R. 11519. An act to authorize the use of naval vessels to determine the effect of newly developed weapons upon such vessels (Rept. No. 1546).

By Mr. BUSH, from the Committee on Armed Services, without amendment:

H. R. 8547. An act to authorize the disposal of certain uncompleted vessels (Rept. No. 1547).

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. BARRETT. Mr. President, from the Committee on Armed Services, I report favorably the nomination of Rear Adm. James W. Boundy, to be Paymaster General and Chief of the Bureau of Supplies and Accounts in the Department of the Navy, for a term of 4 years. I ask that this nomination be placed on the Executive Calendar.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The nomination was placed on the Executive Calendar, as follows:

Rear Adm. James W. Boundy, Supply Corps, United States Navy, to be Paymaster General and Chief of the Bureau of Supplies and Accounts in the Department of the Navy.

Mr. BARRETT. Mr. President, in addition, I report a total of 5,206 nominations in the Army, Navy, Marine Corps, and Air Force. Included in this group are 428 Military Academy cadets for appointment in the Army and 621 Naval Academy midshipmen for appointment in the Navy.

All of these names have already appeared in the RECORD, so to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Vice President's desk for the information of any Senator.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Wyoming?

There being no objection, the nominations were ordered to lie on the desk, as follows:

Billy J. Abel, and sundry other officers for promotion in the Regular Army of the United States;

John W. Adams, and sundry other midshipmen (Naval Academy) to be ensigns in the Navy;

Maj. Albert F. Schoepper, United States Marine Corps, for permanent appointment to the grade of lieutenant colonel;

First Lieut. Dale L. Harpham, United States Marine Corps, for permanent appointment to the grade of captain; and

William M. Brown, Jr., and sundry other officers for promotion in the Regular Air Force.

EXECUTIVE REPORT OF COMMITTEE ON THE JUDICIARY

Mr. HENNINGS. Mr. President, as in executive session, I send to the desk at this time the nomination and report of the Committee on the Judiciary relating to the nomination of Gordan MacLean Tiffany, to be staff director for the Commission on Civil Rights, together with the recommendation that the nomination be confirmed.

The PRESIDENT pro tempore. Without objection, the nomination will be received and placed on the Executive Calendar.

Mr. JAVITS. Mr. President, I am delighted to see the nomination of Mr. Tiffany finally being brought forward for confirmation by the Senate. Those of us who fought for a civil rights bill, including the distinguished Senator from Illinois [Mr. DOUGLAS], the distinguished Senator from Missouri [Mr. HENNINGS], the distinguished Senator from Wisconsin [Mr. WILEY], and other Senators, have placed great store by what the Commission would undertake to do, even under the inadequate law which was enacted. We hope the Civil Rights Commission will look into the series of bombings which have taken place in the South, and which are most regrettable to everyone—and I know especially to our colleagues from the South—and which certainly merit early and urgent attention, insofar as the Civil Rights Commission can deal with fundamental causes and fundamental occurrences, and the apparently incendiary opinions which are bringing about such unfortunate incidents. I therefore wish to commend the services of the Senator from Missouri, who I know has done a great deal to bring about the result, as well as the Senator from Wisconsin, who also is a very senior member of the Committee on the Judiciary.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THURMOND:

S. 3773. A bill to amend the Labor Management Relations Act, 1947, so as to permit employees who suffer losses by reason of the commission of unfair labor practices by labor organizations to bring suit to recover such losses; and

S. 3774. A bill to amend the National Labor Relations Act, as amended; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. THURMOND when he introduced the above bills, which appear under separate headings.)

By Mr. DIRKSEN:

S. 3775. A bill to amend chapter XIII—Wage Earners' Plans—of the Bankruptcy Act; to the Committee on the Judiciary.

(See the remarks of Mr. DIRKSEN when he introduced the above bill, which appear under a separate heading.)

By Mr. SYMINGTON (for himself and Mr. HENNINGS):

S. 3776. A bill to extend the time for the collection of tolls to amortize the cost, including reasonable interest and financing cost, of the construction of a bridge across the Missouri River at or near Miami, Mo.; to the Committee on Public Works.

By Mr. PASTORE (for himself and Mr. GREEN):

S. 3777. A bill to authorize the construction of certain works for flood control in the Blackstone River Basin, Mass. and R. I., in the city of Woonsocket, R. I.; to the Committee on Public Works.

By Mr. SMATHERS:

S. 3778. A bill to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, and for other purposes; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. SMATHERS when he introduced the above bill, which appear under a separate heading.)

By Mr. DOUGLAS:

S. 3779. A bill to express the policy of the United States in regard to landholdings on Federal reclamation projects and to lay down certain means for its application; to the Committee on Interior and Insular Affairs.

PRINTING AS A SENATE DOCUMENT STUDY ENTITLED "FINANCIAL AND ECONOMIC ANALYSIS, COLORADO RIVER STORAGE PROJECT AND PARTICIPATING PROJECTS"

Mr. ANDERSON. Mr. President, on December 30, 1957, the Secretary of the Interior transmitted to the Congress the first annual report on the status of the Colorado River storage project and participating projects together with a statement on hydrologic bases for financial studies, Colorado River storage project, pursuant to Public Law 485 of the 84th Congress.

On January 16, 1958, on my motion, the report was ordered printed and became Senate Document No. 77. In making the motion, I called the attention of the Senate to the need for more detailed information in the way of a financial and economic analysis of this project and also advised the Secretary of the Interior to that effect.

On April 15, 1958, the Secretary of the Interior transmitted to the President of the Senate a financial and economic analysis of the Colorado River storage project and participating projects as of February 1958.

I have been advised by the staff of the Committee on Rules and Administration that the printing of this material should be effected by Senate resolution. Accordingly, I submit for appropriate reference a resolution authorizing the printing of the financial and economic analysis as a Senate document, with additional copies for the Committee on Interior and Insular Affairs.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 302) was referred to the Committee on Rules and Administration, as follows:

Resolved, That a study entitled "Financial and Economic Analysis, Colorado River Storage Project and Participating Projects, February 1958," prepared by the Department of the Interior, be printed with illustrations as a Senate document, and that 2,000 additional copies be printed for the use of the Committee on Interior and Insular Affairs.

AMENDMENT OF LABOR-MANAGEMENT RELATIONS ACT, 1947, RELATING TO SUITS BY EMPLOYEES FOR RECOVERY OF CERTAIN LOSSES

Mr. THURMOND. Mr. President, I introduce, for appropriate reference, a bill to amend the Labor Management Relations Act, 1947, so as to permit employees who suffer losses by reason of the commission of unfair labor practices by labor organizations to bring suit to recover such losses.

Under the provisions of section 303 of the National Labor Relations Act, employers are given the right to bring a suit against a labor organization for damages occasioned by those unfair labor practices designated in that section. The bill which I introduce would permit the individual employee to sue for loss of wages or compensation resulting from an unfair labor practice.

Too long has the Congress thought only in terms of the employer and the labor organization. The individual employee must also be protected by having a right to his day in court.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3773) to amend the Labor Management Relations Act, 1947, so as to permit employees who suffer losses by reason of the commission of unfair labor practices by labor organizations to bring suit to recover such losses, introduced by Mr. THURMOND, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

AMENDMENT OF NATIONAL LABOR RELATIONS ACT, AS AMENDED, TO PROTECT CERTAIN EMPLOYEES

Mr. THURMOND. Mr. President, numerous bills have been introduced for the purpose of establishing democracy in unions and to insure that the individual employee is protected. I introduce, for appropriate reference, a bill which would give to employees a right which employers now enjoy, but which right is now withheld from employees.

At the time of enactment of the Sherman Antitrust Act, Congress specifically rejected a proposal to write into the act an exemption for labor organizations. Again, when Congress passed the Clayton Act amendments to the Sherman Act, it refused to grant antitrust immunity to unions. Nowhere in any of the subsequent amendments to the antitrust laws, or in any of the Federal labor laws, is there to be found any provision giving antitrust immunity to labor unions.

In spite of this, the Supreme Court in *United States* v. *Hutchison* (312 U. S. 219 (1941)), read into the antitrust laws a Congressional intent to exempt labor unions. The Court reasoned that the provisions of the Clayton and Norris-La Guardia Acts limiting Federal courts, in the issuance of injunctions in labor dispute cases, evidenced a desire by Congress to free unions from antitrust restraints. On this basis the Court concluded that "So long as a union acts in its self-interest and does not combine with nonlabor groups, the licit and the illicit are not to be distinguished by any judgment regarding the wisdom or unwisdom, the rightness or wrongness, the selfishness or unselfishness of the end of which the particular union activities are the means."

Thus, by this act of judicial legislation, the Supreme Court freed the unions to engage in all types of activities in restraint of trade, which, if engaged in by any other persons or groups, would be grounds for both criminal and civil prosecution under the antitrust laws.

Because of this immunity, labor unions have been able to go beyond their legitimate purposes, and in some fields have acquired economic dominance, which poses a threat to our free enterprise system. In many industries they have eliminated, for all practical purposes, any effective competition at either the production or marketing levels. They can keep products out of the market at will; they can control prices and limit production. In some industries, dominant unions have the life and death power to decide what firms may do business, and what firms are to be put out of business.

The purpose of this bill is simply to reaffirm the Congressional intent of both the Sherman and Clayton Acts, that labor unions are not to be considered exempt from their prohibitions against restraints of interstate commerce. It is intended to place labor unions in exactly the same position under the law as all other citizens or groups in our society. This legislation would in no way impair the accomplishment by labor organizations of their legitimate functions of collective bargaining, but would supply a buffer against economic aggrandizement.

Mr. President, I sincerely hope the Labor Subcommittee will give serious consideration to this bill during its current hearings. The American public has a right to expect the Congress to take action for its protection without further delay. We must discharge our responsibilities if we are to hold the confidence of the public, which confidence is vital to our continued success as a nation.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3774) to amend the National Labor Relations Act, as amended, introduced by Mr. THURMOND, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

AMENDMENT OF CHAPTER XIII OF BANKRUPTCY ACT, RELATING TO WAGE EARNERS' PLANS

Mr. DIRKSEN. Mr. President, for some time I have carried on correspondence with members of the bar and the Administrative Office of the United States Courts in connection with what are deemed to be desirable amendments to the Bankruptcy Act, which relate to wage earners' plans.

An extended report was made by the committee of the Judicial Conference and by the Conference itself, and transmitted to the Committee on the Judiciary of the Senate.

A bill has been developed. Today I introduce the bill, and in connection therewith I submit the report of the Committee on Bankruptcy Administration for printing in the RECORD as part of my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the report will be printed in the RECORD.

The bill (S. 3775) to amend chapter XIII—Wage Earners' Plans—of the Bankruptcy Act, introduced by Mr. DIRKSEN, was received, read twice by its title, and referred to the Committee on the Judiciary.

The report presented by Mr. DIRKSEN is as follows:

IMPROVEMENTS IN BANKRUPTCY PROCEDURES AND ADMINISTRATION

(Excerpt from the report of the Committee on Bankruptcy Administration, dated February 24, 1958, which was approved by the Judicial Conference at its March 1958 session)

The tremendous upsurge in the volume of bankruptcy cases has made simplification and improvement of bankruptcy procedures and improvement in bankruptcy administration imperative. The bankruptcy division and your committee are engaged in studies in certain areas with a purpose to attain those objectives.

For example, if the status of the petitioner as a bankrupt in voluntary cases could be fixed automatically as of the date of the filing of the petition with the same effect as if a formal order of adjudication had been entered on such date, unless for cause shown it should be otherwise adjudged by the court, much time, effort, and paperwork on the part of the judge, the referee, and the clerk could be obviated. Of course, the date of adjudication for many purposes in bankruptcy matters is a crucial date and any amendments to effect such a change should be worked out with great care.

Likewise, an order of reference in voluntary cases might, we think, be entered by the clerk. Local rules perhaps would be needed for the clerk's guidance where there is more than one referee in the district.

Another area having our attention is a proposal to have a panel of standing trustees to serve in what appears from the petition to be nonasset cases and in small cases. The use of trustees in such cases would give assurance that any assets of the bankrupt above exemptions would be administered for the benefit of creditors.

Another proposal having our consideration is a provision for blanket bonds for trustees in small cases.

Also the bankruptcy division in accordance with the direction of the conference is continuing its cost of administration studies in districts where costs seem to be abnormally high, and is accomplishing constructive results (see appendix 3).

Your committee is of the opinion that means should be devised to bring about a greater utilization of chapter XIII (Wage Earners' Plans) in appropriate cases. This means the enlightenment of referees, credit organizations, lawyers and perhaps judges, with respect to the beneficent results that can be obtained by the use of chapter XIII in appropriate cases.

We think there can be no doubt that a procedure by which a debtor who is financially involved and unable to meet his debts as they mature, over a period of time, works out of his involvement and pays his debts in full is good for his creditors and good for him. It certainly will be a source of satisfaction to the debtor and no doubt an

enhancement of his moral fiber and character if such payment can be effected.

Chapter XIII is being utilized in many areas and such areas are increasing. Where used it is working well and is receiving the approbation of debtors, credit men and lawyers. Much further utilization of chapter XIII procedures would follow, we think, if it were made the subject of consideration at judicial conferences where experienced and successful referees in chapter XIII proceedings could be invited to speak and referees and representatives of credit associations could be invited to attend. At such a session of a conference the lawyers present could be urged to make the matter of utilization of chapter XIII a matter for study and consideration by their State and local bar associations to the end that the bar shall become advised with respect to the use of chapter XIII in appropriate cases.

We think also that referees should be directed by the district judges to give consideration at the first meeting of creditors as to whether the case is an apropriate one for a chapter XIII proceeding and if so, to urge consideration thereof by the debtor and his lawyer if he is represented by counsel. We ask leave to have the administrative office distribute that portion of our report appearing under the heading Improvements in Bankruptcy Procedures and Administration to district judges, clerks of court, and referees with a request that they give your committee the benefit of their views and suggestions with respect to such improvements.

Section 606 (8) of the Bankruptcy Act now defines a wage earner as follows:

"(8) 'Wage earner' shall mean an individual who works for wages, salary, or hire at a rate of compensation which, when added to his other income, does not exceed $5,000 per year."

In order to make more debtors eligible to file chapter XIII petitions, the committee recommends that section 606 (8) be amended to read as follows:

"(8) 'Wage earner' shall mean an individual whose principal income is derived from wages, salary, or commissions."

Section 659 (3) now fixes the commissions of the trustee in chapter XIII cases at 5 percent upon the amount of payments actually made by or for the debtor. In order to permit the referee to reduce the charge where a trustee is handling a large number of chapter XIII cases and thus reduce the cost to the debtor, the committee recommends that section 659 (3) be amended to read as follows:

"(3) An additional fee for the referees' salary fund, to be graduated and charged in the manner outlined in paragraph (2) of subdivision c of section 40 of this act, and to be computed upon the amount of the payments actually made by or for a debtor under the plan; and commissions to the trustee of [not more than] 5 percent to be computed upon and payable out of the payments actually made by or for a debtor under the plan" (the words in brackets constitute the amendment).

APPENDIX No. 3

District	1956		1957	
	Average realization per case	Percent cost of administration	Average realization per case	Percent cost of administration
Arizona	$10,211	34.8	$10,080	[1] 31.0
Illinois, northern	5,499	34.6	12,644	[1] 27.4
Kansas	4,161	29.4	17,153	[1] 25.0
Maine	2,298	24.9	2,339	[2] 27.5
Massachusetts	7,034	36.6	10,633	[1] 30.8
Michigan, eastern	3,970	37.4	6,315	[1] 27.3
Minnesota	1,064	33.2	1,111	[2] 34.3
New Jersey	8,614	32.5	13,706	[1] 24.7
New York, northern	8,232	31.6	5,161	[2] 39.0
New York, eastern	4,738	36.5	5,395	[2] 40.2
New York, southern	7,512	42.1	9,979	[1] 37.1
New York, western	3,341	31.9	13,242	[1] 17.6
Ohio, northern	5,255	29.3	3,970	[2] 35.2
Washington, western	1,979	32.7	2,021	[1] 30.0
California, northern	6,898	28.8	5,759	[1] 27.9
California, southern	5,179	29.8	7,130	[1] 24.3
Michigan, western	7,859	29.0	5,654	[1] 23.1
United States	6,080	25.8	6,725	[2] 25.9

[1] The percentage cost of administration went down.
[2] The percentage cost of administration went up.

A bill to amend chapter XIII, Wage Earners' Plans, of the Bankruptcy Act

Be it enacted, etc., That paragraph (8) of section 606 of the Bankruptcy Act (11 U. S. C., 1006 (8)) is amended to read as follows:

"(8) 'Wage earner' shall mean an individual whose principal income is derived from wages, salary, or commissions."

SEC. 2. That paragraph (3) of section 659 of such act (11 U. S. C., 1059 (3)) is hereby amended to read as follows:

"(3) An additional fee for the referees' salary fund, to be graduated and charged in the manner outlined in paragraph (2) of subdivision c of section 40 of this act, and to be computed upon the amount of the payments actually made by or for a debtor under the plan; and commissions to the trustee of not more than 5 percent to be computed upon and payable out of the payments actually made by or for a debtor under the plan."

SEC. 3. The provisions of this act shall apply to all cases in which the petition initiating the proceedings under the Bankruptcy Act is filed subsequent to the date of the enactment of this act.

IMPROVEMENT OF NATIONAL TRANSPORTATION SYSTEM

Mr. SMATHERS. Mr. President, I introduce, for appropriate reference, a bill to carry out the recommendations made by the Surface Transportation Subcommittee in its report and findings with respect to the railroads and our national transportation system.

The only purpose in introducing the bill at this time is to enable the full committee before which the matter is now pending to have specific provisions of proposed law to work with in consideration of this problem.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3778) to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, and for other purposes, introduced by Mr. SMATHERS, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. GOLDWATER:

Address entitled "No Time for Timid Souls," delivered by him before the State Federation of Republican Women's convention, in Prescott, Ariz., on May 3, 1958.

By Mr. TALMADGE:

Article written by him and published in the Georgia Farmers Market Bulletin of May 7, 1958, explaining his suggested new farm plan and an article entitled "Two-Price System Is Illustrated," written by Phil Campbell, Georgia commissioner of agriculture.

By Mr. POTTER:

Address by Postmaster General Arthur E. Summerfield before Brown County Republican Organization, Aberdeen, S. Dak., April 28, 1958.

NOTICE OF HEARINGS ON WIRETAPPING AND THE BILL OF RIGHTS

Mr. HENNINGS. Mr. President, as chairman of the Senate Judiciary Subcommittee on Constitutional Rights, I wish to announce that the subcommittee will commence public hearings on the subject of Wiretapping and the Bill of Rights at 10:30 a. m. on Tuesday, May 20, 1958, in room 457, Senate Office Building, Washington, D. C.

These hearings are appropriate at this time as a further step in the subcommittee's study of the subject.

In Senate Report No. 1203, entitled "Study of Constitutional Rights," dated January 27, 1958, accompanying Senate Resolution 234, which was approved by the United States Senate on January 29, 1958, authorizing the subcommittee this year to examine, investigate, and make a complete study of any and all matters pertaining to constitutional rights, it is stated that, in addition to other studies, the subcommittee proposed to investigate the following subject in 1958:

1. The fourth amendment and modern methods of crime detection.

An objective, up-to-date study is needed covering the constitutionality of the use of electrical and electronic listening devices, including the whole subject of wiretapping. This investigation should give due regard to the needs of law-enforcement officers in preserving law and order in our society. Whether we can, and should, recognize a right of privacy will be considered.

Mr. President, many people do not realize that there are very grave constitutional rights issues involved in present-day wiretapping and other eavesdropping practices. Modern methods employ electronic listening devices which can be beamed into rooms apart from the

standard operation of physically tapping telephone lines.

The subcommittee seeks reliable information answering these questions: What is wiretapping today? How is it being done? How widespread are practices? Who is doing it, and for what purposes?

Mr. President, earlier this week the subcommittee voted against scheduling hearings which I had proposed at this time on the several civil-rights measures which had been referred to us for consideration. Therefore, I am scheduling the wiretapping hearings to get on with another important part of the subcommittee's activities.

Mr. JAVITS. Mr. President, I should like to ask the Senator from Missouri—without in any way being invidious—whether the action he has announced does not replace what would have been a most necessary set of hearings on civil rights bills, because the project for holding hearings on civil rights bills was voted down in the subcommittee?

Mr. HENNINGS. The Senator from New York is indeed correct. The question was brought up on Monday last, and a vote was taken with respect to the holding of hearings on the 13th of this month. Some of us, at least, are deeply disappointed with the result, which is that many bills which have been submitted to our committee, some of them by the distinguished junior Senator from New York, will not in the immediate future, certainly, come before the Subcommittee on Constitutional Rights.

I thank the distinguished Senator for his complimentary and generous references to my own small efforts in behalf of these matters. We hope that progress will not cease with the nomination of Mr. Tiffany and with the confirmation of his nomination by the Senate. We also hope that there may be considered additional legislation which may be appropriate and which may serve the general purpose.

Mr. JAVITS. The nomination of Mr. White as Assistant Attorney General for civil rights matters, is still pending. Is that correct?

Mr. HENNINGS. That is my understanding. I do not recall that I am a member of the subcommittee charged with that subject. It has not come before our Subcommittee on Constitutional Rights. I believe it is before another subcommittee. Perhaps the distinguished Senator from Wisconsin can enlighten us on the White nomination.

Mr. WILEY. I do not believe I can at this time.

Mr. HENNINGS. I do not know the situation in that regard, I am sorry to say.

Mr. JAVITS. I should like to express the hope that that nomination, which is vitally important to the enforcement of not only the statute which we passed, the limited Civil Rights Act, but also with respect to any other action which the Department of Justice can take, such as in connection with the dangerous terrorist acts of bombings in the South, will also be acted on in the same spirit as the Tiffany nomination.

Many of us are very much dismayed by the attitude of the Attorney General that the FBI and the Department of Justice do not belong in these bombing cases, which seem to follow a pattern as they have occurred in different States. It would seem to me, as a lawyer and as a Senator, that they do deserve the early attention of the Attorney General and the FBI, and I shall urge that such action be taken. It is unfortunate that we ourselves in the Senate should seem to be sitting—I do not say this invidiously either—on the nomination of the man whose services are needed in that kind of effort; and I certainly express the urgent expectation that the White nomination will be reported by the committee, just as the Tiffany nomination has been reported.

Mr. HENNINGS. I may say to the distinguished Senator from New York that his interest in this matter as a former attorney general of the great State of New York and as an outstanding lawyer, one of the best lawyers, I believe, in this body, expresses my views and my sentiments upon the nomination. I regret that I do not have the detailed information regarding it that I should like to have; but so far as I know, I am not a member of any subcommittee which is now considering the nomination.

Mr. JAVITS. I thank the Senator from Missouri. I deeply appreciate his statement.

Mr. HENNINGS. I shall do all I can to expedite action upon the nomination.

Mr. JAVITS. Of that I am positive. I deeply appreciate the Senator's kind expression as to me. It comes with peculiar pleasure because of the Senator's own distinction as a lawyer and as a leader in this struggle in Congress.

RUMANIAN INDEPENDENCE DAY, MAY 10

Mr. IVES. Mr. President, Saturday, May 10, will mark the 81st anniversary of the proclamation of Rumania's independence from the Turks. Rumanian Independence Day is an important occasion to all Americans of Rumanian descent. It is also a day on which we who enjoy the blessings of liberty in this great land of ours should pause to offer anew our hopes, our prayers, and our support to the proposition that the Rumanians of today will, sooner or later, emulate their ancestors in throwing off the yoke of the foreign oppressor.

The tragic subjugation of Rumania by the Soviet Union remains a matter of deep and abiding concern to all Americans. It is a cause of sorrow and regret to all who love liberty. Let us look, therefore, to the day when Rumania, in common with other Russian satellite nations, will be able to throw off its oppressors; and let us pray that such a day is not far distant.

Mr. SMITH of New Jersey. Mr. President, Saturday, May 10, will be celebrated by all Rumanians as the anniversary of their former independence. Although they are now shrouded under the bleak night of communism, the people of Rumania still cherish the hope that freedom and self-determination—their rightful national inheritance—will once again be theirs.

Despotism, enforced labor, and police brutality have not broken the proud determination with which these brave people have sustained their love of liberty, for they know that tyranny and oppression cannot survive against the will to be free.

All of us in the Free World are happy to honor the anniversary of Rumania's former independence, and we proudly join in the remembrance of that glorious day.

The people of the United States, with all lovers of freedom everywhere, are stanch friends of the Rumanians. The Rumanian people are not forgotten; and the day will come when, once again, Rumania will be welcomed into the ranks of the free.

Mr. POTTER. Mr. President, the history of the world contains many moments of which we are not proud.

Incidents and events showing man's inhumanity to man are painful to remember and we tend to want to forget such unfortunate chapters in our background.

But when episodes shocking to man's reason, intelligence, and better instincts continue to happen, we must cry out against them. We must do so for the sake of the men and women who suffer and for the sake of the entire Free World.

Rumania continues under the heel of the Soviet dictatorship.

I take the occasion of this May 10th of 1958, the independence day of a great nation, to remind this body of another unsupportable act by the Soviet against the Rumanian people.

This year, Russia with utter callousness and disregard for the feeling of the Rumanians, forced them to observe—not May 10, which they had chosen, but yesterday, May 9, which was officially called the day of Russia's final victory over Germany.

This is in line with the whole policy of the Soviet—to strip from the body politic of a country all the things which make the life of the people richer, deeper, more rewarding. This artificial changing of a national holiday and the imposition of one of Russia's choosing may seem a small thing in the long history of the human race, but it is not. It is symbolic of a system of government which believes that man can live by bread alone—and, unfortunately for the Rumanians and the other captive nations of central Europe, not too much of that.

Of course, the Rumanian people celebrate in their hearts the day which they themselves have chosen. They reflected on May 10 of 1866 when the principalities of Wallachia and Moldavia were united to form the principality of Rumania. They thought of the May 10, 10 years later, when the principality of Rumania proclaimed its independence of Turkish rule, and the May 10 of 1881 when the country was proclaimed a kingdom and Prince Charles I King of Rumania.

Now, in the year 1958, the Soviet has taken upon itself to alter a great chap-

ter of history by changing the date. Certainly this does not go unnoticed by the Free World.

I therefore take this occasion to add a personal protest to such treatment of captive people. I know I am joined not only by the Members of this body, but by Americans of Rumanian descent, and by all Americans who love the tradition of freedom.

NORTH ATLANTIC COUNCIL COMMUNIQUE

Mr. SMITH of New Jersey. Mr. President, the spring meeting, at Copenhagen, of the North Atlantic Council ended last night, after 3 days of profitable and constructive discussions. The final communique reflects the historically significant fact that NATO is a true community of free nations who are carrying out a policy of close cooperation in peacetime, without abandoning their independence. To the great benefit of the Free World, NATO is increasingly becoming more than merely a military alliance.

Progress in political consultation is evidenced by the consensus of the Ministers that summit meetings are desirable if they offer prospects of reaching the settlement of important questions. Moreover, the communique reflects the growing feeling of the Western nations that summit meetings are not the only way, or necessarily the best way, of conducting negotiations or reducing international tensions. It also sets forth the general areas which the West believes should be considered in any negotiations.

Mr. President, the functions of NATO must expand, if it is to remain a viable and constructive instrument in the struggle of the Free World against communism. The communique from the Council meeting expresses this significant development in political and economic terms. I ask unanimous consent that a copy of the communique, as printed in this morning's New York Times, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NORTH ATLANTIC COUNCIL COMMUNIQUE

COPENHAGEN, DENMARK, May 7.—Following is the text of a communique issued today after a 3-day meeting of the foreign ministers of the Atlantic Pact countries:

"I

"The North Atlantic Council held its spring ministerial meeting in Copenhagen from May 5 to 7, 1958.

"II

"The foreign ministers of the 15 NATO countries have deepened and strengthened their mutual understanding and their unity of purpose. NATO, a defensive organization, is now much more than merely a military alliance.

"It is becoming a true community of free nations. Within this community, to a degree unprecedented in history, countries are carrying out a policy of close cooperation in peacetime without abandoning their independence. This development is one of the most significant and promising events of our time.

"III

"The Council reviewed the activities of the alliance and examined the international situation. For the first subject of discussion, the Council had before it the report submitted by the Secretary General. The Council was in agreement with this analysis of the work of the alliance in the past year. They agreed in particular that the outstanding achievement had been the remarkable progress made in the strengthening of political consultation. This had been successfully applied to an increasing number of problems and has led to coordination of policy on major questions of common interest. The Council also expressed its satisfaction with the results of the recent conference of defense ministers and with the good start made in the field of scientific cooperation.

"IV

"The foreign ministers recognized that political unity and the efficient organization of defense were not enough. Economic cooperation is also essential between the members of the alliance. Every effort should be made to insure economic prosperity, notably by the expansion of international trade and by aid to underdeveloped countries. Consultations on methods and machinery for such cooperation will take place within the alliance. The ministers attach special importance to the successful conclusion of the economic negotiations now being undertaken and to the establishment of close ties between the European countries and the whole Free World.

"V

"During their consideration of the international situation the ministers had a discussion on the question of a possible summit conference. The Council believes that summit meetings are desirable if they offer prospects of reaching settlements on important questions. The Council considers that conferences at the summit are not the only way, or necessarily the best way, of conducting negotiations or reducing international tensions. In any event, such conferences must be properly prepared and take place in a favorable atmosphere.

"VI

"The ministers regretted that during the last few weeks the Soviet Union has made the preparations for a possible summit conference more difficult by posing unreasonable conditions. The Soviet Union has recently aggravated international tension by its veto in the Security Council of the United States proposals to reduce the risks of surprise attack over the Arctic.

"VII

"Despite the disappointment and doubts to which the Soviet attitude gives rise the NATO governments will not be discouraged nor give up their attachment to the principle of negotiations.

"VIII

"Should a summit conference take place at this time it should consider certain important problems, among others the German problem, which were identified by the heads of governments meeting at Geneva in 1955 and on which unfortunately little or no progress toward a solution has been made. Controlled disarmament, desired so ardently by all peoples, should be one of the main questions on the agenda. The proposals made by Western powers on August 29, 1957, and approved by a large majority in the United Nations could afford a reasonable basis for this discussion.

"IX

"The Council expressed the hope that it might yet prove possible, in spite of repeated Soviet refusals, to inaugurate expert technical discussions, between representatives of the Soviet Union and of the Western powers principally concerned, on detailed measures on control over disarmament. Agreement on measures necessary, for example, to prevent surprise attack or to detect nuclear explosions might go far toward demonstrating the possibility of agreement on disarmament, improving its prospects and accelerating its application when reached. In order to prepare the way for such agreement, the Council will consider the possibility of carrying out studies and experiments on the technical problems of inspection and control.

"X

"In conclusion, the ministers confirmed the full agreement of their governments on the basic principles of the alliance, its goals and the methods of obtaining them."

REORGANIZATION OF DEPARTMENT OF DEFENSE

Mr. SMITH of New Jersey. Mr. President, it is encouraging to note that President Eisenhower's plan to reorganize the Defense Department has made important progress in the last few days. General of the Army Omar Bradley and Adm. Arthur Radford, two of our most respected military leaders, and both former Chairmen of the Joint Chiefs of Staff, have warmly endorsed the President's plan.

On Tuesday, in a nationally televised address, the President took his case directly to the people, with a strong appeal for bipartisan support of the plan. Earlier that afternoon, as if to anticipate his words, Representative CLARENCE CANNON won a standing ovation from his colleagues in the House for a hard-hitting speech backing the President.

Yesterday, the New York Times again expressed its own editorial support of the President on this issue. As the Times so clearly stated—

The administration is not insisting on the precise language of its original bill. It is trying to get, and we think with reason and justice, sufficient legislative backing to insure a more genuine unification than has yet existed, a stronger and more direct line of command, a centralization and clarification of authority. These are some of the requisites to efficient military planning in this atomic age.

I ask unanimous consent that the text of the editorial entitled "Two Big Guns," which appeared in the Times of May 7, be printed in the body of the RECORD, at this point in my remarks, together with an editorial on the same subject, entitled "Advice From Men Who Know," from the New York Herald Tribune of May 7.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times of May 7, 1958]

TWO BIG GUNS

President Eisenhower's proposal for reorganization of the Defense Department has received powerful support from two of the biggest guns in the American arsenal: General of the Army Omar N. Bradley and Adm. Arthur W. Radford, both of them former Chairman of the Joint Chiefs of Staff.

From their experience at the top of the military hierarchy, General Bradley and Admiral Radford ought to know what they are

talking about in endorsing the President's effort to achieve "unified planning and direction" by strengthening the authority of the Secretary of Defense and of the Joint Chiefs. Admiral Radford's support is particularly impressive inasmuch as it is the Navy, with strong support from the Marine Corps, that is the center of resistance to the Eisenhower plan. Most outspoken opponent of the President's proposal is that doughty old veteran of many a legislative war, "Admiral" CARL VINSON, who is now chairman of the Armed Services Committee of the House but who in preunification days was for 15 years chairman of the Committee on Naval Affairs.

To Mr. VINSON'S argument that, under existing law, the Secretary of Defense already has the power to resolve interservice disputes, Admiral Radford pointedly replied that "I assure you that in my 4 years as Chairman [of the Joint Chiefs] I found other people who could argue about it." This, in fact, is one of the reasons for the bill: to remove all legal doubts about the present authority of the Secretary of Defense over the respective services.

Many objections have been raised against the President's bill. One is that he acted belatedly; another is that to some extent he has reversed himself; another is that he already has many of the powers he seeks and in any case the language of the bill is too broad; and still another is that this measure does not provide a complete answer to the problems of the Pentagon. But though these points may each have some validity, they do not alter the fundamental fact that the President is now seeking, on the basis of long experience with the armed services, a reorganization of the Department that will reflect the military needs not just of today but of tomorrow as well.

The administration is not insisting on the precise language of its original bill. It is trying to get, and we think wth reason and justice, sufficient legislative backing to insure a more genuine unification than has yet existed, a stronger and more direct line of command, a centralizattion and clarification of authority. These are some of the requisites to efficient military planning in this atomic age.

[From the New York Herald Tribune of May 7, 1958]

ADVICE FROM MEN WHO KNOW

It is good news that two such eminent military leaders as Omar Bradley and Arthur Radford have thrown their complete support behind the President's program to modernize defense.

General Bradley's support carries with it all the prestige of the man who commanded the largest Army group against Hitler and, like Radford, is a former Chairman of the Joint Chiefs of Staff. Even more, the support of Admiral Radford, coming from a Navy veteran, helps to overcome the stiffest opposition to the program, which originates with Navy. In an earlier reorganization battle, years back, Bradley lashed out at the Navy admirals as "fancy Dans," but now a top admiral joins him in supporting a more far-reaching shift. In fact, Admiral Radford goes so far as to say within 10 years the President's changes may not be adequate to meet the swiftly changing nature of military roles and missions. Let Congress heed the warnings.

Equally vigorous, equally forceful, equally helpful is the support which came from a powerful Democrat, CLARENCE CANNON, of Missouri, chairman of the House Appropriations Committee. It is, he said, a "reasonable, sensible, long-delayed, much-needed revision. * * * It is high time we put an end to this insane bickering between the services and eliminate billions of waste and begin to develop sufficient military strength to keep us out of war." The House gave him a standing ovation. He deserved it.

SENATOR KNOWLAND AND THE CALIFORNIA CAMPAIGN

Mr. HOBLITZELL. Mr. President, I ask unanimous consent to have printed in the RECORD an article by George E. Sokolsky, which was published in the Washington Post and Times Herald of May 8 under the heading "BILL KNOWLAND and California Campaign."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THESE DAYS

(By George E. Sokolsky)

BILL KNOWLAND AND CALIFORNIA CAMPAIGN

Undoubtedly the most spectacular campaign this year will be the nomination and election of Senator WILLIAM F. KNOWLAND as Governor of California. Senator KNOWLAND is the leader of the Republican Party in the United States Senate. He could have been renominated and reelected to the Senate. He deliberately declined the sure thing and chose to risk himself for the governorship of his State.

Against him are already gathering mighty forces, particularly the professional labor barons who earn their livings out of the work of other men. They object to KNOWLAND because he has supported the American right-to-work doctrine which is as fundamental as free speech, namely, that no man and no group of men may enter into a conspiracy to prevent other human beings from earning a living.

It has been suggested that Senator KNOWLAND would have been a smarter politician had he not advocated the right-to-work doctrine until after he had been elected Governor. Then the labor barons might not have poured millions of dollars into California to effectuate his defeat. He treats such politicians' proposals with contempt, as Senator Robert A. Taft did.

His opposition has already developed a normal ADA campaign which is to produce no arguments against KNOWLAND'S character or fitness, but to repeat endlessly the unprovable statement that he cannot be elected. This, no one can know until after an election actually has taken place, for the will of the people is not expressed in polls or in estimates but in the voting booth where secrecy and truth prevail.

BILL KNOWLAND is obstinate in another regard. He is still a United States Senator and the Republican leader of the Senate and he takes his responsibilities seriously. Therefore, he refuses to neglect his duties in the Senate while he is running for office in California.

However, his charming wife, Helen, is on the circuit, campaigning for her husband which is always a graceful thing to do. I am told that Helen Knowland is a brilliant speaker and that Senator KNOWLAND'S daughters also appear at meetings. Thus, a family has been mobilized for civic duty and responsibility.

The Republican Party needs the kind of leadership that Senator KNOWLAND has given it. It is responsible leadership which some men call conservative, but which, in fact, is a revolt against opportunism, against the betrayal of the American tradition of personal freedom and freedom of opportunity by those who advocate statism in any guise. Senator KNOWLAND was quite young when Senator Robert A. Taft selected KNOWLAND as his successor to the leadership. As the years passed, it was obvious that Taft's insight into the man's character was indeed precise.

One of the greatest issues to face the American people during the next decade will be the division of powers and authorities between the Federal Government in Washington and the 48 States. The encroachment of the Federal Government upon the States since 1933 has been beyond belief. The current Supreme Court, presided over by Chief Justice Earl Warren, seems bent upon destroying the authority of the States altogether. Utilizing its taxing power, the Federal Government takes so much of the earned income of the people out of each State as to leave the States without adequate revenue to perform their proper local functions.

Under our Constitution and our system of Government, this course can only lead to a chaos approaching anarchy. It is therefore necessary for each State to elect a strong governor, a man of uncompromising character, who will protect the dignity of his State and the rights of his people.

Those who know him well and who have followed his record in the Senate believe that Senator KNOWLAND is such a man.

COTTON ACREAGE ALLOTMENTS

Mr. TALMADGE. Mr. President, the Wall Street Journal of Wednesday, May 7, quotes Secretary of Agriculture Ezra T. Benson as stating that cotton-acreage allotments will be cut to around 14 million acres next year unless Congress amends the present farm law.

The Secretary had reference to the fact that certain provisions of the Agricultural Adjustment Act of 1938, as amended, applying to cotton, are due to expire at the end of the present year. Should they be permitted to expire, the Secretary would then have discretion to reduce marketing quotas to the 10-million-bale minimum, and the national cotton-acreage allotment for 1959 could be cut to as low as 13,500,000 acres.

The statement attributed to Mr. Benson indicates he is thinking in terms of 14 million acres—a figure which, if imposed, would mean an acreage reduction of 22.3 percent.

It goes without saying that no cotton farmer, small or large, could stand such an acreage cut. It would plow under the remainder of the Nation's small cotton farmers and spell doom for the entire American cotton economy.

There already is a shortage of good quality spinnable cotton, and the supply will grow even shorter this year due to the fact that more than 5 million acres of cotton have been placed in the Soil Bank. Should only 14 million acres be planted next year, the United States will not produce enough cotton to supply its domestic and export needs.

There presently is pending on the Senate Calendar S. 3408, a bill which I have introduced on behalf of myself and six of my colleagues, which would bring forward and make permanent the expiring provisions of the farm law as it applies to cotton.

S. 3408 would do three things:

First, it would prevent the total acreage allotted to cotton from being reduced below the acreage allotted in 1957.

Second, it would make permanent the provisions of law which have been applicable for 1957 and 1958 to provide for minimum National, State, and farm-acreage allotments and for additional

acreage required to help States and counties in meeting those minimums.

Third, it would keep surrendered acreage within the county if it could be used there.

I hope, Mr. President, that the cotton industry will get behind and support my bill, S. 3408, in order that the catastrophic circumstance forecast by Secretary Benson can be forestalled.

I ask unanimous consent, Mr. President, that the statement of Mr. Benson as reported in the Wall Street Journal be printed herewith as part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Cotton planting allotments will be slashed to around 14 million acres in 1959 unless Congress amends farm legislation now on the books. This prediction was made to newsmen by Agriculture Secretary Benson, who declared such a drop in acreage would be very bad for cotton. Allotments in recent years have been held at 17.6 million acres by a law that expires after 1958. Mr. Benson again advocated legislation permitting farmers to plant more cotton in exchange for lower price supports.

THE BANK HOLDING COMPANY ACT OF 1956

Mr. ROBERTSON. Mr. President, 2 years ago, on May 9, 1956, the Bank Holding Company Act of 1956 was signed into law. This act represented the culmination of 18 years of effort to obtain enactment of effective legislation to regulate bank holding companies.

On two occasions during those years, my distinguished predecessor, Carter Glass, attempted to have bank holding company bills passed, but was unsuccessful. I took on the project when I became a member of the Senate Banking and Currency Committee, and after 10 years we did succeed in getting the present law through the Congress.

The law required the Federal Reserve Board to report to the Congress within 2 years the results of its administration of the act. Today we received a 62-page comprehensive report on the act from the Board. The report reviews the Board's experience in administering the law and the difficulties encountered. A major portion of the report is devoted to recommended changes in the law. A number of these amendments involve major policy decisions, and in view of the past history, it may well take another 18 years to resolve these questions.

Because of the importance of this document, the Banking and Currency Committee will have it printed as a committee print. Thus, it will be available, in limited quantities, for study by all interested persons.

THE CORREGIDOR-BATAAN MEMORIAL COMMISSION

Mr. MORTON. Mr. President, several days ago the senior Senator of Wisconsin [Mr. WILEY] introduced a bill (S. 3745) providing that the Secretary of the Navy make available up to $7,500,000 from the sale of naval vessels stricken from the Naval Vessel Register to be expended by the Corregidor-Bataan Memorial Commission in establishing a permanent shrine as a tribute to the joint service of the Philippines and the United States in the Pacific theater of World War II.

I desire to take a few minutes, Mr. President, to comment upon the task to be undertaken. The Corregidor-Bataan Memorial Commission already has made commendable progress since its creation in 1953. The Philippine Government already has created a Shrines Commission and officially designated the bastion of Corregidor as a shrine.

A long list of obsolete naval vessels is slated for scrap sale by the Navy. The Navy has authority to dispose of these vessels, which include many famous ones recorded in history as having contributed immeasurably to our victorious war effort in the Pacific. The scrapping of these vessels, under the bill, would provide money and a token amount of steel available for constructing the Pacific war memorial. This would give meaningful and dedicated purpose to the Corregidor shrine.

The Corregidor memorial would be a humble tribute to the millions of servicemen who fought and to the thousands who died in the great struggle. It would serve as an inspiration to all those who desire peace and freedom throughout the world. The proposed legislation has high and noble objectives for which its sponsors are to be commended. As a veteran of Navy service in the Pacific I am pleased to speak on behalf of the bill and to urge my colleagues to support its passage.

ESTIMATE OF HARRY TRUMAN BY SIR WINSTON CHURCHILL

Mr. NEUBERGER. Mr. President, on this Senate floor Harry S. Truman was denounced bitterly and savagely many times while he was President of the United States. He was called everything from a ham actor to peanut politician. He was ridiculed and abused without mercy by some of his political opponents.

In fairness to Mr. Truman—but, more important, in fairness to history—I believe the CONGRESSIONAL RECORD should now contain the tribute which was penned to Mr. Truman in the April 29, 1958, issue of Look magazine by one of the greatest figures of the 20th century, the Right Honorable Sir Winston Churchill.

I should like to read to the Senate what this illustrious British statesman, a personage of legendary stature, wrote about Harry Truman because I sincerely believe that Sir Winston's estimate of our 33d President will outlive every single criticism of Mr. Truman, by many generations and even by centuries:

Here are the words of Winston Churchill, in analyzing the Korean emergency:

These bare facts encompass a momentous and historic decision by President Truman. Within the briefest interval of the news of the invasion, he had reached the conclusion that only immediate intervention by the Armed Forces of the United States could meet the situation. They were the nearest to the scene as well as by far the most numerous, but this was not the point. As he has said in his memoirs, "I felt certain that if South Korea was allowed to fall, Communist leaders would be emboldened to override nations closer to our own shores. If this were allowed to go unchallenged, it would mean a third world war." His celerity, wisdom, and courage in this crisis make him worthy, in my estimation, to be numbered among the greatest of American Presidents.

FRANK R. KENT

Mr. BUTLER. Mr. President, the name Frank R. Kent, for many, many years with the Baltimore Sun, is etched in the newspaper hall of fame. As a reporter, editor, and finally a nationally syndicated columnist, Frank Kent exemplified the finest traditions of the fourth estate. His keen analyses of national and international affairs; his fairness in the presentation of news and views made him one of the most respected and widely read columnists in the Nation.

Frank Kent's untimely death brought sorrow to all of us. The American people lost a great champion of our way of life, and the newspaper profession lost one of its greatest members. This loss is reflected in the numerous tributes paid Mr. Kent by his colleagues in editorials appearing throughout America. Mr. President, I respectfully ask unanimous consent to have several of these editorials printed in the body of the RECORD.

There being on objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Baltimore News-Post of April 15, 1958]

FRANK R. KENT

(By Ralph J. Sybert)

The writer of these lines and the staffs of the News-Post and Sunday American join in the general regret at the death of Frank R. Kent, longtime political writer of the Sun, whose column of critical analysis was widely syndicated.

Mr. Kent was my first newspaper boss in his role of then managing editor of the Sun, just after the armistice ending World War I.

Others will tell of the clarity with which he dug beneath the buncombe and exposed the running gears of politics and government. They will tell, too, of the esteem in which he was held by Presidents and precinct figures alike.

All I can add is that Mr. Kent was a fine boss. He understood what was going on. He appreciated and rewarded good work. He was a firm friend to those who deserved friendship. I am truly sorry that his valuable career has ended.

[From the Baltimore Evening Sun of April 15, 1958]

FRANK R. KENT

Frank R. Kent was one of the best known figures in American newspapering. His column, the Great Game of Politics, which for a time appeared exclusively in the Sun and which has been widely syndicated for more than 20 years, was one of the most quoted commentaries on the Washington scene. When Mr. Kent began writing this feature, the Washington column was a rarity. He was a pioneer in a field which has now become one of the most popular in American journalism. His cogent style, his strong convictions and his never-failing attacks on political humbug gave his columns a tremendous appeal.

After a long service as a political reporter for the Sun, Mr. Kent became managing editor of both the Sun and the Evening Sun during the First World War. Later he was a foreign correspondent for a time and he then returned to this country to start his work as a columnist. Meanwhile, he had written a book describing the operation of a city machine and called the Great Game of Politics. It was to give the name to his column. The volume achieved great success and was extensively used in classes in political science. Mr. Kent wrote a number of other books, including a history of the Democratic Party, but none attained the popularity of the Great Game of Politics.

Mr. Kent cherished throughout his life a warm admiration for Woodrow Wilson, and his political philosophy derived in no small measure from the Democratic President who led the country during the First World War. It owed something, too, to Gov. Albert C. Ritchie, who was one of Mr. Kent's close friends during his long period in public office. It was because he believed that the New Deal under President Franklin D. Roosevelt deviated from the Democratic philosophy as it had been developed during the Wilson era, that Mr. Kent became such an outspoken critic of Democratic administrations between 1933 and 1953.

Not only a trenchant writer, Mr. Kent was also a warm human personality who enjoyed life in general and especially newspaper life and association with newspapermen. His intimates knew him as a vivacious conversationalist, an excellent raconteur, a loyal friend. His passing will be mourned by his colleagues on the Sun papers, by newspapermen, and by men in public life throughout the Nation and by hundreds of lifelong associates in Baltimore and throughout Maryland.

[From the Washington Evening Star of April 16, 1958]

FRANK R. KENT

He lived in an age of tremendous change. Yet Frank R. Kent, now dead at 80, was never a man to accommodate himself to the transient mood or the shifting scene.

For almost 60 years this newspaperman—and surely he would have resented any other descriptive term—identified himself with the Baltimore Sun papers. He ranged the field—reporter, editor, columnist. For 35 years the name of Frank Kent was synonymous with the Great Game of Politics—the title of the column which he originated and which was published for many years by 140 newspapers, including the Sunday Star.

This was a column of pointed comment and strong opinion. Whether one agreed or disagreed, and many disagreed, every reader knew where Frank Kent stood on any issue with which he chose to deal. For the most part, he stood with the political philosophy which passed out with the Hoover administration. Mr. Kent might well have served as the model for Herbert Hoover's rugged individualism. For he was truly rugged—rugged in his beliefs, in his friendships, and in his loyalties. At the same time he was a kindly man, a warm and gracious colleague. Arthur Krock put it well when, in 1947, he said of Frank Kent: "He always practiced journalism as the trade of a gentleman."

[From the Washington Post and Times Herald of April 17, 1958]

FRANK R. KENT

Frank Richardson Kent was born early enough to have belonged to the school of political journalism that included the late Frank Simonds and the late Samuel Blythe. To both Simonds and Blythe has been attributed the famous maxim—so often quoted in newspaper offices of a generation or two ago—to the effect that "there is only one way for a newspaperman to look at a politician, and that is down."

Frank Kent, however, was far too amiable and sociable a person ever to look down on any category of human beings, even politicians. He was indeed the friend and confidant of many important politicos, local and national; but these valuable and instructive friendships never obliged him to take the politicos at their own valuation or to forfeit his own perspective and sense of detachment. He was in his way an acute psychologist and understood that in their professional function of alarming and confusing the voters the politicians not infrequently managed to alarm and confuse themselves.

Probably nobody in the United States has understood the mentality of politicians and the day-to-day operations of political machines in a democratic society more clearly than Frank Kent. This is the main reason why his celebrated treatise on the great game of politics remains to this day required reading in almost every university course in political science.

Thus it was with some sadness that many of his admirers observed the gradual surrender of his old detachment and saw him become emotionally involved, besides intellectually interested, in the sharp and bitter political cleavages that followed the Roosevelt New Deal of the 1930's. He became, like his old friend and associate, H. L. Mencken, less and less the satirical analyst and more and more the apologist for a political point of view. Perhaps it was the uncritical—and, as it may have seemed, almost unprofessional—enthusiasm of many of his younger colleagues for radical innovation that impelled Mr. Kent into his ultimate position as a champion and spokesman of the ultraconservative right. Yet even in this role he preserved many admirable professional qualities; and one of these was a manner of writing both remarkable and enviable for its clarity and vigor.

[From the Roanoke (Va.) Times of April 17, 1958]

FRANK R. KENT, A GREAT JOURNALIST

Frank R. Kent began his newspaper career before the turn of the century and continued in it for nearly 60 years. His death in Baltimore Tuesday at the age of 80 removes an outstanding figure from American journalism and one of the keenest observers of the political scene.

Millions knew him through his column, The Great Game of Politics, written for the Baltimore Sun, the newspaper with which he spent most of his working years, and syndicated to more than 100 other papers. The column was a product of his observation of practical politics. Few commentators have written with greater insight. Few have equaled him in intimate knowledge of the subject or expressed themselves with greater vigor and clarity.

His column became the basis of a book by the same title, perhaps the best known of a number which he authored. A measure of its merit is the fact that it continues to be regarded in institutions of higher learning as one of the most authoritative texts in its field.

He had strong convictions and wrote with fearlessness and fairness. As an interpreter of political events he was exceptional in understanding and grasp of his subject. The name of Frank R. Kent will long be venerated in the profession of journalism.

[From the Pittsburgh (Pa.) Press of April 17, 1958]

FRANK R. KENT

The newspaper business has lost a great gentleman of the press.

The death of Frank R. Kent, at 80, will be mourned across the Nation by readers of a hundred papers that carried his column, The Great Game of Politics.

A mainstay of the Baltimore Sun papers, which he joined in 1900, Mr. Kent was gracious, gentle, charming, witty; a shrewd, conservative and competent commentator on the "great game" he knew and loved so well.

His place in American political reporting and comment cannot be filled.

[From the Charleston (S. C.) News and Courier of April 16, 1958]

FRANK R. KENT

For more than 30 years the political reporting of columnist Frank R. Kent, who died in Baltimore Monday at the age of 80, was a feature of the Sunday editorial page of the News and Courier. Our readers knew Frank Richardson Kent as a reporter with a vast knowledge of things political and as a man with a spirit of integrity that served as a light to his profession.

Mr. Kent was one of the first syndicated political columnists in this country. He helped set the pattern of objective national political coverage that is the pride of the American press. Though on close personal terms with the leaders in political life, he called his shots as he saw them. He reported news developments regardless of the effect on personal friends.

Though completely objective in his reporting, Mr. Kent was a man of ideas and conviction. He believed in the Constitution and States rights. For years he spoke out against the socialist state and the corrupting influence of vast Federal spending.

He was the author of a number of books. The most famous is The Great Game of Politics, which provided the title for his syndicated column. His books are still pertinent to present-day problems. Without Grease, published in the mid-1930's, is perhaps the finest analysis of the New Deal and its evil effects on American political institutions. He made clear how the unprecedented spending by Roosevelt's WPA director, Harry Hopkins, was a cancer, eating at the independence of the States.

Mr. Kent was long associated with the Baltimore Sun and contributed to its growth and reputation as a great newspaper. He will be missed by his associates on the Sun, the newspaper profession, and believers in the political traditions of this country.

THE POWER TO TAX AND DESTROY

Mr. BUTLER. Mr. President, one fact which is all too evident is that we are now confronted with a definite business recession. In recent weeks the Congress has been deluged with proposals for more Government spending, which in turn means more Government debt. Unless we halt this trend soon, it may be too late.

A free enterprise economy requires incentives. The present tax structure was designed not primarily to produce revenue but to create the illusion that only the wealthy assume the major burden of taxation. The true fact that more than 50 percent of all personal Federal income taxes comes from persons earning from $600 to $10,000 a year should startle those who advocate more and more governmental intervention and control over our competitive enterprise system.

As we know, the present corporate income tax takes 52 percent of every profit dollar. When the remaining profits after taxes are distributed as dividends, they are taxed again as personal income. The individual income tax rates rise to the fantastic figure of 91 percent. Such a

rate structure does not produce the maximum revenue. It merely deters the expansion of our economy. It defers the creation of more jobs in private enterprise.

Those individuals whose income falls in the high tax brackets have long since lost any interest in investing their resources in risk enterprises. They can, instead, finance governmental activities through the purchase of tax-exempt bonds. It is ironic that the Congress could have created a tax structure which penalizes the investment of funds in the creation of jobs in the private sector of our economy while providing special rewards to those who are willing and able to finance the Government sector.

It is obvious that under such conditions our present income-tax rate structure makes no sense. It cannot yield the maximum revenue necessary to operate the Federal Government without a deficit. It is essential that this structure be reformed with only one end in view—to provide the maximum yield in each tax bracket with the least deterrent on either consumer spending or investment in productive facilities. This is a task which the Congress must undertake.

There is a general awareness of the importance of this problem, as evidenced by an excellent editorial, The Power To Tax and Destroy, which appeared in the East Liverpool (Ohio) Review of March 20, 1958. I ask unanimous consent that this editorial may be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE POWER TO TAX AND DESTROY

It is not too much to hope that Members of Congress and the Federal Government who are wrestling with the theory of tax reduction to rout a recession may read the annual report of the United States Steel Corp., which has been distributed widely.

Now is the time, while the minds of these people are receptive to the idea of using the power to tax to stimulate buying power, to give attention to using taxing power to stimulate job-making power.

That is, after all, what they are trying to do—make jobs.

If they would give as much consideration to doing it directly as they are giving to doing it indirectly—that is, in a way calculated to make votes—they could spark a momentous tax reform in the United States.

They might even arrive by logic at the conclusion that the most politically popular thing they could do right now would be to stimulate job-making power directly.

Their logic would begin with this statement in the United States Steel report:

"It should ever be remembered that a new self-sustaining productive job—of which we will need millions in years to come—can come into existence only when money is risked to purchase tools of production, thus creating the environment in which a man may produce the marketable values to cover his continuing wage and the investor's compensation."

Logic then would open their minds to a basic understanding of the effect of existing tax laws that penalize efficient production by taxing it at the highest rates; that penalize the possessors of potential investment capital by punishing them for possessing it; that penalize industrialism by draining away from it the means of replacing its tools.

The end of their logical approach would be the realization that the United States either must discover how to generate employment within its own means or confess that it has become the helpless victim of war booms and the slumps that follow boomtime inflation.

This course of logic would be odious to the creeping socializers who have been using the taxing power of the United States to make the country dependent on government. They would scream that they and their followers were being betrayed.

They would be right.

That is the issue on which tax reform would be hammered out if it could be discussed on its merits, instead of in an atmosphere of ideological hysteria. The creeping socializers would like to maintain that atmosphere. They thrive in it. Why shouldn't they be betrayed.

They want to make it appear that jobs can be made only by politicians pulling strings and manipulating the economy. They do not want it to be discovered, though the evidence is plain to see, that jobs can be made in this country only by capital investment that makes it possible to produce the wealth which gives the politicians the money they spend.

United States Steel, which expects to pay more than $400 million in taxes this year, has earned the right to be heard as sympathetically in Washington as the creeping socializers who speak with the loudest voices.

EFFORTS OF SURFACE TRANSPORTATION SUBCOMMITTEE TO SOLVE PROBLEMS OF AMERICAN RAILROADS

Mr. NEUBERGER. Mr. President, on May 7 an effective statement was made by the distinguished junior Senator from Missouri [Mr. SYMINGTON] in praise of the diligent and thorough job performed by our able colleague from Florida [Mr. SMATHERS], with respect to his hearings in quest of a solution to the urgent and critical problems confronting the railroads of the United States.

I should like to associate myself with what the Senator from Missouri [Mr. SYMINGTON] has said about the Senator from Florida [Mr. SMATHERS]. No modern nation can be strong, either in war or in peace, without railroad systems which are efficient and solvent. The Senator from Florida [Mr. SMATHERS] and his colleagues on the Senate Surface Transportation Subcommittee have made a definite contribution toward that goal.

Inasmuch as we are discussing this vital question, which confronts all 48 States, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an informative editorial from the Oregon Journal, of Portland, Oreg., for April 27, 1958, entitled "Railroads and Their Problems."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RAILROADS AND THEIR PROBLEMS

Proposal of the Eisenhower administration for Federal guarantee of loans to railroads up to $700 million may help the financially, hard-pressed railroads but it is a long way from a solution of the problems which beset this important segment of our transportation industry.

It is true that mortgages on equipment have become just about the only means by which the railroads can raise funds and that there has been a constant shrinkage of cash and short-term investments in the last 10 years.

Thus new financing methods will be a shot in the arm for the railroads and will enable them to modernize and cut costs, but this is only one phase of the problem.

The fact that Government-guaranteed loans are needed suggest that private lenders consider loans to railroads too risky a venture. If this be true, we may assume that the Government will have to make good on some of the loans—in short, a Government subsidy.

Railroads are a basic part of the country's transportation system but before we let subsidy become a permanent part of the railroad economy, the Government ought to take a look at other phases of the problem suggested by hearings before a Senate Interstate and Foreign Commerce Subcommittee.

There is serious question whether the railroads are not more completely regulated than competing forms of transportation. There is question whether mergers of some of the major roads or at least a higher degree of cooperation could not be allowed without fostering monopoly. It must be remembered that railroads are not in the dominant and hence potentially monopolistic position which brought about some of these regulations many years ago.

In other words, there is good reason to believe that the entire system of regulation, ratemaking, and control of the transportation industry needs to be brought up to date.

If the Government-guaranteed loans can be the first step in revitalization of the railroads, then it can be applauded. But this temporary shot in the arm should not lull us to sleep and postpone indefinitely real reforms that are needed.

FIFTEENTH ANNIVERSARY OF WARSAW GHETTO UPRISING

Mr. JAVITS. Mr. President, during the weeks between April 19 and May 16 we commemorate the 15th anniversary of the Warsaw Ghetto uprising, that event during the height of World War II an almost unarmed and desperate Jewish remnant herded into the ghetto at Warsaw rose against their Nazi captors, choosing death through battle rather than to submit to the extermination which had been the fate of so many of their coreligionists. The Warsaw Ghetto uprising, which itself began on an anniversary of freedom, Passover eve, 1943, is an event marking indelibly in history man's indomitable spirit and his eternal fight against tyranny for human dignity and freedom.

Today all that remains of Poland's prewar Jewish population of 3,300,000 are 30,000, the climax to 1,000 years of Jewish life in Poland.

The tale of heroism which represented the uprising in the Warsaw Ghetto has been told time and again.

The Warsaw Ghetto uprising was the high, dramatic point of the resistance against the extermination by the Nazis of 6 million, an estimated one-third of the Jews in the world. There were uprisings by the unarmed few against the armed many elsewhere but what happened in Warsaw was so dramatic as to symbolize the resistance effort.

In October 1940 the Nazi Germans herded most of Warsaw's 330,000 Jews into a ghetto separated by barbed wire and high walls. Beginning in midsummer, 1942, the Nazis began deporting these unfortunates, plus other Jews

from all over Europe who had been confined in the Warsaw Ghetto, to the mass extermination camps. The deportees and the community had been under the impression that they were destined for labor details until rumors began to sift back as to the actual fate of those sent away.

A minor revolt in January 1943 had been cruelly suppressed by the Nazis. When, in the spring of that year, it was realized that the Germans meant to exterminate the remaining 40,000 to 50,000 and the stories of deportation for labor were mere fabrications to lull into a false sense of security those left behind, the remnants decided to fight to the death rather than submit to slaughter. Ill-armed, ill-prepared and with almost no hope of survival against the soldiers of the Nazi army that had swept across all Europe, they fought.

The revolt began in the middle of the night of April 19, 1943, the first night of the Passover commemorating the biblical story of the flight into freedom from Egyptian slavery of the ancient Israelites. The fight lasted for weeks until the entire ghetto, every building, every bunker, every structure was destroyed, leveled to the ground and burned and every living creature killed; those who escaped immediate death were immediately deported to the extermination camps where they met their end. Nazi General Stroop spoke the epitaph in his final report:

There is no more any inhabited Jewish quarter in Warsaw.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement issued at that time from within the ghetto, on the ninth day of the struggle, by two of the leaders of the movement, and signed by them. This statement has found its way out into the world. It tells its own dramatic story.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Today is the ninth day that the ghetto fights back. SS and Wehrmacht formations are laying siege to the ghetto. Artillery and flame throwers are employed and airplanes shower high explosives and incendiary bombs on 40,000 Jews who still remain in the ghetto. The Germans mine and blast blocks of houses where the residents put up resistance. The ghetto is burning and smoke covers the whole city of Warsaw. Men, women, and children who are not burnt alive are being murdered en masse. Mouths of drain pipes are blocked by German guards. The Jews fight back furiously and have killed about a thousand of the enemy. They burn factories and stores of German war industry. The Polish population marvels at the spirit of the Jewish defense. The reaction of the Germans is that of shame and rage. The Jewish Fighting Organization addressed a proclamation to the people of Warsaw, and the Polish Workers' Parties paid tribute to the fighters of the ghetto. Only the power of the united nations can offer immediate and active help now. On behalf of the millions of Jews burnt and murdered and buried alive, on behalf of those fighting back and all of us condemned to die we call to the whole world: It is imperative that the powerful retaliation of the united nations shall fall upon the bloodthirsty enemy immediately and not in some distant future in a way which will make it quite clear what the retaliation is for. Our closest allies must at least understand the degree of responsibility for such apathy in case of an unparalleled crime committed by the Nazis against a whole nation of which the tragic epilog is being enacted now. The heroic rising without precedent in history of the doomed sons of the ghetto should at last awaken the world to deeds commensurate with the gravity of the hour.

On behalf of the central committee of the Jewish Labor Movement in Poland:

BEREZOWSKI.

On behalf of the Jewish National Council:

BOROWSKI.

Mr. JAVITS. As there is a lesson the world has observed from the Warsaw Ghetto uprising—that of man's indomitable spirit in his eternal struggle for human dignity and freedom—so there is a lesson which is significant in the commemoration of this 15th anniversary. Those who mark it and who mourn for the slain 6 million of their coreligionists, do so not in a spirit of hate and revenge but as a rededication to the dignity of man and in pride and gratitude for the thousands who died in the Warsaw Ghetto and the millions who died and were wounded on other fronts to preserve the liberty which they cherished so dearly. An anniversary so observed marks a struggle won rather than a battle lost.

STRATFORD HALL RADIATES SPIRIT OF HISTORY

Mr. MUNDT. Mr. President, the recent visit of President Eisenhower to the historic shrine known as Stratford Hall, the birthplace in Virginia of Robert E. Lee, has focused much well-deserved public attention on this important site.

South Dakota has a special interest in Stratford Hall because one of our esteemed citizens—Bruce Kennedy, wife of John A. Kennedy who is editor in chief and publisher of the Daily Argus-Leader of Sioux Falls—is a member of the National Board of Directors in charge of Stratford Hall. Consequently, at the suggestion of Mrs. Kennedy, a few Sundays ago Mrs. Mundt and I in the company of two long-time friends of ours—Fred C. Christopherson, editor of the Daily Argus-Leader, and Mrs. Christopherson—motored from Washington to Stratford and spent an afternoon browsing in that historic atmosphere and also visiting the nearby birthplace of George Washington. It was a trip worth while and an afternoon well spent.

Upon his return to his editorial duties in South Dakota, Mr. Christopherson wrote a two-column editorial report on his impressions of Stratford and I ask that his editorial may appear at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STRATFORD HALL RADIATES SPIRIT OF VIVID DAYS IN OUR HISTORY

President and Mrs. Eisenhower will participate in ceremonies today honoring Robert E. Lee, the noted Confederate leader, at his birthplace in Virginia—Stratford Hall.

It is a place perhaps not well known to many South Dakotans. My knowledge of it, too, was extremely limited, until just a few weeks ago. Then I had the good fortune to visit Stratford.

This was when I was in Washington last month to attend the annual convention of the American Society of Newspaper Editors. Mrs. John A. Kennedy, wife of the publisher and editor in chief of the Argus-Leader, too, was there. She is the South Dakota member of the board of directors in charge of Stratford and she hoped that I would find time while in the East to drive down into Virginia to see it. This I did, along with Mrs. Christopherson and Senator and Mrs. KARL MUNDT. All of us were delighted that we made the journey because Stratford is truly remarkable in its distinction, its atmosphere, and its quality—much more than just another old home refurbished to lure tourists.

BUILT IN 1725–30

Stratford Hall is the ancestral home of the notably famous Lee family. It was built between 1725 and 1730 by Thomas Lee, a grandson of Richard Lee who first arrived in the United States in 1641.

Subsequently it was the birthplace of Richard Henry and Francis Lee—both signers of the Declaration of Independence. Later came the birth at Stratford Hall of Robert E. Lee, the leader of the Confederacy in what the South still describes as the War Between the States. Robert was the son of Light Horse Harry Lee, one of George Washington's favorite generals.

To recite all of the major roles occupied by the Lees in America's early history would require considerable space. Let it be sufficient to say that they were men of vision and energy, who naturally moved into positions of responsibility and trust. Their names are boldly written on the most colorful pages of American history—pages about the early colonies, about the Revolutionary War and about the Civil War.

Best known of all, of course, is Robert E. Lee who fought with skill and dexterity against superior forces in the war between the North and the South. He is still regarded as one of the world's most brilliant military tacticians. To his great credit it is to be said that he accepted defeat with grace—and immediately devoted his abundant talents to the task of leadership in erasing the scars left by the war.

ATMOSPHERE RETAINED

So is it that Stratford is a place steeped deeply in the history of our land. About it is the atmosphere of an earlier era and history seems literally to come to life as the visitor strolls through the substantial plantation mansion and about the grounds that surround it. One may readily visualize, as Senator MUNDT and I and our wives did last month, the vivacious and colorful life of more than 1 and 2 centuries ago in these very same buildings and grounds—to sense as well the stirring moments and the vigorous spirit that pervaded this area as the Lees moved into action for what they believed to be just and right as independent men of strong conviction.

REALISTIC RESTORATION

A major reason why Stratford is so impressive is that it has been faithfully restored. The lily hasn't been gilded, so to speak. It is today as it was when the first Lee designed it—and that's why it imparts such a feeling of realism, an actual sensation of stepping back into history and becoming a part of it.

The central building is Stratford Hall, a gentleman's home in the early Colonial tradition. Quite amazing, indeed, is the realization that such culture and comfort of living were a part of American life more than two centuries ago. Surrounding the main hall are the various supplementary buildings common to a large plantation, the beautifully landscaped grounds and an attractive wooded area. Through the windows

of the upper floor of the hall, there's a delightful glimpse of the lower reaches of the wide Potomac River.

HOW FOUNDATION IS DIRECTED

Mrs. Kennedy's interest in Stratford is natural. She is a Lee—a collateral descendant of Robert E. Lee. Her father was Arthur Lee of Richmond, Va., and she is a great, great granddaughter of Patrick Henry. With this background of ancestral history, she welcomed an opportunity to serve as the South Dakota director of the Robert E. Lee Memorial Foundation—the organization that acquired and restored Stratford. (Mr. and Mrs. Kennedy, incidentally, are among those who have been invited to have lunch with President and Mrs. Eisenhower at Stratford today).

The directors—one from each State—supervise the affairs of Stratford. Twice yearly they meet on the grounds to review the affairs of the foundation and to plan for the future. These conferences involve a considerable volume of business because the institution is much more than just a shrine. It is also operated as a plantation with a considerable acreage planted yearly to various crops that thrive in the area and to the production of cattle.

While attending the semiannual conferences, directors reside in small cottages of their own. Mrs. Kennedy has selected an attractive site for the South Dakota cottage in a wooded area near the central meeting place. This is to be built by the Kennedys in the near future.

A PLACE TO SEE

I strongly urge South Dakotans who travel to the East—and I am sure that Senator and Mrs. MUNDT and Mrs. Christopherson join me in this suggestion—to visit Stratford.

It is a little less than 100 miles south of Washington, easily reached over good roads. The drive from the Capital, by the way, is a delight in itself.

And Stratford ranks high on the list of places that should be seen by all who find stimulation in the bright facets of the vivid events that framed the character of this great country of ours.

President and Mrs. Eisenhower, I know, will be delighted by what they see at Stratford. And I know that all South Dakotans who make the pilgrimage to this historic site will be more than happy that they did so.

F. C. CHRISTOPHERSON.

UNITED STATES RELATIONS WITH RED CHINA

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to has printed in the RECORD a statement made by Mr. Eustace Seligman before the Senate Foreign Relations Committee on Monday, May 5, 1958.

Mr. Seligman is an eminent lawyer of New York, a member of the firm of which our distinguished Secretary of State was long a member. Mr. Seligman offers some new and persuasive views about our relations with Red China and the problems confronting the West in its relations with the Far East.

I hope my colleagues will read this thoughtful statement.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF MR. EUSTACE SELIGMAN BEFORE SENATE FOREIGN RELATIONS COMMITTEE, MONDAY, MAY 5, 1958

Mr. Chairman and members of the committee, I would like first, for the record, to identify myself. I am a lawyer and have been a partner for 35 years in the firm of Sullivan & Cromwell in New York. In addition to my professional activities, I have been interested in education and international relations, and am a trustee of Amherst College, the Institute of International Education, the American Foundation for Overseas Blind, and am chairman of the board of directors of the Foreign Policy Association.

I have made two visits to the Far East in recent years and have written a small volume entitled "What the United States Can Do About India," published by the New York University Press in 1956.

Finally, I may add that I am a Republican and a great admirer of the Secretary of State.

I accepted your chairman's invitation to appear before you today to discuss our China policy with considerable misgiving. In the first place, it is equivalent to sticking one's neck into a buzz saw. Emotions run so high that anyone who suggests the possibility of any change in our China policy is accused either of being a fellow traveler or at best a Communist dupe.

Secondly, the questions presented are not like mathematical problems, where there is a right and a wrong answer, but they are issues the answers to which involve the use of judgment. As to such matters a private citizen naturally hesitates to differ with the position taken by his government.

Nevertheless I accepted your invitation because I believe that it is time to take down the keep-off sign which has for so long guarded the field of discussion of our China policy, and to have a full and wide-open debate on the subject.

There are three separate questions involved in our China policy.

Should we continue our embargo on trade with Communist China?

Should we continue not to recognize Communist China? and

Should we continue to oppose the admission of Communist China to the United Nations?

While these three questions are closely related, separate considerations affect each of them, and the answers to them are not necessarily the same.

The third one is the most important and is the one which I shall discuss today.

I shall attempt to summarize and weigh the major arguments which have been advanced pro and con, and then state my own conclusion.

Underlying my approach is the basic assumption that it is a major objective of United States foreign policy to seek to prevent any further expansion of communism and that our China policy should be directed to the attainment of that objective.

ARGUMENTS AGAINST ANY CHANGE IN OUR CHINA POLICY

One argument for continuing our present China policy is that there is a reasonable possibility that the Communist government will be overthrown in the near future.

If there were any reasonable possibility of this occurring, it would thoroughly justify the continuance of our present policy. However, most responsible observers in Asia believe that there is no such possibility and that it is wishful thinking, based upon an unwillingness to recognize unpleasant facts.

Obviously there is no way of proving which view is correct—but the latter appears to be more persuasive.

A second argument is that while there is no chance of the Communist government being overthrown by force, there is a possibility that it will be changed by peaceful internal processes, and that our present policy will help to effect the change.

Here again many students of China question this view and believe that the available evidence indicates that it likewise is wishful thinking.

Clearly no certain answer can be given to the question whether the ending of the Communist regime by a peaceful change can be expected in the near future. It would seem, however, that it would be unjustified to rely with any confidence on this assumption as a basis for determining American policy.

A third argument is that a change in our policy would promote the growth of communism in other Asian countries by shifting the allegiance of the so-called overseas Chinese from the Nationalist to the Communist Chinese Government.

Many qualified observers, however, believe that the allegiance of most of the overseas Chinese has already shifted, and that consequently a change in our policy would have no substantial effect on the overseas Chinese.

Again, it is impossible to decide with certainty which of these conflicting points of view is correct when persons equally qualified, differ. It would seem, however, that a change in our policy might have some effect on the overseas Chinese, but that probably the percentage of the Chinese population in any particular country so influenced would not be great enough to have important political results.

A fourth reason for continuing our present policy is that if Communist China were admitted to the U. N., it would thereby give the Communist group an additional vote and veto.

However, the objections to such a result from a realistic point of view are not serious. True, debate may be further drawn out and additional propaganda speeches may be made, but that can be faced. Moreover, the addition of one vote to the Communist group will not in itself be sufficient to affect the balance of power between the Communists and the West either in the large Assembly or in the Council. Finally, two vetoes in the Security Council would create no greater obstacle to effective action than the single veto which the U. S. S. R. now possesses and has used so frequently to accomplish its purposes.

Accordingly, this reason in support of continuing our present policy does not, on analysis, appear to be persuasive.

A fifth reason advanced in support of our present policy is that we are in honor bound to continue to back the Nationalist Government, which was our ally in the war against Japan. To cease supporting it now, it is contended, would constitute an ignoble betrayal of a stanch partner in arms.

This moral argument has on first impact a strong appeal. To desert a friend in adversity runs counter to our American standards of honor. However, the situation requires a deeper analysis.

What does our obligation to the Nationalist Government involve? Clearly it does not involve our joining in military action to help the Nationalist Government regain control of the China mainland.

From this it follows that our obligation to the Nationalist Government cannot require us to close our eyes to the fact that the Communist government in fact rules the mainland. There is no moral obligation upon us to continue to refuse to admit what has happened, namely, that a government friendly to us has been overthrown by a government hostile to us.

There is, however, a moral obligation upon us to do what we can to prevent the individuals who have been our allies—soldiers, officers, government officials and civilians—from being handed over to a ruthless enemy which would presumably not hesitate at wholesale liquidation. This moral obligation would be fully met if we were to adopt what is sometimes called the two-China program, which involves recognizing Taiwan as an independent nation, separate from mainland China.

However, this proposal has been objected to by both the Nationalist and Communist Chinese Governments.

We ought to be able to persuade the Nationalist Government to acquiesce, as without our continued military and economic assistance, Formosa would succumb to the Communists.

Whether the Communist Chinese Government would in fact oppose the proposal is a question upon which judgments differ. In any event, no harm would come from our making the proposal, and if the Communists refuse to agree to it, it is believed that our position in the non-Communist world would be materially strengthened.

A final argument against admitting Communist China to the United Nations is that it defied the United Nations in Korea and is still continuing to do so.

This objection obviously has great weight. It can, however, be met by proposing as a condition of admission to the U. N. that Communist China be required to agree to the unification of Korea and to the free elections proposed by the United Nations, provided that a further provision be added for the permanent demilitarization of Korea in order to remove the Chinese fear of control of the peninsula by unfriendly military forces.

Two objections have been advanced to this proposal. The first is that the demilitarization of a unified Korea would soon result in Communist control of the entire country, since subversion by neighboring China could not be effectively prevented. However, the danger of subversion would appear to exist whether a unified Korea were demilitarized or not, and it is a mistake to assume that the existence of a military force is the sole preventive. Austria is an example of a demilitarized country—living in the shadow of the other Communist colossus—which has successfully resisted all Communist blandishments by the effective leadership of its democratic forces.

The most serious objection to the proposal, however, is that Communist China would never agree to it. This view is widely held and may well be correct. Others, however, believe that as part of a package deal, Communist China would be interested in it.

Is there any reason for not finding out what the facts are as to the Communist position? Would anything be lost, as far as the Korean situation is concerned, if the United States were to make such a proposal even if it were turned down by Peiping? On the contrary, would not a proposal by us for an inherently reasonable solution of the Korean situation and its repudiation by Communist China gain support for the United States in the entire non-Communist world?

MAJOR ARGUMENTS IN FAVOR OF A CHANGE IN OUR CHINA POLICY

The preceding is an analysis of the major arguments for continuing our present China policy. Let us turn now to the arguments on the other side.

The first is that the admission of Communist China to the United Nations would help to split Communist China from Russia.

This view is widely held. However, it is the judgment of qualified students that the available evidence does not support it. Accordingly this view would appear to be another example of wishful thinking, in this case on the part of those on the other side of the argument.

A second reason is that, even if we continue to oppose the admission of Communist China into the United Nations, it is possible and in fact probable that it will nevertheless be admitted before long. The result of this would be greatly to damage the prestige of the United States and also our relations with our allies.

While opinions differ as to the degree of this danger, the following facts should be considered:

Two of our NATO allies, Norway and Denmark, have already voted against us on this issue in the U. N.

Two other NATO allies, England and the Netherlands, and one of our SEATO allies, Pakistan, have already recognized Communist China, which step it would seem will ultimately lead to their voting in favor of its admission to the U. N.

Finally, our strongest military ally in the Far East, namely Japan, is, in the opinion of most qualified observers, moving rapidly in this direction.

Such being the attitude of our military allies, it would seem inevitable that sooner or later the majority vote in the U. N. will favor admission. If that were to happen over our objection, it would obviously be a great diplomatic defeat for the United States and a corresponding victory for Russia.

A third argument for a change in our policy is that notwithstanding our failure so far to obtain Russia's agreement to any reasonable armament limitation program, the trend of world opinion indicates that before long some kind of agreement, however limited, will be entered into.

Obviously no agreement, however limited, can be entered into if a government in control of the vast territory and population ruled by the Chinese Communist Government, is not a party. To attempt to negotiate such an agreement with Communist China as one of the parties, and at the same time to keep Communist China out of the United Nations, would appear to be an impossible position.

The final argument in favor of the United States withdrawing its opposition to the admission of Communist China to the U. N., is that a change in our policy would strengthen the forces opposing the expansion of communism in Asia.

While the admission of Communist China would undoubtedly give it some intangible prestige, it is contended the overall results would be to strengthen, rather than weaken, our position versus that of the Communist countries in the Far East for the following reason:

Vast numbers of people in Asia, primarily although not exclusively in the uncommitted countries, look upon the United States as a threat to peace, and our China policy is pointed to as confirmation of this view. They believe that there is a real danger of our taking military measures to end the Communist regime in China if it fails to collapse from other causes. At the same time, it is widely believed in Asia that Communist China has no desire to start a war except for the purpose of taking over Taiwan and eliminating the Nationalist threat—a purpose considered by most Asians to be justified.

Accepting this as a fair summary of the prevalent opinion in the uncommitted countries of Asia, however unjustified it appears to us, it is then contended that a change in our China policy would have the effect of strengthening, rather than weakening, support for the United States by removing one of the important reasons causing many in Asia to fear this country as a threat to peace. Conversely it would remove one of the grounds of their sympathy for, and agreement with, Communist China.

How valid is this argument? Obviously a change in our China policy will not of itself lead the uncommitted countries of Asia to repudiate communism and embrace Western democracy. Too many other factors are involved, such as the resentments of the past against the domination of the wealthy white Western World, to the leadership of which we have now succeeded; the admiration for the rapid economic advances made by Russia and, to a lesser extent, by China; and the low priority given to individual freedom in countries where it has never existed and where poverty is so great that economic improvement is considered to be the primary objective of government.

However, recognizing that all of these obstacles must be overcome in order to attain our objective of preventing the further expansion of communism, it would at the same time seem to be true that our present China policy is also an obstacle, but one the removal of which is within our power.

There is thus a reasonable ground for believing that to take this action would help in our attempt to answer Communist propaganda in the uncommitted countries of Asia and our efforts to keep them from joining the Communist camp.

CONCLUSION

In conclusion, it is obvious that, as stated at the outset, the decision as to whether there should be any change in our China policy depends upon the answers to numerous questions involving judgment, and no certain answers can be given.

With a realization that an individual judgment may well be erroneous, after weighing the conflicting arguments as objectively as I am capable of, I am led to the conclusion that it is to the best interests of the United States to now adopt a new policy of supporting the admission of Communist China to the United Nations, on condition of its agreeing to the independence of Formosa and the unification of Korea, as well as, of course, the release of all Americans wrongfully held in China.

PAN-AMERICAN GAMES TO BE HELD IN CHICAGO IN 1959

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter dated May 5, 1958, addressed to me by Mayor Richard J. Daley, of Chicago, and also a fact sheet, concerning the Pan-American Games which are to be held in Chicago in 1959.

There being no objection, the letter and fact sheet were ordered to be printed in the RECORD, as follows:

CHICAGO, ILL., *May 5, 1958.*

DEAR SENATOR DOUGLAS: That you may be informed regarding planning for the Pan-American Games to be held in Chicago in 1959, I am forwarding you the latest fact sheet.

The many references by distinguished leaders of our Government to the great importance of furtherance of understanding and friendship between the people of the Americas serves to emphasize the importance of the Pan-American Games.

The bringing together of some 2,000 young athletes from all the countries of the Americas to engage in friendly athletic competitions in the heart of mid-United States is an enormous project.

In serving as host for the games, Chicago becomes the United States in the eyes of the thousands of visitors who will come here to participate in and see them. We intend that nothing be left undone to make this event one of the greatest in the history of our country.

We will appreciate your assistance in informing the Congressional delegations and the Government departments and agencies of the coming of the games to Chicago in 1959 and urge the sympathetic and cooperative interest of all.

Sincerely,

RICHARD J. DALEY,
Mayor.

[From the Fact Sheet of the Chicago Pan American Games Citizens' Committee, Chicago, Ill.]

The Pan-American Games will be held in Chicago August 27 through September 7, 1959.

The Pan-American Games are held every 4 years under the direction of the Pan American Sports Organization. The member countries are those countries of the Americas whose National Olympic Committees are members of the International Olympic Association.

At present countries eligible for participation in the games are: Argentina, Bahamas, Bermuda, Bolivia, Brazil, Canada, Colombia, Costa Rica, Cuba, Chile, Dominican Republic, Dutch West Indies, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru, Puerto Rico, Trinidad, United States of America, Uruguay and Venezuela. It is probable that before the games take place Ecuador, Haiti, and Nicaragua will be added to the list of eligible countries.

The erroneous opinion exists generally that the Pan-American Games will be held in Soldier Field. The games program includes 20 sports, in 7 of which there will be competitions for both men and women. All of the sports facilities of the Chicago area will be used.

PROGRAM OF SPORTS AND LOCATIONS

Track and field (men and women), Soldier Field.

Basketball (men and women), Northwestern University, Loyola University.

Baseball, Wrigley Field and Comiskey Park.

Boxing, Northwest Armory, International Amphitheater.

Equestrian sports, Oak Brook Polo Club, Soldier Field.

Fencing (men and women), University of Chicago.

Football (soccer), Hanson Park.

Gymnastics (men and women), University of Illinois, Navy pier.

Weightlifting, Lane Tech High School.

Wrestling, Rivas High School.

Swimming and diving (men and women), Columbus Park, Portage Park.

Modern pentathlon, Oak Brook, Camp Logan, Bartlett Gym, Columbus Park, Washington Park.

Equestrian polo, Oak Brook Polo Club.

Rowing, Cal-Sag Canal.

Tennis (men and women), Oak Park, River Forest.

Pistol and rifle, skeet, Camp Logan, Lincoln Park Gun Club.

Volley ball (men and women), De Paul University.

Water polo, Riis Park.

Cycling, Humboldt Park.

Yachting, Lake Michigan.

At the previous games in Buenos Aires in 1951, and in Mexico City in 1955 each time there participated 1,800 athletes. Accommodations will be provided for 2,000 athletes at the Chicago games.

There has been appointed and are functioning 20 sports organizing committees each charged with the responsibility of planning for the conduct of its sport at the games. These committees are composed of men and women identified with the sport they are serving. This identification comes through experience as competitors in major competitions; as officials; or as athletic directors, coaches, and administrators.

In addition there has been appointed and are functioning a feeding and housing committee, a publicity and promotions committee, a ticket committee, an awards committee, and a transportation committee.

The Chicago Rotary Club; the Pan-American Council; Cook County Council of the American Legion; the Olympians; and the Spanish Speaking Community of the Chicago area have organized hospitality committees to assist in the entertainment of the athletes and officials.

The Department of Defense has named consultants for the conduct of the modern pentathlon and the shooting events. The equestrian committee has engaged the service of one of the leading authorities in the United States to assist in laying out the riding courses. As needed, the services of other consultants will be employed.

A campaign to raise $500,000 to finance the games will be commenced shortly. Half this amount is needed to augment the sum which each country will pay for the feeding and quartering of its athletes. Their contribution will be $3 per day per athlete. The estimated cost for food and lodging is $10 per day. The balance of the money is required for providing facilities for the conduct of the various sports, and for administration.

Contributions in substantial amounts will be solicited and a citywide campaign to enlist sponsors, persons who will contribute $5 each, and who will receive credit coupons in that amount which can be exchanged for tickets to the track and field events.

Headquarters will be opened at 69 West Monroe on May 1.

The assistance of all is solicited and those who are desirous of helping are invited to contact the mayor's office.

Inspired by the holding of the Pan-American Games there will also be held in August of 1959 a great cultural and information congress; participation in which has been extended to all the countries of the Americas. This event of which Arnold Maremont is chairman, has been named A Festival of the Americas.

PRICES OF MINERALS

Mr. MANSFIELD. Mr. President, the so-called Seaton-Brannan plan for minerals is proving highly questionable on all fronts. Industry is against the plan, and the Wall Street Journal of May 1, 1958, contained a most informative article under the headline "United States Metal Price Props Could Anger Foreign Nations, Industry Believes."

It is my hope that this first step, which indicates a real interest on the part of Secretary Seaton, will be further clarified, and that out of it will come legislation which will furnish stability to the industry, and jobs for our miners and smeltermen.

I ask unanimous consent that the article from the Wall Street Journal be printed in the RECORD of today at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES METAL PRICE PROPS COULD ANGER FOREIGN NATIONS, INDUSTRY BELIEVES

Mining industry people are speculating that the administration's proposal to prop prices of five minerals for 5 years could alienate the foreign nations it's supposed to please. Many company officials have already made clear they want no part of the program on other grounds.

Executives figure such a program of guaranteed income for producers could open the door for price-slashing by United States copper, lead, and zinc mines that would know they'd get the money back in Government support payments. These company officials thus see in the program possible undercutting of foreign metal that has been coming into this country a cent or two below American market prices.

Interior Secretary Seaton, in disclosing and discussing the administration program this week, indicated it might be a substitute for higher tariffs or import quotas.

But industry people note that if foreign metal were consistently undersold by American mines in the United States market, the effect presumably would be to anger the governments of producing nations abroad as much as a tariff boost.

The Tariff Commission, though differing within itself over amounts, has recommended to President Eisenhower tariff boosts on lead and zinc, and half the Commission has called for import quotas on the two metals. Pending in Congress are bills to raise the import duty on copper.

Under the administration scheme, United States mine production of those three metals, plus acid-grade fluorspar and tungsten, would be propped at set stabilized prices. The tonnage subject to this support would be roughly equal to the 1957 American mine production, which for copper, lead and zinc was above the current pace.

Industry executives and people in Washington widely view the price-support program not only as a move to head off higher tariffs, but also as a bid for Congressional support for administration requests to extend the reciprocal trade program this year.

Some mining company officials concede that precise assessment of the effects of the administration program must await the operating details, which Mr. Seaton has said will be laid before Congress next week. But from Mr. Seaton's outline of the plan they discern ample opportunity for undercutting foreign metal.

For example, Mr. Seaton said 350,000 tons of lead would be supported yearly at 14¾ cents a pound, and 550,000 tons of zinc would be propped annually at 12¾ cents a pound. Lead is currently quoted at 12 cents a pound and zinc at 10½ cents at New York.

One executive asks: "Why couldn't somebody unload his lead and zinc at a couple of cents below the United States market prices and undercut foreign metal that has been coming in at a cent or so under the American price? The Government would foot the bill."

In its report, the Tariff Commission said annual competitive imports—total imports minus material slated for refining, re-export and Government stockpile—averaged 462,000 tons for lead and 701,000 tons for zinc in 1956–57. The Interior Department estimates United States mines output of lead at 333,493 tons and for zinc at 520,128 tons last year.

Executives of large companies also assert they are particularly upset because, they say, the producers weren't asked for advice on the administration's program.

VISIT TO THE SENATE BY SENATOR ABAS-QOLI GOLSHAYAN OF IRAN

Mr. MANSFIELD. Mr. President, I take this occasion to introduce to Members of the Senate a distinguished visitor from Iran, Senator Abas-Qoli Golshayan. He is a member of the Iranian Senate and has held many important governmental posts, including that of Minister of Commerce, Minister of Justice, and Minister of Finance.

Senator Golshayan is one of Iran's best known statesmen. He has been visiting us, attending our committee meetings, and trying to learn what makes the wheels of our Government go around. We are honored, privileged, and happy that this distinguished senator has seen

fit to visit with us, and I am delighted that he is present in the Chamber at this time. I hope he will enjoy his visit in the United States.

(Applause, Senators rising.)

Mr. SMITH of New Jersey. Mr. President, I wish to associate myself with the remarks of the distinguished assistant majority leader. Earlier in the day members of the Committee on Foreign Relations had the pleasure of having this distinguished Senator attend a meeting of the committee to see how its business is conducted. It is a great pleasure to have him with us.

PLIGHT OF THE MINERAL INDUSTRY IN THE WEST

Mr. GOLDWATER. Mr. President, I should like to speak for not more than 2 minutes on a subject which, I understand, will be discussed a little later on the floor of the Senate. I refer to the general situation in which the mineral industry in the Far West finds itself.

My State of Arizona is one of the largest copper-producing regions in the world. Sixteen thousand workers are employed in the mining, milling, and smelting of copper in Arizona, and their annual payroll was approximately $96 million.

Because of a situation which is not controlled by the miners themselves, or even by economic conditions, but by the law of supply and demand, in which the supply has exceeded the demand, that payroll has been greatly reduced. The workers in that industry now find themselves being laid off, and out of work.

It is well and good for the American people to talk about free trade and about trying to help the rest of the world reach our level of living. I hope to live to see the day when people throughout the world will approach our standard of living. But I cannot stand by and see miners, millers, and other workers in my State put out of work because of the differential in wages as between this country and other countries.

In my State of Arizona, a copper miner, miller, or smelter worker makes approximately $2.42 an hour. In Rhodesia, the miners make $16.50 a month. In Peru and Chile, the wages run between $2 and $3 a day. I am unalterably opposed to putting out of work 16,000 men in Arizona in order that such low wages may continue to be paid in other countries. I believe the day will come when it will be possible to make a good argument for free trade, but I do not believe it can be done at this time.

I am extremely hopeful that the bill introduced by my senior colleague (Mr. HAYDEN), of which I am a cosponsor, together with many other Senators from the West, will become law. In that way, we will be able to put a 30-cent floor under copper, raising it from the 24-cent floor now; and place a 4-cent tariff on copper when it reaches the floor, in lieu of the 2-cent tariff we now have.

The age-old concept of a protective tariff in this country is still a good one. We do not necessarily have to cause economic hardships in other countries that participate in international trade, but the course we are now following causes a hardship to the copper industry of this country.

I am very hopeful that the Senate and the House in their wise judgment, and the President in his wisdom, will see fit to enact the measure to which I have referred, so that the copper miners and millers and smelters of the Far West may go back to work, and the United States may produce the copper it should have, instead of importing it from foreign countries which produce it at hourly wages far below ours.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the senior Senator from Montana may speak for 10 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. MURRAY. Mr. President, I am becoming increasingly concerned about the effect the present juggling of numbers by the administration is having on the welfare and lives of all the people of our country. It would appear that whenever the administration is confronted with a problem involving the economic welfare of the people, a series of numbers is put in a hat, and then pulled out at random and presented as a statistic that no one is supposed to challenge.

I am becoming increasingly concerned about the mining situation.

Let me illustrate what I mean. On June 4, 1957, the administration recommended to the Congress that 17 cents a pound be set as the peril point for lead and 14 cents a pound be set as the peril point for zinc, and that tariff rates be imposed to implement such peril points. Then on April 28, 1958, just 9 days ago, with a straight face, the same administration pulled out some new numbers and said that the price of lead should be stabilized at 14¾ cents a pound and the price of zinc at 12¾ cents a pound.

When asked to explain how the new numbers were arrived at, administration witnesses found themselves in confusion and unable to offer anything further than the lame excuse, "We think they are right."

The same is true in the case of copper. The administration had pulled the number 27½ cents per pound out of the hat as the price at which copper should be stabilized, in the face of industry insistence that a peril point of 30 cents a pound is necessary to assure continued copper production in this country.

Furthermore, the administration has pulled the number 50,000 out of the hat as being the number of people engaged in primary metal mining in the United States. The facts are, however, according to the latest issue of Statistical Abstract of the United States, published by the Bureau of the Census, that a labor force of 91,000 is employed in the metal mines of this Nation. In addition, 1,096,000 are employed in the primary metal industries, a labor force of 56,000 is employed in primary smelting and refining of nonferrous metals, and an additional 10,000 are employed in secondary smelting and refining of nonferrous metals.

These employment figures I have just cited, Mr. President, were not pulled out of the hat. They were taken, as I mentioned before, from an official Government statistical source—the Bureau of the Census.

Let me hasten to point out, however, that these figures I have just cited do not represent the number of workers who are now employed. No. In the last few months, thousands upon thousands of workers employed in the mining and metalworking facilities of the country have been thrown out of work. Mines are closing down in some instances, and all are curtailing production and employment.

This trend of reduced production and employment in our metal mines and related industries started about a year ago; and, as historically has been the case, was the bellwether of a nationwide economic squeeze.

I had hoped, and my colleagues here had hoped, as we watched conditions in our mining communities worsen, that the administration would propose some plan of alleviation. Instead, we now find the administration has pulled some more numbers out of a hat and designated them as stabilization prices for four of our primary metals—numbers without realism, inadequate to maintain normal production from our mines, and inadequate to provide paychecks for tens of thousands of unemployed miners, mill, smelter, and metal workers.

Mr. President, I voice the hopes and aspirations of thousands and thousands of miners and their families scattered in mining areas throughout this Nation, that the administration will cease its playing of the numbers game and come up with a realistic plan for solving the economic ills of our domestic mining industry. Our entire economy, Mr. President, has as its foundation minerals and metals. When the minerals and metals industries are sick, the whole economy is sick.

I am disheartened when Congress is threatened with a Presidential veto whenever the Congress suggests a plan or plans for meeting this problem, and I hope that the leadership of the House will stand firm against the threat of Presidential veto as it considers measures now before it designed to restore our domestic mining industry to full production and employment. And I assure the Senate that I shall never be a party to reporting out of the Senate Interior and Insular Affairs Committee a bill based on a numbers game formula.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. MANSFIELD. Mr. President, I wish to associate myself with my distinguished senior colleague in what he has said. While the Seaton proposal is a first step, it certainly does not go far enough, because, for one thing, the prices in the proposal are unrealistic. How is it that the administration, a year ago, thought that 17 cents a pound would be a fair and reasonable price for lead and that 14 cents a pound would be a fair and

reasonable price for zinc? Why the differential this year? Why should the price of copper be 27½ cents, when in Butte, the richest hill on earth, it costs 30 cents a pound to produce copper?

What the administration ought to do at this time is to adopt the Murray-Metcalf-Mansfield bill, which would be an extension of the copper legislation in effect since the reciprocal trade policy was first inaugurated, and which would set a floor price of 30 cents a pound. If the price went below that amount, then an excise tax of four cents a pound would be imposed. Automatically, if the price was 30 cents a pound or above, there would be no excise tax imposed whatever.

I should also like to call the attention of the Senate to the situation which exists in the hometown of my distinguished senior colleague, in the mines in which both he and I worked at one time. It has to do with the domestic manganese plant now operating—we hope—in that camp. At the present time it has 350,000 tons of low-grade manganese, which have cost the Government of the United States around $9 million. If this low grade manganese is not beneficiated or upgraded, it will mean a total loss to the Government. However, try as my distinguished senior colleague, Representative METCALF, and I have, we have been unable to budge the White House, the Office of Defense Mobilization, or the Secretary of Commerce, in an attempt to get the Government to spend a few extra dollars to beneficiate or upgrade this stockpile of low grade manganese, so that it will be of real value and can be placed on the shelves of the Government for future use.

I point out, as my colleague already has, that far more than 51,000 people are dependent upon the western mining industry. What about the families the miners support? What about the businesses the miners support? What about the people who work in the fabricating plants and the people who sell the finished products? I think it is high time for this administration to take some action to alleviate conditions in an industry which has been the hardest and the longest hit of all.

I join with my colleagues in the Senate today in pleading with the administration to adopt some plan which will bring stability to this industry, which has meant so much to the development of our country, and which stands so urgently in need at this time.

Mr. MURRAY. I thank my colleague for his very complete statement.

Mr. President, one of the greatest orators of the day is our distinguished colleague, the senior Senator from Oklahoma [Mr. KERR]. Whenever he speaks, he has something important to say, and he says it eloquently. A few days ago, he addressed the midyear meeting of the Independent Petroleum Association of America in Chicago.

I have had the pleasure of reading what the Senator said on this occasion, and I recommend his remarks as must reading for all Members of the Senate.

I therefore ask unanimous consent that the address of the Senator from Oklahoma be printed in the RECORD of today at this point.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY ROBERT S. KERR, UNITED STATES SENATOR, OKLAHOMA, 1958 MIDYEAR MEETING, INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA, APRIL 27–29, 1958, HOTEL SHERMAN, CHICAGO, ILL.

I am happy to be invited here to talk to you about your business because you and I are in the same business, in more ways than one. The oil business is just a part of our business.

Along with all other Americans, we are in the business of building a stronger and more secure America. We are in the business of working, not only to preserve our country, but also the blessed freedoms that have nurtured the way of life we cherish.

It is on that basis that I remind you that politics is a part of our business—mine and yours. I know a lot of men in the oil business who say they want no part of politics. Now one of the glorious facts about America is that if a person feels that way about it, he is free to act accordingly.

But, here is a fact that I think each and every one of you should bear in mind—whether you as an individual, or as a group, ever get into politics or not, there is going to be more and more politics in your business.

Now, I am one who has the conviction that the oil business is one of the most important industries in the Nation. In fact, outside of agriculture, I think the oil business, both in peace and in war, is the most vital and important business in our country.

America has come of age in a new world, a world which we have helped to create, and a world which will have a continually increasing influence on the future destiny of our country. Therefore, we must neither permit, nor tolerate, a diminution of our influence in this new world, nor an impairment of our leadership of it.

The onrushing tide of destiny has compelled each generation, and especially our own, to fashion our Government to meet the challenge of today and the responsibilities inherent in the richest and the most powerful Nation on earth. We have a complex Government. Our population has grown until today it exceeds 174 million people. Our Government collects nearly 90 billion dollars in taxes each year, and it often spends more annually than it collects. That money is the people's money, your money, and what's done with it is decided by the people's Congress, your Congress. And, that is the reason that when matters are pending in the Congress which affect your industry, you are entitled to be heard and represented there. It is certainly unnecessary for me to warn you that no one else is likely to attend to your business.

Is there anyone else to whom your business means more than it does to you?

Is there anyone else more able, or willing to tell your story than you are?

That is the reason why you must not only keep your able representation there; you must reenforce it and give it ever-increasing support.

You are just as much entitled to be heard from as any other industry, and surely I do not need to remind you that the activities of all other industries are plainly visible in Washington.

I am sure you remember a fellow by the name of Patrick Henry, who achieved immortal fame by declaring, Give me liberty, or give me death. He voiced a determination of the men in the Colonies to eliminate a situation whereby they had taxation without representation. Well certainly taxation without representation in those days was bad, but it was a small item compared to the taxation you now have with representation.

As I look into the future, I am convinced that unless you do more in the future than you have in the past, you might wind up with less and less representation, and more and more taxation.

Soon after I got to Washington, I learned that there are 450 national organizations, each of which has an annual dinner for Members of the Congress. Each of these organizations presents their views, aims, and wishes to us. Industry is represented by the National Association of Manufacturers, the national chamber of commerce, and others. Labor is represented there, and they are represented by men of ability and persistence. The farmers are represented there. The railroads are represented there. Textiles are represented there. Your insurance companies, your mutual savings banks, your savings and loan associations, and your commercial banks are represented there. The truckers are represented there. The road builders are represented there. Those who favor and those who oppose billboards on the highways are represented there.

The Constitution says that the right of petition to your Government shall never be denied you. And it will be a sad and a sorry day in America's history when any group, whether the highest or the lowest, the largest majority or the smallest minority, finds any bar in their pathway, or anything that will impede their coming to those charged with the responsibility of governmental functions in this country.

The road is open to you, and in my judgment you should use it to the fullest possible extent. I don't think the oil industry should longer be the whipping boy of the demagogs in this country, whether they are partisan demagogs, or demagogs who work as editorial writers, commentators, or cartoonists who picture you as hogs or swine, or evil or greedy personalities.

Your industry will, of course, be interested in many matters before the Congress for action this year. You will be especially interested in three things.

Maintaining the law with reference to the depletion factor as it affects your tax liability.

The passage of a natural-gas act to reaffirm the unquestioned Congressional intent of the Natural Gas Act passed in 1938, that the act would apply neither to the producers, nor gatherers of natural gas.

The question of imports.

With reference to depletion, I am sure that you are aware that there is a substantial number of Members of Congress who have a fixed purpose either to reduce, or eliminate, the percentage figure in the depletion formula as it affects oil and gas. They will undoubtedly make an effort in that regard this year. I believe that enough work can be and will be done to defeat those efforts, but, I must remind you that these are just my opinions, and that they are not binding on the Congress.

I do not know whether a further effort will be made to pass the Harris gas bill, or not. Certainly it should be passed. Certainly it is entitled to be passed. If men's decisions are made solely on the merits of the bill, its passage cannot be prevented; but, as long as men outside of the Congress address their words and actions to matters so far removed from the merits of the bill, it might be asking too much of the men in the Congress to address their words and actions solely to the merits of the bill.

One of the big battles this year will be in connection with imports. I certainly do not need to remind you of the excessive amounts of crude oil now being imported into the United States. This has been brought about by a number of things. First, successful efforts of American producers and others to find areas where crude oil can be produced more cheaply than in the United States.

Second, because of the provisions and administration of the Reciprocal Trade Agreements Act.

It is now apparent to any fair-minded person that imports are being brought into this country in such increasing quantities as to threaten the very foundation of the domestic oil industry.

There is absolutely no justice in a situation where domestic producers are restricted to 8 days' allowables per month while foreign production is being brought in at a constant or rising level.

Discrimination may prevail for a little while, but will not be tolerated as a continuing condition.

Administration of the reciprocal trade-agreements program must be guided by principles of reciprocity and justice, or it will collapse.

I know of no other nation than our own, capable of determining its own destiny, which would so long tolerate a situation in which one of its great industries was receiving the shock and damage from foreign imports as our domestic oil industry is.

Now, if damage to the domestic oil industry were the only thing involved, the present situation would be serious enough, but I am one of those who are convinced that when the foundations of the domestic oil industry are threatened the national security of the Nation is likewise threatened.

Our domestic oil industry is not alone in suffering from excessive foreign imports. Other industries likewise threatened include the producers of hardboard and plywood, the bicycle industry, the china and glassware industry, producers of fresh and canned fish, including shrimp, producers of coal, fluorspar, lead, zinc, copper and other important minerals, the producers of increasing numbers of steel products, and the textile industry.

One of the most severely punished is the lead and zinc industry. It is now all but prostrate under the impact of excessive low cost imports. This great industry many months ago appealed for relief under the provisions of the Reciprocal Trade Agreements Act and the Tariff Commission has just concluded an exhaustive study of the situation.

Following that study the Tariff Commission made just about the strongest recommendation possible under the law to help that industry recover. Yet, if those recommendations were fully complied with, only the larger operators in the industry could prosper, while scores of marginal operators would still not even be able to resume operations. The enormous surplus of lead and zinc already in this country from foreign sources would not even be touched.

The lead and zinc industry followed the only route available to it under the law. Yet, it was compelled to tread a pathway of torture and painful delay. This situation constitutes a stern warning and illustrates the necessity for further amendments to the Reciprocal Trade Agreements Act, if it is to be extended, because it is unthinkable to tolerate a situation in which great domestic industries of vast historic and present importance to our economy and to our national defense suffer the penalty of being driven to their knees before they are even eligible to ask for relief.

It is even more unthinkable for them to have to remain prostrate while their application for the creation of an environment in which they can survive has to follow the long and tangled pathway of needless governmental redtape.

American industries should not be compelled to stand, hat in hand, outside the White House—even if, perchance, it is occupied—awaiting decisions which determine whether they are to be permitted to supply an adequate percent of American market to escape destruction.

You and I know that American consumers have just as much interest in the survival of American industries as do the industries themselves. A few months ago our esteemed friend and fellow worker, Frank Porter, made a little trip to Europe and I really think that old Frank was telling the truth when he said he was going over there on a business trip. Now, I know others who have been over there and I'm not sure whether their trips were altogether for business or not, but I am convinced that Frank's was. He tells me that gasoline is selling in France for 80 to 85 cents a gallon.

It is my confirmed judgment that if the day ever comes when American consumers have to depend upon imported crude oil for their principal source of gasoline in this country, they might just as well get prepared to pay the same price here.

It is a sad commentary upon the present operation of the Reciprocal Trade Agreements Act that it was never designed to create nor permit the conditions which now prevail. It was conceived and enacted to be a program to promote reciprocal trade. It was implemented to permit agreements between our country and others whereby products which were in surplus here, and needed there, could be advantageously sold to other countries. In return, products of those countries which we either did not produce or had in short supply could be advantageously shipped to and sold here.

Reciprocal programs were developed to enable two-way trade and commerce between this and other countries. The act contained provisions prohibiting its operations in such a way as to impair or unduly damage any segment of American industry. But that concept has been changed by executive action—action which, I am sorry to say, was not brought about exclusively by either party, or any one administration. Yet, it is a fact, not a theory.

The present Secretary of State has admitted in hearings before the Senate Finance Committee that he now regards the Reciprocal Trade Agreements Act as an instrumentality or vehicle whereby foreign aid can be given in ways and means not permitted by the regular foreign-aid legislation. He frankly admits that as the act is now administered, economic concessions to other nations are possible for considerations of foreign policy which is in no way related to the purpose of reciprocal trade.

The present act expires this year. Legislation is now before the Congress for its extension. The administration is asking that it be extended for a period of 5 years.

Under no circumstances should the act be extended for more than 2 years and, unless corrective legislation can be written into it to fully and adequately protect those American industries now suffering so heavily from its administration, it should not be extended at all.

The time is now here when representatives of all of the industries so heavily affected by the manner in which the Reciprocal Trade Agreements Act is being administered to come to the Congress with a united front, seeking an environment of equity and justice.

Certainly our Nation must act as the responsible leader of the Free World. But we can do justice to our friends and allies without inflicting injustice and undue hardship upon our own people. We can be a good neighbor to the Free World without imposing unbearable penalties upon our own people.

To meet our responsibilities as the most powerful nation in the world and as a leader of those seeking to insure the survival of western civilization we must be bold and daring, but we must also be strong at home. We must be fair and just with our allies, but we must also provide an environment at home that will result in a constantly growing, thriving, prosperous economy of American industry.

The oil industry has a part to play in helping to bring this about. As America marches in the front ranks of free nations of the world, the oil industry must march in the front ranks of free and prosperous industry in America.

To achieve these aims you, also, must be bold, daring, and persevering, always recognizing that while you are not entitled to ask your Government for more than justice—your Government must never compel you to accept less than justice.

Mr. BIBLE. Mr. President, first I commend the senior Senator from Montana for his very forceful statement concerning the present perilous condition of the mining industry. It is my privilege to serve with the senior Senator from Montana on the Subcommittee on Mining of the Committee on Interior and Insular Affairs. He is a real champion and a fighter for the domestic mining industry. We have just concluded extensive hearings, which point out the needs and the present predicament of the mining industry of the West.

I associate myself with the remarks made by the distinguished majority whip. It seems to me that the proposed legislation to establish a peril point for copper at 30 cents and an excise tax of 4 cents is necessary and should be enacted without further delay.

I may add that in the field of lead and zinc, the setting of peril points at 17 cents and 14 cents and the necessary excise taxes is likewise worthwhile legislation and will be of real assistance to the lead and zinc industry.

As the senior Senator from Montana has commented, the Secretary of the Interior in June 1957 came before Congress with exactly that type of proposal. I believe it represents one of the avenues of approach to and one of the possible solutions of this vexatious problem.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. BIBLE. I yield.

Mr. DWORSHAK. Will the Senator from Nevada tell us what happened to the proposal submitted by the administration last year, and which was approved by the Senate?

Mr. BIBLE. I do not know that the proposal was actually approved by the Senate, but the history of that particular measure is this: The bill was considered by the proper committee of the House of Representatives. It was their suggestion that the case first be made before the Tariff Commission. That case was made, as the Senator from Idaho well knows, and the Tariff Commission within the last 2 weeks made a unanimous recommendation to the President of the United States that there be increases in the tariffs on lead and zinc. By a divided vote, 3 to 3, the Tariff Commission recommended the imposition of quotas. The matter is now pending at the White House for action by the President of the United States.

Mr. DWORSHAK. Mr. President, will the Senator further yield?

Mr. BIBLE. I am very happy to yield.

Mr. DWORSHAK. I am sure that the Senator from Nevada is not attempting to criticize the administration or to

hold it responsible for the failure of the House of Representatives to take action on specific lead-zinc legislation in the previous session?

Mr. BIBLE. My answer to the Senator from Idaho on that point is that the matter is now squarely before the administration and the President of the United States. The President has within his power the authority to impose the tariffs recommended by the Tariff Commission. I sincerely hope and trust that he acts upon those recommendations. He has the legal authority to do so. As the Senator from Idaho well knows, the Senate Committee on Interior and Insular Affairs, in a unanimous resolution, requested that the President do so without delay. So I think there is a strong sense of responsibility in that direction.

Mr. DWORSHAK. Mr. President, will the Senator further yield?

Mr. BIBLE. I yield.

Mr. DWORSHAK. I agree wholeheartedly with what the Senator from Nevada has said concerning the advisability of the President's accepting the recommendations made recently by the Tariff Commission to relieve the desperate plight of the zinc and lead industries. Nevertheless, a clear responsibility rests on Congress, and the Senate has in the past recognized that responsibility to some extent by its actions. However, certainly the executive department cannot be held responsible in any way for any legislative actions or for the failure of the House of Representatives to act.

Mr. KERR. Mr. President, will the Senator yield?

Mr. BIBLE. I yield.

Mr. KERR. I wish to ask the distinguished Senator from Nevada two questions. First, is it not a fact that the President already has the authority under existing law to approve the recommendations which the Tariff Commission has recently made?

Mr. BIBLE. The Senator from Oklahoma is, as he would say it himself, eminently correct.

Mr. KERR. Is it not a fact that the unanimous recommendation by the Tariff Commission for relief under existing law goes much beyond the extent which the administration last year expressed as its willingness to offer in the form of additional legislation?

Mr. BIBLE. I believe that is a correct statement.

Mr. KERR. Is it not a fact that the President even now, under the recommendation made by the Tariff Commission, has the full and complete legislative authority, if he sees fit to act, to do as much as would be accomplished under the proposal which it was reported to Congress last year the administration was willing to sponsor and even much more?

Mr. BIBLE. I believe that is a correct statement.

Mr. KERR. In other words, if the President wanted to do anything about the situation, he already had the authority under the law all these months, in fact for a number of years, to do it. But he now has the specific recommendation of the Tariff Commission to act, and that recommendation includes what the administration was reported to be willing to accept last year and a recommendation to go beyond that proposal.

Mr. BIBLE. The Senator from Oklahoma is absolutely correct. I am at a loss to understand, in view of the unanimous recommendation made by the Tariff Commission, why the President does not act upon it very quickly.

Mr. President, I ask unanimous consent that I may proceed for an additional 5 minutes, if the Senate is still in the morning hour.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Nevada is recognized for 5 minutes.

Mr. BIBLE. I may add to the statement made by the Senators from Montana that besides the fields of lead, zinc, and copper, there should likewise be included in the long-range mining program some necessary help for the tungsten, antimony, manganese, and mercury industries. All of them are in a very distressed condition.

The current mining report from Nevada indicates that employment in the Nevada mines has decreased 36.2 percent from February 1957 to February 1958.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. BIBLE. I yield.

Mr. MANSFIELD. I point out in that respect, so far as the Butte camp is concerned, that over the same period of time employment has declined from a total of approximately 5,500 to just under 2,000 at present. In other words, the decrease is very close to 70 percent, and the copper industry needs help. We do not want charity, but we want security and jobs for our people.

Mr. BIBLE. I thank the Senator from Montana for his observation. The condition in Montana is even worse than it is in Nevada. I thoroughly agree with the Senator's observations. Industry witness after industry witness came before our subcommittee and stated very clearly that all they wanted was the opportunity to continue in business and to have a fair break and a fair share of the American market. I certainly hope Congress will be responsive to this badly depressed segment of our domestic economy and, without further delay, recognize the need for doing something realistic to assist it.

Time is running out. Whatever is done must be done quickly. Most of the tungsten mines are completely out of business. The copper mines are on the ropes. The other industries will soon be going down the drain if some type of realistic tariff and excise tax relief is not provided.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a newsletter of the Nevada Mining Association, showing the state of Nevada mining in 1957.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NEVADA MINING IN 1957

The United States Bureau of Mines estimates that the total value of Nevada's mineral production in the year 1957 was $83,411,000. The value of the production in the year 1955 was $113,291,751; in 1956, $126,234,615. The value of Nevada's mineral output, therefore, was some $43 million less in 1957 than in 1956, which is a sad and tragic situation—especially in view of the fact that Nevada is the only State in the Union wherein mining was made the paramount industry by constitutional provision.

Employment in Nevada mines was about 2,300 less in December 1957 than in December 1956. Many Nevada communities, formerly prosperous and content, are now ghost towns, or soon will be. This applies particularly to communities depending upon tungsten and lead-zinc mining for their survival.

In the year 1956, Nevada mines paid a net proceeds tax of $1,162,601.65; for the first half of 1957, $295,300.76. Figures for the last half of 1957 are, as yet, unavailable, but it is safe to assume that the net proceeds tax collected from Nevada mines in the year 1957 will be only one-half, or less, of the amount received from that tax in 1956.

In the years 1955 and 1956, Nevada was the leading tungsten producer. The value of the tungsten production in 1955 was $22,750,662; in 1956, $19,263,193; in 1957, $1,802,300.

The value of the copper production in 1955 was $58,878,050; in 1956, $70,450,550; in 1957, $46,620,000.

The decline in price of these two metals accounted, for the most part, for the low value of 1957 production; although, except for a slight increase in gold, the worth of the output of all other metals was less in 1957 than in the preceding year.

Some productive Nevada tungsten mines, formerly in operation, but now closed, are, by counties, as follows:

Churchill County: Churchill Tungsten Mining Co., Tungsten Mountain Mining Co.

Elko County: Star Tungsten Mine, Phalen Mine.

Humboldt County: John Etchart operation; Getchell Mine, Inc.; Hosking and Spitzer.

Lander County: Linka mine and mill.

Lincoln County: Wah Chang Mining Corp.

Mineral County: Don-Clare Mining Co., Nevada Scheelite Mine, L. & G. Mining Co., Silver Dike Mine, Soda Mill Corp.

Nye County: El Capitan Mining Co., Gabbs Exploration Co., Twentieth Century Fuels, Inc.

Pershing County: Nevada-Massachusetts Co., Stormy Day Mine, the Wolfram Co.

White Pine County: Only Change Mine, Helmar Mining & Milling Co., M. I. A. Mines Co., Minerva Scheelite Mining Co., O. B. Mining Co., Rees Mine.

The largest lead-zinc mining operation in Nevada, Combined Metals Reduction Co., in Lincoln County, is closed. Operations of Consolidated Eureka Mining Co. and the Eureka Corp., Ltd., in Eureka County, have been greatly curtailed. These mines produce a relatively high grade silver-lead ore and are able to continue production on a limited scale, through selective mining.

The value of Nevada's mercury production was some $200,000 less in 1957 than in 1956. The curtailed GSA purchase program and excessive imports of mercury may result in closing the only important mercury producer in Nevada, Cordero Mining Co.

Nonmetallics fared somewhat better, although gypsum production will be about $200,000 less than in 1956. Sand and gravel output was somewhat greater in 1957 than in 1956, as was that of stone.

In the precious metals field, the value of silver production will be about $250,000 less in 1957 than in 1956, and gold some $100,000 more—due to gold recovered as a

byproduct from the copper ores of Kennecott and Consolidated Coppermines in the Ely area of White Pine County.

Nevada ranks relatively high in copper output, but practically all copper production is from three mines—Nevada Mines Division of Kennecott Copper Corp. and Consolidated Coppermines in the Ely District of White Pine County, and the Yerington Mine of the Anaconda Co. at Weed Heights in Lyon County.

Many economies have been effected by Kennecott and Con Copper through reduction in the number of employees, increased employee efficiency, and improved mining methods. This applies also to Anaconda's operations at its Yerington Mine; but, by the end of the year 1957, the output of copper by the Yerington Mine and leaching plant had been curtailed about 20 percent, as compared with 1956.

A further reduction in copper output at all divisions of Kennecott will become effective the latter part of March, according to C. D. Michaelson, general manager of Kennecott's Western Mining Divisions. A cutback in the workweek will take place at the company's divisions in Arizona, Utah, New Mexico, and Nevada. Current production will be reduced about 12½ percent. Previous reductions in output, plus the forthcoming one, will reduce Kennecott's domestic production of copper by about 20 percent.

About a year ago, Kennecott had some 2,200 employees on its payroll in Nevada. Due to employment curtailments, including the one recently announced, the number of employees will be reduced to about 1,200.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. BIBLE. I yield.

Mr. MANSFIELD. I express the hope that the administration will seriously consider the Murray-Metcalf-Mansfield bill, which provides for a continuation of the present copper legislation, which, I repeat, has been in existence since the time the Reciprocal Trade Act was first originated. The only difference is that the peril-point price would be raised from 24 cents to 30 cents. When one considers the increase in the cost of living over that period, and the cost of production in the Butte mines, I think it is a reasonable price.

Also, I should like to see something done about stockpiles for copper, lead, zinc, manganese, tungsten, and other metals. I point out that the United States is rapidly becoming a have-not Nation. In the field of copper alone, in 25 years, there will be only one camp operating in the Nation, and that will be Butte, which will be operating 75 years from now.

When the United States Government purchases strategic metals and puts them in the stockpile, and puts them in storage, it is doing so in the case of products which are not perishable, and it is creating an inventory. It is taking a surplus off the market, and is allowing the prices to reach a reasonable level.

I hope that on the basis of these suggestions, something will be done.

I point out that on the basis of the Seaton proposals, if the proposed legislation were to go into effect, its net effect would be to break down the differential, let us say, in the price of copper, as between London, where it is 21 cents, and New York, where it is 25 cents, and to bring it down to the London price. That would mean that the Government would really be saddled with a burden, in the payment of subsidies. I do not believe that would be fair to our taxpayers or to the people who work in the smelters, the mines, and the camps.

Mr. BIBLE. I thank the Senator from Montana for his observation.

I believe that, in fairness, the committee should have the benefit of a legislative framework for the Seaton plan. We have been promised that it will be brought before us any day now. I think the plan poses real administrative problems, in addition to the basic objections which have occurred to many of us.

Mr. MANSFIELD. I did not mean to condemn the Secretary of the Interior, whom I believe to be an outstanding man and interested in the West. But I believe the proposal—which is not in legislative form, as the Senator from Nevada has said—is not the answer or the solution to the problem.

We should wait to see what is in the legislative mill, and at the same time we should give credit to Secretary Seaton and to the administration for at least taking a first step which indicates a recognition of the gravity of the situation today facing the metal-mining industry in the United States.

Mr. BIBLE. Mr. President, I very much appreciate the observations the Senator from Montana has made.

The PRESIDENT pro tempore. The Chair understands that the colloquy which has just occurred has, by unanimous consent, occurred during the morning hour.

Mr. KERR. Mr. President, I wish to congratulate the Senator from Nevada and the Senator from Montana for calling this matter so pointedly to the attention of the Senate and to the attention of the country. They have been speaking of the welfare and prosperity of American industries which seek the opportunity to operate on a basis which will permit them to supply a portion of the American market.

Very briefly, Mr. President, I should like to remind Senators of the fact that when an American industry—whether in Oklahoma, in Idaho, in Nevada, in Montana, or in any of the other States where mineral production is available—is operating in an American State; it is employing American labor; it is developing an American community; it is conducting an operation on which it pays taxes to the American Government and to a State government and to a local government; and it is helping to maintain and to improve the American standard of living.

But when even an American corporation produces the minerals in a foreign country, it is employing foreign labor; it is developing the economy of a local area in the foreign country; and it is paying taxes to the foreign country; and, as it does, it obtains a tax credit which eliminates the necessity for it to pay taxes in the United States, either to a State or to a local government or to the National Government, with reference to the profit it makes on the operation in the foreign country, to the extent that it is taxed there.

Therefore, Mr. President, I believe that one of the most urgent matters, not only before the Congress, but also before the President, is to take action under existing law, and for the Congress to strengthen the law, whereby we can maintain for American industries a reasonable share of the American market, in order that they may continue to exist and to grow under our American way of life.

Mr. DWORSHAK. Mr. President, I ask unanimous consent that I may proceed for 5 minutes, during the morning hour.

The PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. DWORSHAK. Mr. President, I do not intend to enter into a controversy with my colleagues with reference to the mining industry and its problems.

As one of the Senators from the State of Idaho, I have been fully alerted for many years to the essential need of safeguarding our domestic mining industry.

I am not endeavoring to place the blame upon the Congress, but I insist that the Congress has had a joint responsibility as the legislative branch of the Government. Although the executive branch obviously has not taken essential steps to protect and safeguard our lead, zinc, and other domestic mining industries against unfair competition from low-cost production abroad, I contend that the Congress likewise has been derelict, in its failure to solve this problem.

Mr. President, we ought to consider the enactment 25 years ago of the iniquitous trade-agreements program. Soon we shall have an opportunity to debate the merits or lack of merits of that act, when the proposal to extend it comes before us.

The press reports that in the House of Representatives, where that program has received approval throughout the past 25 years, there is a rising tide of resentment against extending that act for another 5 years. Mr. President, why has that resentment been rising steadily in the other body and, I presume, likewise in this body? That resentment will be revealed here when we have an opportunity to debate this proposed legislation. The resentment has developed because, essentially, over the years the trade agreements program has ignored the welfare of American industries, such as the domestic mining industry, and has given every advantage to industries abroad, where there are low standards of living and low wage scales.

Mr. President, safeguarding the domestic mining industry is not a partisan issue. I recall that, during the closing years of the Truman administration, I had prepared by a Democratic agency a compilation which indicated that a total of approximately one-quarter of a billion dollars had been expended in a short period through various programs, in building up and encouraging the expansion of mineral production abroad.

Mr. President, the record on that point is clear. We are facing these acute mining problems today because in years past there has been a failure to give proper

and due recognition to the mineral industry in our own country.

I predict that, just as we are plagued now with these problems which affect lead, zinc, copper, and other minerals produced in our country, as there is a constant increase in the production of these minerals abroad, in mines which were assisted financially by our own Government, we shall face even a greater impact in the future.

So, Mr. President, I appeal to my colleagues from the mining States of the West to submerge partisanship.

I will join them in their expressions of keen disappointment over the failure of the executive branch of the Government to formulate a long-range minerals program which will receive Congressional approval. Last year, this body was precluded from approving the program that was submitted, because the House of Representatives did not take any action on excise tax legislation which necessarily must originate in that body.

I believe we can work out a program which will provide at least some measure of relief to our domestic mining industry.

But, Mr. President, we cannot achieve that objective unless we are willing to cooperate in every way with the executive, to recognize the responsibility devolving upon the legislative branch, so that we shall not continue to deal with the problem by use of stopgap measures like stockpiling. Stockpiling served its purpose a few years ago, but it merely provided a means to the Congress and to the administration to do something which would make it possible to have full employment in the mines of this country, and to produce strategic materials, which constitute a vital segment of our national defense. That is a vital problem, which has been overlooked so frequently, and which should not be overlooked, because, as we plan for the defense of our Nation, at a cost currently of about $40 billion annually, it is indefensible to fail to recognize the vital contribution which must be made by our domestic minerals industry.

If we face up to that problem and recognize the joint responsibility which we have in the Congress, I am sure we can work out some meritorious long-range program.

PROSPECT FOR DISARMAMENT, SECOND FACTOR: GAINING THE SUPPORT OF THE NON-COMMUNIST WORLD

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed; and the Chair recognizes the Senator from Vermont.

Mr. FLANDERS. Mr. President——

Mr. JOHNSON of Texas. Mr. President, if the Senator will yield, does he desire a quorum call?

Mr. FLANDERS. If I do not lose the floor.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be a quorum call without the Senator from Vermont losing the floor. I should like Senators to know the Senator from Vermont is about to make a speech which is very important.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FREAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FLANDERS. Mr. President, in my talk yesterday on the subject of disarmament and the conditions of peace and justice, I said that there were three factors which had to be considered. The first was persuading the American people to accept the necessary kind and degree of supranational government which will be required if warfare is to be replaced by law in governing the relations between nations. The second factor is that of gaining the cooperation of the whole non-Communist world. The third factor is the persuading of the Soviet Government. As I stated, these are not successive steps in the problem of arriving at a peaceful world. They can and must be carried on concurrently.

The second factor which we consider today is that of persuading the world of the honesty of our purposes and the intelligence of the means by which we seek to accomplish those purposes. Unless the world is so convinced, we cannot work with it in the task of achieving a peaceful world. To persuade the world and particularly the vast neutral world, the effort must be by deeds rather than by words. Words will not serve. Effective deeds can only result from an intelligent apprehension of the moral law.

What is the moral law? Put in briefest terms, it is the law of love. So to state it, however, runs into a host of semantic obstacles. We at once think romantically, emotionally, and narrowly religiously. The concept at which we must arrive is that moral law is an inflexible requirement for constructive relationships between people. This is true whether those relationships are person to person, person to society, societies to societies, or nations to nations. We have to learn that in statesmanship on the worldwide basis, we are dealing with people. The societies and nations into which they are organized are impossible of constructive approach except as we are approaching people.

What is practically involved is that we must have respect for people, whether on the American continent, in Western Europe, in the Middle East, in the Far East, or anywhere on the face of the earth. That respect for people is the basic ingredient of the moral law, which is as much a law of nature as is the force of gravity. Furthermore, in our dealings with people there must be not only respect for them, but a sentiment of humility on our part. To explain just what is involved here I propose, out of the many international situations which have given us difficulty, to pick out one example in which our failure to comprehend the moral law has resulted in serious damage. That example I draw from the evident deterioration of our relations in the Middle East, particularly with the Arab world.

In this area we have one great achievement to our credit. Our President and Secretary Dulles were successful in persuading the armed forces of Israel, Great Britain, and France to withdraw from their endeavor to take over the Suez Canal by force of arms. We have this action to our credit. The rest, unfortunately, is mostly debit.

We have at times failed to understand the strong purposes of the peoples with whom we dealt. We have reckoned that our own enduring hostility to communism is a sentiment to which all men everywhere subscribe. This unfortunately is not the case. Instead, the prevailing political sentiment among the peoples of the world is the desire to be politically free. This desire so far surpasses all other sentiments that the specious support of this desire by the Soviet Government is blocking our efforts to build up an anti-Communist front on the basis of anticommunism alone.

The peoples of the world desire freedom not merely from colonial powers, but from any domineering leadership. They want to be out of the control of leading strings even if held in the hands of the western nations. Until we realize this and act upon it, it will be impossible for us to build up our hoped-for anti-Communist front. We will indeed continue to weaken the possibility of such a front.

Here we are faced with the anomaly that there seems to be less opposition to communism than to western leading strings. The situation is simple. Our leading strings are obvious. Those of the Communist empire builders are held behind the back, as years ago I used to hold the halter when I went into the open pasture to get the horse.

Our policy in the Middle East has been based on the assumption that nations of that region wished to be protected from Soviet power, and would be willing to ask for armed assistance if that were necessary for protection. There were two things wrong with this assumption. One was that anticommunism was the overriding existing sentiment. As I have just said, this was not the case. The desire for freedom was the overriding sentiment.

The second mistake was to suppose that the Soviet advances would be made by armed force. This is not the case. Soviet advances are made by astute political moves in many ways on many fronts. Show of force has very limited applications.

When the Syrian crisis was developing, our Mediterranean fleet, armed presumably with atomic weapons, stationed itself at the eastern end of the Mediterranean Sea. There it remained idly, though with one beneficial result. It safeguarded the freedom of Lebanon, and strengthened the resistance of Jordan. This was an important tactical success. But in the grand strategy it was a contest not being waged with arms at all.

There was nothing that our Armed Forces could do to deter the growing influence of Soviet political power resulting in the combining of Syria and Egypt. Our policy was devised to rescue nations which wanted to be rescued. No one there asked for rescue or wanted it. The Soviet Government knew what people did want, played upon their deep desires, and gained in strength. We were fighting the wrong war at the wrong place with the wrong weapons.

There was thus a fundamental misconception of the situation when we put armed assistance as the foundation of our policy in the Middle East. This misconception has persisted throughout our contest with communism. We have had the misfortune to present to the world our anticommunism as being primarily by a resort to arms. That it is not primarily so in the Middle East I have endeavored to show. That it is not so in the rest of the world can be easily shown. There is need for a thorough review of the situations we face, the nature of the conflict in which we are engaged, and such changes of policy as will surely be required when we face the facts of present-day history instead of being hypnotized by the notion that primarily we face a conflict in arms.

In the next installment of these brief talks, it is my intention to review our relations with Egypt to indicate the mistakes we have made there and the possibility of returning to more constructive policies.

UNITED STATES POLICY WITH REGARD TO THE NEAR EAST, SOUTH ASIA, AND AFRICA

Mr. WILEY. Mr. President, I have been interested in the remarks of the distinguished Senator from Vermont [Mr. FLANDERS]. Apropos of what he has said, this morning it was our privilege, in the Committee on Foreign Relations, to hear a fine discussion by Hon. William H. Rountree, Assistant Secretary of State for Near Eastern, South Asian, and African Affairs.

We know that the primary object of the Kremlin policy is to obtain the oil in the Near East. If it could do so, it would almost choke Europe, as happened a couple of years ago when the Suez Canal was closed. It would also have a land route to Africa, where are found the vital raw materials America needs.

We have on this continent in adequate supply only nine of the 30-odd raw materials which we need for our own defenses and our industrial life.

I ask unanimous consent that the statement by Mr. Rountree be printed in the RECORD at this point.

STRATEGIC MATERIALS WESTERN HEMISPHERE

Mr. MALONE. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. MALONE. Did the distinguished Assistant Secretary of State enumerate the strategic minerals which are said to be not available in the Western Hemisphere?

Mr. WILEY. No. This is my statement. However, it is a fact we have, in adequate supply only nine of the thirty-odd vital materials on this continent.

Mr. MALONE. What are they?

Mr. WILEY. I have not a list of them. I have made this impromptu statement in connection with what was said by the distinguished Senator from Vermont. What I have stated is a fact, nevertheless. If the Senator is interested, I will look up the list of materials and provide the Senator with a copy of it.

Mr. MALONE. Mr. President, I am extremely interested. If the Senator from Wisconsin is interested in referring to Senate Report No. 1627, of the 83d Congress, he will find that there is no strategic material which is not available in the Western Hemisphere; and available in time of peace or war.

Mr. WILEY. In sufficient quantity?

Mr. MALONE. Yes.

Mr. WILEY. I challenge that statement.

Mr. MALONE. I will be very happy to accept the challenge and furnish the distinguished Senator with the documented material.

Mr. WILEY. Then there are two challenges, one from me and one from the Senator from Nevada. I ask him to look up the information on the subject, and I will do the same and we can then compare notes.

Mr. MALONE. I refer the senior Senator from Wisconsin to Senate Report 1627 of the 83d Congress. This is a carefully documented report and should conclusively show that all of the so-called strategic minerals and materials are available to this Nation from the Western Hemisphere.

Mr. President, the mines are largely shut down now and no exploration is being conducted since American workingmen and investors cannot compete with the $2 per day foreign labor.

Mr. President, I wish to say for the record that this controversy has been going on ever since 1934. Mr. Ickes was Secretary of the Interior for about 15 years subsequent to that date. He died believing that we had no strategic or critical materials in the United States, and that there were none in the Western Hemisphere; and that it was necessary to secure them from countries across major oceans, even to wage war to protect those areas for that reason.

In connection with the false theories which have been sold to the people of this country since 1934; we engaged in two wars on the belief that we had to secure these materials from Europe and Asia; and that we had to go to war to protect nations across the oceans for that reason.

I say, emphatically and without equivocation, that that is not true. However, many honest people were misled by the Harry Dexter White and Alger Hiss propaganda. I came to the United States Senate to make the Senate Report No. 1627 of the 83d Congress. The objective of the Hisses and Whites was to close our mines and make us dependent upon foreign sources for minerals and materials without which we could not fight a war or live in peace.

We were then subject to blackmail in peace or war under the threat of cutting us off from such materials.

I am willing to debate that statement on the television, on the radio, or on the floor of the Senate.

I am very tired of hearing the argument advanced by the State Department over the years that no strategic materials are available in the Western Hemisphere and that we must protect and support the Asiatic and European countries to secure such materials.

All that is necessary to put the American workingmen and investors back in the business of producing many of such materials is to allow the 1934 Trade Agreements Act—so-called Reciprocal Trade Act—expire on June 30 of this year and return to the Constitution of the United States in the regulation of foreign trade through the adjustment of the duties or tariffs by the Tariff Commission, as agent of Congress.

Mr. WILEY. Mr. President, I wish to make my position clear. I stated that the purpose of our foreign policy was to see to it that the Kremlin did not take over the Middle East, where is found the oil so badly needed to maintain the economic life of Europe.

I stated, also, that a part of our policy was to see to it that the Kremlin did not obtain a land route to Africa, where are to be found the vital raw materials of which we have need.

If we have had all such raw materials on this continent, why have we followed the policy of building up reserves thereof for years, in order that we might have a stockpile of such vital materials?

If I am mistaken, I shall be glad to say so on the floor of the Senate. I have made this statement in relation to vital materials based on statements of reputable men, men who claim to know what the facts are. As to our foreign policy, primarily it is based upon maintenance of peace—prevent a third World War from starting or seeing to it that the Kremlin does not take over the earth.

The PRESIDING OFFICER (Mr. BIBLE in the chair). Is there objection to the request of the Senator from Wisconsin [Mr. WILEY] for the printing in the RECORD the statement referred to by him?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE HONORABLE WILLIAM M. ROUNTREE, ASSISTANT SECRETARY OF STATE FOR NEAR EASTERN, SOUTH ASIAN, AND AFRICAN AFFAIRS, BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE, MAY 8, 1958

Mr. Chairman and members of the committee, I welcome this opportunity to come before you to review United States policy with regard to the Near East, South Asia, and Africa. In this introductory statement I propose, in accordance with your request, to summarize the situation in the area, the current state of our relations with some of the major entities, and the main problems in and prospects for these relations.

The situation in such a large and diverse area does not lend itself easily to generalization. Nevertheless, despite the diversity of government forms, political development, languages, races, religions, and geography, it is possible to point out broad underlying factors that determine to a great extent the

nature and conduct of our foreign relations in the Near East, South Asia, and Africa. Throughout this region there are strong forces of impatient and emotional nationalism, often constructive and forward-looking but sometimes tending to extremism and political instability. Particularly since World War II the awakened national consciousness of the area has been accompanied by a steadily growing demand among the peoples, whose standard of living ranges from low to extremely low, for improvement in their status. Their governments, which vary in both strength and experience, are striving frequently with inadequate institutions and insufficiently organized and trained manpower to cope with demands for economic improvement. Some of the countries have valuable natural resources and relatively minor economic obstacles to overcome, but others, less well-endowed by nature, face extremely difficult economic problems that have existed for generations. They know also that a failure to show significant economic progress may lead to the overthrow of existing institutions in favor of others promising quicker results, however speciously and at whatever costs in freedom.

To complicate this situation there are several critical intra-area disputes which not only have caused dangerous tension among the parties concerned but also have created opportunities for international communism to exploit by offering arms and economic assistance on a selective basis. The Communists have so far failed to make a satellite of any country of this area. Nevertheless, through their deceptions they have succeeded in exploiting the mistaken belief of some of these countries that they can deal closely with the Soviet Union without risking subversion and ultimate loss of independence. The Soviets have also attempted to misuse the neutralist position of some of these countries to achieve their own imperialist aims and to discredit the West. The cynical nature of these Soviet tactics was well exemplified by the Soviet performance in connection with the artificial Syrian "crisis" last year, and in the Afro-Asian Peoples' Solidarity Conference in Cairo last December.

The Soviets have an initial advantage in dealing with some countries because of suspicions arising from past association with the West, because some leaders feel their critical national problems require that they accept help from any source, and because of their unfamiliarity with the methods of the Soviet Union and its international performance. Playing upon these factors the Soviets have hypocritically refrained from joining in efforts to find constructive solutions to disputes and instead have attempted to play upon the fears and aspirations of one side or the other.

In a brief review it is impossible to provide details about the situation in each of the countries of the Near East, South Asia, and Africa. I would therefore like to underline some of the more significant recent events.

There have been major new moves toward the realization of Arab unity as evidenced in the establishment early this year of the United Arab Republic of Egypt and Syria and the pending formation of the Arab Union composed of Jordan and Iraq. Subsequently the Yemen joined a loose federation with the United Arab Republic under the designation of the United Arab States. The maintenance of the uneasy peace between the Arab States and Israel is assisted by the continued presence of the United Nations Emergency Force in Gaza and Sinai, and of United Nations observers elsewhere in the area. A permanent solution to the lamentable problem of more than 900,000 unfortunate Palestine refugees has not yet been found, despite our persistent efforts.

Our efforts to promote the collective security of the Middle East have continued. In January of this year the Ankara meeting of the Baghdad Pact allies was marked by the participation of Secretary Dulles. This strategic alliance of nations continues to show determination to stand resolute against the threats of international communism and to cooperate in the pursuit of regional peace and progress.

Our relations with the government of the United Arab Republic have posed special problems for us. We would like to see established a basis from which more normal relations could develop. A few days ago agreement was reached by the United Arab Republic and the Suez Canal Co. to settle the company's compensation claims. This by no means settles all of the problems arising from the Suez Canal nationalization, but it is a promising development. In line with our previous statements, we promptly released Egyptian assets that had been frozen in the United States as a result of the canal controversy.

In the past 2 years four African states, Ghana, Morocco, the Sudan, and Tunisia have joined the older independent African states, Ethiopia, Liberia, Libya and the Union of South Africa. The emergence of these independent states in Africa has been largely marked by moderation and understanding. It is to their great credit that the leaders and peoples of the new Africa are showing an objective awareness of the mutual advantages involved in some form of continued collaboration with Europe. Admittedly the continuation of the Algerian conflict and the feelings of the north African peoples about it present a great and serious obstacle to the acchievement of such collaboration. The conference of African states at Accra last month was a good example of a healthy trend in Africa toward the establishment of cooperative regional ties. Indigenously inspired and organized, the Accra conference as a display of authoritative and, on the whole, responsible African nationalism contrasted sharply with the Soviet and Communist Chinese attempts to control the Cairo-held Afro-Asian Solidarity Conference for propaganda purposes. You will recall that virtually all African governments refrained from official representation at the latter meeting. Their decision was proved correct by the obvious and abortive efforts made by the Soviet and Communist Chinese outsiders in the Cairo meeting to foist a non-African initiative and non-African interests on African governments.

Mr. Chairman, I would like now to summarize for you the state of our relations with the countries of this area. You are aware that the area contains major sources of important materials, such as oil, which are essential to us or to other nations of the free world. Portions of this area also include strategic connections and historic crossroads that are not only involved in trade and transportation with the rest of the world but at the same time offer invasion paths for would-be aggressors. We and other free nations have well-established trade relations based upon mutual advantage with many of these countries. As the new nations of the Near East, south Asia, and Africa succeed in developing their economies, the possibilities of mutually beneficial trade will increase. We have long realized that because of our interdependence with the rest of the world it is very much in our interest to help the peoples of this area to achieve their aspirations for security and well-being.

In recognition of those interests we have made it the principle objective of our foreign policy in this part of the world to help the countries to maintain their political independence and territorial integrity against aggressors. We have sought also to help them achieve the progressive realization of their national aspirations by truly democratic and peaceful means.

In pursuing these objectives we have used a number of instrumentalities. For example, the economic and military assistance aspects of the mutual-security program and the new development loan fund have been of primary importance for the achievement of our economic and military objectives throughout this area. The information and cultural activities of the United States Information Agency have helped us to present a true picture of the United States and its aims and to counteract Soviet lies and distortions. The efforts of private Americans in missionary and philanthropic endeavors are also important in reflecting the broad cultural and humanitarian outlook of the American people. Hospitals, schools, and universities demonstrate the contribution which has been made and which is still being made in this way. I cite particularly the American University of Beirut as a great center of learning.

To deal with specific situations, such as the threat of aggression in the Middle East by states under the control of international communism, we have had such tools as the so-called Middle East doctrine. This doctrine continues to be an important element in United States policy in the Middle East. The joint resolution embodying the doctrine forcefully expresses our policy of assisting those states of the area desiring such assistance to maintain their independence and integrity against aggressors and to develop their economies. It is thus intended to promote peace and stability. By proclaiming the intention of the United States to assist Middle Eastern nations to maintain their independence against the threat of international communism, we believe that the resolution leaves no possibility of miscalculation in the minds of potential Communist or Communist-controlled aggressors as to the results of aggressive action on their part.

United States relations with the new nations of Africa are uniformly warm and friendly. We are proud that the nations of Africa today look to us for support for their legitimate political, economic, and social aspirations. They are today for the most part governed by moderate regimes, dedicated to the maintenance of their independence, but those regimes must be able to demonstrate to their peoples, in concrete and understandable terms, the advantages of cooperation with the West and of middle-of-the-road approaches to the solution of their current pressing problems.

Without seeking to displace anyone in Africa, but recognizing the necessity for encouraging the pro-Western orientation of the peoples of that continent, we have developed important economic, technical, and military aid agreements with several African countries. In Libya, Liberia, and Ethiopia, for example, after some years of operation these programs are now showing solid achievements in terms of better agricultural methods, better health, better education, and more opportunities for increased industrialization. A United States technical assistance program dealing with agricultural and community development has just been started in the new state of Ghana. Programs are getting underway also in Morocco and Tunisia. In this vital north African area, these programs are helping to build stability, although the pall of the Algerian problem increasingly overshadows future prospects and underlines the importance of a peaceful, democratic, and just solution.

Our long-standing close and friendly relations with our NATO allies, Greece and Turkey, continue. Next month we are expecting a visit from an old friend of the United States, the Shah of Iran. With most of the other Middle Eastern States we enjoy basically good relations today even though there are some serious disagreements about specific

issues. In the case of the United Arab Republic there has recently seemed to be some improvement in atmosphere. With Saudi Arabia we continue as in the past to maintain the special relations that began to develop toward the close of the Second World War. We have been happy to extend assistance to Lebanon where there has been a highly successful endeavor of people of different faiths and creeds to live and work together. With both economic and military assistance we are continuing to help the State of Jordan in maintaining its courageous and successful stand against Soviet imperialism and other foreign subversion. We are providing technical assistance to Iraq which is making great progress in responding to the needs and wishes of its people through an enlightened development program. Iraq is also cooperating actively in the Baghdad Pact. We have encouraged Iraq in the maintenance of this attitude through, among other measures, provision of military assistance.

On November 29, 1956, we reaffirmed our support of the collective efforts of the Baghdad Pact nations to maintain their independence and stated that we would view with the utmost gravity a threat to their territorial integrity or political independence. Although several of the states of this region have chosen not to join actively with us in building up regional collective security, we have noted encouraging signs of a growing realization of what constitutes true neutralism and of what wholesale Soviet offers of assistance are really worth in the long run.

The committee will recall that, with respect to the participation of nations in the area in collective security arrangements, Greece and Turkey are members of NATO; Turkey, Iraq, Iran, and Pakistan are members of the Baghdad Pact; and Pakistan is a member of SEATO.

Israel has just celebrated the 10th anniversary of its independence. United States assistance has played its role in fostering the economic and human development of that country.

Our friendly relations with India and Pakistan and the other South Asian states have been strengthened by an increased mutual understanding of each other's objectives. With Nepal our relations have been consistently friendly. We maintain amicable relations with Afghanistan, and we are looking forward in June to the visit of Prime Minister Daud. Although Ceylon follows a nonalinement policy in foreign affairs, United States-Ceylonese relations have been cordial, a cordiality which was augmented by an American aid program including expeditious American relief assistance during a flood disaster last January.

In summing up the state of our relations with this large area, I would offer you the analogy of a spectrum. At one end are our very friendly relationships with those close allies associated with us in mutual security arrangements. At the other end through various gradations are those few countries that still misconstrue our motives. It is, of course, not a full spectrum—for from it—for there are no Soviet satellites. Although today there is probably considerably less danger of the satellization of any of the Middle Eastern states than there seemed to be several months ago, we realize that there is room for considerable improvement of our relations with some of those states. Important also, there is considerable room for improvement in the relations among the states themselves.

Much of what I would tell you about the problems and prospects of our relations with the Near East, South Asia, and Africa has been implied in what I have already said in summarizing the situation in the area and the state of our relations. I have referred to the fact that there are several major intra-area disputes. These disputes cause many collateral problems and seriously aggravate the sense of insecurity among our friends in the area. For the most part we are not ourselves directly involved as a party to these disputes; but in the world of today the United States as a leader of the free nations cannot escape playing a role in matters of this kind. It is our policy to deal with all of the states of the area on a basis of equality, impartiality, and respect. This policy is sometimes misunderstood by some of our friends who desire our unqualified support for their point of view.

Thus the Algerian question poses many serious problems for us because it has arrayed France and many of our friends in the area on opposite sides. The principal parties to the festering Cyprus dispute are, apart from the Cypriots themselves, our good friends: Greece, Turkey, and the United Kingdom. The Arab-Israeli tension has clouded almost every issue in the Near East and has given rise to much bitterness and misunderstanding. British disagreements with Saudi Arabia over the Buraimi Oasis and with Yemen over the Aden frontier have posed problems in our own relations.

The unresolved Kashmir question seriously hampers the amelioration of relations between our Pakistani and Indian friends. The great rivers and waterways of this region are also the focus of disputes. There are several outstanding differences on the Gulf of Aqaba as well as on the division of the waters of the Nile, the Jordan, the Indus and the Helmand rivers. These disputes are bad enough in themselves, but they also cause us harm because our friends in ardently pursuing, understandably, their individual interests sometimes fail to understand our impartiality. I have already described how the Communists use some of these disputes to try to discredit us and to achieve propaganda advantages for themselves at the expense of progress toward just and peaceful solutions.

We have no quick or easy solutions to the many problems that face us. In the last analysis the answers must come—but I trust with our full cooperation and encouragement—from the area itself. In bettering the prospects for our relations in this area, it is in our interest to keep in mind four fundamental considerations:

First, to support the development of strong and independent nations able and willing to resist the subversive efforts of international communism;

Second, to contribute, if requested by the nations of the area, to their security, recognizing that in a broad sense their security is our security;

Third, to assist and encourage the countries of the area to resolve their disputes in accordance with the principles of the Charter of the United Nations;

Fourth, to contribute to the economic progress and development of the nations of the Near East, South Asia, and Africa.

In following these objectives our relations will probably still have their ups and downs. But I believe that the fulfillment of the national interests of the United States will flow naturally from the pursuit and realization of these objectives. Through them our foreign relations in the Near East, South Asia, and Africa will be on a basis of understanding and mutual respect. The resources of this area will continue to be available to the other members of the free world on conditions advantageous to both the producing and consuming countries. Vital transportation and communications facilities will continue to be available to us. Doors will be open to cultural exchanges, to commercial intercourse, and to increased diplomatic cooperation.

The pursuit of these objectives will thus enhance the peace and stability of the whole world.

MIDWEST CHURCH RESOLUTION ENDORSES U. N. TECHNICAL ASSISTANCE

Mr. WILEY. Mr. President, this morning I was pleased to receive from Rev. E. R. Klaudt, acting president of the Northern Synod, Evangelical and Reformed Church, a fine resolution adopted by the annual conference of the synod in mid-April, endorsing increased United Nations technical assistance and extension of the reciprocal trade agreements program.

I commend the leaders and members of the church, both spiritual leaders and laymen, for the high ideals which prompted their resolution on both subjects.

I have previously spoken on many occasions on the reciprocal trade phase. But, at the present time, I should like to back up what the church has resolved with particular respect to the United Nations technical assistance program.

One can hardly calculate the tremendous benefits which have accrued to the people of the world under United Nations technical assistance. The various specialized agencies of the U. N. have accomplished more with comparatively small sums of money than even some of the warmest supporters of these programs might have hoped for.

And so, by way of depicting why I agree with the synod in its resolution, I send to the desk now and ask unanimous consent for the reprinting in the body of the RECORD of the resolution, to be followed by a memorandum listing the achievements under the technical assistance program, as supported by the church and many other civic-minded groups throughout the land.

There being no objection, the resolution and memorandum were ordered to be printed in the RECORD, as follows:

NORTHERN SYNOD,
EVANGELICAL AND REFORMED CHURCH,
Minneapolis, Minn., May 5, 1958.

The Honorable ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR WILEY: At the annual conference of the Northern Synod held at New Salem, N. Dak., on April 18–19, our committee on Christian social action presented the following resolution which was unanimously adopted:

"Whereas we are a rich Nation in a poor world, it is our moral obligation to cooperate with other nations in programs of world economic development: Therefore be it

"*Resolved,* That the synod urge the Congress of the United States to support expanding programs of international aid and trade; specifically, to recommend increases in the United States contributions to the United Nations technical assistance work and the support of the 5-year extension of the reciprocal trade agreement legislation, both of which are pending before the Congress; and be it further

"*Resolved,* That a copy of this resolution be sent to each Member of Congress of the States represented in Northern Synod."

We feel sure that you are in substantial agreement with the objectives of this resolution and request that you do what you can to secure favorable action on these issues.

Sincerely yours,

E. R. KLAUDT, *Acting President.*

(NOTE.—Northern Synod consists of all the Evangelical and Reformed Church congre-

gations in Minnesota, plus the denomination's congregations in fringe areas of Wisconsin, Iowa, North Dakota, and South Dakota.)

UNITED NATIONS EXPANDED PROGRAM OF TECHNICAL ASSISTANCE—A FEW EXAMPLES OF ACHIEVEMENTS IN 1957

WORLD HEALTH ORGANIZATION (WHO)

Iran, opium eradication

Late in 1955, the Iranian Government banned the production of opium and forbade opium smoking. Effective enforcement of this law presented great problems and Iran requested technical assistance to help solve them. Three United Nations agencies have cooperated in this project. United Nations technical assistance funds provided an adviser on administration of the law and an expert appointed by the World Health Organization, on curing drug addiction. FAO, using U. N. technical assistance funds, made a survey to find out what crops could be substituted for the opium poppy and suggested some alternatives; e. g., sugar beet production, to the Government of Iran. The adviser on administration has made a series of recommendations on changes in the law and the administrative setup. ICA also supplied technical assistance for this program.

Iran has had phenomenal success with its campaign. Cultivation of the opium poppy, once important in agriculture, has ended, and opium smoking is rare. Many of the former smokers have been cured at government hospitals and clinics.

El Salvador, health demonstration area

Following a WHO survey in 1950–51 of the San Andres area in El Salvador, which contains 75 percent of the sugar plantations and 10 percent of the cotton plantations in the country, a health demonstration unit was established which has resulted in a network of basic health services throughout the area. These services are carried out through the central office in Quezaltepeque and a system of health units and rural health posts. The services include medical care, maternal and child health, and communicable disease control. An extensive program of environmental sanitation has been developed, including the piping of water from a mountain to Loma de Ramas, Guazapa, 5 miles away.

Programs for training public health personnel have been organized and now provide trained staff for other parts of the country as well as for the demonstration area. The training has consisted of four courses for rural public health nurses, four for sanitary inspectors, fellowships for training abroad of two physicians, two sanitary engineers, three sanitary inspectors, three public health nurses, a statistician, and a health educator. In 1951, the demonstration area of 386 square miles with 100,000 inhabitants were served by two doctors. In 1956 there were seven health centers, 12 rural stations, six doctors, three dentists, 10 graduate nurses, 20 auxiliary nurses, a sanitary engineer, 10 sanitary inspectors, and a public health educator.

India, nursing and maternal and child health in Bombay State

The main objectives of this project (which is assisted jointly by WHO and UNICEF) are to improve and expand the existing maternal and child health services, with attention to the needs of the rural areas (integrating the services wherever possible with existing or planned health units of community development projects), and to improve and expand the training facilities in maternal and child health work for certain groups of health personnel.

The project began in August 1955, and WHO, under the technical-assistance program, has provided three international consultants—one maternal and child health officer and two public health nurses.

This project initiates a new approach to the problems of maternal and child health in India by concentrating on services in rural areas, and integrating maternal and child health services with the general public health services.

The State of Bombay plans to establish rural health units all over the state, each serving a population of 15,000. In order to staff these units adequately and insure a satisfactory service, a training center has been established at Sirur, some 40 miles from Poona, where medical officers in charge of village dispensaries receive orientation courses in public health with special reference to rural services. After training they return to their home stations, and the dispensary is then converted into a primary health center and the staff increased by a nurse-midwife, a midwife, and a sanitarian.

Bombay State has also pioneered in another development. To provide adequate nursing and midwifery services in the rural areas, hospital-trained nurse-midwives now take an orientation course in public health at the Sirur training center. Some of the nurses being trained will return to hospital services after 2 years in rural units, with a better understanding of the home conditions of their patients.

This public health orientation of general nurse-midwives follows the decision of the Government of India to train all-purpose nurses, for public health or hospital duties as may be required.

Further improvements are being planned—especially the use of the Medical College in Poona for more solid training and teaching and of the Sirur training center for medical undergraduates under the direction of the newly appointed professor of preventive medicine.

In 2 years, 73 medical officers, 250 nurse-midwives, 119 midwives, and 271 sanitary inspectors completed the orientation course in Sirur.

INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO)

Ethiopia, Ethiopian Airlines

In 1951, the Ethiopian Government asked the International Civil Aviation Organization (ICAO) to provide technical assistance for Ethiopian Airlines. An international mission has been stationed in the country ever since. In 1957, one hundred students were in attendance at the training school operated by ICAO. The radio communications network now operates on a 24-hour basis, with connections at all points of the airline's international route. The service is staffed by Ethiopian operators under ICAO guidance. In 1951, there were no locally trained radio mechanics. Now a total of 30 have been graduated, some of whom work for the Government Civil Aviation Department, while others work directly for the airlines. The ICAO mission has trained and graduated 20 air-traffic-control officers. In 1956, two other controllers were awarded fellowships by ICAO to study this specialty at airports in the United Kingdom. Today, one of them is overall chief of the ATC operation in Addis Ababa, while the other is a senior ATC officer at the aerodrome control tower. Two more fellowships in this field were awarded in 1957.

A network of weather-observing stations has been established since 1951, staffed mostly with graduates of the ICAO courses. Because of the limited facilities in Ethiopia for advanced meteorological training, ICAO has arranged to send seven trainees abroad. Twenty more assistant forecasters are being trained on the spot. Since 1951, 36 students have graduated from a 3-year aircraft maintenance mechanic's course. The graduates are employed by Ethiopian Airlines, and two additional classes are now in training. The airline also employs two specialists in aircraft inspection who had advanced training in the United States under ICAO fellowship awards. The airline is now operated almost entirely by Ethiopians, as a result of technical assistance received under the expanded program. The ICAO mission will be reduced in 1959.

Guatemala, air navigation

Three experts were assigned to Guatemala throughout 1957—a radio engineer, an aerodrome engineer, and a meteorologist. They gave advice to the Government, practical help with the improvement and development of air-navigation services, on-the-job training, and some classroom training for meteorological observers. A new high frequency air-to-ground channel was opened. Point-to-point circuits were opened with Mexico, Costa Rica, El Salvador, British Honduras, and Honduras. Radio telephone-telegraph equipment was installed for reception of broadcasts from Miami and is reported working at 95 percent efficiency. Pilot balloon observations began in the middle of the year. Advice on the improvement of the international airport at Guatemala City and on several other aerodromes was given. The United States Civil Aeronautics Administration and Pan American World Airways gave radio equipment of various kinds. The work done on air-navigation services was in accordance with the development of the Central American flight-information region, the center for which was opened at Tegucigalpa, Honduras, in October 1957. During the year 12 graduates from the aviation training center in Mexico City returned to Guatemala—two air traffic controllers, three meteorological observers, two radio mechanics, and five aircraft mechanics. Of these, six entered Government service and six joined other aviation activities.

Iran, training program

Because the different regions of Iran are isolated by poor communications, an immediate task has been the creation of air communications within the country and between Iran and neighboring lands. To aid in this job, ICAO has had a large civil aviation training program. In 1957, the Mission continued to assist the Director General of Civil Aviation with coordination of the work undertaken under the development program of the 7 years' plan organization and under foreign-aid programs. Several new nondirectional beacons were installed throughout Iran; a very high frequency direction finder installation repaired; a model tower console for provincial airdromes designed; help with installation of equipment in the new terminal building given; and plans made for the installation of an instrument landing system at Mehrabad.

In meteorology, on-the-job training was given to aeronautical services and help with the meteorological institute programs of training for observers and forecasters. Surface observation stations throughout Iran were inspected. A new communications center for meteorological traffic was established. A fire and rescue expert from the Middle East Flight Safety Project stayed in Iran from August to November to advise on organization and equipment of a fire section and to train the fire crew. Advice was given on the entry into service of a new type of airline aircraft, especially on its radio equipment. The major new problem in Iran was how to deal with the new air traffic conditions brought about by the general increase in traffic of all kinds and the advent of turbine-engined aircraft, both civil and military, considerable numbers of the latter having begun to use Mehrabad airport. The Iranian Government provided the funds needed for ICAO to employ three air traffic controllers with experience in modern methods of simultaneous control of military

and civil traffic. The first arrived at mid-year, and the others by the year end. The air traffic control system was revised, procedures satisfactory to all parties established, and control was operating smoothly by the end of the year. At the end of 1956, there were 86 students in the civil aviation school at Mehrabad and 81 were taken on in 1957; 121 graduated in 1957, leaving 46 under training at the end of the year.

INTERNATIONAL LABOR ORGANIZATION (ILO)

Tunisia, railway worker training

In Tunisia, an International Labor Organization official carried out an advisory mission on vocational training, and eight Tunisians were sent to study railway repair and maintenance in France. The ILO also recruited for the Tunisian Government, which was responsible for all costs, a general vocational training adviser and instructors in turning, fitting, milling and diesel engineering, who were charged with setting up a center for the training of skilled railway workers. This center is now turning out workers in sufficient numbers to maintain Tunisia's extensive railway system. It is an example of the kind of project which the expanded program is able to carry out to supplement activities financed from the program's own financial resources.

Burma, social security

Since 1952, the ILO has been advising the Government of Burma on the preparation and administration of an overall social-security scheme. The first part of the scheme went into effect in 1956, providing sickness, maternity, and accident benefits for industrial workers in the Rangoon area. Plans are now being worked out for extending coverage to other areas.

Libya, Technical and Clerical Training Center

The biggest single project in Libya is the Technical and Clerical Training Center in Tripoli, staffed by 32 ILO instructors. When the United Kingdom of Libya was established in 1952, the country was without a sufficient supply of clerical workers, typists, stenographers, officeworkers, and workers in factories and public workshops. About half of the young men at the center are being trained to be clerks and the other half artisans. Boys who had never seen any kind of a machine are now being trained as welders, blacksmiths, metal turners, fitters and joiners in auto and electrical repairs and woodworking shops. On the clerical side a 2-year course for typists and a 3-year clerical and secretarial course are given, as well as senior bookkeeping courses. Over 350 graduates and pregraduation trainees have been placed in employment. This project is planned so that the Government will eventually be able to operate it without ILO assistance (by 1960).

INTERNATIONAL TELECOMMUNICATION UNION (ITU)

Lebanon, broadcasting station

Construction of the new Lebanese broadcasting station in Beirut was begun in January 1958. It will be the first powerful station that the country has ever had, and will bring it into radio contact with the four corners of the world. The International Telecommunication Union (ITU), through the expanded program, has provided technical assistance to the project since its inception. ETAP experts, working in the country, advised on suitable locations for both the broadcasting studios and the transmission station, worked on the actual blueprints for the buildings, assisted Lebanese engineers in drawing up specifications for equipment, and participated in a technical analysis of the construction bids. When the network begins functionnig, Lebanon will enter a completely new era of communications, bringing it closer not only to Lebanese communities outside the country but to the world at large.

Far East regional project: Establishment and improvement of telecommunication systems

Funds have been allotted for two experts to make a general survey of telecommunications and equipment requirements in the countries of the Far East region, in an effort to develop efficient internal telecommunication systems and integrate these systems into regional and worldwide networks.

The study will be conducted mainly at the national level but it will be supplemented by an estimate of regional needs against global requirements. The project will continue through 1958 and 1959. Ultimately, the ITU will submit specific recommendations to the various governments for action to be taken to improve and develop the general telecommunications network in the region.

Iran, telecommunication network

An additional expert was assigned to Iran, to study the Iranian telecommunication network (both radio (wireless) and line (wire) communications) and to advise on new construction and improvements. He is working in close collaboration with the line-construction expert who has been on mission since 1953, and who has now been able to implement his plans with equipment just acquired by the Government. The latter expert has also done a considerable amount of on-the-spot training, as a result of which his pupils should now be able efficiently to organize and supervise the construction, overhaul, and maintenance of open lines in the Iranian network of line communications.

UNITED NATIONS TECHNICAL ASSISTANCE ADMINISTRATION (UNTAA)

Southwest Asia (Laos, Cambodia, Vietnam, Thailand), multipurpose water development

The development of the water resources of the lower Mekong River Basin may well prove to be one of the most important projects to which technical assistance has been contributed by the expanded program. This is a regional project, which holds considerable promise for the 17 million people who live in the area: Inhabitants of Cambodia, Laos, Thailand, and Vietnam. The Mekong is one of the major rivers of the world. Its length is 2,600 miles and the drainage area in which the United Nations has focused its attention, amounts to 235,000 square miles, equaling the combined size of California and Utah. Study on the project began as early as 1951. A United Nations Technical Assistance Administration (UNTAA) survey mission, comprised of 6 experts headed by General Wheeler (USA, retired) and financed by a special allocation by the executive chairman of the technical assistance board, spent 6 weeks in the lower Mekong River Basin region starting in late 1957, and submitted its findings and recommendations to the UNTAA. The successful conclusion of the overall project, which may take many years, will make a major contribution to the economies of the four countries involved.

Central America, economic and industrial integration

During 1957, the Central American Economic Cooperation Committee, which is largely supported by UNTAA, FAO, and UNESCO, continued its efforts toward the integration of the economies of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua. A multilateral treaty for free trade and economic integration and an agreement on industrial integration have been adopted by the committee and recommended to the member governments. These measures represent a definite step toward the creation of a free-trade zone in Central America, and the encouragement of new industries in a market common to the five countries.

Ceylon, research and industrial development

In Ceylon, two experts, provided jointly by UNTAA and the International Bank for Reconstruction and Development under a 5-year agreement with the Government, are assigned to the Institute of Scientific and Industrial Research, one as a director and the other as a technical adviser. The annual report of the institute recorded substantial increases in the volume of research work, the number of paying clients, and in the income from this source. An industrial engineer completed, in May 1957, the layout of a dry-cell battery plant and has been engaged since then in drawing up plans for a powerloom matting factory, a textile finishing factory, carpentry, and pottery training centers and other small-scale projects. A chemical engineer was recently appointed and will be joined in the near future by a civil engineer; they will assist the Government in the implementation of several projects, in particular the installation of two 20,000-ton sugar factories, an ilmenite plant, 2 cement factories, and a textile yarn plant. Experts from the ILO are also participating actively in the industrial development program established by the Government of Ceylon.

WORLD METEOROLOGICAL ORGANIZATION (WMO)

Jordan, meteorological services

An expert was sent to Jordan by WMO, in order to help that country to set up a meteorological service adequate to its needs. The first thing that needed to be done was to cover the country with a sufficiently dense network of observing stations. This meant buying suitable instruments, selecting sites for the observing stations, training personnel who will make the observations and setting up a central organization to maintain the standard of the observations, to collect them regularly, to analyze them and to publish periodical abstracts and summaries. All the observations are not done by full-time meteorologists; they are done by people working at agricultural or irrigation stations, by schools and, further east, by members of the camel mounted desert patrols. Observations from the desert in the southeast of Jordan are most useful in times of threat of invasion by locusts, which use rising currents to take them up and steady winds to carry them along.

Meteorological observations are not, of course, limited to observations at the surface. Information is obtained about the upper air not only by sending up balloons, but also by flying up to take measurements. Meteorological flights are carried out every morning by Jordanian aircraft.

Forecasting is not the sum total of the activities of a meteorological service but it must be attempted, with varying success and, with steady improvement as experience builds up. Long-range forecasting, such as an ability to predict how much rain will fall during the next growing season, is still something which the meteorologist cannot do, but short-range forecasts based on accurate and well spread-out information on past and present weather is possible. The demand for short-range weather forecasts comes mainly from aviation and is immediate and imperative. The WMO expert was attached to the Ministry of Civil Aviation, working in close cooperation with the Director of Civil Aviation of Jordan. It was the expert's duty to advise and help this director in setting up a forecasting organization to protect the relatively dense air traffic of this country. Because of its inland position, Jordan relies a great deal on air traffic for its communication with the outside world. The number of pilgrims and tourists who come by air to Jerusalem Airport to visit the holy places is increasing all the time, and the Department of Civil

Aviation and its meteorological section have to keep pace with this development.

Ultimately the lasting success of the WMO mission in Jordan will depend on finding and training Jordanian technicians to carry on with the work, which is the main objective of this project.

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UNITED NATIONS EDUCATIONAL, SCIENTIFIC, AND CULTURAL ORGANIZATION (UNESCO)

Libya, adult education

The United Nations Educational, Scientific, and Cultural Organization (UNESCO) is continuing an adult education project begun in Fezzan, Libya, in 1953. Although started on a modest scale, the progress made has been remarkable. Expansion had been so rapid that by 1956 there were 22 adult education centers, 1 mobile center for Tuareg nomads, 1 community center for women, 5 technical workshops, 7 demonstration garden plots, 1 tailoring center, 3 regional teacher-training courses and, in addition, cultural recreational activities have sprung up over 500,000 square miles of desert country.

Libya, audiovisual aids

Utilization of audiovisual aids is of increasing importance in the educational program of Libya, both as applied to teacher training and students. The mobile cinema unit for schools provided by an audiovisual center is directed by a UNESCO expert and his Libyan counterpart, and often visits 35 schools per month, showing 120 films to a total audience of 5,000 pupils.

Filmstrips and tape recordings are used for teacher training, and the director of the center has collected 16 mm. films and still pictures which can be assembled into a series on Libyan geography. Film libraries have been set up as an additional educational facility.

Laos, educational survey mission

On February 1, 1957, a team of four UNESCO experts, accompanied by the Director General of UNESCO's Education Section, arrived in Vientiane at the invitation of the Laos Government. The team's objective was a study of the educational problems in Laos with the purpose of recommending a reorganization of the educational system. This study continued over a 6-month period and, in July 1957, the UNESCO team submitted a coordinated development plan which was approved by the Laos Government and the various agencies and missions concerned with the country's educational program. This plan outlined available resources and the means whereby educational activities in Laos could be brought in line with its economic needs and potential. The proposed program defined basic requirements for the establishment and implementation of a national education system, and set up a plan for UNESCO assistance to Laos in 1958.

Pakistan, geological training at Punjab University, Lahore

It is estimated that Pakistan needs over 1,200 trained geologists for its mineral development program. UNESCO assistance has led to establishment in 1956 of science departments of geology and mineralogy at the University of the Punjab in Lahore. UNESCO experts have helped build up teaching and research from scratch to the opening in 1956 of a fully recognized university department. Additional teaching and research facilities were made available in 1957. During that year UNESCO also granted fellowships for geological training abroad, and the university's teaching shortage was further overcome through the combined efforts of ICA and UNESCO personnel. The first group of master of science students was graduated from the university in 1957, and UNESCO intends to provide two additional teachers for the academic year 1958.

FOOD AND AGRICULTURE ORGANIZATION (FAO)

Thailand, control of poultry diseases

Food production in Thailand has undergone remarkable changes since 1948, particularly in poultry farming.

Eight years ago, poultry disease was rife in the country. Imported breeds had been nearly wiped out by epidemics. Although nearly every household still owned a few chickens, and the birds were hardy, they were small, and their egg yield was low. Today, poultry farms are flourishing in many parts of Thailand. Egg yields have gone up, providing an important source of protein foods.

An important factor responsible for the change was the expert advice provided by the Food and Agriculture Organization (FAO), which, in 1953, sent out an English poultry specialist, Dr. John Lancaster, to help work out some method of vaccinating poultry against Newcastle disease, which can and did wipe out whole flocks practically overnight. Dr. Lancaster succeeded in his task. From England to a jungle laboratory in Pak Chong he brought specimens of a strain of virus responsible for the disease. Assisted by two Thai veterinarians, he conducted a number of intensive experiments with it. Finally an effective vaccine was evolved, capable of being manufactured and stored locally.

Dr. Lancaster and his Thai colleagues traveled all over the kingdom, going from village to village inoculating not only what was left of imported breeds of poultry but also the local jungle fowl with the new vaccine. More than 2 million birds were treated in this fashion. So successful were the results that the demand for vaccine soon began to exceed the supply.

Dr. Lancaster then went to work on a method to step up the output of the vaccine tenfold. An effective production method was evolved recently. Thailand can now manufacture more than enough for its own needs. It can also supply enough for Hong Kong, and some for Laos and Vietnam, too.

A successful vaccine was also developed in mid-1956 to control fowl pox, according to FAO and Thailand's Livestock Department. This disease often affects chickens only a few weeks old, and, like Newcastle disease, can cause severe economic loss in the poultry industry.

The veterinary laboratory at Pak Chong was again the place where the experiments were conducted. An effective vaccine was finally evolved, capable of being used on day-old chicks. It can provide immunity for up to at least 4 months. This is enough to carry the birds through the danger period, for fowl pox does not as a rule affect adult poultry.

Very often, when difficulties in the way of agricultural development have been overcome from the technical or administrative point of view, there is no immediate tangible result in terms of increased productivity leading to more food becoming available at lower cost. But in the case of the poultry disease control program in Thailand, at the time this particular expert's work was finished in 1957, not only were more eggs and fowls coming onto the market but, at a time when prices in general were rising, these commodities were costing less. This does not mean that the poultry disease problem is entirely solved in Thailand. But the very fact that two major diseases have been controlled means that there is a greatly increased interest in large-scale commercial poultry keeping.

Caribbean, home economics project

Miss Elsa Haglund, an FAO home economist from Sweden, went to the Caribbean in 1952 to organize a home economics and nutrition conference. She has since spent 5 years there under the expanded program working on the improvement of home and family living. Her assignment ended in 1957, but FAO assistance is continuing through the regular program and related ETAP activities.

The 1952 Conference on Home Economics and Education in Nutrition found that in the 30 Caribbean islands, levels of nutrition were low, housing was often inadequate and family life tended to be unstable. The members of the Conference asked Miss Haglund to stay on and work with the Caribbean Commission on a 3-month training center to equip local workers to teach simple improvements in home economics and management. That training center was the first of many.

Miss Haglund learned that a number of factors contributed to the low level of nutrition: a general lack of food, lack of the right kinds of food, low purchasing power, and, especially, the lack of knowledge of the value of different types of food.

The West Indian cherry, formerly almost ignored, is now known to be a rich source of vitamin C. As a result of efforts of home economists and health workers, other fruits, such as the papaya, guava and mango, are being increasingly used. Skim-milk powder is gaining increasing acceptance as a cheap source of protein, calcium and riboflavin. At the same time, the use of expensive imported food—often bought by poor people more for prestige value than nutritive content—is declining.

The problem of overcrowded homes was one with hygienic and social implications, and the FAO expert carried on a program to improve living conditions, introducing simple furniture which could be easily constructed from local materials.

Five years is too short a time in which to expect dramatic results from a social education program. But even now Miss Haglund can see the efforts of herself and her fellow workers beginning to yield results. She has seen in the past year a heightened appreciation of local foods. More people are cultivating local fruits and vegetables and using them in preference to imported foods, and the simple pieces of furniture have been accepted so widely that Miss Haglund has even discovered them in use in villages which she had never previously visited.

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Mexico fish consumption

In many countries in which the Food and Agriculture Organization has been asked by the governments concerned to provide technical assistance, one of the big problems to be tackled is that of finding practical ways and means of improving the quantity and quality of the food of the masses of the people. This is a consideration which resulted in the Government of Mexico's asking FAO to provide a fish-marketing expert to help promote the distribution and consumption of fish and fish products.

One of the expert's first actions on arriving in Mexico was to organize a series of local pilot surveys to find out how much the people could afford to spend on food, how much fish they were eating, what kind of fish they preferred, and so on. These surveys provided some surprising answers. He knew that Mexico has one of the lowest levels of fish consumption in Latin America—an average rate of less than 2 kilos of fish per person per year. But he was not prepared to find that even in some coastal areas about 16 percent of the people never ate fish. He also found that there were big variations in the fish-eating habits of the people and that where, in one district, dried fish was popular, in a neighboring area the people were unaware of its existence.

Some of the difficulties concerned with the consumption of fish were due to distribution and transport problems. Others were the results of prejudice, lack of knowledge and low purchasing power. A select market existed for fresh fish, but the price

was so high that only a small part of the population could be expected to buy it.

These facts showed the expert that an educational campaign was required and, aided by the various organizations he had interested, a vigorous "eat more fish" drive was launched. The core of his program was an educational program concentrating on the school children. However, the various Government ministries and nongovernmental organizations gave full cooperation by emphasizing the nutritional value of fish in their programs to housewives, families, etc.

The campaign generally resulted in a notable increase in the consumption of dried fish. For example, in one section of Mexico City containing about 300,000 inhabitants, the sale of dried fish was increased 160 percent. These results were achieved without the aid of any kind of advertising appropriation; all activities were integrated with existing programs, and called for no abnormal expenditure. Most important from the expert's point of view was the fact that the various Government ministries and nongovernmental organizations which had cooperated in the pilot areas were so impressed by these results that they decided to incorporate their parts of the campaign into their regular countrywide programs.

The Philippines, forest-products research

The Forest Products Research Institute of the Philippines is a semiautonomous Government research institution, attached for policy purposes to the University of the Philippines. It was created out of a growing consciousness of the necessity for more efficient and more complete utilization of the products of the forests. This institute grew out of recommendations of the United States ICA (then MSA) mission to the Philippines which, in cooperation with the Philippine Government in 1951–52, undertook field investigations which led to establishment of a forest-products laboratory. Construction was completed in 1954, with considerable scientific equipment furnished through ICA. Since 1954 the former Director of the United States Forest Products Laboratory, Madison, Wis., has served as FAO adviser to the institute and much of the progress of the institute is due to his untiring efforts.

This Institute is a good example of results which can be obtained when technical and financial resources are well planned and coordinated, for the rapid growth of this Institute has been the result of the cooperative and coordinated efforts of the Philippine Government, ICS and FAO, with financial assistance also from Australia and the United Kingdom through the Colombo plan, the Rockefeller Foundation and many private Philippine groups and individuals.

The objectives of the research and development program of the Institute are:

To study and improve the chemical processing, seasoning, preservative treatment and other manufacturing or improving processes so that the wood may be converted into final products more efficiently and more profitably and may serve the user better.

To develop new industries on wood residues not now profitably used, and thus provide additional employment opportunities and economic advantages.

To find profitable uses for species not now being used and for species found to have special properties of value.

To undertake any other kind of research that will assist in the more efficient utilization of the products of the forest.

In 1954 the Forest Products Laboratory was little more than a plan with a little equipment still in packing cases, one old building and 3 or 4 employees. In January 1958, it is a Forest Products Research Institute with a large main building, three subsidiary buildings, a large amount of valuable equipment, 150 employees and a research program including over 60 projects. The Institute is now recognized as the outstanding organization of its kind in Southeast Asia. It has already begun the study of 3,000 species of Philippine trees, and is making useful contributions to the forestry and industrial progress of the Philippines. It has assisted the organized plywood industry by giving seminar instruction and demonstrations in the manufacture of veneer and plywood. It has assisted the College of Agriculture in the production of improved shipping containers for lettuce and other agricultural products. It has made excellent papers on an experimental basis from Philippine woods and bamboos. It has accumulated from its various investigations much basic data on strength, fiber dimensions, specific gravity and other technical characteristics of Philippine woods, and is conducting investigations on the utility and processing of Philippine woods and their protection from fungi and insects.

URGENT DEFICIENCY APPROPRIATIONS, 1958

Mr. HAYDEN. Mr. President, I move that the Senate proceed to the consideration of House bill 12326, making urgent deficiency appropriations for the fiscal year ending June 30, 1958, and for other purposes.

The motion was agreed to; and the Senate resumed the consideration of the bill (H. R. 12326) making urgent deficiency appropriations for the fiscal year ending June 30, 1958, and for other purposes.

Mr. HAYDEN obtained the floor.

Mr. HOBLITZELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Arizona has the floor. Does he yield for the purpose of suggesting the absence of a quorum?

Mr. HAYDEN. I have no objection.

Mr. HOBLITZELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYDEN. Mr. President, the Committee on Appropriations has reported to the Senate the urgent deficiency appropriation bill. It contains appropriations amounting to $34,684,302, which is an increase of $5,922,500 over the amount provided by the House bill.

Two million four hundred thousand of this increase is for the National Science Foundation, whose representatives were not heard by the House committee. The funds are necessary if the National Science Foundation is to procure scientific equipment and recruit personnel preparatory to the movement to the Antarctic this fall to initiate a post-International Geophysical Year research program.

The House allowed 3½ million for the winter Olympic games in California, the money to be derived by transfer from other Defense Department appropriations. The committee has stricken the transfer provision, which has the effect of increasing the bill by $3½ million.

The other increase by the Senate committee is to make the customary payment to the widow of the late Senator Scott, of North Carolina.

Mr. President, I ask that the committee amendments be stated.

The PRESIDING OFFICER. The clerk will state the amendments reported by the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, under the heading "Chapter I—Independent Offices," on page 2, after line 8, to insert:

NATIONAL SCIENCE FOUNDATION

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $2,400,000, to remain available until expended.

Mr. HAYDEN. Mr. President, National Science Foundation requested $2,400,000 for salaries and expenses necessary to cover the first-year cost of initiating a post-International Geophysical Year research program in the Antarctic. The funds are needed at this time for the procurement of scientific equipment and the recruitment and training of personnel preparatory to movement to the Antarctic this fall.

The House committee did not hold hearings or consider this item and it was omitted from the bill.

Our committee held hearings on the request and we learned from Dr. Waterman that plans had been developed for an international research program to be continued in the Antarctic and that the National Science Foundation was coordinating the work of the other Government agencies involved in the United States program for this purpose.

They propose to have their personnel and equipment accompany the International Geophysical Year team, leaving in the fall for the Antarctic for the completion of their field work, and also to take over several of the stations in the Antarctic which would otherwise be closed. The deadline for the material to be available is August 31. It will require from 90 to 180 days to procure some of the equipment, and the training of the 61 personnel will require from 4 to 6 months. So as they are to leave in November not much time remains.

Unless they can arrange to be ready to go with the International Geophysical Year team, a full year will be lost in the program.

The complete international program is estimated to cost $4½ million.

Details of the plans for the program are included in the printed hearings.

Mr. Harry Wexler, Director of Meteorological Research of the Weather Bureau, testified:

One of the most noticeable things that you observe when you come to the Antarctic is the ice. During the IGY we discovered more ice than ever imaginable before. If you took it all and spread it uniformly over the earth it would give you a layer of 150 feet thick and if it all melted it would raise the ocean by 200 feet or so. We do not know the exact amount because we haven't probed all the regions of the Antarctic.

The Antarctic Continent, it was also stated, is larger than the combined area of the United States and Europe.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment.

The amendment was agreed to.

The next amendment was, under the heading "Chapter III—Military Construction—Department of Defense—Interservice Activities—Olympic Winter Games," on page 4, line 14, after the word "expended", to strike out the comma and "and to be derived by transfer from any definite annual appropriations available to the Department of Defense for the fiscal year 1958."

Mr. HAYDEN. This amendment relates to the Olympic Games, and has been explained.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 5, after line 11, to insert:

CHAPTER V. LEGISLATIVE BRANCH, SENATE

For payment to Mary White Scott, widow of W. Kerr Scott, late a Senator from the State of North Carolina, $22,500.

Mr. HAYDEN. This is the usual payment made in the case of the death of a Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed for a third reading, and the bill to be read a third time.

The bill (H. R. 12326) was read the third time and passed.

Mr. HAYDEN. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HAYDEN, Mr. RUSSELL, Mr. CHAVEZ, Mr. ELLENDER, Mr. HILL, Mr. BRIDGES, Mr. SALTONSTALL, Mr. YOUNG, and Mr. KNOWLAND conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 358) to increase the monthly rates of pension payable to widows and former widows of deceased veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 7300) to amend section 15 of the District of Columbia Alcoholic Beverage Control Act.

The message further announced that the House has disagreed to the amendments of the Senate to the bill (H. R. 7785) to provide for the appointment of an additional judge for the juvenile court of the District of Columbia; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ABERNETHY, Mr. DAVIS of Georgia, Mr. DOWDY, Mr. O'HARA of Minnesota, and Mr. ALLEN of California were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 3604. An act to amend section 831 of title 5 of the Canal Zone Code to make it a felony to injure or destroy works, property, or material of communication, power, lighting, control or signal lines, stations, or systems, and for other purposes;

H. R. 7568. An act to amend the District of Columbia Police and Firemen's Salary Act of 1953 to provide that service in the grade of inspector and the grade of private in the Fire Department of the District of Columbia shall be deemed to be service in the same grade for the purpose of longevity increases; and

H. R. 12009. An act to amend Public Law 85-162 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

PROGRAM TO ALLEVIATE CONDITIONS OF UNEMPLOYMENT AND UNDEREMPLOYMENT

Mr. HAYDEN. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1519, S. 3683, the depressed areas bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3683) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOUGLAS. Mr. President, the area redevelopment bill now before the Senate, S. 3683, represents a bipartisan approach to a serious economic problem which has existed in the United States for many years. This situation involves a tragic loss and waste of human resources, together with unnecessary human misery—it is the problem of chronic pockets of high and persistent unemployment and underemployment which are spread throughout the United States.

This matter has received detailed study by the Congress and various agencies in the executive branch. It has been the object of much oratory, and very little action. The Senate has before it today, in S. 3683, an opportunity to take the necessary action to develop a sound and effective program to cure these long time ills by generating new employment opportunities for those so long out of work.

A report has been prepared in connection with this bill, and it is on the desk of each Member of the Senate. It is based upon extensive hearings conducted by the Production and Stabilization Subcommittee. During the hearings before this committee, over 1,000 pages of testimony were compiled. Twelve Senators, 8 Members of the House of Representatives, representatives of 5 departments of the Government, 3 governors, 11 union representatives, many community spokesmen from local chambers of commerce, interested individuals, and others testified on the proposed legislation.

I may say that a similar inquiry was conducted by the Senate Committee on Education and Labor during the previous session of Congress, and testimony comprising almost 1,200 pages was taken. The hearings were held in various places in the United States.

Senate bill 3683 represents the best judgment of a bipartisan majority of the committee on the measures that should be adopted to solve the problem of spotty economic depression. It is based upon the provisions of S. 964, which I introduced with 18 cosponsors, and S. 3447, introduced by the junior Senator from Maine [Mr. PAYNE] for himself and 11 other Senators. We were greatly pleased that 40 members of the Senate joined in sponsoring the new bill, S. 3683, reported by the committee majority. Mr. President, I ask unanimous consent to have the names of the 40 Senators printed at this point in the RECORD.

There being no objection, the names of the Senators were ordered to be printed in the RECORD, as follows:

Mr. DOUGLAS, Mr. PAYNE, Mr. SPARKMAN, Mr. BEALL, Mr. MONRONEY, Mr. CASE of New Jersey, Mr. CLARK, Mr. IVES, Mr. PROXMIRE, Mr. POTTER, Mr. MURRAY, Mr. CHAVEZ, Mr. ALLOTT, Mr. GREEN, Mr. COOPER, Mr. ANDERSON, Mr. JAVITS, Mr. KEFAUVER, Mr. HOBLITZELL, Mr. HENNINGS, Mr. JACKSON, Mr. KENNEDY, Mr. MANSFIELD, Mr. SYMINGTON, Mr. MCNAMARA, Mr. NEUBERGER, Mr. CARROLL, Mr. CHURCH, Mr. DIRKSEN, Mr. REVERCOMB, Mr. MORSE, Mr. THYE, Mr. BARRETT, Mr. MAGNUSON, Mr. YOUNG, Mr. PASTORE, Mr. HUMPHREY, Mr. LANGER, Mr. AIKEN, and Mr. KUCHEL.

Mr. DOUGLAS. Mr. President, it is sufficient to say that 23 of those Senators are from this side of the aisle, and 17 are from the other side of the aisle. So the support is broadly based on both sides of the aisle, and the measure can be said to be truly a bipartisan bill.

I express my great indebtedness to the distinguished junior Senator from Maine [Mr. PAYNE], who has been most helpful, not only in the preparation of the bill, but also throughout the consideration of this question. The distinguished senior Senator from Maine

[Mrs. SMITH] also has been extremely helpful.

NEED FOR REDEVELOPMENT PROGRAM

For many years committees of Congress have pointed out the urgent needs for new industry in many areas of this country where unemployment and underemployment reached high levels and remained almost unchanged for a period of years. They have revealed similar needs in areas where low incomes and underemployment in rural towns and counties have resulted in low standards of family living, business failures, and severe local government and community problems.

As chairman of the Subcommittee on Low-Income Families, the Senator from Alabama [Mr. SPARKMAN] developed studies of underemployment of rural families and of our low-income population in 1951 and in 1955.

The Joint Economic Committee of the 84th Congress in 1955 called for action to aid chronically depressed areas with a public-works program, loans, and technical assistance. Again, in 1956, the Joint Economic Committee gave voice to the need for Federal help in this area with the following comment, taken from the report:

It is evident that despite the generally prevailing high levels of employment and productivity and the steady economic growth which our country enjoys, some geographic areas have not shared in the overall advance. Some areas, especially rural areas, throughout their entire existence have never kept up with the rate of growth of the country as a whole; others have experienced a decline—slow or precipitous as the case may be—until the resulting economic stagnation has produced serious problems of continuing unemployment and underemployment of all local resources.

The existence of areas of low economic activity seriously retards the rate of national growth, and is in itself a significant cause of self-perpetuation of low-income, underemployed groups. The goal of achieving full utilization of our national resources—land, labor, and capital—will never be attained as long as these geographic pockets of continuing economic depression persist.

Mr. President, more recently President Eisenhower expressed a real interest in this problem, in his Economic Report of 1956, and made the following comment: "The fate of distressed communities is a matter of national as well as local concern." The President also recognized that present Federal action is inadequate, by his further statement in the 1956 Economic Report, as follows:

Although these (Federal) programs have proved helpful, experience demonstrates that bolder measures are needed. To this end, a new area assistance program is recommended for aiding communities that have experienced persistent and substantial unemployment.

In my judgment, all these recommendations and studies have clearly shown that only a comprehensive Federal program, such as proposed by Senate bill 3683, can meet the serious needs of depressed urban and rural areas.

The Congress first reacted to this demonstrated need for legislation with a program of real help during the 84th Congress. Bills were introduced in both the Senate and the House; field studies were made in the affected areas; hearings were conducted in Washington and elsewhere; and a bill, S. 2663, which I had joined other Senators in introducing, was reported to the Senate, and was passed by this body by a vote of 60 to 30. A similar measure had been placed upon the House Calendar; but the Senate action came in the final days of the session, so that the House did not have time to complete its consideration of the measure before adjournment. Strong bipartisan support was then accorded the proposed legislation; and I hope that favorable bipartisan consideration may also be given the present bill, S. 3683.

THE COST OF DEPRESSED AREAS

Depressed areas are an expensive burden, one which the United States cannot afford to continue to carry. They absorb vast sums in unemployment compensation and relief payments. These areas produce far less than they could and should; they contribute little to the Nation's output or to the local, State, and Federal tax revenues. Their low purchasing power means they are not good paying customers for the rest of the country.

The testimony before the subcommittee contains many illustrations of the costs imposed on the country by these areas. Governor Leader's testimony showed that in the 4 years, 1953 through 1956, more than $300 million was spent for unemployment compensation and public assistance benefits in Pennsylvania surplus labor areas—over $75 million a year in that one State.

Testimony from Governor Freeman of Minnesota informed the subcommittee that in some depressed areas of Minnesota the annual welfare costs, county, State, and Federal, amounted to one-quarter or more of the total 1955 taxable values in the counties. For example, in Cass County, the total welfare costs amounted to $1.1 million, while the 1955 taxable values came to $3.7 million. In Beltrami County, the total welfare costs, county, State, and Federal, came to $1 million, while the 1955 taxable values came to $5.7 million. In other words, the welfare costs were from one-fourth to one-fifth of the total valuation; and I emphasize the point that those costs were annual welfare costs, as compared to the total valuation.

Governor Freeman also reported that, in 1956, 25 percent of the total initial unemployment claims for the entire State came from the 20 depressed rural counties of the State, although the same 20 counties had only 14 percent of the covered workers.

Mr. Tudor, the acting director of the division of area services of Southern Illinois University, reported that the per capita cost of public assistance in the 31 southern Illinois counties in 1956 was $24.96, compared to the per capita cost of public assistance for the whole State of $16.87, a difference of $8.09 per person.

The mayor of Walsenburg, in Huerfano County, Colo., gave graphic illustrations of the effect of the loss of employment in the coal industry in that city. In 1946, the county aid given to needy people was $82,547. In 1956, it was $308,275. As an indication of the effects of this unemployment, the mayor pointed out that more than twice as many youths were summoned to court in 1956 as in 1946, in spite of a drop in population. Somewhat similar conditions exist in other areas of persistent and high unemployment, such as the cutover regions of Michigan and the textile areas of New England.

An economic recession has snowballing effects; and a declining level of economic activity in one area may spread to other areas, if not stopped in time. Unemployment and underemployment in one area not only reduce the demand for goods and services from other areas, but may also affect the state of confidence in other areas and thereby affect the level of economic activities in different regions. The costs to rehabilitate a depressed area would be more than made up by the decreasing expenditures for public assistance and unemployment insurance and by an increased tax base resulting from improved economic conditions.

A comprehensive program to aid chronically depressed and low-income areas will also mean much to the people—the men and women and children—of the idle families in these areas. The statistics showing increases in unemployment compensation, public assistance, and county aid are distressing to the taxpayers who must make these payments. But they mean far more to the men and women who have no jobs or whose skills are being squandered by underemployment. And to the children of many families in these communities, these figures mean, as the mayor of Walsenburg suggested, a future with little or no hope, with increased juvenile delinquency, and waste of the next generation.

It is difficult to estimate the human costs and social losses in these communities.

These depressed conditions, continued over a long period, mean the gradual disintegration of the community and all its physical resources built up over the years—schools, churches, stores, hospitals, banks, office buildings, public facilities, and homes. As the community deteriorates and declines, these facilities also become underused, and eventually become idle. All too often, when the people of the area move away, in search of jobs elsewhere, duplicate facilities must be built elsewhere, at great cost; and in some cases these duplicate facilities must be built with the help of Federal subsidies.

All in all, the costs of doing nothing to meet the needs of our depressed areas seemed far heavier than the costs of constructive action.

What this bill is seeking to achieve is to assist industries and plants to be started in such areas so that an increased volume of work may be provided for some of the unemployed, instead of all the unemployed being compelled to go elsewhere and seek employment. We believe, if the social capital of investment is taken into account, this is the wisest use of resources. We should also remember that men and women have a human attachment to their communities, homes, and associates. They cling to those communities as long as there is

some hope of employment there. So, they cannot be shipped out as automatically and in so cold a fashion as can sand, gravel, or iron ore. The father of the doctrine of laissez faire himself, Adam Smith, said that man is, of all forms of baggage, the most difficult to be transported.

INCIDENCE OF UNEMPLOYMENT AND UNDEREMPLOYMENT

I want to state specifically and to emphasize that S. 3683 is not a bill which is designed to cure the existing nationwide economic condition. S. 3683 is not presented as a general antirecession measure.

The problem of areas suffering from excessive and long-continued unemployment and underemployment is not new; it has been with us for many years and even during the most prosperous times. The present recession, we hope, is temporary in nature, and any program designed to combat it will be temporary. Measures to end the general recession will not, however, resolve the deeper economic problems of depressed areas. The dogged persistence of the economic ills of these areas, in good times and in bad, is proof of the need of something more. Special measures as contained in S. 3683 are necessary to solve this problem.

I wish to emphasize that unemployment and underemployment existed at the peak of so-called prosperity in 1955, 1956, and 1957. It existed during the previous recession. It existed during the period of prosperity prior to that. It has continued for a long period of time in most depressed communities.

Opponents have criticized S. 3683 as a bill seeking to aid special sections of the country, and even, perhaps, special interests—the interests of the unemployed, and the underemployed in rural areas. If true, these are most deserving special interest groups to receive Congressional attention.

But to demonstrate the wide scope of the problem and the diversity of the areas affected, we estimated in our report that at least 70 of the larger industrial areas, spread over 20 States, will be eligible for aid and assistance under S. 3683 as industrial redevelopment areas. About 4.8 million workers, or 7.2 percent of the total national labor force, are located in these areas.

One year ago the Labor Department's Bureau of Employment Security listed 19 major labor market areas in the country suffering from severe joblessness. By last November the number had risen to 24, and by January 1958 the number had spread to 45, and included the key centers of Philadelphia, Pittsburgh, St. Louis, Kansas City, Louisville, Newark, N. J., and Portland, Oreg.

The problems of these areas arise out of such basic causes as the lack of industrial diversification, technological changes, depletion of natural resources, industrial migration, shifts in product demand, and increased productivity, as in the bituminous coal-mining regions of Illinois, Pennsylvania, Kentucky, Colorado, West Virginia, and Virginia. The coal mining areas are among those which have been most severely hit, and they spread through Pennsylvania, West Virginia, Kentucky, Illinois, Colorado, and pockets in other States as well.

The increased use of oil and gas for heating has also reduced the demand for anthracite coal, with corresponding unemployment in the anthracite fields of Pennsylvania. New England has suffered a decline of its textile industry. As we all know, cotton and woolen manufactures, as well as manufacturers of synthetics, have in large part moved out of New England and into other areas, thus producing severe, longtime unemployment in New England, in upper New York State, and in Pennsylvania. Dieselization has destroyed many jobs in the railroad shops, such as in the great railway-shop town of Altoona, Pa.

The forces producing these changes have been operating—and the tragic results continuing—in varying degrees for many years.

The hard-hit industrial areas I have mentioned are only one part of the problem with which this bill deals.

A chart in the rear of the Chamber, chart 1, shows some of the areas which might qualify for Federal aid under the bills which were introduced as of March of this year, 2 months ago.

The program established by S. 3683 will also extend assistance to the 300 lowest income rural counties in the country where there is large-scale, continuing unemployment or underemployment. They are shown on chart 2. The chart is in colors. Red indicates serious low income. Blue indicates substantial low income. An inspection of the map will show such low income is widely distributed, but is chiefly concentrated in the so-called Southeastern States.

The full list is shown on page 17 and from pages 44 to 46 of the report; but to give Senators an idea of their distribution, let me list the number of counties in which such conditions exist:

Alabama has 44 such counties.

Arkansas has 28 such counties. I should like to call the attention of the Senators from Arkansas to that fact.

Florida has four such counties.

Georgia has 14 such counties among the lowest 300 counties. There are many more in the 500 counties with the lowest incomes.

I see sitting in the majority leader's seat the eminent junior Senator from Georgia [Mr. TALMADGE], a former distinguished Governor of his State. I call attention to the fact that 14 counties of the 300 with the lowest incomes are located in the great State of Georgia.

My own State of Illinois has two such counties, in the extremely southern part of the State, bordering on the Ohio River.

Kentucky has not less than 35 such counties.

If the distingushed Senator from Kentucky [Mr. MORTON], who is now presiding and sitting in the seat of the President pro tempore will forgive me, I should like to call attention to the fact that there are 35 low-income counties in his State.

Louisiana has 11 such counties.

Mississippi has no less than 58 such counties.

Missouri has 11 low-income counties.

North Carolina has 16 low-income counties.

Oklahoma has 11 such counties.

I see present in the Senate Chamber my good friend, the very able senior Senator from Oklahoma [Mr. KERR], with whom on occasion I clash on general programs, but always with admiration for his ability and quickness of wit. I mention to him that in the great State of Oklahoma there are 11 counties among the approximately 300 countries in the Nation with extremely low incomes and underemployment, and that we are trying to help these good people of Oklahoma.

Mr. KERR. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. KERR. I should like to say to my good friend from Illinois that up until this very moment I had not fully understood the bill which he has been in favor of and on behalf of which he has been speaking, nor had I been fully committed to it, but his argument is so completely persuasive that I should like to acknowledge to him at this moment I have seen the light, as I had not thought it possible I could. [Laughter.]

Mr. DOUGLAS. Mr. President, the Senator from Oklahoma is always open-minded as well as extremely able. Now that on the road to Damascus the light has dawned upon him, the Senator will, in my judgment, be almost as great an advocate for the cause of modern Christianity as was Saul in ancient times.

Mr. President, South Carolina has 10 counties in the group; Tennessee has 38; Texas has 5; Virginia has 11; and West Virginia has 17.

I see on the other side of the aisle the two very able Senators from West Virginia, who are present in the Chamber. I invite their attention to the fact—of which they are already aware, I know—that 17 West Virginia counties are among the 315 with lowest incomes and not only will they be eligible for aid, but we hope and believe they will receive aid under the provisions of the bill.

While the Commissioner's final designation of rural redevelopment areas might not conform exactly to these lists, they are indicative of the bill's broad coverage. Furthermore, Indian tribes are also expressly included among the eligible applicants because of their urgent and long-standing needs for additional employment, as revealed in the hearings.

This is extremely important to Wisconsin, Minnesota, North Dakota, South Dakota, Montana, Colorado, Arizona, New Mexico, and I believe Idaho and Nevada. In fact, there is almost no State which in one form or another will not benefit from the provisions of the bill by having the pockets of unemployment reduced.

In the 300 lowest income rural counties that would most probably be aided, we have estimated that 7 million persons, or 4 percent of the country's population, reside.

As I have previously stated, about 7.2 percent of the national labor force is congregated in the industrial areas which have high and persistent unemployment.

THE PROBLEM OF LOW-INCOME RURAL AREAS

The economic problems of low-income rural areas are of no less significance than those of distressed industrial areas with surplus manpower. Available data indicate that these rural areas have not shared during recent decades in the growth of the country as a whole. There are many rural counties in the United States where the average per capita income is as little as one-fourth of the average person in the United States.

Complex factors also account for the low-income levels of this substantial proportion of our farm population. But certainly one of those factors is the underemployment of rural families. In 1951 the staff study under the direction of the Senator from Alabama [Mr. SPARKMAN] estimated the total number of underemployed farm operator families at $2 million and the total number of underemployed rural nonfarm families at 1,500,000.

And the persistence of the problems of these rural areas in the States where we have located them is demonstrated in surveys going back nearly 50 years.

The Secretary of Agriculture has recognized the need for industrial development in these rural areas to increase the income of the people. In the absence of new industry and additional jobs, the only alternative left to the surplus rural population is migration to other areas where job opportunities exist. This again involves great human and social costs. Bringing new industry to the rural areas makes it much easier for underemployed farm people to change or expand their occupations. The new industrial jobs also have a multiplying effect and tend to generate additional nonfarm jobs and new markets in the area.

It is quite apparent, however, that the poorer farm communities, where the majority of the population live at a low subsistence level, do not have the necessary resources to develop the elementary facilities which would make them attractive to industry. Technical help and capital from outside also are essential to assist these communities to survey their resources, to determine the type of industries which can flourish in these areas, and to help provide the initial capital and training of human resources.

This is a responsibility which the Federal Government should share. In cooperation with State and local authorities, with private enterprises, and with the residents of the areas needing assistance, the Government can develop a positive program which would help reduce the underemployment from which the poorer rural areas are suffering. Such action would constitute a step toward making it possible for the people in the poorest areas to share in some greater measure in the opportunity to make a self-respecting contribution to society by work, and in the ever-rising standard of living, which should be the birthright of every American.

Mr. Herschel Newsom, the able master of the National Grange, gave strong support to this principle in his testimony before the House Banking and Currency Committee last Friday, May 2. At that time, in speaking particularly of the rural area redevelopment provisions of H. R. 6215, which closely parallel the provisions of S. 3683, he stated:

> We take the position that this legislation is fundamental to lasting agricultural recovery and development in the United States. From the long-range standpoint, it could be the most important agricultural legislation of the 85th Congress.
>
> There are at least six basic reasons why we in the Grange regard this legislation as critical and why we so strongly urge its enactment:
>
> 1. It would strengthen the general economic health of the Nation by positive action to bolster employment—and income—in areas of persistent unemployment and underemployment.
>
> 2. It would provide an effective program for establishing new off-the-farm jobs in rural areas that have been hurt for many years by chronic underemployment of the available manpower.
>
> 3. It would enhance and stabilize the purchasing power of industrial workers and other urban residents, in the affected areas, and thereby improve the market for farm products.
>
> 4. It would broaden the productive utilization of America's human resources and raise the level of living standards where the need is greatest.
>
> 5. It would relieve the problem of surplus agricultural production to the extent that currently underemployed farmers, now contributing to surplus production of some commodities, would be able to obtain full-time employment off the farm.
>
> 6. By relieving the political pressure generated by large numbers of underemployed farm families of excessively low income, it would help create the circumstances or atmosphere conducive to the enactment of truly constructive and effective farm programs for the Nation.

FLEXIBLE AND COMPREHENSIVE REDEVELOPMENT PROGRAM NEEDED

A program to aid depressed areas, therefore, should be flexible and adaptable to the diverse needs of the many communities, both industrial and rural, which suffer from chronic unemployment or underemployment. S. 3683 provides such a program.

A sound national program must make provision both for industrial areas which have been subject to chronic unemployment and for low-income rural communities whose major economic ailments are due to underemployment. The responsibility of the Federal Government to help improve economic conditions is equally manifest in both cases. What we are really trying to do is primarily to utilize the greatest wasted resource in the United States; namely, idle time.

A realistic and comprehensive Federal program must also encompass a variety of activities to fit the diversity of needs of the different communities. Testimony at the hearings on S. 3683 has indicated that communities on the downgrade frequently cannot afford to carry out a program of economic reconstruction, no matter how strong their will to do so.

In the 1957 Economic Report of the President, the need of chronically depressed communities for outside assistance was stated concisely:

> In some cases the forces responsible for persistent unemployment are so strong and so varied that they will yield only to comprehensive measures taken jointly by private groups, State and local governments, and the Federal Government.

In other words, once a community or area starts to slip and the tax base diminishes, revenues also decrease; and to the degree that expenses for schools and for relief must be met from local sources, the proportionate burden upon the taxable capacity which is left becomes heavier, so that the ability of the locality itself to carry out plans for industrial redevelopment becomes more and more threatened and diminished.

It is just such a comprehensive approach, authorizing the cooperation of private groups and Federal and local governments, that is made possible under S. 3683.

SUMMARY OF ASSISTANCE PROVISIONS OF S. 3683

I would like now to review briefly for the information of Senators, the main provisions of S. 3683.

First. Administration: It establishes an Area Redevelopment Administration headed by an Area Redevelopment Commissioner appointed by the President with the advice and consent of the Senate. The Administration would be a constituent agency of the Housing and Home Finance Agency.

In this connection, I may say that in the bill which I originally introduced this was to be a separate agency, outside all the existing departments. The Senator from Maine [Mr. PAYNE] argued with me on this subject and convinced me that I was mistaken, and that the agency should be placed in an existing branch, subordinate to the President. We decided that we would put it in the Housing and Home Finance Agency, the very agency to which the community facilities provided for in the bill introduced by the able junior Senator from Arkansas [Mr. FULBRIGHT] are entrusted.

Mr. PAYNE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from Maine, who has been of tremendous help in the consideration of this subject. It has been a delight to work with him. He has been most cooperative, constructive, and energetic in everything he has done.

Mr. PAYNE. I was absent from the Chamber when my colleague from Illinois was referring to the opportunity we had to work together on this bill. In his usual very amiable manner he, of course, was perfectly willing to arrive at an arrangement whereby this particular agency, which is greatly needed would, in the interest of economy and efficiency, be placed under an existing governmental organization rather than be established as a brandnew agency, which would have to get off the ground.

I should like to ask one question. I know that the Senator from Illinois has a number of important points to cover.

Is not the Senator from Illinois a little amazed to read in the minority views, particularly in connection with rural areas, a suggestion that we do not go far enough in this bill, or, in other

words, that we are too conservative, and do not take in enough areas throughout the country? Yet in the next breath the minority criticizes the bill, claiming that we go too far in the overall situation.

Mr. DOUGLAS. I was not only surprised; I was astonished and amazed at that statement. This is a harsh judgment to pass, but I can only conclude that the minority wishes to hunt with the hounds, and run with the hares.

Mr. PAYNE. In other words, there may be a question whether it is felt by some that people who have been unemployed for a long period of time, and who are not merely affected by the so-called recession situation, should not be given special attention and be treated as a special problem, which affects the entire country?

Mr. DOUGLAS. I quite agree with the Senator from Maine. The contradictory attitude of the minority reminds me of what Disraeli once said about Gladstone, namely, that he was furiously in earnest on all sides of every question.

Mr. PAYNE. If we were to adopt the same attitude all the way through, we would have to apply the same argument to areas hit by flood.

Mr. DOUGLAS. Yes.

Mr. PAYNE. We would have to say, "It is too bad these areas were hit by flood." But strangely enough, we in the Congress, even though many of us come from areas not hit by flood, have recognized their plight and have dealt with it. When it comes to unemployment, with people standing in line waiting to get jobs, some would say, "We do not think the Federal Government should enter into that situation at all."

Mr. DOUGLAS. We were very responsive to the needs of such States as Connecticut and others, which were hit by the various floods and cyclones of 1955 and 1956. But, as the Senator from Maine, a distinguished former governor and a great Senator, knows, legislation can deal with immediate needs. It is not necessary to deal with every evil under the sun in a single piece of legislation. If that were required, there would be very little proposed legislation passed by this body.

Mr. PAYNE. Mr. President, will the Senator be good enough to yield once more—and then I shall stop?

Mr. DOUGLAS. I hope the Senator will not stop. His contribution is very valuable.

Mr. PAYNE. In the next few days we shall have an opportunity to discuss this measure in rather complete detail. Such discussion will be in addition to the rather complete job which the Senator from Illinois is doing this afternoon.

Let me read from the minority views. This statement, found on page 58, is amazing to me:

> One of the fundamental defects of this proposal is requiring the Federal Government to use its resources to encourage the economic growth of a limited number of communities. Thus, the Federal Government is placed in the highly undesirable position of helping certain communities to attract new industry in competition with other communities that receive no Federal aid.

Is it not true that the bill encompasses a provision which eliminates pirating, as such?

Mr. DOUGLAS. That is correct.

Mr. PAYNE. Some members of the minority who signed the minority views stood on the floor of the Senate and objected strenuously to the granting of economic aid and technical assistance and training to other nations on a selective basis.

Mr. DOUGLAS. I do not wish to make any personal references, but some members of the minority have been great advocates of point 4, technical aid, and economic assistance to other countries.

Mr. PAYNE. We are not saying that that has not been proper. All we are asking is the same measure of treatment, attention, and consideration be accorded to people at home who have met the test and who have been unemployed over a long period of time. We are asking that they be treated in a somewhat similar manner, even though on a scale of less magnitude, under the provisions of this bill.

Mr. DOUGLAS. We are saying that an American citizen should not be treated less favorably than Indians or Vietnamese or Arabs or Egyptians. We wish the people of foreign countries well, and we want to help them; but we do not believe that our depressed areas, both urban and rural, should be completely overlooked or ignored.

Mr. PAYNE. I am in complete accord with the Senator's statement, and I wish to commend him for the contribution to this subject he has made on the floor of the Senate today.

Mr. DOUGLAS. The Senator from Maine has made a tremendous contribution in committee and in working up the bill.

Mr. HENNINGS. Mr. President, I should like to associate myself with the remarks of the distinguished Senator from Maine [Mr. PAYNE] and the distinguished Senator from Illinois [Mr. DOUGLAS] for the portion of colloquy and discussion that I have been privileged to hear this afternon. I wish to associate myself with their views.

Mr. DOUGLAS. I thank the Senator.

Mr. JAVITS. Mr. President, I may say to the Senator from Illinois that I heard the colloquy between my two colleagues who are so heavily responsible for the depressed-areas bill as it concerns our own country.

I am known to be very devoted to the foreign aid and technical assistance programs. In all fairness, I think it should be said that men like myself—and I am not alone, by any means—feel very strongly about the pending bill for precisely the reason disclosed. We realize our tremendous responsibility to the people of our own country, both for peace and for well-being. We believe we serve the cause of peace by fighting for the plan for foreign aid and technical assistance; but we also believe that we must equally serve the cause of the well-being of our own people, and the Senator from Illinois and the Senator from Maine are giving us that opportunity, for which I am personally very grateful.

Mr. DOUGLAS. I thank the Senator from New York. He is a supporter of all good causes. I think the attitude he takes is quite correct. I believe foreign aid is necessary, but I believe the same principle which causes us to help others should also cause us to help citizens in areas within the United States who are in dire need, as well.

Mr. JAVITS. I thank the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I wish now to review briefly for the information of Senators the main provisions of S. 3683. I have already spoken about the administration of the proposed act being entrusted to the Housing and Home Finance Agency, which would establish a separate organization within its confines.

OTHER FEATURES OF THE BILL

The existing urban renewal and community facilities programs in that agency have given it some parallel experience which should prove helpful.

Second. Advisory boards: The Commissioner is provided with two advisory boards: (a) A cabinet level advisory board, designed to work out a coordination of the assistance, technical and otherwise, available in the various agencies of the Federal Government; and (b) a National Public Advisory Board drawn from industry, labor, and national organizations concerned with the problem. He is also authorized to convene special conferences to consider the problems and needs of particular industries that are hard hit, such as the textile industry or the coal industry. Or he could call a conference to deal with the question of freight rates.

Third. Redevelopment areas: The industrial redevelopment areas are those where the Commissioner determines that "there has existed substantial and persistent unemployment for an extended period of time." Areas must be so designated if they have suffered 12 percent unemployment during the year preceding the application, or 9 percent unemployment during 15 out of the preceding 18 months, or 6 percent unemployment during 18 out of the preceding 24 months. In addition, an area which has suffered 15 percent unemployment during the preceding 6 months may be so designated if the Commissioner determines that the principal causes of the unemployment are not temporary in nature.

The Commissioner is also empowered to act in so-called one-industry towns, where a plant which gives employment to virtually all the people closes down, and it is perfectly apparent that the town will become a ghost town unless action is taken speedily.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am very glad to yield.

Mr. NEUBERGER. I have been listening with great interest and profit to myself to the very able speech being delivered by the Senator from Illinois. As always, he is most informative and persuasive. I have a further particular interest because, on several occasions, the Senator from Illinois has referred to my own State of Oregon. I realize it is a

State of which he also has personal knowledge, because he was once a resident of Oregon and a teacher there.

Earlier in his address, the Senator from Illinois referred to the technological unemployment which had occurred in certain areas of the South and in New England, as industrial processes have changed and as the use of resources has been transformed in certain States. To some degree, in the Pacific Northwest we have been confronted with that problem. For example, it is my recollection that in 1920 approximately 18,900 board-feet of lumber were used in the average family dwelling unit. Today, only about 10,500 board-feet of lumber are used in the average dwelling unit. Therefore, lumber, which for many generations has been the principal manufactured product of the Pacific Northwest, has to some degree come to represent a distressed industry.

On top of that, the very high interest rates, unwisely imposed upon our economy by this administration and the Federal Reserve Board, have resulted in a diminution of housing construction during recent years. As I recall, in 1955 about 1,300,000 housing units were constructed in the United States. Last year, this kind of essential construction was down to approximately 900,000 new homes.

The very kind of situation to which the Senator from Illinois has referred briefly in his address prevails in Oregon. Oregon is the leading lumber-producing State. From 65 to 75 percent of all the payroll dollars in our State are heavily reliant upon forest products in one form or another. For example, I have just received a telegram from Mr. James T. Marr, the able executive secretary of the Oregon State Labor Council, AFL–CIO, which states:

Oregon labor strongly supports Douglas-Payne area redevelopment bill technical assistance, urban renewal aid, vocational retraining specially pertinent to Oregon.

Mr. President, I ask unanimous consent that Mr. Marr's telegram and also a letter I have received from Mr. James G. Patton, president of the National Farmers Union, which has a substantial number of locals in Oregon, and which supports the Douglas-Payne redevelopment bill, be printed at this point in the RECORD.

There being no objection, the telegram and letter were ordered to be printed in the RECORD, as follows:

PORTLAND, OREG., *April 29, 1958.*

Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

Oregon labor strongly supports Douglas-Payne area redevelopment bill technical assistance, urban renewal aid, vocational retraining especially pertinent to Oregon.

J. T. MARR,
Executive Secretary, Oregon State Labor Council, AFL–CIO.

NATIONAL FARMERS UNION
LEGISLATIVE SERVICES,
Washington, D. C., May 6, 1958.

Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR NEUBERGER: This letter is respectfully to urge your support and vote for the area redevelopment bill, S. 3683, when it is considered by the Senate.

Really significant Federal action to bring broader economic opportunity to chronically depressed rural areas is long overdue. S. 3683 provides the basis for the initiation for such action. The continuance of chronic rural poverty in a large number of disadvantaged rural areas—chronic poverty which infects entire communities, counties, and areas—not only holds our Nation back from the full production and full prosperity of which it is capable, but also is a source of weakness in world opinion. Continuation of such conditions is an unfair disadvantage to children of those areas whose prospects in life are dimmed because of the chronic poverty of their parents and the low standards of the institutions and facilities in the communities in which they are born. We would favor passage of the bill for its rural area provisions alone, if for no other reason.

However, farmers, as well as Americans generally, will also benefit from the redevelopment program provided for chronically depressed urban areas. We do not believe that initiation of the program will react adversely upon economically sound industrial expansion to currently underdeveloped areas but on the contrary will promote sound progressive expansion of economic opportunities in all currently chronically depressed areas.

Finally, it seems to us, really significant efforts to eliminate chronic pockets of underemployment will act directly to reduce unemployment and recession. Elimination progressively of chronically depressed rural and urban areas will help pull the Nation out of the current recession, help prevent future recessions and depressions, and help the Nation to resume a steady economic growth curve.

Sincerely,

JAMES G. PATTON,
President.

Mr. NEUBERGER. Mr. President, this is a prelude to my asking some questions of the Senator from Illinois. As he mentioned, Portland, which is the only major metropolitan area in Oregon, and which is the community in which he was once a college teacher, is listed as one of the surplus labor areas in the Nation.

Mr. DOUGLAS. That is true. As of March 1, Portland had an unemployment rate of between 6 and 9 percent.

Mr. NEUBERGER. This particular situation, unfortunately, has prevailed in Oregon for approximately 4 years. The recession, which the Senator from Illinois is trying so hard to bring to an end, and which has affected the rest of the country for 8 months, has existed in Oregon for about 4 years—as housing starts have come down from 1,300,000 new homes in the United States to approximately 900,000.

This is what I wish to ask my friend, the Senator from Illinois: How, particularly, would the passage of the bill have a favorable impact on the economy and employment in an area such as Oregon, in general, and the Portland metropolitan community in particular?

Mr. DOUGLAS. The bill aims to encourage the development of new industry by making loans and to encourage private enterprise to utilize raw materials and labor skills which exist there and which may be developed.

I think it would be necessary to make a thorough survey to determine what alternative industries should be developed in Portland or in Oregon; but one possibility immediately suggests itself, namely, the possibility of developing a furniture industry there to utilize the wood products of the area.

There is also a possibility in the field of utilizing some of the byproducts of wood which are chemical in nature.

Mr. NEUBERGER. The Senator from Illinois is eminently correct in that respect. I have been informed for some time by eminent authorities in this field, such as Dr. Richard E. McArdle, Chief of the United States Forest Service, that they think in Oregon too much of the forest-products employment is concentrated in the production of raw timber for lumber, and not enough in pulp production.

Mr. DOUGLAS. And also not enough in the fabrication of wood.

Mr. NEUBERGER. That is correct. In other words, the entire emphasis should not be placed on the cutting of logs for raw lumber, but some emphasis should be placed on the fabrication of the lumber into fittings for homes, buildings, schools, and so forth.

Let us assume that a study indicated that in the State of Oregon there was—as I am certain there is—ample scrub timber of alpine species, such as jackpine, lodgepole pine, and alpine fir, which could be processed into pulp and pulp products. Under the provisions of this bill, would it be possible for long-term loans to be made to private industries engaged in pulp and paper manufacture, which then could go into the State of Oregon and could process this upland timber?

Mr. DOUGLAS. Yes; that would be quite possible. Of course, we would try to obtain the cooperation of private lenders, too, and of the localities and of the State. But the type of industry mentioned by the Senator would be very valuable.

Of course, I think it probably true that the loan funds which we shall provide—amounting to $100 million—could not be used to establish pulp mills in every State of the Union, for I understand that the investment required for the establishment of such a mill is very large; but to the limit of the resources, that is one of the things which could be done.

Certainly furniture factories could be established.

Mr. NEUBERGER. Of course, the establishment of a furniture factory is far less expensive than the establishment of a pulp mill.

Mr. DOUGLAS. That is correct.

Mr. NEUBERGER. I understand that the funds will be spent in the parts of the Nation where the greatest unemployment and economic distress are found to exist; is that correct?

Mr. DOUGLAS. That is correct.

Mr. NEUBERGER. Mr. President, I thank the Senator from Illinois; and I wish to assure him of my admiration for his efforts and those of his associate, the distinguished Senator from Maine [Mr. PAYNE], and of my support of the proposed legislation.

Mr. DOUGLAS. I appreciate the Senator's statement.

Let me say that, in addition to the classification of Portland, Oreg., as an

area of unemployment, the area around Roseburg, in Douglas County, has also been classified as an area of substantial labor surplus. I believe that is farther down the Willamette Valley, near the center of the industry itself. Is that true?

Mr. NEUBERGER. Again the Senator from Illinois is correct. Roseburg, Oreg., might be said to be the citadel of the lumber industry in the United States. It is one of the largest cities of the Fourth Oregon Congressional District, which produces more lumber than any of the 431 Congressional Districts in the United States.

As the construction of housing has dropped and as the production of lumber has been adversely affected, Roseburg has had one of the highest unemployment rates of any community in the Nation. Of course that is why I have asked the Senator from Illinois the questions I have had in mind—as to exactly how the Douglas-Payne bill might assist some of the lumber-producing areas of our State like Roseburg, which have been hit so hard by the decrease in the construction of housing and by the break in the lumber market.

Mr. DOUGLAS. I thank the Senator from Oregon.

RURAL REDEVELOPMENT AREAS

Mr. President, the bill also authorizes the Commissioner to designate as rural development areas those rural areas where there exist the largest number and percentage of low-income families and a condition of substantial and persistent unemployment or underemployment. Definitions and standards for the designation of such areas have been spelled out for the guidance of the Commissioner on the basis of available and relevant economic data.

Fourth. State and local agencies: Any agency authorized by the State or its instrumentality to deal with problems of economic development may submit a plan for the economic redevelopment of the area to the Commissioner and—and this should be particularly noted—must approve any loan application in their area.

In other words, it is not possible for the Commissioner to bypass a State in which there is such a State authority. The approval of the State for the granting of such a loan must be obtained. This section of the bill we also owe to the Senator from Maine [Mr. PAYNE].

For States which do not have such agencies, the Commissioner may appoint interested local committees, broadly representative of the interests of the area, who may devise a plan for economic redevelopment, and whose approval of any loan application is required. The overall programs for the economic development of areas must also be approved by the Commissioner before he can approve loans.

Fifth. Industrial redevelopment loans: The Commissioner is authorized to make loans, including participations, to assist in the purchase or development of land and facilities, including machinery and equipment, for industrial use, or for the construction, rehabilitation, or alteration of industrial plants. This assistance may not be extended, however, for working capital. In other words, it is to provide plant equipment and machinery, but not working capital.

The loan funds are set up as revolving funds separately: (a) $100 million for loans in industrial redevelopment areas; and (b) $100 million for loans in rural redevelopment areas.

Now let us notice the restrictions on these loans, which are as follows:

(a) The assistance may be extended only to applicants which have been approved for the purpose by an agency of the State or its political subdivision concerned with problems of economic development in the State or subdivision, or by local committees in areas with no official bodies.

(b) The assistance may be extended only if such financial assistance is not otherwise available from private lenders or other Federal agencies on reasonable terms.

(c) An immediate participation is to be preferred to a loan.

The language of the bill on this point may seem a little ambiguous; but I interpret that language to mean that, if possible, we shall try to get the entire amount of money from private parties; but if that is not possible, we shall encourage private parties to handle as large a share of the loan as possible. So every effort will be made either to get private parties to assume the entire burden of the loan or to take as large a share of the loan as we possibly can get them to take. Then the revolving fund, created by the Federal Government, will come into use only for the remainder.

(d) There must be reasonable assurance of repayment.

(e) The length of the loan may not exceed 40 years, plus an additional 10 years in the course of liquidating the loan.

(f) Now we come to the question of the interest rate. It is to be the average rate of interest which the Government has to pay on issues of comparable duration, plus one-fourth of 1 percent. If the Government has to pay 3¼ percent for capital or for loans of approximately this duration, then the interest rate charged will be 3¼ percent plus one-fourth of 1 percent, or a total of 3½ percent.

(g) The loan—and this is very important, Mr. President—must not exceed 65 percent of the total cost to the applicant of the land and facilities, excluding other Federal aid, and the following conditions must be observed:

First. Enough funds must be available to complete the project.

Second. At least 10 percent of the cost must be supplied by the State or an instrumentality thereof, or by a community or area organization, as equity capital, or as a loan.

Third. In the case of a project in an industrial redevelopment area, not less than 5 percent of the cost must be supplied by nongovernmental sources. Of course, we hope that much more than 5 percent will be supplied in this fashion; but at least 5 percent must be supplied in each and every case.

Fourth. The Federal financial assistance must be repayable after other loans made in connection with the project have been repaid in full.

Fifth. Assistance for new and expanding plants: The intention of the bill to authorize Government assistance only for new or expanded plants, and not to give such assistance to any runaway industry or to the pirating of industry, is made clear in sections 2, 6, and 14. It is there stated as the purpose of the legislation to assist redevelopment areas to alleviate their unemployment and underemployment by providing new employment opportunities and by expanding existing facilities, and not to assist establishments relocating from one area to another and substantially increasing unemployment in the original area.

Mr. President, let me make it clear that the bill does not interfere with industrial migration; it is simply not set up to cause and finance such migration, which would merely have the net effect of moving unemployment from one area to another. In other words, Federal assistance can be justified to level up the communities with long-continued, high-level unemployment. It cannot be justified to level down other communities.

Sixth. Public facilities loans: The Commissioner is authorized to make loans to assist in the purchase or development of land for public facility usage, and for the construction, rehabilitation, alteration, expansion, or improvement of public facilities in redevelopment areas. He may do this, however, only if he finds that such assistance will provide more than a temporary alleviation of their employment problems and will tend to improve the opportunities for the successful establishment or expansion of industrial or commercial plants or facilities in such an area. He must also find that funds are not otherwise available on reasonable terms, and that the amount of available funds plus the loan are adequate to insure its completion. Limitation of the loan and its maturity, the requirements for local participation, and the rate of interest are the same as provided for industrial and rural loans. The revolving fund from which such public facility loans may be made is $100 million.

I may say, Mr. President, the two most common uses for which the loans are to be made are, undoubtedly, first, the provision of industrial water through construction of dams and reservoirs, so that a community will not only have adequate drinking water for its inhabitants, but adequate water for new industry which may be established there. Water is coming more and more to be an absolute necessity for drawing new industry into a community, for there must be sufficient water to enable an industry to carry on its processes. It is almost impossible for communities to get new industry unless they have adequate supplies of water. Many communities do not have an adequate supply of water. Many of the loans, about which I shall speak in a moment, are intended to provide for this need.

Another purpose for which community facilities loans are to be established is

the provision of so-called industrial parks, namely, a series of modern buildings, with access roads, and with water, sewer, and electrical connections already provided, which can be divided into a series of small plants for small-scale manufacturing and processing. In this way, the communities would have such facilities available, and they could be used, on reasonable terms, by the new industries coming into the communities, without the new industries being required themselves to meet the expense of the construction of facilities to which I have referred.

Seventh. In addition to public facilities loans, there would be public facilities grants: The Commissioner is also authorized to make grants for land acquisition or development for public facility usage, and for the construction, rehabilitation, and so forth, of public facilities in redevelopment areas. He may do this, however, only if he finds, as before, that such public facility project will provide more than a temporary alleviation of the unemployment or underemployment problems, and will tend to improve the opportunities for the successful establishment or expansion of industrial or commercial plants or facilities there. He must also find that the entity requesting the grant proposes to contribute to its cost in proportion to its ability, that the project will fulfill a pressing need in the area, and that there is little probability that it can be undertaken without such assistance.

In other words, some communities are so prostrate that they cannot carry loans in full. The bill makes it possible for a part of the cost, though not all, to be met by grants. The bill authorizes $75 million a year for such grants, but they would be subject, of course, to control by the appropriations committees.

Eighth. Urban renewal: Section 14 provides financial assistance, under existing urban renewal laws, to local public agencies in any municipality where the Area Redelopment Commissioner certifies to the Administrator—HHFA—that the municipality is situated in an area designated as an industrial redevelopment area, and there is a probability that such assistance will contribute to more than temporary improvement in economic development. This section waives the "predominantly residential" requirement of section 110 (c) of title I of the Housing Act of 1949, and makes available the Federal capital grants for land acquisition and development, for a project of a commercial or industrial character in a depressed industrial area. This new provision, however, is lumped together with the existing "skid row" exception, and together they are made subject to the limitation in the present law of 10 percent of all capital grants authorized.

Ninth. Urban planning grants: Planning grants under section 701 of the Housing Act of 1954 are also made available to communities having populations of 25,000 or more, if designated by the Commissioner as industrial redevelopment areas.

Tenth. Information: The Commissioner is directed to aid redevelopment areas by furnishing technical information, market research, and other forms of information obtainable from Government agencies. He is also directed to furnish to procurement divisions of the various departments and agencies of the Government the names and addresses of redevelopment area firms desirous of obtaining Government contracts.

Eleventh. Technical assistance: The Commissioner is likewise authorized to provide technical assistance to such areas, including studies of their needs and potentials, and including also the help of staff members or the employment of private firms or institutions under contract for such purpose. Appropriations for such technical assistance are authorized in an amount not to exceed $4,500,000 annually.

Twelfth. Vocational training, and now we come to something that is very important: The Secretary of Labor is authorized to determine the vocational training needs in redevelopment areas, and he and the Secretary of Health, Education, and Welfare, within their respective jurisdictions, in cooperation with State and local agencies, are directed to make available in such areas the training assistance authorized under existing programs.

This is extremely important. Let us take the coal-mining industries, in which men have been trained to work in coal mines, but the new industries which are to be developed require factory-trained employees, in which the coal miners are not skilled. This section directs the Secretary of Labor and the Secretary of Health, Education, and Welfare to provide training facilities in the areas concerned so its citizens can be retrained for new jobs as the new industries come into the areas.

Thirteenth. Retraining subsistence payments: The Secretary of Labor is directed to enter into agreements with States in which redevelopment areas are located to enable the States to make weekly retraining payments for not more than 13 weeks in the amount of the average weekly payments of unemployment compensation to those who are certified to be undergoing training for a new job. Such payments could not be made, however, to those who are entitled to unemployment compensation payments.

Fourteenth. Miscellaneous: The bill includes necessary administrative provisions and powers, provides for termination of eligibility, requires the Commissioner to make a comprehensive and detailed report to Congress, and authorizes to be appropriated such sums as may be necessary to carry out the provisions of the act.

From this summary it should be clear that S. 3683 will provide a wide and useful variety of aids to the rebuilding of those pockets of economic distress in our country. The heavy preponderance of these aids is in the form of loans, which will be repaid. The emphasis is on enabling these areas, in cooperation with private enterprises, to do things for themselves. The patterns of aid are ones which have been used in other circumstances, and call for the greatest measure of cooperation of Federal, State, and local governments.

The alternative to this program is doing nothing. But a decision to do nothing—or at least nothing new—is virtually an announcement to our fellow citizens in these areas that they may as well abandon their communities and farms and all the community institutions they have developed through the years. Our country and its people would be weakened by such abandonment.

I believe that the adoption of the pending measure by Congress and its wise and careful administration will bring a new day of hope and opportunity to many areas, and to literally millions of our people who want nothing more than a chance to work and to live in self-respect and decency.

The bill proposes no easy handout. It holds out for the prospect of work, of new jobs, of increased production, of expanding business and commerce, of more healthy community, life and, above all, of a fuller utilization and development of the Nation's most precious resources, its human resources.

It is a domestic point four program, which we badly need.

Mr. President, I should now like to add a few words which deal with criticisms which have been advanced against the bill both by the Secretary of Commerce and by the minority of the Senate Committee on Banking and Currency.

THE CRITICISMS OF SECRETARY WEEKS CONSIDERED

The main theme of the criticism of the Secretary of Commerce addressed to S. 3447 introduced by the Senator from Maine is that our area redevelopment bill goes too far, covers more areas than necessary, sets too liberal loan terms and amounts, includes retraining subsistence payments, and so forth.

It is not easy to set the precise dollar amounts—or loan terms—that will be needed to deal with this problem across the country, for no one can predict the exact nature of the enterprises which will be developed or the varying amounts of private and local funds that will share in this venture of rebuilding.

But if all of the $100 million authorized for industrial area loans were evenly divided over an initial period of say 5 years, and then evenly spread over the 70 larger areas now identified and 50 smaller areas that may well be surveyed and found eligible, the resulting available loan funds for each will be found to be relatively modest—less than $167,000—on an average for the 120 areas over a 5-year period. The results of computations for the 300 rural area counties, and for public facilities loans would be similar. The grant funds, technical assistance, retraining payments, and so forth, are, of course, subject to the continuing limitation and check of annual appropriations.

Measured against the needs shown in our hearings, the authorizations do not look large. But we hope they will be sufficient to demonstrate the feasibility and effectiveness of the program in widespread areas. On the basis of that experience, Congress can decide if the program should be enlarged or cut back.

It is clear that the "too little and too late" approach of the past, however, is

inadequate. These economic ills need a strong injection of new capital resources and imaginative ideas for industrial expansion. No half-hearted, hesitant program will hold out the necessary aid or hope. If the program is worth establishing, it is worth having the resources and the variety of aids to enable it to succeed.

I am glad that Secretary Weeks endorses the principle of the bill, but I believe his judgment is in error in thinking that it goes too far.

I should now like to deal with the minority views of the committee.

A CONTRADICTION IN THE VIEWS OF THE MINORITY

The minority views opposing S. 3683 in our committee report seem to take a position directly contradictory to that of the Secretary of Commerce. They contend that the bill is too narrow, that it would cover only one out of every eight persons unemployed, that it discriminates against other areas—and then they turn around and argue against the principle of the bill.

Surely we are past the time when a remedial measure is to be condemned and defeated because it does not deal with all the other problems that resourceful Senators can recall.

Congress did not refuse to legislate for small business simply because parallel programs were not authorized in the same bill for big business which did not need them.

Federal aids have not been denied in the field of housing simply because similar aids are not extended in the same measures to general commercial or industrial construction.

Farm price supports were not refused simply because farm machinery did not receive similar assistance.

And so on through a host of essential legislative measures now on the statute books, Congress did not try to cover every problem in one bill.

The basic justice for singling out these industrial and rural areas for assistance lies in the fact that their needs have been so great for such a long time. And the recovery of the Nation from the current recession—for which we are considering and enacting a wide variety of other measures—will as in past recessions leave the unemployment and underemployment in the distressed rural and industrial areas largely untouched.

If concern for the human needs in the redevelopment areas does not move us, then the self-interest of the rest of the Nation should impel us to end the drag of these areas—which the areas themselves regret more deeply than any others—on the rest of the economy. The discrimination which singles out a clearly identified problem and applies reasonable remedies that serve both widespread and local interests and the national interest, is in our best legislative tradition.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to the Senator from Massachusetts, who has been most helpful in the entire matter.

Mr. KENNEDY. I am delighted the Senator from Illinois is speaking on the subject he is discussing. The Senator from Illinois has had experience, particularly in the area of southern Illinois, which is similar to the experience I have had in Massachusetts. We have one-industry towns, and because of a change in technology the people have been left high and dry on the beach. They have come to Washington to ask us to get for them some sort of assistance. We have not been able to give any assistance to them because we cannot guide the defense contracts to the areas, and have not been able to assist them in any other way. Passage of the bill under consideration is overdue.

I am certainly delighted the Senator is addressing himself to the subject, and I congratulate the Senator for the leadership he has given to this matter in the Committee on Labor and Public Welfare and in the Committee on Banking and Currency. I repeat, passage of the bill is overdue.

Mr. DOUGLAS. The Senator from Massachusetts conducted the hearings in Massachusetts, and, I believe, also in Rhode Island, on the subject we are discussing, to demonstrate the troubles which such towns as Fall River, New Bedford, Lawrence, Woonsocket, and Pawtucket, are having.

Mr. KENNEDY. I received a telegram today from the head of the IUE at Adams, where the Berkshire-Hathaway plant has closed down, which adds an additional 1,000 people to the 17 percent unemployed in that area. Those people are asking for defense contracts.

As the Senator from Illinois is aware, we have not been successful in having defense contracts awarded to distressed areas. Unless the bill under consideration is passed there will be literally nothing we can do for a particular area which is suffering from chronic unemployment, except what can be done with relation to unemployment compensation, or some program like that.

I congratulate the Senator for his leadership in this as well as in other matters.

Mr. DOUGLAS. The Senator from Massachusetts has been a leader in this matter himself, and he does not need to congratulate me.

Mr. KENNEDY. I thank the Senator.

Mr. DOUGLAS. I thank the Senator very much for his comments.

THIS PROGRAM PROVIDES WORK, NOT RELIEF

To label this "a new Federal relief program," as the minority views do, is to raise all sorts of implications which have no relation to the proposals of S. 3683.

S. 3683 is basically a bill to enable the distressed areas to help themselves. It aims by loans on favorable terms to channel a very small part of the new investment of our country into areas where it will produce greatly needed new jobs. Jobs are what they seek, not relief in the sense in which that word is generally understood. And jobs are what S. 3683 is designed to help private enterprises and local redevelopment groups to create in those areas.

THIS BILL IS NOT A HASTY MEASURE

The minority object to passage of S. 3683 on the ground that it is not an anti-recession measure, and does not deserve priority of consideration.

But the bill's supporters have not urged its approval as an antirecession measure or asked any special priority for it.

Legislation along these general lines has now been before the Congress for over 3 years, with extensive hearings. Surely after such a period it is not acting in undue haste to suggest that the time is approriate for Congressional decision now. The existence of the recession, which is confronting many parts of the country with temporary conditions like those which have hit the distressed areas permanently, merely adds to the awareness of the urgent needs we have too long ignored and neglected.

THE MINORITY ARE FATALISTS

Probably the most fundamental objection to S. 3683 stated in the minority views is that deterioration should not be the basis for a decision to develop a community; that after an industry decides to discontinue uneconomic operations in a community, we should not substitute the judgment of the Federal Government for the judgment of our free-enterprise system.

When the heavy costs of such economic fatalism are fully measured, however, I believe we must reject it as any kind of guide to national policy.

As the automobile industry demonstrates today, and as others remind us by their occasional misjudgments and errors, there is nothing sacred about every judgment of a private company. The judgment may benefit—or injure—the company's own economic interest. It may be an advantage of the company, but a great loss to the community. While the company has the freedom, or legal right, to make such a decision, this does not bind the Government to ignore the harmful, human and community consequences of that decision, or the social and human capital which will be made idle by it.

To enthrone as masters over public policy the judgments of private concerns as to their own advantage, or to ignore the distress resulting from dynamic, impersonal economic forces, is to abdicate the powers and responsibilities which I thought all 20th century citizens agreed that this Government has, to serve its people. Surely this carries us back to the days and ways of the distant past when laissez-faire was hallowed doctrine.

The alternative is not, as the minority state it, to have the Federal Government decide the question of redeveloping such communities.

The program in S. 3683 is for the Federal Government to make available its aid in loans, technical assistance and some grants. But this aid can only be extended upon the request of State or local groups. And in most cases, it will also require the willingness of some private enterprise, which glimpses some possible advantage to itself, to launch a new venture with the aid of such a loan.

It is this enlistment of a combination of resources, national and local, governmental and private, that would be the real contribution of S. 3683. The tough

problems of these pockets of unemployment and underemployment require such a marshaling of our economic assets. The Government should not be handcuffed by discredited ancient doctrines in the face of such obvious opportunities to cooperate in meeting the needs of distressed areas.

FEDERAL AS WELL AS STATE AND LOCAL ACTION IS BOTH NECESSARY AND DESIRABLE

The minority views in their conclusion seem to accept the principle of some assistance to distressed areas, despite "the judgment of our free enterprise system" to abandon them. But they laud only State and local efforts to assist these areas and assert that the Federal program will discourage them.

This contention, however, is contrary to the great preponderance of the evidence from these areas themselves, based on their long and frustrating experience. The inadequacy of the resources of these State and local groups, despite manful efforts and many real achievements, is the major factor leading to the urgent appeals for adding Federal help and resources to the local efforts.

This committee and the one which preceded it took testimony virtually all over the country, and in almost every locality the local authorities and local business groups said that while they had been doing their best, they needed the assistance of the Federal Government to make a go of it. Similar testimony was offered in our hearings in Washington. So this is not a question of forcing assistance upon the localities. It is instead a question of providing aid to the localities, to help them when they are not fully able to take care of their own problems.

It is the proven ineffectiveness of past sloganeering about industrialization in low-income farm areas that now results in the push for meaningful Government aids.

Far from discouraging State and local groups, S. 3683 will hold out a new, helping hand to them, which we believe will at long last permit this rebuilding job to be done.

PUBLIC FACILITIES ARE ALSO NECESSARY

The public facilities loan and grant provisions of S. 3683 are also attacked as duplicative and unnecessary.

The grants for public facilities authorized in this bill, may be the only means by which many communities will be enabled to secure the industrial water systems, access roads, or industrial parks necessary to induce new industries to come in. These are the communities which have exhausted their borrowing power and for which neither the existing law nor the provisions of S. 3497—namely, the community facilities bill—therefore promise any aid whatsoever.

At the same time, the majority recognized that loans are to be preferred to grants where the locality can make them, and we therefore set up a parallel lending authority in the Commissioner for Area Redevelopment to cover these specialized public facilities that would have a clear connection with industrial redevelopment. It seemed to us far better from an administrative point of view that the authority over such public facility loans be lodged in the same office as the authority for the closely related industrial loans and the public facilities grants. This would also avoid trying to break into the established pattern of the existing Community Facilities Administration, which has largely concentrated on small towns and in fact has mainly limited its operations to sewer facilities and general water systems.

While the ultimate passage by the House of S. 3497 is still speculative, its Senate sponsors originally claimed there were needs for $2 billion of new lending authority. This was cut back to $1 billion in the Senate. It is difficult therefore to understand how the authorization of $100 million of specialized public facility loans, limited to a smaller maximum of Federal participation—65 percent of the cost of the project—and administered in close conjunction with other area redevelopment aids, can be considered duplicative or unnecessary. On the contrary, this authority in S. 3683 seems essential to any well-rounded well-coordinated redevelopment program.

This concludes my formal address. I wish to thank the various groups and individuals who have cooperated in advancing this bill to its present status. Private citizens have given of their time very lavishly and unselfishly. I cannot thank the Senator from Maine enough, nor the Senator from Alabama [Mr. SPARKMAN], the Senator from Pennsylvania [Mr. CLARK] (whose injury we all deplore), the Senator from Oklahoma [Mr. MONRONEY], the Senator from Maryland [Mr. BEALL], and the Senator from New Jersey [Mr. CASE].

I also wish to express my appreciation to the members of the staffs of various committees, notably Mr. Matthew Hale, of the Senate Banking and Currency Committee, and Mr. James Sundquist, of Senator CLARK's staff.

I wish especially to call attention to the services of two members of my own staff, namely, Mr. Harold Brown, who has devoted himself to this problem for several years with deep devotion and ability, and to my administrative assistant, Mr. Frank McCulloch, one of the most devoted, able, and untiring men in our whole Government, and who is one of the real but unsung heroes.

I cannot adequately express my debt to these gentlemen; and I only hope that the successful enactment of this program may justify their efforts.

Mr. PAYNE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from Maine.

Mr. PAYNE. Before the Senator relinquishes the floor, I should like to commend him for a very fine presentation of the outline of the bill and what it seeks to accomplish. I should like to ask him one or two questions.

The Senator from Illinois understands this problem. He has worked on it for several years. Certainly, if he does not understand it, I am sure that no other Member of this body has an understanding of the merits of this type of legislation.

Is it not true that about 4 years ago the administration itself proposed to the Congress legislation basically similar to that which we are now considering?

Mr. DOUGLAS. The Senator is correct.

Mr. PAYNE. So the problem was recognized by the Department of Commerce; it was recognized by the President of the United States; it was recognized by the Treasury Department; and it was recognized by the Department of Labor. Is that correct?

Mr. DOUGLAS. The Senator is completely correct. I hope he will not object to my saying that the various administrative agencies recognized the problem some months after the Senator from Illinois introduced his initial bill. Nevertheless, they all recognized it at about the same time.

Mr. PAYNE. The Senator from Maine does not object in the slightest to the statement of the Senator from Illinois, because it is true.

What I wish to point out is the fact that in the report there is a comparison of the several bills dealing with this problem. I was obliged to be absent from the Chamber for a few minutes. I am sure the Senator from Illinois has called particular attention to the comparison.

Mr. DOUGLAS. I have done so.

Mr. PAYNE. The closing sentence in the minority views is:

> Instead of attempting to find a real solution to the problems of chronic unemployment, the sponsors of this bill—

Meaning the Senator from Illinois, the junior Senator from Maine, and 38 other Senators—

> have followed the easy but not always wise policy of finding a new channel in which to pour Federal funds.

Is it not true that the proposed legislation sent to Congress by the administration and by the departments which have just been mentioned proposed basically the same fundamental objectives which we have proposed in the particular bill under consideration?

Mr. DOUGLAS. The Senator is correct. That is shown in the so-called administration bill, S. 1433. The comparative columns are shown on pages 49, 50, and 51 of the report. It provided only $50 million.

Mr. PAYNE. Four years later the situation has grown worse.

Mr. DOUGLAS. The Senator is correct. They recognized the problem, but did not provide adequate resources with which to meet it.

Mr. PAYNE. That concludes what I have to say, for the moment, at least, but we shall certainly discuss the subject again on Monday, shortly after the conclusion of the morning hour.

Mr. DOUGLAS. Yes; and I hope that the Senators who are not present this afternoon will read the CONGRESSIONAL RECORD, as most of them do, and will recognize the essential good sense of the bill. I thank the Senator from Maine, and I yield the floor.

FAMILY LIFE A SOURCE OF SPIRITUAL STRENGTH

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. Mr. President, I ask unanimous consent that I may yield to the Senator from South Carolina with the understanding that the Senator's remarks will be printed after the conclusion of my remarks on the bill, and that I shall not lose my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. JOHNSTON of South Carolina. Mr. President, thoughtful people are agreed that the great source of American progress and achievement from its earliest history is the spiritual strength and binding ties growing out of our individual home life. The individual family life, its customs, training and close knit ties have constituted our strength as a Nation. Many of us remember a fine and revered custom which prevailed not so many years ago in the homes throughout our land. At the close of the day and in the evening before retiring, the head of the family would gather the members of his household about him in the parlor for family prayer. Thanks would be returned to the Father of us all for the blessings of the day. His continued grace, love and guidance would be sought for the days ahead. The concept of the family traditions have gradually become out-moded. The erosion of the family ties saddens many of us. A timely editorial was published recently in my home town newspaper—the Spartanburg Herald—on this subject. I commend its reading to the country. It is thought provoking. In the same issue of the paper was published a news account entitled "Parental Neglect Said Great Tragedy," in which are included excerpts from a Lions Club luncheon address delivered by Rev. E. Gil Clary, Jr.

I ask unanimous consent that the editorial from the Spartanburg Herald of May 6, 1958, and the news item from the same issue of that paper be printed at this point in the RECORD.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

CONCEPT OF FAMILY BECOMING OUTMODED?

It may be that the concept of family is going the way of everything else from the good old days.

Is the close circle of love, guidance and warmth at the family hearth being outmoded in this modern day? Are we being so efficient in education and entertainment that the steadying hand of mother and father is no longer needed?

Think to yourself a moment. How many families do you know which have the personal closeness and parental supervision you associate with good family life?

But in your list of friends you will find these:

(1) A family without a home: The residence for this family is just operating headquarters. There one can get food, sleep, television, perhaps a little studying or reading. Almost everything else is somewhere else.

(2) A family without a common interest: Every member of the family has a different group of associations. Everyone has something different to do with different people. Hardly ever are all members of the family at home at the same time. There is no time for family time.

(3) A family without a challenge: No family planning and work to achieve a goal. Every day is taken as it comes. If the family gets together it's accidental.

(4) A reunion family: A Sunday dinner is set aside for attendance by all members of the family. It's a matter of getting together just for the sake of getting together. When duty is done, everyone goes his way with little gained.

You can name some other kinds of families yourself.

Have we come to the point where we should admit that the family circle of yesteryear is relegated to the pages of history?

No.

America has lost something dear in the de-emphasis of warm family life. It can be regained without giving up the wonderful things of modern life which have pulled people away from the family circle.

It's a matter of making family life not a duty and not a task, but a joy beyond a trip to the movies or a night with the boys.

Marion B. Folsom, Secretary of Health, Education and Welfare, has said of the family:

"The well-being of our Nation basically springs from the quality of family life.

"More than any other force or factor in our society, the family group is the fountainhead of individual personality, character, and citizenship. The sense of being one and together, developed in the family circle, brings each of us into a widening circle of concern not only for our fellowmen in the community and the Nation, but for people everywhere."

PARENTAL NEGLECT SAID GREAT TRAGEDY

Underprivileged children are not always youngsters in poor homes or from the other side of the tracks, a minister declared here Monday.

In a substantial number of instances they're the sons and daughters of economic-secure fathers, the Reverend E. Gil Clary, Jr., pastor of Covenant Presbyterian Church, told Lions at their luncheon meeting in Cleveland Hotel.

The blame for this must be placed at the door of parental neglect, he said.

"Not always," he contended, "is the underprivileged child from a poor home or a victim of economic need. In many cases, he has good clothes to wear and good food to eat, but is emotionally starved."

Well-meaning fathers who busy themselves too much with business, professional, social, and even civic affairs to keep in close touch with their children are "losers in one of our greatest tragedies," he said.

"To be a failure as a father is to be one of the greatest of all failures," the minister said.

"A father is much more than a male ancestor or a biological necessity in the bringing of children into the world and their rearing," he cautioned. "Fatherhood brings grave responsibilities. Providing the material things is not enough. There must be understanding and a close bond between a father and his child."

Characterizing neglectful fathers as "dangerous dads," he urged that they give their children counsel, guidance, and attention during their formative years.

"Give your child yourself," he urged.

"Children are our most important crop," he added. "They are more important than our peach crop, our textile industry, and all our business. They are our future."

Lion Sam N. Burts introduced the speaker.

President Jim Adams presented a 10-year perfect-attendance emblem to T. K. Fletcher, Jr., and awarded 5-year perfect-attendance emblems to Ross Holmes and Harry Crow. A special emblem was presented to Dick Hardy, editor of the Lions Den, club bulletin.

Secretary George Ladd's April report showed that during the month Lions bought glasses for 25 needy children and adults, sent five busloads of South Carolina School for Deaf and Blind children to movies, bought 10 season tickets from Spartanburg Music Foundation and gave them to children at the Cedar Spring School, contributed $2,000 for the school's Braille library and gave $200 to the Little League baseball fund for city youngsters.

THE CONSTITUTION

Mr. THURMOND. Mr. President, the foundation of our Government is the Constitution of the United States. I cannot overemphasize the importance of every citizens' knowing that plain fact.

I ask unanimous consent that an editorial discussing this point which appeared in the Allendale County Citizen of Allendale, S. C., on April 25, entitled "Constitution Is Worth Fighting For" be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONSTITUTION IS WORTH FIGHTING FOR

We commented here a few weeks ago about Senator STROM THURMOND'S warning of the dangers which afflict our Constitution. How far the comment went or what people may have been moved by it we do not know. But we do know that there is a great urgency in this Nation for alertness and awareness on the part of the people.

Does it concern you at all that Senator THURMOND, and other men in position to know, are alarmed at the constancy and insistency of attacks on our Nation's Constitution? If it does concern you, what action are you taking to preserve the measures on which our forefathers established a nation?

Do not think that if reform is needed, someone will come forward to accomplish the job. For the preservation and protection of the Constitution concerns no one, if it does not concern you. It is your document, your guarantee of freedom. Your one safeguard against a regimented life in which someone else shall have control of your comings and goings, your action and your thought.

The prison indifference builds holds more than you alone. It holds your children and your children's children for generations to come. A freedom lost is seldom regained without hard struggle or bloodshed.

All of us should be alert to prevent the loss of any freedom because the areas in which men are truly free, in which the individual really counts, are growing smaller daily.

We can lift our voices to let officials of our Government know that we hold precious the principles and tenets of Government laid down by this Nation's forefathers. A people indifferent to its fate is a people already enslaved.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNEMPLOYMENT COMPENSATION

Mr. KENNEDY. Mr. President, one of the most important issues before the Senate is the subject of unemployment compensation. Whether we are in a recession, an economic plateau, or a depression the plain fact is that 7½ percent of our working force is today unemployed, and every day brings additional hardships. In some areas of Massachusetts almost one out of every five workers are unemployed through no fault of their own, and this figure is still growing. For instance, the closing of the Berkshire Hathaway plants in Adams, which was recently announced, add to the 17 percent unemployment in that area an additional 1,000 persons.

This calls for direct and immediate action. One partial solution would be to channel defense contracts into this area. There is already in existence a procedure to do this, and I have repeatedly called attention to it and urged that it be used. So far, however, all I have gotten is reports showing a business-as-usual philosophy in a situation which demands prompt and immediate action. Although the Department of Defense has shown some concern with the problem, I have, quite frankly, been disappointed with the results. For instance, Adams, which was officially listed as an area of substantial labor surplus has had a total of $49,000 in contracts awarded between July 1957 and the end of March 1958. At least as much would probably have been awarded even if it had not been designated an "area of substantial labor surplus."

A second, at least partial solution to the economic problems faced by the unemployed would be the enactment of a satisfactory unemployment compensation law. The Senate Finance Committee opens hearings upon this next Tuesday.

One approach is contained in S. 3244, which I have introduced with 17 cosponsors, Messrs. CLARK, MCNAMARA, MANSFIELD, MURRAY, PROXMIRE, DOUGLAS, GREEN, NEUBERGER, HUMPHREY, MORSE, JACKSON, CARROLL, CHAVEZ, PAYNE, PASTORE, KEFAUVER, and MAGNUSON.

The other approach is contained in H. R. 12065, passed by the other body and popularly known as the administration's bill. I cannot understand this label; I cannot understand why the White House embraces this emasculated measure as its own. I cannot understand why the minority leader considers this bill, as passed by the House, as representing the administration's program.

The original administration bill offered a weak, ineffective solution to the present shortcomings of unemployment insurance. H. R. 12065 offers no solution whatsoever. Any resemblance between the two is one of form, not substance.

The Senate cannot fulfill its responsibility to the more than 5 million unemployed, their families, and their communities, by approving this meaningless bill that offers only the pretense of concern and actual help.

Let us look briefly at the provisions of H. R. 12065, and ask ourselves why it is considered to be the administration's bill.

The President in his message asked Congress for a bill extending benefits in each State for a flat 50 percent of the existing benefit period. Where 26 weeks is the existing standard, it would during the emergency become 39 weeks. Where 6 weeks is the standard, it would become 9 weeks. But under H. R. 12065, this minimum has become a maximum, the standard is gone. A participating State may extend the benefit period for any length it desires—1 day or 1 week, 5 percent or 20 percent—so long as it does not extend it more than 50 percent. This is a complete distortion of the President's proposal. I fail to understand how he can take such satisfaction in the House action.

The President in his message asked Congress for a supplemental program in which each State would automatically participate. Unemployed workers in even these States reluctant or constitutionally unable to enter into agreements would receive Federal supplementary benefits for the emergency. But under H. R. 12065, only those States so requesting can participate. Some may have no wish to accept this plan, with its harsh repayment provisions, even though their workers are in desperate need. Others may be prohibited by their constitutions from participating. But even in those States willing and able to receive Federal benefits and repay them later, will the Governor or Employment Security Administration take such a step—obligating the revenues of the State or of the employers, to repay funds accepted for benefits not now granted by State law—without prior legislative approval? How many legislatures are now meeting to consider such a request? How many, if they are meeting, or can be summoned, will approve it, considering how little it offers on such harsh terms? And if the legislatures must meet and act, what time are we saving by rushing this through instead of permanent standards—why cannot most legislatures just as easily extend their own time period and use the funds now frozen in the State unemployment reserves? If that reserve is too low, the Reed loan fund enacted in 1954 is already available for exactly this kind of loan.

In short, what have we in the Congress accomplished by passing a bill that permits each State legislature, if it so wishes, to use its own money or credit to extend the benefit period by anywhere from 1 to 50 percent—all of which it can do now anyway? This is hardly the original Eisenhower proposal.

The President has long urged Congress to extend coverage to shops of one or more employees, instead of four or more under the present law. This bill does nothing about that request.

The President has in the past favored the concept of a uniform duration period. This bill abandons that concept.

The President has long urged improving permanent State standards for benefit levels—a minimum of one-half the worker's wage, up to a maximum of two-thirds the average State wage—benefit periods and eligibility requirements. This bill ignores those problems and discourages action on them by the States.

In short, the so-called Eisenhower program is neither Mr. Eisenhower's program nor a program. Unlike S. 3244, it would do absolutely nothing for the workers who are unemployed today. They would receive no benefits due to coverage and no benefits due to unreasonable disqualification, but would receive a benefit so small that their families could not subsist on it; and there would be practically nothing for those who have exhausted their benefit rights. For, even if their States participate, which is doubtful, the increase in their benefit period is not only uncertain, but strictly limited. Workers now eligible for only a 6-week period could, at most, receive another 3 weeks. Workers now eligible for 26 weeks could receive another 13 weeks. But, in the State's discretion, they could receive any lesser amount down to 1 day.

That is why, Mr. President, I consider the bill a sham, misleading to Congress, and, I think, misleading to the President. That is why I intend to give the Senate an opportunity to vote on some effective alternatives.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield to the Senator from New York, who I know is greatly interested in this problem.

Mr. JAVITS. First, I think we are all pleased that, at least, we shall have a chance to act on this matter. I concur in the views of the distinguished Senator from Massachusetts about the very serious inadequacies of the bill which has come from the other body, which I dearly love, having served there, but which, nevertheless, we must be fair in appraising, in the national interest, in terms of this measure.

With typical fairness, the Senator from Massachusetts has pointed out that the bill does not represent the President's program either. We will have a chance to act on it, and I am confident that Senators having similar objectives will find a ground of common agreement.

I should like to see if we cannot spell out for our colleagues as much of a measure of agreement as possible in this particular field of legislation.

I notice, first, with great respect for the Senator's bill, which has a very large number of sponsors, that he, too, so far as the fundamental proposition of his own bill is concerned, would extend the law for the benefit of those who have exhausted their benefits under State law, but who are eligible under State law. Is that correct?

Mr. KENNEDY. Yes.

Mr. JAVITS. We have to take it that far.

Mr. KENNEDY. I may say, in passing, that three-fourths of the Members of the Senate who are now in the Chamber are sponsors of the bill.

Mr. JAVITS. The next point is that the Senator's bill provides enough addi-

tional weeks for a total standard duration of 39 weeks.

I remind the Senate that the bill sponsored by another Senator who is present, the Senator from Maine [Mr. PAYNE], and myself, together with six others of our colleagues on this side of the aisle, S. 3446, proposes to continue benefits throughout 1958 on an emergency basis, and therefore without regard to the 39-week period. Perhaps in some cases it would be more than 39 weeks.

Does the Senator from Massachusetts have any opinion as to whether it would be better to adopt his view, or whether we should approach the matter on a sort of emergency basis and take it through the end of the year, regardless of what might be the standard in a State, or even a State standard of 39 weeks?

Mr. KENNEDY. Under any bill which may be passed by the Senate providing for permanent minimum standards the time for the standards to go into effect will be the same. So I think the bill we originally introduced made some allowance for the time up to 1959. I agree that what the Senator has suggested should be a part of any bill which is passed.

Mr. JAVITS. My last question relates to loans and grants.

Our bill, the bill which was offered by the Senator from New Jersey [Mr. CASE], in which a number of Senators have joined, is also based upon grants, as is the bill offered by the Senator from Massachusetts. I state this so that our colleagues will be looking into it. It is something which ought to be called to their attention.

I think we are on the soundest possible ground on the grant level, because there is a very trying legal question as to the authority of the States to commit themselves on a loan basis, except as such State action is permitted by the State constitution; and this would represent a negation of the reason why we are providing a Federal extension of unemployment compensation.

Theoretically, at least, every State could borrow money to take care of its unemployment. It could amend its constitution. Many States have large reserves. That is true of New York. Very few States do not have reserves. So to have the Federal Government step in would be on a disaster basis. We are stepping in for reasons of disaster. The Federal Government has made disaster loans in other cases. The path for getting help to the people who need it as promptly as possible is through grants.

So I ask the Senator from Massachusetts, who has given the question great study—and I know he is just as much concerned about finance as is anyone else—if he feels that any legal way has been developed in his State for instance, which could enable us, somehow, to provide a basis for loans without having a roadblock thrown in the way by State laws or State constitutions, which would prevent us from realizing our objective.

Mr. KENNEDY. I must say that I really do not feel the loan program offers any hope of a solution to the problem for people who have exhausted their benefits. What I am concerned about is having the Federal Government make an appropriation of almost a billion dollars to people who desperately need it at a time when all the States combined have reserves of more than $8 billion.

New York and Massachusetts have substantial trust funds and are in a position to assist people who are in trouble. They are already in a position to seek loans.

First, I hope we shall be able to do something to improve the bill which came from the House, but that we will not pass a bill which provides for a $1 billion expenditure by the Federal Government at a time when the States have great resources, without at the same time insuring over the long run proper State participation in the program. I do not think we should simply provide for the giving away of a billion dollars, even though it is needed, without putting on it a price tag which will require the States to do something which, unfortunately, was not written into the law in the 1930's. If we do not do this, I think we will miss a golden opportunity to bring about a needed reform.

If we simply provide a billion dollars in grants, from then on the States will be reluctant to do anything. From then on they will look to the Federal Government to take the lead in matters of this kind. I think we should not do something to defeat the whole program. We ought to tie some standards to the billion dollars, because I think otherwise we will have got the worst of the bargain, we will have given away a billion dollars without requiring the States to meet their own responsibilities.

Mr. JAVITS. In objective, we thoroughly agree. That is why I like the approach which has been taken in the bill to which I have referred, because it limits everything to the end of the year and treats it strictly on a disaster basis.

Mr. KENNEDY. I know of the Senator's concern that the whole program may bog down; particularly if we are to provide the money on the basis of a grant, I think we in the Senate should do our utmost to make certain that the States are required to adopt minimum standards, as they are required to do in the case of minimum wages and other Federal programs.

Mr. JAVITS. I may say to the Senator from Massachusetts, to show how uncertain things are, that this was exactly the force of the argument he made about the pension and welfare fund bill, when he was pleading for the point that we should let the bill pass without amendment, and then to take up the amendments in the committee.

Mr. KENNEDY. I like to keep agreeing with the Senator, and I have up to this point. But I was then talking about amendments which were not germane to the issue. In this instance, I am talking about an issue which is tremendously germane. In the case of the pension and welfare bill, we would have passed a bill which would have eliminated the level-of-benefit plans. But I would not attach a minimum-wage bill to this bill.

The Senator from New York and the Senator from Maine [Mr. PAYNE] are cosponsors of both bills. I am hopeful that we who are interested in the problem will come to some common agreement. But if we are going to give a billion dollars to the people in the States, we should insist that the State governments provide minimum standards.

Mr. JAVITS. I hope that between now and the time when we pass a bill, we may agree on some better technique than we have up until now. But so far, the best any of us have thought of has been limited grants.

I thank the Senator from Massachusetts.

Mr. PAYNE. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. PAYNE. This is an interesting discussion, of course; and it could be carried on for a long time. As the Senator from Massachusetts knows, I have been very much interested in this matter as, of course, has the Senator from New York.

The bill which I joined the Senator from New Jersey [Mr. CASE] in sponsoring—the Senator from New Jersey was the one who introduced the bill, and it was sponsored also by the Senator from New York [Mr. JAVITS] and other Senators—has to do with the immediate problem of taking care of those who have exhausted their benefits and who are waiting and hoping and praying that something can be worked out, so that those who want to work and are able to work, and who at this time cannot find jobs, may be assured that some arrangement has been made to take them over this "brink" at the present time.

The bill which has been introduced by the Senator from Massachusetts [Mr. KENNEDY] of course embraces far more than that; not only does it embrace this temporary proposition, but it also embraces the establishment of criteria on a long-range basis, so as to require the States to adopt certain basic minimums. The President has, of course, for some period of time requested that; and the Senator from Massachusetts mentioned it—namely, in order to see that some maximum-minimum standards are established as regards the percentage of earnings which can be paid in the form of benefits, and so forth.

It may be necessary—and I am working on this matter—to give consideration to the problem which may concern some of the States; namely, that perhaps a moratorium period should be arranged for, so that any grants or loans made available should be provided in such a way that unless the States met a certain standard within a certain period of time, they would be required to repay to the Federal Treasury the moneys which had been advanced in order to help their unemployed. I think that is only fair; and I agree with the Senator from Massachusetts that some action must be taken if we are to encourage the States to raise their standards.

Of course the argument of States rights will be advanced. But if those who make that argument examine the statute books, they will find that the Social Security Act, which established the unemployment compensation law,

and enabled the States to go into this field, embraced not only unemployment compensation, but also aid to the blind, aid to dependent children, aid to the aged, and aid of 1 or 2 other categories.

Mr. KENNEDY. Mr. President, the Senator from Maine should not discuss States rights at the same time he is discussing the appropriation of $1 billion of Federal Government funds for this purpose, because the State programs have been inadequate. That is the problem.

This program is set up under the direction of the Federal Government. The Federal Government is the one which allows the States to apply their tax credits against the Federal tax in this area. So I believe the Federal Government has a perfect right to insist that the States meet minimum standards. After all, the program is a nationwide one. The 7½ percent applies almost nationwide; this problem does not stop at State borders.

So I believe the idea that this is a problem of the States, not of the Federal Government, was negated by the Employment Act of 1946 and by all other acts of Congress in that field since then. It is recognized that unemployment is a national problem.

The fact that the unemployment problem is being discussed today in Congress, in connection with a proposal to have the Federal Government provide $1 billion for the relief of those who are unemployed, shows how nationwide it is.

In our consideration of the problem of providing for the 5 million Americans who at the present time are unemployed, not only are we considering the question of providing sufficient unemployment relief for those who are eligible to receive such benefits, but we are also considering the question which is presented by the 1½ million unemployed who at this time are not covered by unemployment compensation because they do not meet the eligibility requirements. We must also do something about the 4,500,000 who also are out of work, but are not receiving adequate benefits or are suffering from other shortcomings of the present program.

Mr. PAYNE. Let me say that I join my colleagues in expressing the hope that the Senate Finance Committee will go into this matter thoroughly, and will arrive at an answer to the present problem, and also will arrive at a means of getting the States into line, so that uniform standards will at least be established. I also join my colleagues in expressing the hope that the States will comply with the standards within a reasonable period of time.

Mr. KENNEDY. Mr. President, the Senator from Maine has stated the problem exactly, and I thank him very much.

ADJOURNMENT TO MONDAY

Mr. PAYNE. Mr. President, if no Member of the Senate desires to address the Senate at this time, then, in accordance with the order previously entered, I move that the Senate adjourn until Monday next at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 5 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Monday, May 12, 1958, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 8, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Hebrews 13: 1: *Let brotherly love continue.*

Almighty God, humbly and penitently we are uniting our hearts in the fellowship of prayer, seeking together those blessings which none can ever find or enjoy alone.

Thou knowest how greatly we need Thee, Thy presence to purify, Thy light to lead, and Thy love to transfigure us, for we so frequently walk the ways of doubt, of denial, and disillusionment.

We earnestly beseech Thee to take away from us all selfishness, all pride, all indifference, and everything that prevents us from entering into an intimate communion with Thy spirit.

Grant that we may be eager to enthrone Thy love in our minds and hearts and labor to have Thy will done on earth as it is done in Heaven.

To Thy name we ascribe all the praise. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 3604. An act to amend section 831 of title 5 of the Canal Zone Code to make it a felony to injure or destroy works, property, or material of communication, power, lighting, control, or signal lines, stations, or systems, and for other purposes;

H. R. 7568. An act to amend the District of Columbia Police and Firemen's Salary Act of 1953 to provide that service in the grade of inspector and the grade of private in the Fire Department of the District of Columbia shall be deemed to be service in the same grade for the purpose of longevity increases; and

H. R. 12009. An act to amend Public Law 85-162 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7300. An act to amend section 15 of the District of Columbia Alcoholic Beverage Control Act.

The message also announced that the Senate had passed a bill and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 3051. An act to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes; and

S. J. Res. 167. Joint resolution directing the Commissioners of the District of Columbia to cause a study to be made of all factors involved in the construction of a heliport within the District of Columbia.

BIRTHDAY CONGRATULATIONS TO FORMER PRESIDENT TRUMAN

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, the history of the past 25 years, as well as the foreseeable years ahead, will constitute one of the most interesting periods in the known history of man. Many figures, constructive and destructive, will appear upon those pages of history.

One of the outstanding persons on the constructive side will be former President Harry S. Truman. He will go down in history as one of our great Presidents.

In every public office he held, from precinct worker to President, he performed his duty with ability, devotion, and courage. Every night in the White House or the Blair House he would do his homework, studying, analyzing, digging in, so to speak, to make the serious and important decisions he made. The Free World admired him as a man of courage; the Communists throughout the world feared him. The world knew that he made his own decisions and that he meant them.

Today, on his 74th birthday anniversary I extend to former President Truman my congratulations and best wishes that he may enjoy many future anniversaries, and that God will bestow upon him and Mrs. Truman His choicest blessings for countless years to come.

HON. HARRY S TRUMAN

Mr. CHRISTOPHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CHRISTOPHER. Mr. Speaker, I sought this time to remind the Members of the House of Representatives that this is the 74th birthday of that great and courageous former President of the United States, Harry S Truman.

No matter how much your views might differ with those of President Truman, when you asked him a question you received a concise and definite answer that was open to but one interpretation. In other words, he said what he meant and he meant what he said.

When Harry Truman turned the direction of the executive branch of the

Federal Government over to the present administration, steel production was 54 percent higher than it is today, freight car loadings were 40 percent higher than they are today, unemployment was less than 30 percent of what it is today, agricultural prices were at 100 percent of parity for the 11 consecutive years, the interest on the national debt was more than $1 billion less than it is today, and the cost of living was 9.2 percent less than it is today.

Harry S Truman will go down in history as one of our greatest American Presidents—the man from Missouri whose life has always been and still is dedicated to the service of the common people of this Nation.

The SPEAKER. Without objection, other Members may extend their remarks at this point in the RECORD on this subject.

There was no objection.

Mr. PRICE. Mr. Speaker, I join the distinguished majority leader [Mr. McCORMACK] in extending best wishes and sincere congratulations to the former President of the United States, Harry S Truman, on his 74th birthday.

The day brings to my mind the courage and wisdom of former President Truman in one of the most troublesome periods in the Nation's history. It seemed that God had given to the United States at the right time a strong leader who was quick to act when the security of his country was threatened. Certainly, Harry Truman must have sought divine guidance in his most difficult hours for subsequent events have proven that he was always right in the major decisions he was called upon to make.

We need no research to recall the most important of President Truman's decisions, all of which will place him in history as a great and strong President. Any tendency on his part to vacillate and delay decision in any one of the critical situations that faced him may have meant more nations that are today in the Free World would today be Communist dominated.

His quick and correct decisions on the Berlin airlift, Greek-Turkish aid, development of the H-bomb, and his vigorous leadership in supporting the Marshall plan and the creation of NATO are keystones in his aggressive action to hold the Free World together and halt Communist aggression.

Because he has sometimes been criticized by uninformed and unthinking people for the dropping of the first atomic bomb on Hiroshima, I would like to set the record straight by including with my remarks a letter on that subject which I recently received from Mr. Truman. It follows:

INDEPENDENCE MO., *April 4, 1958.*

Hon. MELVIN PRICE,
House of Representatives,
Washington, D. C.

DEAR MEL: In reply to your letter of March 29, a message, in the form of an ultimatum, asking the Japanese to surrender under our terms was sent from Potsdam signed by Churchill, Chiang Kai-shek, and me. We received only a very discourteous reply.

Japan had 2 million men under arms at that time, all of whom were ready to die for their Emperor. With her refusal to surrender, it was necessary to go ahead with our program for the destruction of those Japanese cities engaged wholly in war work.

After the bombing and the Japanese surrender, we left the Emperor as the head of state, because only he could make the troops in the field lay down their arms.

Had we tried to land in Japan, we undoubtedly would have lost at least 250,000 men on our side with a half-million more disabled for life. The same losses, and perhaps more, would have been sustained by the Japanese.

The atomic bombs ended the war, and that is the most important thing under consideration. The people now reviving the controversy have forgotten about Pearl Harbor, the Bataan march and the treatment received at the hands of the Japanese by American prisoners of war.

It is too bad that people have such short memories.

Sincerely yours,

HARRY S TRUMAN.

COMMITTEE ON RULES: PERMISSION TO FILE REPORTS

Mr. DELANEY. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tomorrow night to file reports.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

STATE, JUSTICE, JUDICIARY APPROPRIATION BILL, 1959

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow, Friday, to file a report on the bill making appropriations for the Departments of State and Justice, the Judiciary, and related agencies.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOW. Mr. Speaker, I reserve all points of order on the bill.

ADDITIONAL JUDGE FOR THE JUVENILE COURT OF THE DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7785) to provide for the appointment of an additional judge for the Juvenile Court of the District of Columbia, with Senate amendments, disagree to the amendments of the Senate and request a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. ABERNETHY, DAVIS of Georgia, DOWDY, O'HARA of Minnesota, and ALLEN of California.

AMENDING SECTION 15 OF THE DISTRICT OF COLUMBIA ALCOHOLIC BEVERAGE CONTROL ACT

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7300) to amend section 15 of the District of Columbia Alcoholic Beverage Control Act, with Senate amendments thereto, and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 23, strike out "In" and insert "Nothing contained in this section shall be construed as entitling a license to any preferential treatment or be construed as making inapplicable any provision in any other section of this act, in."

Page 3, line 9, strike out all after "filed." down to and including "act." in line 12.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

POLITICS DELAYING PAY RAISE

Mr. PELLY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, both the House and the other branch of Congress have passed legislation to give a long overdue pay raise to the postal workers and it seems to me the membership of both bodies has a right to expect an agreement to be worked out within a reasonable time by their conferees. However, there has been, what appears to be, deliberate delay and at the meetings—when they are held—from what one hears, there seems to be a lack of sincere disposition to achieve agreement.

Frankly, it looks as if some politics is depriving our deserving postal workers of a raise and in turn this affects a pay adjustment to all Federal classified employees. In a conference, each dissenter is expected to compromise a little. Obviously, in this instance there are honest differences of viewpoint—but an equitable compromise should not take long, and certainly no one was fooled last year when the matter was held up so that there would be no time before adjournment of Congress to override the expected Presidential veto.

Congress has declared a pay increase bill should be enacted and I, for one, protest the dilatory way in which the conferees apparently have acted. I do not often express partisan criticism, but certainly the responsibility falls squarely on the leaders of the Party that controls Congress and its committees.

Maybe, if the employees would write the majority leadership of both Houses, they would get some action. Some time ago, I signed a joint letter to the leader of the other body protesting the delay of the conferees in considering the postal pay raise legislation. As I understand it, this letter was not cordially received. Some mail from voters all over the country to those responsible for our legislative programs, however, might be more effective.

STORY OF FREE ENTERPRISE

Mr. ALGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, editorially, Maxwell Droke, in Quote magazine, summed up our economic picture accurately and succinctly. Let me share some of his thoughts:

In deep-sea diving we encounter a condition termed "the bends," * * * a consequence of bringing a submerged individual to the surface so rapidly his body cannot properly adjust to varying atmospheric pressures.

In the economic world we have a development that might be called "the overs" * * * a penalty we pay for moving too rapidly. When times are good—business booming—we overexpand, overproduce, overspend, overestimate.

* * * when our economic excesses have brought us to a periodic pause, we turn with childish credulity to a benevolent government. * * * One of the persistent fallacies of a democratic people is their implicit faith in the power of a government to repeal economic law. But all any administration can do for the pains of overexpansion is to administer soothing syrup—and wait for nature to take her course. No government in a democratic society has ever cured a depression—or, for that matter, caused one to develop. It is the actions of a collective citizenry that lead us alternately from bustle and boom to glut and gloom.

A government can, in some limited degree, make work for idle hands—providing a sort of dignified dole. But it cannot create a demand for goods and services where there is satiation and surplus. For that we shall have to await the processes of natural growth and normal demand.

The only alternative is a completely controlled economy. Then, in theory, the Government could regulate our output. But that course would doom production for profit. After 40 years of dubious dabbling, the Russians haven't made that idea work very well. Now, reluctantly, they are turning toward an incentive economy.

ARBITRATION OF CONFISCATED PROPERTIES IN ARGENTINA

Mr. MORANO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MORANO. Mr. Speaker, one of the biggest problems facing Dr. Frondizi's government is to correct the deep-seated inequity in the Argentine economy.

The regime of Juan Perón reduced the economy of Argentina to a shambles. Private enterprise succumbed to the edicts of the dictatorial government. The properties of foreign companies operating in Argentina were confiscated. The nationalization of foreign businesses included the American & Foreign Power Co., an American firm, operating a public utility in that country.

The preceding provisional government of Maj. Gen. Pedro Eugenio Aramburu and the present Argentine Government have taken steps to bring about an amicable settlement with the American firm. The question to be resolved is the fair settlement on the evaluation of the property.

The Argentines are to be complimented for the reestablishment of democratic procedures of fair play. In order to expedite the final settlement of this issue, I urge that a board of arbitration consisting of representatives of the International Bank for Reconstruction and Development—World Bank—or of representatives of the Organization of American States be accepted by both sides to determine a fair and equitable value on the confiscated properties. The early settlement of this controversy by an impartial body will solidify the relations between the United States and Argentina, and also encourage American and foreign investments in a reconstituted democratic American republic.

EXTENSION OF TRUAX FIELD RUNWAY

Mr. TEWES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. TEWES. Mr. Speaker, on Monday, a United States Air Force pilot, Lt. Gerald C. Stull, plunged his crippled plane into Lake Monona at Madison, Wis., in order to avoid crashing into a heavily populated area of the city. He paid with his life for that heroism. He was forced to make his approach to his base over the populated area because the Air Force has refused extension of the Truax Field runway for which I have pleaded ever since my arrival in Congress.

Last year, in a letter to the Air Force on the Truax runway extension, I said:

It is my firm belief that a tragic accident would result in instantaneous remedies. I believe the same urgency is present now.

That tragic accident occurred this week. Only a 26-year-old flyer's heroism prevented it from becoming mass disaster. Now is the time for the remedies that he proved are needed—proved with his life.

The entire city of Madison, led by its outstanding newspaper, the Wisconsin State Journal, is indicating its gratitude to this brave pilot by contributions to a trust fund for his 2-month-old son. I join the citizens of Madison in offering condolences to his widow. I have contacted the Air Force regarding a posthumous award for his courage and sacrifice.

But this is not enough. Condolences, trust funds, and medals will not keep the next crippled plane over Madison in the air 1 extra second.

I take no pride in my prediction that a tragedy would galvanize the Air Force into action. Nonetheless, I hope the prediction now will come true.

A QUINQUENNIAL CENSUS

Mr. UDALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, the need for accurate population figures was realized early by the founders of our Government, and the first Federal census was taken in 1790. In the nearly 170 years since, the value of the information provided by this periodic count of population, agriculture, industry, business, and so forth, has increased many times. However, we are still conducting the population census only every 10 years. I believe this interval is too long when we consider the pace of our society and its explosive growth.

Today I have introduced a bill which would provide for a census every 5 years. This is a step taken in 1925 for agriculture, and which, I hope, will be taken by Congress for population, unemployment, and housing as well.

I would explain, for the benefit of my colleagues who are personally concerned, that this bill does not change the present reapportionment of Congressional seats which now occurs after each 10-year census.

METHOD OF COMPUTING BASIC PAY FOR OFFICERS AND ENLISTED MEMBERS OF THE UNIFORMED SERVICES

Mr. KILDAY submitted a conference report and statement on the bill (H. R. 11470) to adjust the method of computing basic pay for officers and enlisted members of the uniformed services, to provide proficiency pay for enlisted members thereof, and for other purposes.

PENSIONS TO WIDOWS AND FORMER WIDOWS OF CERTAIN WAR VETERANS

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 358) to increase the monthly rates of pension payable to widows and former widows of deceased veterans of the Spanish-American War, Civil War, Indian war, and Mexican War, and provide pensions to widows of veterans who served in the military or naval forces of the Confederate States of America during the Civil War, with Senate amendments thereto, and concur in the Senate amendment to the text of the bill with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert "That the Veterans' Benefit Act of 1957 (Public Law 85-56) is amended:

"(1) In section 431, strike out the figure '$52.50' and insert the figure '$65.'

"(2) In subsection 432 (a), strike out the figure '$54.18' and insert the figure '$65', and strike out the figure '$67.73' and insert the figure '$75.'

"(3) Section 432 is amended by adding at the end thereof the following new subsection:

"'(e) For the purpose of this section and section 433, the term "veteran" includes a person who served in the military or naval forces of the Confederate States of America during the Civil War, and the term "active, military or naval service" includes active service in such forces.'

"(4) In section 433, strike out the figure '$48.77' and insert the figure '$73.13.'

"(5) In subsection 434 (a), strike out the figure '$54.18' and insert the figure '$65', and strike out the figure '$67.73' and insert the figure '$75'.

"(6) In section 435, strike out the figure '$48.77' and insert the figure '$73.13.'

"(7) In subsection 436 (a), strike out the figure '$54.18' and insert the figure '$65', and strike out the figure '$67.73' and insert the figure '$75.'

"(8) In section 437, strike out the figure '$62.31' and insert the figure '$73.13.'

"SEC. 2. This act shall be effective from the first day of the second calendar month following its enactment."

Amend the title so as to read: "An act to increase the monthly rates of pension payable to widows and former widows of deceased veterans of the Spanish-American War, Civil War, Indian war, Mexican War, and provide pensions to widows of veterans who served in the military or naval forces of the Confederate States of America during the Civil War."

The SPEAKER. The Clerk will report the motion of the gentleman from Texas [Mr. TEAGUE].

The Clerk read as follows:

Mr. TEAGUE of Texas moves to concur in the Senate amendment to the text of the bill with an amendment, as follows:

On page 2 of the Senate engrossed amendment to the text, immediately below line 12, insert the following:

"(9) Immediately above section 411, insert the following:

"'CONFEDERATE FORCES VETERANS

"'SEC. 410. The Administrator shall pay to each person who served in the military or naval forces of the Confederate States of America during the Civil War a monthly pension in the same amounts and subject to the same conditions as would have been applicable to such person under the laws in effect on December 31, 1957, if his service in such forces had been service in the military or naval service of the United States.'"

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mrs. ROGERS of Massachusetts. Mr. Speaker, reserving the right to object, and I shall not object because I very much approve of this measure, will the gentleman explain it to the House, as certain Members have asked me about it?

Mr. TEAGUE of Texas. Mr. Speaker, H. R. 358, as passed by the House on May 6, 1957, provided for a flat pension of $75 a month to all widows of the Spanish-American War, with proportionate increases for children. The rates at the present time are $54.18 and $67.73, the latter rate applying only to those widows who were the wife of the veteran during his period of service.

The Senate has amended the bill to include not only the widows of the Spanish-American War but also the widows of the Civil, Indian and Mexican Wars. In addition, it has added the unique feature, which I am happy to support, of authorizing for the first time a payment of pension to widows of veterans who served in the military or naval forces of the Confederate States of America during the Civil War, which some of us might refer to as the late unpleasantness. In this connection, it is noted that 2,600,000 Union veterans and 600,000 Confederate veterans served during the Civil War, and of that number, approximately 4,000 widows of Union veterans still remain. It is estimated that 1,000 widows of Confederate veterans would possibly qualify for benefits, the cost of which would be approximately $750,000.

In this connection, the amendment which I have offered seeks to provide for the payment of pension to the remaining Confederate veterans, two in number, both of whom are above 100 years of age. The rate would be that enjoyed by the last Union veteran of the Civil War, $101.59 a month.

At the present time there are 84,300 Spanish War widows on the rolls, about 4,000 of which were the wife of the veteran during his period of service. As I have indicated, 4,000 Civil War widows remain, and of the Indian war there are approximately 1,000 widows. In the war with Mexico of 1845, 7 widows remain, 3 of these on the private pension rolls.

The cost of the bill as passed by the House was estimated at $22 million. The reductions provided by the Senate amendment of setting a rate of $65 in lieu of the present $54.18 rate, and $75 in lieu of the present $67.73, reduces the cost of the bill to approximately $12 million.

I want to take this opportunity, Mr. Speaker, to compliment the United Spanish-American War Veterans and its auxiliary for the part which they have played in the passage of this legislation. I am sure that I speak for all of the members of the Committee on Veterans' Affairs and I believe for most, if not all, of the Members of Congress when I say that uniformly we have had very pleasant relationships with this organization. Their method of urging attention on their mandates is in sharp contrast to the methods used by some other groups in an effort to get Congress to pass a particular bill. Last week the national commander of the United Spanish-American War Veterans paid a visit to the office of the committee to express his appreciation for our activities in behalf of this legislation. That action on Dr. Orris Jackson's part was, in itself, unusual. Mrs. Hattie B. Trazenfeld and others in the Washington office have cooperated greatly with the committee and with the Congress in the consideration of this legislation. They have set an example that many other groups could do well to follow.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I agree with the view of the gentleman from Texas [Mr. TEAGUE], chairman of the committee, that we should concur in the amendments of the Senate to H. R. 358. I have no objection either to the small liberalizing amendment which he has proposed to include the last two remaining Confederate veterans.

The bill as passed by the House provides for a flat $75 pension for widows of the Spanish War in lieu of the existing pension of $54.18, or $67.73, if the widow was the wife of a veteran during his service. In lieu of this flat rate the Senate has set two rates of $65 for those who now receive $54.18, and $75 for those who now receive $67.73. While not as generous as the House version it does represent a substantial step forward, and as I understand it carries the endorsement of the Spanish War organization.

The Senate amendment also amended the bill to include widows of the Mexican War, of which only four remain, as well as widows of the Civil and Indian Wars. It also added coverage for the first time for Confederate widows.

I am happpy to support the chairman in his motion.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The motion to concur in the Senate amendment to the text of the bill with an amendment was agreed to.

The Senate amendment to the title was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, when I came to this body in the 81st Congress I was 1 of 4 Members who were veterans of the war with Spain. As the years rolled on and I became the last veteran here of a war of six decades ago, I felt a responsibility to my comrades who were gone and to their widows who remained that in conscience and in honor I could not fail to discharge to the best of my ability. I shall ever be grateful to the leadership and the membership on both sides of the aisle for the unanimity with which they gave support to the long, hard fight, extending over three Congresses, to lighten in some measure the remaining days of the Spanish War widows. There will come the time when there will be but 1 veteran of World War I remaining in this Chamber and at a later time perhaps only 1 veteran remaining of World War II. I hope and pray that they will find in their association with the younger Members of those future Congresses the same warm understanding that you in friendship have accorded to the last veteran of the war with Spain.

It was 1 year this May that the House unanimously passed H. R. 358, which I had introduced by request of the United Spanish War Veterans. It provided for

an increase in the Spanish widows pension from $54.18 a month to $75 a month. The plight of these widows, all well on the western slope of life, struggling to exist on a pittance of $54.18 a month, was piteous. In the legislative program of the United Spanish War Veterans nothing was asked of the Congress for the veterans themselves. All that they asked was that the widows of their comrades who had passed on might get some relief from a condition almost unbearable. In the 83d Congress and again in the 84th Congress this body unanimously had passed a similar measure, only in each instance to have it die in the other body. Again in May of 1957 we in the House passed the bill to increase the Spanish War widows pension, and there followed a year of nervous uncertainty, of waiting and of hoping. But last week the other body acted and now all that remains is for the House to accept the amendments and the bill will be speeded on its way to the White House.

I join with the distinguished chairman of the Committee on Veterans' Affairs and with the legislative committee of the United Spanish War Veterans in urging the acceptance of the amendments. I regret that the increased pension for widows who were not married to the veteran during the period of the Spanish-American War is by the amendment put at $65 a month instead of $75 a month as fixed in the bill passed by the House, but I am realistic enough to accept that which is certain rather than to gamble for something with the probability of losing everything.

The bill as amended will raise the pension of the Spanish War widow who was the wife of the Spanish War veteran during the period of the war to $75 a month. There are some 4,000 of such widows. The number is amazingly large, considering that the war with Spain started in 1898. At breakfast this morning I learned from our colleague, the distinguished gentleman from Pennsylvania [Mr. HOLLAND], that he has a beloved aunt who is one of these widows.

There are some 80,000 Spanish War widows who were married to Spanish War veterans after the close of the war period. Their pension will be $65 a month. This means an increase of almost $11. I had wished to make it $75 a month, but if $65 is the best figure that we can get through both bodies, and that I am convinced is the case, I with all other Spanish War veterans will accept the figure, knowing how much an increase even of only $11 a month can mean to an old woman heroically struggling to keep body and soul together on a pittance of $54.18.

Now, Mr. Speaker, I come in a spirit of enthusiastic approval to another amendment. This amendment extends the benefit of the increased pension to Indian war widows, of whom there are 1,000, and to the widows of men who served in the War of the States both on the northern and on the southern side. There are some 4,000 Civil War widows now on the pension rolls. H. R. 358 as amended will add about 1,000 widows of Confederate veterans. This is the first recognition ever given the Confederacy on Federal pension rolls.

In my boyhood the wounds of the War of the States were unhealed. It was the Spanish-American War that healed those wounds. I was at Camp Alger on the outskirts of Falls Church, awaiting shipment to the fighting in Cuba, when a regiment of Tennessee infantry marched in to join us, with the boys from Michigan cheering and wildly throwing up their hats in the great joy of knowing that again the youth of the North and the youth of the South were in the same army, fighting together under the same flag. The uniform of the United Spanish War Veterans combined the two colors, the blue and the gray, and it was these veterans who did the dedicated work of pioneers in erasing wounds of the past and in reuniting in heart and in mind the two sections of our country that once had been in armed conflict.

H. R. 358 is styled the O'Hara bill. It is in fact the bill of the United Spanish War Veterans who graciously did me the honor of designating me to put it in the hopper. It is in keeping with the spirit of the Spanish-American War and of the part played by the veterans of that war in reuniting our country that the bill originally intended to give needed and deserved relief to Spanish War widows has been extended to include among its beneficiaries the widows of the men who fought so gallantly in both the northern and the southern armies.

Mr. Speaker, I urge the adoption of the bill as amended by the other body. I cannot close without again expressing, for every veteran of the Spanish-American War as well as for myself, deep appreciation and gratitude to the entire membership of the House and especially to Speaker RAYBURN, former Speaker MARTIN, Majority Leader MCCORMACK, Chairman TEAGUE, who is deeply entrenched in the affection of our veterans, to the ever faithful and beloved Mrs. ROGERS, and to the members of the great Committee on Veterans Affairs, one and all, and not forgetting in memory the late Congressman Long, than whom the Spanish War veterans never had a stouter friend. I also would mention my colleague from California [Mr. MCDONOUGH], who introduced a companion bill, H. R. 1190; my colleague from Kansas [Mr. GEORGE], the author of H. R. 2440; and my colleague from Illinois [Mr. GRAY], who introduced H. R. 5051.

Past Commander in Chief Otjen of the United Spanish War Veterans and Mrs. Hattie Trezenfeld of the auxiliary have done an outstanding job in presenting to the committees the merits of this legislation and in keeping to their task until the victory had been won. No one ever performed a mission entrusted to them with more faithfulness, fidelity, and effectiveness. Credit also is due the National Tribune for an editorial support that was unceasing and superb.

TO INCREASE THE LENDING AUTHORITY OF THE EXPORT-IMPORT BANK

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution—House Resolution 560—and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 10459) to increase the lending authority of the Export-Import Bank of Washington, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from New York [Mr. DELANEY] is recognized.

Mr. DELANEY. Mr. Speaker, I yield one-half of the time to the gentleman from Illinois [Mr. ALLEN]. I yield myself at this time such time as I may consume.

Mr. Speaker, House Resolution 560 makes in order the consideration of H. R. 10459, a bill to increase the Export-Import Bank's lending authority. The resolution provides for an open rule and 2 hours of general debate on the bill.

The bill will increase the lending authority from $5 billion to $7 billion and provide an increase of the same amount, $2 billion, in the authority of the bank to borrow funds from the Secretary of the Treasury.

As of December 31, 1957, the outstanding balances of loans approximated $3 billion and the bank had outstanding commitments for loans approximating $1½ billion. At the present time there is about $300 million of uncommitted lending authority. Thus, the bank will be forced to curtail its current rate of lending activity unless an increase is granted in the overall lending authority.

After paying the Treasury interest on what it has borrowed and paying the dividends on the capital stock to the Treasury, plus meeting administrative expenses and charging off losses, the bank has about $475 million in earned reserves which are used as a source of lendable funds. However, in the interest of good banking the reserves should be maintained in adequate proportion to the loans outstanding.

All loans of the bank are made to finance United States trade. Applications come from United States exporters desiring assistance in financing sales abroad of their products, or from buyers, including foreign governments, requiring credit to purchase United States products. At the present time the bank has loans in 59 different countries.

Recently a study was made by the bank of the impact on the country's economy during the first 6 months of this fiscal year of orders placed as a result of recent loans. It is estimated that the loans have resulted each month in about $100 million worth of additional

business in this country in manufactured goods and agricultural products.

I urge the adoption of House Resolution 560.

Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include related matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, as a member of the House Committee on Banking and Currency, I voted to report out this bill. I have always supported the Export-Import Bank.

At the same time, however, I filed dissenting views, expressing two grave reservations about the bill.

With reference to my first reservation, I then felt that the bill should be amended to permit the Export-Import Bank to make loans to small businesses in the United States. In fact I felt the bank should be required to give the same consideration to small-business applications as it gives to applications from firms abroad.

We now have four separate agencies making economic development loans in foreign countries, and using Federal funds in whole or in part for this purpose. Two of these use only Federal funds. These are the Export-Import Bank and the International Cooperation Administration.

There are 4 agencies making all kinds of business loans—very long-term loans—in 59 different countries of the world, but none is authorized to make a loan in this country.

I do not now, however, have any strong feelings about this reservation which I expressed more than 2 months ago. Several things have happened since that time, both on the Senate side and on the House side, which indicate that consideration will be given to separate bills for creating an agency to help small firms in this country obtain investment capital. Therefore, I will not offer the small-business amendment which I proposed 2 months ago.

With reference to the second reservation which I expressed in my dissenting views, however, I feel even more strongly than I did 2 months ago. My reservation rests on these simple facts:

First, as a member of the committee reporting this bill to add another $2 billion of the taxpayers' money to the lending authority of the Export-Import Bank, I actually know very little about what this bank has used the taxpayers' money for, and I know almost nothing about the way the bank conducts its business.

Second, I have run into the problem of information on these subjects being made secret and being withheld from Members of Congress. This is to my mind a most serious matter.

PAST RECORD OF SMALL LOSSES DOES NOT JUSTIFY HANDOUT OF $2 BILLION IN THE DARK

We are, in effect, being asked to vote in the dark on this bill. Furthermore, our responsibilities as Members of Congress are not satisfied merely by being told that over the 24 years which the Export-Import Bank has been in operation, it has not lost any large amount of money, and that very few of its loans are in arrears.

The simple fact is that this good record of few losses is based on a long stretch of years, when the bank's lending was small and the loans it made were generally of a different character from those it has been making in the last few years.

On June 30, 1952, the total amount of loans and credits the bank had outstanding was $3.3 billion. Since that time or until the end of 1957, it has authorized $3.2 billion in new loans and credits. If these are bad loans, it will be many years before that fact will show up in the bank's records of losses. Many of these loans are in amounts of hundreds of millions of dollars, and they are to run for decades. More than that, there are cases where a creditor cannot meet the payments, and the bank extends the terms of the loan and extends additional credit. These do not show up in the bank's statement of defaults and arrears.

Since our committee last looked into the operations of this bank, its personnel has changed. And its form of organization has twice changed.

Prior to 1953, the bank functioned as an independent agency under a five-man board. In 1953, President Eisenhower requested, and Congress enacted legislation which eliminated the five-man board and transferred the duties of the board to a managing director. Then late in 1954, the administration changed its mind again about the organization of this bank. It asked for legislation which now has the bank under a five-man board, the members of which serve at the pleasure of the President.

Now we have been told that the administrative expenses of this agency are low. That is true, and I think I can explain why. On its big loan applications it spends no time and no money investigating the merits of the application, or finding out how the money will actually be used. It simply takes instructions from the White House or from one or two other Federal agencies—particularly the National Advisory Council on International Monetary and Financial Problems.

RECENT LOANS HAVE BEEN POLITICAL

Furthermore, in recent years the Export-Import Bank has taken to making loans of a highly political nature, rather than sticking to straight banking propositions.

For example, let me read an excerpt or two from a study written by Prof. Olin S. Pugh, of the University of South Carolina, which was published by the School of Business Administration of the University of South Carolina. This study was made with the help and assistance of the Export-Import Bank, I might add. Members of the board reviewed the report before it was published; and the bank supplied photographs with which to illustrate the publication.

At page 32 of this booklet, titled "The Export-Import Bank of Washington," Professor Pugh says:

> There were political overtones in the bank's credits to Brazil and Argentina in 1956. Early in the year Vice President NIXON announced on the site a $35 million credit for steel expansion at Volta Redonda. In July, Brazil received $151 million in credits for economic development. In addition, an agreement was reached for easing, under certain conditions, the repayment terms of earlier Brazilian debts to the bank. In September 1956, the bank extended a $100 million line of credit to Argentina. This credit, made on the anniversary of Peron's downfall, represented an expression of encouragement to the existing Government of Argentina. From a banking point of view the credit appeared illogical, but from a political view, as an expression of our interest in a democratic Argentine regime, it was quite another story.

Then again on page 32, Professor Pugh says:

> The recent $500 million line of credit to the United Kingdom illustrates quite strikingly the use of the bank in our foreign relations. As early as September 13, 1956, Secretary Dulles announced that the bank's resources would be made available as a means of financing oil shipments from the Western Hemisphere as a substitute for the loss of oil from the Middle East. It was openly stated in early December that Great Britain had been assured that she could borrow on the basis of dollar securities held in her exchange equalization account. The formal announcement was made on December 21, of the line-of-credit authorization which was to be available for 12 months, with interest at 4.5 percent on the amounts utilized. The Chancellor of the Exchequer's principal interest in securing the credit, which may remain largely unutilized, was to discourage speculation in sterling in light of the dollar burdens resulting from the Suez developments. No doubt Secretary Dulles' earlier statements on our willingness to reinforce Britain's dollar reserves helped to stabilize the pound in this period.

I am not criticizing these loans one way or the other. I am simply quoting from a competent and disinterested professor to show that the bank has recently been making loans of a political character, and I do not say whether the politics are good or bad.

To continue with one more excerpt, at page 15, Professor Pugh has this to say:

> Three steel credits were authorized in 1956. A $10 million credit was extended for the expansion of a steel mill in Germany and a $26 million credit for steel expansion in Mexico. While attending the inauguration of the new President of Brazil, Vice President Nixon announced the extension of a $35 million bank credit for the expansion of a Brazilian steel plant. This credit brought the total bank commitment for the plant to $105 million, or about one-third of its total cost. It is the largest steel mill in Latin America, representing more than one-half of Brazil's steel capacity, and it has done much to alleviate the critical shortage of metals in Brazil.

Now we come to a new question. How does the Export-Import Bank plan to use the additional $2 billion it is asking for? That we do not know. But, according to the news reports in the papers last Sunday on Vice President NIXON's attendance at the inauguration of the new President of Argentina, there appears to be negotiations going on over a

question whether $1½ billion of this is for a loan to Argentina. According to these news reports, the discussions of the Vice President and Mr. Waugh, who was there, too, with the Argentine Government appear to be about a loan of $1½ billion to be made as a price for which the Argentine Government will give oil concessions to American oil companies. I suggest that it might be well to look a little more carefully into this and try to get some idea about what the money is going to be used for before we hand out another blank check.

OFFICIALS OF THE BANK PROMISE INFORMATION—BUT WITHHOLD INFORMATION

When the directors of the Export-Import Bank were testifying before the House Committee on Banking and Currency on February 26, I thought at that time that I had an agreement that certain of the bank's loan files would be brought up to the committee for my inspection and study. I felt that by looking into the files on a few sample loans, I could get some idea about how this agency is handling the taxpayers' money. It is only by getting down to specific cases this way that a Member of Congress can learn what is actually going on. It is only by getting down to specific cases that we even learn what questions to ask.

I have found in my experience that these high-flown generalities which the heads of some of the administrative agencies make when they are before a committee of Congress are not helpful in letting the members know what the facts are. These agency heads are naturally giving their interpretation and summary judgments. I would like to be able to have some facts on which I can form my own judgment.

Consequently, when the members of the board of the bank were before our committee I specified a number of files I wanted to see. One of these is the file on a $100 million loan made to the European Coal and Steel Community. I chose this file because I felt I already had some background facts about the steel industry and about the European Coal and Steel Community which would enable me to appraise this particular loan.

Similarly, I specified several of the bank's files on loans which had been made to Brazil. My understanding was that these same loan applications had been turned down by the World Bank as being unsound loans, before they were granted by the Export-Import Bank. Here we have two agencies with the same jurisdiction, and one agency turns the loans down as being unsound and another agency approves the loans. It seemed to me that here certainly were some loans that were ripe for study.

With reference to this agreement that the files would be brought up, I would like to read from the committee's hearing record. Here are my exchange of remarks with Mr. Waugh, the chairman of the bank:

Mr. PATMAN. Now as to these loans; any of these that the committee requests to see the files on, I assume it would be made available.

Mr. WAUGH. Most certainly, sir. We have no information in our files that is not available to the committee.

Mr. PATMAN. Yes, sir; because you are not doing any business except openly and aboveboard. All of your information is available to the Congressional committees if we request it.

Mr. WAUGH. No question about that (hearings, p. 42).

Then some of my Republican colleagues on the committee raised a question if these files shouldn't be confidential and their inspection restricted to members of our committee.

This discussion ended with an instruction from the chairman of our committee as follows:

The CHAIRMAN. I think Mr. Waugh will indicate what he thinks is confidential, and those things should not be divulged. A relationship between a bank and its client I don't think is a matter of public interest particularly. I think you ought to designate, Mr. Waugh, what you consider is essentially confidential and should not be released to the public. I am sure that the committee will attempt to carry out your wishes on that (hearings, p. 47).

Certainly, I understood from this that these files would be sent up. To date, those files have not been sent up. When the committee reported the bill, it was my understanding that the files would be sent up that same afternoon. They were not sent up. The next day I was told by a director of the bank that the files contain a great many secret documents, and there was a complicated procedure about how to unclassify these documents so that I might see them. This official suggested that I send a representative down to the bank to learn about all the documents and make a list of those I might want to see. I was assured that I would be able to see such documents as I requested specifically.

I sent a member of my staff down to the bank and he spent several days there. But he was not permitted to see any classified documents. One of the documents which he was not permitted to see was a letter which the Export-Import Bank itself had written to one of the other Federal agencies, and the other Federal agency had classified the letter.

On March 5, and again on March 10, I wrote letters to the Chairman of the Export-Import Bank, setting out a list of the documents I wanted to see. As the weeks passed I made strong efforts to get compliance with my requests for these documents, but I was unsuccessful.

Finally, when it became known that the Rules Committee of the House was scheduled to take up the question of a rule on this bill, I received by special messenger on Monday, May 5, a letter from the bank which had been dated April 29. This letter says I may see certain of the documents, and certain of the others I may not see.

Furthermore, I have been told by letter from the Chairman of the Export-Import Bank I will have to come down to the bank to see any of the files, and whether the documents are classified or not, I may not copy them; and I may not reveal to the public what these documents contain. The Chairman of the Export-Import Bank has taken the position that these loans are subject to confidentiality which normally prevails in relationships between banker and customer.

I do not have time to go downtown to read these files, and at the same time carry on my duties as a Member of Congress. And in the event I found something bad wrong in these files, I would not want to be in the position of having to conceal that information from the public.

HOW TAXPAYERS' MONEY IS USED SHOULD NOT BE SECRET

It is my view that this is not a normal banker relationship. The plain fact is that these are loans of public money, they are loans of taxpayers' money and the Export-Import Bank has no more right to keep information about these loans secret than the Small Business Administration has the right to keep secret information about small-business loans.

I have protested this matter of the Export-Import Bank stalling, hamstringing and keeping secret information from Members of Congress as vigorously as I know how to protest. This protest is set out in a letter from me to the distinguished Chairman of the Committee on Banking and Currency on April 29, 1958, a letter to which I have had no reply.

Without reviewing the long history of this matter, I will simply offer this letter for the RECORD.

Similarly, I protested to the Rules Committee yesterday. I stated to the Rules Committee that I felt a rule on this bill should not be granted until such time as I have received the information which I have requested, and have had a reasonable time to study it.

This is a matter which affects every Member of Congress. Where does the matter stand?

At least one of the directors of the Export-Import Bank takes this position with reference to the loan to the European Coal and Steel Community: First, the Export-Import Bank did not make the loan, the International Cooperation Administration made the loan; after the loan was made the loan and the files were turned over to the Export-Import Bank to administer. The Export-Import Bank has no jurisdiction. Therefore, he contends, the bank cannot show to a Member of Congress any classified documents from other Federal agencies pertaining to this loan.

Well, there are two facts in answer to that.

First, the loan, was made with taxpayers' money. One hundred percent Federal funds were used.

Second, since the Export-Import Bank has had this loan in its jurisdiction it has changed the pledge made to secure the loan. This change amounted to tearing up the mortgage that secured the loan. At least the bank has that much jurisdiction.

Furthermore, 2 of the documents I requested are directly related to this very matter, and these 2 documents are among those which the bank has finally

said I may not see under any circumstances.

AN INVESTIGATION HAS BEEN PROMISED

The Rules Committee did not see fit to act on my request. However, the distinguished chairman of that committee yesterday made a suggestion which seems to me a good one. He suggested that the chairman of the Committee on Banking and Currency ought to appoint a subcommittee to investigate the matter of these Export-Import Bank files. He further said that in the event this is not done, then he will see to it that the Rules Committee favorably considers a resolution by me to have this investigation made in some other manner.

I will have to assume that the distinguished chairman of the Committee on Banking and Currency will appoint the subcommittee. If for some reason this is not done within a reasonable time, however, I will expect to avail myself of the offer which has been made by the distinguished chairman of the Rules Committee. I will expect at a later time to speak on this matter more fully and give the House an opportunity to act.

Under the circumstances I have recited I cannot vote for this bill. I must oppose it. Somewhere a line must be drawn against the executive branch of the Government withholding information about the conduct of the public's business. Somewhere a stand must be taken against the administration asking us to vote for its measures while withholding from us the information we need in order to know what we are voting for.

Mr. Speaker, there are now two documents which should appear in the RECORD. The first is my letter to the chairman of the Committee on Banking and Currency of April 29, to which I have already referred.

The second is a copy of my dissenting views on the bill, in which corrections have been made to statistical errors which appear in the printed version of the committee's report on the bill. While these errors in no way affect the issues before us, or the principles involved in this bill, I would nevertheless like a fully accurate statement to appear in the RECORD.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 29, 1958.

Hon. BRENT SPENCE,
Chairman, House Committee on Banking and Currency, Washington, D. C.

DEAR MR. CHAIRMAN: It is my understanding that on Thursday morning the Rules Committee expects to take up the question of granting a rule to H. R. 10459, which is to increase the lending authority of the Export-Import Bank by $2 billion.

When the officials of the Export-Import Bank testified on this bill on February 26, the Chairman of the bank, Mr. Waugh, assured our committee that he would make available any and all information in possession of the bank and, more specifically, he would send up for my inspection and for the inspection of any other member of our committee, the bank's files pertaining to certain loans which I that day enumerated. Although more than 2 months have now passed, those files have not yet been sent up. During this time I have made a number of overtures, and made diligent efforts to collect the promised information, which is information I felt and still feel I must have in order to form some judgment as to how this agency is spending or lending several billions of dollars of the taxpayers' money to private businesses in foreign countries, to foreign governments and to American companies doing business in foreign countries.

The officials of this agency have given me a prolonged runaround; they have met my efforts to obtain compliance with their agreement with a series of increasingly restrictive and burdensome alternative proposals; and, finally, yesterday, I received a letter from Mr. Waugh which refuses to allow me to see certain portions of the bank's files on loans made abroad under any circumstances.

In a nutshell, the officials of the Export-Import Bank—a Federal agency operating solely on Federal funds authorized by Congress—are obstructing Congressional efforts to obtain information about how the public's business and money have been managed, which is also information we must have unless we are going to legislate in the dark on the use of another $2 billion of the taxpayers' money.

Under these circumstances, I believe it would normally be expected that the chairman of a committee originating such legislation would not have the legislation brought up for action by the House, but would ask the Rules Committee to postpone the granting of a rule until such time as the requested information has been furnished and studied.

As you may recall, in the draft of my minority report on H. R. 10459 which I submitted to you, in which I made conditional objections to the bill, I made the statement that after the hearings had closed, you, as chairman of the committee, had withdrawn the request and understanding reached during the hearings that certain of the Export-Import Bank's loan files would be sent up to the committee for my examination. You objected to printing that statement, assuring me that you had not withdrawn the request, after which I removed that statement from my minority report. I assume, therefore, that the request for these files still stands, in which case I believe I should expect that you will insist that the officials of the Export-Import Bank comply with the request before a rule is granted.

To refresh your memory of Mr. Waugh's original assurances on February 26, let me quote part of our hearing record, as follows:

"Mr. PATMAN. Now as to these loans; any of these that the committee requests to see the files on, I assume it would be made available.

"Mr. WAUGH. Most certainly, sir. We have no information in our files that is not available to the committee.

"Mr. PATMAN. Yes, sir; because you are not doing any business except openly and aboveboard. All of your information is available to the Congressional committees, if we request it.

"Mr. WAUGH. No question about that." (Hearings, p. 42.)

On the basis of this agreement, I then began reading off to Mr. Waugh a short list of loans for which I wanted the files sent up, and Mr. Waugh's response to the first item on the list was as follows:

"Mr. WAUGH. Yes, sir; I will have that file brought up to you without a moment's hesitation."

Since that assurance was given there has been considerably more than a moment's hesitation; there has been a hesitation of more than 2 months, and the file has still not been sent up.

Furthermore, Mr. Waugh's position before our committee that all of his information would be available and any of the bank's loan files that might be requested would be sent up for my inspection has been amended, in letters and meetings, in several striking respects. To summarize these positions, they have been in order, as follows:

1. The loan files contain a great many classified documents and cannot be sent up immediately. It would be better if I sent a representative down to the bank to examine these files and have a member of my staff make a list of these documents which he thinks I would like to see, after which the documents will be supplied.

2. My staff member spends several days at the bank, but he is not allowed to see any classified documents. Although the Export-Import Bank does not itself classify any documents, classified documents include letters initiated and written by the Export-Import Bank to other Federal agencies and classified by those agencies. Neither my representative nor I may see these documents. Substantially all communications to and from the borrowers in foreign countries are by State Department cable, and almost all of these are classified.

3. Certain documents, including both classified and unclassified documents, were requested on March 4, and others on March 10. Finally, by letter dated April 25, and delivered by messenger on April 28, I am told that certain of these documents may be seen and that others I may not see.

4. Whether documents are classified or not, I cannot see them except in the offices of the Export-Import Bank; I may come there and examine certain of these, but no documents or copies thereof are to leave the bank, and I may not reveal what is in them, because they contain information customarily regarded as confidential between banker and customer. In other words, information about the borrower's business and about his relationships with the bank are to be kept confidential on the theory that what this agency does with the taxpayers' money is to enjoy the same privilege as exchanges of information between private banks and private individuals.

Thus I am left in the dark about how several billion dollars of the public's money have been handled, while I am asked—as other Members of Congress are asked—to authorize another $2 billion of the public's money in the same way. Export-Import Bank loans are not loans for military purposes; and they are not loans for defense purposes. They are loans for economic development in foreign countries. They are frequently made to private individuals and to private profitmaking corporations, as they are sometimes made to agencies of foreign governments. Yet from those portions of the files which have been opened to me, no impression can be gained as to why a particular loan has been made.

What justification was made for the project for which money was lent? What appraisal was made of the project's probable economic success? What appraisal was made of the security offered to assure repayment of the money? What information was given and what recommendations were made by experts and officials of other Federal agencies which entered into the judgment to grant the loan? What were the other controlling considerations? The answers to such questions lie in classified documents.

It would seem to me poor business judgment for Congress to authorize use of $2 billion of the taxpayers' money, while in the dark as to how the money will be used. And since the officials of the Export-Import Bank expect this kind of judgment of us, this raises a question in my mind whether these officials are not also operating in the dark when they authorize the use of the taxpayers' money. For all we know they are.

I hope, therefore, that you will not bring this bill up in the House until we have received the information we need in order to know what we are acting on.

Sincerely yours,

WRIGHT PATMAN.

REPORT ON H. R. 10459, A BILL TO INCREASE THE LENDING AUTHORITY OF THE EXPORT-IMPORT BANK OF WASHINGTON BY $2 BILLION

DISSENTING VIEWS OF REPRESENTATIVE WRIGHT PATMAN

I am not satisfied with this bill. I have offered an amendment which would make the bill more agreeable, and I believe this amendment should be adopted. The amendment is as follows:

"*Provided*, That the Export-Import Bank shall receive applications from underdeveloped areas and from distressed areas in the United States and shall give such applications the same consideration as is given to applications from other countries and, where justified, shall make loans based on such applications in the same way and manner that applications are considered and approved for other countries."

The Export-Import Bank of Washington, familiarly known as the Ex-Im Bank, is supported entirely by funds from the United States Treasury. It is engaged in making loans in some 59 different countries of the world, to create or expand economic enterprises of all kinds. It makes loans to foreign governments, to foreign corporations, and to foreign nationals. In some instances it also makes loans to foreign subsidiaries of United States corporations, and to United States corporations, for purposes of establishing a business abroad.

To cite but a few examples of this bank's lending, it has made loans for a steel mill in Argentina, a fertilizer plant in Egypt, a cement plant in Mexico, a coal-washing plant in Turkey, an atomic-research reactor in Spain, an electric powerplant in Japan, a railroad in Indonesia, and a dam and canal system in Afghanistan. There is no limit to the kinds of economic enterprises for which dollars of the American taxpayer are lent abroad.

The Export-Import Bank is only one of four agencies which is using Federal funds in whole or in part for economic development abroad. The amounts of taxpayers' money going into these loans are immense.

There is no agency making such loans at home, even in minute amounts. There is no agency authorized to make such loans for economic enterprises within the United States.

Beyond the Canadian border, yes—United States funds can be lent to establish new plants, new mines, new oil wells, new businesses of all kinds. Below the Rio Grande, yes—United States funds can be lent to new businesses, new roads, new powerplants, new breweries, new textile plants, new flour mills, and, in short, new businesses of all kinds. It is only within the borders of the United States that Federal funds may not be loaned for these purposes.

FUNDS FOR FOREIGN DEVELOPMENT AND BIG BUSINESS EXPORTS—NOT LIMITED BY WHAT THE UNITED STATES CAN SPARE

It is now a little over 3 years ago that the administration and the Export-Import Bank asked Congress to authorize a one-half billion dollar increase in the amount of funds which this agency could lend. The authorization was given. The amount was increased from $4½ billion to $5 billion. The $5 billion has substantially all been lent, or committed, and the request now is for another $2 billion. In asking for this additional amount, the officials of the bank have not been restrained by any question of what they think United States taxpayers can spare. They have testified that the $2 billion is the full amount which can be absorbed abroad in the form of sound loans. They have not indicated, however, how long they expect it will be before more can be absorbed.

The lending program of the Export-Import Bank is distinguished from lending programs of the other agencies making loans abroad principally by the fact Export-Import Bank loans must be used exclusively, or almost exclusively, for purchases of equipment and other goods made in the United States. These loans have been mostly for purchase of producer equipment, such as diesel locomotives, airplanes, motor trucks, tractors, turbines, and other kinds of machinery and equipment made in the heavy-goods industries of this country. In addition, a minor portion of these loan funds have been lent for the purchase of agricultural commodities. In the fiscal year 1957, the Bank lent $84 million for purchasing agricultural commodities which was about 8 percent of the total credits authorized in that year.

The Export-Import Bank handles its lending in either of two ways. It makes loans directly to a foreign government or foreign national, for a specific project involving a specific bill of materials, all of which must be purchased from United States producers. In addition, the bank has set up what it calls "lines of credit" for certain large United States corporations. Corporations having a line of credit can sell their products abroad and charge a portion of the price to the bank without specific authorization. In these instances, the bank generally expects that the purchaser will pay 20 percent of the purchase price in cash and that the seller will finance another 20 percent, so that the bank's portion of the financing will not exceed 60 percent. These lines of credit run up to $10 million for each corporation. They are operated as revolving funds, which means that the corporation can sell its products abroad and make charges against the bank to an extent of $10 million outstanding at any one time.

The directors of the bank have said that these lines of credit are not loans to United States corporations, but loans to the foreign purchasers. In a literal sense this is true, because the corporation selling its goods in this way has no responsibility for repayment of the loan. There is no recourse, guarantee, or other obligation on the part of the corporation that sells its goods in this way, in the event the purchaser fails to make payment. Thus while the directors of the Export-Import Bank stoutly maintain that they will not make loans except where credit from private sources is not available, we find that such corporations as General Motors, General Electric, and Westinghouse have each been extended credits of $10 million with which to sell their products abroad.

The purpose of the Export-Import Bank is twofold. The purpose is to help build up the economies of the countries of the free world, and the purpose is to increase export sales of United States-made goods, particularly the heavy-capital goods.

THE BANK IS EXPERT ABROAD, HELPLESS AT HOME

The Export-Import Bank is now 24 years old. It has had considerable experience, perhaps a unique experience, in making loans to help underdeveloped and distressed regions. The directors of the bank boast of an expertness which extends to 59 different countries. The bank has kept its staff to one of modest size and has recruited certain large private banks in the United States to help in its operations.

The directors of the Export-Import Bank do not favor the amendment which I have offered. When I discussed it with them during the course of the hearings, it seemed to cause them considerable embarrassment and discomfort. Their first and immediate objection to the amendment was, they said, they would not have the expertness for making loans in the underdeveloped areas and the distressed areas of the United States. Later these directors said they thought that such lending in the United States would be foreign to the original purposes of their act.

It seems to me that the purposes would be the same: The purposes are to sell capital goods which would otherwise not be sold, and to create needed productive facilities and productive employment which would not otherwise be created. It also seems to me a strange kind of "expertness" which has been developed by the Export-Import Bank and the private banks of the United States which help in its operations. I wonder about the high confidence and surefootedness with which these banks set out to learn the ways of making loans in the underdeveloped areas 59 different countries of the world, when these same agencies are rendered helpless at the very thought of making loans in underdeveloped areas of the United States. Surely this is a case of the shoemaker's children going barefoot.

There are many underdeveloped regions of the free world—regions where economic progress is far behind the potential made possible by 20th century industrial techniques. There are likewise many distressed areas—areas where people are unemployed and in need. About this there is no disagreement.

THE PURPOSES OF THE BANK ARE IN DOUBT

The directors of the Export-Import Bank believe that it is a good thing to use Federal funds to help people in such areas increase their productivity and their standard of living. I, too, believe this. But when I hear the directors of the bank question the propriety of using Federal funds for the same purposes at home, I begin to have doubts whether the purposes of this bank are what I have understood them to be.

The directors of the Export-Import Bank believe that lending United States dollars abroad is good for the United States even in the narrow commercial sense. Their reasoning is that such lending increases immediate sales of American-made equipment, and, so they say, the resulting productivity increases abroad will enable foreign countries to sell us goods and thus to buy still more American goods. I, too, have tried to believe this; and I have believed this. But when I encounter objections to such lending at home, I wonder whether the directors of the bank do not doubt the principle they are espousing. If an economic principle is sound, it is not so by reason of some imaginary line which is the boundary between sovereignties.

If such loans as the Export-Import Bank are making abroad were made in the underdeveloped and distressed areas of the United States, the big corporations would also sell equipment which they could not otherwise sell. And if we take seriously the argument that creating new productive facilities will in the long run redound to the commercial benefit of this country, then the argument is clearly in favor of creating the productive facilities at home. Here the productive facilities would feed back taxes to the United States Treasury. Here there is no risk that the facilities will be confiscated or that the investment would be lost by an overthrow of a foreign government. And here, presumably, there is no risk that the new productive facilities will fall into the hands of Communists and be used against us.

NEEDS FOR ECONOMIC DEVELOPMENT IN THE UNITED STATES

The directors of the Export-Import Bank make a great point of the fact that they are outstripping the Soviet Union in making loans abroad. This accomplishment—if it is an accomplishment—is highly laudable. But it has not been my understanding that the Soviets place their hopes of world supremacy merely on gaining good will abroad, nor even on an economic buildup in the free

countries of the world. As I understand it, Communists' hopes for ultimate victory are based on the belief that the United States will be weakened internally, and eventually destroyed, by what they call monopoly capitalism.

From what we have been able to learn—and I concede this to be inadequate—it appears that purchases of United States goods being made on Export-Import Bank loans are substantially all going to the big corporations. The directors of the bank make a point that in certain typical contracts, the big corporations that receive the orders resulting from these loans place large amounts of subcontracts with small firms. Expressed in popular terms, this is the argument that what's good for General Motors is good for the country.

The argument has some merit; it is true as compared to some alternatives that could be imagined. But it avoids the question whether the same amount of money could not be spent in ways which would be immeasurably better for the country. It avoids, for example, the question whether channeling this business to the big corporations increases monopoly control and thus weakens the competitive vigor of our economic system.

Despite the large efforts being made to sell the foreign aid and foreign lending programs, I find my constituents growing increasingly dissatisfied with these programs. And well they might be.

We have in this country several regions where the people have now been entertaining aspirations for industrialisation for at least two generations. We are confronted with the long-term problems resulting from increasing farm productivity—people being pushed off the farms with no attractive and productive jobs to go to. We have—at this writing—at least 5 million of the regular labor force unemployed, plus millions of others laid off or working part time. We face the prospect of a gross national products this year which will be at least $14 billion below what the Nation's production would be if our normal rate of growth were being maintained.

Finally, we have several million capital-starved small businesses in this country, and an epidemic of small business failures. There is little concern about this, and little willingness to take any steps to make available capital for nourishing the seedbed of our own economic future. In contrast to these conditions, the promptness, boldness and the scope of the programs adopted for using United States dollars to create export markets for big business present a picture in which there is considerable irony.

E PLURIBUS UNUM DOLLARS ABROAD

The $2.4 billion dollars which the Export-Import Bank has lent over the past 3 to 3½ years is not a trivial amount. Nor is the additional $2 billion now being requested a trivial amount. Yet this lending program of the Export-Import Bank is only one of many programs for spending and lending abroad. These and the agencies operating such programs have so multiplied and duplicated of late that it has now become almost impossible for Members of Congress to keep track of the amounts of money they are being asked to approve for these purposes. The different programs are considered by different committees of Congress, depending in part on whether the money is to be appropriated or borrowed from the Treasury. Yet the increasing numbers of programs and agencies in these fields overlap in considerable degree, in many instances it is difficult to discern any distinction between the purposes and programs of several of the agencies engaged in foreign spending and lending.

The present request for an additional $2 billion for the Export-Import Bank can hardly be considered separately and apart from the foreign assistance programs which have already been authorized.

Let me try to list, now, the recent expansions in this field.

When the last increase in Export-Import Bank lending was approved in 1954, there already existed the International Monetary Fund. The United States Government has paid $2,750 million into this. While the fund makes loans only to banks of the various countries for purposes of currency stabilization, such loans indirectly contribute to the financing of economic development.

At that time, the International Bank for Reconstruction and Development—called the World Bank—was also already in operation. The United States Government has committed $3,175 million to this bank, and has actually paid in $635 million. The World Bank is actively making economic development loans for the same kinds of projects, and in the same countries, as the Export-Import Bank. Through June 30, 1957, it had made development loans totaling $2,528,000,000 for industrial plants such as steel, chemical, paper, and fertilizer, and for railroads, airlines, powerplants, mining, agriculture and a variety of other economic enterprises in the underdeveloped regions of the world—except in the United States.

On or about the time the Export-Import Bank was previously expanded, the Mutual Security Act of 1954 was passed. This provides for a great variety of spending and lending programs operated by the Departments of State and Defense and the International Cooperation Administration. Huge appropriations have been made annually for these programs, and the administration is now asking for even larger appropriations for the fiscal year ahead.

For fiscal 1959, we are being asked to authorize spending and lending of $4,275,900,000 under the mutual-security programs. In fiscal 1957, $3,800 million was expended. The ICA, which handles most of the nondefense spending and lending obligated $1,700 million. According to ICA's report, $330 million of this went for its development assistance and regular technical programs, and $190 million went for nonmilitary purposes related to mutual security. How much of the greater spending and lending for defense-supporting programs was for economic development is anybody's guess, since almost anything that increases economic strength in the free world can be called defense supporting.

In 1954, the Agricultural Trade Development and Assistance Act (Public Law 480) was passed, which authorized the ICA to finance up to $3 billion in sales of agricultural products abroad, since amended to $4 billion. Under title I of this act, the ICA sells the products abroad, then lends back the proceeds of the sale for economic development. In fiscal 1957, according to ICA's report, over half of the proceeds of the sales of $3 billion of CCC commodities was earmarked for loans for economic development to 26 countries.

In addition, under the recently amended title II of Public Law 480, the ICA made loans of another $150 million in fiscal 1957 for foreign countries to purchase United States agricultural products.

In addition, under section 402 of the amended Mutual Security Act, the ICA made loans of another $285 million in fiscal 1957, to foreign countries to purchase agricultural products.

In 1955 the Mutual Security Act was amended to provide an additional fund of $100 million for Asian economic development.

In 1957 an additional special fund of $15 million was provided under the Mutual Security Act for Latin American countries which will enable the borrowing countries to go forward with projects essential to their economic and social development.

In 1956 the administration asked Congress to approve, and Congress did approve, still a new agency for making loans for the establishment or expansion of productive private enterprises in foreign countries, particularly in the less developed areas. This is the International Finance Corporation, the purpose of which is to stimulate the investment of private capital abroad. Congress has put up $35 million from the United States Treasury to help in this stimulation.

Finally, last year, the administration asked Congress to approve, and Congress did approve, still a new fund known as the Loan Development Fund—to be administered by ICA—for making economic development loans in foreign countries. Congress appropriated $300 million for this fund last year, and we are now being asked to appropriate another $625 million for successful completion of a 2-year initial period. A recent publication of the ICA states that this money will be lent for specific economically sound and technically feasible projects, but sees a distinction between such lending and that already being provided by the Export-Import Bank and the International Bank for Reconstruction and Development, in that the new loans are to meet the needs in foreign countries for capital at a higher risk, even than the two existing corporations can meet.

Thus to summarize the major programs which are operated on Federal funds in whole or in part for lending in foreign countries, they are as follows:

Mutual security (economic, military, and technical assistance)	$73,598,000,000
Export-Import Bank	5,000,000,000
International Bank for Reconstruction and Development	635,000,000
International Monetary Fund	2,750,000,000
International Finance Corporation	35,000,000
Development Loan Fund	300,000,000
Total	82,318,000,000

None of these agencies and programs made loans for economic development in the underdeveloped areas or in the distressed areas of the United States.

CREDIT EXTENDED TO UNITED STATES SMALL BUSINESS IS LESS THAN EXPORT-IMPORT BANK CREDIT TO BIG CORPORATIONS

There is, of course, a small loan program for economic enterprise in the United States, run by the Small Business Administration. This is trivial. SBA loans in no way compare with the loan programs of the Export-Import Bank or the other agencies making development loans abroad. Export-Import Bank loans are bold ventures for establishing new productive enterprises or drastically expanding already-established ones. These are investment-banker loans—and more. SBA makes only commercial-banker loans, which require assets and security safely in excess of the amount being lent, and under a command not to loan unless credit is unavailable from private sources. In short, SBA makes commercial bank loans, if at all, in those instances where local banks are short of funds or the loan involves a shade more risk than the local bankers feel is appropriate to a commercial bank loan which uses depositors' money.

At the end of 1957, after almost 4½ years of lending operations, the amount of Federal funds outstanding on SBA loans to small business amounted to only $141.7 million. Let us compare this amount with loans made by the Export-Import Bank alone, for example, to Mexico, $321 million; to Argentina, $290 million; to Brazil, $929 million.

Let us compare also the $147 million of SBA credit outstanding to small firms with the amount of credit which the Export-Import Bank had outstanding to big United

States corporations, to help these corporations finance their export sales. On December 31, the lines of credit which the Export-Import Bank had outstanding to United States firms for financing export sales amounted to $180 million, and $161 million of this was extended to corporations which are known to have more than $10 million of assets each. Corporations of this size had 89 percent of the total credit extended by Export-Import Bank lines of credit; the remaining 11 percent had been extended to 11 companies having less than $10 million of assets plus 51 companies whose assets are not reported in the standard reference works. As to the latter 51 companies, they are not necessarily small companies; they are simply companies that do not make their asset figures public.

Let us make some more comparisons: The amount of SBA credit outstanding to the approximate 4 million small business firms in the United States is less than the Export-Import Bank had outstanding to 41 United States corporations with assets in excess of $50 million each.

The amount of SBA credit outstanding to all small businesses in the United States was almost equal to the amount of bank credit outstanding to 31 United States corporations having more than $100 million of assets each.

This list of big corporations includes the familiar names of the United States industrial giants—General Motors, General Electric, Westinghouse, Ford, International Harvester, Allis-Chalmers, Caterpillar Tractor, Borg-Warner, and so on.

Altogether, 129 United States companies had a line of credit with the Export-Import Bank for export sales at the end of last year. This credit was distributed as follows:

Asset size of company	Number of companies		Amount of Export-Import Bank credit	
	Total	Cumulative total	Total	Cumulative total
Over $1,000,000,000	4	4	$40,012,108	$40,012,108
$500,000,000 to $1,000,000,000	3	7	11,762,468	51,774,576
$100,000,000 to $500,000,000	24	31	78,548,262	130,322,838
$50,000,000 to $100,000,000	10	41	12,753,125	143,075,963
$10,000,000 to $50,000,000	26	67	18,452,884	161,528,847
Under $10,000,000	11	78	2,822,060	164,350,907
Assets unknown	51	129	15,696,778	180,047,685
Total	129	129	180,047,685	180,047,685

THE BILL HAS NOT BEEN SUFFICIENTLY CONSIDERED

The amendment which I have offered to this bill would authorize the Export-Import Bank to make loans for economic development in the underdeveloped areas and in the areas with such a high percentage of the labor force unemployed that they are officially designated "distressed areas". Indeed, the amendment would require that loans be made under the same standards and criteria by which loans are made abroad. The amendment should be adopted, even as a prerequisite to consideration of the bill. What we can do for foreign countries we certainly ought to do for our own people.

If there were any argument that this country cannot afford both foreign lending at home, that might put the matter in a different perspective. But there is no such argument. Indeed the amount of funds being requested has not been tailored by what the Administration thinks we can afford, it is tailored only by what the directors of the Export-Import Bank think the foreign countries can "absorb" in the way of "sound" loans.

Some Members of Congress may be dissatisfied with my amendment on the ground that it has not been sufficiently considered. Neither has the bill been sufficiently considered, and this is another source of my dissatisfaction with the bill.

As a member of the committee reporting the bill I have been in full, and attentive, attendance throughout all moments of the hearings. We had about 3½ hours of hearings on this bill on February 25 and 26. In these brief hours we heard a prepared statement, we saw a chart presentation and most of us complimented the directors of the Export-Import Bank on what a fine job they are doing, although I do not know whether they are doing a fine job or not, as I do not actually know much about what they are doing. Then we asked a few perfunctory questions from which I have only the vaguest notions about the Export-Import Bank's lending program.

Almost $2½ billion have been lent, or committed, since we last considered this program. And we devote only 3½ hours to the matter. Two billion dollars more are now proposed for foreign lending, and we devote only 3½ hours to the whole matter.

As to how the $4.5 billion has been expended, we have reports showing amounts for each country and giving a few descriptive phrases about each project—beyond that, nothing. As to what plans there are for the $2 billion additional—what projects are contemplated, and in what countries—I have learned nothing.

On the second day of the hearings I asked the directors of the Export-Import Bank to bring up for the Committee's inspection several of the files on loans that had been granted. It was my understanding that the Committee approved this request, and I had hoped that by inspecting these files I could get some impression of how these lending operations are being conducted. I had hoped to get an impression of the justifications that are made for the loans, whether the bank appraises the probable success of a proposed business, or whether approvals are perfunctory. And I had hoped to get an impression of other matters, such as the amount of pledge or security, if any, being required for these loans.

At the conclusion of the hearings on February 26 the Committee voted the bill out. The files were not delivered on the afternoon of the 26th as I had understood they would be. I called upon the board of the Export-Import Bank as an individual Member of Congress to bring up the files for my inspection. A member of the board later visited me, explaining that he had a problem. The problem is, I was told, that all of these files contain documents which have been classified by various of the administrative agencies as "secret" or "top secret". There is a question whether any Member of Congress can be allowed to see the files.

These loans are not for military projects. They are not for projects of a defense-supporting nature. They are loans for commercial business enterprises.

Yet here the matter stands: The committee has a continuing responsibility for keeping itself informed on the operations of the Export-Import Bank; but the files of the Export-Import Bank are secret, and the question whether a Member of Congress can see them is not settled.

We are taking this bill on faith—we are taking on faith a program to lend taxpayers' money for economic developments in foreign countries. We should be able to take on faith an amendment to do as much for the underdeveloped areas and the distressed areas of the United States. I urge that the amendment be adopted.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Connecticut [Mr. SEELY-BROWN] such time as he may desire.

Mr. SEELY-BROWN. Mr. Speaker, I rise in support of H. R. 10459, a bill to increase the lending authority of the Export-Import Bank.

As has been indicated, the purpose of this legislation is to increase the lending authority of the bank from $5 billion to $7 billion and to provide an increase of the same amount in the authority of the bank to borrow funds from the Secretary of the Treasury.

This bank has been operating for a period of nearly 25 years as an agency of the United States. It was created to assist in financing and to facilitate exports and imports and the exchange of commodities in foreign trade. When it was created it was the declared intent of the Congress that the bank should encourage and not compete with private capital and that all loans made should offer reasonable assurance of repayment.

It is important to understand that all loans of the bank are made to finance United States trade. In the vast majority of cases where credits have been made available, these credits have financed the export of United States manufactured or agricultural products or services. The bank has also assisted in financing the development abroad of certain minerals and raw materials required in the United States for our own strategic and industrial purposes.

We should understand very clearly that applications to the bank come from United States exporters desiring assistance in financing sales abroad of their products manufactured in this country, or from foreign buyers requiring credit to purchase United States products. Credits may be used to finance a single export transaction or may be used to acquire all of the United States equipment and services for a large development project abroad.

In this connection, may I point out that the good effect of the expenditures made possible through bank credits goes far beyond the initial impact of the bank's loans. We were advised in committee that two bank credits totaling $16.5 million for a power station in Japan, generated orders in the United States of $24.9 million distributed among 40 companies in 16 States.

The Export-Import Bank provides a most useful weapon in helping us meet Russian competition on the economic front—a very vital front in the present cold war. To date this bank, the oldest public institution assisting the less developed countries in improving their general capacity to be stronger, independent members of the free world, has loans in 59 different countries.

I support this legislation because the bank has a vital role in assisting our friends in the Free World on a mutually profitable basis. I support this legislation because of its substantial contribution to our domestic economy. It provides jobs for our American workers here at home.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Speaker, Congressman RALPH GWINN, speaking to a group of business leaders at White Sulphur Springs, W. Va., on March 23, 1958, said that labor leaders have more influence upon Congress than business leaders; in fact, he went so far as to say:

> Top officials of organized labor dominate Congress.

He explained that statement by saying:

> In the 1956 elections organized labor was active in 300 of the 435 Congressional District elections, and were successful in more than 176.

Mr. Speaker, the picture Congressman GWINN painted is a factual one. Both the Senate Labor Committee and the House Labor Committee during the past 10 years—since the Taft-Hartley Act was passed—have been packed with pro-labor members—about two to one at the present—so there is very little chance that any real labor reform legislation will be approved by either committee at this session.

What sense then does it make for businessmen to spend their time or money to sell their ideas of sound labor legislation, sound tax legislation, the Hoover Commission recommendations, and so forth, to Congressmen who have pledged themselves against such proposals? The horse has already been stolen by labor leaders through active and effective help in electing 175 Members of Congress. If business leaders want to be influential or effective in securing sound legislation, they must take a leaf out of the book of rules used by labor leaders and take an active part in electing well-qualified, courageous men to the legislative halls of both State and Nation. Labor leaders "saw wood" and elect Senators and Congressmen whose presence in Congress blocks all efforts to restore sound constitutional government or to slow down the present trend toward a Socialist-Labor government in Washington.

Mr. Speaker, business leaders forget that it is the Congress that enacts all laws, not the President. The President can propose laws, and is responsible for executing the laws after Congress enacts them. But the Congress can act or not, as the majority in Congress decides.

While the business leaders of the Nation were making contributions for the election of a President in 1956, labor leaders were busy helping to elect enough Members of Congress to control and dominate all legislation that might come before the Congress. It is said that 90 cents out of every dollar sent to the National Republican Committee in Washington for the 1956 campaign was spent to pile up the tremendous majority that President Eisenhower received, while a majority in both House and Senate was elected by the opposition party with the aid of labor leaders.

Gould Lincoln, a well-known and widely read columnist, stated: Organized labor is bent on electing a labor government in Washington in 1960. As a preliminary, it is going all out to elect candidates favorable to its demands in 1958.

Mr. Speaker, in his talk to the businessmen at White Sulphur Springs, Congressman GWINN documented his speech with the following:

> Let's look at just one campaign in 1954 by one union for one Senator. The cost for special radio and TV broadcasts for time only, with no allowance for staff, script preparation, or reprints of talks, was $250,000. Special election editions of regular publications, extra copies to distribute outside the regular union membership, ran to another $175,000. And then, on top of all, this union hired 500 special organizers (payroll title for political workers) at $20 per day for the 30 days just before the election. This cost another $300,000—exclusive of expenses or other services. This gives us a total of $725,000 spent by the United Automobile Workers, CIO, in support of Senator MCNAMARA in Michigan in 1954.

Is there any wonder labor leaders have more influence upon Congress than business leaders? Is there any wonder very few pieces of legislation pass the Congress contrary to the wishes of labor leaders? Is there any wonder Congressman GWINN says business leaders and business organizations must take a leaf out of labor's book of rules and organize their resources for political action if they want to match or offset the efforts of labor leaders and labor organizations?

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. MCVEY].

Mr. MCVEY. Mr. Speaker, the House today is considering H. R. 10459, a measure designed to increase the lending authority of the Export-Import Bank of Washington. This bill proposes an increase in the lending authority of the bank from $5 billion to $7 billion and provides for a corresponding increase in the bank's authority to borrow money from the Secretary of the Treasury.

The Export-Import Bank was established over 24 years ago to assist in financing and to facilitate exports and imports and the exchange of commodities between the United States, or its Territories or insular possessions, and any foreign country or the agencies or nationals thereof. The purpose of the bank is to supplement and not compete with private capital. For many years, private financing has been unable to meet all demands for world trade and investment, hence the need for a governmental institution of this type.

The bank has $1 billion of capital stock which is owned by the United States Treasury, and in addition has authority to borrow funds from the Treasury up to $4 billion outstanding at any one time.

At the close of 1957 the bank's outstanding loans and commitments for loans amounted to approximately $4.5 billion, leaving an unused lending capacity, of about $500 million. Since then commitments approaching $200 million have been made, thus reducing the bank's lending authority to about $300 million. It is extremely important to the United States that the bank have lending authority of several hundred million dollars at all times.

During the first half of fiscal year 1958 the bank authorized loans of $468 million. In the first 2 months of the calendar year 1958, commitments were close to $200 million. With lending commitments continuing at a rate of about $1 billion per year, it is apparent that the bank's current rate of lending activity will have to be curtailed unless an increase in overall lending authorization is granted.

Since its establishment the bank has authorized loans of about $9 billion. It has paid out more than $6 billion and has authorized commitments of another $1.5 billion. These commitments will be used to pay for orders placed in this country in such fields as electrical equipment, railroads, agricultural commodities, and others.

Three billion dollars of the $6 billion paid out by the bank have been repaid. This represents loans paid in full and semiannual payments received on outstanding loans.

The bank has received a total income of $867 million, more than 40 percent of which was returned to the Treasury in interest paid on all loans from the Treasury and dividends paid to that agency on capital stock at a yearly rate of $22.5 million.

It is the policy of the Board of Directors of the bank to make certain that the proceeds of the loans are spent in the United States for goods and services.

In this way, the bank is assisting in promoting a sound economy at home.

The activities of the bank are worldwide. It has loans in 59 countries. The bank has never made loans to Soviet Russia, and its loans to the satellites, made before they went behind the Iron Curtain, have been kept current by payment of principal and interest.

The bank does not program loans, by countries or by years. It makes loans only when and to the extent that the interests of this Nation, the needs of our economy, and the capacity of foreign borrowers, all create new opportunities for the bank to assist in financing sound proposals. With expanding needs here and abroad, I believe it is imperative that the Export-Import Bank's lending and borrowing authorities be increased as proposed in H. R. 10459. Unless these authorities are increased, the bank's activities will be greatly restricted.

Mr. ALLEN of Illinois. Mr. Speaker, I know of no one who is opposed to this rule, and I reserve the remainder of my time.

Mr. DELANEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the

Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 10459) to increase the lending authority of the Export-Import Bank of Washington, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 10459, with Mr. MACHROWICZ in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Kentucky [Mr. SPENCE] will be recognized for 1 hour, and the gentleman from Iowa [Mr. TALLE] will be recognized for 1 hour.

The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this is a bill to increase the lending authority of the Export-Import Bank from $5 billion to $7 billion, and to increase the borrowing authority from the Secretary of the Treasury from $4 billion to $6 billion.

It is necessary to pass this bill in order that the Export-Import Bank may continue unrestricted its activities which have been so useful to the industrial interests of the country and to our international relations. I know of no real opposition to it.

The Export-Import Bank was organized in 1934 at the darkest period of the depression. It was organized to stimulate our industries and to help do away with the difficulties that existed at that time. I think it has accomplished its purpose most admirably.

The money this bank lends never goes out of the country. Dollar credits go to foreigners who desire to purchase American goods; loans are made to foreign industrial organizations and foreign governments, but the money stays here.

I have seen some of the good effects of this great organization. I traveled through Europe shortly after the war when there was great destruction of property, when the industries were destroyed, when there was poverty and suffering over there. It meant much to those people and to all the world. I saw the industries rise from their ashes because of loans made by the Export-Import Bank; and as we met with those people I saw the gratitude they really felt because of the help we had given them, not doles or handouts, but loans, loans that have reasonable assurance of repayment.

That has not alone helped them and helped us, but I think also it has been the most effective way in which we have helped our international relations.

I traveled through South America and I saw there the effect of the loans the bank had made to the Latin Americans. I also saw the gratitude those people felt for the interest we had taken. There is no way in which friendship can be better engendered than by honest business relations, and this program has accomplished that. I think it is one of the finest means to attain our hemispheric solidarity.

I know of no criticism that can be made of this great organization, because it has cost the Government not a cent. They now have uncommitted $473 million. They have paid into the Treasury—not lost, but paid into the Treasury—$376 million.

They have reserves of $475 million.

They have earned more than $800 million which the Government now owns.

Their losses have been $500,000, which has been written off, although there are $12 million of delinquent accounts.

Where can you find a better record? Where can you find an institution that has done more for our country and its economy?

This bill does not change existing law; it merely gives the Export-Import Bank the authority to continue its useful functions unimpaired and unrestricted.

Mr. Chairman, I do not think it is necessary for me to say more. I know you are conversant with the record of the Export-Import Bank, and I am sure that the bill will pass without a dissenting vote.

Mr. TALLE. Mr. Chairman, I yield myself 8 minutes.

Mr. Chairman, the distinguished chairman of the Committee on Banking and Currency [Mr. SPENCE] has stated important facts pertaining to the pending bill correctly and I concur in his entire statement. I believe there is no need for a long discussion of this measure, for it was reported out by the committee unanimously.

Last year I gave a detailed account of the record of the bank and other matters pertaining to it, and for that reason I will now merely refer to the CONGRESSIONAL RECORD of the last session for April 9, 1957, in the event any Member is interested in reviewing what I stated at that time.

There are three paragraphs in the report accompanying H. R. 10459 which I should like to read, and I recommend to all Members that this report be read in its entirety. It is a significant report. It contains facts from which I draw the firm conclusion that every Member in this Chamber should support this bill.

First, what are the prospects for 1958 insofar as the operations of the bank are concerned? I quote from page 3 of the report:

> About a month ago the bank made a study of the impact on the United States economy during the first 6 months of this year of orders placed as a result of recent loans. The bank estimates from its operations alone that orders so placed in the United States will result in the manufacture of approximately $500 million of capital goods. Together with the bank's expected financing of $125 million more in agricultural products it would appear the bank's loans will result each month in about $100 million additional business in the United States.

Second, I quote a brief statement from page 6 of the report. This has to do with the record of the bank:

> After paying the Treasury interest on borrowings, after paying dividends on capital stock, after meeting all administrative expense, and after charging off losses—there remains about $475 million in earned reserves of the bank which good banking and business judgment require be maintained in adequate proportion to loans outstanding.

Mr. Chairman, I would like to add in this connection that I know of no other institution dealing with so much money that has so efficient a record in administration. It has operated for 24 years, and the administrative cost is a fraction below 1.7 percent. My congratulations to the Board on that remarkable record.

Third, I turn to another paragraph on page 6 in the report and quote as follows:

> Because of the Export-Import Bank's highly successful record of operations, because of its vital role in assisting our friends in the free world on a mutually profitable basis and because of its substantial contribution to our domestic economy, the committee unanimously agreed to report H. R. 10459 favorably to the House. Based on the bank's past record, this extension of its borrowing and lending authority will result in profit for the Government as well as profits and jobs for our domestic economy.

Finally, Mr. Chairman, may I emphasize that this is a bank that is wholly owned by the United States and that its purpose is to promote the foreign trade of the United States. As a matter of fact, if we look at it historically, the beginning of trade, as such, was foreign. The origin of trade as an institution goes back to the days when one tribe dealt with another. That was, in effect, foreign trade. I want to emphasize, too, how important foreign trade is. Foreign trade can be a great force for promoting friendship among nations. When our Board of Directors, all five of them or any one of the five, or their designees, go to foreign countries, they are ambassadors of good will from the United States. Not only that, they acquaint people in foreign lands with basic truths about our economy, about our purposes and business methods, that when Uncle Sam makes a commitment, his word is good; that we do not seek undue advantages from foreign countries; that we are interested in improving the world in which we live; and that we strive always to promote peace. We seek nobody's territory. Nor do we seek to exploit. We endeavor with all our might to give to the free world the hope and leadership it desperately needs.

Mr. Chairman, I urge the adoption of this bill without a dissenting vote.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I rise in support of H. R. 10459. This bill would increase the lending authority of the Export-Import Bank of Washington from $5 billion to $7 billion.

The Export-Import Bank of Washington is one of the outstanding agencies of this Government. It was initially created as a banking corporation under the laws of the District of Columbia on February 12, 1934, pursuant to Executive Order 6581, dated February 2, 1934. The Export-Import Bank Act of 1945 made the bank an independent Federal agency, increased its lending authority from $700 million to $3½ billion, and arranged its financing through the Reconstruction Finance Corporation.

In June 1947 the Export-Import Bank Act of 1945 was further amended for the purpose of reincorporating the bank under Federal charter and for other purposes. Its life was extended until June 30, 1953. The 1947 law also stipulated that net earnings of the bank, after reasonable provision for possible losses, shall be used for payment of dividends on capital stock. It was further provided that borrowings from the Treasury shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States. The rechartered corporation succeeded to all the rights and assumed all the liabilities of the District of Columbia corporation.

Public Law 158 of October 3, 1951, increased the lending authority of the Export-Import Bank by $1 billion and extended the bank's life for 5 years from June 30, 1953, to June 30, 1958. Public Law 85-55 of June 17, 1957, further extended its life to June 30, 1963. At the present time the bank has a lending authority of $5 billion, $1 billion of which is capital stock and $4 billion is borrowing authority.

Except for a brief period between June 30, 1953, and October 1954, when it was under the direction of a Managing Director, responsibility for the policies and operations of the bank have been vested in a bipartisan Board of Directors of five members appointed by the President and confirmed by the Senate. The members of the present Board of the bank were so appointed pursuant to amendments of the Export-Import Bank Act adopted by the Congress in August 1954.

The objects and purposes of the bank are to aid in financing and to facilitate exports and imports and the exchange of commodities between the United States, or any of its Territories or insular possessions, and any foreign country or the agencies or nationals thereof. In section 2 (b) of the act of Congress declared as its intent that the bank should encourage and not compete with private capital and that loans, insofar as consistent with the major objectives, should generally be for specific purposes and, in the judgment of the Board of Directors, offer reasonable assurance of repayment. The expressed policy of the bank is to establish rates of interest on those loans to borrowers, "each to cover all operating expenses plus the interest cost of all funds used by the bank and to accumulate a reserve for future contingencies."

Applications for loans are presented to the bank through many sources such as foreign embassies and agencies, and by exporters and prospective borrowers directly or through their banks. Such applications are subjected to detailed analysis by the bank's technical staff to determine whether they conform to the general policies of the bank. The bank consults with other interested departments and agencies of the Government as to various aspects of the applications and consults with the National Advisory Council on International Monetary and Financial Problems in its coordinating capacity as to the relationship of a proposed loan to the general lending policies of the United States Government.

In all its operations the bank endeavors to encourage and maintain the widest possible scope for private enterprise in foreign trade. The activities of the bank are confined to dealing with risks of a type which are either beyond the scope of private capital or which private capital is not prepared to assume without Government assistance. As a matter of policy the bank's credits are extended primarily for the purpose of facilitating exports of goods the sale of which involves relatively extended terms of credit and which will serve to increase the productive capacities of foreign countries or otherwise to promote continuing and mutually profitable trade.

Since it commenced operations in February 1934, the bank has financed sales of United States products in 68 countries of the world. Today, it has outstanding loans in 59 countries. Since 1934 the bank has disbursed loans totaling $6 billion. Of this, $3 billion has been repaid. In addition, the bank has undisbursed commitments of $1.5 billion.

The bank has issued many specific credits to assist the sale abroad of American agricultural products. During the 5 fiscal years ending June 30, 1957, the bank authorized credits for the purchase of American cotton in the amount of $425 million. These cotton credits were used by the textile industries of foreign nations in Europe, Latin America, and the Far East. This program, of course, has been greatly beneficial to cotton-producing States such as Georgia.

The bank has an outstanding record of successful operation. Total losses charged off approximate only $500,000. As of December 31, 1957, installments of principal past due totaled approximately $11.7 million. These have not been declared in default or charged off against the bank's earned reserves of $475.4 million because of the expectation of eventual repayment. Even if past due principal amounts are added to losses actually charged off, the ratio of loss to aggregate loan disbursements is less than one-fifth of 1 percent.

The bank does not operate on appropriated funds. All of its administrative expenses are paid out of its earnings. The ratio of administrative expenses to gross income over the life of the bank has amounted to only 1.7 percent.

The Export-Import Bank is the only source for the financing of important United States trade in situations in which private capital is not available. Even though the activities of the bank may directly affect a relatively small portion of the total United States trade, its operations are highly important in the overall picture. In the field of medium- and long-term credit, the assistance of the bank is often essential if the sale is to be realized. In addition, the bank performs a valuable service in financing the export of United States materials, equipment, and services which go into development projects abroad that are designed to improve the dollar position of the other country and consequently that country's ability to purchase more United States products. In view of its successful record and the importance to the United States of the activity in which it is engaged, I believe that the lending authority of the bank should be increased and therefore urge a favorable vote on H. R. 10459.

Mr. TALLE. Mr. Chairman, at the moment I have no requests for time; I reserve the balance of my time.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I have no desire to find fault with the recommendations of the Committee on Banking and Currency. I have no intention of voting against this bill, but I should like to call the attention of my colleagues in the House—and I think I would be remiss in my duty if I failed to do so—to the committee report at page 2, under the heading "Generation of Business in the United States."

Under that heading it is clear that the object of the Export-Import Bank is to make loans abroad in an effort to increase business in this country. I want to take the time to call your attention to an incident that occurred within the last 30 days. The Indian Government made application to the Export-Import Bank for a loan. They got a grant of $75 million out of our mutual security funds, and in making application for $150 million from the Export-Import Bank they listed in support of their application and indicated their desire, to buy seven separate articles in the United States. One of those, the second on their list in importance and priority, was mining equipment. The loan was approved and the Indian Government began making purchases in this country. They submitted bids for approval for American manufacturers on mining equipment. I happen to have one of those mining equipment companies in Oak Hill, West Virginia, where there is a 34 percent ratio of unemployment of the labor force. This contract involved something in excess of $7 million and would furnish work to that company for 125 men for 1 year or 15 months. They were the low bidders of six American companies. About 5 days before the bidding closed, the representative of this firm in my district in West Virginia was advised by their representative in Calcutta that the Indian government was not buying their mining equipment in accordance with the supporting data of their application on this loan and that the Polish government had submitted a bid for this mining machinery which was 35 percent below that of any of the six American firms that were bidding. I called the manager of this firm to Washington and had a conference with the Export-Import Bank. They took the matter up with their representative in Calcutta. Apparently, they did not even know of the existence of the Polish bid. I have no assurance from the Export-Import Bank right now that they are going to purchase that mining equipment. They think they can buy other things in this country to the extent of $150 million

and deal with Poland and buy their equipment with Indian rupees. The only thing I want to know is—are we really making these loans for the purpose of generating business in the United States as set forth in the committee's report on page 2? What is the committee doing to follow up the Export-Import Bank activities to see whether the intent of the legislation and the intent of the committee report is being carried out? I have no desire whatever to raise any question. I think the Export-Import Bank is a good institution. I am going to vote to increase their capital stock and their lending authority, but I think Congress should know some of the details of what is going on.

Mr. TALLE. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. TALLE. The question asked by the gentleman from West Virginia is entirely appropriate. I should like to state that in late 1951, and I realize that that is over 6 years ago, but in 1951 a subcommittee of the Committee on Banking and Currency of the House made an inspection trip to South America. I was on the subcommittee. We visited all of the countries in South America, and in addition Mexico and Cuba. Our purpose was to inquire into the status of the Export-Import Bank loans in those countries. I think our time was unusually well spent. I got a good impression of what was being done, generally. One thing that delighted me, I will say to the gentleman, is that the psychology in South America was the kind of pyschology I approve of. Not one of those governments asked for handouts. They were eager to get loans from the United States but on a business basis. They were not asking for handouts.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. SPENCE. Mr. Chairman, I yield 2 additional minutes to the gentleman from West Virginia.

Mr. BAILEY. I yield further to my colleague, the gentleman from Iowa [Mr. TALLE] if he has not completed his statement.

Mr. TALLE. I thank the gentleman.

Of course, I realize that this inquiry dates back to 1951. But, subsequently, other members of our two Banking and Currency Committees in the House and in the other body made similar trips. I know that at least one or two gentlemen in the other body on the Banking and Currency Committee there and other Members of the House have made somewhat similar inspection trips.

Mr. BAILEY. May I inquire of the gentleman whether in these investigations, which he conducted, he found anything comparable to what is going on such as went on in this case to which I have called the attention of the House today where they are deliberately setting aside their basic request by not buying what they committed themselves to buy when they secured the loan?

We are not interested in Polish money or Indian rupees. That is your counterpart money. I am talking about loss to American business concerns.

Mr. TALLE. I must say I am not familiar with the facts in that situation. I assure the gentleman I found nothing of that character in 1951.

Mr. BAILEY. Most certainly we cannot continue to operate loan concerns to help our friends abroad and to help American business unless we require the people who borrow from the Export-Import Bank to live up to the agreement that they themselves voluntarily made when they secured the loan.

Mr. TALLE. I agree with the gentleman thoroughly, that the purpose of this bank is to promote American trade and that must continue to be its purpose.

The CHAIRMAN. The time of the gentleman from West Virginia [Mr. BAILEY] has again expired.

Mr. TALLE. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. MCDONOUGH].

Mr. MCDONOUGH. Mr. Chairman, I rise in support of this bill. I believe it is one of the most beneficial foreign relation operations that the Government has with foreign countries. This is not a grant-in-aid; it is not a giveaway program. It is a substantial business transaction which creates good relationship with the countries we deal with, and over the years has proved highly beneficial in so far as relationship of the United States with the countries it is dealing with and vice versa.

I think one of the things we ought to consider at this time in extending this authorization and increasing it from $5 billion to $7 billion that part of the report on page 3 in which it is stated:

> About a month ago the bank made a study of the impact on the United States economy during the first 6 months of this year of orders placed as a result of recent loans. The bank estimates from its operations alone that orders so placed in the United States will result in the manufacture of approximately $500 million of capital goods. Together with the bank's expected financing of $125 million more in agricultural products it would appear the bank's loans will result each month in about $100 million additional business in the United States.

I think as far as our mutual aid program is concerned, this is doing more good on the basis whereby self-respect of the nation that is borrowing the money is maintained and their relationship with the United States is cemented on a firmer basis. There is no attempt on the part of this bank in its negotiations with foreign countries to attempt to dominate the situation, to make it look as though it were political or that there is any attempt on our part to be benevolent to them; it is strictly a business proposition. As a matter of fact, Russia is doing this very thing to its satellites. It is not granting them money without obligation. In most every instance we read about the money advanced by Russia to its satellites is a loan with a rate of interest and with an obligation to repay.

I do not mean to say that we should emulate their policy, because we began operating this bank before Russia instituted such a policy, but I maintain that the service this bank is rendering the United States is valuable, and that we should support the extension of its authority required in this bill. The report on this bill further states:

> Press dispatches deal with Russian competition on the economic front and report Russia making foreign development loans. The foresight of the Congress extending over a quarter of a century has placed the United States in such a position that whenever the Soviets propose a loan the United States can point to hundreds of projects throughout the world which have enjoyed Export-Import Bank financing. Presently the bank has loans in 59 different countries. The bank is the oldest public institution assisting the less-developed countries in improving their general capacity to be stronger, independent members of the free world. Not only has United States trade been expanded but United States private enterprise know-how is kept at work throughout the free world. The bank consistently follows the principle that its extension of credit be a sound business operation, based on prospects for economic gain to the borrower and to be repaid by the borrower, and that the credit transaction provide mutual benefits to both the lender and the borrower. The bank does not make grants nor does it make investments in stock.

I urge the approval of this bill.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, I join in hearty support of this legislation, H. R. 10459, to increase the lending authority of the Export-Import Bank from $5 billion to $7 billion.

The lending program of this bank, as administered, provides funds for loans used almost exclusively for purchases of equipment and goods manufactured in this country. Almost every community in America can feel the impact of these purchases and the resulting production and employment. The extension of this program will undoubtedly contribute to the recovery of our economy.

There are many who believe that America is pricing itself out of the world markets. If this is a fact, we are in for critical days ahead. High prices are even more devastating in the world market than they are on the domestic scene—because the system of negotiated prices is considerably limited to the domestic market.

Legislation of this type which extends credit for the purchase of American-made goods is essential to improve the competitive position of American industry and labor for the markets of the world.

I urge the adoption of this bill.

Mr. TALLE. Mr. Chairman, I have no further requests for time.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Chairman, I want to support this legislation and commend the committee for bringing it to the House. It is the kind of program in which our country and Government should be interested in supporting in order to better our foreign relations.

We hear a great deal now about the possible effect of economic competition between our country and Russia. I believe that were we to analyze this type

of program in comparison with the program we have been carrying on in the so-called foreign-aid effort where we have made outright grants to these nations, we would find that the people of this country, 100 to 1, would support the type of program outlined in this legislation. I am glad to see that the committee has recognized this and its effect on our foreign relations on page 3 of the report, and I would like to quote from it briefly for the benefit of the House:

> Press dispatches deal with Russian competition on the economic front and report Russia making foreign development loans. The foresight of the Congress extending over a quarter of a century has placed the United States in such a position that whenever the Soviets propose a loan the United States can point to hundreds of projects throughout the world which have enjoyed Export-Import Bank financing. Presently the bank has loans in 59 different countries. The bank is the oldest public institution assisting the less-developed countries in improving their general capacity to be stronger, independent members of the free world. Not only has United States trade been expanded but United States private enterprise know-how is kept at work throughout the free world. The bank consistently follows the principle that its extension of credit be a sound business operation, based on prospects for economic gain to the borrower and to be repaid by the borrower, and that the credit transaction provide mutual benefits to both the lender and the borrower. The bank does not make grants.

This is type of aid we ought to be giving to countries throughout the world, as we do in this program. I hope we can make a corresponding cut in the foreign aid program by making fewer grants and putting them on a sound economic basis as we should do and as we can do as the history of this Export-Import Bank has shown.

Mr. TALLE. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. HENDERSON].

Mr. HENDERSON. Mr. Chairman, had they had an opportunity to be present I am sure the Members of the House would have been as impressed as were the members of the Committee of Banking and Currency with the statistics presented in connection with this request for extension and additional funds; the outline of the activities of the Export-Import Bank, and the impact it is having in foreign countries where it is operating, as well as the economy and efficiency with which the affairs of the bank are conducted; and, most of all, the fact that there is absolute fiscal responsibility on the part of the recipients, because this is a lending function, not an outright grant by the United States Government.

I join with others who feel that this is the more desirable method of helping countries and industries less fortunate than our own, by making funds available which must be repaid on a sound, businesslike basis. We are doing those nations and those industries far greater service than we would by outright grant of funds for which there would need be no responsibility for repayment, and no definite incentive to make beneficial use of the funds.

I commend this extension and increase of authorization for the Export-Import Bank. It should be remembered that the assistance is being provided to individuals and to firms, rather than to governments. I am highly critical of our foreign-aid program for many reasons, but one reason in particular is that with foreign aid the assistance is being given to governments. In a great many instances the governments are using the funds for projects which are socialistic in nature. We are, through foreign aid, helping governments to adopt policies we would not countenance in our own democracy. Instead of building a bulwark of strength against communism in those countries, we are aiding and abetting it. Such practices are utter nonsense.

The Export-Import Bank is to be commended for its past work and encouraged to continue its efforts to stimulate the flow of commerce. The record of this Federal institution, based as it is upon sound financial principles, has done more to devlop the strength of the free world than many of the costly and bewildering projects of international dole which has poured from our Treasury into foreign areas during the past decade. The bank's operations have at the same time made free enterprise an understandable reality in many parts of the world where it has been only vaguely known and under constant attack by Soviet distortions.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, I rise in support of the legislation. It is really a great pleasure to be able to commend the achievements of such a remarkable Government institution. I most certainly add my congratulations to the Board of Directors of the Export-Import Bank for having built up the excellent record they have.

I join with others in pointing out the fine business methods which have been used and the incalculable benefits which have been achieved both by the borrowers and by this country in supporting this institution.

The additional authority in the pending bill will enable the Board of Directors to meet increased demands, all of which will add to the accomplishments of the bank.

Mr. TALLE. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, I approve of the legislation before us. I think, in general, the experience of the Export-Import Bank has been quite satisfactory both commercially and diplomatically to the Nation. I think it is one of the things that enable this Government to be of great help to the economies of foreign nations that seek financial aid on a loan basis.

Mr. Chairman, however, I happen to have some first-hand knowledge in connection with one of the projects that was authorized several years ago which I would like to discuss briefly, and for that purpose I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. NEAL. Mr. Chairman, during a consultation assignment to Afghanistan 3 years ago, I spent several weeks in the valley of the Helmand River.

An American contracting firm, financed through Export-Import Bank, was approaching final stages of an extensive irrigation project consisting of dams on two confluent streams, drainage ditches, and highway construction to serve a large desert area practically devoid of permanent population.

Attempts to persuade these nomadic people to occupy newly constructed housing facilities were meeting with little success. Usable domestic water was unavailable due to the fact that deep wells contained an objectionable amount of salt. Again, large areas of irrigable land were underlaid with impervious substrata preventing leaching. Both these conditions were barriers to uniform success in land utilization.

While the Afghan Government was proceeding toward a pattern of TVA reclamation program encompassing expenditures of a considerable sum for an isolated headquarters town primarily planned for homes and offices of the administrative personnel, there was no apparent effort to set up a revenue system whereby water-use returns could be made available to the Afghan Government to repay the Export-Import Bank loan. I trust ere now prospects for settlement of the area are improving.

By way of comparison, perhaps largely due to the fact that the loan was arranged before complete and satisfactory potential was established, the money we spend in a questionable rehabilitation area at this time would seem to be beyond the hope of recovery, at least in the foreseeable future.

The Kremlin, on the other hand, taking full advantage of the propaganda effect with a very meager loan to the Afghan Government, chose to improve and pave the streets of Kabul as a demonstration or showplace for the people of that capital city and the whole Afghan nation.

I cite this only to express my opinion that in some instances Export-Import Bank loans as well as other foreign loans and grants are sometimes made before adequate study of the full potential benefits that might be derived from such loans is established.

Inasmuch as Afghanistan occupies that mountainous area between Russia and Pakistan, it is to the advantage of the American Government that whatever aid we tender in the form of loans or grants to this nation should be made with a definite purpose of improving the relationship between their government and ours. In other words, regardless of how much material benefit recipients of our loans may receive, we are, I think, fully justified in seeing that those expenditures are made at times and in places favorable to improvement of our mutual relations.

Mr. SPENCE. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Export-Import Bank Act of 1945, as amended, is amended—

(1) by striking out "$4,000,000,000." from section 6 and inserting in lieu thereof "$6,000,000,000."; and

(2) by striking out "$5,000,000,000." from section 7 and inserting in lieu thereof "$7,000,000,000."

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. ALBERT] having assumed the chair, Mr. MACHROWICZ, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 10459) to increase the lending authority of the Export-Import Bank of Washington, and for other purposes, pursuant to House Resolution 560, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3149) to increase the lending authority of the Export-Import Bank of Washington, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

Mr. TALLE. Mr. Speaker, reserving the right to object, is the bill passed by the other body identical with the bill passed by this Chamber?

The SPEAKER pro tempore. Will the gentleman from Kentucky answer that question?

Mr. SPENCE. The bill passed by the Senate is identical with the bill just passed.

Mr. TALLE. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Export-Import Bank Act of 1945, as amended, is amended—

(1) by striking out $4,000,000,000." from section 6 and inserting in lieu thereof "$6,000,000,000."; and

(2) by striking out "$5,000,000,000." from section 7 and inserting in lieu thereof "$7,000,000,000."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The proceedings whereby the bill H. R. 10459 was passed were vacated, and that bill laid on the table.

GENERAL LEAVE TO EXTEND

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. BREEDING. Mr. Speaker, the bill H. R. 10459, which would increase the lending authority of the Export-Import Bank of Washington from $5 billion to $7 billion and provide for an increase of the same amount in the authority of the bank to borrow funds from the Secretary of the Treasury, has my fullest support.

The Export-Import Bank and its operations have been of assistance to our domestic economy, both industrially and from an agricultural standpoint. As is stated in the excellent report of the House Banking and Currency Committee, of which I have the privilege to be a member:

All loans of the bank are made to finance the export of United States manufactured or agricultural products or services. The bank is seldom called upon to extend direct aid to imports because financing from commercial banks and other sources of private capital is generally available for such purpose. The bank has, however, assisted in financing the development abroad of many raw materials required in the United States for strategic and industrial purposes.

The bank's loan and repayment record is a sound and admirable one, Mr. Speaker. The bank has loaned during its history approximately $9 billion. The bank has actually paid out over $6 billion and has authorized outstanding commitments of an additional $1.7 billion. Of the $6 billion actually disbursed, one half or $3 billion has been repaid. All of this money, Mr. Speaker, remains here in the United States.

The House Banking and Currency Committee agreed unanimously to report H. R. 10459 favorably to the House, having concluded that the Export-Import Bank has established a highly successful record of operations, that the bank has played a vital role in assisting our friends in the free world on a mutually profitable basis, and that the bank has made a substantial contribution to our domestic economy. I agree, wholeheartedly, Mr. Speaker.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

PROGRAM FOR THE WEEK OF MAY 12

Mr. HENDERSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HENDERSON. Mr. Speaker, I take this time to inquire of the majority leader concerning the program for next week.

Mr. McCORMACK. Mr. Speaker, I am informed that the Committee on Rules has reported out a rule on the mutual security bill. If my information is correct, that will be taken up on Monday. So that the program for next week is as follows:

On Monday, H. R. 12181, the mutual security bill.

When that is disposed of, the State, Justice, and Judiciary appropriation bill for the fiscal year 1959.

When that is disposed of, H. R. 7999, statehood for Alaska.

There is the usual reservation that conference reports may be called up at any time and that any further program will be announced later.

Furthermore, in connection with the program, I understand that on Tuesday there are certain primaries—in Nebraska and New Mexico. An understanding exists between the leadership concerning rollcalls on such days, and if there are any rollcalls asked for on Tuesday they will go over until Wednesday.

Mr. HENDERSON. Mr. Speaker, I thank the gentleman.

THE MARKET BASKET

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MARSHALL. Mr. Speaker, it is virtually impossible to read a newspaper or listen to a newscast which does not make mention of the steadily rising cost of living. It is one of the big news stories of the year. This is especially so since we are in the paradoxical position of a record high in living costs during a period variously labeled as a "recession" or a "depression."

One thing that disturbs me is the fact that so many of the so-called experts on the high cost of living still charge the increase to farmers, either directly or by implication. From time to time, I have tried to keep the record straight through newsletters or remarks in the House. With the increased publicity being given to food costs as part of the cost-of-living index, I think it is time again to look at the facts.

In order to present a clear picture, I asked the Department of Agriculture to give me a comparison between the prices farmers are now receiving for the foods in the market basket and the prices they received in 1947, the best year farmers ever had.

The market basket is a device used by the Department to measure the annual cost to housewives of food supplied from farms. This theoretical basket contains average quantities of farm-produced foods bought by consumers during the year.

Imported food, fish, and other foods not produced on farms are not included. The market basket, therefore, gives us an accurate picture of the farmer's share of the housewife's food dollar spent at the grocery store.

The cost of foods contained in this market basket rose to the highest annual rate of record in the first quarter of this year. In 1947, foods in the market basket could be bought for $911; this year they cost $1,054. In 1947, the farmer got $467; this year he will get $436.

The following table compares what the farmer received in dollars for the foods included in the market basket during his best income year with what he is receiving now. It also shows what these foods cost the housewife in 1947 and what they are costing her this year:

Item	1947		1st quarter 1958	
	Cost at retail	Cost at farm	Cost at retail	Cost at farm
Market basket	$911	$467	$1,054	$436
Meat products	243	167	282	109
Dairy products	102	91	196	89
Poultry and eggs	114	79	98	63
Bakery and cereal products	115	36	159	32
Fruits and vegetables	181	61	231	70
Fats and oils	56	24	45	13

With the exception of fruits and vegetables, it is immediately noted that farmers are now receiving less for every food item while housewives are paying more.

Farmers did receive more for fruits and vegetables during the first quarter than they did in 1954. Special circumstances, however, account for this increase. The winter freeze killed many of the fruit-bearing trees and ruined the spring vegetable crop.

It is also true that farm prices have been up a little during the past winter because of special circumstances. Cattle numbers were at a low point in the cattle cycle which made beef less plentiful. The same has been true of hog numbers.

Apart from these exceptions, however, the table makes it clear that the marketing system has taken a larger share of the housewife's dollar despite lower prices on the farm.

In 1947, the housewife paid $444 for marketing services on the food she bought. This year she will pay $618 of the total spent on the average market basket for marketing services—an increase of nearly 40 percent.

Any attempt to charge these costs to the American farmer is patently unjust. Yet we still see the professional analysts taking a free-wheeling swipe at farmers every time they write about the cost of living. No one has ever accused the present custodians of the Department of Agriculture of stacking the statistics on the side of the farmer. In fact, the contrary has occurred. We suggest, therefore, that the experts take a look at the facts the next time they are peddling profundities on the economic situation.

There is still another comparison that can be made which clearly demonstrates that farm prices are not responsible for retail prices in the grocery store. All we need to do is take a look at farm income and the index of retail food prices in 1947 compared with today.

In 1947, realized net farm income was the highest of record—$17.2 billion. The farmer received 51 cents out of the housewife's food dollar. Farm prices were the highest percentage of parity they have ever been—115 percent of parity.

During the first quarter of this year net farm income has been holding at an average of a little more than $12 billion. The farmer is receiving only 41 cents out of each food dollar the housewife spends. Farm prices have averaged only 84 percent of parity. They have been below parity every year since 1952 and at less than 90 percent of parity since 1953.

In 1947, the index of retail food prices was 95.9 percent. During the first quarter of this year, the index of retail food prices at the grocery store averaged above 118 percent.

In other words, while farm prices were falling more than one-fourth—27 percent—the amount the housewife has to pay at the grocery store has increased nearly one-fourth—23 percent.

The result is an ever-widening spread between the prices farmers receive and the prices consumers pay.

These are the facts. We hope the propagandists who charge farmers every increase in the cost of living will take time to study them. Their unjust attacks cannot help but add to the difficulty of finding a solution to the problem of farm markets.

PROVIDING FOR WHITE HOUSE CONFERENCE ON AGING

Mr. RODINO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RODINO. Mr. Speaker, like my good friend, the gentleman from Rhode Island, Congressman FOGARTY, and a number of my other colleagues, I have introduced a bill, H. R. 11835, to provide for the holding of a White House Conference on Aging during 1958. I believe that such a conference is necessary at this time to bring together the best thinking in the Nation on a subject which is very important to me: The present waste and disregard of one of our greatest national resources, our aging citizens.

You will recall that the first and only National Conference on Aging was held in Washington in August 1950 at the request of President Truman, a great American with a genuine concern for the problems of persons of all ages. Over 800 delegates representing private organizations, professional societies, and State and local groups, with a limited number of Federal Government specialists, met to consider 11 topics covering the whole range of individual and social adjustment to aging. The objectives of the conference were:

First. To provide a forum for persons concerned with aging;

Second. To revaluate the potentialities of older people toward insuring their useful and satisfying participation in the life of the community;

Third. To stimulate the exchange of ideas among persons of varied experience, with a view to solving problems of the aging through voluntary and public organizations in each State, city, and community.

Fourth. To define the nature and extent of these problems as they affect the individual, his family, his community;

Fifth. To promote research on aging in such fields as employment, health, education, recreation, rehabilitation, and social and psychological adjustment;

Sixth. To transmit the findings of this conference to interested groups, including the Federal Government, as guidelines for development policies with regard to our older people.

The National Conference served to identify and describe the various aspects of the problem and to direct national attention to it. Following the Washington conference many local and regional conferences were held, various national voluntary organizations began to extend their fields of interest to include aging, mass media began to give better coverage to the needs of older people and preparation for old age, State commissions on aging were established, universities and foundations set up special research projects and others offered special courses for older people, and some employers became interested in preparing employees for retirement.

The Director of the National Conference summed up the results as follows:

> We recognize also that some of the new developments and program step-ups would have taken place without the Conference; they were merely encouraged or accelerated by the national recognition given to the complex of aging problems. In many instances, however, new activities are traced directly to the Conference by those who initiated them.

Now almost 8 years have passed during which the number of persons 65 and over has increased from about 12¼ million to almost 15 million. It is time to bring together the fruits of the research and studies of these years and to share the knowledge gained from the action programs of private organizations, and State and local governments.

It is also important to arouse public interest in the problem of the aging and through the Conference to correct misinformation and common prejudices which still prevail in some quarters. For example, many employers believe that older workers are slow and that hiring older workers adds substantially to pension costs. Actually, a Labor Department survey shows that output per man hour indicates no significant decline with age. Moreover a group of pension experts reported that there is no signficant increase in pension and insurance costs for new hires of older workers. Bringing these facts to light is one important public educational function which a White House Conference could be expected to perform.

What are these problems of the aging to which I have been referring generally? While they touch on every aspect of life itself it seems to me that they can be summarized under employment, income maintenance, health, housing and social integration and mental adjustment.

I would like to explore briefly each of these areas making special reference to the 1957 report of the Old Age Study Commission of my own State of New Jersey.

The commission declared that the practice of enforced retirement at 65 and barriers to hiring at 45 were unrealistic in view of increasing longevity, the easing of the work process and favorable work records of older workers. Of the 465,000 persons over 65 in New Jersey in 1956, about 30 percent have full- or part-time employment. Many more would prefer some kind of employment to compulsory retirement and reduced incomes. The commission concluded that providing more job opportunities for such people constitutes one of the most promising areas for improving the economic circumstances of the group and thereby alleviating some of their other problems.

This brings me to income maintenance which lies at the heart of the present depressed status of our aging population. In the Nation as a whole two-thirds of the persons over 65 have incomes under $1,000 a year and 42 percent receive less than $500. And this at a time when the cost of living, especially the cost of food and medical care, continue to soar. It is imperative that we make it possible for these persons to work if they want to. But we must also bring Social Security benefits to a more realistic level—may I remind you that the average monthly benefit is now only $71 per month.

The next problem which I would like to touch on is health. It is estimated that about one-half of those over 65 have some chronic illness or disability. And most of them are not covered by hospitalization insurance of any kind. Meeting the health needs of the aging, the New Jersey Commission concluded, will require, first, provision of medical services or institutional care for those who are already elderly, and second, an integrated program of constructive health and preventive medical care for all people as they grow older. In this area the New Jersey chronic illness control program provides a nucleus for future development and might serve as an example to help other States through the proposed White House Conference. Another example of constructive action in this field which might be adapted elsewhere is a New England community's clinic for well-oldsters.

Closely related to health and economic status is the housing of our aging population. While almost two-thirds of those over 65 own their own homes, a distressing number of these homes are substandard and/or ill suited to the needs of their owners. I am afraid that the neat, cozy pastel bungalow overlooking the Florida beach is an exception to the housing arrangements of most of our aging citizens.

Here is an area which cries out for constructive solutions. Let us get the experts together to exchange views, to examine the results of pilot projects in housing for the aged and come forth with recommendations for action.

One of the most challenging of the problems which such a White House conference could explore derives from the fact that our modern industrial development has given us a new opportunity for enriching our lives during the years after we have graduated from the working force. In the words of the New Jersey Old Age Study Commission:

> The growing and complex challenge of aging is nowhere more apparent than in education for aging which must provide the values, goals, interests, attitudes, and knowledge to live the extra years of life rewardingly. A major challenge of education for aging is that a good share of the education for a long and useful life necessarily must occur during childhood, youth, and middle-age before the onset of the later years. The whole process of life is one of aging with no clear line as to when old age begins. * * * Education also has a particular opportunity to contribute to the needs and interests of older persons provided by the increasing leisure time which usually comes with age, particularly as the practice of job retirement spreads. This contribution may be in the form of vocational education useful in helping solve practical problems of continued income maintenance or in opening up new vistas of living through learning for learning's sake.

We must explore and enlarge those activities which put the services of the community at work for our older people, and, in turn, allow our older people to enlarge community services. Many communities are finding that the retired people have the time to serve on committees, to make surveys of community needs, and to take over the job of soliciting for charitable enterprises. I believe that we have just begun to understand, in our communities and our churches, how much of a contribution our older men and women can make in this area.

One of the most striking contrasts between a free democratic government and a totalitarian government is the difference in the way they treat their older citizens. In the dictatorship the old person is a mere pawn in the execution of governmental policy and his existence is wholly dependent upon his usefulness to the State. This characteristic was once again illustrated by the recent decision of the East German Government to let only the old and the sick escape from behind the Iron Curtain in an attempt to impose an economic burden on the free government in Western Germany. This parallels the action of the North Korean Communists who drove a million refugees—mostly women and children and older people—over the 38th parallel. Clearly, to the totalitarian mind, the older man and woman, and the weak, are expendable in time of crisis.

On the other hand, the free governments of the world look upon the older citizen and his well-being as one of the important ends of the organized State. He is not, in the democratic State, a means to the end of governmental power and ambition but is an individual who, through long service to his country, deserves its most thoughtful concern and attention. It is in this spirit of individual freedom that I present this bill for your consideration.

AMERICAN ORDER OF GENERAL PULASKI, INC.

Mr. DELLAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. DELLAY. Mr. Speaker, on March 4, 1958, the American Order of General Pulaski, Inc., held their annual meeting and installation at the 7th Regiment Armory in New York City. It is fitting that this order named after General Pulaski, who was the Father of the American Cavalry and gave his life at the Battle of Savannah in 1779, should hold their meeting at the 7th Regiment Armory in New York City.

The gathering was addressed by the Honorable Thomas J. Curran, former Secretary of State of the State of New York, and the Honorable Spruille Braden, former Ambassador to Argentina, Columbia, and Cuba, Assistant Secretary in the State Department, and member of the Commission which negotiated the Chaco Peace Treaty between Bolivia and Paraguay.

The Honorable Cornelius H. Tuszynski, president of the society, expressed the hope that we will continue to make available to the needy and hungry in non-Communist countries our surplus commodities which are depressing prices. They might also be made available to the people of Communist countries provided it is under the absolute control and supervision of our Government, patterned along the lines of the Hoover Relief Commissions. However, he also expressed the hope that we will desist in giving support or money to any of the Communist Governments—a practice that will only prolong enslavement of the peoples under diabolical communism.

Mr. Speaker, I ask unanimous consent to hereby submit copies of the speeches by the Honorable Thomas J. Curran and the Honorable Spruille Braden, and a resolution passed by the order at the March 4 meeting.

The speeches and resolution follow:

EXCERPTS FROM SPEECH BY THE HONORABLE THOMAS J. CURRAN BEFORE THE AMERICAN ORDER OF GENERAL PULASKI, 7TH REGIMENT ARMORY, NEW YORK, MARCH 4, 1958

Mr. Chairman, Monsignor, and distinguished guests, there are a few thoughts which occur to me, perhaps to you, too—the fantastic things about the world today, especially about Americans. We sit here tonight, talk to one another, we are complacent and smug. We feel that this fight against communism is just impossible to lose because all Americans are against communism. The fact is that every man in public life in this country, no matter at what level, who speaks vociferously enough and soon enough against communism, has been driven from American public life. The few who are left—the Commies are after attempting to drive them out. There are great organs of public opinion in this country—very powerful organs that have vested interests in the mistakes of the past. There are many name people, so-called, who told us when we were fighting with the Russians, that of course they were a democracy—they

were not a democracy like ours, but they were still a democracy. They were never a democracy. Theirs was and is the most brutal dictatorship that ever existed on the face of the earth. Since 1917 they have probably liquidated at least 20 millions of their own citizens. One could give a million statistics; the thing that amazes me, is that so many Americans will say, and fine Americans, who don't approach the facts of really how we stand—because it is not an easy fight—everything you and I do in this country feels the impact of communism on either the national or international scene. You would not be paying such high taxes except for communism.

At the outset of the war (most people in this country want to forget the fact—that is, those who wanted to get us into the war want to forget it) Russia and Germany entered into a pact and they divided Poland before a shot was fired.

Within the last two weeks, a Washington newspaper had an editorial stating that Mr. Dulles and the President were invoking God too much. This editor was provoked because Mr. Khrushchev had said that we were too sanctimonious. While prating about God, we were killing thousands of people. This American newspaper, not unlike other American papers, took up Mr. Khrushchev's propaganda. These papers, the greatest propaganda organs on the fact of this earth, are in this country, whether wittingly or unwittingly, I never could understand. Can you imagine an American newspaper stating that the Secretary of State and the President were invoking God too often? If we cease invoking God, then we are with Khrushchev. Washington invoked God; Lincoln invoked God; every President in the history of this country, invoked the aid of the Almighty. The Founding Fathers who wrote those immortal documents—the Constitution and Declaration of Independence, were religious men. They were men of great faith; men who had a profound belief in God, otherwise they could never have written those great documents.

The Declaration of Independence indicates a profound belief in the Creator. We do not have any of such rights unless you believe in the Creator. If the State gives right, the State takes it away—then Hitler, Mussolini, Lenin, and Khrushchev are right. We possess rights as human beings because we have souls and because God created us. Pulaski believed that. Pulaski was a man of great faith. When he temporarily lost his fight in Poland, he came here looking for the freedom for which he fought—he found it here. He was killed at the Battle of Savannah in defense of those ideals which you and I still hold dear—the greatest—the cause of human freedom.

There are people in this world, hundreds of thousands, and I am afraid to think how many more who are in this country, who, while they talk about fighting communism, always seem to wind up with a but. For instance, when Khrushchev said the sputnik fell in Alaska, the American papers gave it first page headlines. When a professor of Ohio State, a few weeks later, said that the sputnik was still there, this appeared back on page 16. Russia was given first page space but not the professor. You see what I mean?

If we are in this fight you have to do more than read the daily papers. You cannot say that "everything is fine," "everything is going great," "all Americans are against communism," "everything will turn out all right." * * * The Lord alone cannot save America. As intelligent people, we must do something. * * * I would say 99 percent of the people in this country want us to win this fight—they believe in God and freedom—they believe in this country and want to keep it that way. * * * We must get out on the hustings, we must get into the political fight. * * * We must see that the people running for public office believe in the ideals and principles you and I believe in. * * * We must go out and fight for these people, and not the ones who always have some reason to defend the Communists.

If the Russians are ahead of us with a sputnik, they are also ahead of us in murder, ahead of us in deceit and lying—they are gangsters on the international scene. * * * Dulles, God-fearing, understands the Russian threat like very few men in the history of America. * * * Former President, Mr. Roosevelt, according to Joseph Grew's memoirs, wanted him to meet the Japanese as a last chance to avoid war—these same liberals in those days never advocated that Mr. Roosevelt meet with the Japanese, but now. * * * "We must meet with the Communists." Many fine, intellectual people, unfortunately, are in accord with the Communists. Many people in this country have forgotten that the Communists did not put the Czar out. A real democratic government existed in Russia for a while—then Lenin and the boys moved right in and took over—they took over freedom.

We must be alert, we must be Americans, we must remember that America must recover its soul. * * * A professor some years ago said that the Declaration of Independence was an exercise in spectacular rhetoric—he was deriding it. It is one of the greatest rhetoric that was ever picked for the control of government in the history of the human race. * * * If we recover the soul the Founding Fathers had—have their ideals—we will be living up to the principles of Pulaski, and we will win this fight for freedom.

SPEECH BY THE HONORABLE SPRUILLE BRADEN BEFORE THE AMERICAN ORDER OF GENERAL PULASKI, 7TH REGIMENT ARMORY, NEW YORK, MARCH 4, 1958

Mr. Chairman, ladies and gentlemen, it is a privilege to join with you this evening in honoring that great Polish and American hero, Gen. Casimir Pulaski. I thank you most sincerely.

The traditions of 100 years, which lie behind this gathering, and the glorious inspiration which gave birth to the American Order of General Pulaski, compel me, as a duty of citizenship, to seize this opportunity to express a certain thought which for long has bothered me, a thought which has given me—and I believe many others in this country—a sense of guilt. Guilt because we have not done for the Poles in their hour of need, what they did for us in ours.

True, we of the United States, frequently and handsomely have acknowledged by words our indebtedness to General Pulaski, his Polish legion, and those other patriots from that nation who fought and died, as did Pulaski, to give the United States its independence.

But, alas, in recent years we have failed to ratify our words by positive deeds done to secure Polish freedom from Soviet domination and Communist control.

On the contrary, when the Poles in October 1956 tried to rid themselves of this cruel double yoke our Government remained practically quiescent.

This shameful betrayal of a friendship which has lasted for generations now has been greatly worsened by our foreign aid or mutual security programs. What mutual security can our money buy from such a knave as Gomulka who repeatedly and publicly proclaims his enmity for the United States of America and all it stands for? The authorities in Washington are using hundreds of millions of your and my tax dollars to finance these Communist tyrants; in effect, to subsidize the atheistical persecution of religion amongst that deeply devout people.

It is on the religious aspect of our foreign giveaway program that I wish to speak to you tonight.

I have declared publicly that our mutual security program, as presently administered, is counter to our Judeo-Christian faith and that it violates the Declaration of Independence and the Constitution. It is counter to religion because, far too often, it is being employed for the benefit of Communists and fellow travelers whose aim is to destroy all belief in God over vast areas of the earth. This results from your and my hard-earned dollars being given to the anti-Christ—to Communists like Tito or Gomulka.

What could be more sacrilegious?

What could be more utterly humiliating and shameful than for a proud and self-respecting people such as we to try to bribe these wretches to be allies and friends? In this degrading attempt, doomed to failure from the beginning, we have handed over to Tito approximately $2 billion, and millions of dollars to Gomulka.

Tito and Gomulka always have been and are just as evil as Khrushchev. We cannot trust any of them. They are all dedicated to a denial of God, to the destruction of capitalism, freedom, and our way of life.

Argentine newspapers a few years ago reported that the police in Cordoba had a criminal record of Tito as a bank robber in the 1920's or 1930's. That must have been the high point of probity in his life. After all, a bank robber is an upstanding gentleman compared to any Communist.

We should recall how Tito ruthlessly shot down our planes, killing our flyers after the end of World War II. We know that he supported Khrushchev, Kadar and the Russians going in Hungary, and their cruel suppression of the Freedom Fighters.

Our leaders are so ignorant about communism as to think that the so-called national variety is different from the "international" and can be dealt with safely. They do not know that all Communists are equally bad.

The Gomulka Communist Government a few days ago got another $98 million, in addition to what they had received before—a total of $193 million in fiscal year 1958. They are trying to get still more from us. At the same time, they are offering, in competition with American companies, to finance the development of a large Brazilian iron ore deposit. We are giving the Polish Communists the money wherewith to compete with legitimate private enterprises in our own hemisphere. It is inexcusable. Also, last year, Gomulka offered economic aid to Communist North Vietnam. Presumably he would have used part of our dollars for this nefarious end.

By foreign aid, we are helping the Gomulka regime to strangle both the freedom and faith of the Polish people; we are helping to forge stronger chains for their bondage; we are underwriting a Communist dictatorship, and by having any traffic at all with Gomulka and his band of traitors, we are giving them an aura of respectability. All of which must be enormously discouraging to every one of the enslaved peoples of Eastern Europe—and, for that matter, everywhere else.

Gomulka, in order to continue getting our handouts, pretends to be a less vicious Communist than Khrushchev and company. But his delegates in the U. N. demonstrate his government's complete subservience to Moscow. This is further confirmed by Premier Wladyslaw Gomulka's recent speech defending his acceptance of the Kremlin-dictated Manifesto of the Communist nations. In it he sharply attacked the "Western capitalists, press organs and imperialist monopolistic circles" for trying to use credits granted to Poland as a wedge for altering Polish policy. He further assured the conference of party leaders that all our foreign aid funds granted

to Poland will be used only for building communism at home and supporting Soviet world policy. Thus, he is not even grateful for the hundreds of millions of United States dollars which help maintain him in power, against the will of the people, the workers and professional men, the youth and the Church.

It would be more expeditious and efficient to send the checks straight through to Moscow, and not via Warsaw. In either case, the Kremlin will be the chief beneficiary.

Unfortunately, the American public is ignorant of the enormity of the evil being perpetrated by the United States Government's "giveaway" programs. It is fed a lot of sentimental pap. It is subjected to an intensive propaganda in favor of these foreign aid grants by a horde of government press agents. It is highpressured by circuses such as the one put on last week by Eric Johnston in Washington, when he had all of the leaders of both government and opposition whooping it up for more and bigger "giveaways."

On the other hand, it is impossible for any citizen to read, or still less, study the thousands upon thousands of pages of testimony in Congress and the reports of the Comptroller General and the General Accounting Office detailing the extravagance and waste, corruption and worse, of the mutual security program as presently administered. The facts, for all practical purposes, are denied to us, as simultaneously we are brainwashed by our bureaucrats.

Under all these circumstances, I pray that the American people soon will rise up to demand that Washington put an end to financing Communist tyrants. This at least will be a start toward paying our debt of honor to the memory of Pulaski.

It is in this spirit that I congratulate the American Order of General Pulaski on the courageous resolution it has approved tonight, a resolution which I pray will be circulated to every Member of the Congress and otherwise given as wide a distribution as possible.

RESOLUTION OFFERED BY SIGMUND SARNOWSKI, INSTALLATION MEETING, AMERICAN ORDER OF GENERAL PULASKI, MARCH 4, 1958, 7TH REGIMENT, NEW YORK CITY

Mr. President Tuszynski, although this is not a regular or formal meeting of the American Order of General Pulaski, it is peculiarly appropriate that I offer the following resolution for adoption, inasmuch as it is in keeping with the high purposes of this organization. The resolution reads as follows:

"Whereas the American Order of General Pulaski bears the name of an illustrious son of Poland, a patriot and fighter in the cause of freedom and who, with Kosciusko and other Polish volunteers fought side by side with Washington's ragged army to free the American Colonies from tyranny; and

"Whereas the entire world recognizes the United States of America as the true expression of freedom and liberty and as a potential determined and conscious factor in fighting for and upholding the rights of the individual, and

"Whereas it is only through the efforts of the United States and other freedom loving countries that the peoples of the world now under the yoke of oppression will some day be governed by a Government of their own choice and selection and will enjoy inviolable security of life, of worship, and of industrial and social development under the powers of government self-created and devoted to a faith and purpose and an aim to serve its people: Be it

"Resolved, That we here assembled urge and encourage the United States and all freedom-loving countries to continue in an unrelenting and determined effort to help the unfortunate peoples of Poland and other countries dominated by an atheistic, barbaric, and inhuman communistic tyranny, to achieve a life of freedom, free of fear and hatred to worship their God, to govern themselves, and to determine under what government they should continue to live; and be it further

"Resolved, That we pray to God that He in His infinite wisdom and mercy bless these efforts."

Mr. President, I, Sigmund Sarnowski, move the adoption of this resolution.

Resolution was unanimously adopted March 4, 1958.

POLISH CONSTITUTION DAY

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the Constitution of the United States, and the Constitution of Poland, have so much in common that they were almost born together. Both came into being near the end of the 18th century. Both proclaim man's primary right of freedom, and both provide those guaranties that shall protect him from the abuses of power.

In fact, and in spirit, the people of the United States and the people of Poland have been closely related in their struggle for independence.

Poland gave us the military skills and the superb morale of Pulaski and Kosciuszko at a time when we desperately needed help.

Poland gave us millions of her sons and daughters, whose faith and strength and skill have contributed so much to the building of our Nation.

In so doing, they won the admiration of all their fellow Americans and opened our eyes to the debt of gratitude that we owe to the land of their fathers. The debt that, as of now, we have not repaid.

The Communist Government of Poland does not represent the Polish people. Without the Soviet armies along its border, poised to move in and crush the revolt of the people as they did in Hungary, the Communist Government of Poland would collapse overnight.

In spite of these enormous pressures, the Polish people have succeeded in winning some concessions from the dictatorship that has been imposed upon them. Behind the scenes, Soviet Russia gave in a little, rather than risk a revolution on a larger scale. The Kremlin knew that another bloodbath, as in Hungary, might set in motion a chain reaction that would be difficult to suppress. It would interfere with the Kremlin's crafty campaign, in return for minor concessions to the West, to win implied acceptance of the status quo in Eastern Europe.

We will never consent to this.

May 3 was the 167th anniversary of Polish Constitution Day. In honoring that day, whose memory sustains the Polish people during their present sorrow, and inspires them with hope for a better future, we in the United States are aware of the democratic bond between our two peoples.

We know that our obligations to the Polish people will not be honored by platitudes spoken on May 3 of each year, and forgotten during the other 364 days. No juggling of words or diplomatic bargaining with the Kremlin will ever secure our agreement to any formula of coexistence that would require us to abandon the peoples of Eastern Europe to Communist captivity.

Just as the famous events in our own history are not memories of the past, but constitute the tradition and the spirit that animate us in the present, so too, in our regard for Polish Constitution Day must we speak up for the liberation of our friends abroad.

Through every media of communication, we must try to reach the people of Poland with this message: "Take heart. You have many friends in many nations. We, in the United States, will never be content until you regain your independence. For the time will come when those who have betrayed you will be no more. The Polish Constitution will live again, its spirit translated into fact, its blessings shared by all. On this anniversary of your Constitution Day, we send you our sincere greetings, and reaffirm our belief in the approaching future when Poland will be free."

NEED FOR A NATIONAL LOTTERY

Mr. FINO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, I believe every Member of Congress knows by now that because of the urgent need for additional billions of dollars for defense purposes and because of the increased antirecession spending proposals, the President's balanced budget for fiscal year 1959 is out the window.

As the fiscal picture now stands, without even a tax cut, we are threatened with an $80 billion budget which can very well raise the deficit to as much as $7½ billion.

Mr. Speaker, it is obvious that a tax cut, while desperately needed, can only result in loss of additional billions of dollars in Government revenue which would mean more deficit spending. And we all know, that sooner or later the American taxpayers will have to foot the bill. So, no matter how we slice it, we are in serious financial trouble.

Mr. Speaker, as I see it, there is only one avenue left open for relief to our overburdened taxpayers and that is by having a national lottery which would bring into the coffers of the Treasury $10 billion a year in additional revenue. This is enough money to provide a substantial tax cut for our American wage-earners in addition to helping balance our budget.

Mr. Speaker, in answer to our Treasury's argument that "it would not be in keeping with the dignity of the Government to encourage some citizens to take an action which other citizens consider

morally wrong," allow me to answer by asking the Members of this Congress:

Are our confiscatory rates of taxation less morally wrong?

Does not our discriminatory income-tax-rate system impose a tax penalty on the economic virtues of industry, self-reliance, and thrift? Is this less morally wrong?

How foolish can we get?

Mr. Speaker, while some of our more excitable citizens persist in waving the flag in defense of home and morality, our British conservative friends overseas continue to enjoy the benefits of man's gambling instincts.

Mr. Speaker, the British bond lottery in England has been in operation for some 18 months. Since its inception, the British Government has sold almost one-half billion dollars in bonds and given out over $13 million in prizes.

In answer to my query regarding its operation, the Financial Secretary to the British Treasury replied:

"I think we can justly claim that the bonds have proved to be popular with the public, and that the statistics which I have mentioned show that this scheme has been a success."

Mr. Speaker, I don't think any Member of this House can honestly believe that England has suffered any loss of dignity by encouraging this activity. If anything, it has been profitable not only to the people in England but to the British Government as well.

Mr. Speaker, the American taxpayers want and need tax relief now, and we can make their tax-cut dream a reality if we demonstrate the same kind of courage our British friends did in giving the people what they wanted in spite of moral objections from the minority.

PAYMENTS IN LIEU OF TAXES

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, during the emergency of World War II, we were obliged to push ahead on certain programs without giving thought to inequities that would develop. We were in a struggle for survival, and under those pressures there was no time for the thorough exploration of any problem, or for the leisurely adjustments that are possible during peacetime. We had to do things in a hurry.

As a result, we sometimes overlooked, or disregarded, the impact of our actions on the normal way of doing business. When the war was over and won, some of these inequities continued by force of habit, until the problem was brought to our attention, and remedial legislation became necessary.

S. 3677 refers to those plants that were built by the defense-plants subsidiary of the Reconstruction Finance Corporation during that global conflict. They were constructed under the Government's $15 billion crash program to expand the Nation's industrial capacity to meet not only the enormous demands for supplies and equipment of our own military forces but to provide the sinews of war to our allies as well.

These plants used up valuable taxable space in many communities. While local governments were put to additional expense in extending essential services to these plants, they received no revenue in return to pay for their expenditures.

This was manifestly unfair because it mean a loss in revenue that had to be compensated for by all the other local taxpayers. It became intolerable as the cost of operating local governments continued to rise, while their sources of revenue reached the point of diminishing return.

It was not until August 12, 1955, that the President signed a bill that became Public Law 388 of the 84th Congress. It provided that 99 Government-owned industrial plants would have to make payments in lieu of taxes to localities in 24 different States.

That law expires on December 31, 1958. It was hoped, in 1955, that Congress would enact a permanent comprehensive program for payments in lieu of taxes to localities on Government-owned facilities before the end of 1958. That does not appear likely, due to the preoccupation of the Congress with defense and recession problems that could not be anticipated in 1955. Senator SALTONSTALL, of Massachusetts—in conjunction with Senator SCHOEPPEL, of Kansas—has introduced a bill "to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments."

I have introduced a companion bill in the House. This provides for nothing new. It merely extends the life of legitimate taxes which many communities are entitled to under current law. It will be of substantial help to the city of Lynn, Mass., which is located in the district that I have the honor to represent.

In the latter part of 1957, Lynn, Mass., received a check in the sum of $22,830.08 from the United States Air Force for payment in lieu of taxes on Air Force plant No. 29, and a check in the amount of $100,011.94 from the United States Navy for payment in lieu of taxes on NIR gear plant No. 2.

This legislation is noncontroversial.

It will reassure a number of communities, before Congress adjourns this summer, that these payments in lieu of taxes will not cease on December 31, 1958.

As local communities and Federal agencies alike must plan ahead, it is obvious that the early enactment of this legislation will be for the convenience of all concerned.

RESIGNATION OF HENRY R. LABOUISSE

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include certain material.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, perhaps one of the most difficult jobs in the work of rehabilitation in the world today is that of the head of the United Nations Rehabilitation and Works Agency for Palestine Refugees.

For the last 4 years the organization has had as Director a man of exceptional quality and capacity. It is seldom that one finds in one individual administrative ability, broad vision, recognition of the importance of detail, and consecration to the work which comes from an understanding heart. Such a man is Henry R. Labouisse who is resigning after something over 4½ years in a job he took for but 1 year. It will be difficult indeed to fill his place.

The Washington Post says of him:

[From the Washington Post of May 6, 1958]

A MAN WHO CARED

Few men have undertaken a more difficult or thankless task than Henry R. Labouisse, who resigned last week after 4 years as Director of the United Nations Relief and Works Agency for Palestine Refugees. Working with shamefully limited funds, Mr. Labouisse had managed somehow to provide nearly 1 million Palestinian Arab refugees with food, clothing, medical care, and schooling. The job is of a kind to tax the wisdom of Solomon or the patience of Job, yet it is characteristic of Mr. Labouisse that he stayed at his labors for so long after promising Secretary General Hammarskjold he could hold the post for only a year.

Mr. Labouisse tried to find a reasonable and decent permanent solution to the problem of the homeless Arabs. The fact that his goal was not achieved is less a reflection on Mr. Labouisse than on a situation where reason and good will are in lamentably short supply. Mr. Labouisse, however, did succeed in prodding the conscience of the world and in winning support for the U. N.'s mission of humanity. A soft-spoken and even-tempered native of New Orleans, Mr. Labouisse showed that he cared in an era when men so often bear lightly their neighbor's misfortune.

The New York Times announced his resignation, as follows:

[From the New York Times of May 2, 1958]

LABOUISSE RESIGNS U. N. POSITION AS PALESTINE REFUGEE AID HEAD—EX-UNITED STATES DIPLOMAT IS RETIRING FOR PERSONAL REASONS—IN POST SINCE JUNE 1954

UNITED NATIONS, N. Y., May 1.—Henry R. Labouisse announced today his resignation as director of the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

In a statement issued simultaneously here and at the agency's headquarters in Beirut, Lebanon, Mr. Labouisse, an American, said his return to the United States had become increasingly imperative for personal and family reasons. He is to leave the United Nations post June 15.

Since June 1954, Mr. Labouisse has headed the agency, which provides food, shelter, medicine, education and other services for more than 900,000 Arab refugees from Palestine who now live in Jordan, the Gaza Strip, Lebanon and Syria.

Secretary General Dag Hammarskjold accepted Mr. Labouisse's resignation "with deep regret."

"He promised me that he would stay one year," Mr. Hammarskjold said at a news conference. "He has stayed with us 4 years,

and I have every reason to be most grateful indeed that, in the later years, at considerable personal sacrifice, he has continued to serve."

HOME IN WILTON, CONN.

Mr. Labouisse, throughout his assignment in Beirut, has kept his home in Wilton, Conn. It was understood he would return there.

Shortly after assignment to the United Nations post, Mr. Labouisse married Eve Denise Curie, author, lecturer and daughter of Pierre and Marie Curie, the Nobel Prize-winning couple noted for their research in radioactivity. Mr. Labouisse has a teen-age daughter, Anne, by his previous wife, Elizabeth, who died in 1945.

Mr. Hammarskjold said no successor to Mr. Labouisse had been chosen. The Secretary General said he would look for a new director "with the hope of getting somebody who really can take up where Mr. Labouisse had to leave."

Mr. Labouisse has campaigned persistently for more funds for the agency. He was in Washington two weeks ago to plead his case. The United States Government had already pledged $23,000,000 for this year. The agency was dependent on contributions from other countries for the remaining $10 million he insisted it needed as a minimum.

With a total of $40 million, which was originally budgeted, Mr. Labouisse believes the agency could not only maintain the Arab refugees but assist many in striking out on their own, thus relieving the agency of considerable burden. On this subject, Mr. Hammarskjold said he was encouraged at the prospects for meeting the budgetary goal.

Mr. Labouisse, in a statement made public in Beirut, said that "I shall always try to contribute, as I have tried in the past, toward a better understanding of [the Palestine refugees'] distressing situation—which, to my mind, remains one of the most difficult and important problems in the Near East."

CAREER IN STATE DEPARTMENT

Mr. Labouisse is 54 years old. He is a graduate of Princeton University and the Harvard Law School.

He joined the State Department in 1941 and subsequently served in the Division of Defense Materials and the Board of Economic Operations. After service in the embassy in Paris, he became economic adviser to the State Department's Director of European Affairs.

Later he was in charge of the department's liaison with Marshall Plan operations. He headed the United States delegation to the sessions of the United Nations Economic Commission for Europe in 1948.

Since 1949, he has held the posts of director of the State Department's Office of British Commonwealth and Northern European Affairs, chief of the Economic Cooperation Administration Mission to France and Minister of Economic Affairs in the Paris Embassy.

Mr. Speaker, to bring the problem before you I ask unanimous consent to include with these remarks an article from April issue of the Middle East Forum by Margaret Rilhac entitled "UNRWA's Threatened Rehabilitation Program":

UNRWA'S THREATENED REHABILITATION PROGRAM

(By Margaret Rilhac)

UNRWA's positive work in the way of putting the Palestinian refugees on their feet again in a rapidly changing society is little known in a world for whom the words "Palestinian refugees" mean an insoluble political problem and endless UN debates. Yet UNRWA, in a small but astonishingly ambitious way, has been trying to equip refugee youth for its unknown future. Recently their schemes, which should have grown and become available to all refugee children, have been threatened by lack of funds and in some cases have had to be cut out altogether. What this will mean to the refugees can only be guessed by those who have been to the camps and seen their lives at close quarters.

AT KALANDIA, TECHNICAL TRAINING

The tourist, landing at the airport, does not notice the group of low buildings, the newly-planted garden and orchards. He is in search of Jerusalem. But, to UNRWA, Kalandia is a bright star in its cloudy firmament.

In February 1958, 15 electricians, 9 radio mechanics, 17 fitter machinists, and 11 plumbers completed 2 years of solid slogging at Kalandia Vocational Training College. At the Graduation Ceremony on 22d of February they were presented their certificates, each one inscribed by one of the students in Arabic and Gothic lettering. These 21-year-old Palestinian refugees were in a fever to find jobs. They were impatient to earn, impatient to help their families repining in Jordan's refugee camps, impatient to be free of the spartan boarding school atmosphere of Kalandia.

Adolescents, in or around refugee camps, they had seen the gradual transformation of tents, which collapsed in winter, into cement and mud huts. They had waited for schools to open, and had squatted, like thousands of other refugee children, on the ground, under canvas, without books, learning from untrained teachers little older than themselves. They had watched the elementary schools being built and the teachers, little by little, being trained.

In 1951 UNRWA ran no secondary schools at all. In 1957, 13,201 refugee children were in UNRWA secondary schools in Gaza, Jordan, Lebanon and Syria. 7,162 went to secondary schools, and 3,850 to private secondary schools at UNRWA's expense. At the moment, 15 percent of all the elementary school children have a secondary education. But without money for training teachers or paying them competitive salaries, how long can this standard be maintained?

Secondary education, however, creates its own problems. In most countries of the Middle East outlets for secondary-educated boys are even more difficult to find than for the unskilled. But in Gaza, where there is virtually no sort of employment at all for anybody, 31 percent of the children continue their education. About 370 scholarships a year are at present granted to Middle East universities, the majority for scientific courses.

All the boys at Kalandia struggled their way through at least the first cycle of secondary education. Of the 105 refugees who applied for the recently started course in site-surveying, 72 had matriculated and from these 24 were chosen. That secondary school boys are now applying in ever-growing numbers is, in itself, encouraging. Throughout the Arab world education has always meant white collar jobs. Work where you roll up your sleeves and dirty your hands has never been respected, nor has technical skill been admired. Maintenance, visitors to Arab countries soon discover, scarcely extends to spit and polish. Little by little boys (and their parents) have begun to see that technicians are in demand, and that the training Kalandia gives is appreciated.

Kalandia's policy is laid down by UNRWA's and UNESCO's international experts who set up the syllabuses and standards and train the instructors with a view to their eventually taking over entire responsibility. The college is run by the refugees themselves from its devoted headmaster and his wife, through the 12 highly skilled instructors, down to the kitchen staff. Mr. Knesevitch wants them to be proud of their training, and tries to develop in them a constructive attitude toward life. The college is, for these reasons, residential. (Dormitory blocks for the one other existing vocational training college in Gaza are almost ready.) A small library, playing fields, good food all help.

Some dozen boys belong to a college society, "Men of the Trees," founded by Henry Knesevitch, which had existed in Palestine under the mandate. Club members plant and prune Kalandia's trees and learn to love what the barren wastes of refugee camps never grew.

When they leave college they find good jobs. An old boy wrote recently to the director: "I am getting really good pay at last. I might have been tempted to spend it in the city night clubs, but I remember your talks to us in the dining room, and I am living simply, saving, and sending money back to my parents." As soon as they get jobs the boys give up their UNRWA ration cards, and when they earn enough money to support their families they, too, come off rations.

Middle Eastern industrialists demand highly trained technicians with practical experience, who look old enough and tough enough to stand up to the world of the oilfields. In this last, Mr. Knesevitch, who would have preferred training younger, more malleable boys, accedes, but he cannot give them a practical industrial apprenticeship.

None of these boys, nor those who are training at Gaza, has had the advantage of the change made in the elementary school curriculum, first in Gaza, and then, last year, in some Jordanian camp schools. Specially designed T-shaped blocks were built in the school grounds to house a carpentry workshop, a metal workshop, and a technical drawing classroom. All boys between 10 and 14 in these schools do 6 hours a week in this block, 2 hours in each room.

At first there was some opposition. Was traditional learning being undermined? But boys and teachers became keen, suspicion lessened, and the experience gained in Gaza resulted in the scheme's adoption in Jordan from the start.

A PRACTICAL REVOLUTION

The idea, so simple, and yet so revolutionary, was to encourage the boys to enjoy handicrafts for their own sake; to wean them away from book learning as the only form of education worthy of the name. "Crafts for crafts' sake" might be its motto. The boys learn to make accurate, neatly labeled technical drawings, to respect and master tools, to take pride in good execution, and to appreciate good workmanship in modern materials.

But 1957, the first year of the handicraft program in Jordan, its third in Gaza, was a fateful year for UNRWA. Right from the start promised money did not come, and the handicraft block plans were modified before they ever saw daylight. Detailed plans had been drawn up and sites selected for the building of workshops and supplying of tools and teachers for 30 units in Jordan for 1956–57, to be increased to 43 units the following year. But only 20 units have so far been built in Jordan, there has been no expansion of the scheme in Gaza, while in Syria and Lebanon it has not even begun. And next year Jordan will be facing what Gaza has already faced—larger classes of 10-year-olds. There are two solutions: a limited number to enjoy handicrafts—and they do enjoy it—or the syllabus (as was done in Gaza) has to be cut by 1 year. There is a third alternative—shift work; but that would need more handicraft teachers—and there are no more handicraft teachers.

Their training, and indeed the pioneering of the whole ambitious scheme under UNESCO supervision, has been the job of Mr.

James Milligan, drawn away from the Jordanhill Training College for Teachers, Glasgow, Scotland. Speaking no Arabic, with no previous experience of the Middle East, but with a gift for spreading enthusiasm and imparting knowledge, he was able to give already trained teachers intensive short improvised courses to get the scheme going. It had been hoped to supplement these with further holiday courses. The future of this scheme, like so much of UNRWA's more positive work in the way of putting refugees on their feet in a changing world, is in the dark. Meanwhile UNESCO still hopes to welcome Mr. Milligan back again to train more UNRWA teachers, and to give those he so rapidly trained further intensive courses. "An extraordinary man," say the refugees, smiling as they remember him, and carefully ranging in shelves, as he taught them, wooden and metal objects for his future inspection.

A SHORTAGE OF TEACHERS

Teacher training is one of the biggest headaches. When the money ran out the two teacher training colleges at Nablus and Ramallah had to be closed down, so the solution is further away than it was a year ago.

At Kalandia the boys themselves built a block for dormitories and classrooms where it was planned to train instructors for further vocational training centers in Sidon, Amman, and Tripoli. The empty shell of a building is there, in Kalandia's garden, as a reminder to the students of the perpetual insecurity of all UNRWA's schemes. All the international experts' plans, the economists' facts and figures, the architects' blueprints for the three new colleges, and the boys' enthusiasm and skill came to nothing.

Instead UNRWA has turned to a less ambitious scheme as the best it can do with available money. The Persian Gulf States need skilled tank and pipeline welders. UNRWA, after consultation with the two principal contracting companies concerned, decided to start intensive 10-week courses in arc welding and oxyacetylene cutting in Tripoli; 208 refugees are to be trained within 12 months; if money is available the course will continue for a second year.

TERRIBLE UNCERTAINTY

Mr. Henry Labouisse, UNRWA's director, who has acquired something of the position of a father figure in the eyes of the refugees, said in his statement before the special political committee of the United Nations on November 18, 1957, when appealing for money:

"May I stress here that UNRWA has a continuous operating responsibility which cannot readily be adjusted to suit fluctuating financial circumstances. Whatever our Agency does, or fails to do, has a direct bearing upon the lives of hundreds of thousands of people. In four different countries and territories, huge crowds of refugees line up, at given times and places, to receive their meager dry rations. They come every day to our feeding centers, they use our 72 clinics and our more than 2,000 hospital beds; their children appear every school day in the 372 UNRWA schools and in the numerous other schools that we subsidize. On purely practical grounds, such a diversity of services cannot be started or stopped at will, depending on whether or not funds are available for the coming months. They require advance planning, bulk purchasing, the provision of stocks, the maintenance of a staff, a complex but highly streamlined system of administration—all of which depends on a regular supply of funds. Who of us, in private life, would venture to operate even one single school, even one single clinic—or merely a small village grocery store—without being sure of having the resources to carry on for a reasonable time?"

The minimum relief budget made for the year 1958 required expenditures of $25.7 million. Thirty-one member states contributed to UNRWA in 1956–57. All depends upon the extent to which any of those countries—or any of the other member states that did not contribute—will contribute toward the 1958 budget. At the end of 1957 UNRWA was still $2 million short of its minimum relief budget.

As to the rehabilitation program, it is estimated that to continue the present reduced level of operations in 1958 will cost $7.2 million; it would cost another $7.6 million to carry out the programs that have been deferred or cut—that is a total of $15 million. However, in the 12 months ended June 30, 1957, the Agency received only a little over $3.4 million in contributions from governments for its rehabilitation program, of which $1 million came from the United Kingdom and $2.4 million from the United States. That is to say the Agency needed $1.2 million over and above this solely to maintain its present rehabilitation activities in 1958. If it is to be able to finance its full rehabilitation budget of $15 million, it must have almost $10 million in new contributions. There are a few encouraging signs. Some of the principal contributors to the relief budget have promised to increase their 1958 contributions. There is, at present, in Europe, a United Nations representative, pleading UNRWA's cause. Meanwhile, UNRWA goes on in terrible uncertainty.

SELF-HELP

The refugees started by resisting all help. All improvement in their condition seemed to them an acceptance of the situation. The building of camp drains seemed to take them farther away than ever from their real homes. Year by year their resistance to measures which were seen as in no way prejudicing their political claims wore down. They began to have more confidence in UNRWA, and, at the same time, UNRWA's bulky machinery began to work more smoothly. But by the time the refugees were willing, even eager, for help and rehabilitation, and UNRWA knew how it could best be done, the money began to dwindle. It had taken time to find the cheapest solutions to new sociological and administrative problems. It had taken time to train UNRWA's staff, 99 percent of whom are Palestinian refugees themselves, in the workings of such a big administrative machine.

In 1955, after trying various plans to make refugees self-supporting, which all failed, UNRWA embarked upon a scheme which, at a cost of $2 million, restored 5,400 individuals to the dignity of self-support in the 2 years of the scheme's existence. These people gave in their ration cards and set to work with the help of individual grants. The scheme was not approved of by the Lebanese Government, but in Jordan, and on a smaller scale in Syria, the plan was fully successful. Enormous waiting lists had encouraged UNRWA to put into action an administrative system capable of handling 30 projects for individual grants a month, which could have been doubled in 1957, in spite of the fact that each project was minutely examined by experts, each family thoroughly investigated, in collaboration with the Ministry of Development, to make sure that each was a sound proposition both for the refugee and for the district in which he proposed working. The scheme came to an abrupt halt in 1957. But 5,400 people, no longer dependent on UNRWA, were no longer at its mercy.

A REAL HOUSE

It was raining on the Jabal Nasif, one of Amman's five steep and stony hills. The trees on the UNRWA housing estate bent alarmingly in the wind. Small homes of local yellow stone, each with half a dunum of land, look down on Amman.

Visitors were not expected. The washing was hanging in the hall. The proud housewife, embarrassed, sought for her white veil to cover her hair, and shooed her four small sons into the bedroom. One bed, a huge pile of blankets, neatly folded, on the floor, and a cupboard. The sitting room was unlocked, and shown off proudly. A real home had been made out of the simplest of treasures. A fifth child was well on the way. The mother delighted in showing everything, even the kitchen and washroom, and in telling us how entirely free from damp the house was. "Thank God," she said, "no more ration cards." Her husband was a shoemaker. "He is working for another man, and business is bad, especially in winter. People all wear rubber boots, and no one wears handmade shoes any more. My husband is looking for a better job. With a house of our own, and no rent to pay, it is easy enough to find a job which will pay for our food. Come and look at the trees I have just planted."

The 116 families who were given houses in Jordan were chosen just because someone in each family was already earning nearly enough to make the family self-supporting.

Often the houses have been added on to. Some have high walls to protect the women from prying eyes. One of the Mukhtar's has turned his into a handsome villa.

The Jordanian Government gave the land and the water. UNRWA built the houses. When the communities were formed the tenants paid a nominal rent and signed a contract for the first 3 years. Now the houses are theirs.

SHOES AND HEELS

Perhaps the artisan shoemaker will seek work in one of the shoe factories also started by the individual grants' program. Five refugee families in Amman are now in the shoe trade, running small factories. All these families persuaded the UNRWA experts that they were capable, and had been in similar businesses, before the Israeli-Arab war, in Palestine. The minimum aid calculated to make them self-supporting was given them.

Two brothers, one with a family of 10, and the other of 11 persons, who, before the war, had a wooden heels factory in Palestine, impressed the development officer by their vitality. They had made for themselves a simple model of the sort of machine they needed to shape the heels, and demonstrated that they were mechanically competent. Economic experts decided that there was an opening for them, as all heels were being imported.

UNRWA bought them a German machine and a small amount of wood and other materials to get them going. They are very pleased with the machine which they say is better than the one they owned previously, but they regret the small amount of stock UNRWA gave them. The business is now less than one quarter the size of their previous factory, and, they said, it was a struggle at present to compete with the importers, in spite of the fact that they managed to sell their heels, better made, of beech, at the same price as the imported inferior heels of pine. They were making 80 dozen heels daily of 10 varieties, and felt that if only they could capture the market from the importers or find someone to persuade the Government to protect them, they would make a very good business of it, and could easily double their output with existing machinery. At present they only employed one refugee outside their families, but everyone old enough, including a 10-year-old son (who worked for 2 hours after school) was hard at it. In a corner of the workshop they keep, as a souvenir, the handmade machine which persuaded UNRWA to put them on their feet again.

Three families, a father, and two married sons, were set up in a leather factory in Amman. Originally they got a JD1,000 loan from the Development Bank (also established by UNRWA and the Government of Jordan for rehabilitation). They used this capital so effectively that UNRWA was persuaded to give them JD2,250 more for machinery and equipment. They are now employing 30 refugee semiskilled laborers, as well as supporting their three families.

Starting in a very small way making watch straps and dispatch cases, they are now under contract to the Jordan Army for the supply of army boots and football boots. The profits buy more machinery, rent more sheds, and they are expanding, so that they more closely resemble the Western conception of a factory. They, too, for sentimental reasons, keep their first handmade tools, the tools which persuaded UNRWA to help them help themselves.

CANDLES

"Come," said the UNRWA development official, "and see a candle factory in Jerusalem."

This in no way resembles a modern factory. Peaceful and decorative, in the old city, down one of the dark covered ways, is a tiny shop selling candles for pilgrims. Behind the shop is a long low corridor where a stock of candles is piled, and another tiny low room where an old man with a tarboosh and a bushy mustache and the traditional black baggy trousers is bending over a copper basin filled with paraffin wax and beeswax. Above it a tallow wheel rotates. The old man and his married sons were busy preparing for Easter. He had been a candlemaker all his life. UNRWA gave them about JD1,000. If they had to compete with imported candles their task would be difficult, but so long as people attach a special value to candles made in the Holy City they, too, should sell their white wedding candles, twisted and hand painted, their Easter candles with a transfer of the Resurrection, and the candles they make for the multitude of monasteries in the Holy Land.

Some have been given houses, some machinery, some shops, but priority was given to those wanting to cultivate the land.

Jordan, with a rapidly expanding population (including half a million refugees), urgently needs to produce more food on desert land. UNRWA, in cooperation with the Jordan Government, the United Kingdom Government, and point 4, has studied the means of irrigating the land and settling it. Though all the big schemes remain paper ones because of political deadlock, some start has been made toward a study of extensive farming methods, irrigation, antimalarial training. Various agricultural settlements have been started, wells have been drilled, some Bedouin refugees provided with livestock, trees planted in Gaza, all with varying degrees of political, financial and sociological complications for UNRWA. Giving an enterprising individual a grant whereby he may start off completely on his own, from the beginning, has been the most rewarding way of insuring complete self-support and good farming.

In Jericho, on land thought to be impossible, a refugee, who had previously been a farmer, found sweet water and showed UNRWA that he knew how to run a pump and to irrigate. So UNRWA bored a well, gave him a pump, and some tools, and on 250 dunums of desert, arise beans, tomatoes, cauliflowers, citrus fruits, and even bananas, employing between 20 and 30 refugee laborers. Similarly many other farmers have been given grants to farmland not previously farmed.

Nearby, the Arab Development Society's land, where 22 wells have been bored in what was thought to be sterile wastes, is farmed by orphan refugees under the direction of Musa Alami.

All those working on the administrative staff of UNRWA will tell you that with money you can help those who want to help themselves, but with exceptional men, who can fire others with their own enthusiasm, and create coherent groups, with leaders such as Musa Alami, Hassan Mostapha of the frontier village of Battir, and Henry Knesevitch, miracles can be worked.

(Margaret Rilhac is the nom de plume of an English-Australian woman free-lance journalist, at present living in Beirut. She has worked in broadcasting, and contributed to the Times and the Manchester Guardian.)

MICHIGAN WEEK

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LESINSKI. Mr. Speaker, this week of May 4 to 10 is being celebrated by our State as Michigan Week, and I think we ought to point out many of the greats and firsts from our State.

Michigan is the State of many greats. As Fortune magazine points out, for example:

Mackinac Bridge is the greatest in the world—quite in keeping with the Michigan attitude which demands the best.

And an attitude which, I might add, has produced the best and the greatest.

This attitude was evidenced by the first settlers in Michigan who believed intensely in freedom and liberty and fought valiently to establish the State and Nation. Some of the most important land and naval battles of the War of 1812 were fought in the vicinity of Detroit; and the Battle of Brownstown, which is in the district I represent, was one of the bloodiest in which the opposing forces, using tomahawks and other primitive weapons, nearly annihilated each other. This indomitable spirit has been carried on by the people of Michigan through the years.

Because of her great resources, Michigan ranks high in agricultural, chemical, and industrial production and in recreational facilities.

Michigan leads the Nation in the production of tart cherries, navy beans, cantaloups, celery, cucumber pickles, strawberries, gladioli for bulbs, and chickory. One of the most important fruit belts in the United States is found along the eastern shore of Lake Michigan.

Michigan ranks first in the Nation in the production of calcium-magnesium chlorides, gypsum and salt; second in bromine, iron ore, sand and gravel.

Dow Chemical and Wyandotte Chemical Corps. are among the world's outstanding producers of chemical products.

The assembly line, developed by Henry Ford in Dearborn, was the prelude to the great industrial expansion of the Nation, which made possible production of items at less cost and placed them within practically everyone's means. Michigan grew industrially with the rest of the Nation. Eighty-one percent of all types of industry are found within Michigan. Manufacture of automobiles, parts, and tires is Michigan's most important major industry, but she also ranks first in boatbuilding and in the production of automobile trailers, gray iron, cutting tools, woodworking machinery, breakfast foods, and refrigerators. Forty-two percent of her workers are skilled or semiskilled and the average output for industrial employees in the State is 16.3 percent above the national average.

Recreational facilities abound in Michigan and there are so many waterways that no spot is more than 6 miles from one. Michigan has the largest supply of water in the United States and is aptly named "Water Wonderland."

Michigan has the largest generator in the world, largest local union in the world, until recently the largest privately owned corporation in the world, the largest blast furnace, the largest cement plant, and until recently the most densely populated township in the world.

Among the firsts that Michigan has produced are many in aviation. Those firsts were celebrated by the Aero Club of Michigan on May 7, 1958, with ceremonies during which a historical marker was unveiled on the grounds of the Dearborn Inn, adjacent to the original Ford Airport, and one of the original Ford trimotor planes reenacted the original first contract airmail flight between Dearborn and Cleveland. The marker contains the following inscriptions:

THE FORD AIRPORT

At this airport, built by Henry Ford in 1924, world and national history was made, ushering in a new era of flight embracing the all-metal airliner, radio control devices, airmail, scheduled flights, and the airline services that the generation of the 1930's came to expect.

For the first time in the world:

A hotel, the Dearborn Inn, was designed and built for the air traveler.

A guided flight of a commercial airliner was made by radio.

For the first time in the United States of America:

An all-metal, multiengine, commercial airliner was built.

A regularly scheduled passenger airline in continuous domestic service was inaugurated.

Under the Kelly Act the first contract airmail for domestic routes was flown.

An airline terminal for passenger use was constructed.

The airport's closing in 1933 ended Ford's experimental work in aviation.

The other side of the marker is devoted to William B. Stout and reads:

FORD TRIMOTOR—WILLIAM B. STOUT—1880–1956

Born in Illinois, Stout came to Michigan as an automotive designer in 1914. During World War I he turned to aviation. In 1922 he produced America's first all-metal plane, a Navy torpedo plane. The same year he organized the Stout Metal Airplane Co. In the next 2 years he built America's first successful commercial metal planes. The company occupied the new airplane factory at the Ford Airport in 1924 and became a division of the Ford Motor Co. in 1925. While he was the division's consulting engineer the Ford trimotor was developed. In 1926 he founded the Stout Air Services, this country's first regularly scheduled passenger airline. Later, in his Dearborn workshop, Stout designed the Sky Car, a combination airplane and automobile; the Rail Plane, a gas-driven railroad car; a collapsible house trailer, and the Scarab Car, a spacious, rear-motor auto.

Yes, we are very proud of our State, the State which has had the brains, the hearts, the souls, and the wills of peoples from all countries of the world who worked toward peaceful development of not only a better State to live in but a better country to live in, a State that developed many geniuses of the century, a State that has given so much to America and the rest of the world. Let us all look brightly to the future for if the intensity of desires persists in the people of Michigan, and I know it does, we of our State have great possibilities for further outstanding developments in industry, transportation, and commerce, and we shall again come out with flying colors if cooperative effort is extended toward this end.

THE RAILROADS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. SAYLOR] is recognized for 30 minutes.

Mr. SAYLOR. Mr. Speaker, in an economy of specialization, practically every industry is indispensable. Save for perhaps the manufacturers of luxury items not vital to domestic subsistence or national defense, no industry can be permitted to fall by the wayside in a country where progress is achieved because the individual worker specializes in that profession where his talents are best suited from the standpoint of overall demand and supply.

The pioneer of bygone days provided his own lumber for homestead and heating requirements. He cleared fields and planted and sowed grain, vegetables, and fruit. His own arrow or powder supplied the meat for his table. Clothing came from pelts and spinning wheels.

Actually, complete self-subsistence of this sort disappeared in this country with the arrival of the white man, and in the ensuing years any semblance thereof fell along the road to better living standards. We may never see the mills that produce lumber, steel, and glass for our homes. The food we eat may come from farms and canneries hundreds of miles away, and the milk delivered to our door is bottled in dairies served by scores of farmers. Clothing is mass-produced in textile and chemical plants.

In the transition to unchallenged world leadership in industrial specialization—and with it the top level in living standards—America was able to advance primarily because of a spreading network of railroads that would link regions containing raw materials with producing centers and consuming areas. Through the railroads a common social, economic, and cultural bond was established. And in the process of instituting this service for the common good, the railroads also became a direct source of livelihood for more than 1 million American families.

As for the importance of railroads in the mobilization base, testimony of their invaluable contributions lies in the records compiled during World Wars I and II. In each instance the United States was able to move its instruments of protection and of destruction to the strategic defense areas and shipping bases only because railroads were available and at the call of their country. In like manner, troops were transported from training sites to points of embarkation at the instance of the War and Navy Departments only because facilities were at their disposal as a consequence of rail progress.

Mr. Speaker, despite innovations in other mediums of transportation, railroads are no less important today than they were in the days of a sprouting industrial economy. Or when a mass movement of men and materials from west to east was required to firm up America's war program against the Kaiser's threat to all Europe. Or when this country entered hostilities on two oceans in 1941. Parenthetically, I should like to recall the dark days of 1942 when Nazi submarines interrupted tanker traffic between the Gulf of Mexico and east coast ports. Manufacturers of essential war material were forced to shut down because of the lack of fuel. Schools, churches, and places of business were left without heat or light. To the rescue came the Nation's railroads, carrying coal and oil to those areas bereft of water transportation.

Unfortunately, the work of the railroads and their employees in those times of greatest need have all too quickly been forgotten by responsible Government officials. Strapped by a complexity of unrealistic regulatory policies, our railroads will be allowed to go to Hades in a handcar unless quick action is forthcoming on the part of the 85th Congress. The very survival of this vital industry is at stake.

The question of survival is emphasized by the recent financial reports of the carriers. Two of the largest railroads in the Nation reported combined losses of more than $32 million for the first quarter of 1958. These huge losses mean not only fewer railroad jobs, but inability of the railroads to sustain their buying power, resulting in fewer jobs in the steel mills.

The steel-car shops of the great Bethlehem plant in my home city of Johnstown already are down by 25 percent. Production is scheduled for a reduction to 50 percent on May 15, and the shops are likely to close down completely in June unless the railroads are able to order more cars. The latest figures show that 4,500 steelworkers—or 26 percent of total personnel—are unemployed in the Johnstown district. Another 30 percent are working only part time.

Of the numerous proposals to give the railroads an opportunity to return to a vigorous condition, one which immediately suggests itself is repeal of the excise taxes on transportation of property and coal. This tax, levied during World War II to help finance the mobilization program, has been continued to the obvious disadvantage to the coal and railroad industries. Two of coal's principal competitors, natural gas and the foreign residual oil piped direct from ocean tankers to utilities and heavy industrial plants along the east coast, enjoy an immediate price leverage that encourages the encroachment of these fuels on coal's traditional markets.

Mr. Speaker, time and again I have appealed to this Congress to enact legislation of various kinds that would return to the railroad worker and the coal miner an opportunity to get back to work. Meanwhile coal production has continued to slip and the list of unemployed residents in central and western Pennsylvania continues to mount. On May 1 another disheartening news report of further economic misfortune was printed in the Johnstown Tribune-Democrat. I should like to include it in the RECORD at this time:

SONMAN SLOPE MINE TO CURB PRODUCTION

PORTAGE.—Area miners received bad news Wednesday when the following sign was posted at the Sonman office of Eastern Gas & Fuel Associates:

"Effective May 1 (today) the Sonman operation will operate on one-shift-per-day basis, and will work only on the days on which there is a market for the coal.

"J. R. IRVIN,
"Superintendent."

This means nearly half of the estimated 250 men working at the company's slope mine will be laid off. The firm's shaft mine has been shut down since 1949.

Jobs remaining will be filled on a seniority basis, it is understood.

Jamestown Local 1318, United Mine Workers of America, has called a meeting at 2 p. m. today in UMW Hall, Jamestown, to discuss the seniority situation.

The slope mine has been working only 2 or 3 days a week. There is no work scheduled today and it is believed there will be none until next week, at the earliest.

Observers figure only the first (daylight) shift will work. The mine had been working only two shifts.

This is a far cry from 1941 when both mines were operating with an estimated work force of 1,200 men.

Some residents believe the layoffs will be only temporary and miners will be called back when steel production picks up.

In the past, company officials have commented that coal produced at Sonman slope mine is considered the best product the firm ever had.

Repeal of the onerous transportation tax will not in itself enable these and the thousands of other jobless miners and railroaders to get back to work, but it will at least lessen the burdens imposed by inequitable Government policies.

Another step toward restoration of a dynamic economy in coal and rail centers can be effectuated in the Senate by the inclusion of an amendment for depreciation of equipment. The Senate Subcommittee on Surface Transportation has made additional recommendations to which Congress must give quick consideration if further deterioration of the railroad industry is to be avoided.

Illogical Government regulations have hoisted impassable roadblocks on the paths of rail progress. It is incumbent upon Congress to remove these obstructions at once. Then and only then can our great railroad system resume its status as a vital force in the Nation's economy and return to the ready state that is necessary in the defense structure during these critical times.

Under leave to extend my remarks, I include the following resolutions of the City Council of the City of Johnstown

and of the Borough Council of the Borough of Blairsville in the CONGRESSIONAL RECORD:

Resolution of Borough Council of the Borough of Blairsville, Pa.

Whereas railroads, in general, are a vital part of our Nation's transportation system, both in times of war and peace; and

Whereas the Pennsylvania Railroad is an important factor in the business life of Blairsville; and

Whereas discriminatory regulations and tax legislation are threatening the continued prosperity of the railroad industry: Now, therefore, be it

Resolved by the Borough Council of the Borough of Blairsville, Pa.:

1. That the Borough Council of the Borough of Blairsville go on record as favoring legislation that will remove existing inequalities between various forms of transportation and will permit railroads to compete on more equitable terms with water, highway and air carriers, to the end that the Nation's railroads may continue to serve our country's needs and to continue to supply employment to a considerable number of our citizens.

2. That a copy of this resolution be forwarded to United States Senators EDWARD MARTIN and JOSEPH S. CLARK, and Congressman JOHN P. SAYLOR, with copies to Governor George M. Leader and to Senator GEORGE SMATHERS, chairman of the Subcommittee on Surface Transportation of the Senate Interstate and Foreign Commerce Committee, Washington, D. C.

Resolution 4789

Whereas the railroad industry, which is a totally essential part of our national transportation system in both war and peace, is facing a crisis that is having an increasingly serious effect on the economy of the United States; and

Whereas the effects of the railroad's deteriorating plight has resulted in a steady decline in employment over the past several years, until about one-fifth of the more than 1,000 railroad workers in the Johnstown area are presently unemployed; and

Whereas the financial condition of the railroads, that have normally been the second largest users of steel, has made necessary the curtailment of purchases which in turn has led to widespread unemployment among the steelworkers, freight car builders, coal miners, and related lines; and

Whereas the sound status of railroads is essential to the industrial stability and future industrial progress in the Johnstown area: Now, therefore, be it

Resolved, That the mayor and City Council of the City of Johnstown urgently request positive and immediate action on legislation either already before Congress or soon to be placed before Congress as a result of the hearings before the Senate Subcommittee on Surface Transportation, so that our local and national economy will be strengthened.

2. That copies of this resolution be forwarded to Senator GEORGE SMATHERS, chairman of the Subcommittee on Surface Transportation of the Senate Interstate and Foreign Commerce Committee, Washington, D. C.; to the members of this committee and to Senators JOSEPH S. CLARK and EDWARD MARTIN and Representative JOHN P. SAYLOR.

Adopted April 29, 1958.

WALTER E. ROSE,
Mayor.

Attest:

JOHN J. CULLEN,
City Clerk.

MONROE—MICHIGAN'S PORT ON LAKE ERIE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. MEADER] is recognized for 15 minutes.

Mr. MEADER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, this is Michigan Week. It is a week when the people of Michigan are pausing to reflect on their environment and the advantages of their home peninsulas surrounded by the waters of the Great Lakes. It is a time to review Michigan's great past and to contemplate its prospects for a brilliant future. It is also a time for Michigan people to call the attention of their fellow citizens from other States to the important role Michigan has played—and will play in the future—in the history of our great country.

It is singularly appropriate in that connection that on Monday of this week the Public Works Subcommittee of the House Appropriations Committee had before it a proposal of far-reaching consequence to southeastern Michigan, the area which it is my honor to represent in Congress. With local officials, I appeared before that committee and urged restoration of Monroe Harbor, one of the oldest harbors on the Great Lakes and Michigan's only port on Lake Erie.

Mr. Speaker, with the imminent prospect of substantial deepwater commerce made possible by the St. Lawrence Seaway, the port of Monroe can become in the years ahead the front door of Michigan, opening that vast productive area to the commerce of the world, as it was in the beginning of Michigan's history, when water transportation was the sole method of communication and Michigan's resources were being developed by pioneers moving westward from more populated areas.

Monroe County, the city of Monroe, and the port of Monroe have a long and colorful history. The Raisin River, flowing gently through flat, fertile land joins Lake Erie on its western shore in an area so marshy that for years explorers were unaware of the river's existence.

French settlers left Detroit at the close of the Revolutionary War and settled on the banks of the Raisin River, establishing what came to be known as Frenchtown. They held their property according to the French system of strips of land with a certain amount of river frontage extending backward sometimes indefinitely into the hinterland. During the War of 1812 Frenchtown had 35 families, all French, a Catholic church, and a school.

The distinguished novelist, F. Van Wyck Mason, featured the demise of Frenchtown in his novel, Captain Renegade, published in 1932.

Situated at the mouth of the Raisin River, midway between Detroit and Toledo, Frenchtown was a natural outlet for the fertile farms and trapping areas further inland, as well as an important way point for overland traffic. Thus, Frenchtown was strategically located for what has been called the most brutal massacre in American history. For it was at Frenchtown in January 1813 that British forces under Maj. Gen. Harry Proctor, assisted by remnants of a half dozen Indian tribes under the infamous Chief Tecumseh, wiped out a force of American militiamen under Gen. James Winchester, massacred its civilian population, and leveled the settlement.

Frenchtown was never rebuilt. In 1814, the respected Lewis Cass, then military governor of Michigan, directed construction of a military road from Detroit to Perrysburg later to become Toledo, situated at the mouth of the Maumee River. Subsequently, survivors of the Frenchtown massacre and others who joined them moved inland a couple of miles to the new road and established the village of Monroe, named for President James Monroe.

In 1817 the village was chartered by the Territory, and for the next 20 years this frontier settlement, like Frenchtown, lived amidst sporadic outbursts of violence, wars, threats of civil rebellion and turmoil. The Black Hawk war in 1832 focused the Nation's attention on Monroe as a muster point for militiamen. Coupled with the ever-present threat of Indian attack, the Toledo war and the Patriot war in Canada in 1838 made Monroe a staging area for every skirmish in the Northwest. Serious attempts were made to have Monroe declared a separate State of the Union, carved from the Michigan Territory.

TOLEDO WAR

Of more than purely historical interest is the Toledo war in 1835 which, as my friends from Ohio will know, resulted in the compromise which awarded Michigan its Upper Peninsula and permitted the Toledo strip to remain a part of the State of Ohio.

Monroe, meanwhile, appeared to thrive on the turmoil of the times. Men of outstanding ability came to the community in the 1830's to make their homes, many of which stand today as historic shrines.

Monroe was granted a city charter in 1837, the year Michigan entered the Union. At that time, it reported 6,066 permanent residents, more than Chicago or Toledo. It had more railroad traffic than Chicago and was a transfer point on a Lake Erie steamboat and railroad link to carry freight between Buffalo and Chicago.

Of course, Monroe, once the pride of the Northwest Territory, has long ago been outstripped by its sister ports of Detroit and Toledo. Who can say why?

Monroe's heritage continues strong, however. The French names of its early settlers still show prominently in the Monroe telephone book and on streets and other points of geographical importance.

History came to life in Monroe County 4 years ago, Mr. Speaker, when I saw enacted into law my bill to extend the right to apply for land patents to descendants of many of the area's founding families occupying portions of original French claims.

In 1819, the Federal Government surveyed the county into its present-day gridwork of townships and sections and issued patents in accordance with that

survey. Congress granted to the original French settlers, then in possession of the land, the right to have a patent issued on their claims on submitting proof of ownership. Many failed to submit such proofs and chose to occupy their claims as originally settled, which were passed down from one generation to another.

In 1928, the confusion came to light and Congress enacted a law granting owners a new right to apply for patents on those claims. At least 1,300 acres of the original claims remained unpatented at the time but over the years under special legislation those defects in title have been cleared.

Mr. Speaker, I cite briefly some of the history of Monroe County and its county seat, Monroe, simply as background to point up its historic economic, and social importance to Michigan.

Over the years, Monroe and Monroe County have made substantial and diversified contributions to Michigan's economy and, in turn, to that of the Nation. A partial list of products manufactured and shipped from Monroe would include paper products, automobile parts, batteries, furniture, office equipment, fabricated aluminum parts, furnaces, and furnace equipment and flour and grain products. It is a principal center for landscaping and gardening nurseries and is known as the Floral City.

Unfortunately, in recent months, decreased consumer demand for finished automobiles has had its effect in auto parts and related industries. Since May 1956, Monroe County has appeared on the Labor Department's small area labor surplus list. Currently, the Michigan Employment Security Commission reports 4,000 persons unemployed in Monroe County with claims to benefits standing at 3,590. As of April 30, 600 persons had exhausted their benefits, and in April benefits paid totaled $423,000.

But Monroe now has before it the prospects of a bright future. The St. Lawrence Seaway will produce a vast volume of waterborne traffic which will need Monroe Harbor as a Michigan terminal. The Monroe Port Commission has acquired a 600-acre industrial tract within the city limits of Monroe, thus receiving municipal services, ready to assist industry and trading firms to locate near cheap water transportation.

Recently, interest in the Monroe Harbor was reawakened by discovery in nearby Dundee Township of an immense deposit of material suitable for the manufacture of cement, but also requiring large quantities of heavy materials, such as coal and gypsum, for which cheap water transportation is attractive.

This summer construction will start on a $30 million cement plant at Dundee, the largest and most modern ever built. Harbor loading facilities located on land purchased from the Monroe Port Commission are to be built at once.

The plant will employ 2,000 persons at the peak of construction and will give permanent employment for approximately 200 persons once it is built. Here are a few statistics: Ten thousand tons of cement per year will be used in the construction of the new plant of the Dundee Cement Co., and 90,000 tons per year will be distributed in the Detroit market. After completion of the plant, and commencing in 1960, if the Monroe Harbor is dredged to its project depth, the company plans to bring into the port of Monroe annually 50,000 tons of gypsum, 5,000 tons of pyrite, and 150,000 tons of coal. It estimates that exports of cement from the port of Monroe will approximate 200,000 tons annually after 1960.

Now, impressive as those statistics are, Mr. Speaker, even more important is the rekindled interest in the port of Monroe by other industries.

For example, the port already is used by the Ford Motor Co. on a limited basis. The company plans, once the harbor is dredged, to import as much as 50,000 tons of coal annually, at a savings in transportation costs of $80,000.

Other current users of the port of Monroe are the Lake Sand & Gravel Co., which imports 35,000 tons of sand annually, and the Pittsburgh steamship division of the United States Steel Corp., which winter services large ore carriers and performs other maintenance and repair operations in Monroe Harbor.

Two large paper manufacturers plan substantially increased use of the port facilities once the harbor is deepened.

The Detroit Edison Co., already constructing an atomic power facility nearby, has plans in the offing to erect additional steam-electric generating facilities at the port of Monroe, using 1,250,000 tons of coal annually.

No one can now foresee what new industries, when the St. Lawrence Seaway is opened, may find it advantageous to locate at Monroe when deepwater harbor facilities are available. But the elements are present which should be attractive.

Thus, Mr. Speaker, Monroe has before it today the potentiality of contributing to the future development of Michigan—and, indeed, the Great Lakes region—the same kind of transportation service it rendered a century ago, when the Michigan territory was being populated and its vast resources were being developed by intrepid pioneers.

DANGER OF STRIKE IN MISSILE PLANTS

Mr. HENDERSON. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. FORD] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FORD. Mr. Speaker, the headline on an Associated Press release in the Evening Star for May 6 states that "Missile Workers' Strike Warning Is Given McElroy." The report goes on to say that Walter Reuther, president of the United Automobile and Aircraft Workers—UAW—and Al J. Hayes, president of the International Association of Machinists—IAM—conferred with Secretary McElroy at the Pentagon yesterday.

The Associated Press quoted from a statement issued later by the union officers, to wit:

The purpose of the call was to apprise the Secretary of Defense at firsthand of the seriousness of the negotiating deadlock that has developed between all four missile and aircraft companies and the unions.

In an effort to avert a strike, the unions' officers urged that greater consideration be given to the problems of the Nation's missile and aircraft employees who for too long have been treated as second-class economic citizens by the refusal of the aircraft companies to grant their employees equity, and by the insecurities created by the Government's ever-changing airpower policies.

The IAM and UAW agreements with the four companies terminate Wednesday, May 7, at midnight, unless a satisfactory settlement has been reached.

Mr. Speaker, the American people are justifiably concerned about the development and production of defense aircraft and missiles. Ever since Sputnik I, they have been demanding that Uncle Sam get going on missiles and satellites. We have made substantial progress and today should be mighty proud of our missile and satellite programs.

I am confident that the American people want our Government to continue an uninterrupted program of research, development, and production of missiles for defense, and national prestige.

We will be roadblocking our national security if we now enter into a prolonged labor-management dispute which would have any effect in curtailing missile or satellite production.

We are now producing missiles scheduled for delivery in Europe by December 1. Any labor-management dispute which would put us behind schedule would be a serious blow to our defense efforts.

Mr. Speaker, there is a second serious implication in the report which we read Tuesday night. It seems to me imperative that the Federal Government should maintain an impartial position in any labor-management dispute unless under existing laws, such as the Taft-Hartley Act, or through properly constituted agencies, such as the Federal Mediation Service, there is to be arbitration or other established procedures. The Government should not become an advocate on behalf of either management or labor. It should not be expected to interject itself into the argument and put pressure on either side during legitimate contract negotiations.

If the Department of Defense is going to force concessions from either labor or management in contract negotiations, Uncle Sam is going to find himself a condemned partisan, and in a disastrously weak position to promote the good will we especially need at the present time.

Mr. Speaker, I am confident that the American people do not want this sort of thing and that they will not stand for it. A strike at this time in the aircraft and missiles industries could trigger the green light for labor-management legislation some of which leaders of labor strongly oppose.

Although, I believe the House and Senate should make sound changes in the Taft-Hartley Act to protect the rights of individual employees and small-business men, I earnestly hope that no action is taken by Douglas, Lockheed, Convair, and North American Aviation, and the IAM and UAW which will create the

wrong atmosphere in the Congress for the consideration of long-needed remedial labor-management legislation. I know that the American people will not let the Congress sit idly by while a private dispute slackens our efforts to protect this Nation and the Free World from Communist imperialism.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. CUNNINGHAM of Nebraska (at the request of Mr. ARENDS), for the balance of the week, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SAYLOR, for 30 minutes, on today.

Mr. MEADER, for 15 minutes, today.

Mr. HASKELL, for 1 hour, on Thursday next.

Mr. BAILEY, for 30 minutes, on Monday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BRAY (at the request of Mr. HARVEY) and to include extraneous matter.

Mr. PELLY and to include extraneous matter.

Mr. ALGER and to include extraneous matter, notwithstanding the fact it exceeds the limit and is estimated by the Public Printer to cost $263.25.

Mr. DINGELL (at the request of Mr. DELANEY).

Mr. SIKES (at the request of Mr. DELANEY) and to include other material.

Mrs. KELLY of New York (at the request of Mr. ROGERS of Florida) and to include extraneous matter.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 3051. An act to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes, to the Committee on Interior and Insular Affairs.

S. J. Res. 167. Joint resolution directing the Commissioners of the District of Columbia to cause a study to be made of all factors involved in the construction of a heliport within the District of Columbia; to the Committee on the District of Columbia.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3604. An act to amend section 831 of title 5 of the Canal Zone Code to make it a felony to injure or destroy works, property, or material of communication, power, lighting, control, or signal lines, stations, or systems, and for other purposes;

H. R. 7568. An act to amend the District of Columbia Police and Firemen's Salary Act of 1953 to provide that service in the grade of inspector and the grade of private in the Fire Department of the District of Columbia shall be deemed to be service in the same grade for the purpose of longevity increases; and

H. R. 12009. An act to amend Public Law 85–162 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and joint resolutions of the House of the following titles:

On May 7, 1958:

H. R. 1126. An act to amend the Tariff Act of 1930 to exempt from duty pistols and revolvers not using fixed ammunition;

H. R. 2170. An act to authorize the Secretary of the Interior to consummate desirable land exchanges;

H. R. 2935. An act for the relief of Apolonia Quiles Quetglas;

H. R. 4115. An act to authorize the conveyance of certain lands in Shiloh National Military Park to the State of Tennessee for the relocation of highways, and for other purposes;

H. R. 5149. An act to provide that whenever public lands have been heretofore granted to a State for the purpose of erecting certain public buildings at the capital of such State, such purpose shall be deemed to include construction, reconstruction, repair, renovation, and other permanent improvements of such public buildings, and for other purposes;

H. R. 5208. An act to amend paragraph 1541 of the Tariff Act of 1930, as amended, to provide that the rate of duty in effect with respect to harpsichords and clavichords shall be the same as the rate in effect with respect to pianos;

H. R. 5624. An act to clear the title to certain Indian land;

H. R. 7057. An act for the relief of Henryk Bigajer and Maria Bigajer;

H. R. 7508. An act for the relief of Harry J. Madenberg;

H. R. 7516. An act to amend the Tariff Act of 1930 so as to permit the importation free of duty of religious vestments and regalia presented without charge to a church or to certain religious, educational, or charitable organizations;

H. R. 8239. An act for the relief of Maria Dittenberger;

H. R. 8348. An act for the relief of Michael Romanoff;

H. R. 8524. An act to authorize the preparation of a roll of persons of Indian blood whose ancestors were members of the Otoe and Missouria Tribe of Indians and to provide for per capita distribution of funds arising from a judgment in favor of such Indians;

H. R. 8958. An act authorizing the Secretary of the Interior to convey certain Indian land to the Diocese of Superior, Superior, Wisconsin, for church purposes, and to the town of Flambeau, Wisconsin, for cemetery purposes;

H. R. 9655. An act to permit articles imported from foreign countries for the purpose of exhibition at the Oregon State Centennial Exposition and International Trade Fair to be held at Portland, Oregon, to be admitted without payment of tariff, and for other purposes;

H. R. 9917. An act to continue the temporary suspension of duty on certain alumina and bauxite;

H. R. 9923. An act to amend the Tariff Act of 1930 to permit temporary free importation under bond for exportation, of articles to be repaired, altered, or otherwise processed under certain conditions, and for other purposes;

H. R. 10112. An act to make permanent the existing privilege of free importation of guar seed;

H. R. 10792. An act to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing;

H. R. 11407. An act to extend for 2 years the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders;

H. J. Res. 451. Joint resolution authorizing the One Hundred and First Airborne Division Association to erect a memorial in the District of Columbia;

H. J. Res. 528. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Naturalization Act in behalf of certain aliens; and

H. J. Res. 556. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the California International Trade Fair and Industrial Exposition, Los Angeles, California, to be admitted without payment of tariff, and for other purposes.

On May 8, 1958:

H. R. 2151. An act to provide for the temporary suspension of the import duties on certain coarse wool, and to provide additional time for the Tariff Commission to review the customs tariff schedules;

H. R. 8544. An act to provide for the restoration to tribal ownership of all vacant and undisposed-of ceded lands on certain Indian reservations, and for other purposes; and

H. R. 11019. An act to permit articles imported from foreign countries for the purpose of exhibition at the Kentucky State Fair, to be held at Louisville, Ky., and the International Trade Exhibition, to be held at St. Paul, Minn., to be admitted without payment of tariff, and for other purposes.

ADJOURNMENT

Mr. ROGERS of Florida. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 16 minutes p. m.), under its previous order, the House adjourned until Monday, May 12, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1894. A letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting the report of the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956, pursuant to section 5 of the Bank Holding

Company Act of 1956; to the Committee on Banking and Currency.

1895. A letter from the executive secretary, the American Society of International Law, transmitting the annual audit by a certified public accountant of the financial transactions of the society and of the corporate books and records pertinent thereto, covering the year ended December 31, 1957, pursuant to the act of September 20, 1950 (64 Stat. 869); to the Committee on the Judiciary.

1896. A letter from the director, the American Legion, transmitting the final financial statement of the American Legion up to and including the period ending December 31, 1957, pursuant to Public Law 47, 66th Congress; to the Committee on Veterans' Affairs.

1897. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "A bill to amend and improve the child welfare provisions of the Social Security Act"; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee on Agriculture. H. R. 12126. A bill to provide further protection against the introduction and dissemination of livestock diseases, and for other purposes; without amendment (Rept. No. 1700). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on conference. H. R. 11470. A bill to adjust the method of computing basic pay for officers and enlisted members of the uniformed services, to provide proficiency pay for enlisted members thereof, and for other purposes (Rept. No. 1701). Ordered to be printed.

Mr. ASPINALL: Committee on Interior and Insular Affairs. S. 847. An act to amend the act of June 5, 1944, relating to the construction, operation, and maintenance of Hungry Horse Dam, Mont.; without amendment (Rept. No. 1703). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASPINALL: Committee on Interior and Insular Affairs. S. 2557. An act to amend the act granting the consent of Congress to the negotiation of certain compacts by the States of Nebraska, Wyoming, and South Dakota in order to extend the time for such negotiation; without amendment (Rept. No. 1704). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASPINALL: Committee on Interior and Insular Affairs. S. 2813. An act to provide for certain credits to the Salt River Valley Water Users' Association and the Salt River Project Agricultural Improvement and Power District in consideration of the transfer to the Government of property in Phoenix, Ariz.; without amendment (Rept. No. 1705). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. H. R. 11102. A bill amending the jurisdiction of district courts in civil actions with regard to the amount in controversy and diversity of citizenship; with amendment (Rept. No. 1706). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 562. Resolution for consideration of H. R. 12181, a bill to amend further the Mutual Security Act of 1954, as amended, and for other purposes; without amendment (Rept. No. 1707). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. PFOST: Committee on Interior and Insular Affairs. H. R. 2251. A bill directing the Secretary of the Interior to convey certain property in the State of Colorado to William M. Proper; without amendment (Rept. No. 1702). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H. R. 12383. A bill to amend section 313 of the Veterans' Benefits Act of 1957 to extend the presumptive period with respect to service connection of multiple sclerosis for an additional 5 years; to the Committee on Veterans' Affairs.

By Mr. AVERY:

H. R. 12384. A bill to provide for further research relating to new and improved uses which offer expanding markets for farm products, and for other purposes; to the Committee on Agriculture.

By Mr. CHRISTOPHER:

H. R. 12385. A bill to extend the time for filing certain claims for income tax refunds based on deductions for educational expenses of teachers under section 162 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. CUNNINGHAM of Iowa:

H. R. 12386. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

By Mr. COLMER:

H. R. 12387. A bill to amend the Mutual Security Act of 1954 to provide military assistance, and to terminate economic assistance, under that act; to the Committee on Foreign Affairs.

By Mr. DENTON:

H. R. 12388. A bill to provide for the construction of a new Federal building in Evansville, Ind.; to the Committee on Public Works.

By Mr. DOOLEY:

H. R. 12389. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

By Mr. FARBSTEIN:

H. R. 12390. A bill to promote the safety of employees and travelers upon common carriers by railroads engaged in interstate commerce by requiring such carriers to maintain tracks, bridges, roadbed, and permanent structures for the support of way, trackage, and traffic in safe and suitable condition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FASCELL:

H. R. 12391. A bill to amend title V of the Housing Act of 1949 to authorize loans for the acquisition, construction, improvement, repair, alteration, or replacement of dwelling accommodations and related buildings and structures for the use of migratory farm laborers, and for other purposes; to the Committee on Banking and Currency.

By Mr. HORAN:

H. R. 12392. A bill to provide that sums paid to States from moneys received from national forests may be used for the benefit of public schools and public roads and other governmental purposes; to the Committee on Appropriations.

By Mr. KEATING:

H. R. 12393. A bill to authorize the interception of communications by certain investigatorial agencies of the Government, to establish a procedure for the admission into evidence of information so obtained, and for other purposes; to the Committee on the Judiciary.

H. R. 12394. A bill to amend chapter 223 of title 18 of the United States Code to permit the introduction into evidence of certain communications intercepted by State law-enforcement officers, and for other purposes; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 12395. A bill to amend the act of August 9, 1946, authorizing the admission of persons from other American Republics to the United States Merchant Marine Academy, by authorizing the admission of persons from the Republic of the Philippines; to the Committee on Merchant Marine and Fisheries.

By Mr. LESINSKI:

H. R. 12396. A bill to promote the safety of employees and travelers upon common carriers by railroads engaged in interstate commerce by requiring such carriers to maintain tracks, bridges, roadbed, and permanent structures for the support of way, trackage, and traffic in safe and suitable condition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 12397. A bill to amend title II of the Social Security Act to increase all benefits thereunder by 15 percent; to the Committee on Ways and Means.

By Mr. MACHROWICZ:

H. R. 12398. A bill to recognize certain national nonprofit, nonpolitical war veterans' organizations, for purposes of bestowing upon them certain benefits, rights, privileges, and prerogatives; to the Committee on Veterans' Affairs.

By Mr. METCALF:

H. R. 12399. A bill to authorize an increased program of research on forestry and forest products, and for other purposes; to the Committee on Agriculture.

By Mr. MORGAN:

H. R. 12400. A bill to amend the national defense amendment, and for other purposes; to the Committee on Ways and Means.

By Mr. NORBLAD:

H. R. 12401. A bill for the relief of the State of Oregon; to the Committee on the Judiciary.

By Mr. PORTER:

H. R. 12402. A bill to authorize the construction of a Federal office building in Medford, Oreg., and for other purposes; to the Committee on Public Works.

By Mr. RHODES of Arizona:

H. R. 12403. A bill to provide for the exchange of lands between the United States and the Navaho Tribe, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ROGERS of Texas:

H. R. 12404. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. SADLAK:

H. R. 12405. A bill to recognize certain national nonprofit, nonpolitical war veterans' organizations, for purposes of bestowing upon them certain benefits, rights, privileges, and prerogatives; to the Committee on Veterans' Affairs.

By Mr. SAYLOR:

H. R. 12406. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

H. R. 12407. A bill to provide pension for widows and children of veterans of World

War II and of the Korean conflict on the same basis as pension is provided for widows and children of veterans of World War I to the Committee on Veterans' Affairs.

By Mr. TEAGUE of Texas:

H. R. 12408. A bill to amend the act of June 29, 1938, as amended, to increase the insurance coverage required to be carried by cabs for hire in the District of Columbia for the protection of passengers and others, and for other purposes; to the Committee on the District of Columbia.

H. R. 12409. A bill to prohibit the Public Utilities Commission of the District of Columbia from permitting or requiring the installation of meters in taxicabs; to the Committee on the District of Columbia.

H. R. 12410. A bill to amend the act of July 1, 1902, to insure that no limit shall be placed on the number of taxicabs or taxicab drivers in the District of Columbia; to the Committee on the District of Columbia.

H. R. 12411. A bill to amend the Motor Vehicle Safety Responsibility Act of the District of Columbia relating to the exemption of certain vehicles insured under other laws; to the Committee on the District of Columbia.

H. R. 12412. A bill to amend the act of July 1, 1902, to clarify certain authority of the Public Utilities Commission of the District of Columbia relating to the licensing of certain passenger vehicles for hire; to the Committee on the District of Columbia.

H. R. 12413. A bill to amend the act of March 4, 1913, to provide for the regulation by the Public Utilities Commission of the District of Columbia of taxi fares for trips originating in the District of Columbia to points outside the District of Columbia; to the Committee on the District of Columbia.

By Mr. UDALL:

H. R. 12414. A bill to amend title 13 of the United States Code to provide that a census of population, unemployment, and housing shall be taken in the year 1960 and every fifth year thereafter, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WRIGHT:

H. R. 12415. A bill relative to the distribution of automobiles in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. ZELENKO:

H. R. 12416. A bill to amend the Classification Act of 1949 to provide three additional longevity step increases for officers and employees subject to such act, and for other purposes; to the Committee on Post Office and Civil Service.

H. R. 12417. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act, with respect to the payment of compensation in cases where third persons are liable; to the Committee on Education and Labor.

By Mr. BROYHILL (by request):

H. J. Res. 601. Joint resolution authorizing and requesting the President to designate and proclaim a National Aircraft Dispatchers Week; to the Committee on the Judiciary.

By Mr. FULTON:

H. J. Res. 602. Joint resolution proposing an amendment to the Constitution of the United States on Presidential succession; to the Committee on the Judiciary.

By Mr. PELLY:

H. J. Res. 603. Joint resolution authorizing an appropriation to enable the United States to extend an invitation to the International Civil Aviation Organization to hold the 12th session of its assembly in the United States in 1959; to the Committee on Foreign Affairs.

By Mr. PRICE:

H. Con. Res. 325. Concurrent resolution to authorize Joint Committee on Atomic Energy to print for its use 10,000 copies of the public hearings on physical research program as it relates to the field of atomic energy; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HOLTZMAN:

H. R. 12418. A bill for the relief of Alessandro Orlassino; to the Committee on the Judiciary.

By Mr. KNOX:

H. R. 12419. A bill for the relief of Sang Cho Lee; to the Committee on the Judiciary.

By Mr. LATHAM:

H. R. 12420. A bill for the relief of Mrs. Maria Petro; to the Committee on the Judiciary.

By Mr. LIBONATI:

H. R. 12421. A bill for the relief of Cynthia Elizabeth Jefferson (Mimi Kurosaka) and Sylvia Elise Jefferson (Junko Tano); to the Committee on the Judiciary.

By Mr. MOSS:

H. R. 12422. A bill for the relief of Joginder Singh Bains; to the Committee on the Judiciary.

H. R. 12423. A bill for the relief of Gurdeve Singh Brar; to the Committee on the Judiciary.

H. R. 12424. A bill for the relief of Ajit Singh Rana; to the Committee on the Judiciary.

H. R. 12425. A bill for the relief of Joginder Singh Toor; to the Committee on the Judiciary.

By Mr. PATMAN:

H. R. 12426. A bill for the relief of Jimmy I-Chen Chiang; to the Committee on the Judiciary.

By Mr. POWELL:

H. R. 12427. A bill for the relief of Leon Arie Miller; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

610. By the SPEAKER: Petition of the city clerk, Los Angeles, Calif., relative to withholding foreign aid to any nation which refuses to cooperate in stopping the flow of narcotics from such nation to the United States; to the Committee on Foreign Affairs.

611. Also, petition of C. A. Castle, Washington, D. C., requesting that "the United States tabulate imports c. i. f. as most countries do"; to the Committee on Interstate and Foreign Commerce.

612. Also, petition of Rev. and Mrs. Walter P. Booth, Ogdensburg, N. Y., relative to petition No. 603, dated May 5, 1958, relating to a redress of grievance; to the Committee on the Judiciary.

613. Also, petition of Herbert C. Holdridge, Washington, D. C., relative to a redress of grievance against the Federal Reserve Board; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

No Time for Timid Souls

EXTENSION OF REMARKS
OF
HON. BARRY GOLDWATER
OF ARIZONA
IN THE SENATE OF THE UNITED STATES
Thursday, May 8, 1958

Mr. GOLDWATER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address entitled "No Time for Timid Souls," which I delivered before the State Federation of Republican Women's Convention, in Prescott, Ariz., last Saturday night, May 3.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

NO TIME FOR TIMID SOULS

One hundred and seventy-one years ago this month, at Independence Hall in Philadelphia, the City of Brotherly Love, there assembled 55 delegates representing the American colonies.

You know the purpose of that meeting. You and I honor, love, and respect the documents they forged. We believe they created a framework of freedom in which has flowered the magnificent productivity of America.

The Constitution they wrote has endured to meet the challenge of the industrial revolution, the conquering of time and space, the magnificent technological advances and change.

The Constitution of the United States of America has burned like a flaming torch of freedom before all the world.

But now we are being told that that beacon light upon which the eyes of the less fortunate have so long been focused is losing its brilliance, is somehow tarnished, has lost its power to enlist and retain the allegiance of men.

You and I do not share this belief. We find the promise of political and spiritual and economic freedom more challenging and desirable today than in all the 6,000 years of man's recorded history. And yet we are told that America is losing prestige abroad, our social progress is deprecated, and our failure to solve all man's problems is magnified into total failure.

We have been subjected for more than 25 years to a philosophy of fear. The great horrible depression of the late twenties has been exploited by those who seek personal power to undermine our confidence in ourselves and our country. Men have become mesmerized with an unrealistic, utopian situation described as security. And we are told that physical and economic security must become the goal of all men everywhere.

Such is our world in the middle 1950's. We see reflections of these beliefs in our national magazines, our great newspapers, on the television, and hear it on the radio. It is no longer a thing of wonder that earnest men, sincere men, find themselves questioning the validity of freedom, wavering between the challenge of individual responsibility and the promise of collective security.

We are immersed in an absorption with material things and material objectives. We are and we must be constantly preoccupied with the necessity of earning a living, of securing everyday comforts for our families. And in these rightful, proper, everyday tasks we perform, there lurks the dreadful possibility that we may become totally absorbed and completely indifferent to problems of such great magnitude they appear to be insoluble.

May I confess that I am not an authority on all the ills of the world. I have no ready or pat answer to the problems I have so briefly outlined. Yet I know the uncertainty

and the agony and the injustice in our world must be solved and I am confident that men of good will with courage and determination can and must find those answers.

And may I suggest the answer will not spring fully perfected and documented in detail from the national House or the national Senate or the national administration. The solutions to all problems must come from you, from the small towns of America, from the men and women who look up from the toil of their day to day labors toward a better world, toward a nearer approach to that spiritual society of loving men and women God intended his creation to become.

When you and I approach the Grand Canyon of the Colorado, the vast immensity of that magnificent natural wonder is completely overpowering. We cannot even contemplate more than a small section of that gorge at one time. And even though we know how it was created we cannot comprehend the expanse of time required for its accomplishment.

May I suggest that if we are to find an answer to the front page headlines which give us such great concern, it is first necessary to accomplish an understanding of the various factors at work in our world which have created situations which now appear to be overpowering and insoluble.

When the delegates to the Constitutional Convention assembled in Independence Hall those 171 years ago, they too were burdened with what appeared to be an insoluble problem.

There was great jealousy between the States. There was conflict of economic interest and geographical concern. Each State was jealous of its own power, its own authority. Yet these men were able to conquer their selfish self-interests, determined to create a government which would protect the rights of the individual. They pushed aside vanity and conceit and hammered out the Constitution.

In our world today, you and I are caught like a shuttlecock in a badminton game between the power plays of ambitious men.

This is easily recognizable on an international level. We are familiar with the long history of the balance of power between England and the continental powers. We recognize the emergence of the United States of America as a world leader produced perhaps more jealousy than respect, certainly more envy than love.

The conflict between the basic governmental philosophy of a free people and the dictatorial slavery of world communism is quite apparent. And these aspects being beyond our immediate control and influence cause us to feel remote and unimportant and helpless.

The exercise of greed for power must first be recognized and challenged in our own lives and our own experiences.

In America, we still cherish the idea that man is free, free to worship God in his own fashion, free to seek a job at labor of his own choosing, free to start a business if he so desires, free to move when the wanderlust attracts him, free to be thrifty and prudent, or wasteful, free to keep himself healthy or free to allow his body to deteriorate.

You and I must recognize in the constant struggle for the concentration of power in this Nation these very freedoms I have enumerated are being challenged and limited.

If this were only a contest between two antagonists we might someday accommodate ourselves to the dizzy pressures from, first, this side, and then the other. But today we are threatened by the concentration of power in three antagonists on a national level and hundreds of other opposing forces in our own communities and our own lives.

The rapid development of industrial America has produced a growing concentration of power in the business community. Mergers have increased productive capacity and lowered unit costs. And when size no longer contributed to a better product or a lower price, size became desirable solely for the establishment of power alone.

The tax structure of the last 25 years has contributed tremendously to the number of mergers and the concentration of power in the business communities. We have witnessed the ridiculous situation of poorly managed companies with tremendous tax losses being desirable as a merger partner because of the advantage of those tax losses which were representative of poor business management.

In some areas of our economy merger has been the only solution when an enterprise was faced with either a giant competitor or a giant labor union.

The union movement in this country, by and large, has been a helpful one. The idea of old trade unions, the theory that wage earners should unite in order to bargain on equal terms with the owner of an individual plant or business operation strengthens the concept of the freedom and the dignity of the individual.

But when labor unions adopt compulsion, when they enlarge and expand and merge until they can virtually dictate prices in our economy, the basic benefits of unionism are lost. And they become a threat to freedom rather than a prop for freedom.

Beginning in the 1930's with then needed assistance and support of the Federal Government, the size of labor unions has doubled and redoubled until today there is virtually a monopoly and the destiny of millions of wage earners is controlled by a handful of union leaders many of whom were not democratically elected, who submit themselves to little democratic control or suggestion and who operate with all the ruthless selfishness of political dictatorship.

The third giant concentration of power is in the activities of the Federal governmental establishment.

Under the impetus of the depression in the early 1930's, the Government perhaps with good intentions moved into many fields which had heretofore been reserved for private endeavor. Somehow, men, lacking confidence in their own ability to solve the Nation's economic ills, subscribed to that ancient fallacy that a powerful central government could do more for man than man could do for himself. And to create this power, the gradual assignment of individual freedom, the collective control of big government, appeared to be desirable.

Power is an intoxicant. It gives its possessor a feeling of omnipotence, it shouts down criticism, it dismisses failure contemptuously, it refuses to admit mistakes, it denies the dignity and importance of the individual.

The heartland and strength and growth of America has always been on the main streets of our small towns. We've been a Nation of small shopkeepers, of small manufacturers, of independent operators. The freedom of opportunity has been available to any man who would work for the accomplishment of his own goals.

Today, after 25 years of meddling and tinkering with the basic concepts of the Constitution with our ancient understanding of the position of a free man in a free society, and with our constant increasing dependence upon a central authority, in business and in labor and in government, the face of America's main street has been changed.

And this struggle for power continues and intensifies as the degree of power obtainable increases and intensifies.

If we are to reestablish a free America as the beacon light for all the world, if we are to triumph in this material struggle with the disciples of Marxian communism, if we are to provide for our children the land of opportunity our fathers gave to us, we must recognize, define and limit the continued concentration of power in our economic, political, and social society.

This is not the time for timid souls, this is not the hour when men can back away from their responsibility, this is not the moment when we can concentrate on our own personal ventures and personal fortunes. This is a time for bravery, determination and understanding.

The strength of America is in the character of its individual people. And character strengthens in the face of adversity and problems. Character does not shrink back from the difficult, unpleasant duty.

If the Walker Party had preferred the sheltered safety of the established eastern cities, there would have been no gold dug from Lynx Creek and Prescott would probably not be where it is today.

If Charles Poston had preferred the luxuries of London or New York, Arizona never would have become a territory. If those brave men who followed Teddy Roosevelt up San Juan Hill had preferred the security of life at home to the responsibilities of free men, the lamp of freedom would have long ago been extinguished.

If the doughboy of World War I had made security the total goal of his life, the course of history would have been altered.

And if our own sons and fathers and brothers had preferred the safety of this protected continent to facing the evil challenge of the Nazi dictatorship, our world today would be a different world.

Are you and I less dedicated to the cause of freedom than those men and women who lived and loved, labored and died, that it might be preserved and perpetuated?

At this moment of peril the contest is not on a foreign battlefield. It is no further removed than our own neighborhoods * * * our home States. And the day of decision is marked for November 4, 1958.

The delegates to the Constitutional Convention ratified their labors and submitted it to their respective States on the 17th of September, 171 years ago.

The elections of 1958 will either ratify or reject their dedicated devotion to the dignity of the individual.

And while the struggle for power goes on all around us, in arenas which appear to be remote and untouchable by the individual citizen, the struggle and contest is not removed. For this is a contest for the allegiance of the minds of men.

Shall the exercise of the Federal Government be further corrupted and expanded into a completely paternalistic and collective administrative dictatorship?

Shall the power of the labor unions be expanded to where they will hold within their grasp the ability to dispense or deny the right to a livelihood to the wage earners of America?

Shall we encourage by apathy and indifference and the continuation of ridiculous tax laws a further concentration of power in big business?

If we follow the trend of the past 25 years, the independent businessman will disappear to be replaced by a managerial class operating the properties of gigantic corporate structures.

The independent craftsman will disappear to become a number in a union organization.

The gigantic Federal Government will expand its activities to administer paternalistic benefits with tax funds extracted from the impersonal corporations and the individual wage earners increasing its own power and importance by matching these two antagonists with each other.

The power for which these giants struggle does not belong to them and is not in their possession, for the power in this Republic reposes in the individual citizen and in his expression at the ballot box.

Let us unite, and let us enlist the active, concerned, informed ability of every man and woman who believes in freedom.

Let us express our decision in November. Let us deny the wisdom of those who offer us the pie-in-the-sky of collectivist paternalism in return for a surrender of our individual freedoms and responsibilities.

Let us reassert the dignity of the wage earner and his right to voice his opinions and express his wisdom through a democratically elected union leadership.

Let us remove every aspect of big government which inspires further consolidation of our economic system. And then let us reestablish that principle of limited central authority under which the States and the people of America created the greatest land of opportunity and freedom and spiritual independence ever known in the history of civilization.

Let us once more proclaim that ancient truth, that man as a child of God is not to have his labors or his wisdom or his substance tampered with, or controlled by any combination of governmental, economic, or social powers or authority.

Let us be hardheaded in our wisdom and our judgment. Let us become participants in the exercise of political government and thereby protectors of political freedom.

How can we do all these things? We can do them as individual citizens, both Republicans and Democrats. We can demand that candidates seeking public office be men of integrity and devotion rather than men of ambition.

We can demand that every aspirant for public office be a first-rate candidate worthy of our trust and confidence rather than the political hack who has curried favor with a few men who control in some cases the destiny of segments of the political parties.

We can denounce and refuse to accept that ancient enticing philosophy of something for nothing.

In our business world, we can examine and study and then carefully adopt a set of principles which satisfy the nature and condition of the independent individual. Certainly this is true: if the people of America who by their purchases support the American commercial establishment, express their disapproval of the concentration of power in big business, the businessman, sensitive to the necessity for the good will and favor of his patrons, will terminate that concentration of power.

The wage earners, in their union activities, with the help and understanding of their fellow citizens, certainly possesses the power to limit the expansion and concentration of arbitrary authority in the hands of a few central labor leaders.

All these things can be done. You and I can do them—do them as individuals. For nothing will be started and nothing will be accomplished until we as individuals commit ourselves, our labors and our support to that concept of the dignity of the individual man and the perpetuation of freedom so beautifully pronounced and so ably outlined in that document those gentlemen of Philadelphia presented to us 171 years ago in the City of Brotherly Love.

Talmadge Farm Plan

EXTENSION OF REMARKS
OF
HON. HERMAN E. TALMADGE
OF GEORGIA
IN THE SENATE OF THE UNITED STATES
Thursday, May 8, 1958

Mr. TALMADGE. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the article which I wrote for the May 7, 1958, issue of the Georgia Farmers Market Bulletin explaining my suggested new farm plan, and the column written by Georgia Commissioner of Agriculture Phil Campbell endorsing it, published in the same issue.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TALMADGE TWO-PRICE PLAN

(By Senator HERMAN E. TALMADGE)

Many farmers have urged me to offer a bold new national farm program to rescue this Nation's agricultural economy and, after much study, I have formulated what I consider to be such a program.

It is my conclusion that our farm problems cannot be solved until the Federal Government is removed from the business of buying, storing, and selling agricultural commodities and the responsibility for marketing farm produce is returned to the farmer and private enterprise where it belongs. It is in that light that I propose to let the farmer plant what he wants to plant and sell his crops for the best prices he can get with the Federal Government paying him the difference between the prices he receives for commodities sold for domestic consumption and 100 percent of parity.

My proposed farm program has five points which are as follows:

1. Eliminate all acreage controls and Government loans.

2. Assign each farmer growing basic commodities a domestic production quota to be expressed in terms of unit measurements (pounds, bushels, bales, etc.) which would be the same percentage of the national consumption of basic commodities that the farmer's historic acreage base bears to the total national acreage base.

3. Guarantee and pay to each farmer a sales price support of the difference between the price he receives for his domestic production quota and 100 percent of parity.

4. Require each farmer to submit a bill of sale with his application for sale price support payments.

5. Impose a maximum of $25,000 on the amount of sales price support payments which any individual farmer could receive.

Such a program would eliminate redtape, end the accumulation of surpluses, cost the taxpayers less and once more let the farmer be the master of his own destiny. It would give consumers a price break and would serve to put both raw and manufactured farm products back on the world market at competitive prices. Because it is geared to domestic production, it would amount to no more than giving the farmer the same protection which labor gets with the minimum wage and industry with the tariff.

Although it is generally agreed that any new farm plan to be successful must be one which lets the farmer farm and guarantees him his proportionate share of the national income, there is no such consensus as to how those objectives should be achieved. Therefore, in announcing my ideas about what a new farm program ought to embrace, I am asking Georgia farmers to write me what they think about them.

I want to hear from every farmer in Georgia and hope each will drop me a line at the Senate Office Building in Washington. A tabulation of the replies I receive will determine whether I offer legislation to write the Talmadge farm plan into law.

TWO-PRICE SYSTEM IS ILLUSTRATED

(By Phil Campbell)

In the accompanying article, Senator HERMAN E. TALMADGE has presented his proposal for a new national farm program based on the two-price support system.

I am in wholehearted agreement with this program advocated by Senator TALMADGE, which last year was introduced by Senator RICHARD RUSSELL and Congressman JAMIE WHITTEN of Mississippi as strictly a cotton support measure.

I will use cotton as an example to describe the workings of this two-price program. A farmer who presently has 25 acres for his cotton allotment would receive approximately 16 bales for his share of the domestic allotment to be consumed in the United States. He would receive 90 percent or 100 percent parity for these 16 bales on today's market.

One hundred percent parity would be well over 40 cents. In addition to this 16 bales supported by the Federal Government a farmer would be allowed to produce as much additional cotton as he desired at a world market price which on today's market would be 20 to 25 cents per pound.

I strongly support this two-price system as I feel it is the only plan basic and sound enough to be permanent without revision from session to session of Congress, with the consequent uncertainty on the part of the farmer in making his farm plans.

American Camp Week

EXTENSION OF REMARKS
OF
HON. WILLIAM G. BRAY
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 8, 1958

Mr. BRAY. Mr. Speaker, it is a great pleasure for me to join with the senior Senator from Indiana, the Honorable HOMER E. CAPEHART, in calling attention to the fact that from May 1 through today, May 8, American Camp Week was celebrated. I know that those of you who remember with nostalgia your own camping experiences will be delighted to learn that the organized camping movement now has more vitality than ever.

The American Camping Association, which sponsors Camp Week and which has its headquarters near Martinsville, Ind., which is in my Congressional District, reports that more than 5 million boys and girls will attend organized camps this year.

Through the work of the association important strides have been made in recent years in developing a strict standards program for camps.

It is also a pleasure to report that, in helping to launch American Camp Week, Secretary of the Interior Fred A. Seaton stressed the fact that opportunities are now greater than ever for American children, regardless of economic or social background, to enjoy the experience of organized camping. In a meeting on April 30 with Mr. T. R. Alexander, president of the American Camping Association, the Secretary made an excellent statement which, under unanimous consent, I insert in the RECORD.

STATEMENT BY SECRETARY OF THE INTERIOR FRED A. SEATON TO OPEN AMERICAN CAMP WEEK

It is a pleasure to participate in the opening of American Camp Week, sponsored by the American Camping Association. I am happy to learn that nearly 5 million children, of varied economic and social back-

grounds, are expected to attend the 13,000 camps throughout the country this summer.

Through the thousands of camps sponsored by such agencies as the Boy Scouts, Girl Scouts, Camp Fire Girls, 4–H Clubs, YMCA, YWCA, churches, schools, and other organizations, public and private, opportunities are greater than ever for American children to participate in organized camping.

In observing American Camp Week I would like to emphasize the extraordinary educational and wholesome recreational values provided by our National Park System. In virtually all park areas camping facilities are being expanded and new sites are being developed by the National Park Service through the Mission 66 program to accommodate the ever-increasing number of campers.

Camping serves to strengthen the character and develop the fitness of our children, our country's most important resource for the future.

I urge all parents to explore camping opportunities to avail their children of the benefits of this pleasant and significant experience.

Federal Educational Aid

EXTENSION OF REMARKS
OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1958

Mr. PELLY. Mr. Speaker, as Members of Congress know, the orbiting of Sputnik I resulted in the administration submitting to Congress a 4-year plan for Federal educational aid in the form of grants to States for scholarships, fellowships, and assistance to expand and improve the study of science, mathematics, and foreign languages. It appears that legislation to carry out the President's recommendation implemented with a more extensive basis of scholarships including the humanities, as well as science, may soon be reported by the House Education Committee and come up for House consideration.

I wish to address myself to what appears to me to be weaknesses in scholarship legislation which would be administered by the Department of Health, Education, and Welfare. First, however, let me point up that the President proposed meeting the Soviet challenge and need for more highly trained scientists and engineers by other means as well. His budget proposed $140 million for the National Science Foundation in 1959 of which $58 million, double the 1958 appropriation, was for research grants—most of which would be for projects carried on by university scientists and, as the President stated, would contribute importantly to the education of graduate students. The balance of $82 million, or 5 times the present amount, would go largely to expand high school and college science educational programs; also, to stimulate interest of able students in science careers, improving courses in mathematics and science and supplementing the training of teachers; also fellowship funds for highly qualified graduates and scientists for advance study.

Expenditures for basic research and research projects mostly by university scientists and educational aid to graduate students in addition are included in the budgets for the Atomic Energy Commission, the National Advisory Committee for Aeronautics, and the Department of Defense. All these call for increased amounts over the 1958 appropriation.

Now, Mr. Speaker, to return to a discussion of the President's so-called scholarship recommendations to authorize the Department of Health, Education, and Welfare to provide grants to stimulate State, local, and private action. Principally, this Executive request is embodied in H. R. 10278 and was for matching grants to strengthen State school systems for improvement in the teaching of science and mathematics. Title I of the bill is for testing, counseling, and guidance of elementary or secondary schools—grades 9, 10, 11, and 12 in public or other nonprofit schools under an approved State plan. In addition, $7,500,000 for fiscal year ending June 30, 1959; $15 million for the year ending June 30, 1960; $22,500,000 for the year ending June 30, 1961; and $30 million for the year ending June 30, 1962, are authorized for financial assistance to able students in need at institutions of higher education.

Title II of the bill authorizes grants up to $15 million to strengthen, on a matching basis, programs by expanding State agency supervision of elementary and secondary science and mathematics courses. Also, it authorizes $150 million in grants on a matching basis to assist local educational agencies to improve teaching standards and increase the number of, and raise the pay of, science teachers; also, to provide laboratory equipment.

Title III is for grants for implementing the teaching of modern foreign languages. A National Advisory Committee on Foreign Languages would be established.

And title IV covers expansion of graduate education by providing for grants to institutions of higher education to expand graduate education for students who have their bachelor's or master's degree and desire a doctor's degree.

As stated, Mr. Speaker, this is supposed to be a temporary program but I do not believe any of my colleagues will be so naive as to honestly think the legislation will not be renewed.

Also, it should be emphasized the President pointed out that in harmony with the tradition of keeping the Federal Government out of educational matters, which are a State responsibility, he proposed that his program should not be overemphasized so that later on local educational systems could carry on. However, I predict that once a scholarship bill with all its ramifications is enacted, the program will grow and no one in Congress today will live to see it terminated in favor of the States. This is nose-under-the-tent legislation even though its objective is meritorious.

However, Mr. Speaker, aside from any such speculation, I wish to address myself to the merits or demerits of the administration Federal scholarship aid proposal. Frankly, scholarships as such seem to me to be the least undesirable form of Federal school assistance, and I could support a scholarship program. But, Mr. Speaker, my studied and most considered judgment, and the advice of thoughtful educators, does not confirm the fact that the provisions of H. R. 10278 are the answer to our problem which is more a need of quality than quantity of scientists as far as competition with the Soviets is concerned.

I wish every Member could read the testimony sent to the Committee on Education and Labor. I refer to a carefully thought-out letter and statement from Dean Harold E. Wessman of the University of Washington engineering department in which this educator discussed the educational aid program. He pointed up in this letter that most of those connected with engineering education have serious doubts whether the administration's program would raise the quality of technology in this country. Dean Wessman, incidentally, is not only dean of the largest engineering college on the Pacific coast, but also is secretary of the Engineering College Administrative Council which represents the deans of 150 engineering schools of the country. So, he speaks with some background and authority and points up the fact that 78,000 high school seniors enrolled as freshman students in engineering in the colleges of America last September. He says there is no need to increase this number. Rather, the need is to increase greatly the number of senior engineering students who go on into graduate study for master's and doctor's degrees. It is at the highest educational level, he states, that help is needed.

The statement of Dean Wessman called for 2,000 scholarships for engineering alone with annual stipends of $4,000 of which $1,000 should go to the university to cover tuition and incidental costs, all of which would be at relatively modest annual cost.

Place yourself—

Dean Wessman's letter reads—

in the shoes of the bright young senior engineer. He may want to enroll in graduate study, but has an offer from industry of $6,000 a year. He learns that a graduate fellowship or a teaching assistantship will give him $1,800 a year, if he can get one. Is it any wonder he accepts the industry offer?

In 1957—

The letter continues—

Five thousand two hundred master's degrees were awarded in engineering fields. Six hundred doctor's degrees were awarded. The number of master's degrees should be doubled. The number of doctor's degrees should be quadrupled.

Thus, Mr. Speaker, it will be seen that if the real need is to raise the quality of engineering in our country, then emphasis in any scholarship legislation enacted by Congress should be toward aid to graduates of our colleges rather than on undergraduate scholarships. An incentive to induce more bright seniors to enroll in graduate study for the master's program will result in greater numbers continuing on for the doctor's degree. I think an important aspect of our scholarship program is that industry has need

of engineers with only a bachelors' degree, whereas young physicists and chemists know they must go on into advanced graduate work to succeed, so engineering scholarships are especially needed. In other words, title IV of the bill would seem to me to cover the objective of meeting Soviet ballistic missile and satellite scientific competition. I feel the States themselves can and should carry the rest of the program, especially elementary and secondary school aid.

As a layman and one who is opposed to any program which could lead to Federal intervention and control of education, I repeat my general view that scholarships are the least objectionable of any form of Federal support, and that I am prepared to vote for legislation to fill our technological deficiencies of an emergency caliber. But, I reserve the right to vote against any measure which only qualifies because it is extensive and expensive. The views of Dean Harold E. Wessman which I have cited supporting graduate fellowships as against large-scale undergraduate aid seem to me to be sound and I hope any scholarship bill that is reported out of the Education and Labor Committee will be modified in line with this thinking. As I said earlier, quality of scientists and engineers should be our objective, and the issue is not simply how much we spend—but how we spend what we do spend if we do spend.

Now Is the Time To Act for the Good of Retired Federal Employees

EXTENSION OF REMARKS
OF
HON. ROBERT L. F. SIKES
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 8, 1958

Mr. SIKES. Mr. Speaker, the two bills—S. 72 and H. R. 607—to provide additional benefits for retired civil-service employees have passed their respective bodies of Congress. A conference has been requested and a committee appointed. It is my sincere hope that the conferees can speedily reach an agreement on which we can act and which the President will approve.

I am one of the introducers of legislation intended to help these deserving people. I feel that liberal legislation is deserved in this case and I believe the provisions of my bill H. R. 943 would have been of great assistance to those it was intended to benefit. The important thing, however, is to complete the enactment of legislation so that a uniform program based on modern costs of living will be in effect.

All of this legislation was designed, in large measure, to provide additional retirement benefits to meet the increased cost of living for those who retired prior to October 1956. Those who retire on and after October 1, 1956, receive substantially greater annuities than those who retired prior to October 1956. Such discrimination should be corrected.

I trust that the bill will be reported out soon; that it will retain, to a substantial degree, the provisions of S. 72, so richly deserved and sorely needed by many of our faithful former Federal civil service employees. They are now existing on a fixed income which, in many cases, is wholly inadequate.

Detroit

EXTENSION OF REMARKS
OF
HON. JOHN D. DINGELL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 8, 1958

Mr. DINGELL. Mr. Speaker, we in Detroit give full credit to the people in the other areas of Michigan for their great contribution to the welfare of the State and of all the people. We share their pride as citizens of the State of Michigan. However, this does not detract one bit from the pride we feel in our city and in our part of the State, and in what Detroit itself stands for in the country and in the world.

More than that, Detroit is so varied in its activities and in the origins and interests of our people, that to understand Detroit is to understand many of the essential characteristics of our time and of the world we live in. Whether one thinks in terms of industry, commerce, or the people for whom this all goes on, Detroit is like a mirror that highlights the world around us and brings out clearly and sharply the lessons that need to be learned for the good of all.

For example, industry in Detroit highlights sharply the lesson that whatever helps or hurts an important industry anywhere in the country helps or hurts the total economy and affects what goes on in the far corners of the earth. In the minds of many people, Detroit is automobiles, and, truly, half of what is manufactured in the Detroit area has to do with automobiles. But the car that comes off the assembly lines in a Detroit automobile plant is also steel from nearby and distant mills, and ore from nearby and distant countries. Backtrack the tires on that car and you reach rubber plants in other States of the United States and rubber plantations in remote countries. And the same kind of thing is true of the millions of square feet of glass, the millions of yards of textiles and leather, and of the paint and plastics and everything else that goes into the cars that Detroit made famous.

When Detroit prospers, these places—close by and far off—prosper, too, and depression in Detroit is shared by people in these places as well. Today, the lesson of Detroit is that the productive plant of America is one plant, and neither prosperity nor depression can be isolated or quarantined.

When you follow what Detroit makes away from the factory gates, you get the same lesson in interrelatedness—both domestic and international. The drugs and chemicals produced in Detroit, like the cars, machinery and other products manufactured there, turn up in countries all over the world. They help to increase the living standards in those countries as well as to pay for what America imports from them. Put your finger on Detroit on a map of the world, and in any direction that your eye may travel, goods made in Detroit have already gone; they have become part of the complicated international trade on which America depends for many of its comforts and even for many of the essential natural resources of the world.

Detroit reminds us that economics and trade are today worldwide, and no country gets along well today without the rest of the world to help it.

But it is the people of Detroit who themselves provide the best evidence that Detroit and the world are one. Nearly every country of the world, no matter how strange its name may first have sounded to American ears, has been the old country for some group of Detroiters. Detroit has always been a kind of United Nations, with the diplomats rubbing shoulders in the factories and stores of the city instead of in conference halls and committee chambers. In Detroit, people from all over the world have learned to live and work together, trusting to their common humanity, and providing a lesson in neighborliness that all the world might copy.

The lessons which Detroit can teach sometimes make headlines, but often they do not. Often, they are common, homely lessons which may however be even more important than headlines for the long pull and for the daily lives of the people. But for those who want to learn, the lessons are clear. Detroit teaches us that the country we live in is one country and that we are prosperous and depressed together. As we trade goods with the countless cities and towns of America and of the world itself, we also trade prosperity and—unhappily—depression, too, when that is the order of the day.

As one of the Members of Congress privileged to represent the people of Detroit, I am pledged to work for that legislation which will increase the well-being of the people of Detroit, knowing that the result for America and for the rest of the world will be the same increase in well-being and in the kind of prosperity on which peace itself can be built.

Hon. Emanuel Celler

EXTENSION OF REMARKS
OF
HON. EDNA F. KELLY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 8, 1958

Mrs. KELLY of New York. Mr. Speaker, on May 6 my colleagues paid

tribute in the House to the dean of the New York Democratic delegation, the Honorable EMANUEL CELLER, on the occasion of his 70th birthday. It was not possible for me to be on the floor at the time, but I want to add my tribute to the man who for 35 years has represented the people of the 11th Congressional District of New York.

Mr. Milton Kronheim, of Washington, D. C., was host for the birthday celebration to Mr. CELLER; and among the guests were the New York delegation, and their wives, and Mr. CELLER's official staff. It was a memorable evening with all the guests paying glowing tribute to the guest of honor, but the highlight was the tribute paid by Mrs. Celler. She related the trials of being the wife of a man in public life and how she handled these problems. In acknowledging the tributes paid to him, MANNIE explained his philosophy. He learned that long hours of work were necessary and that all problems must be approached with patience.

In concluding his remarks, MANNIE left with us several quotations which I want to share with the readers of the RECORD.

We find these words in Job: "Thou shalt forget thy misery, and remember it as waters that pass away."

Count your garden by the flowers,
Never by the leaves that fall,
Count your days by golden hours,
Don't remember clouds at all.

Count your nights by stars—not shadows,
Count your life by smiles—not tears,
And with joy on this, your birthday,
Count your age by friends, not years.

Long ago, an eastern monarch plagued with misfortunes and harassments called his wise men together. He asked them to invent a motto containing a few magic words that could help him in his time of trial. He wanted a motto small enough to be engraved on a ring. He wanted it to be endlessly enduring. The wise men thought and thought and finally came to him with the magic words "This too shall pass away." The motto has survived century after century. These words are rare wisdom and they have proved very precious to countless numbers of people.

Address by Postmaster General Arthur E. Summerfield

EXTENSION OF REMARKS
OF
HON. CHARLES E. POTTER
OF MICHIGAN
IN THE SENATE OF THE UNITED STATES
Thursday, May 8, 1958

Mr. POTTER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an outstanding address delivered by the distinguished Postmaster General, Arthur E. Summerfield, before the Brown County Republican organization at Aberdeen, S. Dak. I commend the address to all my colleagues. It is one of the most outstanding I have heard.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY POSTMASTER GENERAL ARTHUR E. SUMMERFIELD BEFORE THE BROWN COUNTY REPUBLICAN ORGANIZATION, ABERDEEN, S. DAK.

My fellow Republicans, I am both grateful and happy to be here tonight in South Dakota, in the midst of this great agriculture belt—this heartland of America—and to bring you greetings of the President of the United States, Dwight D. Eisenhower.

I have the wonderful coming home feeling, here in this land so rich in opportunity, so steeped in the true-blue kind of Americanism that has made our country the most favored Nation on earth.

My political outlook, indeed, most of my life, has been formed in a middle-western setting much like this.

I was born not far from here, over in Michigan.

My father and his father were just as devoted as I have been to our Grand Old Party which, for more than a hundred years, has served America so faithfully and so well.

It is a very real pleasure to be here in the home State of two of the ablest of our United States Senators, your own KARL E. MUNDT, of Madison, and FRANCIS CASE of Custer.

Both these outstanding Americans are rendering invaluable service not only to the people of South Dakota, but to all of our citizens.

I am pleased and honored to be on the same platform here tonight with the great patriot, your very able Governor, Joe Foss.

You will, I know, send him to Congress where his sound judgment, aggressive leadership and great courage will make him an extremely useful Congressman, particularly in these trying times when character and experienced military counsel are so urgently needed in the solving of our defense problems.

I feel certain, too, that you will reelect your able Congressman, E. Y. BERRY, of McLaughlin, to represent your Second District for the fifth time.

Congressman BERRY is urgently needed back in Washington where his intimate knowledge of Indian affairs and mineral conservation is so essential to the economic well-being not only of South Dakota, but the Nation as well.

South Dakota is unique among these United States because you folks have kept faith with the traditional Republican virtues of thrift and fiscal integrity.

The people of your great State are not burdened with a State income tax—not burdened with one red cent of bonded indebtedness.

The fine leadership in good government in South Dakota will be continued whether you elect that experienced administrator, Lt. Gov. Roy Houck, or your able Attorney General Phil Saunders in the gubernatorial elections this fall.

My fellow Republicans of South Dakota, I sincerely salute you for your great accomplishments.

I can well understand also why you have been called the opportunity State and why your strong economic position makes South Dakota an inviting area for industry and investment capital to flourish and prosper.

The State and the Nation owe all of you a vote of thanks.

It is especially pleasing to come into this agricultural area during an era of peace when agriculture is successfully working its way out of the maze of problems which confronted it after American participation in two wars in one generation.

There are still troublesome problems besetting agriculture today, but the picture is encouraging.

It is especially encouraging to you who are working with our great President Eisenhower and the Republican administration in trying to formulate policies and bring about programs which will help farm operators obtain the full parity of income to which they are entitled and which the President and all of us want for the farmers of America.

My friends, I have, like most of you, made my own way.

I have fought my way up through political and economic affairs in the community, in the locality, in the State, and in the Nation.

Over these years, I have been inspired not so much by the plentiful opportunities I have found along the way as by the tough and sturdy qualities of our people—the strength that flows from the grit, the eager competitive spirit, the proud self-reliance, the instinctive confidence of the great majority of Americans.

And this, too, I have noted, as you doubtless have: these strengths of our people are founded in a deep religious faith, a faith which is accountable for our political system and for the concepts immortalized by our Founding Fathers.

These truths—that faith, this strength of character—these always have been especially notable in this part of our country.

Perhaps that is because of the nearness, relatively speaking, of this region to the frontier.

Perhaps it is also because of the proximity of people here to the soil, to the eternal verities of nature, to the evidences of divine purpose so plainly revealed in your great plains, your glorious sunsets, the bounty of your land, and the eagerness of everyone in these parts to achieve for himself and to build a better future for his family and his fellow man.

At all events, such thoughts and feelings always recur when I come into this area.

And today, of course, I am deeply aware in addition that this is a political meeting of politically informed people—gathered for a political purpose.

And aware, too, that I speak to you as the former chairman of the Republican Party, and at the moment your Postmaster General.

Having such thoughts, my urge is to talk here of the truly basic considerations affecting our country—of the principles and concepts which in my recollection are the most meaningful to you folks who are the kind I have grown up with and over the years have known the best.

I enter upon this kind of discussion in this meeting for this reason alone:

With, I am sure, many of you, I look to our country's future with a confidence that simply will not be downed.

Yet I harbor a deep apprehension.

I am gravely concerned lest collectivistic socializing influences for years at large in our country may, in due course, recapture the reins of our Government, give them another mighty pull to the left, and thus divert for all future time our Nation and our people from the time-honored ways, convictions, and attitudes which have ever been the pillars of American liberty and opportunity.

You dedicated Republicans surely see, as I do, the clear portents of the times in which we live.

In many ways this is, in our history, our supreme test—a period every bit as grave and as fraught with significance as our revolutionary crisis two centuries ago.

We clearly see the gravity of the events of which I speak.

Across the seas a mighty nation has arisen.

Its foundation is repudiation of divine purpose.

It is materialistic, treacherous, wholly devoted to worldly goals.

Of human life and human worth it is utterly contemptuous.

Its leadership is tyrannical and cruel.

Its ambitions are insatiable.

Daily it feeds and grows like a vampire, subsisting on the misery of its own people.

It has objectives which to us are vastly evil—the extinction of western civilization—the destruction of every humanitarian ideal and impulse—the enslavement of mankind—the obliteration of man's acknowledgment of even the existence of God.

This menacing mass of humanity, numbering over 800 millions of enslaved people, has become in these times armed with weapons and a technology indescribably destructive.

Not only does it threaten western nations with death and ruin on a scale unmatched in history; today it also threatens the annihilation of humanity itself.

By force of arms, by threats of force, by economic bondage, cajolery and pressure, by open subversion and covert penetration, by cynical blandishment and deliberate distortion, by a Niagara of falsehoods cascading from radio and press and in newspapers, books and pamphlets—by whatever means, fair or foul, this evil force relentlessly pursues its goal of global domination.

With that conquest, it hopes finally to blot out for all time the human values so hard won by thousands of millions of men and women of all nations and all the ages.

Ballistic missiles, nuclear explosives, supersonic aircraft, massive ground forces, the largest submarine fleet in history, a rapidly growing industrial machine, an outpouring of skilled scientists and engineers, all this is the devilish tool of a godless tyranny that values as nothing human life and liberty and strives only for world mastery.

That, my friends, is the shape of things across the seas.

That menace, we must never forget for an instant, pervades the times in which we live.

To each of us, whether we live here in America's heartland or on the shores to the east or the west, this towering threat of Soviet imperialism has a meaning that is immediate and personal and long-lasting in its impact.

Wherever we live, we cannot escape the heavy burdens imposed by this greatest of all threats to human dignity and freedom.

You feel those burdens here, as your fellow South Dakotans feel them in Maine, Florida, and California, in the whiplash of taxes, in the continuing induction of young men into the Armed Forces, in the growth of huge military, naval, and Air Force installations, in the maintenance of large Reserve and National Guard units in our towns and cities and on the campuses of our colleges and universities.

We see them in the white streamers far above us in the skies as huge jet bombers conduct their awesome aerial patrols so fateful to any would-be aggressor.

We sense them as we know, perhaps not realizing the figure, that each minute we spent $50,000 for our defenses—while I have been speaking, spending a half-million dollars—almost every cent of which is wrung from the ingenuity and effort of private citizens who must make their own way in America's system of free enterprise.

As we ponder these things, we think too of the great accomplishments left undone due to the looming menace beyond our shores.

We think of the $200 billion spent only for military purposes in just these past 5 years, a sum so huge as to defy understanding.

We know from our great President the vast good it could have done in a more peaceful world.

We know it could have built all the Nation-spanning highways America needs, all the hospitals needed for 10 years to come, all the schools needed for another decade, all the hydroelectric dams America could usefully build, and yet could have left us some $50 billion more to cut taxes or reduce the national debt.

Knowing these things, we know that somehow, in such a time, there must surely be basic concepts of Government that must be applied consistently and firmly if we are to save our system and pass it on unimpaired to our children and those to follow them.

And then, as we look to our Nation's domestic affairs, what do we see?

We see the bounty for which America is justly famed, a richness unmatched anywhere at any time, an individual well-being, a comfort, a satisfaction of basic needs that have never been approached in all human history.

Yet, in the shifting winds of American life we see puffs of dark clouds which we recognize as harbingers of rough weather sure to come unless we act in time.

We see an enormous concentration of economic power in the hands of organized labor, power used not only to bludgeon management, but also to dominate and intimidate elected officials of Government, the leadership of a great political party, and even the selection of candidates for the highest offices in the land.

Additionally, we see millions of dollars being taken from laboring men and women, put into political pressure groups employing full-time political organizers, creating political organisms of crushing power in behalf of candidates selected not by the workers who paid the dues, but by labor's privileged few.

And, in the process, we see our elective system becoming more and more the cat's-paw of the lowest common denominators of human character, catering more and more to the greed and self-centeredness of classes and segments and sections of the populace in order to serve equally selfish, equally self-centered ambitions of demogogic leaders who, by cynical raids on the Federal Treasury, seek to advance their power at the expense of the public.

Again, then, as we look upon these characteristics of the times in which we live, we ponder the future.

And again we wonder, Is there, in these times, something truly fundamental, something firm and stable, something to which we can confidently cling as we make our way through such troublous events to a brighter, more promising future?

What, in short, can we do, each of us, all of us together?

What can we do to ensure that, as we confront this terrible Soviet menace seeking to master the world, as we take measure of the growing danger of high-pressure political power seeking to dominate our country, as we struggle to carry the heavy and growing burdens of our own defense, just what can we do to make certain that tomorrow, next year, and on into the future there will surely be liberty preserved for ourselves and our children?

What can we do to see that our free institutions survive, that our free enterprise is not overwhelmed, that America will continue to symbolize human achievement and happiness and freedom to all the world?

Is there—can there be—anything that you can do and I can do?

In answer to these questions, which so long have perplexed many of our people, I say that there are, indeed, solid anchors to which we can hold with assurance amid the swirling events of the middle 20th century.

I say that, most certainly, there are specific and identifiable things you and I and our neighbors can do to help preserve liberty and opportunity in America.

Further I say, that we must—imperatively we must—hold to these anchors not alone for our present well-being, not only for our children, but also for free men everywhere and, in truth, for the very salvation of humanity.

These thoughts bring me unavoidably to the roots of our political processes—and back once again to the great significance of the Republican Party to each of us and to our country.

Clear it is that the greatest trouble of our times is a willingness of too many among us to drift with changing political seasons, to be willing to stand politically for little or nothing, to accept compromise with principle as if expediency were itself a precept of government.

Clear it is that far too many among us fail to discern the enormously significant differences between the two great political parties which daily contest with each other for the control of our governmental policies and programs.

Clear it is that many, too many, Americans have become prone in the past quarter century to look to Uncle Sam, as if he were some distant rich relative whose wealth can be bestowed upon you and me and our cities and States without any expense to ourselves.

Clear it is that unless we Americans come to understand far better than we do today that it matters tremendously to America's future which party holds the reins of the Government—we are certain to float aimlessly with the tide of events and to witness the gradual destruction of the basic principles which over the years have preserved our freedom and our system of private enterprise.

It may seem farfetched when I say that your degree of Republicanism bears directly on the success of our efforts for world peace.

Maybe you would consider it at first as sheer exaggeration for me to say that your willingness to work and sacrifice in behalf of Republicanism has much to do with whether or not America will be adequately defended in this time of intercontinental missiles and hydrogen bombs.

And maybe you think it nonsense when I say that your freedom of decision here in South Dakota, your ability to make a living, the protection of your property values, the security of your jobs, the growth of your communities, and the standard of values of your children are all intimately related to whether or not Republicanism is successful in America's political life.

Yet, every one of these things is true.

Let me explain.

I have said that our two great political parties are entirely different.

I say this despite the current tendency of far too many of us to say that the present administration and some of the New Deal and Fair Deal varieties of government are much the same.

The truth is that this administration is totally different from any Democrat administration you can conceive of in charge of national affairs.

There are two basic reasons for this.

They go to the very heart of Republican political philosophy.

The first reason is simply this:

Republicans, as a party, believe in liberty not as an abstract thing, but as a very personal matter for the individual citizen.

Republicans, as a group, believe that each individual in America must be left as free as he possibly can to work out his own destiny in his own way toward goals of his own choosing.

And secondly, we Republicans believe, as a group, that each individual citizen is a singularly uncommon sort of person.

We believe that the individual in America is able and responsible, that he is entirely capable of making his own decisions, that he is quite able to get along without being nursed and fondled and fed political pablum by a benevolent bureaucracy back in Washington, D. C.

We believe, as a party, that wisdom resides more in individual citizens back home than in some elected or appointed governmental employee.

We believe that America will be stronger and her liberties better protected as Central Government is restrained, as local government is strengthened, and as all government is kept to the very minimum consistent with public need.

Believing, then, as we do, that the key to our system is the liberty and capability of the individual citizen to act and do for himself, we begin to understand why our party stands as it does for various public policies and programs.

Let me give an example or two.

Consistent with our faith in the individual, we fight against legislation designed to favor classes in America and we support legislation to encourage individuals to venture and risk and do for themselves.

Consistent with that faith, we work constantly to get the Federal Government out of competition with private enterprise.

Holding to our basic philosophy, we struggle persistently to return to States and local governments responsibilities and revenues preempted by Uncle Sam and taken to Washington, D. C., during the past quarter century of New Dealism and Fair Dealism.

Reflecting our faith in the good sense of the individual citizen, we Republicans, as a group, have consistently worked over the years to keep the cost of government to the minimum—to keep its size as small as possible—to make the tax burdens as low as possible.

And indeed, to cut taxes whenever and wherever this could be done consistent with national obligations.

Our basic philosophy demands this of us, for we believe, as a party, that the individual citizen can more wisely invest and use his money than can some bureaucrat far away in Washington, D. C.

We completely reject the idea that career government employees know better what is good for you here in South Dakota than you do for yourselves.

Having faith in the commonsense soundness of these fundamental political beliefs, I am certain, my friends, that you see what I meant when I said that your ardency in the cause of Republicanism relates directly to our efforts for world peace—to the soundness of our defenses—to the preservation of American liberty.

If we are weak internally, American efforts to keep world peace are weak.

If we are financially on the skids, our confidence gone, private enterprise discouraged, our will-to-do weakened, our defenses will surely go to pot.

If our liberties are progressively restricted, our self-reliance eroded away and our decisions made for us by some bureaucrat far away in Washington, D. C., we can hardly belligerently wage the battle for freedom elsewhere in the world.

This means, I believe, very specific things to you and to me.

Earlier I mentioned anchors.

I said we must hold fiercely to them in the interest of America's future.

Those anchors are the principles of our Republican Party.

It is not enough to sit there and shake your head up and down in agreement.

Yes, we believe in individual freedom.

Yes, we believe in the good sense of the individual.

Yes, we therefore stand for small government, for free enterprise, for letting the little fellow work out his own destiny with minimum interference from Washington.

But, my friends, shaking your head up and down won't get us anywhere.

Merely agreeing won't keep your freedom and your livelihood.

You and I and folks like us all over America have got to get the petty irritations out of our system.

We have got to stop picking and hacking at each other.

We have got to start looking at the big picture instead of nitpicking.

We have got to make certain that leftwing, collectivist, bureaucratic planners don't take over our Government all over again 2 years from now.

And in the meantime, we have got to make sure that President Eisenhower is given once again a Republican Congress to work with—so this Republican program of ours can be as effective as it should be in the interests of all Americans.

Most solemnly I say this to you:

If in President Eisenhower's last 2 years of his term he is confronted by a Democrat Congress, then if America doesn't face a crisis abroad during that period, it will hardly matter—for the crisis, I assure you, will be genuine here at home.

And so, we are talking about your welfare.

We are talking about your children's future.

We are talking about the cause of peace and freedom in the world.

We are talking about America's safety in the nuclear and missile age.

All that is in your hands.

Is it worth your effort?

Is it worth doing more than shaking your heads up and down?

Certainly it is.

My friends, it is up to you, and no one else, to decide America's future.

I call on you to join me in making sure it is a bright one.

The Urban Renewal Program

EXTENSION OF REMARKS
OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1958

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a study of the urban renewal program:

THE URBAN RENEWAL PROGRAM, MAY 2, 1958

Admittedly Dallas has need for improvement of some homes and other buildings, and perhaps whole areas. Most cities throughout the Nation have such problems. Urban renewal, the improvement of homes and neighborhoods, is approved and applauded by everyone. Many cities are now engaged in slum clearance and rehabilitation through local, private, and public initiative without Federal aid. The lessons to be learned from these urban renewal programs and the others, using Federal funds, are quite clear. From these lessons all can benefit.

Since Congress acts as the city council for Washington, D. C., for 3 years I have been, in effect, a councilman studying an urban renewal program in progress in Washington. In addition, we study other projects throughout the Nation as part of the housing bills.

Even earlier, I was a realtor, land developer, and builder, working in conjunction with the city, conforming to city restrictions on building and developing. I am interested in urban renewal by natural inclination and as a Member of Congress. A Member must study the effects and size of Federal expenditures to fulfill his oath to uphold the Constitution. I seriously doubt (1) the constitutionality of this law, and (2) that the Federal Government can afford urban renewal expenditure.

In Congress I observe, vote on, and report to the citizens of Dallas County the legislation considered, the Federal encroachment upon, and the violation of personal and States rights, the boondoggle and political tradeouts, the hasty and wasteful spending. My interest in Federal assistance programs was sharpened by the attack upon Dallas by a California Representative who accused Dallasites of grabbing greedily for Federal money for the fifth district. This erroneous attack was answered and laid to rest on only one test—the facts.

The facts and documentary evidence on urban renewal are here presented in several parts:

1. The Federal and State urban renewal laws.
2. Eminent domain—of the right and use.
3. The relocation problem (of people affected by urban renewal).
4. Cost and time factors.
5. A constructive plan—how to do it locally.

The question is how best to do the job. Do it we can, I am confident, in the spirit of Texas and Dallas. As our mayor said:

"Dallas' greatest resource is its people. Dallas will remain bright because of its people."

My hope is to see that job done, and done well, for our own community, even to set an example for others who face the same grave problem. Everyone in Dallas has a part, if only as taxpayer.

Those who doubt the job can be done locally might listen to Representative CHARLES VURSELL of Illinois, a member of the subcommittee responsible for urban renewal:

"Mr. Chairman, * * * what I'm questioning is the necessity of forcing the Federal Government to continue this program (urban renewal) that, in my judgment, and I believe in the judgment of most of those who understand it, never should have been started in the first instance.

"It is my judgment that the average small cities or the larger cities of the Nation generally are more able to build their own improvements than is the Federal Government, which has had to undergo the expense of financing the recent World War II, the Korean War, and now has to maintain the most expensive military force we have ever had to have in peacetime, because of world conditions, and the Russian threat of communism.

"It is unfair to extort taxes, so to speak, from millions of people who are housing themselves, and financing their own places of business, and force them to contribute to cities all over the land, hundreds of miles distant from the taxpayer.

"It is the responsibility, so to speak, of the officials in the city halls throughout the Nation, the mayors, the aldermen, the city commissioners, and the taxpayers to take care of their own community and housing needs. All cities, with the cooperation of their citizens, should take care of their own needs, and in the end will make the most progress. The citizens and public officials who turn to the Government deaden their own morale and the morale of the citizens of the community."

For those who say we must competitively get all the money back from Uncle Sam that we can, I quote President Eisenhower:

"The completely spurious argument is frequently advanced that because the Federal Government skims off so much of the valuable tax revenue, it must, as a consequence, bear more of the local expenditure. This is putting the cart before the horse. If local communities do their job, then there will be no need for additional centralized

revenues for nationwide subsidies of an essentially local character; and we will avoid the certain pitfalls of extreme centralization.

"Very frankly, I firmly believe that the army of persons who urge greater and greater centralization of authority and greater and greater dependence upon the Federal Treasury are really more dangerous to our form of government than any external threat that can possibly be arrayed against us. I realize that many of the people urging such practice attempt to surround their particular proposal with fancied safeguards to protect the future freedom of the individual. My own conviction is that the very fact that they feel the need to surround their proposal with legal safeguards is in itself a cogent argument for the defeat of the proposal."

Before any referendum, I hope these matters will be carefully studied by all Dallas residents. This material is intended to be of some help.

THE LAW

The pamphlet, Federal Laws Authorizing Assistance to Slum Clearance and Urban Renewal (exhibit 2) contains the major pertinent Federal Statutes involved, including public housing (pp. 74–76) and FHA mortgage insurance for rehabilitation and construction of privately owned homes (pp. 64–73). A helpful summary is contained on the page following the table of contents. The Federal loan and capital grant program for land clearance operations (title I of the Housing Act of 1949 as amended) which would be applicable to the project under discussion in Dallas, is contained on pages 2–25.

The mechanics under the Federal law are:

1. The Federal Urban Renewal Administration, bypassing the appropriations process of Congress, lends money (currently at 3⅛ percent interest) to a local authority authorized to accept Federal aid to make preliminary studies (sec. 109 Federal law).

2. The URA similarly lends additional money for detailed planning of a project.

3. The URA lends large sums, to acquire by condemnation under power of eminent domain and otherwise, land and buildings now belonging to private citizens and used for their homes and businesses.

4. The local authority generally demolishes and clears all the structures from the project area.

5. The cleared land is then offered for sale, generally at tremendous loss, for reuse by other private citizens for sites for their businesses and homes.

6. The loss (the difference between what the cleared land will bring when resold, and the cost of acquisition, demolition, preparation for reuse, plus all project overhead) is made up by the taxpayers. One-third of the loss is paid by taxpayers in their local taxes, as a so-called local grant in aid (sec. 104 Federal law). The other two-thirds is paid by taxpayers in their Federal taxes.

That Federal control and dictation follow Federal aid is abundantly clear. For example, section 109 on pages 15 and 16, details instructions for wage payments according to the United States Secretary of Labor in Washington under the Davis-Bacon Act, by which local officials must abide, and from which wage setting there is no appeal, no court protection. The Secretary of Labor is prosecutor, jury, and judge.

Aids to Your Community (exhibit 3) lists the programs of the Housing and Home Finance Agency (HHFA), an attractive presentation, and explains the program more readily. The problem, planning, financing, housing for displaced families (public housing and FHA assisted private housing) and community facilities help (streets, sewers, schools, etc.) are presented. Lots of Federal aid is offered.

An HHFA News Release (exhibit 4) outlining the 7-point workable program and the Dallas Little Mexico project, gives credit to Dallas for having the Nation's first nonfederally assisted urban-renewal project. Dallas already has a tradition to maintain.

The Texas Urban Renewal Law (ch. 298, General and Special Laws of Texas, 55th Legislature, exhibit 5) is the act enabling Texas communities to participate under the Federal urban renewal law. The law became effective August 22, 1957. The eminent domain sections are quite significant (see especially sec. 10 on p. 11 of the Texas law and sec. 2 of this statement).

EMINENT DOMAIN

Private ownership of property is a basic right to be jealously guarded, as we do personal freedom. We are most aware of this when confronted with the power of eminent domain, by which law, property can be condemned and taken (see exhibit 5 sec. 10, p. 11). Basic protection is given individuals by the fifth amendment to the Constitution which says (1) "No person shall * * * be deprived of * * * property without due process of law; (2) Nor shall private property be taken for public use, without just compensation." The Constitution thus assures protection of individuals and minorities from majority rule.

The Supreme Court upset this protection in 1954 in reinterpreting the traditional application of eminent domain. In this case, in a district court, the owner of a department store (see exhibits 6 and 7) challenged the validity of the act which gives the local redevelopment authority the right to condemn property which is not substandard or slum property merely because the property is part of an overall redevelopment plan. The Supreme Court then upheld this right to take property because in its concept of public welfare "the values it represents are spiritual as well as physical, esthetic as well as monetary. It is within the power of the legislature to determine that the community should be beautiful as well as healthy, spacious as well as clean, well-balanced as well as carefully patrolled." Losing your property through eminent domain because of someone else's judgment of these values seems quite contrary to the fifth amendment. Further, this decision means that the courts, generally the final respository of the peoples' rights against arbitrary action of the legislature, are not available to those whose property is taken and destroyed for redevelopment purposes. The remedy is in the legislature which may impose whatever restrictions on redevelopment authorities it may deem necessary (see exhibit 8). So the Court seems to switch the historic roles of legislature and judiciary.

As the district court said: "We are of opinion that the Congress, in legislating for the District of Columbia, has no power to authorize the seizure by eminent domain of property for the sole purpose of redeveloping the area according to its, or its agents', judgment of what a well-developed, well-balanced neighborhood would be. This amounts to a claim on the part of the authorities for unreviewable power to seize and sell whole sections of the city."

A Congressional committee then commented about the inequities and injustices involved (see exhibit 9).

The Urban Land Institute editorialized on this new Supreme Court application of eminent domain, police power, public welfare, and public purpose rather nicely, summarizing the scope of legislative determination (see exhibit 10).

Later the Richmond News Leader took A Hard Look at Redevelopment (exhibit 11) declaring: private property is losing its importance.

Very significant are the decisions of the supreme courts of Florida and Georgia, both of which declared eminent domain in urban renewal to be unconstitutional according to their respective State constitutions (exhibits 12 and 13). While George modified its constitution, the basic reasoning of the Supreme Court decision was not altogether set aside.

Finally, the statements of Marshall Heights residents demonstrate the unfairness and inequity of this application of eminent domain (see exhibit 14).

Another example which illustrates the inequities of eminent domain is provided by the Washington renewal agency which took property from one private business (Standard Oil) and transferred it to another (an auto parts dealer).

The major danger, therefore, is the taking of private property for private use.

RELOCATION AND PUBLIC HOUSING

Relocation housing is a basic requirement of the urban renewal law (exhibits 2, 3, 4). The seven part workable program (exhibit 4) requests "the city's plans for relocating families to be displaced by slum clearance." (Also see 15a.)

There are two basic types of housing available (1) private construction through FHA insured mortgages; (2) public housing, existing or new units, constructed with Federal money. The FHA help (sec. 220) is specifically designed for help whenever urban renewal is involved (see exhibit 2, pp. 64–73) or whenever any Government action results in displacing families (FHA sec. 221, see exhibits 15 and 16).

Public housing, the other alternative, may be used to relocate families, either in existing or in new housing units. The housing law of 1949 (see exhibit 2) established urban renewal as title I and public housing as title III. In practice the two are closely linked as the Congressional hearings show, almost by definition.

Dallas now has 6,372 public housing units. At the national average of 30 percent yearly turnover. Dallas would have 1,900 units available per year for dislocated families as new occupants. Further, there is a remarkable connection between urban renewal and more new public housing units. The attached list shows some urban renewal projects by location and date and the new public housing units which were contracted for shortly thereafter (see exhibit 17). That this may be more than coincidental is documented by the Chattanooga case (see exhibit 18). The mayor was given assurance from insurance, banking, and real estate leaders that private enterprise stood ready to supply the necessary housing. Yet the field man of the HHFA stated that they first must file an application for 1,000 public housing units before they could qualify for urban renewal funds. (See p. 1002, Congressional hearings, Appropriations Committee.) This has been variously called the entering wedge, the shoehorn, the blackjack, or the trap, whereby urban renewal is used as the entry for public housing.

Texas law prohibits the use of the redeveloped land for public housing, but this does not prevent the construction of public housing on other sites. The net result could be Dallas being forced into the position of reluctantly accepting more public housing in order to get the Federal money for urban renewal. Federal aid means Federal control. This is the lesson taught by experience. Welfare programs by Federal Government are replete with administrative determinations or decisions.

Why not have public housing? The lessons learned from approximately one-half million units do not make a pretty picture. The inherent weaknesses of public housing are sociological, economic, and political. The attached exhibits clearly state the case (19 through 31).

The Dallas public-housing figures are rather interesting (exhibit 32). The unused subsidy of $568,000 raises the question, are these units presently housing the families in direst need, for whom the projects were intended?

Some communities have already decided against public housing. Attached are the articles recounting these expressions of disapproval of public housing in other localities (see exhibits 33–39). Shreveport, La., slum property owners promised to clean up their properties (exhibit 33), a Natchez, Miss. alderman applauded the rejection of the direct dole from Government (exhibit 34), a Rockford, Ill., alderman pointed out the public housing cost more to construct than private and the newspaper declares Federal money shouldn't be taken just because it's available (exhibit 35), the High Point Enterprise editorial on Federal housing says "socialism is socialism" and Federal housing does more harm than good (exhibit 36), the South Haven, Mich., Tribune editorializes that the city commission rescued the city from a welfare project of great expense and entanglement in rejecting public housing (exhibit 37). These arguments are doubly applicable to public housing and to urban renewal with or without public housing.

There are inherent dangers in public housing unthought of by the average citizen. This is brought out by a former chairman of a housing authority himself (see exhibit 30). Further proof is seen in the fact that a number of former executive directors of public-housing authorities are now in prison, including the former directors of Houston, Galveston, Los Angeles, Contra Costa County, Calif., and others.

COST AND TIME FACTORS

Cost and time factors are most revealing in the study of urban renewal. The cost is truly fantastic, almost without limit. Practically every community throughout the Nation has older buildings. Every building ages, and some have the built-in weaknesses of faulty construction. Inspection, repair, and rehabilitation are needed.

No matter who foots the bill the cost of complete and immediate urban renewal would be prohibitive, so redevelopment and rehabilitation must be accomplished gradually. The cost must be spread equitably. And this costly program is added to a long list of existing programs of all kinds at all levels of government demanding heavy expenditures of the taxpayers' money.

The Treasury isn't just broke; it has one-fourth trillion dollars less than nothing. It is a tricky job in fiscal management just to pay current operating expenses of Government. Only the borrowing power of Government makes possible the continuation of the deadly overspending spree. Federal bills are to be paid from future revenue, gambling on the continued high income of taxpayers. Simultaneously Congress adds to the Federal spending to help the financially drained taxpayers from whom the money is taken. Any sign of local financial trouble is the signal for more Federal spending with little thought that the aid distributed must first be taken from the same people in taxes. So the burden increases. (Tax cuts could be substituted for Federal spending.)

The cost of urban renewal authorized to date approaches $2 billion (see exhibit 38). The administrative expenses are running approximately $5,730,000 a year and increasing. The public housing bonds as of March 1957 total $2,268,723,000. The yearly cost to taxpayers who must pay the principal and interest on these bonds is $193,446,405. This means that the taxpayers over the 40-year program will pay $7,737,856,200 for projects which originally cost $2.2 billion.

The Federal grant contribution to urban renewal will be two-thirds of "write-down" or loss, the difference between the resale or reuse price and the expenses of acquisition, demolition and clearing. This "write down" of two-thirds will be paid by the citizens of Dallas as Federal taxpayers and one-third by citizens of Dallas as local taxpayers. Also almost no one escapes being a taxpayer.

This slum clearance or land preparation is just the start of heavy expenses for the local community. True, if the job must be done, the cost must be borne. Yet the very costliness is all the more reason for trying to cut every corner, to exercise judgment and discrimination in how best to do the job. Other costs include the relocation housing that will be added, either privately or publicly through public housing, the latter approach again on the taxpayer. Some of the folly of governmental invasion of private enterprise may be seen in Castles in the Air (exhibit 39) applicable to public housing and urban renewal.

The fiscal danger can be shown by the fact that if communities sought all the Federal money available under existing law, there wouldn't be enough to go around, not with printing presses running ceaselessly. The competitive inducement to States and communities to seek and bid for this money postpones realistic appraisal of the facts, and heightens the potental danger of complete socialism (see exhibit 2).

The write-down or shrinkage of value which occasions the Federal loan and grant is subject to serious question in itself (exhibit 40). Why the excessive drop in value when raw land, strategically located, is cleared and ready for use. Generally, the availability for a higher use should enhance the land values sufficiently to offset the cost. At the least, an appreciable write-down suggests some question of judgment on the part of the urban renewal authority's setting a reuse value not in conformity with the highest and best use of the land. Misuse of land is always reflected in lower value.

Another financial danger is the windfall, the heavy profit which might be made by individuals in the private development after purchase of the land. Profit in free enterprise is one thing but profit off the taxpayer is another. Existing cases (see eminent domain sec. 2) show the inequities already occurring. Would it not be possible under this law to buy up older areas, as older downtown sections, sell them under eminent domain valuations with the possibility of tidy profit, then buy them back from the urban renewal authority at a written down price, to redevelop and make a handsome profit?

The time factor of Federal urban renewal is another drawback which is unlike the Texas and Dallas spirit of performance. Even if the people of Dallas were to overlook the unconstitutional, financial, and Government administration aspects, there would be the same old story of redtape and delay. For example, local initiative built a Dallas-Fort Worth Highway in the time that Federal Government would have been preparing and signing forms. In Washington it took 7 years to get an urban renewal project under way (exhibit 41). Admittedly, this may be longer than some but the pattern is there. It just isn't the Dallas pattern of doing business. In fact, it's worth a chuckle just to think of our first citizen, Mayor Thornton, trying to put up with Federal forms, endless consultations, and bureaucratic determination from Washington. No, the Texas spirit, seen in Bob Thornton and the cut of all Dallas citizens is in performance, in get the job done—now. It's one thing for the scope of the job to slow us down; it's entirely another to be delayed by redtape.

CONSTRUCTIVE PLAN AND SUMMARY

The job of urban renewal in Dallas can be done locally, even the most skeptical must agree. The proof—the accomplishments of the people of other cities who have met and overcome terrific slum problems—without Federal aid. What other communities can do, Dallas can do. Indeed Dallas already is the pioneer, gaining nationwide recognition for the Little Mexico project, the first of its kind accomplished without Federal funds. Let's not abandon our leadership. Even without this success in our background Dallas can match or outdo the efforts of those cities listed in the Blueprint for Neighborhood Conservation (exhibit 42) as the Tale of 7 Cities, which are New Orleans, Los Angeles, Charlotte, Chicago, Cincinnati, Newark, and Kansas City. These projects here mentioned were without Federal money.

Take Charlotte, N. C., for example (exhibit 42, pp. 25–26, exhibits 43–44). As of today 12,000 residences have been rehabilitated (10,000 bathrooms were added). Two thousand buildings could not be saved and were demolished, at the owner's expense. Meanwhile the city did its part by paving 65 miles of streets, adding street lights and providing playgrounds, parks, and other needed improvements. Two thousand families were relocated in privately owned homes, rehabilitated or new. Two thousand new private housing units were built—all of this without Federal aid. Note also the financial impact with increased revenue to the city. There are expenses but urban renewal also generates revenue.

The New Orleans story is much the same, so is the Los Angeles story and the others—each without Federal aid. In fact, the cases where there was no Federal aid involved suggest that the other areas getting Federal aid could have done it on their own.

The case of Memphis, Tenn (exhibit 45), is another example of the local people—bankers, insurance men, builders, realtors, and citizens doing the job—without Federal aid, and without eminent domain. The power of eminent domain, the taking of private property, does not necessarily have to be used in urban renewal, where owners are given a chance to participate. True, they must be told to clean up, sell, or have the city clean it up at the owners' expense. The result is greatly increased property value so the owner can hardly object. Even in cases where property does not conform to the zoning requirements, the owner can be given a chance to abate the nonconformance through remodeling or removal of the building, still retaining the land ownership. The property is not taken away without his having a chance to participate.

In Gadsden, Ala., it is my understanding that no right of eminent domain was used in redeveloping a rundown area. Neither did this city have a proper housing code or proper enforcement (compared to Dallas). City teams talked to owners about rehabilitation. When the owners refused to clean up the slumlike property, the city teams went directly to the property tenants. Each tenant was asked if he wanted a new home in a nearby residential development to be built with FHA financing under section 221. When most tenants signed up the realtors, builders, mortgage men, and bankers went to work. A lovely new development was completed. The tenants moved into the new homes. The old shacks were left vacant. The owners then agreed to cooperate.

The definition of bad housing and what can be done about it is meaningful to property owners, as outlined in the pamphlet The Real Estate Man and Housing Reform (exhibit 46). Another good summary of a positive program without Federal aid is described in the Washington Star article entitled "Realtors have a plan for better housing" (exhibit 47). Their way is neighborhood conservation carried out by private enterprise. It requires areawide, community-wide planning embracing a good housing code, proper zoning, a suitable assessment

and tax structure, health and safety code with the necessary enforcement inspection. This is simply good city operation, something understood by Dallas people and their officials.

Two pamphlets put out by the chamber of commerce entitled "Urban Development Guidebook" (exhibit 48) and "City Planning and Urban Development" (exhibit 49) further outline the necessary program to accomplish urban renewal—and without Federal aid, although such aid is recognized as available. The need for private enterprise and local initiative has been rediscovered by the residents of Gary, Ind., who have offered for sale Duneland Village, a complete public housing development of 165 units (exhibit 50). Upon the sale of public housing these advantages would accrue (1) revenue from the sale would be realized, (2) stop further Federal subsidy using the taxpayers' money, (3) the property would start to pay its full share of local taxes, (4) the morale of occupants would be greatly boosted, no longer ashamed over others helping to pay the rent, (5) and no political worry over being evicted if their salary is increased.

Section 406 of the Housing Act of 1954 permits a resolution or ordinance by the city council or a referendum by the citizens to call for the liquidation of a project (see exhibit 50–51). The city would then negotiate with the Federal Government and the project will be sold by the public-housing authority to the highest bidder after public advertisement. The bonds supporting the project would be repaid and any receipts above the indebtedness would be paid to the city and Federal Treasuries.

CONCLUSION

Urban renewal is a local problem, concerning local property, and local property owners. The local citizens, as property owners and taxpayers, also foot the bill in every instance. "That government is best that is closest to the people" is no empty axiom. Our mayor and city council backed by local judgment can better solve our local problems than the distant Federal Government. Further, Federal aid weakens local government, costs more to do the same job, and violates the individuals and States rights guaranteed by the Constitution.

We shouldn't try to transfer our problems to the Federal Government for solution. The Federal Government will accept them always and try to do the job; this is the politically expedient thing to do.

In our conscientious recognition of the need for slum elimination, a view we all share, we must beware of dubious means to a very justifiable end.

The matter of Federal regulation following the use of Federal funds will no doubt continue to be misunderstood by some in Dallas, just as in Washington. So let me point out examples of controls we must accept (1) forced integration is part of public housing, so the Court has ruled, (2) the wage rates on urban renewal land clearance will be set by the Secretary of Labor, not by local people or the local economy, and there is no legal recourse from such wage predetermination. These are just two examples of imposed control.

I believe the acceptance of Federal money for purely local projects to be wrong. So I oppose this use of Federal money. Can I take any other course than to oppose what I think wrong? If, in fact, Federal aid is wrong, and those who think it is wrong fail to oppose it, what is our Nation's future?

As I see it, the truth is the job will be done locally. It is just a question of recognizing responsibility and properly labeling what must be done, and then doing it. This will require responsible property owners (and responsibility accompanies ownership); it will require a courageous mayor and city council; it will require an understanding and willing citizenry.

All these ingredients of success Dallas has, no less than any other city. We can do the job locally without Federal aid.

